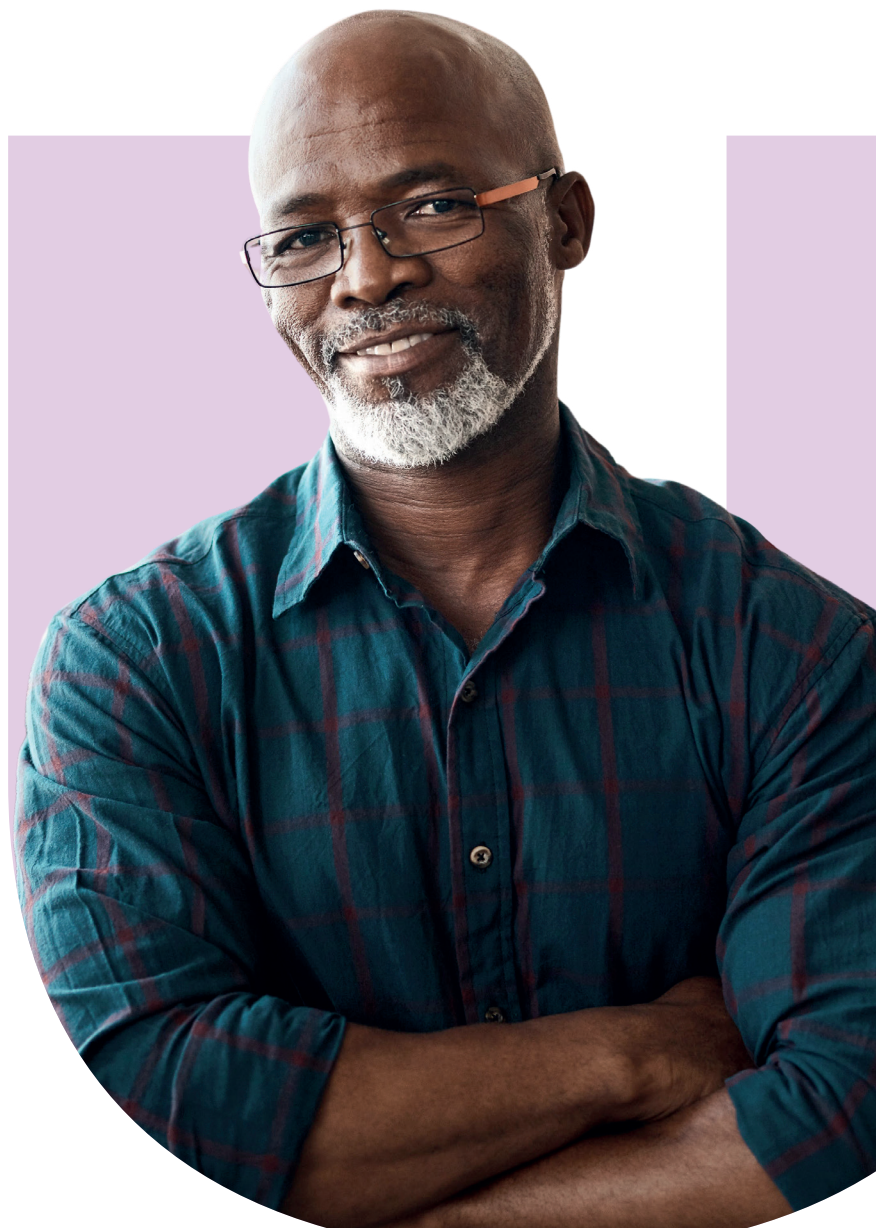


Financial transformation in the public sector

A GUIDE TO SUSTAINABLE EFFICIENCY



Introduction

Public sector finance teams are under pressure to deliver efficient and effective services in a fiscally constrained environment. While initial cost-cutting measures have addressed immediate needs, long-term financial sustainability demands a strategic transformation of the finance function itself.

To discuss this challenge and to talk through possible solutions, Unit4 hosted a roundtable with industry advisors and specialist change consultants, talking with finance transformation leaders to share experiences and insights on successful transformation projects and programs.

