

**CFOs Ready to Lead
Strategic Charge with
a Boost from Technology**

Q2 2015 CFO INDICATOR – SUMMARY REPORT

Executive Summary

The proliferation of data and ever-quicken pace of business have raised the stakes: Today's business leaders need to make more informed decisions in real-time – and the office of finance is ready to step up to the strategic challenge. Technology investments are top of mind for finance leaders as they look to supercharge their strategic decision-making, according to a global survey of more than 325 CFOs in the second installment of Adaptive Insight's quarterly CFO Indicator series. In an age of data deluge, the department once known primarily as back-office support is ready to step to the forefront of business strategy. Seven in 10 chief financial officers agree that finance is positioned to help management make strategic, data-driven decisions.

The key to it all? More than half of CFOs (56%) believe that a culture of analytics is very or extremely important for creating competitive advantage. But how finance will deliver depends on getting a boost from technology. The belief in technology needs for the future is so strong, that only 5% of CFOs foresee a decrease in finance technology investments over the next two years.

In fact, CFOs ranked technology investments as the second highest priority for driving value creation in their companies.

While finance may be data rich, they are time poor: CFOs cite time as a major inhibitor to progress. Not having enough time for analysis is the primary roadblock to being a more strategic leader, according to 63% of CFOs. And not having adequate time for analysis leads to several consequences: CFOs ranked delayed decision-making as the greatest concern.

The right technologies will not only create efficiencies within the finance department, but they will also enable the team to make a bigger imprint on the organization. Namely, 72% of CFOs believe this will occur through achieving better, more accurate data and strengthening what-if scenario capabilities. With today's need to move quickly and leverage data-driven decisions, it should be no surprise that dashboards and analytics, reporting, and budgeting and forecasting top the list of interest areas for technology investments.

Evolution of finance

Corporate finance leaders, armed with a plethora of data from sitting at the center of increasingly complex and collaborative planning and budgeting processes, have experienced subtle shifts in their role over the last five to 10 years. But, there are still larger changes ahead for a department once known namely for back-office support. When asked about a two- to three-year forecast for the greatest changes to their role, nearly half (49%) of global CFOs expect to play a more strategic leadership role, followed by taking a more active role in driving top-line growth, and making faster, more data-driven decisions.

While speed seems to be the key to staying competitive in today's quick-to-change business world, lack of time and clunky processes remain the primary obstacles to the modern CFO. Sixty-three percent say a lack of time for analysis – primarily due to lengthy data gathering and reconciliation tasks – and various issues related to time and inaccuracies in planning and forecasting processes (59%) are the top inhibitors to being a more strategic CFO. If only they had the right technologies to supercharge their strategic decision-making: 40% of financial leaders said complex legacy technology systems are weighing them down (See Figure 1).

