**Corporate Finance**

***Co – 1***

**Changing Roles of Financial Managers**

**Submitted by:** Mrinal Joshi (221028)

**Submitted to:** DR. TRIVENI P.

A Finance Manager distributes the financial resources of a company, is responsible for the budget planning, and supports the executive management team by offering insights and financial advice that will allow them to make the best business decisions for the company. This use to be the definition of the a typical Finance Manager but, In the wake of fierce global competitiveness, path-breaking technological advancement, increasing regulatory requirements following spate of reporting scandals, changes in business models, growing internationalization of business and sensitivity to financial markets, Indian Corporate to survive and thrive and compete globally will have to redefine tectonically the role of their finance managers so that their focus is less on traditional finance jobs like transaction processing, budgeting and capital raising and instead more on strategy making and managing risks and ensuring greater transparency in corporate reporting.

Todays and tomorrow’s finance managers are expected not only to confine themselves to financial planning, capital raising, managing assets and monitoring with new perspectives, new approaches and new skills but also to assume the role of strategic partner and participate actively in the front-end of strategic thinking, building and reviewing business portfolio, managing risks, and act as an agent among various constituencies within and outside the organization.

Managing money is a tricky business, managing other people’s money is not just tricky; It’s a lot challenging and difficult Considering most people need guidance on where to invest, how to save taxes, the best insurance scheme, which fund to invest in, which stock to hold, which one to sell, how to plan children education and their own retirement. Finance experts are most sought after with a fast-growing working population that earns well and needs expert handling of their finances.

In his endeavour to reduce cost of funding the firm’s requirements, finance managers of Indian Corporate shall have to evolve new financial instruments of the likes of zero-coupon bonds, deep discount bonds, floating rate bonds, secured premium notes, convertible warrants, futures and options incorporating attractive features that could entice finicky investors. Securitization can prove to be the most potent financial instrument for a finance manager in garnering funds at relatively cheaper rate.

**Moving Beyond Financial Close**

The big takeaway: The office of finance and accounting’s role must continue to evolve to place less emphasis on transaction processing and more emphasis on driving performance improvements within the business.

According to the survey, the three most important roles finance and accounting should serve within a company are:

Budgeting and forecasting

Identifying opportunities to improve the business

Executing company strategy

The traditional task of closing the books and reporting financials came in seventh place out of 12 roles. If your team is spending most of their time on the financial close, the new research provides some food for thought.

For example, does your team still rely heavily on manual processes to close the books? Do they primarily use spreadsheets and paper binders to manage the close? Do they share important information via off-the-cuff emails?

If you answered “yes,” “yes,” and “yes,” you’re not alone. Finance and accounting staffs are notoriously overwhelmed by day-to-day details that, while important, detract from their ability to consider the big picture and plan for the long term. In fact, the BRG survey revealed that the biggest challenge finance executives face is that processes are highly manual.

Such a scenario is particularly prevalent—and, indeed, pernicious—at growing organizations where legacy approaches can suddenly become outmoded and undermine objectives. For example, as operations expand and sales increase, the office of finance has to process more transactions, manage more accounts, and integrate data from more sources. Employees then naturally end up working more hours. Spreadsheets naturally become bloated, overly complex, and more prone to error. And communication inevitably breaks down.

## Enabling Strategic Objectives

In a nutshell, your finance organization may be tackling 21st century challenges with 20th century tools — spreadsheets, emails, and other manual methods of stitching the financial close together. Or, in the parlance of Hollywood, you’re bringing knives to a gunfight. (Good luck with that!) As a result, it’s difficult to play a more strategic role within your firm while also executing core processes and their numerous underlying activities.

However, there’s another way. Emerging technologies can modernize the finance function by automating routine tasks—for example, time-consuming aspects of the financial close, such as transaction matching and balance sheet reconciliations.

Finance executives have a difficult balancing act. Their business partners expect them to be trusted advisors in enabling growth while also meeting the demands for reliable business intelligence. The investment in technology is key to walking that tightrope, the Berkeley research found.

To learn how Protector Insurance was above to use technology to their advantage during the financial close, read their case study.

Learn how the Adra Suite of Solutions can help you simplify your finance and accounting organization. You need to get back the time you need to perform the tasks that are truly valuable to your organization before it can grow competitively!