# Will you recognize your Finance function five years from now?

## EY CFO Flash Survey

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Editorial

# The CFO role is evolving rapidly and COVID-19 accelerates this transformation

This survey was realized in September and October 2020 to capture the view of CFOs in the Belgian financial services sector on emerging trends and how these are accelerated by the COVID-19 pandemic.

In total we received input from 18 participants:

- 12 Banks (-insurers)
- 6 Insurance companies

The survey covered the following areas:

| | |
|---|---|
| 1. Key CFO priorities | 6. Business planning |
| 2. Physical return to work and closing timetable | 7. Risk management and internal control environment |
| 3. Accounting judgments and disclosures | 8. Finance workforce |
| 4. Solvency monitoring | 9. Readiness TCFD disclosures |
| 5. Cost optimization | |

This paper outlines the survey results, presented on an anonymous basis.

Business growth, business planning and cost reduction rank amongst top priorities for CFOs with the legacy technology and the system complexity seen as the most significant inhibitor. Despite the global pandemic and remote working contect, CFOs did not anticipate significant delays in the year-end financial close reporting.

COVID-19 is impacting a number of accounting judgments and disclosures. The pandemic has also changed the risk profile of companies, and CFOs are taking measures to maintain capital / solvency in the target zone.

Most CFOs are intending to reduce the cost base of their organisation over the next 12 months and to make their planning process more agile. Controls have become increasingly important with the move to remote working, and they are already automated in many cases. CFOs are starting to consider Climate risk.

Overall, the pandemic is an accelerator of finance transformation, and balancing technical expertise with business accumen will be critical for the coming years.

Thanks to all our clients who have shared their insights, this research puts perspective to the figures and trends we see in the current pandemic period. We hope you enjoy reading it.

Katrien De Cauwer
Partner | Actuarial and CFO Consulting

Laurent Nossent
Partner | CFO Consulting

# 1

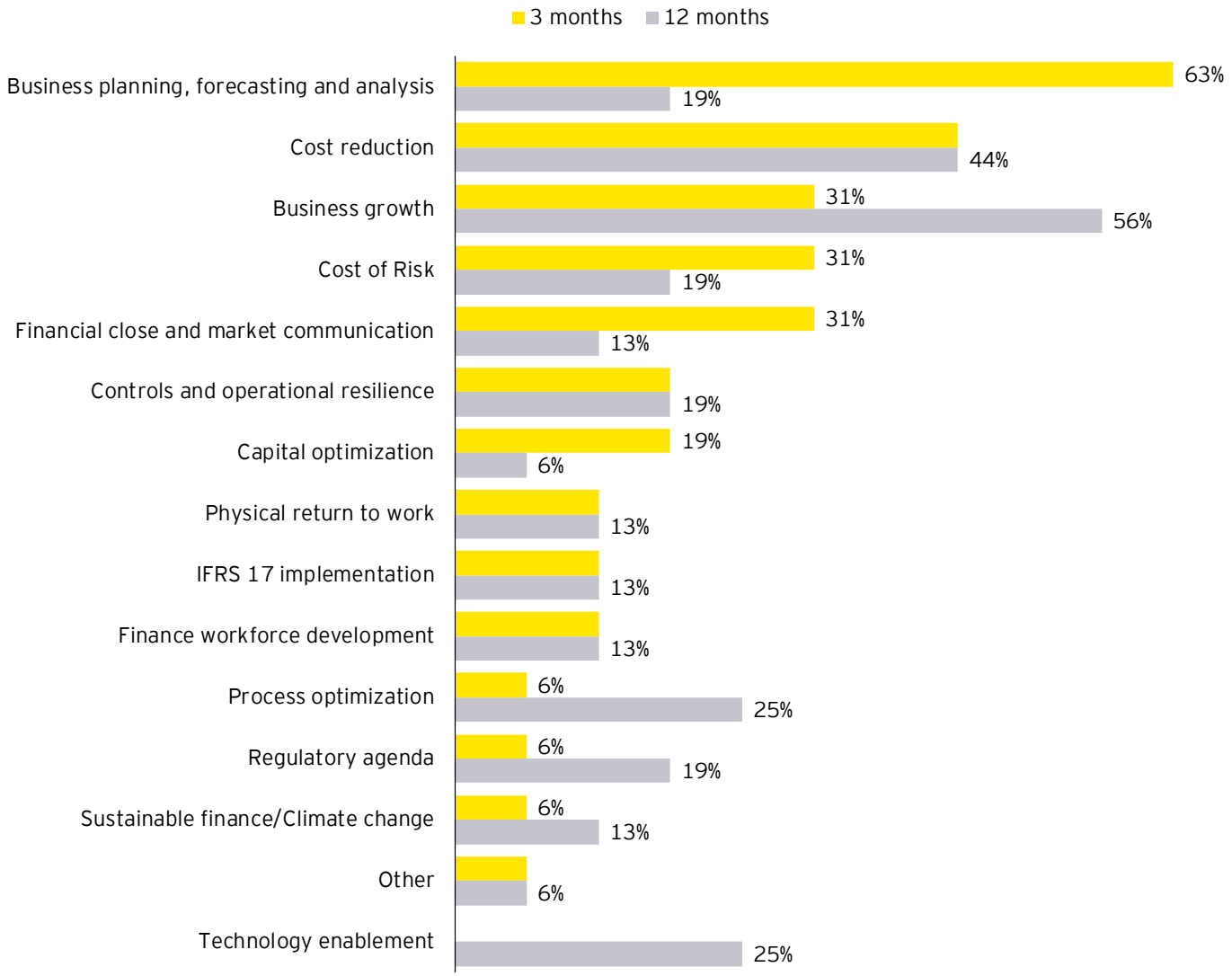
# Key CFO priorities

## COVID-19 crisis influences the prioritization of the CFOs' agenda.

CFOs indicate a clear difference between short term priorities influenced by the sanitary crisis versus longer term focus:

- On the very short term, the crisis has reinforced the focus on more agile business planning, forecasting and analysis, and on transparent financial close and market communication. We also observe that the cost of risk and capital optimisation are considered to be high on the priorities of the CFOs' agenda in the current uncertain context.
- Looking at a longer term horizon, business growth becomes the top priority for more than half of the CFOs. Process optimization, technology enablement and regulatory agenda complete the top key priorities on this longer horizon.

### Top three key priorities for the next months

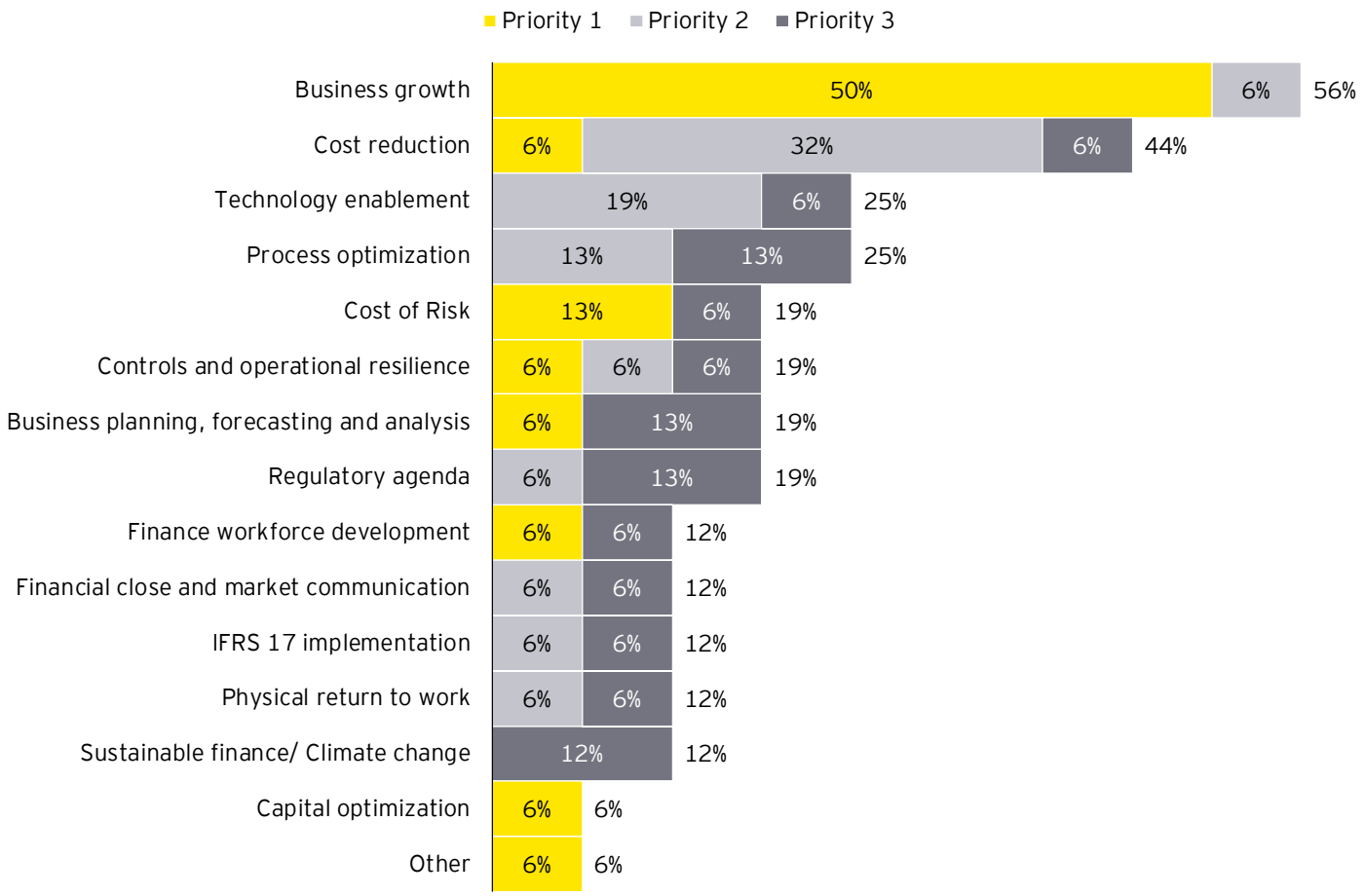


## Business growth, cost reduction and technology enablement rank amongst top priorities.

Looking at longer term horizon

- Business growth ranks no. 1 priority for 50% of the CFOs. This confirms CFOs play an increasingly important role in developing and delivering on the organization's growth agenda. CFOs are a crossroad of many internal and external stakeholders and activities. They deliver strategic and tactical reporting to support the business and Board decisions.
- To enable CFOs to play such strategic role, there are some imperatives, namely technology and process optimisation and the people agenda, developing new skillsets.
- Cost reduction is the priority no. 2 for almost 50% of the respondents. The long term vision of the CFO for cost reduction is supported by technology enablement and process optimization (both top 3 key priority for 25% of the respondents). CFOs are collaborating with IT to benefit from technological landscape evolutions .
- Although it is mentioned by only 2 CFOs as a number 3 priority, we expect CFOs will progressively increase their focus on sustainable finance and climate change as financial services are facing increased pressure from regulators and other stakeholders.

