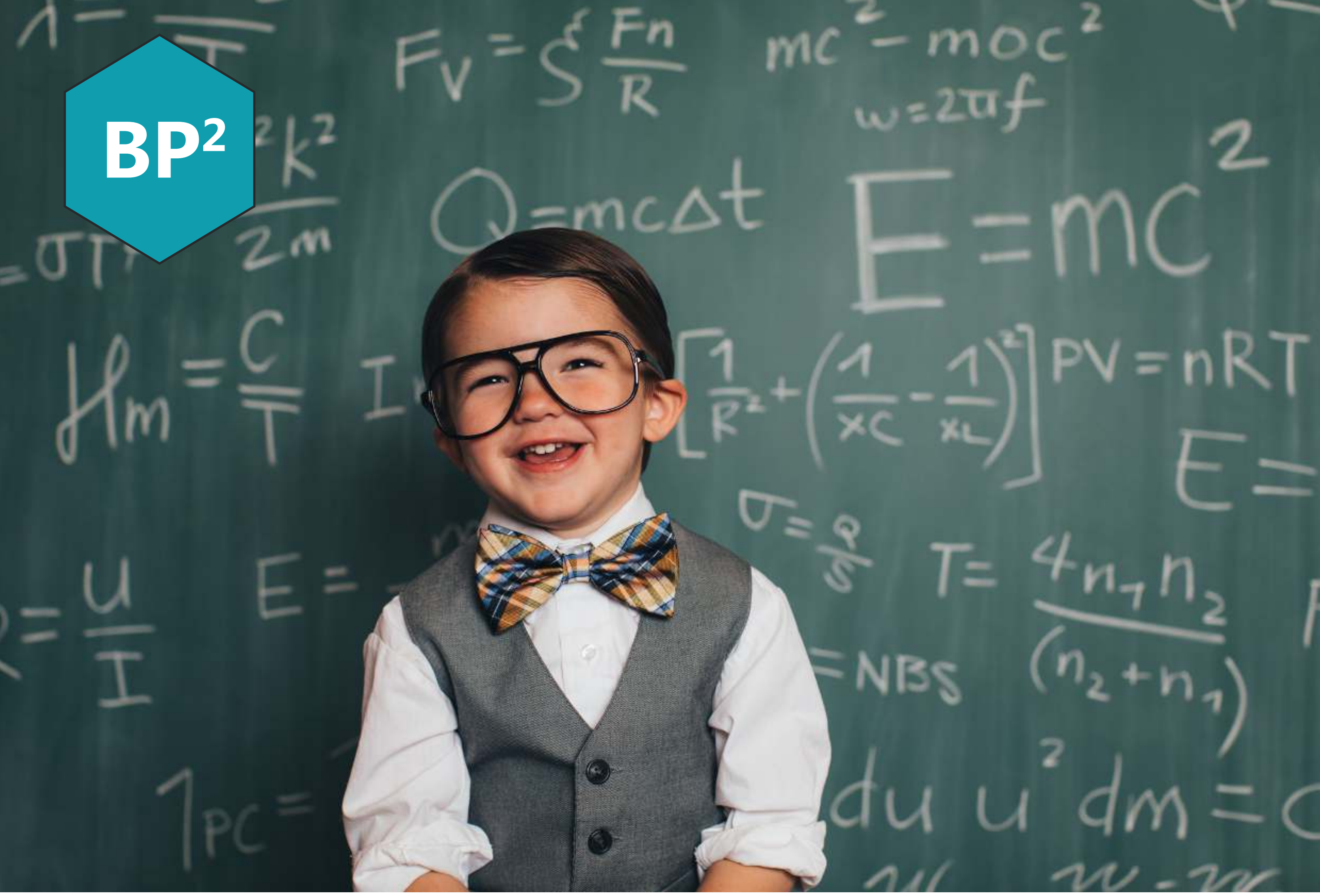


The Future of Business Partnering

Global Survey 2019

Insights from the FSN
Modern Finance Forum
on LinkedIn

FSN®
The Modern Finance Forum

board
Sparking your business imagination

Giovanni Grossi
CEO and Co-Founder of Board International

Dear Colleagues,

One of the core aspects of the Board platform is the collaboration it drives between different business departments, and for this reason we are proud to have sponsored this FSN research report, which makes for some very interesting reading. Gary Simon and the FSN team have done a fantastic job in identifying key trends and challenges facing business partners today, providing a great starting point for organizational transformation in the area.

FSN's "Future of Business Partnering" Survey 2019 is one of the largest surveys of its kind, covering responses from than 660 senior finance professionals worldwide. It is the first time that there has been an in-depth study in this area and it reveals startling insights about the scope of business partnering, different styles of delivery, and the impact of data preparedness and organizational size on the success of the role.

Whilst 88% of senior finance professionals consider themselves to be business partners, there are profoundly different views of what business partnering entails, ranging from the traditional financial management tasks all the way through to prompting change and innovation in core financial processes. Although the vast majority of finance professionals remain entrenched in their traditional roles, around a quarter point the way forward to a new era of business partnering centered on top line growth, strategic alignment, and encouraging process change and innovation. We call this new generation of business partner BP^2 (BP Squared) to illustrate the step-change that is involved in migrating from current thinking to the leading edge of business partner delivery.

"Data mastery" is revealed as crucial to effective business partnering. Finance organizations that have mastered their data have the time and space to devote to innovation and change, whereas those whose data is not comprehensive and well-managed find themselves bogged down in traditional finance activities.
Data mastery is defined as the capability to generate a unique representation of the truth in terms of data and to deliver business insights to all operations functions by combining Performance Management, Business Intelligence, and Predictive Analytics within a single robust environment like the Board platform.

Large organizations in particular tend to have a formal and mature business partnering model yet are hampered by lack of process standardization and automation, which holds them back from delivering business partner excellence. Within this context, business partnering efficacy can be sensibly fostered by streamlining internal processes, integrating different environments, automating data flow delivery, and eliminating spreadsheet plastering using platforms like Board.

The area where the most developmental work is required is around the measurement of business partnering success. While more than 90% of business partners assert that their activities contribute to profitability, 57% of organizations say that have no agreed way of measuring the success of their endeavors. Despite these challenges our research has been able to identify three models of assessment that go some way to measuring the success of business partnering activity.

Nevertheless, the difficulty in quantifying the contribution of business partnering should not be underestimated. In this regard, platforms like Board are able to measure business partnering effectiveness by generating a set of dashBoards, KPIs (which are useful for periodically quantifying the impact of business partnering on company value creation), as well as KBIs (key business indicators, used to explain financial planning through operational data and business drivers).

We hope that you find the survey findings set out in this document thought-provoking and a source of inspiration to explore and discuss business partnering and innovation in your own organization.

Giovanni Grossi

Giovanni Grossi
CEO and Co-Founder of Board International

Executive Summary

Business Partnering

The concept of finance providing business support to operational divisions is not new. For some time, progressive companies have encouraged the finance function to exert its influence and spread its insight beyond the four accounting walls. But it is only recently that business partnering really gone mainstream. In the technologically supercharged business environment, business partnering is essential to staying competitive.

But the pervasiveness of business partnering doesn't translate into universal effectiveness. There are widely different definitions of the process, various levels of engagement, contrasting approaches to partnerships and an as yet undecided view on measuring its success.

Field of vision

Business partnering is the process of collaboration between finance executives and operational management that widens the reach of financial insight and benefits the whole company. How wide this influence goes and what it includes is a matter of some debate though.

This survey found that most CFOs see the scope of business partnerships as a mix of financial knowledge and commercial support, challenging budgets and providing some strategic advice on commercial decision-making. This is the traditional way of viewing the relationship and is certainly a useful starting point for companies at the beginning of their journey.

But it isn't necessarily enough anymore. Business partnering has been around for long enough that your competitors may already have moved on to the next iteration of the process. These are business partners that are also agents of change, actively exploring new business models, seeking out innovation across the organization, and pushing for process change.

Then again maybe not. Only 19% of respondents said their business partnering style was to act as change agents. Meanwhile 35% hardly scratched the surface of the relationship because they limited themselves to a highly finance-centric approach, or applied such a light touch to their partnerships that finance was only occasionally approached for operational decision-making. The remaining 46% of finance business partners are seen as trusted advisors who are sought out for operational decisions, which is effective but not necessarily proactive.

Data mantra

The data revolution is in many ways responsible for the rise in finance business partnering, as well as its enabler. Technology has brought so much more information to the fore, and companies are using it to steal a march on their competitors. This is forcing organizations to fight back by using business partnerships to expand the financial insight brought about by the data revolution into other areas of the business. But the survey shows that they are only as strong as the data that underpins it.

78% of respondents were either overwhelmed by too much poorly managed data, constrained by the access to the right data, or hamstrung by a lack of technology to use it generate insight. Only 22% had achieved data mastery where they actively manage their data as a corporate asset and have the tools to manage and analyze it to deliver competitive advantage.

Those data masters generate the most effective business partnerships, delivering change and enjoying the high regard of the operational functions which they support. Meanwhile the laggards have to contend with under-developed processes that exhibit lack of standardization and automation.

Best measurements

How do you know if you’re getting it right, or pouring time and effort into an ineffective endeavor? Not only is business partnering difficult to define and subjective in approach, it is also notoriously hard to measure. Many of the outcomes of the partnership are intangible, like the collaborative relationships that build up over time, the nuanced understanding of the financial impacts of operational decisions, and the cultural improvements that occur when different departments work together.

Many survey respondents said they have inadequate or non-existent measuring capabilities, and those that do offered up an array of solutions. The most common was the survey or appraisal method, which while subjective, does allow partners to ‘rate’ their partnership and provide feedback on their contribution. Other finance executives choose to measure business partnerships in the same way they measure financial business goals, using metrics like revenue, profit and cash generation. The issue with this is establishing a causal link between the business partnership and the financial outcome.

Still others choose to hold all parties accountable from the beginning, collaboratively establishing specific targets for the business partnership to ensure there are very tangible outcomes linked to the process.

Smaller is nimble

The size of organization also has some bearing on whether business partnering will be effective or not. Smaller companies tend to produce more satisfactory outcomes and are held in higher regard than their larger counterparts. This is at least in part because everyone is expected to muck in, they're usually physically located closer to one another, and there may be less financial data to manage or share.

Large corporates meanwhile are more organized in their approach and are more likely to have a business partnering title to go with the job. But despite regulated channels to go through, they are not as well regarded as partners in smaller organizations and come up against substantial hindrances like a lack of automation and standardization.

But at least they are more effective than mid-size companies which fall into the cracks between 'small and nurturing', and 'big and resourceful'. Mid-sized companies scored poorly on several metrics of business partnering efficacy. It's not a fait accompli though. Mid-sized companies looking to spark change through business partnering must manage their relationships with a small-sized collaborative mentality using their mid-sized resources.

When companies are up against nimble start-ups and business model disruptors, they need to build strong and collaborative relationships at the epicenter of the finance function. Wherever business partners are on their journey, business partnering is viewed as an important tool in the corporate arsenal.

HOW TO CLOSE THE GAP BETWEEN FINANCE EXECUTIVES AND OPERATIONAL MANAGEMENT

Business partnering between the finance and operations functions is a distinctive competence which can create significant competitive advantage for a corporation. One of the most relevant factors enabling effective business partnerships is data mastery within the CFO's office, defined as the capability to:

- **Easily integrate data from multiple sources**
- **Generate a unique representation of the truth in terms of data** - which is considered reliable and consistent by everyone inside the corporation
- **Deliver fact-based business insights** to all operations functions

These capabilities require the right amount of digitalization and, by combining Business Intelligence, Performance Management, and Predictive Analytics in a single environment, a robust decision-making platform like Board is the pathfinder across the challenges faced by CFOs in closing the gap between financial and non-financial information.

Chapter 1

BP^2 – The Next Generation of Business Partner

Accelerate the evolution with the next generation of decision-making solutions

BP² – the next generation of Business Partner

The role of business partner has become almost ubiquitous in organizations today. According to respondents of this survey, 88% of senior finance professionals already consider themselves to be business partners. This key finding suggests that the silo mentality is breaking down and, at last, departments and functions are joining forces to teach and learn from each other to deliver better performance.

***88%** of CFOs consider themselves to be a business partner*

But the scope of the role, how it is defined, and how senior finance executives characterize their own business partnering are all open to interpretation. And many of the ideas are still hamstrung by traditional finance behaviors and aspirations, so that the next generation of business partners as agents of change and innovation languish at the bottom of the priority list.

The scope of business partnering

According to the survey, most CFOs see business partnering as a blend of traditional finance and commercial support, while innovation and change are more likely to be seen as outside the scope of business partnering.

***45%** of CFOs struggle to make time for business partnering*

57% of senior finance executives strongly agree that a business partner should challenge budgets, plans and forecasts. Being involved in strategy and development followed closely behind with 56% strongly agreeing that it forms part of the scope of business partnering, while influencing commercial decisions was a close third.

The pattern that emerges from the survey is that traditional and commercial elements are given more weight within the scope of business partnering than being a catalyst for change and innovation. This more radical change agenda is only shared by around 36% of respondents, indicating that finance professionals still largely see their role in traditional or commercial terms. They have yet to recognize the finance function's role in the next generation of business partnering, which can be the catalyst for innovation in business models, for process improvements and for organizational change.

Traditional and commercial business partners aren't necessarily less important than change agents, but the latter has the potential to add the most value in the longer term, and should at least be in the purview of progressive CFOs who want to drive change and encourage growth.

