

# CFO RESEARCH 2021



## LEADING FOR RECOVERY AND GROWTH

The year 2020 was one that saw businesses turn to their CFOs for a cool head and resilience as they faced into the storm. We surveyed CFO sentiment in November – the week scientists revealed preliminary analysis showing the Pfizer-BioNTech vaccine had 90% efficacy. While the mood was one of cautious optimism, our results show that CFOs are not taking the recovery for granted.

At the root of this restraint are forecasts – 80% of CFOs estimate it will be a year or more before revenues return to pre-pandemic levels. They are also less confident than their CEOs

in the ability of the senior team to navigate strategic uncertainty and are seeing a greater need to improve Board discussions around performance and governance than in previous years.

When it comes to the CFO's priorities, cost reduction and organisational design have shot up the list, displacing digital disruption and innovation.

However, CFOs recognise that future success continues to depend on their people and, for the fourth year in a row, retaining talent and developing skills remain their top concerns.

A worrying 67% feel isolated in their role, but they are combating this by seeking inspiration from outside the business – CFOs say that bringing in fresh thinking from other sectors is where they most intend to improve over the next 12 months.

Whereas the CFO of 2020 had to provide a steadying pair of hands on the steering wheel, in 2021 they must be ready to switch gears and accelerate into recovery and growth. CFOs are securing cost savings and reshaping their businesses in preparation for these opportunities.



**Emma Carroll**  
Managing Editor  
Criticaleye

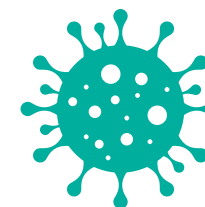
# Findings from Criticaleye's CFO Research 2021



**Cost reduction and organisational design** have moved up the priority list



**67%** of finance leaders feel isolated in their role



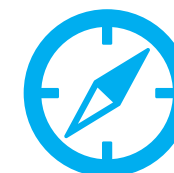
**80%** say it will take a year or more for revenues to recover



Shareholders and investors are the CFO's **most challenging stakeholders**



**74%** of CFOs believe the Chair provides effective support, compared to just 60% of CEOs



CFOs are less confident than CEOs in the senior team's ability to **navigate strategic uncertainty**



# Strategy

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

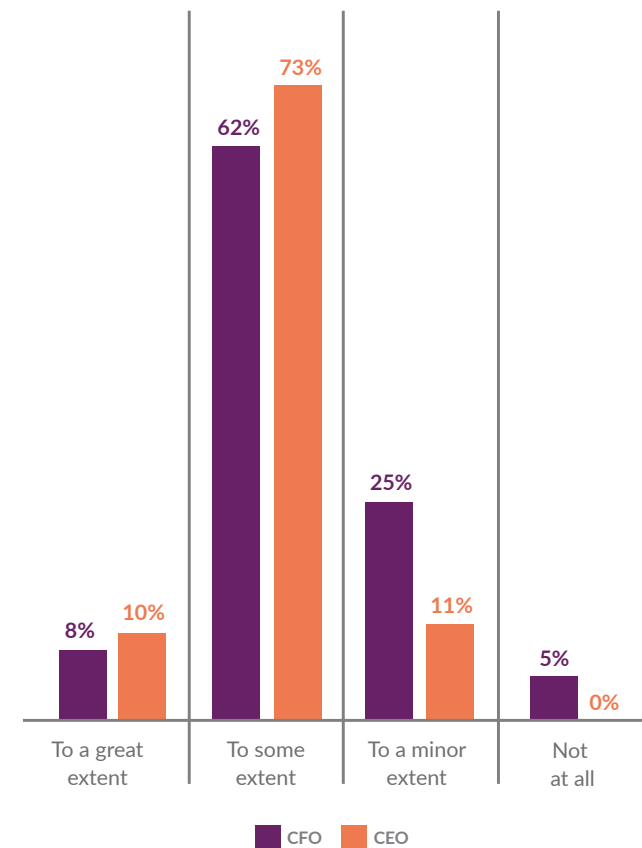
## CFOs are less confident than their CEOs\* in the senior team's ability to navigate strategic uncertainty

“There have been challenges in managing business as usual versus transformational change.”

