



# Thriving in the Digital Economy: The Innovative Finance Function

9 TRENDS SHAPING THE FUTURE OF THE FINANCE PROFESSION,  
AND 5 ACTIONS FINANCE PROFESSIONALS CAN TAKE TO BE READY

Prepared by CFO Research in collaboration with SAP

**CFO**  
research

**SAP**  
®

# Thriving in the Digital Economy: The Innovative Finance Function

9 TRENDS SHAPING THE FUTURE OF THE FINANCE PROFESSION,  
AND 5 ACTIONS FINANCE PROFESSIONALS CAN TAKE TO BE READY

Prepared by CFO Research in collaboration with SAP



Sponsored by



# Contents

- About This Report ..... 1
- Overview ..... 2
- Nine Changes Shaping the Finance Professional’s Career ..... 3
  - I. The Shift in Finance’s Mandate..... 4
  - II. Sources of Finance’s Success ..... 8
  - III. Finance’s Response: Taking Advantage of Digitalization and Automation ..... 11
- Five Key Actions for Moving the Finance Profession Ahead ..... 14
- Sponsor’s Perspective ..... 18

# About this report

In the summer of 2015, CFO Research conducted a global survey of senior finance executives at large companies, seeking to better understand how finance professionals viewed the future of their profession—and how digitalization and advanced analytical capabilities supported that view. This report is based on 1,544 survey responses from finance professionals working at large companies around the world, and 20 in-depth interviews with senior and mid-level finance executives. The companies represented in the survey are categorized as follows:

## TITLE

Chief financial officer (CFO) or equivalent	18%
Accounting staff	16%
Controller	9%
Chief executive officer (CEO), president, or equivalent	8%
Chief administrative officer or equivalent	8%
Director of finance	7%
Senior finance manager or finance manager	6%
Financial analyst	6%
Director or manager of financial planning and analysis	5%
Chief accounting officer or equivalent	4%
Head of corporate reporting, compliance, or investor relations	4%
Executive vice president (EVP) or senior vice president (SVP) of finance	3%
Vice president (VP) of finance	3%
Treasurer	3%
Other finance position	<1%

## REVENUE

US\$10 million - US\$100 million	30%
US\$100 million - US\$500 million	20%
US\$500 million - US\$1 billion	17%
US\$1 billion - US\$5 billion	14%
US\$5 billion - US\$10 billion	7%
US\$10 billion - US\$20 billion	5%
US\$20 billion or more	7%

## INDUSTRY

Financial services/Real estate/Insurance	14%
Auto/Industrial/Manufacturing	10%
Business/Professional services	10%
Construction	8%
Wholesale/Retail trade	8%
Software/Internet/Networking	6%
Energy/Utilities/Natural resources	5%

Health care	5%
Transportation/Warehousing	5%
Education	4%
Food/Beverages/Consumer packaged goods	4%
Chemicals	3%
Hardware/Electronics	3%
Public sector/Government (other than education)	3%
Telecommunications	3%
Aerospace/Defense	2%
Media/Entertainment	2%
Nonprofit	2%
Pharmaceuticals/Biotechnology/Life sciences	1%
Travel/Leisure	1%
Other	<1%

## COUNTRY

Argentina	2%
Austria	2%
Australia	3%
Belgium	4%
Brazil	4%
Canada	3%
China (other than Hong Kong)	3%
Denmark	2%
France	4%
Germany	4%
Hong Kong (People's Republic of China)	3%
India	3%
Italy	2%
Japan	3%
Mexico	5%
Netherlands	3%
Norway	2%
Portugal	2%
Russia	3%
Spain	3%
Singapore	3%
Sweden	2%
Switzerland	2%
United Kingdom (England, Scotland, Wales, and Northern Ireland)	3%
United States	28%

## REGION

Europe	39%
Latin America (including Mexico, Central America, and South America)	11%
Asia/Pacific (including India and Australia)	19%
United States or Canada	32%

Percentages may not total 100% due to rounding.

# Overview

The future looks bright for a career in finance. That's what the finance professionals of today are telling us about their vision for the profession, but they also say that further developing their effective use of technology will underlie their success to a great degree.

This was the primary theme to emerge from a recent study conducted by CFO Research and sponsored by SAP. In September of 2015, CFO Research conducted a global survey of finance professionals, including both the leaders of and contributors to finance teams in large and mid-sized organizations around the world. Through the 1,544 responses we received, we sought to gain a better understanding of the outlook for the finance function, and of what finance professionals from all levels saw as the source of their future success.

Tomorrow's finance teams will look different from today's, and now is the time to start making that transition. Those entering the finance profession today can look forward to a career that is more deeply engaged with, and contributes more value to, the business they support. Those who are already well into their careers are finding new challenges in making the transition, but they are excited to face those challenges and turn them into new opportunities for their own growth.

Underlying the evolving mandate for finance, as well as the higher expectations that other management has for their finance colleagues, are changes taking place in the global business environment. Information of all types, structured and unstructured, is being generated from more sources than could be imagined only a short while ago, and a company's success will depend increasingly on its ability to capture that data, analyze it, and make immediate decisions under rapidly changing conditions.

Here is where companies are looking to their finance functions to serve as information analyzers, not just data caretakers. To meet these expectations, finance teams themselves will need to seek out the kinds of sophisticated information tools that can best support them in meeting the new demands they are taking on.

In the following pages, we highlight nine key changes identified in our research that have started to transform the finance function of today, and five actions finance professionals at all levels can take to prepare themselves for tomorrow's career.

