

Finance Transformation at BAE Systems Finance Made Easy for All

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Change & Business Support Manager

Finance Services, BAE Systems

Overview of our short journey – questions you may have

- Why did Finance Services have to change?
- How does process visualisation help in this change?
- How did we come to select Nimbus Control?
- How did we approach the implementation?
- What did we learn?
- What next?



Finance Services

Part of Shared Services

- A federated business model - no mandate - 'win the right to do more'
- 140 people on two locations (South Wales & Lancashire)
- Purchase to pay, Order to cash, Record to report, Time & Attendance and Expenses on multiple ERP systems

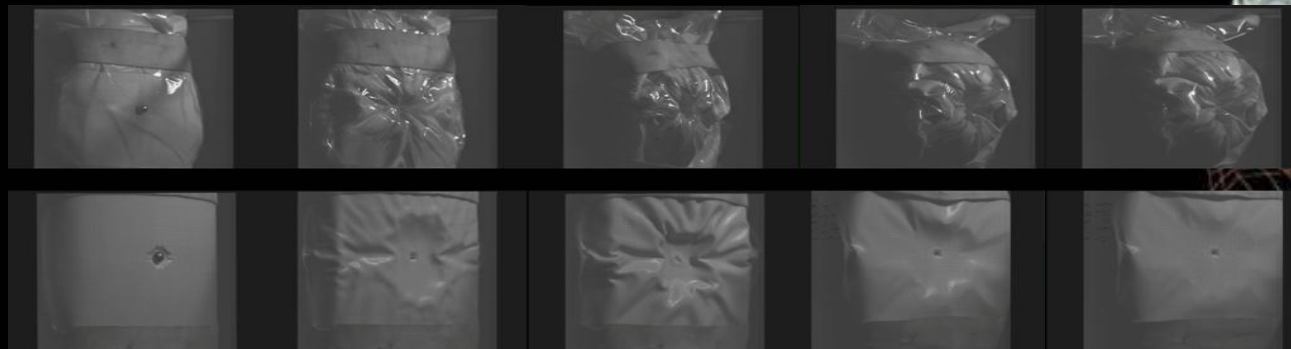


Autonomy



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Liquid Armour



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Biometric technologies for security



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Stealthy Wind Turbine



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Technology partnering with UK Sport



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A changing environment & the need to innovate

THE TIMES

June 14, 2010
Defence cuts will be 'ruthless and without sentiment', Liam Fox warns



In his first major speech in the job, Dr Fox said Britain's military would have to bear its share of the cuts needed to reduce the record deficit.

CNN Politics

Gates proposes cutting Joint Forces command from defense budget

August 09, 2010 | By Lamy Shaughnessy, CNN Paragon Producer



Defense Secretary Robert Gates announced some far-reaching proposals Monday for restructuring the massive budget of his agency, including getting rid of the U.S. Joint Forces Command.

The cuts could mean a loss of up to 3,000 jobs.

The current Defense Department budget totals more than \$530 billion a year, and defense officials believe they need increases of 2 to 3 percent a year to sustain the force structure and meet modernization needs.

However, the recession caused the department to propose a 1 percent budget increase and the cuts announced Monday were intended to help hold down overall costs.



BBC NEWS BUSINESS

4 October 2010
Defence cuts 'may cost one in six jobs in the sector'

One in six UK defence industry jobs may be lost if the government cuts spending in the sector by 26%, a think tank has warned.



Full details of the defence budget cuts will be announced by the government later this month.

Such cuts could mean 50,000 people with skilled manufacturing positions losing their jobs, Oxford Economics said.

Trade union Unite said the study showed the expected cuts would "wreck" the UK's defence manufacturing industry.

The exact defence cuts will be unveiled later this month. The government says some budget savings are essential.

It adds that it has to bring down the UK's budget deficit, and that most Whitehall departments have to pay their part.

However, a leaked letter last week from Defence Secretary Liam Fox showed that he opposed "draconian" cuts to the defence budget, and warned Prime Minister David Cameron that it would mean "grave consequences".

