IBM Consulting

G-Cloud 15

IBM - Finance Transformation/ Target Operating Model / Shared Services / Cost Optimisation

Service Definition Document

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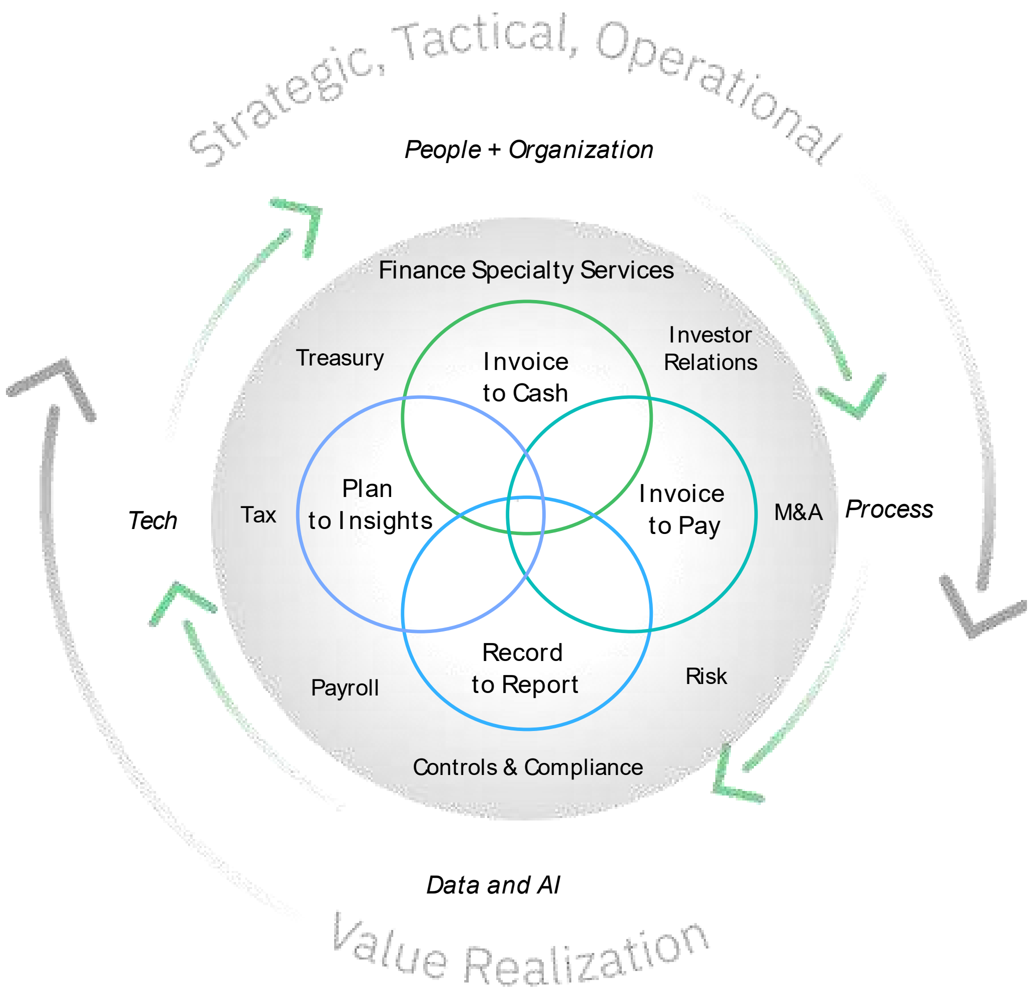
Contents

Finance of the Future

Future of Finance... Key Characteristics

Step into the future of finance — creating disruptive operating models, intelligent workflows, leveraging systems and cutting-edge predictive analytics and AI to enable proactive business insights.



- AI First, Modular and Flexible
- Data Driven
- Transparent and Forward Looking
- Standardised, Simplified and Optimised
- Human Centered
- Operating Model

Our offering helps clients navigate headwinds and risks, while harnessing digital innovations

Laser focused on business performance...

Cost optimisation
Maintain operating discipline to ensure efficiency and management of enterprise and function costs

Growth and margin expansion
Catalyst for growth supporting and enabling business optimising portfolio, investment and pricing decisions

Cash flow and liquidity
Cost of capital remains high, and liquidity comes at a premium. Finance optimising working capital through inventory management, receivables and payables

Capital allocation and management
Discipline in allocation, and optimal deployment of capital for return on investment and outpace competition

Regulatory compliance
Ensure business meets the evolving regulatory and ESG mandates

driving transformation and improved decision-making

Digital transformation
Investment to transform and modernise digital capabilities including, cloud, ERP, best of breed, and Gen-AI

Data and forward-looking insights
Turning data into actionable insights through reliable, complete and timely data, and adoption of advanced analytics

Business partnering
Elevate the stature as a valued business partner and catalyst of enterprise change through strategic business acumen, intimacy, and source of intelligent influence

Value-based managed services / outsourcing
Hybrid remains the predominant model, but expectations and contracting evolving from optimal placement and cost efficiency to innovation and outcome-based

Finance future skills
Talent is critical to success. Uncertainty, inflation, skills shortages and digital acceleration driving efforts to upskill, recruit and retain top talent

With simple, standard and optimised processes that:

Leading finance organisations must prioritise optimised and standardised processes to ensure operational efficiency, reduce errors, and promote transparency.

- Minimise manual interventions, eliminate redundant tasks, and automate repetitive activities.
- Best practice end-to-end standard processes, where deviations are strictly governed
- Free up resources to focus on strategic decision-making and value-added activities.
- Enable consistency and comparability across different business units and geographies, facilitating better risk management and compliance with regulatory requirements
- Enable growth activities, systems optimisation, and better use of any centralised finance functions

The Finance function is evolving from basic administration to becoming a strategic catalyst for enterprise performance

Finance function continues to mature its capabilities to become the custodian of performance and the catalyst for enterprise performance

Maturity framework (from least to most mature):

- Administrator | Focus on accuracy, disaggregated processes, multiple systems, historical data
- Operator | Focus on efficiency and controls, standardised processes, automation, shared services
- Business Partner | Focus on business partnering, mature technology and analytics, GBS
- Catalyst of Change | Focus on business enablement, integrated data, intelligent automation, future skills, responsibilities beyond core topics

1) Digital first, modular and flexible

Multiple platforms across the end-to-end for no/low-touch processing, enabling the enterprise to steer from a rigid and complex core to a modular, flexible and capability-focused solution. Increased cloud adoption flexes Capex to Opex. AI embedded solutions drive efficiency, effectiveness and experience

2) Data-centric and data-driven culture

Creation of value by making it easier to access, integrate, assure and evaluate data. Data strategy, harmonisation, governance, process and ownership are the data-centric foundation that contributes to speed and quality of decision making

3) Transparent and forward looking

Actionable insights as a source of differentiation and competitive advantage. But, from descriptive to predictive analytics, the journey is not necessarily sequential. Data, Analytics, and AI capabilities are the cornerstones to free capacity to higher value - analysis and business enablement

4) Simplified, standardised and optimised

Customisation does not necessarily enable differentiation but almost always increases costs. Process simplification, standardisation and optimisation enable economies of scale and free-up capacity to higher-value activities. Global Process Owners continue to play a crucial role to breakthrough organisational silos and drive end-to-end change

5) Outcome-based and hybrid models

Optimise that which is a unique advantage to the organisation and what can be done elsewhere. Taking into consideration channels to market, largest revenue growth areas, future strategy, and location cost, CFO's are leveraging digital workers while expanding their use of GBS and outsourcing, to increase focus on adding business value

6) Human centred and advanced skills

Finance functions are becoming leaner and hybrid – part human, part digital. Finance skills are changing and evolving. As processes are automated, teams need to improve their analysis, business partnering and enablement to continue adding value. Career paths are becoming more diverse and flexible with business-savvy finance leaders

With leading Finance functions delivering significant value

Finance Cost: 0.638% of Revenue

Finance as a Business Partner
and a Catalyst of Business Change

Actionable Insights and Business Enablement

PTP

- 95% of invoices are received electronically
- 94% of disbursements submitted electronically
- 95% of invoice line items match a purchase order
- 95% of invoices are paid on time
- 95% of activities are centralised

OTC

- DSO = 28 days
- 96% of invoices are processed error free the first time
- 95% of sales orders require no human intervention
- 85% of activities are centralised

RTR

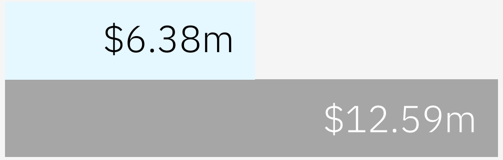
- 4 Day Close (6 median)
- 98% of journal entries are error free first time
- 86% of J/E, 49% intercompany and 48% of accruals are automated
- 46% cloud or hosted solution
- 70% of activities are centralised

FP&A

- Budget cycle: 27 days (median - 35)
- Forecast cycle: 8 days (median - 11)
- 35% of respondents utilise predictive analysis
- 44% of companies use a cloud or hosted environment
- 60% of activities are centralised

