How fast is fast enough?
Responsive finance
Together, Deloitte and SAP have built a strong global alliance to jointly deliver strategic advisory and robust implementation services.

Solution
To address the challenges facing today’s Finance function, organizations are embarking on transformation programs to deliver their strategic goals.

Deloitte’s* Responsive Finance services include three key components to help deliver Finance Transformation—the four Value Drivers, the Enablers: People, Process, and Technology.

Only through a functionally aligned technical architecture, that is both scalable and flexible, can process optimization and organization (shared service) opportunities be realized and information produced that enables Finance to become an effective Business Partner. This technical architecture embraces ERP, GRC, EPM, Business Intelligence, and data warehousing.

Together, Deloitte and SAP have built a strong global alliance to jointly deliver strategic advisory and robust implementation. Through this alliance, Deloitte is better prepared to help organizations in their efforts to define and implement Responsive Finance programs, offering a wider range of advisory and implementation related services, along with comprehensive SAP experience, knowledge, and skills.

What’s driving change in Finance?
• Recent increases in funding for Finance systems places pressure to add real value to the business. However, cost and global regulation continue to increase, and realizable benefits are slow to materialize.
• New standards such as IFRS require a new approach to regulatory compliance—and a different mindset altogether when it comes to financial data, systems, and decision-making.
• The CFO is expected to help drive the business strategy and should be integral to investment decisions. However, a larger, more experienced talent pool is often required for genuine business support.
• Recent regulations result in risk functions placing increasing reliance on Finance, enabling some synergies. But governance structures often limit the ability for Risk and Finance to work together.
• For Finance to drive value discipline across the organization, a clear link between strategy and budgeting is required. However, planning, budgeting, and forecasting are often piecemeal with no clear link to corporate and Finance strategy.
• Outsourcing and shared service facilities are driving down the costs of Finance’s production activities. However, autonomous and decentralized departments inhibit opportunities for value creation.

The Deloitte and SAP alliance
• The SAP and Deloitte Alliance Agreement became effective in 1989, and Deloitte became one of SAP’s global top three systems integrators in 2007.
• Deloitte’s consulting and SAP implementation services span all aspects of SAP solutions.
• Special agreements exist for ERP, GRC, EPM, Business Intelligence, Office of the CFO, and Banking.

How do Deloitte and SAP add value?
Working together, Deloitte and SAP offer a wide range of services that can enable our clients to understand the challenges to their Finance function. This holistic approach provides CFOs with access to a broad range of services to help them develop a new sustainable operating model that can deliver Finance’s strategy and its related benefits.

Setting the direction and making the strategy operational
Deloitte’s CFO Framework™ is a benchmarking tool designed to help CFOs better understand how their existing Finance operating model performs against each Value Driver and Enabler. This insight can help CFOs define their desired end state and the Finance Transformation required to achieve it.

Optimizing governance, tools, and processes (SAP ERP and SAP BusinessObjects, GRC)
Deloitte has a number of specific methodologies developed to help organizations redesign each component of Finance’s capabilities, from process re-engineering and ERP optimization through to technical architectures and data optimization services.

Globalization and compliance
Deloitte is able to leverage its global knowledge of IFRS, US and local GAAPs, and regulatory and tax requirements to help organizations implement integrated systems and process solutions that capture tax, regulatory, accounting, risk, and control requirements in their SAP design and configuration.

Establishing channels and partnering within the business (SAP EPM and SAP BusinessObjects EPM solutions)
As well as reducing cost, one of the key drivers for change is to increase the quality of service provided by Finance to the business. Deloitte’s Integrated Enterprise Performance Management services and solutions are designed to help organizations by delivering real insight into effective analytics, management information, and Business Partnering.

A framework for Responsive Finance
The Four Faces of the CFO

Value Drivers and Enablers

To manage effective finance organizations and satisfy demands of the Four Faces, the CFO should assess and optimize the Value Drivers and Enablers of Finance.

Value Drivers (What Finance does to meet stakeholder expectations):
• Value Drivers represent the six high-level areas of activity through which Finance typically seeks to create value for the organization by managing revenue growth, operating margin, asset efficiency, and expectations.
• The CFO is expected to put in place the necessary Enablers to deliver the desired level of performance for each of the relevant Value Drivers.

