

CFO RETREAT



CRITICALEYE

The peer to peer Board Community

LEADING
WITH
AGILITY

RESEARCH
RESULTS 2019



“This research, conducted at our CFO Retreat 2018, provides a fascinating insight into the challenges Chief Finance Officers are facing. What’s clear is they are feeling the pressure of having to juggle the demanding outward-facing aspects of the role with their internal leadership responsibilities.

Ongoing business model disruption is one trigger point, with just 8 percent saying they are fully confident in the senior leadership team’s ability to respond (down from 19 percent in 2017). Stakeholder engagement is another tension, with 71 percent saying this is becoming more complex and difficult.

In such demanding times, executives need to draw on external insight and maintain a long-term perspective, and yet 96 percent of CFOs say their management team is too inward-looking and focused on short-term tactics.

Leadership teams also need to respond by coming together around the business strategy, but CFOs admit that their ability to build this alignment is where they most need to improve. In fact, an alarming 24 percent reported a lack of cohesion between the Chair, CEO and CFO in 2018 (up from 15 percent in 2017).

The external environment is challenging, and for a business to succeed its leaders need to foster a collaborative culture and invest in the talent and skills of both themselves and their people. CFOs have a pivotal role to play in enabling this.”



Jamie Wilson
Managing Director
Criticaleye

Findings from Criticaleye's CFO Retreat Research



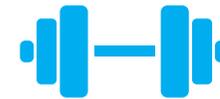
71%

report that stakeholder engagement is becoming more complex and difficult



8%

Only **8%** are fully confident the senior leadership team can respond to business model disruption



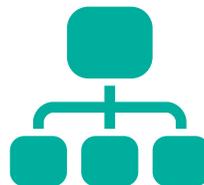
96%

say their top-team is too inward-looking and focused on the short term



64%

say the Chair does not add value in terms of supporting the executive team



Building alignment in the senior team is where CFOs say they are falling short



71%

say lack of leadership capability is holding back the performance of the finance function

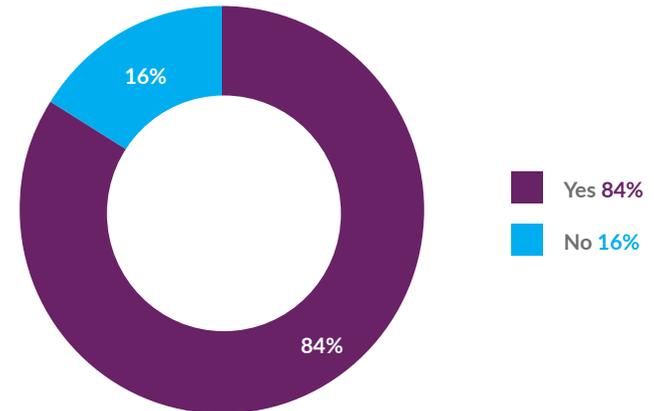
Strategy

Criticaleye offers senior executives a unique opportunity to discuss and reflect upon strategy with peers and experts

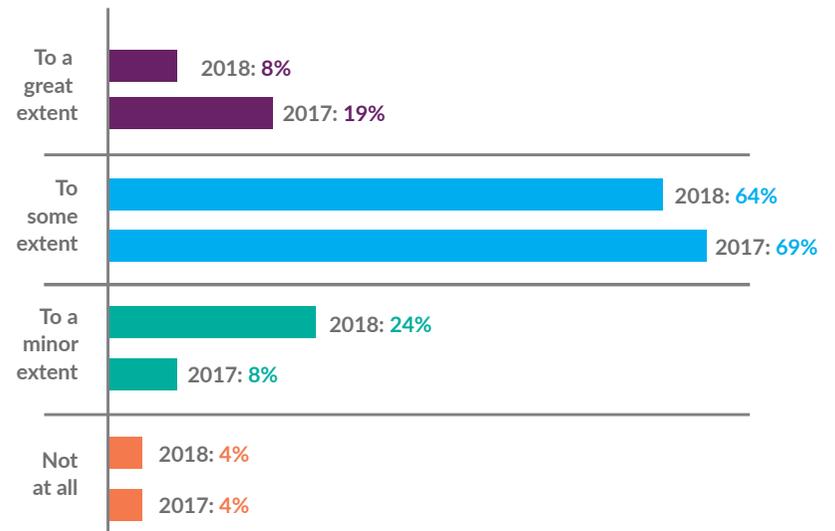
CFOs are now less confident about business model disruption. Only 8% think senior executives have the ability to respond

Click [here](#) to see Mike Evans, Chair, Just Eat; Hywel Ball, Managing Partner, EY; Sarah Bates, Chair, Polar Capital Technology Trust; Tony Hayward, Chair, Glencore; and Neil Griffiths, Non-executive Director, City Pub Company Group, StarStock (& Criticaleye Board Mentor), discuss handling disruption.

