

# Your guide to finance transformation in an age of **unprecedented disruption**



# Introduction

Overhauling finance operations is one of the biggest challenges that a company can take on. The rewards can be enormous but the risk is that a poorly managed transformation can jeopardize the stability of the business.

Finance transformation has become more challenging in recent years:

- Undoubtedly, the pace of change has increased. It is interesting to note that the average length of time that a company remains on the S&P 500 Index has fallen from around 60 years to closer to 18 in the last 50 years<sup>1</sup>. Similarly, we see transformation projects that once might have had time scales in years are now expected to finish in a matter of months.
- Add to that a wealth of new technologies and an explosion of data created by the shift to digital and the prospect of finance transformation can feel impossibly complex and fraught with danger.

## Learning from experience

The typical CFO might be lucky or unfortunate enough to see these kinds of complex transformations once every five years in their own business. At Capgemini, we are constantly involved in some kind of change program and this guide gives us an opportunity to share some of our observations.

In this guide, we will show how technology is used to drive efficiency, how to take advantage of a global talent pool and how to deploy automation where it can have the greatest impact.

This guide takes as a starting point, the seven levers of our Global Enterprise Model (GEM)—business transformation principles that are similar to the engineering principles that underpin all examples of architecture.

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*transformation projects that once might have had time scales in years are now expected to finish in a matter of months*

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## The process as a work of architecture

Engineering principles don't determine what you build, but they will ensure that your building stays up—whether you are planning a house, a factory, a stadium or a skyscraper. However, we know that engineering principles are always evolving in a modern world with new materials, new techniques and often new business uses or environmental expectations.

Likewise, our business transformation principles within GEM don't prescribe the type of finance organization that you have, but they do offer a robust and reliable way to ensure that it runs efficiently and effectively whilst delivering value in a controlled manner. As with engineering, we see new expectations (different business models), new materials (technologies such as robotics) and new techniques (different pricing) which all affect how the principles evolve and are applied.

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## Building the foundations for transformation

This guide brings together insights and stories from my colleagues, with suggested actions for those embarking on their own programs.

I hope that the principles set out in this guide help you to draw your blueprints and lay the foundations for finance transformation in an age of unprecedented disruption.

<sup>1</sup> <http://hbr.org/2014/04/the-art-of-corporate-endurance>

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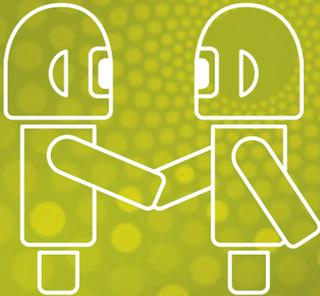
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# In business transformation, robots are our friends

By **Andrzej Hutniczak**



We are in the midst of a revolution in robotics and Artificial Intelligence. Cutting-edge intelligent automation technologies allow us to streamline the business, achieve lower costs, run smarter processes and deliver outcomes more quickly. People are still essential to transforming the finance function but technology changes the kind of people we need and how we deploy them.

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Modern technology creates fantastic opportunities. It provides more space to do more interesting and exciting things with less time on tasks that are routine and repetitive. Sure, it poses a challenge for all of us to be relevant, but wasn't that true at any point in history?

So what will change? Or rather... what has changed already?

There are new and different job families.

It is a popular statement that now every firm is a software company. It is also true for the service firms that offer integrated platform solutions combining service with technology. Provisioning of such platform offerings does require new skillsets and their importance is continuously rising.

Robots are our friends. Not necessarily in the sense of having a good conversation over a cup of coffee, but in the sense that they help us streamline some processes and make them more efficient. The ability to program, configure, run, teach, or supervise robots is a relatively new skill for which demand is continuously increasing.

There are oceans of data, much more so than in our grandparents' era. In fact, 90 percent of the world's data was created in the last two years. However, it requires a new set of capabilities to make use of the data lakes and surf their waves rather than be drawn into their depths.

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*what really matters is human imagination,  
the personal touch and the unique customer  
experience in which we can operate better*

”

The art and the science of wise engagement management are to continually strive for the right mix for each job family. The wisdom of the client is to demand the right mix to assure optimal balance between cost, quality, control and the value delivered.

Today we hear a lot of noise about the next industrial revolution—this time touching not those at the shop floor but rather those sitting at the desks. On a purely emotional basis, should we be afraid or happy about this revolution?

What do these examples mean for the service delivery teams and for the grade mix composition?

The change in the composition of service teams is interesting. We see a higher proportion of project-related teams, more IT and technology-related job families, more data analysts, data interpreters and teams focused on the future to assist better decisions rather than reporting on the past. Similarly, we see insight and action-oriented teams, rather than ones focused on record and report.

The conclusion from the above is that grade mix will become heavier. This is excellent news for all of us eager to learn new things and do clever stuff. However, the shift to more of a project-based approach will challenge companies who are not set up to manage teams this way.

Repetitive, tedious work is being automated, whether through the Internet of Things (stocktaking, fixed assets register), Robotic Process Automation (RPA) (typing, copying, screen scraping, etc.) or business networks (invoice handling, master data).

However, higher than ever before is the demand for the relevant, technology-driven mix of skills: project management skills to cope with numerous projects; data analysts to help firms navigate the storms of continuous change; and finally, for those with excellent interpersonal skills. In today's digital world of automation and constant change, what really matters is human imagination, the personal touch and the unique customer experience in which we can operate better.

