



Business controller survey 2019

Exploring the role of today's business controller and tomorrow's potential

We deliver sustainable results within critical business areas

We let all new assignments stand on their own merits – leveraging previous experience and expertise but never applying standard solutions. Based on a deep understanding of our clients and their industries, we combine theory and practical know-how.

Cavendi offers senior executives and decision makers customized and efficient solutions to develop and improve their business. By involving and engaging clients throughout the change process and taking a serious approach to knowledge transfer we generate sustainable solutions.

Our core values

- Passion** Dedicated to delivering solutions that drive sustainable results
- Competency** Building in-depth knowledge and focusing on actionable solutions
- Consideration** Genuinely caring about our clients while working in a highly collaborative way to provide customized solutions



FINANCE & PERFORMANCE
MANAGEMENT



RISK & REGULATORY



STRATEGY & PERFORMANCE
IMPROVEMENT

Overview

The survey at a glance



The survey was aimed towards:

- Business controllers within medium- to large-sized enterprises
- Group finance controllers as well as local business unit controllers

The goal was to map the role of the business controller of today, as well as gaining insight into areas of unlocked potential



The survey looked to answer:

- Which tasks do business controllers spend their time on?
- Which tasks would they like to spend less time on?
- Which tasks would they like to spend more time on?
- What system support do they have to perform their tasks?

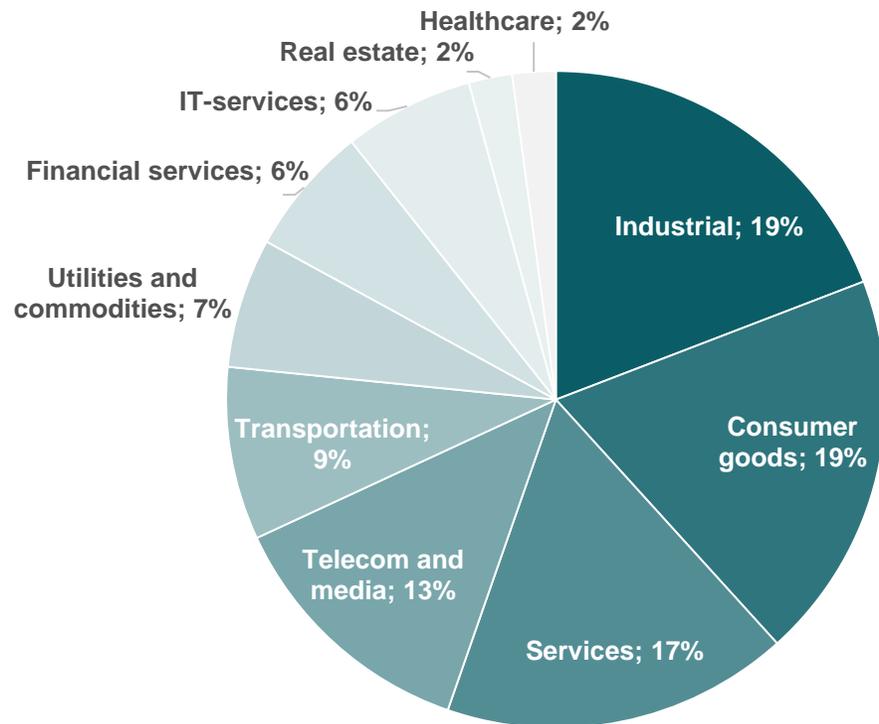


Key findings include:

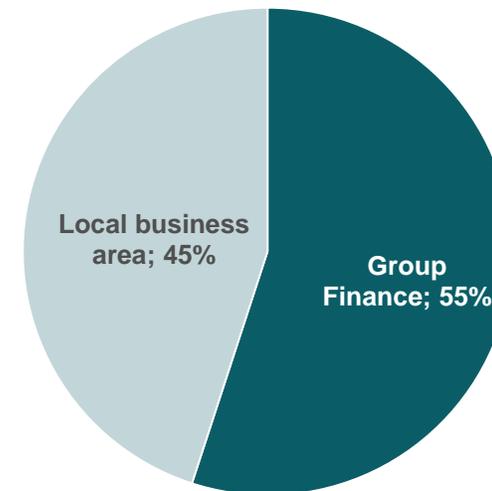
- Business controllers wish to spend more time on collaboration with other departments where they could provide analytical insights in business decisions
- Specific areas of improvement that would free up time that could be spent on value adding activities were identified related to modernized systems and ways of working
- The few respondents using cloud solutions showcase a more desired time allocation

Respondents represent over 30 different companies across a wide range of industries

Respondents' industrial belonging (n) = 47



Respondents' departmental belonging



Survey results

Business controllers are spending most of their time on traditional controlling activities with no single activity standing out

A rather small portion of time is spent on **closing the books**, indicating that the transition to a more specialized controlling function has been done, away from the accounting area.

