

**Deloitte.**



## **Driving the Future of Finance**

Finance as a Strategic Advisor and Insight  
Provider, enabled by Technology

August 2017



# Introduction

Deloitte believes that Finance is in transition towards the role of Strategic Advisor, helping to grow the core business.

By providing insights and leveraging digital solutions, CFOs can contribute to the optimisation of existing processes and systems, and the transformation of their organisation.

Over three weeks in spring 2017, we conducted a survey of 30 CFOs and Finance Executives, on the subjects of Finance Strategy and Technology.

We hope that you will find this report a valuable tool in further developing your Finance organisation.

Thank you for your time and insights. We look forward to continuing the dialogue with you.



**Markus Zorn, Director**  
Finance Transformation  
Lead Switzerland

A handwritten signature in black ink that reads "Markus Zorn".



**Dr. Stephan Hartmann, Director**  
Service Offering Lead  
Finance Strategy

A handwritten signature in black ink that reads "Stephan Hartmann".

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# Executive summary

The role of the CFO has changed over time. It has evolved from Back-Office Controller to Business Partner, and more recently towards becoming a vital Strategic Advisor to the company. The CFO's responsibilities and impact as a Strategic Advisor go much beyond the traditional role of Financial Accountant or Controller. As a Strategic Advisor, the CFO is not just leader of Finance Operations, but more importantly acts in the role of critical sparring partner, supporter, trigger and catalyst for company-wide innovation and business growth.

## Our Finance Survey provides insights on three topics:

**1**

### Strategic Advisor

- Most CFOs understand the need to transform their Finance organisation to a Strategic Advisor to the company
- However, there is still a long way to go before the transformation is complete

**2**

### Insight Provider

- The importance of providing insights is widely understood and there is a willingness amongst CFOs to invest
- However, the applicability of insight-generating tools and technologies is still at a development stage in most Swiss Finance organisations

**3**

### Technology Enablement

- Technology is seen as mean for driving efficiency and enabling innovation within Finance organisations
- However, Swiss Finance organisations have only partially implemented new finance-related technologies such as Robotics & Automation, Big Data and Cognitive Technologies

# 1

## Finance as Strategic Advisor

From traditional gatekeeper to Strategic Advisor

### Summary

- CFOs and Finance executives aim to transform their organisation from a traditional gatekeeper role to a Strategic Advisory role as partner to the business, triggering firm-wide growth and acting as a disruptive innovator.
- Our survey indicates that this transition has started in about half of Finance organisations in Switzerland, but is far from being complete.

# Finance is used as Strategic Advisor to executive management

## Our Finance function has already transitioned to a Strategic Advisory role



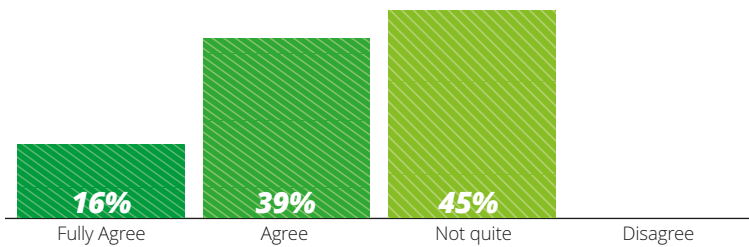
**55%**

of CFOs state that their Finance function has already transitioned to a more strategic role

### Finance as Strategic Advisor

Supporting the business holistically, and driving growth, efficiency and information in order to become a sparring partner to corporate executives, requires the transformation of Finance from a transaction accounting-focused organisation to a strategic partner to the business.

A majority of CFOs have already completed the journey to their new strategic role with the remainder already under way.



