

# The New Office of the CFO

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Organizations expect more from their CFO.

From driving value and making change to architecting a future-proof business and uncovering new opportunities, CFOs are taking on a bigger role in the success and sustainability of their organization.

Accounts receivable (AR) can play a big role in helping CFOs meet their new responsibilities.

By rethinking old business models with artificial intelligence (AI) and other technologies, AR can provide the CFO with tools and insights to accelerate the scale and pace of decision-making.

This white paper shows you how.

## The CFO's agenda

New priorities are suddenly appearing on the agenda of CFOs.

### THE ECONOMY

Economic concerns such as a slowdown in consumer spending, rising energy costs, and high inflation and interest rates are weighing heavier on the minds of many CFOs. While it's unclear whether the long-predicted recession will materialize, and industries with good utilization rates are less likely to be affected by macroeconomic trends, many CFOs are making targeted cutbacks and slowing investments. Other CFOs are taking steps to counter higher lending costs. Some CFOs are shifting their focus to margin expansion and improved processes rather than revenue growth.

### TECHNOLOGY

CFOs are also trying to figure out how to jump on the AI bandwagon and streamline their organization's front or back-end operations. In many organizations, CFOs are taking the lead on prioritizing and guiding AI projects within finance and across the enterprise. Growing numbers



**Many CFOs  
are accelerating  
their investments  
in digital  
transformation.**



of CFOs are achieving impactful results by putting AI to work resolving cash application issues, detecting fraud, predicting customer payment behavior, and recommending cash management strategies. The emergence of generative AI is creating new opportunities for process improvement.

### THE LABOR MARKET

The Great Resignation. The People Shift. No matter what you call it, attracting and retaining top talent is harder these days. What's more, the changing expectations of young job seekers, who want jobs that are fulfilling, meaningful and well paying, is requiring CFOs to rethink their approach to hiring and developing talent. With millions of jobs currently unfilled, the labor market won't ease any time soon. High staff turnover and difficulty filling open positions can reduce productivity, increase administrative costs, strain staff morale, negatively impact customer service, and stifle business growth. It's also harder for CFOs to deliver value if their team isn't stocked with top talent.

### SUPPLY CHAINS

Unpredictable global supply chains result in unexpected issues for organizations. Delays in the receipt of goods or raw materials can strain customer relationships, increase costs, and damage a company's reputation. Fast-changing geopolitical events, regional market conditions, and fluctuating foreign exchange rates add to the complexity. Fortifying supply chains will be a key focus of CFOs.

Think your organization has these trends covered?

Not so fast!

CFOs must build a foundation of resiliency to prepare for the inevitable headwinds of uncertainty.

## From financial steward to value driver

Against this backdrop, the role of the CFO is changing.

It's no longer enough for CFOs to be financial scorekeepers. Businesses are counting on their CFOs to find and fund new sources of value, manage risk, and deliver deeper insights to the C-Suite.



**Modern CFOs  
must create a  
more future-proof  
organization.**



**Modern CFOs  
must empower  
their teams.**



**Modern CFOs  
must help the  
business manage  
unpredictable  
supply chains.**

According to Accenture, 81 percent of CFOs see identifying new areas of value as one of their primary responsibilities. Seventy-seven percent of CFOs believe it's within their duties to drive business-wide operational transformation, Accenture adds. Economic uncertainty, technological advancements, and heightened expectations from the C-Suite are clearly reshaping the CFO's role.

Here are some of the new responsibilities being placed on CFOs:

- **Strategic leadership.** CFOs are playing a bigger role in guiding the overall direction of their organization. From product launches and business expansion to investments and divestments, CFOs are leveraging their financial insights to drive strategic decisions.
- **Smart insights.** Getting ahead in today's fast-changing global business environment requires smart insights into market trends. In many organizations, it's falling on the shoulders of the CFO to identify market opportunities, evaluate investment decisions, and assess potential risks. As a result, more CFOs are deploying advanced analytics to provide financial analysis and deep financial models the organization needs for strategic planning and execution.
- **Human capital development.** CFOs know that difficulty attracting and retaining staff can impact their organization's bottom line and make it difficult to scale. CFOs are taking a bigger role in attracting, retaining, and nurturing employees by prioritizing investments in internal talent, aligning human capital strategies with business objectives, and tactically allocating human capital resources the parts of the organization with the greatest needs.
- **Risk mitigation.** If there's one lesson that organizations learned during the pandemic, it's that they must be prepared for anything. As a result, more CFOs are being tasked with anticipating and managing risks. Today's CFO is actively involved in identifying and mitigating financial risks, cyber threats, compliance issues, and potential market volatility.
- **ESG reporting.** With more organizations emphasizing environmental, social, and governance (ESG) factors, it's often up to CFOs to help set ESG goals and establish metrics and processes to track and report progress around issues like climate and workplace matters.
- **Globalization strategist.** The new era of globalization is creating increasingly complex dynamics and decisions for organizations that operate beyond domestic markets. In many organizations, the CFO is becoming the go-to person to manage legal frameworks for corporate expansion, ensure compliance with local regulations and contractual obligations, adjust pricing and product strategies, and compare performance across global markets.

These strategic responsibilities are a far cry from the traditional finance-focused tasks of CFOs.

