

BKD COVID-19 Weekly Webinar Series

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CPAs & Advisors

The New Normal –
COVID-19's Impact on the
People, Processes &
Technology of
Finance Departments



WELCOME TO

BKD COVID-19
Weekly Webinar
Series

Join us for our next BKD COVID-19 Weekly Webinar Series webinar!

Thursday, May 14, 2–3 p.m. CDT

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To Receive CPE Credit

› Individuals

- Participate in entire webinar
- Answer polls when they are provided

› Groups

- Group leader is the person who registered & logged on to the webinar
 - Answer polls when they are provided
 - Complete group attendance form
 - Group leader sign bottom of form
 - Submit group attendance form to training@bkd.com within 24 hours of webinar
- › If all eligibility requirements are met, each participant will be emailed their CPE certificate within 15 business days of webinar

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Presenters



Dave Alverson
Director



Jim Ashley
Director



Christina Phillips
Director

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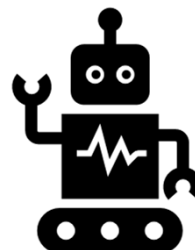
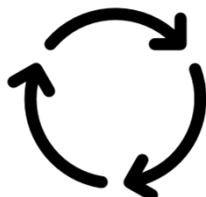
Objectives

- › Explore solutions for people-related challenges driven by staffing adjustments, skill deficits & the need for adaptability
- › Discuss the impact on finance department processes, including the need for data & strategy-driven decision making
- › Identify technology & outsourcing solutions to facilitate the shift in focus to efficient, dynamic & meaningful finance & reporting solutions

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COVID-19 Impact Overview



People, Process & Technology

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People Challenges: Staffing & Skills

- › Finance & accounting “people” challenges
 - Attracting the best finance professionals experienced in your industry
 - Initial & continual training
 - Retaining top talent
 - Risks of fraud
 - Scaling expertise in a growing & opportunistic business climate
 - Technology revolution – knowing who, what, when & how
 - Adaptability & agility in a paradigm shift

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People Challenges: Staffing & Skills

- › Options & opportunities
 - Internal investment in your finance team's "people" infrastructure
 - › Candidate pool – attract & retain talent
 - › Training & skill-retention cycle: learn, unlearn, relearn
 - Evolving technology, new processes & regulatory complexity
 - Focus on your strengths & outsource your weaknesses
 - › Outsourcing shifts the above risks to a firm that specializes
 - › Time reallocation to what drives your business's success

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People Solutions: Outsourcing

- › Pre-COVID-19 business case for small & medium business
 - SMBs struggle with growing pains
 - › Increasing sales = increasing opportunity, but also = increasing complexity
 - Challenges to overcome
 - › Systems, cash flow, profitability & finding/training/managing competent people
 - Technology is the equalizer
 - › Outsourcing with reputable & multifaceted CPA firm

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People Solutions: Outsourcing

- › COVID-19 paradigm shift
 - Reinforced the risk of people, skill & adaptability challenges
 - Layoffs, furloughs, retirements & hitting the reset button
 - Server-based technology => cloud
 - › GL, payables, receivables, payroll, etc.
 - In-person workflows => virtual
 - › Digital process documentation & storage
 - Accelerating the benefits
 - › Financial efficiency, agility, scalability, proactive communication, technical expertise & trust

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People Solutions: Outsourcing

- › Financial efficiency
 - Closed business location does not = closed accounting & finance department
 - › Cash flows critical: receivables need to be billed & collected
 - › Payroll, compliance & payables do not sleep
- › Agility
 - › Pockets of country are emerging from COVID
 - › Finance & accounting teams will be playing catch up
- › Cloud-based outsourcing will facilitate opportunities
 - › Faster economic rebound to position growth opportunity

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People Solutions: Outsourcing

› Scalability

- Forward-thinking more critical than ever – pragmatic & strategic
 - › Budgeting & cash flow cycle projections
 - › M&A & economic opportunity
 - Inefficient capital market
 - Competition & the supply chain
- How? In house expertise, maybe ...

