

FROM BOTTOM LINE TO FRONT LINE

CFOs have stepped out from the confines of their role. Exploiting data and creating value, they can now serve as innovator and disruptor in their business.

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Leading voices

This research brings together the very latest primary research, rich insights from our leaders across Accenture, a wealth of information from Accenture Research and our practitioners working with clients around the world every day.

Steve Culp

**Senior Managing Director,
Accenture CFO & Enterprise
Value, Finance & Risk.**

He works with clients to help advance their business performance through innovative strategies, processes and change. He contributes to a regular Forbes blog and has authored extensively on the changing role of the CFO, and the digitalization of finance and risk.

Dr. Christian Campagna

**Senior Managing Director,
Accenture Strategy,
CFO & Enterprise Value.**

With more than 25 years of experience in the development of advanced strategies for finance and other general and administrative functions, he now focuses on the CFO agenda, the finance function and its digitalization, digital economics and enterprise operating models.

Cherene Powell

**Managing Director,
Accenture Strategy,
CFO & Enterprise Value.**

Partners with global CFOs to architect the next generation of finance capability focusing on digitalization, new operating models, and innovation in service delivery and employee experience.

David Axson

Senior Strategy Executive Principal, Accenture CFO Strategies and CFO & Enterprise Value, UKI.

With more than 30 years of advising large global companies on strategy, finance, organization design and risk management, he is the author of *Best Practices in Planning & Performance Management* (Wiley 2003) and *The Management Mythbuster* (Wiley 2010).

Peggy Krendl

Managing Director, Accenture CFO & Enterprise Value, Resources.

Based in Houston, she has extensive experience in finance transformation, global business services, finance strategy, ERP implementation, process optimization and business solution delivery.

Eric Noren

Managing Director, Accenture Communications, Media and Technology CFO & Enterprise Value Global Lead.

With over 20 years of consulting and industry experience in finance and accounting, he has focused his career on selling and delivering complex solutions that assist multinational companies with their finance function strategy, enterprise performance management and re-engineering finance organizations and processes.

Paul Prendergast

Managing Director, Accenture CFO & Enterprise Value, Products.

With extensive experience in consumer goods and services, life science and industrial business segments focusing

on supply chain, digital and finance transformation, he has delivered complex transformation programs across Asia encompassing China, Thailand, Malaysia, Indonesia, the Philippines and Singapore.

Ambrose Shannon

Managing Director, Accenture CFO & Enterprise Value, Financial Services.

He has supported global clients across banking, capital markets and insurance specializing in finance transformation. He has extensive experience in operating model design, finance vision and strategy, business case development and the use of ZBx approaches.

Athena Reilly
Managing Director,
Accenture Enterprise Data
& Analytics Strategy.

Focusing on changing business models, competitive agility and digital disruption, she helps clients streamline non-value-add activities, drive their enterprises to create and capture more value through data and analytics, and define exciting next-generation operating models.

Paul Nunes
Global Managing Director
of Thought Leadership,
Accenture Research.

He is a highly regarded thinker, author and speaker on the topic of business strategy. His research and writing focuses primarily on IT-led change in business and marketing strategy.

Haralds Robeznieks
Senior Principal,
Accenture Research.

With more than 20 years of research experience, he focuses on finance, operations, competitiveness and risk management, as well as inclusiveness issues.

**With thanks to our
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researchers Piers Tomlinson,
Rosie Sutton and Laura
Henriquez-Alvarez.**

Executive summary

Finance executives are uniquely well equipped to thrive in this era of unprecedented disruption.

Their knowledge and expertise are increasingly sought after across business functions, while CEOs are making them their most trusted advisors.

After years of moving beyond their traditional “back office” duties, CFOs are positioned to be powerful digital guardians who use data to drive value, improve efficiency and enable strategy.

Many of them, however, must overcome significant challenges in order to seize these new opportunities and effectively play a broader role.

So, what’s the nexus of opportunity for companies and how are CFOs and the wider finance function reinventing themselves to maximize business performance and create sustainable growth?

Accenture’s research dives deeply into the transforming—and transformational—role of the CFO to uncover trends, obstacles and best practices for organizations ready to pivot to the New.

Simply put, the CFO’s role is increasingly fast-paced, far-reaching and much broader in impact across the whole organization.

Key findings:

CFOs and their teams continue to make a conscious and radical repositioning of their role, the work they do and how they do it.

The evolution of the CFO's role is being driven by five forces:

- **Increased expectations:** boards, CEOs and enterprises overall expect and need more from CFOs.
- **Pace of change** keeps accelerating.
- **Pressure to show growth** and profits is constant.
- **Power of data:** there is a data-volume explosion, requiring both focus and new capabilities.
- **Expanded control and compliance expectations:** driven by regulation and consumer expectations.

What's more, this pivotal moment in the evolution of the finance function is characterized by three main themes:

- **Digitizing finance and harnessing the power of data:** CFOs continue to automate routine accounting, control and compliance tasks. They are increasing their focus on value creation as digital technology empowers them to shape strategy. As a result, they can increasingly be relied upon for higher-level thinking, answering new questions in new ways and bringing the C-suite together to act on insights gleaned from data analysis.
- **Leading digitalization efforts:** CFOs play a critical role in the digitalization of their enterprises, with most starting in their own departments. In a virtuous circle, the data capabilities CFOs develop can help them make decisions about investing in digital and technology across the enterprise based on economic value, which in turn empowers them to generate and combine even more useful data.
- **Developing future finance talent:** CFOs need to shift their hiring and talent development criteria so the next generation of finance leaders—who will more than likely follow different career paths than previous generations—can flourish in this expanded role. Knowing how to collaborate and innovate are requisite traits of the new CFO. Meanwhile, current CFO and senior-level finance professionals are gaining expertise at a faster rate than the overall function, creating a skills gap that must be addressed.

INTRODUCTION

The new findings are driven from:

741

online surveys completed by CFOs and senior finance executives.

202

online surveys completed by junior finance professionals for our “talent of the future” survey.

48

in-depth discussions with CFOs, senior finance executives, CEOs and chief data officers, as well as Accenture’s own thought leaders.

Some of the most exciting work within companies is happening in the finance function.

CFOs have long been responsible for producing the numbers and managing technology investments. Yet today, they are increasingly harnessing the power of data to enhance their own departments. They are also looking well beyond the borders of the finance function, proposing and shaping business models across the enterprise, and, ideally, leading the charge in mapping out the investments required to embrace digital and guide their organization into the next evolution. They are creating new revenue streams and managing down total costs.

The role of finance executives has greatly evolved in the last 60 years. From the 1950s to the 1980s, CFOs were essentially accountants. Then, from the 1990s to the 2010s, they ascended to the level of business partner. By 2020, CFOs will increasingly be the strategic enablers, going beyond a supportive role to a proactive one.

CFOs who have embraced the opportunities that have come with their unique bird's-eye view of their organization are collaborating with CEOs to drive strategy. The power and depth of insight that comes with data is not only expanding the role of the CFO—it is offering companies the chance to remake themselves and thrive in the new economy.

“In virtually every company we look at, the CFO is becoming the second most important C-suite executive, sitting at the right hand of the CEO and articulating a story about the financial results they expect to realize,” says David Axson, Senior Strategy Executive Principal, Accenture CFO Strategies and CFO & Enterprise Value, UKI. ***“An effective leadership team depends on the CEO and CFO being a great double act.”***

Yet not all CFOs are filling the dynamic roles available to them, and those who are face many challenges. Our study reveals how CFOs can leverage technologies, skills and relationships to position themselves and their companies for growth.

A close-up view
of the evolved CFO

FINANCE IS REINVENTING ITSELF

Continuing to automate

The standard to-do list of the finance department is shifting dramatically as automation continues to sweep in to reduce costs, improve productivity and allow employees to use critical thinking and creativity to drive value and profits.

Christopher Weber, EVP and CFO of the oilfield services group Halliburton, for instance, has a roadmap to push transactional activities into his company's business service centers and increasingly automate them. ***"This will free up time for our people to be more focused on higher value work such as analysis and trendspotting,"*** he says.

With automation as a foundational objective, CFOs are getting their own houses in order to free up the time they need to branch out and take on entirely new tasks with broader impact. In fact, more than eight in ten of all CFOs (81 percent) see identifying and targeting areas of new value across the business as one of their main responsibilities. Over three quarters (77 percent) believe it is within their purview to drive business-wide operational transformation.