Designing the right pyramid structure for a short-term project is one of the key ingredients for success. It is even more important for long-term service assignments, as is the case with digital finance transformation.

Having a team of the right skill mix, seniority and experience, properly mapped to service expectations, is crucial. "Right" is the key word here as it is a dangerous adventure to staff a complex service with too flat a pyramid in an attempt to maximize profitability. Equally, it is suboptimal to keep very experienced people doing a simple and routine job. Not only from the cost perspective but also because if they are bored, then they will not perform.

Even if it sounds simple and obvious, it requires a certain level of maturity to do it right. Business Process Outsourcing is focused on building and sustaining long-term relations with the clients. You can only achieve this by doing things right and doing them well.

# Recommendations

1

Ensure you have the skills available for the coming waves of technology.

2

Determine how you can take advantage of the cloud and get the best from the “as-a-service” market.

3

Recruit and develop people with analytical skills, digital customer experience and project management skills.

# How global centers of excellence can power change

By **Marek Grodzinski** and **David Blackwood**



Technology demands new roles but it also has an effect on where those roles will be performed. The right location for your business is something that many companies have taken for granted in recent years but it deserves more consideration in the digital age.

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The modern business has been global for a while, with its expansion sometimes driven by the search for efficiency and sometimes by historical accident. Digital technology amplifies the benefits of globalization but it also raises tough questions.

With a workforce collaborating across multiple time zones, for example, security can be a big challenge. New remote working tools often grow out of consumer products or services designed for startups and can lack enterprise-level security. If your workers are using Dropbox, Evernote, Gmail and other tools to share information, then they are opening up the number of potential attack vectors for hackers and increasing the possibility of information being leaked.

Concentration of risk in one country or region is another important consideration. Terrorist threats, political instability and attitudes to regulation all pose threats to the safety of a company's workers and to its ability to continue operations if a crisis develops. Egypt, for example, was once a strong player in the business services market but lost its status because of political instability.

## Centers of excellence

As explained by Andrzej Hutniczak in the section "In business transformation, robots are our friends," automation through artificial intelligence and robotic

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*Processes are now being managed by smaller teams of highly skilled workers.*

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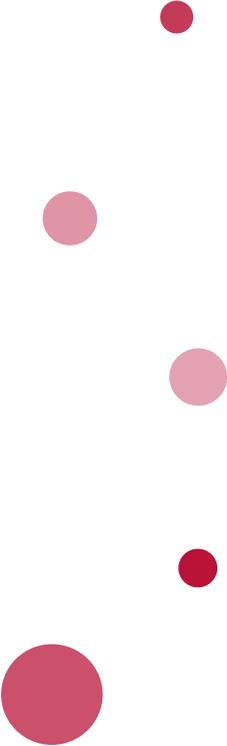
process automation is removing the need for large numbers of low-skilled workers, which is partly why location requirements are changing.

Where offshoring was once synonymous with finding areas with a large supply of cheap, unskilled labor, today the objective is to find the global centers of excellence for the area that you are seeking to transform.

Such centers emerge from a nucleus of industry-aligned companies or where certain business functions congregate. As more businesses gravitate to the same place, similar companies are encouraged to follow. Cities—and even entire countries—thus become specialists in certain functions, processes or sectors.

This is how Krakow, Poland became a center for financial services expertise. From a handful of companies, there are now around 10,000 people working in financial services in and around the city.

How you connect these people to the rest of your business brings new challenges, both in terms of the collaboration technology, and in some cases where multiple time zones limit the opportunities for real-time collaboration.



## Virtual working

Over the last few years, we've seen multinationals invest large sums in video-conferencing suites. The original goal behind these was to minimize travel costs, which had become enormous for many firms. However, there is even further flexibility required, with more workers wanting to work from home or from a hotel without traveling even a short distance to the office.

That has driven demand for communication packages that work on desktop computers or portable devices such as smartphones and tablets. Employees are often drawn to services like Google Hangouts, with its intuitive interface, or Zoom, which brings together online meetings, video-conferencing and collaboration tools into a high-quality system that isn't compromised by network limitations like bandwidth and firewalls.

This brings security risks, as discussed above, but it also highlights a need for interoperability and common standards because employees do not just need to communicate with colleagues from the same company. They need to work with partners, suppliers and customers, all of whom might be using different communication services.

## The working day

While communications software makes collaboration easier, there are still only 24 hours in the day. Some companies have shifted the standard working hours in certain regions to increase the overlap in the working day and allow more time for collaboration. British American Tobacco, for example, has three shared service centers worldwide with video-conferencing tools and staggered working hours to allow work to be passed from one place to another.

The benefits of a global workforce are too great to ignore and companies that are not taking advantage of global concentrations of talent will soon fall behind the competition.

# Recommendations

1

Ask where the global center of excellence is for the process you plan to transform.

2

Ensure your workforce has tools that enable them to work remotely. If these tools have security concerns, then look to suppliers of secure tools with the same capability.

3

Concentrate on service centers and handover points so that global collaboration is possible. Ensure you have ways to share not only the relevant data but also instructions for how the next team should proceed when work is passed between regions and that the new team has the right software to complete the work.

# What's the real total cost of robot ownership?

By **Christopher Stancombe**



As discussed by Andrzej Hutniczak in the section “In business transformation, robots are our friends,” and we will discuss further, Robotic Process Automation (RPA) can reshape organizations, saving time and money and freeing up human resources for more rewarding and innovative tasks. However, as with any workers, our robotic colleagues need the right competencies and so do the humans who manage and work alongside them.