## Our Finance operating model is structured mainly as two elements: 'production' and 'insights/business partnering'

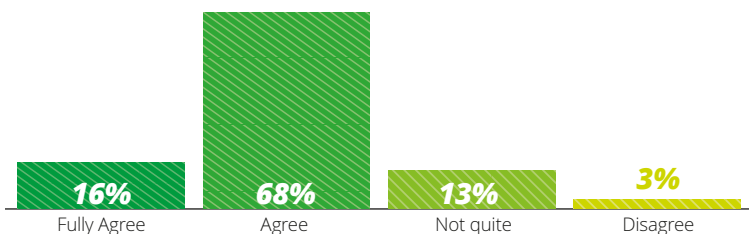


**84%**

of Finance executives state that their Finance Operating Model is structured into accounting-driven and insights-driven activities

### Structure Finance Operating Model

Results indicate that the transformation of Finance towards a Strategic Advisory role has already started – manifested in a differentiated Finance Operating Model set-up and structure.



### Transactional Finance core processes are fully industrialised



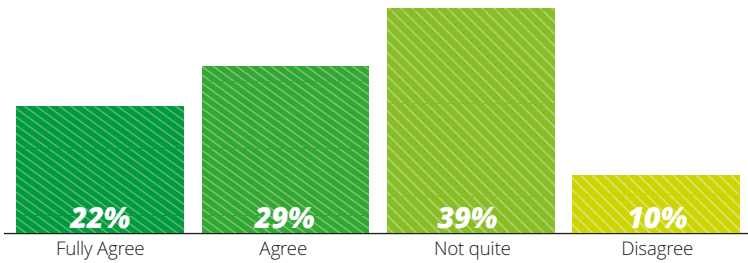
51%

of respondents say their transactional Finance core processes are fully industrialised

#### Focus on transactional Finance process efficiency

Full automation of transaction processing can free up resources for investing in value-adding activities that support the Strategic Advisor role of the Finance organisation.

About half of Swiss CFOs see their transactional Finance processes as fully automated, and almost half are still looking to achieve this through further standardisation and simplification, in order to improve efficiency, delivery and quality.



### Most effort is being spent on analysing data and producing insights rather than processing data, producing reports and implementing controls

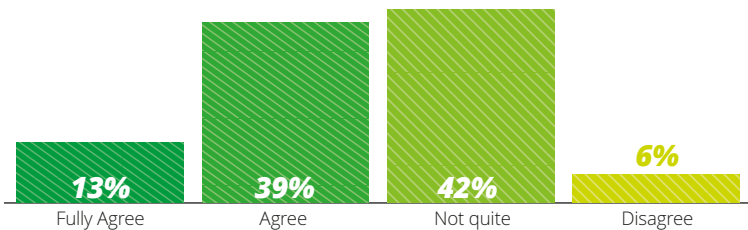


52%

of companies say that Finance is already investing most of their time and resources in analysing data and producing insights

#### Need to strengthen data analysis capabilities

CFOs aim to provide value-adding insights to support decision-making processes for the entire business.





## Finance is a driver and supporter of company-wide growth, innovation and transformation



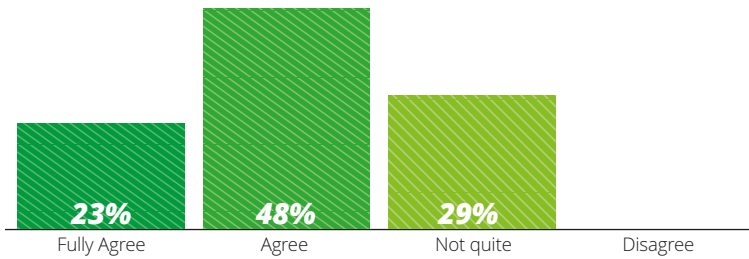
71%

of CFOs believe that Finance is a driver and supporter of firm-wide growth, innovation and transformation activities

### Finance triggers growth and innovation

CFOs believe that the Finance function will support growth generation within the business.

They see Finance as a catalyst for company-wide innovation.



## 2

# Finance as Insight Provider

From a financial data processor to a predictive Insight Provider

### Summary

- CFOs understand the importance of generating insights for the business. However, only half of the Finance executives in our survey are already in a position to provide predictive insights by leveraging digital technologies.
- Only a third of interviewees currently deploy scenario modelling and predictive insights on a daily basis. Nevertheless, CFOs are willing to invest over the next few years in transforming their Finance operations into a more valuable Insight Provider.

