

**“The price of light is less than
the cost of darkness.”**

Arthur C. Nielsen

Finance Analytics

Over the last decade, the role of Finance has expanded and transformed. Today, Finance is more complex and certainly facing a wide range of challenges and demands across the different sectors, including:



Digital and disruptive technologies



Increased expectations for more effective business partnering



Highly competitive business environment



Unutilized wealth of data and pressures from shareholders for greater transparency



Changes in customer behavior and expectations



Economic uncertainty and complex regulatory environment



High cost of finance and inefficient financial processes

The above challenges are influencing CFOs and their teams to become more insight-driven to deliver on their mandates. Finance analytics can help transform the Finance function and bring many benefits, including:



Turn mountains of data into nuggets of insights



Increase Finance effectiveness



Provide forward-looking and predictive insights to shape the business strategy



Turn Finance into a strategic partner to the business



Reduce bias and gut-instinct decision-making

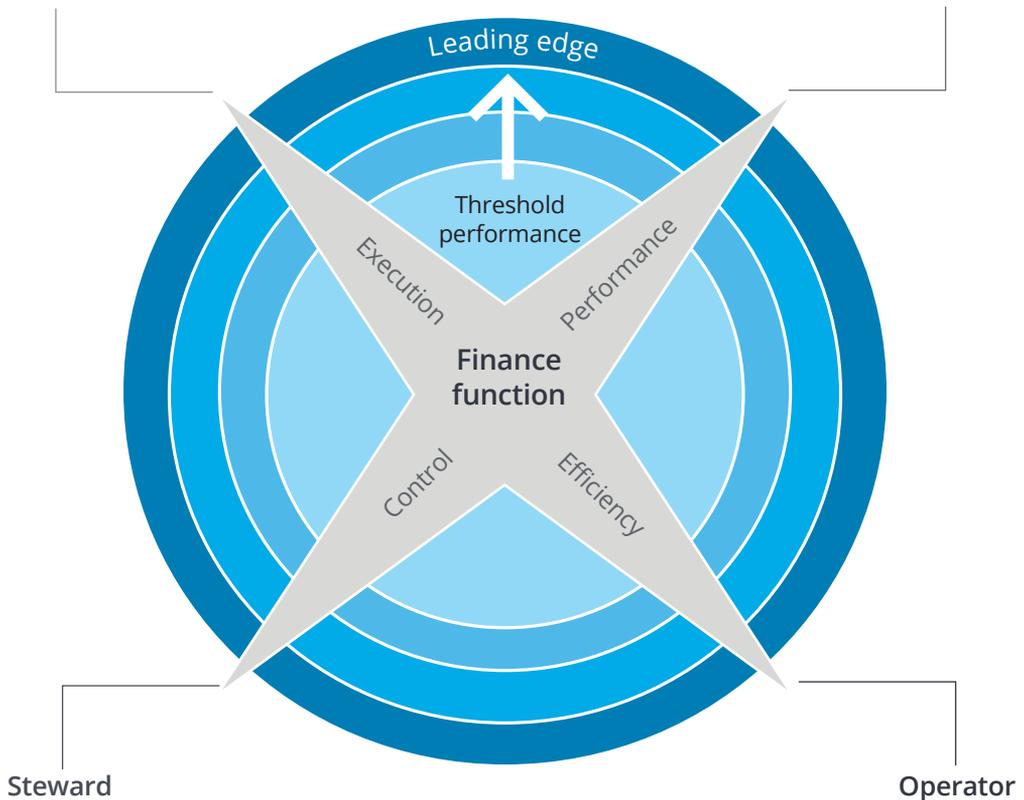
At Deloitte, we help Finance Functions leverage the power of analytics and deliver much more than accurate financial statements and reports. We help our clients deliver forward-looking, predictive insights that help shape the business strategy, controlling the strategy execution by taking ownership of the organisational data and improve day-to-day decision-making in real time. Our Finance Analytics offering spans across the various roles of Finance:

Catalyst

Analytics designed to help Finance drive change across the organization, such as cost management analytics, customer and revenue analytics, and operational efficiency analytics.

Strategist

Analytics designed to influence the organizational strategy, such as investment management analytics, planning and budgeting analytics, and asset management analytics.



Steward
Analytics designed to preserve the assets of the organization, such as internal control analytics and risk management analytics.

Operator
Analytics designed to manage the financial processes, such as procure to pay analytics, order to cash analytics, and close, consolidate, and report analytics.

