

# Redefining Performance

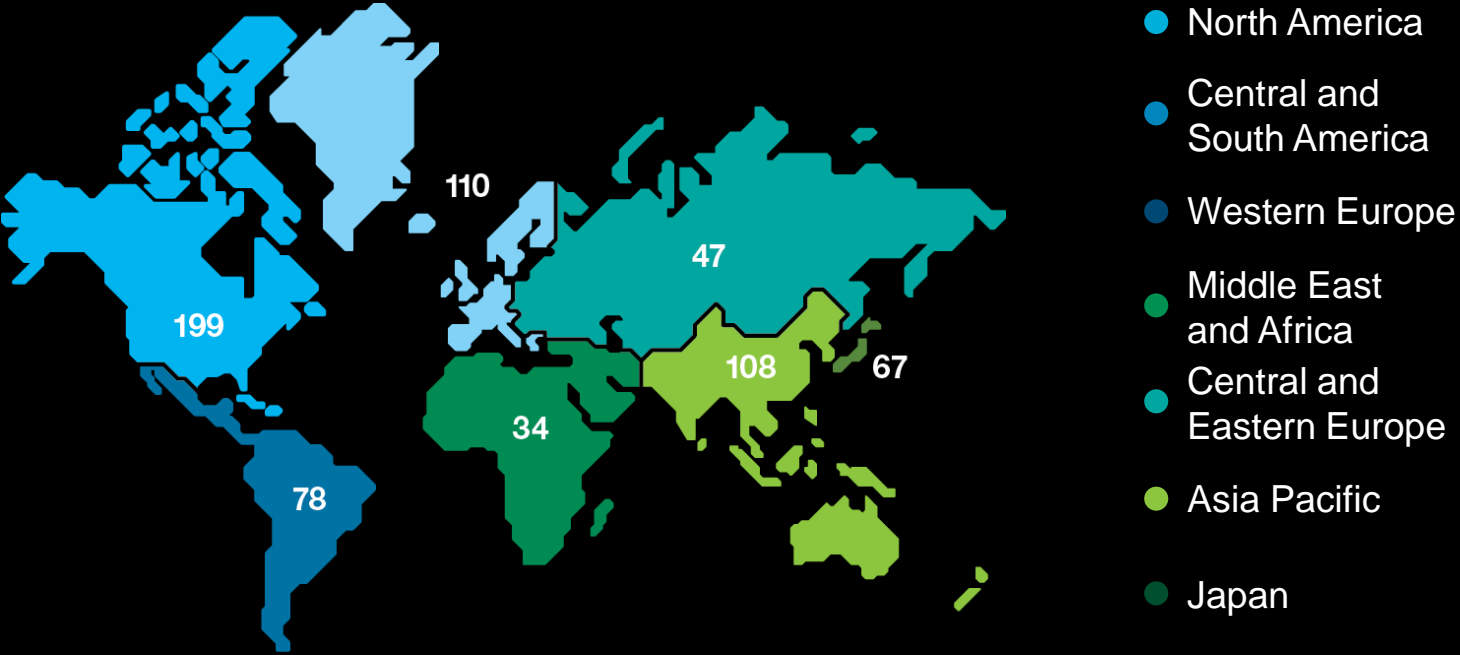
*Insights from the Global C-suite Study – The CFO Perspective*

