



Recent challenges of global CFOs

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Agenda

- Background
- Business environment
- Business risks and strategies
- The role of the CFO
- Question and answer

Background

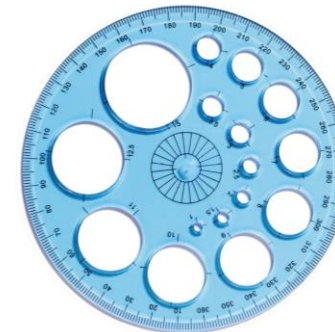
CFO Global Signals™ survey

- The surveys conducted are “pulse surveys” intended to provide CFOs with quarterly information regarding their CFO peers’ thinking across a variety of topics.
- Twenty-eight Deloitte CFO surveys covering more than 60 countries, are conducted on a quarterly, biannual or annual basis



CFO Transition Lab™

- Our CFO Transition Lab is a one-day experience based on our extensive research on CFO transitions
- Focuses on use of time, talent and relationships
- Helps CFOs as they create a tangible 180-day work plan
- Over 1,200 Labs completed across our global network



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Business environment

Question

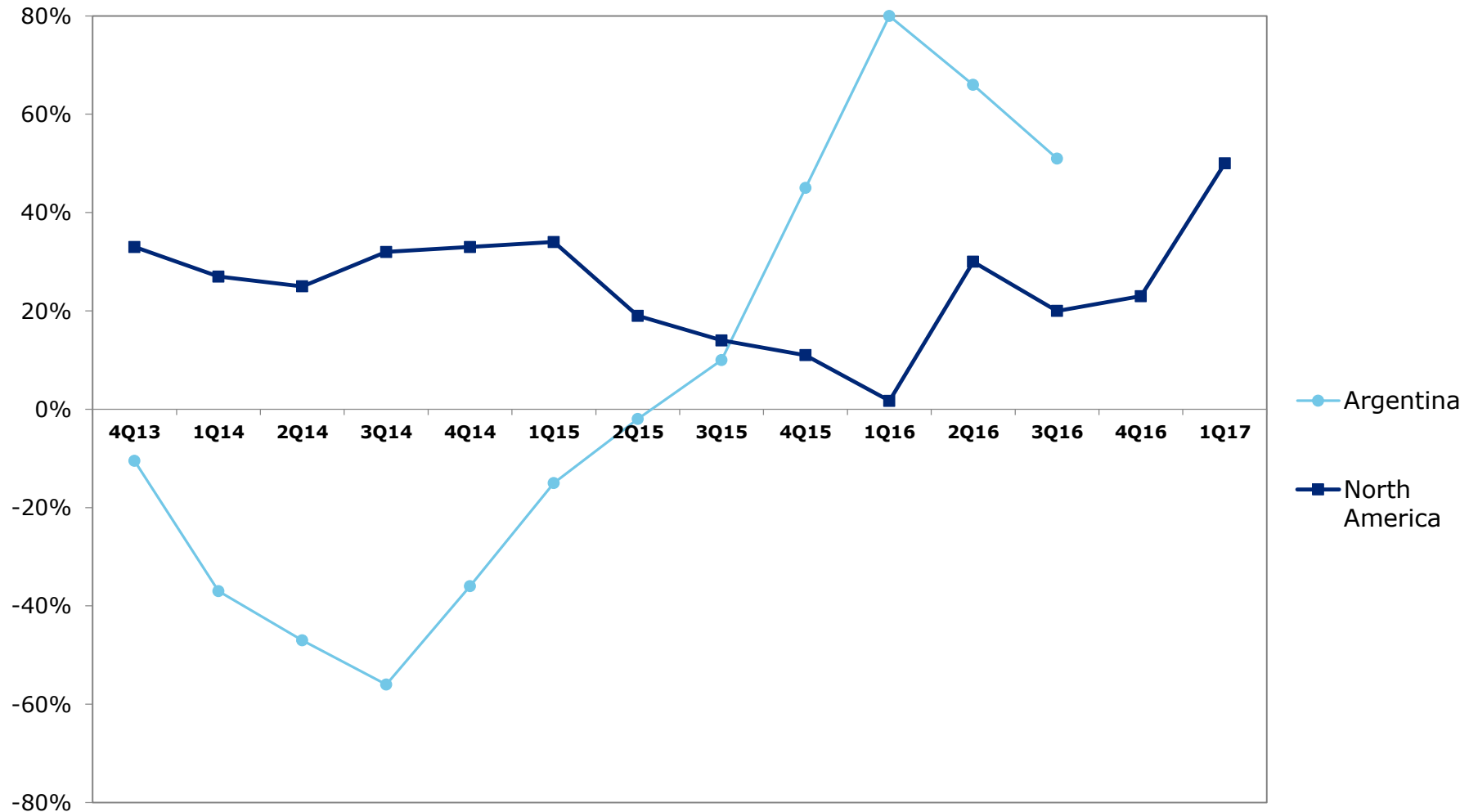
Compared with three months ago, how do you feel about the financial prospects for your company, over the next 12 months?

