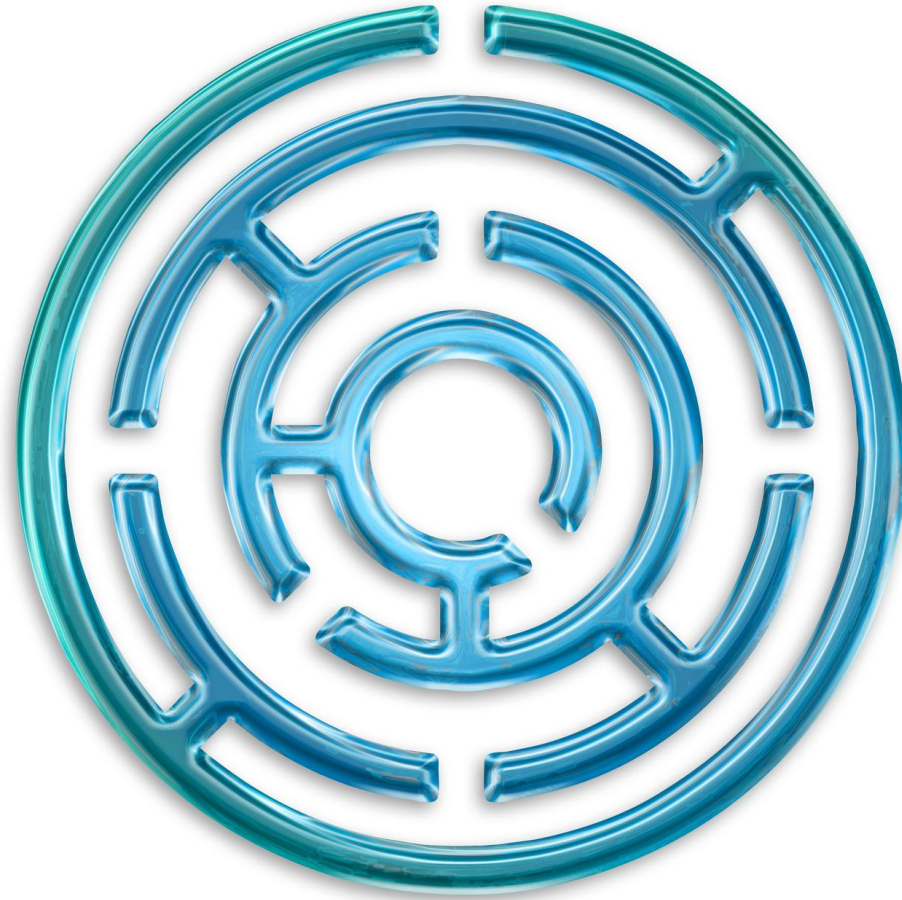


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The Strategist CFO

Dr Ajit Kambil

14 October 2016

Today CFOs are being asked to spend more time as strategists and catalysts

Catalyze behaviors and change across the organization to execute strategic and financial objectives

