

C-Suite Leaders

BEHIND THE FIGURES



The CFO of the future will
shop for **financial expertise**
in a supermarket-like
environment

Werner Jacobs
CFO, De Lijn



THE EXECUTIVES' CIRCLE

Werner Jacobs has an odd combination of roles at De Lijn, Flanders' public transport company. He leads the IT department as well as the financial unit: "it's a weird marriage", he explains, "but an interesting one, that offers great opportunities". Wearing both the CFO and CIO cap enables Werner Jacobs to optimize each of these functions and create a remarkable synergy between both departments. Business trends such as big data and analytics arise in the IT domain, but offer significant advantages for the financial team as well.

How would you define the role of the finance function at De Lijn today, and how do you see it evolving in the next five years?

Werner Jacobs: The main function of the finance department of De Lijn is to guarantee that our financial and business objectives are hit. We are constantly on the lookout for new ways to optimize processes and to make the overall organization more cost-efficient and uniform across departments.

When I arrived six years ago, it was my main objective to create a cost-driven organization. You cannot expect a cost-driven attitude without leading by example in your own organization. Once you have built that credibility, it's easier to convince the business to follow. Today, finance's role is to guide the business through this cost-driven transformation and support it wherever possible. This support role demands a thorough understanding by the finance team of the company's operations: finance has to work like a business intelligence provider.

Furthermore, we are able to align our organization with new technologies. Digitizing



our accounting system is only one example. In the long term, we will be able to shop for financial expertise in a supermarket-like environment - whereas today, most of the expertise is kept in-house. We will evolve towards a network company of experts, where organizations can rent specific financial expertise when needed.

What is the role of technology within this transformation?

It's important. IT is innovating at a fast pace; more and more technological options become available, certainly in the domain of big data and analytics. We have deliberately chosen not to structure our Business Intelligence Competence Center [BICC] under the umbrella of the IT department. By doing so, we enable the business users to immediately act on data-driven insights. For our finance team, analytics have created great potential for steering De Lijn towards a cost-driven organization. For instance, we rolled out a pilot project this year, based on the analytics capabilities from IBM, to



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identify correlations between damage claims by our own staff or by third parties and external variables such as location, weather data, bus drivers, etc. Analyzing these data enables us to proactively take action resulting in the reduction of the number of accidents with buses and trams. This type of collaboration between IT and finance has a positive impact on both the operational side of the business as well as the cost-efficiency of the overall organization, which is a win-win for everyone. We are planning a similar project in the near future, in which we identify correlations between absenteeism and external variables in order to support the transformation towards a cost-driven organization.

“The modern CFO does not merely rely on financial data”

The modern CFO does not merely rely on financial data. Leading indicators are just as relevant – number of kilometers driven per vehicle, occupancy, absenteeism, etc. The IT department again has the crucial role of providing these data to the finance team. These data subsequently enable us to anticipate on our financial results and steer the 3 business. Our budgets and forecasting are developed in the same way. It starts with operational data, which are then translated into financial terms.

This year's buzzword was 'disruption'. In which way has De Lijn been confronted with this issue?

Public transport in general, and De Lijn more specifically, are being confronted with industry disruption. Driverless vehicles will have a huge impact on our business. However, we approach industry disruption more as an opportunity than

as a threat. We have closed a partnership with Brussels Airport to test driverless buses within the airport area. Rather than developing driverless technology – which is not our core expertise – our goal is to put the technology into practice. Once the technology is gaining momentum and starts being adopted, we will be ready to use it to its fullest extent. I truly envision us managing a network of driverless vehicles within the public transport system in Flanders. Obviously, this implies a totally new business model. Via the pilot project at Brussels Airport, we are defining the possibilities of the business model of a driverless public transport system.

Has technology simplified financial processes within De Lijn?

Absolutely. There are now more possibilities to take up the supportive role of performance manager. It started with records to report. After that; I saw the introduction of budget planning tools, and now there are big data and analytics. The technology is out there, but companies still need to jump on the bandwagon. And it goes without saying that those companies that apply new financial technologies well possess a great competitive advantage.

