



DynamicFinance

Connecting Business Finance

Our series introduction

January 2023 | Adapt. Thrive. Lead.



“Coming together is the beginning,
staying together is progress, and
working together is success”

- Henry Ford

The purpose of the Connecting Business Finance series

The **Connecting Business Finance series** aims to help finance and business leaders better understand how they can collaborate more effectively together to deliver integrated performance in an ever-changing world.

Amidst a volatile business and economic environment, the series begins to **uncover the typical roadblocks to connect Business Finance** with commercial, supply chain, human resources, and strategy teams.

We will share our lessons learned and views on how to overcome these roadblocks and give you the starting point to improve collaboration and decision-making across these functions—**driving enterprise performance, together.**



What do we mean by Business Finance?

Business Finance is both catalytic in nature, partnering the business, providing financial insights to drive initiatives and achieve financial objectives, and strategic in nature, helping steer the business to make the right strategic choices with the right financial insights in hand. Below we have explored the capabilities of Business Finance further.

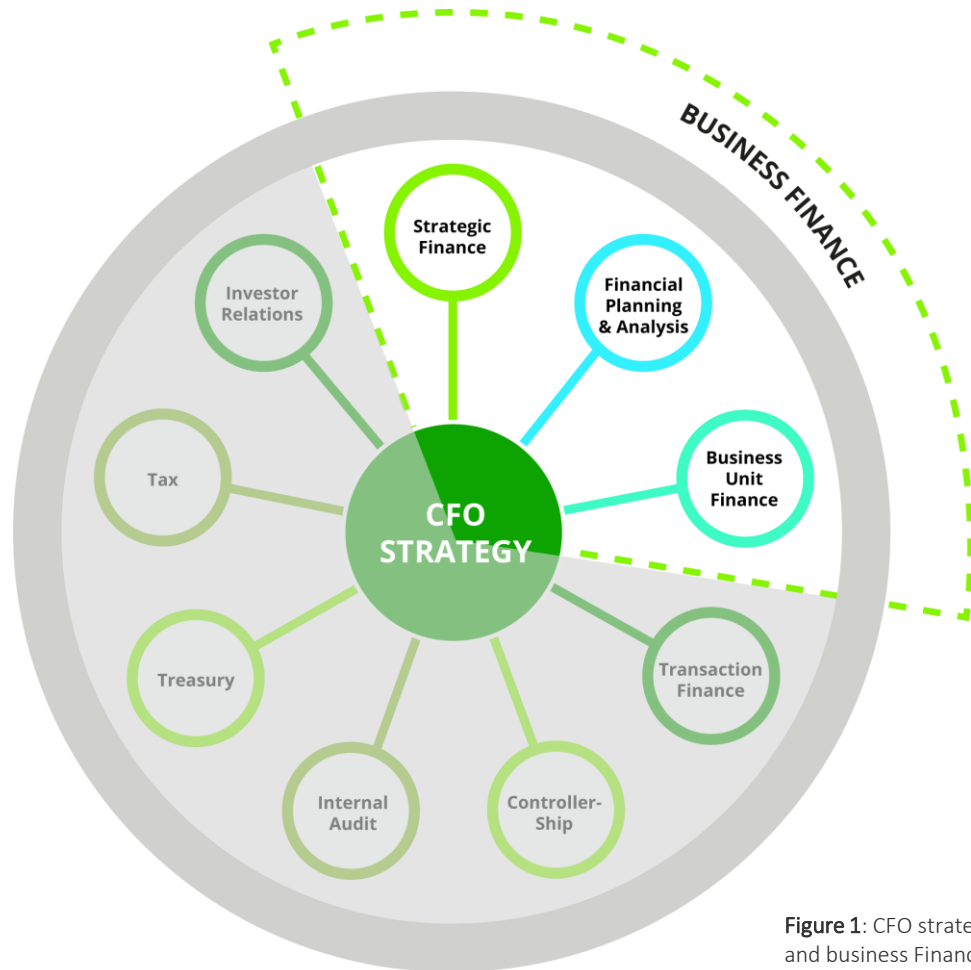
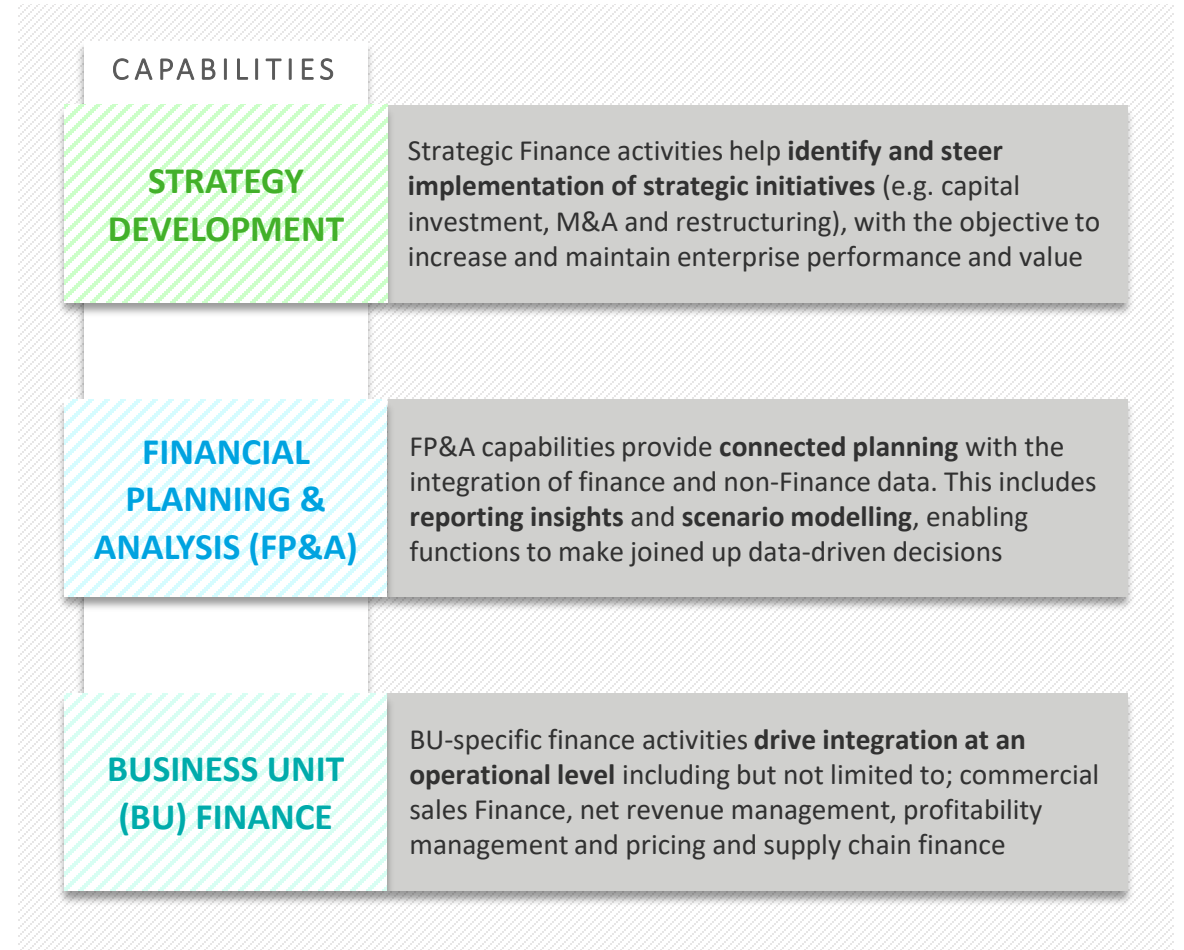


