



Finance Of The Future

Transforming the Finance function using Appian

October 2023

Contents

This presentation gives an overview of how the Appian 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 Appian platform for large organisations across a broad-church of business areas.

Uniquely the Appian 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

O v e r v i e w

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



Enforce regulatory, legal and industry best practice policy, rules and guidelines

Construct and implement measures to validate control, risk levels and give insight

Focus forward looking and detective

Embed structures for risk flagging and risk-aware investigation

Create a radar for to look ahead and build a robustness to withstand emerging risks

Pro-actively drive continuous change and benefit delivery

Challenge the status-quo and tackles problems others shy away from

Demonstrate agility in thought and change execution

Look at all points on the horizon delivering solutions for today and next year

Courage to veto compromises and tactical work-arounds

Drive straight through processing, automate everything possible

Understand concepts of data and be data aware – quality, lineage and controls

Develop an ability to manipulate, join, navigate and filter large data sets using SQL

Develop an ability to visualise and present complex information for decision making

Code solutions in Python / R / etc with basics of software engineering

Build statistical knowledge for measuring data and building models

Develop the ability to communicate technical and complex concepts and messages to a broad range of skill and experience levels

Develop the ability to work in partnership with internal and external stakeholders for delivering common goals or resolving complex issues

Act as trusted partner of the business acting as a sounding board and challenger to drive the best business outcomes

Work to constructive outcomes whilst challenging the status-quo

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



Communicating Outcomes



Manipulating Data



Running a process



Maintaining Information



Rekeying Information

Traditional Approach

- Powerpoint decks of results
- E-mailing of static slides to broad sets

- Extracts of data from systems
- Excel vlookup / pivot tables
- Cut-and-paste information

- E-mail chasers and hand-offs
- Status and results captured in Excel

- Excel spreadsheets holding critical business information
- E-mails used for updates and approvals

- Legacy systems with no automated interface
- Side by side screen scraping
- Cut & Paste

Effort consumers

- Driven by previously raised questions
- No insight to the reality of data being used to make decisions
- Iterative conversation with business to drill down on numbers

- E-mailing large data-sets
- Manually collating the data to run the process
- Fixing for bad data or unexpected changes
- Guess-timating modelling

- Chasing people and follow ups for outputs and status
- E-mailing updates or handing off to another person
- No capture of effort spent
- Process individual driven and not guaranteed repeatable

- Possibility of data copies
- No audit trail
- No approval control
- Lack of structure
- Cannot be integrated in an automated flow

- Manual re-keying from e-mails / spreadsheets / screen shots into other systems
- Manual transcription errors
- Cut and paste duplicates or missed areas
- Cannot scale

Visualisation



Data Science



BPM



Case Management



Robotics



Delivering Change For Finance

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 Appian 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 Appian features provide rapid business outcome :

Workflow

- Manage the hand-off between people tasked with activities across the department
- Either work-queue based or e-mail prompts to individuals to trigger the work
- 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

Data repository

- Lift critical data out of legacy or Excel based solutions to a managed repository
- Provides full auditability and lifecycle of the data attributes
- Simply integration with internal golden sources to avoid re-keying

