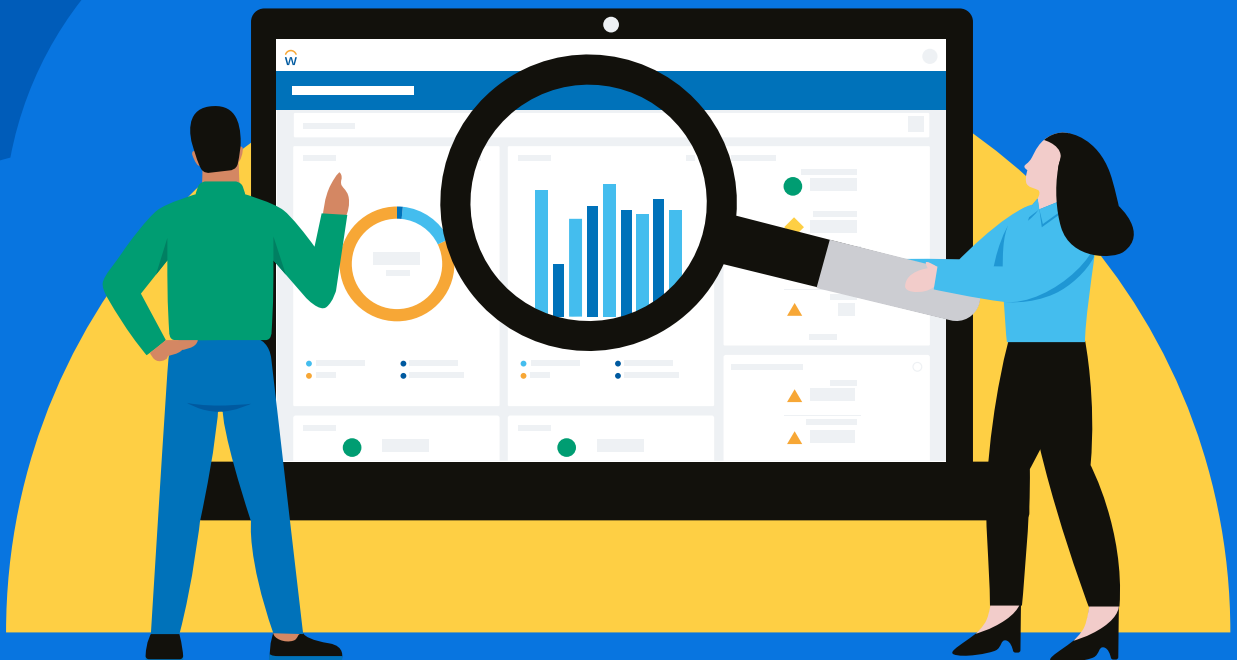


# The CFO-CIO Partnership

EMEA's Path to Digital Finance Transformation



# Table of Contents

## The CFO-CIO Partnership

### EMEA's Path to Finance Digital Transformation

---

Time to rethink finance.	3
Research highlights.	4
EMEA's digital finance opportunity.	5
1. Insights: Exploit financial and non-financial data to improve finance decisions.	8
2. Agility: Harness finance technology to align the organisation and improve outcomes.	15
3. Talent: Equip teams with tools and skills to collaborate and innovate.	20
Final word.	25
About the research.	26

---

## Time to rethink finance.

Finance needs a new vision.

For today's organisations, it is business critical to be able to navigate volatile market conditions, supply chain challenges, and global disruption.

In Europe, the Middle East, and Africa (EMEA) – where these challenges have been compounded by ongoing lockdowns, geopolitical fractures, and economic instability – digital finance transformation is central to organisational survival.

To rise to the opportunity, EMEA finance and IT leaders must rethink their organisational structures and processes and equip teams with the insights, tools, and skills to generate new value. And the CFO-CIO partnership must balance IT's goals of efficiency and simplicity with the ever-expanding scope and complexity of finance.

**Our new global survey** of 1,060 senior finance and IT leaders – including 45% from EMEA, 32% from Asia-Pacific Japan, and 23% from North America – tracks the state of digital finance transformation in today's organisations. The research examines how that transformation is affecting the finance and IT functions and where CFOs and CIOs must focus their efforts, as individuals and partners, to succeed.



“

The CFO and CIO must understand key challenges and the role that technology can play across the organisation – not just in finance. We make a lot of decisions that impact the entire organisation beyond our functions. We have to align regularly to ensure the right decisions are being made for the business.”

**Barbara Larson**  
CFO,  
Workday



## Research highlights.

**Digital finance is now business critical, and EMEA's organisations must grasp the opportunity to capitalise on it.**

Only 4% of EMEA's organisations have reached digital finance maturity, and 16% of businesses in the region have not even developed a finance transformation strategy. This puts the region behind North America, where only 10% have not developed a strategy.

Our research shows how this is hindering these organisations:



**Only 8%** of the region's IT leaders strongly agree their organisation has a single unified view of all operational, financial, and people data



**50%** of EMEA's finance heads admit that dealing with day-to-day finance concerns leaves little time to plan for long-term sustainability and risk management



**Just 46%** are confident that their organisation has the skills required to keep pace with new and emerging finance technology, compared with 52% in North America

**EMEA's finance and IT leaders must partner to deliver finance transformation that meets the data, technology, and skills requirements of today's businesses.**

In 89% of EMEA's organisations, finance and IT are not always aligned or collaborating regularly. To improve alignment and reach digital finance maturity, these teams must partner in three areas:

- 1. Insights.** Exploiting financial and non-financial data to improve finance decisions
- 2. Agility.** Harnessing finance technology to align the organisation and improve outcomes
- 3. Talent.** Equipping employees and teams with tools and skills to collaborate and innovate

In this report, we discuss these findings in detail.



## EMEA's digital finance opportunity.

For EMEA's businesses, the digital finance opportunity is there for the taking.

While one-third of the region's organisations have developed a digital finance transformation strategy and deployed some or many initiatives in the past two years, just 4% of those businesses have reached digital maturity. Meanwhile, 16% have not yet developed a strategy.

Diving deeper into the region, we find a more nuanced picture. In Germany, for instance, more than a quarter (26%) of finance and IT leaders admit that their organisation has not yet developed or deployed a digital finance transformation strategy. In France, one in five organisations (20%) has not yet made a start.

In the UK and Ireland (UK&I), digital maturity is much higher: 49% of finance and IT leaders say they have developed and started to deploy a digital finance transformation strategy. Of those organisations, 9% have reached digital maturity – the highest rate of maturity among all of the countries and regions we surveyed. Our research shows that UK&I IT leaders have more time and resources to devote to strategic technology transformation, which could explain why they are ahead.

As a result of these differences, the benefits of finance digital transformation differ widely among countries within the region. However, the data does show that EMEA as a whole is experiencing similar benefits to North America.

