

When our client needed help to improve their Finance function efficiency We helped to define the initiatives and implementation plan to achieve a 30% cost reduction

The Challenge

Our client identified through a benchmarking study that their Finance function costs were above industry standards. In order to improve Finance function operational efficiency, the client initiated a process review program with the objective to reduce costs by 30% within two years.

How we helped

We were engaged to complete the investigation of most of the key finance process areas, which was followed by the conceptual design of the "Invoice to Collect" (ItC) process stream. During the ItC conceptual design phase we were responsible for refining the initiatives identified from the investigation into a set of conceptual designs which were validated and endorsed by the business.

The conceptual designs for each initiative under the ItC stream was developed using the following approach:

- A detailed assessment of the current status ('As Is') and plan for the redesign ('To Be') was developed based on Subject Matter Experts' (SME) input and business requirements
- Value Stream Mapping (VSM), using the Deloitte VSM tool, was used to refine the timings captured during the investigation phase
- Estimated new timings and volumes for revised processes were based on SME input and compared to the As Is timings identified using the VSM tool
- Full Time-Equivalent (FTE) reductions were calculated based on the difference between the effort and volumes saved due to new processes compared to the As Is processes

- An implementation project plan was used to identify costs and savings for each initiative
- The financial costs and benefits were fed into a financial model to determine the Net Present Value (NPV), Internal Rate of Return (IRR) and Payback period for each initiative.

Value delivered

- A set of To-Be conceptual designs that promoted continued savings in effort and cost reductions
- FTE reduction targets were developed for each business across its different regions based on analysis conducted to redesign FTE positions
- Through this project, we helped the client define initiatives and provided a business case and detailed implementation plan to achieve a cost reduction target of 30%
- Refinement of the improvement initiatives based on leading practice, business requirements and input from SMEs.



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