2019 CFO Survey Report

All systems go: CFOs drive path to a digital world

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Executive summary

While it's still in the early days for digital transformation, CFOs have gone from talk to targeted action. It's game on for investing in emerging technologies that will drive business growth and serve as a differentiating competitive advantage.

With the stakes ever higher, today's companies are not only allocating more resources for key technology investments but also developing a culture that is required to drive and sustain transformation efforts throughout the enterprise.

Grant Thornton LLP partnered with CFO Research to survey 378 senior finance executives from companies with revenues between $100 million and over $20 billion and found that it's all systems go for investing in emerging technologies. Year-over-year, our 2019 research revealed that CFOs significantly increased their technology investments over 2018 levels. In our survey, *"All systems go: CFOs drive path to a digital world,"* CFOs reported the most significant increases in machine learning (21%), artificial intelligence (17%), robotic process automation (17%), advanced analytics (14%), distributed ledger technology (14%) and optical character recognition (8%).

This is the year CFOs will move full speed ahead to invest in technologies to transform the finance function and guide strategic decision-making within their organizations. In doing so, they'll focus on pragmatic and targeted technology implementations that can be measured and monitored for results and value. This approach will set the foundation to drive automation that will result in cost savings, process efficiencies and the agility required for true innovation.

As a result, look for CFOs to adopt a three-part mantra:

1 Act with agility to create a faster operating pace through structure and empowering rapid decision-making,

2 Seek endorsement beyond the C-suite to accelerate change and

3 leverage technology and HR to meet changing talent needs.

The role of the CFO is moving beyond traditional financial and accounting oversight into areas that require the skills of a true strategist and catalyst. Today's finance leaders are increasingly working as a key advisor to solve problems and define strategy across the enterprise. To succeed, CFOs must tackle the critical business need to provide real-time, data-enabled decision-making.

The digital transformation journey will also require CFOs to alter their mind-set when it comes to technology investments. CFOs must be willing to experiment — and incur failures along the way — or risk falling behind. Failing to act may result in losing a golden opportunity to drive the organization's forward-thinking business agenda.

Key findings (continued)

CFOs will act as a catalyst for change, serving as a key business partner in driving digitization.

As the steward of enterprise data, the finance function will be charged with creating a data-centric organization requiring a holistic understanding of the organization's business strategies. The finance function will be allocating an increasing amount of time and resources to nonfinancial reporting (e.g., sustainability, diversity, environmental, social, governance) in order to drive the digital transformation agenda.

Finance leaders will need to adopt a new mind-set that embraces agility and experimentation. By investing in small pilot projects and successfully digitizing critical tasks within finance, today's CFOs can achieve quick wins that will lead to the rollout of digital technologies across the enterprise.

As organizations demand faster returns on technology investments, CFOs will be held accountable for ensuring that digital initiatives deliver results.

A new ROI approach is needed to balance short-term return, which quantifies hard cost savings with a long-term view that demonstrates the strategic value of building a more insight-driven enterprise.

CFOs are taking an active role in supporting an innovation culture and driving enterprise transformation planning.

Working with others in the C-suite, the CFO is well-positioned to provide a balanced and measured view to ensure that digital and IT investments align with the organization's innovation strategies. As the owner of the capital allocation process, CFOs are bound to help ensure IT and other resources are allocated efficiently and that the enterprise has the capital necessary to move forward innovation initiatives.

An enterprise-wide demand for analytical support will demand increased collaboration with the C-suite.

In order to gain a deeper understanding of business unit needs for data and automation, CFOs will need to move out of their comfort zone and improve collaboration with all business function leaders. They will need to actively partner with other C-suite executives, including their peers in marketing, sales and customer experience.

New skill sets are needed in order to build high-performance finance teams for the digital era.

A new technology-focused finance function of the future will demand new skill sets and competencies in order to move the digital transformation agenda forward. CFOs will need to adjust their recruitment and retention managing the human vs machine relationship.

Finding 1

MINDING THE SHIFTS

Changing challenges for the CFO

Finding 1

Minding the shifts: Changing challenges for the CFO

Nearly half of respondents expect technology to impact their business model and workforce composition.

As CFOs prioritize technology investments, they have the opportunity, with the support of their CEOs, to act as a catalyst for change.

Advancements in technology are expected to cause substantive change over the next two years. Our research found that half of finance leaders reported technology will impact the overall enterprise business model, while 48% expect to experience changes in workforce composition and organization structure (47%).

For nearly half (47%) of our respondents, evolving technology is driving real change in business processes, not just speeding up existing ones. Finance leaders expect advancements in technology to cause substantive change in their organizations in the areas of finance management (47%), finance team skill sets and team training (46%) and enterprise forecasting (44%).