Mr Cameron responded by saying that Mr Fox's fears were "unfounded" and that the armed forces would remain "well-funded" following the cuts.

Unite has warned that much defence work is carried out in economically deprived parts of the UK where replacement jobs are hard to find.

Related story

Defence budget chaotic - Osborne
 Powerful asks defence cuts
 Cameron: Fox 'unfounded'

Impact on BAE Systems Business Groups

... the customers of Finance Services

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Finance Services Transformation Programme

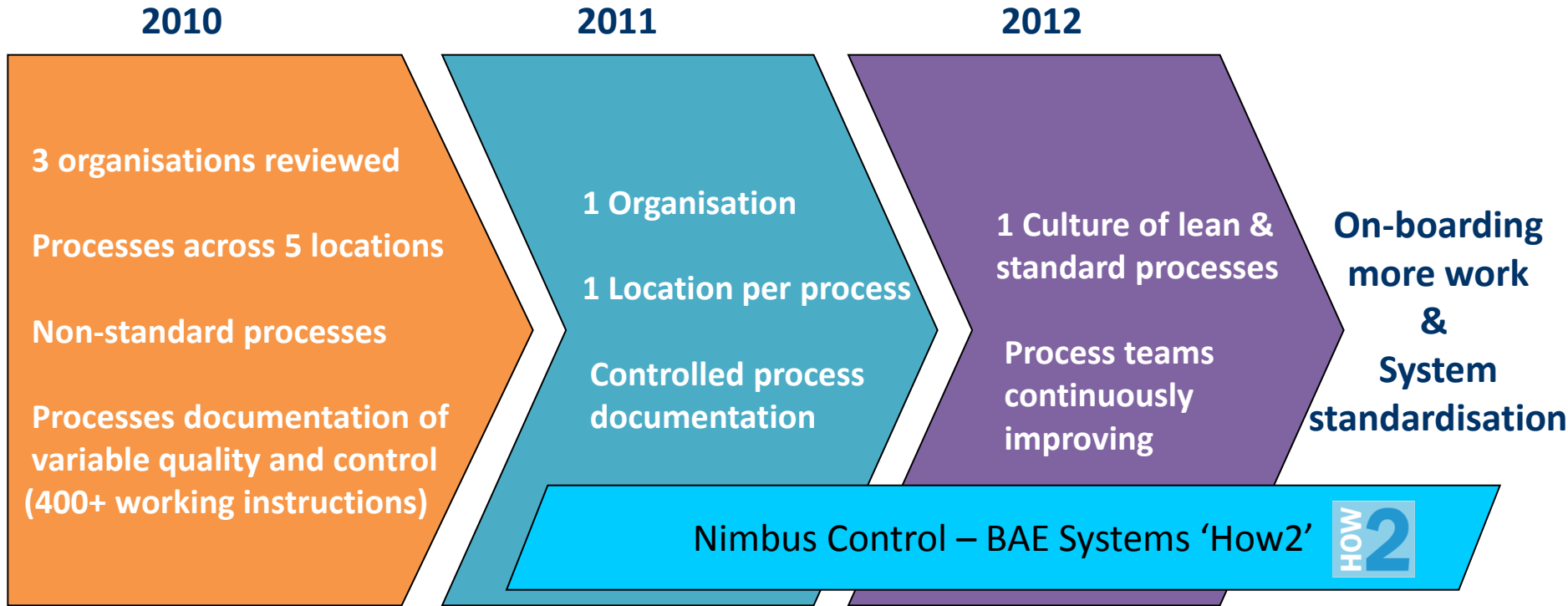
Respond to our changing environment.

