

PERSIDANGAN AKAUNTAN SEKTOR AWAM KEBANGSAAN KE 30 TAHUN 2022

NATIONAL PUBLIC SECTOR ACCOUNTANTS CONFERENCE (NAPSAC)



MANAGEMENT ACCOUNTING IN THE ERA OF DIGITALISATION

SESSION 5 – 19 MAY 2022



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**Vice President, Controller
Shell Business Operations**



Digitalization journey in Shell Finance has started ~10 years ago ... but with rapid disruptive changes, are we moving fast enough?

- *How do we pivot the organisation's energy and change capacity towards transformational change vs incremental change? Building the future vs optimising the present*

Creating the space for digital transformation

Leaders need to create the right environment to enable digital transformation

- Setting up for success
- Learner Mindset



KEY SUCCESS FACTORS FOR TRANSFORMATION

- Compelling business case
- Right People in the Room
- Right Sponsorship

Where there is uncertainty & interdependence, companies need to be in the **LEARNING ZONE** where high accountability for delivery goes hand in hand with high psychological safety

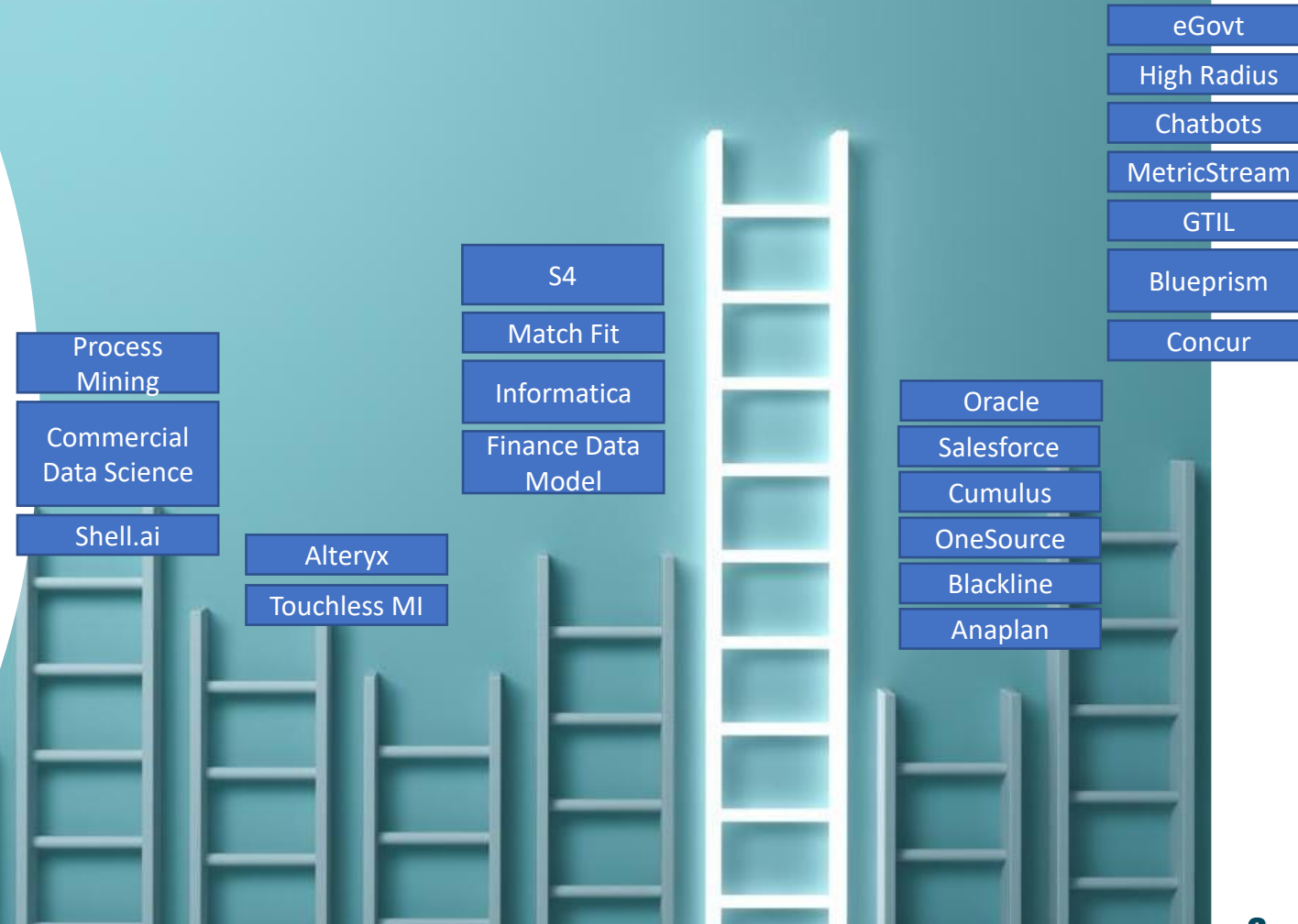
[Link to Amy Edmondson TED talk](#)





