Business partnering

Optimising corporate performance

An independent report on the expanding role of finance teams
Focused in the past on traditional accounting tasks, finance executives are increasingly being asked to support other parts of the business through finance business partnering, whereby the finance function supports strategy development and decision-making across the whole business.

In the UK, this partnering is already well established in many companies. This expanded role infuses greater rigour into a company. But it requires a different set of skills from those traditionally deployed in a finance department, and these can be hard to find or develop.

This report gauges the progress that companies in the UK and their European counterparts have made in developing finance business partnerships, and it reviews the problems faced in embedding such partnerships within the organisation.

The Robert Half Management Resources report, written in collaboration with Longitude Research, is based on a survey of 1,000 group or divisional finance directors, spread evenly between the UK, France, Belgium, Germany and the Netherlands. In addition to the survey, we conducted 16 in-depth interviews with financial professionals and experts.

As the business environment becomes more complex, the finance department is having to adapt.

Gary Rourke
VP finance, AstraZeneca

There is a vital role for finance business partners to ensure we’re making the right calls for strategy and the overall direction of the business.

FACT!

1,000 group or divisional finance directors were surveyed, spread evenly between the UK, France, Belgium, Germany and the Netherlands.
Executive summary

Six key findings

1. Finance departments are increasingly going beyond their traditional scorekeeping role

Finance business partners now carry out a range of activities in collaboration with different parts of the business. As well as reducing the cost of running the finance function, a range of other benefits are being sought from such partnerships: optimising the performance of the business, providing support for better business decision-making, and improving risk management throughout the organisation. This is now widespread in the UK: more than four out of five of those polled (81%) confirmed that their companies support for better business decision-making, and improving risk management throughout the organisation. This is now widespread in the UK: more than four out of five of those polled (81%) confirmed that their companies

2. Finance partnering has become ‘mission critical’ in many companies

A range of drivers are pushing finance partnering to become ‘mission critical’ in the UK: the increased complexity of business, more intense competition, technological change and greater business volatility are all drivers for this. Indeed, almost two-thirds (64%) of UK respondents believe that economic uncertainty increases the need for a company’s finance function to develop business partnering capabilities, the highest figure among all countries surveyed. This uncertainty and volatility has made support for forward-looking decision-making the most important priority for business partners – a goal identified by more than three out of five UK respondents. This entails a shift from a historical view of the business (using lagging indicators) to a more forward-looking view. Business partners are also involved in analysing the effect of new business initiatives on the development of the business.

3. Despite the benefits, firms struggle to fully embed finance business partnering

According to this survey, nearly one in four (24%) UK respondents struggle to implement business partnering properly, and only half (50%) have a function that is fully embedded across the organisation. Often, greater rigour is needed. Poor role and skill definition in the finance team can undermine the finance function’s capacity to support the business more widely, giving rise to blurring boundaries, duplicated activity and poor service levels. Also, finance executives need to do more to communicate the benefits of partnering. This is particularly true as finance shifts from mainly providing information to a more controlling role where it needs to be able to say no. Senior management support is vital here.

4. The expanding role of finance requires new skills that many companies have difficulty finding

Commercially savvy, fast to learn, with strong interpersonal and communication skills – the skills profile required of today’s finance business partners contrasts markedly with the accounting orientation of such executives just five or 10 years ago. Accordingly, it is of little surprise that one in three UK respondents find it difficult to source candidates with the right experience, making this the top barrier to effective business partnering in the finance function. Although about six in 10 (58%) executives believe there is adequate availability of experienced finance professionals on the market, just 18% consider the pool of talent to be strong. Furthermore, nearly half (49%) of UK respondents also say that when recruiting finance professionals, leadership and communication skills are in particular short supply.

5. The HR function plays a vital role in developing the necessary skills

Finance needs specific talent programmes to identify and develop business partners, and manage their careers, in a structured way. Job rotation, foreign assignments and job shadowing have a role in facilitating the necessary skills and experience. Attracting finance personnel with the right profile may require a rethink of traditional career paths for finance executives; aspiring finance business partners need to see that there are clear and exciting opportunities to further develop their careers within the business. All this will require the HR and finance departments to work closer together. Almost one in four (24%) UK respondents report that it is the HR department where finance needs to work hardest to build influence, even ahead of sales and marketing, supply chain and executive management.

