



FINANCE REIMAGINED

COLLABORATION, TENACITY,
RESILIENCE, COMMUNICATION
AND NEW WAYS OF WORKING

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September 13, 2022

Connecting the Dots

- Listen: Psychological Safety and Fearless Organizations
- Overview
- Systems Thinking: It's a Mindset
- No Fear: Amy Edmondson
- Digital Communication: Some rules for engagement
- Bringing it together: New Technology, New Rules and the people to support it

Psychological Safety and Fearless Organizations

Corporate Unplugged

There is not
an easy
button

<https://www.linkedin.com/feed/update/urn:li:activity:6970406995325526016/>

Amy Edmondson speaks on
organizational change,
leadership, and
transparency.



Reimagining the Finance Function: Foster a Collaborative Work Environment

Adapt faster, align resources, and accelerate growth to rethink risk, embrace disruption, and know when to act

Finance has been undergoing a digital transformation that is changing its workforce composition and skill sets with particular efforts on diversity and inclusion to support talent acquisition and retention efforts.

Breaking-down silos, integrated planning and partnering with a focus on stakeholder value and the agility to rotate and flex teams based on priorities will be a determining factor in the success of the finance community

The future of finance is a network-based organization that calls for intrapreneurial ways of working across the enterprise comprised of the (1) traditional core, (2) problem-solvers, (2) specialists and (4) value-leaders.

A New Era for Finance

In insurance, multiple groups and functions are involved in calculating, projecting and managing financials.

Beyond the traditional finance unit, actuarial, investment teams and certain risk disciplines need to work together to provide accurate information and clear insight.

Closer integration of risk management, tax, actuarial and finance teams is critical, since they operate collectively as a financial management ecosystem

Technology has redefined the art of the possibility for finance, actuarial and risk management.

Advancements that seemed “just too hard” are now within reach, including the replatforming and rebuilding of actuarial models, the migration of core ERP and enterprise performance management solutions to the cloud, and the implementation of data-as-a-service solutions that allow for huge scale, capability, speed and operational cost savings.



Looking ahead, regulatory requirements for data availability and transparency will only increase, especially relative to ESG. At the most, forward-looking insurers and finance teams are taking the lead on sustainability and ESG, with voluntary activity moving ahead of likely regulatory requirements. Finance must therefore have the operating model, infrastructure and digital capabilities necessary to satisfy regulators and other stakeholders.



Insurers that move quickly and boldly to digitize, integrate and transform their finance, actuarial, risk and tax functions will see benefits in the form of increased operational efficiency, and a more dynamic and strategically oriented function better able to support and add value to the business.



Tomorrow's top-performing finance functions will be notable for their empowered people and teams, adoption of advanced technology, and expert use of integrated data. They will also excel at building mutually beneficial relationships with key vendors and partners.



Consistent and unified data sources for the entire enterprise, seamlessly provisioned for cloud-based calculation, modeling and processing tools to meet customer, regulatory and shareholder requirements, with robust teams of data scientists, engineers, and analysts.

