CFO Forward Study: 2024 Edition

accenture

Reinvention in an era of permacrisis

Navigating disruption to drive value

The 8th edition of our global CFO research

In an era of accelerating disruption and volatility, companies are embracing reinvention and turning to their CFOs to chart a path forward. To meet the moment, CFOs need to lead by example. This means transforming their finance function to better support the organization's reinvention and growth ambitions.

Reinvention in an era of permacrisis is the theme of the eighth edition of our global CFO research. We surveyed over 1,400 CFOs and senior finance leaders from organizations with revenues of more than 1 billion USD across 16 industries and 14 countries. We also conducted in-depth interviews with 20 forward-thinking CFOs. Their insights shed light on how CFOs can create greater enterprise value through reinvention. The research also revealed four actions that they can take to unlock business value from disruption and future-proof their organizations.

01 Use a North Star strategy for value creation

02 Move generative AI from the playground of experimentation to the company's digital core

03 Accelerate reinvention with technology + data + people

04 Use collaboration to unlock the multiplier effect of reinvention

“

We operate in a highly disruptive industry and thrive in this environment. We’ve helped change the way people get rides and are now shaking up banking. We're even changing how people get goods and services quickly.

At the moment, our main focus is to expand the accessibility of our services and deepen engagement with our ecosystem. We will look for opportunities to disrupt the market in ways that drive sustainable growth for the business.”

Peter Oey
Chief Financial Officer
Grab

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About the Authors

Jason Dess

Senior Managing Director
Strategy & Consulting
CFO & Enterprise Value Lead

Jason is a Senior Managing Director at Accenture and the company's Global CFO & Enterprise Value Lead. Based in Toronto, he helps CFOs re-define their vision for the future, create insight by leveraging emerging digital platforms and drive efficiency across finance processes. Jason brings more than 25 years of experience in finance transformation, operations, process re-engineering and performance management. He continues to help senior finance executives of multi-national, global organizations meet the challenges facing their finance functions and navigate transformation in an increasingly uncertain world.

Aneel Delawalla

Senior Managing Director
Accenture Strategy
CFO & Enterprise Value

Aneel is a Senior Managing Director with Accenture Strategy and leads the CFO Agenda globally across the company's CFO & Enterprise Value practice. Based in Atlanta, Aneel works with management teams and the boards of directors of publicly traded and privately held companies to create enterprise value at the intersection of growth strategies, operating model transformation and the employee experience. Aneel also co-chairs the Accenture CFO Summit in partnership with Harvard University.

Michela Coppola

Global Research Lead
CFO & Enterprise Value

Michela is a Senior Manager with Accenture Research. She has more than 15 years of research experience focused on understanding how companies and individuals adapt to long-term trends. Based in Munich, her research work spans different areas, covering the needs and challenges of finance executives. She has a Ph.D. in economics and as a post-doctoral researcher, was head of the research unit at the University of Mannheim and at the Max-Planck Institute for Social Law and Social Policy.

Anna Yue

Senior Principal
CFO & Enterprise Value

Anna is a Senior Principal within the CFO & Enterprise Value practice at Accenture. Based in Houston, Anna works with senior finance leaders across the energy and financial services industries. An empathetic and pragmatic leader, Anna helps companies create business and financial value from their transformations, activate the potential of their people to drive change and innovation and strengthen their collaboration skills to accelerate enterprise-wide outcomes.

Special thanks to the following contributors: Nikolaj Stryhn and Shahanwaz Alam.

Operating in an era of permacrisis

Change has never been this fast; it will never be this slow again

Our latest Pulse of Change index found that the pace of change has increased by 183% over the past four years[1]. In 2023 alone, it was up 33%[2]. Among finance leaders, approximately eight in 10 CFOs anticipate disruption will rise over the next 24 months, according to our CFO Forward Study. In response, companies are taking bold actions. Over eight in 10 (83%) of respondents to our Reinvention research say reinvention as a strategy for success has accelerated[3].

Today, more and more CEOs are turning to their CFOs and finance teams to chart the path to reinvention and a new performance frontier. According to our CFO Forward Study, 54% of CFOs now lead or are about to lead two or more transformation initiatives.

This is not surprising. Among their C-suite peers, CFOs are uniquely positioned to helm strategic, enterprise-wide change programs. With comprehensive organizational knowledge, CFOs are particularly attuned to unlocking value, growth and efficiencies.

> “We are entering a highly disruptive decade, thanks in part to the quick pace of technological developments.”
>
> Michael McMurray
> Executive Vice President and
> Chief Financial Officer
> LyondellBasell

CFOs are performing under greater pressure and scrutiny than ever before

CFOs are under growing pressure to help their organizations navigate a volatile and evolving business environment. In a previous round of research, we heard from CFOs that the pace and need for connectedness in decision-making had increased, a view shared by over eight in 10 of them[4]. Our latest CFO Forward Study finds that 86% of respondents believe transformation programs need to be completed much faster than before, highlighting a growing sense of urgency.

This need for speed poses a significant challenge—especially considering that the demand for CFOs who can make decisions, collaborate and execute change programs is on the rise. The global CFO turnover rate has climbed rapidly since the pandemic, hitting a five-year high of 15.9% in 2023[5].

86%

of CFOs say transformation programs need to be completed much faster than before.

Disruption abounds, with technology posing the greatest threat

CFOs charged with leading reinvention must be able to turn disruption into opportunity. That requires them to keenly focus on the threats that impact the business's ability to deliver near- and medium-term value from their reinvention efforts.

Technology advancements, shifting consumer preferences, new competitors and increasing cost of capital are the top business disrupters today. Importantly, CFOs expect the level of disruption across these "core four" disruptive threats to rise (see Figure 1). Technology is also seen as the top disrupter in a recently completed Accenture survey of C-suite executives[6].

CFO Forward Study respondents also believe technology advancements will be the leading cause of disruption, though others like ESG performance and geopolitical tensions also pose challenges.

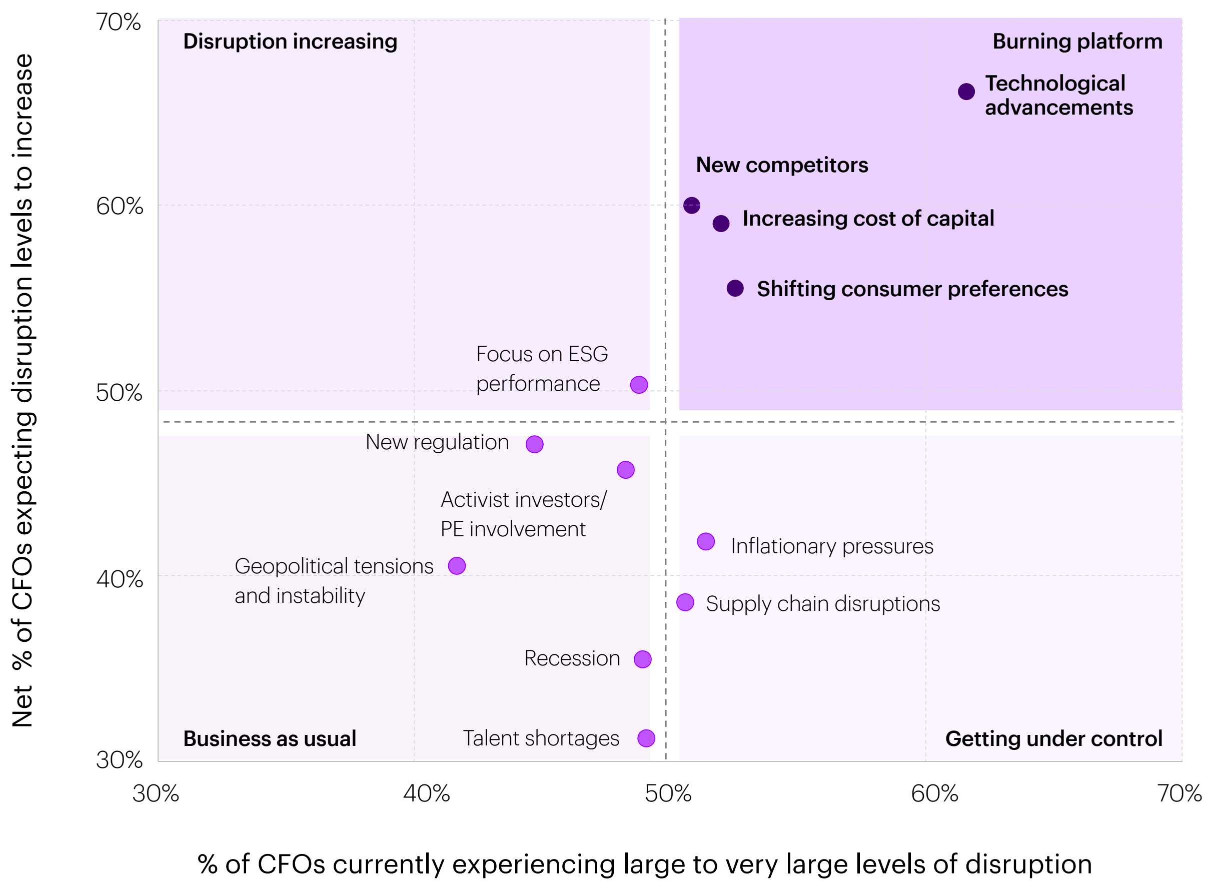
Key among the technology disrupters is generative AI*. Generative AI is different from other technological innovations because of its ability to reinvent every facet of an organization. Based on our experience across more than 700 generative AI engagements, we are already seeing empirical evidence of generative AI's power to rapidly disrupt every industry. The good news is that generative AI can also deliver value at scale.