FINDING 1 (CONTINUED)

Minding the shifts: Changing challenges for the CFO

Evolving technology is already driving change in finance function business processes. A staggering 87% of finance executives agreed or strongly agreed that technology is impacting the way their finance function operates. Many organizations, in fact, are well on their way to creating more digitally-focused finance functions. Within the next year, finance executives expect to increase their use of technology for key strategic functions such as financial planning and analysis (30%), financial reporting and control (28%) and treasury/working capital management (29%).

According to our study, finance functions are bumping up their use of emerging technologies for key functions including:

46% accounts payable/ receivable

44% financial reporting and control

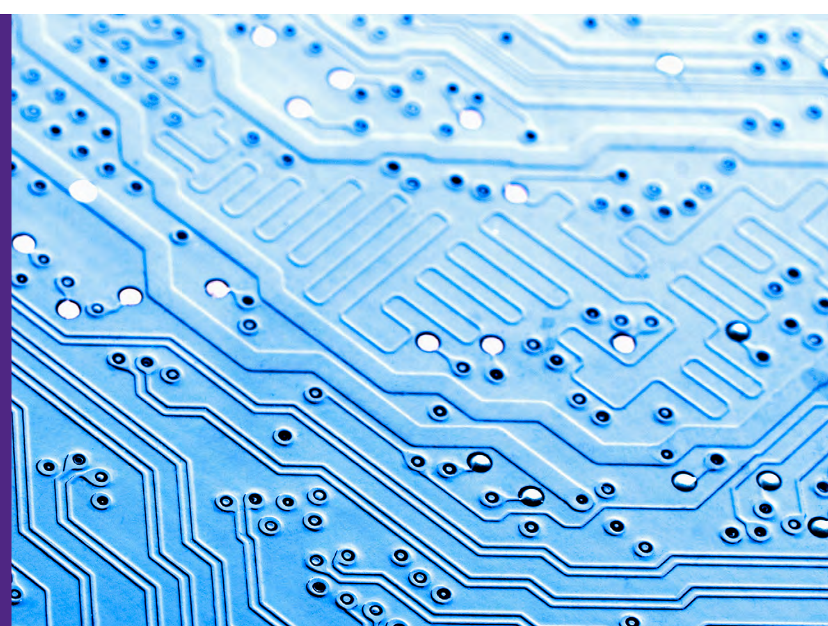
43% financial planning and analysis

42% budgeting and forecasting

41% corporate development/ strategic planning

87%

of finance executives agreed that technology is impacting the way their finance function operates



Minding the shifts: Changing challenges for the CFO

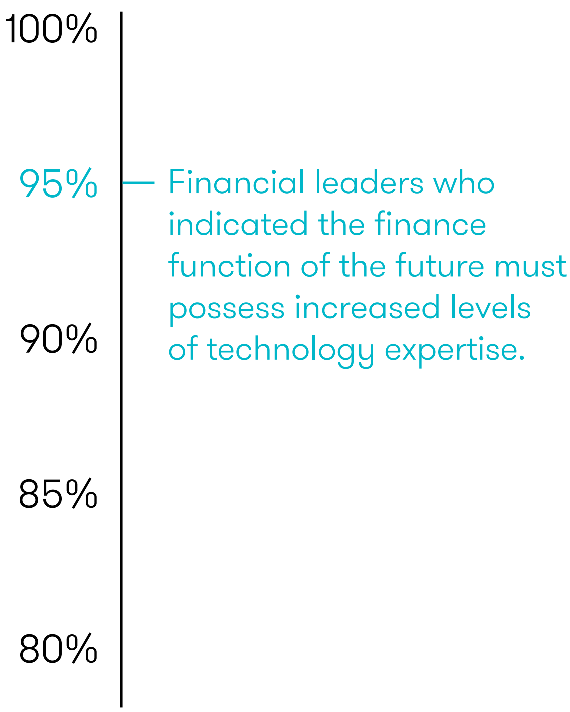
"As we continue down the road toward a more quantitative economy, the CFO will own the responsibility of data more broadly."

Steward of enterprise data

One of the key areas of changing responsibilities for CFOs is serving as the steward of data, not just for their own function but throughout the enterprise. Creating a data-centric organization requires a holistic understanding of the organization's data needs from both an operational and a strategic standpoint. With finance touching information flows throughout the enterprise, CFOs have the broadest visibility into their organization's data infrastructure. They are well positioned to tackle future data needs required for implementation of advanced technologies.

Our research found that the allocation of the finance function's time and resources to nonfinancial reporting (e.g., sustainability, diversity, environmental, social, governance) has increased over the last two years. For more than a third of finance executives, it has increased by 10–25%, while 13% of finance leaders report it has increased by 50%–100%. Nearly a quarter (22%) of finance leaders have increased their allocation and resources by 25%–50%.
"As we continue down the road toward a more quantitative economy, the CFO will own the responsibility of data more broadly," said Chris Stephenson, Grant Thornton LLP principal, Business Consulting. "Doing so will require the CFO to get more involved in the entire organization and bring the strength of the enterprise to the table. But it will also require a new way of thinking about metrics and scorecards."