A New Era for Finance

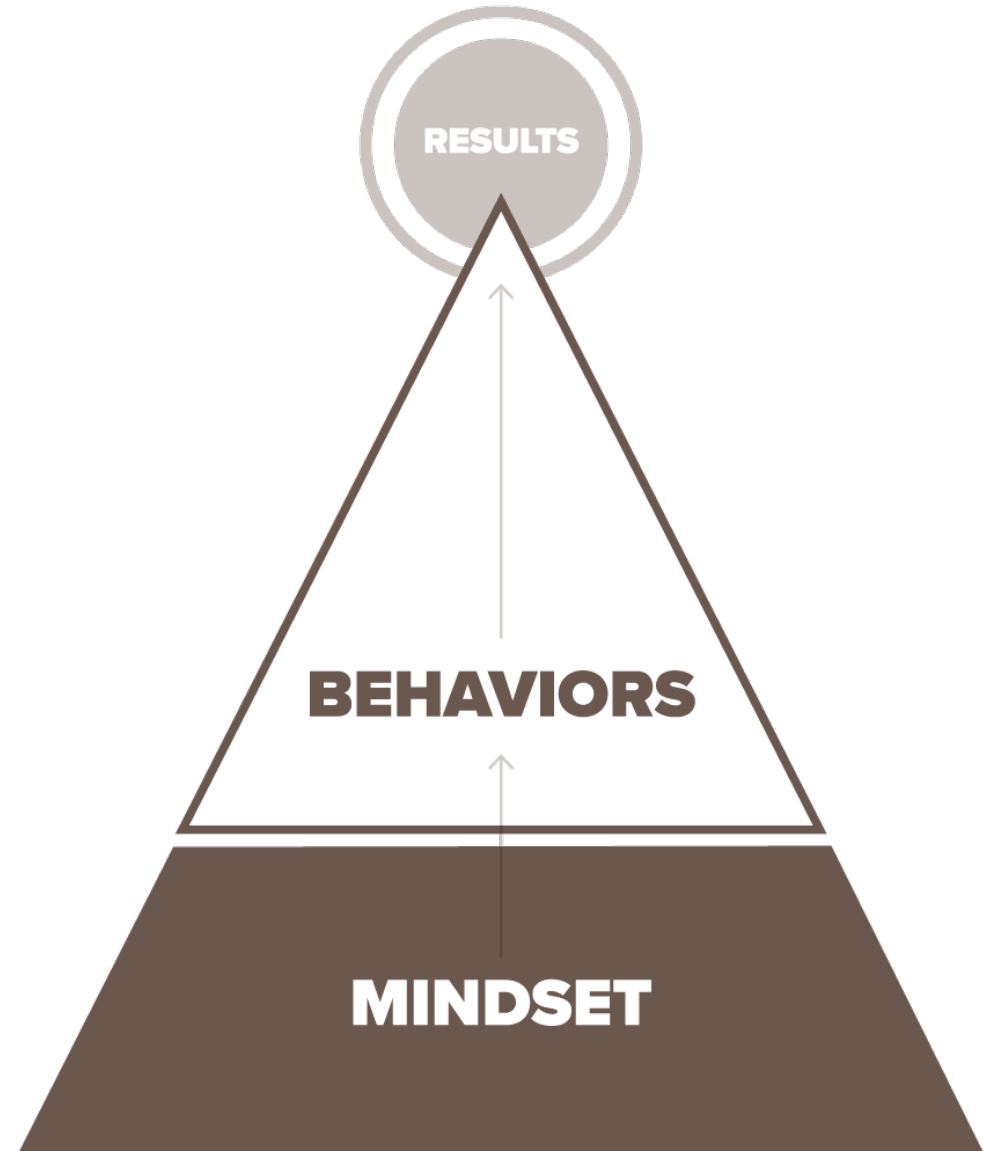
A New Era for Finance

As a practical matter, both leadership and staff must have the capacity to take on change; transformation cannot be anyone's second job. Automation in production and reporting processes is one way to create capacity. Eliminating a myriad of spreadsheets, presentations and emails will free up considerable time across the team. Technology should be evaluated and deployed based on its ability to deliver better process outcomes and enable people to work more productively and effectively.

- Among the key attributes of next-generation finance talent are:
- Front-office mindsets rather than back-office perspectives
- Readiness to play new advisory roles and develop new capabilities
- An adaptive view of and enthusiasm for change
- A strong commitment to continuous collaboration and learning

Finance teams will likely be significantly leaner and smaller in the future. But they'll be more highly skilled and more specialized, with compensation commensurate to skills, experience and roles. Manual data processing will be automated, freeing workers to focus on higher-value analytical tasks.

Behaviors and Mindset: Systems, Teaming, Collaboration and Communication



Systems Thinking: Team-up

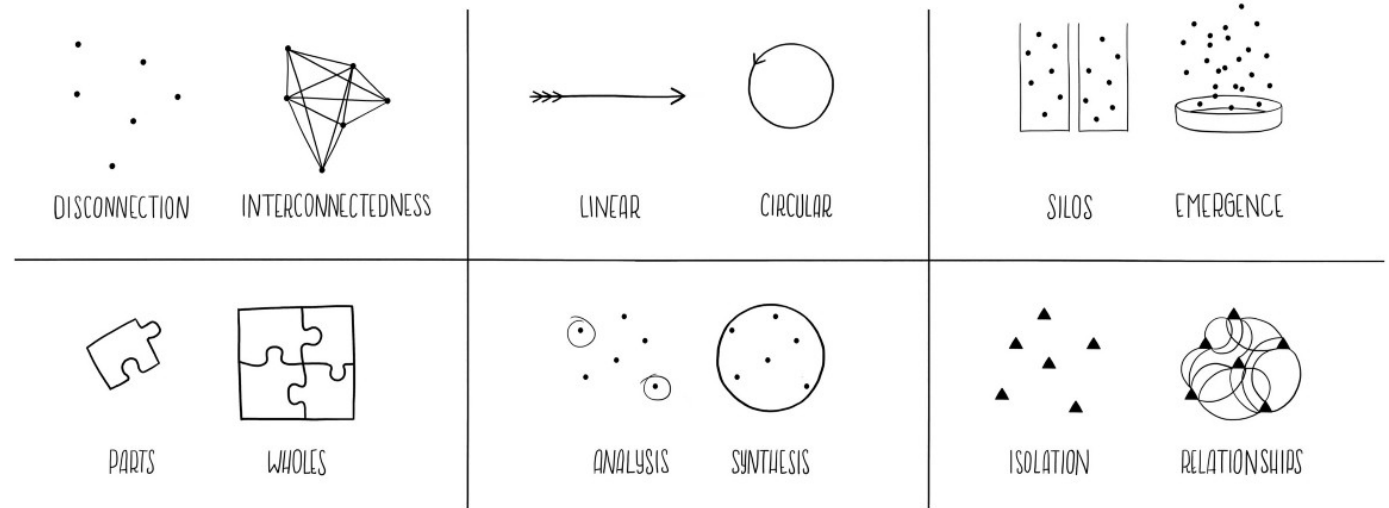
Linear vs. Feedback loops

Account for downstream and feedback effects

Complex ecosystem that is non-linear

Predicting outcomes: Illusions without consequences of levers

TOOLS OF A SYSTEM THINKER



Six of the most important key themes in systems thinking: interconnectedness, synthesis, emergence, feedback loops, causality, and systems mapping

Systems Thinking: Team-up

Systems thinking requires a shift in mindset, away from linear to circular. The fundamental principle of this shift is that everything is interconnected.

