



2024 Financial Management & Operations Conference Schedule The Woodlands, Texas

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Transforming an Organization: Structure, People, Systems

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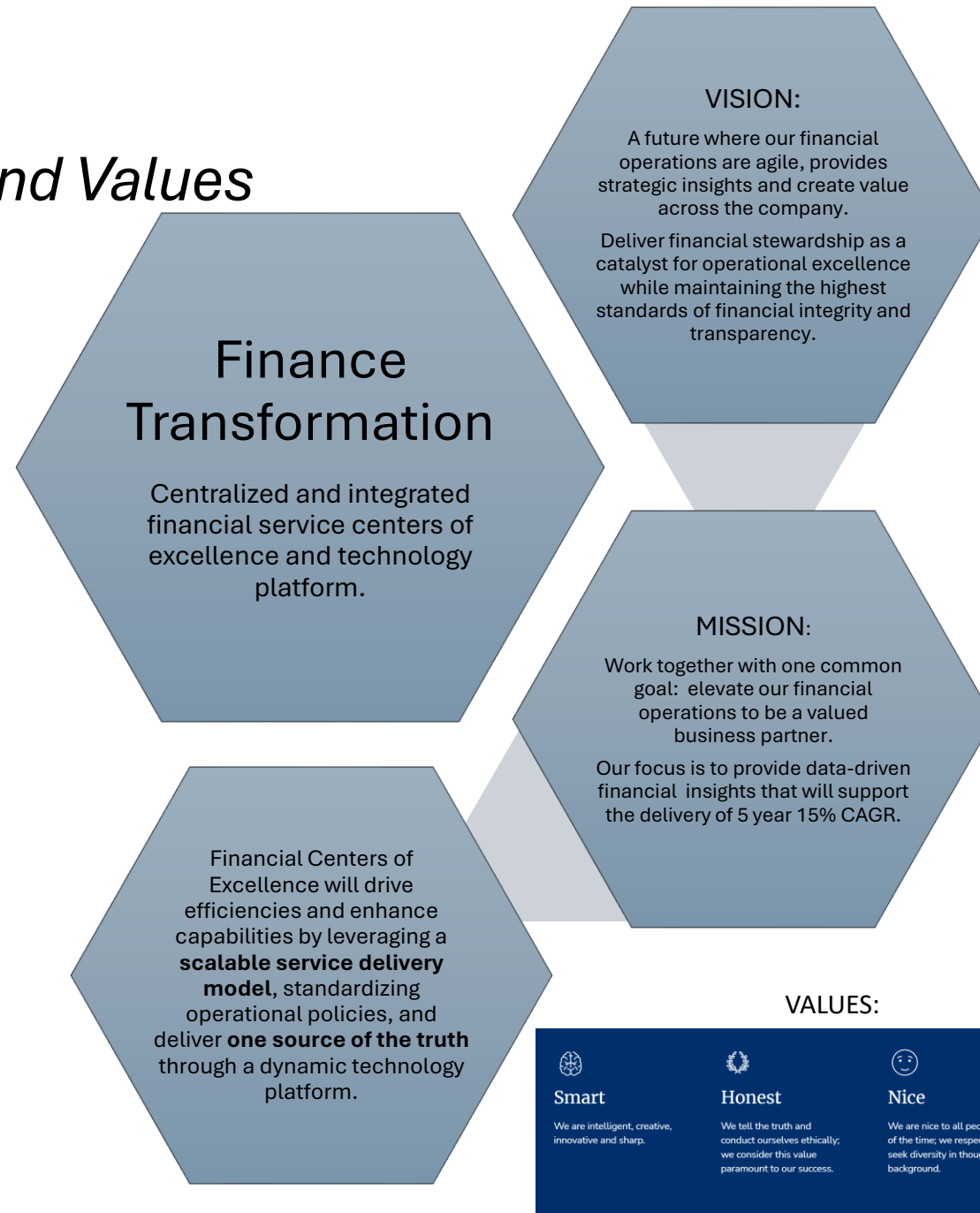


Transforming an Organization

Define - Vision, Mission and Values

What is driving the transformation?