Is your senior leadership team currently grappling with business model disruption?

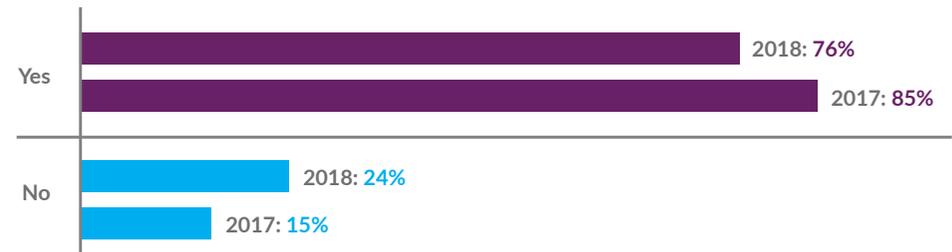


Does your senior leadership team have the ability to respond to business model disruption?

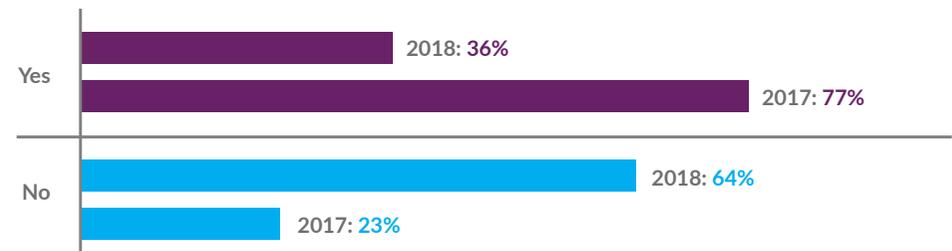


CFOs report a significant drop in the value of the Chair in supporting goals and objectives

Are the Chair, CEO and CFO aligned on strategy?

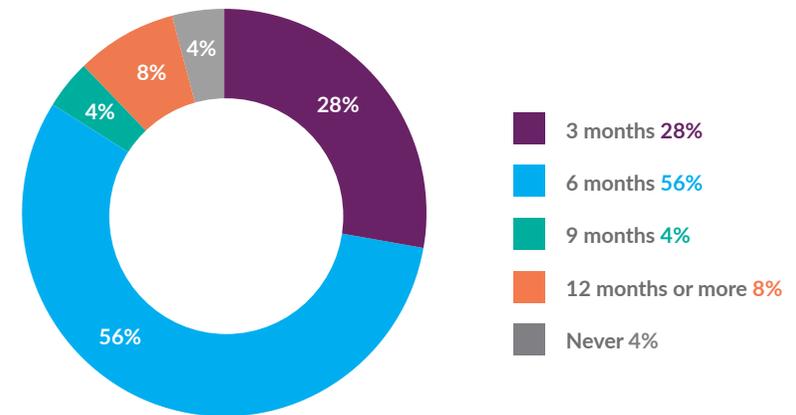


Does your Chair add value in terms of supporting the goals and objectives of the executive team?

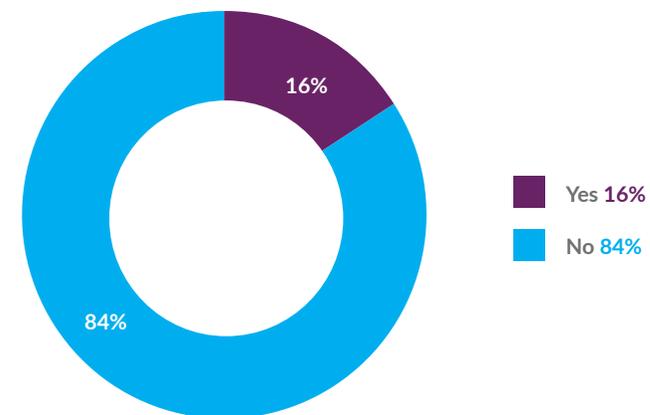


Although CFOs are prioritising strategic discussions, few are taking the opportunity to benchmark outside of their organisation

How often does the executive team meet to discuss strategy?