Our research shows just how much the CFO has evolved from accountant to analyzer to strategic advisor. We drilled down to find out how CFOs are spending their days and which projects and long-term goals they are prioritizing.

	Today	Tomorrow
Plan Strategic planning, target setting, financial planning, forecasting, tax/treasury planning.	●	⊙
Transact Supplier payments, employee payments, customer receipts, cash management.	●	●
Account Transaction accounting, asset accounting, tax accounting.	●	●
Control Account close/consolidation, account reconciliation, error processing, internal audit.	●	●
Comply Statutory reporting, tax filing, statutory compliance, policy compliance.	●	●
Report Enterprise performance reporting, financial reporting, management reporting.	●	●
Analyze Portfolio analysis, performance analysis, investment analysis.	●	⊙
Advise Business advisor, strategy execution support, M&A support, board of directors engagement.	●	⊙

● Focus of professional staff time

● Largely digitalized (>80%)

Using data to drive value

The ability to capture, structure and make better use of data in order to increase the efficiency and effectiveness of their own department and across the organization is the CFO's greatest area of potential strength.

What's more, finance functions are already using a variety of emerging tools for better interpretation and impact of the base data—from predictive analytics (74 percent) to artificial intelligence (AI) (61 percent).

Rubens Batista, CFO of the Brazilian supermarkets group Martins, is one finance leader keen to seize the analytics initiative. ***"It's early days for us, but we are using predictive analytics to better understand our cash flows,"*** he says. ***"This gives us***

a better understanding of the regional impact on future sales in a given area following a weather event, for example. We are making more connections and learning all the time."

The catch? You must get your data in order first, though, to use it effectively. Seventy six percent of CFOs agree that without "one version of the truth" across business units, their organization will struggle to meet its objectives.

What is new is how the "one truth" concept is being realized across all industries and geographies.

Efficient compilation and extraction of financial data is essential, says Steven Young, Executive Vice President and CFO at Duke Energy in the US. ***"We have put together a financial hub that provides one version of truth,"*** he says. ***"Which has cut down on people getting different answers from the data because they extracted it from different sources."***

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Fielding requests for data

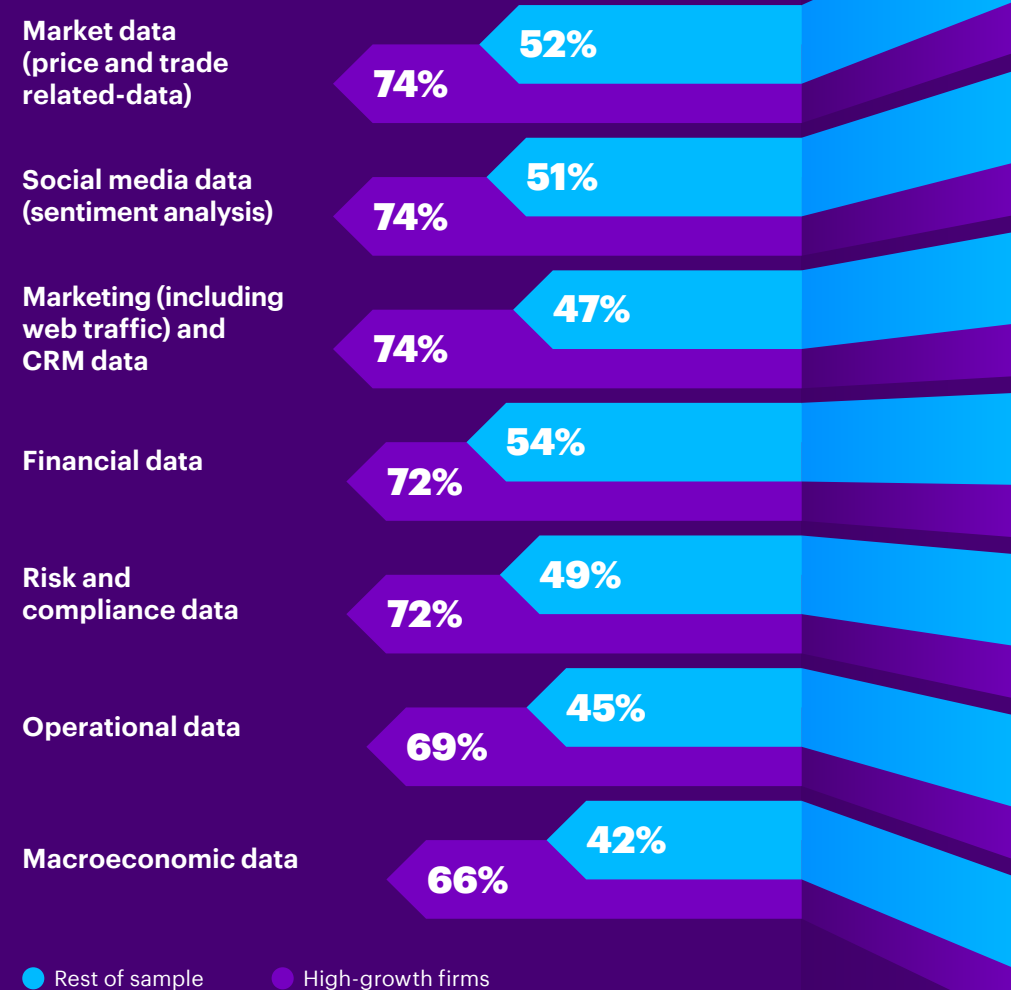
A CFO's ability to synthesize rich and complex data sets, and develop rigorous analysis of potential investments while managing risk, lets them assess plans and strategies objectively.

These capabilities are making CFOs even more popular as the best source for data and insights. As Figure 1 indicates, business requests for data and analytics, beyond finance data, are snowballing. Functions across the enterprise know that finance can give them the fundamental insights they need to create fresh business models.

Consider the Canadian financial services group ATB Financial,

where Bob McGee, CFO and Head of Operations says, analytics tools are enabling finance to support the business at large in many different ways. ***"We're giving the business a better understanding of how to solve liquidity issues,"*** he explains. ***"We're helping them understand where there are greater productivity opportunities and how we can leverage them so teams with weaker productivity can actually improve their results."***

FIGURE 1
Proportions of finance functions that are receiving growing requests for insight and analytics in key areas.



Taking charge of digitalization

While CFOs are engineering ways to carry out their own tasks faster and better through automation, they are also increasingly ushering in the “digitalization” of their broader organizations—the diffusion of technologies to change business models and unlock new revenue streams.

CFOs are advancing the enterprise-wide digital agenda, with 77 percent heading up efforts to improve efficiency through adoption of digital technology, and 77 percent also exploring how disruptive new technologies could benefit the organization and the business ecosystem.

“Finance is taking the lead in my business,” says the CFO of a major manufacturer based in Bangladesh. **“Who else but finance should be evaluating and prioritizing investments in digital technologies? Who else understands the systems end-to-end?”**

“In finance, we are downstream of everything; we are always looking backward at what caused the problem, and we know the rules so we know how things are supposed to turn out. We love the deep detail and we often reach back to the beginning of a process to fix the issue,” says Daniel Gentili, General Manager Finance at INPEX Australia.

“Finance is taking the lead in my business.”

Kaushek Daas, CFO of RAK Ceramics in Bangladesh.

Guarding the enterprise

Finance aptitude with forecasting, investment evaluation, risk management and data stewardship qualifies them for meeting the significant new challenges around cyber-security, data aggregation and technology investment evaluation.

Dr. Christian Campagna, Managing Director, Accenture Strategy, CFO & Enterprise Value, says there has been greater pressure on the CFO to become the “economic guardian” of the business since the global financial crisis. **“The CFO and the CEO are the only board members who have sight of, and responsibility for, the whole enterprise,”** he says.

“Today, as transformation initiatives like analytics, big data, new business and new operating models grow in importance, it’s time for CFOs to step up and take even more responsibility.”

Asked where the finance function should play a leading role in data governance, the most common response from both finance

leaders and the “talent of the future” (the group of younger finance professionals we surveyed), was identifying and managing control of the enterprise’s most critical data and the insights they yield. Our survey suggests that the finance function is already expanding its governance activities, which is crucial to anticipating the regulatory risks attached to data.

A close-up view of the evolved CFO

EMPOWERING COLLEAGUES

Many CFOs think better collaboration, new technologies and changed working practices will facilitate an even more drastic change: the empowerment of other functions through the transfer of responsibility for routine finance tasks to them.