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A key selling point of RPA is the time and money that it is expected to save. However, many companies embrace this without considering the total cost of ownership of robots. Understanding the full cost implications is vital to putting the right skill mix around an RPA deployment.

## Managing robots

Managing robots is fundamentally different from managing people. Those responsible for them need to decide how to specify which robots are appropriate for which tasks. Will that be a job for the IT department, for someone in the department where the robot will operate, or a collaboration between the two? If the robot's task needs to be changed, will that require someone with software engineering skills and is that person already part of the staff?

Other questions follow, such as: who is responsible for ensuring that the robot performs its role effectively? If a robot in the accounts payable process is not performing as expected, is that the CFO's responsibility, since they manage the process, or does it fall to IT, who probably handled the specification of the robot?

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*Team chemistry is not just a human thing*

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If your robot workforce is supplied by a third party, then who do you contact in the event of a problem and how quickly will they respond? How often will your robot's software be updated, and what is the arrangement if you need to change the robot's task at short notice?

In Chapter 2 we looked at the importance of location and this is equally important for your robot workforce. A software robot doesn't have an office but it will be located on a server somewhere and that will have legal and regulatory ramifications, particularly if the robot works with customer data.

The robot's location factors into the competency mix too. Where the robot is based will depend to a large extent on the local human skills available to support it and where the tasks it works on are carried out.

## The skills mix

Getting the right mix of skills is not just a matter of assigning the right human co-workers for robots—it's also about getting the right mix of robot skills. Different robots with different levels of sophistication might be necessary to get the job done, which makes it important to specify them properly. Obviously you want to make sure that the robot is fit for the task but avoid over-specifying, which adds cost and complexity.

However, it also makes it vital to ensure that the different robots can work well together. Team chemistry is not just a human thing. If you have robots running on incompatible platforms or trying to connect with legacy systems for which they were not designed, then you won't be able to get the maximum benefit from RPA.



# Recommendations

1

Assess the key capabilities required from an intelligent automation solution.

2

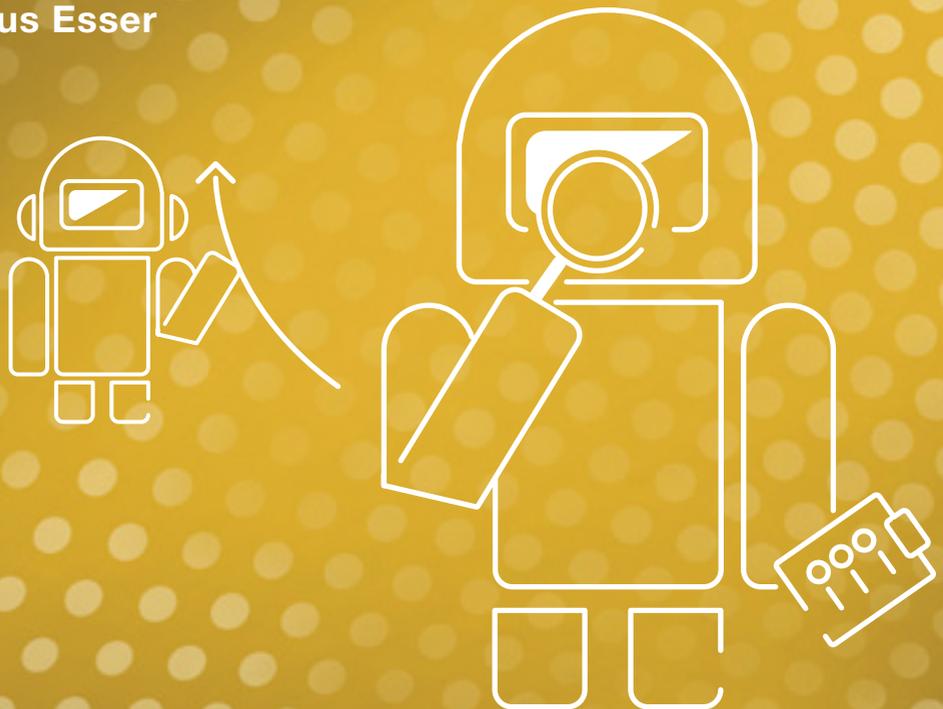
Make sure that your robots are properly specified for the task.

3

Put in place a clear line of responsibility for managing the robots.

# Applying automation to the right processes

By **Marcus Esser**



Having established the need for the right mix of skills to manage and maintain a robot workforce, the next step is to apply the right technologies to the right processes. How do we ensure Robotic Process Automation (RPA) will be as effective as possible?

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The RPA market has been growing rapidly in recent years, doubling in volume roughly every six months. During that time we have seen RPA go from being a niche technology to something every business wants to talk about.

Often the demand comes from the Finance or HR functions, but other parts of the organization have interest as well. Occasionally a forward-thinking IT department might drive an RPA project. Each company's needs vary so wherever the demand comes from, the first step is to identify the challenges, individual demands and opportunities.

### Identifying opportunities

Where are the pain points in your systems? Where do your human workers have large backlogs? At what stage in your processes do you see significant error rates? All of these are example areas where it makes sense to apply RPA.

