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Transforming Finance Now

Getting your Finance transformation off the ground, accelerating, and taking it higher.

Find out the steps you need to take to get your Finance transformation off the ground, using data and analytics more effectively to prime Finance for success as a core strategic function of your business.
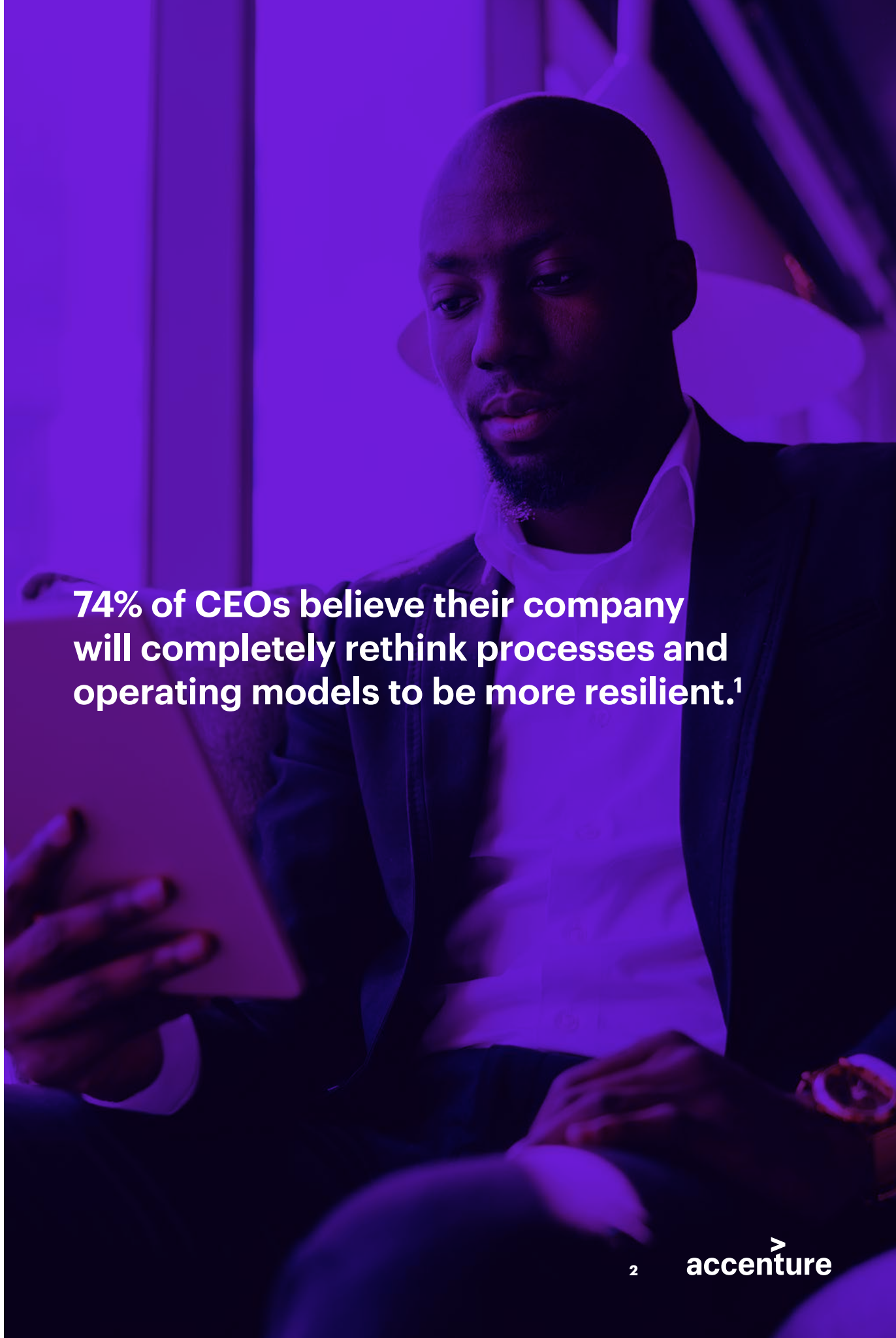
Finance is evolving from caretaker to value creator

These are testing times for Finance. As businesses see their normal revenue streams dry up and their vendors struggle to stay afloat, they look to their Finance department to help them stabilise the balance sheet, make strategic decisions to generate cash, and accelerate recovery.

But this new focus has uncovered a gaping hole in Finance capabilities. While there's no shortage of data, Finance is lacking visibility over it. And Finance itself remains too reactive with the time-to-report no longer matching the pace of business.

In such a volatile landscape, Finance can no longer just preserve. It must now also join the hunt for opportunity to see where cash opportunities can be not just uncovered, but created.
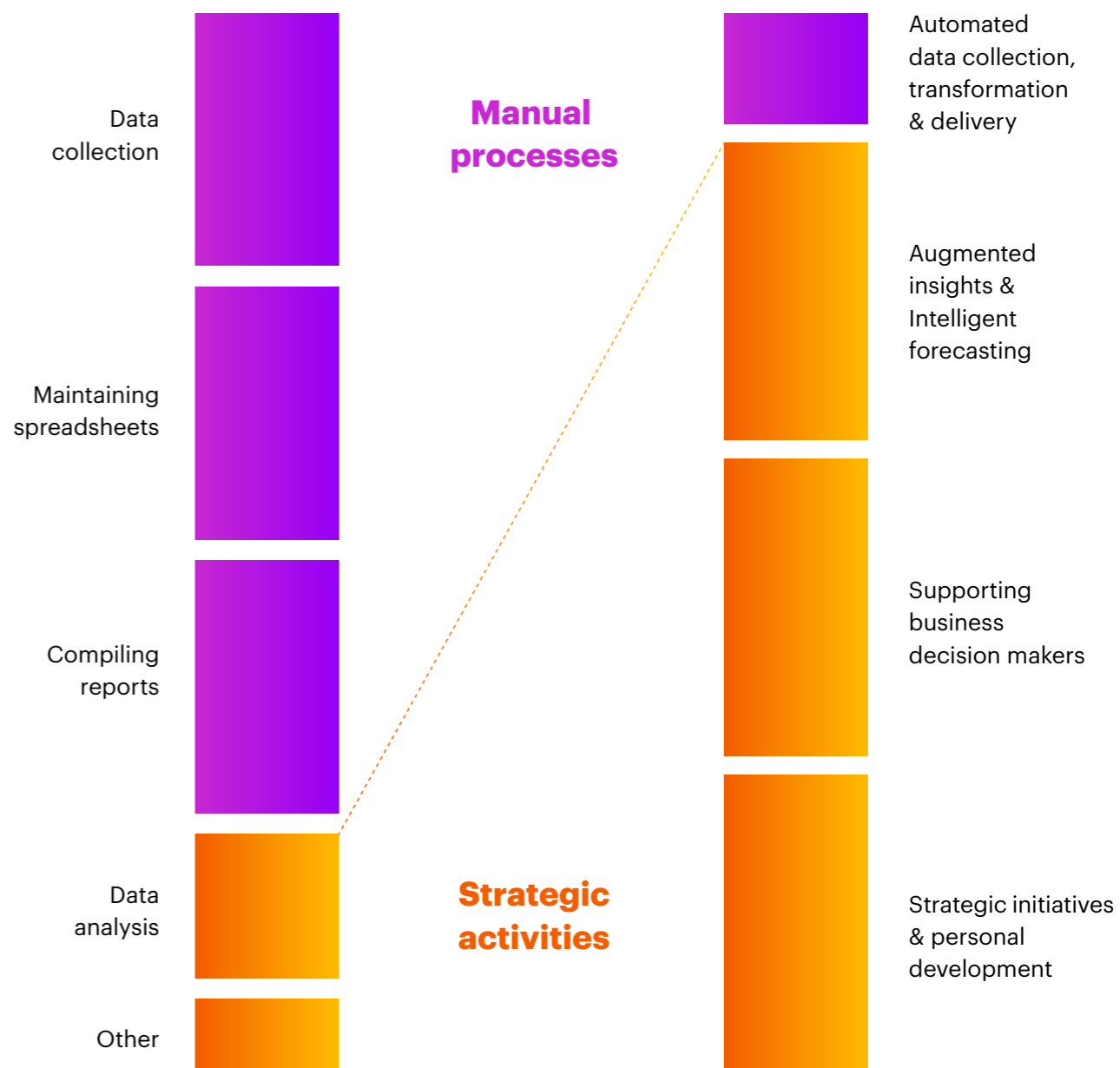
74% of CEOs believe their company will completely rethink processes and operating models to be more resilient.[1]