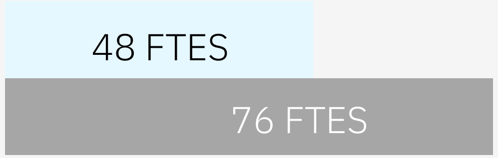
49% lower cost

Total finance function cost per $ 1 billion revenue

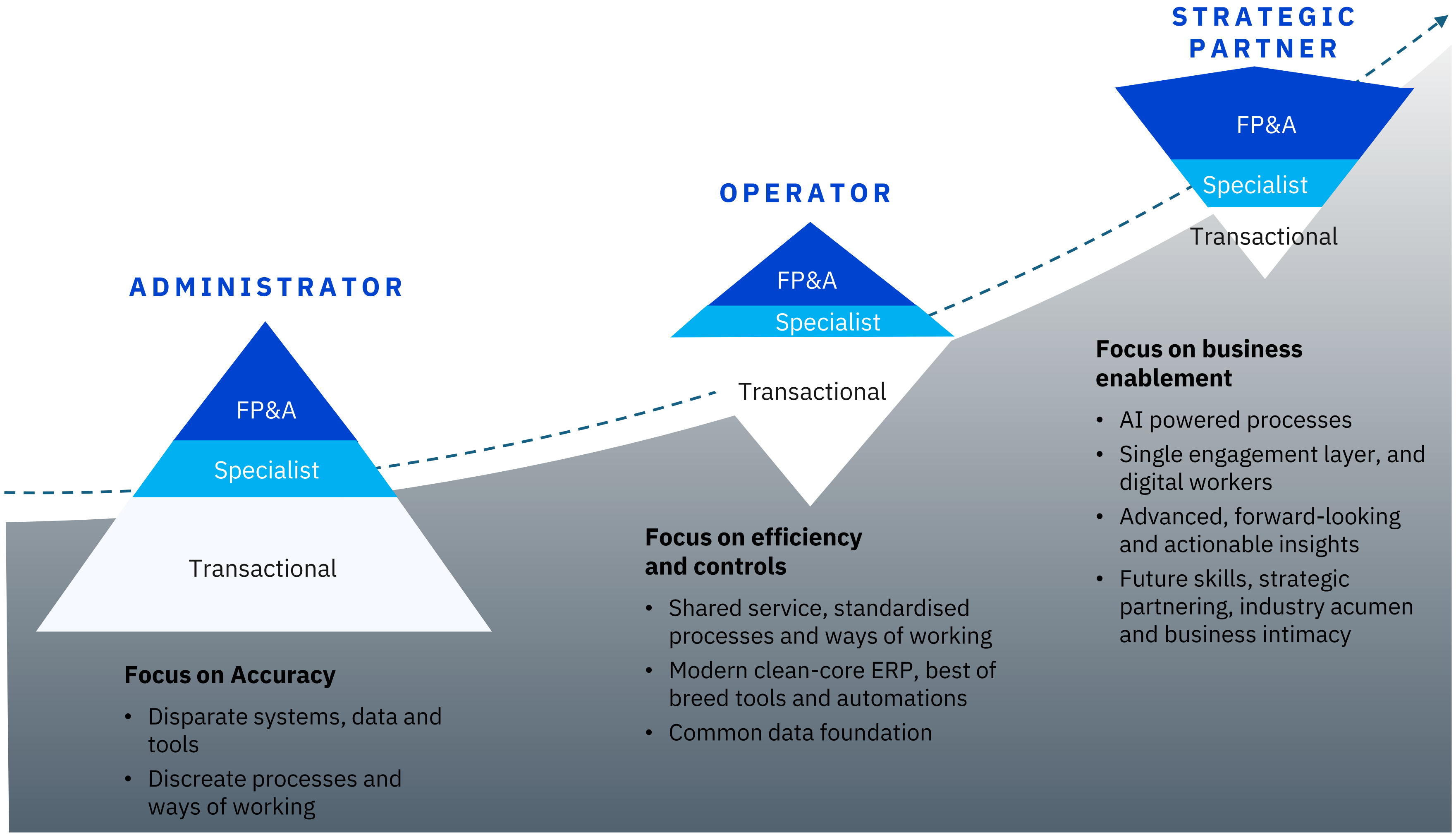


37% fewer FTEs

Total finance function FTEs per $1 billion revenue



And pivoting to strategic partnering to build efficiency, insight and transformative impact



43%

Lower total annual finance function cost

0.533% total finance function cost as % of revenue (90th Percentile vs 0.943% Median)

2x

More time spent on business analysis and predictive analytics

40%

more likely to be viewed as valued business partner and agile in meeting business challenges

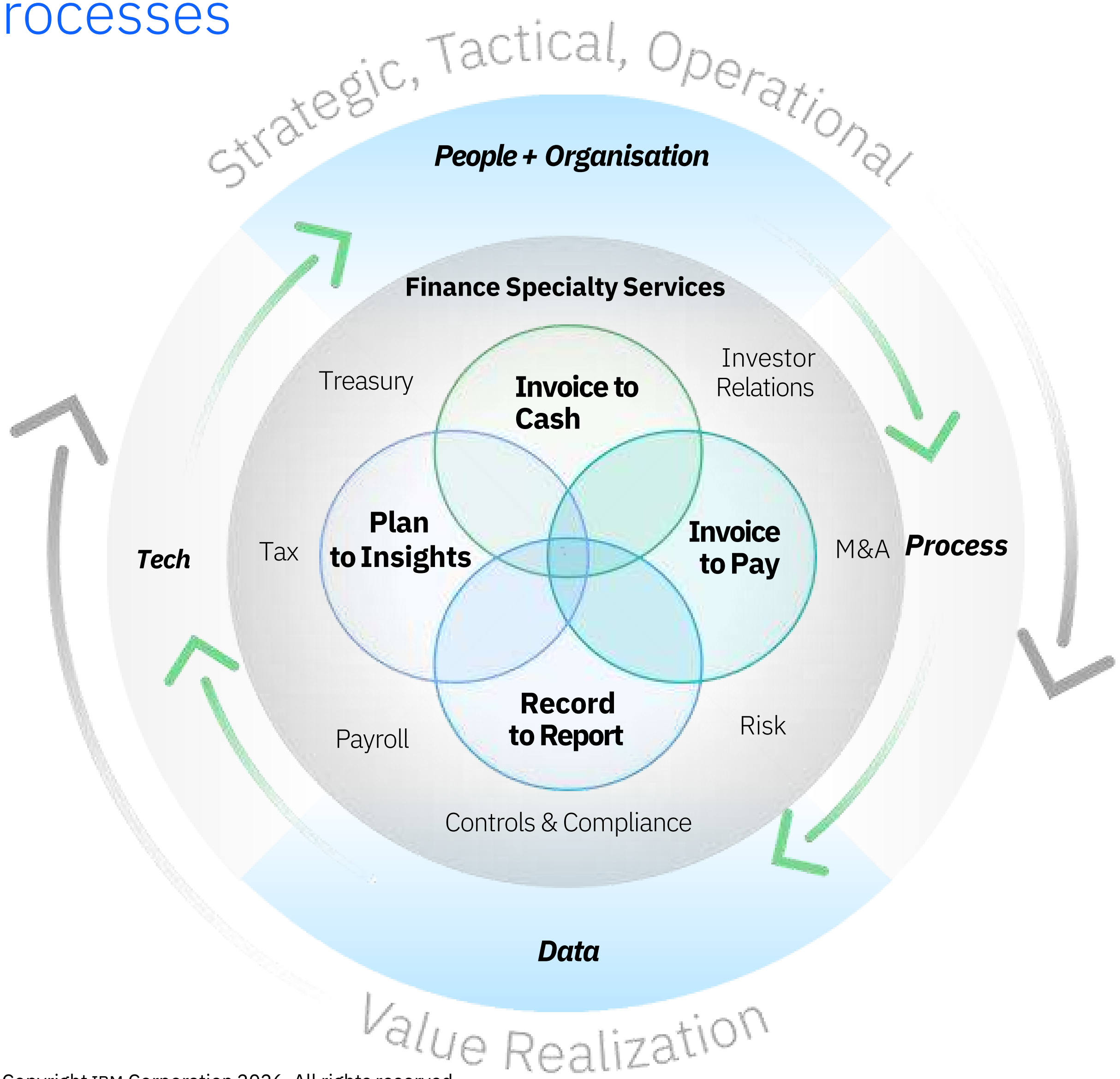
Source: IBM IBV Performance Data and Benchmarking, 2024

Which is measured using leading practice benchmarks

Metric	Benchmark	Mean
Total Finance Cost as % of Revenue	0.4%	0.8%
Number of Finance Employees per $1B of Revenue	45.5	63.7
% of Recurrent Tasks in the Finance Function Performed by Automation	75.0%	58.8%
Number of Revenue Accounting Employees per $1B of Revenue	17.9	21.3
Cycle Time from Receiving an Invoice to Approve it and Schedule for Payment	15 days	28.5 days
% of Invoices Processed Error-Free First Time	94.0%	88.8%

Finance Transformation (FT)

IBM’s Finance Transformation offering uniquely combines data, people, technology and rapid value delivery with our proven transformation experience to modernise Finance processes



Data-Led and People-Focused

Our Holistic Operating Model approach does not just look into technology, but it spans through multiple dimensions, including Organisation, People, Skills, Policy, Process, ERPs, Tools and Data, Analytics and AI.

Quick Value Realisation

We bring value in a matter of weeks, exploring value pools beyond just cost take-out such as profitability improvement, capital efficiency, risk reduction, experience/NPS and more. We leverage IBM Garage approach for quick problem solving leveraging multi-disciplinary teams.

Technologists and Data Scientists

We will provide you with an unbiased view of how to modernise your finance technology landscape using best-in-class assets from IBM proprietary technologies or our partner ecosystem tailored to your specific needs.

IBM as Client 0

Our own transformation enables us to better understand our clients, particularly in complex finance workflows such as Invoice -To-Cash, Invoice -To-Pay, Record-To-Report, Plan-To- Insight, and Finance Specialty Services and innovate with AI, ML, Blockchain, and Automation.

