

# Finance System Transformations



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# Agenda

- 1. Primary drivers for finance transformations**
- 2. Outcomes**
- 3. Considerations**

**What is driving  
transformations?**



# A word from our partner – The Microsoft Corporation



[Link to video](#)

# External Pressures



## Market pressures

Low interest rates, lack of growth in traditional markets, technology driven disruptors



## Regulation

Financial reporting, sales practices, data protection



## New risks

Cyber, autonomous cars, changing demographics

# Internal Pressures



## Cost management

Legacy processes and systems along with increasing requirements



## Organisational complexity

Increasing need to partner with other functions



## Talent management

Attracting and retaining talent to support legacy systems and processes is challenging

# Evaluating the current state of finance systems – first strand



## Data

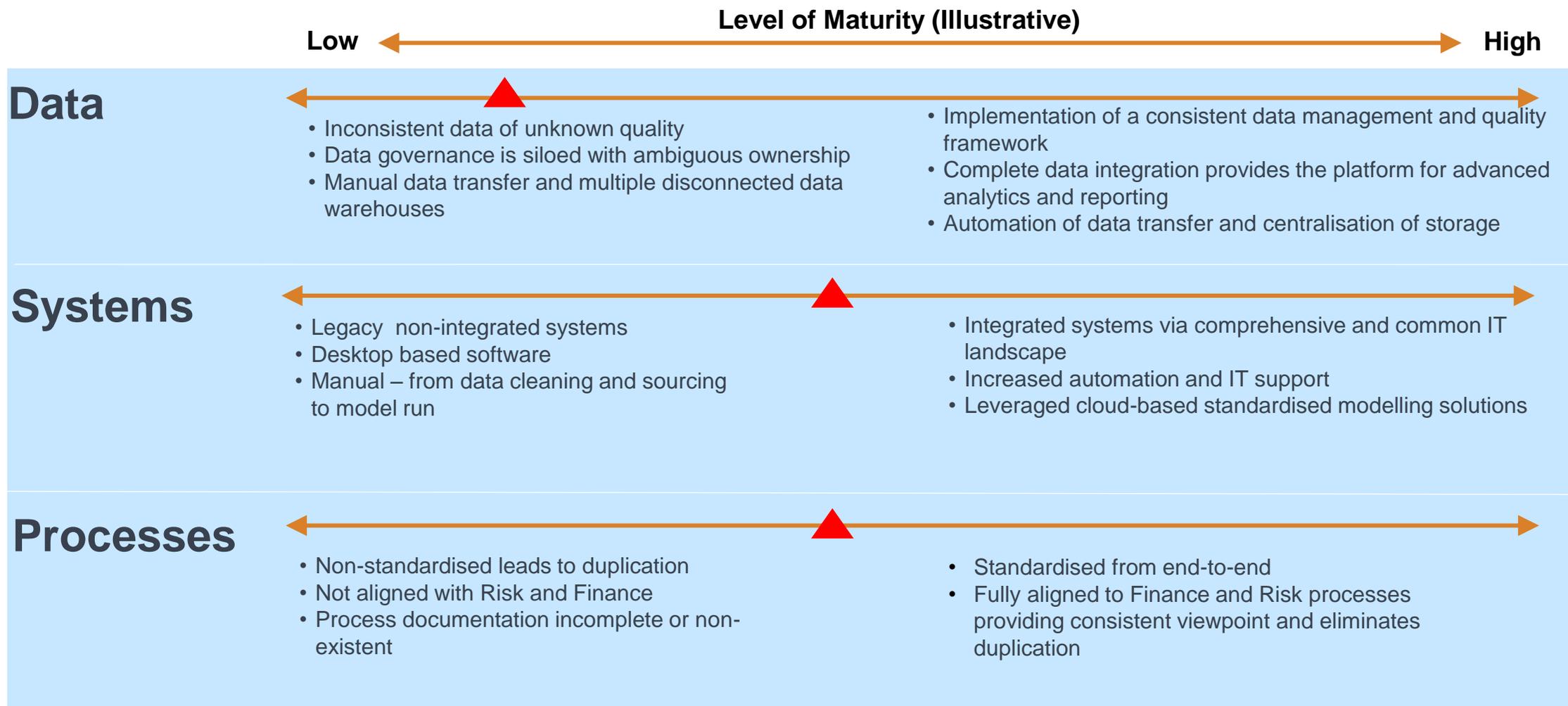


- Inconsistent data of unknown quality
- Data governance is siloed with ambiguous ownership
- Manual data transfer and multiple disconnected data warehouses

