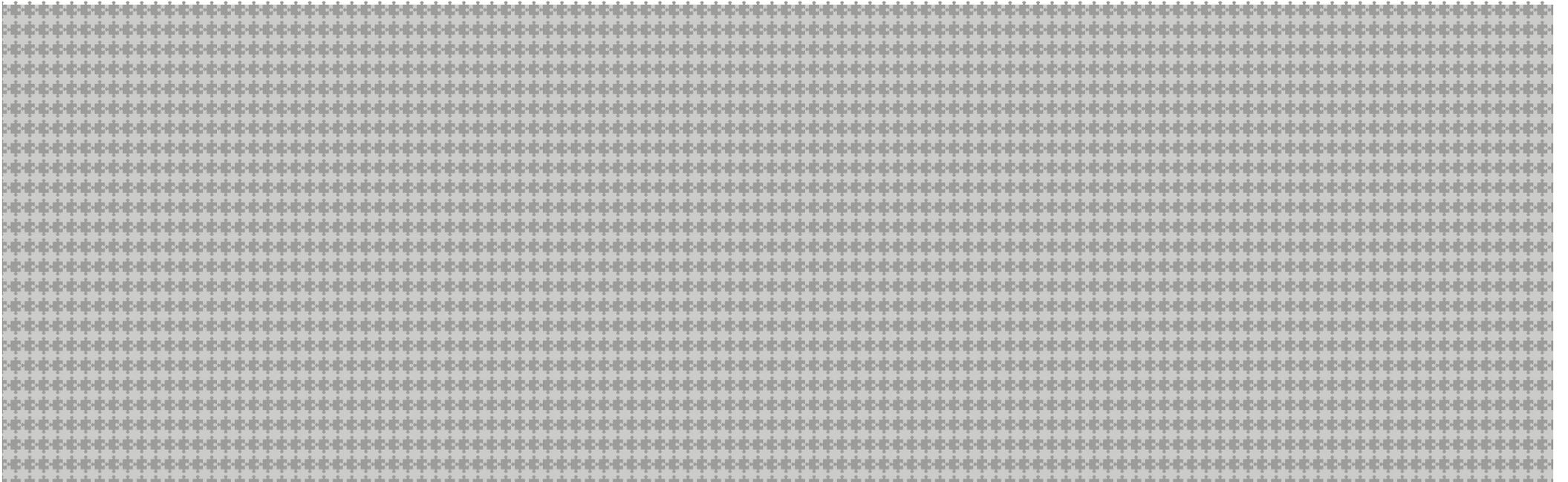


Accountants for Business

Talent and capability in global finance functions



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This report uses detailed case studies to present insights from leading organisations on the challenges, solutions and opportunities for talent management in today’s global finance function.

Foreword



In today's environment there are a number of standout challenges shaping the remit of the finance function and in particular the talent imperative. As a result of the drive for sustainable business growth the finance function must finely balance its responsibilities between controllership and insight. This duality of the CFO role is calling into play a myriad of different skills, experiences and capabilities that organisations must develop in their future finance leaders. As a result, the traditional career pathways through the finance organisation are becoming less clear. Further, there are broader technological, demographic and geographic trends affecting the talent issue.

Nonetheless, it is perhaps the shift to new finance operating models over the last decade that complicates the talent issue

most. The advent of finance shared services, outsourcing and, more recently, global business services, has fundamentally changed the traditional talent equation.

From service delivery operations to the retained finance function, the traditional career paths for finance professionals have been disrupted. Businesses need to rethink their approach to developing finance and management capabilities across the new global finance organisation.

As the global body for professional accountants with almost 600,000 students and members, ACCA is at the forefront of supporting organisations to develop the appropriate skills to transform their finance functions.

This report outlines the factors shaping the talent agenda in finance functions today and provides a perspective from CFOs on some of the key issues. It also shares insights from leading global organisations on the challenges they see and the solutions being adopted in developing talent.

I am delighted to be able to share the findings with you, and would like to take the opportunity to extend my personal gratitude and thank all participants who contributed to this study.

A handwritten signature in black ink, appearing to read 'Helen Brand'. The signature is fluid and cursive, with a large initial 'H'.

Helen Brand
ACCA chief executive

Executive summary

As part of ACCA's qualitative research in 2013 leading organisations shared their approaches to developing talent in global finance functions.

The case studies presented in this report tell us about the strategies businesses could adopt to develop the best finance talent for the future.

A number of suggestions emerge.

RECOGNISE THE NEED FOR NEW CRITICAL CAPABILITIES

In today's global finance function, mastery of a wide range of capabilities is a necessity, but as technology evolves and organisations become more structurally complex, the value placed on different finance capabilities is changing. Increasingly a higher value is placed on the development of skills in areas such as analytical capability in response to growing data management challenges and the need to drive financial insight.

The advent of shared service and global business service operations (the aggregation of all business support functions under one organisational construct) has also placed a new premium on broader management capabilities such as programme and service management. In today's finance organisation, tacit knowledge of the business, combined with operational and process mastery, is fundamental. A new mix of skills and capabilities, cut by location and finance activity, is increasingly called into play.