**Patrick White, CFO, IBM Global Financing UK and Ireland**

IBM Institute for Business Value



# We interviewed 5,247 business leaders for this study, including 643 CFOs from 54 countries



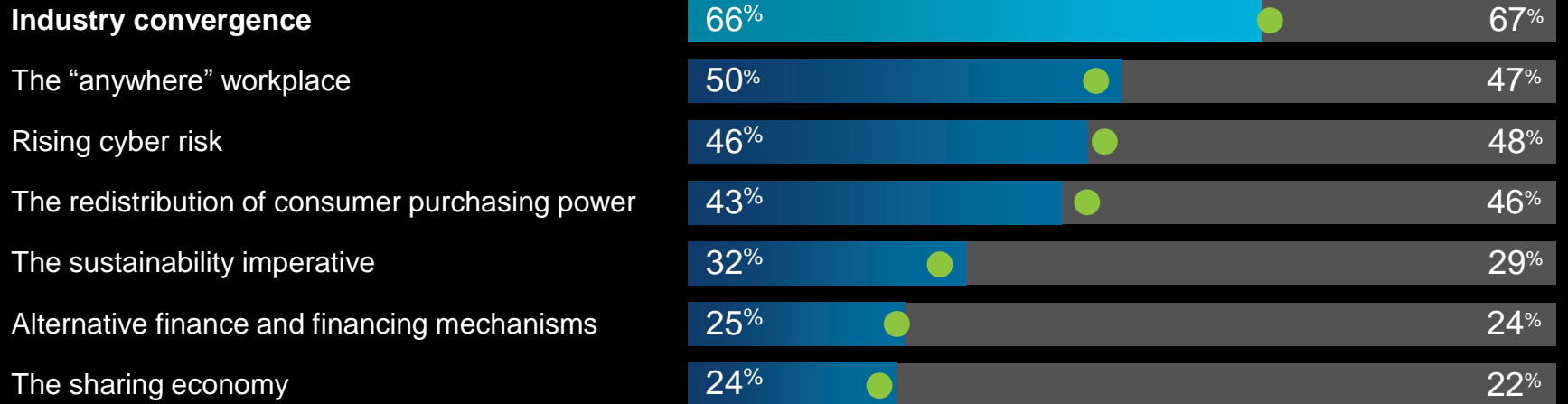
# Redefining Performance

Technological advances are disrupting the status quo and creating huge turbulence.

- Industries are converging, and new competitors emerging, at breakneck speed. The pressure to innovate has never been greater, nor managing the risks more difficult.
- CFOs with topnotch finance teams – Performance Accelerators, as we call them – are making fundamental changes in response. Performance Accelerators:
  - Take the long view (what to do)
  - Prepare for the “next wave” (how to do it)
  - Integrate, analyze and adapt (what you need to do it)
- Performance Accelerators offer guidance from which CFOs everywhere can profit in the age of disruption.

# CFOs agree with other CxOs that the boundaries between previously distinct industries are blurring

## Top trends to impact business (in 3 to 5 years)



All CxOs

CFOs



# CFOs anticipate even more competition from other sectors, as industry convergence produces new rivals

Business landscape change (in 3 to 5 years)



+27%

*no change*

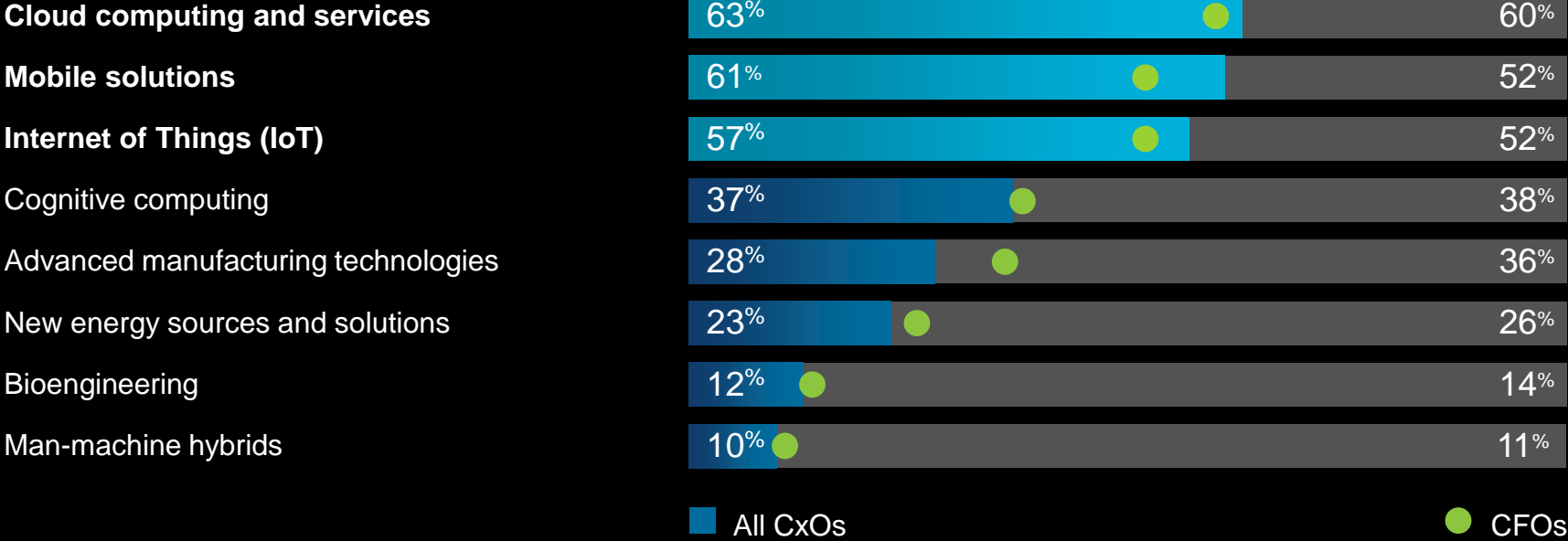
“We have to see whether new rivals from different industries will enter our sector and take counter measures.”

