

Intercompany Dynamics 2023: Current State and Future Trends

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Accountants and
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About Presenter's Organization



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Agenda

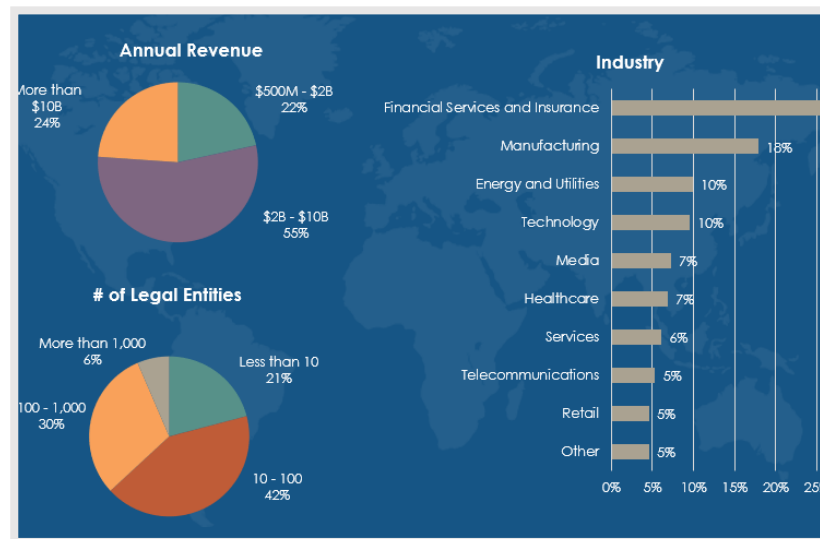
1. Introduction
2. State of Intercompany
3. Intercompany and Digital Transformation
4. Standardization and Automation
5. Conclusion
6. Q&A