# From a financial data processor to a predictive Insight Provider

## Finance is fully prepared to provide business managers with forward-looking predictive insights

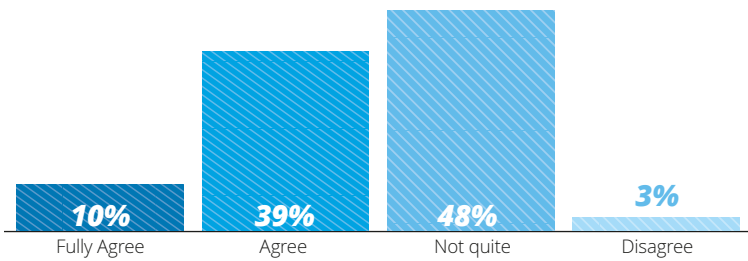


**49%**

of CFOs are in a position to provide forward-looking predictive insights

### Increasing value through insights

Only half of the CFOs in our survey are in a position to provide business and corporate management with critical insights supporting better decision-making.



## Using system-supported scenario modelling and predictive analytics tools for business performance steering



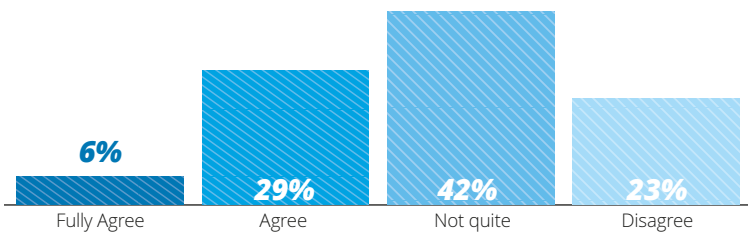
**35%**

of Finance executives are in a position to use predictive analytics tools for business performance steering

### Predictive analytics to steer performance

The trend towards using predictive analytics to steer business decisions and generate in-depth information has not yet been fully implemented.

Only about one-third of CFOs in our survey use modelling tools that leverage, either fully or in part, the technologies and systems available.



## Improving finance data analytics and tools over the next three years



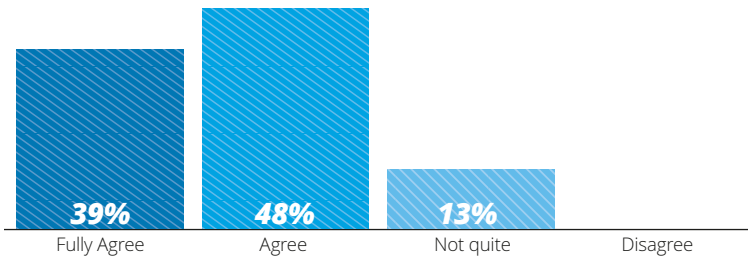
87%

of the survey respondents are planning to invest further in data analytics infrastructure in the next three years

### Focus on investment in Finance systems and infrastructure

New technologies allow for more effective and efficient ways of analysing data and generating insights.

The potential value of this infrastructure and technology can be judged by the enthusiasm amongst CFOs to invest in them. 90% of companies are planning to invest in a better data analytics infrastructure.



# 3

## Finance technology as an enabler

Technology is central to improving the overall organisation and processes in Finance

### Summary

- Swiss CFOs understand that technology can help them transform their Finance organisation.
- However, the survey results indicate that only a minority of Swiss companies have deployed enabling technologies. Currently only 1 in 5 companies use robotics. Big Data concepts are applied in only one-third of companies and cognitive technology is leveraged by a minority of Finance organisations.

