

CONTENTS

.....

Foreword	xiii
Preface	xvii
Acknowledgements	xxi
1 Introduction: Enterprise Governance	1
Enterprise Governance – a new framework	2
The importance of people and culture	10
It is all about flawless execution	11
How this book supports flawless execution	12
Resources	13
Notes	13
PART I Performance	15
2 Developing Strategy	17
The importance of strategy	17
Understanding strategy	17
Managing for value: strategies for results	18
The ‘Managing for value’-based approach to the strategy process	20

	So what really works?	22
	CFOs and shareholder value – the reality gap	24
	Corporate performance management systems: bridging the gap	26
	Notes	28
3	Transactional Excellence	29
	The emerging e-enabled finance environment	29
	<i>Case study: Wallenius Wilhelmsen</i>	31
	<i>Case study: DIY Retail</i>	37
	How the Web is transforming ‘bean counting’	40
	<i>Case study: Lin TV</i>	44
	Selecting applications	47
	Reporting and business intelligence	51
	Notes	55
4	Corporate Performance Management	57
	What are we doing wrong today?	57
	Corporate performance management – a new methodology for finance	61
	The case for corporate performance management	63
	Systems to support CPM	66
	<i>Case study: CPM in action</i>	67
	Key lessons from successful adopters of CPM	71
	<i>Case study: ACC</i>	73
	Notes	77
5	Driving Performance Through Better Cost Management	78
	Activity-based costing – a historical perspective	78
	The case for ABC	83
	Implementing ABC	88
	Activity-based management	89
	<i>Case study: Royal Mail</i>	93
	ABC/M’s relationship to other accounting and management innovations	96

So why the controversy? The problems with implementing ABC/M	99
<i>Interview: Peter Hill, Bellis-Jones Hill Group</i>	100
Technologies that support ABC/M	105
Notes	106
6 Forecasting, Planning and Budgeting	108
<i>Case study: Murray, Inc.</i>	110
The problems with traditional budgeting	112
Alternatives to traditional budgeting	114
Process improvement techniques and the challenge for budgeting	119
Collaborative planning – reinventing world-class budgeting	121
Collaborative planning (CP) technology	125
Conclusion	126
Notes	126
PART II Conformance	129
7 Better Enterprise Governance Through Better Reporting	131
The importance of a timely close	132
The shortcomings of current approaches to month-end close	135
New approaches to closing	142
<i>Case study: CODA Group</i>	143
Improving reporting content	145
Conclusion	160
Notes	161
8 Corporate Governance	163
What is corporate governance?	163
The good, the bad and the ugly – examples of corporate governance	164

The historic view	169
<i>Case study: What good corporate governance means to a company like Shell</i>	170
So what is the case for corporate governance?	173
The importance of Enterprise Governance and how to achieve it	190
Meeting the challenge of Enterprise Governance	193
Notes	197
 9 Supporting Enterprise Governance: the Emerging Finance Architecture	 199
<i>Case study: Whirlpool – an early player in SSC</i>	200
Shared Services – the case for centralisation	206
<i>Case study: Shared services at Carrefour</i>	208
Business process outsourcing	214
<i>Case study: Dairy Farm and Cap Gemini Ernst & Young</i>	216
<i>Case study: Rhodia and Accenture</i>	219
Conclusion	220
Notes	220
 PART III Corporate Responsibility	 223
 10 Corporate Responsibility	 225
The birth of the collective conscience	225
<i>Case study: Merck</i>	229
So what are the benefits of corporate responsibility?	231
<i>Case study: Yorkshire Water</i>	233
<i>Case study: ExxonMobil</i>	240
Measuring and reporting CR	246
<i>Case study: What good CR means to Tesco</i>	255
<i>Case study: Johnson & Johnson</i>	257
The future	257
<i>Case study: Alcoa</i>	258
Notes	259

11 Risk Management	262
The importance of risk	262
<i>Case study: Bridgestone/Firestone and Ford</i>	262
Shareholder value and risk – analysis and determination	264
So what is risk?	265
Risk and stakeholder activism	267
Risk and the e-reputation revolution	268
Risk and legislation	269
Basel II	270
Managing risk	270
<i>Case study: BOC</i>	275
Risk management technology	276
Internal control	278
<i>Case study: AOL Time Warner</i>	280
Notes	280
 12 Conclusion: A Strategy for Finance Professionals	 282
Management accountancy – the original value added function	283
The changing role of the finance professional	286
The challenges	289
Beware information overload	290
Internal resistance – the importance of communication	292
Education, education, education	292
Achieving the vision	293
Notes	295
 Index	 296