Synthesis is the ability to see interconnectedness.

Emergence is the outcome of the synergies of the parts; it is about non-linearity and self-organization and we often use the term 'emergence' to describe the outcome of things interacting together.

“A system is a set of related components that work together in a particular environment to perform whatever functions are required to achieve the system's objective.”

~ Donella Meadows

@unschools | @leylaacaroglu

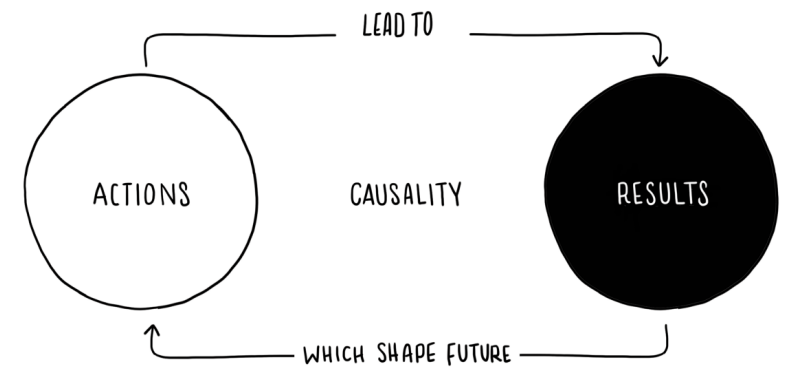
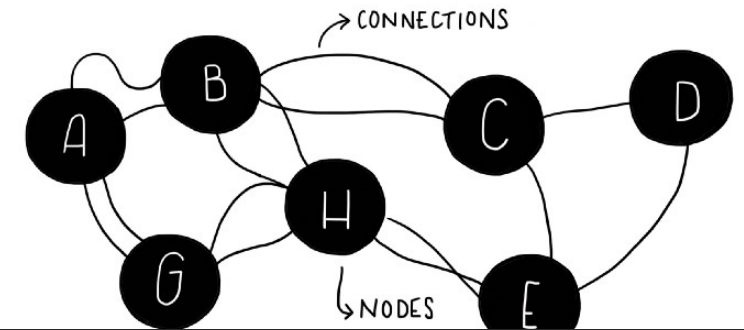


Systems Thinking: Team-up

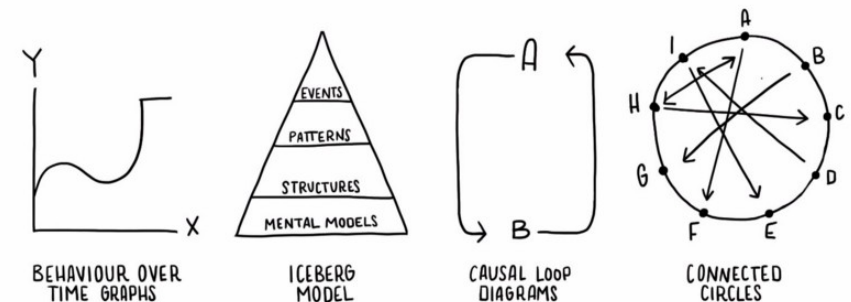
Feedback Loops: Since everything is interconnected, there are constant feedback loops and flows between elements of a system. We can observe, understand, and intervene in feedback loops once we understand their type (reinforcing vs. balancing) and dynamics.

Causality as a concept in systems thinking is really about being able to decipher the way things influence each other in a system. Understanding causality leads to a deeper perspective on agency, feedback loops, connections and relationships, which are all fundamental parts of systems mapping.

INTERCONNECTED FEEDBACK LOOPS?



TYPES OF SYSTEM MAPPING



No Fear: Lessons from Amy Edmondson

- Organizations thrive, or fail to thrive, based on how well the teams within those organizations work. What does it take to create a high-performing team?
- Based on her years of research working with teams across different industries, Harvard Business School professor Amy Edmondson reveals how high performance arises when teams are encouraged to take risks, fail, and learn from those small failures, a process she calls "teaming."
- Teaming is defined as actively building and developing teams even as a project is in process, while realizing that a team's composition may change at any given moment. Teaming is about identifying essential collaborators and quickly getting up to speed on what they know so you can work together to get things done.

Psychological safety is not about protecting people, but the quality of conversations.

Your colleagues should feel safe to express their ideas and think differently.

Tap into the collective wisdom of your team. Remove the fear of retaliation, not conflict.

