

The CFO's Guide to Building a Future-Proof Finance Team



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Introduction

Today's CFOs and their teams face many challenges as they keep pace with the new world of work, evolving regulatory requirements, and continuous disruption. Combine that with the ongoing demand to expand their team's scope from business partner to becoming a consultative value partner to new stakeholders across their organizations, and the finance function is primed for change. As a result, many CFOs are turning to cloud technologies to enable their teams with operational agility and remote access.

However, simply moving enterprise systems to the cloud is not the silver bullet. CFOs have the opportunity to rethink their finance department's operating model by opening doors that have not been possible through legacy, inflexible on-premise ERP systems. In addition to enabling accessibility for remote workers, moving to the cloud eliminates silos and increases data visibility, giving organizations access to the information they need to fuel more accurate and informed decision-making.

Unlike legacy ERP systems, modern enterprise cloud applications offer intuitive, consumer-like interfaces that unify the user experience and streamline productivity. This leads to engaged and empowered employees who are more likely to remain loyal, as well as helping leaders attract the next generation of financial talent.

Through this lens, it's clear that the cloud lays the foundation that finance chiefs need in order to build the finance team of the future with new skills, processes, and technologies.

In this report, we explore how CFOs and their teams can:

- **Future-proof their finance organization through an updated finance operating model**
- **Understand skills and competency gaps and leverage technology to attract and retain talent**
- **Outperform the competition by turning data into insights**
- **Address the distinct challenges facing medium and large enterprises when it comes to their cloud maturity and confidence in cloud adoption**





Key takeaways for CFOs building a future-proof finance team.

We surveyed 267 global CFOs about the maturity of their existing financial systems, their ability to transform data into insights, the skills and capabilities they need, and emerging imperatives and technologies.

Talent scarcity and budget constraints remain top challenges for CFOs, but they cited major opportunities such as their desire to upskill and transform into a future-proof finance team and the technologies they're prioritizing to enable that transformation.

- **Prioritizing user experience.**

Among the CFOs surveyed, 48% are actively looking to invest in consumer-like interfaces for finance employee tasks to attract their future finance team within the next five years.

- **Attracting talent with best-in-class technology.**

For CFOs who believe “consumer-like” interfaces will be a top initiative investment for attracting talent, 99% agreed that technology updates will become more important for attracting and retaining talent.

- **Seeking tech-savvy candidates.**

Becoming a technology-rich employer that continuously refreshes in AI and ML is a significant priority, making finding talent with corresponding AI and ML technology skill sets a priority for 57% of CFOs when searching for new hires.

- **Hiring data storytellers.**

CFOs hope to empower finance's ability to act as a strategic business partner through the use of real-time reporting and analysis. This is reflected in the hiring priorities of CFOs, with 41% prioritizing analytics and data storytelling skills of new hires—skill sets and competencies that were not common prerequisites for most finance roles five years ago.



Finance outperformers are operating at the speed of change.

More than half of respondents (58% of CFOs) rated their ability to turn data into insights as “excellent,” which indicates that they believe they are outperforming their peers with streamlined operations.

This group of CFOs also provided some key insights:

- Technology is described as very important or extremely important to their future success, and these CFOs agree that “over the last year, investing in technology has become more important in attracting, upskilling, and retaining talent.”
- These CFOs are hiring many more candidates with AI and business finance technology experience than five years ago to build those capabilities internally. They are evolving hiring needs from previous skills focus areas¹—namely data analytics and storytelling—and are now looking at more advanced technical solutions to deliver value to the business.
- They have a committed interest in doubling down and continuing to invest in their data visualization capabilities, with 71% wanting to continue to invest in data science. This positions the CFO as the leader in insight-driven decision-making, as they support the organization with predictive capabilities and transparency around financial performance. All of this is driven by a commitment to adding the capabilities within the team and attracting the right talent.

Technology strategy is an important people strategy.

There’s a new baseline CFOs need to adapt to in order to source and retain talent, particularly when they are competing for recent graduates who are digital natives. Our survey showed that technology is a key factor in both hiring and retaining finance talent.

Consumer-like software interfaces are becoming the norm, with the bar being raised by companies such as Amazon and Uber that deliver convenient experiences that put the user first. As a result, enterprise software users have come to expect that completing an expense report should be as easy as ordering dinner.

And the finance industry’s top talent is no different. They expect their technology to deliver a similar—frictionless—experience. Today’s cloud-based finance solutions increasingly free up finance teams from tedious manual tasks with an easy consumer-like user interface so they can focus more on strategic and analytical work. This expectation is reflected in technology investment priorities within our panel of CFOs as they look to invest in consumer-like interfaces (48%) and automating tedious tasks (35%) to attract their future finance team.

When asked about upskilling challenges, CFOs identified talent scarcity and budget at the top of the list. Surprisingly, staff bandwidth (3%) and reluctance to upskill or engage in job training programs (5%) were at the bottom of the list, indicating that they believe their teams are ready and willing to transform their careers. Now CFOs will need to provide the technology to enable their teams to master skills for the future, including AI and ML.

Diversity and inclusion (D&I) and environmental, social, and governance (ESG) are a top focus for CFOs.

With unprecedented stress on supply chains and the environment over the last few years, CFOs are looking to secure the future of their enterprises, while striving to do right by their shareholders and customers. This has led to the emergence of social and environmental concerns within the CFO’s agenda, with 57% prioritizing their investments in both D&I and ESG. Reporting on D&I and ESG requires a great deal of ingesting internal and external data, ideally orchestrated in a cloud platform for seamless internal and external distribution. And with new expectations around emerging reporting requirements for carbon emissions and greenhouse gases, for example, finance teams will require new skills to comply.



who prioritize consumer-like interfaces agree technology was becoming more important for talent retention and attainment.

¹Workday CFO Indicator Survey, “How Finance Can Build a Data Foundation to Fuel Frictionless Finance,” page 5.



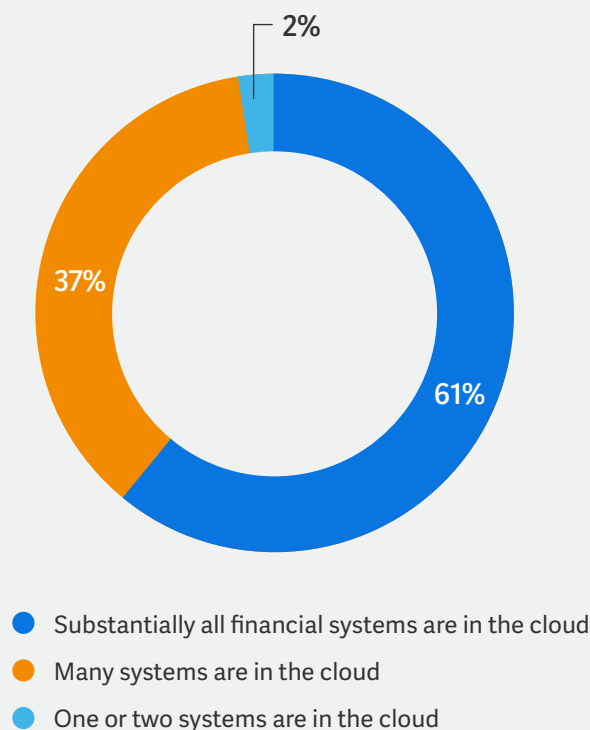
CFOs report the need for an accelerated digital finance journey.

Cloud transformation is happening at an accelerated pace for more than half of the CFOs who participated in our survey. When asked about the transformation journey so far, 61% stated that substantially all of their financial systems are now in the cloud and more than one-third (37%) confirmed that many systems are in the cloud. Only 2% are in the very early stages of transformation.

