

# *Unlocking potential*

## Finance effectiveness benchmark study 2013

October 2013



# *Benchmark coverage*

More than

**200**

blue-chip  
organisations

Over

**2,750**

datasets

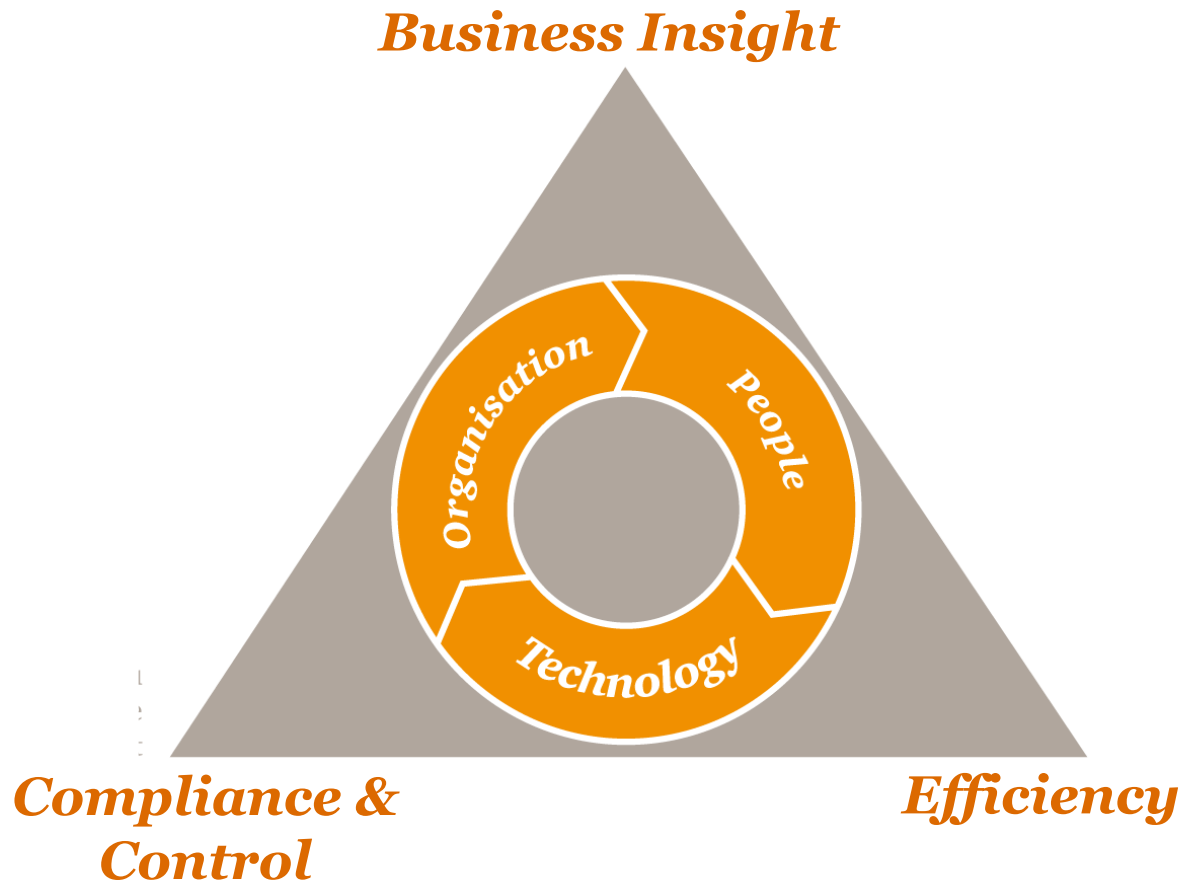
Spanning

**98**

countries

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# *Assessing finance– a fact-based approach*



***The cost of finance is stabilising, ending the previously increasing trend – but there is still a substantial gap between ‘average’ and top quartile performers***