› Cloud-based outsourcing will facilitate opportunities

- › Outsourcing firm: processing only or in-house depth of expertise?

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People Solutions: Outsourcing

› Proactive communication

- Working from home – includes your finance & accounting team
 - › Communication infrastructure in place?
- In-person communication is great, but not always feasible

› Technical expertise

- › Now more than ever
- › CARES Act & *Families First Coronavirus Response Act*
 - Complexity = uncertainty
 - In-house accounting versus outsourcing team of reputable CPA firm

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People Solutions: Outsourcing

› What are clients saying?

- *“I’m SOOOOO thankful you pulled us into the 21st century with Bill.com and QBO. I can remote into our POS system and with the other applications being cloud based, I can do all the stuff from home while we’re shutdown. THANKKKKKKKK YOU!”*
- Ready for the move to outsourcing?
 - › Level of outsourcing
 - Functional or full? Process or advisory?
 - › Implementation & onboarding
 - System integration & training the owner/manager/liaison

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Improving Through Change

- › COVID-19 has required companies to assess their entire operating structure & learn how each area/department operates & contributes
- › Shared services (specifically, finance & accounting) teams have learned their value is provided through critical insights & data/reporting
- › Companies have learned they do not need on-site, full-time (in some cases) resources to fulfill those strategic/key roles
- › Critical day-to-day task versus key governance task identification propels the people, process & technology change businesses need to be agile & effective

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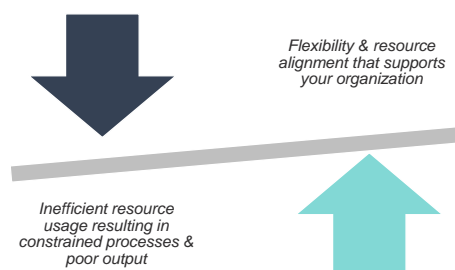
Driving Improvements Strategically

- › The right systems, people & processes allow for an effective financial operations function
 - Viewing a company's shared services function holistically, focusing on finance & accounting related roles, drives critical process understanding
 - Initial understanding & identification provide foundation for strategic improvement initiatives
 - Communicating these key processes & identified gaps supports the overall improvement initiative
- › Process improvement (PI) alone will not solve problems

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Financial Operations – Resource Problems



- › Are you effectively using your finance & accounting resources?
- › Are your finance & accounting resources in the right roles, doing the right tasks, with the right skill set?
- › Does your back office provide the support & leadership required to guide your company?
- › Does the cost (opportunity or real) of managing your accounting team distract leadership from running the business?
- › Are metrics aligned to measure strategic goals?
- › Do your processes support your informational needs & decision making?

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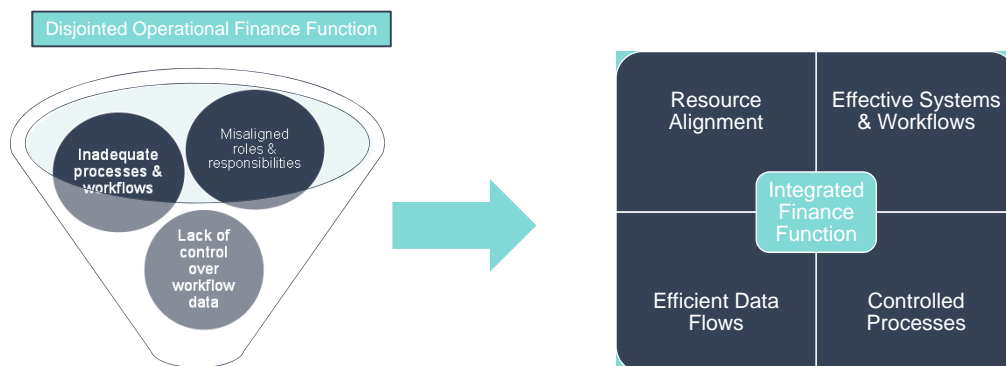
Strategy & Approach to Building PI Plan