6. Finance staff need to focus less on routine tasks and more on value-added partnering

Although many UK companies have established a shared services operating model, more needs to be done. When asked what changes would be most important in enabling business partnering to flourish in their organisation, the highest proportion pointed to the use of shared services. Executives point to the need for greater support of business partnering among senior management. As technology delivers more accurate and digestible financial information, the proliferation of new data will impose further time constraints on the finance function.
Over the past 10 years, the finance function has been under increasing pressure from several directions. Shifting shareholder and market expectations, new regulations, rapidly changing technology and increased competition have all taken their toll. This has led many companies to launch cost-cutting initiatives, reduce duplicated work and extend the influence of the finance function across the organisation.

When it comes to transforming the finance function, there is no one specific approach. However, certain trends are clear. Typically, a shared service centre or outsourcing provider now undertakes routine financial activities. Centralised centres of excellence are charged with running specialist activities, such as treasury. And the rest of the finance department, while still overseeing compliance and control, is increasingly expected to take on a value-added, ‘business partnering’ role, to help other parts of the business improve their analysis and decision-making.

According to Gary Rourke of AstraZeneca: “There is a vital role for finance business partners to help optimise performance and make the right business decisions to ensure we’re allocating resources in the right way and making the right calls in terms of strategy and the overall direction of the business.”

39% of executives say business partnering improves corporate performance
How business partnering supports the business

Finance business partnering often means different things to different people. Broadly, though, it involves finance executives working alongside different business departments, providing financial information, tools, analysis and insight to executives, challenging their thinking, helping them make more informed decisions and driving business strategy.

“The pilot has to drive the vehicle and make decisions and driving business strategy, thinking, helping them make more informed and insight to executives, challenging their providing financial information, tools, analysis though, it involves finance executives working different things to different people. Broadly, Finance business partnering often means supports the business.

These relationships operate in myriad ways. For example, business partners might work with business unit heads to help clarify how particular key performance indicators (KPIs) are calculated or how exchange rates are dealt with. They can work with HR to help calculate compensation packages across the business – using comparable data and correcting for inflation. They might review forecasts to ensure these are realistic and that no big risk factors have been overlooked. They may explain to a sales team, the financial impact of guarantees included in a promotion. They might work with the R&D department, ensuring that competing research projects are evaluated consistently, or by setting the criteria, such as short-term returns, level of risk, or strategic interest, in order for such judgements to be made.

Although business partnering has been around for many years, it has taken on increased importance, particularly because of economic volatility – a major concern cited by half of respondents, including two-thirds of UK finance leaders. Frank Plaschke, partner and global topic leader for “Office of the CFO” at BCG, a consulting company, notes: “In today’s volatile business environment, business partnering is crucially important to assure alignment between the finance function and the business.” Furthermore, “companies will need to develop a good risk culture; they will need to be good risk managers,” he notes.

This uncertainty and volatility has made support for forward-looking decision-making the most important priority for business partners – a goal identified by half of all respondents. This entails a shift away from a historical view of the business using lagging indicators. Business partners are also involved in analysing the effect of initiatives on the development of the business. “I expect my business partners to get involved in shaping any new product development or any new pricing strategies across the organisation,” says Stuart Rollings of Lloyds Banking Group.

Given today’s shorter business cycles, resource allocation has become a complex area to manage. Companies need to be extremely agile to relocate resources from areas where it no longer makes sense and invest in areas where it will have a high-value impact on the business.

Indeed, finance is increasingly expected to support strategic development – often the biggest bet a company will make. More than half (53%) of UK respondents report that finance collaborated with the business in different aspects of the strategy development process.

Finance is not just checking the data and the formulas, but understanding and checking the hypotheses behind management’s views, and ensuring the goals being pursued are aligned with company strategy.

This dual role is a challenge in itself. This requires the strength to take a tough line, despite any pressure to the contrary. As BCG’s Mr Plaschke notes: “This job is not about being liked. Finance partners need to say yes and do everything you want.”

