Keys to Collaborating with Other Business Units

RILA
RETAIL INDUSTRY LEADERS ASSOCIATION
Educate. Collaborate. Advocate.

What Retail Finance Professionals Should Know

To help retail business units understand how to interact with Finance, RILA conducted research including interviews with senior finance professionals.

Nine practices emerged for how sophisticated Finance teams interact with other departments:

1. Think Strategically

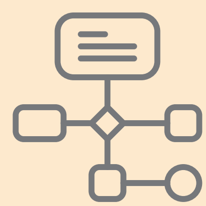
Finance departments' functions are evolving from a capital gatekeeper to a strategic business advisor to the full C-suite. Core responsibilities include increasing value and innovation, planning and executing financial goals, and evaluating and executing on business strategies; those extend beyond simply setting financial hurdles. Collaborating with other business units ties Finance's role more directly to strategic project successes.

2. Foster Communication

Finance must periodically interact with other business units to build mutual trust and educate them. Make staff available to answer questions and check on past project performance. Remind other departments (and your team) that Finance is a strategic partner to support business case development rather than to just police proposals and outcomes.

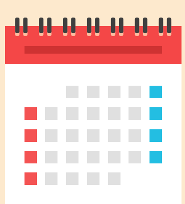
3. Create or Improve the Project Proposal Template

Consider what characterizes an ideal proposal; make it clear how to provide the key metric(s), cost/benefits, and assumption details that you need. Create a project proposal template if none exists; improve it if it already does. Provide educational reference materials, recognizing most readers will be non-experts.



4. Share Finance's Calendar

Make the annual financial calendar easy to access. Be clear about the most and least convenient times to propose new projects. What do you want proposers to know about your planning process? If a project initially gets turned down, when should it be re-introduced?

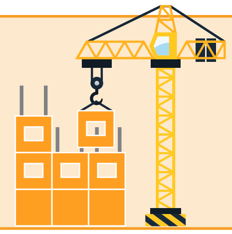


5. Collaborate on Metrics

If you suspect business units incorrectly estimate costs and benefits or don't understand or trust the evaluation process, walk through their calculations with them and suggest improvements. With increased education, business units will submit more accurate numbers, building trust between both parties.

6. Encourage Implementing Large-Scale Projects in Phases

Let departments know building flexibility into project planning has benefits. Projects can be easier to course correct and manage when executed in phases, so learning finance prefers that structure will make it even more appealing



7. Educate and Be Willing to Learn

Beyond teaching the financial calendar and project proposal templates, create a platform for FAQs and anonymous question submissions. What are the most frequent mistakes? What do you suspect most people don't know about building a good proposal? Also, just as other departments aren't finance experts, recognize that Finance lacks expertise in other areas. Be open to learning about projects beyond just their financial characteristics.

8. Consider Intangible Benefits

Not all benefits like risk avoidance or reputational enhancement can be accurately measured, but that doesn't mean they are not relevant to the business's health. Recognize projects' strongest intangible benefits that appeal to the company's identity. Share suggestions on how to incorporate intangibles into project proposals and encourage transparency around assumptions.

9. Innovate

Time spent streamlining processes and elevating Finance's capabilities will create the time to interact more with other departments. Digital financial tools and processes, such as predictive analytics and robotic process automation can allow Finance to integrate budgets and forecasts with strategic and capital expenditure plans.

Access a full summary of the retail finance professional interviews here.

Better Buildings®
U.S. DEPARTMENT OF ENERGY

This resource was completed with support from the Department of Energy's Office of Energy Efficiency and Renewable Energy and the Better Buildings Initiative to highlight innovative proven energy solutions from market leaders in the Retail sector. Find more ideas at the Better Buildings Solution Center at betterbuildingssolutioncenter.energy.gov