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

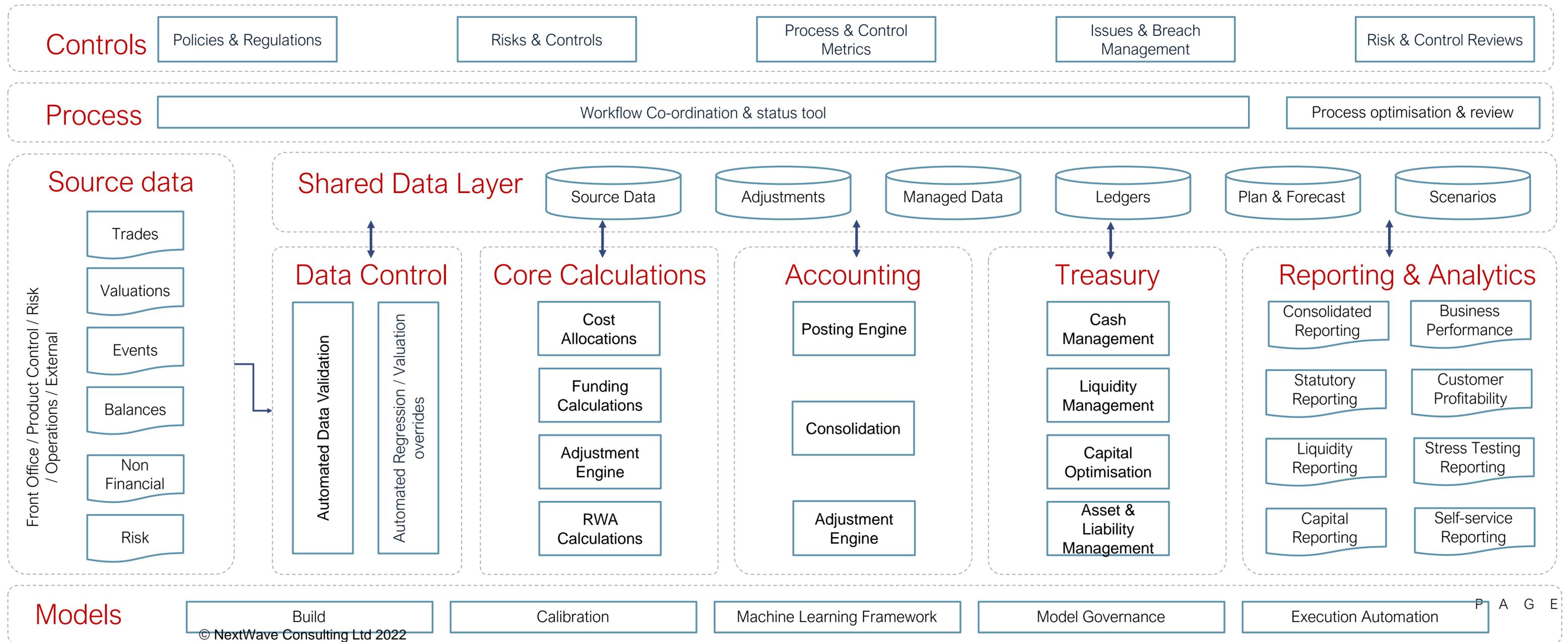
Mind-set transformation

- 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



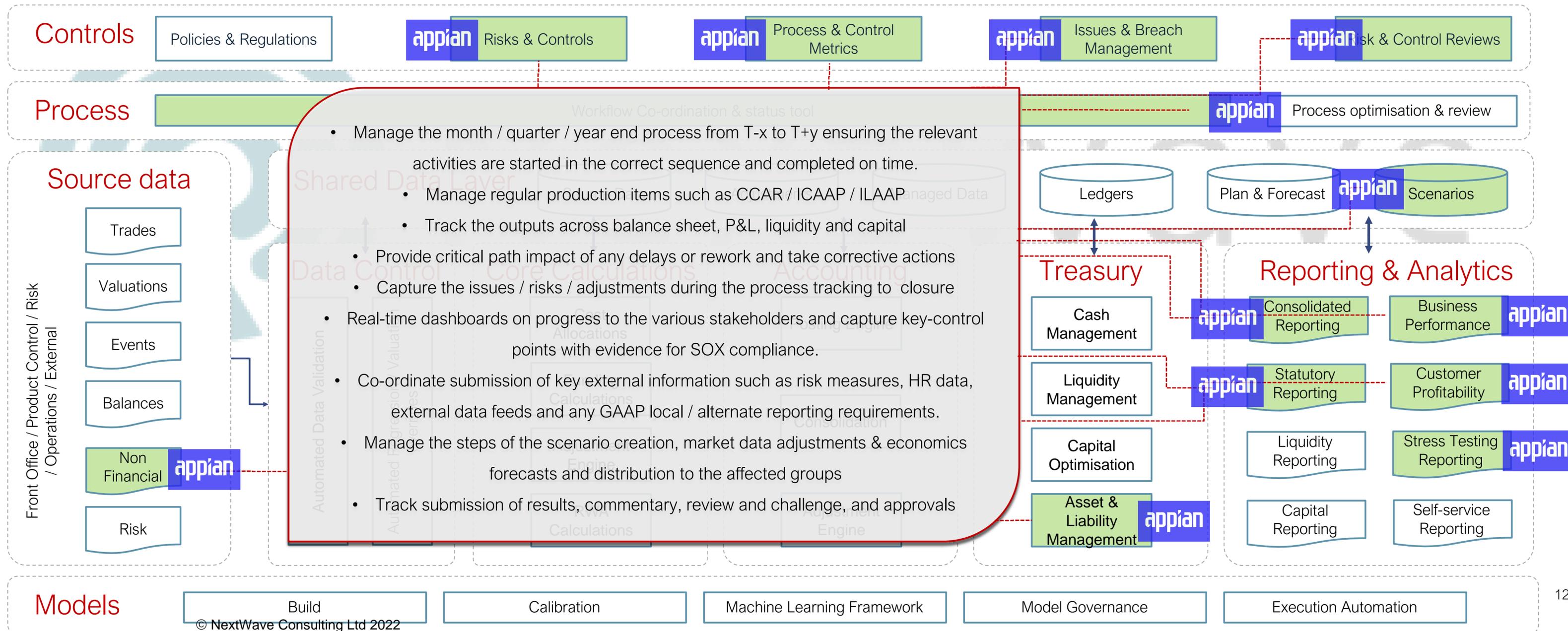
The NextWave template logical architecture for a Finance function providing a combined approach to balance sheet, P&L, liquidity and capital with integrated controls



