

The Accenture logo, featuring the word "accenture" in a white, lowercase, sans-serif font with a small white chevron symbol above the letter "t".

accenture

A close-up, profile view of a woman's face, looking upwards and to the right. She has dark, curly hair and is wearing red lipstick. The background is dark, and the lighting highlights her features.

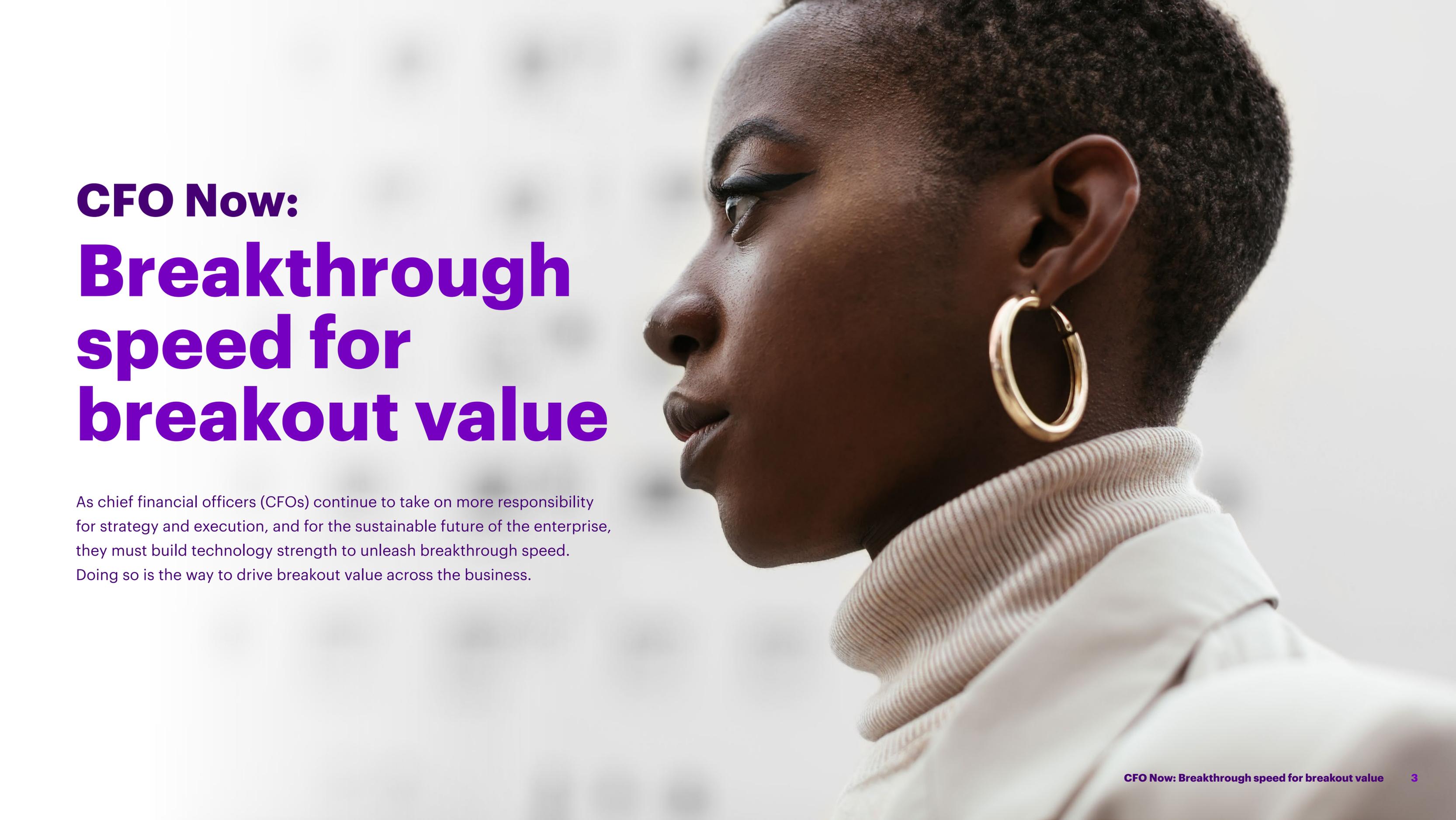
CFO Now:

Breakthrough speed for breakout value



Table of Contents

- 4** Introduction:
CFOs and the need for speed
- 7** **The technology advantage**
- 9** **Economic guardians**
Fulfilling the finance function's new responsibilities
- 15** **Architects of business value**
Collaborating across the enterprise
- 19** **Catalysts of digital strategy**
Ensuring return on tech investments
- 24** Conclusion:
Accelerating under control
- 27** **About the research**



CFO Now: Breakthrough speed for breakout value

As chief financial officers (CFOs) continue to take on more responsibility for strategy and execution, and for the sustainable future of the enterprise, they must build technology strength to unleash breakthrough speed. Doing so is the way to drive breakout value across the business.

