

Finance Operations

Global Accounting Services

CASE
STUDY

Implementing Finance Department Improvements

Situation – Lean Finance Transformation through Standardized Work

The CFO fumed at the shortfall in cost cutting progress. The finance function had recently deployed new technology across seven, country-based accounting services operations. They had outsourced selected work activity. Nothing seemed to reduce the workload or increase productivity. Costly staff in London, New York and Hong Kong still toiled at month end closing process tasks and financial reconciliation. Their job was to provide business analysis, not accounting. The planned cost reduction from this automated finance transformation never arrived. But the reduction deadlines from corporate were rapidly approaching.

Client Description, Project Scope, Objectives

The financial operations management team needed a change. They reviewed The Lab's finance process improvement templates. Afterwards, they decided to implement non-technology improvements to increase productivity. The Lab rapidly implemented a factory-style finance transformation that delivered lean standard work methods. Operating costs declined by 20 percent. The organization recouped 25 percent of productive capacity. Customer service levels nearly doubled. No technology was required.

The century-old company provides a wide range of global information services. It maintains offices and operations centers throughout the world. The accounting services team includes nearly 1,000 employees in three support operations centers. Their scope of work includes financial reconciliation, month end closing, accounts payable invoice processing and numerous reporting activities.

The implementation began with a 6-week, Phase I analysis. It delivered a self-funding, guaranteed work plan that enabled an immediate launch of the Phase II implementation. All work was complete in 6 months.

Month End Close Process Improvement Implementation Examples

The Lab identified and implemented more than 200 non-technology finance function process improvements. Examples:

Reduced One-Off Reports—Financial operations created hundreds of recurring monthly reports. But they had never standardized the content with the business lines. The result: scores of one-off, emergency requests every month. The Lab redesigned standard reports to reduce one-off requests by 70 percent.

Standardized Data Definitions—No standard definitions existed for data used in financial reports. Reconciling reports typically required 4-5 meetings. The Lab standardized data definitions within two months. These new standards eliminated 80 percent of financial reconciliation rework to deliver lean finance and accounting operations.

Improved Analytical Services—Staff devoted nearly one-third of their time to reconciliation and error correction. The Lab's lean finance operations process improvements eliminated this avoidable work within three months. This allowed staff to redirect their effort to their most valuable service: financial analysis.

Top 5 Global Information Provider

Finance Operations

United States, Europe, Asia

Project Sponsor:

Chief Financial Officer

Non-technology, self-funding operational improvement implementation:

- No new technology
- Global operations
- 6-month implementation

Project Objectives:

- Finance function improvements
- Increased productivity
- Streamline accounts payable

Project Scope:

- Month end closing
- Accounts payable
- Financial reconciliation
- Compliance
- Controllership
- Transactional processing

Implementation Results:

- Operating cost ↓ 20%
- Annual savings \$4.5M
- Capacity improvement ↑ 25%
- Break even point 5 mos.
- ROI (12 month) 3X

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