Through our extensive Finance Analytics offering, we help Finance reach far beyond the traditional responsibilities and core capabilities and transform into an effective business partner and “enabler of analytics”, improving the control function of Finance and providing decision support throughout all business areas. Our numerous engagements in the Netherlands and across the globe resulted in a large number of Finance Analytics solutions that are now made available as accelerators to our clients to build upon and tailor to their specific needs. Below are examples of Finance Analytics solutions that we have implemented for our clients.



Forecast Analytics

Deloitte helped a client with designing and implementing a Finance Analytics solution to improve the forecast accuracy and transform the monthly financial status reports. As part of the scope, Deloitte applied data visualizations to summarize the financial status and predictive modelling to predict and reshape the forecast. The designed solution enabled the Finance Function to become a business partner, provide strategic advice to their internal clients, and transform how they interact with their clients through leveraging dynamic and interactive dashboards, rather than the conventional excel-based and paper-based approach.



Management Analytics

Deloitte was engaged by a client to assess and update the business strategy; analyze the future market attractiveness, competitive position, growth and margin opportunities; and, identify operational efficiency opportunities. As part of the engagement scope, Deloitte designed financial and operational analytics to support the refreshed strategy. The designed analytics solution included revenue analytics to support market and customer analysis, spend analytics to support cost management, and profit and loss analytics to support growth and margin analysis.



Asset and Investment Management Analytics

In another client engagement, Deloitte helped to transform their real property management and investment management capabilities and processes. As part of the engagement scope, Deloitte designed and implemented Asset Management Analytics to help analyze the asset condition, maintenance strategy, and asset utilization. The designed analytics solution enabled the client to improve the condition of the real property assets, apply a more proactive maintenance strategy, optimize the real property footprint, and identify the required investments to maintain the real property portfolio.



Costing Analytics

Deloitte helped a client by developing a full life cycle costs in support of their refreshed long-term strategy that includes multi-billion dollar programs. As part of the engagement scope, Deloitte designed and implemented Costing Analytics to support the department's strategy implementation with a 20-year purview. The designed analytics solution helped our client gain greater insights and accuracy to the department's capital investment portfolio; understand the affordability of the strategy based on a holistic approach; prioritize capital projects; and, ensure operational effectiveness.



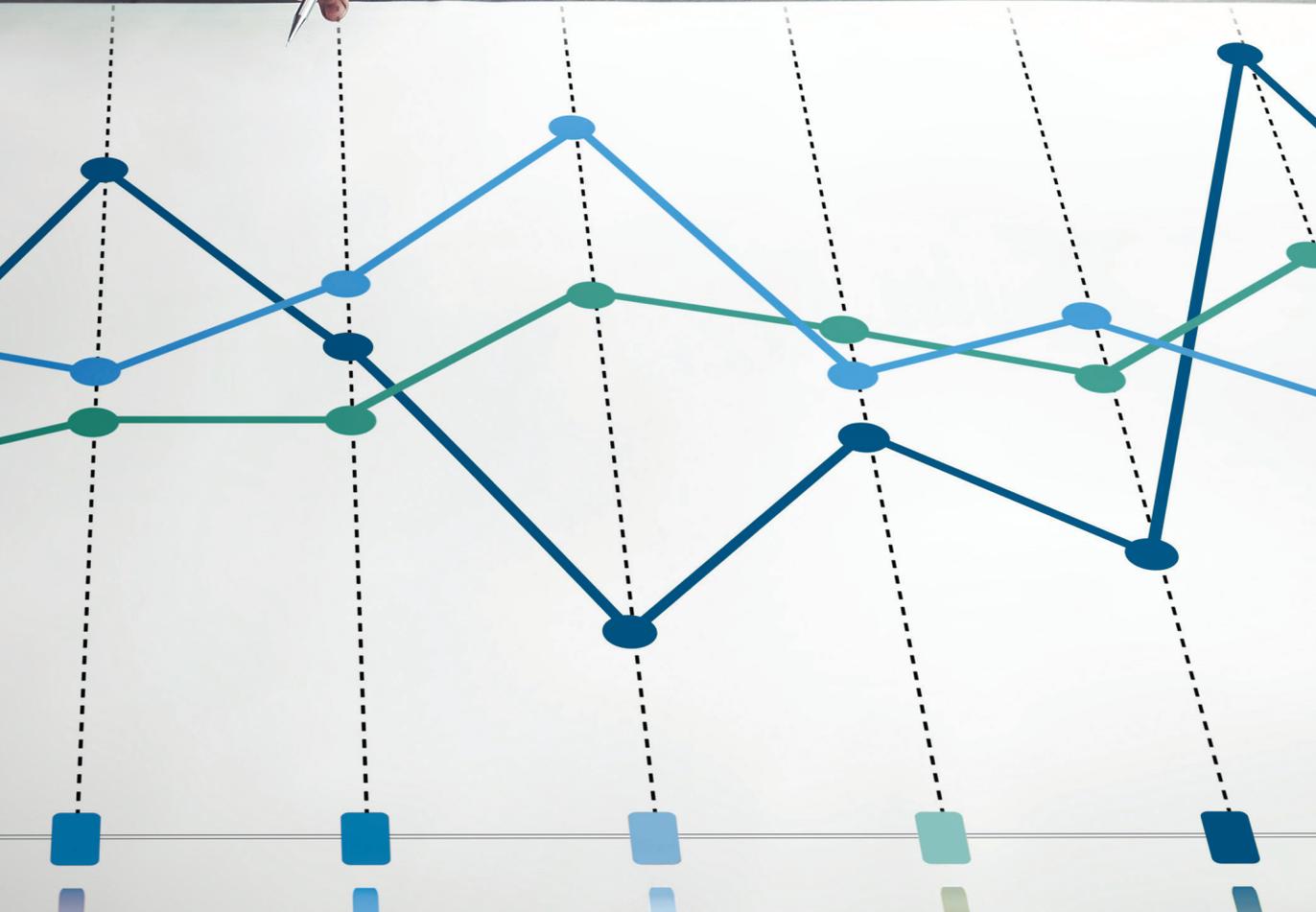
Expenditure and Vendor Management Analytics

