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CFO Now:

Breakthrough speed for breakout value
The new CFO & controller role

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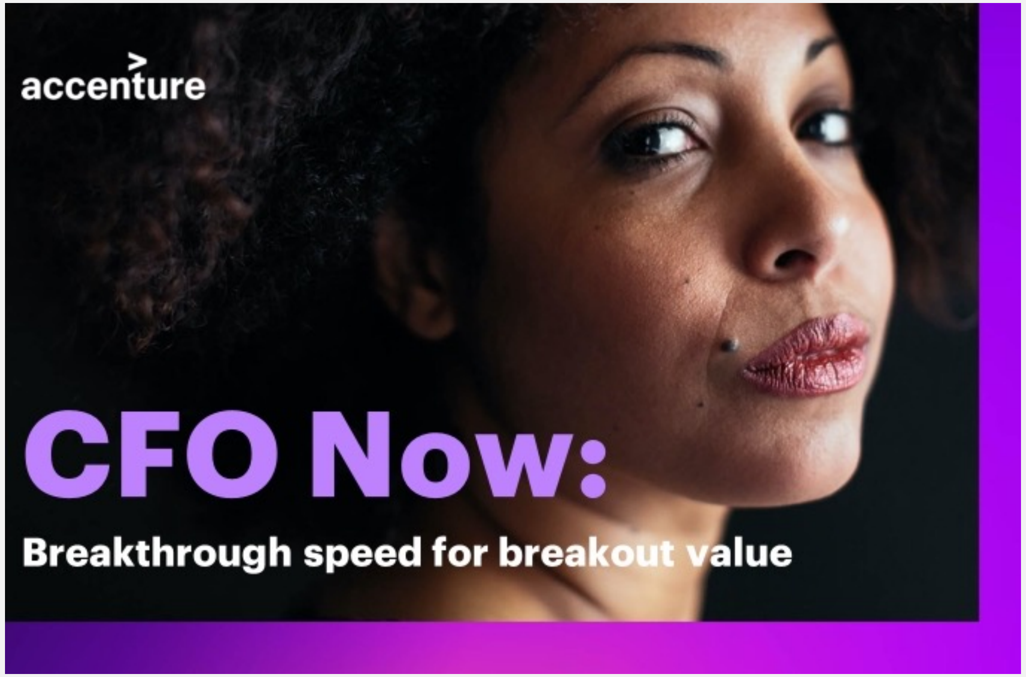
Our 2021 Research: The CFO Moment is Now



Economic guardians

Lead an efficient and effective finance function

Architects of business value

Expand capability and collaboration for enterprise-wide partnering

Catalysts of digital strategy

Create insights for new business models and realize value in a digital world

CFOs who fully embody their new roles and operate effectively at breakthrough speeds can almost **double their EBITDA CAGR from 3.8% to 6.9% over the next three years** and **increase their revenue CAGR from 2.7% to 3.0%**

6.9%
EBITDA CAGR

3.0%
REVENUE CAGR

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Speed is becoming a differentiator for CFOs

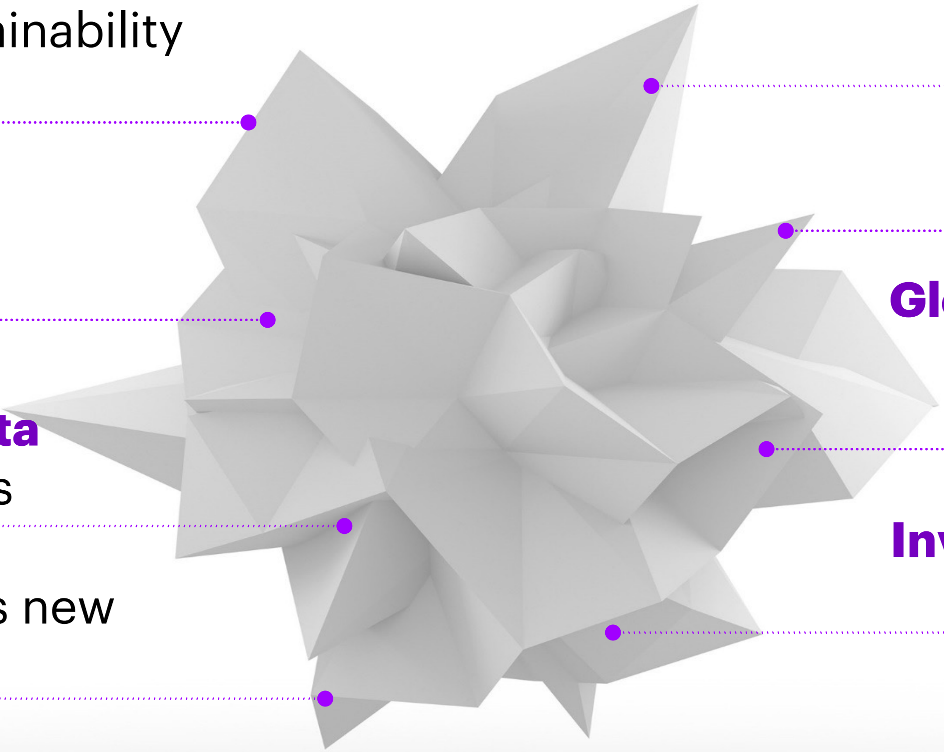
The pandemic has made Finance more critical and visible, dealing with increasingly complex and heightened expectations from the business.

