

WHITE PAPER

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6 Steps to Leading at Speed



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Introduction

The 2020s started off with a major disruption caused by the COVID-19 pandemic, and the decade is likely to continually challenge CFOs and Finance teams. They will be challenged to navigate changes in an external environment combined with increasing internal business complexity as their organizations grow and evolve. To conquer these complexities and “lead at speed,” Finance executives and teams must master the basic Finance processes, then layer on more advanced capabilities that can drive strategic advantage. Here’s a snapshot of what that layering entails:

- ✓ Streamlining and simplifying book-of-record financial reporting
- ✓ Implementing agile planning and forecasting
- ✓ Supporting enterprise-wide strategic decision-making via period-end performance reporting
- ✓ Mastering the art of financial signaling

This white paper aims to help modern Finance teams to develop a roadmap towards conquering the complexity of these processes and putting themselves in a position to lead at speed. The paper also details the results achieved by several OneStream customers that have conquered complexities in their own organizations and freed up their Finance teams to “lead at speed” and become better business partners.

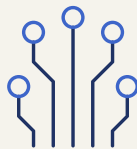
Conquering Business Complexity

Let's face it, complexity is the inevitable byproduct of growth and change. As organizations grow, what happens? Their revenues increase. They gain more employees. They extend their product and service offerings. They expand into new global markets. Amid all of that (and more!), Finance Leaders face the diverse challenges of rapidly changing markets, operational complexity and accountability to deliver on stakeholder expectations. These interconnected challenges create a continuously evolving array of obstacles that CFOs and Finance teams must navigate effectively. Here are a few of those obstacles:



External Forces

Uncertain global economic conditions, increasingly fragile supply chains and pricing pressure from global competitors are just a few potential external challenges.



Internal Operations

Organic growth combined with any mergers and acquisitions brings new internal challenges that range from integrating acquired companies, people and systems, to connecting and aligning the islands of information created by departmental silos.



Stakeholder Expectations

CFOs and Finance teams must ultimately meet the needs and expectations of a growing pool of demanding stakeholders. Yet Finance leaders must also help their organizations move away from the siloed decision-making that can happen within lines of business or functions where access to data and insights are fragmented, impeding the agility needed to quickly react at the speed of the business.

We've seen Finance teams take steps over the past several years to conquer these complexities. We've seen transformation taking place in the financial close, consolidation and reporting process — changes that focus on delivering a timelier and more accurate book of record. We've also seen many modern Finance leaders take steps to increase agility in planning and forecasting processes and to ensure alignment between strategic, financial and operational planning.

And while many organizations continue to invest in simplifying and scaling these processes, we are now seeing a **new inflection point building for the Office of Finance**. One that requires taking the vision of the virtual close and bringing it closer to reality. One that requires understanding what is happening right now and taking action to impact performance — before month- or quarter-end. Accordingly, we see **financial signaling** as the next critical innovation to help Finance teams conquer this inflection point and break free from restrictive monthly performance cycles. We refer to this approach as “right time” Finance (see figure 1).

Sounds logical, right? But how do successful Finance teams make the leap? To start, when seeking to unleash their true value, Finance teams can't ignore the basics. They must instead conquer the complexity of basic processes — such as the financial close and planning processes — and be prepared to **lead at the speed** of the business.



Figure 1: Financial Signaling

6 Steps to Leading at Speed

As highlighted in the prior section, in order to “lead at speed” finance executive and teams need to master the basic finance processes, then layer on more advanced capabilities that can drive strategic advantage. This includes streamlining and simplifying book of record financial reporting, implementing agile planning and forecasting, supporting strategic decision making across the enterprise through period-end performance reporting, then mastering the art of financial signaling.

Sounds simple right? Not really. There's a lot of work that is required, but it doesn't have to all be accomplished in one fell swoop. The best path to success is to think big — but start small and incrementally build a path to leading at speed. Here are six steps we have seen successful finance organizations taking to conquer complexity and put themselves in a position to lead at speed.

The order of the steps described here is not carved in stone, it can vary depending on the challenges and requirements of a particular organization.