# From a bean counter to an efficient Finance operator

## Using the latest enabling technology to transform Finance into an innovation-driven organisation

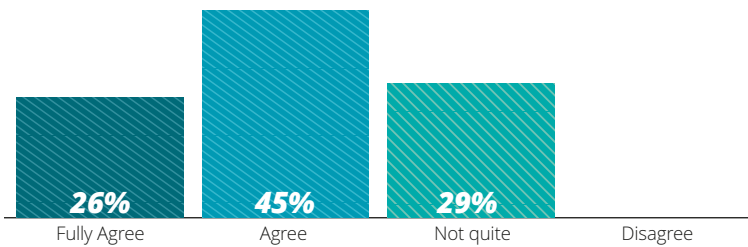


71%

of CFOs in our survey aim to invest in enabling technologies, to create an innovation-driven organisation

### Finance technology as enabler

Using the latest technologies facilitates innovation within the Finance function. In more than 70% of companies in our survey, empowering the organisation with the latest technology is among their top three priorities.



## Using robotics extensively for transactional Finance processes (R2R, P2P, O2C)



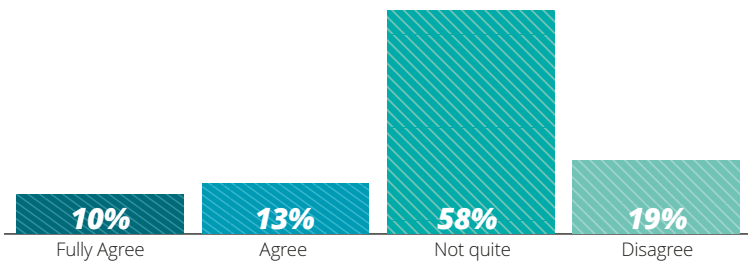
23%

of the Finance executives use robotics to automate their transactional Finance processes

### Limited use of robotics so far

By deploying Robotics Process Automation, Finance can improve the efficiency of transactional processing, and free up resources for more value-adding activities, such as gathering insights.

Currently, 8 out of 10 surveyed Swiss Finance organisations are not yet ready to deploy Robotic Process Automation and are missing out on this potential.



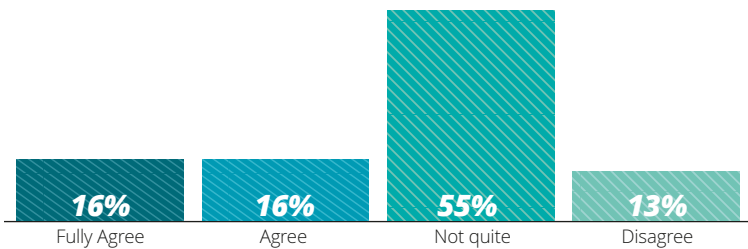
## Using Big Data concepts to improve overall prediction and simulation capabilities



**32%** of the survey participants use Big Data for in-depth financial analyses

### Limited applicability of Big Data

Analysing unstructured, scattered data is cumbersome, but can yield additional benefits, if valuable insights are found. Two-thirds of all surveyed Swiss Finance organisations are not yet engaging in Big Data analysis.



## Cognitive technology (artificial intelligence) to perform finance tasks that were previously performed by finance employees

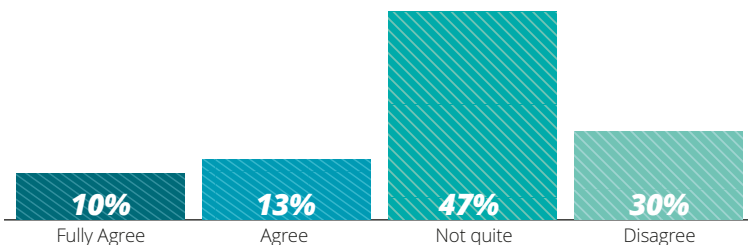


**23%** of CFOs use cognitive technologies to perform finance tasks

### Cognitive technology not widely used

Cognitive technology – a new and growing field – is disrupting the finance workplace

However, only 1 in 5 Finance organisations in Switzerland are already using artificial intelligence.