The strategic aims are to:

1. Use a partnership approach to deliver an **excellent service experience** for our customers
2. Deliver robust, effective **financial control**
3. Deliver simple integrated services to customers at **benchmark cost** through innovative, flexible solutions

Continuously seek opportunities to **improve** the service we deliver

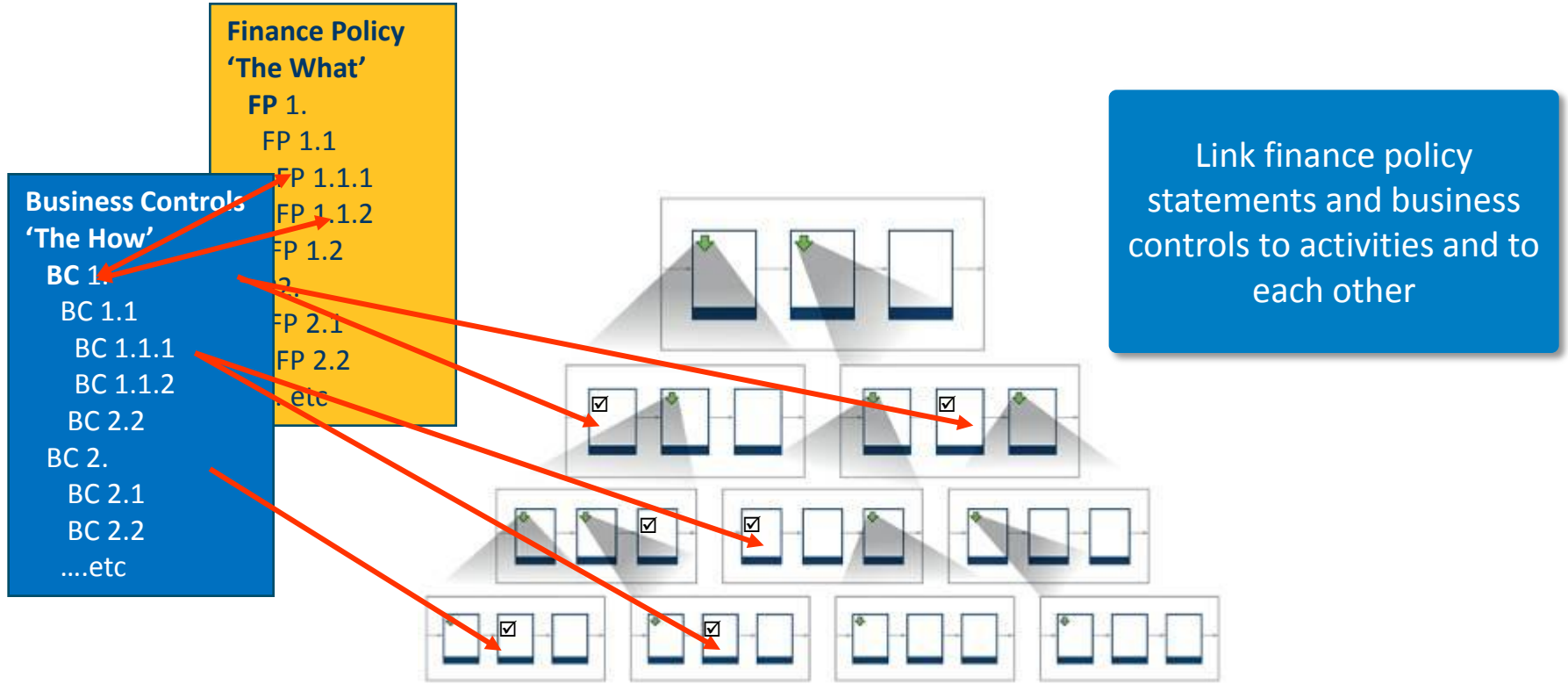
Finance Services Transformation Programme



How does process visualisation help in this change?