State of Intercompany

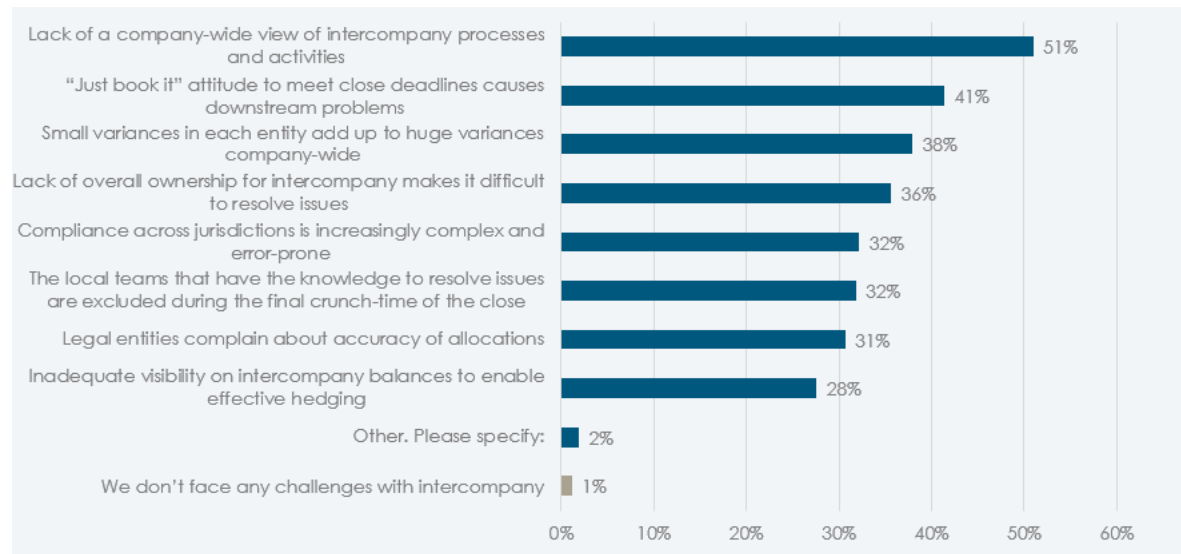
Global Intercompany Survey

1. Survey Conducted March 2023
2. Companies > \$500M revenue
3. Geographically dispersed
4. Variety of Job titles



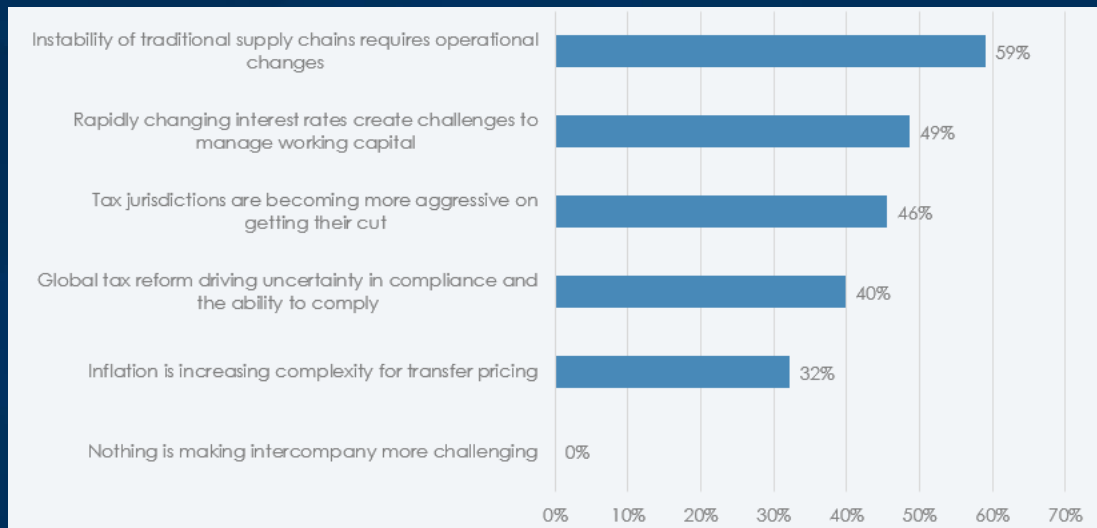
Intercompany Challenges

1. Lack of view
2. Variances
3. Complexity
4. Allocations

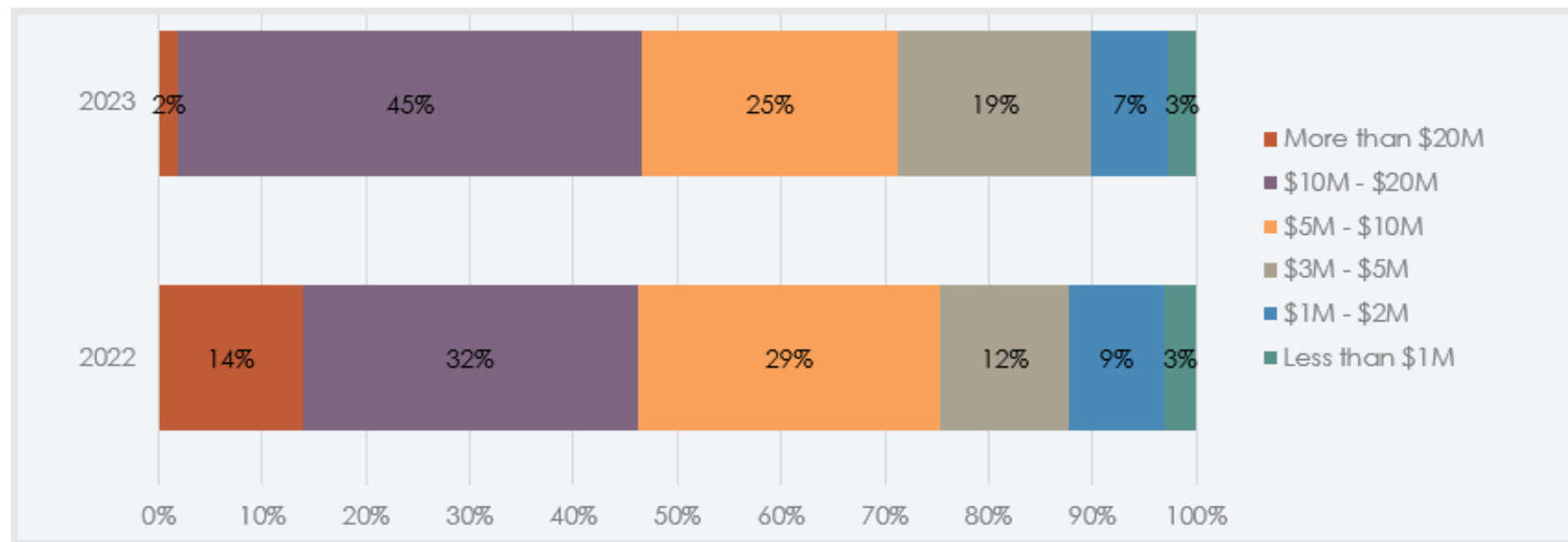


Conditions Confound

1. Supply Chain
2. Interest Rates
3. Taxes
4. Inflation



Material Variances



Poll Question 1:

