Executing your company's growth strategy
Getting it right
## Contents

**Executive summary** 03

**The Business Landscape**
- Optimism tinged with caution 04
- Navigating the year ahead 05

**Executing the strategy: Getting it right**
- Shaping strategy through Finance 08
- What could possibly go wrong? 10
- The case for talent 14

**Toolkit: The Strategist CFO** 16

**Conclusion** 22

**About the survey** 23
Chief Financial Officers (CFO) are increasingly expected to take on more challenging and diverse roles to steer their companies towards achieving the organisation's strategy. They are also charged with instilling a consistent and effective financial approach and mindset to enhance performance and grow the business.

More often than not, CEOs are demanding more of their CFOs who ideally should be more than the "numbers" people, but effective strategic business partners.

But are CFOs ready to accept, evolve and take on the challenges, especially so in this region where bureaucracy and red tape are inherent in organisations?

This year, in collaboration with CPA Australia, Deloitte is pleased to present the fourth Southeast Asia CFO Survey. We believe that understanding the CFOs' views on their businesses and roles, as well as on the wider economy and where they see risks and opportunities, provides useful insights into the region's health and direction.

This report outlines the views and sentiments of finance leaders across Southeast Asia on the market and financial prospects in the coming year, their business focuses in the face of uncertainties, the finance function's current participation in the organisation's strategic decision-making, and how involved they aspire to be and what steps they are taking to get there.

We hope this report will be a helpful toolkit for CFOs in their core role of shaping and executing business strategy and getting it right.

Key highlights

- Seven-in-ten CFOs feel uncertain about the global economy and external factors their businesses are facing, but more than half are optimistic about their organisations' financial prospects.
- Two-thirds of respondents say they expect revenues to rise next year but nearly half see cost pressures as significant risks to their businesses.
- About six-in-ten CFOs say much more is expected of them by their CEOs, with performance management, business support and strategy-setting among the top demands.
- Almost all (99%) CFOs surveyed in Southeast Asia believe it is important for them and the finance team to be part of their organisations' strategic decision-making process, but only 70% of respondents believe they are sufficiently or very prepared to successfully execute the strategy of their companies.
- Nearly half of CFOs say the lack of effective communication from the business units and adequacy of resources may impede their success in executing strategy.
- CFOs in Southeast Asia are still spending more than a quarter of their time in the traditional operator and steward roles, but there are four distinct ways which CFOs can orient themselves to earn the strategist role – responder, challenger, architect or transformer.

Clear, frequent communication, proper processes and a team with strong finance capabilities are key for CFOs to become business partners to their organisations, to drive and successfully execute strategic business initiatives.
The Business Landscape
Optimism tinged with caution

Global growth has been disappointing in recent years. The world economy has served up a series of shocks that rippled across the globe – Brexit, a new US administration that appears to be turning its back on free trade, global terrorist attacks. It is therefore no wonder that CFOs may have cause to feel unsettled.

To get a sense of how businesses view their operating landscape, we asked CFOs how they would rate the level of external and economic uncertainty for their business. A substantial number of respondents (70%) said they felt uncertain about the future, pointing to above normal – high or very high – levels of uncertainty facing their companies. Less than a third (28%) indicated that their businesses are facing normal levels of external and economic uncertainty. Only 2% reported a reverse sentiment of low or very low levels of uncertainty (Figure 1).

Still, more than 50% of CFOs in Southeast Asia are optimistic about their organisations' financial prospects, with only 3% of the cohort feeling significantly pessimistic about the situation, as compared to six months ago (Figure 2).

Their optimism may be fuelled by the World Bank's projection for global growth to accelerate to 2.7% in 2017 and increase modestly to 2.9% in 2018-19. Advanced economies are expected to expand 1.9% in 2017. For emerging markets and developing economies, growth could recover to 4.1% this year, as obstacles to activity diminish in commodity-exporting countries1.

Figure 1: How would you rate the level of external and economic uncertainty facing your business?

Figure 2: Compared to six months ago, how do you feel about the financial prospects for your company?

---

1 “Global Economic Prospects, A Fragile Recovery”, The World Bank, June 2017
Navigating the year ahead

In terms of business conditions for their organisations, CFOs have mixed views across a number of business metrics (Figure 3).