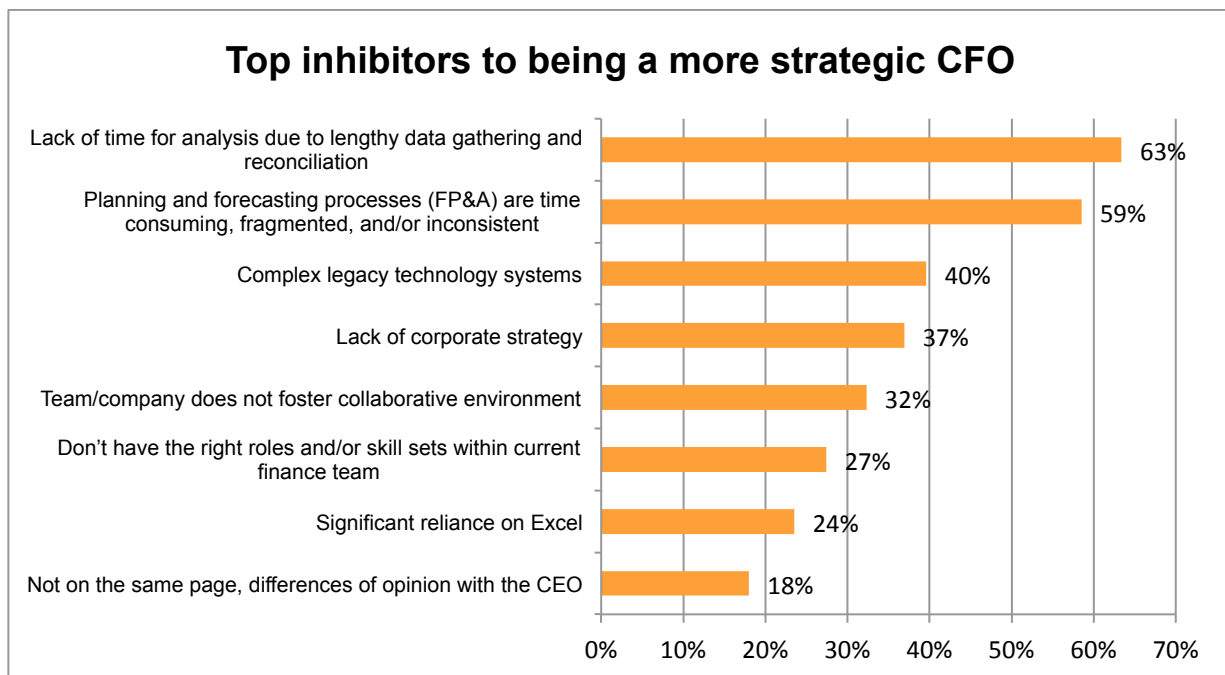


Figure 1

Suboptimal processes not only hold back the financial leader from attaining strategic goals, but inefficiencies can also impact the broader organization. In fact, 54% of CFOs see improving financial processes as a priority to drive the most value for their company; 47% say making technology investments will create value, and 43% are focused on market expansion.

Real-time business, but not enough time

Still, it's the pains of the day-to-day operations within finance departments that slow progress towards becoming more strategic business leaders in the organization. Planning and forecasting simply take too long, according to one in four CFOs. When asked to rank several pain points, the lengthy processes top the list. The next biggest struggles are not being able to offer customized/detailed reporting for the end user, and not having a real-time view of business performance – both are crucial components to leading the strategic charge and enabling functional business heads.

The ticking clock has broader business consequences, and one-third of CFOs say that lack of time for data analysis leads to delayed decision-making. The next biggest consequences are the inability to identify and pursue new opportunities, and a failure to plan (See Figure 2).