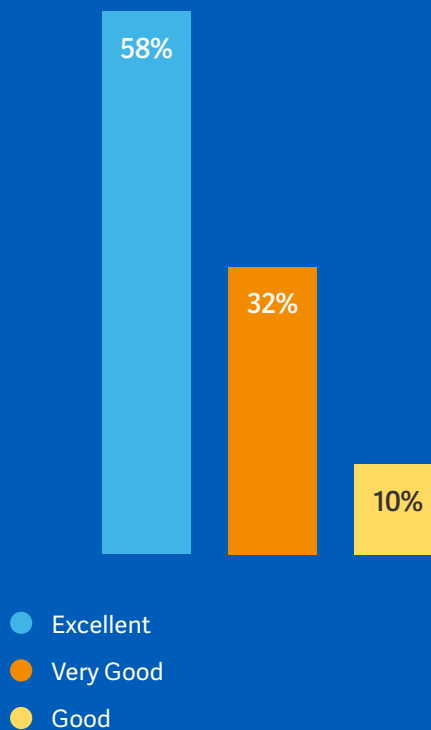
The results of our survey also indicate that while CFOs are confident in their ability to derive insights from data, there is still room for improvement—58% rated this ability as “excellent,” while almost one-third (32%) rated themselves as “very good” and 10% rated themselves as “good.”

The difference in confidence CFOs have in their data analytics may depend on the maturity of their cloud transformation. Of the 61% of CFOs who claimed that substantially all of their financial systems were in the cloud, 70% rated their ability to transform data into insights as “excellent,” with just 30% selecting “very good” or “good.”

Survey question: Today, how much of your financial systems are in the cloud?



Survey question: How would you rate your team's ability to transform data into insights using the financial systems you have today?



58% of CFOs

in the early stages of cloud transformation were not totally confident in their analytics capabilities.

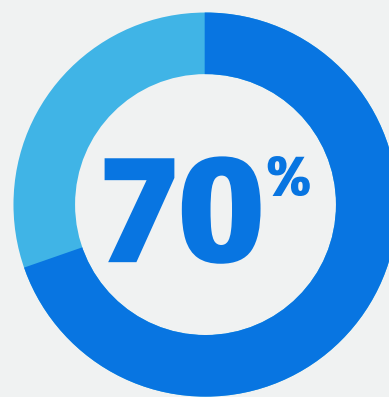


Those with more systems in the cloud, or that are more mature in their digital transformation journey, rate themselves higher at data analytics than those CFOs in the very early stages of cloud transformation. Among CFOs, 29% rated themselves as “good,” compared to 12% of CFOs with many systems in the cloud. The percentage of CFOs who were not totally confident (“very good” or “good”) in their analytics abilities made up the majority (58%), signaling considerable uncertainty by CFOs in this portion of respondents.

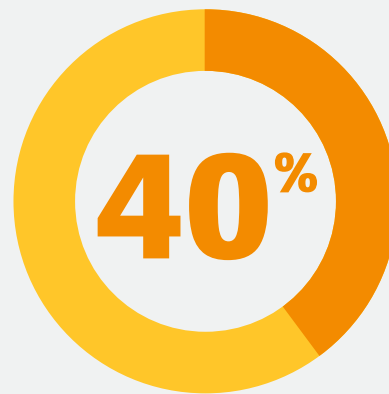
There is a large gap between those who have fully transformed and those who have many or one or two systems in the cloud. For companies that have many systems in the cloud, only 40% rated their ability to transform data into insights as “excellent.” Similarly, of companies with just one or two systems in the cloud, just 42% claimed their data insights capabilities were “excellent.”

Survey question: How would you rate your ability to transform data into insights?

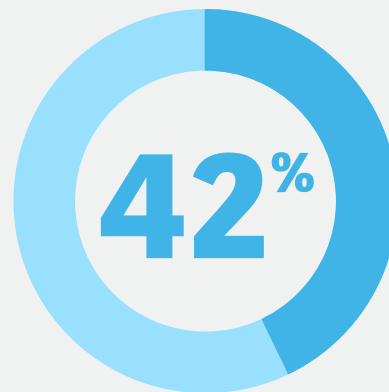
● Excellent ● Very Good ● Good



A substantial number of finance systems are in the cloud



Many systems are in the cloud



One or two systems are in the cloud

CFOs prioritize a frictionless operating model.

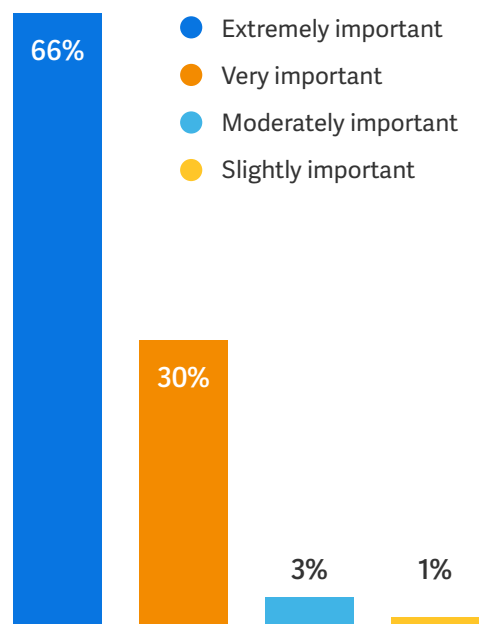
In terms of active investments, CFOs are focusing on creating better experiences for their people through flexible operating models.

With a significant portion of finance teams pivoting to a remote workforce model and more companies adopting flexible or hybrid working models, user experience will be a big driver for both recruitment and retention.

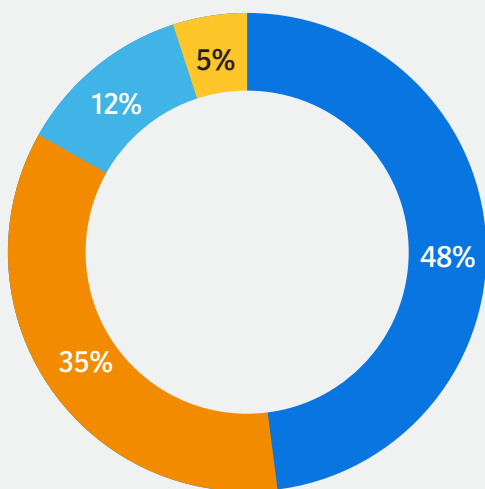
The data also reflects a strong link between people initiatives and technology advancements. When survey respondents were asked whether they agree that investing in technology has become more important for their talent acquisition strategy over the last year, 97% agreed.

The significance of technology is also present in the career aspirations of CFOs: 96% acknowledged the importance of hands-on experience and skills in the cloud, AI, and ML, as well as the desire for companies to onboard these skill sets at an executive level, as being “extremely” or “very” important to their success in future positions.

Survey question: In your next role, how important will technology be to your success?

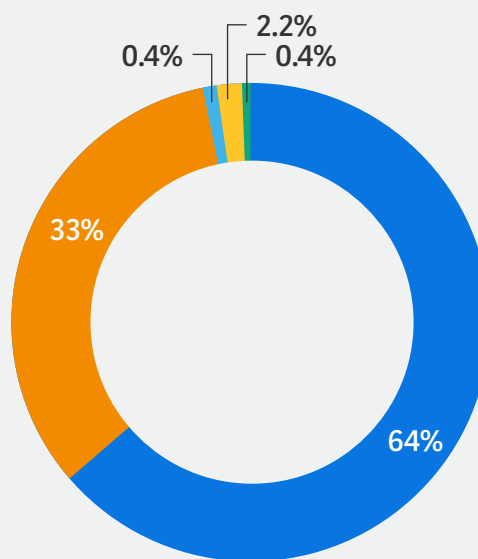


Survey question: What kinds of technology are you actively investing in today to attract your future finance team?



