Future of Business Partnering

Global Survey 2022

FSN®
The Modern Finance Forum

Insights from the FSN Modern Finance Forum on LinkedIn

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Gary Simon
CEO FSN & Leader of the Modern Finance Forum
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Dear Colleague,

I am delighted to bring you the results of FSN's "Future of Business Partnering" survey 2022. The research finds that business partnering is in the ascendancy, with more organizations investing in business partnering teams, which in turn are more closely connected to their internal customers and better placed to influence process innovation and change.

Business partnering appears to have come of age, growing in stature and maturity, with around 50% more business partners claiming to be a 'catalyst for change' than there were in 2019. Yet despite these great strides, there are formidable obstacles in the way of business partners seeking to help their organizations scale new heights in business performance competitiveness and innovation. Unfortunately, entrenched technology and data constraints dominate the business partnering landscape.

The largest proportion of business partners (in companies of all sizes) complain that they are technology constrained, meaning they do not have the tech-savvy resources and tools necessary to exploit data, and 65% find themselves without the support of real-time data.

Data is the lifeblood of the business partnering role. Without real-time data, business partners are effectively shackled to the monthly reporting process. They are unable to keep up with rapid market changes, and limited to sharing insights at period-end, rather than regularly during the month. Only 20% of business partners in this year's survey claim to have mastered their data, which is down slightly from 3 years ago.

As a result of these constraints, business partners spend too much time on traditional areas of work such as performance reporting, financial stewardship and budget reviews, and too little time on value-added tasks around organizational change, strategy development and innovation. Less than 50% of the entire population of survey respondents are satisfied that they spend the right amount of time on the things that propel the organization forward.

Fortunately, the survey shines a light on the unique behaviors of 'catalysts for change ' to help guide us towards more productive and fulfilling business partnering roles. Catalysts for change are at the pinnacle of business partnering capability. They are more likely to have mastered their data, have access to real-time data at their fingertips, and be better positioned to meet more frequently with their internal customers. Across all aspects of adding value, catalysts for change are more enthusiastic and can see more ways to add value than finance professionals who have further to go on their business partnering journey.

Regards,

Gary Simon

Gary Simon
CEO FSN & Leader of the Modern Finance Forum

01

Executive Summary

Executive summary

66% of organizations expect to invest in business partnering between now and 2030.

Business Partnering is difficult to define and even more difficult to implement effectively. At its heart, it describes the commercial relationship between the finance function and other internal departments or functions. But the nature of this relationship varies substantially depending on the corporation. It could refer to structured cooperation between designated employees in each division, or a more informal collaboration amongst teams from different parts of the organization. The common factor in all these interactions is the mutually beneficial relationship that translates into better strategic outcomes for the business.

The role of business partnering is in the ascendancy, drawing new interest from companies as their finance functions evolve to the point of strategic influence. The Future of Business Partnering survey found that two thirds of organizations expect to invest in business partnering between now and 2030, and there has been a 50% increase in the number of companies that consider their business partners to be catalysts for change.

And yet, amidst all this growth, many companies still struggle to measure the success of business partners. Existing performance measures like 360-degree feedback, KPIs or traditional profitability measures are used as a proxy to gauge whether business partnering is effective. But with so many other forces acting on these standard measures, it is difficult to determine causality and attribute success, or failure, to business partnering specifically.

The data fulcrum

While business partnering is built on relationships, it hinges on the insight that finance can offer to the wider organization, which in turn is derived from the finance data pool. Companies that don't have a handle on their data or the technology to manage it will have little to contribute in a business partnering relationship.

Unfortunately, the survey has found that there has been no real improvement in how data and technology are managed by business partners over the last three years. A fifth are still data overloaded, with too many conflicting data sources and poor data governance, a quarter can't get hold of the data they need, and over a third don't have the technology tools or resources to exploit the data they have. Only 20% are data masters i.e., have the tools and resources to provide a competitive edge and effective insight.

It seems these limitations are being recognized though, with data quality improvements, new technology and analytical skills at the top of investment priorities for the next decade. Finance executives recognize the strategic value that business partnering can add across the organization, but mastering timely and accurate data is pivotal to success.

65% of organizations are unable to devote enough time to business partnering activities.

All in the timing

The dearth of timely data is one reason some organizations fail to devote sufficient time to their business partnering relationships. Too many business partners are constrained by the limitations of the reporting cycle. When reports are only available at month-end, business partners are left with little to add while they wait for the month to close. The research showed that business partners who meet daily with their internal customers or at least weekly have a much more substantial effect on the strategic direction of the company, for example are more likely to be catalysts for change.

Even as business partnering shifts from traditional financial stewardship to more strategic support, companies are struggling to balance resources so that their relationships are effective. Half spend too little time on being catalysts of change, and a third spend too much time on finance's traditional roles like budgeting, forecasting and performance analysis.

It takes time to develop trust and influence as a business partner, and the survey shows that almost all business partners are struggling for an effective balance (see figure 4).

Is bigger better?

The Future of Business Partnering 2022 surveyed businesses of all sizes and found that size affected the nature of their partnerships. Some companies were just too small to employ dedicated business partners, instead everyone in finance undertook to build relationships across the business. As organizations get bigger though, these informal relationships have to be formalized.

