



Playing above the line: The strategist/catalyst CFO



The journey to CFO – some observations

▪ The Five Essential Traits

- Curiosity **
- Courage
- Perseverance to Mastery
- Confidence and Self Assurance
- Ethical Responsibility

▪ The Shaping Moments

- Crises as Crucibles for Learning **
- Seizing Opportunities to Gain Experiences and Grow **
- Choosing Life over Work

▪ The Skills That Matter

- Communications and Sales **
- Listening and Approachability
- Negotiation and Conflict Resolution
- Influence and Change Management **
- Strategic Judgment and Prioritization **

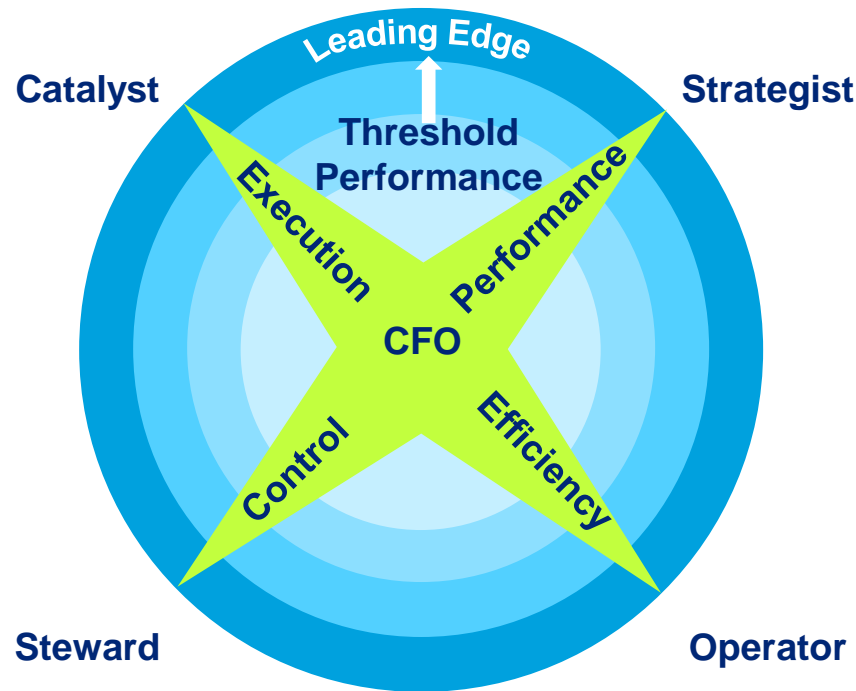
▪ The Relationships That Matter

- Great Bosses/ Sponsors **
- Peer Networks
- Experts
- Role Models and the “Myth of the Mentor” **
- More than a Village

Changing CFO Expectations – Play above the line

Catalyze behaviors and change across the organization to execute strategic and financial objectives

Protect and preserve the critical assets of the organization and accurately report on financial position and operations to internal and external stakeholders

