

## **Case Study (SGO)**

### **Aerospace: Restructuring of the Finance Division / Focus on business drivers and a new business partner role**

**Industry:** Aviation industry (supplier)

**Position:** Chief Financial Officer (CFO) at a subsidiary of a major American corporation

**Topic:** Reorganization / Change Management

**Revenue:** approx. €200 million

**Employees:** 450

#### **Responsibilities:**

1. Temporary replacement
2. Reorganization of the finance department with a clear division of responsibilities between accounting and controlling
3. Establishment of a proactive, modern, and agile controlling function to achieve

#### **Implementation:**

1. Development of a strengths and weaknesses profile (SWOT) in collaboration with management and other departments ("internal clients")
2. Conducting various change management workshops with the finance team, jointly developing a clear mission for the finance department, defining goals and measures, and establishing a comprehensive reorganization roadmap for 2019/20, including personnel development measures
3. Review and optimization of processes (including monthly and annual closings, treasury, taxes, compliance issues, planning, forecasting, opportunity/risk assessment, KPI utilization, and IT support (including SAP))
4. Formation of two finance teams, each with a team leader
  - Team 1: Accounting / Tax / Treasury / Accounts Receivable and Accounts Payable Management / Compliance Issues (4 employees + Shared Service Center)
  - Team 2: Business Controlling (4 employees) with 4 focus areas:  
Sales Controlling, R&D Controlling, Operations Controlling (including Purchasing, Production, Quality Management, and Logistics), Project and Investment Controlling

5. Development of a “business partner concept” for the two teams and coordination with “internal clients”
6. Definition of roles and core responsibilities, revision of staffing plans and job descriptions for the two finance teams, and transfer of existing employee responsibilities to the appropriate teams
7. Development of a staff development plan (job enrichment/enlargement) that includes training and seminars
8. Design and implementation of a new management approach based on relevant strategic and operational business drivers, as well as driver-based KPIs for the respective divisional controllers and functional departments; adaptation of controlling processes (such as planning and forecasting, and actual vs. budget comparisons), Focus on “free cash flow” as a key financial metric for enterprise value optimization; development of a preliminary concept for the implementation of an MIS (Management Information System) solution based on SAP R/3
9. Ongoing (monthly, weekly) opportunity/risk assessments with coordinated action plans
10. Introduction of regular business partner/controlling meetings with functional departments, local management, and representatives from headquarters in the U.S. to improve communication and business management

### **Results:**

Improvement of the reporting and forecasting process—and thus of business management—through a focus on a “driver-based” free cash flow concept combined with a “proactive business partner approach,” Early identification of opportunities and risks, high acceptance among finance team members (accompanying staff development measures!) as well as in the business units (improved communication and support!), Implementation of a “win-win” approach for all stakeholders, effective accounts receivable management, and reduction of outstanding receivables, thereby improving cash flow; increase in return on sales by approximately 20% compared to the previous year through consistent project, revenue, and cost management; handover of the reorganized finance department to the new permanent successor after 10 months.