FOCUS ON EXPERIENTIAL LEARNING AND PLANNED CAREER PATHS

Leading organisations increasingly look to secondments and job rotations to provide hands-on skill progression. While previous ACCA research has suggested poor linkages in terms of career paths between service delivery operations and the retained finance organisation, leading businesses now look to create greater connectivity between these disparate parts of the finance function, particularly in facilitating career movement between them.

Specific interventions, such as the creation of finance roles that bridge operations, are helping drive this connectivity. In the retained finance organisation, as the number of finance roles is displaced by the growth of shared services or outsourcing, some businesses are actively seeking to 'carve out' new roles to support traditional career development opportunities. The export and import of finance talent between the function and the business is also critical to strengthening relationships and driving the influence of the finance organisation.

EXPOSE LEADERS TO SERVICE DELIVERY OPERATIONS

A rotation through finance service delivery roles is recognised as beneficial for future finance leaders. Some businesses are now charting a course for future CFOs through their global business services and finance shared service operations.

These businesses are recognising that operational experience can not only drive a better understanding of the business, but also help develop management capabilities that are valued in finance leadership roles. Such capabilities include leading teams virtually, working across different cultures, managing large teams and, in the case of GBS operations, gaining cross functional end-to-end process understanding.

VIEW FINANCE TALENT THROUGH DIFFERENT LENSES TO ENSURE A COMPLETE VIEW

For global complex businesses with a myriad of different finance activities across multiple locations, it pays to view talent through a number of different perspectives: from a traditional functional view, through a GBS or shared service perspective, and by geography or role level.

This integrated approach to talent identification and development provides a complete view across finance activities within the organisation, helps with succession planning at a global level, and identifies major skill deficiencies across finance operations, guiding the business to align their finance capabilities.

TARGET HIGH-VALUE LEARNING INTERVENTIONS

From establishing dedicated centres of excellence, to the development of targeted personal learning programmes, leading organisations are adopting a range of interventions to develop the requisite capabilities across the finance organisation.

In large finance operations, a consistent approach to learning is considered critical with sufficient flexibility to tailor learning interventions at a personal level – such as coaching, mentoring and the establishment of ‘career counsellors’. While blended learning approaches are increasingly commonplace, the use of new technologies and mobile learning will add more flexibility. Organisations cited traditional education interventions such as supporting employees through the ACCA qualification as helping harness a global perspective.

DRIVE EMPLOYEE ENGAGEMENT PROGRAMMES

As finance functions continue to transform, employee engagement remains critical. The situation is particularly acute in the retained finance organisation, where roles have been displaced.

Leading organisations continue to measure and monitor levels of engagement and proactively intervene to drive improved staff morale across the entire finance function.

A number of specific interventions, from satisfaction surveys and social activities through to staff involvement in CSR activities are being deployed, while some organisations look to benchmark their engagement practices.

PLAN AHEAD

Mapping out skills requirements across the finance organisation through appropriate modelling and assessment, and planning around possible recruitment and retention levels, makes sense in the medium term.

Developing appropriate succession planning for finance leadership roles is increasingly vital to ensure a suitable internal pipeline of candidates qualified to take finance leadership roles in the business.

As the remit of CFOs continues to expand and evolve, leading businesses must invest in global talent programme planning across the entire finance organisation to develop next-generation leaders.

1. Background to the study

In September 2012, ACCA reported the results of a short survey on talent management in global finance functions.¹ The survey sought to understand the extent of adoption and effectiveness of talent practices across the retained finance organisation, and shared services. Over 1,200 responses were received, with four key conclusions.

The implications of those conclusions are significant and suggest the changing footprint and construct of today's global finance function have brought new complexities. The results suggest a paucity of effective talent practices across finance organisations in general.

Poor talent practices raise the risk of ineffective approaches to attraction, engagement and retention, and may suggest that many existing finance talent pools are untapped and invisible. The results may also suggest poor knowledge transfer and capability gaps across the finance organisation.

THE TALENT AGENDA: CONSIDERED IMPORTANT BUT OFTEN POORLY MANAGED

The majority of respondents recognised the importance of establishing talent programmes across the entire finance function, from the retained finance organisation through to shared services.

79% agreed it was important or very important

The majority of respondents said that they did not have talent programmes in place that extended between the retained finance organisation and shared services.

72% said they don't have comprehensive talent practices

Of the minority of respondents who said that they did have comprehensive talent programmes in place across the finance organisation, most deemed them to be ineffective.

66% see their talent practices as ineffective

The majority of respondents suggested that they did not have access to career paths that linked across different parts of the finance function, from the retained organisation through to shared services.

71% say they don't have career paths

1. *Talent Management in a Shared Services World: 2012 Survey*, Jamie Lyon and Deborah Kops, ACCA, September 2012. <http://www.accaglobal.co.uk/content/dam/acca/global/PDF-technical/finance-transformation/pol-afb-tmif.pdf>

Source: *Talent Management in a Shared Services World: 2012 Survey*

2. CFOs agree the talent agenda is important

With a paucity of good talent practices in evidence, one of the critical challenges to developing more effective programmes is leadership buy-in. To what extent do finance leaders recognise the importance of developing people with the right skills and capabilities across the function and what do they see as the reasons for this?