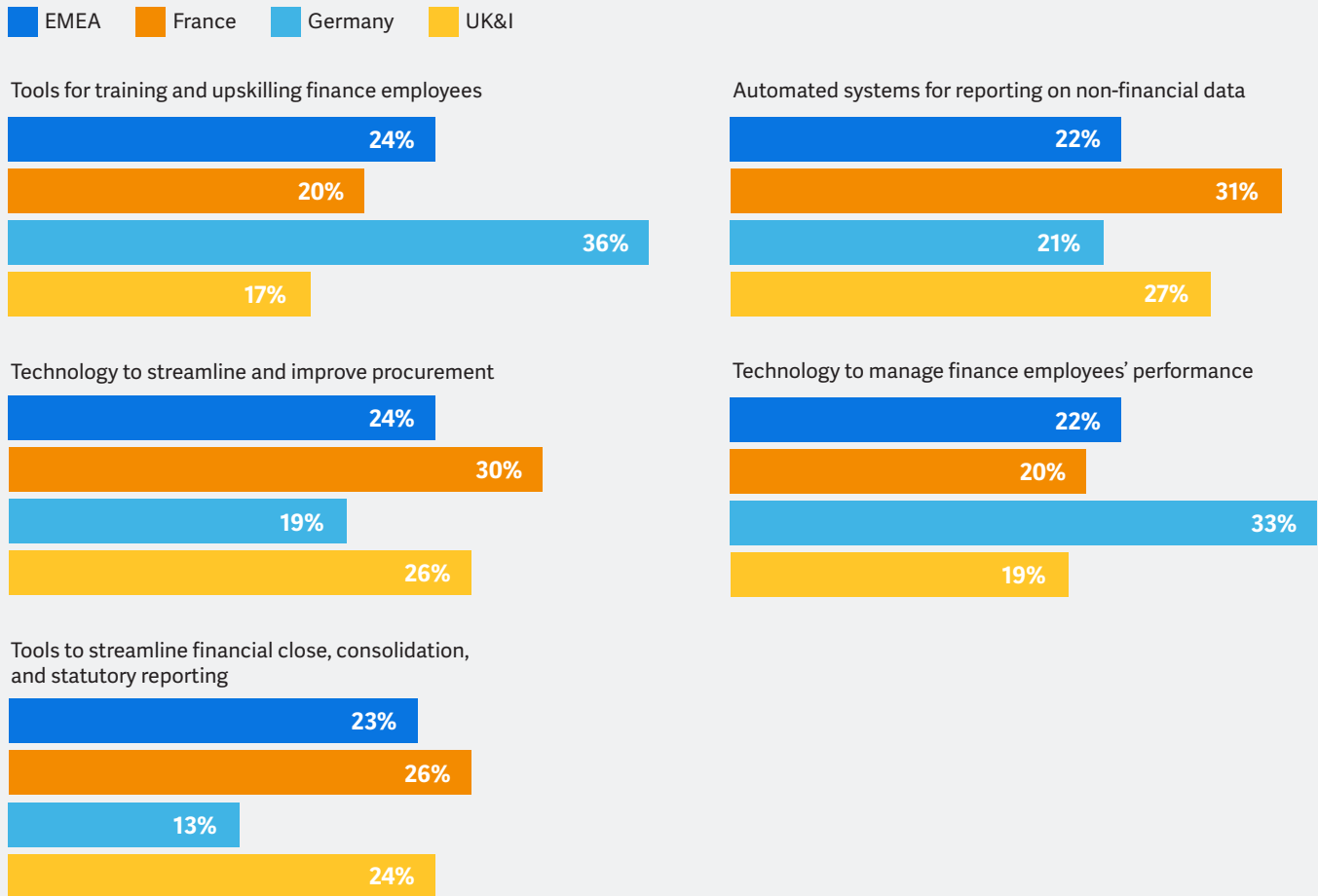
“

It's really about making sure from our perspective that as a finance function we are keeping up with the speed of change of the business, and also anticipating that change at the same time.”

**Charlie Steel**  
CFO,  
Babylon



**Figure 1: The benefits of finance digital transformation vary among EMEA countries.**



**Finance-IT alignment underpins finance transformation success.**

Our global research finds a positive correlation between the level of finance-IT alignment and the maturity of an organisation’s finance transformation, but EMEA’s organisations are not making the most of this opportunity.

In 89% of EMEA organisations, finance and IT are not always aligned or collaborating regularly, compared with 87% of those in North America and 85% of those in Asia-Pacific Japan (APJ). And in 54% of EMEA’s organisations, finance tech transformation is not typically aligned to business-wide transformation objectives, compared with 47% in APJ and 55% in North America. CIOs and CFOs need to improve their collaboration to prepare the future of finance so they can respond to business needs and market changes accordingly.

So it is unsurprising that a lack of finance-IT alignment is a top barrier to finance digital transformation across EMEA.

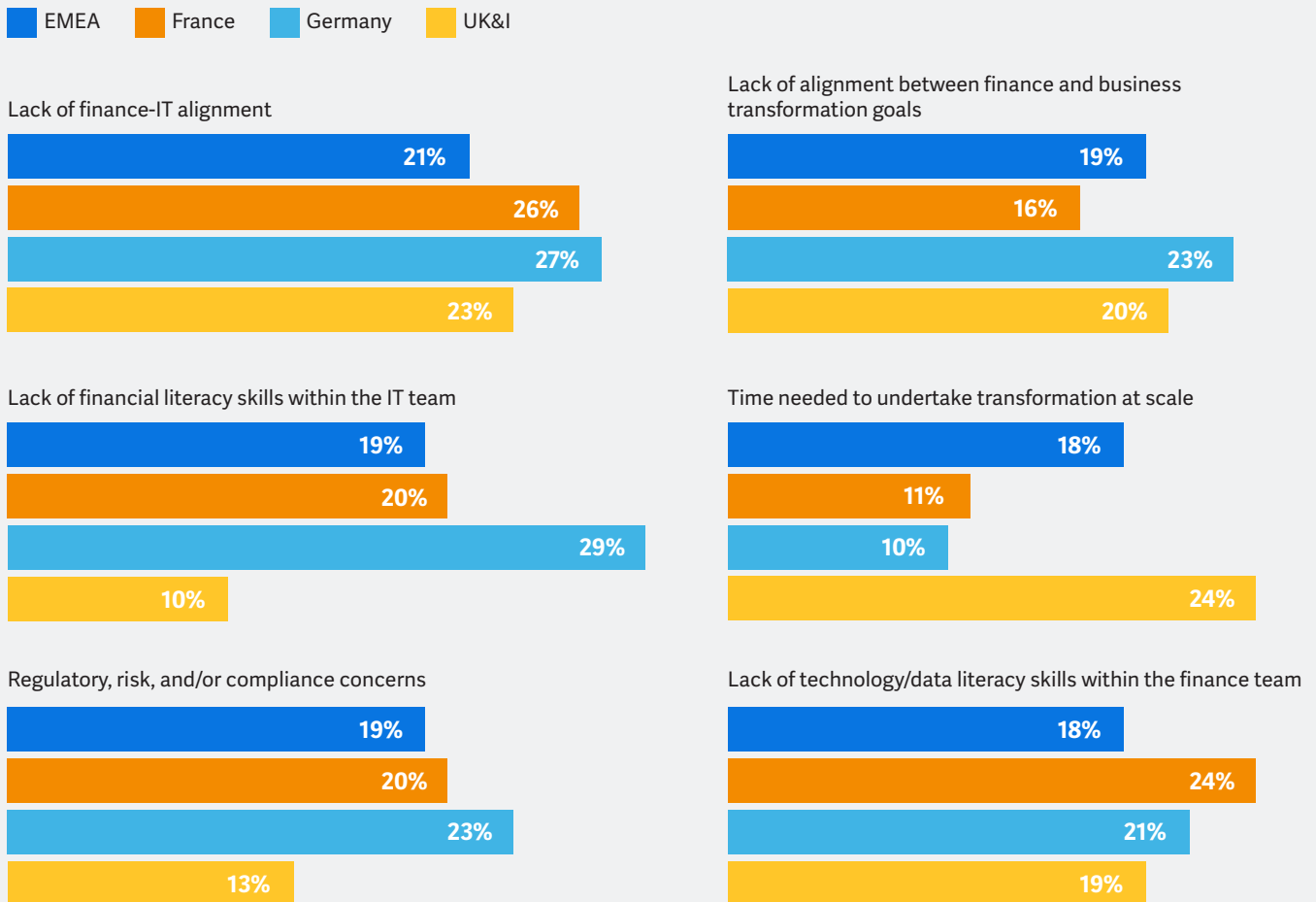
“Improving collaboration between finance and IT should be more strategic,” explains Rida Villanueva, director – cybersecurity, Grant Thornton. “When you’re aligned in terms of business growth, your finance follows, and so does your technology.”