Catalyst

Strategist

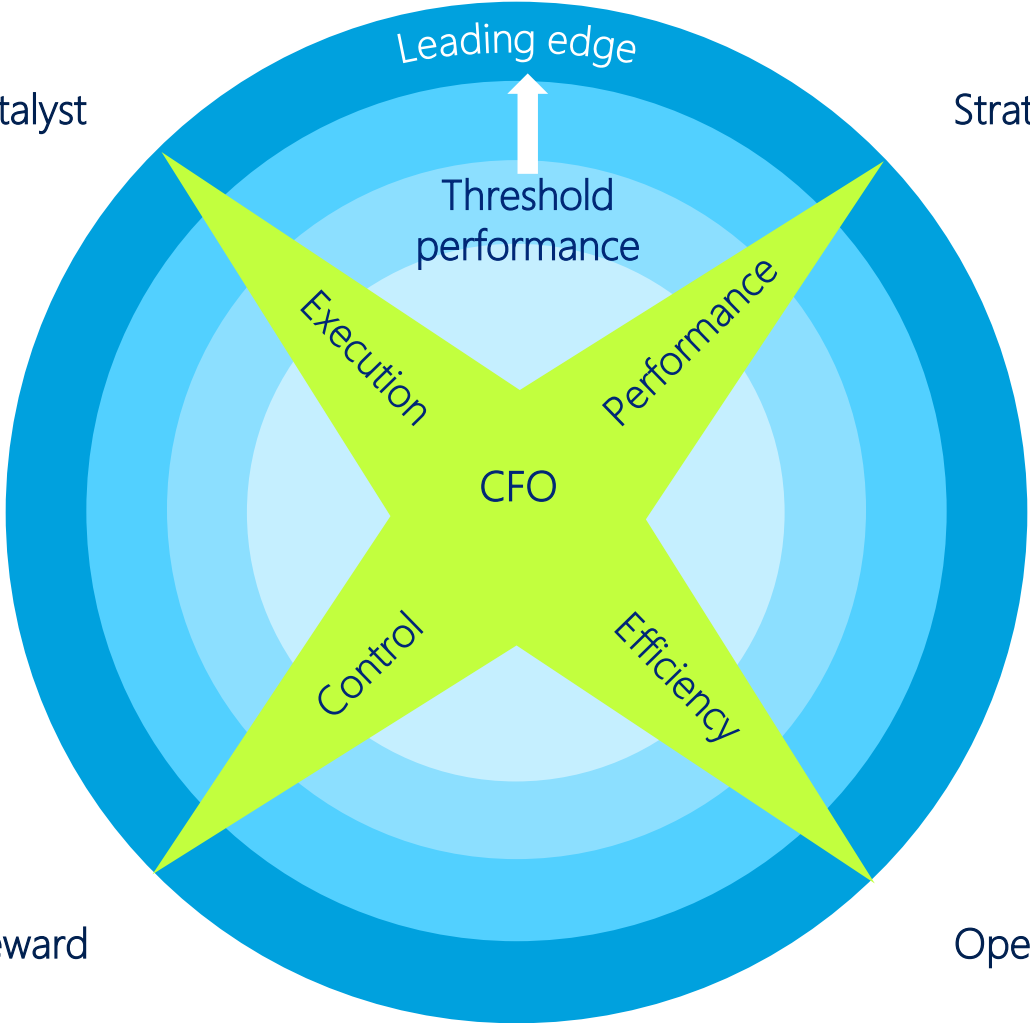
Provide financial leadership in determining strategic business direction, M&A, financing, capital market and longer-term strategies vital to the future performance of the company

Protect and preserve the critical assets of the organization and accurately report on financial position and operations to internal and external stakeholders