- › COVID-19 has given companies the opportunity to evaluate & improve their back office function
- › Process improvement initiatives critical approach focus
 - Identify key processes to analyze & improve
 - Understand resources & teams impacted by processes
 - Bring in key stakeholders – participation is key to success
 - Phased approach to building strategy
 - › Interview
 - › Observe
 - › Analyze
 - › Assess
 - › Execute

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Financial Operations & Shared Services

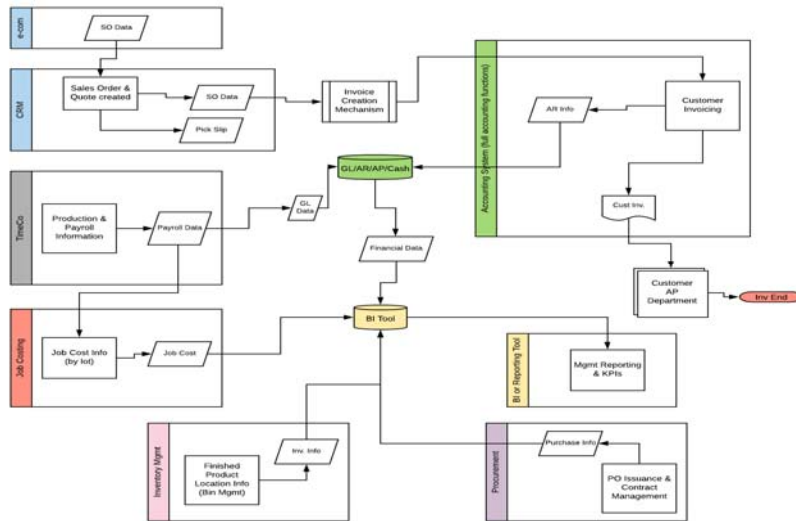


- › COVID-19 has shown companies they can (& must) operate differently
- › Strategic outsourced support allows businesses to be more effective & focused on value add tasks

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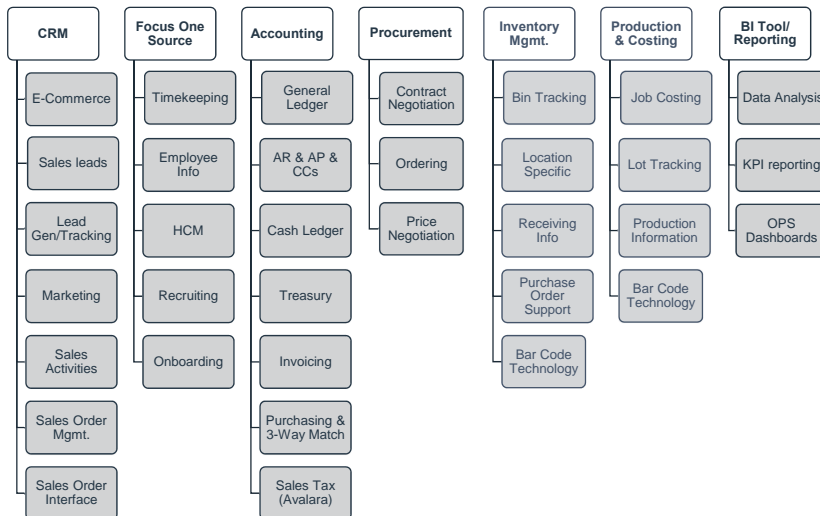
Effective Systems & Workflows



- › System evaluation & process design support organizational changes
- › The right systems & tools allows for an effective workflow & team alignment
- › Cloud-based tools allows for efficient labor resource utilizations