This whitepaper shares findings and explores the key challenges and opportunities associated with public sector finance transformation, outlining a roadmap for achieving optimal financial health.



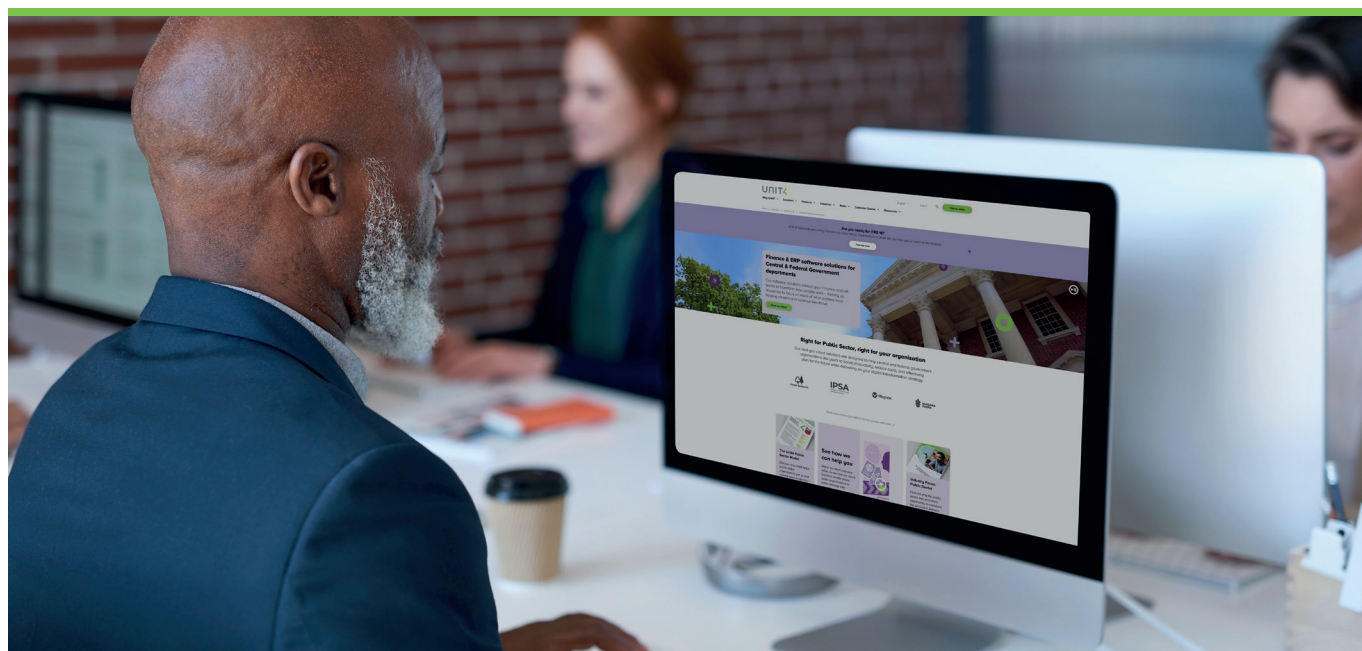
The evolving landscape of public finance

Technology adoption is rapidly changing the public finance landscape. Data-driven decision-making is now paramount, requiring robust data management and integration capabilities. Public sector finance functions must embrace these advancements to streamline processes, enhance transparency and accountability, and ultimately, optimize resource allocation.

Challenges on the road to financial transformation

Several critical challenges impede the successful implementation of public sector finance transformation initiatives. These include:

- **Persistent cost pressures:** Public sector finance teams are constantly challenged to identify cost-cutting measures and improve efficiency.
- **Skills gap and talent acquisition:** Recruiting and retaining personnel with the requisite skillsets for modern finance functions, such as data analysis and digital fluency, can be a significant hurdle.
- **Cultural resistance to change:** Risk aversion and ingrained financial practices can create inertia and impede the adoption of new approaches.
- **Myopic focus on short-term savings:** Overemphasizing immediate cost reduction without considering long-term financial health can lead to reactive decision-making and missed opportunities.
- **Limited investment in technology:** Legacy systems and inadequate technology infrastructure can hinder automation, data analysis, and overall financial efficiency.
- **Ineffective communication:** Poor communication between finance and other departments can lead to misunderstandings and hinder collaboration on financial goals.