CFO Research Participant

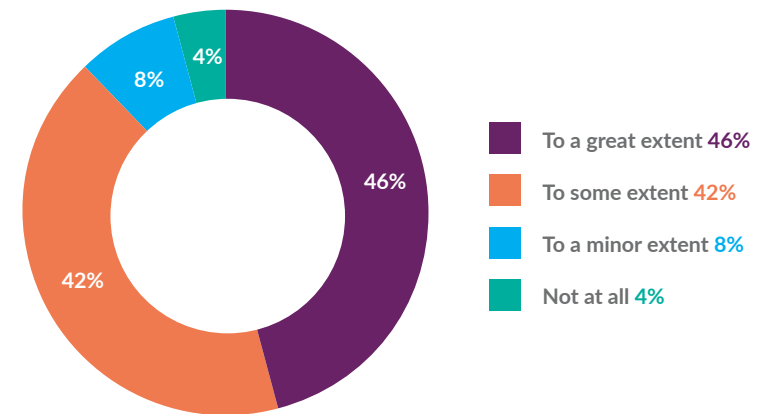
\*All CEO comparatives in this report are taken from our [CEO Research 2021](#)

Does the senior leadership team have the ability to navigate strategic uncertainty?



Although most CFOs say their business strategy is still relevant, they hold different views to CEOs on where cuts to investment should be made

Is your business strategy still relevant?

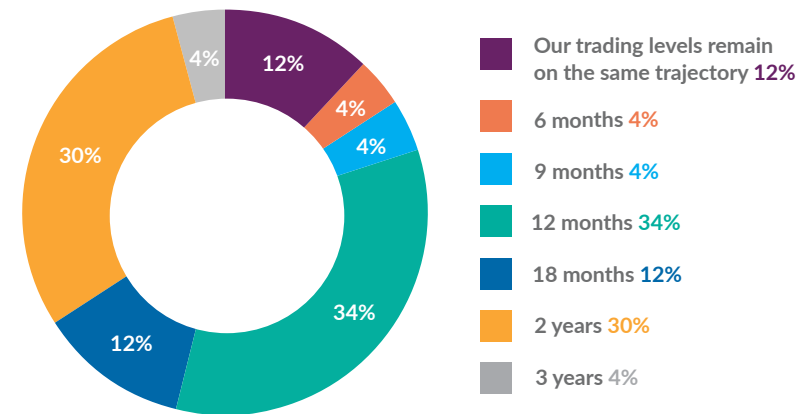


Where are you looking to cancel or suspend planned investment?

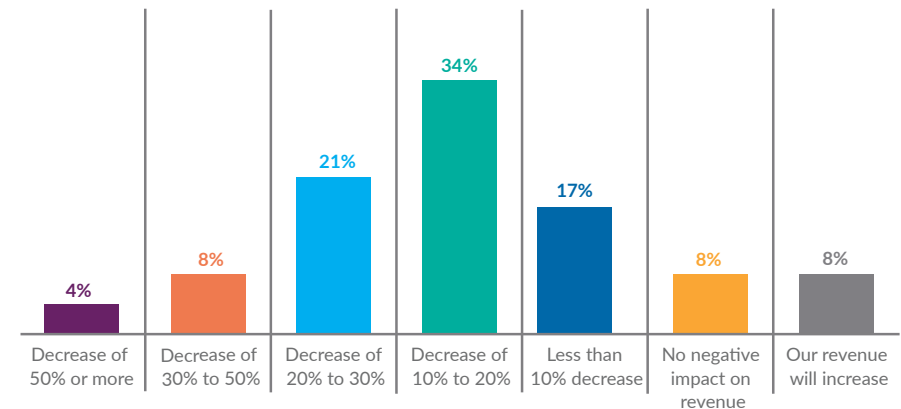


80% of CFOs  
believe it will take  
a year or more for  
trading to recover

When do you expect your organisation to  
return to pre-COVID 19 trading levels?



What impact will the pandemic have on year-on-  
year revenues over the next 12 months?



