



Effective Business Partnering: Past, Present and Future

Finance and Management Faculty

Introduction

Stephen Ibbotson
Head of Finance & Management Faculty



Introduction

Rick Payne

Finance Direction Programme
Finance and Management Faculty



Gavin Donaldson

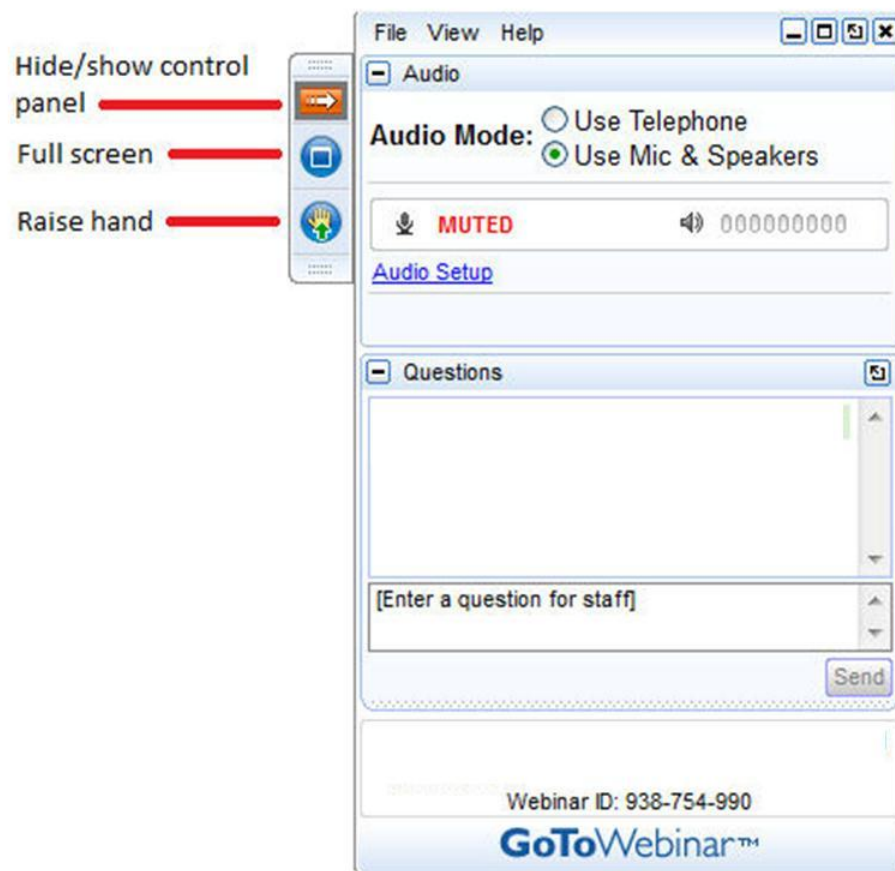
Director Financial Management
Management Consulting KPMG



Ask a question

- Participate in today's webinar – send us a question

- Audio problems
 - if you experience poor sound quality you may benefit from selecting “Use Telephone” from your Audio Mode settings