Orchestration of core Finance outputs

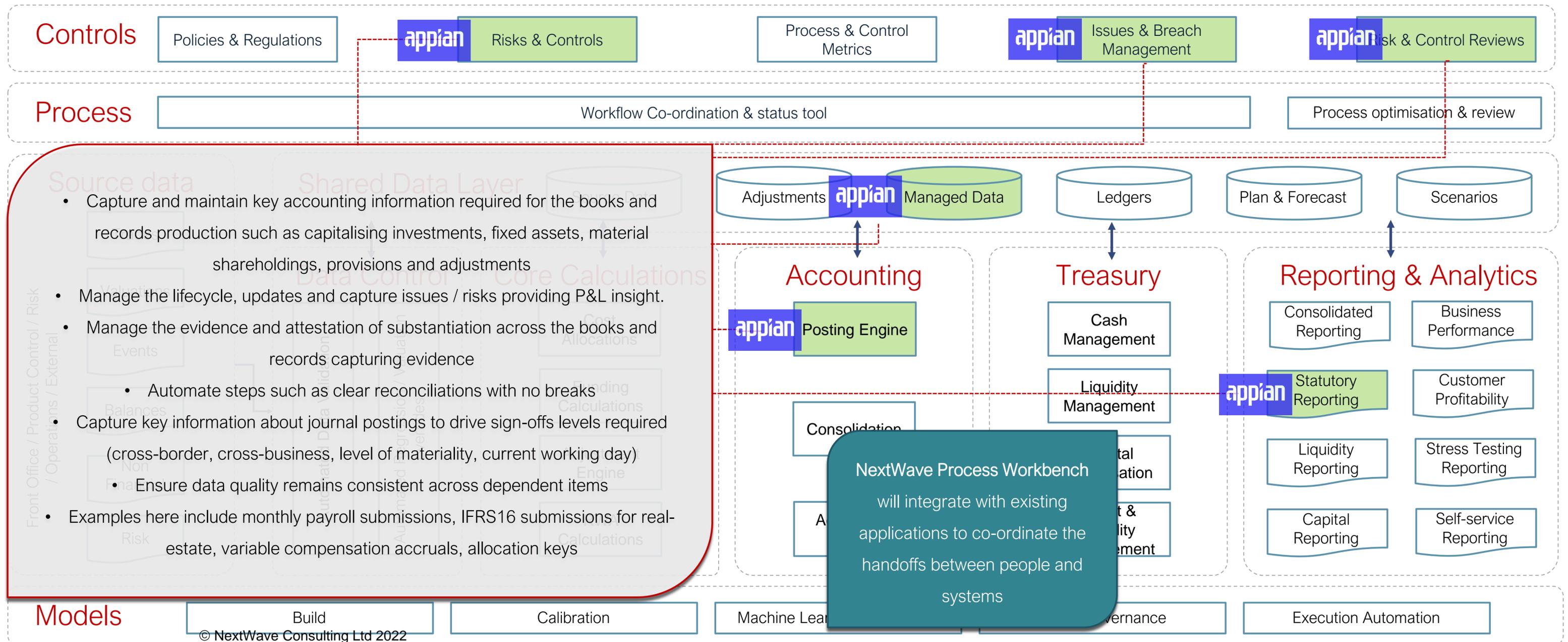
Co-ordinate the production, review and challenge of recurring and ad-hoc reporting

NextWave Process Workbench provides a rapid way to capture the processes, automate and digitise your processes on Appian



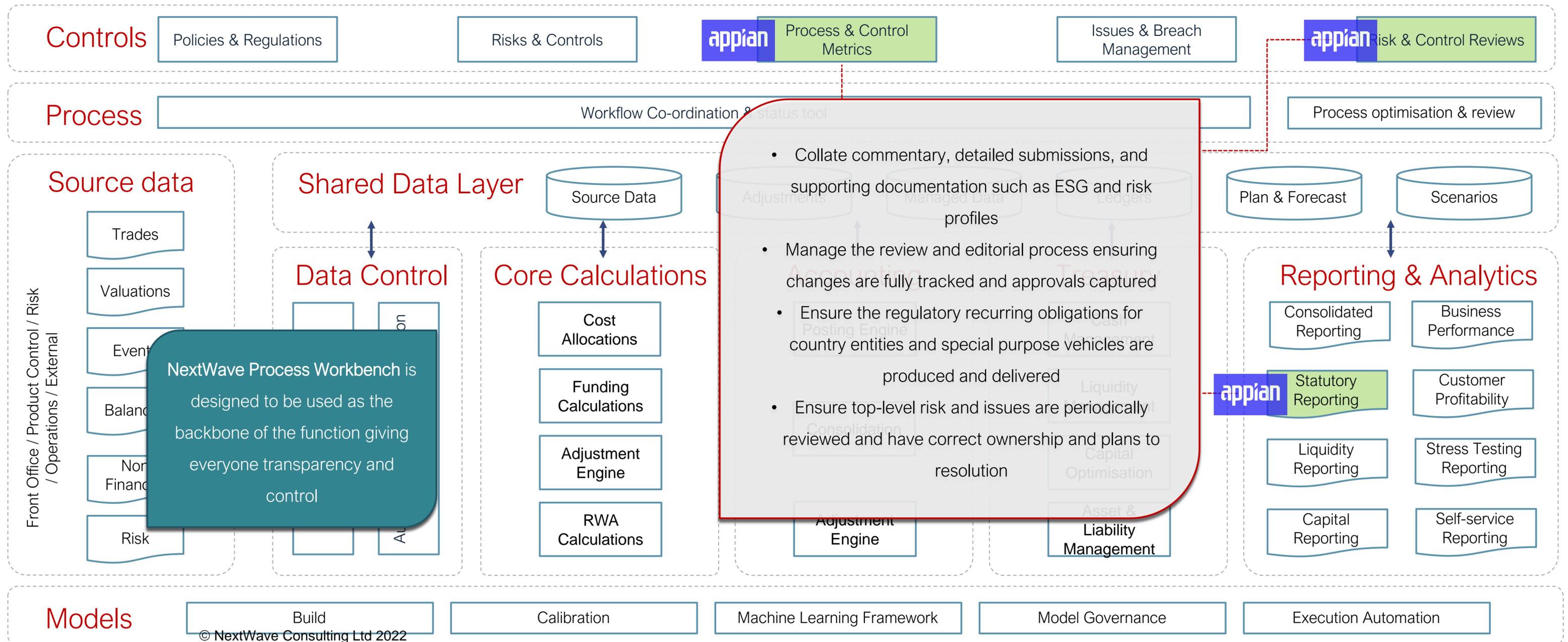
Preparation & substantiation ready for reporting

