This book has been written to help business executives understand the finance and performance management capabilities required to create and sustain high performance. The combination of research results, case studies, finance executive interviews, and summary insights provides a rich base of knowledge for determining where an organization should prioritize its efforts, so as to build the capabilities required to optimize future success.

CFO Insights: Delivering High Performance covers multiple aspects of the journey to high performance. We analyze how and why high performers consistently outpace their peers over a sustained timeframe across business cycles, industry disruptions, and changes in leadership. We examine the characteristics and attitudes of the leaders among finance executives. We look at the strong correlation between a high-performance business and mastery of five finance capabilities: value-centered culture, enterprise performance management, finance operations, capital stewardship, and enterprise risk management. We explore each of these capabilities in detail and demonstrate their importance, both to the evolving finance function, and overall enterprise strategy and performance. In addition, we look at the characteristics of high-performance organizations in the public sector. And finally, we discuss achieving high-performance finance in some of the most dynamic regions in the world, including Eastern Europe, Japan, and China.

Our research has been conducted under the direction of the Accenture Institute for High Performance Business. The process started with identification of a set of companies across industries and geographies that consistently outperformed their peers over multiple economic cycles. We looked at those high-performance businesses to understand if their ability both to generate and sustain high performance was linked to their capabilities in the area of finance and performance management. We
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found a 70% plus correlation existed between those companies assessed as being masters of finance and the companies that were high performers in their industries.

Finance executives of high-performance businesses often operate outside of their traditional roles of managing the finance operations. They engage with the senior executive teams to identify where value-creating opportunities exist, and how resources should be allocated to capture them. They help the management team actively plan and deliver those value opportunities across the business. But finance executives also have to respond to an ever-increasing demand around regulatory controls, reporting requirements and adoption of new International Financial Reporting Standards (IFRS). This demand is expected to increase over the next several years and exacerbate the recent trend of increased costs for basic controllership and financial reporting processes. With the first rise in basic transaction processing that we have seen in the last thirteen years, finance executives have to balance the investment demands to create new capabilities that generate value across the business. This book provides a framework to assist finance executives in balancing the pace and mix of investments across five key finance capabilities required to generate and sustain high performance.

We are witnessing a continuing shift in the shape of finance and its footprint across the enterprise. We are also seeing a change in the way the finance leadership team engages with the business and the broader ecosystem of company networks. As companies collaborate more closely across industries to deliver products and customer services around the world, the focus of performance management has shifted beyond the walls of a single organization to the broader challenge of managing across multi-company value chains. This presents significant challenges to the legacy finance operating model.

Finance executives spend increasing amounts of time responding to the pressures that global business models bring to their industries. The finance leadership team has a pivotal role in making sure that they pace the rhythm of change in finance to match the required degree of change at the enterprise level through the deployment of appropriate operating models. As companies struggle to understand how they should source globally and deliver against competitors with different regulatory pressures and cost structures, the finance executives have a key role to play in helping business unit executives craft competitive responses.

The high-performance finance framework discussed in this book has been tested through the lens of the global CFO through interviews with
over 250 senior finance executives. We have documented their multiple transformation journeys in terms of how they are shaping their own capability model as well as setting the breadth, depth and pace of change that is in keeping with the rhythm of their businesses. Our research reveals that they are all going down a similar path even as they start at different points and pursue their own priorities and particular areas of focus.

This book includes a series of metrics and insights from The Hackett Group, in an effort to provide the latest information from their database of finance operating cost and best practice trends. The Hackett Group benchmarking methodology and database together are recognized as the “gold standard” to define and measure how finance cost structures and best practices have changed over time. The Hackett Group perspectives provide details on where finance organizations are positioned today, and how that has changed over time.

The framework presented in this book has been validated as applicable across multiple industries and geographies. The framework defines the finance and performance management capabilities that an organization must possess to create and sustain high performance over time. We provide illustrations of the different approaches companies have chosen to build those capabilities, depending upon where the business is today and how quickly it needs to change to stay competitive. This book will help finance executives prioritize where and when they build new capabilities in their business to achieve high performance in a globally competitive environment.

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