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Transforming Finance Now

Finance transformation changes the role of Finance personnel

This shift requires a rebalancing of day-to-day finance activities, finding new ways to complete essential process-heavy tasks and freeing up time to focus on more strategic activities that will grow or transform the business. Growing data and analytics capabilities hold the key to re-addressing this balance.

Data collection

Manual processes

Automated data collection, transformation & delivery

Maintaining spreadsheets

Augmented insights & Intelligent forecasting

Compiling reports

Supporting business decision makers

Data analysis

Strategic activities

Strategic initiatives & personal development

Other

From economic guardians...

...to architects of business value...

...to catalysts of digital strategy

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Key aspects of Finance transformation

Protecting against market risk
Against a backdrop of market volatility, businesses need to stay one step ahead of cash flow, able to identify current and future trends and make decisions using intelligent forecasting. Financial reporting must be more timely, more flexible and able to natively translate complex components in a single instance, for example across multiple legal entities and currencies.

Modernizing processes
With many Finance calculations still performed in Excel spreadsheets—owned by different people—dealing with Finance often involves a pipework of frustrating bottlenecks. Data is siloed and processes are laborious, with talented staff wasting time copying data from place to place. To address this, leaders need to make productivity gains by introducing intelligent tools and processes.

Freeing finance data
Finance is trusted with some of the most valuable data of the business, but this often means much useful, non-sensitive data gets unnecessarily locked away. Proprietary systems also tend to be difficult to extract data from. Improving data access and governance will help Finance improve time-to-insight and help the business become more responsive in the face of uncertainty.

Improving cross-departmental collaboration
Finance data is essential to effective decision-making. Not only do leaders need fast, accurate insights, they also want support with more advanced modeling activities for high-level business decisions. Giving the wider business better access to financial data, as well as more timely Finance support is needed to help the business succeed.

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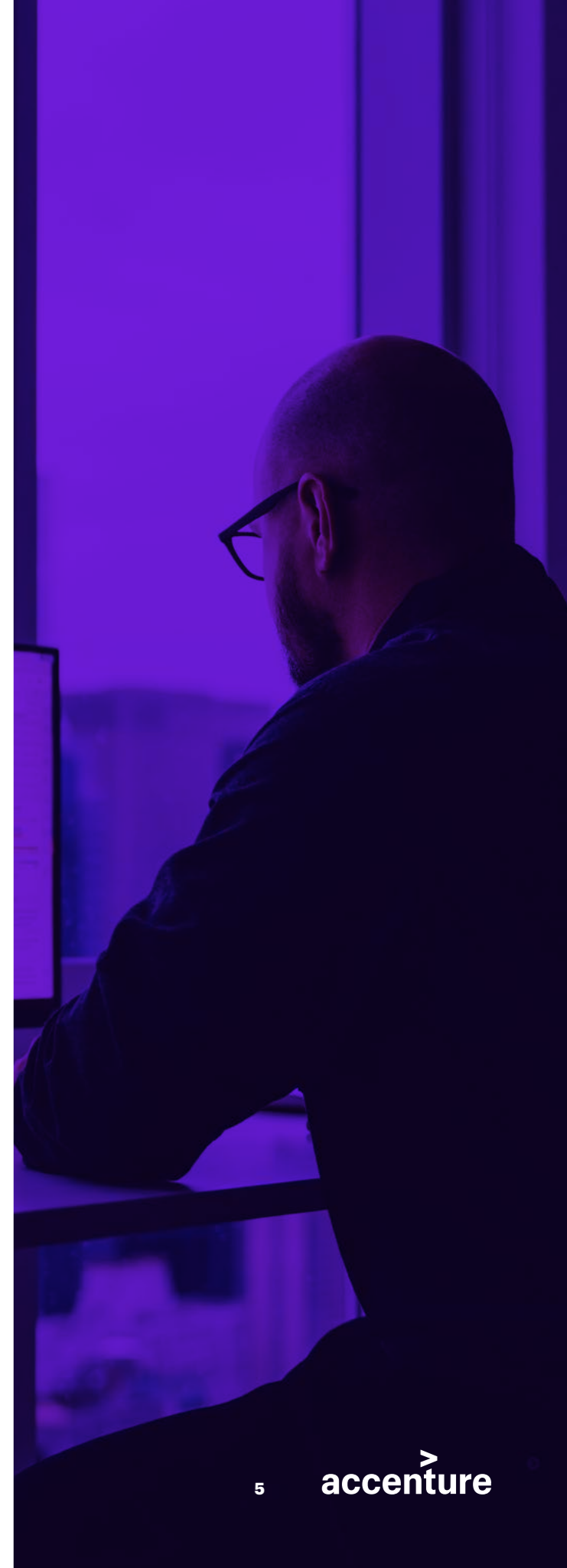
Using data analytics to build a more strategic Finance function

Unlocking data is a key challenge for Finance
Currently, the way data is used in Finance is highly reactive; each department extracts its own data, cleans it, reconciles and reports—usually to a set cadence. Every ad hoc request for data must also fit to this rhythm, and because data is largely handled in Excel spreadsheets, owned by individuals, this work is not shared between departments, resulting in duplication of effort and very slow lead times.