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



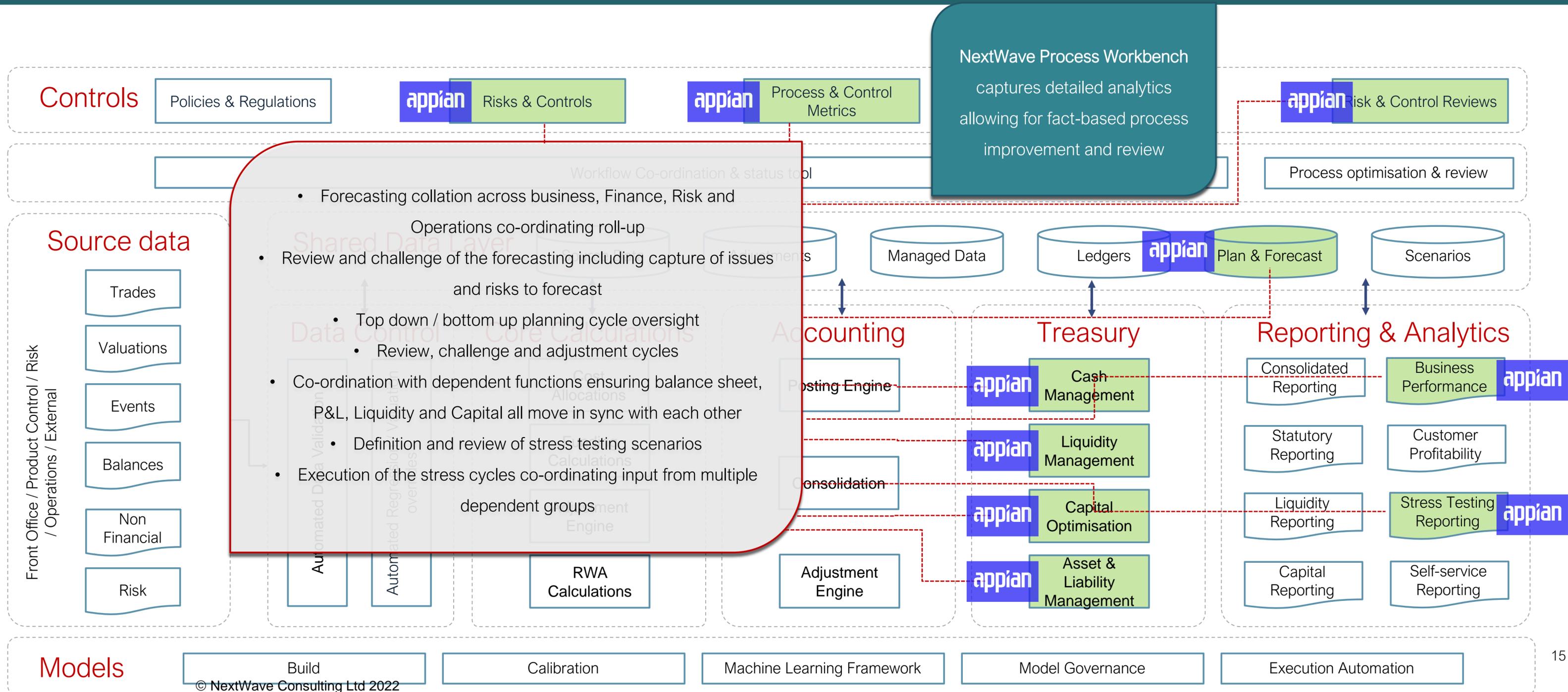
Financial Statements & Disclosures management

Co-ordination of the quarterly and annual for group, entity and SPV reporting



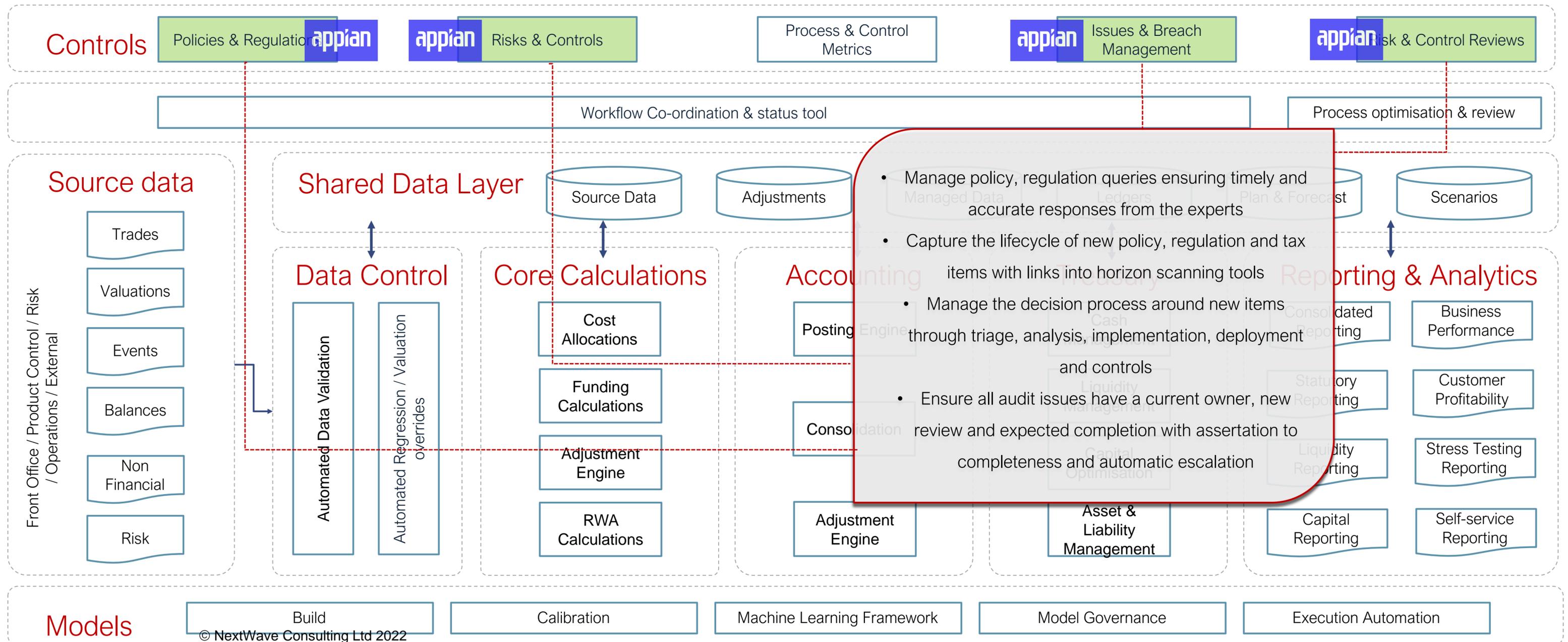
Forecasting, Planning, What-if & Stress Testing

