

World-class Controllershship

Charting your
course to success



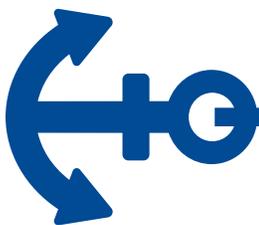
Expectations of the role of Chief Financial Officer (CFO) continue to shift from stewardship to having influence and involvement in strategy creation and execution. In turn, the CFO's demands on controllershship, including Chief Accounting Officers (CAOs) and Corporate Controllers, have evolved, now requiring an expansion of capabilities to support strategic organizational initiatives and mandating that they become more proficient, effective, and insightful to achieve world-class controllershship.

Today, Chief Executive Officers (CEOs) are expecting CFOs to serve predominately in the role of Catalyst and Strategist. CFOs are turning to the controllershship function to play a key role in enabling this shift in focus from Finance head to business leader.

Those leading controllershship are being asked to execute their role as Steward and Operator with a higher degree of proficiency and effectiveness, and to extend their focus to support the CFO and the business as they define and execute strategic imperatives.

For many, this means charting a new course with a fresh set of accountabilities that test existing resources and require them to leverage unique skills and innovative tools and techniques to navigate a myriad of challenges they'll encounter on their journey to achieving world-class controllershship.

Most in controllershship acknowledge they are among the best positioned to provide valuable insights that help drive financial and operational performance, reduce risk, manage costs, and maintain financial integrity. Many also agree that to achieve world-class controllershship and to meet the CFO's evolving expectations, they (and their teams) must become more **proficient, effective, and insightful**.



The controllershship's role

Catalyst — provide timely information insights that enable the organization to execute strategic business initiatives and drive a risk intelligent culture

Steward — protect and preserve the critical assets of the organization and accurately report on financial position and operations to internal and external stakeholders



Strategist — provide financial and management information and analysis that enables the CFO and other stakeholders to shape the strategic direction of the organization to improve shareholder value

Operator — balance capabilities, talent, costs, and service levels to fulfill the financial organization's controllershship responsibilities efficiently

The road to world-class controllership starts with evaluating the ability to deliver core responsibilities, then understanding how to expand the controllership's scope to provide additional value to the CFO and the business.

This overview provides direction on capabilities that should be evaluated and an assessment approach that may unlock course-changing initiatives for your organization.

Along this journey, locking in the destination requires the controllership to envision what "world-class" looks like. When controllership is functioning well, the organization is less vulnerable to downside risks and more prepared to take advantage of opportunities that create value. World-class controllerships effectively execute their core financial reporting responsibilities while leveraging talent, process, and technology to support business strategy and provide valuable insights that aid in the decision-making process. Doing so allows the controllership to move from a focus on operations and controls to strategy.

To achieve world-class is to become more proficient, effective and insightful

Global controllerships are responsible for steering the organization toward financial success and away from value-damaging risks.



The destination is reached when the controllership function consistently delivers proficiency, effectiveness, and insight on a global and enterprise scale:

- Proficiency refers to the ability to demonstrate expertise and competence in managing accounting operations and external reporting.
- Effectiveness equates to the successful achievement of the key mandates related to accounting regulatory compliance.
- Insight is the ability of controllership to provide data-enabled decision support to help the organization achieve its strategic imperatives.

Proficient



The proficient controllership administers global accounting operations while ensuring reporting is completed timely and accurately. This helps avoid the risk of realizing internal control weaknesses, reporting delays and errors, reputational damage, and economic losses.

Effective



The effective controllership develops a thorough understanding of regulatory guidance, assesses the impact on the business, and establishes processes that safeguard compliance. This helps avoid key risks related to internal control weaknesses, material misstatements, penalties and fines, and reputational damage.

Insightful



The insightful controllership demonstrates the ability to provide valuable observations and perspectives that aid in the decision-making process. The insightful controllership plays a strategic role in finance and supports the CFO, other finance functions, and the business in support of overall financial goals. This helps to avoid key risks, including poor investment decisions, failed initiatives, inappropriate resource allocations, inaccurate forecasts, and accountability issues.

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Deloitte has developed Controllershship Navigator — a framework to help define responsibilities and pinpoint areas for improvement.