*Generative AI is the umbrella term for the ground-breaking form of artificial intelligence that can produce brand-new output such as text, images, videos, audio, code, data or 3D renderings. It has a human-like ability to learn language, context and intent.

Figure 1

Current versus expected level of disruptive threats

To what extent are the following external factors disrupting the business environment of your organization? Looking ahead to the next 24 months, to what extent do you expect disruption to your organization to change?



Note: Net percentage means the difference between the percentage of CFOs expecting an increase in disruption and the percentage of CFOs expecting a decrease in disruption.

Source: Accenture CFO Forward Study, August 2023
N = 1,420

More on the core four disrupters

The core four disrupters are common to all business and finance functions.

"

One of the changes in our business environment is the acceleration of digitalization and the development of AI and other technologies. This change could be a threat to us, but it also entails opportunities."

Tatsuaki Seki
Representative Director, Senior Managing Executive Officer, Chief Financial Officer, Chief Compliance Officer, Chief Corporate Communications Officer, Chief Sustainability Officer
Seiko Epson

01 Technology advancements

A strong digital core is necessary to unleash the transformative power of:

- Generative AI
- Cloud-based enterprise resource planning (ERP) modernization
- Real-time data flows
- Process mining and intelligent automation
- Enterprise digital twins

02 Shifting consumer preferences

Against this disruptive threat gaining in momentum and impact, CFOs need to:

- Better understand how shifting consumer preferences affect revenue streams and costs
- Use dynamic planning and real-time scenarios to increase company agility
- Reallocate capital to align with the future of the business

03 New competitors

Competition is increasing from:

- Industry players trying to stay relevant
- Digital native startups that are "changing the game"
- Disintermediation across industries and new market entrants
- Sovereign wealth funds looking to diversify

04 Increasing cost of capital

As cost of capital is expected to remain high over the medium term, CFOs need to:

- Make capital expenditure budgets resilient and sustainable
- Proactively manage cashflows in a volatile environment
- Rethink debt-funded investments, cashflow-positive investments and share buybacks
- Restructure the balance sheet to address the negative impact of higher interest rates

Transformation ambition and value creation

Transformation ambition must match the level of disruption

As CFOs look to manage growing levels of business disruption, they also can transform their functions and reinvent their organizations. Companies that raise their transformation ambitions to match the level of disruption are better positioned to create value from reinvention.

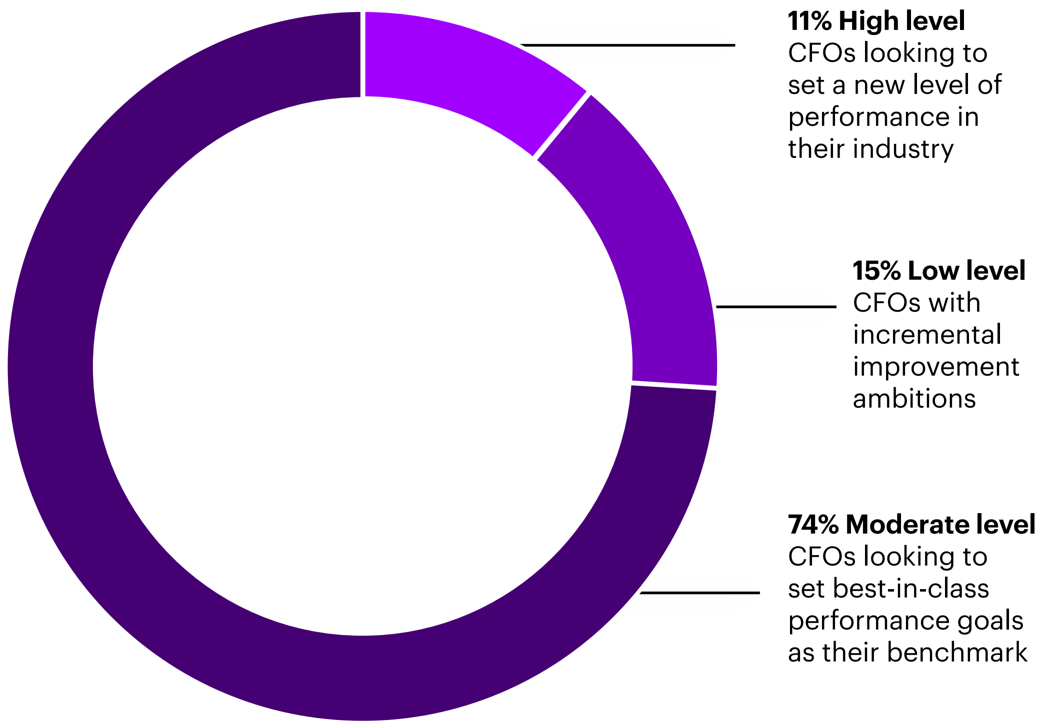
However, a majority of research respondents are focused on "the now" and are setting “best-in-class” performance goals as their benchmark (see Figure 2). A small subset of leaders (11%) is more ambitious and future-focused, striving to reach a new level of performance. They understand that going beyond benchmarks is one of the key characteristics of reinvention.

Based on survey responses, we have categorized CFOs into three levels of transformation ambition. CFOs with low ambition aim for incremental change in their organization's performance for all transformations they lead. CFOs with high ambitions aim to set a new level of performance in at least 50% of the transformations they lead. The remaining CFOs fall into the moderate ambition category.

Figure 2

Three levels of CFO transformation ambition

Which of the following best describes the level of performance you aimed or aim to reach through the transformation initiative(s) you lead or will lead as CFO?



