The Need for Speed

Getting faster in finance where it matters

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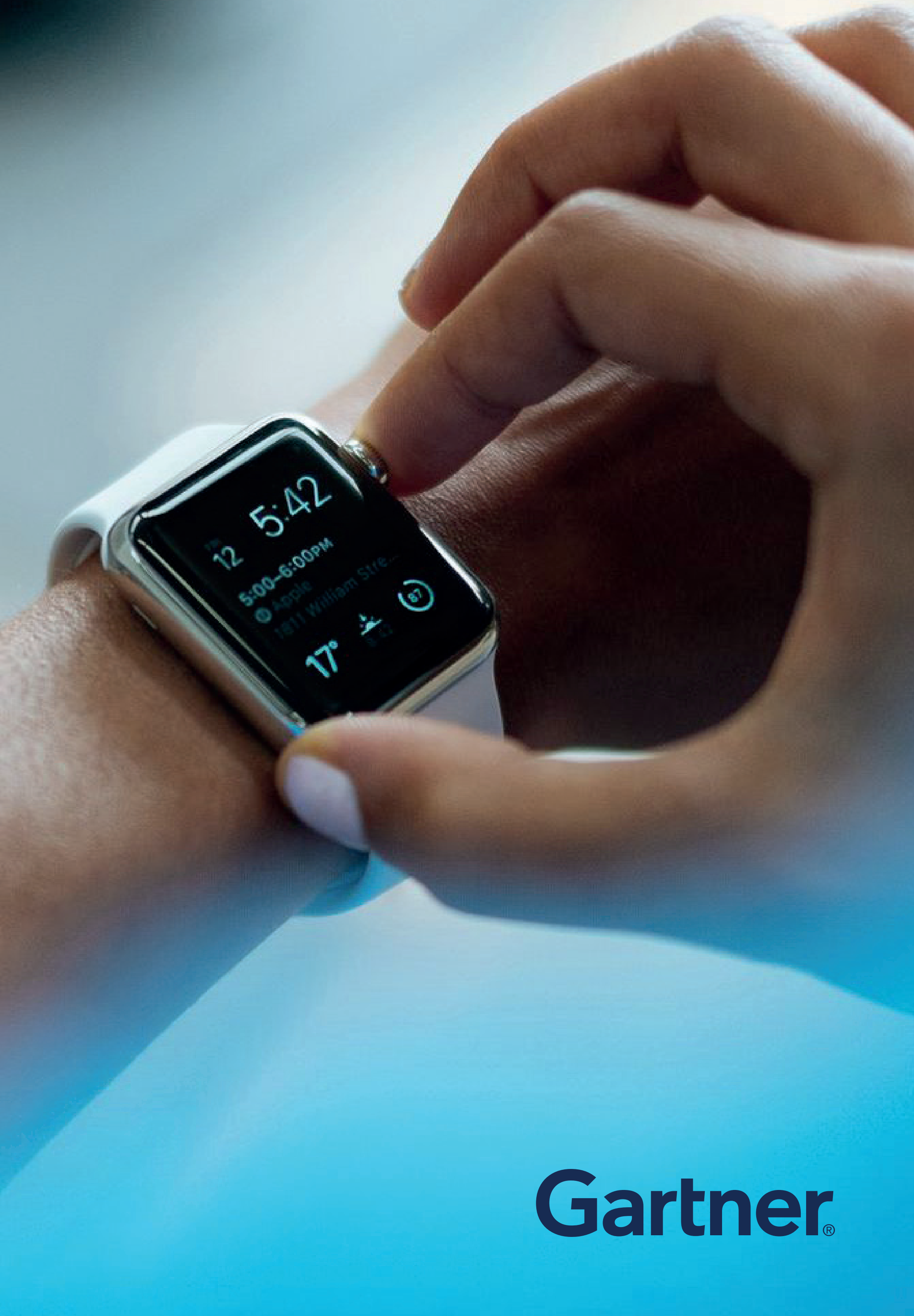

Business is moving at a fast pace

Competition

2x Growth rate across the last five years of the number of patents, compared to historical growth rates

Disruption

40% Top incumbents per industry that will be displaced by digital disruptions within five years

Talent constraints

60% Companies revamping their talent sourcing strategy

Business change

60% Increase in number of business changes companies experienced since 2012

Volatility

81% Commodities that dropped in price since 2014

Consumer changes

100% Increase in the percentage of sales coming from online retailers today versus 2010

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Pressure on finance to be faster

Pressure on finance to speed up

Percentage of respondents

73%
Face pressure to speed up

n = 1,054 finance staff

Relative speed of each function

Slowest to fastest

1	Legal
2	IT
3	**Finance**
4	R&D
5	Sales
6	HR
7	Risk
8	Audit
9	Procurement
10	Marketing (B2B)
11	Marketing (B2C)

n = average of 979 staff per corporate function

Note: Staff were allowed to report on multiple tasks within their core responsibilities.

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Slowest finance activities

Top 10 finance activities in which finance reports too slow execution

1. **Perform board-level reporting**
2. **Set annual target**
3. **Perform corporate-level reporting**
4. **Adjust in-year target**
5. **Approve new capital projects**
6. **Perform business-level reporting**
7. **Track and report performance against plans**
8. **Prepare tax returns**
9. **Develop capital budget**
10. **Approve funding**

n = 1,560

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We are slowing ourselves down in finance

Common reasons handoffs slow us down

1.

Poor data and inaccuracies
Knowledge workers waste up to 50% of their time hunting for data and identifying and correcting errors.

2.

Capacity bottlenecks
Employee outputs can be delayed by months when handoffs are not timed appropriately.

Example

Shared services inputs an incorrect figure in the general ledger, leading accounting to spend additional time fixing it as well as checking for other potential mistakes.

Accounting puts together the P&L and does preliminary analysis, which is handed off to FP&A. FP&A doesn't trust this information and recreates all of the analysis.

An **FP&A** manager receives a cash flow statement a week late. She now has to either delay her current tasks or delay the cash flow forecast.

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Three keys to faster finance

1.

We need to teach our teams to make the right trade-offs.

2.

We need to help teams learn how to shift away from low-value activities.

3.

We need to embrace our inevitable interdependencies.

Additional resources

To learn more about this topic and see additional research, contact financeleaders@gartner.com.

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