

# **Finance as a business partner at Marimekko**

Searching for Finance Business Partnering opportunities at a  
Finnish Design Company

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<p>Finance Business Partnering is an innovative strategic orientation where the accounting disciplines and business understanding of the finance department are combined to provide analysis and insights to inform and influence decision making and performance management in an organization. To get a practical view on this and its implications, Finance Business Partnering was explored in the context of a company. The aim of my thesis was to explore whether Marimekko, a Finnish design company, could benefit from implementing Finance Business Partnering and how this could be done. However, as there is no specific theoretical framework for Finance Business Partnering, to assess Marimekko, a framework was built based on Company studies by Deloitte, IBM, Ernst &amp; Young and KPMG and reports by Managerial Accountancy Institutes ICAEW, CGMA and CIMA. Then, to gather information on the current maturity of the finance department, in relation to Finance Business Partnering, an interview was conducted at the Marimekko HQ with the CFO Elina Aalto. The findings in the interview were then analyzed based on the framework that was prepared. The insights in the interview were then concluded and suggestions for Marimekko in terms of Finance Business Partnering made.</p>	
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# TABLE OF CONTENTS

<b>1</b>	<b>Foreword .....</b>	<b>6</b>
1.1	Research aim and questions .....	6
1.2	Research methods and materials .....	7
1.2.1	<i>Material .....</i>	<i>7</i>
1.2.2	<i>Approach .....</i>	<i>7</i>
1.2.3	<i>Data collection .....</i>	<i>8</i>
1.2.4	<i>Data analysis .....</i>	<i>8</i>
1.2.5	<i>Data interpretation.....</i>	<i>9</i>
1.3	Limitations .....	9
1.4	Expected results .....	10
<b>2</b>	<b>Finance business partnering.....</b>	<b>10</b>
2.1	Background .....	10
2.2	Different types of Finance Business Partnering .....	12
2.3	Company Studies .....	13
2.3.1	<i>IBM .....</i>	<i>13</i>
2.3.2	<i>Deloitte .....</i>	<i>17</i>
2.3.3	<i>Ernst &amp; Young .....</i>	<i>20</i>
2.3.4	<i>KPMG in association with CIMA .....</i>	<i>23</i>
2.4	Reports by Managerial Accountancy Institutes .....	28
2.4.1	<i>CGMA.....</i>	<i>28</i>
2.4.2	<i>ICAEW.....</i>	<i>35</i>
2.5	Benefits of Finance Business Partnering.....	41
2.5.1	<i>Financial benefits.....</i>	<i>41</i>
2.5.2	<i>Operational and performance related benefits .....</i>	<i>43</i>
2.5.3	<i>Social benefits.....</i>	<i>44</i>
2.6	Challenges of Finance Business Partnering.....	45
2.6.1	<i>Independence versus involvement dilemma (ICAEW 2015) .....</i>	<i>45</i>
2.6.2	<i>Finding and managing the time for FBP .....</i>	<i>46</i>
2.6.3	<i>Assessing the impact of business partnering on organizational performance .....</i>	<i>47</i>
2.6.4	<i>Staff and effective change management related challenges .....</i>	<i>47</i>
<b>3</b>	<b>The Framework For Finance Business Partnering .....</b>	<b>49</b>
3.1	Understanding the current state of the company .....	50
3.2	Determining areas of development.....	50
3.3	Assessing the finance department .....	51
3.4	Building the capability of the finance function.....	52

3.5	Introducing the new role of finance.....	52
3.6	Tracking and evaluating the progress .....	53
<b>4</b>	<b>Marimekko .....</b>	<b>54</b>
4.1	Company introduction .....	54
4.2	The interview and key findings .....	54
4.2.1	<i>The roles of the finance department .....</i>	<i>55</i>
4.2.2	<i>Strategy.....</i>	<i>58</i>
4.2.3	<i>Sales support .....</i>	<i>59</i>
4.3	Marimekko and Finance Business Partnering.....	60
4.3.1	<i>Conclusions .....</i>	<i>61</i>
4.3.2	<i>Suggestions for Marimekko .....</i>	<i>62</i>
<b>5</b>	<b>LIST OF REFERENCES.....</b>	<b>65</b>
<b>6</b>	<b>BIBLIOGRAPHY .....</b>	<b>66</b>
<b>7</b>	<b>APPENDICES.....</b>	<b>67</b>
7.1	TRANSCRIPT OF THE INTERVIEW .....	67
7.2	Kotter's 8 step process to leading organizational change.....	77

# TABLE OF FIGURES

FIGURE 1: EVOLUTION TO A BUSINESS PARTNER (IBM 2010)	14
FIGURE 2: THE EVOLVED FINANCE FUNCTION (IBM 2010)	17
FIGURE 3: KEY ROLES OF THE FINANCE DEPARTMENT (DELOITTE 2012)	19
FIGURE 4: CFOS CONTRIBUTION (EY 2010)	22
FIGURE 5: TOOLS REQUIRED FOR FINANCE BUSINESS PARTNERING (KPMG 2011)	27
FIGURE 6: THE FINANCE TRANSFORMATION (CGMA 2015)	29
FIGURE 7: SKILLS AND TRAITS NEEDED FOR EFFECTIVE FINANCE BUSINESS PARTNERING (CGMA 2015)	35
FIGURE 8: FINANCE BUSINESS PARTNERING CAPABILITY AND BUSINESS DEMAND (ICAEW 2015)	38
FIGURE 9: VALUE INTEGRATORS CONSISTENTLY OUTPERFORM (IBM 2010)	42
FIGURE 10: FAILING TO FIND TIME FOR BUSINESS PARTNERING – A VICIOUS CIRCLE (ICAEW 2015)	46
FIGURE 11: PERCENTAGE OF RESPONDENTS WHO BELIEVE THESE ARE THE BIGGEST BARRIERS TO EFFECTIVENESS IN THEIR ROLE (EY 2010)	48
FIGURE 12: THE FRAMEWORK FOR FINANCE BUSINESS PARTNERING	49
FIGURE 13: MARIMEKKO ORGANIZATION (PROVIDED BY ELINA AALTO)	55
FIGURE 14: WHERE RESPONDENTS (CFOS) BELIEVE THEY PERSONALLY CREATED THE MOST VALUE FOR THEIR ORGANIZATION IN THE PAST THREE YEARS IN PERCENTAGES (EY 2010)	57
FIGURE 15: KOTTER'S 8 STEP PROCESS TO LEADING ORGANIZATIONAL CHANGE (KOTTER 2016)	77

# 1 FOREWORD

**Finance business partnering (FBP) is where accounting disciplines and business understanding are combined to provide analysis or insights to inform and influence decision making and performance management, preserving or improving value generation in the interests of a business' stakeholders (CGMA 2015).**

The expectations of Finance are changing. Not only has the recent shift in external pressures resulted in the need for leaner and more responsive back office functions, but there is now a greater demand from the business for Finance to drive performance, add greater value efficiency to the business and find more opportunities in terms of growth. This demand requires CFOs to turn their attention towards Finance Business Partnering (Deloitte 2012). CFOs and the Finance function should act more strategically and more commercially, improving performance by delivering insight to decision-makers. This role has typically been described as “Finance Business Partnering,” with the CFO acting as a catalyst or value integrator (EY 2010).

Finance Business partnering has gained recognition and is becoming a hot topic among consulting companies. Recent studies by Deloitte state the following “Finance Business Partnering is increasingly viewed as the most effective way for finance teams to add value. Some high performing firms already fully embrace business partnering - in finance, HR and other functional areas - and some elements of partnering are seen in several companies.” Businesses demand more from Finance and Finance has more to offer, so why do finance functions find it so hard to move out of the shadows of the back office? (Deloitte 2012)

## 1.1 Research aim and questions

The aim of my thesis is to inspect a company called Marimekko, a Finnish design company, to find out how their finance department is currently functioning in terms of adding value to decision-making and in the framework of Finance Business Partnering.

The main focus of my research is investigating whether Marimekko could benefit from implementing a Finance Business Partnering (FBP) function in the company. Additionally, the following questions will be answered; is there a need for such a function? Is there

a platform for such a function? How could the FBP function be implemented in the company; by refocusing and training current employees or getting outside help from consulting companies? Could FBP result in better financial performance?

## **1.2 Research methods and materials**

### **1.2.1 Material**

#### **Primary data: Interview**

In order to analyze the current financial state of Marimekko and the functions of the finance department in terms of influencing decision-making, an interview with the CFO of Marimekko will be conducted.

#### **Secondary data: Studies conducted by companies and Managerial Accountancy institutes.**

The Focus for secondary data will rely on studies conducted by IBM, Ernst & Young, Deloitte and KPMG in association with Chartered Institute of Management Accountants (CIMA). In addition, I will gather data from extensive reports on Finance Business Partnering conducted by the Chartered Global Management Accountants (CGMA) and The Institute of Chartered Accountants in England and Wales (ICAEW).

### **1.2.2 Approach**

The research will include an empirical interview based on a pre-determined questionnaire. The primary research will focus on in-depth and empirical interview to deep-dive into the company competencies and deficiencies, current processes, company culture and other relevant details.

Due to Financial Business Partnering having mainly been the interest of consulting companies and businesses in general, very little academic research has been conducted on the basis of FBP. As a result, Finance Business Partnering lacks a standardized theoretical framework in the academic sense. Based on the analysis of the secondary data sources provided by the company studies and the reports by the managerial accountancy institutes,

a relevant framework will be constructed for inspecting Marimekko, in terms of financial department's functions, competencies and decision-making processes, and most importantly, to determine whether the company could benefit from Finance Business Partnering.

### **1.2.3 Data collection**

The data collection for this Thesis will be attained from the 3 main sources of material as follows:

1. Interview – conducted at Marimekko HQ where the participant is free from any control and data is collected in a natural environment. The interview will be semi-structured; a variation between pre-determined questions and in-depth elaborations (Bryman & Bell 2011). The results of the interview will be transcribed and included in the appendixes in the form of a word document.
2. Company studies - collected from the company websites.
3. Reports by CGMA and ICAEW

### **1.2.4 Data analysis**

The data analysis is based on qualitative data and will therefore be approached in an inductive manner, where the focus is on generating new theory based on information emerging from the data (Bryman & Bell 2011). The data analysis for the 3 main sources of materials will be conducted as follows:

1. Interview – the information gathered from the interview will be used to analyze the current state of the company and how its finance department is functioning. In addition, the information gathered will be assessed in comparison to the theoretical framework created based on the studies. The main focus of the interview is to analyze the competencies, opinions on FBP and potential areas of improvement in relation to decision-making in the finance functions of Marimekko.



2. Company studies – a review analysis will be conducted on the company studies in order to determine the key theories and success factors for Finance Business Partnering.
3. Reports by Managerial accountancy institutes - a review analysis will be conducted on the reports in order to determine the key theories and success factors for Finance Business Partnering.

### **1.2.5 Data interpretation**

The research is based mainly on qualitative data, inclining that the data interpretation will be based on understanding context, understanding people and understanding interactions. Additionally, the research includes a comparison between the gathered qualitative data (interview) and theoretical framework, in order to connect key competencies and value drivers that Marimekko has to those of the company studies, potentially indicating a successful platform for FBP. The interpretation will give insight to the current state of the company's finance functions and discuss the areas of improvement. Depending on the results of the data analysis, the research will determine whether there is a possible need for a Finance Business Partnering Function in the company, as well as the assessing the benefits of such a function at Marimekko.

## **1.3 Limitations**

This study focuses exclusively on the current state of Marimekko in terms of the structure of the finance department, their current input in decision-making and evaluating the potential need for Finance Business Partnering at Marimekko. Any notions to historical financial performance or organizational processes will not be made. Although, Marimekko is a global company, operating in approximately 40 countries worldwide, this study will focus on the functions of the finance department at their Headquarters in Helsinki, Finland.

The research will be based on theoretical information gathered on the following topics:

- Financial management
- Managerial accounting
- The role of the CFO

- Finance Business Partnering
- Organizational change
- Managing organizational change

In addition, the empirical research will be based solely on Marimekkos Annual Reports and the interview with the CFO. Any information on Marimekko provided by external sources will not be used.

## **1.4 Expected results**

The expected results of the study are to find areas of improvement regarding the information flow between the Finance department and the executive staff, possibly resulting in a new framework for decision-making at Marimekko. By including the valuable financial acumen of the finance department in decision-making, Marimekko could develop new tools, processes and/or value-adding methods for their business that would be simple and cost-effective to implement.

In the case of successfully implementing a form of Finance Business Partnering, the benefits could include enhanced information flow between departments, improved informed decision-making and increased financial performance.

# **2 FINANCE BUSINESS PARTNERING**

## **2.1 Background**

Since the 2010 IBM Global CFO Study, the role of the CFOs in companies has gained a significant rise in interest. Based on input from more than 1,900 CFOs and senior Finance leaders worldwide, the IBM Global CFO Study indicates that the demands on CFOs are rising and extend well beyond traditional financial control and supervision. The role of the CFOs is no longer that of a number cruncher dealing exclusively with financial statements but as a strategic partner in decision making. As Paul Whelan, the CFO of Telefonica O2 Ireland, states in the study; “The world the CFO now lives in is different – technical accounting skills are not as important. Finance must get closer to the business

and partner with them to achieve objectives. Finance must also be confident enough to challenge the decision-making process.” This gives insight to the main findings of the 2010 IBM Global CFO study can be concluded as the following; “The organizations best positioned to integrate value at the enterprise level excel at both Finance efficiency and business insight.”(IBM 2010)

In the same year Ernst & Young published a report on The DNA of the CFO, which provides fresh insight into what it is to be a CFO today by talking to today’s CFOs. The report is based on a survey, conducted by the Economist Intelligence Unit, of 669 senior finance professionals in Europe, the Middle East, India and Africa, and a program of in-depth interviews with leading CFOs and finance directors from these regions — allowing us to explore the distinctive qualities of this broad community of professionals (EY, 2010). The study sheds new light on the demand for the CFO’s unique perspective and discipline outside of traditional roles of the finance department; “Leading CFOs are overturning outmoded perceptions of finance as “business prevention units” and repositioning the function as an enabling partner to the business.”(EY 2010)

As these studies surfaced, interest in the subject of Finance as a business partner caught the eye of numerous companies offering consulting services such as Deloitte and KPMG. This resulted in a function called Finance Business Partnering.

The research will be based on the findings of “Mastering Finance Business Partnering; the missing pillar in building Finance leadership”, a report conducted by KPMG in association with CIMO in February 2011. According to KPMG the report “Draws on our experience of working with organizations that have mastered Finance Business Partnering and outlines some practical steps to implementing it”.

Further studies have surfaced since and the focus is strongly shifting towards the new trend in companies worldwide; Finance Business Partnering. Deloitte published a report in August 2012, based on an online survey, called “Changing the focus: Finance Business Partnering”. The statistics found in the document were based on 134 responses from 26 Chief Financial Officers, 54 Finance Directors, 43 Finance Controllers and 11 C-Suite Executives from different industries. The study takes a practical approach; “Finance Business Partnering requires a mix of internal and external data inputs, as well as the bringing together of financial and operational data, some of which is not necessarily

within Finance's current reach. There is a tendency for Finance to focus on what is comfortable – historical backward looking data (Lag Measures). The organization, with support from Finance must further embrace looking to the future through the use of leading performance indicators (Lead Measures)" (Deloitte 2012).

Following the company studies, Finance Business Partnering has caught the interest of managerial accountancy institutes. The Chartered Global Management Accountants see FBP as a possible competitive edge for companies: "There will be fewer opportunities for companies to find sources of competitive advantage and there will be new crises ahead. Increasingly, the quality of decision making will become the discriminator of business success" (CGMA 2015). In addition, CGMA emphasizes that Finance Business Partnering can be a valuable attribute for safeguarding survival in the VUCA world (CGMA 2015). In this period of volatility, uncertainty, complexity and ambiguity, businesses need to be constantly alert and ready to address new risks and opportunities. Finance Business Partnering is a key enabler in unlocking unsourced strengths and opportunities within the business and building the agility needed for the VUCA world.

## **2.2 Different types of Finance Business Partnering**

Finance Business Partnering is a company specific function and therefor there are various ways of employing it. The different ways of implementing Finance Business Partnering are gathered from the company studies and the managerial accountancy reports, and are the following:

**The finance department led Finance Business Partnering** - The finance department as a team has the responsibility to guide the organization with any matters related to finance. They need to find ways to influence other business units and bring their financial acumen to decision making on a group level and on a business unit level.

**Finance Business Partners** – This is when a specific person, usually from existing staff, is appointed as a finance business partner. In larger organizations, a team of finance business partners can be a more suitable option. The person or the people appointed as finance business partners help the company with any finance related matters and ensure a finance

perspective is present in decision-making. In some organizations, these finance business partners can also be referred to as Finance or Business Controllers.

**CFO driven Finance business Partnering** – The CFO acts as the main driver of Finance Business Partnering activities, participating with each business unit/function to provide additional financial knowledge and assistance.

**Outsourced Finance Business Partnering** – Finance Business Partnering is outsourced to consulting companies or other qualified external sources that offer FBP services.

When discussing FBP in this report, it will be referring to **the finance department led Finance Business Partnering**, as it is the most collective form of Finance Business Partnering and it involves the whole finance department in FBP, regardless of its structure. Additionally, the framework in chapter 3 will be based on this form of Finance Business Partnering.

## **2.3 Company Studies**

This section concludes the main insights in the company studies which will be used as a basis for constructing the theoretical framework for Finance Business Partnering in chapter 3.

### **2.3.1 IBM**

The IBM Company Study on Value Add Finance focuses on the capabilities and tools required by Finance, the development of the required capabilities and how mastering these skills will enable companies to excel in this increasingly complex field of business by developing a business partner approach to Finance. The study is based on a Global CFO Study conducted by IBM in 2010. Interestingly, in the CFO Study, more than 45 percent of CFOs indicated that their Finance organizations are not effective in the areas of strategy, information integration, and risk and opportunity management (IBM 2010).

