



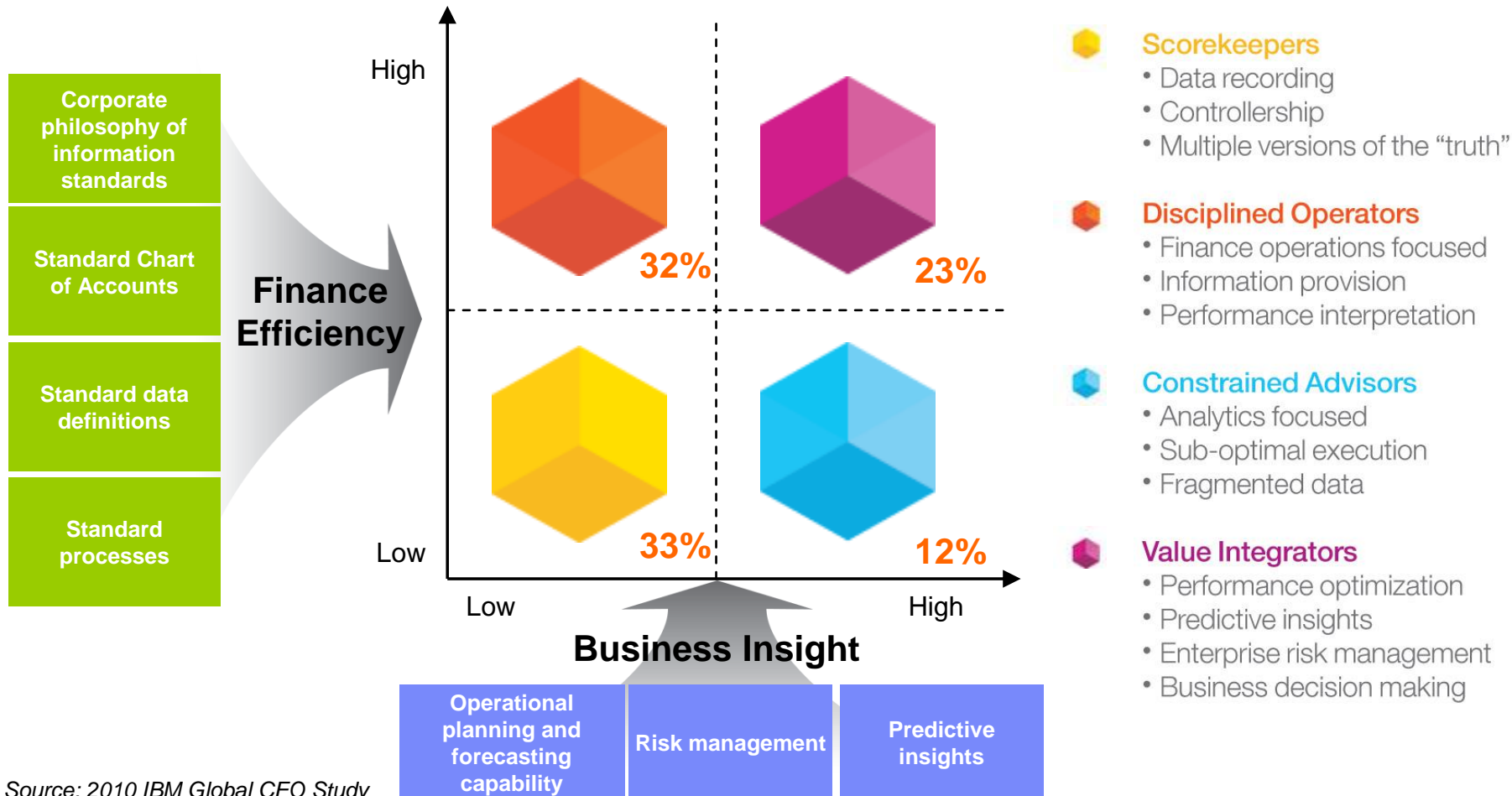
IBM LeadershipConnect

Driving Transformation for Greater Value

Trusted Advisor – the ‘how to’ for the Office of Finance

Colin Powell – IBM Smarter Analytics
Jakarta, 7 March, 2013

