



alteryx



Finance Of The Future

Transforming the Finance function using Alteryx

October 2023

Contents

This presentation gives an overview of how the Alteryx toolset can rapidly transform the Finance function through automation and process efficiency.

NextWave consulting has successfully delivered cost reductions, time-cycle reductions and business value-add with the Alteryx platform for large organisations across a broad-church of business areas.

Uniquely the Alteryx platform enables rapid, agile delivery of business outcomes ensuring benefits are locked in and delivered enabling sub-year payback on investments.

Finance Of The Future presents an ideal state vision, skill set and roadmap which can be delivered in discrete steps driven by the business priorities.

Most importantly, the business benefits and outcomes are equally delivered in the frequent discrete steps ensuring the value is locked in and transformational impact sticks within the organisation.

A transformation programme can be seeded by solving an existing encapsulated problem area as a pilot to get confidence in both the solution and the delivery of the business outcome.

The transformation programme can scale as confidence grows underpinned with the knowledge that the foundational vision and direction is coherent, and the transformation remains aligned with the target business outcomes.

The challenges faced by Finance functions

Finance functions across the Finance industry are already over-stretched and find themselves under relentless pressure.

The Finance function is required to service an ever-increasing portfolio of regulatory changes and demands whilst needing to devote more time to partnering with business users to ensure decision making such as optimal pricing, optimal capital allocation, optimal hedging, etc for driving maximum business value.

Manual activities taking all the oxygen in the room

- Lack of investment in front-to-back solutions
- Part-delivered solutions requiring manual workarounds
- Inability to fix problems at source requiring correction multiple times downstream
- Systems change inertia driving quicker and cheaper manual tactical fixes

Controlling the moving parts

- Exponential growth in reconciliations to control the data in flight and ensure all outputs are complete and accurate
- Time pressures to deliver outputs at a higher frequency despite challenges
- Required investment in legacy estate to stay ahead of cyber risks

Providing insight

- Pivot from reporting what happened to what is going to happen
- Volumes of data and time to process driving stale decision inputs

Cost Pressures

- Delivering year on year reductions in operating cost to offset the market challenges of capital returns, margin compression and agile competition
- Addressing regulatory and fiduciary mandated changes without increasing the cost-base of the organisation
- How to optimise the organisations deployment of capital and investment priorities
- Managing additional capital challenges due to regulatory/statutory restructuring

The opportunities available for Finance

Organisations can pivot from turning-the-handle to being trusted business partners by addressing the legacy problems and skilling for the future state.

To achieve this organisations need to automate away the baggage of production freeing up capacity to redirect efforts.

Business partnering

- Provide insight to optimisation of pricing, returns, capital usage and liquidity
- Real-time what-if for business decision makers to make better decisions
- Top-down optimal capital distribution based on calibrated modelling
- Automated forecasting and predictive analytics
- Support new products, features and regulations in ever faster cycle times

Cost Management

- Be the organisational standard-bearer for efficiency within the organization
- Transparency on effort spend to the services provided to the business
- Service catalogues allowing the business to chose the service focus
- Eliminate shadow-finance functions duplicative, and often incorrect, outputs
- Reduce cost sensitivity to volume and complexity









Operational Accuracy & Efficiency

- Capture processes to ensure accuracy and repeatability
- Transparency on execution facilitating effective and objective review
- Continuous improvement with agile change implementation
- Drive automation with objectively prioritised and costed process steps
- Tightly controlled issue and risk management with automated execution

Finance Skill Set Of The Future

The key pillars of change to deliver the Finance function of the future



							
Control & Oversight	Professional Skills	Change Leadership	Problem Solving	Data Science	Business Expertise	Communication Skills	Leadership
<p>Enforce regulatory, legal and industry best practice policy, rules and guidelines</p> <p>Construct and implement measures to validate control, risk levels and give insight</p> <p>Focus forward looking and detective</p> <p>Embed structures for risk flagging and risk-aware investigation</p> <p>Create a radar for to look ahead and build a robustness to withstand emerging risks</p>		<p>Pro-actively drive continuous change and benefit delivery</p> <p>Challenge the status-quo and tackles problems others shy away from</p> <p>Demonstrate agility in thought and change execution</p> <p>Look at all points on the horizon delivering solutions for today and next year</p> <p>Courage to veto compromises and tactical work-arounds</p> <p>Drive straight through processing, automate everything possible</p>		<p>Understand concepts of data and be data aware – quality, lineage and controls</p> <p>Develop an ability to manipulate, join, navigate and filter large data sets using SQL</p> <p>Develop an ability to visualise and present complex information for decision making</p> <p>Code solutions in Python / R / etc with basics of software engineering</p> <p>Build statistical knowledge for measuring data and building models</p>		<p>Develop the ability to communicate technical and complex concepts and messages to a broad range of skill and experience levels</p> <p>Develop the ability to work in partnership with internal and external stakeholders for delivering common goals or resolving complex issues</p> <p>Act as trusted partner of the business acting as a sounding board and challenger to drive the best business outcomes</p> <p>Work to constructive outcomes whilst challenging the status-quo</p>	

Finance Skill Set Of The Future

The key pillars of change to deliver the Finance function of the future



- Develop** quantitative technical skills
- Achieve** industry based qualifications
- Drive** controls and checks and balances to ensure integrity of outputs
- Focus** forward looking and detective
- Define** standards and principles
- Embed** structures for risk flagging and risk-aware investigation
- Architecturally** aware and understand the cost / benefit payback of a short-cut / long-term decision

- Be Curious**, investigative, drilling down to root cause
- Adopt** a structured approach to problem solving
- Develop** an ability to triage a problem under pressure
- Adopt** a data led approach to problems
- Champion innovation and invention
- recognising failure as a learning exercise
- Simplify** whenever possible, challenge the value of complexity

- Develop** a deep understanding of the business drivers, sensitivities, issues and risks
- Understand** and support the strategic goals and objectives of the business
- Understand** and support the tactical decisions to enact the strategic goals
- Build** a knowledge of the broader business ecosystem and upcoming threats and opportunities
- Develop** a customer centric approach, understand the demands and concerns of all stakeholders

- Mentoring** and build of a future talent pipe
- Ensuring** structures in place for on-going development and improvement of teams
- Driving** automation and reducing manual effort
- Enabling** informed and calculated risk taking
- Balancing** short term results for long term strategic positioning
- Demonstrating** continuous learning
- Attracting**, hiring and retaining great talent
- Technically** and data aware demonstrating understanding of both the concepts and value

Finance Skill Set Of The Future

Enabling the skill set of the future requires automating the legacy activities of the past

Legacy Activities

- Manual estimation
- Reconciliations and manual controls
- Data quality adjustments
- Excel data manipulation and storage
- Manual activity reporting
- Presentation decks
- Volumes of requirements documents
- Multi-year projects with back loaded benefits