TAKE STOCK AND MOVE ON – FASTER .., LEVERAGING LEARNERS' MINDSET

- **Clean data** underpins everything
- **Digitalising the Core**
- Implications of **Energy Transition** for the operating model
- **Agility by Design**
- **Setting up for Success**
 - intent to action to delivery
 - cascade & translation of vision
 - urgency & risk appetite
 - digital capability
- Focus on **the things that matter**





Future of Finance Digital Trends

- Operational Finance approaches 100% straight-through-processing
- Digital platforms process raw data sets in real-time
- Continuous Accounting
- All management reporting is self-serve. Traditional reporting & analysis is on demand
- Machine learning and advanced analytics are pervasive, enabling true digital twin

 Finance staff focus on innovation, interpretation and change

**ZERO WASTE,
HIGHER VALUE,
LOWER RISK**

CADENCE OF FINANCE
BECOMES CONTINUOUS

OPERATIONAL STAFF MONITOR &
IMPROVE

FINANCE DOUBLES DOWN AS THE
COMMERCIAL ANALYTICS
PARTNER TO THE BUSINESS

TECHNOLOGY RELEASES HUMANS
TO DO WHAT HUMANS DO BEST

Zero Waste L-ESSA & Digitalisation

Zero Waste Principles

 ZERO WASTE BY DESIGN	L-ESSA
Locate activities in cost-advantaged locations wherever feasible	
Eliminate non-value adding activities	
Simplify & standardise where differentiated processes not justified by commercial value	
Automate where economically feasible	

