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Finance Of The Future

NextWave, The Digital Acceleration Consultancy
September 2023

Contents

This presentation gives an overview of how the Appian toolset can 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 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.

Overview

The challenges faced by Finance functions

Finance functions across the Finance industry are already overstretched 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
- 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
- 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
- Managing additional capital challenges due to regulatory/statutory

Overview

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

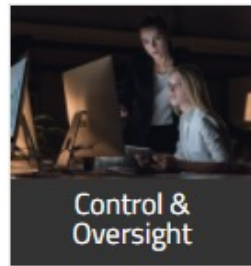
- Be the organisational standard-bearer for efficiency
- Transparency on effort spend to the services provided to the business
- Service catalogues allowing the business to choose the service focus
- Eliminate shadow-finance functions duplicative, incorrect outputs
- Reduce cost sensitivity to volume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

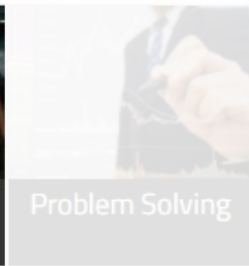
The key pillars of change to deliver the Finance function of the future



- 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 avoid
- 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 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

Control & Oversight	Professional Skills	Change Leadership	Problem Solving	Data Science	Business Expertise	Communication Skills	Leadership
	<ul style="list-style-type: none"> 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 		<ul style="list-style-type: none"> 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 		<ul style="list-style-type: none"> Develop a deep understanding of the business drivers, sensitivities, issues and risks Understand and support the strategic goals and objectives Understand and support the tactical decisions to enact the strategic goals Build a knowledge of the broader business ecosystem, threats and opportunities Develop a customer centric approach 		<ul style="list-style-type: none"> Mentoring / build of a future talent, attract and retain great talent 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 Technically and data aware demonstrating understanding of

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



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-timing 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

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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 across the department and outside
- Either work-queue based or e-mail prompts to individuals
- Full timings and audit trail allow data driven continuous process analysis and improvement

Automation

- Easily deployed connectors into end-user databases or built-in robotics
- 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 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 by rapidly adjusting the sprints
- Locking in business benefits through continuous deliveries
- Empowers innovation and experimentation in solutions and ideas

Only invest in the required

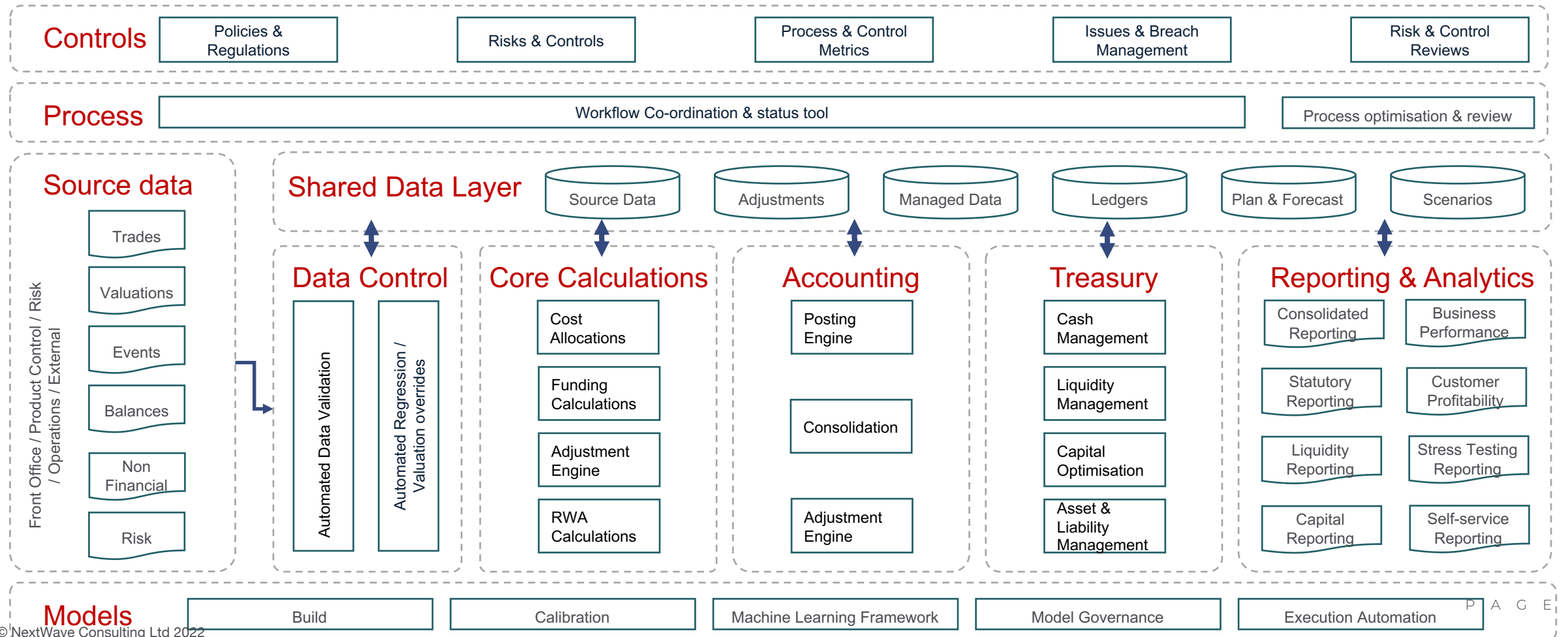
- Only capture detailed requirements for the sprint scope immediately ahead
- Avoid the dangers of having to specify everything due to lack of ability to change
- Gain real-world feedback and iterate to the ideal solution
- Prioritise user feedback and experience alongside functionality

