

CFO AS TECHNOLOGY EVANGELIST

Reynaldo C. Lugtu Jr

As the new platform for business enablement – social media, big data, cloud, and mobility – proliferates and becomes mainstream among the different LOBs, there is a need to manage various investments in these areas to make sure that the enterprise maximizes the opportunities and benefits they bring. The CFO's role becomes critical and as important as ever in shepherding the business when evaluating, investing into, and adopting these new technologies.

In fact, the modern CFO is now seen as a technology evangelist, based on a recent global study conducted by Accenture and Oracle through Longitude Research which surveyed 1,275 CFOs, senior finance executives and line business executives from organizations around the world of varying sizes and industries – 300 of whom were senior non-finance executives – and found that:

- CFOs are seen as technology evangelists, but a gap remains between ambition and reality:

Over two-thirds of respondents agree the CFO is a strong evangelist for the transformational potential of technology and nearly three-quarters of finance executives believe new technologies such as the cloud, mobile technology and social media will change how finance is structured and run.

However, only 20 percent of C-suite executive respondents believe that their finance organizations have adopted leading-edge technologies, in contrast to sales organizations, in which 43 percent of C-suite executives' view as already having done so.

- New skills and analytics capabilities are needed to execute on modern finance's mandate:

Nearly half of respondents saw an increase in the number of finance analysts hired over the past two years, reflecting the growing need for finance talent with a deeper and broader range of business and analytical skills.

For example, 23 percent of non-finance respondents feel that the ability of finance to provide an up-to-date view of performance against budget "falls below expectations," and nearly twice as many finance respondents (42 percent) think they could do far better.

- CFOs are embracing the cloud to modernize finance:

Survey respondents clearly see the potential for the cloud to deliver new insights through advanced analytics and business intelligence. More than a quarter of respondents (28 percent) are already using the cloud to support budgeting, planning and forecasting, and another 34 percent plan to move them into the cloud within the next year.

In addition, more than two-thirds of executives surveyed have either already adopted a cloud-based system in some part of their organization for core financials (24 percent), or are planning a road map for doing so (45 percent).

- CFOs continue to focus on automating processes, consolidating system and real-time reporting to drive operational excellence, but more progress is needed:

While about 30 percent of finance and line of business executives responding agree their processes are still paper-based, there is a clear trend toward automating and digitizing processes, with nearly 50 percent now using mobile apps and 53 percent leveraging web-based systems.

- Senior management backs the technology vision:

Only 5 percent of respondents cite lack of senior management support as a barrier to adopting new technologies in the finance function. Ability, rather than willingness, seems to be a greater factor, with 38 percent of respondents citing lack of internal skills as a key barrier.

The implications of the above findings are critical to the modern enterprise as the modern CFO as technology evangelist needs to recognize the value of digital and cloud technologies for the finance function and the business as a whole. It is also critical that the modern CFO needs to address the gaps through exposure to new technologies and tools that will make him or her a strategic partner to the business.



REYNALDO C. LUGTU, JR. is the Chair of the ICT Committee of the Financial Executives Institute of the Philippines (FINEX) and a senior executive in an information and communications technology firm. He also teaches strategy, management and marketing courses in the MBA Program of the Ramon V. del Rosario College of Business, De La Salle University. reylugtu@gmail.com.