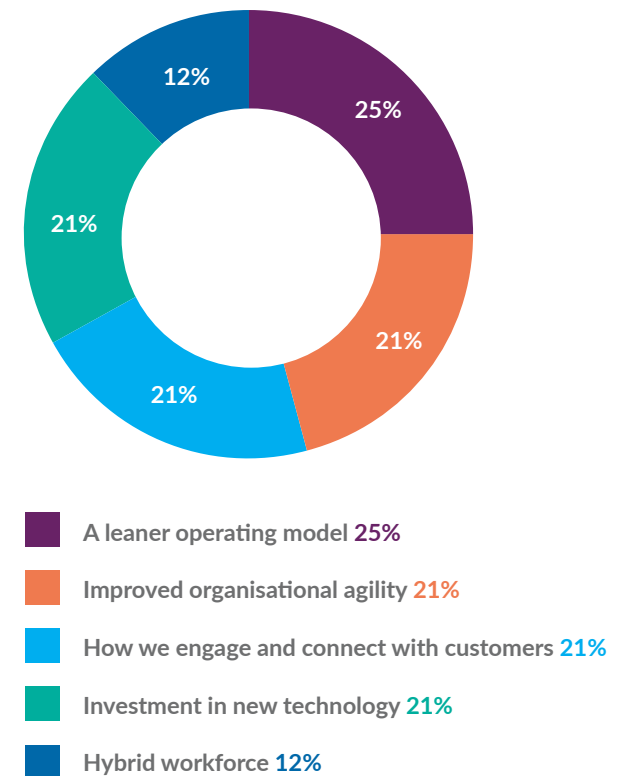


CFOs foresee changes  
right across the  
organisation, from  
leaner operating to  
new customer models

“The new normal will  
not become clear for  
some years.”

CFO Research Participant

Where do you see the biggest changes  
occurring in your organisation?

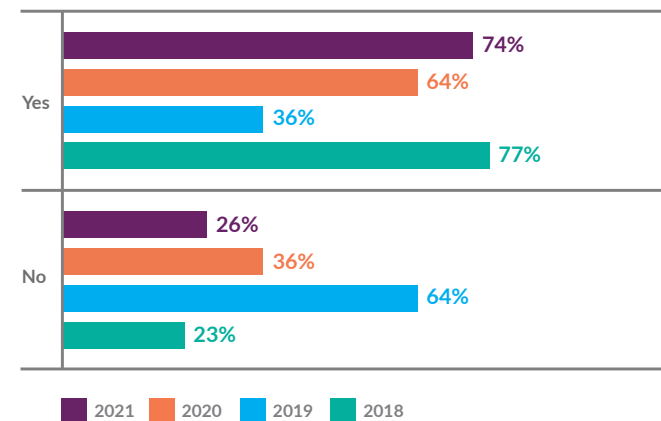




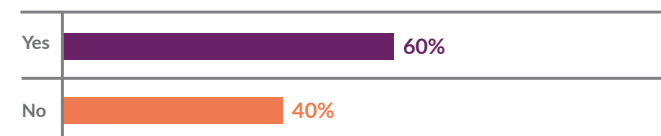
CFOs say the value added by the Chair has improved over the past two years. CEOs are less positive

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

### CFO



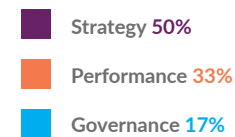
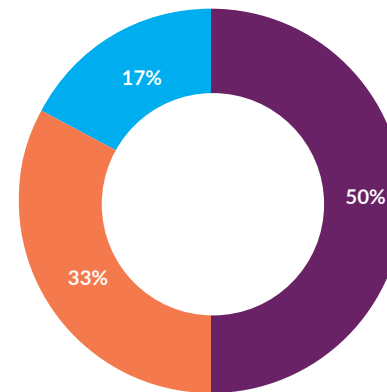
### CEO 2021



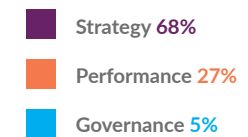
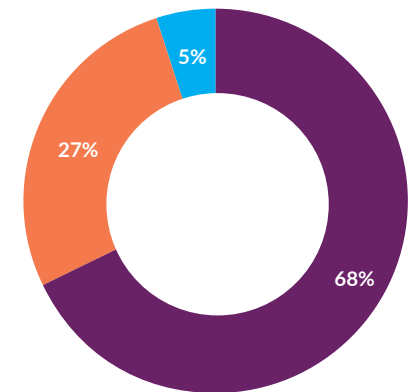
CFOs now say the quality of debate with the Board needs to improve on performance and governance as well as strategy

In which of the following areas do you need to improve the quality of debate with the Board?