Any process that has a stream of structured data is an opportunity for RPA to increase efficiency. The efficiency gains can be significant, and it is often worth changing the process so that it outputs structured data so that RPA can be applied.

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*Modern robots are remarkably smart when it comes to dealing with complex processes and even handling exceptions but they still have to be “taught”*

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If that data can be read in a simple, non-invasive way, then automating a process can be done very quickly. Typically, benefits are visible within a couple of weeks. If your business uses cloud technologies, then under ideal conditions you can deploy an RPA solution in as little as half a day, depending on your partners. After about 18 weeks, you should expect to have your own self-sufficient processes, organization and technologies (often bundled in a CoE) that you can take over from your supplier.

### **Optimizing processes**

The first phase of applying automation is to identify a process that outputs structured data. As Bill Gates warned some years ago: “Automation applied to an inefficient operation will magnify the inefficiency.” Therefore, it is also vital that your processes are optimized before you begin to automate them.

To give one example, we worked with a major Scandinavian manufacturer with a global presence to automate some of their processes. The firm, like many others, had a heterogeneous in-flow of work and a high error rate, due mostly to repetitive, unchallenging work. Automation fixed the quality problems and was met with enthusiasm from the workforce.

It is a common misconception that RPA is unpopular with staff because they fear losing their jobs to robots. However, in our experience the opposite is usually true. Staff often welcome the assistance of robots. It frees them up from tiring and repetitive tasks and allows them to work on higher-value jobs.

## The future

At the moment RPA still relies on robots being given a task to perform. Modern robots are remarkably smart when it comes to dealing with complex processes and even handling exceptions but they still have to be “taught”. In the future we can expect robots that will observe a human worker carrying out a process and devise ways to help without the need to be programmed.

Within two or three years we should see robots that can handle tasks once considered the preserve of humans alone: listening, speaking, and interpreting conversations with humans.

This wave of growth is ultimately going to take us there. Businesses that do not take advantage of RPA risk falling behind their competitors.

# Recommendations

1

Identify pain points, areas with high error rates or other areas of backlog.

2

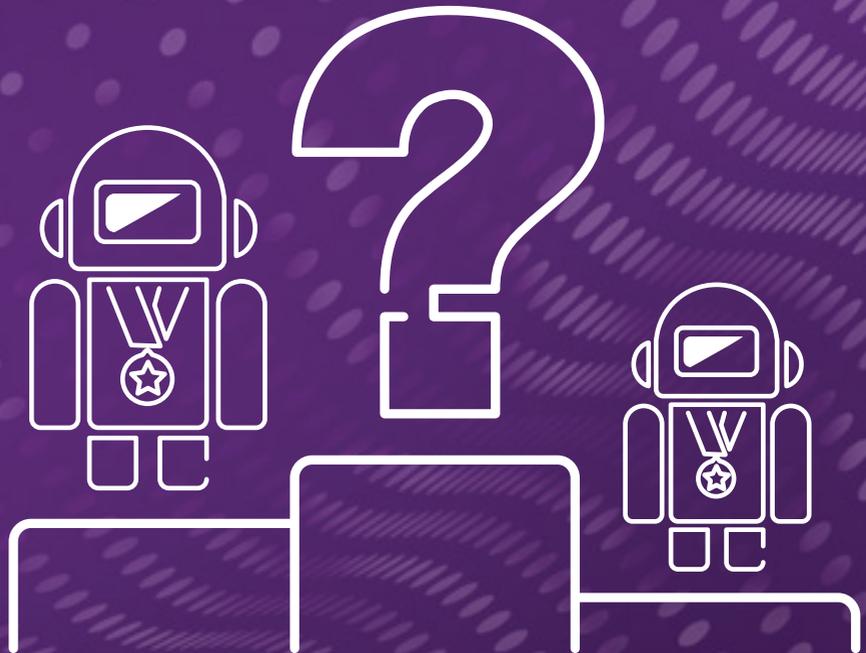
Find processes within those areas that output a structured data stream or convert the process so that it outputs structured data.

3

Optimize your processes first to ensure that you get the most out of RPA.

# Why we often fail to get the best from technology

By **Magdalena Matell** and **Derek Kemp**



Technology has enormous potential benefits but we do not always use it in the most effective way. Magdalena Matell and Derek Kemp examine why this is so and what we can do about it.

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Wherever you are in the world, if you are not automating your business then you will be left behind. Earlier, Marcus Esser discussed the potential to improve processes with technology—now let's look at where that technology can be used.

Straightforward improvements, like moving to e-invoicing, can have a strong impact on company finances. In paper invoicing, for example, roughly 50% of the time between issuing an invoice and receiving payment is taken up by the postal process. E-invoicing eliminates that inefficiency.

In 2018, e-invoicing will become mandatory in public procurement across the European Union. As a result, many businesses will be forced to change and will likely reap wider benefits as a result. In a sense, these companies are lucky because they have to transform to comply with regulations. Businesses that are not affected will need to find other drivers of change.

## Incentivizing change

Aligning incentives is a good way to drive change. IGATE, acquired by Capgemini in 2015, is a good example of that. The company's integrated technology and operation (ITOPS) business model was originally deployed to deliver mortgage origination and servicing for a US financial services institution. Initially a transaction-based payment model was used for mortgage origination based on the volume of loan applications.

