



WHITE PAPER

The DNA of future CFOs

Research insights



Contents

- 3 About this study**
- 4 Current challenges for financial leaders**
 - Prevalent organizational & operational issues **5**
- 6 What's next? Post-pandemic expectations**
- 8 Transformation: Where is innovation needed?**
 - Areas for innovation **9**
- 11 Defining the CFO of the future**
 - Expected skills and background **11**
 - Differing outlooks **13**
- 14 How is the role changing?**
 - Skill areas where they're seeking improvement **17**
 - Perceptions of current finance infrastructure **18**
 - ERP preferences **19**
 - Top financial challenges **20**
 - Financial or operational initiatives type **21**
- 22 Conclusions**
- 23 Appendix: Methodology and participants**

About this study

500+

AR professionals
interviewed

A Chief Financial Officer is central to the success of any organization. So any changes to that role, especially if those changes are being driven by broader trends impacting the function of the CFO across multiple industries and operational models, are important to recognize and understand.

To shine a light on what changes may be in store for the CFO position, Billtrust commissioned Paradoxes, Inc. to conduct an extensive qualitative and quantitative study between 2021 and 2022. This was aimed at defining the current financial challenges facing CFOs and the skills and expectations that will shape the CFO role in the future.

This was an extensive undertaking, encompassing interviews and sessions with over 500 financial professionals fielded from a balanced mix of organizational sizes and types. This included both current CFOs and others who are aspiring or on track to eventually take a CFO position.

In this white paper, we'll examine how this research has uncovered how **the future role of the CFO is being significantly reshaped**. Much of that is a result of the evolution in business strategies and operations that many companies have undergone over these last few years, some of in response to massive disruptions like COVID-19 and hybrid work environments.



Current challenges for financial leaders

“Immediately, **the biggest challenge is juggling supply issues.** We are having major issues with suppliers getting product to sell.”

TODD M.
TRANSPORTATION

Current business challenges, including the impact of COVID-19, as well as new technology and tools, are driving changes in what’s been traditionally expected of a CFO.

Current CFOs were demonstrative about the range of challenges they (and their peers) face, with several indicating that it was the most “complex” time in their careers. At the macro level, the business challenges cited most consistently included:

- Cash flow is always a concern for financial leaders.
- Hiring amidst remote operations.
- Re-evaluating leases, real estate and fixed cost assumptions.
- Operational challenges include supporting remote work scenarios, security issues, and extracting and managing company data across departments.
- Supply chain/materials issues.
- Labor shortages

Respondents shared that supply chain/materials issues are currently a significant concern impacting various industries (e.g., construction, transportation, biotechnology, and many others.). It’s also affecting bottom lines.

“Overall **cost of labor and supply** is rapidly increasing. It’s worrisome. We want to ensure the same product/service for customers but are **reluctant to increase pricing** due to competitors.”

SONA S.
BIOTECH MANUFACTURING

Respondents also pointed to the difficulty finding qualified blue-collar workers, even via staffing agencies. In some instances, candidates aren’t even showing up for arranged interviews. At the white-collar level, they cited the greater competition for top talent, causing an increase in salary demands and driving up costs. It’s especially challenging to recruit for onsite, in-person roles (such as a laboratory or scientific position) due to the increased popularity of remote work.

"It's more complicated than it ought to be... Multiple systems don't talk to each other. It's a challenge."

**IRIS C.
MEDICAL**

"Business systems are lacking. Heavily reliant on legacy tools like Excel that need to be maintained by grunts in the finance dept. Such a drag on productivity, efficiency, decision-making. It's a bottleneck for every financial leader."

**TRISTAN G.
BUSINESS SERVICES**

Prevalent organizational & operational issues

Our survey subjects stressed there were organizational and operational issues that need to be addressed in order to help finance departments overcome the challenges identified above:

CONNECTING ORGANIZATIONAL SYSTEMS

Linking systems across the organization and having systems 'talk' to each other.

NEED FOR REAL-TIME DATA

Up-to-date information that the CFO can easily view, analyze and share.

SEIZING GROWTH OPPORTUNITIES

Expanding the business, staying relevant and keeping ahead of competitors (with pricing and technology).

What's next? Post-pandemic expectations

There are many issues and challenges caused by the COVID-19 pandemic. Those include remote work environments, safety concerns for staff and customers, layoffs and furloughs, the need to pivot how organizations deliver services to customers, and cash flow concerns.

