

LEATHWAITE

THE GLOBAL CFO SURVEY 2021



INTRODUCTION

Our annual survey of CFOs and their management teams is now in its 5th year. Our last report was undertaken immediately prior to the onset of the global pandemic. This paper seeks to engage with finance leaders expectations for their functions both alongside and after COVID-19.

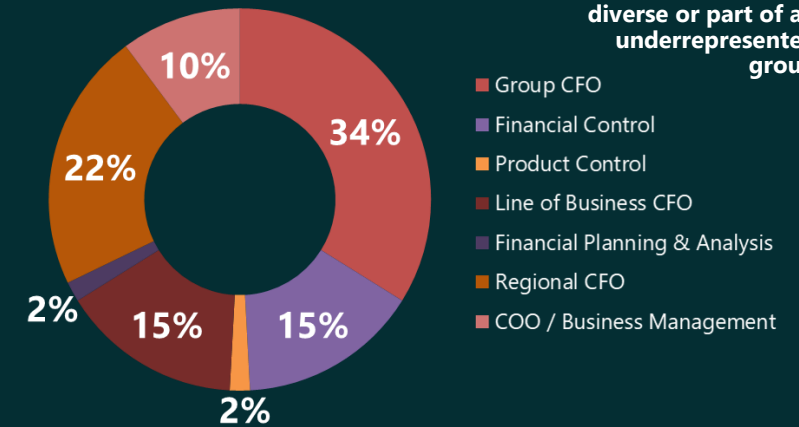
The obvious impacts of the pandemic on CFOs and their teams are clear. On a personal level 7% of leaders were asked to take a base salary cut in 2020, and 57% saw a decrease in their total reward once variable compensation was included. A further 45% expect another decrease in total compensation for 2021. The changes to working habits as a result of COVID-19 are also expected to remain. Only 2% of respondents expect to be fully back in the office within 12 months, with the vast majority anticipating a hybrid home/office working model. Perhaps the biggest shift is that 54% of respondents said they would now consider hiring candidates with no expectation that they would ever work in the same location as a company office.

It is also clear however that the process and technology change agenda has been accelerated with benefits that will last long beyond COVID. CFOs told us that digital transformation, automation and building data analytics will be the biggest challenge they face in the year ahead - more so than managing down costs. They also said the advanced use of technology presents the biggest opportunity for their function. To that end a range of emerging technologies also appear to be gaining traction within finance functions – 44% of CFOs are now planning to leverage Artificial Intelligence / Machine Learning within their functions, and one in eight are planning to introduce Blockchain capabilities.

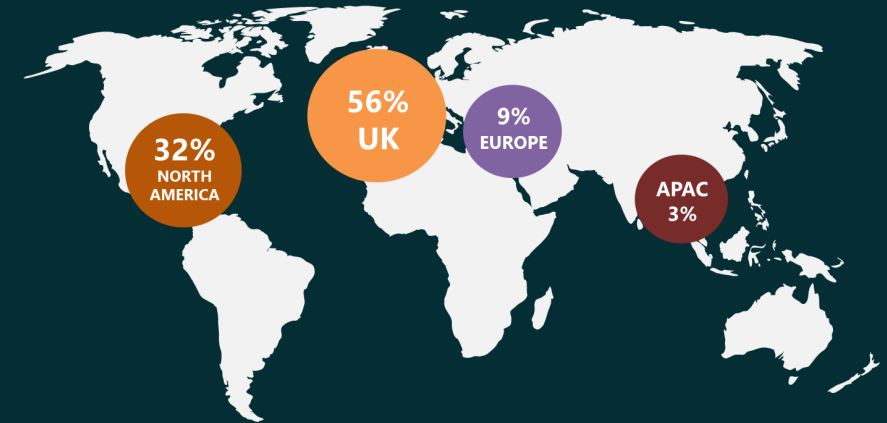
The key message from our findings are therefore two fold – firstly, CFOs expect the impacts of the pandemic in the way they execute their work to be long lasting but secondly, supporting these new working habits will require long term thinking & largescale investment that will outlast the most acute phase of the pandemic itself. With all this in mind it may be unsurprising that CFOs told us that when hiring this year, leaders with certified change management qualifications would be more appealing to them than those with MBAs.