**Koichi Takahashi**, Member of the Board, Senior Executive Officer, General Manager, Finance and Accounting Division, Daikin Industries, Japan



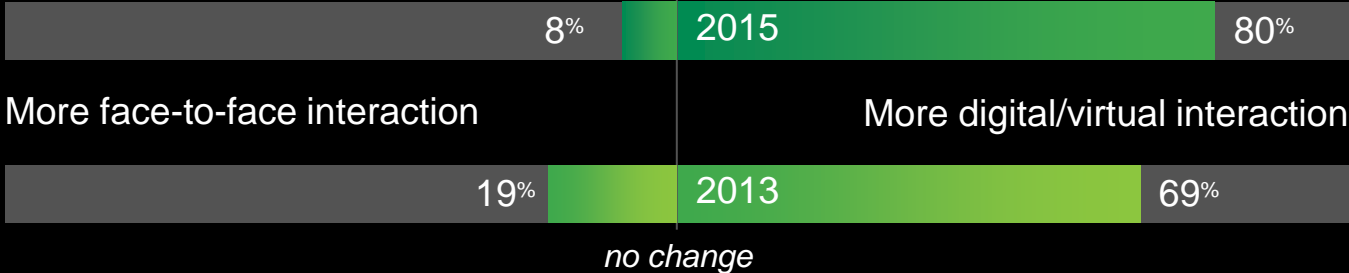
# CFOs, like other CxOs, attribute much of this change in the competitive landscape to new technologies

Technologies revolutionizing business (in 3 to 5 years)



# CFOs also expect yet more digital engagement and far less face-to-face interaction

Business landscape change (in 3 to 5 years)



+16%

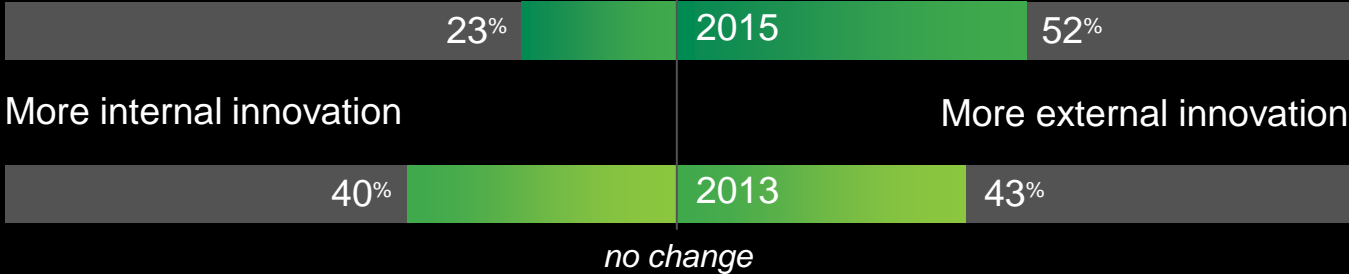
“Technology has challenged the notion that retail banking services are fulfilled only within the walls of our branches.”