In the category **other**, some respondents now report that they spend time on risk and internal control - reflecting the ever-present regulatory requirements.

A relatively large portion of the time is allocated to **improvement initiatives** within the controller function, with group controllers spending more time on this than business unit controllers. This could indicate a will to improve and modernize the business controller capabilities.

Forecasting was in the same bucket as budgeting in the last survey, and by separating them it can be deduced that budgeting is the more time-consuming task.

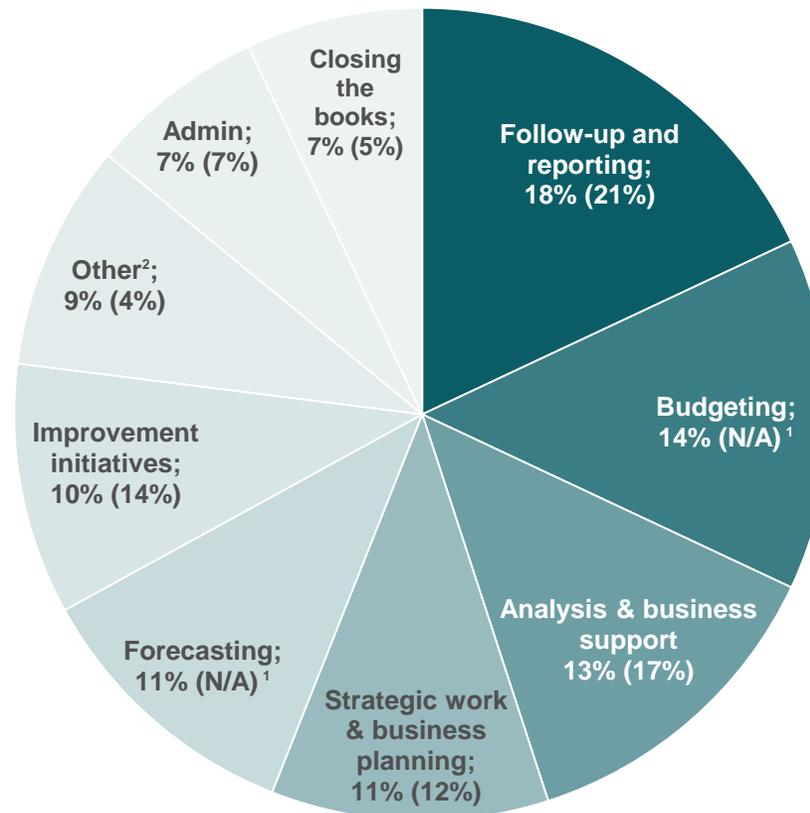


Chart shows estimated time spent per task expressed as percentage of a business year, survey results from 2017 in parenthesis

Following up on key values, deviations and recurring **management reporting** is still consuming the largest part of the controllers' time, with "unclear reporting needs" cited as one of the reasons to the large amount of time allocated to this activity.

Budgeting is taking up an unproportionate large amount of time, considering that business controllers should not be the ones producing the budgets.

Analysis and business support should be an activity that business controllers spend more time to in order to contribute to the organization.

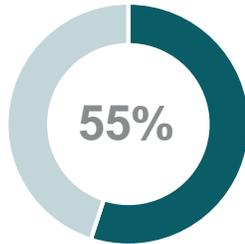
The limited time allocated to **strategy and business planning** is likely due to the fact that these activities normally take place during a limited time period and is generally managed by other functions.

¹ Last survey combined Forecasting and Budgeting into one category which totaled 20%

² Includes system support, risk, internal control and HR related tasks

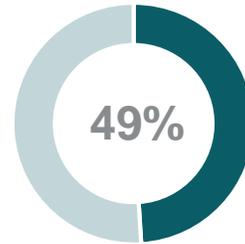
The two tasks that business controllers spend the most time on are the top two tasks they wish to spend less time on

Budgeting



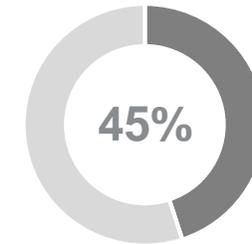
Respondents point to the **budgeting process** as **being outdated and complex**. Further, they **lack adequate system support** and are constrained by **bureaucratic ways of working**.

