

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us



In the not-so-distant past, business empires based on “vision” alone grew to billion-dollar heights. [WeWork](#) is a particularly prominent example. Its staggering fall, only months before a global pandemic that rocked the entire business world, underlined a fundamental business truth; good leadership is not only about vision – it starts with a solid business plan and financial strategy.

CFOs are increasingly called upon to perform a larger role in business leadership and ideation. High uncertainty and limited cash flow has raised financial leaders’ prominence across industries, but not all are equipped for the change.

### **CFO Role in Flux**

CFOs have built their careers on outstanding financial chops, but today’s business necessities demand that they adjust their leadership style and expand their locus of concern. Many finance professionals falter in their ability to take calculated risks to

optimize company performance, sticking to basic risk mitigation instead. They often

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

competitiveness or sustainability. Striking the right balance, based on solid data, is key to success. Prioritizing immediate concerns can sometimes come at the cost of longer-term planning or growth goals. The way a CFO knows whether or not they're taking the appropriate amount of risk comes down to how well their financial department analyzes all data, and at what cadence.

Wrangling data plagues almost every business's finance department, no matter the industry. According to a [recent benchmark report](#), 57 percent of businesses struggle with disparate, disconnected data sources and 51 percent of finance professionals feel they spend too much time wrangling data. The natural solution to this time sink is to either hire a specialist or outsource to artificial intelligence (AI). But only 36 percent of businesses have a dedicated role for data analysis; fewer still (7 percent) employ AI to generate insights. Before CFOs can take on more CEO-oriented tasks, it's critical they get their own houses in order.

CFOs need to make sure their organizations' internal communication structures function like a well-oiled machine. An astonishing [60 percent](#) of finance professionals say business KPIs are not shared with the rest of the company, creating enterprise-wide inefficiencies and misalignment. CFOs working within a bubble can be blind to fraying communications standards and their impact on the bottom line.

## Skills CFOs Need to Develop

Leadership-oriented CFOs know that the solution to overcoming these obstacles is multifaceted, requiring growth and optimization both within and without. They need to focus on planning ahead, avoiding the temptation to assume market uncertainty is prohibitive to effective long-term planning. While luck has some part to play, smart leaders and companies make their own luck by building agility into every stage of their business plan. This accelerates companies' abilities to modify

forecasts and plans, based on data that is more up-to-date instead of relying on last

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

organization's needs. While many finance professionals recognize the inherent value in and the predictive capabilities of AI, they do not yet feel adequately equipped to launch a comprehensive AI strategy. Data infrastructures are the first step. Access to excellent, immediate insight based on the most accurate, up-to-date data should be seen as business-critical.

Leadership-oriented CFOs need to embrace openness and communication. Business planning is itself a key communications process; using the right tools to optimize this process is singularly important. Successful organizations will use technology to enable open, transparent and frequent communications in and around critical business decisions. This creates team loyalty, motivation and alignment. Democratizing KPIs is a core part of this, and enables businesses to move forward at peak performance.

Finally, the successful CFO knows that an organization cannot grow if its leadership remains static. Leading CFOs grow their personal and professional agility by constantly developing existing skills and learning new ones. The best way to do this is by participating in well-developed programs specifically targeted to this process. No matter how busy they may feel, these CFOs still take the time to network with peers and stay in the loop with industry trends.

The role of CFO is evolving to suit the changing needs of the times, but not all CFOs are equally prepared for the shift. CFOs need to embrace their new leadership role. The need to set their business up for long-term success, developing digital infrastructure to support a future-forward focus defined by agility and access to better, faster information. The ultimate objective is to keep everyone aligned on growth as the business navigates choppy seas, achieved by creating a culture of transparency and communication focused on long-range goals. Upleveling their personal skill sets with constant learning and development is a core feature of this.

In combination with the above, it helps CFOs embrace their new roles as exceptional

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Communication. As the former VP of Finance at FreshBooks, Darrell built a high-performance Finance team and led the development of key business strategies, management KPIs and an entire system conversion. Darrell is a Chartered Accountant and holds a Bachelor of Commerce from the University of Toronto, with a focus on Finance and Economics.

Accounting • Artificial Intelligence • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved