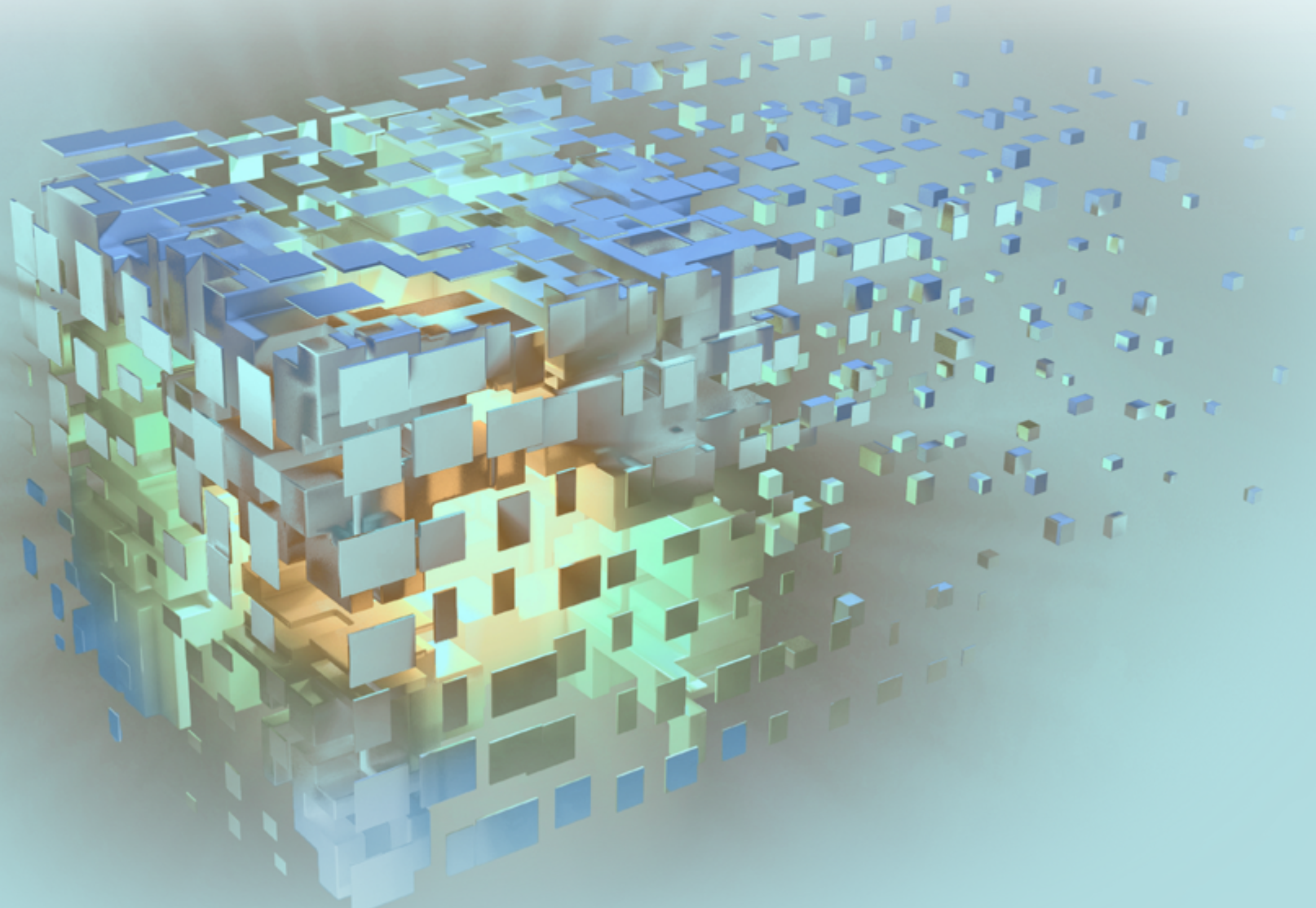




CFO RESEARCH 2020

NAVIGATING COMPLEXITY



“This research, conducted at our recent CFO Retreat, provides insight into the challenges Chief Financial Officers are currently facing.

In an environment where 87 percent of CFOs say they are experiencing business model disruption, leaders need to be alert to the threats and opportunities this will throw at them and be able to adapt more quickly than their competitors.

However, CFOs tell us that seeking inspiration and fresh thinking from outside the organisation – a crucial way of predicting and responding to this disruption – is where they most need to improve. Also, 94 percent of management teams are deemed too inward-looking, with 60 percent of CFOs attributing this to an overly tactical approach.

Further compounding this problem, strategic discussions are falling short. For the third year running, CFOs say the top reason for the failure of the management team is that businesses don’t spend enough time discussing strategy. Even when debate does happen only 53 percent of businesses achieve alignment across the key players on the Board, down significantly from 85 percent two years ago.

In a fast-paced market, Finance leaders recognise the need to lift their heads in order to gain a wider perspective and so act in a more strategic way and yet, given the day-to-day demands of the role, they are still struggling to prioritise this.”



