

## The 2011 Transformation Agenda: A Blueprint to Achieving 'Outperformance'

# Customer Experience Innovation: Re-devising Finance and Accounting Services

**Tasneem Lakdawalla**, Head  
Finance and Accounting, WNS Global Services

**Samir Singh**, Vice President  
Global Transformation Practice, WNS Global Services

As businesses strive to accomplish more from less, there is intense pressure to lower operational and transactional costs within departments. In doing so, businesses can gain from the constrained level of resources – such as low-cost global talent, reduced capital and basic infrastructure – that they are currently operating in.

In most companies, there exists an inherent division between the various divisions and the finance function – this is especially so in the case of marketing. The Chief Financial Officer (CFO) is, more often than not, viewed as someone who is intent on slashing the marketing budget; while the CFO is of the opinion that the marketing team fails to effectively explain the basis and return on investment on communication spends. The result is the creation of silos between the two departments. From the point of view of the marketing team, this division can often lead to lack of financial commitments to marketing and sales campaigns. On the other hand, finance executives like to point out that without their stewardship, marketing can let costs get out of hand. The fact is that finance team can be an effective partner to achieve any business goal. Hence, Re-devising Finance and Accounting Services is one of the key drivers of business effectiveness today.

Continuing our series on Customer Experience Innovation, this article discusses innovation within the customer experience via Re-devising Finance and Accounting Services. Customer Experience Innovation is one of the four key management disciplines identified by the Corporate Executive Board towards achieving 'Intelligent Growth'. How Finance and Accounting Services could 'outperform' through 'intelligent growth' is outlined below.

### Key Imperatives for Finance and Accounting to Achieve 'Outperformance'

An 'intelligent growth' agenda requires the following vital components for the Finance and Accounting (F&A) function:

- Ensuring F&A is a strategic partner and catalyst for growth – enabling the timely and successful execution of strategic growth (revenue through new markets, products, geographies) and operational (business platform transformation) plans
- Reducing the cost-to-serve for finance departments – improving the productivity of finance as a percentage of revenue
- Orchestrating business value networks, while optimizing the total capital employed across the extended supply chain (such as first and second tier suppliers, distributors)

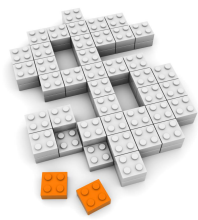
A 2008 study by Deloitte, *A Strategic Approach to Organizing the Finance Function*, suggests that most F&A teams (almost 60 percent) still tend to focus on their traditional roles as being the custodian and manager of tangible and intangible corporate assets versus donning the strategic role of orchestrating value networks (such as supply chain management, business intelligence, decision support) and being in charge of the allocation of resources based on objective insights.

### Plan of Action

An 'intelligent growth' agenda requires F&A to improve both its efficiency (cost-to-serve) as well as effectiveness (addressing strategic revenue and operational challenges). At WNS, a leading BPO (Business Process Outsourcing) company, we see a set of common success factors that are driving the outperformance strategies of our clients and market leaders:

### Be Ambidextrous – Focus on Strategic and Operational Transformation of the F&A Function

- **Be efficient – more value for money**
  - Consolidation and standardizing transactional finance operations for scale, automation, self-service and shared services



- Moving finance organizations to least-cost locations for performing repetitive and rule-based activities
- Continuously evaluating their internal operations performance against third-party F&A BPO providers to assess the competitive advantage and opportunity cost of running captive shared services
- Leveraging BPO providers for their ready scale benefits
- **Be effective – Do the right things**
  - *Managing by the numbers versus managing the numbers* – the greatest need in business today is for a finance function that can offer timely and accurate insights and advice to business leaders on key operational and strategic revenue management decisions. The Deloitte survey suggests that 60-70 percent of business partners have difficulty in getting timely and accurate financial information. Further, 60 percent of stakeholders do not understand the cost of their services, including total capital employed. And 50 percent of business stakeholders feel that their existing processes and systems are not competent enough to support their business needs.
  - Driving value from the business value chains through continuous communication of business performance measurements and forecasts:
    - Reducing waste – providing sales and marketing realtime view of ageing inventories to re-allocate rather than continue production
    - Improving speed-to-market by reducing the end-to-end supply chain cycle time – synchronizing the sales and operations planning cycles. This involves the efficient and timely supply chain financing / settlement of supplier invoices to enable continuous replenishment, while reducing the total capital employed across the internal and extended supply chain
    - Sales force effectiveness – transparent and dynamic sales compensation policies and practices to influence appropriate behavior, reduce administrative burden on sales staff, while giving them a self-service view to forecast their potential earnings and risks
  - Continuous risk management / value at risk analysis – market, operational, customer, capital market changes. According to the Deloitte survey, only 30 percent of business stakeholders believe they have a strong compliance and risk management capability.
- **Enterprise value creation – strategic business change execution**
  - Leveraging the Investor Relations role as a strategic corporate marketing opportunity to build investor confidence and thus access to funding sources to act on dynamic business opportunities as well as increase confidence in stakeholders (customers, partners, suppliers and employees).
  - Developing a long-term investment pool and business success criteria measures. The Deloitte survey states that 50 percent of stakeholders feel that there is lack of understanding between investments made (program costs) and business outcomes achieved.
  - Partner with business leaders in analyzing and acting on opportunities arising out of market segment and business portfolio analysis (mergers and acquisitions, joint ventures, alliances) – from executing changes to:
    - The underlying business operating platform(s)
    - New business models that build off the core business platforms (like channels, supply chain and distribution networks, key customers) – to extend into new markets, products and geographies