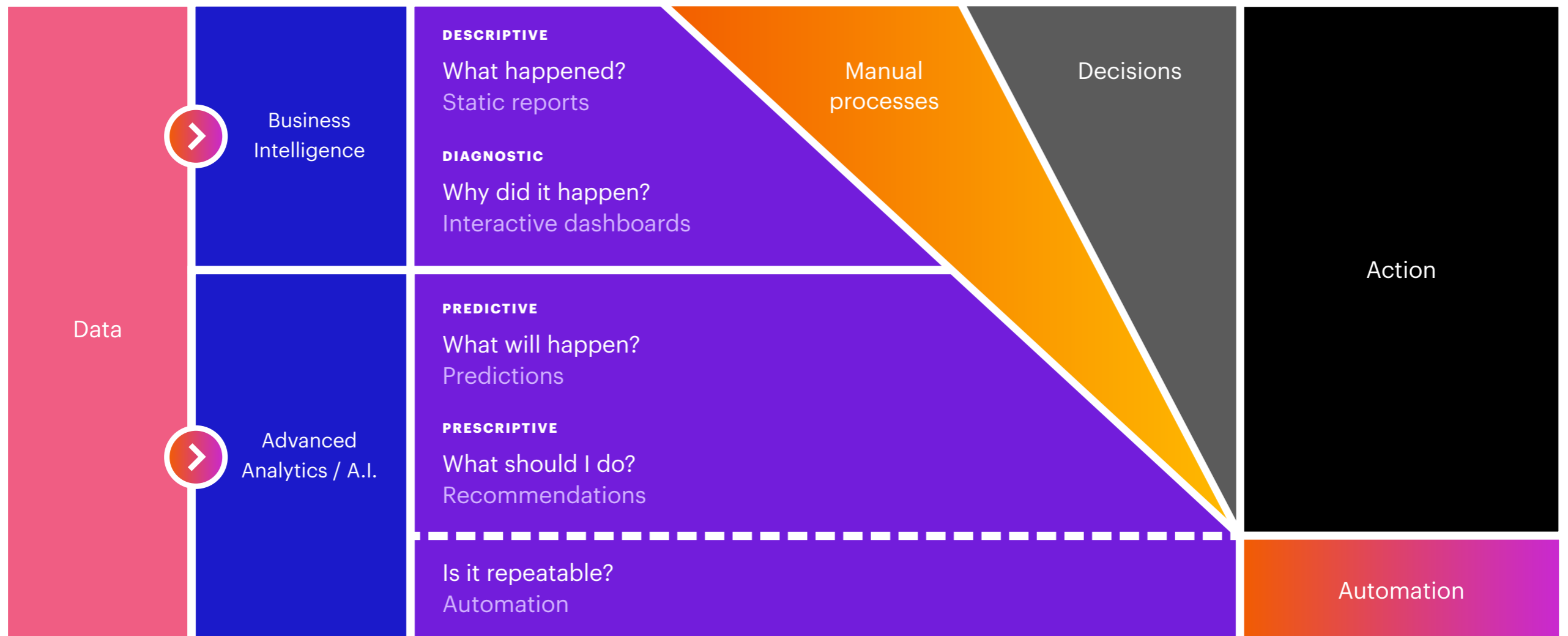**Data analytics lies at the heart of Finance transformation**
By using data better, Finance can be more proactive, more predictive and more strategic. A large amount of value can be released by starting with the basics: making the data itself more descriptive to minimize cleaning, interpreting and duplication; and making it easier for multiple departments to use and understand to diagnose where improvements can be made.

Cloud-based analytics can solve many data challenges
These things can be addressed by pulling data into a cloud-based business analytics tool, which will help to provide a single source of truth across multiple departments. Once this is in place, it can be used as the foundation for further predictive and prescriptive capabilities (RPA, ML, AI), alleviating Finance personnel from process-heavy tasks and allowing them to focus instead on optimising and growing the business.

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Growing analytics maturity: moving from description to prescription

Many businesses make the mistake of trying to run with data analytics before they can walk. But if your organization is wedded to Excel, your data is likely to be siloed and unstandardized—you need to solve this before moving to more advanced activities. As you move along the maturity scale, manual input is reduced, use of automation grows and more time is allocated to supporting strategic activities.

Data

Business Intelligence

DESCRIPTIVE
What happened?
Static reports

DIAGNOSTIC
Why did it happen?
Interactive dashboards

Advanced Analytics / A.I.

PREDICTIVE
What will happen?
Predictions

PRESCRIPTIVE
What should I do?
Recommendations

Is it repeatable?
Automation

Manual processes

Decisions

Action

Automation

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Putting Finance in the driving seat

STAGE 1 DESCRIPTIVE ANALYTICS

Make data more usable, accessible and intuitive cross-department.
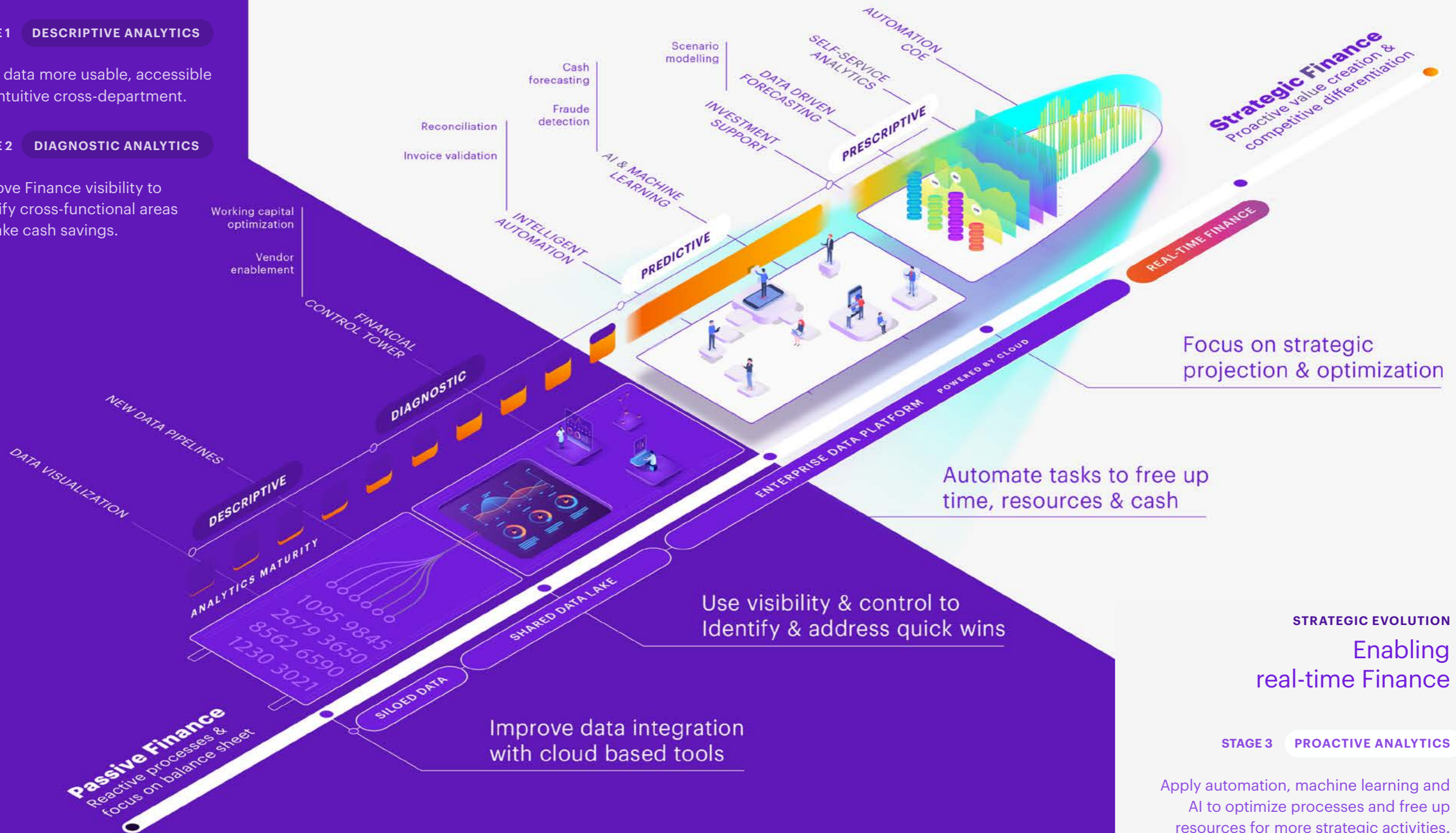
STAGE 2 DIAGNOSTIC ANALYTICS

Improve Finance visibility to identify cross-functional areas to make cash savings.