Conversely, Finance already has a cross-enterprise view and has the expertise to increase the financial acumen of the rest of the organization (IBM 2010). This indicates that there is an unexploited connection between Finance and better organizational performance, which could be employed by developing a Finance Business Partnering approach. Figure 1 depicts the evolution and required skills needed for Finance to become a business partner.

As shown in Figure 1, a value-adding Finance function needs 4 skills-“core,” “analytical,” “leadership” and “business partnering.” In many Finance functions, the core and analytical capabilities are already in place; they are the skills required to undertake traditional Finance processes and remain important (IBM 2010). However, the real added value is produced by the skills associated with Leadership and Business Partnering. In order to develop these qualitative skills within Leadership and Business Partnering the organizations is required to have certain capabilities and tools, which have been divided in to 3 categories by IBM; people capabilities, processes, data and analysis.

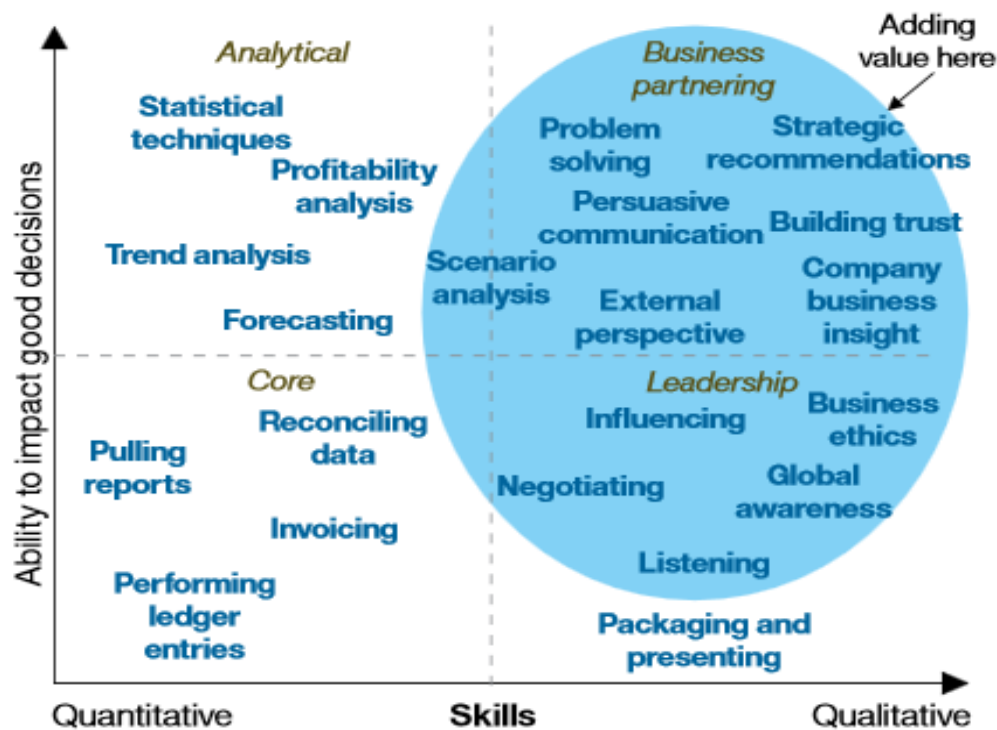


Figure 1: Evolution to a business partner (IBM 2010)

## **The capabilities and tools required by Finance**

**-People capabilities** – People capabilities are the main contributing factors in implementing a successful Finance Business Partnering function, as they are crucial for all the qualitative skills associated with Business Partnering and Leadership (See figure 1). Deep analytical skills together with “softer-skills” such as negotiation, listening, leadership, persuasion, influencing and risk-taking skills are all required. So is the development of deep industry knowledge and a global lens on business issues (IBM 2010).

**-Processes** - The overall processes need to support the information flow throughout the whole company. Processes need to be standardised to obtain the benefits from their shared services and outsourcing models delivery models (IBM 2010). Standardized processes will aid the functionality of Leadership and Business Partnering since they build a strong platform for these activities by ensuring seamless performance in the quantitative “core” skills (See figure 1). This will ensure more time and resources for the Finance department to focus on being a strategic partner.

**-Data and analytics-** According to the IBM Company case to gain full benefit from analytics, Finance organisations should look outwards and inwards to amass ‘big data’ deep, diverse and rich analytical data. This implicates the need for efficient business intelligence systems as the expansion in the volume, variety and velocity of information is creating new opportunities in an information-centric, insight-driven world (IBM 2010). Predictive analytics construct the core for efficient Finance Business Partnering and as seen in figure 1, they are a prerequisite for the qualitative skills in Business Partnering such as scenario analysis, strategic recommendations and problem solving.

## **The development of required capabilities and tools**

**People capabilities:** The development of people capabilities relies mainly on talent management and on the acquisition of “soft” skills by the Finance function according to the IBM Company Case study. As the Finance functions already have an abundance of the technical “hard” skills required for their traditional functions. They may need to be open to taking on non-financially qualified staff to acquire the softer skills they require to make

the transition into business partnering, or existing staff can be trained to attain these skills (IBM, 2010). The Finance function will have to work together with functions it hasn't previously been cooperating with, and in order to communicate, negotiate and rationalise with professionals with different backgrounds from different parts of the organisation, softer skills will be crucial. It needs to be successful in these engagements for maximum impact on business performance (IBM 2010).

A Talent management program should include the following according to IBM:

- Reviewing, developing and implementing a workforce strategy for the new Finance function.
- Determining the right mix of skills and how to source these skills in the new Finance function
- Assessing existing staff and recruiting for new roles and competencies.
- Aligning performance measurement and reward to motivate staff and deliver results.
- Facilitating new ways of working through communities of practice, collaboration and knowledge management tools.
- Establishing career paths and learning solutions to develop the right skills (IBM 2010).

**Processes:** As mentioned before, standardized processes are crucial for efficient leadership and for the finance department to become an active Business Partner. Thus, the IBM Company Case highlights the importance of having ERP systems or alternative delivery models. These are important to gain optimum performance across the Finance function. In case an ERP system is not employed by the organization, a review of the optimal solution that can be linked to a business intelligence system needs to be considered (IBM, 2010).

**Data and analytics:** The development of the data collecting processes and analytics depend largely on the performance of the business intelligence systems. Hence, business intelligence systems may need upgrading or changing to cope with the diverse sources of data required for analytic purposes that support FBP.



Moreover, focus should be dedicated to incorporating the conventional view of Finance with the innovation view (Figure 2). Although, Finance Business Partnering mainly focuses on transforming the tangible aspects of the organization, a successful implementation of FBP requires a transformed perspective of finance:

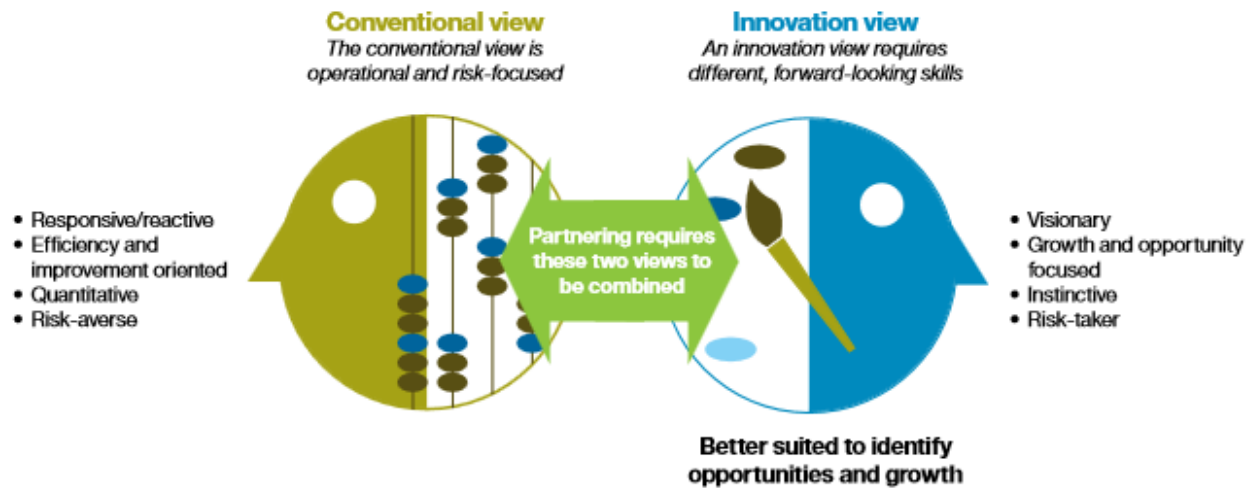


Figure 2: The evolved Finance function (IBM 2010)

### 2.3.2 Deloitte

The report on “Changing the focus; Finance Business Partnering” is based on a Finance Business Partnering Survey which was conducted in August 2012. The statistics found in the report are based on 134 responses from 26 Chief Financial Officers, 54 Finance Directors, 43 Finance Controllers and 11 C-Suite Executives from 11 industries. The report identifies the key roles that the Finance department needs to play and how these roles will enable Finance Business Partnering. In addition, the report introduces the priority competencies for FBP based on the survey. Furthermore, the Deloitte report establishes a framework for successful Finance Business Partnering in the context of a company case.

### Key roles of the Finance Department in enabling FBP

According to Deloitte, there are four key roles the Finance department has to play: steward; operator; strategist; and catalyst as depicted in figure 3. Each role is equally important in order for the finance function to perform efficiently, however, leading businesses aspire

to reduce the amount of time spent on operator and steward activities to enable finance to expend more effort on being effective catalysts and strategists (Deloitte 2012).

According to the online survey by Deloitte, the main benefits identified are those that support the Strategist and Catalyst roles: Making better decisions (76%), enabling strategic initiatives (58%) and improving financial performance (56%) (Deloitte 2012). Hence, an organization that wishes to embark on FBP should consider how the Finance department is currently spending their time and in which roles.

### **Priority competencies for Finance Business Partnering**

The results of the online survey by Deloitte for priority competencies essential for Finance Business Partnering are exclusively focused around people skills;

Commercial acumen/decision making 65%

Challenge, negotiation and influence 61%

Strategic thinking 56%

Analytical Thinking 49%

Relationship management 42%

This illustrates the importance of a multi-skilled staff and CFO. Traditionally the finance departments' main contribution to the organization has been associated with mainly analytical skills. However, developing a Finance Business partnering approach requires for the staff to acquire a whole new understanding of the department's role in the company as well as develop the social skills mentioned above.

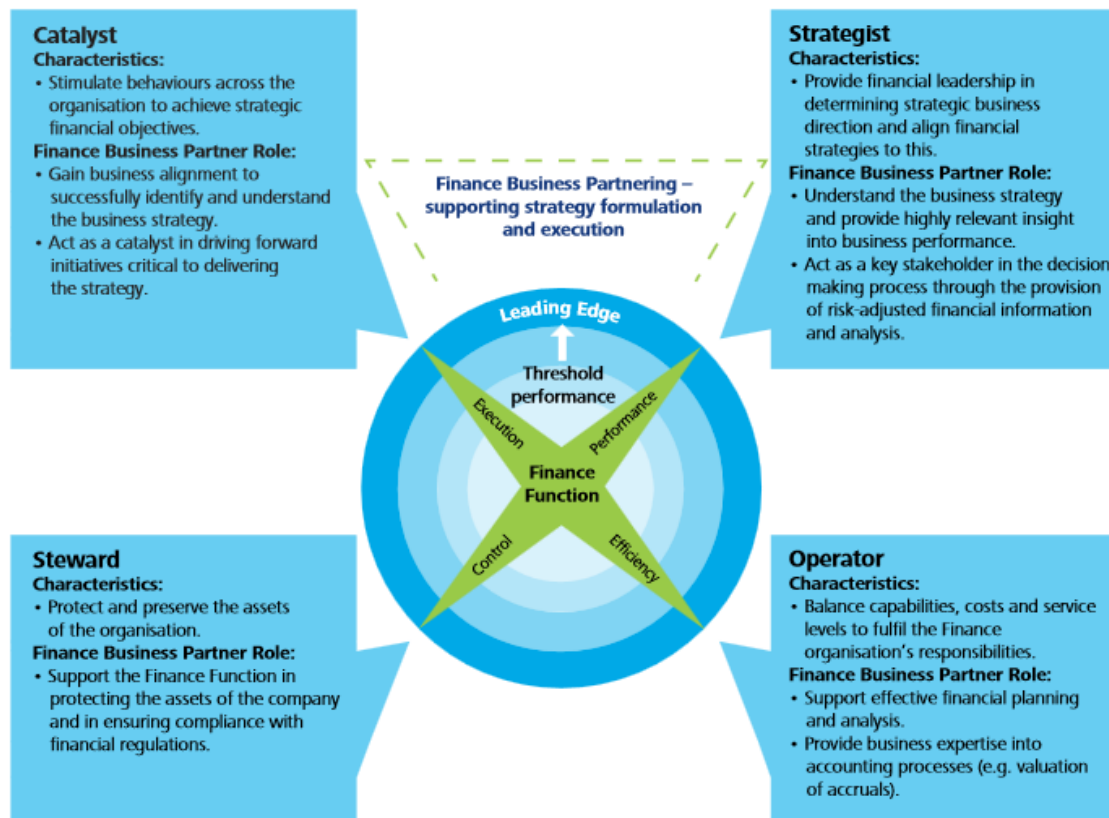


Figure 3: Key roles of the finance department (Deloitte 2012)

## Deloitte Finance Business Partnering framework

Based on their research and experience Deloitte has established a framework to help clients define the partnering activities expected, to deliver the most value to the business and the enablers required to deliver these. The approach consists of four main phases:

### 1 – Key Stakeholder engagement:

This phase consists of meeting with the CFO of each business to understand their perception of the maturity and effectiveness of the organizations Finance Business Partnering capability. This perspective is then played back to the CFOs teams for validation and challenge in the subsequent workshops.

### 2 – Finance Business partnering maturity self-assessment:

In advance of the workshops the CFO and their team is asked to complete a short Business Partnering maturity questionnaire which provides a high level view of some of the key capability gaps. These are then explored and discussed further in the workshops.

### **3 – Workshop facilitation and good practice insight:**

This phase begins with facilitating workshops with the CFO of each line of business and their leadership team. Each workshop follows a predetermined framework to ensure consistency in Business specific requirements, challenges and Finance Business Partnering maturity.

### **4 – Workshop follow up and recommendations:**

Following each workshop a report is developed for each CFO which details output from the workshop together with short and longer term recommendations (Deloitte 2012).

As Finance Business partnering is a company specific function, there is no step-by-step guide for implementing Finance Business Partnering. However, a framework, such as the one above, can help the company build their own guidelines for FBP.

## **2.3.3 Ernst & Young**

The need for a stronger integration of financial knowledge in decision making is spreading across companies globally, thus, there is a need for the CFOs to become more strategically involved. The Ernst & Young report takes a slightly different approach to Finance Business Partnering by focusing the attention solely on the CFOs, and their role in the process of getting themselves and the whole finance department more strategically involved. The report explores the distinctive qualities of a broad community of professionals, to gain insight in the changing role of the CFO and to uncover the skills and relationships that CFOs need to master the challenges and opportunities in Finance Business Partnering.

The report is based on an analysis of a survey of 669 senior finance professionals in Europe, the Middle East, India and Africa, and a program of in-depth interviews with leading CFOs and finance directors from these regions. The research was conducted by the Economist Intelligence Unit working in collaboration with Ernst & Young.

## **Contributing to strategy with a broader business role**

The CFOs position in the company is an ideal place to play a central role in strategy formulation. This is because, as the leader of the finance function, they have perspective across the performance of the whole company and an in-depth perspective on where value is created (EY 2010).

Caroline Raggett, a Managing Director from the London financial officers' practice of Russell Reynolds Associates, a global executive search and assessment firm, concludes this in the EY report: "They may not be setting the strategy but they are an integral part of its formulation – challenging it, assessing it, monitoring it for risk, investment, rates of return, assessing the competitive landscape" (EY 2010).

The question remains, what are the precise contributions that the CFOs make to strategy? (EY 2010). According to the survey conducted for this report by EY, this varies significantly from playing an active role in developing and defining the overall strategy for their company, to focusing on providing insight and analysis to support the CEO and ensuring that business decisions are grounded in sound financial criteria. The figure 4; CFOs contribution (EY 2010), provides a framework for the CFO's strategically involved role.

The finance department has multiple ways of contributing to strategy, which are also the key enablers for effective Finance Business Partnering. According to Simon Ridley, Financial Director of South Africa-based Standard Bank, the first step towards building a partnership is to increase the visibility of finance in the broader business (EY 2010). Accordingly, for many CFOs, the acid test is the extent to which business managers consult them for advice on key aspects of strategy. However, in order for the CFO to lead the finance department towards becoming a strategic partner, specific core skills and competencies need to be obtained.

