

The poll: role of the CFO

EY'S LATEST *THE DNA OF THE CFO* SURVEY IDENTIFIES FOUR FORCES THAT ARE INCREASING THE PRESSURE ON FINANCE LEADERS AND CHANGING THE WAY THEY SHAPE THEIR ROLES.

EY's first *The DNA of the CFO* study, conducted in 2010, painted a picture of a role that had broadened to encompass not only traditional financial skills, but also more strategic and market-facing responsibilities.

Six years on, the latest research reveals that change has accelerated rapidly. The study, which surveyed more than 750 finance leaders from around the world, identifies four new forces that are transforming the expectations placed on CFOs. And it suggests that CFOs who don't proactively define their role in response to these forces could compromise their ability to shape strategy with the CEO and drive the innovation necessary for sustainable growth.

Caught in the eye of a perfect digital storm

58%

say they need to build their understanding of digital, smart technologies and sophisticated data analytics.

For CFOs, digital disruption can feel like being caught between the promise of rain and the threat of drought. On the one hand, digitization offers the opportunity for new business models and revenue streams. On the other, it makes the organization vulnerable to competition from new players and agile incumbents, and creates exposure to new risk.

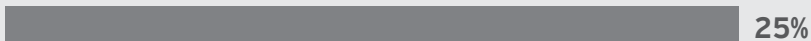
Focus on growth places premium on CFO's digital know-how

Percentage of respondents who believe that they will need to build their understanding of digital, smart technologies and sophisticated data analytics

Driving growth is my number one objective over the next five years.



Orchestrating organizational transformation is my number one objective over the next five years.



Driving cost efficiency is my number one objective over the next five years.



Managing strategic risk is my number one objective over the next five years.



To fulfill their agenda of growing and protecting the organization, finance leaders need to understand and embrace a digital business model. They also must play a key role in building the organization's readiness and confidence to act and react with urgency.

Data: the disruption that will transform finance

57%

of group CFOs believe that the delivery of data and advanced analytics will be a critical capability for tomorrow's finance function.

Data and analytics are changing the way CFOs think about business problems, opening their eyes to new opportunities, and challenging accepted and entrenched organizational beliefs. However, many organizations are struggling to turn the promise of data analytics into the reality of improved performance. This presents an important opportunity for CFOs to step in and transform their organizations by turning the promise of data analytics into measurable performance gains.

Decision-making in volatile times

57%

believe that risk management will be a critical capability in the future.

Today, organizations and their finance leaders are challenged by a rapidly changing risk landscape shaped by disruptions that include market volatility, hyper-connectivity, geopolitical crises, regulatory reforms and cyber threats.

Finding enough certainty to be able to make decisions in this volatile risk landscape is a major challenge for CFOs, and they are taking an increasing role in risk management. In the future, CFOs anticipate that role will be even bigger, particularly in large organizations.

The CFO as a public person

71%

say they will be increasingly responsible for the ethics of decision-making in support of their organization's purpose.

CFOs are managing an increasingly complex stakeholder universe. Stakeholders' demands are often in conflict, and CFOs have to juggle the requirements of regulators with the demands of investors and other stakeholders. The high expectations of stakeholders and the increasing scrutiny of regulators are not likely to fade in the future. CFOs will need to practice ways to respond to conflicting demands more effectively.

Ethical decision-making is an increasing focus, particularly for young CFOs

Percentage of respondents who believe that they will increasingly be responsible for the ethics of decision-making in support of their organization's purpose



Mastering the future

The report concludes that the impact of these disruptions is seen in the increasingly diverse backgrounds, profiles and job descriptions of finance leaders worldwide.

CFOs, like all leaders, must proactively shape the role they play in response to these major disruptions, and manage the impact on traditional finance tasks in the way they build and develop their team. To assist with this, the study provides a personal development plan. It provides a framework to help CFOs evaluate their own competencies, strategic considerations and major external forces impacting their organization and their role. By proactively managing these factors, CFOs will be able to secure their influence into the future.

For a copy of the full report, *Do you define your CFO role? Or does it define you? The disruption of the CFO's DNA*, please go to ey.com/dnaofthecfo.

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