Effective Business Partnering: Past, Present and Future

Rick Payne



FINANCE &
MANAGEMENT
FACULTY

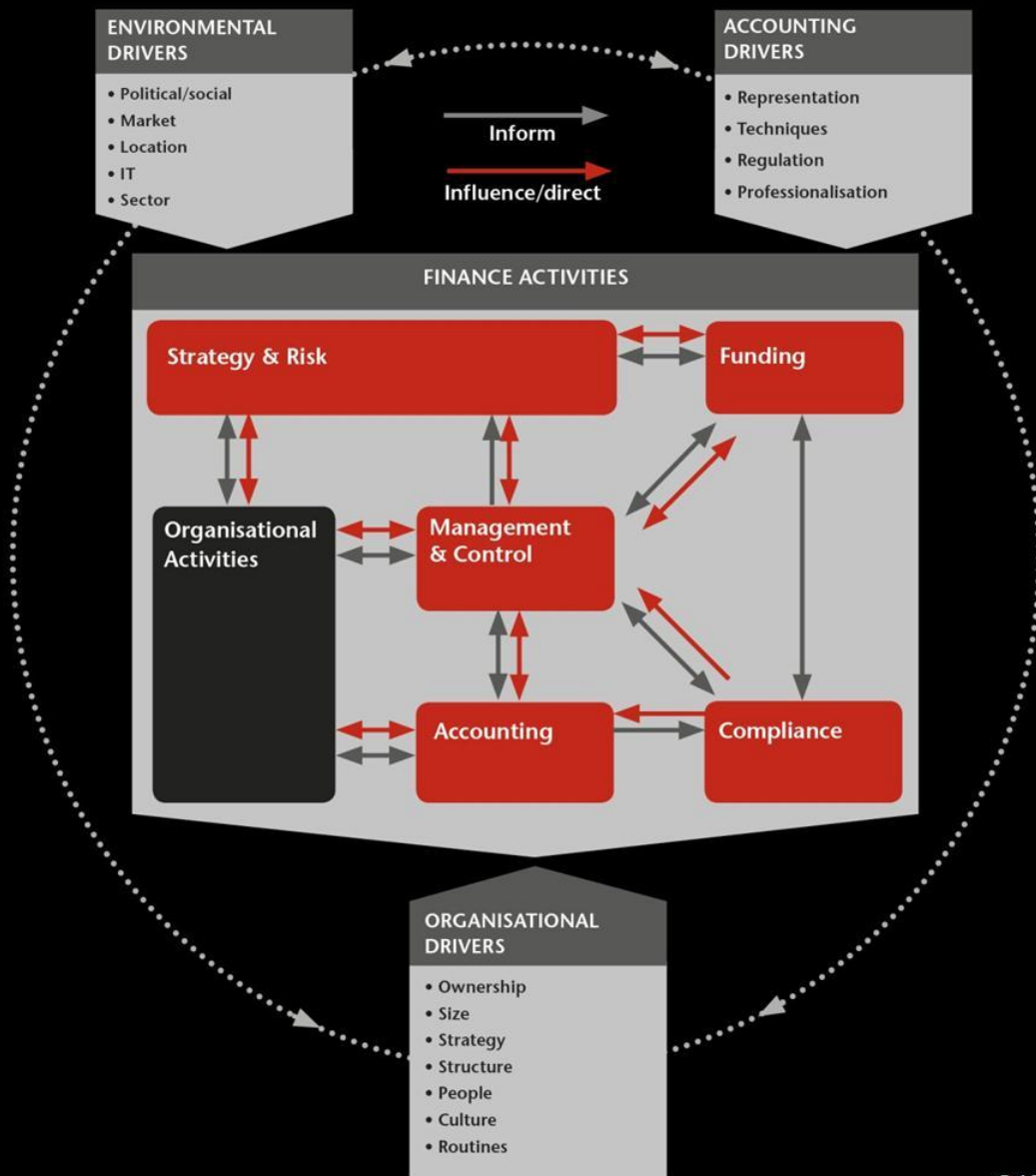
THE FINANCE FUNCTION: A FRAMEWORK FOR ANALYSIS