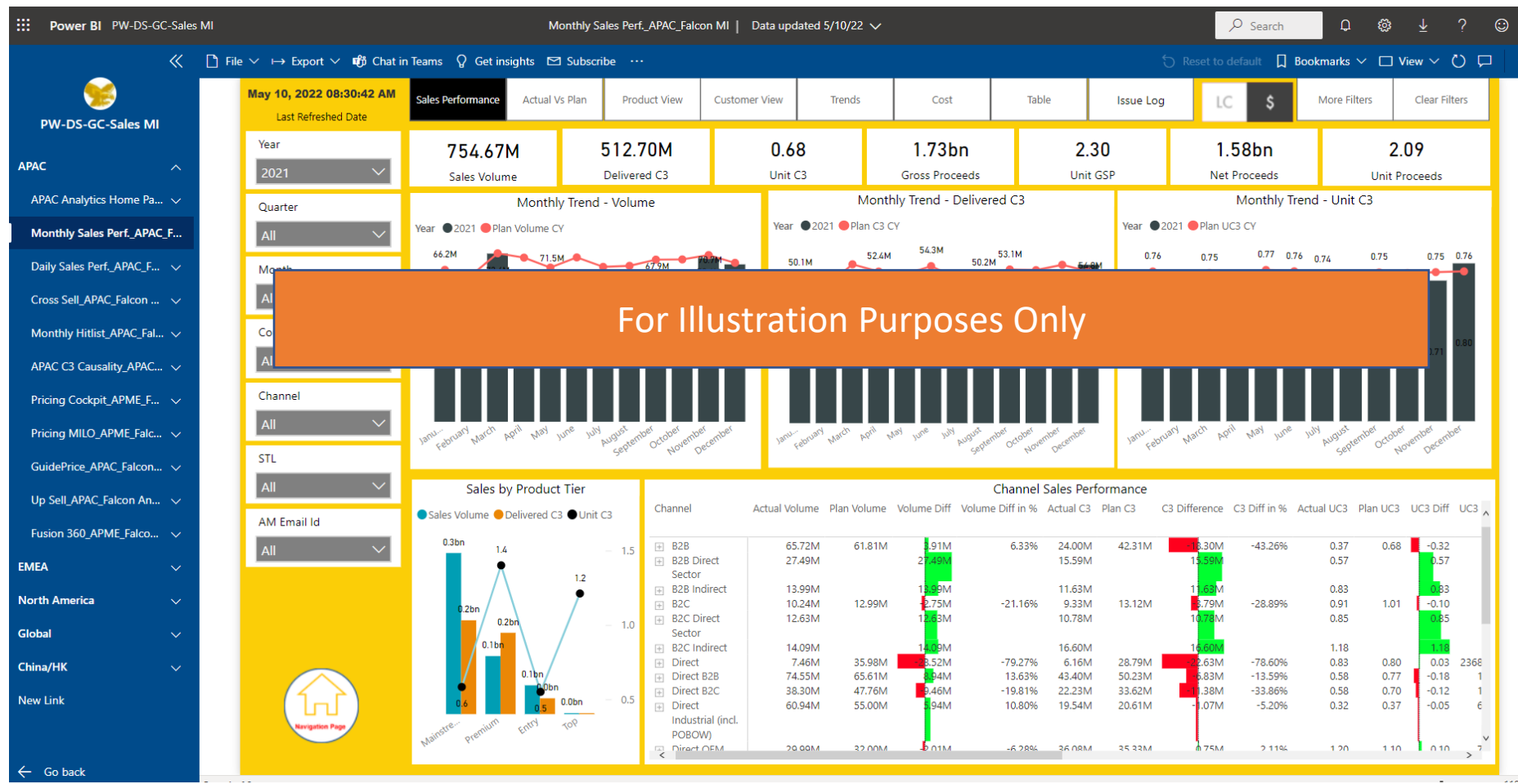
Automation Options

Leverage existing IT landscape
Invest in emerging digital technologies



SHARING OF MANAGEMENT ACCOUNTING IN SHELL LUBRICANTS BUSINESS

- Robust Data Architecture
- Automated - Self Serve : no more excel & ppt !
- Real Time, AnyWhere
- Historical data for Regulatory purposes
- Focus on Latest Estimates/ Look Forward
- What if Analysis





SHARING OF MANAGEMENT ACCOUNTING IN SHELL LUBRICANTS BUSINESS

Our Journey & driving value across organisation

- Understand Business Value
- Agile by Design
- Start with POC (Proof of Concept)
- Then MVP (minimum viable product)

- 2022:** Global Falcon 2.0 Launch
- Jointly owned by IT & MI COE
 - Defined Data structure, Ownership & Governance

