



THE **MODERN CFO** REVEALED

FROM SCOREKEEPERS TO COLLABORATORS AND BUSINESS STRATEGISTS

TODAY'S CFOs ARE SPENDING MORE TIME BUILDING THE FUTURE than compiling financial reports. The most recent **McKinsey** report confirmed that the CFO's role is increasingly broader and more complex. Nearly one-third of CFOs today are responsible for digital activities such as cloud computing, data visualization, and advanced analytics.

While the emergence of the CFO as a strategic business partner is not a new phenomenon, establishing an agile finance function has become essential for business success.

Though influencing the company's future business direction is the ultimate goal for modern finance executives, many CFOs are struggling to fulfill that mandate. Part of the challenge is the lack of data and tools required to plan strategically across the business.

When it comes to enterprise innovation, finance leaders are failing to ensure that they — along with business stakeholders — are equipped for advanced decision-making. According to a recent survey conducted by CFO Research, only 55% of the surveyed executives say they apply advanced analytics to enterprise innovation decisions. Only 57% have a strategy for defining and creating a high-value finance team that can support innovation initiatives.

As senior finance executives expand their focus, new challenges related to data visibility and agility have emerged. Progressive CFOs are seeking the right tools to overcome these hurdles, enabling them to become nimble in order to support growth across the enterprise. This eBook will discuss the role of the CFO in driving greater collaboration, finance's role in boosting business planning capabilities, and the tools required to get to the next level.



THE NEED FOR COLLABORATION

The need for collaboration between finance and rest of the organization is at the heart of the CFO's transformation. The best path for finance to achieve faster collaboration is by proving their value to the rest of the organization. "Finance shouldn't just be able to report on what happened but provide business function leaders with guidance for how they can do better," said Chris Stevenson, Senior Solutions Marketing Manager at Anaplan.



To elevate their organization's success, CFOs must position themselves as champions of enhanced decision-making and business planning. This means shifting from their traditional role as a financial gatekeeper that approves projects based primarily on budget, to becoming a more visionary leader that considers long-term business objectives. "I view finance leaders in a player-coach role," said Stevenson. "The modern CFO should educate and collaborate with business leaders about the financial implications of their decisions."

This requires a higher level of soft skills to be able to take financial concepts and communicate them to stakeholders at all levels. "Being a well-rounded professional is more relevant today and will be imperative in the future," Stevenson said. "Let the robots do what they do best, freeing up the finance team to work with stakeholders to interpret the numbers, add texture, and provide context and meaning."

This next step means adjusting their approach to working with business leaders in the organization, according to Brian Kalish, Principal, Kalish Consulting. "The modern finance function is more than providing a report on what happened in the business. It is about helping sales, marketing, operations, and other functions run their business better. Is there something that they would like to measure but is hard to do? If that measurement is now possible, it can provide a competitive advantage." With that, finance is not just keeping score, but changing the game.

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THE IMPORTANCE OF **CONNECTED PLANNING**

CFOs must also adjust to current economic changes and turbulence — much of which is out of their control. But they can control how quickly they respond and the level of information they have to make informed decisions. That’s why it’s important for CFOs to lead transformation leveraging a Connecting Planning platform.

Connected Planning enables integrated business planning, allowing Finance and Operations to coordinate on target-setting and collaborate to meet business goals. In addition, Connected Planning empowers Sales, Supply Chain, HR, and other departments to model, forecast, and create high-fidelity, connected business plans. By aggregating data into one source of truth enterprise-wide, you can quickly and accurately make smarter business decisions.

Echo Global Logistics’ agile planning strategy empowers all stakeholders to make better decisions. “Our Anaplan platform enables us to take a deep dive quickly when something is impacting the business,” said Brett Lukowicz, Director of Finance for the third-party logistics provider.

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There are many factors that impact the performance of a logistics operation, Lukowicz noted, which makes having an agile planning tool essential. “The timing and number of shipments per day, for example, can change based on a variety of conditions and some, such as weather, are out of the control of operations.” Being able to quickly adjust staffing needs when other factors cause a change in course, Lukowicz said, is a key consideration.