For financial professionals, the negative effects of carrying over outdated models and irrelevant historic data starkly illustrated the need for real-time data and connected systems.

Old financial projection models were unhelpful, and historical data did not aid future forecasts. The pandemic made the need for updated data to inform financial decisions even more apparent.

Positives:

- Most leaders surveyed worked at essential businesses.
- Some received PPP loans, so they had unexpected cash on hand.
- The majority of leaders were agile and able to pivot or make accommodations quickly and managed to avoid losing business. A great deal of updated modeling was accomplished to help guide organizations in unprecedented times as companies were forced to think “outside the box.”
- To stay afloat financially, leaders were forced to rethink their work environments to ensure safety and reconsider central aspects of their businesses. These pressures forced them to be more receptive to change.

Overall, companies persevered and emerged better off by **being agile and adaptable and by re-evaluating priorities**. Most described their companies as having accomplished the pivot or “reset” required in response to the pandemic, and now see **an uptick in orders, pipeline and increased initiatives**.

Naturally, economic sentiments were mixed across specific industries and regions, **but they leaned toward the positive**. One example of how finance leaders made unprecedented adjustments: Most participants indicated their firm would never have a larger lease/office relationship than they had at the start of 2020.

“If you don’t have robust, flexible, up-to-date business system infrastructure, you cannot adapt. CFOs need to be more informed by past performance. During COVID, the companies with the best systems (real-time insights, rolling forecasts) were able to spin up liquidity models within a day. **Tough decisions were enabled quickly by good systems.”**

TRISTAN G.
BUSINESS SERVICES

“The pandemic taught us change was possible. It made people **think differently about tasks**. I don’t think I could convince the old-school owners if it hadn’t happened. [It] **helped me sell my idea** [to centralize accounting functions].”

TODD M.
TRANSPORTATION

Transformation: Where is innovation needed?

While few leaders used the term “transformation,” most were eyeing or have launched transformational activities, usually in multi-step projects.

These will potentially impact the organization in profound ways, obviously, and thereby impact the role of the CFO:

- Many respondents described struggling to identify the best platform and feature set for the scale of their firm.
- It was the common ambition of respondent leaders to identify workflows or processes where a platform could automate low-value time and tasks (e.g., in accounting and finance reporting).
- At a higher level, several participants also articulated more complex desires, such as rearchitecting databases or crafting integration across formerly disparate systems or functional areas.



Areas for innovation

The most acute desire expressed by the respondents was to **unlock company data for easier exploratory views and analysis**. There is a belief among both recently appointed CFOs and aspiring CFOs that better access to and knowledge of the company's data (across customer, product and internal operations) will drive innovation for the firm.

Automation, data analytics and the integration of systems across the organization were considered central to being effective and competitive in the future.



Automation

Automated processes (such as automated payments and automated reports) are considered **incredibly important** for the future. Many processes can be automated to free personnel for other tasks, however, it's important to find a balance that still values individuals as an organization's greatest asset.

"Automate everything you can that makes sense. Take the savings and reinvest back in the business."

MIKE B.
FOOD AND BEVERAGE



Data analytics

There's enormous value in data analytics, and being able to access data quickly, view the proper metrics, construct the right models, and streamline or eliminate manual processes renders the organization more efficient.

As respondents cited, it's important to have all accounting and finance systems, such as ERP systems and SaaS applications, "talk" to each other. From a CFO's perspective, all systems are related since finance is impacted by all aspects of the business. Overall, better data analytics enable an organization to make smarter financial decisions.

"Being able to mine data to get the right information to the right people in a timely manner to make decisions before competitors is critical."

TODD M.
TRANSPORTATION



Integrating and updating systems

Organizations are upgrading systems and implementing new software. It's crucial to have new systems integrated with existing systems.

If organizations are not actively implementing a new system, many are researching, evaluating and considering options. Others already recognize specific changes that need to happen in the short term (1-3 years). Most of the innovations being pursued relate to improved data, faster reporting, budgeting tools and payment processes.

"I'd like to see, down the road, for our ongoing customers to have an interface and account to pay (a) bill like they do paying a credit card. Use that system to **request work and pay for it.**"

**STEPHEN A.
ELECTRICAL**

Defining the CFO of the future

In light of the operational and technological changes being embraced or anticipated by our survey subjects, it's not surprising there are already key changes in motion around the role of the CFO within many organizations.