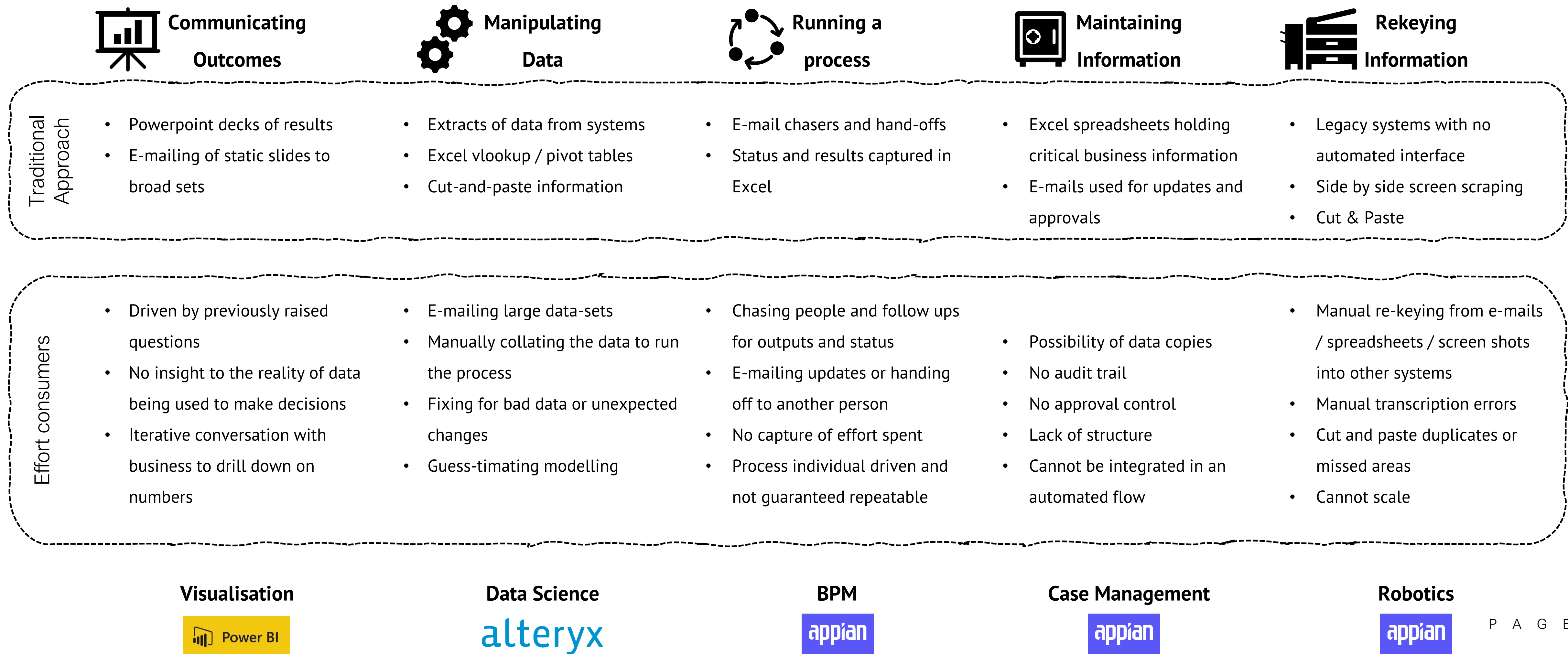
Retire and reskill to

Future Skills

- Visualisation & investigation
- Data Science & Machine Learning
- Pro-active business partnering
- Forward looking, insight over production
- Root-cause problem solving
- Pro-active controllership
- Agile change leadership

Finance manual effort patterns

Providing tools and training to tackle the common patterns is scalable to solve the majority of the manual effort



D E L I V E R I N G C H A N G E F O R F I N A N C E

Automating Finance

The positive news is that you do not need to wait for a large scale transformation programme to start delivering rapid improvements.

The Alteryx platform allows incremental improvements to be delivered rapidly either in parallel or a structured approach focused by the priority ROI's.

The following pages outline the opportunities for delivering continuous benefit in discrete projects containing the delivery risk and fast-tracking the benefit.

The combination of these discrete projects incrementally build to the overall automation of the Finance function and the cultural shift to continuous improvement.

The following unique combination of Alteryx features provide rapid business outcome :

User Process Flows

- Graphically drawing the flow of the data simplifies the build and maintenance
- Traceability and high performance to eliminate the typical Excel activities
- Full timings and audit trail allow continuous process analysis and improvement

Automation

- Easily deployed connectors into end-user databases or built-in robotics functions
- Capturing the timings and effort spent uncovers the top opportunities
- Reduces both operational risk and execution cycle times for improved ROI's

Server to provide change rigour and discipline

- Lift critical data out of legacy or Excel based solutions to a managed repository
- Provides full auditability and lifecycle of the data attributes
- Promote between environments once evidence of testing completed

Low-code & cloud

- Rapid implementation of changes ensures an agile environment to respond to business changes or optimisations with up to 20x development productivity gains
- Cloud enabled provides for a low-operating cost, rapid provisioning and high performance globally ensuring a great user experience

E n s u r i n g s u c c e s s f u l b u s i n e s s o u t c o m e s

Agile Ways Of Working

The approach to transformation is as critical as the tool-set used. The Agile methodology allows constant feedback, fine tuning and prototyping during the implementation dramatically increasing the likelihood of successful business outcomes and user adoption.

Large transformational change is broken down into a series of product changes which are in turn broken down into sprints. After each sprint a user review is conducted and future sprints re-aligned around the feedback.

This fundamental change allows for transformation to be delivered in a series of steps where the business change and business benefits can be validated and solidified before committing further.

Key benefits of Agile over traditional waterfall

Realise the delivery and business benefit early

- Small incremental changes delivering stepwise transformation
- Smooth out business case benefits through early business benefit delivery
- Start small and scale up as confidence and commitment builds

Continuous business case risk management

- Mirror changing business priority changes through rapidly adjusting the sprints
- Locking in business benefits through continuous drops rather than at the end
- Empowers innovation and experimentation in solutions with rapid feedback

