

Active is: Lessons learned from AllianzGI's Finance transformation

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Value. Shared.



OUR HEART
BEATS FOR
ACTIVE ASSET
MANAGEMENT

Allianz 
Global Investors

Agenda

01

**AllianzGI –
Financial Steering**

02

**AllianzGI Finance –
Transformation journey**

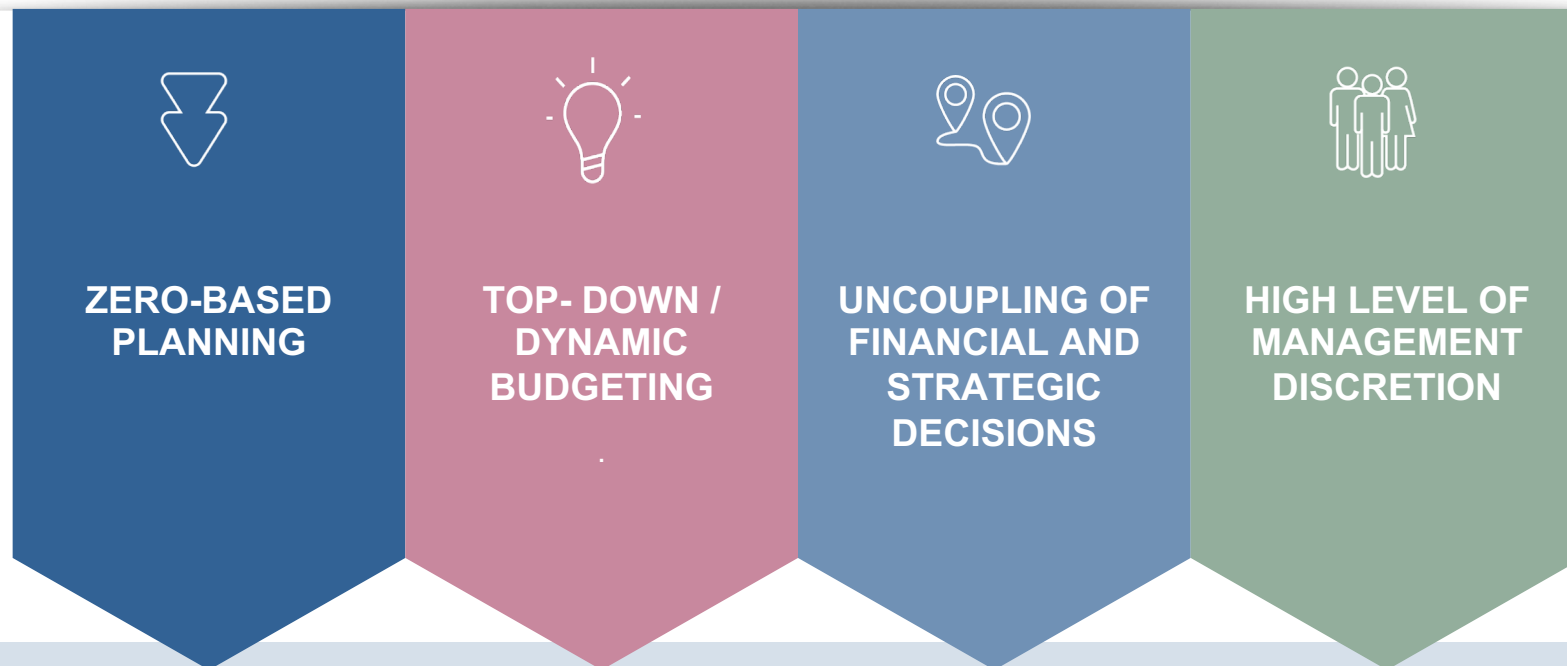
03

**AllianzGI Finance –
Our people**

01








AllianzGI – Financial Steering

AllianzGI's financial management approach provides a holistic “productivity engine”

