WHITE PAPERS

RULES OF THUMB TO CREATE A ROADMAP TO ACCOUNTING SHARED SERVICE SUCCESS

Deyonne Epperson

VP, F&A Service Delivery - North America - Accounting Center at Wolters Kluwer

Time, commitment and vision. These are three essential characteristics of a strong Financial Shared Services (FSS) organization. Companies engaging in an FSS strategy will often be on different timelines, start with different parts of their organization and achieve optimization at different rates of pace. In this article, I am going to discuss ways you can create value and scalability throughout your organization with Accounting Services. Accounting Services are typically viewed as transactional activity. However, with a deeper dive, it becomes clear that Accounting Services can drive global standardization and simplification of processes and have the skills to become a key business partner creating value through enhanced services such as; accounting guidance, system/tools selection and M&A support.

Getting Started – Building the Roadmap and Maturity Curve

It is important to develop a multi-year roadmap because it helps you identify where you are currently and where you want to go. The maturity curve assesses the readiness of the organization to take on change. Depending on the organization's readiness for change, you may move faster or slower in your standardization and optimization efforts. Things that influence the maturity curve include how much funding you have for investment, what kind of standardization projects you need to implement, and how much time and resources are available. Are there other IT system migrations in flight that would impact the timing of the roadmap? This means you may need to implement a workflow tool instead of waiting for the benefits of a major system conversion/migration. All of this effort will ultimately help the Accounting Services organization stabilize, standardize and simplify the day-to-day activities while enhancing the skills of the organization to create value through new service offerings.

Standardization

When a business undergoes an increase in standardization, it means that the organization must reevaluate certain processes, functions, manpower resources and technologies. Often, a business will begin to incorporate new mandates, new systems, and an overall overview to the team to continuously decrease inefficiencies. However, there are many time-consuming processes that all businesses must focus on. Some of these include managing operations to meet SLAs/KPIs', analyzing metrics and how to improve stats, customer, and partner relationships, etc. Furthermore, during these transitions, many companies can begin to find themselves wasting time, money, and resources due to the trial and error that comes with most transformations. This is when the role of Service Management comes into play.

We launched the accounting services portion of FSS by establishing three distinct towers of services: credit and collections, record to report, and procure to pay. Let's use Record to Report for our illustration of some techniques available to drive standardization and process simplification.

Record to Report and, specifically, accounting activity is common across most companies. You need to close the financial books on time and accurately.

If you don't have the benefit of one common ERP system, then multiple ERPs can complicate the activities to achieve consolidated results but the basic steps are similar. That said, standardization and simplification can start with simple protocols such as a common closing schedule, the ability to track when accounting entries are posted to the system, and establishing consistent reporting. Utilizing a workflow tool for activities such as account reconciliations can drive standardization of risk assessment by requiring consistent protocols, documentation support and timing of reviews. This can bridge the gap until ERP simplification can be achieved. Timely reporting and communication will begin to build confidence with the business partners that effective controls are in place to mitigate unwanted financial surprises. From there, scaling up the services provided can begin and will accelerate with the embracement of your business partners.

Scalability

Now lastly, how do you pick the person that is suitable for the service management position? A few characteristics of someone who would be a great fit for a service management role would be a professional who has lots of experience in GBS across various businesses and someone who understands all GBS processes end-to-end. It is also very valuable that the service manager has solid communication skills to enable the right collaboration and drive the required changes across all departments in the organization.

Keeping the Accounting Services Vision and roadmap in mind, expanding services offerings should be thoughtful and aligned with the vision. Simply adding work to the organization that is not a natural fit will grow the size of the organization but will not necessarily be a successful service offering. This is where discussion with the businesses and alignment of the Accounting Services vision comes into play.

To help with your process, try to follow these rules of thumb:

- **Your center must ensure Controls and Vision are aligned.**
- **Make sure the core services are delivered consistently with high quality even during a period of transition.** Make sure that the entire organization is educated on what new processes and strategies are being implemented and how it aligns with the vision. This keeps them engaged and part of the process. Ensure the control environment remains solid.
- **Conduct evaluation to confirm new proposed activities aligns with vision and charter.**
- **It is essential to continuously look back at your current activities as well as the goals and objectives of your organization as a whole.** Evaluate if the request for new services aligns with the vision and charter of your organization. Does it leverage core competencies? Does it fit with where you are on your roadmap and where you are taking the organization?
- **Develop migration timeline and expectations for onboarding acquisitions.**
- **Within the migration timeline, migrate once the acquisition is on a primary ERP.** This will help minimize the dilution of your resources and help maintain focus on the overall roadmap for the organization. Review the quality of the financial statements to understand and minimize potential financial risks. Ensure necessary resources are available, funded and meet skill set requirements.

In conclusion

The Financial Shared Services organization is a key player in driving optimization of its own organization and is a business partner for functional project teams, systems deployments, and M&A pre and post-activities. It is viewed as a Center of Excellence and key adviser on accounting best practices and improving the overall financial strength of companies. A key success is the utilization of the Accounting Services organization to connect the dots across business, processes, and practices. This in turn enables you to better scale, organize, and effectively deliver on the goals and objectives of your Financial Shared Service organization.