

smartCFO

EMEA Edition | Brought to you by Workday | Vol. 4

Find out how leaders can take on the role of finance futurist



Also in this issue:

The revolutionary impact of intelligent automation for accounting

Accelerating growth: The role of technology in fast-growing businesses

Editor's comment

Welcome to the latest edition of smartCFO magazine, where we provide you with insights from finance leaders across the EMEA region.

It's no secret that the role of the CFO is changing – away from traditional responsibilities such as cash flow, investments, balance sheets and P&L, and towards harnessing technologies such as AI and machine learning to transform the enterprise and create value for their organisations.

Recognising the journey finance professionals are on, we recently partnered with AICPA-CIMA to create the Finance Assessment Model for Effectiveness (FAME). FAME defines the competencies, capabilities and technologies that finance leaders need to address to evolve their functions from scorekeepers and business partners to value creators and, ultimately, finance futurists.

In this edition, through conversations with our customers and partners, we'll explore what it means to be a finance futurist and the practices European leaders are adopting to embrace this role and the opportunities it provides.

We speak to Emma Castledine, Enterprise Architect at Checkout.com, Robert Bloor, Group Financial Controller at Equiniti, and Jan Vogel, Director of Accounting and Controlling at Staffbase, about what the future holds for the finance function.

Alex Young, Master Data and Change Manager at Just Eat Takeaway, and Rob Zwiebach, Vice President of Product Management and Financial Management at Workday, discuss how AI is helping the takeaway giant save time, money and headaches across its finance function.

Plus, Simon Gatland, Chief Accounting Officer and Global Head of Finance at Apex Group, Tim Perkins, Head of Corporate Technology at Man Group and Sam Allen, Finance Transformation Director at Checkout.com, share their thoughts on the role technology can play at fast-growing businesses.

We're also delighted to feature insights from award-winning journalist Oliver Pickup, as well as thought leadership from Workday partner PwC.

We hope this issue of smartCFO gives you the confidence to turn risk into opportunity and that it inspires all of you to become the finance futurist your organisation needs.

Angelique De Vries - Schipperijn
President, EMEA, Workday

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What it takes for a CFO to go from scorekeeper to futurist

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Charting the ascent of the futurist CFO fixated on opportunity – not just risk

The rapid ascent of BP's Murray Auchincloss exemplifies a career pathway traversed by modern finance chiefs, who are excellent with numbers and – in a departure from tradition – strategically strong and increasingly visionary.





By **Oliver Pickup**,
Award-winning Writer,
Pickup Media

Armed with numerical nous, as expected, and also smart with technology and data, these pioneering ‘futurist CFOs’ are more focused on opportunity in addition to risk. Little wonder such canny, multifaceted performers appeal to boards, employees and customers alike, especially in these uncertain times.

Auchincloss, appointed BP CFO in July 2020, might have had power thrust upon him – the Canadian former tax analyst told friends he had only 20 minutes’ notice before taking charge as interim CEO in September, following the abrupt resignation of Bernard Looney – but few were surprised when he was confirmed as permanent CEO in January

“He has an ability to answer any numerical question with data, without sidestepping, without being political,” Oswald Clint, an oil and gas analyst at Bernstein Research, told the Financial Times. “You don’t get that with every CFO.”

Auchincloss’ acceleration to BP’s top post continues a trend that saw 24% of outgoing S&P 500 CFOs land CEO or president roles last year, up from 8.8% in 2021, according to executive search firm Russell Reynolds Associates (RRA). The spike reflects finance heads’ tightening grip on corporate strategy and their expanding ability to navigate disruption over the short-term and, more crucially, long-term.

“Over the last 18 to 24 months, we have seen a real shift away from CFOs with capital markets expertise to favouring those instead with a strong operational bias,” Jenna Fisher, Managing Director and head of the CFO practice at RRA, said to Fortune.

Forward-thinking CFOs can unlock business insights their peers miss by canvassing threats more expansively and funnelling data into cutting-edge analytics engines.

By embracing process automation (RPA), AI optimisation and cloud analytics earlier than laggard functions, they elevate enterprise agility amid swirling complexity.

CFOs’ widening technology lens

Further, because finance interacts with all commercial operations, number-crunching chiefs boast a uniquely panoramic view of an organisation’s data flows and digital infrastructure. This privileged insight allows tech-smart CFOs to speed up core processes using RPA and AI, while shrinking period-end reporting cycles, enabling business-critical agility and driving strategy and innovation.

In a recent webinar hosted by Workday, titled ‘From scorekeeper to value creator’, Scott Schwaizberg, Associate Partner at McKinsey & Company’s New York office observed that the responsibilities asked of CFOs have grown to encompass domains not historically managed by finance chiefs.

“We’re seeing CFOs play a much larger role in digital alongside the more traditional areas like budget, risk and planning,” he said. “There’s more on their plate than ever, but the North Star of ‘I’m the CFO, and I’m responsible for driving value creation’ is no different.”

Indeed, by presenting real-time data visualisations rather than static Excel slides, progressive CFOs have begun democratising data literacy across operating units, empowering stakeholders to course-correct quickly during economic volatility.