Follow-up & reporting



Respondents believe the time spent on follow-ups **provide little value**. Different stakeholders also demand different reports that are time-consuming to produce – with **insufficient system support** being an important factor, it becomes a highly manual process.

Administration

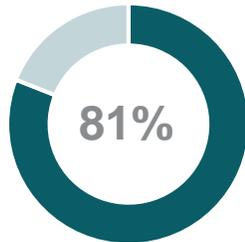


Controllers seem to **wish to spend next to no time on administration**, considering that it's already a minor task in terms of time allocated - but something that almost half of the respondents want to spend less time doing, given its tedious nature.

Business controllers wish to **leave the old ways of working** and focus more on value-adding activities. To do this, it will not be enough to change the controller function – **the organization at large will have to change** including revised processes, system support and stakeholder engagement

Business controllers are spending less time on the top three tasks that they wish to spend more time on to add value

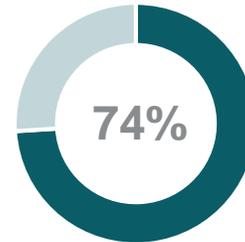
Analysis & business support



By spending more time on analysis and business support, the respondents believe they could help the organization:

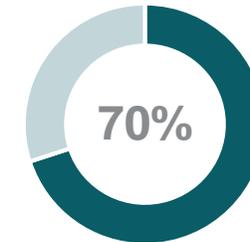
- Gain a **better understanding of the data**
- Receive **qualitative input** on estimates and business cases
- Make **prudent business decisions** based on the improved analysis

Strategic work & business planning



Respondents believe they could make an impact supporting the organization in making well informed **strategic decisions** and plans, **through their understanding of** and access to **valuable data**.

Improvement initiatives



Respondents continue to see **opportunities to improve** the controller function. More specifically, processes and routines need to be less complex, and several respondents mention the need of **IT-systems more suited to their needs**.

A **common theme** throughout the survey is that business controllers wish to **increase collaboration** across the organization, combining their strengths to create more value. With more time available, respondents believe they could make a difference by supporting business initiatives that **drive growth and profitability while ensuring financial prudence**.

A wide range of systems are used¹ for analysis and BI with very few users utilizing a cloud-based solution

Analysis and business support is the respondents' top activity that they wish to do more of. One enabler to this activity is to update or tailor systems in order to free up more time to spend on this value adding activity

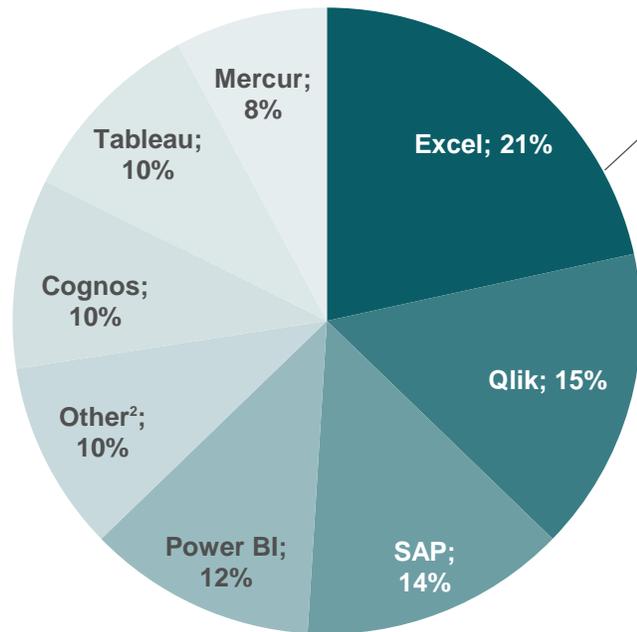


Chart showing number of respondents working in the respective systems in % (respondents could choose multiple systems)

Excel is the most used system by a small margin, providing the user with flexibility and ease of access, at the cost of an increased operational risk and key personnel dependency. Furthermore, the survey shows a wide variety between systems used, from smaller vendors to global giants.

