

CFO concerns in the new financial year

The challenges and opportunities shaping the CFO role and responsibilities in 2019/20

"Rapid advancements in technology and the proliferation of data means the CFO must be technically fluent, and able to leverage technology to support organisation-wide decision-making."

Matthew Owens -Sales and Marketing Director, Annexa

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Introduction

Over the years, we've had the opportunity to talk with hundreds of Australian CFOs about their investment in business management software. We have spent significant time understanding their needs and the key drivers behind technology investments.

Over the journey, we have witnessed a dramatic shift in the role of the CFO. Where once the primary responsibility was acting as a 'risk champion' - reviewing and advising the business on key financial reporting, accounting and tax obligations - now the modern-day CFO wears several hats.

For modern finance leaders, innovation is the crucial driver. CFOs need to be part of the strategic development and adoption of technology and operations in addition to managing their traditional role as a 'risk champion'.

In this fast changing, disrupted world of business, even with the right headcount, budget, and support, leading a finance team is tough. Rapid advancements in technology and the proliferation of data means the CFO must be technically fluent, and able to leverage technology to support organisation-wide decision-making.

As we look towards 2020, CFOs need actionable insights and a competitive advantage through technology and data. CFOs are being forced to embrace the disruption, reshape their role and turn challenges into opportunities for growth.

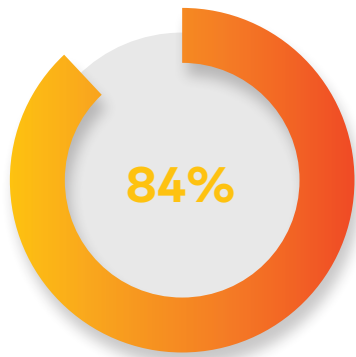
In this eBook, we highlight key disruptions faced by CFOs in the new financial year and present a path for the modern CFO ready to tackle these challenges and create measurable value for the business.

Matthew Owens
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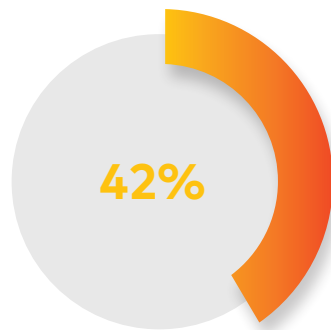


Technology and transformation

As CFOs prepare the finance function for the future, many are concerned that existing IT infrastructure is hindering their ability to compete with more innovative businesses. This is backed by a recent study that found *84% of CFOs see digital transformation as the number one issue facing companies*². And with *42% of CEOs already on their digital transformation journey*³, the digital era is proving that innovation is no longer a 'nice to do', it's an absolute imperative for any business wanting to survive.



84% of CFOs see digital transformation as the number one issue facing companies².



42% of CEOs are already on their digital transformation journey³.

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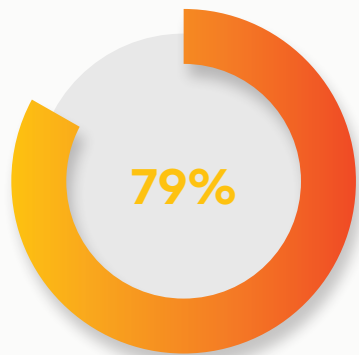
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"Our old legacy system was like having a lawn mower that had a typewriter and a fax machine gaffa taped to it over the years', kind of like a house of cards in a strong wind that gave me many sleepless nights. What we needed was security and visibility across all our systems. When you have multiple entities of the business you need some visibility across them to provide actionable insights." **Paul Meredith, Eco Outdoor.**

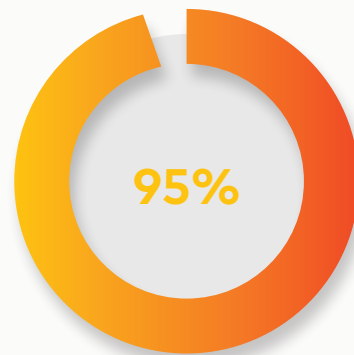
Read the full Eco Outdoor case study [here](#)