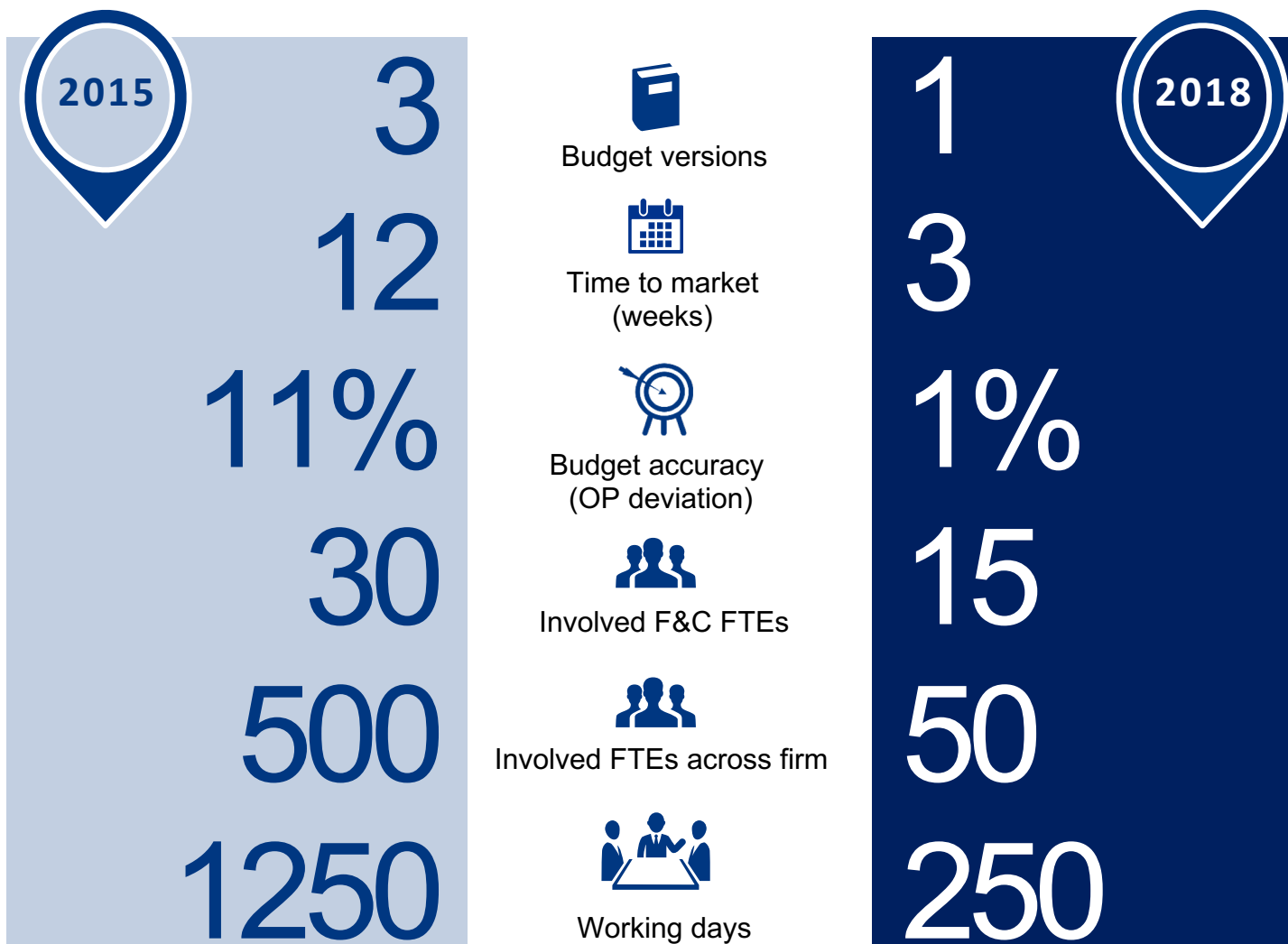


- Allows to **invest** finding the **financial means within existing business**
- Delivers **ongoing productivity improvements** by **reallocating** “stale” capital to growth areas while leaving **entrepreneurial decision making** in the hands of those closest to business

Pros and Cons of traditional bottom-up vs. top-down/ dynamic budgeting

	 Bottom-up Budgeting	 Top-down Budgeting	 Top-down + Dynamic Budgeting
Process efficiency	 Iterations needed	 High level of efficiency	 High level of efficiency
Number of people	 High number of people involved	 Limited number of people involved	 Limited number of people involved
Alignment with Shareholder	 Adjustments required to meet TDI	 Closely linked to TDI	 Closely linked to TDI
Decision taking	 Strategic and financial decisions simultaneously	 Strategic and financial decisions simultaneously	 Separation of financial and strategic decision taking
Ownership of functional budgets	 High level of ownership	 Lower level of ownership	 Higher involvement/ownership in Dynamic Budget
Steering of Actuals against Budget	 Detailed comparison possible, budget might be outdated	 Detailed comparisons more difficult , Budget might be outdated	 Detailed comparisons more difficult , Dynamic Budget always up to date

With the introduction of top-down budgeting the overall process was optimized significantly