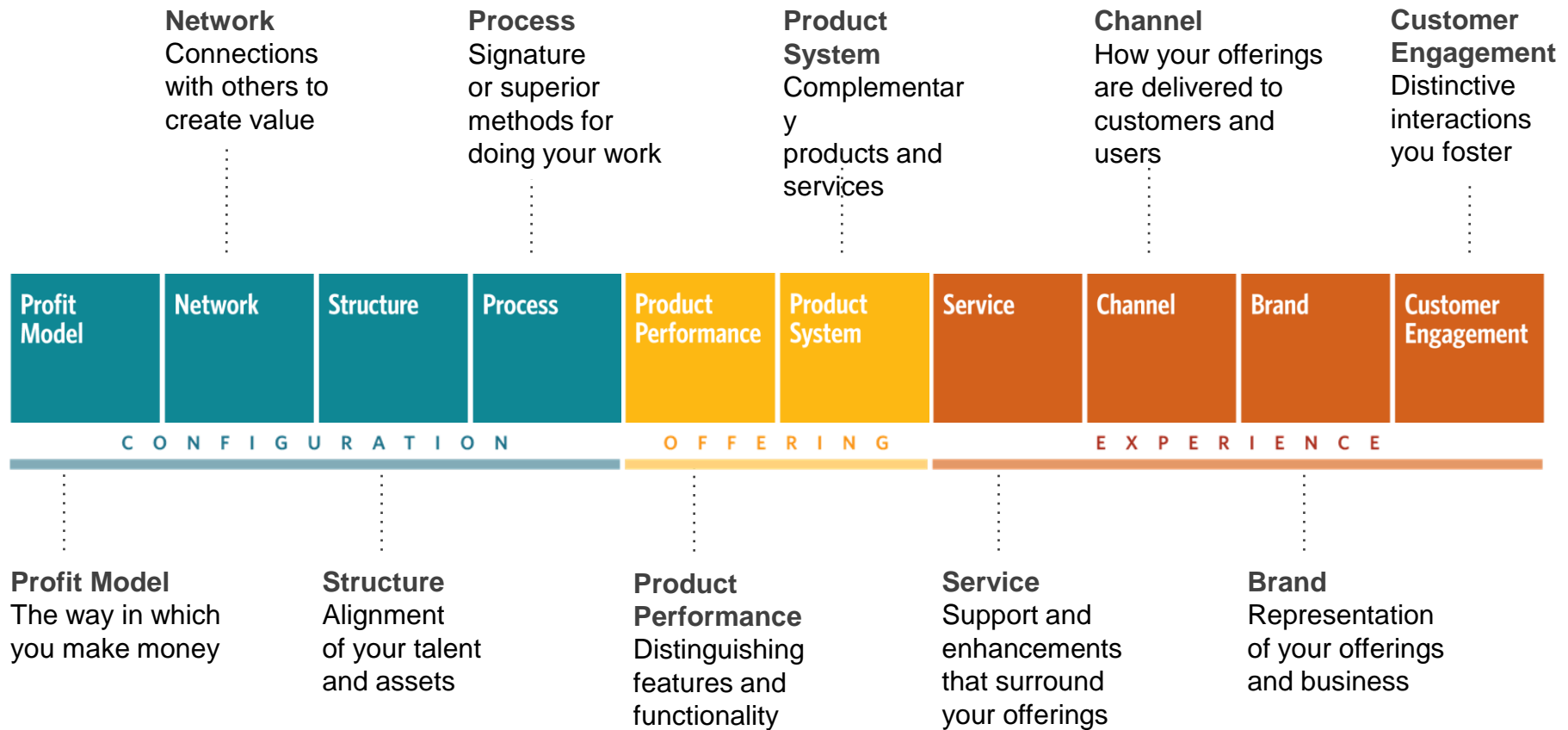







Provide financial leadership in determining strategic business direction, M&A, financing, capital market and longer term strategies vital to the future performance of the company

Balance capabilities, talent, costs and service levels to fulfill the finance organization's core responsibilities efficiently