Characterising the maturity of business partnering within organisations

<table>
<thead>
<tr>
<th></th>
<th>UK small company</th>
<th>UK SME</th>
<th>All countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have a very established business partnering function that is fully embedded across our organisation</td>
<td>39%</td>
<td>50%</td>
<td>44%</td>
</tr>
<tr>
<td>We have an established business partnering function, but we have struggled to embed it fully across our organisation</td>
<td>27%</td>
<td>44%</td>
<td>36%</td>
</tr>
<tr>
<td>We have a business partnering team, but it is not yet well established</td>
<td>50%</td>
<td>56%</td>
<td>52%</td>
</tr>
<tr>
<td>We do not have a business partnering team, but we aspire to have one</td>
<td>59%</td>
<td>64%</td>
<td>64%</td>
</tr>
<tr>
<td>We do not have a formal business partnering team, but our core finance executives perform these activities as part of their day-to-day role</td>
<td>59%</td>
<td>71%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Activities currently carried out by the finance function in collaboration with the business to some, or a very great extent

<table>
<thead>
<tr>
<th></th>
<th>UK all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing overall strategy</td>
<td>49%</td>
</tr>
<tr>
<td>Evaluating strategic choice</td>
<td>49%</td>
</tr>
<tr>
<td>Challenging management assumptions</td>
<td>62%</td>
</tr>
<tr>
<td>Providing decision support for strategic choices</td>
<td>51%</td>
</tr>
<tr>
<td>Analysing historical business performance</td>
<td>49%</td>
</tr>
<tr>
<td>Forecasting future business performance</td>
<td>51%</td>
</tr>
<tr>
<td>Placing business decisions within a broader industry, economic or competitive context</td>
<td>49%</td>
</tr>
</tbody>
</table>
Addressing the skills gap

A broader set of skills

Until recently, most finance professionals had an accounting background, and required only technical finance skills to do their jobs. Interpersonal skills were deemed optional. As business partners, they now need a commercial appreciation of the business, leadership, team-building, interpersonal, presentation and other such “soft” skills.

The survey shows that a key capability — and one of the biggest challenges — required from business partners is a deep understanding of both the business and its industry. This is not just about industry knowledge.

Finance leaders also say that good communication skills are vital, with an emphasis on advocacy. The ability to persuade is particularly important when business partners challenge senior management. “You need people who can strategically influence the business segments they support. They need honed communication skills so they can provide insights in a concise, impactful manner, and they need to be able to communicate in a way that translates to non-finance people,” says AstraZeneca’s Mr Rourke.

Another key attribute is leadership. Dassault Systèmes’ Mr de Tersant points out: “Someone who’s just sitting back and preparing analyses is not that useful. Finance partners need to be willing to step up and survey the problem and propose solutions in order to deal with it. They need to show initiative and leadership.”

Antoine Bayon de Noyer, Deputy Group CFO at Carlson Wagonlit Travel echoes this: “Business partners need to show initiative — come up with ways of presenting information, new ways of looking at questions, to identify and highlight possible solutions, weigh up different alternatives. Leadership is crucial to be successful as a business partner.”

33% of UK executives say challenges in finding candidates with the right experience is the biggest barrier to business partnering.

Most important capabilities in a business partnering role

<table>
<thead>
<tr>
<th>Capability</th>
<th>UK</th>
<th>All countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deep knowledge of the industry</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Deep knowledge of the business</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Strong analytical skills</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Leadership qualities</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Deep knowledge of the competition and economic environment</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Deep knowledge of a function other than finance</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Technical finance skills</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Strong interpersonal skills</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Team building and management skills</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Deep understanding of the drivers of business</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Presentation skills</td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>
Filling the talent pipeline

Commercially savvy, keen to learn, with strong communication and leadership skills, the business partner profile is sharply different from the traditional financial employee of yesteryear. Unsurprisingly, finding people with these skills is a major headache. Over half (56%) of UK respondents say it’s very difficult to retrain traditional finance employees to take on a business-partnering role. This is ahead of France (56%), Germany (53%), Belgium (42%), and the Netherlands (35%). When asked what capabilities they would prioritise in their training and development programmes, respondents pointed to technical finance and leadership skills, closely followed by analytical and interpersonal skills.

To meet their needs, HR can help through the creation of a longer-term, talent development plan, to understand what kind of people are needed. How do we develop them, what is the right curriculum, how do we deliver this? According to the executives surveyed for this report, the finance department needs to increase its influence within the HR function more so than in any other department, to help shape this development.