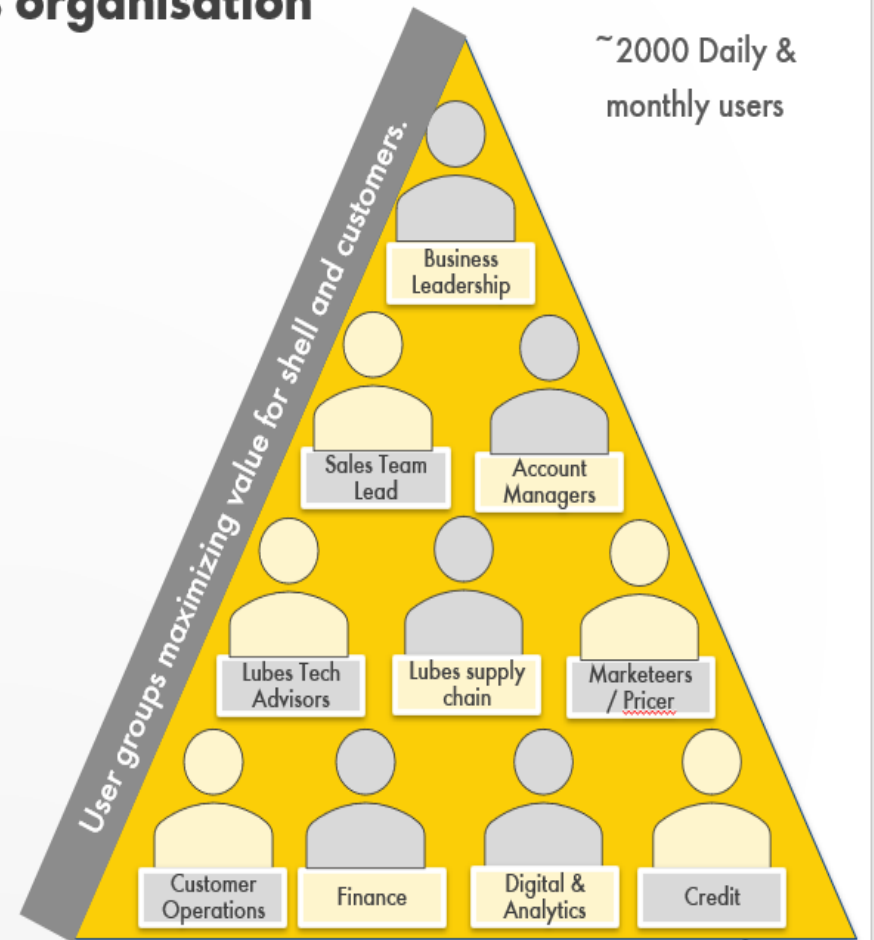
- 2021:**
- Integration of Brazil and China,
 - Introduction of Demand Forecast Accuracy in falcon (ERA).
 - Co partnered with Customer Ops. To bring ops matrix.

- 2020:**
- Go live with ROW excl Brazil & China,
 - Co partnered with Data Analytics, Credit & Sam i

- 2019:**
- Go live with Europe, India and MD AP for Sales Performance.