THE FACTS:

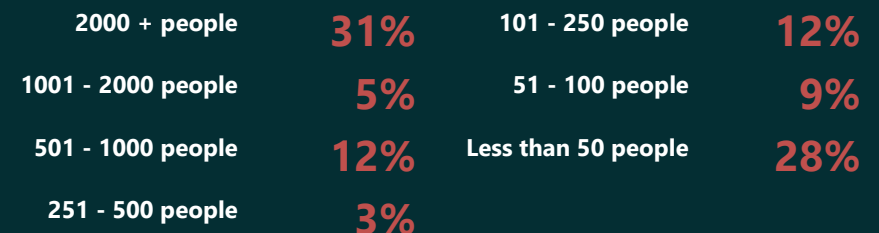
WHO ARE YOU?



14%
of respondents consider themselves to be diverse or part of an underrepresented group



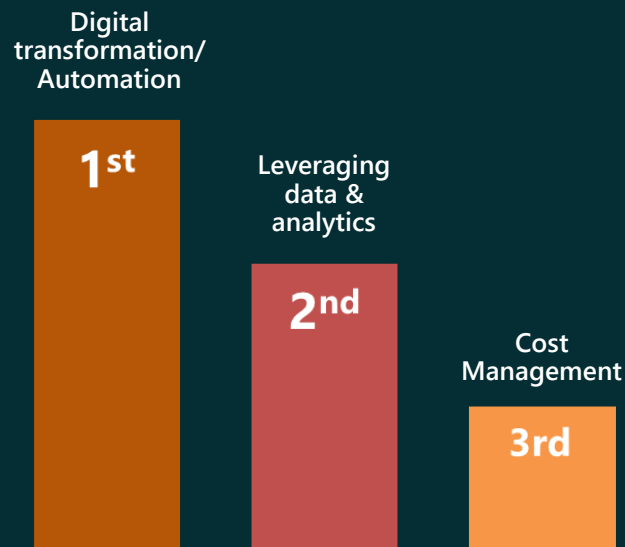
CFO function size



CHALLENGES & OPPORTUNITIES WITHIN THE FINANCE FUNCTION

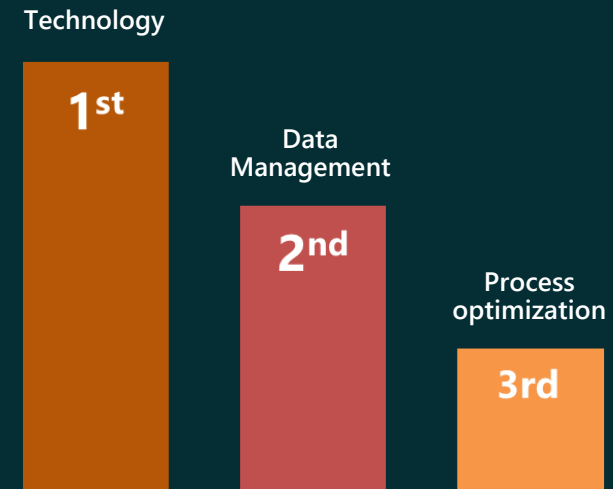
Knowing this year COVID-19 changed the scope and day-to-day of the finance function, we asked what are the top three business challenges you face over the next 12 months.

TOP THREE ANTICIPATED CHALLENGES 2021:



We also asked what are the top three opportunities for improvement:

TOP THREE ANTICIPATED OPPORTUNITIES 2021:



LOOKBACK:

2020

1. Cost Management Pressures
2. Convergence of Finance and Risk Requirements
3. Evolving Regulatory Demands

2019

1. Rise of agile working/flexible working
2. Off and Near-shoring of finance processes
3. Evolving Regulatory Demands

LOOKBACK:

2020

1. Data Management
2. Process Optimization
3. Technology

2019

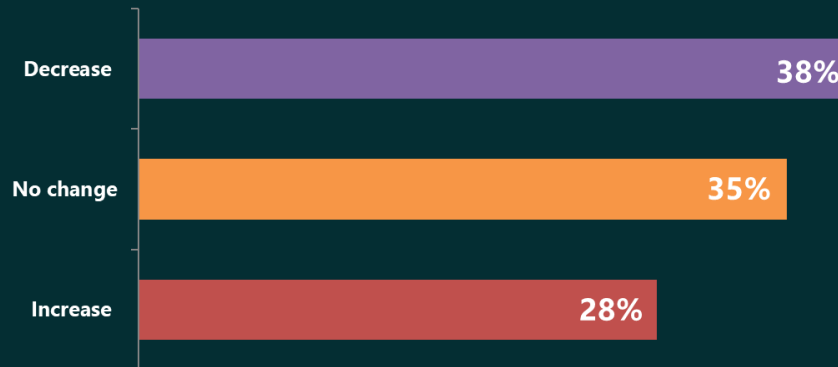
1. Data Management
2. Technology
3. Efficiency