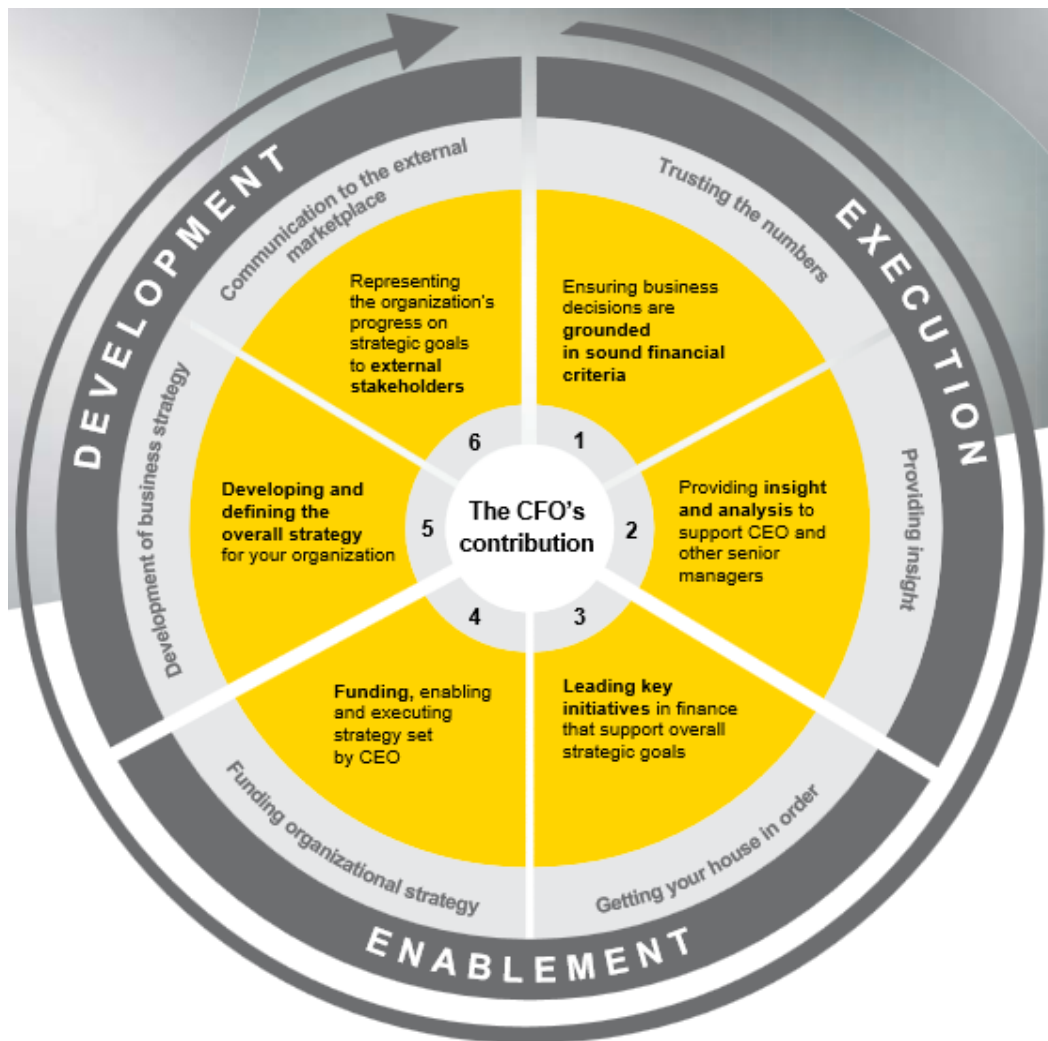


Figure 4: CFOs contribution (EY 2010)

## Core competencies and skills

The report highlights the importance of having skills and competencies related to the traditional tasks of the finance department. Ian Dyson, who at the time of interview was CFO of Marks & Spencer, explain this: “In order to be able to take on that broader role you have to be clear that first and foremost as a CFO you live or die on finance and if you have a problem in finance then it doesn’t matter how good you’ve been in operations, you’re finished” (EY 2010). Following the financial crisis, ensuring and embedding trust in the company’s financial statements are key priorities for the CFO to ensure stakeholder satisfaction.

After the CFO ensures that the finance department is functioning efficiently in their traditional tasks, they can begin to take on a more strategic role. To achieve this, the Finance

department and the CFO need to develop their people skills. Correlating to the insights in Deloitte's and IBM's reports, according to Ernst & Young, the most significant enabler of FBP is the mastery of communication skills. In addition, to the wide array of analytical and forward-looking core skills, the importance of building relationships with other business units, heads of key support functions (Risk, IT, Operations, HR, Marketing and Sales), stakeholders and the unarguably the CEO, are crucial for Finance Business Partnering (EY 2010).

### **2.3.4 KPMG in association with CIMA**

The report Mastering Finance Business Partnering – The missing pillar in building Finance leadership, combines the research on FBP conducted by Chartered Institute of Management Accountants and KPMG's experience of working with organisations that have mastered Finance Business Partnering and outlines some practical steps to implementing it (KPMG 2011). As stated earlier in chapter 2.2, there are different ways to conduct Finance Business Partnering, and in this report, FBP work is led by a finance professional who works alongside other business units, supporting and advising their strategic and operational decision-making through insights that drive better business performance (KPMG 2011).

The report covers 5 main topics related to Finance Business Partnering; The role of the Finance Business Partners, Preparing for FBP and Aligning FBP with the business, building an effective FBP team and developing effective finance business partners. The main insights under each category will be concluded below:

#### **The role of the Finance Business Partners**

Finance Business Partnering is about supporting the whole business to raise standards in key decision areas, taking a forward-looking and commercial view supported by a rich consulting toolkit and high emotional intelligence to help articulate different options and influence decisions (KPMG 2011). This is accomplished by the following tasks:

- Interpreting, explaining and driving performance within the business
- Presenting a dynamic industry, competitor and economic context

- Supporting and influencing key operational and strategic decisions
- Advising on key business planning assumptions, trade-offs and opportunities
- Providing ad-hoc analysis and insights on specific issues

Contrarily to the reports by IBM, Deloitte and Ernst & Young, according to KPMG, Finance Business Partnering should be free from the core activities of finance and focus solely on forward-looking strategic initiatives.

## **Preparing for Finance Business Partnering**

The report introduces 2 important factors that need to be disclosed before embarking on FBP; the pre-requisites need to be in place and the reporting line of the Finance Business Partners clear. The pre-requisites for FBP, according to KPMG are: Efficient and accurate transaction processing, financial controls and management information based on robust underlying assumptions (KPMG 2011). In addition, good internal communication and a demand for FBP need to exist; business should already be looking to Finance for additional support (KPMG 2011).

The other pre-requisite, determining the reporting pattern of the Finance Business Partners, should be discussed when preparing for FBP. KPMG recommends that the reporting line is directly to Finance to allow the team to establish itself (KPMG 2011). However, the reporting line can evolve to wider business as the understanding of Finance Business Partners role matures.

## **Aligning Finance Business Partners with the Business**

According to KPMG, the important factors that determine, how well the Finance Business Partners are aligned to business, are;

1. *Agreeing with internal customers on where to focus* - FBPs should be close enough to the business to propose the main areas of focus for discussion with



business colleagues. A three-way agreement between the FBP, customer or business unit and Finance Director should be set up and then monitored (KPMG 2011).

2. *How the wider business will perceive FBP*- The wider business needs to understand what the organizations aspires to achieve through FBP and can even help with defining areas of improvement.
3. *How can Finance Business Partner effectiveness be measured and individual Finance Business Partners rewarded*- FBP teams normally measure their effectiveness through:
  - An annual customer survey completed by FBPs and their customers, scoring performance against goals in specific decision areas and highlighting perception differences and progress
  - Showcasing specific examples, at an individual or team level, of FBPs influencing successful strategic and operational decisions (KPMG 2011).
  - The reward system is ideally linked to the tangible improvements in overall company performance and performance in supported business areas (KPMG 2011).

## **Building an effective Finance Business Partner team**

The questions which are crucial to the business when building a Finance Business Partner team;

*How should the Finance Business Partner team organise itself?* - FBPs should operate a matrix where business partners have clearly defined business relationships and also lead or contribute to a defined solution area. Solution areas are business specific but examples of them are capital optimization, pricing, marketing effectiveness, investment appraisal customer acquisition/ retention, sales force effectiveness and / or activity-based approaches. (KPMG 2011).

This can be compared to a consulting model where consultants mark specific clients and have responsibility for driving thought leadership, harvesting knowledge and developing tools within a specified solution area (KPMG 2011).

*What is an efficient business partnering model?* - Firstly, the team size has to be in proportion with the business. According to KPMG, typically around 15% of the resources of the finance department are committed to FBP. However, companies can use ratios to decide numbers of FBPs according to market size, levels of revenue or marketing spend. Secondly, Finance Business Partners should be allocated where they can have the biggest tangible benefit (KPMG 2011).

Finding the best individual Finance Business Partner for each solution area and putting your best people on projects where their skills can have a real impact on profitable growth and value creation is crucial (KPMG 2011). In addition, it can be beneficial to rotate business partners; “We believe it is healthy to rotate business partners every two to three years, so that the need for fresh challenge and new perspectives is balanced with continuity and relationship building” (KPMG 2011).

## **Developing effective Finance Business Partners**

This section defines the tools, qualities and training that are needed for effective FBP.

1. *What tools do Finance Business Partners need?* - According to KPMG: “To perform effectively, FBP teams need a rich, comprehensive toolkit of information sources, analytical techniques and interpersonal skills.” The report provides a toolkit that covers these areas:

Toolkit Component	Examples	Comment
Data Resources	Management information Data mining and extraction tools Financial and non-financial metrics Internal and external benchmarking data External market and sector data	Excellent information is vital to good business partnering. FBPs need confidence that the information is accurate, and know how to use it
Analytical Tools & Techniques	Financial modelling tools for example Excel Statistical tools for decision modelling, Monte Carlo simulation Shareholder value analysis - ROI, ROC Zero- or activity-based costing Customer/channel profitability	A rigorous approach, broad repertoire and strong technical skills underpin the quality of FBPs' work
Structured Frameworks	SWOT, PEST Porter's Five Forces Profit Pools Root Cause Analysis Hypothesis testing	'MBA'-type frameworks provide structure to discussions and evaluation of options
Best Practice	Case studies Processes Checklists Plans	The FBP can share learning from within and outside the organisation to improve business decision-making
Communication and influence	Presentation skills Relationship building Negotiation Facilitation Conflict resolution	Good FBPs have high levels of emotional intelligence and build trust and confidence with colleagues throughout the business

Figure 5: Tools required for Finance Business Partnering (KPMG 2011)

## 2. What qualities distinguish an effective Finance Business Partner?

An effective Finance Business Partner should have both technical expertise and 'softer' influencing and negotiating skills (KPMG 2011). A naturally inquisitive personality with a desire to understand a broad range of commercial issues and the ability to bring macro factors to life for the customers and explaining the relevant context are vital to the role. High performing FBP teams consistently monitor macro-economic trends and industry issues, search out new ideas, and develop tools and management information to support new services for their internal customers (KPMG 2011).

### *3. What kind of training do Finance Business Partners need?*

According to KPMG, organizations need to look for the right balance between recruiting to bring in essential new skills and developing existing finance team members to become effective FBPs (KPMG 2011). Companies that have implemented Finance Business Partnering, have also created training functions to accommodate both soft and technical skills development. The training function, referred to in the report as ‘Academy’, includes e-learning for technical improvement with bespoke coaching and mentoring for individual FBPs developing their communication and influencing skills (KPMG 2011).

## **2.4 Reports by Managerial Accountancy Institutes**

### **2.4.1 CGMA**

The Chartered Global Management Accountant Institute is a joint venture formed by two prestigious accounting bodies, AICPA and CIMA, with a designation to elevate and build recognition of the profession of management accounting. The report Finance Business Partnering –the conversations that count, was completed in 2015 and it is based on 25 interviews globally with senior executives, showing the types of decisions these management accountants support (CGMA 2015).

The report answers two important questions: How the role of finance is changing to better support decision making and how Finance Business Partnering improves decision making. The report takes a behavioral perspective to Finance Business Partnering, by emphasizing the importance of conversation, storytelling and sense-making when it comes to transforming the finance department into a vital business partner. This will be further explained in the third part: Conversations that generate insight. Furthermore, the report introduces a set of skills needed for FBP which provides a foundation for understanding and tracking the essential skills and traits needed for finance business partnering. Although, the skills needed are similar to those mentioned in the previous reports, the flow chart skillfully depicts their development which is an important aspect worth including.

## How the role of finance is changing to better support decision making

According to CGMA, Finance business partnering cannot be put into effect unless it's a part of a more comprehensive finance transformation program. 'Finance Transformation' is described as a change program that can be concluded under the headings of efficiency, information and influence, as illustrated in Figure 6:

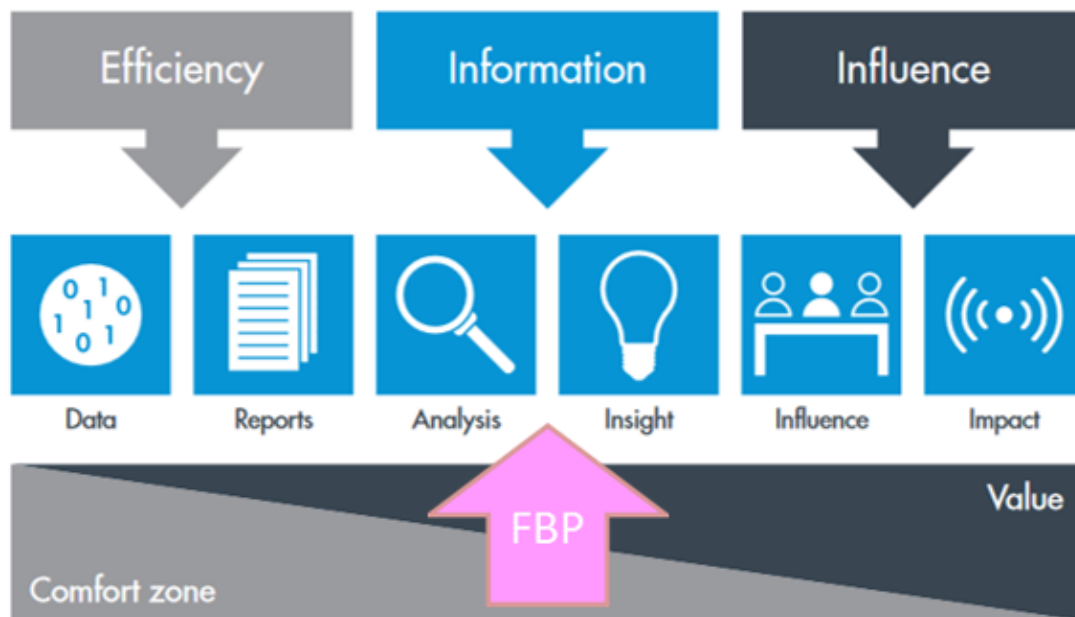


Figure 6: The finance transformation (CGMA 2015)

### The process explained:

**Efficiency:** The Finance Transformation programs first task focuses on building efficiency in accounting processes in order to provide capacity for finance to take on a broader role in supporting the business. This can be done by systems standardisation, the automation or migration of routine processes to shared service centres.

**Information:** The second task is improving the quality and quantity of management information. This can be done by embracing the potential in technologies such as cloud, business intelligence and developments in Big Data and analytics.

**Influence:** The third task is to increase communication between the finance staff and the decision makers. Accounts should be expected to play a more influential role in supporting decision making and performance management.

As the finance function becomes more efficient, the priority in finance is shifting from, for example, how to take cost out of an overhead function to how to get more value through financial discipline (CGMA 2015). Finance business partnering begins after standard reporting and routine analysis (see fig. 6). This is when insights are developed to inform decisions and improve performance. These insights might be based on further analysis of performance but are more often developed in conversation with peers (CGMA 2015). It's crucial that the insights gained are communicated in a compelling manner if they are to be considered to be valuable in decision making. The accountant's role in decision making is to ensure that effective decisions achieve impact, so they must be articulated in terms that allow them to be implemented (CGMA 2015). The progress has to be measured and performance managed by comparing the progress to the intended outcome. And as management accounting becomes more influential, it is increasingly valued for its contribution towards ensuring business success (CGMA 2015).

## **How finance business partnering improves decision making**

In these examples, of how to improve decision making by implementing finance business partnering, the finance business partner is a separate employee working under the CFO (see 2.2 Different types of FBP). In the research done for the CGMA's report they found examples of finance business partnering in the sense of contributing to decision making and driving business performance under each of the following three areas:

- 1. Supporting decisions at a group level:** One of the main roles of the finance business partner is cascading leadership from the CFO to the employees as well as reporting information in a bottom-up manner to the CFO. The reporting relationship to the CFO both underscores the finance business partner's objectivity and provides a connection with the wider business. This equips the business partner with an overview of what is happening across the business, which can include an appreciation of its brand and culture. The finance business partner will be alert to the changes expected and can

play an important role in ensuring personnel understand why change is needed (CGMA 2015).

**2. Supporting decisions at a business unit level:** Having a reporting line to the CFO, the finance business partner is expected to contribute objectivity to ensure that the decision taken is aligned with the group's strategic objectives and the decision is considered with a focus on the benefit to shareholders; increasing the return on capital employed. It is the finance business partner who ensures the information is understood by the decision makers and taken into account. It is then the finance business partner's responsibility to ensure that the information is reflected in planning and budgeting and that the right performance measures are monitored so that performance can be managed through to the intended outcome (CGMA 2015). At a business unit level, this means contributing to:

- Planning and budgeting: Just as the CFO owns the planning and budgeting process at a group level, the finance business partner provides the framework for developing the business unit's budget and plans.
- Supporting big decisions: related to capital expenditure and mergers and acquisitions.
- Supporting regular ad hoc decisions: Promotion and advertising, pricing, new market initiatives and buy or build (CGMA 2015).

**3. Performance Management:** The finance department is in charge of the compliance and in control of the cash flow. As it has an overview of the financial condition of the company, it can provide insight in the following areas related to performance management;

- Cost Leadership: ensuring budgetary control, process management discipline and lucrative resource allocation.
- Performance appraisal: tackling sub-optimal performance, ensuring alignment of Key Performance Indicators, balancing short-term versus long-term objectives and managing intangibles.

- Project management: When reviewing project performance, assessing the value earned to date involves considering the amount spent and progress achieved to date, alongside the likely cost to complete the project.
- Risk management: The business partner brings objectivity and a concern for the business as a whole and its shareholders interests to conversations about risk (CGMA 2015).