Controllershship Navigator was developed based on research performed by Deloitte’s Center for Controllershship¹ and provides a taxonomy of common controllershship responsibilities and capabilities that enable you to assess the way you are currently using key enablers — such as talent and other resources — to carry out your responsibilities. The framework is also used to help controllershships envision a more strategically-focused future state and consider innovative ways to leverage talent, process, and technology. The framework segregates controllershship responsibilities into three primary areas:

Controllershship Navigator		
As an Operator, the controllershship is responsible for:		
 Accounting and reporting operations	 Accounting regulatory compliance	 Strategic finance support
Master data management	Guidance and impact assessment	Budget/Forecast management
Transaction processing	Process design and implementation	Performance metrics/KPI management
Close, consolidate, report	Issue remediation	Cost accounting
Financial analysis	External audit and regulatory reporting	Special initiative management



Accounting and reporting operations relates to the core responsibilities involved in the record-to-report cycle and includes competencies associated with the management of finance master data, financial transactions processing, financial close, the consolidation and reporting processes, and the performance of financial analytics.



Accounting regulatory compliance relates to core responsibilities associated with maintaining compliance with the specific requirements created by authoritative bodies that impact financial accounting and reporting. This includes regulatory guidance interpretation and impact assessment, change process design and implementation, issues remediation, external audit coordination, and regulatory reporting.



Strategic finance support relates to the controllershship’s responsibilities to support, monitor, and/or provide direct assistance in the execution of budgets and forecasts; performance metrics and KPIs; cost accounting; and special initiatives.

On their journey to providing more proficient, effective, and insightful services, world-class controllershships leverage key enablers, or levers, which can be optimized to accelerate the journey and arrive safely at the destination.

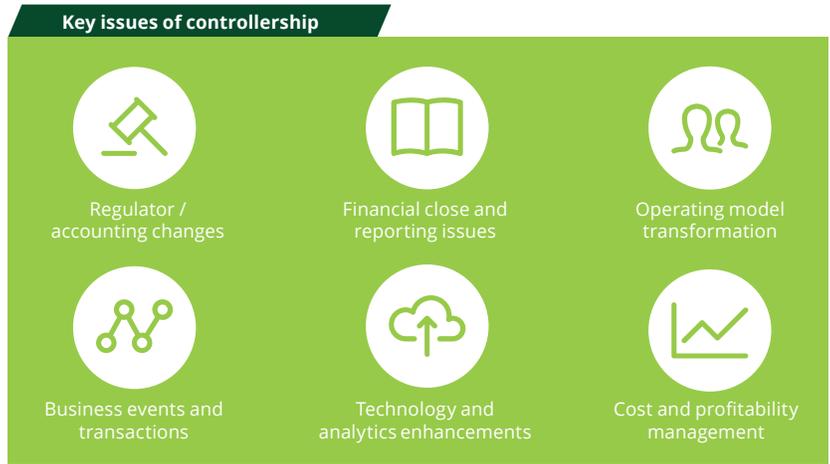
The framework also identifies key enablers that are leveraged to drive controllershship performance. When optimized, these resources are used to accelerate your journey by avoiding hazards and enhancing the overall delivery of services, allowing controllershship to achieve its goal of delivering greater value to the business.

These enablers are characterized in three distinct groups:

1	Organization and people includes considerations such as whether the controllershship functions are supported by the appropriate structure, capacity, and capabilities to deliver in an optimized and appropriately governed manner.	
2	Process and policy are the governance frameworks that provide leading practice guidance and encourage consistency and standardization that can be measured and monitored to ensure risk is managed and controllershship processes operate in a properly controlled environment.	 
3	Information and systems are the technology and data-enabled environments through which controllershship processes are performed and insights are shared in a consistent and controlled manner.	 

¹ Deloitte’s Center for Controllershship™ provides chief accounting officers, controllers, and their teams opportunities to collaborate and direct access to resources and research meant to build world-class controllershship capabilities. The Center allows those in controllershship roles access to our deep experience, broad capabilities, and valuable insights that assist in managing the complexities of their roles while transforming their organizations to be more proficient, effective, and insightful.

- In order to arrive safely at your destination, consider the following:
- Utilize a framework that establishes comprehensive boundaries
- Monitor progress and course correct swiftly when needed
- Align resources with key responsibilities to increase focus and attention
- Strategically leverage and develop enablers to formulate solutions to challenging issues
- Structure enablers to shift focus to strategy from operation and controls



Embark on the journey to world-class controllership

It is undeniable that controllership functions are among the CFO’s most cherished resources. In addition, they hold trusted relationships with other executives in the organization, including the audit committee and business unit leaders, and are among the most highly-trusted and respected functions.

Controllerships that align and optimize resources to meet core mandates and provide valuable insights provide tremendous value to the company, charting a course toward financial success while seeking to avoid hazardous threats along the way.

Building a more proficient, effective, and insightful controllership function allows the CFO to meet her objectives and is the foundation for further enhancing Finance’s value to the organization.

Contact us

To discuss your controllership function, explore steps to improve your organization, or to learn more about one of our controllership lab opportunities, please contact:

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