Innovate or Fail –
Why Finance Leaders
Must Act Now

It's About Time

Howdy!

Chris de Visser
CEO, North America

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Partner Account Manager

Agenda

01 What is Financial Transformation?

02 Why us (Finance)?

03 Why now?

04 How can you take advantage?

05 How can technology help?

If you don't like change, you're going to like irrelevance a lot less.

General Eric Shinseki, former U.S. Army Chief of Staff

Nothing ever changes, unless there's some pain.

Roland Orzabal, Artist

What is Financial Transformation?

Agreed?

1. Business transformation is not an option

2. The rate of transformation is accelerating

Innovative businesses that stopped innovating...

Businesses (and industries) created in the past 15 years...

Businesses that did innovate!

amazon

IBM

Apple
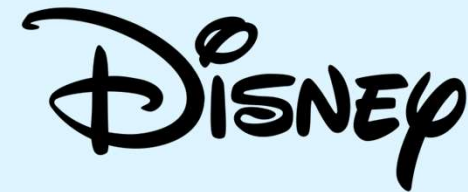
NETFLIX

LEGO

Disney

What is Financial Transformation?

"Finance transformation is the combination of **processes, systems and organizational change** across a business, which is implemented through **new technologies, training and analysis**. As a practice, it is suitable for finance teams seeking to streamline, simplify and optimize their systems through a shift in their approach."

https://www.ibm.com/topics/finance-transformation#:~:text=Finance%20transformation%20is%20the%20combination,a%20shift%20in%20their%20approach

"Finance transformation describes strategic initiatives aimed at reenvisioning the finance function to align with the overall company strategy."

https://www.gartner.com/en/finance/glossary/finance-transformation

What is Financial Transformation?

"Redefining the Finance team's role to drive the business forward."