Minding the shifts: Changing challenges for the CFO



Delivering cost efficiencies

While initially finance transformation has been about cost reduction and process efficiencies, CFOs must now approach technology investments through the value lens, finding ways to increase the value of intangibles such as customer satisfaction. This will require a deeper understanding of a robust portfolio of emerging technologies.

More than 62% of respondents reported that evolving technology has changed efficiency and effectiveness in the last year, while more than half cite improvements in customer experience and analytical focus. Nearly half indicated that technology has impacted overall management strategies (49%) and decision-making processes (48%).

As a result, finance leaders are recognizing that they must acquire the expertise to use technology for high-value strategic purposes such as advanced analytics. Ninety-five percent of respondents indicated the finance function of the future must possess increased levels of technology expertise.

FINDING 1 (CONTINUED)

Minding the shifts: Changing challenges for the CFO

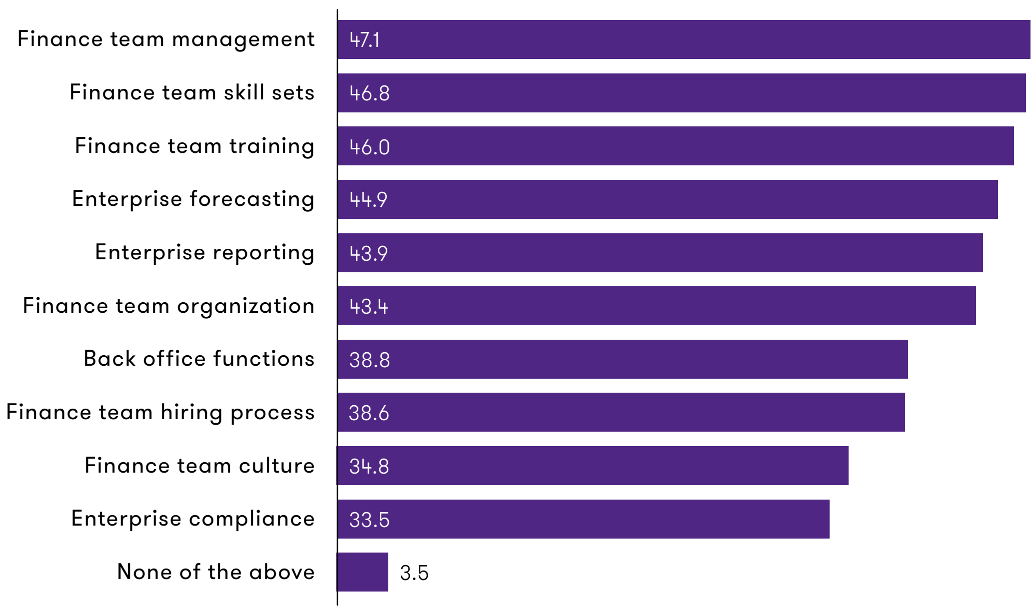
Table 1: Finance function use of advanced/automation technologies

		Today (currently implemented)	Within 12 months	Within 2 years	Within 5 years	Never	Don't know
Accounts payable/receivable	2018	35.2%	20.2%	19.2%	9.4%	2.1%	13.9%
	2019	**46.5%**	**27.5%**	**16.0%**	**5.6%**	**1.6%**	**2.7%**
Budgeting and forecasting	2018	25.3%	16.5%	22.8%	13.7%	4.2%	17.5%
	2019	**42.4%**	**27.1%**	**21.2%**	**4.6%**	**1.1%**	**3.8%**
Corporate development /strategic planning	2018	18.2%	15.4%	20.6%	12.9%	7.0%	25.9%
	2019	**41.5%**	**24.3%**	**16.7%**	**7.3%**	**2.7%**	**7.5%**
Financial planning and analysis	2018	26.6%	22.0%	18.2%	14.0%	3.8%	15.4%
	2019	**43.4%**	**30.5%**	**18.3%**	**4.6%**	**0.8%**	**2.4%**
Financial reporting and control	2018	32.9%	20.6%	15.0%	12.9%	2.8%	15.7%
	2019	**44.9%**	**28.9%**	**16.2%**	**5.7%**	**1.6%**	**2.7%**
Risk management	2018	20.1%	16.2%	17.3%	12.0%	6.0%	28.5%
	2019	**40.4%**	**22.1%**	**19.1%**	**7.3%**	**3.2%**	**7.8%**
Tax and compliance	2018	25.4%	12.5%	16.4%	12.2%	5.6%	27.9%
	2019	**42.7%**	**20.8%**	**18.6%**	**6.2%**	**4.3%**	**7.3%**
Treasury /working capital management	2018	27.0%	16.8%	12.6%	11.6%	4.6%	27.4%
	2019	**35.2%**	**29.3%**	**19.4%**	**7.3%**	**3.0%**	**5.9%**

