

A photograph of a modern architectural interior, possibly a staircase or atrium, with a complex geometric structure of metal and glass. The lighting is dramatic, with strong shadows and highlights. A semi-transparent white box is overlaid on the image, containing the title text.

# FINANCE INSIGHTS – REIMAGINED

**As accountancy and finance professionals we need to reimagine the nature of organisational performance with a broad range of insights based across a variety of metrics as our organisations increasingly focus on their core purpose. As a finance community we are best placed to break down organisational silos to achieve this. We need to ask ourselves how transformative do we need to be?**

## **Evaluating organisational purpose**

In a world of crisis and instability clarity of thought is often a saviour. The ability to place the organisation in context is fundamental to taking the right decisions at the right time. Where once we had a financial objective to focus upon organisations are now being required to think broader across a range of performance objectives and metrics, not all of which are financial. No longer can we ignore the impact of climate and resource consumption in our objectives and strategies. The purpose focused organisation has arrived.

At the heart of this narrative is the finance business partner. The trusted adviser to the organisation.

## **The finance business partner – today and tomorrow**

A survey conducted to support the research gives an interesting perspective on our view of the performance of the finance business partner. Only 37% considered that the finance business partners were a fundamental part of decision making in their organisations and 55% of finance business partners were considered to be mainly proactive. The most valuable attributes of the finance business partner were in business strategy and the analysis of current performance. 41% felt that

there was a lack of clarity in the role in their organisation; whilst 33% felt constrained by poor technology.

We are therefore somewhat mixed in our assessment of the finance business partner. In more leading organisations we see the role as more strategic and aligned to overall strategic decision making; in others we see the more traditional extension of financial reporting. Yet if the business agenda is to move forwards so must the level of insight that finance delivers.

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## Six hypotheses about the future development of finance insights

<p>The role of financial business partner will become more strategic and collaborative to support operational decision-making across the organisation</p>	<p>Oversight, guardianship of data integrity and standards will be an essential part of the role, including aspects of non-financial and external data as well as financial data</p>	<p>Effective business partners will increasingly focus upon evaluating and predicting performance against the six capitals; supporting the organisation's overall purpose</p>	<p>Business partner roles will be more commonplace than other finance roles as a result of automation and process efficiency</p>	<p>A failure to evolve the skills of the business partner will render the effectiveness of the role obsolete</p>	<p>Self-service reporting and the emergence of AI and machine learning will free up business partners and take previous responsibilities out of their hands</p>
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### Measuring performance – a new agenda

Six hypotheses categorise the potential shift in the development of business partnering activities.

Strategic and collaborative relationships are the key to future successful business partnering activities. Over half the survey respondents suggested that this was happening or being planned to be achieved. Yet some would caution the reality of this when considered from a business point of view.

The balance of roles in the finance function is clearly changing. Automation is impacting the finance function. From the use of automation tools to support process efficiency through to the use of self-service reporting tools, often coupled with artificial intelligence and machine learning, to support data interrogation and forecasting. This technology shift will have an impact on the way that finance captures and delivers insights. It is also why finance needs to play an effective role in the governance of the data sources used to generate these insights. Nearly 80% of the survey respondents thought that the oversight of data would be an essential part of the role in the next five years. Self-service reporting augmented by artificial intelligence will be a reality for just under 60% of the respondents in the next five years.

The broader purpose centric view of performance was realisable in next three to five years by just over 70% of the respondents. The achievement of this requires an investment in the understanding of performance management in alignment with purpose and value creation as well as the skills of the finance professional to tell the story and narrative in a broader, organisational, context.

The relevance of the broader performance agenda, as suggested by the relevance of the six capitals of integrated reporting to the performance and decision-making process is key to the evolution of the role. The importance of intellectual capital in driving organisations forward; the relevance of smart factories to the increased data flow are but two examples of how the role of the finance business partner needs to broaden in purview.

All of these changes come with a need to invest in the skills of the finance team and the respondents felt that the need to invest in the skills was paramount with 53% feeling that a failure to invest would diminish the role in five years.

### Skill sets and delivering ambition

Finance business partnering is viewed as an aptitude rather than a specific role. To be effective the individual needs to demonstrate a broad range of characteristics, including both technical, ethical and softer skills. Key amongst these is a need to develop and maintain skills in the following areas:

- an underpinning knowledge of accountancy and finance principles
- a detailed knowledge of the organisation and its business model and how performance can be evaluated; networking outside of the traditional organisational silos to achieve this
- a detailed knowledge of the data model that supports that business model, for financial and non-financial, structured and unstructured data, developing the finance professional's worldview
- the ability to apply techniques such as critical thinking to solving problems and developing narratives to support business decision making
- the ability to use analytical tools to drive insight that looks forward as well as drawing on the relevance of the past, exploring how the evolution of the business model offers opportunities for new data sources
- influencing and leadership skills together with demonstrating emotional intelligence; encouraging decision making and leading to action implementation.

The opportunity for the accountancy and finance professional to play their role in the organisation to deliver true purpose centric performance and decision making supported by robust insight is clear. The need for all is to reimagine finance insights.