SURVEY:
FINANCE EXECUTIVES SEE
AUTOMATION, TECHNOLOGY,
AND ANALYTICS AS
KEY DRIVERS OF GROWTH
IN THESE DAYS OF BIG DATA, predictive analytics, and digital transformation, the influence of finance executives is expanding as their responsibilities transcend traditional accounting and reporting activities. Finance leaders today are expected to be change agents who champion new technologies, refine processes, embrace data, and enlist the best talent—all in addition to their daily responsibilities.

The downside is that many feel overextended and understaffed, according to a poll of 44 senior finance executives conducted by Innovation Enterprise in collaboration with CohnReznick. Almost one-third (32%) of respondents were from companies with revenues of more than $10 billion. By title, 18% of respondents were CFOs, 27% were controllers, 25% were directors of finance, and 20% were vice presidents of finance.
If there is one consistent theme throughout survey responses, it’s the conviction that technology and data can propel the finance function to new levels of efficiency and productivity.

Technology can fully automate a significant number of manual, rules-based tasks, and partially automate many more. Accordingly, automation of functions to strengthen budgeting and planning is the No. 1 priority of survey respondents. CFOs are particularly attuned to the importance of automated processes, with 43% saying that it’s their top objective.

Beyond automation, finance executives plan to identify new technologies that can increase the productivity and impact of finance. Again, CFOs see this need more clearly.

Data is also top of mind. Increasingly, finance leaders understand that analytics can strengthen productivity and efficiencies, inform decision-making, and help keep pace with customer preferences. Many respondents said that analytics can enhance performance and profitability, as well as improve the accuracy of reporting. To gain the full measure of analytics, however, businesses will need to make sure that financial data is accessible to relevant employees and is not sidelined in departmental silos.

### WHICH OF THE FOLLOWING ARE TOP PRIORITIES FOR YOU IN 2019?

<table>
<thead>
<tr>
<th>Priority</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automate functions within finance to improve accuracy and efficiency of budgeting &amp; planning</td>
<td>43%</td>
</tr>
<tr>
<td>Optimize data analysis in the organization to boost performance, profitability, &amp; reporting</td>
<td>41%</td>
</tr>
<tr>
<td>Identify new technologies that can help finance do more with less</td>
<td>34%</td>
</tr>
<tr>
<td>Find new strategies to manage &amp; reduce employee benefits costs</td>
<td>30%</td>
</tr>
<tr>
<td>Break down department silos to connect disparate data sources across the organization for better planning &amp; forecasting insights</td>
<td>27%</td>
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</tbody>
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*Multiple responses allowed*
UNDER PRESSURE AND OVERWORKED

Today’s overbusy finance leaders said one of their biggest challenges is fulfilling multiple roles and addressing constantly shifting priorities. CFOs are among the most industrious: Almost two-thirds said they pivot between multiple roles and responsibilities. Another key pressure is helping the finance team navigate rapidly shifting priorities.

Perhaps the most striking finding is an apparent lack of concern about cybersecurity and privacy threats. Today, cybertheft is the fastest-growing crime in the U.S. and new privacy regulations like the EU’s General Data Protection Regulation (GDPR) have expanded privacy and compliance obligations. Yet only 19% of executives said they feel pressure to address data privacy, compliance, and cybersecurity.

And while big organizations tend to have more mature cybersecurity programs, fewer executives from the largest firms cited security and privacy pressures. It could be that finance executives don’t see themselves as ultimately responsible for security and privacy, but forward-thinking leaders should take an active role in the battle to safeguard data.

WHAT PRESSURES DO YOU ACTIVELY FACE IN YOUR ROLE?

<table>
<thead>
<tr>
<th>Pressure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wearing too many hats</td>
<td>42%</td>
</tr>
<tr>
<td>Helping my team adjust quickly to shifting priorities &amp; growth opportunities</td>
<td>37%</td>
</tr>
<tr>
<td>The need to be more strategic</td>
<td>35%</td>
</tr>
<tr>
<td>Reducing cycle time</td>
<td>26%</td>
</tr>
<tr>
<td>Too much data across too many data sources</td>
<td>21%</td>
</tr>
<tr>
<td>Addressing data privacy, compliance, and cyber security risks</td>
<td>19%</td>
</tr>
</tbody>
</table>

Multiple responses allowed
OBSTACLES TO OVERCOME

Budget constraints, as well as an inability to find talent with the right blend of finance and data skills, are top obstacles. Demand for tech talent is high—IBM predicts that the number of jobs for US data professionals will increase by 364,000 openings to 2.72 million by 2020—but finance executives say staff budgets remain low.

