

CFO's: The New Change Agents



The world of the CFO is changing. No longer responsible solely for traditional finance expertise, today's CFO is an organizational shapeshifter tasked with digital transformation, risk management and deep dives into data analysis and strategy. The modern CFO needs to be more forward thinking and able to steer their company through supply chain issues and increasing global market volatility.

[A survey conducted by PwC Canada](#) involving more than 20 CFO's from leading organizations across Canada found that how they navigate changes will be key to their success now and in the future. One interviewee described the role of the CFO of the future as the "Chief Balance Officer." For this CFO, their job is to bridge the gap between internal and external stakeholders who offer differing perspectives. This involves translating data used by external stakeholders into insights the organization can use to power performance.

At its core, today's CFO is a storyteller whose task is to turn complex data into coherent and compelling narratives helping stakeholders such as boards, shareholders and others make more informed decisions.

Here are 5 ways the role of today's CFO is changing:

Risk Management and Cybersecurity

CFO's are increasingly responsible for identifying and mitigating risks including financial, operational and cyber risks. To account for the influx of data and increased risk of cyber threats, CFO's must collaborate closely with IT and other C-Suite executives to ensure robust cybersecurity measures.

Digital Transformation and Technology Integration

CFO's are playing a bigger role in data analytics and technology. They are now expected to use data analytics to drive decision making, optimize operational efficiencies and identify new revenue streams. The use of AI and automation in financial processes is reducing the need for manual tasks allowing CFO's to focus on more strategic decisions.

[A survey by SAP](#) revealed that AI and digital transformation strategy were two of the most cited initiatives that CFO's must collaborate on with heads of IT. Yet despite the increased focus on technology, the same survey showed that 58% of CFO's know very little about AI technology, and 46% say they urgently need training or more education on the topic.

Sustainability and ESG (Environmental, Social and Governance)

CFO's are now involved in ESG reporting, aligning financial performance with social impact. Legislation related to climate related financial disclosure is already here and will become more prevalent in the future. Canadian companies, especially large corporations, are under growing pressure to meet ESG standards with CFO's at the forefront of those initiatives.

As investors become more focused on sustainable practices, CFO's will play a critical role in communicating a company's ESG strategy.

Talent Management and Organizational Development

CFO's are feeling the impacts of the great resignation and are taking on more responsibilities in talent management and organizational change. As employees leave the organization, replacing them becomes even harder. The talent shortage means that not only are CFO's working more closely with HR departments, but they are playing a pivotal role in attracting, retaining and developing talent within the organization.

The rise of hybrid work environments resulted in the need to create and maintain high performing teams with employees working in multiple locations. Finding ways to motivate and engage employees is becoming increasingly more difficult. Companies that don't give employees access to modern technology enabling them to solve business challenges more efficiently and effectively may lose them to companies who provide better options.

The Rise of Soft Skills

The rise of technology and ESG issues have highlighted the need for soft skills as a key part of the CFO toolbox. Critical thinking, relationship building, storytelling and

collaboration are all critical as CFO's strive to communicate financial insights to stakeholders including C-Suite executives, boards and employees. The CFO of today is focused on foresight. What is the data telling us and how do we use it to move forward? CFO's are now expected to translate data into actionable insights and communicate ideas to management that impact the bottom line.

Given the volatile state of global markets, growing complexity of legislation and fast pace of technological change, the role of today's CFO is no easy task. Today's CFO needs to drive value to numerous stakeholders through a variety of challenges and help to retain the talent needed to keep the organization running smoothly.

In the digital age, CFO's who embrace opportunities that invoke positive change and increase their capability to deliver critical business insights will continue to be at the forefront of performance excellence.