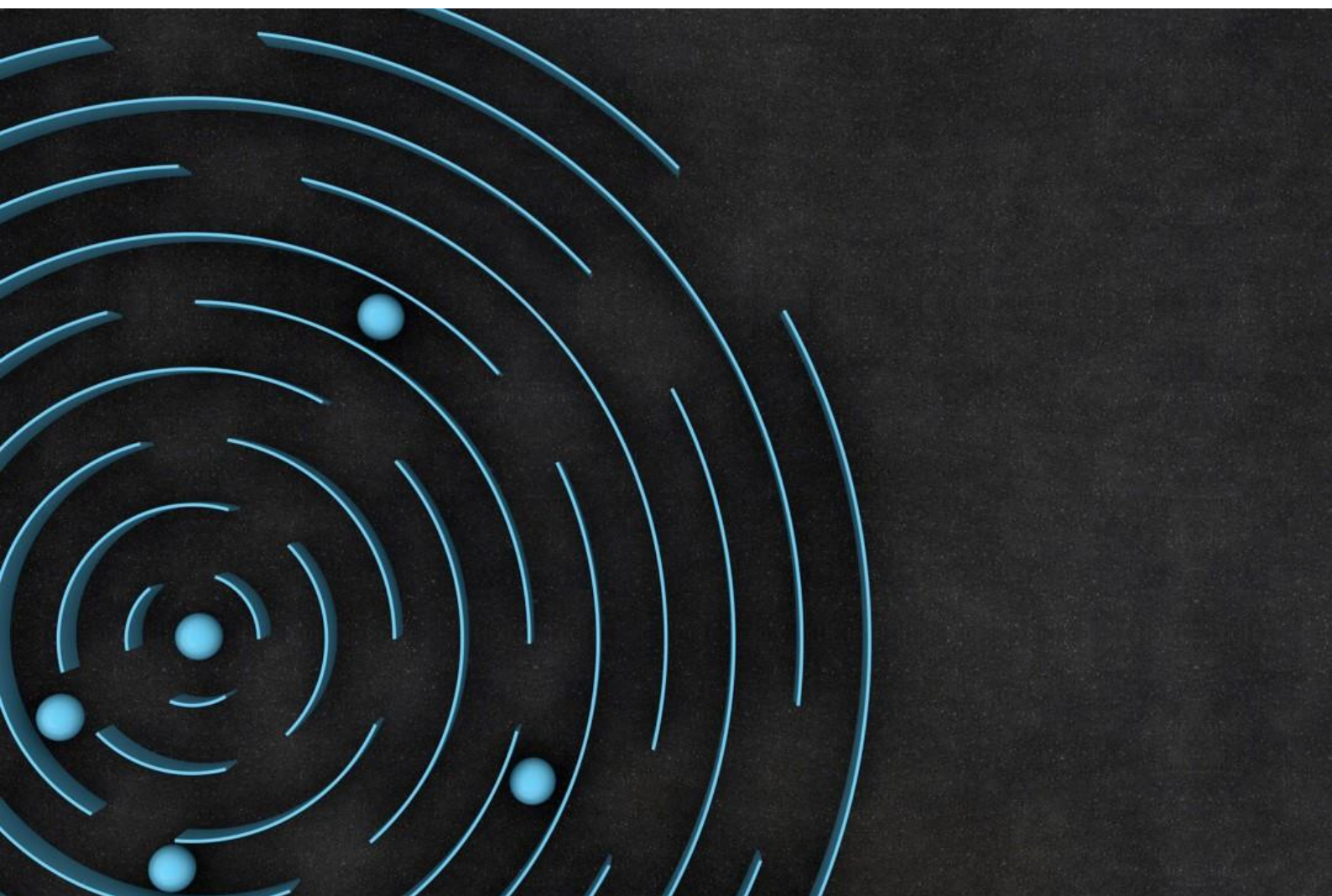


FPANDA CLUB

FOUR EMERGING ROLES OF FINANCE PROFESSIONALS



Anna Oblakova

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Fast-changing environment of the digital age requires not only rapid adaptation of business but also of the finance function, which leads to the evolving responsibilities and roles of the finance professionals.

Today's digital era is known as a turbulent environment with constant changes which forces companies to be extremely nimble to mitigate risks and, what is more important, to identify and capture opportunities. Traditional business models do not work well anymore: to survive enterprises need to be able to make quick and, at the same time, informed decisions and rapidly adapt to changing market conditions by launching new strategic initiatives, assessing their results and reallocating resources to the most promising ones.

