

December 15, 2021

RADIANCE ON THE ROAD

Advice for Finance Executives Looking to Excel in The New Economy

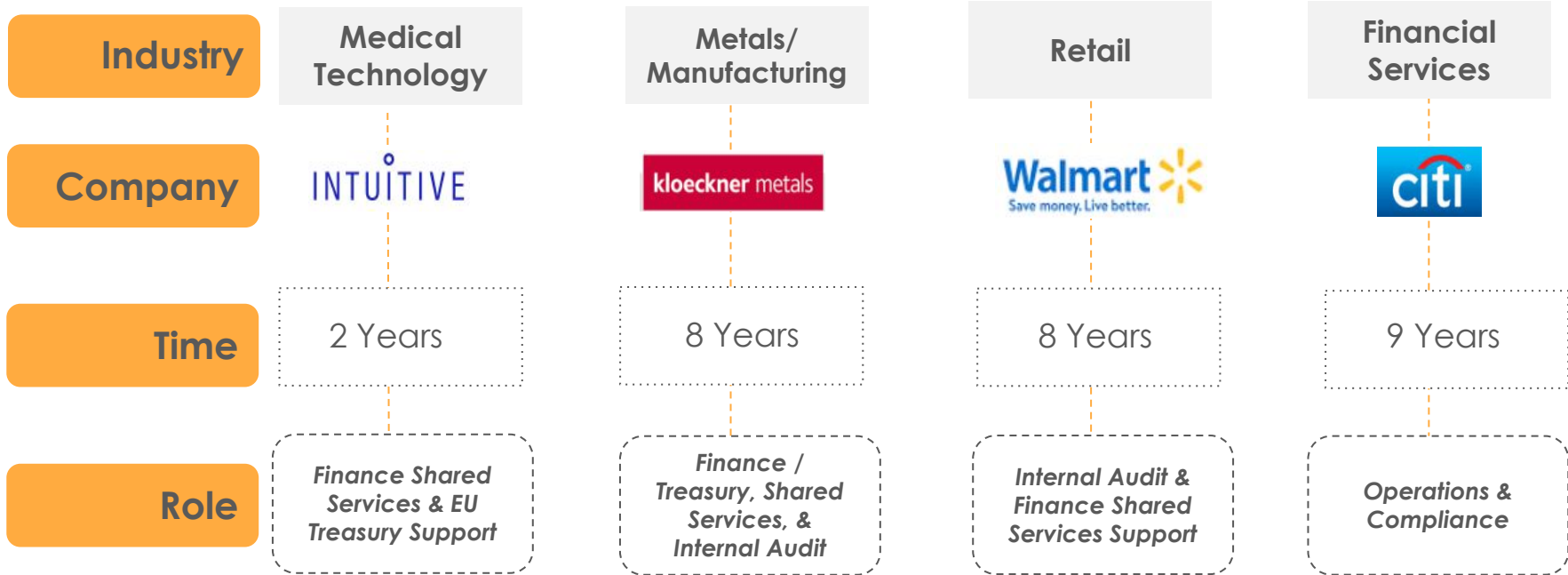


Scott Phillips

Head of Global Finance Shared Services

INTUITIVE
SURGICAL®

My Journey in The Finance Space



Professional Certifications - CPA/CFF/CGMA, CFE, CIA

About Intuitive Surgical

Intuitive Surgical, Inc. is the pioneer and a global leader in robotic-assisted, minimally invasive surgery. Intuitive develops, manufactures and markets the da Vinci surgical system.

Advancing what's possible in minimally invasive care

HQ

Silicon Valley
California
US

Procedures

8.5M

Footprint

67
Countries w/
da Vinci System

Employees
Globally

7000

Our Global Finance Operations Landscape

We didn't have centralized global operations in 2020, but we are working towards it now with T&E being the first department that has been centralized in Mexico

North America

- **A/R** team based in **US & Mexico**
- **US Payroll**
- **A/P and Global T&E** is based out of **Mexico**
- **Treasury** operates as a separate function based in the **US (East and West Coast)**



Europe

- European **shared service center** headquarter in **Switzerland** (A/R, A/P, Payroll, VAT, HCP Compliance) w/ support in Germany
- **Treasury** operations are also supported by the SSC



Asia

- Currently limited support to the Asia region
- Future expansion in this region



Vision and Goals for Finance Shared Services

- 1 Standardize repeatable SSC processes globally with a focus on sustainability and scalability
- 2 Centralized center to execute standard processes (75-80%)
- 3 Regional centers to support processes / transactions / business needs (20-25%)
- 4 Access to technology that would scale with increase in transaction volume
- 5 Longer term expansion dictated by growth and business needs (e.g. APAC)

Poll Question

1

Has the pandemic accelerated your digital transformation initiatives within finance?

1. Yes
2. No
3. There was no impact

How COVID Impacted Us At Intuitive Surgical

- **Improved Visibility Became a Priority**—followed by customer experience, employee engagement , better inter-team collaboration and strategizing for back to office transition
- **Identified Challenges With Talent Management**— Challenges in obtaining new talent for open opportunities at Intuitive
- **Increased Adoption of Automation** – Investing in automation solutions (such as HighRadius) for Finance Shared Services in line with the mission and vision

Impact on Our Global Operations

Varying impact of the pandemic and different recovery rates across geographies creates challenges that we continue to manage

North America

- The situation is improving and
- If all goes well, we plan to implement SSC future WoW program in February



Europe

- Parts of Europe are going back into lockdown- resulting in our SSC EMEA Team reverting back to fully remote work



Asia

- In early 2021, the impact of the pandemic on the Indian subcontinent created some challenges for some SSC projects



Advice For My Peers Based On My Experience at Intuitive

Post-COVID Focus Areas

During COVID, new focus areas for finance leaders have emerged. Many opportunities have been highlighted.

