

the finance transformation and the CFO in 2025.



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In 2020, in the midst of the pandemic, Ausy (*) and Unit4 came up with a plan to establish a series of roundtable discussions with CFOs, other finance experts, and thought leaders. The digital (r)evolution in finance was the idea, and Finance 2025 the working title. 2025 was not to be taken as strictly meaning the concrete year, rather as a strategic point in the distance, in the not-so-distant future.

Throughout all the engaging presentations and discussions, the person of the CFO often came to the foreground as the driver of the transformation that their department would have to go through in the next few years. It was this realization that resulted in the creation of this white paper.

It is not possible to cover the subtleties of all the roundtable discussions in this document. Above all, however, we want to give CFOs and finance managers a moment of (self-)reflection. Starting from the key elements of the transformation of the finance function, we attempt to sketch out the profile of the CFO of the future. And that's if there is just one single profile... if not, we'll tell you that too. Read on to find out more.

Are you sitting comfortably?
Enjoy the read!

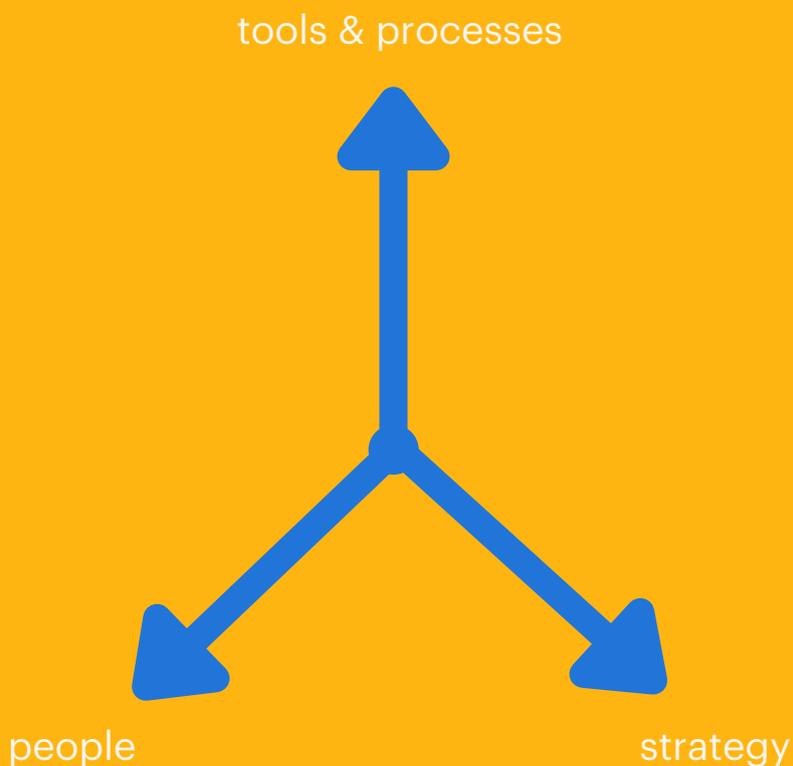
(*) Since June 2021, Ausy has been part of the Randstad Group as the Digital IT and Engineering specialty business. The other consultancy businesses, including Finance, focus on the temporary provision of qualified profiles and continue under the name Randstad Professionals.



the finance transformation.

The transformation of finance teams takes place on three different fronts: tools and processes, people, and strategy. The finance organization of 2025 will score highly in each of the three areas. However, this is not for everyone, and the question arises of whether it is even necessary. The type of organization in which this role needs to be fulfilled and the extent to which other parties within

the organization take on a partial aspect of the transformation are just some of the variables that determine the qualifications required of a CFO. A listed company has fundamentally different requirements of the CFO than a mid-market or startup company. But you probably already knew that.

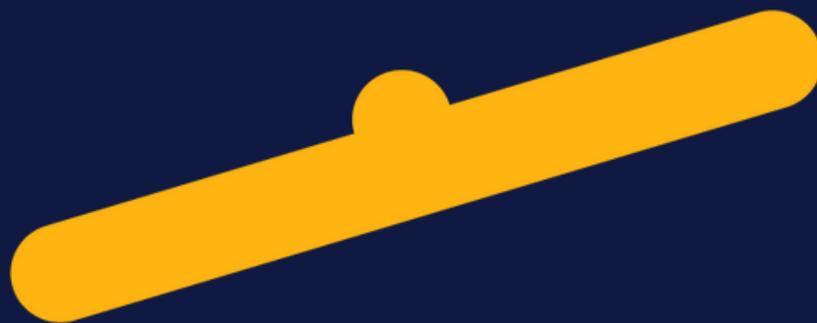


That's why it is down to the CFO to marshal their troops for each front according to their needs. Their own skills and preferences are also a factor in the equation. That's why we will define a number of CFO types below, each with their own highlights and focuses. For any CFO, it comes down to establishing

an organization in which the picture is right: in which the CFO and their team manage, one way or another, to cover the ground on which the transformation of the finance department will take place, all taking into account the specific details of their own business.