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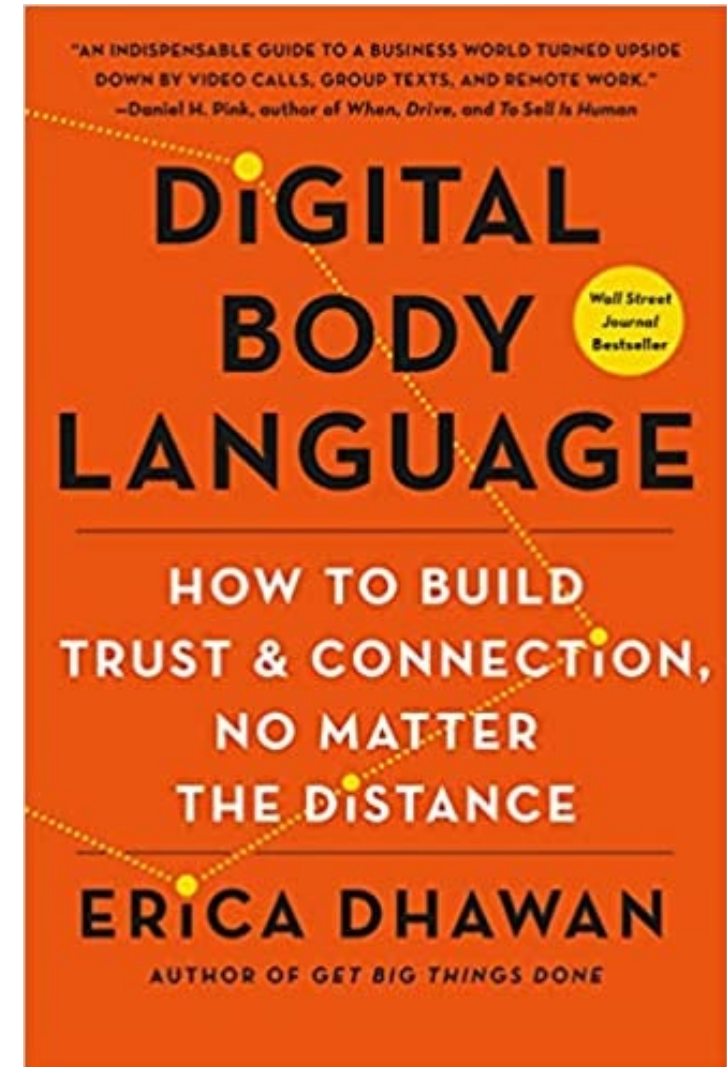
- Create the right environment for teaming: Aim high and Team up to work on things that are challenging and expect failure and act in the face of uncertainty with **empathy** with a willingness to say “**I don’t know**” and **experiment on approaches** to get the results we want.
- Responsibilities of individual team members to speak up, collaborate, experiment, and reflect.
- Short-termism is a dysfunction: by design ignores the longer-term.
- **True Value Creation over time:** Finding tools and techniques to engage in long-termism and requirements to pay attention to the impact.

DIGITAL BODY LANGUAGE

HOW TO BUILD TRUST & CONNECTION, NO MATTER THE DISTANCE

BASED ON BOOK FROM ERICA DHAWAN

AWARD WINNING KEYNOTE SPEAKER & WSJ BESTSELLING AUTHOR



Digital Communication Pain Points



In a recent study with Quster, a lack of communication was identified as the biggest issue affecting teams



70% | Percent of employees experienced some form of poor digital communication



75% | Percent of employees identify lack of communication as a key pain point in digital communication



4 Hrs | Time lost weekly because of poor communication



Managers in particular are more likely to encounter poor communication than their employee counterparts



