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CFO: 5.9223
The New Normal's
Superhero

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About the Author

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Introduction

In the words of acclaimed 'Superman' star Christopher Reeve, a hero is an ordinary individual who manages to endure despite overwhelming obstacles. Reeve's words carry particular significance today, as the world grapples with the most catastrophic event of the century – the Coronavirus.

During this period, CFOs have played a heroic part: They have taken the pandemic in their stride, fortifying companies to weather the shocks of COVID-19 and emerge from the crisis in the best shape possible.

Hunt Partner's recent H.O.T (Hunt Opinions & Trends) survey of the country's top 100 CFOs reveals the magnitude of the challenge these leaders faced this year.

Almost 60% did not expect COVID-19 to snowball into a pandemic, and were blindsided by the WHO's subsequent declaration. No one was prepared for the disasters that followed.

With zero prior notice, CFOs found themselves battling diverse problems, including economic activities that came to a grinding halt, limited means to service fixed business costs, overnight transitions to virtual work environments, and uncertain cashflows. In addition, they had to address their employees' fears of unemployment, while pacifying demanding shareholders who were shaken by the looming uncertainty.



Codification of skills to survive and thrive

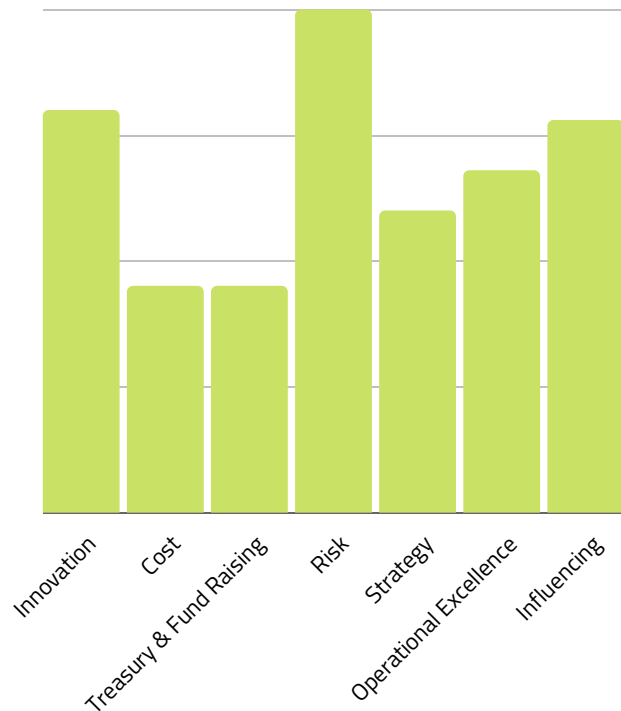


In Chinese, the word 'crisis' is composed of two characters, 'wei' and 'ji' (危机): 'Wei' represents danger, while 'ji' symbolizes a turning point.[i]

A turning point can open up new, incredible opportunities, and CFOs have proved this to be true of the Covid-19 crisis. The pandemic has forced CFOs to question traditional methods and ideas, leading them to unlearn and learn anew, and reprioritize skill acquisition.

Tight control of operations has continued to remain a key priority, but CFOs are now placing more importance on risk management, innovation, cost takeout, and 'variabilization'.

They have become influencers, rather than just a sounding board for other company leaders, often leading teams that are rebuilding business for the new normal.



Hoffman, Reid. "Words that matter 2018". www.medium.com. Dec. 7, 2018

Source: <https://medium.com/wordsthatmatter/never-waste-a-serious-w%C4%93ij%C4%AB-%E5%8D%B1%E6%9C%BA-34d40c6768d2>

Kennedy, John F. "Remarks at the convocation of The United Negro College Fund, Indianapolis, Indiana." www.jfklibrary.org. April 12, 1959.