Large companies with more than 1,000 employees have more established business partnering practices, with dedicated teams and employees with 'business partner' in their job title. This formalization means partners from larger organizations are more often involved in making commercial and financial decisions and they meet more often than their counterparts in smaller businesses.

The gold standard

The obstacles to effective business partnering have, by and large, been overcome by organizations whose business partnering has journeyed to maturity and become a catalyst for change. They meet more frequently, manage their data better and are driven to add value more effectively across the many areas of the business that benefit from strong finance relationships.

This commitment to building, supporting and cementing relationships, underpinned by strong data and insight, is the reason that business partnering is growing in popularity. Many organizations have a long way to go to achieve this level of effectiveness, but they can make a start by ensuring their data is accurate and insightful, and they spend time forging trustworthy relationships. The finance function has much more to add to the business outside of its stewardship remit, and business partnering is a key strategic tool in its ever-growing arsenal.

02

BUSINESS PARTNERING - A GROWTH AREA

Business partnering - A growth area

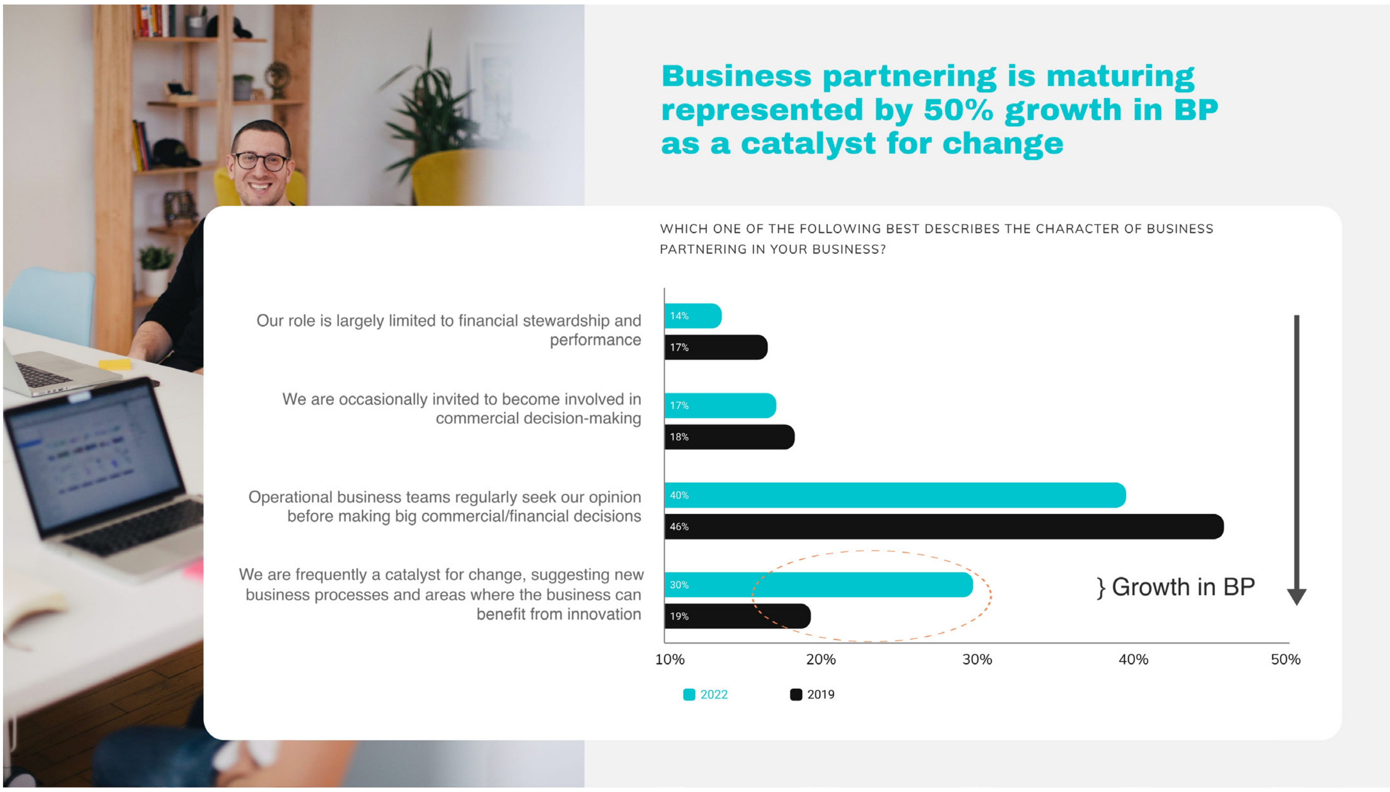
Businesses have evolved exponentially in the internet era amid an explosion of new data and technology. The finance function in particular has changed substantially, from a static cost center to a repository of vast insight. Sharing that insight, encouraging better performance and better-informed commercial decisions is at the heart of business partnering.

Initially though, finance needs to surface the insights hidden within its financial and operational systems, which is why increasing data science headcount is the top priority for investment in the finance function over the next 8 years. But business partnering comes a close second, with 62% of survey respondents planning to increase investment in this area between now and 2030 .

This emphatic interest in business partnering reflects how the practice has gained popularity as more companies recognize its importance and introduce structures and processes to encourage better relationships between the finance function and its internal customers.