Emma Carroll
Senior Editor
Criticaleye

Findings from Criticaleye's CFO Research 2020



0%

of CFOs are fully confident in their senior team's ability to handle disruption



47%

say the Chair, CEO and CFO are not aligned on strategy



80%

of CFOs agree that external reference points enhance business performance



Seeking inspiration and fresh thinking is where CFOs say they must improve



36%

say the Chair does not add value in terms of supporting team goals and objectives



26%

of CFOs do not aspire to future CEO or Chair roles

Strategy

Criticleye offers senior executives a unique opportunity to discuss and reflect upon strategy with peers and experts

CFOs are continuing to face the challenges of business model disruption

Click [here](#) to view experienced non-executives offering their observations on what skills and capabilities leaders need in a disruptive world.

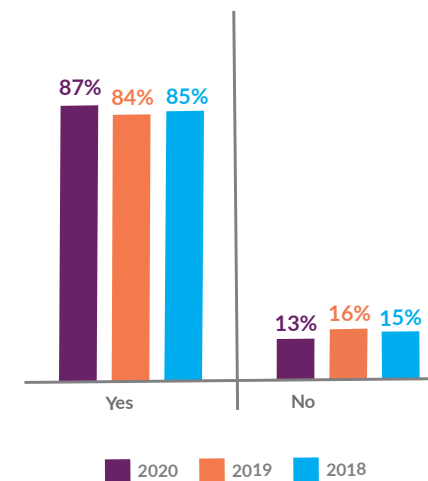
Featuring:

Mark Spelman, Executive Committee Member, World Economic Forum, and also a Criticaleye Board Mentor;

Mike Tye, Criticaleye Board Mentor; and

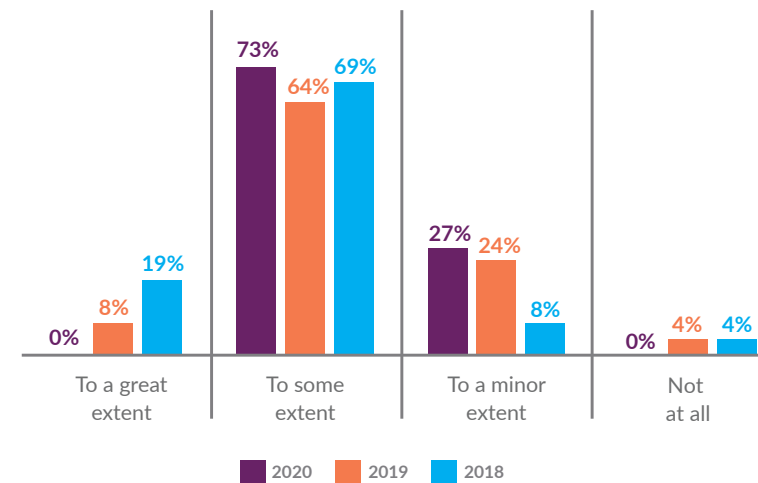
David Tyler, Non-executive Chair, Hammerson

Is your senior leadership team currently grappling with business model disruption?



In 2020, there were no CFOs with full confidence in their leadership team's ability to handle disruption

Does your senior leadership team have the ability to respond to business model disruption?



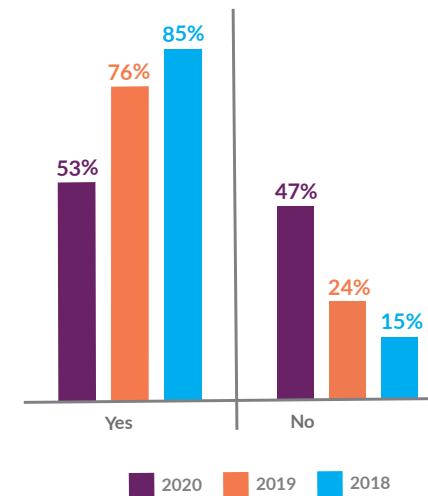
Confidence in senior team alignment on strategy has fallen significantly over the last three years. In addition, 36% of CFOs say their Chair does not add value

Click [here](#) to see leaders in our Community talk about their approach to setting strategy.

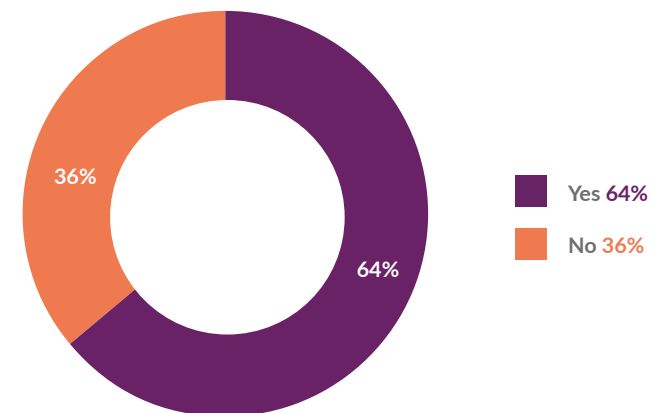
Featuring:

Philip Aiken, Non-executive Chair, Balfour Beatty;
Nigyar Makhmudova, Executive Vice President, Growth & Innovation, Danone;
Gavin Patterson, Chair EMEA, Salesforce; and
Diane Rochereau de La Sabliere, Strategic Development Director, Kingfisher Group

Are the Chair, CEO and CFO aligned on strategy?