Erica Dhawan | Author |
Keynote Speaker |
Collaboration and Innovation

Innovate Faster and Further, Together

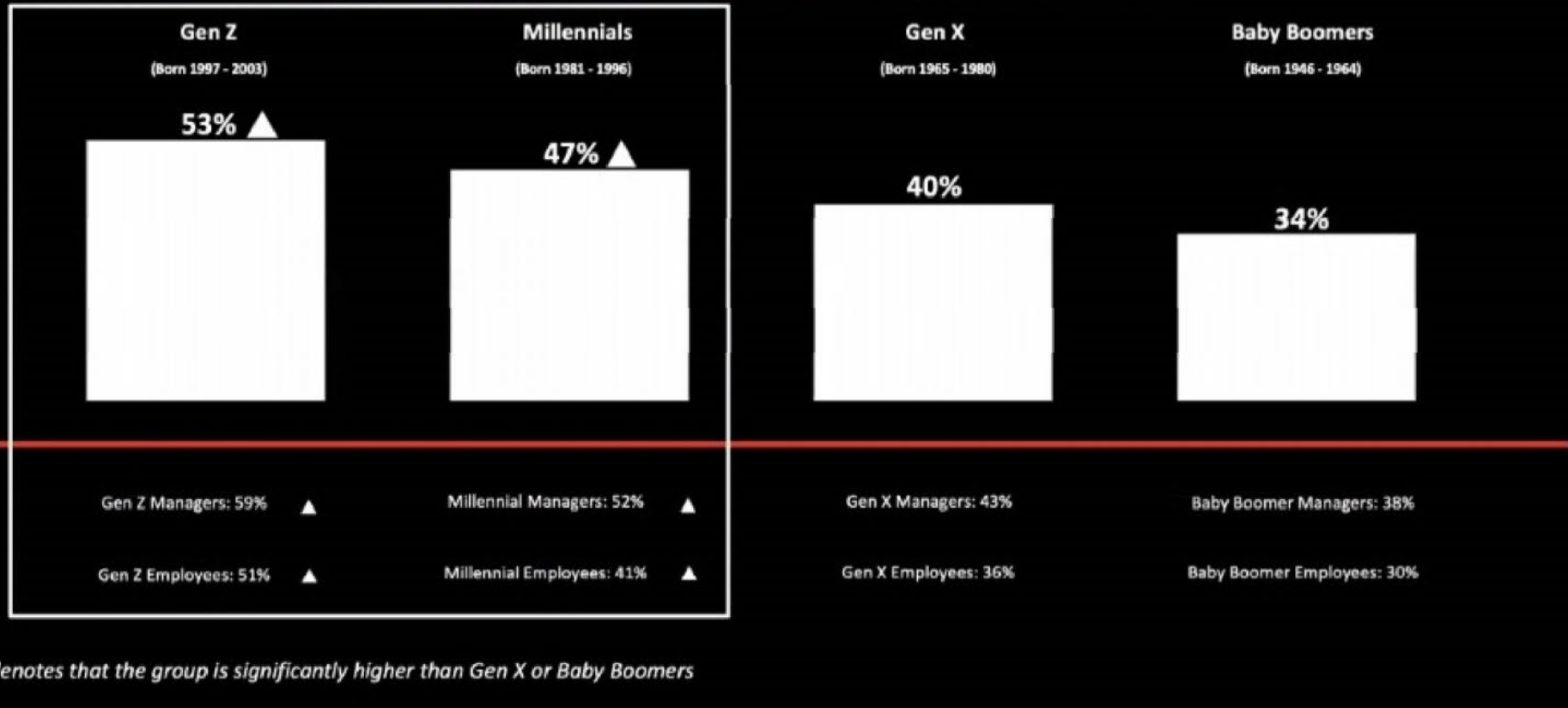
Collaborate Across Silos

Drive Exponential Growth

Innovate Through Teamwork

Note for Video: Focus on Story about 2 colleagues, Sarah & John

Digital Communication Anxiety Across Generations (% of Respondents)



Digital Communication Anxiety

In a study with Quester, it was found that Gen Zs are digital natives but they have the highest levels of Digital Anxiety

Digital Body Language: Implicit vs. Explicit

TRADITIONAL

Involves a head tilt to one side, signaling that another person is listening attentively.

Involves: stroking your chin or pausing for a few seconds, signaling that you're thinking about what's just been said.

Involves: smiling. (It's contagious. Our smile lights up the areas of the brain linked to happiness, which is why the people we smile at tend to smile back and/or feel a stronger sense of connection with us).

Involves: nodding. Bobbing our heads up and down makes us seem both interested and approachable. Nods, like smiles, are infectious, meaning that if we nod while we're speaking, others are more likely to go along with what we say.

DIGITAL BODY LANGUAGE

Involves "liking" a text. Praising another person's input in an email. Making a detailed comment verbally or in the chat box during a video call when someone expresses an idea, instead of just saying "I agree".

Involves: taking a few extra minutes to respond to a text, indicating respect for what it says. Writing a long or detailed response to an email that shows thought and focus. Pausing during a conference call to take in what's been said instead of blurting out the first thing that comes to mind.

Involves: using exclamation points and emojis (well within reason). Adding a simple *Have a great weekend* to the end of an email. Laughing during a video call.

Involves: responding promptly to a text, showing engagement by replying to an email with substantive comments. Writing *I completely agree with what you are saying* in the group chat during a Microsoft Teams meeting. Using a thumbs-up emoji in a video meeting.

Getting To Trust Totally

Source: ED Event

Checklist

Value Visibly	Do we feel like our time is respected? Do we feel like our best work is acknowledged and celebrated? Do we feel comfortable voicing concerns?
Communicate Carefully	Do we feel there is a common understanding of priorities and next steps? Do we have a clear understanding of which channels to use and when? Do we have clear language and word choice to foster understanding?
Collaborate Confidently	Do all the appropriate stakeholders feel identified and aligned? Do we feel that the correct people are informed--and are they cascading the messages appropriately? Do we feel there is consistency in communications across teams?
Trust Totally	Do we give each other the benefit of the doubt when facing uncertainty? Do we show vulnerability? Do we create moments for informal social connections?

How Do I Respond To Confusing Messages?