Unfortunately, this is not an easy thing to change. Finding time for any business partnering can be a struggle, but CFOs spend disproportionately less time on activities that bring about change than on traditional business partnering roles. Without investing time and effort into it, CFOs will struggle to fulfill their role as the next generation of business partner.

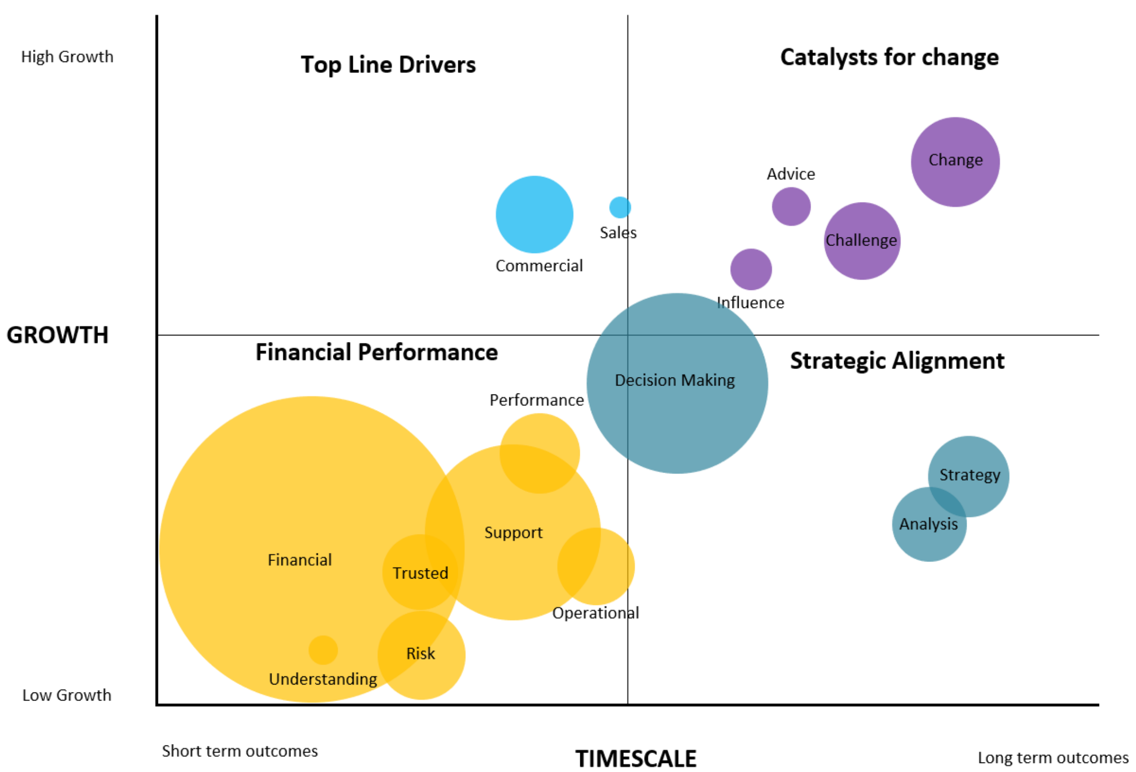
Overall 45% of CFOs struggle to make time for any business partnering, so it won't come as a surprise that, ultimately, only 57% of CFOs believe their finance team efforts as business partners are well regarded by the operational functions.

The four personas of business partnering

Ask a room full of CFOs what business partnering means and you'll get a room full of answers, each one influenced by their personal journey through the changing business landscape. By its very variability, this important business process is being enacted in many ways. FSN, the survey authors did not seek to define business partnering. Instead, the survey asked respondents to define business partnering in their own words, and the 366 detailed answers were all different. But underlying the diversity were patterns of emphasis that defined four 'personas' or styles of business partnering, each exerting its own influence on the growth of the business over time.

A detailed analysis of the definitions and the frequency of occurrence of key phrases and expressions allowed us to plot these personas, their relative weight, together with their likely impact on growth over time.

The Four Personas or Business Partnering:



The size of the bubbles denotes the frequency (number) of times an attribute of business partnering was referenced in the definitions and these were plotted in terms of their likely contribution to growth in the short to long term.

Of the 383 business partnering definitions received a clear majority focused on financial performance as opposed to BP^2 activities

The greatest number of comments by far coalesced around the bottom left-hand quadrant denoting a finance-centric focus on short to medium term outcomes, i.e. the traditional finance business partner.

But there was an encouraging drift upwards and rightwards towards the quadrant denoting what we call the next generation of business partner, "BP^2" (BP Squared) a super-charged business partner using his or her wide experience, purview and remit to help bring about change in the organization, for example, new business models, new processes and innovative methods of organizational deployment.

Relatively few of the 383 business partners offering definitions of a business partner, concerned themselves with top line growth i.e. with involvement in commercial sales negotiations or the sales pipeline – a critical part of influencing growth.

Finally, surprisingly few finance business partners immersed themselves in strategy development or saw their role as helping to ensure strategic alignment. It suggests that the ongoing transition of the CFO's role from financial steward to strategic advisor is not as advanced as some would suggest.

Financial Performance drivers

Most CFOs and senior finance executives define the role of the business partner in traditional financial terms. They are there to explain and illuminate the financial operations, be a trusted, safe pair of hands that manages business risk, and provide some operational support. The focus for these CFOs is on communicating a clear understanding of the financial imperative in order to steer the performance of the business prudently.

This ideal reflects the status quo and perpetuates the traditional view of finance, and the role of the CFO. It's one where the finance function remains a static force, opening up only so far as to allow the rest of the business to see how it functions and make them more accountable to it. While it is obviously necessary for other functions to understand and support a financial strategy, the drawback of this approach is the shortcomings for the business as a whole. Finance-centric business partnering provides some short-term outcomes but does little to promote more than pedestrian growth. It's better than nothing, but it's far from the best.

The four personas are not mutually exclusive. Some CFOs view business partnering as a combination of some or all of these attributes

Top-Line Drivers

In the upper quadrant, top line drivers focus on driving growth and sales with a collaborative approach to commercial decision-making. This style of business partnering can have a positive effect on earnings, as improvements in commercial operations and the management of the sales pipeline are translated into revenue. But while top line drivers are linked to higher growth than financial-focused business partners, the outcome tends to be only short term.

The key issue for CFOs is that very few of them even allude to commercial partnerships when defining the scope of business partnering. They ignore the potential for the finance function to help improve the commercial outcomes, like sales or the collection of debt or even a change in business models.

Strategic Aligners

Those CFOs who focus on strategic alignment in their business partnering approach tend to see longer term results. They use analysis and strategy to drive decision-making, bringing business goals into focus through partnerships and collaborative working. This business benefit helps to strengthen the foundation of the business in the long term, but it isn't the most effective in driving substantial growth. And again, there is a paucity of CFOs and senior finance executives who cited strategy development and analysis in their definition of business partnering.

Catalysts for change

The CFOs who were the most progressive and visionary in their definition of business partnering use the role as a catalyst for change. They challenge their colleagues, influence the strategic direction of the business, and generate momentum through change and innovation from the very heart of the finance function. These finance executives get involved in decision-making, and understand the need to influence, advise and challenge in order to promote change. This definition is the one that translates into sustained high growth.

The four personas are not mutually exclusive. Some CFOs view business partnering as a combination of some or all of these attributes. But the preponderance of opinion is clustered around the traditional view of finance, while very little is to do with being a catalyst for change.

How do CFOs characterize their finance function?

However CFOs choose to define the role of business partnering, each function has its own character and style. According to the survey, 17% have a finance-centric approach to business partnering, limiting the relationship to financial stewardship and performance. A further 18% have to settle for a light-touch approach where they are occasionally invited to become involved in commercial decision-making. This means 35% of senior finance executives are barely involved in any commercial decision-making at all.

***35%** of CFOs are barely involved in commercial decision-making*

More positively, the survey showed that 46% are considered to be trusted advisors, and are sought out by operational business teams for opinions before they make big commercial or financial decisions.

But at the apex of the business partnering journey are the change agents, who make up a paltry 19% of the senior finance executives surveyed. These forward thinkers are frequently catalysts for change, suggesting new business processes and areas where the company can benefit from innovation. This is the next stage in the evolution of both the role of the modern CFO and the role of the finance function at the heart of business innovation. We call CFOs in this category BP² (BP Squared) to denote the huge distance between these forward-thinking individuals and the rest of the pack.

Measuring up

Business partnering can be a subtle yet effective process, but it’s not easy to measure. 57% of organizations have no agreed way of measuring the success of business partnering, and 34% don’t think it’s possible to separate and quantify the value added through this collaboration.

Yet CFOs believe there is a strong correlation between business partnering and profitability- with 91% of respondents saying their business partnering efforts significantly add to profitability. While it’s true that some of the outcomes of business partnering are intangible, it is still important to be able to make a direct connection between it and improved performance, otherwise those efforts may be ineffective but are allowed to continue.

One solution is to use 360 degree appraisals, drawing in a wider gamut of feedback including business partners and internal customers to ascertain the effectiveness of the process. Finance business partnering can also be quantified if there are business model changes, like the move from product sales to services, which require a generous underpinning of financial input to be carried out effectively.

Business partnering offers companies a way to inexpensively pool all their best resources to generate ideas, spark innovation and positively add value to the business. First CFOs need to recognize the importance of business partnering, widen their idea of how it can add value, and then actually set aside the enough time to become agents of change and growth.

DO YOU LACK THE DEPTH OF ACTIONABLE INSIGHT REQUIRED TO TAKE DECISIONS TO THE NEXT LEVEL?

HOW A PLATFORM-BASED SOFTWARE SOLUTION ENABLES YOU TO STEER YOUR COMPANY IN THE RIGHT DIRECTION

The expansion of the CFO's scope outside core activities such as accounting, planning & control, treasury, mid-long term financing, and risk management is increasingly becoming an imperative choice in order to maximize corporate value creation. The possibility for senior finance executives to jump from financial performance drivers to top-line drivers, strategic aligners, or catalysts for change depends on the ability of the finance function to enter into the underlying operations of processes**. These capabilities are fostered by decision-making platforms and solutions which are able to channel business data from operational processes to a finance control tower.**

CASE STUDY 1: Board Integrated Corporate Planning at Coca-Cola European Partners

How to spotlight a Fast-Moving Consumer Goods Supply Chain and enable digital driver-based planning from production to delivery

About Coca-Cola

Coca-Cola European Partners is the world's largest independent Coca-Cola bottler. Built on almost 100 years of European heritage, the company is the market leader in one of the biggest Fast-Moving Consumer Goods (FMCG) sectors, worth over €100 billion. The business provides an extensive range of leading drinks brands to over 300 million consumers across 13 European countries.

Customer Profile

- Industry: Fast-Moving Consumer Goods (FMCG)
- Consumers: 300 million
- Liters of branded product sold every year: 14.2 billion
- Unit cases sold annually: 2.5 billion
- Countries: 13
- Employees: 25,000
- Revenue: €11.1 billion
- Operating Profit: €1.5 billion
- Operating Expenses: €2.8 billion
- Earnings per share: €2.12

Board Project Overview

Division: Supply Chain Finance
Implemented solution: Integrated Corporate Planning- Driver Based Supply Chain Planning and Forecasting
Project scope: Manufacturing (48 plants), Warehousing (85 sites), Cold Drinks Operations & Logistics
User types: CFO, Head of SCM, Controllers, Department and Plant Managers

Starting point: how to spotlight the "gray world" of supply chain

To understand the challenge of Coca-Cola and the consequent Board solution, we start with the company's desire to transform its Supply Chain Finance according to three guidelines: leaner finance, automated planning, and optimized reporting. As the Senior Manager of Planning & Performance Management processes at Coca-Cola European partners, states, *"This is a true story of a business case of complex corporate finance made simple (or at least greatly simplified)."*

"Board allows us to consolidate in a split second! Yes, consolidation can happen with a single button! Yes, consolidation can happen for 48 manufacturing plants, 85 warehouses and everything you can imagine around distribution, up to the single vending machine! At the beginning I was very skeptical, but I can guarantee you that it works!"

Senior Manager, Planning & Performance Management at Coca-Cola European Partners

As enablers of this transformation, the Group identified three connected intervention areas:

- **The evolution of planning methodology from the "classic" finance approach to the adoption of Driver-Based Planning**
- **Digital innovation; moving away from Excel and Access to implement a modern solution to achieve integrated corporate planning and analysis**
- **Enhancement of the organization's mindset and communication among the different teams**

In a nutshell, the Group aimed to combine a new software solution with a new way of doing planning, underpinned by comprehensive communication across the company:

"This transformation involved pretty much the whole scope of our Supply Chain Finance department, that is half of our Coca-Cola world" stated the manager. "We refer to this field as "the gray world" simply because – compared to more visible areas such as Sales and Marketing – the supply chain gives rise to both technological and financial complexities. Therefore, it was extremely critical for us to engage the finance functions in our vision of transformation."

Transformation "at work": Driver-Based Planning
The concept of Driver-Based Planning can be simplified in one sentence: financial planning explained through operational data and business drivers (or business metrics, KBI – Key Business Indicators). It covers something that conventional planning is not able to do; it closes the gap between targets, forecasts, and resource allocation. Coca-Cola European Partners needed a solution that could combine both financial and operational analysis and planning to effectively enable the driver-based planning approach.