FINANCE DIRECTION INITIATIVE



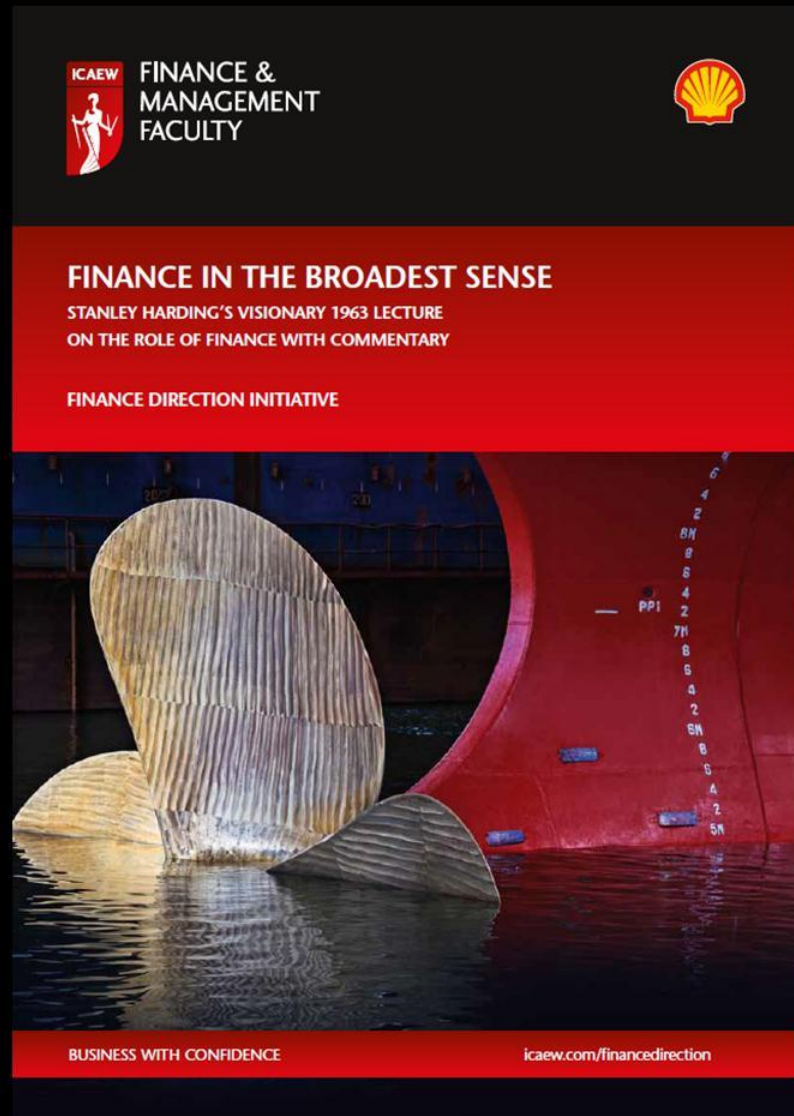
BUSINESS WITH CONFIDENCE

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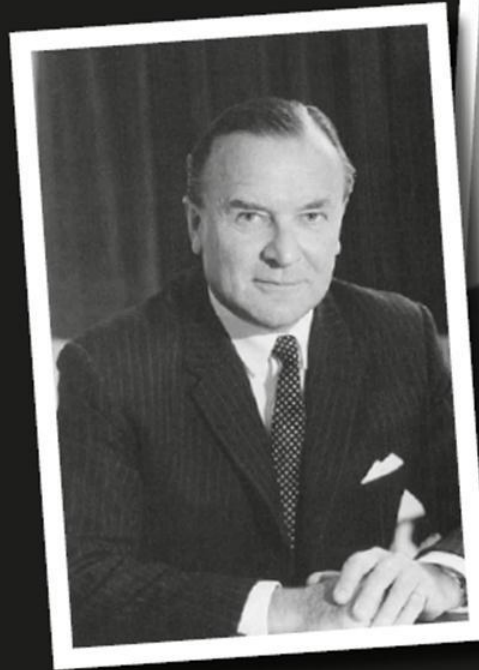
Thank You



Download both reports and more
from
www.icaew.com/financedirection

'We expect a finance manager... [to be] an active (not a non-playing) member of the management team.'

STANLEY HARDING 1963



'It has always seemed slightly odd that anyone would perceive that finance is only there to keep the books or be a non-playing member of the team – what's the point of being in a team if you're not a playing member.'

SIMON HENRY 2012

Poll 1

- On what activity have you spent most of your time this year?
 - 1. Accounting & Compliance** – (Transaction processing, statutory and regulatory reporting, tax)
 - 2. Management & Control** – (financial planning and analysis, budgeting, MI, cash management, investment appraisal, internal audit)
 - 3. Funding** – (Investor and Bank relations, capital structure)
 - 4. Strategy and Risk** (including M&A)
 - 5. Other**



What is business partnering?

- Information provision and analysis
- Sounding board
- Decision influence
- Strategy involvement
- Commercial
- Financial stewardship





BUSINESS WITH CONFIDENCE

icaew.com

High Business Demand

Low Finance
Capability

High Finance
Capability

Low Business Demand

Poll 2

Where would you put your finance department on the matrix?

1. Low Finance Capability/Low Business Demand
2. Low Finance Capability/High Business Demand
3. High Finance Capability/Low Business Demand
4. High Finance Capability/High Business Demand

