

Building for Change:

How CFOs' Priorities
Are Shifting From
Efficiency to Creating
Long-Term Value

Tradeshift®

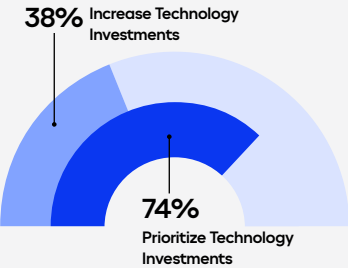
 CFO DIVE

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When it comes to new technology adoption, chief financial officers (CFOs) have spent the past few years wading through a myriad of challenges and unknowns to figure out what works.

Although they've grown accustomed to being reactive, many now appreciate that their role — and their department's — is rapidly evolving. New responsibilities and urgent business imperatives are forcing them to take stock and become much more strategic and long-term in their thinking.



Our research gives some context to this shift in CFO priorities. For example, three-quarters (**74%**) of our respondents said that macroeconomic pressures had led them to continue to prioritize technology investment, with **38%** saying it's led them to increase technology investments by up to a quarter.

New technologies will be crucial in supporting CFOs as their role continues to evolve. Finance leaders are looking for tech that not only helps with historical issues, such as managing overhead and tracking cash flow, but also addresses business-strategic questions that were, until recently, well outside their traditional ambit. Examples include supply chain risk mitigation, ESG and cybersecurity.

To gain a clearer vision of what today's finance leader is dealing with and, more specifically, how they are using technology to alleviate those concerns, Tradeshift, in partnership with CFO Dive, surveyed senior finance professionals about their experiences with technology adoption, workforce concerns, how they're tracking working capital and much more.

Responses — which came from CFOs, vice presidents of finance and chief accounting officers, among others — revealed an underlying tension between respondents' general satisfaction with their progress and their admission that they would have done things differently if they had known how the last few years would transpire. In general, CFOs expressed high levels of confidence in their own and their team's abilities

and knowledge, as well as overall satisfaction with their performance. At the same time, they expressed specific and significant concerns about areas in which improvements are both necessary and urgent. These include the imperatives of keeping up with and successfully implementing new technologies, talent acquisition, retention and training, as well as improved internal data integration.

One thing is abundantly clear: Change — in the form of changing roles, changing priorities and changing rationale for tech investment — underscores every imperative that CFOs face today.

This report looks deeper into the pressures and priorities CFOs face at a time of rapid change — in the world, in the workplace, and in the CFO role itself.

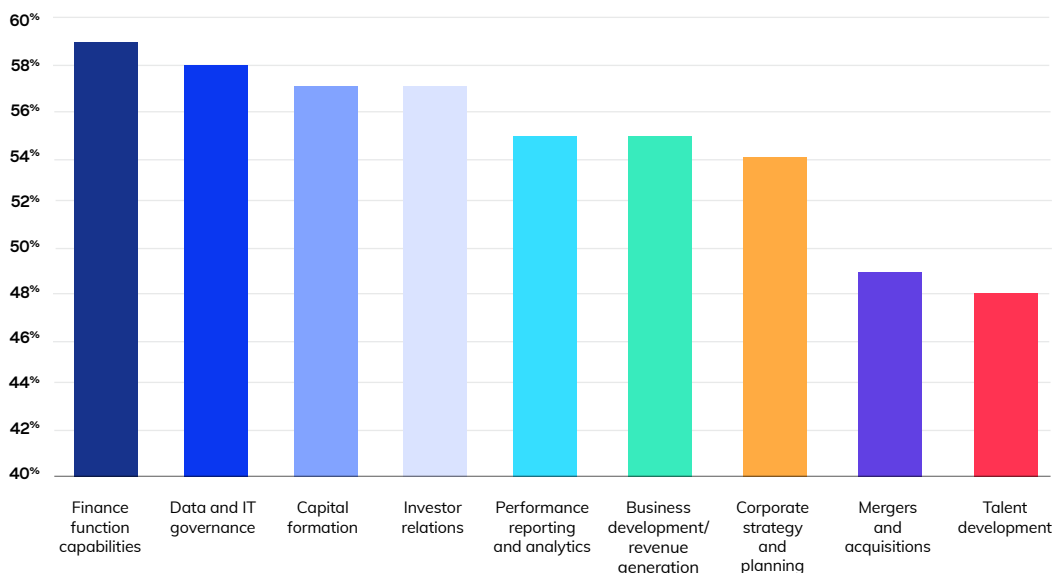
Let's dive in.