- Growth
- Scale operations
- Acquisitions
- Divestiture
- Competition
- Turnaround





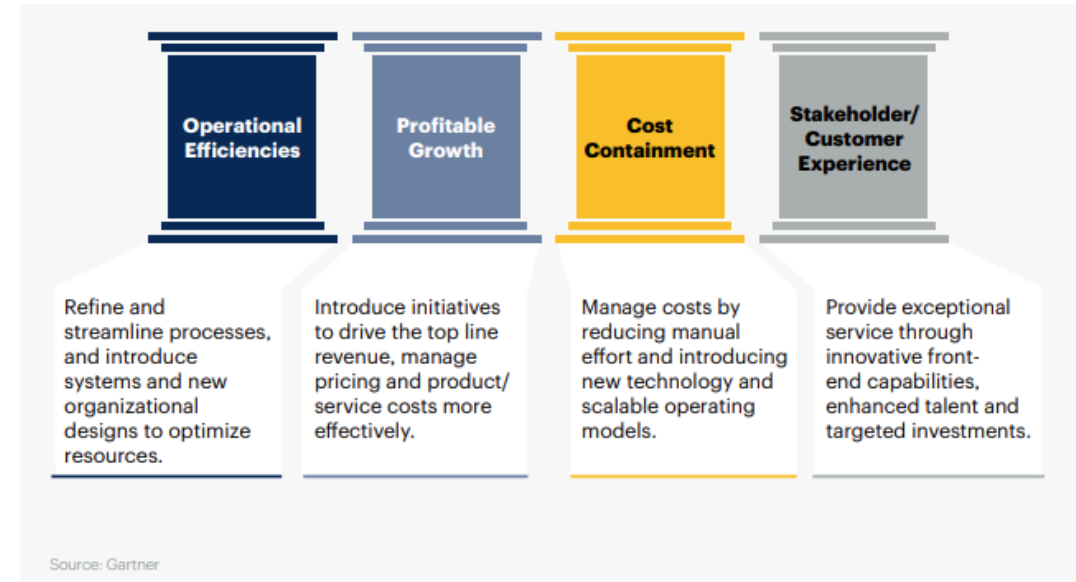
Transforming an Organization

What is driving the transformation

Acquisition Growth – One Financial Platform



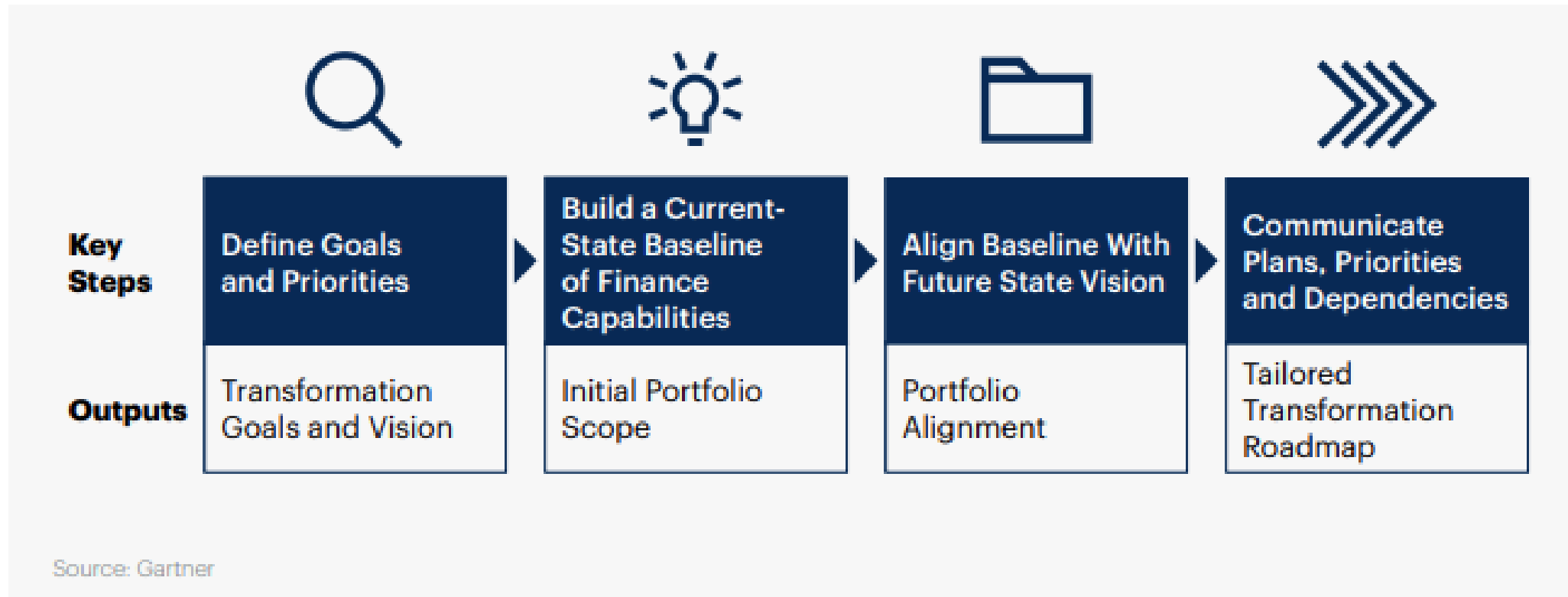
Scale Operations – Centers of Excellence