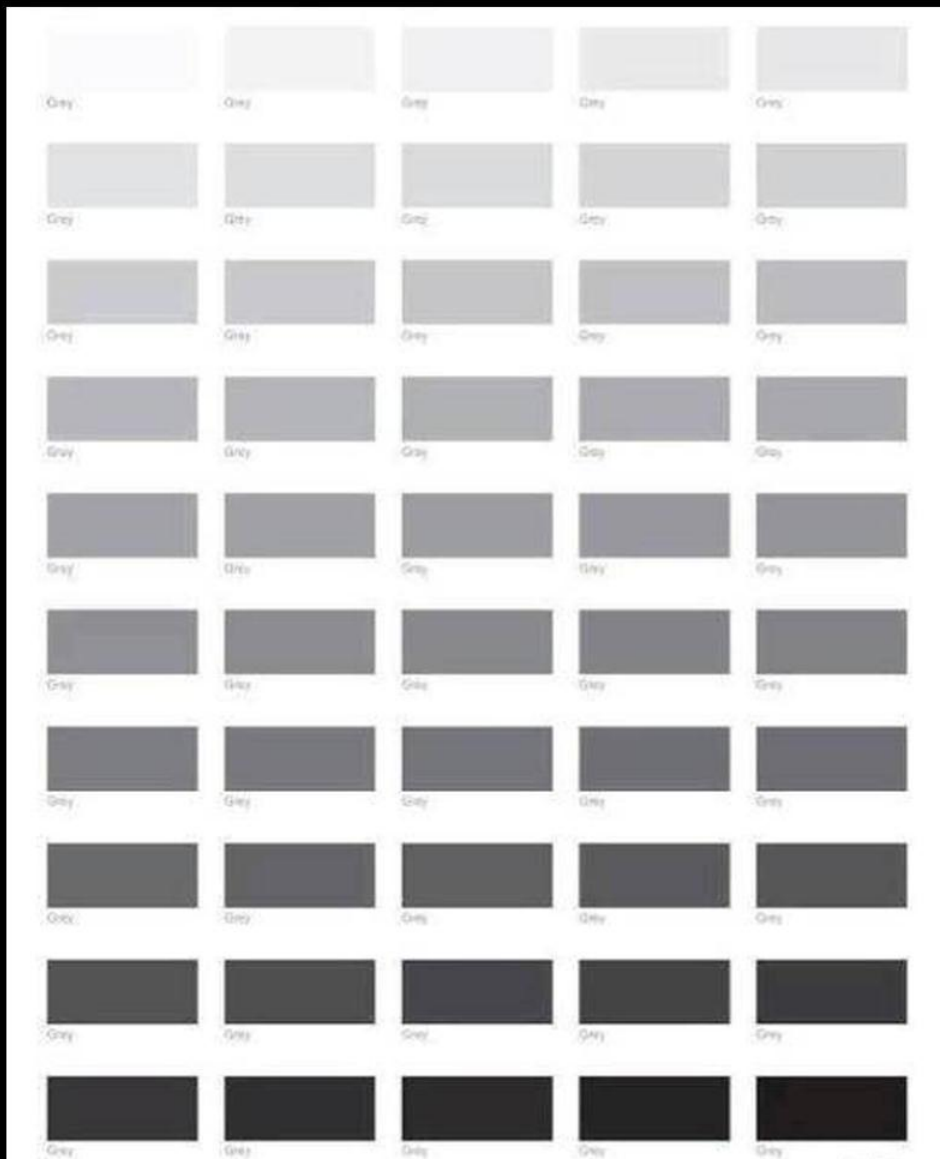
Where are you now?





£1,000,000.00

£1,000,000.01



Fifty Shades of Grey Accountancy version

High Business Demand

Low Finance
Capability

High Finance
Capability

Develop
effectiveness
in
compulsory
work

Low Business Demand



High Business Demand

Low Finance
Capability

High Finance
Capability

Develop
effectiveness
in
compulsory
work

Low Business Demand

High Business Demand

Low Finance
Capability

Continuous
improvement
& scenario
planning

High Finance
Capability

Low Business Demand

▼ BPM

- BPM and strategy
- **BI and analytics**
- Communicating performance
- Data and KPIs
- IT systems
- Performance cultures
- Risk
- Tools and models

[Add this to Quicklinks](#)



Introduction to business intelligence and analytics ▼

Case studies ▼

Library resources ▼

Latest articles on business intelligence and analytics



'The Margins of Accounting' , P. Miller,
European Accounting Review (1998)

fi THE FINANCE INNOVATION LAB

WHAT HOW WHO PROJECTS COMMUNITY RESOURCES

Search...

WORKING IN PARTNERSHIP TO INSPIRE A FINANCIAL SYSTEM THAT SUSTAINS PEOPLE AND PLANET

FOR PEOPLE AND PLANET

The Finance Innovation Lab is designed to inspire profound change in the financial system. We incubate and accelerate new forms of prosperity, for people and planet.

INCUBATING AND ACCELERATING NEW FORMS OF PROSPERITY. FOR PEOPLE AND PLANET.

High Business Demand

Low Finance
Capability

High Finance
Capability

Solve a key
business
problem

Low Business Demand

Low Business Demand Tactics

- Reporting lines
- Empathy/listening
- Identify and help with key business challenges
- Run financial training for non-finance managers
- Marketing



High Business Demand

Invest

Low Finance
Capability

High Finance
Capability

Low Business Demand

Poll 3

What is the main area you need to address in developing finance business partnering capability?