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

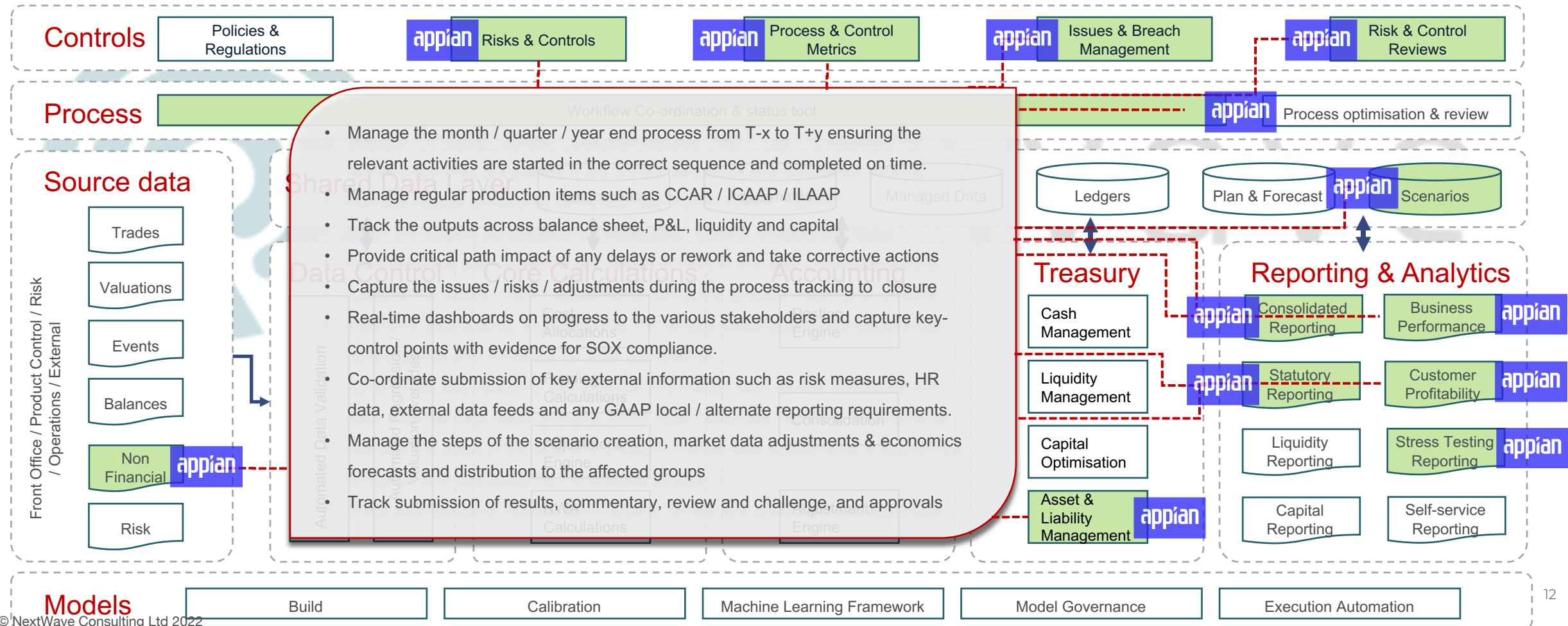
Finance Target Logical Architecture

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