Board turned out to be the best fit for Coca-Cola's needs because one of its unique native features is the seamless unification of analysis, planning, and simulation in a single environment. Furthermore, Board could fulfil one of the most important requirements of the driver-based planning approach: *"picking only those variables – which we call drivers - that are tangible in terms of the control of the management. In this way the driver-based planning can be "digestible" and – finally – bridge finance teams with their operational business partners" explained the manager.*

The KBIs Coca-Cola monitors and controls for its driver-based planning are grouped as follows:

LEADING KBIs
- Sales Volume
- Production Volume
- Full Time Equivalents (FTEs)
- Productivity

LAGGING KBIs
- Payroll Variance
- Line Speed
- Returns

“Imagine a production line- let’s suppose it’s the bottling/canning line. As you may know, that line has a particular speed of bottles per hour and a particular productivity level based on the productivity of the people who work on that line. You might have a crew composed by four operators, one technician, and two asset care planners to enable that production line to work, and essentially you have production volume or estimated production volume that has to run on the line itself” explained the manager.

Thanks to Board, Coca-Cola can easily check and analyze how much salary, social security benefit, payroll tax, etc. it needs to pay to the above-mentioned operators, technicians, and care planners who work on the canning line. They can also instantly see how much electricity and water that production line is consuming, as well as how much maintenance and preventive care they need to do.

This reporting and analysis is seamlessly combined with the simulation capabilities of the Board platform itself. Let us suppose, for example, the production controller wants to evaluate a hypothetical operational change in the crew pattern of a specific production line, and consequently a change in the work schedule. Through the simulation capabilities of Board, the controller will be able to see the financial impact of those changes, e.g. the cost of labor and the cost of utilities, enabling them to decide which changes to the crew pattern or work schedule are best.

“By the click on a button and a few calculations and algorithms working in the background, we are able to immediately gain full control of the operational data,” continued the manager. “In fact, we can immediately get a fully-fledged plan, and this is exactly the concept of bridging finance teams with their operational business partners and making them talk to each other. In this way, operational people - or whatever business people we can imagine - can directly link the operational data to the financial data, keeping the health of the company under control. In the past I had to adjust – for example – one particular P&L line, basing my choices on gut feeling. But today, thanks to Board, we can justify our decisions directly on operational data.”

From manufacturing plants to vending machines: all FMCG supply chain activities on the Board platform

As an FMCG company, Coca-Cola European Partners needs to ensure full supply chain visibility as well as complete harmonization between various production and delivery stages at all times. To achieve this, rigorous planning processes and frequent forecasting are required, as well as monitoring of closing activities.

As part of the company’s cold drinks operations, all vending machines found in local stores need to be managed and controlled, including their placement, activities, movement, and maintenance. Line-of-business managers in manufacturing, warehouses, and logistics, among others, must derive tangible business value from the huge pool of data created by this process and generate a healthy flow of information throughout the value chain.

“What we cover with Board is pretty much the whole myriad of activities that supply chain touches today,” stated the manager. “This means 48 plants, 85 warehouses, everything that you can imagine around distribution, from trade to branch local delivery division, and so on. Everything is integrated into the Board platform: every site, plant and any aspect of logistics.”

Project scope:

- **Weekly & Monthly forecasting (mid-month & end-month)**
- **Monitoring of Closing activities**
- **Annual Business Planning / Budgeting**
- **Full-fledged country consolidation & monthly reporting**
- **European Group/Total Coca-Cola European Partners Supply Chain consolidation**

"In light of the areas of transformation we undertook – a new planning methodology, digitalization, and new cultural mindset – Board has allowed us to positively achieve our project goals, delivering ***time efficiency, process automation, standardization and data centralization, and increasing ease of use and system maintainability as well,****" says the manager.*

Time efficiency in finance activities: 10% manual and 90% digital

Thanks to the digital transformation of financial activities with Board, Coca-Cola European Partners now saves significant amounts of time, allowing teams to focus on analytics and decision-making and find opportunities for continuous improvement, rather than spending time on manual, non-value-added work.

"10% of the input of our finance supply chain activities are based on country-specific business insights, whereas 90% consists of pre-populated Profit & Loss outputs thanks to the value driver methodology and the automation of operational data input" explained the manager. "We do not want finance people to struggle with all the tedious sequential steps of preparing a plan: we wanted to digitalize this area and that's what we've succeeded in doing with the Board platform."

Time efficiency in data transfer: breaking the "status quo" from 24 hours to 15 minutes

Alongside time efficiency from a financial standpoint, Board has enabled Coca-Cola to increase efficiency from a data transfer perspective. Before implementing Board the company was stuck in a "culture" of overnight data loads and transfers due to system performance. As today's organizations deal with a huge amount of data, it is essential to have updated, relevant information in (nearly) real-time; allowing employees to quickly gain the most recent meaningful insights to boost planning cycles and decision-making processes.

"Now we have a data transfer every 15 minutes from our ERP system to the cloud and from the cloud to Board, and we can effectively monitor how our data transfer is evolving at any given time per country. We can prepare complete financial statements from a profit and loss perspective. So, compared to the 24 hour-cycle we were committed to before, 15 minutes is definitely a great revolution and the breaking of status quo, as well as out-of-the-box thinking."

Live Status Tracker: when automation means keeping pace with fast changes
In the FMCG industry, more than others, small numerical changes can have a remarkable impact on the whole planning processes, up to the very top of the supply chain consolidation. Before using Board's automation capabilities, Coca-Cola struggled with complex Excel files and Access Databases linked together, not always allowing multiple users to access information. Different teams and managers had to periodically communicate with each other to be sure they were all aligned. Everyone from the CFO to the Head of SCM, Controllers, Departments, and Plant Managers needed to call one another each month and ask the people in charge of a given planning process if they were still working on their numbers or if the current values could be trusted, then pick them and carry on to the next step within the hierarchy.

"Unfortunately, more often than not, after preparing the financial statements or the forecast, closing the cycle, and assuming everything was done, we realized the next month that the numbers changed because somebody, somewhere, in some plans had changed one number, consequently impacting on everything!" continues the manager. ***"Instead, today, thanks to Board's status tracker cockpit, we can always monitor how planning is going, who is still working, who is ready, and who has any impediment with the planning process."***

The "mother of all buttons": consolidation with one click
Historically, Coca-Cola European Partners has undergone many mergers and acquisitions, with every entity coming from a different background and bringing its own way of planning and its own business metrics, logics, and methodologies. With Board, the business can ***automatically perform full country consolidation***, ensuring data consistency and providing deep insight into financial and operational results. Within the Board solution, Coca-Cola's teams find a red button labeled Approve All. ***"We call it that little red button, 'the mother of all buttons', just because it allows us to consolidate in a split second! Yes, consolidation can happen with a single button! Yes, consolidation can happen for 48 manufacturing plants and for 85 warehouses! At the beginning I was very skeptical, but I can guarantee you that it works!"*** said the manager.

Board allows the group to carry out analysis, planning, and simulation within a single environment that has a consistent logic and analyzes and reports on the same sets of data in the same way across the entire organization. In fact, leveraging the Board platform's advantages, Coca-Cola European Partners has effectively achieved standardization and data centralization, also enhancing a shared service center and a Center of Excellence in Bulgaria that is responsible for all the data loads and the data inputs. This center can centrally control the whole process of standardized planning, as well as any analysis and reports, from one location for all the other countries in which Coca-Cola European Partners operates.

Behind the scenes: data transparency

Through rapid development time, Board has given Coca-Cola European Partners an effective combination of automation and standardization thanks to a unified environment for analysis, reporting, planning, and automatic forecast generation. This has been a digital revolution, achieved by the alliance of methodological principles with outstanding technology: *"It's not a single application that can start a revolution; rather it is the blend of all the applications we have developed on the Board platform, together with its architecture and all-in-one BI and EPM approach, its flexibility, and its advanced Graphical User Interface (GUI) as well"* explained the manager. ***"Board has given us the efficiency that everybody was pursuing and that management wanted to see in the entire planning process."***

But this kind of project could not be achieved without a solid data baseline: optimization, efficiency, digitalization, and automation is just the tip of the iceberg. Below the surface there are other benefits to consider, such as data transparency across the full decision-making process: *"When I say that Board ensures our company data availability and integrity, I'm not merely talking about the traditional idea of 'garbage-in, garbage-out"; rather, I mean the capability to empower the organization with a sustainable process that provides the data on time and in good quality" claimed the manager.*

How to engage everyone in the company and drive change: ease of use and communication

When a relevant change is introduced in an organization, it is fundamental to actively include all those concerned. In this way the implementation is likely to succeed and be well received by people throughout different departments and hierarchies. As the manager highlighted, *"you need to know your crowd to be able to implement such a transformation quickly, and be strategically aligned. Absolutely all stakeholders within the company must be aligned to what management would like to achieve...otherwise the "roadblocks" could be quite big".*

Alongside technical support during project management, t**he ease of use and flexibility of the Board platform have helped Coca-Cola European Partners to effectively and smoothly adopt the new solution.** From the end-user standpoint Board's integration with Excel and the rest of the Microsoft Office suite – traditionally embedded in every finance function – has made user adoption even easier. **Furthermore, finance applications are now directly maintained by finance team itself, therefore creating independence from the IT department.**

Board's embedded workflow functionality has enhanced visibility among Coca-Cola's employees and senior management teams, both at the country and overall European levels. On the same platform the company can now monitor any manufacturing plant, warehouse, logistics processes and cold drinks operations for each single country. On the same platform the management can control the progress report of all the plans and forecast submissions coming from all the European countries. This effective combination of a detailed view and a "big picture" translates into better user adoption and addresses the management team's need to keep a close eye on the activity of the workforce.
People within the company have also appreciated the technical performance of Board, such

as its speed and the user-friendliness of the cloud-based platform. *"We have a lot of central teams as well as local teams in each country and everyone can recognize the benefits of Board for the company,"* commented the manager. *"All users are now integrated within the same platform. Thanks to Board we can address the full planning scope, not only parts of it such as monthly reporting. A**bsolutely every user that has one role in the planning cycle is already engaged with the Board platform.** That allows us to promote communication across the entire organization, so that we can effectively drive the change,"* concluded the manager.

*The content and views discussed in this case study represent the information shared by Coca- Cola European Partners during the BoardVille event on Monday 14th May 2018.

Chapter 2

Data to Support Business Partnering

How to combine integration and data governance to master your company's information

Data unlocks business partnering

Data is the most valuable organizational currency in today's competitive business environment. Most companies are still in the process of working out the best method to collect, collate and use the tsunami of data available to them in order to generate insight. Some organizations are just at the start of their data journey, others are more advanced, and our research confirms that their data profile will make a significant difference to how well their business partnering works.

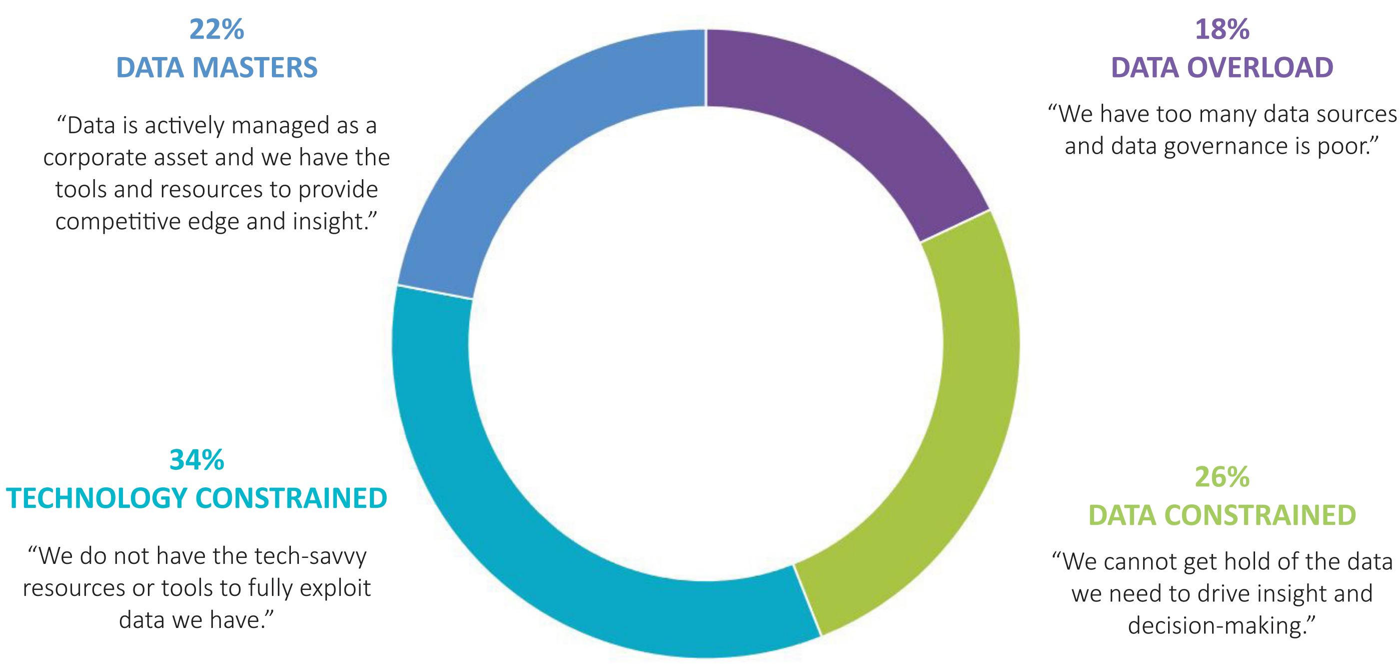
The survey asked how well respondent's data supported the role of business partnering, and the responses showed that 18% were data overloaded. This meant business partners have too many conflicting data sources and poor data governance, leaving them with little actual usable data to support the partnering process.