While 62% of leaders welcome AI, only 52% of employees feel the same.

Forward-thinking CFOs can unlock business insights their peers miss by canvassing threats more expansively and funnelling data into cutting-edge analytics engines.

Equally, clued-up finance figures can overcome biases rooted in backwards-looking figures by appending internal data feeds with alternative third-party sources. For example, at Team Car Care (a Jiffy Lube franchise and Workday customer), supplementing financial metrics with weather reports helps to right-size workforce scheduling and inventory planning. The business tweaks sales projections to optimise per-site profitability and adjusts the number of staff by factoring pending storms into its econometric models.

Rethinking leadership models

While the leap from accountant to chief executive initially seems an uncomfortable stretch for a role traditionally preoccupied with stewarding ledgers, the trend echoes leadership configurations catalysed by sweeping technological change previously.

For instance, Donaldson Brown's appointment to the executive board of General Motors in 1924 (three years after becoming the company's treasurer) came amid total reinvention, as mass-produced automobiles reshaped transport, trade and mobility.

A decade earlier, the American had developed the return-on-investment (ROI) measure known as the DuPont formula. At the time, the ROI method for assessing the efficiency of business operations was revolutionary. Brown's financial principles – his focus on ROI and a decentralised management system – became foundational to modern corporate financial practices. His innovative approach to economic analysis and management helped shape how businesses operate, emphasising the importance of financial metrics in strategic decision-making.

A century later, AI and cloud analytics are again recasting competitive advantage at unprecedented speed. As data complexity compounds commercial uncertainty, boards are responding by empowering, if not elevating, a new breed of tech-enabled, opportunity-fixated finance chiefs to sharpen enterprise agility.

Therefore, it's no surprise that today's boards increasingly promote technologically literate finance figures to underline bold and visionary leadership in a challenging macroeconomic terrain.

As intuitive algorithms crunch datasets too bulky for legacy analytics, the fusion of finance and technology leadership promises to unlock optimal decisions using predictive insights. By melding AI and cultural change, rather than crude headcount culls, wise CFOs can positively disrupt operating models in tune with the unprecedented pace of change.

However, as technology rewrites leadership conventions, CFOs should not alienate employees unaccustomed to automation-assisted hierarchy. These prospective CEOs must maintain psychological contracts between staff and employers to earn lasting authority and rebuild trust.

Median FTSE 100 CEO pay, excluding pension, currently stands at £3.81 million – 109 times the median full-time worker's pay of £34,963.

Curating an upskilling culture

‘Rebuilding trust’ was the theme of the World Economic Forum’s Annual Meeting in January. CFOs and the rest of the C-suite have a role to play here. With only 61% of the 32,000+ global respondents trusting business leaders to tell the truth – 2% lower than government leaders – according to Edelman’s 2024 Trust Barometer, highly paid CEOs parachuted in from the finance department could further disenfranchise workers, especially if new chiefs prioritise targets over culture, severing implicit understanding between staff and employers.

Moreover, inclusive CFOs-turned-CEOs can foster a shared identity between leadership and employees by curbing astronomical executive rewards. It’s worth considering High Pay Centre research, published in early January, that shows median FTSE 100 CEO pay, excluding pension, currently stands at £3.81 million – 109 times the median full-time worker’s pay of £34,963, and a 10% increase since last March.

Despite expansive commercial outlooks, CFOs must recognise that improving enterprise collaboration and nurturing corporate culture consolidates power more sustainably in the long term than fixating on short-term gains, and personal bank-balance boosting.

“There is a shift within leadership development that emphasises stewardship: an understanding that the ultimate success of an enterprise requires leaders to focus on how they can set up the business to succeed beyond their tenures as CEO or CFO,” says Sasha Young, a development coach for leaders in financial markets. “The crucial question for the futurist CFO is: ‘How can I leave this enterprise – the business and its culture – in the best shape possible for future success?’”

To sustain authority ethically, futurist CFOs should spotlight upskilling initiatives preparing talent at all levels for AI, quantum computing and other emerging technologies

Proactive finance figures can continually reskill workforces using responsible AI techniques to prevent skill gaps from widening as automation intensifies. For instance, a global study on Closing the AI Trust Gap, published by Workday earlier this year, highlights the symbiosis between predictive technologies and humans.

The research shows that while 62% of leaders welcome AI, only 52% of employees feel the same. Further, 70% of leaders say AI should be developed in a way that easily allows for human review and intervention, but 42% of employees believe their company doesn’t clearly understand what systems should be fully automated and which require human intervention.

“While the tools, technology and data available to leaders are evolving dramatically, open, trusting, symbiotic communication between leaders and employees will continue to be essential for enterprises to thrive,” adds Young.

“If the futurist CFO can resonate with this cultural dynamic while bringing their financial, operational and strategic nous to the board table, they will truly be setting the example of leadership for today and tomorrow.”

70% of leaders say AI should be developed in a way that easily allows for human review and intervention.

How AI will help finance create value

Today's finance teams have more responsibilities than ever as CEOs increasingly look to the CFO to shape business strategy. In an increasingly challenging environment, AI and machine learning can cut through complexity and help finance add greater value.