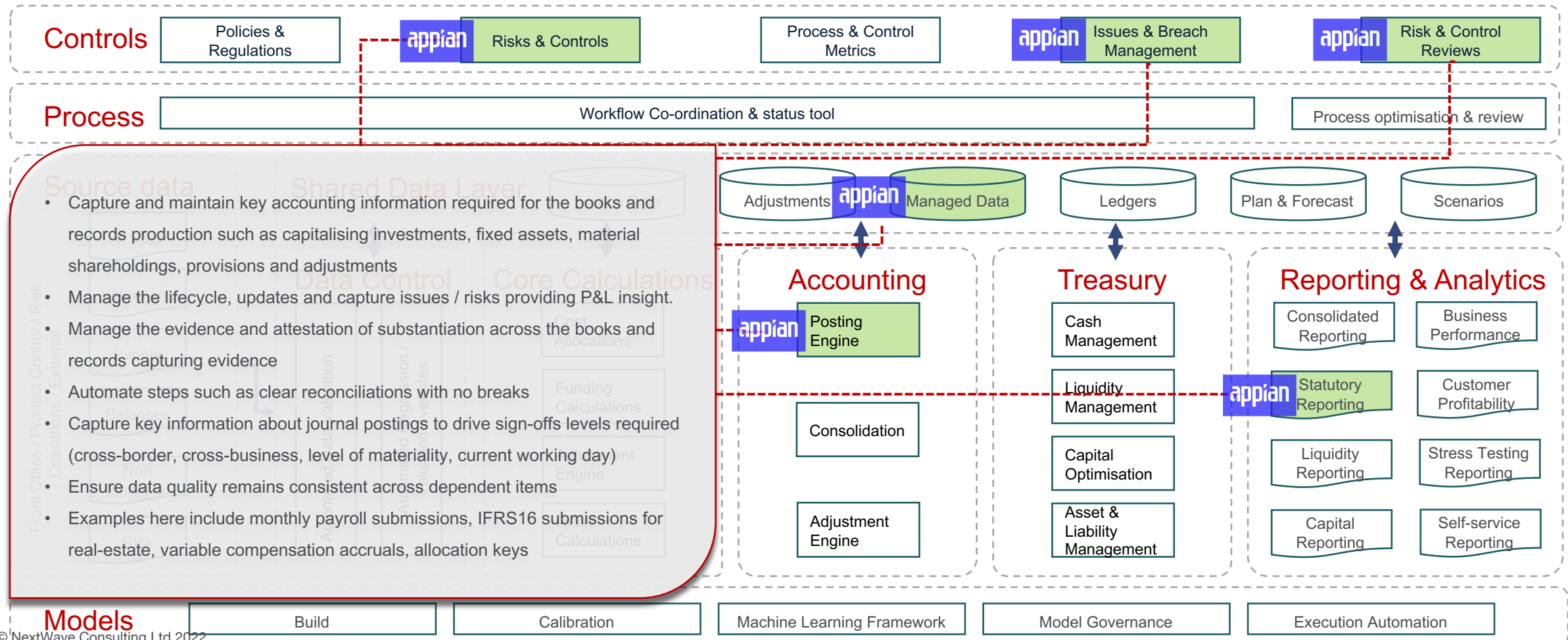
Orchestration of core Finance outputs

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



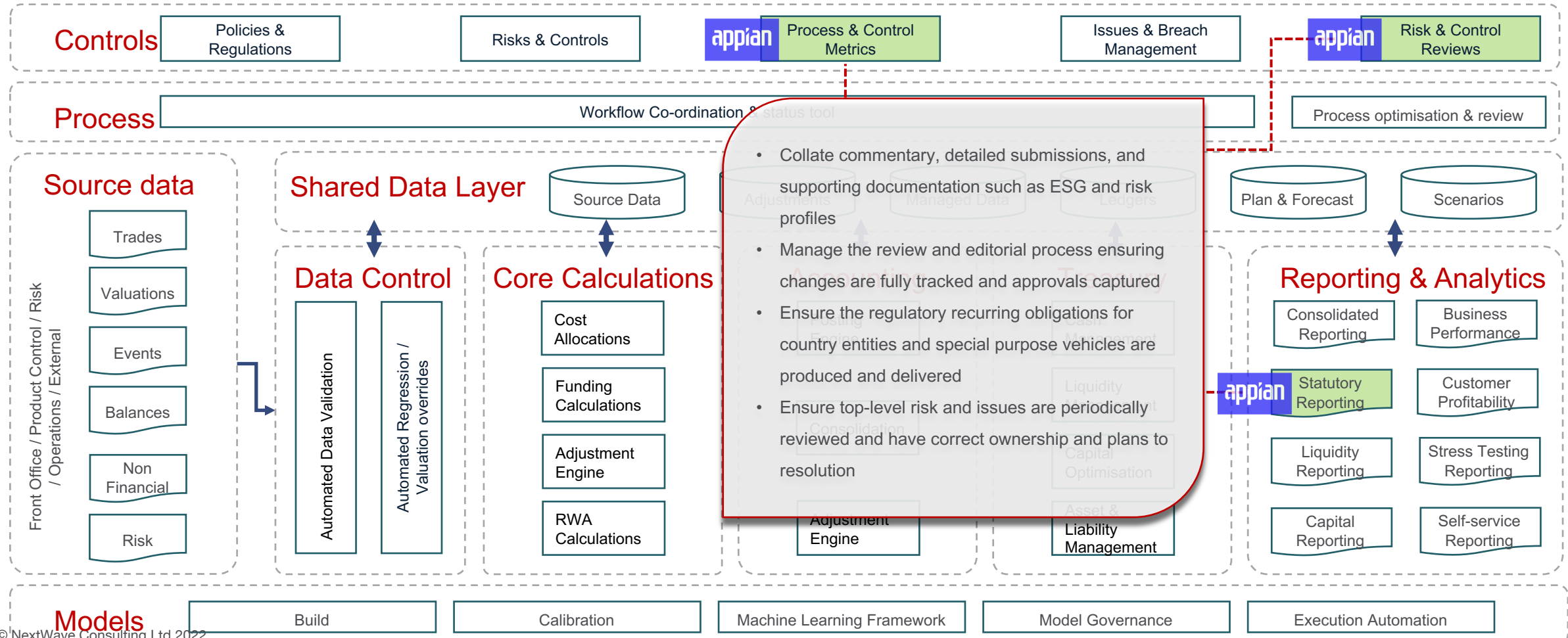
Preparation & substantiation for reporting