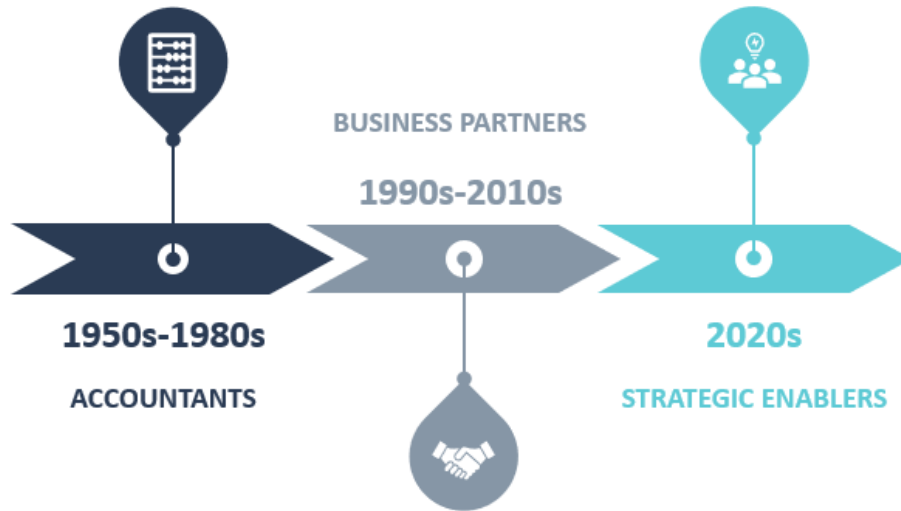
The digital age has changed the very essence of work not only for business teams – finance function also needs to transform and adapt to new reality, new requirements and expectations.

There can be many signs pointing to the need for change in finance organization the most obvious of which are as follows:

- Information provided by finance function is not aligned with strategic objectives, does not uncover financial impact of strategic initiatives and operational activities and thus, does not bring real value.
- Planning and forecasting process delivers unreliable outcomes characterized by high volatility and low level of accuracy.
- Instead of developing partnerships and supporting decision-making members of finance team seem to be undervalued by the business.
- High cost of finance function compared to the industry average not to mention top performers.
- Pressure to report more in a shorter period of time providing information to support decisions of key stakeholders: executives, supervisory boards, shareholders and investors.
- Reporting is manual and non-unified which requires more efforts, time and is less efficient.
- Processes are complex, unstandardized, for example, differ depending on the country or region.
- Synergies from mergers and acquisitions are not obtained though integration processes must bring standardization of activities, processes and tools, elimination of duplicate activities, ability to deliver better results group-wide by fewer number of people.

Overcoming most of these often-interrelated issues assumes expanding accountability of the finance function in order to deliver more value, be more trustworthy and reliable, responsive and insightful, efficient and influential.

No wonder, the responsibilities of the finance professionals are constantly changing giving birth to new roles in the companies. The role of finance executives has greatly evolved in the last 60 years from accountants to strategic enablers.

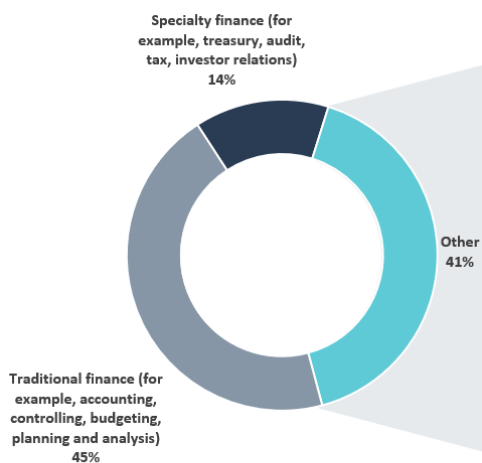


Source: The CFO Reimagined: from driving value to building digital enterprise. Accenture, 2018

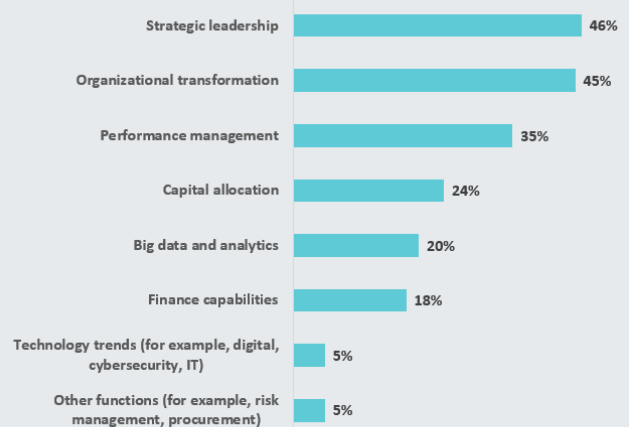
Moreover, on average, five functions other than finance now report to the CFO and 40% of CFOs spend most of their time on roles not directly related to finance.

Four in ten CFOs spend most of their time on strategy, transformations and other nonfinance areas*

Roles in which CFOs spent the most time past 12 months, % of CFOs



Areas where CFOs focused on nonfinance roles spent the most time past 12 months, % of CFOs







*On the first diagram, number of CFOs = 193; on the second diagram number of CFOs = 77 as the second question was asked only of those CFOs who said they spent the most time on other (nonfinance) roles in the past 12 months

Source: McKinsey Survey December 2016. Are today's CFOs ready for tomorrow's demands on finance?

