Abstract
Finance transformation isn’t easy. The environment in which the CFO operates is constantly changing – creating both new challenges and opportunities. Consequently, the CFO’s agenda is evolving and has given different hues to finance transformation – one where the CFO must master the forces of change to make his function truly world-class.
The new CFO agenda

As the market evolves, it appears that the expectations from the CFO’s office are only increasing. Traditionally, the CFO’s responsibilities revolved around activities like controlling, financial planning, compliance, treasury, and administration. If these weren’t enough, the CFO now has to deal with evolving market conditions, changing scope and scale of business, and regulatory compliance. Add to the mix the fact that the CFO is increasingly being asked to include corporate issues such as goals, governance, performance, and growth in his agenda. Thus, the finance function is seeking a fundamental shift from traditional controllership to being a strategic business partner. But at the same time, organization-wide cost pressures are forcing the finance function to explore opportunities to become leaner, more efficient, and reduce overall cost of finance.

What does this mean at an operational level?

To state it simply, the CFO is tasked with simplifying and standardizing finance processes, improving reporting and data governance, and having world-class finance operations.

The CFO’s new avatars

**Driver for simplification**
Simplified reporting requirements and processes are an essential ingredient for efficient operations.

**Champion for harmonization and standardization**
The higher the level of harmonization in processes, data, and applications; the higher is the reliability and speed of information delivered.

**COO of the end-to-end reporting chain**
More control on data collection and information management process means more effective and efficient reporting for decision making.

**Data governor and change shaper**
A good data architecture and robust data governance act as a strong foundation to finance transformation.

The journey to becoming world-class

In our experience, we have found that a world-class finance operation is achievable if an enterprise focuses on three key tenets:

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<tr>
<th>Processes and Practices</th>
<th>Organization and Culture</th>
<th>Standardization of IT</th>
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<tbody>
<tr>
<td>• Harmonized processes and reporting architecture – global and regional process templates</td>
<td>• Managing back office processes through a global business services (GBS) organization</td>
<td>• Aligning level of IT standardization to the highest possible levels process</td>
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<td>• Sharing of best practices across the enterprise</td>
<td>• Leveraging the right talent through a global service delivery model</td>
<td>• Setting strict compliance standards and enforcing them</td>
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<td>• Simpler and smarter processes</td>
<td>• Defining responsibilities for local CFOs, shared service centers, and corporate centers of expertise (based on transactional volumes, nature of activities, business organization)</td>
<td>• Shutting down old applications/Application rationalization</td>
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<td>• Standardized data (e.g., CoA, cost center structures, LoB) – ideally a gold standard</td>
<td>• Consolidation of legal entities. Managing change effectively and clearly communicating the benefits of a change to employees</td>
<td>• Selecting and implementing a single global solution</td>
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<td>• End-to-end process ownership to avoid redundancies</td>
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<td>• Getting business teams to own the solution, with the IT organization acting as an enabler</td>
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How can BPOs help in this journey?

BPOs can act as a catalyst in the metamorphosis of finance functions by accelerating the transformation. The days of CFOs looking to offshore and outsource solely for cost are long gone. CFOs now realize that outsourcing as a single initiative can impact multiple elements of their finance transformation program by:

- Helping them rapidly move to a flexible operating / service model that caters to varied business requirements
- Bringing in transparency to the process model – by eliminating disparity, enforcing controls, reducing redundancies across process execution (process mapping during transition)
- Driving change, as BPOs bring in fresh thinking and a new way to look at old problems for the enterprise–facilitating an opportunity to drive other significant changes rapidly (in operations, ways of working, organization structures)

While the cost savings from a BPO exercise will no doubt act as a fuel to drive the transformation, the BPO engagement model (with its operating model, governance, and committed efficiency savings) acts as an engine for the transformation program. More importantly, a BPO program also frees up significant management bandwidth, shifting their focus from performing transactional chores to being a true business partner within the enterprise.

The extent of value that a BPO partner delivers will be proportional to the gap between the enterprise’s current state and the aspirational world-class. Contrary to popular perception that only perfect processes can be outsourced, greater value can be realized when a company actually outsources disparate processes – the only caveat being that they will need to undergo a crucial change management exercise to unlock this value.

With Infosys as the partner, the transformation is rapid

Infosys has developed a unique Process Progression Model™ (PPM) that accelerates the journey to a world-class finance function. It is a roadmap that takes client processes on a journey of progression and continuous improvement. Irrespective of the existing state of the client process / industry / function, the model is geared to transform the client process through an evolution curve of higher process maturity, measurable business outcomes, and enhanced client customer satisfaction. The model addresses the complete cycle of objectives of the three stages of progression of a business process – operate, optimize, and transform.

To ensure that these benefits are also monetarily realized by our clients, the contractual constructs involve business metric and transaction-based commercial models. To us, the value realized by our clients is an aggregation of tracking the business impact of their processes, impacting their bottom line, and helping them redefine their cost structures.
Get future-ready

Infosys, a leader in business transformation continuously invests in developing cutting-edge practices, technologies, and processes, to keep our clients ahead of the curve in this continuously evolving journey that is finance transformation. A case in point is successfully deploying RAAFA (Robotic Automation & Analytics in F&A), which holds the promise to usher in a new era of productivity and profitability for enterprises. Productivity, by eliminating transactional activities and automating processes. Profitability, by delivering business insights from reams of seemingly unstructured operational data related to process transactions.

Even as CFOs find themselves donning new hats in the success of their enterprise, exciting vistas for growth beckon. But an opportunity can easily go to waste if finance processes aren’t geared for market realities – and that’s why the time to transform finance is now.

About the Author

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Prasanth Nair has a master’s in business administration with over 14 years of experience in business process reengineering, and consulting. He has been with Infosys for eight years and has extensive experience in the Finance & Accounting function globally and specifically across various countries in Europe. His experience spans manufacturing, retail, and telecom industries. He has played a variety of roles across transition, program management, operations, and transformation in Infosys. Currently, he heads the practice engagement for F&A services globally.

About Infosys

Infosys is a global leader in consulting, technology and outsourcing solutions. We enable clients, in more than 30 countries, to stay a step ahead of emerging business trends and outperform the competition. We help them transform and thrive in a changing world by co-creating breakthrough solutions that combine strategic insights and execution excellence. Visit www.infosys.com to see how Infosys (NYSE: INFY), with $8.25B in annual revenues and 160,000+ employees, is Building Tomorrow’s Enterprise® today.

Infosys BPO, the business process management subsidiary of Infosys, provides a broad range of enterprise and industry-specific services. We deliver transformational benefits to clients through our proprietary Process Progression Model™ (PPM). These benefits include cost reduction, ongoing productivity improvements and process reengineering.

For more information, contact infosysbpo@infosys.com www.infosysbpo.com

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