

Will smart machines replace smart CFOs?

Digital transformation and the future of finance

From cloud computing and robotic process automation to analytics, AI, and machine learning, a new class of digital disruptors is transforming the role of finance. Will all the automation and technology that CFOs have at their fingertips ultimately replace the need for a traditional finance chief, or will CFOs be able to harness that technology to improve their bottom lines?

The evolving role of finance and the CFO

- 69% of CFOs say the role is fundamentally changing (EY).
- Technology will provide CFOs and their business partners with actionable insights linked to business-critical information and risks.
- Change from digital transformation is so rapid that contending with volatility and uncertainty will be the new normal for CFOs.

Define technology's place in finance

Will robots rule Wall Street? Will smart machines replace smart CFOs? Probably not. Most analysts agree that technology will play a pivotal role in increasing the speed and efficiency of finance-related tasks while also facilitating insights that drive better decision-making.

Finance professionals will still need to participate—albeit in new ways—to collaborate with their business partners, drive revenue outcomes, and manage risk.

CFOs are on high alert as they now reimagine their roles in response to digital disruption, increasing volumes of data, and greater stakeholder scrutiny. We are at a crossroads where CFOs can seize upon this opportunity to define technology's place within the office of finance. Indeed, digital disruption gives finance a unique opportunity to simultaneously improve both productivity and quality across the business.

Fundamentally changing role

According to [EY research](#) which surveyed 769 CFOs and finance leaders across 32 countries, the findings on the evolving role of the modern CFO were clear: 69% of respondents said that they see the finance leader role fundamentally changing, as traditional finance tasks are automated or managed in shared services centers.

Paul Hamerman, vice president and principal analyst at Forrester Research, agrees with this sentiment:

“With real-time in-memory systems, robotics process automation, and a whole host of technology, we can engineer those processes—such as financial closing—to be continuous. Combining the system of record with analytics can help show what’s happening right now, while the inclusion of planning systems and predictive solutions can detail what the business will face in the future.”

To realize the full potential of digital transformation, finance organizations must embrace the growing demand for digital workplaces, flexible cloud deployments, and cross-functional, inter-departmental collaboration. A bold digital strategy should enable finance professionals to seamlessly share information and make connected, data-driven decisions.

CFOs clearly recognize the urgency and importance of embracing digital transformation. Most CFOs know, that unless action is taken to define a bold reporting strategy and vision for advancing the traditional reporting process their teams will fall behind the pace of technology.

Technology will help finance professionals dig deeper into the ever-increasing amounts of data created and will continue to help teams find latent trends, providing CFOs and their business partners with actionable insights linked to business-critical information and risks. Digging deep into data will also allow reporting teams to extract forward-looking insights from large, fast-changing, disparate data sets, which closes the expectation gap between what boards now seek from corporate reporting and what CFOs can deliver.

Connection is key. Finance teams should collaborate with sales teams to define revenue models that work well financially and help to deliver an outstanding customer experience. They should also leverage better collaboration and system integration tools to change the service orientation from batch and periodic to real-time and predictive—from counting to considering.

Blueprint for smarter finance

The advancement of disruptive technology is about creating a blueprint for a smarter, more forward-looking finance organization. The goal is to design a future operating model that focuses the best people on key priorities while better equipping them for the new digital economy.

Analysts agree that better partnering and softer skills will be required to align finance efforts with the business, as the organization works to become more nimble and innovative and to adapt to increasing customer demands of the digital age. It is key that finance aligns with the business and uses this knowledge to optimize processes and develop strategies that create value not only for the business, but also for the customer and the customers’ customer.

Intellectual curiosity, and the ability to ask the right commercial and operational questions, will be fundamental attributes of a great financial business partner. The result of this paradigm shift in financial operations is that sustained digital investment will drive significant increases in customer satisfaction (and consequently customer and portfolio value).

Change from digital transformation is so rapid that contending with volatility and uncertainty will be the new normal for CFOs, and there can be no doubt that technology—and engaging the proper people to leverage the benefits of technology—will play a key role in transforming the finance function in the coming years.

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641 Avenue of the Americas
New York, NY 10011
800-260-2640
infor.com

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