SEPTEMBER 23, 2021

RADIANCE ON THE ROAD
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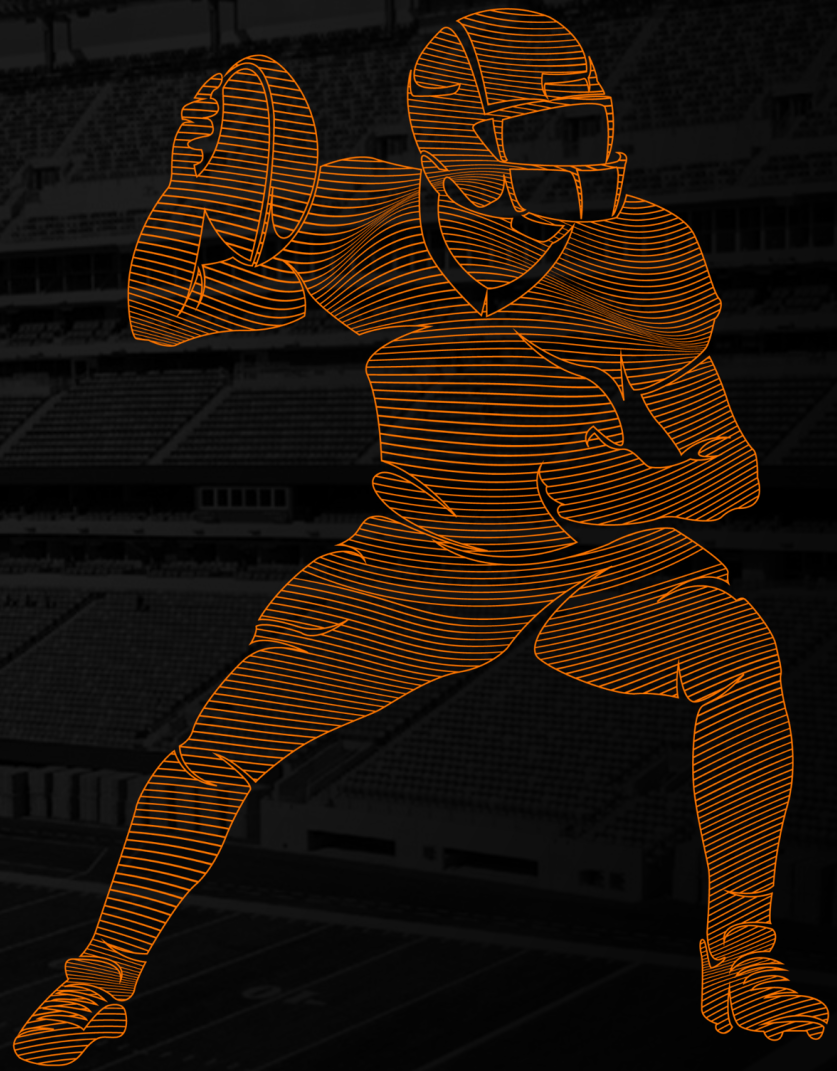
Bain's Proven Strategies for Getting C-Suite Buy-In for Your Finance Transformation Project

