Designing the Finance Organization of the Future: Operating model considerations to support ERP strategy
The year is 2025. Your organization has gone through a massive digital transformation, altering your business strategies to accommodate the changing landscape, remain competitive, and attract and retain top talent. With a clear ERP strategy in place, you’ve proactively aligned your organization’s capabilities, interactions, and roles to design the “organization of the future.” This process has shifted how you operate, the required employee skills, and site locations.

The year is 2022. A combination of digital forces is leading an evolution across all areas of Finance. Business processes merge human and machine. Agility is integral. New skills across the finance workforce are required. Open talent networks are strengthening. These digital forces, enabled by transformative technologies, are challenging companies to rethink how finance work outcomes are delivered. Together, these forces are enabling Finance to be more:

- Touchless
- Real-time
- Centralized
- Predictive
- Insightful
- Integrated
- Efficient
- Strategic
- Fortified

To stay competitive in the market, your company is implementing a full-suite, cloud-based ERP system. Upgraded technology and a workforce equipped with the required skills and capabilities are critical. However, successful, sustainable transformations rely on the redesign and optimization of the operating model and organizational design. This can better enable the overall digital strategy.

Systemic technology change involves forging a future-ready foundation, rethinking investments and platforms, and uncovering new opportunities to co-create business value through rapid innovation.

Systemic cultural change includes introducing new ways of working, talent models, and capabilities better suited for enterprise agility.

"To achieve transformative value, leaders need to transform their organization as well as implement technology."
Deloitte’s recent Global Shared Services Surveys found most companies achieve up to 15% annual productivity savings from their shared services centers. These centers are often helped by more standardized processes and a more streamlined organization design. On top of that, the majority of global shared services organizations are embracing digital transformation solutions like ERP.

To fully capitalize on ERP investments, Finance may need to reshape its operating model and organization design. Below are the ways you can reach your end goal:

**Align your vision and strategy**

You’ve already done part of this. You’ve decided to implement an ERP solution that will radically change how business is done—standardizing and simplifying processes that can maximize financial insights and growth. To fully align on the vision, understand key opportunity areas, and establish guidelines for future models, you can implement some of these activities:

- Surveying key leaders and business stakeholders
- Performing high-level maturity benchmarking
- Hosting vision labs or working sessions
- Evaluating current state and desired future state

**Evolve your business model**

Consider how new and changing capabilities may alter how you serve your customers and shift your routes to market. Status quo won’t be enough. Finance organizations have a strategic choice about how to operate in the future. If you don’t align your business model and workforce to your vision, Finance will fall behind. We often see two paths to success:

- Cost efficiency: On this path, Finance leverages emerging technology and automation to operate more efficiently, but cedes its seat at the table as the business becomes increasingly comfortable with self-service.

- Value creation: This path transforms Finance into a dynamic, value-add capability capability and creates new ways to partner with the business. With machines and scalable platforms automating much of the traditional finance work to create capacity, leaders can shift the function’s focus to delivering new work outcomes and providing opportunities to strategically advise the business. The new finance technologies may require many professionals to have a new mix of skills, like data analysis and storytelling, to partner with the business and drive value in new ways.
Evolve your talent model

In the changing finance landscape, new service delivery models are emerging as robots and algorithms complement a diverse workforce which includes talent on and off the balance sheet. Many employers are starting to define their workforce in broader terms than full- and part-time employees. Workforces now include contractors and gig workers, along with service providers like management consultants, business process outsourcers, technology for workforce augmentation (e.g., AI, robots), and developers or accessory providers (e.g., offering apps through an app store). This is a workforce ecosystem: a structure focused on value creation for an organization that consists of complementarities and interdependencies.

Implementing a workforce ecosystem requires some changes to leadership practices, including:

• Recognition of all types of workers
• Rethinking diversity, equity, and inclusion
• Maintaining a workforce culture while keeping up with the fluidity of the labor market in terms of employee type and geographic location (e.g., local, remote, international)
• Consideration of workforce needs in strategic planning

Reframing from the traditional employee-centric approach to a workforce ecosystem approach, particularly one that maintains a workforce culture and gives all employees a sense of purpose, can drive strategic value for organizations.

Redesign your organization

Finance organizations have traditionally focused on efficiency. The future of Finance requires alignment on organization design to enable CFOs to harness new technologies (e.g., ERP), manage risk, and create value in an ever-shifting landscape. You’ll first need to consider the nature of work when designing for adaptability and then align your structure appropriately—even if that structure and capabilities sit outside of the Finance organization. This means balancing efficiency and agility. Here are the differences:

• Efficiency asks, “Which areas need to remain in functional silos to scale the capability, create capacity, and manage costs?” For example, reporting and cash management capabilities may be best suited to a traditional, hierarchical structure optimized for efficiency.

• Agility, on the other hand, asks, “Where is it essential to invest time, effort, and energy to swarm critical issues that require rapid response?” In areas requiring close business partnering and support for strategic decision-making, a dynamic, mission-based team approach will allow you to decide and act more quickly. For example, as you implement a new ERP application, you may find you need to redesign your organization around value streams like procure-to-pay. A team with diverse functional backgrounds and skill sets—in this case, perhaps a team of procurement, supply chain, and finance experts working alongside technology experts—pushing towards a shared goal of generating value can bring together the right insights more quickly than siloed functional teams with limited interaction.
By balancing efficiency and agility, Finance organizations can redesign an organization with transformation as a muscle. An example of this is the center office transition, in which the traditional back office transactional shared services are redesigned to deliver cross-functional capabilities and deliver business outcomes.

The notional back-office to center office shift

![Diagram showing the transition from back office to center office]

ERP applications are foundational for transformation, but Finance functions must redesign their organization to capitalize on their technology investment and vision. Shifting to a center office model is one path for Finance to capitalize on its vision.

Source: Deloitte analysis.

Balancing these dynamics (efficiency and agility) when designing your future finance organization enables:

- **Risk management** for unstable environments
- **Scalability** up and down based on the business environment
- **Rapid response** to dynamic stakeholder needs
- **Innovation and value creation**
- **Organizational resilience** in times of crisis
- **Delivery of end-to-end services** (e.g., procure to pay)
You’ve seen the 2025 vision. You’re aware of how digital transformations, including ERP implementations, are disrupting Finance and driving workforce transformation. These transformations also provide an opportunity to reassess the efficiency and agility of your organizational design to enable the benefits (e.g., automation, scenario-based modeling).

You’re aware of the market. Other companies are making changes to capitalize. We’ve shared the steps for redesigning your organization. Now, it’s time to fully realize the benefits of the ERP-enabled finance transformation and capitalize on the investment you have made. Deloitte is here to help. We can work with you to transform your organization and stretch the maximum value out of your transformation.

Are you ready to make your next move?

Your next move: Getting started

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Endnotes

1. Accelerate Being Digital
2. Deloitte 2019 Global Shared Services Survey Report
3. Deloitte 2021 Global Shared Services and Outsourcing Survey Report
4. Deloitte Workforce Ecosystems: A New Strategic Approach to the Future of Work