Only invest in the required

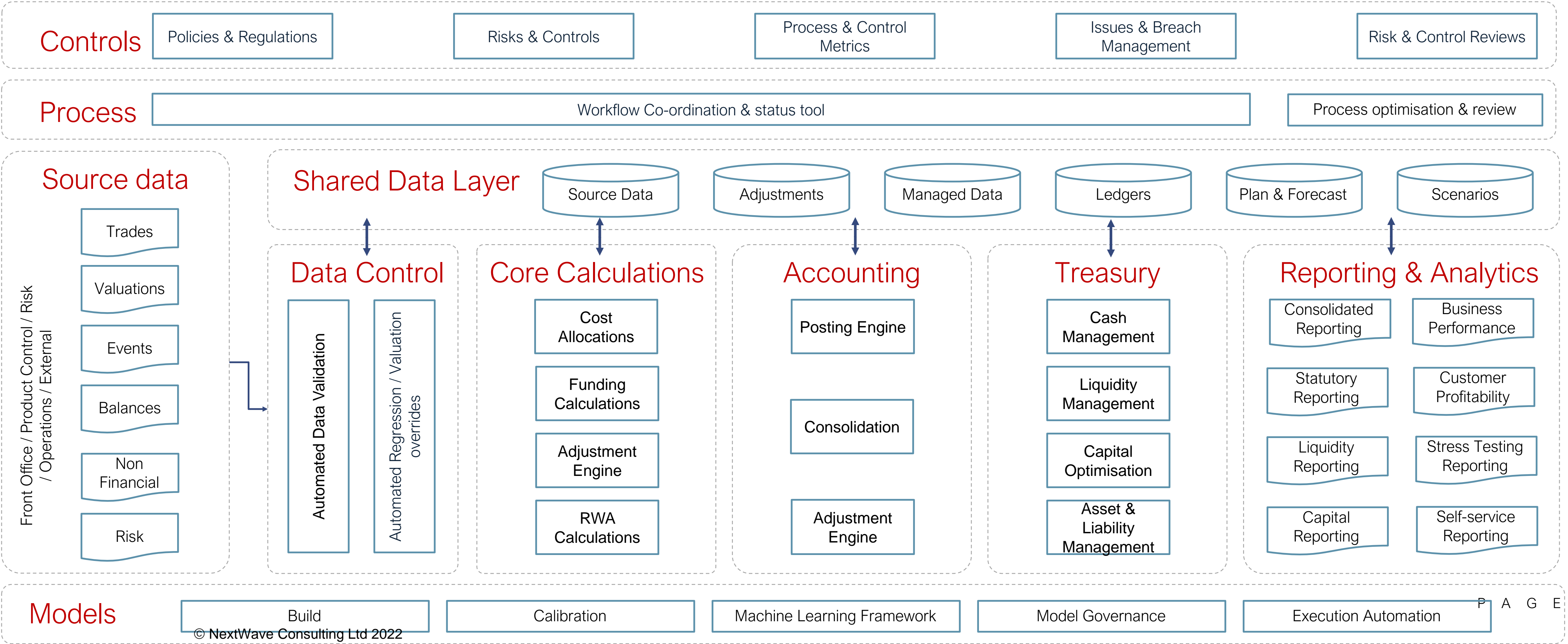
- Only capture detailed requirements for the sprint scope immediately ahead
- Avoid the dangers of having to specify everything due to lack of ability to change
- Gain real-world feedback and iterate to the ideal solution
- Prioritise user feedback and experience alongside functionality

Mind-set transformation

- Deliver fundamental business transformation through discrete steps managing both the delivery risk and business risk of change in manageable segments
- Drive the agile mindset beyond change and transformation to a business-as-usual approach of continuous improvement

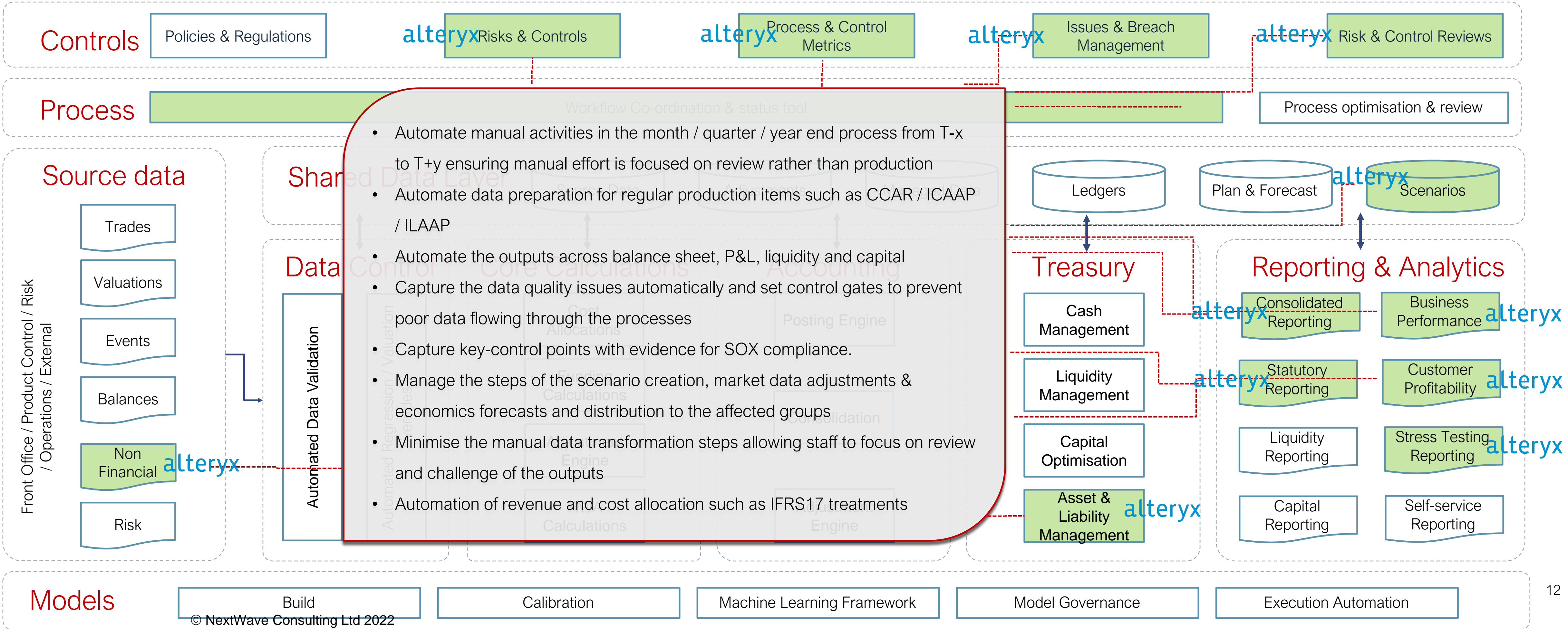
Finance Target Logical Architecture

The NextWave template logical architecture for a Finance function providing a combined approach to balance sheet, P&L, liquidity and capital with integrated controls