"The CFO role (now) needs better skills and tools for real-time data and analysis... We have a BI team, of course, but anything non-standard or complex becomes an analyst query. Going forward, this [capability] will be a requirement of the CFO role..."

**MICHAEL B.
HEALTHCARE**

"Accounting and financial competency is a must. Forecasting is a must. As long as you know how to understand it, (you) don't have to know specific programs."

**SONA S.
BIOTECH MANUFACTURING**

Expected skills and background

Employing the "horizontal mindset"

Aspiring CFOs will manage "horizontally" when they take on that job, working in more direct collaboration with other business units beyond the traditional boundaries of the CFO's office. "The role is changing" was a common phrase, with comments emphasizing the skills and desire necessary to collaborate personally and integrate technically with other functional groups.

Most respondents (91%) agree that teams will need to collaborate and share ideas across functions to be successful. Evolving CFOs place significant emphasis on the ability to problem-solve across business units. Taking a leadership role in "better data analysis and insights" in support of business/financial goals is central to the "horizontal" outlook.

Accounting and finance skills, in particular, remain a requirement. However, there is a growing new emphasis on people skills: CFOs are expected to have the ability to communicate and make business issues relevant across separate departments. Being accessible and relatable was highlighted; the CFO should no longer be aloof.

In fact, translating data into stories that illustrate decisions or strategies for peers who are not financially inclined was cited on multiple occasions as an emerging capability or skill.

“We live in numbers, so a good CFO has to be able to analyze (not to the point of paralysis) and make sense of data. See the forest through the trees.”

MIKE B.
FOOD AND BEVERAGE

The importance of understanding data

Almost across the board, participants say that the CFO role calls for computer science/programming exposure, but not necessarily at a degree level.

An interest or level of comfort in data analysis/analytics is expected, as well as faith in integrated platforms as a path to unlock innovation:

- **92%** of respondents said that the knowledge financial leaders need will increasingly include new financial and tax structures, credit instruments, and regulations.
- **89%** agreed that, as a key future measure of success, financial leaders will need to understand how data moves and is used across the firm.

Finally, CFOs should have the ability and desire to see the “whole picture” instead of just the financial facets of the business.



Differing outlooks

Future CFOs have faith in the strategic value of data and technology and a desire to be an agent of innovation. These attitudes contrast with the outlooks of current CFOs and others in the C-suite.

	C-SUITE MEMBERS (43% of respondents: 34% CEOs, 9% other)	CURRENT CFO (27% of respondents)	FUTURE/ASPIRING CFO (30% of respondents)
Infrastructure modernization is...	Cash application process automation	Collections process automation	Digital invoicing and payment flows
Initiatives: Timeline & goals	<ul style="list-style-type: none"> — <6 months — Cash flow analysis and management 	<ul style="list-style-type: none"> — <6 months — Treasury management — Cash flow analysis and management 	<ul style="list-style-type: none"> — 6-24 months — Customer satisfaction — Financial forecasting
Key skills and abilities for success	<ul style="list-style-type: none"> — Ability to problem-solve across business units — Build a team — Develop/envision strategy 	<ul style="list-style-type: none"> — Manage risk — Budgeting — Investor communications 	<ul style="list-style-type: none"> — Develop and envision strategy — Collaboration — Lead on AI/ML
Verbatim responses: What skills are needed for the successful CFO of the future?	“CFOs tell their CEOs what will happen in the future, and he or she must be trustworthy and responsible.”	“The key financial (skills) for the future CFO are financial foresight, confidence, and perspective on risk...”	“Ability to find and drive changes across the organization...(a) desire to see evolution that creates the value for shareholders and maintains a premium offering to customers.”

How is the role changing?

The traditional path to the CFO's office via an MBA degree was largely de-emphasized by respondents. Instead, a blend of experiences and background, with an emphasis on computer science exposure and "data literacy," was described as superior preparation for the role.

The MBA was described as "appreciated but not a requisite," which several observed was a change from their own career path.

Finance or accounting combined with a computer science and analytics background was the hot combination for recruiting CFOs. Formal education was considered "less important than experience with different [accounting and finance] systems" and other qualities such as how to tackle the organization's goals.