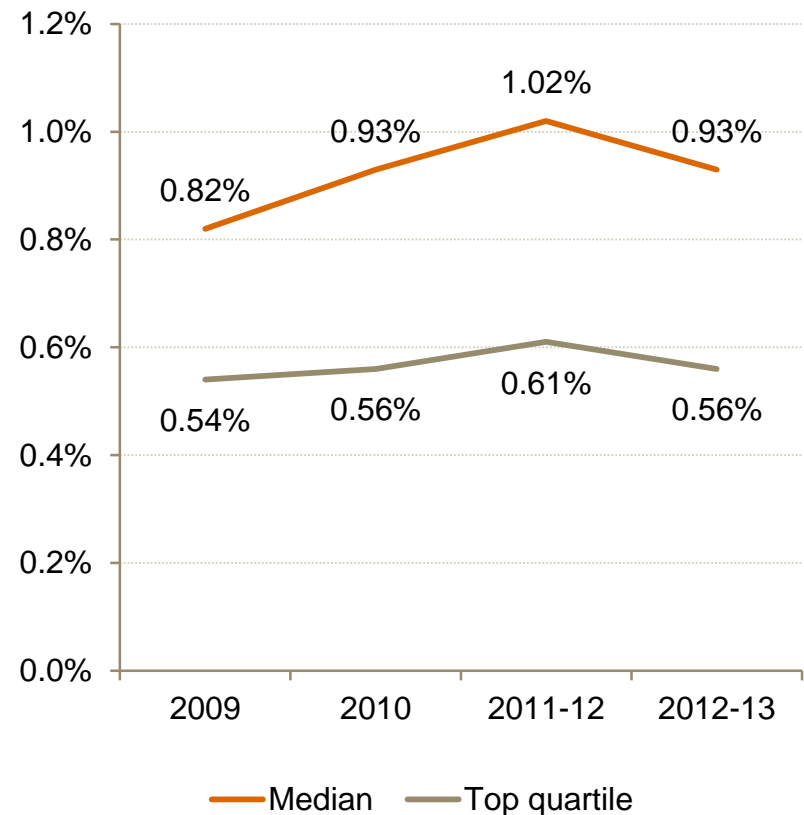
Cost of finance, as a percentage of revenue, at typical firms

