



Unlocking business value and digital potential for modern finance

How the CFO role is *changing*

The role of Chief Financial Officers (CFOs) has undergone a significant transformation in recent years, evolving from a traditional focus on financial stewardship to a strategic business partnership. This shift is characterized by a more proactive and multifaceted approach that extends beyond traditional financial responsibilities. CFOs are increasingly recognized as strategic leaders within organizations and their role now goes beyond financial reporting, and they actively participate in decision-making processes, shaping the organization's long-term goals.

This broader involvement positions them as key contributors to overall business strategy, highlighting their importance in steering their company's direction.

The modern CFO relies heavily on data-driven decision-making, leveraging advanced analytics and business intelligence tools gaining real-time insights into financial performance and market trends. This analytical approach enhances their ability to make informed and strategic decisions, aligning financial objectives with broader business goals.

CFOs are now at the forefront of adopting and integrating technology solutions such as artificial intelligence, automation, and cloud-based financial systems. The adoption of technology by CFOs enhances operational efficiency, streamlines financial processes, and positions the finance function as a driver of digital transformation within the organization. Simultaneously, the modern CFO role has evolved to manage critical responsibilities in risk management and compliance. In this capacity, they actively undertake risk assessments, institute robust internal controls, and navigate the intricate landscape of evolving regulations. This deliberate focus on risk management serves as a linchpin for ensuring the financial stability of the organization. It also demonstrates a commitment to compliance with the ever-changing regulatory environment, effectively safeguarding the organization against potential challenges.

CFOs now actively drive operational efficiency through initiatives such as streamlining financial operations and automating routine tasks, aligning with their strategic partnership role. Strategic financial planning is a significant contribution, aligning financial objectives with broader business goals and showcasing the CFO as a forward-thinking leader.

In addition to financial responsibilities, CFOs actively manage relationships with investors and stakeholders, emphasizing transparent communication for building confidence. Crisis management and scenario planning have become pivotal, demonstrating a proactive approach in developing resilient financial strategies during uncertainties. Talent development and team leadership are focal points, with CFOs fostering innovation and developing the next generation of finance leaders. ESG considerations are increasingly integrated into financial decision-making, reflecting a broader awareness of the impact of financial choices on social and environmental outcomes.

Customer-centric financial strategies are emphasized, with CFOs considering the customer perspective to enhance satisfaction and loyalty. Effective communication and collaboration skills are highlighted, as CFOs engage cross-functional teams to ensure financial insights contributing to overall business success, fostering a collaborative environment aligned with broader strategic initiatives.



“The transformation of the Finance function is at the heart of our concerns. It is essential to provide our customers with even more value, advice and services. Digitalisation, and in particular the replacement of our financial back-office tool, is a timely challenge. We know that such a replacement can be very complex. This is why we have chosen to rely on SAP and its robust S/4HANA information system, as well as on Capgemini, which is a solid and committed partner to accompany us in this challenge.”

Carrefour France







These changes give rise to challenges and opportunities for CFOs *especially when it comes to ERP platforms.*

The evolving role of Chief Financial Officers (CFOs) in today's rapidly changing business landscape has brought in a myriad of challenges, necessitating a re-evaluation of traditional approaches. One of the primary challenges faced by modern CFOs is the increasing complexity of decision-making. The expanded role demands CFOs to navigate diverse and interconnected factors, making real-time insights and agile decision support crucial. However, traditional Enterprise Resource Planning (ERP) systems, with their often-monolithic architectures, may lack the agility and adaptability needed for informed decision-making in dynamic business environments.

Data overload presents another significant challenge for CFOs in the digital era. The sheer volume and variety of data can overwhelm

financial professionals, making it challenging to extract meaningful insights efficiently. Legacy ERPs, designed for a batch based world with more straightforward data environments, may struggle to cope with the influx of diverse data types, affecting the CFOs ability to perform advanced analytics and gain comprehensive insights into financial trends. Agility and adaptability have become paramount for CFOs as they respond to rapid changes in the market and uncertainties. The need for quick adaptation requires a flexible technological infrastructure. Traditional ERPs, known for their stability, may impede rapid changes and affect the organization's ability to stay ahead of market dynamics and emerging trends.

The integration of emerging technologies into financial

processes is a critical challenge and opportunity for modern CFOs. Artificial intelligence, advanced analytics, and automation can significantly enhance operational efficiency, but the rigid structures of traditional ERPs may limit seamless integration with these technologies. This limitation hampers the CFO's ability to leverage the full potential of technological innovations for strategic decision-making. Strategic alignment is another key challenge faced by modern CFOs. Aligning financial strategies with broader business goals demands a strategic approach, adapting financial processes to seamlessly integrate with evolving strategic objectives. Traditional ERPs, often characterized by their standardized and rigid structures, may lack the flexibility needed for this alignment, limiting the CFO's ability to proactively plan and allocate resources.