The CFO plays an essential part in finding the right balance between these three dimensions in their department.





tools & processes.



During our roundtable discussions, RPA and machine learning came up as obvious exponents of the digital revolution, including within the finance function. These technologies are either fully or partially ready for widespread and affordable implementation.

Good examples provide better inspiration than theories. This was the case for one of our delegates, demonstrating that statistical methods lead to better forecasts

now, in the pandemic, than the gut feeling of most business leaders. However, this result was not achieved overnight. It was the result of sustained investments, primarily in the form of time spent by a member of the finance department who had made it their mission.

How can a CFO and their team best deal with all this new, digital violence?



The maturity of the technology for the automation of repetitive yet also key processes within a finance team is well proven. Whether we're looking at +10%, +30%, or +50% of tasks, a modern finance organization in 2025 will make use of several applications of artificial intelligence and RPA. It's a matter of starting to experiment quickly.



Innovation for the sake of 'innovation' is a bad idea. What is, however, worthwhile is to look out for what has proven valuable to other finance teams. This can be tested against the reality of their own business

A critical look at the existing situation also helps: fixed work patterns, sacred cows, and other elaborate but underused reporting sets should also be examined under the microscope.

Even though the CFO is not a specialist in these new technologies, they create the openness to continuously explore new areas and to examine the added value of new technologies via proof of concepts within the company's own specific environment. This is an investment of people's time. In the beginning, leave the large-scale projects behind. Start small, think big.

A renewed, non-holistic look at ERP. ERP provides the basis for digitization, but is above all an enabler for further digitization. Openness and ease of integration, for example, are key criteria in the choice of a new ERP package or the continued use of the old package. This is why it is important to try not to needlessly implement specific processes that are unique to the organization into the ERP system. It is essential to remain open to expanding the centralized ERP solution with easily linked best-of-breed solutions for sub-processes. Use ERP for its original purpose and do not try to integrate everything. Provide an interface between systems, a balance between specialist applications and ERP. Many applications are already linked, making it difficult to know who is in charge of the data (for instance for GDPR).





people.



People are the key to future success, as we are often told. But how should we understand that within the finance function in transformation?

- ✓ Accuracy and control-awareness are still valuable characteristics for a good finance professional. Finance has always been a beacon of trust and must remain that way. Nevertheless, finance teams need to break free from the conviction that carefully crafted Excel tables provide more reliable forecasts than 'obscure' statistical models or – in a more advanced stage – machine learning.
- ✓ A future-proof finance team will be increasingly diverse as a result. Bookkeepers and controllers will stay, but the interpretation of their tasks has changed. Data architects, data engineers, automation specialists, and other roles that are

closely related to IT are the 'new kids on the block', just around the corner, and set to play a role in the evolution of the finance function.

- ✓ Each brings their own specialism, making a contribution to the heart of the finance story in the capacity of a business partner. The digital revolution should not be missed here either. It's simple for digital natives, but less obvious for finance 'old hands'. They don't want to miss the boat either and must embrace the digital transformation.
- ✓ That's why future-proof finance teams are characterized by a demanding, yet inspiring and high-quality learning & development policy. The opportunities to learn on the job have never been better. However, this requires an actively managed policy so that people can learn the right, new things.



A fool with a tool is still a fool. The digital revolution within finance teams will lead to a new skill set. A VLOOKUP is no longer the imaginary bar that every member of finance staff must achieve, that has now shifted to the use of SQL syntax when executing queries.



✓ What's more, how often has the finance team scored lower on compliance with essential HR processes in evaluations and talent management? The eternal excuse of coinciding closing deadlines no longer works for modern finance teams. On the contrary, they take on a pioneering role when it comes to

giving feedback, coaching, and mentoring coworkers.