Finance Transformation - Roadmap

Figure 1: Approach to Building a Finance Transformation Roadmap





Transforming an Organization

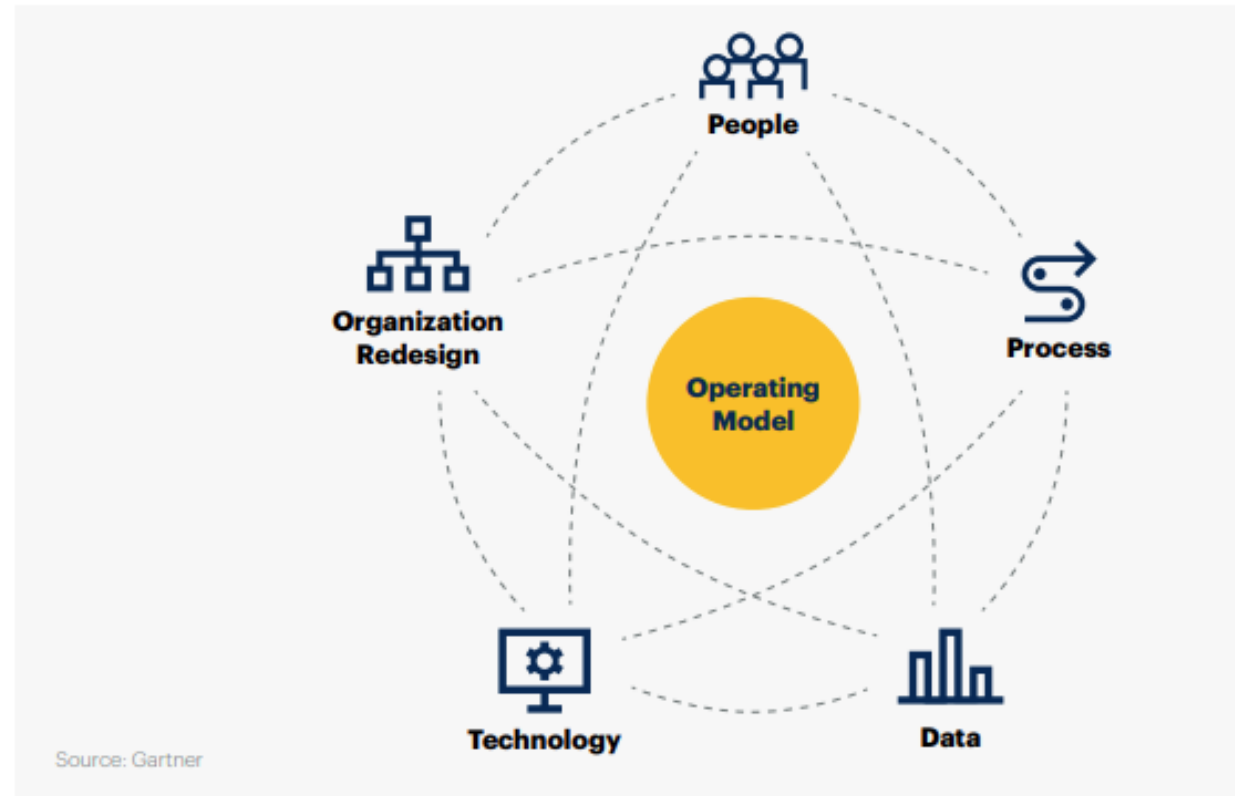
Finance Transformation – Baseline Operations