Very few of the respondents claim the solution to be cloud based. This could be a hinder in enabling better system support through:

- Being able to access the work from anywhere
- Receiving automatic updates
- Increase productivity through cross collaboration
- Minimize risk by central data storage

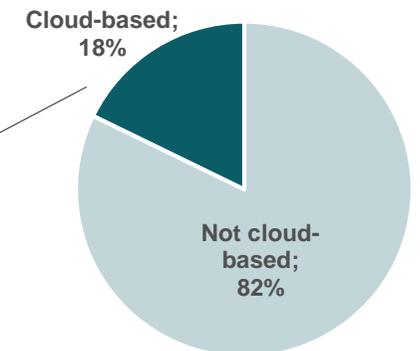


Chart showing the number of respondents working in a cloud-based system in %

Similar systems are used¹ for budgeting and planning with even fewer utilizing a cloud-based solution

Budgeting is the respondents' top activity that they wish to do less of. Similar to Analysis and BI, a potential enabler of this would be more efficient system capabilities

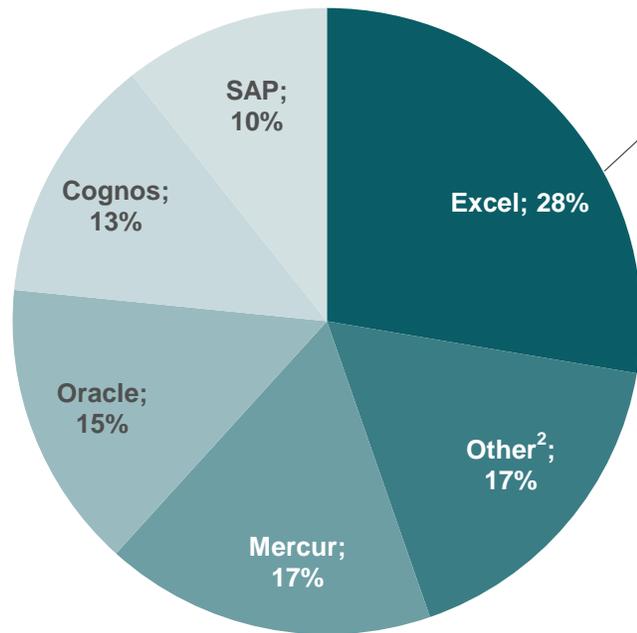


Chart showing number of respondents working in the respective systems in % (respondents could choose multiple systems)

Also for budget and planning Excel is the most commonly used system, which further resonates with the controllers' view of lacking system support and manual processes. Similar systems are used here as for analysis and BI, with Oracle (Hyperion) being the significant exception.

The use of cloud-based budget and planning tools shows a similar situation to that of analysis and BI – the **majority of respondents doesn't have cloud-based solutions**. Possible benefits with using a cloud-based solution for these tasks would be:

- Data consistency through standardization and audit trails
- Accurate numbers minimizing validation needs
- Easier handling of system upgrades

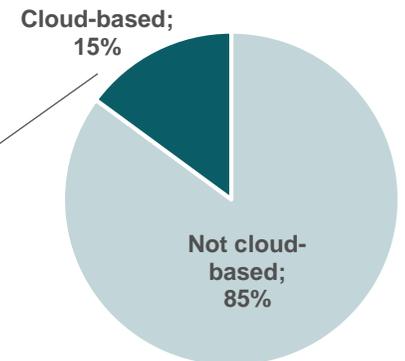


Chart showing the number of respondents working in a cloud-based system in %

The same systems are used for both areas but not necessarily by the same user, potentially creating complexity for both user and IT