One way to build these skills – while also improving relations between finance and the rest of the business – is by rotating finance staff into other jobs. “The perspective you get working in different roles within the business is invaluable,” says Mr Rader, who has worked at Microsoft headquarters in a chief-of-staff role, a traditional finance role, a venture acquisition and integration role, and also in the field in France and Sweden. “On-the-job training through job shadowing is also a very effective way to develop good business partners.”

Recruiting challenges

Seven in 10 UK executives look outside their companies to source the talent they need, with 35% tuning to either the recruitment of permanent full-time employees or contract, interim workers. Only 30% of finance leaders look to develop the existing talent within their departments. The majority (60%) agree that the shortage of talent is the most significant barrier to building an effective business partnering team within their organisation.

Respondents also reaffirm concerns about obtaining finance professionals with the right skill sets. Respondents approached their training and development programmes, respondents pointed to technical finance and leadership skills, closely followed by analytical and interpersonal skills.

Approaches organisations will rely more on to develop business partner capabilities

Mr Rourke argues that recruitment should focus on leadership capabilities and potential, as well as the capacity to absorb and learn. He asks: “Have people demonstrated a degree of flexibility, and have they been prepared to take some personal risks to drive forward their particular business or career?” He agrees that “the traditional interview process has not been that well geared towards really assessing how good their judgements are, their drive and their influence.”

At the same time, companies are now recruiting executives from non-traditional backgrounds into finance, Lloyds Banking Group, for example, has looked to the mobile phone industry. “Mobile phone company staff have a commercial sensibility that works well within a bank,” says Mr Rolls. “The kind of consumer behaviour we are seeing in the mobile arena today – changing accounts very quickly, upgrading, downgrading, adding more facilities to that mobile phone – is similar to what we’re beginning to see in financial services as change becomes paramount.”

Attracting finance personnel with the right profile may also require senior management to rethink traditional career paths. Aspiring finance professionals need to see clear and exciting opportunities within the finance function and the business generally. This helps attract people with the right kind of skills and aspirations to become business partners.

Filling the talent pipeline

Commercially savvy, keen to learn, with strong communication and leadership skills, the business partner profile is sharply different from the traditional financial employee of yesteryear. Unsurprisingly, finding people with these skills is a major headache. Over half (56%) of UK respondents say it’s very difficult to retrain traditional finance employees to take on a business-partnering role. This is ahead of France (56%), Germany (53%), Belgium (42%), and the Netherlands (35%). When asked what capabilities they would prioritise in their training and development programmes, respondents pointed to technical finance and leadership skills, closely followed by analytical and interpersonal skills.

To meet their needs, HR can help through the creation of a longer-term, talent development plan, to understand what kind of people are needed. How do we develop them, what is the right curriculum, how do we deliver this? According to the executives surveyed for this report, the finance department needs to increase its influence within the HR function more so than in any other department, to help shape this development.

One way to build these skills – while also improving relations between finance and the rest of the business – is by rotating finance staff into other jobs. “The perspective you get working in different roles within the business is invaluable,” says Mr Rader, who has worked at Microsoft headquarters in a chief-of-staff role, a traditional finance role, a venture acquisition and integration role, and also in the field in France and Sweden. “On-the-job training through job shadowing is also a very effective way to develop good business partners.”

Recruiting challenges

Seven in 10 UK executives look outside their companies to source the talent they need, with 35% tuning to either the recruitment of permanent full-time employees or contract, interim workers. Only 30% of finance leaders look to develop the existing talent within their departments. The majority (60%) agree that the shortage of talent is the most significant barrier to building an effective business partnering team within their organisation.

Respondents also reaffirm concerns about obtaining finance professionals with the right skill sets. Respondents approached their training and development programmes, respondents pointed to technical finance and leadership skills, closely followed by analytical and interpersonal skills.

Approaches organisations will rely more on to develop business partner capabilities

Mr Rourke argues that recruitment should focus on leadership capabilities and potential, as well as the capacity to absorb and learn. He asks: “Have people demonstrated a degree of flexibility, and have they been prepared to take some personal risks to drive forward their particular business or career?” He agrees that “the traditional interview process has not been that well geared towards really assessing how good their judgements are, their drive and their influence.”

