

CASES

An investment company organized a meeting for all CFOs of the companies it invests in to introduce them to the HPO and HPFF line of thought, with as aim to inspire them to transform their own financial function into an HPFF.

Summary of a case from the book: The High-Performance Financial Function in practice.



The financial function in the pioneering role, leading the way to HPO.

When the financial functions within the participations are enthusiastic about transforming their own financial function, they can take a pioneering role within their organizations in the transformation to HPO. This will then not only increase the value of the holdings but also support them in achieving their own objectives in the field of innovation and sustainability.

Setting a good example

In preparation for the CFO meeting, the parent company decided to hold an HPFF workshop within its own financial function. Thus "setting a good example" for the equity holdings, giving its own controllers the opportunity to gain HPFF knowledge, and to gain experience prior to leading the CFO meeting which was held shortly thereafter. In order to prepare, all participating financial functions received in advance a link to the Internet-based HPFF questionnaire and a request to complete it.

The meeting itself consisted of the following components:

- A lecture on the HPO and HPFF body of thought
- Discussion of the HPFF questionnaire results
- Interactive breakout in groups to discuss HPFF results
- Presentations of group findings to each other, including the sharing of best ideas
- Discussion on the possible roll-out of the HPFF concept within the holdings, and the role the financial function at head office can play in this.

A number of points emerged from the break-out:

Financial Function Improvement

- Adding milestones and key performance indicators (KPIs) to improvement processes can help to maintain focus on them.
- The importance of setting time aside to work on improvement and avoid being overrun by day-to-day affairs.

IT focus:

-The automatization of routine processes remains an important starting point for all CFOs.

Personal development and role clarity:

- Importance of continuing to encourage personal development among employees by remaining in dialogue and ensuring open feedback in which the wishes of the employees and the requirements of the organization go hand in hand.
- In addition, it is important to continue paying attention to one's own development as CFO, by, for example, participating in networking clubs, round tables, professional training and receiving coaching.

Strategic role

- The CFOs were satisfied with the role they have when it comes to support with important decisions within their organization. They commented on how essential it was to understand the business well in order to properly fulfil that strategic role.
- In order to fulfil the strategic role at multiple levels, it could help to make controllers and financial staff a permanent part of a project group.

Feedback on the HPFF diagnosis, following the two meetings:

The power of the HPFF diagnosis lies primarily in the dialogue. By discussing various factors in a structured way, you reveal many new aspects. There are no standard solutions such as "implement an ERP package", but actual tips on what works and what doesn't during a transformation. The open and honest discussions delivered many excellent ideas. What makes the diagnosis particularly powerful is how it helps you look at your processes and those of the business from a distance and come up with good recommendations. Through the joint discussion we experienced a lot of positive energy and a genuine commitment to become fully HPFF in the future."

LEGRAND

Winner of "Best Finance Team of the Year 2018" strives to continuously develop



According to the jury's report, "Legrand was selected as winner by the Best Finance team of 2018 jury because they are clearly a team working on improving within Finance. The jury was impressed by how Legrand, with a relatively small team, had an enormous impact on the business, built a strong cooperation with it, and functions as a partner. Legrand wants to develop further, hence did the HPFF diagnosis.

Summary of the customer case from the latest HPFF book: The High-Performance Financial Function in practice

Who is Legrand?

Legrand is part of the French multinational Legrand Group, operational worldwide, specialised in the electrical and digital infrastructure of buildings.

The team exudes enthusiasm for the work they do, and that was very much appreciated by the jury. As Vincent van Kemenade, Financial Director of Legrand, explained during the award ceremony: "Our finance team has greatly improved over the past

three years in terms of IT, processes and behaviour.

As a result, we have in effect transformed from traditional transaction processing, a focus on costs and looking back; to more analysis, looking forward, collaborating with other disciplines and greater involvement in strategic and non-strategic projects.”

Future plans:

As part of our investigation, we asked Legrand to complete our HPFF diagnosis. The figure shows that Legrand, though not yet an HPFF, is certainly on its way there. It is clear that the attention given to the development of financial employees in particular, is bearing fruit in Legrand's score of the HPFF-factor Personal Development. This attention has undoubtedly resulted in the formation of the strong team that impressed the jury of the Best Finance Team of 2018 Award Netherlands.

HPFF diagnosis for Legrand

The onset for HPFF transformation

The first step in the transition from “Best Finance team” to a real HPFF was the organization of a study day for the financial employees. Here they were familiarised with HPO and HPFF thinking. The workshop started with the financial director explaining his vision and the necessity of creating an HPFF. From there it moved on to the explanation of the research into the HPFF framework, its design and structure. The financial professionals then started working on the following questions:

- How to define an HPFF at the organization?
- How can the HPFF characteristics be filled at the organization?
- How can an HPFF be set up at the organization?
- What needs to happen to implement the HPFF in the organization and how can it be addressed?

During the study day, the employees decided to first adjust the definition of the HPFF for their own department: 'The HPFF works proactively in the organization to become and remain an HPO, working continuously on maintaining a high-quality level of the right people, processes and systems.

The department subsequently chose the following points of attention as priority:

- To focus more on activities that add value, and to do more business partnering.
- To strengthen the employee's behavioural profile.
- To increase the efficiency and effectiveness of the financial function and make more use of IT to automate processes. Start and approach of the transformation.

It was a real eye-opener for Le Grand to realize that you have to continue developing in all areas to improve your overall performance. You cannot just focus on IT or on processes, it is about the cohesion between the three levels, and the need to initiate improvement actions on each level. The HPFF framework makes it possible to assess whether you have given sufficient attention to all essential issues.

All financial functions, even those that perform at a high level of excellence, benefit from more insight and control. Do you also want to become a “Best finance team of the Year” and start working on an HPFF? Call us for an obligation-free appointment.