Other than death and taxes, few things in life are characterised by certainty. This is especially true in the modern economy, where businesses are learning to function in an environment of sustained uncertainty, today’s new normal.
As CFO, achieving your organisation’s financial and business objectives in an uncertain economy—one that’s fraught with unsettling macroeconomic dynamics—is a complex task. By enlisting a trusted partner to provide transactional and decision-support processes as well as more complex judgment-intensive and analytic tasks, you can create a more flexible and scalable business model. The result: you can focus more closely on the business and move quickly to deal with unforeseen challenges, exploit opportunities, and adjust to shifting market conditions.

Whether you view uncertainty as a risk or as an opportunity, achieving success in an uncertain world requires your organisation to:

• Achieve better **insights** with sophisticated analytic processes and methodologies, the utilisation of “big data,” and the ability to have nearly instant availability of data.

• Quickly see potential **risks** approaching on the horizon, manage them more effectively, and take measures to “avoid the avoidable.”

• Identify and quickly exploit areas of **opportunity** through increased operational agility and flexibility and more scalable global finance and accounting operations.

**Gain valuable and timely insight**

As the expression goes, “knowledge is power,” and today, the power belongs to those with the data. CFOs with real-time or near real-time access to business performance information are better prepared to make solid, strategic decisions in a timely manner.

Most financial and analytical systems have an internal perspective, with a narrow focus on budget cycles, internal reports, and regulatory filings. Forward-thinking organisations leverage innovative analytic methodologies to go beyond compliance and reporting on the past to create insight, mitigate risk, and spot new growth opportunities more quickly and successfully.

Analytics need to go beyond the structured data found in ERPs, traditional Excel spreadsheets, and customer databases to also include unstructured data, found in emails, documents, notes, videos, presentations, and social media posts. To effectively utilise both structured and unstructured data in your data-driven decisions and insights requires a defined step-by-step process. For analytics to be accurate and valuable, organisations must first ensure that they’re acquiring the right data—since even the most insightful analysis will be worthless if the wrong raw data is used. It is also critical that the data is readily available for analysis; insights must be timely to be of value to the organisation. Then the data must be queried and reported in ways that are easy to understand and apply to decisions and issues. Once the data has been extracted, it must be interpreted, at which point it can be used for modelling and predicting future outcomes.
The roadmap to an optimized analytics capability

Depending on the CFO’s priority, critical insights can be gained through analytic techniques such as cash flow, ROI, or fraudulent claims modeling to optimise collections, streamline supply networks, or reduce revenue leakage. Additionally, analysis such as procurement spend analyses, price realisation reporting, financial benchmarking, and macroeconomic analyses can address CFO concerns about business transparency, performance monitoring of business units, and support of key investment decisions.

Cash flow insight

A global technology company with more than 20,000 vendors across the globe needed to improve cash flow. The client required a better AP process and data visibility to identify key drivers contributing to days payables outstanding (DPO) deterioration. In addition, the client was seeking to enable faster cash flow-related decisions and improved payment controls. HP deployed its working capital analytics solution for the client to gain improved visibility into the sources and uses of cash. In addition, close collaboration with the client helped create a culture of accountability for the capital conversion cycle. The changes improved the client’s cash flow by $610 million over three years.

Sales insight

A mid-market media client needed a better understanding of its potential advertisers, brands, and audiences to win significant new deals. HP’s team worked with the client to provide new sales and business insights in areas such as sales pipeline and advertising inventory management, pricing and media analytics, and market research. This helped the client’s sales leadership better understand advertisers’ media mix preferences and identify potential new accounts. HP’s work on segmenting low and high-selling inventories and development of product packages helped improve overall profitability for the business. From boosting process efficiency to improving opportunity recognition, these insights supported crucial decisions across the enterprise and helped improve the most visible and mission-critical business results.
Risk avoidance—“avoid the avoidable”

During times of economic uncertainty, working with a business process services partner can also help organisations manage risk by addressing what can be controlled and by positioning them to quickly react to macro changes beyond their control. By working with a partner focused on the finance and accounting domain, companies are not only able to achieve clear cost benefits, but they also have access to innovative technologies and processes and a global talent base. When combined, these technologies and expertise help companies achieve enterprise agility, increase process transparency, and enhance the quality and control framework.

Reducing uncertainty and risk involves not only controlling and managing large and very visible enterprise-wide risk mitigation activities, but also ensuring that the seemingly mundane activities have the same rigor and disciplined approach. “Small” issues can cascade through myriad systems, creating faulty pricing and critical inventory shortages or even halting shipments. They can lead to financial reporting errors that jeopardize regulatory compliance requirements. In addition, system integrity problems can lead to under- or overpricing, creating a competitive disadvantage. And data defects can cause operating disruptions of massive proportions. In other words, seemingly “small” issues can wreak sizeable havoc.

Establishing a global master data strategy can improve data integrity throughout systems and ensure consistency in how data is requested and input. One relatively small data error can create system failures that result in significant losses and the use of precious resources for error correction. With a global master data strategy, one that features a lean six-sigma quality environment, you can reduce the potential for major losses and improve the overall quality of data and reporting.

Another method to minimise risk involves implementing global standard operating procedures. Combining standardised processes and procedures with detailed and timely reporting means that key processes can be governed by statistical process control, enabling the rapid identification of problems and thereby reducing corporate risk. The creation of standard operating procedures also reduces personnel vulnerability: processes that are well documented keep the organisation from losing valuable knowledge when key personnel move on.

Modern enterprises can also improve cash flow by recovering lost profits from payment errors due to data integrity issues and processing errors in procurement and accounts payable. Overpayments, duplicate payments, and uncollected rebates tend to elude in-house auditing and recovery processes due to complexities created by multiple procure-to-pay (P2P) processes and systems that span lines of business and geographies. A partner can make practical recommendations that address the root cause of errors and the measures that need to be taken to prevent future mistakes.