Bhavik Patel

Associate Partner

BAIN & COMPANY



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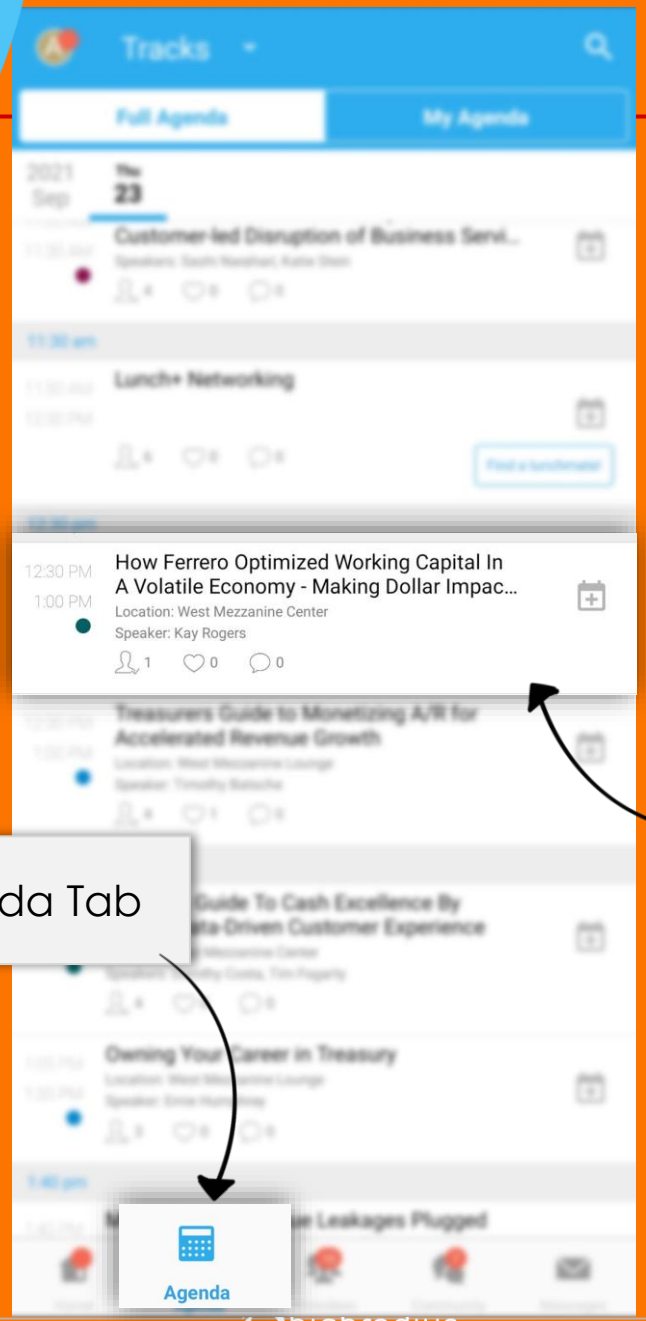

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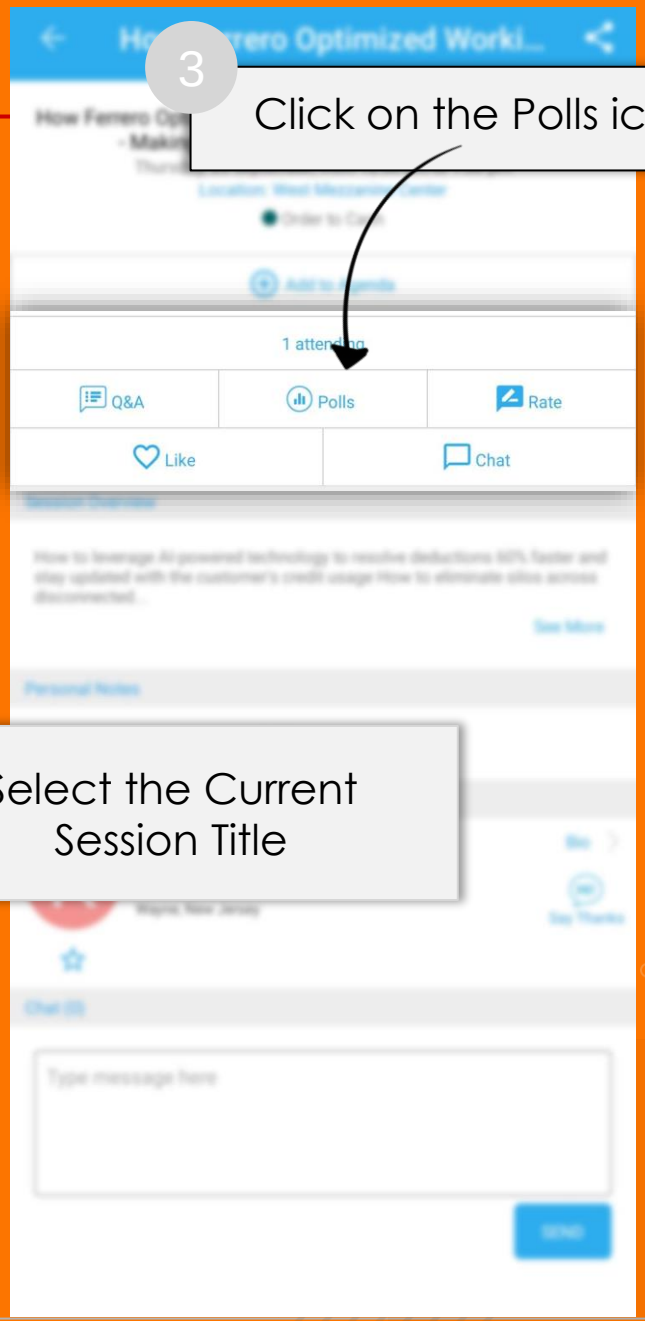