## Use of automated reports which require only minimal manual involvement

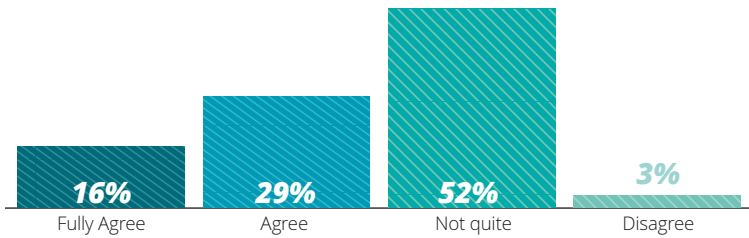


45%

of CFOs use reporting concepts which allow the business to carry out analysis without major involvement of Finance

### Start to implement reports of the future

Interactive, visually appealing reports will create a richer and more informative experience for stakeholders. However only a minority of Finance organisations in Switzerland currently produce such reports.

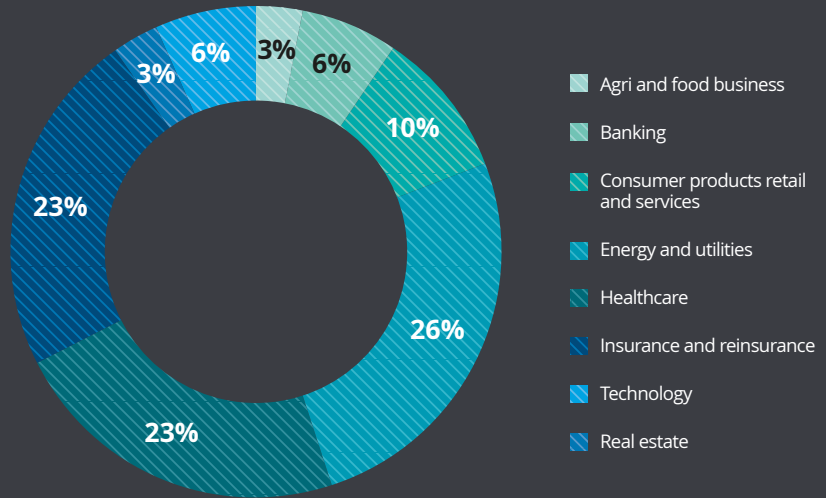




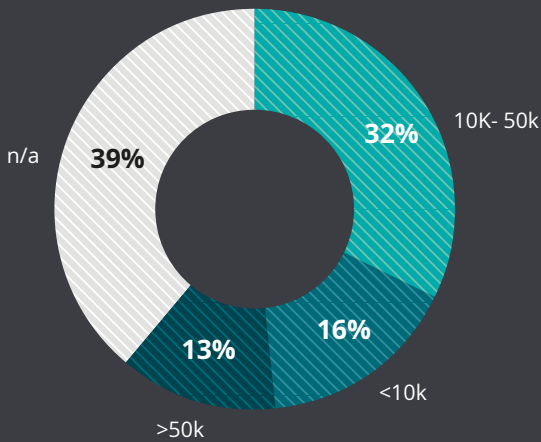
# Survey demographics

**30**

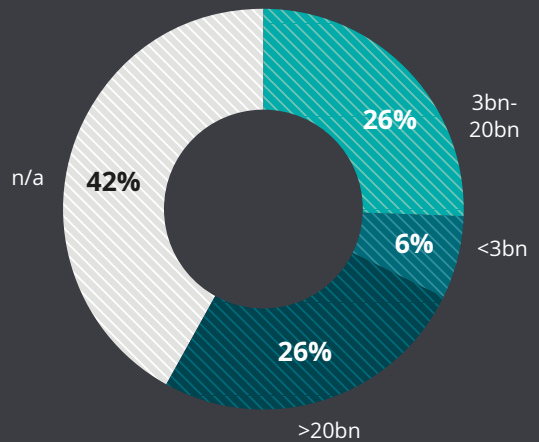
Finance representatives in leading functions across eight industries



## Workforce (Employees)



## Turnover (CHF)



Our surveyed partners are mainly from the energy, utilities, healthcare and insurance & reinsurance industries.

45% of respondents work for companies with more than 10,000 employees, and 13% in companies with more than 50,000 employees.

26% of those interviewed represent companies with annual turnover in excess of 20bn (CHF).

# Contacts

If you would like to participate in our survey, would like to discuss the results or have suggestions, please do not hesitate to contact us.



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