## **The conversations that generate insight**

Stimulating conversations are essential to successful and insightful Finance Business Partnering, according to CGMA. The insights needed to improve performance are usually generated in collaboration and conversation with peers in the business (CGMA 2015). Business partnering can contribute insights in; how to reduce cost, improve revenues, mitigate risk or improve cash flow (CGMA 2015). In addition, Finance business partners are expected to bring analysis and accounting skills and professional objectivity to conversations, in addition to a commercial perspective (CGMA 2015).

According to Anton Broers, the finance manager of Royal Dutch Shell; “Strong business partnering begins with providing transparency into what is going on – or what will or could happen and translating this into the financial impact. That starts the discussion where, jointly, the solutions can be found” (CGMA 2015). The CGMA report provides the following 4 topics, which can help make connections and provide solutions for enhancing performance.

### **1. The business model**

Essentially, a business model tells the story about how a business generates value (CGMA 2015). To begin the discussion on the business model, the following questions should be addressed:

- How do we generate value?
- What are the causal links between inputs, activities, intangibles, outputs and outcomes?
- What are our non-financial success factors and intangibles?



- How do we develop our business model to ensure long-term success?
- What do we need to measure and manage?
- What data do we need to manage our performance?

Understanding the business model may prove difficult due to its multidimensional nature, but the management accountant's understanding of the business' financials, especially its sources of income, where costs are incurred and what cross subsidizes what, gives a strong foundation (CGMA 2015). Additionally, it can be useful to use the balanced scorecard and value chains to extend understanding.

## **2. Horizon scanning**

Addressing risks that aren't prominent but could have an impact in the future should be addressed and discussed. This is because risks and opportunities may be interconnected in ways that they can result in immediate impact.

For example, customers might be concerned about certain issues; regulators might respond sooner and investors or stakeholders might need assurance that the business is prepared; and competitors might respond faster, perhaps taking advantage of new technologies (CGMA 2015).

A vital example, of this is climate change and the eventual diminution of natural resources. Although, it's considered unlikely that these factors have any significant impact over the next three to five years. Nevertheless, as long-term strategies may be needed to address them, these risks must be considered sooner (CGMA 2015).

## **3. Performance measures**

As outcomes can seldom be used as timely measures of recent performance, potential leading indicators and non-financial measures are needed to measure performance that will lead to future outcomes (CGMA 2015). Determining new means to measure performance should be discussed. As long-term value creation is a far greater challenge than meeting this year's budget. Achieving both at the same time requires more advanced performance management than can be achieved using financial measures alone. It involves

managing both how the business is performing and how it is transforming to ensure its sustainability (CGMA 2015).

#### **4. Data sources**

The use of Big Data is becoming a way for leading companies to outperform their peers (CGMA 2015). It could provide new ways of measuring or assessing leading indicators of performance. For example, customer sentiment can be gauged by linking the analysis of comments on social media to operational product data and then to financial sales figures (CGMA 2015).

The finance department can make an essential contribution to unlocking the possibilities of Big Data due to their analytical knowledge. However, first, they must develop an understanding of the data sources in the business and work closely with colleagues in IT to capture and extract data from the organization's IT systems.

Second, they should engage with data scientists to help ask the right questions of the data and interpret insights and patterns arising from the analytical process. Finally, they must work closely with managers across the business to help ensure that data is gathered and interpreted properly to help inform business decisions (CGMA 2015).

### **Skills and traits needed for effective business partnering**

CGMA provides a foundation for understanding and tracking the essential skills and traits needed for finance business partnering (fig. 7).

#### **The Figure explained:**

To become effective business partners, the finance staff has to develop an understanding of how their business works and business specific analytical skills to complement their core accounting skills (CGMA 2015). By applying these technical skills in the business context they can gain professional credibility and take part in decision making. However, providing credible accounts and management information is not enough (CGMA 2015).

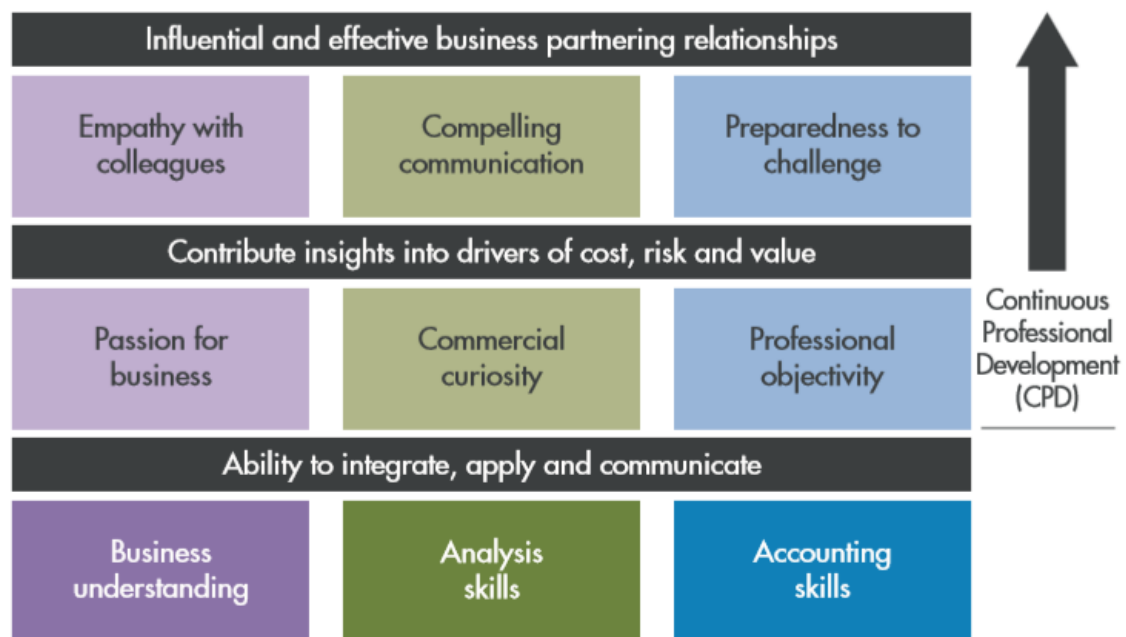


Figure 7: Skills and traits needed for effective Finance Business Partnering (CGMA 2015)

The finance staff needs to develop a passion for the business, which, combined with commercial curiosity to explore how things actually work and the professional objectivity to ensure that opinions are supported by evidence, the finance department can contribute insights about the drivers of cost, risk and value (CGMA 2015).

The insights may be based on financial analysis but, as mentioned previously, they are more likely to be developed in conversation with peers in the business. The crucial skill is to be able to communicate these insights in a compelling way, which is less likely to be in the form of the underlying analysis but by way of storytelling (CGMA 2015).

The finance staff should aim to challenge business colleagues to improve performance in the long-term and maintain the interests of stakeholders. Therefore, the finance department has to have good working relations with business peers, based on mutual respect and shared objectives.

## 2.4.2 ICAEW

ICAEW's Finance and Management Faculty is a leading authority in financial management. Their report, Finance business partnering: a guide, is a part of the Finance and Management Faculty's Finance Direction thought leadership program. The main findings in the report are; how to understand the business as a basis for FBP and how to assess the

finance department in order to develop an action plan. In addition, it provides a guide to building finance capability and demand for FBP.

### **Understanding the business – the foundation of business partnering**

Understanding the business includes understanding strategy, the competitive environment, commercial drivers, processes, systems, culture, who has influence and how to get things done (ICAEW 2014). This can be achieved by:

- Talking with external and internal stakeholders: Using formal and informal opportunities to talk with stakeholders will deepen the understanding of the business. The Finance department should open forums for discussions and set out to listen.
- Using other sources of information: Reviewing internal documentation (vision, mission and strategy documents), existing financial information and analysis (Financial statements and ratio analysis) and external sources such as sector research and trade press.
- Using management tools to evaluate the information gathered: The vast amount of information can be difficult to assess. To distinguish relevant information from the irrelevant, the following management tools can prove helpful: Business modelling, employing Porter's Five Forces, Strategy diamond, PESTLE, SWOT, Perspective taking and High-level process mapping (ICAEW 2015).

Furthermore, understanding the business should be seen as an ongoing process as initial views may need to be reassessed. It is also worth considering that, as the circumstances change in the business there is a need to update thinking in the company.

### **Assessing the finance department to develop an action plan**

After developing a profounder understanding of the business, the finance department needs to be confident that they have established the following:

- The priorities of the business;
- Where they can help most; and
- Gaps in their ability to deliver such help (ICAEW 2015).

The knowledge acquired is the basis for assessing the finance department and developing an action plan. The next step is to obtain a balanced view of finance's performance, which should be a combination of introspection and external assessment on the following activities: accounting, compliance, management and control, funding and strategy and risk. While some of these tasks are not directly related to business partnering, it is difficult to provide an effective service if the fundamentals are not in place (ICAEW 2015). Accurate accounting information is the foundation for further analyses and problems with statutory and regulatory reporting will undermine credibility and inevitably pull resources away from business partnering (ICAEW 2015). After all, the finance department's ability to wield wider organisational influence is rooted in its accounting responsibilities (ICAEW 2015). To complete the assessment of the finance department, the organization needs to also assess the qualitative aspects of the function, in terms of influencing capabilities, effectiveness and efficiency. In addition, if the organization feels that introspection is insufficient in providing a nonbiased assessment of the finance function and its processes, it can prove useful to use external benchmarking (ICAEW 2015).

### **Building finance capability and demand for business partnering**

Having thoroughly assessed where the finance department, there are likely to be two broad areas where action may be required – finance capability and the demand for finance business partnering (ICAEW 2015). The best way to advance will depend on finance's position on these continuums as presented in figure 8.

After determining the organizations placement on the continuum, they can advance to developing the needed attributes. The ICAEW report gives insight into developing both aspects; finance capability and business demand.

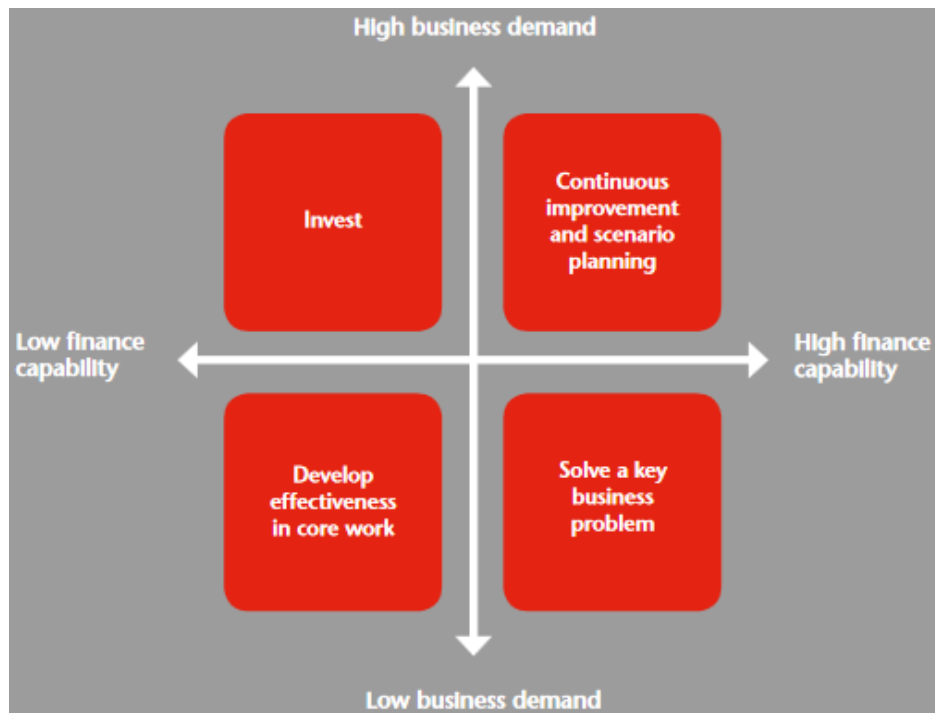


Figure 8: Finance business partnering capability and business demand (ICAEW 2015)

## Building finance capability

Building finance capability requires attention to individual capabilities, organisational structure and systems and processes (ICAEW 2015). The required capabilities are listed under each of the 3 categories:

### 1. Individual capabilities

The individual capabilities consist of attitudes, knowledge and skills. The attitudes that promote building finance capability are a genuine interest in the business together with an owner's perspective and giving priority to business partnering work. Having a commercial attitude is crucial for effective FBP. However, the courage to stand up for ethical principles is also vital. Finance Business Partnering also requires the mental strength to overcome ambiguity, uncertainty and risk and self-confidence and assertiveness in order to deal with conflict (ICAEW 2015).

The knowledge that enables increased finance capability in the ICAEW report were relatively similar to those mentioned in the previous reports (financial, accounting, strategic and regulatory knowledge). However, the report emphasized the need for Sustainability

knowledge which wasn't mentioned in the other reports; the impact of organisations on the natural environment and people, coupled with changes in societal expectations, have wide-ranging implications for organisations. These include their license to operate, customer behaviours, costs, employee engagement, regulation, taxes and subsidies. Therefore, it is difficult to see how finance business partners will accomplish strategic influence without a sound knowledge of sustainability (ICAEW 2015).

The skills needed to build finance capability are communication, analytical and time management skills. Regardless of how good a business partner's knowledge and analytical abilities they count for little without effective communication skills. The ability to influence and spark the need for change are crucial skills in FBP. Nevertheless, analytical skills are vital for seeing problems from different perspectives, producing structured and useful information and making recommendations. Additionally, a major constraint on effective business partnering is time. Effective time management skills can help, although they will not fully overcome problems in staffing levels, job structures, systems and processes (ICAEW 2015).

## **2. Organizational structure**

According to ICAEW, choices of organisational structure for business partnering are contingent on the degree of decentralisation. From this follow decisions on physical location, reporting lines and supervisory responsibilities, job design, and outsourcing (ICAEW 2015). As Finance Business Partnering aims at collaborative work between departments and executive staff, the more centralized the structure is, the better the chances are that the FBP functions efficiently. Ideally, therefore, business partners will be physically located alongside key decision makers.

Another factor that needs to be taken into account when aligning organizational structure with Finance Business Partnering is the reporting line. According to ICAEW, the trend at the moment seems to be for business partners and divisional CFOs to have a solid reporting line into finance with a dotted line to the business. This is intended to ensure that business partners continue to act in the best interests of the company as a whole and do not ignore their stewardship responsibilities (ICAEW 2015). Regarding the incentives, the dilemma is how to balance the encouragement of behaviours that support individual

business units while also rewarding independence and the support of organisation-wide initiatives; if incentives are solely linked to a division's financial performance, business partners may be more willing to give in to pressures to misreport and ignore misconducts in the business (ICAEW 2015).

In addition, job design should be taken into consideration to prevent other responsibilities crowding out business partnering activities (ICAEW 2015). On a further note, the report advises to go as far as separating traditional finance activities and FBP activities: "We are increasingly of the opinion that, where possible, business partners should be freed up from financial reporting and control work, which understandably tend to get priority" (ICAEW 2015). Additionally, organizations can even consider outsourcing Finance Business Partnering. Outsource providers can provide specialist expertise in areas such as analytics where an individual organisation could not justify full-time resources (ICAEW 2015).

### **3. Systems and processes**

Developing effective systems and processes is an ongoing challenge which the finance department should be participating in actively. In order to influence the direction of organisation-wide systems and process projects, finance should aim to be involved from the start. According to ICAEW, it is always easier to build in requirements from the outset than reverse engineer them later. If there are weaknesses in systems and processes that are not being addressed, finance departments will need to initiate improvement projects if their business partnering aspirations are to be met (ICAEW 2015). Solutions to addressing weaknesses in the systems and processes can be to use Lean or six sigma approaches, changing/upgrading software, implementing cloud computing and/or software-as-a-service and outsourcing (ICAEW 2015).

### **Building demand for FBP**

According to ICAEW, business demand for finance business partnering may be absent due to lack of awareness and defensiveness. This can be the result of lack of awareness of what finance can do to help performance, sometimes stemming from stereotyped views of accountants or concerns that finance might highlight poor management practices and



financial performance, which in turn challenge the position of the managers themselves. Concerns might also arise from that greater finance influence might impose tighter controls, stifle innovation and veto initiatives (ICAEW 2015).

However, there are multiple ways the finance department can overcome these barriers and generate an increased demand for FBP. The following examples have proven helpful by ICAEW:

- Solving an important business issue is probably the most effective way to gain recognition as business partners.
- Working on a cross-departmental project can help develop networks and trust.
- Introducing more business-oriented finance tools and techniques may enhance finance's position. Example of these can be Activity-based costing, forecasting, customer profitability analysis and competitor analysis.
- Running finance training for non-finance staff to reduce business defensiveness.
- Networking to build relationships and gain trust.
- Using consultants to provide an outside perspective.

Whether the finance department is able to build the needed capabilities and provoke a demand for Finance Business Partnering, ultimately, depends on the organizations ability to embrace change.

## **2.5 Benefits of Finance Business Partnering**

Following a successful implementation of Finance Business partnering, a multitude of benefits have been documented in the company studies and in the managerial accountancy institutes' reports. These benefits can be categorized in to financial benefits, operational benefits and social benefits.

### **2.5.1 Financial benefits**

According to IBM, the contributions Finance can make across the organisation as a business partner stretch beyond Finance through to improved business outcomes and opera-

tional cost savings across the whole organisation (IBM 2010). Organisations with a combination of capabilities that support FBP, which the IBM report refers to as Value integrators, stand out from their peers by being more effective in every area assessed in the report, with significant advantages in managing enterprise risk, measuring and monitoring business performance and driving insight from information integrated across their companies and governments (IBM 2010).

Due to their capabilities, these companies drove sustained business outcomes across every financial metric; top and bottom lines, balance sheet, cash flow and operational efficiency measures as seen in the figure 9 below.