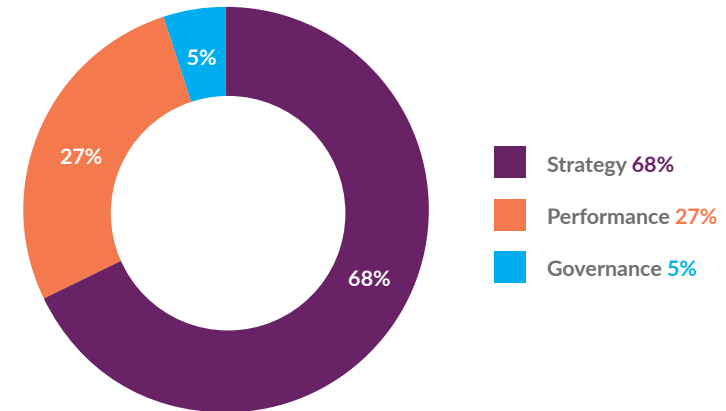


Does your Chair add value in terms of supporting the goals and objectives of the executive team?

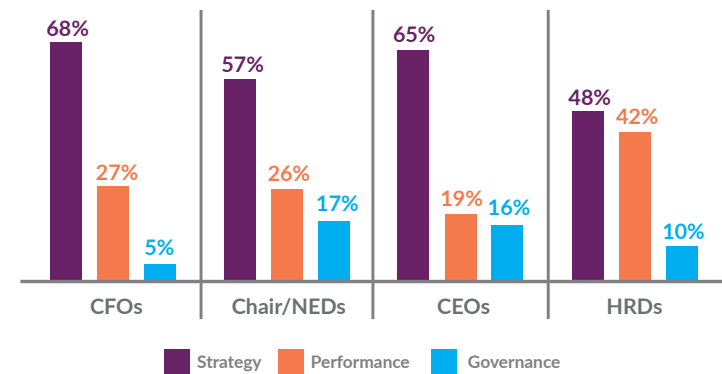


CFOs agree with colleagues on the need to prioritise improved strategic debate with the ExCo

In which of the following areas do you need to improve the quality of debate with the Exco?

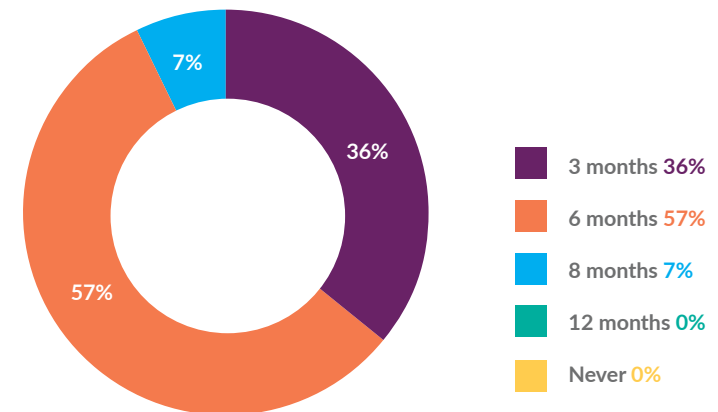


Comparison by role

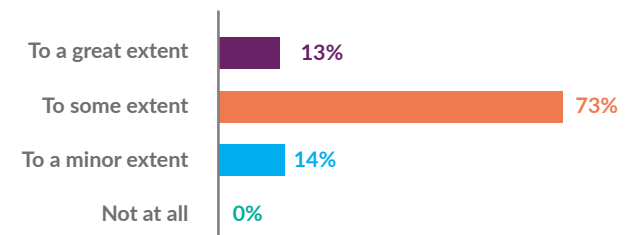


Most (64%) of exec teams go six months or more without discussing strategy

How often does the executive team meet to discuss strategy?



Does your executive team have the ability to execute on the medium to long-term strategy?