Introduction

Einstein showed us the power of the speed of light. The COVID-19 vaccines were developed at record speed. The U.S.S. Enterprise™ in Star Trek® traveled at warp speed. In almost any dimension of human life (or even human imagination), speed is the ultimate difference maker.

In much the same way, this moment in which CFOs find themselves calls for speed. Speed that is faster than changing consumer expectations. Speed that is faster than industry disintermediation. Speed that is faster than the velocity of data being generated across the enterprise. Speed that is faster than the pace of business and does not wait for the next budget cycle. We call this breakthrough speed.

CFOs have always been indispensable to CEOs but now they are rapidly becoming strategic partners across the C-suite. Moreover, the pandemic has ratcheted up the pressure they feel to expand their role: 79% of the CFOs participating in our latest global research study said that the effects of COVID-19 have compelled them to ramp up their transformation.

speed matters



Introduction

Against this backdrop, CFOs not only must retain and expand their responsibilities as **economic guardians**, bringing predictive insights to bear on the finance function. They also should, by virtue of their unique finance-based vantage point, accelerate their journeys to become the primary **architects of enterprise-wide business value**, and the **catalysts of digital strategies** that create competitive advantage. Meanwhile, their colleagues across the enterprise are looking to the CFO to ensure that the company appropriately mitigates risk by addressing security and environmental, social and governance (ESG) challenges.

The promising news is that our research has identified a small number of CFOs who fully embody their new roles and operate effectively at breakthrough speed, effecting positive changes to top-line growth and bottom-line profitability as a result. These executives' organizations have far exceeded revenue growth expectations over the past year. And their experiences hold transferrable lessons—and great promise—for others. Our statistical modeling indicates that if other CFOs emulate their behaviors, tailoring their approach to suit their own organizations, their rewards could be dramatic as well.

S&P 500 companies in a broad range of industries could almost double their EBITDA compound annual growth rate (CAGR) from 3.8% to 6.9% over the next three years and increase their revenue CAGR from 2.7% to 3.0%. The takeaway: breakthrough speed can indeed create breakout value.

“Ten years ago, the pace of change was just starting to accelerate. Since I started this job, I’ve seen the issue of things doubling and tripling—speed to market, the speed customers expect you to do things digitally—all of that has changed dramatically. The CFO role has had to change along with it.”

Leeny Oberg, Executive Vice President and Chief Financial Officer, Marriott International Inc.

CFOs tell us that both the scale and pace of decision-making are vastly different than they were for their predecessors.

The previous generation of CFOs in large companies made \$100M decisions on a monthly or even quarterly basis; today's CFOs make \$1B decisions weekly—and in some cases, daily.



The technology advantage

The overarching differentiator for this group of high performers who are driving breakout value is the advantage they hold over their peers on the technology front.

At first glance the big picture looks good across the board. For example, our survey found that in the past two years, CFOs have overwhelmingly aggressively implemented digital technologies throughout the finance function. In fact, 60% of traditional finance tasks are now automated, up from 34% in 2018, facilitating tactical benefits around cost efficiencies and improved accuracy of historical reporting. These activities have given CFOs far more than a basic introduction into data-driven transformation. That's critical experience, as almost three-quarters (72%) of CFOs told us they now have the final say on the appropriate technology direction of the enterprise.

Additionally, some organizations are deploying intelligent finance operations powered by data, applied intelligence and digital technologies. This not only can provide a continuously updated view of the entire business, but also create value in the face of disruptions such as interest volatility, recessions and talent gaps.¹

“So, you’ve got to not just get the numbers right. But also participate in how the company is going to evolve strategically.”