RICHARD MOAT FCCA, CFO OF EIRCOM GROUP

The talent agenda is vital in finance as is it in every area of the business. In the finance function today people need to understand the commercial realities of the business so they have to have a strong commercial streak as well as being highly experienced in the essentials of finance. I am glad to say, for the business where I am CFO, that we have some very strong people who have this commercial acumen and who I hope will move into senior commercial roles in due course. Identifying people with that sort of potential is extremely important but, as a recent survey by ACCA shows, the development of talent in finance functions can be very ineffective so that has got to be a critical area of focus – making sure you have the right talent coming through so that you can develop your people, rotate them through other functions in the business, maybe bring them back again in the future – as well as having strong people coming through the finance function to take their place. This has to be a critical part of the CFO's agenda.

This is also made more complex by the advent of shared services and the outsourcing of finance activities, whereby those functions are now operating in many different parts of the world. This leads not only to management challenges but also to talent development challenges in identifying good people who can move to HQ or people from HQ who can move out to run those finance activities. There is also the issue of how you cope with the smaller scale of the HQ function after so much finance activity has been transferred out to shared service or outsourced operations – that is another significant challenge.

TEUTA BAKALLI FCCA, CFO OF PEPPER EUROPE

The skills and capabilities that people bring to today's finance function are central to its success. As the role and responsibilities of many CFOs broaden, it is essential they are supported by a capable finance team that can bring expertise across a wide range of finance disciplines, from core fiduciary and control responsibilities, through to partnering with the organisation to drive financial insight and to support the strategic direction of the business.

As the role of the finance function continues to evolve, as a CFO I see a number of challenges we must meet in developing talent. A much wider range of skills are now called into play. A strong technical finance understanding is an essential prerequisite but increasingly it must be completed by a broader range of business and management capabilities: strong communication skills, influencing skills and, of course, commercial acumen in certain roles. These capabilities are highly important for finance to enable it to become a trusted partner to the business and are critical to helping businesses achieve sustainable growth in an environment which continues to be competitive and demanding.

There are other challenges too. The advent of finance shared-service models and offshoring of core finance activities raises significant questions on how talent in global finance functions can be best nurtured between the service organisation and the rest of the finance function: traditional finance career paths are becoming disrupted. The nature of finance leadership itself is evolving also, as CFOs leading global finance functions increasingly manage finance teams that span different countries, cultures, working practices and languages calling into play much broader leadership qualities. These are some of the many challenges progressive finance functions face in nurturing the next generation of finance leaders and why the talent agenda must remain a fundamental priority for CFOs today.

3. Meeting the challenge: how leading organisations are addressing the problem

With growing recognition from finance leadership of the critical importance of effective talent management programmes across the finance organisation, what are leading organisations doing to address the problem and meet ever increasing expectations?

ACCA sought the views of leading practitioners on the challenges they see in global finance functions today, and the practical solutions they're adopting.

VIEWPOINT LEADING CONSULTING FIRMS

SALLY FISHER, PARTNER, DELOITTE, UK

The war to develop finance talent

There is a change afoot. CFOs and finance directors are beginning to take the talent agenda seriously and are redefining their traditional talent strategies. The well-documented war for talent is making way for a war to **develop** talent. The ability of organisations to recruit the critical skills they need is being outstripped by organisations' need for

the skills, experience, attitudes and behaviours that are essential for the finance function as it seeks to establish itself as a strategic partner to the business. Those with captive shared service centres are also investing in retaining and developing individuals with the technical and project-management skills, and the knowledge and networks within the business that are needed to create seamless end-to-end finance processes for rapid and robust transaction management.

A lack of succession planning

In our work with new CFOs transitioning into their role within FTSE 100 and 250 organisations, a constant theme that arises is the poor quality of the succession planning that they inherit. The majority of new CFOs are external hire recruits to the organisation, which in itself is revealing of the quality of the succession plan. Many new CFOs whom we work with in both the UK and US report that addressing the skills and capability gaps in their top team is a priority for their first year.

A perfect finance talent storm

Three forces are coming together in 2013. Firstly, there has been a long-term inheritance of finance function learning and development budgets dominated by technical skills development at the expense of leadership and behaviour competences. Secondly, in the years since the financial crisis a significant reduction in learning and development budgets has had a detrimental impact on everything other than core technical skills development. Thirdly, there is recognition that in these more challenged economic times with competitive and often consolidated marketplaces, growth ambitions will only be achieved if the finance function can play a strategic role in helping the business innovate in sustainably profitable ways and manage the increased complexity of the risk/opportunity dynamic.

These three forces are redefining the skills that are needed within the function, with greater focus on commercial acumen, analytical thinking, communication and influencing skills, personal impact and solution-oriented attitudes. They have also ensured that there is inadequate supply, not only internally but also in the external recruitment market.