1 Drive Simplicity and Efficiency in IT Systems

- ✓ Leading at speed is difficult if the organization is bogged down with inefficient legacy IT systems.
- ✓ A key strategy here is reducing your organization's IT footprint by moving on-premise CPM applications to the cloud and moving from fragmented applications to a unified platform that brings actuals, plans, forecasts and analytics together for a unified view of the business.
- ✓ In addition to improving decision-making with a unified view of the business, moving applications to the cloud and eliminating silos of data minimizes the time and effort spent by finance and IT staff maintaining and upgrading CPM applications.

2 Implement a Fast and Accurate Financial Close Process

- ✔ Streamlining the financial close process requires the ability to quickly integrate and map data from multiple systems across the enterprise into a purpose-built financial consolidation engine designed to handle all the complexities of the process while guiding users through their tasks and providing managers with visibility into the status of the close process at all times.
- ✔ While streamlining the financial close process reduces the time and effort required to close the books, it also enables timelier and more accurate financial and management reporting to a broad range of stakeholders, internally and externally.



3 Align Strategic, Financial and Operational Planning Processes

- ✔ Given the volatility of today's economic and business environment, leading organizations are putting less time, effort and reliance on the annual budgeting and have implemented rolling forecasts that are executed quarterly, monthly or more frequently in order to increase business agility.
- ✔ Using driver-based planning and forecasting techniques enables the organization to focus its attention on the key drivers of revenue and costs and saves a lot of time and effort for finance and line-of-business managers — enabling them to lead at speed.
- ✔ By eliminating fragmented applications and unifying all planning processes in a common platform, strategic, financial and operational planning can be aligned — ensuring that finance and operations are working together, and resources are allocated to the right opportunities.

4 Empower Managers with Financial and Operational Data and Metrics at the Pace Required

- ✔ Performance reporting for management is important, but to lead at speed, it must be aligned to the pace of the business, providing the right information at the right time — whether it's quarterly, monthly, weekly or daily.
- ✔ Effective decision-making requires managers to have visibility not just into revenue, but also profitability by products, customers, channels and other dimensions of the enterprise to ensure resources are allocated to the areas that can add the most value.
- ✔ Ensuring alignment between finance and operations requires strong communication and business partnership. A big part of this includes holding regular management reviews with operations to review results, identify potential risks or opportunities and make informed decisions.
- ✔ In fast-paced industries, intra-period decision making can be enhanced through weekly or daily financial signaling to identify key trends and signals in your business and take action to impact monthly / quarterly results.

5 Leverage Advanced Analytics Such as Predictive Forecasting & Machine Learning

- ✔ Once core processes such as financial close, reporting, planning and management-driven forecasting are running effectively, more advanced techniques and tools can be added to the equation to further speed decision-making.
- ✔ Predictive analytics capabilities can apply statistical forecasting algorithms to historic data to automate the creation of baseline forecasts or to validate management forecasts.
- ✔ Machine learning tools and techniques can take analysis and forecasting to a new level by identifying correlations across large volumes of data and creating “smart” models that continuously learn as new data is consumed over time.

6 Ensure Internal Systems and Processes are Poised to Support Growth and Expansion

- ✔ Leading at speed requires the organization to have systems that can support today’s requirements, as well as the ability to support global growth and market expansion.
- ✔ If the organization is planning to grow via acquisition, it must have systems in place that enable it to quickly integrate acquired companies and additional systems and data sources.
- ✔ As organizations grow and evolve, demands by departments and users for new applications and data to support decision-making will only increase. To reduce fragmentation and maintain efficiently, Finance and IT must have platforms in place that allow them to deliver new solutions quickly without adding technical complexity and cost.

In summary, in order to lead at speed, organizations need efficiency in IT systems, agile business processes, and the ability to deliver timely and accurate financial and operational results to executives and decision-makers across the enterprise. This can only be accomplished with a unified, intelligent finance platform that can conquer complexity of these finance processes and enable CFOs and finance teams to lead at speed.

Leading at Speed in Action

As mentioned above, the order of the steps described here isn't carved in stone, nor should an organization try to accomplish all of these steps at one time. Where a particular organization decides to focus its efforts should be driven by business needs and priorities. But as the organizations accomplish these steps, the business benefits will begin to accumulate.

Here are some examples of organizations OneStream has worked with and results they were able to achieve.



