Achieving the Dream of Digital Financial Transformation

Nick Shah
David Fourie

April 27, 2022

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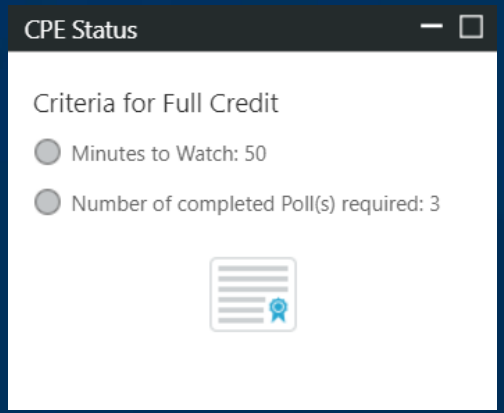

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Featured Presenter

Nick Shah

Head of CFO Business Architecture

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Nick Shah’s Biography

- Nick Shah is head of CFO Business Architecture at Aptitude Software. He brings over 20 years of experience in financial services and has spent the last decade with HSBC, most recently leading their Finance Cloud Transformation Program.

Featured Presenter

David Fourie

Finance Transformation Partner

KPMG

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David Fourie's Biography

- David Fourie collaborates with finance executives to transform their finance organization and to be ready for the future. With more than 22 years of experience in the KPMG Advisory and Audit practice, he understands both the financial reporting and business aspects of a finance organization.

Learning Objectives

1. Identify the top areas of digitalization that must be addressed by CFOs and finance leaders looking to create a new way forward for their organizations.
2. Recognize the pitfalls associated with automating accounting and finance – and how to navigate around them.
3. Discover perspectives from someone who has been through a digital financial transformation effort.

About Aptitude Software

Provides solutions that enable finance professionals to run their global businesses, forecast decision outcomes, and comply with complex regulations.

Uniquely combining deep finance expertise and IP-rich technology, Aptitude gives finance leaders the tools they need to transform their business and achieve their ambitions.

Aptitude is proud to have served the offices of finance for over 20 years, delivering financial control and insight to create a world of financial confidence for our global clients.

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Agenda

Part 1

- The Digital Finance Mandate
- Top 3 focus areas for finance digitization
- Top 3 steps to make digitization happen
- Digitization pitfalls & how to navigate around them
- The importance of real-time data

Part 2

- Perspectives from someone who's been through a digital financial transformation initiative

Poll Question 1:

Which of the following is the biggest challenge facing your finance team?

a. Lack of business agility due to legacy and siloed systems
b. Increasingly high cost and maintenance requirements of legacy systems
c. Time spend on manual processes and work arounds
d. Lack of confidence in the accuracy of finance data

Poll Question 1 Results: (Placeholder)

Part 1:

Digital financial transformation overview: why now, what to look for, pitfalls to avoid

The Digital Finance Mandate

Why Digitization? Why Now?

Business environment

Competition

Speed

What's needed: a more efficient mechanism of delivering to internal and external stakeholders

Top 3 focus areas for Finance Digitization

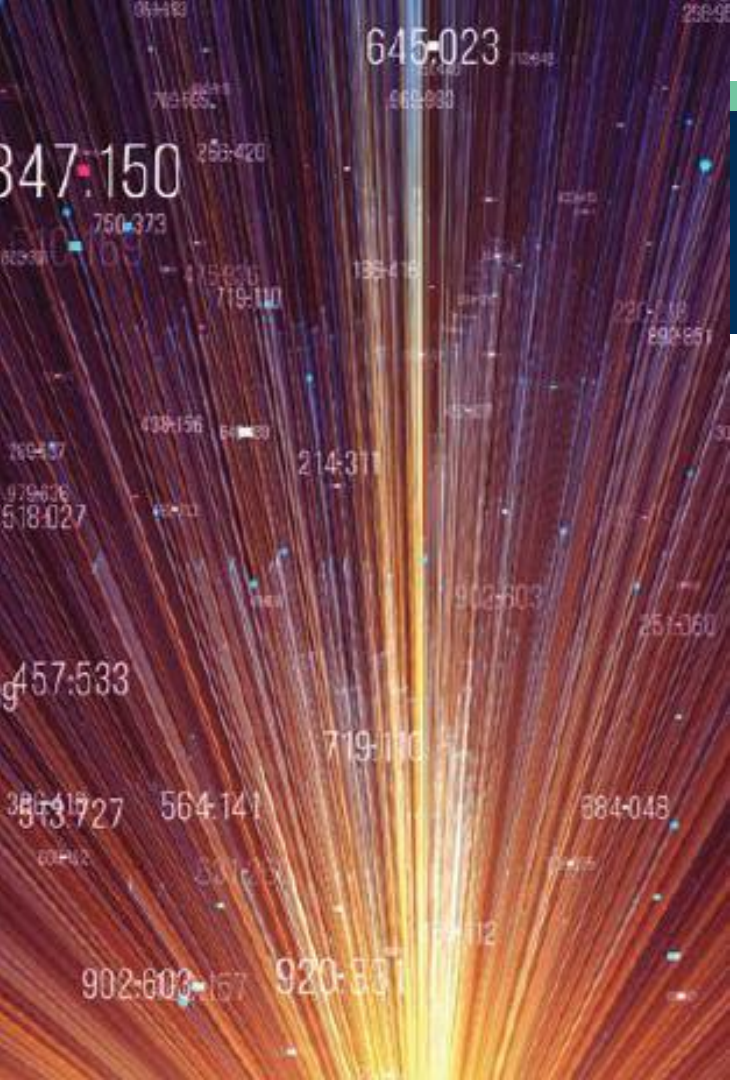
- Data
- Finance Technology
- Capabilities

