



Target Operating Model

Balance skills & scale - adopt a 360° view when designing the target finance operating model

CEOs want CFOs to be more agile and strategically alert. An Oracle survey of senior finance executives showed that 95% of businesses supported by agile finance leaders/teams have increasing profitability vs 70% of non-agile finance leaders/teams.

The finance & accounting (F&A) function should work as part of an extended business ecosystem, with deeper collaboration across business units and other functional groups within the organisation and externally. This will help companies develop more cross-functional and integrated teams. Finance operating models are shifting to become:

- More open with the use of innovative provider strategies and technology
- Smarter with technology enabled by digital advances such as data analytics, which is further strengthened by highly standardised ways of working

Companies should adopt a 360° view when designing the target finance operating model. This means taking multiple roles such as finance, technology, talent, multiple stakeholders and culture into consideration. A future-proof operating model can equip finance organisations with a flexible yet solid foundation to navigate volatility and respond to rapid business and market changes with agility.

Key considerations



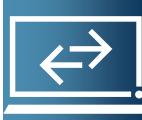
A business-aligned finance strategy helps to build a more agile finance organisation that can leverage data assets and cloud technology to enable business growth. [Can your organisation explain how the finance function supports the business strategy?](#)



A business which employs talent with the right skill sets is more likely than other businesses (48% vs. 18% of others) to see opportunities for revenue growth. Today's dynamic business environment makes continual and changing demands upon an organisation's operating model which in turn requires a multi-faceted set of capabilities and skills in the finance & accounting function. [How does the business environment affect your operating model and finance talent requirements?](#)

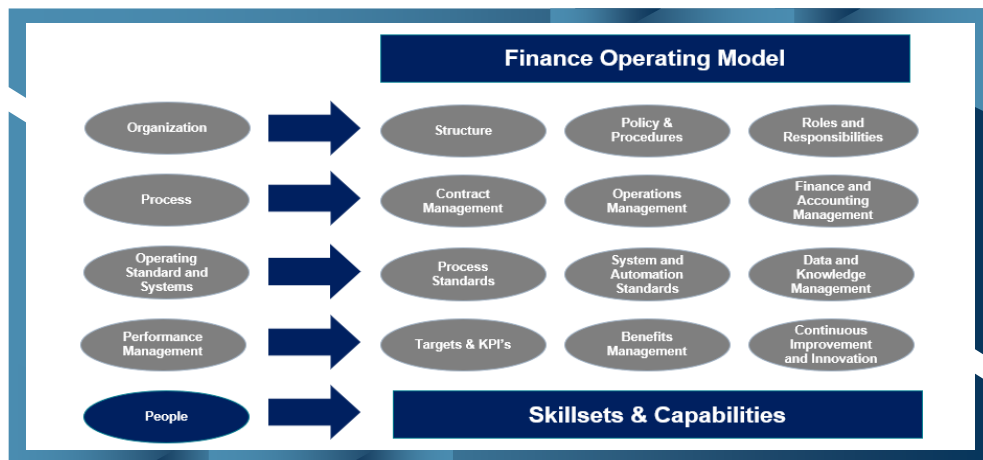


The organisation of the finance function brings synergies with the overall business model. [Do you know which are the key finance processes the organisation needs to excel in order to achieve its business strategy and goals?](#)



Digitisation is a "must-have", it is not a "nice-to-have". In short, digitisation is the "new normal". [Is your finance operating model synchronised with the overall digital strategy throughout the entire organisation? If not, have you developed a transformation roadmap to achieve this?](#)




Target operating model



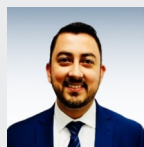
A target operating model provides a “big picture” of how the future steady state business may look across business and technology domains.

It focuses on both hard and soft skills – systems, structures, staffing, style, and shared values. The fundamental constructs of a target operating model will help provide the building blocks to define business & system architecture.

How we can help

 Finance target operating model	 Financial processes lift & shift	 Shared services & outsourcing advisory
<ul style="list-style-type: none"> • Define vision and scope by conducting key stakeholder interviews to identify objectives and expectations • Identify and document current state data, processes, function, organisation and cost structures. • Perform capability and maturity assessment and gap analysis to identify areas for improvement • Define potential target operating model, skills and capabilities to support required future roles and responsibilities • Identify process automation and digitalisation opportunities, prioritise and timeline for implementation • Develop performance measures, KPIs, SLAs and reporting tools 	<ul style="list-style-type: none"> • Process map all relevant functions and processes, design target operating model, operations, governance • Perform process gap analysis against best practice and identify areas for improvement • Stabilise and baseline selected best processes to adopt • Develop transformation roadmap • Establish/monitor KPI's and SLA's for captive/vendor • Manage vendor selection and contractual negotiations • Manage communications, retention and exit strategy • Support vendor with detailed process and data maps, SOPs accelerating the transition to target operating model • Manage role transition, data migration and stabilisation of captive/vendor model 	<ul style="list-style-type: none"> • Perform current state assessment • Perform business impact and initial risk assessment • Conduct site-location analysis • Determine vendor selection criteria and outsourcing strategy • Identify technology requirements and enablers • Develop business case with cost-benefit analysis, implementation barriers and risk mitigation plan • Develop service delivery model, change management and program implementation plans and timeline. • Design service management framework and governance model • Develop performance measurements and monitoring/tracking tools

Contact the business performance improvement team for a discussion



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