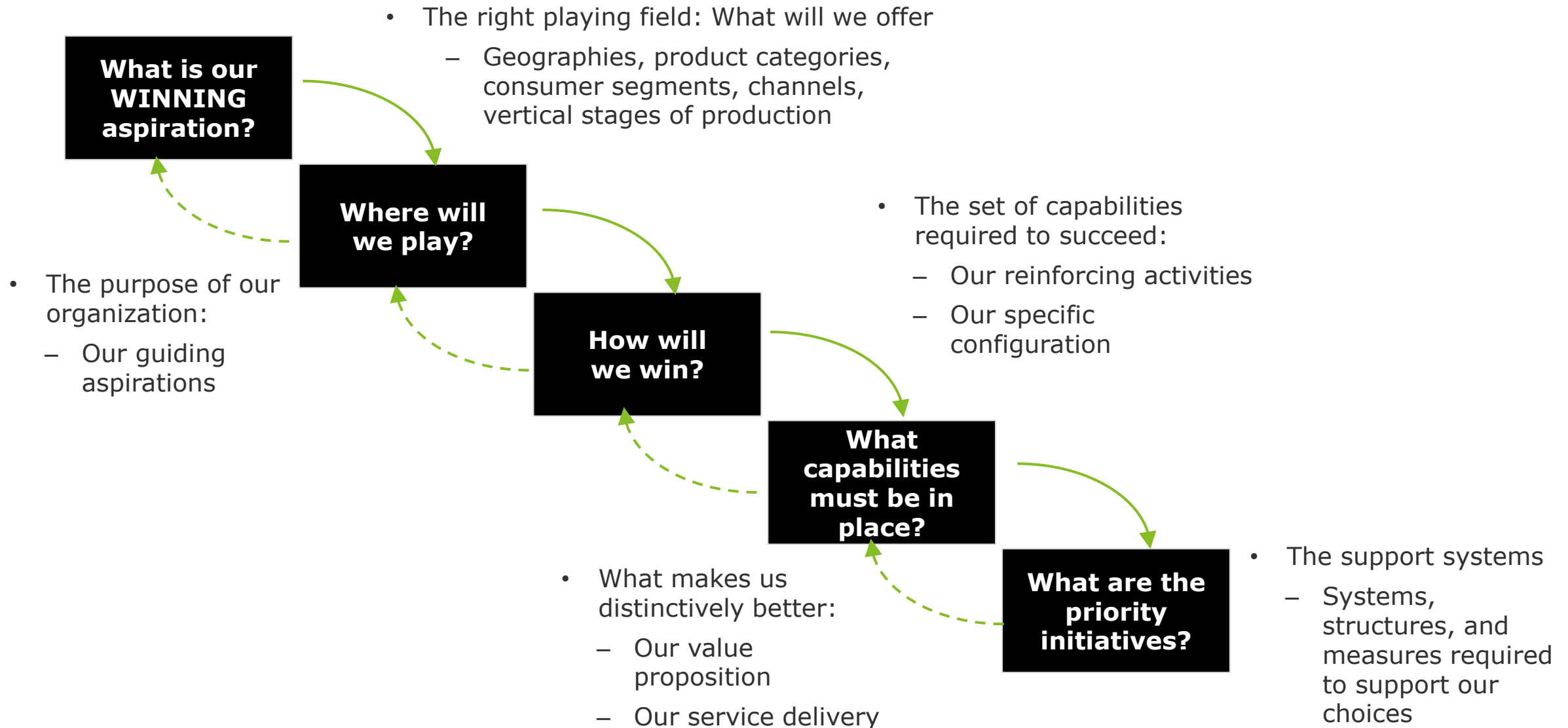
Steward

Operator

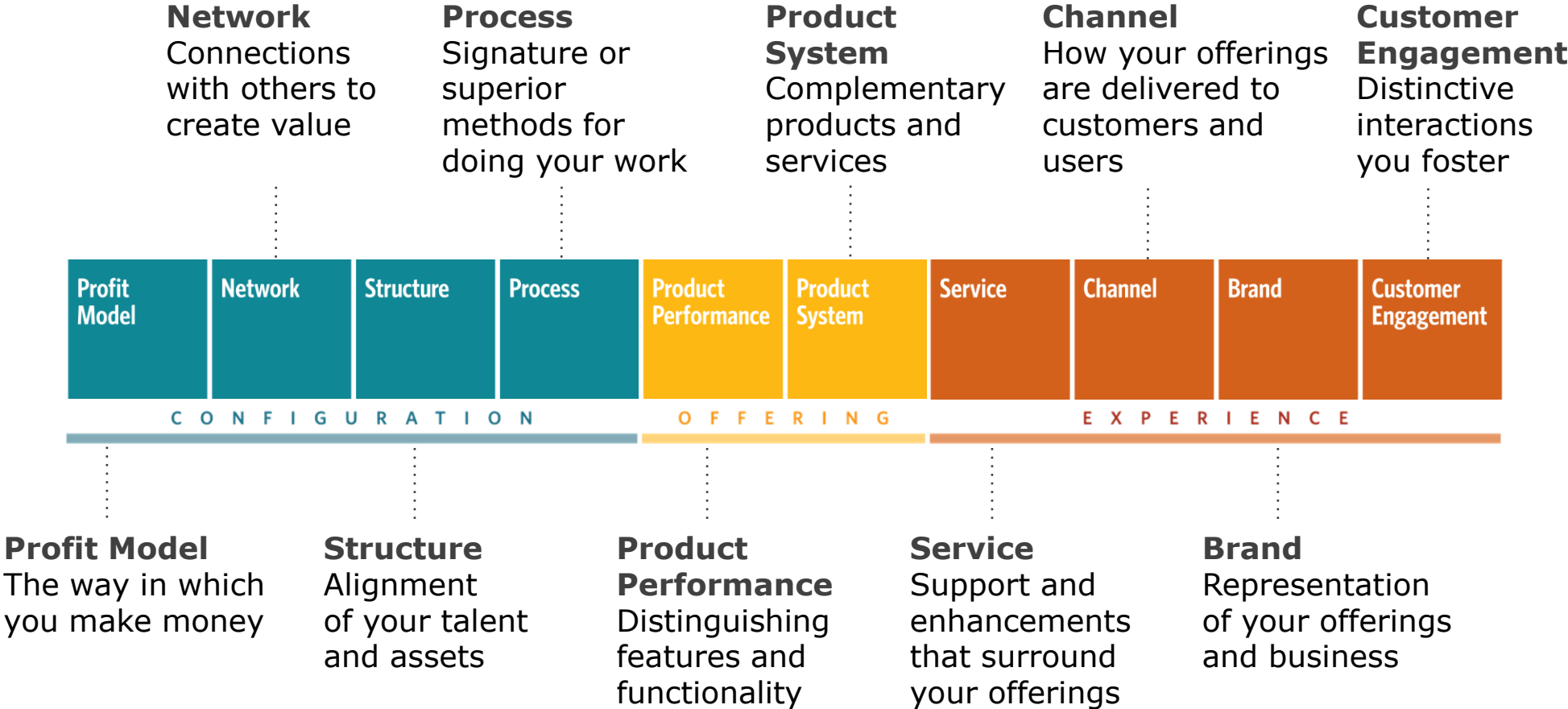
Balance capabilities, talent, costs, and service levels to fulfill the