



Transforming for Long-Term Success

Finance leaders are transforming their organisations to successfully deliver the future needs of their stakeholders. Community Members tell **Dylan Totton** how they are innovating and using the right data to support this change

What customers want is changing, and organisations are having to rethink both their strategy and structure to deliver on this. At the same time, there is increasing pressure on costs. CFOs can face up to this challenge by promoting a stakeholder-led business model, leading on tech and creating the business case for a stronger, smarter finance function that can support this transformation.

At Criticleye's recent [CFO Retreat](#), held in association with [TCS](#), [Workday](#) and [Brewin Dolphin](#), finance leaders discussed how they are striving to reshape both their organisations and functions for long-term success.

Maximillian James-Richards, Relationship Manager at Criticleye, set out the challenge: "Business models are changing, sectors are merging and digital is offering endless new opportunities. CFOs that focus internally will be left behind during this transformative time."

The past two years have only accelerated the pace of this change. **Ananth Krishnan**, Executive VP and Chief Technology Officer at TCS, explained: "What the pandemic has taught us is that unlikely partners have come together to deliver extraordinary value in terms of saving human life. That sort of an ecosystem 'play' is going to be seen

more and more in every industry, rather than the traditional supply chain view of monopolising products and delivery."

Anoop Aggarwal, Global CFO of Mars Pet Nutrition at Mars, provided an inspiring example when he explained how the pet care business is transforming for the future. "We realised that to be really successful, we needed to put 'pet parents' at the centre of everything we do," he said. "So, we mapped out their journey, figuring out what all the different pain and delight points are, and then how we can contribute to them. That required a deep immersion into really understanding their needs." >



This new focus extends to how the business measures its success. “We [also] moved to economic profit, which is a holistic value-creation metric versus EBITDA. That allowed us to be a lot more externally focused and to think about how we are contributing to our entire ecosystem, whether it’s consumers, customers, associates or pet parents,” he explained.

Successful transformations will be informed by high-quality data paired with the CFO’s in-depth knowledge of the business. “A key skill that you have to pick up is to clearly understand what the data is telling you,” **Ananth** said. “What insights can you get from [it]? Are customers using something else? Is the value chain itself doomed in some manner? How are things changing?”

Central to this is being selective about the information you use to aid decision-making; it’s about quality not quantity. **Anoop** explained how he has changed his approach: “I went from being the person who has to be the best at data gathering, to being the person that is able to derive insights from what the data is telling us,” he said.

Investing in the Future

To put all this in place, CFOs must leverage their investment in tech. Worryingly, a poll carried out at the Retreat revealed that only 33 percent of attendees thought their organisations were making the most of new technology to transform their business model.

Ananth highlighted that, going forward, this will become increasingly critical, including within the finance function itself. “CFOs have to be very comfortable with automating what they can in their

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current functions, because you cannot assume that you will have the same time and talent bandwidth to execute your role in the way you do today,” he said. “They have to think machine first and then understand where the human can accentuate and deliver value in their analysis and decision-making.”

One of the biggest challenges for CFOs is securing investment in the finance function. **Vineta Bajaj**, Group Finance Director at Ocado, explained: “The challenge has always been about the number that you end up asking for, because no one wants to invest in Finance. Although, they absolutely acknowledge that you probably do need a better system, a bigger headcount or more talent,” she said.

However, without this investment, the strategic business partnering that Finance can offer will suffer. **Vineta** warned of the potential emergence of “shadow finance teams” that end up creating multiple versions of the numbers, which in turn can fuel confusion.

A strong business case is crucial, and **Vineta** said that one way to tackle this is to ask the wider organisation to define its own needs. “The way we demonstrated the business case was to ask the business what they wanted. We then told them what we couldn’t deliver or [explained] that we’d love to do that, but it would probably take a week to do,” she said.

Even once funding is secured, that mustn’t be the end of the matter. In today’s complex world, change is no longer a one-off programme, and finance chiefs must get the right talent and structures in place to allow continuous transformation as new challenges emerge.

“CFOs must be comfortable with an uncertain future,” **Ananth** said. “There are no more straight lines [and] surprises like COVID-19 will happen.” ■

Criticleye’s CFO Forum: Inspiring Growth & Performance will take place on 25th May 2022. For more information, please click [here](#).

Featuring Commentary From:



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