



CASE STUDY

A recent benchmarking study showed that while half the members of a typical finance team are highly paid professionals, more than two-thirds of the team's time is spent processing transactions. The story was no different at a leading Air Movement Group, until they started working with Worldwide Business Solutions Group

A breath of fresh air for finance

“It’s a frighteningly familiar picture in finance departments everywhere,” says Worldwide Business Solutions director Joseph Turnbull. “So much time is spent wrestling with the month end numbers, that there’s little time and energy left to provide financial support and advice to the managers in the business.”

This was certainly the bottom line conclusion to emerge from an analysis of the finance function at a leading Air Movement Group, that manufactures fans and air extraction systems at two factories in the West Midlands. More than that, the business wasn’t always getting its numbers in on time to the head office, and there were errors in the information. It had, in fact, the worst record in the group for financial reporting.

“What we found was that 14 days a month were taken up with reconciliation’s which merely confirmed that the correct numbers were in the ledger; that it could take 15 days after the month end for financial results to be on the desks of line managers.”

Finance was spending much of its time on remedial reconciliation and follow-up action, most of it conducted during the critical path of the month end. Failure to attack the root cause of the problem had condemned the finance team to a role where it added little value, and morale was predictably low. It was time to introduce some tough targets.

“What we said was that the financial results could be delivered to the head office and to the operational managers within 3 working days of the month or year end, instead of 15,”



explains Joseph. He didn't win over many believers. "The finance management team was certainly interested in our proposal, but unconvinced it was achievable."

Vision and training workshops helped show people what was possible and get their commitment to change, after which two days were spent mapping out the month end sequence of activities. The non-believers now had faith: re-engineering the process - using the tools and techniques that are commonplace in the manufacturing industry and which, argues Joseph, are every bit as valuable in the world of finance - showed how full accounts could be ready just a day and a half after the period end.

The new process meant re-timetabling some activities and getting others right first time. But for real progress to be made, other areas of the business had to embrace the change programme. The team identified four 'enabling' projects.

"These ranged from promoting weekly performance reporting as an antidote to the month end 'hockey stick' in sales - in other words, smoothing production and distribution and preventing peak loading - to better control of receipts and payments, a project which yielded the highest return for the lowest outlay." The biggest project addressed the purchasing process: the number of suppliers was cut significantly, and a simpler mechanism for internal charging (which accounted for 15,000 transactions a month) freed up many man hours. The greatest hurdle, though, was not redesigning processes, but changing mindsets.

"People tend to see the constraints that they operate under as fixed, immovable," says Joseph. "Many times progress was held up while someone said 'great idea, but our IT system won't do what you're asking'." Having the head of IT in the team proved pivotal in clearing the mental logjam. "He made clear what a new feature would cost and the team's role was then to put forward a commercial case for investment. This they did and no IT project was turned down."

The wind of change has now well and truly swept through the Air Movement Group. Director and financial controller Brian Madden reveals that from being the worst business at month end reporting in to Head office, it's now in the top three. Accounts take 3 days to prepare rather than 15, and 6 out of the 22 finance staff have effectively been freed up to support the business managers and add real value to the company. Overall savings in the first year, he says, are projected to come in at close to £1 million and, not surprisingly, he's feeling very satisfied.



WORLDWIDE BUSINESS SOLUTIONS

“We’ve already exceeded my original objectives, which represented a major step forward,” he says. “We’re now seeking even more improvement.” He is clearly attracted to what he calls the “no-nonsense, up-front style” of Worldwide Business Solutions, and impressed by their ability to get the best out of his people. “They inspired my team to go beyond their perceived limitations. The motivation that’s been harnessed is quite remarkable.”

Not all consultants he has come across, says Brian, fit the criteria he’s looking for. “I want to work with people who speak my language and who do what they say they will do, and that’s what we got with Worldwide Business Solutions. It all comes down to chemistry, really.”

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