02

AllianzGI Finance – Transformation journey

Disruptive change is the underlying credo of AllianzGI's Finance transformation



Our vision – Finance to drive change and transformation

Vision



A Globally Leading
Asset Manager

***Drive change and
transformation towards
'Value.Shared'***

Mission

Advanced analytics to enable strategic and
operative business steering

Protection of financial and regulatory
integrity

Top-quartile **productivity**

Error-free outcome

Global and **diverse** team with **conscious**
culture

Transformation project 'Capstone' successfully completed



ONE **provider** –
F&C processes & IT



ONE **process** –
global standards



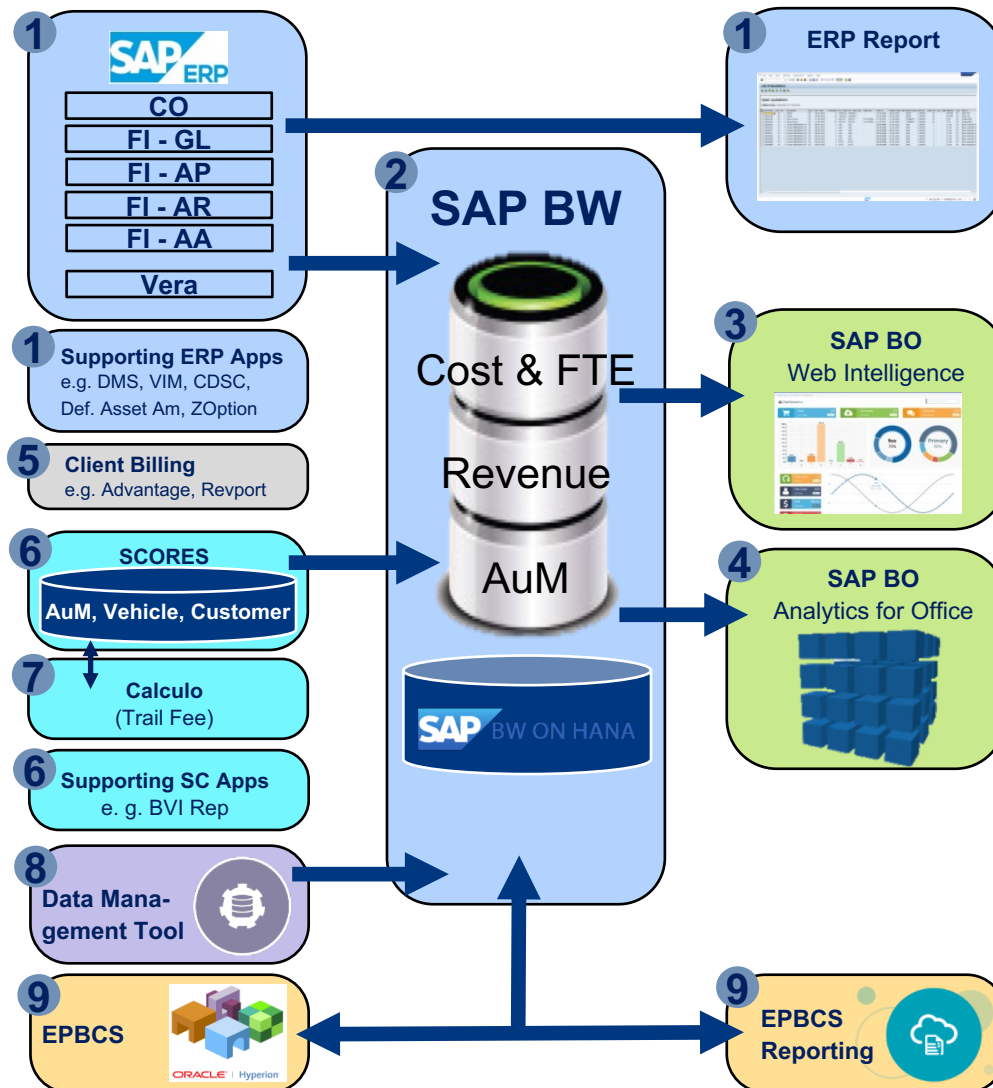
ONE **set of data** –
as “golden source”



ONE **platform** –
shared solutions

- **Outsourcing** of BPO, ITO and IT infrastructure **to Infosys**
- **Project successfully completed in June 2018** within 2 years
- **FTE savings** of 33%
- Initial quality issues on BPO Accounting successfully addressed; improvements of processes ongoing
- **Net cost savings in line with business case** (2018: EUR 3m, 2019ff: EUR 7m)

Capstone – Reducing applications from 47 to 10

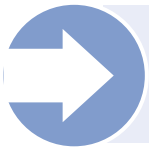


1. ERP for Accounting & Controlling
 2. Business Warehouse
 3. Reporting Intelligence
 4. Analytics Intelligence
 5. Client Billing
 6. Sales Controlling Platform
 7. Trail Fee Management
 8. Data Management
 9. Planning Platform
 10. Archived Legacy Apps
- } SAP BI

Capstone – Lessons learned (1/2)

Topic

Observations and lessons learned



Design

Key design principles confirmed

- Single provider for Outsourcing of Business and related IT processes
- All Finance processes and related IT-applications in scope
- Attention to efficient Validation & Control set-up



Implementation approach

- Staggered Go-Live instead of “big bang”
- IT “platform solution” shared with other clients not available