✓ Modern finance teams embrace change and arm themselves with the right mindset to deal with these changes. Agile and scrum skills are a perfect fit in the finance team.

keepers	2000s	2025
controller	xls expert	SQL
GL accountant	emphasis on correct entry and bookkeeping standards	emphasis on validation and trouble shooting
AP accountant	VAT expert	problem solver communication



The finance team will soon look a bit more diverse. Some will stay, but the 'new kids on the block' will also play a more important part.





strategy.



The trend for finance to be regarded as a business partner can no longer be ignored. This trend is set to continue and will increasingly turn finance staff into business experts. We seriously wonder whether the new generation of finance leaders will have to be able to show a complete financial career path. Isn't business experience in sales, marketing, or even technology the best reference for the increasingly important role of finance as a business partner?

- ✓ No matter how close the finance department in 2025 may be to the business, it is sure to have to take on the role of gatekeeper too. The interpretation of the term gatekeeper is in a state of flux: there is an increasing shift from control

towards focus. A subtle difference that indicates a higher degree of involvement in implementation.

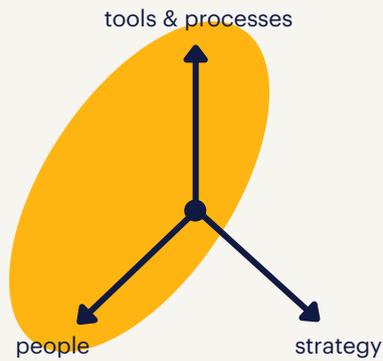
- ✓ When it comes to data, there is no consensus on the role of finance. Much depends on the sector, the size of the company and the characteristics of the business itself in order to determine who will be at the wheel of the data tanker in your business in 2025. However, the finance team does have an important role in compliance with data governance. In the absence of that and the associated proliferation, it becomes the finance department's obligation to ensure uniformity, reproducibility, and transparency through data governance.



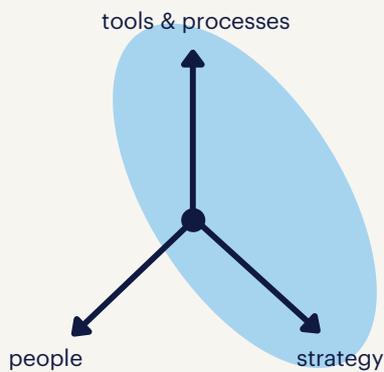
The CFO knows where their company creates value and plays a key role in the implementation of strategy. The 'F' stands for the focus they bring to the implementation of that strategy on a day-to-day basis.

CFO readiness typologies.

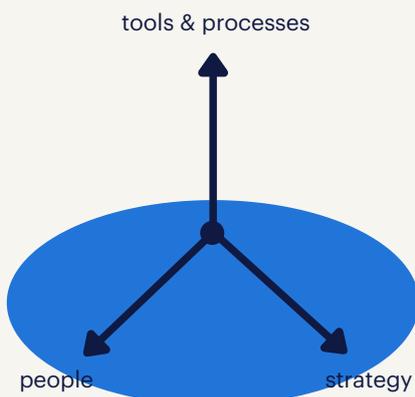
CFOs who pay no attention to at least one of these dimensions cannot be described as future-proof. We can identify various types of CFOs and finance departments on the basis of the three key aspects.



functional CFO



geek CFO



navigator CFO



the allround CFO.

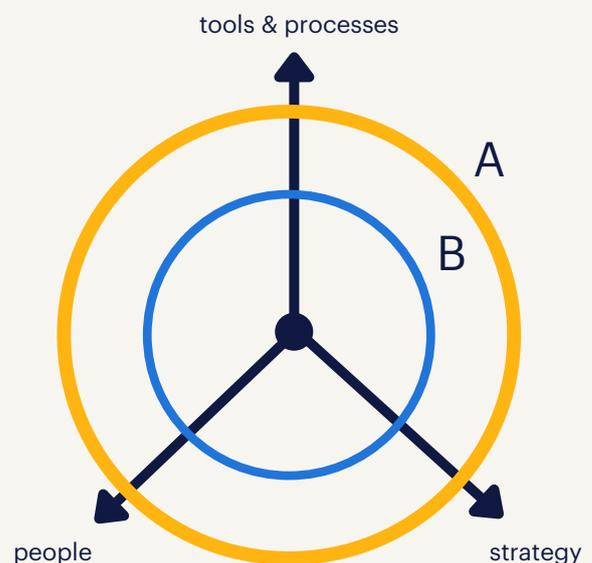
Casually concluding that the CFO of the future is a high performer in all three dimensions (profile A) would be to over-simplify the issue. In reality, CFOs will appear in other, perhaps more human, guises and thus in different forms.