Finance teams will need to seek out the kinds of sophisticated information tools that can best support them in meeting the new demands they are taking on.

# Nine Changes Shaping the Finance Professional's Career

The types of changes highlighted in our research (see sidebar) can be grouped into three themes:

**I. The shift in finance's mandate:** Finance teams are taking on new roles and new responsibilities tied directly to their companies' success, and business leaders have new expectations for working closely with their colleagues in finance.

**II. The sources of success for the finance team in transition:** Finance professionals see themselves working differently to fulfill their new mandate, and they anticipate the need for new types of tools and capabilities to help them thrive in a more complex data environment—in particular, increasing digitalization and automation that allow the finance function to deliver on the promise of real-time analytics and business model innovation.

**III. Finance's response to these new expectations and opportunities:** Finance professionals look for the best ways to grow and adapt to their changing business environment.

Finance teams are taking on new roles and new responsibilities tied directly to their companies' success, and business leaders have new expectations for working closely with their colleagues in finance.

## Nine Changes Shaping the Finance Professional's Career

1. Today's finance professionals find their work more engaging and influential than they had anticipated.
2. Finance professionals don't see themselves standing still—they expect to grow professionally and extend their reach into even more parts of their companies.
3. Finance is becoming the central touchpoint for many different aspects of their enterprises.
4. Finance teams must adapt to a business environment in which decisions are more complex, yet still need to be made faster than ever.
5. Finance professionals are eager to be counted on for forward-looking analysis and business insight.
6. Finance professionals are looking for ways to gain a deeper understanding of more parts of the business.
7. Better use of sophisticated technology lies at the heart of finance's efforts to drive performance improvement.
8. Finance professionals are grasping digitalization of information flows as the foundation for their successful delivery of advanced analytics.
9. Digitalization and automation more often are seen as opportunities to provide additional value, rather than as disruptive threats to finance jobs.

# The Shift in Finance's Mandate

## 1. Today's finance professionals find their work more engaging and influential than they had anticipated.

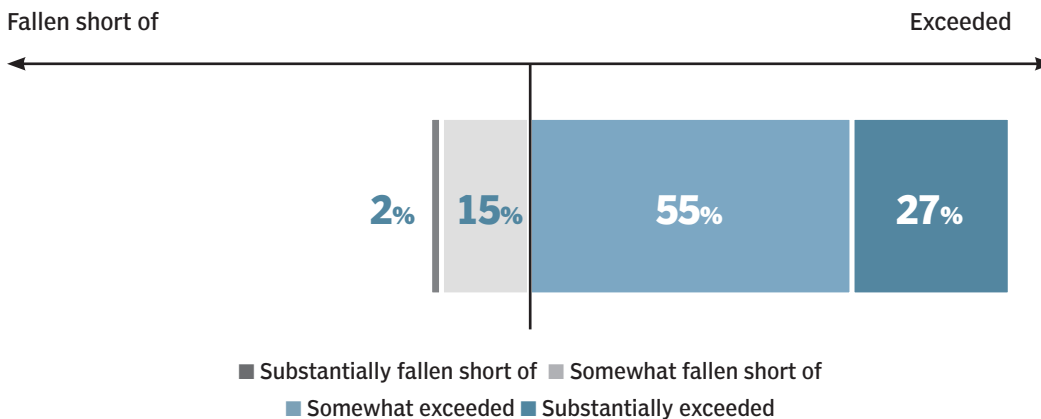
It's an exciting time to be a finance professional. That's one of the first things we learned from our survey and interviews. Most of the survey respondents (84%) have been working in finance for a minimum of five years. Over that time, say 82% of them, their jobs have exceeded their original expectations for interesting, meaningful, and valuable work. In fact, 27% say that their expectations have been substantially exceeded. (See Figure 1.)

It seems clear that today's finance professional expects more out of his or her job than simply making the numbers match up in the financial reports. Nine out of ten respondents (89%) expect the finance function's influence on their companies' business decisions to increase over the next five years; three out of ten (31%) expect their influence to increase substantially. This means they will look beyond the finance function's historical focus and seek to become more engaged with their companies' business and more influential in helping management steer the corporate ship. (See sidebar, "The Finance Professional as the Business Partner of Choice.")

It seems clear that today's finance professional expects more out of his or her job than simply making the numbers match up in the financial reports.

**FIGURE 1** Respondents say that their careers in finance have surpassed their expectations.

*"Over the course of my career so far, my work in finance has \_\_\_\_\_ my expectations for interesting, meaningful, and valuable work."*



Percentage of respondents  
1% said "It depends."



### The Finance Professional as the Business Partner of Choice

“Just five years ago,” comments Brian Waller, Director of Revenue Operations at IT security and analytics firm Rapid7, if you were in finance “there were roles where you didn’t really need to know much about what your company did.”

That’s no longer true, he continues: “But the environment has shifted. It’s critical to have a business partner mentality, all the way down to the lowest levels in finance. Basically everybody on the finance team is now expected to be knowledgeable about the company and the products. You need to have some contextual information about the company and be able to demonstrate you understand the organizational goals.”

Ulrich Borgstädt, Head of Finance and Controlling in Southeast Asia for the consumer and industrial products multinational firm Henkel, expands on that vision for his own finance team. “One of the key drivers of a successful top-rate finance and controlling organization,” he says, “is to be something that we call ‘the business partner of choice.’ Not just the business partner that is available, but the partner that the business will actually want to work with.”