At the same time, companies are now recruiting executives from non-traditional backgrounds into finance, Lloyds Banking Group, for example, has looked to the mobile phone industry. “Mobile phone company staff have a commercial sensibility that works well within a bank,” says Mr Rolls. “The kind of consumer behaviour we are seeing in the mobile arena today – changing accounts very quickly, upgrading, downgrading, adding more facilities to that mobile phone – is similar to what we’re beginning to see in financial services as change becomes paramount.”

Attracting finance personnel with the right profile may also require senior management to rethink traditional career paths. Aspiring finance professionals need to see clear and exciting opportunities within the finance function and the business generally. This helps attract people with the right kind of skills and aspirations to become business partners.

Filling the talent pipeline

Commercially savvy, keen to learn, with strong communication and leadership skills, the business partner profile is sharply different from the traditional financial employee of yesteryear. Unsurprisingly, finding people with these skills is a major headache. Over half (56%) of UK respondents say it’s very difficult to retrain traditional finance employees to take on a business-partnering role. This is ahead of France (56%), Germany (53%), Belgium (42%), and the Netherlands (35%). When asked what capabilities they would prioritise in their training and development programmes, respondents pointed to technical finance and leadership skills, closely followed by analytical and interpersonal skills.

To meet their needs, HR can help through the creation of a longer-term, talent development plan, to understand what kind of people are needed. How do we develop them, what is the right curriculum, how do we deliver this? According to the executives surveyed for this report, the finance department needs to increase its influence within the HR function more so than in any other department, to help shape this development.

One way to build these skills – while also improving relations between finance and the rest of the business – is by rotating finance staff into other jobs. “The perspective you get working in different roles within the business is invaluable,” says Mr Rader, who has worked at Microsoft headquarters in a chief-of-staff role, a traditional finance role, a venture acquisition and integration role, and also in the field in France and Sweden. “On-the-job training through job shadowing is also a very effective way to develop good business partners.”

Recruiting challenges

Seven in 10 UK executives look outside their companies to source the talent they need, with 35% tuning to either the recruitment of permanent full-time employees or contract, interim workers. Only 30% of finance leaders look to develop the existing talent within their departments. The majority (60%) agree that the shortage of talent is the most significant barrier to building an effective business partnering team within their organisation.

Respondents also reaffirm concerns about obtaining finance professionals with the right skill sets. Respondents approached their training and development programmes, respondents pointed to technical finance and leadership skills, closely followed by analytical and interpersonal skills.

Approaches organisations will rely more on to develop business partner capabilities

Mr Rourke argues that recruitment should focus on leadership capabilities and potential, as well as the capacity to absorb and learn. He asks: “Have people demonstrated a degree of flexibility, and have they been prepared to take some personal risks to drive forward their particular business or career?” He agrees that “the traditional interview process has not been that well geared towards really assessing how good their judgements are, their drive and their influence.”

At the same time, companies are now recruiting executives from non-traditional backgrounds into finance, Lloyds Banking Group, for example, has looked to the mobile phone industry. “Mobile phone company staff have a commercial sensibility that works well within a bank,” says Mr Rolls. “The kind of consumer behaviour we are seeing in the mobile arena today – changing accounts very quickly, upgrading, downgrading, adding more facilities to that mobile phone – is similar to what we’re beginning to see in financial services as change becomes paramount.”

Attracting finance personnel with the right profile may also require senior management to rethink traditional career paths. Aspiring finance professionals need to see clear and exciting opportunities within the finance function and the business generally. This helps attract people with the right kind of skills and aspirations to become business partners.
Company case study: Edwards
Financial partnering supporting business transformation

Edwards, a Nasdaq-listed vacuum pump producer, has undergone a remarkable transition from a mainly UK operation to a global company over the past decade. Along the way, this expansion has transformed the finance function, especially its finance business partnerships. The company operates a global shared services centre from the UK, the Czech Republic and Korea, which is responsible for transaction processing. Commercial and operations controllers act as key business partners, and are embedded across the business alongside their operating colleagues, to enhance decision-making and ensure the business stays on track. David Smith, Edwards’ CFO, helps set overall strategy for the business. His operations director already works alongside junior executives in a partnering kind of way, complementing his skill set, but as the business gets larger it becomes increasingly important and challenging to enable partnering to prosper. The survey also shows that business partnering in SMEs tends to be less involved in various aspects of strategy, which may be connected to this need to look after more routine financial transactions.