1. Technical skills of finance staff
2. Interpersonal skills of finance staff
3. IT Systems
4. Time available for business partnering
5. Other

10,000 hours or 20 hours?

Selection Methods - 1

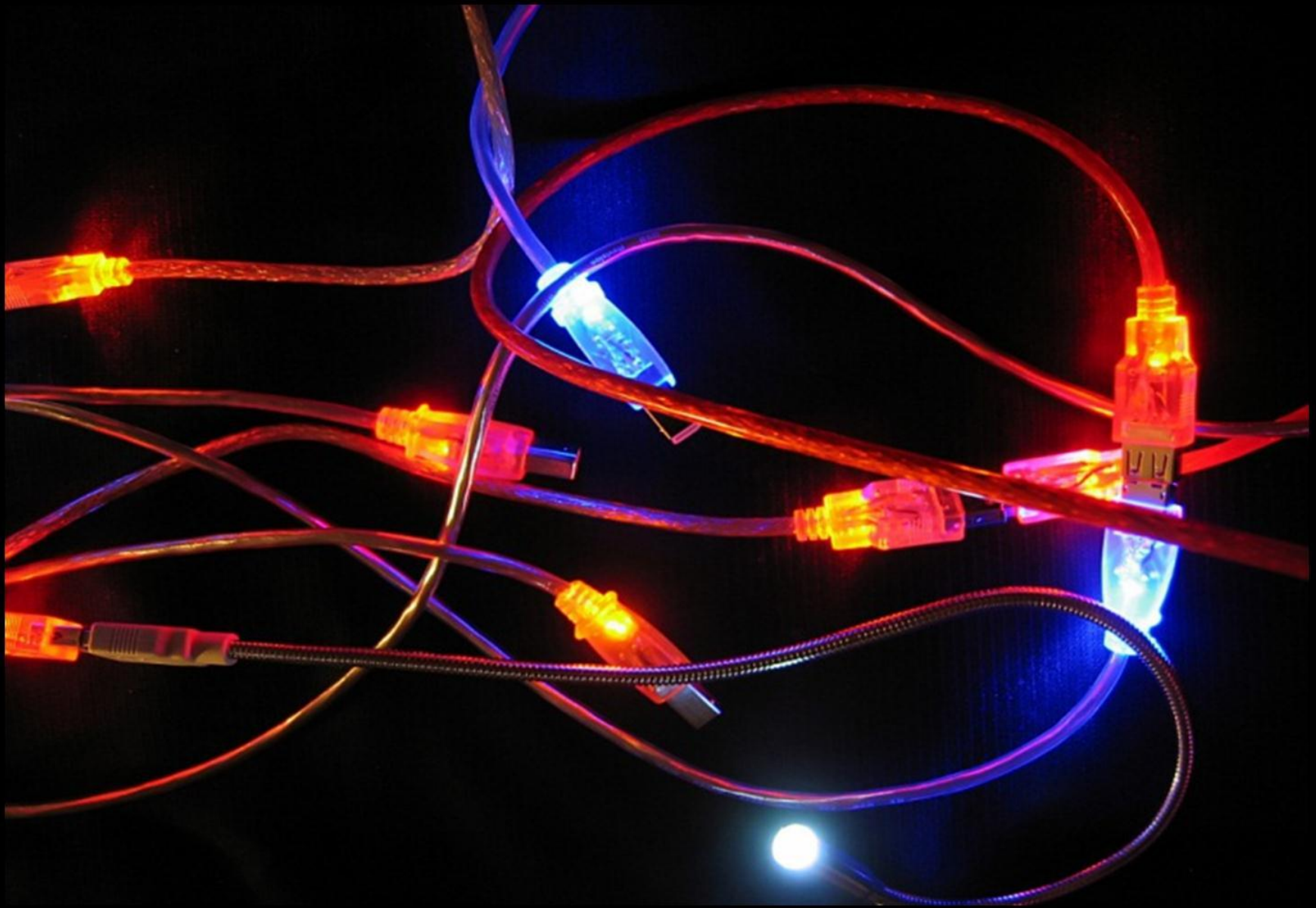
Selection Method	Validity Coefficient
Work sample tests	0.54
Cognitive ability tests	0.51
Employment interviews (structured)	0.51
Job knowledge tests	0.48
Training and Experience Evaluation (Behavioural consistency)	0.45
Job try out procedure	0.44
Integrity tests	0.41
Employment interviews (unstructured)	0.38
Assessment centres	0.37
Biodata	0.35