Mark Rhodes

From:
Reactive
Control-oriented
Historical

→

To:
Proactive
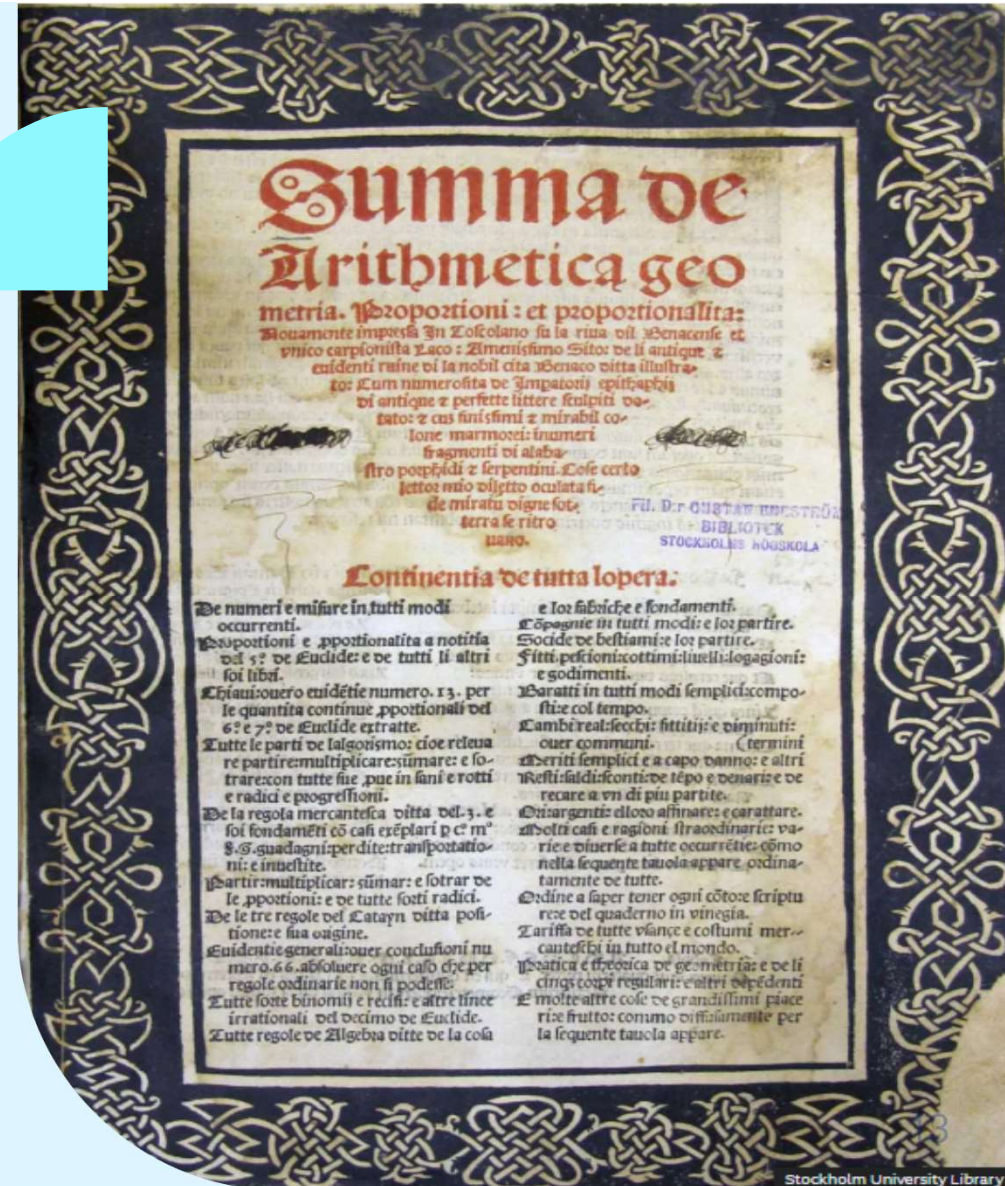**Predictive**
Efficient

The original Financial Transformation?

Double-entry accounting

"Popularized" by
Luca Pacioli, 1494

Why Finance?

" The CFO is in a unique position... He or she sits at a confluence of the most important data of the firm – operating costs from production, receivables from the customer, financial performance from the business units... "

Why Finance?

Then:

"[O]versaw a business' transactional activities and managed cash flows and expenditures."

• Control
• Monitor
• Audit
• Report

Now:

"[T]asked with developing and executing business growth and value-creation strategies."

• Analyze
• Assimilate
• Create
• Drive

Why now?

Talent / staffing shortages

Shifting workforce / Millennial perspective

Remote workers

Increasing risks with fraud, cybersecurity, etc.

Cost containment

Shrinking margins

ESG planning, reporting, and compliance

Increasing pace of technological advancements / AI

In the past two years, more than 300,000 U.S. accountants and auditors have left their job.

https://www.cnbc.com/2024/04/12/6-figure-accounting-jobs-are-in-high-demand-in-the-us-not-just-during-tax-season.html

What is #1 on LinkedIn's list "These finance Jobs will be taken over by AI!"?

Accounting clerks and bookkeepers

How can you take advantage?

Foster a culture and environment of creativity and innovation.

1. Educate
2. Equip
3. Experiment

How can you take advantage?

Educate
- Talk to Innovia
- Research Financial Transformation
- Dive into BC
- Network with your peers
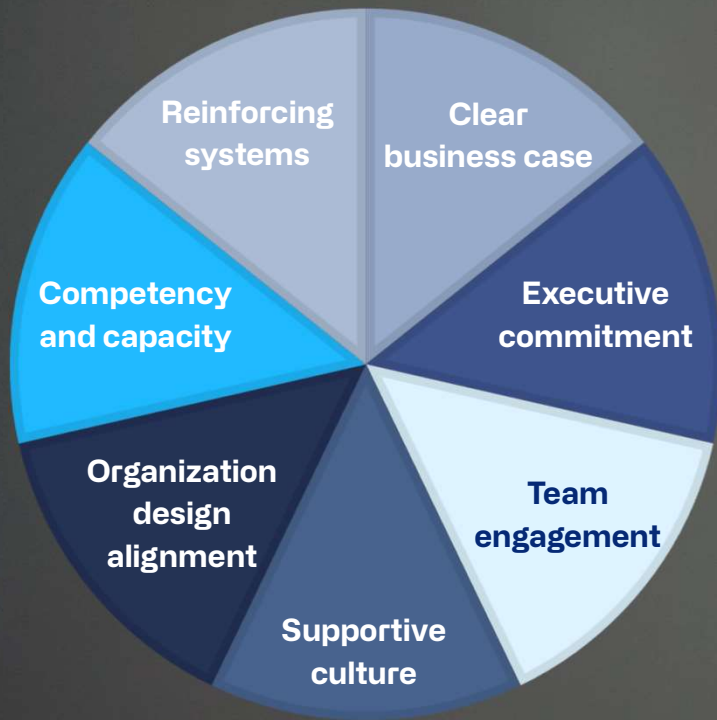- Take advantage of online training