- More optimistic, primarily due to *external factors*
(e.g., economy, industry and market trends)
- More optimistic, primarily due to *internal/company-specific factors*
(e.g., products/services, operations, financing, assets)
- No notable change
- Less optimistic, primarily due to *internal/company-specific factors*
(e.g., products/services, operations, financing, assets)
- Less optimistic, primarily due to *external factors*
(e.g., economy, industry and market trends)
- Other/Don't know

CFO sentiment: Net change in optimism (as of Q1 2017)

Americas

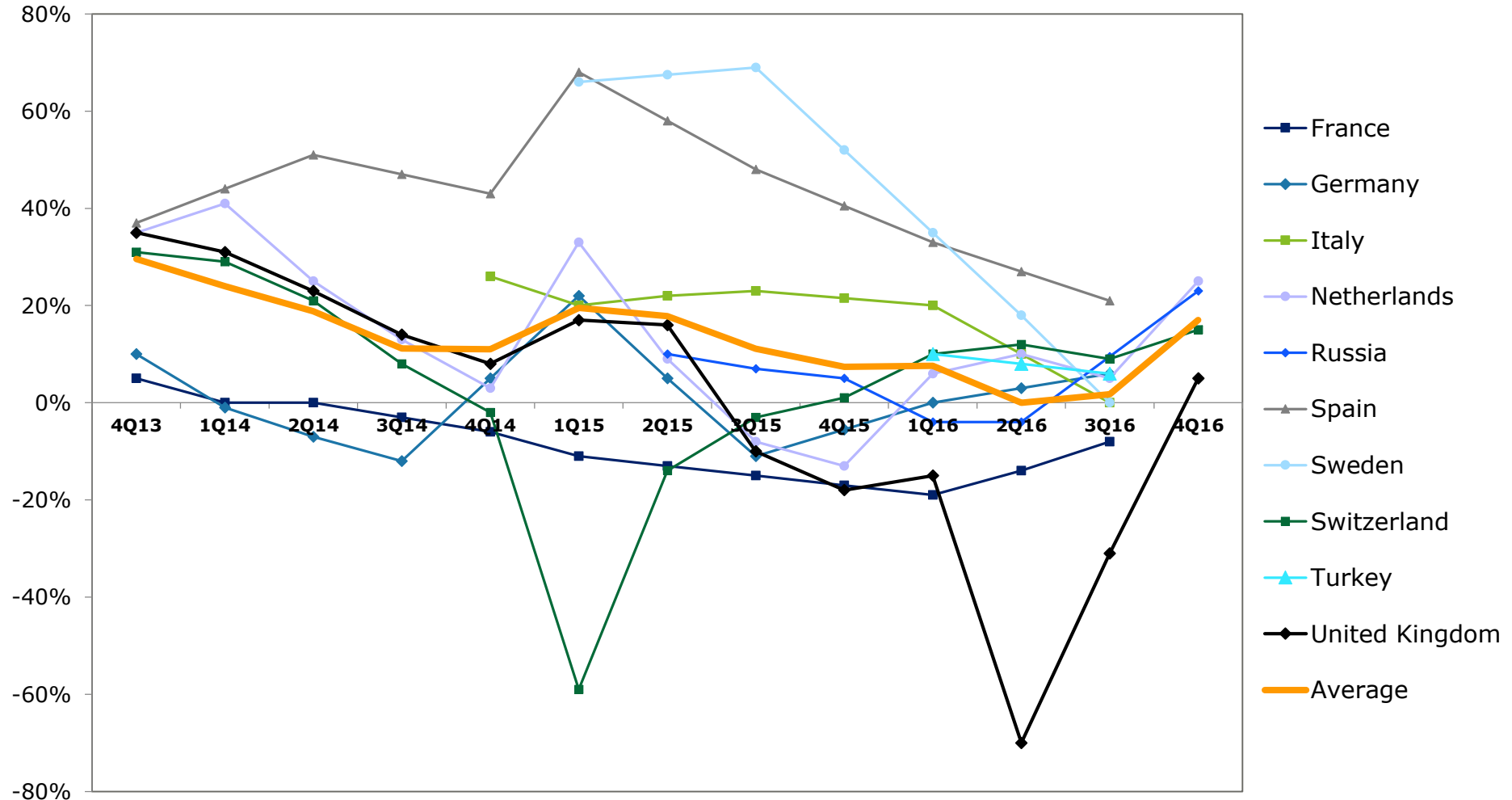
Net % of CFOs who are more optimistic about the financial prospects of their company now than three months ago.