Just **21%** of CFOs currently use operational data to identify new value.[2]

Just **20%** of CFOs include macroeconomic data in their forecasts.[2]

88% of CFOs have introduced new metrics to better leverage finance's influence on the enterprise.

AUTOMATION COE

Scenario modelling

SELF-SERVICE ANALYTICS

DATA DRIVEN FORECASTING

Strategic Finance
Proactive value creation & competitive differentiation

Cash forecasting

Fraude detection

Reconciliation

Invoice validation

INVESTMENT SUPPORT

PRESCRIPTIVE

AI & MACHINE LEARNING

Working capital optimization

Vendor enablement

INTELLIGENT AUTOMATION

PREDICTIVE

REAL-TIME FINANCE

FINANCIAL CONTROL TOWER

NEW DATA PIPELINES

DIAGNOSTIC

POWERED BY CLOUD

Focus on strategic projection & optimization

DATA VISUALIZATION

DESCRIPTIVE

ENTERPRISE DATA PLATFORM

Automate tasks to free up time, resources & cash

ANALYTICS MATURITY

1095 9845
2679 3650
8562 6590
1230 3021

SHARED DATA LAKE

Use visibility & control to Identify & address quick wins

Passive Finance
Reactive processes & focus on balance sheet

SILOED DATA

Improve data integration with cloud based tools

STRATEGIC EVOLUTION

Enabling real-time Finance

STAGE 3 PROACTIVE ANALYTICS

Apply automation, machine learning and AI to optimize processes and free up resources for more strategic activities.

STAGE 4 PRESCRIPTIVE ANALYTICS

Use AI to aid decision support through advanced modeling, and enable real-time Finance through self-service tools.[2]

60% of traditional finance tasks are now automated, up from 34% in 2018.[2]

72% of CFOs say they now have the final say on the appropriate technology direction of the enterprise.[2]

86% of CFOs have increased the frequency and scope of collaboration with C-suite partners.[2]

Putting Finance in the Driving Seat

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How to start putting Finance in the driving seat

Transforming Finance means **changing an established culture**, with staff (and business leadership) who are comfortable with process-heavy, methodical and siloed working. This might mean **Finance is a low priority on the transformation agenda.**

High on the agenda is the balance sheet squeeze, exacerbated by the recent COVID-19 pandemic which places an extra burden on Finance staff and leadership. By **introducing new analytics capabilities to address the balance sheet**, Finance can prove the value of data initiatives and establish trust. This analytics foundation then **allows Finance to pinpoint and pursue further strategic optimization projects** throughout the business. Finance becomes a strategic driver—a seat of business reinvention.

From quick wins, to business reinvention

Now ——————————————————————————————————— **Next**

Establish quick wins

Automate processes to solve the immediate balance sheet squeeze, alleviate the workload of finance staff and prove value quickly. Pursue low hanging fruit and then invest savings in new, more complex transformation projects.

Scale successes

Improve operational efficiency, establish governance and improve data and analytics capabilities to start pulling value levers and building trust and value across the business.

Reinvent the business

Establish shared data sources and reinvent processes to build an intelligent operating model and enable real-time finance capabilities at every level of the business.

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Addressing the Now: Establishing quick wins by making data more descriptive

Making data more descriptive is ultimately about making it more usable. People in Finance are used to downloading incomprehensible CSV files that they need to spend time cleaning or modifying for use in complex spreadsheet models. But by drawing this data into a common system which makes it more descriptive, you can make it more usable.

Steps to creating **descriptive** data

1 Look at what you have
Spend time compiling the data for a normal reconciliation or forecasting activity. Detail the different systems and transformations that need to happen to make data usable. Think about what the data tells you already, and what you would like it to tell you. Think about how this data might also be used across other Finance departments.

2 Introduce visualization tools
Pulling the required data (such as data from SAP) into a data visualization tool (typically by 'copying' it into a secure cloud-based repository) will let you automate data cleansing and interpretation. You can then use this tool to create separate dashboard views of the same data to pinpoint areas for improvement or investigation (i.e – highlight areas for reconciliation etc.)

3 Improve data pipelines
Once a proof-of-concept dashboard has been created, look at how this can be replicated on a regular basis; how data sources and systems can be integrated into the visualization tool to create a self-service BI platform that is easier to navigate than standard system tools. Good data governance is key—you can use identity-based controls to ensure that data is only seen by those with the right permissions.

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Introduce a **financial control tower** to **diagnose** and tackle areas for improvement

Analytics is a key tool for optimizing the overall business; but structural and behavioral barriers often block efforts to create efficiencies or release or grow cash. Departments within Finance are siloed; they consume the same data, but they lack a centralized view.

The **Financial control tower** addresses this problem. It's essentially a shared dashboard, managed by a group of cross-functional and interdisciplinary teams serving the CFO agenda. This centralization provides a 360º view of how cash moves across the business, allowing Finance better visibility over it is managed. This also establishes **unified governance**—essential to the success of strategic initiatives.
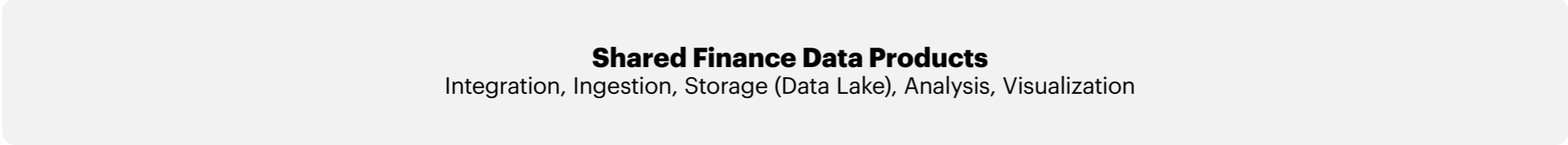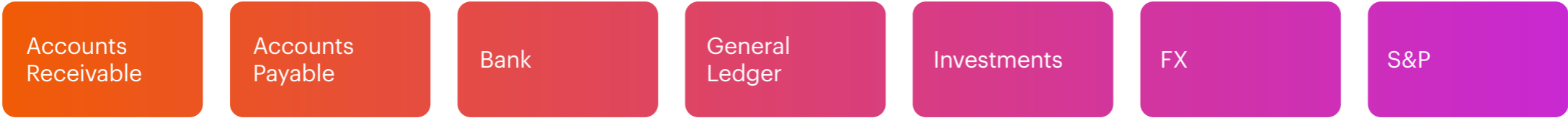
Building your financial control tower

Start by using a control tower to solve a specific and immediate cross-functional challenge, such as liquidity management. The approach can then be scaled to create different towers for different initiatives.

