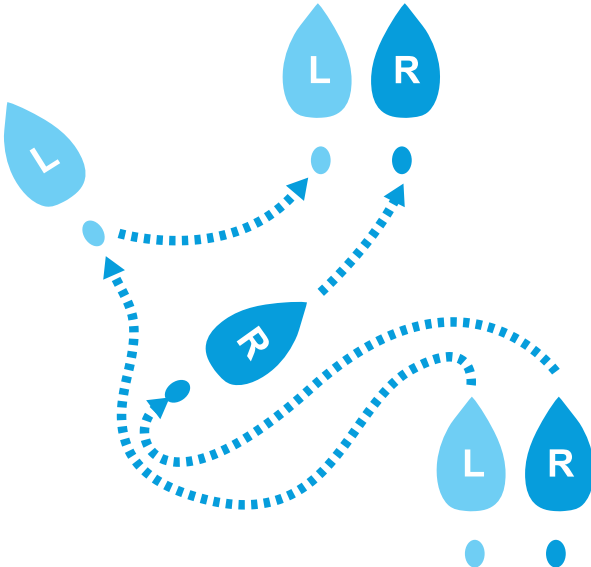


Dancing lessons  
Business partnering for CFOs



In 2009, Deloitte conducted 17 in-depth qualitative interviews with business leaders from some of the world's best-known companies, as well as with leading CFO headhunters. Our mission: to get a front-line perspective on business partnering from the people who matter most and convert their insights into recommendations for CFOs.

Our discussions revealed a widely shared conviction that partnering is a key component of the value the finance function brings to the business—and some strong opinions on how to make it work.

This book shares our high-level findings and offers ideas on how to make business partnering come alive in your organization.

# What is good business partnering?

Dancing is a  
sweat job.

— Fred Astaire

# It's not what you think

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When we invited business leaders to tell us what they want from Finance, we expected to hear the usual. But we also heard some surprises.

When we invited business leaders to tell us what they want (and get) from Finance, we expected to hear the usual. And we did. Things like confidence, control, risk management, efficiency, and specialized knowledge.

But we also heard some surprises. We did not expect to learn that personality and physical proximity can make or break a business partnership. Nor did we anticipate the hunger among executives for help from Finance—help in getting the right things moving in the right direction sooner rather than later. Business leaders want support from people who truly understand their challenges and, in the case of the CFO, those who will help shape operating strategies at the board level.

Business partnering is a choice—and it's not for everyone. It requires willingness on both sides, as well as a shared understanding of the fundamentals of the business. Some organizations want to keep Finance at a distance in limited roles. For them, partnership doesn't really enter the picture. Plus, partnering is hard. Many Finance organizations don't have the horses to deliver. Perhaps even worse, many don't know enough about the business they are in.

If business partnering is important to you and your finance organization, you will find these ideas interesting. So will your CEO and other leaders in your company. Business partnering is a lot like dancing. Do it right, and it looks effortless—graceful and smooth. Do it wrong, however, and you are likely to step on someone's toes.

# It's back in the spotlight

There's no question that the global economic crisis has revived interest in CFOs going beyond their operational and stewardship roles. That's a good thing.

But it is also shaking up a lot of finance operations. CFOs understand that shareholder and market expectations have shifted. They are aware they have to change the way their organizations work. Better reporting, better cost management, better risk intelligence, better everything. Business partnering is one important way to start making a difference, an effective means to a very important end: better performance.

Beyond that, the business leaders we spoke with saw partnering as a smart and visible way to change perceptions about Finance throughout their organizations.

If your finance team is talking about branching out into the business in search of opportunities to add value, make sure that effort starts with a clear purpose in mind. Many of the most powerful examples business leaders shared with us occurred at critical moments such as major investment decisions, business restructurings, and strategic cost analyses.

Get good at knowing where you can help the most—and where to say no.

## Takeaway

Identify three big areas where a strong partnering relationship would create immediate value.

# Seize the opportunity

It's no secret that many of the traditional roles of the finance organization have been automated away. Data gathering, monitoring, even analysis and reporting—these kinds of functions are increasingly built into the dashboards of the latest ERP systems. This has led many finance leaders to worry that their organizations are being marginalized as technology continues to deliver more value.

