

Business Partnering Skills and Capabilities Model Electrocomponents - Case Study

Summary

This case study examines the introduction of a finance business partnering skills and capabilities model designed to support the business and finance department strategy of Electrocomponents plc. The key lessons from the case study are:

- There is no one size fits all approach to business partnering;
- Align finance with business strategy and business needs;
- Skill development requires a structured approach and needs to cover all finance staff who have a role to play in delivering business partnering;
- Investing time in understanding what business partnering is, how others have approached business partnering, including in other functions, and honestly assessing the current position of finance is important – resist the tendency to jump to action;
- Business partnering is more than just a job title – it is the skills, knowledge and attitude of the individual that counts;
- Be clear on how business partnering and improved insight will add value to the business;
- Own the skills and capabilities model rather than delegating it to HR;
- Ensure those on the finance project team have the necessary passion and belief in the project;
- Draw on internal structures and methodologies e.g. project management processes;
- Spend limited funds only on things you cannot do yourself;
- Establish success criteria;
- Ensure the implementation of the skills and capability model is co-ordinated with other finance initiatives;
- Consult widely on skills and capability models and road test them to ensure they apply across all divisions and countries;
- Define skills levels for each capability so individuals can show progression and capabilities can be matched to jobs;
- Take time to launch properly and provide support materials;

Details of the skills and capabilities model itself can be found on page 6.

About Electrocomponents

Electrocomponents is the world's leading high service distributor of electronics and maintenance products. Electrocomponents operates directly in 32 countries, with distributors in a further 37 countries. The Group trades under the brand names RS Components and Allied Electronics. We offer over 500,000 products through the internet, catalogues and at trade counters to over one million customers, shipping around 44,000 parcels a day. Our product categories, sourced from 2,500 leading suppliers, include semiconductors; interconnect, passives and electromechanical; automation and control; electrical, test and measurement; and tools and consumables.

Further details about the Group can be found on our website www.electrocomponents.com

Background

BUSINESS PARTNERING SKILLS & CAPABILITIES

A new global strategy and a new global operating model for the business were introduced during 2013. The strategy is summarized in the diagram below.



The new operating model created seven global functions: three commercial functions, Sales; Marketing and Offer, and four Corporate Service functions: IT; Finance; HR and Strategy. The Global Finance Function consists of c450 heads, and is aligned to the organisation on functional lines, approx. 150 are located in the UK, with local finance teams in all markets where the Group operates.

The main changes to the Finance function were:

- The establishment of a global functionally aligned network of business partners to support each function (Offer, Marketing, Sales and Corporate Services) who will focus on providing excellent decision support, and timely insightful and relevant reporting.
- The establishment of a global Finance Operations function to drive cost efficient transaction processing (including accounts payable, accounts receivable and general accounting), and maintain a sound control environment.
- Existing specialist functions (Financial Control, Operational Audit, Treasury, Investor Relations and Legal and CoSec) will support delivery of the Group Strategy.

Why focus on business partnering?

Delivering the strategy

Finance has always been regarded as a critical function to support the business, providing essential financial support services. However the business environment is becoming increasingly challenging and Finance has a role to play in assisting the business in addressing the challenges it faces. Increasingly, the commercial functions are looking to gain more from the Finance function - they want strong, value adding, decision support and insight.

Our Finance strategy is clear – “Our high performing and engaged Finance team supports and challenges its partners to drive value for the Group. We provide excellent decision support, insightful financial reporting and cost-efficient processes in a sound control environment.”

Developing a high performance team

The Group has identified developing a high performance team and culture as a strategic priority. At the same time, the finance function faces the challenge of how to develop the capabilities of their people.

BUSINESS PARTNERING SKILLS & CAPABILITIES

In order to increase the strategic impact of the Finance function, new skills are needed, supported by a more structured approach to finance skills development.

What was our objective?

At the outset of the project, our aim was to identify a global model for business partnering, including the key skills and attributes for effective business partnering.

What is the business partnering approach?

The term “business partnering” is not unique to Finance; it is used across professional functions to describe an approach that aligns the function’s structure, roles and capabilities closely to the needs of the organization. There is no one size fits all model for business partnering, but there are key elements to most models. Business Partnering is more than just a job title – it is the skills, knowledge and attitude of the individual that make the difference.



We were keen to develop a programme which could be applied as widely as possible, focusing on anyone who was involved in any form of business partnering across the three areas above, not just those who are formally identified as business partners.