26% were data constrained, meaning they cannot get hold of the data they need to drive insight and decision-making. And a further 34% were technology constrained, muddling through without the tech savvy resources or tools to fully exploit the data they already have. These senior finance executives may know the data is there, sitting in an ERP or CRM system, but can't exploit it because they lack the right technology tools.

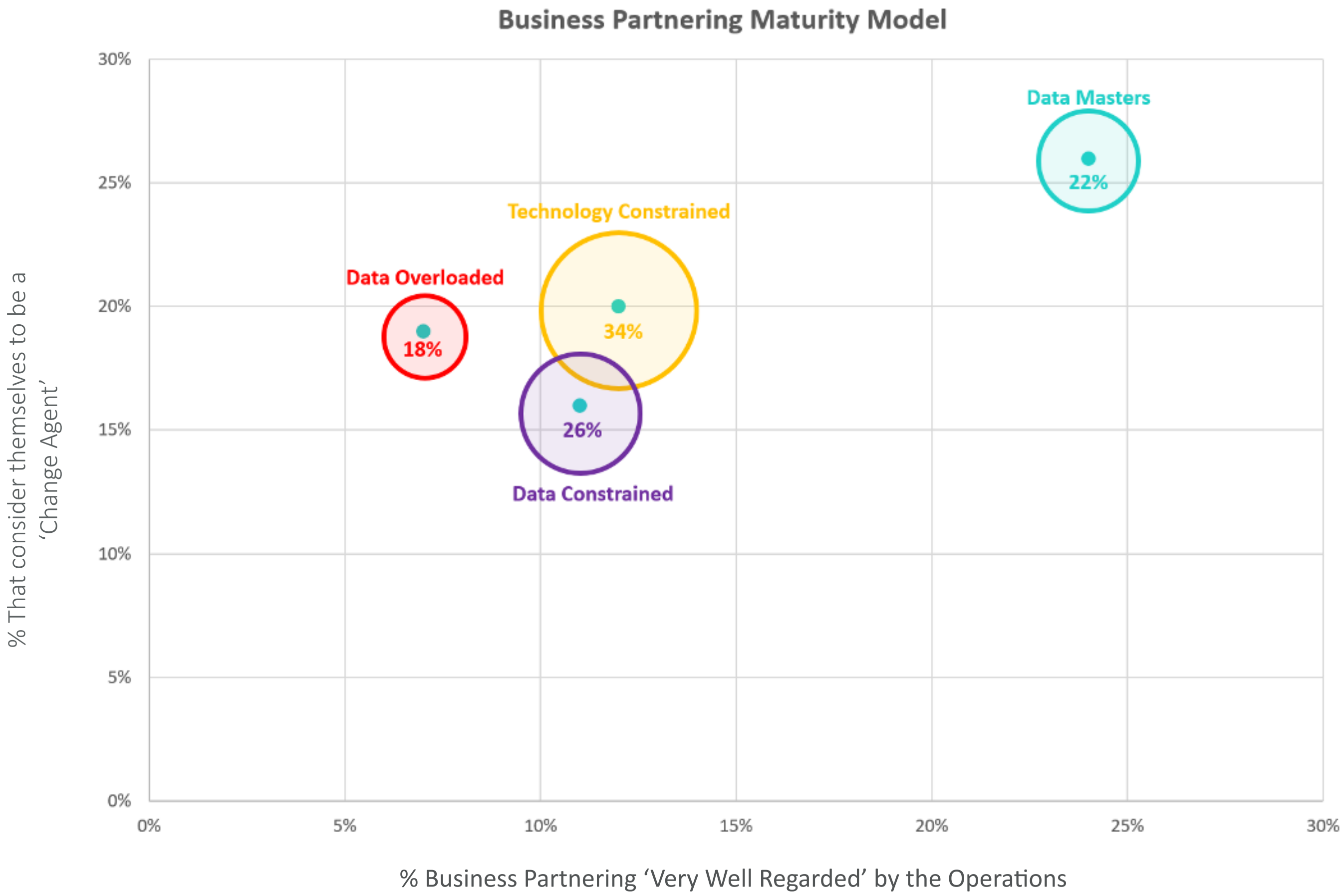
The final 22% have achieved data mastery, where they actively manage their data as a corporate asset, and have the tools and resources to exploit it in order to give their company a competitive edge.

This means 78% overall are hampered by data constraints and are failing to use data effectively to get the best out of their business partnering. While the good intentions are there, it is a weak partnership because there is little of substance to work with.

78% of organizations are hampered by data constraints.



The Big Divide:



The diagram above is the Business Partnering Maturity Model as it relates to data. It illustrates that there is a huge gap in performance between how effective data masters and data laggards are at business partnering. The percentage of business partners falling into each category of data management ('data overloaded', 'data constrained' etc) has been plotted together with how well these finance functions feel that business partnering is regarded by the operational units as well as their perceived influence on change.

The analysis reveals that "Data masters" are in a league of their own. They are significantly more likely to be well regarded by the operations and are more likely to act as change agents in their business partnering role.

We know from FSN's 2018 Innovation in Financial Reporting survey that data masters, who similarly made up around one fifth of senior finance executives surveyed, are also more innovative. That research showed they were more likely to have worked on innovative projects in the last three years, and were less likely to be troubled by obstacles to reporting and innovation.

Data masters also have a more sophisticated approach to business partnering. They're more likely to be change agents, are more often seen as a trusted advisor and they're more involved in decision-making.

Interestingly, two-thirds of data masters have a formal or agreed way to measure the success of business partnering, compared to less than 41% of data constrained CFOs, and 36% of technology constrained and data overloaded finance executives. They're also more inclined to perform 360 degree appraisals with their internal customers to assess the success of their business partnering. This means they can monitor and measure their success, which allows them to adapt and improve their processes.

The remainder, i.e. those that have not mastered their data, are clustered around a similar position on the Business Partnering Maturity Model, i.e. there is little to separate them around how well they are regarded by operational business units or whether they are in a position to influence change.

The key message from this survey is that data masters are the stars of the modern finance function, and it is a sentiment echoed through many of FSN's surveys over the last few years.

The Innovation in Financial Reporting survey also found that data masters outperformed their less able competitors in three key performance measures that are indicative of financial health and efficiency. They close their books faster, reforecast quicker and generate more accurate forecasts, and crucially they have the time to add value to the organization.

People, processes and technology

So, if data is the key to driving business partnerships, where do the people, processes and technology come in? Business partnering doesn't necessarily come naturally to everyone. Where there is no experience of it in previous positions, or if the culture is normally quite insular, sometimes CFOs and senior finance executives need focused guidance. But according to the survey, 77% of organizations expect employees to pick up business partnering on the job. And only just over half offer specialized training courses to support them.

83% *of CFOs said that better software to support data analytics is their most pressing need when supporting effective business partnership*

Each company and department or function will be different, but businesses need to support their partnerships, either with formal structures or at the very least with guidance from experienced executives to maximize the outcome.

Meanwhile processes can be a hindrance to business partnering in organizations where there is a lack of standardization and automation. The survey found that 71% of respondents agreed or strongly agreed that a lack of automation hinders the process of business partnering. This was followed closely by a lack of standardization, and a lack of unification, or integration in corporate systems. Surprisingly the constraints of too many or too complex spreadsheets only hindered 61% of CFOs, the lowest of all obstacles but still a substantial stumbling block to effective partnerships.

The hindrances reflect the need for better technology to manage the data that will unlock real inter-departmental insight, and 83% of CFOs said that better software to support data analytics is their most pressing need when supporting effective business partnerships.

Meanwhile 81% are looking to future technology to assist in data visualization to make improvements to their business partnering.

81% *of CFOs are looking to future technology to assist in data visualization to make improvements to their business partnering*

This echoes the findings of FSN's The Future of Planning, Budgeting and Forecasting survey which identified users of cutting edge visualization tools as the most effective forecasters. Being able to visually demonstrate financial data and ideas in an engaging and accessible way is particularly important in business partnering, when the counterparty doesn't work in finance and may have only rudimentary knowledge of complex financial concepts.

Data is a clear differentiator. Business partners who can access, analyze and explain organizational data are more likely to generate real insight, engage their business partners, and become a positive agent of change and growth.

IF YOU COULD SEE THE 'RED THREAD' THROUGHOUT YOUR DATA, WOULD YOU STILL TAKE THE SAME DECISIONS AS USUAL?

THE ROAD TO DATA MASTERY

Data mastery is one of the most relevant factors in fostering business partnering, but the majority of organizations are hampered by data overload, information constraints, and technology limitations. Data mastery enablers centre around corporate culture, standardization and automation within processes, and corporate systems integration. Decision-making platforms and solutions are able to boost data mastery within organizations, allowing data to be collected and integrated from multiple sources and providing proper data governance, planning and business intelligence capabilities, and data visualization.

CASE STUDY 2: Board Integrated Planning at Puma: a transformative journey from target setting to execution

About Puma
For 70 years, PUMA has developed products for the fastest athletes on the planet. The PUMA world extends across Football, Running, Training, Fitness, Basketball, Golf, Motorsports, and design collaborations with icons such as Rihanna. Headquartered in Herzogenaurach, Germany, the PUMA Group creates and distributes footwear, apparel, and accessories in the fashion sportswear industry through brands PUMA, Cobra Golf, and Dobotex, its underwear and socks division based in the Netherlands. Becoming the fastest brand in the world isn't just a mission statement, it's the driver for a company culture determined to discover and shape what lies beyond.

Customer Profile

- Industry: Fashion Sportswear, Footwear, Apparel and Accessories
- Group Brands: Puma, Cobra, Dobotex International
- Countries: 120+
- Subsidiaries worldwide: 115
- Employees: 13,000+
- Annual Sales: €4.1 Billion
- Sales Channel distribution: 77% Wholesale; 19% Retail; 4% E-Commerce
- EBITDA: €315 Million
- Officially listed on the Frankfurt and Munich Stock Exchanges

Board Project Overview – Integrated Planning, Reporting, and Analytics
Implemented solutions: Strategic Planning, Merchandising Planning, Conceptual Assortment Planning (CAP), Line Planning and Product Forecasting, Range Planning & Forecasting, Sales Planning & Forecasting, Demand Netting.

Project scope: Global strategy, Global Region & Area Merchandising, BU GM; Go-to-Market & Commercial Processes; Direct-to-Consumer (Retail & Online).

"Forever Faster": Puma Group's challenging ambition

Sports lifestyle is a dynamic business. Great things are demanded of the industry in which PUMA has been successfully active for years, with fashion trends and seasonal changes in demand that must be anticipated and taken into account at an early stage in the planning process. **The challenge is to have the right products on offer and to stock them at the right time to meet that demand instantly. This requires planning of the utmost precision, especially when products have to travel great distances from production site to delivery destination.**

"We selected Board because, together with its flexibility, it gives us a new approach. For us, this challenging journey wasn't a mere project. Rather, it was a program, a new path towards an end-to-end budgeting, planning, and forecasting process"

Stefano Damiani, Head of Program Portfolio Management & Commercial Processes- Puma

The Puma Group has always strived to bring the best products to market and to capture the attention of the world through iconic, world-record holding athletes. To continue doing this, while staying on top of its competitors, Puma recognized the need to bring about substantial changes in its processes. A number of recent business acquisitions, each with different processes of their own, further increased the need for standardization.

Puma's CEO, along with the senior management team, identified numerous operational challenges to be overcome. These included simplifying and rationalizing the product process, standardizing the planning processes, optimizing the distribution strategy, and investing in new business models. Overcoming these challenges required the evaluation of new technological solutions to support the innovative approach, based on a ***"virtuous circle"*** among people, processes, and systems, whilst increasing visibility and integration and reducing complexity. **Stefano Damiani, Head of Program Portfolio Management & Commercial Processes at Puma**, explains:

"I was directly involved in this transformation together with our management team. My main responsibility is the program portfolio. We decide which initiatives must be taken every year and I oversee the budgeting process and the prioritization. On top of that I am responsible for business solutions; setting them up to effectively run the scheduled projects and creating the relevant system landscape. In this sense I am directly leading all the initiatives - especially at the front-end of the organization – working together with numerous teams who deal with every aspect of Sales and Marketing in our direct-to-consumer channel."

Prior to the transformation, Damiani and the management team faced an extremely complex business setup. B**eing a worldwide company with a very strong history, the group consisted of vast numbers of countries where there was a historical presence**, each of them with its own business model and processes. This structure had given rise to a plethora of ERP systems, spreadsheets, and other fragmented tools, whose results had to be consolidated at the Headquarters:

"The lack of integration of these tools with the overall process led to losses in efficiency. It meant we had no real-time data, inaccurate forecasts, and inconsistent national product ranges", says **Kurt Walther, Global IT Director at PUMA**, reflecting on how things used to be. Because the planning algorithms also worked offline and were neither departmentally nor internationally integrated, the entire system was non-transparent and inflexible. Combined with the fast pace of the market, Puma kept ending up with shortages and residual stock – exposing the gap between supply and demand. A universal shake-up was initiated, with the aim of bringing in a fully integrated planning process to instil the flexibility the company was missing.

