CFO of the Future:
The Finance Labor Model in the Digital Age

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“Enjoying success requires the ability to adapt. Only by being open to change will you have a true opportunity to get the most from your talent.”

– Nolan Ryan, Hall of Fame baseball player

Source: 13 Transformative Quotes to Inspire Your Personal Growth, SUCCESS Magazine, September 22, 2017
Agenda

• Change in the finance function
• Changing labor model and workforce trends
• Role of technology
• CFOs’ wants and needs
Change in the Finance Function

- Rapid growth
- M&A
- Technology/digital transformation
- Regulatory reform
- Industry disruptions
Change in the Finance Function

CFOs’ challenges

- Skills
- Scale
- Pressure on the traditional labor model
The New Normal – What’s Normal About It?
Talent Management Questions for CFOs

- How do we staff these efforts?
- How do we hire and develop professionals with in-demand expertise today?
- Does traditional outsourcing meet this need?

91% of CFOs report at least some challenges finding skilled candidates for professional-level positions today.

Source: Robert Half survey of more than 2,000 finance leaders
The Changing Labor Model: The Shamrock Organization

The Professional Core
- In-demand skills
- Identity and purpose from their work
- Work long and hard but expect rewards

Flexible Labor Force
- External specialists
- Not looking for long-term career or promotion with the company
- Interim or part-time work often a choice

Contractual Fringe
- Individuals and organizations
- Paid for results, not time
- Can only exercise control by specifying results

Source: *The Age of Unreason*, by Charles Handy, 1989
Future Labor Model

- Access specialized expertise
- Support key initiatives
- Alleviate the burden on full-time staff
- Serve as a bridge during hiring searches
- Free full-time employees for strategic projects
Future Labor Model

- Exploiting the human cloud
- Millennials and Gen Z expectations
- Overcoming hiring challenges
Future Labor Force

- Large finance and accounting services most likely to be “re-shored”
- Companies increasingly outsourcing knowledge-based processes

Source: State of the outsourcing, shared services, and operations industry 2017, KPMG and HfS Research, April 2017
Talent Management Today

- Distinguish full-time vs. project needs
- Build work relationships with external providers
- Differentiate must-haves, nice-to-haves
- Promote flexibility
- Invest in professional development
Technology’s Role in the New Labor Model

Anticipated impact of automation on accounting and finance

1. Enable focus on execution
2. Increase output of each employee
3. Enhance work-life balance
4. Enable new capabilities

“In order to complete daily work and find the bandwidth to achieve bigger, more impactful strategic initiatives, companies are turning to technology to fill in the gaps.”

– Susan Parcells, senior director of finance transformation, BlackLine

Source: Benchmarking Accounting and Finance Functions: 2018

Source: CFOs: Use Technology as a Stop-Gap, by Susan Parcells, BlackLine Magazine, March 1, 2018
CFOs’ Wants and Needs: Change Management

“My profession has probably been transformed again just since we started this session.”
CFOs’ Wants and Needs: New Skills Demands

Top skills needed due to digitalization

1. Communication
2. ERP
3. Data analytics
4. Creativity
5. Cloud systems

Source: Benchmarking Accounting and Finance Functions: 2018
CFOs’ Wants and Needs: Multiple Talent Sources

- Employees
- Interim Staffing
- Outsourcing
  - Offshoring
  - Rural-sourcing
  - ERP/Workflow
  - BPaaS
  - Managed Services
- Robotics & AI
- Human Cloud
Top 5 Takeaways

1. Define your “shamrock” organization
2. Embrace change, it’s constant
3. Be a disruptor, not disrupted
4. Customize your labor model
5. Stay current
Additional Resources

The Labor Model for Finance in the Digital Age
protiviti.com/mbs

Benchmarking Accounting and Finance Functions: 2018 Robert Half Summit booth

CFO Skills in Today’s Finance Labor Model
FEI Daily
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