Borgstädt singles out his Business Controller, Nathan Koay, by way of an example. “Nathan’s job is to be the wingman for the business head,” he says simply.

A finance team’s readiness to take on that role relies on a combination of business acumen and technology tools, according to Paula Conde, who serves as Corporate Finance Manager for the software company Globant, headquartered in Argentina. She says, “We are asked to play a more proactive role as business partners of the company, and to be able to influence others in order to obtain the best results for our company. Finance professionals are required to get in the field and to understand the business, and I think that technology will allow that—allow us to have a different role, a more strategic role, and to be more like a strategist than a bean counter.”

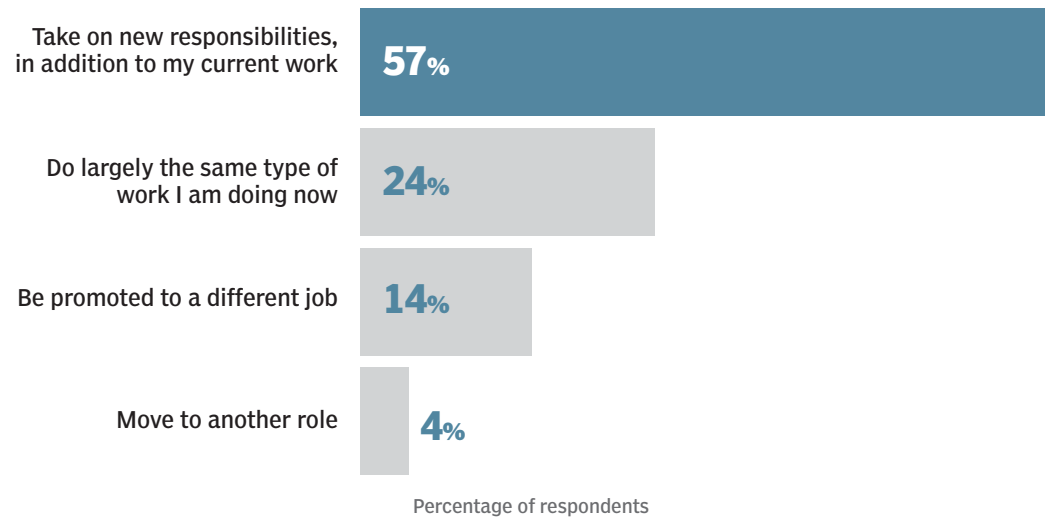
“We are asked to play a more proactive role as business partners of the company, and to be able to influence others.”

—CORPORATE FINANCE  
MANAGER FOR A SOFTWARE  
COMPANY



**FIGURE 2** Over the next few years, the majority of respondents expect to continue their current work while taking on more responsibilities as they move forward in their finance careers

*“Within the next five years, I expect I will...”*



At many companies, finance teams have already grown beyond the narrower confines of their own function and touch many different parts of their enterprises.

## 2. Finance professionals don't see themselves standing still—they expect to grow professionally and extend their reach into even more parts of their companies.

Even with the high degree of satisfaction finance professionals express about their careers so far, relatively few believe they have exhausted all their possibilities. Most respondents (86%) expect their work will grow to become even more interesting, meaningful, and valuable over the next five years.

To fulfill that ambition, the survey respondents expect to continue to grow professionally and make a change for the better. A majority (57%) expect to expand the roles they have now, taking on new responsibilities within five years in addition to their current work, and 14% anticipate being promoted to a different job within five years. Only about a quarter (24%) expect they will remain doing the same type of work they're doing now, while almost no respondents (4%) are looking to move out of finance altogether. (See Figure 2.)

## 3. Finance is becoming the central touchpoint for many different aspects of their enterprises.

At many companies, finance teams have already grown beyond the narrower confines of their own function and touch many different parts of their enterprises. The ways they are organized reflect their expanding reach. Half of the respondents (51%) are part of centralized, corporate finance functions that span multiple groups or businesses, while another 11% are located in shared services centers or other centralized functions that serve multiple groups.

Given its duty to track and report on financial metrics for the entire enterprise, it makes sense that finance is taking on increasing responsibility and control for a wide range of activities, serving as the central touchpoint for corporate performance management. As a result, many finance organizations are expanding beyond traditional finance and accounting activities and encompassing related functions such as treasury and cash management, tax, risk management, mergers and acquisitions (M&A), and procurement.

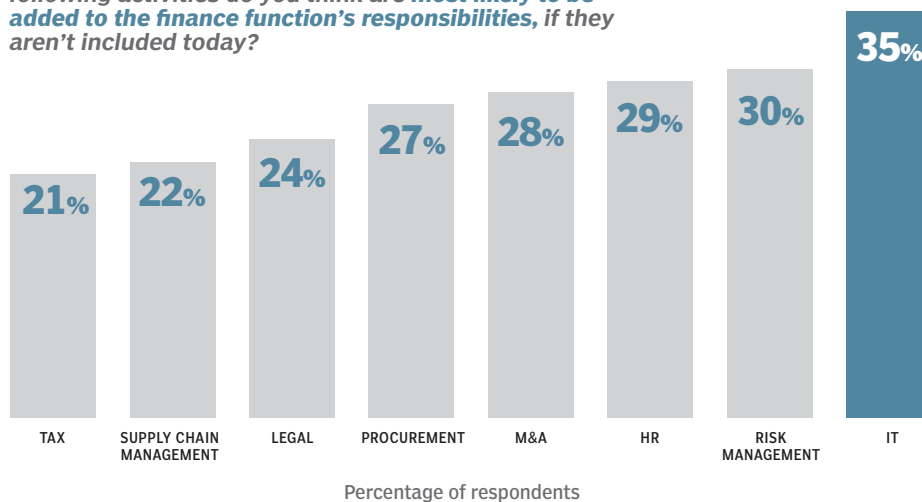
Many finance professionals also expect their mandate to continue to expand and include such disparate functions as information technology (IT), human resources, legal, and supply chain management. And increasingly, finance professionals are expected to be closely involved with sales, marketing, and corporate strategy, as well as other activities that span the enterprise geographically and functionally.