Finance leaders need to seize the opportunity and proactively define their change vision. WNS is working with a number of clients to help them execute the transformation of their F&A functions in order for them to become more strategic and aligned with their business goals. WNS has helped transform the finance function of some of the world's leading organizations, enabling them to reach their 'outperformance' goals. WNS has been positioned by Gartner, Inc. in the Leaders Quadrant in the 2011 *Magic Quadrant for Comprehensive Finance and Accounting (F&A) BPO* report.\* The Magic Quadrant, which evaluates a qualified group of 16 vendors in the comprehensive F&A business process outsourcing market, depicts markets using a two-dimensional matrix that evaluates providers based on their 'completeness of vision' and 'ability to execute'. This placement comes close on the heels of a recent recognition for WNS among the top five '2010 FAO (Finance and Accounting Outsourcing) Market Star Performers' by the Everest Group in April 2011. WNS was identified as an FAO star performer for the second consecutive year based on maximum year-on-year advancements across market successes and delivery capabilities for FAO from 2009 to 2010 for over 20 FAO service providers.

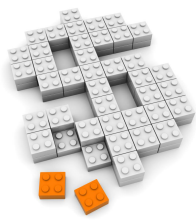
WNS enables its clients to accelerate their transformation journey via its state-of-the-art finance business process management centers. Key highlights of strategic changes enabled by WNS are showcased as under:

### Transition and Consolidation of Globally Fragmented Order Management Processes for a Leading Travel Tech Solutions Company

#### Challenges

- Highly complex, non-standard billing and order management processes across geographies
- Lack of single point ownership with multiple handoffs between order entry, order validation, order management and suppliers
- Low customer satisfaction scores (60 percent – 70 percent)

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- No standard process flows in service delivery
- No existing FTE (Full-time Equivalent) estimates of the in-scope processes

### The WNS Solution

- Introduced specialized Order Validation Teams to conduct technical and commercial validation of orders to prevent revenue leakages and reduce billing exceptions
- Designated order managers as Single Point of Contact (SPOC) from order receipt to dispatch to avoid process fragmentation
- Enhanced customer experience by ensuring timely delivery leveraging robust tracking mechanism at each stage of order management

### Highlights of the WNS Solution

- Successfully managed the service delivery of nearly 27,000 complex orders in a year
- Enhanced coordination and communication across geographies
- Reduced average handling time of customer portal request from 18 to 3.5 days using Lean
- Reduction in order management cycle time from three days to 12 hours
- Generated savings through robust debt collections of small to mid-sized customers
- Improved customer satisfaction scores to over 90 percent

### End-to-end Order-to-Cash (OTC) Process Transition During Enterprise Resource Planning (ERP) Implementation for a Leading European Online Travel Company

#### Challenges

- Broken, fragmented Accounts Receivable (AR), billing, credit control and collections processes across multiple geographies
- Multiple middle- and back-office systems due to acquisitions
- Multi-lingual collections support across various business entities
- Seasonal volume spikes in billing and collections
- Limited process controls and metrics
- Non-standardized OTC processes across eight business units
- High cost structure

#### The WNS Solution

- Share cost-benefit implications of adopting best practices
- Capture and implement country-specific business rules for the European region across OTC functions

- Participate in designing of work-flow and other application solutions best suited for an offshore shared center environment
- Recommend and implement compliance and control framework

### Highlights of the WNS Solution

- Migrating FTEs from 12 European countries and eight business units
- Supported robust third-party ERP implementation along with transition of OTC processes
- WNS conducted a training plan to ensure that the team could 'go-live' within 30 days of ERP implementation
- Significant cash flow improvement of over USD 1 Million

### Successfully Planned and Undertook the Management Accounting Processes of a Leading Global Financial Services Company

#### Challenges

- No consolidated view of cross divisional financials
- Assets Under Management (AUM) quality check file (required four-five times a month) involved repetitive steps
- Lack of consolidated reporting process
- Reconciliation of transferred employees was a challenge during Full-time Equivalent (FTE) analysis

#### The WNS Solution

- Developed an online consolidated reporting process that was up and running within one month of 'going-live'
- Took the initiative to re-engineer processes to reduce the time taken to achieve the necessary results
- Created an online Share Point database with limited access rights and tracking validations
- Automated processes to reduce reconciliation time significantly and achieved 100 Percent accuracy

### Highlights of the WNS Solution

- Significant improvements were made by both the onshore and offshore teams resulting in customer delight
- Long pending automation projects were completed within one month of engagement
- Successfully transitioned over 26 tasks within the competency center during two transition phases over a span of one year
- Consistently achieved Key Performance Indicator (KPI) targets from the time of 'going-live', thus exceeding client expectations
- Extended support during changes in client's organizational and subsystem structure

To learn more, please write to us at [marketing@wns.com](mailto:marketing@wns.com)