As Roles Shift, CFOs Search for Balance

Today's CFO faces a number of new and significant challenges, forcing them to strike a balance between an increasingly wide range of tasks. This constant pull between priorities helps to explain why barely half (**55%**) of CFOs said they were spending the right amount of time on essential priorities overall.

Indeed, the research found that CFOs are routinely dissatisfied with the time they're spending on a range of functions.

CFOs' satisfaction scores across a range of areas:





The shift in traditional CFO priorities comes into focus when we compare these traditional functions with the rise of new priorities and responsibilities. For example, a significant proportion of respondents (**28%**) said they were spending too much time on traditional finance functions, preventing them from giving the required attention to new strategic responsibilities. Talent development (**35%**) and corporate strategy (**21%**) ranked highest on the list of priorities that CFOs said get too little time.

These data points signal a potentially momentous dynamic within the finance function. CFOs said they spent too much time on what has traditionally been considered the “bread and butter” of their job, leaving them with too little time for newer, more strategic priorities that they acknowledge are crucial to their organizations’ future success.

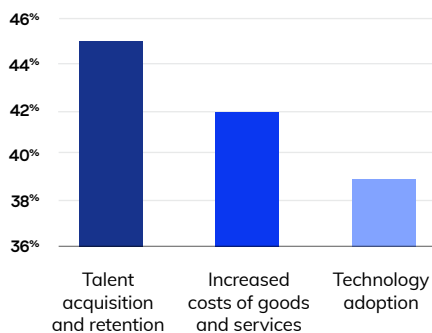
Looking ahead, as CFOs come to terms with this period of radical transition, it’s clear they have a firm understanding of the areas where they need to uplevel; however, the struggle to find the necessary shift between old and new tasks requires a delicate balance. Our research suggests that this has yet to be achieved.

Identifying Priorities, in the Present and for the Future

On technology investment, our research discovered an intriguing disconnect. We found that CFOs are broadly happy with their technology strategy, with respondents reporting themselves well-satisfied with a range of functions, including their company's current finance function performance around optimizing working capital (**93%**), delivering real-time information to make business decisions (**85%**), and improving planning, scenario modeling and forecasting (**83%**).

Yet at the same time, well over half (59%) conceded that if they knew two years ago what they know today, they would have increased technology investments earlier.

And it's not only technology they need to address; the human factor also looms large on their list of priorities for the rest of the year. These include:



A sizable minority also expressed concerns with cybersecurity (**30%**), the growing scope and responsibilities within their role (**28%**), supply chain problems (**27%**), keeping up with new compliance demands (**22%**), and ESG/corporate responsibilities (**18%**), further underscoring the range of strategic challenges CFOs are now expected to meet.



These responses again drive home the rapid evolution in CFO roles and responsibilities. It's telling, for example, that the continuing post-pandemic supply chain crisis was not mentioned by a large number of CFOs. Even though procurement continues to be a major source of concern and uncertainty, CFOs appear to be taking a more holistic view of longer-term challenges.

One of the research findings provides a compelling illustration of this new focus. As supply chain woes begin to fade from immediate view, many CFOs are focusing on talent shortages as a priority concern. With almost half (**45%**) of CFOs admitting to worrying about talent acquisition and retention, there is clear recognition that meaningful, strategic transformation requires the right blend of people and technology. If the first phase of business transformation was decidedly "digital" — applying technology to improve and automate inefficient processes — the next challenge is more focused on the human aspect; in particular, how to harness the insight provided by new technology to provide radically valuable capabilities to human operatives. This, of course, requires consistent investment in talent — a fact that is right at the top of our respondents' list of priorities for the months to come.