Where should finance and IT leaders be focusing their efforts to align on finance digital transformation? Our research finds that data, technology, and talent transformation are central to success.



**Only 11%** of EMEA's organisations say that finance and IT are always aligned on objectives and collaborating regularly to ensure finance digital transformation succeeds

**Figure 2: Lack of finance-IT alignment is a top barrier to finance digital transformation for organisations across EMEA.**



## 1. Insights: Exploit financial and non-financial data to improve finance decisions.

Using data to improve decision-making is nothing new for finance teams. But the need for fast, quality insights is increasing pressure on finance to transform data analysis and automate.

“The need to improve decision-making by enabling secure, timely access to reliable data is the biggest driver of technology modernisation within organisations,” explains Barbara Larson, CFO, Workday. “Yet harnessing the vast amounts of data that are being generated and collected continues to remain a challenge.”

For EMEA's organisations, aligning finance and IT leaders in pursuit of improved data access will benefit all:



**Just 47%** of the region's IT heads say their organisation has a single unified view of all financial, operational, and people data (the lowest of any region we surveyed); this drops to 41% in France



**55%** of EMEA's finance leaders say that limited and/or outdated information hampers their team's ability to forecast accurately; this rises to 65% in Germany, potentially because investment in the cloud has been slower to ramp up there





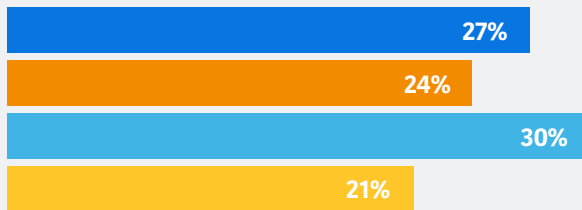
Finance-IT alignment will also help EMEA organisations to overcome the barriers that prevent them from generating usable insights – many of which are undermining finance and IT leaders’ confidence in their data and reporting. At present, EMEA organisations are less confident than those in North America about the integrity and security of their data.



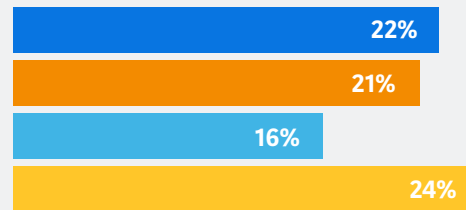
**Figure 3: For EMEA’s finance teams, a reliance on IT teams for data access is the top barrier to generating usable insights.**

■ EMEA ■ France ■ Germany ■ UK&I

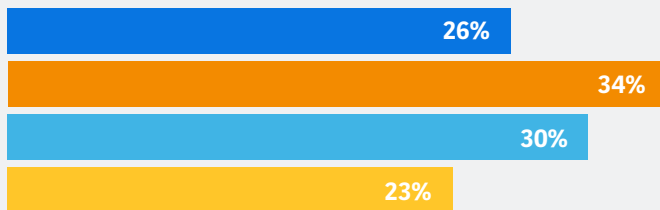
Reliance on IT teams for access to data and reporting



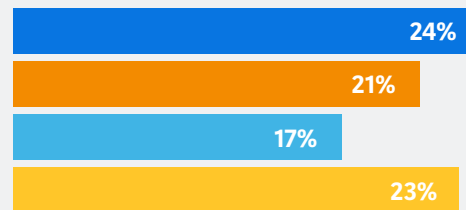
Shortage of skills needed to generate insights from data



Data security and governance risks



Shortage of skills needed to work with emerging technologies



Lack of easy-to-use tools needed to gather insights quickly

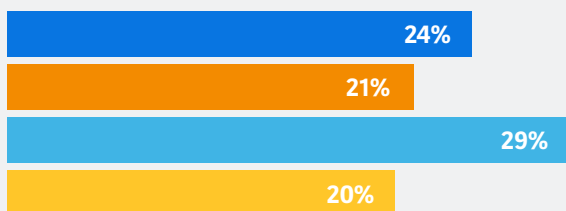


Figure 4: Confidence levels vary across EMEA in two core areas of finance transformation: skills and data.

