



Shape the future

Recent disruptions in global business have led finance functions to purposefully focus on the future. But any efforts to align and re-align to the future must be driven by an underlying, comprehensive and agile framework that is in harmony with the organisational goals and external market drivers. Finance leaders gathered at a dinner briefing in London on 21 April – hosted by **Finance Director Europe**, in association with **WNS** – to reflect on their future readiness, and how actionable intelligence, talent and technology can combine to shape a future-ready finance function.

Finance leaders from large and diverse companies met at London's Grosvenor House to discuss the challenges of creating a future-ready finance function.

The discussion covered technology, outsourcing, actionable intelligence, talent and organisational agility. "We support over 80 client with their finance functions," said Krishnan Raghunathan, CCO at WNS and host for the evening. "They talk to us about operating models, and structuring and transforming centres of excellence. There is increased focus on digital, cybersecurity, technology investment and analytics to be more relevant to business strategy. In the face of technological disruptions, changes to business must exceed the external rate of change. We must help our customers

identify what is needed for future readiness. Our roadmap to 2020 focuses on getting the optimal solution for each customer and enabling continuous change rather than one-time change management."

Michael Birshan, partner at McKinsey & Company, was the moderator for the evening. He expressed agreement with Krishnan, saying: "The level of change is unprecedented. The data proves the rate of disruption. In the technology space, for instance, television took decades to reach 50 million adopters, but Twitter took only nine months. Compared with the industrial revolution, we can double GDP twice as fast, and it affects 300 times as many people. Volatility in markets is also empirically larger, so this is no ordinary disruption."

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ROUNDTABLE

ROADMAP 2020: MOVING TOWARDS A FUTURE-READY FINANCE FUNCTION

The need for change

Current operating models focused on enhancing efficiency through shared services or outsourcing models ignore the potential to go beyond arbitrage advantages. How will these shared services centres be sustainable in five years when the arbitrage advantages have tapered off? What will happen to these centres that are looking for more strategic roles, but lack the capabilities to change?

To respond to an intense rate of external change, businesses

must identify necessary traits for success, such as agility. Most large organisations have embraced business partnerships to bring finance closer to the lines of business, but this concept has started to evolve.

“We’ve implemented global business services to drive transactional efficiency. While we have partnered with the organisation in the past, we are increasingly focused on partnering value, deploying the right expertise at the right moment,” said Mark Shadrack, vice-president

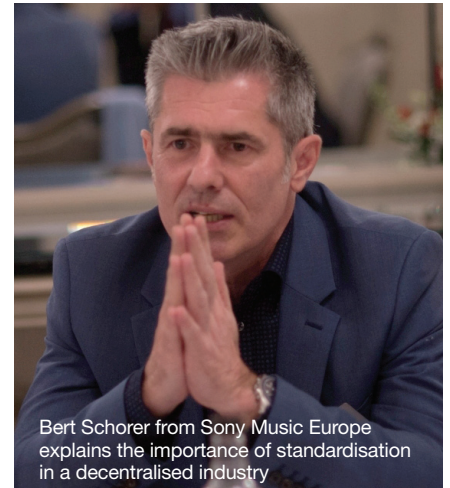
of future finance at Unilever.

“This requires further streamlining of processes and routine activities to enable resources to be deployed with greater agility – technology will have a key role to play in enabling that approach.”

Bert Schorer, CFO International at Sony Music Entertainment, said that making the required organisational change depends on more than the merits of technology or an awareness of external drivers. When a business sees irrevocable change to a

“Hunters have a twinkle in their eye and look for the new meat, while farmers keep the controls and the routines going. You need both, but you can’t make a hunter out of a farmer.”

Tom Vanoverschelde, FD, UK & I at The Kraft Heinz Company



Bert Schorer from Sony Music Europe explains the importance of standardisation in a decentralised industry

“Standardisation has become an important focus in our finance processes, and this has an impact on our staff, as required skill sets and expertise are changing too.”

Bert Schorer, CFO International at Sony Music Entertainment



Tom Vanoverschelde uses a “hunter-farmer” analogy in a discussion on talent development

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digital distribution model that results in data proliferation, a shift in attitude has to accompany any other change.