But it goes beyond the need to pivot when conditions change, Lukowicz said. “With more detailed planning data, we can make more informed decisions about compensation and have a better understanding of productivity, among other things, to help us build better forecasts.”

As CFOs take a greater leadership role in strategic decision-making, they need to allocate resources for current needs as well as prepare for the future. Advanced modeling capabilities, like those available in Anaplan solutions, provide the necessary insight. Michael Weiss, Global Head of Finance Solutions at Anaplan, put it this way, “Since the last significant economic downturn was a number of years ago, some organizations and individuals may not have the muscle memory or experience to take the necessary measures to weather a slowdown.”

By democratizing data, organizations can empower stakeholders to confidently make strong decisions rather than filtering everything through the finance team. Weiss went on to say, “When an organization is looking ahead, it’s in a better position to plan and prioritize. The ability to examine multiple scenarios with a modern modeling tool is paramount to being proactive.”



WHAT TOOLS CAN CFOs USE TO MOVE THE NEEDLE?

How can finance improve business planning? Better, faster decision-making is required not only to keep up, but to gain a competitive advantage. In today's rapidly moving world, it is extremely difficult to execute in an atmosphere that lacks data transparency. "The typical enterprise is stuck in an outdated, disconnected planning process that relies on spreadsheets and email," Stevenson said. "In that environment, you can only be as fast as people checking their inboxes. It is a far cry from relying on real-time data for analysis."

Artificial intelligence (AI) and machine learning are burgeoning tools that can be leveraged to support Connected Planning. "I encourage finance chiefs to learn about these technologies and understand their capabilities because they are critical to successful Connected Planning," Stevenson said. "Ideally, the CFO should work with the CIO to assess the state of their organization's current data sets, as AI requires quality data to provide critical insights for Connected Planning and modeling."

This transformation requires a user-friendly platform that enables transparency across the organization. Connected Planning tools, such as those from Anaplan, provide a powerful solution for the Office of Finance and the Financial Planning and Analysis (FP&A) function.

In addition to reducing cycle time and wasted resources by minimizing manual processes, a Connected Planning tool can decrease risk. "When you are working in multiple platforms, there is always the risk of looking at things in a different way or introducing errors. There is also the risk of the process taking too much time, which leads to uninformed decisions." This is why Weiss went on to add that, "Connected Planning is the cornerstone of integrated business. Automation provides a structured environment that closes the gap created by manual input and heavy lifting."

To be effective, Connected Planning capabilities must be accessible to stakeholders across the enterprise. "The platform needs to be flexible enough to build complicated financial models or produce high-level reports and benchmarks, depending on the needs of the individual," Weiss concluded.

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CONCLUSION

At a fundamental level, Connected Planning provides a means to consider various scenarios to better prepare for business shifts caused by various internal and external factors. While you cannot plan for every possibility, if you don't look ahead, you'll be stuck in reactionary mode and never move the business forward.

By leveraging the right tools, CFOs can lead the charge for strategic decision-making and proactive planning across the enterprise.

KEY TAKEAWAYS

- **As more CFOs move beyond their accounting roots, they need to support strategic decision-making across the business. However, many lack the necessary technology infrastructure and continue to rely on manual processes and spreadsheets.**
- **There are a number of forces impacting business strategy, and CFOs must position the business to not only anticipate turbulence, but navigate it smoothly.**
- **Connected Planning solutions are valuable tools to enhance collaboration and support advanced modeling capabilities. Finance chiefs are no longer simply reporting on the past, they are helping influence and drive future business outcomes.**

ABOUT **THE SPONSOR**

Anaplan is the category-defining leader in Connected Planning. Our platform, powered by our proprietary Hyperblock™ technology, connects people, data and plans and enables business leaders to make dynamic, collaborative and data-driven decisions, with confidence. Amid rapidly changing business environments and market uncertainty, large global enterprises leverage Anaplan to gain agility and react quickly in order to accelerate business value. Based in San Francisco, we have over 20 offices globally, 175 partners and more than 1,300 customers worldwide.

The Anaplan logo features a stylized blue 'A' icon followed by the word 'anaplan' in a bold, lowercase, sans-serif font.