

Leading in a World of Disruption



A CFGI Point of View About the CFO Function of the Future

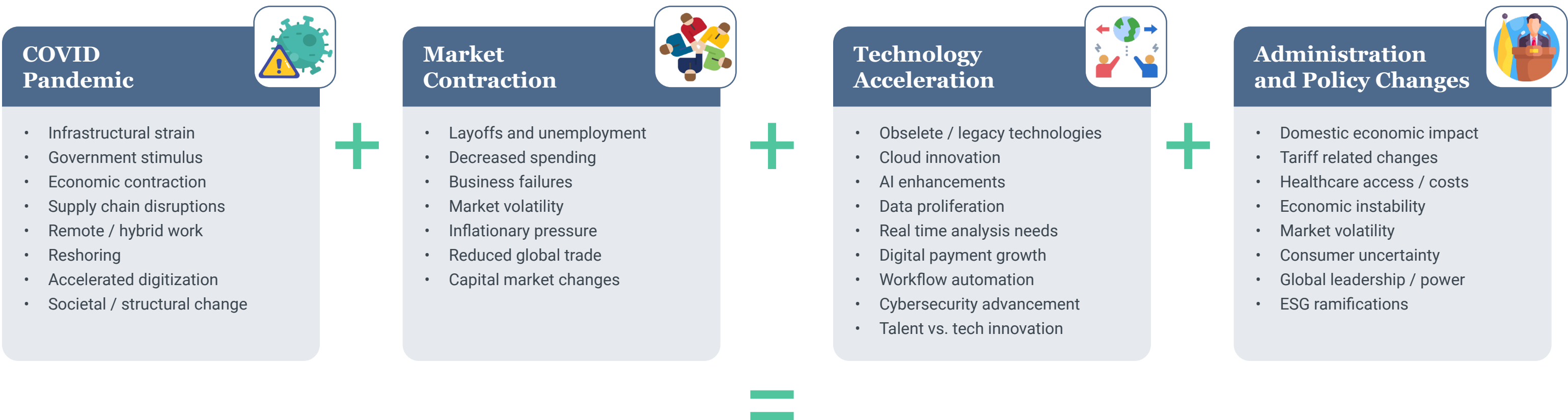
Unusual forces have been upending the macroeconomic landscape this decade causing a range of ripple effects. Strained talent models, an explosion of digital and AI complexity, market disruption and supply chain whiplash, and an escalating cybersecurity and data landscape are just a few to name. Read on to see how the best CFO teams are flipping each pressure point into sharper insight, faster decisions, and lasting advantages.

Also, a QR to a complimentary **Quick Scan** can pinpoint, in minutes, where your own function can leap ahead.



Change - The Mantra of the Decade

The 2020's have been a period of rapid, unprecedented, and unpredictable change across the globe.



Market Disrupters

- 1 Talent and Operating Model Fit to Meet Business Demands**
- 2 Growing Complexity of Digital, Data, and AI Innovation**
- 3 Managing Market Uncertainty and Supply Chain Disruptions**
- 4 Cybersecurity Threats and Data Protection Risk**

Questions that Finance Leaders are Asking

In light of market changes the past half decade, CFOs around the globe, are asking themselves (and their teams) a number of critical questions.

1

Team Agility

Do my teams have the infrastructure and agility to adapt to changing market conditions?

Activity Breakdown

What are my teams spending their time on? Is their work manual, automated or hybrid?

Skills and Structure

Does my team have the right talent and skills? How is my team structured? Do I outsource or offshore for cost efficiency?

Business Collaboration

Is my function set up for the maximum business impact in current uncertainty? Are they collaborating with the business lines?

2

Data Reliability

How much do I trust my data, data model, and standards? How much “data wrangling” does my team do?

System Age / Scalability

Are my core financial systems reaching end-of-life? Are they fit for purpose? Are my data supplier systems fit for purpose?

Insights Generation

How seamless (or cumbersome) are my processes for generating reports and insights?

Technology Funding

If I want to upgrade my systems and data infrastructure, would I be able to fund the work?

3

Process Disruptions

Can my Finance processes adjust easily to navigate business disruptions?

Actionable Insights

Are my insights to business partners timely and/or actionable?

Forecasting Models

How quickly and easily can my forecasting models be updated?

Supply Chain

Is my procurement team, and the broader organization, equipped to handle supply chain disruptions?

4

System Resiliency

How resilient are my core financial processes and systems in the face of a cyber attack or breach?

Risk Framework

How does our risk framework address the changes in the current cyber and data privacy environment?