By **Patrick Evenden**,
EMEA Staff Writer

In today's ever-changing business world, it's no longer enough for finance leaders to track what already happened — instead, they need to look around corners and predict where the business is headed. As the CFO role shifts to become more of a strategic partner, the entire finance function will need to examine and redefine their skills to operate in an environment of constant change and increasing complexity.

Join us to learn more about AI's potential to transform finance and turn the CFO into a finance futurist.

Here are five key insights:

1. AI will augment, not replace, human financial expertise

"Accountants are worried about being put out of their jobs — but it's not being put out; it's about changing their role," says Emma Castledine, Enterprise Architect with Checkout.com, a global digital payment processor. One example: "Automated reconciliation for bank reconciliation and recording customer deposits will take out an enormous amount of our finance team's manual effort so they can focus more on the stuff that's value-add."

2. AI has the potential to dramatically increase finance's speed and agility

"Can it make the planning process much simpler and propose two or three scenarios for a budget that require far less human interaction?" says Rob Bloor, Group Financial Controller at Equiniti, a financial and administrative services company. "I think [the possibility] is exciting; I think it's a little bit daunting, but one thing I can say for sure is that no matter what form the AI is, it will only work if the data is right."

3. AI can make a zero-day close a reality

"We are now looking at how we run the finance function in a fundamentally different way," says Brian Montgomery, Senior Director of Finance at Workday. "We're working on decreasing the time it takes to close the books down to zero days. Machine learning is transforming our ability to do that in a really efficient way that not only does it faster, but also improves the process and gets us to better insights in a shorter space of time."

4. As a result of AI and other emerging technology, finance teams need new skills

"Rather than the standard old-school accountants that are used to the very traditional debits and credits ledger accounting, the people that we're looking to hire now are more analytical," Castledine says. "They've still got the same core skills but the way they want to approach the problem is different and they want to have technology to help them do that."

5. To keep pace with the ever-changing business environment, CFOs will adopt AI use cases with increasing speed

Aside from traditional responsibilities, "the challenge that most excites me about the CFO role is adapting to technology," says Jan Vogel, Director of Accounting and Controlling for Staffbase, a platform for mobile-first employee communications. "The environment is changing so fast," adds Frederic Portal, Senior Director of Product Marketing at Workday. "AI adoption is going to get stronger and stronger because it's an exponential curve. It's becoming a competitive advantage."

The revolutionary impact of intelligent automation for accounting

At Workday Rising, Alex Young, Master Data and Change Manager at Just Eat Takeaway (JET), and Rob Zwiebach, Vice President of Product Management and Financial Management at Workday, discussed how AI can save time, money and headaches for the accounting function.



By **Patrick Evenden**,
EMEA Staff Writer

Picture an accountant’s work like a pyramid. At the bottom sit manual, time-consuming tasks involved in collecting and processing data. At the top are the insights and analytics that can inform business decisions. The problem? “Too many accountants have to spend too much of their time on the bottom of the pyramid,” said Rob Zwiebach, Vice President of Product Management and Financial Management at Workday, in a discussion at Workday Rising.

The ability to flip the script – or, better yet, the pyramid – is just one reason that today’s finance leaders see potential in AI. A report by Deloitte found that CFOs are especially eager to gain three benefits from AI. These include:

- Reduced costs
- Improved customer and client experience
- Increased margins, efficiencies and/or productivity

At Workday Rising, JET and Workday came together to explore how AI and intelligent automation are transforming the accounting function and allowing finance teams to deliver the insights their organisations need.

Solving the talent shortage by eliminating drudgery

Accounting is reeling from a scarcity of talent. About three-quarters of certified public accountants reached retirement age in 2020, and not enough young people are lining up to fill their shoes, said Zwiebach.

“People are not coming out of college or university and going into this field the way they have in the past, and we think the reason for that, rightly or wrongly, is that there is a perception that these types of jobs involve a lot of drudgery,” he said.

Young echoed the sentiment of struggling to hire accountants for the finance team at JET, a Netherlands-based online food ordering and delivery company with about 15,000 global employees and \$5.6 billion in annual revenue. That’s a real problem for the organisation since their accountants don’t just crunch numbers, they also act as business analysts and partners. But, with a shortage of accounts, “we find they’ve been reduced to a keep-the-lights-on role,” Young said. AI promises to turn both the perception and the reality of accountants’ work around: “Let machines do the drudgery, and let people do the more interesting, value-added tasks,” Zwiebach explained.



AI can make quick work of the manual, repetitive and often error-prone tasks that historically have been placed in accountants' laps.

For instance, journal entries and expense reports once entailed loads of manual tasks to ensure accurate recordkeeping. That's no longer necessary. Platforms equipped with machine learning (ML) capabilities can quickly analyse accounting entries and flag anomalies based on patterns of past journal entries and related transactions. Solutions like Workday Expenses then alert users about potentially misclassified or erroneous journal entries that require adjustments, explain why those entries were flagged and make insight-rich recommendations for the needed corrections.