finance organization's core responsibilities efficiently



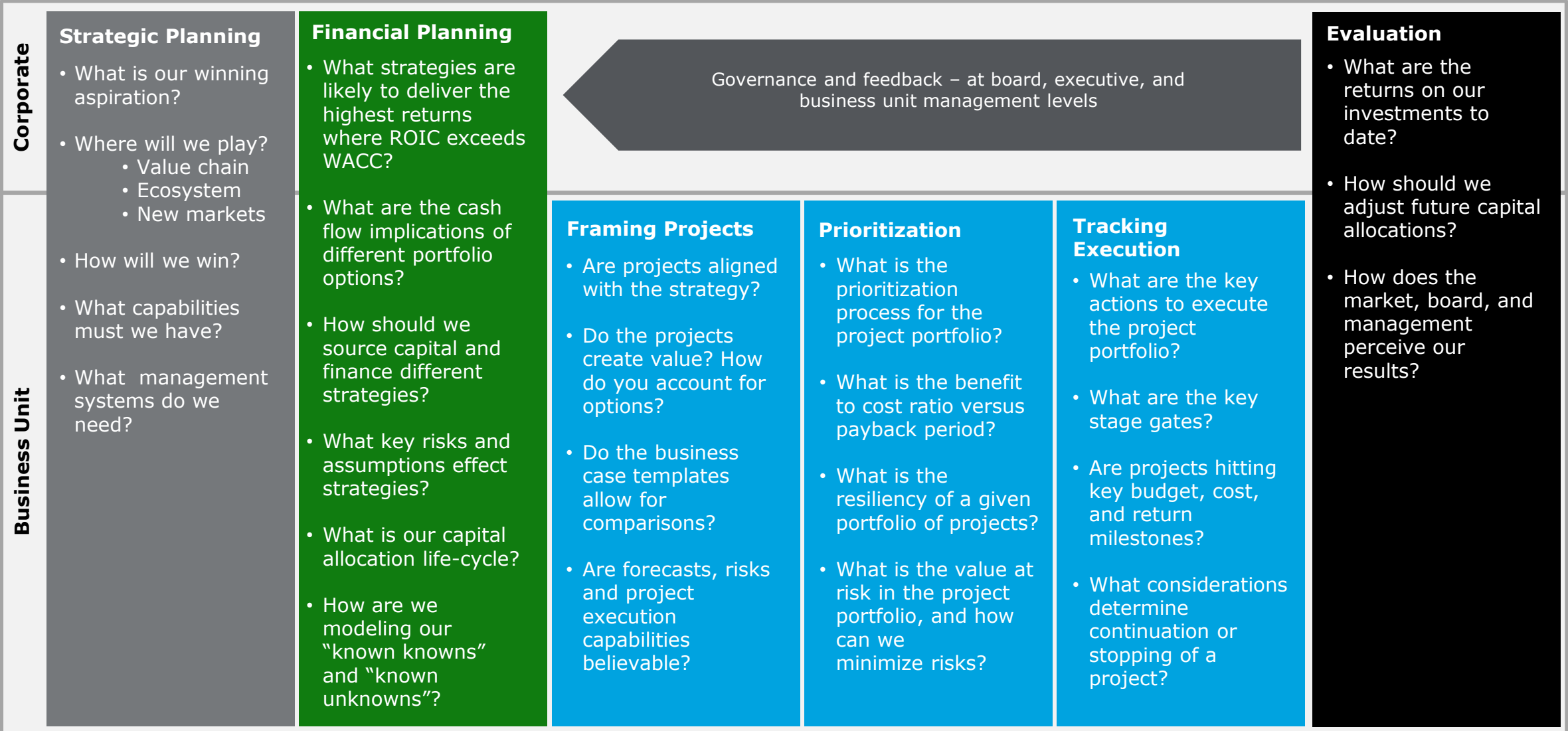
But many CFOs note there isn't a clear strategy process in their company



