

A photograph of three business professionals walking in a modern office building. On the left, a woman with blonde hair is wearing a grey dress and a black cardigan, pulling a black rolling suitcase. In the middle, a woman with brown hair is wearing a light grey suit. On the right, a man with grey hair is wearing a grey suit and a blue tie. They are all smiling and looking towards the right. The background shows a large glass and steel building structure.

Game plan: building a modern finance organization

How finance organizations can turn
the promise of the future into a
reality today



How will a 25 basis point drop in GDP growth affect our sales forecast?

In the not-so-distant future, updating estimates could be as easy as asking a chat bot; machine learning will handle most mundane tasks; predictive analytics will flag unforeseen risks; and machine learning and A.I. will make for a more seamless close.

Technology is revolutionizing how finance organizations think, deliver and operate – but it's still early days for the future of finance.

While digital transformation promises to free up finance teams to spend less time manipulating data and more time thinking about its implications, the reality is still bogged down by an analog world. Finance professionals spend an inordinate amount of time sifting through email, manually inputting information and wrangling ever-growing amounts of data in a decentralized ecosystem of point solutions, databases and ERPs.



Finance organizations know that their processes are rife with inefficiencies, but improving them is often easier said than done. There's no pushing the pause button on a periodic close or revamping critical accounting systems — the stakes are too high.

"Most corporate enterprises don't have the option to just move out of their house and tear it down and rebuild on the same land," says Jade Shopp, Partner with Deloitte & Touche LLP and the U.S. Risk & Financial Advisory Lead. "They have to make improvements while they're still living in and growing the business."

Fortunately, finance teams don't necessarily need to take drastic steps to modernize their operating models. Many of the tools they need to make it happen are already available. Meanwhile, some of the most radical improvements don't require scrapping legacy systems or replacing finance professionals with robots.

On the contrary, the future of finance hinges largely on connecting people with the work they do — and the work they do with each other. By bringing together disparate systems and improving human processes, finance organizations can make meaningful progress while ensuring that their core functions continue as scheduled.

It starts with envisioning what a finance organization should look like one year, three years, seven years down the road. With that point in mind, finance organizations should create a roadmap for how to get there, including implications for finance technology and talent.



Pinpointing your destination

Change is coming, but it cannot happen overnight, particularly in finance, where the demands of month-end, quarter-end and year-end reporting are constant.

Meanwhile, CFOs – along with the finance organizations that support them – are expected to balance their traditional roles as stewards and operators with the growing expectation that they will use their insights to be strategists and catalysts, according to Deloitte Consulting LLP research.¹

“Many CFOs would say ‘We’re already strategists,’” says Matt Soderberg, a Principal with Deloitte Consulting LLP and Finance Operations Excellence Lead. “The question that I have is: ‘How effective are you at driving that conversation versus being pulled along for the ride?’ Most organizations have a long way to go.”

Before finance organizations start down the road of modernization, they should identify the most important strategic business objectives and what’s needed to support them. There’s no benefit in adopting technology for the sake of adopting technology.

“I would highlight the importance of really being thoughtful of the business objective and how changes in finance support that,” Shopp says. “It all starts with a decent bit of hard work to unravel what could be decades worth of data and technological complications.”

¹ Deloitte, “Four faces of the CFO,” 2019

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There's a democratization of that finance data, and that scares most traditional controllers and CFOs. The more innovative ones welcome it, recognizing that their business partners are already making decisions using the data: Finance cannot be the bottleneck.

– Matt Soderberg, Principal and Finance Operations Excellence Lead, Deloitte Consulting LLP

There is no single answer, but most organizations should chart a course toward:

- **Making operational finance as touchless as possible:** This means automating as many back-office functions as possible in order to improve speed and accuracy.
- **Improving workflow for better visibility and communication:** The biggest roadblocks to modern finance aren't technological; they're grounded in human processes, from too many emails to superfluous meetings.
- **Recruiting and training for the digital age:** Finance professionals will not be replaced by robots, but the qualities that define top talent are quickly evolving.
- **Democratizing data for key decision makers:** In the future, financial data will be widely available to key people in the organization. Through "self-service" they can make business decisions without waiting for finance to provide the necessary data.

Finance teams face the dueling challenges of evolving alongside the businesses they support while staying focused on their core functions. Outlining a vision is critical for balancing current demands, while prioritizing the initiatives and investments needed to modernize.



Creating a roadmap

Every organization has a different starting point, even if the destinations are the same. With the end-point in mind, finance teams should look at their existing processes and technology to determine the best path forward.

"Most large enterprises have put the pieces of the puzzle together over time. The system architecture that they have, the processes that they have, they've all been kind of cobbled together," Shopp observes. "There are a lot of basic things that have to be done to understand how data flows from the customer all the way through the organization."

Seek progress along the way

While the goals may be lofty, it is the result of many incremental changes working in tandem — and yielding tangible results along the way.

"In the old world, you would have big ERP programs that would run 18 months, 24 months, and you'd get value six months after those went live," Soderberg says. "Today you want to drive value as fast as possible."

Fortunately, new microservices enable meaningful progress without disrupting business as usual. To understand what services make sense, assign teams to learn how other organizations — in finance and elsewhere — are incorporating digital tools and automating processes without having to make wide-scale changes to their technology backbones.



View talent through a different lens

Finance organizations should start rethinking how they recruit and train talent. Controllers, accountants and analysts are not going to be replaced by robots, but their roles will evolve – and for most, that is a welcome change. To be sure, technology frees up finance professionals to spend less time being "spreadsheet jockeys" and more time thinking about the quality of the data and its implications.