Accountants then have a straightforward decision to make: accept the entry as is, or correct it. With each user response, the AI solution gets smarter. "The system learns from that human feedback," Zwiebach said. "It's true machine learning. And rather than a person having to slog through massive amounts of data, the system provides a guided experience to what most likely needs human intervention.



Realising time savings and efficiencies

AI can make quick work of the manual, repetitive and often error-prone tasks that historically have been placed in accountants' laps. As a result, the technology frees up accountants to focus on the analytical work that not only gives them greater satisfaction but also allows them to become true strategic partners to the business.

Take the case of one of the manual-heavy accounting processes: supplier invoicing. Usually this process involves, at best, email attachments, and at worst, snail mail. By using a financial management platform that automates this process, users can simply email an invoice directly to the platform. The system then scans the invoices, parses out the various elements such as the vendor's name and the invoice amount and flags any missing data by leveraging ML to analyse past invoices. All without human intervention.

"Ultimately, our goal in 2024 is to get to truly touchless invoice processing for PO-matched invoices," Zwiebach said.

Time saving will also be a blessing for JET. "It takes us two weeks to close our books, so it feels like we're constantly in closing," Young said. "Saving time is mission-critical for us."

One way JET now saves time is by using Workday Accounting Center to ingest business events and external data and transform them into detailed accounting data. In the past, JET finance teams had to download data from a third-party supplier, perform calculations in spreadsheets to create journal entries and then load those entries into its accounting system. Now, all that data goes directly into their financial management platform.

"Workday Accounting Center now does all the work, which saves two of our people several hours every month-end close," Young said.

Along with operational efficiency, data-focused insights rank as the top driver for AI adoption in the finance function.



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Rob Zwiebach, Vice President of Product Management and Financial Management, Workday



Making the most of data

Accounting and AI have something in common. They both rely on reliable data – and huge amounts of it. But to get the data they need, accountants have long depended on manual processes – including plenty of spreadsheets that can easily introduce errors. AI mitigates that risk.

“Intelligent automation puts in place controls that help the CFO’s office feel assured so they know their data is correct,” Zwiebach said.

Along with operational efficiency, data-focused insights rank as the top driver for AI adoption in the finance function, according to a Workday survey of 2,355 global senior business executives.

“The user experience should be more about consuming insights from the system and managing exceptions and approvals – and much less about keying in data,” Zwiebach added.

In the not-too-distant future, Zwiebach shared, the capabilities of intelligent automation will quickly expand. For example, with a financial management platform that can harness the power of a large language model, accountants will be able to automatically generate dunning letters – collection notices sent to customers alerting them to overdue payments. Instead of having to create these letters from scratch every single time, employees will simply answer a few prompts – such as the tone they want to strike – to generate the letter.


“With traditional processes, accounting professionals have to spend a significant amount of their time on data collection and processing,” Zwiebach said. “Our goal is to leverage intelligent automation to help them invert the pyramid and spend their time on insight and action.”

What's important to a future CFO?

Five focus areas to help you prepare for your next career move. This guest post from PwC first appeared on the PwC website.

By PwC





The path to becoming a CFO can look different for everyone. Career progression could be part of a long-term succession plan, a career move across companies or the result of adding significant value in ways that others haven't. Those with an eye on this C-suite role should understand what's important to today's CFOs, so they can help them deliver on their leadership agenda. To do this, it can be important to successfully balance running your current functional area with bringing forward strategic ideas and insights to demonstrate your broader enterprise perspective. This can mean helping your organisation manage inflation and rising costs, taking advantage of growth opportunities and emerging from this period of economic uncertainty in a stronger, healthier financial position.

Data and analytics, automation, AI and GenAI can be key differentiators for those seeking richer insights and smarter, more agile business decisions.

Move from tactical to strategic

You may have already made a name for yourself within – or outside of – finance. Now it can be important to become known for an additional role: strategic advisor. The board and C-suite should recognise your broad business acumen, not define you solely by today's tactical or functional role. Your focus should include helping your current CFO continue to evolve the finance function, or your specific business area, while looking for ways to add more strategic value to your leadership team and enterprise. Continue to automate and add other efficiencies to your day-to-day so you can carve out time to add value in expanded ways.

How to stand out as a future CFO

Become the go-to source for data-driven insights, trends and informed business decisions. This could include insights that support short and long-term investment decisions, drive strategic cost reduction, enhance sustainability or achieve other corporate-wide strategic goals. Likewise, demonstrate leadership skills if you're involved with a business transformation, such as moving enterprise resource planning (ERP) or other applications to the cloud. Think about whole company needs and implications, beyond your functional area.

Also, if you've spent your career predominantly in one part of the business, it can be important to gain experience in other areas – and with other people – for a broader perspective. Investor relations, financial, planning and analysis (FP&A), treasury and business unit-level CFO roles can be helpful focus areas to consider. Exposure to M&A, banking and capital markets, profit and loss management, technology transformations and even the customer and sales area can help you become a better strategic advisor to your CFO and C-suite.

Understanding how to communicate with investors can be an important skill to develop.