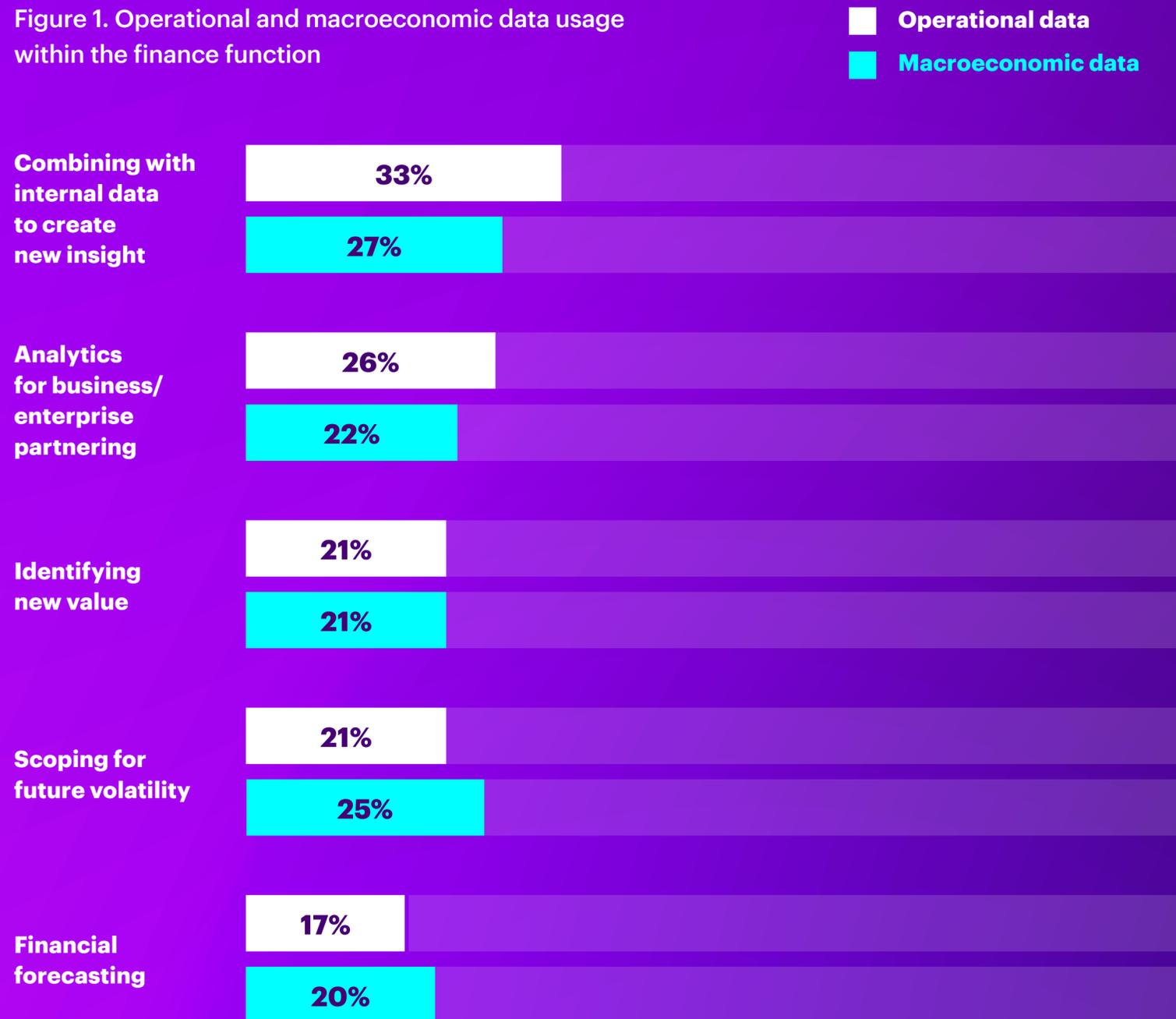
Brian Kane, Chief Financial Officer, Humana

The technology advantage

As CEOs are setting the course for breakthrough speed by accelerating and broadening their digital transformations in a more compressed time frame, they are turning to finance for guidance. However, many CFOs are not ready to embrace this role. They have not effectively used digital transformation to gain better data-driven insights and higher fidelity of predictive forecasting. Speed without direction won't position a company for long-term success, yet just 21% of CFOs use operational data to identify new value. And just one-fifth of CFOs (20%) include macroeconomic data in their forecasts (see Figure 1).

We see the use of this additional data as a key way to fulfill the evolving requirements of their core role as **economic guardians** and their newer responsibilities as **architects of business value** and **catalysts of digital strategy**.

Figure 1. Operational and macroeconomic data usage within the finance function



Economic guardians

As technology is reshaping the finance function, many CFOs appear to have underestimated the pace of change and the corresponding need to align organizational governance.

In 2018, CFOs shared that 34% of traditional finance tasks were automated and predicted that 45% would be automated by 2021. When we recently asked CFOs what proportion of tasks are currently automated, the answer was 60% (see Figure 2).

