



Finance Transformation

*Bridge the gap between **business, finance and technology** to enable successful **transformation** and create synergies across company and business **ecosystems***



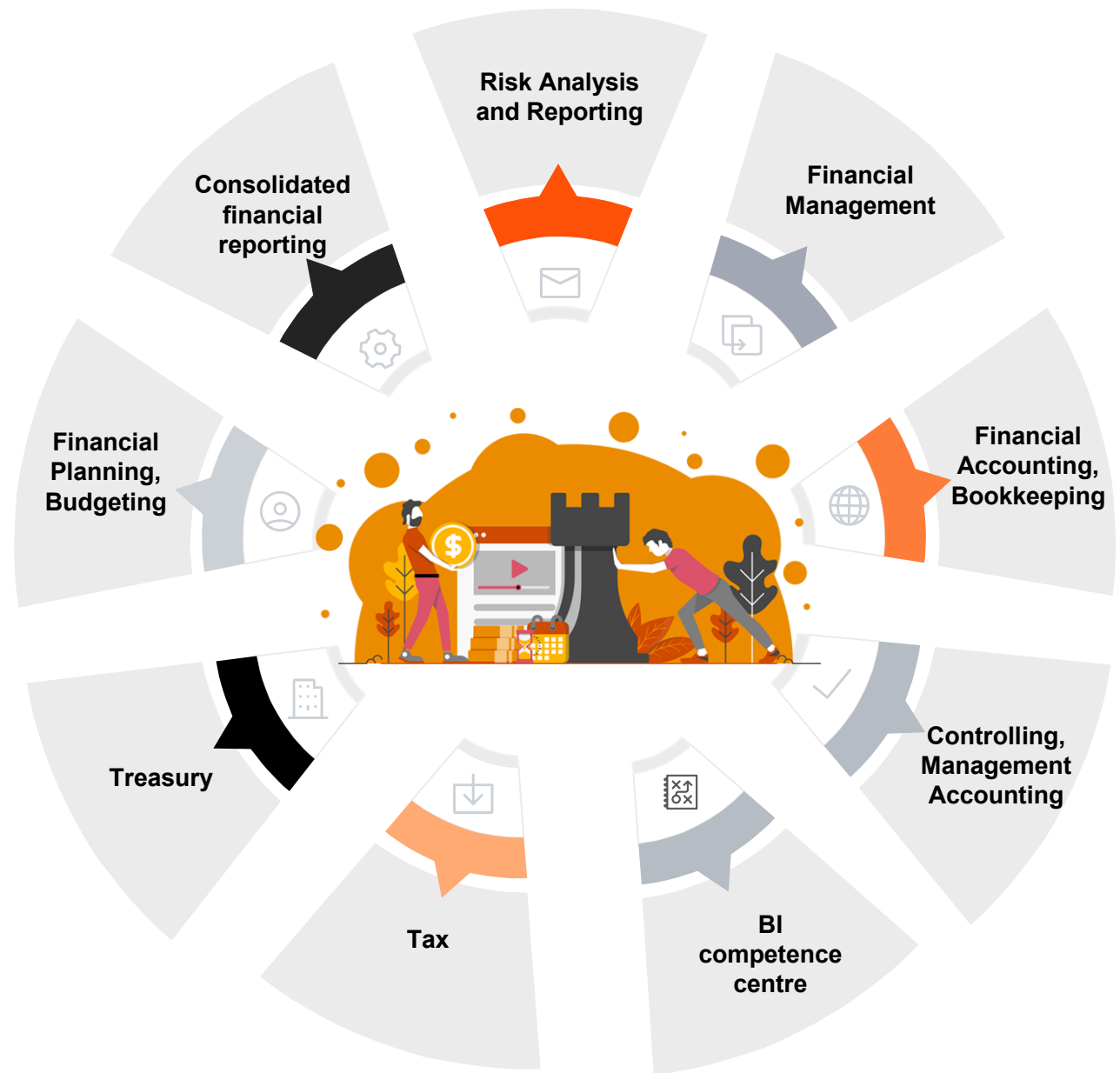


CFO Challenges

A CFO has many roles...