Create agility through technology

Market volatility, inflationary pressure and the cost of capital can make for a business environment that requires quick and informed decisions. For the aspiring CFO, helping your enterprise navigate these uncertainties likely means working with teams to upgrade digital processes so you can react, adapt and report insights on a daily, weekly or monthly – not just quarterly – basis. You should harness data and emerging technologies to help make informed decisions about spending and investments, find growth opportunities, model the potential effects of market events and help your CFO and executive leadership team nimbly plan strategic moves

How to stand out as a future CFO

Data and analytics, automation, AI and generative AI (GenAI) as well as other emerging technologies can be key differentiators for those seeking richer insights and smarter, more agile business decisions. Conventional AI and GenAI are already helping some companies forecast market conditions, generate insights from large volumes of data, automate high-volume tasks and revolutionise how work gets done. And potential will likely continue to grow. Consider taking a leading role in helping your CFO and leadership team identify new business applications for AI, GenAI and other technologies while deploying them in ways that are responsible, secure and scalable across the organisation.

Get street and board ready

Analysts and investors can be the gateway to accessing capital and achieving strategic goals for public companies. Understanding how to communicate with investors can be an important skill to develop. This includes being able to turn financial and non-financial numbers into strong narratives, manage expectations and communicate company strategy with sophistication. Being a self-aware, polished presenter who can clearly, concisely and confidently communicate can be important for Wall Street as well as when interacting with your board of directors and audit committee. However brief or in depth, those interactions can play a big role in your professional credibility and career progression.

How to stand out as a future CFO

Seek more exposure to the investor and banking community, either through a formal rotation to investor relations or by other means. Seize opportunities to practice your leadership soft skills, including presentation style and executive presence and ask for feedback when you have these opportunities. If already comfortable talking about financial statements and filings, demonstrate your ability to highlight core business challenges and opportunities while connecting the dots across projects, issues and risks. It can also be important to become comfortable communicating and working together on tough issues, and having candid conversations with the board and other stakeholders in both good times and bad.

Take a wider view of sustainability

You may be working to help your organisation move to investor-grade non-financial reporting to prepare for evolving environmental, social and governance (ESG) requirements, including the SEC's proposed climate disclosures and the European Union's Corporate Sustainability Reporting Directive. Future CFOs should also understand how sustainable business decisions and ESG metrics can inform broader enterprise strategy and shape long-term value, from performance and growth to risk management and brand reputation. Your company's sustainability strategy may be a moving target that requires walking a tightrope between your board, management, investors, regulators, customers, employees and other stakeholders.

How to stand out as a future CFO

Look at the work you're doing today to see how you can do more to help your company's leadership think strategically about sustainability by making tech-enabled, ESG-driven decisions that can create enhanced value and trust. This could include leading efforts to use automation and other technologies to collect, analyse and report ESG data or identifying opportunities to leverage incentives, including the Inflation Reduction Act, to further sustainability and carbon reduction commitments. Help add value by assisting your CFO in finding the right balance between today's requirements and longer-term opportunities.

Find and cultivate talent

To succeed in your day-to-day work and evolve into a strategic advisor, you should surround yourself with skilled people who can design, build, continuously improve and thoughtfully leverage the technology that supports your organisation's decisions and agility. But as you likely see within your own company, valuable technical, strategic and soft skills can be hard to recruit and retain. It's not surprising, then, that CFOs consistently cite talent attraction and retention as a serious business risk. Because of the impact on your company's success and your career progression, this talent crunch isn't just an HR issue.

How to stand out as a future CFO

Take an active role in cultivating talent, upskilling your team and finding people with the technical, analytical and strategic skills that can benefit your team and the broader organisation. Don't overlook the importance of culture on talent development, employee satisfaction and performance. Demonstrate your leadership soft skills by helping to build a strong and inclusive team culture where people are invested and feel valued. Emerging tech can help you find and cultivate talent. AI, for instance, can provide valuable insights into retention strategies or job satisfaction as well as streamline the hiring process. GenAI, virtual reality and the metaverse can create opportunities for effective ways to educate, train and upskill across teams.

Take an active role in cultivating talent, upskilling your team and finding people with the skills that can benefit your team and the broader organisation.



Accelerating growth: The role of technology in fast-growing businesses

In a world of a fast-growing business, speed is everything. Amidst the upheaval of rapid growth, it's those who can act swiftly on their ideas that are able to get ahead and stay there.

When every second counts, technology has a vital role to play in shaping the trajectory of organisations. It's not merely a tool for incremental improvements – it's the driving force behind transformational change, redefining business models and unlocking new possibilities.

We recently sat down with finance leaders from across Europe to understand the significant role technology plays when time is of the essence. From using data analytics as the basis for strategic decisions, to embracing emerging technologies such as AI, progressive CFOs know that technology can act as both a catalyst and a compass, guiding organisations through complexity while simultaneously propelling them forwards.

One team, one perspective

Simon Gatland is the Chief Accounting Officer and Global Head of Finance at Apex Group, a Bermuda-based fund administration business providing professional services to hedge funds. Founded 20 years ago, the vision of its CEO and founder, Peter Hughes, was to become the number one independent fund administrator in the world. Since 2017, it has been on an M&A growth trajectory, averaging an acquisition every 45 days and completing 43 in the last five years. It now employs 12,000 people across 97 offices in more than 30 countries.



