Architecting the high velocity finance organization

High performance. Delivered.
Over the next few years, CFOs’ organizations will enter a truly transformational era of technology-enabled finance. As we move rapidly into the digital age, finance technology is evolving to support the essential characteristics of a digital business: agility, nimbleness and real-time response. We see this as the third age of finance transformation.

The first transformation era saw ERP implementations to automate transactions and accounting. The second era included database-driven information management and e-commerce that led to deeper and more valuable data insights, changing the role of the CFO’s organization from essentially keepers of accurate records to analysts of performance. The third, or digital era, is witness to the seamless technological enablement of routine functional tasks that is liberating finance professionals to focus on a new role: creating enterprise value.

Why the finance function needs to transform
Digitization is fundamentally changing how business is carried out in an ever-broadening number of markets. To respond effectively, capture growth and mitigate risk across their diverse and volatile markets, all organizations need, above all, to become more agile.

Yet many enterprises to date have tended to meet the increased volatility, speed and competition they face not with agility but by developing ever more complex operating models. And that complexity forms a major barrier to both top- and bottom-line growth. It falls to finance to take the initiative and drive simplification within the organization, with the CFO’s organization taking the lead in designing and pursuing the proactive strategic responses that will secure effective change.

Addressing complexity
One of the major findings from Accenture’s latest survey of the high-performance finance function—and a key challenge facing finance—is the sheer complexity of today’s business environment (see figure 1). Four of the five top challenges that CFOs identify are in one way or another attributable to rising levels of complexity. Principal among them are: complex legacy systems; addressing the needs of multiple stakeholders; supporting increasingly complex operating models; and mitigating new and complex business risks. As companies extend their operational reach into new markets, and seek out new growth opportunities, they are exposed to new and unfamiliar risks. CFOs need to play a commanding role in identifying, quantifying and mitigating these risks as cost-effectively as possible.

Operating in real time
One of the barriers CFOs face in addressing these multiple new risks is the lack of real-time information. The digital world operates in real time. The lack of real-time data provided and available in user-friendly and comprehensive formats is often, for finance teams, conspicuous by its absence. In consequence, finance teams spend their time trying to gather, reconcile and compile data. What they should be doing is devoting their energies to analyzing information and providing insights that will support decisions to dramatically improve profitability. Particular areas for the finance organization where we see challenges arising from the lack of real-time data include:

- Cash management and working capital optimization
- Insights to allocate capital to value-creating opportunities
- Reporting speed and agility
- Profitability, cost and efficiency pressures
- Risk and compliance
- Fraud detection and monitoring
- No single version of the truth
- Limited flexibility
- Lack of usability and mobility

Figure 1: Four of the top five challenges CFOs face are related to complexity
Which of the following are your greatest challenges as a senior finance executive?

<table>
<thead>
<tr>
<th>Complex legacy systems</th>
<th>55%</th>
</tr>
</thead>
<tbody>
<tr>
<td>The need to optimize capital structure</td>
<td>50%</td>
</tr>
<tr>
<td>Managing the complex needs of stakeholders</td>
<td>48%</td>
</tr>
<tr>
<td>Managing new and complex financial risks</td>
<td>46%</td>
</tr>
<tr>
<td>Need to support complex enterprise operating models</td>
<td>28%</td>
</tr>
</tbody>
</table>

Drivers
- Acquisition-driven complexity
- Globalization
- Regulatory change
- Technological advances

Implications for finance
- Process standardization
- Compliance capability
- New and integrated operating models
- Digitization of finance (cloud, big data, analytics, etc.)
Introducing SAP S/4HANA Finance

Overcoming these challenges and supporting organizations in their move toward the real-time, digitally transformed finance function they require necessitates a major evolution in enterprise systems. And that’s what SAP is delivering with SAP S/4HANA Finance, changing the way ERPs manage the finance function, with a focus on technical simplicity and enhancements both to business functionality and the user experience.

SAP S/4HANA Finance provides a universal ledger that contains all information related to financial, control and profitability analysis. It is built around the user, operates in real-time and provides a new, more accessible look and feel. SAP S/4HANA Finance decreases the requirements on data storage at the same time it increases the speed of results, overall achieving a reduction in technical complexity. With views and apps for mobile devices, it offers finance teams more flexible and agile operational capabilities.

Re-imagine the role and future of ERP for finance

The high velocity enterprise is Accenture’s vision for the next generation of enterprise systems. A high velocity finance organization is the outcome of applying this vision to the finance function. For businesses looking to take advantage of an always on, digitally connected and big-data-driven world, Accenture has developed the high velocity enterprise approach to deliver enhanced ERP assets featuring disruptive technology such as in-memory and powered by digital accelerators like social, mobile, analytics and cloud. For companies ready to embark on their digital transformation journey, SAP S/4HANA is a powerful platform that works with the high velocity enterprise framework to extend the value of SAP S/4HANA, allowing companies to create differentiated capabilities for their businesses and engage with their customers in new and more meaningful ways.

Getting started

Our approach to helping businesses on their finance transformation journey and toward becoming a high velocity finance organization is tailored specifically to meet every client’s unique situation, industry, risk profile and business case. We help finance organizations to rapidly gain the transformational benefits of rich and innovative solutions, deployed in months rather than years. We work with our clients to create solutions for change, delivering agile, nimble and responsive real-time business capabilities. By leveraging existing ERP assets and combining them with the power of new technologies, we can help our clients move forward with finance transformation and support the realization of new strategic value.

What should I do?

Get started now with your high velocity finance roadmap

Where should I start?

Prioritize an existing process that has to change

How should I start?

Learn from the journey and results of other clients

With whom?

Rely on Accenture to coordinate our combined ecosystem

The business vision for SAP S/4HANA Finance

• Transforming periodic finance processes into event-driven continuous processes via real-time information.
• A single source of the truth, with a seamless platform providing flexible on-demand aggregation from individual line items.
• Dynamic planning and analysis with embedded financial modeling along with integrated predictive forecasting, automated alerts and pervasive scenario simulations.
• Mobility and new user interfaces offering mobile data access for managers.
• High flexibility, making it easy to add reporting dimensions and instant reporting on line item data—with everything fully analyzable.
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