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ACCOUNTING & AUDIT

The Ebb and Flow of the CFO's Role: It's Not Just About Numbers Anymore

CFOs are pushing their teams of representatives from across the business (not just IT) to evaluate data analytics and business intelligence tools.

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By Francois Lacas.

“I want to be a CFO.”

That’s not something you’ll hear from most five-year-olds when you ask what they want to be when they grow up. A doctor. A musician. A movie star. Maybe a veterinarian or any other dream job from a child’s point of view. When they enter middle school, you’ll hear a few say they’ll go into accounting, but “I want to be a finance major and get an MBA” — not to mention becoming a Chief Financial Officer — just isn’t in their vocabulary.

Yet, when they start planning for college and set their sights on an executive career, some will see that getting a degree in accounting, finance, or business administration (or some combination of these) is a common path to the executive position of CFO, or even the CEO. And as most people dream of reaching such a pinnacle early in their careers, a finance-related education is the right path to get there.

But like everything else these days, the role of a CFO continues to change over the years. Yes, monitoring and ensuring a company’s financial health are still critical responsibilities of the job. But while solid financial decisions are essential, in today’s world, it’s not just about the numbers anymore.

CFO or CIO? The lines are blurring

Today’s companies face ballooning challenges like inflation, supply chain disruption, digital transformation and automation initiatives, and even staffing shortages — all of which affect the bottom line in their ways. Therefore, CFOs seek initiatives to increase the efficiency of existing resources, prevent disruption in procurements, and ensure production and delivery. Technology is the apparent direction in which to look. And as breakthroughs like automation and AI show no sign of slowing, CFOs are increasingly becoming involved in making decisions where only the CIO and IT teams were once involved.

That should come as no surprise. Traditionally, CFOs and their finance and accounting departments had to manage their companies’ budgets, forecasts, accounts payables and receivables, reporting, and compliance. Nowadays, supporting these activities requires infrastructure, hardware, and software, so the CFO is directly or indirectly responsible for ensuring the availability of the technology that supports the financial aspects of any part of the business.

And they’re becoming the real decision-makers for purchasing such assets, too. According to [Forrester’s 2021 B2B Buying Survey](#), when CFOs participate in the

selection process for a technology purchase, 61% of the time, they cast the deciding vote.

Dabbling in domains previously reserved for the IT team

Today's CFO would naturally be involved in technology to automate manual processes in the finance and accounting departments. Automating the AR and AP processes save a company a ton of time and manual effort, meaning those departments can use existing staff for more strategic, value-added, and personally fulfilling tasks.

But what about an area like sales and marketing or even customer service? CFOs are now championing software that can automate and personalize marketing campaigns and streamline the sales process with self-service tools to boost leads and sales closures. And for existing customers, automated self-service tools — such as online portals and apps — give users a sense of control and autonomy, saving customer service reps for those “tough” cases that need hands-on attention. More sales, more satisfied customers, more retention — better bottom line. While the IT team may still deploy and maintain such systems, it's obvious why CFOs are pivotal in championing and approving the purchase of these technologies.

The list goes on. CFOs are pushing their teams of representatives from across the business (not just IT) to evaluate data analytics and business intelligence tools. Such tools will allow them to monitor KPIs on contracts, sales, revenues, expenses, and customer behaviors like churn and sentiment. These metrics lead to a more holistic financial picture to make better business decisions, driven and supported by data, not intuition alone.

What are the savviest CFOs looking to technology to address next? More and better ways to use the latest technologies like automation, machine learning, AI, and blockchain to improve the

- accuracy,
- consistency,
- security,
- privacy,
- regulatory compliance, and
- integrity

of more than the company's data. Technology that protects its transactions, intellectual property, and other digital assets against a myriad of threats, including but not limited to human error and inefficiency, economic disruptions, cybercrime, data breaches, and more. After all, every department and technology mentioned here — and there are many more — can, and eventually will, impact the organization's financial health.

Will we recognize the CFO of the future?

Will the ebb and flow of the CFO role spell the demise of the CIO — or, for that matter, the CTO, CISO, CDO, or any other position in the C-suite? Is the CFO taking over the whole show?

Of course not. (If it did, every kid would want to be one.) It's simply that the need to drive efficiency across many areas of the business is intertwined with the company's financial goals — and thus necessarily requires the CFOs involvement, oversight, and approval.

Ensuring operational integrity and continuity, information security, data privacy compliance security, and dozens of other technology-related functions of a large company require knowledge, education, and experience that most CFOs do not have. It is simply not in their wheelhouse, nor can they focus all their time and energy outside the areas of finance. They must, however, learn enough to guide “the big decisions” on how technology should be procured and applied to move the company toward its goals.

So, if a teen or young adult asks your advice on what to study so they can one day land the position of CFO at a Fortune-500 company, consider this. You might suggest a few tech courses to go with all those accounting and finance classes. Believe me; they'll come in handy.

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