



Esteban Quiros CMA, Director of Global Business Services, and Product Owner for the Procter & Gamble (P&G) Source-to-Pay global platform, is a member of IFAC's Professional Accountants in Business Advisory Group and a former IMA Board member.

At its meeting in September 2022, the Professional Accountants in Business Advisory Group discussed the new roles professional accountants in business (PAIBs) perform in the era of digital transformation in the context of Esteban's experience in P&G.



OVERVIEW

- Globalization and digitalization have opened new opportunities for companies and their service centers, as well as the finance and accounting professionals that work in these environments.
 - Finance and accounting teams are going through major transformations as digital technologies evolve, changing not only the type of work that PAIBs undertake but also the way they deliver their work and add value to their organizations.
 - PAIBs are navigating evolving roles and responsibilities within a technology-dependent work environment and seeking out opportunities to optimize end-to-end processes and provide critical insights for decision making.
 - This case study highlights digital transformation and its impact on PAIBs through the journey of P&G's Global Business Services (GBS) center consolidated in Costa Rica in 2000.
- PAIBs are on new pathways to relevance founded on:
- Global, regional and local expertise (a glocal mindset) given the centralization of processes that can be impacted by changes in requirements or events in other parts of the world.
 - An understanding of how to apply accountants' skills and stewardship roles in terms of processes and controls to a digital work environment to address new risks and complexities.
 - Digital skills and an understanding of the language of Agile project management to work competently with digital tools and application developers.
 - Knowledge of end-to-end business processes to serve as the go-between the business and application developers, ensuring business and customer needs are prioritized, and low-value tasks eliminated.
 - The ability to perform in interdisciplinary teams and bring meaningful data and insights to guide decision making, and to effectively engage with governments, regulators, and auditors about the logic underpinning business and finance processes.

**PROCTER & GAMBLE
HIGHLIGHTS**

P&G is a consumer goods giant specializing in well-known daily-use products sold in approximately

180 countries and territories.



Globally,
P&G has around

106,000 employees & **\$70billion** in revenue.

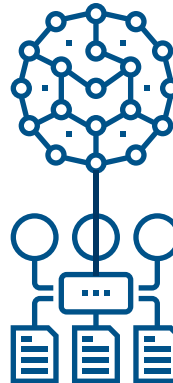
PROCTER & GAMBLE GLOBAL BUSINESS SERVICES

The digitization and centralization of P&G's global accounting and process transformation journey fundamentally changed the roles of its finance and accounting professionals. This involved moving all accounting and finance processes (analytics, billing, payments, collections and reconciliation, payroll and purchasing) supporting the American Hemisphere and incorporating global processes.

In his 23-year journey with P&G's GBS center, Esteban Quiros has experienced how PAIBs, far from losing relevance, adapt and assume new roles and functions that increase their value to the organization. On a personal level, Esteban has been able to leverage his accounting, project management, programming skills and business knowledge in his role as director of global business services and source-to-pay operations.

GBS has driven innovative digital transformation and process streamlining to drive real improvements in the execution of core finance and business processes. This has led to:

- Globally connected processes supporting business operations across jurisdictions.
- Processes being executed more efficiently by synchronizing procedures and implementing increasingly intelligent systems for processing accounting transactions.
- Increased productivity through the development and application of digital tools such as automation, machine learning and bots.
- Business growth based on end-to-end processes that improve customer experience.



The journey started with transforming processes through mapping, standardizing, and introducing intelligent bots and algorithms that make decisions and execute closing transactions. This led to a significantly faster month-end close and increased quality. This has enabled greater speed of analysis to management.

The biggest challenge of digitization has been dealing with the increased complexity and fragility of the processes. "Executing the process is easy, understanding it.. that has become more complex."

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Digital transformation provides significant opportunities but comes with challenges

For PAIBs, much of the traditional transaction and reconciliation-based accounting and controlling roles are diminishing, and new opportunities and challenges have emerged.