The all-round CFO is a Jack of all trades but will score only slightly lower in all areas than the high performer who just focuses on one of the three elements (profile B). It remains to be seen how desirable one or other would be.

Perhaps the risks associated with a certain typology could be offset by the organizational characteristics of the finance department. Some types of organization sometimes don't need the CFO to be an all-rounder at all. Lastly, we must acknowledge that although we have all evolved out of one area of focus, this does not prevent us from spreading our wings further through experience.

chameleon.

The comparison with a chameleon is an accurate one here. The CFO must adapt to the situation within the organization. The key question is, does that matter? The severity of pitfalls associated with each of the different typologies depends on the type of organization in which the CFO is operating and the degree to which any missing aspects can be backfilled by other staff members, inside or outside the department.



the one-dimensional CFO.

One-dimensional CFOs are those with high scores in one of the areas, but who are weak in the other two. Interim CFOs are the prime example. Although the examples here may seem somewhat caricatured, to be on the safe side we have nevertheless highlighted the risks associated with the one-dimensional CFO who does not allow themselves to be surrounded by colleagues with complementary skills.

tech savvy CFO's.

There is a risk that this hobbyist develops tools "because they can". Strategic reflection is often weak and a lack of dialog with colleagues can result in inefficient budget spending.

social CFO's.

Sociable, but so what? The danger is that the social CFO does not have an overview of the technological state of affairs and how that can support the company's strategic objectives.

strategical CFO's.

Disconnected from their teams and from operational reality. The ivory tower is just around the corner.

the functional CFO.

The functional CFO scores highly on tech savviness and social skills, or has at least focused on these.

- ✓ The CFO concentrates on operational efficiency and continuous improvement of processes.
- ✓ They understand that digitization can go a long way toward moving the department forward.
- ✓ They enter into dialogue with suppliers, the IT department, their teams...
- ✓ They understand that the department is to undergo a fundamental transformation and think about the profiles that the team will need in the future, and thus about the composition and competences of their team.
- ✓ They focus on the timely production of information, but they are not the most important user of that information.

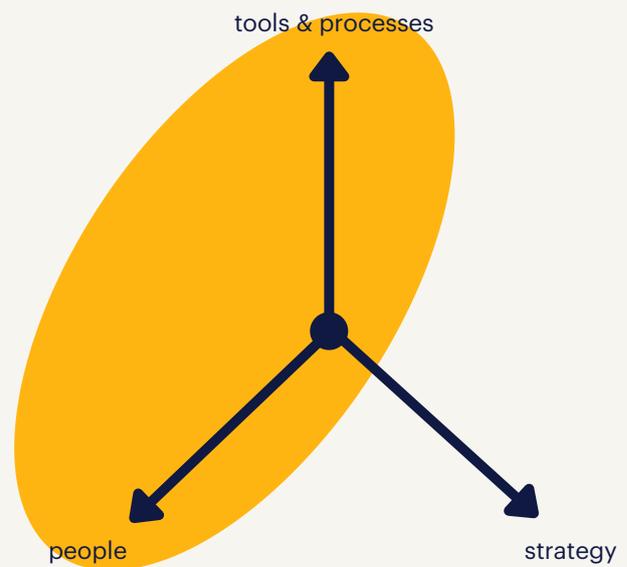


The functional CFO is often found in companies where the strategic role is taken on by someone else: CEO, strategy department, commercial directors... or in companies in which data and information are made available to the business according to a self-service model.

If this model is not a conscious choice and the strategic dimension of the finance function is neglected, there are a number of possible risks:

- ✓ Figures are produced, but they are not reviewed with the business.

- ✓ Figures are assumed to be correct, but wrongly so.
- ✓ More and more data is provided, but without any direction or link to the strategy. There is a risk of drowning in data lakes...
- ✓ Departments take the self-service approach and produce information that is no longer coherent with the finance department's single truth.



the geek CFO.