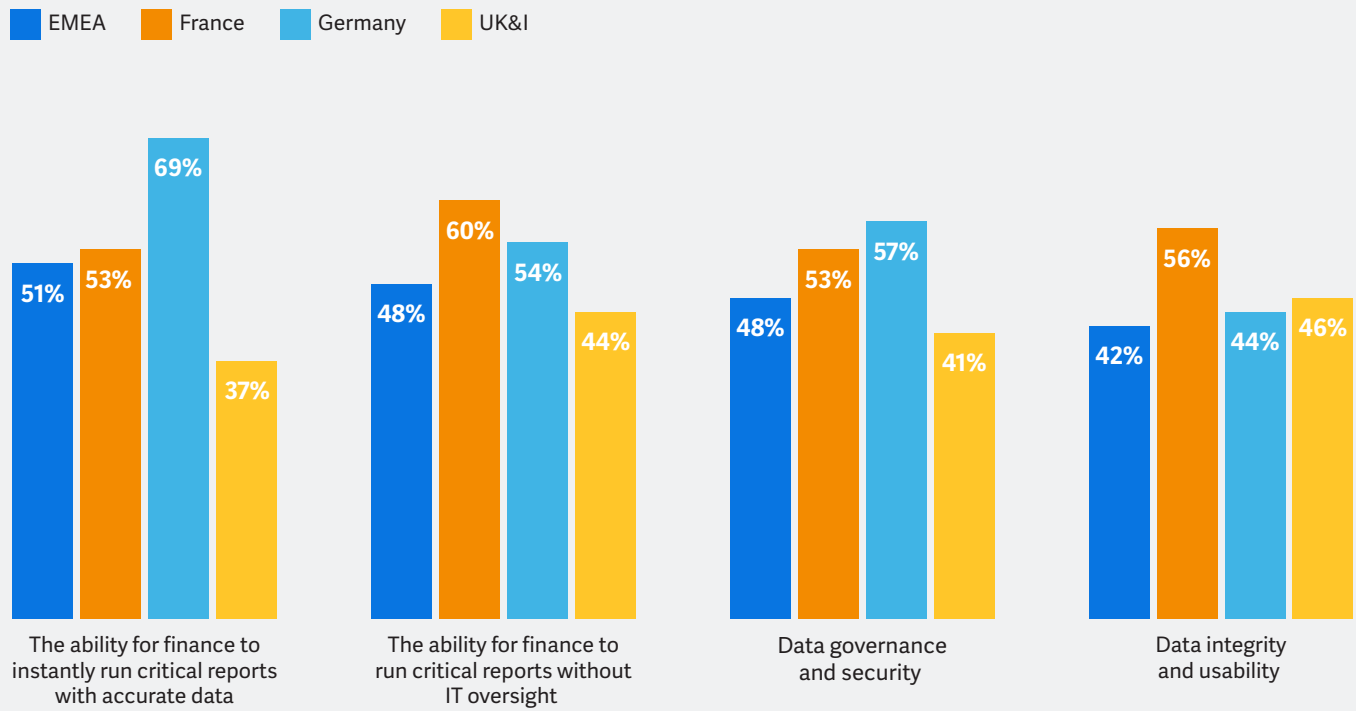
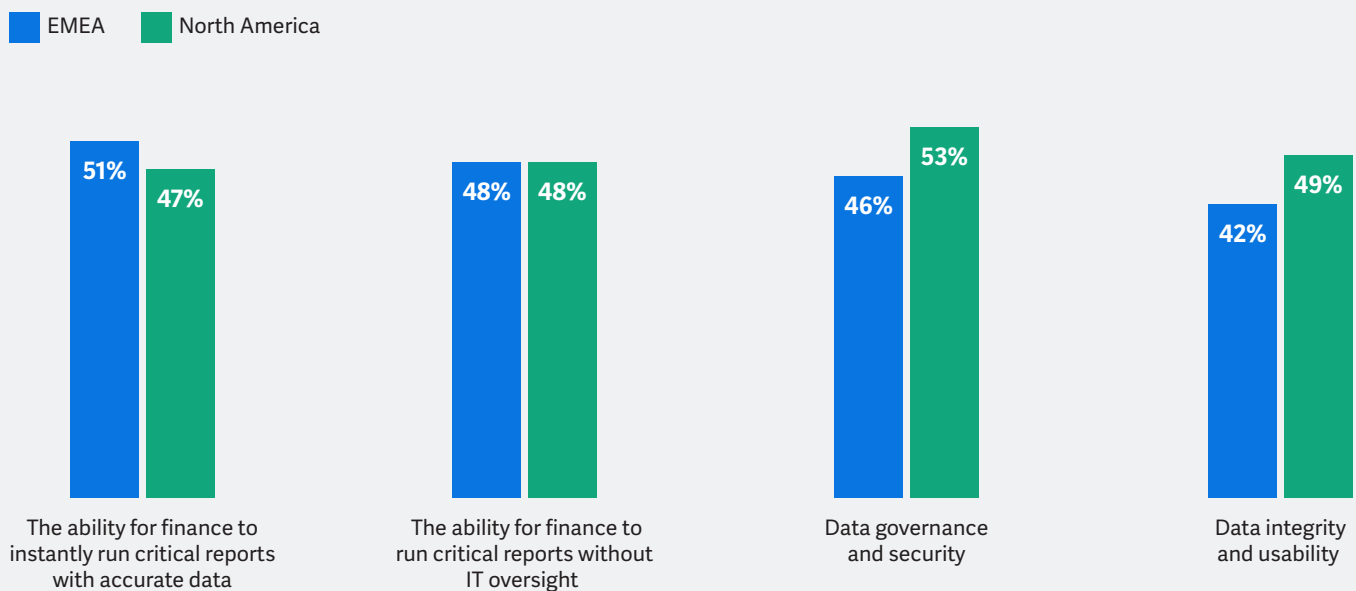


Figure 5: Confidence levels vary between EMEA and North America in two core areas of finance transformation: skills and data.



## Non-financial data increasingly shapes the finance outlook.

Accessing data to make better decisions is not a new task for finance. But the pressure to produce high-quality analysis at speed is higher than ever. That is why it is crucial for finance teams to automate more, reducing manual tasks and freeing up time for in-depth thinking.

The ability to unify financial and non-financial data in real time helps finance be more responsive to changes within the business. Delivering accurate and timely data insights supports strategic decision-making, which maximises opportunities and reduces organisational risk.

Effectively integrating financial and non-financial information enables organisations to truly capitalise on data as a competitive asset. For example, through a user-friendly online dashboard, business users can access multiple data sets and automatically incorporate them into budget planning and analysis, project planning, and rolling forecasts in real time.

In a project planning scenario, real-time data can be accessed and incorporated through the dashboard, even when multiple users are adding and updating data at the same time. This helps finance teams to effectively link non-financial metrics to financial performance and gain real-time insights into the project's performance and its contribution to the organisation. Finance can also set cross-organisation parameters for data input that allow business users to access and share data that is categorised to align with the overarching business strategy.

“Ideally, we want to combine finance data with employee data, customer data, or third-party data to surface intelligent data that the finance team can use to make the right decisions and provide the right strategies to the company,” explains Ernesto Boada, interim CIO, Workday.

Critically, our research shows the outsized impact that non-financial data – and environmental, social, and governance (ESG) data in particular – is having on both the CFO's responsibilities and financial decision-making.



The majority of EMEA respondents say that the CFO would ideally hold ultimate responsibility for ESG reporting. More than half (54%) want this, but CFOs have responsibility for ESG reporting in just 34% of EMEA's organisations (see "CFOs must recognise how ESG is changing business", below).



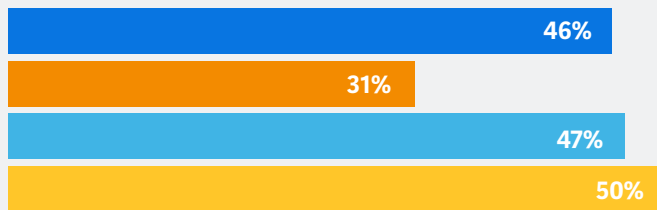
# 45%

of EMEA's finance leaders are increasingly reliant on non-financial data to make finance decisions; this rises to 65% in Germany and 48% in France, and drops to 42% in UK&I

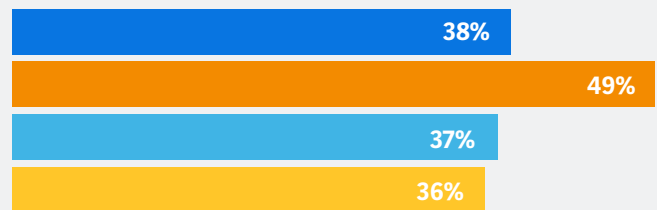
**Figure 6: Operational and ESG data are the top types of non-financial data being collected by organisations to drive finance decisions.**

EMEA France Germany UK&I

**Operational data**



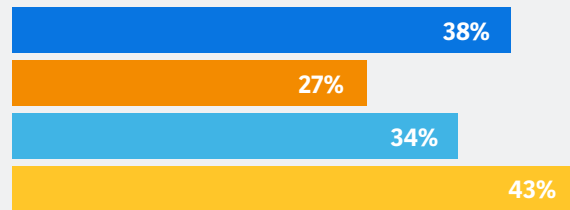
**Cybersecurity data**



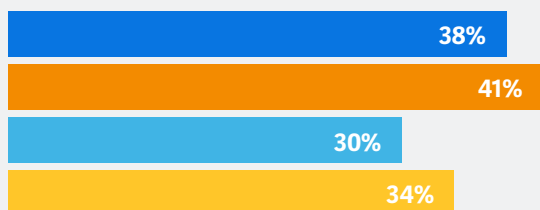
**Environmental, social, and governance (ESG) data**



**Market data**



**Diversity, equity, and inclusion (DEI) data**



## CFOs must recognise how ESG is changing business.

Environmental, social, and governance (ESG) factors are increasingly informing the decisions leaders make – from day-to-day operational choices to long-term strategic planning. And businesses are also increasingly judged on their social responsibility credentials. Access to better ESG data is therefore crucial to helping businesses achieve their goals and ambitions, which requires the collation and analysis of a mix of internal and external data sources.

Finance and IT leaders must work together to ensure that the finance team has:

- Access to the right internal and external data to gain accurate insights
- An agile system that can adapt quickly to new legal and business demands

Yet our research finds that 50% of EMEA's finance leaders are too busy dealing with day-to-day finance to plan for long-term sustainability and risk management.

