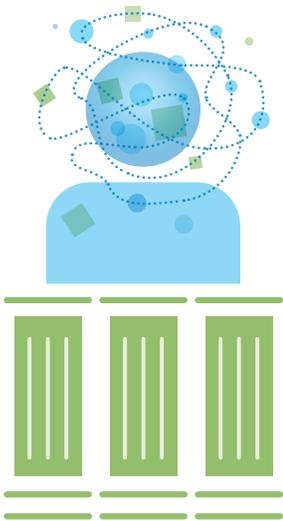


TCS 2020 CFO Study

How Future-Ready CFOs Are Driving Real-Time Business Performance

# THE THREE PILLARS OF THE TECH-SAVVY CFO

## How to build long-term technology strategies for the real-time enterprise



The future competitiveness of the real-time enterprise relies on having a tech-savvy CFO at the helm; a leader who can confidently formulate the solutions that will meet the long-term needs of the enterprise and who is prepared to invest accordingly.

This is a key learning from the TCS CFO 2020 study, yet many of the finance leaders interviewed for the research admit that these are areas in which they are currently falling short. The leading priority for skills development—cited by approaching half of CFOs—is **long-term strategic planning**, while **nearly one-third** say they need to improve their understanding of advanced technologies. Developing capabilities for both will translate into a powerful foundation for the future CFO.

// To move things forward more quickly, a stronger partnership needs to be developed with the CTO. //

— Senior finance director (US)  
Multinational CPG organization

### Priority areas for development



**Figure 1. Long-term planning and technology understanding are areas of focus for improvement**



**Question:** *What skills and capabilities are your priority for development as your organization moves towards becoming a real-time business?*

But a successful transformation to tech-savvy CFO takes more than just personal development: it's critical that the finance function's relationship with the CTO continues to evolve at pace. In many cases, there remains an over-reliance on IT to make technology-related decisions that should now be within finance's domain. In our research, **61%** say the CTO/CIO currently takes the lead in identifying technologies that will be needed in three years' time.

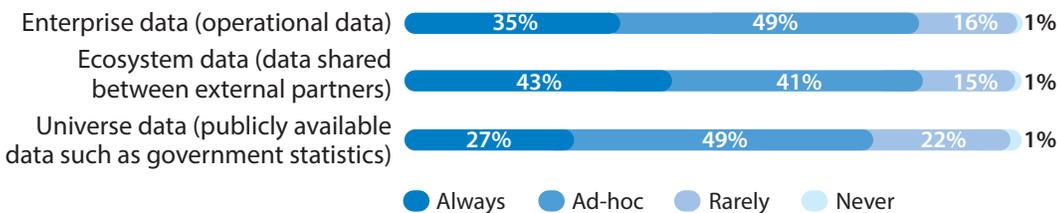
To move things forward more quickly, says one US senior finance director at a multinational CPG organization, a stronger partnership needs to be developed with the CTO. "It used to be purely the technology team telling us what we were going to get, but that's changing as finance leaders learn the different products out there. We're pushing back, and it's becoming more of a partnership on some of the bigger technologies," he explains.

Ambitious CFOs who can educate their technology partners about the broader business goals will also find themselves better able to plot the enterprise's digital trajectory, adds Arvind Agrawal, Finance Director at Philips Netherlands. "In the past, it would be the CFO asking IT for applications that would deliver improvements. Now IT applications are becoming much more complex and have a wider impact on the IT landscape, so this is done in partnership with IT. They better understand the business' needs and so they can keep the organization up to date," he says.

### Data and technology: the futurist CFO's secret weapon

Access to better data will be critical to increasing the CFO's confidence in predicting future technology needs, and better technology will improve FP&A to deliver long-term planning insights. Combined, these two elements have the power to accelerate the evolution of the CFO-CTO relationship in a way that complements a real-time business model. Yet our findings reveal that data use is another area where many organizations are falling short.

Only around one-third of CFOs in our study always use the available enterprise data to support decision-making, and the figures are similarly low when it comes to using ecosystem or universal data sets.



**Figure 9. CFOs are failing to maximize the potential of data to support long-term planning**

**Question:** To support decision-making, how often do you target (i.e. identify and seek to use) specific new data sets among the following levels of data?

A more consistent, holistic approach to data collection across the different levels will reduce reliance on the CTO for future technology requirements and increase confidence in longer-term decision-making, says one Canadian CFO at a global financial services firm. "One of the key things that has helped me be successful is my ability to take an enormous amount of data and organize it to see the trends and the anomalies," he adds.

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— Canadian CFO  
*Global financial services firm*

Our data shows that, currently, CFO confidence in decision-making for longer-term technology solutions can be significantly improved—less than a third describe themselves as “very confident” in decision making beyond the next 12 months.



**Figure 3. CFOs lack confidence in their long-term technology investment forecasting abilities**



**Question:** *Based on the knowledge you have today, how confident are you in your ability to forecast investment requirements for new technologies (e.g. blockchain, IoT, AI) across the enterprise, for the following timeframes? [Very confident = blue]*

The findings indicate that the CFO who invests in skills development, in developing the CTO relationship and in making better use of a broad range of data, stands to secure a powerful competitive advantage—even if the evolving landscape means the endpoint is continuously shifting. “Right now, we are busy making the plan for 2025,” says Philips’ Agrawal. “We want to build a picture that shows us what our landscape will look like in five years’ time. It is a changing world, but we at least have to look at the pain points and make an attempt to finalise the architecture,” he says.

## Get the full CFO Study report now

Get the **TCS 2020 CFO Study** for detailed, actionable insight into the challenges and opportunities ahead, and to accelerate your evolution to future-ready CFO—and real-time enterprise.

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