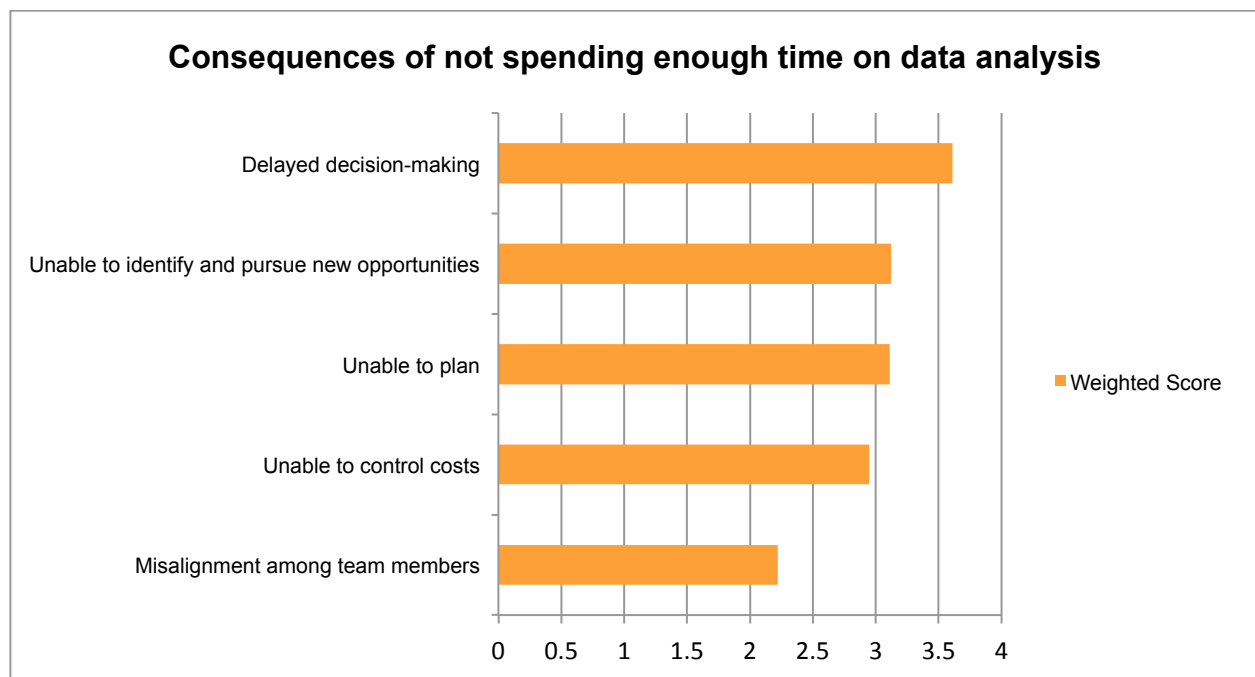


Figure 2

Today's finance leaders face the pressures of living in a world where advancements in consumer technology have programmed many to expect instantaneous information and a feeling of immediacy not only in personal interactions, but also in the workplace. While new technologies have disrupted industries and propelled business forward, many finance teams are still going through a transition from purpose-built systems and spreadsheets to financial task automation and cloud computing. Finance can no longer stay stuck in static data cells if they want to not only mitigate risk, but also contribute strategically to the business in a rapidly changing environment.

Super-charging strategic decisions

With time a constant enemy, CFOs see technology as a way to create efficiencies – and enable their finance teams to provide strategic influence. For 72% of CFOs, the top advantages of technology are achieving better data/accuracy through a single version of truth, and strengthening the capability to do what-if scenario analysis. The ability to drill down through data (71%) is just as important. Despite a more global, disparate workforce, only 35% of CFOs saw mobility as a top-five benefit of tech and a means to support real-time decisions and a global organization.

Dashboards and analytics top the list of technologies that 54% of CFOs are very or extremely likely to invest in, giving not only finance but other business leaders a view of corporate performance. Reporting was also a top need for 45%.

While the right mix of technologies for today’s finance departments may not yet be clear, only 5% of CFOs report decreasing their investment in finance technologies in the next 24 months – and 56% are looking to spend more.

Gloomier global outlook for the future

Though CFOs are positively leading the charge within their own companies, it’s worth noting that their outlook on the broader business world and macroeconomic trends is decidedly uncertain. CFOs report economic uncertainty (84%) and competition (81%) topping their list of concerns. Product or service obsolescence – perhaps reflective of today’s hyper-speed world of changing consumer habits and technology – and interest rates/inflation round out top concerns for 65% and 64% of CFOs, respectively. The fifth risk factor cited by 45% of global finance leaders is the outcome of the national elections (See Figure 3) – a concern for 48% of U.S. CFOs with the 2016 presidential election on the horizon.



Figure 3

Within their home countries, CFOs only seem to have a moderate level of confidence in financial and macroeconomic conditions: 31% of CFOs are not at all or only somewhat confident. When they zoom out to conditions across the globe, confidence plummets (See Figure 4).