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



Financial Statements & Disclosures

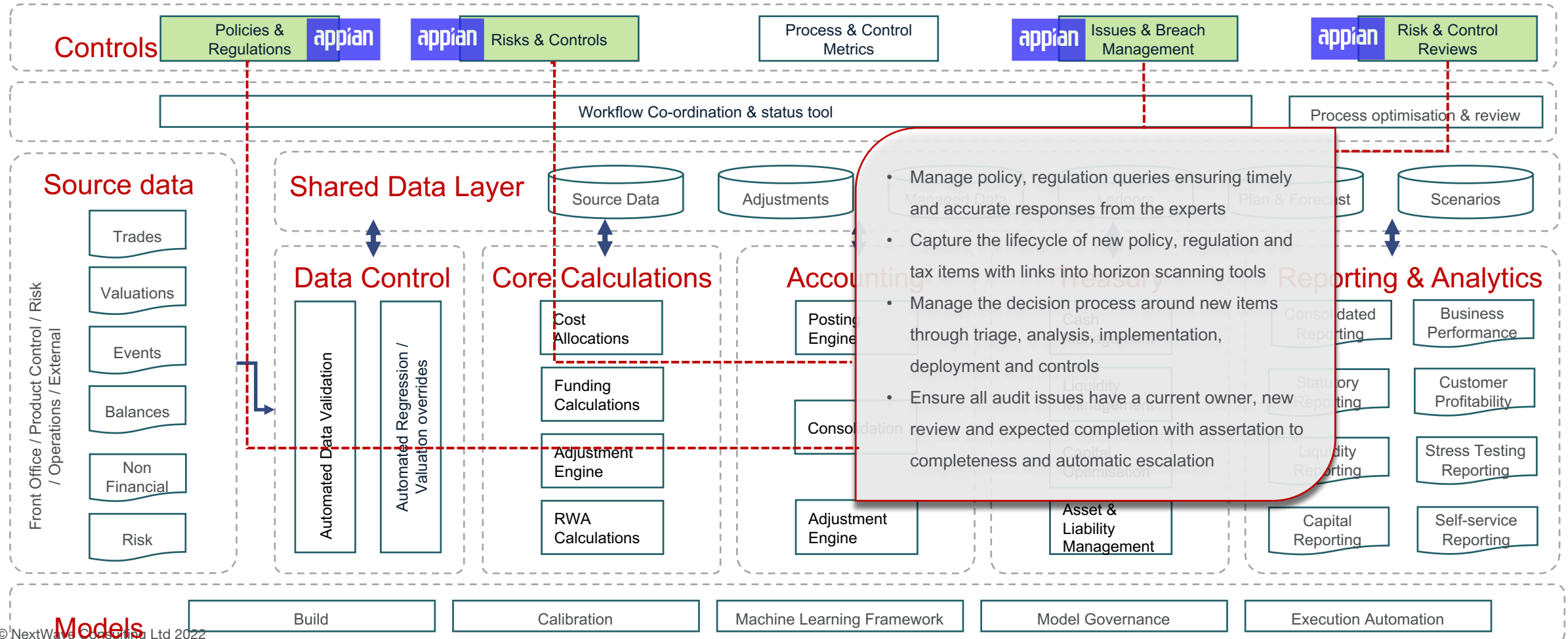
Co-ordination of the quarterly and annual for group, entity and SPV reporting