Revenue expectations are positive, consistent with the optimistic outlook on financial prospects of the companies, with two-thirds (66%) of CFOs saying that revenue is likely to increase over the next year.

But the outlook on operating margins looks uncertain. Only 43% of CFOs expect an increase in margins while 57% expect a reduction or no change in margins. This suggests an anticipation of higher costs as a result of the economic uncertainty, or companies are playing their part to be prudent in difficult times.

Encouragingly, only 20% of the respondents believe their capital expenditure will decrease over the next one year, while 45% of CFOs said there will be an increase in the number of investments made by their organisations in the coming year.

A sense of caution is apparent. According to CFOs surveyed, hiring remains subdued with 40% expecting to increase their headcount, while another 35% indicated no changes to their hiring plans. This muted approach to hiring, coupled with the expectations for business growth in revenue, suggests pressure for businesses to deliver more with less.
On issues that concern CFOs, cost pressures ranked at the top of the list. Economies around the world and in Southeast Asia have faced significant market volatility and uncertainty in recent years. Despite strong financial confidence, 45% of CFOs considered cost as the biggest factor that may pose significant risks to their businesses over the next year.

The findings are consistent with another recent Deloitte global survey titled “Thriving in uncertainty: Cost improvement practices and trends in Asia Pacific,” which sought to understand what Asia Pacific (APAC) companies are doing to manage costs and improve margins. It found that cost reduction is a common focus for companies throughout the APAC region and companies are likely to train their sights on cost reduction over the next 24 months, particularly in China, India and Singapore.²

On issues that concern CFOs, cost pressures ranked at the top of the list. Economies around the world and in Southeast Asia have faced significant market volatility and uncertainty in recent years. Despite strong financial confidence, 45% of CFOs considered cost as the biggest factor that may pose significant risks to their businesses over the next year.

The findings are consistent with another recent Deloitte global survey titled “Thriving in uncertainty: Cost improvement practices and trends in Asia Pacific,” which sought to understand what Asia Pacific (APAC) companies are doing to manage costs and improve margins. It found that cost reduction is a common focus for companies throughout the APAC region and companies are likely to train their sights on cost reduction over the next 24 months, particularly in China, India and Singapore.²

![Diagram showing top three factors posing significant risk to business over next 12 months]

Figure 4: Top three factors that are likely to pose a significant risk to your business over the next 12 months

On issues that concern CFOs, cost pressures ranked at the top of the list. Economies around the world and in Southeast Asia have faced significant market volatility and uncertainty in recent years. Despite strong financial confidence, 45% of CFOs considered cost as the biggest factor that may pose significant risks to their businesses over the next year.

The findings are consistent with another recent Deloitte global survey titled “Thriving in uncertainty: Cost improvement practices and trends in Asia Pacific,” which sought to understand what Asia Pacific (APAC) companies are doing to manage costs and improve margins. It found that cost reduction is a common focus for companies throughout the APAC region and companies are likely to train their sights on cost reduction over the next 24 months, particularly in China, India and Singapore.²

![Diagram showing top two drivers of cost reduction for APAC businesses]

Top two drivers of cost reduction for APAC businesses³

- Gain competitive advantage over peer group (58%)
- Required investment in growth areas (51%)

---

² “Thriving in uncertainty: Deloitte’s first biennial cost survey: Cost improvement practices and trends in Asia Pacific”, Deloitte, July 2017
³ ibid.
Beyond costs, about a quarter of CFOs surveyed are worried about further economic turmoil and regulation (Figure 4). Again, this finding corroborates the observations of the previous “Thriving in uncertainty” report.

In Southeast Asia, the top risk factors - economic turmoil, regulation and their corresponding cost pressures - are closely followed by the usual challenges faced by CFOs. Just over a fifth of respondents cited concerns such as the decreasing talent supply, digital and technological disruptions, and operational risks.

**Figure 5: Top three business focuses for the next year**

- Revenue growth: 50%
- Cost control: 48%
- Increase productivity: 38%
- Market expansion: 35%
- Focus on core business: 35%
- Introduce new products & services: 23%
- Improve cash flow: 32%
- Financing: 19%
- Introduce strategic partners: 18%
- Others: 3%

Going into the next 12 months, half of CFOs surveyed signalled that revenue growth would be the biggest business priority for them, with cost control a close second (48%) (Figure 5).

