

# The Journey to Digital World Class Starts Here



Invest and Accelerate Finance Digital  
Transformation

**Stephen P Ferguson** – Hackett Finance Advisory

November 2023

# Introduction

## Stephen P Ferguson

*Finance Advisory*



+ 44 (0) 7584 682 118 | m



sferguson@thehackettgroup.com



Atlanta | Hyderabad | London | Miami | Montevideo | Philadelphia



EXPERT GUIDANCE



ON DEMAND THOUGHT  
LEADERSHIP



CONTINUOUS  
BENCHMARKING



COMMUNITY & PEER  
EXCHANGE

# Selection of our Digital World Class® Advisory Members



# Agenda

- Introduction
- The major trends impacting Finance
- Finance digital systems landscape
- Where Trintech technology offerings are positioned
- Finance leading practices - Zoom in on Service Design and Technology
- Q&A

# Introducing Digital World Class® performance

A new measurement framework for the digital era

## Business Value

### Effectiveness

- Better alignment with enterprise strategy
- Bigger impact on enterprise financial performance
- More engaged and resilient workforce
- Lower business risk
- Faster adaptation to changes in business conditions and demands
- Higher quality of service

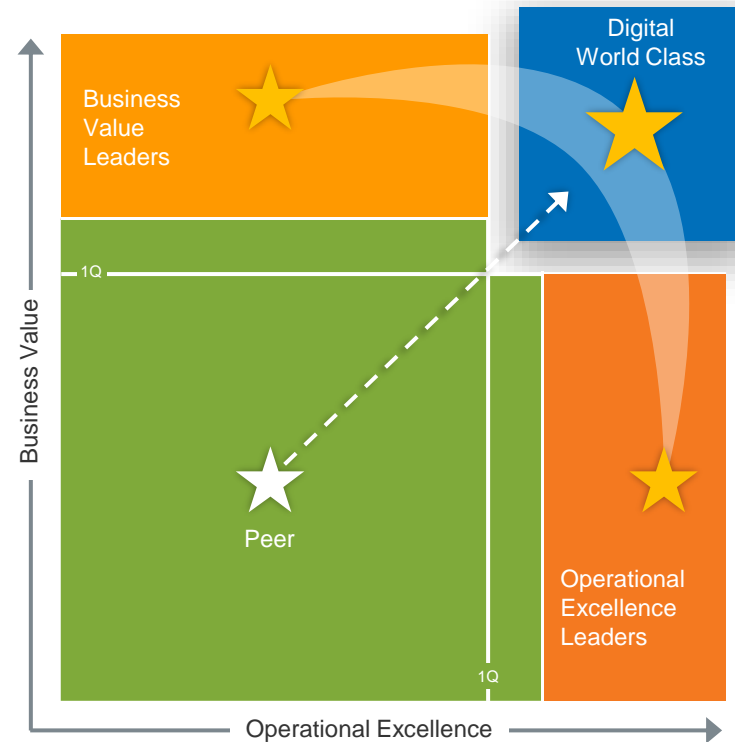
### Experience

- Superior stakeholder experiences
- Higher self-service enablement

### Digital Business Enablement

- More digitally enabled virtual work and collaboration
- Better digital integration with customers, partners and suppliers
- Superior decision support through better data and advanced analytics
- Higher investment in emerging technologies

## Hackett Value Grid™



Business Value = Effectiveness, Experience, Digital Business Enablement  
Operational Excellence = Efficiency, Business Process Automation

## Operational Excellence

### Efficiency

- Lower process cost
- Lower facilities cost
- Lower cost per transaction
- Higher resource utilization levels
- Faster transaction completion cycle times
- Lower process complexity

### Business Process Automation

- Higher process automation levels
- Higher utilization of business process management and workflow
- Higher adoption of smart automation technologies