Meta Survey Data, Schmidt and Hunter, 1998

Selection Methods - 2

Selection Method	Validity Coefficient
Conscientiousness test (Big Five)	0.26
Reference checks	0.18
Job experience (years)	0.18
Training and experience evaluation (point method)	0.11
Years of education	0.10
Interests	0.10
Graphology	0.02

Meta Survey Data, Schmidt and Hunter, 1998



High Business Demand

Invest

Continuous
improvement
& scenario
planning

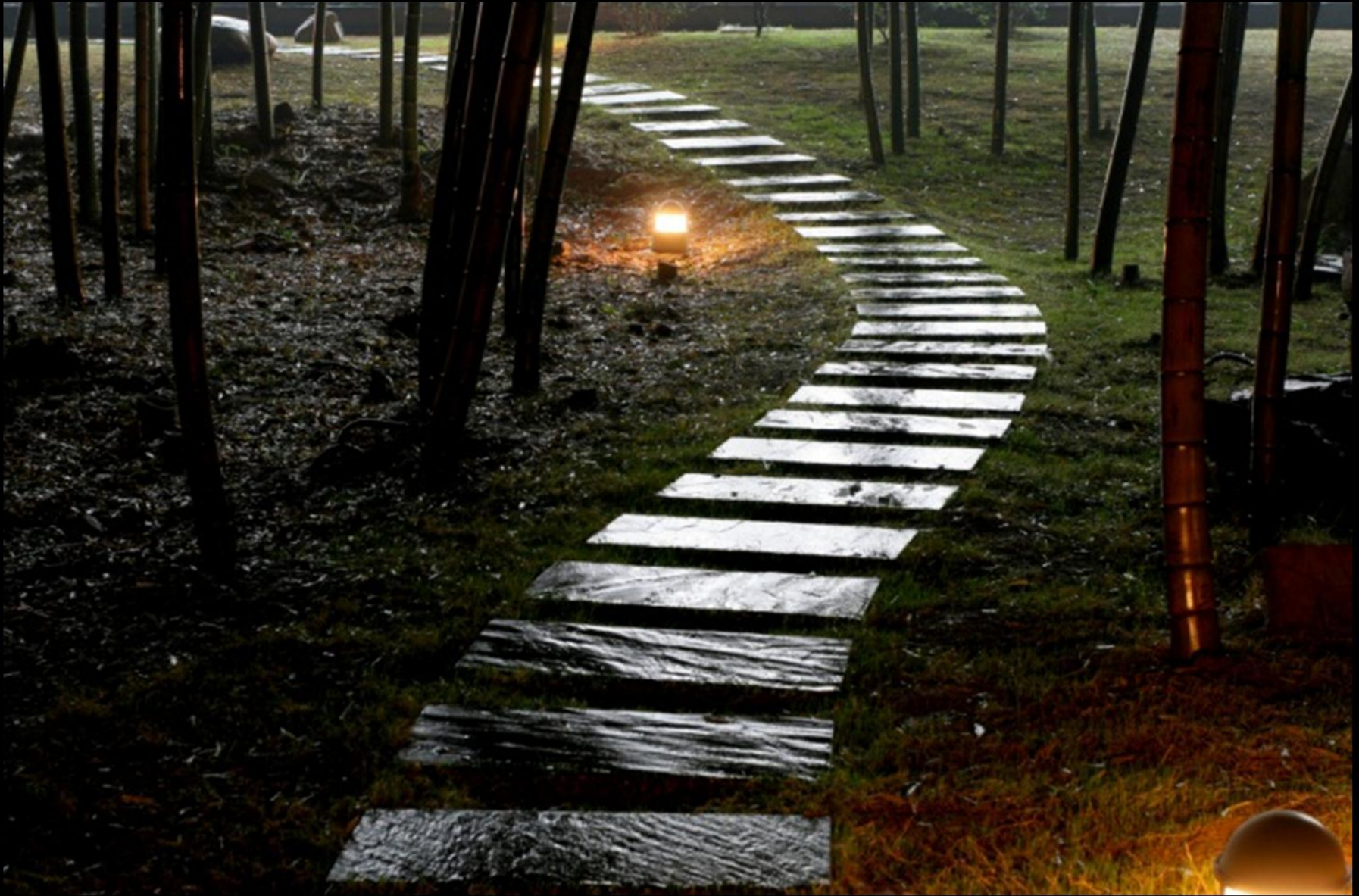
Low Finance
Capability

High Finance
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Develop
effectiveness
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Solve a key
business
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Low Business Demand