Against the backdrop of cost concerns, this finding suggests that organisations will adopt a cost management strategy that we call “save to grow,” where companies use cost savings to fund growth activities.
Executive the strategy: Getting it right

Shaping strategy through Finance

CFOs surveyed say much more is now being demanded of them by their bosses, the CEOs.

Some 57% of respondents indicated that their CEOs are demanding more focus on performance management (Figure 6). More than just an annual performance review, performance management is important to improve the individual and team performances to ensure the entire organisation benefits.

![Figure 6: Top three focus areas asked for by the CEO](image)

It is also worth noting that in a 2015 Deloitte Global Human Capital Trends report, 49% of responding companies said that their existing performance management process is not an effective use of their time, and 89% of the companies have changed their performance management processes, or plan to do so. These changes are motivated by a need for performance management to be more adept to keep up with the accelerating pace of business and meet the expectations of millennial employees, among other factors.

Besides performance management, 41% of respondents indicated they are expected to concentrate on providing ‘business unit support’ but not just in the financial sense. CFOs are now expected to understand the business environment, generate valuable ideas and opportunities, and have a finance organisation that delivers the basic finance and accounting processes without errors, to support the business units. For this priority to work, CFOs will need to establish mutual expectations on how Finance will engage and support other business lines in strategy and operations.

Nearly four-in-ten (39%) CFOs surveyed said their CEOs expect them to shape and set the company’s strategy while executing it to deliver returns to shareholders.

Invariably, financial performance is one of the key indicators of success. So it is imperative that financial data links strategic goals to performance and provides timely, useful information to facilitate strategic and operational control decisions. This has increased the role and relevance of finance in the strategic planning process.

The strategy process, however, extensively depends on the context of the company, and its business and leadership. The challenge for CFOs is to choose effective ways to engage in the process. To be successful in executing strategic priorities, we believe that CFOs must build trusted relationships with the CEO, Board, business leaders and stakeholders. It is essential to understand which relationships support which priorities.
According to the survey, almost all (99%) CFOs surveyed in Southeast Asia say it is important for them and the finance organisation to be part of the business’ strategic decision-making process (Figure 7).

Encouragingly, 69% of CFOs also said they are sufficiently or very prepared in ensuring success in strategy execution as the CFO of their business (Figure 8). Less than 5% of respondents indicated they are not very prepared for executing strategy, with only 1% saying that they are not at all prepared to ensure success.
What could possibly go wrong?
Empirical studies have shown that the vast majority of corporate strategies fail during execution.

Misalignments occur between the design of the strategy and the execution because of inadequate communication among the stakeholders right from the beginning as they seek to translate the strategy to tactical action.

Figure 9: When does Finance participate in strategic decision-making for your organisation's projects?

42% of CFOs surveyed said the finance function is involved in their organisation’s strategic decision-making process at the initial stage of the project, while half of respondents indicated they are brought into the picture at some point along the way (Figure 9).

But for 7% of CFOs, the finance team is either brought in at the final stage of the process or only after the decision is made. A minority 1% pointed out that Finance is not involved in the business’ strategic decision-making at all.

Even when Finance is involved in strategy-setting, CFOs in the region say there are difficulties in communication. Almost half of respondents said that communication to Finance is not clear and frequent enough (48%). Some 46% are still not consulted or kept in the loop for communications on business strategies (Figure 10).

Whether the company is entering a new market, launching a new product, or changing the business model, it is critical in strategy execution to ensure that every function concerned, including Finance, is involved in the decision-making process from day one. This is to ensure that all parties involved are aligned and communication failure does not jeopardise the strategic ambition.
Communication issues aside, the lack of proper processes and talent resources are also concerns that potentially distract CFOs from focusing on the strategic part of the business. Half of CFOs surveyed (50%) believe their finance team is strong enough to lead and think strategically. But the other half said there is still a lack of talent resources in Finance to drive strategic initiatives.
The Wheel of Woe

Based on Deloitte’s numerous CFO Lab sessions conducted, several factors – “The Wheel of Woe” – have been identified, which leaders will need to address to deliver successful strategy and change initiatives, and why thoughtful consideration of these factors can help improve the odds of success.