An overview of our approach

Homework

Before we started we did a lot of research reading articles and papers, attending seminars and talking to others which had been through the process. We needed to show clear alignment between what we were proposing and what the leadership team was trying to achieve. Importantly we had to be really honest with ourselves with where we were in our maturity of understanding of business partnering, and did a lot of work in the initial stages to bring everyone along with us and to resist the tendency to jump to action. We had a sponsor who was able to shelter us a little from the impatience of others to get going, and create the space and time needed for the ground work to make the project successful.

We also looked for best practice in other functions, particularly HR where the concept of business partnering is more well-known and understood. Despite this our own HR department had somewhat of a false start with their business partnering development programme and our previous attempts in Finance to develop our insight capability had fallen short - without real clarity about what insight



means and how improved business partnering and insight adds value to the business, these initiatives had always failed to meet expectations. We needed the structure, processes and people in place before we could start to think about developing capability.

Initiation

To be able to move ahead with the project we needed to show that this project would bring benefits. Whilst we weren't asking for a significant initial spend, we still had to show that what we were proposing to do would deliver. This was difficult as some of our stakeholders had a slightly different view of what they wanted— some jumped straight into development interventions, others wanted the project to improve our insight, we had to piece all of this together and show how this would be delivered.

We made sure that we had sponsorship and ownership of the project from within finance. We didn't want to totally delegate to HR to deliver this project for us, we wanted to take ownership of it from within the function. All of the team members were working on this project on top of their day jobs - getting the right people in place, with the passion and belief in the project was an important factor.

Early on in the project we identified an opportunity to join with HR. Rather than being a Finance function only initiative, this became cross functional, with us working in partnership with HR to develop a model which could be rolled out across all of our Corporate Services functions (Finance, HR, IT and Strategy).

We ran our project using the Group's Programme Office structure and methodology, we found that the discipline of having to pass through clearly defined gates, and to articulate progress at each stage, meant that we were able to manage expectations, and keep in regular contact with our stakeholders. We set our own pace, deciding for ourselves the target date for the next gate – this meant we could keep up the momentum whilst retaining control of what we were doing, and avoiding scope creep.

Design

Spend your money on the things you can't do yourself. Our programme did not cost very much, but we spent the budget we had on buying in expertise in areas we didn't have it. We commissioned Develop Global to support us with our design phase, and they facilitated a two day design workshop. This was a crucial phase for the project. We brought together representatives from all areas of the four Corporate Services functions, and had representation from all of our business regions.

At the workshop we didn't jump straight into debating the competencies. First we focussed on making sure that we all had a common understanding of what we meant by business partnering. There were some real light-bulb moments for many, as we realised that business partnering and having the role of a business partner are not the same thing. We do not need a whole function of business partners, but we do need lots of people with business partnering capability. We reviewed whether our organisation structure was right – were we set up for successful business partnering and if not what did we need to do? We reviewed feedback from our internal customers to make sure we

had a common view of how and where business partnering adds value to the commercial functions. We talked about our success criteria - how would we know we had done a good job? We considered our organisational readiness – how far were we from being able to implement?

Only towards the end of the two days did we begin to review the skills and competencies needed for business partnering. Develop Global introduced a straw man competency framework for us to work on. Finally we drew all of this together and started to think about what we had to do next.



During the design phase, we established that there are three dependent elements to successful business partnering:

1. Clarity about
 - who is a business partner, and
 - how the Finance operating model works;
2. An effective service centre able to deliver operational and routine finance processes;
3. A skills and capability model, aligned to career development and supported by training and development

Following the design workshop we presented this to the leadership team to confirm their commitment to delivering each of these elements, as our project was only focussing on the third. They reviewed the existing and planned initiatives within Finance and although some areas were still at the early stage, were assured that all areas would have moved forward before our go-live date.

BUSINESS PARTNERING SKILLS & CAPABILITIES

This was important as if we launched the skills and capability model to a function which did not have that clarity, it would not be a success. Having the organisational structures in place before we went live made a strong statement as to the level of commitment to making business partnering a success.

The next step was to return to the straw man of the skills and capabilities model that Develop Global had introduced. We work-shopped this supported by our Learning & Development team. The core project team worked the straw man up into a more detailed version, where the language was more aligned to our corporate language, particularly around our behaviours. We reviewed and challenged each competency and decided what to call each one, and how to describe it.

This detailed version of the model was then reviewed by some groups of road testers, consisting of some of the group from the initial design workshop, plus some additional representation from the other functions. We held one for UK/Europe, and another for APAC. Each group critically reviewed the straw man, and suggested changes to language and structure – this stage was important to ensure the model would translate globally, and also brought a larger group into the project, a group who would become advocates and would be able to support the roll out.