CFOs and digital disruption

To keep pace, CFOs are reimagining the way financial data can be used to make more informed and profitable decisions. Hampered by old technology, disparate systems and manual processes, CFOs are increasingly becoming the financial architects of new, disruptive business models that release them from the restrictions of legacy and deliver the information, intelligence and time to drive the business forward. After all, when the day-to-day accounting and compliance activities are automated, CFOs can apply their deep knowledge of operational drivers, risks and potential innovations to add significant value across the business ecosystem.



79% of CFOs believe that digital technologies can enable their finance operations to maintain strong and effective internal controls⁴.



95% of businesses experienced an improvement in their processes after implementing an ERP system⁵.

The game-changing tech

To realise effective data governance, CFOs are turning to unified technology platforms to open all parts of the business to deeper data insight, reduce process times, increase collaboration and centralise enterprise-wide data⁶. ERP and CRM are attracting the biggest interest with over half of businesses pinpointing these applications as priorities⁷ as they deploy these technologies to improve business performance, position the company for growth and reduce working capital.

The finance function and ERP

As we step into 2020, emerging technologies including artificial intelligence, machine learning, and Internet of Things (IoT)⁸ will continue to disrupt the ERP industry. More than just a buzz, 2018 has seen 58% of vendors planning to integrate or already integrating AI into their ERP⁹. This means employing leading cloud-based business systems, like the world's most deployed solution - NetSuite, will become key to facilitating automation of everything from billing, general accounting, budgeting and compliance through to areas of procurement, logistics, and customer care. For the CFO, AI will inevitably replace some finance roles and responsibilities within a few years but the new role profiles to emerge will be much more 'intelligent' – data scientists, systems compliance managers and scenario planners, for example.

The future of ERP

As finance leaders look to partner more closely with the business on the journey to digital transformation, the role cloud-based ERP will play in delivering value cannot be overlooked. Here's how the right solution will support the modern CFO.

Scales as you grow

Advances in ERP platforms means CFOs now have access to unprecedented flexibility in the way they manage finances. Solutions can be tailored to meet any businesses unique requirements and industry-specific needs plus, if like NetSuite there is a comprehensive partner ecosystem, it's far easier to scale up, spin off or reinvent business models processes and workflows.

Gain a panoramic view of your organisation

To make effective decisions, financial leaders need reliable financial and performance information on a real-time basis and with a 360 degree view of the entire business. Cloud ERP solutions like NetSuite offers CFOs and their teams a single-version of the truth, providing real-time insights into key business performance indicators for a unified view of the organisation.

Stay updated

Without the need to invest in, and maintain expensive infrastructure, cloud business systems enable businesses to cut costs without sacrificing valuable financial features and functionality. And because product upgrades are performed automatically by the vendor, your business benefits from immediate access to the latest technologies– meaning you will be first in line to take advantage of emerging finance-focused AI and machine learning functionality.

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2. A skills shortage

Traditional accounting and finance skills will always be important, but the role of the finance function is undergoing massive change. Where once the pool of finance talent included accountants trained in compliance and book keeping, the digital era requires a completely new skill set. To remain competitive, it's more important than ever for the CFO to surround themselves with people skilled in leveraging data and advanced analytics for business intelligence and information management.

"Coming across people like that is like finding a needle in a haystack. They need to know how to organise data, understand the database structure, and how to get quality information out of it. That's the wave of the future."

Christian Cuzick- VP of finance at Johnson & Johnson and CFO of Johnson & Johnson Vision



"We have incredibly smart people that are always chasing that puck, thinking about where we want to go and not necessarily where we are at and that is incredibly important."