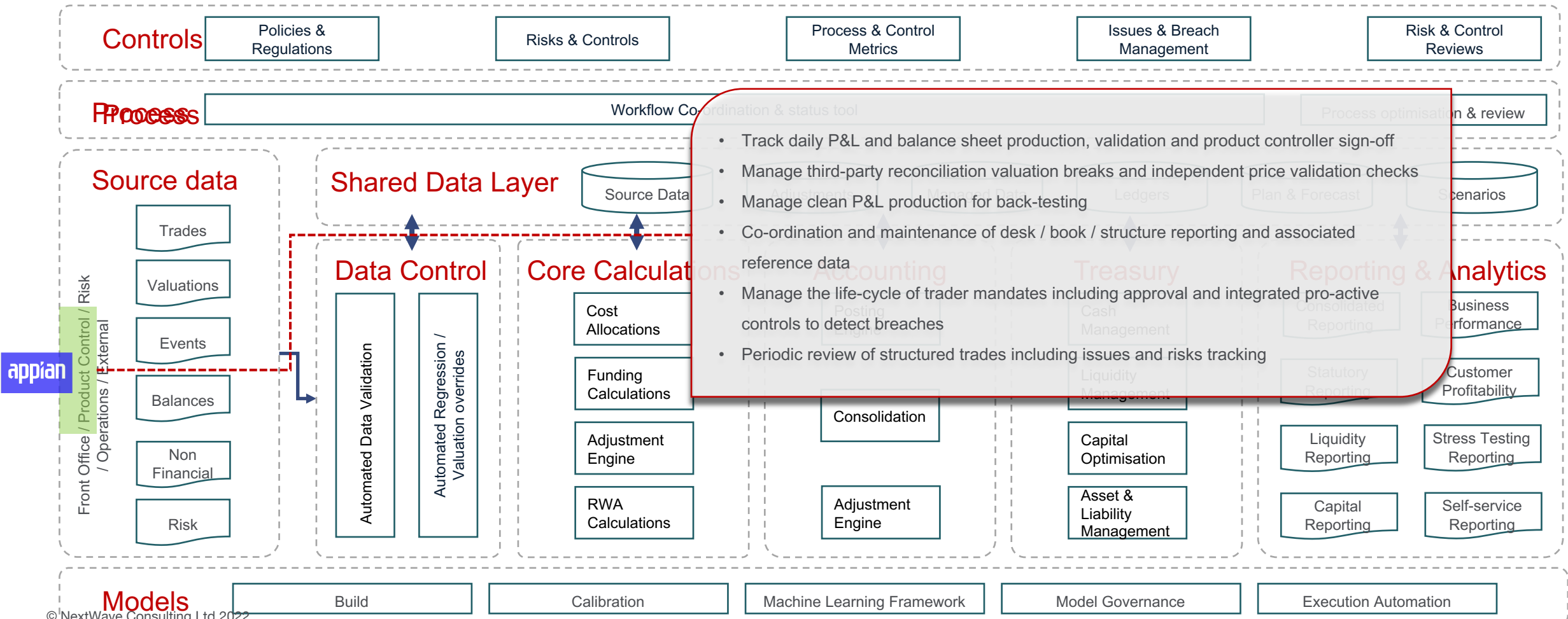
Policy, Governance & Audit

Co-ordinate and control the repeated review and challenge



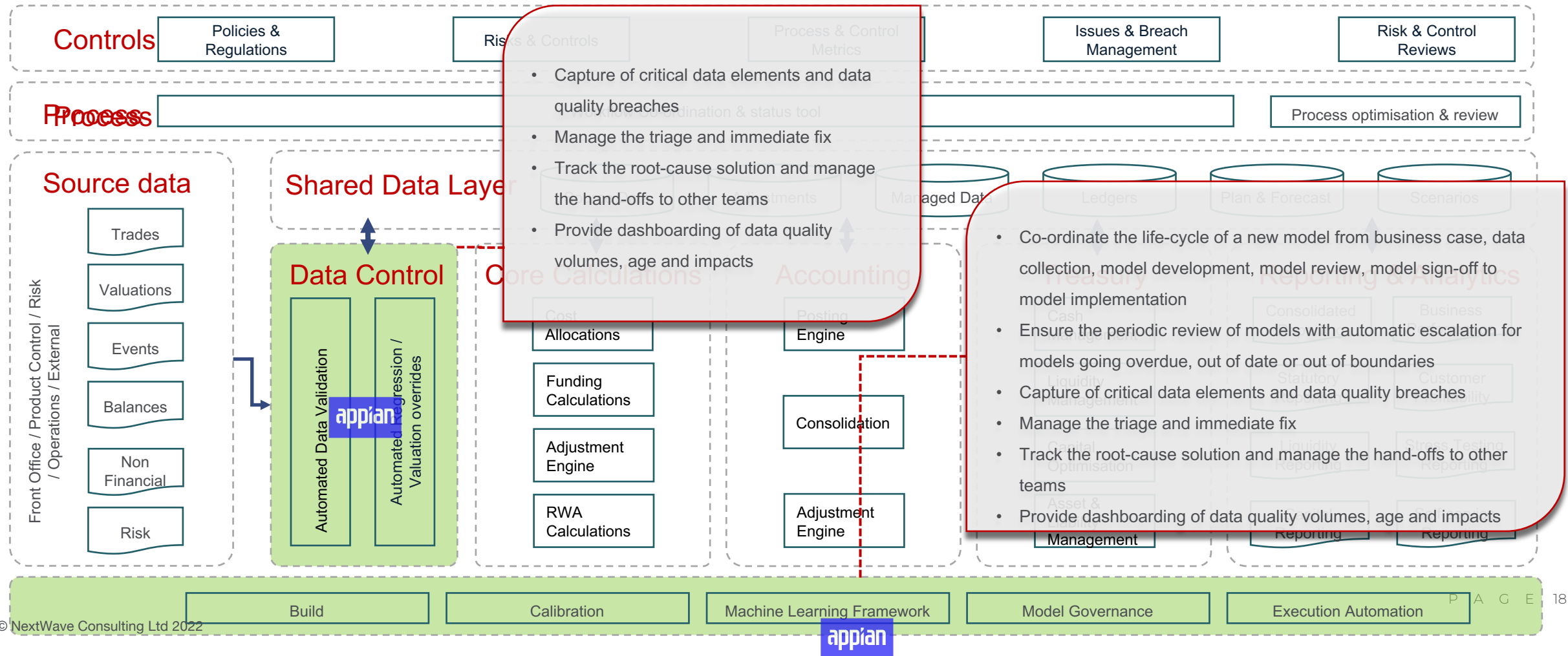