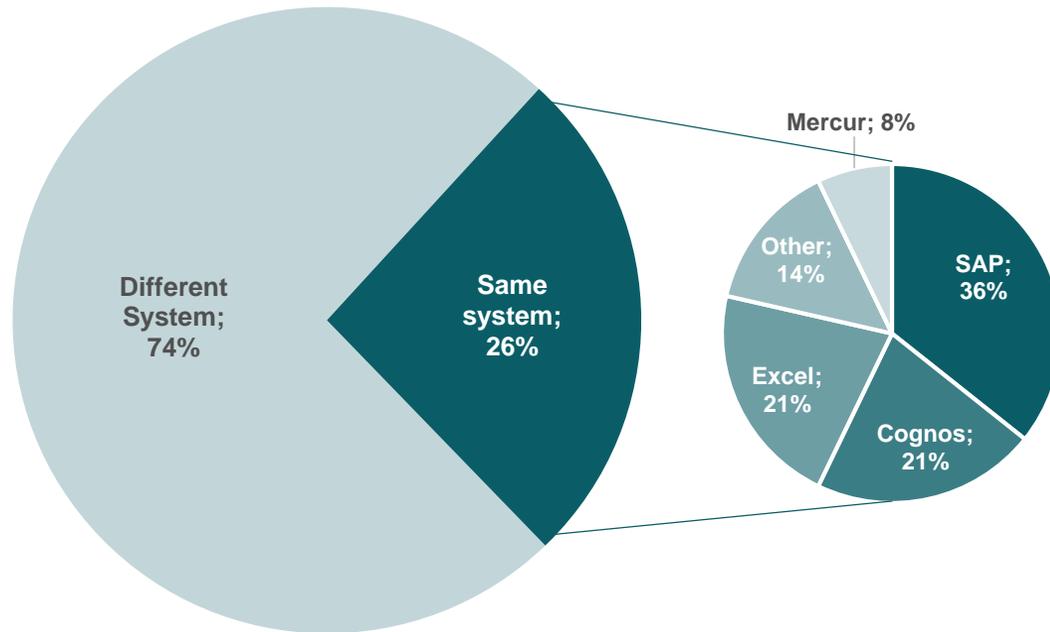


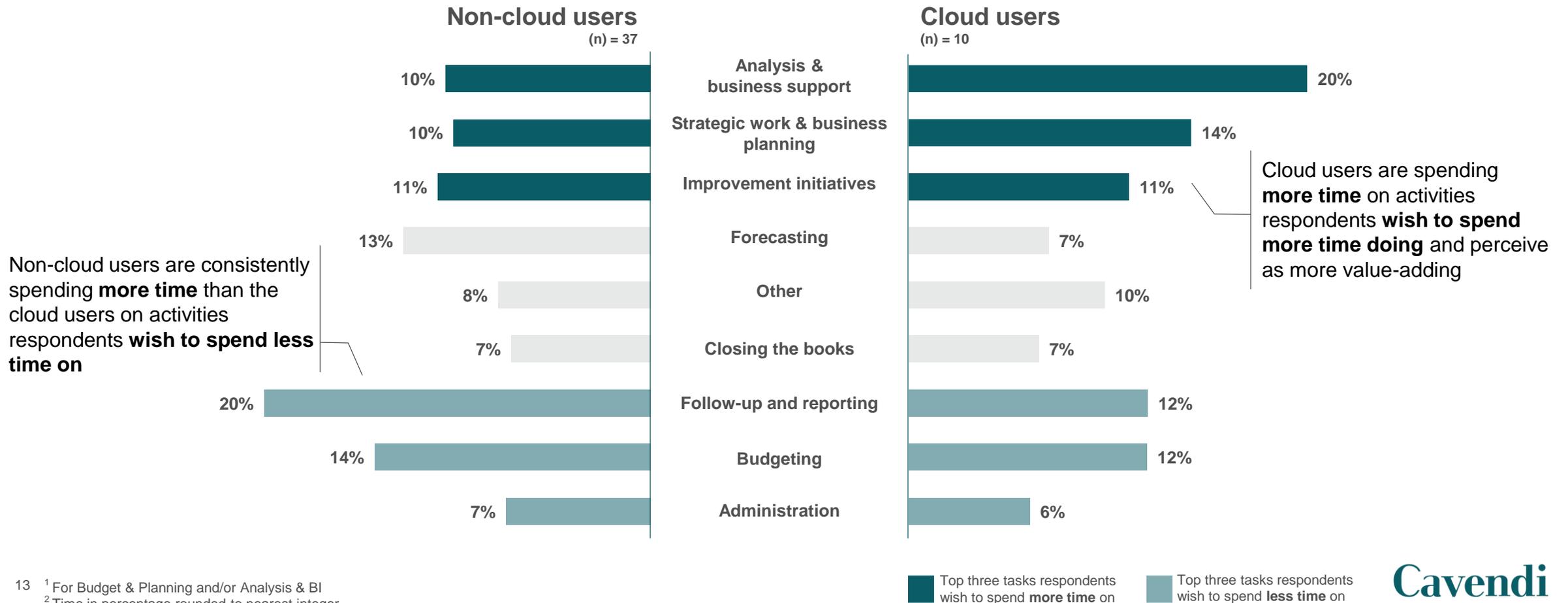
Chart showing number of respondents working in the same systems in %

Few respondents report using the same system for both budgeting and planning as for analysis and BI, implying additional complexity. Only respondents using SAP were consistently using the same vendor for both activities. Approximately a fifth of the users also reported using at least two systems for the same activity where excel was the most popular auxiliary system, indicating that the main system is used as data repository and as a single source of truth.