Build a Current-State Baseline of Finance Capabilities

- People
- Process & Policies
- Systems

Figure 5: Five Key Categories of Transformation





Transforming an Organization

Change Management



Source: Business Infographics

1. *Urgency*
2. **Guiding Coalition / Team of Sponsors**
3. **Communication of Vision**
4. **People – Enlist change agents**
5. *Enable Action – avoid analysis paralysis; manage expectations - perfection is not the goal.*
6. *Celebrate Wins*
7. *Leverage COEs and SMEs to train and support continuous improvements*
8. *Establish a culture of ongoing enhancements*



Transforming an Organization

People and Change Management

CHANGE IS SURE TO HAPPEN

CHANGE IS HARD

CHANGE BEFORE YOU HAVE TO

Jack Welch

WHY CHANGE IS HARD!

	EMOTIONAL ATTACHMENT	Whether we like it or not, we have a certain degree of emotional attachment to how things are done. To change we need to break that bond, however small it is.
	LOSS OF CONTROL	By being used to do something a certain way we have control. Changing implies doing things differently which inherently comes with a feeling of being less in control.
	HUMANS ARE CREATURES OF HABIT	Our brains are wired to conserve energy. Following established routines requires less mental effort than learning new behaviours. That makes us naturally resistant to change.
	FEAR OF THE UNKNOWN	Change is scary. Things may get worse rather than better. This fear can give us a whole host of justifications not to change. We prefer to remain in the context we know.
	MOVE OUT OF THE COMFORT ZONE	Changing means getting uncomfortable. To change we therefore need to embrace less comfort in the short-term, knowing that ultimately it will make us better off.
	OLD PROCESSES DIE HARD	In organisations processes can take on a life of their own. So, they may persist despite intentions to change. Again, it's about habit and a certain way to do things.
	INSTANT REWARD MINDSET	If we don't see instant rewards, we may lose the motivation to persevere with the change. If we stop, it becomes harder to start again.

