

# 2013

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## [CORPORATE FINANCE]

Internal use document for consultants and Business Analysts responsible for requirements gathering for Corporate Finance departments in a large corporate environment. It details the major functions of Finance and the top problems. Includes links to additional resources (NOTE: Systems selection is covered in a separate document).

# Finance Briefing Document

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*Designing function for Financial Safety*

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## Summary

This brief synopsis is to serve as a short reference guide for understanding the common functions of Corporate Finance and the top challenges Finance Departments are facing. It is intended to serve as a discussion document for engagements during the requirements elicitation phase. Use this document as a 'pre-brief' prior to meeting with clients and as a reference guide during facilitated JAD sessions and one on one interviews. For internal use only, this is not intended for customer use. Actual customer systems may vary.

## Common Functions

The five basic corporate finance functions are described as those functions related to:

- **Raising capital** to support company operations and investments (aka, financing functions)
- **Selecting projects** based on risk and expected return that are the best use of a company's resources (aka, capital budgeting functions)
- **Cash Flow Management** and balancing the ratio of debt and equity financing to maximize company value (aka, financial management function)
- **Developing a governance structure** to encourage ethical behavior and actions that serve the best interests of its stockholders (aka, corporate governance function)
- **Manage risk exposure** to maintain optimum risk-return trade-off that maximizes shareholder value (aka, risk management function)
- [http://wiki.answers.com/Q/What\\_are\\_the\\_functions\\_of\\_finance](http://wiki.answers.com/Q/What_are_the_functions_of_finance)

Corporate Finance provides leadership in managing the financial operations of the City by developing and supporting corporate financial policy, systems, and processes. The department has operational and policy making responsibilities in the following areas:

- controllership
- financial reporting
- risk management
- materials management
- treasury
- administrative policy development
- payroll
- debt management
- revenue management

- financial systems management
- financial planning and forecasting
- budget process management
- infrastructure planning
- asset management
- major capital projects management
- alternative service delivery
- economic, demographic, community and organizational research and analysis
- <http://www.winnipeg.ca/finance>

Specialty functions of finance may also include

- Tax management – including corporate legal structures
- Asset management – portfolio investment management

Additional detail is available at Wikipedia [http://en.wikipedia.org/wiki/Finance#Corporate\\_finance](http://en.wikipedia.org/wiki/Finance#Corporate_finance)

## Current State

Current state will require specific elicitation from the client – be mindful that the Finance staff will generally feel that they have accomplished great things in the past year (5 years for a large corporation) and will need appropriate time to be mindful of their achievements. Typical questions should center on what the Finance Department does well that should be retained and built upon. A great question could be ‘what do we need to continue doing as a Finance team?’ or “What do we need to make sure we don’t lose as an Finance service?”

## Future State – Top Challenges

According to Robert Half 2012 survey of CFO’s, the top challenges and proposed solutions are:

Top Challenge	Top Solutions
<b>Rising healthcare costs</b>	Passing costs to employees & customers
<b>Controlling spending, improving profitability</b>	Manage labor costs with flexible, contract talent
<b>Staff morale &amp; motivation</b>	Subsidized training, telecommuting, Mentoring

Source: [www.roberthalf.us/External\\_Sites/.../RH\\_CFOConcerns\\_sec.pdf](http://www.roberthalf.us/External_Sites/.../RH_CFOConcerns_sec.pdf)