The innovations driving future value and differentiation are also unclear



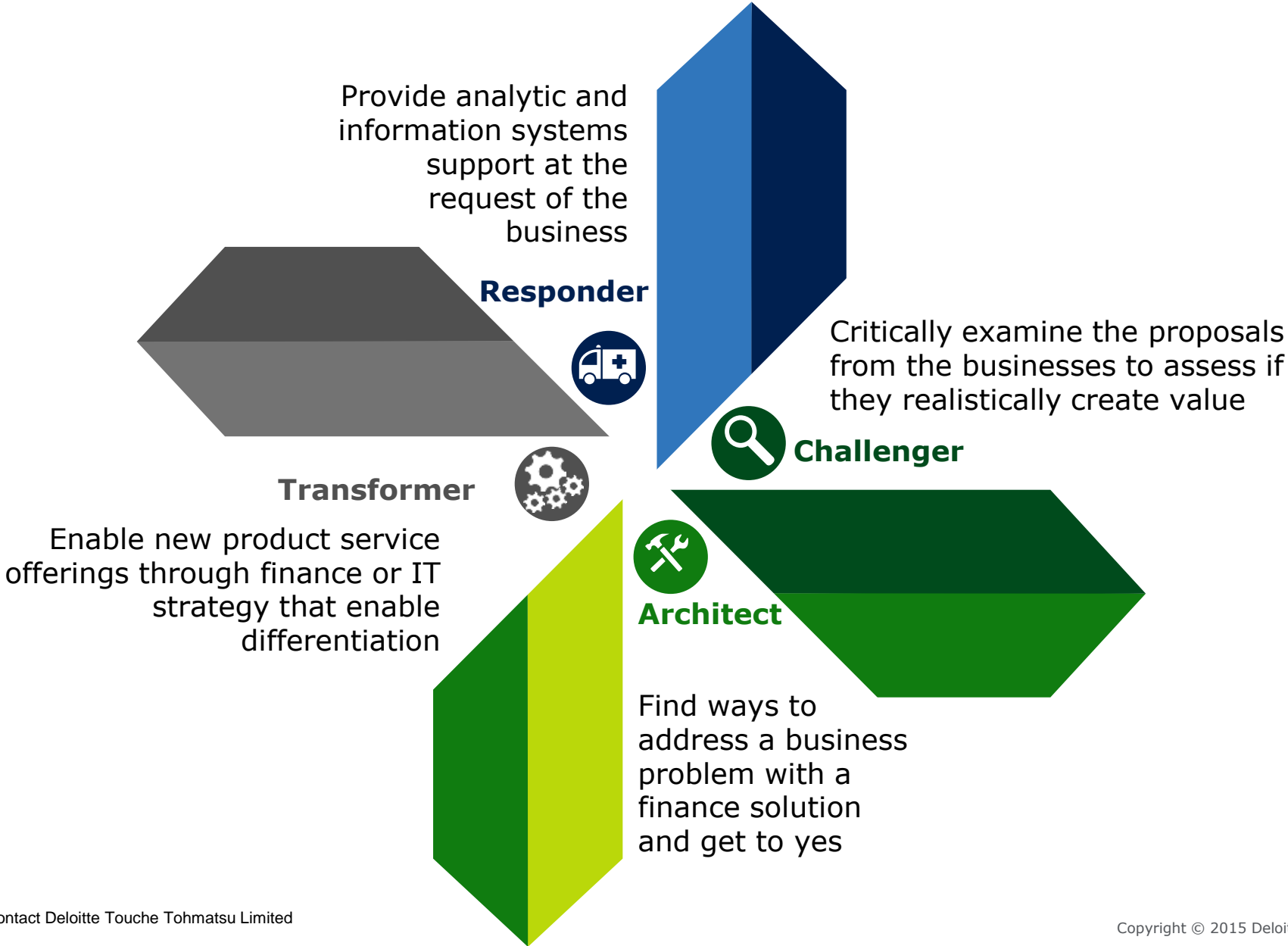
Activism demands alignment of strategy and capital allocation



