



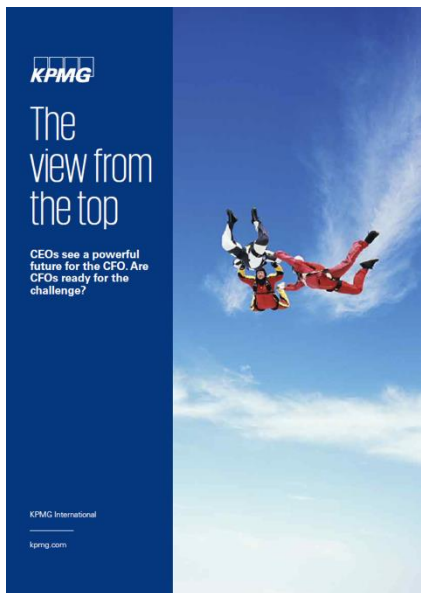
# The view from the top

CEOs see a powerful future for their CFOs.  
Are CFOs ready for the challenge?

17 March 2016

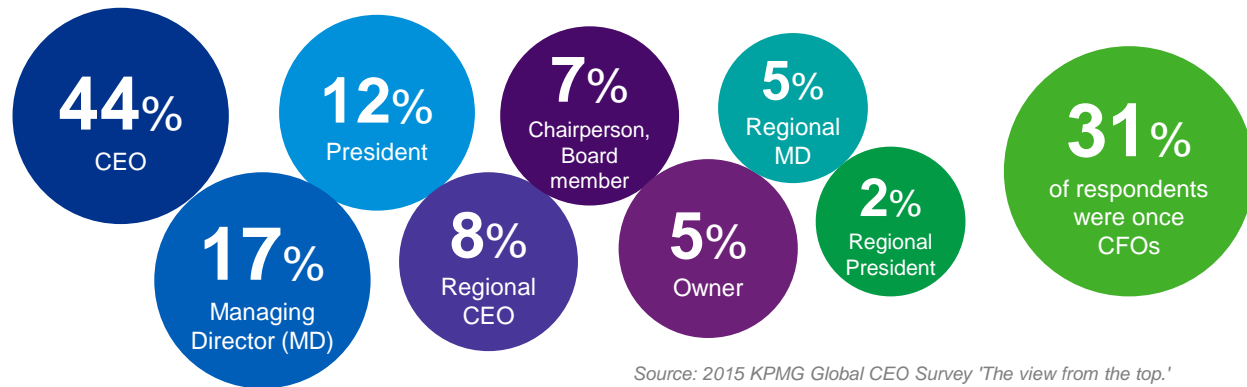


# The view from the top - about this survey



- KPMG International, in conjunction with Forbes Insights, surveyed **549 top executives** from six continents to better understand CEOs' changing views and expectations of their CFOs and finance function. The report also includes **12 one-on-one interviews** with global chief executives.
- All of the firms surveyed reported **annual revenues of 500 million United States dollars (USD) or more**, and all of the executives who responded had responsibility for **overseeing the finance function**.