Business partnering: the SME perspective

While general business perception has considered finance business partnering an issue for larger companies, interestingly, opinions of SME finance leaders surveyed are not far off.

Water is basic reasoning to ensure the very best information and data is presented in a prompt way. The company recruits people in the early stages of their career who can learn the basics quickly and then start adding value on more analytical roles. “The key is to channel their enthusiasm into the hard work required to understand how the business works and then develop those strategic skills on top of that,” says Mr Smith. “Over the next couple of years, training the 160 early stages of their career who can learn the basics quickly and then start adding value on more analytical roles. “The key is to channel their enthusiasm into the hard work required to understand how the business works and then develop those strategic skills on top of that,” says Mr Smith. “Over the next couple of years, training the 160 next couple of years, training the 160 next couple of years, training the 160 next couple of years, training the 160

With the company now operating in over 25 countries, its key priority is to ensure consistency of data across regions, and that analysis translates into strong customer policy and operational strategy. This can be harder to achieve in some markets. A couple of years ago, finance operations in Asia largely involved processing receivables and payables, with very little decision support. But today, the firm boasts a network of analysts who can help on pricing and operational cost decisions.

Finance’s main contribution is to ensure that the very best information and data is presented to decision-makers in a prompt way.

David Smith
CFO, Edwards

In a good small business, the finance director already works alongside junior executives in a partnering kind of way...

Peter Simons, Technical specialist, CIMA

So how are small and medium-sized enterprises (SMEs) doing? How well is the SME finance function supporting decision-making and infusing greater financial rigour across the business? In many ways, business partnering comes easier to SMEs than to larger businesses. Staff in smaller businesses tend to be more involved in different areas of the business on a day-to-day basis. There is less functional specialisation, fewer business silos, while informal relationships across different parts in the business are typically stronger.

SMEs do face particular challenges. While classic entrepreneurs will have an optimistic, can-do outlook in how they build businesses, finance professionals tend to bring a countervailing, evidence-based approach to decision-making. This is not always welcomed. Resources are another challenge: SMEs do not always have enough pockets to hire the personnel they need, or pay enough to compete for the most talented individuals.

Our survey findings show SMEs share many similarities with larger companies when it comes to business partnering. Indeed, business partnering is equally accepted in SMEs and larger businesses alike: nearly half (45%), respectively, feel that wider acceptance from the business is necessary to enable partnering to prosper. But SMEs certainly need help getting over the more repetitive finance tasks. More than half of those polled point to increased usage of shared services as a key measure to allow finance partnering to prosper.

45% of SMEs feel that wider acceptance of the business is necessary to enable partnering to prosper.
Implementing business partnering

Implementing business partnering is tough. Over half (54%) of UK businesses struggle with this, according to executives surveyed for this report. Although skills shortages are a major part of the problem, companies also face specific organisational, cultural and leadership challenges.

Routine transactional work can still take up valuable time that could otherwise be spent on more value-added partnering. Many finance departments are still geared to number-crunching activities. Others struggle with inadequate technology and some are constantly consumed in firefighting.

The burden on the finance function has been partially lifted by shared services that take on many of the department’s routine tasks. More needs to happen here. When asked which changes would be most important to enable business partnering to flourish in your organisation, the largest number of respondents answered the establishment, or increased use of, shared services.

Sending the right messages

Change is never easy, and internal resistance to partnering can be strong. When asked the top three organisational changes that need to occur, nearly half (45%) of UK respondents mentioned the need for greater acceptance of partnering in the organisation. Yet few firms do a good job of highlighting the positive aspects of partnering. Just over one in 10 (13%) UK respondents said they were “very satisfied” with the way their organisation articulated the benefits of partnering to managers.

Clearly, better communication is vital. “If finance business partnering isn’t positioned as actually making a difference to the business, whether that’s improving the quality of decision-making or optimising business performance, then it’s very difficult to really sell the value of business partnering to the broader business,” says AstraZeneca’s Mr Rourke. Nathalie de Wachter, a regional finance director at the same company, advises that “It’s important to make it very clear what you expect, not just from key business partners but also from business leaders.”