New approaches to developing capability

There is growing recognition of this problem and, in keeping with a general trend that we have seen in the US, where training budgets increased by an average of 13% in 2012, we are starting to see purposeful investment in skilfully designed development programmes that focus on clearly prioritised competences and targeted audiences within the finance function.

The key features of the most successful programmes are:

- a bias towards developing behavioural competences and advanced analytical skills
- the bringing together of communities of experts working in different parts of the business but on similar financial or commercial challenges, eg pricing or resource allocation

- adherence to a 'less is more' principle in learning and training, with a small, focused curriculum that develops the necessary critical skills
- a globally consistent strategy and curriculum, with localised nuances only where necessary, eg as a result of distinct market conditions or regulation
- any face-to-face development time is spent with a quality facilitator who is capable of shifting mind-sets, not just training new skills
- the integration of action learning, coaching, mentoring and leading-edge resources with face-to face-development experiences.

What organisations are not yet doing enough is defining the success of development investment by measuring business impact, and taking advantage of mobile digital solutions to create tailored learning platforms that push relevant content to finance professionals according to their preferences and needs, connect communities of experts, and stimulate collaboration. This will be the next leap for global finance organisations in the war to develop talent.

TIM PAYNE, PARTNER, KPMG, EUROPE

Talent management – what goes wrong?

In the ACCA 2012 study *Talent Management in a Shared Services World*, the messages were loud and clear. The vast majority of senior finance people surveyed believed that, as finance functions evolve, managing talent will become increasingly important. However, only 28% of respondents said they had a talent programme in place and of these only 34% felt these were effective. So where do talent programmes go wrong, and what can senior finance managers do differently to make them a success?

In our experience, many talent programmes fail because someone decides to implement a best HR practice approach to talent management, without genuinely considering the specific, unique needs of their finance function. This often results in a classic nine-box process, where managers spend many hours putting their staff into boxes, fitting the numbers to distribution curves, and identifying top talent, yet failing to use this information in any meaningful way. The exercise becomes a compliance exercise. Typically few conversations

about individuals or teams have taken place, and even fewer actions agreed.

Our advice to finance executives charged with crafting an approach to talent management is to step back and consider four questions:

Do you understand what mix and location of skills and capabilities you will need in the medium term? A strategic workforce plan for finance starts with identifying those skills, and the future mix required. Workforce modeling makes it possible to role-forward your current workforce and, under various scenarios and using assumptions about hiring, attrition and promotion, uncover the likely gaps between what you will need and what you will have. This is a vital piece of context – talent management can't work unless it's grounded in future business requirements

Do you understand what your younger members of the workforce, and by association next generation of workers, think about their careers, and what they expect from an employer? Do you have robust data that helps you plan and tailor an approach to talent management that will be valued by these people?

Have you analysed the return on investment of previous attempts of talent management? What have you learned about which talent approaches work in your function and culture, and which don't?

Do you have the basic infrastructure and governance required to manage talent, particularly if you are operating an international finance function? Do you have a robust talent system in which to record data and analyse it? Do you have clarity of job families, grades and associated career paths? Are these transparent? Is there a governance mechanism that will enable challenge, for example when a high potential controller needs an international move as part of a succession plan, but their local manager is reluctant to let the move happen?

In our experience, giving consideration to these questions helps prepare a finance leadership team for the task of creating a genuinely useful approach to talent management; one which will be championed by finance, not by HR; and one which will result in engaged, developed and high performing people, rather than process compliance.

VIEWPOINT RETAINED FINANCE ORGANISATIONS

BARRY PATTON, FINANCE DIRECTOR IRELAND, INTEL

The talent challenge – creating development paths in the retained function in country

The finance organisation at Intel is very much an influential finance operation in the sense that we report directly through the finance organisation to the CFO, and we have a key role to play in continuously challenging and helping drive value for the operations – so we are very business and operational impact focused.

However, with the advent of our shared service operation, both transactional finance plus 'higher value' finance roles moved across. From a retained finance function perspective this has created specific talent development challenges for us because many of our entry roles to develop our talent were lost, resulting in a retained finance organisation structure which had small numbers of finance personnel at more junior roles, small

numbers at very senior roles, and too many roles in the middle – so essentially a circular shaped, rather than pyramid shaped organisational structure impacting on traditional career development paths. There may be very rational reasons why, from a cost and standardisation perspective, shared services makes sense, but it has development and succession implications for the retained finance team which are not always thought through.

Solutions – creating development paths in the retained function

1. Carve out new roles to facilitate development. We have systematically carved out roles, creating for example two junior roles rather than one senior post. This starts to rebalance the retained finance organisational structure and open up more career paths but critically it also allows us to intervene at the junior level and give people opportunities to develop the skills they will need upwards – we can

take them on the journey and these are skills you can't learn coming straight in at a senior level. It's cost neutral but of course there is a headcount implication and we get measured on both – so we have to make the case consistently.