Talent management and skill set requirements have become critical considerations for the modern CFO. The demand for strategic leadership requires CFOs to nurture diverse skill sets within their teams. However, traditional ERPs may lack features that facilitate collaboration and the development of skills related to emerging technologies, hindering talent management and the cultivation of a forward-thinking finance team.

Cybersecurity risks have become more pronounced with the increasing reliance on digital platforms. The aging architecture

of traditional ERP systems may lack robust cybersecurity features, exposing financial data to potential breaches and threats. Modern CFOs must address these vulnerabilities to safeguard the integrity and security of financial information.

Modern CFOs underscore the imperative for a shift from traditional ERPs to more agile, technologically advanced solutions. As organizations strive for greater flexibility, real-time insights, and the ability to integrate emerging technologies seamlessly, the adoption of modern ERP systems becomes not just a necessity but a strategic imperative for the future of financial leadership. This transition is not merely a technological upgrade but a holistic transformation that aligns with the evolving role of CFOs in today's dynamic business environment.

Capgemini helps our clients adapt and modernize their businesses, processes, data and systems and we are experts in Finance Transformation.

Our recommendations on how to move forwards in the right way, with the right strategy, solutions and architecture

Addressing the challenges faced by modern CFOs requires a comprehensive and strategic approach to ensure a seamless transition to a more agile and technologically advanced financial ecosystem.

First and foremost, CFOs should consider adopting modern ERP solutions that prioritize flexibility and adaptability. Cloud-based ERP systems, with their scalable architecture, provide the necessary agility to respond to changing business needs. This shift allows CFOs to leverage real-time data and analytics, ensuring that decision-making processes are dynamic and responsive.

CFOs should strategically integrate artificial intelligence, advanced analytics, and automation into their financial processes. This involves selecting solutions that seamlessly integrate with ERP systems, enhancing operational efficiency and providing actionable insights. The right technology partners can guide CFOs in selecting and implementing these solutions effectively. CFOs should opt for ERP systems that offer a high degree of fit with their business and industry, whilst, allowing them to adapt financial processes and workflows to meet specific business needs. This flexibility ensures that the ERP system evolves in tandem with the changing needs of the organization, fostering strategic alignment.



To address talent management challenges, CFOs should invest in training programs that enhance the skill sets of their financial teams. Modern ERP systems often come with intuitive interfaces and user-friendly features, facilitating the development of skills related to emerging technologies. This approach ensures that the finance team is well-equipped to navigate the complexities of the modern financial landscape. Some finance roles are prone to higher levels of turnover and attrition meaning that getting new starters trained and productive quickly is essential.

Cybersecurity considerations should be at the forefront of ERP selection. CFOs must prioritize solutions with robust cybersecurity features to safeguard sensitive financial data. This involves implementing multi-layered security protocols, encryption technologies, and regular audits to identify and address potential vulnerabilities.

Collaboration with external experts and consultants is crucial in navigating the complexities of ERP implementation. Engaging with technology partners who specialize in finance transformation ensures that the selected solutions align with industry best practices and provide maximum value. These experts can guide CFOs through the entire implementation process, from system selection to training and ongoing support.

Finally, a phased approach to ERP implementation is advisable. CFOs should prioritize key functionalities and processes, starting with those that deliver the most immediate value. This “finance-first” approach allows for early benefits realization and lays the foundation for a gradual and successful ERP rollout across the organization.

In conclusion, adopting and implementing a digital finance transformation which brings about tangible business value creation is the challenge of our times. Identifying and deploying the tools which will meet this challenge and unlock the value is where SAP S/4HANA comes in. The clean digital core enables standardized, efficient processes to achieve KPI realization while optimizing resources. Simultaneously it provides a platform to standardize, manage and govern data, together with sophisticated real-time analytics which can be embedded into business processes. The clean core is not heavily customized resulting in a lower cost of ownership. Instead, any custom development is managed by SAP’s Business Technology Platform (BTP) which sits outside of the core. This brings together business rules, data and analytics, artificial intelligence, application development, automation, and integration in one, unified environment.

Capgemini are a market leader in SAP S/4HANA transformations with over

1600+

successful implementations and over

22,000

experienced SAP professionals working globally.