## Injecting value into the AR workday

CFOs cannot achieve these strategic objectives on their own. They will require greater visibility and control over financial data. For this reason, the evolution of the CFO's role presents a compelling opportunity for AR professionals to rewrite their workday to help support the CFO's needs.

As one of the largest assets on the balance sheet, and a customer-facing department, AR has always been important. But its relevance has increased as the responsibilities of the CFO have grown.

Automated AR solutions help CFOs optimize the issues and functions they care about most.

- **Working capital.** AI-powered AR solutions remove the manual bottlenecks that drag down Day's Sales Outstanding (DSO). Automated solutions also make it easier for AR to monitor customer health and communicate with customers about late payments.
- **Cashflow management.** The configurable dashboards in AI-powered AR solutions display real-time visibility into the status of transactions and metrics. Predictive analytics improve cash forecasting accuracy. And online collaboration tools make it easy for geographically dispersed staff operating under different compliance standards to make decisions.
- **Visibility.** The mobile functionality in leading AR solutions keeps CFOs in-the-know while on-the-go. Sales order details, operational metrics, and customer payment history can be instantly accessed from a mobile device. Customers can view and pay invoices. And sales teams and customers can use a mobile device to effortlessly place and track orders.
- **Talent.** Automating low-value, medial AR tasks enables new hires to hit the ground running and make a positive impact. There's no need for new hires to master tribal knowledge or endure weeks of training. What's more, automation gives new hires the confidence that they will have the time to pursue fulfilling, value-added tasks that can elevate their career. And AI-powered solutions help attract and retain skilled young workers who eschew manual tasks for creative and value-added activities such as identifying cross-selling opportunities.



**Many organizations are restructuring AR to support future digital initiatives.**



**AR automation aligns perfectly with the responsibilities of the modern CFO.**



**AI-driven solutions help organizations get to know their customer better through a 360-degree view of their order-to-cash behaviors.**

- **Compliance and risk mitigation.** Best-in-class AR solutions log all actions taken on a transaction, providing senior management with real-time monitoring and the peace of mind that the proper checks and validations were completed. Any changes to invoice data are automatically recorded and archived. And many solutions support for e-invoicing to public administration in Europe, enabling compliance in every format and platform, and ensuring that e-invoicing archival fully complies with the EU Directive and regulatory frameworks.
- **Enhanced customer experience.** Automated AR solutions provide a single, cloud-based platform to increase speed, accuracy, transparency, accessibility, and collaboration at every touch point in the customer journey. The credit management process is intuitive and fast. Invoices can be presented in the customer's preferred format. Customers can pay open invoices from the convenience of a portal, using their desired method of payment. And payment reminders provide customers a gentle nudge when an invoice due date is missed.
- **Smart growth.** By eliminating manual tasks, reducing IT involvement, and improving operational flexibility and scalability, AR automation can improve profit margins.

These are some of the ways that AR automation helps CFOs meet their new responsibilities.

## Bridging the old and the new

Integrating new AI-powered AR solutions with legacy systems requires a thoughtful approach to ensure compatibility, data flow, and optimal performance. Here are some integration strategies.

- **Know where you stand.** Assess your legacy systems to understand their architecture, data formats, and integration capabilities. Identify potential challenges and limitations.
- **Use technology to bridge any gaps.** Application programming interfaces (APIs), middleware and other tools can smooth the exchange of data between systems.
- **Safeguard your data.** Ensure that integrations comply with relevant data protection and privacy regulations. Look for AR solutions with user permissions, segregation of duties, audit logging of all actions, encryption of sensitive data, and automated data retention.



**AI-powered solutions transform transactional and time-consuming AR activities into value-added, highly efficient actions that contribute to the global success of the organization.**



**AI-driven AR solutions enhance the customer experience by providing users with the insights they need to provide customers with strategic advice.**

- **Strive for standardization.** Standardized protocols and formats and adherence to interoperability standards help ensure seamless interaction between old and new systems.
- **Plan for scalability.** Remember that AI-powered solutions are foundational technology, not throw-away solutions. Ensure that the combination of your new and old systems can handle increased data volumes and user loads as your organization grows and requirements evolve.
- **Manage change.** Develop a plan for training staff on any changes to your workflows and processes that result from the integration of your AR solution and legacy systems.
- **Monitor.** Establish a plan for tracking the performance of the integrated systems.

These strategies can enhance the integration of AI-powered AR solutions with legacy systems, creating a cohesive and efficient technology platform that supports the evolving role of the CFO.

## The evolution of the CFO

It wasn't long ago that CFOs were seen as bookkeepers and number crunchers. The limited scope of the CFO position was a big reason that many finance professions saw the role as a stopover on their way to becoming CEO. But that's changing. The role of the CFO is evolving into a value driver and digital catalyst charged with pushing boundaries and leading strategic initiatives. By accelerating digital investments, AR can play a big role in supporting the strategic responsibilities of the modern-day CFO. In the process, AR can elevate their careers, their department, and their organization.



## About Esker

Esker is a global cloud platform built to unlock strategic value for finance and customer service professionals, and strengthen collaboration between companies by automating the cash conversion cycle. Esker's solutions incorporate Artificial Intelligence (AI) technology to drive increased productivity, enhanced visibility, reduced fraud risk, and improved collaboration with customers, suppliers and internally. Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and US headquarters in Madison, Wisconsin. In 2020, Esker generated 112 million euros in total sales revenue.

For more information, visit [esker.com](https://esker.com)



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