

Gartner®

Gartner for Finance Leaders

**Drive Finance
Transformation
Success by Adapting
Ways of Working**



Introduction

Most finance transformation initiatives move slower than expected. Finance's focus on technology can also distract from transforming how work gets done. By redesigning ways of working, finance transformation leaders can accelerate transformation initiatives.

Seventy percent of finance transformation initiatives move slower than expected. Many finance transformation leaders have responded by increasing their focus on making quick progress on technology and organizational structure. While these changes can deliver visible and quick wins, they are insufficient to sustain long-term impact. The key to making finance transformation investments successful is to change how finance teams work. Failing to change finance's ways of working risks teams not using technologies to their fullest potential, and not responding enough to future needs.

Despite its importance, very few finance organizations clearly catalog, articulate and intentionally design their own ways of working. This research defines ways of working and provides practical examples to help design how finance teams should work, as the function becomes more digital.

What Are “Ways of Working”?

“Ways of working” describes how teams do their day-to-day work. Ways of working are typically expressed through principles that define a system of behaviors.

For instance, a principle of “working across functional and business siloes” might set the expectation that finance teams work collaboratively across functions and business units to improve enterprisewide learning and sharing. Another principle such as “institutionalize continuous improvement” might mean that finance teams will regularly identify opportunities to improve process or workflow efficiency.

Principles are operationalized and made real through three separate but related components — behaviors, practices and processes. Defining each component using the principle of “institutionalize continuous improvement” as an example:

- **Behaviors** describe how employees should conduct themselves, such as flagging processes that require too many handoffs.
- **Practices** are habitual, customary and expected actions, such as using Kanban boards to improve collaboration and efficiency. Practices can be applied to a variety of situations as tools and methods.
- **Processes** are regular actions or series of actions performed in a defined manner and sequence, such as purchase to pay. Unlike practices, processes are designed to be applied to a specific situation or outcome.

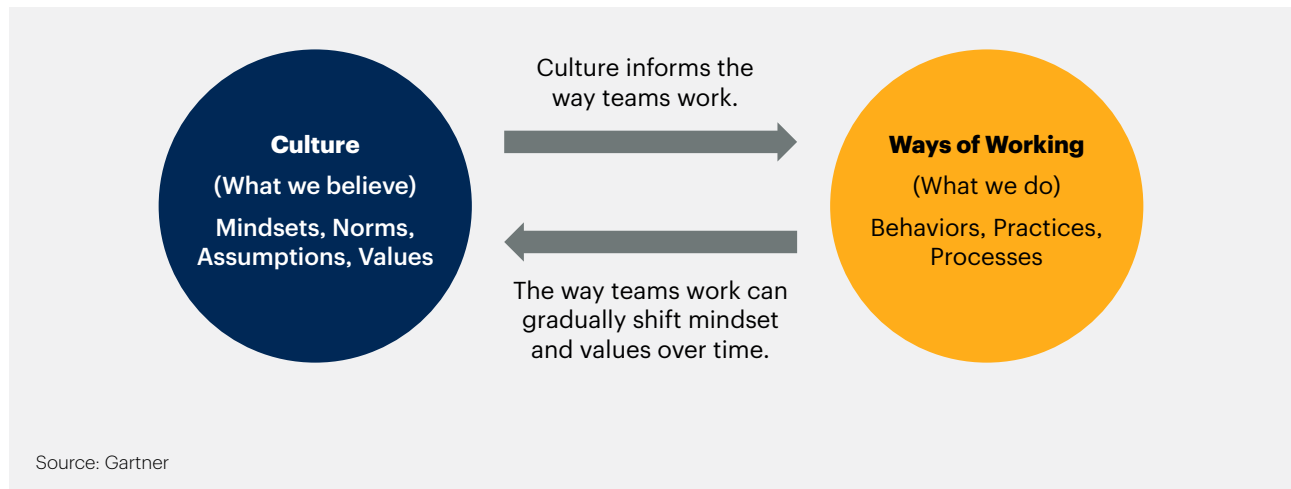
When implementing transformation initiatives, most organizations intuitively think about the process component of ways of working, but few intentionally define behaviors and practices. Defining behaviors is necessary to give employees clear direction on how to execute on finance's strategy, and practices codify strategic objectives into day-to-day work.

Ways of Working Are Connected to, But Distinct From, Culture

Ways of working should not be confused with culture. Culture is about what the organization believes; that is, the mindset, norms and values of the organization. Culture is less visible but more ingrained.

In contrast, ways of working are what the organization does. Ways of working are directly observable through workflows and are how culture is translated into actions and behaviors. These two concepts have a synergistic relationship — culture informs the way teams work, and the way teams work can gradually shift mindset and values over time (see Figure 1).