CISO Collaboration

Do I have a regular connection point in place with my CISO? Do I understand the key Cyber risks?

Cyber Security Funding

Are we allocating sufficient resources to address current & emerging cyber threats effectively?

1

Talent and Operating Model Fit to Meet Business Demands

2

Growing Complexity of Digital, Data, and AI Innovation

3

Managing Market Uncertainty and Supply Chain Disruptions

4

Cybersecurity Threats and Data Protection Risk

Turning Challenges Into Opportunities

The Finance function is uniquely positioned to capitalize on macro-economic trends while strategically addressing core business challenges.

What the Market Disruptions Mean:

1

Talent and Operating Model Fit to Meet Business Demands

- Finance (and organizational) workforce expectations have shifted faster than operating models can adapt. Market talent now seeks hybrid or remote staffing models with geographic flexibility and competitive pay
- Skillsets required to run the Finance function are rapidly evolving from accountant to data scientist and strategic business advisor; transaction posting is out and decision-making is in

2

Growing Complexity of Digital, Data, and AI Innovation

- As legacy systems reach end-of-life / end-of-capability, companies are looking at modern digital solutions
- The appetite for Cloud, Big Data, and intelligent solutions has increased exponentially. These solutions are enablers for retaining competitive advantage and evolving employee and business operating models
- Organizations – especially their Finance departments – need to pivot quickly to keep pace with technological changes but the ability to prioritize, mobilize, and progress work in fluid markets is a major concern

3

Managing Market Uncertainty and Supply Chain Disruptions

- While costs related to digital investments and workforce infrastructure are on the rise, administration agendas, geopolitical tensions, regulation, and tariff changes are propelling uncertainty and hesitation across the C-Suite
- Market conditions are forcing CFOs to double down on real time capital and liquidity management, continuous forecasting and planning, pricing strategies, and regulatory compliance risks / changes

4

Cybersecurity Threats and Data Protection Risk

- Advancing technology and changing workforce models introduce threats around cybersecurity and data protection – at a scale that has not been seen before
- The CFO function needs to prioritize and plan for financial losses that could arise from data breaches and cyberattacks, legal / regulatory / incidental / insurance costs of responding to cybersecurity threats, and the management of reputational and operational damage

The Opportunity for Finance:

Build A Talented And Agile Workforce With A Mixed Location Model

- Recruit from a broader talent pool (geographically) creating agility / flexibility around evolving market conditions and cost efficiency related to hybrid working models. This includes evaluation and rollout of outsourcing and shared service models for scale (as relevant)
- Invest in training and upskilling talent to meet business needs / demands via more of a self-service model; align incentives with Finance transformation goals
- Consider outsourcing, offshoring, and nearshoring for maximum cost efficiency

Make Strategic Digital Investments To Enable Growth and Navigate Change

- Identify, prioritize, and implement digital solutions that provide maximum strategic growth advantages e.g. deployment of cloud solutions for flexibility and scalability, embedded AI capabilities such as OCR and risk calculation, and self-service analytics that connect operational data to financial plans
- Invest in data management solutions to streamline data ownership, quality, and governance – ultimately resulting in better reporting, analysis, and decision making
- Selectively deploy Artificial Intelligence (AI) and Generative AI capabilities to improve productivity

Develop Modeling and Business Partnership Capabilities With Clear Profitability

- Enhance financial modeling capabilities and tools to enable more real-time forecasting of business and profitability; this includes driver-based planning and rolling forecasts, predictive analytics for scenario modeling, cost optimization through unit economics and margin tracking, real time financial dashboards for decision making, and connections between KPIs and financial forecasts
- Leverage tools to enable better financial insights and faster. Tools can range from desktop automations applications to shared visualizations on a web application to cloud-based platforms

Invest In Advanced Cybersecurity and Data Protection Capabilities

- Improve data protection, customer trust, and general cyber strength by developing a multi-layered approach covering threat detection, data encryption, employee training, and compliance with regulatory standards for cybersecurity
- Work with the CISO to assess the need for and invest in advanced threat detection and response systems that cover Security Information and Event Management (SIEM) and Intrusion Detection (ID)
- Develop analysis and reporting for a) cybersecurity compliance and b) cybersecurity budget / resource allocation and cost / benefit reviews

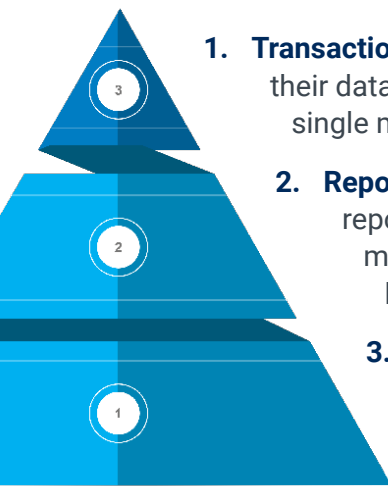
Embracing the Opportunities

Current disruptions and opportunities create the perfect opening for Finance to transform from “back office number cruncher” to “critical business partner and growth accelerator.”