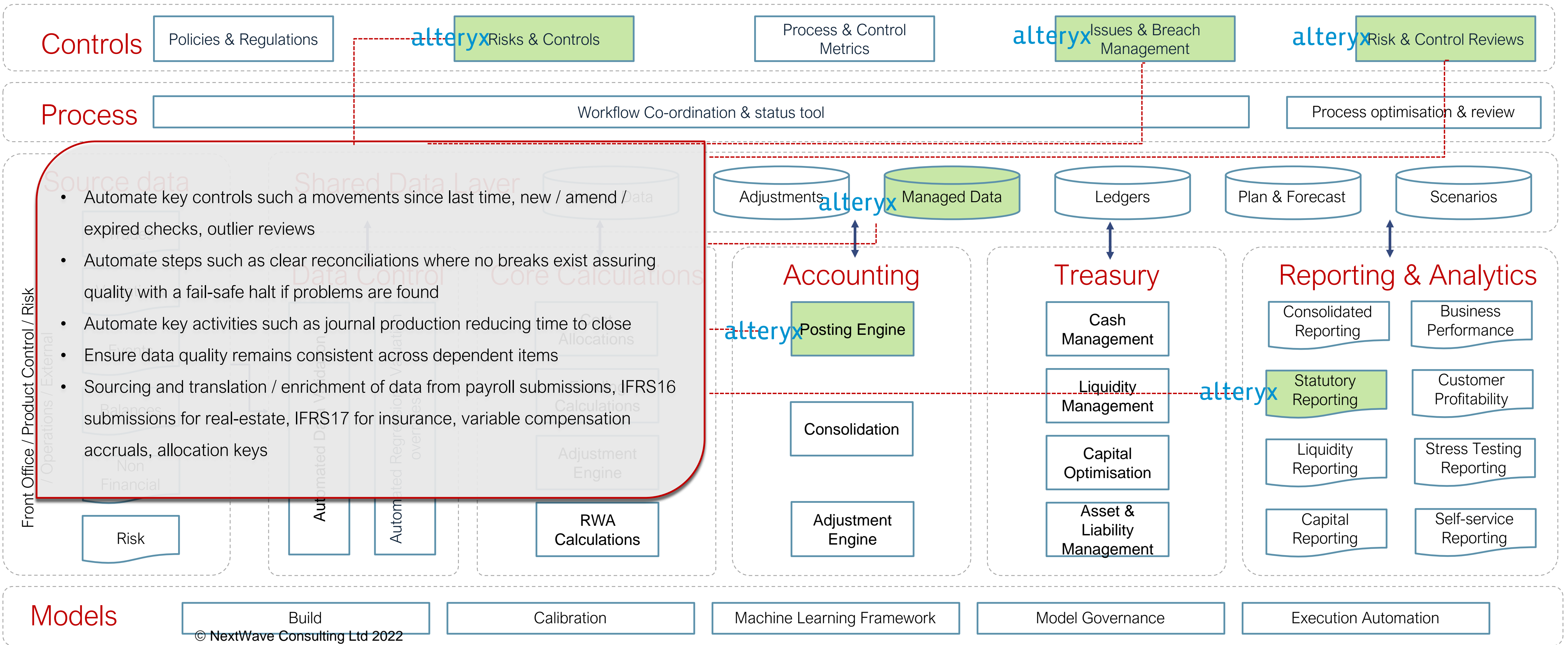
Orchestration of core Finance outputs

Automating the production, review and challenge of recurring and ad-hoc reporting



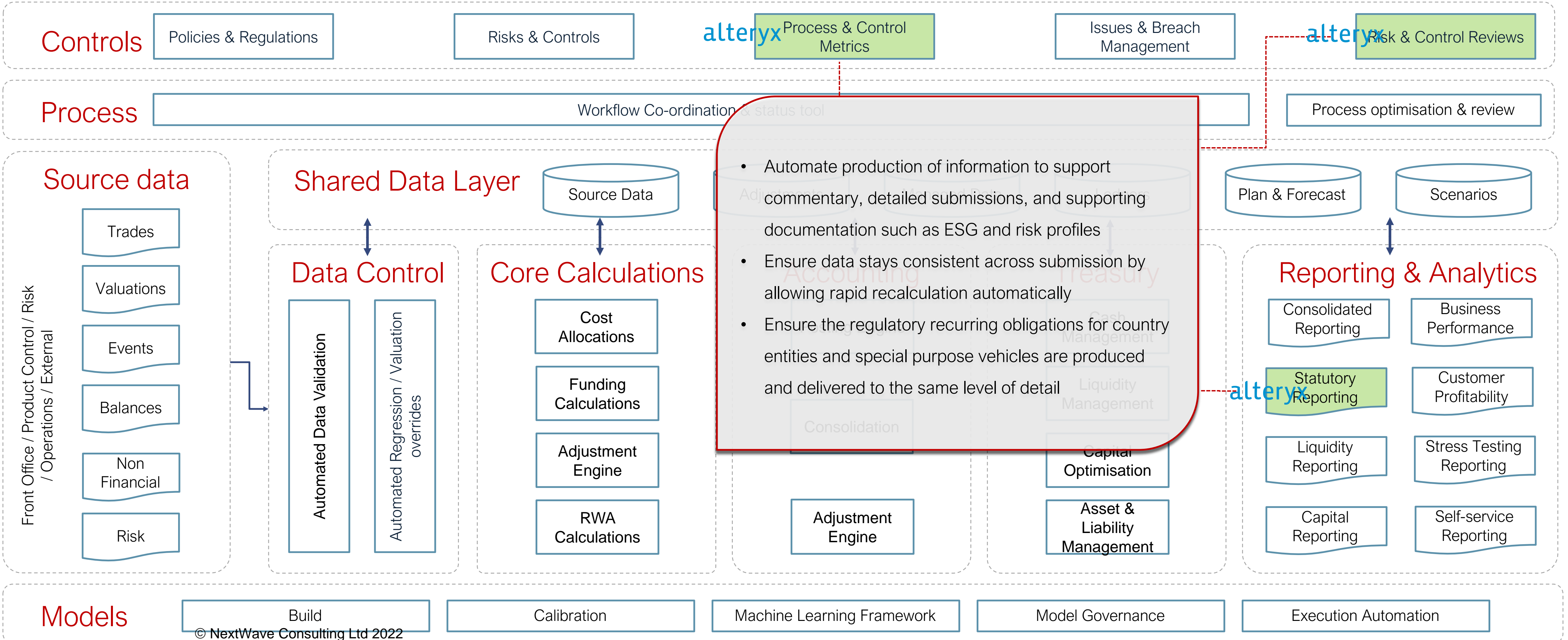
Preparation & substantiation ready for reporting

Manage the on-going activities in the pre-reporting phases



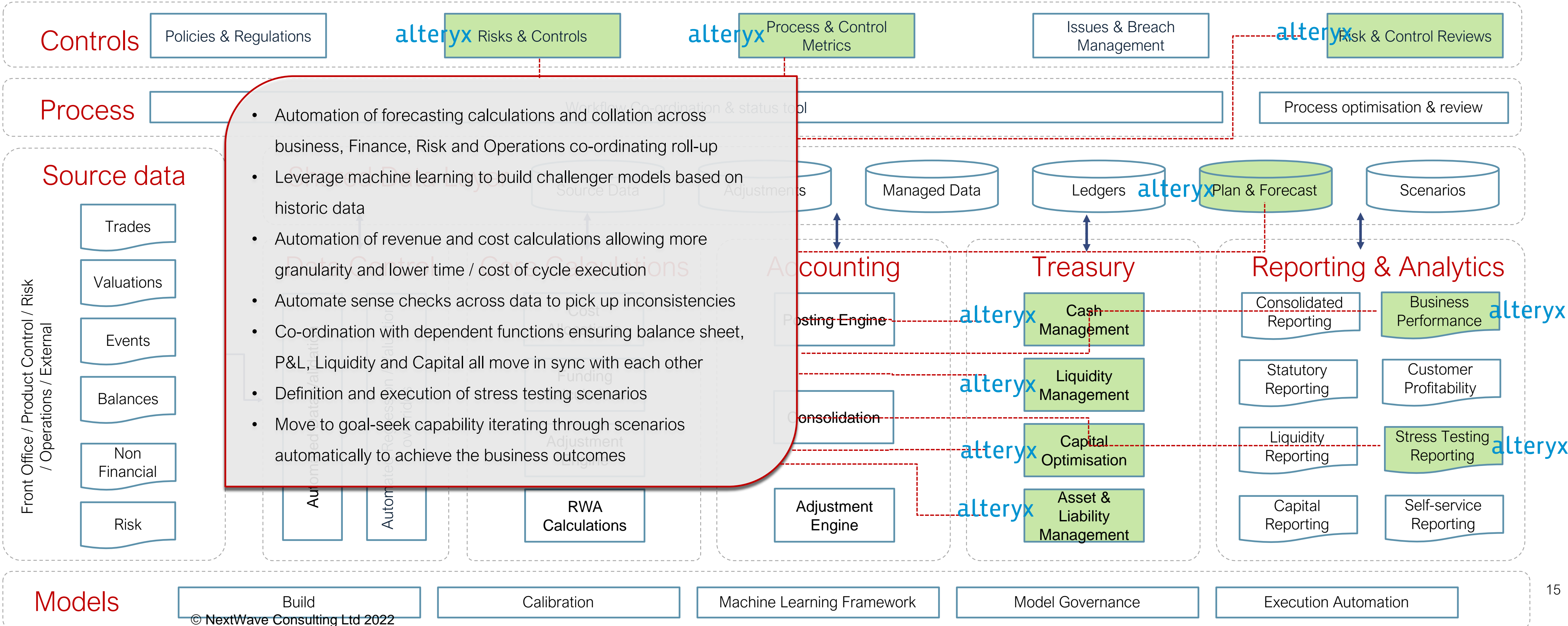
Financial Statements & Disclosures management