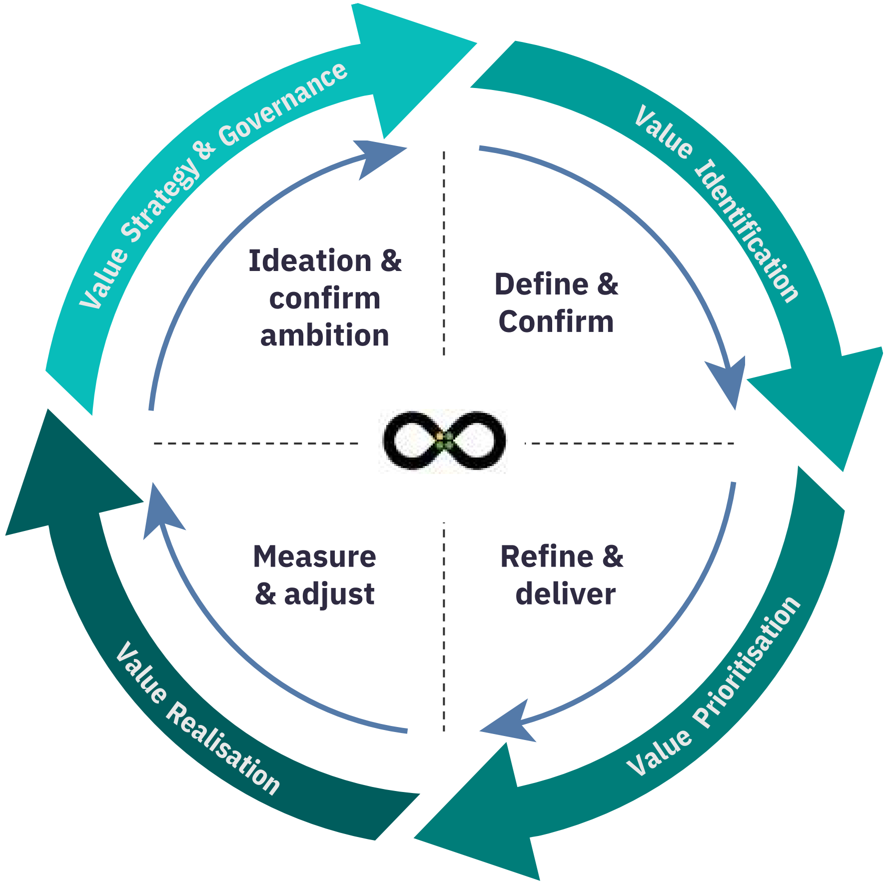
Our transformation offering delivers value at 3 core levels in the enterprise

IBM Finance Transformation	**Strategic** Finance Evolution	**Tactical** Finance Transformation (FT)	**Operational** Finance Optimisation
What We Do	Act as a trusted business advisor providing the vision for the future Finance function and how to get there	Act as a subject matter expert to solve Finance specific challenges	Act as a supervisory role by managing/operationalising financial processes, embedding our technical expertise and delivery best practices
Who We Service	CFO, CDO, SSC lead	CFO -1: Controllers, Treasury, GPOs, Finance Transformation Lead	CIO, CTO, CAO, CRO, GPO, FPA lead
Why IBM FT?	Finance of the future, ERP roadmaps, location strategy	Quick wins, immediate savings	Business process optimisation, controls & compliance, business continuity planning
Intended Outcomes	Strategic approach and methodology for future of Finance function	Improved cash flow, working capital DSO, hybrid workforce	Long-term growth, sustainable savings, efficiencies, de-risking
Key IBM Differentiator	We have the process and the technology experience in-house to help you achieve your North Star	Advanced Analytics/ Domain Expertise and IBM as Client Zero	Our IBM BPO + finance organisation has expertise in managing/running the most complex businesses

With a value realisation framework that supports transformation governance and delivers sustained benefits

Value Orchestration transforms how organisations plan, deliver and operate, aligning all activities, processes and decisions to drive optimal delivery of vision and strategy. The most common factors of value leakage relate to poor translation and communication of vision and strategy into objectives and insufficient focus on value throughout the planning delivery and operation.

Value Orchestration is continuous



Value is the North Star in each phase

Value Strategy & Governance

- **Value Governance** - Establishing value-driven processes, ways-of-working, artefacts and behaviours into how an organisation plans, delivers and operates
- **Value Strategy** – Mapping Vision & Strategy to key Value Levers, Drivers and KPIs in an agreed **Business Value Model**

Value Identification

- Identifying and verifying the **Value Proposition** for all opportunities and initiatives using a consistent approach
- Revising value propositions in response to changing strategy, priorities and controlling factors

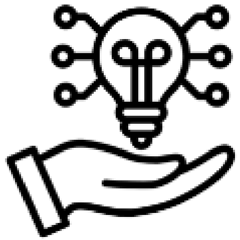
Value Prioritisation

- Defining and applying a **Value Prioritisation Framework**, aligned to the Business Value Model, to continually prioritise and re-prioritise all pipeline and in-flight activity

Value Realisation

- Measuring and reporting key value metrics to determine the actual value impact of initiatives and to evaluate and learn from any variations to expected value in Value Propositions
- Determining **Return-on-Investment** and **Speed-to-Value**

And guides Clients using four core principles

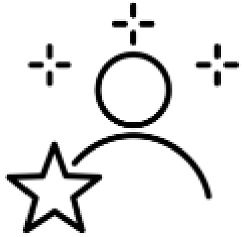


Fact-Based

IBM Finance Transformation **leverages insights from IBM's Institute for Business Value** and strategic partners to deliver data-backed assessments that drive measurable impact

Tech Forward

Our partnership with IBM Research and IBM Technology provides Finance Transformation with **IBM produced AI-powered assets to accelerate delivery** and provide clients with AI expertise



Client Zero

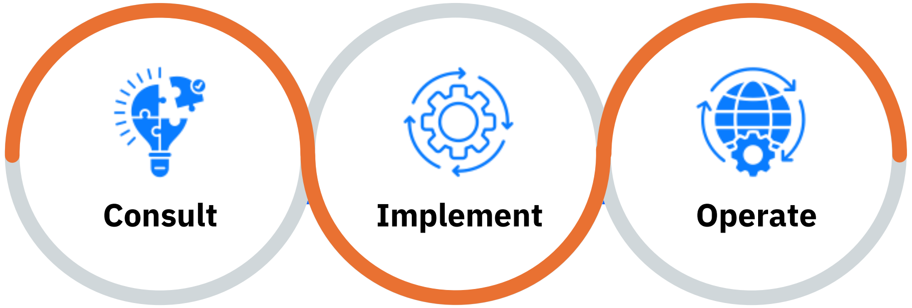
Client Zero serves as IBM's proving ground for all Finance Transformation methodologies, offerings, and accelerators, ensuring **solutions are tested and refined within IBM before reaching clients**

Client Delivery

IBM Finance Transformation partners with a diverse array of clients to deliver data-backed strategies that **drive measurable value across industries and geographies**

Our approach is holistic and delivers significant business outcomes

Finance Transformation drives hypergrowth by optimising the finance organisation (record-to-report, order-to-cash, procure-to-pay, FP&A, Tax), from consult to operate, through human + machine centric transformations integrated with ERP modernisation, digital operations, tech, data, AI and GenAI to drive business outcomes.



- **Build strategic relationships with the CFO** to unlock consult to operate opportunities through the **optimisation of people, process, data and technology**
- **Consult:** bring strategic thought leadership (including our differentiated IBV Research), create finance roadmaps, build CFO relationships, and bring our **IBM Client 0 story** to clients
- **Implement: infuse finance transformation into implementation methodology and platform re-engineering** (e.g. SAP Rapid Discovery, Chart of Accounts redesign); implement GenAI to accelerate delivery, increase capacity and drive speed to value
- **Operate: transform the core while operating** to deliver AI First BPO to drive efficiencies and growth; enhance the experience for the employee and the client as consumers
- Develop **repeatable and scalable Finance offerings, assets and methods** to deliver speed to value

CLIENT BUSINESS OUTCOMES

45 - 60%
cost takeout savings

Less than 4 days
time to close

Greater than 96%
journal automation

Greater than 50%
automated billings

10-15%
reduction in DSO and DPO

Greater than 95%
forecast accuracy

60%
reduction in reports via Generative AI

+20pts
Increase in Customer & Employee NPS

Using Gen AI to drive efficiency in Finance Transformation. Example Gen AI Finance use cases that we have developed for clients

1. Quick 'Decision-Support'

Crafting and narrating impactful management & statutory reports

P 2I

Creation of commentary and narratives for financial dashboards and CFO Playbook (e.g., Analyst communications, Financial statements and Board of Directors reports, Sales Analysis, Cash Flow Analysis)

60% reduction in manual report creation

90% improvement in time to decision support

2. Ask 'Finance'

Conversing and engaging with self-service chat capabilities

Cross Tower

Generation of interactive and intelligent human-like conversational answers to questions for vendors, customers and financial analysts (e.g., provide with operating expenses line items for this quarter)

70%+ Productivity Improvement

90%+ Improvement in time to decision support

3. 'Financial Intelligence' Advisor

Extracting and interpreting contract financial data

R2R

Automatic financial data extraction with recommendations for accounting treatment and actions (e.g., sales, real-estate, lease and project contracts, inter-company agreements)

85% reduction in time spent reviewing contracts

40% reductions in errors

4. Cash & Claims Advisor

Recovering cash by validating customer claims & deductions

I2 C

Acceleration of claims & deduction processing time, identify patterns and trends (e.g., promotion deductions, chargebacks, insurance claims, rebates)

~60-70% Revenue leakage savings

50% Deductions management FTEs reduction

5. Intelligent Invoice Management

Matching and validating vendor invoices; Intelligent 4-way match

I2 P

Identification of reasons for mis-matching and self-validation of data for exception handling (e.g., missing GR, price variance)

up to ~1% Reduction in indirect spend

~400M$[1] Reduction in indirect spend

[1] *based on selected client data*

6. Policy & Compliance Advisor

Monitoring and enforcing policy changes, controls, and compliance

FAS

Detection of policy changes with impact assessment (e.g., labour, payroll, tax, environmental and sustainability requirement changes)

60% productivity improvement in analysis and reporting

75% improvement in quality

Built on Large Language Models (LLMs) optimising finance workflows, fueling creativity, and innovation