By **Patrick Evenden**,
EMEA Staff Writer

In the world of a fast-growing business, speed is everything.

Apex Group had never used a centralised platform previously, which made life difficult for Gatland and his team. He gives the example of a business Apex recently acquired in Luxembourg, and the complexity this brought to his organisation. “We bought them five years ago and we’re still in the process of manually extracting hundreds of thousands of transactions from their banking ledgers into what is essentially an Excel-based process. We then pivot that up, and import that through at least five different steps to put it into our current ERP system and then surface all that data. We’re in a position, at the moment, where we have to do that with nearly every single acquisition because we haven’t been able to ingest that data in a seamless manner.”

Gatland’s role is to support the CFO and analyse the financial performance of all the businesses within the group. The problem he faces is that every acquisition comes with its own set of financial, HR and CRM systems, which is why he’s partnering with Workday – to overhaul the entire business and find a more cohesive way of working.

Gatland views Workday as the cornerstone in transforming the finance team into strategic advisors capable of driving value for the business. “At the moment, it takes us about a month to close the books properly. And so obviously, the finance teams are endlessly doing month end.” This makes it harder to create value for the organisation, Gatland says, “because all we’re doing is bookkeeping and all we’re doing is that financial reporting piece – it becomes quite hard to be the business partner and actually try and drive the success of that business.” Gatland says the same is true from an HR perspective. “We’ve got 73 different payroll providers. Each of those have manual processes. So what Workday gives us is the ability to bolt on all these different services and have it in one coherent system so we can surface trends and use all the tools in a much more seamless manner across the campus.”

Removing friction

Man Group is a well-established organisation rooted in tradition. Once the supplier of rum to the Navy, it now stands as an alternative investment manager. The company implemented Workday in 2019, starting with Workday Financial Management and Workday Human Capital Management (HCM). Over time, it expanded its use to include Workday Adaptive Planning and Workday Talent Management.

Tim Perkins oversees the company’s corporate technology, spanning various areas such as finance and HR. With around two decades of experience in accounting software, he played a pivotal role when Man Group sought a new finance and HR platform, evaluating numerous options available in the market during the selection process. “They looked pretty similar to the systems that I was implementing 20 years ago, with the exception of Workday, which looked different and was clearly architected differently. It had a much better story in terms of that underlying architecture, and you could see that it was one product. When I spoke to the other vendors, you could see that it was things bolted together that had been acquired over the years.”

How has Workday facilitated Man Group’s growth? According to Tim, when it comes to organic growth it’s all about removing friction. “There are plenty of things that slow you down. You don’t want one of those to be your HR system or your finance side. One of the elements of Workday that’s particularly powerful is its business process framework. We’ve been able to use that to design optimal processes so that we’ve got the key approvals, the key steps, architected correctly.”

When it comes to growth through acquisition, Tim highlights the integration framework as a significant tool for speeding up the process. “It provides a very good way of getting data into the system. Workday has a very extensive library of data uploads and when you're acquiring a new company, being able to get that data in quickly is extremely valuable.” He also cites the data model as a key factor in accelerating acquisitions. “I've worked with a lot of other systems and when you set up a new company, you've got to replicate all of the static data, which is a chore, as well as making the system much less efficient for queries. With Workday, company is another attribute, albeit one with some particular characteristics. But it means that it's much more efficient for us to acquire new companies.”

The unexpected benefits of unity

Before transitioning to Workday, Man Group operated separate finance and HR systems. Initially, Tim looked at the interactions between these legacy systems and found them to be relatively limited – there was some integration around payroll feeds and expenses, but not much else. “When we started the Workday implementation, I thought, it's going to be nice to have them on the same platform, but not really transformative. But actually, the reality has been very different, and the synergies that we've had have been much greater than I was expecting.”

He highlights the obvious benefits, such as unified user logins and consistent headcount visibility across finance and HR. However, he also discovered unexpected benefits along the way. “For example, for approvals around invoices and procurement card transactions, if something has been outstanding for a while, we can then escalate that up through the management chain, which is a very

efficient way of actually getting those approvals done.” The integration has also facilitated more effective planning for growth. “Our financial, people and headcount modelling is much more integrated. So we can get a better feel for the effect of hiring more people or headcount growth within the budget cycle than we would have been able to before.”

Sam Allen, Finance Transformation Director at Checkout.com, agrees. The payment service has been around since 2009, and currently employs 2,000 people with offices all over the world. It counts some of the world's biggest businesses among its customers, including Netflix, Sony and Sainsbury's.

Checkout.com initially implemented Workday Financial Management in January 2022. Within a few months, they had acquired Workday Accounting Centre, implementing the first use case in September 2022. Shortly after, they integrated Workday Adaptive Planning for budgeting and forecasting, followed by the implementation of Workday HCM just a week later.