FINDING 1 (CONTINUED)

Minding the shifts: Changing challenges for the CFO

Figure 1: Skill set priorities for the finance function



FINDING 2

AUTOMATION & ANALYTICS

Top investment priorities

Finding 2

Automation, analytics top investment priorities

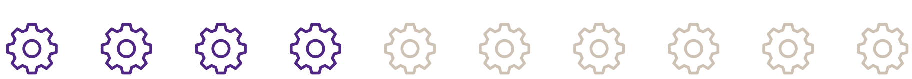
Because finance leaders face a burgeoning list of emerging technologies, Grant Thornton set out to understand the top priorities that are shaping their digital strategies. The list is comprehensive, and the increases in year-over-year investment commitments are newsworthy. The sheer number of technologies further points to the need for today's companies to be ever more agile in order to innovate and adapt.

This year's study revealed that the finance function is prioritizing advanced analytics (38%), machine learning (29%), optical character recognition (27%) and artificial intelligence (24%). The number of respondents who are currently investing in these technologies has increased significantly from 2018 levels, with artificial intelligence (AI), robotic process automation (RPA), machine learning and advanced analytics constituting the greatest shifts.

What's causing the increase in adoption rates? First, today's companies are identifying use cases quickly and piloting technologies that are relatively easy to implement. While companies may not yet have reached full adoption mode, they are investing in pilot initiatives in order to respond to the call from boards and stakeholders that automation is essential to maintaining a competitive advantage. Moreover, in anticipation of a downturn in the coming months, companies are leveraging their investment dollars to generate performance improvement and optimize infrastructure.

Market forecasters project intelligent automation type initiatives will experience 62% growth in 2019 and beyond, with a focus on efficiency gains, personalized insights and automated processes. In fact, it's estimated that 40% of finance activities can be fully automated. These figures demonstrate the degree to which CFOs can simplify core internal transactions through automation, establish standardized reporting mechanisms and work more efficiently.

Thanks to a range of technological advances, digitization is now a priority for the finance function. Those that show the most promise for finance use include automation and robotics to streamline and improve finance processes, data visualizations to provide end users with real-time financial information, and advanced analytics to accelerate and inform strategic decision-making. Leading-edge finance groups are already exploring RPA to perform redundant tasks. Doing so requires a commitment to altering operating models and redesigning processes. As finance teams become familiar with RPA technology, improvements in workflow requests can result in companies moving beyond RPA pilot tests to realize tangible outcomes.



It's estimated that **40%** of all finance activities that can be fully automated.

Automation, analytics top investment priorities

"There has to be more experimentation with this technology, a willingness to fail at times. That will require a new approach to risk taking for CFOs."

A new focus on agility and experimentation

While our study found that system complexity and legacy systems still pose IT challenges, they cannot be used as excuses to avoid long-term digital transformation. By investing in small pilot projects and successfully automating critical tasks within finance, today's CFOs can achieve quick wins that will lead to the rollout of digital technologies across the enterprise.

The CFO must be on the front lines, advocating for the changes an organization needs to make in order to digitally transform. This means the CFO must shift to embrace agile thinking and commit to a culture of experimentation.

"With new technologies, organizations pilot one bot and experiment to move the portfolio moving in the right direction; this might result in some fails that provide learning opportunities,´ Grant Thornton's Stephenson said. "That is contrary to the generally conservative approach of CFOs. There has to be more experimentation with this technology, a willingness to fail at times. That will require a new approach to risk-taking for CFOs."

FINDING 2 (CONTINUED)

Automation, analytics top investment priorities

Table 2: Finance technology investment timetable

		Today (currently implemented)	Within 12 months	Within 2 years	Within 5 years	Never	Don't know
Advanced analytics	2018	24.0%	23.7%	24.7%	10.6%	1.4%	15.5%
	2019	**38.1%**	**28.9%**	**20.8%**	**7.0%**	**1.6%**	**3.5%**
Artificial intelligence (AI)	2018	7.4%	10.9%	15.8%	19.7%	8.8%	37.3%
	2019	**24.5%**	**24.8%**	**16.4%**	**13.2%**	**5.4%**	**15.6%**
Blockchain	2018	NA	NA	NA	NA	NA	NA
	2019	**21.6%**	**24.0%**	**16.4%**	**10.0%**	**9.2%**	**18.9%**
Distributed ledger technology (DLT)	2018	9.2%	10.6%	15.8%	13.7%	5.6%	45.1%
	2019	**23.2%**	**25.4%**	**18.6%**	**10.5%**	**5.1%**	**17.0%**
Drones /robots	2018	NA	NA	NA	NA	NA	NA
	2019	**20.7%**	**18.0%**	**12.1%**	**11.3%**	**19.4%**	**18.5%**
Machine learning	2018	8.1%	11.0%	11.0%	15.9%	11.3%	42.8%
	2019	**29.5%**	**24.9%**	**14.9%**	**10.8%**	**6.2%**	**13.6%**
Optical character recognition (OCR)	2018	19.6%	14.0%	13.6%	12.6%	7.0%	33.2%
	2019	**27.3%**	**26.5%**	**18.0%**	**10.7%**	**5.2%**	**12.3%**
Robotic process automation (RPA)	2018	7.3%	10.8%	10.5%	15.0%	16.8%	39.5%
	2019	**24.8%**	**22.7%**	**17.9%**	**10.9%**	**10.7%**	**13.1%**