CFO sentiment: Net change in optimism (as of Q4 2016)

Europe

Net % of CFOs who are more optimistic about the financial prospects of their company now than three months ago.



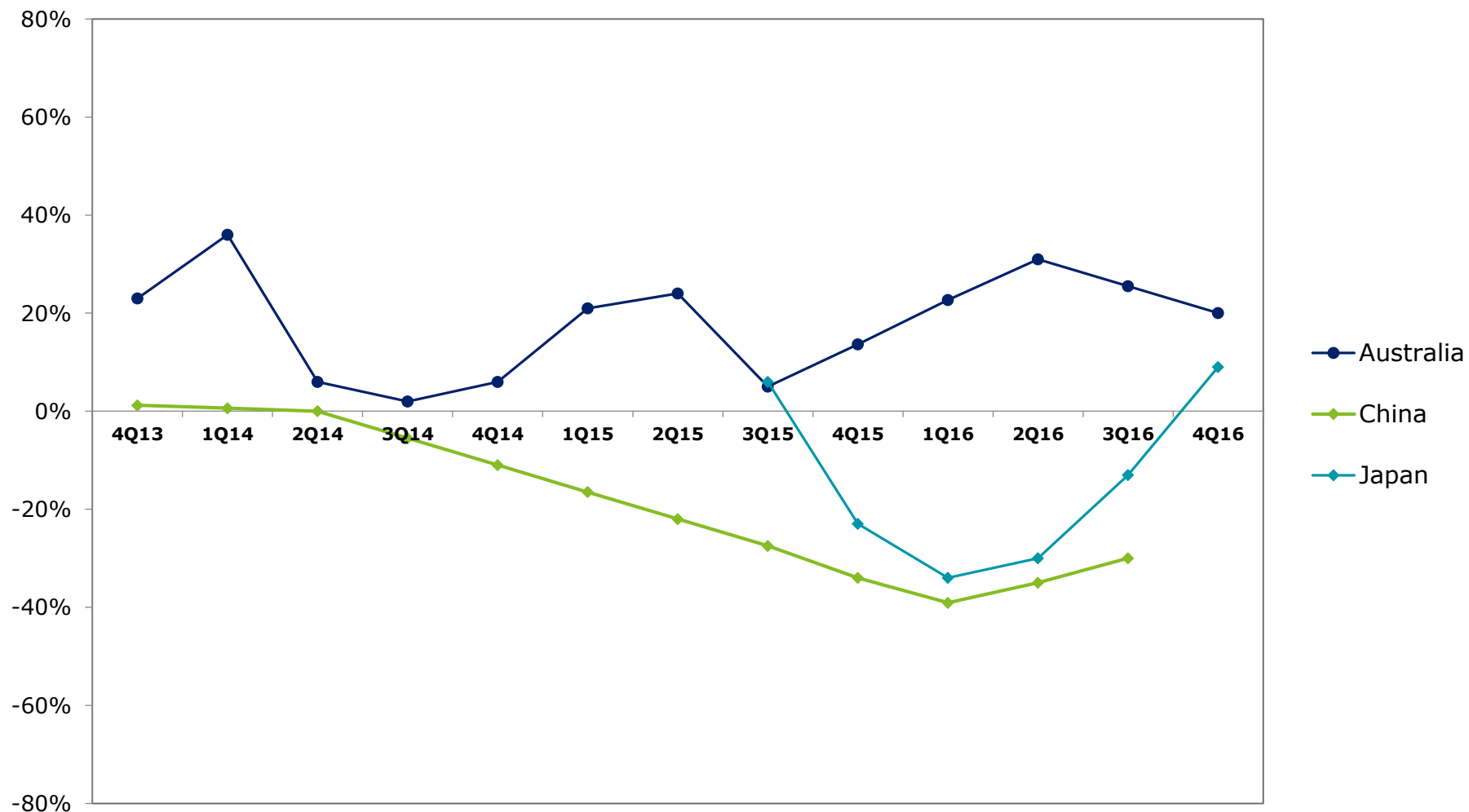
Source: Deloitte Touche Tohmatsu Limited's Global CFO Program, Q4 2016 Global CFO Signals survey