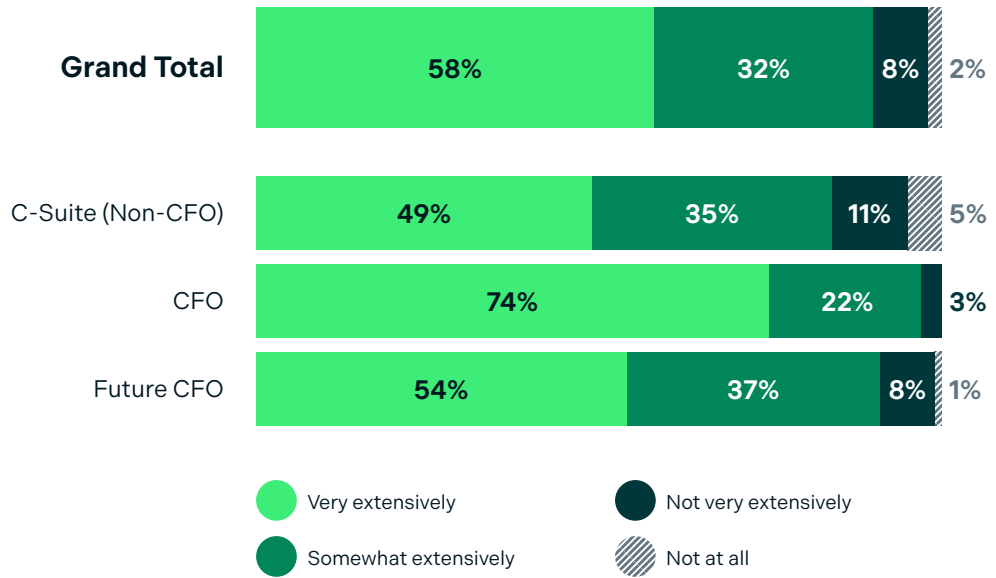
Finally, a CFO is expected to care about the business and the mission or vision of the organization.

"A good CFO can pull themselves out of a situation if in the center, but **look over things as a whole**. Be prepared for challenging situations. It's also important to **value your people**. To me, I'm only as good as the people who I am working with."