One of the most fundamental requirements for Puma's transformation was comprehensive standardization in planning, reporting, and analytics processes, which would allow the global organization to effectively collaborate, from target setting to execution and from the global strategy down to the operations. The integration had to facilitate a flow in which the output of one step would act as input for the next.

"That was critical because the misalignment across different functions and parts of the process was a nightmare!" Damiani exclaims. "There were too many systems and tools around, and too many Excel spreadsheets which our colleagues had to explain to each other. Everyone was working on their own data and their own decision-making process."

On the contrary, with the new solution it was searching for, Puma Group wanted to implement a fully integrated approach to planning. After an extensive assessment of the market, **PUMA chose Board, the unified decision-making platform. The software showed a striking level of technological flexibility,** while its implementation partners, SDG consulting AG, showed an impressive level of professional expertise. In a proof of concept, the solution already turned heads with its rapid application development and an unrivalled level of detail and precision.

"We selected Board because in my opinion, together with its flexibility, it gives us a new approach. We were able to use a lot of the prototype application to define what would work for the business; that for me was definitely an advantage," stated Damiani.

"For us, this challenging journey wasn't a mere project. Rather, it was a program, a new path towards an end-to-end budgeting, planning, and forecasting process. ***A transformative journey in which Board has supported us in a lot of different steps.*** *Board has enabled our group to realize the people-process-system approach by creating and monitoring KPI analytics and tracking all the business measures we need to work better together and be aligned to the Company strategy throughout the entire organization. If we hadn't chosen Board we would have implemented either a "best of breed" array of solutions from different vendors or different technologies from the same vendor; in both cases we would not have achieved the effective integration we were searching for."*

As Damiani highlights, the integration brought by Board is not limited to the integration of planning processes. Within the same all-in-one BI and Enterprise Performance Management environment, Board seamlessly combines data control and management, allowing reporting, analytics, and simulation as well, on the same sets of data and with the highest level of flexibility.

In terms of managing and controlling the planning process, there are several ways to check the planning status centrally and in real-time. The software clearly shows which countries already completed individual planning steps and the current progress status of other regions. This helps Puma adhere to the schedule and increases the transparency and therefore the stability of the entire planning process.

Over 2,500 employees from various departments (e.g. merchandising, supply chain, and purchasing) now **use the Board platform to plan the entire wholesale business and the approx. 100,000 SKUs (stock keeping units) handled every six months.**

How Puma has realized a holistic approach to decision-making with Board

The solution implementation was modular, embracing the spirit of agile project management methods. In combination with Board's programming-free application development, individual sections of the solution were handed over to production at very early stages.

<u>Target Setting</u>

- **Strategic Plan**
- **Merchandise Plan**
- **Conceptual Assortment Plan (CAP)**

The Puma Group began the implementation of its integrated planning process from the target setting stage, **defining very high-level global objectives in terms of strategic planning by Region, Business Units, and Division, with timeframes of between one and three years. At this level, between 30-50 users are involved with Board worldwide,** including Regional/ Country Managers and Senior Finance Executives:

"Strategic Planning is the starting point of everything as we sit together as a company to define the direction," Damiani explains. "We examine net sales and establish how we want to make our money in the next three years."

The next step is the Merchandise Plan which covers one or two seasons and is looked after by Puma's Global merchandising teams. Based on the numbers coming out of the strategic plan for the relevant year, these teams focus on a specific season and take into account inline/ non-inline products, age groups and gender split. *"Broadly speaking, **with the Merchandise Plan we define how we will approach any product from a market vision, consequently understanding how to realize that vision.** Our center of attention is a specific season because in our industry – fashion sportswear – we need to set exact seasonal targets in terms of gross sales, net sales, number of articles, number of styles we are going to propose to the market, our efficiency level, and many other aspects,"* says Damiani.

The merchandise planning process is managed through the Board platform by a team of 20 users. After this step, Puma's target setting process continues with **Conceptual Assortment Planning (CAP) which Puma's various business units are responsible for** – currently six units with more than 50 Board users. Through an output screen developed **within the interactive Board environment, these business units can check their tasks and seamlessly collaborate with the merchandising phase** while remaining aware of business targets, which can be detailed by different categories right down to product line level, e.g. football shoes for the current year.

Through the CAP, the company is able to plan a list of products for a future selling period, resulting in a virtual 'basket'. "*The end result of the CAP is the creation of our basket: we realize – for example – that for the sports style shoes we need to make 30 styles and 100 different options available. Furthermore, we understand that we need to make a certain amount of money with a specific expected margin,"* explains Damiani.

Here the phases of execution start, and Board again plays a vital role in the process: *"We wanted to use just one tool, one solution, not just for the goal setting phases, but also for the execution,"* Damiani says.

<u>Execution</u>

- **Line Plan**
- **Range Plan**
- **Requirements Plan**
- **Rolling Forecast**
- **Procurement plan, including stock strategy and order proposal system**
- **Sales Plan**
- **Production Resources Plan**
- **Demand netting**

The first stage within the execution phase is the **Line Plan. Board allows Puma to compare the effective execution of each single product that must be put into production to fulfil the basket coming out from the CAP,** i.e. the target set up in the previous phase. The Line Plan deals with the full collection of products that Puma's business units are bringing to the market.

Once completed, the following stage is what Damiani defines as *"the biggest project we have run in Board"*: the Range Plan. Combining elements of the buying strategy and budgetary plans, the aim of the Range Plan is to deliver a balance between the merchandisers' and buyers' perspectives to provide the customer with the right depth and width of range, ensuring sufficient choice whilst defining the best pricing structure. It also allows management teams to evaluate the effectiveness of their ranges against the original plan and budget.

"The vast range plan we have created on the Board platform is vital to our operational activity: I am talking about a solution that is present in every single country around the globe, with more than 600 users accessing the tool. *We select the product that we want in a range, we define the price point, the recommended retail price, the volume estimation, and we also have an initial idea of the margin calculation from this procedure. In relation to the Range Plan, we also have our forecasting for the season,"* says Damiani.

The product range planning element includes the entire merchandise and product planning process. In the worldwide merchandise plan (MP), the financial planning budget is allocated at various detailed levels of the complex product range with the help of bottom-up and top-down planning algorithms. **Board also collects qualitative market feedback in the form of written comments from all over the world, then evaluates it in a structured way.** Then, the schedule is transferred to the conceptual assortment plan (CAP) for the designers and product managers, who allocate the budget to each product line based on price scoring and article/style efficiency.

Demand-based planning is done at a national level. **Members of the PUMA planning team have all the information they need, in compressed form. They can check general targets from the upstream merchandise planning at any time.** Suggested values for new items are calculated based on pre-generated article clusters. This eliminates the need for time-consuming searches and mapping reference articles. The planner just has to rate the difference between the A (better), B (same), or C (worse) clusters to get a reliable suggested value.

Users can also view a detailed margin calculation in their local currency. The Recommended Retail Price (RRP) is compared against the cost price – calculated based on the specific import conditions – to determine a margin for that country. This gives the PUMA planning team a precise calculation which they can use to identify high-margin articles for each country and to supply the planned quantities.

Little information is available at the first stage of planning, when most of the sales staff are yet to visit their customers. As such, to increase planning accuracy, **the plan is regularly updated right up to the monthly rolling forecast, with the target figures continuously adapted to changes in customer demand.** Board supports this by calculating the forecast values based on the current season's sell-in figures and looking at cluster-based order trends of previous comparison periods.
Getting early, and continuously updated, information from the demand forecasts is

crucial to the procurement planning team. Most importantly, this information is used to estimate the necessary production resources and material requirements, which need to be blocked well in advance with the appropriate suppliers. But the continuous forecast updates also mean the company can automatically adapt to any potential changes in the market demand situation. Over the course of time, the requirements get more defined and exact orders must be made. To do this, Puma first does a size break-down on the amounts which were until now planned without any size specifications. This is based on the cluster-specific size patterns calculated in the integrated planning solution.

As a future step, **Puma is going to implement a dedicated Sales planning and forecasting process within Board, designed to introduce an additional level of complexity on top of the existing activity: the customer. Even though around 80% of Puma's sales channel is covered by wholesale,** the business wants to pay increased attention to the retail channel, and the sales plan is where the sales team can focus activity at a customer level.

In the final stage of the decision-making process, the demands of both the Range and the Sales plans are combined. Board allows Puma to check key metrics such as inventory levels, purchase orders, and items already placed, collating outputs from the previous steps into an automated final output, which is a proposal for the ERP system (SAP):

"We have built on Board what we call a Demand Netting application, which supports us globally from a strategic level down to the operational level," Damiani highlights.

Using up-to-date data such as available stock, pending supplier orders, and pending sales orders, the Board platform determines the resulting net demand based on the planned gross figures. Based on complex computation algorithms, this is distributed on defined order dates or "order place dates" (OPD). The idea is to keep order placements as even as possible over the available time period, minimizing excess and surplus stock and using production resources in the most efficient way possible. At the end of this step PUMA has the order proposals, which are sent separately according to their category – "with risk" (no existing customer orders) and "no risk" (existing customer orders) – to the relevant operative systems so they can create supplier orders.

"With our integrated forecasts prompting early signals, we can now respond quickly

to current market changes, and reduce any production and delivery delays, special productions, and residual stocks. The result is a high level of availability while keeping stocks low. Our customers are happy with our impressive delivery times, securing, even increasing, sales. ***By centralizing purchasing we reduced our purchase prices and minimized our capital commitment costs****, also contributing to a direct improvement in profit,"* says Kurt Walther, IT Manager at Puma.

Board has addressed Puma's entire planning, analytics, and reporting needs. The transformation spans data control and management, overhauling planning processes from worldwide goal setting down to specific local operational activity at the most granular level of detail. By looking at the central planning calendar at any time of day or night, the user can check their current planning step and when the next target deadlines are. There is also an automated email run to remind the relevant individuals to complete their allocated tasks on time. Individual areas of planning are released or blocked according to the planning calendar.

Board's comprehensive workflow support increases process reliability and guarantees the timely completion of individual tasks. ***"I think Board has brought the Group a holistic approach to integrated planning.*** *Let us suppose – for example – that a specific line team is defining which shoes and t-shirts will be in our seasonal collection. Out of that step we get the first forecast information, allowing our sourcing colleagues to start thinking about key aspects such as allocation capacity planning and which supplier is more appropriate for synthetic or cotton materials. We then move forward to the range plan to create the first forecast based on the merchandising solution perspective. In this way we can understand the volume expectation for the next collection,* ***which is highly relevant for our sourcing team because this type of insight allows them to book materials and start their own processes!"*** states Damiani.

By centralizing data on a single database, key information is available as early as the planning stage in real time. With this knowledge, the product range and the procurement volume of individual articles can be reduced at an early stage. Thanks to the tight integration of Board with the legacy systems, planning figures can be saved to them automatically, which reduces the number of steps and errors.

"Now there's only one single system to manage, and one that's extremely low maintenance thanks to the efficient Board solution. *Across five continents, PUMA branches are connected by a single server in Herzogenaurach, Germany, on a system that's stable and powerful. Storing data on a single, central database delivers consistent data, makes our administration tasks easier, and offers users options that weren't technically feasible until now,"* explains Kurt.
Alongside integrated planning and analysis, the Puma Group uses Board for the

marketing budget and to plan marketing campaigns.

“Even faster”: Puma is exploring new paths together with Board
Despite historically being wholesale focused, Puma’s e-commerce activities are growing rapidly following large amounts of investment in the space. The management team is planning to extend the successful operational model it has implemented with Board to both its company-operated stores and the online business.

To ensure continued relevance for the worldwide market both offline and online, Puma Group is making the most of social media opportunities, which generate a huge amount of data: *“One of our most popular brand ambassadors posted a photo of herself online wearing our shoe and million people saw it and wanted the same product!”* recalls Damiani. This is a complete change of paradigm and Puma is aware it needs to react fast to market demand. The advanced and predictive analytics offered by Board can address this challenge, empowering the organization with the ability to simulate changes in supply or demand within the same platform used for the integrated corporate planning and BI.

Puma Group is also in the process of evaluating Board for its financial planning, which will complete its strategic and operational transformation by providing a truly unified approach. *“Until now we weren't responding quickly enough to trends and changes in demand. The lack of integration of our systems led to ongoing efficiency losses along the entire supply chain.* ***With Board we have significantly increased the accuracy and speed of our forecasting, and are now in the position to continuously balance supply and demand****. The combination of tools we used to work with would never have given us the level of detail we are enjoying in our planning today. O****ur Board-based Integrated Planning Solution gives us a clear competitive edge,****”* concludes Joachim Schück, Director Supply Chain EEA at PUMA.