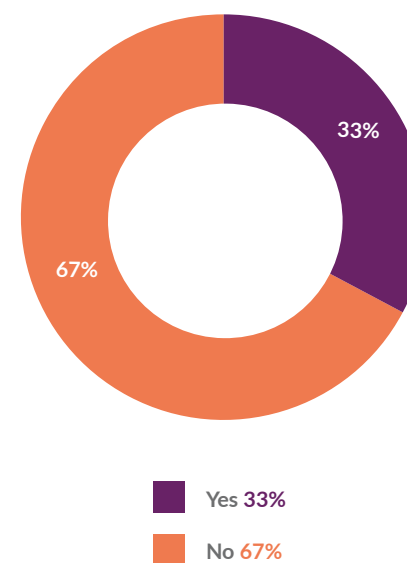


The value of benchmarking strategy



Click [here](#) to see **Sarah Bates**, Chair, Merian Global Investors; **Keith Edelman**, Chair, Revolution Bars Group and PennPetro Energy (& Criticaleye Board Mentor); **Neil Griffiths**, Non-executive Director, City Pub Group and Starstock (& Criticaleye Board Mentor); and **Phil Smith**, Chair, IQE (& Criticaleye Board Mentor), discuss the value of benchmarking strategy.

Do you benchmark your strategy externally before it's approved by the Board?

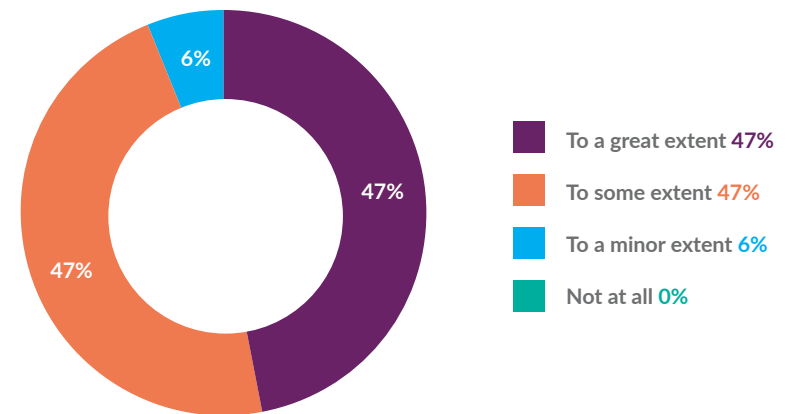


Leadership

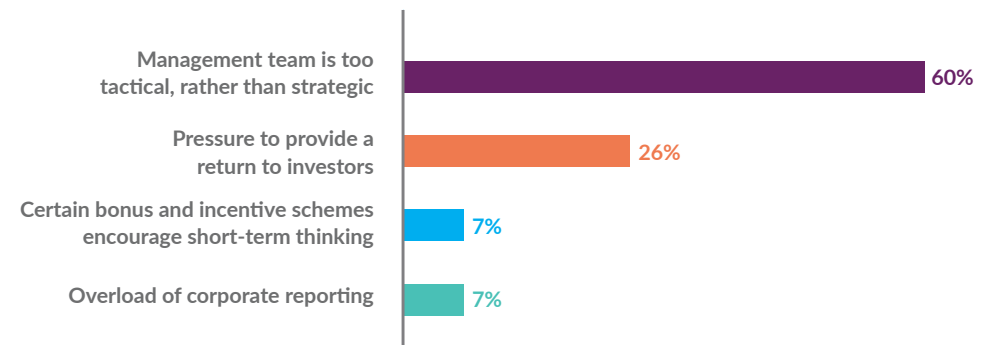
Criticaleye enables and develops great leadership with the perfect mix of peer to peer discussion and high-impact case studies

Most CFOs say that businesses are too inward-looking, with 60% attributing this to an overly tactical approach to leadership

Is the management team too inward-looking and focused on the day-to-day?



Why do management teams become too focused on short-term goals?



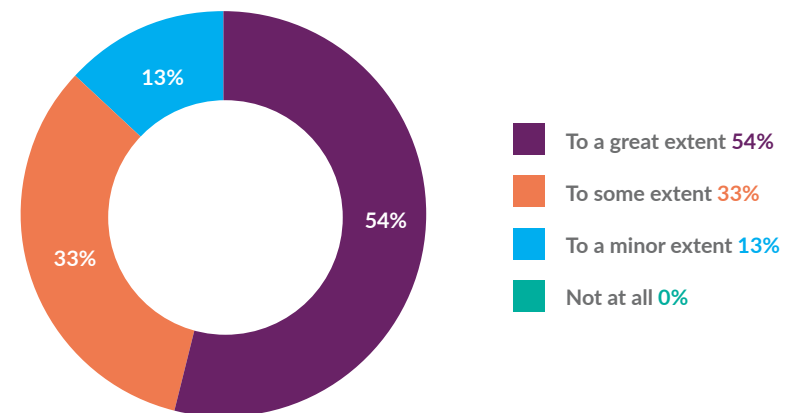
Insufficient time spent on strategy remains the primary reason for management team failure, say CFOs

2020		2019	2018	
1	▶	1	1	Not enough time spent discussing strategy
=1	▲	6	4	Lack of trust
2	▶	2	2	Afraid to challenge and speak openly
3	▲	5	3	Poor communication and people skills
=3	▶	3	5	No alignment on key commercial objectives
=3	▲	4	6	Substandard internal controls and reporting