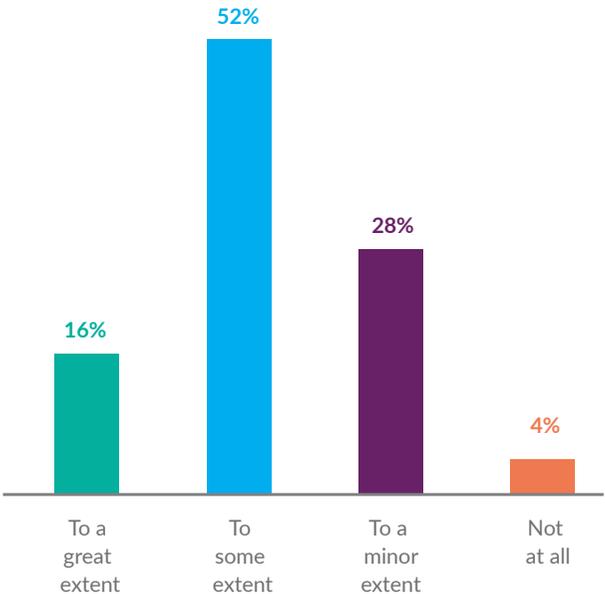


Do you benchmark your strategy externally before it's approved by the Board?



Only 16% of CFOs are fully confident in the ability of the executive team to execute the medium to long-term strategy

Does your executive team have the ability to execute on the medium to long-term strategy?



CFOs and CEOs are making talent their main focus over the next 12 months

Top five priorities for CFOs

1. Retaining key talent and developing skills
2. Improved cross-team collaboration
3. Business model transformation
4. Recruiting people with new skills
5. Improved performance management

Top five priorities for CEOs

1. Retaining key talent and developing skills
2. Innovation
3. Digital disruption
4. Improved cross-team collaboration
5. Cost reduction

Leadership

Criticleye enables and develops great leadership with the perfect mix of peer to peer discussion and high-impact case studies

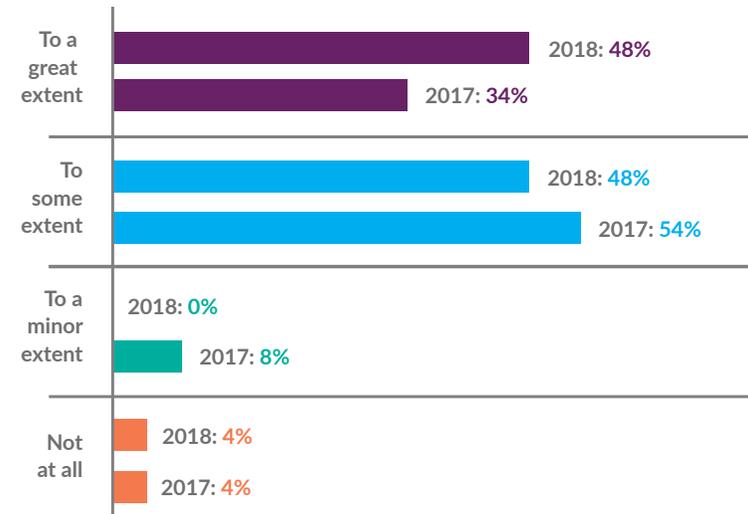
CFOs reveal the primary reasons for failure in the management team

2018		2017	
1	▶	1	Not enough time spent discussing strategy
2	▶	2	Afraid to challenge and speak openly
3	▲	5	No alignment on key commercial objectives
4	▲	6	Substandard internal controls and reporting
5	▼	3	Poor communication and people skills
6	▼	4	Lack of trust

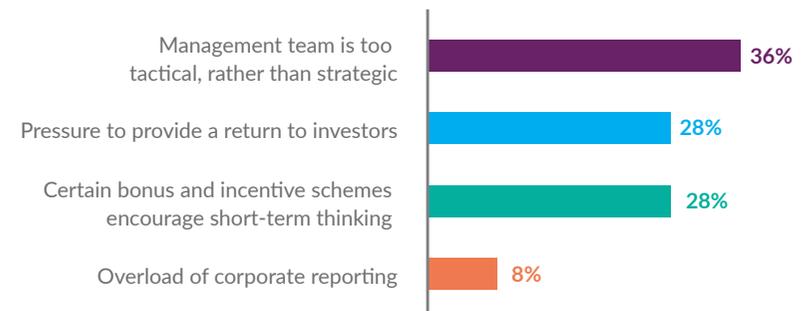
CFOs recognise the leadership team is too inward-looking, and that this is often a result of focusing on tactics over strategy