Source: Accenture CFO Forward Study, August 2023

N = 1,420

Creating value… a self-fulfilling prophecy for ambitious CFOs

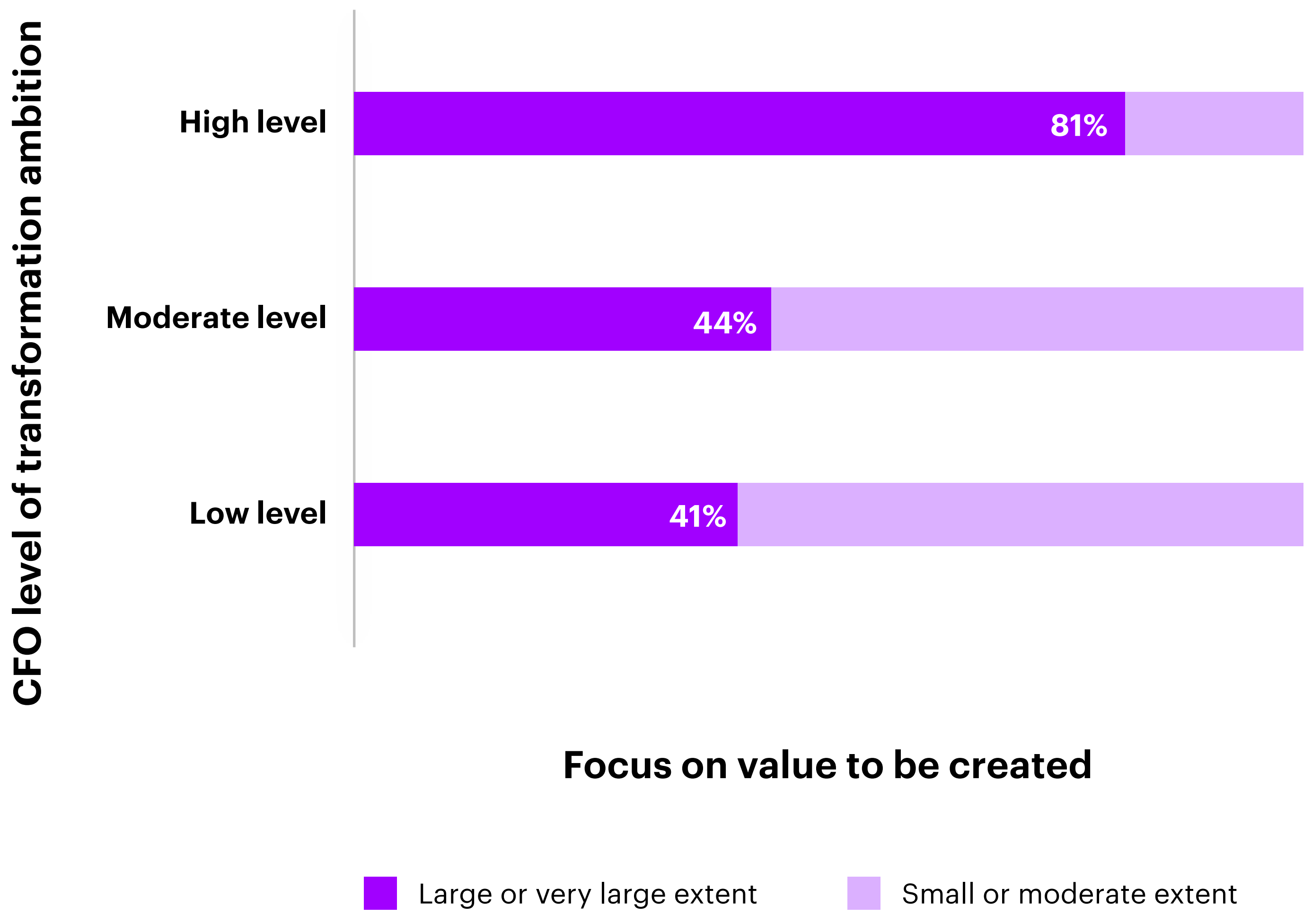
CFOs with stronger reinvention ambitions are more focused on creating value. Over eight in ten (81%) of these ambitious CFOs begin their transformations with a clear focus on the value they want to achieve, which is nearly double the percentage of CFOs with lower or moderate ambitions (see Figure 3). The data also reveals that organizations that prioritize value creation from the beginning of their transformation are twice as likely to achieve desired benefits and successful outcomes. While creating value is challenging, ambitious CFOs can set themselves up for success by starting their transformations with a clear focus on value.

See the sidebar "The CFO perspective on value" for a description of the nine types of value CFOs can unlock while transforming their function or reinventing the business.

Figure 3

CFOs with stronger transformation ambitions are more focused on value

Thinking about the transformation(s) you lead in your role as CFO, to what extent have they been initiated with a clear focus on the value to be achieved?



Source: Accenture CFO Forward Study, August 2023
High level, N = 151 Moderate level, N = 1,033 Low level, N = 214

The CFO perspective on value

CFOs can unlock business value in nine areas. Eight in 10 CFOs surveyed as part of the CFO Forward Study expect to generate five or more different types of business value.

Type of Value Expected	Baseline Function	360° Value Delivered
Cost efficiency	Reduce cost and improve efficiency: • Realized process improvement and efficiency gains • Tech debt remediation and IT support	• Increased cost savings • Freed up capacity • Reduced complexity
Operational imperative	Mitigate risks that may impact business operations: • IT systems not supported • Robustness of core business processes	• Continuation of business operations • Reduction in operational losses • Protect shareholder value
Compliance and control	Improve accuracy and control environment: • Improved operational controls • Accuracy of external financial reporting	• No material misstatements • Reduction in control issues • Lower audit-related costs • Compliance with regulatory requirements
Sustainability	Meet sustainability goals and obligations: • Regulatory requirements • Capital allocation	• Optimized capital allocation • Improved sustainability performance • Improved response to scenario planning
Resiliency	Prepare for the "next" disruption: • Climate impacts • Technology disruption	• Percentage in uptime and decrease in incidents • Compliance with regulatory requirements • Improved business viability
Data	Provide a single version of the truth: • Generate cross-enterprise insights • Data accuracy	• Increased scalability • Visibility to return on invested capital (ROIC) • Improved intelligence on profitability • Reduction in regulatory-related fines
Speed and agility	Be agile in supporting business changes at speed: • Changes in business focus • Strategic decision-making	• Improved speed of management reporting • Reduction in number of days to incorporate an acquisition
Customer and talent experience	Improve internal and external stakeholder experiences: • Talent retention • Talent acquisition	• Increased retention, decreased attrition • Increased customer satisfaction score (CSAT) • Improved days sales outstanding (DSO)
Insight	Generate insights that drive tangible value: • Margin and revenue improvement • Improved capital allocation	• Increased profitability • Revenue growth • Improved cash flow

Case in point

Building blocks to sustainable value

From strategy to implementation, the CFO of a **global resources company** is driving an enterprise-wide transformation. The finance function is managing mergers and acquisitions (M&A) activities to strengthen the product and service portfolio and cost management programs. The reinvention team is growing sustainable value through three imperatives:

1. Growing and upgrading their core businesses by focusing on those that already enjoy a leading position.

2. Building a profitable business based on the practice of circular sustainability and low-carbon solutions. This area of focus is expected to generate about $1 billion in incremental EBITDA by the end of the decade.

3. Stepping up their performance and culture by expanding their focus on cost to a more inclusive and broader view of value creation and customer centricity.

> “Volatility is here to stay and companies that are not able to move at the speed of the marketplace are going to be left behind.
>
> And I am a fundamental believer that the more volatile the business, the more finance needs to raise its game.”

Rui Barbas
Chief Financial Officer - Zone North America
Nestlé

Future-proofing the business

We believe CFOs who want to create value from disruption need to do four things:

01

Use a North Star strategy for value creation

02

Move generative AI from the playground of experimentation to the company's digital core

03

Accelerate reinvention with technology + data + people

04

Use collaboration to unlock the multiplier effect of reinvention

01. The value of a North Star strategy

CFOs who adopt a North Star strategy clearly focused on the type of value they want to create from their transformation can unlock and create more value.

Our most recent [Reinvention research] found that companies focused on continuous reinvention outpace their peers. They increased revenues by 15 percentage points more than the rest of our research participants between 2019 and 2022, and they are also more profitable. Their average profit margin (EBITDA/revenue) was 5.6 percentage points higher than the rest during the same period. Focusing on value and accelerating reinvention should be an imperative for all CFOs.

> “To mobilize an organization, you need to have a clear vision. A North Star of what you are trying to accomplish and a platform of visibility and understanding across the whole organization.”
>
> Rui Barbas
> Chief Financial Officer – Zone North America
> Nestlé

What is your North Star?

Have you aligned it with your reinvention ambition?

