Ebook

Future of the Digital CFO

How to become an architect of value, change & resilience

Executive summary

Emmanuel Olivier

WW Chief Operating Officer, Esker

Emmanuel supervises Esker's finances and oversees its global operations, financial communication and investor relations.

The era of digital acceleration is here, and Finance's role in this seismic shift is beginning to become clearer. In just the last five years, the number of financial leaders responsible for their companies' digital activities has more than tripled.[1] However, digital adoption alone is not a silver bullet.

As we continue to navigate a period of significant transformation and uncertainty, it is time for the Office of the CFO to not only rethink the viability, sustainability and ROI of existing digital investments, but to **create a stronger, more strategic financial roadmap**.

The future is something that's impossible to predict — but we can prepare for it. It is therefore incumbent on CFOs to identify and embrace their newly expanding roles within the enterprise. Financial leaders must be leaders beyond the balance sheet and reassert themselves as the **architects of value, change and resilience** their companies need to sustain long-term growth.

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Prospects & priorities

Our current "age of disruption" has not only accelerated pre-existing financial trends, it also threw open a Pandora's Box of new economic and political unknowns that will linger for years to come. Thus, this is a "make or break" opportunity for CFOs to parlay their established financial acumen and increasing obligations into building a business foundation of substantive, long-term value. If they can successfully navigate the obstacles standing in their way, that is.

What's keeping CFOs up at night?

Retention, retention, retention

It's hard to stay competitive while top talent flees for greener pastures. What's more, 3 in 4 CFOs say compensation changes are impacting their forecasting.[2]

Supply chain logjams

Although supply chain issues are no longer as acute as they were 2-3 years ago, they still exist — adding complexity to the CFO's already-full plate.

Digital pains & pressures

The pressure to accelerate digital Finance investments and competencies is only growing. No biggie, CFOs have more than enough bandwidth. Oh wait …

Global expansion

Business growth is a good thing, of course, but for the modern Office of the CFO, international expansion is just another element of added complexity to manage.

Staff shortages

A deeper dive into the financial implications

As much as modern CFOs are expected to be jack-of-all-trades for their companies, they can't do everything — a team stocked with standout talent is a must. Which is why, when asked about the most pressing concerns for their companies, 74% of CFOs had "labour quality/availability" as their top choice.[3]

It's easy to see why: When a valued member of the team leaves, the implications go beyond the cost of replacing that individual. Talent loss also means:

- Months of effort & resources expended on recruiting & onboarding replacement
- Added expenses such as training costs, admin. costs, compensation increases, etc.
- Lower productivity, engagement & morale for remaining team members
- Negative impact on customer service & overall business reputation

"In my experience, team morale significantly improves when they're able to focus on more advanced processes and tasks. This requires CFOs to broaden their strategy of adding value across Finance and the company."

Michelle Demarco | CFO, enVista

Evolution of the CFO

Google is no longer just a search tool. Netflix has long outgrown its DVD rental roots. And what used to be everyone's go-to online book seller (Amazon) is now the go-to everything seller and beyond.

The willingness to evolve is paramount to success. The more open modern-day CFOs are to change, the more doors of opportunity they will open.

According to a recent survey by Gartner, leading digital transformation efforts in the Finance function is the top focus for CFOs in 2024.[4]

From bookkeepers & number crunchers ...

Until recently, the scope of CFO responsibilities didn't stray far from accounting, controlling, budgeting and compliance. These limitations were among the reasons the role was traditionally seen as a stepping stone to more powerful, influential positions (i.e., CEO).

To digital catalysts & value-drivers

Today's CFO has a much broader and diverse set of responsibilities that are often global in scale. When it comes to solving complex business issues and spearheading digital initiatives, CFOs are now the ones pushing boundaries and leading the charge.

CFO as an architect

A 3-step blueprint

Becoming an architect of value, change and resilience requires no specialised knowledge or advanced training. It's a mindset. An attitude. A framework by which the modern CFO can successfully construct a more future-proof organisation. There are many ways to get there, but you can't go wrong with these three objectives:

01

Empower Finance professionals

The expectations of today's top talent go beyond higher wages. According to Deloitte research, modern workers want a job that is "meaningful, fulfilling and contributes to something bigger than themselves.[5]" Any CFO that can empower their team in this way will enrich their business for years to come.

02

Be a digital tactician

Recent Gartner research shows that 82% of CFOs report their investments in digital are accelerating.[6] For CFOs, this means not only further developing their own digital prowess but restructuring Finance to support future digital initiatives.