2. Support development opportunities through rigorous talent identification programmes. We have a talent identification process in place called 'repeat high performers' – each year one-fifth of our staff will be given this performance rating and if they meet this two years in a row this categorises you as high potential, which helps drive mobility because hiring managers become interested in you and from a corporate standpoint at a manager level it puts these individuals on everyone's 'radar'.

3. Create influence in the business and maintain finance 'connectivity' by exporting finance talent. We try and give finance people business operational experience. This allows us to retain finance staff outside of the finance function so that if we have a major capability issue in the function we can reach back out to the business and bring people back. We also adopt the same approaches across our geographic regions, monitoring which finance people

are where and fitting them into the overall succession planning cycle. This is also critical in creating a strong finance reputation within the business and ensuring we are truly connected to the operation.

MADELEIN SMIT, VICE PRESIDENT CORPORATE IS & S CEVA LOGISTICS

The talent challenge – driving engagement in the retained finance team

At CEVA several years ago we embarked on a finance transformation programme which included outsourcing of certain finance processes, and we viewed this as a critical lever for change, not only transforming the finance cost base, but also helping us evolve the skill-sets of the organisation so that we had the right capabilities and talent in place across the embedded finance teams, the retained finance organisation and our outsourced relationships. There is always a balance to be struck between driving out cost across the finance organisation and ensuring you are well placed to develop and keep the appropriate talent and knowledge inside the organisation.

These developments have given a new purpose for the retained organisation and

its focus is now on new capabilities such as business partnering, financial insight and ensuring appropriate management of our outsourced finance service operations – so strong relationship management is key. It's also about being prepared for the finance organisation to 'let go' of previous responsibilities that have transferred to the outsourced partner. We fully recognise that the retained finance team is being asked to develop new skills because their role is rearticulated, and we also recognise their engagement is vital in driving the finance organisation of the future.

Solutions – driving engagement in the retained finance team

1. Recognise the changed role of the retained finance team and plan for the development of new capabilities. We've implemented a talent management process, a mentoring process and a wide range of learning opportunities to ensure we develop the new capabilities and skills needed by the retained team. Don't forget developing the right behaviours is key too, and proactively plan for this.

2. Communicate, communicate, communicate. The finance transformation journey is difficult, particularly for the retained finance team which typically reduces in size and is impacted most. Having a clear communication strategy to keep retained finance staff engaged and motivated is critically important; celebrate successes publicly and make sure you have communication channels in place to acknowledge exceptional performers.

3. Embed a culture of personal responsibility for careers too. Our people have a wide range of tools and interventions at their disposal, but we also want individuals to take their own responsibility too. One of the areas we are investigating is the encouragement of cross-border and cross-country movement, but of course as the number of roles reduces, this becomes more challenging so we have to think innovatively of how we do this and carve out opportunities for ambitious people.

VIEWPOINT GLOBAL BUSINESS SERVICES OPERATIONS

ARVIND SHANKAR, MANAGING DIRECTOR, ACCENTURE BUSINESS SERVICES AND JULIE SPILLANE, EMEA DIRECTOR AND IRELAND DIRECTOR, ACCENTURE BUSINESS SERVICES

The talent challenge – creating a global integrated approach to talent development

When evolving to a global business services (GBS) model, a key challenge is how to quickly grow, at scale, in an offshore environment with the depth of capability and tacit knowledge typically held in the onshore environment, which has been developed over many years. Immediately, from a sourcing talent perspective, the question becomes how you seed the operation with the right mix of capabilities, and whether you buy some of that talent in externally, borrow it from the onshore environment or build the skills locally. This is particularly important when you recognise the breadth of management and business capabilities

you need in a GBS environment typically extends beyond traditional functional boundaries.

The approach to sourcing and developing talent and the 'build, buy, borrow' question will not be addressed fully by looking at talent recruitment and development solely through a Global Business Services or solely through a functional finance lens. An integrated approach is needed that views talent through both lenses.

As GBS itself is cross-functional in nature, GBS organisations often find it easier to cultivate an 'integrated' approach internally; for example, providing opportunities for employees through programmes such as rotational assignments in and out of different areas to grow individual capabilities and skills. The demarcation between technical, business and functional knowledge also starts to disappear in GBS where roles are created in areas such as programme

management, service management and quality management. In short, there are more opportunities for employees to grow and enhance their skills given GBS multi-function structure.

As the GBS organisation continues to grow its reputation and its mandate increases, it is more able to push the talent agenda. There are, of course, challenges in the GBS environment; while in some senses the talent base and pool in more cost-effective locations may be much broader, the turnover is also higher. Robust succession plans, training programmes, and knowledge transfer processes become critical in these environments.

In contrast, traditional functional finance organisations often find talent management challenging, and that's a reflection of historic practices and functional structures. It is also a reflection of the impact transformation has had particularly on the retained finance function, the re-articulation of its role, its capacity in the future in terms of career opportunities and the engagement levels of staff. Those in the retained organisation that have embraced the shift towards global business services are better placed to capitalise on the opportunities. This is particularly true if they have experience

on both sides of the 'fence'. This puts them in a strong position from their own career point of view.

