



DATA, VISION AND TECHNOLOGY:

# CFOs Find a Recipe for Success

## **The Business of Business Payments Has Found a New Center: the CFO.**

Arguably it is the leading catalyst for change in an organization and the connector to the departments that need to execute that change: treasury, operations, sales, marketing and technology.

Connecting to the right partners, technology and data can be the difference between a company's competitive edge and its dull point. As the role of the chief financial officer continues to grow, leaders in the field are looking to offer more value and impact their business growth, rather than just focus on the status quo.

Bottomline, in partnership with CFO Dive, tested those connections and the effectiveness of the tools available to make them. We quantified how well-connected CFO offices of today are to the data, talent, and tools necessary to get the job done, as well as further understand what areas of connection are priorities for improvements in the near future. The following is a deeper look at the results of a June 2022 survey of high-level finance leaders, dominated in this case by CFOs and vice presidents of finance. Expect to be surprised by the optimism and firm handle on technology you will find in this report.



## The CFO State of Mind

Read any news source these days and the consensus seems to be that accounting and other finance functions faced several struggles in 2022. Chief among these were access to the tools necessary to do their jobs correctly and concerns over implementing the systems and personnel to deploy them. For example, one recent PwC survey found that 68% of current CFOs are investing in digital transformation, tops on the priority list.

The point here is context. What our survey found, however, is that not only is the average finance leader doing the best they can with what they have, but they also have a clear understanding of the essential areas where they need to invest to stay competitive in the future. But what about those other more negative portrayals?

Traditionally, the CFO mandate has been to make sure that the books are in order, and that the accounting point of view is being considered. This is the comfort zone for the CFO of the past. However, “if today’s CFOs are given a mandate to help drive strategic growth for the business, the new question becomes, ‘Do they have the tools they need to actually do that job?’” said Colin Swain, product leader at Bottomline. “And the answer is ... maybe.”

In a shifting landscape, understanding how to get things done efficiently, and the resources needed, is more essential than ever. Turns out, when it comes to tools, technology, staff and implementation, CFOs are in the center, as we said at the outset.



**“There may be a sense that CFOs aren’t happy, or that the Treasurer or Head of AR or AP is scurrying around to give the CFO the data they need. But my question would be: Do CFOs really know what excellence looks like in this space, and what mandate have they been given?”**

– Colin Swain, Product Leader at Bottomline

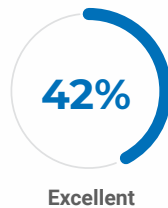
### 3 Functional Needs Driving CFO Requirements in Today's Market

Whether or not CFOs have the tools in place to drive strategic company growth may depend not only on whom you ask, but when you ask them. For example, while many CFOs rate themselves as having systems in place to function at their highest level, they also recognize where changes need to be considered for a more effective future.

One area where this is critically apparent is in the view across cash.

**According to the survey results:**

**Nine out of ten CFOs (90%)** rate their companies' current view across cash as either:



Four out of five (80%) CFOs say integrated dynamic functions across cash are: **Completely (23%) integrated within their business.**



Four out of five (80%) CFOs say integrated dynamic functions across cash are: **Highly (57%) integrated within their business.**

Despite reporting these high numbers, though, CFOs also list three main functional needs that drive their requirements in 2022 and beyond, with both a more complete vision of business cash and liquidity and better overall integration listed among the highest priorities.

**80%** say they need a more complete vision of business cash and liquidity

**80%** say they need better access to real-time payment data, analytics and insights

**72%** say they need a more integrated view of payables, receivables and treasury management

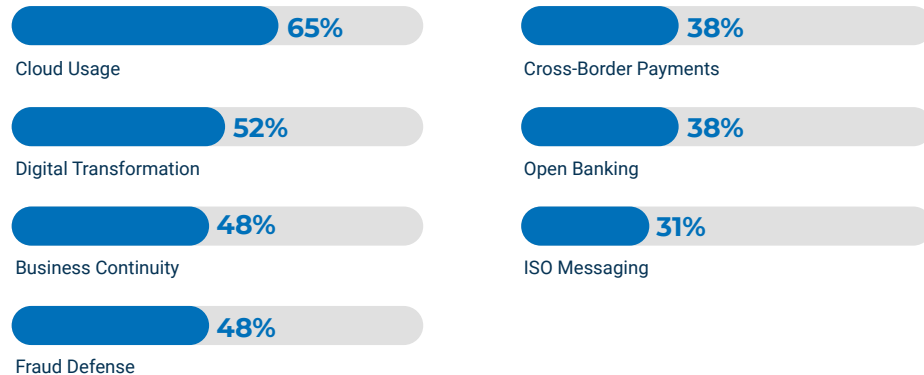
Kevin Grant, head of commercial solutions at Bottomline, offers the following analogy to help further explain the current C-suite scene. "Picture a boat, with treasury at the bow, trying to navigate through the choppy waters of managing currency and interest rate risk," he said. "The CFO in this scenario is looking back, trying to manage visibility of cash as close to real time as possible, but it's a real challenge."

