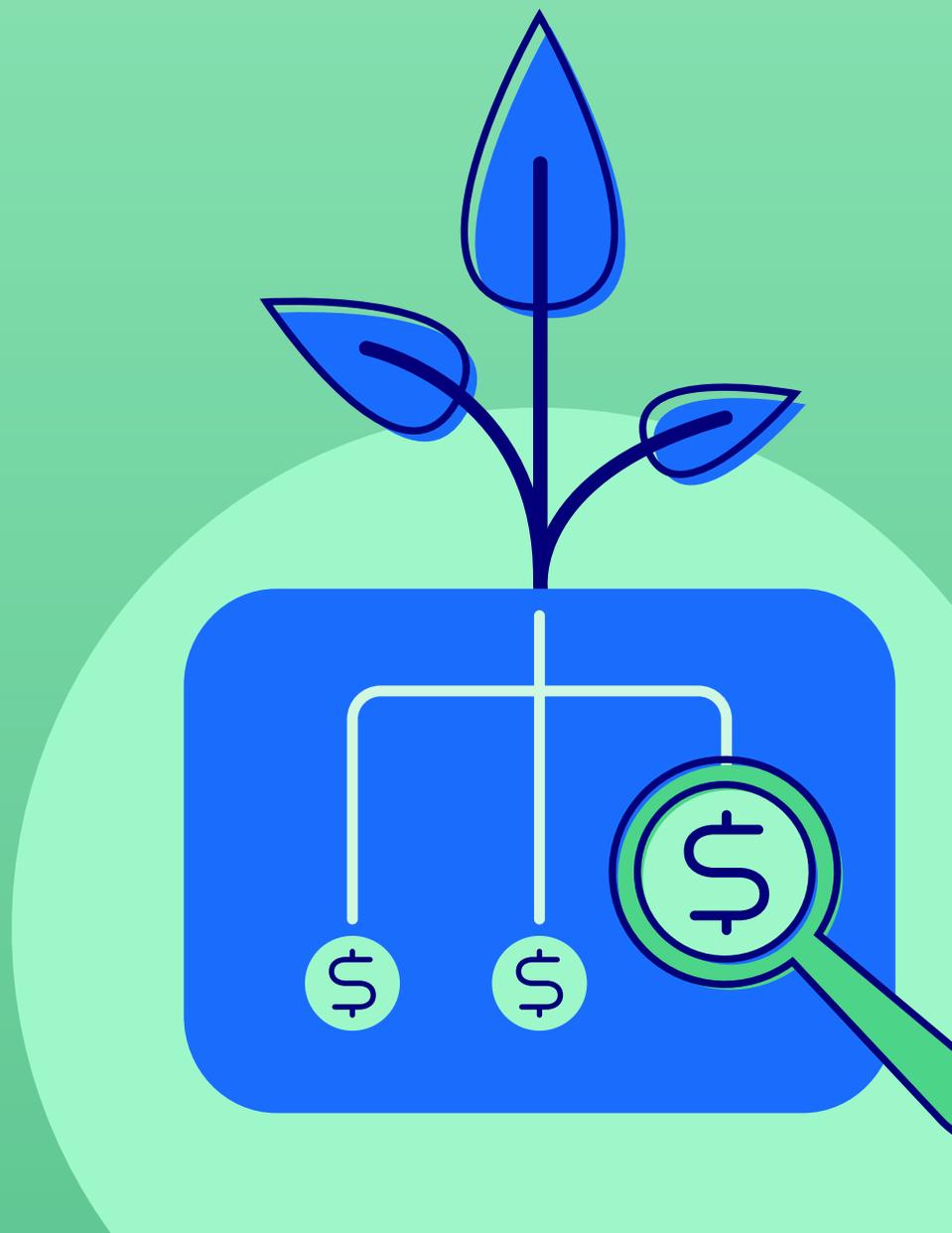


Why

# CFOs are Change Agents

for Business Transformation



# Table of Contents

---

03	Before the Pandemic Shook the World
04	How the Pandemic Affected the CFO Role
05	The CFO is Dead, Long Live the CFO
08	Automation in the Finance Function

---



**C**FOs are used to focusing on the financial health of a business and planning for finance-related strategic milestones coming down the pike. They oversee financial outlay, manage cash flow, control the balance sheet, and are responsible for compliance.

