



# Accelerating growth for Coventry Building Society

Coventry Building Society's outdated finance function was putting the organisation's growth ambitions at risk. Here's how they turned it around in less than 16 months.



# Transform the Finance function to unlock growth

As one of the UK's leading Building Societies, Coventry Building Society had enjoyed tremendous growth over the past 20 years; trusted by more than 2 million members, with assets that had ballooned from £10 billion to more than £60 billion, the executives at Coventry Building Society had new growth ambitions they wanted to capitalise upon.

The problem was that the finance function was not fit for purpose to meet the organisation's growth objectives. Years of layering spreadsheets over old systems had left it with a technical architecture that was difficult to change. Significant manual workarounds were often required and its technology was outdated, reaching end of life and expensive to support. A series of recent regulatory changes had only compounded the complexity and risk.

While Coventry Building Society had been throwing people at the problem, the challenges weren't going away. Financial reporting was taking Coventry Building Society much longer than its peers. **80% of finance effort was being spent on non-value-adding.** Data was impenetrable to cost owners and manual data process meant additional controls to gain confidence in the outputs. The Finance function was struggling just to keep up with its current regulatory requirements, let alone take on new ones.

With their General Ledger solution provider stopping support for the system in a few years, Coventry Building Society knew they needed to make a decision. They could either update their existing system, lift-and-shift their current processes, and keep dealing with the complexity. Or they could undertake an end-to-end transformation of the finance function, leaving them with a more agile, less complex and more responsive platform upon which to grow. Not surprisingly, they chose to transform.



**Finance had a deep desire to do things properly. This wasn't just about implementing a new technology but rather an opportunity to fundamentally transform how finance operates and delivers value to the organisation.**

Mark Mahers, Head of Finance Systems and Data at Coventry Building Society.

# Building trust and business outcomes

When you've got to deliver financial reports every month, you don't have time to make mistakes or fix things. There can be no slowdown in your cadence, no errors in your calculations. So while Coventry Building Society had selected a leading technology platform, what they really needed was an independent third party who understood their business and could act as the business implementation partner.



They needed advisors that could help them re-risk delivery, bring leading practice and build capability to ensure that they could deliver the business outcomes they wanted to achieve – on time and on budget.

KPMG in the UK was the obvious choice with our depth of finance transformation experience. Our multi-disciplinary team of professionals who specialise in Workday technology including tax, regulation and risk capabilities were chosen to support the implementation. Perhaps most importantly, our proven methodologies, pre-built modules and functional capabilities underpinned by the KPMG Powered Finance solution set were utilised for this transformation.

“KPMG’s Powered Finance had a massive impact on our ability to quickly and confidently transform. KPMG’s approach allowed us to really understand best practices in the industry, supported by standard process taxonomies, methods and tools that enabled our people to move very quickly and consistently to a new operating model and processes. A year after go-live, our people continue to follow the Powered methodologies and principles as we work with the business to deliver on their needs.”

Mark Mahers, Head of Finance Systems and Data at Coventry Building Society.

Our focus was on ensuring the project was integrated and aligned at every stage of the transformation journey. Business users were involved from the outset in the entire vision including the design and build process. Using KPMG’s Powered accelerators, users were quickly able to see their new processes, controls and reports on the Workday platform, rather than waiting months to test them and confirm their value.



**KPMG’s Powered Finance had a massive impact on our ability to quickly and confidently transform.**

# Getting ready for change

Business readiness and change were critical to user adoption and confidence. Each operational area was engaged and participated in the end-to-end testing, review and sign off of the data being loaded into new system. Ahead of cutover and go-live, Coventry Building Society participated in a series of dress rehearsals and practice runs. This gave them confidence that the old systems could be ramped down safely, and that Workday could be stood up seamlessly without negatively impacting colleagues or members.

Finance transformations and General Ledger replacements bring unique challenges and the business needs to 'get it right first time'. The system doesn't just have to work. It also needs to engender the confidence of finance leadership – they need to know their people can deliver the reporting, reconciliations and results to the timetable, right from the start.

Recognising this, we introduced an additional step called 'business proving'. Users were trained in the specific processes, reports and functions of the new system.

This enabled Coventry Building Society to test drive Workdays technology in a safe simulated environment to prove they could complete the Month End and Year End processes to the timetable well ahead of "Go Live"

A command centre watched over everything to monitor performance, help resolve issues and provide additional user support where needed.

"KPMG's approach really gave our people confidence that they could meet their compliance requirements according to the timetable. Year End has gone from being a very stressful and laborious process to something very simple. There is just so much clarity on what now needs to be done each month and that has really helped reduce the amount of time, effort and stress that went into the monthly, quarterly and annual reporting processes."

Mark Mahers, Head of Finance Systems and Data at Coventry Building Society.



# Cutting the close cycle in half

Today, Coventry Building Society's finance function stands ready to deliver on the organisation's growth objectives with a General Ledger and ERP that is fully integrated into the organisation's architecture, supported by a single Chart of Accounts (COA) and standardised data sets.

High levels of straight through processing and automated controls means less time spent manually processing data, and reduced risk through robust automated preventative controls.

The close cycle has been cut in half, providing Coventry Building Society with the information and agility they need to make smart decisions. More than 170 processes have been documented, making future changes much easier to manage.

Finance professionals are now able to spend around 30% more time on value-added activities, providing the organisation with insights that help them achieve their growth objectives.