# When we surveyed Finance leaders they identified 10 priority areas for 2023

		Percentage of companies with a related major initiative		
1	ACCELERATE FINANCE DIGITAL TRANSFORMATION	73%	6	TURN DATA INTO ACTIONABLE INSIGHTS 22%
2	SUPPORT GROWTH STRATEGIES	24%	7	OPTIMIZE WORKING CAPITAL 32%
3	REFOCUS FINANCE AS A STRATEGIC BUSINESS PARTNER ACROSS THE VALUE CHAIN	24%	8	RETAIN THE RIGHT SKILLS AND TALENT 8%
4	ACCELERATE PREPAREDNESS FOR UNCONTROLLABLE ISSUES	19%	9	SUPPORT PROCESS EFFICIENCY IMPROVEMENTS 24%
5	IMPROVE FINANCE AGILITY	22%	10	DRIVE COST REDUCTION 24%

Source: Key Issues Study, The Hackett Group, 2023

1

## Invest in and accelerate finance digital transformation



Source: Key Issues Study, The Hackett Group, 2023



# How would we imagine the Future?



Fully digitalized and agile information in one Ecosystem

## Vision

Reliable real-time data & insights any-time, anywhere

# RECORD

# REPORT

## Objectives

Highly automated and integrated information

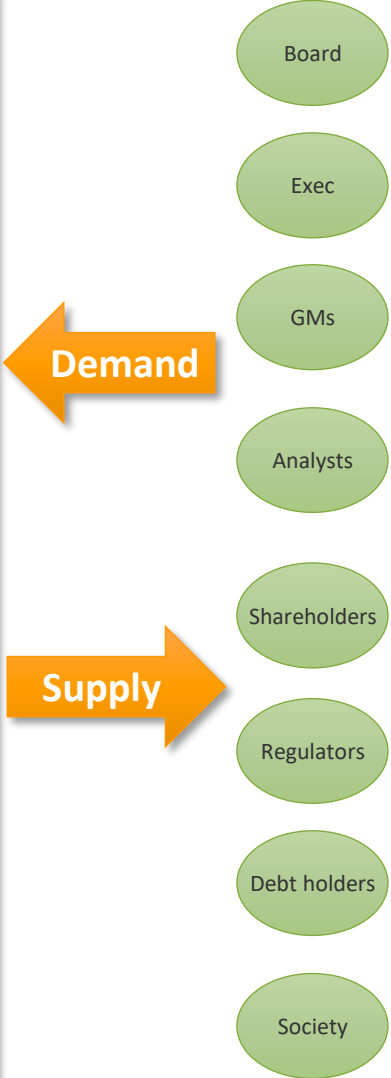
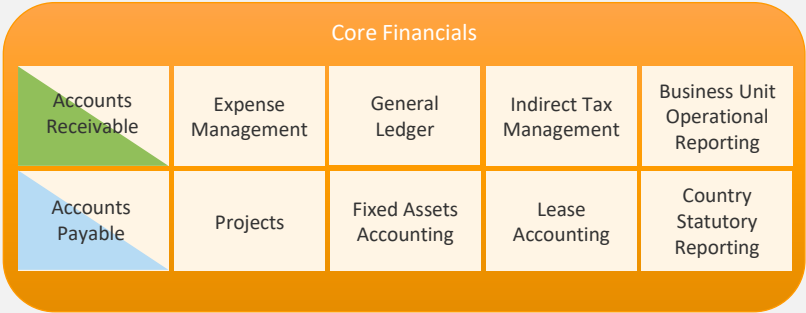
One Financial Reporting Ecosystem based on Quality at Source principle