A client engaged Deloitte to analyze the expenditures and identify cost reduction and sourcing optimization opportunities. As part of the engagement scope, Deloitte designed Expenditure and Vendor Management Analytics that helped our client gain insights on the spend profile and trending as well as the vendors profile; and, identify consolidation and strategic sourcing opportunities.



Financial Processes Analytics

Deloitte designed and developed an analytics solution to help our clients analyze the financial transactions across the different processes, including Procure to Pay, Order to Cash, Payroll, Corporate Purchase Cards, Travel and Employee Expenses. The designed analytics solution enabled our clients to visualize and gain greater insights regarding the effectiveness of the above financial areas, along with the associated risks.





Risk Management Analytics

Deloitte designed and developed a Risk Management analytics solution to help our clients analyze the financial transactions and identify anomalies. The designed analytics solution enabled our clients to visualize and assess the different risk profiles based on 1500 pre-defined tests and scenarios, including identifying unusual vendor-employee relationships, duplicate or fictitious vendors, unexpected invoicing patterns, overpayments, inconsistent pricing behaviors, discrepancies between purchase orders and invoices, as well as payments made without invoices or purchase orders.



Profitability Analytics

Deloitte developed an analytics solution that helped a client to make strategic management decisions related to products profitability. As part of the engagement scope, Deloitte designed a set of interactive dashboards that provided the client with significant insights related to contribution margins, sales channels, sales mix and product complexity. The designed solution helped the client in modelling a variety of scenarios and levers in order to drive profitability and improve business performance.



Working Capital Analytics

A client engaged Deloitte to analyze the account receivables and payables and identify opportunities to achieve significant cash savings through rationalization. As part of the engagement scope, Deloitte designed a set of Working Capital dashboards. The designed solution enabled the client to identify saving through vendor term optimization, market benchmarking and exploring areas to improve payment execution.



CFO Management Analytics

Deloitte designed and developed an analytics solution to help CFOs and Finance Executives visualize and assess financial performance through a set of dashboards that address specific questions in the areas of: profitability, operational expenditures, accounts receivables and capital expenditures. The designed solution enabled our clients to visualize and gain greater insights regarding the effectiveness and performance of the above areas, along with the associated risks. Moreover, the control function has been improved by visualizing risks, KPI's and financial parameters.

Deloitte's Approach to Finance Analytics

In working on numerous analytics engagements across the Netherlands and around the globe, we identified two main themes of client objectives:

1.

Design and implement specific analytics solutions tailored towards the various domains.

2.

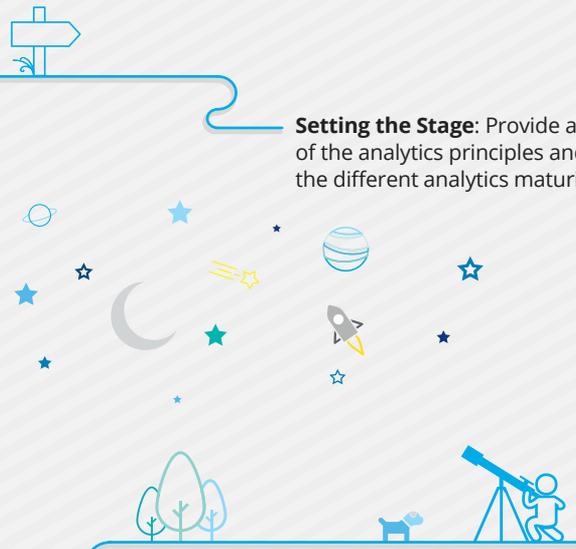
Develop an analytics strategy and build analytics capabilities within the organization.