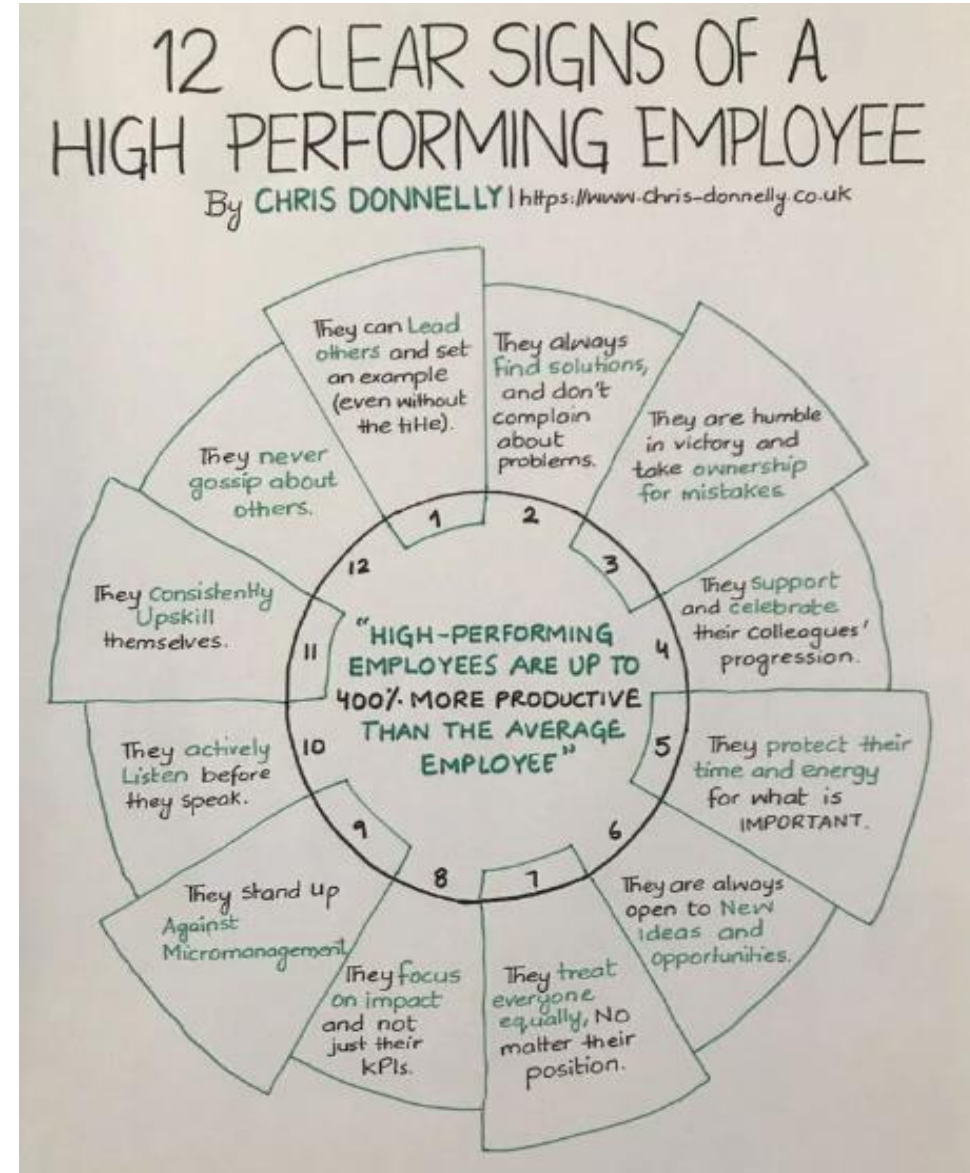
Source: Business Infographics



Transforming an Organization

People and Change Management

- **Collation of Sponsors**
- **Enlist Change Agents**
- **Develop SMEs**
- **Transformation / Transition Teams**
- **Insource vs Outsource analysis**