Pace of change keeps accelerating, with new market and Sustainability (ESG) dynamics

Expanded **control and compliance** expectations

Velocity and volume of data requires different strategies

Lack of resilience amplifies new threats



Market valuation and social responsibility considerations

Increased pressure to **manage financial health**

Global Teams across timezones. Workforce connectivity and wellbeing.

Investment in digital is crucial to grow and realize value

It is time for Finance to step up

The role of the Finance leaders and CFOs is evolving. The charge is to create opportunities to pursue and advantages to drive breakout value

Economic Guardian

Lead an **efficient and effective** Finance function

Architect of Business Value

Expand capability and collaboration for "**enterprise-wide partnering"**

Catalyst of Digital Strategy

Create **"insights for new business"** and realize value in a digital world

What we are hearing today from CFOs[1]

71% of CFOs have the final say on appropriate technology direction of the enterprise.

51% of Finance executives are consulted from the beginning in shaping the digital technology agenda.

What we are hearing today from CXOs[2]

78% believe that their company will accelerate digital transformation, including an emphasis on cloud.

74% believe their company will completely rethink processes and operating models to be more resilient.

1 CFO Research 2021; 2 CEO Survey 2020

Economic guardians

CFOs must lead an efficient and effective finance function, focused on predictive insights in a volatile and uncertain world.

23% of CFOs are using the cloud to provide new insights **Many CFOs are using yesterday's tools to solve today's challenges**

60% of tasks are now automated, well ahead of CFO's predictions of 45% by 2021. **CFOs are driving automation faster than expected**

76% of respondents said Finance in other regions/BUs provided value during COVID-19. **CFOs act as "sensors at the edges" across geographies and business units**

44% of CFOs are bringing in talent with explicit collaboration skills; **43%** are coaching/reskilling existing talent in collaboration. **New Finance roles and skills are critical, but CFOs aren't rotating as fast as needed.**

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Act now.

Economic guardians

CFOs that solve for speed take these 3 actions:

Break down data silos once and for all

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

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

"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

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Architects of business value

CFOs take on the vital role of business value architect across the entire enterprise, collaborating with the C-suite to drive strategic change

86% of CFOs increased the frequency and scope of collaboration with C-suite. **CFOs are bringing together new ways of working and different measurements to drive enterprise change**

75% of broader C-Suite executives surveyed believe their departments compete instead of collaborate. **Purposeful collaboration matters as CFO strive to overcome strategic barriers and internal hurdles**

88% of CFOs introduced new metrics to better leverage finance's collaboration with the enterprise. **End to end data visibility helps CFOs uncover new insights and answers and spurs collaboration with peers**

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Architects of business value

The path to architecting value across the enterprise begins with CFOs taking 3 key steps:

Collaborate more purposefully with colleagues across the C-suite

Lead by providing more insightful and sophisticated perspective and knowledge

Take personal ownership for harmonizing technology and data platforms

"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

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Catalysts of digital strategy

CFOs have growing accountability beyond the traditional finance role, focusing on value creation from the organization's digital strategy and transformation.

72%

of CFOs believe their company will need to completely rethink business models and corporate strategies to be more resilient. **CFOs must find new ways to create value and be an integral driver of enterprise strategy and business model change**

28%

of finance professionals manage risk through data security to a meaningful degree. Data and privacy were the most cited barriers that prevented **CFOs from driving change but many CFOs aren't acting fast enough**

68%

of respondents already say that Finance takes ultimate ESG responsibility. **CFOs are increasingly responsible for environmental, social and corporate governance (ESG) needs and need to guide with data and digital**

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Catalysts of digital strategy

Harnessing speed to become a catalyst of digital strategy requires CFOs to take 3 key steps:

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

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

Seek support to develop broad resilience

"Many people in the financial world are trained or programmed to be in the back. And I don't accept that for a second. You're an equal leader and you have a voice. Finance people tend to have a better enterprise view than many because of their access to information and to people. So, speak up: have a voice and have a point of view."

