

# 5 ways finance can lead transformation in professional services

Across industries, finance teams have had to change with the times—and professional services firms are no exception. The role of finance and the CFO does not end with passive control of numbers, revenues, and expenditures. **Now, CEOs have higher expectations of their finance leaders and teams, including decision support across the firm.** More and more, firms rely on their financial leadership to help them drive growth strategy, from mergers and acquisitions to geographic expansion and organic growth.

Here are five ways finance can use digital technology to overcome today's challenges.

1

## Streamline operations

Financial performance and growth are fueled by two factors: time and money. Manual and inefficient processes cost firms both—and they can impede growth. By streamlining the operations of a single department, professional services leaders can modernize the process for closing the books to eliminate discrepancies, increase accuracy, improve speed, and create better transparency and auditability. Or, they could take a more global approach, choosing to implement firm-wide tools for expanded global ledger operations, enhanced supplier management, treasury improvement, updated planning and budgeting, and modernized reporting and analytics.

The key is to eliminate redundancy and manual processes, break down information silos, and make data an asset rather than an obstacle—so the firm can make better business decisions based on facts, not folklore. By implementing software and systems for standardizing and benchmarking performance company-wide, the finance office puts the entire professional services organization on a path to continuous improvement.

2

## Collaborate and communicate more effectively

Collaboration must begin with visibility. Everyone across the firm must have access to the same information—at the same time—and have the power to act on this information. That same level of visibility must flow through to everyone along the firm's extended value chain. To build this level of collaboration, CFOs and other finance leaders should work to break down informational silos, establish one accurate version of the truth, and give everyone the ability to share accurate information in real time. It's not enough to say everyone is collaborating; leadership must ensure there are structured processes in place for collaboration and communication, or information will be lost. With unstructured collaboration processes, people can never be sure that they're working from the latest, most accurate information.

Spreadsheets, for example, are outdated almost as soon as they're saved and emailed. Beyond user error and version control, information from a spreadsheet rarely imports cleanly into enterprise resource planning (ERP) systems, or other software systems. In a collaborative environment where communication is captured, stored, and made actionable, professional services industry leaders can help drive out waste, maintain optimum inventory levels, and more effectively forecast need—all of which can help spur growth.

3

## Control costs

Controlling costs comes down to three things: Streamlining operations, collaborating and communicating more effectively, and having greater visibility into all areas of the agency or firm. This starts with having the right data at the right time, and advanced analytics and integration between systems. Finance leaders must work toward these goals—without these competencies, it's impossible to have an accurate picture of where money is being wasted, what processes can be improved upon, and where real opportunities for growth lie.

4

## Launch products and services more quickly

Any firm looking to boost revenue growth needs to launch new products or services. More than 25% of total revenue and profits across industries comes from the launch of new products, [according to a McKinsey survey](#). Recent research has also shown that companies that focus on creating new products and services while maintaining their core competencies grow faster than their peers. As professional services firms look to future growth, the majority expect it to come from creating new products, services, or business models. And yet, research shows that more than 50% of new launches fail to meet their business targets. So how do finance leaders help ensure their organization's new product or service launches don't fall into that category? By building a culture of team collaboration, speed, and excellence in strategy and planning. That excellence, along with the agility to launch a new product or service quickly, comes from having visibility and insight across the firm.

5

## Manage finances in different countries and currencies

It seems obvious that every country has its own financial rules, regulations, and methods, as well as its own currency. Any consulting and advisory, staffing and employment, or business and consumer services firms that are not prepared to operate efficiently and legally according to the local rules and regulations are firms that are hampering their ability to grow outside its own locale. CFOs and finance leaders with an eye to international growth should consider automated financial systems that can handle everything from multicurrency pricing to automated multilingual, multicurrency accounting, with the appropriate regulatory controls built in to the tools.

Ultimately, we live in a global economy and professional services industry leaders should not downplay the importance of making it easier for people around the world to do business with their services-based business.

**Digital technology can help professional services become leaders.**

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