03

Build a foundation of resiliency

A recent Deloitte survey found that a whopping 60% of global leaders see "occasional or regular" disruptions of this scale moving forward.[7] In other words, the architectural groundwork being laid by CFOs now will have a lasting impact when the headwinds of uncertainty return in full force.

Financial transformation

Why automation is a CFO's best friend

The evolution of document process automation perfectly aligns with the evolution of the modern CFO — going from a transactional-heavy business focus to now having a much broader, more strategic influence.

With 72% of CFOs having a final say on the technology direction of their enterprise[8], now is the time to pursue financial transformation through a single automated platform. This type of technology enables CFOs to address the wide range of both immediate and future priorities:

Improve
cashflow & revenue streams

Optimise
cost control & operating margins

Reduce
fraud risks impacting financial health

Boost
profit margins via better asset utilisation

Reinforce
employees with more productive, purposeful jobs

Enhance
customer experience & future business opportunities

Leverage
advanced data analytics & cognitive technologies

Attract
new talent while simplifying training/onboarding

Solutions as smart as they are simple

Best-in-class automation solutions aren't meant to replace the people and processes that create value for your company. Instead, think of them as a digital assistant that never takes a day off, freeing up your Finance teams to do what they do best.

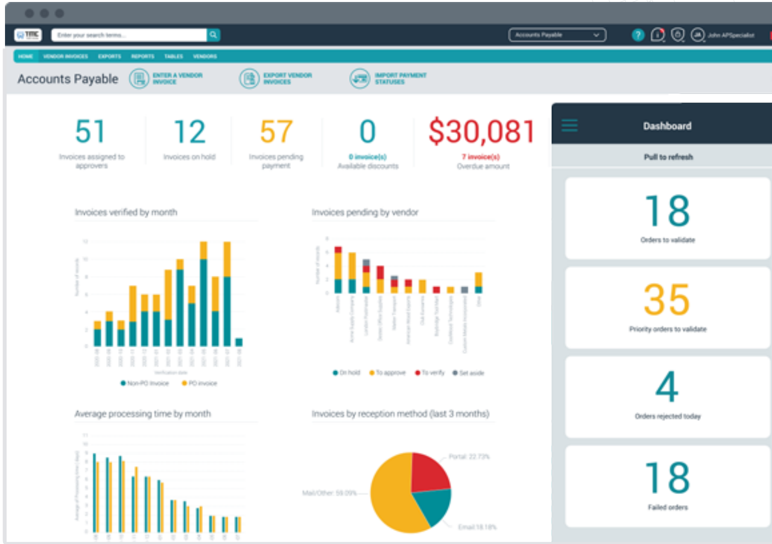
Accounts payable automation

Bringing strategic value to how & when you pay

Over two-thirds of Finance departments are still typing in their accounts payable (AP) invoices.[9] Manual data entry means errors, errors mean delays, and delays often mean a more stressed-out staff and damaged relationships with vendors and suppliers.

Thanks to AI-driven data capture and other digital technologies, AP automation eliminates manual pains to deliver benefits across the AP spectrum such as:

- Greater efficiency via automated invoice approval
- Improved access & collaboration around AP data
- Enhanced control to reduce fraud risk & stay compliant
- Increased savings by capitalising on discounts
- Satisfied suppliers through timely, accurate payments



Accounts receivable automation

The key to a healthy invoice-to-cash cycle

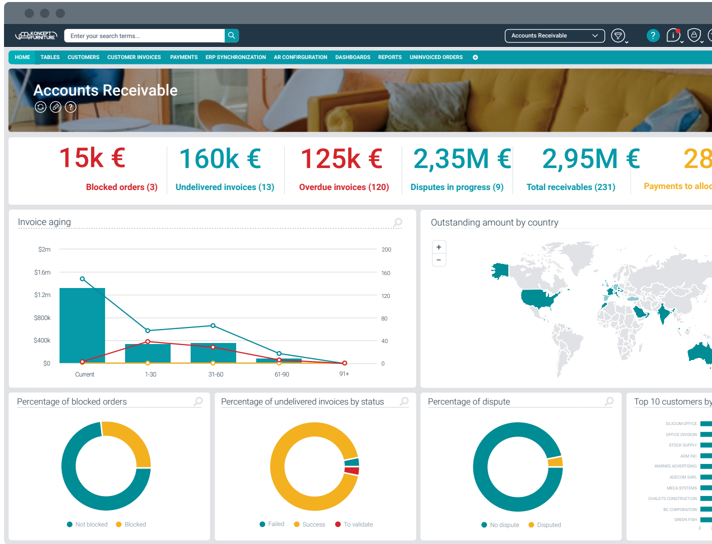
On average, companies that rely on manual accounts receivable (AR) processes take 67% more time to follow up on overdue payments.[10] To a CFO, this translates to higher operating costs and a harder time staying competitive when times are tight.

