

EXPERT TALK – Financial Controlling:

„We no longer discuss formulas or doubt data, we act.“

Expert talk with Arbi Araks, Head of Controlling & Finance, List GC



Mr. Araks, you have been working in FP&A for many years now. What does “Digital Transformation in Finance” mean for you?

Arbi Araks: I can think of 3 points:

- 1) The **focus on value adding activities** in Performance Management. We want to run through scenarios and prepare or make decisions in the interest of company goals and not deal with Excel formulas.
- 2) The **integration of one single-point-of-truth** in the company – all data and departments are connected without manual intervention and independent of location.
- 3) The **openness to change, such as supporting Performance Management technologies** combined with the power of persuasion for people who follow a „we’ve always done it that way“ attitude – I prefer DOING more than waiting. But that also includes the employees to be educated accordingly and provide state-of-the-art software.

You mentioned Excel as a Performance Management tool earlier. What is your opinion on that?

Arbi Araks: Our data world used to be dominated by Excel. From project monitoring to budgeting to schedules we did everything in Excel. It did work

okay, but once the company had reached a certain size and complexity, we struggled and we have grown significantly in recent years.

Until about 2 years ago, we used Excel & VBA to monitor and ran projects with 800-900 lines. The workload for our employees was immense. Instead of taking action recommendations and exploiting optimization potential, they had to check formulas. Despite the best efforts, the data was never trusted.

Was this the reason for introducing a professional FP&A tool based on the technology of Unit4 FP&A? What has changed for your company and employees as a result of the new Performance Management tool?

Arbi Araks: Yes, this was definitely the key argument. What has changed or improved for us is that **we now have simpler, leaner processes and a significant increase in quality**. Our team is happier because they perform value-adding activities according to their competences.

A major improvement is our **single-point-of-truth for all employees with access from anywhere**. This brings **maximum transparency** and since reports can be drawn at any time, the data is always kept up-to-date.

The way of thinking in the company has also changed positively in the direction of scenarios, which has a beneficial effect on our decisions. **We no longer discuss formulas or doubt data, we act.** A lot of what we previously did manually **now works automatically**: reports, dashboards, connecting existing plans and graphically displaying scenario comparisons.

But of course such a tool has to pay off. **I'll give you a small calculation example for controllers (laughs): Every project manager saves 5h/week thanks to this integrated project performance management system.**

Now, if we assume that **each project manager can run one additional project** (assuming turnover 5 m with a margin of 5%), then we achieve an **additional result of 250 k**, plus the improvement on existing projects, since the hours are not recorded on the existing project. This also applies for the extended project team. If we **assume an error rate of 3 %**, then for a project of 5 m we are again talking about **savings of 150 k**. In the support departments, we believe in a **saving of one FTE (approx. 50 k)**.

According to these assumptions, impact on bottom-line of 450 k per additional project per year can be achieved.

With all this, the simplifications in the process and thus in quality (employees can concentrate on the essentials and not on Excel formulas) have not yet been taken into account.

Do you have any tips or advice for other companies that are considering implementing an integrated FP&A tool?

Arbi Araks: Yes, I have one or the other tip – from today's perspective *(laughs)*. **The more precisely you know what you want, and which processes have to be transformed the faster and less complicated the implementation is.** Well, we were also **lucky with our implementation partner.** The

smartPM team has a lot of project experience and helped us with the process improvement. We managed to get a grip on our high level of detailing in subdepartments, while **still keeping a lean system.** Actually, we only wanted a **project performance management tool**, but then immediately decided to use an **“expandable, flexible” tool** and implemented the project calculation and integrated financial planning in a very short time.

However, it was already evident during the **selection process for the performance management tool, which tool would cover our requirements - but above all which implementation partner is competent** and works particularly hard - this impression was confirmed. And with both our use cases, we certainly didn't set an easy task for our 5 shortlisted providers at the time. To this day, the **smartPM team is extremely committed and everyone is happy to have this partnership.**

From today's perspective, I would also make sure that the **tool is flexible enough so it can be adapted to specific requirements** – in our case that would be the project overage – but also has “out-of-the-box” content that you can use right away. For example, HR or our sales department can work with the same tool, Unit4 FP&A, with extended content which smartPM already offers as a solution.

One last question – what steps do you want to take in the future?

Arbi Araks: Private or professional? *(laughs)* Well, I would say that we are now **focusing more on the early identification of future market requirements.** Maybe **artificial intelligence** can help us there.