- When moving work between sites
 - Using process maps to capture **knowledge retention** of people leaving the business to analyse the impact of the move
 - **Induction and training** of new staff (staff turn-over from nil to 'double digits')
- Lean Six Sigma workshops – no more 'brown paper' for 'as-is'
- Visualising financial controls
 - Mapped to the company policies and controls
 - Giving customers confidence by sharing access to process maps and controls

Mapping Policies & Controls to our processes



Finance Policy statements (the What)

| Title |
|--|
| [-] COSA |
| [-] (A) - Delegation of Authority |
| [-] A0.1A |
| [-] A0.1B |
| [-] A0.2A |
| [-] A1.1A |
| [-] A1.1B |
| [-] A1.1C |
| [-] A1.1D |
| [-] A1.1E |
| [-] A1.1F |
| [-] A1.1G |
| [-] A1.2A |
| [-] A1.2B |
| [-] A1.3A |
| [-] A1.4A |
| [-] A1.4B |
| [+] (B) - Management Reporting & Communication |
| [+] (C) - Working Capital |
| [+] (D) - Nominal Ledger |
| [+] (E) - Project Accounting |
| [+] (F) - Fixed Assets |
| [+] (G) - Stock |
| [+] (H) - Sales & Debtors |
| [+] (I) - Bank, Cash & Treasury |
| [+] (J) - Purchasing |
| [+] (K) - Creditors |
| [+] (L) - Payroll |

Many to many
relationship



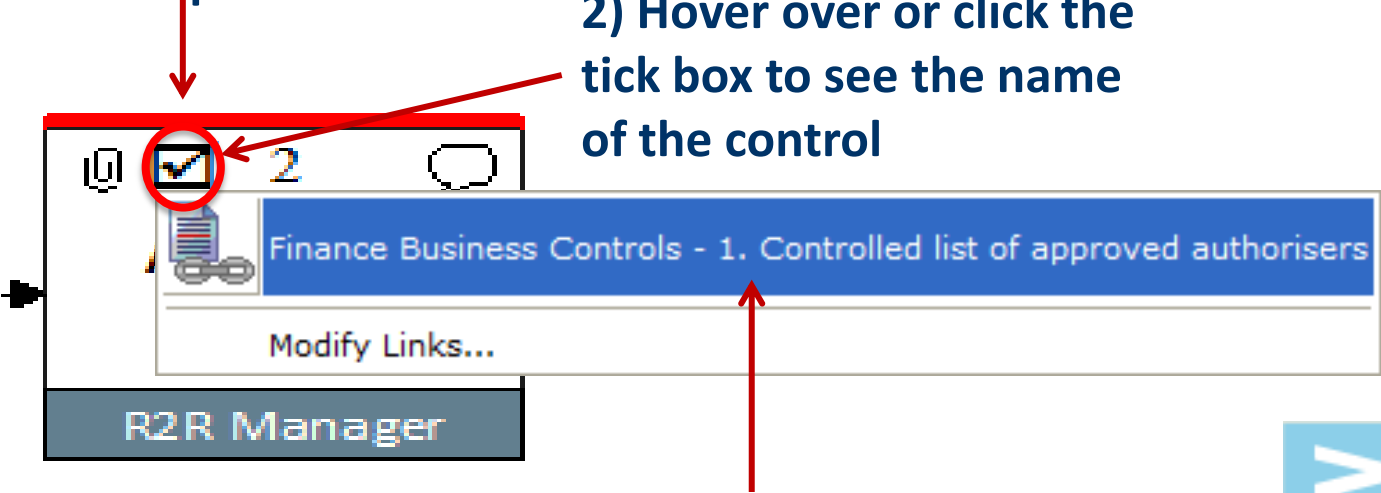
Finance Business Controls (the How)

| Title |
|--|
| [-] Finance Business Controls |
| [-] 1. Controlled list of approved authorisers |
| [-] 2. Journal Voucher Register checked for completeness |



1) Controls are linked to activity boxes.
Tick box and red shadow style indicate a control point.