Click [here](#) to see Anthony Fletcher, CEO, graze; Lynn Drummond, Non-executive Chair of Venture Life Group (& Criticaleye Board Mentor); Jill Easterbrook, CEO, Boden; Paul McNamara, CEO, EValue; and David Johnson, CEO, Security Services, International SOS, discuss balancing tactical and strategic thinking.

Is the management team too inward-looking and focused on the day-to-day?

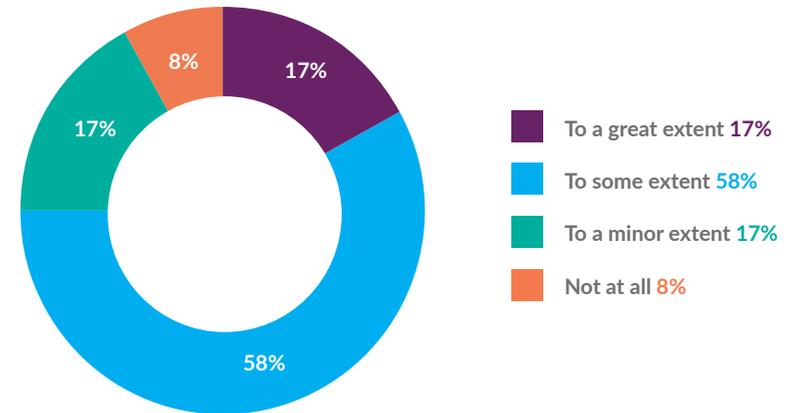


Why do management teams become too focused on short-term goals?

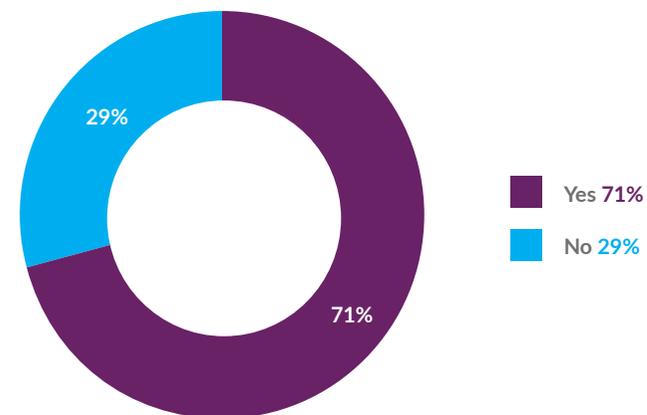


CFOs report that more needs to be done when it comes to executive development in the finance function

Do you need to strengthen the capability of the finance function?

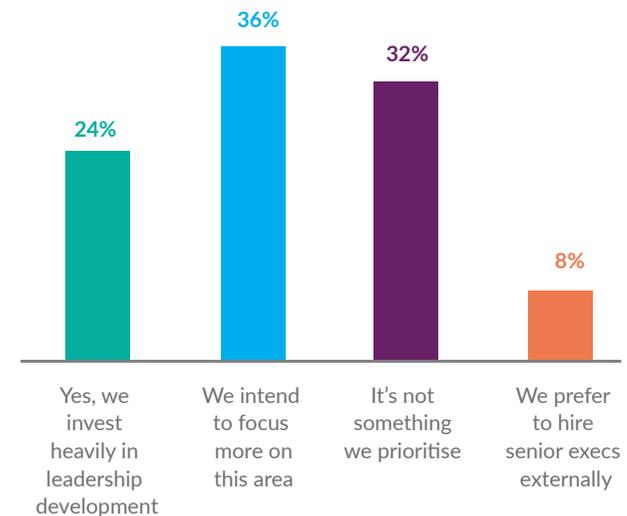


Is a lack of leadership capability holding back the performance of your finance function?



Although CFOs need to strengthen capabilities in the finance function, they are still not prioritising development

Is leadership development for senior executives a priority within your organisation?