cutting through complexity

Effective Finance Business Partnering

Gavin Donaldson, KPMG

9 October 2013

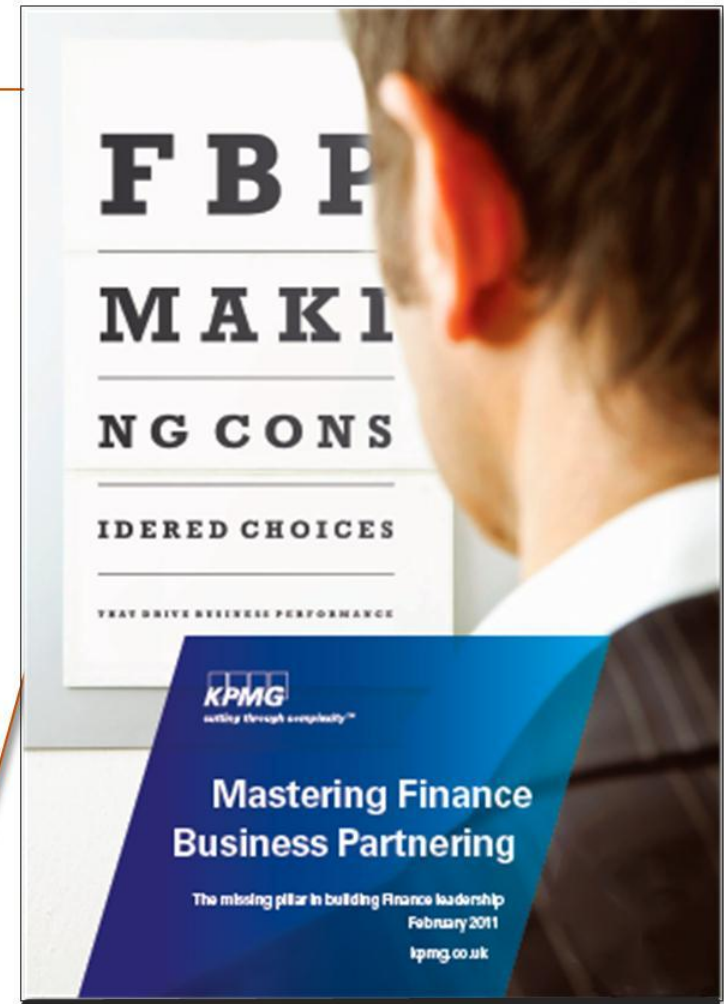


Effective Finance Business Partnering

Explaining Finance Business Partnering

Mastering Finance Business Partnering

- *Supporting the entire business to raise standards in key decision areas*
- *Emphasis on organisation value creation*
- *Driving a forward-looking and commercial view*
- *Leveraging high emotional intelligence to influence decisions*
- *Interpreting, explaining and driving performance and presenting a dynamic industry, competitor and economic context*