Figure 1: CFO strategy taxonomy and business Finance



The importance of connecting the business

There are several benefits to connecting finance with wider business functions



IMPROVED COLLABORATION

The time horizon of business predictability is now shorter. The validity of a financial plan to manage performance can be diminished by how long it takes to prepare, often delayed by the reconciliation across financial and other functional plans. Consequently, plans often are outdated once they're finalised.

Increasing levels of connectivity across business functions can drive greater agility, accuracy, and efficiency across the performance management process. Connecting process and systems, and reimagining ways or working where functions hold regular dialogue with each other enables functions to work together in a more collaborative manner.



HOLISTIC BUSINESS REPORTING

Decisions made are only as good as the information underpinning them. Management information delivered by finance teams in silo of other functions can result in narrow and biased decisions.

Instead, enriching information with the right operational and non-financial data, provides management with a richer, more holistic view of business performance – to drive better decisions.

Aligning and sharing data across the business will enable an organisation to tell a coherent story of their business performance with a holistic view of the results and direction of travel.



INSIGHT-DRIVEN DECISIONS

Today, Finance functions are still geared towards the completion of manually-intensive processes including aggregating large volumes of data. This is limiting the time and value that could be generated for the wider enterprise through financial insights.

Leading organisations are driving towards combining cross-functional data, generating insights, and using these to partner effectively across the business. This is leading to insight-driven decisions to gain a competitive advantage.



Transforming to a connected business

Finance has many interdependencies with other functions which requires proactive collaboration at a strategic, management, and operational level

HOW DOES COLLABORATION LOOK TRADITIONALLY BETWEEN FINANCE AND OTHER BUSINESS FUNCTIONS?



Functions work in silos with limited collaboration, working together only when required in a reactive rather than proactive manner



System integration which supports automation is limited due to disparate IT infrastructure



Goals are often misaligned, leading to functions focusing on delivering performance in their area and not working together to deliver congruent goals



Decision-makers are often not provided with complete and up-to-date information, resulting in ill-informed actions



Data shared between functions is usually outdated and plans lack standardisation due to misaligned data information requirements and definitions



WHY SHOULD YOU INCREASE THE CONNECTIVITY BETWEEN BUSINESS FINANCE AND OTHER FUNCTIONS?



Enhanced process efficiency, enabled by effective communication and cross-functional understanding



Integrated systems support the delivery of automation in the processes run by the business and supports the integration of functions directly



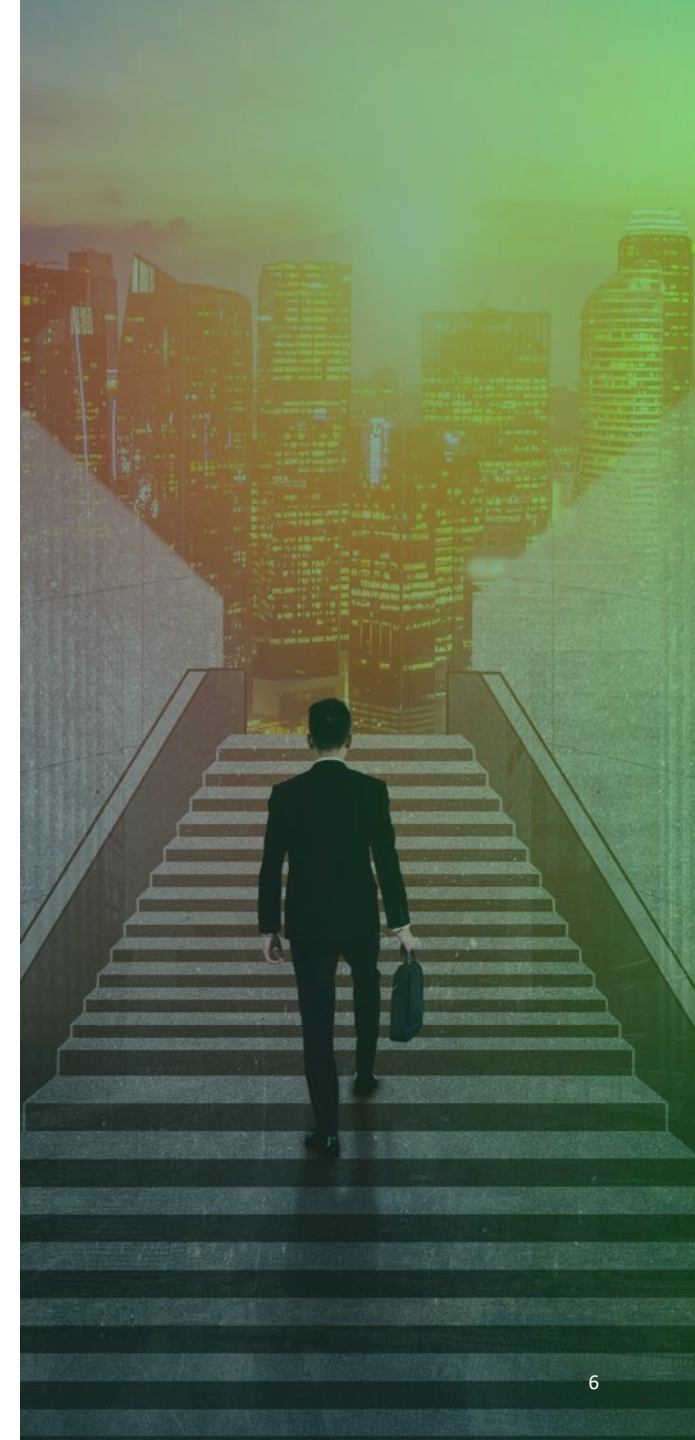
Improved quality of decision-making through aligned data, integrated finance analytics and actionable insights which highlight the functional value drivers