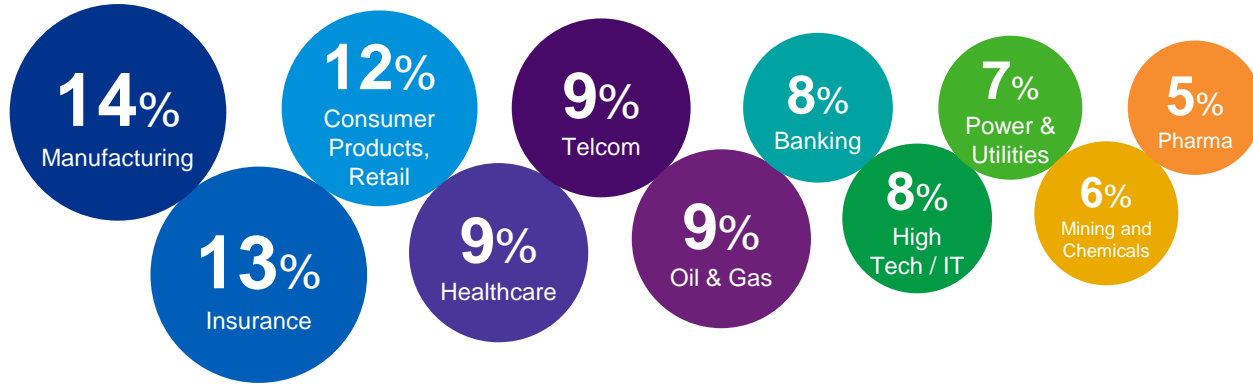
## Survey respondents by title



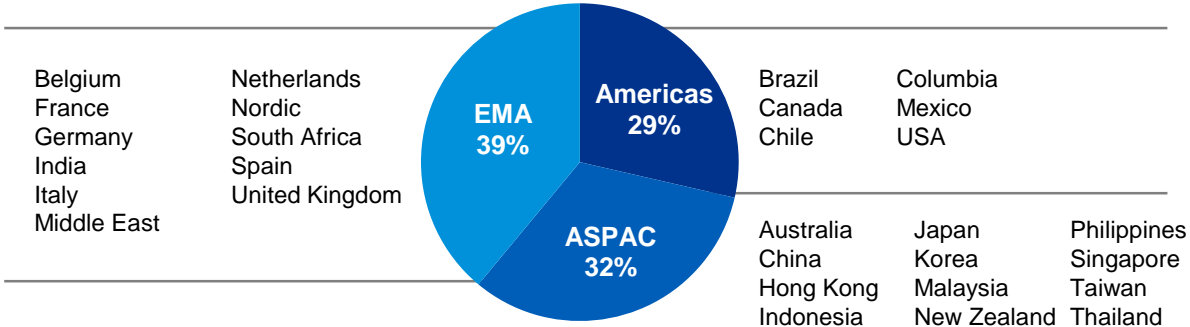
Source: 2015 KPMG Global CEO Survey 'The view from the top.'

# The view from the top - survey demographics

## Survey respondents by industry



## Survey respondents by country



Source: 2015 KPMG Global CEO Survey 'The view from the top.'



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# High bar, low confidence



## High bar

CEOs said that the CFO will become more important in the next 3 years



## Low confidence

Almost one in three CEOs worry that their CFO isn't prepared for the challenges ahead