Our Output - The Skills and Capabilities Model

The Model details five areas of capability which contribute to effective business partnering. The five capabilities work together and are complimentary.

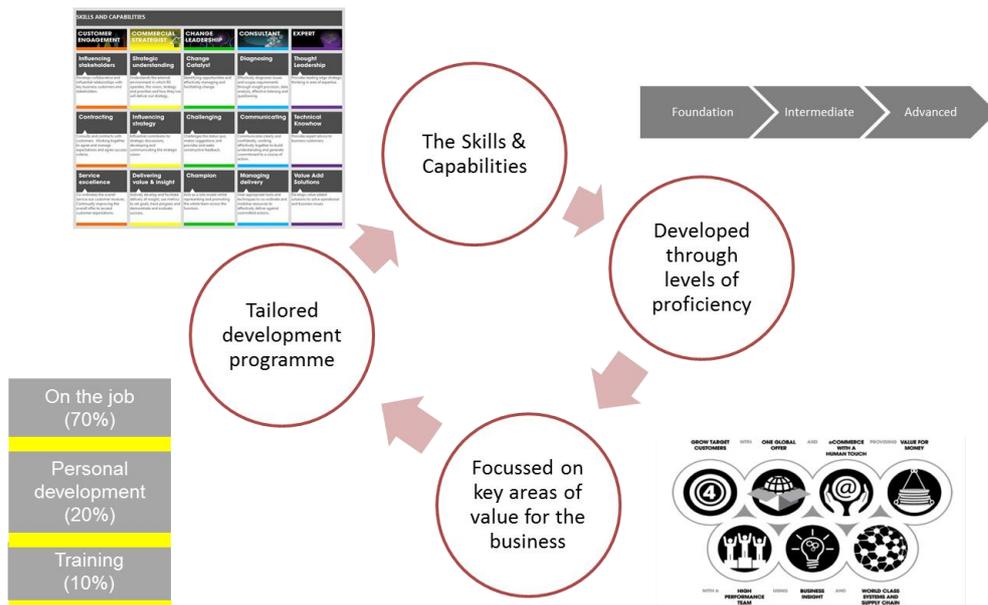
SKILLS AND CAPABILITIES				
CUSTOMER ENGAGEMENT	COMMERCIAL STRATEGIST	CHANGE LEADERSHIP	CONSULTANT	EXPERT
Influencing stakeholders Develops collaborative and influential relationships with key business customers and stakeholders.	Strategic understanding Understands the external environment in which RS operates, the vision, strategy and priorities and how they/we will deliver our strategy.	Change Catalyst Identifying opportunities and effectively managing and facilitating change.	Diagnosing Effectively diagnoses issues and scopes requirements through insight provision, data analysis, effective listening and questioning.	Thought Leadership Provides leading edge strategic thinking in area of expertise.
Contracting Consults and contracts with customers. Working together to agree and manage expectations and agree success criteria.	Influencing strategy Influential contributor to strategic discussions, developing and communicating the strategic vision.	Challenging Challenges the status quo, makes suggestions and provides and seeks constructive feedback.	Communicating Communicates clearly and confidently, working effectively together to build understanding and generate commitment to a course of action.	Technical Knowhow Provides expert advice to business customers.
Service excellence Co-ordinates the overall service our customer receives. Continually improving the overall offer to exceed customer expectations.	Delivering value & insight Actively develop and facilitate delivery of insight, use metrics to set goals, track progress and demonstrate and evaluate success.	Champion Acts as a role model whilst representing and promoting the whole team across the function.	Managing delivery Uses appropriate tools and techniques to co-ordinate and mobilise resources to effectively deliver against committed actions.	Value Add Solutions Develops value added solutions to solve operational and business issues.

BUSINESS PARTNERING SKILLS & CAPABILITIES

For each capability we defined different skill levels, Foundation, Intermediate and Advanced - we wanted to be able to show progression, and that an individual can be operating at a different level for each capability dependent on their experience and the activity they are doing. This reinforces the idea that you don't have to be advanced at everything all of the time, it will depend on the requirements of the activity you are doing, and your level of experience.