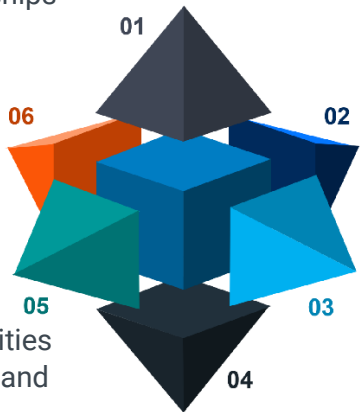
Finance Must Evolve

From a Pyramid of Processing

The building blocks of the legacy Finance model are transaction processing and reporting generation



- 1. Transaction Processing:** With the exception of organizations that have significantly evolved their data sourcing and accounting methodologies / tools, transaction processing is the single most time and resource consuming activity across Finance.
- 2. Reporting and Analysis Generation:** The effort to convert data into intelligence for reporting and decision making support- is a largely manual exercise comprising manipulation, cleansing, and continuous reconciliation of growing data sets that often become disconnected across reporting outputs
- 3. Insights and Strategic Decisioning:** Due to the time and effort required for transaction processing and report generation, the Finance function is unable to dedicate sufficient time to business line partnerships and strategic decision making



To A Strategic Insights Engine

An insights-based model positions Finance as a strategic partner using core enablers

- 1. Data, Transaction Processing, and Rules:** Transaction and data processing capabilities advance via a strong data model with clearly defined standards, high volume tools, and clear governance processes
- 2. Advanced Analytics and Forecasting Capabilities:** Foresight replaces retroactive reporting through tools and processes that enable predictive modeling, scenario analysis, and driver based forecasting
- 3. Modern Technology and Tools:** Integrated applications enable simpler, better, and faster work within Finance via cloud ERP, data visualization, automation and AI, and real time dashboards
- 4. Strategic Business Partnerships:** A collaborative and cross functional model builds credibility / trust positioning Finance to influence strategy and operations via the use of insights and predictive models
- 5. Agile Processes and Operating Model:** Finance is able to pivot quickly in response to business changes using its Centers of Excellence (CoEs), cross functional expertise, and agile planning cycles
- 6. Talent, Skills, and Culture:** The right people with business acumen, data analytics skills, and continuous-improvement mindset that makes Finance a strategic business partner.

Benefits of Transforming

Transformative Insights To Drive Strategy

Unlocking the power of data transforms Finance from a back-office function into a strategic capability that guides critical business decisions.

Revolutionizing Efficiency with Automation

Imagine reallocating hours spent on manual tasks to strategic initiatives. Automation empowers Finance to become the catalyst for innovation.

Agility To Fuel Confident Decision-Making

In a rapidly changing market, the ability to pivot swiftly and make informed choices sets successful organizations apart. Finance is key to this agility.

Dynamic Partnerships That Elevate Business Success

Strategic collaboration blurs silos and fosters a unified vision. Finance’s integration into decision-making elevates the entire organization’s performance.

Empowered Risk Management To Seize Opportunities

Proactive risk management not only safeguards assets but also uncovers new avenues for growth. Finance transforms risk into a strategic advantage

