

# The Calibrated CFO

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What's to come for CFOs in an increasingly digital world



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# Introduction: The reality for today's finance teams

According to KPMG, disruptive technologies are the largest drivers of change in business today. The winners in finance will reimagine their operating model and develop a long-term strategy to harness automation. In this new world, companies must pivot to seize new opportunities and meet both foreseen and unexpected challenges. The key to success will be the ability of the CFO and finance team to collaborate on a shared financial vision and to deliver analytics and insights to support strategy and decision making.

A major part of this pivot will be implementing technology into workplace processes. A task that was once tedious and at risk of error in the hands of humans will soon be completed with speed and accuracy, freeing your team to solve bigger problems.

According to a KPMG report, *Finance of the Future*, "Technology has been the single biggest change agent in finance." The technology we have available at our fingertips will soon differentiate those at the top of their field versus those hanging on by threads.

This ebook shows you how to move into the new era of financial leadership. While efficiency is always important, so are people. We want to help you maximize your team's human talent on a higher level that will ultimately impact your business in the best ways possible.



## Going digital

Sixty-nine percent of board directors say that the effects of the COVID-19 pandemic are accelerating their digital business initiatives. The challenge for CFOs is how to fund digitalization and growth while maintaining control over their organization's finances – even when operating conditions remain highly volatile.

## The future is now

Technology is shifting so fast that organizations such as **Samsung, Ford, and NATO** are enlisting science fiction writers to help them visualize the future and consider opportunities for innovation. Technological disruption is affecting all corners of business, and finance is no exception. Indeed, extreme automation – the confluence of cloud applications, blockchain, cognitive automation, natural language processing, and more – is expected to create an all-new operating model. It is expected to empower finance to deliver more value with less effort, respond quickly to the needs of the business, and truly shift from traditional processing to strategic partnering.



# Qualities of a Leader



The traditional CFO is now making way for the modern, strategic, and open-minded CFO. The requirements of today's CFOs are more diverse and complicated than ever before, with the expectation that they provide support and financial counsel to the CEO and develop strategic business plans that **reduce costs and fund growth**.

Whether working virtually or in an office space, there are non-negotiable qualities of character that will make or break a CFO's success in driving results and workplace likeability as a leader. Some characteristics include being:

- 1 Direct and visionary
- 2 A performance driver
- 3 A communicator
- 4 Connected and mobile

## Challenges ahead

Two major challenges that CFOs may personally face or see in their department are: the lack of technological skill and internal resistance to digital tools. However, [Gartner's Top Priorities for Financial Leaders in 2021](#) states that unlike numbers and data, the CFO has the ability to sway these two problems.

Of the controllers interviewed in this report, 89% admit they plan to invest ample time in training on digital tools in order to support the CFO's efforts to minimize time spent on tedious tasks and to automate enterprise processes. When faced with challenges and tough decisions, CFOs must:

- 1 Listen
- 2 Understand
- 3 Be ready to solve problems
- 4 Remain open-minded

## A change in approach

According to [Finance Digest's 10 Ways Automation Has Changed the Role of the CFO](#), one of the biggest changes ahead will be moving **from a cost center approach to a value center approach**. For example, investing time and money into the implementation of and training on new software or automation tools should be seen as a long-term value to the company and to the finance department. Through automation, financial management is considered more as a value creation center than as a cost center – as a **performance driver rather than as a cash manager**.

A change in goals and mindset will also be required of CFOs. **Performance will no longer just be measured by pure ROI**. Actions and ideas will be centered around business value and technological investment [as opposed to just dollars and cents](#).



The future of finance encompasses the transformation of people, processes, and systems. Approaching digitization and technology with an open mind and even hope for the possibilities ahead is critical. As solutions (to problems that may not even exist yet) are brought to the desk of the CFO, the following character traits are important:

- 1 A value creator
- 2 Innovative
- 3 An embracer of change
- 4 Agile

CFOs will need to use their weight on the C-suite team more than ever before to ensure efficiency in getting projects to market and bringing positive business returns to the company at large.

According to a recent KPMG study,

97%

of CEOs see technological disruption as more of an **opportunity than a threat.**



# Planning, People, and Process



As the CFO, it will be important to investigate the state of productivity of processes and people and plan or implement change accordingly. This can be in terms of how technology will ease communication in the virtual workspace, or how to collaborate on projects in new ways altogether.