In a sign of increasing maturity, more business partners are involved in influencing change and innovation. In 2019 only 19% of organizations considered their business partners to be a catalyst for change, but by 2022 this had grown by 50%. Now, 30% of business partners leverage inter-departmental relationships to suggest new processes and areas where the business can benefit from innovation. Being a catalyst for change is the pinnacle of business partnering, and this substantial shift has come from organizations that had previously deployed business partnering in a more traditional way, for example were focused solely on financial stewardship and governance.

FIGURE 1: BUSINESS PARTNERING IS MATURING



A new era

The maturity of business partnering is evident in how well-established the practice has become in many organizations. The survey found that almost half (46%) of businesses had an established business partnering team and 40% said they have finance people with the title “Business Partner”. This means processes are being formalized , and there are designated people to ensure continuity and follow through.

For 42% of companies, everyone in the finance function is considered a business partner, while around a third of businesses said they are too small to have dedicated business partners, and 30% don’t have a team now, but plan one in the next three years.

Struggling to measure success

Despite the increase in business partnering, many businesses struggle to formally measure the success of the practice , often resorting to existing performance measures that may not be entirely suited to the nuances of business partnering. Only one quarter of businesses have a formal process for measuring business partnering success while a third say that they only attempt to quantify their success outcomes.

There are three main techniques used to measure the performance of business partnering arrangements, namely – 360-degree feedback, specific KPIs and traditional profitability measures. All are used in roughly equal measure. 42% use 360-degree feedback from their internal customers to record how well they are doing. 45% agree to a set of specific KPIs at the beginning of the year and hold business partners accountable to them . Meanwhile 46% measure business partnering success using traditional profitability measures. However, despite these efforts, it is difficult to dissect how much improvement is attributable to business partners and how much to their internal customers.

FIGURE 2: BUSINESS PARTNERING TEAMS HAVE BECOME MORE COMMONPLACE

03

DATA HEALTH - THE KEY TO ADDING VALUE

Data health - The key to adding value

Business partnering is only effective if the finance function has insights of value to offer and share with the wider business. These insights come from the rich pools of data within the finance function, but harnessing that data is not always straightforward and finance professionals face many data constraints. The survey found that 37% of business partners are technology constrained, meaning they do not have the tech savvy tools and resources to fully exploit the data they have. Worryingly, this has increased from 34% in 2019.

Technology constraints are a growing issue. 37% of organizations now find themselves technology constrained.

Meanwhile 24% are data constrained, which indicates that they cannot get hold of the data they need to drive insights and decision-making. A further 19% are data overloaded, with too many conflicting data sources and poor data governance.

Only 20% of business partners today claim to be data masters, actively managing their data as a corporate asset, and this number has slipped slightly from 22% in 2019. These partners may have the tools and resources needed to provide insights and a competitive edge, but they are in the minority.

The future success of business partnering is dependent on data mastery and analysis. Without it there will be nothing on which to build successful relationships. Finance professionals recognize this necessity and, in this survey, put the improvement of data quality as the top investment priority by 2030. Investing in new technology and acquiring deeper analytical and statistical skills run a close second and third on the priority list. The clear focus on data, technology and analytical skills is at the core of effective business partnering.

FIGURE 3: ORGANIZATIONS STRUGGLE TO MAKE TIME FOR TRANSFORMATION

What actions are key to unlocking the future potential of business partnering?

04

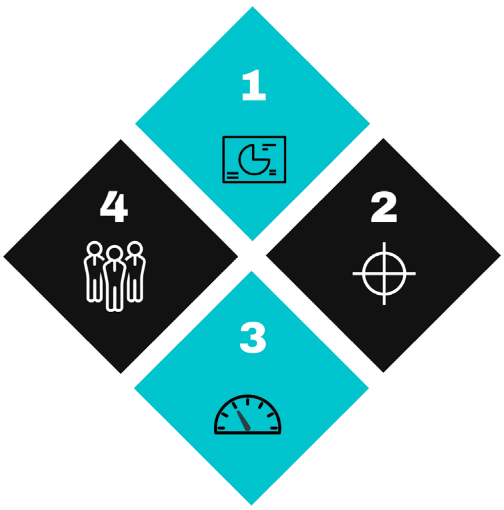
81%

Soft skills training to enhance stakeholder influencing and engagement

03

85%

Accelerating reporting to enable better responsiveness



01

88%

Enhancing analytics to provide fresh insights for creating value

02

86%

Improving the trustworthiness and transparency of data

From intent to action

***88%** of organizations believe the key to unlocking the future potential of business partnering lies in enhancing analytics.*

Data is vital for transforming intent into action and unlocking the future potential of business partnering. 88% of survey respondents see value in enhancing analytics to provide fresh insights. A similar number are focused on improving the trustworthiness and transparency of data and believe accelerating reporting to enable better responsiveness will help in the long term. Armed with the right insight, soft skills training can also enhance the level of influence and engagement that stakeholders have with their business partners.

These actions that unlock the future potential of business partnering are the building blocks of successful execution, and data weaves its way through all of them. It is the key to adding value over the long term. 87% of finance executives surveyed said that accessing accurate information quickly will help inform commercial decisions.

There are other value drivers within the business partnering relationship that can and will grow in importance over the next several years. Finance can inform strategy development and execution; relationships can become more productive when there is investment in business partnering; and finance business partners can be a sounding board for the CEO and the Board. In addition, business partners can add value by actively finding synergies across the organization and developing and agreeing on robust value creation plans with stakeholders.