•The impact of generative AI | Accelerators and use cases

Unstructured Data | External Data | Hybrid AI/ML | Visual Analytics | Interactive dialogue

With solutions that Combine Best-in-Class Strategy and Edge Technology Perspectives to Drive Future-Readiness, Agility and Performance

PILLARS	ELEMENTS OF SOLUTION			
Finance Transformation Digital Finance Technology Financial Planning & Reporting Generative AI Finance Offering **Finance Solutions**	Operating model design	Finance process Re-engineering	Platform implementation	Enterprise performance management
	Agile finance	Value realisation	Finance systems roadmap	Touchless forecasting
	Maturity assessments	Process mining	Cloud ERP strategy	Report rationalisation / reporting COE
	Benchmarking & competitor analysis	Transformation roadmap	Data strategy	AI for finance
	Vendor due diligence	Advisory + design mergers, acquisitions & divestitures	Technology assessments	Finance automation & digital twins
	Chart of accounts redesign	ERP optimisation	App rationalisation	
Sustainability: Data & Reporting	ESG Reporting	Carbon Accounting	GenAI Reporting for Finance - Sustainability	
Partnerships	IBM Technology, SAP, Microsoft, Oracle, aws, salesforce, Adobe, TruQua, Apptio, Dialexa, neudesic, paloalto, celonis, Meta, workday, Anaplan, BlackLine			

Assets & Tools

IBM Consulting Advantage (ICA) Finance Transformation Assistant Pack	Apptio	IBM Garage Value Orchestration	Sustainability Disclosure Assist (ESG Reporting)	Ask Finance	Touchless Forecasting Framework	CBM.AI (Finance Processes)	APQC Best Practices & Benchmarks	Finlistics Client Value Modeler	Maturity Model Assessment (Finance)	IBM Benchmarking Wizard

Commercialised Assets | In Progress | Tools

Target Operating Model (TOM)

We assess and design your Target Operating Model to help determine how the transformation impacts all stakeholders

Through the ideas generated in the IBM Garage, (our approach for accelerating digital transformation and rapidly turning ideas into measurable business outcomes) clients will have the opportunity to accelerate their transformation journey and address industry challenges across the different dimensions of the Target Operating Model (TOM). The eight dimensions below will help clients achieve higher levels of maturity in operational execution and excellence, align with business strategy, and minimise risk

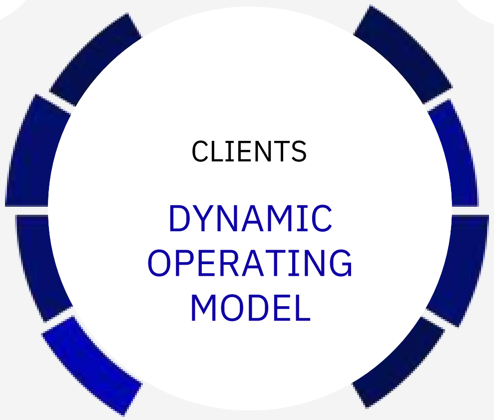
STRATEGY

PEOPLE
- **Reskilling & upskilling** resources for new ways of working
- Employ small, cross-functional teams with single-point responsibilities to **reduce customer response time** and continue providing **reliable service**
- Managed Services to create **optimal resource efficiency**

ORGANISATION
- **Use agile practices** to provide better outcomes and balance workload
- Transition supporting workforce to revenue-driving functions

PROCESS
- **End-to-End Business Process Re-Design** including leading industry practices to standardise and streamline operations
- **Simplified process** can be enabled through collaboration with next-gen technologies (Automation, Cloud, Blockchain, AI)

GOVERANCE RISK & COMPLIANCE
- **Ownership and accountability** of organisation's policies & procedures
- **Automated preventative risk & controls** framework to improve business monitoring



DATA
- **Transform redundant, inconsistent transactional data** into a single source of truth by domain across the organisation to expand the existing data fabric

DIGITAL TECHNOLOGY
- **Streamline technology landscape** with next-gen systems (e.g., cloud ERPs)
- **Adopt new digital enablers** (e.g., mobile, cloud, RPA, AI, Visualisation)

INSIGHTS & ANALYTICS
- Analysis of financial results via **full drill down/back of financial transaction data**
- **Revenue increase** from enhanced insights around Customer, Product, Location, Price Optimisation and cross and up-selling opportunities based on price sensitivity analysis

OUTCOME & BENEFITS
- **Measurable findings and improvements** from finance transformation
- **Leverage leading practices** to accelerate productivity and innovation

CONSTITUENT EXPERIENCE

EXTERNAL
(Customers, Investors, Vendors, Partners, Regulators)

INTERNAL
(IT, Operations, Accounting, Sales, etc.)

With our effective **change management framework** to drive successful transformation with **measurable adoption and engagement outcomes** with a particular emphasis on communications clarity and effectiveness as we deploy at scale

Responsibilities

- Change orchestration and governance – co-ordination of the overall change plan and activities
- Wave and cluster change, communications and enablement support
- Stakeholder management – build on existing analysis and ongoing review
- Communications plan – (refreshed at key stages), approach and materials
- Communications content – global, wave and local (agreed monthly)
- Detailed change impact analysis and develop mitigation plan
- Develop and deliver training and enablement programme
- Working together sessions
- Co-create readiness and adoption criteria
- Measurement and reporting

Approach

- Accelerated leadership alignment: vision & business priority alignment
- Upskilling and awareness : upskilling on new user experience and ways of working
- Business stakeholder confidence in the future services model
- Accelerated adoption: services operating model success – efficiency, effectiveness
- Enhanced services experience, measured through e.g. NPS and CSAT

DESIGN & DETAIL

- **Change Envision** Leadership Alignment
- **Change Strategy** Change risk-mitigation Roadmap & measures defined
- **Key Stakeholder ID & Engagement** Engagement
- **Stakeholder Change Impacts** Capture
- **Training Strategy & Needs** Capture
- **Comms strategy & plan** Engagement

DEVELOP & DEPLOY

- **Stakeholder Change Impacts** Update and validate
- **Change Network** Functional, Regional, Local
- **Training/Enablement** Curriculum and content development
- **Implementation Communications Planning &** Execution
- **Enablement Deployment**
  - Process, roles and automation changes
  - Prepare users for new ways of working
- **Transition approach** (Working Together Sessions)

Go-Live

DRIVE

- **Voice of customer** Feedback
- **Adoption insights, Reinforce, Coach** Interventions
- **Lessons learnt** Updated approach for future waves/functions

Methods & Tooling

- Visual identity templates design and narrative blueprint
- AI Assistants – change impact, storytelling etc…
- Change impact and insights library
- Change readiness and adoption delivery toolkit
- Change playbook & change toolkit

Sample Work Products / Deliverables

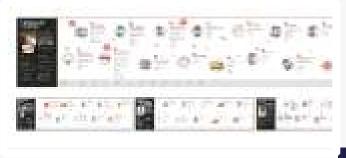
- Change impact insights catalogue
- Readiness criteria and tracking
- Change roadmap and plan
- Communications materials
- Change measurement, tracking and reporting
- Transition enablement plan

Example Methods, Tools, Assets & Accelerators

Elements of Change playbook

Change & Communication Playbook

Personas and future experience journeys

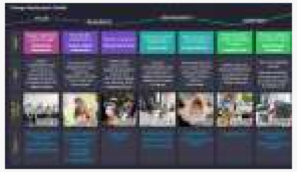


Market mobilisation materials and launch comms

Community Hub

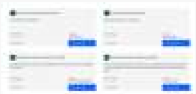
Storytelling Assistant

Gen AI Assistants



Digital Change Toolkit

Change Impacts Assistant



Course Generator

Previous Clients

Farnell, bp, Compass Group, Diageo

Service Definition

IBM delivers integrated Finance Transformation, Intelligent Business Operations (shared services/business process services), and Cost Optimisation solutions that help clients improve efficiency, productivity, cost performance, and overall business value. We design, transform, and operate modern Finance and enterprise services using target operating models, shared services, and AI-enabled, data-driven operations.