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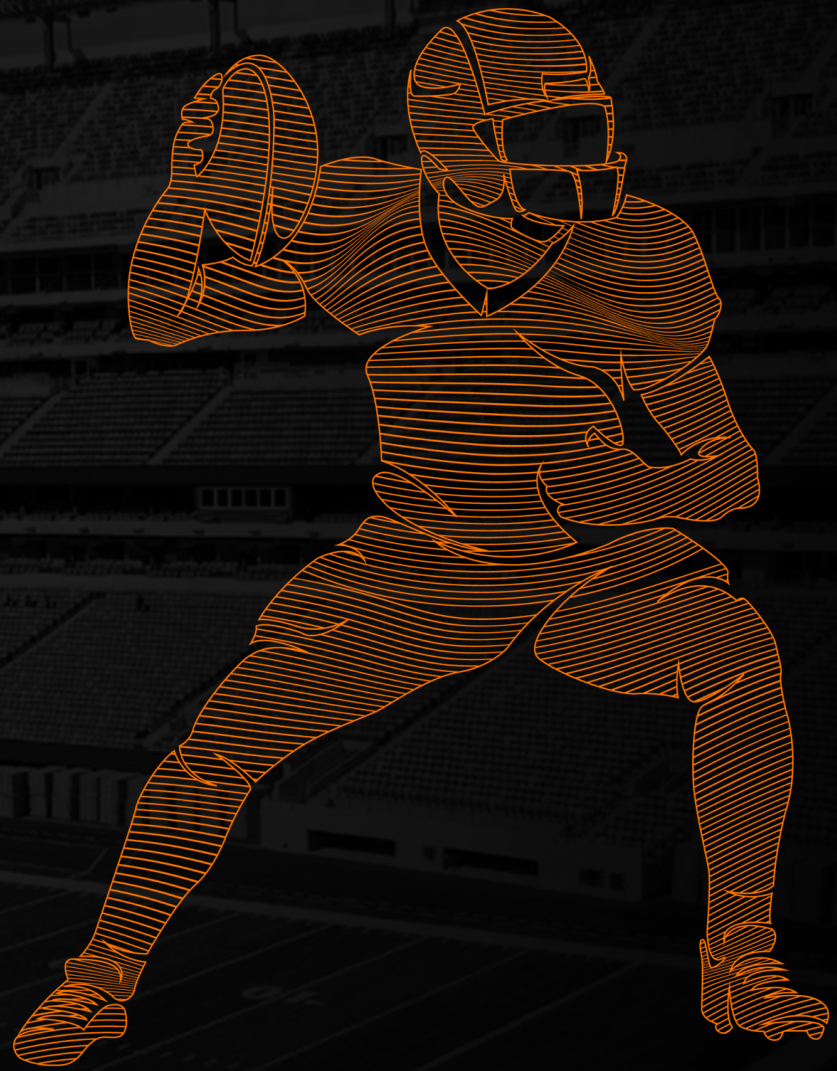


An introduction to Bain & Company

We are one of the world's **top management consulting firms**

Today, we work as one global team with **12,000 employees** across **59 offices** in **37 countries**

We've worked with over **6,500 companies**, including **most of the Global 500**

We have worked on over **900+ Finance projects** with global CFOs and Finance teams on transformation and optimization of their Finance function

We are excited to **partner with High Radius to bring you today's presentation**

Multiple forces are re-shaping the demands on Finance

NOT EXHAUSTIVE

Business complexity and uncertainty

- Growing scale and geographic spread
- Greater focus on operational and business resiliency
- Ongoing economic uncertainty

New pricing/revenue models

Regulation, globalization and investor activism

- Legislative and regulatory change
- Open financial markets
- Growing activism
- Increasing focus on ESG

