

## Chapter 8

# Current HPFF State of Finance Functions

### ABSTRACT

*Since the development of the HPFF framework, extensive data collection by means of the HPFF diagnosis has taken place. This makes it possible to discuss how far in general finance functions are on the road to high performance. In this chapter, the average HPFF scores of finance functions worldwide are given, and the reasons for these scores are discussed. Potential courses of action for improving and strengthening finance functions are described. This chapter concludes with a discussion of a specific improvement opportunity: measuring and increasing internal customer satisfaction with the finance function.*

### 8.1 AVERAGE HPFF SCORES OF FINANCE

Figure 1 shows the mean scores for the HPFF factors as averaged from all the responses on the HPFF questionnaire collected in the HPFF database,<sup>1</sup> while Figure 2 depicts the average severity of the obstacles finance functions encounter while striving to become an HPFF. Table 1 shows the detailed scores for the HPFF characteristics and the finance function performance characteristics.

The total average score of 6.0 for the finance functions in the HPFF database (AVG in Figure 1) and a performance of 6.5 (PERF in Figure 1) show that the 1,094 respondents of the HPFF questionnaire consider their finance function to be 60% on the way to high performance. This score illustrates our earlier claim that many finance functions are (still) driven by “blood, sweat, and tears” to meet the information requirements of internal users, external stakeholders, and the (external) accountant. This is underscored by the fact that the highest scoring HPFF factor is ‘Strategic Role’ (5.6 in Figure 1), indicating that finance functions manage to provide their internal clients with at least satisfactory service. The business is very important to the finance function so it does its utmost to meet the wishes and requirements of the operation. But because the finance function is not efficient, which can be seen in the lower scores for the other four HPFF factors which are far from the high-performance level (yet), this tends to take a lot of effort. As a result, the financial professionals work hard to serve the internal and external customers, but that places a great deal of strain on them because the resources at their disposal are not optimal for

DOI: 10.4018/978-1-7998-6929-0.ch008

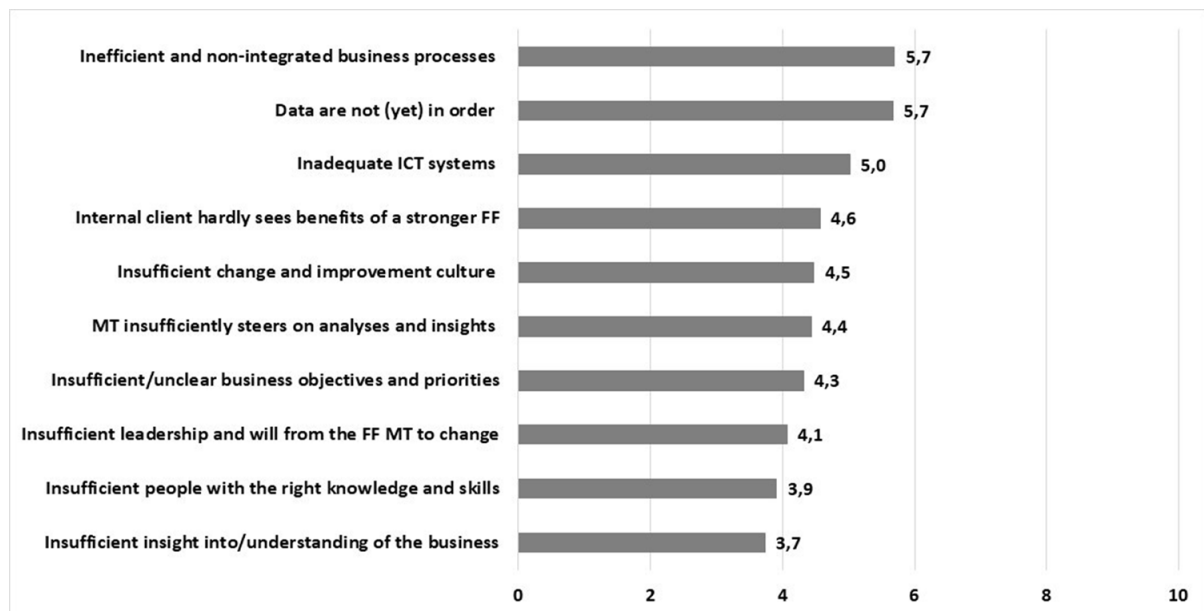
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this. The total average score of 6.0 also determines that the average finance function is in the “effective” stage; this score indicates that this finance function is able to fulfill all its (internal and external) reporting and processing requirements and also has some time left for improving the processes in the function itself (but is not yet able to or has the time to help other departments to improve).

Figure 1. Average HPFF scores for the finance functions collected in the HPFF database



Figure 2. Severity of the obstacles finance functions encounter



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