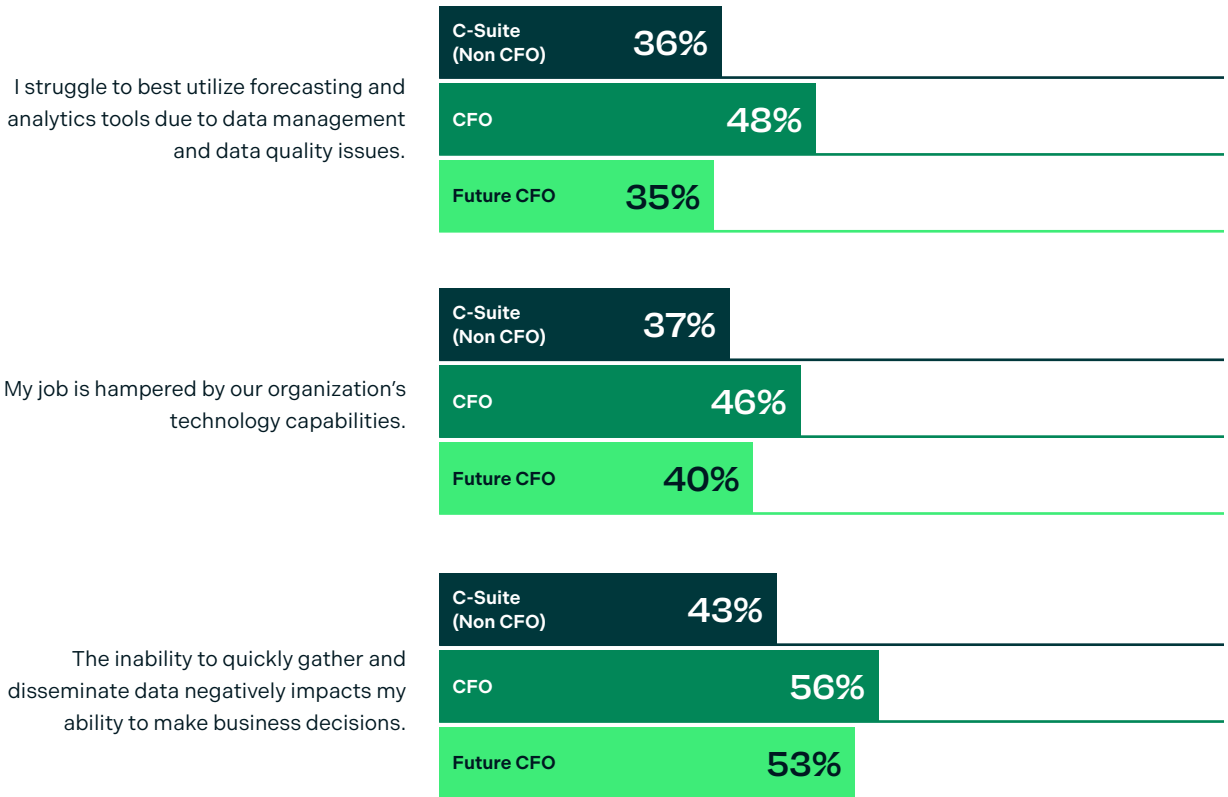
STEPHEN A.
ELECTRICAL

- **Among current CFOs**, finance/accounting is overwhelmingly the predominant degree field, and only around 20% of respondents describe alternative fields of study. 64% of current CFOs hold a finance degree of some kind.
- Education background by degree field among **future/aspiring CFOs** shows a more diverse mix of disciplines. Aspiring CFOs have focused less intently on finance than current CFOs. At the Bachelor's degree level, only 30% of aspiring CFO respondents hold Finance degrees (versus 64% of current CFOs). Here is how the extent of Finance studies breaks down by group:

Extent of finance studies by title



Future CFOs also differ from current CFOs in their comfort with data and analytics tools:



Compared to current CFO officeholders, future CFOs express a **higher emphasis on data/analytical skills and collaborative skills**. Note how current CFOs have markedly less focus on those skills than their C-suite peers:

Skills focused on by role

	C-SUITE (NON-CFO)	CFO	FUTURE CFO	TOTAL
Financial/accounting skills	74%	67%	75%	74%
Leadership/management skills	80%	75%	72%	74%
Collaboration and communication skills	73%	61%	67%	68%
Data/quantitative or analytics skills	61%	54%	70%	62%
Technical skills	62%	52%	57%	58%
Creative skills	62%	48%	39%	51%

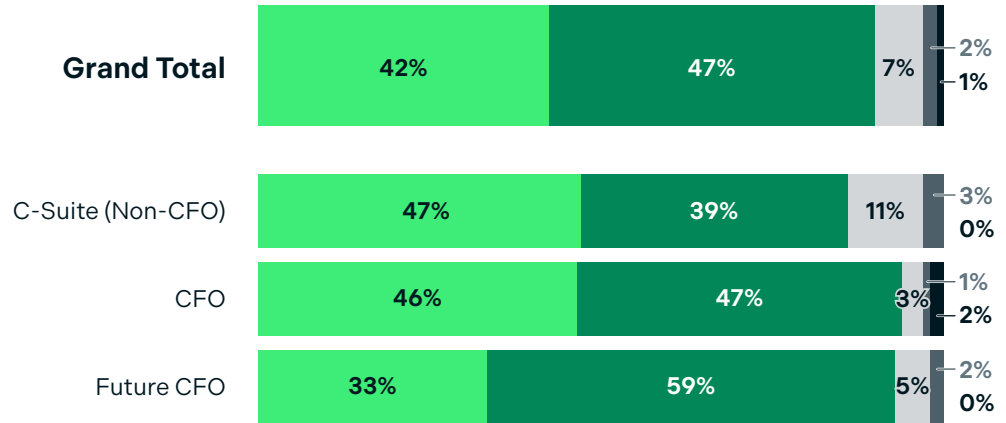
Skill areas where they're seeking improvement

Current CFOs are focusing on improving data and analytics skills, while emerging CFOs are investing in management and leadership skills.

	CFO	FUTURE CFO	GRAND TOTAL
Leadership/management skills	52%	54%	53%
Data/quantitative or analytics skills	60%	44%	51%
Financial/accounting skills	51%	46%	48%
Creative skills	50%	45%	48%
Technical skills	44%	44%	44%
Collaboration and communication skills	42%	46%	44%
Other, please specify	1%	0%	0%

Perceptions of current finance infrastructure

46% of current CFOs report that their infrastructure is “very” modernized, which means the majority of processes and systems are automated, integrated and digital. However, **future and aspiring CFOs have a less positive view of their firm’s current infrastructure**, with only 33% labeling it “very” modern.