1. Budgets
A key challenge for many strategies and initiatives is inadequate budget. This can lead to stress, and the project falling short of expectations. It is critical for budgets and expectations to be aligned at the outset to avoid initiatives that fail by definition.

11. Social dissatisfaction
Resistance can also be triggered when work roles are transformed or centralised, causing reduced client or worker satisfaction, and even increased turnover. To effectively manage this, CFOs should have “change-leaders” anticipate social satisfaction impacts of work redefinition and plan to mitigate them.

10. Power shifts
Some change efforts or strategy execution may impact power relationships and individual autonomy. To overcome such resistance, it is likely the CFO will have to accumulate his or her own power or have the power of the group CEO as a sponsor behind the initiative.

9. Fear
A powerful emotion that can inhibit change is the fear of loss or the unknown, and can paralyse or lead to active resistance to an initiative. CFOs will need to guide their team and bring them through continuous learning, to become more comfortable with the changes over time.

8. Habit
Prior habits can be a powerful constraint – they impede change. Prior ways of doing things may not adopt a new method. CFOs will need to break old habits and enable new ways of working.

2. Workloads
Executing strategies requires work and effort in addition to existing workloads and time to undertake yet another project to execute the initiative, without payoffs. It is important to ask what work can be stopped or paused, and who will own the initiative and lead it through to completion.

Source: “Execution risk: Stepping over 12 common hurdles”, CFO Insights, Deloitte, January 2017
Executing your company’s growth strategy: Getting it right | Southeast Asia CFO Survey

Existing demands, and often CFOs have little or no capacity to free up time and get the necessary buy-ins from the required stakeholders.

3. Talent

Having people with the skills and experience is a critical element. Hiring individuals with the right skills would be ideal, but such hiring can take time and require a budget. An especially important type of talent is leadership for the strategy. Are your leaders able to energise those involved and get buy-in from critical stakeholders? The wrong leader for any initiative is likely to fail.

4. Data and systems

Many strategies and initiatives require supporting information and data. Yet this can be a critical constraint as well for the business when systems may not be able to provide timely and accurate information and analysis for decision-making. Core data and IT infrastructures often have to be improved before process and operational changes can be delivered.

5. Stakeholder commitment

Without the right level of commitment, strategy initiatives can be delayed or fail, and become harder to execute. Misalignments do not always occur due to major disagreements among stakeholders. Instead, they could occur because different stakeholders prioritise work differently. It is imperative to have a sponsor with the authority to align incentives across critical stakeholders and ensure commitment of the right resources.

6. Project governance

An effective governance structure and process will bring together the different stakeholders on a regular cadence to keep them committed, to seek their counsel, and to gain their support for future directions.

7. Ambiguity and uncertainty

Successful strategy execution is also dependent on the clarity of the purpose, new process and system specifications, desired outcomes, and the definition of success. An iterative execution process can resolve the uncertainties of fully specifying all needs precisely at the outset, but this will require managing stakeholder expectations for a process that includes trial and error.
The case for talent
A CFO's success often depends on the quality of the finance team. But there continues to be a war for talent given globalisation and market developments, the rise of millennials and technological disruptions. These are likely to exert even greater influence on the labour market, making it harder to find and replace top talent.

Respondents were asked if they had sufficient resources in their finance team to ensure success in executing strategy. Opinions were clearly divided into three distinct camps. 31% of CFOs view resources as being sufficient, with an additional 1% stating that talent is ‘more than sufficient’. Almost the same proportion (30%) felt that talent is ‘not very sufficient’ or ‘insufficient’ in ensuring success in executing strategy. The remaining 38% of CFOs gave a borderline response that talent is ‘somewhat sufficient’ to support strategy execution.

These differing opinions suggest that CFOs in the region are ‘unsure’ what talent is required for Finance to evolve and are still trying to piece together their dream team for Finance to stay ahead in the changing times.