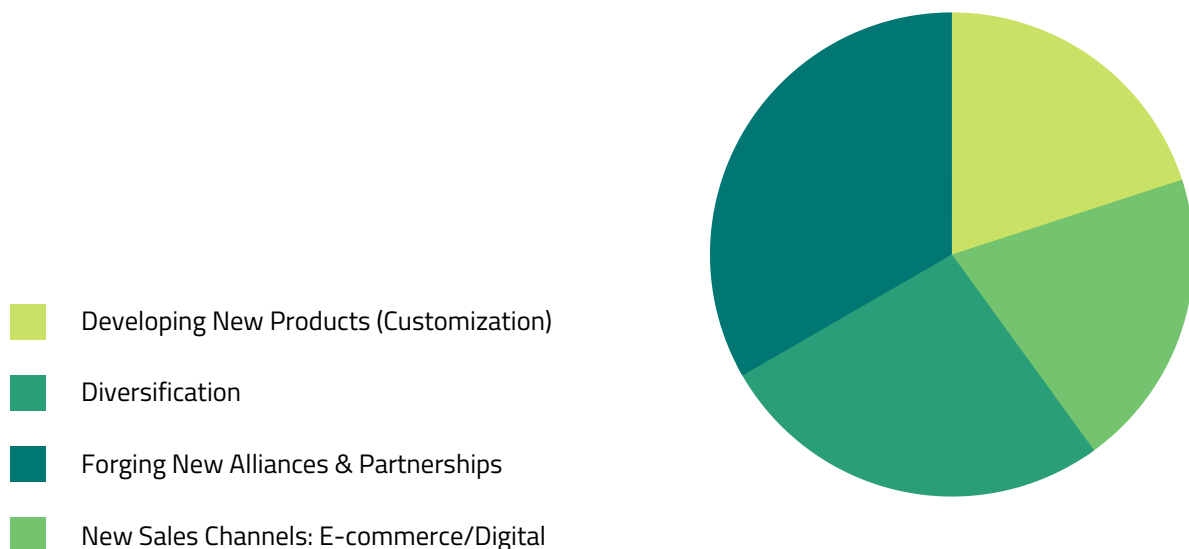
Source: <https://www.jfklibrary.org/archives/other-resources/john-f-kennedy-speeches/indianapolis-in-19590412>

As businesses make the leap toward automation—embracing trends such as virtual operations, digitalization with artificial intelligence, and machine learning—the CFO's mission is also being redefined. S/he is now a cross-functional leader, whose role is not just limited to accounts & finance, but spans everything from strategy, to customer acquisition and experience.

Increased customer centricity is another emerging focus in the new normal. Businesses are opting for innovative alliances, and new sales and market outreach strategies, to better serve their customers. The recent partnership between Practo and Jio[i] is a good example of this new trend, as is the one between Lenskart and Zivame.[ii] Most businesses are also exploring sales via digital marketing channels.

89% of the CFOs in our survey confirmed that they are now *strongly advising business leadership* to reconsider product mixes and align them to new customer needs.

Which areas are CFOs involved in, apart from finance?



[i] Data gathered from primary sources by Hunt Partners

[ii] Data gathered from primary sources by Hunt Partners

Redefining Roles: Not just Finance, but also Operations



It cannot be denied that the role of the Chief Financial Officer has undergone major transformation this year.

To begin with, the CFO's missions have been redefined, while rising GLOCAL challenges, and the risk of an economic slowdown^[j] back home, have made their task even more daunting. Companies will now look to CFOs to play a more active part in operational matters, in order to improve organizational efficiency. We believe that this may lead to expanded responsibilities for finance leaders, and pave the way for a Chief Finance/Operating Officer.

Secondly, in a world where data is the new currency, and where the CFO has easy access to reams of business data, it is logical for them to assume more strategic decision-making roles that can impact the company in multiple ways. Indeed, the CFO could well be the 21st century's version of a soothsayer—harnessing the power of data and analytics to direct the company's future.

Thirdly, the increasing incidence of corporate fraud in the last decade (7x higher in the Banking sector), has made it imperative for CFOs to keep a close watch on risk and regulations that adhere to compliance. This also means that strong accounting and finance skills will be more in demand, as will a deeper understanding of legal and secretarial matters.

In conclusion, we are reminded of the words of Barbara Marx Hubbard, the renowned American futurist, author, and public speaker, who believed that "Catastrophe and Creation are twins." Indeed, COVID-19 has presented the world with unprecedented challenges, but it has also unlocked new opportunities. The key to success, for CFOs, will lie in stepping out of their comfort zone and rising to the occasion, and in doing so, joining the revered rank of heroes.



[j] "ET CFO.com". www.cfo.economictimes.indiatimes.com.
Source: <https://cfo.economictimes.indiatimes.com/tag/slowdown>