They're right to worry—especially if they're not making the most of their new opportunities to offload routine, lower-value tasks in favor of more strategic business partnering activities. One place to focus first is in the area of technology itself. Finance has a big role to play in determining how new systems are

configured to meet the needs of the business. This is a major opportunity to refocus the finance organization on strategic challenges rather than administrative duties.

Of course, that takes time—and you and your team need to be ready to deliver when it matters. There is no faster way to kill a new partnership opportunity than to say that your availability is limited because you are closing the books. That means dedicating your own time to partnering and making sure some of your most experienced staff members do the same.

## Takeaway

Make sure automation technology is doing its job correctly—so that you can focus on the job of business partnering.

# It's gotta have 'wow'

When is the last time you heard anyone you work with say *wow!*—about anything? In our research, “wow” happened when finance went beyond delivering numbers to delivering insights that helped leadership make key decisions. It also happened when Finance was able to lend a hand to make sure strategic projects were successful. That’s hard to do when Finance doesn’t know the business, or relies too heavily on inexperienced team members for partnering.

## **As seen on TV**

The television production business has all the elements of a CFO’s nightmare: huge staffing needs, a creative environment not conducive to process, and a need to react fast to support the business pace. So when one of the world’s largest broadcasters set up a new production department, the controller knew she needed Finance on board. She also knew what she was looking for. In a previous job her finance partner knew the media business and didn’t need propping up to make decisions. “He always had his finger on the pulse,” she said. “He always knew where we were. He could make the right decision with half the facts.” Later, when she geared up for a new flagship programme on a shoestring budget, the right team was already in place. “We worked with Finance to say ‘if we do this, this is how we can make it work.’ We didn’t have to fill in a million forms to get it approved.” The show went on to become an international phenomenon—wowing audiences and wowing anyone with their eyes on the bottom line.

## **Takeaway**

Find out what it would take to deliver unexpected value to your business partner. Then surprise them by doing it.

# What makes a good business partner?

# Eagerness— and professionalism

## A willingness to look in the mirror

Some finance organizations are already well on their way to great partnering relationships. Is yours one of them?

See how you stack up.

- I can name the top three concerns of my business counterpart in less than one minute.
- When the business faces an unexpected crisis, one of my top people will be in the first meeting called to address it.
- I spent more than half of my time this week focused on business challenges, not finance operations.
- I know exactly what my most important internal stakeholders think of finance service levels and value—and which members of my team they depend on in making strategic decisions.
- They don't always like what I say, but our business leaders are satisfied with the advice my senior finance advisors and I give them.
- I network with decision makers as a matter of routine—not just when one of us needs something.

Business leaders look to finance partners for the rigor and objective professionalism that comes from their extensive training, as well as their practical knowledge of the business. And if they are not getting the right level of partnering from Finance, they will simply fill the void with experts from elsewhere. If you're not being asked to the dance, something is broken.

The reason could be simple: successful business partnering takes a lot of work. It also requires a special type of person. The attributes we heard discussed most frequently in our interviews were:

### **Experience**

Proven, experienced, and knowledgeable professionals—they make all the difference in the world.

### **Curiosity**

Constantly asking “why” questions, always eager to understand how things really work—and always coming up with fresh ideas.

### **Capacity for surprise**

Willing to set aside preconceived notions about what they already know. An openness to new possibilities.

### **Courage**

Able to deliver hard news and take unpopular stands. A good understanding that risk is just one more aspect of business that has to be managed.

### **Ethical standards**

Unwavering.

### **Open and accessible**

Eager to listen, willing to make time. Returns e-mails and calls promptly. Easy to find.

### **Takeaway**

Don't wait on the business to reach out for you. Take the first step.

## What CFO headhunters say

Headhunters spoke to us candidly about what they're encountering in CFO searches when it comes to business partnering.

### **CFOs are not changing with the business fast enough**

"Too many are setting the wrong priorities."

### **There really is a 'vision gap'**

"A lot of CFOs are just too 'GAAP-centric'" these days. They're focused on operations and as a result they're too cautious. This is a real challenge in organizations where the CFO should be participating in the strategic development of the company."

### **Successful CFOs learn the whole business**

"New CFOs are right to learn more about their peers, board- or C-level contacts, and others—but the great ones ... go to the assembly line to understand how productivity works, for instance. It's a different mindset."