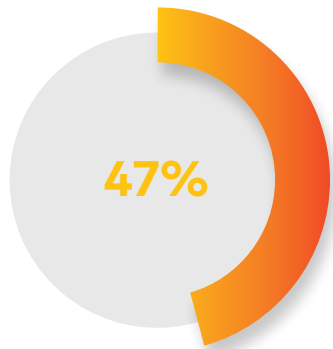
Norm Duce, REA Group.

View the extended case study [here](#)

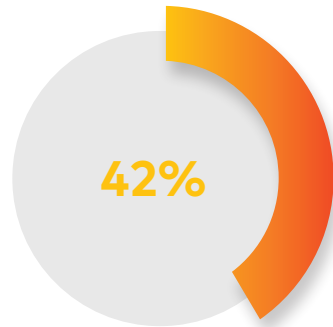
The talent dilemma

Competition is tough for the best data and digital talents, and it's throwing a spanner in the works for CFOs the world over. Locating people with the right commercial acumen and high-level technical skills to fulfil the new financial function - particularly when it comes to bridging the finance and tech divide - has become a top risk for CFOs worldwide¹⁰.

To overcome these recruitment hurdles organisations are beginning to take new, creative steps to attract and retain top talent with reports finding that 47% of CFOs are changing talent strategy and 42% expect to change soon¹¹.



47% of CFOs are changing talent strategy¹¹.



42% of CFOs are expecting to change talent strategy soon¹¹.

"The generation that's coming in now - particularly at the more junior levels - will be appalled to have to put together a set of numbers rather than just be given them. They expect your systems to be good, and having leading-edge technology in finance is a must-have."

Declan Doyle- CFO, NOONAN

Recruiting and retaining is changing

By 2025, millennials will comprise 75 percent of the global workforce¹². This emerging demographic brings with it changes. Younger workers have grown up in the digital era and embrace the opportunity to work with the leading edge technologies. By making these future-proofed systems a core part of the finance function, not only will they make onboarding and training easier, your organisation will become a far more attractive workplace for the next generation. Their natural relationship with technology will also help organisations move towards intelligent and secure technology solutions that can positively impact finance outcomes in the future.

3. Data Management

As the demands of modern business change and shift, so too does the way CFOs manage data. No longer just transactional, the CFO must now tap into, and extract value, from data and advanced analytics.

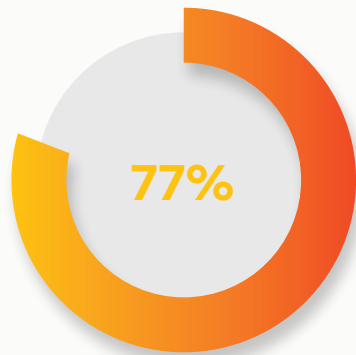
The compliance culture

Heightened regulatory attention alongside changes in accounting standards will continue to drive the importance - and challenge - of ensuring the CFO has effective internal controls over financial reporting. Compliance also becomes even more complex as a businesses process crosses more borders. Cloud business platforms are designed to satisfy the regulatory, privacy and compliance requirements, even across disperse geographies. By offering one version of the truth across the entire business, the CFO can gain unparalleled efficiency and accuracy for meeting continuously evolving audit, reporting and compliance needs.

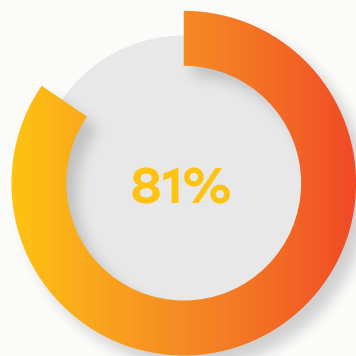


"It comes down to having one version of the truth, a live view of our business, and being able to manage and view all of our data through one system. Previously, our 33 year old DOS system would poll, at best, every 24 hours. Being able to see this amazing business that we've created and being able to get a real insight into it, at any time of the day, is just amazing."

Toby Darvall, ISHKA



77% of CFOs thought data-driven finance function was required to achieve its strategic and profitability improvement goals¹³.