**0.9%**

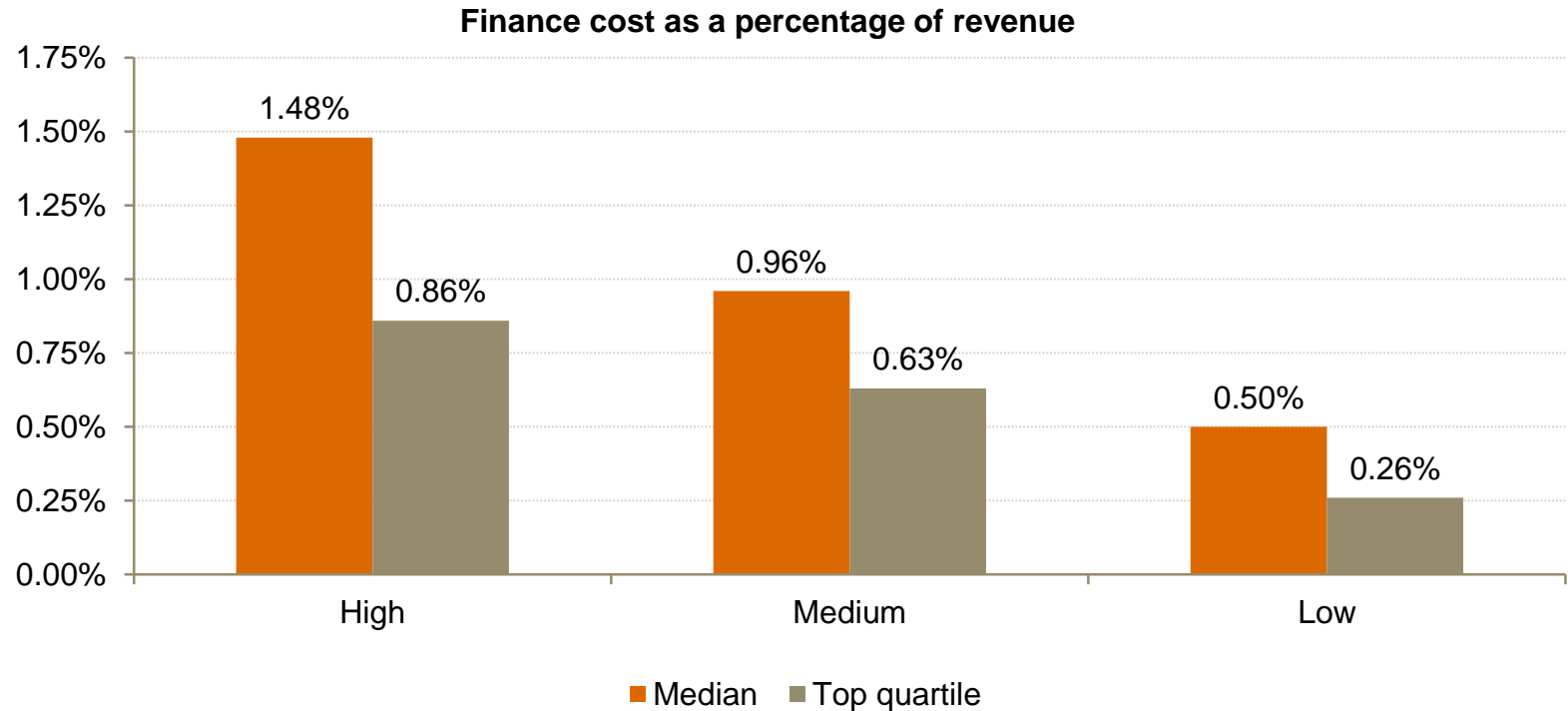
Cost of finance at top quartile firms

**0.6%**

Finance cost as a percentage of revenue



# *A similar variation occurs in different peer groups*



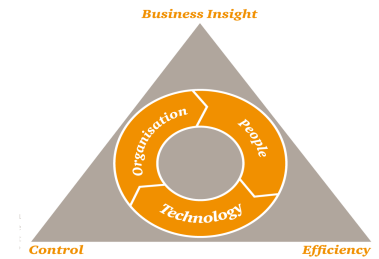
## Typical industries:

Financial services

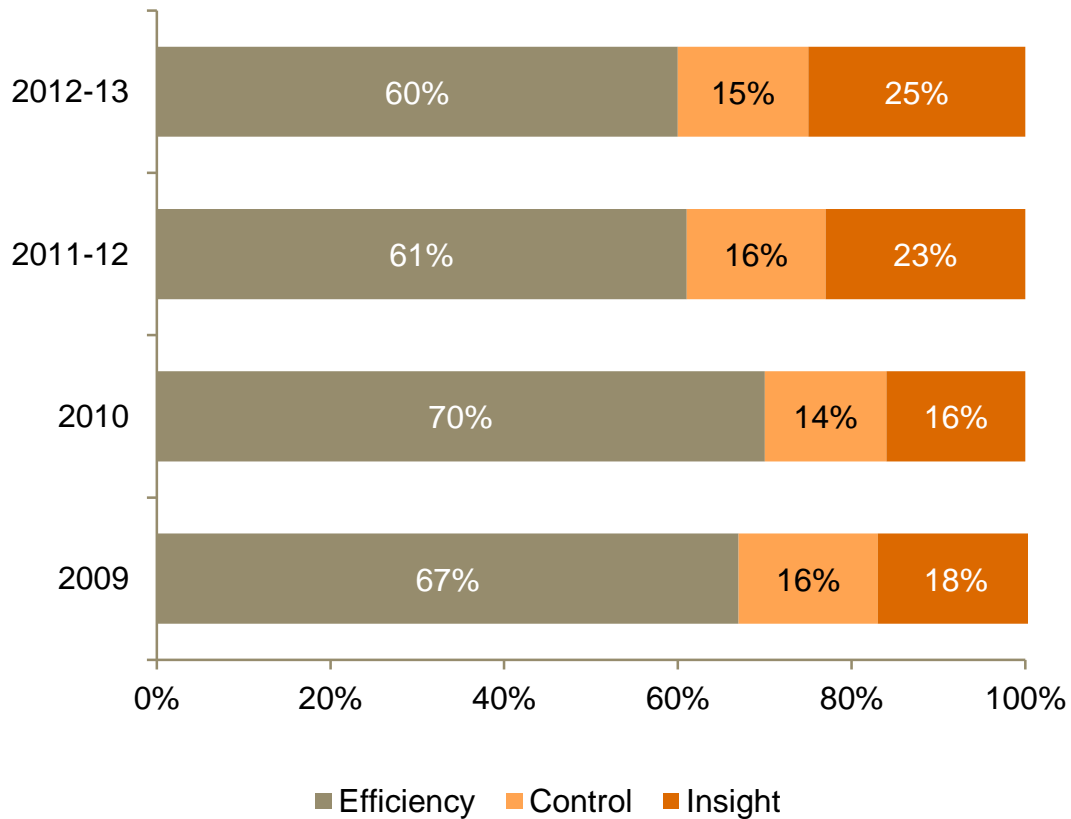
Manufacturing  
Professional services  
Technology  
Energy/oil/minerals