There's a perfect storm of opportunity, enabled by technology, for the **Modern Finance** organization to be a key **strategic partner** to the operations and business.



And many pain points...

- Inadequate and/or **insufficient** management reports
- Information **too late** for decision making
- **Lack of trust** in financial data
- Being perceived as **not being 'value adding'**

Management reporting catalogue **outdated / not fit for purpose** and current needs

Lack of sufficient and reliable data to support business decisions

Extensive / **overloaded management** accounts with **overlapping reports**

Manual workarounds & repeated data input

Change in shareholders' structure and their **strategic KPIs**

Poor data visualisation, mainly flat reports without drill down options

Slow period-end close process.
A lack of, or compliance with **month close timetable**

Organisational complexity – multiple subsidiaries; statutory & management reporting

Lack of benchmarking to **best market practice**

Excessive use of spreadsheets

Complexity of reporting – adding in **non-financial data**, multiple KPIs

Too much time spent on **reviewing of draft results**

Inconsistent data definitions
Non-standard chart of accounts

Non-standard procedures of **data collection**

Potential **errors** due to **manual processes** and use of spreadsheets

Lack of automation – **lack of effective interfaces**

Standalone & **Non-standard** systems

Lack of adequate budgeting and forecasting methodology and tools

People and culture issues limited ability to provide **value adding support**

Lack of awareness about potential for more **value adding analytical work**

2

Approach and Roadmap

Finance Transformation Approach

1

Assessment, Discovery & Ideation

- Finance and Business process **diagnosis and assessment**
- Review AS IS Operating Model
- **Process Intelligence** review
- Process and Metrics **Benchmarking** in the market and across industries
- Leverage industry **Best Practices**
- Risk Assessment and Mitigation
- **Opportunities** identification

2

Design & Build

- **Blueprinting** and detailed **design**
- Build centralized functions
- Define and **reshape process placement** framework
- Governance framework
- **Data Management** and quality
- Define **IT landscape**
- Define quality framework

3

Process & Technology Transformation

- **Standardization** and **Optimization** of F&A Processes (PTP, OTC, RTR, T&E, ICO) via best practices, value stream mapping, art of possible
- **Process benchmarking**, KPI, **BOIs**, setup and upper quartile projection
- **Holistic transformation** of the Finance function
- Tech and Automation agenda within the F&A space including impact on Finance Function Operations
- **Analytics tools** with descriptive and predictive models
- **Controls** framework optimization
- Support in **digital transformation**

4

Ops Transformation

- Governance & **Performance Management** functions
- Bridge **functional expertise** between core function & technical capabilities
- Operating Model Reshape
- **Near shore and offshore solutions** and architecture
- Improve the quality of management information
- **Analytics and Insights**
- Help Clients understand **value added structure**

5

Deploy & Implement

- **Execute roll out/deployment** plan
- **Change Management**
- Training and **adherence**
- Policies, procedures, operating model updates
- **Asset repository**
- **Predictive** Analytics and **Strategies** towards specific and impactful KPIs
- Final layout, capacity, **benefits realization**

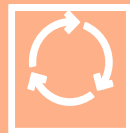
Roadmap for a modern and digital Finance organization to cope with business and market challenges



Assessment,
Diagnostic and
Eliminate waste

- GAP Finance Processes Mining, Analysis and Diagnosis;
- Design/review/improve internal controls;
- Evaluate end-to-end process maturity including the effectiveness of technology for reporting, consolidation, planning (budgeting and forecast), management reporting;
- Evaluate & validate finance process automation opportunities within F&A space;
- Evaluation of Governance & Performance Management functions;
- Bridge functional expertise between core function & technical capabilities;