Top 3 steps to make digitization happen

1. Have a clear definition of your future state

2. Understand the cost of what it will take to deliver against the vision

3. Ensure that the journey aligns with the organizational culture & business strategy



Digitization pitfalls & how to navigate around them

- Focusing on systems first, process second
- Unclear vision of your digital financial transformation end-state
- Downplaying the largest transformation challenge: DATA
- Going it alone

The Importance of Real-time Data

From real-time data comes:

Real-time scenario planning

Continuous close

Real-time insights

Cost reduction

More opportunities

Poll Question 2:

Looking ahead what would benefit your finance function most?

a. Automation of manual processes to increase efficiency and reduce risk
b. A centralized, trusted and accessible standardized data model
c. Real-time finance – removal of batch processing/month/quarter end processing for a ‘continuous close’, real-time reporting
d. Gaining access to trusted data to support FP&A and forward-looking activities

Poll Question 2 Results: (Placeholder)

Part 2:

Perspectives from someone who's been through a digital financial transformation initiative

Why take the digital finance transformation journey?

What are the catalysts for change?

Traditional finance focus: looking backwards

- Closing books, publishing a P&L and Balance Sheet, external disclosures (statutory or regulatory)

Finance Transformation: Re-balances the focus

- Improve capabilities & processes for business decision support become simpler to implement
- Cost efficiency, increased level of quality & control

Typical Finance functions may spend

60%+

of its time reporting on what has happened…

…and far less time on forecasting and supporting business decisions

Obtaining executive sponsorship & funding for a major finance transformation program

A clear business vision and goals

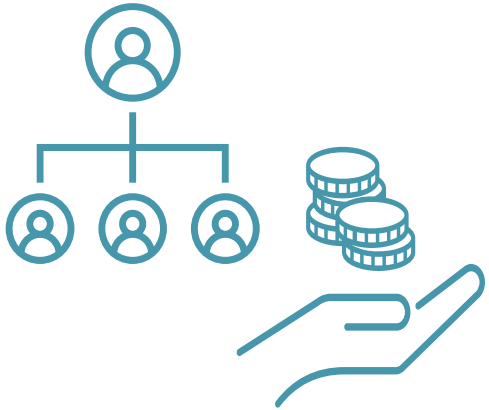
- Technology should NOT be the driver for change.

Understand your stakeholders and ensure they are engaged.

- Be clear on dependencies outside of the Finance function (e.g., Front Office, Risk, Compliance, HR, etc.)

Having a clear set of achievable outcomes is critical

- Be clear on what you won't achieve and items that are outside of your control



Poll Question 3:

Where are you with your Digital Financial Transformation journey?

a. Just researching and learning
b. It's being considered by my organization, but nothing set in motion
c. The project is approved, but we have not yet started
d. We have started our digital financial transformation project
e. We are in the middle to late stages of the project

Poll Question 3 Results: (Placeholder)

What is the best place to invest at the starting point of the finance transformation journey?

A clear definition of the following are required:

1) ***Business process*** and challenges – have a clear understanding of the current state problems you are attempting to solve, and how the business process will be setup in the target state
2) ***Data*** – identify your current data architecture and pain points and identify how best to obtain that single granular reconciled dataset for Finance.
3) ***Technology Capabilities*** – based on the business processes and data architecture, identify the right technology modules for each Finance process.

The Finance Transformation journey will take time, it's essential to consider the first critical implementation milestone that will evidence:

- The ability of the transformation program to deliver
- The data and technology strategies defined will deliver the right outcomes
- The business outcomes are realistic and achievable

Most importantly, the first release should build momentum for the Transformation journey.

How did you make your technology choices to take you on your Financial Transformation journey?

- **Consider data and technology architectures together – they most be coherent and integrated**
- **Understand the current state you operate in, and the challenges**
- **Know what is viable to achieve the transformation outcomes**

From a data perspective, identify the trusted sources that will deliver a single granular dataset, that is accurate, complete, timely and reconciled. Alignment to the ledgers and sub-ledgers is critical.

From a technology perspective, there are a multitude of Finance use-cases, and one solution will not fit all, and hence a micro-service composable architecture is required. Identify the application that best meets business needs but equally important is its ability to integrate into a single data fabric.

Poll Question 4:

What do you see as the most important driver for finance transformation?

a. To address regulatory accounting changes
b. To increase automation and operational efficiency
c. To optimize resources and reduce total cost of ownership
d. To better leverage data and analytics for business insight

Poll Question 4 Results: (Placeholder)

Questions and Answers

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Thank You to Our Featured Presenters!

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Final Reminders

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