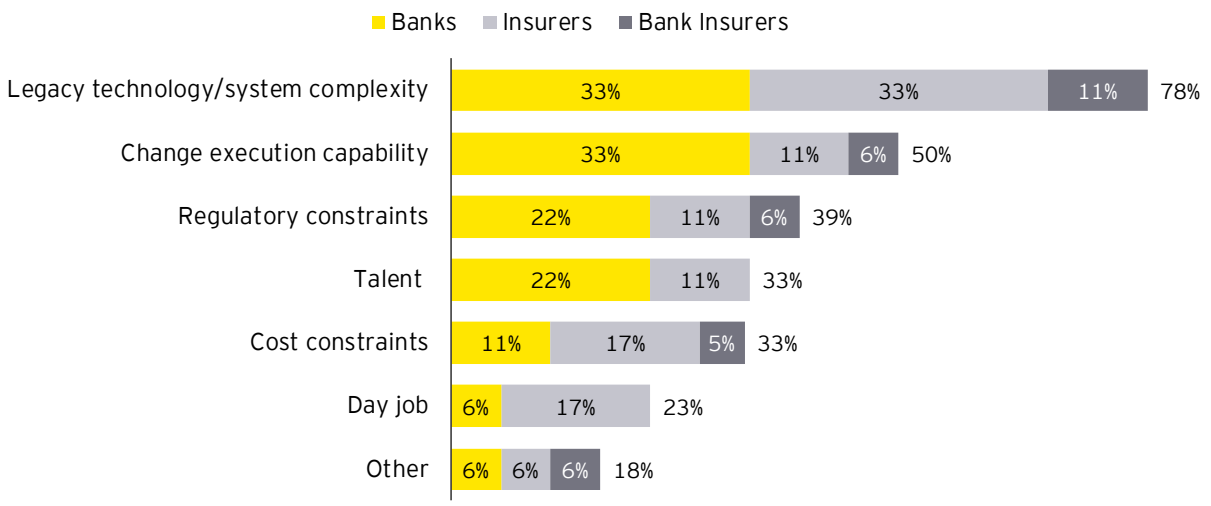
### Priorities over the next 12 months



**Legacy technology and system complexity are still considered as inhibitors to achieve the priorities by almost 80% of the respondents.**

- 8 out of 10 CFOs mention legacy technology and system complexity as the biggest inhibitors to achieve their priorities. Finance technology has been historically under-invested and can be unnecessarily complex and fragmented. Technology enablement combined with the realisation of data ambitions is critical to shift the finance operating model to higher value-adding and more cost-efficient processes.
- Half of the respondents considers the lack of/limited change execution capability to be an inhibitor to realizing their priorities. Agility is required also from Finance people in order to cope with the pace of change impacting the Finance function. This is a major shift as stability of processes has always been a priority, today complemented by adaptability. COVID-19 has amplified the criticality of change capability by adding the challenges of conducting change virtually and by adding fast-evolving, competing priorities for CFOs and other functions in a short period of time.
- Regulatory, cost and talent constraints are considered inhibitors to realizing priorities by 1/3rd of the respondents. For Talent, scarcity is a challenge as well as the fact that there must be an evolution of the Finance people skillset and profiles in order to be able to deliver on the fast-evolving challenges linked to CFO priorities today around business growth and cost reduction.

### Biggest inhibitors to achieving CFO priorities

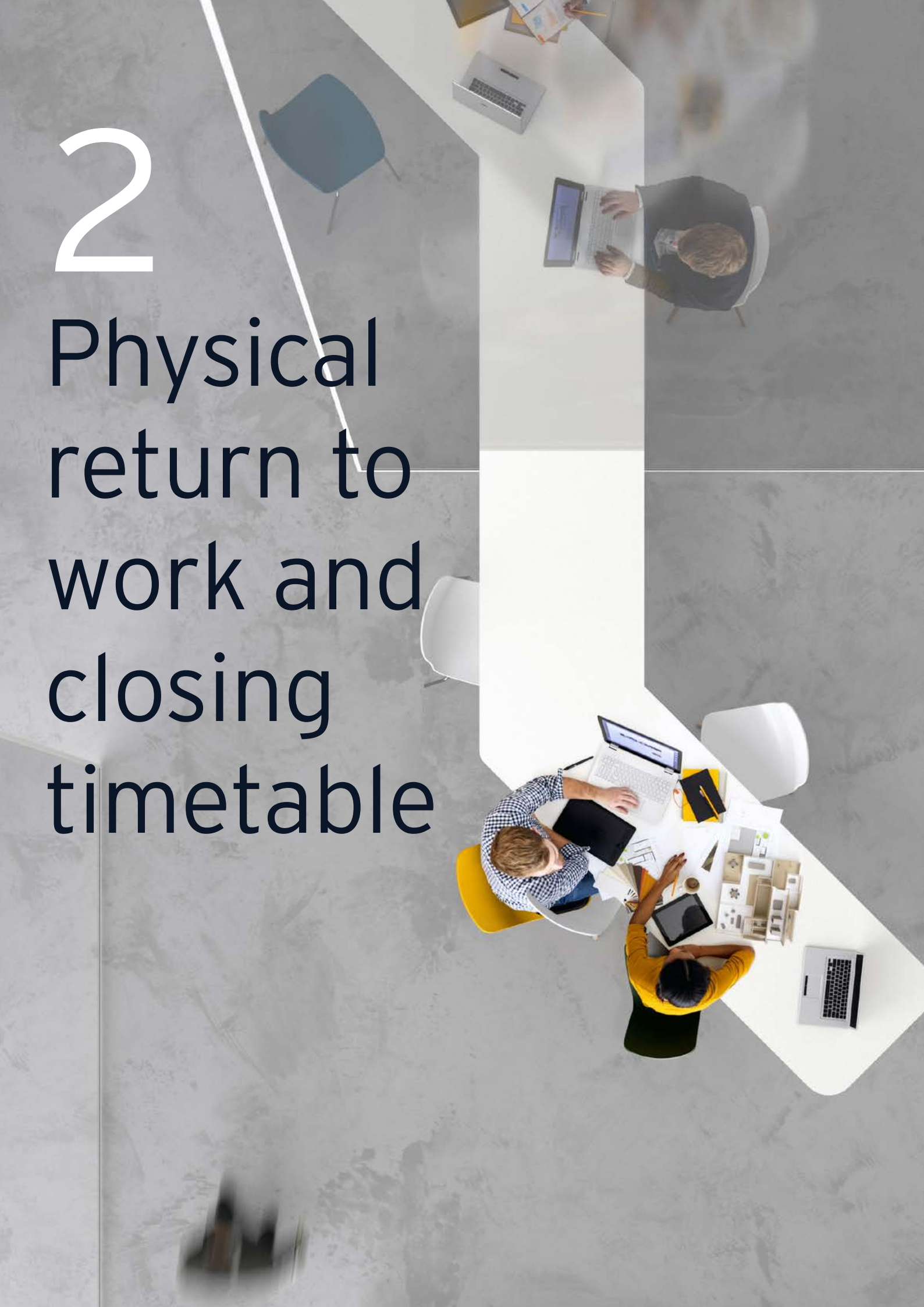



**Comparing sectors**

- Regulatory constraints is only mentioned by 1/3rd of insurers despite the challenge of IFRS 17. We consider the data and system challenges of IFRS 17 to be represented a the top priority and challenge for insurers.
- Costs constraints are more a concern for insurers. This is potentially due to the fact that several Banks already started with cost transformation initiatives.
- Change executive capabilities are a bigger concern for banks, this might be linked to the fact that they have undergone changes in the recent years.

# 2

# Physical return to work and closing timetable



**None of the respondents anticipated the Q4 2020 financial close to take longer than the Q4 2019 close. One of the respondents even expected a shorter reporting timeline.**

Interesting to see is that none of the CFOs anticipated a longer reporting process compared to last year. This means that the new way of working has fully been mastered by the finance departments.

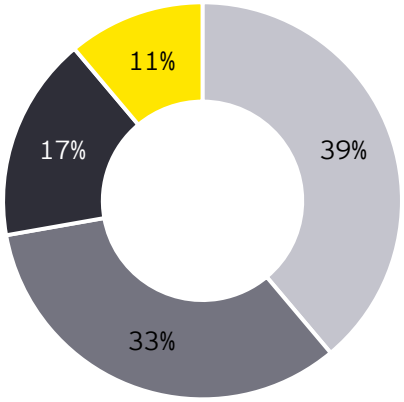
For their closing activities, the finance teams are typically well organised and can capitalize on virtual know-how and hands-on experience developed during the previous closings. Many organizations are exploring how the lessons learned from the impacts of COVID-19 can be applied to reimagine the world of work and the following financial closes.

Lessons learned from the previous financial closings in the COVID-19 landscape have already been considered:

- People and organization: Experience reimagined journey, Well-being at work, New capabilities to virtually collaborate with teams, Training, Upskilling of teams...
- Process, policies and controls: Standardized templates and procedures for remote work, Effective controls for remote case and reporting, Timeline for executive and Board review...
- Data and technology: Access to critical financial systems and data, Data readiness and sharing, Availability of third-party data (e.g. from vendors and outsource providers).