In fact, almost half of respondents said tight personnel funds impede performance. And while slightly fewer (43%) of executives from the largest organizations cited low budgets, half also reported difficulty finding staff with the right digital skills.

What's more, given the primacy of data in operational and finance functions, most executives understand that accurate information has become the lifeblood of business. Yet only one-quarter (26%) of respondents said unreliable data is an impediment to achieving goals, a number that, if anything, seems low.

WHICH OBSTACLES DO YOU FACE IN ACHIEVING YOUR BUSINESS GOALS?

- Limited budget for staff: 47%
- Finding the right talent with skills in both finance & data management/analysis: 44%
- Unreliable data: 26%
- Inadequate IT support or systems: 23%
- Roadblocks & bottlenecks in internal processes: 16%

*Multiple responses allowed*
SUCCESS FACTORS

Finance leaders have an ambitious agenda for the coming year. Many said they are looking to improve business processes, more effectively harness the power of data, and boost collaboration to enhance efficiencies. They believe progress will also require that they optimize technology and onboard employees with digital skills.

Redesigned processes and more efficient workflow management are at the top of the finance agenda. Mid-size businesses ($200 million to $500 million) are most likely to focus on processes. CFOs tend to emphasize optimizing technology, as do executives from the largest companies.

Finance leaders know that championing data-driven decision-making and a data-centric culture can help achieve forward-looking insights to help shape business strategy and improve performance. In this area, smaller companies are at a disadvantage.

WHAT COULD MOST HELP YOU ACHIEVE YOUR BUSINESS GOALS?

<table>
<thead>
<tr>
<th>What Helps Achieve Business Goals</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairing broken processes &amp; managing workflow more efficiently</td>
<td>36%</td>
</tr>
<tr>
<td>Knowing how to harness data &amp; use it to improve decision-making</td>
<td>33%</td>
</tr>
<tr>
<td>Breaking down department silos to improve communication &amp; foster collaboration</td>
<td>29%</td>
</tr>
<tr>
<td>Optimizing technology to work faster &amp; smarter</td>
<td>29%</td>
</tr>
<tr>
<td>Finding &amp; nurturing talent that can embrace &amp; apply new technologies</td>
<td>26%</td>
</tr>
</tbody>
</table>

*Source: THE QUANT CRUNCH HOW THE DEMAND FOR DATA SCIENCE SKILLS IS DISRUPTING THE JOB MARKET https://www.ibm.com/downloads/cas/3RL3VXGA*

Multiple responses allowed
USING DATA TO DRIVE VALUE

Business intelligence, particularly when combined with an integrated business planning (IBP) strategy, can help the finance function make more informed operational decisions. Executives from larger companies are considerably more likely to seek insights from data, as are CFOs.

Many executives said they also use analytics to improve the accuracy of financial forecasts. The smallest companies are less likely to use data for forecasting, while more CFOs do so. CFOs are also more apt to use data to manage the growth and profitability of key initiatives.

HOW CAN ADVANCED DATA ANALYTICS PROVIDE THE MOST LEVERAGE FOR YOUR ORGANIZATION?

- Drive operational decisions: 44%
- Forecast my organization’s future financial health: 42%
- For key initiatives, manage growth, profitability, & ROI: 40%
- Gain a competitive advantage: 28%
- Support the move to a single, integrated data platform: 21%
- Uncover areas of risk: 21%

Multiple responses allowed

75% Of CFOs use analytics to drive operational decision-making
HOW EXECUTIVES CAN EXPAND THEIR ROLE IN TRANSFORMATION

As these survey results show, data and digital transformation are redefining the role and reach of today’s finance leaders. They are expected to embrace complex technologies like data analytics and artificial intelligence, as well as re-engineer processes to achieve operational efficiencies and inspire collaboration and productivity. Given the tight labor market, particularly for data specialists, finance executives are also under pressure to proactively recruit and retain digitally skilled employees.

Crafting a strategy to address these demands will be an arduous undertaking for many. The key is to first identify a single initiative that is most likely to have an immediate impact on your organization. Next, redouble traditional planning to understand your organization’s current state, define the ideal target state, and chart a roadmap that unites existing capabilities with tomorrow’s business needs. Only then will you be prepared to begin the real work of aligning technologies, processes, and people skills with organizational objectives and shifting market forces.
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