## Reinventing your financial model

from the JMark Journal of Information Technology

As a CFO, it is important to remember that despite its advantages, adopting a technology-driven financial model does not automatically guarantee success. To maximize value, several things must come into play, including reexamining your business strategy, current IT infrastructure, people, culture, processes, and regulations. Forward-looking CFOs need to embrace the IT journey as part of reinventing their financial models. There is a need not only to examine the bigger picture but to also go into the finer details.

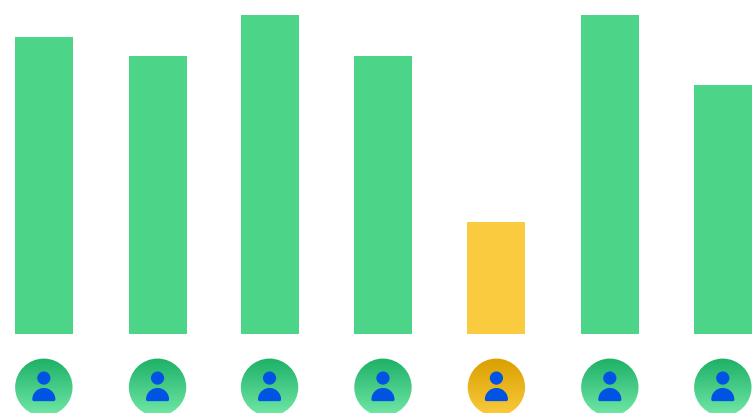
Gartner suggests that FP&A leaders will have a diverse set of priorities, with many focused on the team's critical activities including:

- 1 Enabling self-service business intelligence
- 2 Implementing iterative forecasting processes
- 3 Improving business partnership skills
- 4 Investing in scenario planning



CFOs, controllers and heads of FP&A alike intend to dedicate significant time in 2021 toward planning and implementing critical digitization goals – many of which are difficult to achieve for multiple reasons. But the functioning of their teams is also a concern, with the vast majority of controllers saying they expect to spend the same amount of time, or more, on employee engagement and retention (97%) and hiring and growing digital skills (89%) in 2021.

The tools don't work by themselves. It's how they're set up for use and uniquely optimized to best suit each company. By taking the time to understand where growth is needed, reevaluating the need for manual versus automated practices, and researching what competitors are already doing, you will be set up for success.



75%\*

of CFOs say they plan to allocate more resources to digital transformation in 2021.

37%

of those say they plan to make a large increase in resource allocation.

\* Source: PwC US Pulse Survey Nov 13 2020

# Tools and Software



Automation involves using technology to improve work by redesigning how time-consuming tasks are done using digitization. Many end-to-end financial processes, such as order-to-cash, record-to-report, and procurement-to-pay, can be automated through capture and workflow automated solutions. Automation enables a CFO to fuel the strategic output of the finance function by optimizing the value generated by their people.

## Leveraging technology to fuel growth

Investing in digital transformation remains a top priority for CFOs in 2021. Startups will no doubt continue to create innovative ways to track data analytics, generate automation, improve the cloud, and secure customer transformation. But how will this tech spending actually drive growth? With a series of small initiatives that demonstrate value along the way, digital improvements will be made in a quarter instead of in 12 months. The goal: to better serve customers, have swifter operations, and be more resilient for whatever may come in 2021 and beyond.

Gartner suggests controllers will spend “significantly more time and effort on automating management reporting and deploying artificial intelligence and other automation technologies.” Solving the challenges of storing financial data and ensuring the efficiency of processes with the aid of tools will also be a priority.

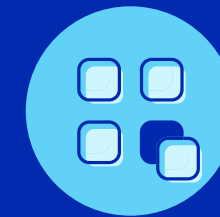
USE CASE

# Automated invoice auditing with OpenEnvoy

A leading agriculture and grain corporation dedicated to the buying, selling, storage, handling, transporting, and processing of grain and food ingredients integrated OpenEnvoy's abilities with their current software in hopes to:

- **Improve the invoice auditing process**
- **Monitor and track their supplier relationships**
- **Quickly and accurately compare shipping line invoices to baseline documents and agreements**

HERE ARE THE EARLY RESULTS:



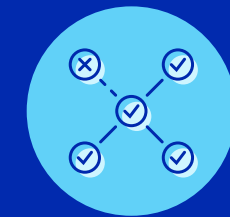
API integrations and no-code implementation made it easy to integrate with existing systems.



Job assignment-based security ensured the right people are focused on the right tasks.



Easy-to-use software helped the team get up to speed quickly and understand where to focus their efforts.