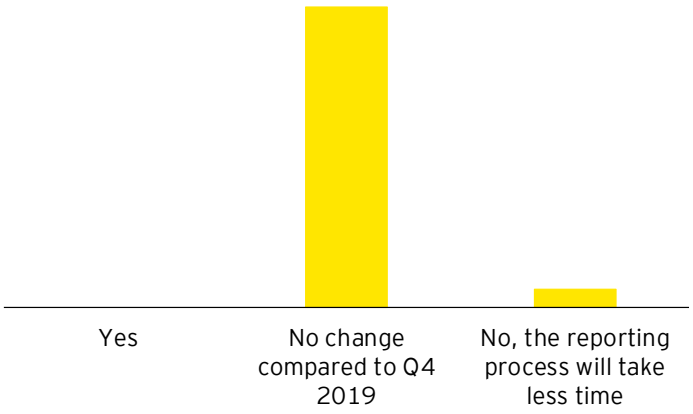
**To what extent will your Q4 2020 financial close be done remotely?**

As a reminder, the survey took place in September/ October 2020 just before the 2nd wave of COVID-19, which would clearly have impacted the answers.




- Partial onsite working (25% -50%)
- Some onsite working (5% - 25%)
- Minimal on site working (<5%)
- Full remote close

**Do you anticipate that your Q4 2020 reporting process will take longer than Q4 2019?**




**94%** Expect no change in Q4 closing timetables compared to last year

# 3 Accounting judgments and disclosures

## COVID-19 is impacting a number of accounting judgments.

Half of the respondents anticipate that COVID-19 will impact judgments on reserving and that they will need to enhance related disclosures.

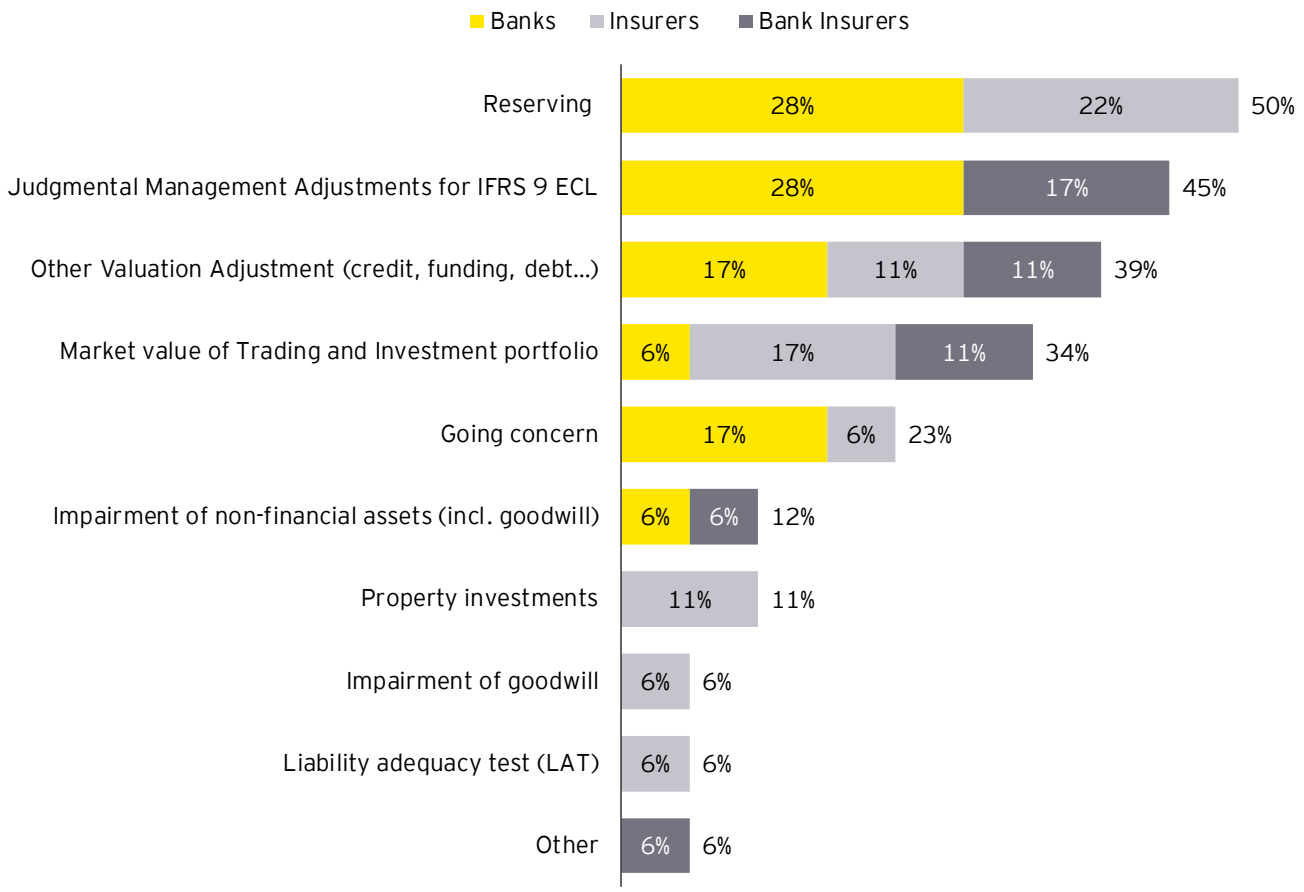
Reserve valuations and reviews become more complex as key assumptions and models need to be carefully considered and reassessed in this context of uncertainty.

For Insurers, income protection, travel, business interruption and life protection are the business lines mainly impacted. These impacts could lead to changes in actuarial estimates, projections, methodology and models, and in underwriting strategies. Further complexity arises from quantifying the secondary effects of COVID-19 on a wide range of non-life lines of business and determining how these impact both earned and unearned provisions.

Judgments on IFRS 9 Expected Credit Losses (ECL) is the second-most impacted area. The sudden onset of the pandemic alongside the significant government measures, regulatory responses and continuing uncertainty has prompted banks to review their existing ECL calculations and processes to capture significant increase of credit risk. Credit models, risk monitoring procedures, even regulations, were not designed to deal with the current pandemic economy and the level of uncertainty we are facing.

Valuation of the portfolios and valuation adjustments are highlighted as a third key accounting area of attention as a result of COVID-19. Volatility in market prices, interest rate falls and widening credit spreads impacts the valuation of the portfolios, at fair value and also the other valuation adjustments. Valuations should maximize the use of observable inputs to ensure reliable and accurate information is used.

### Key accounting adjustments mostly impacted by COVID-19



## Key areas for enhanced disclosure.

Disclosures could influence the economic decisions that users make on the basis of the financial statements. Accordingly, transparency at this point in time is crucial to keep stakeholders and investors aware of the impacts and the plans in place for remediation where relevant.

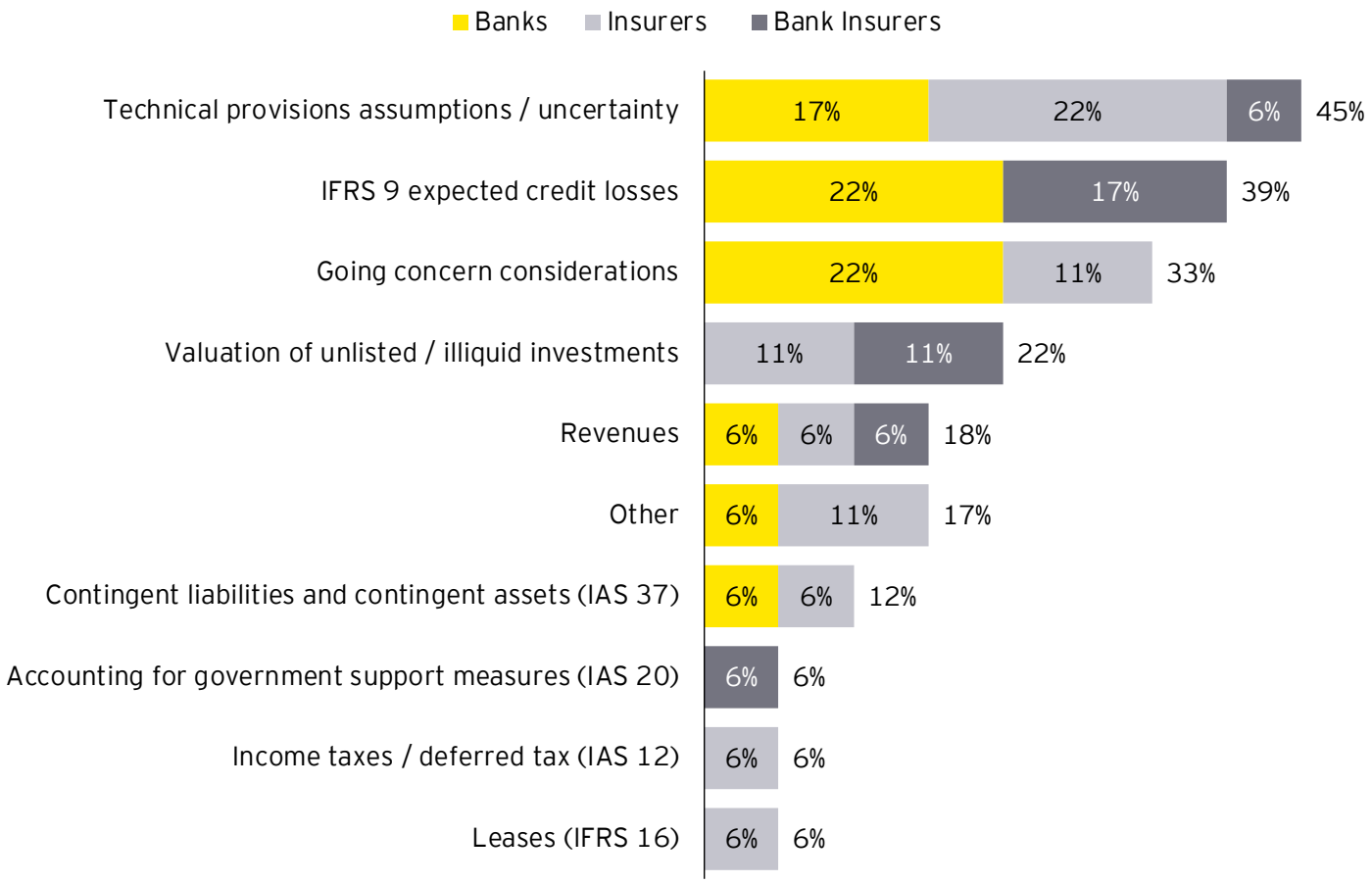
Most respondents are planning enhanced disclosures on technical provisions and underlying assumptions, with a third of the respondents planning to add disclosures related to going concern.