Co-ordinate and control the repeated review, challenge and goal-see business optimisations



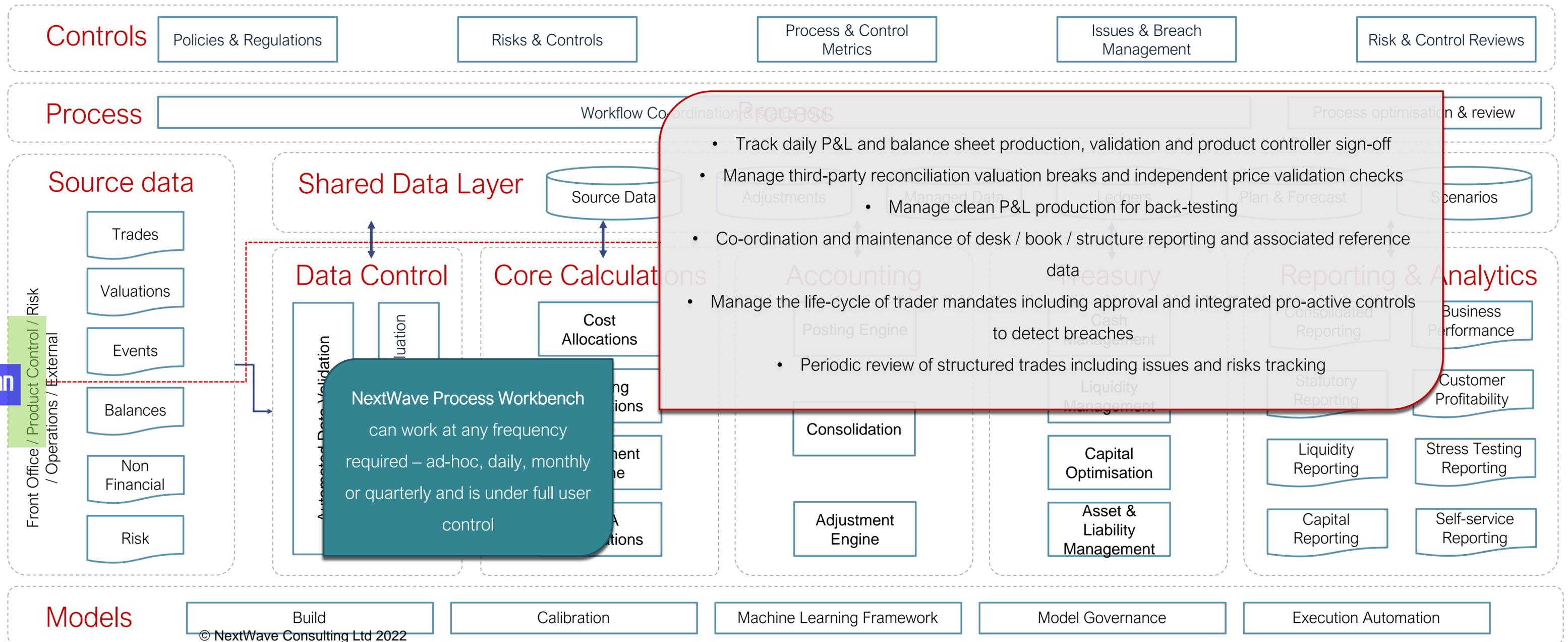
Policy, Governance & Audit

Co-ordinate and control the repeated review and challenge



Product Control

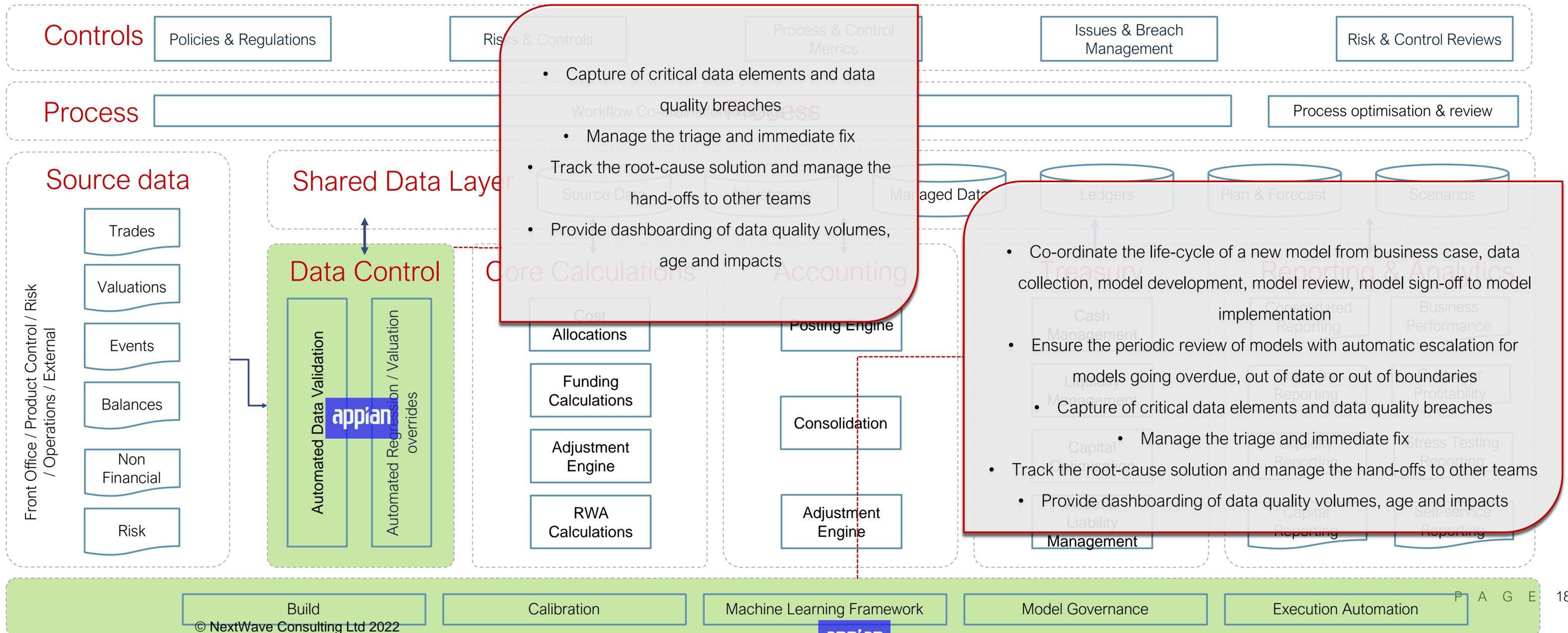
Automate daily, monthly and intra-month critical Product Control processes



