Serco Group plc Increases Efficiencies and Reduces Enterprise Risk by Automating Financial Processes with Cadency® by Trintech

Serco Group plc is a leading provider of professional, technology, engineering, and management services, that manages over 500 contracts worldwide and employs over 60,000 people.

Looking to become a world-class finance function, Serco has always understood the importance of investing in technology to improve and standardize processes. "We had commitment from the top-down to ensure we had robust processes and technology in place to increase our efficiencies and reduce our risk across the business," said Paul Adams, Head of New Business & R2R at Serco. At the time they began looking at financial close automation, Serco had been struggling with a highly manual spreadsheet-dependent process for its financial close, reconciliation and reporting processes. With multiple systems, different ways of working across the teams, and disparate processes among business units, there was a lack of confidence in the accuracy of the numbers they were reporting. "Previously, we didn't have the technology in place that could quickly inform where potential risk lied within our balance sheet which was inefficient," continued Adams.

Serco was on a mission to find a technology partner that understood their overall finance strategy and could provide a solution that would allow them to gain greater confidence in the numbers they were reporting, and automate the tedious, manual tasks to refocus their teams' time and effort on more value-added initiatives for a better employee experience. After reviewing several technology providers, Serco decided to partner with Trintech and implement their Record to Report platform, Cadency.

IN BRIEF

Challenges:
- Highly manual processes
- Increased risk across the balance sheet
- Lack of visibility

Objectives:
- Automate to refocus time and effort on value-add tasks
- Improve accuracy of reporting
- Real-time visibility into risk

Return on Investment:
- Improved reporting accuracy and reduced risk
- Fewer reconciliations through risk-based account focus
- Greater compliance with reduced cost
- Enhanced visibility into balance sheet management

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The Roll-Out

Serco achieved a very successful implementation of Cadency and contributes the seamless roll-out to a few factors. "Before being able to leverage the benefits of automation it is vital that the implementation of the technology is a success," said Adams. "There are many different factors to consider in the implementation process and getting just one wrong could be the reason a project fails. This includes not fully understanding the original requirement, scale/complexity of the change, speed of implementation, lack of executive support, insufficient project governance, lack of training, resistance to change, lack of technical expertise, etc. We made sure we were aligned across the business before we embarked on this transformation which was critical to the success."

As Serco continued to build upon their finance strategy, they decided to outsource several of their F&A processes to Accenture, a leading BPO provider. "What we have seen in the past is many large multinational companies have outsourced parts of their F&A function and it was typically limited to tasks like transactional processing. However, in recent years, the scope of the outsourced work has increased," explained Adams. "We are now seeing BPO providers engaged in several other processes like FP&A and a big contributing factor to that is technology. Technology allows for the work to get done anytime, anywhere."

Risk-Enabled Automation

Following the successful roll-out of Cadency in 2017, Serco has achieved a single, standardized approach to balance sheet management on a global scale. Since the official launch of the solution, reconciliations have required less manual effort thanks to increased automation and the application of a risk-based strategy. In addition, the use of a centralized global solution has provided greater insight into the total number of reconciliations performed as well as their timeliness and accuracy.

Today, Serco is running 5,000 balance sheet reconciliations through Cadency on a monthly basis. "With Cadency, we now have the ability to automatically set the frequency of reconciliations based on risk profile of a particular account based on certain criteria set-up in Cadency. In the past, we couldn't quickly identify potential risk but now with Cadency, we can."

To gain even further efficiencies, Serco also utilizes Trintech's SAP connector. "This connector automatically interfaces data flows from our SAP instance into Cadency so our team can begin analyzing it within minutes. Having the direct interface from SAP also gives confidence in the data matching between the two systems," said Adams.

Serco has also seen success in leveraging automation for its transaction matching process. "Today, we auto-match 15,000 accounts which has saved us a total of 500 hours per month."

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ROI Achieved

Serco has seen significant benefits since implementing automation including:

- Reduction in financial risk as it improves reporting accuracy
- Reduction in error rate
- Reduction of manual data entry tasks and related human error
- Increased speed in processing financial data
- Improved decision making due to reports being accurate, up-to-date, and delivered in real-time
- Improved compliance procedures
- Increased employee productivity and job satisfaction
- Improved auditable records
- Increased scalability

Automation has not only reduced Serco's cost but also allows their team to focus on more value-added tasks. "Competition for talent is a big focus and challenge for many organizations today," continued Adams. "Automation can help retain your resources by allowing them to focus on value-added tasks instead of the manual, transactional processes." Not only does technology help retain your talent, but it also helps when churn does happen. "What we have seen in the past is that process or system knowledge gets lost when people leave the organization. By having all the processes standardized and documented within Cadency, you reduce the risk of that tacit knowledge walking out the door when people leave."

From a reporting perspective, Serco's leadership team now has full visibility into a Reporting dashboard that allows them to drill-down into any account and identify risk on the balance sheet. "By automating our controls, it enables us to prevent errors, gives us confidence over our reporting and that our processes are operating as efficiently as possible," continued Adams.

Strategies for Success

Serco contributes their successful financial transformation to a few things:

- Buy-in from leadership was critical as it sets the objectives for the team
- Commitment from the team to the new ways of working (turning off old systems)
- Training (introduction courses and on-going improvement courses)
- Ensuring the project meets the business requirements (approved by the overall business)

"Automation is an integral part of our ongoing Finance strategy and vision to become a world-class finance function," concludes Adams. Looking ahead, Serco is looking to leverage RPA to gain further efficiencies across their processes. "If it is a repeatable process, the benefits of having technology doing it is far superior to any human. Automation is vital for process efficiency and cost effectiveness."

About Serco Group Plc

Serco Group plc is a leading provider of professional, technology, engineering, and management services. They advise, design, integrate, and deliver solutions that transform how clients achieve their missions. Their customer-first approach, robust portfolio of services, and global experience enable them to respond with solutions that achieve outcomes with value. Serco Group plc primarily derives income as a contractor for the provision of government services, most prominently in the sectors of law & order, health, transport, justice, immigration, defense and citizens services. Serco manages over 500 contracts worldwide, employing over 60,000 people. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index.

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