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CFO sentiment: Net change in optimism (as of Q4 2016)

Asia Pacific

Net % of CFOs who are more optimistic about the financial prospects of their company now than three months ago.



Source: Deloitte Touche Tohmatsu Limited's Global CFO Program, Q4 2016 Global CFO Signals survey

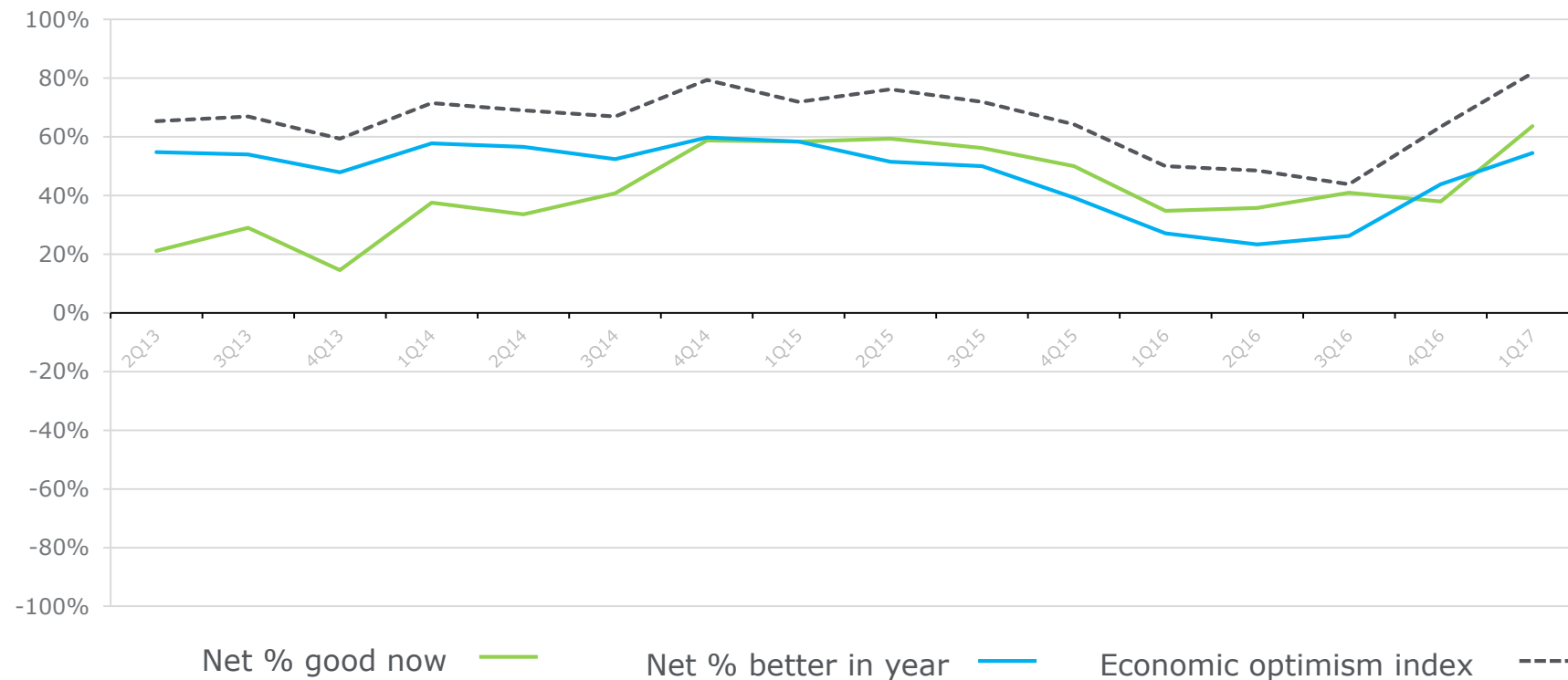
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Assessment of economies (as of Q1 2017)