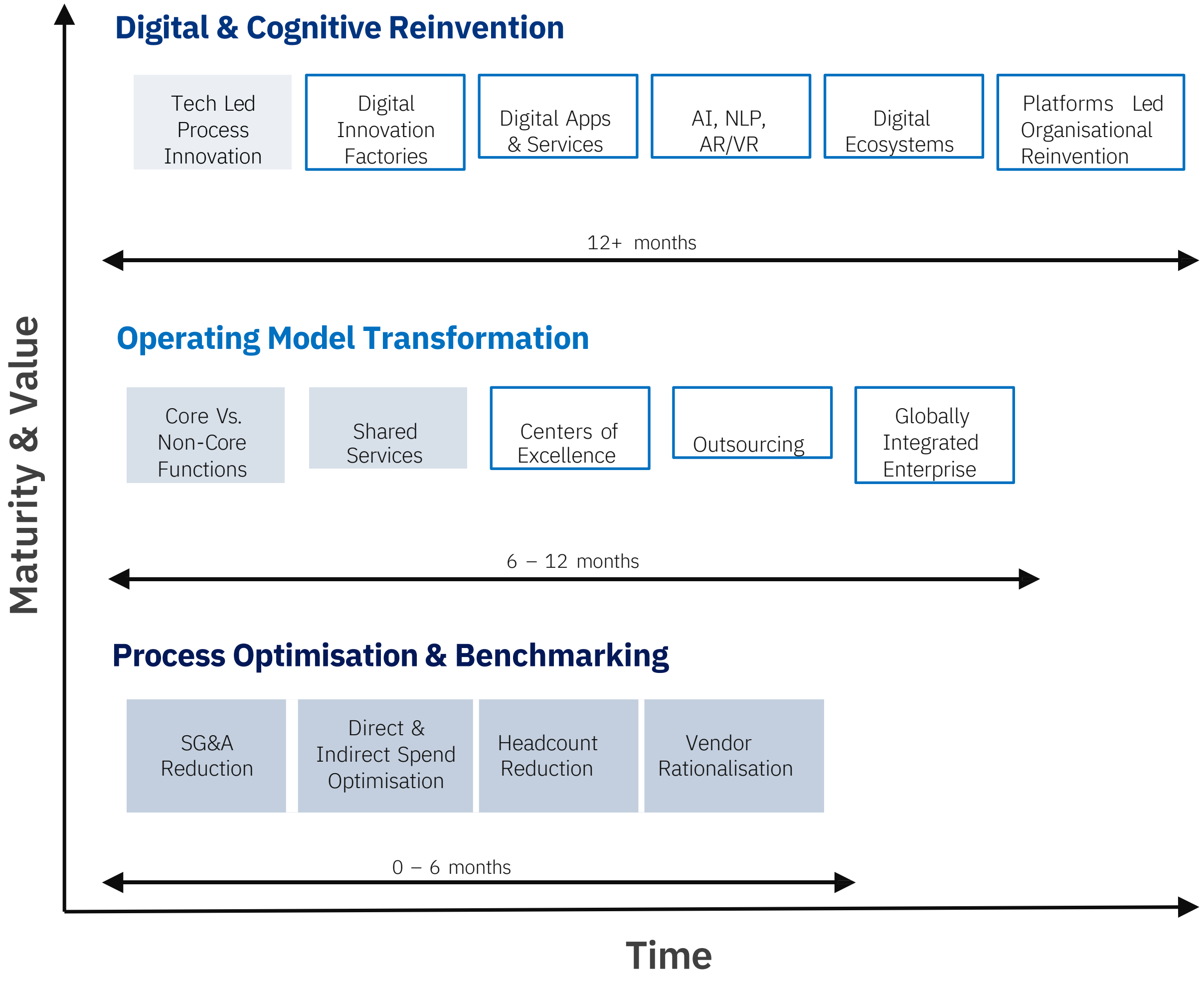
Our approach is underpinned by organisation design, data strategy, process improvement, technology, automation, AI and Generative AI to create intelligent, adaptive operations that continuously learn and optimise.

Working in partnership with clients, we apply deep industry, finance, and technical expertise to deliver high-value transformation, managed services, and cost optimisation programmes across Finance and end-to-end processes.

Enterprise Cost Optimisation

IBM's structured approach to **enterprise cost optimisation**, shows how organisations can progress from quick-win process efficiencies to **operating model transformation** and cognitive reinvention through a mix of near- and long-term actions

Cost Transformation Maturity Model



	Near-term actions	Long-Term actions
Digital & Cognitive Reinvention	• Reimagine business with cognitive led processes, intelligent workflows and exponential technologies GenAI etc • Adopt an ecosystem of platforms leveraging talent, workflows and data	• Bring in relevant cognitive cost transformation plays, including relevant intelligent workflows and cloud value transformation • Create new partnerships to mitigate gaps or create new offerings
Operating Model Transformation	• Identify core vs. non-core functions based on recognised core competency of enterprise • Standardise and harmonise processes and establish a shared services model of serving enterprise • Leverage IBM tools and frameworks to identify location, establish CoE and optimise footprint resulting in the creation of a Globally Integrated Enterprise (GIE)	• Leverage IBM tools and frameworks (including Component Business Models) to identify and establish CoE and optimise footprint to mitigate operational risks • Continue use of virtual and agile ways of working for a better employee experience moving forward
Process Optimisation & Benchmarking	• Identify the biggest pockets of cost optimisation by benchmarking enterprise costs and expenses against peers and industry leaders • Achieve cost transformation in identified areas through headcount reduction, vendor negotiations, direct & indirect spend reduction and IT spend optimisation	• Accelerate the move to cloud, transition to open source software, transitioning from mainframe to cloud, intelligent process automation • Understand the impact of headcount reduction for both cost reduction and company morale • Evaluate supplier relationships and dependencies and ability to procure assets or raw materials during crisis

We can provide finance leaders with real-time transparency and control over IT spend using Apptio

Finance leaders today are navigating complex, hybrid environments where IT costs are rising, cloud spend is unpredictable, and planning cycles are outpaced by business demands. Traditional tools and fragmented data make it difficult to answer basic questions: Where is our money going? What's driving cost? Are we funding the right things?

- ⓧ IT and shared services costs are dumped into overhead with no traceability, delaying close and reconciliation
- ⓧ No visibility into the cost of servicing customers or supporting revenue platforms
- ⓧ Procurement systems are underutilised, vendor spend is fragmented and untracked
- ⓧ IT budgets are siloed, scenario modeling is manual and disconnected from real-time data

- → Automates cost allocation to cost centers and GL accounts using usage-based drivers, improving accuracy and speed of close.
- → Allocates IT and platform costs to customer segments, enabling cost-to-serve analysis and margin insights.
- → Tracks and allocates procurement system costs, consolidates vendor spend, and identifies unused licenses.
- → Integrates IT budgets with FP&A platforms, enables real-time scenario modeling, and tracks value realisation.
- → Provides real-time dashboards, benchmarking, and KPI tracking., and supports storytelling with data for CFOs, CIOs, and Boards.

Benefits

Faster month-end close and improved cost traceability	Real-time visibility into cloud and IT spend	Consolidated vendor spend and procurement efficiency	Agile planning and better investment decisions	ROI tracking for digital initiatives

Apptio: Why IBM?

IBM's approach to Finance Transformation and enterprise cost optimisation with Apptio is grounded in operational depth, cross-functional expertise, and enterprise-scale delivery. We don't simply deploy technology — we integrate it into the financial architecture of the business.

Finance-Led Transformation

IBM teams bring deep experience in finance operations, not just IT. We understand the nuances of cost allocation, planning cycles, and shared services governance — and we tailor Apptio to reflect those realities

Enterprise Integration Expertise

We ensure Apptio connects seamlessly with your ERP, FP&A, ITSM, and cloud platforms. This eliminates silos and enables a unified view of financial and operational data — critical for decision-making.

Proven Delivery Frameworks

IBM applies structured, outcome-driven playbooks developed from global implementations across industries. These frameworks accelerate time to value and reduce delivery risk.

Governance That Scales

We help establish sustainable ownership models across Finance, IT, and Business. This ensures Apptio adoption is not only successful but enduring — embedded into how decisions are made.

Focus on Measurable Outcomes

Every engagement is tied to specific financial and operational KPIs — from cost transparency and cloud optimisation to planning agility and ROI tracking.

Intelligent Business Operations (*Shared Services/Business Process Services*)

Reimagine your Business Operations with AI

We are at the beginning of a fundamental
re-think of traditional operations moving from Shared services to Intelligent Business Operations

From 20% to 50% Digital Workers by 2027

15 to 25pts of incremental productivity

+AI → AI+

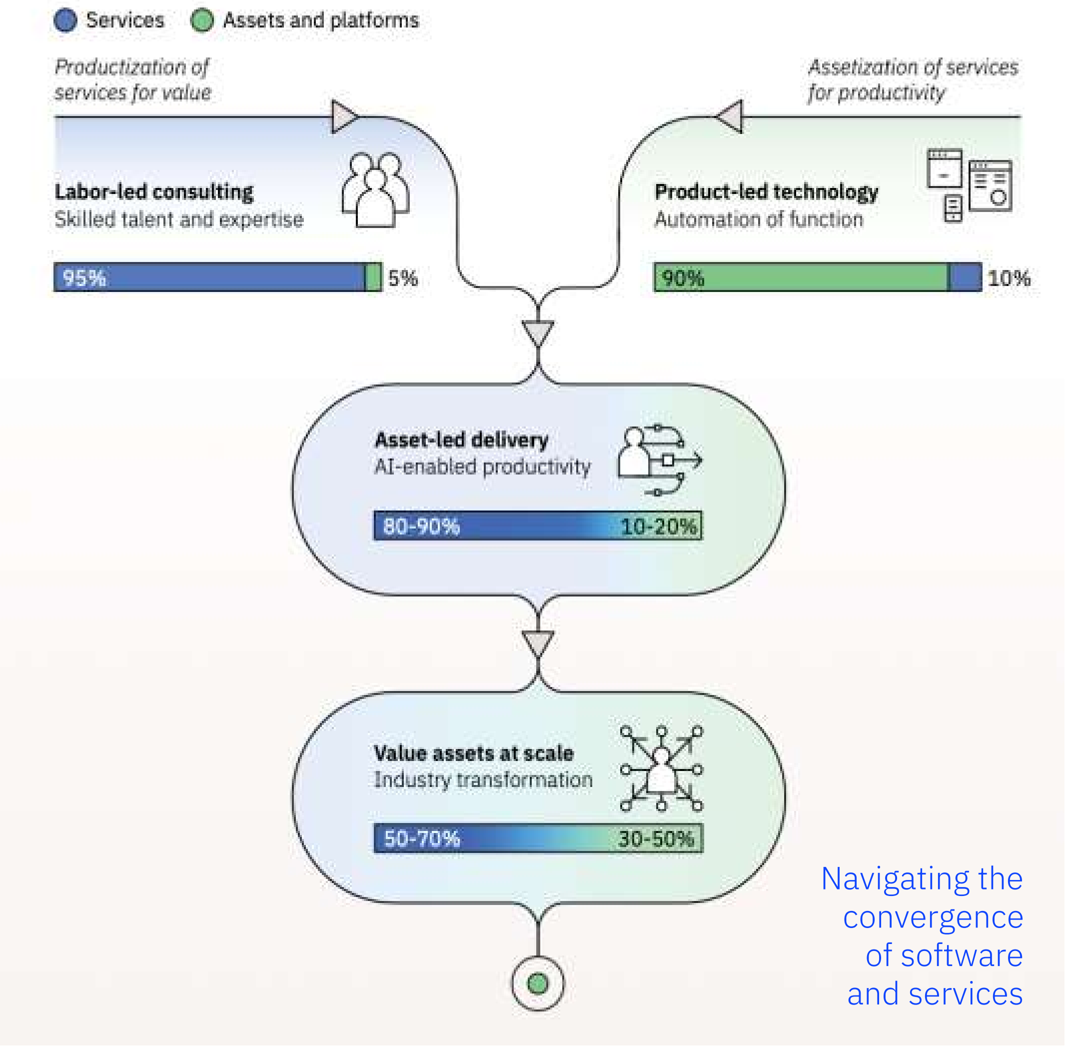
Embarking on a journey where *Digital Labour becomes your teammate* and *your first point of call* to get things done.

