

# Finance & Risk Excellence (FinREx) in Financial Industries

**Quick Assessment on position and maturity**

Team Finance & Risk Excellence

# The Finance & Risk Excellence Assessment: Identifies the main focuses of the future orientation

## Initial Situation

- The banking, insurance and finance industry is currently facing a multitude of different **challenges** which will cause permanent change for the **business model and the entire orientation of the institutions**
- Alongside a volatile market environment and a low-interest phase, the main drivers are above all the continuing rapid increase in regulatory requirements, together with new technological and system-based possibilities
- In this decisive phase, the challenge facing the **CFO/CRO** is to **provide the right stimulus for the company** but also to adapt their own organization appropriately to deal with the changing requirements
- This raises the question of what the **main focus points of the work of the CFO/CRO** will be in the coming years and what the current state of development of the finance function is

## Objectives and Results

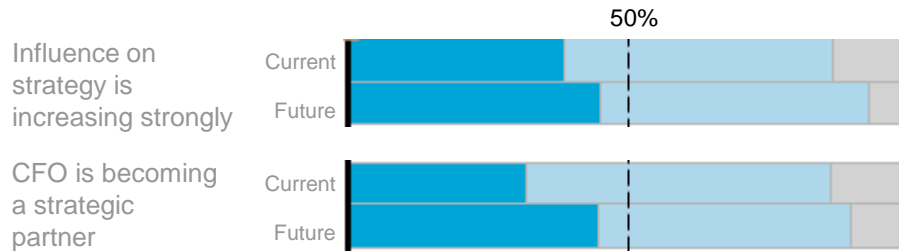
The **Finance & Risk Excellence Assessment** systematically investigates the following for the financial industries

1. **Which impulses will be expected from the CFO/CRO for the company in the future and**
  2. **which focal points must be addressed in order to satisfy these requirements.**
- Based on the **Horváth & Partners Finance & Risk Excellence Reference Model** the main focuses of the future work of the CFO/CRO are identified and the current state of development of the institutions is determined
  - This framework can then be used for a systematic **self-assessment** which identifies the thrusts a company can initiate and facilitates the derivation of concrete recommended actions
  - This presentation shows the approach used for the **Horváth & Partners Finance & Risk Excellence Assessment**

# The Finance & Risk Excellence Study in Financial Industries: Reveals the extent and significance of requirements

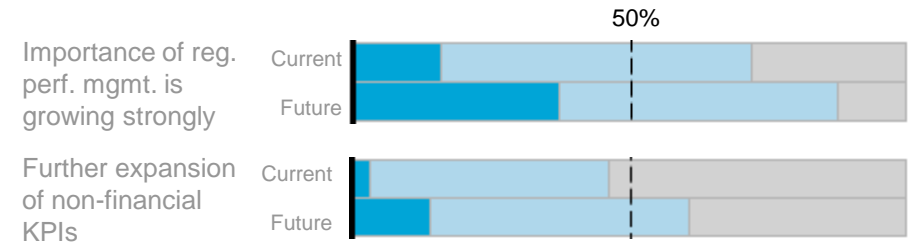
## Strategy

The CFO function focuses on strategic issues and its involvement in questions concerning corporate strategy



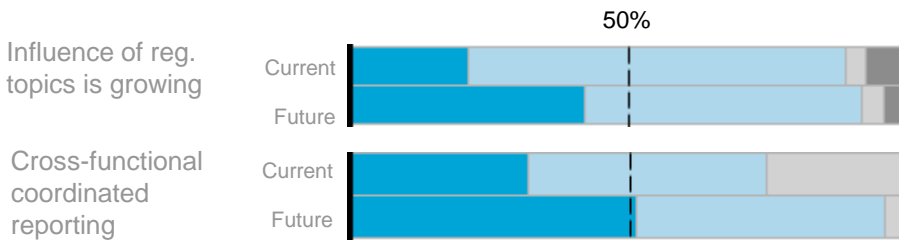
## Governance and Performance Mgmt. Objectives

The expansion of regulatory performance management and the provision of non-financial KPIs are major fields of action



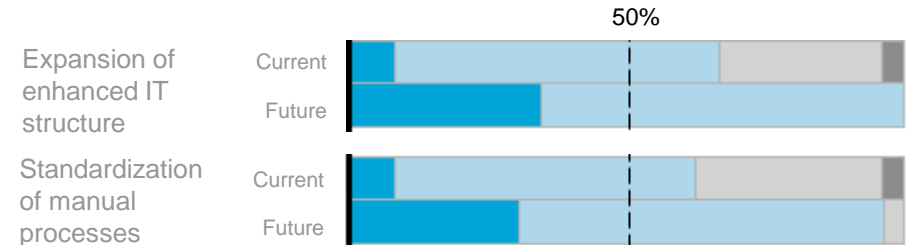
## Harmonized Performance Management Model

The increasing importance of regulatory requirements leads to an expansion of a cross-functional and coordinated reporting system