IFRS 9 ECL is the second area for enhanced disclosures. Given the unprecedented circumstances, it will be critical that entities provide transparent disclosure of changes to significant judgements and assumptions used to measure the ECL from the previous annual financial statements.

Additionally, banks should provide disclosures to allow users of the financial statements to understand the nature and impacts arising from any material reliefs offered to their borrowers, including those enforced.

The level of enhancement is correlated with the level of uncertainty relating to these judgements. Enhanced disclosures were included in the interim press releases of the respondents. In addition, proper care and attention should be given to post-balance sheet events.

### Key areas for enhanced disclosures



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The COVID-19 pandemic will lead the financial sector to enhance disclosure on its future business impact and on how estimations and assumptions are made.

An Schoovaerts | Executive Director CFO Consulting

# 4 Solvency monitoring

**Only half of the respondents are monitoring their solvency position more frequently than pre COVID-19, which is quite surprising given the regulatory scrutiny.**

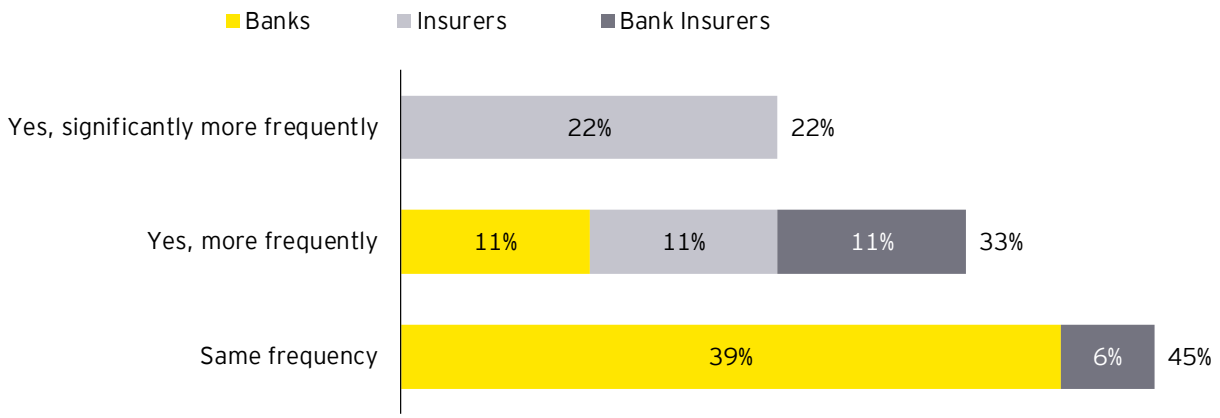
Half of the respondents are monitoring their solvency position more frequently. The increased monitoring is driven by both:

- increased demand by management for solvency monitoring and scenario analysis;
- increased regulatory scrutiny.

All respondents indicating they have been monitoring their solvency position significantly more frequently are insurance companies. They have been confronted with increased scrutiny of the regulators at both European and Belgium levels.

As of 24 March 2020, EIOPA has carried out extraordinary calculations on a weekly basis for the relevant risk-free interest rate term structures (RFR) and the symmetric adjustment to equity risk (EDA) in order to support insurance and reinsurance undertakings in the monitoring of their solvency and financial position.

**Are you monitoring the solvency position more frequently than pre COVID-19?**




**NBB imposed COVID-19 reporting for Insurance**

- A quantitative and qualitative reporting to allow a better understanding of the changes in the solvency ratio
- The reporting was asked on a weekly basis at the start of the crisis, evolving to a 2 weekly / monthly basis afterwards

## Two-thirds of CFOs confirmed a number of measures to maintain solvency within the target zone.

Suspension or reduction of dividends is mentioned as measure by 1 out of 2 CFOs. This has been driven by the regulators.

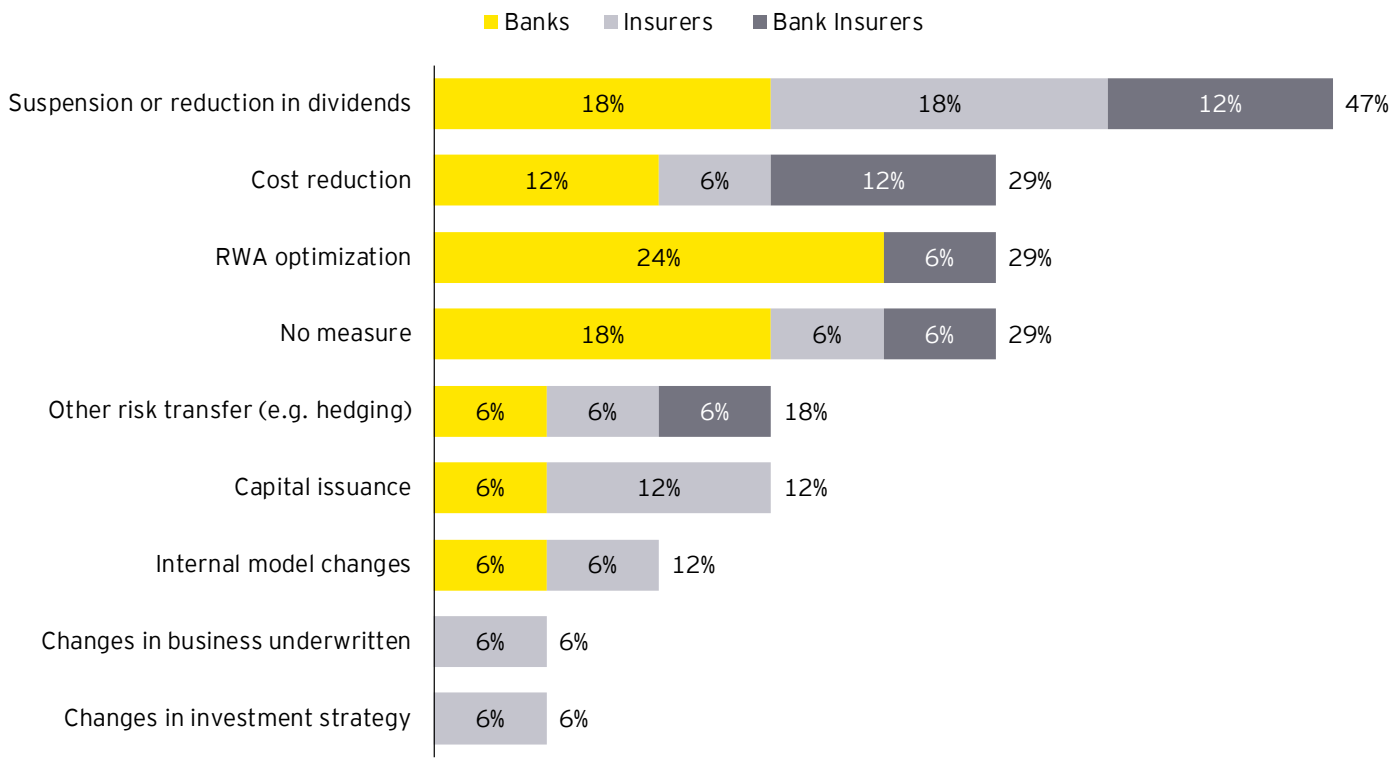
- European Central Bank (ECB) asks banks not to pay dividends and buy back shares until January 2021, and to be extremely moderate with regard to variable remuneration. ECB considers that uncertainty linked to COVID-19 makes it difficult for banks to accurately forecast their capital positions.
- EIOPA issued a statement on dividends distribution and variable remuneration policies, urging (re) insurers to temporarily suspend all discretionary dividend distributions and share buy backs aimed at remunerating shareholders.
- NBB translated instructions locally to Banks, Bank Insurers and Insurers.

For banks, CFOs indicate RWA optimization, supported by the ECB Banking Supervision, to provide temporary capital and operational relief in this COVID-19 context.

Survey respondents have taken a number of additional preventive measures to maintain solvency within the target zone, including cost reduction programs (contributing to RWA optimization) and risk transfer with hedging strategies to reduce volatility in equity. One third of respondents mentioned no measure foreseen.

Other measures listed range from capital issuance to changes in internal modelling, business underwritten and investment strategy. The diversity of measures taken showcases the diversity in the financial sector landscape and the diverse impact the COVID-19 crisis has had for each individual player.

