See how the new CFO is adapting to a changing financial landscape, utilizing transformative new technology to disrupt, innovate and generate value for future technology.

#CFOReimagined
“In the past, the role of the CFO was about balance, and more of a passive role. Now, the CFO is an active and proactive player in driving the transformation agenda.”
Now is a pivotal moment for CFOs. Our new research on the dynamic role of the finance function reveals how the CFO is positioned at the center of the organization, side-by-side with the CEO, turning finance into an engine that can power the entire enterprise.

CFOs have long been responsible for producing the numbers and managing technology costs. Today, they are continuing to push the boundaries of automation and are increasingly harnessing data to enhance analysis and generate insights. They are also looking beyond the borders of the finance function, proposing and shaping business models throughout the enterprise. Ideally, they are leading the charge in deciding how to invest in digital, guiding their organization into the next evolution.

Based on a large survey of CFOs and up-and-coming finance professionals, as well as interviews with leaders from top global companies across multiple industries, the findings uncover the CFOs’ ambitions, priorities and obstacles.¹

The CFO has an expanded remit to:

• Create more revenue streams.
• Manage down total costs.
• Share insights across business functions.
• Advise the CEO.
• Improve risk and compliance.
• Increase enterprise value.
• Steward the digitalization of the entire enterprise.

But CFOs (and the entire C-suite) must seize this moment.

Many CFOs face significant challenges as they take on a broader role. Our research reveals how they can leverage technologies, skills and relationships to ensure their companies can transform and prosper.

¹. Accenture carried out a quantitative survey of more than 700 CFOs and senior finance executives, including 60 from high tech businesses, as well as a separate survey of 200 up-and-coming finance professionals. We also conducted almost 50 qualitative interviews with CFOs, CEOs and CDOs.
As cutting-edge technology is so important to high-tech, it is telling that the CFO is increasingly seen as the driving force behind transformation. Accenture’s research reveals the CFO’s role has changed dramatically. High-tech finance leaders are taking strategic, enterprise-wide stewardship responsibilities for digital finance transformation, applying their experience in areas that might previously have been the reserve of the CTO or CIO.

According to Eric Noren, Managing Director, Accenture, the CFO’s strategic insight, reinforced by their function’s capabilities in data analytics, equips them to take a leading role in this space. High-tech CFOs are increasingly spending a significant amount of time articulating the story of the financial results of growth they expect to realize through sponsorship in critical digital investments that will help shape the next generation of customer experience, strategic relationships, joint ventures and acquisitions. “Finance guidance is invaluable for high-tech companies as they plan enterprise investments to meet the needs of the business,” he says.

More than eight in ten high-tech CFOs believe that, were it not for the finance function, their organization would fail to meet its ambitions in the digital world. In our research, we see them supporting those ambitions by taking ownership of the transformation agenda, using insight to enrich the guidance they provide, and fighting a battle for the talent they need for the future.
Owning the transformation agenda

The senior finance partner of a global internet and technology business tells us that, in her firm, the C-suite looks for finance professionals, represented by the CFO, to be a key part of the decision-making process.

“In the past, the role of the CFO was about balance, and more of a passive role,” she says. “Now, the CFO is an active and proactive player in driving the transformation agenda.”
Nowhere is this truer than in high-tech, where almost nine in ten CFOs are dedicating time to assessing how disruptive technologies or ‘big bets’ might benefit the wider enterprise (Figure 1). In so doing, they are looking to explore and quantify the value that disruptive technologies must offer. They are calculating returns on investment in the context of the direct returns and savings to the CIO or CTO from implementing these new technologies vs ‘do nothing’, the direct effect to the P&L for each of the business units and ensuring alignment to the strategic objectives set by the CEO.
An enterprise-wide view of the organization and deep understanding of the impact of digital technology on business functions such as sales and operations has required the CFO to become an active steward in critical business investment ‘in the New’. This is a welcome change to the ‘old’ where the finance organization was often viewed and functioned in terms of being strictly accounting or compliance driven.

The chief data officer of a UK-based technology components business recognizes the value and rigor that finance brings to the table. “The CFO helps us align, prioritize our resources and makes sure we have the proper governance around measurement,” he explains.

CFOs are confident in their ability to both partner and challenge their C-suite colleagues around digital technology. CFOs in high-tech are, for example, the most likely—across all sectors—to believe that finance is better than other functions at forecasting the value of enterprise technology investments.