Optimize end-to-end
business processes



- Standardization, optimization & re-design of Finance & Accounting (F&A) processes (PTP, OTC, RTR, Month End Closing, Financial and Management Reporting, Controlling, Regulatory, Statutory, Tax Reporting, Financial Consolidation, Time and Expense (T&E), FP&A, Financial Audit, Advisory and SOx compliance);
- Benchmarking of F&A processes delivery & general Finance Function KPIs, SLAs, BOIs;
- Design/review/improve process flows, procedures, policies;
- Align planning, budgeting, consolidation, reporting and analytics solutions;
- Near shore/Offshore architecture, operating model, transformation solutions;
- Finance Managed Services and Transformation capabilities;



Technology driven
Finance

- Alteryx (Smart workflows, ICO, PPE, management reporting, data analysis, visualization etc.);
- OneStream – CPM platform for: Reporting, Consolidation, Planning;
- LucaNet – FMP software for Reporting, Consolidation, Planning;
- Last mile reporting Tools for Financial Reporting, ESG, XBRL, Management Reporting: Workiva, Lease accounting, XBRL Tagger;
- RPA for PTP, OTC, RTR for optimizing transactional activities and reduce manual effort;
- ERP implementation, testing, roll out, migration;
- AI in finance

Modern finance will go beyond the traditional steward and operator roles

The Business Partner

- Finance Business Partners **unencumbered by transactional activities**
- **Real-time**, forward-looking **business insight** to support strategy and sustainable business growth through proactive and integrated performance management information, applying analytics, machine learning, and AI
- Using the story behind data to challenge the business, leveraging deep **business acumen**

FP&A

Capital Allocation

Analytics

The Steward

- Rationalised **controls embedded** in business processes; shift toward **predictive** controls and risk management
- **Confidence** and **transparency** in information communicated to the market
- Data-gathering and manual activities reduced to a minimum, in order to allow resources to **focus on value-add activities**

Controlling

Tax

Treasury

Risk and Compliance

The Operator

- Simplified and standardized processes operating on **cloud ERP**, supplemented with **automation** to further drive efficiency
- Scalable, flexible, and **agile operating model** allowing the allocation of resources where and when needed
- **Continuous improvement** practises and mindset in place, monitoring process performance and remediating deviations

Finance and Accounting

Talent Ecosystem

The Digital Enabler

- **Product owners** in Finance and teams organized following Agile methodology, collaborating with IT under an effective relationship
- **Upskilling** Finance workforce to be **digitally savvy** and supplemented with new human and machine-based roles
- **Driving digital initiatives** across Finance to embed digital in processes and in how people work