Here are some things you can do if you receive unclear, brief messages



If it's a work request, ask clarifying questions such as *Can you share what you need from me?* or *Thanks for this. When do you need this by?*



If you're not sure about something, ask for the details you need to get a better idea of the other person's intent, as well as the task at hand.



Change the channel of communication to a phone call, video chat, or face-to-face meeting for the additional context.

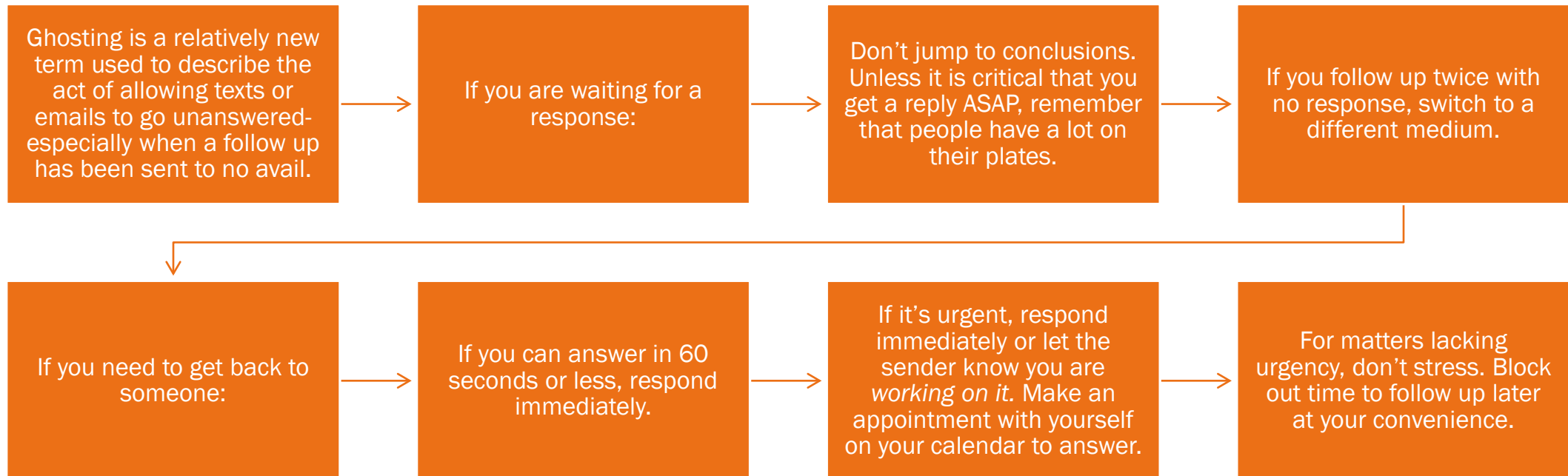
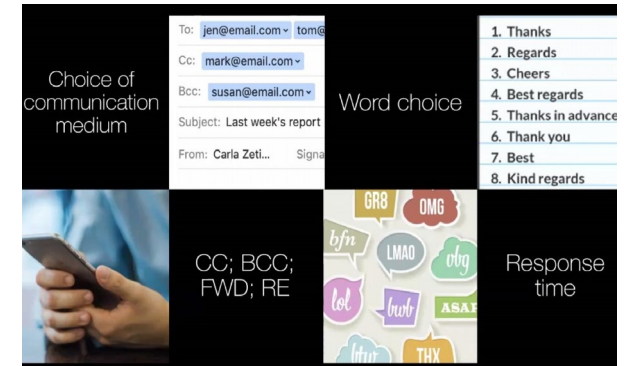
How Do I Respond To Confusing Messages?

If you consistently feel like there's a disconnect between your messages and the responses you're getting:

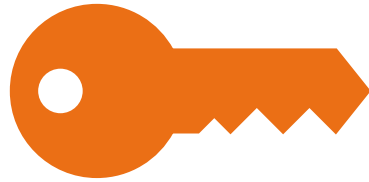
Ask yourself: Is it clear what the recipient needs to do, why they need to do it, and when they need to do it by?

Ask yourself: Am I using the right communication channel? Would a quick phone call provide more context than an email?

Avoid Digital Ghosting



Cross-Generational Examples: Phrases, Emojis, etc...



The key to good communications across generations?

Understanding preferences and knowing when to adapt to others' needs and when to set proper boundaries.

I promise: simply having a candid conversation about different communication styles will make a huge difference.

Cross-Generational Examples: Phrases, Emojis, etc...



A key difference between native and adapter digital body language styles differs on formality.

A study conducted by Grammarly “found workers under 35 were 50 percent more likely than older workers to be told their tone was too informal, even though more younger workers said they spent time agonizing over meaning, tone and grammar in their emails.”

For older leaders, email is an informal means of communication

Younger people typically regard email as a formal mode of communication, which is why they often append sentences like *Hope your weekend went well.*

Cross-Generational Examples: Phrases, Emojis, etc...

For better or worse, digital communications don't let us see each other's immediate reactions-which is why we look for ways to “politely” express irritation.

The truth is busy people (especially older ones) often use passive-aggressive phrases as legitimate follow-up requests, no passive-aggressiveness implied.