More complex, multi-market relationships with customers

Cost and cash pressure

- Liquidity pressure as economy shut down early in pandemic; continued cost pressure as economy recovers
- Need for variable and resilient cost structure

Increased focus on Net Working Capital (NWC) management

Digital acceleration

- Increasing adoption of cloud, analytics, automation
- ERP modernization
- Increasing data volumes

More automated workflows and real-time NWC visibility

War for talent and Future of Work

- Globalization
- Need for advanced analytical and communication skills
- Shifts in org design and operating model (remote/ hybrid work, COEs, shared services)

Increased use of Global Business Services & outsourcing

EXAMPLE O2C IMPACTS

Finance is evolving to add higher business value

Traditional Finance	Future of Finance
Create the **financial plan**	Co-design the **strategy**
Monitor **trends in the numbers**	Identify **value opportunities**
Report the **financials**	Convey the **equity story**
Search for top talent	**Develop and retain** top talent (existing and new capability areas)
Maintain **controls**	**Proactively manage risks**
Juggle **different databases**	Own the **single source of truth**
Build **spreadsheets**	Source and deploy **innovative technology**
Automate key processes	Apply **advanced analytics & intelligent automation**

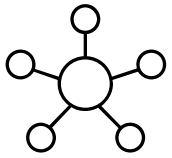
Finance roles are changing, as well as the required skills

Traditional Financial Analyst postings

Current Financial Analyst postings

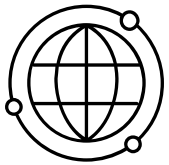
Finance leaders are already taking major actions to transform, which has been accelerated by the pandemic

Centralizing all Finance personnel, while deploying 'business partner' org. structures

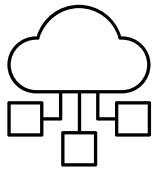


Transitioning select processes to shared service / Global Business Services (GBS) functions

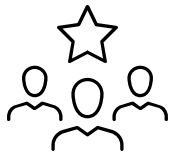
- Investigating nearshoring in addition to / instead of offshoring options



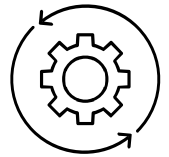
Investing heavily in technology (cloud-based ERPs, SaaS, AI, automation)



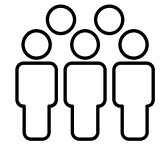
Elevating focus on FP&A vs. "book-keeping"; updating talent engine (from recruiting to retention) to find this different type of talent



Zero-basing processes, with process-by-process ambitions, to reduce inefficiencies and improve "customer" service



Moving workforce to "work from home", both part-time and full-time



However, transforming your Finance organization for the new world can be challenging

Can require meaningful dollar investments and other resources and competes for these resources against other initiatives that are seen as more value add

Cannot be done in isolation and often requires meaningful input and time from people outside of Finance (e.g., businesses, IT, HR)

May require temporary or permanent increases in cost of service, which can be met with resistance if allocated

Is often a multi-year effort, with a lot of work, requiring patience and some trial-and-error (e.g., management reporting)

Finance transformations require broad COMMITMENT, particularly from the leadership ranks

Question for the Audience

What is your biggest challenge in the c-suite buy-in process?

