

# Finance reinvention and the evolving organization

**The role of finance is changing.** More and more, finance is being elevated to take a lead role in organizations, becoming a stronger partner with other areas of the business. In addition, finance is taking a more strategic role in driving informed decisions that impact the direction of the business, whether they be investments into new product lines or mergers and acquisitions.

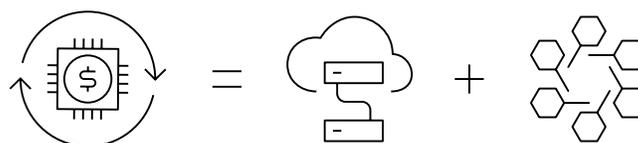
Many finance departments are proactively stepping up to the challenge by focusing on people and digital transformation. These leaders know that to remain competitive, their organizations need to digitally reinvent their enterprise business, their finance organizations and operating models, and invest in promising new areas and technologies. They need to move fast, experiment and iterate—adopting a policy of restless reinvention.

This theme of “continuous innovation”—one that’s focused on proactive adaptation to leverage technology—helps finance leaders realign resources so they can turn *data* into meaningful *information* and *insight* that can be used to strategically drive business decisions.

Successful finance departments are finding ways to spend less manpower on transactional activities and focus more of that energy into drawing insights into the business. And this digital transformation is having a revolutionary effect on their organizations.

High-performing and innovative CFOs today are using digital reinvention as a catalyst not just for their own enterprise, but for the transformation of the role of finance. They are actively helping to set strategic direction, orchestrate investment and growth for new advantage, and nurture talent, while building an agile culture.

Now is the time for your finance organization to consider its own digital reinvention, with a move to the cloud and the integration of cognitive technologies.



# Start here.

A key element of organizational reinvention is having systems in place to support digital transformation. Enhancing finance's capabilities with integrated cloud-based solutions is a fundamental building block and puts an enterprise on a rapid path to success. These new systems and tools are often flexible enough to allow finance to stay agile and help foster an environment of continuous change. And once these core systems and tools are in place, realigning people and processes happens almost naturally.

In some cases, new systems can mean an ability to pull together data from several areas that have traditionally not been owned by finance—such as product lines, costs and headcount—to determine where to make new investments. CFOs are finding that new technologies that help aggregate this information in a real-time fashion are game changers. No longer does finance need to wait until after month-end close; they are finding this information can be accessed in real-time in most cases.

**CFOs are finding that new technologies that help aggregate information in a real-time fashion are game changers.**

Once new core systems are in place, CFOs are finding that they're able to see improvements that allow them to identify anomalies earlier and produce real-time financial performance insights, connecting them to operational metrics, rather than running reports on prior periods.

## Consider the facts.



73%

of leading CFOs are looking to invest in cloud<sup>1</sup>



34%

of leading CFOs are looking to invest in AI<sup>1</sup>

# Increased collaboration and agility

An effective finance organization is not enough—finance has to help enable the rest of the enterprise to be agile. That requires reliability, support and understanding the business through insights.

The right finance technology, like Workday, can become a mission critical enabler of agility. Organizations can use the flexibility of the technology to ease the strains of business change. And cognitive technologies can allow the organization to do even more and be smarter about how it operates.

According to IBM's 2018 Global C-suite Study, 74 percent of CFOs cite existential threats of some kind to their enterprise's current business model. Well over half of that 74 percent say their organizations face threats from competitors using innovative technologies or approaches.<sup>1</sup> As a result, more organizations expect to continuously experiment and capitalize on new opportunities—often in tandem with other entities.

As collaboration in the pursuit of digitization, new value chains and shared platforms grow in importance, CFOs must ensure that their own departments are fine-tuned for agility. This requires new ways of working within the finance function beyond simply digitizing services and processes to automating and augmenting them with AI and cognitive technologies.

A strong technology foundation can pave the way to realize real business benefit in the following ways:

- Getting higher value business advice: Digital dashboards can be used as strategic command centers—delivering real time data—as opposed to waiting until after month end close
- Improved planning and forecasting: Move to automated on-demand budgeting, planning and forecasting and get instantaneous feedback and be able to model multiple what-if scenarios on the fly
- Streamline accounting and compliance: Using digital tools to minimize compliance errors and enhance transparency
- Enhance decision making: Getting access to better, more timely data that can help you quickly analyze patterns and trends
- Lowering costs and producing fewer errors: Using Robotic Process Automation (RPA) to reduce manual work associated with routine rules-based tasks can reduce errors and rework in the way of creating journal entries, reconciliations to payables, receivables, etc.

CFOs must also elevate their teams to be full partners with other functions. For many, that means empowering their teams to lead from the front lines, scope new opportunities and act on their insights.

# Accelerated evolution in the approach towards digital reinvention

**Yesterday**  
Process engineering

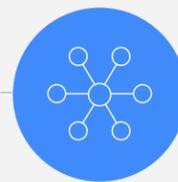


Operational efficiency



Labor arbitrage

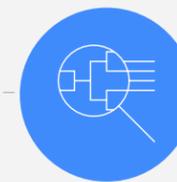
**Today**  
Shift to variable costs



As-a-service

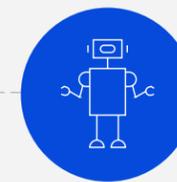


Design thinking



Process automation

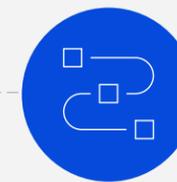
**Tomorrow**  
Technology innovation



Cognitive automation



Cognitive insights



Blockchain as-a-service

# Becoming a cognitively enabled function

A cognitive enterprise requires mastering new innovations, ways of working and essential capabilities. This evolution doesn't just happen—finance needs a careful plan to lead the way.

1. *Digitize financial processes.* Exploit new technologies such as AI and advanced analytics to enhance processes. Leverage opportunities to take advantage of specialists with advanced technical capabilities.
2. *Cloud technologies allow you to create a single version of the financial truth.* Implement finance process commonality with process owners. Establish data standards, rationalize financial platforms and reframe analytics to measure the current reality.
3. *Enhance business insight capabilities.* Put the proper analytics technologies in place. Set operational data standards. Implement common decision-support processes. Increase analytic transparency and ubiquity.

This is a dramatic shift in the way most organizations currently operate, where the human workforce is performing the majority of tasks with support from technology and systems. We have now reached a new level of capability—an era in which processes are executed by technology and enhanced by people.

# Taking the next step: How IBM and Workday can help

By combining transactions, accounting, analytics and always-on audit in one system, Workday can empower CFOs with actionable financial and business insights in real time.

IBM can enhance your Workday experience with proven methodologies, best practices, industry expertise, and innovative project tools and accelerators.

Harness the power of Workday's technology and IBM's expertise to continue your journey towards digital reinvention.

Start the journey by putting the core, integrated systems in place: IBM has industry experts who can show you the roadmap and be your guide as you go down the Digital Transformation path.

Once Workday is in place, aligning your talent, automating processes, transitioning from a company that focuses on transactions and moving to one that is driven by analytics are all within reach to take your finance organization to the next level.

Ready to transform your finance organization? Visit [ibm.com/workday](https://ibm.com/workday) to learn more.

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1 Elevate your enterprise: The Chief Financial Officer perspective. IBM Institute for Business Value. May 2018

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