# Welcome to the age of the Renaissance CFO



# What CEOs expect



**Global reach**



**Big data**



**Tech savvy**



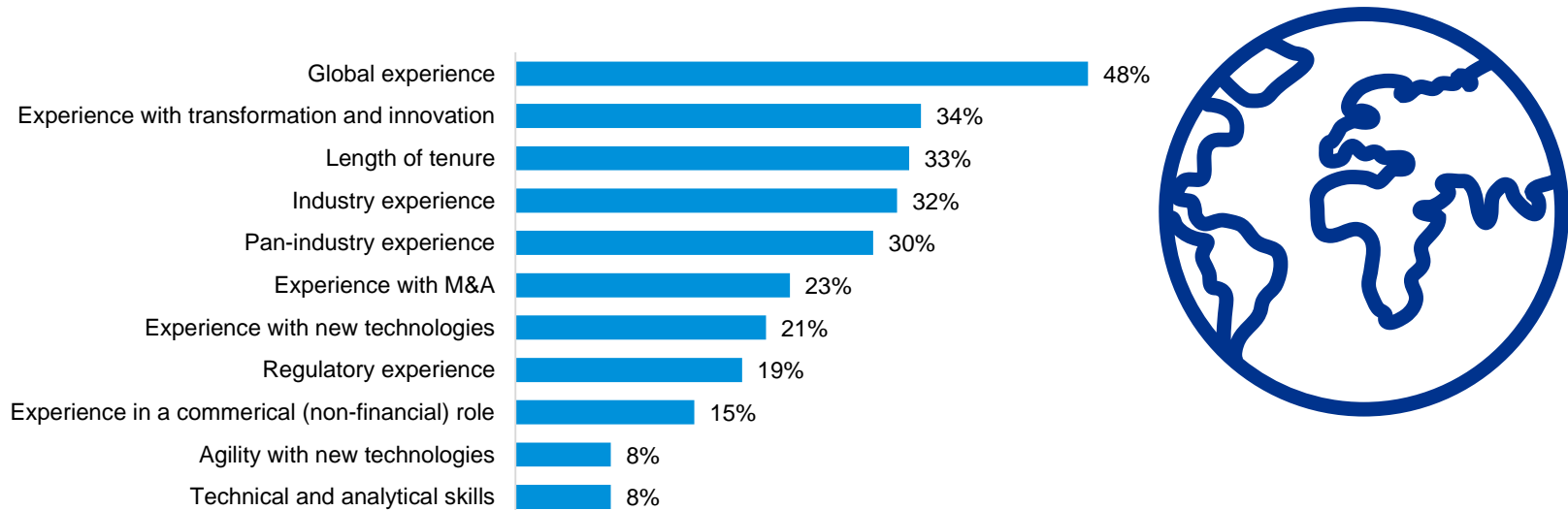
**Data analyst**



**People skills**

# Global reach

## Almost half of CEOs worldwide list global experience as the most important attribute a CFO can possess



Source: 2015 KPMG Global CEO Survey 'The view from the top.'

# Regulation

## Regulatory environment will have the most influence on the future role of the CFO, but it's not a bad thing:

- **61 percent** of CEOs also see regulation as an opportunity to derive competitive advantage.
- **51 percent** of CEOs see it as an opportunity to utilize data analytics.

“The fundamental problem of things like Solvency II...[is that] it's designed and calibrated around European products. Most policyholders in North America have never lost a nickel, but Solvency II would effectively eliminate many insurance products commonly sold in the U.S. and other important jurisdictions.”

— **Donald Guloien, CEO of Manulife**



Source: 2015 KPMG Global CEO Survey 'The view from the top.'



# Tech savvy

- **70 percent** of CEOs say technology will have the greatest effect on the future role of the CFO.
  - However, only less than half of CEOs think their CFO is doing a good job in exploring and implementing the best new technology.
- **55 percent** of CEOs say they plan to invest in the deployment/expansion of finance ERP software in the next 3 years.



*Source: 2015 KPMG Global CEO Survey 'The view from the top.'*

# People skills

- **97 percent** of CEOs say attracting and retaining top finance talent is the most important contributing factor to improve the finance function.
- However, only **33 percent** of CEOs give their CFOs a passing grade in talent management.



*Source: 2015 KPMG Global CEO Survey 'The view from the top.'*

# CFO attributes and perceptions

If CFOs want to become CEOs they will have to strengthen their interpersonal skills, broaden their 'big-picture' vision and focus, and most importantly, overcome their lack of experience outside of finance.

## The most important personal attributes for a CFO

45%

Leadership qualities

41%

Attention to detail and processes

34%

Ability to execute

32%

Ability to deal with shareholders/analysts

32%

Big-picture thinking and strategic approach

## The top perceptions CFOs must overcome to become CEOs

45%

Lack of commercial (non-finance) experience

41%

Weak leadership skills

38%

Being too narrowly focused

32%

Lack of big-picture vision

30%

Weak interpersonal skills

Note: Numbers may not add up to 100% as respondents were able to select more than one response.

Source: 2015 KPMG Global CEO Survey 'The view from the top.'



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# To succeed, today's CFO needs to excel in four key areas:



**Strategy**  
align and drive



**Analytics**  
insights to action



**Operations**  
partner to improve

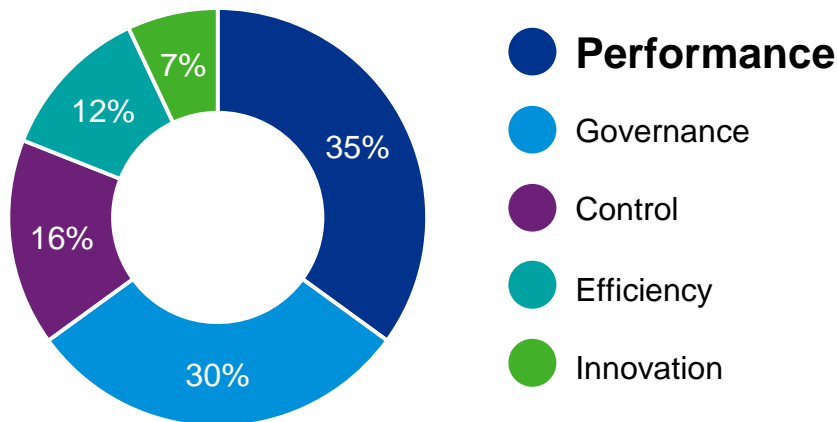


**Talent**  
collaborate and motivate

## Are you ready?

# The strategist CFO's greatest value add

Where do you see the CFO's greatest opportunity to contribute to or impact the value of the organization?