North American CFOs' perceptions of North America's economy

How do you regard the North American, European, and Chinese economies?

North America

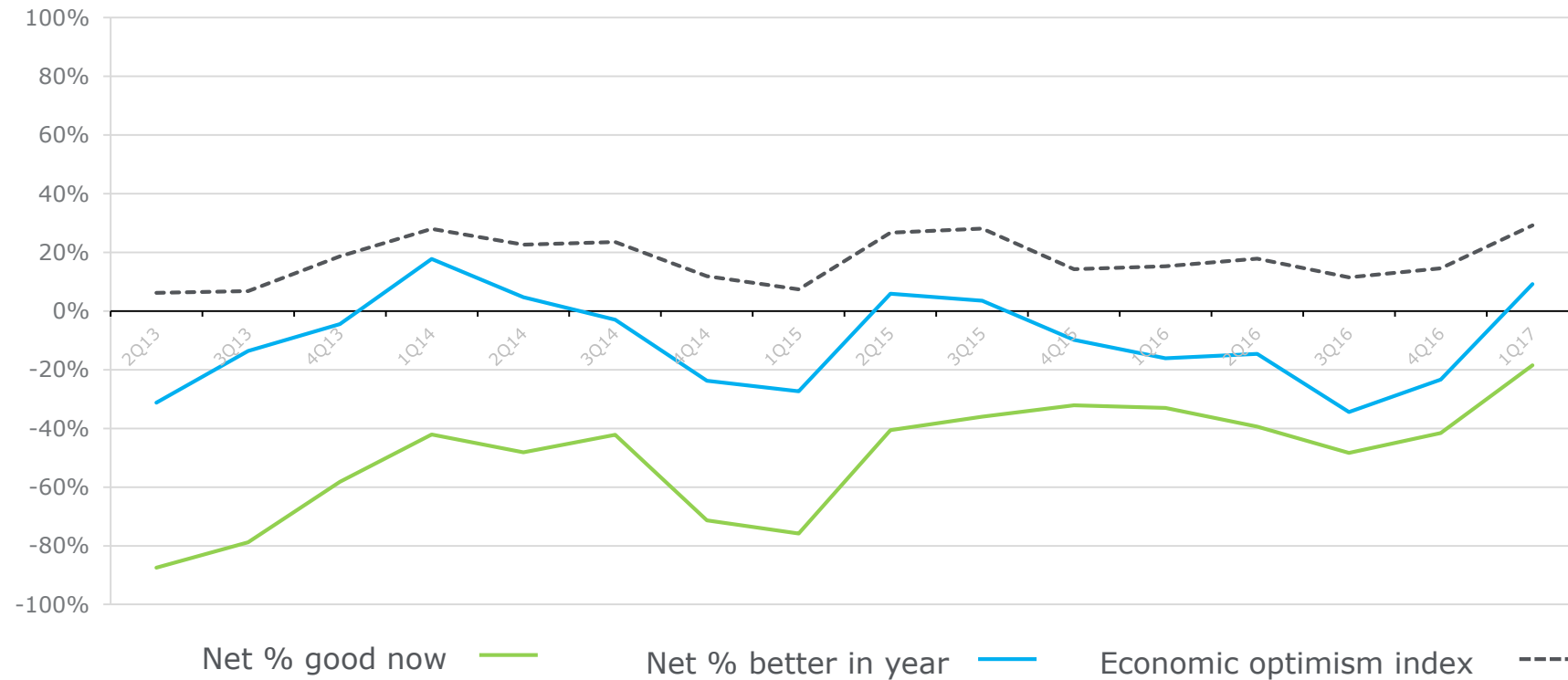


Assessment of economies (as of Q1 2017)

North American CFOs' perceptions of Europe's economy