North Star guiding principles

As architects of value, CFOs need to secure C-suite buy-in and support for a strong value-focused North Star. They also need to get three things right:

Capture value from the very beginning and reinvest: CFOs need to shape their transformation programs to capture wins and value early on.

Be ready to make trade-offs but be laser-focused on the North Star: It is essential that CFOs work with their C-suite peers to gain buy-in to their North Star vision. They also need to ensure it aligns with enterprise priorities. While flexibility is important, a keen focus on core business values is critical to any reinvention effort.

Communicate, communicate, communicate: Getting an entire organization to embrace a North Star is demanding. CFOs must communicate clearly with their peers, the board and their team about the overall goal for the organization. Doing so will help prevent different parts of the business from focusing on less optimal local objectives. CFOs need to be tenacious, clear and hyper-focused on the task at hand.

> "Transformation is hard and there's nothing easy about it. And doing it right is even harder."
>
> Kevin Mitchell
> Executive Vice President,
> Chief Financial Officer
> Phillips 66

Actions aligned to transformation ambitions

	Low level of transformation ambition	Moderate level of transformation ambition	High level of transformation ambition
Using **value** as the North Star	• **Target value from the outset.** Align value targets and KPIs across the enterprise. • **Streamline tracking.** Automate value reporting to monitor value realization.	• **Define the value framework.** Set goals to focus on 360° value across the organization. Create common value definitions and language. • **Go for quick wins and reinvest.** Shape the transformation program to capture early wins and savings that can be reinvested in reinvention.	• **Turn barriers into value creators.** Focus on value to be delivered and aspirations to fully transform the business. • **Redeploy capital to fuel initiatives that will produce the most value.** Identify and measure value opportunities holistically and shift funding to areas that will drive the most value across the portfolio, balancing short- and long-term time horizons.

02. Generative AI as a reinvention enabler

Generative AI allows users to create, aggregate and synthesize information and insights in a seamless and coherent manner.

Businesses can use it for a variety of purposes—to personalize experiences, improve operating efficiencies, productivity and responsiveness and even launch new business models.

Generative AI is not a typical technological advancement. It is truly revolutionary, with a unique and unprecedented ability to impact the entire value chain. According to Accenture research analysis, organizations that adopt generative AI responsibly at scale, with people-centric approaches, can unlock more than $10.3 trillion in additional economic value[7]. It's not surprising that 82% of organizations consider generative AI to be a primary lever for reinvention[8]. Nor that 83% of CFO Forward Study respondents consider generative AI and foundation models (e.g., text-to-image generators, large language models) as a priority now or in the next 24 months.

However, it's important to understand that generative AI is evolving quickly. In 2023, companies were focused on understanding the technology and experimenting with its capabilities. In 2024, leaders are recognizing the impact generative AI will have on their operations. In fact, 97% of our survey respondents expect the wider adoption of AI and generative AI will change the expectations placed on their role and ways of working. In 2024 and beyond, we can expect leaders to become much more intentional in their generative AI investments and more focused on using the technology to deliver value at scale. As of today, only a third (35%) of CFOs have fully implemented automation and AI. And only 8% have fully implemented automation and AI, process and task mining and predictive and advanced analytics within their organizations. There is plenty of opportunity for forward-thinking CFOs to seize the potential for generative AI to support finance and the business. The key is how organizations use their digital core to tap into the power of generative AI.

> “Standardizing processes and data is a pre-requisite to fully leverage the potential of artificial intelligence. And I'm glad we have already started with that.”
>
> Tatsuaki Seki
> Representative Director, Senior Managing Executive Officer, Chief Financial Officer, Chief Compliance Officer, Chief Corporate Communications Officer, Chief Sustainability Officer
> Seiko Epson

Generative AI: Ushering in a new era of finance

With generative AI, CFOs can reinvent different areas of finance. The technology can also help finance pivot to a more "autonomous" model built on Human + Machine collaboration.

Experience with our clients confirms over 50 areas in which generative AI can create tangible benefits (see Figure 4). CFOs must be selective in which opportunities they pursue. While small-scale applications may improve productivity, the greatest value will be generated by strategic bet investments that have the potential to reinvent the finance value chain. But such investments must be based on an objective assessment of the business case, the enterprise's readiness to enact the change required and the potential return.

Figure 4

Finance generative AI use cases

Finance and accounting operations

Record to report (R2R)
- Fraudulent GL postings identification
- Financial statement commentary generation
- Regulation digitization and traceability
- B/S reconciliation and real-time variance alert

Order to cash (O2C)
- Collections efficiency improvement: auto follow-up, dunning, credit enhancement
- Real-time customer response and resolution
- Auto-invoice generation and reconciliation
- Product recommendations for B2B customers

Procure to pay (P2P)
- T&E, real-time status and response
- T&E compliance and auditing
- Invoice and payment processing reconciliation

Financial planning and analysis

Strategic planning and stress testing
- Generate inputs for predictive integrated forecasting
- Synthesize forecasts from disparate sources

Management reporting and analysis
- Scenario generation and modeling
- Create business performance narratives
- Create ad hoc reports

Corporate finance and risk

Controllership
- Management discussion and analysis (MD&A) creation
- GL adjustment generation

Treasury
- Real-time liquidity management
- Liquidity reporting commentary
- Risk scenario modeling

Investor relations
- Investor day preparation
- Analysis, question preparation
- Management discussion review

Risk
- Early detection of fraud and money laundering
- Consumer duty breach identification in marketing
- Data and business control optimization

Benefits that can be realized with generative AI

High | Medium | Low

Source: Accenture analysis, 2024

"

Providing support to strategic decision-making is an important role of the finance department. We need to reduce manual work and redeploy those resources to provide this support to top and senior management for strategic decisions."

Sachio Matsumoto
Director, Representative Executive Officer,
Executive Vice President, Finance, Treasury,
M&A, IR, and Chief Financial Officer
LIXIL

Case in point:

Generative AI in action

For one US pharmaceutical company, generative AI is helping it provide direct answers to clients' specific questions without requiring them to read a lengthy, detailed document to find answers.

A global consumer goods company is tapping into the power of generative AI to transform its static, complex and siloed finance reporting system into a user-centered, seamless, end-to-end reporting system.

A global financial services institution is looking to use generative AI to turn a manual regulatory reporting process into one that can deliver traceability from over 600 regulatory reports, linking them to the underlying rules across hundreds of returns.

A technology company is using generative AI to strengthen its vendor contract data storage solution with a ChatGPT-like front-end. This solution gives staff easy access to contract data and metadata and enables them to analyze contracts with greater accuracy and efficiency.

“

It used to take a considerable amount of time to process a contract, but we integrated AI into the deal manager to assist the sales team. As the machine learns, its precision improves, which speeds up the process, allowing you to capture a greater portion of the market.”

Brian Newman
EVP & Chief Financial Officer
UPS

Actions aligned to transformation ambitions

Moving **generative AI** from the playground of experimentation to the digital core

Low level of transformation ambition

- **Think about generative AI beyond proofs of concept.** Consider how enterprise guardrails, business ambition and AI risk controls will govern scaling generative AI.
- **Recognize value quickly.** Start with pre-selected use cases for building and scaling.
- **Establish a strong and scalable foundation.** Enable a secure and scalable sandbox environment for generative AI experimentation. Implement a pre-built use case architecture.

Moderate level of transformation ambition

- **Develop and mobilize a generative AI operating model.** Set up the basic structure, governance practices, capabilities and responsibilities for a center of excellence. Conduct awareness-building workshops with topics including risk and responsible AI.
- **Prioritize capturing value.** Coordinate the business-wide intake process of potential uses for generative AI. Prioritize the best opportunities.
- **Build a scalable architecture.** Create reusable architectures and assets to enable multiple pilots. Use control towers to monitor active pilots.