From an organisational perspective we have to be very mindful of these challenges and differences in the two organisational models when developing an integrated approach to talent.

Solutions – creating a global integrated approach to talent development

1. The development of integrated approaches to talent is essential. In a global, matrixed business such as Accenture, it is essential to adopt an integrated approach to talent which provides both a GBS view and a finance function view of middle-senior management talent. This gives business leaders much greater clarity to where their talent sits, how it cuts across geographies, functions or role levels, and how it may be deployed across the entirety of finance and GBS roles to best meet the needs of the entity as a whole. It's a much more holistic view which helps drive an effective succession planning process as well as identifying capability gaps. It also helps GBS become more integrated in developing the broader finance leadership.

2. Create 'finance' roles as part of the finance leadership team that bridge GBS and the retained finance function. A number of senior level roles within the Accenture organisation have evolved which have both GBS and finance functional responsibilities. This helps drive synergies between these different entities and gives a view from both sides of the fence so that challenges and opportunities that may arise as part of the broader transformation journey can be anticipated. It also brings informed insights to cross fertilise talent between GBS and the finance function.

3. Deliver learning interventions that drive a more global outlook and help strengthen GBS – retained finance relationships. To ensure parity of understanding and knowledge of our finance teams within GBS compared to the retained/in-country finance teams, we have supported colleagues through the ACCA qualification in our centres. This has significantly raised capabilities across GBS and brought strong reputational benefits. It helps develop a global perspective across GBS as well as providing individuals with greater career opportunities. In addition, we have invested in building coaching skills and have also introduced a career counselling

programme which is independent of line management. For the senior management team in GBS, their career counsellors are actually based in the functional organisation, which helps strengthen relationships.

ANDREW SIMPSON, HEAD OF GLOBAL BUSINESS SERVICES AMERICAS, AND KELLY JACKSON HUMAN RESOURCES DIRECTOR GLOBAL BUSINESS SERVICES AMERICAS, BP NORTH AMERICA

The talent challenge – offshoring changed the talent equation

BP is one of the early pioneers in global finance transformation, having implemented one of the world's first finance and accounting outsourcing contracts of any scale with Accenture in the 1990s. Today, the organisation has evolved from a company that has utilised both an outsourcing and a centre of excellence model, to a business services strategy wherein the relationship between finance embedded in the business (strategy and analytics), and business services (transactional finance delivered by region) is more finely drawn. Now the business services centre model (BSC) encompasses both outsourcing and shared services under one management

umbrella, forging new relationships with the business, and aligning shared services and outsourcing delivery under one umbrella.

Offshoring indelibly changed the finance talent equation for BP. There was a period of time we experienced difficulties attracting top talent but offshoring gave us a new talent pool to recruit from and, therefore, offshoring has changed the talent dichotomy. The talent BP retained could now move to a higher level, resulting in a separation of career paths which has become more pronounced over time. The finance organisation recognises this divide, and is continually evolving its finance operating model in light of business requirements, with a particular focus on talent.

Solutions – business services key in developing future leaders

1. Rotation through business service to develop new capabilities. The company is focused on developing career paths for its future CFOs by charting a course through our BSC operation, and it recognises that to be a future CFO, just understanding finance is not the answer – individuals must also master the capabilities attainable through a rotation in our business service centre operations.

We recognise the need to ensure that BSC skills are highly valued in future leaders, and that businesses can make mistakes by appointing leaders that do not understand the back office. This is why rotation through BSC operations is essential in providing finance staff with the vital skills needed to manage large teams, work virtually, and for the organisation to harness talent around the world.

2. Finance leaders focused on succession planning. Bi-annually, the finance leadership team hosts a CFO roundtable, with a half-day focus on talent and succession planning. Our finance leaders are very attuned to the need to develop the right talent, and are focused on defining growth opportunities for finance professionals by developing defined career paths.

**KATIE O'NEILL, DIRECTOR OF HR,
EMC CORPORATION**

**The talent challenge – continuing to
improve GBS talent approaches**

EMC moved to a global business services (GBS) model over four years ago, incorporating transactional finance processes such as accounts payable, revenue accounting, credit and collection, licensing and general accounting on a global basis. This step was part of an evolutionary process to increase scalability and efficiency; at implementation of the GBS model, the finance organisations' shared services operations were aligned regionally and by business units, reporting to a host of management structures, which resulted in redundant operations.

The governing principal for our approach to talent management is simple – to convince our employees that GBS is a good place to grow a career by staying close to the business and continuously evolving our programmes as both the team and business needs change. As our organisation is global, and both insourced (operations in North and South America, China, Ireland and Costa Rica) and outsourced (operations in Dalian, Manila and Bangalore), that is a significant challenge.