Finance Evolution

Finance Tech. and Automation

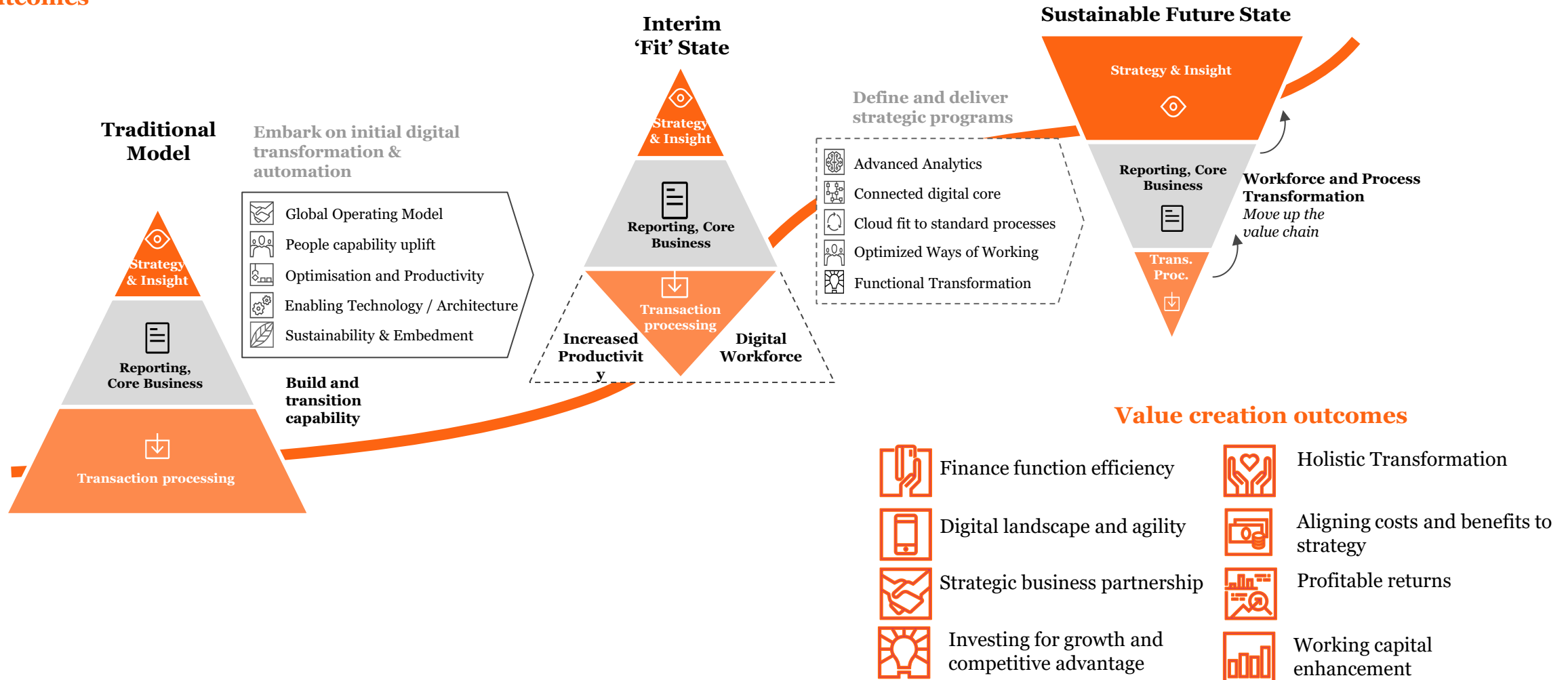
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Value and Benefit realization

Journey to a more efficient and effective finance function

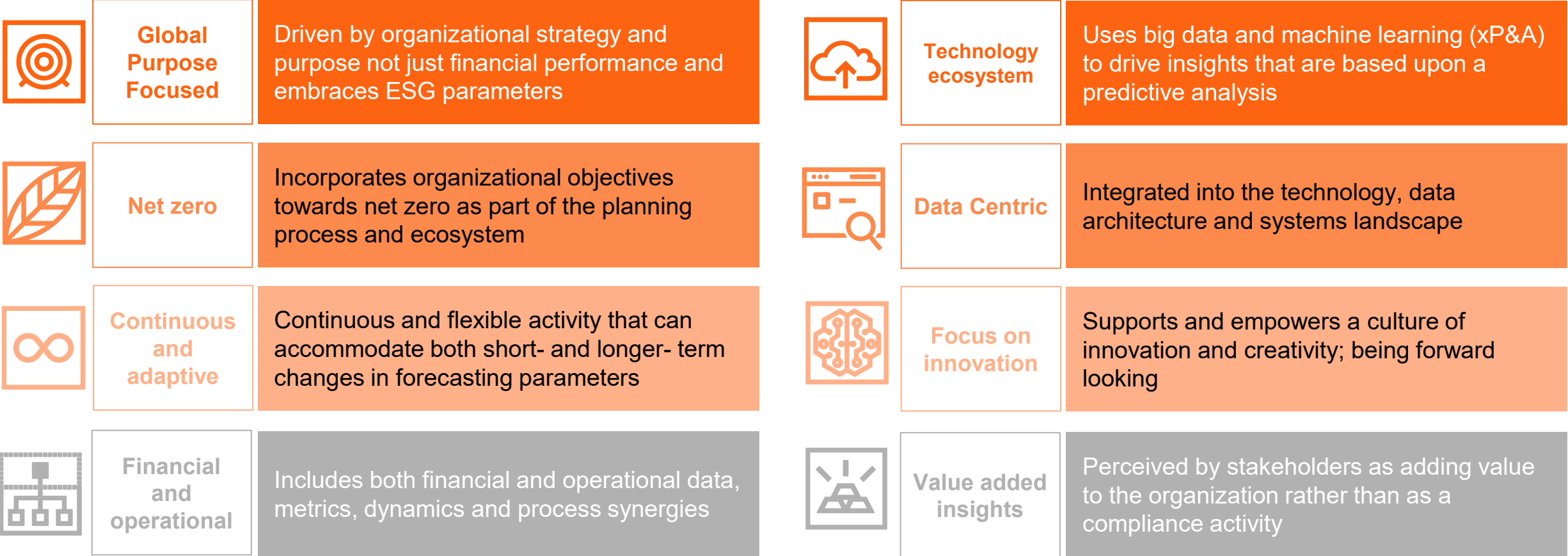
In transforming and adopting a very different way of operating, the Finance function will become **significantly more efficient** and have the opportunity to actively contribute to business performance and drive real **value creation and benefit realization (finance function cost reduction 10%-30%)**

