



The transformative CFO in a rapidly changing world

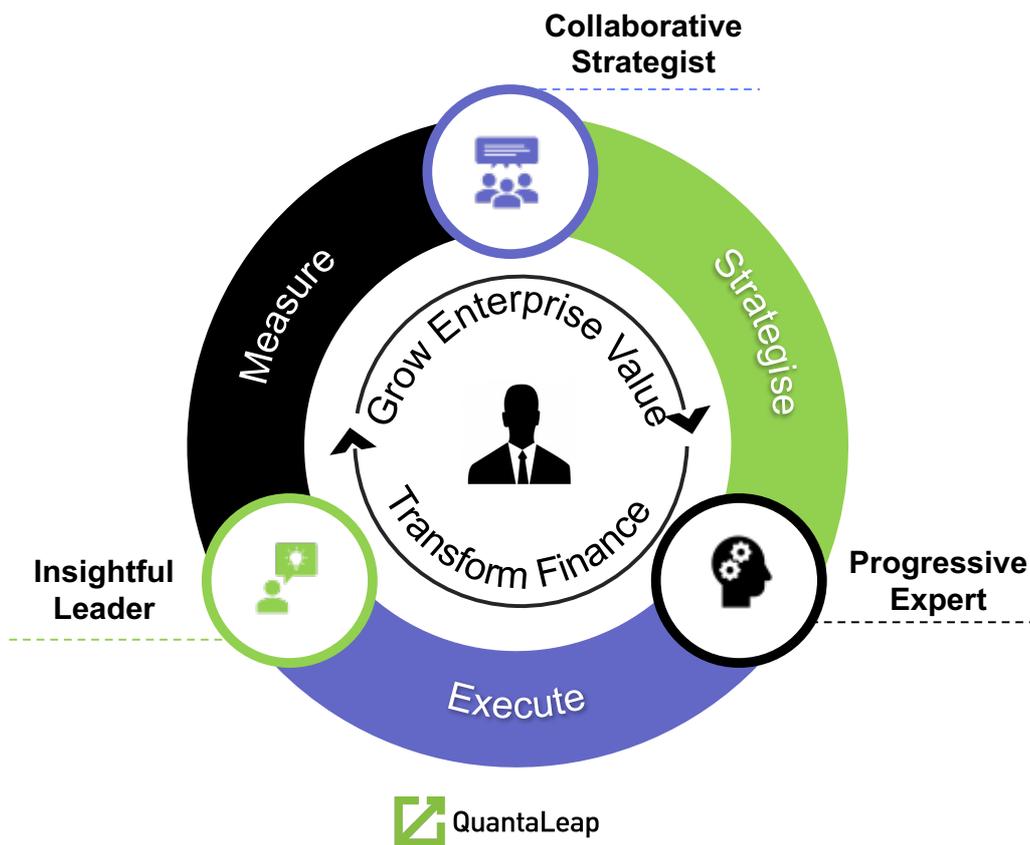
Rashmi Thakur

The generation Alpha who is born along with mobile devices and applications would be in the work force from just over a decade from now, working seamlessly with the AI robots. For now, the businesses are at a very important point of inflection where technology has reinvigorated every aspect of customers and businesses. The business models are evolving at a fast pace; platform businesses and digital companies are getting handsomely valued by the

investors over the traditional business models.

The CFOs continue to remain pivotal in the business transformation in this rapidly changing world. The transformative CFO is a progressive expert, an insightful leader and a collaborative strategist who himself is a visionary and a valuable partner to the management team in growing the enterprise value while transforming the finance function.

The transformative CFO

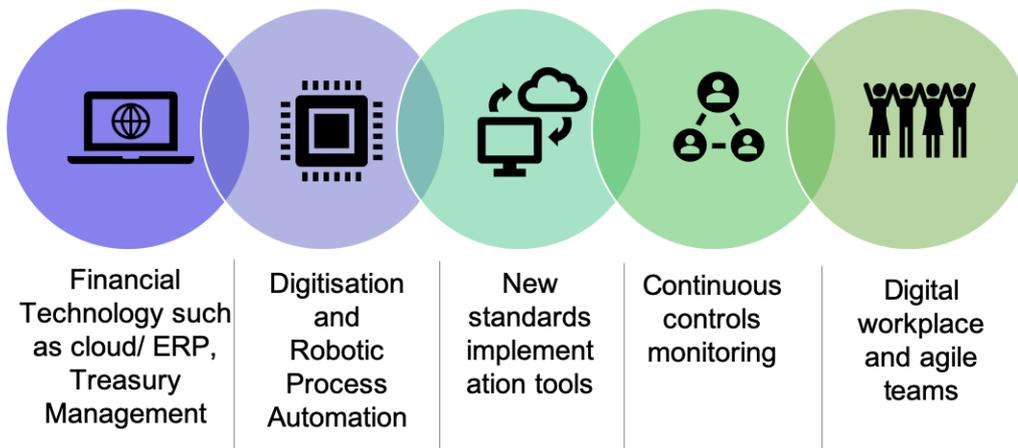


Progressive Expert

“ The CFO has a clear responsibility to deliver true and fair information of the company's financial position while building strong lines of defense over risks.