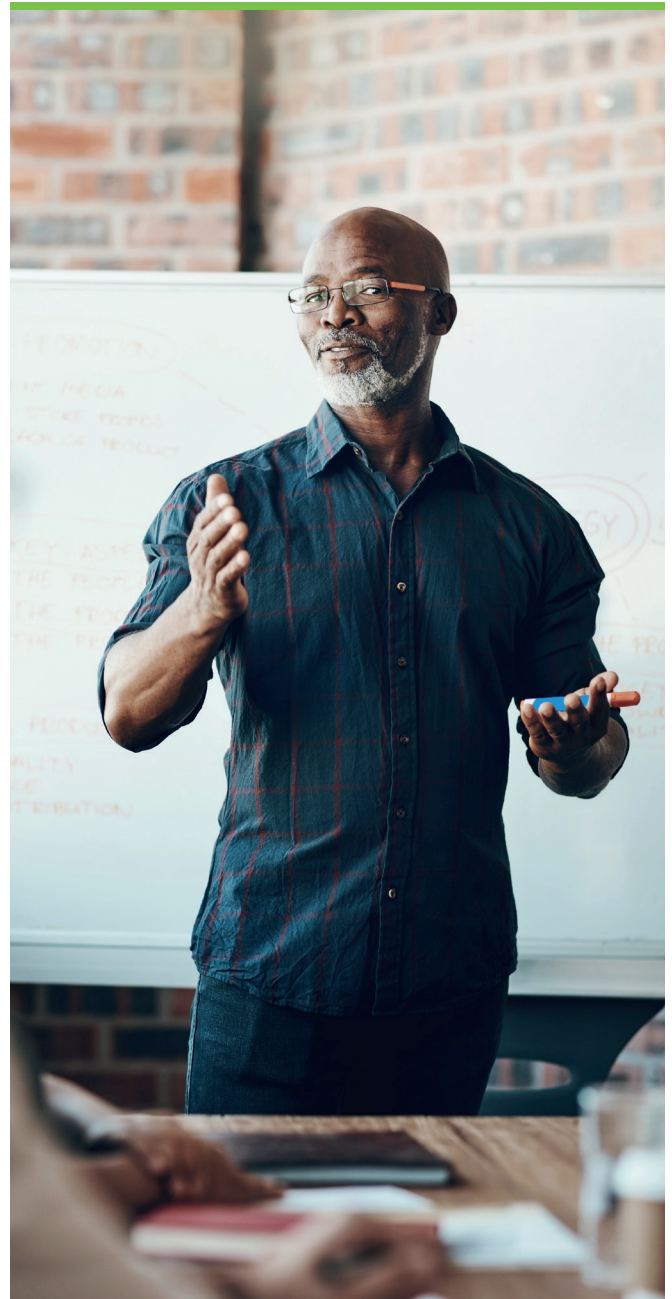
Building a sustainable finance transformation strategy

Public sector finance teams can overcome these challenges and achieve successful transformation by adopting a strategic and holistic approach. Here are the key pillars for building a sustainable finance transformation roadmap:

Challenges on the road to financial transformation

Several critical challenges impede the successful implementation of public sector finance transformation initiatives. These include:

- **Creating a compelling vision:** A clear vision for a future-proof finance function that emphasizes efficiency, transparency, and data-driven decision-making is essential to motivating action for change.
- **Building strategic alignment:** Finance leaders must collaborate with department heads and senior management to ensure financial objectives are aligned with overall organizational goals.
- **Investing in modern technology:** Modernizing financial technology infrastructure with solutions for data management, automation, and reporting is crucial for enhanced efficiency and informed decision-making.
- **Developing a skilled workforce:** Investing in training and development programs to equip staff with the skills needed for data analysis, digital fluency, and modern finance practices is essential.
- **Promoting a culture of continuous improvement:** Fostering a culture of continuous learning and process optimization within the finance team enables ongoing efficiency gains.
- **Effective communication and collaboration:** Clear and regular communication with stakeholders across the organization ensures transparency and builds trust in the finance team's leadership.