**Have you taken, or are you planning in the near term, any measures to ensure that the solvency position remains within the target zone? If so, which measures?**



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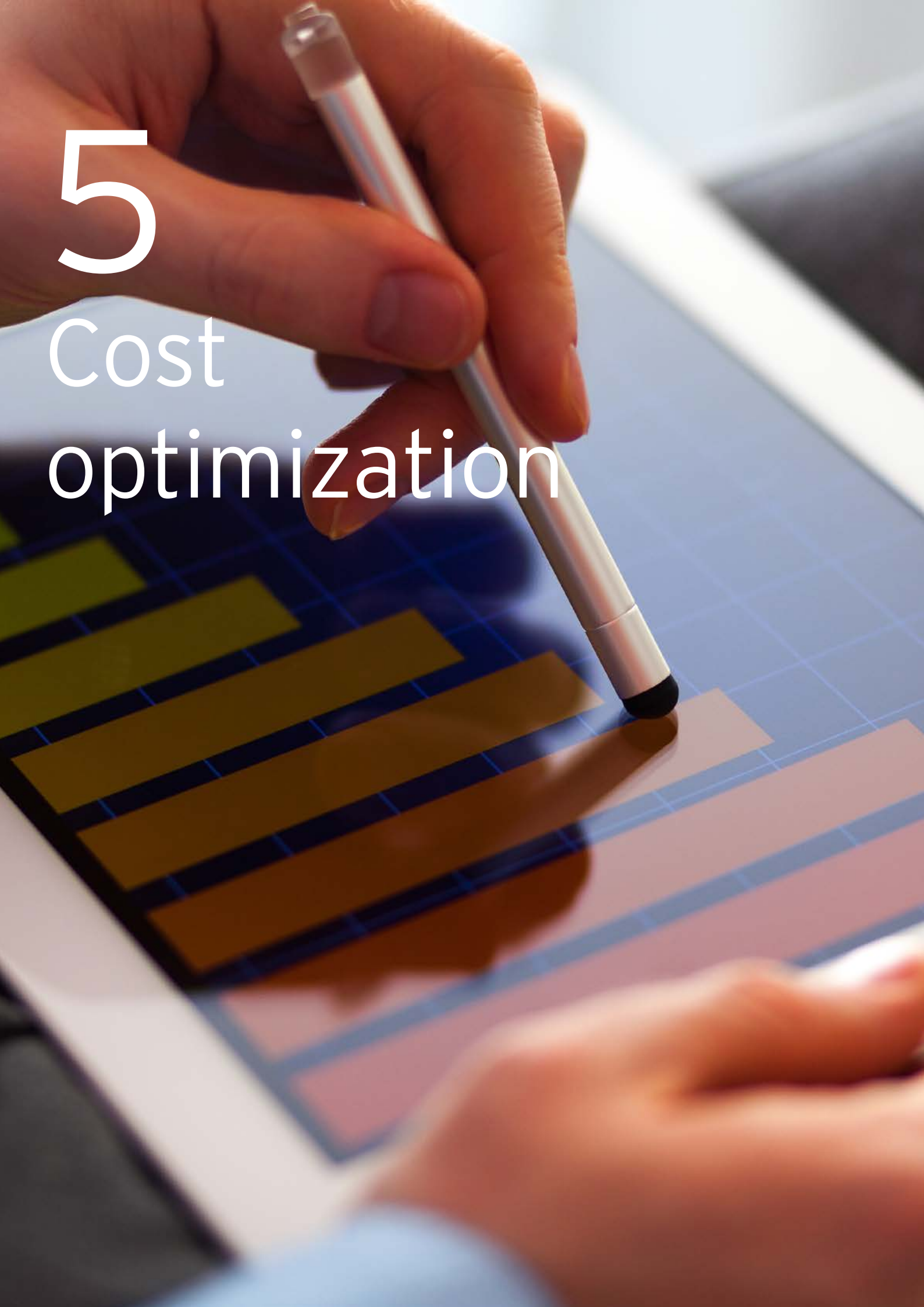
Insurers are confronting the new reality in which the COVID-19 pandemic is a long-term disruption to their customers, employees, investors and suppliers. The scope, duration and severity of the threat is, as yet, unknown.

Depending on their activities, insurers are facing an immediate impact on claims due to COVID-19 crisis: 83% of the respondents expect to review their claims assumptions for year-end reporting.

Katrien De Cauwer | Partner Actuarial and CFO Consulting



# 5 Cost optimization

**Two-thirds of the respondents are intending to reduce their cost base over the next 12 months, half of them with less then 5%, half of them with 5 - 10%.**

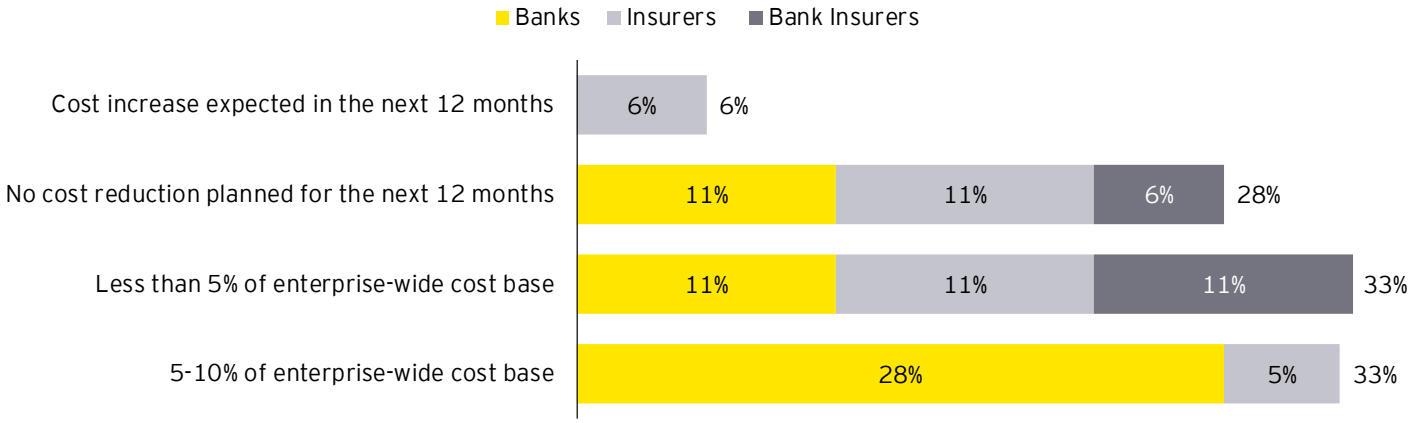
Cost reduction or containment was already on the agenda for most financial institutions in the pre-COVID-19 era.

As income and impairment metrics are moving adversely, cost is the main lever that CFOs can pull. If COVID-19 has any impact, it made cost reduction even more a priority: cost reduction is second top priority both on the 3 and 12 months horizon (cfr section 1). Several strategic cost transformation initiatives are being prepared to achieve structural savings.

COVID-19 has impacted the cost basis of financial institutions in many ways with some of these changes which could remain in the longer term:

- As COVID-19 context has increased work at home, a number of firms have invested in remote working capabilities.
- On the other hand, travel expenses, workspaces offices and other facility expenses have decreased as a result of remote working.

**How much cost are you planning to save over the next 12 months?**




> Beyond investment in technology and data, sustainable cost reduction require a cultural focus on efficiency in the execution of end-to-end processes across the organisation, avoiding silos

Laurent Nossent | Partner CFO Consulting

# 6

# Business Planning

## Business planning is a key tool to steer the business.

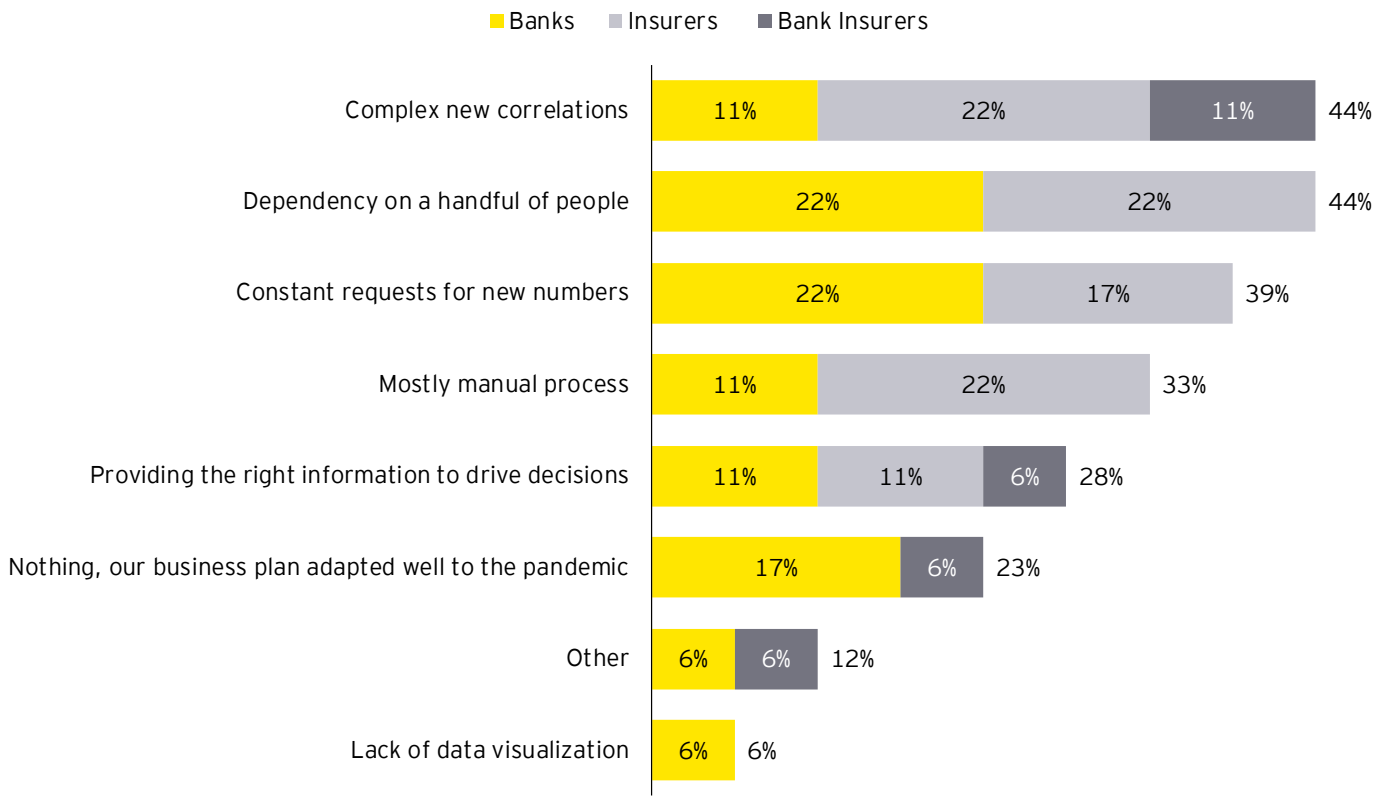
At the start of the pandemic, CFOs were focused on getting a strong handle on exposure and closing the books remotely.