EMC's GBS is fully aware of its talent 'pain points' and implements programmes accordingly. The organisation has found that the largest category of talent at risk is comprised of subject matter experts. In a GBS context, subject matter experts often do not have the management skills necessary to advance their careers, and find that the path to progression is not obvious. Similarly, GBS has identified first line managerial and supervisory talent bench strength also as an issue. Though significant progress is being made, we recognise effective finance talent management remains a work in progress

**Solutions – know where you are at,
build from within and create visibility in
career options**

1. Measuring the effectiveness of talent management approaches. There are several proof points that EMC monitors to ascertain whether talent management approaches are effective. For example, we use annual attrition percentages as a top-level indicator. Over the last few years, gross attrition across GBS has averaged 10%, with voluntary attrition maintained at 8%.

2. Building from within. The organisation believes that building, as opposed to buying strategic skills and capabilities, is a

plus for existing staff, but also ensures that projects and programmes have a better success rate. Take, as an example, the company's recent implementation of SAP across its finance processes. We determined that a deep understanding of the way in which the companies' culture and processes operate was more important than specialist SAP skills, so there was a concerted effort to upskill staff that understood current business rules rather than bringing in new team members or contracting for a large number of consultants.

3. An emphasis on individual responsibility. Individuals are empowered to take responsibility for their own career progression. Programmes such as GBS 'Rising Star' list are designed with the sole purpose of surfacing good talent and making them free agents within the organisation. GBS also has a rotation programme, designed on the same principles as EMC's college hire rotational programme.

4. Recognise that more can be done. With stability in its employment base, GBS is now looking at better linkage into the business. End-to-end career paths have been designed for, and implemented, linking GBS finance roles to

that of the business, but the organisation is just now stepping back to determine how to path careers back from the business through GBS. As yet, there is no rotation programme moving business talent through GBS as a recommended career progression but it is something we are looking at.

VIEWPOINT SHARED SERVICES CENTRE OPERATIONS

ARNOLD VAN BOVEN, DIRECTOR FINANCE AND ACCOUNTING OPERATION, UNILEVER

The talent challenge – ensuring balanced capability

At Unilever we operate a hybrid model, using a number of BPO relationships to provide transactional finance activities, but also we are now setting up operating centres that offer finance services further up the value chain to the organisation to drive the effectiveness of our finance operations.

In terms of the talent challenge there are some issues from the operating centre perspective – our work is focused on higher value finance activities and, as we have moved in-country finance operations and centralised them, we have lost some experienced F&A people. So, trying to recruit that level of finance ‘capability’ and tacit knowledge into the centre is always going to be a challenge. It’s about counter-balancing losing the tacit

knowledge in the retained finance function/in-country by the benefits and expertise you get from standardisation and centralisation in the operating centres. Our aim is to build and retain valuable deep ‘Unilever’ accounting knowledge in conjunction with centralised finance models, standardised finance processes and increased automation.

Solutions – ensuring balanced capability

1. Think carefully about your location selection and recognise access to talent is a factor. We look at the major Business Process Outsourcing organisations as important strategic partners; we share the potential talent pipeline to bring in candidates with finance and management experience. Our operating centre location strategies always consider where the major hubs are to mutually benefit from the talent in the region in various stages of their careers. The quality of local universities is equally a factor in ensuring we get the right mix of talents and skills.

2. Balance tacit knowledge of the business and operational and process expertise. We encourage mobility into the finance operating centres from country finance roles to bring deep Unilever expertise as well as bringing people in from other functions of the business to drive a better business understanding and help contextualise the role and purpose of the finance and accounting activities in the bigger picture. Equally we offer finance careers from our operating centres into the business for the best talents. Successful shared service operations need a tacit knowledge of the business but this must be combined with operational mastery, process knowledge and specific capabilities such as six sigma and lean.

3. Think creatively about where your talent can come from. We have begun an open dialogue with other organisations in the market, in a particular location, to consider how businesses can work together to facilitate attracting talent to the area as a whole and also to help facilitate career movement between different organisations through more visible opportunities.

TONY CAMPION, STRATEGIC BUSINESS PARTNER HR, COCA COLA

The talent challenge – building capabilities in new operations

As our shared service operations are reasonably new, we are still in the process of working through some of the talent challenges we face, and a key area of focus is how we keep people engaged and how we develop them. We have quite limited bandwidth to continuously promote people into new roles within the finance centres and with on-going challenges in the wider economy we find people are tending to stay rather than move on to new opportunities in the external environment. Our focus is on establishing the reputation of the finance centres and making sure a ‘them’ and ‘us’ culture does not prevail across the broader finance function, because this obviously impacts in driving mobility of people from the business into the shared service centre but also vice-versa. We also recognise that the skills needed by finance professionals in the shared service centre are quite different, skills that aren’t always prioritised or developed in a traditional finance organisation.

Solutions – building capabilities in new operations

1. Recognise different locations may bring different capabilities. We see strengths and weaknesses across our different locations, so it's important to think more broadly in terms of capabilities that are needed in different areas, and how these complement each other. You also need to factor this in to location selection.

2. Appreciate that shared service operations call into play a different skill-set and plan to develop these. We consistently use a 70/20/10 blended learning approach which develops the technical, business and management skills increasingly needed – we see capabilities such as cultural skills, virtual working, change management, working in a matrixed environment and of course customer service as essential. We are currently establishing a coaching programme to provide opportunities for individuals to learn from more experienced hires.