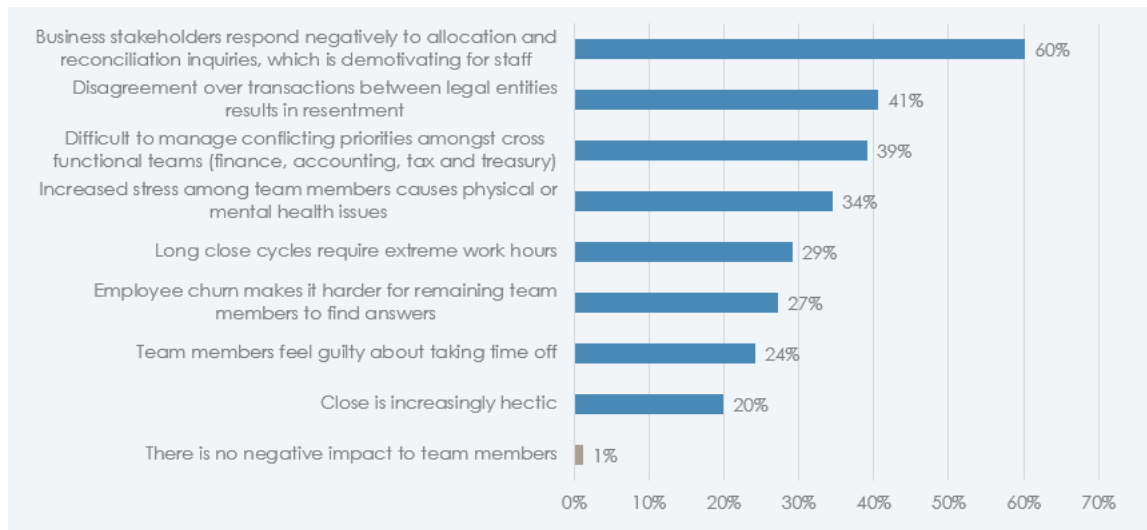
What is the biggest intercompany issue at your company?

- a. Lack of visibility
- b. Unresolved variances
- c. Disputes
- d. Complex process

Poll Question 1 Results: (Placeholder)

