

Today's challenges for CFOs 1/29/22

When external conditions are especially challenging, smooth internal processes and readily available information may prove to be a key aspect of improving your competitive edge. Today's finance function is challenged by changes in the business environment and economy and by disruptive technology, so a CFO equipped with financial knowledge alone is no longer enough. In its annual CFO survey, PwC finds out what problems are facing companies in areas that CFOs keep on their radar as a top priority in order to grow their company and improve the performance of its finance function. This article summarises findings of the CFO survey conducted by PwC CEE and opportunities we see for supporting CFOs.

Key aspects according to CFOs

One of the survey's findings is that every year CFOs have to deal with new conditions, be able to adapt, and continue building future forecasts. Many CFOs have so far focused on motivating their team and on the accuracy of planning and budgeting, yet in future they plan to focus on *automation*, changing the IT system, and the ability to support their company in a dynamically changing environment. The pandemic period has clearly demonstrated each company's automation maturity. CFOs say completing digitisation is still a priority. Only 6% say their company has fully integrated systems and automated workflow solutions, while 42% say Excel-type solutions are still being used intensively.

As to automation, CFOs say the emphasis is not only on accounting and transactions work but there is growing emphasis on processes such as short-term and long-term planning and procurement management. To ensure these areas get automated and accelerate business decision making, the availability and interpretation of accurate *data* is becoming increasingly critical. As to monthly performance details, about a half said monthly closing results are available within 6–10 working days, and only 28% close the month on the second working day of the next month.

A key factor that keeps CFOs from achieving their objectives is a shortage of skilled *professionals*. 67% say they face a shortage of professionals especially in change management, innovation, and automation. One of the survey findings is that only 30% of finance teams have employees with knowledge of business intelligence. CFOs are also aware that finance teams will need to boost their business intelligence as well as management accounting, financial analytics and financial control competencies over the next three years.

Based on these facts, CFOs plan to focus on these three areas:

1. *People*. We need to be aware that the role of financial partners is substantially different from other financial roles. In the case of financial partners, the scope should go from detail to understanding the overall situation and the focus should be from the present to future opportunities. This causes the CFO to identify the existing skills in their team and develop their current people, creating an innovative team that can keep up with the times and technology development.
2. *Processes and data*. Improving processes is still a priority. Accurate and readily available data allows your company to respond and make decisions faster. From a more strategic perspective, the emphasis should be on business process optimisation to facilitate data gathering. The next step is to find a technology solution that allows you to structure that data in a meaningful and comprehensible way.
3. *Indicators*. We need to develop indicators that not only focus on financial performance but also reflect some other significant business areas, pointing to your company's strengths and

weaknesses.

From words to deeds

To find out what exactly would be the most appropriate future finance model for your company and the path to it, begin with your people! Invest in your key people who will support your company during transformation, master finance and data management skills, and evaluate your co-sourcing and outsourcing strategies.

Second, simplify your processes, minimise your exclusions, set up controls, and automate as far as possible! This will help you gather data faster and be certain about their accuracy.

If you have done the above, then develop your digital data models and data warehouses to serve as a basis for creating real-time reports and visualisations of your indicators.

Each company is at a different stage of the journey, so it's especially important to strategically assess how IT tools and automation can best support your company as a whole, then assess the required changes, and start step by step. We have the expertise to support your company and CFO in strengthening your staff competencies, recommending and setting up various automations, and structuring data in terms of both content and method. We are here to take care of your internal processes and tools, so you have more time to focus on the dynamic business environment.