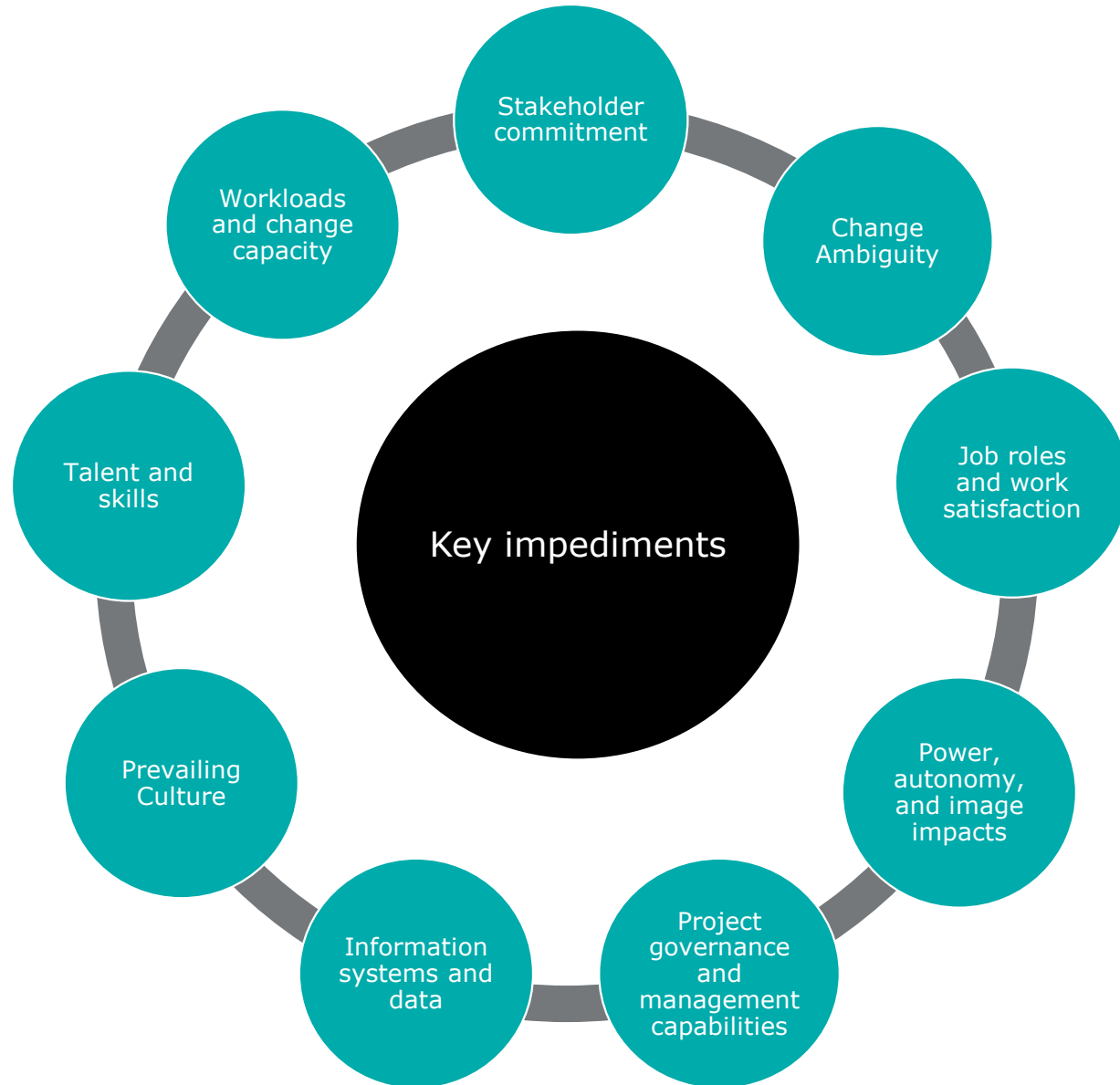
The CFO can be a pragmatic every day strategist in selecting opportunities to drive performance