While this is broadly in line with North America (where 53% agree), finding the right partners will be central to meeting ESG goals and delivering business value. Pete Schlamp, chief strategy officer, Workday, explains: "We're not only meeting customers where they are today, but, through our own investments and openness, we're also extending the value we bring to customers through our ecosystem to help them get to where they need to be in the future."

### Questions for CFOs:

- In what part of the organisation can you make the largest impact with ESG?
- Is finance automatically involved in project design to ensure that initiatives meet both financial and ESG goals?
- How can you integrate ESG into processes and measure the result?
- Do you have the required data and reporting capabilities to track and report ESG impacts? Can you take immediate actions from those reports?



## Three actions organisations must take to exploit financial and non-financial data.

1. **Maintain data integrity** by keeping data close to where analytics, reporting, and machine learning-based decisions are made.
2. **Choose open and extensible cloud-native solutions** governed by a single security and governance model, to deliver a connected view of operational, finance, and people data.
3. **Weave ESG expertise into the boardroom**, establishing a sustainability strategy and measurement framework, and reporting ESG risks, opportunities, and performance.



## 2. Agility: Harness finance technology to align the organisation and improve outcomes.

The transition from traditional enterprise resource planning (ERP) systems to next-generation cloud-based systems will not only add value to today's organisations, but will also help to future-proof them in the face of accelerated change.

For some organisations, such as professional services firm Grant Thornton, this means a complete replacement of technology stacks – from internal systems right through to the client-facing systems used to provide services. “Accelerated growth wouldn't be achieved without proper investment in technology,” says Grant Thornton's organisation's director of cybersecurity, Rida Villanueva

### ERP modernisation offers organisational agility.

But IT leaders admit that challenges persist and are hampering finance technology transformation. And 52% of EMEA's finance heads say they continue to make gut-instinct decisions where finance is concerned, because the data they need is siloed, not in the right format, or not readily available.

Leaders in France are the most likely to describe their legacy ERP systems as not flexible enough to meet the business demands of today, while UK&I leaders are the least likely to say this, which highlights the different levels of technical investment in this area so far.



Overall, organisations in EMEA and North America are equally concerned about this lack of flexibility (48% are concerned in both regions), and the same proportion also say that while modernising their ERP system is critical to their future success, they don't have time to undergo the transformation (49% agree in both regions). However, companies in North America are slightly more confident that their current finance technology is durable (51% compared with 48% in EMEA).

More than half of leaders in EMEA (51%) and North America (52%) admit that limited time, budget and/or resources prevent them from simplifying legacy finance systems. Organisations in Germany are far less likely to be affected in this area, but they are much more likely to say that dealing with day-to-day IT support for finance leaves little time to focus on strategic transformation. This suggests that IT's remit has not broadened enough to take increasing digital expectations into account.



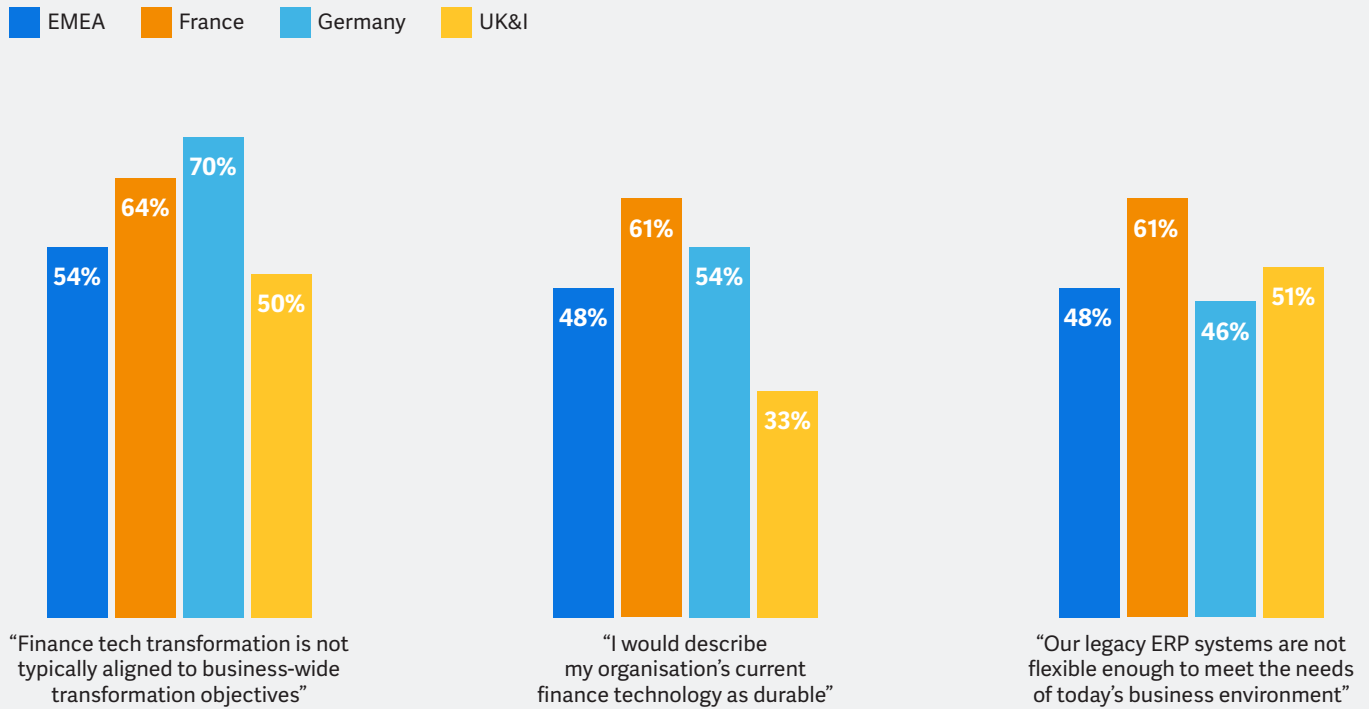
# 49%

of finance and IT leaders in EMEA admit that, while ERP modernisation is critical to future success, they do not have time to undergo such a sizeable transformation; this rises to 61% in France and 59% in Germany, and drops to 41% in UK&I