Long-term sustainability: Building a future-proof finance function

For public sector finance transformation to be truly successful, a focus on long-term sustainability is essential. Here are the key considerations:

- **Data-driven decision-making:** Leveraging data analytics to identify trends, predict future resource needs, and measure the impact of financial decisions is crucial for long-term financial health.
- **Risk management and mitigation strategies:** Developing robust risk management frameworks and proactive mitigation strategies safeguards against potential financial threats.
- **Performance measurement and reporting:** Establishing clear performance metrics and generating insightful reports allows for continuous monitoring of financial progress and course correction as needed.

By adopting a strategic approach to finance transformation that prioritizes people, processes, technology, and cultural change, public sector organizations can build a finance function that is efficient, effective, and adaptable to future challenges. This will ultimately lead to a more sustainable public sector and a better return on taxpayer investment.

Collaboration between finance teams and operational staff is paramount; they all require a vast range of data to understand targets and areas for efficiencies, which is why many finance teams are adopting collaborative solutions to:

- **Communicate insights clearly:** Present data in a user-friendly format, highlighting areas for improvement and potential cost savings, with access to relevant data from a single source.
- **Engage with stakeholders and operational teams:** Partner with these teams to understand service delivery nuances and co-create solutions that optimize processes without negatively affecting service delivery.
- **Model and plan change:** Using actuals and related data, model the effects of organizational changes, providing options and outcomes based on budget, resources, and targets.

The significant role finance technology plays in driving efficiency across the organization cannot be underestimated. By leveraging data analysis, collaborating with field teams and operation delivery staff, finance professionals can contribute to improving productivity and delivering on their objectives and targets.



How Unit4 solutions bridge the gap between expectations and reality

Unit4 helps public sector organizations maximize resources, reduce costs, and increase accountability to deliver more cost effective services. Through our purpose-built **public sector model**, we help you better manage budgets, projects and funding—as well as the people who make it all happen.

We have developed our enterprise solutions to help the public sector face the increase in demand for services with ever-dwindling funds. Our fully **Cloud-based ERP platform** is built to radically simplify your back-office systems. Creating a single working environment and source of truth for the entire organization, enabling you to integrate multiple services and tools into one powerful system that retains a lightweight and intuitive user experience for your end users.

Intelligent automation simplifies many of your day-to-day workflows, removing the burden of admin from your staff, freeing them up to pursue higher service standards, and saving the entire organization time and money, which can be refocused into more productive areas.

AI-powered data analytics also helps develop insights in real-time to match resources to needs and create realistic and actionable forecasts for finance, HR, and service demand. This allows everyone who works for the organization to benefit from better insight and become more effective and engaged.

Southampton City Council

“Unit4 is making the council smarter and more agile. By automating and streamlining processes in the cloud, as well as introducing self-service, Southampton City Council can direct more resources to front-line services.”

Helen Baker, ERP Support and Development Manager

East of England Ambulance Service NHS Trust

“We have more than 100 budget stakeholders running our services, and they were performing budget management manually. A reliance on spreadsheets meant there was no coherent approach to how budgets were set by each team. It was also challenging to monitor budget performance against target as the year progressed. Unit4 demonstrated the capabilities of FP&A and we quickly made the decision to implement it for the forthcoming financial year”

Darren Ward, Senior Financial Analyst, Public

Forest Research

“It is essential that we have a single source of finance and HR truth. The management information that provides enables us to be more confident in our decisions, consistently hit financial targets, and drive a great employee experience.”

Meirion Nelson, Finance Director

For more information go to:

unit4.com

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