- Consumer-like interfaces for finance employee tasks
- Automating tedious, time-consuming jobs
- Data storytelling and insights delivery
- Cross-functional and board reporting/communication

Survey statement: Over the last year, investing in technology has become more important in attracting, upskilling, and retaining talent.



- Totally agree
- Somewhat agree
- Unsure
- Somewhat disagree
- Totally disagree



Finance outperformers are upskilling to close talent gaps.

Finance outperformers—previously defined as CFOs who rated their ability to transform data into insights as “excellent”—show there is a clear preference for a pragmatic approach to workforce planning and career management, with 71% planning to close their talent gap through upskilling.

Compared to the other CFOs surveyed, the investment of finance outperformers in upskilling the workforce is significantly higher. Those CFOs who ranked their ability to transform data into insights as only “good” (44%) are prioritizing upskilling, suggesting that employees working for outperformers have a more robust career trajectory.

Technology is key to attracting next-generation talent.

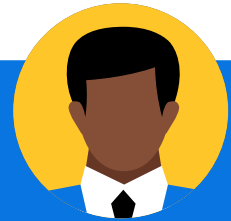
When it comes to attracting new talent, including digital natives and those fluent in using the latest technology, there’s a lot of focus on creating experiences that are similar to those found in our everyday apps, with **48%** of CFOs actively looking to **invest in consumer-grade experiences over the next five years**.

This means enabling users to quickly search for what they need and get personalized recommendations (for example, Tik Tok, Reddit, Google), unlike legacy experiences with menu navigation. Consumer experiences with **first- and third-party data-ingesting functionality (for example, Tableau, Power BI, Alteryx)** will also enable easier **decision-making in real time**.

When searching for new hires, 57% of CFOs are prioritizing people who are familiar with leveraging AI and ML technologies. This not only reflects the need for AI/ML talent, but also organizational efforts to remove tedious, time-consuming tasks.

The data also illustrates the shifting role of finance functions to strategic business partnership through real-time reporting and analysis. This is reflected in the 40% of CFOs who want to prioritize analytics/data storytelling skills in new hires.

Finance Outperformers



48% are actively looking to invest in consumer-grade experiences over the next five years

58% rated their ability to transform data insights as “excellent”



Technology skills are the key to closing the gap for emerging priorities.

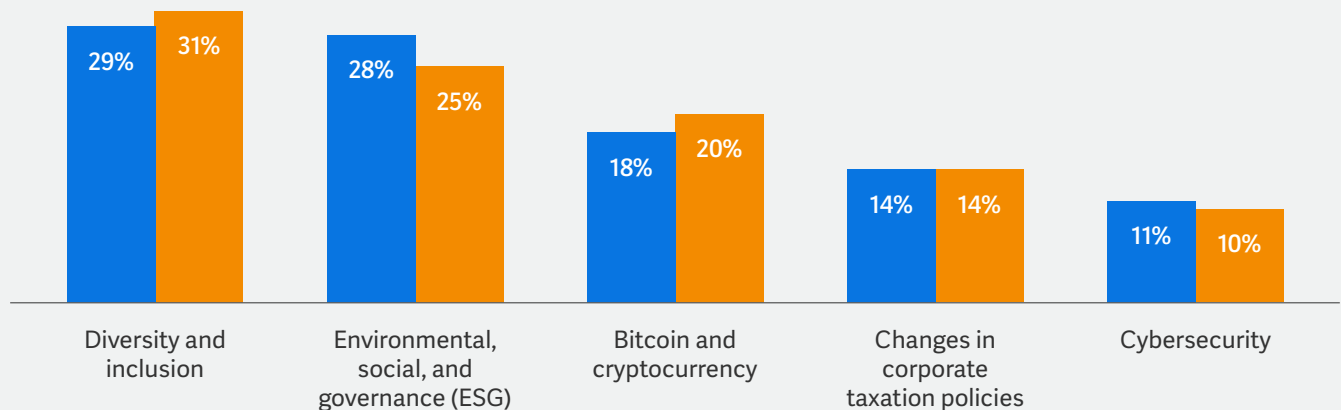
The finance function is no stranger to shifting priorities, with CFOs and finance teams becoming more integral to high-level decision-making, technology investments, and corporate responsibility.

Yet, CFOs recognize there is a gap in addressing some of these emerging priorities, particularly in D&I and ESG. As a result, investment and support in these areas—as well as cryptocurrency, corporate taxation, and cybersecurity—are emerging on the agendas of CFOs.



● **Survey question:** Today, which emerging topic are you prioritizing with more investment and support?

● **Survey question:** Today, which emerging topic do you feel you have the **biggest gap** in addressing?



AI and ML familiarity are key next-gen finance skills.

Looking forward, technology will play a big role in the human resources strategy for CFOs. Almost 60% stipulated that having a good understanding of business technology is crucial—specifically, skills in AI and ML.

Finance outperformers seek more AI and ML skills than in the past.

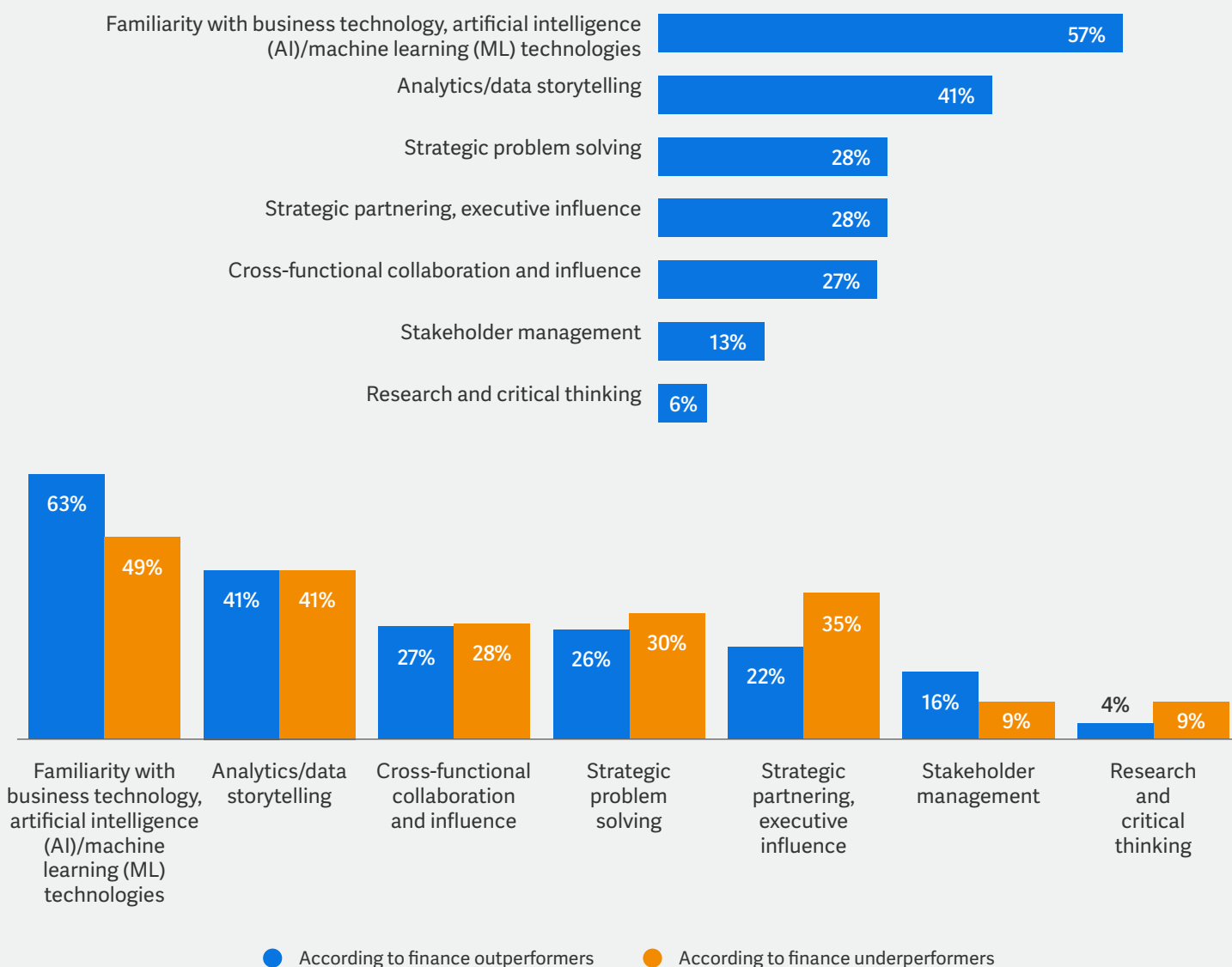
Finance outperformers seek to build more tech-savvy teams, **hiring more candidates with AI and business finance tech experience** than five years ago.

