



The three key challenges every growing finance team faces

Written by Callum Mccaig from the Finance segment of
Be | Shaping the Future UK.

Be SHAPING
THE FUTURE

In this blog series, we are exploring the crucial role the finance department plays in enabling growth within scaling organisations.

Over the course of the series, we will be deep diving on key challenges, the ingredients for a successful finance department and tips for scaling the finance function. In the first blog of the series, we highlighted some of the key challenges and issues that growing companies face when trying to build, run and optimise their finance department.

In this blog, we will further explore how these obstacles can impede a company's growth and provide insights overcoming these and positioning the finance department to scale efficiently with the rest of the business.

From conversations with several start-ups and scale-ups, we've found three main challenges which can impede companies from optimising their finance function; these relate to:

- 1 **Leadership**
- 2 **Technology**
- 3 **People**

Leadership – ineffective leadership impedes growth

Firms looking to scale their finance department require effective leadership with the right skillset and experience that can manage the challenges of growing a finance department, while providing key information and insights to support senior management in strategic decision making. This can be challenging for scaling firms that do not have an experienced leadership structure in place and can lead to a reactive finance function that is stifling growth rather than driving it.

Without good leadership in place firms will struggle to attract and retain good finance professionals, put targeted medium/long-term strategic initiatives in place, improve productivity and quality of finance outputs, implement adequate processes and controls, and ensure regulatory and statutory compliance.

"Without good leadership in place firms will struggle to attract and retain good finance professionals..."



How can firms address these challenges?

Prioritise building an effective finance leadership team with a broad multi-disciplinary skillset and prior experience managing and growing finance departments, as well as deep knowledge of finance technology systems and operations.

Leverage a managed service provider with finance SME knowledge and experience in building modern finance departments that can providing strategic direction and support the leadership team with key business decisions.

This can often lead to other areas of the business, such as the finance department, being overlooked. We see this resulting in IT infrastructure that is either underdeveloped and/or not fit-for-purpose, inefficient data models and processes that rely heavily on manual intervention.

While this can be manageable (yet time-consuming) when the company is smaller, it will prove problematic down the road when trying to scale along with the rest of the business. Such a set-up will require expensive resources to maintain, these costs in the finance department will increase exponentially as the company grows.

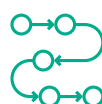
Some common IT challenges we have seen constricting growth in firms:



Use of excel and unlinked systems – Lack of joined-up systems leads to complicated and cumbersome infrastructure which is expensive to manage.



Manual processes and controls – Handling multiple files and data sources manually drastically increases the likelihood for errors and drains resource time.



Limited Straight Through Processing – Without automated systems and processes, there is a higher likelihood of human error and lack of efficiency.

Technology – building on a bad foundation

In start-ups/scale-ups the focus tends to be on product and sales as these are what drive growth and attract investment.

It is therefore essential that scaling companies build a strong finance department with a joined-up IT infrastructure and automated processes as early as possible to reduce the likelihood of issues further down the line.

"It is therefore essential that scaling companies build a strong finance department with a joined-up IT infrastructure and automated processes..."

How can firms address these challenges?

Conduct a current state assessment to understand which parts of the finance department could benefit from automation and streamlining to increase value and reduce long-term costs.

Develop short-term fixes and long-term plans to optimise the finance department's IT infrastructure, this can be done by partnering with advisors that have relevant SME (Subject Matter Expertise) in finance and IT transformation to drive forward the

streamlining of systems and automating of processes.

Focus on creating a data architecture that consists of a golden source of data, stored in the cloud, which feeds directly into modules for financial accounting, financial reporting, financial planning, management reporting, etc.



People – difficulty in attracting and retaining the right finance talent for the right price

It's no surprise that qualified accountants and finance professionals are expensive and scarce resources. This limited supply of qualified workers, combined with a high demand has created a highly competitive

environment that can prove costly and time consuming when looking to hire staff and scale up quickly.

Furthermore, it can be especially challenging for emerging brands to attract high-quality talent as they are often up against larger globally recognisable corporations that offer competitive packages. It is therefore essential that, once hired, resources are retained.

"...it can be especially challenging for emerging brands to attract high-quality talent as they are often up against larger globally recognisable corporations..."

How can firms address these challenges?

Retaining staff: Companies need to focus on setting up the finance

department effectively, so highly qualified finance staff are focussed on engaging, value-add activities and mindless tasks are either automated or outsourced.

Prioritise recruitment strategy:

Companies need to be prioritising their recruitment strategy and raising the profile of their brand in the industry, to attract skilled finance professionals with experience working in a growth business.

Find flexible resource augmentation arrangements:

Companies need to make sure they are targeting the right mix of outsource and in-house finance staff to maximise efficiency and minimise costs. Finding a partner that can provide qualified professionals on a flexible basis to help both build and run the finance department during periods of growth.

"Companies need to be prioritising their recruitment strategy and raising the profile of their brand in the industry..."

Building a strong and robust finance department that can scale with the business is a challenging process. However, by focusing on the above key areas, firms can set themselves up for success.



About us

Be | Shaping the Future UK (**Be UK**) is a subsidiary of Be | Shaping the Future, a well-established management and technology consultancy with over 1,900 consultants located across 13 European countries.

We work with the leading financial services organisations to shape their future through our transformation consultancy and advisory services, covering the following sectors:

- Finance
- Cards and payments
- Retail and commercial banking
- Capital markets
- Risk, regulatory and compliance

We take pride in building relationships with our clients and we work collaboratively to drive change for a bigger and better future.

The Finance & CFO Advisory team at **Be UK** is composed of specialists and advisors. Our key service areas include:

- Making finance digital
- Finance data
- Strategic cost reduction

Our **Finance in a Box** service can provide start-ups with a team of finance experts (both in-house and through our offshore managed service provider) to build, run and / or optimise its finance department.

Contact

For more information on how we can help with your ESG, climate and risk initiatives, please get in touch.



Bash Govender
Partner - Finance &
CFO Advisory Services

Bash drives change and innovation on behalf of CFOs and senior management across the financial services industry. As a qualified chartered accountant, half of his career has been spent working in the CFO / COO / financial control / product control space. The other half of Bash's career has been spent as a management consultant delivering large-scale strategic, regulatory and transformation programmes for multinational investment banks.

E: b.govender@beshapingthefuture.co.uk

T: +44(0) 75452 23529

W: www.beshapingthefuture.co.uk



Callum Mccaig
Senior Consultant -
Finance & CFO
Advisory Services

Callum has spent most of his career working as a consultant within financial services, supporting various banking and capital markets clients on large-scale transformation and regulatory projects. He is currently part of Be UK's Finance & CFO Advisory team, helping clients optimise their finance department.

E: c.mccaig@beshapingthefuture.co.uk

W: www.beshapingthefuture.co.uk