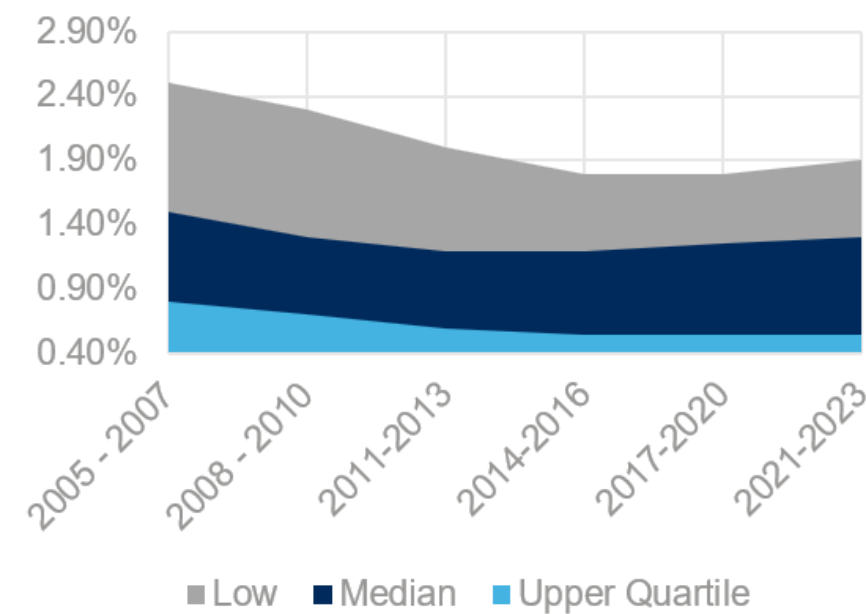
Survival of the Evolutionist

Organizations that invest in the evolution of their Finance functions will be better positioned to navigate – even prosper – in the increasingly complex, volatile, and competitive global market.

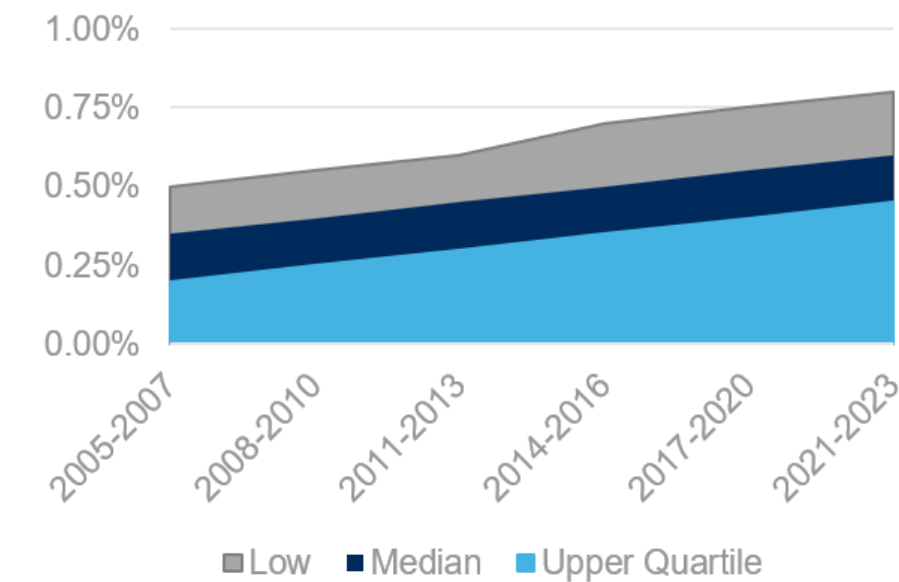
Value Driving Metrics

As your Finance function evolves alongside market needs and trends, it's important to evaluate (and strategically action) performance to key industry metrics.

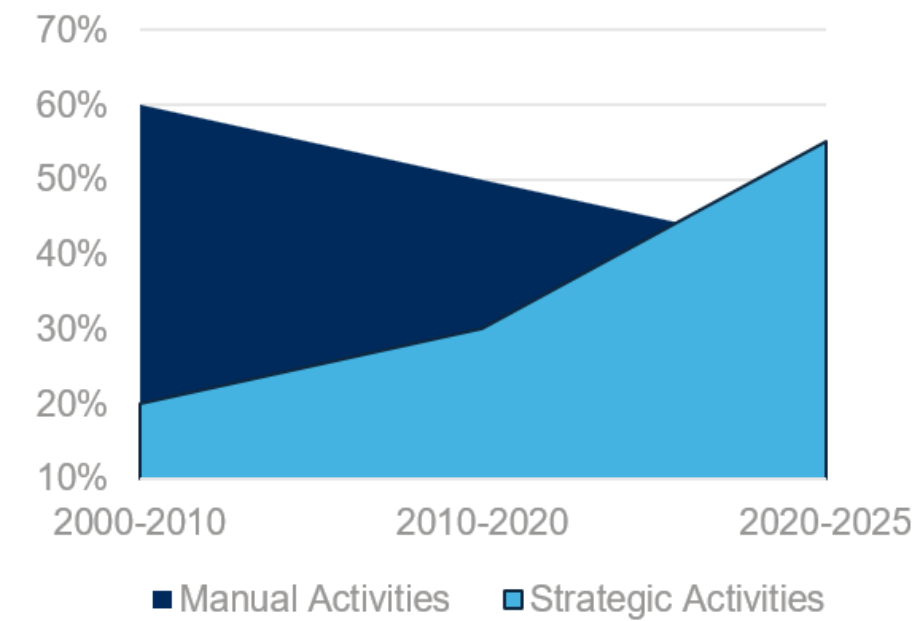
Cost of Finance as a % of total revenue is decreasing



Cost of Finance technology as a % of revenue is increasing



Finance staff time on manual activities is decreasing while time spent gathering strategic insights is increasing.