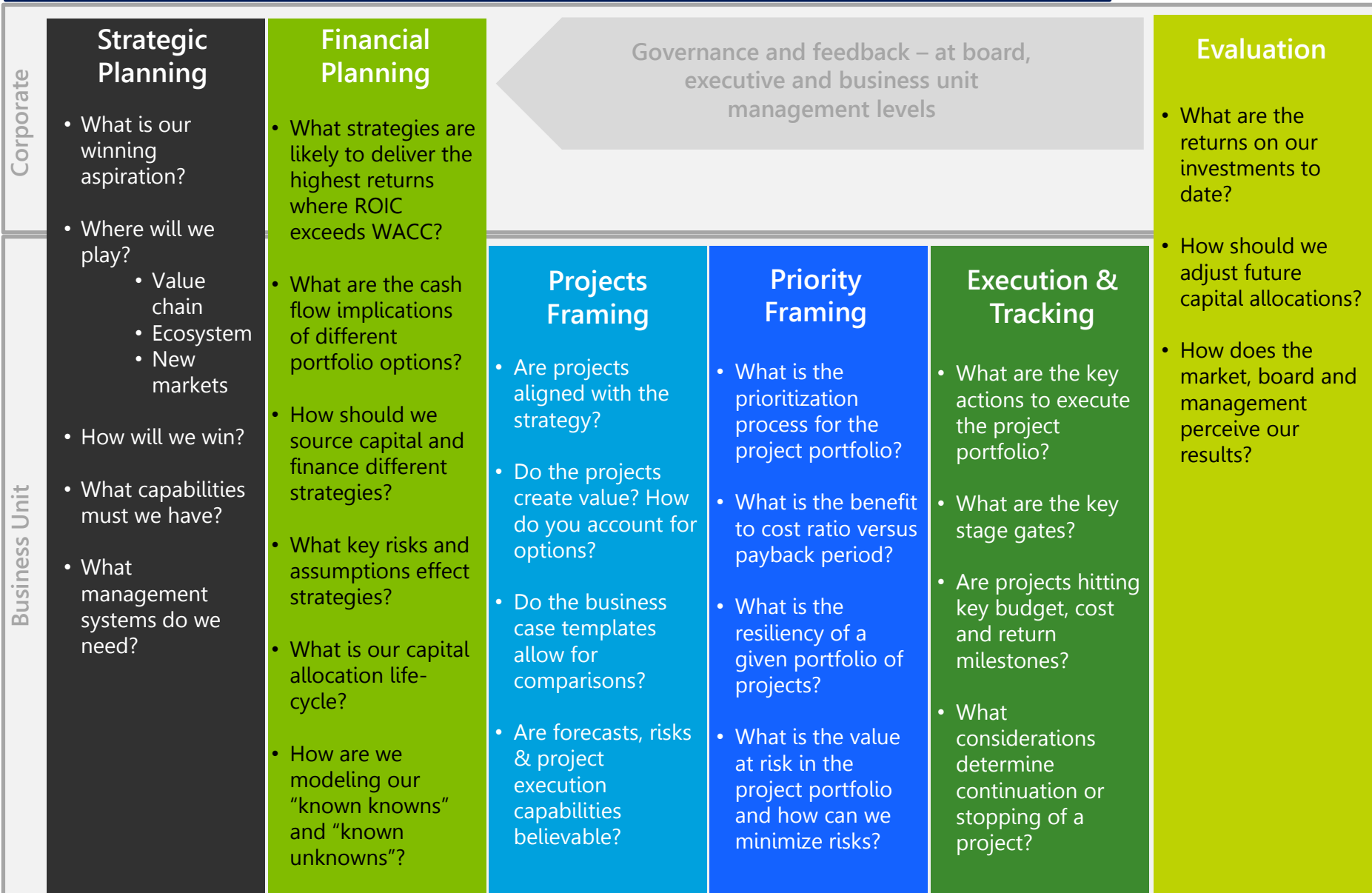
Is there a strategy process in the company?