Transforming an Organization

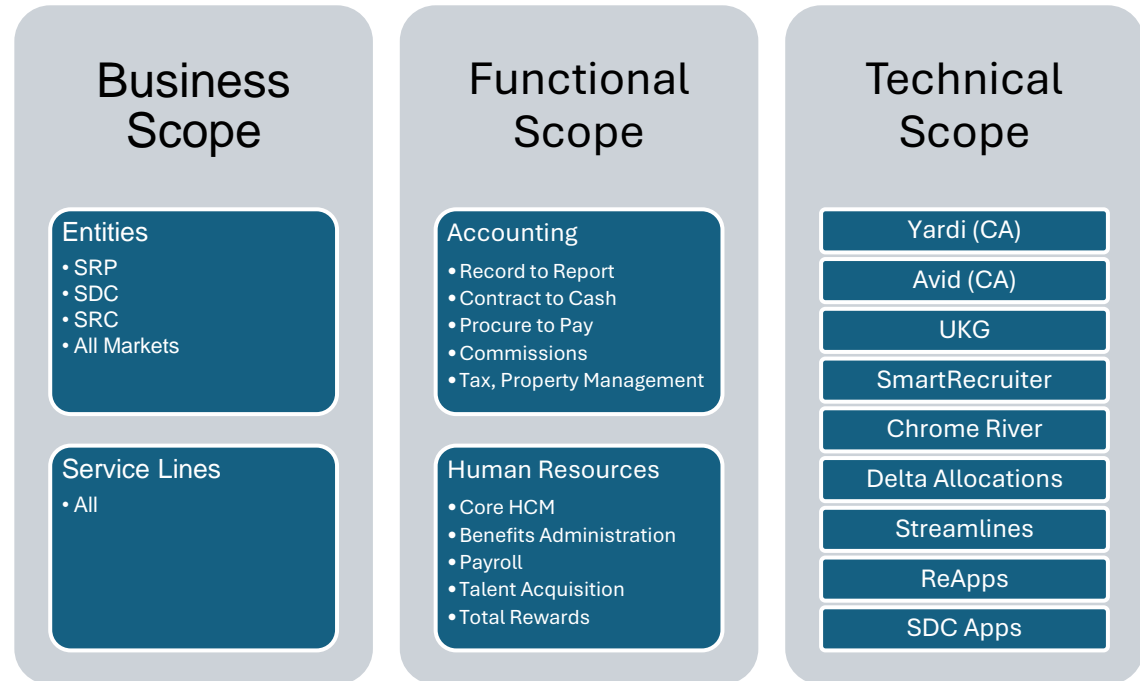
Baseline – Process, Policies & Systems

Launching a broad-based assessment effort to determine the current-state maturity of finance processes and activities — while gathering stakeholders' perception of finance service delivery — helps finance transformation leaders effectively target and prioritize urgent improvement opportunities.

To round out the current-state baseline, the transformation team should also document current challenges and obstacles that are impacting the efficient delivery of financial services and support to the organization.

**Don't lose site of the ultimate deliverable;
e.g. one source of truth which data can be pivoted to provide:**

- Management / Operational Reporting
- Statutory Reporting
- Regulatory Reporting
- GAAP / IFRS



Baseline of Processes > Current Challenges

Monthly Close & Reporting

Legal Entities

Weekly Cash Reconciliations

Balance Sheet Reconciliations

GAAP to Tax AEs / Reconciliations

FP&A - Management Reporting

Markets

Shared Services

Budgeting
Rolling Forecasts

Dashboards, KPIs,
Threats/Risk Assessment -
Growth - Investment vs Organic, Contraction, Concentrations -clients, industries, banking.

Profitability

- By projects
- By service line
- By fund

Consolidations

GL Management

- Open/Close Ledgers
- Chart of Accounts
- Legal Entities

US GAAP Reporting

Eliminations

Equity / Investment Acct

- Waterfalls
- Distributions/Contributions
- Ownership Interests

Cash Management / Forecasting

Near Term

- 3 - 6 months
- Rolling 12 months
- Distributions, Contributions
- Affiliate Loans, AP, AR
- CapX
- Working Capital

Long Term

- 1-5 years
- CapX
- Investments
- Debt

Partnership

- Distributions
- Capital Calls

Underwriting ROI

- Producer/Teams Underwriting

Treasury Operations

SRP & PM Bank Accounts

- Fiduciary Accounts
- SRP Accounts

Debt / Guarantees

- Credit Facilities
- Covenants

Wires/Cash Transfers

Bank Admin & Controls

- Concentration/Sweeps
- Accounts
- Credit Cards

Kyriba Admin & Controls

- Signatories
- Positive Pay

Tax

SRP / Markets

Project JVs
Property JVs

Investment Funds

Data Centers


Cross-Border
Income/Expense
Tax Reporting

Tax Planning



Transforming an Organization

Finance Transformation – Plan



Communicate Plans, Priorities and Dependencies

Tailored Transformation Roadmap

- Determine Scope
- Partner Selection
- Manage Expectations
- Build in a Contingency Plan
- Support Centers of Excellence
- Consider maturity, specializations, consistency and complexity of operations for:
 - insourcing vs outsourcing of functions
 - leveraging AI technology



Deployment Waves – Quarterly Plan

Functionality and Features will be structured in multiple discrete waves allowing Stream to begin capturing benefits earlier in the process

QUARTER	4Q24	1Q25	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Consultant Selection													
Scoping & Planning (Research)													
Wave 1 Foundation													
1a. FinOps Foundation			Architect, Configure, Prototype, Test, Deploy				Hyper-care						
1b. HCM Foundation			A/C/P/T/D			Hyper-care							
1c. Tuning													
Wave 2 – Extended Functionality							A/C/P/T/D						
Wave 3 - Advanced										A/C/P/T/D			



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Questions / Network:

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Thank you!