CFO, Banking and Financial Markets, Philippines



# And they think more innovation with external partners will be crucial in the future

Business landscape change (in 3 to 5 years)



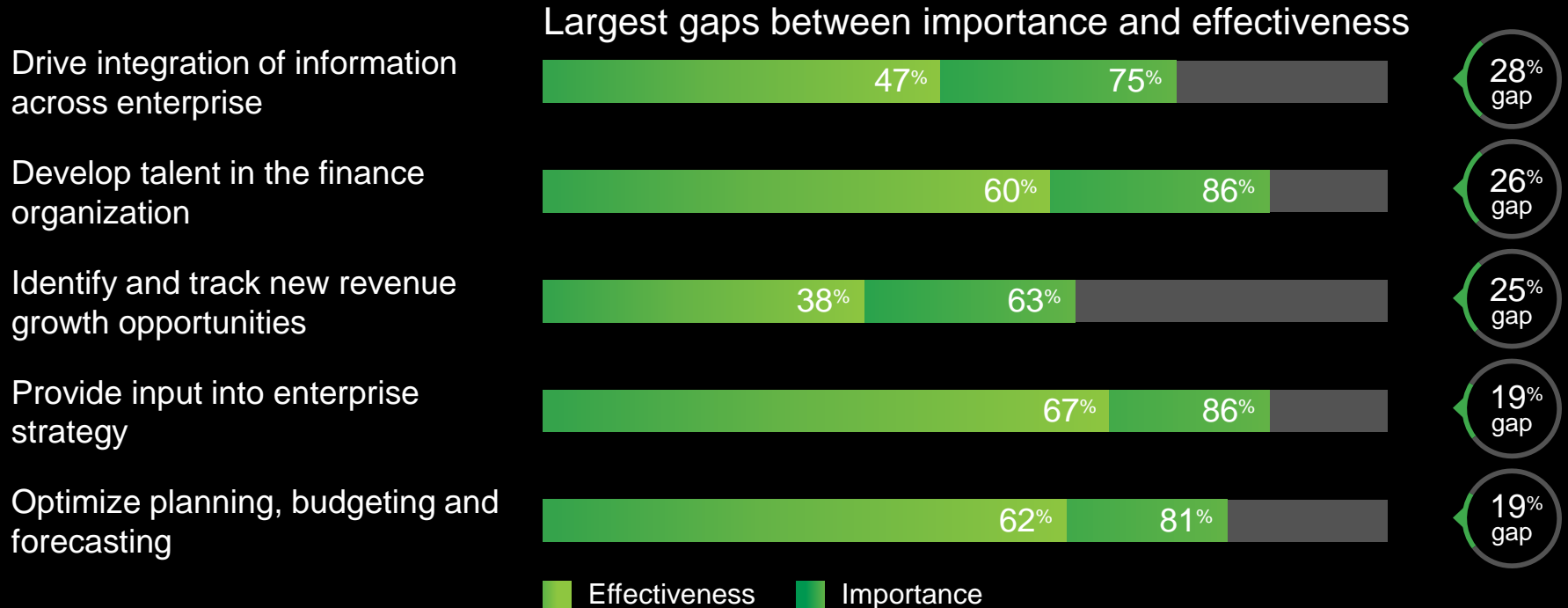
“One of my priorities is making alliances with companies that have greater technological know-how than we do.”