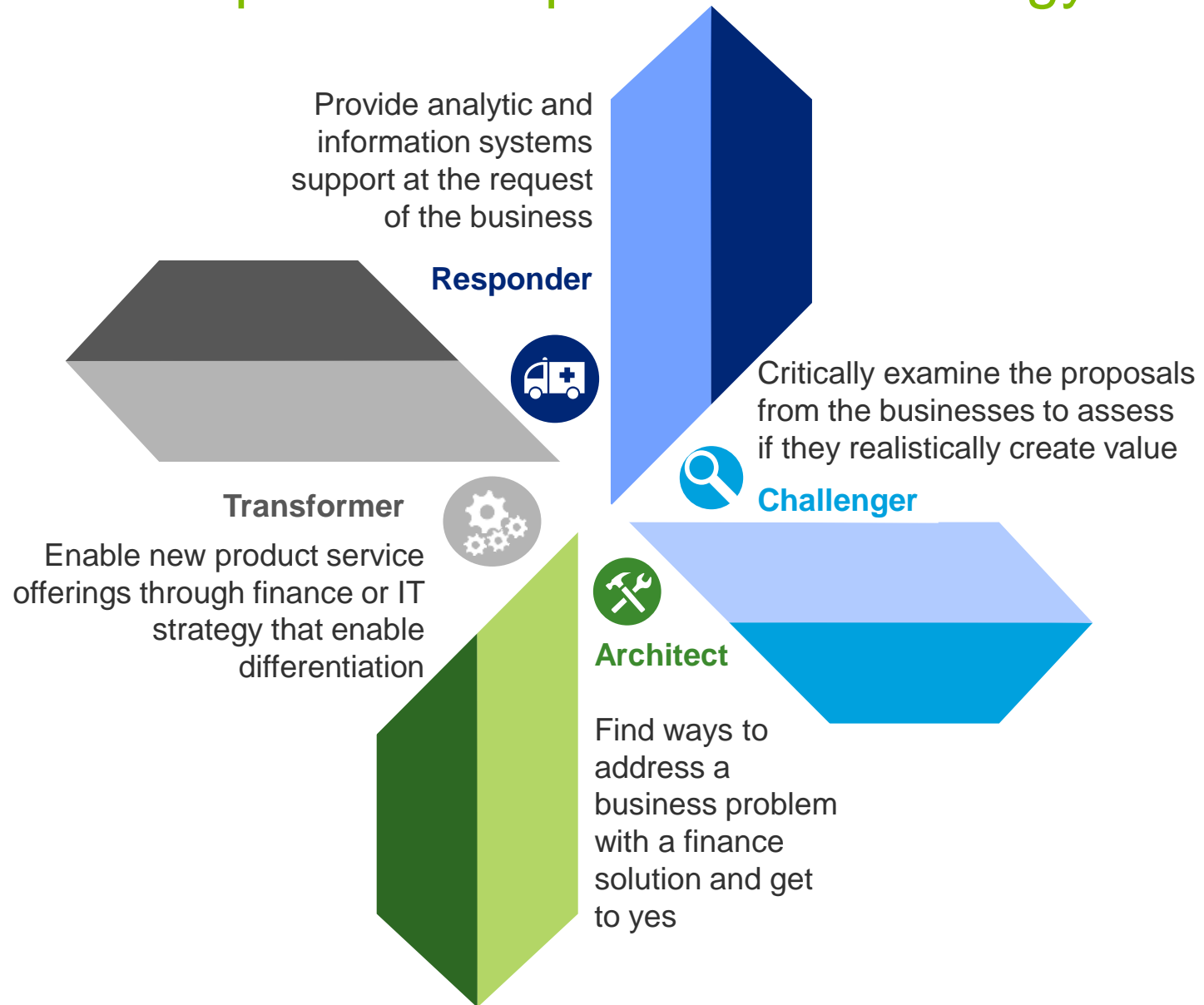


	How you...	Such as...
CONFIGURATION	Profit Model	make money <i>Gillette</i>
	Network	connect with others to create value 
	Structure	align your talent and assets 
	Process	use signature or superior methods to do your work <i>ZARA</i>
OFFERING	Product Performance	employ distinguishing features and functionality 
	Product System	create complementary products and services 
EXPERIENCE	Service	support and enhance the value of your offerings 
	Channel	deliver your offerings to customers and users <i>NESPRESSO</i>
	Brand	represent your offerings and business <i>Virgin</i>
	Customer Engagement	foster distinctive interactions <i>Wii</i>