That includes ellipsis – older people use them differently – they do not mean to convey sarcasm... 😊

Think about punctuation usage and what it means to the reader (ALL CAPS, !!!!, ????)

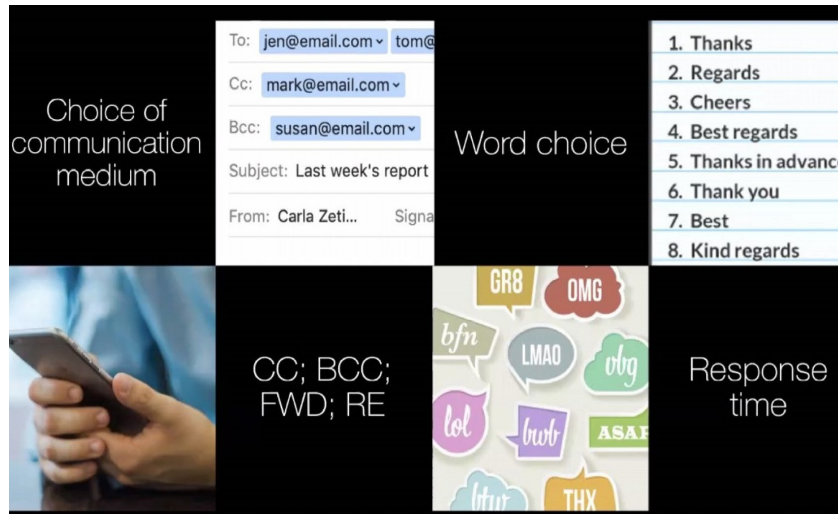


A message to the resisters: **Embrace Emojis.**

A story from the book - One baby boomer client of Erica's confessed that when emojis show up in emails from younger employees, his first thought I, "You can't even write a full sentence. You must not be that detail oriented. Erica told him to let it go. Emojis may not be appropriate in client-facing communications, but in almost all other instances, they're here to stay.

Know your audience. Effective digital body language I about tailoring communication-not to fit the natural preferences of one generation over the other but to meet the demand of the task at hand.

Cross-
Generational
Examples:
Phrases, Emojis,
etc...



Good Digital Communication Habits



Use “Reply All” sparingly, only if it is a one-time team announcement.



Limit email threads to 3 responses. After that, switch to a phone call.



Proofread your messages as if they were presentations. Re-read and make sure there is clarity in the Who/What/When you are asking.



Check facts, dates, and CC: BCC: fields.



Choose the correct channel based on message length, response time, and what you are asking for.



Keep IMs and texts simple and direct.

How Psychologically Safe Is Your Team?

It's important to talk openly about psychological safety, but you should also have a process to measure it. Ask yourself, and the people on your team, how strongly they agree, somewhat agree, somewhat disagree, or strongly disagree with the statements below:

- ✓ If I make a mistake, it's often held against me.
- ✓ Team members are able to bring up problems and tough issues.
- ✓ People sometimes reject others for being different.
- ✓ People sometimes reject others for being different.
- ✓ It's safe to take a risk.
- ✓ It's difficult to ask other members of this team for help.
- ✓ No one would deliberately act in a way that undermines my efforts.
- ✓ My unique skills and talents are acknowledged and valued.

How strongly you and your team agree (or disagree) with these statements, both online and off, speaks directly to the level of psychological safety present within your group. This can be an effective Totally Trust exercise for you and your team. (This was modified from Amy Edmondson's Team Psychological Safety Assessment)

Erica Dhawan
| Author |
Keynote
Speaker |
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2020-2021, research shows that strong organizational ties are stronger and weak ties are weaker

Create Rules & Norms: when and how to use email vs slack/messaging apps; if more than 3-4 emails, it is time for a call, 30 second delays before responding (micro aggression)

Create Rules & Norms: how to write an email (like a website - concise bullets), response times, use of punctuation and emojis, water cooler effect (office hours)

Create Rules & Norms: 45-minute meetings, start/end on time, how to respect introverts, how to engage, no after hour IMs, create boundaries, eliminate time-consuming chats

Communication Audit: Reflect on Positive & Negative experiences by channel

Email agendas & minutes (MS Teams takes minutes/notes or have a note-taker) and send within 24 hours (inclusive of decisions and action items)

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- How to run hybrid:
 - Geography is less relevant; HQ vs non-HQ no longer exists
 - Value Everyone visibly (be inclusive)
 - New Norms: Remote Attendee Lead, active chat
 - Power of Hybrid: Virtual White Board, group think, breakouts,
 - Set off-video meetings vs video or when video needs to be on vs. off during particular meetings ("I need everyone on for first 5 minutes but then we will screen share so ok to turn-off)
 - Writing clearly is the NEW EMPATHY / COLLABORATION - create rules
 - Leaders as role models and enlist collaboration / communication champions
 - Team fun days / book clubs / happy hours with rotating facilitators
 - Channel norms