Greater clarity in accountability would help. Poor role and skills definition can result in blurred boundaries, duplicated activity and poor service. Few companies, for example, approach their internal business partnering activities with the same rigour as when setting up the relevant service-level agreements for external outsourcing or shared service centres.

Organisational changes that will be most important in order to enable business partnering to flourish

<table>
<thead>
<tr>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment or increased usage of shared service centres to handle routine finance work</td>
<td>49%</td>
</tr>
<tr>
<td>Greater support for business partnering concept among senior management</td>
<td>47%</td>
</tr>
<tr>
<td>Investment in data and IT to ensure more effective analytics and decision support</td>
<td>45%</td>
</tr>
<tr>
<td>Greater acceptance of business partnering role across functions</td>
<td>45%</td>
</tr>
<tr>
<td>Increased budgets for finance to handle additional work</td>
<td>38%</td>
</tr>
<tr>
<td>Decentralisation of business partnering role so that finance professionals sit alongside functional heads</td>
<td>35%</td>
</tr>
<tr>
<td>Different incentive structures for finance business partners</td>
<td>24%</td>
</tr>
<tr>
<td>Greater use of external consultants to drive change</td>
<td>17%</td>
</tr>
</tbody>
</table>

UK all
Yet success is hard to measure. Few firms think they have effective metrics. Popularity is not necessarily one of them. Many interviewees note that if the business partner is doing his job well, he will inevitably tread on toes. “The CFO and senior finance staff might not be the most popular people in the business – particularly if they are doing their jobs right – by stopping the company from undertaking initiatives that are value destroying or too risky. The key is to be respected for understanding the business needs, but also for asking probing and challenging questions,” says Mr Plaschke.

Nevertheless, as many interviewees are quick to note, if the finance department partners in the right way, other departments will see it as adding value overall, despite any tensions.

Edwards’ Mr Smith notes that, “The best finance functions are able to do that in a way that gains respect but, at the same time, really suggest ways to add value to the business. That’s how you gain respect and essentially your views are sought after. That’s the difference between a good finance department and a weaker one.”

### Company case study: AstraZeneca

#### Identifying finance business partnering capabilities

In 2007, AstraZeneca began a journey to become the best finance function in the pharmaceuticals industry. The company felt that it needed to become more effective and responsive to a more dynamic environment with changing customers’ needs -- and at a lower cost. Initial steps included outsourcing transactional activity and centralising the specialist side of the finance function. At the same time, they set a goal of developing the best finance-business partnering team in the industry in order to provide the highest quality business support to their business.

At the outset, Nathalie de Wachter, a regional finance director at the company, says they needed to clarify expectations about what they could achieve and to make sure they had a clear definition about what business partnering meant. “The definition that we came up with was to become the best in our industry at driving value for our customers and for shareholders. It’s a simple definition but it has allowed us to all to have a clear focus of where we needed to go,” she says.

The finance team also wanted to develop a clearer profile of the capabilities required to be a business partner. “We spent a lot of time thinking about this. At the end of the day, we concluded that the number one quality we want from our business partners is passion — passion and desire to make a difference to our customers,” she says. At the same time, the firm also identified a set of capabilities bracketed into three categories: leadership capabilities, partnering capabilities and business acumen.

### Key barriers to forming an effective business partnering role within the finance team

<table>
<thead>
<tr>
<th>Barrier</th>
<th>UK</th>
<th>All countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty finding candidates with right experience</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>Lack of influence among broader business</td>
<td>31%</td>
<td>25%</td>
</tr>
<tr>
<td>Inaccurate or incomplete data</td>
<td>31%</td>
<td>26%</td>
</tr>
<tr>
<td>Insufficient support from senior management</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>Insufficient resources</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>Demands of more traditional finance role</td>
<td>21%</td>
<td>16%</td>
</tr>
<tr>
<td>Lack of skills and capabilities</td>
<td>21%</td>
<td>16%</td>
</tr>
<tr>
<td>Weak infrastructure or processes</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>Organisational boundaries between functions</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>Lack of standardised metrics</td>
<td>19%</td>
<td>14%</td>
</tr>
</tbody>
</table>

...the number one quality we want from our business partners is passion...

