



CIO 24-7 LIVING SYSTEMS PODCAST - FINANCE

AUDIO TRANSCRIPT

KC McClure, Chief Financial Officer -

Accenture [00:00:01] What we're embarking on is even more than what we've ever experienced before, really being able to focus on being a business adviser to our client teams, helping to shape solutions that bring Accenture value and clients' values.

Penelope Prett, Chief Information Officer -

Accenture [00:00:18] Hi, it's Penelope Prett, Accenture's Chief Information Officer. And I'm happy you can join us today as we speak with KC McClure, Accenture's Chief Financial Officer. And today we'll be discussing how Accenture Finance and Accenture IT have paired together to drive a digital transformation journey for Accenture Finance. KC, can you tell us a little bit about the Finance organization that you lead and the steps in the journey that you've taken so far?

KC McClure, Chief Financial Officer -

Accenture [00:00:45] Yep, sure thing Penelope. It's great to be here and thanks for asking me to join to talk with you today. So, you know, we've been on a pretty exciting, transformational journey in Accenture Finance. And I would wind back the clock to as far as 20 years ago, right when we were going to our IPO, where we really wanted to make sure going from private to a public company that we had the right technology foundation first. So that's really where we started.

And then we really did varied stages of transformation, such as really looking at global shared services earlier in our transformation. And then probably more recently, the digital technologies solutions always underpinned with a focus on process excellence and the training and development of our people. And so, you know, I look at where we are today, as our business has grown and become more complex. You know, we're at about forty five billion dollars.

As you know, five hundred thousand people all over the world. We need to continue in Finance to transform to meet the needs of that business. And so really what we've been working on very recently is making sure that we're driving value for Accenture, for our clients and for the people that work within the Finance function as well as our people here writ large at Accenture. And I think, you know what's really exciting to me now, that ties in very much with the work that we do together, is it's very much a strategy around human and machine, right, and leveraging the digital tools that we have because the people on my team want to be business advisors.

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That's really what Finance people want to be and that's exciting to them. And so the more that we can use and leverage technology to free up that capacity is really the next transformation that we're really embarking on or continue to be embarking on.

Penelope Prett, Chief Information Officer -

Accenture [00:02:50] It's been an amazing journey to watch. And your area in particular - and we really appreciate it - has been very willing to take on the latest technologies, including being the first major system in Accenture to move to the cloud. And when you think about things like the move to the cloud, getting to a platform, backing in the other technology foundational elements that we've been installing for you, how does that impact your ability to close our business, KC, and to predict what's next?

KC McClure, Chief Financial Officer -

Accenture [00:03:18] Yes. OK. I would say the first thing Penelope it does for me is it just gives you speed. I mean, what we've been able to do is...and I'll give a couple examples...but give speed to a company of our size and our complexity. So if I look at just closing the books, it sounds kind of mundane, but every CFO knows how important that is, right? We're able to close our books globally in five days, which is really significant. And it totally takes us six days to get final management reporting. So you can think about the environment that we're in today, you know, which is very uncertain with the macro. You know where it is. We do a full closing every month. I get it six days after the month ends and it's all backed by an SAP platform, that also enables us to make sure that it's not just speed, but it's also accuracy. I'll give another example. As you well know, we took this complex company and we reorganized our external financial statements mid-year. So, for my CFO brothers and sisters, that's not something that most people do, right? So we did that midyear because of our partnership

, because we knew we could test and make sure that everything was going to work and I could produce financial statements to the SEC, which is kind of a pretty big thing, and not miss a beat. And we did all that - we didn't really realize it - but during the pandemic. And that went flawlessly. So I think it's really been able to give us speed and accuracy that we never would have had, to be able to take on what we've done just in this last six months.

Penelope Prett, Chief Information Officer -

Accenture [00:05:11] We were very fortunate in working together that we were able to get everything pretty much installed before Covid actually hit. But can you talk a little bit, KC, about how having this system in place has made a fundamental difference for you in managing through this period of Covid uncertainty?

KC McClure, Chief Financial Officer -

Accenture [00:05:28] There's no question that it has been so fundamental that I wonder how people do without it. And let me explain what I mean by that. Again, I've talked a bit on speed and why that's so critical. But there's speed and there's predictive analytics. So let's talk about the speed part first. So when the world changes as suddenly and abruptly as it is, it does, you need data, right? And I'll use the example of, you know, right now cash and liquidity is all that you read about, right? And while we've always had a very strong position, we're no different, right? I need to make sure that we were really laser focused on our key metrics on liquidity and cash. We have, as you know, this terrific intelligent cash solution that, because of our technology, it can let us see real time what we're collecting, what our billing is, what's outstanding. We have granularity where we can touch our cash inflows and outflows around the world daily, real time.