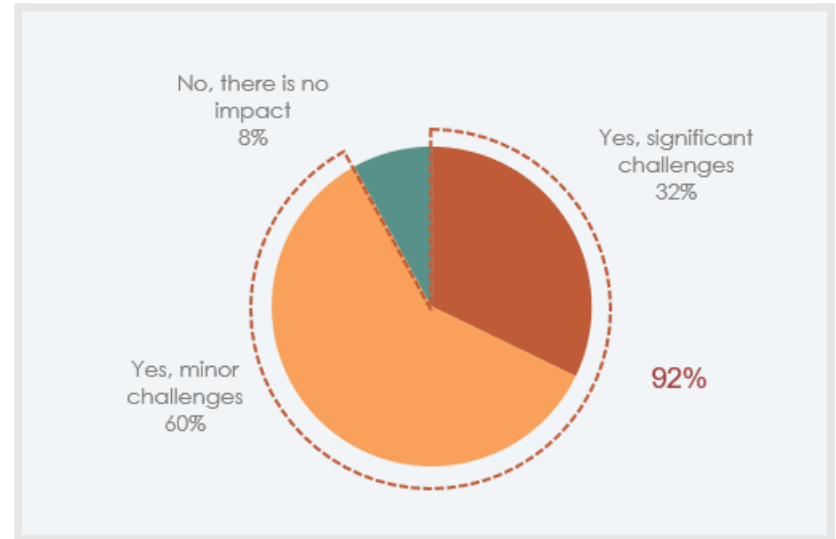
Workforce impacts

1. Demotivation
2. Disagreements
3. Stress
4. Churn



Talent Retention

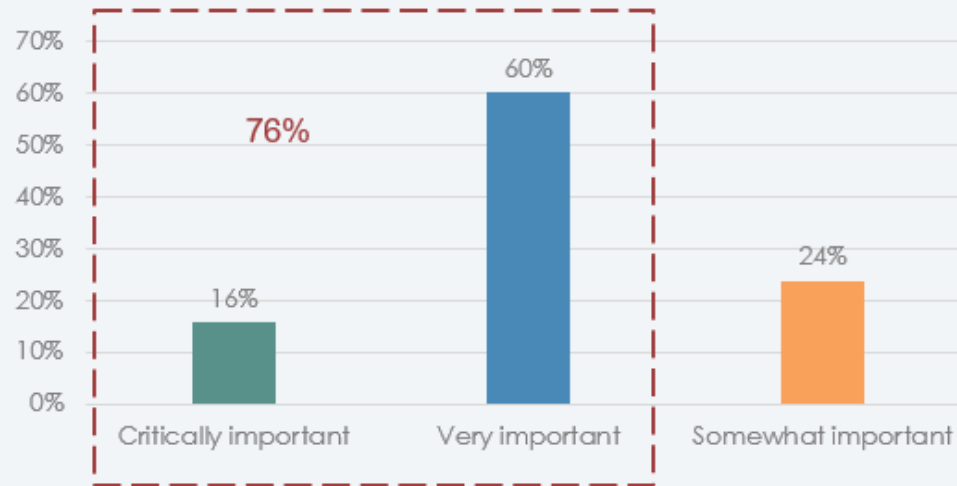
Manual intercompany creates barriers to top talent



Intercompany and Digital Transformation

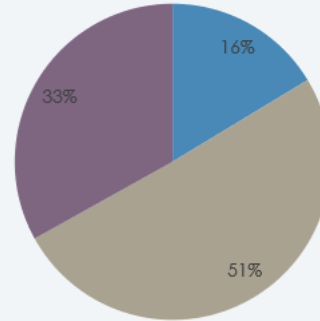
Digital Transformation

76% say intercompany is very or critically important as part of digital transformation strategy



Greater Understanding

Majority of leadership are not aware of how intercompany impacts performance

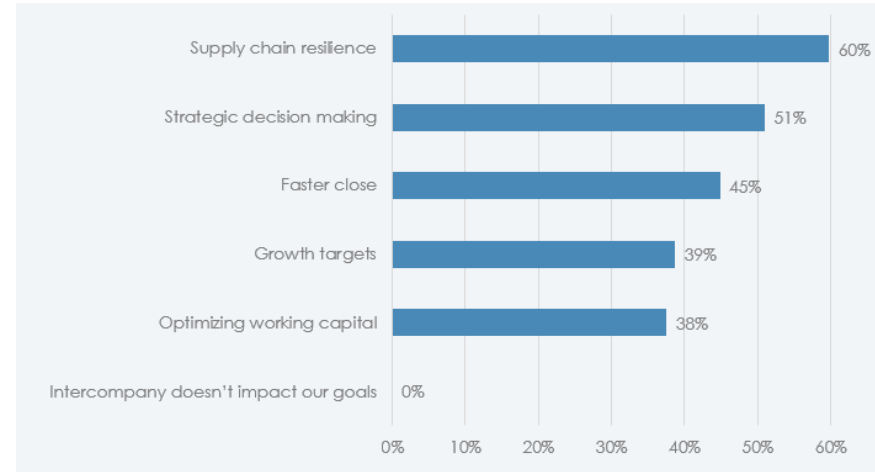


- There is excellent understanding of the details of intercompany that drive important discussions of operating models
- Leadership is generally aware of intercompany, although lack a deep understanding of specific details
- Leadership is aware of performance drivers, but is not aware of how intercompany impacts those

Intercompany Impact

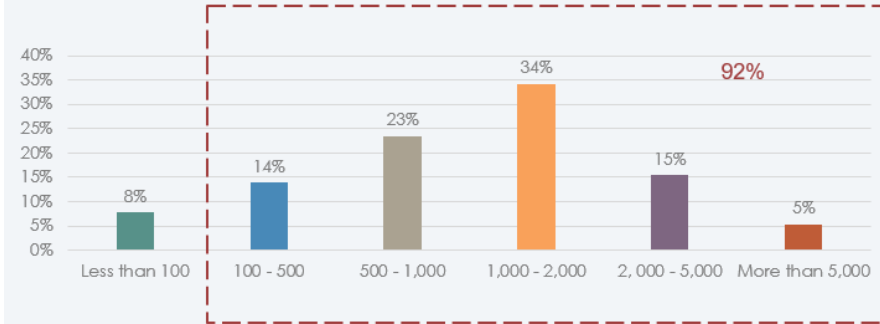
Sound Intercompany improves many goals across the organization