- 2018:**
- Project initiation & Assessment

Company name appears here



DATA STRATEGY & DATA MANAGEMENT ARE VITAL



Data is like water in a digital future



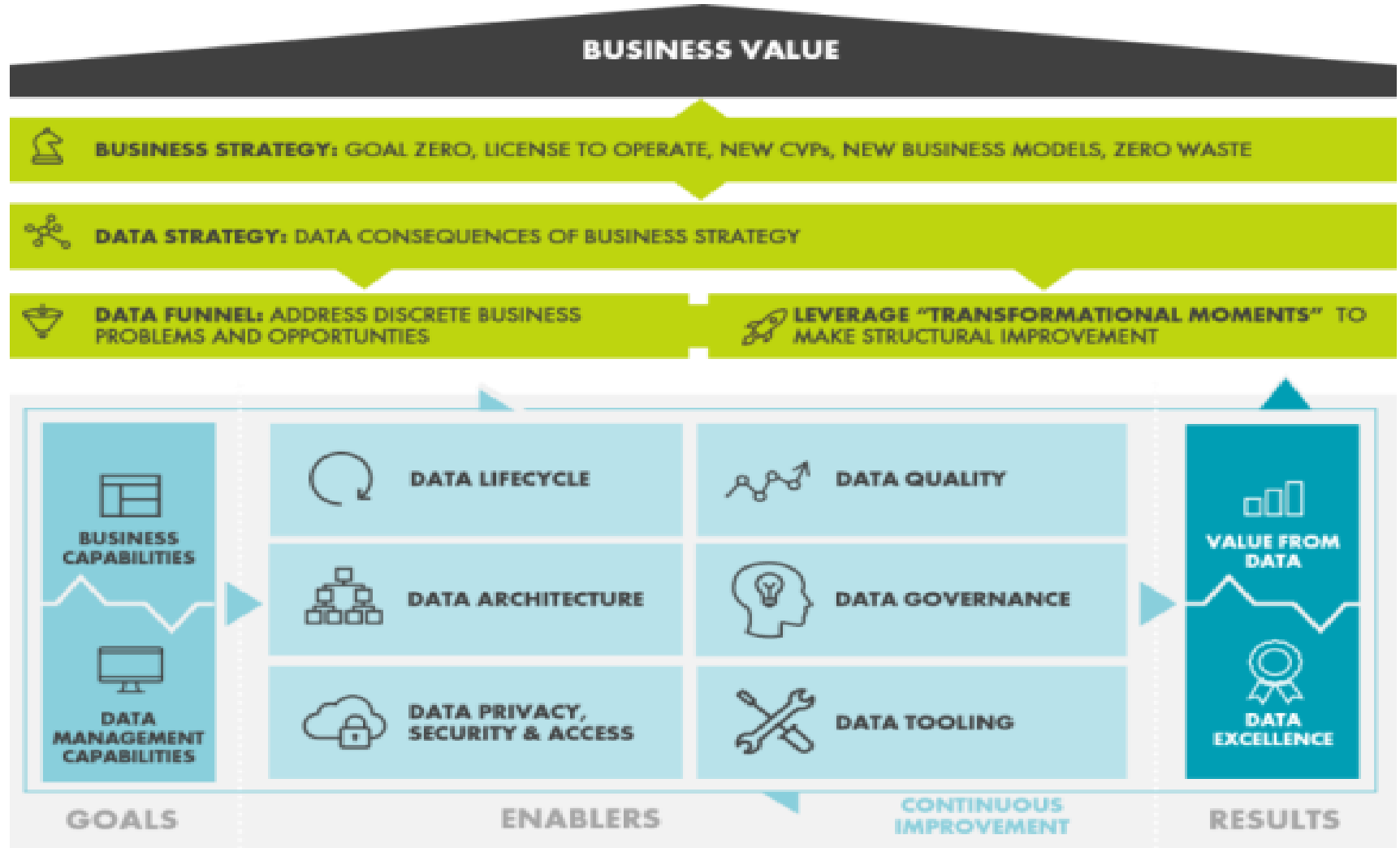
potable

/ˈpəʊtəb(ə)l/

adjective FORMAL

safe to drink; drinkable.

"there is no supply of potable water available"





APPROACH TO DIGITAL TRANSFORMATION

SET UP FOR SUCCESS



- A CLEAR & AMBITIOUS BUSINESS GOAL
- INFORMED & EFFECTIVE EXECUTIVE SPONSORSHIP
- THE RIGHT PEOPLE IN THE ROOM (Business & Process Knowledge, SMEs e.g. data, CI/Agile/AIM Coach, Process Mining, IT, SA)

Key Success Factors
Compelling business case +
Right People + Right Sponsorship

ESTABLISH THE RIGHT WAYS OF WORKING



- SPONSOR BEHAVIOURS (Express-Model-Reinforce)
- TEAM BEHAVIOURS (One Finance Behaviours)
- GUIDING PRINCIPLES (Customer/User Centricity, Zero Waste, Data is an Asset)
- METHODOLOGY (VSM, Kaizen, AIM, Agile, DQM)