“My CFO has to focus on the numbers but also really understand what’s happening in the marketplace and be able to translate that into ‘What’s the potential impact on my business? Where should I be making investments? Where should I be backing off?’”

— Michael Bodson,  
CEO of Depository Trust and  
Clearing Corp.

Source: 2015 KPMG Global CEO Survey 'The view from the top.'



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# The predictive analyst

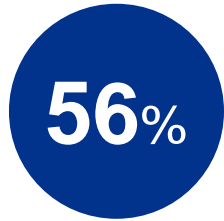
- **85 percent** of CEOs say applying financial data to achieve profitable growth is the greatest strategic value a CFO can bring to an organization.
  - CEOs expect their CFOs to take the initiative to apply financial data analysis to explore new products, markets and channels.
  - Strengthening the alignment between financial planning and corporate strategy will likely be one of the CFOs top five priorities going forward.



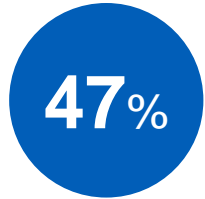
Source: 2015 KPMG Global CEO Survey 'The view from the top.'

# The operational-minded CFO

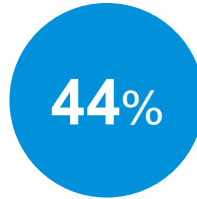
Which of the following roles will most increase in significance over the next 3 years?



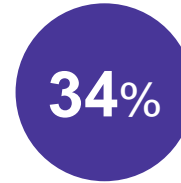
CFO  
(Chief Financial  
Officer)



COO  
(Chief Operating  
Officer)



CIO/CTO  
(Chief Information/  
Technology Officer)



CMO  
(Chief Marketing  
Officer)



CHRO  
(Chief Human  
Resources Officer)

“It is critical for a CFO to fully understand the impact of product and service packaging and of price on consumer preferences...and how a mobile network is rolled out and managed. Beyond that, a CFO needs to drive innovative thinking about operational models, particularly in managing the cost side.”

— **Sigve Brekke, CEO of Telenor Group**

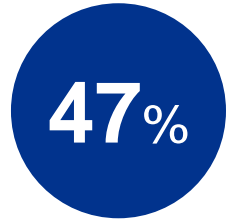
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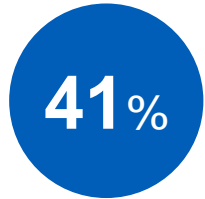
# CFO as the future CEO

— Nearly half (**47 percent**) of CEOs believe their CFO would like to become CEO but at a different company.

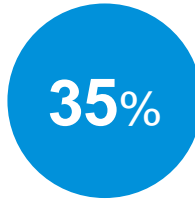
## What do you think are your CFO's career aspirations?



To become CEO in another company or industry



To take another C-level role in the current company



To take a C-level role in a different company or industry



To become CEO of the current company



To become CFO in a different company or industry

Source: 2015 KPMG Global CEO Survey 'The view from the top.'



# Taking the lead



## Six defining characteristics of a high performing CFO:

- Drives finance to optimize global business strategy
- Turns the regulatory environment into a competitive advantage
- Stays ahead of technology and masters the complexities of data analytics
- Has a deep knowledge of the business and its customers
- Finds the right model for the finance function
- Invests in and motivates talent, promotes key skills and collaborates

## A CFO needs to be able to:

Think and act globally	Align and drive strategy	Impact performance and growth (M&A, business partnering, strategy, talent)
View the regulatory burden as an opportunity	Play an active role in developing sensible policy	Leverage data-warehouses to meet new requirements
Leverage the best new technology	Apply financial data and analysis to identify new opportunities	Deal with an ecosystem of expanding complexity
Partner and embed across business functions		
Have an operational mind set	Implement the optimal operating model	
Showcase strong leadership qualities	Define a strategic workforce planning model	Rethink the employee value proposition

Source: 2015 KPMG Global CEO Survey 'The view from the top.'



# Questions and answers

“There’s a huge opportunity for CFOs to take a hands-on approach in better understanding a customer’s business model, competition, globalization, needs and financial goals, while defining how operations and the economic environment impact the organization’s end goal. This allows CFOs to provide better counsel to CEOs by being able to identify internal and external opportunities.”