Increased accuracy and speed of planning and reporting by aligning systems and processes, providing the business with greater agility and ability to model scenarios



Aligned ways of working which supports in striving to deliver a common goal and ensure all parts of the organisation have up-to-date and relevant information



Connecting Business Finance – Industry insights

As we focus on different industries, the level of connection required across functions varies to meet the needs of the business as it operates. Connecting different functions will drive varying levels of value for each business

BASED ON OUR GLOBAL PB&F SURVEY⁽¹⁾ WE SEE THE BELOW LEVELS OF CONNECTIVITY BETWEEN FINANCE AND OTHER BUSINESS FUNCTIONS

Industry	Supply chain	Commercial	Marketing	Human resources
TMT	2.9	3.6	2.9	3.2
ER&I	2.7	3.5	2.7	3.0
CPG	3.2	3.7	2.7	3.0
LSHC	3.0	3.7	3.1	3.2
Cross-industry	3.0	3.6	2.8	3.1



Although we see a high number of functions connected with Finance, our survey data shows this level of connection can still progress further. The connection of systems, calendars and processes can drive further synergies for an organisation through process efficiency and greater levels of insight and understanding from their data.

¹Deloitte Global Planning, Budgeting & Forecasting Survey (2021)

HOW SHOULD AN ORGANISATION PRIORITISE THE CONNECTION OF THEIR FUNCTIONS WITH FINANCE BASED ON THEIR INDUSTRY?



Consumer

Connecting finance with functions such as marketing to increase sales, supply chain to deliver the product to stores, and HR to ensure staff capacity for deliveries highlights the wide set of areas the Finance function can positively impact through improved connectivity.



Energy, Resources, and Industrials

Within Industrials, supply chain and commercial become relevant to connect to enable the creation of products and drive value through sales. Whereas within Energy & Resources the focus on connecting with corporate strategy to understand where best to produce/supply their resources becomes important, especially with the growing importance of sustainability.



Life Science and Healthcare

Guided by the development and launch of new products, finance can drive value within LSHC organisations by working with R&D teams and marketing to understand the pricing and strategy for new products and how they will be released to markets.



Telco, Media, and Technology

TMT organisations tend to penetrate new adjacencies such as launch a new product and enter a new market. There is also significant investment required in capex. Finance needs to support strategic and operational decisions and provide options to the business.

Connecting Business Finance – Our point of views

Our upcoming series will outline the importance of connecting Business Finance with wider business functions to drive a competitive advantage

OUR UPCOMING POINTS OF VIEWS...



Deloitte's Connecting Business Finance Lab – How you can engage with us

What is the lab?

The Connecting Business Finance Lab helps align Business Finance and non-Finance stakeholders on key challenges in becoming more 'connected', showcases the latest thinking in connected planning & reporting, and explores how greater connectivity with specific non-finance functions can drive more effective decision making and improved enterprise performance.

LAB PARTICIPANT TRIGGERS

“Our **processes** today remain **siloed** between **finance and non-finance** resulting in multiple versions of the 'truth' for e.g. forecasts”

“We **want to operate** in more **co-ordinated, agile and transparent** manner **cross-functionally**, to seamlessly manage enterprise performance”

“We are **embarking** on a transformation to **connected planning and reporting** between finance and non-finance, but **want to know good practices** to absorb into our roadmap”

“We are **unclear** on **how new technologies** can help us **drive greater automation** and **cross-functional collaboration**”

LAB STRUCTURE

- 1 Explore** *Where we will explore the latest concept of 'Business Finance' and key trends we're seeing*
- 2 Align** *Alignment on your current state of Business Finance, in an interactive environment, with key finance and non-finance stakeholders*
- 3 Discover** *Where we dive into the "art of the possible" for your priority areas, demonstrating new technologies and use cases*
- 4 Define** *Together, we identify clear Business Finance and cross-functional improvement initiatives for your organisation's transformation roadmap*

TYPICAL LAB PARTICIPANTS

FINANCE



CFO



FP&A



Finance transformation

NON-FINANCE



Commercial



IT & master data management



Supply Chain



Corporate Strategy

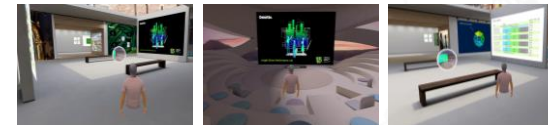


Workforce Management

Delivered via our state-of-the-art Greenhouse ...



... with a window into the future via our immersive metaverse space



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Let's talk...

Reach out to us for further information on how you can connect Business Finance within your organisation more effectively.



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