How do you regard the North American, European, and Chinese economies?

Europe

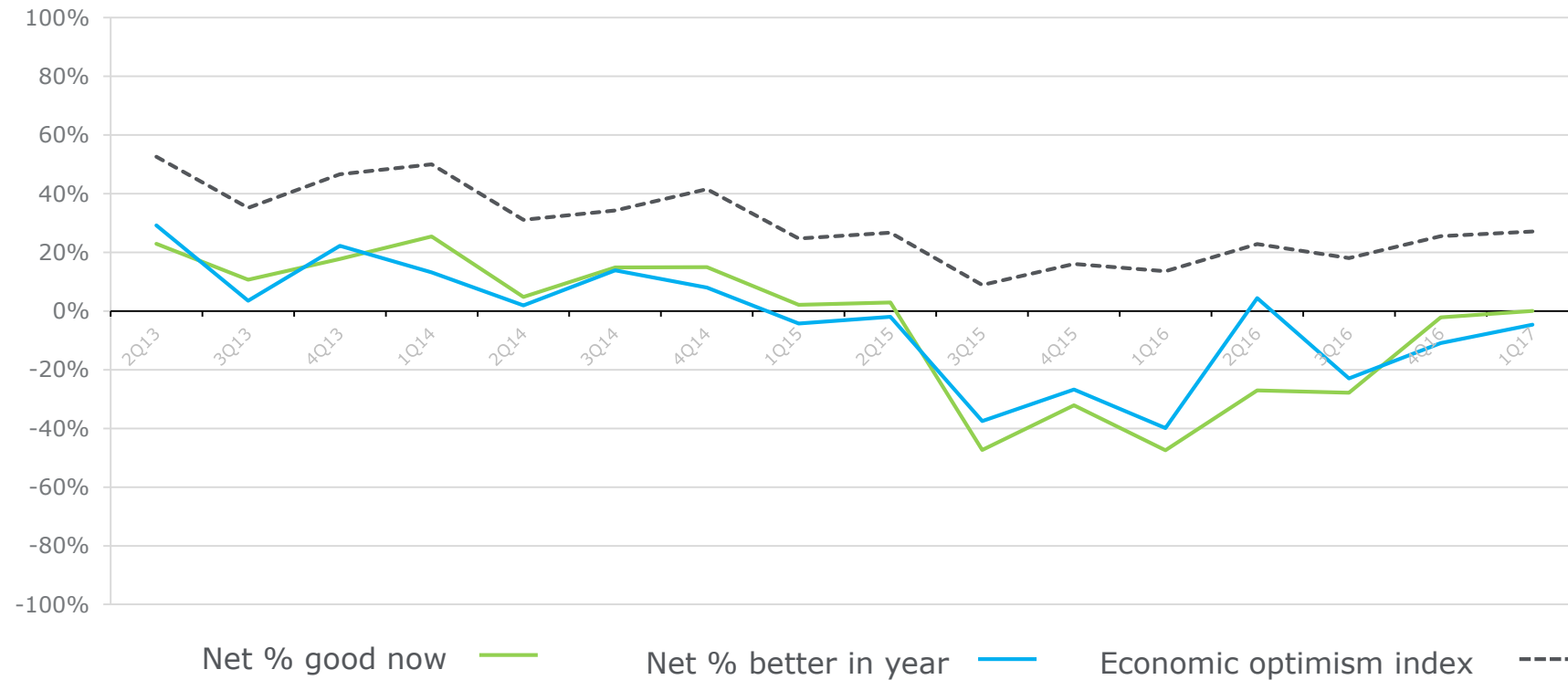


Assessment of economies (as of Q1 2017)

North American CFOs' perceptions of China's economy

How do you regard the North American, European, and Chinese economies?