Ad-hoc updated data / reports when indicators changing

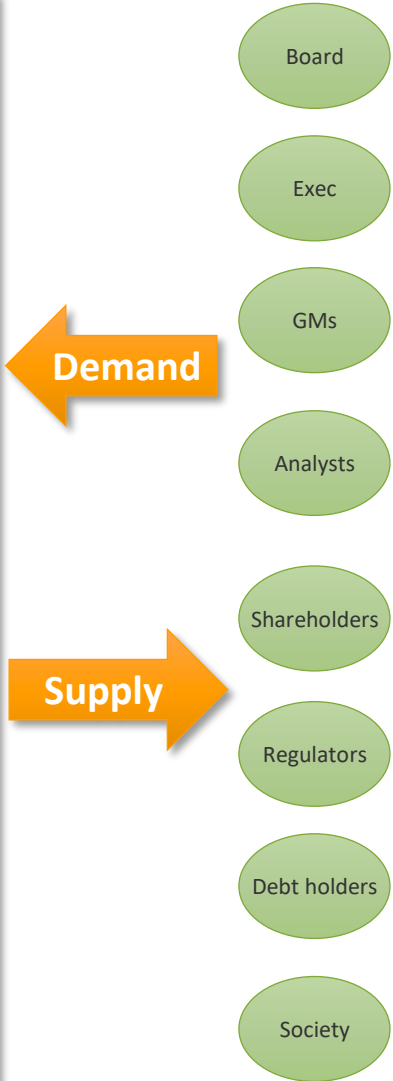
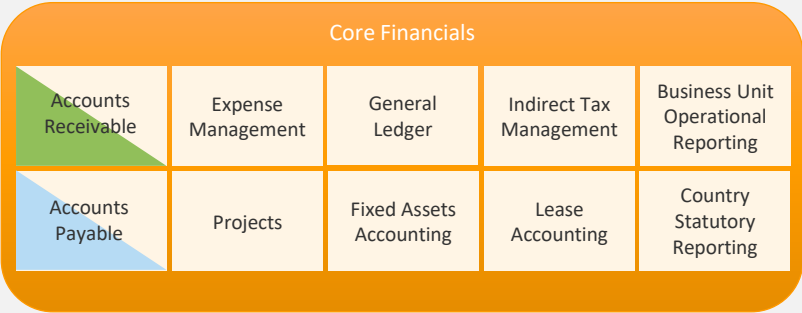
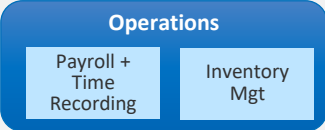
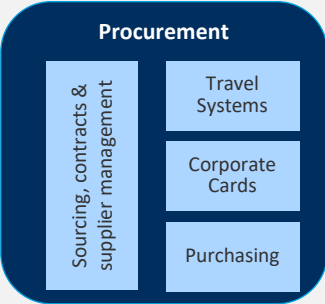
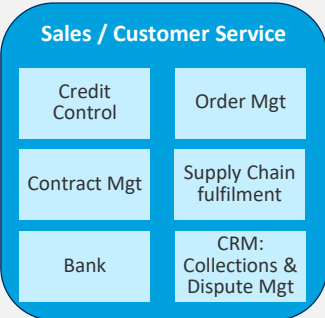
Reliable, secure and consistent Master Data and robust financial data models for actuals, plan and forecast

Interactive, visual, configurable self-service dashboards, multi-dimensional analysis from any report

