



Water company completes successful digital and financial transformation, positions itself for further growth

Effecting transformational change on a global scale is challenging for any organization, in any environment. It is an even tougher hill to climb during a global pandemic. Yet, this didn't stop one organization, a worldwide leader in providing cleaner, softer water through innovative, sustainable solutions, from successfully pursuing a major global finance and IT transformation in 2020.

Cascading operational challenges

The journey to implement automation across its multi-national enterprise, in different time zones, began when the organization engaged Protiviti to help guide it along the route. In the three years before the project commenced, the organization had tripled in size due to an aggressive acquisition strategy that saw it acquire more than 30 companies. And last year, even as the pandemic reared its ugly head, it planned to continue to expand, setting yet another ambitious goal to double its size through a combination of organic growth and strategic acquisitions.

This rapid growth strategy was not without challenges. The organization's ability to remain nimble was under some strain as it grew and became increasingly bogged down

by legacy systems and processes. Also, it lacked common, integrated back-office systems and processes to facilitate communications and support shared services. This led to cascading operational challenges and inefficiencies. Additionally, business continuity and security risks increased due to poorly integrated systems and the lack of a single source of truth.

There had been efforts to address the challenges. The organization had attempted several large transformation projects in the past that did not fare so well. Without an internal change management position, communication across the enterprise was limited. Additionally, the lack of an integrated Enterprise Resource Planning (ERP) platform led to multiple sources of truth, unstructured data, and a decline in quality and timely reporting.

A partnership built on trust

Prior to 2020, the organization had engaged Protiviti to support its Sarbanes-Oxley compliance as part of a larger global internal-control initiative. The trust and strong relationship built over this period led to the second engagement with Protiviti's Business Performance

Improvement team, which was tapped to provide an overall project management office (PMO) and change management support across the firm's top 10 initiatives of 2020, including finance, IT and shared services.

As was the case with most projects last year, the onset of the pandemic forced changes and tested the resilience of the engagement team. The team's track record of success with the organization proved to be invaluable during this challenging period.

The overarching goal of the project was to support a finance and IT back-office program with the following objectives:

- Identify a rigorous set of workstreams to align stakeholders, identify interdependencies, and prioritize key initiatives that are aligned to strategic objectives and supported by the PMO.
- Focus on building and implementing common tools, technology, and processes to support strategic goals and objectives more efficiently and effectively.
- Deliver on analytical capabilities and a robust control environment.
- Enable a state of public-company ready operations by the end of 2020.
- Ensure that all IT and financial systems are stable and that the processes are scalable and agile, and support the firm's mergers-and-acquisitions playbook.

An ambitious, cross-functional project

A few things came to light as the project continued. The organization's technology needed upgrading. Also, a governance structure had to be created to help manage change, as well as drive the adoption and acceptance rate of new business processes. As such, the organization formed a new PMO to help drive consistency across each element of the overall project.

Because the organization was already working with various technology consulting partners, all parties involved had to engage each other and work seamlessly to ensure smooth implementation. This required significant effort, especially given the unique constraints of the pandemic, which required that both internal subject matter experts and external partners interact remotely across the organization's 10 geographic domains.

The Protiviti IT project workstreams included implementing a global security system based on industry best practices to reduce IT security risk across the organization, upgrading existing financial management systems to address

identified gaps, and streamlining and automating processes to gain efficiency. In addition, the engagement included the deployment of a global ERP platform to address gaps within the existing system, reduce risks, and better enable core business functions and processes.

Concurrent to the IT engagement, the organization sought to restructure its finance function. This included developing a shared service delivery model for finance, along with workstreams focused on implementing improved internal controls and a lease accounting tool to assist with the accounting and disclosure requirements of new standards. In addition, the company sought to centralize all non-strategic procurement processes in North America to allow for a standard and scalable P2P model.

Delivering on all fronts

Despite the unique challenges of orchestrating a global transformation remotely during a pandemic, the engagement was completed on time and within budget, and all project objectives were met. By the end of 2020, the organization witnessed the successful implementation of its new financial management system, including an improved consolidation system and data warehousing capability that will deliver transparent real time reporting. The project achieved the desired efficiencies, drove activities that kept stakeholders engaged, and experienced minimal issues after going live.

In addition, the organization improved its global security posture with the successful achievement of National Institute of Standards and Technology tier 2 status, implemented numerous internal controls across tier 1 locations and developed a prioritized list of remediation items. Lastly, the project saw the successful centralization of non-strategic P2P activities, including successful go-lives for benefits, accounts payable, and time and expense system implementations.

Today, as this global leader looks to continue its aggressive growth strategy, it has established strong foundational building blocks to ensure success in 2021 and beyond. Much of what has been built during this major project is being carried forward by management and will guide its journey over the long term.

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