Chapter 3

Size Does Matter

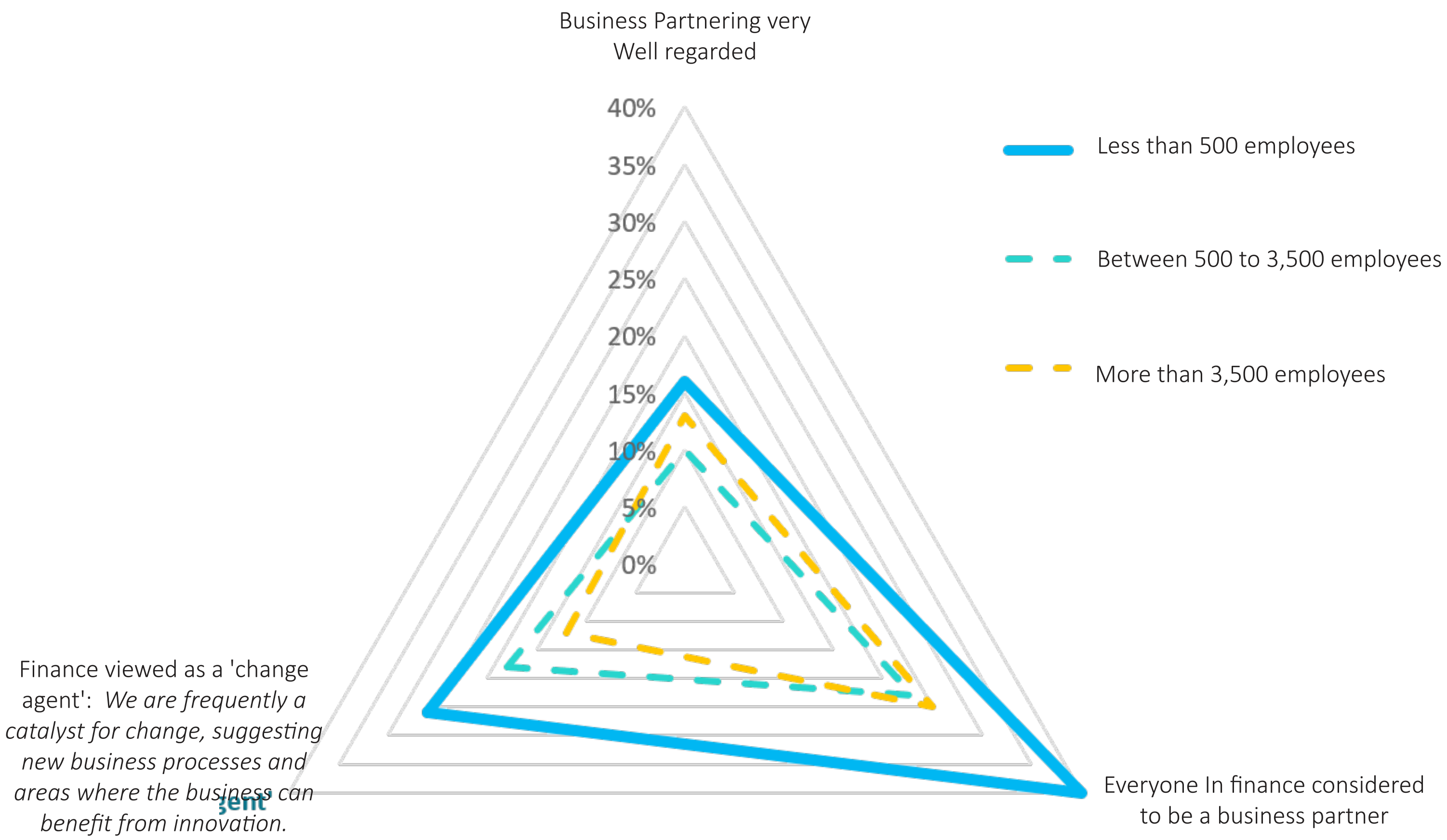
Have you already got the right collaboration tools to communicate at an enterprise-wide level?

Size does matter

Businesses go through various stages of growth, from start-up venture, to mid-sized success and finally large corporations with seemingly infinite moving parts. As the company grows it takes on new challenges, and how it responds to those challenges will dictate whether or how quickly it reaches the next level. As business partnering becomes the norm, companies of all sizes are using it to try to build relationships, encourage cohesion, and use the combined knowledge and experience of different functions to generate insight and improve growth – with varying degrees of success.

Analysis of the survey results reveals that small businesses are best at business partnering. They are very well-regarded, viewed as change agents, and have an inclusive approach which means everyone in finance is considered a business partner. This reflects the collaborative mentality of a smaller organization where everyone has to roll up their sleeves and get involved. Because small companies are less spread out physically, people naturally gravitate towards collaboration, and there may still be an element of the original proprietors or founders who draw the business together. On a practical level, there will be fewer transactions so it will also be easier to understand what is going on at a granular level.

The finance teams in smaller organizations make better business partners.



Mid-range outcomes

Mid-size companies fared worst at business partnering. They were most likely to operate on a light touch basis, which means business partners were less likely to be involved in decision-making. And those business partners were not as well regarded by operations, had little time to spend on being catalysts of change, and were less likely to say their business partnering significantly added to profitability.

Despite their moniker as a mid-size business, these were still quite large enterprises with between 500 and 3,500 employees. The poor business partnering results reflect the journey of development for these companies who have left behind the highly engaged, proprietor-run collaborative office and find themselves in something of a no-man's land.

These companies may be growing but haven't yet got the resources to employ a lot of professional managers and directors that would come with experience of, and enthusiasm for, business partnering. While it is being carried out, the focus of business partnering is very much on current performance and to keep the company afloat, rather than growth activities and initiatives that would enable it to flourish.

Big, not better

Large businesses are more likely to look for solutions in technology such as robotic process automation which will enable them to streamline and standardize internal processes and to spend more time on business partnering .

Once a company is large enough to employ professional managers across its departments and functions, their business partnering processes improve. They are well organized, have established business partnering teams, and importantly they have agreed measures of success. Large organizations talk to internal customers, engage in 360 appraisals and often have employees with specific business partnering titles.

But does this actually make them more successful as business partners? The survey suggests that despite all this formality, they face the most obstacles along the way. Large businesses are more likely to complain there are too many spreadsheet-bound processes so they fail to provide timely support to operational business units. They also are more likely to complain that a lack of process standardization and automation is hindering their business partnering endeavors.

So instead, because they are large and have more resources than smaller companies, they are more likely to look for solutions in technology. 76% of large businesses think robotic process automation will enable them to spend more time on business partnering and analysis, which is 25% more than small businesses.

They're also one fifth more likely to agree and strongly agree that machine learning will generate performance narratives more quickly than they can be produced now, thereby aiding the understanding of non-financial managers and accelerating their business partnering efforts.

The advantages of effective business partnering are a stronger, more cohesive business with a clear growth trajectory. Wherever companies are on their journey, they need to tailor their business partnering to suit the needs of the business at the time. So, a small company should be encouraging change in order to grow into a mid-sized company successfully, and a mid-sized company should ensure that everyone has the time and resources to make business partnering successful as the organization changes. Meanwhile large companies can't just pay lip service to a business partnering name tag while failing to share and innovate together because of failings within their business processes.

A UNIFIED ENVIRONMENT FOR PLANNING, ANALYTICS, AND SIMULATION MATTERS MORE

HOW DECISION-MAKING PLATFORMS EFFECTIVELY OVERCOME THE MAIN HINDRANCES OF BUSINESS PARTNERING

Business partnering capabilities are strictly connected with corporate culture and the consolidation of internal processes. As a matter of the fact, small companies are best at business partnering thanks to a higher collaborative mentality driven by physical proximity among employees and more pervasive founder-driven leadership within the organization. Mid-size companies are not particularly good at business partnering given that their professionals and managers lack experience in this kind of practice and their internal processes are not structured or standardized enough. Large-size companies typically have very good organizations in place in terms of people and processes but suffer extensively from complexity issues.

Across the above company clusters the most relevant hindrances impacting business partnering are pitfalls within internal processes such as lack of standardization, poor automation capabilities, and limited unification and proliferation of spreadsheets. Within this context, decision-making platforms and solutions are able to support the streamlining of internal processes, integration of different environments, automation in data flow delivery, and elimination of spreadsheet plastering.

Which business processes most hinder business partnering?

Business Process:	Less than 500 employees	500 to 3,500 employees	3,500 + employees
Spreadsheet Bound: There are too many spreadsheet bound processes so that we cannot provide timely support to operational business units.	58%	60%	**66%**
Lack of Standardization: Lack of standardized processes makes it difficult to provide a consistent approach to business partnering.	65%	67%	**73%**
Lack of Automation: It takes too long to provide results and KPIs needed to provide timely support for business partners.	68%	70%	**77%**
Lack of Unification: Lack of unified transaction and reporting environment makes it difficult to assemble a complete picture of performance.	62%	65%	65%

CASE STUDY 3: SEB Groupe drives its strategic and operational decision-making processes with Board's unified platform

"We compared Board to six other EPM solutions on the market and concluded that it is the most complete, powerful and easy to use. The implementation of the solutions is fast and efficient and our teams participated with motivation. We have many projects in mind with Board, which meets our expectations in every way."

Philippe Martelo, Director of Finance Information Technology at Groupe SEB

Groupe SEB operates in nearly 150 countries with a unique portfolio of almost **30 leading brands, including Tefal, Rowenta, Moulinex, Imusa, Lagostina, and Rochedo,** which are marketed and sold through a multi-format retail approach. Since its creation, the group has been a key player in everyday revolutions thanks to its innovative products which change the daily lives of consumers all over the world.

The story of Groupe SEB began in 1857 with the creation of the Antoine Lescure company in the Burgundy region of France. Starting life as a tinware business specializing in buckets, watering cans, and kitchen utensils, the company took a major stride forward in 1953 when it launched the pressure cooker, giving it a new national dimension and changing a fundamental habit of the French people: the way they cooked.

Groupe SEB deploys a long-term strategy focused on innovation, international development, competitiveness, and service to clients. Multi-cultural and multi-creative, the company's 33,000 employees around the world share the same values and commitment to sustainable development, sense of professionalism, and passion for innovation.

"Today we are the world reference in Small Domestic Equipment, being the number one in various different product categories and in numerous geographic areas," **says Philippe Martelo, Director Finance Information Technology at Groupe SEB,** *"and we aim to be **the global benchmark in our Industry.** Our purpose is **to make daily life simpler and more wonderful for consumers** throughout the world, by creating new products and services that meet people's current needs and anticipate their individual aspirations and desires. I think these aspects of our purpose, as well as our mission to create lasting value by making strong profitability a priority, are **something we share with Board International!"***

Customer Profile

- Industries: Small Domestic Equipment, Home Care, Personal Care, Cookware, Electrical Culinary, Industry & Innovation
- **9 products sold in the world every second**
- **300 million products sold every year**
- **150 Countries** (25+ Countries with Leadership positions)
- **1,200+ own retail stores**
- **40 industrial sites**
- **33,000+ employees**
- **1,400+ people for SEB Innovation Community**
- **€225+ million innovation investment**
- **542 patents (worldwide)**
- **€6,485 million Sales**
- **€661 million Operating Result**
- **€375 million Net Income**

The Challenge: An agile "inspired" implementation of a comprehensive EPM solution

As with most businesses, Groupe SEB faced challenges in its performance management activities, including raw material price volatility, market and distribution consolidation, the emergence of disruptive business models, and the acceleration of changes within the industry. SEB had dedicated substantial resources to budgeting and forecasting, but its processes were manually intensive, lacked agility, and were not always strategically aligned.

The group's management reporting system was based on SAP BW. It focused on historical data, lacked simulation capabilities, and did not support users in their budgeting and forecasting processes. The system also suffered from slow response times, poor ergonomics, and did not provide quarterly views of data. In addition, SEB's performance reporting processes were quite rigid, did not feature workflow management, and would often produce irrelevant results.

There was a clear need to simplify these processes and introduce more flexibility and relevance: *"Our pre-existing reporting system based on SAP BW was complex and included a lot of analytical dimensions and axes that were difficult to feed, which resulted in a time-consuming process. The tools were designed for experts;* ***therefore our Finance users could not gain autonomy from the IT Department****"* highlighted Philippe.

*"As **we must cope with increasing volumes of data**, the previous system hampered flexibility, as well as lacking the planning and forecasting capabilities to control, handle, and properly make the most of our big sets of data. We were suffering from the "heaviness" of the system and its complexity, which became functional limits and technical shortcomings. The executive committee was starting to complain about the rigidity of our processes: **it was time-consuming to calculate our standard costs, make updates related to a change in the volume of our factories, and so on.**"*

Overcoming all these obstacles using the company's legacy systems would require heavy investment and long-running projects which would utilize too many resources. As a result, SEB decided to embark on a **new project** with the objective of overcoming these challenges in an Enterprise Performance Management (EPM) solution on top of their SAP BW reporting system. The EPM solution would **bring agility to the process and encompass the group's strategic plans, allowing it to apply the Agile approach:**

"For us the Agile approach was important because we needed to implement a flexible solution" comments Philippe. "In the traditional approach the quality is so-so; you never meet your budget and you never meet your deadlines. Instead, with the Agile approach your variables are no longer the calendar or your means, but the scope... and you always meet your objectives!"

The Selection Process: Searching for one platform to build many applications

The robustness of Groupe SEB's management schemes, master data, reporting processes, and tools provided the opportunity to confidently introduce a lighter and more flexible Enterprise Performance Management solution; one which was **straightforward, user-friendly, intuitive, visual, and would provide more agility, increased speed, and state of the art reporting.**

The main business priorities of SEB's project were:

- **Smart Reporting:** Existing reports were fragmented due to the evolution of business needs and the poor performance of the existing SAP BW system. The new reporting solution had to provide **fast access and user-friendly navigation to full reporting data.**
- **Weekly Sales Report:** The objective here was to enable Groupe SEB to have a **consolidated vision** of its total revenues for the next six months, **updated on a weekly basis.**
- **Strategic Orientation:** The new solution needed to support the production of the group's **five-year plan, providing an application which would generate P&Ls by Product Lines and Geographies at different hierarchical levels,** in line with historical data. It was also required to support data entry, workflows, versioning, data consolidation, and cost allocations on different axes with different keys.
- **Operating performance:** The EPM solution had to provide a multidimensional waterfall, isolating scope, currency effects, and price/volume/product mix, etc. in relation to the operating results.