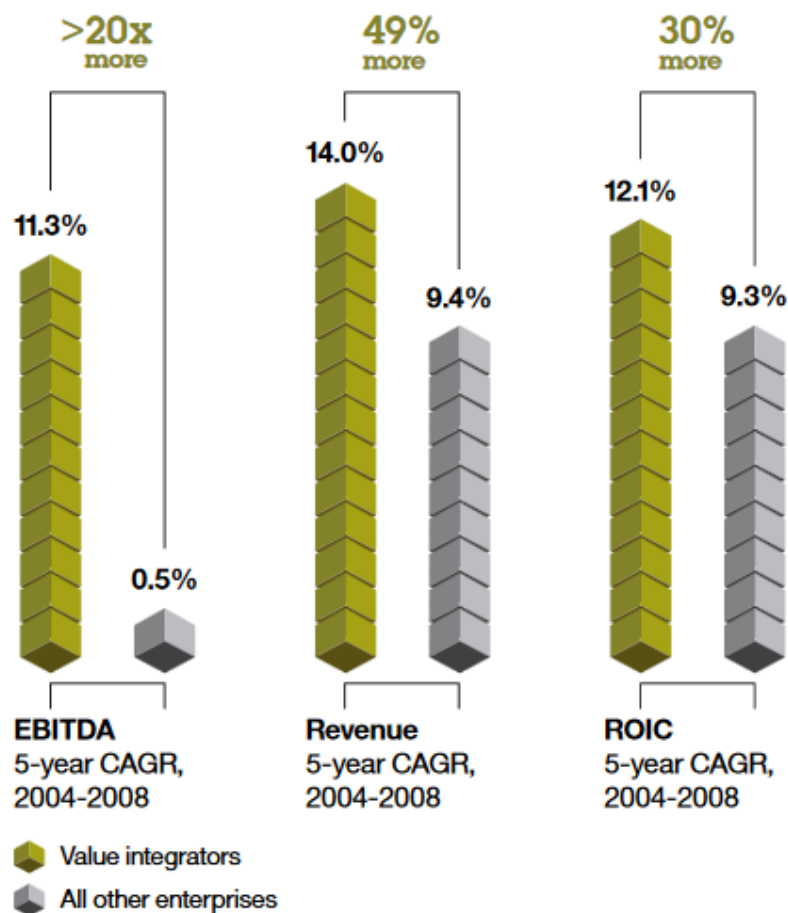


Figure 9: Value integrators consistently outperform (IBM 2010)

The report by Deloitte supports the findings in the IBM report; “Defining and embedding the Finance Business Partnering capabilities framework was identified as a critical enabler to unlocking unsourced of value in the business.”(Deloitte 2012)

### 2.5.2 Operational and performance related benefits

Finance Business Partnering aligns the finance department with the strategy and defines clear operational goals for the finance department and the whole organization (EY 2010). Thus, Finance Business Partnering is also strongly linked to driving business performance on an operational level and contributing to decision making (Deloitte 2012). According to Deloitte, the implementing FBP sets out a common set of data and information requirements across business units and takes into account their future priorities. This strategy serves as a platform for a transformation programme that deliver tangible and intangible benefits, including:

- Increased data quality and a single version of the truth across the organisation for Finance information.
- Improved quality of decision making, with improved insight into business priority areas and value drivers.
- Standardisation and simplification of information processes and clearer accountability and ownership for data definitions and governance.
- Improved organisational flexibility, with an information model designed to adapt well to business changes.
- The standardised framework of Finance Business Partnering set expectations within the whole organisation, which can be used in recruitment, selection and assessment. (Deloitte 2012)

Continuing on to the benefits linked to decision-making, the CGMA report categorises the benefits under the following three areas:

1. Supporting decisions at group level
  - **Cascading leadership** - FBP is an important conduit for management information. The flow of information is crucial for better decision making and for clarifying the expectations at performance level.
  - **Supporting change management** - FBP equips the finance department with an overview of what is happening across the business. As it will be alert to the changes expected, it can play an important role in ensuring

personnel understand why change is needed, which can then make the change process more fluid.

2. Decision support at business unit level

- **Planning and budgeting** – FBP aims at incorporating the business units to planning and budgeting with the finance department. A decision has to make sense to the business and when considered more objectively, in commercial terms too.
- **Supporting big decisions** – As the finance department is aligned with the group's strategic objectives and the decision is considered with a focus on the benefit to shareholders; increasing rather than diluting the return on capital employed.
- **Supporting regular ad hoc decisions** – By incorporating the financial acumen of the finance department in decisions related to new product or new market initiatives, pricing products or contracts and promotion and advertising expenditure, factors such as cost and risk management are better embedded in the decisions (CGMA 2015).

3. Performance management - It is important that the finance department is involved in discussions linked to performance in order to identify root causes for issues because it is through this engagement with peers in the business that opportunities to improve performance can be identified. The important areas where Finance Business Partnering can help enhance performance through investigation and discussions are cost leadership, performance appraisal, project management and risk management (CGMA 2015).

### 2.5.3 Social benefits

Finance Business Partnering generates a more collaborative environment because it entails that the finance department work together with business units that it might not have worked with before. The benefits of this are increased information flow, internal transparency and a deeper understanding through shared knowledge both financial and operational between the business units/departments (EY 2010). Finance business partnering

should be seen as a two-way process, whereby finance managers form a stronger bond with the business, and operational managers also become more financially literate and aware benefitting the company on multiple levels (EY 2010).

The relationship between the CFO and the CEO becomes stronger through FBP which means the CEO has a business partner it can turn to for advice and the CFO is more strategically involved (Deloitte 2012). This can play a crucial role in motivating the CFO towards better performance as well as enable new career developments for the CFO (EY 2010). According to the EY survey, the CFOs involved in developing strategy are on average more satisfied with their remit, compensation and the resources for the finance function. (EY 2010)

## **2.6 Challenges of Finance Business Partnering**

Although Finance Business partnering is proven to have numerous benefits, as explained in the previous chapter, there are various challenges that need to be taken in to account before implementing FBP. The challenges are categorized under these 4 main topics:

### **2.6.1 Independence versus involvement dilemma (ICAEW 2015)**

The finance department is responsible for financial data that gets generated from the company to external stakeholders. Granted, ethical behaviour across an organisation should be expected but the position of finance is unique; they are in a powerful position to subvert governance processes through misreporting and to sidestep controls with wide-reaching consequences (ICAEW 2015). Moreover, there are high expectations that they will act as the conscience of the business and provide ethical guidance and supervision (ICAEW 2015).

Nevertheless, the agent-principal theory is applicable to this setting. The risk of the CFO or other members of the finance department to not act in favour of the organisation but self-interest and personal preference, is always a risk, as analysis of all the evidence available seldom yields definitive answers. There is a risk that findings or aspects of analysis that support a preferred option will be given undue weight (ICAEW 2015). Additionally, if there is not a culture of governance and accountability, then even trusted information,

properly analyzed, might not be influential in decision making or performance management (ICAEW 2015).

### 2.6.2 Finding and managing the time for FBP

One of the main challenges mentioned in the company studies was time management. The issue lies in both not finding enough time for FBP and in managing the time between the traditional tasks that the finance department attends to and the finance business partnering related activities (EY 2015 & Deloitte 2012). This is further explained in the ICAEW report; “People who have been allocated business partnering roles but lack the necessary knowledge, skills and attitudes, sometimes divert their time to tasks they feel more comfortable with” (ICAEW 2015).

This can result in a vicious cycle described in figure 12, where the lack of time and understanding of the business hinders the motivation and skills to solve business related problems. Once the finance department isn’t seen as a strategic contributor, the organization will expect the finance to add value to the organization in their traditional roles such as cost-cutting, which then results in even less time for FBP.

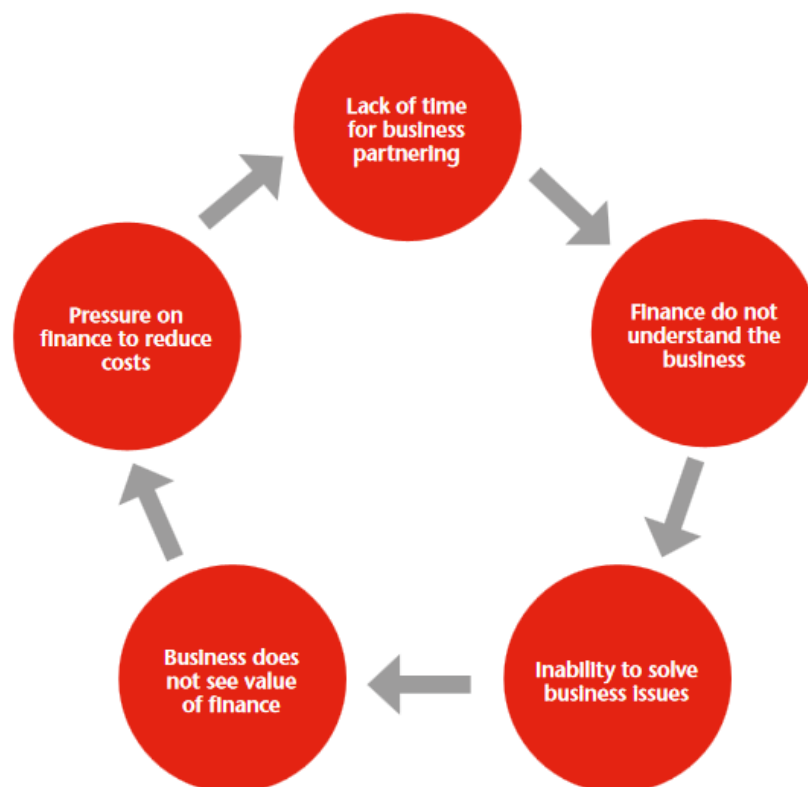


Figure 10: Failing to find time for business partnering – a vicious circle (ICAEW 2015)

### **2.6.3 Assessing the impact of business partnering on organizational performance**

Finance business partnering is an organization-specific function and therefore a universal framework for assessing its impact on organizational performance hasn't been developed. Thus, proving that business partnering has a positive impact on organisational performance can be challenging. Finance Business Partnering may require substantial investments in staff, staff development and systems and processes, and organizations will inevitably want to see the return on the investments. This can prove difficult especially, since FBP focuses on developing intangible capabilities such as analytical and social skills, it can be difficult to show how these improve organizational performance. Moreover, as advocates of evidence-based management, finance departments lose credibility if they do not at least try to link their performance to that of the organization (ICAEW 2015).

### **2.6.4 Staff and effective change management related challenges**

Finance business partnering requires analytically and socially skilled staff that is flexible and open to change. These so called "soft skills" needed for FBP are intangible and difficult to pinpoint which can complicate the process of training the old or hiring new staff to support finance business partnering (Deloitte 2012).

In addition, the organizational culture plays a significant role in enabling finance business partnering and the general attitude towards change, for that matter. In fact, in the CFO survey conducted by Ernst & Young, 47% of respondents stated organizational culture as the biggest barrier to effectiveness in their role, as seen in figure 13 (EY 2010). If the organizational culture is change averse, it can be difficult or even impossible to establish new processes and increase the involvement of finance at a business unit level.



*Figure 11: Percentage of respondents who believe these are the biggest barriers to effectiveness in their role (EY 2010)*

Finance business partnering also aims at building stronger relationships between the finance department, managers and other business units, and if the relationships in the past have been non-existing or perceived as negative, this can take time and effort. As CFOs will find themselves saying “no” from time to time, due to their responsibilities in risk management and compliance, the finance department can be perceived as strictly restricting new initiatives. But a stronger, more open relationship with the business depends on shifting perceptions, so that finance is seen as performing a constructive, enabling role for business executives that helps them achieve their objectives (EY 2010).



### 3 THE FRAMEWORK FOR FINANCE BUSINESS PARTNERING

This framework was constructed based on the findings in the company studies and the managerial accountancy institutes' reports. Additionally, the framework was influenced by Kotter's 8-step process to Leading Change. Kotter's framework is provided in the appendices (see 7.2). It aims at defining the necessary steps needed for implementing finance business partnering. The process consists of 6 steps where each depicts a stage in the transformation.

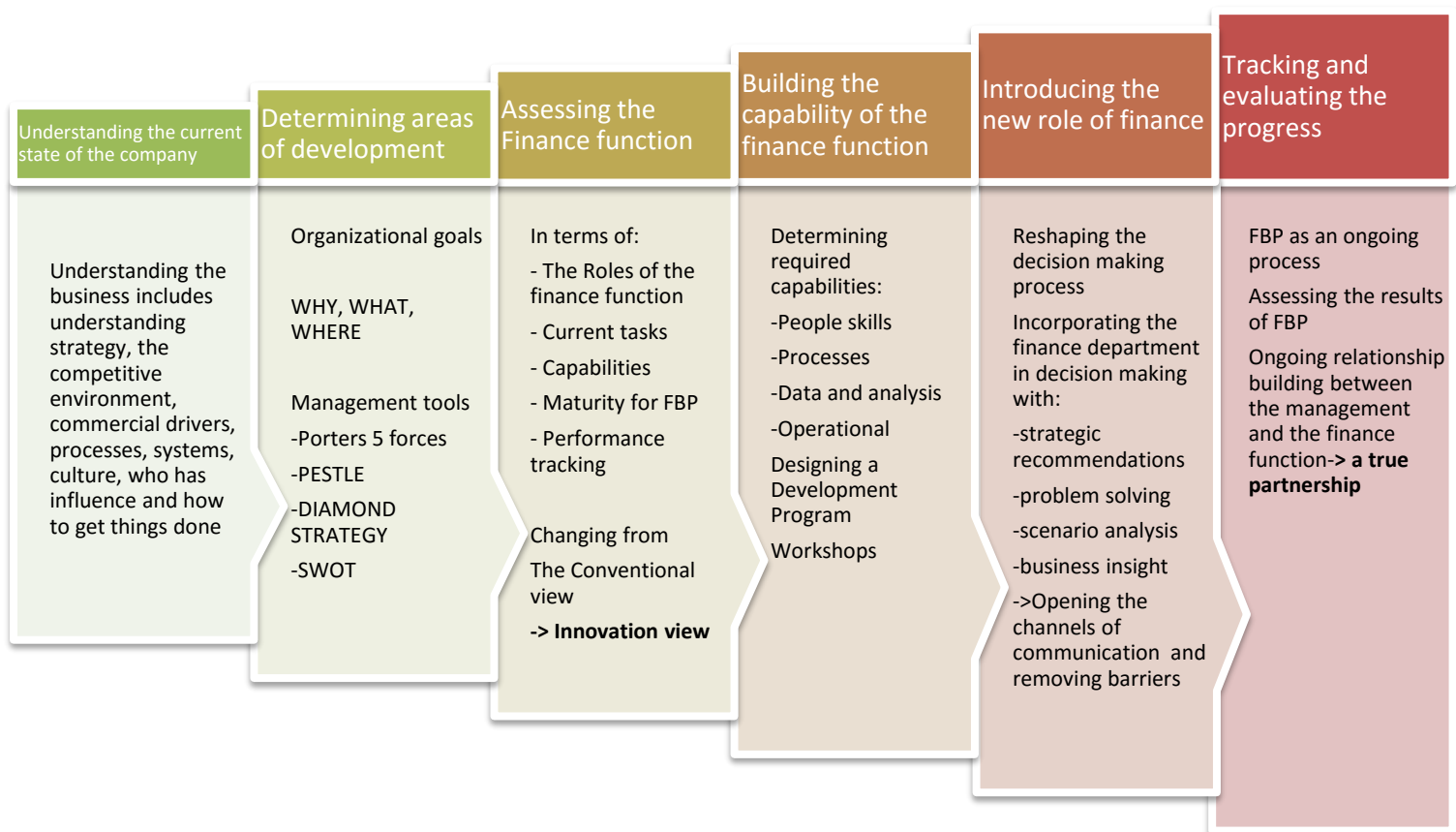


Figure 12: The framework for Finance Business Partnering

### **3.1 Understanding the current state of the company**

Finance Business Partnering starts with gaining a holistic view of the company. Without a clear understanding of the company's strategy, competitive environment, commercial drivers, processes and systems, company culture and company practices, implementing

Finance business partnering can be a costly investment with diminutive return. Moreover, It's not sufficient that the knowledge and understanding of the company is embedded solely in the executive staff, but running through each business unit and each individual.

To achieve a deeper understanding of the company, a conscious effort should be made in gathering information and analyzing information. This can be done through communicating with internal and external stakeholders of the company and reviewing sources of information such as reviewing internal documentation (vision, mission and strategy documents), existing financial information and analysis (Financial statements and ratio analysis) and external sources such as sector research and trade press (ICAEW 2015). The information gathered should then be communicated throughout the organization.

### **3.2 Determining areas of development**

The next step is to put the valuable information gathered in the previous step to use by determining the areas that need developing. This should be done with the organizational goals as a framework. Asking open questions beginning with; why, how, what and where, will help map out the underlying attitudes, issues and opportunities in the company. The first questions asked should be the 'why' of business partnering which is about whether finance professionals can successfully contribute to organizational performance outside of their core work. Other examples of questions that should be asked are; how do we really generate value? What is our business model? How do we need to develop our business model for the future? What do we need to measure to manage both our performance in this period and for the future? What data do we need to consider for this purpose? (CGMA 2015) The ideal situation would be that the whole organization was involved in mapping out the areas of improvement, perhaps in the form of workshops or as a part of performance appraisal discussions.

In addition to the discussions and workshops, the company should use management tools to further evaluate the information gathered (ICAEW 2015). The management tools that can provide additional insight are, Business modelling, Porter's Five Forces, The Strategy diamond, PESTLE and SWOT. The key here is to create a need or, as Kotter calls it; an urgency, for finance business partnering (Kotter 2016). As Finance directly and indirectly plays a role in every aspect of the business, it should be relatively easy to find an area where financial knowledge can be put to further use. The areas where finance can improve decision making are listed on pages 29-30 under: supporting decision making at a group level, supporting decision making at a business unit level and aiding performance management.