As a full-suite Workday customer since 2022, Allen highlights the similar benefits they've experienced, emphasising how it has fostered closer collaboration across different parts of the business. “I know I've gotten a lot closer to the HR team, who are even here today, because we're on the same platform and in the same tenant. The things that they do impact us, and the things that we do impact them. So we need to stay quite close and be talking about what each other's doing. We can learn from each other around how we're managing the Workday platforms in our respective areas, which I've found really helpful.”

When every second counts, technology has a vital role to play in shaping the trajectory of organisations.

Unlocking future growth

For Simon Gatland, maximising efficiency at Apex Group is paramount. As a private equity-backed group, it's important to have a platform that will facilitate an exit in the near future. "And the way to do that is to be really efficient," he says.

As a professional services organisation, efficiency largely means being able to align revenue with employee output. "The nirvana we're trying to work to, is, we've got a pipeline of sales in Salesforce and we want to be able to feed that through and, in real-time, match that to our resource allocations. So we're taking our sales data, looking at our pipeline, looking at our probability, looking at our geographical split for that, taking that all the way through Workday, looking at that in Workday Adaptive Planning, looking at that from a resource planning perspective, and linking that in with the HR hiring decisions."

This would enable Apex Group to launch a new client and gain a unified, real-time view of where it needs to upskill or add resource, he says. "This is a journey that we're going on and the end vision is to make sure we can join everything together and present a unified picture to the board who, on a near-real-time basis, are then able to act on the information."

At Checkout.com, Sam Allen is focused on maximising the organisation's agility. "You put in place these strategies and plans and system architectures that can be looking forward two, three, sometimes five years. But within that, you need to be able to flex to changes in the business and in the industry.", he explains. Allen emphasises that Checkout.com can experience significant changes on a day-to-day basis. "We need to be able to flex our implementations and transformation programs accordingly so that we can make sure that we're meeting and addressing those business needs."



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One of the elements of Workday that's particularly powerful is its business process framework.

Tim Perkins, Head of Corporate Technology, Man Group



What it takes for a CFO to go from scorekeeper to futurist



By **Bruno J Navarro**,
EMEA Staff Writer

Value creation has become a key part of the CFO role. Finance leaders from Aon, AICPA-CIMA, McKinsey & Company and Workday share their insights on what it takes to shape the future.

The CFO role is undergoing continual transformation. As part of this evolution, finance leaders are transitioning from tracking their organisation's value to actively participating in its creation. However, this shift only represents the start of the journey.

Scott Moyer, Director of Product Marketing, Office of the CFO at Workday, noted that companies in the S&P 500 double in value roughly every seven years, and that the average tenure of a CFO is less than five years.

“So if you want to be an above-average CFO, logic would have it that you’ve got less than five years to double the value of the company,” he said. “And if you strip everything down that’s on the plate of the CFO, or the office of the CFO, that is the ultimate job – value creation.”

In a recent webinar, Moyer joined finance leaders from Aon, a global provider of risk management and wealth management services, the Association of International Certified Professional Accountants and

the Chartered Institute of Management Accountants (AICPA-CIMA) and McKinsey & Company to examine what CFOs need to do to elevate their function from solely an accounting role toward that of a futurist.

Top CFO mindsets and practices

Scott Schwaitzberg, an Associate Partner at McKinsey & Company’s New York practice, noted that finance leaders are now being tasked with responsibilities that expand beyond their traditional scope. This expansion is driven by the increasing volume of data generated by organisations and the growing number of stakeholders.

“We’re also seeing CFOs play a much larger role in digital alongside the more traditional areas like budget, risk and planning, and things of that nature,” he said. “There’s more on their plate than ever, but the North Star of ‘I’m the CFO, and I’m responsible for driving value creation’ is no different.”

The challenge, then, involves cutting through the noise to focus on what really matters, as well as value creation.

Schwaitzberg listed a few mindsets and practises a CFO should focus on to succeed:

- **Scope the challenge:** Understand what you need to accomplish and what it means to double an organisation's value in the next five to seven years.
- **Develop a bias toward action:** "It's unlikely that 'business as usual' is going to get you where you need to be," he said. "Think about it as working under the assumption that you need to do something. There's another kind of ongoing assumption that sometimes can occupy folks' minds, which is: should we do something?"
- **Be proactive about risks:** "One of the things we found when we were talking about mindsets of CFOs is that one of the biggest risks you can take is taking no risks at all," Schwaitzberg said. "A really important factor is having the right data, the right approach and taking calculated risks as opposed to blindly taking risks."
- **Mind environmental, social and governance (ESG) metrics:** "You need to be thoughtful around the footprint that you're going to have," he said. "How are you going to think about governance and sustainability in that context?"
- **Build a capable team:** Schwaitzberg emphasised the fact 'your team matters'. Establishing the right group of stakeholders and supporters is critical to accomplish bold goals. "If you want to do something big, the likelihood you can do it alone is effectively zero."

Matt House, Global CFO for Commercial Risk at Aon, picked up on the idea of being proactive about risk, managing it and transferring it where appropriate.

"We do that both in the property and casualty space, more traditional areas of risk transfer," he said. "But also we're starting to think about that in terms of intellectual property, which is today largely uninsured, largely unmanaged in terms of the valuation risk. And in areas like climate, which kind of hits on the ESG bullet."