Product Control

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



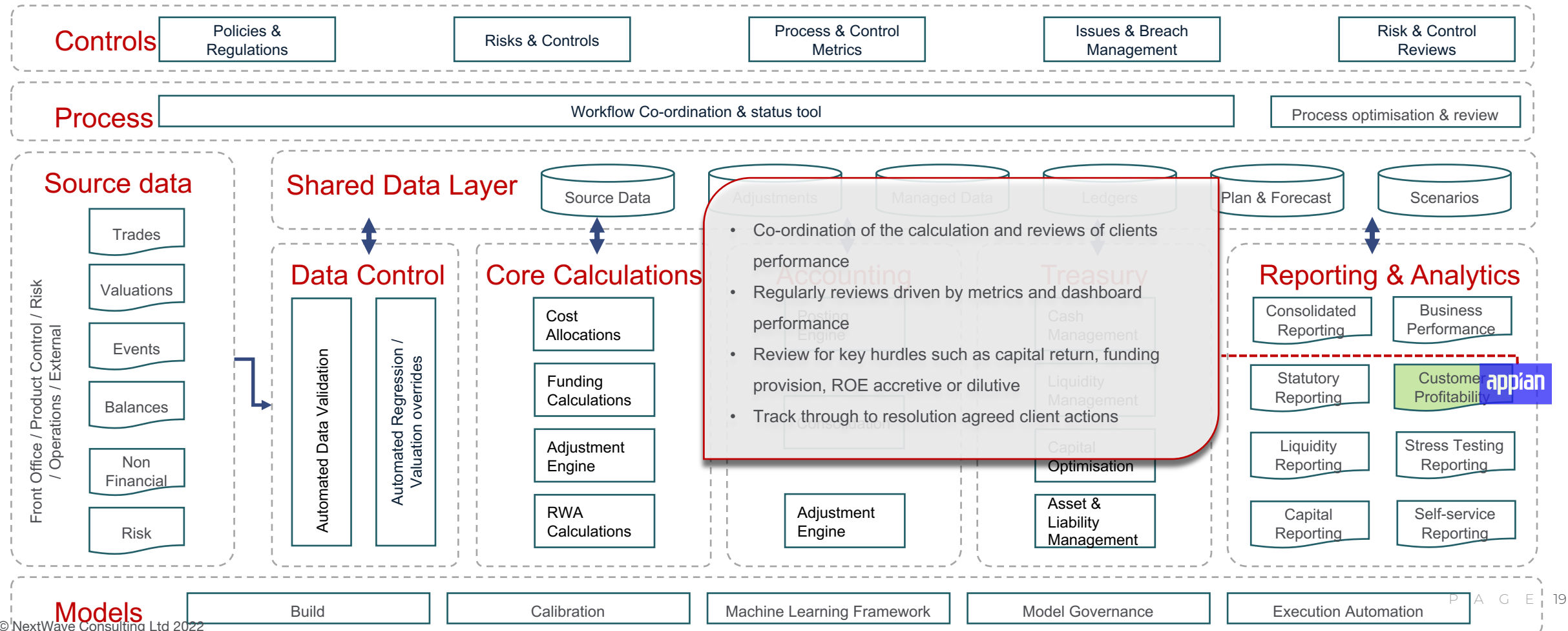
Model and Data Governance