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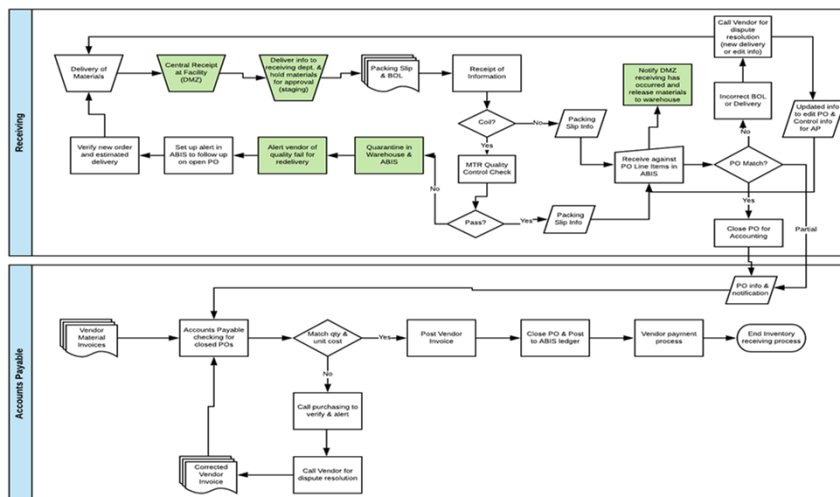
Controlled Processes & Systems



- › Functional area control by application layer tool
- › Aligning key processes/workflows to the right system is key in driving PI & supporting the organization
- › Workflows align to staffing & task ownership

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Efficient Data Flows



- › Data flow diagrams help drive workflow & process understanding
- › Identify improvement areas & current gaps to improve future state
- › Understanding processes helps drive team effectiveness
- › Important part of PI & system/organizational improvements

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Strategic Resource Alignment

Delegated Task Area	Steven	Andy	Analyst	API/Kelly	Katie	Nick	Kronos	BKD Tax	HR	Bill.com
Payments & Receipts Process										
Customer Receipts										
Copy of ACH Activity at First Federal			✓							
Match Remittance info from email with Bank ACH activity and Post	✓	✓								
Remote Deposit into Bank				✓						
Vendor Payments										
Review of Cash Requirements - review for coding and determine check run		✓								
Vendor Payment Research				✓						
Create Positive Pay file & Upload to Bank				✓						
Record intercompany transfers and Sweeps in GP		✓								
Record ACH Payments in GP - Vendor initiated (Hartford, Principi Dental, Vision Services)				✓						
Pay Vendors (epay & Checks)										✓
Record ACH and wire Payments in GP - EMIT initiated				✓						
Invoicing Process										
Customer Invoices (AR)										
Review and correct GP GL coding	✓									
Create support for AXE invoicing of labor				✓						
Posting of RMACDTRMAINV		✓								
Flipping Sales Orders to Invoices daily				✓		✓				
Creating Invoices (PDF) and saving to file structure				✓						
Emailing Invoices to Customers				✓						
Uploading Invoices to Open Invoice				✓						
Mailing Invoices to Customers						✓				
Post Invoice Batches Daily	✓									

- › The right organizational alignment allows for efficient resource usage
- › Hybrid outsourced approach allows for strategic resource allocation & reduced opportunity cost
- › Successful when right processes & system are in place to support team structure

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Technology: Accelerated Shift

The image shows a collage of news articles. At the top right is the Forbes logo with navigation links: Billionaires, Innovation, Leadership, Money, Business, Small Business. Below it is the Houston Chronicle header with a 'SUBSCRIBE' button. The main article is titled 'How technology will change us after the COVID-19 pandemic is over' by Dwight Silverman, dated April 3, 2020. To the right is another article titled 'What Technology Accelerates Long-Term After The Short-Term COVID-19 Danger Subsides?' by Patrick Moorhead. Below these is a Newsweek Magazine article titled 'The Coronavirus Will Change How We Work Forever' by Kerri Anne Renczelli, dated 03/30/20 at 7:00 AM EDT. At the bottom right is a section titled 'COVID-19: Here's how one pandemic will change our lives, forever' with a sub-headline 'The coronavirus will leave an enormous impact on how we consume, how we learn, how we work, and how we socialize and communicate.'