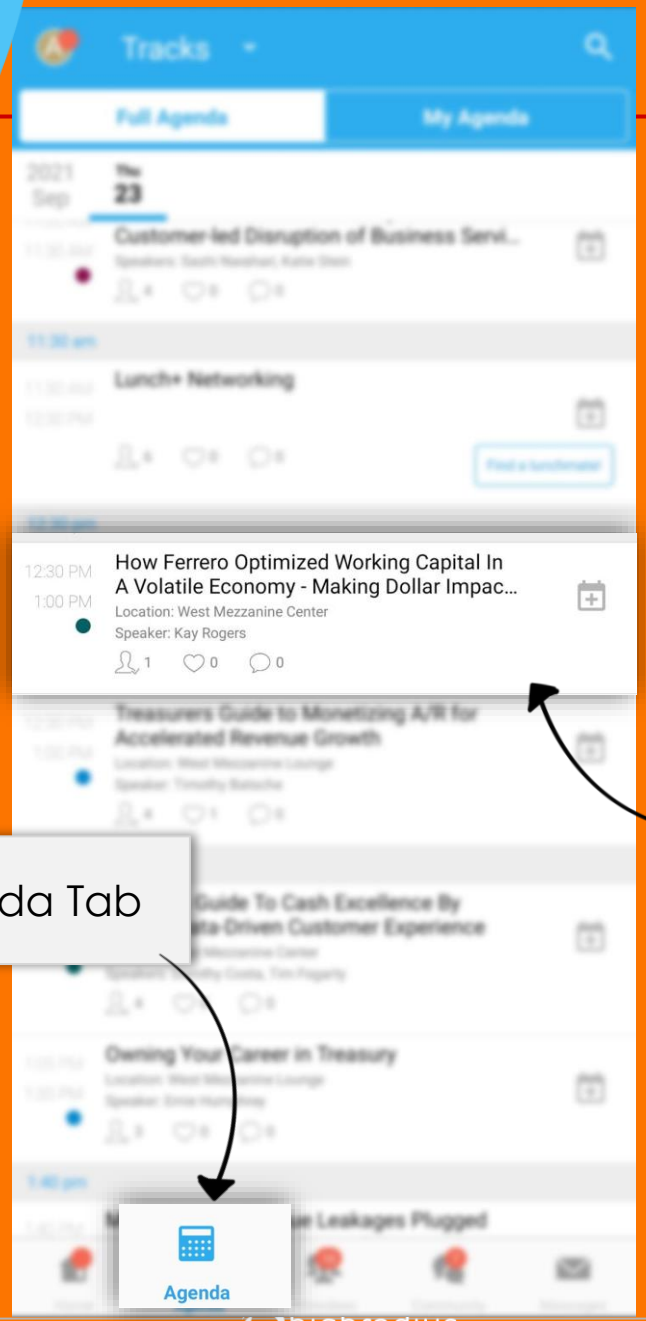
01 Inability to showcase definite ROI

02 C-suite's limited understanding of the tech stack

03 Building a concrete business case

04 Resistance to change from traditional approach of working

How Can I Register My Vote Through the Whova App?