The centralization and digital transformation at P&G has fundamentally changed the contribution of PAIBs from back-office support roles (transactional and daily tasks) to offer more exciting career pathways that provide an opportunity to become tech- and data-focused strategic business partners who provide critical information for decision making.

New roles involve applying digital tools and automation to enhance key financial processes, using agile project management methodologies, and providing measurable improvements to overall business performance.

KEY LEARNINGS



GLOBAL EXPERTISE AND MINDSET REQUIRED

Effectively performing in these new roles requires a sound understanding of the logic underpinning finance and accounting processes and how changes in requirements, legislation and macroeconomic conditions can affect the operation of processes. Changes in legislation or other significant events involve a series of adjustments that must be executed carefully and completely.

For example, changes in the management of the exchange rate in various countries challenged the automated processes and forced a rethink of the model of closure and adjustment for inflation. Recent global developments have forced significant modifications and adjustments to business and financial processes that need to be well understood.

Consequently, process experts with the ability to understand the relevant changes at closing such as the accounting and tax repercussions are in demand. PAIBs require regional and global accounting and business knowledge, a glocal expertise, to translate changes and requirements to the teams that design and program applications.

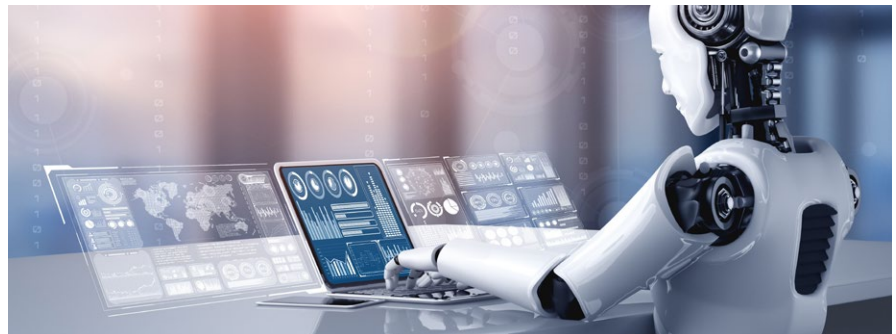
AUTOMATION SHOULD NOT BE LEFT ON AUTOPILOT - STEWARDSHIP AND CONTROL EXPERTISE REMAIN CRITICAL

PAIBs must continue to ensure strong controls and the integrity of accounting processes.

Process digitization eliminates human involvement to improve veracity and reliability. However, automation creates vulnerabilities that must be mitigated with new controls implemented at key points.

Automatic and digital processes require process owners who understand how programs and applications work. PAIBs must be able to take complex processes and communicate the results in a simple way.

For example, the capitalization and depreciation of assets has evolved so that the creation of assets, and the calculation of depreciation for local



and corporate books for the entire hemisphere, can be done with the touch of a button. However, despite the deployment of digital tools, controls continue to be necessary and important.

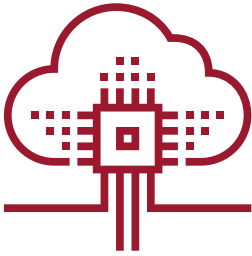
Interpreting regulations to determine the useful life of assets is not straightforward and needs expert interpretations. The algorithms that determine whether to capitalize do

not always consider all the necessary variables and must have constant adjustments and manual interventions. Therefore, results need to be monitored and variations understood and communicated in a clear and timely manner. Project engineers must be engaged with to clarify changes to capital projects and apply these to the programmed algorithms. Weekly reviews ensure the reasonableness of information.

NEW CONTROLS PROVIDE CONFIDENCE IN THE PROCESS AND THE ACCURACY OF INFORMATION

- Digitization of contracts - Controls ensure compliance with stipulated clauses. For example, contracts with raw material suppliers that establish discounts when exceeding stipulated volumes can be integrated into the systems to ensure that the billing is correct.
- Digitization of approvals for purchases - Automated alerts can be triggered when people consistently make purchases of similar items in small quantities to evade controls.
- Digitization of auctions - Auctions can be executed and awarded automatically. Control processes ensure that at least three offers are received and the one that has the best combination of price and quality is selected. Proposals are submitted for review by a purchasing professional.