High level of transformation ambition

- **Execute at scale.** Set up a framework for change management and role analysis. Create a change and enablement plan, including how to manage AI risk (see the sidebar “Closing the gap on responsible AI”).
- **Implement systems to capture value.** Build business case and KPI templates and a system to identify and prioritize opportunities.
- **Design a strategic generative AI ecosystem.** Create a vendor and model assessment framework, including a cost estimator.

Closing the gap on responsible AI

To prevent unintended consequences on a large scale, it is crucial to make responsible AI widespread and systematic. However, there is a gap between the intention to implement responsible AI and taking action. The vast majority (96%) of organizations support some level of government regulation around AI[9]. But only 2% of companies have self-identified as having fully operationalized responsible AI across their organization[10].

Closing the gap requires more than a responsible AI framework for risk management and ethical, sustainable use of AI – it requires an actionable plan that moves from commitment and frameworks to action on the ground. The following actions should be implemented:

1. Establish AI governance and principles. Agree and adopt responsible AI principles with clear accountability and governance for design, deployment and usage of AI.

2. Conduct an AI risk assessment. Understand the risks of your organization's existing AI use cases, applications and systems through qualitative and quantitative assessments (e.g., fairness, explainability, transparency, accuracy, safety, human impact, etc.).

3. Enable systematic, responsible AI testing. Perform ongoing testing of AI for fairness, explainability, transparency, accuracy and safety leveraging best of breed responsible AI tools and technologies, and enable mitigations.

4. Establish ongoing monitoring of AI systems and oversee responsible AI initiatives while executing mitigation and compliance actions.

5. Engage cross functionally to address workforce impact, compliance with laws, sustainability and privacy and security programs across the enterprise.

03. Accelerating with technology + data + people

Our research has found that by activating the growth combination of technology, data and people, companies stand to gain a premium of up to 11% on top-line productivity—the ultimate driver of profitability and revenue growth[11].

Yet only 5% of large global organizations tap into the value of this combination[12]. Leveraging this growth combination is the primary accelerator for improved financial and non-financial outcomes[13].

Technology:

According to our latest Reinvention research, 98% of companies say technology is their top lever for reinvention[14]. CFOs are also increasingly recognizing that technology needs to be at the center of any reinvention journey. To create the right technical environment for reinvention, they need to base their finance business architecture on a strong digital core that leverages all enterprise data, cloud and AI through interoperable enterprise-wide systems (see Figure 5). This includes enterprise platforms, automation and integration, all of which are essential to the rapid development of new capabilities.

98%

of companies say technology is their top lever for reinvention.

> "Technology is the great leveler in today's world, and it demands a more horizontal focus on how you do business. You need to have an end-to-end view of your business environment and then build your organization appropriately. It requires a more networked view of the world."

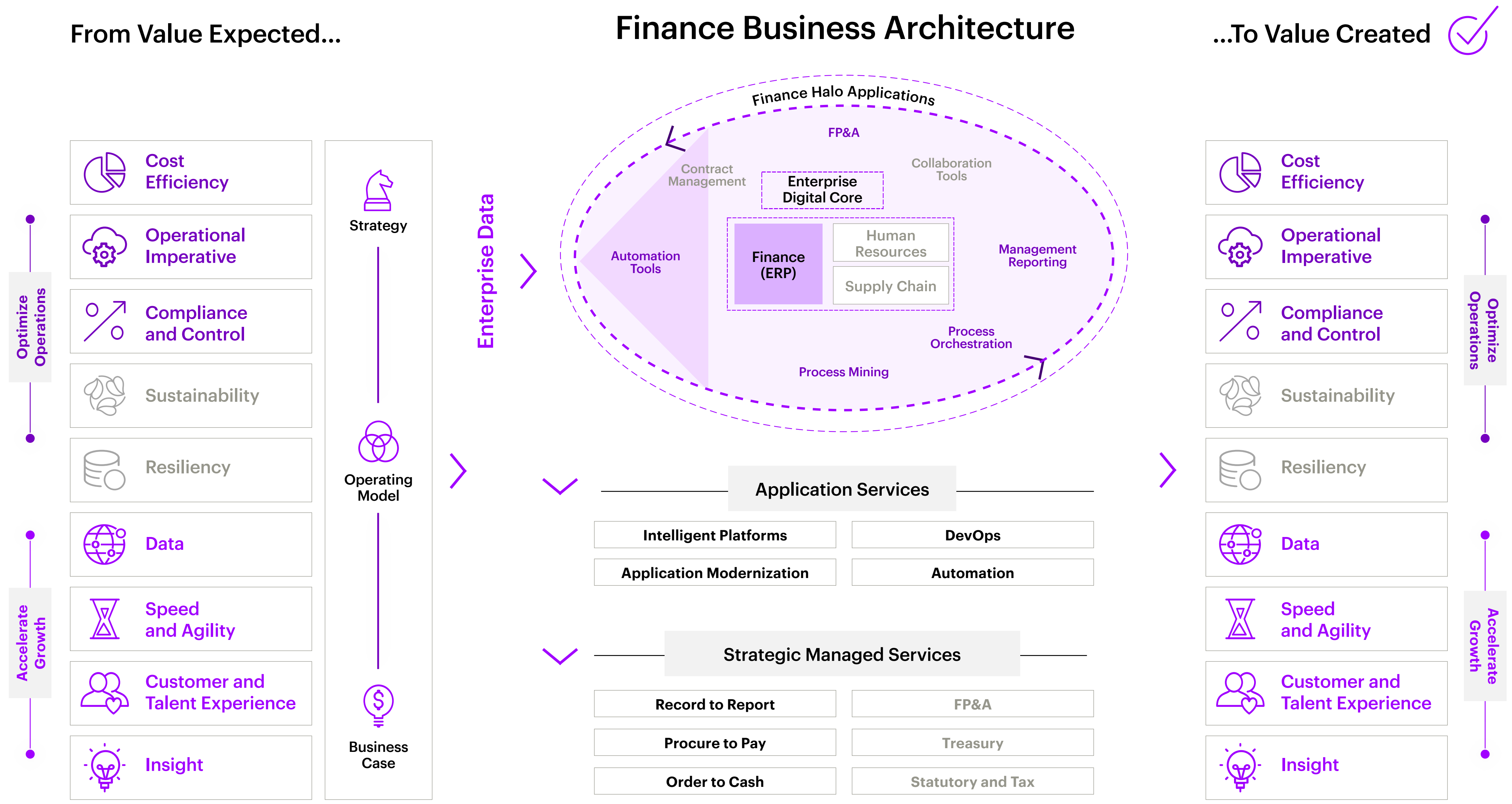
John Murphy
President and Chief Financial Officer
The Coca-Cola Company

Halo applications are powerful value creators when they work together with the digital core

Halo applications are part of a composable architecture that can improve or enable specific finance processes and address business challenges. In conversation with clients, such applications serve as the foundation for value creation, breakthrough innovation and reinvention (see Figure 5).

Figure 5

A constellation of technologies, applications and tools



Note: The following are considered halo applications: financial planning and analysis applications; automation applications; collaboration applications; management reporting applications; business process management applications; process and task mining applications; and contract lifecycle management applications.

Data:

Accurate, clean and up-to-date enterprise data is the fuel of a strong digital core. This includes proprietary data, customer, product, operational and financial data; publicly available data like macro-economic, census, health, and scientific statistics; and syndicated third-party data. Some describe it as the currency of the future.

Yet, for many companies, data remains siloed and inaccessible to other parts of the organization. This hampers an organization's ability to capture, process and extract value from its data resources. According to our Reinvention research, 50% of companies will have to make significant changes to their data strategy to make the best use of generative AI[15].

They can take their cues from companies with more mature data capabilities. These leaders democratize their data. They can also quickly add structured, unstructured, internal and external data to their analytic models—a critical step to preparing their organizations for AI.

"

> You need to sell to the organization that the success of your plans hinges on having accurate, clean data and a clear understanding of how to use it effectively."