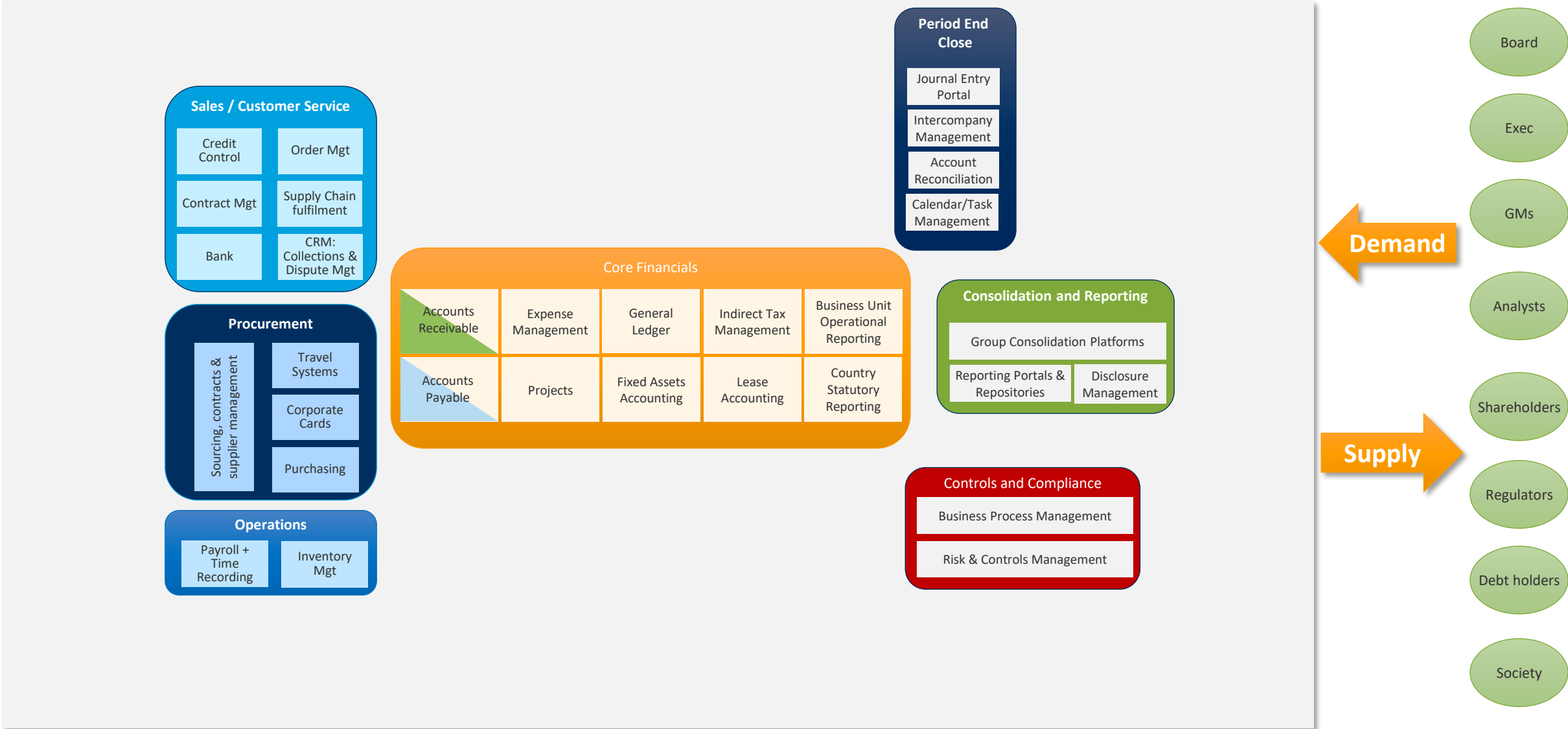
# Modern Finance Digital Systems Architecture – Simple Finance Core