These are substantial benefits for any company and give a competitive advantage when used effectively. But first, finance professionals need to learn to professionalize the management of their data and technology, because being data constrained or data overloaded will dilute the value of any business partnership.

04

LACK OF TIME ACTS AS A BRAKE ON PROGRESS

Lack of time acts as a brake on progress

Business partnering is predicated on building strong relationships with internal customers, but the survey showed that the development of business partnering is being hampered by the amount of time spent on meeting and working together. Only half of business partners meet at least weekly with their internal customers to ensure they make an impact on operations, split between 16% who meet daily and 33% who meet at least weekly. The remainder either meet monthly (28%), quarterly (7%) or as needed (15%), which the research shows is ultimately not often enough to influence change . Business partners that meet more frequently are more likely to be successful catalysts for change.

If business partners meet only monthly then, by the time they have agreed action points arising from a review of the month's results, it leaves very little time to influence the outcome for the quarter.

It is possible that business partners who only meet monthly or quarterly are constrained by the limitations of the reporting cycle. If they are shackled to monthly reporting then there is very little that can be done in the weeks leading up to the month-end. These business partners are beholden to the regular reporting cycle even as their more agile competitors have moved to dynamic real time reporting.

Whether business partners meet often or infrequently, the increasing ambition for the role of business partnering is not matched by the time available – so far nobody seems to be getting it right. Almost half of business executives don't spend enough time on the activities that will make the biggest difference to the business, including being a sounding board for management, helping to influence commercial decisions and being a catalyst for organizational change or innovation in business models.

FIGURE 4: ORGANIZATIONS CONTINUE TO SPEND TOO MUCH TIME ON 'TRADITIONAL TASKS'

Increasing ambitions for the role of business partnering are not matched by the time available – nobody seems to be getting it right.

HOW MUCH TIME DO YOU SPEND ON THE FOLLOWING BUSINESS PARTNERING ACTIVITIES OVERALL?

	No Time At All	Too Little Time	The Right Amount of Time	Too Much Time	Far Too Much Time
Performance Analysis and Reporting	3%	26%	**40%**	26%	6%
Sounding-board to Operational Management	5%	43%	**38%**	14%	1%
Helping to Influence Commercial Decisions	6%	45%	**37%**	11%	1%
Strategy Involvement and Development	8%	42%	**39%**	10%	1%
Financial Stewardship and Accounting	3%	9%	**49%**	29%	10%
Challenge Budgets, Plans and Forecasts	4%	26%	**40%**	23%	7%
Catalyst for Organizational Change	8%	44%	**37%**	8%	2%
Catalyst for Innovation in Business Models	12%	50%	**28%**	9%	1%
Financial Risk Management	6%	29%	**52%**	11%	2%

Being a catalyst for innovation in business models gets the least amount of attention, with 12% spending no time at all, and 50% spending too little time in this area.

Conversely, more than 30% of finance executives in business partnerships spend "too much", or "far too much", time on traditional accounting roles. Despite business partnering maturing and expanding its remit across a greater number of business functions, many remain stubbornly tied to and focused on performance analysis, financial stewardship and budget challenges, leaving little time to focus on being a catalyst of change.

Unfortunately, lack of time and timely information threatens to derail business partnering. For 65% of finance executives, not being able to devote enough time to business partnering activities will be the biggest challenge over the next decade. 64% are also concerned about the lack of real-time business information, and 63% worry they can't answer performance queries quickly from available information. Unless there is an uptick in time spent developing relationships and an improvement in data management and access to insight, many of the benefits of business partnering will be lost.

65% *of organizations are unable to devote enough time to business partnering activities.*

05

ORGANIZATIONAL SIZE SIGNIFICANTLY INFLUENCES BUSINESS PARTNERING

Organizational size significantly influences business partnering

As an organization grows, relationships evolve organically as corporate functions expand along with headcount. In small companies, where executives fulfill many different roles, interactions tend to be more frequent, informal and collaborative of necessity . As roles expand and diverge, the possibility of adding strategic value through business partnerships can wane if these relationships are not actively managed. Meanwhile, larger enterprises are increasingly likely to bring more structure and formality to the way that business partnering is deployed.

The survey reflects this dynamic, with business partnering much more established in larger organizations. 63% of companies with more than 1000 employees have an established business partnering team, and 54% have finance people with "business partner" in their title. By contrast, 70% of small organizations cite their size as the reason they don't have dedicated business partners, and for 52% of them 'everyone in the finance function is a business partner'. This reflects the more intimate relationships in a smaller organization which allow for frequent collaboration and information sharing.

63% of companies with more than 1000 employees have an established business partnering team.

While informal relationships are most common in small companies, the structure of business partnerships in large companies increases the scope of their involvement. 46% of large organizations say that operational business teams regularly seek finance's opinion before making big commercial or financial decisions, compared with just 25% of smaller firms and 39% of medium-sized ones.

FIGURE 5: LARGER ORGANIZATIONS MORE LIKELY TO HAVE AN ESTABLISHED BUSINESS PARTNERING TEAM

Meanwhile for 20% of small organizations, the role of business partneringis largely limited to financial stewardship and performance, whereas this is the case in only 11% of large companies with more that 1,000 employees. As businesses scale up, they also move up the business partnering maturity ladder, from traditional financial support to strategic cooperation and innovation.