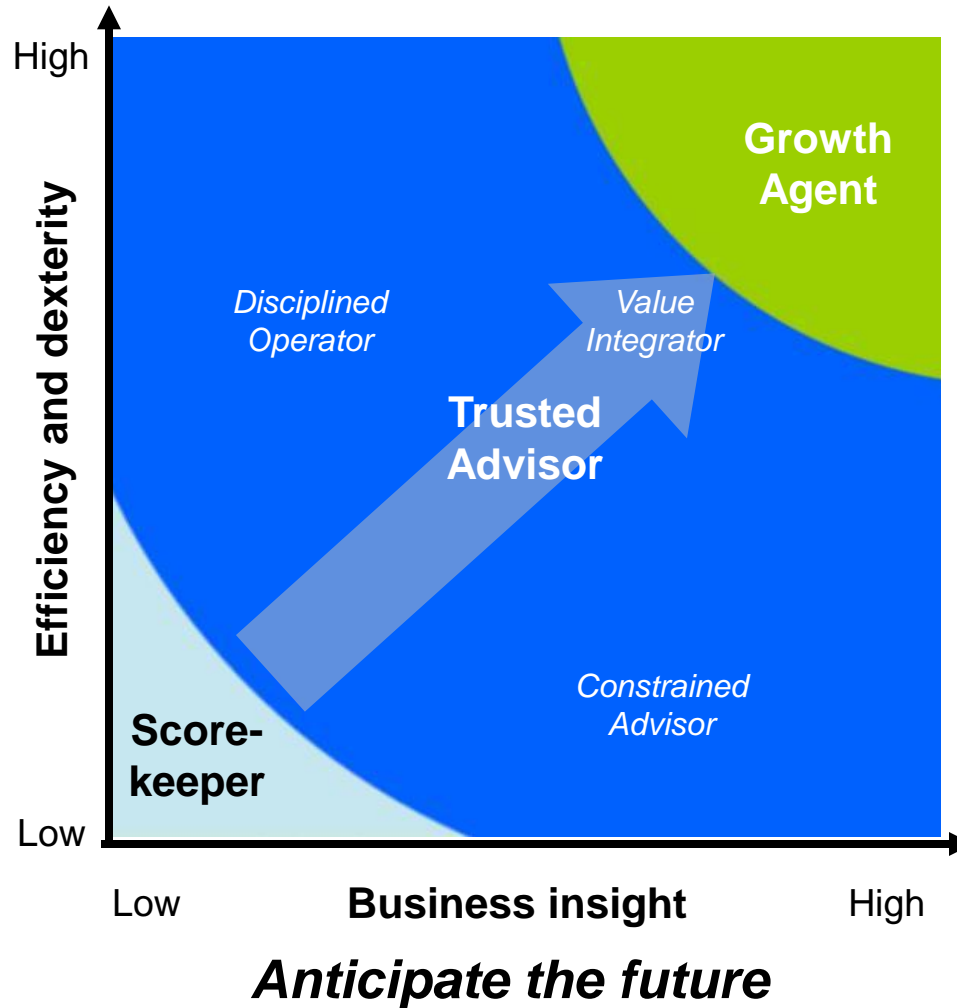
2010 IBM CFO Study: Four Finance profiles were identified by WW CFO Study when segmented by efficiency and business insight



Source: 2010 IBM Global CFO Study

How do we make this journey?