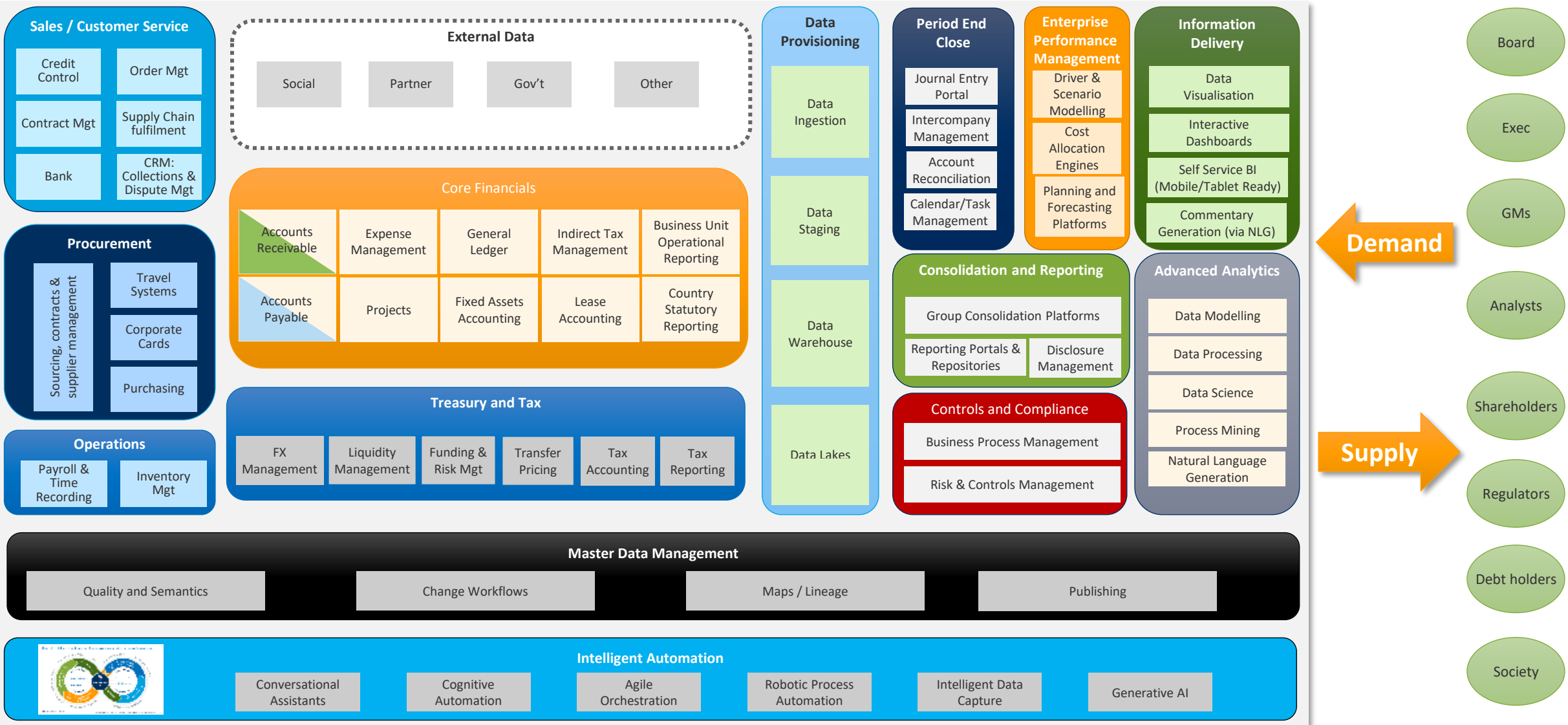
# Modern Finance Digital Systems Architecture – Simple Finance Core



# Modern Finance Digital Systems Architecture – Simple Finance Core



# Modern Finance Digital Systems Architecture – The complete picture



# Zoom in on accounting technologies

A Digital World Class Finance function is enabled by several technology solutions that must work in harmony

## Core Financials

General Ledger Accounting	Project Accounting	Fixed Asset Accounting	Lease Accounting
---------------------------	--------------------	------------------------	------------------

## Consolidation and Reporting

Group Consolidation Platform	Reporting Portals & Repositories	Disclosure Management	Country Statutory Reporting
------------------------------	----------------------------------	-----------------------	-----------------------------

## Controls and Compliance

Business Process Management	Risk & Controls Management
-----------------------------	----------------------------

## Close Management

Journal Entry Management	Intercompany Accounting	Account Reconciliation	Calendar/Task Management
--------------------------	-------------------------	------------------------	--------------------------