Notably, the largest number of respondents (35%) predict that the information technology (IT) function will come under their purview—if it isn't there already. (See Figure 3.) The finance professional of the future must stand ready to employ increasingly advanced technology in the service of providing higher value to their organizations, whether that involves executing traditional finance processes more effectively or working with their colleagues in other parts of the organization to deliver the kinds of sophisticated, in-depth financial and performance analytics that will drive the business forward.

Increasingly, finance professionals are expected to be closely involved with sales, marketing, and corporate strategy, as well as other activities that span the enterprise.

**FIGURE 3** In the near future, respondents believe that finance's influence within the organization will only continue to grow—particularly in IT.

*Looking forward five years from now, which of the following activities do you think are most likely to be added to the finance function's responsibilities, if they aren't included today?*



# Sources of Finance's Success

## 4. Finance teams must adapt to a business environment in which decisions are more complex, yet still need to be made faster than ever.

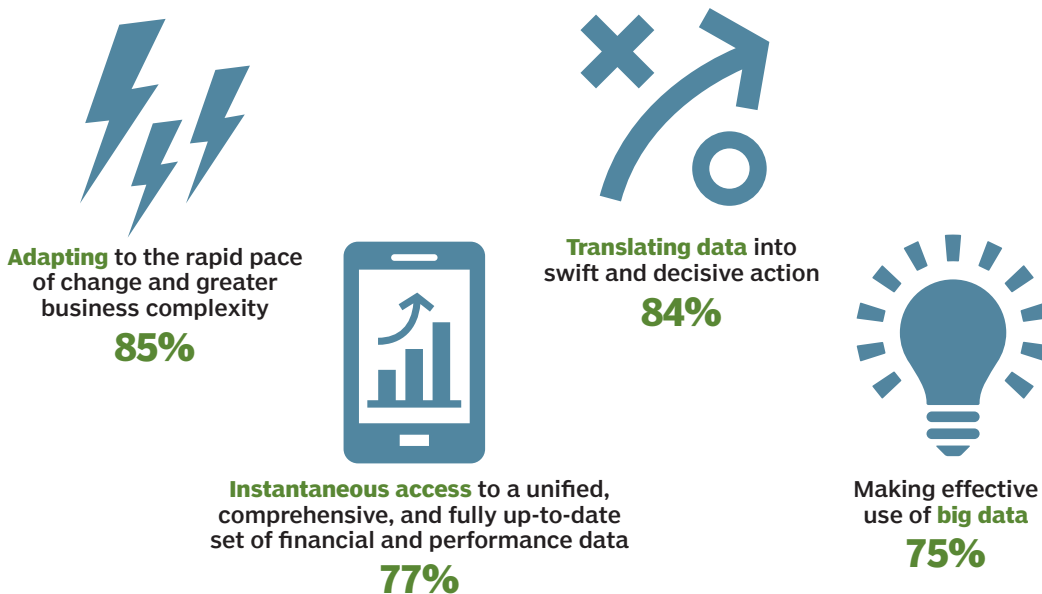
The circumstances in which business performance is managed are changing and becoming more challenging, and finance needs to adapt, as well. Fully 85% of respondents agree that, over the next five years, their companies' success will increasingly depend on their ability to adapt to the rapid pace of change and greater business complexity. For 84% of the respondents, success will also mean being able to translate the flow of data into swift and decisive action. (See Figure 4.)

And it's becoming harder to match the pace of analysis with the pace of information. Three-quarters (75%) of the respondents believe their companies must get better at making effective use of much larger, unstructured data sets ("big data"), but

It's becoming harder to match the pace of analysis with the pace of information.

**FIGURE 4** Respondents say their companies' future success will increasingly depend on making better use of technology to manage the growing volume of data.

*"Over the next five years, my company's success will increasingly depend on..."*



**Instantaneous access** to a unified, comprehensive, and fully up-to-date set of financial and performance data  
**77%**

Percentage of respondents who chose "Agree"

most companies still are grappling with the best way for accomplishing that. And companies will have to capture and process their growing volumes of data much more quickly—77% of the respondents cite the need for instantaneous access to a unified, comprehensive, and fully up-to-date set of financial and performance data.

### **5. Finance professionals are eager to be counted on for forward-looking analysis and business insight.**

A majority of the finance professionals in our survey recognize the need for the finance function to be front and center in the transition to more sophisticated analytics. In fact, 31% entered the profession expecting that they would be taking the lead in business analysis, decision making, and strategy setting for their companies, and 36% expected they would at least be an equal partner with others in their companies. Regardless of their expectations, 81% say that the finance function has gone beyond their expectations, and now plays an even greater role than they had imagined originally. (See sidebar, “Collaborative Finance: Linking with Everybody, Everywhere.”)

