Data management and analytics
In the era of Finance 2025
Jeff Goodwin, Bob Grabowski, and Isa Farhat
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Hold on

From phone apps to home automation to cashless commerce and beyond, digital disruption is the new normal for consumers today. It’s changing how the world works—and how things get done—in countless ways.

In business, software robots (bots) are working alongside human beings to build cars, deliver packages, design computers, and make electricity. Blockchain is tracking supplies of diamonds and monitoring construction equipment. And smart machines are taking up residence in hospitals, shipping containers, drug stores, and more.

What does this have to do with the future of Finance? Everything.

• Over the next seven years, these same technologies will be coming to your organization with the promise of making Finance better, faster, and hopefully less expensive. The work currently being done and how it’s done is up for grabs.

• So far, no organization we know of has put it all together.

Not in Finance. Not yet. But you can see it coming.
While a number of leading finance organizations are using pilots to experiment with new technologies, we aren’t yet seeing evidence of scalable, transformational change. The roadmaps to that future are still being drawn.

**The good news?** The technologies needed to reimagine finance are here and they should continue to improve over time. Plus, a lot can be learned from other business functions.

**The bottom line.** Business leaders that finance supports are people first. They see how technology is making their personal lives better and easier. That’s what they want for finance, too.

The needs of the business are growing. The pace of innovation is accelerating. CFOs should plan for change as part of their leadership strategy.
Polling question
What is your planned timeline to begin implementing the new Lease Accounting standard?

• Currently implementing
• 3 months
• 6 months
• 9 months
These predictions looked carefully at what finance leaders are doing and at the technology that’s available, and then we asked these questions:

- What would be possible if we combined different technologies to reimagine the future?
- How would the work of Finance get done and who would do it?
- How could Finance contribute even more to the success of the company?
- With these questions in mind, here’s the future we see.
Finance 2025 predictions

1. The finance factory
Transactions will be touchless as automation and blockchain reach deeper into finance operations.

2. The role of finance
With operations largely automated, Finance will double down on business insights and service. Skills required by finance professionals will change, likely dramatically, as new combinations of technology and human workforces permeate the workplace.

3. Finance cycles
Finance goes real time. Periodic reporting will no longer drive operations and decisions—if it ever did.

4. Self-service
Self-service will become the norm. Finance will be uneasy about this.

5. Operating models
New service-delivery models will emerge as bots and algorithms join a more diverse finance workforce. Companies will assess the benefits of automation against onshore and offshore operations.

6. Enterprise resource planning
Finance applications and microservices challenge traditional ERP. Big vendors will be prepared.

7. Data
The proliferation of application programming interfaces (APIs) will drive data standardization, but it won’t be enough. Companies will still be struggling to clean up their data messes.

8. Workforce and workplace
Employees will be doing new things in new ways, some of which will make CFOs uncomfortable.
Polling question
Which of the Finance 2025 predictions do you see might impact your role the most over the next 5 years?

• Finance factory & new operating models
• Finance cycles
• Self-service
• Enterprise resource planning
• Data
• Workforce & workplace
Data

The proliferation of APIs will drive data standardization, but it won’t be enough. Many companies will still struggle to clean up their data messes.

Few companies have the resources and strategies in place to align and integrate data—which means they won’t capture the full value of digital transformation. Those hoping for a silver bullet to solve their data problems will be disappointed. Automation and cognitive can make it easier to get the work done, but it’s still going to be hard and tedious.

Work
Data governance is a bit like flossing. Everyone knows it’s important, but many don’t do it enough, making it a persistent challenge. It is a leading practice to consider adding Chief Data Officer to your job description. The work itself is down in the weeds but you need to know that it’s getting done.

Workforce
Every finance organization needs at least one data evangelist, someone with the passion and the clout to drive continuous data improvement. Think of it as a moon shot—a concentrated effort over the course of a few years. Start by establishing sustainable protocols and begin getting your data house in order.

Workplace
Data is a technology issue, but it’s also a cultural issue. If you don’t have leaders who value data quality, your organization will likely struggle with data challenges that keep people from doing their best work.
Data Takeaway

Data problems hide beneath the surface for many CFOs, some of whom don’t fully appreciate the heavy lifting required to fulfill their requests. That’s partly because the problems involve technical issues, and partly because there’s little motivation for people to elevate the problems to the corner office.

Automation and cognitive can make it easier to get the work done, but it’s still going to be hard and tedious.

What can you do?
• Convene a data summit with your finance technology team and those responsible for master data management. Ask for a review of the quality of data needed for critical business analysis.
• Identify areas where there’s a pressing need for improvement. You may not really care about this now, but when you eventually do care (and you will), you’re going to care a whole lot.
Digital Core combines specialized accounting knowledge with flexible in-memory financial applications to modernize business data and logic. The result is a standardized platform to drive enterprise value through responding to dynamic business and regulatory demands. Additionally, the Digital Core is the foundation to driving exponential value from advanced process automation, cognitive, and analytics.