There are merely a few truly credible system solutions that integrate both areas, explaining why the specialization within budget and planning versus analysis and BI continue to exist. While this doesn't necessarily have to be negative, it may very well still create complexity for both users and IT especially if there isn't an integrated cloud service to assist.

Business controllers using cloud services¹ spend more time² on desired activities than those not using cloud services

Cloud users cite their pain points as being solely process-oriented and of organizational nature rather than system-oriented. The reason for this might be that systems that utilize cloud generally are more up to date, enabling new ways of working that reduces manual input and the amount of files being sent around the organization.



13 ¹ For Budget & Planning and/or Analysis & BI
² Time in percentage rounded to nearest integer

| In conclusion

Organizations will have to fulfill four prerequisites to fully utilize the business controller's strengths

The survey suggests that business controllers have more to bring to the table – but can't, due to various constraints in the organization. Thus, to fully utilize the knowledge and insights of the business controller, we recognize four areas that organizations should focus on.

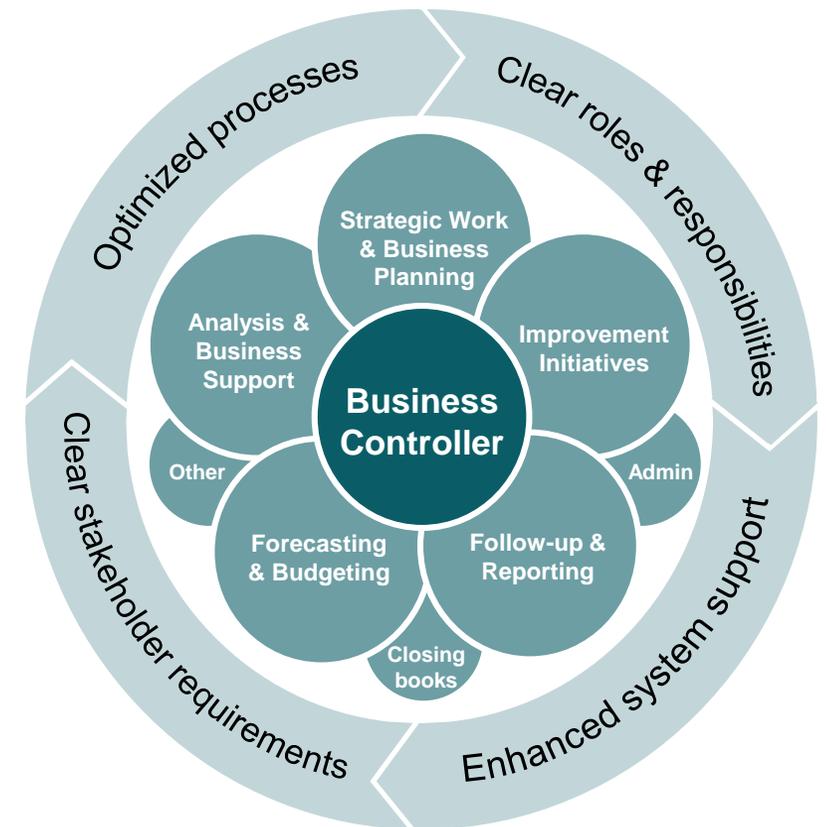
Clear roles and responsibilities need to be established to enable efficient ways of working, especially in the context of the budgeting process which in itself is time consuming and complex. Ideally, the business controller's role in the process should only be initiation and oversight. This can be achieved through an optimized process and system setup, sufficient support and trainings for the organization.

Organizations should also improve relevant processes and ways of working to allow for an earlier involvement of the business controller, ensuring financially well-founded business cases and strategic decisions. Overseeing and **optimizing processes** to involve fewer iterations and altercations will allow for time to be spent on tasks that matter.

An important enabler for optimized processes is **enhanced system support**. With integrated solutions that involve less manual input, large efficiency gains can be made. An integrated and accessible system could also result in

greater engagement with more people using it, meaning other departments could start accessing the data and create reports - independent of the business controllers. In order to truly move towards new ways of working, organizations must automate tasks to a higher degree. This would enable business controllers to drastically cut back on time spent on repetitive and rule-based tasks for budgeting and reporting as two examples.