Automation of the quarterly and annual for group, entity and SPV reporting



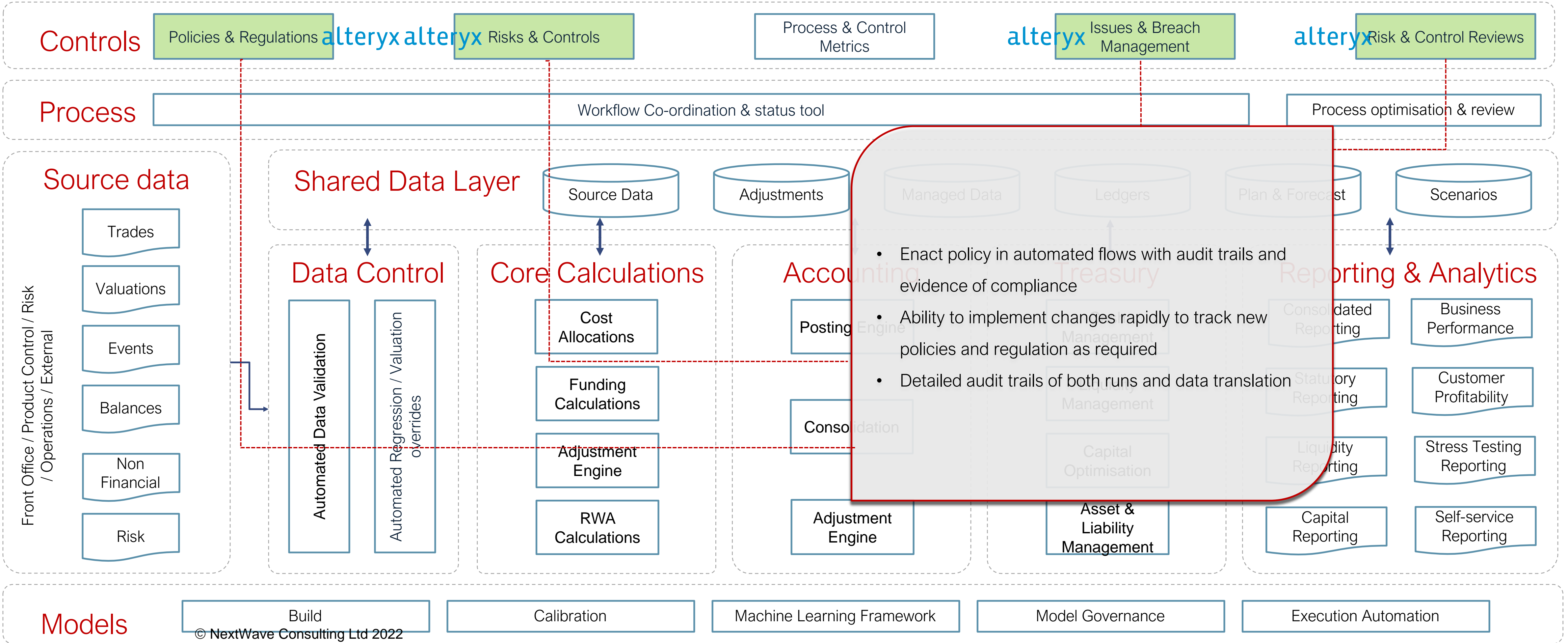
Forecasting, Planning, What-if & Stress Testing

Automate and control the repeated review, challenge and goal-seek business optimisations