**Digital core**

Reimagine real-time close and drill down capabilities with integrated Digital Core technologies. Unlock business value by harmonizing business logic and processes into the post-modern ERP.

**Processing engine**

Leverage the power of in-memory computing to achieve data needs through “flat”, “fat”, and “flexible” data architectures.

**Data architecture**
Enterprise Data Management (EDM) Capability Framework

Our experience shows that the set of seven integrated EDM capabilities are required to understand and manage the data assets to support and drive enterprise value initiatives.

- **Data Governance** provides the guidance to ensure that data is accurate and consistent to meet the business goals.
- **Data Architecture** is the capability to identify and develop the proper information models to support the business operations and analytics.
- **Data Retention & Archiving** is the capability to appropriately retain and archive data to comply with laws and regulations.
- **Data Privacy & Security** identifies whether the information is appropriately encrypted, accessed, and used as per policy guidelines.
- **Master Data Management** is the capability to address the management of foundational data through people, process, and technology solutions.
- **Metadata Management** is the capability to proactively manage the diverse data standards of the enterprise.
- **Data Quality Management** is the capability to appropriately diagnose data quality issues, correct them, and monitor the solution effectiveness.
Polling question
Which one of the following do you think may impact your organization the most over the next 5 years?

- New operating models
- Self-service
- ERP transformation
- Proliferation of APIs/data
- Changing dynamics in the workforce
- Real-time finance
The role of Finance

With operations automated, Finance will double down on business insights and service. Success is not assured.

Whether Finance continues to direct the resources currently under its control will be dependent on its ability to add value. That will require quality insights and exceptional customer service. Some finance organizations will evolve into full-fledged business service centers.

Work
Business partnering will shift upstream from budgeting and reporting to include scenario planning, advanced forecasting, and better visualization. Teams of business partners will come together to focus on the most complex organizational decisions, moving around the business as needed. Information required to make decisions will appear "just in time."

Workforce
Computers will handle routine requests from business leaders, people will spend less time preparing data for analysis, and more time asking "What does this tell me about the business?" and "How can the business close gaps in performance expectations?" Answering these questions requires an understanding of financing and capital, and being able to advise on resource deployment.

Workplace
Agility will become a prized quality as finance organizations have to deliver differentiated service levels to different parts of the business. Combinations of people and technology will be the glue that keeps teams connected.
Digital disruption and rapid-fire innovation enable the controllership function to imagine a dramatically different future – one in which “digital controllership” harnesses technology to fundamentally transform its role and add greater value to the organization.

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**Analytics & insights**

In today’s highly competitive business environment, companies need more from the Controllership than accurate financial statements and reports. They need forward-looking, predictive, and prescriptive insights.

**Descriptive**
- What happened? Why and how did it happen?
  - Historical financial statement, G/L balance or transactions
  - Historical dashboards, scorecards and key performance indicators (KPIs)

**Predictive**
- What is currently happening? What is the next best action?
  - Statistical-based forecasting
  - Scoring models
  - Risk-adjusted simulations

**Prescriptive**
- What is going to happen? What does simulation tell us?
  - Cognitive and artificial intelligence
  - Dynamic rule optimization
  - Risk Sensing

Six key areas of focus that touch the controllership organization and can be enabled by analytics and insights:

- Business partnering
- Cost & profitability Management
- Financial planning & forecasting
- Risk sensing
- Internal & external reporting
- Finance efficiency
Artificial Intelligence (AI) is permeating throughout organizations and has the potential to represent one of the most profound advancements since the Industrial Revolution.
Despite continued advances in the use of technologies, many government agencies continue to have challenges.

**Timeliness**
A study in *Governing* found that 53% of state and local officials had trouble getting their work done in a 35 to 40 hour week due to excessive paperwork burdens.

**Cost**
Deloitte research shows that documenting and recording information costs the federal government $16 bn in wages and half a billion staff hours a year.

**Efficiency**
Agencies in states like Colorado, Indiana, Washington, and others have found that staff spend on average about 35% of their time on documentation and administration.

The potential to automate is growing; this facilitates more automation-enabled transformation.
The role of Finance
Takeaway

Companies know that sharing knowledge across disciplines is a good thing, even if it creates headaches. Learn what it takes to make the most of blurring boundaries.

What can you do?

- Identify your best business partners and clone them. Ask them to help train less experienced people and hold them up as examples of what you’re looking for.

- Envision a decision-rights role for Finance. Create a taxonomy of decisions to help your organization understand the how and when of business decision-making.

Routine forecasts will be handled by algorithms that are constantly evaluated by small resource pools including data scientists, story-tellers, and cognitive psychologists.
Polling question

What do you see as the largest benefit of deploying robotics or machine learning technologies?

- Time savings
- Cost savings
- Efficiencies gained
- Quality of data
- All of the above
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