Risks and barriers to change

Finance executives identified skills shortages, ongoing competing priorities, and systems complexity, as the top three barriers to change. Other barriers or risks included: the investment required for transformation, legacy technology within their function and internal change resistance.

All fall within the remit of two main categories: systems and technology, and people.

Systems and technology

Many companies continue to use legacy technologies within their finance functions because it is either time-consuming or costly to upgrade. Over time, these legacy technologies become highly tailored to the company and processes become embedded within the team.

Older technologies may be unable to integrate successfully with newer, superseding technologies. This can result in either compromised performance or a poorly executed integration, resulting in unclear data flows and potential control gaps. This leads to increased transactional work for the finance function.

Optimizing human capital

A transformed finance function requires not only the right set of skills to manage new systems and processes, but a team which is open to broadening their knowledge.

Upon the adoption of new technologies, CFOs need to undertake a comprehensive change management and retraining program to upskill employees and instill an analytics-based culture. An effective strategy for broad reskilling would be to create teams where staff with digital, finance and sales and marketing expertise can work together and learn from one another.