Business partners in larger organizations also meet more often, with 22% meeting with each business unit daily, compared with 15% for small companies and just 6% in medium-sized businesses. At the other end of the scale, more small businesses meet just quarterly or “as needed” than their larger competitors. This may indicate that they remain tied to quarterly reporting schedules, meeting only when they (infrequently) have something noteworthy to share.

Measuring success difficult in all sizes of organization

Despite the more formalized business partnering process in larger organizations, they fare only slightly better when it comes to measuring the success of business partnering. Only 29% of large companies have a formal method of measuring business partnering success, compared with 22% for medium and small businesses.

Neither does a larger headcount give a significant advantage in terms of how well data supports the role of business partnering. All sizes of organization find themselves similarly technology constrained, while larger organizations are more likely to be data overloaded.

Larger organizations that need to work harder to ensure the finance function collaborates and strategically supports the rest of the business, put more time and structured resources into business partnering. But they remain constrained by the lack of accessible data they need to provide insights, either because there is too much data or a dearth of tech-savvy resources and tools to fully exploit the data they have. And the ability to accurately and specifically measure the success of business partnerships is a universal problem.

06

CHARACTERISTICS OF CATALYSTS FOR CHANGE

Characteristics of catalysts for change

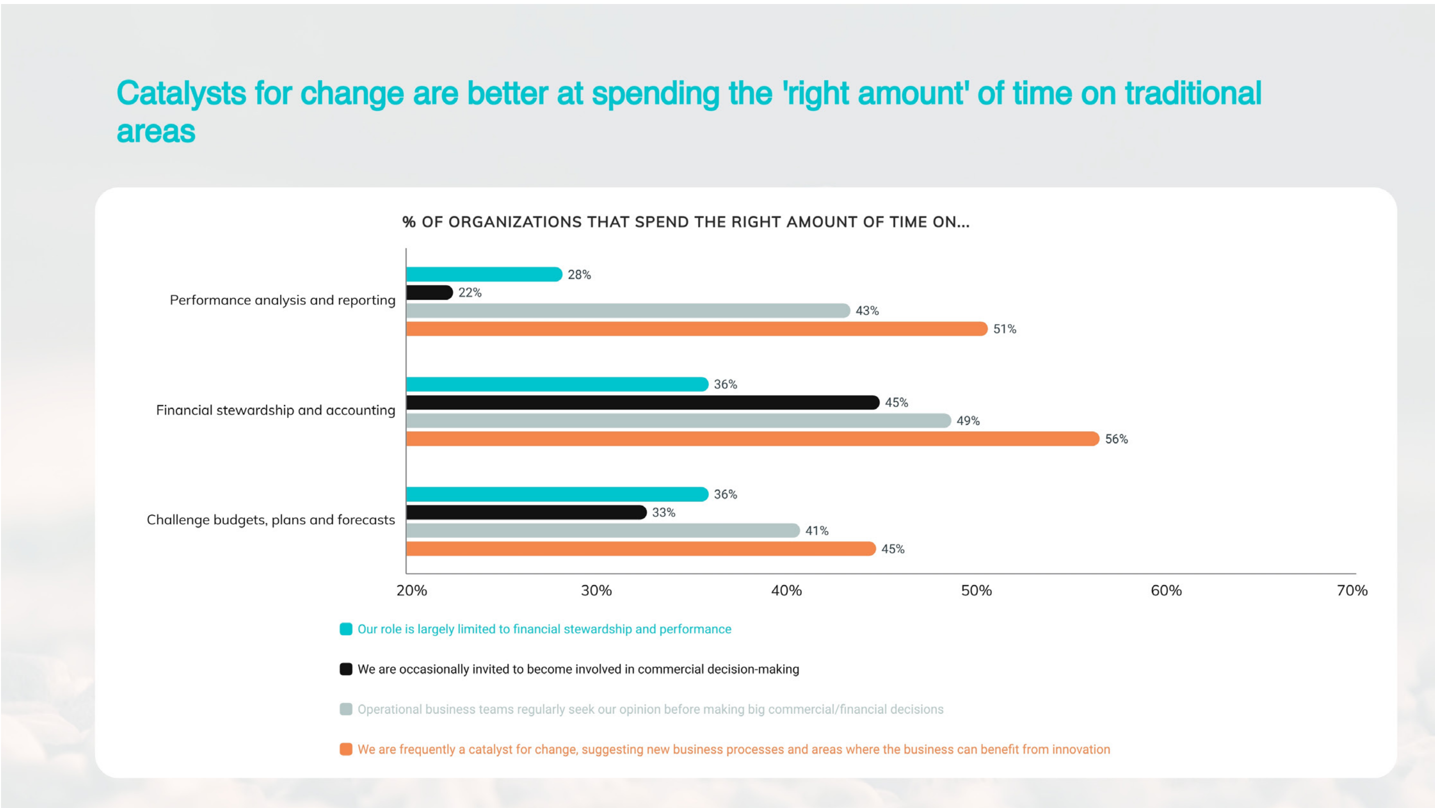
Catalysts for change are more committed and more involved in all aspects of business partnering.