Equip
- Grow your team's appetite for change
- Foster creativity
- Embrace a holistic approach
- Monitor and adjust

Experiment
- …with new technology, new processes, new ideas – anything!
- Most important thing is to try <u>and fail</u>
- Challenge your team to improve

Equipping your team for change

Pie chart segments:
- Clear business case
- Executive commitment
- Team engagement
- Supportive culture
- Organization design alignment
- Competency and capacity
- Reinforcing systems

Equip

Element	Evidence	Questions
Clear business case	Team members understand and can explain a concise focal point that answers the what, why, who, when, and how	• Do we have shared goals and objectives? Are they SMART? • Is it clear what we are trying to achieve? • Is it clear why we are changing? • Is it easy to relate individual roles to the overall objective?
Executive Commitment	Executive management "walks the talk"	• Is executive management consistent in their messaging? • Does the messaging align with the company culture, history, culture, compensation, etc.? • Is management's commitment and interest evident and consistent?

Equip

Element	Evidence	Questions
Team engagement	Each member of the team is viewed as a stakeholder with a role and the ability to contribute	• Are communications open, transparent, regular? • Do teammates look for opportunities to help each other out, grow, improve…? • Can each team member answer the infamous WIIFM? • Are historical / systemic barriers and experiences embraced?
Supportive culture	The organization's stated, observed, and intrinsic core values are aligned and consistent.	• Are the core values tangible and evident on a regular basis? • Do team members feel like the company cares about them? • How have previous organizational changes gone? • Does your team trust management and each other?

Equip

Element	Evidence	Questions
Organization design alignment	All elements of an effective organizational design are aligned: roles and responsibilities, teamwork orientation and maturity, compensation, incentives, etc.	• Are your team members' roles and responsibilities coordinated and balanced? • Is your team maturity measured and managed? • Are your team member's "holistic" compensation, etc. regularly reviewed and adjusted? Is it individualized?
Competency and capacity	Employees feel equipped and supported relative to their roles, and holistic learning environment is encouraged.	• Does your team currently feel they have the appropriate skills? • Is your team "comfortably busy"? • Is your team motivated to learn and take on additional responsibilities? • Does your company support continuous learning and provide ample training? Does your team help each other?