Operational Metrics

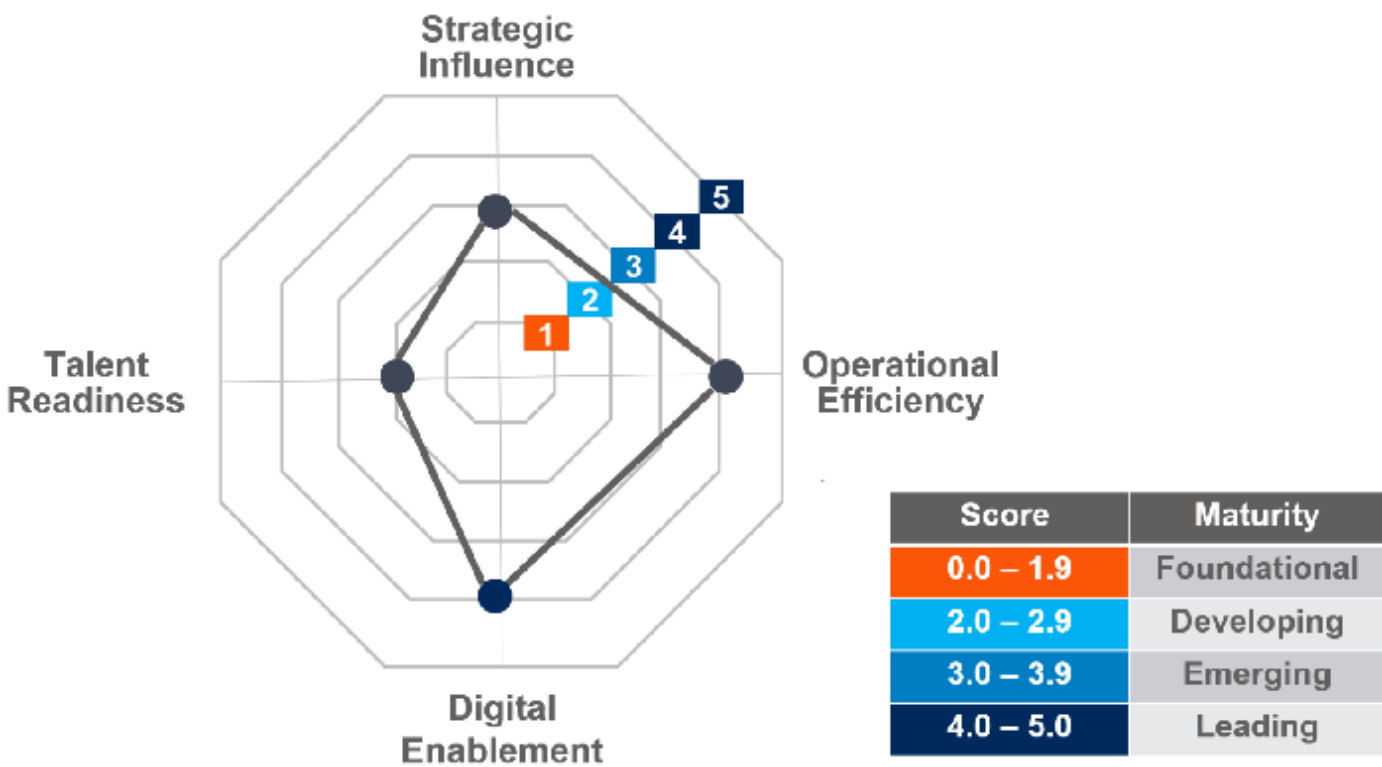
| Metric | Top Quartile Functions | Median Quartile Functions | Lower Quartile Functions |
|---|------------------------|---------------------------|--------------------------|
| Days to close month end | T+4 to T+5 | T+6 to T+7 | >=T+10 |
| Day to close quarter / year end | <=T+15 | T+30 | >=T+45 |
| Days to complete monthly reporting pack | T+7 | T+12 | >=T+16 |
| Days to complete quarterly / annual reports | <=T+15 | T+30 | >=T+45 |
| Days to complete budget / forecast cycle | <=T+25 | T+32 | >=T+56 |