Effective Finance Business Partnering

Finance responding to today's challenging demands

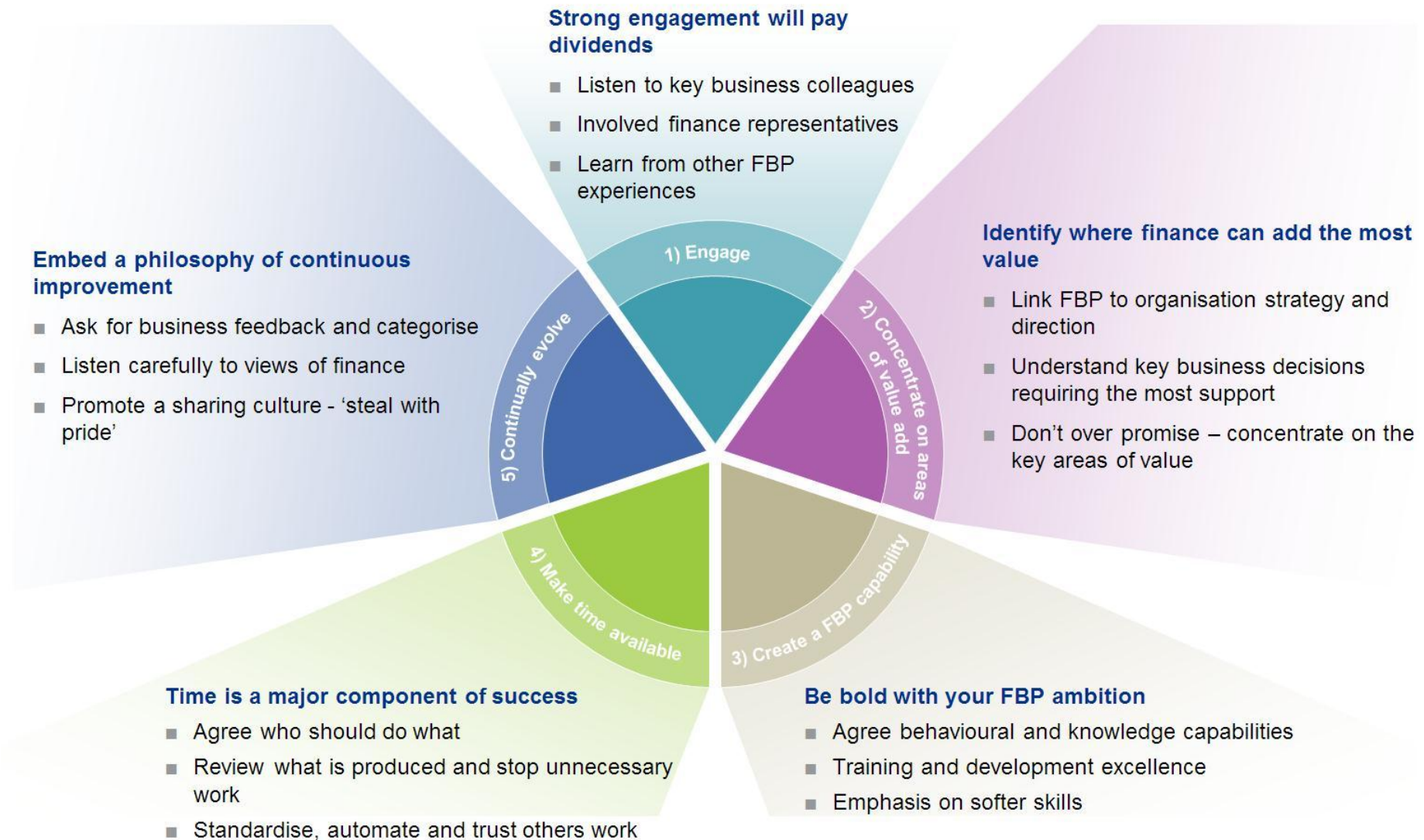
Finance Business Partnering is a major component of a Finance Operating Model

- Identifying and driving value
- Providing a strategic view and accepted as a true business partner
- Delivering high quality information at the right time in the right way
- Creating a motivated and capable business partnering team with influential points of value

Effective Finance Business Partnering/decision support

- Concentrate time on decision support; advising the business, providing strong counsel, influencing and providing well constructed recommendations
- Thoroughly understand the business, the industry and act as a 'sparring partner' and 'sounding board' with the business
- Adopt best-practice approaches and tools to drive the right decision making based on the right analysis
- Drive value creation through robust recommendation for the most important decisions

Practical step to move towards effective Finance Business Partnering



Effective Finance Business Partnering

Suggestions for effective Finance Business Partnering

- 1 Finance Leadership Team set up for success.** Leadership, governance, business inclusion and resources
- 2 Create a business partnering culture.** FBP is a way of life understood and embraced by all in finance
- 3 Be clear on how finance can add the most value.** Thoroughly understand business needs and resource
- 4 Enhance capabilities.** Influential FBPs equipped with strong behavioural and knowledge capabilities
- 5 Consider carefully the Finance Operating Model and inter-dependencies.** FBP won't succeed in isolation
- 6 Collocation/proximity with the business.** Relationships and communication are dependent on connections
- 7 Develop a set of FBP 'Promise Statements'.** 'Contract' with business and deliver to commitment
- 8 Share and leverage good practices.** Promote an environment of collaboration and leveraging best practice
- 9 Finance need to be involved, cradle to grave.** Get involved early on to influence and recommend
- 10 Be bold with your vision.** Communicate it simply and deliver on your commitments

Thank you

Gavin Donaldson

gavin.donaldson@kpmg.co.uk

+44 20 7311 8597





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Any questions?

Future webinars and events



Webinars

- **Raising Finance**
Tuesday 26 November 2013 10am – 11am
Free for faculty members
Register: icaew.com/fmfnowwebinar
- **Pensions auto-enrolment**
Tuesday 10 December 10am – 11am
Free for faculty members
Register: TBA



Events

- 17 October – Financial Controllers' Conference - mastering your career in finance

THANK YOU FOR ATTENDING

Contact the Finance & Management Faculty

 +44 (0)20 7920 8533

 fmfac@icaew.com

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