

PATHWAYS
TO
TRANSFORMATIONAL
CFOS



CFO EVOLUTION[®]

powered by **armanino** 

WHAT IT IS, WHAT WE DO

More than a decade ago, Armanino launched CFO Evolution, a set of initiatives designed to "take the pulse" of CFOs on their role within the organization through the CFO Evolution Benchmark survey. We augment the results of our own market research with insight from our extensive experience with companies in all industries and of all sizes. The goal has always been to help CFOs recognize and adapt to change within their own organizations and in the external environment, so that they can become more strategic leaders.

Today, we are experiencing a rapidly changing world and a markedly different business environment. To address these changes, we launched CFO Evolution 2.0, a transformative view of the thinking and skills necessary for CFOs and their organizations to transform and thrive. This year, we provide more insight on how CFOs have successfully navigated the journey and are using innovation and influence to take their organizations to the next level.

Armanino's CFO Evolution framework has traditionally outlined how CFOs allocated their time for the roles of accountant, protector and leader, as well as how CFOs desired to spend their time.

LEADER

Enable

by being forward-looking and strategic.

Current time allocation:

25%

Time allocation goal:

50%

PROTECTOR

Optimize

the organization's risk posture and help it avoid surprises.

Current time allocation:

20%

Time allocation goal:

20%

ACCOUNTANT

Streamline

and be fast and accurate with processes and information.

Current time allocation:

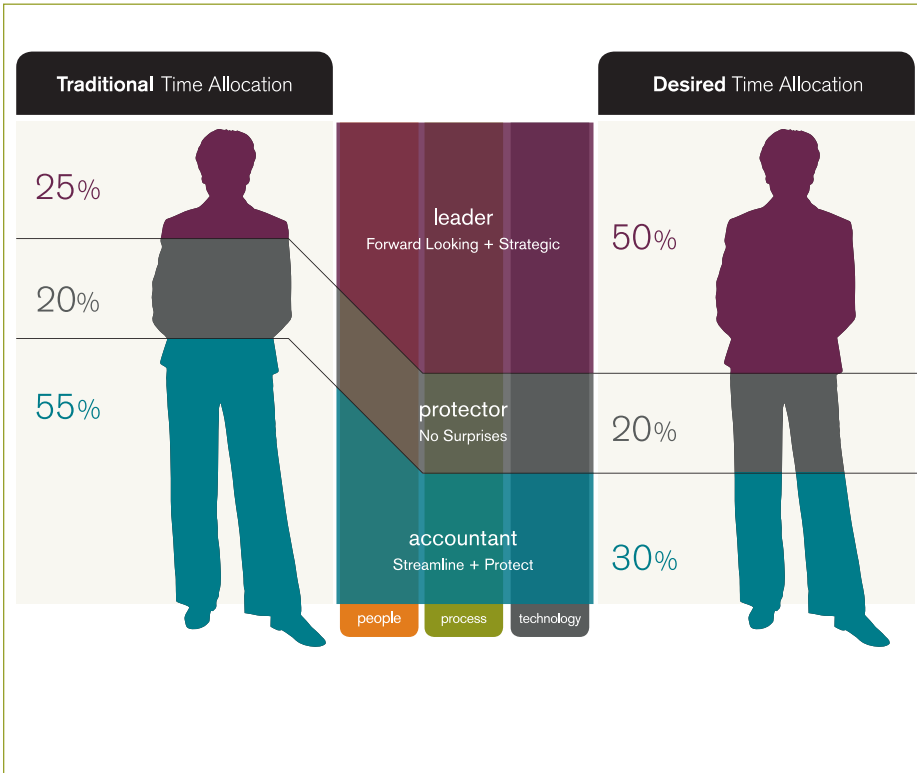
55%

Time allocation goal:

30%

THE CFO EVOLUTION[®] FRAMEWORK

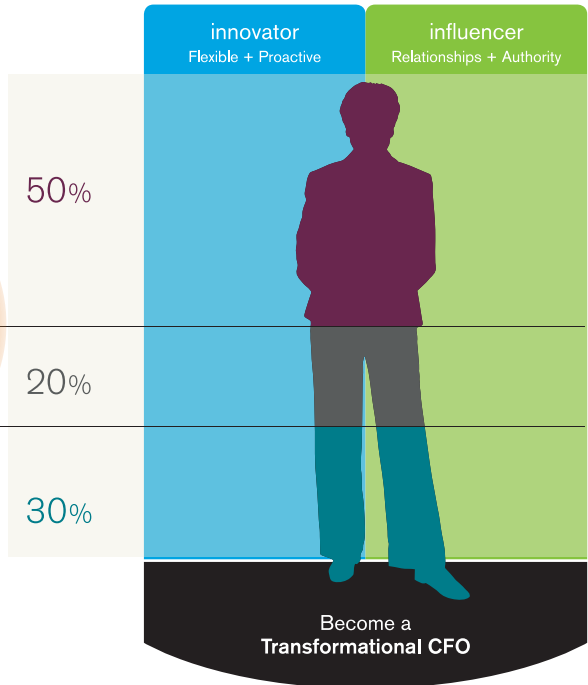
CFO Evolution 2.0 illustrates how CFOs must apply influence and innovation to their accountant, protector and leadership roles to meet their CEO's challenge and truly transform the organization.



91%

of CEOs are prepared
to lead a radical
transformation

Source: 2018 KPMG CEO Survey



BEST-IN- CLASS CFO INVESTMENTS & LEADERSHIP

3x

more likely to lead
transformational
change

Armanino's CFO Evolution

Survey reveals that best-

in-class CFOs focus on

these three areas for

transformational investment:

01 OPERATIONS

02 TECHNOLOGY

03 CULTURE



FOR

THE FIRST

TIME

in ten years of surveying the market, CFOs moved beyond process and technology and identified “the ability to change their culture” as a critical business focus. And best-in-class CFOs are not sitting on the sidelines playing a support or advisory role, they are leading change initiatives.

THE INFLUENTIAL CFO



Shari Freedman, CFO of Room to Read, demonstrates how a CFO collaborated within and outside of the organization, built an effective business case and communicated with key stakeholders to lead change.

Challenge. When Shari Freedman joined Room to Read, the international nonprofit could not calculate the operational costs of a specific library in a specific country's operation. She was met with an oversized chart of accounts (56,000 accounts worldwide) and a team using Excel spreadsheets to manage everything.

Solution. Shari led a series of decisions that would deliver a strategic, integrated financial system. She invested time, energy and resources into finding the best talent, training them, implementing adequate internal controls and creating the right "bridges," using cloud technologies such as Adaptive Insights and Sage Intacct to connect with her newly dispersed team. Her efforts freed the finance and accounting department to innovate and direct their analytic skills toward more strategic assessments, like the cost-effectiveness of Room to Read's programs and the return on a donor's investment.

Results. Shari's influential vision for her team has bred a transformation that led to organization-wide growth and transformation. Today, Room to Read has clear visibility into the operational costs and ROI of each of its 20,000 libraries worldwide and has won several awards for accountability and transparency.

94%

of CFOs believe that
being an influence is
critical to survival

**Best-in-class influential
CFOs do three things
extremely well:**

01 COMMUNICATION

02 COLLABORATION

03 BUSINESS CASES

Unless CFOs can articulate their ideas to non-finance experts, their plans may never get off the ground.

THE INNOVATIVE CFO



Clyde Hosein, CFO of Automation Anywhere, thought differently, used his vast network for ideas and leveraged the power of technology to lead change.

Challenge. When hired by Automation Anywhere, CFO Clyde Hosein's strategic transformation initiative was to prepare the hypergrowth, privately held technology company for a fast path to IPO.

Solution. The speed with which Automation Anywhere had scaled its business made it obvious that they didn't have the right

people, processes and technology in place to prep for an IPO. Hosein led a successful campaign to leverage artificial intelligence and bots to move his finance and accounting organization forward. He overhauled the company's entire finance infrastructure to build a streamlined and effective reporting and accountability system with a focus on mission-critical work and analytics that drive innovation and growth.

Results. In seven short months, Hosein led Automation Anywhere to one of the most successful Series A funding rounds of 2018, raising \$250 million and transforming them into a unicorn with a valuation of \$1.8 billion.