This could indicate that they have solved their analytics and storytelling hiring needs and are now looking at more advanced technical solutions to deliver value to the business. Confidence in their existing analytics capabilities are reflected in their key hiring priorities.

In contrast, those who only rated their team's ability to transform data into insights as “good” are still looking to **improve their storytelling and data visualization capabilities**. To bridge this gap, they are hiring for analytics and familiarity with business technology and AI/ML more than they were five years ago.

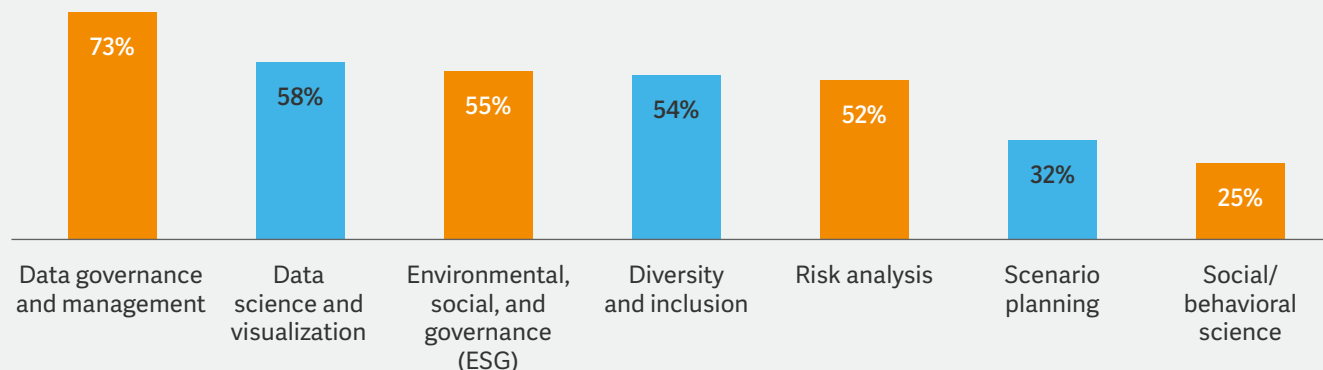
What are the two top skills you are prioritizing to hire for now that you weren't hiring for five years ago?*

*All respondents selected their top two answers to this question.



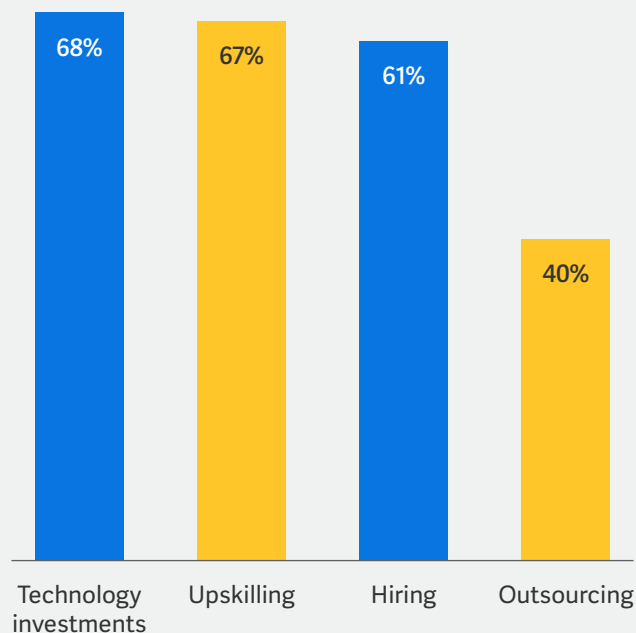
*All respondents selected all answers that applied. Survey responses have been rounded to the nearest whole number.

Survey question: What new functions or capabilities are you adding to your finance team over the next five years?*

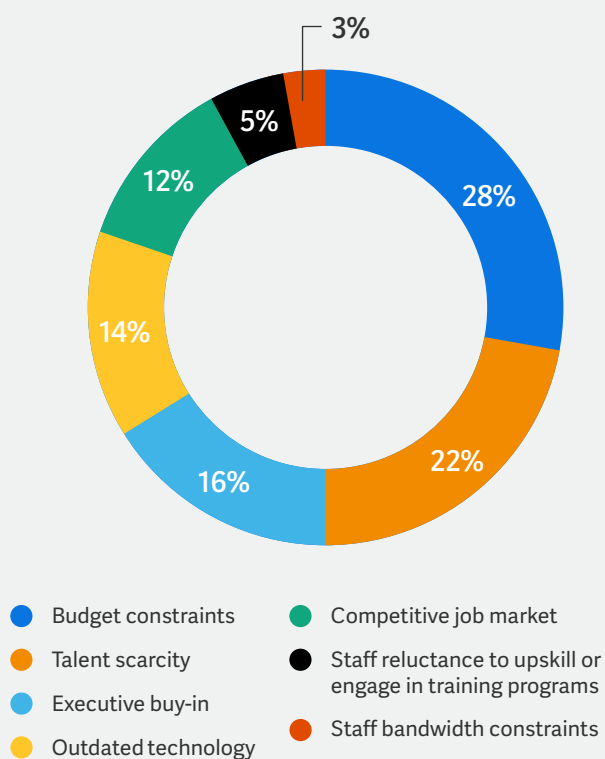


*All respondents selected all answers that applied. Survey responses have been rounded to the nearest whole number.

Survey question: When you think about new functions or capabilities you need to add, how are you planning to close the gap?



Survey question: Today, what is your top challenge in upskilling your team's talent?



Planning ahead for the next five years, CFOs who want to add the following functions and capabilities to their team are evenly split across a few areas, indicating the desire to add more functionality across the board.

For CFOs, technology will be key to closing this gap and adding these abilities to their finance operations: 68% intend to focus on technological investments, with more people-centric solutions such as upskilling, hiring, and outsourcing falling closely behind.

Finance teams are ready to upskill.