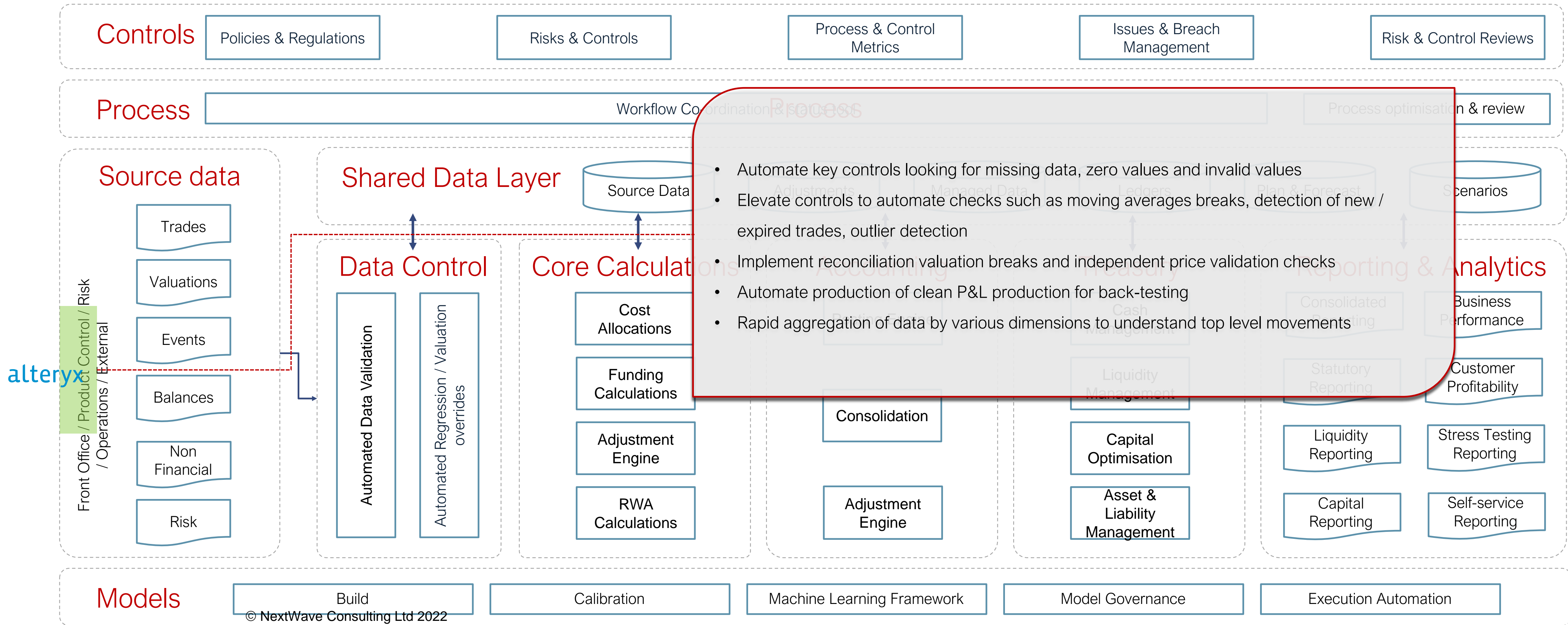
Policy, Governance & Audit

Co-ordinate and control the repeated review and challenge



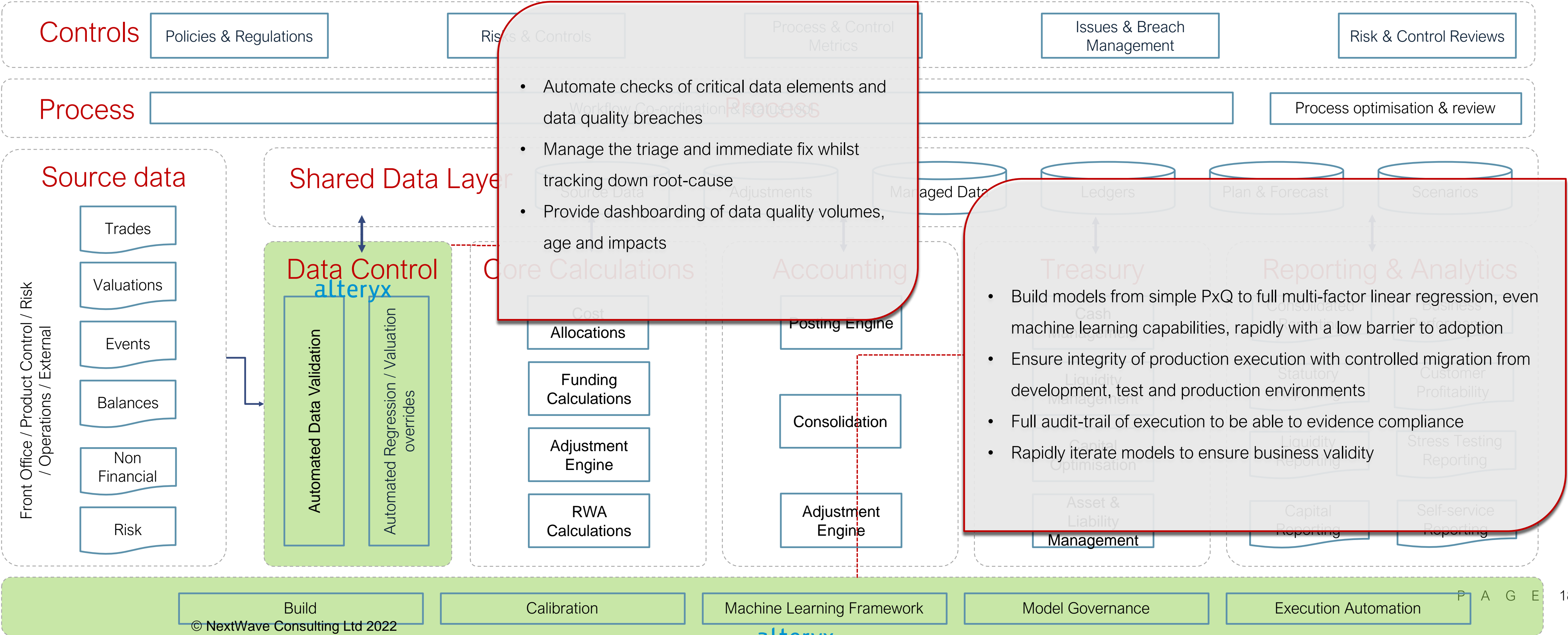
Product Control

Automate controls for daily, monthly and intra-month critical Product Control processes