“The increased complexity and data volumes require a change in mindset,” Schorer said. “Standardisation has become an important focus in our finance processes, and this has an impact on our staff, as the required skill sets and expertise are changing too. It is a challenge, especially as the music industry has traditionally been devolved, but we need the right expertise as well as the right technology going forward.”

As much as companies want to embrace game changers, they are also aware of cost implications. While effecting optimum investments in technology and analytics is critical, equally important is having the right talent at your disposal.

The need to focus on talent is

accentuated where there is a demand for information from a variety of external stakeholders. Vivek Ahuja, deputy group CFO at Standard Chartered, said: “The dilemma is that we have to invest in meeting external stakeholder information requirements and also streamline infrastructure internally to drive business performance, which are linked to talent. The quality of the talent pool and the mindset of the teams are critical for us to respond to internal and external change, and to partner with the business.”

Joe Anichebe, interim finance leader for global technology at XL Catlin UK, said: “To develop finance leaders – CFOs rather than finance managers – you need to get people into other parts of the business so that they are not too risk averse.”

Tom Vanoverschelde, finance director of the UK and Ireland at HJ

Heinz Company, summed up the challenge of talent development when he spoke of hiring hunters and farmers. “Hunters have a twinkle in their eye and look for the new meat, while farmers keep the controls and the routines going. You need both, but you can’t make a hunter out of a farmer. The hunters will be the future CFOs, and to develop them you need to give them the opportunity to fail because that is how they will learn.”

Optimum operating model

To match the frenzied pace of change in a digital world, organisations need to strengthen their target operating models and design them for outperformance, greater control and compliance. Critical to this is the deployment of levers such as actionable intelligence, optimal automation, and a rich and scalable talent

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Vivek Ahuja, deputy group CFO at Standard Chartered



Vivek Ahuja from Standard Chartered highlights the importance of a high quality talent pool

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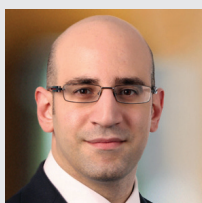
ROUNDTABLE

ROADMAP 2020: MOVING TOWARDS A FUTURE-READY FINANCE FUNCTION

The guest list



Co-host: Krishnan Raghunathan, chief capability officer at WNS



Moderator: Michael Birshan, partner at McKinsey & Company

WNS representatives

- **Nimesh Akhauri**, corporate SVP and head of sales for Europe
- **Jeremy Donaldson**, analyst relations Europe

Participants

- AB Foods: **David Batchelor**, business performance manager
- INEOS: **Gerry Hepburn**, CFO UK
- Kerry Group: **Stéphane Alby**, GBS transformation lead
- Inmarsat: **Martin Harrison**, group financial controller
- SABMiller: **Suzanne Ryder**, head of business services transformation
- Selfridges: **Darren Hayward**, head of finance
- Sony Music Europe: **Bert Schorer**, CFO
- Specsavers: **Dilesh Magdani**, head of finance operations
- The Kraft Heinz Company: **Alexandre Alves**, VP GBS
- The Kraft Heinz Company: **Tom Vanoverschelde**, finance director UK
- Unilever: **Mark Shadrack**, VP future finance
- Unilever: **Emma Connell**, finance director, hair
- URENCO: **Ralf ter Haar**, CFO
- XL Catlin: **Joe Anichebe**, interim CFO, global technology
- XL Catlin: **Robert Wright**, CFO, global technology

pool, which will enhance an organisation's ability to adapt to change. These levers should be supplemented by an enabling environment, which is aligned to the organisational strategy and external

market drivers. This approach will equip organisations with the agility to stay ahead of competition.

This year's roundtable followed last year's discussion titled 'What's your vision 2020', in which

European finance leaders talked about transforming the finance function, driving innovation and leveraging analytics. It highlighted the changing face of the CFO in a digital world.



Krishnan Raghunathan emphasises the need for organisations to exceed the external rate of change.

"In the face of technological disruptions, changes to business must exceed the external rate of change."

Krishnan Raghunathan, chief capability officer at WNS