It comes as little surprise, then, that 87% of respondents insist that their finance functions will need to contribute more to the kinds of high-value activities that underlie performance management across the entire enterprise—setting expectations for performance, business planning, and adjusting actions in response to changes in the business environment to ensure that the company achieves its financial targets. Only 7% of all respondents report that their companies do not employ advanced analytics at all.

### **6. Finance professionals are looking for ways to gain a deeper understanding of more parts of the business.**

Three-quarters of respondents (76%) report that finance now is central to the use of advanced analytics (either for their own use, or for use by other functions). To deliver the kinds of advanced analytics that help drive the business, finance professionals recognize that they need to understand the business. Over the years, both large and small enterprises have come to rely on their finance teams to be increasingly engaged with their businesses, providing insight and guidance.

In fact, the largest number of respondents (40%) report that their finance teams already are working closely with other functions to generate business insights using advanced analytics. Rarely do companies exclude finance from their business’s advanced analytics (14%).

To deliver the kinds of advanced analytics that help drive the business, finance professionals recognize that they need to understand the business.



### **Collaborative Finance: Linking with Everybody, Everywhere**

“It’s all about collaboration,” says Ulrich Borgstädt, Head of Finance and Controlling in Southeast Asia for the consumer and industrial products multinational company Henkel.

That’s because today’s business world—and today’s company—are much more complex than ever before, and so in response business activities must be “highly choreographed,” as Charles Thibault, VP of Analytics at the telecommunications provider IDT, puts it. Thibault explains, “Right now, the types of projects that deliver value to the business leverage all aspects of your business. So, in today’s world, marketing, technology, operations, and finance all work collaboratively on key strategic projects.”

He concludes, “The challenges are just so difficult, there’s really no other choice. Unless you have everybody at the table, it doesn’t work.”

For the finance professional, Thibault goes on to say, this means “you definitely have to know the various parts of the business and how they all work together.” For Martin Murray, CFO of Cathay Pacific Airways, that’s why “breaking down those barriers [between different functions and business units] that have been created over time is just as important as the new technology that’s coming in.”

Part of breaking down barriers involves process redesign, or “the end-to-end process perspective,” according to Borgstädt. He notes, “By combining our IT and shared services organizations into a new unit called ‘Integrated Business Services,’ Henkel is able to bring process and systems know-how even closer together to make the company run more efficiently.”

But communication is just as important, Borgstädt continues. “From a Southeast Asia perspective, you have the local country unit, the business partners, our shared service centers, our regional and headquarters people—you need to be an effective communicator and collaborator to make that work.”

Today’s finance professional “cannot be isolated in their company,” insists Marcello Botelho Rodrigues, Global Controller Director for the worldwide mining company Vale. “You have to understand the market to be adaptive to the market, to be adaptive to change in the economy, to try to predict what is going to happen, and to be the first to adapt to the new situation.”

In other words, says Rodrigues, “to orchestrate everything and have the finance function as a central hub for making decisions in a timely manner, you have to be linked to what happens everywhere—not only in the company but also outside.”

“Unless  
you have  
everybody at  
the table, it  
doesn’t work.”

—VP OF ANALYTICS FOR A  
TELECOMMUNICATIONS FIRM

# Finance's Response: Taking Advantage of Digitalization and Automation

## 7. Better use of sophisticated technology lies at the heart of finance's efforts to drive performance improvement.

The business world is already being transformed through digitalization. Converting information into machine-readable electronic formats now allows a company to generate, capture, and manipulate exponentially greater volumes of data on virtually anything—people, processes, equipment, facilities, and performance.

Today's finance professionals agree that, within the next few years, developing very high levels of automation will be critical for managing digitalization more effectively and moving to the next level of business analysis and partnership within their enterprises. Nearly seven in ten (68%) respondents expect that, over the next five years, the increasing complexity and volume of data will make it much more difficult for their companies to translate data into swift and decisive action.

What they must do to adapt to the evolving business environment is a matter of some concern for finance professionals. Fewer than half of the respondents (44%) believe their finance functions currently are well equipped to produce meaningful business analysis and reporting that can keep up with the speed of change their companies are experiencing. A large majority (79%) say that their companies must develop or acquire capabilities in advanced analytics that they do not possess today—that is, sophisticated analytical tools and methods to predict outcomes, assess risk, model complex business scenarios, and support management decision making. (See sidebar, “Looking for New Value from Finance in a Digital World.”)

## 8. Finance professionals are grasping digitalization of information flows as the foundation for their successful delivery of advanced analytics.

Now, more than ever, finance professionals recognize that the increasingly sophisticated use of analytics will be a valuable—and necessary—tool for expanding their influence within their companies. They also know that they will need to employ all the tools at their disposal in order to keep up with the increasingly fast-paced decision-making environment and move towards real-time analytics. Simply put, they have to get better at using advanced technology to further both their companies' goals and their own careers.

Digitalization is one of the first steps on the path to real-time analytics. In today's world, digitalization and automation are accelerating the speed of information at the same time that they are swelling the volume of data available to corporate decision makers. Finance professionals now must take the next steps forward in their own transformation from data caretakers to information analysts, wading into this flow of data and coming out with the insights and analysis that will steer their enterprises toward success.

In today's world, digitalization and automation are accelerating the speed of information at the same time that they are swelling the volume of data available to corporate decision makers.

### Looking for New Value from Finance in a Digital World

Digitalization is changing the business world, and the finance profession must change right along with it.

Digitalization is the process of transforming any kind of activity or information into digital formats that can be collected, stored, retrieved, and analyzed electronically. The data can include anything from real-time sales figures to local weather patterns to vast amounts of unstructured social media posts and email messages. Ultimately, digitalization is all about using digital technologies to transform business models and develop new, innovative revenue opportunities.