Equip

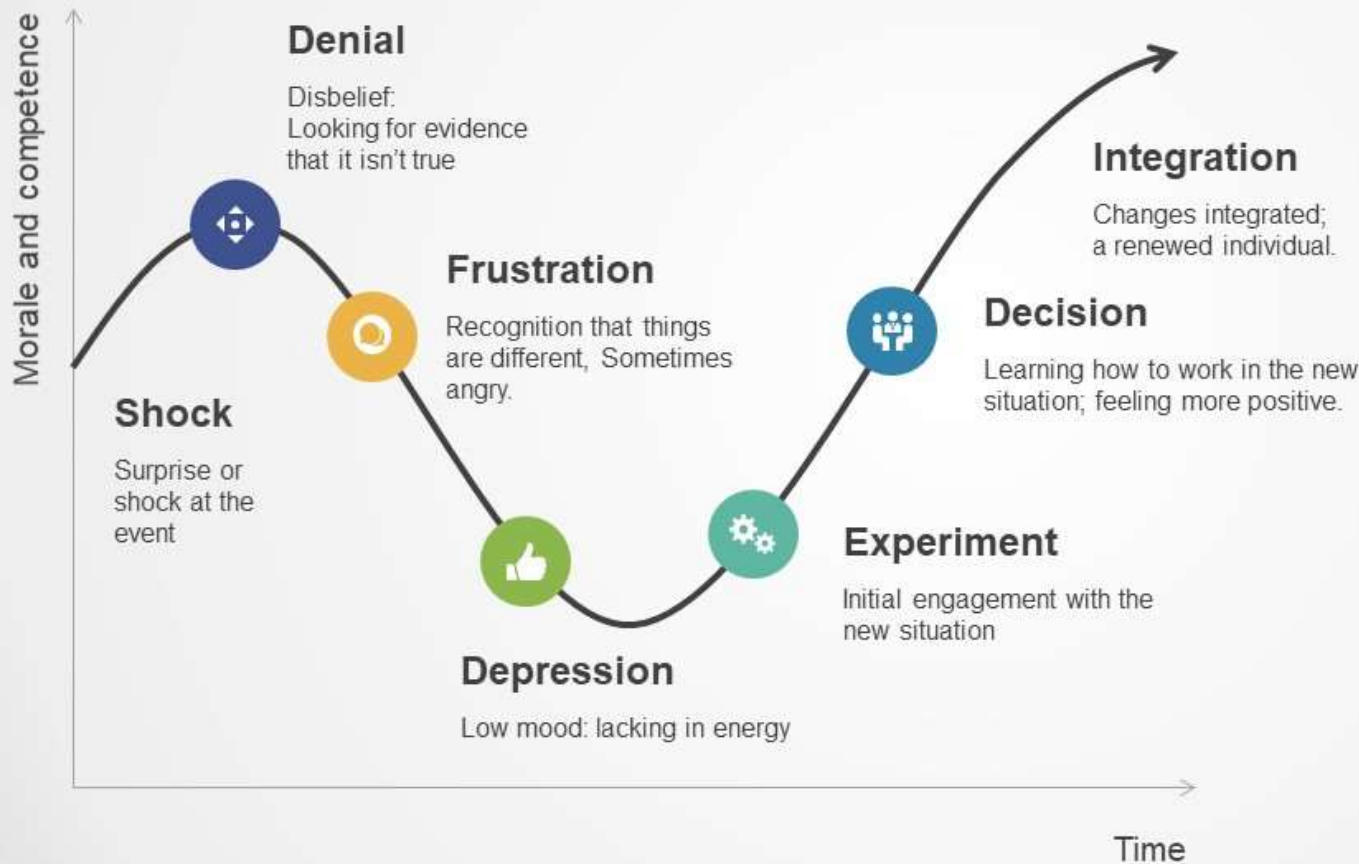| Element	Evidence	Questions
Reinforcement systems	Reactions are consistent and continuous improvement is the overriding goal of the team and organizational efforts	• Are you coaching your team? • Are wins celebrated? • Are mistakes and losses scorned, or encouraged and learned from? • Are lessons learned shared regularly?

States of Awareness model

The Kübler-Ross Change Curve

Emotional Response to Change

Morale and competence

Denial

Disbelief:
Looking for evidence
that it isn't true

Integration

Changes integrated;
a renewed individual.

Frustration

Recognition that things
are different, Sometimes
angry.

Decision

Learning how to work in the new
situation; feeling more positive.

Shock

Surprise or
shock at the
event

Experiment

Initial engagement with the
new situation

Depression

Low mood: lacking in energy

Time

Creative Alignment

Maximize Communication

Spark Motivation

Develop Capability

Share Knowledge

Discuss with your team

Element	Let's discuss…
Clear business case	Why do we need to transform?
Executive commitment	Who will champion our transformational efforts and how?
Team engagement	Is our team ready to do things differently?
Supportive culture	How does our culture support innovation and creativity?
Organization design alignment	Are we positioned to take on such a significant change?
Competency and capacity	Do we have the ability to do this and if not how do we close the gaps?
Reinforcing systems	Are we prepared to make mistakes?

How can technology help?

Business Central

Power BI

Teams

AI / Copilot

Continia, of course!

Continia's time-saving solutions

continia
Document Capture

Automatic document recognition and AI-based processing.

continia
Expense Management

App-based travel and expense reporting with OCR recognition and AI support.

continia
Document Output

Automated customer and vendor communications.

Continia's time-saving solutions

continia Banking

Spring

Generate payment proposals and payments in one step.

continia Sustainability

Fall

Seamless carbon accounting and ESG reporting.

The *only* process automation solutions built specifically for Business Central and NAV.

Thank you!