3. Ensure a talent review process is embedded into the performance management process and plan for succession. We use a rating system which rates both the achievement of objectives and the achievement of competencies. We also assess those with high potential and build this into a transparent formal succession plan.

VIEWPOINT BUSINESS PROCESS OUTSOURCER OPERATIONS

ANNA TUMIDAJEWICZ, FINANCE AND ACCOUNTING PRACTICE DELIVERY MANAGER, INFOSYS

The talent challenge – the development curve in mature operations

Infosys delivers an innovative approach to talent management challenges. One of the key challenges that we successfully responded to was the transition from a shared service centre to a business process outsourcing enterprise for one of our key clients. In this project we had to shift our focus from the transactional processes provided for the client to offering higher-level finance and accounting services (such as audit, controlling, financial planning and analysis), as well as having increased our services portfolio, and streamlining and improving finance processes to offer higher quality solutions. It was an upward development curve opportunity for our employees and for us remains a requirement of a real blend of financial,

management and business capability we need to deliver services of higher value. Outsourcing is a fast-moving, changing environment so on top of strong domain knowledge we need to develop project management, change management abilities as well as specialist skills such as language competency. are also highly useful.

Solutions – the development curve in mature operations

The described challenge required from us strong and focused solutions that had already been part of the overall employee development approach. We find the following practices a successful way of staff development:

1. Tailor learning processes to ensure their efficiency. We have established a dedicated leverage on F&A Centre of Excellence and global Training Programs to develop our specialist finance capability, but we recognised that it must

be which are complemented by more targeted interventions at a personal level. We conduct extensive over 150 training programmes based on the company's strategic plans, as well as the needs of particular finance and accounting units and individuals. We also conduct an individual development needs analysis for our employees, which are a part of bi-annual employee evaluation. Our training function is enhanced by the pool of over 100 internal process and domain trainers separately developed as experts in particular areas. Additionally, we have created 'The Practice Ambassadors Program' giving access to coaching and mentoring, as well as more tailored development plans based on performance reviews. 10% of Our employees are covered by a higher education policy that relies on financial contribution to support their external educational activities. Our finance and accounting 'high potentials', leaders and managers are a part of the Leadership and Management Academy and our 'Diamond Mind' programme.

2. Recognise the importance of experiential learning. In developing the required broader business and management capabilities, we have systematically established a secondment

and rotation programme, supported by a formalised workforce planning strategy, which is connected up to personalised career paths, giving individuals a wider perspective on career and learning options.

3. Proactively manage staff engagement in a change environment. We recognise the constantly changing environment in which we operate, so on-going engagement interventions are key; we use a wide range of development activities, reward and recognitions aspects, an open-door policy, as well as satisfaction surveys to gauge engagement. Crowdsourcing opportunities and staff workshops also allow us to continually receive employee input. The organisation is very focused on on-going employee social interaction through regular meetings, social events, diversity programmes, and corporate social responsibility activities. Engagement practices are reviewed on an annual basis and benchmarked.

4. Conclusion

Leading organisations are stepping up to the challenge of developing talent in global finance functions, but there remains some distance to go. The challenges faced are significant as finance operating model constructs evolve in a business environment which continues to change rapidly; technology, demographics, and evolving expectations from the business as to the role and purpose of today's finance function are also shaping a new talent equation.

This report suggests there is no 'silver bullet', which is not surprising given the complexity of the task at hand. However, what is encouraging is the growing recognition of the importance of

developing strong people through global finance functions today, particularly from finance leaders themselves. In response, leading organisations are harnessing a breadth of resources and increasingly targeted interventions to address the talent challenge, and securing a better view on where finance talent sits across the organisation. These initiatives are particularly important as the nature of finance leadership continues to evolve, and the business seeks to source and secure the right talent and capabilities for the future. It is essential if the finance function is to meet its aspiration as a valued strategic partner to the organisation moving forward.

About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. We believe that accountants bring value to economies in all stages of development. We aim to develop capacity in the profession and encourage the adoption of consistent global standards. Our values are aligned to the needs of employers in all sectors and we ensure that, through our qualifications, we prepare accountants for business. We work to open up the profession to people of all backgrounds and remove artificial barriers to entry, ensuring that our qualifications and their delivery meet the diverse needs of trainee professionals and their employers.

We support our 154,000 members and 432,000 students in 170 countries, helping them to develop successful careers in accounting and business, with the skills needed by employers. We work through a network of over 80 offices and centres and more than 8,400 Approved Employers worldwide, who provide high standards of employee learning and development.

ABOUT ACCOUNTANTS FOR BUSINESS

ACCA's global programme, *Accountants for Business*, champions the role of finance professionals in all sectors as true value creators in organisations. Through people, process and professionalism, accountants are central to great performance. They shape business strategy through a deep understanding of financial drivers and seek opportunities for long-term success. By focusing on the critical role professional accountants play in economies at all stages of development around the world, and in diverse organisations, ACCA seeks to highlight and enhance the role the accountancy profession plays in supporting a healthy global economy.

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