“Every day we have access to more data,” says Marcello Botelho Rodrigues, Global Controller Director for the global mining company Vale, which is headquartered in Brazil. For that reason, he continues, “the information technology has to enable us to transform that data to real information ... from making information available on our mobile devices, to having the agility of running on platforms based on in-memory concepts.”

Jennifer Thom, Regional Finance Manager at the accounting and consulting services firm BDO USA, notes that, these days, “managers expect accurate, real-time information at their fingertips.” That means a change in how finance teams work. “The month-end close looks at history,” she notes, “but [managers] need a look toward the future, or even at the current state—what’s happening right now.”

Digitalization and advanced technology give the finance professional the means to deliver on these new demands. Says Rodrigues, “[The technology capabilities] will allow us to be more predictive, to react faster to the scenario, and better face the uncertainties.” And that’s critical to using today’s information to be prepared for tomorrow’s challenges. “Nowadays, we react and are prepared for a specific risk,” Rodrigues explains. “But that doesn’t mean you are prepared for a new scenario, a new situation, the uncertainties, and how adaptive you are to the changes of the market and the customers.”

In the view of Alejandro Scannapieco, CFO of the Argentina-based software company Globant, “Technology will turn information into a commodity, so an expectation on the finance function is that we’ll spend most of the time providing added value to the business—being more of a strategic partner than a data-gathering function.” By taking full advantage of the capabilities offered by digitalization, the modern finance professional can ensure that he or she is doing the work that provides the highest value to the business.



“Managers expect accurate, real-time information at their fingertips.”

—REGIONAL FINANCE  
MANAGER AT AN  
ACCOUNTING AND  
CONSULTING  
SERVICES FIRM

### 9. Digitalization and automation more often are seen as opportunities to provide additional value, rather than as disruptive threats to finance jobs.

The foundation for developing advanced analytical capabilities may lie in pressing forward with very high levels of automation for finance processes—effectively automating many, if not all, of the accounting, compliance, reporting, and transaction-processing activities that currently absorb the finance function’s time and attention. If they are successful in that, say many of the survey respondents, their finance functions can have significantly more time available for higher-value work, and they can become even more involved with their colleagues from the operating or business units.

Ultimately, this evolution—giving rise to sophisticated, on-demand reporting and highly advanced, predictive analytics—will become the basis for solidifying and strengthening the position of importance that the finance functions of the future will command at their companies. They see the increasing automation of financial processes, enabled by digitalization, as an opportunity, rather than a threat.

Slightly more than seven in ten (72%) believe that automating more finance processes actually would raise the finance function’s importance within their organizations. They see automation as allowing them to meet some of their overarching goals—becoming more involved with operating or business units (71%), and having more time available for higher-value work (69%).

However, finance professionals also know that they have their work cut out for them. Slightly more than two-thirds of the respondents (67.5%) acknowledge that, to take full advantage of automation, their finance functions will need to develop new skill sets and capabilities that hadn’t been required before.

Ultimately, this evolution—giving rise to sophisticated, on-demand reporting and highly advanced, predictive analytics—will become the basis for solidifying and strengthening the position of importance that the finance functions of the future will command at their companies.



# Five Key Actions for Moving the Finance Profession Ahead

Where does the ambitious finance professional go from here? Survey respondents pointed out five ways they could prepare themselves for success in a changed world.

## 1. To become a leader in your company, expand your view.

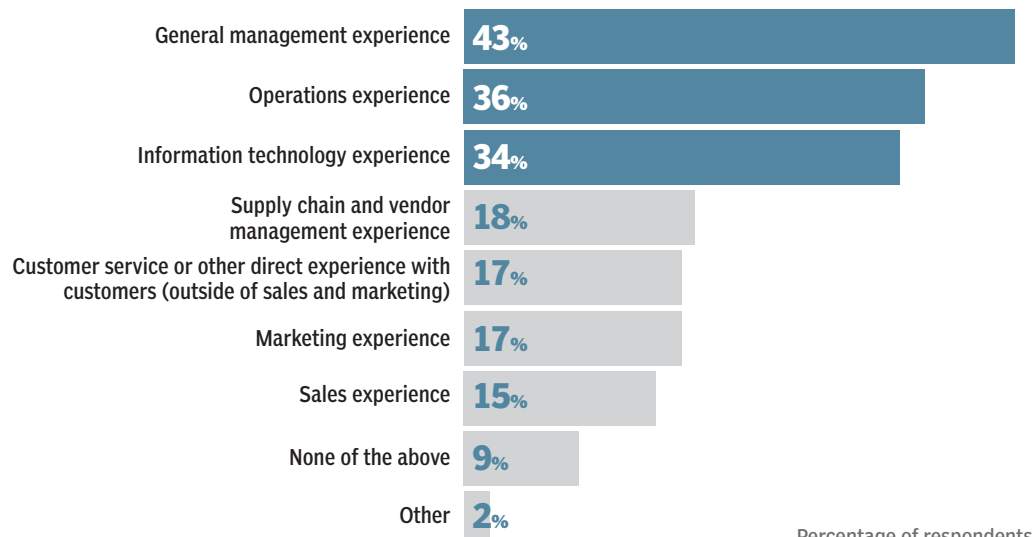
Finance professionals are focused on what they need to learn in order to help the business run better, not just their own function. In preparing to take on broader leadership roles within their companies, they want to know the entire business better.