Tourism/Travel  
Retail/consumer

# Moving from transactions to business insight



Percentage of finance effort



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## *Up to the task: Business insight*

Top performers look very different to typical organisations

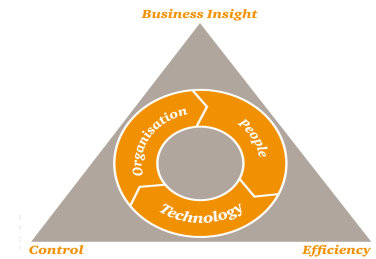
*Over 50% more people  
in 'business partnering  
roles'*

*30% more time on  
business analysis*

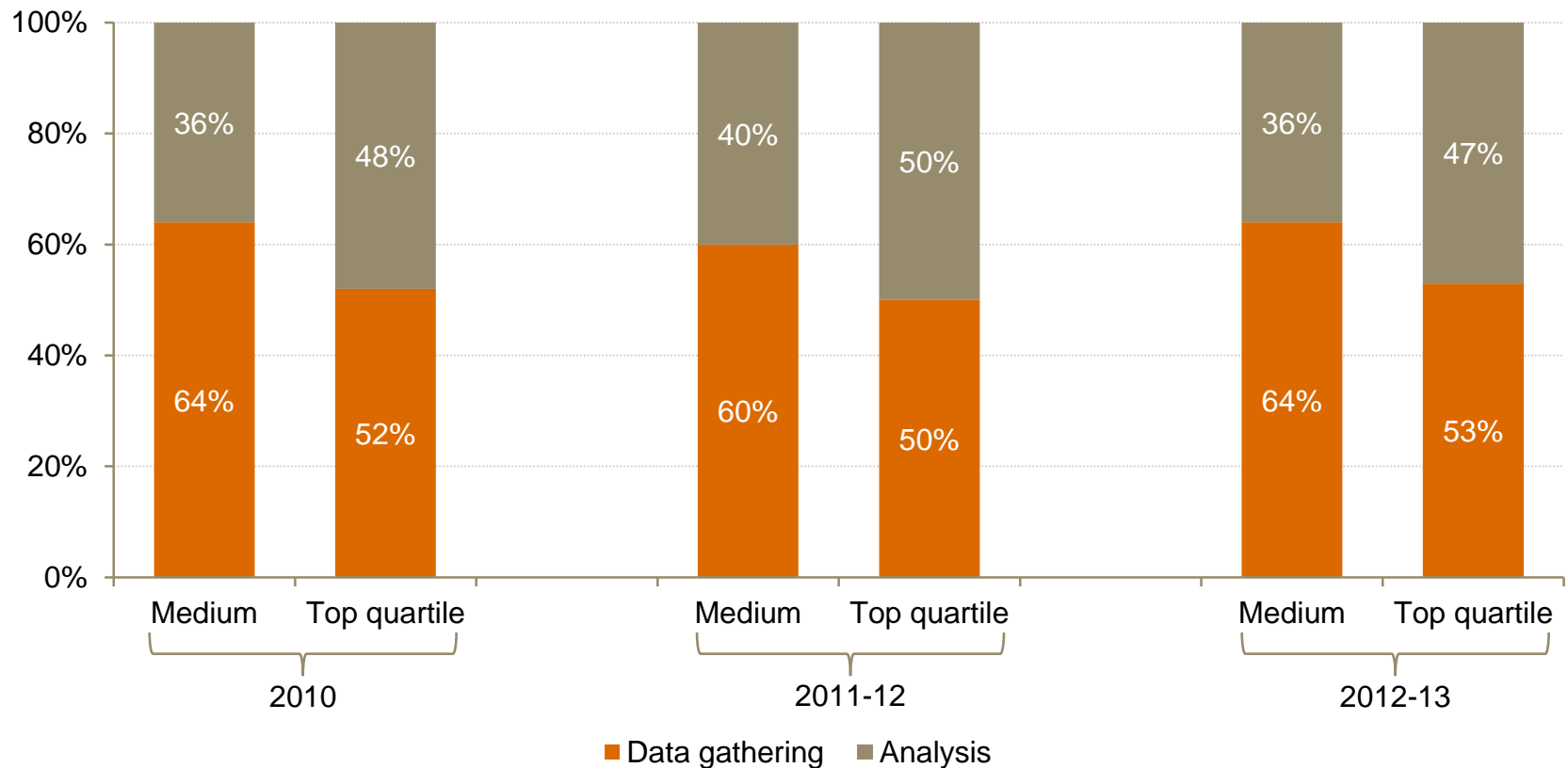
*Over 20% higher pay  
for insight roles*