Their focus rapidly shifted from immediate business continuity to business planning as a key tool to equip the Board in making important decisions regarding credit risk, underwriting, capital, investments, operations, customers and people.

The main challenges perceived by the respondents in business planning are:

- Complex new correlations, dependency on a handful of people and constant requests for updates as a top three challenges for 40% of the respondents
- Processes being mostly manual and providing the right information to drive decisions are mentioned by 1 out of 3 respondents.

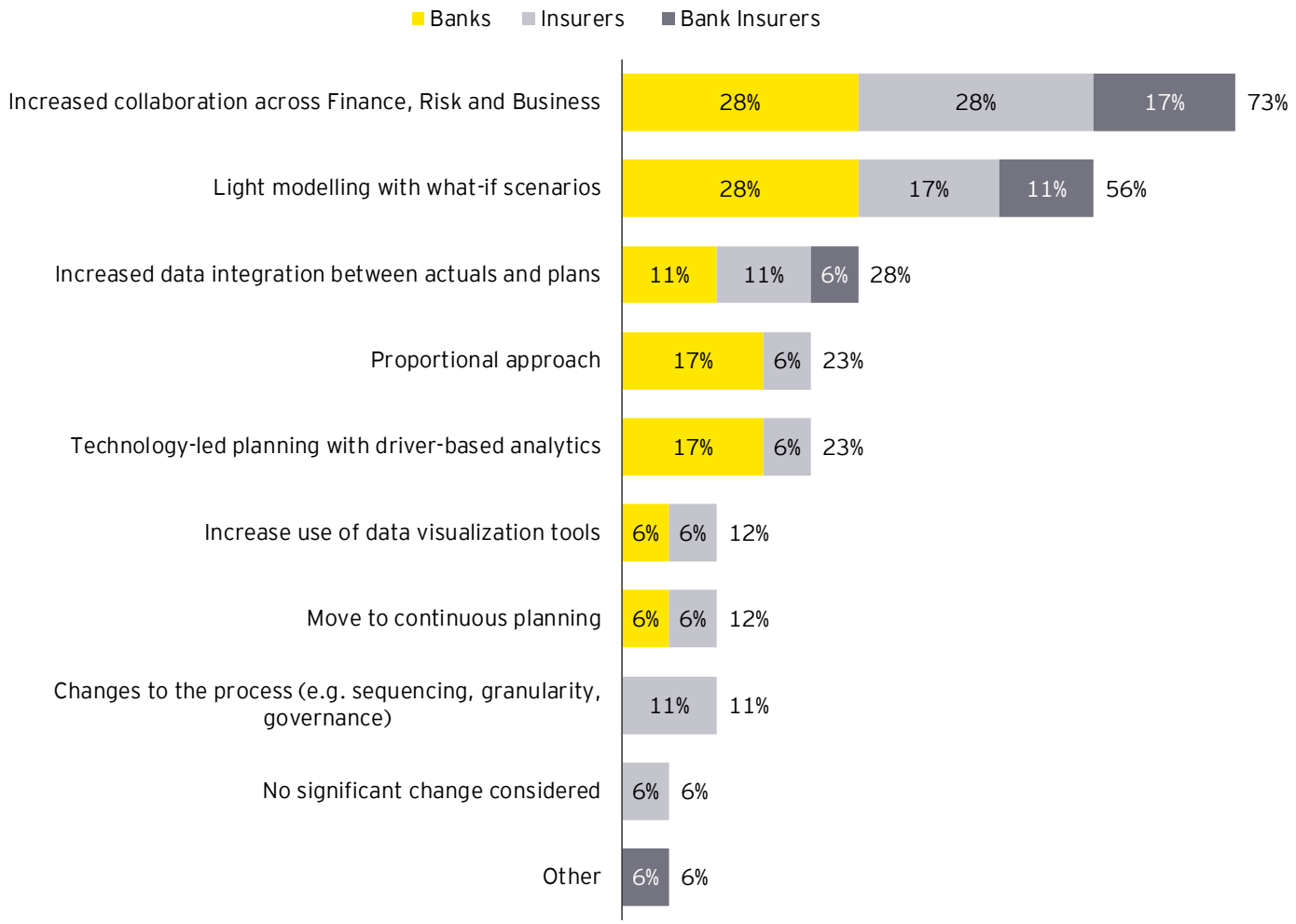
**What are your top three challenges for business planning in the context of COVID-19?**



CFOs plan to address the challenges around business planning and decisions, by:

- Increased collaboration across Finance, Risk & Business to become a true business partner as mentioned by two third of CFOs.
- Develop Finance people skills in modelling with "what-if" scenarios to respond to the challenge of quick responsivity, for more than half of the CFOs.
- Data and technology enablement, required for adequate dynamic forward looking planning.

**How do you plan to address challenges around business planning?**



# ... Point of view

Financial services organizations are confronted with the new reality in which the COVID-19 pandemic has created significant disruption to their business models, with the scope, duration and severity of the threat still not fully understood. With business plans no longer valid, Finance departments were asked to provide updated plans within short time spans to support management and Board in their decision taking. Due to this unexpected needs, many CFOs have taken the opportunity to develop tactical solutions to help management and Board navigate through the crisis.

FP&A teams are coordinating inputs across the organization to try and manage a host of permutations in spreadsheets and other systems. These tools are not designed to accommodate multiple scenarios simultaneously, nor the multitude of assumptions that must be made during a crisis. Insightful business outputs are difficult to build, and actions to close emerging gaps can be elusive to many stakeholders. Next challenge for CFOs is to stabilize and professionalize the technical solutions, further integrate business data in their predictive models and develop Finance people skillset.

Doing nothing and seeing what happens post crisis is not an option, as immediate capital and liquidity decisions are critical. On the flip side, planning for the worst case scenario can prevent organizations from remaining competitive and seizing market opportunities when the upturn commences. The most viable option is having the ability to run and maintain multiple scenarios at the same time, assess impacts and plan actions for many given scenarios that may need to be communicated to customers, regulators, investors and employees. Finance functions must become more flexible and agile to provide insights quicker, with increasing confidence.

Laurent Nossent
Partner CFO Consulting

# 7 Risk management and internal control environment

## Risk management over the next 12 months will focus on ECL and earnings volatility.

Most CFOs will put more emphasis on risk management over the next 12 months and especially on Expected Credit Loss (ECL).

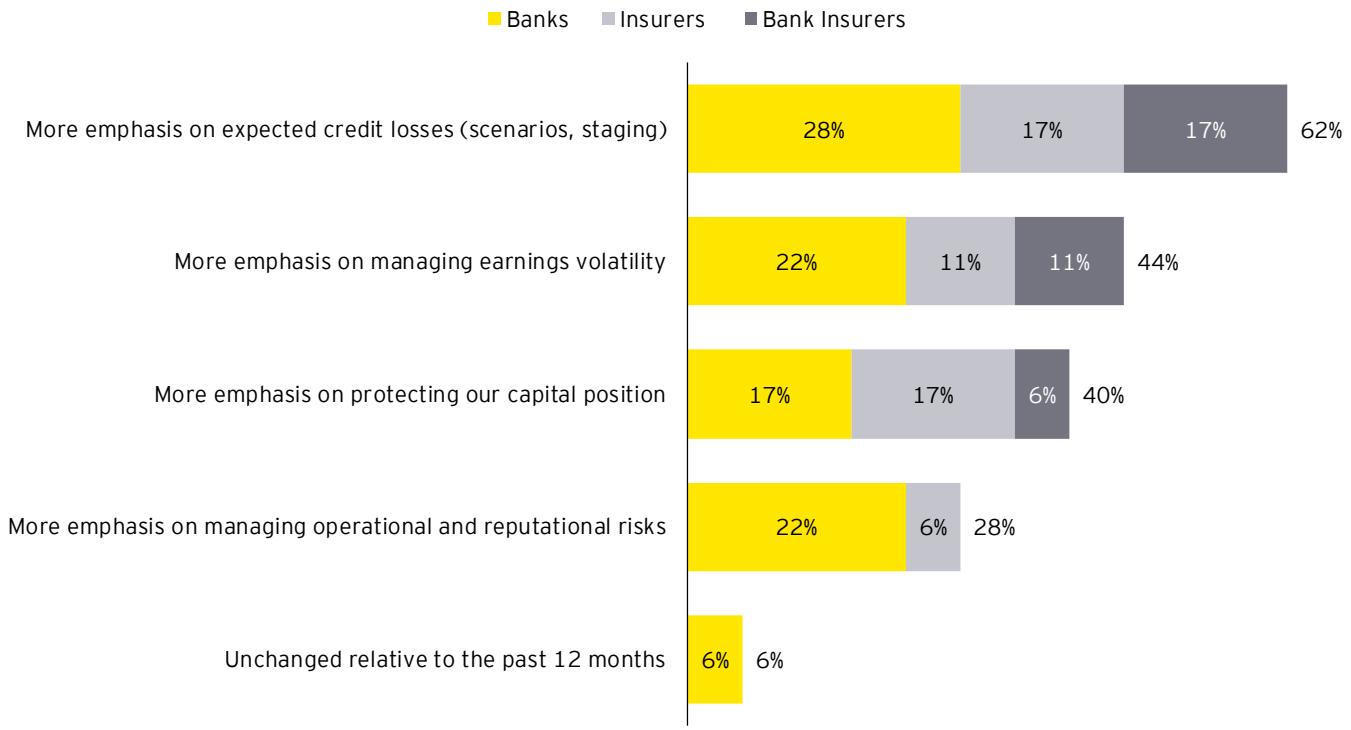
The COVID-19 pandemic has significantly impacted the measurement of ECL and the evaluation of credit risk. Current credit models, risk monitoring procedures and the accounting and regulatory frameworks themselves, have not been designed to deal with a pandemic economy. In addition, government relief measures and the political decisions of lock down, are adding another level of complexity in the equation.