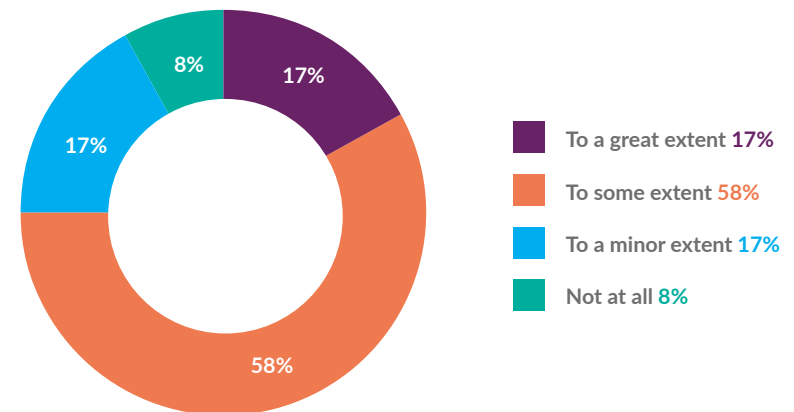
CFOs say that the need to significantly strengthen the finance function is increasing

Do you need to strengthen the capability of the finance function?

2020



2019

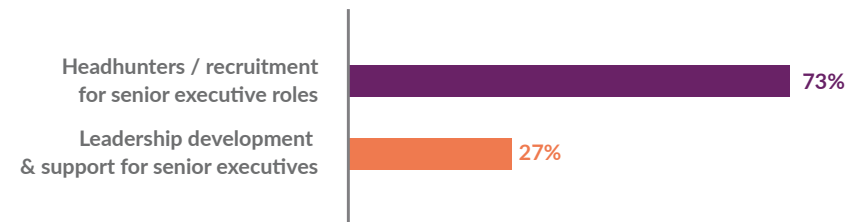


Do CFOs spend enough time and budget on leadership development?

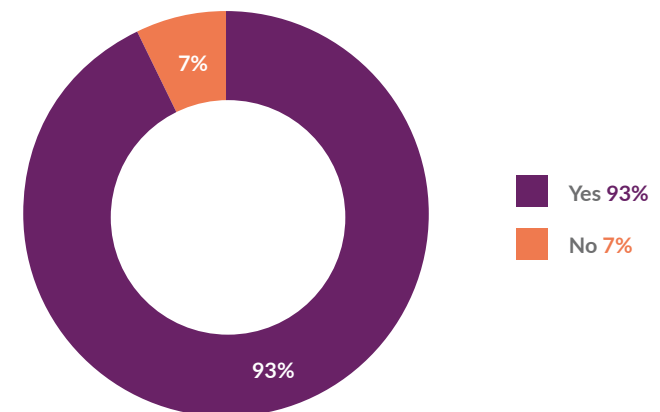


Click [here](#) to see **Michele Faull**, CFO, Coventry Building Society; **Viral Gathani**, Head of Corporate Finance and Strategy, Vedanta Resource; **Simon Moore**, Executive Director, BIE Executive; and **Stuart Owens**, UK Finance Director, Europcar Mobility Group UK, talk about whether CFOs spend the right amount of time, budget and energy on leadership development.

In your experience, on which of the following do organisations spend more?

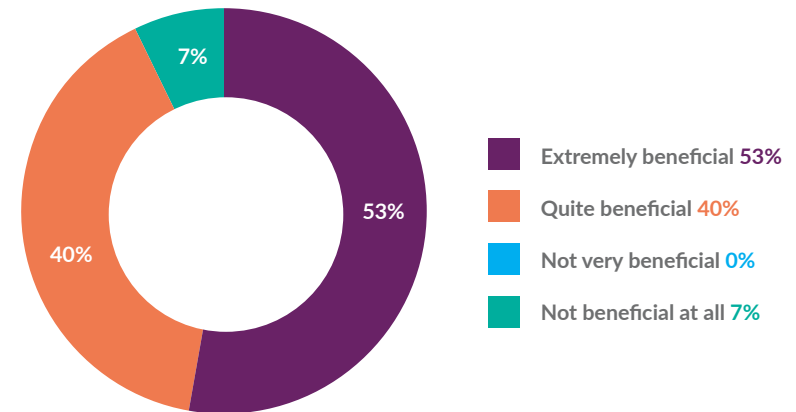


In your view, should more be spent on leadership development and support for senior executives, as opposed to headhunters?