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Technology: Shifting Priorities

Work Remotely

- Enterprise 94%
- Small/Mid-Market 84%

Challenges

- Communication 53%
- Technology Shortcomings 20%

Priorities

- Cybersecurity
- Public Cloud
- Infrastructure
- Artificial Intelligence/Machine Learning

<https://cmo.adobe.com/articles/2020/4/survey-how-a-remote-workforce-is-shifting-cio-priorities.html>

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Technology: Short Term vs. Long Term

Working
w/Staffing
Constraints

Informed
Decision
Making

Accelerated
Pre-Existing
Goals

Shift to
Proactive
Reporting

Enhanced
Collaboration

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Technology: Where Are You?

- › Survey remote workers
- › Catalog system performance/location
- › Identify gaps requiring manual effort
- › Quantify process delays & frustrations
- › Debrief on missed/delayed opportunities
- › Recognize the “additional asks”

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Technology: Finance Pressures

Digital Processes

- Banking
- Workflows
- Approvals/Oversight
- Doc Mgmt.
- Invoicing/Payments
- Cloud

Reporting & Analytics

- Expanded/Detailed
- Real Time
- Distribution
- Compliance
- Data Access
- Visual

Budgeting & Forecasting

- Scenario Based
- Detail Driven
- Iterative
- Agile/Responsive
- Workflow
- Collaboration

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Technology: Scale of Options

Leverage
Systems

Semi-
Automate

Added
Solutions

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Technology: Shift Processes to Digital

- › Banking
 - EFT (payables, receivables)
 - Electronic reconcile
 - Positive pay
- › Workflows
 - Mobile/online
 - Approval routing
- › Document management
 - Email to pay
 - Document storage
 - Supporting documents
- › Invoicing/payments
 - Email delivery
 - Automatic remittances
 - Payment portals/systems

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Technology: Reporting & Data Access

- › Identify & assess
 - Currently deployed reporting tools, other available system tools
 - IT strategy & alignment (see below)
 - Data locations, data to be collected
- › Leverage database-friendly tools
 - Microsoft PowerBI, SQL Reporting Services, SQL Views, Excel Data Sources
 - All can be low-cost/no-cost options, partner with IT to get right skill set
 - Opt for refreshable options versus download & build

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Technology: Reporting & Data Access

- › Accelerate other reporting projects
 - Data warehouse
 - Data visualization & reporting tools
- › Leverage existing collaboration & distribution tools
 - Microsoft Teams
 - Microsoft SharePoint
 - Other intranet sites
- › Enhance visuals
 - Excel-based reporting
 - Dashboard/data visualization tools

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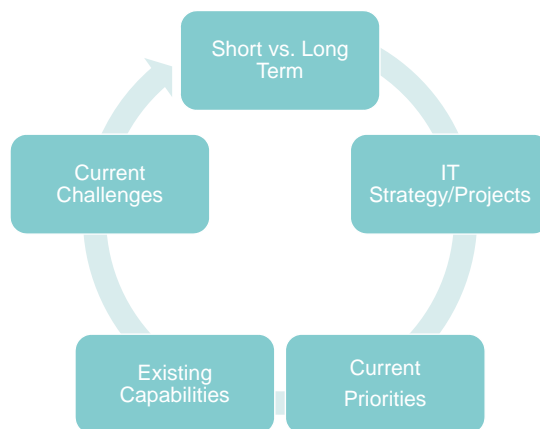
Technology: Budgeting & Forecasting

- › Identify current system capabilities & shortcomings
 - Budget storage versus calculation versus collaboration
- › Consider hybrid solutions
 - Excel + PowerBI + Teams + Data Sources
- › Examine add-on solutions
 - Often don't require replacement of ERP solution
 - Can be quick to implement/self-implement with training
 - Shift in these needs may be permanent

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Technology: Make a Plan



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The First Next Step

- › Articulate
 - Pressures, priorities, shifts for your organization
- › Identify
 - Resources (people, process & technology)
 - Alignment to needs
 - Support systems
- › Act
 - Set goals & measure progress

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Questions?

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For more information,
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Resource Center at

bkd.com/covid-19-resource-center

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