Good CFOs are able to realize cost-reduction opportunities, but great CFOs leverage their executive position to drive change across the business and use their function to ensure the funds are available to make change happen.

---

## Before the Pandemic Shook the World

According to a McKinsey Global Survey from 2018, CFOs' roles were already expanding well before the Covid-19 pandemic, with six functions managed by the CFO, up from four just two years prior. One of the key changes in CFO responsibilities was digital transformation, including facilitating the adoption of business process automation, cloud computing, data visualization, and advanced analytics. In just two years, double the number of respondents indicated this responsibility, whether the transformation was in the finance function or other areas of the business. In fact, CFOs are considered second only to CEOs in leading transformations, with 44% of respondents saying the managers responsible for transformation report directly to them.

But there was definitely room for improvement – 66% of CFOs report that less than a quarter of their function's work had been digitized or automated. Of the 34% who indicated that they had automated more than a quarter of their function's work, 70% reported modest or substantial ROI from doing so. And this is not to say that automation comes at the expense of talent development. In fact, at the highest-performing finance teams, the CFO was twice as likely to be responsible for talent development across the organization.

---

# How the Pandemic Affected the CFO Role

When the Covid-19 pandemic hit in March 2020, every business had to consider the impact of this black swan event and how they would react. Corporate strategies changed almost overnight and many developed economies saw rounds of layoffs at even the most solid of companies. An essential component of riding out these rapid changes was having CFOs analyze their business to ensure resource allocation was optimized for whatever uncertainties lay ahead.

Having just conducted a survey of 631 CFOs and senior finance executives in February – just before the pandemic hit – CFO Research and Grant Thornton followed up with another survey in May that allowed for some interesting insights. Whereas before the pandemic, CFOs' time was split evenly between the roles of strategist, change agent, producer, and guardian, by May their focus had shifted to the roles of strategist and change agent. Notably, although 80% of respondents said the Covid-19 crisis had delayed innovation projects, and 62% said transformational projects would be delayed, a majority said that plans to implement automation technologies would keep to their original timelines.

44%

of CFOs say that managers responsible for transformation report directly to them.

(McKinsey)





As a result, CFOs have had to look for new ways to capitalize on trends like automation and outsourcing. The simple truth is that the CFO is now a primary decision maker, thought leader and voice of reason. Transitioning to the lockdown was a massive undertaking that required CFOs to use their skillsets in new ways. Whether CFOs will permanently own their new 'change agent' and 'strategist' roles after the pandemic subsides will largely depend on their abilities to delegate, automate, train and outsource."

– Nick Vellani, National Managing Principal of Financial Management at Grant Thornton

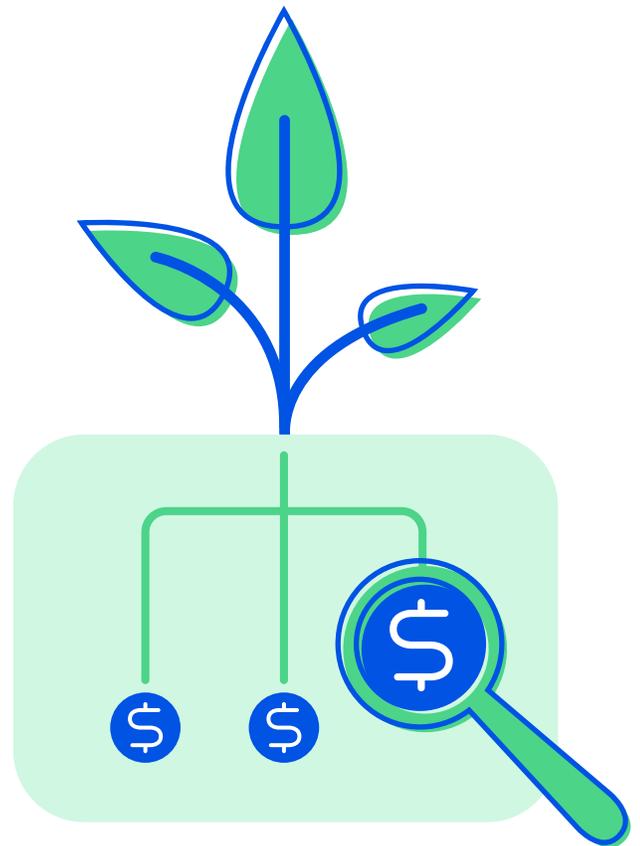
---

## The CFO is Dead, Long Live the CFO

So what does the new CFO look like?