Scott A. Roe, Executive Vice President and Chief Financial Officer, VF Corporation

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Economic guardians

CFOs that solve for speed take these 3 actions:

1. **Break down data silos** once and for all
2. Use **advanced** technology not only to process financial data but to **unlock predictive** forecasting
3. Empower finance professionals to **build new skills** and take on broader responsibilities

Architects of business value

The path to architecting value across the enterprise begins with CFOs taking 3 key steps:

1. **Collaborate** more purposefully with colleagues across the C-suite
2. Lead by providing more **insightful and sophisticated** perspective and knowledge
3. Take personal ownership for **harmonizing technology** and data platforms

Catalysts of digital strategy

Harnessing speed to become a catalyst of digital strategy requires CFOs to take 3 key steps:

1. Bring the full power of the finance capability to strategic initiatives **outside the function**
2. Take responsibility to create **societal value** through ESG performance of the enterprise
3. Seek support to develop broad **resilience**

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future FINANCE – Shifting focus

Finance functions are organising structures at the centre by distinct capabilities to protect value and evaluate plans for future performance both requiring specialised finance skills and experiences

Purpose is to protect value through evaluating past (actuals) performance and reporting for key stakeholders

Actuals
(Protect Value – Focus on Past Performance)

Transact
Supplier payments
Employee payments
Customer receipts
Cash management

Account
Transaction accounting
Asset accounting
Tax accounting

Control
Accounting 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

Planning
(Enhance Value – Focus on Future Performance)

Plan
Strategic planning
Target setting
Financial planning
Forecasting
Tax/treasury planning

Analyze
Portfolio analysis
Performance analysis
Investment analysis

Advise
Business advisor
Strategy execution support
M&A support
Board of Directors engagement

Purpose is to enhance value through evaluating future performance and reporting for key stakeholders

Transactional Finance

Planning & Analytics

Realizing the model requires new ways of working

Bring the new operating model to life by applying agile principles to change the way your organization thinks, works, and collaborates

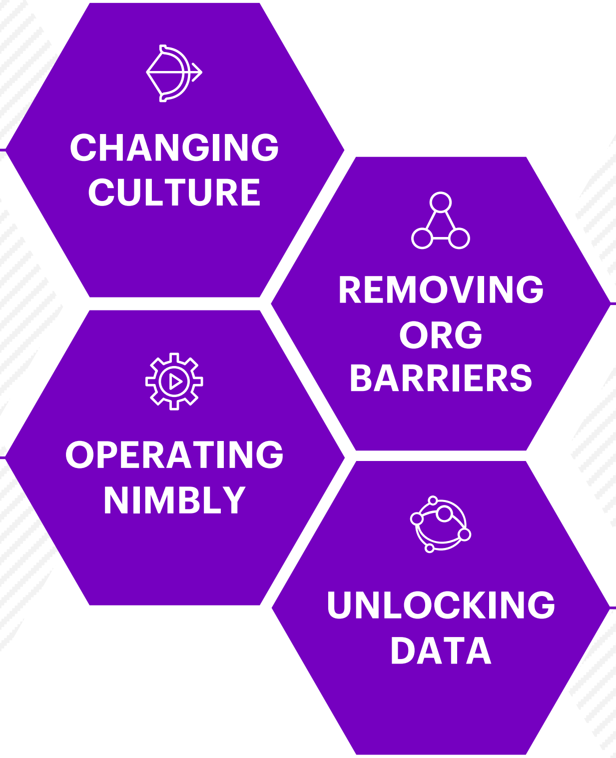
Make your new operating model truly "Intelligent" by…

1. Question the status quo

Establish a culture of curiosity, creativity and entrepreneurship

3. Employ Agile processes*

- Sprints allow teams to course correct quickly or reallocate time to other priorities
- Retrospectives at the end of sprints provide learnings
- Minimum viable products (MVPs) free teams from perfection and increase delivery speed



2. Break down organizational silos

Utilize specialists for critical expertise, but establish a cross-functional team of generalists with broad strategic skills to tackle problems

4. Use the power of data to unlock solutions

Digital capabilities and a focus on analytics are critical to Finance delivering maximum value to the business

*Do not force agile execution onto activities that are repetitive and predictable in nature.
While these are good candidates for intelligent automation, they are not always suited to the principles above