- Implementation of a consistent data management and quality framework
- Complete data integration provides the platform for advanced analytics and reporting
- Automation of data transfer and centralisation of storage

 = Current Maturity

# Evaluating the current state of finance systems – totality



 = Current Maturity

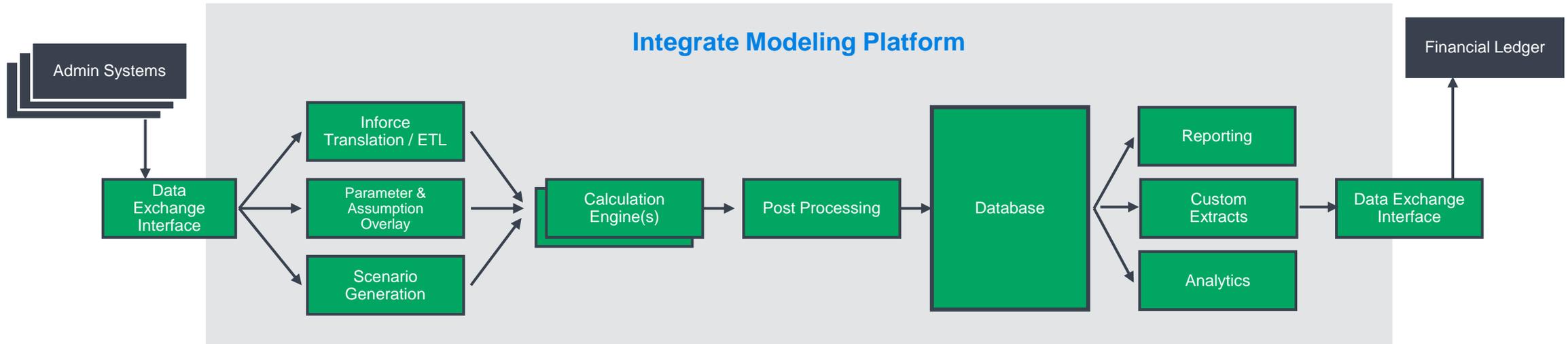
**Outcomes**

# Key Outcomes of Transformation

- Reduce costs through automation and harmonisation
- Allow for high value resources to do high value work and become partners with the business
- Ability to meet the demands from regulators today and into the future
- Access to information faster and with a high degree of confidence