To gain this kind of understanding and advance in their careers, respondents say they are most likely to seek out general management experience (43%) and operations experience (36%). In keeping with the demand for more advanced analytical capabilities and information tools, nearly as many (34%) also will seek more experience with information technology. (See Figure 5.)

Finance professionals are focused on what they need to learn in order to help the business run better, not just their own function.

**FIGURE 5** To go further in their careers, respondents will seek out management, operations, and IT experience.

*What other types of work experience are you most likely to seek out, in order to advance in your career?*



Percentage of respondents  
Respondents were allowed to select up to three responses

## 2. Turn finance into a team of information analyzers, not data caretakers.

Finance professionals at all levels express a clear vision of a more collaborative working environment in the future, where increasingly sophisticated financial analysis is tied directly to swift, decisive business actions. This kind of interconnectivity is likely to grow even beyond the virtual walls of a company, touching on external as well as internal partners within the company's extended value chain.

The finance professional of the future is poised to take on an even greater role in all aspects of value creation for their business. To do so, they see a clear need for more collaboration, greater self-sufficiency in their use of technology, and a more forward-looking analytical view. Ultimately, they see themselves transforming from a data caretaker to a true information analyzer. (See Figure 6.)

## 3. Adapt technology to a new generation of finance professionals.

Survey respondents say that their future success depends on new ways of working that are collaborative, flexible, and up-to-the-minute. To foster this kind of work culture, finance professionals believe their companies must bring their enterprise IT up to the standards that consumer IT—smartphones, tablets, etc.—has established for speed, flexibility, and ease of use.

In fact, survey respondents believe that this transformation is required to meet the work needs of a new generation of finance professional who expect instant access from anywhere, anytime. (See sidebar, “The Millennial Generation in Finance: Leading the Company to Another Way.”) Nearly three-quarters (73%) of the survey respondents believe that their companies will be pressured to bring enterprise information systems in line with personal technologies in order to meet the future challenge of attracting and retaining top finance talent.

Finance professionals see a clear need for more collaboration, greater self-sufficiency in their use of technology, and a more forward-looking analytical view.

**FIGURE 6** Respondents expect to see a shift in the traits of a typical senior finance executive in the future.

*In your opinion, how would you describe a typical member of the finance function in the past and in the future?*

Trait of the typical finance function	Past	Future	Δ
Collaborative	17%	41%	+24%
Technologically self-sufficient	21%	43%	+22%
Forward-looking	20%	39%	+19%
Information analyzer	18%	35%	+17%

Percentage of respondents



### **The Millennial Generation in Finance: Leading the Company to Another Way**

“The new junior executives that arrive in our company are expecting things to happen much faster.” That’s according to Bruno Passos Spínola Ribeiro, Manager for Corporate Treasury / Trading Desk at the Brazilian steel producer Gerdau. Adds Bill Juram, VP-Finance for the healthcare services provider Kaiser Permanente, “I think millennials have a less hierarchical, more trial-and-error style of work,” which makes them particularly well suited to adapting to a more complex, faster-moving, and far less structured digital world.

Reinhard Loose, CFO of the German financial services company MLP, calls the new generation “digital natives.” As he says, “For them it’s normal, having better IT equipment than people had ten years ago.” As Ryan O’Neal, Senior Financial Consultant for Kaiser Permanente, puts it, “For the next generation, they’ll access anything on their phone, and people want things in real time. ... They’ll be less forgiving of the big bulky systems that we have today if they’re not as intuitive as the apps that are delivered to your mobile phone.”

Alejandro Scannapieco, CFO of the Argentina-headquartered software company Globant, agrees. “This new generation lives and dies with technology,” he says. “It’s embedded with them—every single day it needs to be more proactive and more automated.”

Scannapieco explains that the next generation will need this technology in order to successfully manage a more complex world. Because of globalization, he says, finance teams “have access to many different resources that they didn’t have in the past—different tools, different benchmarks, and different companies.” This wealth of information creates “the expectation that you are able to build on that and be more innovative—create more added value on top of what’s already [been done].”

But information and innovation does a company little good unless it can be used to influence decisions and guide the business forward. This is one of the more powerful byproducts of the ease with which a new generation adapts to a vastly expanded universe of information. Francisco Peres, an economist for the global mining firm Vale, sums up his vision for the future of finance: “We will use a great many tools that transform our day in a faster way to have information. So we need people that can open their minds and have a straight path to the future.”

In the end, Peres concludes, “Finance needs this kind of person, who understands not only about finance but also about the entire company strategy and business environment—one who can lead the company to another way.”

“This new generation lives and dies with technology. It’s embedded with them—every single day it needs to be more proactive and more automated.”

—CFO OF A  
SOFTWARE COMPANY

### **4. Transform expectations, and extend the use of advanced analytics throughout all functions.**

In the future, the finance function's influence throughout the corporate enterprise will be based less on its ability simply to keep track of the numbers, and more on its ability to unpack what those numbers mean for the course of the business. In fact, respondents say that becoming even more involved with strategy development and execution will be essential for the finance function—along with developing advanced information processing capabilities.

As finance's reach becomes longer, there may be an opportunity to expand the use of advanced analytics into even more areas. Currently, respondents say that advanced analytics are focused primarily on business analysis/decision support and forecasting, and less so in areas such as production/operations, pricing and sales, and risk management.

However, finance professionals see the potential for a “substantial, measurable financial benefit” from increased use of advanced analytics in virtually any part of a company—including backoffice areas such as human capital management and IT management.