The payment holiday has frozen a key early warning signal (days past due) in the credit monitoring process and credit risk is more related now to resilience and adaptability of the client portfolio to unprecedented circumstances. Additional COVID-19 triggers and alternative risk monitoring processes have been developed, aiming to capture this trend. Stress testing scenario's have been used to quantify credit risk.

**62%** CFOs who have seen changes in internal control oversight by executive committee and/or management.

The European and Belgian regulators are active in giving guidance on how to apply IFRS 9 and regulatory frameworks, how to respond to relief measures, as well as on economic outlook and scenarios. The complexity and rapidly changing pandemic environment warrants a close monitoring of credit risk and earnings volatility in the short term, and will continue until the virus is under control.

**As a Risk & Control owner, how would you describe your attitude to risk management over the next 12 months?**



**40%** CFOs who indicated more emphasis on protecting the capital position

The COVID-19 pandemic has changed CFOs' attitude towards risk management with an increased emphasis on protecting the capital position. Capital has never been recalculated as frequently as today and will still get highest attention in the 12 months to come, at least.

The increased focus on protecting the capital position will imply increased attention to the insurer's own risk and solvency assessment (ORSA) and the integration with business planning.

In the banking sector, the importance of the capital position will increase as we come closer to the end of the relief measures and payment holidays. The amount of forbearance and non-performing loans is expected to increase significantly, also impacting the solvency position for the years to come.

## Entities may need to implement new internal controls or modify existing ones.

Provide accurate and reliable information in real time is key to support the business and Board in the strategic decision process: 59% CFOs would like to increase monitoring of exposure, controls and productivity.

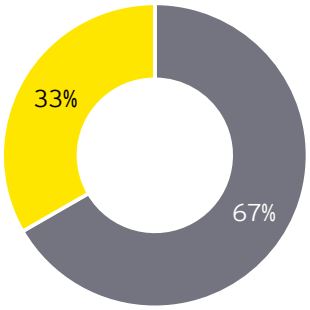
As mentioned, COVID-19 impacts accounting judgments, related governance in the Finance function should therefore be adjusted for 35% of the respondents.

Two-third of respondents mention their finance controls are already largely automated. This enables CFOs to have more frequent monitoring, to identify interventions earlier in the event of control deficiencies and to further optimize the investment in key controls. Digitization initiatives are largely increasing the level of control on the financial reporting, without significant impact on the related workload. Finance people are allowed to shift their attention to more value adding activities, which also impacts positively their engagement.

In any case, the shift of the Finance function is ongoing. Regulatory and Board's requirements increase and create additional workload and need for expertise for the Finance department. As a consequence, most CFOs are adapting their control environment and continue the automation journey.

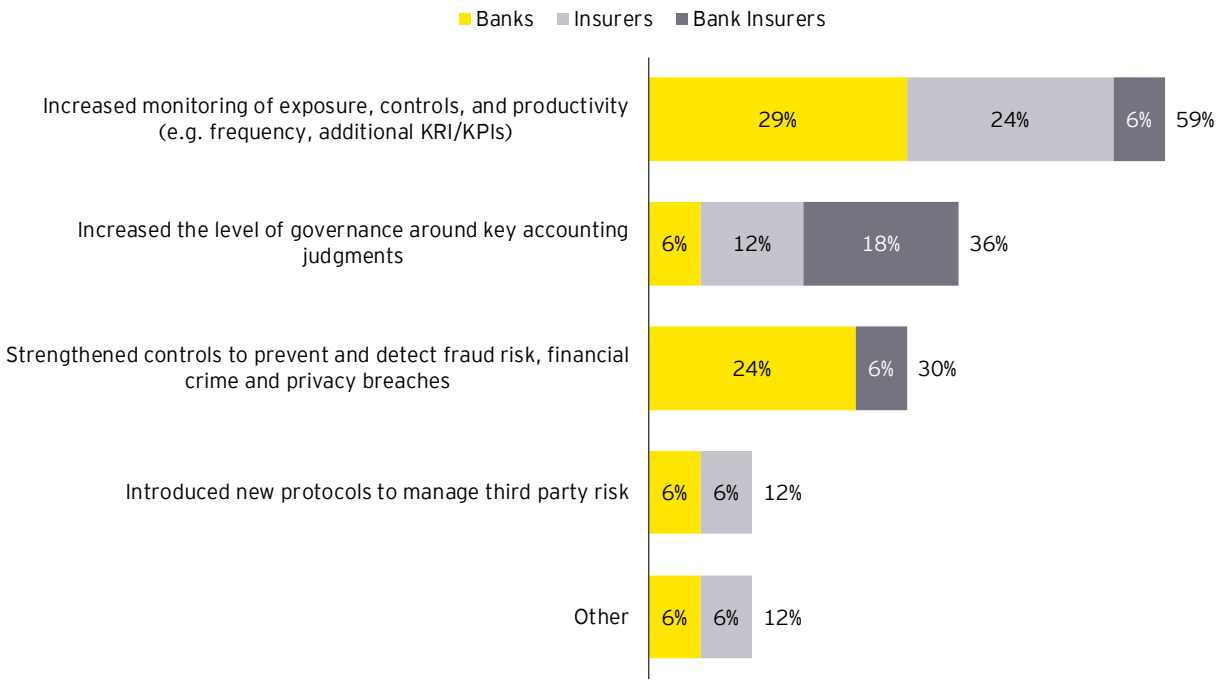
**82%** CFOs who have strengthened their control environment as a response to COVID-19.

### Do you plan to automate controls in the next 12 months?




- No, finance controls largely automated already
- Yes, planning to automate up to 20% of our finance controls in the next 12 months
- Yes, planning to automate over 40% of our finance controls in the next 12 months

### Where you have strengthened the internal finance control environment, what key actions have you taken?



# 8 Finance workforce

**Most CFOs ranked predictive and prescriptive analytics, better partnering with the business and change management as key skills critical for the function in the next two years.**

COVID-19 demonstrated that Finance analytical skills and overall business understanding are critical to project and understand the impact of such an event on the organization. And as such to provide quickly reliable information that is crucial for the management and Board in their decision taking. The pandemic also fostered collaboration between FP&A, actuarial, risk, strategy, business, customer relationship management and operations planning functions.

As the role of the Finance function continues to evolve rapidly, the set of skills of finance people is broadening beyond traditional accounting expertise.

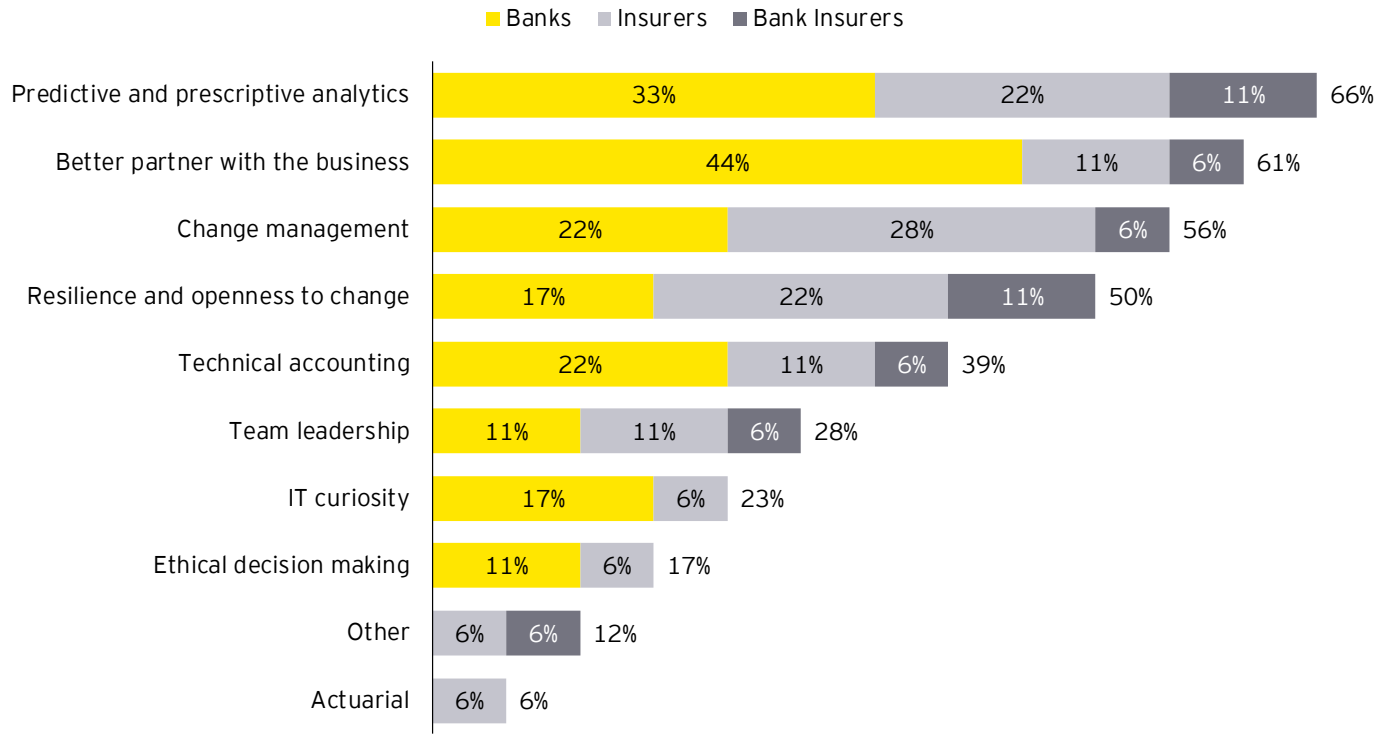
Predictive and prescriptive analytics are increasingly needed to support Finance activities, and are considered a critical skill by almost 66% of the CFOs. Next to these, 61 % of the respondents mention skills to better partner with the business as a key skill for Finance people.

Change management as well as resilience and openness to change close the top 3 of key skills needed. Finance teams need to demonstrate the flexibility to embrace a fast-changing work environment where they are expected to play a more strategic role, using new technologies to better partner with the business.

Recent events have highlighted the importance of additional skills such as team leadership, IT curiosity, and ethical decision making which is consistent with the overall Finance function transformation challenging the traditional Finance function teams. As finance continues to transform and challenge old norms in a post COVID-19 environment, these skills will continue to become of growing importance.