**What's different about today's CFO and other executive-level finance leaders is their ability to turn to technology to help them solve for specific pain points. It can be a real game-changer...if they focus on the right areas.**



## Technology and the Quest for Better Visibility

If connection and better overall visibility drives forward-thinking businesses these days, there are several ways that new and innovative technology overlaps with these critical areas to create a more integrated system. CFOs say they place a high priority in their organizations' plans for investments in a number of tech-related areas in the next 12 months. **These include:**



In general, when it comes to implementing any technology, the goal is avoiding fragmentation of processes and systems. "Finance leaders are stitching it together as a quilt that they then wrap around themselves," Grant said. "In my mind, there's no denying that teams are giving CFOs what they need these days, but the acid test for me is: What is the frequency of the information and are they pulling that information when they want it from a C-level dashboard? Or is it a report that lands on their desk in an Excel or PDF or PowerPoint? My suspicion is, more often than not, it's just pushing that information up — without context — as the normal working practice."

**There is also almost universal agreement among finance leaders that technology like SaaS and cloud-based options play an important role in strengthening the clarity of the whole picture of cash at their companies, with 51% strongly agreeing and 45% agreeing.**

And although nine out of 10 CFOs agree that their companies are leveraging the latest technology and automation tools to the best of their ability to allow treasury, AP and AR teams to optimize payments and cash management capabilities, chances are they're missing out on key opportunities to make even more out of the offerings that these tools provide.

**"It's really about that depth of integration and how they're using that technology and why they think there's strength in it as far as integration goes. For example, we have one client who says CFOs have patchwork technology where they take different parts of different tools to satisfy their needs, and they patchwork them together. In that case, they don't want their own IT and technology teams getting in the way. So, if they can use SaaS-based services that they have full control of, that helps."**

— Colin Swain,  
Product Leader at Bottomline



As can often be the case when implementing new technology, a certain level of fear regarding the scale of change required to do successfully comes with the territory. When retrofitted to meet the specific needs of a business, though, a certain level of control can often be offered to help alleviate that fear.

Extending the use of analogies, Swain said that thinking about technology as a wheel can help finance leaders better understand how they should be using technology to fit their needs. "If you think about a wheel, the cloud/SaaS environment acts as the hub," he said. "That's a good way to think about it because companies may feel that they've got the processes in place to deliver what they need, but what they might be missing is how fragmented it is underneath."



**"If a business decides to go SaaS, that means they are outsourcing the hosting environment, plus the service environment, from their organization. That means that they've got more control over that relationship, because it doesn't have to go through internal IT."**

– Colin Swain, Product Leader at Bottomline

## The Move Toward More Connected Finance

Implementing technology without a clear plan doesn't help anyone, but the right technology in the hands of the right finance leader with the right goals — can be very powerful.

"From a technology standpoint, finance leaders want to move away from legacy systems and toward SaaS or cloud-based technology," Grant said. "Digital transformation, in that regard, is basically how you then use that technology to transform your business. They are two very distinct things. One is, yes, we want to move our technology. The second is, we want to optimize our business and our operations, and how we engage with customers to fully embrace that technology."

# 90%

Nine out of 10 CFOs report that they are aware of the concept of "connected finance" in business, but they have wide-ranging ideas of what connected finance in business means to them.

As far as that higher level of connection goes, nine out of 10 CFOs report that they are aware of the concept of "connected finance" in business, but they have wide-ranging ideas of what connected finance in business means to them. **The main theme around connected finance, though, is integration of systems and data**, including things like, "having all financial aspects integrated digitally," "being able to integrate all reporting systems of the company into the finance department and enable visibility into cash flows," and "knowing about the future and investing in the right decision for future long-term success."

"If you go back to the boat analogy, I would turn that slightly inside-out and say that CFOs have historically looked behind, looking at the accounts, looking at where the business comes from, whereas now, they're being asked to look at how they're going to grow and how they can invest in growth," Swain said. "So, when you talk about connection, visibility and data, that's what they need to enable them to do that."

## The Takeaway

Although nine out of 10 CFOs say that the visibility of cash flow in treasury, AP and AR is meeting their needs extremely or very well, CFOs are also aware of the existing gaps that they need to fix to become a fully transparent, connected business ecosystem. That's why more than half of CFOs say they have plans to increase visibility in AP (74%), AR (68%) and treasury (51%).

**CFOs also say that the advantages of a unified financial office versus working with siloed departments are many, including:**



Fostering Collaboration Across Teams



Improvement to Existing Processes



Streamlining Operations and Support



**At the end of the day, CFOs who can take that unified approach into account, using it as a metric for decision-making moving into the future, will be ahead of the game.**



### About Bottomline

Bottomline helps businesses transform the way they pay and get paid. A global leader in business payments and cash management, Bottomline's secure, comprehensive solutions modernize payments for businesses and financial institutions globally. With over 30 years of experience, moving more than \$10 trillion in payments annually, Bottomline is committed to driving impactful results for customers by reimagining business payments and delivering solutions that add to the bottom line. Bottomline is a portfolio company of Thoma Bravo, one of the largest software private equity firms in the world, with more than \$130 billion in assets under management.

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