The Enterprise Performance Management solution had to replace the current BW reports and support decision-making processes by creating plans, budgets, forecasts, and re-forecasts based on monthly, quarterly, yearly, and multi-year visions. On the same EPM platform, Groupe SEB needed to perform simulation and business modeling, related to purchase price, absorption of fixed costs in the plants, and “what-if” scenarios.

After a review of the market, the decision was made to choose the Board platform, which combines EPM, Business Intelligence, and Scenario Modeling in a unique environment.
*“**Starting from a set of eleven vendors, we compared the Board platform to six EPM solutions on the market and concluded that it is the most complete, powerful, and easy to use product.** We wanted to bring value to very specific aspects, **enhancing the capabilities of multiple solutions and seamlessly combining them within the same platform**”* affirmed Philippe.

Finance-Agile-Smart-Tools (F.A.S.T.): The Board project

The project was given the acronym “F.A.S.T.” As Philippe highlights, *“using the power and ergonomics of Board through an Agile approach, the key objectives were to **increase flexibility**, allow **simulation capabilities,** and progressively build up a **finance toolbox** made of smart, dedicated, user-friendly solutions.”*

The core of the Board project in SEB is represented by the above-mentioned **Strategic Orientation** solution and is based on the company’s matrix structure.

"*We have three main **Strategic Business Units (SBUs) – Cookware, Kitchen Electrics, and Home & Personal Care** - that are mainly dedicated to Strategic Marketing and Product Development”* explains Philippe. “*Their role is to imagine the products of tomorrow and develop them, manufacture them, or buy them from outside the group. These SBUs are regarded as Cost Centers - instead of profit centers - because they sell their products internally to **Sales Geographies (Continents, Areas, and Markets)** where there is a SEB sales presence **organized by product lines or families**. These products, in turn, are the responsibility of local teams, who develop them under the supervision of the relevant SBU.”*

The first level of SEB’s business model is structured across two main axes - Product and Sales Geography - with secondary axes for brands, production sites, marketing, and development.

Strategic Business Planning is built up throughout the entire organization. **The process starts with the proposal of a baseline Actual and Budget P&L by the Corporate Function** (including aspects such as OpEx and Sales Growth), **to help build a five-year plan. The SBUs then draft their own plans to fit with the proposal (R&D, product launches, etc.).**

"In the past this strategic plan was managed using spreadsheets, creating an error-prone process," recalls Philippe. *"Due to the rigidity of Excel files, the teams across different markets struggled with control and management of OpEx and other measures they received from the previous phases of the planning processes.* ***With Board, we have the possibility to effectively define strong ownership. Now, everybody is responsible for their own expenses, and if you sum up all the numbers and measures, you get the right operating result of the group.*** *It also means Corporate, SBUs, and Continents cannot change the expenses of the different markets."*

In particular, if we focus closely on the initial phase of the strategic planning process, we find out that **the simulation capabilities of the Board platform are used by Groupe SEB to feed three cubes, by re-processing the data baseline relating to the previous 10 years of historical data.** Based on the above-mentioned relevant axes or dimensions of the company (such as Product family, Market, Product Line, or Area), SEB builds up one simulation cube at Corporate level, one at SBU level, and one at Continent level to release a five-year business plan:

"We apply Board's simulation capabilities to the data baseline because – of course – our product categories have changed over the years, and also due to the inclusion of new brands in our portfolio. ***Therefore, it is important to have a consistent view of the past to plan for the next five years,****"* explains Philippe. *"The corporate function initializes the business modeling process, with specific assumptions regarding the growth of the expenses of the group and the sales goals. Then the SBUs present their R&D pipeline and the products they are about to launch. They also provide their own view of sales and of their business across the different geographies. Finally, the continents take the lead, completing the process by providing the final version of the strategic orientation."*

Alongside the Strategic Orientation solution, Groupe SEB has implemented an activity it refers to as **"Smart Reporting"**. The business has overcome the previous reporting process' fragmentation by delivering more than 800 SAP BW reports in Board. Now, every report which has been created, or is going to be created, in SAP (including new ones such as cash-flow forecasting or re-forecasting) is instantly transferred to Board too, and in some cases these reports are created directly in Board.

Within the reporting process of Groupe SEB, a solution referred to as the "Weekly Sales Report" stands out on the Board platform, as Philippe explains:*"Thanks to this solution created within the Board BI & EPM environment,* ***we achieve the consolidation of the Weekly Sales Estimates of all our 150 subsidiaries around the world.*** *Every week, each subsidiary provides the management team with sales forecasts for the current and the coming months (up to 6-12 months). These reports show either one figure, or they are broken down into two figures (e.g., by brand and distribution channel, depending on the specific topic we want to follow up). We also aim to progressively* ***extend this consolidation to Supply Chain S&OP, therefore integrating sales forecasting with operations and leveraging the unified nature of the Board platform****".*

The unified BI & EPM platform model of Board is suitable for an end-to-end approach that, together with strategic and financial planning and analysis, can also incorporate the operational performance of a complex organization like Groupe SEB. With these capabilities, SEB has implemented a solution it refers to as **Result Operating Performance Analysis (ROPA).** *"We can assess how we go from a year operating result to the next year's operating result, isolating several effects," confirms Philippe. "Also, we have a specific view of the OpEx, making the distinction between marketing expenses, advertising, and the rest of the structure's expenses."*

How Board exceeded SEB's expectations and produced a "snowball effect"

Thanks to Board, SEB's strategic planning activities are now extremely flexible. Geographies can create their plans on the proposed P&Ls and – by default – P&L OpEx follows the evolution of sales according to trend percentages. Users are able to go back and forth along the process to adjust sales, advertising means, and OpEx amounts.

"Our planning processes in the Board platform have become collaborative, iterative, and flexible," says Philippe. *"The three versions we get from the simulation process at the strategic orientation level – Corporate, SBUs and Continents – are separate,* ***but each team can see the versions created by the others and input their own data according to the others' data.****"*

The Strategic Orientation solution is the heart of the Board project in SEB and is highly appreciated by the management team. Among the features of the product they praise most is Board's 'split & splat' function, which makes it possible to distribute and spread every variation immediately, up to its maximum level of detail, providing business users with significant support for interactive simulations. "*We are particularly happy about Board's solution for strategic planning and simulation, and it is giving us a lot of ideas for the next stages of the implementation and for new applications we aim to create. For example, within that solution, we have added a new feature:* ***versioning logic for local scenario management,****"* says Philippe.

Supported by the Board connector for SAP, the reporting and analysis processes have also been meaningfully enhanced, producing what Philippe refers to as a snowball effect:

*"**Board is our full suite of state-of-the-art analytics services** and at the same time a scalable and flexible BI & CPM solution that responds effectively to all of our technical and functional requirements. Among the business benefits we have gained through the use of Board, I would highlight what is a kind of 'snowball effect'. **Now the implementation of new reports is much faster** and both our office of finance and senior management teams have the **capability to create new application prototypes or mockups, generating the future tools and solutions that feed our Finance toolbox.** Besides, Board has empowered us with the capability to reprocess legacy reporting data using our current hierarchies, bringing further value by helping us to anticipate future trends."*

The snowball effect has ensured a fast Time-To-Solution, increasing SEB Groupe's self-sufficiency in the management, maintenance, and implementation of additional BI and CPM applications. This has also been possible thanks to the unique programming-free approach of Board:

"***The implementation of the solutions is fast and efficient and our teams are highly motivated to participate,****"* concludes Philippe. "***We have many projects in mind with Board, which meets our expectations in every way.***"

**The content and views discussed in this case study represent the information shared by Groupe SEB during the BoardVille event on May 15, 2018.*

Chapter 4

Measuring Business Partnering

Take the right decision whilst involving all the relevant stakeholders

Measuring Business Partnering

The nuanced and often intangible benefits of business partnering make measuring the process very difficult. Often described as a mixture of art and science, the problem is clearly a common one as the survey responses attest. When asked to describe their own methods of measurement, many senior finance executives admitted theirs were inadequate or non-existent.

But it is important to have some way of gauging the efficacy of a business partnership, otherwise effort may be being wasted on ineffective and time-consuming procedures. Those respondents who did have a way to measure the success of their business partnerships fell into three main categories, namely; (i) appraisal or survey-led, (ii) finance focused and (ii) target-based accountability.

Appraisal or survey-led

34% *of CFOs do not believe it is possible to quantify the contribution attributable to their business partnering efforts.*

HOWEVER

91% *of respondents say their business partnering efforts significantly add to profitability.*

Some finance executives use the 360 degree appraisal method with internal 'customers' to gauge the success of a business partnership. This method is becoming increasingly popular for all appraisal processes, because it includes feedback from many internal stakeholders rather than just a single direct manger. In looking to measure the effectiveness of business partnering, 360 degree appraisals will include feedback from the partners themselves, surrounding colleagues and even external stakeholders who are expected to benefit from the partnership.

Some CFOs are turning to surveys to make their assessments. For example, some respondents said they use satisfaction surveys that include a scoring systems based on the projected outcomes, others track the time spent on low-level vs value-added tasks, and still others query the service, relevance and support levels of the partnership.

The appraisal or survey method is a good way of measuring sentiment, reflecting how the finance business partner is viewed by their operational counterpart. An effective partnership is built on trust and communication, which encourages engagement and builds collaborative relationships. Engagement emerged strongly as a key outcome for business partnerships, bringing different teams together, and driving energy and proactive behaviour to better tackle business obstacles.

Finance focused

A finance focused approach to measuring the efficacy of business partnerships uses standard financial metrics like revenue growth, profitability, cashflow and capex. This finance focus mirrors the metrics used to calculate the efficacy of other business strategies, which is why it is very difficult to 'prove' that business partnering is the reason for the outcomes.

Still, there is a strong argument for including finance focused measures in finance-led business partnerships, because ultimately the finance partner is supposed to propel a project or relationship forward to impact on the business bottom-line.

The alternative to generic financial metrics as a measure are more specific targets that relate to the operation or the project under the auspices of the business partner. So, if the partnership involved supply chain relationships, financial outcomes like favourable customer agreements and cost control could be selected as the assessment criteria for a successful business partnership. Marketing relationships could be measured on sales and returns, and human resource partnerships could be measured by pay rates and productivity.

One survey respondent said they break down their measurements into timeliness when meeting deadlines, the quality of output, for example the number of errors or revisions in budgets or forecasts, and the effectiveness in realising savings from proposals put forward by the finance partner.

Where a project is budget and planning focused, monitoring the variance between forecasts is a good proxy for how well the finance business partner is steering the operational unit towards achievable targets.

Finance functions have a natural inclination to focus on finance metrics, but the closer these metrics are related to the business partnership, the easier they are to link to the success or failure of that process.

Target-based accountability

Some survey respondents tackled the issue of how to assess a business partnership by ensuring the measurement process was included from the beginning. This means that both business partners and operational business partners were involved in the setting of outcome targets from the very start of the process. These targets were different for each CFO or senior finance executive depending on the specific project or relationship being measured, but included a combination of financial (budget or revenue/profit related) metrics and non-financial outcomes (engagement, accuracy etc).

It's important that all partners are accountable to the process, and setting targets together, at the start, provides a solid foundation on which to build the partnership and assess its effectiveness

At the end of the project, the outcomes are measured to see whether the targets have been met, and in addition the operational unit will report back on how much the contribution of their finance business partner was responsible for achieving those targets.

The advantages of a target-based approach is the clear goals that both partners are working towards, which solidifies the expectations and improves the outcomes. This can be measured from both sides. Just as the operational partner will appraise their finance counterpart on their contribution, the finance partner can also be measured at their end. For example, asking the finance business partner to present the state of the business without notice, to see whether they were fully engaged in the process, and questioning them about their understanding of the business drivers behind the financial performance.

It's important that all partners are accountable to the process, and setting targets together, at the start, provides a solid foundation on which to build the partnership and assess its effectiveness.

However you choose to measure the success of a business partnership, assessment is necessary to understand whether the process is working and if the targets or outcomes are met. That said, the lasting relationships built through business partnering can continue to provide positive momentum long after a project is complete. From finance being included in discussions before decisions are made, to collaboration across the operations and finance divide, the rewards of business partnering should be ongoing.

IT'S NOT JUST THE DATA...

BUT HOW THE DATA IS GENERATED

Measuring the underlying benefits of business partnering is not a straightforward exercise and typically there are three methodologies to do so, which involve the completion of appraisals or satisfaction surveys with key stakeholders. The data gathered in these appraisals usually relates to finance function contribution, the use of standard financial metrics to quantify the outcome of projects and activities business partnering is influencing, and the measurement of predefined business and key financial value drivers which relate to business partnering effectiveness.

Decision-making platforms and solutions are able to automate the above process within a workflow-driven collaborative environment, generating a set of dashBoards and KPIs which are useful for periodically quantifying the impact of business partnering on company value creation. In a nutshell, for Board data management is a process that combines pure performance measurement and BI outcomes with the unique capability to support and digitalize business modeling, scenario management and planning cycles across the enterprise.