Brandi Joplin
Senior Vice President and Chief Financial Officer
Sam's Club

People:

People are the key reason why most transformations fail or underdeliver. According to recent Accenture research, it is also people who make a critical difference in capturing more value from a company's data and technology[16]. Consider this: When companies implement data and technology solutions that fail to put people at the center, the top-line productivity premium from this growth combination falls from 11% to just 4%[17]. That 7% gap in productivity underscores the significant impact that people have as an important source of competitive differentiation and continuous growth.

The bottom line is that reinvention must be people-led. CFOs and other leaders, therefore, need to prioritize their people. They need to adapt their talent strategy at speed and scale to align with business needs and strengthen resilience. And they need to make sure their people are "Net Better Off"[18] and feel:

1. Healthy and well (physically, emotionally and financially)
2. Connected, with a sense of trust and belonging
3. That their work has purpose
4. They have marketable skills to pursue vibrant careers

Meeting these needs unlocks nearly two-thirds (64%) of people's potential at work[19]. Leaving people feeling better off is not only the right thing to do, but also the right thing to do for the business.

> "The ability to attract, retain and develop talent is a bit of an 'always issue' for us. We have to be able to attract and retain the next generation of leaders, who are much more technically savvy, more capable of functioning with technology – whatever it may be – and we have to be better at putting that to work."
>
> Stephen Scherger
> Executive Vice President and Chief Financial Officer
> Graphic Packaging

Barriers to creating value

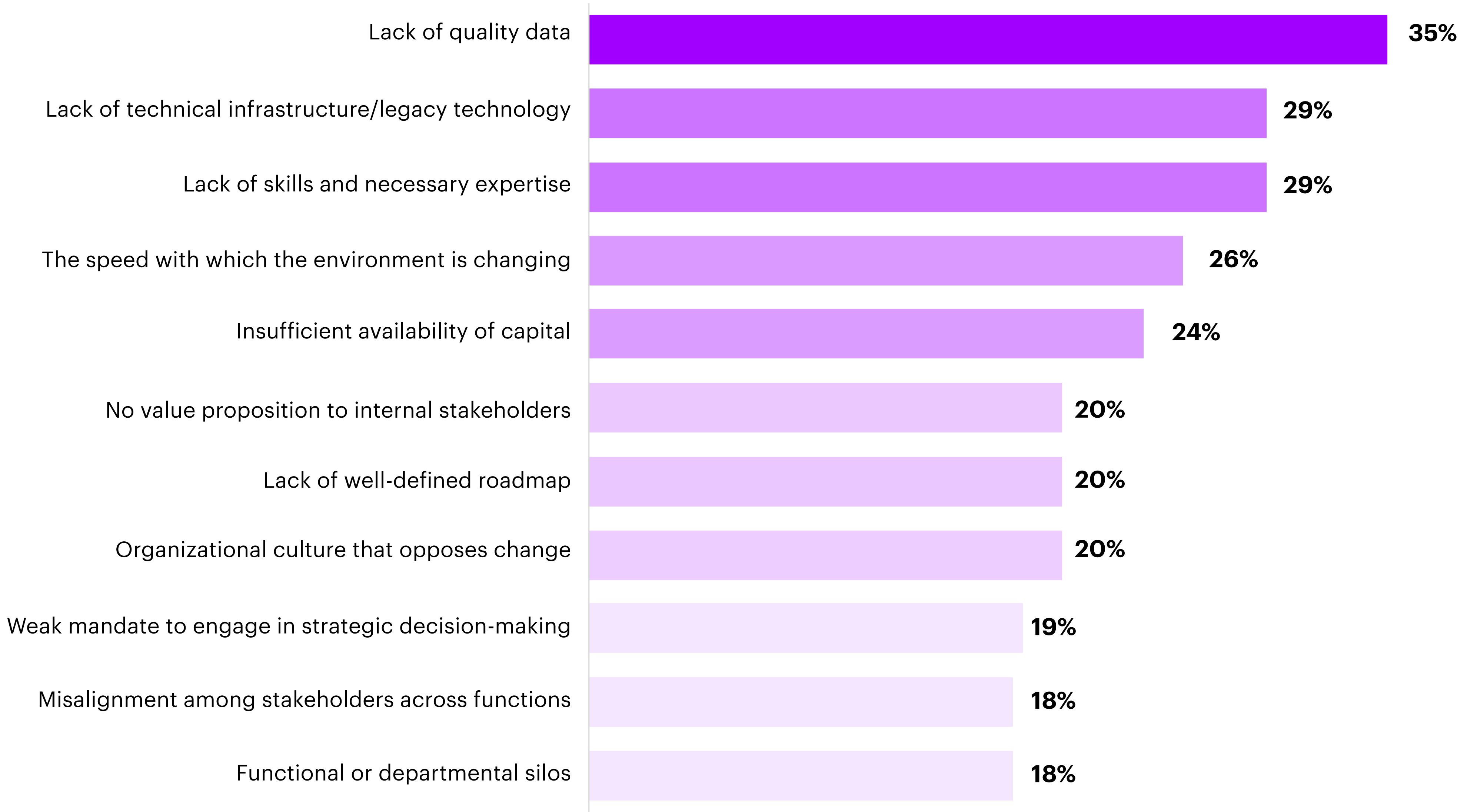
Technology, data and people are powerful reinvention and growth accelerators. However, according to our CFO Forward Study, they also represent the top barriers to delivering value (see Figure 6).

Our research suggests that CFOs focused on value manage these barriers more effectively. What's their secret? Based on our work with clients, we believe that while they are aware of the importance of building a digital core and connecting data across the organization, they tend to put equal if not more effort into the communication and change management process to shape company culture and enable boundaryless collaboration.

Figure 6

Barriers to delivering value

What major barriers/challenges, if any, do you need to overcome to deliver value from the transformations that you lead, have led or are about to lead?



Source: Accenture CFO Forward Study, August 2023
N = 1,298 (excludes respondents who claim not to face any barriers)

Actions aligned to transformation ambitions

Accelerating with **technology + data + people**

Low level of transformation ambition

- **Consider how to maintain "a single source of the truth."** Create a centralized data hub as a single source of truth based on the enterprise's historical data.
- **Define the reference architecture.** Create an overview of the current technology and ecosystem landscape. Design a blueprint for reference architecture based on a current state assessment and future aspirations.
- **Refine mature technologies.** Update the existing technology landscape by refining and implementing mature technologies with established ecosystem vendors and partners. Develop technology acumen in selected departments.
- **Apply a broader-than-finance lens to transformation.** Work with stakeholders across the organization to identify value opportunities across functions.
- **Embrace change instead of resisting it.** Build a team that brings diverse skills, perspectives and thinking to the transformation effort.

Moderate level of transformation ambition

- **Establish a strong digital core.** Create a data hub in the cloud to consolidate internal and external data sources for a single source of truth with backward- and forward-looking insights.
- **Refine the functional reference architecture.** Anchor technology, investments and implementation in a clearly defined functional reference architecture to provide close integration across the ecosystem.
- **Experiment with emerging technologies.** Evolve the existing technology landscape by experimenting and testing emerging technologies in centralized environments with new and established ecosystem vendors and partners. Improve technology acumen across departments.
- **Operate with a sense of urgency and collaboration.** Keep the team focused on the value to be delivered by the transformation effort.
- **Bring the team along on the journey.** Rally the troops, keep them motivated and focused on the task at hand.

High level of transformation ambition

- **Evolve the digital core across the enterprise.** Refine the cloud-based data hub setup with a solid data governance structure to improve the quality and usability of data for developing more advanced analytics and insights.
- **Refine the end-to-end reference architecture.** Anchor technology investments in a robust and clearly defined enterprise-wide reference architecture to provide seamless end-to-end integration across the organization and extended ecosystem.
- **Systematically explore new emerging technologies.** Evolve the existing technology landscape by experimenting with and implementing emerging technologies through enterprise-wide and broad-based ecosystem use cases. Continuously build technology acumen across the enterprise to identify new opportunities within and across functions.
- **Hone a nimble and flexible leadership style.** Adapt your approach to working with peers and teammates to manage conflicting priorities and trade-offs.
- **Avoid burning people out.** Act as a purposeful orchestrator to build consensus to execute required actions.