Model and Data Governance

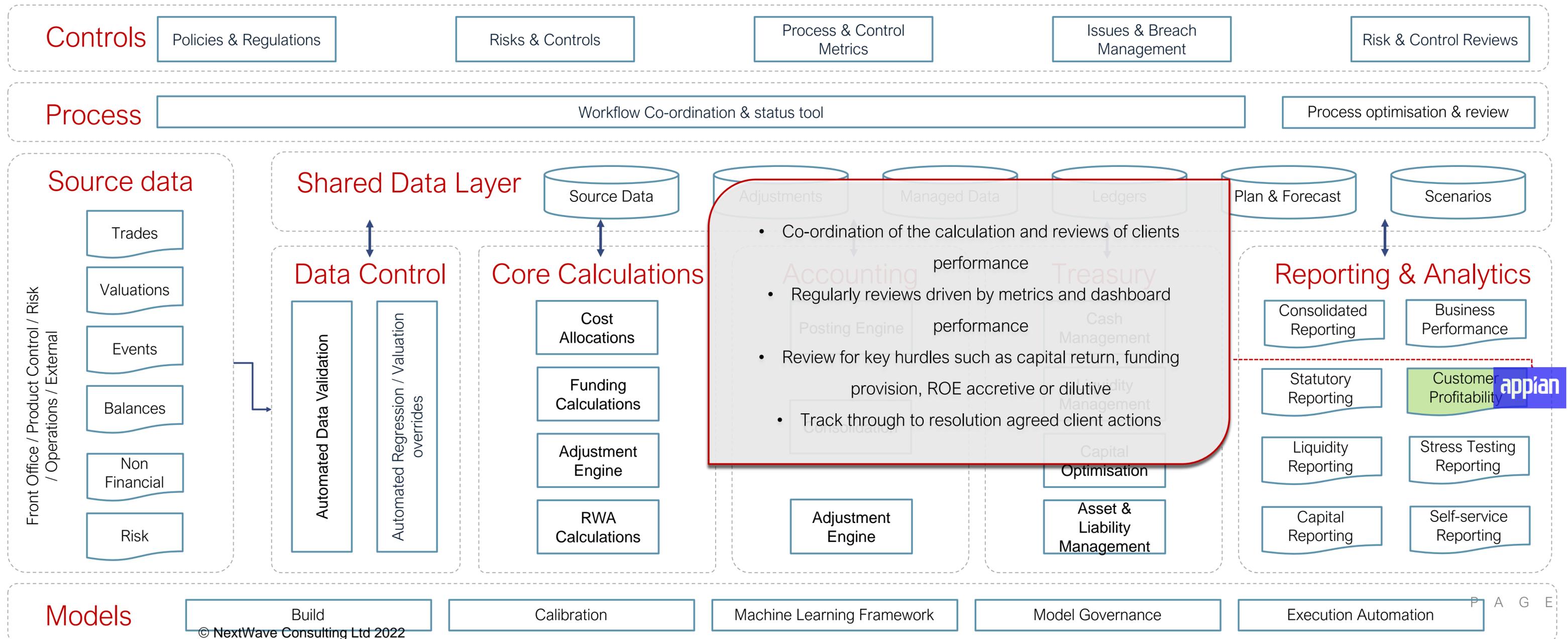
Automate daily, monthly and intra-month critical Product Control processes

NextWave Model Risk Manager
can deliver significant cost
savings by automating the full
model / data governance powered
by Appian