As business partners make the journey from traditional financial stewardship and performance monitoring to catalysts for change, there is a clear pattern of benefits and behaviors that emerge. Those at the mature end of the scale get it right, mastering their data, spending enough time with their internal customers, and showing a commitment to building strong relationships that make a real difference to insight and strategy. So what should organizations be aspiring to?

Those business partners classified as catalysts for change meet more often than companies with less well-established business partnerships. Substantially more of them meet daily and weekly, indicating that they often have insights at hand to share. By contrast, companies whose role is limited to financial stewardship, or who only occasionally are invited to contribute to commercial decisions, are far more likely to meet monthly or as needed. This is probably as a result of being constrained by the limitations of the monthly reporting cycle. Unfortunately, organizations without real-time information can quickly be overtaken by agile start-ups and disruptors who always have financial insight at their fingertips.

Catalysts for change recognize the critical necessity for accurate and timely information. They are far more likely to have mastered their data, actively managing it as a corporate asset, with the tools and resources needed for a competitive edge. That's not to say that some catalysts for change don't struggle with data overload or technology constraints, but business partners at the lower end of the maturity scale find it more difficult to manage their data in a way that is constructive and beneficial.

FIGURE 6: CATALYSTS FOR CHANGE HAVE A BETTER HANDLE ON THEIR TIME



Value added

When companies have reached the apex of their business partnership journey and have the insight to make an impact and the time to do it, they are much more enthusiastic across the board about adding value and can see more ways to do this than other executives who have further to go on their business partnering journey. They are more committed and more involved in all aspects of the business, providing an intensity that drives the business partnering forward in a virtuous cycle of improvement.

For example, they can more easily see the benefits of accessing accurate information quickly to help inform commercial decisions, and know how to support strategy development and execution. Their business partnership leaders will be active in finding synergies across the organization and helping to develop and agree a robust plan for value creation.

All these value added outcomes don't come at a cost to the more traditional financial role of business partnering. Instead, catalysts for change are far more likely to spend the right amount of time (not too much time) on the traditional areas of financial stewardship, reporting and budgeting. Less experienced business partners can get bogged down by these necessary but less value enhancing processes, leaving little time for strategic support, which is where catalysts for change excel.

Perhaps most importantly, catalysts for change recognize the essential importance of data health. 92% say improving data quality will be the most important investment focus for business partnering by 2030. Even where catalysts for change are data constrained or overloaded, they recognize the urgency to improve because all their strategic support is underpinned by access to timely, accurate insight.

Business partnering can only deliver real strategic benefit when relationships are strong enough to overcome challenges, and these challenges are supported by data and insight. Catalysts for change are committed to adding value by taking the time to develop strong relationships with their internal customers and using that time, and timely data, effectively.

The finance function has come a long way from its back-office days, but there is so much more it can offer when given the opportunity and the resources to build better relationships and share insights. Organizations that still have some way to go on their business partnering journey can look to the benefits reaped by catalysts for change as a reason to persevere. With timely access to information through strong data management and analysis, finance can use its insights to support and drive strategic decision-making and add substantial value across all areas of the business.

5 Steps to Becoming a Decision-Ready Organization

Finance is being asked to provide more frequent guidance than ever before and must shift its focus from delivery of core financial processes to providing guidance and strategic partnership across the enterprise—a shift made possible by accelerating digital initiatives and the cloud.

Data is everywhere, yet without the capability to turn information into actionable insights, data is merely the equivalent of raindrops falling endlessly into the ocean. The truth is that many companies are struggling to put their data to work, leaving a hugely valuable organizational asset largely untapped. A McKinsey study, "Designing Data Governance That Delivers Value," found that employees spend around a third of their time on non-value-added tasks due to poor data quality and availability; those in finance spend more time on sourcing, aggregating, reconciling, and cleansing data, in addition to manual reporting, than any other group.

The Evolving CFO and CIO Relationship

This conversation is not simply a finance one. IT teams are looking to simplify systems, reduce spend, and decrease the amount of effort needed to maintain legacy systems. Ever-increasing demand from the business for actionable data and insights means IT-centric processes are unfortunately becoming the bottleneck to organizational agility.

Finance is being asked to provide more frequent guidance than ever before and must shift its focus from delivery of core financial processes to providing guidance and strategic partnership across the enterprise—a shift made possible by accelerating digital initiatives and the cloud. Business leaders are asking for fresh insights and new ways of looking at business performance—often requiring the blending of multiple, disparate data sources. For finance, the pressure is on to turn data into action.

The challenge for finance is that legacy approaches, centered on manual processes, weren't built to handle the massive amounts of data being generated and captured by modern enterprises. Even in these uncertain times, very few finance leaders plan to postpone initiatives to modernize their data management platforms—some are accelerating their timelines. This is significant, as research from The Hackett Group found that, going into 2020, 88% of finance organizations had a major transformation initiative underway, and 96% were planning to launch one in the next 12 to 24 months.

How does the relationship between the CFO and CIO work with the emergence of tools, such as cloud computing, which have transformed the delivery and management of IT? There is little doubt that we have entered a new era of technology ownership. As cloud enables finance to have better control over the way it manages data, the function also has an increased responsibility and a huge opportunity to drive the digital agenda.

According to Oliver Wyman's report, "Digital Transformation of the Finance Function," finance is well-placed to make the move from financial advisor to the owner of an analytical hub, empowering the business with real-time data and actionable insights. In addition, the emergence of automation is driving down the cost of delivering comprehensive insights back to the business, leading to increased expectations of what finance could and should deliver.