Generative AI for the CFO



In response to the imperative for CFOs to achieve more with constrained resources, the focus of finance transformation has centered on process optimization and automation. The emergence of Artificial Intelligence (AI), particularly Generative AI, presents a new frontier for CFOs seeking to enhance their strategic contributions and potentially streamline workforce allocation. Generative AI introduces various opportunities for CFOs to elevate their roles in organizational strategy:

Data Analysis and Forecasting: Generative AI expeditiously processes and analyzes extensive financial data, providing CFOs with deeper insights into trends, facilitating more accurate forecasting, and enhancing the identification of potential risks and opportunities.

Enhanced Decision Making: Leveraging comprehensive analytics and predictions, AI empowers CFOs to make better-informed decisions pertaining to investments, cost management, and resource allocation.

Automating Routine Tasks: Generative AI allows for the automation of repetitive finance tasks, such as transaction processing and report generation. This not only augments efficiency but also enables CFOs and their teams to focus on more strategic initiatives.

Risk Management: By developing sophisticated risk assessment models, Generative AI assists CFOs in gaining a nuanced understanding of and mitigating various financial risks, including credit risk, market risk, and operational risk.

However, the integration of generative AI in finance also introduces inherent risks:

Data Privacy and Security: The utilization of AI necessitates vast datasets, potentially containing sensitive financial information. Ensuring the privacy and security of such data is imperative to mitigate the risk of legal and reputational consequences.

Compliance and Regulatory Risks: Given the nascent nature of AI in finance, evolving regulatory frameworks may introduce

uncertainties and risks related to compliance, particularly concerning data usage and AI applications.

Bias and Fairness: AI systems, if not carefully monitored, may inadvertently perpetuate biases present in the training data, leading to unfair or unethical financial decisions. This poses potential challenges, including legal repercussions and impacts on customer relations.

Over-Reliance on AI: There exists a risk that CFOs and their teams may excessively depend on AI-driven insights, potentially neglecting critical thinking and human judgment, thereby risking flawed decision-making.

Navigating these challenges requires a balanced and informed approach, incorporating robust data governance, continuous monitoring, and strategic oversight to ensure the effective and responsible integration of generative AI into financial systems and processes.

Defining the appropriate *cloud transformation roadmap* towards a renewable enterprise;



Defining a comprehensive transformation roadmap is crucial for the CFO. This entails evaluating the target architecture design, understanding existing source systems, and determining the most effective rollout strategy. The CFO plays a pivotal role in overseeing these considerations, ensuring that the transformation aligns with financial objectives and compliance requirements.



Capgemini, drawing upon its extensive experience, plays a pivotal role in guiding CFOs through the intricacies of their SAP S/4HANA transformation journey. From crafting initial roadmaps to devising rollout strategies and approaches, our proven expertise ensures a structured and effective transformation process. A tried-and-tested approach involves adopting a “finance first” strategy, allowing for early operational and analytics benefits realization. This initial focus on finance sets the stage for subsequent processes such as Purchase to Pay and Order to Cash.

SAP S/4HANA Central Finance (cFIN) emerges as a versatile solution that aligns with a

finance-first approach and end-state architecture. cFIN facilitates a phased deployment of SAP S/4HANA on a single instance, offering flexibility and adaptability in line with business needs.

Alternatively, a non-cFIN approach involves interfacing the initial SAP S/4HANA instance for financials, followed by subsequent phases addressing processes like Purchase to Pay and Order to Cash. This approach also enables early benefits realization, particularly in the realm of digital finance.

In some instances, cFIN may represent the ultimate “end state” financials solution, especially when diverse ERP solutions are required to meet various business needs across sectors or

lines of businesses. This tactical agility in managing the overall ERP landscape becomes crucial, particularly in scenarios involving multiple non-SAP solutions necessitating consolidation or a business-centric approach to mergers and acquisitions.

Ultimately, the journey towards SAP S/4HANA transformation with a focus on finance presents diverse paths. Capgemini, with its reputation as one of the most innovative and experienced Systems Integrator, having completed over 700 successful SAP S/4HANA implementations and extensive ERP experience, stands ready to guide businesses in selecting and navigating the approach that aligns best with their unique challenges and objectives.

About Capgemini

Capgemini is a global business and technology transformation partner, helping organizations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 340,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fueled by its market leading capabilities in AI, cloud and data, combined with its deep industry expertise and partner ecosystem. The Group reported 2023 global revenues of €22.5 billion.

Get the future you want | www.capgemini.com

Contact us today to see how we can help you reap the benefits of the latest finance technology and connect all the dots together.

Our experts:



Mike Curl
Digital Core for Finance Offer Leader
mike.curl@capgemini.com



Marc Green
Delivery Architecture
marc.green@capgemini.com

Visits us at

<https://www.capgemini.com/services/enterprise-management/digital-core-with-sap-s-4hana/>