## Intelligent Automation

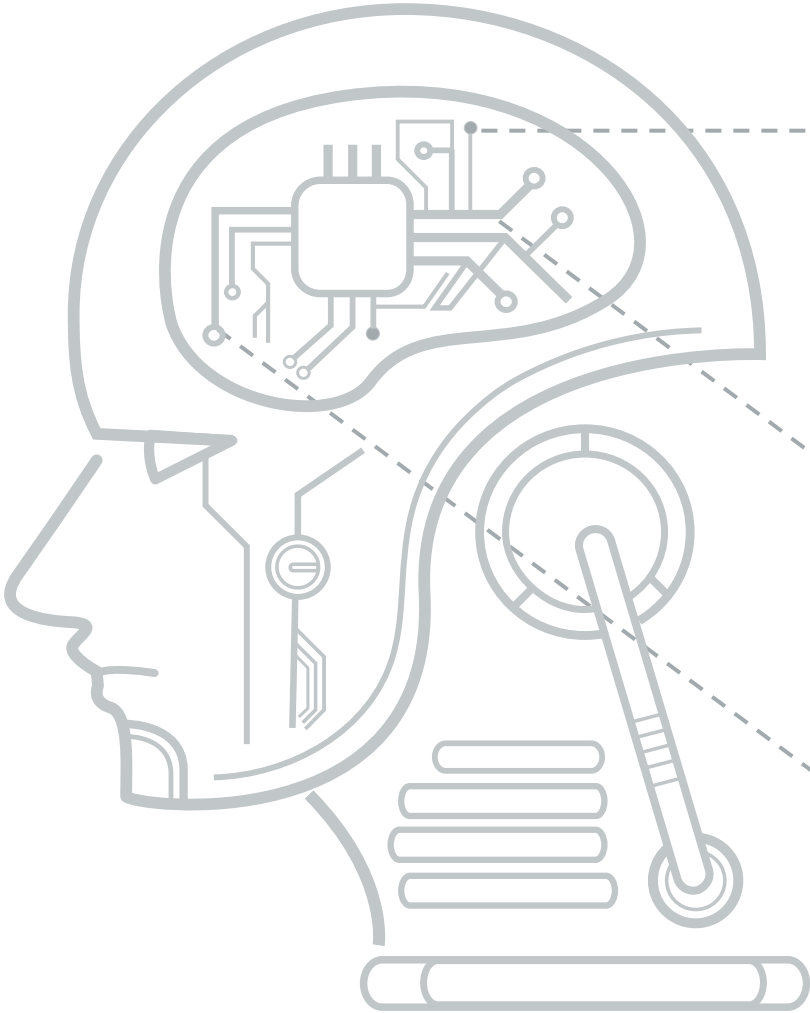


Conversational Assistants	Cognitive Automation	Agile Orchestration
Robot Process Automation	Intelligent Data Capture	Generative AI

Intelligent Automation: Lots of hype, lots of opportunity, but many unrealistic predictions....



# Hackett View: Intelligent Automation will need solid digital technology enabled foundations



**Structured work:** Work involving application of fixed business rules on well defined inputs with minimal variance, to achieve well defined outputs.



**Unstructured work:** Work involving application of or acquisition of knowledge, including cognition, decisioning, creation, contextualizing, conceptualization, risk assessment.



**Interaction work:** Work involving interpersonal communication within business functions, and between function staff and internal customers, external customers, external service providers, and regulators.



# Intelligent Automation in Finance: Very early days of exploration for most companies



Early pilot implementations to determine value



Strategy to implement capabilities as they are released in applications



Fully developed enterprise AI strategy

# Accounting: Finance Digital Systems Landscape

Trintech solutions enable the key foundations necessary to become Digital World Class®

**Controls and Compliance**



**Close Management**

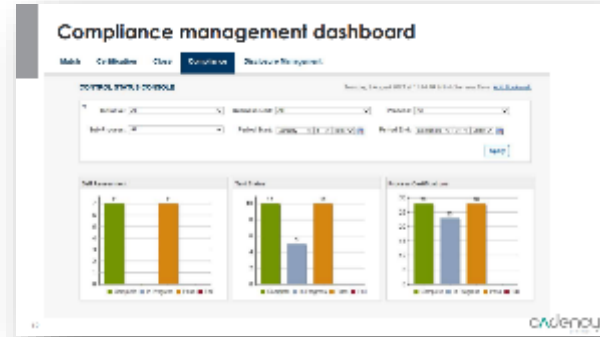


# Accounting: Finance Digital Systems Landscape

Trintech solutions enable the key foundations necessary to become Digital World Class®