A Quick Scan Can Help

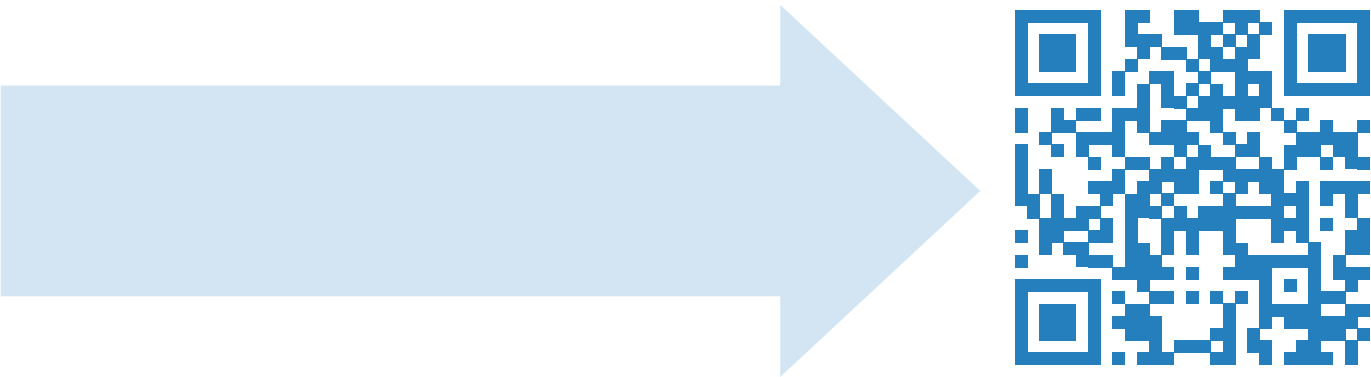
We are offering a quick scan to support you as you gauge areas of opportunity within your Finance organization; the scan will take less than five minutes to complete and will provide you with an initial maturity ranking across four main dimensions; the ranking is based on industry practices.

How The Scan Works

- You and / or others in your organization provide responses to a set of approximately [15 questions](#); responses are plotted against a set of industry benchmarks and scored accordingly.
- Scores are depicted on a radar chart across four main dimensions; they are then shared with you for further discussion within your organization / team.
- Should you so choose, our SMEs can have a deeper discussion with you or conduct discovery workshop intended to draw out the opportunity areas and create alignment on the path forward.



Take the Quick Scan



What It Covers

| | Inputs | Insights |
|------------------------|--|---|
| Strategic Influence | <ul style="list-style-type: none">• What is the role of finance in decision-making?• What is your confidence in forecast accuracy? | <ul style="list-style-type: none">• How finance is perceived within the organization• Ability to maximize predictive capabilities and trust in insights generated |
| Operational Efficiency | <ul style="list-style-type: none">• What is your current cost of finance?• What % of your team’s time is spent on manual tasks or data wrangling?• Which finance processes are most painful today?• How long is your month-end close? | <ul style="list-style-type: none">• Cost of finance shows spend alignment with business complexity• Manual task % shows process automation or lack thereof• Painful processes show where to prioritize transformation• Close time indicates process maturity and cycle time efficiency |
| Digital Enablement | <ul style="list-style-type: none">• How many ERPs do you use and which ones?• Do you use 3rd-party finance tools?• How would you rate your current digital journey? | <ul style="list-style-type: none">• Number of ERPs shows integration complexity• Tool usage reveals tech stack sophistication and fragmentation• Digital journey rating reflects self-perceived automation maturity |
| Talent Readiness | <ul style="list-style-type: none">• How would you describe your team’s current skills mix?• Which capabilities are most lacking today?• How do you approach training and upskilling? | <ul style="list-style-type: none">• Skills mix shows future-readiness of the team• Capability gaps highlight where to invest in development• Training shows the maturity of talent development strategy |

A Discovery Workshop Can Help More

In addition (or as an alternate option) to the Quick Scan, we are offering our clients complimentary and individualized discovery workshops focused on exploring and enabling their Finance goals.

What is a Discovery Workshop?

The Finance Effectiveness discovery workshop empowers CFOs and Finance executives to align their finance vision, purpose, and capabilities with organizational goals and value creation strategies, transforming the finance operation into a more efficient and impactful function. The workshop provides industry insights, collaborative alignment, and a common discussion to anchor on the prioritization of time and investments to achieve Finance goals.