Is there a clear capital allocation process



CFOs can adopt different postures to strategy

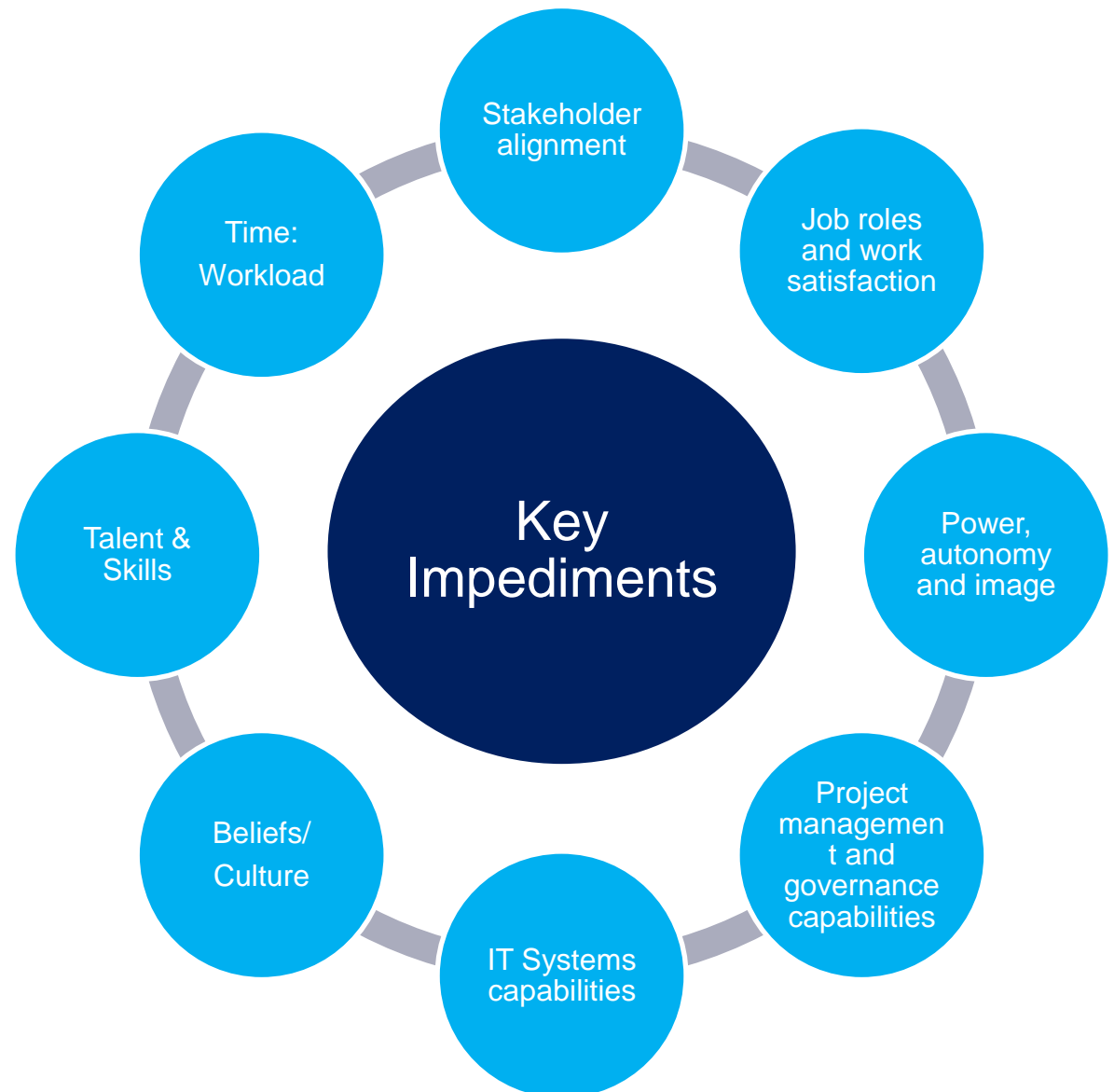


CFO as the pragmatic strategist

- What are the dominant constraints on the growth of my organization and how can we use finance to push back the constraints?
- What is the dominant uncertainty facing my organization and how can we help structure and navigate the uncertainty?
- What are the areas of spend with greatest uncertainty on returns — and how can we reduce uncertainty in value?
- What could disrupt my organization and how will we respond?
- If we double or halve the size of our organization — will we rescale flexibly and create more value for stakeholders?
- What should we have on our kill list?



The CFO as catalyst – what changes do you need to drive?



Increasingly CFOs have help CEOs drive culture change

Beliefs	Behaviors	Outcomes
Current: “We are special and different”	Current: Silo behaviors across businesses	Current: High ERP expenses
Desired: We are special in product development – but business systems can be shared	Desired: Collaboration across businesses	Desired: Shared systems and services reduce costs

Playing for 2020 and beyond – what issues will you have to engage?

Business model and competitive issues

- Continued growth of activism
- Talent: changing workforce demographics and war for talent
- Products or services to products + services
- Process synchronization
- Convergence across industries and obliteration of traditional industry boundaries
- Competing on design and experiences

Finance operations issues

- Shift from proprietary in-house finance systems to cloud-based finance systems changing fixed to variable costs
- Technology drives down cost of finance
- Analytics-rich financial planning and analysis (FP&A)
- Multi-location, multi-generational and multi-cultural workforces
- Accounting for complex product service combinations
- Developing the next generation of leaders across multiple/different locations, cultures and generations

Technology-driven issues

- Real-time market price, revenue, cost and customer analytics and cognitive computing supporting critical finance and business decision making
- Real-time insight and empowered investor
- The internet of things drives new levels of asset efficiency and new models of competition
- Mastering social, mobile, analytics and cloud

Regulatory, demographic and macroeconomic issues

- Fracturing of countries and markets
- Increasing regulatory demands — real time monitoring through IT
- Varied local regulations
- Frontier markets become emerging markets
- Critical resource constraints — water, energy, minerals

What got you here may not make you succeed?

- Strategy, change and influence skills are increasingly important
- Focus especially on the soft skills complemented by the analytics
- Build a great team to free you to succeed and play above the line.
- Manage your career in five year cycles and expand the breadth of your experience
- Rotate and sponsor your people to grow them

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