

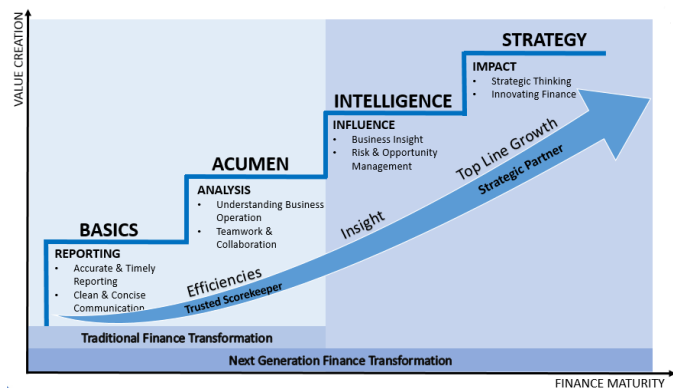
Next Generation Finance – Benchmark & Roadmap Survey

Next Generation Finance

Traditional Finance Transformation has the admirable focus on better and more efficient reporting, understanding how to communicate with executives, and building strong business acumen (i.e. operational knowledge of the business). Competencies like analysis, communicating with impact, understanding the business operation, and partnership building are part of the **Basics** and **Acumen** capabilities.

Next Generation Finance presented on the chart below builds upon these capabilities with the addition to empower Finance to drive value added analytics that business leaders use to take data driven decisions.

To transform Finance from a hindsight looking spreadsheet driven accounting/reporting center to a value-add top line forward-looking predictive hub, Next Generation Finance follows the traditional **Basics** and **Acumen** but adds **Intelligence** and **Strategy**.



Intelligence include a deep understanding of how to generate business insight and how to evaluate risk and opportunities. With Intelligence Finance delivering insight not yet known by the business which influence decision makers.

The top-shelf of Next Generation Finance is **Strategy** that encompasses how Finance is positioned to impact the strategic direction of the company. Finance establishes itself as an institution that is always consulted by business leaders before important decisions are made.

Finance becomes the decision “glue” and has significant understanding of business strategies to drive better decisions.

Finance innovates to predict future events and persuade business leaders to take data driven decisions based on analytical foresight. Finance, at this level, has access to advanced analytical tools and uses big data analytics to predict, in detail, events.

The Mindset Model

The Mindset Model, depicted below, operates with four Personas of a Finance organization; from **Reporter** to **Commentator** to **Advisor** to **Strategist**. Average Finance organizations spend time on the left side of the Mindset Model while world class Finance spend most of its time on the right side.

To transition from the hindsight looking Reporter to the foresight looking predictive powerhouse Strategist, Finance needs to advance through the four roles moving from left to right on the chart below.

It is important to understand that Finance cannot be a Strategist without mastering the other three roles.



The **Reporter** support the business with historical financial reporting. Establishes processes for compliance and focus to deliver timely, accurate, and accessible financial information.

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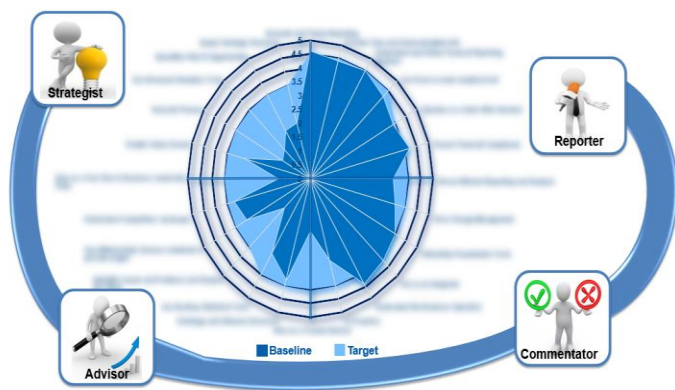
The **Commentator** adds visualization to reporting to explain trends. The Commentator understand the business operations and *contributes* by turning data into information with detail explanation of trends and deviations

The **Advisor** identifies issues and opportunities using internal, competitors, and market data to provide insight to *influence* decision making, especially, top line performance.

The **Strategist** *impact* the strategic direction for the company with advanced analytics and is seen as a role model and thought leader who innovates Finance.

Assessing Finance – Benchmark Survey

Understanding where Finance is today on the road to Next Generation Finance is the output of the **Benchmark Survey** as presented in the radar chart below. The dark blue area measures the baseline analysis to assess where Finance is as a Reporter, Commentator, Advisor, or Strategist. The Gap Analysis in the light blue depicts the difference between the Benchmark baseline and the target to achieve Next Generation Finance.



The radar chart is combined with a report that describes the Personas and the Roadmap to Next Generation Finance. The capabilities of Basics, Acumen, Intelligence, and Strategy define the elements of focus.

Persona	Reporter	Commentator	Advisor	Strategist
Next G. Finance	Reporter	Commentator	Advisor	Strategist
Basics	Analysis & Judgment	Analysis & Judgment	Analysis & Judgment	Analysis & Judgment
	Communicating with Impact	Communicating with Impact	Communicating with Impact	Communicating with Impact
Acumen		Teamwork & Collaboration	Teamwork & Collaboration	Teamwork & Collaboration
		Business Acumen	Business Acumen	Business Acumen
Intelligence			Business Insight	Business Insight
			Risk & Opportunity Management	Risk & Opportunity Management
Strategy				Innovating Finance
				Strategic Leadership

Capability Matrix & Competitive Report

The Capabilities Matrix measures the present skills and skills to be developed. The Competitive Comparison, using traffic light colors, gives a detailed picture of where Finance stands vs. the Finance Community. The colored numbers are the Finance organization and black numbers the competitive comparison.

Persona	Reporter	Commentator	Advisor	Strategist
Basics	4.8 4.6	4.2 4.4	2.1 3.6	1.9 3.5
	4.5 4.2	4.3 4.2	3.7 4.5	3.2 3.3
Acumen		4.5 4.5	3.8 4.0	3.1 3.5
		3.8 4.2	2.7 3.8	2.5 3.4
Intelligence			2.5 3.6	2.1 3.1
			2.6 3.5	2.3 3.2
Strategy				1.8 3.5
				1.5 3.5

The Benchmark & Roadmap Surveys

The **Benchmark Survey** is the initial detailed assessment of the state of Finance in Next Generation Finance. It can be used as a stand-alone but is often associated with a consultant's Gap Analysis & Plan, which articulates the plan, responsibilities, schedule, and budget to achieve Next Generation Finance of data driven decisions though implementing an analytics culture.

Periodically, in 6-, 12- or 18-month intervals, a **Roadmap Survey** is performed. This is a Benchmark to assess the current state of Finance as compared to the previous Survey and current state of the Finance Community.