**Accelerate
enterprise
transformation**



**Innovation
and profitable
growth**

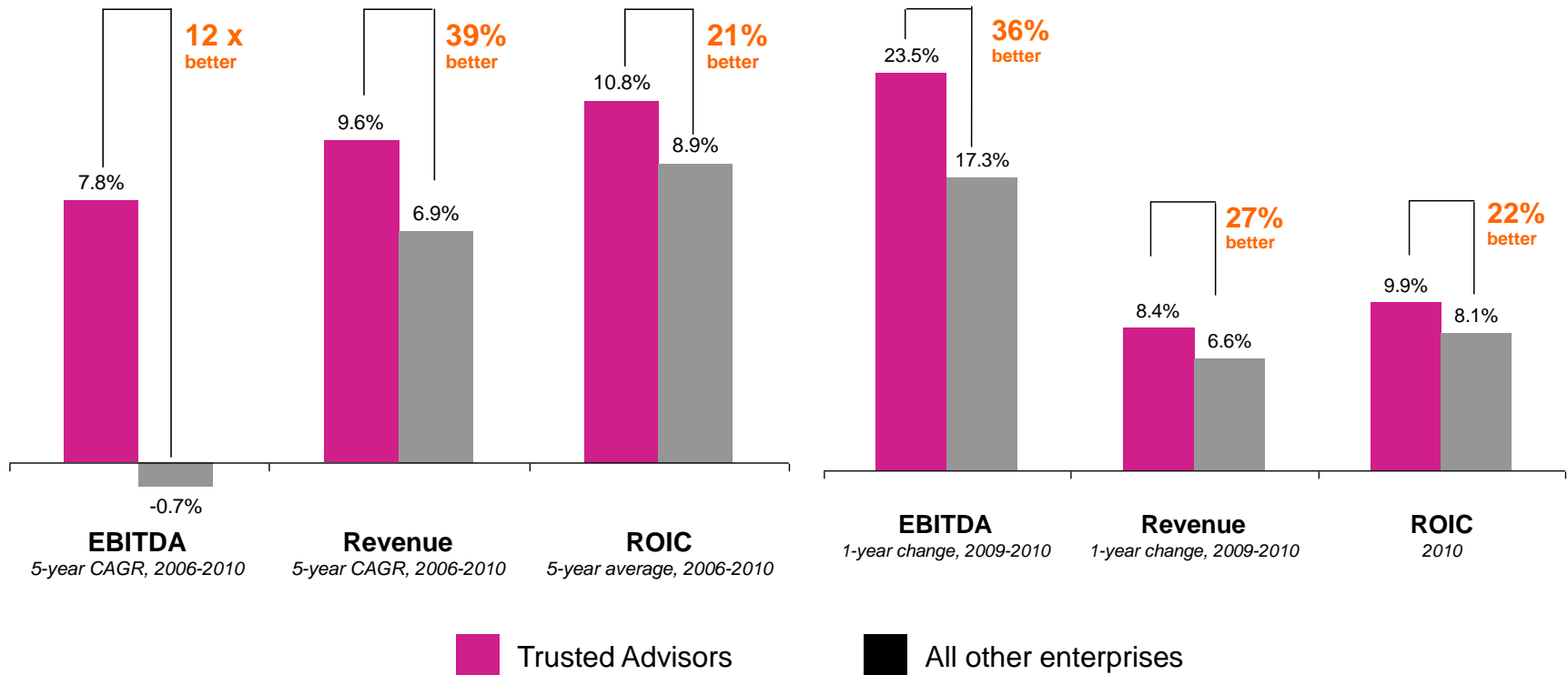
Why transform to *trusted advisor* ?

Answer: the rewards are substantial

Trusted Advisors Outperform

5 Years through 2010

1 Year: 2009 to 2010



Trusted Advisors leverage five transformation levers to achieve higher performance

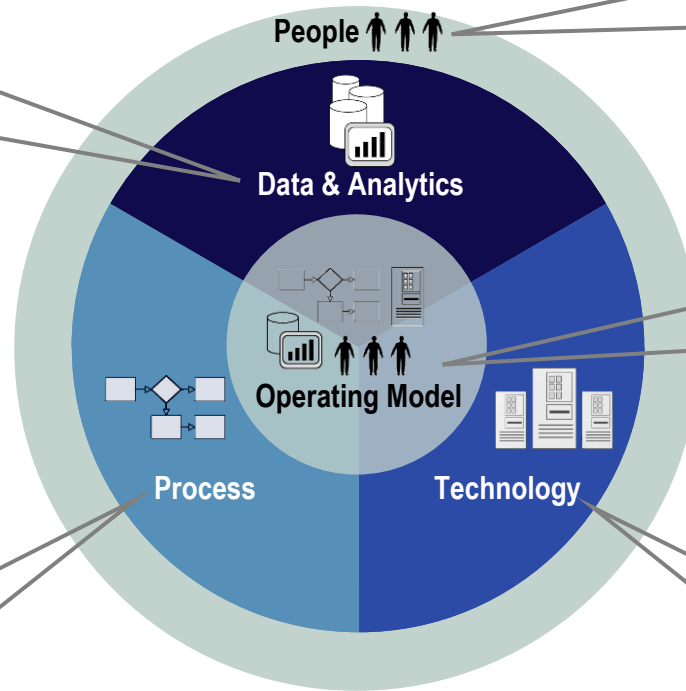
Drive data commonality and integrate information across the enterprise

Balance skills and capabilities between fiduciary and advanced decision support
















Use alternative Finance process delivery models

Drive Finance process commonality

Leverage common Finance applications and use advanced analytics technology



IBM interviewed over 1400 companies face-face, and then conducted deep dive sessions with 15 of the best

Enterprise	Headquarters	Industry	FY09 Revenues
Adani Group 	India	Energy & Utilities	Rs.25,923 crores(2010)
Air New Zealand 	New Zealand	Travel & Transportation	NZ4,609 MN
Bank of New Zealand 	New Zealand	Banking	NZ69.8 BN (Assets)
Celanese 	United States	Chemicals & Petroleum	US\$5,082 MN
DC Water 	United States	Public	US\$334 MN
Dublin Airport Authority 	Ireland	Travel & Transportation	€547 MN
Hays 	United Kingdom	Professional Services	£2,691 MN (2010)
Highmark 	United States	Healthcare	US\$13.7 BN
IBM 	United States	High Tech	US\$95.8 BN
Isetan Mitsukoshi Holding 	Japan	Retail	¥12,916 (100 MN ¥)
Kao Corporation 	Japan	Consumer Products	¥1,184 (1 BN ¥)
Kuehne + Nagel 	Switzerland	Travel & Transportation	CHF17,406 MN
Rhodia Brazil 	Brazil	Chemicals & Petroleum	€4,031 MN
Statoil 	Norway	Energy & Utilities	NOK465.4 BN
Williams Co. 	United States	Energy & Utilities	US\$8,255 MN