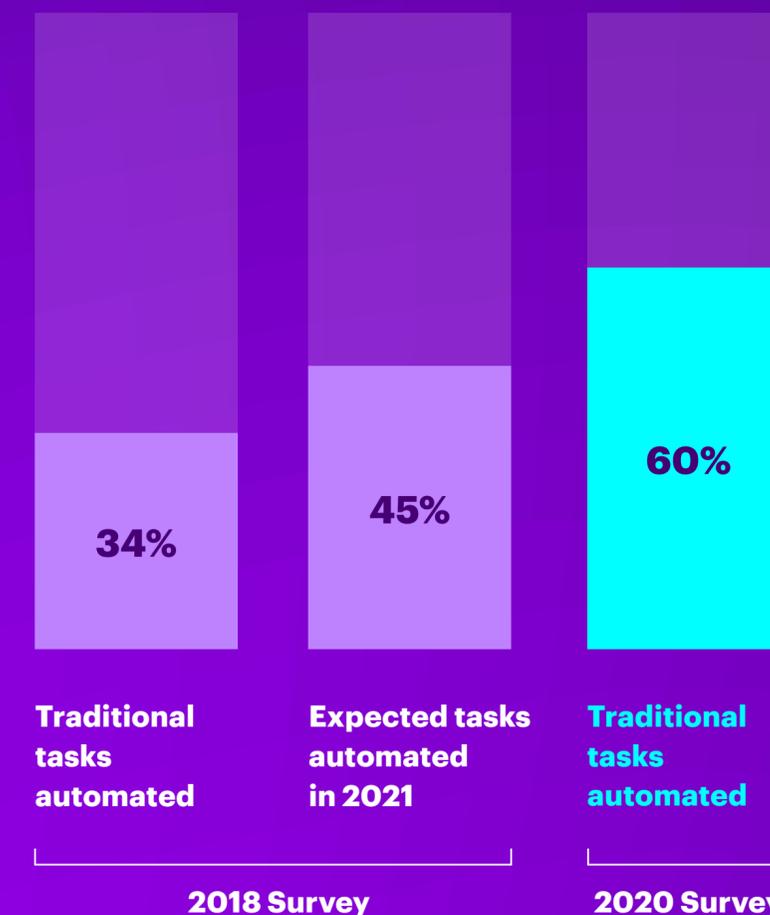
Yet despite these investments, the focus is still on improving the accuracy of historical reporting and delivering tactical cost efficiencies within the function. Whether the function has deployed basic automation, more advanced artificial intelligence (AI) or cutting-edge use of blockchain, it is still by and large using technology to solve yesterday's problems.

It's a focus that misses out on the truly transformational benefits of technology. To gain those benefits, the function needs to adopt a predictive focus. This will unlock the breakthrough speed that is needed to stay ahead of market and business dynamics.

Predictive as the new norm

By collaborating across the C-suite to provide new depths of predictive insights and identify new sources of value across customers, channels and products, CFOs can unlock the full benefits of digital transformation. For example, less than half (43%) of CFOs surveyed have used advanced financial modeling in the past two years to identify future risks and opportunities. How can CFOs be economic guardians if they don't have a point of view on what tomorrow will bring? The most advanced CFOs are using internal and external data and proprietary algorithmic models to better understand the leading indicators of demand (e.g., using variations in consumer search trends coupled with internal data on order books to more accurately forecast potential demand for out periods)—well ahead of when these indicators show up in the company's P&L.

Figure 2. Proportion of traditional finance tasks performed by technology (robotic process automation, AI, machine learning)



We need to be our own self-disruptors.

“Circumstances are forcing us as finance professionals to embrace the need to keep learning, to understand that what was useful yesterday may not be useful tomorrow. We need to be our own self-disruptors.”

**Jorge Gomez, Executive Vice President and Chief Financial Officer,
Dentsply Sirona**

Digital and cloud at the core

Cloud architectures can help deliver breakthrough speed. By providing massive computing power in a simple, flexible and affordable environment, the cloud allows businesses to process huge amounts of data—from sources scattered across the enterprise—at speeds and volumes that were once unattainable, turning scenario modeling and forecasting from days to minutes. Think about the number of weeks and days spent in a typical finance department to aggregate data inputs, tune basic assumptions and ultimately turn the crank for a single reforecast cycle. Cloud architectures offer a whole new world of possibilities to the CFOs, allowing for much faster decision-making.