Figure 11: How sufficient are resources in your finance team to support you in ensuring success in executing strategy?
Based on the survey findings, we suggest that organisations and CFOs need to take a step back and decide how best to align their talent recruitment, management and development with their strategy and culture to allow people to retrain and adapt their skills to the changing needs of the market.

The findings showed that six-in-ten (61%) CFOs believe that ‘continuous learning’ is their best approach to ensuring the right talent in their finance team, shifting their emphasis to identifying employees’ strengths and encouraging their development (Figure 12).

Building the leader-staff relationship is the second best course of action, with 55% of respondents using this softer approach to manage and address the finance team effectiveness. More frequent talks with employees about their current duties and level of performance, career aspirations, and steps needed to bridge that gap can improve performance management dialogue and foster the needed relationships in the finance team.

Figure 12: What are the best steps taken to ensure the right talent in your finance team?

- Continuous learning: 61%
- Building the leader-staff relationship: 55%
- Raising the value proposition for current and potential employees: 30%
- Raising the importance of effective talent management: 27%
- Cultural shifts: 24%
- Others: 2%
- 0%
Toolkit: The Strategist CFO

CFOs are rarely appointed to organisations to keep the status quo. Instead, they are typically recruited to help companies achieve the next level of performance. This will generally require choices on how such executives will allocate their time and face their new job.

Through work with finance executives, Deloitte has developed the “Four faces of the CFO” model to help clarify what is expected of them and set expectations for their focus with peer executives. This framework helps CFOs to visually compare where they currently spend their time with where they wish to focus in the longer term, so that they can plan and implement the required changes to be successful in the role (Figure 13).

We asked the CFOs how they spend their time across the four faces of the CFO. As expected, CFOs in the region are primarily operators (27% of the time) and stewards (27% of the time) in the organisation. Some are thrust into the catalyst role (23% of the time), possibly by the market changes over the last two years and tasked with cutting costs (Figure 14).

With higher involvement of Finance in the strategy process, CFOs surveyed said that they spend 24% of their time as a strategist to the organisation, close behind their operator and steward roles.

As Finance in the region is evolving to meet the needs and expectations of the business, we see that the time division by CFOs in the respective faces is relatively balanced, as CFOs are changing to be a more active strategists and partners to the CEO.
Based on research conducted for Deloitte’s CFO Labs, most CEOs and Boards want their CFOs to be about 70% strategist and catalyst, and spend 30% of the time in the “lower hemisphere” of the four faces. On average, most CFOs aspire to be 65% to 35% in strategist-catalyst versus operator-steward roles.

Time management has thus become a bigger concern for CFOs than ever before. They would have to balance their time between doing things themselves and ensuring that other people get things done for them.

Many CFOs initially found themselves spending the majority of their time being the operator and steward, tying up the loose ends and fire-fighting. The trick is to avoid being trapped there and create a strong finance team or get a “wingman” to cover these operational and stewardship roles to support the CFO and help meet their personal and organisational aspirations.

The balance changes at different points in the CFO journey, but it is useful to know where one is aiming towards.
Given the challenges and bottlenecks for Finance in strategy execution, where should CFOs focus, and how should they orient themselves to supporting strategy?

To earn a seat at the strategy table, CFOs will generally require three things – knowing the business, generating valuable strategy ideas and opportunities, and having a finance organisation that delivers.

Based on the observations and discussions from over 1,200 Deloitte CFO Lab sessions conducted to date, we have framed the four orientations of a strategist CFO model to better align the CFO’s actions with CEO and Board expectations.

Beyond the well-established “Four faces of the CFO,” the orientations bring greater clarity to the strategist role and the capacity of an organisation, to re-orient and execute a new strategy.

There are four distinct ways CFOs can orient themselves being a responder, challenger, architect or transformer.