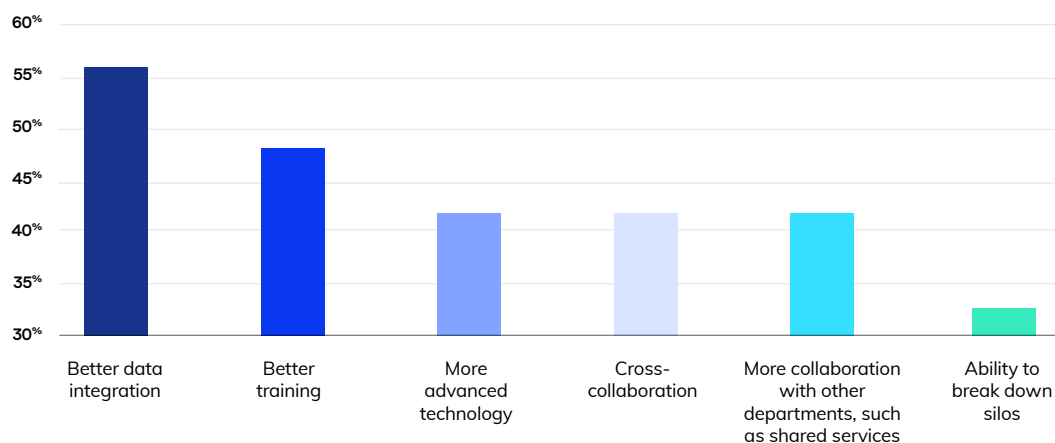
The Breakdown:

Addressing Pain Points in Performance, Data and Technology

Acquiring new technology does not automatically confer meaningful benefits to a department or organization: Users must ensure they are squeezing all the capability out of their new investment to give their business a real competitive edge. That requires highly skilled, motivated and settled teams to pull the right insights and apply them intelligently to the business's wider strategy. Happily, finance leaders have spent the past few years homing in on exactly that, as well as determining where the pain points within those objectives lie. These can generally be broken down into three specific categories.

01. Performance

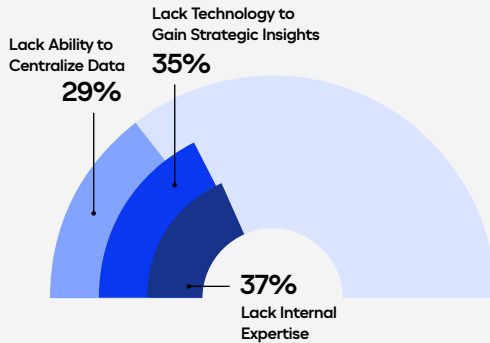
To enhance performance, CFOs said their teams needed a number of things, including:



02. Data

There is nearly universal agreement that increased data transparency between departments is an urgent strategic priority, with nine in ten either strongly agreeing (50% of respondents) and 41% somewhat agreeing. Achieving that transparency comes with roadblocks.

CFOs reporting the following concerns:



37% said they lacked the internal expertise to properly analyze their financial data.

35% said they didn't have the technology in place to gain strategic insights from their financial data.

29% conceded that while they had been trying to centralize their financial data, a number of silos remained.