Two-thirds (67 percent) of finance leaders believe they can and should train executives in non-finance functions to take on finance activities such as reporting, planning, budgeting and forecasting. Seventy eight percent believe that digitalization will facilitate a rise in self-service.



By providing governance tools, controls and expert support, finance can help others serve themselves, which in turn reduces cycle times, provides more personalized service and frees up finance professionals for strategic planning. **“What finance is doing more of, is sitting side by side with the folks running the business as they face their different challenges, truly understanding the tactical and strategic things they are working on and advising them on what will help them better achieve their short-term and long-term objectives,”** says ATB Financial’s Bob McGee. By bringing together complementary skills and working collaboratively with others, finance adds real value.

At a multinational chemicals business headquarters in Europe, the financial controller says non-finance people are extracting and analyzing reports to make better decisions. **“We’re convincing them that it’s beneficial to self-report, so finance people can spend their time enhancing other areas of the business,”** he says. **“In the beginning, they resist it, but when you have the support from their manager, it’s only a matter of time until they’re fully engaged.”**

Vangelis Baltas, CFO of transport business Fraport Greece, agrees. **“I would like other functions to be able to understand the finance aspects. Not the fine detail, but a basic knowledge. Otherwise, it’s very hard to make decisions.”**

CFOs have the opportunity and responsibility to do even more to harness their unique position and help to ensure the continued success of their companies.

Focusing on growth

These bolder and broader initiatives that CFOs are undertaking are all in service of one aim: growth. CFOs are focused on strategies that drive profitable growth—top-line growth, bottom-line growth and growth in shareholder value.

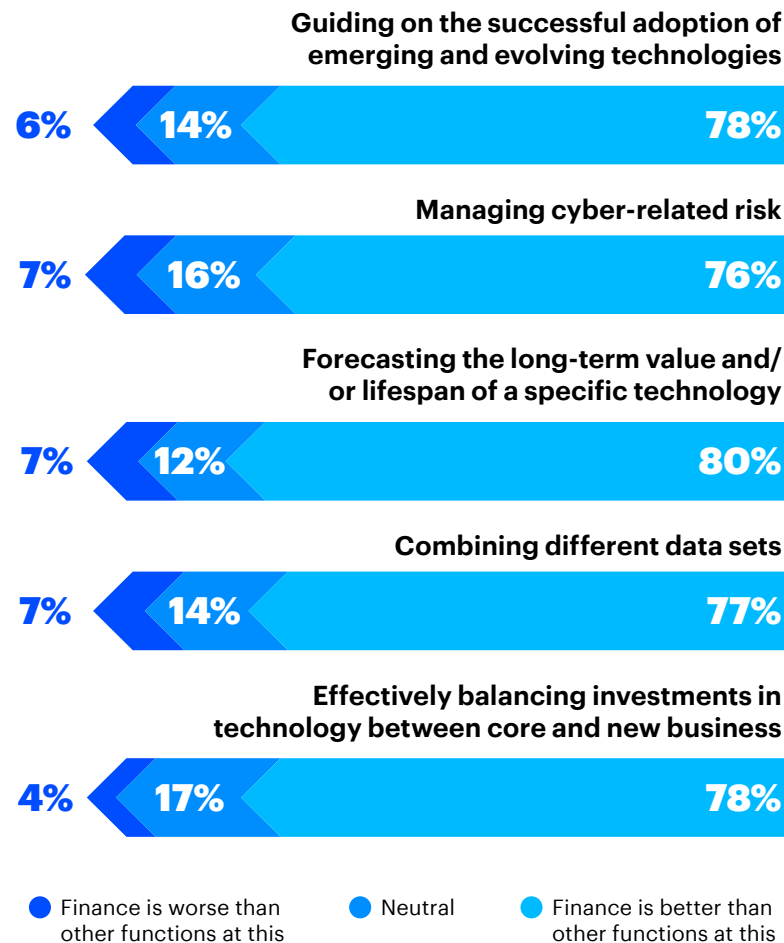
As Figure 2 shows, CFOs are largely confident that they are driving greater value throughout their enterprises. Three-quarters of them are satisfied with what they have achieved so far.



CEOs report in turn that they are happy with a broad range of non-traditional activities carried out by their CFOs, such as leading organizational transformation, monetizing digital technology strategies and making customer and pricing decisions.

And yet, 81 percent of all firms report that they are preparing for an increasingly volatile future. CFOs have the opportunity and responsibility to do even more to harness their unique position and help to ensure the continued success of their companies.

FIGURE 2
Finance’s non-traditional strengths and their value to the business.
 (Figures do not add up to 100% due to rounding)

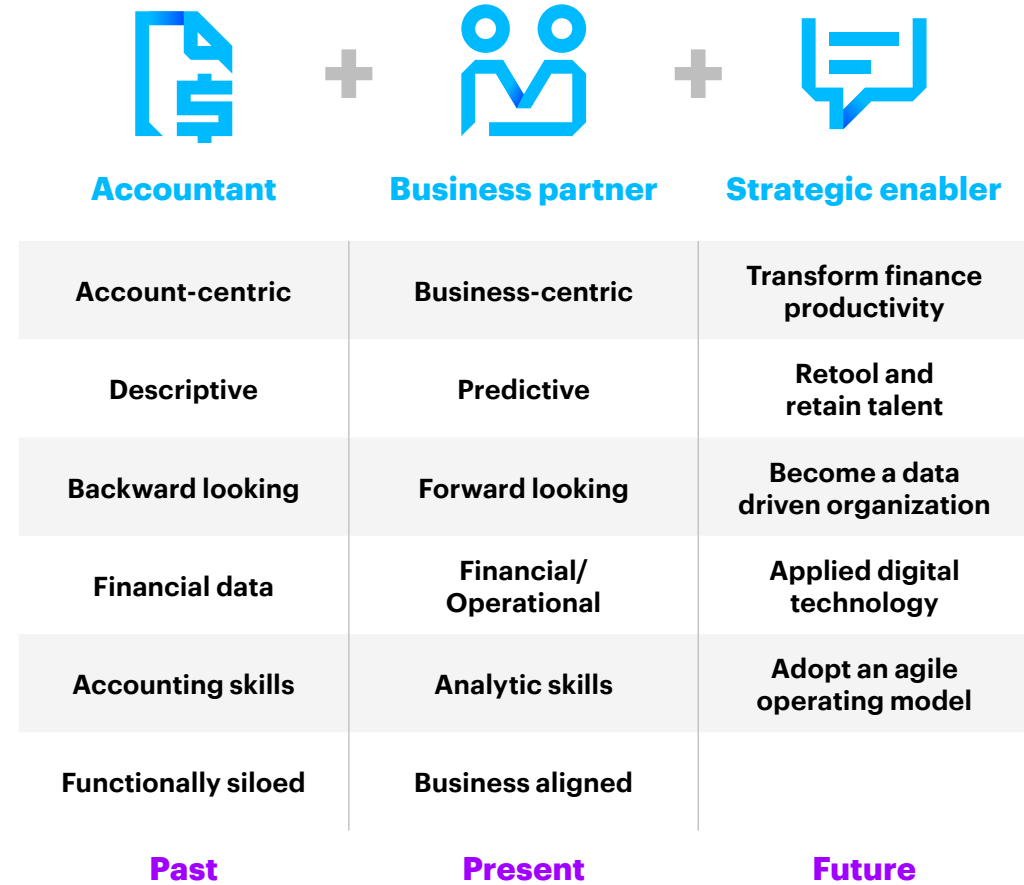


**Challenges, gaps
and opportunities**
REQUIRING
A NEW ROLE

As CFOs feel the ground moving beneath them, they are grappling with several common challenges.

Generally speaking, they have to find ways to free up time through automation and leverage analytics to gain more insights. And they must also integrate and connect with other business units, moving at pace with them to offer the most value. Weathering this shift is possible if they can develop new skills and practice new ways of working. In fact, there are key areas of opportunity for CFOs who are still occupying a more traditional and narrower role.

The three hats of the modern CFO.