So when you're in a challenge like this with such a large global, complex company, that's the kind of stuff that allows me to sleep at night. I know where we are, right? So that's the first thing on cash and liquidity. The other part is we have predictive analytics, right? So we built, with all of you, predictive analytics tools, but they're based on patterns of what has happened. Well, guess what? Now, predictive analytics may take a little bit of time to catch up to what's been happening in the last few quarters. So we need to invoke much more rigorous, real time data around our key metrics. So we picked, you know, about 20. So not too many, but enough around our key areas of our P&L that we were able to produce daily, weekly and sometimes biweekly whatever we needed solely because of the technology that we've installed. And so we were able to get the data quickly, have it accurately and then we worked on analyzing and doing business commentary around it, which is what our Finance people want to do. So I say those are just two examples - cash and liquidity and predictive analytics - that we have tools for....they don't work right now, right? And so we had to employ something else and we could spin that up and we did it within a week. So those are two great examples of how this helps me navigate through this new environment.

Penelope Prett, Chief Information Officer - Accenture [00:08:07] And when I reflect on field conversations I've had with clients who were installing financial backbones, fast close on what is and predictive analysis on what could be so that they could adjust their positions prior to the next month's executional work was kind of the Holy Grail. And you're mostly there at this point, which is fantastic. So we think about that, KC, what's ahead for you? What do you look to do next? Now, which you've reached the top of this particular journey?

KC McClure, Chief Financial Officer - Accenture [00:08:35] Yeah. So it's really exciting because Penelope it allows us to - I think really with the Finance team- be excited to come to work every day.

What we're embarking on is even more than what we've ever experienced before in terms of really being able to focus on being a business advisor to our client teams and our clients, right? Out more and more with our clients helping to shape solutions that bring Accenture value and clients value. So as we continue to grow and use the leverage of our digital tools, we're working really to automate or eliminate activities that are better suited for machine processing. And I will tell you that it's the team that's running there, it's the people who do these activities that are running there, right? They want to move to the higher value activities. They want to be freed up to think, to spend time on planning for the future of the business, analyzing what's happening today and advising the business runners. That's exciting to them. We have a large Finance team so as a leader, to me, our technology is an employee value proposition. It's exciting for people, right? Because that allows them to be able to do what they want to do. I'll just give an example. You know, like many other companies, we do multi-year planning. I do that with the board, right? Because of what we're able to do in terms of analyzing our business, we have tools now that help us predict in a long timeframe what we could look like based on industries and geographies, right? That used to all be mail. They used to be Excel spreadsheets, right? And a lot of human intervention. We take that data. It's reliable. It's accurate. It's timely. And given the platforms that we're on and the fact that we're in the cloud, we can crunch so much data so quickly. We never would have been able to do that in the old world that fast. So I think that's one area. The second area is things that are really important. I call it the way the machine runs. We have silent operations, right? So our books close well. We have strong internal controls. We don't have errors

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. That doesn't happen by accident. It's a pleasure for me to be a CFO of a Finance organization that runs that way. But we're able to use AI machine learning to automate account reconciliation to look at cash applications. Our internal audit function is a great example of where we've used technology, right? RPA to really focus on the areas of risk, right? So all of those things that I don't ever take for granted, because I know that it's underpinned by a lot of work that everyone's doing in technology and your teams and the Finance teams that work together so well. But I just enjoy the fact that we're able to kind of move immediately to the higher end of the value chain just because the foundation that we have here in Accenture Finance built with you and your team and CIO.

Penelope Prett, Chief Information Officer - Accenture [00:11:47] Well, KC, it's been a fantastic journey working with your team. We much appreciate close collaboration and I think we achieve some incredible things together. It's going to be an equally exciting year coming up and I hope that 12 months from now or so, we can sit down and you'll be sharing another exciting batch of capabilities with our market.

KC McClure, Chief Financial Officer - Accenture [00:12:06] There is no question I look forward to doing that because you know, more now than ever the success of what we're doing in Finance is hinged on the success of what we do together, Penelope, with your team, right? It is. You know, it's almost sometimes hard to see how they merge together. We are one, multiservice group, right, that is working together to drive the same outcome for Accenture. And I just I love working with you and I really appreciate the partnership. And I feel very fortunate to be working on what has already been built and to take it to the next level

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Penelope Prett, Chief Information Officer - Accenture [00:12:43] Thank you, KC. I look forward to talking again soon.

KC McClure, Chief Financial Officer - Accenture [00:12:47] Me too. Thanks Penelope.

Narrator [00:12:49] Thank you for joining today's podcast. Be sure to subscribe to the Accenture CIO podcast series on Apple podcasts or Spotify. Find the full CIO 24/7 podcast series and additional ways to subscribe at [accenture.com slash CIO podcast](https://www.accenture.com/cio-podcast).