81% of CFOs agree that over the next two years, the pressure on their finance function to become more data-driven will increase substantially¹³.

Data management

When, in a recent study, CFOs were asked if their organisation requires a data-driven finance function to achieve its strategic and profitability improvement goals, 77% agreed while 81% agreed that over the next two years, the pressure on their finance function to become more data-driven will increase substantially¹³. This is just the beginning. As the rise of analytics and business intelligence in finance continues into 2020 the CFO will be pushed to build stronger cultures of analytics and data-driven insights to support business strategy and informed choices.

The data-driven CFO

Data and analytics is helping the CFO think differently. From better understanding business problems to identifying new opportunities, data is providing a new platform in which to view the business. But to effectively manage data, organisations must first move the organisation through an analytics evolution. Shifting to a single cloud-based ERP will allow the CFO to focus on creating standard global operating models and standardised data sets. This new vantage point will enable businesses to make comparative decisions across operations and, ultimately, turn the promise of data into the reality of measurable performance gains.

4. The changing role of the CFO

For several years there has been growing recognition of the broadening role of the CFO. Today, with digital disruption in full swing, CFOs are now expected to own, not only the financial realm, but also possess the ability to build an intelligent enterprise ecosystem with technical fluency. A recent McKinsey survey¹⁴ found that the CFO role is broader and more complex than it was even two years ago. The same report found that finance leaders report many new demands on their time above traditional finance duties. Most notably digitising critical business activities including the enablement of business-process automation, cloud computing, data visualisation, and advanced analytics.

CFO role in business transformation

Faced with rapid technological advances and growing responsibilities, most CFOs have already begun preparing for the changes and share an understanding that to be effective, they must adapt. These emerging technologies and demands might be adding new demands to the CFO's role, but they also bring new opportunities.

"While there has been talk about technological revolution, there's been a lag in businesses identifying what this looks like for them. As a strategic adviser to senior leadership, it's the duty of the CFO to play a lead role in the organisation's transformation."

James Wood- Associate Director of big data, analytics and insights, risk and compliance, accounting and finance at Hudson.

1. Enhancing the CFO role

Already CFOs have become reliant on technology to simplify the many processes that define their role. From interpreting results, controlling costs and processing raw financial information through to reporting and forecasting, technology has the potential to eradicate manual tasks and move the CFO towards using big data, not gut feeling to

2. Enablers of transformation

New technologies improve the ability for finance leaders to understand current business complexities and add value beyond the finance bubble. By taking ownership of these technologies they are increasingly becoming critical owners of company data –or the 'single source of truth'- and important enablers of organisational transformations.

The modern CFO and NetSuite

NetSuite empowers the CFO to control core business processes with one, fully integrated cloud-based system while allowing flexibility in a fluctuating business environment, reducing costs, controlling risks, driving productivity and managing compliance.

The leader

Fund, enable and execute on domestic and global expansion strategies and develop a financial model to succeed across geographies.



The strategist

Concentrate on strategic activities improving company performance and shareholder value by delegating critical, yet mundane, finance functions while still maintaining control.

The steward

Gain a more reliable, holistic, instant view of risks and regulations that could undermine strategic decisions. Improve efficiency and maintain a cost-effective company while keeping pace with fast growing revenue.

The catalyst

Provide financial perspective on innovation and profitable growth. Permit management and managers to access financial data to make effective business decisions.