What AR automation provides is a true global solution to optimise the invoice-to-cash process and remove the obstacles preventing timely cash collection, resulting in:

- Faster collections via automated tasks & predictive analytics
- Improved decisions with better cash collection forecasting
- Faster allocation through AI-powered efficiencies
- Instant visibility into all customer actions & performance
- Happier customers thanks to more strategic relationships

“All of our goals have been accomplished with automation. Our staff is more productive and proactive, and our customers are happy.”

Kara Deist | CFO, LinPepCo



Upgrading your digital toolkit

An architect is nothing without his or her tools — but not every tool is created equal. Some CFOs bristle at the mention of an end-to-end digital solution, thinking Robotic Process Automation (RPA) or their ERP provide enough automation to "get the job done." Do they though?

44%

44% of CFOs view "capability building" and "advanced technologies" as the most effective ways to build their organisation's resilience.[11]

Is RPA enough?

The use of RPA has seemingly become the de facto choice for Finance teams thanks to its proven results in delivering efficiencies to tedious, easily repeatable processes. However, what RPA can't do is fill in those pesky manual gaps that require more complex judgement and prevent CFOs from achieving widespread digital transformation.

How AI fills the gaps

What's recommended is combining RPA with AI tools such as machine learning to maximise results, often referred to as "hyperautomation." Not only do automation solutions play nice with ERP systems, the AI technology that powers them picks up where RPA leaves off — further freeing up staff while enabling CFOs to capitalise on more strategic activities.

Benefits that align with the pace of change

As CFO, you don't become an architect of value, change and resilience only to achieve generic payoffs like "cost savings" or "efficiency gains." The benefits of your digital investment need to align with the pace of change. That's what makes automation so appealing — the results are as transformational as your ambitions.

Cashflow position that's healthier & more stable

Automation's real financial impact is how it bolsters a company's cash and credit health by allowing you to:

- Capture early pay discounts
- Remove bottlenecks that slow down collection & allocation
- Avoid late fees & other unnecessary expenses
- Reduce fraud & other risks

Employees who feel fulfilled & appreciated

Employees will always be the straw that stirs the organisational drink. Automation keeps them (and CFOs) happy by enhancing their jobs with:

- More dignified, meaningful & impactful work
- Less stress & more autonomy
- Increased well-being & career-pathing

Decision making that's guided by "good" data

Digital transformation requires all hands on deck — especially when it comes to aligning and integrating data. Automation simplifies the struggle by equipping Finance teams with custom dashboards for:

- Real-time data tracking
- Predictive forecasting
- Performance monitoring

Business growth & continuity in any circumstance

Have a generalised feeling of pessimism about the future? You're not alone. Fortunately, automation is a great tool for CFOs looking to adopt a more "glass is half full" mindset by helping their business:

- Improve cash position
- Attract & retain staff
- Scale & adapt quicker

Conclusion

Don’t wait around to manage change — create it!

Architect. Change-maker. Value-driver. Whatever your preferred designation, it’s clear that CFOs have an urgent mandate: Be the leader your company needs to create a more successful and sustainable future.

But embracing these new responsibilities is just the first step. It will involve careful orchestration across Finance functions and leaning heavily on data to accelerate the scale and pace of decision-making. It may even mean rethinking old business models and adopting new ones.

Will it be easy? Hardly. But that’s what being a CFO is all about — raising the bar and rising to the occasion. You have the talent and now know what tools are needed to get the job done.

Time to get to work. You got this.

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Hi, we're Esker

Founded in 1985, Esker is a global cloud platform built to unlock strategic value for Finance, Procurement and Customer Service leaders and strengthen collaboration between companies by automating source-to-pay (S2P) and order-to-cash (O2C) processes.

39

years of experience with 20+ years focused on cloud solutions

1,000+

employees serving 850k+ users & 1,700+ customers worldwide

15

global locations with headquarters in Lyon, France, & Madison, WI

€178.6

million in revenue in 2023, with 90+% of sales via SaaS activities

Business success is best when shared

At Esker, we believe the only way to create real, meaningful change is through positive-sum growth. This means achieving business success that doesn't come at the expense of any individual, department or company — everyone wins! That's why our AI-driven technology is designed to empower every stakeholder while promoting long-term value creation.

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