What drove these organizations to transform to *trusted advisors*: Summarize the findings into three themes

Different catalysts, common objectives

- One of four catalysts drives Finance transformation
- The case for change balances strategic and operational benefits
- Broader enterprise benefits trump traditional savings

Finance transformation

- The participants use all levers, but usually not by design
- Technology simplification is the most common starting point
- The prevalent path is efficiency/transparency then insight

Success = people and culture

- The best resources applied
- Success requires open-minds and a relentless execution
- Executive sponsorship and rigorous planning

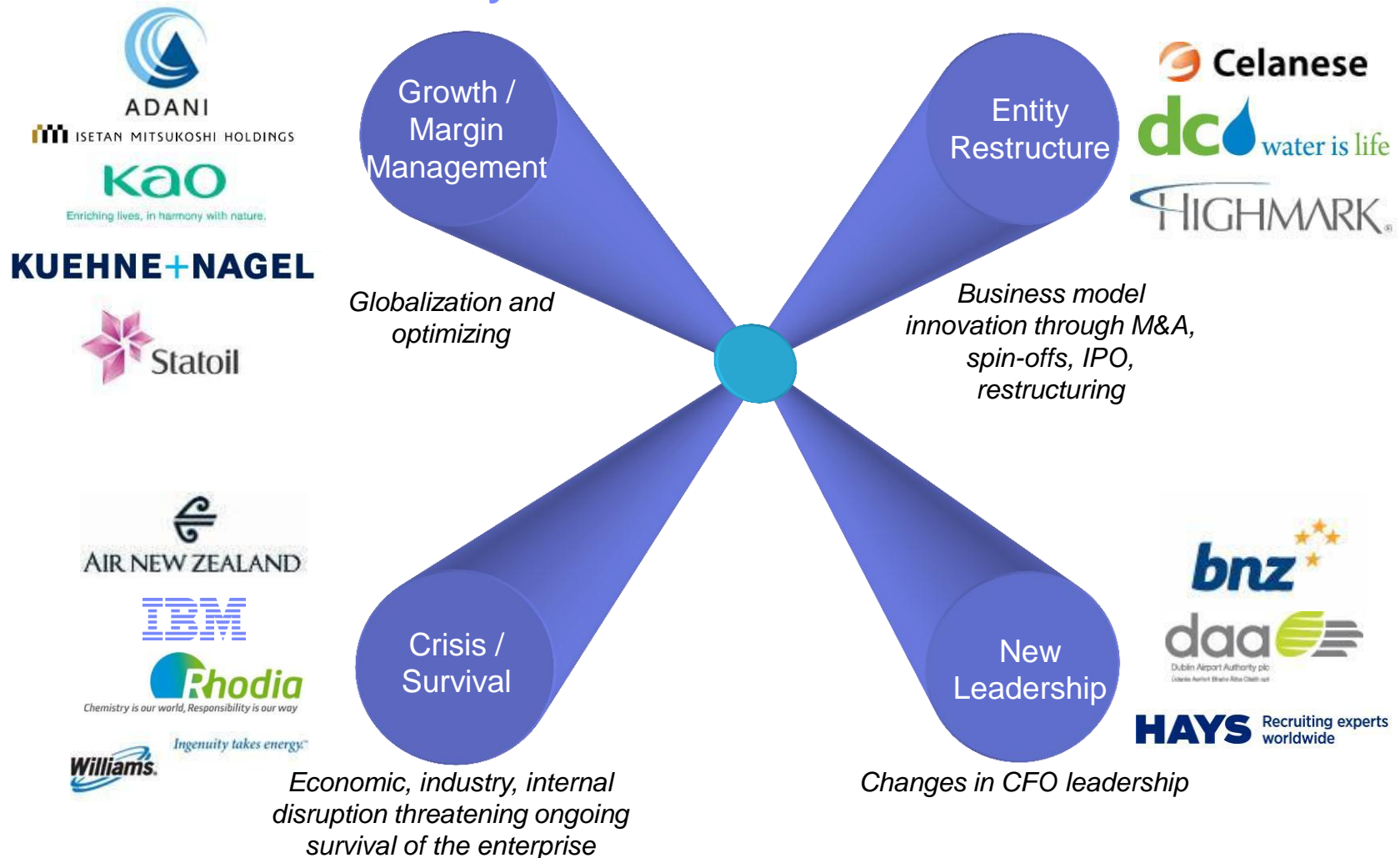


Contents

- Different catalysts, common objectives
 - Finance transformation
 - Success = people and culture

While the specific catalysts varied for each, they fall into four categories

Catalysts for Finance Transformation





Contents

- Different catalysts, common objectives
- Finance transformation
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Technology simplification is the most common starting point, with some enterprises coupling technology and process together

Leading Lever – Where did they start?