While a transaction-based model allowed Capgemini to manage the flow risk of the peaks and troughs of the loan applications and servicing requests,

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*Things are beginning to change, partly because decisions that once originated with the CIO are now being taken by the COO or CFO*

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there was no incentive to automate. In fact, one could argue there was a disincentive. Capgemini evolved to a payment model based on receiving fees for approved mortgages only and a graduated set of fees for various types of mortgage servicing, which is, in fact, suited to a transaction-based payment model.

The payment model for mortgage originations created the incentive to automate and drive the process toward a rule-based approach providing alignment with a business outcome that mattered to the customer.

The mortgages example demonstrates how suppliers are increasingly designing technology solutions that align the goals of both parties. If the supplier is incentivized to streamline a process with a technology like robotic process automation, then the client gets improved efficiency too.

### **Dealing with legacy systems**

However, some common obstacles hold back greater adoption of this kind of technology. Most businesses operate in a siloed fashion that can make it hard to spot those chances to streamline through automation. Optimizing cost is a common goal across the business, but opportunities have to be identified before they can be developed.

That problem can be compounded by the fact that for many companies, existing technology investments are often a barrier to agility, rather than an enabler of it. Having committed to a technology solution, businesses can be reluctant to make a change. Yet new options are available such as Capgemini's Virtual Company that gives access to new solutions without having to fundamentally alter legacy technology.

Things are beginning to change, partly because decisions that once originated with the CIO are now being taken by the COO or CFO. They view technology as just one weapon available to them in their mission to improve efficiency and they frequently look to streamline by outsourcing.

## Improving inefficient processes

If you are looking for areas to drive efficiency, the first step is to drill down to the root causes of the inefficiency. If you are not clear on those then you run the risk of automating a bad process and magnifying that inefficiency. It is also important to look for areas where improvements might require cooperation across the siloes in the business.

One way to identify potential improvements is to examine the relevant benchmarks. If, for example, you are an insurer and your cost for policy administration is  $x$  and the industry standard is  $x-20\%$ , then this points to a process problem or inefficiency that can be improved. Or as in the invoice processing example, one can look at invoice processing cycle time to identify the priorities for e-invoicing. Such benchmarks can be monitored throughout the transformation process to ensure that the business is making progress.

Once you have identified your own inefficiencies, intelligent automation can generate more data to be analyzed, help with root cause analysis, improve customer experience and eliminate repeated customer and vendor queries, alongside many other benefits.

# Recommendations

1

Identify and eliminate unnecessary or obsolete processes.

2

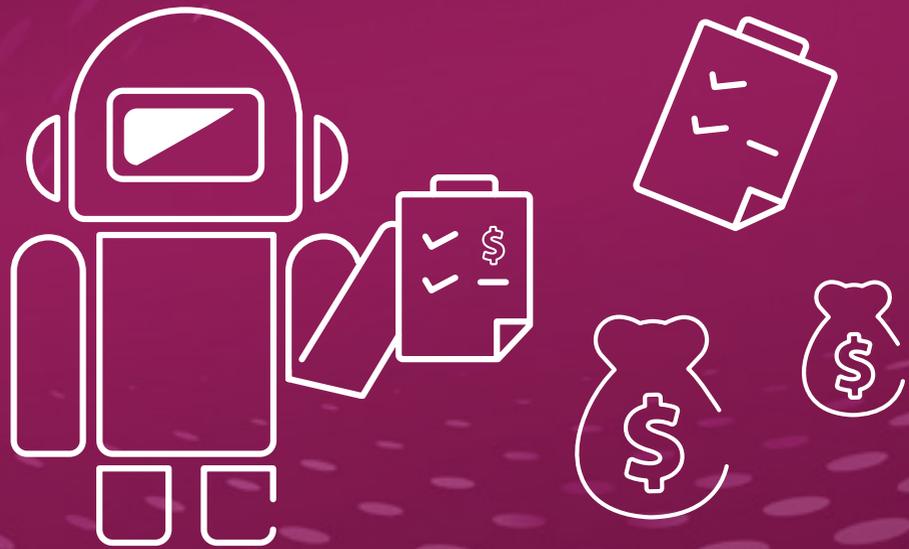
Optimize remaining processes for maximum efficiency.

3

Identify ways that intelligent automation can improve efficiency and drive further change within the business to ensure a proper customer focus.

# How outcome-based pricing can drive finance transformation

By **Marty Borcharding**



Adopting the wrong pricing model can cause a lot of problems, such as poor business decisions, excessive capital expenditure (CapEx) or reduced working capital. There is now more flexibility than ever in how products and services are priced and this is another area where digital technology can help to transform businesses.

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As discussed by Magdalena Matell and Derek Kemp in “Why we often fail to get the best from technology,” the right KPIs and pricing model can drive the right behavior and solution, whereas the wrong structure can inhibit innovation, lead to lost opportunities or worse higher costs. The changing technology of the digital era has made consumption-based pricing more common, particularly for the provision of cloud-based services, but we have recently begun to see the growth of another approach: outcome-based pricing.

### An outcome-based approach

Outcome-based pricing usually takes the form of a gain share model or an incentive option that increases the payout as results improve, or both. When combined with a full service “stack” solution, each offers companies an opportunity for business transformation without investing significant capex—an investment that companies seldom want to make. Instead, this approach drives an operational cost (opex) model that more closely aligns cash outlays with the financial benefits in any reporting period.

For example, one approach is for a supplier to offer an upfront discount as part of a gain share model. If the service delivers improvements above a target level, then they earn the discount back and more depending on the results achieved. This kind of model can be used to drive significant improvement in areas such as accounts receivable where reducing the days-to-bill time by even a few days can make an important difference to working capital.