Case in point:

Reimagining the finance and risk functions

A global financial services institution launched a multi-year effort to reimagine its finance and risk functions. This data-centric initiative focused on its meeting stakeholder needs and was sponsored by the risk, finance, enterprise data, markets and credit areas. The adoption of a centralized data model and cloud-based data products is helping simplify and optimize the complex point-to-point system flows across approximately 500 applications resulting in the removal of about 2,000 end user spreadsheets and applications.

The transformation is expected to generate more robust compliance and controls, better data and actionable insights and improved customer and employee experiences. When fully implemented, the company expects to achieve more than $100 million in financial benefits per year across the group.

"People and change management are the biggest challenges to transformation. We underestimated this – also in terms of resources that have been dedicated to it."

Massimo Terrevazzi
Group CFO & Executive Director
Perfetti Van Melle Group

04. Collaboration is king

CFO-led reinvention will only succeed when CFOs break free of their functional silos.

The good news is that this broad perspective is taking hold. We found that 72% of CFO Forward Study respondents report that the transformations they lead affect three or more different functions. The better news is that our work confirms that companies with stronger cross-functional collaboration and oversight outperform their industry peers. Importantly, generating this cross-functional value requires a collaborative spirit. We found that CFOs with a strong collaborative leadership style are twice as likely as their peers to achieve their objectives[20].

This mindset needs to be extended to building a strong CEO – CFO partnership. This is essential to an organization's value creation goals and transformation agenda.

To find out more on the critical role a CFO's leadership style plays in decision-making, refer to The Paradox of Choice for CFOs report at: https://www.accenture.com/us-en/insights/consulting/cfo-decision-paradox-success-paradigm

> "The role of a CFO today is very demanding. To add the most value, our primary focus should be partnering with the CEO and leadership team to impact the quality of every business decision."
>
> John Murphy
> President and Chief Financial Officer
> The Coca-Cola Company

72%

of CFO Forward Study respondents report that the transformations they lead affect three or more different functions.

2X

CFOs with a strong collaborative leadership style are twice as likely to achieve their organizational objectives than peers[21].

Build strong alliances with your ecosystem

Companies need to build boundaryless alliances for mutual gain. CFOs can play a key role by institutionalizing how they work with ecosystem partners and other key stakeholders to:

- Co-invest in the future
- Co-innovate
- Reduce capital deployment
- "Variabilize" costs

This collaboration is also key to creating a high level of interoperability across enterprise applications, enabling them to interact and exchange data with each other. Our research found that companies with high interoperability not only create long-lasting value but also accelerate growth and transformation. These companies increase their revenue 6x faster than peers with low interoperability[22].

Case in point:

Using collaboration to drive a sustainability reinvention

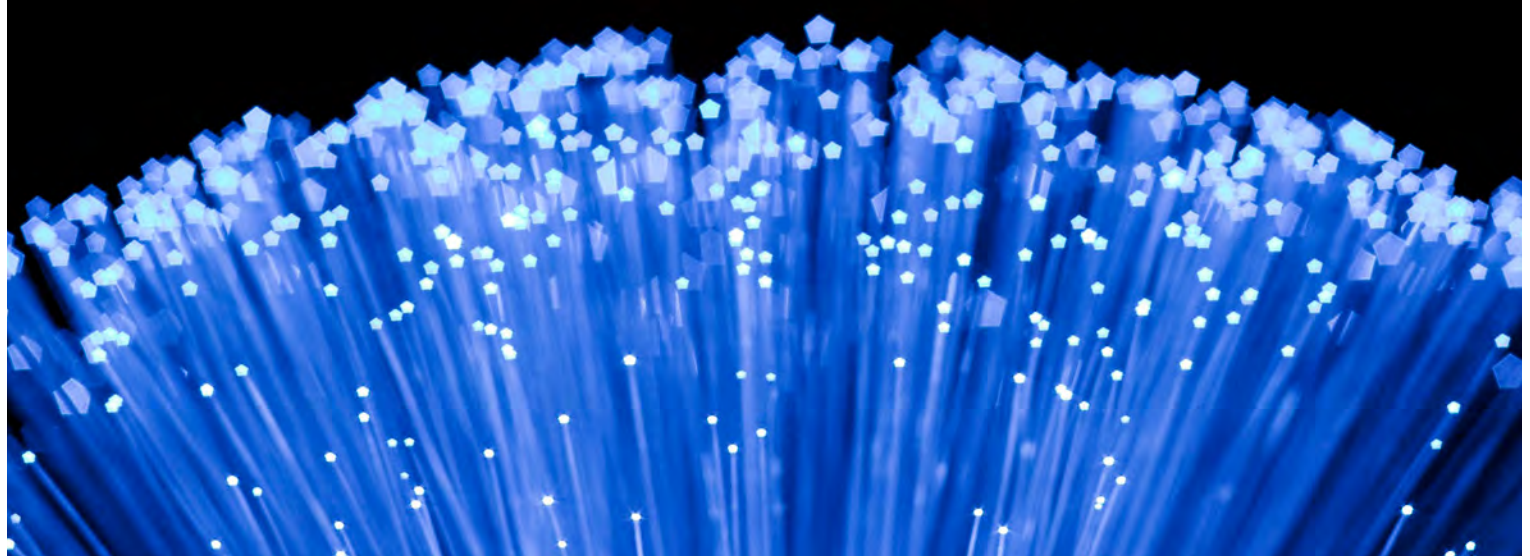
Graphic Packaging, a century-old paper-based packaging firm, has more than 130 facilities across the globe. A few years ago, the company embarked on a critical sustainability transformation in response to shifting customer, employee and ecosystem expectations.

The company's sustainability-based vision has guided its business strategy, which involved setting measurable goals including generating superior returns. Vertically integrated business models were deployed across the value chain to enhance the company's competitive position while simultaneously improving its long-term prospects and ensuring near-term returns for stockholders. As well, the business realigned towards growth markets and a continued focus on new and innovative packaging solutions.

The finance function has played and continues to play a critical role during this multi-year sustainability transformation. It oversees the M&A strategy, aligns dedicated resources to new product development and innovation teams and collaborates with stakeholders across the enterprise, including business function leaders, to systematically achieve the common goal of building a sustainable business[23].

"The biggest lesson I learned about ecosystems is partnering. Don't try to solve all of your problems by yourself."

Yoshito Murakami
CFO
GE Gas Power



Actions aligned to transformation ambitions

Applying **collaboration** as the key to unlock the multiplier effect of reinvention

Low level of transformation ambition

- **Collaborate with C-suite and business peers.** Seek ongoing input from peers on priorities and challenges and manage competing views and opinions to drive a "collaborating-for-results" mindset.
- **Seek to combine budgets to co-invest** in foundational data, technology and skills training.

Moderate level of transformation ambition

- **Cultivate a collaborative mindset.** Celebrate and promote collaborative behaviors across the organization. Launch an internal campaign to encourage cross-functional problem-solving.
- **Co-invest with ecosystem vendors and partners.** Create alliances with ecosystem members who have invested in technology and solutions.

High level of transformation ambition

- **Collaborate at scale.** Cultivate relationships with external vendors and ecosystem partners to learn what is leading edge and what others are doing.
- **Co-innovate with ecosystem members.** Work with trusted vendors and partners to leverage outside perspectives and investments and grow new value streams.

The path forward

As CFOs prepare for the challenges of a permacrisis environment and impacts over the next two years, they need to ground themselves on the following realities:

Tech-led disruption

Technology is the top source of disruption and the most important driver of value. Building an integrated digital core is critical to turning this disrupter into an opportunity to pivot to a new performance frontier.

It's time for bold ambition

Our CFO Forward Study confirms that CFOs and companies with strong ambitions at the start of their reinvention efforts deliver more business value. This self-fulfilling prophecy should become CFOs' North Star as they navigate the challenges of a disruptive business environment over the next few years.