Rodrigo Castillo, CFO, Comercializadora Mayorista del Golfo, Mexico



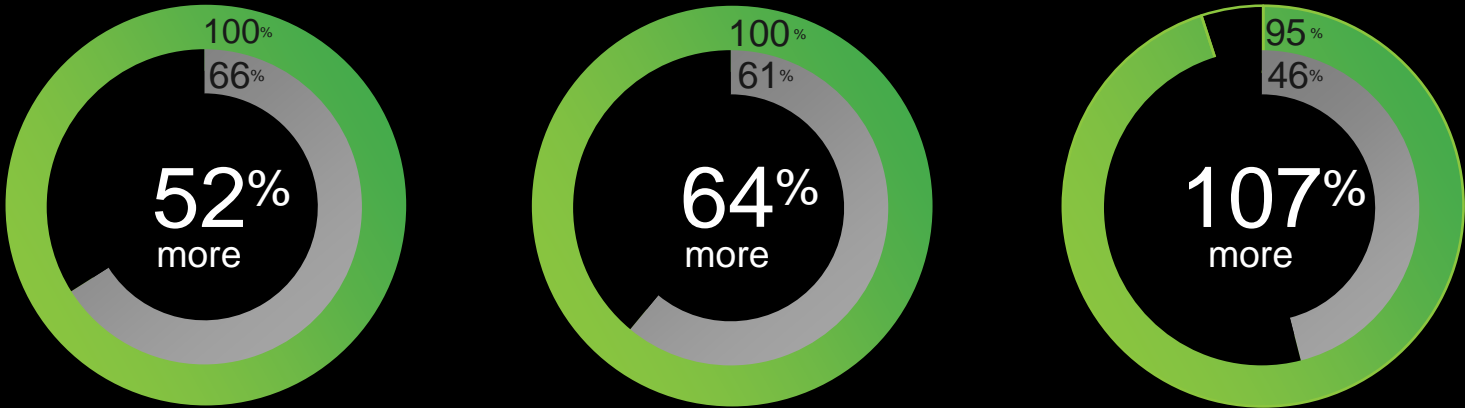


# However, many CFOs fear their organizations aren't sufficiently prepared for these disruptive market trends



# Performance Accelerators also use analytics more extensively to plan for the future and reduce risk

Areas where predictive analytics applied



Financial planning

Revenue forecasting

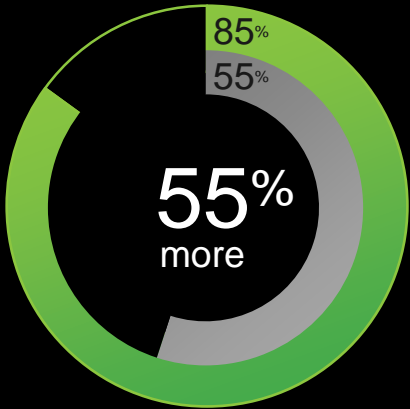
Risk management

● Performance Accelerators ● Other finance teams

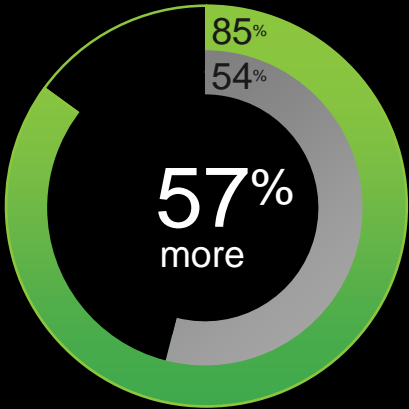


# Enterprises with one of these first-rate finance operations typically grow faster and are more profitable

## Enterprise performance



Revenue growth



Profitability

● Performance Accelerators ● Other finance teams



# Key initiatives to take on the disrupters



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## 1 Prepare for the digital invaders

Put more scouts on the front line  
Share to shine  
Seize the middle space

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## 2 Create a panoramic perspective

Cultivate your cognitive capabilities  
Form your own futures squad  
Take an eco-centric view of the world

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## 3 Be first, be best, or be nowhere

Investigate unfamiliar territory  
Go offline to test for the best  
Create – and capture – the moment





If you would like a full copy of the study download it at

**CFO POV website:** [ibm.biz/cfostudy](http://ibm.biz/cfostudy)

Join me at

**IBM Finance Forum**, London, May 20<sup>th</sup>

**Finance Leaders Day, IBM BusinessConnect**, London, October 5<sup>th</sup>

Send an email to : [glencj@uk.ibm.com](mailto:glencj@uk.ibm.com)





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# Back-Up

# CFO respondents represent a wide range of public and private enterprises

COMMUNICATIONS SECTOR

- Energy and Utilities
- Media and Entertainment
- Telecommunications

DISTRIBUTION SECTOR

- Consumer Products
- Life Sciences
- Professional and Computer Services
- Retail
- Travel and Transportation

FINANCIAL SERVICES SECTOR

- Banking and Financial Markets
- Insurance

INDUSTRIAL SECTOR

- Aerospace and Defense
- Automotive
- Chemicals and Petroleum
- Electronics
- Industrial Products

PUBLIC SECTOR

- Education and Research
- Healthcare
- Government, Public Services and NGOs