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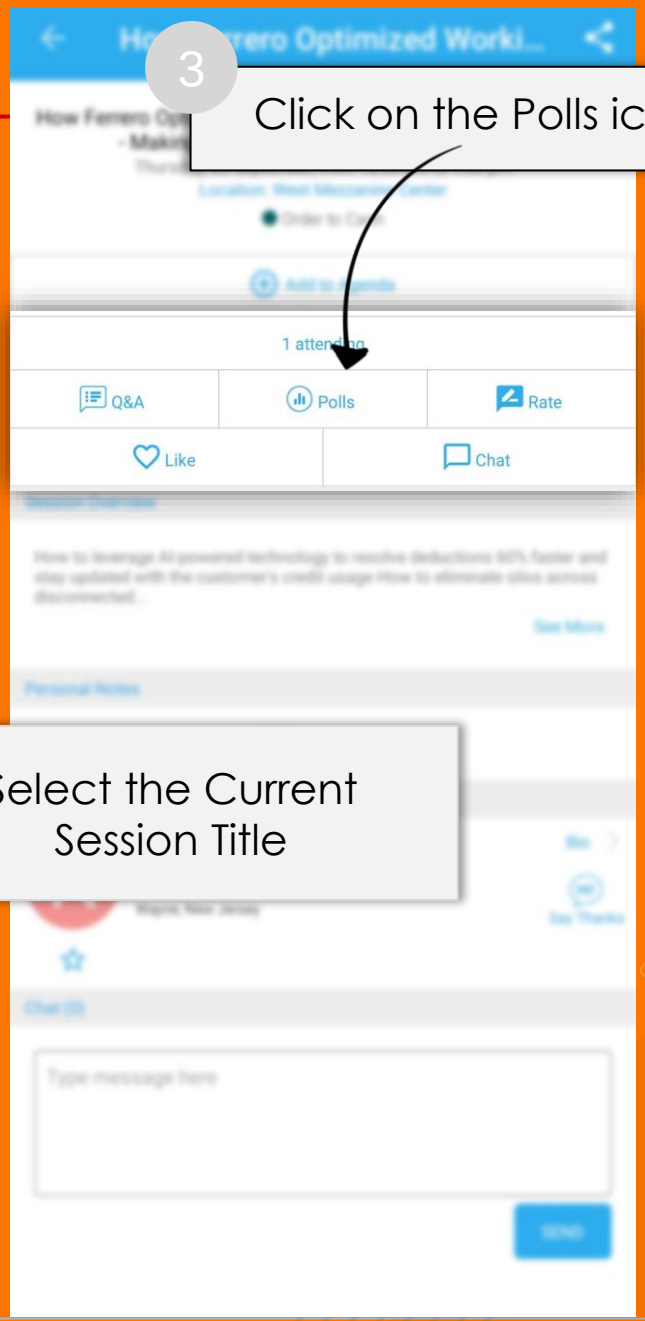
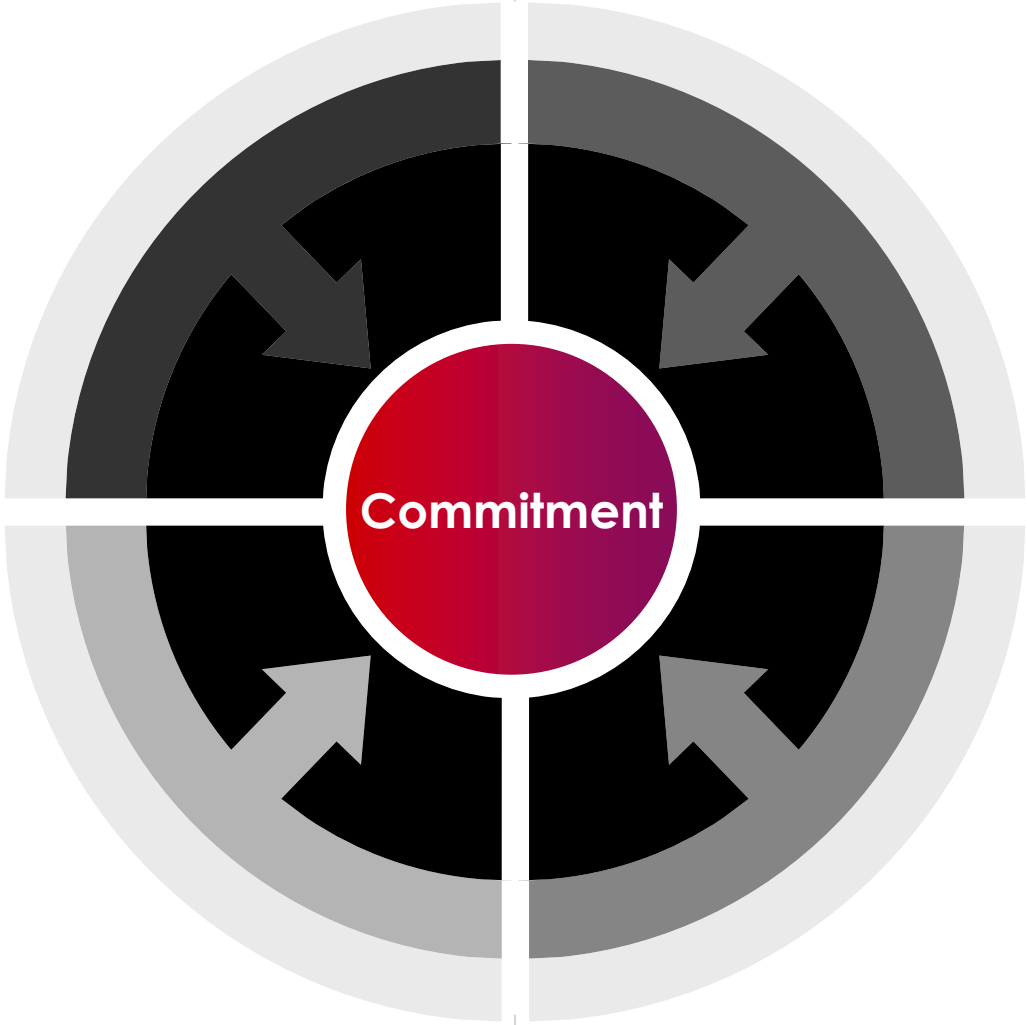


3 Click on the Polls icon

So, how can a Finance org. get and sustain commitment?