100%

of best-in-class CFOs are investing in technology to achieve their transformation initiatives

Best-in-class innovative CFOs do three things extremely well:

01 LEAD WITH RIGHT MINDSET

02 NETWORK

03 DEPLOY TECHNOLOGY

100% of best-in-class CFOs are deploying analytics to transform the finance function.

CFO EVOLUTION CLIENT AWARD WINNERS

In 2018, Armanino introduced our first annual CFO Evolution Client Awards. Our award winners demonstrate how they influenced and innovated to transform their organizations.



Ray Mikhail Asad

Most Influential CFO Award Winner

Influential CFOs like Ray can succeed even when tasked with finding agreement among a large cast of diverse stakeholders. Ray had to guide Allied Esports through a complete global corporate restructuring. The project spanned six countries and three continents and required coordination with a vast network of shareholders, senior management at subsidiaries and more than 20 third-party professionals across tax, legal and accounting groups. His success in navigating the restructure resulted in confidence from investors, and he is described by Allied Esports CEO Jud Hannigan as an essential partner whose work ethic is an inspiration to the company, vendors and advisors.



Margaret McCarthy

Most Innovative CFO Award Winner

Margaret wholeheartedly embraced the transformation of her company through technology. Initially tasked with tackling two specific pain points around WideOrbit's ERP and CRM solutions, she started taking a more comprehensive view and found an opportunity to create more far-reaching answers for the company. Margaret immersed herself in the business and had a curious mindset. She asked questions, diving deeper than just finance, to truly understand the issues across all the functions of the organization. This mindset allowed her to problem-solve with new ideas and bring innovative solutions to the organization.



J. Mark Jenkins,

CFO of the Year Award Winner

As CFO of Golden Gate National Parks Conservancy, J. Mark looked at his organization very differently and planned how the finance function could be a thought partner for the other groups in the organization. He treated them like his customers rather than simply colleagues. He launched an internal program called "Finance for All" and provided finance alliances for each program unit to work directly together for optimal results. J. Mark also championed the integration of data and investment in technology tools to create one single source of information. He went beyond the needs of finance and addressed the needs of the entire organization by launching a second internal program called "Data for All." These programs allow Conservancy staff to truly come together and take advantage of expertise to better run their areas, resulting in genuine transformation.

SURVEY RESPONDENT DEMOGRAPHICS

What role/title do you hold in your company?	
CFO	67.7%
Controller	12.9%
VP Finance/Accounting or equivalent	12.9%
Other	6.5%

Which industry best describes your company?	
Construction/Real Estate	6.3%
Education	12.5%
Financial Services	12.5%
Healthcare	6.3%
Manufacturing	3.1%
Nonprofit	31.3%
Technology	15.6%
Transportation	6.3%
Wholesale/Distribution	3.1%
Other	3.1%

What were your company's revenues as of the last fiscal year?	
Less than \$10M	21.9%
\$10M-\$25M	18.8%
\$25M-\$50M	21.9%
\$50M-\$100M	12.5%
\$100M-\$500M	15.6%
\$500M-\$1B	9.4%

What area would you consider to be the primary location of your company?	
Central	12.5%
East/Atlantic Coast	3.1%
Pacific Northwest	3.1%
Southern	15.6%
West Coast	59.4%
International	6.3%

YOUR

TRANSFORMATION

JOURNEY

Take the next step on your journey and imagine the transformative future of your organization.

As your business partner, Armanino provides the CFO Evolution 2.0 framework and approach to enable finance leaders to transform their companies. We are here to help you meet the challenges and take advantage of the opportunities of today and the future.

Armanino has an ecosystem of experts in future-proofing your business with people, processes and technology to guide you toward a stronger tomorrow. This will allow your organization to scale for growth and embrace the opportunities afforded by the complex world in which we live and work.

STRATEGIC INSIGHTS PRACTICAL ACTIONS

Armanino provides an integrated set of accounting services — audit, tax, consulting and technology solutions — to a wide range of organizations operating both in the U.S. and globally.

You can count on Armanino to think strategically to provide the sound insights that lead to positive action. We address not just your compliance issues, but your underlying business challenges as well — assessing opportunities, weighing risks and exploring the practical implications of your short- and long-term decisions.

Get insights and more information at:
armaninollp.com/cfoevolution