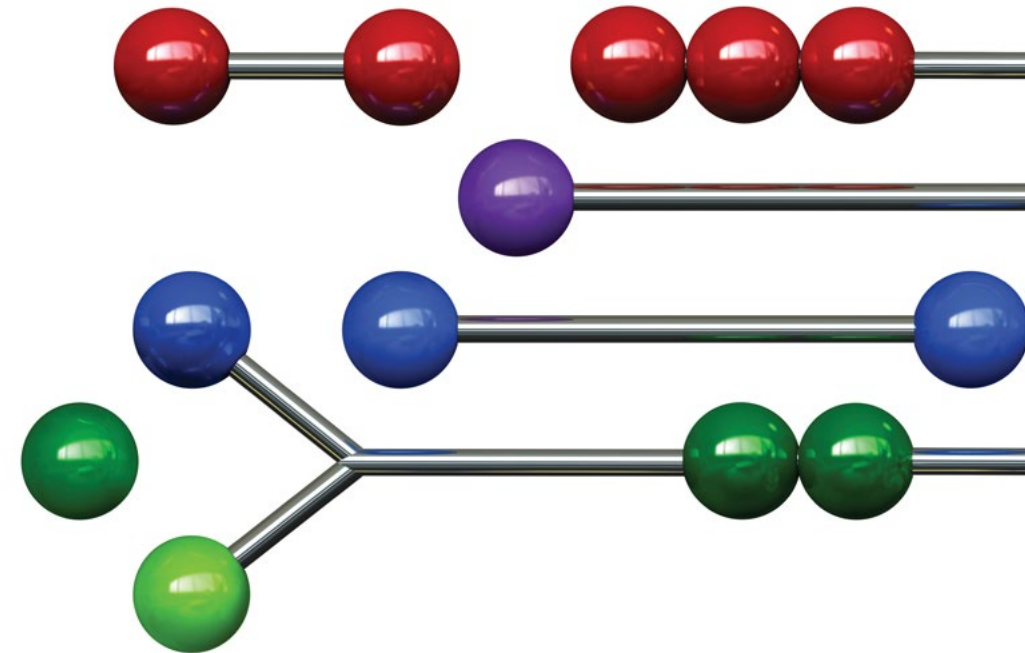
A struggle to automate

Not all CFOs are enacting (or are empowered to enact) necessary changes. Consider automation.

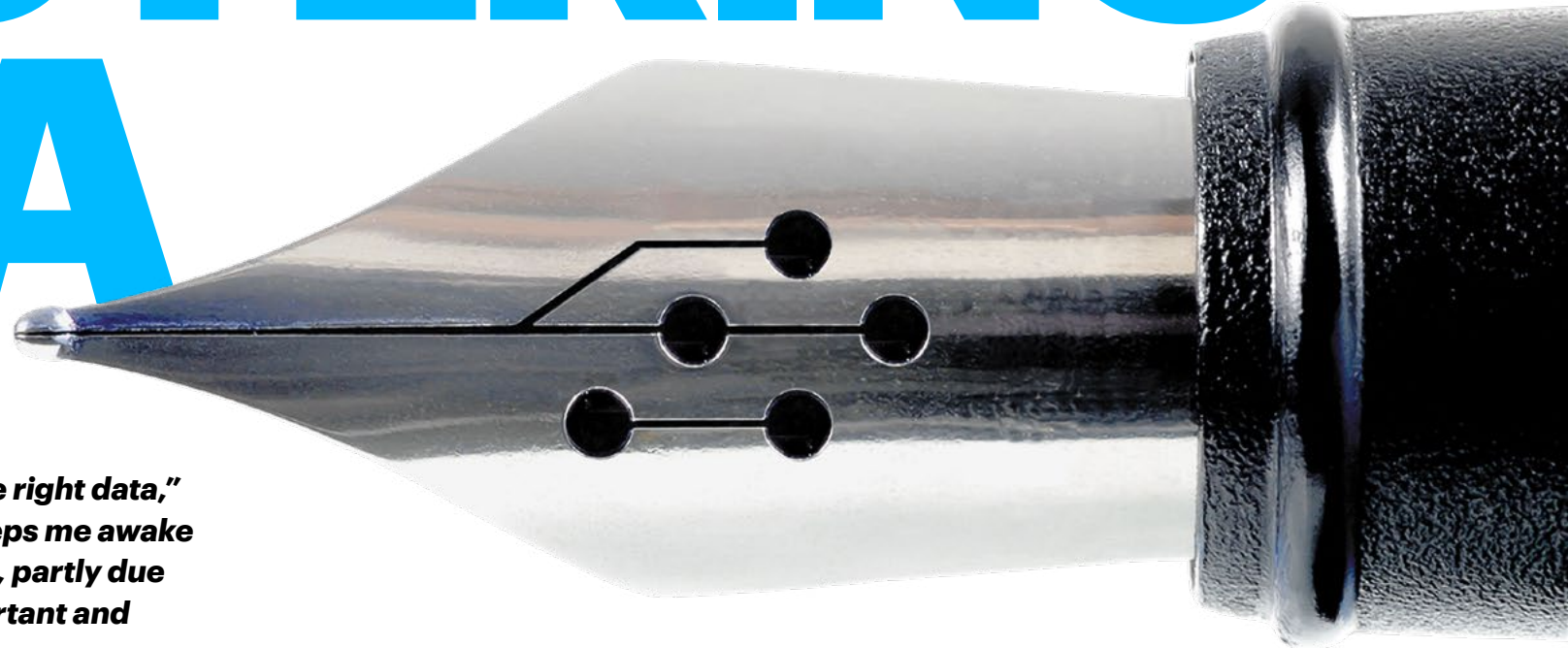
Today, only 34 percent of finance tasks are automated. It is a low percentage, since the goal of technology enabling a “lights-out” back office is achievable. In fact, Accenture estimates that 60 to 80 percent of backward-looking accounting activity can be automated with limited to no human intervention. But, even by 2021, CFOs anticipate that less than 50 percent of all finance tasks will be performed by machines.

“Low value-added activities which can be done by technology have to be done by technology,” says Larry Reinhold, President and CEO of Systemax. **“There is relentless pressure to reduce cost and do things in the most productive manner.”**

CFOs have the added task of making the internal case for automation, as 38 percent worry about employee resistance to working with non-human colleagues.



MASTERING DATA



“One of the biggest challenges is locating the right data,” says Rubens Batista of Martins. ***“That’s what keeps me awake at night. We can collect data more easily now, partly due to the rise of social media. I think this is important and we are integrating this into business.”***

More than half (53 percent) of CFOs worry that the finance function is reactive or that data and information-sharing processes are not streamlined. In two years' time, 46 percent expect to still feel this way. A notable proportion of them also do not rate the finance functions they lead as strongly as they could on their data and analytics capabilities.

Part of the issue stems from concern about information security, according to our survey respondents. After all, if you automate an inefficient process you just get bad data faster.

Such concerns go beyond just financial data as organizations look to combine internal and external, structured and unstructured data to unlock the most insightful reading of any given situation. In fact, almost three in ten CFOs see the need to combine financial data with other sources of information as a challenge.

But our research suggests that the potential for deriving untapped value from financial data alone is significant, even before this information has been combined with other enterprise data sets. Yet less than half the finance leaders we surveyed are capturing six key potential outcomes of data analysis: value creation, increased connectivity with other areas of the business, identification of future risks and opportunities, improved compliance, wider adoption of technology throughout the business, and additional valuable insights.

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Looking ahead and branching out

CFOs are accustomed to historical analysis, but looking backwards is not sufficient for seamlessly bringing value to the rest of the enterprise.

Predictive analytics tools allow finance to exploit data and understand how the business climate will play out across each area. The ability to provide roadmaps for responding to such insights is an invaluable skill for CFOs to possess. Yet our survey respondents report a 50:50 split between the proportion of their activities that focus on reporting the past and those focused on the future. The balance needs to tip forward.

Meanwhile, not everyone in finance is convinced that empowering their colleagues in other departments is worthwhile. A third of CFOs believe either that finance activities should be split 50:50 with other functions or that finance should continue to carry out all such work.

Most CFOs (64 percent) are concerned about being out of sync with the rest of their company when it comes to

driving enterprise-wide efficiency by adopting digital technologies. Perhaps the finance function is not automating at the right pace, or does not have confidence in its data, or is encountering employee resistance. These factors create the sensation of moving at the wrong speed for the business.

51% of young finance professionals are eager to embrace new digital skills that will be critical for keeping up and succeeding in the years to come.

While we believe digitalization is essential, it appears that CFOs need more reassurance that they are on the right long-term track. Less than half of those surveyed say their investments in digitalization are matching or exceeding anticipated returns.

While some say attractive business cases are emerging, others note the difficulty of defining returns or say they are not seeing any at all.