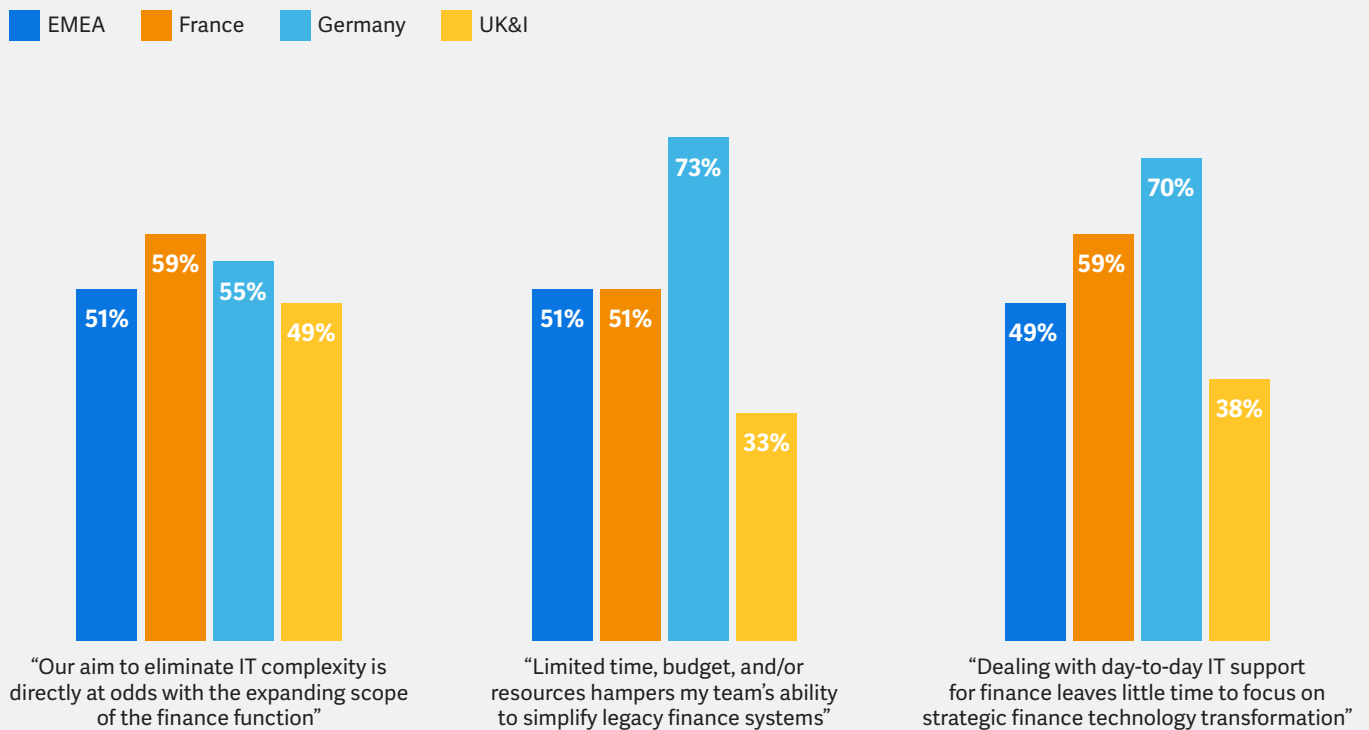




**Figure 7: EMEA's finance and IT leaders admit that there is work to do to align finance technology with evolving business needs.**



**Figure 8: Time, budget, and competing priorities undermine the success of finance transformation, according to EMEA's IT leaders.**



### Finance technology transformation improves finance-IT alignment.

Finance technology transformation could be a real pain point for the finance-IT relationship if it is not managed effectively, explains Charlie Steel, CFO at digital health provider Babylon: “The CIO must understand that interesting technology has to deliver a financial return: the business doesn’t exist unless you produce a financial return. But CFOs need to understand that there needs to be an element of experimentation within technology if you want to be at the cutting edge.”

But in more than a third (37%) of EMEA organisations, the CIO is not present during critical finance meetings – even when technology is essential to solving a business problem. This rises to 44% in France and UK&I.

To overcome these challenges and improve finance-IT collaboration, EMEA leaders believe they must invest in technology.

“

We need to have that conversation to put our priorities together – what finance is trying to accomplish and what IT needs to accomplish – to create a fair portfolio. That’s why you need to have both teams at the same table.”

**Ernesto Boada**  
Interim CIO,  
Workday

### Three actions organisations must take to harness finance technology transformation.

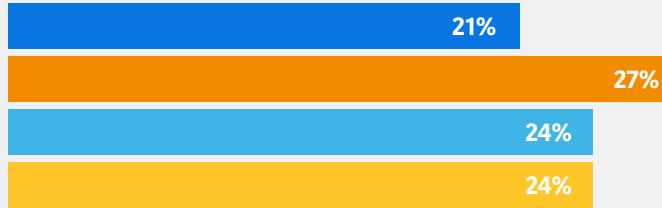
1. **Align finance and IT on technology investment priorities** early and often, involving IT as much as possible.
2. **Embrace cloud technology and new platforms** to accelerate finance automation and finance’s role as business partner.
3. **Simplify and standardise** through the adoption of best practices to achieve operational agility and excellence.



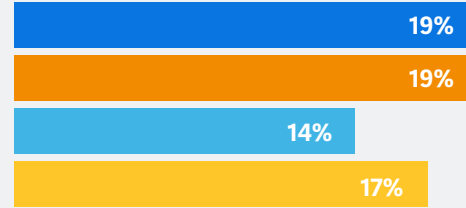
**Figure 9: Finance technology transformation is seen as a priority investment to improve collaboration between finance and IT.**

■ EMEA 
 ■ France 
 ■ Germany 
 ■ UK&I

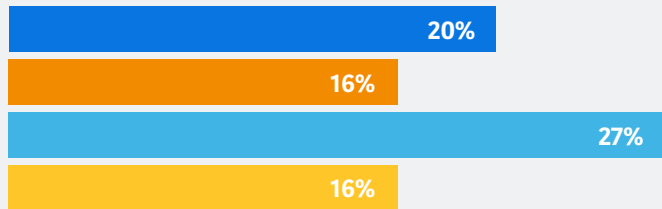
Automation of high-stakes tasks



Upskilling and hiring IT talent with financial literacy skills



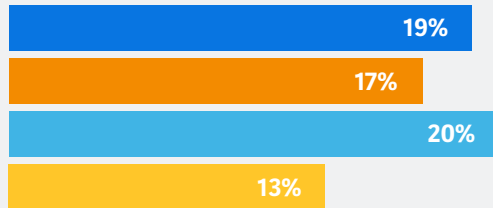
Reducing legacy finance systems



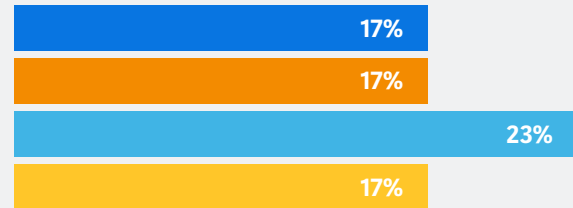
Tools to streamline financial close, consolidation, and reporting



Improving data usability for better finance decisions



Automated systems for reporting on non-financial data



### 3. Talent: Equip teams with tools and skills to collaborate and innovate.

To fully embrace finance digital transformation, organisations must equip their finance and IT teams with the tools and skills they need to improve collaboration and promote sustainable innovation.

Less than half of EMEA's finance and IT leaders are confident they have the skills they need to keep pace with new and emerging finance technologies, or the systems they need for finance teams to make decisions at speed (46% and 45%). Confidence levels are even lower in UK&I (39% and 40%), potentially due to greater difficulties hiring specialised talent following Brexit.

EMEA's finance and IT leaders believe that data and analytics skills are central to future finance transformation success, with German leaders in particular seeing technical skills as pivotal. This could reflect a desire here to catch up in the technical space and invest more in the cloud.

EMEA leaders place more importance on evaluation and reporting skills, and on agility and adaptability, while North American leaders put significantly more emphasis on interpersonal skills and innovation. This is likely to reflect different cultural values.