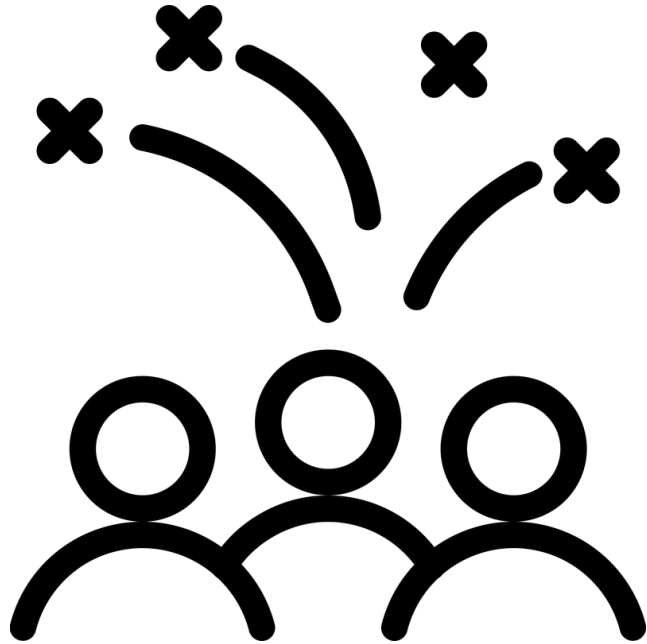
1. Supply chain
2. Close
3. Growth
4. Working Capital



Many people involved

1. Hundreds to thousands of people involved in intercompany





Coordination required

1. Only 15% report having cross functional coordination in intercompany



Poll Question 2:

How many people are involved in intercompany in your business?

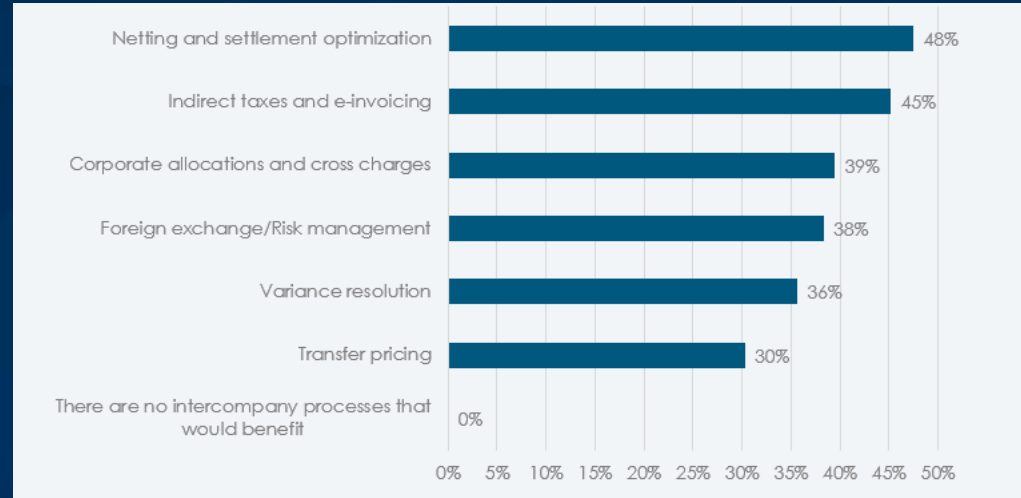
- a. <100
- b. 100- 500
- c. 500+

Poll Question 2 Results: (Placeholder)