Automate the governance and control over models and data assets



Client Profitability

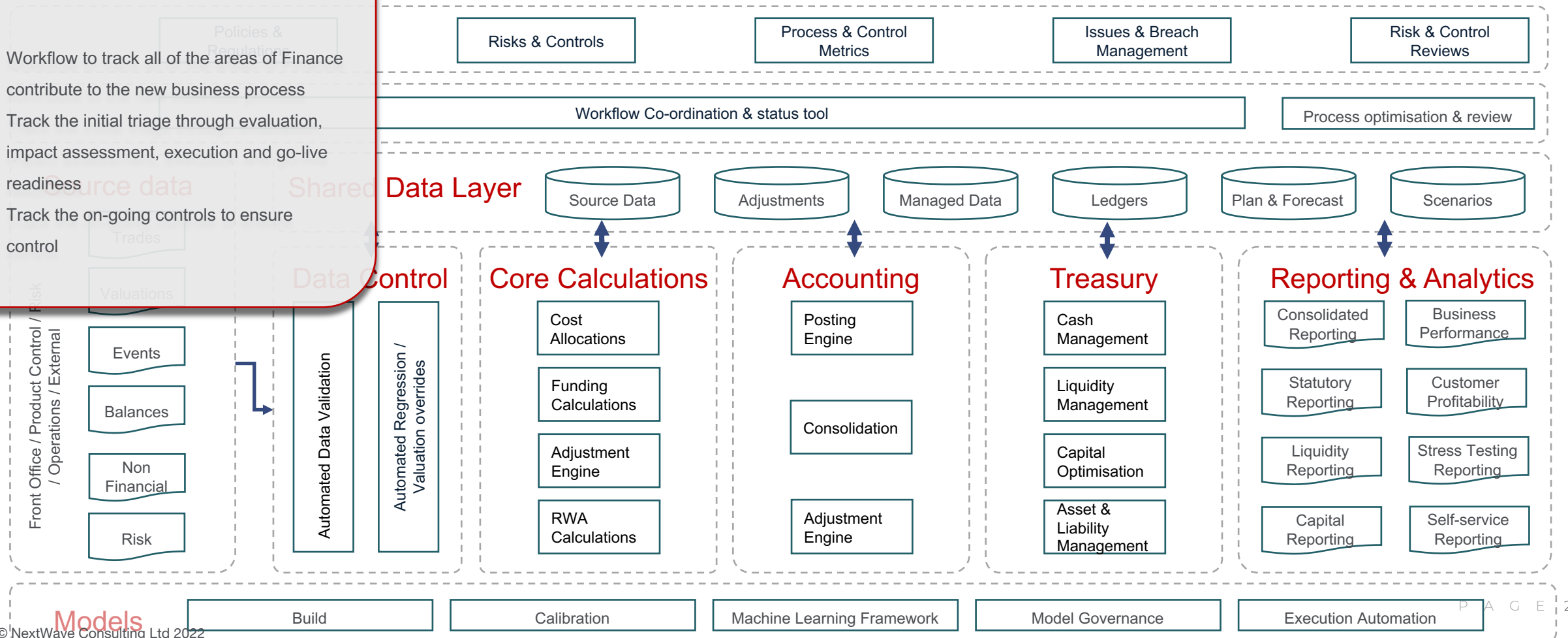
Review and challenge of client performance