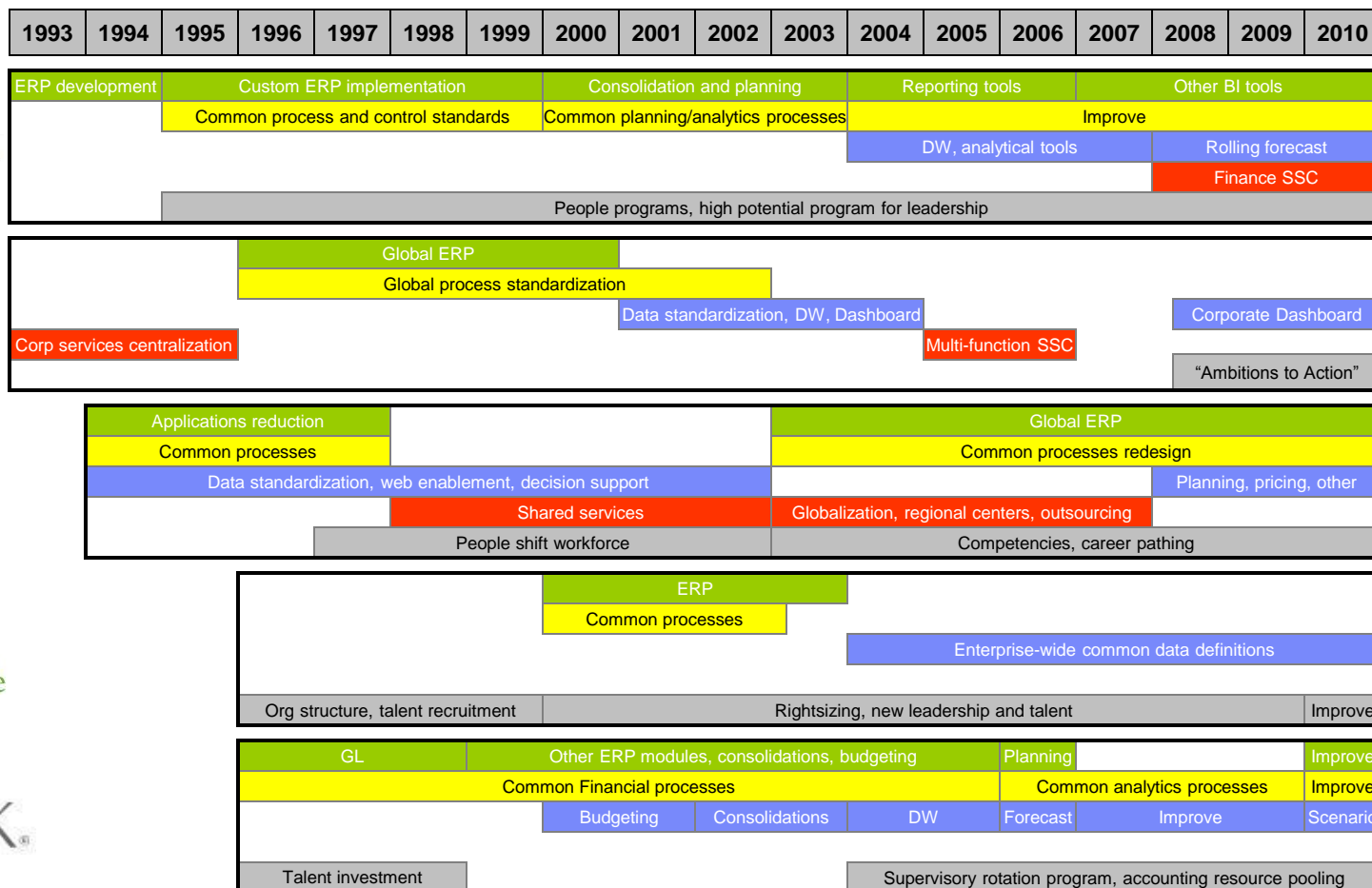
Enterprise	Technology	Process	People	Op Model	Data	Comments
Dublin Airport Authority	✓	✓		✓	✓	Transformation involved a significant number of steps happening in parallel including Process Consolidation, Common Policy Definition, Integrated System, Data Cleanup / Consolidation, the IT Infrastructure and Communication / Change Management
Bank of New Zealand	✓	✓	✓		✓	World Class Finance Program focused on Leveraging Business Intelligence, Planning, People, Continuous Improvement and Visual Management
Williams Co.	✓	✓		✓		Focus on shedding non-core businesses through outsourcing, consolidation of systems and common processes
Isetan Mitsukoshi	✓			✓		Need to align systems and centralize and reduce workload
Highmark	✓	✓				Need for a common ledger to run the business and process commonality due to the combination of two entities
Adani Group	✓	✓				Implementation of SAP and related processes to support growth, including industry specific solutions for trading, logistics, mining, etc.
Kao Corporation	✓	✓				For the 21 st century efforts, 2003 SAP, followed by SSC in 2005
Air New Zealand	✓		✓			Single instance ERP to put information in one place, drive good data and partner with the business; restructured Finance to solid line reporting
Kuehne + Nagel	✓					Focus on globally integrating operations through a new global financial system and globally consistent processes
Hays	✓		✓			Upgrade of front-office systems and back-office systems to support longer-term growth; built team who could drive change
Rhodia Brazil		✓				Need to drive operational excellence
Celanese			✓			The new entity had to build a new Finance team from scratch
DC Water			✓			The new independent authority required a new management team
Statoil				✓		Corporate initiative to re-organize administrative functions
IBM	✓		✓		✓	Need to assemble the facts - common data definitions came to be the foundation of a comprehensive information management strategy



