Executive Guide: Simplifying the Evolving Role of CFO

The role of CFO has changed significantly in recent years. A more competitive market landscape, a keener focus on corporate governance, and issues such as risk management all play a part in the evolving role of the CFO. This executive guide identifies the key challenges today's CFOs face, and outlines a proactive approach to financial operations starting with the organization's IT infrastructure.

Challenge # 1: Compliance Issues

A series of corporate scandals in recent years has put pressure on the CFO to report accurate and reliable corporate disclosures. J.D. Power & Associates confirms that those "involved in the auditing process are feeling the pressure of increased requirements."

How IT Compounds Compliancy: Changes to federal statutes, like Sarbanes-Oxley, make a CFO accountable for improving and extending not only the corporate financial infrastructure, but also the IT infrastructure on which the corporate data is stored and processed.

Challenge # 2: Economic Forecasting

There is increasing pressure for CFOs to provide more accurate forecasts, not just of financial performance but also of the fundamental business drivers to reduce costs while increasing productivity. According to the publishers of CFO Magazine, more than 40 percent of CFOs said one of their top priorities is to improve planning processes and provide better forecasts.

How IT Compounds Economic Forecasting: IT has quietly assumed a larger portion of the corporate budget and has consequently become more integrated with the overall financial plan. Most pundits agree that the purchase cost of equipment represents only a fraction of the total IT budget. The volatile nature of IT, such as unexpected crashes, security threats and upgrades only increases budget uncertainty.

Challenge # 3: Managing Risks and Liabilities

CFOs are under constant pressure to evaluate the level of risk and return on any investment. During times of recession, declining sales compel CFOs to reduce costs to protect the bottom line. However, in today's competitive market, CFOs must do so without harming growth potential, or putting the organization at risk.

How IT Compounds Risks and Liabilities: The more IT equipment, the greater the risk. However, most organizations must overinvest in IT to meet growing demand, increasing expenditures and the involved risk of IT maintenance and management.

Challenge # 4: Challenge the Status Quo

The CFO must be an agent of change – to help understand evolving market trends, to question the current business model and help move the organization forward. CFOs must provide insight and knowledge of the competitive landscape and evaluate the resources to execute a company's mission.

How IT Compounds the Status Quo: The conventional process of purchasing, installing, managing, protecting and supporting an onsite IT system has become a vicious cycle and runs contrary to the CFOs role to reduce recurrent expenditures.

Challenge # 5: Communication

CFOs today must look beyond the balance sheet to truly understand a company's risks and opportunities. He or she must ensure that the created value is properly communicated to the management team as well as the financial community.

How IT Compounds the Communication: IT has become the one department within the corporation that most don't fully understand. Perplexing technical jargon and uncovering the productivity effects of downtime makes it difficult to accurately relay the benefits to other members of the organization.

5 Key Elements to Simplify the Role of CFO

1 IT Audit Simplification

Comprehensive reporting and documentation procedures are built into IsUtility®. CFOs direct the IT infrastructure portion of the audit to IsUtility®'s auditing team who provide the necessary documentation to the auditors. This methodology typically shortens the IT audit from days or weeks to several hours. Since client data runs on enterprise level systems already compliant with standards such as SAS-70, Sarbanes-Oxley, and Gramm-Leach Bliley, CFOs achieve IT infrastructure compliance.

2 More Predictable IT Costs

Since IsUtility® assumes virtually all capital IT and personnel costs, CFOs need only to forecast for a consistent per user monthly fee. Rather than overinvest to meet demand, CFOs can deploy IT resources on-demand – as the market dictates. This simplifies the task of budgeting for potential growth, particularly with complex expansion or merging projects when headcount is increased or reduced. The organization pays only for the resources it uses, and as headcount fluctuates, costs are adjusted accordingly.

IsUtility® enables CFOs to reduce overhead and extraneous expenditures without compromising the long term goals of the organization.

3 Reduced Risk of IT Ownership

IsUtility® reduces an organization's dependence on onsite systems by assuming the costs and risks of the entire IT lifecycle: hardware, backups, security and support. Liability no longer lies in the hands of the CFO to purchase, manage and upgrade equipment. CFOs can allow the organization to pursue growth opportunities without incurring the risk of significant capital outlays.

4 Competitive Advantage without the Added Expense

When the competitive landscape intensifies, CFOs shouldn't have to worry about technology constraints or whether too much capital is tied up in IT. CFOs can draw on IsUtility®'s enterprise-level resources as they need them, thus breaking the cycle of recurrent IT expenditures and positioning the organization to adapt to evolving market conditions.

5 Clear Communication

With a predictable monthly per user cost, IsUtility® enables CFOs to establish financial benchmarks that are easily communicated to upper level management. IsUtility®'s client-focused business model and familiar interface enables CFOs to clearly communicate the business benefits to members of the organization while avoiding technical jargon.