Budget and talent scarcity were commonly reported obstacles for CFOs, but they reported little concern about staff reluctance and bandwidth to upskill in their current roles.

Outperformers are further along in investing in forward-looking initiatives.

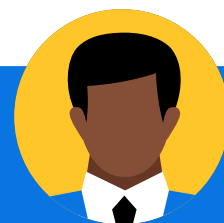
The finance outperformers in our survey also showed a strong commitment to investing in data visualization.

When asked about new functions and capabilities they plan to add to their team over the next five years, the main areas of focus are data governance and management, as well as data science and visualization.

Finance outperformers place a higher emphasis on data science investment compared to the rest of respondents, which suggests that this technology will have an increasingly integral role in the future of finance in the coming years. Only 41% of CFOs who rated their data capabilities as “good” plan to invest in this area, compared to 71% of finance outperformers.

Data governance and management, which lay the foundation for more effective insight gathering, are still the highest priority at 63%.

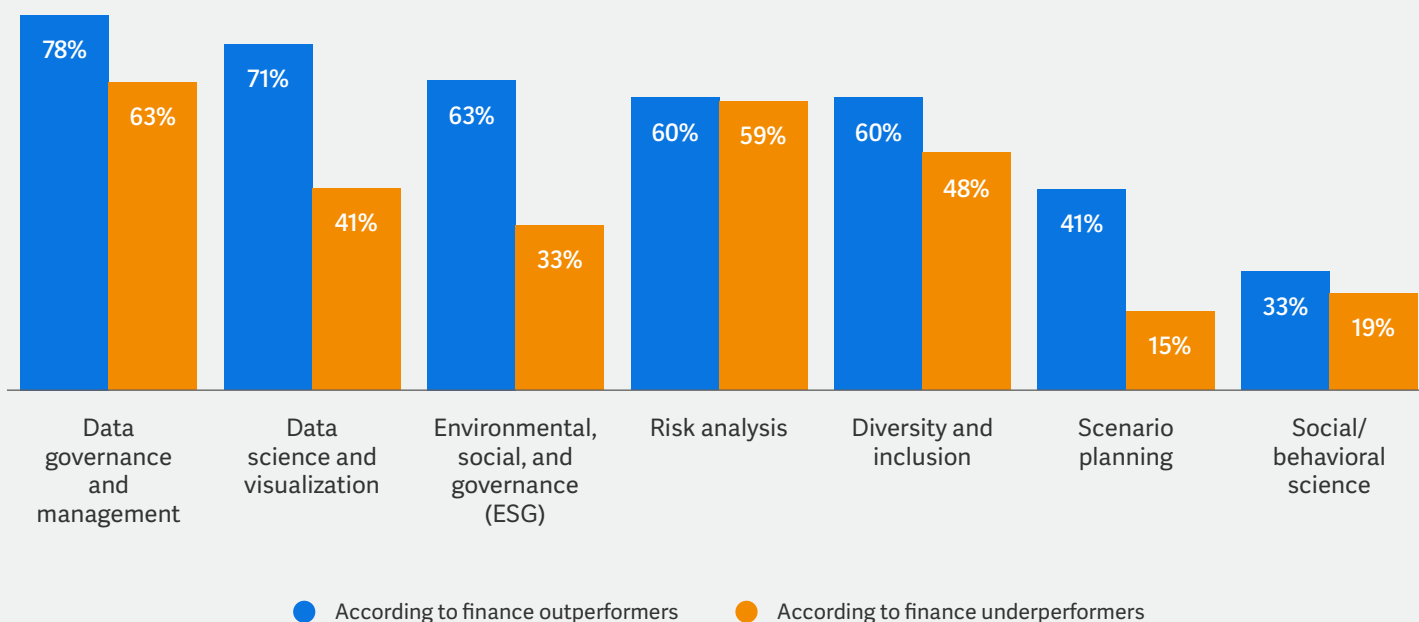
Finance Outperformers



78% would add **data governance and management skills or talent** in the next 5 years

71% wanted to continue to invest in **data science**

Subset data from survey question: What new functions or capabilities are you adding to your finance team over the next five years?*



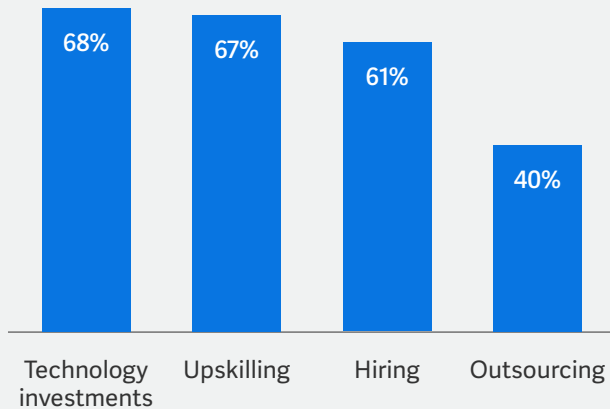
*All respondents selected all answers that applied.

Finance outperformers benefit from digitization.

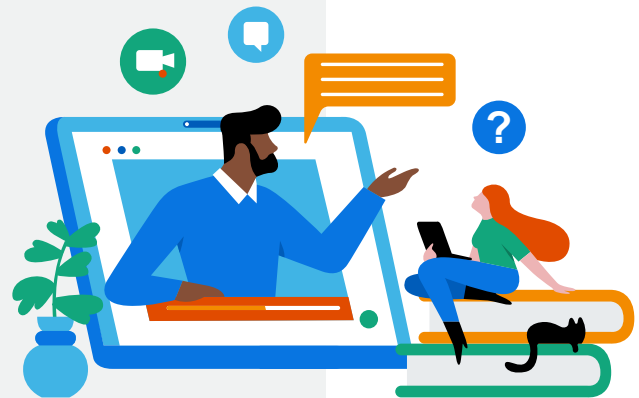
Digging deeper into attempts to close the technology gap reveals more differences among the CFOs.

Finance outperformers have higher confidence in their current abilities, and are already creating value with digital acceleration in their finance systems.

Survey question: When you think about new functions or capabilities you need to add, where are you planning to close the gap, if at all?*



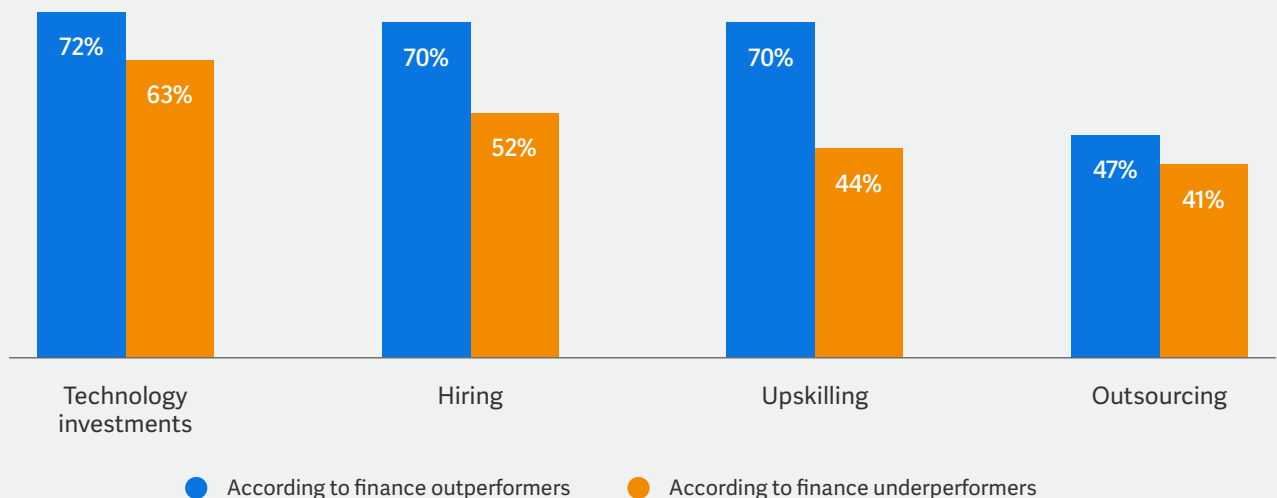
*All respondents selected all answers that applied.