While 51 percent of up-and-coming young finance professionals from our “talent of the future” survey are eager to embrace new digital skills that will be critical for succeeding in the years

to come, an additional 44 percent say they are willing to embrace new digital skills if they are given the right training. The onus, then, is on CFOs to seize upon their employees’ enthusiasm with effective upskilling programs.

In broad terms, CFOs have to think about life after automation. **“If we believe that 80 percent of the finance function could be digitalized in some way, CFOs have to ask the question, ‘what’s left?’”** says Athena Reilly, Managing Director, Accenture Enterprise Data & Analytics Strategy. **“They have to reinvent themselves.”**

“If we believe that 80 percent of the finance function could be digitalized in some way, CFOs have to ask the question, ‘what’s left?’ They have to reinvent themselves.”

Athena Reilly, Managing Director,
Accenture Enterprise Data &
Analytics Strategy.

**How CFOs can
seize the moment
ACCELERATE
DIGITAL
TRANSFORMATION**

Finance leaders are concentrating on the risk of digital failure and are preoccupied with the challenges of transformation.

There are concrete steps CFOs can take to move beyond these concerns.

Their primary concerns are:

1

Employees across functions struggling to adopt emerging and evolving technologies.

2

The emergence of new, cyber-related risks that make the investment redundant.

3

The technology becoming outdated before the return on investment is realized.

4

Combining different data sets proving to be very time-consuming.

5

Investments not being suitably balanced between core and new business.

Digital transformation is now a competitive necessity for most organizations.

The pace of digital disruption is such that CFOs are looking for ways to accelerate it. The following recommendations can help:



Look across the enterprise to prioritize digital investments. Test cases with rapid paybacks can help self-fund the transformation.



Find common ground with other business units on the scope of digitalization for finance and the pace at which to pursue it.



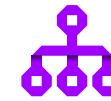
Clearly connect the investments being made with the commercial returns the business expects to realize. This allows for immediate re-prioritization and increased confidence in the return on investment.



Seek out the financial value that digital investments in the rest of the business can deliver. For example, can sensors on equipment serve as an input to capital planning and maintenance budgeting by providing predictive information on asset performance?



Focus on how to innovate and scale at speed. Deploy agile methods and outcome-based design principles.



Build stewardship and governance structures to measure performance and ensure accountability for outcomes.



Constantly evaluate the portfolio of digital investments to ensure continued relevance and value.



Encourage teams to pursue innovation and support them so they are not afraid of taking risks.



Recognize that success is not linear and that change requires patience.

Step up

How, then, can CFOs overcome challenges, fill in skills gaps and combat attitudes that are holding them and their functions back from becoming strategic enablers?

During analysis of our survey data, we isolated a leader group of 349 “high-growth” firms—organizations that greatly exceeded their targets for revenue growth last year. It is worth noting that in these firms, CFOs are more likely to be driving transformation, planning disruption and targeting value, suggesting a possible correlation between business performance and the expansion of the CFO’s remit. They are also more likely to say their data and analytics capabilities are strong, and that

they are implementing real-time or near-real-time monitoring of business performance.

Pushing through the difficult parts of disruption is the best—and really the only—option. We believe the CFO is the right person in the C-suite to oversee the ecosystem of data and analytics that other functions are feeding. The CFO is poised to own enterprise data and analytics alongside the CEO.

76%

of CFOs agree that without “one version of the truth” across business units, their organization will struggle to meet its objectives.

Take the reins with data and digitalization

It is critical for the CFO to help its organization achieve growth objectives through smart, rapid investment in digital technologies.

If CFOs commit to change and withstand transition, they will eventually see the benefits of both mobilizing data and of large-scale digitalization.

Consider how when finance leverages digital automation investments being made in other parts of the organization, it can provide real value. Or when a company implements automated performance monitoring of its capital equipment, finance can use the same data to provide more accurate estimates of planned and unplanned maintenance, rather than relying on generic replacement cycles.

In another example, at a Greek telecom company, the CFO says the move to rapid reporting is enhancing agility.

“Ten years ago, it took 30 days for me to get the month-end results, now it’s more like four or five days,” he says. **“It means I can make decisions faster if something needs to change.”**

A senior finance executive at one of the world’s most successful e-commerce brands says her focus is also on real-time analytics. **“Our promotions are short-term, based on traffic flows and managed in real time,”** she explains. **“So, finance has to be able to provide its feedback in real time too, to make sure those promotions pass our criteria.”**

It is critical for the CFO to help the organization achieve growth objectives

through smart, rapid investment in digital technologies. As such, digital value stewardship is essential, to ensure accountability. The CFO is the person who can understand and measure digital interventions, what they mean for the organization and whether they are having an impact. CFOs understand the economic rationale for technology investments and can sequence activities.

“If you have a seat at the table on technology investments, you have to be able to contribute in a meaningful way,” adds Alan Foster, CFO of National Grid UK. **“Not just in working out what to say yes to, but also in understanding what needs to be done to ensure those investments are successful. These are areas that require engagement and involvement from the CFO.”**

Technology itself won’t lead to improvement, of course. Managing the proliferation of digital programs across the business forces CFOs to craft clear end goals, which in turn ensures that new technologies are fully exploited. CFOs need to connect the dots between various pilot programs and technologies to avoid duplication and redundancy, and ensure investments are productive.

As Daniel Gentili at INPEX Australia says, **“Finance should be all over anything tied to enterprise technology—right from the design phase. Any technology in the back office needs to interface with finance efficiently. Otherwise your data and outputs are a mess.”**

BUILD BRIDGES

Making the most of the CFO's unique position is more about human connection than technology or process.

Effectively communicating the benefits of automation is one vital skill for CFOs who wish to shepherd much-needed disruption. Automation technologies, after all, can increase finance professionals' levels of fulfillment by eliminating dull and repetitive work. In countries where demographic trends are impacting the availability of key skills, automation can also alleviate the pressure and struggle for organizations to recruit people for manual processing.



CFOs will likely be welcomed by their partners in other functions if they are open-minded and collaborative. **“People are realizing that they can’t do things alone, and that finance isn’t there just to stop them from spending money,”** says Martin Fritsch, CFO CSI at DHL. **“But it depends on the character of the finance person: if you act like a cost controller, then the doors aren’t going to open for you.”**

CFOs can no longer be the obstructors they once were. They must be “yes” men and women. Alan Foster of National Grid UK says CFOs need to ensure that the business delivers on what the CEO is promising. **“The role used to be about stewardship and saying no to frivolous ideas, but that’s a given now,”** he says. **“You don’t get any merit for that anymore. You can either choose to point out problems and give the CEO**

and other leaders another list of problems that they have to solve, or you take a more proactive stance and try to solve the problems. The most successful CFOs will provide the solutions.”

“Think of this as finance moving to the edges,” says Steve Culp, Senior Managing Director, Accenture CFO & Enterprise Value, Finance & Risk. **“The function will be involved at the beginning, working with the rest of the business to set those objectives, as well as at the end, to provide a verdict on whether the targets were met. This is where the finance function of the future will really add value, rather than in the middle.”**

Consider the wider organizational culture, how finance has worked with other functions in the past and what needs to change for the future.

“Finance leaders who understand that people are really at the core of this change will have the greatest success.”

Athena Reilly, Managing Director,
Accenture Enterprise Data &
Analytics Strategy.

**Developing future
finance talent**

**REQUIRING
A DIFFERENT
TALENT PROFILE**

The CFO's role has been evolving for decades and is now in the midst of an even more radical change.

As finance's responsibilities continue to stretch, so too must the skills and knowledge of CFOs themselves and of prospective talent. In the past, young people who simply showed a reliable and detail-oriented nature might have sufficed, but now CFOs need employees with a wide range of capabilities, from data visualization to flexible thinking.