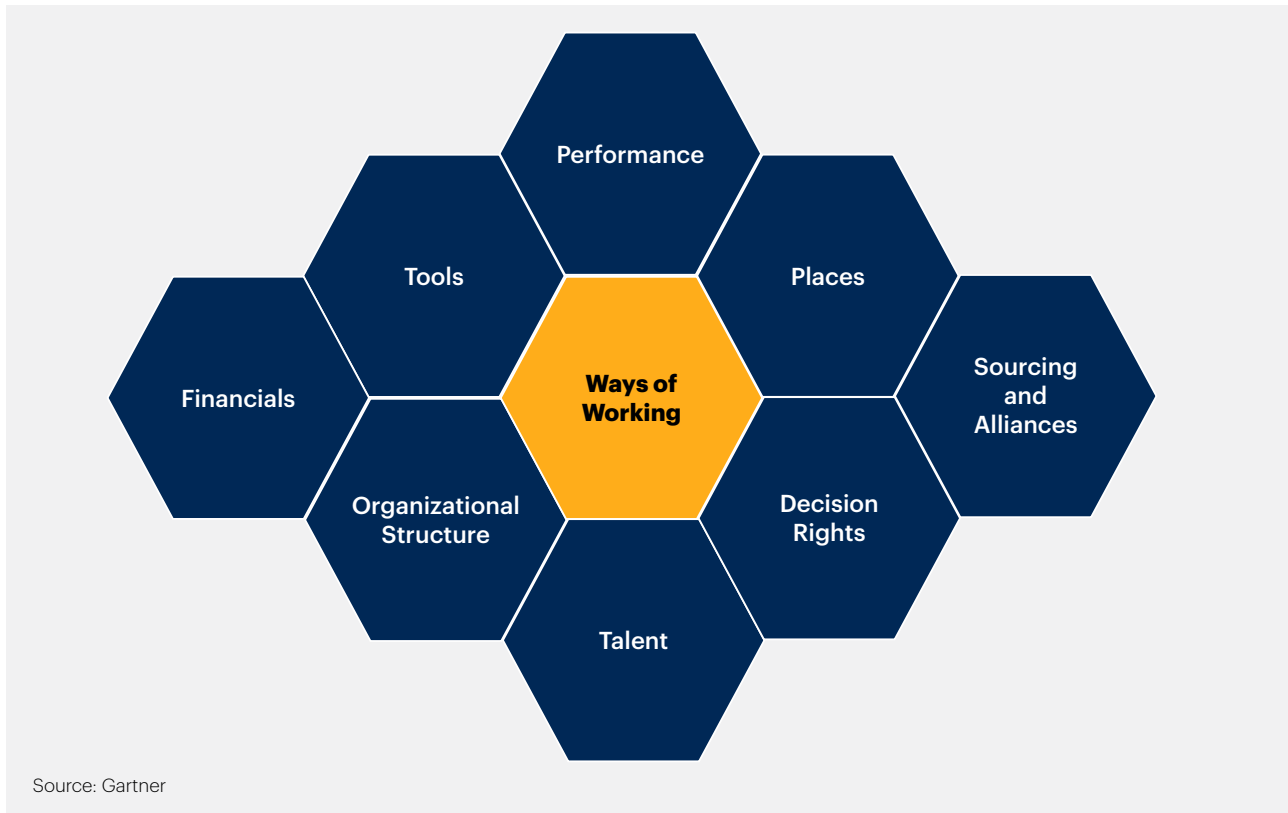
Figure 1: Relationship Between Ways of Working and Culture



Ways of Working Are a Central Element of the Finance Operating Model

Finance leaders should think comprehensively about finance's operating model — that is, how an organization runs itself and accomplishes its objectives. Gartner's operating model consists of nine elements (see Figure 2), where ways of working are the central element.

Figure 2: Finance Operating Model



Successful transformation requires finance leaders to make hard decisions about these operating model elements (see [The New Operating Model for Autonomous Finance](#)). Finance transformation leaders consider ways of working to be by far the most challenging operating model element to transform. However, they also believe it creates the most long-term impact, as decisions about how finance teams work informs which decisions should be made about other elements of the operating model. For example, changing how finance teams work impacts how tools are used or even which tools are selected, and affects which initiatives for upskilling talent should be prioritized.

How Can Finance Transformation Leaders Define Ways of Working?

Finance transformation leaders find it difficult to define the essential elements of a way of working for their organization and then make it central to their transformation efforts. The following approaches can be used to define and design ways of working for a finance organization.

Use Lean, Agile and Design Thinking Frameworks to Inform New Ways of Working

Finance can use existing ways-of-working frameworks to inform how their organization works. Table 1 summarizes three example frameworks — Lean, Agile and Design Thinking — that provide a vision for how work gets done. Each framework is defined by a set of principles, behaviors and practices that contribute to the framework’s goal.