Resource planning

- Significant amount of internal resources required
- Plan internal resource allocation – Changes vs. Run
- Limited consultant support

Capstone – Lessons learned (2/2)

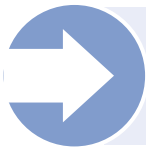
Topic

Observations and lessons learned



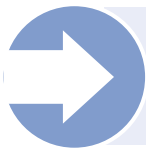
Supplier commitment

- Provider's motivation and identification with client remarkable
- Additional IT resources available at short notice



Supplier know-how

- Professional development of new SAP, but integration of non-standard applications challenging
- Moderate provider contribution re best practice & industry standards



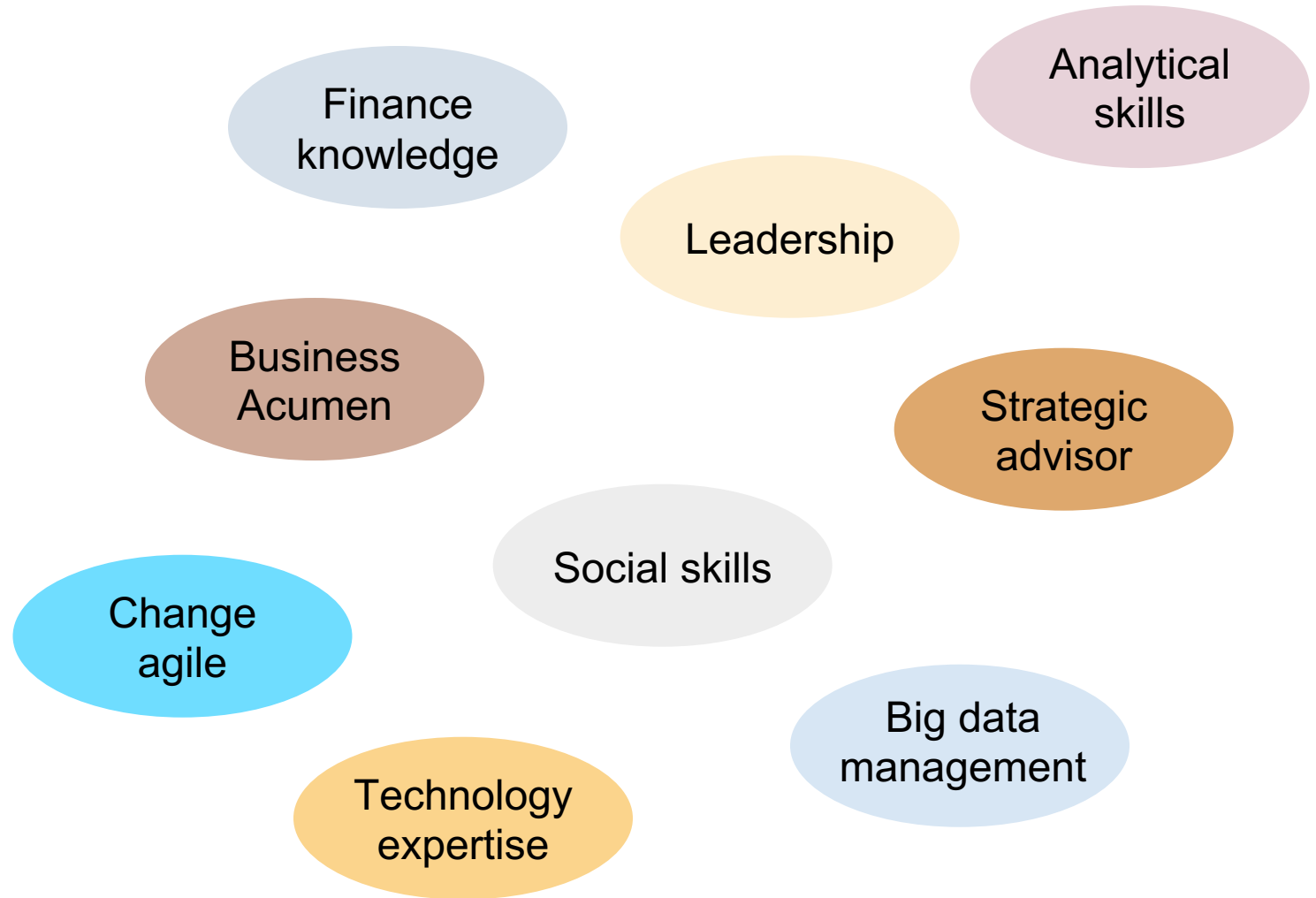
Change management

- Communication to key stakeholders and all staff
- Clear definition of changed roles & responsibilities
- Prepare for cultural differences

03

AllianzGI Finance – Our people

The DNA of Finance 2020: our people



Active is:

Allianz Global Investors