Unique position of the CFO in the organization as the right hand of the CEO enables them to drive strategy together based on the deep and valuable insights. Profound understanding of end-to-end processes within the company, primary responsibility of the finance professionals to assess and prioritize investment projects, including those related to digitalization, cybersecurity and technological development, are among major factors contributing to finance function omnipresence, to this shift from its traditional to nonfinance roles.

Based on these results, several new major roles of the finance professionals can be named to ensure high performance of the finance function. They are aggregated but not limited to the four presented in the table below:

ROLES	STRATEGIC CO-DRIVERS 	DIGITAL TECHNOLOGY ADHERENTS 	PROCESS AND PERFORMANCE MANAGEMENT EXPERTS 	COMPANY DEFENDERS 
GOALS	<ul style="list-style-type: none"> Proactive strategic and change leader 	<ul style="list-style-type: none"> Digital transformation leader 	<ul style="list-style-type: none"> Ensure organization-wide efficient and effective processes 	<ul style="list-style-type: none"> Anticipate and protect organization from risks
ACTIVITIES	<ul style="list-style-type: none"> Timely identify key market trends, risks and opportunities Develop vision and guide towards objectives and value creation Provide valuable insights for decision-making Align business and finance function strategies Work in collaboration with other functions rather than be an approver 	<ul style="list-style-type: none"> Leverage data and technologies to drive value Initiate and spread digitalization over other functions Ensure efficiency and new revenue streams Act as intermediary and “translator” between business and IT departments 	<ul style="list-style-type: none"> Process reconfiguration corresponding to the digital age Leading by example in productivity improvement, including automation and new technology adoption Integrate and align business and finance processes to reach company’s objectives Create new processes and cross-functional teams to improve performance 	<ul style="list-style-type: none"> Perform effective governance and control Ensure right processes and systems being put in place to protect company from threats Enable decision-making being based on reliable criteria Challenge business in the uncertain conditions to guarantee adequate risk taking Leading assessment of financial impact of potential cyberattacks
SKILLS	<ul style="list-style-type: none"> Understanding of business and external environment Storytelling – ability to convey the message of what stands behind the numbers Influencing – ability to influence business decisions and people, be actively involved in strategic initiatives Visualization and presentation to ensure effective communication 	<ul style="list-style-type: none"> Effective collaboration with IT function – understanding technology and ability to speak IT language to benefit from new tools and capture opportunities to increase value Statistics and data analytics 	<ul style="list-style-type: none"> Understanding of process improvement methodologies and options (lean, six sigma, ISO certification) High level of agility and ability to adapt Curiosity, support of innovation and encouragement of experiments with new approaches 	<ul style="list-style-type: none"> Understanding of digital risk Understanding of data governance, data security, cybersecurity

Access to valuable data and insights empowers financial people to act as proactive strategic leaders rather than merely support decision-making and be approvers. This role of strategic co-drivers assumes acquisition of new skills by the finance team which will help them to clearly present, explain the value of strategic initiatives and influence business decisions instead of just sending reports full of numbers.

Moreover, dealing with data and technologies within finance function gives them an opportunity to become digital leaders and contribute to spreading digitalization enterprise-wide facilitating communication between IT and business. This requires not only developing statistical and analytical skills to process data and generate insights but also the ability to speak “technical” language, understand and leverage opportunities created by new technologies and mitigate risks.

Good knowledge of processes and their contribution to overall productivity enables finance specialists to act as process experts advising on process reconfiguration and performance improvement, thus, increasing efficiency and driving value. However, to perform this role and work in collaboration with other functions finance should be efficient as possible to lead by example, try and integrate new operating models, processes, approaches to increase its own agility and productivity.

Stability of the organization and delivering values to shareholders have always been the top priorities of the finance team. In the digital age, to ensure this sustainability and maintain customers' confidence in the company's brand financial professionals should keep their eyes on digital risks, cybersecurity and data governance. But it is not just about budgeting and cost evaluation, it is about putting in place the best solutions, policies and procedures, performing regular risk reassessment to improve data protection and, as a result, customer value.

It may seem that this post is for the CFOs, but it is not. Though the surveys and sources mentioned are devoted to finance leaders from C-suite and shifts in roles are mostly focused on executive capabilities, all finance specialists from interns and juniors to seniors and managers are witnesses of the changes happening in the finance function, and it is essential not to overlook them, not only to adapt but be proactive acquiring new skills and developing expertise.

References:

1. [The CFO Reimagined: from driving value to building digital enterprise. Accenture, 2018.](#)
2. [Are today's CFOs ready for tomorrow's demands on finance? McKinsey Survey December 2016.](#)

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AUTHOR

Anna Oblakova

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