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*Changing incentives so that everyone in the business is incentivized on metrics that align with the company’s goals will help the business to run more effectively.*

”

### **Success factors**

There are several key factors in making such a model successful.

1. Clear alignment with the goals of the business, built on sound and available data.
2. Access to the appropriate new technologies.
3. Agreed-upon rules up front that will stand the test of an audit.
4. An agreement that the targets set represent material progress or improvement but still achievable. If the model is successfully structured then it will actually help to drive the adoption of new technology, as with the mortgages example we saw in “Why we often fail to get the best from technology.”

One last point is that the business—and not just its supplier—has to embrace and support the changes within their organization. One effective way to drive alignment is to ensure that key staff are properly incentivized to make these changes happen.

The challenge for the business is to find those opportunities that will end up having a major effect, even if they appear modest at first sight. The business might not know what to look for, but a supplier will be able to find them quickly so long as they have access to the relevant data and a

reasonable understanding of the process and the technology employed. With the increasing recognition of the importance of customer experience—particularly through the digital channels where customers are interacting with a business—it is also possible to consider tracking metrics that have an effect on customer satisfaction (leading to retention and growth in customer value). This is just one example where the metrics for a contract might include external measurements as well as more traditional internal company performance goals.

## Challenges

The CFO needs to play the role of executive sponsor, communicating to the business that change is happening, mobilizing resources as required and dealing with barriers as they arise. The CFO can set a tone that establishes that it is not only F&A incentives that need to be aligned with outcomes but also those of stakeholders who are part of the process both upstream and down.

A salesperson, for example, might not be concerned about an improved working capital position. They are frequently incentivized based on goods shipped rather than a metric such as payments received, which can lead to some perverse situations. For example, at times a supplier will hold back shipments until a customer pays. A salesperson who is incentivized on shipments will want to ship goods regardless of the state of the customer's account. Changing incentives so that everyone in the business is incentivized on metrics that align with the company's goals will help the business to run more effectively.

Companies can enlist their shared service centers or outsourcers to help spot these opportunities. A modern business services firm like Capgemini is a supplier of not only people but also of analytics, software robots and innovation. Our clients expect us to act as drivers and enablers of change within the business, not just as mere suppliers of low-cost labor.

With the right partners and communications structure within the organization, it is possible to take advantage of innovative pricing models to bring about business transformation without large, upfront investments.

# Recommendations

1

Work with your internal Shared Services Center or outsourcer to find outcome-based approaches to pricing the service that will bring about the improvement.

2

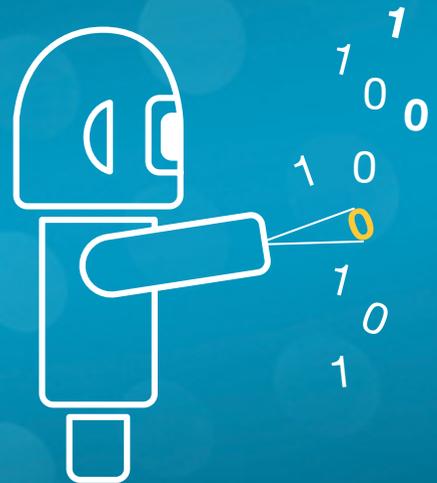
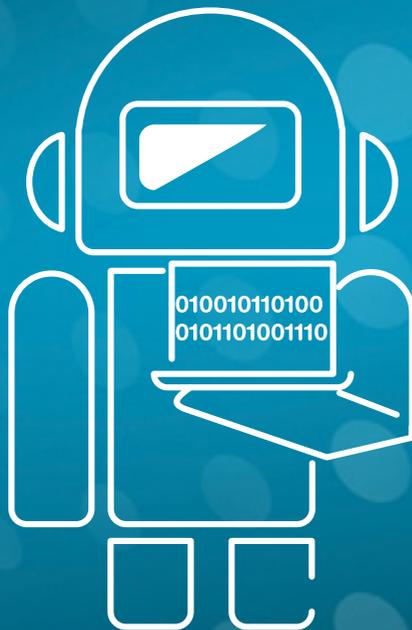
Define the critical business outcomes you want to achieve.

3

Set and align targets and report on the progress.

# Driving meaningful change with analytics

By Divya Kumar



The result of the technological innovations discussed earlier is an explosion of data. Making sense of it is crucial, not only because it shows how well your systems are working but also because good analytics will point the way to future transformation.

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Analytics has perhaps been the business buzzword of the last few years and we are really only just beginning to appreciate how profound its effects can be. Demand for quality analytics is increasing across companies.

For example, we recently worked with a European consumer electronics firm that had a small, Europe-based analytics team and wanted to build a much larger, global team to cope with the almost constant demand for data analysis. This experience highlighted a number of critical areas in the execution of a successful analytics project.

### The skills gap

The CFO was leading the project, which seems to be getting more common, especially since the end goal of analytics is usually enhancing revenue, margin and cash, or reducing risk. The CFO is seen as the custodian of data for the business and hence is starting to be tasked with running the analytics function.

That is probably appropriate in the long term but at present most CFOs have not been steeped in analytics and require good guidance if they are to establish stable processes. There is a current skills gap in analytics, with analytics specialists, domain experts and technologists all speaking different languages. We need to develop staff who are skilled in at least two of those areas.