Client Profitability

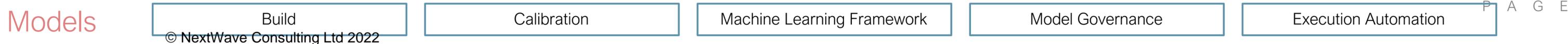
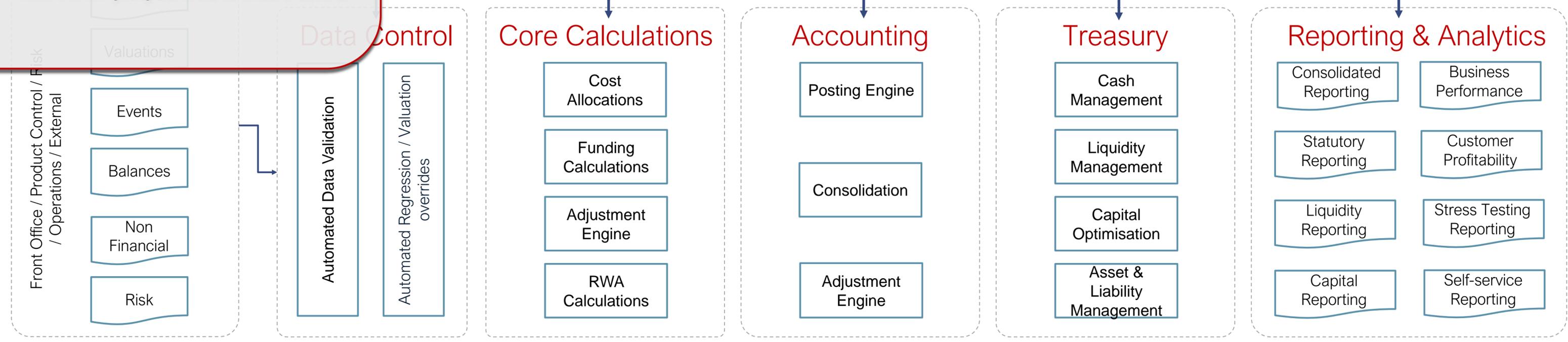
Review and challenge of client performance



New Business Process

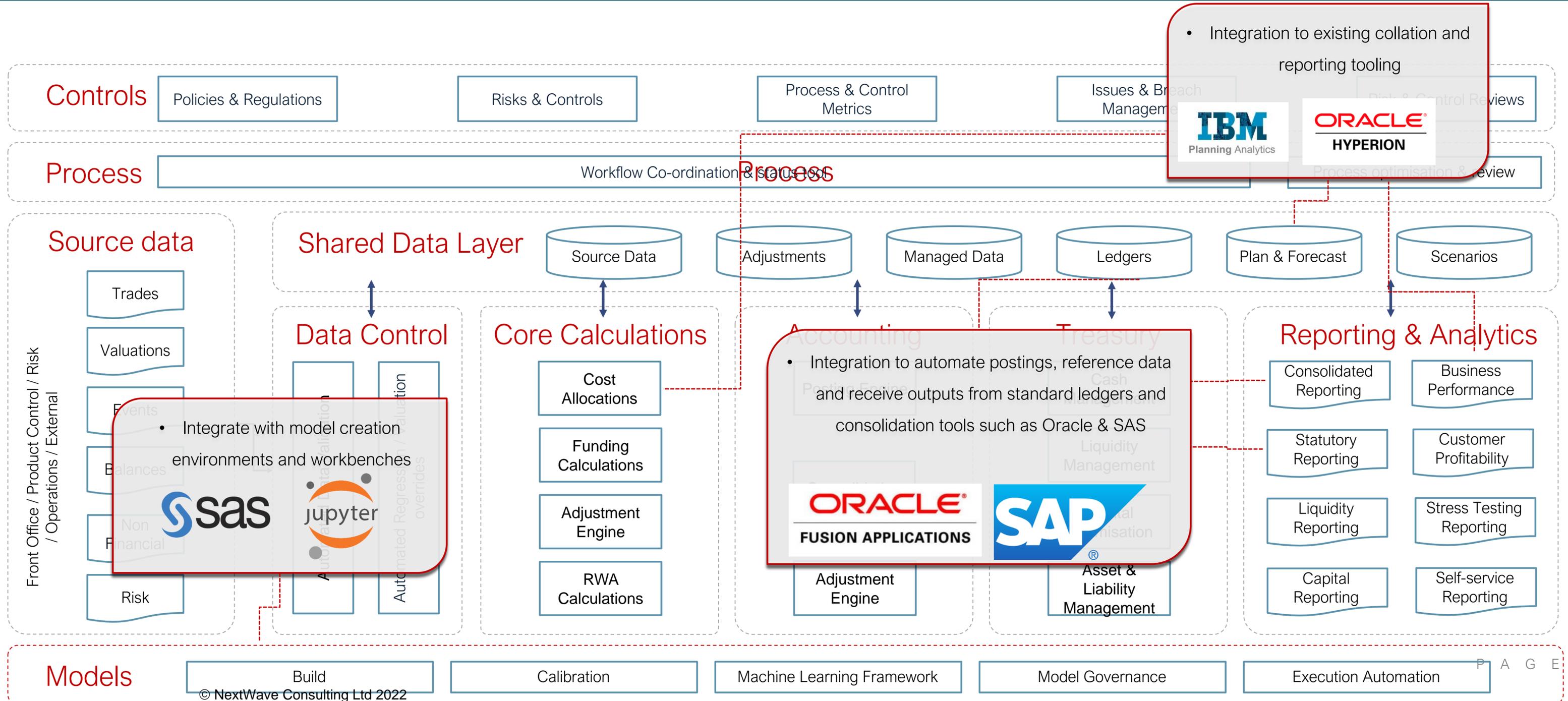
Ensuring Finance is able to pro-actively engage and track front to back new business processes

- Workflow to track all of the areas of Finance contribute to the new business process
- Track the initial triage through evaluation, impact assessment, execution and go-live readiness
- Track the on-going controls to ensure control



Interactions with common Finance applications

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



W h e r e t o s t a r t

Delivering The Change

The incremental approach to Appian 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 Appian 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 Appian 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



