

Finance Operating Model



Point of View (POV)

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Author/Creator: Peter Fazio
Email: peter.@peterfazioconsulting.com
LinkedIn: www.linkedin.com/in/peterfazio-finance-leader/

What is an operating model?

- An operating model is a visualization of how a specific functional area of an organization supports the creation of value across the enterprise
- The operating model typically answers the following questions on why that function exists:
 1. How is the function helping the organization to identify value creation opportunities?
 2. How is the function operating efficiently and effectively?
 3. Is the function helping the operations and executive leadership teams deliver value through faultless execution?



Finance Operating Model



Technology and Data

- Technology Architecture (hardware, software, network) employed by the IT organization to support the various business services required by the functional area
- Application Architecture is comprised of IT solutions, both packaged and custom, that meet the transaction processing, data analysis and reporting goals of the enterprise
- Data Architecture is the design, management and access to data elements that are required to execute critical business services enabled by IT applications
- Data governance rules are integral to the efficient and accurate management of applications and the transactions that are processed within them



Operational Strategy

- How the functional area of the organization is structured at the business unit, regional, functional levels
- Degree of control each organizational component has over their business and investment plans
- Reporting lines across the organizational components
- The use of third-party service providers to deliver value creation services



People and Organization

- Defined roles and responsibilities for team members
- Documented skills required for each role
- Learning development path and training content for each role or critical skill
- Authorization levels and IT application security profiles for each role
- Defined career path for team members



Performance Management

- Use of key performance indicators (KPI) with periodic processing targets and limits tied to team and/or individual employee performance reviews
- Performance scorecard reporting of KPIs and trends to executive management
- Degree to which there is a continuous improvement program to decrease process cycle times and remove manual touch points that do not add value



Process and Policy

- Standardization of policy creation, maintenance and monitoring across the enterprise
- Communication and ease of access of policy documents and associated processing guides
- Use of standard process taxonomy to support strong internal controls and efficient delivery of services
- Documentation of standard procedures to improve the quality of training and reduce the incidence of unique processing steps that decrease efficiency
- Use of process cycle monitoring applications to identify process bottlenecks and steps that do not add value



Is that operating model indicative of a mature functional area?

- Many process design professionals leverage the information obtained to document the operating model to produce an assessment of the overall maturity level of the entire function or a limited scope at the process or business service level
- The maturity assessment provides insights on the following areas:
 - Effectiveness and efficiency of the current state
 - Level of utilization of standard functionality in current tools and applications
 - Degree of standardization in the delivery of services across the enterprise
 - The use of key performance indicators to support service level targets
 - The use of efficient and low-cost organizational structures to deliver services



Value Delivery Focus Areas

Finance Process & Operating Model Optimization

- Order-to-Cash (OTC), Source-to-Pay (S2P), Financial Close
- Operating model design, SSC & BPO implementation
- Working Capital improvements in Billing, AR, Collections

Program and Project Management

- Program Management design and leadership
- Change management services

Digital Transformation

- Automation of core OTC and S2P processes

Service Delivery Highlights

Led team of 40+ consultants to document processes, lift & shift 200 roles to off-shore SSC

Designed Order-to-Cash internal controls to support SAP global implementation for technology company with \$24B in revenue

Led finance assessment of new acquisition in South Korea for leader in the automotive industry

Peter Fazio
Finance Transformation

Senior Mgr. Consulting

Business Unit Controller

SVP Finance

Auditor & Consultant

Business Unit Controller

Adjunct Professor

Infantry Officer

Finance Assessment

SSC Implementation

OTC Outsourcing

SSC Process Design

Operating Model Design

Acquisition Integration

Lease Accounting

Finance Process Design

Chart of Accounts

S2P Process Transformation

Joint Venture Implementation

Prior or Current Roles

Previous Client Work