In contrast, CFOs who rated their data analytics capabilities as “good” (10%) viewed technology as a key way to close the gaps (63%).

This suggests these CFOs intend to create a support structure through cloud software before investing directly in people.

Subset data from survey question: When you think about new functions or capabilities you need to add, where are you planning to close the gap?

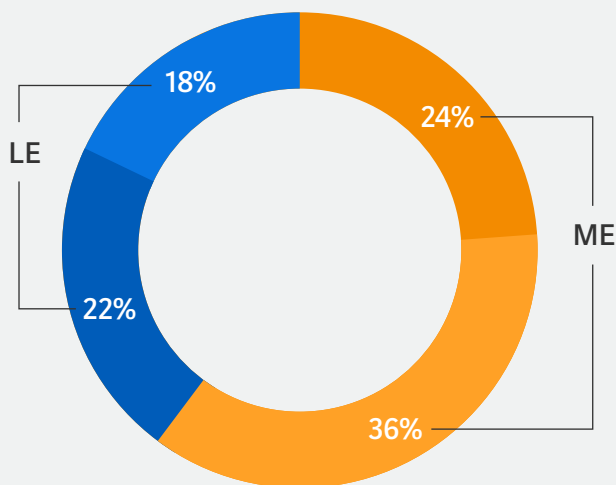




Larger enterprises demonstrate strength in generating insights.

Breaking the results down by medium enterprises and large enterprises, there are clear differences in how CFOs feel about capabilities and progress regarding data.

Ability to transform data into insights by company size.



74%
of CFOs

at large enterprises rated their ability to generate insight as “excellent” as opposed to the 48% of CFOs at medium enterprises.

Our survey methodology defines medium and large enterprises as follows:

Large enterprise (LE)

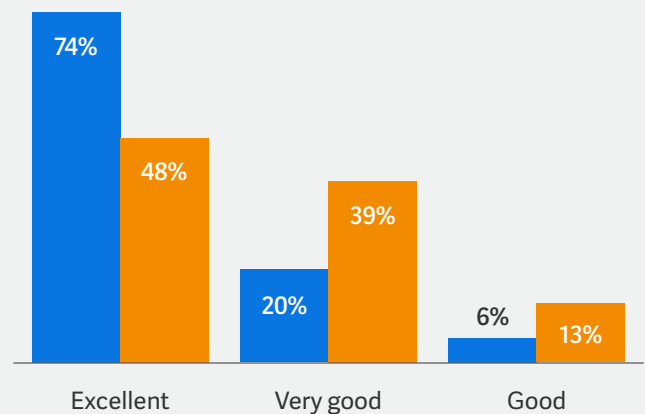
- 3,500–4,999
- 5,000+

Medium enterprise (ME)

- 500–999
- 1,000–3,499



Survey: Rate your team’s ability to transform data into insights.



● Large enterprise

● Medium enterprise

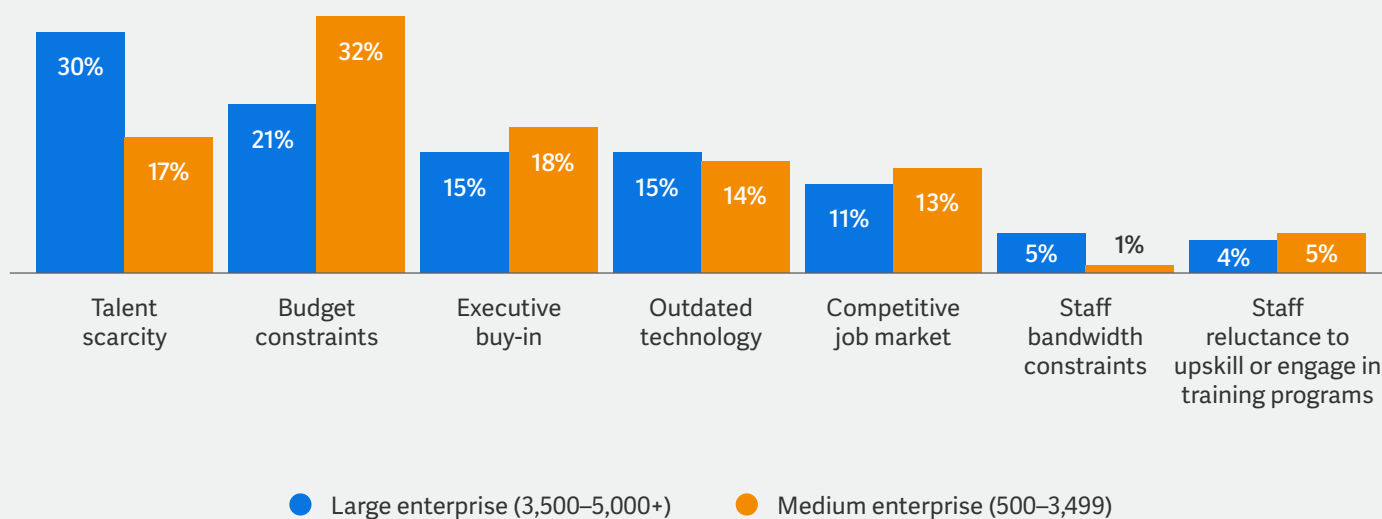


Large enterprises are facing a tight talent market when trying to enable transformation.

The biggest challenge for large enterprises is talent scarcity. While they have the resources and are committed to investing in their finance functions, setbacks can be caused by lack of access to specialists, as well as growing competition in attracting top talent.

On the other hand, the main challenge for the medium enterprise is lack of budget, which could be holding CFOs back from fully committing to transformation.

Survey question: What are the top two skills you are prioritizing in hiring that you weren't five years ago?



ESG initiatives present challenges for medium enterprises.

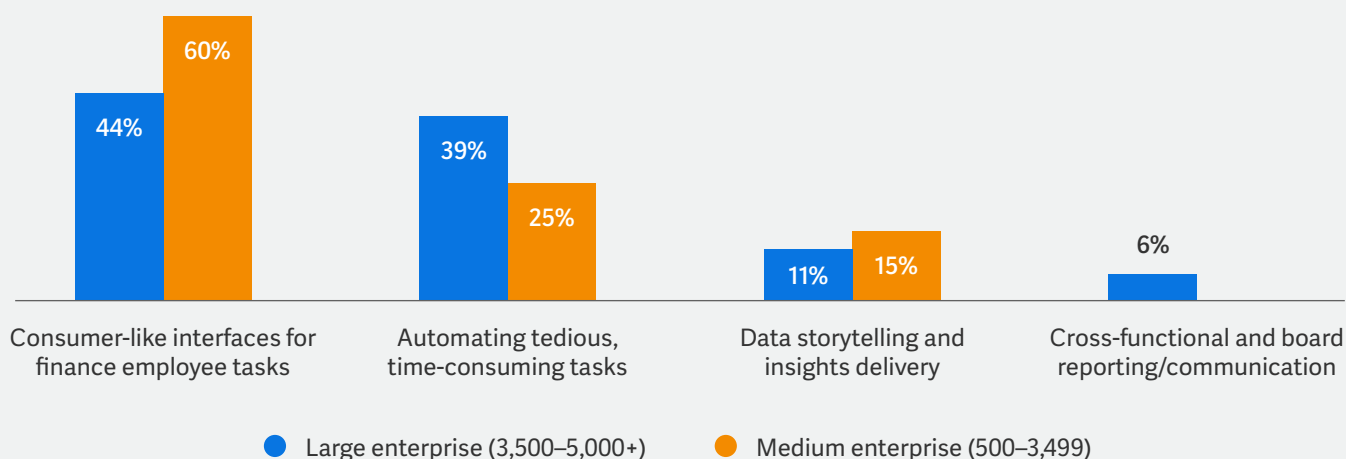
ESG is a significant issue for medium enterprises, with 30% of CFOs at these organizations reporting struggles with gaps for the emerging priority. As these midsize organizations grow, it may be difficult to build confidence with investors and executives. CFOs must deliver transparent information to partners in the supply chain, as well as combine financial and non-financial information from a single source of truth to get the full picture of ESG.