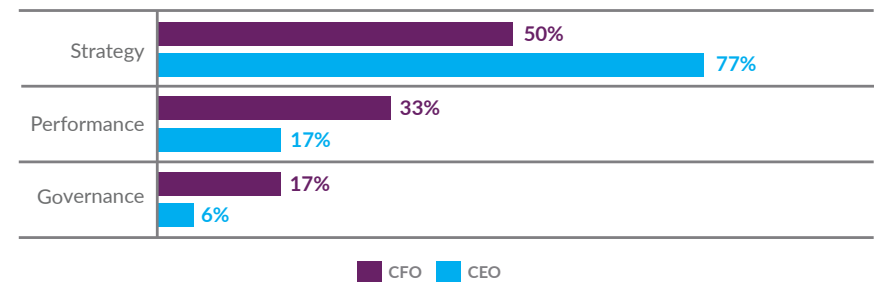
CFO 2021



CFO 2020



CFO vs CEO



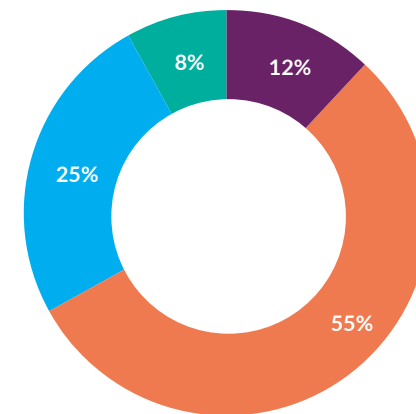
# Leadership

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



**67% of finance leaders  
say they feel isolated  
in their role (for CEOs  
this is similar at 62%)**

As a CFO, do you feel isolated in your role?

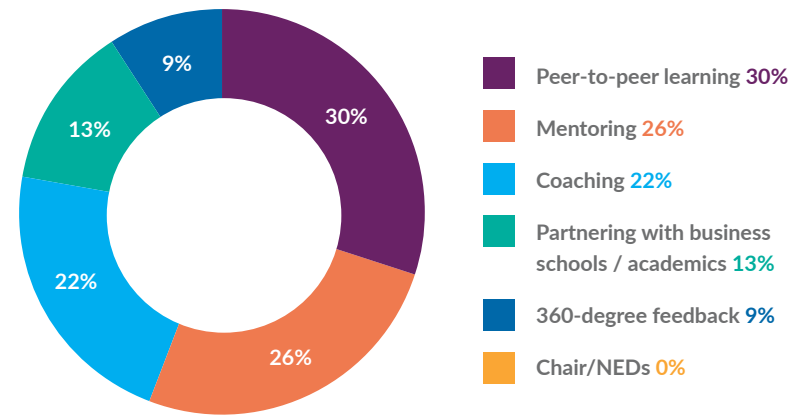


Seeking inspiration from other sectors remains the top area where CFOs want to improve, with support for innovation featuring for the first time in three years

2021		2020	2019	2018	
1	▶	1	3	2	Seeking inspiration / fresh thinking from other sectors
2	▶	2	1	1	Building alignment in the senior leadership team
3	▲	4	2	4	Strategic thinking
4	▲	-	-	5	Supporting innovation
5	▶	5	5	3	People skills and communication
6	▶	6	6	6	Commercial understanding of the business

Mentoring and peer-to-peer learning were the most effective leadership development tools, with CFOs agreeing on the value of external reference points

What have you found to be the most effective leadership development tool for senior executives?



Is business performance enhanced if executives have access to reference points outside of their organisation / sector?





**CFOs think more should be spent on leadership development than headhunter fees, but say that only 39% of organisations do this**

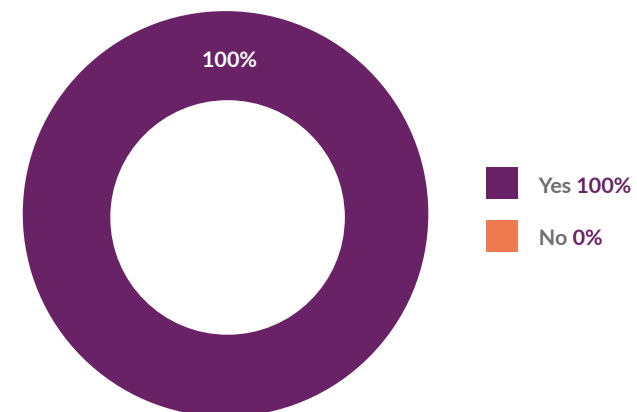
**“It should be a red flag if you spend more on hiring new managers than developing the ones you have.”**

CFO Research Participant

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



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



# Cost reduction and organisational design have moved up the priority list for CFOs

## CFO Priorities 2021

1. Retaining key talent and developing skills
2. Cost reduction
3. Navigating COVID-19
4. Organisational design
5. Improved performance management

## Priorities in 2020

1. Retaining key talent and developing skills
2. Digital disruption
3. Innovation
4. Business model transformation
5. Cost reduction

## Priorities in 2019

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

## Priorities in 2018

1. Retaining key talent and developing skills
2. Digital disruption
3. Innovation
4. Improved performance management
5. Recruiting people with new skills