THE DEMOCRATIZATION OF TECHNOLOGY MUST BE SUSTAINABLE AND SECURE



PAIBs must enable the digitalization of processes, while instilling the right digital transformation culture. As processes are digitalized, knowledge becomes democratized and diluted.

P&G finance and accounting employees received training to improve their digital capabilities including how to program bots and utilize other digital tools. Hundreds of programs were created to automate relatively repetitive and low-value tasks and subsequently applied to relatively complex and critical processes.

This led to productivity improvements and enhanced the skills of finance staff.



However, there is an implicit cost to taking such an approach. The proliferation of bots and digital security of the bots and tools created soon proved challenging for sustaining the processes. Employees changing roles or being away from the office could leave orphaned bots. Bots residing on local computers are at high risk for cyberattacks. Furthermore, maintaining hundreds of bots every time there is a software "update" is unsustainable.

Consequently, PAIBs must guide organizations to have sustainable and resilient digital programs which involves understanding what programs and tools can achieve, when they add value (and when they don't) and the risks created such as cybersecurity and business continuity. The development of digital tools and applications in-house also needs to be weighed against the benefits of sourcing "off-the-shelf" tools from external open-source providers.

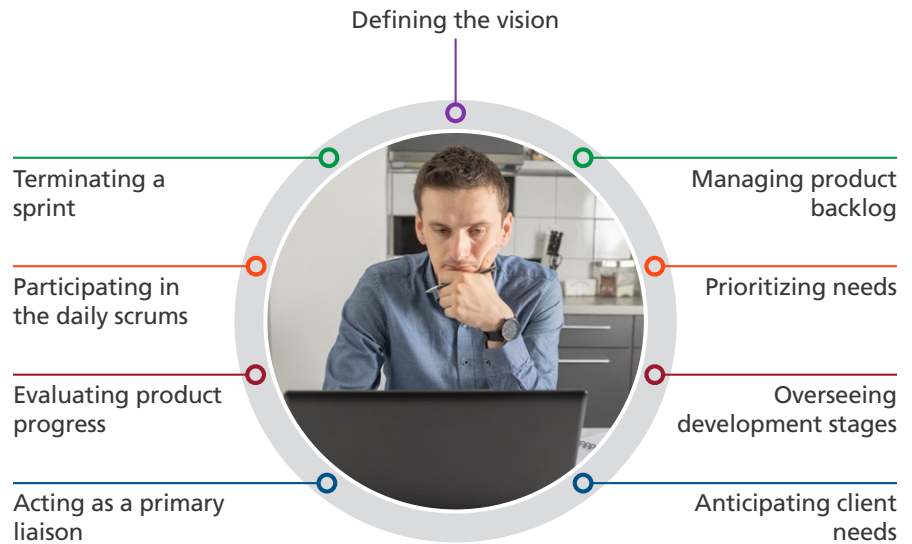
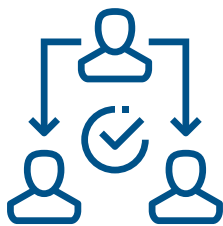
BECOME THE LINK BETWEEN THE BUSINESS AND THE DEVELOPERS

During the last four years, Esteban has led the digitalization program of the purchasing and payment process to suppliers. P&G implemented a cloud tool that enables providers and companies to communicate in real-time. Purchase orders are received immediately by suppliers and invoicing can be generated electronically in a touchless environment. The programming of electronic invoicing and automatic tax registration has been one of P&G's most successful invoice digitalization programs.