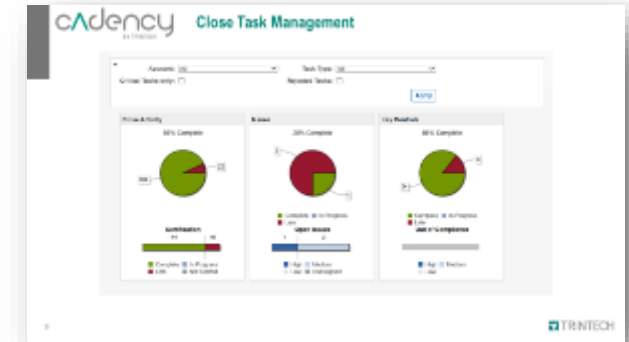


**Controls and Compliance**



**Business Process Management**

**Risk & Controls Management**



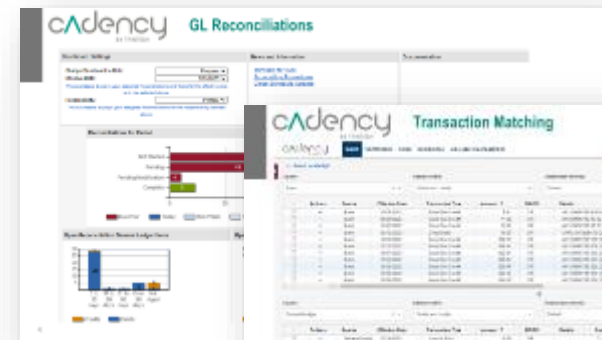
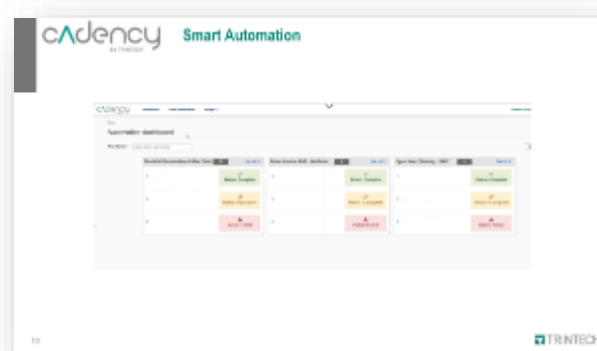
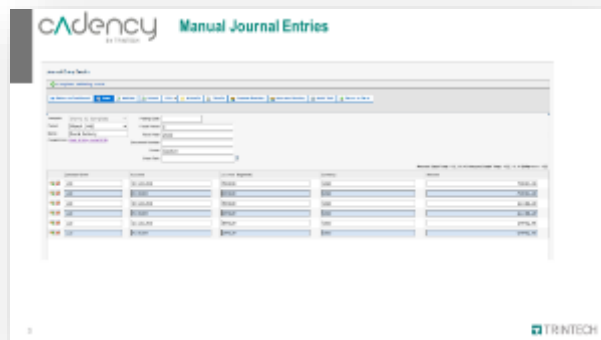
**Close Management**