New Business Process

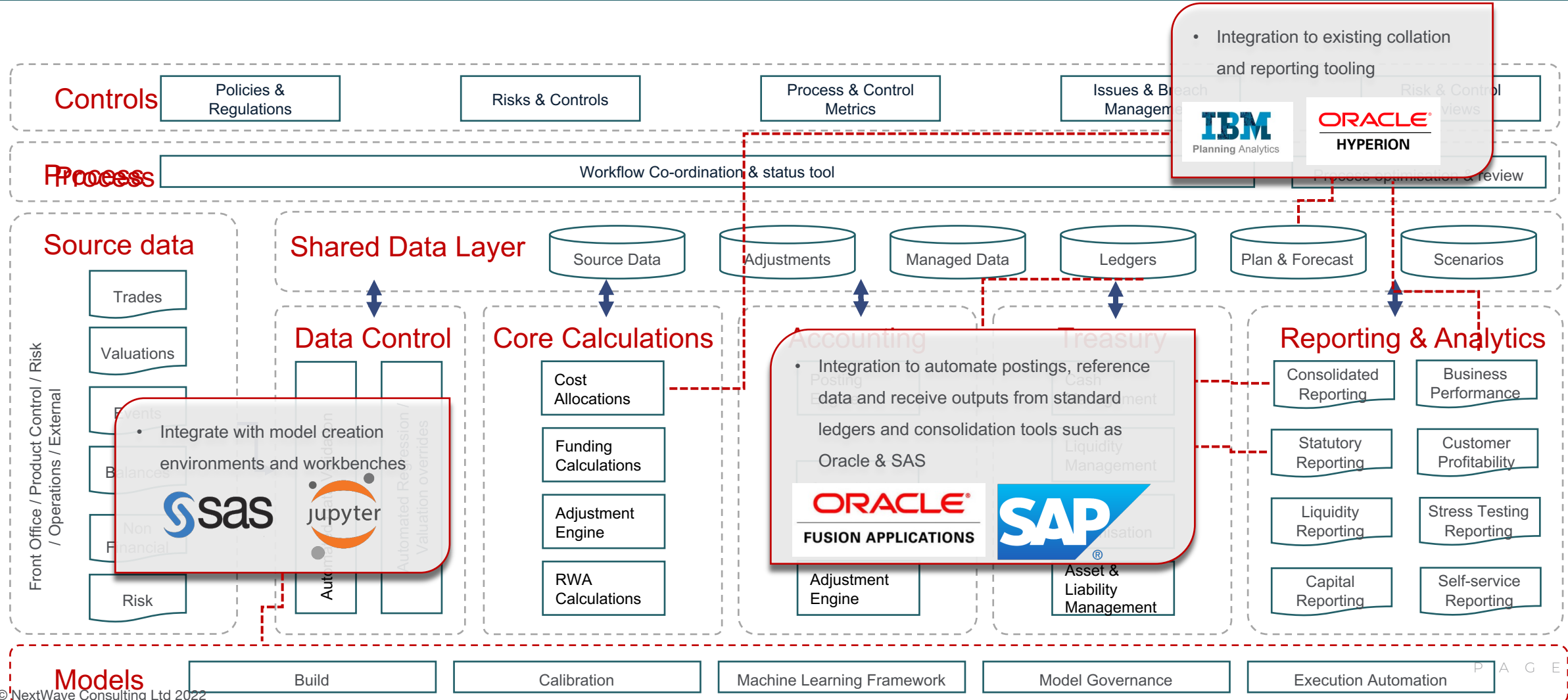
Ensuring Finance is able to pro-actively engage and track front to back new business processes

- 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.



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