Enroll another change leader early

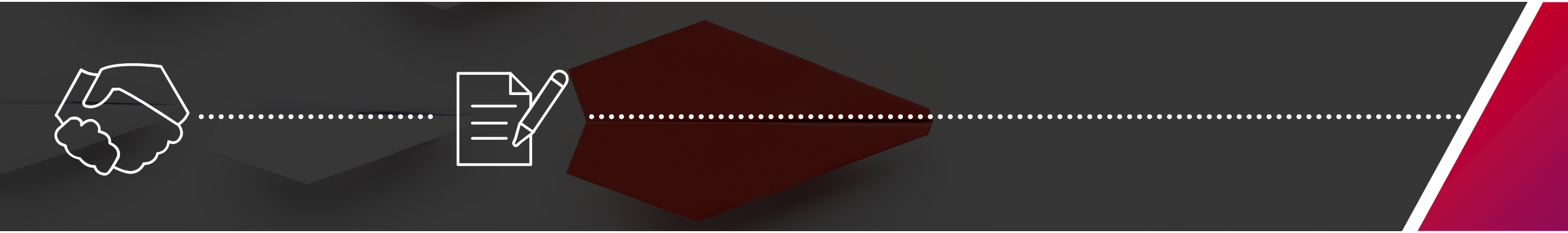
Maximize value



Engage key stakeholders

Deliver!

Enroll change leaders: Finance **and a partner** must lead the charge



- **Finance cannot do it alone!** Will need somebody to advocate a transformation with them – preferably a Business Unit

- Finance should **co-create an initial recommendation** with this partner. This should include:
  - **An ambition** that is aligned with overall strategy
    - > For Order to Cash (O2C), this could include driving the best customer experience
  - The **option set** for transformation
    - > For O2C, this could include in-house vs. outsourced
  - The **story** that will be communicated to the organization
  - The initial outline of **responsibilities** in the transformation, including the execution and change management
    - > For example, in an O2C transformation Finance would handle process updates while the BU Sales team will work on customer segmentation
  - This co-creation should be done in a series of **engaging and interactive sessions/workshops**

Maximize value: Show the org. why a transformation effort is worth it

- **Identify and quantify benefits of a transformation**

- **Benefits should include both Financial and non-Financial**
  - For O2C, the Financial benefits should be clear – lower cost, lower days receivable, improved NWC. The non-Financial benefits will include better customer experience, better customer understanding, real-time visibility, etc.

- The quantification should be **rooted in verifiable data (both internal and external)**
  - For O2C, this could include 'voice of the customer' surveys (particularly for collections), benchmarking on cost to serve and outcomes, digital readiness, 'voice of the team' surveys

- **Identified benefits can then be used to build champions set targets**

Engage key stakeholders: Bring in other stakeholders and build advocacy

- **Develop targeted understanding of who is impacted** by transformation by conducting an impacted population assessment. Anticipate and identify their concerns along with plans to address
  - For O2C, this would include process owners of course, but also sales teams (who will be concerned about how customers are contacted) as well as IT

- **Conduct 'risk mitigation workshops'** to engage stakeholders and to identify what risks/concerns need to be addressed to overcome resistance and build advocacy

- **Design the 'what', 'when', 'how' of engaging the different populations**. This will range from co-creation sessions to workshops to interviews to simple email communications. The most impacted and influential stakeholders should be brought in earlier

- Train select stakeholders to "spread the gospel" of your transformation efforts and **build a "sponsorship spine"**

Deliver: Realize value early and often

- **Invest enough time in upfront coaching** so that success comes quickly
  - For example, in O2C work with collectors on scripts

- Create **distinct initiatives and deploy stage gates with clear initiative owners**. Ideally, these owners would be supported by a centralized **'Results Delivery Office'**

- **Create targets and track progress**; ideally, tie into incentives

- **Communicate** success stories!

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Questions?

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Thank You

NEXT SESSIONS

highradius

O2C

Analytics Deep Dive: Creating 2X Impact with the Right Reporting for Order to Cash

04:20 PM EST | *West Mezzanine Center*

Happy Hour & Zing Starts

4:20 PM EST | *MET 50 Club/Field*

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