Dashboards increased visibility for AP team members of both overcharges and the overall health of the company/supplier relationships.

## Planning and Operations

Today's emerging technologies enable organizations to transform their planning processes and operations in three ways:

- 1 **Keep pace with the changing business environment, and outshine competitors in the minds of shareholders and customers alike.**
- 2 **Enhance analytics and data collection, expedite once manual tasks, and eliminate communication or data silos with cognitive machine learning automation tools.**
- 3 **Upgrade based on your company's needs. Going 100% digital may not be the answer for all. Many technologies enable companies to "upgrade" from their base systems by adding cloud-based technologies that improve reporting capabilities, increase automation, and enhance integration.**

The important thing is to understand your requirements and then enable the right processes with the right technology, taking into account your existing infrastructure and long-term strategy.



### Beyond the walls of the company

Taking the time and resources to implement technological solutions will benefit employees, leadership, and customers alike. PwC states that as a result of COVID-19, the needs and expectations of customers have dramatically changed. Digital investments are and will remain critical to company revenue strategies aimed at meeting ever-changing customer needs. Remote work and "virtual" life have made it more natural for consumers to interact with companies fully through technology. And the same thing goes for companies that outsource their own needs to startups.

99%\*

of leaders surveyed said it's important to have real-time processes and operations in place to inform better business decisions.

**But are they moving fast enough?**

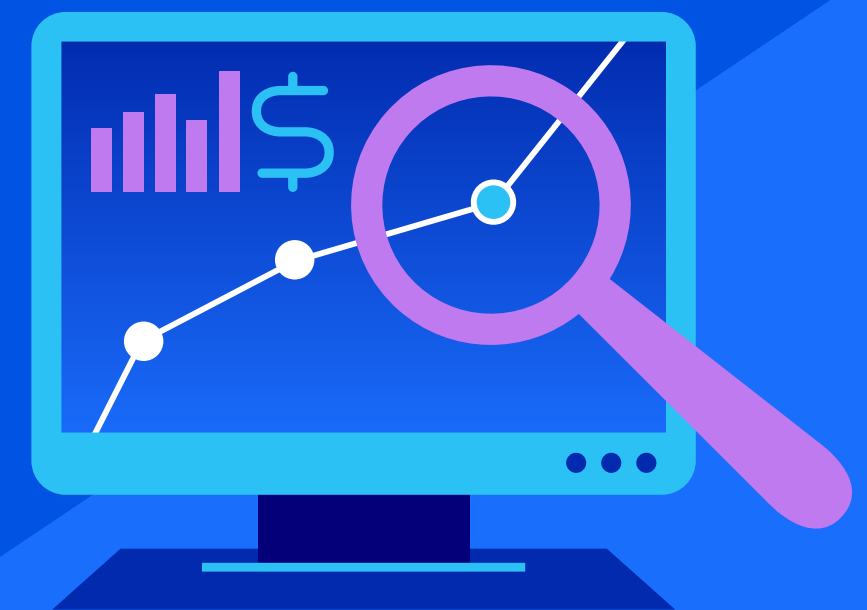
Just 16% have scaled current finance processes and operations to real time.

However, 44% plan to have nearly all finance processes and operations in real time over the next three years.

A study by Deloitte in 2018 found that

52.8%

of the finance and accounting professionals polled planned to implement digital controllership improvements that leverage process automation, analytics, and other technologies.



\* <https://www.accenture.com/us-en/insights/operations/smart-cfo>

# Conclusion

CEO's and investors expect today's finance executives to innovate, fend off risks, capitalize on competitive strengths, and jump on opportunities before competitors. Thriving companies recognize that innovation is the key to success in today's competitive marketplace. To maximize the return on their spending, they are increasingly investing in more digital tools to streamline processes, make educated forecasts, and cover all their bases when it comes to working with suppliers and managing budgets.

Automated invoice auditing solutions like OpenEnvoy can help finance leaders and their teams eliminate fraud, audit invoices with speed and accuracy, improve cash flow and provide insight into the best suppliers in their network, in addition to freeing accountants from mundane tasks to tackle more strategic issues.

## About OE

OpenEnvoy, founded in 2020, eliminates supplier fraud before it happens. Our invoice auditing solution automates costly finance workflows enabling the recovery of billions of dollars in wasted spending. OpenEnvoy supports customers around the world with offices in Nevada, California, and Singapore. To learn more, visit [www.openenvoy.com](http://www.openenvoy.com).