- **Very modernized**
(majority of processes and systems are automated, integrated and digital)
- **Somewhat modernized**
(some processes and systems are automated, integrated and digital)
- **Neutral**
- **Outdated**
(only a few processes and systems are automated, integrated and digital)
- **Very outdated**
(majority of processes and systems are not automated, integrated and digital)

ERP preferences

Current CFOs show a fairly clear preference for investing in Oracle/SAP, suggesting presence in enterprise firms, while other C-Suite respondents lean toward QuickBooks products. Future CFOs reflect a higher-than-average presence of the Microsoft Dynamics brand.

	C-SUITE (NON-CFO)	CFO	FUTURE CFO	TOTAL
Quickbooks	59%	36%	46%	49%
Oracle	37%	50%	38%	41%
SAP	29%	52%	41%	39%
Intuit (non-QuickBooks)	27%	18%	26%	25%
Microsoft Dynamics	20%	22%	33%	24%
Sage	11%	21%	13%	15%
Eclipse	10%	9%	9%	9%
Infor SXe	5%	9%	8%	6%
DMSi	6%	6%	5%	6%
Prophet21	5%	4%	8%	5%
Other	2%	1%	4%	2%

Top financial challenges

Current CFOs expressed above-average concerns with data access issues, while emerging CFOs cited challenges with team members and remote work, perhaps reflecting their current roles at the working team level.

	C-SUITE (NON-CFO)	CFO	FUTURE CFO	TOTAL
Supply chain and inventory issues	46%	50%	49%	48%
Eliminating redundant/manual tasks in business processes	36%	44%	44%	41%
Hiring and maintaining staff	33%	41%	49%	40%
Cash flow	45%	37%	34%	40%
Working capital	44%	35%	30%	38%
Access and visibility to key measures and data	35%	44%	35%	37%
Remote work logistics	30%	27%	35%	30%
Liquidity	30%	22%	22%	25%
Other	2%	0%	1%	1%

Financial or operational initiatives type

Current CFOs emphasize managing risk and treasury management, while future CFOs are aligned with external-facing goals such as customer satisfaction projects, driving data insights and creating forward-looking plans and forecasts.

- While current CFO title-holders favor a heavily finance-focused career path, tomorrow's prospective CFOs more often foresee a blend of experiences across operations, IT and strategy in their career arc.
- Current CFOs believe that future CFOs will be recruited from external companies, while future CFOs believe much more widely that CFOs should be promoted internally.

	C-SUITE (NON-CFO)	CFO	FUTURE CFO	TOTAL
Improved customer satisfaction	42%	33%	47%	41%
Financial reporting/forecasting	32%	42%	49%	40%
Efficiency/lowering costs in workflow	38%	42%	38%	39%
Cash flow analysis/management	40%	36%	41%	39%
Better user security	31%	35%	40%	35%
Driving better insights for products and opportunities	31%	32%	38%	33%
Credit risk management	26%	37%	33%	31%
Improved user collaboration	31%	26%	32%	30%
Accounts Receivable systems (AR)	26%	32%	27%	28%
Treasury management	28%	36%	18%	27%
Accounts Payable systems (AP)	25%	25%	28%	26%
Improving access to data (financial and other)	13%	8%	9%	11%
Other	0%	0%	3%	1%

Conclusions

The role of the CFO is **clearly evolving in significant ways** to keep pace with the new dynamics impacting organizations. Our research shows how the “traditional” CFO model is giving way to a new definition that is more comfortable with data, technology and cross-disciplinary collaboration. That evolution goes hand-in-hand with the arrival of new technologies and approaches that will support future success.

While there are key differences in background and focus between current CFOs and the “next generation” of financial leaders, there are certainly commonalities. One of them is that both current and aspiring CFOs realize the importance of digital transformation initiatives.

The majority of corporate financial professionals we surveyed were all too aware of the forces driving their companies to adopt data-driven analytics and optimized processes and systems, and of the key changes that are in store for the CFO role.

In summary, in their view the CFO of the future will:

- Possess a “horizontal mindset” enabling them to collaborate with other business units and disciplines.
- Place more emphasis on gathering and analyzing data and how it moves across the business.
- Be comfortable with new technologies and operational models.
- Be more oriented toward external-facing goals like customer satisfaction, forward planning and data analytics.
- Have a more diverse background, with less reliance on traditional training such as an MBA.
- Need to make smart investments for the organization that deliver long-term ROI (e.g., new software platforms).