FINDING 3

RE-
PRIORITIZING ROI

A CFO imperative

Finding 3

Re-prioritizing ROI: A CFO imperative

70%

of digital transformation initiatives fail to meet expectations

YET

91%

of finance leaders feel it's the CFO's job to ensure that benefits of technology investments are fully realized

Thanks to increasing demands by today's CEOs and boards, CFOs are being pressed to add strategic value to the organization and are being measured on their ability to generate results. As a result, CFOs must be able to provide proof points that any technology investments are generating healthy returns and are delivering on their promise of increased efficiencies or cost savings.

It is no small task, given estimates that as many as 70% of digital initiatives fail to meet expectations. Yet, Grant Thornton's research reveals that nearly 91% of finance leader respondents agree or strongly agree that it's the CFO's job to ensure that benefits of technology investments are fully realized. Moreover, our survey found that nearly 45% of respondents agree and 38% strongly agree that technology acquisitions must always be connected to specific business outcomes and quantifiable ROI.

Because of this, CFOs are reprioritizing how they define ROI of technology investments. A new ROI approach is needed to balance short-term return, which quantifies hard cost savings with a long-term view that demonstrates the strategic value of building a more insight-driven enterprise.

FINDING 3 (CONTINUED)

Re-prioritizing ROI: A CFO imperative

How should organizations measure the overall business success of the transformation initiative? What should the aim be in terms of project ROI? What are reasonable objectives for increased revenues, reduced operating costs and expanded gross margin? Only the CFO is in a position to answer these core questions and measure the true financial impact to the organization.

Digitization of the enterprise has altered not only the speed at which change happens but also the demand for faster ROI. “Historically, ERP systems were implemented every five to 10 years, and upgrades were made every year or so,” explained Grant Thornton’s Stephenson. “With digital transformation, multiple software platforms interact with each other and constantly change the environment, the spend and the ROI. The CFO has had to shift and adapt to the speed of technology and increasing expectations of ROI.”

Businesses are going to look for faster returns on the investments that are made and be a little less patient with those that are not showing the expected returns.

Stephenson noted: “It’s all about doing more with the same — same team, higher value of revenue. With the implementation of bots, finance functions can typically handle six to seven times the transaction volume without additional hiring or investing another dollar.”

The good news is that with the CFO in the driver’s seat, organizations can move from a project mind-set that focuses on short-term thinking toward how to deliver ROI, sustainable cost-effectiveness and value. And with the help of predictive analytics and other tools, CFOs are in a better position to measure not just cost savings of digital initiatives but also their long-term benefits such as competitive differentiation, improved service and business agility.

Automation allows CFOs to move from fighting fire drills and on to performing value-added tasks that result in greater ROI. Investing in emerging technologies such as advanced analytics, RPA, machine learning and AI will allow the finance function to become less transactional focused and instead invest their time in generating deeper insights that can help drive the growth agenda of their organizations. The end result is a smarter finance function.

FINDING 3 (CONTINUED)

Re-prioritizing ROI: A CFO imperative

Figure 2: It's the CFO's job to ensure tech benefits are realized

Strongly agree	**48.1%**
Agree	**43.2%**
Disagree	**7.8%**
Strongly disagree	**0.8%**

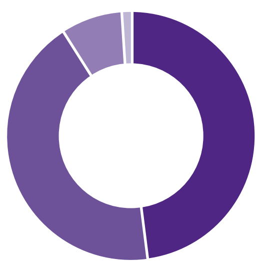
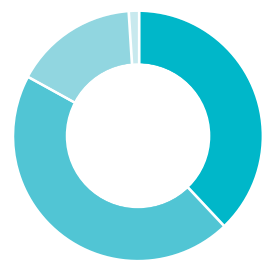


Figure 3: Technology acquisitions must be tied to ROI

Strongly agree	**38.0%**
Agree	**44.9%**
Disagree	**16.0%**
Strongly disagree	**1.1%**



