

**Technical Session - 6**  
6<sup>th</sup> November from 11.00 am - 12.15 pm

## **COLLABORATIVE ROLE OF A CFO/FINANCE PROFESSIONAL**



### **PANELISTS**

- **Mr. Ronnie Peiris**, Group Finance Director John Keells Holdings PLC
- **Mr. Samantha Rajapaksa**, Group Managing Director, Associated Motorways (Private) Limited
- **Mr. Rushdi Azeez**, Head of Finance - Group Finance, Goodhope Asia Holdings Ltd
- **Mr. Hasith Prematillake**, Country Director, Ansell Lanka (Private) Limited
- **Mr. Thalib Caffoor**, National Finance Director, Unilever Sri Lanka Limited

### **MODERATOR**

- **Mr. Suren Rajakarier**, Partner, KPMG

### **INTRODUCTION**

Being seated in the nerve centre of an organization, a CFO/Finance Professional enjoys a unique position having access to a whole gamut of information in relation to an organization. The significant role of a CFO, especially in relation to governance is recognized with Board level representation in many organizations. An increasing number of finance professionals are stepping up to the challenge and delivering the board mandate effectively thereby changing the perception of CFOs being mere reporters and preservers of value to creators and enablers of value. This session discussed the skills, mindsets, organization structures, tools and techniques that finance professionals need to develop in order to fully embrace their enhanced role in organizations and how accounting bodies could support them in this transition of becoming value creators in organizations.

### **OUTCOME OF THE PANEL DISCUSSION**

#### **The Role of CFO**

The CFO's role has undergone transformation. The six segments below represent the breadth of the CFO's remit today. The leading CFOs we work with typically have some involvement in each of them - either directly or through their team. While the weighting of that involvement will depend on the maturity and ambition of the individual, on the sector and scale of the finance function and economic stability, each segment is critical to effective leadership.

- **Trusting the numbers** - Ensuring business decisions are grounded in sound financial criteria
- **Providing insight** - Providing insight and analysis to support the CEO and other senior managers
- **Getting your house in order** - Leading key initiatives in finance that support overall strategic goals
- **Funding organizational strategy** - Funding, enabling and executing strategy set by the CEO
- **Developing business strategy** - Developing and defining the overall strategy for your organization

- Communicating to the external marketplace / Building partnerships - Representing the organization's progress on strategic goals to external stakeholders

Further, the CFO should be a person who is; humble, respect to others, listen to the others, consider all opinions of others and should rationalize the opinions. The important quality that is required from the CFO is collaboration and building relationships.

A CFO must do his job and he must get a clear understanding about what he wants to do rather than acting as a sales manager or as another operational manager.

### **Collaboration with Marketing Management**

Relationship between the Marketing and Finance departments are vital to the success of the organization. There should be a trade-off between the decisions of the finance people and the marketing people. Finance people should have a sense on the marketing activities and they should understand how to allocate resources to the marketing activities. In this case, there should be a high level of collaboration among these departments. Further, a CFO must have enough knowledge on how to increase the value of the company while getting the full contribution from the marketing people.

### **Collaboration with Supply Chain Management:**

CFOs' contribution now goes far beyond the traditional finance remit to encompass a strong strategic and commercial focus. To do this effectively, CFOs are collaborating closely with other internal functions, not just from a monitoring, reporting and risk management perspective, but also as supporters and enablers of performance. In order to arrive on cost efficiency via cost savings, the supply chain has taken on a new strategic significance. Hence, it is essential to have a supply chain strategy that is aligned with the broader corporate and financial goals of the business. Further, CFOs together with the leaders of the supply chain are creating alignment between strategy, finance, tax and operations, unlocking hidden value within the organization and strengthening financial performance.

### **Collaboration with Human Resource (HR) Management:**

The input of the CFO together with the HR Manager is vital for the strategic decision-making, rather than just being involved in the implementation of strategy. The CFO could contribute to building a culture of collaboration across functional areas, while breaking down boundaries and erode the silo mentality.

The CFO would assist the organization to move beyond the traditional way of measuring the performance to identify and monitor the workforce KPIs that really drive performance. Instead of relying on snapshots of outdated data when tracking metrics such as employee engagement, the CFO could assist in exploring new methods of continuous measurement to make metrics reflect current corporate performance.

### **Collaboration with Chief Information Officer (CIO):**

The CFO-CIO relationship is becoming closer and more collaborative. In today's digital economy, the financial well-being of the enterprise is dependent on the health of the CFO-CIO relationship. The use of information technology will tremendously facilitate the data analysis towards the decision making. In order to achieve the success, it is crucial to invest in research and development covering new technology as well, while managing a range of severe risks, such as cyber risk and data privacy concerns. Hence, the perception on such spending should have to be as value driven investments for the success of the organization. As such, it is recommended to allocate a budgeted amount for the failures as well, in order to encourage new innovations. The CFO's precise evaluation of an innovative product will decide its death or survival. As organizations look to drive innovation through technology, this critical CFO-CIO relationship requires a different mindset and better mutual understanding.

## **CONCLUSION**

In today's context, rather than been a score keeper the role of a CFO has been seen as a value adder, towards the success of the organization. Further, the CFO has to play a crucial collaborative role with the

leaders of the organization and his partnering capabilities are very much essential. The CFO should possess talent to get the best out from the others and consider all this while developing strategic plans. The CFO should acts as a CFO while understanding his role rather than acting as an operational managers, because the CFO has immense responsibility to add value to the organization while collaborating with the world.