The Reshaped and Transformed Finance Function provides efficient transactional processing and compliance and drives strategic business outcomes



Role expansion in broader planning and performance

The role of Finance is **morphing into business partnering** enabled by technology assets with **strategic focus** on business intelligence and predictive analytics. Applying technology to the data available to finance, including operational teams, places finance in the driving seat for **organization-wide planning and processes** following the eight **tactical pillars** below:



Key Value and Tactical Levers



Operating Model Transformation

- Delivery models for support functions (near shore/offshore)
- Business case/ Impact of operating model changes
- Location analytics



Finance function cost effectiveness

- Process maturity assessment
- Process Diagnosis Analysis
- Define and reshape process placement
- Centralization of Corporate Functions post M&A



Finance Risk and Controls

- Risk Assessment Control Framework
- Governance and Quality Framework



Sales efficiency and profitability

- Revenue leakage & Waste reduction through the supply chain
- Contract Digitization
- Price discrepancies analytics
- Gross Margin Analysis per type of products



Capacity utilization and rationalization

- Overhead cost reduction
- FTE analysis per store vs turnover, stock volumes, staffing levels
- Performance Management (robust KPI/SLA targets)

Finance for Finance

Financial Planning & Analysis

Treasury

Tax

Risk, Audit & Compliance

Accounting & Operations



Finance for Operations

Planning

Brand & Marketing

Supply Chain

Inventory Sales

Customer Experience

e-Commerce



Descriptive and Predictive Analytics



- Working Capital
- Performance metrics
- Stock landscape
- Customer behaviour
- Customer segmentation
- Store/location footprint

Robust Month End Closing Calendar



- Reporting Factory
- Streamline closing days and efficiency
- Streamlining and traceability of transactions between Operations and Finance
- Invoice processing automation (OCR & RPA)
- Accrual reduction and increased accuracy

Production, Planning, Budget & Forecasting Improvement



- Discount Management, Calculation and Digital repository
- Variance analysis (Global and as per store)
- Cash Flow optimization and Working Capital enhancement

Stock Analysis and Optimization



- Stock rotations, efficiency and optimization
- Analysis and improvement of slow movement, expired, retired, obsolete products
- Stock anomalies analysis per stores and product types

Technology assets



- System diagnosis ERP Integration, roll out and change management
- Legacy systems streamlining and harmonization for best fit global digital solution
- Analytics assets and capability

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