# Case Study: The Phoenix Group Process Centric Platform



## Reduced operational risk and cost effective maintenance

**Coherent  
business  
processes**

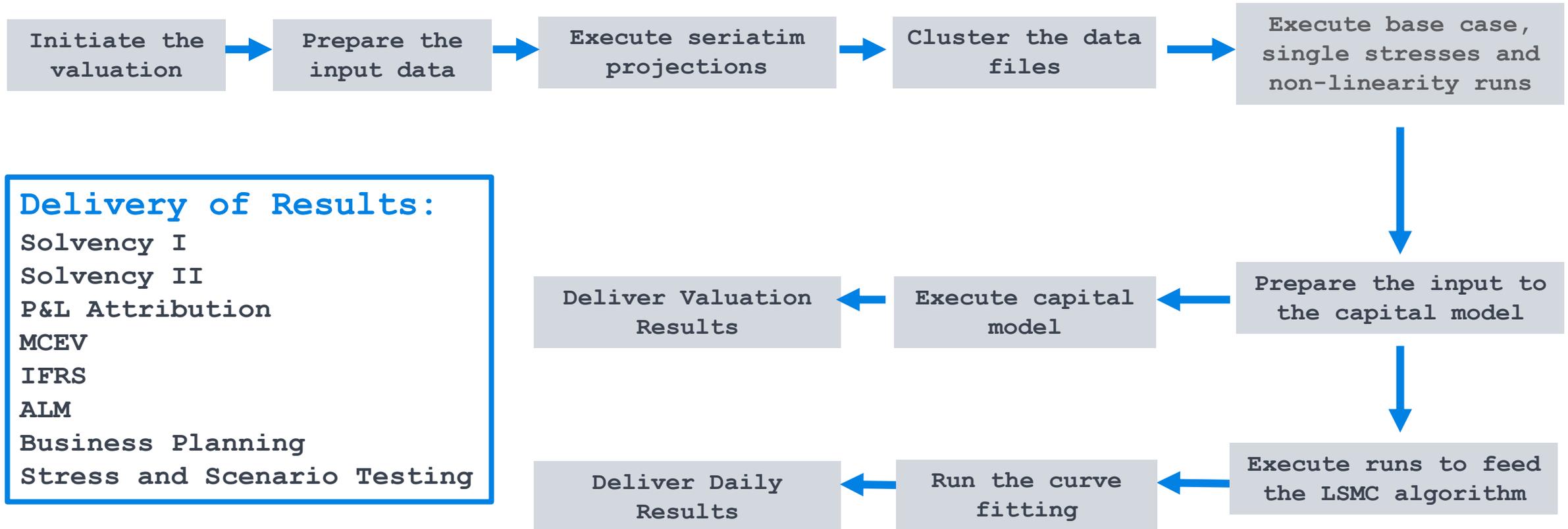
**Efficient  
modelling**

**Best of breed  
calculation  
engines**

**Operational  
governance**

**Enterprise level  
management and  
reporting**

# Fully automated workflow for quarterly valuation



# Phoenix by the numbers

“BI” – Before Integrate  
“AI” – After Integrate

Time to produce quarterly results:



Person hours to produce quarterly results:



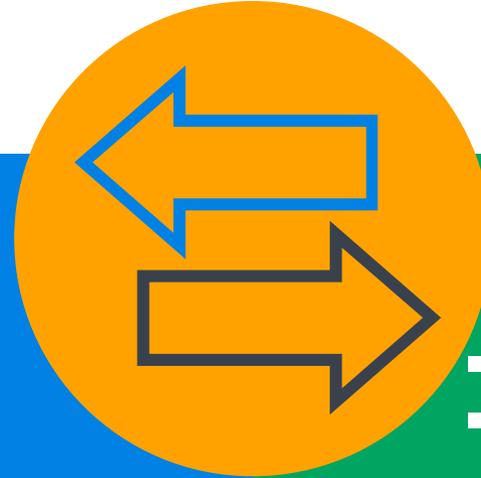
*Moved to delivery of solvency capital on a daily basis based on actual changes in the market*

# Considerations

# Transformation or change?

## Change

- Can be small and incremental, or large and complex
- Needs constant monitoring and maintenance
- Needs conscious external effort to action and achieve desired result