IBM's Shared Services Offering is undergoing a game-changing strategic shift and pivoting to meet future needs as the market evolves

Yesterday	Today	Tomorrow
People	People + AI	Service as Software
Labor arbitrage	*Technology arbitrage*	*Automation of a function*
Run technology and business processes with low-cost labor and automation	Digitally transform core operating models with experts using assets	Deliver standardized services through a platform

Lead in Human + Digital labour
by becoming offering-led, asset-based

Consulting Advantage
AI delivery platform empowers and enables our people



We foresee the following impacts on traditional shared services which has led to the provision of intelligent business operations for our clients

A new, **value-driven** work balance

From

Collecting, Processing, Composing, Query Handling

To

Validating, Enriching, Controlling Analysing and Improving…

… resulting in a profound change in the **workforce mix toward 50%+ Digital Labour** for execution of traditional functional processes

New experience, new standards

- Faster time to value
- New levels of productivity
- New resource pools for value-add activities
- Agility & reactivity

New skills and competencies

- Process Orchestrators
- Process Optimisers and Prompt Engineers
- Digital Librarians
- Value Creators and Experience Designers

New service operating model

- Managing a Digital Workforce is a profession
- From Transition of FTEs first To Digital Services first
- Consumption & premium on experience integration
- Retained vs Outsourced boundaries blur

Our new intelligent business operations service model uses expertise and technology to realise value at scale

A new UI for AI

User experience augmented by assistants delivering end-to-end user journeys

Orchestrated with Agentic Workflows

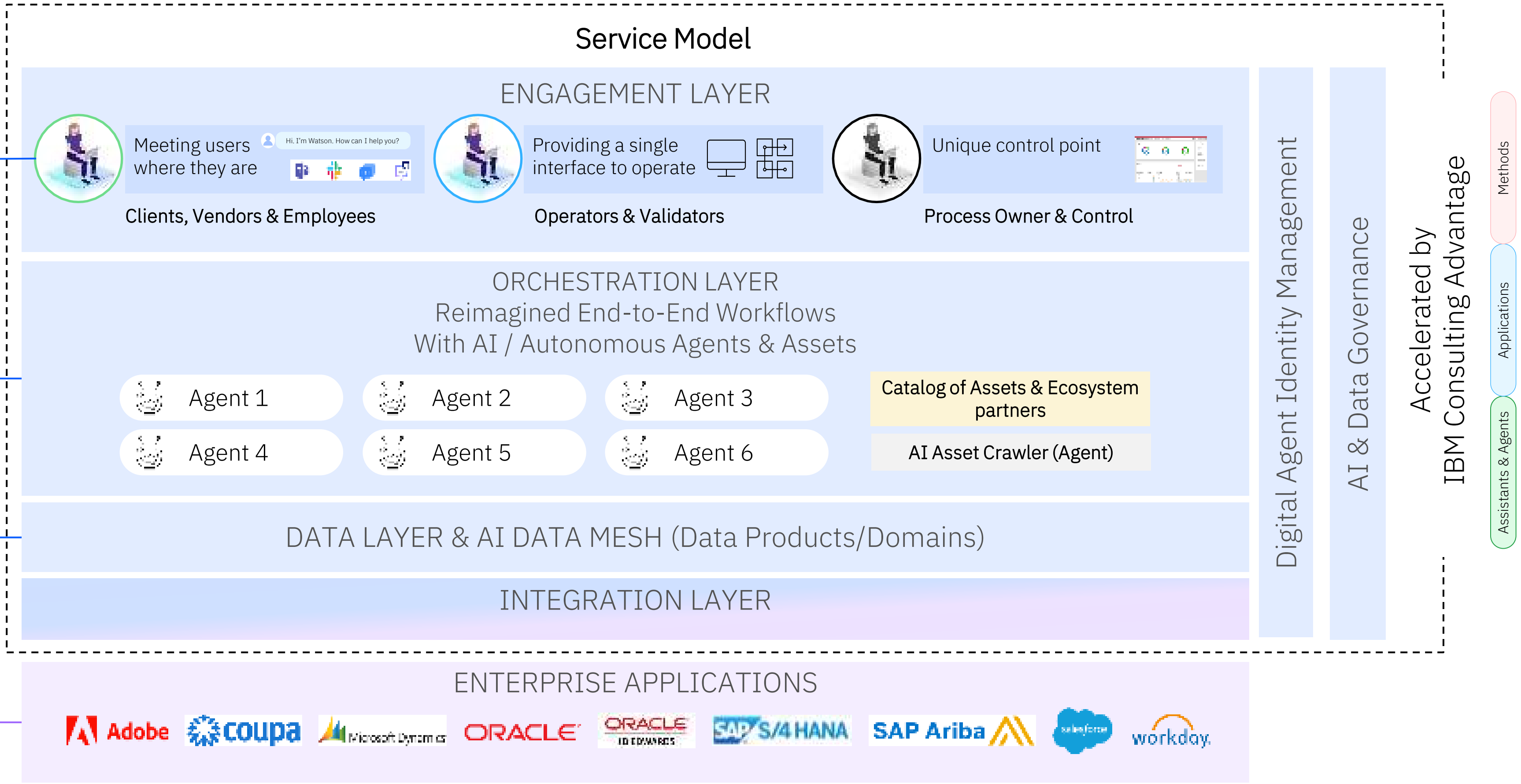
Orchestration and automation through a set of autonomous AI agents

Grounded on Data & Open Integration

Data and integration products that enable operational and analytical insights

Leveraging Client's Ecosystem

Allowing customers to leverage their existing investments with wide range of possibilities



Unlocking the potential of Agentic AI

Achieving new levels of AI autonomy to understand context and learn from user behavior to improve over time.

Built on principles of trust and transparency

Responsibly managing customer's most valuable data and ensuring responsible and transparent use of AI.

Our AI-infused Transition Methodology drives seamless Knowledge Transfer & Management

IBM Follows a structured Transition Approach with Clearly Defined Acceptance Criteria to Exit Stages

PROGRAMME LEVEL

Pre-contract & Prepare
- Solution created, including resource, technology and process scope
- Leverage existing Contracts/LOA signed
- Program budget allocated

1 Programme Launch
- Program team mobilised
- Program and Workstream plans prepared
- Governance established
- Engagement handover completed
- Hiring initiated

2 Global Design
- Blueprinting workshops
- Global process and technology/infrastructure solution finalised
- Scope and implementation roadmap updated
- Change impact assessment
- Transformation roadmap established

3 Programme Implementation
- Process solution implemented
- Technology solution implemented
- Operations team onboarded and trained
- Day 1 change roadmap implemented

Delivery
- Steady state delivery
- Continuous Improvement
- Post-implementation transformation

Engage | **Develop** | **Execute and Stabilise**

WAVE LEVEL

Tollgates

3.1 Wave Launch
- Wave project team mobilised
- Wave plan created
- Governance established
- Kickoff meeting completed
- Acosta readiness confirmed

3.2 Wave Preparation
- KT team mobilised and onboarding completed
- KT plan agreed
- KT logistics completed

3.3 Wave Implementation
- Training documentation completed
- Operations team onboarded and trained
- System access in place and tested
- Enabling technologies developed and tested

3.4 Production Readiness
- System and process testing complete
- Production access tested and confirmed
- Cutover plan and soft go live strategy agreed
- Acosta support plan agreed
- Operations team certification completed
- Technical go-live decision confirmed

Service Implementation (Cutover)
- Operations team operating supported by hypercare personnel
- Operating metrics reported
- Go Live confirmed

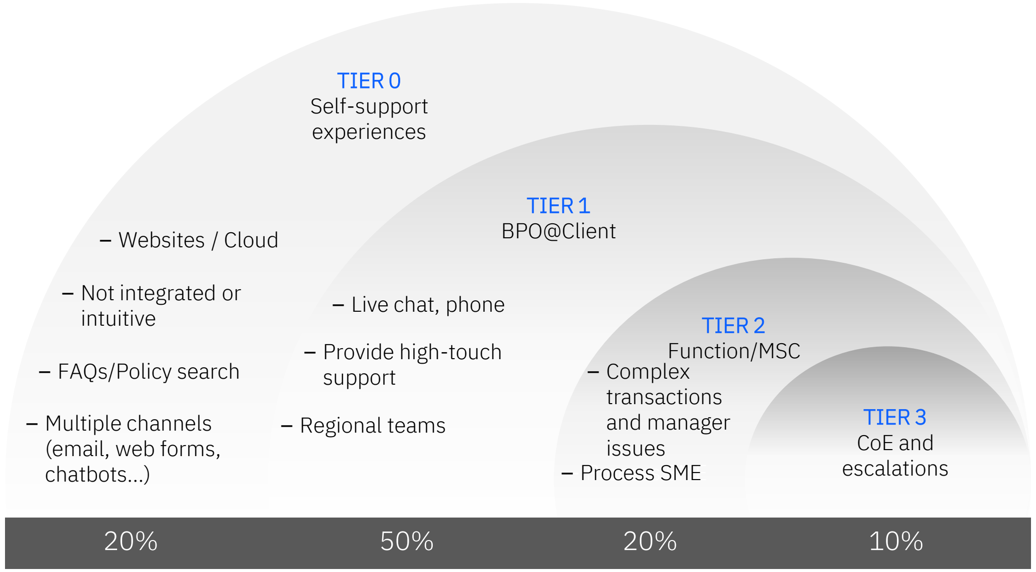
3.5 Full Go Live & Stabilisation
- Delivery team operating unassisted at full volume
- Lessons learned documented
- Transition Exit completed