SPX Corporation

SPX Corporation had been using multiple Hyperion applications for over 18 years, for data loads, consolidations, planning and forecasting, as well as Trintech for account reconciliations. Using multiple applications created challenges for the Finance and IT teams in keeping meta data synchronized across applications, integrating and reconciling data, maintaining and upgrading multiple systems, and managing reporting in a fragmented environment. Then, expiring support for SPX's legacy applications, combined with the prospect of an expensive upgrade, drove the team at SPX to consider their options, and they selected OneStream.

The SPX team has experienced many benefits from having one unified platform for actuals, plans, forecasts, tax data and account recons. To start, having a single platform makes life much easier for users in terms of loading data, reviewing results and drilling into the details. According to Keith Chapman, Director of IT for Corporate Applications, "OneStream has provided a huge benefit in keeping everything aligned, with automated control procedures in place, so when business changes happen, we can keep up. Tax and FP&A are no longer separated, actuals can be seeded into budgets, and we are no longer waiting for overnight processes. The tax team can leverage the roll-forward data from consolidation right into the tax solution. Users enter the data once, and it is leveraged across multiple processes."



Damen Shipyards

Damen Shipyards was in the process of rolling out a global IFS ERP system when the Finance team realized they needed a better way to oversee the organization. "We recognized that we needed another system on top of our global ERP system to bring all data together and give the flexibility to oversee data from recently acquired companies," said Jurriaan Koekebacker, Group Controller at Damen. "We were using SAP BPC for financial consolidation, but the system was ultimately being held together by Excel spreadsheets." This approach left the Finance team with a disjointed mess of data to manage.

With OneStream, Damen Shipyards has increased the level of maturity of its Finance function by unifying consolidation and forecasting. In addition, Damen increased its Finance agility and transparency via integrated statutory and project-based reporting using OneStream's unique data blending function. Damen has eliminated costs by reducing manual processing and simplifying the Finance-IT landscape. Especially, OneStream has helped Damen link strategy to plans and execution, making the company's goals more attainable than ever.



McCain Foods

McCain Foods had been using SAP BPC for 10+ years for financial consolidation, financial and management reporting. After considering several alternatives, including upgrading to a newer version of SAP BPC, McCain selected OneStream Software as its solution for financial consolidation, financial and management reporting — as well as for lease accounting.

With over 300 happy OneStream users, McCain reduced its monthly close process from six days to four days and now has a user-friendly and unified solution for financial reporting, management reporting and lease accounting.

To help navigate the COVID-19 disruption, McCain started using OneStream Cloud to move beyond the month-end close and reporting process and instead load and analyze sales volume and working capital data on a daily basis. As a result, through graphical dashboards, the CFO and Finance team are now able to view 7-, 14-, 21- and 28-day trends vs. the prior year. This increased visibility means they can spot key trends, update forecasts and make better, faster decisions that can positively impact business results.

Conclusion

The organizational growth and market volatility we're seeing in the 2020s is forcing Finance leaders to navigate an increasing amount of external and internal complexity. In order to "lead at speed," Finance executives and teams must master the basic Finance processes, then layer on more advanced capabilities that can drive strategic advantage. This layering includes streamlining and simplifying book of record financial reporting, implementing agile planning and forecasting, supporting strategic decision-making across the enterprise through period-end performance reporting, and then mastering the art of financial signaling.

While there's no specific roadmap to transform Finance, the six steps suggested in this white paper will help Finance leaders create a framework for conquering the complexities of their own processes and transforming Finance within their organizations. The customer examples covered highlight how these organizations have simplified their IT landscapes and reduced TCO for Finance applications, increased Finance team productivity, shifted more time to partnering with line-of-business leaders and increased their business agility. **Now that's leading at speed!**

About OneStream Software

OneStream Software provides a market-leading intelligent finance platform that reduces the complexity of financial operations. OneStream unleashes the power of finance by unifying corporate performance management (CPM) processes such as planning, financial close & consolidation, reporting and analytics through a single, extensible solution. We empower the enterprise with financial and operational insights to support faster and more informed decision-making. All in a cloud platform designed to continually evolve and scale with your organization.

OneStream's Intelligent Finance platform can easily be extended with over 50 solutions from the OneStream MarketPlace. These downloadable solutions are fully battle-tested and optimized for the OneStream platform. They allow customers to easily extend the value of their investment to meet the changing needs of finance and operations.

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COMPANY **LOGO**



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