Finance transformation is fundamentally about changing how finance supports their business's business strategy and the performance of that strategy.

Finance transformation used to mainly be about cost control, gaining efficiencies, risk, and compliance. And while critically important, finance transformation should drive strategic decisions around capital, cash, and growth. And these are the things that investors are paying attention to and rewarding companies for.

Tax is one of the most overlooked functions when it comes to providing payback to a finance transformation, yet our research is when we’ve seen clients apply tax to these functions and these finance transformations, we’re 10% or more of the payback.

There are a number of reasons why a CFO may want to consider conducting a finance transformation. A CFO could use a finance transformation to support inorganic and organic growth, particularly in the area of making use of the ever-increasing amounts of data that can improve decision-making.

Finance transformation plays a critical role in driving value for strategic transactions. When you have a consistent, financial operating model, and set of core principles around that, that allows for quicker execution and effectiveness of a transaction. Otherwise, you may dilute the value of that transaction.

The importance of taxing jurisdictions and the tax law are getting more burdensome every day. Taking advantage of the opportunity that a finance transformation affords and getting tax involved makes you ready for that future.

It's imperative that the CFO assess and understand the major elements of an operating model.

Based on EY research, 64% of the tax adjustments that are made by local jurisdictions are really just due to error and misapplications of tax rates. Those are really just simply errors based on operational deficiencies. We can do better.

A successful finance transformation is about having a clear vision for what you want to achieve and putting in place the right controls, risk management procedures, and data and visibility to analytics and insights, to make better decisions.

When I've seen successful finance transformations that involve tax it was because the CFO really understood what the objectives were for both the organization but then brought tax along in the process.

The implementation and the performance of the business strategy is critical to the overall success of the organization. And the CFO, because of his leadership
role and influence in the organization, is in a natural position to help drive these programs to a successful outcome.

**Orlan Boston**  The three things a CFO needs to know about finance transformation is that they are going to be the steward of capital; 2) they're going to enable the business; and 3) they're gonna lead by example.

**Chris Pontrelli**  EY is best suited to help the CFO with a transformation because our interests and objectives are aligned with the interests and objectives of our clients. We're independent. There's no predetermined outcome. And we're unbiased in terms of the potential solutions that can be used to drive the transformation.