Ways of Working designed to accelerate insight2action

CREATE COMMON UNDERSTANDING



- REFINE BUSINESS GOAL (Context & Precision)
- COMPREHENSIVE DATA DIAGNOSTIC e.g. LFI, VSM, Data Quality, Process Mining, RCA, OHA, VoC
- CO-CREATE INSIGHTS using collective knowledge & cement "One Team"

Create shared understanding based on data, not anecdote

RE-IMAGINE USING GUIDING PRINCIPLES



- PROCESS RE-ENGINEERING (Process Map, KPIs, Controls)
- DATA FOUNDATIONS
- SYSTEMS (Platforms, Applications, Smart Automation)
- PEOPLE (Org Design, Culture Design – Values & Behaviours, Capabilities)

Unconstrained redesign of the e2e operating model using guiding principles

DRIVE INSIGHT TO ACTION



- QUICK WINS (ESS)
- PATH TO NEW OPERATING MODEL (L-ESSA)
- CHANGE MANAGEMENT (What/Whose behaviours need to change?)
- PROJECT MANAGEMENT (Bias to Action & manageable "sprints")

Translate to actionable plan & accelerate implementation

DIAGNOSE THE CURRENT OPERATING MODEL

BUILD THE NEW OPERATING MODEL



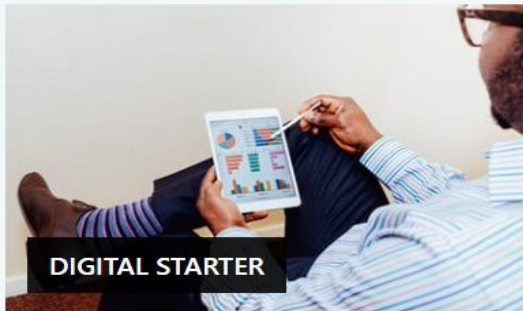
LEARN BY DOING !



KEY ENABLERS IN DIGITALISATION : CAPABILITY BUILDING & TECHNOLOGY

Digital Skills@Shell

Send to Immersive Reader



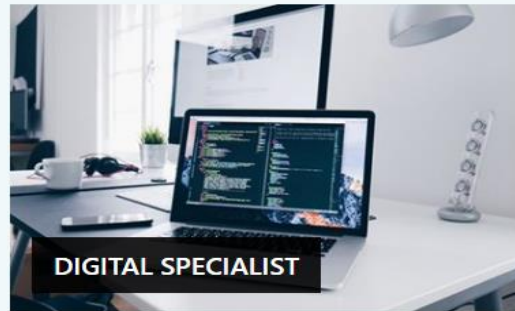
DIGITAL STARTER

I would like to better understand what digitalisation is. I want to leverage new technologies, and know what data means to Shell.



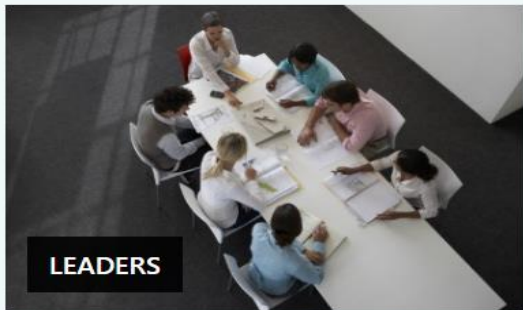
DIGITAL GENERALIST

I'm someone within the business or technical function (typically with a non-digital background). Digital is becoming an increasingly important part of my role and I want to know more!



DIGITAL SPECIALIST

I'm part of the MCDS Discipline, IT or Information and Data Skill Pool. I would like to deepen my expertise in my specific digital area – be it AI, data & computational science, data engineering, UX/UI, or digital ways of working.



LEADERS

I'm a business or function leader driving value creation through digitalisation.



HR PROFESSIONAL

I'm someone within the HR Skill pool supporting the Business in driving value creation through digitalisation.

"...Finance needs to move beyond what it knows and invest more in talent and technology..." The Hackett Group