2) Hover over or click the tick box to see the name of the control



3) Click the Pop-up to view the Control and how it is applied to this step of the process



[Add Action](#)

Statement Link

| | |
|---------------------------|---|
| Statement Set Name | Finance Business Controls |
| Title | 1. Controlled list of approved authorisers |
| Description | |
| Current control | Yes |
| Description | Only named staff on the "List of Individuals for Authorising Journals" (SSC044 - Journal Voucher Preparation - Appendix) are able to perform this activity. |

Linked Activity

| | |
|-----------------|--|
| Activity | Authorise journal |
| Map | BAE Systems Finance Services Processes (Draft) |
| Diagram | Diagram - Level 1.3.4 |

[Link Audit Record](#) [Add Audit Record](#) [Add Action](#)

No items available

Attributes for Statement

| | |
|---------------------------|--|
| Statement Set Name | Finance Business Controls |
| Title | 1. Controlled list of approved authorisers |
| Description | |

[Attachments](#) [Associated Statements](#) [Statement Links](#) [Statement Audit Records](#) [Audit Log](#) [Actions](#)

| | |
|-----------------------|--|
| Statement Sets | Statements |
| COSA | D2.11B - Review and approval of journals |

[Add Audit Record](#) [Add Action](#)

Attributes for Statement

| | |
|---------------------------|---|
| Statement Set Name | COSA |
| Title | D2.11B - Review and approval of journals |
| Description | Ensure all journals: <ul style="list-style-type: none">• have been reviewed and pre-authorised prior to input into the relevant accounting system• have been reviewed and approved in accordance with local guidance.• do not contain amendments which could result in a different transaction than authorised. |

[Attachments](#) [Associated Statements](#) [Statement Links](#) [Statement Audit Records](#) [Audit Log](#) [Actions](#)

No items available

What is the requirement for Business Process Mapping tool?

- Ease of use for authors and end-users
- On-line – can be shared and maintained easily (instead of many out-of-date Visio diagrams)
- Currently no need for process automation using process maps
- Rapid deployment approach – with support from vendor

How did we come to select Nimbus Control?