In a March 2021 article from [CFO.com](#), Accordion's CEO, Nick Leopard, and managing director, Junaid Samnani argue that the CFO must wear three hats:

1. Systemic strategist
2. Change champion
3. Tactical technician



As a systemic strategist, the CFO leverages data – both financial and operational – and disruptive technologies to be a better business partner and transformation architect. The goal is to help the business be more effective and efficient. As highlighted by both the McKinsey and Grant Thornton reports above, automation of manual tasks is a key way to achieve this goal, ultimately lowering costs across the organization. Although automation has the potential to reduce headcount, it is also targeted at making the most of the human resources at the business’s disposal.

“ Indeed, when you eliminate the bulk of manual process requirements in an organization, you can focus on recruiting, hiring, and employing talent who can help develop and execute against broader corporate or divisional goals.”



As a change champion, the CFO’s key power is in aligning financial incentives to transformation. This can mean providing the investment in new technologies, such as robotic process automation and artificial intelligence, but also includes providing salaries and bonuses that motivate and reward employees who are responsible for successful transformation. Great CFOs will also take responsibility for identifying and empowering talented change agents, and act as a conduit between those change agents and the C-suite and board of directors.

“While every project needs someone adept at bringing together various elements and ensuring progress timelines are being met and addressed, transformation initiatives demand something more. They demand program leaders who

are extensions of the executive team, not just project managers. They demand leaders who can articulate the goals of the campaign, who can gather support, who can handle front-line communication, who can ensure all cross-functional voices are heard, and who can find a way to work with the business to get to “yes,” instead of just cataloging the “no’s.”

If the organization has a shortage of such change agents, the CFO should take an active role in finding the right talent – including junior employees who may have the right skill set given the right support – or external partners who can manage transformation initiatives. CFOs must manage up, down, inside, and outside the organization, and ensure that everyone is aware of the potential cost, ROI, milestones, and timelines of such transformation.

Finally, as a tactical technician, the CFO needs to be ready to not only take a 30,000-foot view of transformative initiatives, but also be willing to roll up their sleeves and get their hands dirty at the program level. What support do change agents need? What obstacles do they face? What opportunities are there to improve on the original strategy as a program proceeds?

“ The CFO must find the delicate balance between being in the weeds and being meaningfully involved in tracking project value, understanding achievements and obstacles, and holding team members accountable for reaching the former and navigating the latter.”

#### THE THREE HATS OF THE NEW CFO



Systemic Strategist



Change Champion

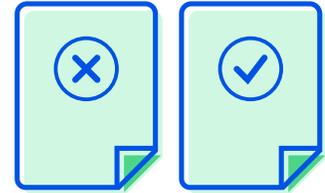


Tactical Technician

---

# Automation in the Finance Function

Of course, before looking elsewhere in the organization, the CFO should harness opportunities for improvement in the finance function itself. One area where they can act as a systemic strategist, change champion, and tactical technician is invoice processing. More than 30% of invoices contain errors – accidental or fraudulent – and it is unrealistic to expect humans to catch them all, especially across thousands of invoices from hundreds of suppliers. And that's ignoring duplicate and cumulative invoices, which are easy for overworked accounts payable staff to process by mistake.



Fortunately, there are tools available, such as [OpenEnvoy](#), which automate invoice auditing with artificial intelligence that compares every line item and term to the original purchase contract and ensures accuracy before payment is made. It is much easier to keep money than recoup money, and real time automated invoice auditing allows companies to avoid the friction and wasted time of chasing clawbacks with suppliers. With such a solution in place, the CFO can redirect the human resources at their disposal to more strategic initiatives.

# About OpenEnvoy

OpenEnvoy, founded in 2020, audits every invoice before you pay. Our solution automates costly finance workflows enabling the recovery of billions of dollars in wasted spending. OpenEnvoy supports customers around the world with offices in Nevada, California, India, Philippines and Singapore. To learn more, visit <https://openenvoy.com>.