1 **Set the direction**
Assemble your cross-functional representatives and gather data to establish the baseline company performance, then identify and quantify value levers. Prioritize quick wins and develop rapid tactical intervention plan.

2 **Establish 'task force' teams around functional needs**
Establish a **360º governance framework** and cross-functional task forces to tackle identified areas. Establish and communicate tactical plans, with projected timelines. Set up a regular meeting cadence to keep plans on track.

3 **Build a data lake**
Gather, harmonize and analyze data within a centralized **cloud data warehouse** to aid modeling for and other anlaytics activities. This will ensure scalability as activities grow.
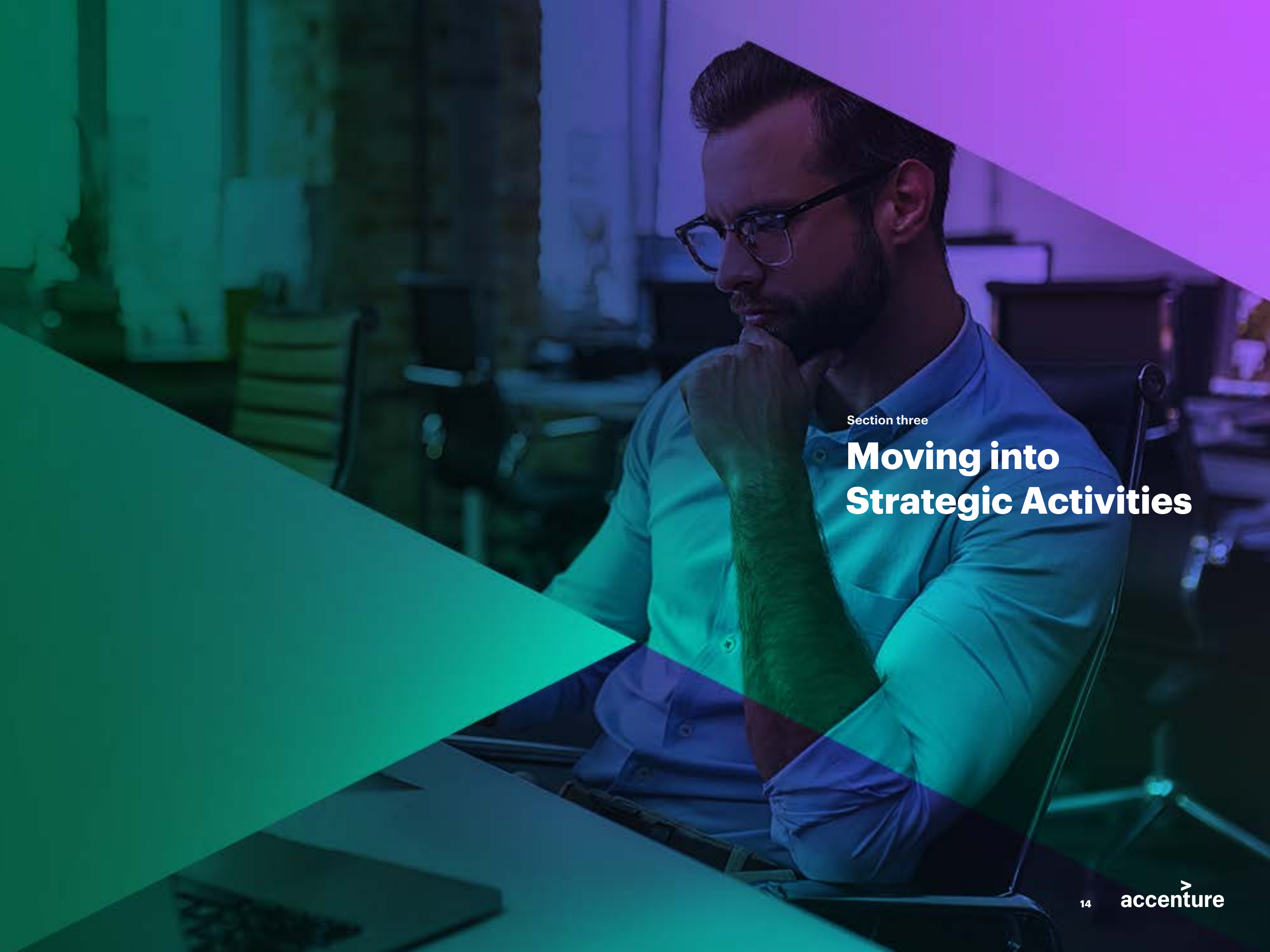
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An integrated architecture that captures all dimensions of cash

**Unifying Finance Through
a Shared Finance Data Products**

**Cross-functional
initiatives**

Accounts Receivable	Accounts Payable	Bank	General Ledger	Investments	FX	S&P

Financial Control Tower
360 visibility, decision-making, and action, based on real-time analytics.

Shared Finance Data Products
Integration, Ingestion, Storage (Data Lake), Analysis, Visualization

Global Cash visibility & funding

Insight-driven procurement

Optimized working capital

Vendor enablement

Supply chain testing & modeling

CapEx Governance

SAP	TMS	Master Data Management	Dynamics365	Point of Sale

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Section three

Moving into Strategic Activities

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Moving into strategic activities: using control towers to address costs, cash and efficiency

Once control towers are established, it's time to start taking action. You might do this through a number of activities: policy changes, process changes, changes to payment terms and the introduction of automation to speed up or improve the accuracy of certain tasks.

Common control towers & initiatives

Liquidity	Finance Operations	FP&A
• Ensure cash visibility and control to better manage cash on hand • Reduce cash trapped and minimise cash buffers • Reduce the cost of debt • Optimize working capital	• Reduce the cost of finance operations • Address inefficiencies across payables and receivables • Automate invoice processing and other manual tasks • Improve credit management	• Model and evaluate the impact fo internal and external events on cashflow, balance sheet and P&L • Drive strategic decisions with supporting data • Optimize funding by aligning to business strategies

10-30%
reduced cost and spend

50%
process FTE-reduction

10-70%
revenue leakage savings

Building your innovation pot
A good strategy in this initial phase is to pursue low-hanging fruit—areas where there are immediate cash savings to be made. Savings can then be partially or fully reinvested into funding further (more complex) projects. This creates resources and budget to accelerate further cross-functional transformation projects.