## Target Operating Model

The standardization of manual processes through enhanced IT structures for the CFO function is a future focus area



# The Horváth & Partners Quick Assessment: Takes place in three phases and aims to identify clear fields of action

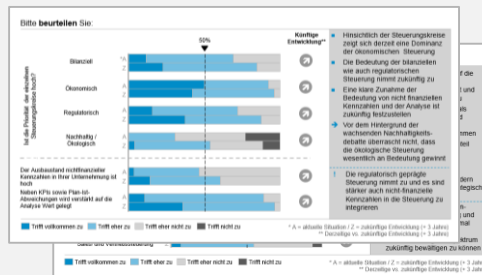
## Assessment

- The degree of maturity and target achievement is determined using the questionnaire
- The basis for this is the Finance & Risk Excellence Reference Model from Horváth & Partners

The screenshot shows a questionnaire titled 'FinREx-Report' with a table for 'Bewertungsskala' (rating scale) and a grid for 'Bewertungsskala' (rating scale) with columns for 'Aktuelle Situation' and 'Zukünftige Situation'.

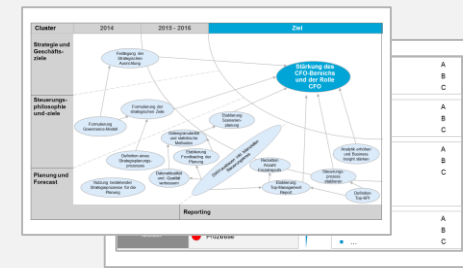
## Analysis

- The data is gathered and evaluated by comparing it with your company's own aspirations and with your peers
- An individual evaluation is created for your company

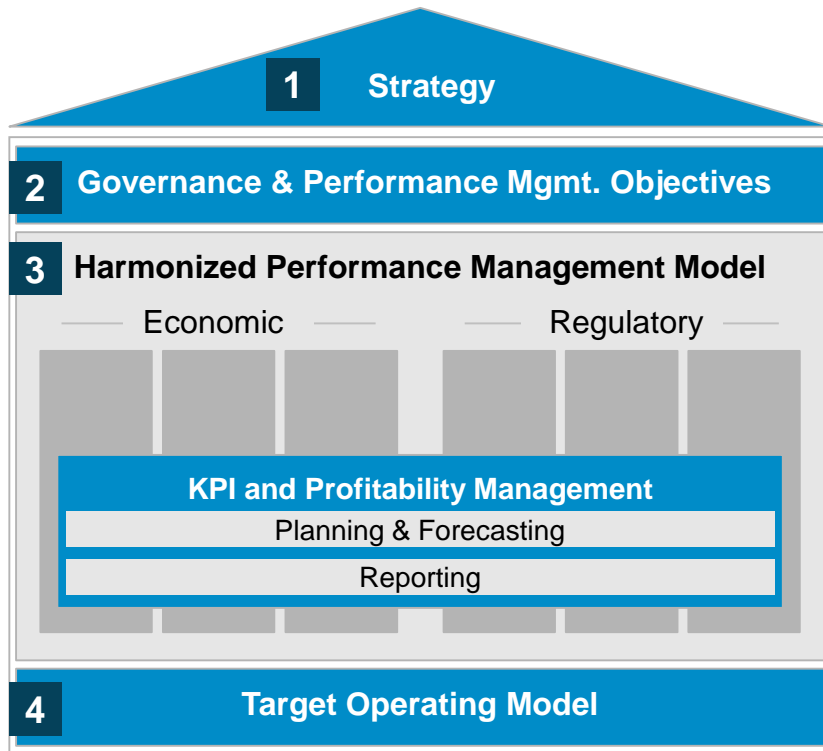


## Fields of Action

- The results are presented and discussed in a workshop
- Together we use the evaluation to define and prioritize the fields of action
- The prioritized fields of action are plotted in a road map



# Overview: The major challenges in Finance & Risk in the financial industries



**1**

- Alongside the classical fields of activity, in the future the CFO/CRO will increasingly be involved in strategic and cross-functional topics
- The classical fields such as accounting and controlling must be structured optimally in order to allow the CFO/CRO to master the extended range of tasks in the future

**2**

- Against the background of increasing regulation it is essential to have a consistent view of management and performance management
- Performance management is increasingly being shaped by regulatory forces and non-financial indicators must be integrated into performance management

**3**

- The unification and standardization of internal performance management must continue to be driven forward across all functions
- Regulatory performance indicators must be integrated and information must be provided to the management in a consistent and efficient way

**4**

- The IT infrastructure is a major enabler of the operating model
- The concerns of the CFO agenda should be integrated into the IT strategy at an early stage to ensure the best-possible consideration of the demands upon the applications

# Participation and Contacts

To participate at the Quick Assessment please send an **e-mail** to [finrex@horvath-partners.com](mailto:finrex@horvath-partners.com) or contact one of the following persons

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