Table 1: Example Ways of Working Frameworks

Framework	Lean	Agile	Design Thinking
Goal	Waste elimination to increase customer value	Iterative and incremental value creation for consumers	Customer-centric problem identification for faster and better solutions
Principles	<ul style="list-style-type: none"> Identify value Create flow Establish pull Seek perfection 	<ul style="list-style-type: none"> Iteration Collaboration Empowered ownership Shared accountability Ideation Continuous improvement 	<ul style="list-style-type: none"> User-centricity Empathy Collaboration Ideation Experimentation/Iteration A bias toward action
Behaviors	<ul style="list-style-type: none"> Continuously identify waste Seek customer voice Find process efficiencies Adjust workflows constantly 	<ul style="list-style-type: none"> Aim for minimum viable products Test-and-iterate Continuous testing Frequent releases 	<ul style="list-style-type: none"> Constantly observe Elicit stories Lead with questions Focus on outcomes over outputs
Practices ^a	<ul style="list-style-type: none"> Gemba walks Value stream mapping Hoshin Kanri Kaizen 	<ul style="list-style-type: none"> Daily stand-ups User stories Backlog reprioritization Sprint reviews 	<ul style="list-style-type: none"> Business model canvas^b Empathy mapping Problem statement exploration Customer personas^c

^aFor more on Lean practices, see [Quick Answer: How Can Lean Methods Support Finance Transformation?](#)

^bFor more on the business model canvas, see [How to Visualize Business Models for Tech CEOs.](#)

^cFor more on customer personas, see [The Enterprise Persona — Defining Your Ideal Customer Profile.](#)

Source: Gartner

While each framework provides a starting point for designing new ways of working, finance leaders need to pick and choose what components from each work best for their own needs.

For instance, **Lean** is a framework designed to deliver value by eliminating waste, and is thus best suited to address process improvements. **Agile** practices such as iteration and test-and-learn approaches can be applied to finance project-based work, especially new technology implementation. Some organizations are increasingly looking into applying those practices into operational work, such as model building and analytics. **Design thinking** is best applied when root causes of a problem aren't well understood, and works well to enable a shared understanding of a problem among various finance leaders.

Apply a Ways-of-Working Lens to Problem Solving

Another way to design new ways of working uses existing frameworks to focus on specific problems faced by the finance organization and then identify the components of each framework that will best help overcome those problems.

There are three steps to this approach:

1. Identify a problem to address in the finance organization.
2. Select the ways-of-working practice(s) best suited to solve this problem.
3. Adopt behaviors that enable and enforce the successful adoption of new practices.

Table 2 lists several common problems finance organizations struggle with, and examples of ways-of-working practices and behaviors that can be adopted to help solve that problem.

Table 2: Examples of Introducing New Practices to Solve Finance Problems

If you are struggling to reduce days to close	... adopt decision support tools	... deliver quality insights
Framework to adopt	Lean	Agile	Design Thinking
Practice to select	Value stream mapping to identify process inefficiencies	Sprint review to create new FP&A decision support tool	Root-causing to uncover real business needs
Behaviors to pair with new practice	Flag tasks (or steps) that require too many handoffs and approvers. Review workflows for activities that lead to additional work without creating value. Document where technology or humans are involved at each step.	Meet early and frequently with users to understand and clarify their needs. Test and pilot features with decision makers using the tool. Focus on improving flow and incremental value for decision makers.	Hypothesize drivers of business leader needs. Draw ideas from diverse set of perspectives. Elicit feedback from business leaders.





Source: Gartner

New practices are more impactful when paired with the introduction of new sets of behaviors. For instance, using value stream mapping to make a close process more efficient is more effective when employees are expected to identify bottlenecks.

Choose Principles That Match Your Transformation Journey

In addition to adopting from existing frameworks, finance transformation leaders can design their own customized ways of working to better suit their organizational needs. Gartner’s new Finance Ways-of-Working Framework defines exemplar principles to inform and accelerate changes to finance’s ways of working (see Figure 3).

Figure 3: Gartner’s Finance Ways-of-Working Framework

 Data and Insights	 Process and Technology	 Delivery Model	 People
From Data Reporting to Insight Generation	From Manual to Automated	From Linear to Iterative	From Finance First to Enterprise Partnership First
<ol style="list-style-type: none"> 1. Drive for consumability. 2. Trade quantity for quality of insights. 	<ol style="list-style-type: none"> 1. Institutionalize continuous improvement. 2. Advance task-based automation. 3. Embrace automation for decisions and workflows. 	<ol style="list-style-type: none"> 1. Execute More work iteratively. 2. Work with autonomy 3. Flex responsibilities within the team. 	<ol style="list-style-type: none"> 1. Work across functional and business silos. 2. Prioritize customer objectives. 3. Take a balanced-risk approach.

Source: Gartner

Each principle is aligned with finance objectives across the pillars of data, processes and technology, delivery model and people. For instance, if a finance organization wants to move its teams away from mostly reporting data to generating insights for stakeholders, it can use principles such as “drive for consumability” and “trade quantity for quality of insights.”

How to Use This Research

Finance leaders can use this research in three ways:

1. Include projects dedicated to changing finance’s ways of working in your transformation roadmap.
2. Define principles for how your teams should collaborate based on your transformation objectives. Also, give a clear path for finance teams to align their work with these financewide principles by setting up complementary practices and behavior expectations.
3. Identify problems that can be solved through new practices and behaviors, especially in areas where common behaviors and practices do not align with transformation objectives.

Actionable, objective insight

Position your organization for success. Explore these additional complimentary resources and tools:



Template

The New Operating Model for Autonomous Finance

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