Large enterprises are more established in this area and have less-urgent gaps, but they still recognize the value of shareholder reporting. Companies of both sizes place similar emphasis on the importance of ESG investment and support, with 31% of medium enterprise CFOs and 21% of large enterprise CFOs prioritizing investment in ESG.

Looking specifically at companies with gaps in ESG, consumer-like interfaces are their most important technology investment (44% in large enterprises, 60% in medium enterprises) for attracting new employees. This is followed by automation, which can also help with talent recruitment and retention.



Survey question: What kinds of technology are you actively investing in today to attract your future finance team (for example, five years from now)?



Survey subset: Among CFOs who answered the question, “Today, which emerging topic do you feel you have the biggest gap in addressing?,” 25% answered “Environmental, social, and governance.”



Medium and large enterprises agree on technology investments for finance talent.

To future-proof their teams and address capability gaps, CFOs have turned to technological investment to attract future talent.

By improving employee experience with consumer-level interfaces, organizations can help teams focus on strategic tasks, boost productivity, and empower workers. When paired with the investment in automation, there is some indication that CFOs plan to attract and retain top finance talent by reducing friction in their finance processes using high-quality cloud software environments that adapt as they do.



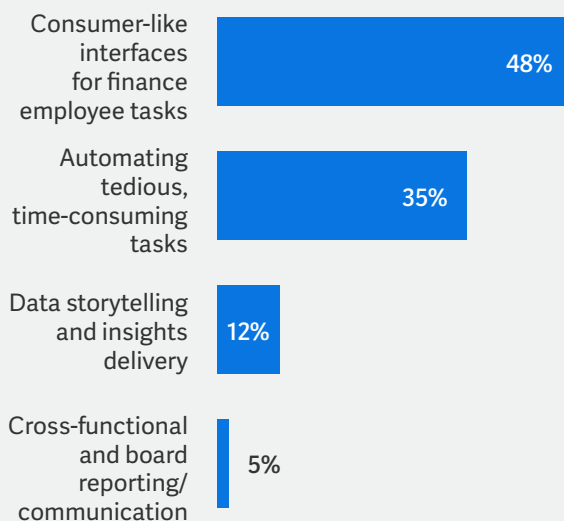
Medium enterprises place more emphasis on automation.

When we look at technological investment priorities by company size, the emphasis on user interfaces is clear. In the medium enterprise, however, there's added importance for automation.

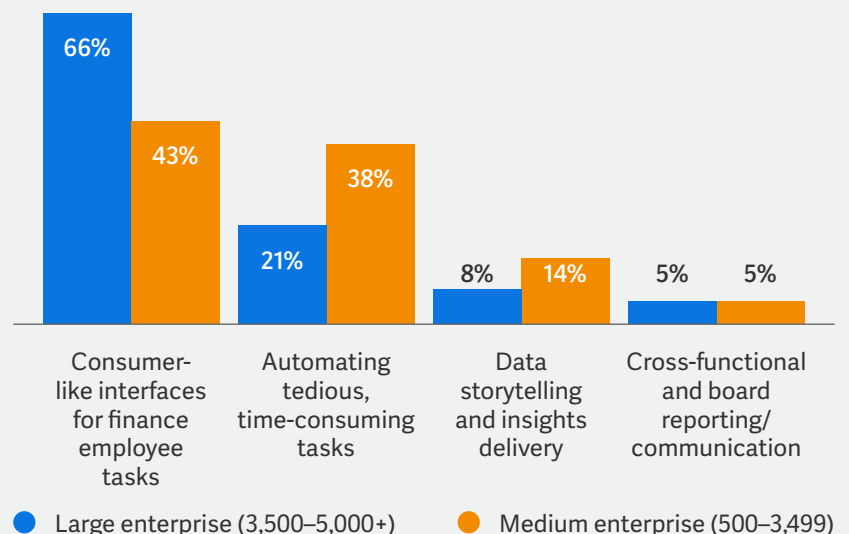
This could be an indicator of reduced resources when compared to large enterprises. It could also suggest a greater need for better work-life balance and a healthy working environment in order to compete for talent.

Survey question: What kinds of technology are you actively investing in today to attract your future finance team (for example, five years from now)?

According to all respondents



According to finance outperformers

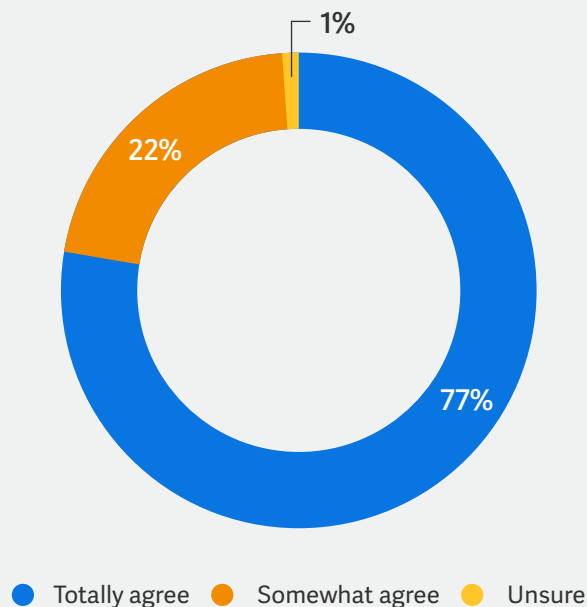




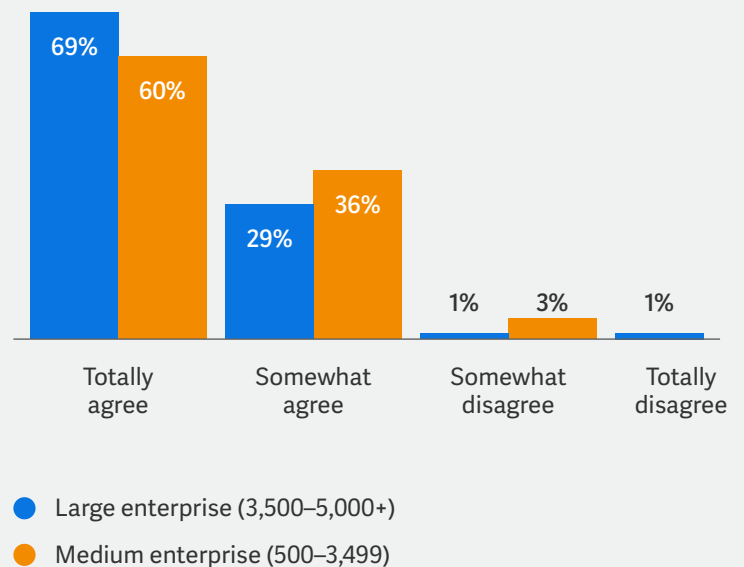
Larger companies are more focused on technology in recruitment.

