



How do CFOs reshape
today to reinvent
their tomorrow?



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EY

Building a better
working world

Finance leaders must help organizations rebuild capital confidence

The need for companies to reimagine, reshape and reinvent their future financial and investor fundamentals is now top of the boardroom agenda. Unresolved issues that C-Suite executives have been debating since 2008 financial crisis cannot wait. It is no longer a case of “can we afford to?” but “can we afford not to?”

73%

of executives expect COVID-19 to have a severe impact on the global economy.

Source: EY Capital Confidence Barometer

Old plans are no longer fit for purpose

Many companies will struggle to recover rapidly from the impact of COVID-19. With firms likely to face a chronic shortage of liquidity and operating capital, CFOs will need to plan a new financial strategy that address today’s specific challenges.



Why EY

EY teams can help you build a proactive financial strategy to navigate recovery.

Together, we'll support you to seize the opportunity to reframe, reimagine and reinvent your finance function for a stronger future.

Navigating a saw-toothed economic recovery

As the world's economy recovers, we envision a slow-paced, uneven recovery trajectory with varying rates of growth for sectors and geographies, and periods of acceleration offset by setbacks. This saw-toothed shaped return to growth demands organizations be more flexible, resilient and adapt fast. CFOs can help embed resiliency through a proactive approach that tackles the new capital challenges of now while seizing opportunities to transform for the future.

Key actions to recover stronger

Adapt operations

1. Navigating volatility will require CFOs to build scenarios of the future. A top-down approach should model the pandemic and economic impact to create industry-specific scenarios that become anchor points for planning.
2. A slow recovery requires CFOs to develop a new financial strategy that addresses today's priorities – ensuring liquidity, managing stakeholders, staying compliant, and sourcing new capital.
3. Government support may be a lifeline but can be complex. A global monitoring system run by a dedicated team can help CFOs seek and secure appropriate aid and ensure compliance with obligations.

72%

of executives say they need more and better data to anticipate future trends.

Source: EY Capital Confidence Barometer

Increase resiliency

1. Companies must manage a safe physical return to work while proactively managing remote working through collaborative technologies and new policies. CFOs must also reimagine their workforce to meet changing business needs. Scenario modeling can help identify the workforce capabilities and capacity needed. CFOs should also explore bold new ways to operate their tax and finance function, including through third parties.
2. The failures of inflexible supply chains and business models have threatened many firms during COVID-19. A systematic risk analysis of financial and operating processes can help restructure potential breakage points such as low cash reserves and lean inventories. Aggressive adoption of digital technologies (e.g., sensors located in suppliers' inventories) can help strengthen supply chains without increasing costs.
3. Even in the midst of crisis, it is not too soon for CFOs to be planning a recovery strategy focused on the upside. Distressed assets will need buyers, and firms less affected may find opportunities. Companies weakened by the crisis may need to divest or seek new partners. Firms should not be dictated to by outside forces but guided by a proactive CFO-led strategy.

56%

of executives are planning to actively pursue M&A despite the current crisis.

Source: EY Capital



Respond faster. Recover stronger. Reframe your future.

In a global crisis that impacts every part of the business, the global EY network of member firms has the capability to lead you through each stage of COVID-19 and beyond. Our teams can help you reimagine your finance and investor fundamentals to build greater resilience in the post-COVID-19 world.

Key actions

- ▶ Navigate the new volatility, by developing a core revenue scenario and building a cash flow plan to advise the Board of Directors.
- ▶ Create a broad financial strategy to help manage liquidity, communicate with stakeholders and source capital.
- ▶ Align with government recovery policies through a global monitoring system and dedicated teams.
- ▶ Transform the business and the workforce by focusing on the impact on operations and the financial result.
- ▶ Build enterprise resilience through a systematic risk analysis of financial and operating processes.
- ▶ Take a proactive approach to investment and divestment to make the most of a transformed M&A market.

Contact us for tailored support or to access EY ERF diagnostic tool.

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About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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