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Harnessing cloud-based tools

A key benefit of cloud architecture is that it is highly composable: different applications and capabilities can be easily combined to build unique solutions. Microsoft offers the Power Platform as an innovation toolbox, containing **low or no-code applications** designed to help businesses independently build their own apps, automate their own processes and apply AI technologies.
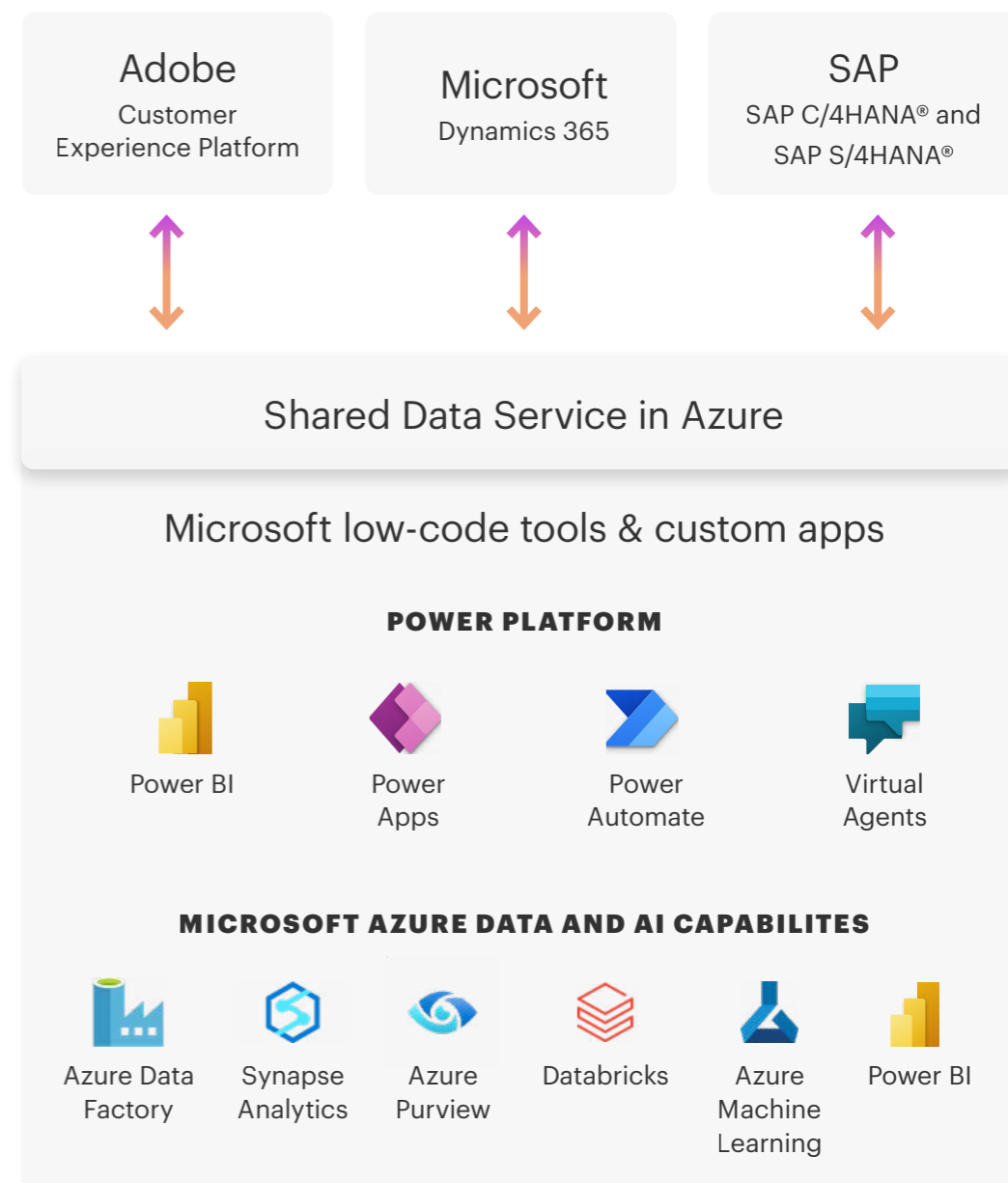
What's more, Microsoft's commitment to the Open Data Initiative expands this model beyond just Microsoft's services; it can be integrated with SAP's tooling (and those of other core systems) to allow its data to be used in other platforms, as well as renew and enrich the data held within it.

> **Harnessing modern workplace for productivity gains**
> Establishing a cloud-based workplace can also create productivity gains by making day-to-day work and collaboration easier for Finance staff, as well as enabling secure work outside of the office.
>
> For example, the Microsoft Teams productivity suite replaces emails with instant chat to reduce time wasted on inbox admin. It also lets staff securely collaborate on shared documents to avoid duplication and integrates with Office 365 and other business apps. These integrations can be further enhanced and customized using the Power Apps tool suite.

Because Finance contains many processes that are ripe for automation, and is often an early adopter of the technology, it can become an automation Centre of Excellence for the business. This can be another way of repositioning Finance personnel as value enablers across the business.

Adobe Customer Experience Platform	Microsoft Dynamics 365	SAP SAP C/4HANA® and SAP S/4HANA®

Shared Data Service in Azure

Microsoft low-code tools & custom apps

POWER PLATFORM

Power BI	Power Apps	Power Automate	Virtual Agents

MICROSOFT AZURE DATA AND AI CAPABILITES

Azure Data Factory	Synapse Analytics	Azure Purview	Databricks	Azure Machine Learning	Power BI

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Unlocking SAP®
and other data silos

SAP® applications are the fundamental system of record for most finance departments and as such hold significant data assets. But these are restricted by the proprietary nature of the SAP system and previously could only be interrogated by limited SAP-native analysis tools.

Until recently, the choice was binary. You put all your eggs in the SAP basket or ditched your long-serving and trusted SAP apps to go all-in with Microsoft. Both options are acceptable, but the solution needn't be black or white; by putting these ecosystems together, companies can unlock significantly greater value.

SAP has huge reach across the enterprise, with S/4 as a digital core (or ERP as the system of record), line of business solutions, and the Business Technology Platform. Meanwhile, Microsoft offers enterprise-grade infrastructure, databases, and a wide series of productivity and platform technologies including data lakes, AI, ML and IoT.

As part of your Finance transformation, you now have the option to modernize your existing SAP landscape by building cloud innovation around it (effectively pulling its data into a separate cloud environment). This allows you to start extracting value from your legacy SAP system ahead of an upgrade into SAP S/4HANA®. Your data platform remains decoupled from SAP regardless of whether you use the legacy platform or the cloud-native upgrade, allowing you to accelerate cloud development independent of the underlying system.

There is a middle ground where a best combination maximizes business value.

Bringing these two giant software and infrastructure systems together takes skill, expertise, knowledge and plenty of tried-and-trusted methodologies and processes.

THE COMBINED APPROACH

Reduce Establish a foundation for digital transformation acceleration, reducing SAP on-premises costs, and improving operational efficiency to support the data strategy.

Renew Enhance existing data, analytics and AI capabilities by exploiting those in Azure - typically focusing on customer experience, data analytics, security and operational excellence.

Innovate Bring new digital capabilities and services to life and accelerate transformation in line with the data strategy unleashing new platform-based products and services, capturing market share and developing new markets.

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Intelligent Automation

Robot process automation (RPA) can be used to free up time and resources within Finance teams. There are a number of advantages to using them: bots work 24/7 and make fewer errors than their human counterparts, this means they can vastly increase the volume of certain tasks that can be performed within a given timeframe.

Bots are best-suited to simple, process-heavy tasks that have linear verification steps: invoice processing, account reconciliation, and onboarding processes. A key use case is for invoice processing, where the bot takes over the task of verifying invoices against pre-set criteria. For high-risk activities, you can automate 95% of the way, before deferring to a human reviewer. Plus, they can now be cheaply set-up using low-code apps and tools.