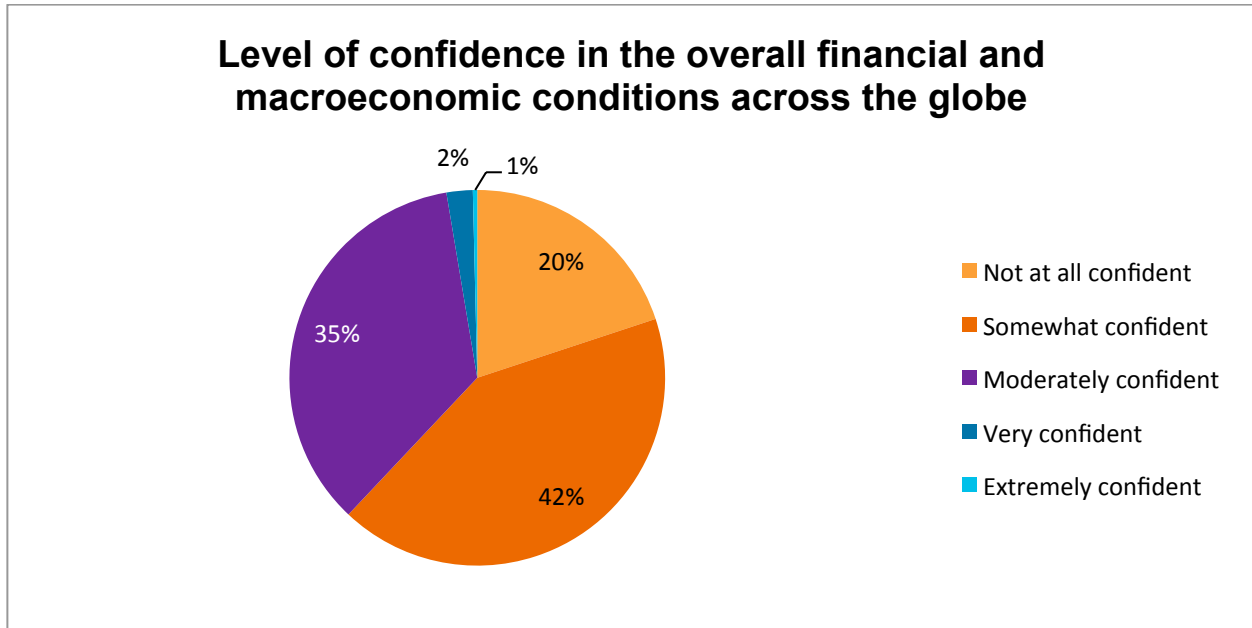


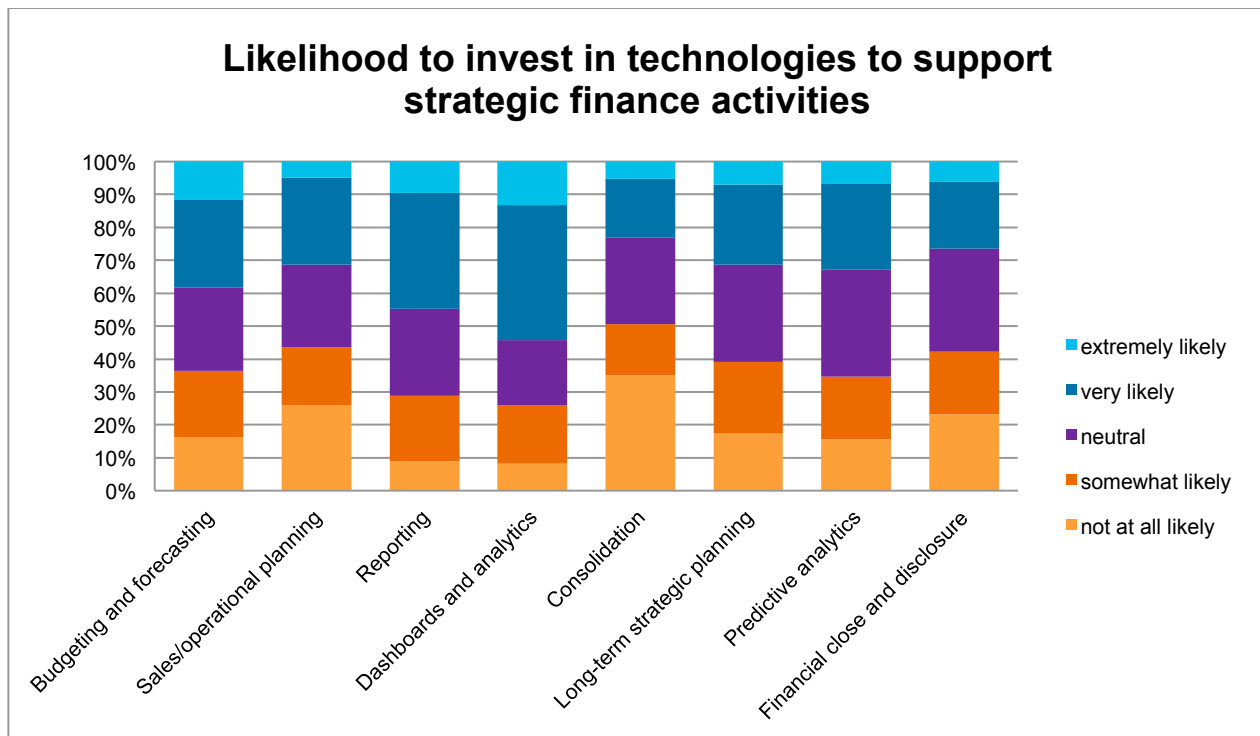
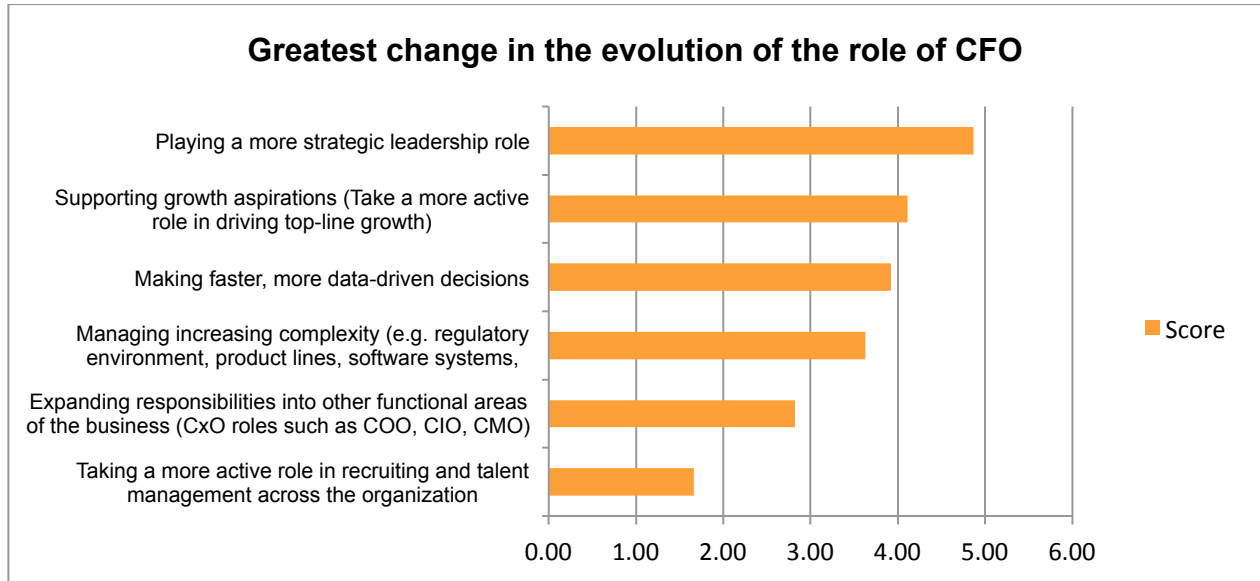
Figure 4