*Budget 10% faster and  
complete forecasts in less  
than half the time and*

# Data gathering continues to require substantial time

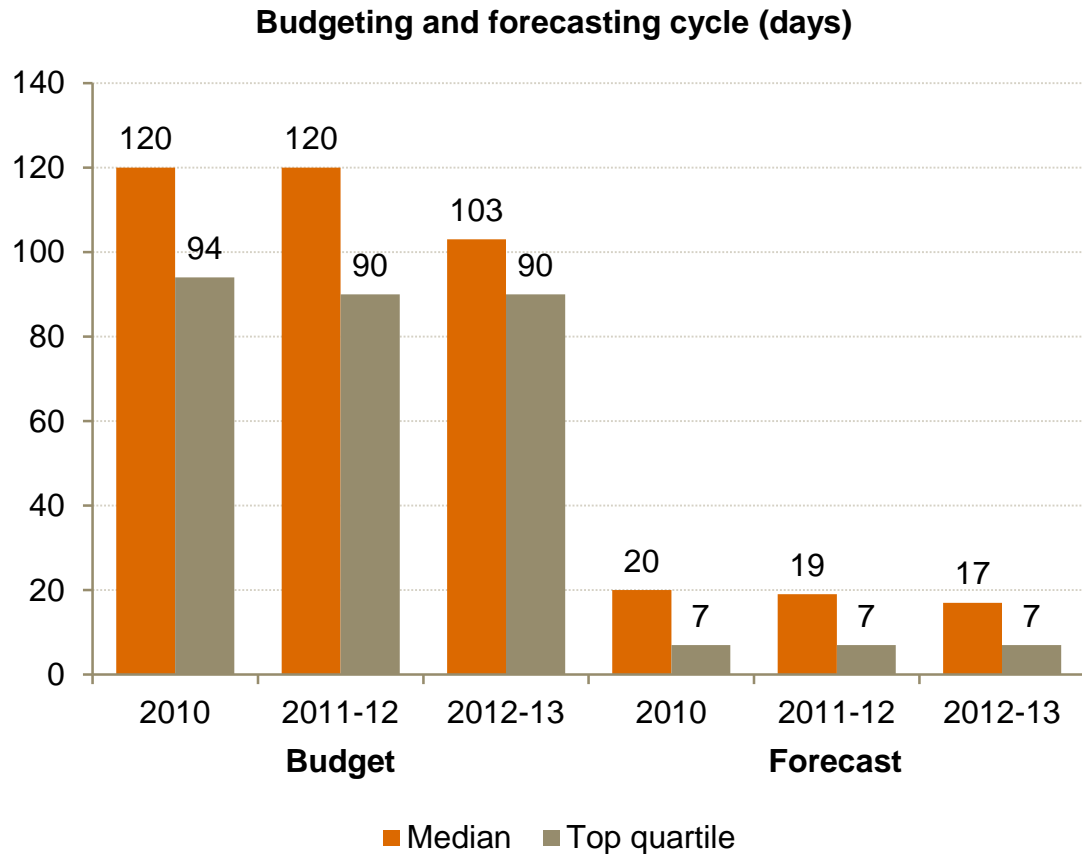


Percent of time spent on data gathering versus analysis





# Efforts to reduce the budgeting and forecasting cycles are starting to show some progress



**80%** Report that the accuracy of forecasts is critical to the running of the business

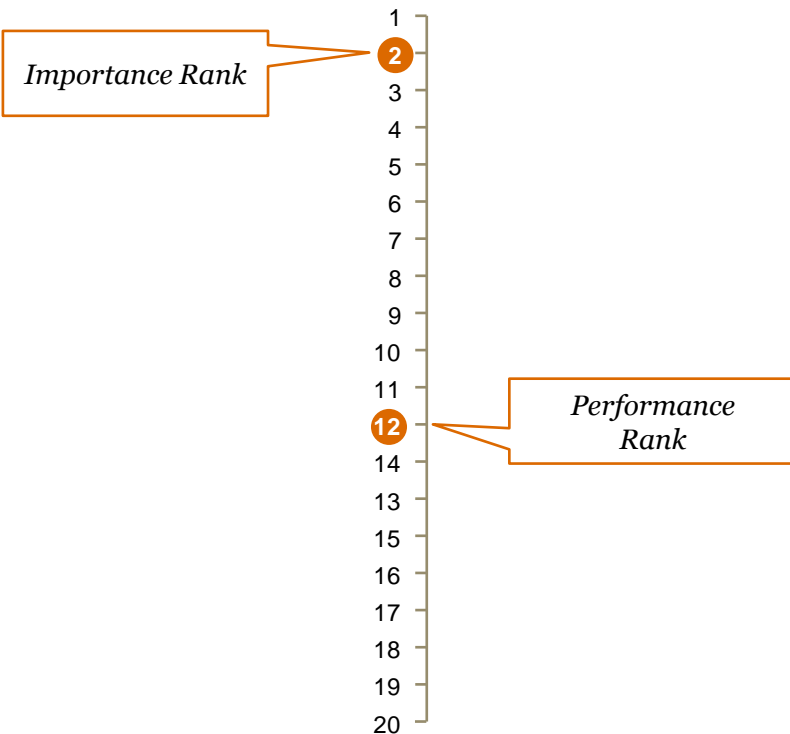