— Eugenio Madero, CEO of Rassini, S.A.B. de C.V., an auto-parts manufacturer based in Mexico



# Thank you



# Appendix

# The view from the top: summary of regional findings

	Global average	Americas	ASPAC	EMA
<b>CEOs have set a high bar for CFOs.</b> CEOs who believe that the <b>CFO's role will only increase in significance</b> over the next 3 years.	<b>56%</b> (63% at high performing companies)	<b>92%</b>	54%	33%
<b>Some CEOs feel their CFO is not up to the challenge.</b> CEOs who say their <b>CFOs don't understand or assist them enough</b> with the challenges they face.	30%	31%	31%	29%
<b>Welcome to the age of the Renaissance CFO.</b> CEOs who say <b>'global experience' is the most important</b> attribute a CFO can possess.	48%	42%	36%	<b>63%</b>
<b>CFOs need to approach the regulatory burden as an opportunity.</b> CEOs who named the regulatory environment as the <b>external factor that will most influence</b> the future role of the CFO.	40%	38%	22%	57%
CEOs who also see regulation as an <b>opportunity to derive competitive advantage.</b>	61%	71%	42%	69%
<b>The CFO of the future leverages the latest technology.</b> CEOs who say <b>leveraging IT</b> , such as cloud-enabled ERP systems, <b>should be the main focus</b> of CFOs in the future.	36%	35%	30%	41%
<b>Data and analytics will increasingly drive strategy and profits.</b> CEOs who say <b>applying financial data to achieve profitable growth</b> is the greatest strategic value a CFO can bring to an organization.	49%	29%	<b>66%</b>	50%
<b>CEOs put a huge value on people skills, but many see their CFOs as lacking in this area.</b> CEOs who say <b>attracting and retaining top-notch finance talent is the most important</b> contributing factor to improve the finance function.	40%	35%	49%	36%
CEOs who give their <b>CFO a passing grade in talent management.</b>	33%	30%	42%	29%

Source: 2015 KPMG Global CEO Survey 'The view from the top.'



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# The view from the top: summary of industry findings

	Global average	Manufacturing	Insurance	Consumer/ Retail	Telco	Banking	Utilities
CEOs who believe that the <b>CFO's role will only increase in significance</b> over the next 3 years.	<b>56%</b> <small>(63% at high performing companies)</small>	<b>56%</b>	<b>67%</b>	<b>65%</b>	<b>47%</b>	<b>67%</b>	<b>53%</b>
CEOs who say their <b>CFOs don't understand or assist them enough</b> with the challenges they face.	<b>30%</b>	<b>26%</b>	<b>34%</b>	<b>35%</b>	<b>24%</b>	<b>34%</b>	<b>31%</b>
CEOs who say <b>'global experience' is the most important</b> attribute a CFO can possess.	<b>48%</b>	<b>52%</b>	<b>39%</b>	<b>50%</b>	<b>51%</b>	<b>39%</b>	<b>50%</b>
CEOs who named the regulatory environment as the <b>external factor that will most influence</b> the future role of the CFO.	<b>40%</b>	<b>35%</b>	<b>41%</b>	<b>34%</b>	<b>41%</b>	<b>41%</b>	<b>49%</b>
CEOs who also see regulation as an <b>opportunity to derive competitive advantage</b> .	<b>61%</b>	<b>53%</b>	<b>51%</b>	<b>66%</b>	<b>73%</b>	<b>51%</b>	<b>63%</b>
CEOs who say <b>leveraging IT</b> , such as cloud-enabled ERP systems, <b>should be the main focus</b> of CFOs in the future.	<b>36%</b>	<b>32%</b>	<b>40%</b>	<b>34%</b>	<b>24%</b>	<b>40%</b>	<b>36%</b>
CEOs who say <b>applying financial data to achieve profitable growth</b> is the greatest strategic value a CFO can bring to an organization.	<b>49%</b>	<b>48%</b>	<b>54%</b>	<b>51%</b>	<b>59%</b>	<b>54%</b>	<b>42%</b>
CEOs who say <b>attracting and retaining top-notch finance talent is the most important</b> contributing factor to improve the finance function.	<b>40%</b>	<b>39%</b>	<b>46%</b>	<b>46%</b>	<b>51%</b>	<b>46%</b>	<b>24%</b>
CEOs who give their <b>CFO a passing grade in talent management</b> .	<b>33%</b>	<b>35%</b>	<b>38%</b>	<b>30%</b>	<b>35%</b>	<b>38%</b>	<b>28%</b>

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