

Assess the agility of your finance team

Competency-based maturity
model for finance



Maturity model

Maturity Model

Finance functional areas

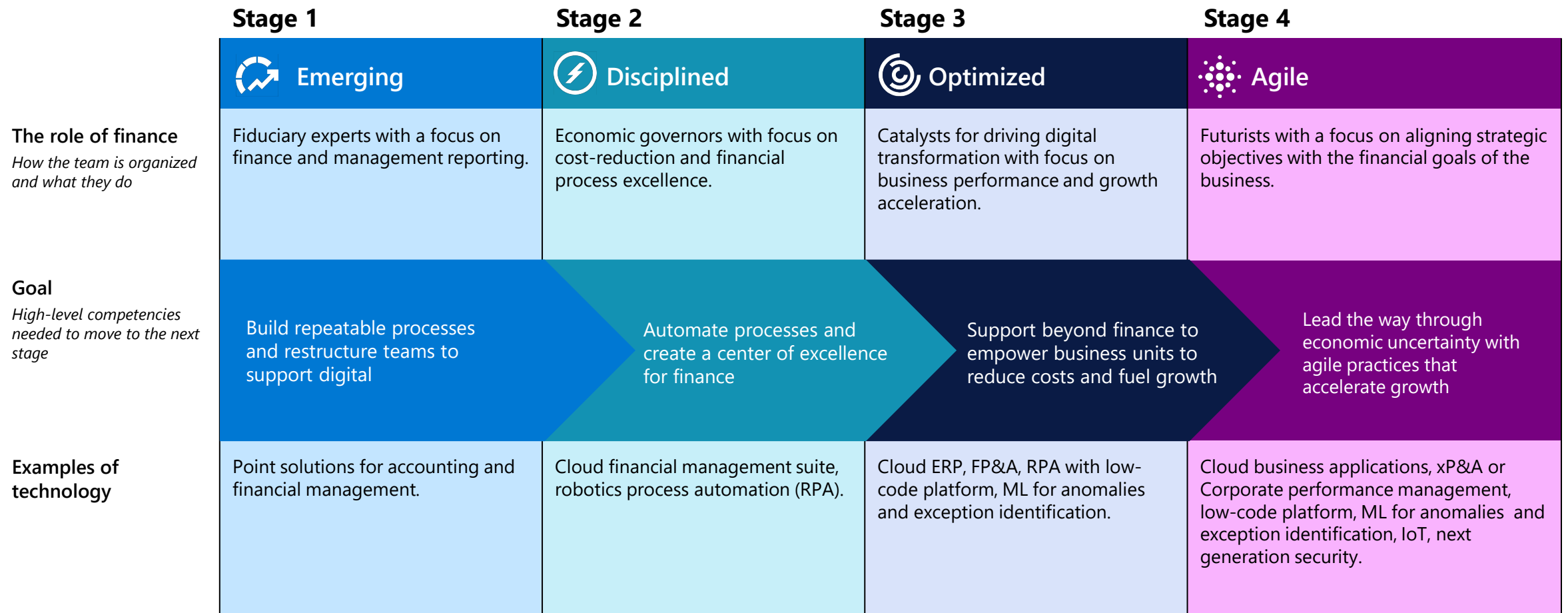
Finance and accounting

Global business operations and governance

Business intelligence and insights

Business strategy

As business models become more complex, the role of finance is evolving.
The four-stage journey to building an agile finance team by fostering digital competency.



Finance functional areas

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Finance is undergoing a significant evolution and is embracing a holistic approach to funding, budgeting, profitably managing, and driving strategic innovation. With technology advancements impacting every function, disjointed processes, policies, and experiences block progress, as does lack of competency development availability for all finance professionals. To change the status quo, you need to understand the competency of teams today and transparently define what teams need to achieve. Jump start the digital transformation of finance by accessing your current competencies and map your roadmap to achieving game-changing agility today. The right organizational design and ways of collaboration will maximize your digital investments by managing the culture shift required for success.

Use the checklists for each functional area to determine the maturity across functional components:

1. Familiarize yourself with the maturity model, components, and definitions.
2. Complete the checklists to determine your rankings. By selecting your team competencies, you will determine if your team is emerging, disciplined, optimized, or agile across each functional component.
3. Use internally for discussions on accelerating digital transformation.
4. Contact your business partner or Microsoft account manager to get more information on how technology can

Functional areas	Functional components	Ranking
1. Finance and accounting	Accounts Receivable and Collections	
	Accounts Payable	
	Close and Financial Reporting	
	Planning, Budgeting, and Forecasting	
2. Global Business Operations	Procurement	
	Governance, Risk, and Compliance	
	Service-centric Operations	
	Workforce Utilization and Productivity	
3. Business Intelligence	Ad-hoc Analytics	
	Business Insights	
	Financial Planning and Analytics	
	Workforce Planning	
4. Business Strategy	Deal Modeling	
	Business Modeling	
	Business Expansion	
	Long Range Planning	

Functional area questionnaires



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	Checklist item
	Finance roles and responsibilities depend on the team and manager.
	Team is highly dependent on offline spreadsheets to complete transactional activities.
	Most of our team's time is spent on closing the books, financial reporting, and creating financial statements.
	Our financial management and/or ERP systems are mainly on-premise solutions and are disconnected from business applications across the business.
	Finance roles and responsibilities are clearly defined, and competency training is readily available to all finance professionals.
	Best practice processes are mapped, documented and aligned to financial management solution.
	Consolidating financials, closing the books, and creating financial reports and statements can be completed within 7 days.
	Approximately 50% of repetitive tasks are automated and team has access to low-code technology platforms to create automated workflows.
	Our team has access to AI and machine learning tools, or this functionality is embedded in our financial management and ERP solutions.
	Approximately 75% of repetitive tasks are automated, including billing and collections management.
	Consolidating financials, closing the books, and creating financial reports and statements can be completed in less than 3 days.
	Technology is used to monitor cycle times and provide insights on continuous business process improvements.
	Order to cash processes are fully automated, with people focused on exception management and strategic process optimization.
	We have fusion teams with financial domain, IT, and business analyst expertise to support global procedures and policies.
	We have a fully automated, continuous close process that allows for real-time business performance and financial statements.
	We can easily create rolling 12-month forecasts, budgeting is continuous and real-time, team can translate business insights to stakeholders using modern storytelling.