In this role, Esteban led a group of programmers in the development of the tool in the role called "product owner." Product owners are responsible for an entire process in which the F&A plays an advanced role of global or regional process and solution owner. Esteban's experience as a product owner is captured in the article, *Lessons from An Agile Product Owner* ([see side bar](#)).

The journey involved learning a new project management methodology called Agile, and the language used in an Agile approach including ePicas, Stories, Tasks and Sprints.

The agile approach helped to organize, prioritize and execute tasks, while prioritizing user needs and requests for changes to a digital tool or application.



It was critical to deeply understand procedures (including business, tax or accounting requirements), and user needs. Application developers can program and develop tools but will not understand business requirements.

The design of the work activities depended on the guidance of PAIBs who understood the process of purchases and payments to suppliers, to know in which country there was electronic invoicing, tax rates, exemptions, discounts for payment, receipt of the service, etc.

As E-invoicing evolves, the repetitive work of billing will be fully replaced by experts in electronic invoicing and taxes who understand the programs and can work effectively with teams of advanced developers.

It is essential that PAIBs are proficient in the technical language of application developers to work with them and provide the link between business needs and the development of solutions. The understanding of user requirements, value, risk and prioritization is paramount for the team to respond to priorities that add the most value. The role of the product owner is a central coordinating figure ensuring tools are easy to use and meet user needs.



LESSONS FROM AN AGILE PRODUCT OWNER

By Esteban Quiros

In his [article](#) in *Strategic Finance Magazine*, Esteban Quiros highlights his experience as the product owner of the Source-to-Pay platform and his learnings from being involved in the Agile project management methodology. When expanding core competencies within the finance function to encompass a scrum-based approach to value delivery, finance and accounting processes are performed with greater efficiency, partnerships with other functional and operational teams are strengthened, and knowledge sharing increases exponentially.

A Statement on Management Accounting on [An Agile Approach to Finance Transformation](#) is also available on the IMA website.

BECOME CRITICAL TO DECISION MAKING

Companies can invest heavily in their digitization portfolio, however, there is a clear risk of digitizing incorrect or unimportant process elements that do not add value.

PAIBs must serve as trusted professionals with access to the information that leads to the best decisions by working closely with different teams within the GBS and from within the business.

For example, in a financial manager role for one of the largest P&G manufacturing plants, Esteban worked closely with plant engineers to deploy optimal solutions for plant automation involving automated guided vehicles (AGVs). A review of the cost of each AGV, the speed of work, and its changing capabilities showed that AGVs were not initially viable. However, by partnering with multidisciplinary experts, it was possible to find ways where they could be made cost-effective and financially feasible.



As PAIBs, it is important to understand technology, capacity and cost and work with multidisciplinary teams to translate this into a process and function that allows the evaluation of the true value of a proposed initiative.

Many opportunities exist to use data to find patterns that increase value to the business or protect value such as by implementing more effective controls to manage risks.

Data analytics is an area of high growth and added value. PAIBs trained in data management and analysis are in high demand, especially if these skills are combined with knowledge of controls, accounting, project management and understanding the business model (also see [Building Data Science and Analytics Capabilities in Finance and Accounting](#)).

Additional Resources

IMA Technology & Analytics Learning Opportunities



IMA Data Analytics & Visualization Fundamentals Certificate®



Beyond the Basics: Data Analytics and Visualization for Accounting Professionals



Courses on Blockchain, RPA, Cybersecurity, and many webinars on technology topics

Access these other courses and other resources at imanet.org/technology

[Transforming the Finance Function with RPA](#)

[Overcoming FP&A's Biggest Challenge: Predicting the Future](#)

[Stepping into the Future of Controllershship: From Accounting to Insight](#)

[IFAC | Professional Accountants as Business Leaders and Value Partners](#)

[IFAC | Procurement and Supply Chain Operating Models Are Changing the Role of Finance Functions](#)

Read more insights from IFAC's Professional Accountants in Business Advisory Group: [Professional Accountants as Finance and Business Leaders](#).