By working with a business services partner to set up the structured controls framework, best practice processes, and tightly integrated systems, you can help reduce or prevent both “small” and “big” issues from derailing your organisation.

Collection risk

A Fortune 500 global client partnered with HP to improve their cash flow through better receivables collections, enhanced customer service, and lower costs. The client and HP agreed upon a revised collection policy that better aligned with the client’s goals. HP was then responsible for design, execution, and outcomes. Highly trained collectors, supported by HP tools, improved days sales outstanding (DSO) by nearly 30% in less than a year, a significant change due to the very complex market conditions. In addition, HP’s efforts improved visibility to collections throughout the enterprise, reduced costs, and improved customer service levels.
Exploiting opportunity

In addition to gaining insight and reducing risk, working with a business process services provider can help organisations improve productivity and flexibility so they can exploit opportunities more quickly and make time for what matters most. But often companies lack the expertise, time, and available resources internally, or they’re consumed by other priorities. Implementing innovative processes and technologies can provide the boost firms need to deliver improved productivity and operational effectiveness. So CFOs are increasingly looking to external partners for assistance with strategic transformational projects as a way to trigger accelerated business growth and enhanced efficiency and to deliver a sustainable competitive advantage.

Ensuring consistency around the organisation—through technology, automation, and digitisation, and the best practice processes they enable—can unify and streamline the most complex global finance and accounting environments. This consistency of technology and processes creates operational flexibility that is crucial for quickly taking advantage of market opportunities. A standardised process creates not only greater quality of data, but the ability to quickly change requirements, ingest new acquisitions, or expand to new markets.

Entering new markets quickly, cost-effectively, and successfully requires knowledge of local regulatory requirements, cultural nuances, language capabilities, and infrastructure. Growing into untapped markets ahead of competitors creates a competitive advantage that is difficult for others to overcome. Working with a partner with global capabilities provides benefits that go beyond their network of leveraged delivery centers. At HP, our own global footprint gives us the know-how and lessons learned to impart to our clients. We are able to provide clients with a global industrialised delivery model that meets complex business requirements and provides increased agility for growth into new markets.

Ensure consistency around the globe

One of the world’s leading mail and logistics groups turned to HP for help creating a cohesive back-office global business services infrastructure. Growth through acquisition had left the company with decentralised back-office operations, nonstandard processes, a complex IT landscape, and different business cultures. Working with a large business unit, HP moved 13 countries to a global operating model, standardised more than 3,500 processes into 150, and brought best practices to create efficiencies and improve performance—closing the books 50% faster than before.

Flexibility and agility

A global medical technology company worked with HP business process services to help them meet demand in the global market. The company operates in 30 countries worldwide and was looking to emerging markets and mergers and acquisitions for future growth. The client wanted to simplify its operating model globally, standardising and centralising activities around the world to give them a competitive, cost-effective, scalable platform. To accomplish this quickly, they decided to partner with an outsourcing provider—an organisation with a global footprint and proven capabilities, tools, and technology as well as experience working with similar companies. HP transitioned the company’s transactional financial services, which involved many disparate systems and processes, from 12 European locations into two locations on time and budget. HP implemented a quality framework, process improvement roadmap, and stronger business controls and compliance framework. As a result, HP has given the organisation a more flexible and scalable infrastructure that will grow and evolve with the business.
Finding the right partner

Business process services can bring significant benefits to organisations looking for success in uncertain times, but finding the right partner is critical. Make sure each potential partner demonstrates:

• Commitment to deliver the results you need consistently and ongoing investment in innovative new practices, technologies, and talent
• Expertise in processes and understanding that no single approach works for all organisations
• Transformation competence to effect major process and system transformation based on your requirements and timeframe
• Cooperation through a proven ability and willingness to work with other providers and competitors to benefit you
• Systems experience with implementing, integrating, maintaining, and modernising multiple IT systems and technologies
• Flexibility, viewing BPO as a partnership with both parties working toward a common goal and taking a collaborative approach to achieve it
• Collaboration; understanding that every enterprise is different, respecting differences and working to your agenda, not theirs
• Global capabilities to tap into professional talent around the world and accommodate local cultures, languages, and regulatory requirements
• Longevity in an organisation that will be there for the long haul and will adapt and change with you over the longer term
• Simplicity by excelling at taking the complex and simplifying, from transition and transformation to international business, mergers and acquisitions, and changing business dynamics
Create certainty with HP

HP business process services can help you survive and prosper in an era of increased uncertainty. Our service combines world-class technology expertise, history of service excellence, and an unmatched global footprint to help companies achieve enterprise agility and growth while improving overall return on investment. Delivering labor and intellectual arbitrage, HP can apply the right talent to every task, while ensuring a seamless transfer of skills and knowledge.

Impacting business results

With HP’s scale, geographic presence, best practices, and processes, we are ideally positioned to help CFOs looking to transform their operations and achieve increased savings across the organisation. We can help you make a compelling business case by delivering cost savings up to 50% and provide business and strategic impact as we help you transform your business.

At HP, we understand the power of partnership, which is why we collaborate closely with our customers. Working together, we can help you improve insights, minimise risk, create opportunity, and find certainty in a world that’s constantly changing.

Learn more
For more information, please visit hp.com/go/bpo.

Nature / Degree of Impact

- Reduce operational risk
- Optimise working capital
- Enhance controls

Process/biz impact

- Operation excellence
- Process improvements
- Labour cost reductions

Strategic impact

- Business transformation
- Impact through better decision support
- Timely advantage of opportunities

Effort required

- Direct cost impact
- High
- Medium
- Low

Source: Everest Research

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