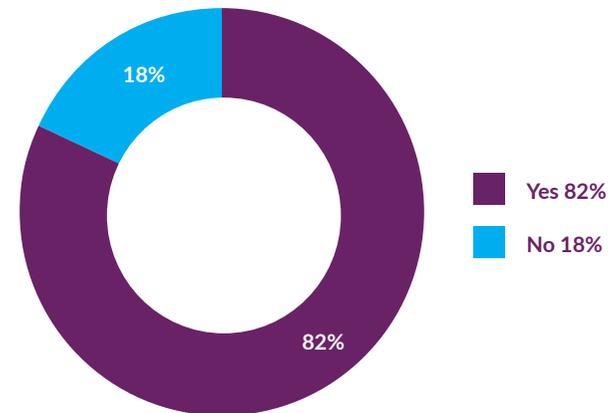


82% of CFOs think more should be spent on leadership development, so why isn't this happening?

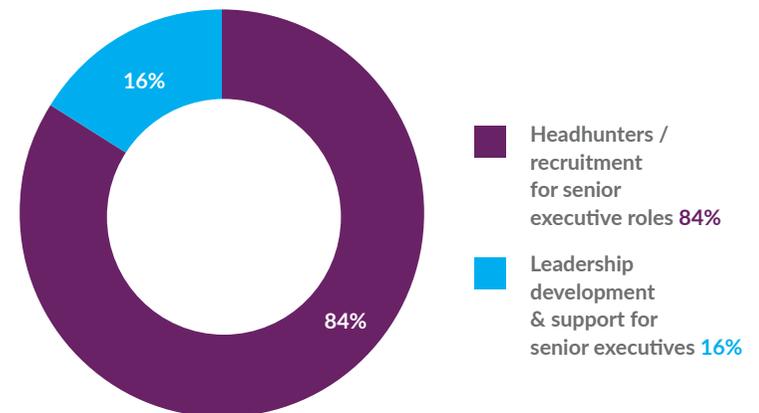
Click [here](#) to see business leaders share their views on how organisational budget is allocated between internal leadership development and bringing in new talent..

Featuring: Matthew Blagg, CEO, Criticaleye; Claudio Righetti, CEO, Analyx, and Chair, Twentyfifty; and John Duncan, Managing Director, Heathview Consulting, and former Group HRD, Royal Mail.

In your view, should more be spent on leadership development and support for senior executives, as opposed to headhunters?



In your experience, on which of the following do organisations spend more?



Is development enough of a priority for senior leadership teams?

92% of CFOs say external mentoring improves the performance of senior executives

88% think business performance is enhanced if executives have access to reference points outside of their organisation or sector

360-degree feedback and **mentoring** were cited as the top two most effective development tools

CFOs put **building alignment in the senior leadership team** as the area they most want to improve on



Stakeholders

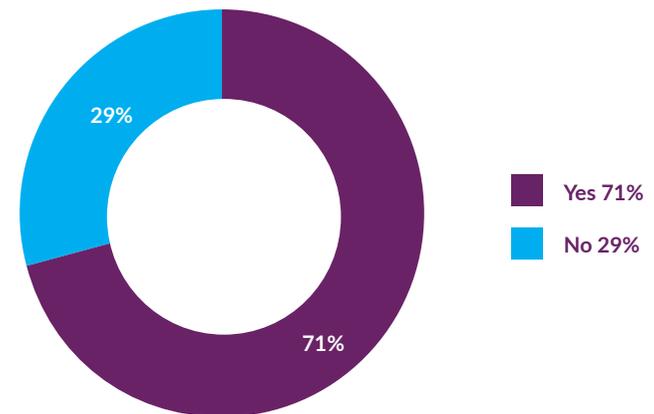
CriticalEye provides the right reference points to manage and navigate increasingly important stakeholder relationships

Has stakeholder management become more complex?



Click [here](#) to see Matthew Blagg, CEO, Criticaleye; Chris Griffith, Director, Investor Relations, Tesco; Viral Gathani, Head of Corporate Finance and Strategy, Vedanta Resources; Michele Faull, CFO, Coventry Building Society; and Andre Nel, Senior Director, Finance, EMEA, Illumina, discuss the growing demands of stakeholder management.

Are you finding that stakeholder engagement is becoming more complex and difficult?



CFOs revealed the top three areas of improvement for their colleagues and themselves

CFOs

1.

Building alignment in the senior leadership team

2.

Strategic thinking

3.