**Figure 15: Common requirements for strategist CFOs**

<table>
<thead>
<tr>
<th>Responder</th>
<th>Challenger</th>
<th>Architect</th>
<th>Transformer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permission</td>
<td>Generally, low permission from CEO for CFO to engage in strategy</td>
<td>Strong permission from CEO for CFO to challenge</td>
<td>Acceptance by business unit leaders in strategy process</td>
</tr>
<tr>
<td>Typical context</td>
<td>Highly decentralised businesses or where other executives are primarily responsible for strategy</td>
<td>Decentralised or non-performing businesses seeking capital from the corporate for future investments</td>
<td>Finance is already viewed as a contributing partner to the business</td>
</tr>
<tr>
<td>Required finance capability</td>
<td>Strong centralised Financial Planning &amp; Analysis (FP&amp;A) capabilities</td>
<td>Strong FP&amp;A and access to relevant data to evaluate value and risk in business strategies and plans</td>
<td>Strong finance capabilities to partner with the businesses on strategic planning, complemented by strong FP&amp;A expertise</td>
</tr>
<tr>
<td>Required organisational capability</td>
<td>Strong strategy capabilities in the business</td>
<td>Strong strategy capabilities in the business</td>
<td>Strong partner to finance in the businesses</td>
</tr>
</tbody>
</table>

---

*The Strategist CFO: Four orientations for engaging in the strategy process, CFO Insights, Deloitte, 2014*
As a **responder**, the CFO and the finance organisation support the company’s strategy development by helping key business leaders quantitatively analyse the financial implications of different strategy choices. To be an effective responder, the CFO and finance organisation should consider having a central FP&A capability that delivers the relevant analyses and data to the businesses, whose leaders have primary responsibility for generating strategy alternatives.

As a **challenger**, the CFO and finance organisation act as stewards in the strategy process by critically examining the risks and expected returns of different strategy alternatives, and can be sometimes seen as being the “Dr. No” in the organisation. Apart from having central FP&A capabilities, challengers will need to have access to requisite information from the business units on key strategy assumptions and models. Most importantly, the CFO will require the permission of the CEO to challenge business unit leaders and their strategies.

In the **architect** orientation, the CFO, finance organisation and business leaders jointly work through shaping strategy choices and apply processes to complement and maximise the value of strategies. Architects go beyond the challenger orientation to enable the financing of innovative initiatives through varied finance strategies and finance arrangements with suppliers, customers, or delivery channels. To effectively deliver as an architect, mutual trust has to be established between the CFO and all stakeholders involved and work together at the outset of setting the strategy, with the support of a strong finance team to partner with business leaders throughout the strategy process.

As a **transformer**, the CFO becomes a lead partner to the CEO in shaping and executing strategy. The CFO is key to the strategy execution for shifting the product market mix, delivering value, and creating distinctive capabilities. CFOs as transformers will need to proactively engage in addressing the core questions in a strategy process, help develop and execute options through Finance in a way that allows the company to shift its strategy effectively. Needless to say, a finance team with strong capabilities will be required to support and influence the business.
FP&A for strategy

Given the evolving myriad of business challenges, the financial planning and analysis (FP&A) function is poised to play a more strategic role across organisations. CFOs need a long-term, multifaceted plan that will result in FP&A delivering a wide range of data-driven insights that support everything from operational decision-making to organisational strategy.

1. **Start by having a conversation with your head of FP&A**

To help your FP&A function play a more strategic role, work with your functional leader to address these 10 considerations:

1. **Global process ownership**: Does our FP&A team have global process owners, who collectively own the end-to-end FP&A process across functional silos, geographies, and business units?

2. **Top-down decision support**: Is our planning and forecasting process driven from the top-down with guidance from the corporate strategy, or from the bottom-up, driven from each business unit and market?

3. **Report rationalisation**: How can we reduce the time and number of reports FP&A produces to free up resources for more value-added activities?

4. **Radical standardisation**: Does our FP&A team have standardised monthly and/or quarterly processes and routines that are governed with rigor?

5. **Streamlined, analytical forecasting models**: What percentage of time is our FP&A team spending on data consolidation versus value-added business support and analytics?

6. **Automation, robotics, and artificial intelligence (AI)**: Which repetitive, rule-based tasks that FP&A performs can be automated using robotics, artificial intelligence, or other technological advances?

7. **Above-market decision support and analytics**: How can we centralise routine decision support and analytics capabilities, allowing for more above-market business partnering?

8. **Social impact**: How do we use social media to gather forecasting insights about our products, markets, and competition?