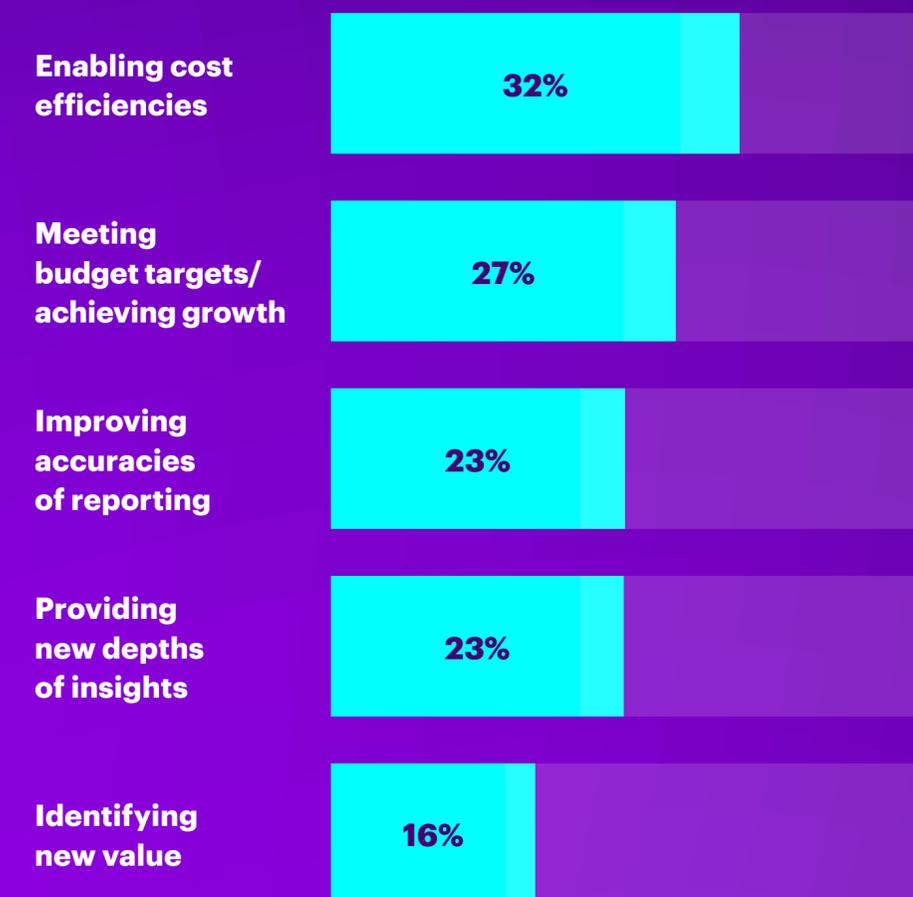
Yet according to our research, only 23% of CFOs are using the cloud to provide new insights and only 16% say they are using the cloud to identify new value sources (see Figure 3). This is clearly a missed opportunity. In a far better scenario, the CFO and the finance function would act as “sensors at the edge” of the enterprise.

Gathering data through existing business unit financial planning and analysis (FP&A) sources, they would leverage the cloud to corral diverse data streams and run AI-based models to make sense of what they collect, in real time. (Their choice would be whether to use public, private or hybrid cloud technologies depending on the privacy and security requirements.)

Sharing information across the organization through the cloud would also help CFOs mitigate risk.

More than three-quarters (76%) of respondents said that the COVID-19 crisis highlighted the valuable role that finance teams based in other regions and business units play in feeding early operational and financial warning insights to the CFO working in concert with the chief risk officer (CRO).

Figure 3. Current usage of the cloud in the finance organization



Aligning and nurturing talent

To support these expanded responsibilities, CFOs also need to align and help the people who work in their function. However, our Accenture CXO pulse survey revealed that 75% of CFOs believe their company is on a course to redesign how people work and reinvent their culture to support new behaviors and mindsets.² CFOs need to be sure that finance professionals are not left out of this talent revolution.

We see recognition of this reality in the way CFOs are prioritizing the skills they need in the finance function. Traditional finance and accounting skills are still important, but along with general management skills are among the lowest priorities. The top skills being actively introduced into finance are data exploration and analysis (41%), followed by scenario planning and horizon scanning (38%), innovation (37%) and storytelling (34%).

“The finance function in today’s environment, particularly the finance resources that support our geographies and product service lines, are facing some of the most complex problems ever experienced in the industry. Therefore, it’s critical to provide talent and support who have well-rounded finance perspective, can embrace today’s challenges and earn that trusted business advisor status.”

Lance Loeffler, Executive Vice President and Chief Financial Officer, Halliburton



Three actions help CFOs drive value as leaders of the finance function and economic guardians of the enterprise:

Break down data silos once and for all

Start governing data across the enterprise; capture and blend financial, operational and market data to enable advanced analytics that can reveal ways to increase productivity and uncover new value.

Use advanced technology not only to process financial data but to unlock predictive forecasting

Leverage machine learning on data sets to capture real-time sentiment analysis (among other analyses); apply advanced analytics that draw on AI and predictive modeling. Take advantage of the cloud for efficiency, affordability and growth.

Empower finance professionals to build new skills and take on broader responsibilities

Fill talent needs through a balance of internal and external talent. Create opportunities for finance professionals to take on enhanced roles, ensuring that they learn the skills that will help them create competitive business value.

Architects of business value

As CFOs increasingly become the second-in-command on strategic issues, influencing and even directing business value creation across the enterprise, they need insights that clearly illuminate cause-and-effect implications on top- and bottom-line results.