At the same time, they've embraced their finance's new capabilities. Cost teams now have deep insight into their data. Commercial product teams are now using adaptive planning capabilities to drive their product performance reporting.

Perhaps more importantly, Coventry Building Society's finance team is now capable of conducting changes and implementing new features themselves – independent of KPMG or their internal change team. Indeed, in the year since the new system launched, the finance team has implemented more than 1,000 changes to the system, using low-code approaches to rapidly update their systems as the needs of the business evolve.

The most recent changes enabled the team to conduct balance sheet certification, transaction mapping and automatic banking reconciliations, providing the team with greater confidence and unlocking unprecedented efficiency.

"From the very first stages, KPMG was there to help us think through what we wanted to achieve, how we would deliver it and what that would take. They invested significant time and effort into make sure we were successful. And that has set us up for long-term success and value creation."

Mark Mahers, Head of Finance Systems and Data at Coventry Building Society.

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# Key Impacts



## Value Add

- Improved insights through a single source of truth.
- Enhanced decision making capacity from functionalities.
- Focus on value creation activities.



## Cost

- Reduction in IT total cost of ownership.
- Avoidance of upgrade costs (vs on premise).
- Change in size of team and required skills/capabilities.



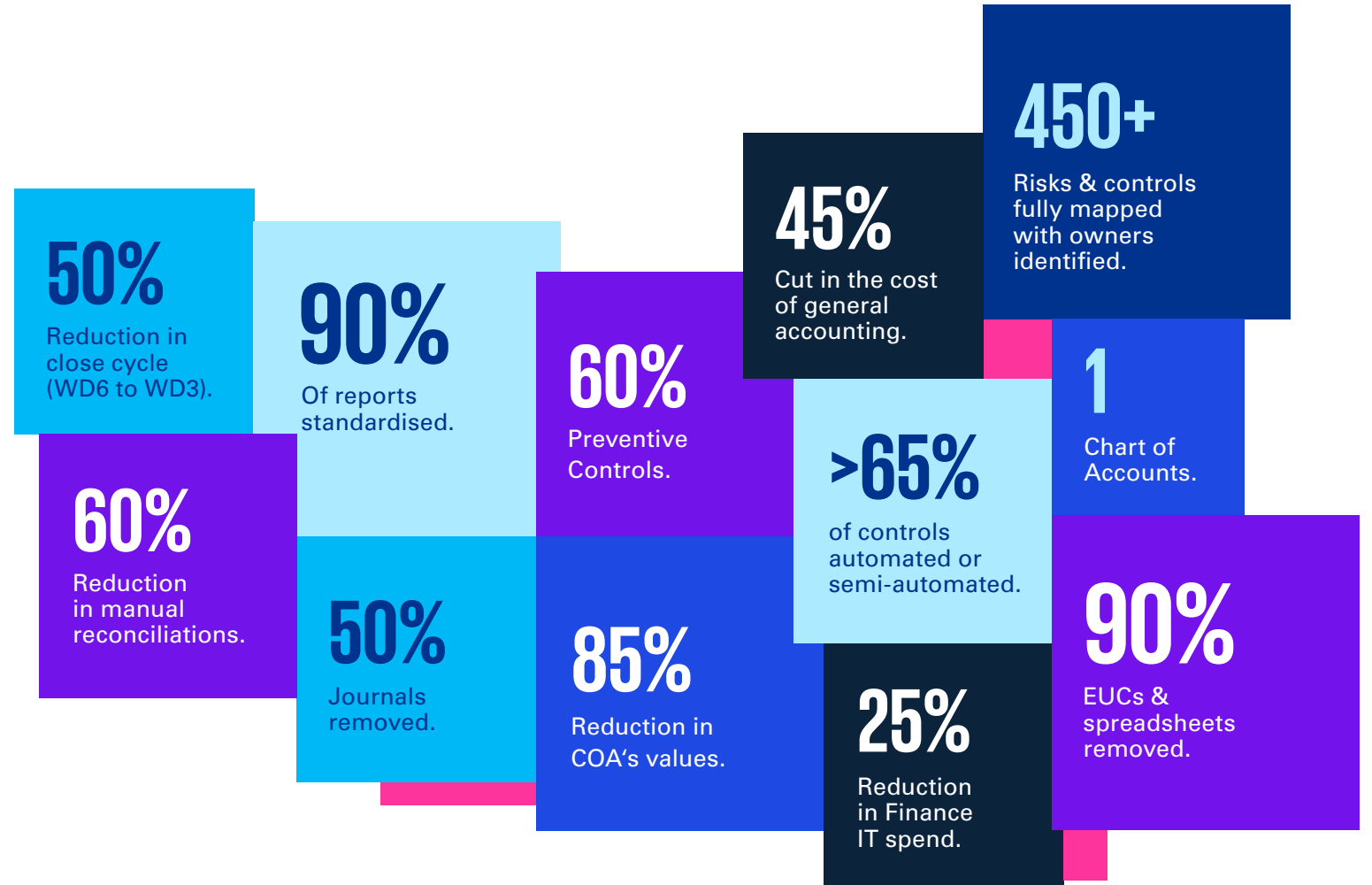
## Efficiency

- Increased capacity through reduction in manual activities.
- Increase efficiencies through standardisation.
- Automated & touchless first.



## Risk

- Future proofed and scalable through Cloud.
- Single compliant control environment.
- External reporting & controls fully met.

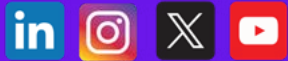




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