The role of the strategic thinker and business partner

How cultivating a strategic partnering capability can drive effective decision making and improved business performance
As organizations consider the implications of workforce of the future on their business model, there is an urgency to evolve their approach to talent. The workforce of the future requires a move away from transactional support, instead focusing on talent that can identify opportunities to drive value and provide advice to influence business decisions. These opportunities are especially prevalent in many back-office functions, such as finance and human resources, which despite having large volumes of transactional work, provide opportunities in strategic business partnering.

This paper explores the role of the strategic business partner and how this critical role will help shape the way organizations manage their business in the future.
As the nature of work changes, so too has the skill set required to drive value in organizations. The ability to anticipate changes, process high volumes of information, and align day-to-day activities to the leading drivers of the business have substantial long-term impacts on success.

This increased emphasis on strategic partnering is due in part to organizations recognizing that to create competitive advantage, they need talent that drives value and productive change, rather than, focusing on transactional work product.

While this skill was historically viewed as a single competency applicable in only certain cases, today’s organizations are creating entire roles and functions dedicated to strategic partnering across many disciplines. Furthermore, this is aided by automation, creating employee capacity and maturity in the contingent workforce model, allowing for effective handling of transactional work.

As development continues in the digital space, this role is also critical in navigating the new technology landscape. As organizations automate process, someone dedicated to developing insights and identifying opportunities for future business growth, efficiencies, or redirection is critical. Further, having an understanding of the business model can help identify new opportunities for future technology investments.
How do you incorporate new skills?

In many cases, the skills required for strategic business partnering may not exist within the current workforce.

Simply appointing a team member to a role requiring strategic business partner skills may not result in the desired benefits you expected alone. Organizations need to reexamine the structural and talent elements they have put into place to attract, develop, enable, and retain employees for these roles. This means that organizations must consider not just what they require in the role, but how the organization itself may need to change to enable this new skillset.

Answering questions such as:

1. What does good partnering look like in our organization?
2. How are we investing in the development of strategic business partnering?
3. Do we facilitate opportunities for application of strategic partnering skills?
4. What mechanism do we have in place to proactively evaluate the effectiveness of this role?
What is needed within the organization to support strategic business partnering?

To successfully create strategic business partnering capacity, there are several structural and talent elements that need to be addressed. The following serves as an example of the structural and talent elements necessary for a finance business partner to be successful.

### Structural elements for the finance business partner:

#### Business context
- Understand the industry, the organization’s place in the industry, and the strategy and accountabilities.
  - Nature of the industry
  - Enterprise maturity
  - Business life cycle stage
  - Clear strategy and objectives of the business
  - Accountability framework

#### Integrated planning
- Identifying and articulating the value drivers. Aligning the technology and tools to the requirements of the business.
  - End-to-end integrated process
  - Integrated short-, medium-, and long-term planning technology
  - Data dimension and models

#### Reporting & analytics
- Leveraging automation the focus shifts to analytics that drive value creation, enabling a shift towards a performance-centric organization.
  - Drives operational decision making
  - Integrated reporting & analytic technology
  - Data mining and extraction tools
Performance expectations. A critical success factor for strategic business partnering is the team members’ ability to articulate what support they can offer and how this service offering aligns to the organization’s needs.

Competency. Ongoing development and evaluation of the skills and behaviors required to effectively partner ensures the partnership remains valuable.

Effectiveness. As the business transforms, the business partner needs to evolve, responding to feedback and continually refocusing to align with business priorities.

Talent elements for the finance business partner:

### Performance expectations
Understanding, defining and articulating what partnering expectations the business has.
- Menu of services
- Documented performance standards
- Ongoing stakeholders needs analysis
- Strategic organization design and operating model

### Competency
Determining the skills and assessing if the current workforce possesses the skills and behavioral ability.
- Documented job descriptions and associated competencies
- Competency framework
- Ongoing evaluation of organizational competency

### Effectiveness
Measuring the influence and impact Finance Business Partners have on the strategic decisions of the business.
- Performance/service level tracking
- Ongoing capability development
- Stakeholder feedback channels
- Internal/external performance benchmarking
Competencies to emphasize for a strategic workforce

As it relates to strategic partnering, discussing the organizational impact from shifts in technology, demographics, and mind-sets is a great opportunity to rethink the competencies needed for tomorrow. Specifically, talent acquisition, talent development, and talent assessment need to incorporate new or updated competencies to drive the organization’s future success. Among the must-have competencies for the future of work are strategic mind-set, results orientation, relationship management, and talent development.

**Strategic mind-set.** The ability to analyze new information and develop a strategy is a competency that must be present further down the organizational hierarchy. Markets, technology, and programs change fast. While the C-suite often heralds the need for a company to be agile and ready for change, managers who lack a strategic mind-set will be slow to accept and will rarely lead change. For instance, a well-equipped strategic partner can analyze the market, prepare a business case, and advise on a recommended approach to acquire a new piece of business or customer segment.

**Results oriented.** The drive to achieve measurable results through constant improvement has long been required for leaders at every level. What is new is the quantity and accessibility of data to measure results. Managers no longer need to wait for quarterly or monthly reports, but can spot trends and slice data in ways previously unimagined. As one CFO of a growing retail chain remarked, “We review our sales as they happen, day by day, so we can instantly adjust to micro-trends.” Questions like, “How productive are employees when they work from home?” no longer require guesswork.

**Relationship management.** Business partners need to be seen as a trusted adviser, one that the stakeholders respect and can rely on to understand their business objectives and provide useful insights to further their agenda. But how that relationship is managed and maintained is just as critical as the information itself. Partnering with business peers to determine a clear and agreed upon direction requires continuous communication, the skill to facilitate idea creation, and the ability to create a strong business cases among multiple parties. Through proactive and thoughtful business relationship management, leaders can obtain information faster, innovate better, and drive a business imperative beyond the scope of their function.

**Talent development.** A recent KPMG survey of more than 1,300 CEOs from global organizations showed talent development to be among their top five strategic priorities over the coming three years. Managers with skill in talent development facilitate advancement and mobility. While the business benefits for talent development can be difficult to quantify, data on attrition and development successes can be measured. Talent development strategy should be led by the business, not isolated to a Human Resource priority — after all, it is said that employees quit managers, not companies. While the expertise of a Human Resources function can be necessary to drive talent development efforts, the business will be more in tune with the frustrations, desires, and overall key points needed to drive better programs.

---

© 2018 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International. NDPPS 714084

Ultimately, organizations need to think about how they develop talent beyond just what is required to adapt to technology and structure changes. The role of the strategic partner will continue to be of importance for the future of work. Organizations that are able to attract, develop, enable, and retain employees in these new roles will be better positioned for long-term success during the digital age.

Discussing the organizational impact from shifts in technology, demographics, and mindsets is a great opportunity to rethink the competencies needed for tomorrow. The role of the strategic partner marries those to propel the business performance.
Key questions to consider:

— How do our functions already strategic partner with our business?

— What does effective strategic business partnering look like now?

— What should it look like in the future?

— Is our organization structure set up to support a strategic business partner function?

— How is our technology strategy enabling with this role?

— How are we addressing the structural and talent elements that enable better business partnering?

— Do we need to reconsider our traditional sourcing channels to identify the required skills and behaviors?

For more business insights, analysis, and perspectives from KPMG’s Future of Work series, visit kpmg.com/us/FutureofWork