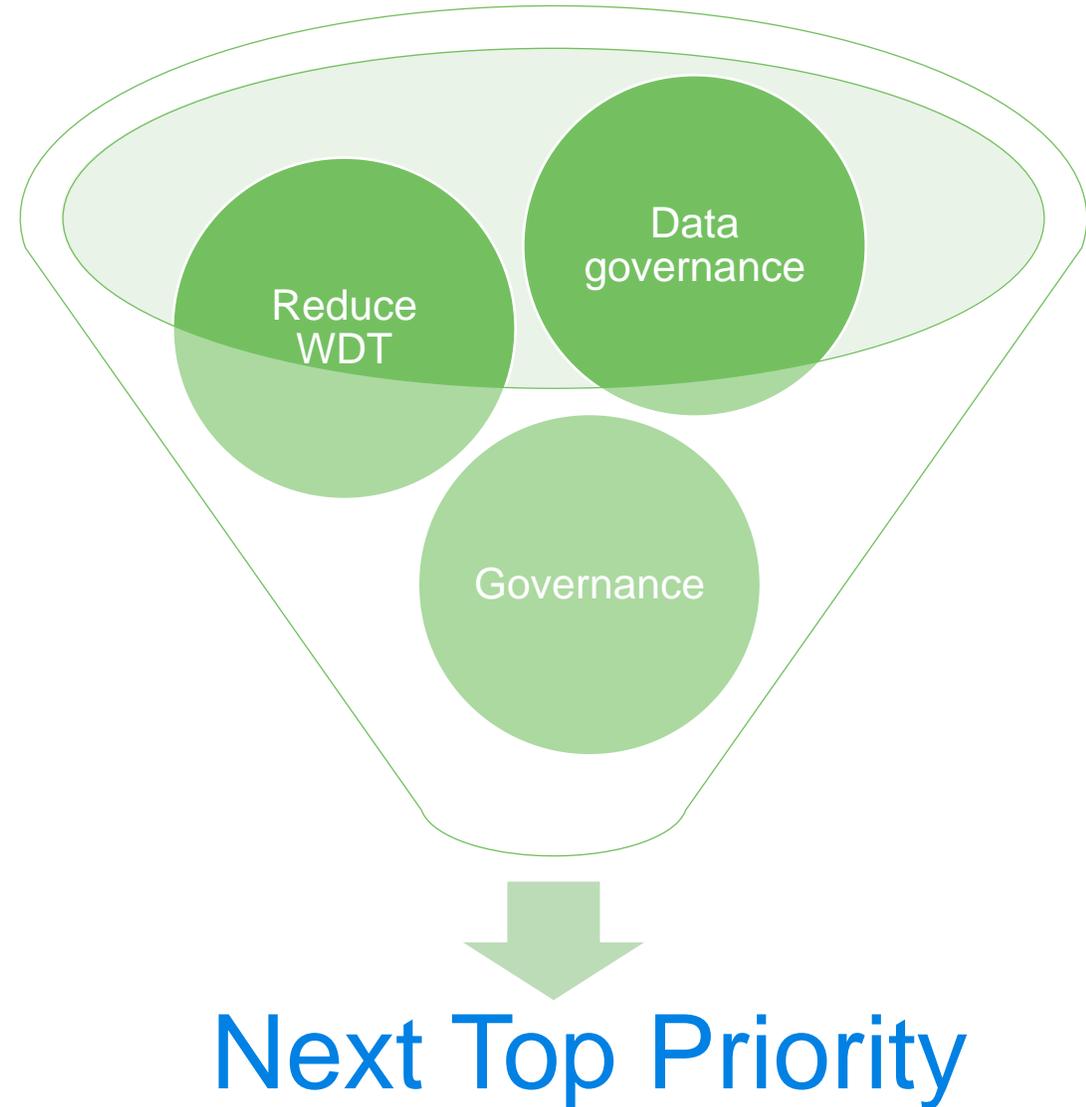


## Transformation

- Almost always large and significant
- Internal fundamental change in your beliefs of why you perform certain actions
- Does not require external influence to maintain
- More likely to be permanent

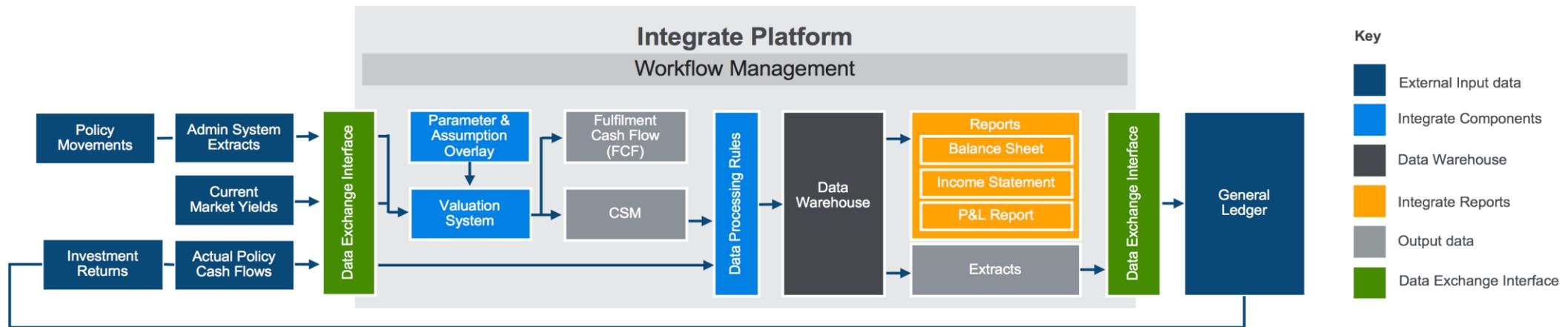
# Incremental Transformation

- Critical to realise benefits along the way
- Start by defining the end state
- Constantly communicate the goals
- Identify path such that solving most critical issues while moving towards end state



# Starting a transformation around IFRS 17

- End Game Vision = A fully transformed solution is connected from end-to-end and using the same tools, services, data across applications
- IFRS 17 provides an opportunity to layer a modern solution on top of current processes in a manner that can later be incrementally transformed and developed



**“When you are inside an organisation undergoing a transformation, there is an energy and pace where the people are energised by a shared common purpose that creates flow”**

— Jonathan Streeton, CEO of KGS Partners



# Thank you

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