Enablers (The capabilities to deliver the business of Finance):
There are four related Enablers through which the Finance activities are performed and stakeholder expectations are met: people, process, technology, and organization.

Achieving a Responsive Finance Function
The precursor to achieving a Responsive Finance Function is the assessment of the Finance Function’s Operating Model (FOM). Typically a 10- to 12-week project, the FOM assessment can yield the following deliverables:
• FOM guiding principles and constraints
• Stakeholder analysis
• Future state organizational model for Finance
• Confirmed scope of Finance
• Process taxonomy
• High-level Value Driver and Enabler gap analysis
• Agreement on metrics that will be used to measure performance improvements
• Business case and NPV investment appraisal
• System architecture that defines how technology enables the business vision and how the solution fits into the current systems landscape
• Implementation roadmap

*As used in this report, Deloitte means Deloitte Member Firms.
Realizing the benefits
Maintaining financial control, timely provision of accurate management and financial information to support business decisions and meet external requirements, implementing an enterprise-wide technology model, and reducing high attrition rates are the most frequently quoted ‘must do’ priorities for Finance. Consequently, an organization should seek to make the following step changes:

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
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<tbody>
<tr>
<td>• Ad hoc process</td>
<td>• Formal process</td>
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<tr>
<td>• Manual process</td>
<td>• Automated process</td>
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<tr>
<td>• Multiple sources of information</td>
<td>• Single source of truth</td>
</tr>
<tr>
<td>• High attrition rate</td>
<td>• Low attrition rate</td>
</tr>
<tr>
<td>• Process</td>
<td>• Technology</td>
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<td>• Architecture</td>
<td>• Applications</td>
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<td>• Governance</td>
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<td>• Culture</td>
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For more information

- Stephan Raemaekers
  Global SAP Practice Lead
  Deloitte Consulting
  slaemaekers@deloitte.com

- Karen Hoare
  Global Responsive Finance Initiative Lead
  Deloitte MCS Limited
  khoare@deloitte.co.uk

- Christoph Greving
  EMEA Responsive Finance Lead
  Deloitte Consulting GmbH
  cgreving@deloitte.de

- Stephen Chang
  Responsive Finance Lead, Singapore
  Deloitte Consulting Pte Ltd
  stchang@deloitte.com

- Stanley Dai
  Responsive Finance Lead, China
  Deloitte Touche Tohmatsu CPA Ltd
  sdai@deloitte.com

- Regina Edmiston
  Responsive Finance Lead, US
  Deloitte Consulting LLP
  redmiston@deloitte.com

- Cecilia Giordano
  Responsive Finance Lead, Argentina
  Deloitte
  cgiordano@deloitte.com

- Joydeep Datta Gupta
  Responsive Finance Lead, India
  Deloitte & Touche Consulting India Pvt Ltd
  jdatagupta@deloitte.com

- Pablo Herrera
  Responsive Finance Lead, Chile
  Deloitte
  pherrera@deloitte.com

- Marcia Ogawa Matsubayashi
  Responsive Finance Lead, Brazil
  Deloitte Touche Tohmatsu
  mmatsubayashi@deloitte.com

- Marc Mertens
  Responsive Finance Lead, Belgium
  Deloitte Belgium
  mmertens@deloitte.com

- Hidetoshi Miyachi
  Responsive Finance Lead, Japan
  Deloitte Tohmatsu Consulting Co., Ltd.
  hmiyachi@deloitte.com

- Seema Nundy
  Responsive Finance Lead, Canada
  Deloitte Inc.
  snundy@deloitte.com

- Sang Jin Park
  Responsive Finance Lead, Korea
  Deloitte Consulting
  sjpark@deloitte.com

- Kurt Proctor-Parker
  Responsive Finance Lead, Australia
  Deloitte Consulting
  kproctorparker@deloitte.com.au

- Gabriel Ramirez
  Responsive Finance Co-Lead, Mexico
  Deloitte Mexico
  garamirez@deloitte.com

- Jorge Villar
  Responsive Finance Co-Lead, Mexico
  Deloitte Mexico
  jorgevillar@deloitte.com

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