**but**

Only **45%** believe the forecast outputs are reliable

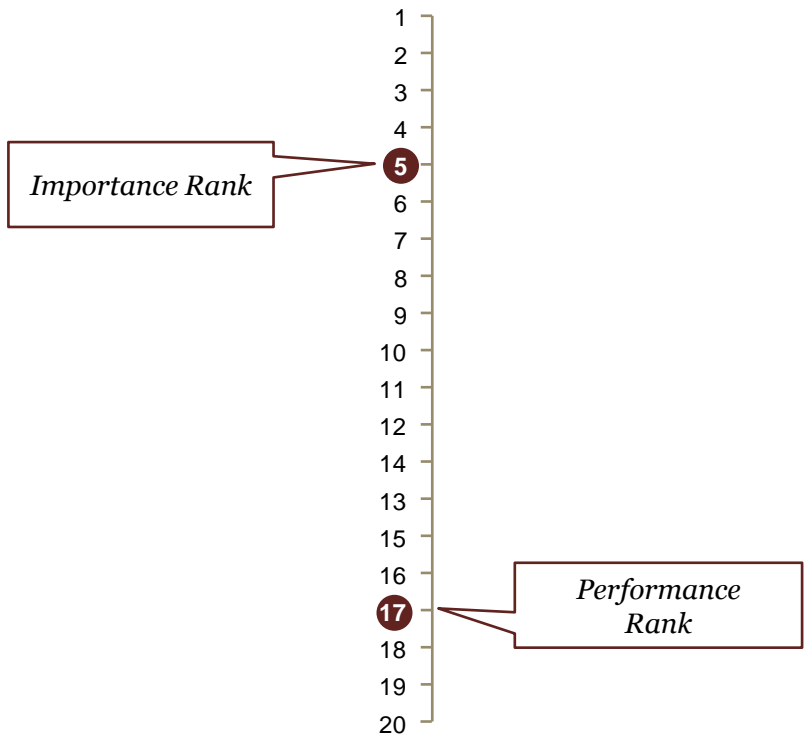
Source: PwC, Unlocking Potential: Finance Benchmark study 2013

# *There is a substantial gap between aspiration and performance*

Management Reporting: The compilation and creation of management reports as required enabling managers to make decisions.