CASE STUDY 4: KFC takes weeks off its planning process with Board

The Company

Back in 1930, the success story of the US Group began with a simple petrol station in Kentucky. Today, KFC is part of Yum! Brands, the world's largest food service group, serving from over 20,000 restaurants in approximately 125 countries. The first foreign branch of KFC opened in Preston in the United Kingdom in 1965 and was the first American fast food restaurant chain in the country.

Business Challenges

Good planning is crucial to the company's success, especially in the fast food business, as the reaction speed and the ability to adapt quickly to changing consumer trends is essential. As KFC grew, so did the planning requirements, and the initial Excel-based planning system consequently needed to be updated. KFC's restaurant planning requires the planning of sales, resources, and many different variables such as electricity, uniforms, and security. Data drawn from different sources and the manual preparation of that data in Excel files made the planning process a very time-consuming and potentially error-prone business. In particular, subsequent changes and planning scenarios were an extremely cumbersome and labor-intensive process due to the many variables that had to be adjusted in Excel following even a minor change in the targets.

"The planning process that used to take 3-4 weeks is now done in a matter of days."

Tom Palmer, Operations Planning KFC, (YUM! Brands)

In order to address the shortcomings of the current planning process, KFC decided to implement a tool for integrated restaurant planning. The business developed a concept for the modeling and implementation of corporate performance management to optimize the planning processes.

After a thorough software evaluation, it became clear that Board was the best fit for KFC's planning requirements, particularly because of its ease-of-use and fast processing and evaluation time of data. A central data source (single point of truth), as well as integrated calculations of the main drivers and KPIs, was to be created in Board in order to automate the planning process as much as possible. The ability to easily and quickly make changes to key assumptions and drivers, which used to take days to implement across all the Excel sheets, was also a key target of the project.

In order to unify and improve the process of the software implementation, and to react faster to problems and/or errors, Board partner bdg proposed an agile project approach.

The Project

What used to be a complex, intertwined plethora of Excel sheets that were more or less connected to each other was, one by one, transferred into one integrated planning solution in Board. Starting from sales planning, all the corresponding variables and drivers, from labor requirements down to uniforms, were integrated in an automatic process that calculated the numbers based on a coherent logic, while still allowing the planning team to make changes at any point, if required.

Within a short time, bdg set up an integrated restaurant sector planning solution which was ideally suited to KFC's business requirements. In addition to support and maintenance, the Board partner provides support for customizing and extending the solution. Thanks to the effective user and administrator training, the KFC team can now independently control its planning solution and optimize processes.

Business Benefits

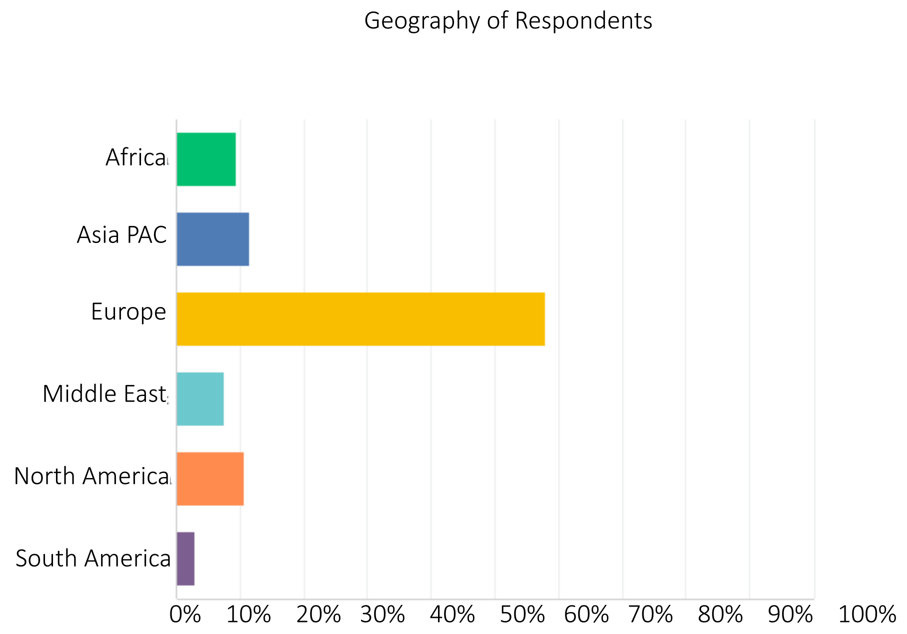
The duration of the planning cycles was shortened substantially with Board, while at the same time improving quality and enabling easier auditing- all information is now consistent and runs together in a single data pool. Duplication in processes was significantly reduced by implementing a central, integrated planning logic across all planning modules. This way, changes in key assumptions, e.g. an uplift in sales overall, can now be calculated through all drivers in no time- a process that happens frequently during planning and which used to take days. Also, this gain in time, quality, and level of detail has made it possible to experiment with strategic simulations whilst maintaining the depth of detail.

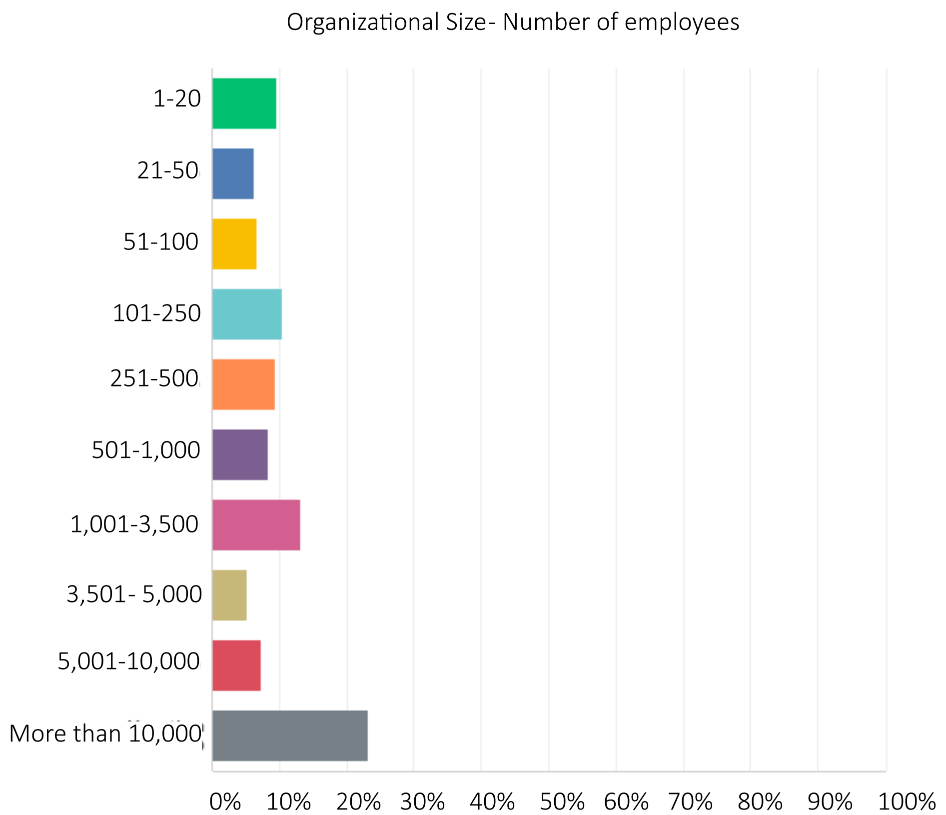
Methodology

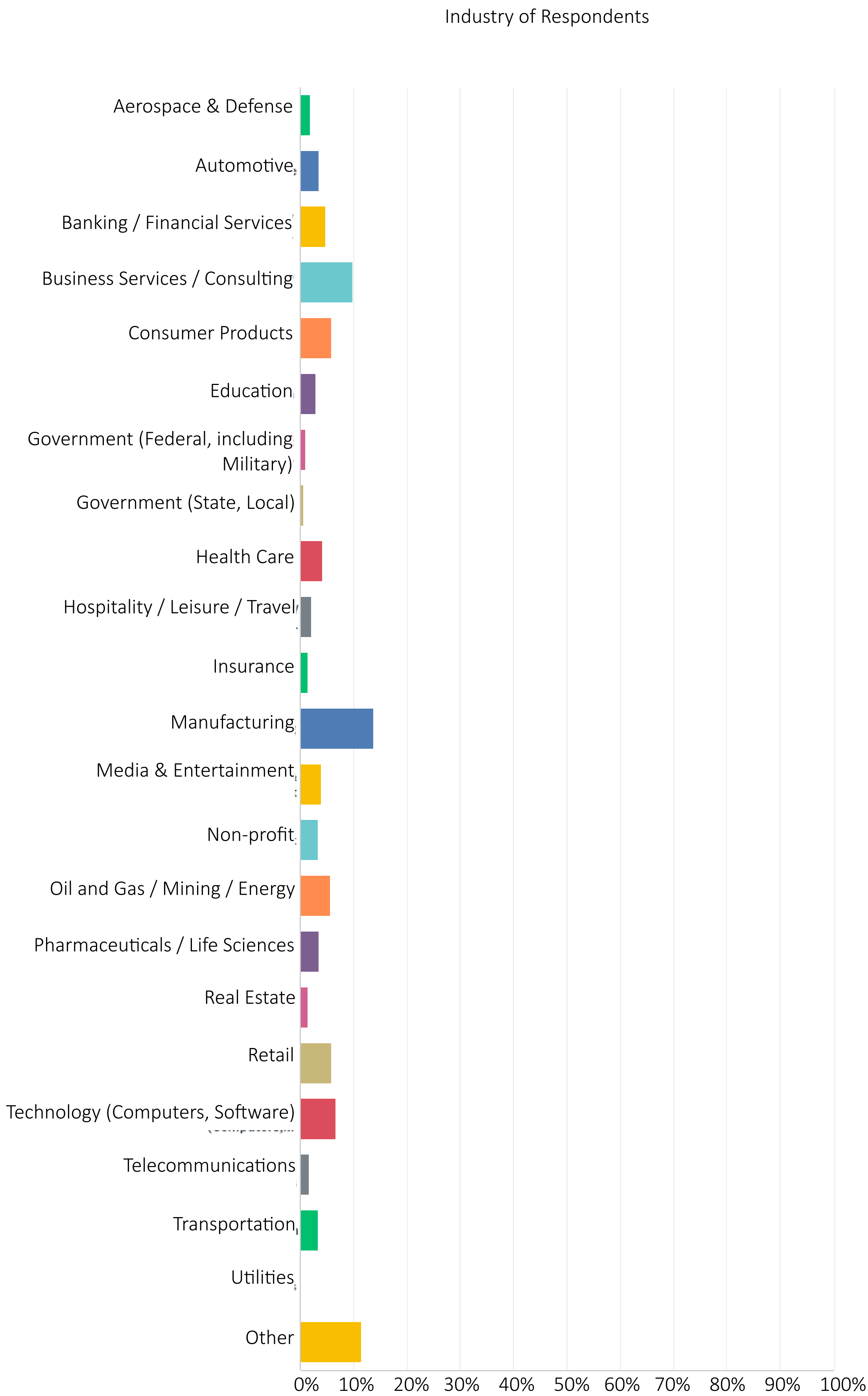
METHODOLOGY

The survey drew responses from 662 international senior finance professionals from our 55,000 strong FSN Modern Finance Forum on LinkedIn.

This survey covered finance professionals across 23 different industries. 81% of these professionals were considered to have senior job titles and above.






Industry of Respondents
Aerospace & Defense
Automotive
Banking / Financial Services
Business Services / Consulting
Consumer Products
Education
Government (Federal, including Military)
Government (State, Local)
Health Care
Hospitality / Leisure / Travel
Insurance
Manufacturing
Media & Entertainment
Non-profit
Oil and Gas / Mining / Energy
Pharmaceuticals / Life Sciences
Real Estate
Retail
Technology (Computers, Software)
Telecommunications
Transportation
Utilities
Other
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

About Board International

Board is the #1 decision-making platform. Founded in 1994, Board International has enabled people from more than 3,000 companies worldwide to have a transformative impact on their business by rapidly deploy Business Intelligence, Corporate Performance Management, and Predictive Analytics applications on a single unified platform. Board allows companies to intuitively play and create with data to produce a single, accurate, and complete view of business information, gain actionable insights, and achieve full control of performance across the entire organization.

Thanks to the Board platform, global enterprises such as Coca-Cola, DHL, KPMG, Puma, Siemens, and ZF Group have deployed end-to-end decision-making applications at a fraction of the time and cost associated with traditional solutions. Board International has 26 offices around the world and a global reseller network. Board has been implemented in over 100 countries

Contact details

www.Board.com

board

Sparking your business imagination

ABOUT FSN

FSN is a global publisher of thought leadership, research and "must-have" content for CFOs and senior finance professionals around the world. FSN's highly popular and active Modern Finance Forum on LinkedIn has a membership of more than 51,000 readers in more than 23 countries and across every major industry segment. It is also the publisher of the popular www.fsn.co.uk website and regularly holds networking dinners and events for its members.

Contact:

Gary Simon, CEO: gary.simon@fsn.co.uk

Michelle Fabian: michelle.fabian@fsn.co.uk

HQ Office in United Kingdom
Clarendon House
125, Shenley Road,
Borehamwood,
Herts, WD6 1AG

SwitchBoard: +44 (0)20 84452688

The Modern Finance Forum LinkedIn

http://www.fsn.co.uk

FSN®
The Modern Finance Forum