



Enhancing the Performance of the Finance Function – National Australia Bank

National Australia Group Europe (NAGE) is perhaps better known in the UK for the brands of Clydesdale and Yorkshire Banks. Providing mostly retail consumer and SME business banking, this UK bank has fared better than many FS organisations in the economic turbulence of the banking crisis and recession. The UK Finance function provides the statutory, management and regulatory reporting capabilities, as well as Decision Support services, to its' internal stakeholders and customers. Nearly 170 qualified and part qualified accountants, these knowledge workers make up a powerful body of accounting expertise.

However some of the working practices were rather traditional and overall the group did not possess the flexibility required to meet the constantly changing demands for their services.

With a goal of improving the effectiveness of the Finance function, the Head of Finance -Steve Orme - went to market to select an advisory firm for the provision of performance improvement expertise to guide both him and his leadership team. The objective was to find ways to deliver increased value add, enhance responsiveness, whilst balancing with the delivery cost.

What Trinity Horne did

Trinity Horne worked closely with Steve and his management team to assess the current effectiveness of the function. Finance handles 3 basic types of work: transactional (posting accounting entries, producing reports etc), mini project (production of periodic outputs e.g.. monthly accounts, product profitability projections) and the delivery or participation in full blown projects (Basel 2, GL improvement etc). The assignment focused on improving effectiveness mostly, but not exclusively, on the first 2 categories.

In the transactional area of Finance, Trinity Horne assessed productivity and effectiveness using standard operational management techniques. The in-house operations management toolset was critiqued and gaps identified in the Management Process. In the mini-project, knowledge worker intensive environment, the focus was on enhancing the effectiveness of key processes. A closed loop management framework was proposed, capacity improvements identified and support provided to re-define the existing balanced scorecard mechanisms to better reflect desired behaviours and outcomes.

Throughout the assignment, care was taken to avoid questioning established accounting principles. Rather the focus was on enhancing the effectiveness of:

- workload management (Management Process)
- satisfying ad-hoc work requests
- the behaviours and management style including meeting attendance
- the structure and how well staff were goaled to achieve the objectives of the organisation.

Trinity Horne assessed the effectiveness of key reporting processes and critiqued - as was - the Finance Leadership Team's vision, Target Operating Model and plans for its achievement. Overall, a series of improvements were identified which will yield capacity increases of around 15%.

The outcomes of the project were a reshaping of Finance's:

- target operating model
- management processes
- performance and capacity management approaches in transactional and mini project environments
- operating structure, objectives, balanced performance scorecard
- management responsibilities

and as a consequence a revision to the change programme yielding significant improvements to the overall effectiveness of the Finance function.

TrinityHorne.

Client Testimonial

After a rigorous selection process with the usual household names, Trinity Horne was chosen because they showed not only an innovative way of assessing Finance performance, but also a practical emphasis on changes that made a real difference.

Throughout the Trinity Horne team were pragmatic, yet focused in a way that reflected Finance's strategic ambition. They brought a breadth of experience to complement our own. This, coupled with a different mindset about how Finance could deliver improvements, made the difference between them and the approach offered by the accountancy led consultancies.

The Trinity Horne team on site worked well both with the Finance Leadership Team and staff on the ground, providing forensic, yet constructive challenge to some traditional and less effective practices. As a result of their work, Finance has refocused its' delivery model and improvement programme and we are now much better placed to meet the challenges of the coming years, whatever the market throws at us.

I would be very happy to use Trinity Horne again and would highly recommend their methodical approach to performance improvement.

Steve Orme, Head of Finance, National Australia Group Europe