Influencing stakeholders	Contracting	Service excellence
Develops collaborative & influential relationships with key business customers & stakeholders	Consults and contracts with customers. Working together to agree and manage expectations and agree success criteria	Co-ordinates the overall service our customer receives. Continually improving the overall offer to exceed customer expectations
FOUNDATION	INTERMEDIATE	ADVANCED
<ul style="list-style-type: none"> I understand who are our key business customers and stakeholders. I use facts and data to influence success criteria. I actively listen to customers to accurately assess needs and take appropriate actions. I am confident and comfortable working with people at all levels. 	<ul style="list-style-type: none"> I build and maintain trusting relationships with key business customers and stakeholders to create win: win solutions. I build a wide and effective network across the business and invest time in cultivating relationships. I take personal responsibility for seeing things through to a successful completion. I take time to actively listen, question and understand, underlying needs of customers (both internal and external), and develop appropriate protocols. 	<ul style="list-style-type: none"> I have a through understanding of the needs of different internal/ external customers to drive high performance. I demonstrate active involvement with GLT to establish the root cause of issues and consults with the customer to determine the appropriate interventions and expectations/scope. I hold people accountable to drive business improvement in areas that will positively impact the overall service. I am able to speak up and challenge even when it may be contrary to the majority views. I can influence stakeholders and LTs to adopt globally consistent decisions and approaches. I develop external relationships that enhance their knowledge and brings best practice into the organisation.

The Model has been designed to help individuals have focussed development discussions. By identifying current skills and capabilities, and mapping these against future personal and role requirements, individuals can use the Model to develop meaningful development plans consisting of on the job, personal development and/or training opportunities.



Implementation

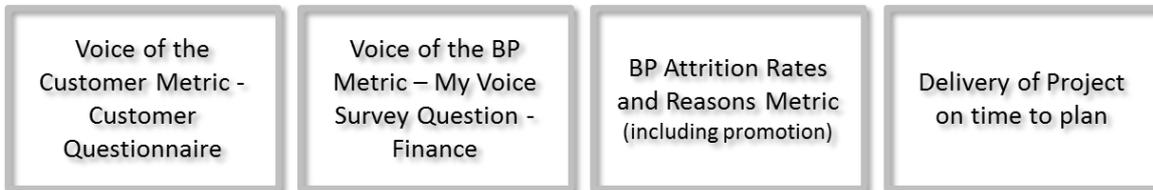
Planning the launch took more time and effort than we initially thought it would. We decided to launch simultaneously across Finance and HR, with IT and Strategy a short time afterwards. Each function developed their own launch plans, but we coordinated the plan centrally, and produced generic launch materials. We had already commissioned a bespoke intranet site from our internal design team, which would host all of our launch material, and allow users to navigate the model, click through to the development descriptions, and access information about the development support available.

We produced a number of documents, a “Story so far” which tied the project into the strategy, a “Guide for Line Managers” to give them some more support around using the model in development discussions, and a “Next Steps Guide”. Our Internal Communications team helped us to develop and deliver a communication plan, which included warm up mentions in team talks and meetings, little teasers of what was to come in team newsletters, etc. We filmed a short video to support launch day – telling the story of the project and what we were trying to achieve would help people to engage with it.

Since launch the model has been reviewed at team meeting across the Finance function, **we** are still in the early days, but the feedback so far is really positive. For the first time we have a clear framework, and in particular everyone likes the fact that it looks and feels “finished” – they can pick it up and use it straight away.

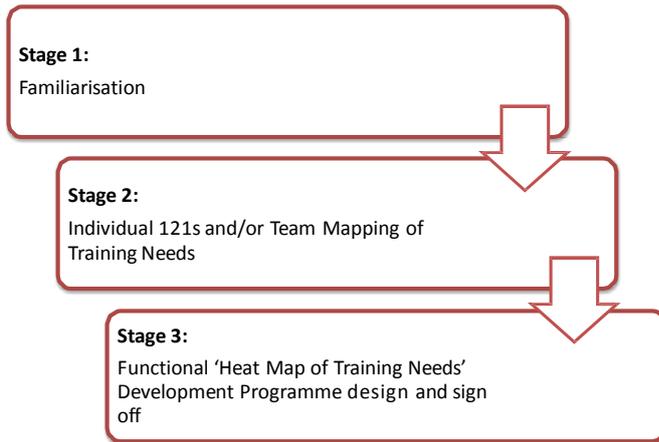
What success looks like

As part of our design we identified clear success criteria and measurements. These will be impacted by all of the projects forming the High Performing Team programme, including Business Partnering.



Next Steps

The next phase will be focussed on implementing and embedding the model into individual and team development planning



Our next step is to get a better understanding of our functional training needs by amalgamating the output on individual and team discussions into a heat map – then we will be in a position to design a targeted development programme that will really move the dial in our business partnering capability and focus on the areas that will add most value.