Prioritize value to break through the noise

Our client work and research confirm that CFOs are often overwhelmed by the number of strategic decisions they need to make and the pace at which these decisions need to be executed. According to our CFO Forward research, CFOs who maintain a stronger focus on value are 33% less likely to feel paralyzed by the number of decisions and choices they need to make. Focusing on value creation can help CFOs and the C-suite work through conflicting goals and priorities.

Technology, data and people are the differentiators

Human + Machine collaboration allows companies to enter new performance frontiers by leveraging the capabilities and strengths of their people and technologies, including generative AI. Companies that emphasize these differentiators can transform their processes, operations and business models to surge ahead of the competition, drive enterprise-wide innovation and build sustainable revenue streams.

> "We had to double down on innovation. We needed to be much more innovative and do some large capital investments that could create literally a 30-year advantage."
>
> Stephen Scherger
> Executive Vice President and
> Chief Financial Officer
> Graphic Packaging

About the research

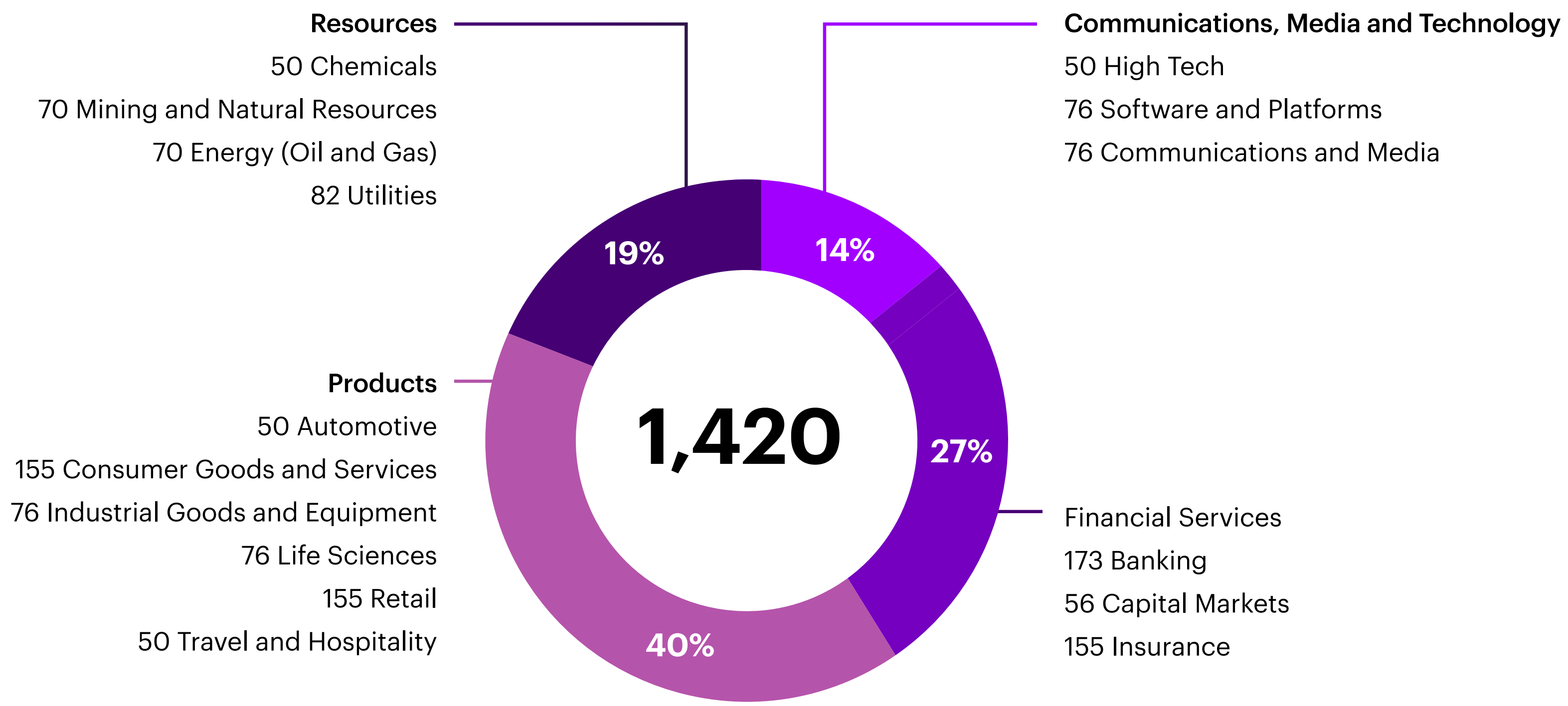
Accenture surveyed over 1,400 CFOs and senior finance leaders from across Australia, Brazil, Canada, France, Germany, Italy, Japan, Saudi Arabia, Singapore, Spain, Switzerland, the United Arab Emirates, the United Kingdom and the United States between June and August of 2023. Participants were sourced from the following sectors: automotive; banking; capital markets; chemicals; communications and media; consumer goods and services; high tech; industrial equipment; insurance; life sciences; mining and natural resources; oil and gas; retail; software and platforms; travel and hospitality; and utilities. Twenty-one percent of survey respondents were from companies with over $10 billion in revenues. Twenty-three percent of respondents were from companies with between $5 billion and $9.9 billion in revenue. The remaining companies had over $1 billion in revenue. All other data is from the CFO Forward Study, data collected August 2023.

Figure 1 of this report presents the results on the expected change in the level of disruption as an index value (net balance of responses or net percentage of responses). For each disruption factor, the net balance is calculated as the difference between the percentage of respondents expecting an increase in disruption and the percentage of respondents expecting a decrease in disruption. Respondents expecting no change in the disruption level are considered neutral and do not affect the final index. A positive net balance of responses indicates an expected increase in the level of disruption, while a negative value suggests a decrease in the level of disruption.

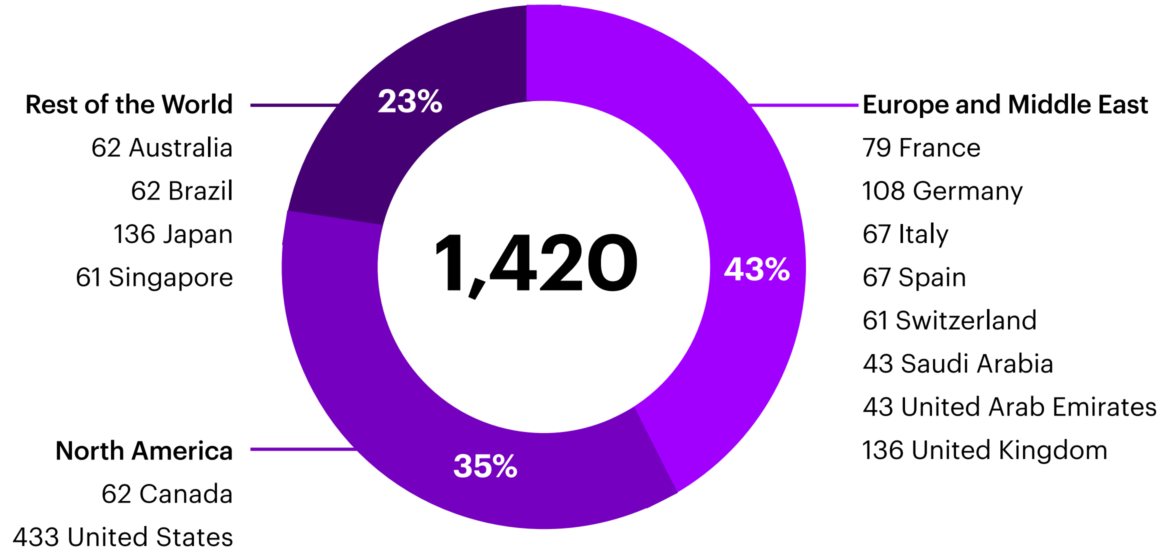
All non-sourced stories are based on Accenture client engagements and our 20 in-depth interviews were with CFOs from client companies with a collective market capitalization exceeding 1.5 trillion USD.

CFO Forward Study respondent breakdown

By Industry



By Country



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About Accenture

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