Architects of business value Collaborating across the enterprise

To ensure that CFOs get this information, they need to further develop the collaborative relationships they are already establishing with their C-suite colleagues, which becomes one of the key prerequisites to unleash breakthrough speed. Now that is not sufficient, and CFOs need to become more purposeful and personally involved to drive breakout value for the enterprise. The good news is that our study found that 86% of CFOs have increased the frequency and scope of collaboration across the C-suite. This is critical behavior, as a separate survey conducted prior to the COVID-19 pandemic revealed that 75% of senior executives said that different business functions (e.g., R&D, engineering, production, marketing, operations and sales) competed rather than collaborated on digitization efforts, reducing the value from their transformation programs.³



“More than any other function in the business, finance sees every piece along the value chain of how things are created. But I think one of the most important things is that everybody’s connected. As CFO, it’s my job to form personal connections throughout my function and the business: it’s like being at the center of the spider web.”

Natalie Knight, Chief Financial Officer and member of the Management Board, Ahold Delhaize

The power of purposeful collaboration

Specifically, CFOs need to leverage their vantage point to help the organization overcome barriers to strategic change. If their company has a CRO, they need to work hand in hand with that executive to understand enterprise risk and prioritize steps to ensure operational resilience (see Figure 4).

Our research found that leading CFOs have also established a formal cadence and management rhythm that brings cross-functional stakeholders together to understand where customer value is being (or can be) created. Leading CFOs are again tapping into the power of technology to support these efforts. For example, they are turning to cloud-based process-mining solutions, enterprise resource planning (ERP) and other source systems. In this way, using AI-based models with real-time data, they can visualize end-to-end value chains and business processes, uncovering the friction and root causes that can result in errors, deviations and value leakage.

The good news here is that most CFOs are moving in the right direction on this front. Our survey found that 88% of CFOs have introduced new metrics to better leverage finance's collaboration with and influence on the enterprise. Some companies are targeting partnership across the business to understand product profitability more holistically and make decisions to rationalize certain products, channels and markets. Others are combining employee, customer, financial and operational data to create win-win changes that improve employee and customer experience by simplifying interactions.

“As CFO you have to be the architect of change. And I don't mean having a better PowerPoint presentation. It's about designing what needs to change. And as a finance function, playing a key role in that change, using end-to-end process thinking.”

Renier Vree, Chief Financial Officer, Nouryon

Figure 4. Most effective levers to overcome barriers to strategic change

- 1** **Visibility of the whole enterprise**
- 2** **Analytics and access to data across the enterprise**
- 3** **Understanding of enterprise risk**
- 4** **Strong working relationships with entire C-suite**
- 5** **Financial authority (assessing the economic basis of investment decisions)**

Three actions that can help CFOs leverage insights from across the business to improve top-line and bottom-line results:

Collaborate more purposefully with colleagues across the C-suite

One CFO told us that the finance function needs to be the “keeper of one truth” for the business at large. This means using cross-enterprise insights to bridge gaps with senior stakeholders and inform strategic decision-making. In addition, CFOs should put in place management rhythms that create cross-functional dialogue on strategic priorities, investments, initiatives and decision-making.

Lead by providing more insightful and sophisticated perspectives and knowledge

Seek to understand the most critical issues for each senior business partner and tailor insights in order to build relevance and influence decisions. Use AI and machine learning to unlock deeper insights and improve specificity over time.

Take personal ownership for harmonizing technology and data platforms

Going beyond routine collaboration, work closely with the CIO/CTO to improve end-to-end capabilities, drive cross-pollination of ideas and deliver outcomes for all stakeholders.

Catalysts of digital strategy

As the catalyst of digital strategy, CFOs must imagine new ways to achieve value in a digital world.

Catalysts of digital strategy Ensuring return on tech investment

To drive breakthrough speed, CFOs need to champion digital transformation across the enterprise.

Building on the CFO's heritage as a first mover—in everything from shared services to ERP to business intelligence applications to the cloud—CFOs are well positioned to steer the direction for the future.

Their role is critical for ensuring the return on investments into new digital business models and helping align the organization on new regulatory requirements and market demands. Our research identified three main areas of focus: business models, security and ESG.

Business models

Our research found that four in ten CFOs have been driving new business models (41%) and revising strategy holistically (40%). This is a promising start; however, our CXO pulse survey⁴ revealed that 72% of CFOs believe their company will need to completely rethink processes and operating models to be more resilient in the face of impending disruption.

By providing expertise and timely, forward-looking insights, CFOs will exponentially improve their businesses' abilities to define new markets and customers, products and services, and channels to market.



Catalysts of digital strategy Ensuring return on tech investment

“When I think about the profile of the CFO and the finance function, I think things like leadership are going to be much more important, along with stakeholder management, influencing skills, the ability to provide an effective business challenge and driving change.”