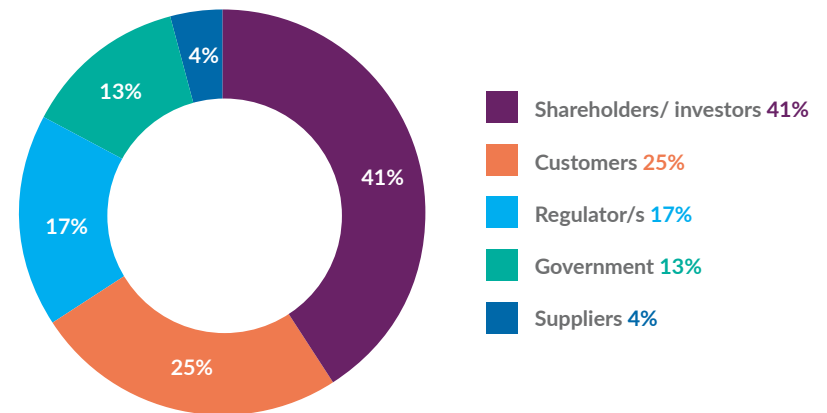
# Stakeholders

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

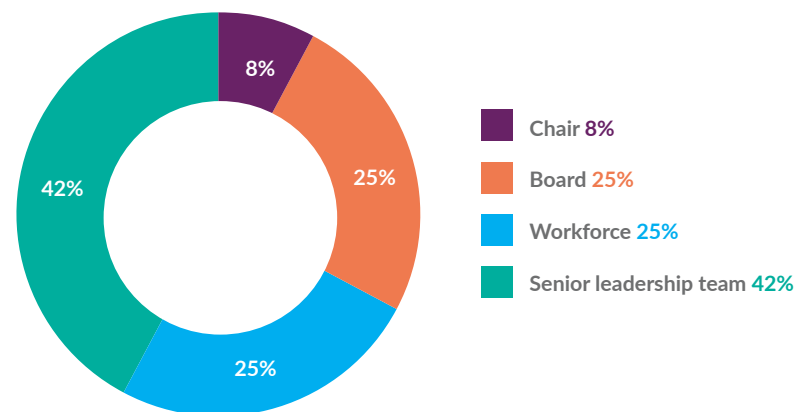


Shareholders and investors will be a major focus for CFOs in 2021, while internally the senior leadership team is most challenging

Who is your most challenging external stakeholder?



Who is your most challenging internal stakeholder?



## CFOs revealed the top three areas of improvement for their colleagues

### CEOs

1. Building alignment in the senior leadership team

2. Seeking inspiration / fresh thinking from other sectors

3. Supporting innovation

### NEDS

1. Commercial understanding of the business

2. Ability to challenge constructively

3. Strategic thinking

### HRDs

1. Strategic thinking

2. Commercial understanding of the business

3. Seeking inspiration / fresh thinking from other sectors



# CRITICALEYE PODCASTS

## LEADERSHIP IN UNCERTAIN TIMES

### EPISODE 1

In this first podcast within our Leadership in Uncertain Times series, Criticaleye's CEO Matthew Blagg and Director of Content Marc Barber discuss how leadership teams are responding to the events of 2020 and planning for the future (July 2020).

### EPISODE 2

Over 38 minutes, this podcast covers the forward agenda for CEOs and senior executives, operating model change, the future of the office, understanding the customer experience, management team performance, and the challenge of balancing economic pressure with COVID-19's impact on health and wellbeing (September 2020).

### EPISODE 3

"Experience is what you get when you don't get what you want, and there are a lot of leaders getting a lot of experience at the moment." Listen in as our CEO Matthew Blagg and Director of Content Marc Barber reflect upon discussions and insights from our CEO Retreat 2020 (October 2020).

### EPISODE 4

Reflecting on our 2020 Virtual CFO Retreat, in this podcast, Criticaleye covers how finance leaders can remain resilient, the balance between cost-cutting and investment, data, talent, digitisation and much more. The role of the CFO has never been more crucial in a complex and fast-changing market. (November 2020).

### EPISODE 5

This podcast follows our Virtual Asia Leadership Retreat 2020. Criticaleye CEO Matthew Blagg and Director of Content Marc Barber discuss questions for leaders around purpose and the people agenda. We explore what changes are likely within leadership teams in the year ahead, and how the pandemic has impacted consumer behaviour. (December 2020).

To listen in to any of Criticaleye's podcasts, please visit: [www.podcasts.criticaleye.com](http://www.podcasts.criticaleye.com)



“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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