The smart CFO will take the time to assess the situation before jumping in. Analytics used to be more about risks and cost but in recent years the emphasis has shifted to revenue and growth.



*The smart CFO will take the time to assess the situation before jumping in*



## Analytics basics

That means bringing more business data such as supply chain, marketing, sales data into the mix, to combine them with traditional financial data. As demand for analytics has risen, so has the number of things we can measure and track.

In general, analytics has three roles within the business. The first is visibility: What's happening? Second, there are the exceptions: What is going wrong, why, and what can we do about it? And third, there is growth: Where are our opportunities?

For example, a business that runs analytics on its collections function will want to know how well the system is running, who the consistently bad payers are, effectiveness of customer communication strategies, and so on. Implemented well, analytics will show how to streamline the system further and reduce the number of bad payers, perhaps by identifying changes to the billing, collection, or account strategies. It can also go one step further to statistically predict customers who are going to default and recommend proactive measures to prevent this.

## A step-by-step approach

There are almost limitless opportunities on which to focus so the first step is to decide what you want to achieve. Without a clearly articulated intent, companies will either collect too much information or not enough. In either case you end up being unable to find the insights you need.

Next, you need to assess the demand within the organization. There is no point in producing analytics that nobody needs. Equally, you need to identify the current supply of data analysis so that you don't find yourself duplicating existing processes. The gap between the current supply of analytics and the demand for them is the area to target.

That will break down into three opportunities: critical analytics that are not currently supplied, analytics that are needed and not currently supplied but not priorities, and existing analytics that need refurbishing.

With those opportunities identified you should begin your project, working in an agile fashion to take advantage of quick wins. As you progress, assess what you have learned and change course accordingly. Organizational needs change too fast for long projects to be worthwhile so your goals after a year might look very different from when you started.

Throughout, make sure that you are taking action on the data you are producing. Anything you produce that doesn't lead to action is wasted and you could spend your efforts more profitably elsewhere. The rise of machine-to-machine interactions (where data is exchanged directly between automated parts of a process) gives us additional possibilities to consider when we are making sure that the data are being used in the best possible ways.

We are currently seeing a data explosion, which can be almost overwhelming. In the future, we can expect to see a reverse trend of less data being analyzed to achieve the same results. As time goes on and analytics objectives become clearer, we will be able to filter better so that it is easier to see the data that matters.

# Recommendations

1

Decide what you want to achieve.

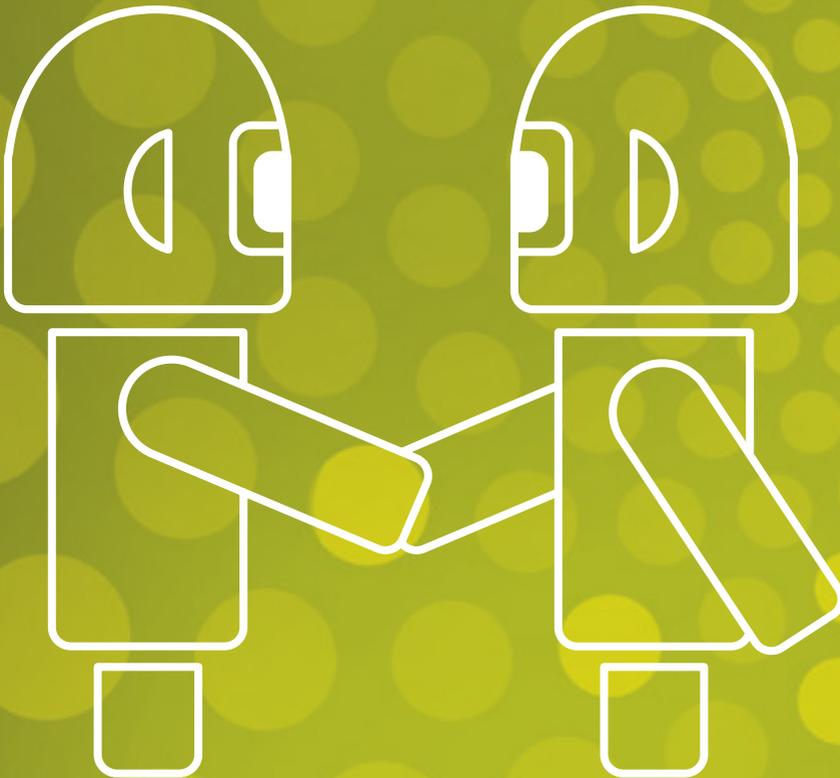
2

Assess demand within the organization and current analytics supply. Focus your efforts on the gap between the two.