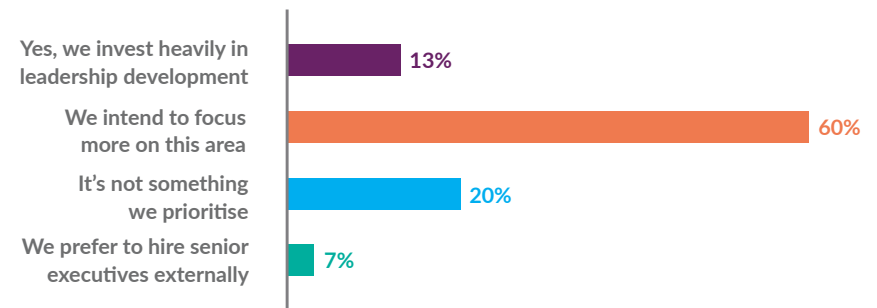


Most CFOs agree
on the benefits of
leadership solutions
which address team
challenges alongside
individual development

How beneficial are leadership development solutions which have a combined focus on both individual executives and the team as a whole?



Is leadership development for senior executives
a priority within your organisation?

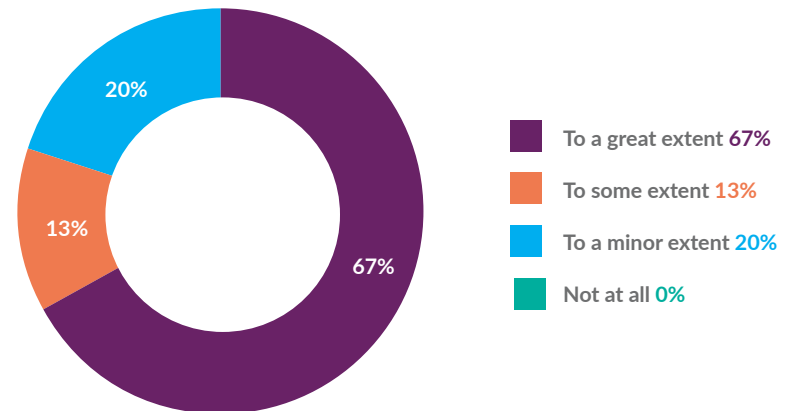


The power of mentoring and peer-to-peer networks

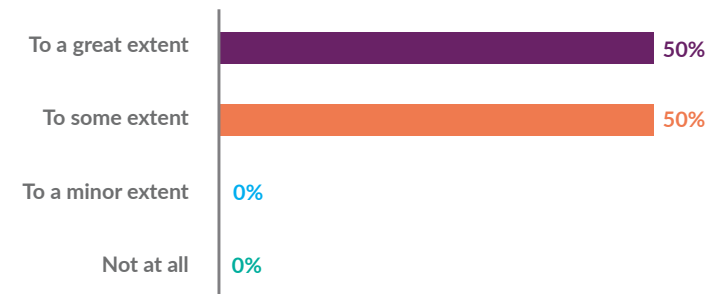


Click [here](#) to see **Samantha Barber**, Non-executive Director & Chair, Iberdrola SA; **Yetunde Hofmann**, Non-executive Director, CIPD (& Criticaleye Board Mentor); **Sandy Khanna**, former MD, Group Business Services, BT Group; **Nigyar Makhmudova**, Executive Vice President, Growth & Innovation, Danone; and **Amanda Nelson**, CEO, Vodafone Hungary, Vodafone Group, talk about the value of reference points outside your business and traditional networks.

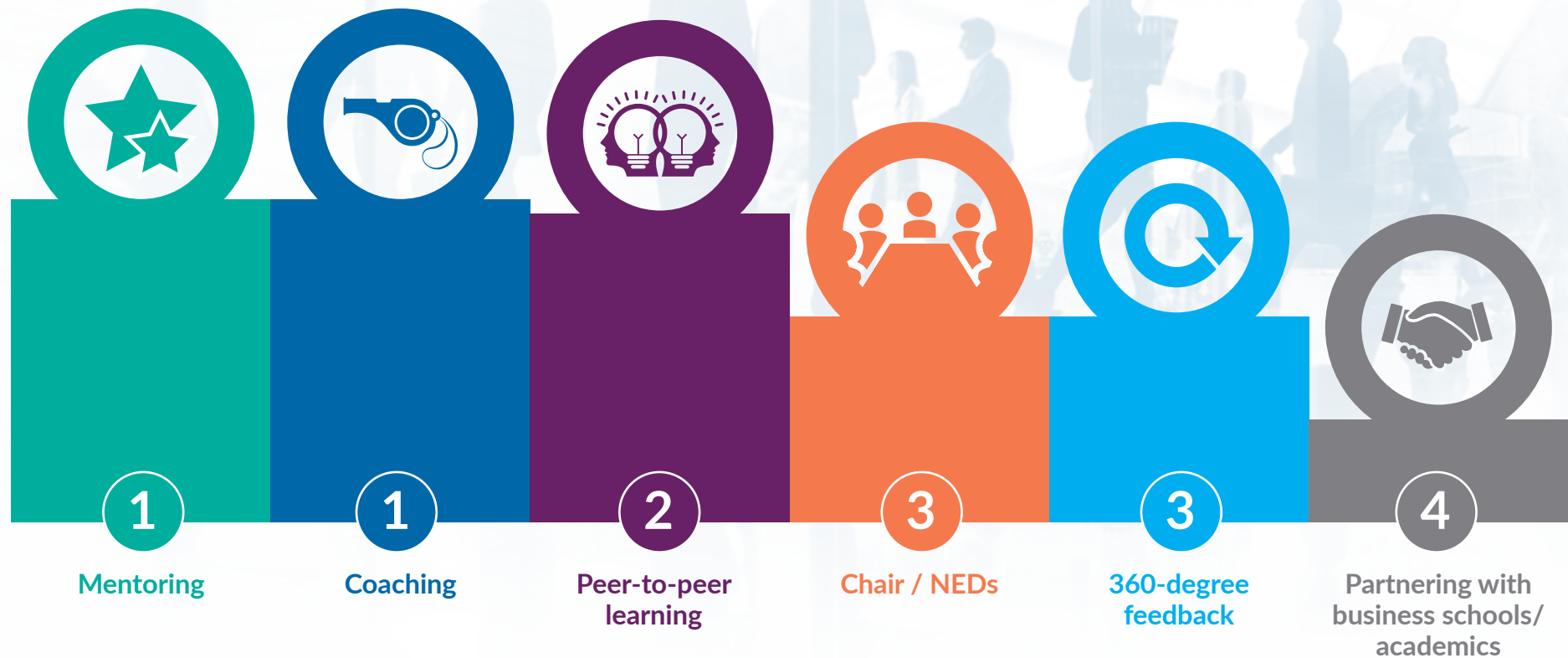
Is business performance enhanced if executives have access to reference points outside of their organisation / sector?