> A 30% Increase in productivity through Intelligent Automation has been achieved through Accenture initiatives. Results can be achieved in **just a few weeks.**

How to start using Intelligent Automation

Bots are, at their most basic level software programs that can mimic most human-computer interactions. They are easier to use and access than you might think: tools such as **Microsoft Power Automate** allow business users to easily build bots (with little or no coding knowledge). Once built, the bot can be taught to perform the same actions as a human worker, but at an increased rate and with improved data integrity.

1 **Identify activities and challenges**
Spend time speaking to staff about their day-today challenges. What takes the most time? What is most process-heavy? What requires the least expertise?

2 **Map teams and processes**
Map out processes to identify areas where processes need to be optimized, automated or removed and determine where processing is held up, or where mistakes commonly occur. You may even use a **data driven insights** tool such as **Microsoft's Process Advisor** or **FortressIQ** to provide process intelligence, or even a **process mining tool** (such as **Celonis**) to build a graphical representation of tasks within a given area to prioritise specific areas.

3 **Start automating with RPA**
Programmes such as Microsoft Power Automate can provide you with low or no-code tools to record and implement automated processes. Providers such as Accenture can also support with pre-built solutions for specific use cases.

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AI and Machine Learning

In contrast to automation, which simply follows a pre-recorded process, AI gives automated processes the ability to think, make judgements and keep learning as things change. AI marks the move into more **predictive and prescriptive analytics**, helping Finance staff not just by doing the heavy-lifting in complex process-heavy tasks—such as compiling multi-territory reports—but also by flagging or prioritizing findings that (due to time pressures or extensive volumes) might otherwise be missed.

With today's low-code app builders, which use pre-built components, AI solutions are easier to build and implement than you might think.

Use cases for AI

Intelligent Finance agent
An Intelligent Finance Agent is essentially a digital employee that can search for information on a Finance professional's behalf. It can search multiple sources for information and records where information has retrieved from—making it highly useful for audit or compliance purposes. Intelligent Finance agents can also be used in Account Receivables to prioritize certain invoices and proactively reduce write-offs.

Enterprise reporting & budgeting
Compiling reports take masses of time, particularly where multi-territory and multi-currency factors are present. Using AI here can help to manage and convert complex data sets into a single view, also flagging interesting trends or anomalies. For budgeting it may also help to flag previously unnoticed factors (improving accuracy) by reviewing relevant historical data.

Fraud detection
Use an AI-based program to analyze and interrogate invoice features to validate invoices and check them for identifiers of fraud. This program can increase the speed at which invoices can be processed (liberating staff) as well as flagging suspicious invoices to Finance staff for verification, thereby reducing the number of fraudulent invoices paid, and money lost.
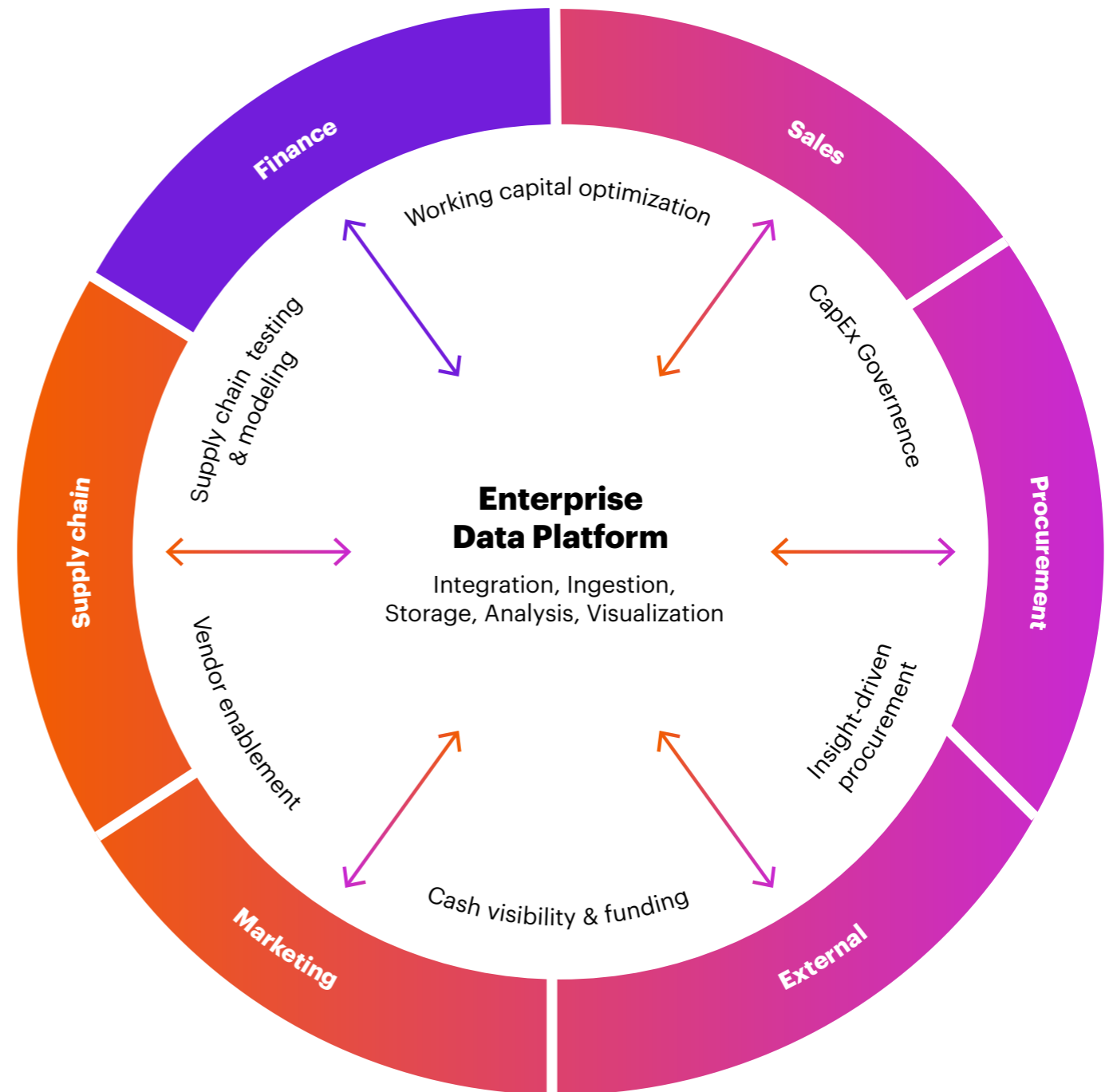
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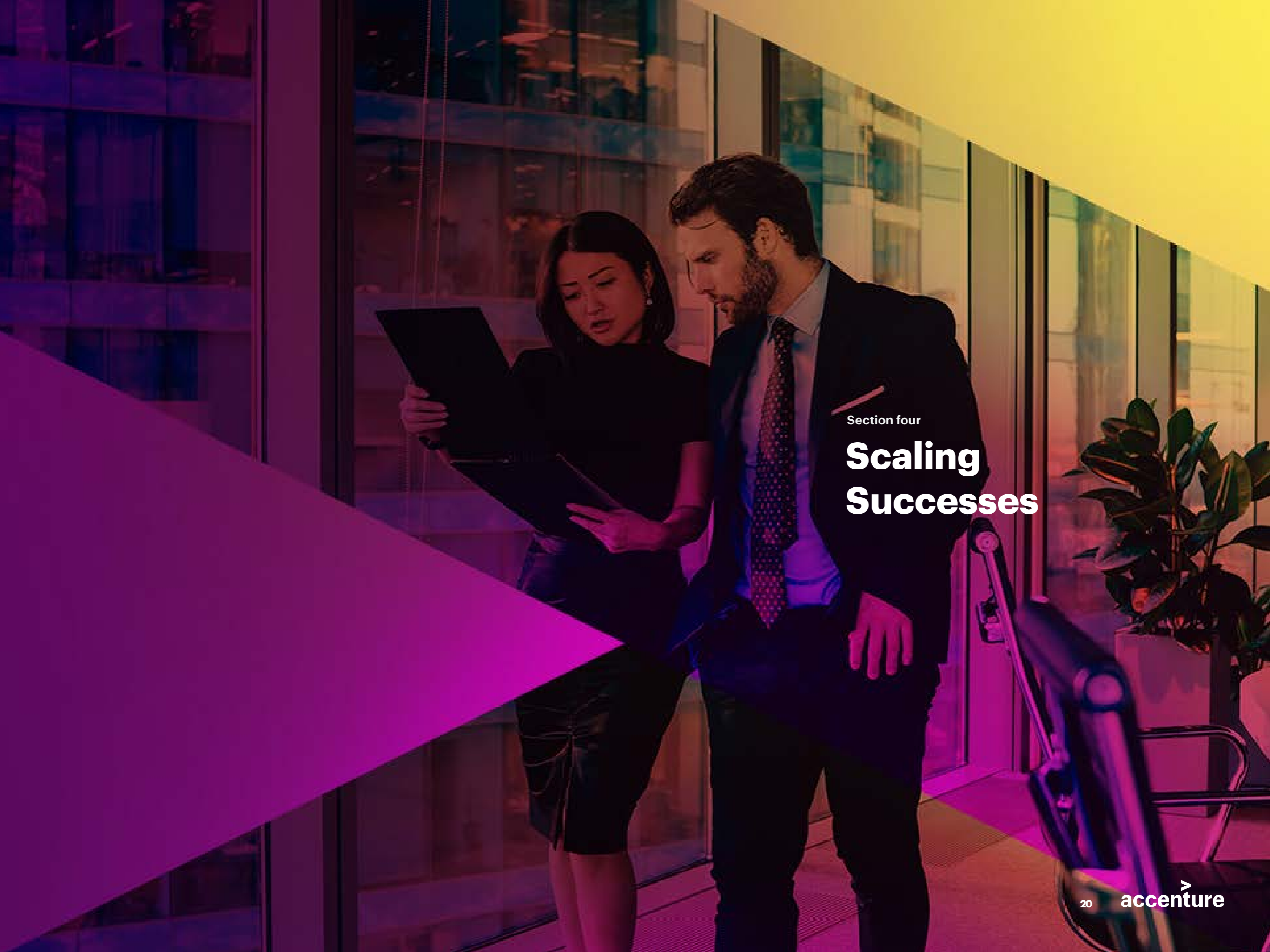
Section four