Nordcloud Klarity | monday.com | BlueworksLive | Mural | IBM Cloud | IBM Design Thinking | cobee

CHANGE MANAGEMENT

Moving from traditional shared services to AI enabled digital business operations to accelerate delivery of outcomes

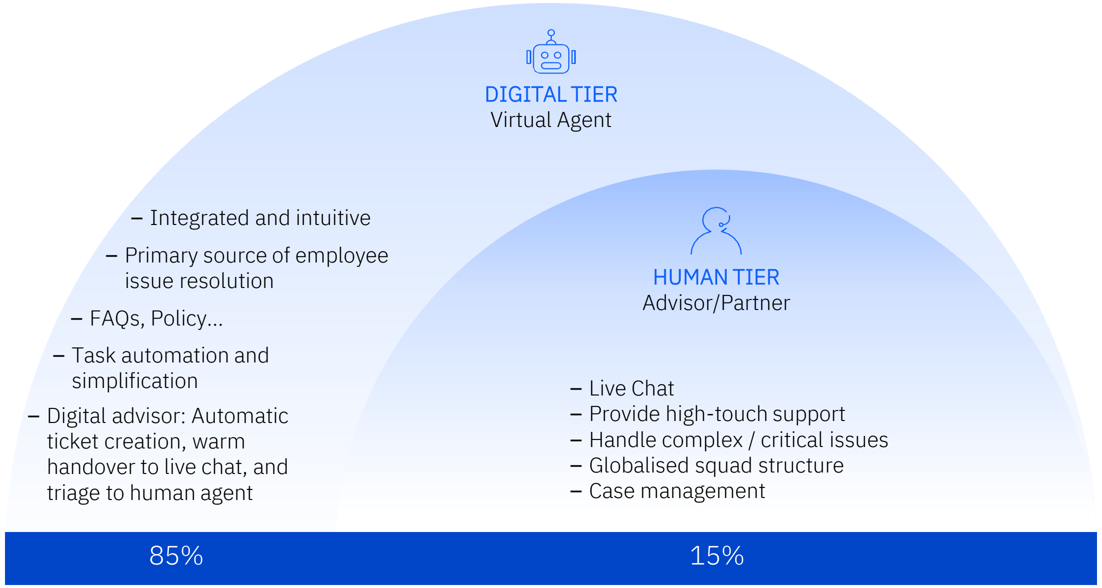
From Traditional Support Model



Traditional Operations Split

- Multi-layer model has multiple handoffs, delivering fragmented and frustrating experience for “long-tail”.
- Multiple channels create confusion for customers and introduces organisational redundancy and inflexibility.

... To New Support Model



New Operations Split

- Evolution toward a two-tier model, where a digital teammate functions as the primary interface for task initiation and completion.
- People interact with agents in a seamless experience – agents do 85% of the work, allowing people to focus on more strategic tasks.
- Major simplification of the organisation structure, with people working in specialised squads vs. different layers or siloes.

And deliver value to our clients through *end-to-end process transformation*

	Process Activities	Key Business Outcomes	Clients
Finance	• Purchase-to-Pay • Order-to-Cash • Record-to-Report • FP&A , Tax, Treasury	• 5-10% Cash Flow Improvement • 40M+ Invoices Processed • 71M+ Journals Processed • 50-70% Process Efficiency	
Procurement	• Sourcing • Marketplace • Procurement Operations • Responsible Sourcing as a Service • Risk Management as a Service • ESG Reporting as a Service	• $100B+ Spend Sourced • 3M+ PO Processed • 125K+ Suppliers Managed	
HR & Employee	• Employee Support • Compensation • Payroll	• 20% improvement in time-to-fill • 30% decrease in cost per hire • 20-30% decrease in learning administration	
Talent	• Talent Acquisition • Talent Development • Managed Employee Services	• 35% Decrease in Time to Hire • 20%+ Employee Engagement • 20-25% Lower Operation Costs	
Customer Service	• Customer Service • Marketing Operations • Sales Operations	• 30-35%↓Operations Costs • 50%+↑ NPS	
Industry	• Financial Services • Healthcare & Life Sciences • Government • Retail, Telco, Insurance and others	• 30% total cost of ownership reduction • 40% decrease in end-to-end time to value • 30% automation uptake via collaborative change management	

Accelerating your Intelligent Business Operations journey with assets

IBM Consulting Advantage Platform

Assistants & Agents | Applications | Methods

Procurement

Source-to-Pay Platform

Content Intelligence, Cognitive Invoice Processing, Collaboration Workflow, Vendor Query Portal, Smart Goods Receipt, Intelligent Risk Analyzer

Source-to-Pay Virtual Assistant

Query management powered by watsonx for automated responses and prescriptive recommendations.

Finance

AI Collections

Digital assistant collections queries – categorisation, exception handling, automated entry adjustments

AI Reconciliations Assistant

Automated reconciliations – data processing, transaction matching, summarisation, trend and risk alerts

HR & Employee

AskHR

Digital assistant for employee queries and execution of core HR transactions such as transfers, promotions, terminations

(delivered through Leena AI or wxo)

AI-Enabled Employee Letter Generator

Automate and translate employee letter support and creation for global HR service operations

Talent

Talent Platform Optimisers

Suite of tools to facilitate talent sourcing, including talent classifier, skills gap analyser, proactive match and search, requisition analyser

Recruiter Assistants

End-to-end sourcing strategy, job requisitioning orchestration, offer management and employee onboarding

Customer Service Transformation

AI Agent Assist

Human-centered AI x digital channels, intent recognition and workflow automation, Q&A, sentiment & tone analysis, Agent Assist with auto-summarisation, email responses…

Contact Center / Digital Operations

Contact center/ Digital performance reporting, customer complaints and churn, call interactions – all with natural language reports

Industry

ATOM Platform

Hosted AI automation accelerator built on AWS, using multi-model integration, data integration, provenance, governance, and security

KYC Assistants

Risk and compliance reporting and analysis, including AI-enabled narrative – solution trained on KYC tasks, risk & compliance data

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Transition
Knowledge Management
Operational Management

CoBee.ai

Transition & Knowledge management (media, workflows, frameworks…)

EPIC 2.0

Maturity Model

Lingwyztic

Translator tool

Klarity

Service Performance Management

EMMA

Email categorisation assistant

IBM Intelligent Business Operations helps you achieve greater levels of performance and accelerate your transformation journey

"IBM has a digital business model, and client framework that accelerates growth and benefits for its BPO clients.” *– Gartner MQ F&A BPO 2024*

People

Expertise$^{\text{AI}}$

We elevate skills, decision making and bring unrivaled domain, technology and change expertise – supercharged by AI

Platforms

AI-Powered Innovation

We unlock value faster with pre-built , consumer grade AI assets, assistants and agents on a global AI services delivery platform.

Processes

End-to End Transformation

We don't just tweak, we reimagine and transform business processes, breaking down silos and simplifying workflows end-to-end.

Performance

Trusted, Outcome Driven Delivery

Grounded in experience, we align with clients' needs, committing to outcomes that consistently exceed expectations.

Providing a material change to your performance and strategic agility

40-60%	70%+	50%+↑
Operational Savings	Cycle Time Improvement	NPS Improvement

What if ?

You enjoyed **best-in-class productivity,** reducing your turn-around time from days and hours to **minutes and seconds**.

You could reallocate your scarce resources to high value activities and extract more value through insights

You removed organisation and technology silos to **make faster and smarter decisions**

Your employees were seamlessly assisted in their everyday activities for greater **performance and satisfaction,** while driving increased **compliance and transparency**

You materially reduced your **operating costs**

Expertise in setting up global Captive Shared Services – "IBM for IBM", covering the full range of business & support functions, and working with our ecosystem partners to deliver UK based services

We operate and continuously transform our own processes and shared services.
We have saved over $ 8 Billion over the last ten years and established our shared services as the house of innovation for IBM.

Key Locations & People: 30,000 FTEs around the Globe

All major processes

- Finance & Accounting
- Procurement
- Human Resources
- Sales
- Marketing
- Supply Chain
- IT
- Legal
- Others

Lean Governance

- Global functional organisation covering both operations and transformation
- All Shared Services reporting into Group CFO
- No reporting lines to local management
- Consequently, moving towards end-to-end integration of processes under one leadership (e.g. O2C in Sales, AP in Procurement)

Our transformation journey

1990's Fix & Move	2000's Transform & Improve	Present: Revolutionise
Labour Arbitrage OpEx	Process Improvement Process Automation	Platform Models GenAI

70% cost reduction in 10 years - $8 Billion | *> 90% invoices automated* | < 2 Days DSO | > 15% spend reduction supported by analytics

With our global intelligent business operations organisation spanning 25+ delivery centers, each with a strong record of high-quality

25+	40+	80+	250+	21K+	24K+
Client centers globally	Languages supported	Countries supported	Clients	Data and AI professionals	Domain Practitioners

IBM Case Studies

Operating model design for a multinational consumer goods company

Challenge

Client's CFO identified several key priorities to achieve the desired business results. These priorities include strengthening and increasing automation of the controls environment to ensure the accuracy of financial reporting. There was a need to eliminate, standardise, simplify, and automate processes to improve performance KPI’s and reduce costs and complexities within the Finance Organisation. Driving change in culture and capability within Finance was also essential to ensure that the organisation has the necessary skills and expertise to meet evolving business needs. This objectives were essential to ensure that the finance function was aligned with broader business objectives.