Nathalie de Wachter
Regional Finance Director, AstraZeneca
Conclusion

Finance business partnering is well established in both SME and large companies, extending much needed financial rigour and insight throughout the business; but no one has achieved optimal performance yet.

What is clear, though, is that businesses need the support – the data, the tools, the insight – that finance business partners can offer. As AstraZeneca’s Mr Rourke expresses it: “Often the finance partnering teams are the most valued part of the business. Where it works, you’re welcomed with open arms. People want more of it, not less of it.”

Business partnering
Five steps to get you started

1. Define your objectives
As every company is unique, defining what business partnering means to your organisation and what the leadership aims to achieve is the first step to an effective implementation. Changing for the sake of changing is not an option – it is essential to establish specific inter-departmental objectives that align with overall business strategy.

2. Conduct a skills audit
Assess the competencies that already exist in-house, establishing which team members bring not only the requisite technical and soft skills but also the business acumen and communication proficiency necessary to partner with other business units. Understanding your internal clients and their aims for business partnering will serve as a roadmap for the finance team. Developing your talent through mentorship programmes, professional development and leadership training can help identify those potential business partners you may have overlooked.

3. Perform a systems and process review
Once the right talent is identified, it is essential that they have access to the necessary information and reports that will allow them to provide added value. Understanding each department’s objectives and providing data to support key initiatives and goals will help bridge the gap between finance and the rest of the business.

4. Engage an interim solution
An interim professional can help your company manage the transformation to a business partnering environment or help with its ongoing execution. Interims can also mentor staff or help manage the backlog of the day-to-day work while the initiative is under way. Our Robert Half Management Resources consultants work with companies to help determine the scope and desired outcome of the project while identifying professionals with the right skills and experience for a successful business partnering implementation.

5. Identify the right talent
Sourcing external talent for business partnering roles can be challenging because until recently, the concept as a functional role did not exist for many businesses. Hiring managers therefore need to critically examine candidates’ experience and how they played a commercial role with their previous employer. Look for candidates with strong data manipulation, cost accounting and financial analysis expertise, along with effective interpersonal and communication skills.

In the interview, consider situational and competency-based scenarios. Asking how candidates would explain technical accounting to a non-financial audience will help assess their ability to work with various departmental teams. Furthermore, providing candidates a case study example of how finance can partner with the IT or HR department will help determine their ability to think quickly and strategically, while observing their step-by-step approach to the situation.

Often the finance partnering teams are the most valued part of the business.

Gary Rourke
VP Finance, AstraZeneca
Acknowledgements

We would like to thank the following UK and European interviewees for their participation in this report:

- André Oerlemans
  CFO
  Weight Watchers Benelux

- Antoine Bayon de Noyer
  Deputy Group CFO
  Carlson Wagonlit Travel

- Antoine Grenier
  CFO: France
  Altran

- Byron Rader
  Former CFO
  Microsoft France

- David Smith
  CFO
  Edwards

- Diederik Bossuyt
  VP, Group Controller
  Belgacom

- Frank Plaschke
  Partner and Global Topic Leader: Office of the CFO
  BCG

- Gary Rourke
  VP Finance
  AstraZeneca

- Dr Joachim Jaechle
  Corporate SVP: financial operations
  Henkel

- Michel Allé
  CFO, SNCB; Finance Professor
  Solvay Brussels School of Economics and Management

- Nathalie de Wachter
  Regional Finance Director
  AstraZeneca

- Peter Simons
  Technical specialist
  CIMA

- Stuart Rollings
  Finance Director, Personal Current Accounts
  Lloyds Banking Group

- Thibault de Tersant
  EVP and CFO
  Dassault Systèmes

- Thierry Vernier
  Vice President Plan & Financial Control
  Sanofi

- Wolfgang Zorn
  Area Controller DACH
  Avaya Deutschland GmbH
About Robert Half Management Resources

Robert Half Management Resources is the world’s first and largest specialised financial interim management and project consulting firm with more than 150 locations worldwide – the alternative to your audit firm or management consultancy. Many of our consultants are qualified former accountants, and this experience places them in a unique position when matching talent to projects most effectively. As a division of Robert Half, we have more than 65 years of experience in financial recruitment, which enables us to provide the highest quality service to clients and interims.

For more information about Robert Half Management Resources visit:
roberthalf.co.uk
08705 329635