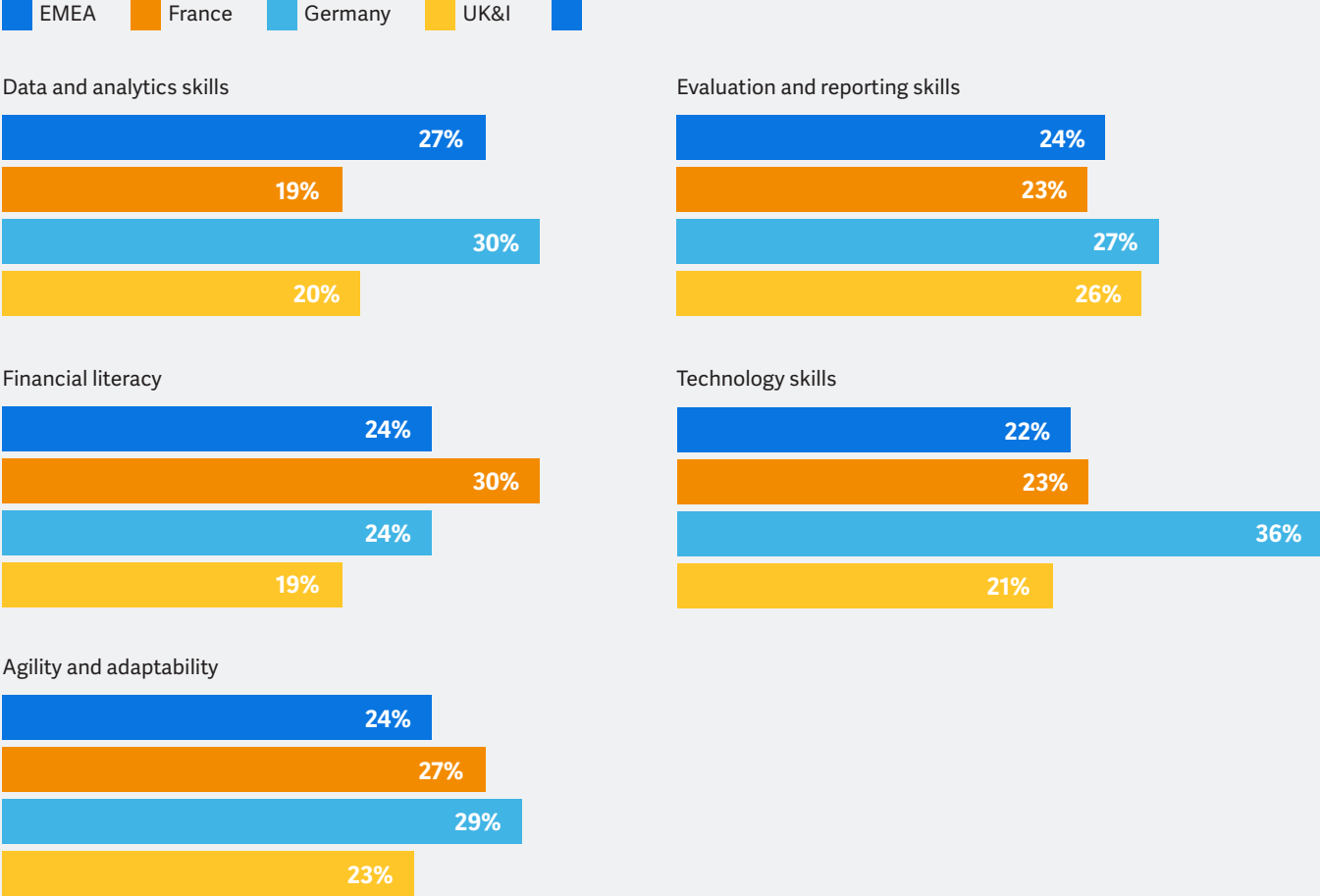
“

The big value-add is the opportunity to build a vibrant function with new capabilities to access continuous innovation. And that's an important differentiator in today's competitive talent environment.”

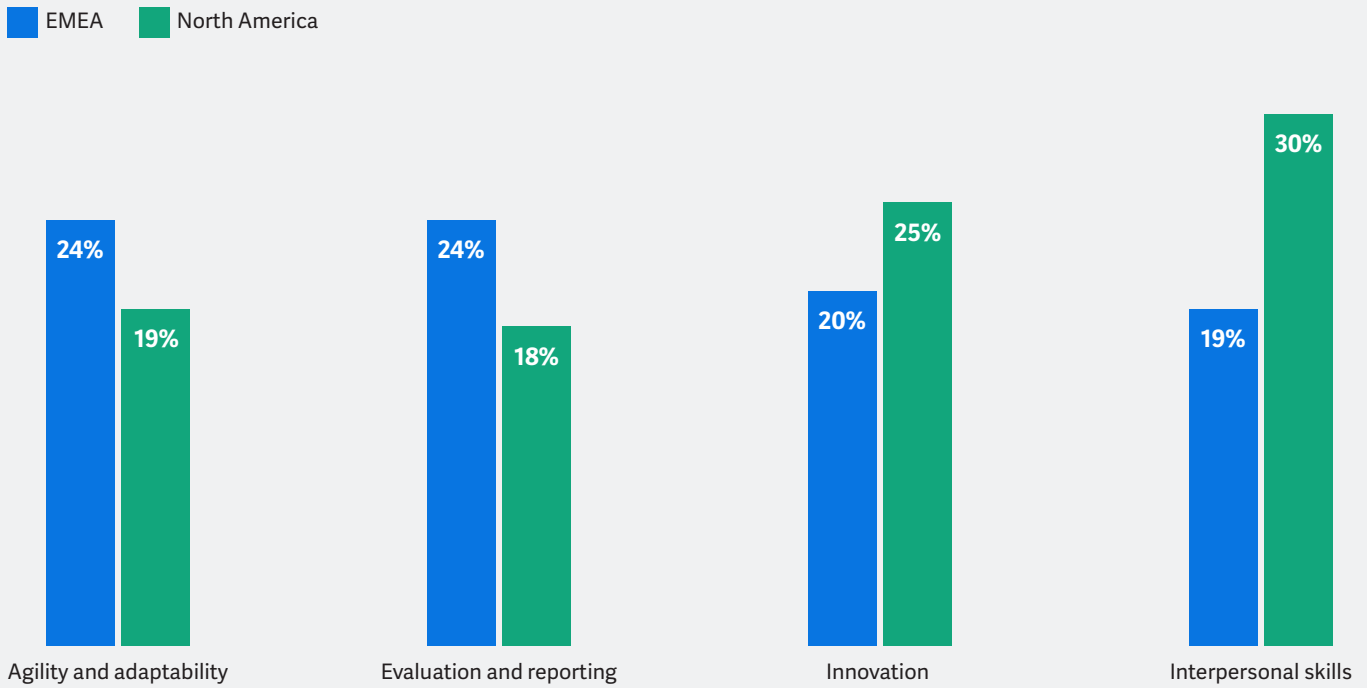
**Barbara Larson**  
CFO,  
Workday



Figure 10: EMEA’s finance and IT leaders believe that data and analytics skills are central to future finance transformation success.



**Figure 11: Finance and IT leaders in North America put a higher emphasis than EMEA leaders on interpersonal skills and innovation for future finance transformation success.**



### **A shared language enables greater collaboration between finance and IT.**

New and changing demands mean that finance leaders must seek people with strong technology and digital capabilities, and financial literacy will be important for IT talent. Having this kind of common knowledge will also create a shared language between finance and IT.