Below, we look at five steps finance can take as it moves toward becoming a decision-ready organization.

Evolve Data Ownership, Experience, and Control

Any report that requires IT resources or input represents a potential delay. That can hold up decision making and lead to a host of potential problems for finance and its stakeholders. Legacy systems handed the governance and management of data to IT by default. That's just how things work in the on-premise world. Today, data ownership needs to be managed by those closest to the business. These teams, including finance, must be empowered to own the definition, implementation, and maintenance of critical components such as the financial data model, accounting rules, mappings, calculations, and metrics. Decision-ready organizations must be agile; they must have data at their fingertips in order to make fast calls based on the latest information.

Accelerate Time to Insight

Directly linked to the point on data control, increasing the speed at which insights can be gathered and shared is also becoming a finance priority. Finance users must be able to efficiently manage and transform data for any type of reporting, analytics, or planning use case. Time to insight relies as much on the user experience as it does on having the right data.

Financial analysts understand the value of using data preparation tools that are both visual and intuitive, helping them create stories to share better insights with executives. This shift to finance being the shapers of their own future demands tools whereby financial analysts can create, maintain, and adjust data transformation pipelines without the need to code. In other words, with little or no IT intervention.

Build a Complete View of Performance, Shared by Everyone
One of the biggest challenges facing finance professionals, and indeed the broader business, is a lack of data consistency. For example, if finance and HR hold two different contradictory versions of headcount data, but this was accrued from a variety of sources, coming to any form of consensus is going to be problematic.

Today, more than ever, businesses need to see the same set of facts, provided by reporting and analytics tools that meet the needs of a growing set of stakeholders with different needs. The impact of the COVID-19 lockdown brought this need into sharper focus, as finance and accounting users, managers, and executives, as well as lines of business, all required a consistent and collaborative view of performance data. Without in-person meetings and "water cooler moments" in the office, the trust and integrity of data becomes paramount.

To build this complete view, finance should be able to seamlessly integrate real-time financial transactions and historical data from legacy systems, in addition to operational data from industry-specific or homegrown solutions, with flexible dimensionality directly from the general ledger.

> One of the biggest challenges facing finance professionals, and indeed the broader business, is a lack of data consistency.

Build a Flexible Data Model Maintained by Finance

Part of the ongoing collaboration between finance and IT is about enabling the CFO function to create, maintain, and adjust its own financial data model without the need to code. The shift to the cloud enables finance to take advantage of data models that are explicitly designed to adapt to change. On-premise tools lack flexibility and require IT input at virtually every stage, from deployment through to management and the creation of reporting data. At the same time, with data and reporting contained in one platform, IT involvement can be reduced when creating reports or running analyses, improving efficiency and reducing overall costs associated with decision making.

Building a flexible data model is explicitly intended to support change, for example, to accommodate the addition of new data sources, adjustment of mappings, addition or removal of dimensions and attributes—without the months of effort commonly required with legacy approaches. Getting to this point, whereby IT enables finance to become the master of its own destiny, requires a cultural and technological shift, but this is something that both parts of the business must embrace if they are to become less transactional and more strategic.

Create a High-Power Accounting Engine Maintained by Finance

Similarly, IT can empower finance and its users, allowing them to control how data enrichment rules are defined and configured. In today's world, where companies have amassed a sprawling estate of tools, having a single point of maintenance for accounting rules across all operational activity is key. At Workday, we see that with many of our competitors, these rules often exist in separate silos, creating unnecessary maintenance overhead.

Data should be actionable, integrated with financial processes, and extensible, available to data science teams for advanced analytics and modeling, as well as application developers for building custom extensions and interfaces.

07

Methodology

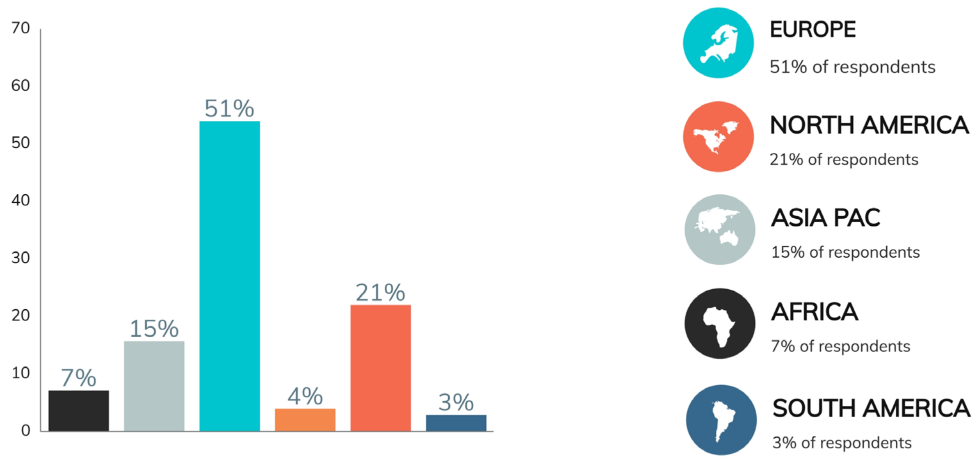
Methodology

The survey drew responses from 444 international senior finance professionals from the FSN Modern Finance Forum on LinkedIn.

