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CFOs surveyed believe that digital transformation investments are key to their company's success and 77% said they would help the CIO find a way to fund a new ...

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Rimini Street, Inc., a global provider of enterprise software products and services, the leading third-party support provider for Oracle and SAP software products and a Salesforce partner, has revealed findings from a recent global survey of more than 1,500 CFOs and senior financial leaders across 13 markets covering most industries.

The survey was conducted to identify CFO's perceptions of digital transformation, their IT spending priorities, how they measure the ROI on technology investments

and their viewpoints on the CFO-CIO partnership.

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CFOs Are Bullish About Digital Transformation

Today's modern CFO's level of understanding of technology and its potential for delivering returns is higher than ever. When it comes to digital transformation, it is more than a buzzword for CFOs and definitely on their priority list. In addition to the large majority who cite digital transformation as a top-five priority compared to other corporate initiatives, 59% cite it is actually in their top three priorities. In addition, of the 80% of CFOs who expect their technology spending to increase in 2021, almost half (46%) say this growth in spending is being driven by new digital transformation investments.

Due to the COVID-19 pandemic, consumers shifted dramatically to online channels and businesses responded by increasing digital investments. Although digital transformation was on the roadmap for many companies prior to 2020, the global pandemic removed internal barriers, aligned corporate teams and accelerated the adoption of technology to support new business critical requirements, from remote work to digital customer interactions to supply chain resourcing. Almost three of every four (73%) CFOs indicated that the global pandemic increased their digital transformation investment, and the vast majority of survey respondents (95%) agree that technology investments are key to recovering from the business impacts of the pandemic.

CFOs See Clear Business Value and ROI from Optimizing Existing Technology Investments

CFOs expect their CIOs to present technology investment proposals that demonstrate business value and strong ROI. When asked about the type of IT projects they personally want to see more of from their CIO because they see clear business value and strong ROI, "optimizing existing technology investments" topped the list with 44% of survey respondents. CFOs also cited "revenue-generating technology

initiatives” (40%) and “process improvements and employee efficiency” (39%) as

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One of the CFOs' primary considerations for IT spending is prioritizing those projects that yield positive business outcomes – 67% of CFOs surveyed agree that they “refuse to waste precious dollars on IT investments that don't move the needle.” In addition, 70% of respondents say they want to cut spending on non-essential IT investments. When asked about the type of IT projects they personally prefer to cancel when they don't see clear business value or strong ROI, responses included “next-generation disruptive technology initiatives” and “major ERP reimplementation and migration projects.” When there is not a strong ROI, technology for technology's sake or forced by major ERP vendors does not satisfy CFOs that want to see strong business value for IT investments.

Large technology investments that may not have a clear business case, such as some vendor- forced ERP migrations and upgrades, may be better deferred or avoided and instead ERP systems can be optimized through strategies like third-party support, enabling the CIO to free up IT resources to help accelerate digital transformation programs.

“The CFO has an expanded role today and should always be part of the technology agenda decisions including how digital transformation initiatives can improve and impact the business moving forward. As CFO for Usina Coruripe, I am always looking at our technology investments through the lens of ‘will this project move the needle for our business and provide competitive advantage and growth.’ And the innovation we need will not come from any ERP, but from business-driven applications. As the CFO survey respondents emphasized in the report, I needed a solution that could better optimize what we had and improve operational efficiency,” said Thierry Soret, chief financial officer, Usina Coruripe. “Partnering with Rimini Street to take on ERP support is a great lever for both the CFO and CIO to enable their organization to free up time, money and resources and to help achieve those strategic innovation goals while maximizing their current software investments.”

CFOs Expect Short ROI Timelines for Technology Investments

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partner with finance when the idea is fully formed but before the business plan is completed.

The CFOs growing acceptance of digital transformation initiatives, coupled with their willingness to support projects that have clear business outcomes means that they are increasingly willing to lead funding efforts for projects that demonstrate business value. When asked how they would respond to their CIOs digital transformation proposal requiring additional investment that would likely deliver a strong ROI, 77% of CFOs said they would help the CIO find a way to fund the project, and 28% of CFOs would even go to bat with the board to help the CIO secure needed funding.

A Strong CFO-CIO Partnership is Critical to Success

Technology is expanding the role that CFOs and CIOs play in an organization, as well as the need for a close collaboration between IT and Finance. Today's CFO and CIO must have a solid understanding of customers and markets and technology's role is connecting them. If both roles collaborate, they can be a productive, powerful team for the business – 92% of CFOs agree that “a successful CFO has a great relationship with their CIO counterpart.” The survey also revealed that 69% of CFOs have a favorable view of their CIOs, with 47% stating that their CIO is a partner “that helps connect the dots between technology and business decisions” and 22% stating that their CIO is an “innovative change-agent that drives business strategy.”

In addition, more than three in four CFOs (77%) shared that last year's challenging business landscape served to strengthen their relationship with their CIO. CFOs primarily attribute this change due to an increased focus on security, compliance and risk (52%), the urgent need to collaborate to make nimble technology decisions (50%) and the CIOs proactive engagement with them (42%).

For those CFOs who noted a worsening relationship with their CIO last year, a few

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“This report highlights the heightened importance of digital transformation for CFOs but reinforces that IT investments must have clear business value to receive CFO support. It’s not surprising that CFOs want to cancel IT projects that lack a strong ROI, like many software vendor-forced ERP reimplementations and migrations, given that resources can be liberated for new technology investments that accelerate achieving the businesses digital goals,” said Seth A. Ravin, Rimini Street CEO. “By switching to Rimini Street Support, our clients are uniquely enabled to take back the control of their IT roadmaps, maximize the lifespan and value of current ERP investments and free up significant funding and internal resources to help fund those critical digital transformation initiatives that create competitive advantage and growth.”

The report is based on a global online survey conducted by Dimensional Research and sponsored by Rimini Street. More than 1,500 CFOs or equivalent top finance professionals from 13 countries, representing companies with at least \$200 million (US\$) in annual revenue, participated in the survey.

To download a copy of the report, “CFO Peer Insights: Digital Transformation and IT Spending Priorities,” click [here](#).

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