Technology and process transformation have been the first step, with operating model and data & analytics following

- Technology
- Process
- Data & Analytics
- Operating Model
- People

Transformation Journeys starting in the mid 1990's



Timeframes are approximated, within ½ year

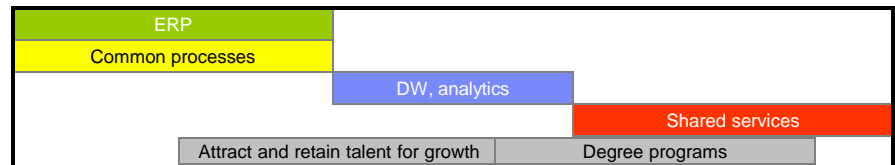
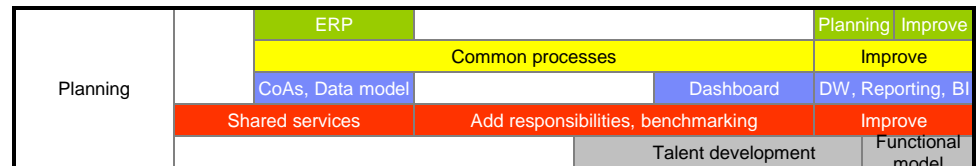
As technology and operating model methodologies have matured, the transformation timeframes have shortened

- Technology
- Process
- Data & Analytics
- Op Model
- People

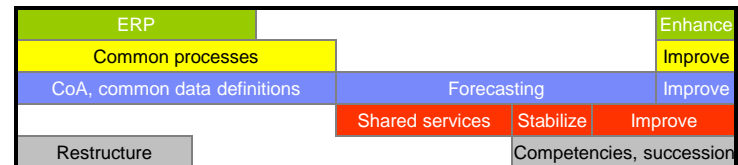
Transformation Journeys starting in the late 1990's, early 2000's



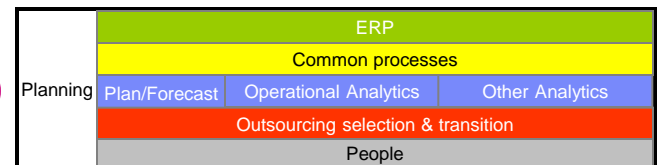
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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• Enterprise-wide data warehouse



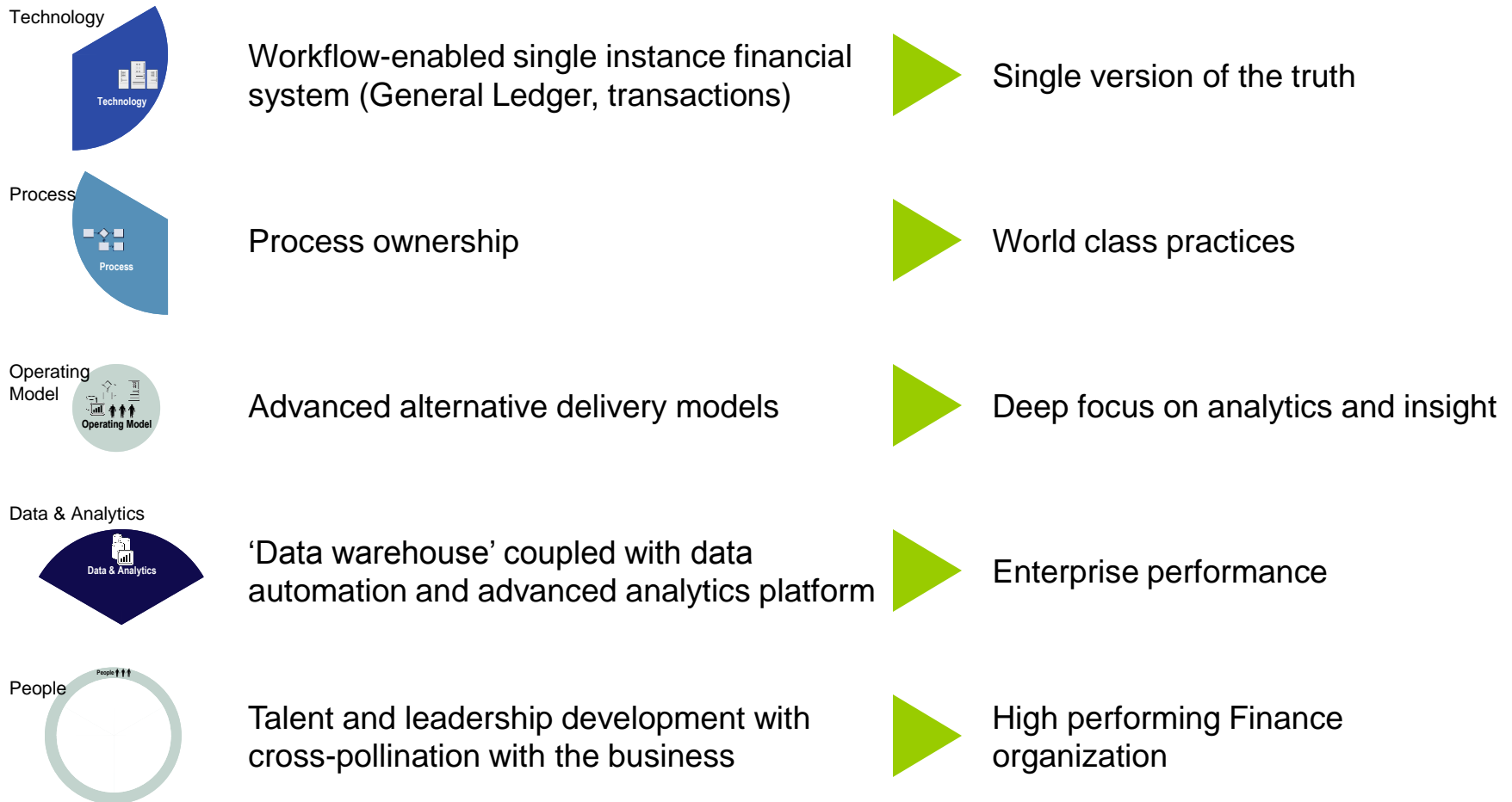
• GL Consolidation
• SSC for payroll, property, general accounting