Discussion Topics

- The Role of Finance
- Top Priorities and Pain Points
- Transformation Readiness and Vision
- Operational Opportunities e.g. Planning, Reporting, Closing, Cost Mgt., and Risk
- Scaling for Growth
- Integrations and IPOs
- Integrations and IPOs
- Regulatory and Tax Challenges
- Emerging Technologies and Digital Modernization
- Automation and AI
- Organization / Operating Model e.g. Skills, Decision Making, and Support Model

Who Typically Joins?

- | | | |
|---|--|--|
| <ul style="list-style-type: none">● CFO● CAO / Controller● FP&A● Regulatory Reporting● Finance / Accounting Operations● Finance Technology | <ul style="list-style-type: none">● Treasury● Procurement● Tax● IA / Controls● Risk Management● Business CFOs | <ul style="list-style-type: none">● Almost always joins● Joins as needed / based on discussion topics |
|---|--|--|

Outcomes

- Alignment on current state
- Validation / discovery of strategic priorities
- Stakeholder alignment
- Short and long term goals
- Vision for change
- High level maturity assessment
- Opportunities and quick wins
- Straw-model roadmap for change

Client Examples

The industry is pivoting, here are just a few examples of how.

Insurance & Pharmaceutical

| Large US Insurance Broker CRM / ERP and Operating Model | | Global Pharmaceutical Firm Data Solution and Talent Model | |
|---|---|---|---|
| 1 | 2 | | 2 |
| Challenge | | | |
| An insurance broker that had grown largely through acquisition sought to standardize its technology platforms across the front and back office to reduce manual efforts and enable front to back processing / reporting | | Following the acquisition of a growing life sciences company, a global pharmaceutical firm struggled with fragmented data, inconsistent reporting, and a lack of clarity around roles across multiple shared service centers. | |
| Solution Approach | | | |
| Conducted a full current state assessment developing a series of future state recommendations across all operating model aspects. Subsequently completed technology vendor selection and launched a combined CRM / ERP implementation to modernize the branch and Finance operations. Implementation included operating model and front / back office process redesign to enable maximum efficiency for growth, scalability, and ability to adjust to market changes more nimbly. | | Designed a future-state integrated planning process supported by a standardized data model, improving consistency and enabling more forward-looking financial insights. Launched a finance talent development program focused on digital upskilling, data literacy, and enhanced business partnering to better align finance with enterprise needs. | |
| Outcomes | | | |
| Resulted in a modernized ERP platform with integrated front and back-office functions, streamlined reporting, and real-time, high-quality data-driving efficiency, informed decision-making, and scalable growth. | | Resulted in improved financial reporting and enabled more forward-looking, data-driven decision-making. Talent development efforts helped reshape the finance culture moving from transactional execution to proactive business partnering. | |

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Market Intelligence & Ecommerce

| | |
|--|--|
| Large Market Intelligence Provider Scenario and Forecast Modeling – New Product Launch | US Based Ecommerce Company Strategic Elevation of Cybersecurity & Operational Efficiency |
| 3 | 4 |
| Challenge | |
| As a result of multiple acquisitions, a leading market intelligence company needed to unify and commercialize a set of newly combined product offerings. However, the company lacked a clear product roadmap, had divergent perspectives amongst leadership on approach, and had limited forecasting and scenario modeling capabilities, which constrained their ability to evaluate trade-offs, anticipate market responses, and align stakeholders on a data-driven go-to-market strategy. | The Chief Accounting and Financial Officer of a U.S.-based public e-commerce company faced significant hurdles in effectively reporting the current state of their cybersecurity compliance and risk management practices to the Audit Committee. The complexities of managing cybersecurity risks, coupled with the evolving landscape of regulatory requirements, created a daunting task for the company. |
| Solution Approach | |
| Initiated efforts to build robust financial modeling and scenario planning to enable product strategy decisions, determine funding needs, evaluate risk, quantify potential outcomes, and support alignment across leadership during a period of strategic ambiguity. Conducted stakeholder interviews and cross-functional workshops to drive alignment and inform model needs, then evaluated available data and information sources to determine approach to create a detailed multi-year forecast, cash flow statement, waterfall chart of segmented costs, and an Annual Recurring Revenue table that included the current business, the new business, upsell, down-sell, and retention expectations. | To ensure a comprehensive understanding of the compliance landscape, CFGI conducted a Landscape Discovery session to define compliance parameters. CFGI conducted one thorough assessment rationalized against all applicable regulations and standards, including NIST CSF, GDPR, PCI DSS, and SEC Cybersecurity Rules, to identify gaps and risks in current processes. CFGI developed a 2-year roadmap and tactical artifacts such as policies, Risk Register, established metrics and KPIs for operational and leadership reporting, and initiated a monthly Governance Forum chaired by CFGI as the Virtual CISO, with representation from key functions like Finance, Legal, Operations, and IT. |
| Outcomes | |
| Visibility into new market growth vs. potential cannibalization along with the ability to create segmented perspectives for a balanced view of input drivers and potential outcomes. Transparency (and flexible levers) related to cost drivers that facilitate growth objectives and toggles for pricing tiers. Ability to track and measure actual vs. intended outcomes. | Facilitated proactive compliance, earning praise from the external auditor for formalizing the program. Increased and provided essential data points for reporting on various purposes, with no additional effort. CFGI's rationalized approach to assessments and right-sized remediation program also delivered significant cost savings to the company. |