Michael McMurray, Executive Vice President and Chief Financial Officer, LyondellBasell

**Provide a business challenge
and drive change.**

Security

Per our study, the most cited barrier preventing CFOs from realizing their full potential as a driver of strategic change was concern about data and privacy breaches. Yet only 28% of finance professionals are engaged in managing risk through data security to a meaningful degree.

While people are often the weakest link, a cloud-based strategy helps mitigate these risks and, in some cases, improve regulatory compliance. The hyper-scaler public/hybrid cloud providers have better physical and digital security as they invest in this core part of their business beyond what most other companies would be able to. In addition, cloud-based software-as-a-service (SaaS) applications benefit from more frequent security patching of the applications.

And lastly, in an environment where there will be increasing levels of remote work/work from home, companies will be required to have solutions with end-to-end security in place, and cloud unlocks any personal device to connect to a remote desktop in the cloud that has access to all applications and data needed.

In many companies, CROs and CTOs now report to the CFO; the CFO is clearly well positioned to lead these efforts.

Environmental, social and corporate governance (ESG)

One striking finding from the research was the extent to which CFOs are seen as responsible for their company's ESG. In fact, 68% of respondents say that finance takes ultimate responsibility for ESG performance within their enterprise.

Here again, cloud technologies will provide a needed boost. For example, leveraging a public cloud infrastructure typically lowers a company's carbon footprint. In fact, cloud infrastructure can be 3-4 times more energy efficient than corporate data centers, driven by more energy-efficient hardware and its higher utilization. And the sources of energy differ as well: Almost all cloud hyper-scalers have secured renewable energy sources for their infrastructure.³

Three actions will help CFOs unlock greater value from digital investments:

Bring the full power of the finance capability to strategic initiatives outside the function

Promote finance as an end-to-end advisor on strategic and digital initiatives across the enterprise. As one CFO explained, “The finance function’s role is not just to come ask for money once someone’s found something.” Instead, CFOs are becoming “hands-on” team members in digital transformation efforts.

Take responsibility to create societal value through ESG performance of the enterprise

CFOs play a critical role in addressing some of the most pressing societal and environmental challenges of our time. They can do that through more consistent ESG disclosures; for example, CFOs are embracing their role as growth catalyst by disclosing and “optimizing” stakeholder outcomes in these areas. Leading by example, CFOs can ensure that ESG performance metrics are embedded in FP&A, leveraging digital tech to activate ESG priorities at speed.

Seek support to develop broad resilience

In advancing existing business models or creating new ones, companies are increasingly operating in ecosystems that share data and apply algorithms using multi-party systems with shared data infrastructure. Doing so in a way that unlocks efficiency, embeds security and accelerates growth means thinking about competitive advantages versus shared assets.

Conclusion

“The pace of change is so dramatic that no matter what business you’re in, you need to favor action over study.”

Ward Dickson, Chief Financial Officer
and Executive Vice President, WestRock

**You need to favor
action over study.**

Accelerating under control

Accelerating the pace of change can unlock an opportunity for CFOs to generate significant and sustainable value for their companies. However, the need for speed requires thoughtful orchestration. The role of the CFO must evolve to manage and balance the responsibilities of being an economic guardian, an architect of business value and a catalyst of digital strategy.

Forward-looking CFOs have nonetheless already seized the opportunity to push the boundaries of their remit and make a durable difference across the enterprise. They are enabling accessibility of predictive insights for the enterprise while continuing to provide the unquestionable integrity of financial statements and preserving rock-solid liquidity. They are harnessing digital and transforming their talent to work more thoughtfully and effectively. They are fostering collaboration across the enterprise and creating new ways to operate across the C-suite to deliver seamless

experiences that respond to client expectations. They are realizing the potential of new business models and taking ownership of key security-related risks and ESG activities to create value for the company, for their business ecosystems and for society.

To effectively navigate these new responsibilities, CFOs must build technology strength that allows them to do much more, much faster. Harnessing these capabilities will enable today's CFOs to operate with breakthrough speed, driving top-line growth and bottom-line profitability and ultimately unleashing breakout value for their businesses.

The sooner a CFO can master these capabilities, the faster they can shift focus to driving their business model evolution and creating new sources of value. And this shift is how CFOs outmaneuver tomorrow's uncertainty today.

