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INSIGHT PAPER · FINANCE LEADERSHIP

# The CFO for the Future

The role is broader than financial prudence and integrity. Nine skill sets, six areas of focus, and what it takes to develop the next generation.

IN THIS PAPER




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SUBJECT

The evolving role of the chief financial officer

PREPARED FOR

CFOs, finance directors and their successors



ENQUIRIES

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01 — THE ROLE

# **A role broader** than reporting

The role of the chief financial officer (CFO) is one that is fundamental to organisations in establishing financial prudence and integrity.

Yet for many the role is broader than this. What do we consider the role to include, and how should we ensure that, as a profession, we are developing the next generation of **multi-skilled individuals** that organisations require?


*The modern finance chief is measured across a wider surface than the ledger — and is expected to be strong on more than one axis at once.*

02 — THE SKILLS

# Nine skill sets

The following skill sets are important for the CFO role in any organisation:

- Financial acumen
- Strategy and business acumen
- Risk and control
- Technology and data
- Leadership
- Supply chain
- Investor management
- Consulting
- Transactions

03 — THE FOCUS

# Six areas of focus

In addition to the skill sets above, there are six main areas the CFO of the future will be focusing on:

1. **Stakeholder focus**
   The CFO will come to predominantly focus on stakeholder and investor management rather than safeguarding and reporting.

2. **Strategy formulation**
   The CFO will have a leading responsibility for business strategy formulation, validation and execution through responsibility for its achievement.

3. **Growth optimisation**
   The focus of the role shifts from principally historically based cost control to growth optimisation.

4. **Wide view of performance**
   The role will encompass measurement of all aspects of the strategic objectives of the organisation — for example as indicated by the six capitals of integrated reporting: financial, manufactured, intellectual, human, social and natural.

5. **Forward insights**
   The CFO will provide greatest value to their entities through forward insight rather than retrospective reporting, becoming a chief performance officer.

6. **Career progression**
   Increasingly, finance professionals will have the CFO role as the next progression in their career development.

## From safeguarding to shaping

YESTERDAY

### The steward

Safeguarding assets, controlling cost against history, and reporting what has already happened. Value is delivered through accuracy and control.

TOMORROW

### The chief performance officer

Stakeholder and investor management, strategy formulation and execution, growth optimisation, and forward insight across every capital the business draws on.

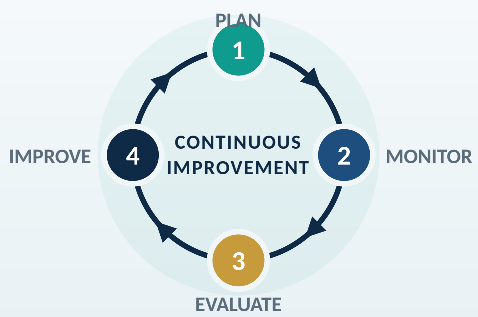
04 — THE NEXT GENERATION

# Developing the CFOs who come next

Taken together, the nine skill sets and the six areas of focus describe a different job from the one the title once implied — and a different development path for the people who will hold it.

### The six capitals

A wide view of performance means measuring all aspects of the strategic objectives of the organisation — financial, manufactured, intellectual, human, social and natural capital — not financial outcomes alone.




*The skills build on one another: each area of focus draws on several of the nine skill sets rather than one.*

## Building the finance team you will need?

For further information and or assistance to develop your skill sets as CFO for the future, please contact us.

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