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Fortune 50 & Financial Advisory

| | |
|---|---|
| Global Fortune 50 Company Balance Sheet Substantiation and PnL Automation | Global Financial Advisory and Asset Manager Talent, Skills, and Location Strategy Review |
| 2 | 1 |
| Challenge | |
| A global Fortune 50 company was seeking opportunities to reduce manual effort and reduce timing required to complete Balance Sheet Substantiation (BSS) and Profit and Loss (PnL) variance activities. In addition to these two specific use cases, the organization was also seeking other opportunities to enable automation and AI across its Finance department globally. | A global Financial Advisory and Asset Manager was seeking cost streamlining and better resource leverage across its NYC, Paris, London offices, |
| Solution Approach | |
| Conducted a review of manual processes across the Finance department (globally) identifying level of effort, candidacy for automation, potential savings, and resource efficiency. Proceeded to implement a combination of Machine Learning(ML) and Natural Language Processing (NLP) to reduce processing time for BSS and PnL variance analysis / commentary. Also stood up a central team to enable continued automation efforts across the department / organization. | Evaluated spread of client resources, cost of office usage, skills, and growth forecasts to identify areas of opportunity. Evaluated industry trends and options for staffing in lower cost cities with the requisite skills profile for Finance. |
| Outcomes | |
| Saved more than 200 hours of resource time as part of the implementation alleviating frustration and stress on staff while also re-directing resource time to more value add activities. Stood up a repeatable infrastructure to be leveraged to gain more efficiencies | Determined go-forward options to maximize Finance efficiency across resources and talent. Leveraged the options to drive more complete C-Suite conversations across the organization |

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Whom to Contact at



CARINA HIRA
Partner, CFGI
Finance Effectiveness

📞 773-230-8945
@ chira@cfgi.com

Years of Experience: 21

Geographies Served:
North America, Asia Pacific, and Europe

Client Profiles:
Financial Services, Technology, Pharma, and Consumer Goods experience with enterprise and mid market companies comprising global and regional profiles



ROB WINSLOW
Managing Partner, CFGI
Business Transformation

📞 203-482-9764
@ rwinslow@cfgi.com

Years of Experience: 25

Geographies Served:
North America, Asia Pacific, and Europe

Client Profiles:
Pharma, Insurance, Technology (Including SAAS), and Consumer Goods experience with mid-market and enterprise organizations

Contributors & Reviewers:

LISA STARK
Executive Vice President, U.S. Bank
Corporate Controllershship

📞 612-303-4992
@ lisa.stark1@usbank.com

KATHRYN STREETER
Partner, CFGI
Strategic Finance and Analytics

📞 832-506-5279
@ kstreeter@cfgi.com

DANIEL HEMMERT
Managing Director, CFGI
Finance Effectiveness

📞 610-329-9426
@ dhemmert@cfgi.com

BOSKI PATEL
Manager, CFGI
Strategic Finance and Analytics

📞 215-798-5977
@ bpatel@cfgi.com

NINAD PUROHIT
Managing Partner, CFGI
Cybersecurity

📞 732-371-9221
@ npurohit@cfgi.com

LAMA ABU-AMARA
Managing Director, CFGI
Cybersecurity

📞 773-240-8338
@ labuamara@cfgi.com

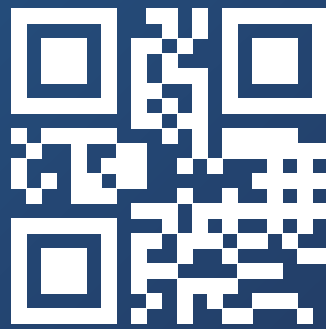
TAYLOR BENEDICT
Manager, CFGI
Finance Effectiveness

📞 612-437-2174
@ tbenedict@cfgi.com

KRUTI SHAH
Manager, CFGI
Data & Analytics

📞 415-691-0865
@ krshah@cfgi.com

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