Ask the audience

Engaged users, demonstrations by vendors – to inform requirements capture

Phone a friend

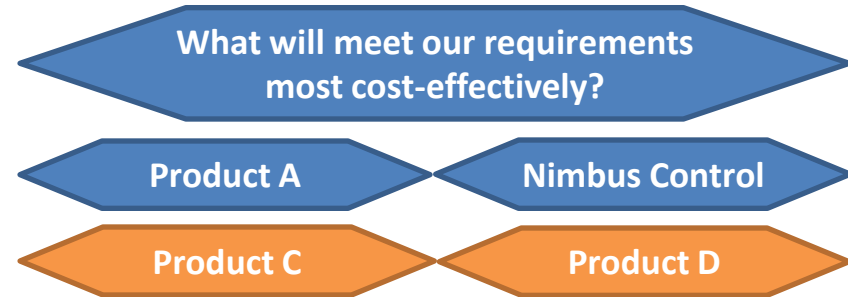
Reference customers

Take away two wrong answers

Through a formal procurement process

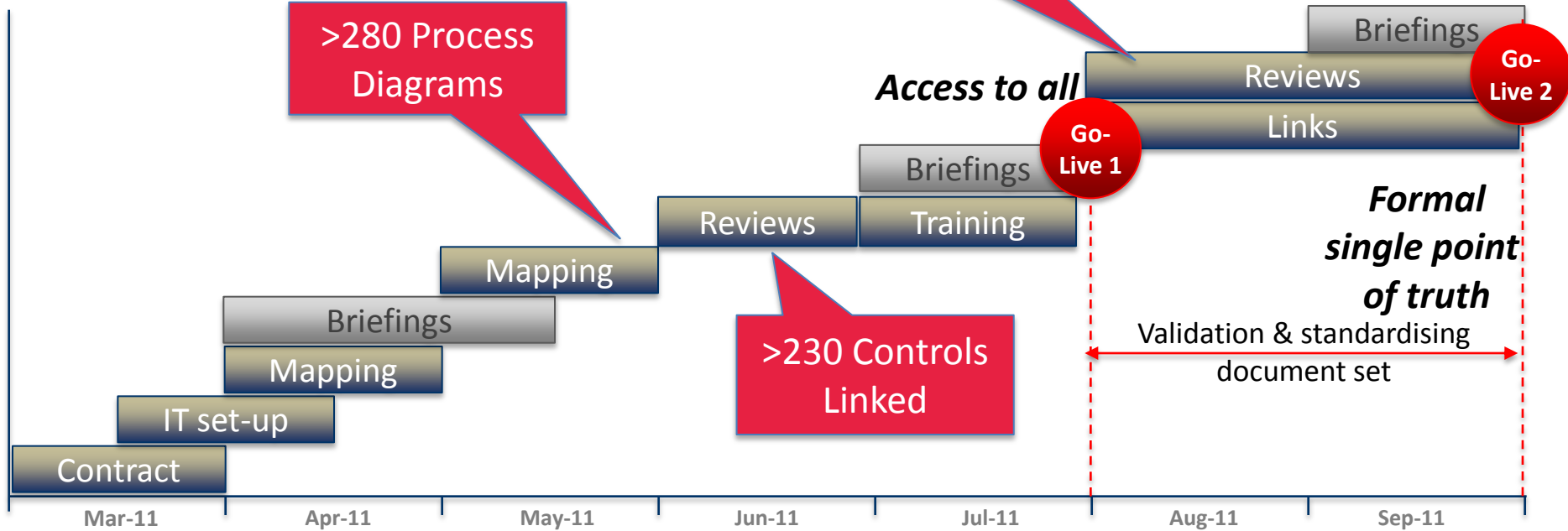
Make the decision

Based on usability & supplier's capability



How did we approach the implementation?

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Welcome to How 2.... the user-friendly, 'single point of truth' for the processes that underpin our services. Click to go to the [Quick Start Guide](#)

We've captured today's Finance Services 'as-is' processes and enriched them with links to [work instructions](#) and finance controls.

Click on one of the process boxes below, to navigate the processes.

Click the "My How 2" image to go to your personalised portal page, which over time, will be populated with content relevant to your role and where any favourite links you add, will appear.

We really appreciate your feedback about How 2 so please click the Like / Dislike button below to provide your feedback and if you have any questions just drop us an [email](#).

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By Process

FINANCE SERVICES PROCESSES

Maconomy

GCS SAP

FS SAP

Baan

IFS2001

IFS2004

MMS

Time & Attendance

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Welcome to How 2.... your user-friendly, single point of truth for the processes that underpin our services.

Click on a link on your My How 2 tab to navigate to a piece of content.



We really appreciate your comments about How 2 so please provide your [feedback](#).

For any queries relating to the content please contact your line manager who can advise or seek clarification on your behalf.

If you have any questions about using How 2 just drop us an [email](#) and we'll get right back to you.

| To-Dos | Total | Overdue |
|------------------|-------|---------|
| Authorisations | | |
| Reviews | | |
| Acknowledgements | | |
| Change Requests | | |

| Processes | |
|--|--|
| Nimbus HR Accelerator | |
| Provide Governance for Finance Services | |
| Create / Update Process Content and Communciate to End Users | |
| Finance Services Portal Page | |
| BAE Recruitment Process embedded in Nimbus HR Accelerator | |
| How 2 Quick Start Guide | |

| Scorecards | |
|---|--|
| Nimbus HR Accelerator - HR KPIs | |

Search: Go

| Documents | |
|------------------------------|-----------------------------------|
| No items available | |
| Search: <input type="text"/> | <input type="button" value="Go"/> |

| Measures | |
|--|--|
| Cost per hire | |
| Time taken to fill vacancy | |
| % of offers accepted | |
| Staff Turnover | |
| Absence Rate | |