To help our clients achieve the above key objectives, Deloitte designed innovative labs that combine ideation methodologies, design-thinking techniques, innovative technologies, interactive and collaboration approaches, together with functional and sector centric facilitation. The above innovative labs are grouped into two key categories:

1. The "Art of the Possible" Labs

The "Art of the Possible" Labs are tailored to Finance and related functions and designed to showcase the possibilities of analytics to our clients and inspire their thinking on how to leverage Finance Analytics to solve their key business problems. This customized experience allows our clients to explore real-life analytics solutions that are relevant to Finance and see how we helped other clients answer their key business questions through analytics.

Our typical approach to an "Art of the Possible" Lab:



Setting the Stage: Provide an overview of the analytics principles and introduce the different analytics maturity levels.

Exploring the "Art of the Possible": Showcase real-life domain-specific and sector-specific analytics solutions and explore the art of the possible in analytics that spans from data visualization to data clustering and segmentation, predictive modelling, simulation and optimization, and all the way to cognitive analytics.

Identifying the "Crunchy Questions": Engage our clients in interactive, technology-enabled activities designed to identify the "Crunchy Questions" that the organization would like to answer through analytics, and prioritize the identified questions based on the impact and breadth of applicability.

Developing a "Wireframe": Create an environment for collaborative conversations; explore design possibilities; and, develop a wireframe to conceptualize the solution and promote ideation.

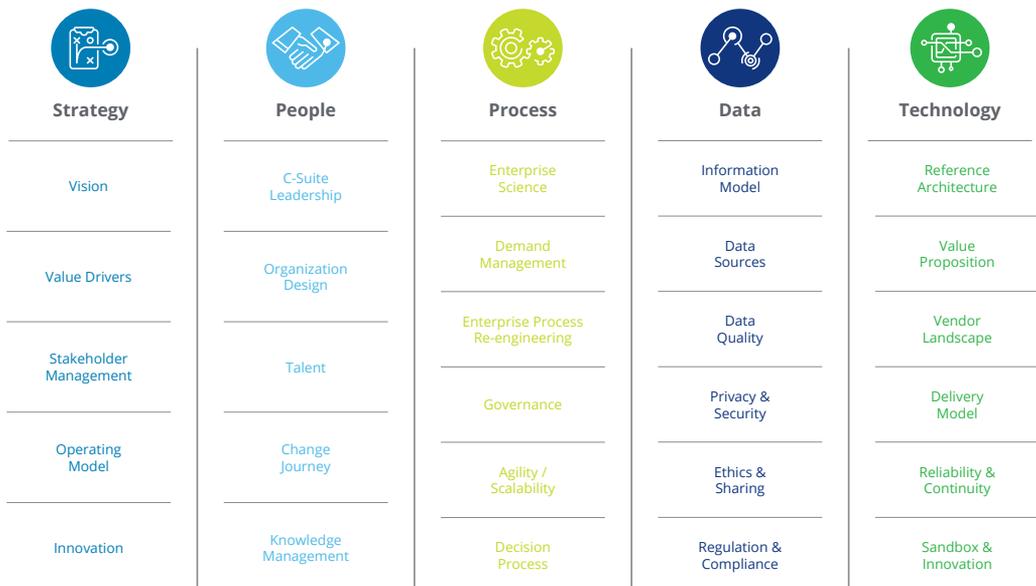
Following to the "Art of the Possible" Lab, we use real client data extracted from our clients financial and operational systems to develop a "Proof of Concept" using cutting-edge analytics tools. Our Proof of Concepts help our clients conceptualize how Finance Analytics can be leveraged in their specific environment and demonstrate how visualizations and advanced analytics can produce faster and in certain cases surprising insights.



2. The Insight Driven Organization (IDO) Labs

Many of our clients are on their journey to become Insight Driven Organizations that go beyond implementing specific analytics solution(s); and aspire to embed analysis, data and reasoning into the decision-making process and position analytics as a core capability that cuts across the organization, not a project with a start and end date. Through our IDO Labs, we help our clients go far beyond data and technology considerations – and take into account strategic alignment, talent and leadership, business processes as well as the information lifecycle to elevate the effective generation and application of insights in all areas of the organization.