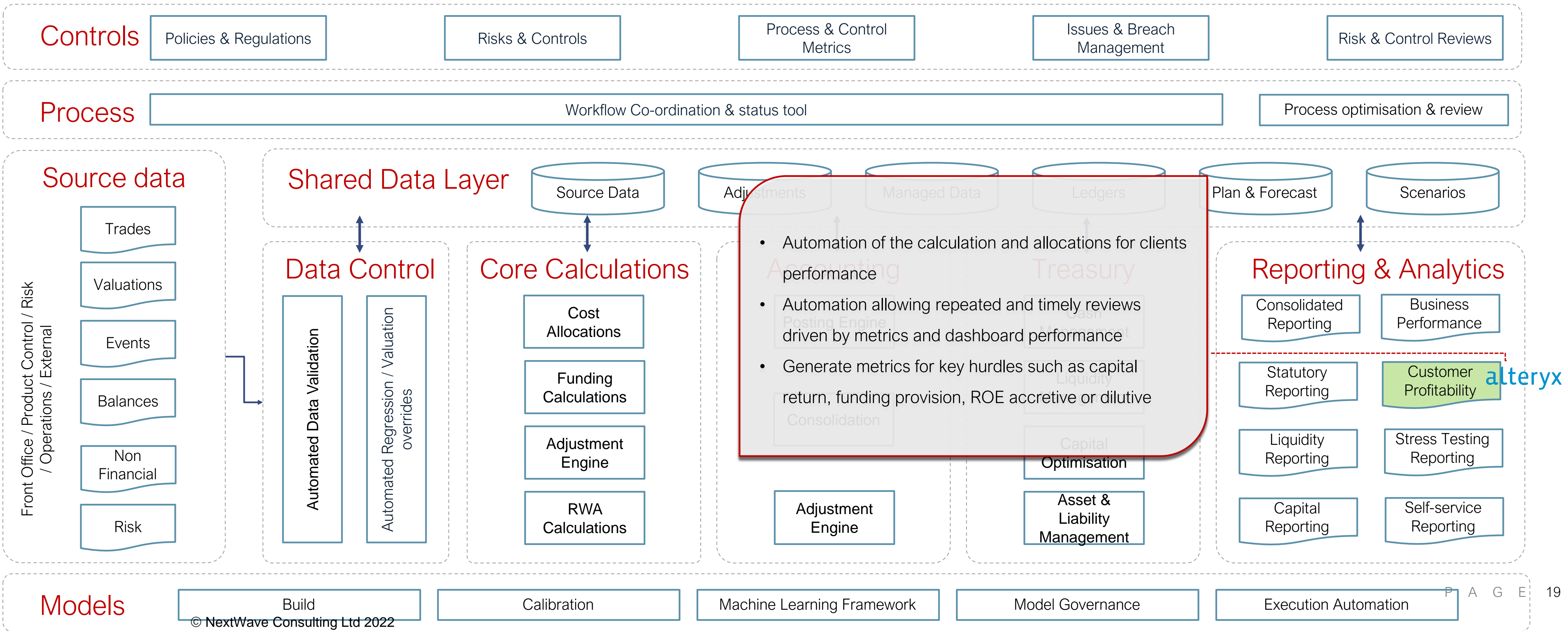
Model and Data Governance

Rapid build of models and ensuring governance



Client Profitability

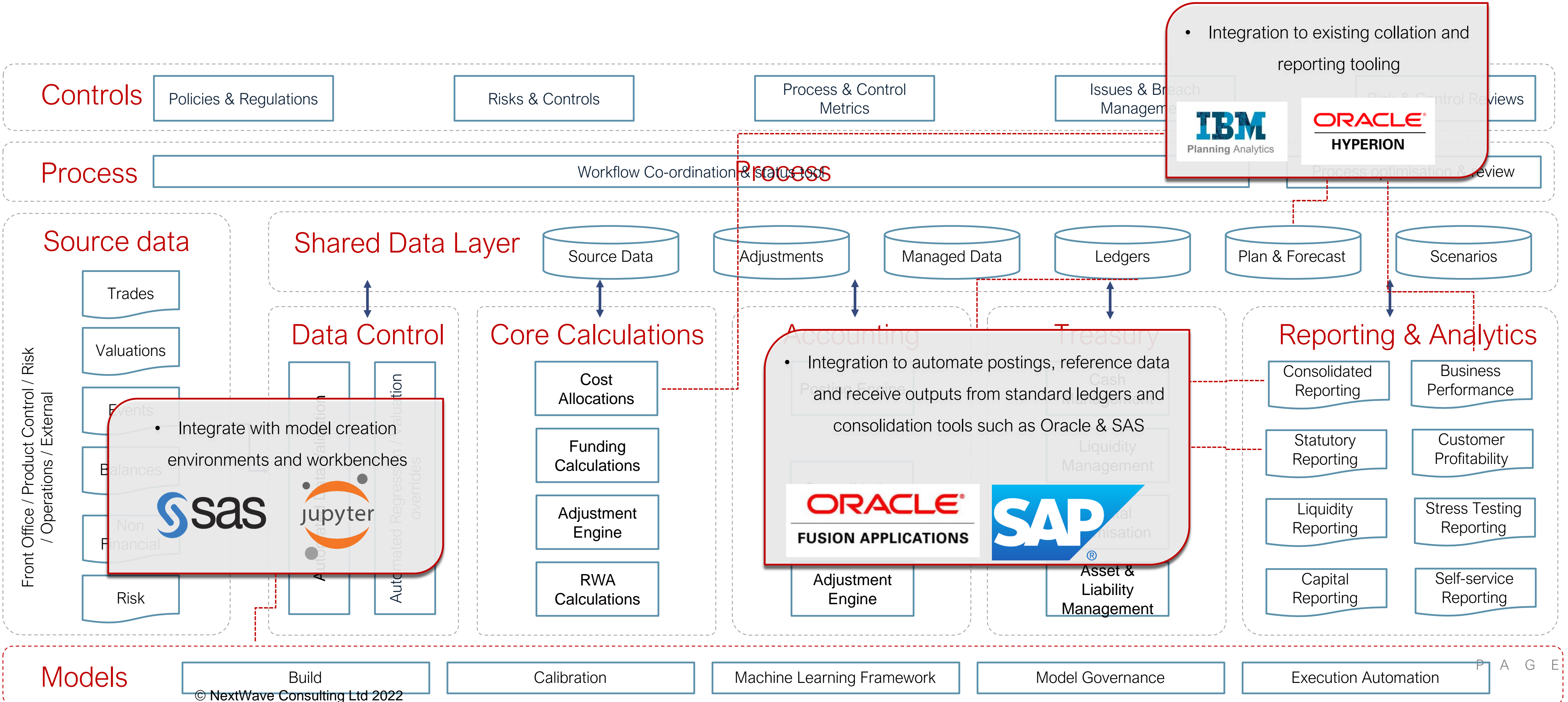
Review and challenge of client performance



Interactions with common Finance applications



The top-down Alteryx approach acts as a glue and efficiency driver across existing applications typically used in a Finance function.



Where to start

Delivering The Change

The incremental approach to Alteryx enabled outcomes can operate either within an existing Transformation programme as an accelerator, or form the basis for a fundamental transformation in its own right.

To further accelerate the delivery of positive business outcomes Nextwave has created pre-built solutions to tackle the most common problem areas. The solutions can be deployed stand-alone or integrated with existing assets to maximise benefit.

Nextwave are uniquely positioned to partner a Finance Transformation journey with our deep subject-matter-expertise, practical experience delivering transformation with Alteryx and technical capability.

An example project initiation of concurrent project streams :

Target workforce skillset stream

- Senior level agreement to the target skills of the Finance Professional
- Mapping of these skills, and the levels required, to the target roles
- Build out of training and recruiting plan
- Alignment with technical and business architecture to deliver necessary tooling

Quick-wins for accelerated benefit delivery

- Target known problem and highly manually intensive process
- Rapid 8 week implementations to capture process in Alteryx and automate
- Target return-on-investment within 2 quarters initially
- Delivery within the overall target state minimises risk of throw-away / rework

Solutions Deployment – NextWave accelerators

- Deploy the NextWave Model Risk Manager in 8 weeks for a complete solution
- Deploy the NextWave Process Workbench for large scale activities such as reporting
- Leverage the NextWave deep expertise for rapid delivery of best-in-class solutions

Service Catalogue & Target Plan

- Agree with stakeholders and senior management the service level required against each of the process areas within the Finance function
- Structure phased delivery by priority process areas for the complete automation

NextWave Approach – End User App remediation

Alteryx can be leveraged to both drive the EUA remediation and to drive the ultimate solution



Discovery

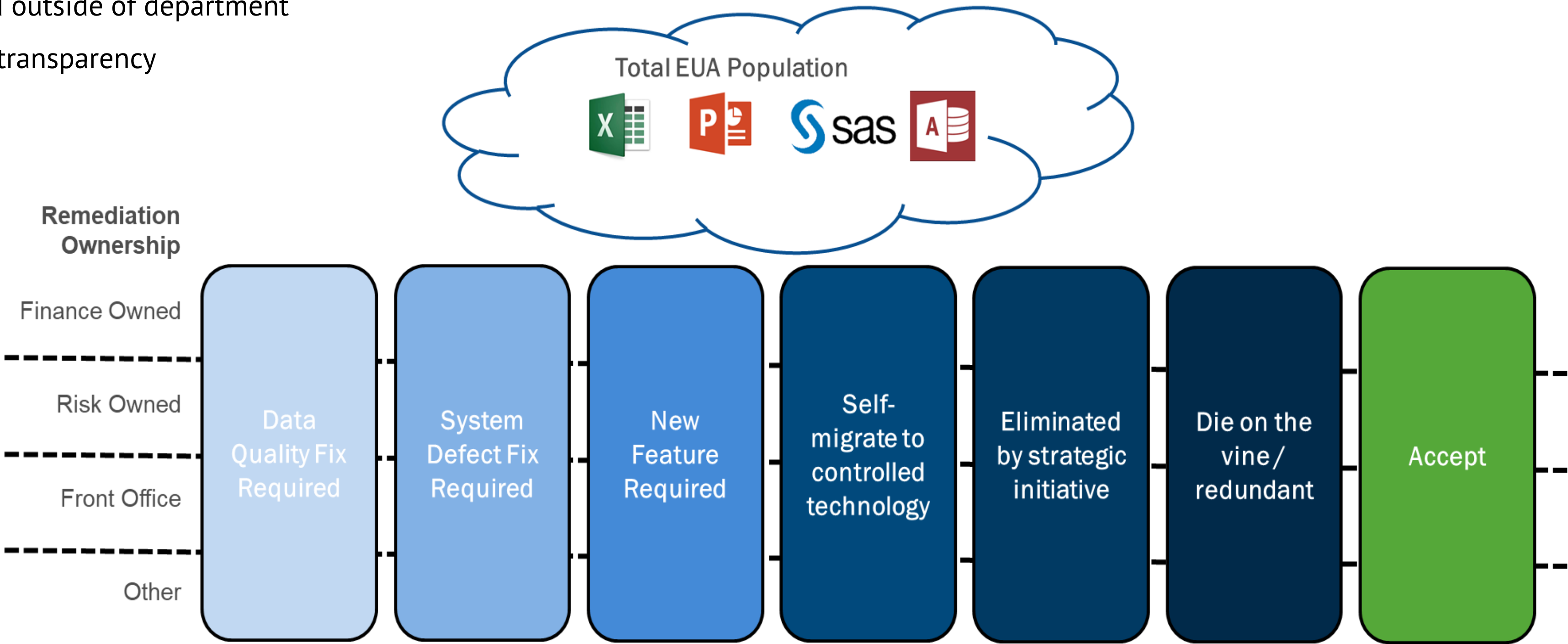
- Capture the problem baseline cause
- Track the triage to the problem buckets
- Assign ownership
- Track to closure inside and outside of department
- Real-time and automated transparency