Does external mentoring improve the performance of senior executives?



CFOs identify the most effective leadership development tools

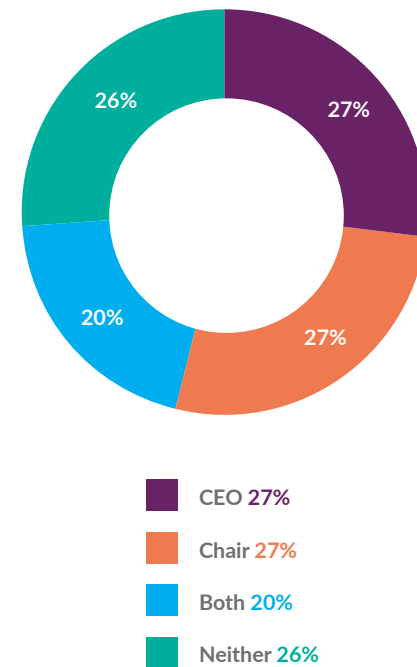


Stakeholders

Criticleye provides the right reference points to manage and navigate increasingly important stakeholder relationships

**CFOs are undecided
when it comes to career
progression. A quarter
(26%) do not intend to
take on CEO or Chair
roles in the future**

What role would you like to take on in the future?



CFOs reveal the top areas of improvement for colleagues and themselves

CFOs

1.

Seeking inspiration / fresh thinking from other sectors

2.

Building alignment in the senior leadership team

3.

Ability to influence the Board

CEOs

1.

Building alignment in the senior leadership team

2.

Seeking inspiration / fresh thinking from other sectors

3.

People skills and communication

HRDs

1.

Strategic thinking

2.

Seeking inspiration / fresh thinking from other sectors

3.

Commercial understanding of the business



Digital disruption and innovation shoot up the list of priorities for CFOs in 2020

Top 5 Priorities for CFOs in 2020

- ☒ Retaining key talent and developing skills internally
- ☒ Digital disruption
- ☒ Innovation
- ☒ Business model transformation
- ☒ Cost reduction

Top 5 Priorities for CFOs in 2019

- ☒ Retaining key talent and developing skills internally
- ☒ Improved cross-team collaboration
- ☒ Business model transformation
- ☒ Recruiting people with new skills
- ☒ Improved performance management

Retaining key talent and developing skills remains a top priority across the leadership team

Top 3 Priorities for CFOs in 2020

- ✓ Retaining key talent and developing skills internally
- ✓ Digital disruption
- ✓ Innovation

Top 3 Priorities for HRDs in 2020

- ✓ Retaining key talent and developing skills internally
- ✓ Organisational design
- ✓ C-suite succession (including the CEO)

Top 3 Priorities for CEOs in 2020

- ✓ Retaining key talent and developing skills internally
- ✓ Digital disruption
- ✓ Improved performance management

Top 3 Priorities for NEDs in 2020

- ✓ Strategic alignment
- ✓ Retaining key talent and developing skills internally
- ✓ Innovation

What our leaders say

What makes a high performing finance function?



We asked leaders in our Community about what makes a top finance function.

Thanks to Michele Faull, Chief Financial Officer, Coventry Building Society; Stuart Owens, UK Finance Director, Europcar Mobility Group UK; Phil Smith, Chair, IQE (& Criticaleye Board Mentor); James Taylor, CFO, Mayborn Group; Viral Gathani, Head of Corporate Finance and Strategy, Vedanta Resources; and Chris Griffiths, Director, Investor Relations, Tesco, for sharing their views.