Seeking inspiration / fresh thinking from other sectors

CEOs

1.

People skills and communication

2.

Building alignment in the senior leadership team

3.

Seeking inspiration / fresh thinking from other sectors

HRDs

1.

Strategic thinking

2.

Building alignment in the senior leadership team

3.

Commercial understanding of the business



What our leaders say

Unique challenges for today's leaders



We asked leaders from our Community about the key challenges they are facing.

Thanks to Alex Cruz, Chair and CEO, British Airways; Mary Jo Jacobi, NED, Weir Group, Mulvaney Capital Management, Panafsat (& Criticaleye Board Mentor); Paula Dowdy, SVP & GM EMEA, Illumina; and Rick Sheppard, Head of Latin America, Consumer Healthcare, GlaxoSmithKline, for giving us their view.

[CLICK HERE TO WATCH THE VIDEO](#)

What makes a successful CEO-CFO partnership



We spoke to leading CEOs and CFOs about what's needed for a winning partnership.

Thanks to Patrick Butcher, CFO, Capita plc; Anthony Fletcher, CEO, Graze; Paul Pomroy, CEO, McDonald's UK & Ireland; Paul Cardoen, CEO, First Bank of Nigeria, UK, and Paula Dowdy, SVP and General Manager, Illumina, for sharing their views.

[CLICK HERE TO WATCH THE VIDEO](#)

Adding value beyond the numbers



Beyond providing assurance over the numbers, where are CFOs really adding value to businesses?

Thanks to Phil Smith, Chair, Innovate UK (& Criticaleye Board Mentor); Dame Alison Carnwath, Non-executive Director, BP; Vindi Banga, Senior Independent Director, GSK; Mike Evans, Chair, Just Eat; and Tony Hayward, Chair, Glencore, for sharing their views.

[CLICK HERE TO WATCH THE VIDEO](#)

Are leadership teams too focused on the day-to-day



97% of HR Directors say management teams are too inward looking.

Thanks to Richard Place, CFO, NatWest Markets; Michael Topham, CEO, Biffa; Matthew Blagg, CEO, Criticaleye; James Taylor, CFO, Mayborn Group; Chris Griffith, Director, Investor Relations, Tesco; and Viral Gathani, Head of Corporate Finance and Strategy, Vedanta Resources, for giving us their opinions.

[CLICK HERE TO WATCH THE VIDEO](#)

Understanding the value of an external mentor



In this film, taken at our Non-executive Director Retreat, business leaders discuss the value of mentoring, both during their exec careers and now as Criticaleye Board Mentors.

Thanks to Mark Whitby, Chair, Codeplay; Keith Edelman, Chair, Revolution Bars Group and PennPetro Energy; Phil Smith, Chair, Innovate UK; and Neil Griffiths, Non-executive Director, City Pub Group

[CLICK HERE TO WATCH THE VIDEO](#)

WANT TO JOIN OUR GROWING COMMUNITY OF CEOs, CFOs, NEDs, HRDs AND OTHER LEADERS? CONTACT: INFO@CRITICALEYE.COM FOR MORE INFORMATION ABOUT HOW WE SUPPORT AND DEVELOP SENIOR EXECUTIVES AND THEIR TEAMS ACROSS A WIDE RANGE OF SECTORS AND ORGANISATIONS.

“At Criticaleye we believe that great leadership creates positive outcomes and enables powerful legacies. Whatever the strategic direction of your business, it’s essential to have an effective, cohesive leadership team in which there is complete trust and alignment.”



Charlie Wagstaff
Managing Director, Criticaleye

We Inspire Leaders to Succeed



Our bespoke solution supports leaders with personal, strategic and team development.

Our unique strength lies in our ability to bring together a wide range of leadership and industry experience.

We invite leaders into a trusted environment, where executives and their teams get access to the insight they need to enhance their performance.

We enable senior executives to address key questions around leadership, strategy and stakeholder management.



Achieve
Better
Performance

Inspiring Leaders to Succeed

Our Values

Respect: an appreciation for diverse and varied views and experiences is crucial to high-performance leadership

Collaboration: working together to share knowledge and expertise is a defining characteristic of effective executive teams

Challenge: strategies and ideas need to be constructively challenged to reach the best outcome

Trust: leaders need to trust their colleagues and peers in order to work effectively and drive results

Integrity: we inspire leaders to succeed by providing a closed and confidential environment where Members can share openly

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