

CFO EXCHANGE

Executive Summary – June 9, 2021

A group of chief financial officers (CFOs) of high-growth technology companies regularly meets virtually in a small-group setting using Chatham house rules to exchange learnings and discuss business challenges and industry trends. Participants of this exclusive CFO peer group create the agenda through a series of pre-interviews. Protiviti is proud to support and host members of this community.

The agenda topics for the June 9, 2021 meeting included finance technologies, cryptocurrency and growth investments.

Key Takeaways

FINANCE FUNCTION TRANSFORMATION AND TECHNOLOGY

- 01** The group discussed tools and processes for transformation, with a focus on data management. Data ownership is a key component of transformation and varies greatly among organizations. According to one CFO, integrating various siloed enterprise systems and getting the data to move between those systems has been the biggest challenge. The solution to this transformation challenge was to leverage a modern data lake that collects data from every system and serves as a single source of the truth. The organization has realized significant cost savings from offloaded auxiliary systems and reduced headcount through automation. Another CFO indicated that because the finance function does not have ownership of the data function, it is required to work closely with the operations function on data analysis projects. In another case, data and analytics fall within the CFO's purview, making them more accessible to be used in strategic decision-making.
- 02** At one organization, the office of the CFO manages operational technologies because it controls the budget, and the technology team wants to prioritize the core product. The CFO implements contractor support for CRM, analytics and metrics reporting. One of the tools in its stack enables widespread, constant access to financial dashboards for sales and accounts receivable metrics.
- 03** Technology transformation goals differed among the CFOs. Revamping the accounts payable processes was the major focus of one participant, whose organization is reviewing different potential vendors for automation technologies, alongside the implementation of a file-sharing tool. Another CFO recommended a specific tool for accounts payable automation. While several participants emphasized the value of in-house

tools, one CFO is planning to move from a homegrown system with significant complexity to off-the-shelf, non-customized SaaS providers. Read Protiviti's [CIO technology transformation series](#) for more insights.

RETURN ON INVESTMENT (ROI)

01 ROI on new technology investments can take many forms. To prove the value of new investments, one CFO provides the cost savings associated with no longer having to maintain legacy systems on a quarterly basis. Another found success in rolling back bolt-on systems. This company's team was able to build better automation to manage data transfer and processing between various systems, which reduced headcount for transactional activities. That same team also moved away from out-of-the-box lead scoring calculations in its marketing platform to improve lead scoring and enable greater visibility into one-half to three-quarters of its pipeline. Both actions improved ROI of technology investments measurably.

02 One CFO has been focused on lead scoring in the company's pipeline — sharing the high-quality leads with the sales team has improved the win rate. Another executive described a recent project; it involved creating a team responsible for mapping all enterprise technology and ensuring its relevance as well as connection to a single source of truth. Through this process, the company reduced redundancies, saving hundreds of thousands of dollars.

CRYPTOCURRENCIES

01 CFOs shared mixed views about the proliferation of cryptocurrencies. One executive views crypto's potential use as relating more to either an operations or treasury strategy. Under operational strategy, the team is thinking about ways to augment the B2C sales channel with a tool that will likely expose B2C customers to companies with rewards and cryptocurrency options. The treasury strategy might involve direct investment in cryptocurrency on behalf of the business. The CFO noted that investments in stablecoins have attractive risk/reward tradeoffs that might be of interest to board members.

02 Protiviti clients have been interested in blockchain as a treasury tool but are unsure of the disclosure requirements. There is also concern as to whether using Bitcoin, for example, might generate eyebrow-raising questions such as "Are you paying a ransom to hackers?"

03 The risks associated with crypto wallets is another major consideration. One executive explained that a friend working in the nonfungible token (NFT) space is required to conduct extensive interrogation of clients given the fact that if there was any breach of wallet credentials, it would be exceedingly difficult to recoup the stolen funds. Similarly, another executive shared the example of a colleague targeted by hackers as a known holder of large amounts of Bitcoin and was robbed of over a billion dollars' worth of the cryptocurrency. One CFO noted that technologies exist to manage crypto wallet keys, including one that can spread keys across multiple individuals for safekeeping. Read Protiviti's insight about how [regulators are increasing their focus on virtual currencies](#).

GROWTH INVESTMENTS

01 With increasing investment and a growing book of business, one CFO is more bullish on potential mergers and acquisitions (M&A). Another executive, in an industry hit extremely hard by COVID-19, is seeing increased appetite for new investments as business picks up, although short-term ROI is the main driver of these investments. Read Protiviti's insights on [best practices to ensure success in M&A transactions](#).

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