Typically, the CFO and very senior finance executives have advanced these newly required skills at a much greater rate than the department at large has, creating a gap in knowledge between the top and bottom of the organization. Whatever their attendant challenges are, it is not technology or data that

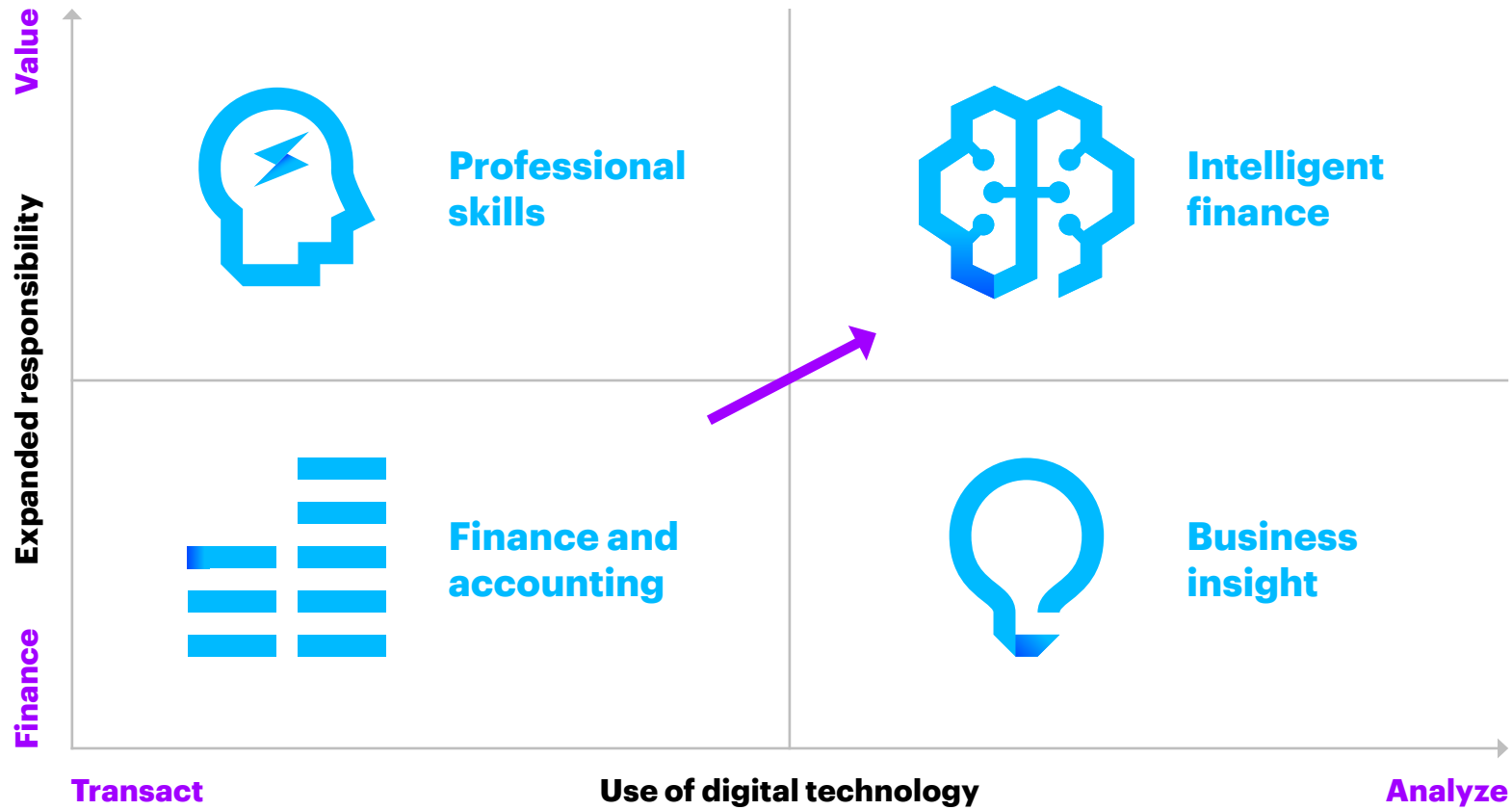
is limiting the pace and outcomes of transformation programs within finance—it is the human talent challenge of finding people with all the right skills.

“As the DNA of finance talent pools evolves at pace, many CFOs are establishing hubs of deep expertise, in markets where there is competency at scale,” says Ambrose Shannon, Managing Director, Accenture CFO & Enterprise Value, Financial Services.

CFOs recognize the need for change and accept that traditional roles may soon become obsolete. More than three-quarters (78 percent) say the change must be rapid and drastic.

“It feels like there are two camps for what people look for in a CFO,” explains Christopher Weber of Halliburton. ***“The control or accounting background versus a more strategic finance role who partners with the CEO. Over time, I think the shift has been towards this second role, even if that means the candidate isn't an accountant by training.”***

Organizations need to be able to pivot between looking backward and looking forward, and be strategic and focused on getting the books closed while ensuring all the proper controls have rigor. It takes talented leaders to strike this balance.



C.V. must-haves

Which skills are critical for future financial executives to continue leading and transforming organizations?

Consider the ability to innovate and analyze, and how important they are to enabling strategy.

“What you’re looking for is people who are adaptable and resilient,” says INPEX Australia’s Daniel Gentili. **“We are looking for people who are inquisitive. They need to ask: ‘Is there a better way to do this? Can I get this information differently? How did that information come out once I pushed that?’ They must be prepared to bounce if they fail and go back and look again.”**

“The CFO still needs to be somebody that you can trust implicitly to cut through all the bias and be the honest broker in decision-making and running financial analysis. None of that is particularly new,” adds Larry Reinhold of Systemax. **“What is different today is that process and automation across the board is completely different, even in financial areas, so you also have to be IT savvy.”**

The former managing director of a global consumer goods business based in Europe believes that finance needs to understand the drivers of the business.

“It needs to be outward-facing,” he says. **“In tune with the marketplace, visiting customers with sales people, and building relationships and bridges to other functions.”**

The biggest challenge is recruiting or training the talent necessary to understand how to collect data and gain insight from data. Finance professionals need the right skillset to communicate with the rest of the enterprise, working with other functions to drive the right conclusions and actions out of the insights.

“We are looking for people who are inquisitive.”

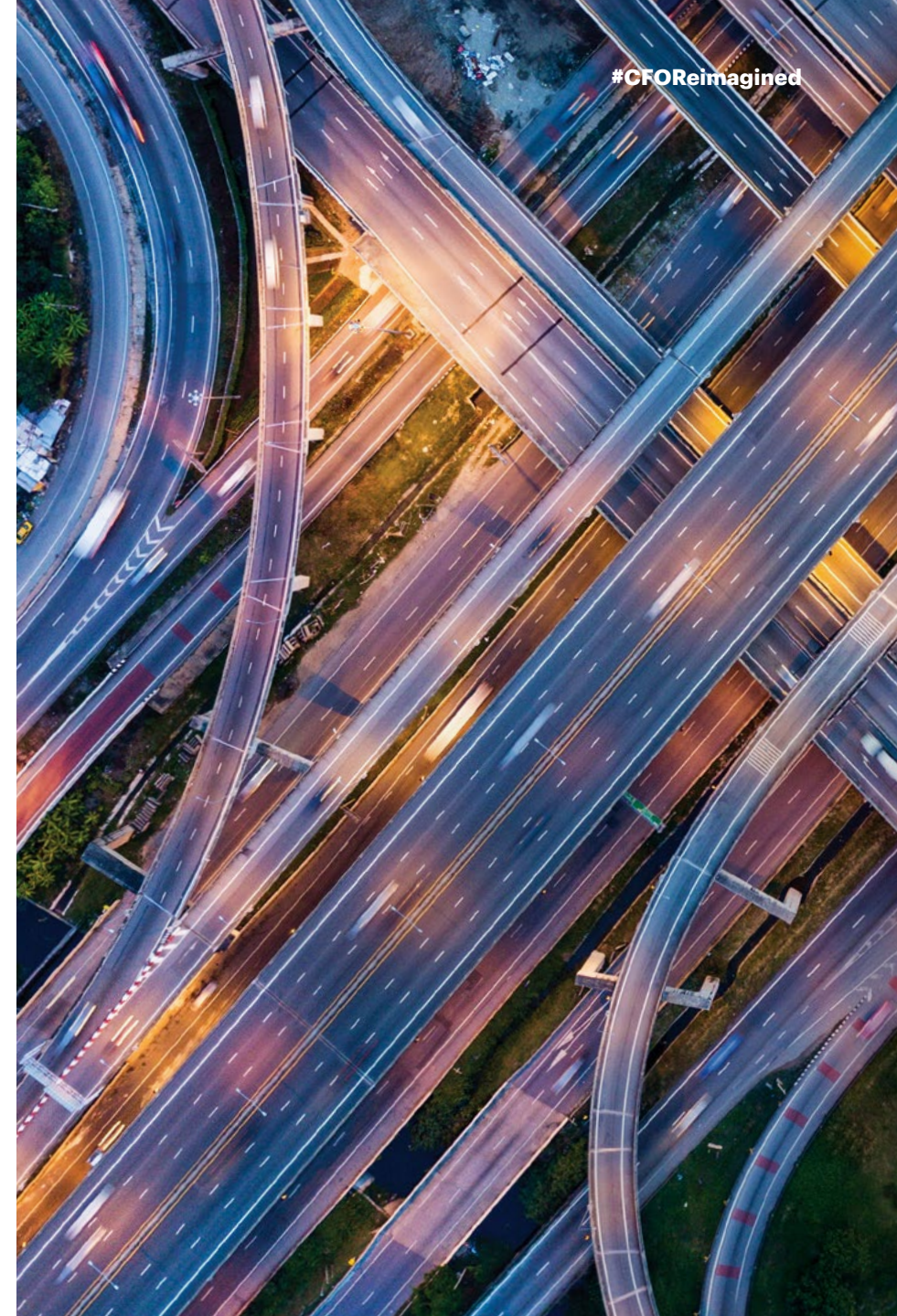
Daniel Gentili,
INPEX Australia.