03. Technology

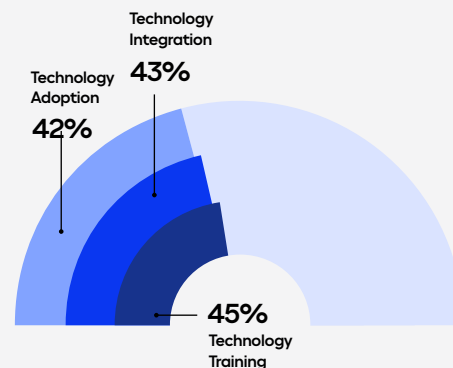
CFOs see new technologies as essential to navigating the complex evolution and revolution in their role. This is illustrated by their focus on long-term value creation, which marks a highly significant shift in strategic focus. Where once CFOs were charged with driving efficiencies, they are now looking to create a much more detailed vision of their business. CFOs' technology priorities are now focused on factors such as cash and liquidity (49%), intelligent automation (41%), and talent acquisition and training (41%). Having made the decision to buy into these new technologies, CFOs said the greatest barrier to actually implementing them involved:

CFOs report top tech barriers:

Getting the education and training necessary to use the technology to create critical insights into their business (45%).

Integrating the technology within their current systems (43%).

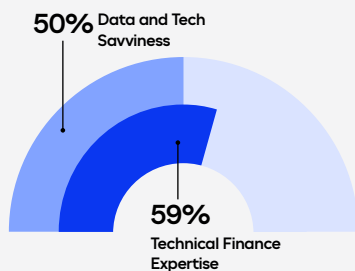
Gaining cross-departmental buy-in to adopt and apply new technology (42%).





The data drives home something financial executives have been working toward for some time. To derive long-term, strategic value from new technology and to apply the insights it provides, CFOs now bear the responsibility for growing and upskilling the finance team. That's undoubtedly a fresh challenge for CFOs, but it's one they're rising to.

CFOs evaluate skills needed for the future:



Nearly six in ten (**59%**) respondents said technical finance expertise was among the most important skills needed to meet future challenges

Half (**50%**) highlighted data and tech savviness as a desirable skillset within their team

CFOs have a clear understanding of how their roles are evolving, and they are well on their way in implementing the technology necessary to start helping them fulfill their new directives. To that end, the overwhelming majority of senior leaders we spoke to — **87%** — were making meaningful progress toward adopting technologies that will support their (and their department's) evolving role. These respondents stated either that they have a clear vision or road map for onboarding new technologies, that they are implementing proofs of concept or active initiatives, or that they have already adopted solutions and are actively enhancing. Additionally, nearly all (**91%**) CFOs strongly or somewhat agree that they were confident in their understanding of the latest technology that will support the financial department's priorities.

Conclusion

The finance department now finds itself at the center of a momentous corporate strategic shift. As new responsibilities pile up in the CFO's inbox, the strategic rationale for technology adoption has altered fundamentally. In the space of a few years, the requirements for technology investment have evolved from improving processes and operations to change management across the entire enterprise. The focus of CFOs — and other business leaders — is how to make their business agile and effective in today's era of global uncertainty.

Our data demonstrates that CFOs and financial leaders have a clear-sighted understanding of the expanding scope of their and their department's role

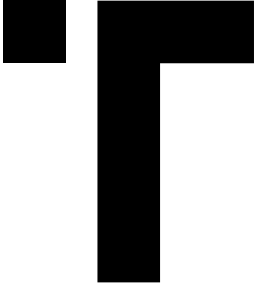
within the organization; this is illustrated by the tension within their responses.

On the one hand, they're confident with their technology adoption so far; on the other, they recognize that their recent tech investments are only the beginning of a long journey. If their business is to survive and thrive, CFOs must step up to the challenges of building highly skilled teams, applying technology intelligently to solve problems and drive long-term value, and ensuring that they and their teams are contributing meaningfully to the organization's wider strategy. That may mark a momentous shift in the traditional role of the CFO, but our respondents appear determined to meet their new responsibilities as they steer their organizations through these turbulent times.



Methodology

Tradeshift and CFO Dive conducted an online survey of CFOs, vice presidents of finance and chief accounting officers, among other financial leaders. The survey was conducted from July 13 to August 3, 2022, across 150 respondents. Qualified survey participants were senior finance professionals at companies with over 100 million USD in global revenues. Fielding was conducted on the Verint Survey Platform. Demographics are available upon request.



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