### **3.3 Assessing the finance department**

After developing a deeper understanding of the business and determining the areas of improvement, the finance department should be assessed in order to prepare it for FBP. The first step in assessing the finance department starts with determining where they stand now in terms of their role in the company and current tasks. Finance Business Partnering fundamentally can't take place if the core activities aren't functioning efficiently. The objective is to obtain a balanced view of finance's performance, which should be a combination of introspection and external assessment on the following activities: accounting, compliance, management and control, funding and strategy and risk (ICAEW 2015).

The next phase is to determine what capabilities the finance department has. The prerequisites for FBP, according to KPMG are: Efficient and accurate transaction processing, financial controls and management information based on robust underlying assumptions (KPMG 2011). However, deep analytical and data processing skills are insufficient if the finance department wants to pursue FBP. This became evident in each company study and in the reports by CGMA and ICAEW. In order to influence on a group level and on a business unit level, the finance staff is required to have "softer-skills" such as negotiation, listening, leadership, persuasion, influencing and risk-taking skills. Together with a development of deep industry knowledge, commercial knowledge and a global lens on business issues (IBM 2010).

Assessing the present capabilities in comparison to the required capabilities will determine the finance departments' maturity for Finance Business Partnering. The assessment process will highlight the strengths of the finance department, as well as, the areas that need further development. This is a palpable opportunity for the organization to explore new means of performance tracking for the finance department, which will in return, make the final step of the framework, 6. Tracking and evaluating the progress, substantially easier (ICAEW 2015).

The assessment phase should result in creating a vision for change, which is Kotter's 3 step (Kotter, 2016). A big part of preparing for FBP is transforming the mind-set of the finance department, from the Conventional view to the innovation view (see Figure 2: The evolved Finance function (IBM 2010). The key is to enable the finance department to see themselves as leaders of change, opportunities and innovation, rather than risk-averse analysts.

### **3.4 Building the capability of the finance function**

Based on the assessment in the previous step, the next task is to determine which capabilities the finance department requires and improving those capabilities. The capabilities required can be categorized under the following topics People skills, Processes Data and analysis and Operational (see pages 15-16).

Mapping out these required capabilities will then help designing a development program. This may require replacing/updating existing data systems, reevaluating organizational structure, Workshops to improve social skills and to enable networking between business units.

### **3.5 Introducing the new role of finance**

Ensuring that all the work that was put into transforming the finance department in the previous steps doesn't go to waste, requires a clear introduction of the new role of finance. It's crucial that the whole organization understands why these changes have been made and how finance will increasingly be involved with other business units. Kotter defines this as "Communicating the vision" (Kotter 2016).

After the introduction, the next objective should be to reshape the decision making processes by strongly incorporating the finance department. The finance should be seen as a provider of strategic recommendations, a helping hand in problem solving and an efficient supplier of scenario analysis when needed. Additionally, the finance department should be trusted to have strong business insight which other business units should be encouraged to profit from. The key is to empower action by engaging and enabling the organization with a new support function i.e. a business partner. This refers to Kotter's fifth step "Empowering action" (Kotter 2016). Furthermore, this step aims at opening the channels of communication and removing barriers between the finance department and the rest of the organization.

### **3.6 Tracking and evaluating the progress**

Finance Business partnering is an ongoing process which requires an ongoing approach to understanding the business followed by all the other steps in the framework above. This is only possible when the organization is able to track the progress of Finance Business Partnering. The tools for tracking the benefits of FBP, constructed according to the main development areas discovered in step 3. Assessing the finance department, should also be evaluated and reconstructed if needed. The benefits of FBP are not exclusively profit related, as seen in chapter 2.5 (Benefits of Finance Business Partnering), and only assessing financial data to track FBP can distort the organization from seeing the other benefits.

The important goal of tracking and evaluating the progress FBP has made, is not the only objective in this step, but ongoing relationship building between the management and the finance function. This way a true business partnership can develop between the two which is ultimately the goal of Finance Business Partnering.

## **4 MARIMEKKO**

### **4.1 Company introduction**

Marimekko is a Finnish design company which started gaining global recognition over the last ten years and today over 140 Marimekko stores serve customers around the globe. Their key markets are Northern Europe, North America and the Asia-Pacific region. The group currently employs about 500 people and the company's share is quoted on NASDAQ OMX Helsinki Ltd.

The core of Marimekko's business is the designing and manufacturing premium consumer goods. Marimekko positions themselves as a "Lifestyle" brand, where consumers are encouraged to express themselves through design in all aspects of their lives ranging from clothing, bags and accessories as well as home décor items ranging from textiles to tableware (Marimekko.com, 2016). They describe their core activity as designing and creating timeless and individual, practical and beautiful consumer goods.

Marimekko was founded in 1951 by Armi Ratia, and since then the incomparable patterns and colors of its printed fabrics gave it a strong and unique identity (Marimekko.com, 2016). The company has a heritage acquired over decades and through the years it has been able to acquire a loyal customer base unlike any other Finnish brand. As a result, Marimekko continuously sparks conversation in the media and increasingly so, now, with new initiatives in directing the company towards becoming a high fashion brand. Anna Teurnell, who started work as Creative Director in July, is the key driver in taking Marimekko's design in new directions (Marimekko 2016). In addition to the brand related advances, Marimekko has recently restructured its organization to better fit the needs of the expanding group (Marimekko 2016).

### **4.2 The interview and key findings**

To inspect Marimekko in the framework of Finance Business Partnering presented in chapter 3, an interview was conducted with the CFO of Marimekko, Elina Aalto. The central aim of the interview was to explore how the finance department at Marimekko

functions and whether Marimekko could benefit from Finance Business partnering and how. Before the actual interview began, when greeted by the CFO Elina Aalto, she started off by stating that Finance Business Partnering was something they were currently working on since last December 2015. This was an unbelievable coincidence and a great start to the interview which sparked an interesting conversation.

The questions were built around 3 topics in the interview: The roles of the finance department, Supporting strategy and Sales support. The full interview is included in the appendices.

#### 4.2.1 The roles of the finance department

The interview began with mapping out the structure of the finance department and on what level it collaborates with other business units with the organization chart (see figure 13). Elina Aalto explained that Marimekko has recently restructured the organization and strengthened their finance team with new controllers: Finance Controllers and Business Controllers. She concluded “We have experienced that we can keep track of the business together which is an important function in terms of generating profit”.

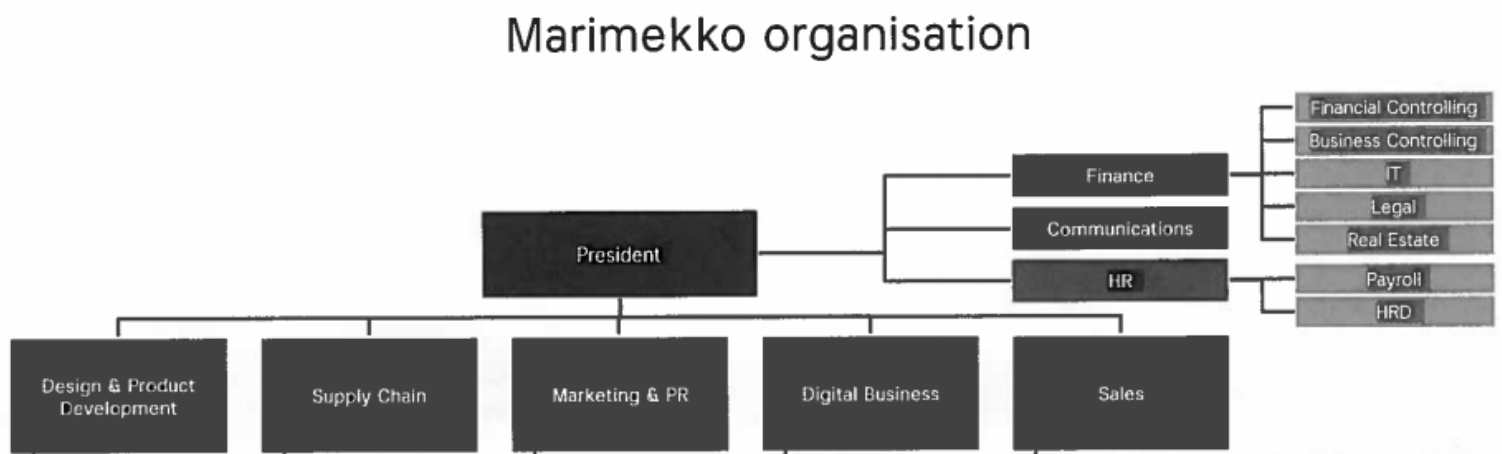


Figure 13: Marimekko organization (Provided by Elina Aalto)

As previously stated, Marimekko has started to employ Finance Business Partnering and according to Elina Aalto, they are at the stage where they have conducted follow-up on how the collaboration between the controllers and the business units has begun. However, the term Finance Business Partnering is not used.

Elina Aalto explained that the added resources in the finance department help the other business units with monthly reporting, budgeting and forecasting; “We are going to start making monthly profit packages for each of the business units, starting with the sales unit”.

To answer, what is the most important role of finance, Elina Aalto replied: “Our most important role is to take care of the cash flow as well as possible. We support other business units in achieving maximal sales profit and make sure costs are controlled. However, primarily, it’s about supporting the business”.

To determine, where the biggest value is generated at Marimekko, I had the Ernst & Young chart as reference (Figure 14). According to Elina Aalto, “Providing strategic analysis and advice to management” is more important than “Delivering significant cost efficiencies”, because taking care of cost efficiencies is simply not enough, you need growth and new opportunities in business that support profitability in the long term, which is strategy related. She concluded: “There is a possibility to save the company to death”.

Continuing on the subject, when asked whether, now that the biggest economic turbulence is over in Finland, they are focusing more on growth than on cost efficiencies, Elina Aalto explained that Marimekko has declared 2016 as the year of Profitability. They are looking at the profitability of every process and making sure costs are controlled.

Last year Marimekko expanded by 18 stores mainly in the Asia-Pacific region (Marimekko 2016) However, Marimekko is not opening any new markets this year but plan to expand on the domestic market. The focus is on the processes and making sure they are efficient before embarking on new markets initiatives. Elina Aalto concludes: “This is a strategic choice”.





Figure 14: Where respondents (CFOs) believe they personally created the most value for their organization in the past three years in percentages (EY 2010)

The next topic was, what the finance department spends most of its time doing. According to Elina Aalto, the focus is on mainly on traditional finance tasks; external reporting and compliance, and additionally the supporting the business. She sees that there is a good balance between tasks.

Additionally, we discussed the most important tools and whether there were possibilities in developing these. According to Elina Aalto, the most important tools of the finance department are Microsoft dynamics AX, Excel, QlikView and some data bases. To increase the effectiveness of data processing, they are building an FPM (Financial Portfolio Management) system together with Basware, a Finnish software company, which will help consolidating the group more efficiently. This system will additionally help with budgeting, forecasting and data analysis.

When asked about developing business understanding in the organization and whether the controllers are involved in this, Elina Aalto said: "...This is developed through cooperation and working together. People need to be interested in the business and the organization supports that. There are no barriers, "don't enter my territory"- thinking."

#### **4.2.2 Strategy**

We began discussing the finance departments' involvement in strategy. Answering to the question, what level would you say your work focuses on growth and opportunity, Elina Aalto said that it is approximately 10% of her work and of a few other staff members in the finance department. However, a lot of the thinking related to growth and opportunity comes from the executive committee. She had difficulty answering this because of the relatively small amount of time she has been working at Marimekko. However, according to Elina Aalto, the general atmosphere regarding involvement in strategy at Marimekko is open. There are no barriers to discuss strategy due to the low hierarchy. Regarding Tiina Alahuhta-Kasko the CEO, Elina Aalto described her as very approachable and a "low barrier leader".

The next question was, how the finance department is employed when it comes to driving the strategy process. Elina Aalto answered: "We make these alternative scenarios and next years' budgeting. Also we build KPI-meters which help us track performance annually." Continuing on how the information generated by the finance department affects the strategy, Elina Aalto explains: "There is no strategy without the financial figures. Partly, the numbers generated restrict the strategy because of compliance. On the other hand, we can calculate forward looking models that support growth. It's about doing both."

Regarding the strategic aspects of the role as CFO (cost management, budgeting, forecasting), Elina Aalto states that, approximately 30-40% of her time is spent on these tasks. She continues with: "I have a good team and experienced people working under me and I would like to involve them more in this". Answering to, whether she would like spend more time and resources on the key aspects of the strategy, she was conflicted: "Perhaps there will be a need for this in the future, if there's a bigger project or something. Due to previous experience I feel that the work should be quite flexible in terms of being able to

move on different levels in the company. Breathing the normal everyday life in the company is needed also. We focus on making people feel that they are supported in everything related to accounting and financial matters. If the fundamental are not in place, the big things won't happen either. It's about doing both".

Furthermore, Elina Aalto was positive that the finance staff would be motivated to increasingly participate in strategic decision making; "The more people are involved in envisioning the bigger picture, the more prolific it will be. Because people can't execute if the direction is not clear and the ideal situation would be if they could envision the way forward together". On how this could be accomplished, she would like to develop this by creating forums, where collaboration would be enhanced and the finance staff would get to share ideas and brainstorm together with the management: "By getting people involved, execution will function better". In addition, she feels that by increasingly including the customer signals collected from the retail stores and online store would support decision making: "The more feedback the better".

The final question regarding strategy was who are involved in budgeting at Marimekko. Elina Aalto explained the process: "Each cost centre does their own budget, or their leader does it. The stores make their own budgets as well as the different distribution channels. The support then should come from the controllers. Ideally, the store managers and regional managers and the controllers should discuss and work together on the budgets. Sparring each other and helping with problem solving. This has worked well in my previous work places. With the new FPM system, I feel we will do exactly as this".

#### **4.2.3 Sales support**

Concerning how the finance department supports sales, Elina Aalto explained: "QlikView provides us with sales data and it's also a straight connection to the finance department from the stores. This monitoring of the outcomes is done on a daily, weekly and monthly basis. Also per product and product line. Plus, budgeting and forecasting. As Marimekko manufactures its own products, we can make evaluations of the sales for a year ahead. We are currently calculating the expected turnover for 2017, even though it's April 2016. This is done together with the sales department. And with the help of the sales forecasts

we can plan how much we want to produce and how much we need to purchase raw materials. It's a cycle”.

When asked, on what level does the finance department support sales and could this be improved, she clarified that, due to increased resources in the finance staff, they have taken on more of “number crunching” which was traditionally conducted by the sales unit. This was implemented to ensure that there would be time for the sales unit to analyse the data together with the finance staff. According to Elina Aalto; “Basic sales data analysis is better left for the finance department, so that the sales unit can focus on their core activities. The finance department can then help the sales department better by guiding them in the right direction. This can also be improved continuously”.

Continuing on discussing, how the tools that support sales are developed and who is involved in developing them, Elina Aalto emphasized the important role of the new FPM project. She explains that switching to the FPM system, will provide the company a more flexible and efficient method of budgeting and forecasting. She continues by stating: “We will work together with the sales unit on this (FPM). We will start off by determining their monitoring needs and on what frequency that will be”.

Lastly, we discussed how sales support was conducted in Marimekkos foreign markets. To this Elina Aalto replied, that they employ the same systems in each market. However, some countries, like the United States, where retail is more evolved, might have more advanced indicators relating to warehousing.

### **4.3 Marimekko and Finance Business Partnering**

The main focus of my research was investigating whether Marimekko could benefit from implementing a Finance Business Partnering function in the company. However, as it became apparent during the interview, this was already something they had recently started implementing. As Marimekko has evidently determined the value of Finance business partnering in their business, there is no requirement to address this further in the conclusions. Additionally, the answer to the other research questions; Is there a need for such a function, Is there a platform for such a function and Could FBP result in better

financial performance, were answered during the interview as Marimekko has made the decision to embark on FBP.

Instead, the conclusions will be based on the interview, focusing on how Marimekko has implemented Finance Business Partnering, what are the expected benefits and how they will continue to develop their Finance Business Partnering.

In addition, suggestions for improving Finance Business Partnering at Marimekko will be introduced, based on the framework in chapter 3 and the inferences in the company studies and managerial accountancy institutes reports.

#### **4.3.1 Conclusions**

Marimekko has implemented Finance Business partnering by strengthening the finance departments' resources and reshaping the organization. New members were hired to accommodate the Finance Business Partnering activities and the finance department now has two new subdivisions; Finance Controllers and Business Controllers (see figure 13). The controllers guide and support the other business units with finance related issues; finance controllers focusing on issues related to external reporting and business controllers concentrating on internal reporting. A new Financial Portfolio Management (FPM) system is also being implemented to support budgeting, forecasting and Data analysis, which are the main activities that Finance Business Partnering is focusing on. However, it seemed that the way these tasks were supported, were focusing more on offering help and guidance, rather than through discussions and the actual relationship building. It was apparent that Marimekko has a strong vision of how they want to incorporate the knowledge of the finance department in decision-making but perhaps, the means of executing this weren't decided upon yet. On the other hand, as FBP is a newly implemented function this was to be expected.

The benefits that Marimekko expects out of Finance Business Partnering were largely based on improving company performance. They understand that by increasingly incorporating financial data in strategy and the decision making processes; they can enhance the organizations profitability. In addition, by the controllers offering support to the busi-

ness units, they expect this to enhance performance on a business unit level. As the controllers will be increasingly involved with the data analysis on a business unit level, previously done by the units themselves, the Business units can focus on excelling in their core activities.

The means of how Marimekko will continue to develop their Finance Business Partnering function were focused around the implementation of the FPM system according to the interview. Moreover, The CFO Elina Aalto had a vision on how to enhance the collaboration of the finance department in budget related decision-making. She wants to develop this by creating forums, where collaboration would be enhanced and the finance staff would get to share ideas and brainstorm together with the management: “By getting people involved, execution will function better”.

#### **4.3.2 Suggestions for Marimekko**

Finance Business Partnering is an ongoing process and even though Marimekko has implemented FBP activities in the organization, there are possibilities in developing these further. Referring to the framework presented in chapter 3, reviewing the stages could prove insightful. Understanding the business and determining areas of development (steps 1 and 2 in the framework) are a prerequisite of Finance Business Partnering and disclosed internal information, therefore, added suggestions for these steps will not be included.