- What are the dominant constraints on the growth of my organization, and how can we use finance to push back the constraints?
- What is the dominant uncertainty facing my organization, and how can we help structure and navigate the uncertainty?
- What are the areas of spend with greatest uncertainty on returns, and how can we reduce uncertainty in value?
- What could disrupt my organization, and how will we respond?
- If we double or halve the size of our organization will we rescale flexibly and create more value for stakeholders?
- What should we have on our kill list?

CFOs can adopt different postures to the strategy process



Moving from strategy to execution requires overcoming the wheel of woe



CFOs are being asked to help in all aspects of transformation including culture change

Beliefs	Behaviors	Outcomes
Current: "We are special and different"	Current: Silo behaviors across businesses	Current: High ERP expenses
Desired: We are special in product development – but business systems can be shared	Desired: Collaboration across businesses	Desired: Shared systems and services reduce costs

Going Forward: Where will CFOs engage?

Business model and competitive issues

- Flat demand and growth
- Products or services to products + services
- Convergence across industries and obliteration of traditional industry boundaries
- Competing on design and experiences
- Continued growth of activism
- Talent: changing workforce demographics and war for talent

Finance operations issues

- Digital Finance: Cloud, RPA, Blockchain, Cognitive and In-memory
- Accounting for complex product service combinations
- Developing the next generation of leaders across multiple/different locations, cultures and generations

Technology-driven issues

- Real-time market price, revenue, cost and customer analytics and cognitive computing supporting critical finance and business decision making
- Real-time insight and empowered investor
- The internet of things drives new levels of asset efficiency and new models of competition
- Mastering social, mobile, analytics and cloud

Regulatory, demographic and macroeconomic issues

- The “bathtub” recovery, new “normal” and contestible markets
- Fracturing of countries, markets and regulations – “globalization and its discontents”
- Increasing regulatory demands capabilities, talent, costs, and service levels to fulfill the organization’s core responsibilities efficiently
- Critical resource constraints in the energy, minerals