About the Authors



Dr. Christian Campagna

Senior Managing Director – Accenture Strategy & Consulting, Global Lead – CFO & Enterprise Value

As data and AI continue to reshape the finance function, the CFO's role is shifting from accounting and cost efficiencies to ensuring effectiveness and decision support for the business. Christian Campagna guides the strategy and thought leadership of the practice, helping clients transform their finance function, exploit data, innovate and create new value across the wider organization. With three decades of experience driving the CFO agenda, Christian has developed advanced strategies and led large-scale transformation for finance and other functions for leading organizations across industries. He is recognized for his incisive analysis of opportunities to improve efficiency and effectiveness by leveraging data, analytics and technology and his ability to strategize and re-engineer business models and processes.



Aneel Delawalla

Managing Director – Accenture Strategy & Consulting, CFO & Enterprise Value

Aneel Delawalla leads Accenture's Enterprise Value Targeting group, which uses proprietary functional/industry benchmarks and digital value methodologies to find and size new sources of value. In that capacity, Aneel works with management teams and the boards of directors of publicly traded and privately held companies to create enterprise value at the intersection of growth strategies, operating model transformation, and the employee experience. Aneel also co-chairs the Accenture CFO of the Future Summit in partnership with Harvard University.



Annie Peabody

Managing Director – Accenture Strategy & Consulting, CFO & Enterprise Value

Annie Peabody leads the High Tech industry group in the US-Northeast Market Unit and is a leader in the CFO & Enterprise Value practice. In that capacity, Annie works closely with chief financial officers to deliver complex enterprise transformation programs. Specifically, she focuses on finance operating model strategy as well as cost reduction. Annie helps companies to address these areas amidst broader CFO initiatives, such as technology implementations or mergers, acquisitions and divestitures.

Acknowledgements

The authors would like to thank the following Accenture professionals:

CFO & Enterprise Value Research Lead:
Haralds Robeznieks

Project Team:

Jennifer Kohl (Project Lead), Sara Cima, Svenja Falk, Benjamin Getty, Regina Maruca and Tourang Nazari.

We would like to thank the following Accenture leaders for their significant contribution:

Paul Boulanger, Richard Clark, Steve Culp, David Davidson, Greg Giesler, Cherene Powell, Paul Prendergast, Raghvendra Singh, Athena Reilly and Manoj Shroff.

We would like to thank the chief financial officers from around the world who participated in the interviews, for their valuable insights.

About the Research

Accenture has been tracking the changing roles and responsibilities of CFOs for the better part of two decades. In its seventh iteration, our research is based on online surveys with more than 1,300 senior finance leaders from around the globe, carried out between April and June 2020. It also draws on a smaller survey of 177 respondents between February and March 2020.

We also conducted more than 40 qualitative interviews with CFOs. We selected interviewees on the basis that they worked for global, billion-dollar enterprises that reflected worldwide sectors and geographies.

Accenture also modeled the applications of differentiated speed—predictive, data-driven decision-making via deployment of digital technologies and zero-basing of workloads on 245 S&P 500 companies, across 10 industries, to quantify the impact on revenue and EBITDA from 2020 to 2022.

References

¹ **“Intelligent Finance Operations: The CFO’s most powerful asset,”** Accenture, December 16, 2020.

² Accenture, “CxO Pulse Survey,” June/July 2020.

³ **“Together Makes Better: How to out-collaborate the crisis,”** Accenture, June 2020

⁴ Accenture, “CxO Pulse Survey,” June/July 2020.

⁵ **“Amazon, Google, Microsoft: Here’s Who Has the Greenest Cloud,”** Wired, December 19, 2019.

About Accenture

Accenture is a leading global professional services company, providing a broad range of services in strategy and consulting, interactive, technology and operations, with digital capabilities across all of these services. We combine unmatched experience and specialized capabilities across more than 40 industries—powered by the world’s largest network of Advanced Technology and Intelligent Operations centers. With 513,000 people serving clients in more than 120 countries, Accenture brings continuous innovation to help clients improve their performance and create lasting value across their enterprises.

Visit us at www.accenture.com

Disclaimer:

This document refers to marks owned by third parties. All such third-party marks are the property of their respective owners. No sponsorship, endorsement or approval of this content by the owners of such marks is intended, expressed or implied.

This content is provided for general information purposes and is not intended to be used in place of consultation with our professional advisors.

Copyright © 2021 Accenture. All rights reserved. Accenture and its logo are registered trademarks of Accenture.

About Accenture Research

Accenture Research shapes trends and creates data-driven insights about the most pressing issues global organizations face. Combining the power of innovative research techniques with a deep understanding of our clients’ industries, our team of 300 researchers and analysts spans 20 countries and publishes hundreds of reports, articles and points of view every year. Our thought-provoking research—supported by proprietary data and partnerships with leading organizations, such as MIT and Harvard—guides our innovations and allows us to transform theories and fresh ideas into real-world solutions for our clients.

For more information, visit www.accenture.com/research

Stay Connected



CFO & Enterprise Value



Accenture Business Function—Finance Blog