Global ops and governance

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	Checklist item
	Procurement and sourcing processes are manual, and teams are highly competent in data entry and transactional processing within the financial management system.
	Governance, risk, and compliance (GRC) is not standardized and is driven by managers and individuals. Team focus is on certifying quarterly and annual regulatory reports.
	Service-centric operations are tracked using offline project planning and tracking tools, and quotes/estimates are created manually.
	People are manually assigned to projects and time management is done individually. Many workers are overwhelmed by their workload.
	Processes, policies, and procedures are standardized and aligned to the financial management / ERP system at the local level.
	Team has deep competency in local tax laws, safeguards for data security, risk analysis frameworks, electronic invoicing and banking, and data integration.
	Specialized finance teams run service-centric operational and financial processes from a centralized project service automation (PSA) solution.
	Workforce scheduling and utilization is done through PSA solution, with visibility into people's skills, workload, and project profitability (based on compensation tables).
	Procurement teams utilize spend intelligence tools to provide analytics, cost modeling, and actionable insights in optimizing spend globally.
	Center of excellence ensures GRC processes are standardized, mapped, and measured across geographies and business units.
	Service-centric deal management, delivery, expenses, and financials are highly automated and connected into ERP solutions—with clear visibility into project profitability.
	Workforce scheduling is completed dynamically with productivity measurements and rewards tied to impact.
	Team spends a majority of their time acting as trusted advisors that drive sourcing innovation, automated workflows, and aligning procurement to business goals.
	GRC policies, procedures, and reporting is automated and electronic, with ability to deliver continuous audits and focus on environmental, social and governance (ESG).
	Service-centric operations and financials are fully connected into the ERP solution and team uses AI/ML to ensure project profitability.
	Workforce utilization is optimized, and teams have access to the tools and training to successfully innovate the way they work.

BI and insights

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	Checklist item
	Ad-hoc analytics are completed using offline spreadsheets, manual calculations, or standard system reports.
	Business insights are created manually, and team relies on data scientists to interpret reports.
	Financial planning and analytics (FP&A) are time intensive and completed monthly, quarterly, or yearly depending on legal regulations.
	Workforce planning is done on an ad-hoc basis and roles and responsibilities are mapped manually.
	Team is skilled using business intelligence tools and has competency in data security procedures and policies.
	Finance has a deep understanding of cash management and creates cash flow reports using Microsoft Excel or other offline tools.
	Financial planning and analytics team can conduct capital planning and have the data literacy required to reconcile analytics and provide strategic advice to business units.
	Deep competency in creating chatbots, self-service portals, and workflows to manage workforce and has people insights tools to support organizational changes.
	Team uses cloud analytics tools tied to a common data model and connected data fabric to respond to business stakeholder requests.
	Networks of business analysts support delivery of business insights and offer actionable insights on cost optimization and growth opportunities.
	80% of FP&A is focused on prescriptive and proactive insights, with AL and ML providing cross-functional and business wide planning and analytics.
	People insights are actionable and prescriptive and can be produced on demand, including outlining skills gaps needed to achieve to corporate vision and goals.
	Team is focused on activating actionable insights at every level of the organization, securely, to speed decision making.
	Finance team are digital experts, data scientists, business analysts, and storytellers focused on the insights needed to fuel growth, mitigate risk, and reduce costs.
	FP&A can be delivered in minutes (vs. days or weeks) and team provides scenario planning, cash flow insights, liquidity insights, and business model plans.
	People insights are delivered proactively to ensure people are aligned to impact, and retention risks are managed effectively.

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	Checklist item
	Finance team does not have deal modeling competencies and relies on consultants.
	Special project teams with business analysts conduct business modeling, manually.
	M&A, divestitures, and global expansion are all managed manually and can take months to execute.
	Team is focused on monetization models only-long range planning is not part of the finance team and requires business analysts or consultants to create.
	Team creates deal models and comprehensive what/if scenario plans inclusive of input from multiple business units.
	Finance creates business performance models and delivers actionable insights that are relevant for business transformation initiatives.
	Business expansion, M&A, and divestitures are modeled; however, assumptions are not always realized within the first 12-months.
	Finance can complete multi-year financial plans and long range planning (LRP) that rely on key growth levers identified by the business.
	AI and ML are used to discover fraud and transactional discrepancies within deal models.
	Finance are catalysts for driving digital transformation strategies that fuel growth and improve business performance.
	Team has business and market analysis competencies to assist in building go-to-market (GTM) plans for business expansion initiatives.
	Continuous long-range planning (LRP) is augmented with AI and ML to create more market predictive plans.
	Predictive and prescriptive deal modeling and insights are delivered within the flow of work and team creates cause-and-effect implications scenarios.
	Business models are created for various capital models and finance can explain digital models, ROI, and operational plan changes in business-friendly terms.
	Team can link post expansion assumptions to business process change management and measure KPIs that show the impact of the initiative on growth.
	Finance drives strategic business decision making processes using analytical, risk, collaboration, and change management competencies.

Download **The CFO Playbook**
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Transform your Finance
Operating Model.

<https://aka.ms/CFOPlaybook>