HEADCOUNT & BUDGET

With regards to headcount, which of the following best describes your expectation over the next 12 months



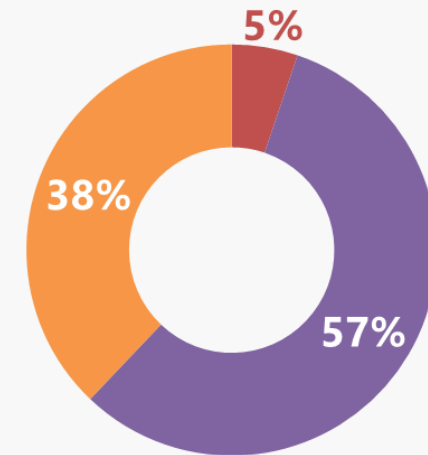
With regards to budget, which of the following best describes your expectation over the next 12 months



These results remain the same as the last two years with **42%** expecting a budget decrease in 2020 and **38%** in 2019

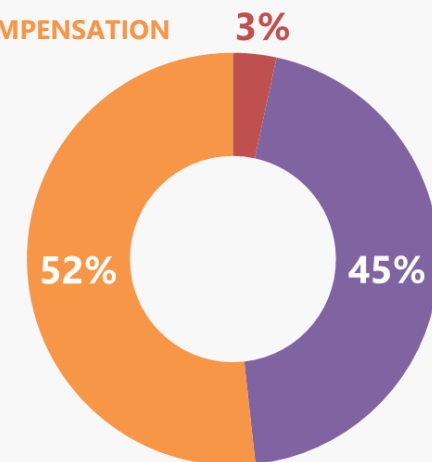
COMPENSATION EXPECTATIONS

OVERALL COMPENSATION FOR 2020?



■ Increase ■ Decrease ■ No change

FUTURE COMPENSATION IN 2021?

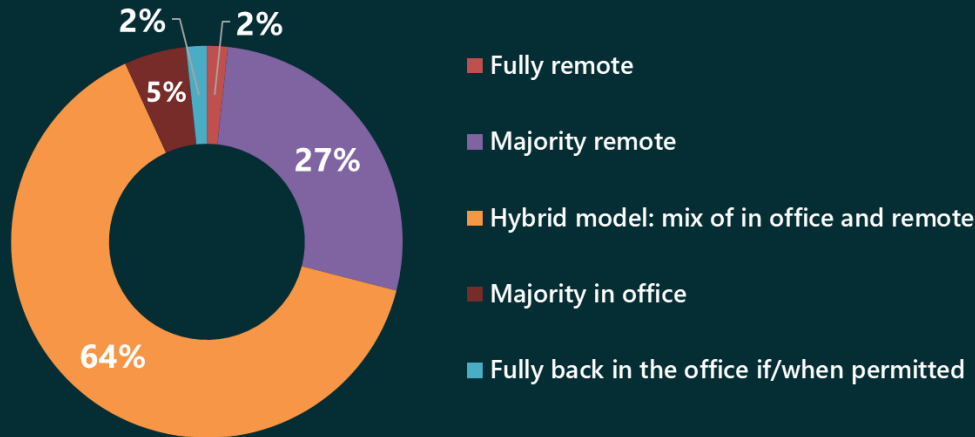


7% of finance leaders were asked to take a salary reduction as a direct result of COVID-19

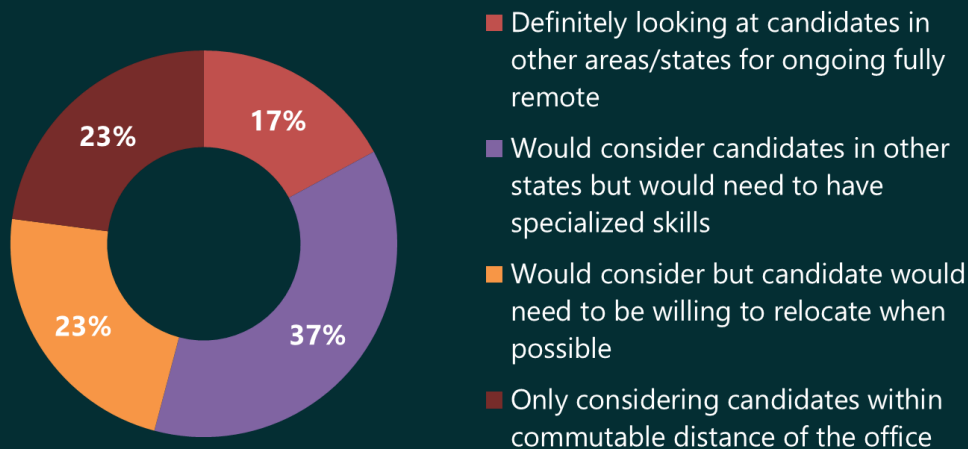
HIRING STRATEGY

LOCATION AND COVID

How do you anticipate most of the finance function within your organization to work over the next 12 months?