It's important to note that this shift doesn't mean replacing existing talent. Rather, most organizations would benefit from "retooling" their valuable talent to get the best of both worlds: deep knowledge of finance operations coupled with better technology and processes for gathering, analyzing and sharing data.

Meanwhile, workflow tools available today offer more flexibility when it comes to hiring talent. Increasingly, finance professionals don't have to be experts in specific systems. They just have to know how to interact with those systems.



**Reduces
close risk**



**Improves finance
team experiences**



**Accelerates the
close process**

Make workflow a priority

Indeed, for most finance organizations, the biggest barriers aren't their technology backbones but how employees interact with them – and with each other.

Improving workflow is a key step in getting finance teams closer to their digital-era destinations. Solutions such as ServiceNow's Finance Close Automation, an application within their Finance Operations Management platform, work in concert with existing ERP systems to centralize close-related tasks, automatically validate journal entries in real-time, and eliminate unproductive emails and toggling between applications.

Many finance teams are still working over email, which creates a "spaghetti bowl" of information. A tool like ServiceNow Finance Close Automation takes all of that communication and puts it in one place, allowing for better accountability, transparency and governance.

There are also practical benefits to moving workflow to a single platform.

"When you're doing the financial close, there are countless tasks that need to happen in concert with many different people, who are all jumping on conference calls or they're sending emails to see where they are in the process," says Shelley Mortimer, Managing Director with Deloitte Consulting LLP and Co-Founder of Deloitte's ServiceNow practice.

By bringing all of that activity onto a single dashboard, colleagues and managers can keep tabs on each other's progress and adjust workloads when necessary.

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Every single quarter, a public company has to file a 10-Q, and 90% of that information is the same even if the figures are different. Many of these are very repetitive tasks that are ripe for automation.

– Jade Shopp, Partner and U.S. Risk & Financial Advisory Lead,
Deloitte & Touche LLP

Lay the groundwork for automation

Automation is undoubtedly a major component of modernization. But before tasks can be automated, organizations need to improve the processes and inputs on which they're built.

One approach: Start with one of the most labor-intensive tasks within the financial organization and begin taking steps to automate it. For example, reconciliation and periodic reporting tend to offer myriad opportunities for automation.



Make technology the solution, not another hurdle

There was a time when finance organizations wanting to modernize needed to make drastic changes, including to their ERP. The solution often became part of the problem, as it needed to integrate with other systems and typically entailed a steep learning curve. Fortunately, the landscape is changing as new players enter the space with specialized applications and microservices that easily integrate, or “sit on top” of ERP systems.

Companies shouldn’t overlook the importance of familiarity and ease of use. The underlying ERP tools that serve as the backbone of financial management do what they do well. The issue is that they don’t work congruently. The future of finance hinges on making the experience better for finance professionals who spend a great deal of their time toggling between systems.



Think about what scale really means

In building a roadmap, finance teams should also consider whether their processes and technology have the potential to truly scale.

Finance organizations have traditionally been people-intensive because they manage an ever-growing list of requirements for reporting, forecasting and staying compliant.

"Most enterprises just add more people to accommodate new requirements," says Shopp. "That's not the type of scale that we're talking about."

Real scale allows organizations to absorb new requirements and grow operations — including via new business lines, geographies, or mergers and acquisitions — without necessarily having to add additional human capital at every turn.

This is true not just for finance functions but also for the support staff typically needed to integrate any new system.

"Ideally, the same teams that support IT and HR can support your finance platform so there are economies of scale," says Mortimer. "This is one of the benefits we're seeing with ServiceNow Finance Close Automation."



Change your course as needed

Digital transformation requires that finance teams think about where they want to go, plot a course for getting there, and benefit from milestones as they go. That said, the process also needs to be dynamic one. For this reason, finance organizations should have a plan for governance: how they'll measure progress, hold themselves accountable and make necessary adjustments as they encounter roadblocks or new avenues along the way.

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ServiceNow could be the tool that gathers and organizes data coming from various systems and delivers it to a single dashboard. It can be a major piece in that whole story, especially when it comes to having real-time data, creating back-office efficiency, changing the timeframe of finance cycles and improving the overall employee experience.

– Matt Soderberg, Principal and Finance Operations Excellence Lead, Deloitte Consulting LLP

Don't overlook the human experience

Technology advancements are the impetus for the future of finance, but that's only part of the equation. In fact, the success of digital transformation hinges on human transformation. As such, finance organizations need to prioritize how new technology or processes improve the employee experience.

At the end of the day, digital transformation should make their lives easier and open doors for new opportunities to add value. Change management can help finance professionals make the transition, but this guidance only goes so far. Real change requires tools and processes that make sense. Don't simply tell finance professionals that technology will make their jobs easier: show them.

Bringing together disparate data into a single platform can dramatically improve transparency, efficiency and communication, both across finance functions and lines of business.



A leader in solutions to improve how work gets done, ServiceNow created Finance Close Automation after its own finance organization's frustrations revealed a glaring gap in the marketplace. While there were many ERP systems to address various finance and accounting functions, there were no good options for optimizing workflow, transparency and the employee experience.

Finance Close Automation works in concert with existing ERP systems to centralize close-related tasks, validate journal entries automatically, and eliminate unproductive emails and switching between various applications.

It may be years before updating a financial forecast is as easy as saying: "How will a 25 basis point drop in GDP growth affect our sales forecast?" Still, with the right vision, planning, tools and talent, finance organizations can make steady progress toward a digital future.

ServiceNow Finance Operations Management transforms the way your finance team works with modern, digital workflows. Our secure cloud-based platform empowers employees with increased visibility and efficiency, eliminates departmental siloes and reduces risk in the close process.

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