However, based on the interview, assessing the finance function and building capability of the finance function (steps 3 and 4 in the framework) could help increase the efficiency of Marimekkos Finance Business Partnering. Moreover, suggestions will be presented for further incorporating the finance department in decision making.

#### **Suggestions for reassessing the finance department and the roles of the controllers:**

According to the interview, the Finance and Business Controllers at Marimekko focus on supporting and helping out the other business units in finance related matters by interpreting, explaining and driving performance within the business. However, to enhance the support and transference of financial acumen, the controllers could consider taking on these complementary roles:

- Presenting a dynamic industry, competitor and economic context to decision making.
- Supporting and influencing key operational and strategic decisions
- Advising on key business planning assumptions, trade-offs and opportunities
- Providing ad-hoc analysis and insights on specific issues such as promotion and advertising, pricing, new market initiatives, buy or build (KPMG 2011).

An important factor regarding the current role of the controllers is to assure that their role is accepted by the other business units and that a bond between the controllers and other business units will form. This could be developed through workshops that will allow the finance controllers to network with the other business units. The company study by Deloitte offers a framework (see pages 19-20) that could be used as a guideline for the workshops at Marimekko.

Moreover, it was apparent that the focus of the current tasks of the controllers were based primarily on the conventional view of finance (see Figure 2), where emphasis is on efficiency and improvement of processes. Focusing on incorporating the innovation view into their tasks could help identifying opportunities for growth in the business. The controllers should eventually view themselves as enablers of business. According to KPMG, high performing FBP teams consistently monitor macro-economic trends and industry issues, search out new ideas, and develop tools and management information to support new services for their internal customers (KPMG 2011).

### **Suggestions for building the capabilities of the finance department and controllers:**

Referring to the interview, it was apparent that a great deal of emphasis had been put on building the capabilities related to processes, data and analysis and the operational matters. However, the capabilities regarding people skills weren't discussed. As interpersonal skills were mentioned in every company study and by ICAEW and CGMA as a crucial enabler of efficient FBP, their development is worth considering. A training program focusing on listening, leadership, persuasion, influencing and negotiating skills could be

developed together with the other business units and management. This, in addition to developing interpersonal skills in the organization, would give a chance for cross-departmental networking and the sharing of knowledge from one unit to the other.

Furthermore, it's crucial to ensure that the information and knowledge is flowing both ways; from the finance staff to the business units and from the business units to the finance staff. One of the most important development areas of the finance department was developing commercial acumen according to both reports by Deloitte and Ernst & Young. This could be enhanced by ensuring that each business unit understands the processes and tasks in the other business units. CGMA encourages the business units to engage in conversations that generate insights (CGMA 2015). Where the Finance business partners bring accounting and analysis skills and professional objectivity to these conversations, and the other business units can share their views and key concerns relating the topics. The section, "The conversations that generate insight" (see pages 32-34), offers a range of topics worth discussing.

### **Suggestions for further incorporating the finance department in decision making:**

Referring to the interview, it was clear that the finance department was not yet involved in decision making on a strategic level. Even though, as Elina Aalto explained it in the interview, the finance staff has the required capabilities and motivation for it. According to ICAEW, the most effective way to increase the involvement of finance in decision making and to gain recognition as business partners is solving a key business problem (ICAEW 2015). Rather than focusing solely on analysis, the finance department and controllers should aim at providing a range of solutions for business issues, to express their business related knowledge. The solutions and ideas should then be discussed with managers, and if applicable, developed further with operational managers (ICAEW 2015).

Additionally, introducing more business-oriented finance tools and techniques may enhance finance's position. Example of these can be activity-based costing, forecasting, customer profitability analysis and competitor analysis (ICAEW 2015).



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## 7 APPENDICES

### 7.1 TRANSCRIPT OF THE INTERVIEW

#### Taloulosaston rooli Marimekolla

##### Taloulosaston roolit

*Minä: Minkälaiset suhteet ja miten yhteistyö taloulosaston ja muiden osastojen välillä toimii? (Tässä yhteydessä, mikäli mahdollista, haluaisin kartoittaa Marimekon nykyisen organisaatiokaavion avulla yhteistyötä taloulosaston ja muiden osastojen välillä.*

Elina Aalto: Mun täytyy sanoa, että mullahan on ollut periaatteena sellainen että jokaisella osastolla on myös niin kuin se taloudellinen tuki. Että jokainen jolla on budjetti ja tarvitsee seurantaa niin meiltä löytyy se työpari. Eli meillä on controller tiimi jaettu sillä lailla että ketään ei jätetä yksin ja tuota... ehhd koska mun mielestä on erittäin tärkeitä että ne jotka hankkii tavaraa taikka suunnittelevat myyntiä niin he saavat myös sen seurannan siihen tekemiseen. Ettei se ole sitä, että toiset vaan myy ja toiset hankkii asioita ja me vaan lasketaan ja seurataan sitten itseksemme. Koska ne tapahtumathan tehdään aina siinä liiketoiminnassa, eli raha tulee, raha käytetään siellä, niin meidän pitää olla kyllä erittäin tiiviissä yhteistyössä heidän kanssa.

Minä: Arvelinkin jo että Marimekolla saattaa olla tällaista Finance Business Partneringia.

Elina Aalto: Joo.

Minä: Mutta ettei siitä käytetä juuri tuota termiä...

Elina Aalto: Ei

Minä: Ja haluan just tutkia sitä millä tasolle te olette ja voisiko sitä sitten kehittää.

Elina Aalto: No sanotaanko että kun tehtiin tämä tuota... uudelleen organisoituminen tässä vuoden alussa, niin tämä tuota oli yks niitä alueita mitä organisoitiin uudestaan, eli me vahvistettiin itseasiassa meidän business kontrolleri tiimiä. Eli tuota ollaan itekin koettu että voidaan tehdä enemmän sitä seurantaa yhdessä se on kuitenkin tuloksen teon kannalta tärkeä funktio.

*Minä: Se on joo, tuntuuko että se on lähtenyt rullaamaan ja että onko näkynyt sellaista tiettyä muutosta siinä toiminnassa?*

Elina Aalto: On. ON. Että itseasiassa juuri toi äskeinen palaveri jossa mä olin niin, tuota se oli vähän follow-upia siitä että miten mun tiimi on lähtenyt tekemään sitä yhteistyötä. Et tuota mulla on siellä ihan lisä resursseja, siellä business kontrollerien puolella, mitä ei aikaisemmin ollut.

\*\*\*Organisaatiokaavio saatiin esille ja Elina näyttää miten se on uudelleen rakennettu:\*\*\*

Elina Aalto: Sitten jos ajatellaan meidän organisaatiota, niin tässä on nyt tietenkin toimitusjohtaja ja hänelle sitten raportoi, jos mä ajattelen sillain siiloittain, siilo on vitsi tähän näin tässä (naurua), niin tässä on design ja tuotekehitys, sitten meillä on toimitusketju, markkinointi PR ja sit meillä on verkkoliiketoiminta tai digitaalinen liiketoiminta, kumpaa nyt halutaan käyttää ja sitten meillä on myynti. Ja jos ajatellaan, niin koko luokalta, niin myyntihän on meillä se suurin osa organisaatiota niin kuin myös tekemisen ja henkilömäärän kannalta.

Sitten meillä on täällä (huokaus) talous, viestintä ja HR, ja toki me voidaan ajatella että me ollaan tavallaan organisaation tukifunktiot. Eli käytännössä, nämä funktiot, niin meidän pitää tukea joka ikistä näistä toiminnoista joista äsken puhuttiin. Ja tuota se, mitä mä olen nyt tehnyt täällä joulukuun jälkeen, niin me ollaan jaettu tämä meidän kontrolleri tiimi kahteen, eli meillä on nyt finance kontrollerit ja business kontrollerit erikseen tässä. (näyttää kaaviosta) Ja siinä oli ennen yksi vetäjä, nyt siellä on kaksi vetäjää molemmille tiimeille. Financial kontrollerit keskittyy enemmän ulkoiseen laskentaan ja sitten tämä business kontrolleri sitten sisäiseen laskentaan. Että ne olivat enemmän ennen, sekasin ne roolit. Ja on sitten vahvistettu enemmän tätä business controller puolta.

Ja tuota... ja se tapa millä me heitä niin kuin tuetaan niin tietenkin tällainen ihan normaali kuukausiraportointi, sitten tehdään budjetointi yhdessä ja sit tehdään ennusteet yhdessä. Mutta sen lisäksi me tullaan tekemään sellaisia kuukausitulospaketteja näille eri toiminnoille ja aloitetaan nyt sitten myynnistä. Ja itseasiassa heidän kanssa rakennetaan aika paljon yhdessä, eli siellä saattaa olla sitten niin kuin meidän talouden lukuja mutta siellä saattaa sitten olla niin heidän tarpeista että ”Hei tässä on kuukauden liikevaihto, myynti ja miten se on mennyt ja sit siellä on myydyimmät tuotteet esimerkiksi, eli miten kaikki tuotelinjat ovat tuottaneet ja tarkempaa analyysia”, ne me tehdään kuukausittain mutta toki meillä on myös viikko raportointia ja sehän on sitten ihan myymälä tasolla. Et kyllä me nyt heitä (myyntiä) näissä stepeissä ollaan tukemassa.

*Minä: Toimiko tämä ennenkin tällä tavalla vai... Onko tämä nyt vasta tullut käytäntöön... vai ollaanko ihan alku metreillä?*

Elina Aalto: Mmm, mä sanoisin että sitä on varmaa vähän vaihtelevasti tehty aikaisemminkin, mutta nyt meillä on enemmän resursseja että pystytään tukemaan enemmän ja se oli yks tässä meidän ajatuksessa että tekijöitä on enemmän.

***Minä: Mikä on talousosaston tärkein rooli Marimekolla?***

Elina Aalto: Kyllä mä näen että meidän tärkein rooli on että me huolehditaan meidän rahoista niin hyvin kun mahdollista. Eli tuetaan niin että saadaan maksimaalinen myynti ja ... sitten pidetään huoli että ... huolta että kustannukset pysyy kurissa ja sitten ihan yhtä lailla kassavirtojen puolella... mutta kyllä se on se liiketoiminnan tuki.

***Minä: No niin. Missä ja miten syntyy suurin arvo yritykselle? Sitten voidaan katsoa sitä Ernst and Youngin kaaviota***

Elina Aalto: Joo... hmm... kyllä mun täytyy sanoa että mä olen (naurahdus) mä olen noiden kahden välillä. (1. Delivering significant cost efficiencies 2. Providing strategic analysis and advice to management) kahden tuota ylimmän... ylimmän (pohtii)... välillä tässä pähkäillyt, mutta jos täytyy yksi valita, niin kyllä mä sanoisin että tämä ”Providing strategic analysis and advice to management” on vielä tärkeämpi kuin toi toinen ”Delivering significant cost efficiencies”.

***Minä: Millä tavalla sanoisit että se on tärkeämpi?***

Elina Aalto: Koska...tuota... totta kai kustannuskuri on tärkeä mutta sitten voi tulla sellainen tilanne että se kustannuskuri ei vain riitä. Että sä tarvitset sitä kasvua ja uusia liiketoiminta mahdollisuuksia siihen pitkä aikaiseen menestykseen niin sen takia jos sulla ei ole sitä asiaa kunnossa niin se voi olla että sä voit säästää sen yhtiön kuoliaaksi. Niin se on just sitä että pitää olla se strateginen suunta.

***Minä: Miten nyt kun viime vuosina on ilmeisesti ollut sellaista säästölinjaa kun on ollut taloudellinen tilanne koko maailmassa huono niin tuntuuko nyt että ehkä enemmän halutaan panostaa enemmän just siihen strategiseen puoleen talousosastolla, eikä enää tarvitse miettiä niitä leikkauksia? Vaan voi katsoa enemmän eteenpäin?***

Elina Aalto: No sanotaan että meillä on (tauko) meillä on oikeastaan tämä 2016 vuosi, on niin kuin kannattavuuden vuosi. Eli yks tällainen meidän strateginen tavoite on ... (huokaus) ollut katsoa kaiken meidän nykytekemisen kannattavuus ja siinä toki tulee ne kustannukset. Mutta ihan yhtä lailla katsotaan että me saadaan ne tuotot järkevällä tavalla. Ja tuota noin. (tauko)

Niin... että jos ajatellaan, että Marimekko ei avaa yhtään uutta markkinaa tänä vuonna. Toki meidän niin kuin myymälöitä tulee lisää nykymarkkinoille, mutta me halutaan nyt

tutkia, että... ja varmistua siitä että meidän prosessit on mahdollisimman kunnossa, ennen kuin me lähdetään taas lisää laajenemaan. Tämä on tietyllä tavalla strateginen valinta että me ei tänä vuonna hirveästi laajennuta uusille paikoille vaan niin kuin tuota huolehditaan siitä että meidän prosessit on kunnossa.

***Minä: Hyvä, sitten voidaan jatkaa. Eli, mihin talousosasto nykyisin käyttää aikansa?***

Elina Aalto: Aaa... (raskas ulos hengitys), mä sanoisin että, koska tosiaan meillä on nyt tämä 2 pääinen rooli niin totta kai ihan tähän että me saadaan myynti laskutettua, ostot reskontrataan, rahaliikenne, kirjanpito. Onhan se tosi iso osa meidän työtä ja sitten tämä ihan ulkoinen raportointi. Ja ... sen lisäksi tosiaan se liiketoiminnan tuki. Mutta mä näkisin että nämä on nyt hyvässä balanssissa että meillä on varmaan järkevän kokoinen se tekeminen (miettiä)... Mutta tehdään kyllä molempia.

***Minä: Okei selvä, ja sitten, mitkä ovat tärkeimmät työkalut?***

Elina Aalto: Meillä on kirjanpito järjestelmänä tämä Microsoft Dynamics AX, ehkä olet kuullut (hymyilee). Ja tuota, sitten meillä on itseasiassa vielä Excel erittäin isossa roolissa, ja (miettiä) sitten meillä on tuo QlikView jolla siten tehdään tuollaista analyttisempaa raportointia ja tuota ...ja johdon raportointia. Ja toki meillä on jotain tietokantoja kyllä.

***Minä: Ja tuota, mitä mahdollisuuksia näette talousosastolla olevan tehokkuuden kehittämisessä? (työkalut, tiedon laadukkuus ja liiketoiminnan ymmärtäminen/tukeminen)***

Elina Aalto: Me itseasiassa tuota... rakennetaan tällaista FPM järjestelmää tuon Basware järjestelmän kanssa eli se tulee auttaa meitä konsolidoimaan konsernia helpommin. Ja toinen on se, että se tulee helpottamaan meidän budjetointia ja ennustamista ja analyysien tekemistä.

***Minä: Niin siis se liittyy tuohon työkalut ja tiedon laadukkuuden kehittämiseen. Niin miten sitten toi liiketoiminnan ymmärtäminen ja tukeminen? Onko siis se sitä juuri että kontrollerit ovat siinä tekemisessä mukana?***

Elina Aalto: Joo... siis mun mielestä se tulee sen... yhteistyön kautta. Että jos mä ajattelen itseäni, niin kuin talousjohtajana, niin mä olen itse aloittanut kontrollerina, eli mulla on ollut se sisäinen laskenta, mistä olen itse aloittanut ja aina on pyrkinyt jotenkin ajattelemaan että ne luvut on vaan sellaisia merimerkkejä tavallaan. Että ne kertovat sulle missä bisnes menee, että ne on tapa tulkita sitä bisnestä ja mulla on itselläni aina ollut se intohimo siihen että mä ymmärrän sen koko bisneksen. Ja tuota nämä kirjanpidon jutut on tullut vähän tässä sivussa vähän niin kuin myöhemmin (naurua), että tuota... kyllä se hirveän paljon menee siihen että ihmiset, ne on kiinnostuneita, ne haluaa bisneksen kanssa

tehdä töitä. Ja meillä on ihanaa se, että bisnes myös valtavasti haluaa tukea sitä, että meillä ei ole sitä sellaista ollenkaan että; ”Älä tuu mun tonteille”. Vaan molemmin puolin ihmiset ovat kiinnostuneita... tai innostuneita siitä asiasta.

## **Strategia**

***Minä: Ja sitten jatketaan strategia puolesta; kuinka suuri osa talousosaston työstä keskittyy liiketoiminnan kasvuun ja uusien mahdollisuuksien kartoittamiseen?***

Elina Aalto: Aaa (mieltii), varmaan...siis prosenttilukuna? vai...?

Minä: Joo, vaikka prosenttilukuna.

Elina Aalto: (mieltii hetken). Mitä mä ajattelen, niin se on varmaan mun työstä... Tuota noin niin, jonkinlainen lohko. Ja sitten, ehkä parin mun henkilöstön työstä jonkinlainen lohko, että jos mä sanoisin 10 %, niin se on aika kova luku. Joo...

***Minä: Joo, ja miten käis toi uusien mahdollisuuksien kartoittaminen, kysytäänkö teiltä talousosastolta paljon, onko teillä uusia ideoita? Vai meneekö se niin että te annatte numerot ja sitten keskustellaan yhdessä uusista mahdollisuuksista?***

Elina Aalto: Hmm...se on varmaan, että kun mehän sitten tehdään paljon sitten johtoryhmän kanssa strategiatyötä, että sehän tulee tavallaan niin kuin sieltä se ajattelu. Toki että miten me... Mä en itseasiassa tiedä vielä. Mä olen ollut niin vähän aikaa tässä yrityksessä. Että se, millä lailla me tehdään tuo, niin kuin muun organisaation ja hallituksen kanssa, niin se on mulle sellainen musta aukko.

