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Groundbreaking new technology is set to make the finance function leaner, faster and more focused on supporting commercial goals. **Emma Carroll** finds out whether CFOs and finance professionals are ready to make the transition

In a poll conducted at the CFO Retreat 2018, held in association with [IBM](#), [BIE Executive](#) and [E.ON UK](#), 86 percent of attendees said they expect technology to radically change the finance function over the next 3 to 5 years.

Many finance chiefs understandably welcome this evolution, such as **Stuart Owens**, Finance Director at Europcar UK. He explained to attendees at the CFO Retreat that when he joined the UK division, which is part of vehicle rental provider Europcar Mobility Group, he was confronted with a

25-year old operating platform. "It's a Group system that is used worldwide and the inability to change it has been frustrating when I can see so much leakage," he said.

He gave an example of where he has introduced automation to improve how information is collated and then analysed: "If we deliver or collect a car out of hours, there's a premium charge that we agree with our customers. When we deliver the car, our system automatically knows it's out of hours and charges the customer.

"However, when we're collecting out of hours, the system doesn't charge this automatically and relies on our staff remembering to add the charge and they often forget. I looked at getting our system changed but it was very complex and expensive to do so. Within 6 weeks, we have tested robotics and have been able to completely automate the process."

Joanne Wilson, CFO of customer data science concern Dunnhumby, commented that the introduction of process automation, machine learning >



and improvements to enterprise resource planning systems, needs to be conducted in tandem with bringing new skills into the finance function. “Even today, we’re seeing companies no longer looking to hire only accountants into the finance team; they want people who have backgrounds in stats, maths and data science,” she explained.

“They want people who can undertake analytics and create insights that drive decision-making. I see this becoming more important over the next 5 years.”

According to **Joanne**, as the finance function transforms, there will be a shift in how it contributes to operational efficiency. “The lines are already blurring between what the CFO does and the COO, and perhaps more ambitious CFOs are taking on operating responsibilities; I regard that as a big opportunity for Finance to contribute to driving value creation,” she said.

On the Front Foot

If the finance function of the future is to drive performance, it has to be integrated, collaborative and commercially aware.

Rob Jackson, a Partner at IBM who specialises in cognitive process transformation, argued that unless Finance finds a way “to add real commercial and operational value, there is a danger that they are left as a largely automated, much less relevant part of the overall business”.

He continued: “You will likely always have people in compliance or highly technical areas, and FDs in regional and divisional roles, but I do think that there

will come a point in the future where Finance will need to have a new and better rationale for its own existence. If technology goes the way we think it is going to go, then the process side of finance and accounting is going to be taken care of through automation.”

The problem, argued **Rob**, is that Finance is invariably isolated from other functions and wedded to prescribed monthly cycles of reporting, forecasting and reviews. He added: “To be more collaborative, I think that increasingly it needs to work in a more agile way. This means to be part of cross-functional teams; being co-located; and working iteratively on specific topics, challenges and projects, rather than in set cycles.”

It’s not all about technical ability either. In such a working environment, softer skills are going to come to the fore, such as communicating with different stakeholders and understanding how to influence. For **Rob**, this will require a different mindset: “Can you be a ‘business partner’ if there are set periods in each month when Finance is basically unable to work with colleagues?”

“Technology will take away a lot of the monthly constraints but, for me, the question is whether people in Finance will be able to make this transition emotionally and behaviourally as much as anything else – will they find a way to work differently?”

In a second poll conducted at the CFO Retreat, 56 percent of respondents felt they did possess the necessary skills to lead the transformation of the finance function. During the debate over the two-days, it was also apparent that the vast majority of attendees recognised the

importance of Finance making a greater contribution to the forward agenda of the business.

This kind of shift is not something that’s going to happen overnight. It will require planning, investment and a degree of patience as changing systems and platforms is hard, especially when done in conjunction with finding people who have both the skills you’re looking for and are the right cultural fit.

Joanne of Dunnhumby said: “Traditional Finance remains critical, but there is greater emphasis on how we can bring in commercially savvy people who understand business partnering. It’s harder to upskill someone if they’re not naturally interested in the business or naturally commercial, so you’re always on the lookout for people to bring that in alongside the traditional finance skills.” ■

To find out more about our 2019 CFO Retreat, contact Emma@criticleye.com

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Featuring Commentary From:



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