Building analytics capabilities and becoming insight-driven is not something that can be done overnight. Recognizing that, Deloitte designed innovative multi-day and multi-phased IDO Labs, covering all the aspects of the analytics strategy to help our clients overcome their most complex challenges and accelerate the progress towards becoming insights-driven.



OUR APPROACH TO THE FINANCE ANALYTICS IDO LABS

The IDO Labs include multiple modules that incorporate highly-interactive, technology-enabled activities designed to challenge the traditional thinking and help our clients through their journey of assessing the current state and designing the desired end state for their Finance Analytics function. Below is an overview of some of the key modules typically covered during the IDO Labs.



Current State Assessment

Assess the current analytics capabilities of the organization against the key analytics building blocks: Strategy, People, Process, Data, and Technology.



Analytics Vision and Stakeholder Expectations

Define the overall Finance Analytics vision for the organization and explore stakeholder expectations.



Analytics of the Future

Define the future analytics services to be offered by the Finance function (e.g. data warehousing and extraction, data visualization, predictive modelling, etc.) and define the right balance between the various analytics services.



Governance Structure

Design the future state of the analytics governance structure.



Intake and Release Management Process

Define an end-state streamlined and agile intake and release management process.



Operating Model and Organizational Structure

Explore the typical analytics operating models applied in the industry and define the target operating model and organizational structure along with the key roles that the different stakeholders should play in the analytics service delivery model.



Analytics Skills and Capabilities

Define the roles and responsibilities along with the analytics skills and capabilities required to deliver on the defined roles.



Performance Management

Define “what is success” for the organization along with the metrics that should be used to measure performance.



Deloitte **Greenhouse™**

We proudly leverage our Deloitte Greenhouse to deliver the “Art of the Possible” and IDO Finance Analytics Labs. Our Deloitte Greenhouse™ is a state-of-the-art innovation facility. It is not just a space, but rather an experience designed to disrupt ordinary thinking, reveal new possibilities, and provoke actions leading to accelerated business results.

Our Deloitte Greenhouse provides an interactive space to promote creativity and encourage collaboration. In addition, it combines design thinking, behavioral economics, group dynamics, innovation theory, and expert facilitation to create an experience that helps our clients deliver extraordinary results.

What to expect in the Greenhouse

At the Deloitte Greenhouse™, we apply a proven methodology to help our clients solve their most complex challenges. Our approach was refined over 5,000 Greenhouse sessions to engage participants intellectually, physically and emotionally.

The Deloitte Greenhouse provides a vehicle for bringing the best of Deloitte's methodologies, tools and people together to solve the issues that matter the most to our clients.



Immersive Methods & Exercises

Exercises based on behavioural research, allowing our clients to interact with integrated analytics and data visualizations.



Personal Interaction with Analytics

Cutting edge technologies allow our clients to interact with data and engage with visualizations at a relevant and personal level.



Custom-Trained Expert Facilitators

Our Greenhouse facilitators specialise in intervention, disruption, alignment and driving consensus among our clients and their stakeholders.



Use Cases that Spark Ideas

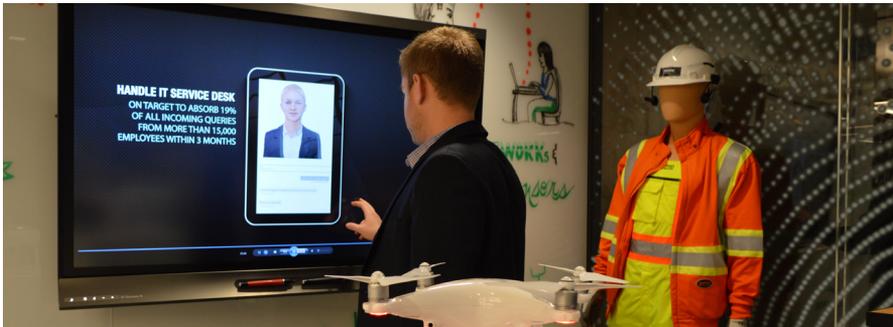
Hand-picked, interactive private and public sector use cases that demonstrate how analytics can supercharge a variety of strategic goals and foundational capabilities.



Consciously Designed Environment

Our Greenhouse features state of the art visualization technologies including cloud-based visual collaboration tools and smart creativity and learning.

A tangible, activating, and impactful experience that propels leaders to extraordinary results.



Deloitte Greenhouses are not spaces, they're **an experience.**

Contact

For more information on how Deloitte can help you gain meaningful insights through Finance Analytics, please contact the following Finance analytics leaders:

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