

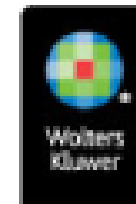
The Future CFO

Shiv – ET CFO NextGen



UNFOLDING THE FUTURE
OF FINANCE

In- Association with



CCH® Tagetik



The Terrific CFOs I worked with



Andy Ford

Tough CFO

“Whatever your question Shiv, the answer is No.”



The future CFOs I am betting on!



What's changing

Past CFOs

- **Safe pair of hands**
- **Support the CEO**
- **Be the cost conscience keeper**
- **Bridge to Competition**
- **No surprises**

Future CFOs

- **Strategy**
- **Deal activity**
- **Sustainability**
- **Technology**
- **Data analytics**
- **Ecosystem influencer**
- **Value creator**
- **Challenge the CEO**

How do CFOs see 2025 priorities

1. Lead Transformation effort **32 %**
2. Improve finance function strategy and design **5 %**
3. Improve financial metrics **6 %**
4. Lead change **7 %**
5. Optimize costs **50 %**



**I asked many CEOs
and CHROs..**

**“What do you look
for in a great CFO?”**

The Top 5 things CEOs want in a CFO

- 1. Rock solid on FP&A, manage Internal and External risks**
- 2. Strategic Business Partner, balance Revenue and Profit**
- 3. Challenge the CEO**
- 4. Business Model thinking, Digital, Tech**
- 5. External stakeholder management – Investors, Banks etc**

The Top 5 things CHROs look for in a CFO

- 1. Stakeholder management investors, ESG, Banks**
- 2. Clear risk identification and management**
- 3. Value creation**
- 4. Influence the organization**
- 5. Tech and data future ready**



Investors looking for ESG issues went up from 10 % two years ago to 80 % today.

**CFOs have to deal with
two types of AI**

AI 1 is Technology

AI 2 is..



What next for the CFO?
Do CFOs make it to CEO?



In 2024, 33 % of current CEOs on FTSE 100 held a CFO role before this.

The ratio in 2019 was 21 %



The reason is simple

As turbulence and ambiguity increase, boards typically want someone who has managed risk and that's the CFO. They need a balancer between cost and growth, investment and efficiency.



**Data from USA is
very different**



S & P 500 CEO background

CEOs tend to come from 4 broad streams:

COO

Divisional CEO

Leapfrog (someone one level below the executive team)

CFO

Source : Spencer Stuart

S & P 500 CEO background

CEO Background %	COO	Divisional CEO	Leapfrog Candidate	CFO
2000	55 %	28 %	9 %	5 %
2010	60 %	22 %	11 %	3 %
2020	39 %	38 %	5 %	10 %

Who creates most Total shareholder return?

Prior job to CEO	Top Quartile	Mid Quartile	Bottom Quartile
CFO	8	61	32
COO	25	49	26
Divisional CEO	27	52	20
Leapfrog	41	33	26

Source : Spencer Stuart



**Let's look
at India
data**

BSE Listed Companies basis Revenue (INR Cr)

Revenue (INR Cr)	Number of listed companies on BSE
Upto 100 Cr	2,283
100 to 200 Cr	506
200 to 500 Cr	580
500 to 3,000 Cr	872
3,000 to 10,000 Cr	350
More than 10,000 Cr	224

BSE Listed Companies basis EBITDA (INR Cr)

EBITDA (INR Cr)	Number of listed companies on BSE
Upto 100 Cr	3,361
100 to 200 Cr	567
200 to 500 Cr	333
500 to 3,000 Cr	392
3,000 to 10,000 Cr	88
More than 10,000 Cr	74

**Value
creation is a
challenge**





The Best CFOs are like Eagles”

Vision

Fearlessness

Tenacity

Fly alone

**Nurture the
young**

Summary - The Future CFO

- 1. Will be Strategic and Transformational**
- 2. Will do broader things – Strategy, IT, M & A, ESG**
- 3. Will be a master of Use of capital and Capital Allocation**
- 4. Will be a master of stakeholder management, esp AI 2**
- 5. Will harness technology, embrace data and seize opportunities**