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Changing culture

Employees with a purpose-driven and change-hungry mindset

LIQUID WORKFORCE

What does it mean?
Talent marketplace finds resources effortlessly across the ecosystem

What can it do for you Finance organization?
Speed of integration/divestiture, improve employee satisfaction, speed of innovation

Intelligent Operating Model Principles

Liquid

Human

ENTREPRNEURIAL CULTURE

What does it mean?
Purpose-driven and entrepreneurial mindset

What can it do for you Finance organization?
Improve employee experience, increase retention

EXAMPLE

Challenge

CFO is tasked with understanding and mitigating declining profitability across multiple product lines and customer segments.

Action: **Finance sources and develops talent that is excited to directly influence the company's trajectory and that is eager to participate in strategic sprint teams.**

- Building brand to attract best talent
- Sourcing talent with ambition for change
- Culture change program
- Reskilling/ upskilling staff

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Removing organizational barriers

Multidisciplinary teams to solve problems and deployed based on enterprise need

CHANGING CULTURE
REMOVING ORG BARRIERS
OPERATING NIMBLY
UNLOCKING DATA

MULTIDISCIPLINARY TEAMS

What does it mean?
Multidisciplinary teams, empowered to solve problems and deployed based on enterprise need

What can it do for you Finance organization?
Decrease organizational complexity

Intelligent Operating Model Principles

Modular
Living

ADAPTIVE ROLES

What does it mean?
Fewer fixed, dedicated roles

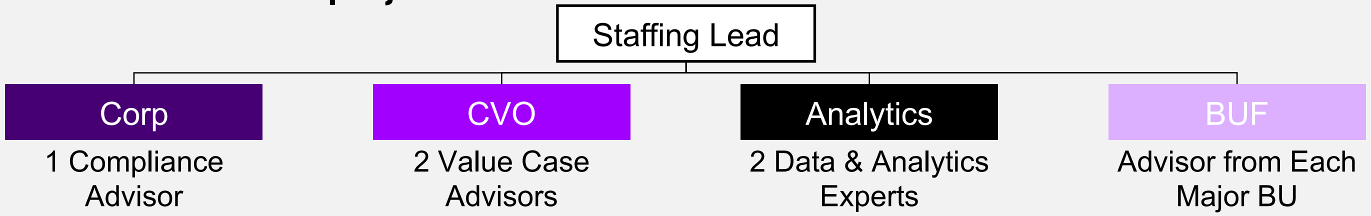
What can it do for you Finance organization?
Improve employee experience, increase retention

EXAMPLE

Challenge

CFO is tasked with understanding and mitigating declining profitability across multiple product lines and customer segments.

Action: **Staffing lead organizes the right multidisciplinary team across talent pools to execute the project**



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Operating nimbly

Processes are standardized, but not rigid

MODULAR PROCESSES

What does it mean?
Standardized processes, but not rigid

What can it do for you Finance organization?
Speed to integrate or divest new businesses, increase customer satisfaction

Intelligent Operating Model Principles

Modular
Enhanced

DIGITIZED PROCESSES

What does it mean?
Purpose-driven and entrepreneurial mindset

What can it do for you Finance organization?
Increase speed of processes, speed of regulatory response, reporting accuracy

EXAMPLE

Challenge

CFO is tasked with understanding and mitigating declining profitability across multiple product lines and customer segments.

Action: **The team leverages sprints, agile meeting cadence and MVP principles to deliver within the six-week project timeline successfully**

Sprint 1: Develop Scenarios | **Sprint 2: Refine and Redevelop** | **Sprint 3: Select and Recommend**

Daily Stand-up Meetings
Retrospective
Retrospective

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Unlocking data

Single source of truth and data access for all

ENTERPRISE DATA

What does it mean?
Real-time, democratized data with expanded, faster access

What can it do for you Finance organization?
Decrease time to gather and reconcile data, increase speed to insights, decision-making, and action

Intelligent Operating Model Principles

Enhanced

Living

CUTTING-EDGE ANALYTICS

What does it mean?
Increase experimentation with emerging capabilities

What can it do for you Finance organization?
Improve computing power and innovation

EXAMPLE

Challenge

CFO is tasked with understanding and mitigating declining profitability across multiple product lines and customer segments.

Action: **The CVO sprint team leverages a data-driven, hypothesis-led analytical models to challenge and refine scenarios**

- Big data modeling platforms
- AI/Machine Learning algorithms
- Advanced statistical methodologies (e.g., Monte Carlo)
- Data visualization

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