They must support digital transformation initiatives that:

- Improve data access/updates and reporting.
- Gain the ability to read and interpret data anywhere.
- Enable better data integration working across financial and operational metrics, making it easier to determine success.

Appendix: Methodology and participants

Target participants were current CFOs or those in positions adjacent to the CFO role, such as CEOs and other C-suite executives, as well as finance professionals that are targeting a CFO role as their next or next-to-next job. Participants are primarily in the 35-49 age range and average 14 years of professional experience.

Over Q4 2021, 45-60-minute interviews were conducted and 10-12-minute surveys were fielded. A survey of 539 professionals was fielded from a balanced mix of organization types and revenue sizes, servicing both B2C and B2B. The 12 interview participants and 539 survey respondents were from the United States. The industries targeted included building supply, heavy equipment, transportation, industrial supply, medical supply, professional services (legal, staffing, etc.), electrical, plumbing/HVAC, food and beverage and retail.

The survey was conducted with professionals with the following firmographic and role characteristics:

Organization size

1 to 4	11%	
5 to 49	14%	44% SMB
50 to 124	9%	
125 to 249	9%	
250 to 499	16%	44% Corporate
500 to 2,000	28%	
More than 2,000	12%	12% Enterprise

Annual revenue

\$1–24 million	32%
\$25–49 million	10%
\$50–99 million	8%
\$100–249 million	10%
\$240–499 million	9%
\$500–649 million	10%
\$650 million–1.49 billion	11%
\$1.5–5 billion	8%
More than \$5 billion	2%

Selling mix of products/services

We have an even mix of B2B and B2C customers	48%
We primarily sell our product/service(s) to other businesses (B2B)	26%
We primarily sell our product/service(s) to consumers (B2C)	24%
We partner with other businesses to sell our product/service(s) to consumers	3%

Current work location policy

We have instituted a hybrid model (on-site & off-site)	57%
We allow permanent work from home (WFH) 100% of the time	20%
We require permanent work in-person 100% of the time	20%
We are off-site by default, but are considering changing in the new year	3%

Employment status

Self-employed	16%
Employed full-time	84%

Individual's business decision-making authority

The whole organization	73%
Multiple departments/divisions	20%
Department/division	5%
Team within department/division	1%

Individual's responsibility of organization's finance/accounting operations

All financial operations	59%
Reporting & financial statements	28%
Financial controls	27%
AR & revenue tracking	24%
Payroll	21%
Accounts payable	19%
Credit and collections	19%
Treasury	12%
Other	1%

Time in current role

Less than 1 year	1%
1–3 years	14%
4–5 years	20%
6–10 years	40%
11–15 years	13%
16+ years	12%

Role

CEO	34%	43% C-suite
Other C-suite	9%	
CFO	27%	27% Current CFO
Director of Finance	13%	30% Aspiring CFO 100% affirm the CFO role is an eventual professional goal
SVP or VP of Finance	9%	
Controller/Comptroller, Treasurer, Financial Secretary	4%	
Other	4%	

Industry

Professional services (legal, staffing, etc.)	11%	54% Primary industry
Building supply	6%	
Industrial supply	5%	
Heavy equipment	4%	
Medical supply	3%	
Food and beverage	3%	
Consumer packaged goods	3%	
Transportation	2%	
Electrical	2%	
Plumbing/HVAC	2%	
<hr/>		
Banking/finance	15%	46% Secondary industry
Information technology	13%	
Education	4%	
Business services/consulting/accounting	4%	
Technology (hardware/software)	3%	
Wholesale	3%	
Architecture/engineering	2%	
Marketing/advertising	2%	
Insurance	1%	
Energy & utilities	1%	
Telecommunications	1%	
Legal	1%	
Government	1%	



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ABOUT PARADOXES, INC.

Established in 2007, Paradoxes, Inc. is a strategic marketing organization that gathers and analyzes information to help organizations make smarter sales, marketing and product decisions. They enable their customers to capitalize on opportunities, overcome challenges and mitigate risk.

ABOUT BILLTRUST

Billtrust is a leading provider of cloud-based software and integrated payment processing solutions that simplify and automate B2B commerce. Accounts receivable is broken and relies on conventional processes that are outdated, inefficient, manual and largely paper based. Billtrust is at the forefront of the digital transformation of AR, providing mission-critical solutions that span credit decisioning and monitoring, online ordering, invoice delivery, payments and remittance capture, invoicing, cash application and collections.



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