As the operational teams execute the strategy it is the CFO who has a full visibility of the results of their actions in financial terms. In this role the CFO is an expert of technical accounting, financial reporting, tax planning, compliance, controls and treasury, who keeps sharpening his expertise and progresses at a fast pace as the changes around him.

He strives to develop a finance function that is capable of giving real time financial position through optimised structure, processes and technology enablement while developing the capabilities of his team for future. Once the foundation of the finance function is established, he takes the leap towards best in class and in doing so he leverages on:



 QuantaLeap

Insightful Leader

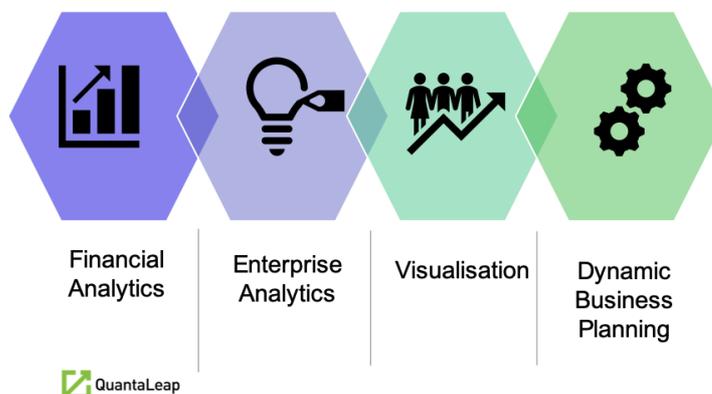
“ The CFO is at an advantageous position of having deep insights on business drivers due to his role in KPI reporting and business planning.

Business planning involves driver-based modelling and forecasting of the business and financials resulting from the corporate strategy. Once the finance function moves from merely compiling the business plan inputs to having a deep understanding of drivers, they start adding value across the organisation.

Finance function has always dealt with large data but now there is big data. Social, connected sensors and IOT have given rise to big data. The big data can be turned into valuable company asset only when it is interpreted and

analysed jointly by the business owners who typically own customer and operations data along with the finance teams who have deep insights in financial data including revenue and cost drivers.

As an insightful leader the CFO starts contributing in areas such as customer profitability, pricing, cost improvements, inventory forecasting, margins enhancement leveraging analytics and visualization while building dynamic business planning performance culture.



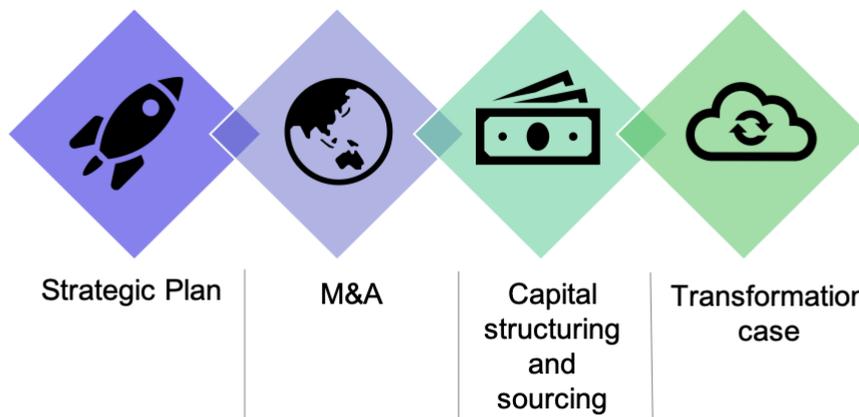
Collaborative Strategist

“ The CFO collaborates in capital structuring and sourcing and hence in financing the business strategy at optimum costs of capital while articulating the hurdle rate as well as associated strategic risks.

The long term strategic plan is more than just preparing the ten year balance sheet and securing the funding requirements through IPO/ capital markets/ private equity or debt.

This role demands a visionary and innovative mindset of

looking into the long term and an ability to advise the stakeholders in evaluating the path for future of the organisation among multiple scenarios and possibilities including developing new markets/ products/ capability organically or through M&A.



The new age of AI and digital is demanding the business models to change. And while Amazon moved successfully from a product to platform company and is advancing towards a one trillion dollars market capitalisation, other giants such as GE have had fair amount of challenges in doing so.

According to technology industry watchers, there will be few trillion dollars spent globally on Digital Transformation in the next three years. The capital allocated to the business transformation should increase the enterprise value and this is where the executive team jointly will make the biggest contribution in making the organisation take the quantum leap into a bright future.



Author
Rashmi Thakur
Partner, QuantaLeap

The article is a highly condensed point of view of the vast areas under CFO's portfolio. Please contact us at info@quantaleap.sg for detailed discussions on any area of your interest.