The idea of making room for bold bets in a portfolio also resonated for House. "Today, we have an Aon united strategy where we look at the entire firm through one common lens, which is a return on invested capital lens, and think about where we can make deliberate bets to deliver maximum value creation for the firm."

From scorekeeper to futurist

Ash Noah, Vice President and Managing Director of Learning, Education and Development at AICPA-CIMA, shared the Finance Assessment Model for Effectiveness (FAME) concept and how CFOs and their finance function can be categorised into one of five roles within their organisations – scorekeeper, advisor, partner, value creator and futurist.

"Finance must own a finance data model that is the single source of truth and a key measure of effectiveness of finance as value creator and futurist," he said. "As there are no financial measures to manage intangible assets, it's absolutely essential to connect non-financial proxy data to financial data."

Value creation has become a key part of the CFO role.

The finance function needs those types of capabilities to enable the organisation to make data-driven decisions faster”, Noah added.

Finding value in non-traditional data

Moyer cited the case study of Team Car Care, a large Jiffy Lube franchise operator and Workday customer that uses non-traditional data – such as weather reports – to project revenues and profits at each of its stores. “They have found throughout the years that when there’s bad weather, people don’t change the oil in their car,” he said. “They can then predict the amount of staffing they need to have, the amount of inventory they need, down to the store level on an hourly basis. This gets right at the heart of value creation.”

House emphasised the importance of being thoughtful around the data structure and level of granularity needed, hinting at the breadth of sources Aon has incorporated.

“On the external data sources, we’ve identified some through academic research and some through our own analysis that there are a number of macro data points that we can use to help us understand where certain businesses are going in certain geographies,” he said. “We’ll use data from Moody’s Analytics or other third-party forecasting firms, and we also use a McKinsey database to help understand where insurance premiums are going, where economic growth is going, and that helps us think about how we invest and stay out in front of demand.”

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If you want to do something big, the likelihood that you can do it alone is effectively zero.

Scott Schwartzberg, Associate Partner,
McKinsey & Company, New York



Economic profit as a measure of value creation

“Economic profit – the profitability of a company after factoring in the cost of capital – is an important measure of value creation,” Schwaitzberg said.

“When you think of your North Star, building in profitability after the cost of capital is a really great place to start,” he said. “Your overall return will be affected, but the relationship between economic profit and shareholder return holds even after factoring in whether you’re in a high-growth environment or a low-growth environment.”

Schwaitzberg added, “When you look at economic profit growth, you can see again the top performers on economic profit growth have higher shareholder return than the bottom performers on economic profit growth regardless of overall revenue growth.”

House added that understanding the true margin of Aon’s various businesses is an important focus. “We want to make sure that we have a fully allocated margin with all the corporate expenses and everything else so that we have a true bottom-line view of what our businesses are generating in terms of

economic profits,” he said. “We’ve invested a lot in this over the years. This is our primary decision-making framework.”

Rather than comparing performance to one’s industry peers, Schwaitzberg said, economic profit provides a common metric that can be applied to any company. “If you look across thousands of companies, you’ll notice a couple of things,” he said. “One, most companies – the second, third, and fourth quintile – are just kind of hovering right at the edge of their cost of capital.”

“A small set of companies are generating a large portion of the overall value,” Schwaitzberg said, adding that it might make more sense to ignore the outliers.

“We found it’s easy to look at this holistically and ignore some of the outliers for the purposes of analysis,” Schwaitzberg said. “Obviously, it’s fantastic to be one of those companies delivering 20, 30, 40, 50 billion in economic profit a year, but it may not be a reasonable aspiration when even just moving from the left side of the top quintile to the middle would deliver a huge amount of value.”

Finance leaders are now being tasked with responsibilities that expand beyond their traditional scope.

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Sitting in the finance seat, you can bring the speaker-of-truth role to things. We bring data, we bring facts to the discussion.

Matt House, Global CFO for Commercial Risk, AON





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Connecting financial and nonfinancial data in order to measure intangibles is absolutely essential when we look at data.

Ash Noah, Vice President and Managing Director of Learning, Education, and Development, AICPA-CIMA

Future CFOs continuous focus on data

Moyer, a former CFO, said he envisioned future finance leaders to be far more data-driven than they were in the past, largely due to the data available.

“Now there’s so much data out there, harnessed and captured, we’re going to see a shift toward much more numbers-based facts and figures as opposed to gut instinct in our next generation of CFOs,” he said.

House added that straying too far from an organisation’s core business due to the latest “shiny new thing” can be detrimental to its portfolio, which is why it’s important for finance leaders to bring their CFO lens to the table. “Sitting in the finance seat, you can bring the speaker-of-truth role to things,” he said. “We bring data, we bring facts to the discussion.”

Noah expressed an expansive view of what a finance futurist looks like. “The whole idea of value creation stretches the CFO’s role beyond the traditional, the idea of allocating the future cash flows to the right projects,” he said. “When you really look at how your value generation is linked to the allocation of your future investments into the right projects, that’s fundamental to value creation.”

Delve into the topic further by watching the full webinar on workday.co.uk.

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