FINDING 4

CFO RE-IMAGINED

Supporting the innovation agenda

Finding 4

CFO reimagined: Supporting the innovation agenda

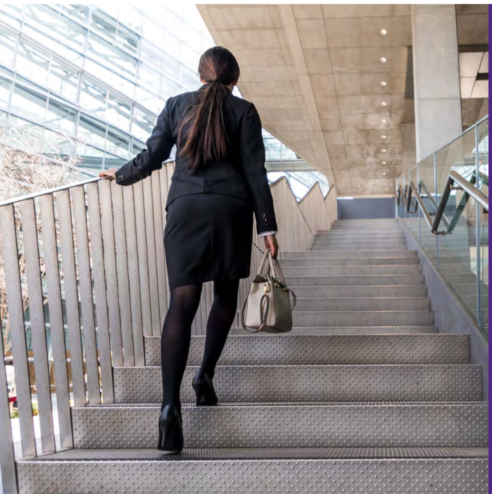
As CFOs look to increase investments in emerging technologies, they will also play a major role in guiding the innovation agenda for their organizations. Working with others in the C-suite, the CFO is well positioned to provide a balanced and measured view to ensure that digital and IT investments align with the organization's innovation strategies. As the owner of the capital allocation process, CFOs are bound to help ensure that IT and other resources are allocated efficiently and that the enterprise has the capital necessary to move forward innovation initiatives.

Our survey found that the vast majority (95%) of finance leaders agree or strongly agree that the finance function should be an active participant in allocating resources for innovation across the enterprise. Additionally, they agree (47%) or strongly agree (46%) that, as their company's CFO, they actively support an innovation culture that identifies and funds technology initiatives that impact business strategy. In fact, more than half strongly agree that the CFO is a key stakeholder in enterprise transformation planning.

Owning an increased role in innovation planning will require the CFO to adopt a willingness to experiment and help drive a culture of innovation within the organization. That includes the ability to learn from failures and ensure that innovation initiatives do not get stalled.

In the next year or two, the number of use cases for key emerging technologies including robotics, machine learning and AI will expand. "Look for contract negotiation to be one of the first places AI actually helps companies," predicted Grant Thornton's Stephenson. "The question will be whether the next phase of innovation will emerge from within the organization or be introduced by start-ups that build new solutions."

To be sure, many of today's businesses have not been sitting idly on the sidelines. And that's often due to forward-minded CFOs who have prodded their CEO and C-suite counterparts to think ahead in digital terms.



93%

agree that their CFO actively supports an innovation culture by pursuing technology initiatives that impact strategy

FINDING 4

CFO reimagined: Supporting the innovation agenda

Figure 4: My company's CFO actively supports an innovation culture

Strongly agree	**46.4%**
Agree	**47.7%**
Disagree	**4.8%**
Strongly disagree	**1.1%**

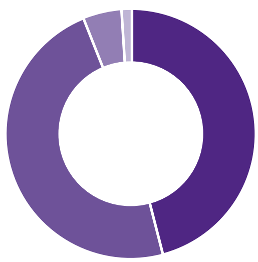
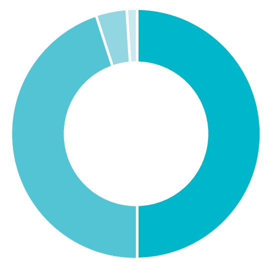


Figure 5: My company's CFO is a key stakeholder in enterprise transformation planning

Strongly agree	**50.3%**
Agree	**44.9%**
Disagree	**3.7%**
Strongly disagree	**1.1%**



FINDING 5

PARTNERSHIPS MATTER

CFOs must improve collaboration with the C-suite

Finding 5

Partnerships matter: CFOs must improve collaboration with the C-suite

Building an insight-driven organization represents complex, cross-enterprise initiatives requiring increased collaboration and communication among all business function leaders. As CFOs expand their role in driving the digital agenda, they will need to actively partner with other C-suite executives. An enterprise-wide demand for analytical support will demand better collaboration among the CFO and other C-suite peers.

Indeed, our research found that 60% of respondents strongly believe that their company's finance function of the future must provide advanced analytical support to business units throughout the enterprise in order to inform better decision-making. This will require improved communication and alignment with other business functions. The vast majority (90%) of respondents agree or strongly agree their company's CFO is in regular communication with and is closely aligned to marketing, sales and customer experience functions. Nearly the same number (89%) believe the CFO actively shares insights about how to run a lean, efficient function with peers.

As Subodh Raj, Grant Thornton national managing principal, Business Consulting, noted: "A focus on improving profitability — combined with implementation of rapid emerging technologies such as RPA and machine learning — gives CFOs a unique opportunity to collaborate with operations leaders across their organization to rapidly drive change and sustainably reduce operational cost in their business units."

As companies continue to experiment with advanced analytics and mining troves of data to cull relevant insights that can improve strategic decision-making, the CFO will need to learn how to better manage processes and communication within a "data democracy"—where information is available on demand for anyone, any time. With requests for data to increase, finance leaders will need to work with their C-suite peers to establish rules around data usage and ensure that the organization is utilizing only the highest quality data.