9. **Specialised centres function as business partners**: Do we have an FP&A Center of Excellence that understands our business and delivers outstanding service to our business finance teams?

10. **Finance talent strategy**: Do we have the people and talent strategy for the FP&A organisation of today, and the Finance world of tomorrow?
2. Consider implementing a “Three C’s” framework

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Capability</th>
<th>Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtaining the appropriate time and resources to focus on high-impact activities beyond foundational planning, budgeting, and forecasting</td>
<td>Attracting and retaining employees with the right skill sets and experience to support the organisation on its critical business issues</td>
<td>Cultivating access to, and relationships with, business stakeholders</td>
</tr>
</tbody>
</table>

**Phase 1: Performance predictability**
- Establish clear guidance, governance and communication that FP&A staff can follow
- Lock down a standard, annual FP&A calendar for the team
- Enforce a common framework and consistent processes across business units
- Use technology to leverage existing data sources and baselines to help reduce the manual work
- Transform operating model and leverage centres of excellence to relieve FP&A staff from routine back-office work
- Minimise number of review cycles required to create the financial plan
- Leverage reporting tools or shared service teams to create standard management reporting packages, and FP&A teams only to add insights
- Use robotic process automation to help reduce time spent on manual and repetitive tasks

- **Exposure**: Provide sponsorship, coaching, and continuous learning opportunities, and encourage FP&A staff to make formal and informal connections across the organisation
- **Experience**: Create opportunities for FP&A professionals to see how new capabilities change their roles
- **Education**: Create competency-based training that supports the development of specific skills, and also provide coaching/mentoring to educate staff on leadership practices. Formally documenting the key processes, procedures, and steps for engaging with stakeholders can improve such interactions
- **Expectations**: Make it clear that business acumen is a critical success factor for FP&A staff, and that ongoing development of both competency and business-partnering skills is important, as is establishing a culture that underscores that leaders focus on talent development
- Consider rethinking the traditional development path and implementing a system of staff rotation for exposure

**Phase 2: Performance impact**
- Expand FP&A’s footprint to reinforce its value to the company
- Embed FP&A analytics into the various functions within the organisation
- Augment FP&A by using new, disruptive technologies in the fields of data visualisation and natural language report creation
- Encourage and educate staff to understand the capabilities of new tools

- Implement a model which FP&A is fully integrated with the business, not just support or cooperate
- Build strong relationships at different levels of the business by proactively reaching out to learn about their concerns and priorities, and explaining how FP&A can add value
- Shift the culture of Finance, with leaders encouraging and rewarding the activities that facilitate collaboration between FP&A and the business

Conclusion

The changing business environment has had a significant impact on the role of the CFO and the finance function. Organisations are rethinking their business models and strategies, and strategy experience for CFOs will be a baseline expectation.

Awareness and understanding of the business, how different models play out in various markets and the impact of different strategic challenges and opportunities faced are the basics for CFOs today.

CFOs will need to ensure Finance evolves to be a business partner to the CEO and the business, driving outcomes that affect long-term overall business performance, and not just short-term finance outcomes. In this respect, there is much more to be done by CFOs and their finance teams to earn a seat at the strategy table.

On the one hand, they must take on the challenge to be the strategists and catalysts expected of them and support the various business units in strategic decision-making. On the other hand, they must demonstrate great finance leadership and controllership in their traditional operator and steward roles.

CFOs will need to manage their time spent, balance their priorities and create a strong finance team to support the business goals and direction. Getting it right is not always easy. It is hoped that this report has provided a number of provoking thoughts for CFOs to consider as they go about their increasingly challenging roles to execute strategy.
About the survey

The Deloitte Southeast Asia CFO Survey, in collaboration with CPA Australia, highlights the sentiments of CFOs across the region on various facets of the economy, industry and CEO expectations and the changing role of the CFO and their readiness.

The report is based on responses from over 120 CFOs comprising of private and publicly listed companies from both government and private sectors, with revenues spanning from less than USD 100 million to more than USD 1 billion.

It also encompassed industries across the sectors, including consumer business, energy & resources, financial services, life sciences & healthcare, manufacturing, technology, media and telecommunication.