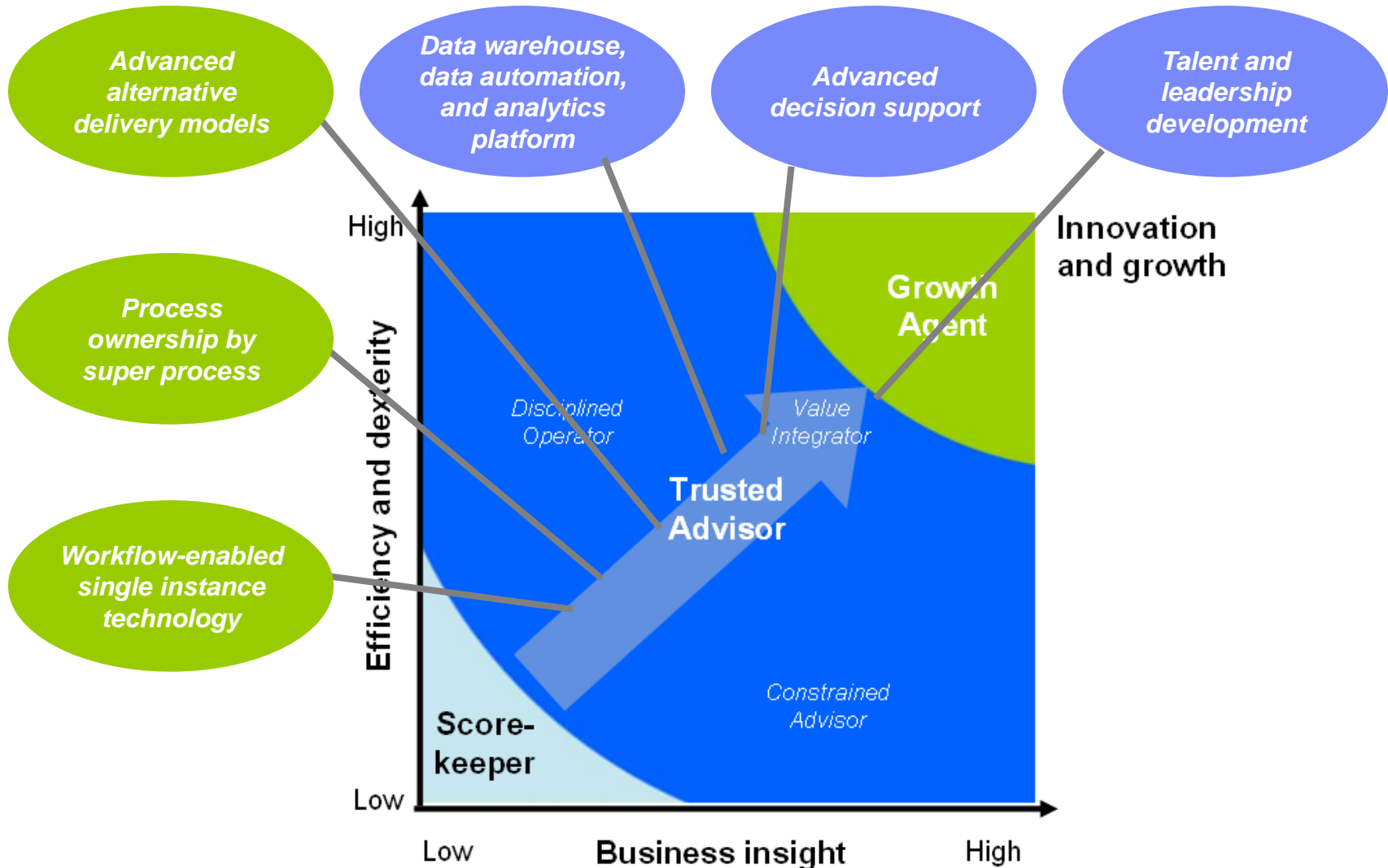
Timeframes are approximated, within ½ year

All *trusted advisors* share a number of leading practices across the five transformation levers which enable better performance

Common Practices of Trusted Advisors



Transformation path requires building commonality (efficiency) and investing in analytics and insight to drive profitable growth





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The distinguishing success factors are people and culture

Distinguishing Success Factors



Strong resources at an executive and project level



Full time core implementation team containing some of the top talent



Execution focus



Culture of continuous improvement

IBM is uniquely positioned to be your partner on this journey

Common Practices of Trusted Advisors

IBM Capabilities

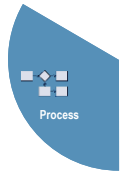


Workflow-enabled single instance financial system (General Ledger, transactions)



Single version of the financial truth

- Finance Strategy & Transformation
- Information Management
- Business Analytics



Process ownership by super process



World class practices

- Finance Strategy & Transformation
- Finance Business Process Services



Advanced alternative delivery models



Higher focus on analytics and insight

- Finance Business Process Services
- Information Management
- Business Analytics



Data warehouse coupled with data automation, and analytics platform



Enterprise performance dashboard

- Business Analytics
- Information Management
- Finance Strategy & Transformation



Talent and leadership development with cross-pollination with the business



High performing organization

- Finance Strategy & Transformation

Call-to-action

- **2013 Global C-Suite Study**
Participate and learn from peer comparisons across 2,500 respondents globally
- **Finance Health Check**
Uncover the financial process changes and analytical improvements required to transform Finance into a Trusted Advisor
- **Analytics Quotient (AQ) Survey**
Determine how well you are applying analytics and what to do next
- **Finance Exchanges**
Meet with IBM corporate Finance executives and learn from IBM's transformation

2013 Global C-Suite Study

CMO CFO CSCO CIO CEO
CFO CEO CMO CHRO CIO CSI
CIO CMO CSCO CEO CFO C
CHRO CEO CFO CIO CSCO C
CEO CSCO CIO CFO CHRO

What's Your
AQ?

01 | 15

What types of data sources do you analyze when making decisions?

- Separate, individual data sources.
- Individual data sources plus shared sources for some company-wide efforts.
- Enterprise sources across some functions and processes with some use of data from text, point of sale, RFID, social media, etc.
- Standard enterprise sources across most functions combined with data from text, point of sale, RFID, social media, etc.

NEXT

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