I heard that external market data can be integrated into forecasts with AI. The self-learning algorithms then produce precise results.

I am currently also involved in the [ICV FK Digital Controlling Competence](#), which Alexander Hein heads. The professional exchange between performance management colleagues is very informal in the 3D space with avatars and you always learn something new, and everyone passes on their experience. As it is well known, knowledge

is one of the few things that doubles when you share it *„(laughs)“*.

Mr. Araks, thank you for the interview.

More info to the List GC case study:

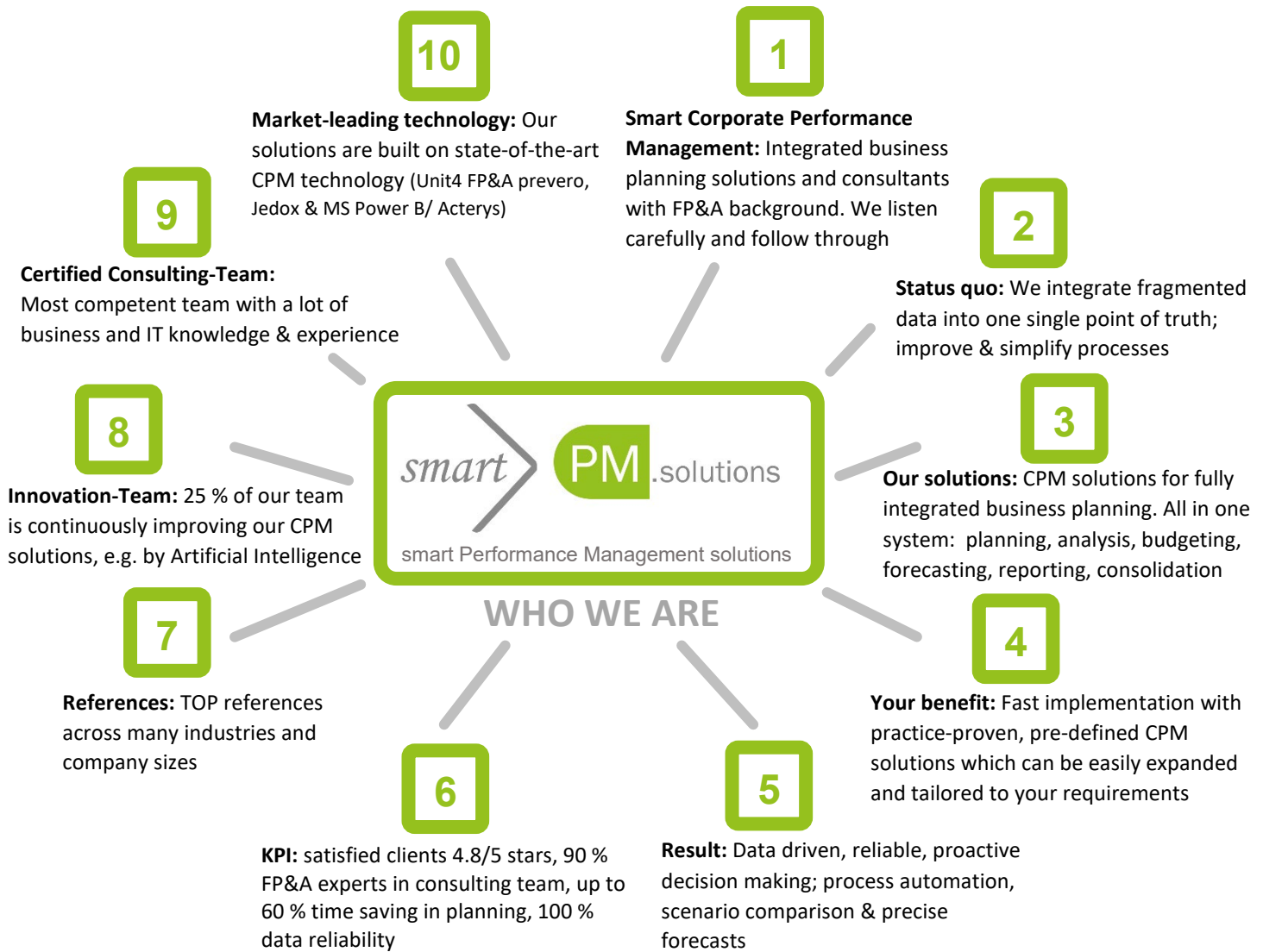
Case study „Integrated project-driven financial planning at List GC“ with all project content ([pdf Download](#)) >>

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