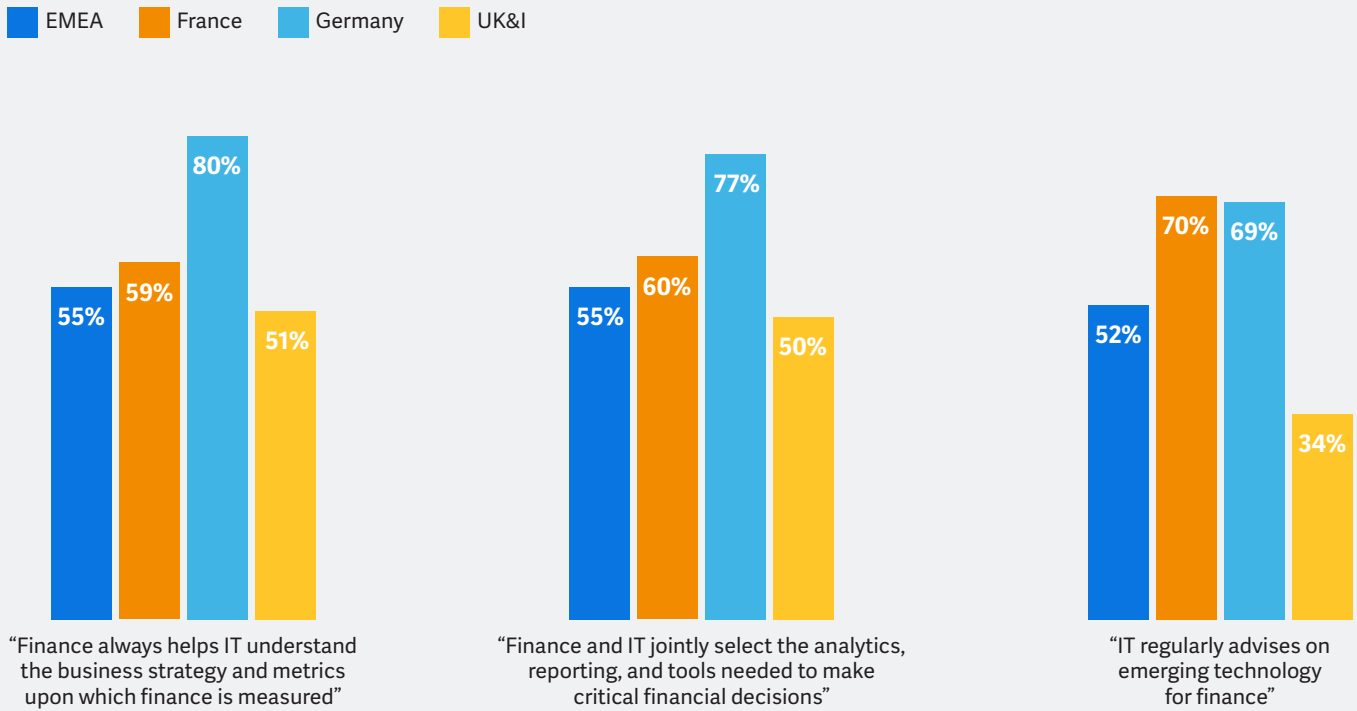
“What we’ve struggled to find, particularly in the finance function, are people who understand the ambiguity of growth,” says Babylon’s Charlie Steel.

In over half of EMEA organisations, finance and IT regularly collaborate to improve digital finance outcomes, and EMEA organisations report higher levels of finance-IT collaboration than companies in North America. They are particularly more likely to be aligned on their drivers for technology investment.

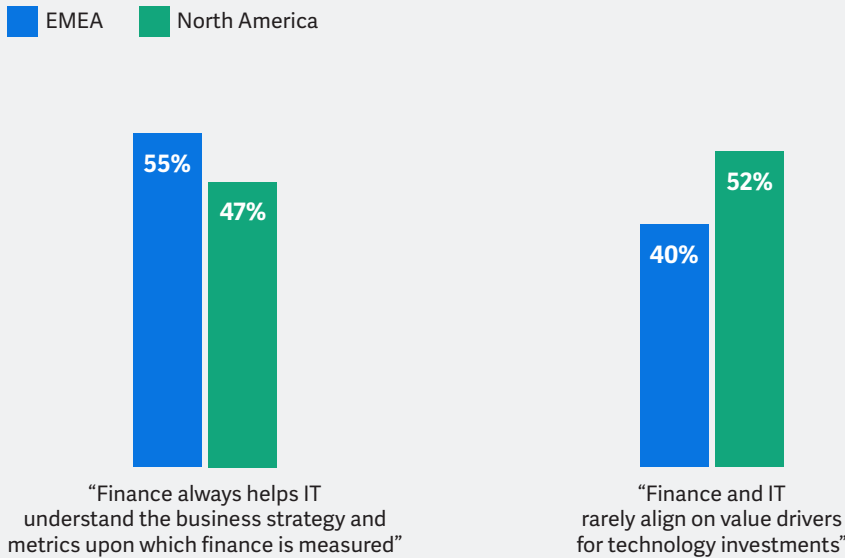
Yet country-level insights show a dramatically varied picture. Organisations in Germany are far ahead on the amount finance helps IT to understand business strategy, and on their collaboration levels on critical finance decisions.

This suggests that clear business structures have been put in place here to facilitate effective communication.

**Figure 12: Organisations in Germany and France report much higher levels of finance-IT collaboration than those in UK&I.**



**Figure 13: EMEA organisations report higher levels of finance-IT collaboration than organisations in North America.**



## Three actions organisations must take to drive finance and IT talent transformation.

1. **Create a workplace culture where people want to be** by equipping talent with the tools they need to grow and perform
2. **Understand the skills that will be required to generate value** over the short, medium and long terms.
3. **Make talent-planning a priority** by partnering with the CHRO to forecast what talent will be needed and to capitalise on disruptive shifts in the wider market.





## Final word.

A new vision for finance is here.

Alongside the increased role and scope of the CFO, the definition of “success” metrics in finance and the strategic contributions of the office of the CFO to the greater organisation have expanded. A transformed finance function will power organisational insights, increase the agility and resiliency of the overall organisation, and help attract and retain finance talent.

At the same time, we witness increasing collaboration taking place between the CIO and CFO to drive digital finance transformation. By streamlining time to close, addressing key procurement challenges, and helping finance to be more efficient through automation, the CIO is creating tremendous value and accelerating digital change.

For both to rise to the opportunity requires a complete rethink of the data, technology, and skills used to make finance decisions – the kind of decisions that will generate or preserve value.

For EMEA's organisations, a strong finance-IT partnership has never been more important. If they can meet the challenge head on, they will be well positioned to thrive in the face of ongoing volatility, increasing competition, and evolving market demands.



## About the research.

The data in this report comes from a global survey commissioned by Workday and conducted by FT Longitude in March and April 2022. The survey sought to understand the state of digital finance transformation in organisations, and how it is affecting the relationship between finance and IT.

Of the 1,060 senior finance and IT leaders (C-suite or their direct reports) surveyed, nearly half (45%) were based in EMEA; 48% of those respondents were from finance and 52% from IT.

In addition to this quantitative research, between March and May 2022 FT Longitude carried out in-depth qualitative interviews with senior business leaders and transformation experts from finance and IT.





How can you go beyond the boundaries of legacy ERP with Workday? Go to: [workday.com/BeyondERP](https://workday.com/BeyondERP)

## About Workday

Workday is a leading provider of enterprise cloud applications for finance and human resources, helping customers adapt and thrive in a changing world. Workday applications for financial management, human resources, planning, spend management, and analytics have been adopted by thousands of organizations around the world and across industries—from medium-size businesses to more than 50% of the *Fortune* 500.

For more information about Workday, visit [workday.com](https://workday.com).

Workday | Phone: +44 (0)20 3318 2336 | [workday.com/uk](https://workday.com/uk)

©2022. Workday, Inc. All rights reserved. Workday and the Workday logo are registered trademarks of Workday, Inc. All other brand and product names are trademarks or registered trademarks of their respective holders.

20220929-workday-longitude-cfo-indicator-emea