### **5. Strengthen your expertise—educate yourself about real-time analytical capabilities.**

In order to keep up with an increasingly fast-paced decision-making environment, finance professionals know that they will need to employ all the technology tools at their disposal. Advanced technologies will be the platform finance teams can use to vault forward.

At the same time, only 6% of respondents report that their finance functions already have real-time analytics available, and fully half of the respondents don't expect to be able to employ real-time analytics for at least two years. (See Figure 7.) Respondents say that the largest barrier to adopting real-time capabilities is cost (35%), but the next largest number of finance professionals (23%) simply don't think these capabilities are available right now.

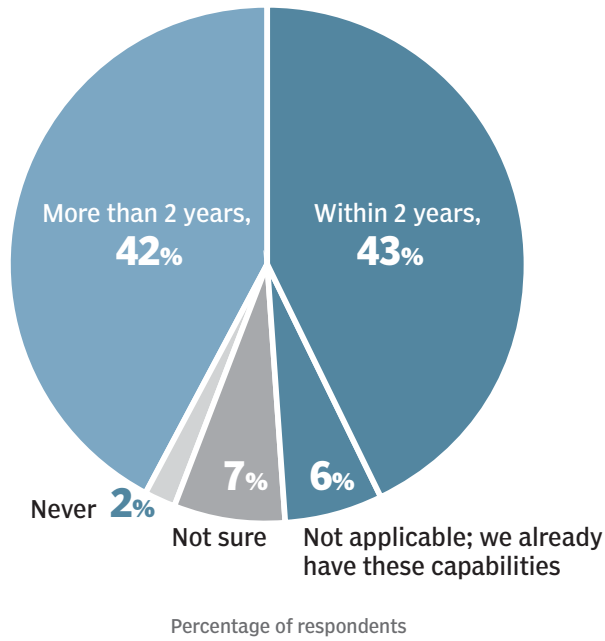
In line with their expanding mandate, finance functions will need to be able to evaluate the multitude of technology providers in the market and the diverse range of capabilities they provide. The value of digitalization, enabled by widespread automation, will no longer be restricted simply to gathering data faster or storing larger volumes of it. Rather, advanced technologies offer the potential for actual transformation of the finance function, and by extension, of the business itself.

In this way, finance professionals can truly become the “business partner of choice,” as one CFO participating in our research termed it, and fulfill their vision for their own bright future.

In line with their expanding mandate, finance functions will need to be able to evaluate the multitude of technology providers in the market.

**FIGURE 7** Only half of respondents expect to have real-time analytics capabilities within two years.

*In your best judgment, how long do you believe it will be before the finance function at your company will have the capability to employ real-time analytics?*



# Sponsor's Perspective

**CFOs and their finance teams** are taking notice of the next wave of digitalization. They understand there is a new norm for the environment they work in. The new model for high-performing finance teams will not be how well they learn and master new accounting standards, regulations, and compliance requirements. Rather, superior performance now depends on how well they can leverage disruptive technologies to unlock financial data, turning it into meaningful and forward-looking business insight that elevates their standing and influence throughout the corporate enterprise. To effectively make this shift in focus, the finance profession must adapt to the way that the upcoming generation of people—the Millennials—work, and the ways they process and consume financial information.

Adoption of disruptive technology is at the heart of a finance team's transformation as companies seek to gain a competitive edge in the rapidly changing digital economy. In order to know where the opportunities for innovation in their organization may best fit, finance professionals must grow beyond traditional self-education areas such as the latest accounting standards. To truly empower themselves and elevate their position in the corporate enterprise, they must place greater emphasis on understanding advances in IT that will help them accommodate both the work style and the consumer demands of today's Millennials.

The survey results in this report leave no doubt that finance professionals understand that staying ahead of the curve in an increasingly complex digital business world requires innovative technologies that help guide strategic sales and investment decisions toward profitable growth. SAP's portfolio of solutions for finance (SAP S/4HANA Finance) is at the forefront of helping finance teams move to that next strategic level. SAP S/4HANA Finance allows finance professionals not only to collect and store massive amounts of information across the entire enterprise, but also to translate it into actionable business guidance. SAP's solutions can empower finance teams on their journey from scorekeeper to storyteller and then, most importantly, to full partners to the business.

Click here to learn more about [SAP's Solutions for Finance](#)



*Thriving in the Digital Economy: The Innovative Finance Function* is published by CFO Publishing LLC, 295 Devonshire Street, Suite 310, Boston, MA 02210. Please direct inquiries to Linda Klockner at (617) 790 3248 or [lindaklockner@cfo.com](mailto:lindaklockner@cfo.com).

CFO Research and SAP developed the hypotheses for this research jointly. SAP funded the research and publication of our findings. The CFO Research team included Celina Rogers, Mary Beth Findlay, David W. Owens, Chris Schmidt, and Linda Klockner, with contributions from Christopher Watts.

CFO Research thanks the finance executives who contributed to the interview program from the following companies: BDO USA, Cathay Pacific Airways, Gerdau, Globant, Henkel, IDT, Kaiser Permanente, MLP, Rapid7, Toyota Financial Services, Vale, and Veolia.

CFO Research is the sponsored research group within CFO Publishing LLC, which produces *CFO* magazine and [CFO.com](http://CFO.com).

November 2015

Copyright © 2015 CFO Publishing LLC, which is solely responsible for its content. All rights reserved. No part of this report may be reproduced, stored in a retrieval system, or transmitted in any form, by any means, without written permission.