Scaling
Successes

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Building on your data foundation to scale successes

Addressing immediate pressures on the balance sheet is only one piece of the post-pandemic strategic response. For Finance to support strategically, it needs to help business leaders make better financial decisions. Therefore, to start transforming Finance, organizations must use data better across the whole enterprise – modeling scenarios and identifying risks and opportunities.

If you have started building a common data lake in the cloud as part of your financial control tower, you already have the beginnings of an enterprise data platform. You can build on this foundation by scaling it across the business: integrating more data (for example, across Supply Chain, Sales and Procurement); building specialized, self-service apps to model and interpret this data; extending diagnostic solutions into other areas; and introducing real-time data into operational activities—ultimately building an adaptable, centralized engine for all your business data.

Finance

Sales

CapEx Governence

Procurement

Insight-driven procurement

External

Cash visibility & funding

Marketing

Vendor enablement

Supply chain

Supply chain testing & modeling

Working capital optimization

Enterprise Data Platform

Integration, Ingestion, Storage, Analysis, Visualization

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Using the Enterprise Data Platform to predict, prescribe and optimize for the business

Real-time FP&A

Many Financial modellers will cite Excel as a critical tool for their work. But sticking to it means sticking to reactive, siloed ways of working and limiting the possibilities of what they can do. Using Power BI for FP&A activities will allow them the use of more real-time data, and a much wider data set from both internal and external sources. They can also integrate AI tooling to help perform historical data and flag emerging trends and likely scenarios.

Demand forecasting

Centralizing modeling activities can result in higher fidelity of predictive forecasting. Making data, reports and methods easier to share—improves collaboration, reduces duplication and allows much easier cross-functional analyses. It also allows the easier integration of outside data sources to augment company finance data. The most advanced CFOs are doing this to better understand the leading indicators of demand by comparing consumer search trends with internal data on order books—enabling them to see trends well ahead of indicators appearing in the company's P&L.

Proactive vendor management

Through better data integration, financial modeling can be extended beyond the immediate business. It can be used to stress test supply chains and predict vendor behaviour. Using advanced modeling, businesses can identify areas of risk, and take action to mitigate them: this might include assessing scenarios to ensure production continuity or re-route capacity to keep the busines operational through uncertainty; freeing up cash by reducing unused inventory and improving service levels by rectifying weak links in the chain.

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Moving to the NEXT: Driving business reinvention through Finance

As Finance begins to assist in strategic initiatives across the business, we start to see a cultural shift. Finance becomes an enabler. It proactively unlocks value. It makes suggestions on how the business can be optimized. Its people are viewed as strategists, rather than bookkeepers.

This cultural shift is at the core of finance transformation, with Finance wielding the power to unlock data value and translate it to cash value to fuel the growth of the business. This shift involves the continuation of several key areas.

Continual discovery, diagnoses and optimization
In the data-driven finance model, **Finance personnel are liberated from time-consuming process-heavy tasks**. Instead, they have time to **pursue initiatives, support strategic activities and advise the business on real-time financial decisions**. The enterprise data platform—integrating live data sources from across the business and beyond—makes this possible. Self-service analytics, using advanced models designed and continually optimized by Finance, make sure that **financial data can be used to back important decisions.**

Process reinvention through digital FinOps
This is where you stop doing processes as they've always been done and start thinking about how they can be done better. **Finance staff can make huge impacts on the business by helping to identify new areas for automation**, data opportunities, or cross-functional financial improvements. By combining their own expertise with cloud-based tools, such as **Microsoft Power Apps**, or **Power Automate**, Finance staff can easily start to build solutions to solve specific finance challenges across the business—**even becoming an automation centre of excellence.**

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The combined capabilities of Accenture, Microsoft and Avanade—based on human-centric innovation, leading data on cloud solutions, industry knowledge, responsible AI and agile delivery—set us apart from everyone else.

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