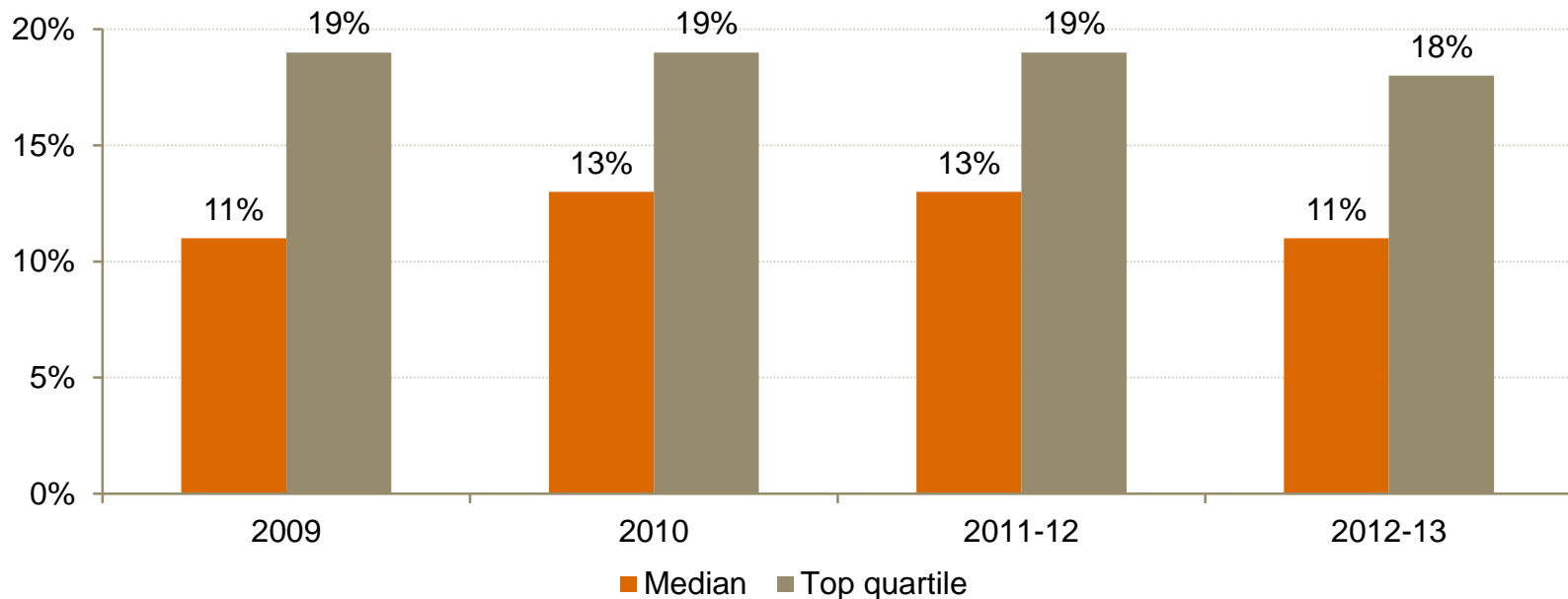


Finance has the 'right capabilities' in place (i.e. critical thinking, technical skills, managerial skills, organisational discipline, etc.).



# *The percentage of finance staff devoted to business partnering remains consistent*

Percentage of finance FTEs in business partnering



But there are many examples of real improvement in the quality and impact of business partnering....

# Technology

Almost **50%** have reporting processes that rely on manual spreadsheet manipulation

Only **17%** of companies have a self-service reporting application

**50%** Have data warehousing in place

*but*

Only **11%** have applied a standard data taxonomy

“In the coming years, some form of SaaS or cloud technology will play an important part in the finance organisation of many companies”

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## *Some forward-looking companies are pushing hard to develop their finance functions*

*Example:* Finance as the catalyst for cultural change, working across the silos in the total supply chain, and using technology to drive integrated business planning

*Example:* Multi-function shared services, identifying the right mix of language and professional skills and employee rotation to work across multiple geographies

*Example:* Driving to get data gathering time to zero through the use of automation and ERP standards. Goal is to have finance team devote **100%** of time to analysis, business partnering, and insight generation

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# ***The 2013 Finance Benchmark Report focuses on three main themes***

***Further evolution of the finance function*** – Insight generation, finance-business partnerships, and the CFO as Chief Performance Officer

***Talent*** – Adapting finance recruitment, training and development practices to address evolving needs

***Technology and automation*** – Reducing budgeting and reporting cycles, smarter planning, and the adoption of technologies to support insight-generation

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