**Journal Entry Management**

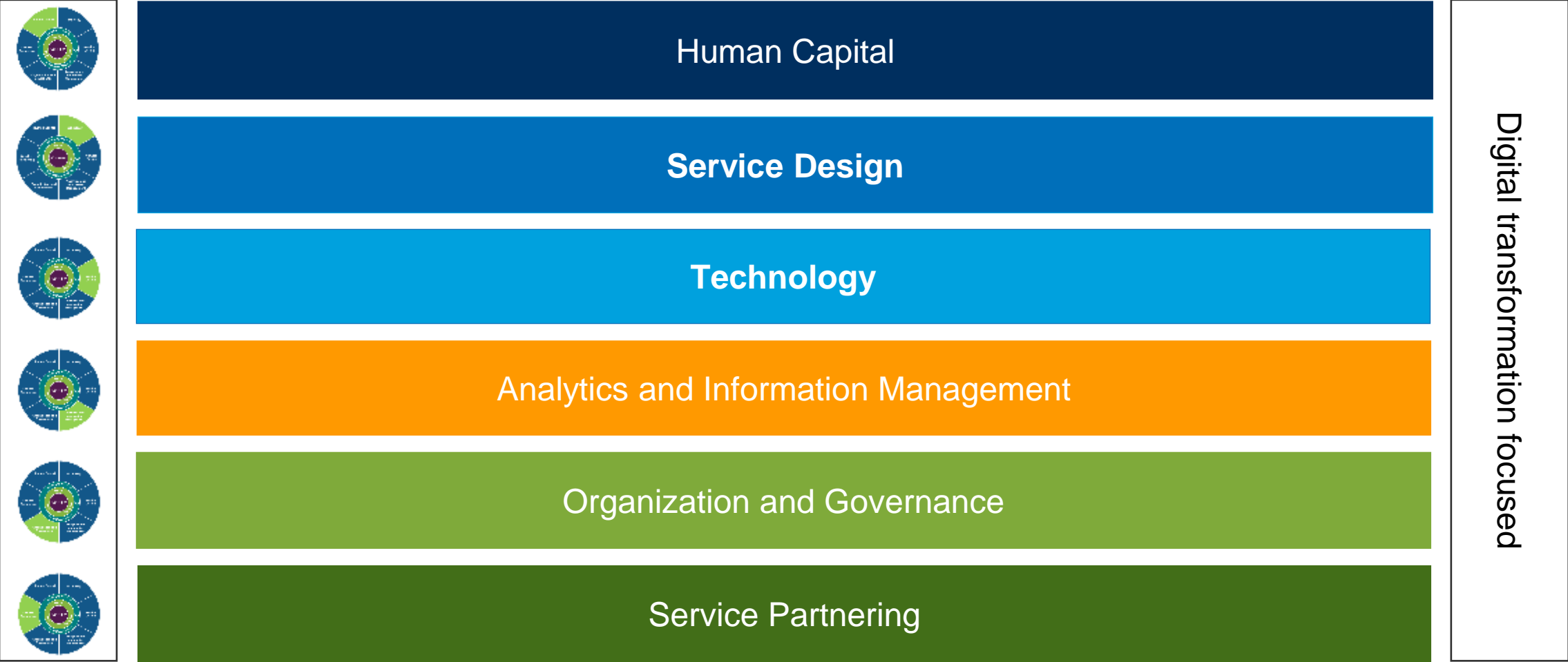
**Intercompany Accounting**

**Account Reconciliation**

**Calendar/Task Management**



# Account to Report Observed Leading Practices - 2023 Edition



# Account to Report Leading Practices - 2023 Edition – Service Design

Recording

Entity  
Close

Validation and  
Upload

Group  
Consolidation

External  
Reporting

1

Develop simple, standard, globally governed and centrally executed processes

2

Commit to a global standard calendar of tasks enabled by workflow/calendar technology

3

Minimize manual activity and drive automation of necessary planned activity

4

Risk assess the balance sheet and spread the workload across the quarter and year

5

Aim to bring forward activities and relieve pressure on the bottleneck of the close

6

Drive preventative automated controls and push back on over control or unnecessary depth and granularity in accounting

7

Bring focus to upstream and downstream process handoffs to optimise end to end

8

Encourage a template approach that underpins standard group GAAP compliant consistency and enables policy supported automation of routine accounting

# Account to Report Leading Practices - 2023 Edition - Technology

Recording

Entity  
Close

Validation and  
Upload

Group  
Consolidation

External  
Reporting

1

Maximize usage of traditional and digital era technology to automate processes

2

Leverage best of breed technology – Process specific e.g Account reconciliation, Lease Accounting, Intercompany Hub, Group Consolidation platforms, Disclosure management

3

Leverage best of breed technology – Enterprise wide e.g. Workflow Technology, Dashboard visualisation, Process Mining

4

Use virtual collaboration platforms to enable a pivot towards virtual working

5

Drive digitization of all tasks and pursue an automated critical path for the close

6

Harness intelligent automation technologies carefully and selectively - RPA, Agile Orchestration, Conversational Assistants, Cognitive Automation

7

Continuously develop intelligent automation and algorithm driven accounting enabled by AI via carefully defined and well executed projects

8

Enable tracking of digitized activities via calendar task management, workflow, automation technologies and develop dashboards to provide real time oversight





[www.thehackettgroup.com](http://www.thehackettgroup.com)

#### Statement of Confidentiality and Usage Restrictions

This document contains trade secrets and information that is sensitive, proprietary, and confidential to The Hackett Group the disclosure of which would provide a competitive advantage to others. As a result, the information contained herein, including, information relating to The Hackett Group's data, equipment, apparatus, programs, software, security keys, specifications, drawings, business information, pricing, tools, taxonomy, questionnaires, deliverables, including without limitation any benchmark reports, and the data and calculations contained therein, may not be duplicated or otherwise distributed without The Hackett Group Inc.'s express written approval.

Reproduction of this document or any portion thereof without prior written consent is prohibited.