CLICK [HERE](#) TO WATCH THE VIDEO

The value of mentoring



In this video we ask leaders (including some of our Board Mentors) about the power of mentoring, how to get it right and the value of an effective mentoring relationship.

Thanks to Mary Jo Jacobi, Non-executive Director, Weir Group (& Criticaleye Board Mentor); Lynn Drummond, Non-executive Director, Venture LifeGroup (& Criticaleye Board Mentor); Kerrigan Proctor, Chief Executive, Capital Division, Legal & General; and Rick Sheppard, Head of Latin America Consumer Healthcare, GSK, for sharing their views.

CLICK [HERE](#) TO WATCH THE VIDEO

Balancing innovation with the here and now

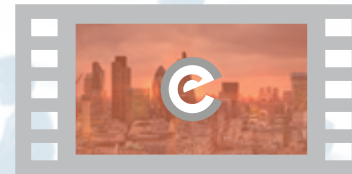


In today's fast-paced, ever-changing business environment, how do leaders balance the day-to-day operations with innovating for the future?

Thanks to Gavin Patterson, Chair EMEA, Salesforce; Richard Foley, Senior Partner, Pinsent Masons; Joanne Ferris, Chief HR Officer, Alter Domus; Matthew Lester, Non-executive Director, Barclays (& Criticaleye Board Mentor); Philip Aiken, Non-executive Chair, Balfour Beatty; and Michael Lewis, CEO, E.ON UK, for sharing their expertise at our CEO Retreat 2019.

CLICK [HERE](#) TO WATCH THE VIDEO

The changing role of today's leaders



Taken at our CEO Retreat, leaders in our Community talk about how their roles are changing.

Thanks to Yetunde Hofmann, Non-executive Director, CIPD (& a Criticaleye Board Mentor); Joanne Ferris, Chief HR Officer, Alter Domus; Philip Aiken, Non-executive Chair, Balfour Beatty; Sandy Khanna, former MD Group Business Services, BT Group; Nigyar Makhmudova, Executive Vice President, Growth & Innovation, Danone; Michael Lewis, Chief Executive Officer, E.ON UK; and Amanda Nelson, CEO, Vodafone Hungary, Vodafone Group, for sharing their views.

CLICK [HERE](#) TO WATCH THE VIDEO

Leading a purpose-driven business



A clear and well-understood purpose is fundamental to the success of any organisation.

Thanks to Amanda Nelson, CEO, Vodafone Hungary, Vodafone Group; Gavin Patterson, Chair EMEA, Salesforce; Michael Lewis, Chief Executive Officer, E.ON UK; Richard Foley, Senior Partner, Pinsent Masons; Peter Lacy, Senior Managing Director, Accenture Strategy; and Diane Rochereau de La Sabliere, Strategic Development Director, Kingfisher, for sharing their views on this topic.

CLICK [HERE](#) TO WATCH THE VIDEO

WANT TO JOIN OUR GROWING COMMUNITY OF CEOs, CFOs, NEDs, HRDs AND OTHER LEADERS? CONTACT: INFO@CRITICALEYE.COM FOR MORE INFORMATION ABOUT HOW WE SUPPORT AND DEVELOP SENIOR EXECUTIVES AND THEIR TEAMS ACROSS A WIDE RANGE OF SECTORS AND ORGANISATIONS.

“At Criticaleye we believe that great leadership creates positive outcomes and enables powerful legacies. Whatever the strategic direction of your business, it’s essential to have an effective, cohesive leadership team in which there is complete trust and alignment.”



Charlie Wagstaff
Managing Director, Criticaleye

We Inspire Leaders to Succeed



Our bespoke solution supports leaders with personal, strategic and team development.

Our unique strength lies in our ability to bring together a wide range of leadership and industry experience.

We invite leaders into a trusted environment, where executives and their teams get access to the insight they need to enhance their performance.

We enable senior executives to address key questions around leadership, strategy and stakeholder management.



Achieve
Better
Performance



Inspiring Leaders to Succeed

Our Values

Respect: an appreciation for diverse and varied views and experiences is crucial to high-performance leadership

Collaboration: working together to share knowledge and expertise is a defining characteristic of effective executive teams

Challenge: strategies and ideas need to be constructively challenged to reach the best outcome

Trust: leaders need to trust their colleagues and peers in order to work effectively and drive results

Integrity: we inspire leaders to succeed by providing a closed and confidential environment where Members can share openly

For more information, please email: info@criticaleye.com

Criticaleye (Europe) Ltd

Blackfriars, 22 Tudor Street
London EC4Y 0AY

T: +44 (0) 20 7350 5100

Criticaleye (Asia) Ltd

23rd Floor, LKF Tower
33 Wyndham Street, Central, Hong Kong

T: +852 6114 3865

www.criticaleye.com