Greater collaboration between the CFO and the CIO is particularly vital. Working with data scientists within the IT organization can help the CFO rethink end-to-end finance processes. Similarly, the CFO can help CIOs build a strong business case for a major digital investment. Embedding finance professionals within the IT organization may be one way to increase coordination and provide CFOs with a deeper understanding of how digital technologies can drive the business agenda, with insights into what is working well and what isn't.

"While the CIO is the executor of emerging technologies, the CFO needs to drive the strategy within the enterprise. As a result, CFOs need to have a seat at the table with marketing, strategy, manufacturing and other functions within the business."

Roy Nicholson, Business Consulting and Technology, Grant Thornton

"It is widely expected that the US economy will face headwinds in the next couple of years. While the specifics nature of the downturn is up for debate, the current economic health of the organization provides CFOs the opportunity to actively partner with their C-suite colleagues to take actions now that will sustain their ongoing operations into whatever form the downturn takes."

Subodh Raj, National Managing Principal, Operations Transformation, Grant Thornton

"The speed of technology change will demand increased frequency of touchpoints between the CFO and CIO to review budget forecasts and planning. As technologies evolve, the CFO and CIO will serve as two quarterbacks, but it will require the entire C-suite working together to make a digital transformation successful."

Chris Stephenson, Principal, Business Consulting and Technology, Grant Thornton.

"CFOs understand that they need the CIO and the talent within the technology group to help drive digital transformation changes. CIOs understand that CFOs have an ownership stake in ensuring that the technology provides the capabilities they are looking for. **It's a partnership.**"

LaVerne Council, National Managing Principa, Enterprise Technology Strategy and Innovation, Grant Thornton

FINDING 5 (CONTINUED)

Partnerships matter: CFOs must improve collaboration with the C-suite

Figure 6: Finance function must provide advanced analytical support to business units

Strongly agree	**59.1%**
Agree	**38.0%**
Disagree	**2.1%**
Strongly disagre	**0.8%**

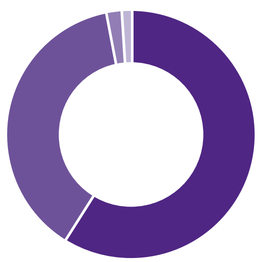
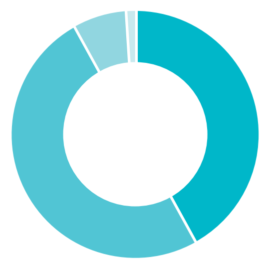


Figure 7: Technology acquisitions must be tied to ROI

Strongly agree	**42.1%**
Agree	**50.1%**
Disagree	**6.7%**
Strongly disagree	**1.1%**



FINDING 6

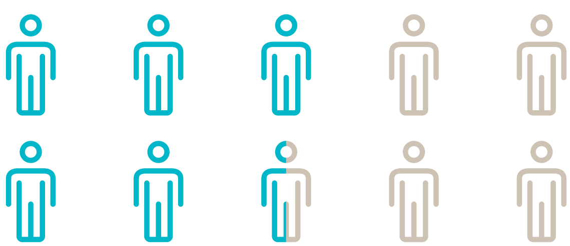
HIGH PERFORMANCE FINANCE TEAMS

New skillsets for the digital era

Finding 6

High-performance finance teams:
New skillsets for the digital era

More than half of respondents felt data analytics was the #1 skill they wanted to develop within the finance function.



A new technology-focused finance function of the future will demand new skill sets and competencies in order to move the growth agenda forward. CFOs will need to recruit and retain employees who not only possess traditional finance expertise but also are committed to learning about new technologies or process design. Compensation and incentive programs may also need to be tweaked in order to combat a resistance to change and reward those who support the creation of a digital finance function.

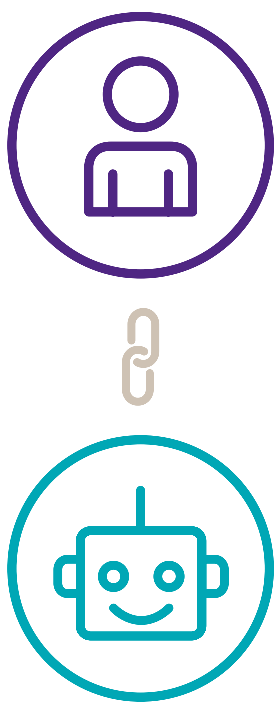
With a business-critical need to better manage data to gain real-time insights for informed decision-making, it's no surprise that more than half (55%) of our respondents reported data analytics is the most important skill set they would like to develop within the finance function either through additional hiring or training. Other skill sets cited as priorities include business strategy (40%), operations management (35%), technology acquisition (33%) and innovation/entrepreneurship (31%).

Our research also revealed that the finance function must do a better job of leveraging both technology and people, something with which 92% of our responding finance leaders either agree or strongly agree. The good news is that more than 87% report the finance function already has advanced technology expertise that can be leveraged across the enterprise.