IBM solution

IBM, together with the client, designed and implemented a comprehensive F&P transformational program encompassing ~200 transformation projects. These initiatives focused on implementing a target operating model that included a new organisational framework, automation of critical operations, optimisation of various processes, and enhancement of analytics capabilities.

Outcome

Through the redesign of the finance organisation structure, transactional tasks moved to the existing SSC, and further centralisation tasks through SSC and CoE. This resulted in a reduction of 15% of the Finance Structure contributing to a total cost of finance under 1.5% of net revenue. Additionally, several transformation initiatives have been identified, which delivered productivity gains of approximately 35% over five years.

~35

Productivity gains through centralisation and transformation

15%

Finance structure reduction

1.5%

Cost of Finance of net revenue achieved

~150%

ROI in 5 years

Finance Process Re-engineering + Transformation Roadmap + Value Realisation

Challenge

The primary concern for the company was its outdated organisational structure, procedures, and systems. This led to fragmented workflows causing manual workarounds, duplication of efforts, insufficient communication between teams, limited data visibility hindering decision-making, and increasing operational costs that threaten their competitive advantage.

IBM solution

IBM, together with the client, designed and implemented a comprehensive F&P transformational programme encompassing nearly 200 transformation projects. These initiatives primarily focused on implementing a target operating model that included a new organisational framework, automation of critical operations, optimisation of various processes, and enhancement of analytics capabilities.

Outcome

As a result, the company experienced substantial productivity savings, improved cash flow, and reduced dispute cycle times, strengthening its competitive position. The programme achieved this (over a span of five years) by strategically expanding the Global Delivery Center, leveraging cutting-edge digital platforms and automation tools, and integrating advanced analytics.

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40%

Productivity gains

~400M

In Savings over 5 years

~ 0.6%

Cost/ B$ Revenue

200+

Initiatives included in a 5-year Finance Transformation Roadmap

IBM as Client Zero

IBM has realised a $3.5B productivity impact from our AI-enabled transformation journey, of which Finance is a key part

The productivity gains have enabled us to reinvest in Hybrid Cloud, AI, strategic partnerships, and 15 acquisitions in the past three years, expanding our ecosystem for innovation and growth

$4.5B

To be realised by end of 2025, directly traceable in IBM's financial results, unleashing productivity to fuel innovation and growth.

10M+
Hours of work automated

25pts
Increase in customer NPS

20pts
Increase in employee engagement

50%+
Increase in R&D

50+
Acquisitions

Use cases implemented across Enterprise Operations

Finance

- → Modernising Lead to Cash
- → Reimagining Pricing Approval Workflows
- → Unlocking Contract Intelligence
- → Streamlining Order Registration and Billing

IT

- → Scaling Automation
- → Transforming Enterprise IT Operations
- → Modernising IT Operations
- → Turbo-charging Business Application Performance
- → Strengthening AI Governance

Customer

- → Reinventing Client Support
- → Catalyst for Faster Insights

HR

- → Transforming HR with Digital Workers
- → Reinventing HR Support
- → Augmenting HR Support

Supply Chain

- → Digitising Supply Chain Orchestration

Vended Spend

- → Subcontractor Optimisation
- → Real Estate
- → Footprint Consolidation

Using an AI first data driven approach, we reimagined IBM finance

OUTCOMES

~1M

Tasks Delivered by Automation

Eliminate

operating complexity

- Integrated global financial management system
- Unified data governance

Simplify

end-to-end workflows

- Reducing redundant handoffs
- EPM on-the-glass management systems

Automate

manual tasks

- Core repeatable processes automated and infused with AI including financial forecasting, pricing, and journal creation

AI INFUSED OUTCOMES

ACCOUNTING AUTOMATION

- Journal automation
- Contract review and analysis

84%→95% Accuracy of risk automation

TAX COMPLIANCE

- Tax compliance
- Invoice validation

100k Hours saved

PRICING ANALYTICS

- Cognitive pricing analytics
- Pricing automation

$100M+ Rev. uplift by optimal price and accelerated cycle time

INTEGRATED RISK MANAGEMENT

- Continuous audit analytics
- Investigation workbench

30% Cycle time reduction

COMPETITIVE ANALYSIS PLATFORM

- Self-service platform
- GenAI competitive benchmarking

10X Real-time competitive analysis

FINANCIAL & MANAGEMENT REPORTING

- Integrated reporting
- Touchless forecasting

40% Productivity in FP&A

Why IBM?

With IBM you will have a partner that has ...

Proven intelligent workflows, leveraging data and technology, across the finance function

Rapid Celonis process mining approach providing fact-based insights while minimising client business disruption without added licensing costs

Leader in delivering successful ERP programmes across SAP, Workday, Microsoft and Oracle; leveraging a vast talent pool of over
30,000 ERP trained consultants and a repository of over 1,000 developed assets

Teams leveraging an expanding catalogue of assets to deliver success

Pre-built Automated Unit & Integration Test, Fiori Apps - Enhanced Rapid ERP Data Migration with Data Models and Standards

270,000+ experienced consultants with deep, relevant industry knowledge for customised value differentiated solutions

A human centric approach and collaborative mindset, with IBM tools, methodology and frameworks targeted to discover and deliver value continuously

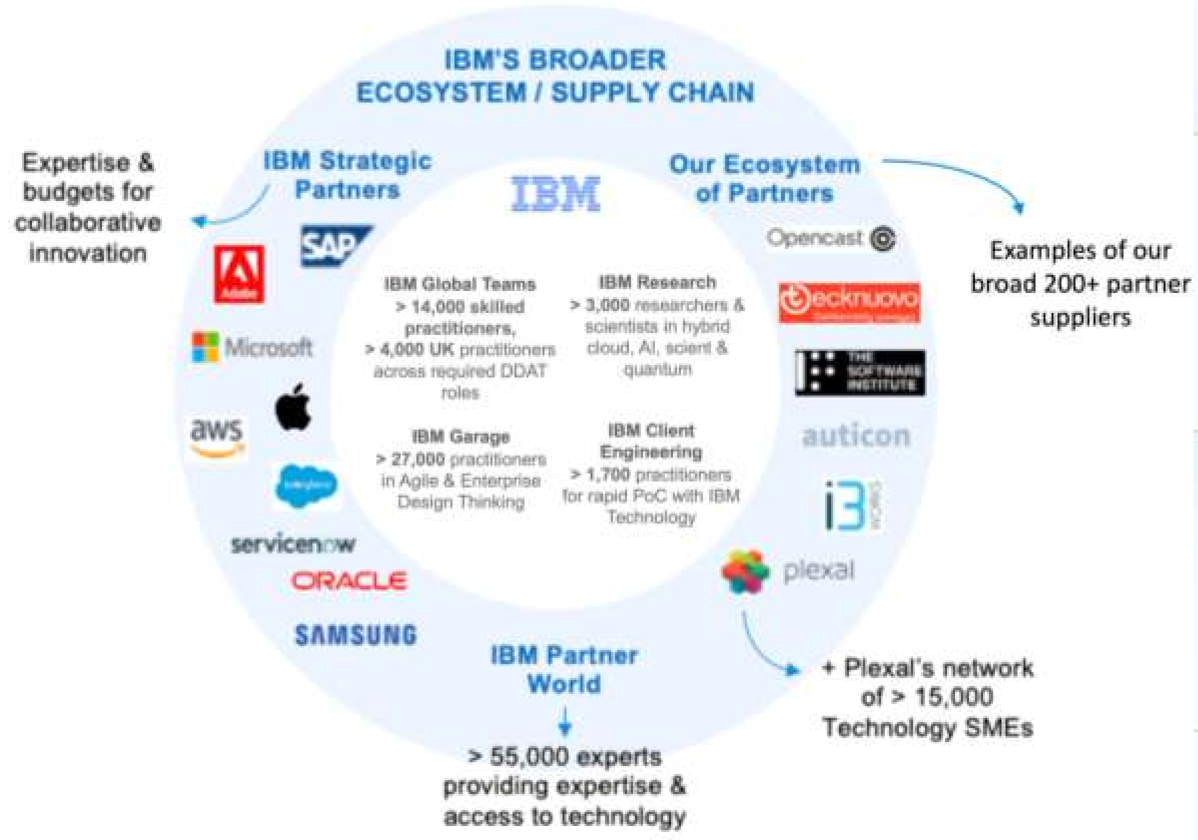
Experience in UK Government industry, aligning c-suites behind an integrated vision

Internal transformation expertise having transformed IBM over decades and learned lessons to share with clients

Partnerships with leading cloud, business application and accounting firms to rapidly establish an ecosystem for you to draw upon and apply AI/Gen AI

IBM drives collaborative transformation by co-creating solutions with leading partners alongside IBM assets and accelerators to deliver best-in-class outcomes

IBM's Partner Ecosystem



IBM's **Institute for Business Value (IBV)** provides thought leadership and insights on emerging business trends and technologies to help organisations decision making and drive innovation. We use all the thought leadership and tools from IBV to accelerate programmes and identify opportunities to move towards best-in-class.

C-Suite

Offers strategic insight, direction, planning analysis and advice to CxOs and leadership teams.
For our latest CFO report '6 power moves CFO's must make: Find out more HERE (https://ibm.co/c-suite-study-cfo)

Benchmarking

Benchmark Wizard is IBM's open standards patented benchmarking tool to target leading practice

The tool contains 42,000+ organisations across 60 countries, from all major industries, front and back-office functions (including the 8 finance process groups) and technologies such as cloud, AI, GenAI and automation

Component Business Modeling

CBM is a patented framework for modeling and analysing a business or processes for the purpose of organising and grouping business activities into basic building blocks of a business called components.

These components are marked with opportunities for automation, AI and GenAI which will inform Leonardo on your process optimisation.

"IBM IBV has been ranked #1 in thought leadership quality by Source Global Research for the second consecutive year"