### **The basics are still important**

Business leaders are looking for vision, but not at the expense of the deep knowledge that great finance leaders have always offered.  
"Business leaders are still looking for finance partners who can demonstrate their knowledge when it comes to accounting, IFRS, tax, cash management, financial reporting, and other parts of the business."

# How can you set the stage for better business partnering?

# Move in. And then move on.

Business leaders expect finance to get close to the business. Literally. The ones we talked to believed in the value of having the right finance partners put in time on the front lines of their business—working both in the field and in the office next door. It's not a function of org charts. Solid and dotted lines matter less than you think. The active learning and collaboration that come with physical proximity are more important. Partners that are close to the business—both physically and in terms of engagement—are the ones business leaders tell stories about for years to come.

But you can't have your best partners on location all the time. You never know when you're going to need them to jump on another pressing issue elsewhere in the business. For many organizations, the most effective approach relies on an internal consulting model, where team members are deployed from a center of excellence. This has the added benefit of employee development because it allows your people to tackle similar challenges in many different areas of the business.

## Takeaway

Move your office for three months. Seriously.

Remember, much of the value in partnering comes in discrete projects. Make sure you know when a job is done so people can move on to the next challenge.

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“Putting the finance partner physically within the business unit is essential. In fact, I think we ought to be sharing the same floor.”





# Pick the right partners

The average finance person is not a great business partner. And most don't need to be. So it is important to go the extra distance to find those who are great at it. You need only a handful to make a big impact on the business—and to build your organization's reputation for great partnering.

One thing is for sure, though: It won't happen without a plan. Good business partners are hard to find, and the competition for their skills can be intense. Where to start? Try creating a small team of partnering specialists who will put themselves on the line for the business.

Next, look at your hiring process. Do your current staff know what to look for when seeking to fill new positions? What about HR? If the people responsible for recruitment don't know that you value people with partnering skills, then this type of talent won't find its way into your organization.

## Takeaway

Is the business facing a big challenge? Identify which of your people understand the business best and have the people skills and attitude needed to make a difference.

Once you have developed a cadre of business partners on your team, be sure to deploy them in the right scenarios. Be selective—don't just throw them at every problem that pops up.

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**“Working with the right finance partner is a really enjoyable experience. You feel like you can take on the world.”**

# Take a walk

There is no substitute for kicking the tires. Understanding the business requires going beyond all the meet-and-greets to get the real story. Talking to people working at the very front lines of the business. Seeing the sites that show up as bullet points in presentations. Even contacting customers directly to hear their perspectives.

One executive told of a finance partner who challenged the status quo by getting a ground-level view of the business's challenges. “We had four warehouses in Spain, and my finance lead spoke Spanish,” he says. “So he went to the warehouses to understand their cost-to-serve models better. In the end he recommended closing two warehouses, and worked closely in each market to make sure sales and services weren't diminished. He knew that part of the business better than the guy who was running it.”

Curious partners do these kinds of things naturally.

## Takeaway

Is there some part of the business you're avoiding? That's the place to go first.

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**“I'm looking for the person who says, 'I'm going to visit that oil rig!'”**



# Shall we?

It's hard enough for many CFOs to find the time to be a great business partner themselves—much less prepare the entire organization to step up to the challenge.

But in our discussions with business leaders, we heard loud and clear that this is exactly what they're hungry for. Many are practically begging for the right partners from the finance organization. They understand full well that the stakes are even higher today when it comes to making the right business decisions.

Business partnering is a choice—yours. We wrote this to help you get started down the right path—because in many respects, getting started is the hardest part. If you would like to learn more about what to do after taking those important first steps, we can help.

## Takeaways

While we heard many great ideas for fostering better business partnerships in our interviews, here are a few that stood apart from the rest.

- 1 Identify three big areas where a strong partnering relationship would create immediate value.
- 2 Make sure automation technology is doing its job correctly—so that you can focus on the job of business partnering.
- 3 Find out what it would take to deliver unexpected value to your business partner. Then surprise them by doing it.
- 4 Don't wait on the business to reach out. Take the first step.
- 5 Move your office for three months. Seriously.
- 6 Is the business facing a big challenge? Identify which of your people understand the business best and have the people skills and attitude to make a difference.
- 7 Is there some part of the business you're avoiding? That's the place to go first.
- 8 Keep a diary of how you spend your time this week. How much is spent on traditional finance roles—and how much is spent delivering advice and taking action to drive business performance?

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