Competition is clearly on the minds of any C-suite executive, but only about one-third of CFOs are very or extremely prepared to manage competitive pressures. In a globally connected, always-on world, managing that constant threat isn't always easy. CFOs who harness the power of today's technology to unlock insights have the agility needed to be future-ready, strategic business leaders for tomorrow's changing needs.

Modern CFO takeaways

The Q2 2015 CFO Indicator asked CFOs to share their perspectives on how best to manage business transformation, and the technology and analytics tools that can help finance teams along the way. The perspectives of the more than 325

global finance leaders paints a picture of how the role of CFO is evolving, what's inhibiting their success, and how technology has supercharged their strategic decision-making — within finance and across the organization



About Adaptive Insights

Adaptive Insights is the leader in cloud corporate performance management (CPM). Via its software as a service (SaaS) platform, the company offers capabilities for budgeting, forecasting, reporting, consolidation, dashboards, and business intelligence that empower finance, sales, and other business leaders with insight to drive true competitive advantage. The Adaptive Suite is sold direct or is available through Adaptive's robust cloud CPM channel ecosystem of partners including BDO.

More than 2,600 companies in 85 countries use Adaptive Insights. These range from mid-sized companies and nonprofits to large corporations, including AAA, Boston Scientific, CORT, Konica Minolta, Philips, and Siemens. Adaptive Insights is headquartered in Palo Alto, Calif. For more information, visit www.AdaptiveInsights.com, the [Adaptive Insights Blog](#), and follow Adaptive on [LinkedIn](#), [Twitter](#), [Facebook](#), and [YouTube](#).

About the Survey

The Adaptive Insights CFO Indicator reports what is top of mind for CFOs, as well as unveils key attributes that define the modern CFO. Following the release of this Q2 2015 CFO Indicator, Adaptive Insights will be issuing a series of Indicator Briefs, providing deeper CFO insight into global, economic and technology trends. This report surveyed more than 325 chief financial officers across the globe online over a period of ten days ending June 10, 2015. The margin of error is +/- 5.37 percentage points.