It will be essential for Finance to embed and sustain new ways of working, refreshing talent management and capability building to meet this future requirement. Multidisciplinary teams of T-shaped professionals will improve speed and avoid conflicting conclusions being produced by siloed and inconsistent operating teams within the organization.

**What are the key skills that are critical to your Finance function over the next two years?**



# 9

# Readiness TCFD disclosures

**Financial institutions are progressing in incorporating climate and sustainability in their business steering with important challenges ahead.**

As far as the disclosures preparation is concerned, 41% of respondents consider their organization is nascent on such topic.

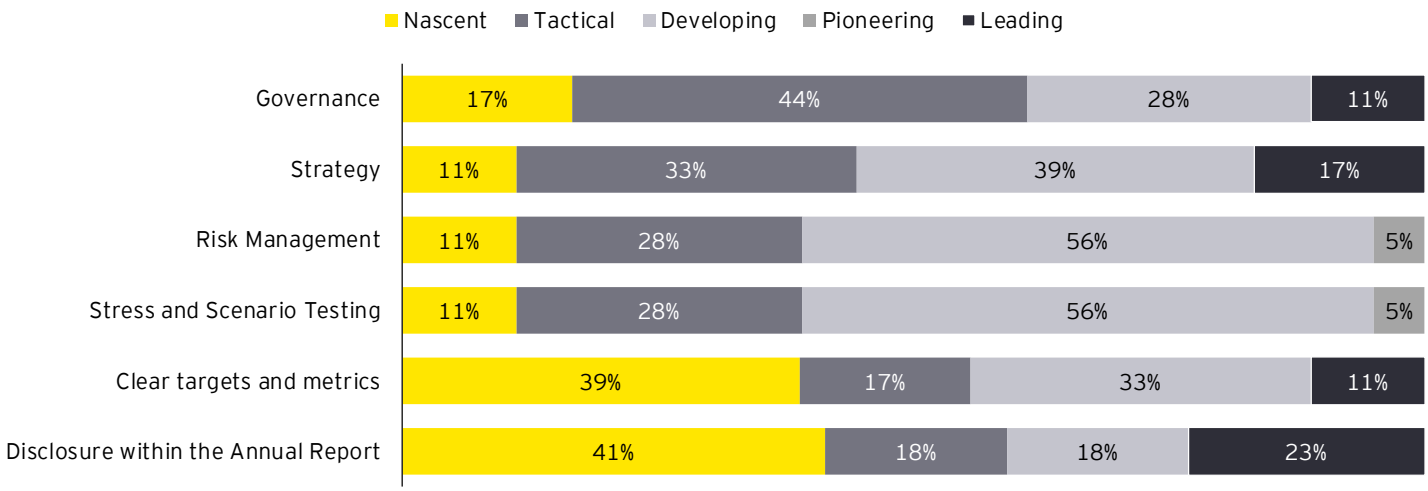
Even if this is not a key priority of the CFOs today[1], investors and other stakeholders are increasingly expecting the incorporation of climate-change and related risks on financial statements as its impacts intensify. In the EY 2020 Institutional Investor survey, 72% of Investors said they conduct a structured, methodical evaluation of ESG disclosures – a significant increase from 32% in 2018.

Our CFO Flash Survey highlights that the majority of respondents start to develop the core components of their climate strategy.

About half of the respondents mention that risk management, stress and scenario testing are under development. In fact, except for two respondents, all CFOs mentioned that they are developing at least one of the domains relating to climate risk. The level of maturity of the domains is quite diverse between participants.

As the EU action plan on sustainability is rapidly developing, financial institutions can expect a tsunami of new regulations, which will impact the entire organization. Specifically for the CFO, reporting on long-term value, combining financial and non-financial KPI's will become key. Still a lot of work has to be done to install discipline into non financial reporting processes and controls to build trust in the numbers.

**How mature is your organization in relation to integrating consideration of Climate Risk within:**




1 Only 2 CFOs mentioned it as a number 3 priority

# ... Point of view

Today, we see a momentum to embrace and integrate sustainable finance within the organization. Society is ready and is demanding action, not in the least from the financial services sector as a key cornerstone of society as a whole. Stakeholders' pressure to provide more insights in sustainable finance topics has increased significantly over the past two years. Investors are using ESG-information in their decisions, employees demand purpose, an avalanche of regulations is upcoming, and shareholders' resolutions around sustainable finance topics increase. As a confirmation, based on a recent EY poll on sustainable finance, 42% of the participants believe sustainable finance is a strategic differentiator. These evolutions are accelerating the pace in which organizations are developing and integrating ESG policies and procedures. There is a noticeable shift from fragmented initiatives around sustainability to full-fledged transversal projects, high on CEOs' agenda. But what role should CFOs play in this journey?

Non-financial information currently published, is prepared by sustainability officers, CSR departments,... anywhere but from the Finance department. Compliance with the recommended disclosures put forward by the TCFD, although still voluntary, are below expectations, with on average 40% compliance for Belgium Banks and 15% for Belgian Insurance companies.

Sustainable finance is not yet a top priority for CFOs (cfr section 1), but as the development of core aspects of the sustainable agenda is progressing, so will the need to define KPI's and metrics, and internal and external reporting. These metrics and non-financial information will be used by stakeholders for decision-making, and it is expected that processes, internal controls and governance around non-financial reporting need to become as robust as for financial and regulatory reporting. If the role of the CFO is to monitor and report on the value of the company, then without any doubt, non-financial reporting needs to be part of its agenda.

An Schoovaerts
Executive Director CFO Consulting

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In the coming months, the Finance function will maintain its increased agility to continuously meet the different stakeholders needs. This means for the CFOs to adapt their organization, acquire new skills, optimize the technology enablement… in other words be able to continuously bring added value to the management and the business.

Katrien De Cauwer | Partner Actuarial and CFO Consulting

# Closing words

## How is the current crisis transforming the CFO function?

**The rapidly developing COVID-19 outbreak poses health and financial risks and causes reporting uncertainty for all companies and their stakeholders. This pandemic is only the latest event in an increasing number of complex and unexpected disruptions that are impacting business performance. And it will not be the last.**

### The age of challenges and uncertainty

The disruption hit the real economy affecting the suppliers' ability to pay and the customer's appetite to buy. This has created challenges in terms of liquidity management, capital management credit forbearance as well as the need for expenses optimization. It is also putting pressure on financial market liquidity as well drying up the credit market, with a credit risk that some CFOs sometimes view as under-evaluated.

Governments and companies attempt to contain COVID-19 by restricting travel and public gatherings and by imposing work from home where possible. This is already bringing additional challenges to financial reporting. For example, there is a re-sequencing of the financial close calendars to take into account likely delays in normal close activities, which can create uncertainty in financial disclosure and other important market communications.

### The CFOs' forward-looking role

All of this translates into significant challenges for society as a whole and charges CFOs with important responsibilities to cope with the uncertainty. Nevertheless, the crisis represents an opportunity to re-focus Finance on the essence of its core activity, and take an important step forward in developing its strategic, forward-looking business partner role.

In the recent months, in the midst of the crisis, CFOs have been developing alternative methods and technologies to keep business and financial operations running. But it is now crucial for them to obtain more visibility on the future in order to define today's priorities .

Finance being traditionally focused on process stability and accuracy of reporting output produced in a controlled execution framework, it is a stretched objective to start producing forward-looking, scenario-based forecasts, in real time and in an agile way. This will require a connection with an organized set of business data, and a progressively increasing correlation.

### Adapting to new circumstances: the CFO as a driving force

On the reporting execution, several CFOs communicate confidence in the way Finance people can continue to operate in the remote context. Not only have CFOs been maintaining effective disclosure controls and procedures/internal control over financial reporting, they have been extremely active on the transformative agenda, adapting to uncertainty by establishing a clear and informed tone from the top. Several initiatives have been taken such as:

- developing protocols for assessing and understanding the impacts;
- designing and participating in scenario planning as facts and circumstances may require; and
- overseeing or executing Finance, Capital and Liquidity schemes.

This key role played by CFOs resulted in Finance benefiting from a greater visibility, engaging with key stakeholders to identify and address needs (this includes CEOs, Board members and other Committees members, employees, Finance communities and business partners, investors,...).

Moreover, CFOs are working on stabilizing and professionalizing the recently developed tools, created in the urgency, and on capitalizing on the skills that have been acquired. This will further increase value-added reporting for the businesses and reinforce collaboration. This challenge must be combined with the people agenda, overcoming the fatigue that is experienced by Finance people after annual closing. Now is the time to re-charge in order to cope with challenges of the last mile of the crisis, for a re-born Finance function.

The CFO position has always been an exciting one. But now, more than ever, with the multiplying challenges and opportunities, CFOs have a transformed and transformative role to play. They have learnt the lessons from the COVID-19 crisis and are capitalizing on them to make their institutions stronger. They have a hand in writing the future of financial services. A crucial one.

# About EY FSO Consulting Services

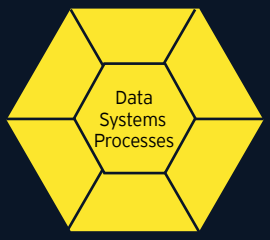
EY's CFO Consulting team supports the CFOs and their departments on a wide variety of topics, ranging from working with our clients to define their vision for the Finance function of the Future, over business as usual support during closing periods, to regulatory implementation support (SII, Basel, IFRS, NFRD), optimisation and automation of the functioning of the process to preparing for the 'hot topics' of the future (real time dashboarding, sustainable finance, predictive analytics... ).

Our curiosity for innovation and new technologies drives our search for solutions in how we can best support Finance departments in their transformation towards the Finance Function of the Future. Our broad market experience on a wide variety of topics allows us to offer the best support whenever you need it.

Strategy and change execution advisor
"The Catalyst"

Treasury and Capital management / optimisation
"The Steward"

Investors and Customer story
"The Concierge"




Financial Planning & Analysis
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# Contacts

To find out how the EY CFO Consulting team can support you, please contact a member of the team.

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