FINDING 6 (CONTINUED)

High-performance finance teams: New skillsets for the digital era

> "This is the first wave of technology where humans and bots are actually working side by side."



The digitization imperative will also require that the finance function understand and manage the human vs. machine relationship. Today's new wave of technologies are nothing like those of old. While previous technologies existed to enable and improve lives, this wave of technology is the first that will truly act as the equivalent of a coworker. In effect, it will become a new business partner for the CFO.

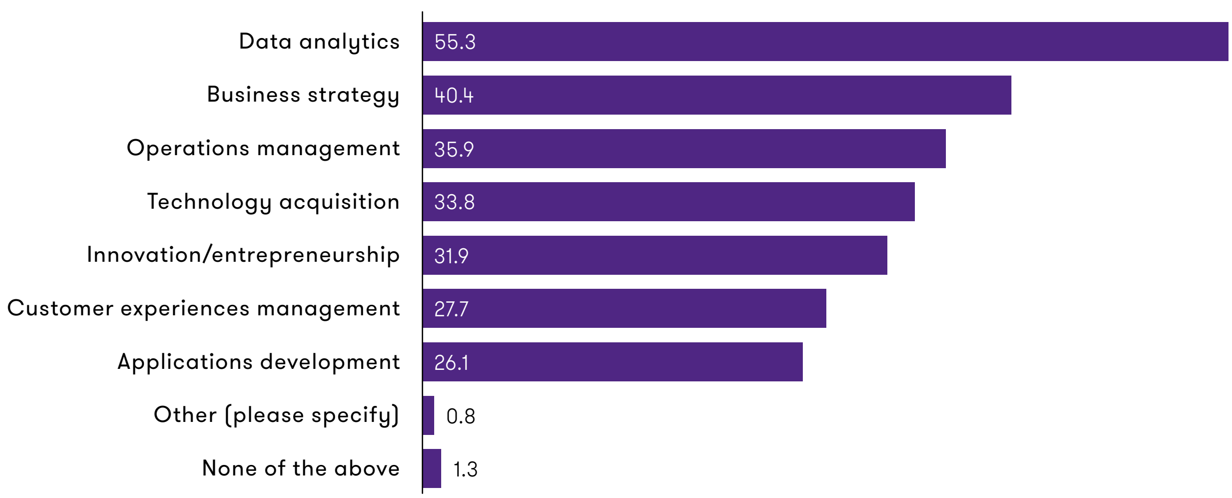
"This is the first wave of technology where humans and bots are actually working side by side," Grant Thornton's Stephenson said. One of the results of this shift is the way CFOs think about talent. It will be critical to leverage reverse mentoring and engage early-stage employees who understand technology well and are able to educate teams. "Enlisting the right people who know technology in executing use case projects will allow CFOs to be more successful," Stephenson explained. "It will also serve as a valuable recruiting advantage because today's emerging workforce is seeking finance positions where they can pair financial and technology expertise."

CFOs will reap the rewards of the technologies in which they are investing as they realize they will be able to accomplish more with the same level of resources. "Over the long term, it will allow the enterprise to become a more insight-driven, analytical company that is going to get to market faster with new ideas," said Stephenson.

FINDING 6 (CONTINUED)

High-performance finance teams: New skillsets for the digital era

Table 8: Skill set priorities for the finance function



THE DIGITAL TRANSFORMATION AGENDA

Guidelines to get started

Guidelines

The digital transformation agenda: Guidelines to get started

Finance executives who are serious about digital transformation should consider adopting the following guidelines for long-term success:

Identify business use cases

Work with the CEO, board and other C-suite peers to systematically identify processes within the finance function and the enterprise that would most benefit from automation and digitization. Determine which opportunities will offer the most incremental value to the organization in the short term. Engage business unit peers to identify pain points in various financial processes including slow reporting or incomplete data.

Adopt a machine-first mindset

Determine where you can shift manual, low-level work to computers and move finance team members into higher-value strategic roles. Realign resources as needed and provide additional training to allow team members to obtain new needed skill sets such as data analytics and forecasting.

Experiment

Begin to pilot use cases and use them as a foundation to define capabilities and new ways of working. Share success stories broadly throughout the enterprise as well as lessons learned from project failures.

Improve communication processes

Evaluate the way in which the finance function interacts with and aligns with other business functions including IT, marketing, sales and strategy. Identify new processes for more frequent touchpoints to ensure the finance function has a deep understanding of business unit needs and challenges.

Align digital investments with business objectives

Identify core key performance indicators to measure the effectiveness of all digital transformation initiatives and deliver healthy ROI. Prioritize metrics that link technology investments and innovation to business objectives, ROI and growth.

Invest in building a culture of innovation

Focus on creating a culture of innovation within the finance function to empower employees and cultivate a more digitally capable workforce. Emphasize the human side of digital change rather than technology-first approaches.

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