***Minä: Okei, no minkälainen tunnelma sulla on ollut, että se olisi aika sellainen avoin keskustelu? Että niiden ihmisten (yhtiön hallitus ja johto) kanssa olisi helppo keskustella?***

Elina Aalto: Joo, tämä on niin kuin, mä olen tykännyt... että tämä on sellainen yhtiö. Että täällä voi kuka vaan puhua kenen vaan kanssa, mitä vaan. Ja Tiinahan (Marimekon toimitusjohtaja) on sellainen matalan kynnyksen johtaja, että eivät ihmiset jännitä kyllä hänen kanssaan puhua asiasta kuin asiasta. Se on siinä mielessä hyvä.

***Minä: Otetaan sitten toinen kysymys... miten talousosastoa hyödynnetään ohjaamaan yhtiön strategiaprosessia?***

Elina Aalto: Mmm, toki miten mä itse sen niin kuin näen, en toki ole ollut yhtiössä niin kauaa... että strategiaprosessi oli jo aloitettu kun tulin yhtiöön. Mutta mitä itse näen, niin me katsotaan sitä pitkää linjaa, muutamia vuosia eteenpäin, että mihinkä liiketoiminta on menossa ja mihin se voisi mennä. Tavallaan tehdään semmoisia vaihtoehtoisia skenaarioita ja sitten tietenkin, ihan (raskas sisään hengitys) tuota seuraavan vuoden budjettia tehdään myös kaiken maailman, KPI-mittaristoa rakennetaan, eli mitkä on niin kuin ne

tärkeimmät asiat mitä pitää vuosittain saada tehtyä niin niiden seurantaan tehdään mittareita. Ja nehan voi olla sitten muutakin kuin tuloslaskelman ja taseen lukuja että, siellä voi olla ihan (raskas sisään hengitys) vaikka jonkun myyntikanavan kasvua taikka jos jossain meidän tuotantoprosessissa läpimenoajan nopeuttamista tai siis ihan tällaisista erityyppistä.

***Minä: Joo ja sitten toi kolmonen eli, miten talousosaston tuottama informaatio vaikuttaa Marimekon strategiaan?***

Elina Aalto: No mä en oikeistaan... mun mielestä, strategia ei (naurahdus) voi olla olemassa ilman lukuja. Tai sitten se on kyllä aika höttöisellä pohjalla (naurahdus) ja niiden pitää siis linkata toisiinsa. Varmaan osittain meidän tuottama informaatio rajoittaa sitä strategiaa (nauraa). Myös koska sitten on olemassa ne taloudelliset lainalaisuudet, ettei me voida käyttää järkyttäviä määriä rahaa vuosittain kaikkeen. Eli, sitähän se on se taloudenpito että joutuu asettamaan niitä reunaehtoja ja myös toisaalta me pystytään laskemaan jotain sellaisia malleja eteenpäin, että miten kasvu voi tapahtua, että varmaan kahdella tavalla.

***Minä: Sitten seuraavaan, kuinka paljon ajastanne arvioisitte käyttävänne talousjohtajan roolissa strategisiin avainalueisiin? (kustannusjohtaminen, budjetointi ja taloudelliset ennusteet)***

Elina Aalto: No siis tuota... olen tässä ilokseni huomannut, että kun olen päässyt tästä alkushokin yli, ja siis tarkoitan sitä, että kun aloitin juuri tässä yhtiössä työt ja siis, kun meillä oli kaikki päätöstehtävät ja nämä niin tuota (tauko). Todennäköisesti ihan riittävästi tulee olemaan aikaa, että sanoisin että tuollainen 30–40% että mulla on hyvä tiimi ja osaavat ihmiset siinä. Ja tuota, mielellään otan heitäkin mukaan tähän, mutta se tarkoittaa myös sitä että mä en ole niin kuin siinä joka päiväisessä operatiivisessa työssä koko ajan kiinni.

***Minä: Ja sitten seuraava viitos kysymys. Haluaisitteko käyttää enemmän aikaa ja resursseja strategisiin avainalueisiin?***

Elina Aalto: Hmm... Varmaan se jollain aikavälillä kasvaa, tavallaan se strateginen tekeminen, että jos tulee joku isompi projekti tai joku sen tyyppinen (mieltii)

***Minä: Että tavallaan tarkoitan, jos se strateginen puoli olisi enemmän osana tätä työnkuvaa...***

Elina Aalto: Mä olen itseasiassa varmaan... Olen itseasiassa ollut hyvin strategisessa roolissa Telia-Soneran Suomen johtoryhmässä ja se oli mulle (naurahdus) liian strateginen. Tuota, mä koen että mä haluan niin kuin välillä... mä haluan liikkua organisaation eri tasoilla koska se että mun täytyy olla siinä hengittämässä sitä normaalia arkea.



Eli, jos ajattelee (tauko) mulla oli yksi palaveri juuri tuossa, niin me mietittiin että; ”Hei miten me lasketaan myymälöissä tuoteryhmittäin alennukset”. Ja miten meidän kannattaa niin kuin tehdä myymäläpäälliköille joku laskuri, tai siis, ettei se välttämättä ole ihan mun core-tekemistä. Mutta musta se oli silti ihan sika kivaa miettiä tätä, koska mun mielestä sellainen että ihmisillä täytyy olla sellainen fiilis että he saavat meiltä sitä tukea kaikkiin asioihin mitkä liittyy laskentaan ja muuhun.

*Minä: Eli keskitytään myös siihen perus tekemiseen?*

Elina Aalto: Joo, eli just niin kuin sanoit niin jos se perustekeminen ei ole kunnossa niin muut asiat eihän ne isot asiatkaan toteudu. Sen takia tykkään että työssä saa tehdä sekä että.

***Minä: Sitten, Uskotteko, että talousosaston henkilöstö olisi halukas osallistumaan enemmän strategiseen päätöksentekoon?***

Elina Aalto: Mmm... mä uskon että, itseasiassa riippumatta roolista, niin missään organisaatiossa, niin että, mitä enemmän ihmiset ovat mukana miettimässä sitä isompaa kuvaa, niin sen hedelmällisempää se on. Koska eiväthän ihmiset voi toteuttaa elleivät he ymmärrä mihin halutaan mennä, ja sehän olisi vielä ideaali tilanne että he pääsisivät vielä miettimään sitä suuntaa yhdessä. Ehdottomasti, kyllä.

*Minä: Mitä näet tulevaisuuden kannalta että miten sitä voisi edistää että talousosaston henkilöstöä saataisiin enemmän mukaan tähän päätöksentekoon?*

Elina Aalto: Aaa... kun mä en tiedä, millä lailla tällä hetkellä organisaatio on valjastettu tähän strategia työhön vuosittain. Mutta kyllä haluaisin sitä kääntää siihen suuntaan, ellei näin jo ole, että siinä on jotain sellaisia foorumeita, missä voidaan ideoida yhdessä. Ettei se viisaus ole todellakaan vaan missään johtoryhmässä.

Minä: Niin.

Elina Aalto: Että mitä enemmän me osallistutetaan ihmisiä, sen helpompaa se toteuttaminen on.

Minä: Niinpä ja oma työkin varmaan tuntuu sitten mielekkäämmältä...

Elina Aalto: Kyllä! Ja sitten siinä on toinen että varsinkin meidän myymälöissä ja verkokaupan aspassa (asiakaspalvelu), niin siellähän me ollaan sen asiakkaan kanssa tekemisissä ja sieltä tulee ne asiakkaan signaalit. Niin sen takia niistä osista olisi myös erittäin hyvä saada sitä feedbackia, toki saadaankin mutta mitä enemmän sen parempi.

***Minä: Ja sitten jatketaan eli, ketkä osallistuvat budjetointiin?***

Elina Aalto: No tuota, jos miettii, niin meillähän on tietty organisaatorakenne yhtiössä. Jos mietitään, että pienin yksikkö on kustannuspaikka ja sitten se rakentuu niin että, kuukaanhan ei voi olla yksin omalla kustannuspaikallaan ettei sen palkkatiedot näy kenellekään läpi... Sehän lähtee siitä että, jokainen kustannuspaikka tekee budjettinsa ja riippuen sitten siitä että, miten pieniä ne on ne kolmen hengen... (miettii) tai että, miten se johtaminen menee käytännössä. Saattaa olla myös, että se menee niin että sen kustannuspaikan vetäjän esimies tekee sen budjetin.

Mutta kyllä me mennään aika pienelle tasolle. Ja sitten, jos mietitään myyntiä, niin se tehdään sitten jakelukanavittain, eli verkkokauppa, tukku ja vähittäis... (huokaisee) vähittäis tuota noin bisnes erikseen. Kyllähän meidän myymälät tekevät omat budjettinsa erikseen, että ollaanhan me... (miettii). Aika rakeisesti tehdään.

Ja sitten tukihan pitää tulla kontrollereilta, että tuota, voi olla hyvin että me tehdään sellaisia, tai kun en tiedä miten aikaisemmin ollaan tehty (tauko). Mä olen ainakin tehnyt silleen, että jos on joku 30 myymälää niin, joissain yhtiöissä on tehty silleen että ollaan järjestetty budjettiriihi. Ja meillä on ollut budjettipohjat kaikilla ja niillä on ollut läppärit mukana ja sitten kontrollerit ovat näyttäneet taululta, että; ”Hei nämä ovat ne luvut ja tässä on tuloslaskelma ja miltä se näyttää”, ”Tässä on teidän viimevuoden”- saattaa olla vertailutietoja, ”Ja nämä ovat ne alueet mitä teidän (myymälöiden) pitäisi täyttää.” Tavallaan he ovat sparranneet toistensa kanssa ja tavallaan... meilläkin voisi sitten olla aluepäälliköt mukana, ja sitten tehdään siinä yhdessä ne budjetit ja mietitään. Sitten jos tulee jotain kysymyksiä tai teknisiä ongelmia niin kaikki ovat siinä samassa tilassa. Niin se on mitä mä olen ainakin huomannut että se on ollut tosi toimiva tapa. Kun se että, sitten kaikki yrittäisi itsekseen arvata, ainakaan ensimmäisellä kerralla. Ja nyt kun meillä on tulossa se uusi järjestelmä (FPM) niin voi olla että me tehdään juuri noin. Silleen että siinä on niin kuin sekä se liiketoiminta ihminen ja sitten kontrollerit auttamassa.

## **Myynnin tukeminen**

***Minä: Eli kolmas osa haastattelua: Myynnin tukeminen. Miten talousosasto pyrkii tukemaan myyntiä?***

Elina Aalto: Eli tuota, meillähän on sellainen tilanne että me saadaan, itseasiassa meidän Qlikviewistä saadaan... tietoa myynnistä koko ajan ja meillä on online yhteys. Käytännössä eniten, mitä tehdään on että, me katsotaan päivämyynnit ja sitten sitä kautta viikkomyynnit ja tehdään viikkoraportoinnit ja sitten tietenkin kuukausiraportoinnit. Ja siis meillähän on tosi hyvä tämä seuranta, per tuote ryhmä ja per tuote, että se on kyllä olemassa. Että ihan tämmöinen toteuman seuranta, niin se on kyllä helppoa ja notkeaa. Mutta toki me sitten tehdään tuota budjetit, ennusteet heidän kanssaan ja sitten koska me myös valmistetaan meidän tuotteet itse, niin me tehdään tuota sitten jo 2017 vuoden arviota siitä että mitä me tulemme myymään. Eli, me katsotaan jo liikevaihtoa sinne tällä hetkellä. Vaikka ollaan huhtikuussa 2016, niin meillä on aika tarkatkin jo speksit sinne ensivuoden

ensimmäiselle puoli vuodelle. Ja sitä me tehdään sitten liiketoiminnan kanssa yhdessä koska sitten myyntiennusteiden kautta me voidaan ruveta miettimään kuinka paljon me voidaan tuottaa. Ja kuinka paljon ostaa tavaroita että se on semmoinen kehä mitä me sitten tehdään.

***Minä: Millä tasolla talousosasto tukee myyntiä ja voisiko sitä edistää?***

Elina Aalto: No varmaan nyt kun meillä on tuota enemmän käsipareja, niin tuota, tullaan varmaan tekemään sellaisia töitä joita myyntiorganisaation on ennen tehnyt itse. Eli otetaan vähän sitä ”numero crunchingia” meille itsellemme, että he pystyvät sitten keskittymään enemmän siihen analysointiin sitten meidän kanssa. Niin sitä perus datan pyörittelyä, mitä he ovat ennen tehneet itse, niin se on varmaa fiksumpaa että me (talousosasto) tehdään se ja he voivat keskittyä niihin töihinsä joita on jo (naurahdus) ihan tarpeeksi. Ja sitten tietenkin se, että me pystytään sitten analysoimaan se data ja kertomaan että: ”Hei...tämä juttu menee nyt siihen suuntaan niin kuin pitäisi ja täällä on ehkä ongelmaa ja mitä te aiotte tehdä?”. Ja tuota, kyllä mä uskon, että pystytään sitä edistää ja kokoajan, mitä enemmän me tehdään yhteistyötä, niin sitä enemmän tulee sitä ideaa että miten. Ja yksi juttu, mitä varmaan nyt tehdään jatkossa eri tavalla on toi, meillähän aloitti tuollainen verkkoliiketoiminnan vetäjä Kari Härkönen, just tällä viikolla ja tuota, koko se verkkoliiketoiminnan myynnin ja tunnuslukujen seuranta, niin se on se, mitä me tullaan nyt sitten rakentamaan lisää.

***Minä: Sitten jatketaan tuohon viimeiseen kysymykseen, miten myynnin tukemisen työkaluja kehitetään ja ketkä osallistuvat kehitysprosessiin?***

Elina Aalto: Joo eli, tuota, tämä liittyy oikeastaan siihen meidän FPM projektiin, mitä me tehdään. Siinä tietenkin kun me siirretään siihen järjestelmään se myynnin budjetointi ja ennustaminen, niin se mahdollistaa tavallaan entistä tarkemman mutta myös notkeamman tavan tehdä sitä. Ja kyllä me heidän (myynnin) kanssa sitä yhdessä tehdään, eli tuota, lähdetään siitä että mitkä ovat heidän seurantarpeet. Ja tavallaan niin kuin, millä frekvenssillä, onko se sitten (tauko). Tukku-myynnissä saattaa olla, että on fiksumpaa seurata kolme kuukautta yhteen ja sitten monessa myymälässä katsotaankin sitten viikkotasolla. Mietitään, mikä on se järkevä sykli niille myynnin ennustamiselle ja seurannalle. Millä tavalla toimitukset lähtee ja muuta. Mutta kyllä me ne yhdessä tehdään koska me... sitä tulee parempi silloin.

*Minä: Mitenkäs nyt kun Marimekolla on liikkeitä myös ulkomailla niin osallistutteko te myös niiden tukemiseen ja kehittämiseen?*

Elina Aalto: Kyllä meillä on samat järjestelmät. Mutta myös niinkin päin että, juuri olin palaverissa jossa oli jenkkien myymälöiden henkilökuntaa, ja he seuraavat niin kuin tiettyjä myymälän asioita liittyen esim. varastoon hyvin tarkalla tasolla, mikä on varmaa semmoinen mitä me voitaisiin hyvin ruveta sitten Suomessakin tekemään. Eihän se ole

niin että Suomessa olisi se kaikki järki, että kuitenkin kun retail on niin... ehkä kehittyneempi jossain USA:ssa. Ja varsinkin jos sä olet ollut jossain toisessa yhtiössä duunissa ja sä olet saanut sieltä ideoita, miten sä teet sen, että itsehan olen ollut Suomen H&M:n talousjohtajana aikoinaan, että sitten mulla on sieltä niin kuin jonkin verran sitä niiden seuranta ja osaamista ja sitä ajattelua niin se on ollut siinä mielessä niin kuin helppo tähän (Marimekkoon) peilata. Siihen että mitä me tehdään täällä.

*Minä: Näetkö että Marimekkoa, kun se on tavallaan niin erikoinen ja uniikki yritys, että sitä olisi vaikea verrata muihin yrityksiin ja miten he hoitavat asiansa?*

Elina Aalto: No täytyy sanoa, että kunhan se on sellainen yhtiö, joka... (tauko) sehän tästä meidän yrityksestä tekee vähän kinkkisen, on se että meillä on omaa vähittäismyyntiä sitten meillä on ne tukkumyynnit ja myös niin kuin lisenssi... no ne lisenssituotot... niiden seurannassa on ongelmia. Mutta periaatteessa, se että kun meillä ei ole pelkkää vähittäismyyntiä tai pelkkää tukkumyyntiä ja sitten siihen tulee vielä se verkkokauppa.

Mutta toisaalta, kyllä tällaisia yhtiöitä löytyy muitakin ja kaupan lainalaisuudet on niin samanlaisia joka paikassa. On olemassa yhtiöitä jossa on se oma design hirveen kiinni siinä tekemisessä että, mulla kävi tuuri kun olin viikonloppuna Ruotsissa ja tapasin entisen kollegan H&M:ltä ja hän on nykyisin tuon Cheap Mondayn CFO, niin hän sitten selitti että se on ainut H&M:n osa jossa on retail ja tukkumyynti. Sitten kun juteltiin niin, oli ihan samoja juttuja joiden kanssa tavallaan painitaan ja oma tuotanto, niin siitä tuli semmoinen fiilis että kyllä me ihan niin kuin tehdään ihan sen perus sabluunan mukaan (naurahdus). Tavallaan. Ja niinhän sitä kannattaakin tehdä. Että tietyt prosessit ovat niin samanlaisia joka paikassa, ja tietyt problematiikat ovat niin luontaisia. Että... tavallaan oli hirveän kiva huomata että; ”Joo, nuo (Cheap Mondayn talousosasto) on ratkaissut sen ongelman samalla ajatusmallilla”, että tuli semmoinen usko (naurahdus).

Minä: Omaan työhön?

Elina Aalto: Niin! joo, se oli kyllä hyvä!

## 7.2 Kotter's 8 step process to leading organizational change



Figure 15: Kotter's 8 step process to leading organizational change (Kotter 2016)