A new CFO culture

For all their great qualities, some CFOs need to commit to self-transformation and champion conditions for workplace cultural change.

“It’s not easy making progress toward providing predictive reporting because people in finance are much more concrete,” says Rubens Batista of Martins. ***“Talking about the future takes a little bit of imagination and a certain degree of dreaming as well. Having your feet on the ground while dreaming of the future is the main challenge.”***

As finance takes on more strategic responsibilities across the enterprise, it needs to become better at supporting fresh thinking, collaborative working and strategic insight. CFOs agree with this analysis, emphasizing that their own mindsets need to adapt and evolve, and that their expectations of new recruits are set to change. Eight in ten (81 percent) confirm, for instance, that data storytelling is an essential skill for today’s finance professionals.





78%
**of more junior
finance practitioners
say that there has
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finance professional.**

At a global e-commerce business, the senior finance executive we spoke to is using a different (and increasingly popular) job title to reflect the CFO's new role. **"We call ourselves business finance partners rather than advisors or controllers,"** she explains. **"Things change with that word: we have to build relationships and work as part of the group around the table."**

The cultural shift must start at the CFO level, says Christopher Weber, EVP and CFO of the oilfield services group Halliburton. He says changing the mindset takes time and constant attention. **"The culture starts with my leadership team, my direct reports and myself all leading by example,"** he says. **"It's how I conduct myself,**

how I interact with the organization, and the openness, candor and perspective I provide."

Nonetheless, tomorrow's CFOs are very optimistic about finance's prospects, with more than 80 percent of future finance executives agreeing that the work will be meaningful and that employees will be encouraged to develop their own skills and will have a clear route to career progression.

In light of the increased responsibilities given to finance and the availability of data, tools and technologies, 78 percent of more junior finance practitioners say that there has never been a more exciting time to be a finance professional.

Voices from the future

Forward-looking finance leaders are energized by the potential of digital transformation.

Automation of dull and mundane tasks, richer and more timely datasets, access to sophisticated analytic models and deployment of advanced visualization tools can all combine to make finance one of the most exciting and most value-adding places to work in the enterprise. In fact, young people looking to drive change through digital innovation should consider finance over IT or research and development units.

In an environment where the boundaries between finance and the rest of the organization are blurred, and where collaborative working is the norm, there will be plenty of chances for finance employees to grow and build new competencies. And as finance becomes known as a function that is actively enabling the future, it will likely be a place in which many more talented young professionals aspire to work.

Our survey of tomorrow's CFOs reveals that:

92%

say that if they were CFO, they would spend a significant amount of time on value creation across the wider business ecosystem.

78%

say the future finance function, led by the CFO, will champion a new way of operating across the business.

77%

believe the finance function should be proactive and connected in its operations alongside business partners across the wider business ecosystem.

66%

believe that finance should empower other functions to take on all finance activities.

Conclusion

The findings of this report mark the most dramatic shift we have seen in almost 20 years of research into high-performing finance teams.

The evidence is clear: CFOs are now strategy players who are expected to use their knowledge of data, analytics and finance to forge new strategies across their organizations while influencing and guiding existing business units.

As accounting and other routine tasks are automated, the CFO will create more meaningful and impactful roles for finance professionals, such as leading digitalization transformations, ensuring their organizations pivot wisely in this radically different marketplace.

Ultimately, CFOs will embed finance into all other areas of the business, further eliminating their own traditional functions so they can develop ever more sophisticated ways of mining data for growth-driving insights.

For this research, we set out to ask select clients about their ambitions, priorities and challenges as CFOs. As hypothesized, we discovered that the CFO has an expanded remit to be more efficient and effective, improve risk and compliance, increase enterprise value and steward the digitalization of the entire enterprise.

At the same time, we also found that many CFOs have yet to drive insight through data and talent, and automate or spread out the traditional finance function to make room for new ways of achieving value. An enormous opportunity exists, then, for CFOs and aspiring CFOs.

The CFO will create more meaningful and impactful roles for finance professionals, such as leading digitalization transformations, ensuring their organizations pivot wisely in this radically different marketplace.

The CFO of today—and of the high-performing digital business of the future—is, above all:

- Focused on securing critical business outcomes and economics by enabling strategy.
- Partnering with the CEO to deliver those outcomes, helping lead the way for functions throughout the enterprise.
- Embracing new technologies and evaluating enterprise-wide investment to support the velocity required for tomorrow's business.
- Owning the data agenda and wielding the power of data, not least by controlling the one version of the truth.
- Building new talent with the agility, skills and experience needed to deliver in the New.

Finance must build on its strengths in order to move business at the right speed for the whole organization. This could include:

- Building and clearly communicating the economic case for change, with data and analytics tools that calculate ROI through facts, figures, and examples.
- Leading by example, proving the case for investment with a more effective finance function than ever before.
- Building a broader range of skills within finance to support the rest of its function in its expanding role.
- Acting in concert with other functions, rather than as a gatekeeper or approver.
- Working across the business to create new structures and processes for better cross-functional working.
- Articulating the vision to a broad range of stakeholders, including investors and analysts.

The CFO is in an elevated position, serving as an innovator and a disruptor who can harness data to unleash new value. Never has the CFO been better positioned to be the CEO's chief business partner. Now is the time for CFOs to wield the power of digital and secure their organization's growth objectives.