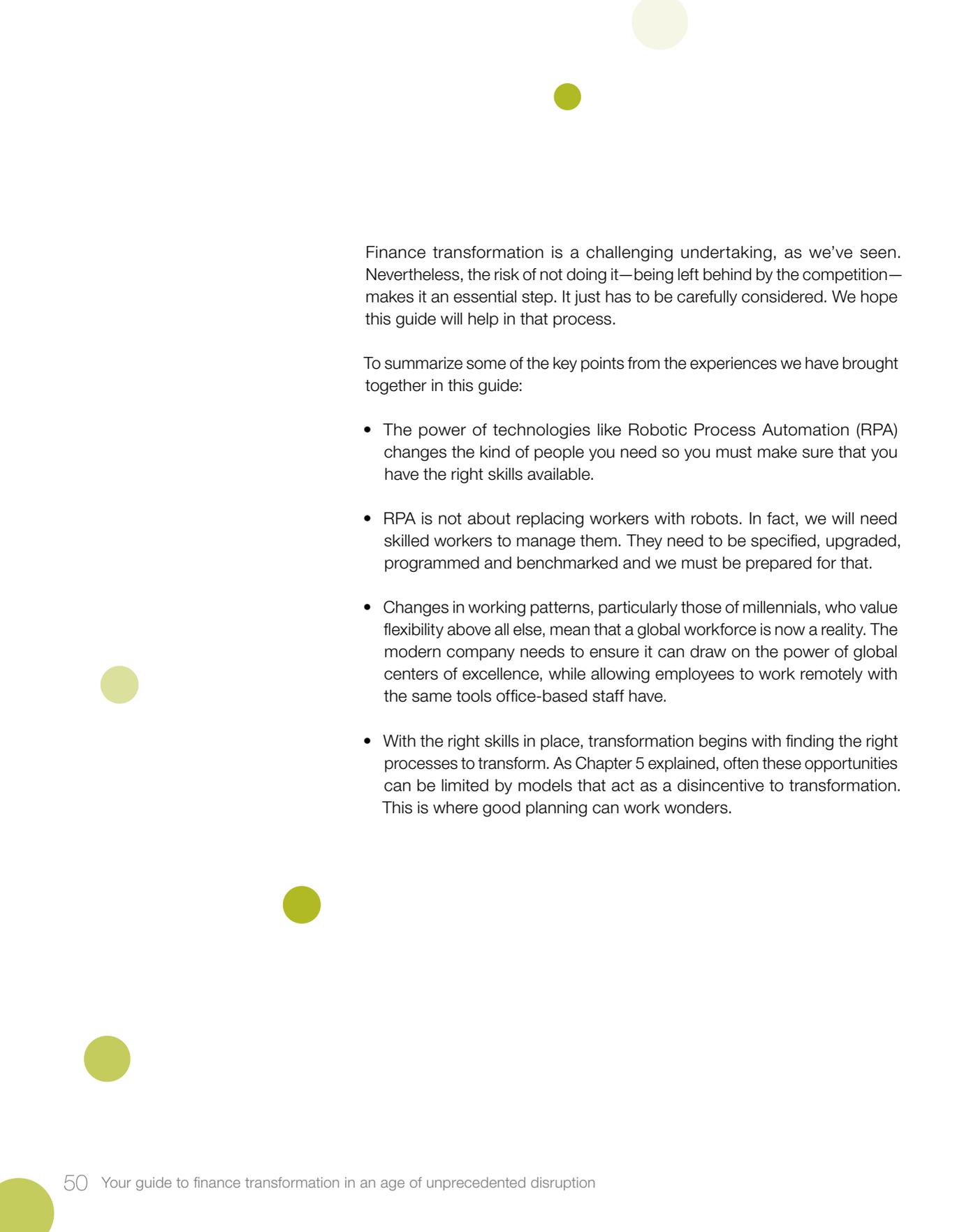
3

Begin your analytics project, working in an agile fashion to learn as you go. Constantly check that your analytics work is leading to action.

# Conclusion



Digital Finance transformation is a challenging undertaking, as we've seen. Nevertheless, the risk of not doing it—being left behind by the competition—makes it an essential step. It just has to be carefully considered. We hope this guide will help in that process.



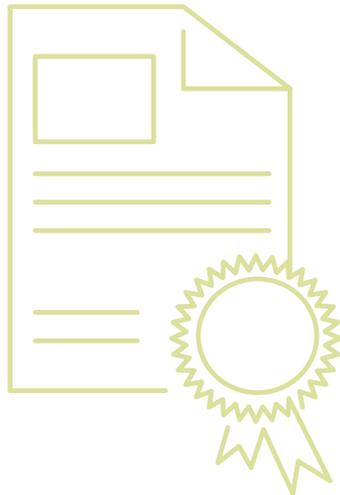
Finance transformation is a challenging undertaking, as we've seen. Nevertheless, the risk of not doing it—being left behind by the competition—makes it an essential step. It just has to be carefully considered. We hope this guide will help in that process.

To summarize some of the key points from the experiences we have brought together in this guide:

- The power of technologies like Robotic Process Automation (RPA) changes the kind of people you need so you must make sure that you have the right skills available.
- RPA is not about replacing workers with robots. In fact, we will need skilled workers to manage them. They need to be specified, upgraded, programmed and benchmarked and we must be prepared for that.
- Changes in working patterns, particularly those of millennials, who value flexibility above all else, mean that a global workforce is now a reality. The modern company needs to ensure it can draw on the power of global centers of excellence, while allowing employees to work remotely with the same tools office-based staff have.
- With the right skills in place, transformation begins with finding the right processes to transform. As Chapter 5 explained, often these opportunities can be limited by models that act as a disincentive to transformation. This is where good planning can work wonders.

- One way to change incentives is to explore innovative pricing models, as Chapter 6 demonstrated, but there are plenty of other ways to approach transformation.
- The technological innovations that power these changes will generate an explosion of data. With good analytics in place, that data can be used to drive further transformation and meaningful changes.

The result should be a system that runs efficiently, streamlines processes and provides feedback for ongoing improvement. We hope the examples in this guide have encouraged you to follow suit.





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