Go further with Annexa and NetSuite

[Find out more about the NetSuite platform](#)

[Browse NetSuite's financial solutions](#)

[Explore the implementation process](#)

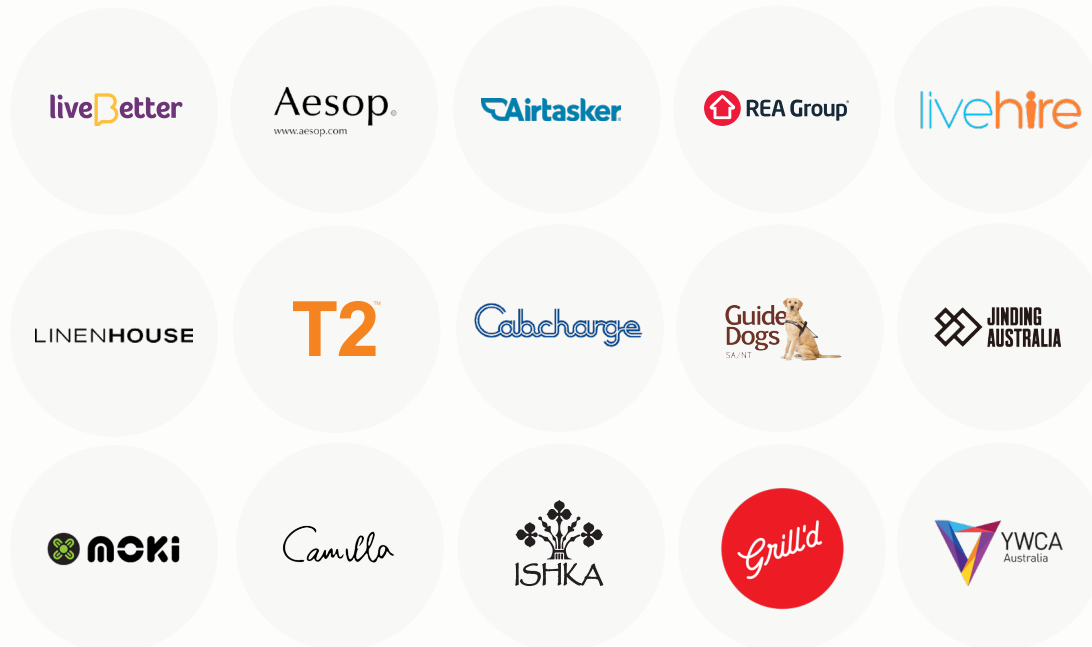
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Annexa are at the forefront of technology for the modern CFO

Book a consultation with us to discover how our business management solutions can create efficiency and productivity for your business and your ever-evolving role in it.

Our customers



Meet Annexa

Your trusted partners in NetSuite sales, implementation and support

We are award-winning 5-star NetSuite Partners here for ambitious companies looking to streamline processes, enhance operational efficiencies, reduce costs, and improve business visibility. With the right guidance, systems thinking and mindset, we support Australian business of all sizes as they adapt to the new organisational architecture revolutionising the business

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² Deloitte (2018), CFO sentiment edition 6. Available at: <https://www2.deloitte.com/au/en/pages/about-deloitte/articles/cfo-sentiment-edition-6.html>

³ Gartner Survey Shows 42 Percent of CEOs Have Begun Digital Business Transformation <https://www.gartner.com/en/newsroom/press-releases/2017-04-24-gartner-survey-shows-42-percent-of-ceos-have-begun-digital-business-transformation>

⁴ Deloitte (2018), CFO sentiment edition 6. Available at: <https://www2.deloitte.com/au/en/pages/about-deloitte/articles/cfo-sentiment-edition-6.html>

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¹⁰ Deloitte (2018), CFO sentiment edition 6. Available at <https://www2.deloitte.com/au/en/pages/about-deloitte/articles/cfo-sentiment-edition-6.html>

¹¹ Deloitte (2018), CFO sentiment edition 6. Available at <https://www2.deloitte.com/au/en/pages/about-deloitte/articles/cfo-sentiment-edition-6.html>

¹² Inc. The (Millennial) Workplace of the Future Is Almost Here -- These 3 Things Are About to Change Big Time. Available at <https://www.inc.com/peter-economy/the-millennial-workplace-of-future-is-almost-here-these-3-things-are-about-to-change-big-time.html>

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