Both medium and large enterprises recognize the importance of technology in talent recruitment, training, and retention. However, larger companies are more invested in new technology than medium-size organizations.

React to this survey statement: Over the last year, investing in technology has become more important in attracting, upskilling, and retaining talent.



React to this survey statement: Over the last year, investing in technology has become more important in attracting, upskilling, and retaining talent.



Survey subset: Among CFOs who answered the question, “What kinds of technology are you actively investing in today to attract your future finance team?,” **48% replied with** “Consumer-like interfaces for finance employee tasks.”



Finance outperformers stay ahead of change by leveraging technology as a talent magnet.

The results of our survey give us a look into the digital transformation journeys and data analytics capabilities of a core group of CFOs. The disparities in recruiting and investment priorities between the finance outperformers and the rest of the respondents illustrate what's ahead for finance leaders, as well as the gaps they need to address.



- **Cutting-edge tech is a talent magnet.**

Technology has never been more important in attracting and retaining new talent, and companies that invest in automation and consumer-friendly interfaces will gain a competitive edge in attracting and retaining the top finance talent.

- **CFOs need data science skills on their teams.**

Finance outperformers are seeking data science as their top desired skill in new hires; this skill will grow in importance for the rest of the finance function in the coming years.

- **Analytics are key for future data storytelling.**

Finance teams that lack analytics and data storytelling skills risk falling behind unless they address these gaps with new hires in the next five years.

- **Analytics-focused CFOs build tech before talent.**

CFOs who see room for improvement in their data analytics are prioritizing technological investment before turning to more people-centric investments.

- **Emerging priorities are forever priorities.**

D&I and ESG are only likely to grow in importance as the role of the CFO and their teams becomes more and more integral to business decision-making.



In the push to prepare teams for an uncertain future, the success of the finance outperformers in this report sets the path for the rest of the profession. The outperformers have made it clear that the ability to produce insights and make data-driven decisions is key to attracting and retaining new talent, satisfying stakeholders and customers, remaining competitive, and staying ahead of change.

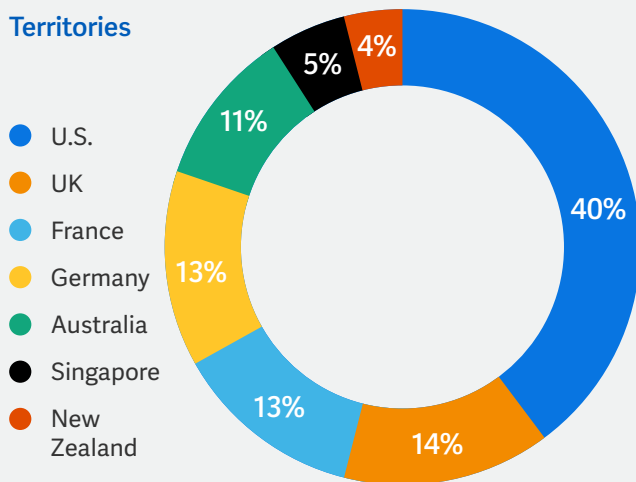


Survey methodology

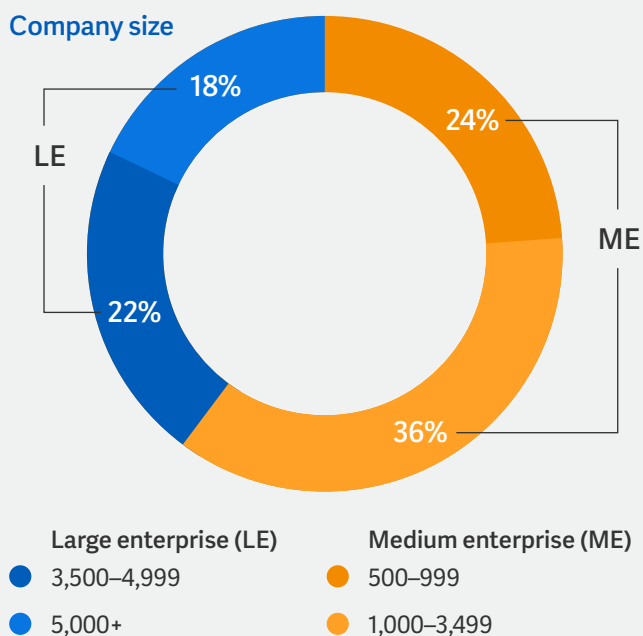
The 267 CFOs who responded to this survey come from across the world, working in medium and large enterprises across a range of sectors.



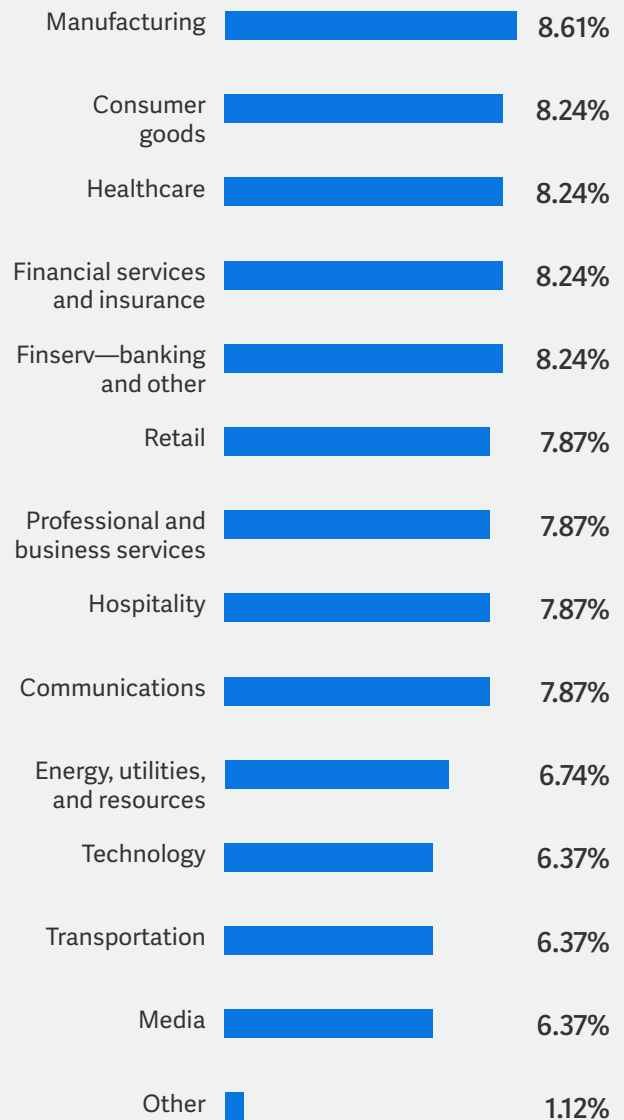
Territories



Company size



Industry sector



About Workday

Workday is a leading provider of enterprise cloud applications for finance and human resources.

Founded in 2005, Workday delivers financial management, human capital management, planning, and analytics applications designed for the world's largest companies, educational institutions, and government agencies. Organizations ranging from medium-size businesses to *Fortune* 500 enterprises have selected Workday.

To learn more about our technology, visit: workday.com/why-workday



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