Execute

- Standardised solutions such as data maintenance
- Train and roll-out low-code solutions as replacements

Control

- Implement cultural change with repeatable and on-going monitoring
- Capture new EUA's and manage to elimination



CASE STUDY – Insurance Finance

Insurance finance re-engineering: Addressing the operational risk of activities reliant upon Excel



BACKGROUND

- Extensive reliance on Excel spreadsheets and e-mail to drive critical Finance processes resulting in escalating operational costs and increasing errors
- Excel spreadsheets containing both critical business knowledge or operating knowledge in the heads of the people responsible for running key processes such as month end
- The critical path of multiple processes driven by Excel resulting in excessive delays whilst ever-growing spreadsheets were manipulated to get the required results.

THE CHALLENGE

- Multiple years of evolution and hand-overs between individuals resulting in loss of organisational understanding of key processing activities
- Operational issues rising due to increasing volume and complexity failing within spreadsheets and manual moving of data around the organisation
- Requirement to keep adding additional resources to keep track with the organisations growth plan, and forecast growth plan causing concern on resourcing required
- Strategic solution for resolving critical business process problems at least 2 years out
- Lack of transparency, repeatability and audit trail for manual Excel runs ever increasing issue

THE APPROACH

- NextWave worked with the internal IT teams to onboard both the Alteryx Designer and set up the Alteryx Server test and production environments
- NextWave provided an initial triage view of the Excel spreadsheets to identify high value opportunities
- NextWave put in place a repeatable and scalable process to identify and prioritise the processes for onboarding to Alteryx based on the complexity, payback period, compatibility with the target state, and delivery timeline for the target state
- The consultants worked in parallel with the internal team to mentor, provide feedback and run training courses whilst putting in place best practice for stable future operations

THE OUTCOME

- Specific business outcomes reducing multiple processes consuming hours per week down to automated processes overnight, ½ day removed from month end close by automating FX checks, P&L leakage eliminated through not having to prioritise possible claims / credit actions
- Upfront data quality checks short-cutting identification of bad submissions and avoiding considerable rework
- Engagement benefits from upskilling of the existing team and productivity of faster outcomes
- Cultural change to continuous improvement, rapid delivery of outcomes and managing down the Excel estate

CASE STUDY – IFRS17

IFRS17 Cost Allocation Engine — implementing a robust cost allocation approach for IFRS17 in Alteryx



BACKGROUND

- A UK based FTSE 100 insurer was undergoing transition to IFRS17 reporting
- The cost allocation process for actuals and forecast is a critical step to the overall generation, understanding and signoff of the approach and the final outputs
- A tactical cost allocation engine had been implemented as a prototype in Excel but had not been a priority to implement in a more appropriate technology
- Tight timescales due to the requirement to imminently start parallel running and reporting of IFRS17 based accounts

THE CHALLENGE

- Excel based prototype could not cope with the volume of data required for processing when scaling up to the full ledger
- This issue was compounded by the Excel prototype not allocating at a sufficiently granular level and not being able to operate at the required level of cost allocation
- Execution times for iterative testing were impacting the project delivery timeline due to the manual workarounds to accommodate the spreadsheet limitations
- Logic was embedded throughout the spreadsheet resulting in opaque outputs and requiring extensive time to track and explain the generated results

THE APPROACH

- One of our Alteryx Designer certified consultants spent 3 weeks analysing and documenting the existing spreadsheet and building the functionality in a series of Alteryx processing maps
- Then a further 3 weeks was spent supporting the testing of the allocation engine including extending the rules now that the Excel limitations were removed and implementing data quality validations and exception reporting
- A final 3 week segment involved supporting the full front to back testing runs and supporting the sign-off process and parallel run

THE OUTCOME

- Full cost allocation runs for both reporting and forecast down from 2 hour run time to 1 minute.
- The team were able to focus on the understanding and explaining of the numbers rather than running the process.
- The cost allocation keys could be set at the required level of the organisation without overloading the process or incurring excessive execution times
- Transparency of rules and detailed controls enabling a straight-forward audit discussion.
- Rapid run-times allowing scenario based discussions with the business and 'what-if' simulations.

CASE STUDY – Insurance Finance

Insurance Bordereau processing: Automating bordereau reconciliations and approvals



BACKGROUND

- Both claims and premium bordereau processing captured and processed within Excel
- The state of the bordereau lines could only be inferred by their current spreadsheet
- Manually intensive process to reconcile to various reference sources and investigate
- Error prone due to manual movement of that through cut and paste processes
- Key person dependencies and no ability to spread out work to cope with peaks
- Incomplete audit trail with decisions and sign-offs held in e-mails

THE CHALLENGE

- Business growth making the existing manual process un-viable in current state
- Forecast business growth exacerbating the problem risking new business caps
- Time delay in reconciling and resolving issues triggering account substantiation issues
- No KPI or state tracking to pick up long running lines or lines on hold excessively
- No ability to automatically filter out known and expected false positives

THE APPROACH

- NextWave proposed and built a combined Appian and Alteryx solution where Alteryx was used to perform the reconciliations and Appian used to track the overall process and manage the reconciliation breaks to resolution.
- One of our Alteryx Designer Certified consultants spent 2 weeks with the existing team to document their reconciliation, including all of the expected false-positives, to design and build the automated reconciliation process.
- In parallel an Appian workflow was built to manage the receipt and reconciliation of the Bordereau's and receive back either an approved state or the detail on the break to investigate
- The process was run in parallel to the existing production process to evidence the integrity for go-live

THE OUTCOME

- Three day execution time of reconciliation reduced to 60 seconds
- Overall time saving of 9 person days effort a month attributed to the automation
- Ability to iterate and re-run the reconciliation multiple times each month, improving the overall customer experience and control environment
- Ability of the execution team to focus on root-cause problem solving rather than generating the reconciliation



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