This survey covered finance professionals across 23 different industries. 81% of these professionals were considered to have senior job titles and above.

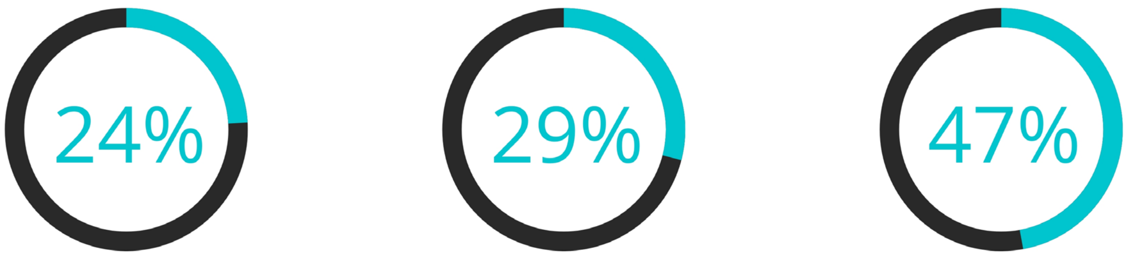
Response Demographics

444 SURVEY RESPONSES GLOBALLY*



COMPANY SIZE

Based on employee numbers



Small

0 to 100 employees

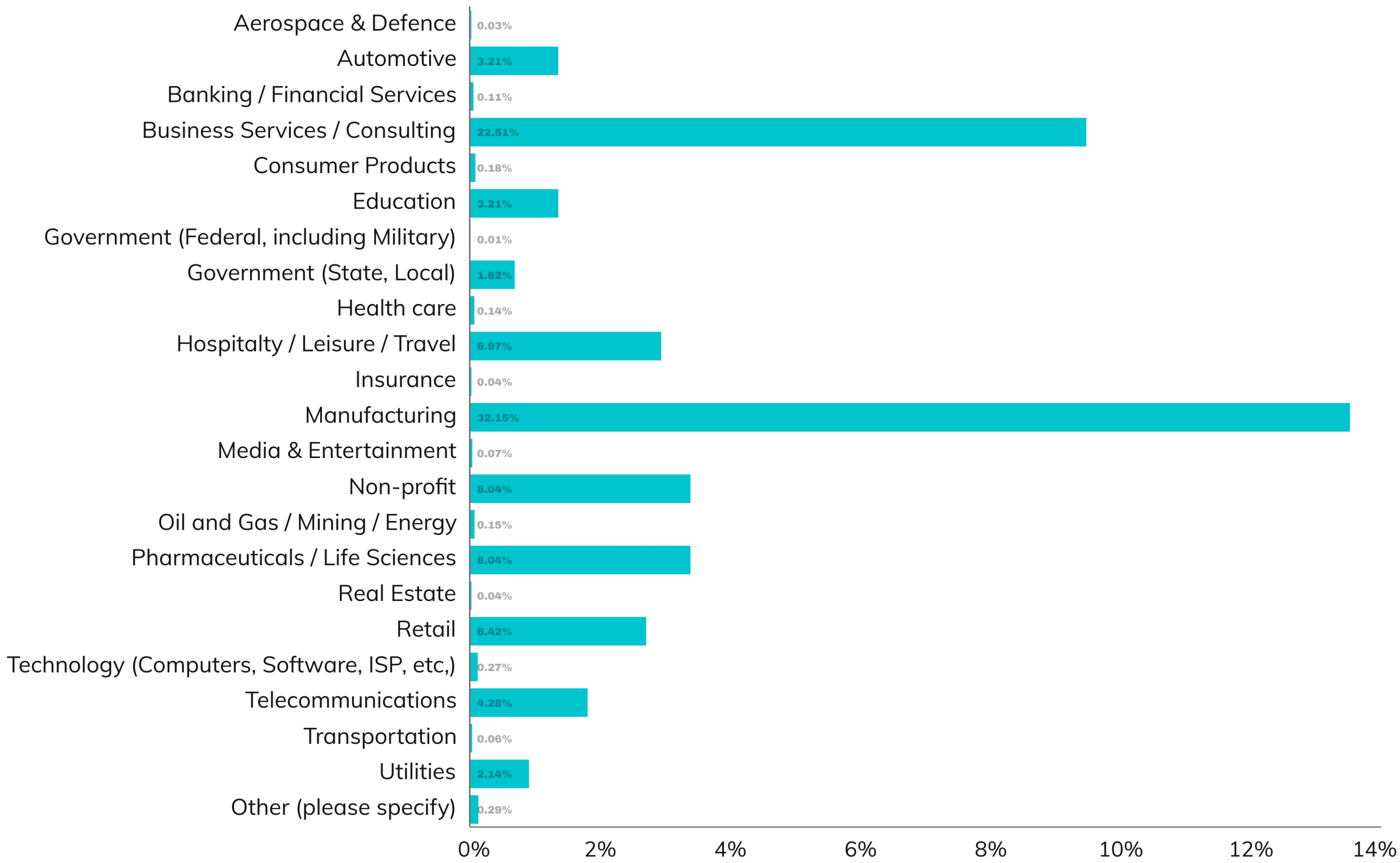
Medium

101 to 1,000 employees

Large

1,001+ employees

Industry of respondents



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