Figure 16: Distribution of participating companies by industry

Figure 17: Distribution of participating companies by total revenue (USD)
The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there is no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation. Deloitte & Touche LLP, CPA Australia Ltd, and the Singapore Accountancy Commission accept no responsibility for any loss which may arise from information contained in this publication. No part of this publication may be reproduced without prior written permission from Deloitte & Touche LLP, CPA Australia, and the Singapore Accountancy Commission.

About Deloitte
Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

About CPA Australia
Founded in 1886, CPA Australia is one of the world's largest professional accounting bodies representing more than 160,000 members working in 118 countries around the world. CPA Australia advances its members’ interests through education and knowledge exchange, the development of professional networks, advocacy in relation to policy, standards and regulation and the promotion of value of CPA Australia members to employers, government, regulators and the public. The world-renowned CPA designation is synonymous with professional credibility and international portability. CPA Australia has been operating in Singapore for 63 years, having arrived in this market in 1954 under the auspices of the Colombo Plan. For more information, please visit cpaaustralia.com.au

About Singapore Accountancy Commission
The Singapore Accountancy Commission (SAC) is a statutory body under the Ministry of Finance that spearheads the development of Singapore's accountancy sector with the vision of developing Singapore into a leading global accountancy hub. SAC is working to achieve this by deepening the skills of the accountancy talent pool through professional qualification programmes; developing the industry by helping to build business capabilities to capture growth opportunities; and creating a hub and exchange by building Singapore into a centre for thought leadership. For more information, please visit www.sac.gov.sg

© 2017 Deloitte & Touche LLP, CPA Australia Ltd, and Singapore Accountancy Commission. Ltd. All rights reserved.

Contacts

Deloitte Southeast Asia
Ng Jiak See
SEA CFO Program Leader
jsng@deloitte.com
+65 6531 5088

James Walton
SEA CFO Program Co-Leader
jmwalton@deloitte.com
+65 6530 8013

Lee Shu Ling
SEA CFO Program Manager
shulee@deloitte.com
+65 6800 2792

CPA Australia
Melvin Yong
Country Head - Singapore
melvin.yong@cpaaustralia.com.au
+65 6671 6500

About the Southeast Asia CFO Program
The CFO Program brings together a multidisciplinary team of Deloitte leaders to help CFOs stay ahead in the face of growing challenges and demands. The Program harnesses our organisation's broad capabilities to deliver forward thinking and fresh insights for every stage of a CFO’s career – helping CFOs manage the complexities of their roles, tackle their company's most compelling challenges, and adapt to strategic shifts in the market.

For more information about the SEA CFO Program or the survey, please contact the SEA CFO Program team at cfoprogramsea@deloitte.com.

The CFO Program

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there is no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation. Deloitte & Touche LLP, CPA Australia Ltd, and the Singapore Accountancy Commission accept no responsibility for any loss which may arise from information contained in this publication. No part of this publication may be reproduced without prior written permission from Deloitte & Touche LLP, CPA Australia, and the Singapore Accountancy Commission.

About Deloitte
Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

About CPA Australia
Founded in 1886, CPA Australia is one of the world's largest professional accounting bodies representing more than 160,000 members working in 118 countries around the world. CPA Australia advances its members’ interests through education and knowledge exchange, the development of professional networks, advocacy in relation to policy, standards and regulation and the promotion of value of CPA Australia members to employers, government, regulators and the public. The world-renowned CPA designation is synonymous with professional credibility and international portability. CPA Australia has been operating in Singapore for 63 years, having arrived in this market in 1954 under the auspices of the Colombo Plan. For more information, please visit cpaaustralia.com.au

About Singapore Accountancy Commission
The Singapore Accountancy Commission (SAC) is a statutory body under the Ministry of Finance that spearheads the development of Singapore's accountancy sector with the vision of developing Singapore into a leading global accountancy hub. SAC is working to achieve this by deepening the skills of the accountancy talent pool through professional qualification programmes; developing the industry by helping to build business capabilities to capture growth opportunities; and creating a hub and exchange by building Singapore into a centre for thought leadership. For more information, please visit www.sac.gov.sg

© 2017 Deloitte & Touche LLP, CPA Australia Ltd, and Singapore Accountancy Commission. Ltd. All rights reserved.