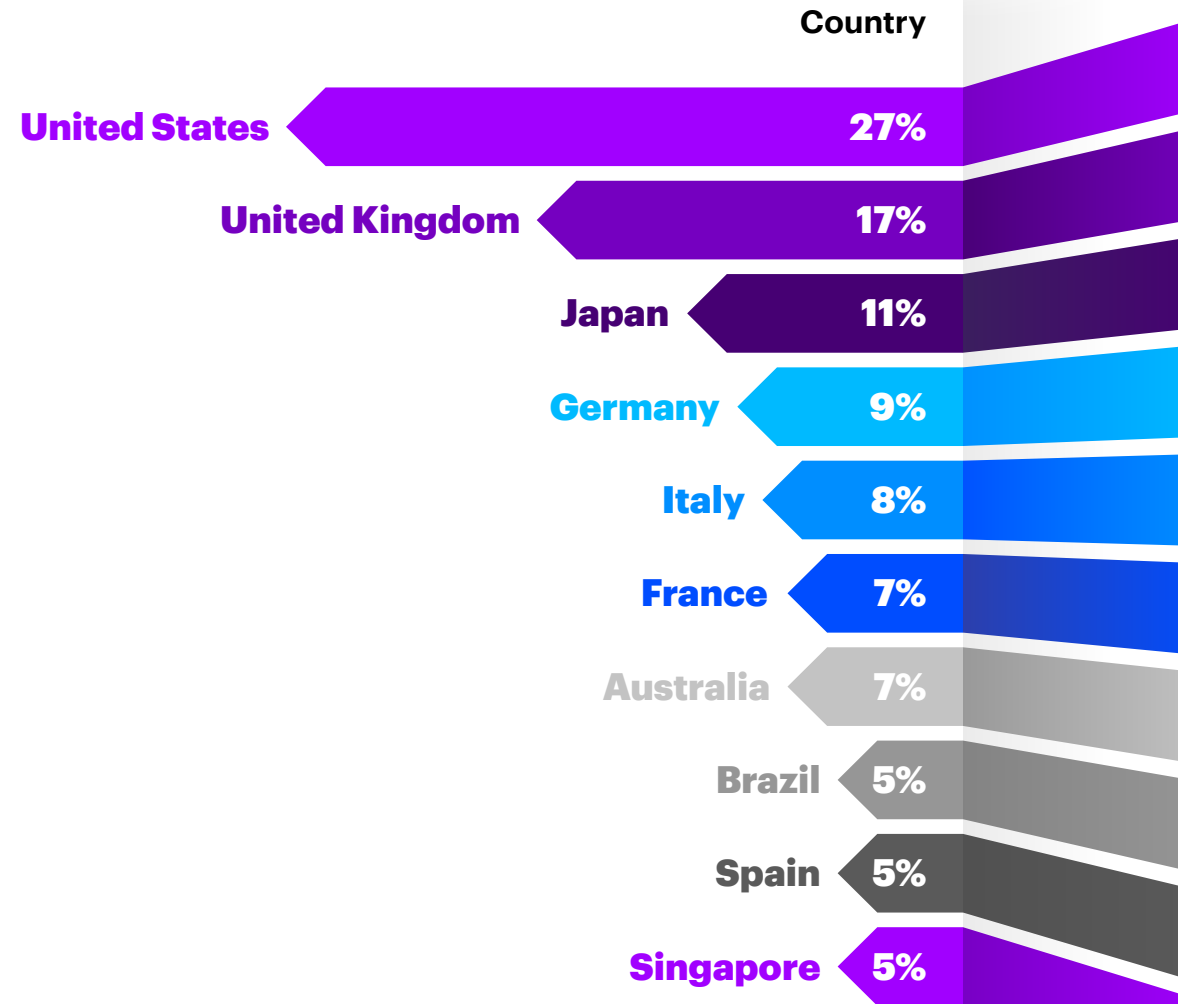
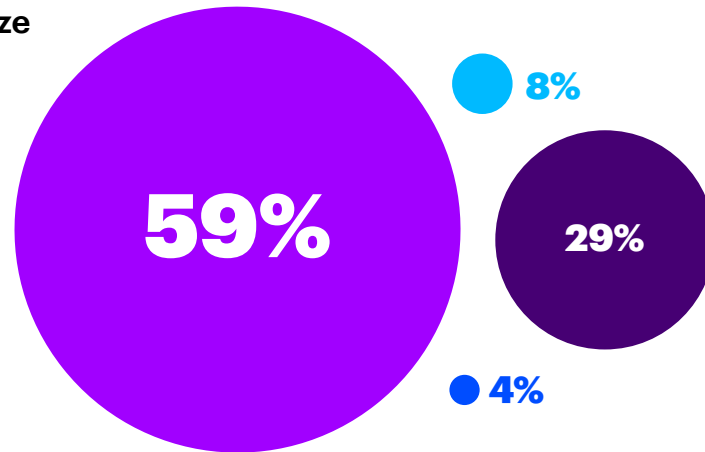
About this research

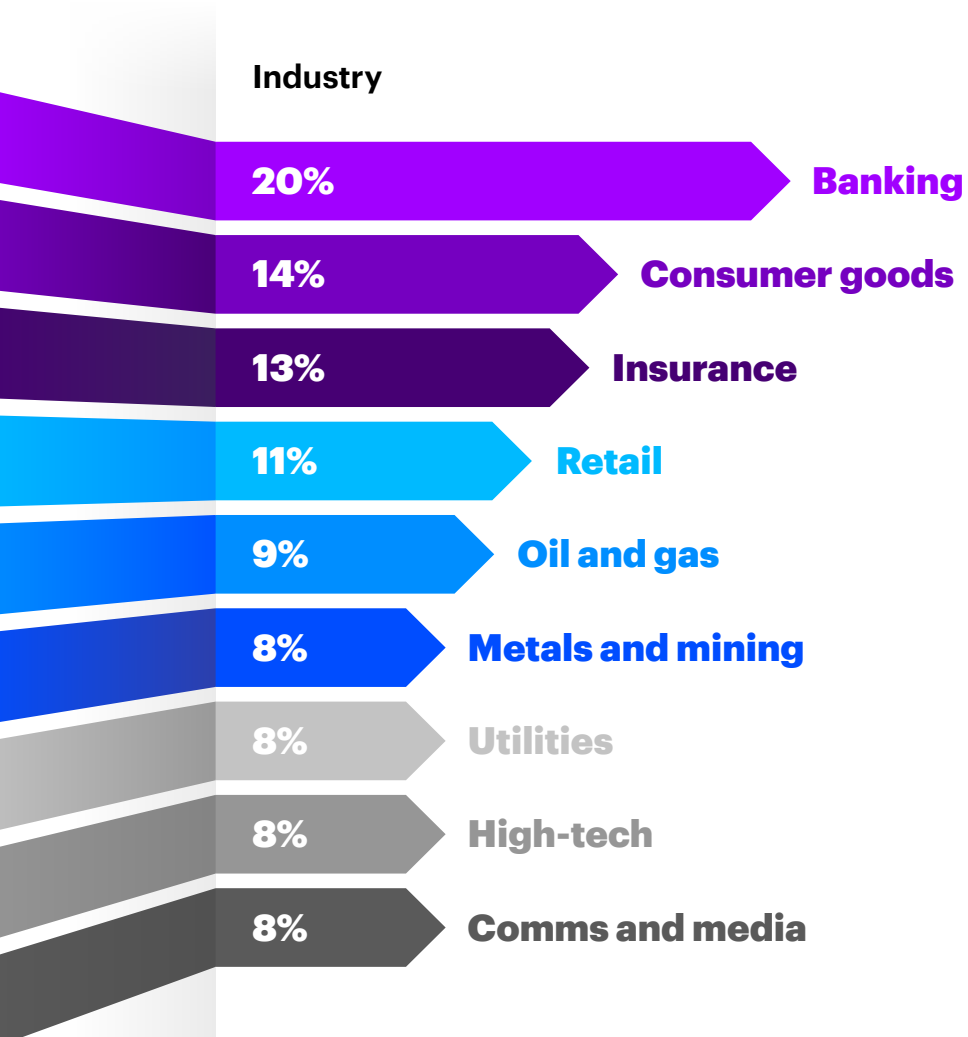
Our research is based on online surveys with more than 700 finance leaders from around the globe and more than 200 up-and-coming finance professionals (the “talent of the future”).

We also conducted almost 50 qualitative interviews with CFOs, senior finance executives, CEOs and chief data officers. We selected interviewees on the basis that they worked for global, billion-dollar enterprises that reflected a good mix of sectors and geographies worldwide.

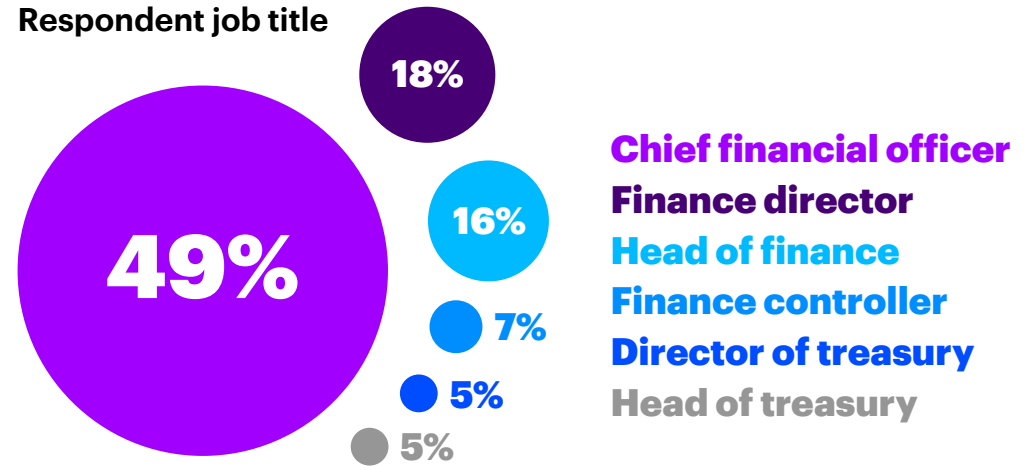
Respondent company size

- \$1bn to \$4.99bn
- \$5bn to \$9.99bn
- \$10bn to \$19.99bn
- \$20bn +





Respondent job title



About the high-growth firms

During analysis of the data, we isolated a leader group of 349 high-growth firms—organizations that greatly exceeded their targets for revenue growth last year. The finance function in these firms is routinely more mature and advanced in its role as a strategic enabler for the enterprise as a whole.

(Note: Figures do not add up to 100% due to rounding)

About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With 449,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com

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