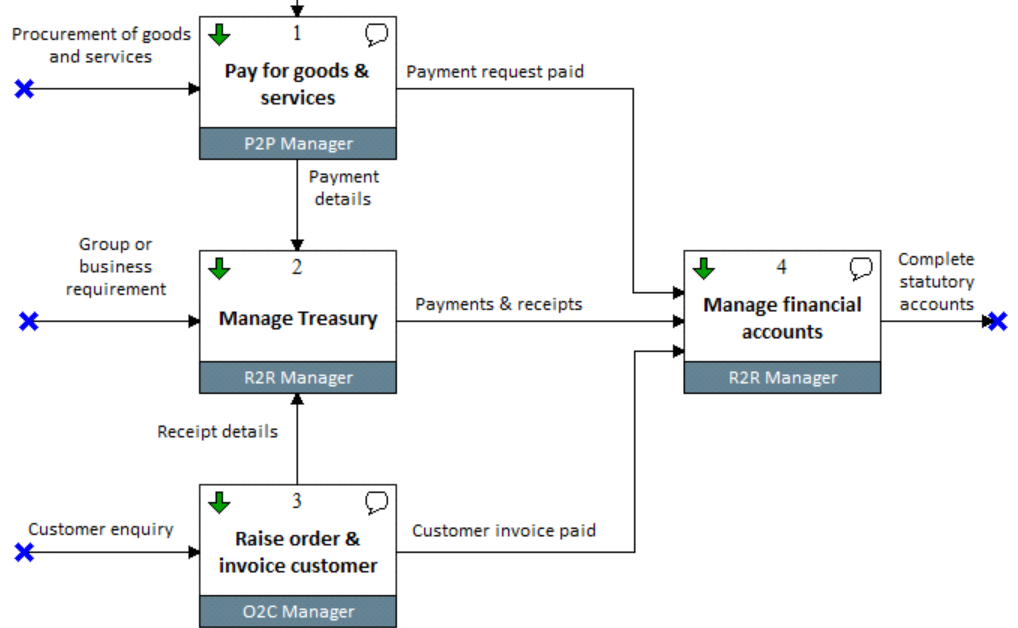
| Storyboards | |
|---|--|
| How to recruit a new employee in my team? | |
| How to recruit new employee - Recruiter role | |
| How do I enrol employees on a benefits program? - Benefits Admin Role | |
| How do I enrol employees on a benefits program- HR Admin Role | |

| Notes | |
|------------------------------|-----------------------------------|
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| Reports | |
|--------------------|--|
| No items available | |