China



Business risks and strategies

CFOs' assessments of their company's prospects

External challenges and business risks

North America (Q1 2017)

Other than economic growth challenges, which of the following external factors have presented obstacles to your company's growth over the *past* 12 months?

Policy

- Tax policy and reform
- Regulation
- Rising health care costs
- Trade policy



Capital/currency markets

- Currency shifts (Dollar, Mexican peso)
- US equity markets are seen as overvalued
- Corporate taxes
- Rising and falling interest rates



Resources

- Skills shortage
- Immigration



Europe (Q3 2016)

Which of the following factors are likely to pose a significant risk to your business over the *next* 12 months?

Geopolitics/Policy/Trade

- Effects of Brexit
- US presidency



Economic environment

- Weaker domestic and foreign demand
- Financial markets instability
- Deflation and currency depreciation



Resources

- Skills shortages



CFOs' top strategies (North America as of Q1 2017; Europe as of Q3 2016)

What is your company's business focus for the next 12 months?

Offensive vs Defensive strategies

Revenue growth

- North America

Cost control

- France / Germany / Italy / Spain
Switzerland / Russia / Sweden /
Turkey / UK

New business vs Current business

New offerings or products

- North America
- France / Germany / Italy / Russia /
Spain / Sweden / UK

Existing offerings or products

- *Not selected*

New geographies

- Germany / Switzerland / Sweden /
Turkey

Existing geographies

- North America

Inorganic vs Organic growth

Inorganic growth

- Germany / Italy / Sweden /
Turkey / UK

Organic growth

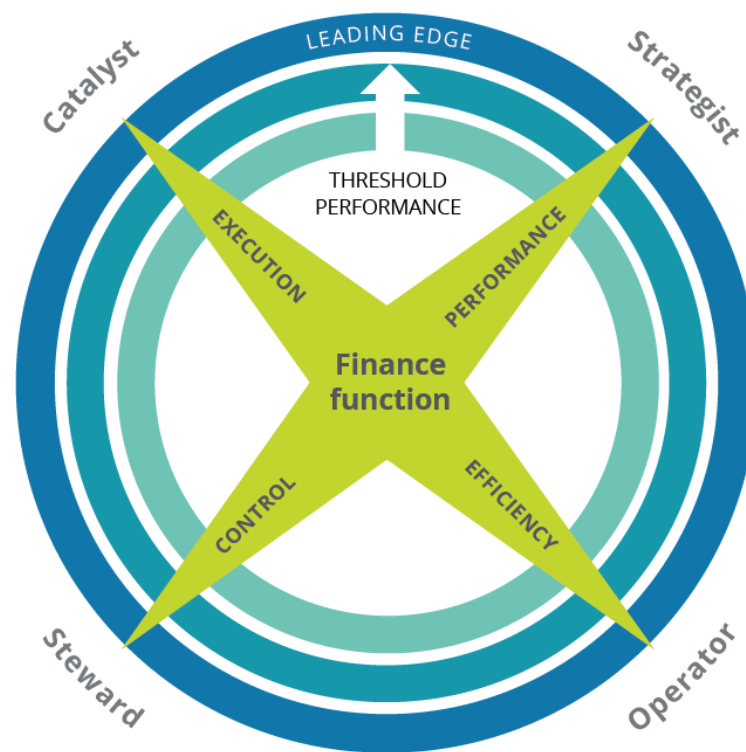
- North America
- Switzerland / Russia

The role of the CFO

The four faces of the CFO

Catalyze behaviors and change across the organization to execute strategic and financial objectives