Talent Management

More lucrative work policies and flexible work options are required to attract and retain talent today

Digital Evolution

We need to move beyond basic automation and leverage next-gen solutions for long-term success

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Key Focus Areas In The Post-COVID World

1. Increase visibility into global finance operations

The Challenge

Inability to check in with team members as frequently in remote work mode as you would have done while working in office

The Solution

Invest in reporting and analytics to get better visibility into your customers, your team's performance and your overall performance as a business

An analytics tool will:

- Provide **“real time” visibility** to leaders
- Track key KPIs to help **increase operational efficiency** for your internal teams
- Allow you to **forecast future growth and challenges**
- Help you **gain visibility into your key accounts** and customer behavior trends
- Provide a clearer picture of **how you are doing as a business / process**

Key Focus Areas In The Post-COVID World

2. Enable better collaboration with customers

The Challenge

During COVID, communication with most customers have become infrequent resulting in increased aging. Also, the preferred methods of contact for most customers has changed.

The Solution

Invest in knowing your customer and building better relationships with them. Remember, customer is king!

How you can do this:

- **Empower your internal teams with automation** that would take over repetitive, manual processes – happier employees make way for happier customers
- **Help your customer facing teams become customer champions-** ask them to focus on building good relationships with clients and understanding exactly what they want

Key Focus Areas In The Post-COVID World

3. Increase employee engagement

The Challenge

More employees are leaving their jobs today in desire of better compensation, increased flexibility or just higher job satisfaction

The Solution

Make talent retention a priority within business and dedicate time and energy to this effort

How you can do this:

- Consider **flexible working models**
- Increased **team building focus** and frequency of events
- Ensure that **your team is well rewarded and compensated**
- Gather their feedback on how they can do their job better and **support them with the right technology**
- Recommit to **people development**

Key Focus Areas In The Post-COVID World

4. Enable better inter-team collaboration

The Challenge

At Intuitive, we saw A/R and A/P collaboration became difficult during COVID. Similarly, our treasury teams and the banking partners were finding it challenging to communicate effectively.

The Solution

Leverage technology to enable a single platform for cross team collaboration-resulting in faster decisions and proactive action

Why Automation Is The Answer:

- Integrated technology platforms allow **different departments to “talk” with each other within the system**
- Most solutions make it very easy to **change ownership back and forth while working on an item**, and allow team members to **create notes and tasks for members of the larger team (including escalation to manager and higher levels)**

Key Focus Areas In The Post-COVID World

5. Think About Your Back-to-Office Strategy

The Challenge

As challenging as it was to pivot to the remote work setup, transitioning back to office will be even more challenging, and require a lot of strategic direction

The Solution

Companies need to plan for back to office over a period of time, based on several factors

How To Think About Back to Office:

- Team members developed new business and personal routines during 100% WFH. There will be a period of adjust to “back to office”
- Do your teams need to be on-site, or can they continue WFH?
- Which teams need to be in the office more than others? Which need to be in less?
- Which teams should be in office together on the same days for better collaboration?

Advice For My Peers Based On My Experience at Intuitive

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We need to move beyond basic automation and leverage next-gen solutions for long-term success

2

Are you offering flexible work hours and work location as a part of your recruiting efforts?

1. Yes
2. No
3. We are thinking about it

My Experience With Talent Management In Last 15 Months

Challenges:

Time taken to fill a position has increased 2X

- *Candidate pool has decreased because candidates are being offered remote work options in other states/cities*

Our Future Ways of Working Policy:

- Manufacturing line workers will need to be in office full time
- Some departments can be fully remote (in a certain geography)
- Global Finance department will work in a hybrid model (3 days in office, 2 days remote, starting 2022)

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What Is Basic Automation (RPA) and Why Do We Stick To It?

Why RPA Works?

- *Lower cost*
- *Less disruption to business*
- *Getting executive approval and budget for RPA is easier*
- *More likely that your internal business and IT teams are comfortable with it than they are with AI*
- *Beginners get used to it and then want to avoid further change*

Why You Should Move Away From RPA:

- Despite having multiple RPA bots, your **operations remain highly manual** in the real world
- There are **hidden implementation and maintenance costs** associated with RPA
- Sustainability and scalability for the long term is low, while **the risk of failure is high**

If you want to achieve cash excellence in the long term, you should invest in sustainable, scalable operations with next-gen technologies such as Artificial Intelligence

Invest in Artificial Intelligence For Long Term Success

Key Capability:

Computer systems to learn, reason, think and perform complex tasks

- Human-like decision making
- Self-learning capabilities to handle unstructured inputs



Blocked order prediction



Collections Payment Date Prediction



Non-standardized remittance capture



Dispute validity prediction



Forecast complex cash flow categories

Examples of Artificial Intelligence use cases in A/R and Treasury

At A Glance: What We Covered Today

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Q & A

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