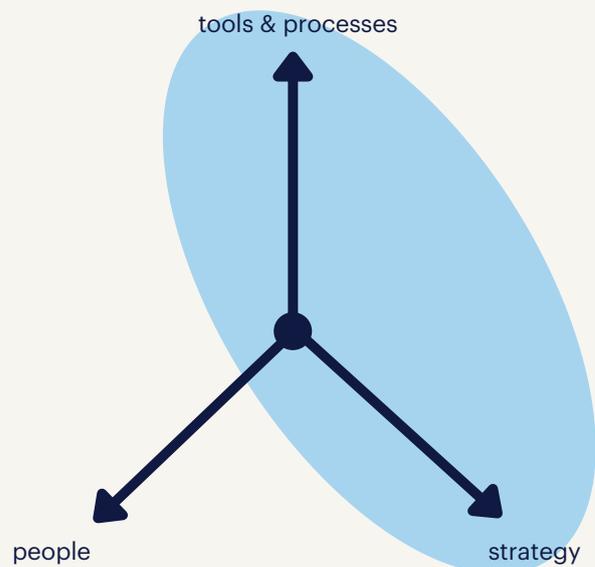
The geek CFO scores highly on tech savviness and strategic support but is less interested in the team or their colleagues.

- ✓ The CFO is fascinated by intellectual challenges and less involved in the day-to-day reality on the ground.
- ✓ They understand that the digital revolution will help more than just finance to move forward and feel strongly involved in the company's digital agenda.

The larger and more complex the company, the more a CFO like this will feel at home. They will often be on the frontline, spreading innovative ideas. Leading by example is their motto (although it is not certain that everyone will understand their example).

If this model is not a conscious choice and the social dimension of the finance function is not covered by complementary finance managers with whom they can work in symbiosis, there are a number of possible risks:

- ✓ The ivory tower glitters in its own light... The CFO is not understood by their colleagues. Change management is an onerous task.
- ✓ The social dimension is important in more than just the management of their own team. Valuable strategic reflections are often the result of interaction with others (colleagues on the management team in the first instance).



the navigator CFO.

The navigator CFO can be regarded as the 'Bear Grylls' of CFOs. Even without high-tech solutions and tools, they can navigate through day-to-day finance and also provide support and direction to the company at a strategic level. This profile invariably believes in highly developed finance teams as strong business partners.

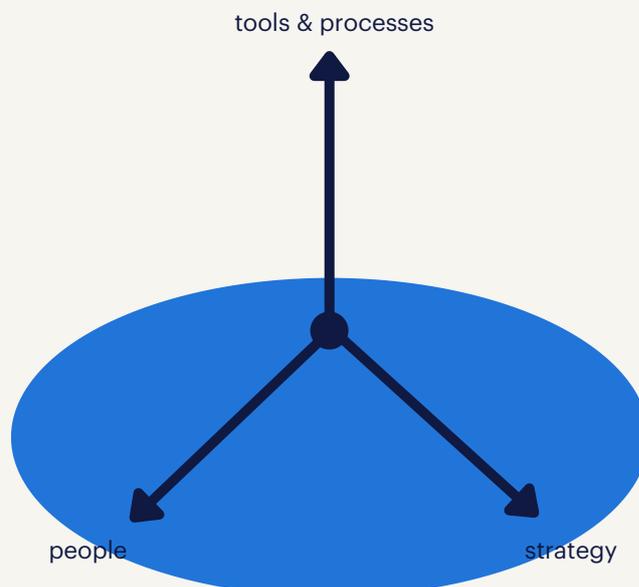
This CFO values stable and well-functioning systems and is critical of the added value of continuous improvement processes. They will automatically allocate more budget to optimize their team and learn new skills rather than pioneering with new (unproven) technological tools. The risk here is that this CFO will completely miss the (early

adopter) benefits of these new technologies.

- ✓ The request for investment in digitization/technology may come from the finance team to support the complementarity in the team.

This type of CFO strives for stability in both processes and tools and can (firmly) apply the brakes to real innovation. In a number of cases, a CFO like this may pay insufficient attention to the risks of end user computing-based reporting that has been pushed too far.

- ✓ To what extent is the navigator CFO in a position to put forward a business case for investment in technology? Especially if they are not entirely behind it themselves?





final words.

This document is not a word-for-word transcript of the many fascinating discussions we had with CFOs and other experts during our roundtable sessions. However, we wanted to take a longer look at how the personality of the CFO influences the inevitable transformation processes within the finance function. This influence is always significant.

This document was discussed at the final roundtable meeting on September 16, 2021, which was held in person this time. It resulted in an animated debate. And that is what we were aiming for: with this somewhat surprising angle surrounding CFO typologies, we can stimulate reflection on the function of CFOs in the new reality – although that's a cliché too now.