| Transactions | |
|--------------------|--|
| No items available | |

My How2



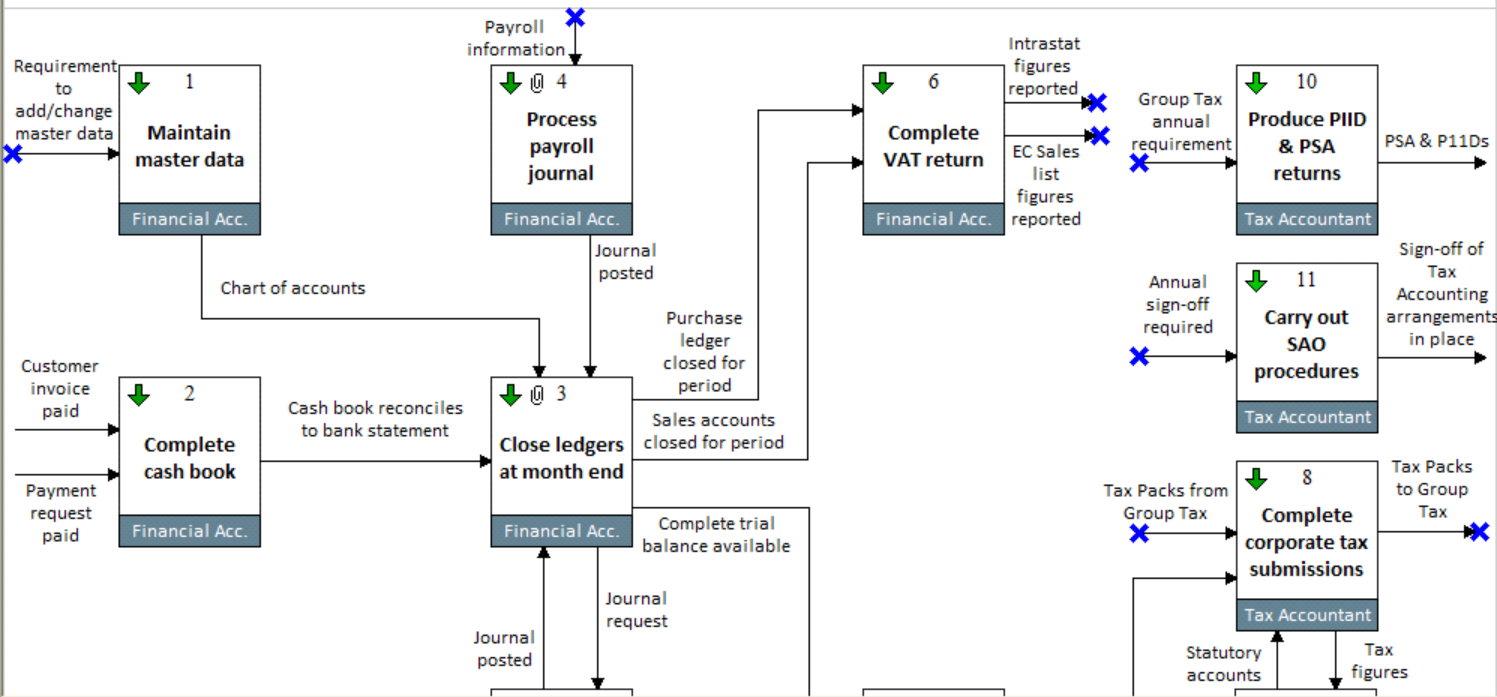
Owner: Rene Nibbelke

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Version: 2 Status: Master - Authorized

Manage financial accounts

[Suggest a Change](#)



Feedback

“The process maps were very useful during the Impact Assessment Workshop on the site we are exiting”

Transition Project
Manager

“How2 is a key enabler for our Transformation Programme and the future growth of Finance Services”

Head of Finance Services

“The process maps and linked documents will help us to address several audit observations”

Governance & Improvement
Manager

What did we learn?

- Buy-in at all levels is essential
- Not just the tool – the people and relationships are key
- Number of authors – one embedded in each team
- Usability is key - Single sign-on is key to usability
- Engage with the Nimbus community ‘phone a friend’



What Next?

Review of content in teams

- Standardisation
- Lean/Six Sigma
- Compliance – embedded controls

Service Excellence – user experience improvement through story boards

- New expenses system deployment to 20.000 users

Potential growth in Finance

- Shared Services Group Finance
- On-boarding more work – process mapping ‘as-is’ to get a base-line

Potential growth in other areas

- IT Project management being mapped
- A number of ERP initiatives around BAE Systems may benefit

What Next – spreading the word

Yammer Search My Networks Rene Nibelke

BAE Systems

My Feed Top Conversations

Share an update with my colleagues

What are you working on?

Rene Nibelke
Preparing my presentation for the Inspiring Performance Conference in London - a case study about process mapping using an on-line tool in Finance Services.

It will focus on how we mapped all processes and over 400 workinstructions in an on-line controlled tool across three finance systems in six months and the benefits. This tool is now hosted by CSC in Whitelink and can be exploited by others across all home markets - leveraging the same hardware (with some additional software licenses). If you are interested - get in touch.

Conference is free to attend.

NIMBUS
from strategy to reality

Inspiring Performance 2011 - Global Conferenc
limbus
<http://www.nimbuspartners.com/news/event-performance-2011-global...>
You can now register to attend Nimbus' Annu Global Conference "Inspiring Performance 2f which this year will be held on 27-28 Septem The Brewery, London. The way we work is

GETTING STARTED

Installing the Yammer Desktop will bring you to 100%

100%

- ✓ Complete Your Profile
- ✓ Add Your Photo
- ✓ Invite People to Join
- ✓ Follow People
- ✓ Join Groups
- Get Yammer Desktop
- Get Yammer Mobile

NETWORK OVERVIEW

This is a Verified Network:

This is the verified network for BAE Systems. Only those with a confirmed @baesystems.com email can join. This network does not have an admin. Claim your network to choose an admin.

Claim Network

<< Message posted on our new 'Company Facebook'

If you are interested 'get in touch'

Thank You

Any Questions?

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