Standardization and Automation

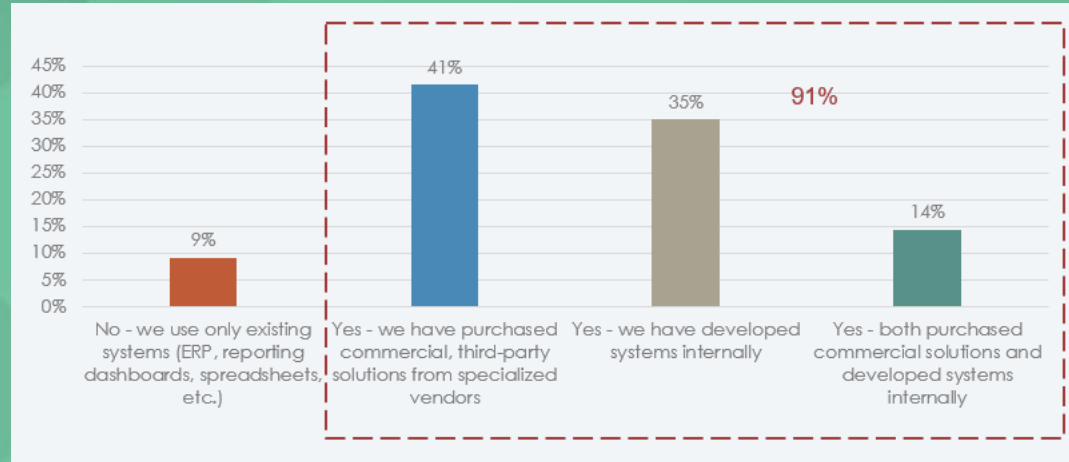
Automation Benefits

1. Many processes benefit by automating intercompany
2. Netting and Settlement
3. Indirect Taxes
4. FX Management



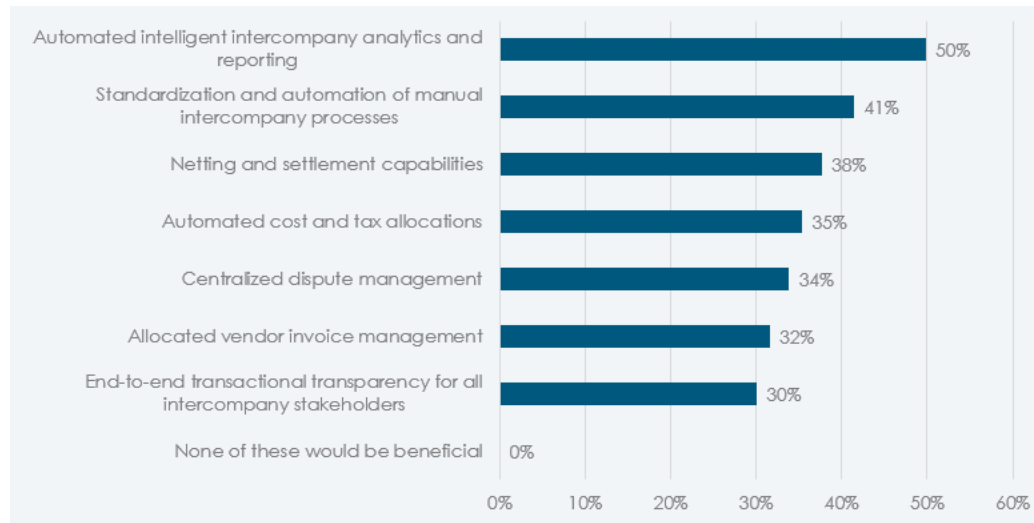
Intercompany Technology

1. 91% have some sort of technology to handle intercompany
2. Nearly 10% use legacy systems



Capable Capabilities

1. Automation and intelligence top the list
2. Disputes and vendor invoice
3. Transparency



Poll Question 3:

What technology do you use for Intercompany?

- a. Legacy (ERP, Spreadsheets)
- b. Internal built system
- c. 3rd party solution

Poll Question 3 Results: (Placeholder)

Conclusion

Biggest Takeaways

1. 80% believe automation is key to scaling intercompany
2. Coordination required
3. Execution is key



"Process automation is key to scaling intercompany outcomes."



"Intercompany requires a very high level of coordination to be effective."



"Executing the process is the hard part of getting intercompany right."

“ Every problem is a gift — without problems, we would not grow.

Tony Robbins, Motivational Speaker

Poll Question 4:

How big of a problem is Intercompany at your organization?

- a. Very – we need to make changes, now
- b. Somewhat – there are problems, but we get by
- c. Not at all – we have no intercompany issues

Questions and Answers



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Thank you!

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