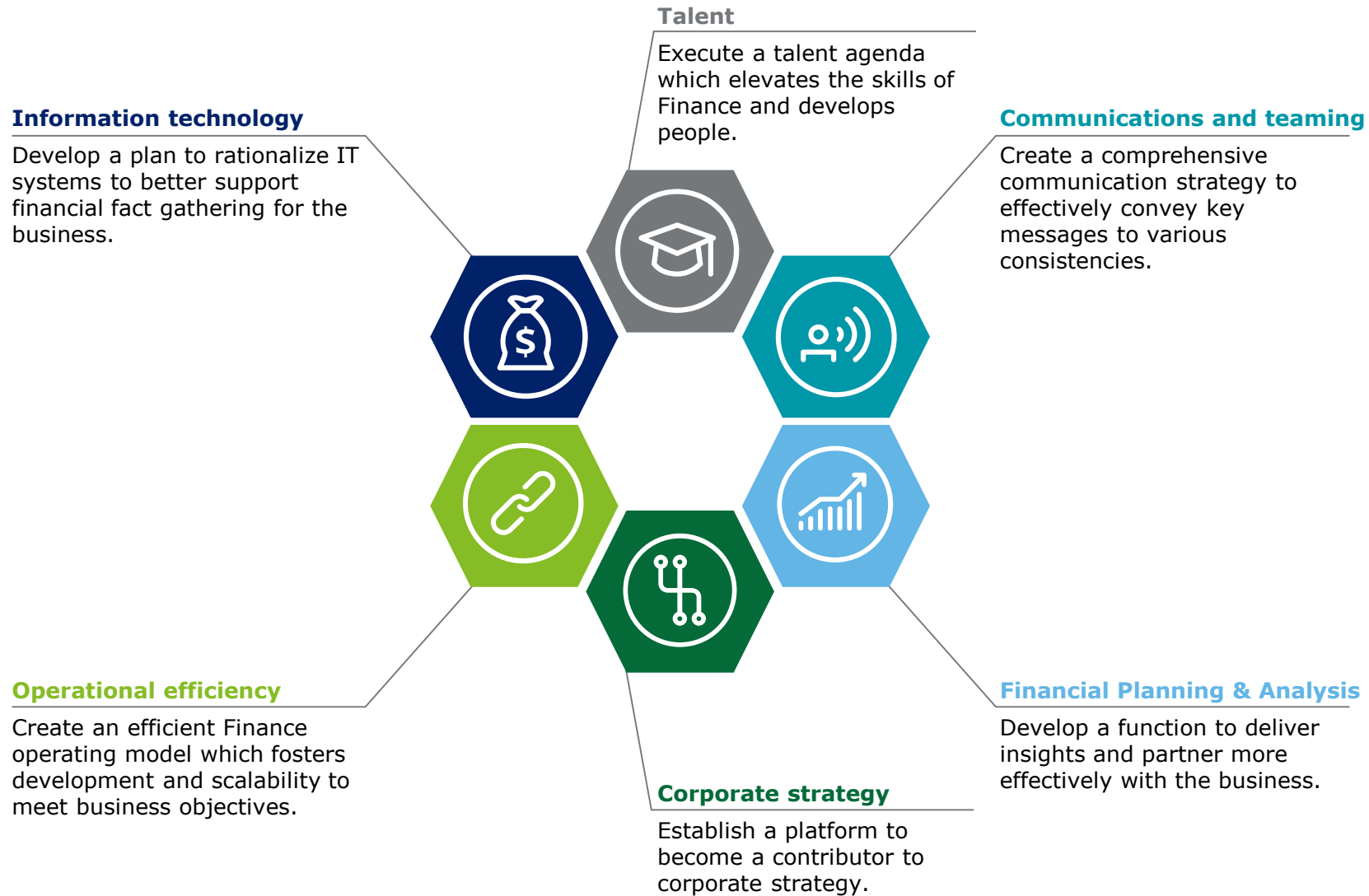
Protect and preserve the critical assets of the organization and accurately report on financial position and operations to internal and external stakeholders



Provide financial leadership in determining strategic business direction, M&A, financing, capital market and longer term strategies vital to the future performance of the company

Balance capabilities, talent, costs and service levels to fulfill the finance organization's core responsibilities efficiently

CFO Transition Lab Themes



Question and answer

Deloitte.

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