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Author |
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- How to celebrate and appreciate others
 - Shout-outs / quick videos (from your phone - nothing fancy)
 - Weekly wins
 - Challenge of the week
 - Bad News as an agenda item - share something difficult to create safe space / trust
 - Reset the rules
 - Love languages
 - Know key partners / stakeholders / and create cross-business collaboration agreement

CFO Agile Operating Model

Business Model

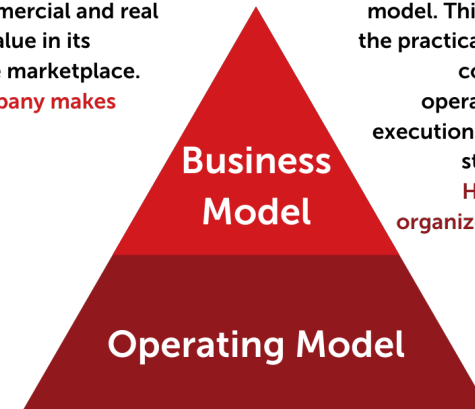
The company's strategic choice of what it will deliver, to whom, and how it will create commercial and real customer value in its competitive marketplace.

How a company makes money

Operating Model

How a company configures itself to realize the value targeted in the business model. This includes all of the practical elements that contribute to the operationalizing and execution of a company's strategic intents.

How a company organizes around work



CFO Agile Operating Model

An agile
operating
model helps
finance
quickly share
expertise
where it is
needed

The Core (~10% of Finance Staff): Stable, lean, highly automated (journal entries, accounts payable, tax provisioning, etc.).

A small team of finance professionals would be responsible for most of the accounting and bookkeeping activities, as well as transactional processes such as invoice-to-pay and revenue management.

Many of these activities would be automated and standardized, hence the small headcount. Support COEs, finance analysts and finance value leaders through provision of accurate information

CFO Agile Operating Model

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The Problem Solvers:
(~60% of Finance Staff): Generalist finance staff aligned to one or more specific communities of interest and deployed on finance projects across the business as needed (i.e., temporary project assignments).



Moving in and out of project teams would give these problem solvers a broad appreciation of the business, with opportunities to develop a wide range of finance and business-advisory skills.



Senior finance leaders would need to closely track where these problem solvers spend their time, so that they focus on the most important questions and the parts of the business. A range of time-tracking and workflow management tools can help senior leaders align resources to strategic priorities, reassign analysts quickly, and manage staffers' workloads.

CFO Agile Operating Model

The Specialists:
Shared-Services
or COEs Teams
with deep
capabilities that
are shared
across all units

COE specialists would develop distinctive sets of analytical and technical skills for leading insightful analyses in specific domains, such as top-line growth, tax management, or operating-expense control.

- Revenue analytics: Composition of revenue; revenue sharing; forecasting and Budgeting
- Expense Management: Composition of expense; allocation drivers; forecasting and budgeting
- Balance Sheet: Balance-sheet and working capital management; business level capital/liquidity
- Client and competitive analytics: Pricing; client and product profitability; competitive positioning
- Centralized Reporting and Control: Corporate and business-unit level reporting; earnings-release preparation; technical accounting and policies
- Tax: Tax planning; tax compliance; tax audit response
- Data Engineering: Data modeling; advanced analytics support

CFO Agile Operating Model

An agile
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Finance Value Leader (~10% of Finance Staff):
Dedicated to business units.

The fourth group of professionals would be the highly skilled finance value leaders, who would have free range to tackle the most pressing business opportunities and challenges across the company.

Typically making up no more than 10 percent of the total finance staff, these leaders would demonstrate distinctive capabilities in problem solving, collaboration, financial and business acumen, and technical and data analytics.

To help shape the economic agenda of a business unit, the value leaders would serve as integrators, collecting and analyzing insights from the core team, the problem solvers, and the specialists, then developing action plans for improving the unit's financial health.

The value leader could help identify the business variables that problem solvers should be modeling, for instance, or he or she could work with a specialist and a business-unit head to discuss the implications of a team's analysis.

Digital Finance Capabilities: Formal and Informal Pathways

Learning, Development & Recognition: Finance leaders themselves should “walk the talk” by role modeling these changes, sharing examples when new skills are well demonstrated and recognizing and rewarding managers for effective coaching and team development. Finally, structural actions, such as defining promote-from-within quotas and linking promotion criteria to skills attainment, can signal the importance of training opportunities. That way, the day-to-day demands of the business do not entirely drown out the need for finance staffers to build a new range of capabilities.

Companies have embraced digital and automation technologies, but they are still figuring out how to capture value from them—and may be doing so for the next few years. Regardless, we still believe finance professionals must begin to think about how these technologies will affect the way their work is structured and completed, as well as the type of talent required to realize the promise of digital tools. Those that do may reach the next level of sophistication in charting a path to maximum financial value in the organizations they serve.

Sources

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- [Corporate Unplugged](#)
- <https://ericadhawan.com/books/>
- [New Technology, New Rules: Reimagining the modern finance workforce](#)
- [Finance in insurance reimaged: the why, what and how of transformation](#)