With that mind, 80 percent believe finance should set the agenda for the implementation and roll-out of technologies across the enterprise. The CFO of a Japanese semiconductor business says his function has become responsible for selecting digitally important technologies for the corporate organization as a whole. “Going forward, we will have a lot more say and influence on resource allocation,” he says.
A new level of data sophistication

Through new data science technologies, visualization tools and algorithms—the ability to quickly, easily and economically ‘crunch data’ to provide insights and predictive capabilities to organizations has become more pervasive.

Part of the CFO’s changing role is to use these analytics to improve performance reporting across the C-suite to support strategic decision-making, ensure insights are acted upon and action is taken by the organization, and quantify, measure and report back outcomes.
As Figure 2 illustrates, high-tech CFOs are more likely than their cross-sector peers to have received an increase in requests for insight and analytics from their peers in management. Yet finance still needs to hone its ability in this area, as the CFO of a European technology company explains. “The general ability to argue, influence, and challenge becomes more important when more of your work will be working together with the business,” the executive says. “Our job is to try to come up with the right actions to take, rather than to simply provide data in a PowerPoint presentation.”

If the finance function is at the center of enterprise data and analytics, it is also best placed to identify the organization’s most critical data assets. On one side, the CFO must work to quantify the loss in brand value should their data fall victim to a breach in security or fraudulent activity. On the other side, the CFO must help the organization maximize value of this data through monetization. For this reason, 85 percent of high-tech CFOs say they are playing a leading role in managing the control of data that would cause the most harm or lost opportunity were it to be compromised or not harvested appropriately.
Changing mandate, changing talent

New responsibilities require different skills, at a management level as well as throughout the function. High-tech CFOs are already aware of this challenge, with almost half saying that data science will be a highly desirable skill when recruiting junior finance executives in the years to come (Figure 3).
More broadly, almost nine in ten CFOs in this sector agree that traditional finance positions in their organization will soon be replaced by higher-value and more strategically focused roles. ‘Pods’ will become the norm in finance organizations, tasked with working across the business to solve complex problems. These cross-functional teams will be made up of finance, data science, visualization and deep business experts who understand the business’s value drivers and can gain insights from the organization’s data to drive outcomes and actions.

CEOs, too, look forward to their finance functions evolving in this way. “We need fewer people who can do routine tasks and more people who can think outside the box and do complex business analysis,” says the CEO of a US industrial and technology products company.

And yet, securing that new type of talent, which is already in high demand across all sectors of industry, will not be straightforward. Many CFOs are struggling to recruit from a limited pool of data scientists and similar roles. Simply put, there may not be enough people to go around.

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High-tech CFOs are addressing the talent issue through simplification of finance functions and greater investments in their organizations.

Robotic process automation (RPA), artificial intelligence (AI), cloud and blockchain will allow the existing finance workforce to ‘free up’ from repetitive, manual tasks to take on higher-value work. Traditional finance functions such as reconciliations, audit, and processing of customer and supplier receipts and payments can be simplified and automated, enabling the CFO to embark on this new journey.

In fact, high-tech companies are at the forefront of implementing automation. Almost three-quarters of CFOs in the sector have adopted RPA while nearly as many say their machine learning capabilities are now approaching maturity. Nevertheless, there is more work to do. High-tech CFOs say they have so far automated less than a third of traditional finance tasks, slightly fewer than their peers in other sectors.
Our research suggests that high-tech businesses have made more progress than their counterparts in other sectors when reorienting key aspects of the finance role.

“The challenge is to build on this momentum,” notes Eric Noren, Managing Director, Accenture. “CFOs see themselves at the forefront of digital transformation focusing on the critical business outcomes and shaping strategic partner relationships, joint venture and key deals. Their peers welcome this shift. The pressure to succeed is intense, and CFOs in the sector still have many challenges to overcome.”
In this environment, we believe there are three priorities for high-tech CFOs to consider:

1. **Be an innovator and disruptor**—as high-tech CFOs take on new responsibilities around digital transformation there is the potential, at worst, for tension with the CIO, CTO and other “pure tech” leaders. It is incumbent upon CFOs to harness data to unleash analytics that demonstrate the unique new value that they identify and create with enterprise-wide transformation.

2. **Consider radical moves in the battle for new talent**—recruiting data scientists and other new skills is not going to become easier. It may be worth thinking of more innovative approaches. High-tech CFOs are more likely to be thinking about creating enterprise-wide resource pools, for example. Many are also engaging accelerators, incubators and other collaborations within the broader tech ecosystem to secure new capabilities.

3. **Reassure employees about the transformative value of automation**—over half of high-tech sector CFOs say automation is held back because the existing workforce is resistant to change. Allaying fears about automation and highlighting the benefits to employees in terms of job enrichment, new skill development and deeper business expertise will be a key imperative in the years ahead.
About Accenture

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