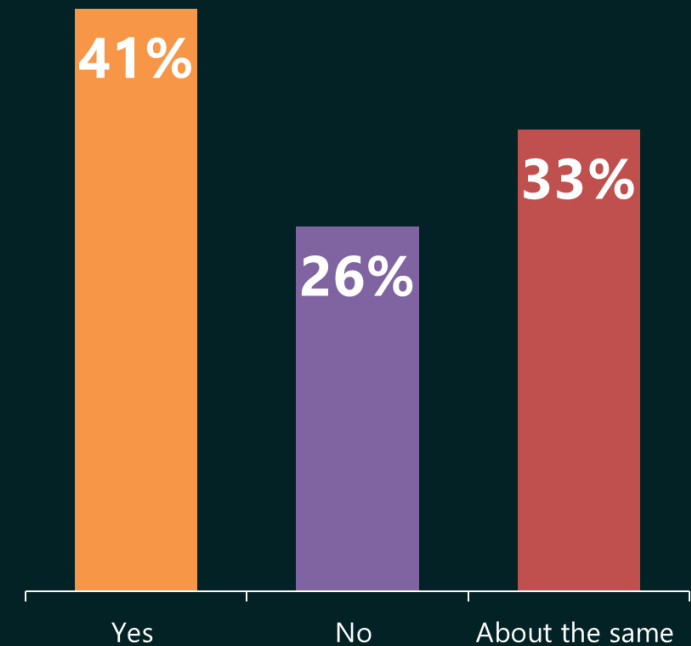


How do you expect this to affect your hiring agenda going forward, as in will you consider candidates outside of the usual commutable boundaries?



74% of respondents feel their finance function is hiring at the same pace or higher as they transition to virtual on-boarding.

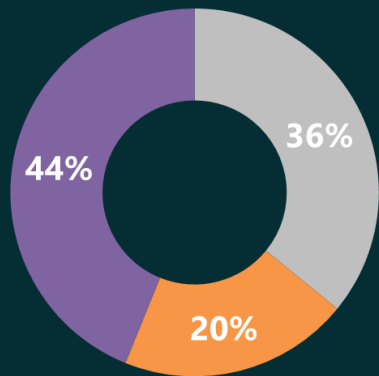
Thinking about the transition to virtual hiring and onboarding within the finance function, is your team doing this at the same pace they would in-person?



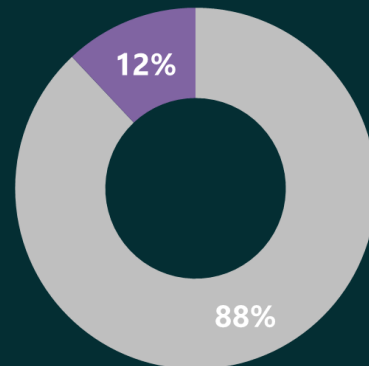
EMERGING TECHNOLOGY

Which of the following is your finance function using or planning to use within the next 3 years?

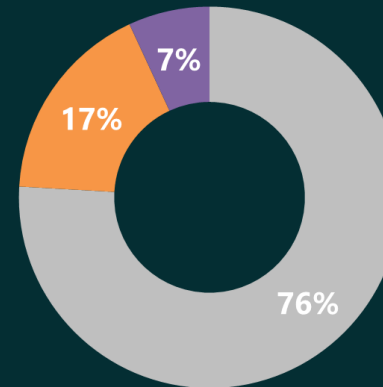
AI/MACHINE LEARNING



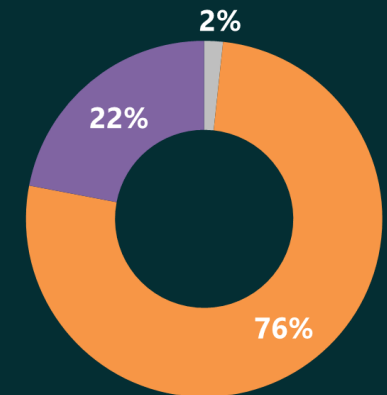
BLOCKCHAIN



INDUSTRIAL INTERNET OF THINGS (IIOT)



AUTOMATION



■ Not Using ■ Currently Using ■ Planning to Use

THE FUTURE OF FINANCE PROFESSIONALS

YOUR FUTURE TEAM

The changing needs of hiring - preferred qualifications, etc.:



1. Professional Accounting Qualification (CPA, CA, etc)
2. Certified Change Qualification (Six Sigma, Prince 2 etc)
3. Quantitative Graduate Degree (MSc / PhD)

LOOKBACK:

2020

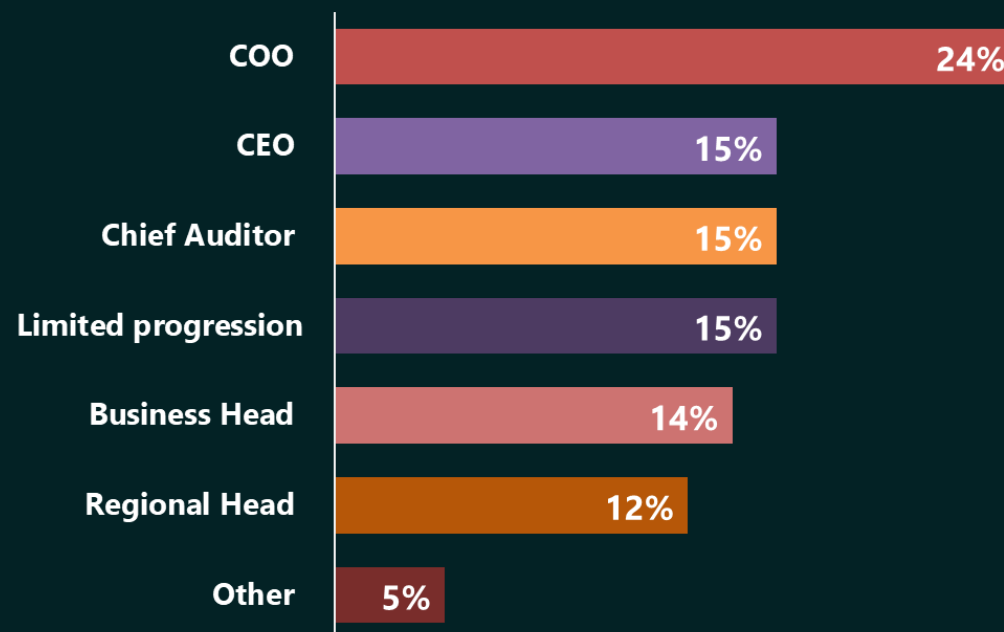
1. Professional Accounting Qualification (CPA, CA, etc.)
2. MBA
3. Computer Science Degree

2019

1. Professional Accounting Qualification (CPA, CA, etc.)
2. Computer Science Degree
3. MBA

YOUR FUTURE ROLE

Which of the following do you feel are viable routes for career progression for senior finance leaders within your company?



24%
of those who responded see COO as their next viable career progression

15%
of those who responded see limited career progression within their organization

MEET THE TEAM



Tom Pemberton

Partner

New York
T: +1 646 461 9108
tom.pemberton@leathwaite.com



Martha Harvey-Jones

Partner

London
T: +44 207 151 5117
martha.harvey-jones@leathwaite.com



James Lawrence-Brown

Partner

Hong Kong
T: +852 3695 5008
james.lawrence-brown@leathwaite.com



Chris Rowe

Partner

Zürich
T: +41 44 201 3600
chris.rowe@leathwaite.com



Helen Parker

Consultant

London
T: +44 207 151 5130
helen.parker@leathwaite.com



Sophie Roebuck

Consultant

London
T: +44 207 151 5129
sophie.roebuck@leathwaite.com



Emily Woodward

Consultant

Hong Kong
T: +852 3695 5005
emily.woodward@leathwaite.com



Cecilia Burns

Consultant

Zürich
T: +41 44 201 3600
cecilia.burns@leathwaite.com



Owen Buckley

Consultant

New York
T: +1 646 461 9100
owen.buckley@leathwaite.com



Stuart Higson

Consultant

New York
T: +1 646 790 3170
stuart.higson@leathwaite.com



Leathwaite is driven by one clear purpose: to create meaningful change through exceptional people.

Guided by our unique company values:

Be Distinctive

You cannot lead by following. We help clients, candidates and colleagues understand why we are different from the competition, and how this makes us best placed to help them achieve their objectives.

Maintain Humility

A culture in which the hierarchy is flat and everyone is open and accessible to others, enables sharing and collaboration. We do not allow title, rank or ego to cloud this thinking.

Compete Together

A great team is bigger than the sum of its parts. By pushing in the same direction and driving towards collective goals simultaneously, we will ultimately achieve more and so will our clients.