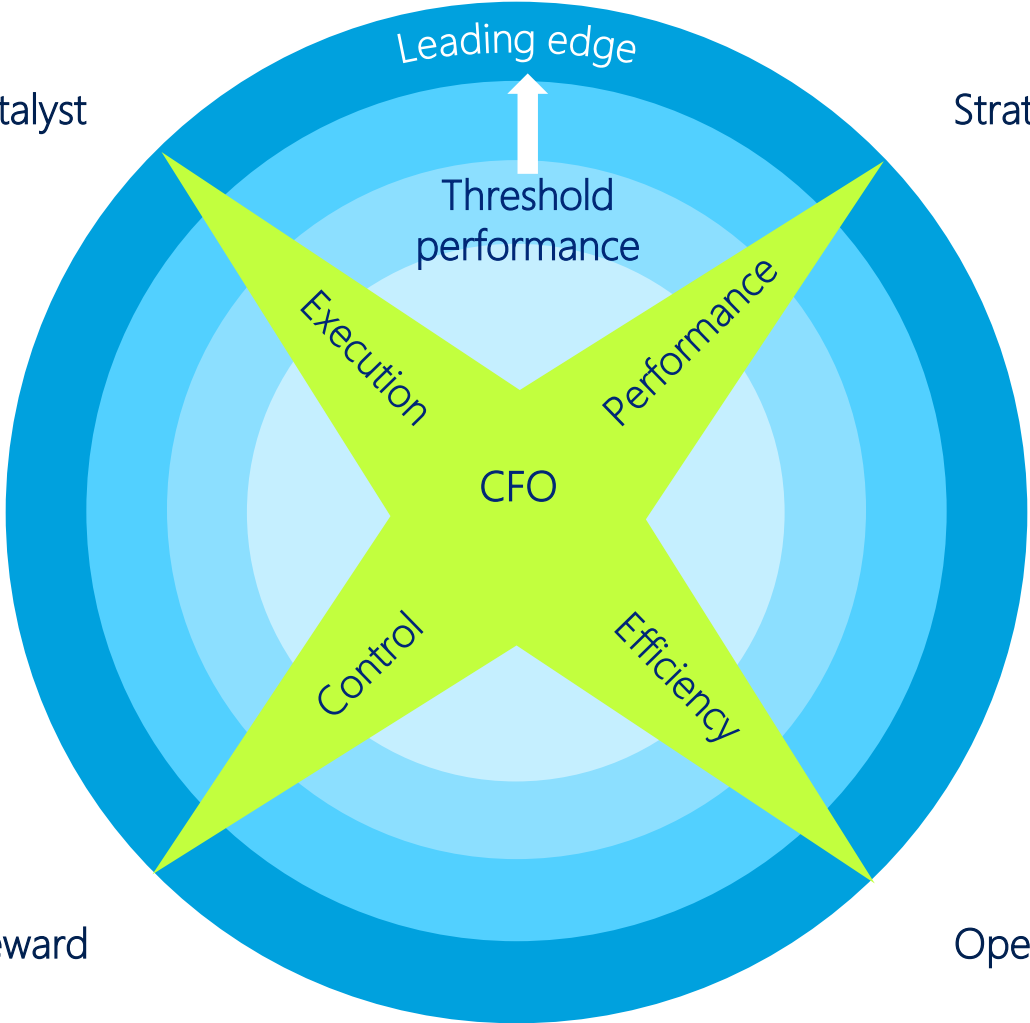
How will you play the four faces five to ten years from now?

Catalyze behaviors and change across the organization to execute strategic and financial objectives

Catalyst

Protect and preserve the critical assets of the organization and accurately report on financial position and operations to internal and external stakeholders

Steward



Strategist

Provide financial leadership in determining strategic business direction, M&A, financing, capital market and longer-term strategies vital to the future performance of the company

Operator

Balance capabilities, talent, costs, and service levels to fulfill the finance organization's core responsibilities efficiently

Success demands:

- Meeting CEO and board expectations of CFOs to continue to expand to be strategist-catalyst CFO
- Expanding soft skills and adopting different mindsets, conscious orientations, influence, and communications skills to be effective strategists and catalysts
- Having world class finance teams with the talent to deliver core operations and free you up from operator and steward roles

Contact and resource information

Dr. Ajit Kambil

Director, Deloitte LLP

akambil@deloitte.com

@akambil

<http://www.linkedin.com/in/akambil>

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