Many controllers find themselves putting a lot of effort into creating reports tailored to different recipients - reports that often are overlapping or redundant due to unclear **stakeholder requirements**. This happens when an organization lack streamlined financial steering, including coherent KPI:s and targets. Organizations should look to reduce the number of reports being produced, focusing on KPI:s, targets and reports that really matter, made easily accessible through integrated system solutions. Great opportunities are out there – will your organization seize them?

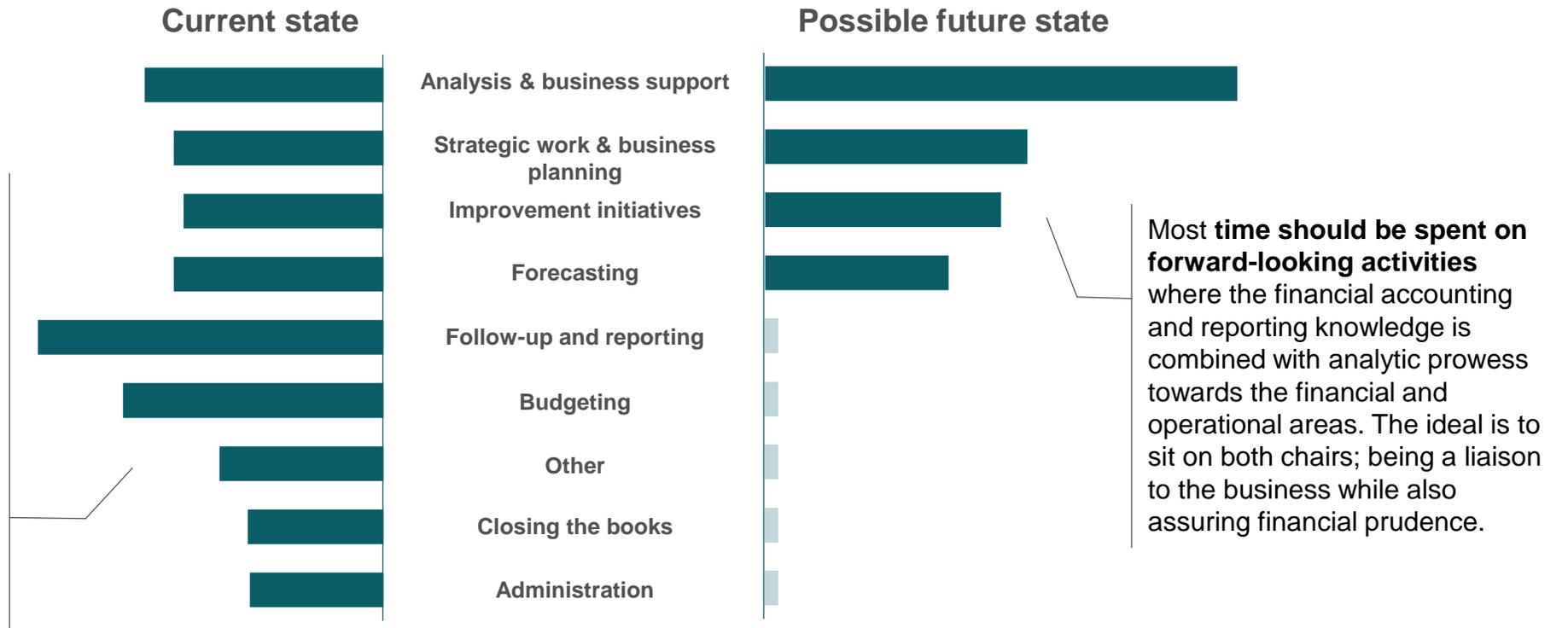


The business controller of tomorrow

What would the optimal allocation of the business controllers time be?

Eliminate time spent on budgeting, follow-ups, administration, closing the books and other activities, effectively streamlining the business controller's role to what the name suggests, someone who focuses on driving the business forward through rigid data analysis and providing valuable insights in the planning work.

Eliminate time spent on budgeting, follow-ups, administration, closing the books and other The budget process should be automated to a high degree and a consequence of the business planning. Closing the books should be automated with a fast close as a result and very little work needed by the controllers. By enabling the management to access data themselves, follow-ups and management reporting becomes redundant.



Cavendi

MANAGEMENT CONSULTING