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

Discovery

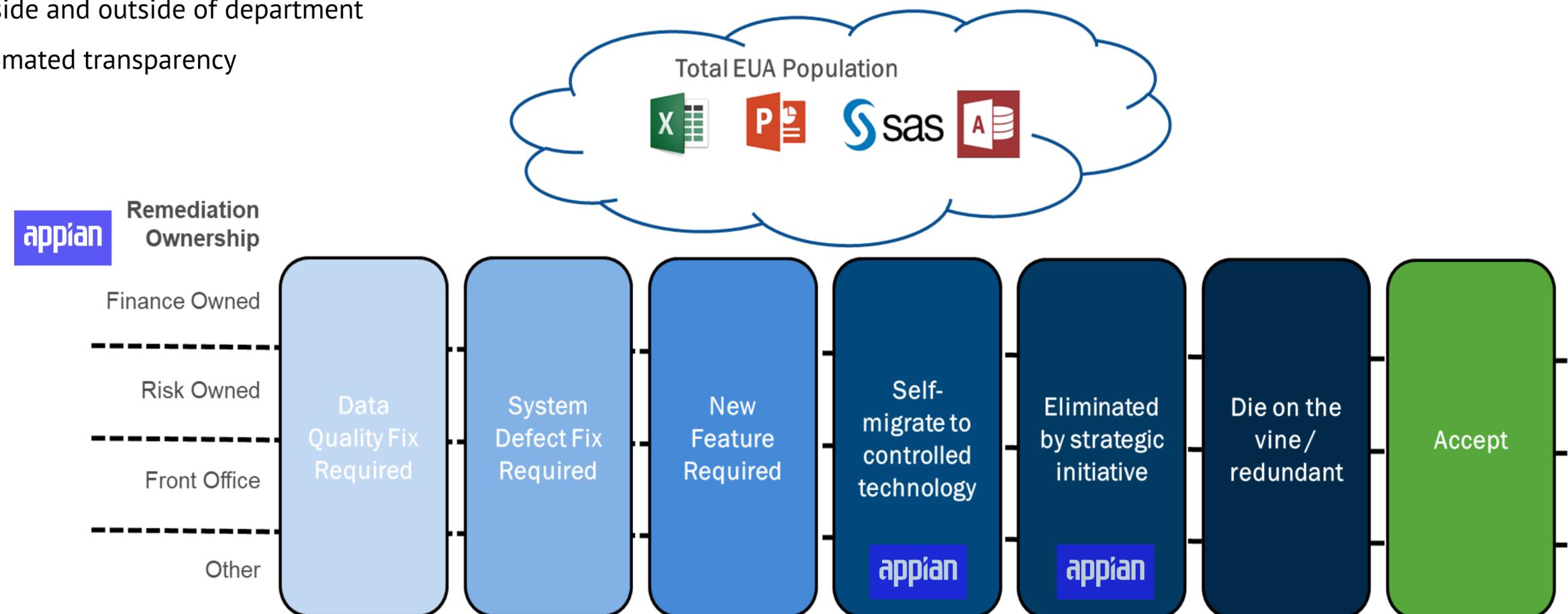
- Capture the problem base within Appian
- Track the triage to the problem buckets
- Assign ownership within Appian
- Track to closure inside and outside of department
- Real-time and automated transparency

Execute

- Standardised solutions such as data maintenance
- Train and roll-out Appian applications in replacement

Control

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



LEADING UK BANKING GROUP

Automating bank-wide ESG Climate Reporting disclosures



BACKGROUND

- Top-tier UK bank required to collect, review and challenge climate lending submissions from each division and roll up for year/quarter end market disclosures
- Submissions for each division follow a bespoke process tailored to the underlying business and requiring review and challenge at division level before submission
- Group level collation, review and challenge with approvals and the ability to reject a division submission or raise a query

THE CHALLENGE

- Existing process was extremely manual and driven through Excel and Outlook to perform the submissions and provide the audit trails of approval
- Prior audit points on the process had committed to an automation solution but no progress had been made with eight weeks until the committed remediation date
- Evolution and refinement of the process each quarter meant organisational resistance to any fixed workflow requiring IT input to change
- Queries needed to be raised and tracked to anyone in the organisation and not just the core users of the system
- Gaining a current status of the submissions was a manually intensive task of contacting all those involved including any outstanding queries

THE APPROACH

- NextWave proposed an Appian based solution of a roll-up from each division to group level where each division could define the tasks, owners and order before a final approval sign-off submission
- The NextWave partner took on the product owner role leveraging previous client-side experience
- The solution proposal allowed for the same flexibility at Group level allowing for a review and challenge and rejection (with reason capture) back to any point in the divisions
- The solution also allowed for the raising of any queries from within the Appian platform ensuring any communication and challenge was both audited and linked to the tasks driving the queries
- NextWave ensured the solution was scoped for the generic submission / review / challenge pattern so the same solution could be deployed for other reporting requirements without code changes.

THE IMPACT

- Solution delivered within the 8 week timeframe for initial business roll-out for first quarter end
- Realtime dashboard of progress, blockers and queries for senior management to proactively drive the process with full audit trail of submissions and queries
- Users able to spend their time understanding and challenging submissions rather than running and chasing the process
- Continuous improvement of the process with process owners driving their own process changes
- Patterned solution which scaled up benefit across other similar processes with no additional spend

“Nextwave’s leadership and product ownership drove an effective collaboration with our existing CoE and the business to meet an aggressive key milestone within 3 months; an important enabler for our strategic climate strategy. The Climate and Sustainable Funding and Finance (CSFF) solution was engineered to be scalable across 12 business areas and flexible enough to support the tracking and reporting of our progress to target. Nextwave was critical to both the quality and speed of delivery which directly helped shaped the future direction of the programme”.

Transformation Lead | Finance & Risk Solutions

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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