

Horváth CFO-Study 2023 – Part III

Safeguarding and shaping the corporate future

How CFOs provide guidance
for their companies in times of uncertainty

Agenda

01 Background and study design of the CFO-Study 2023

02 Detailed insights – Safeguarding and shaping the corporate future

03 Horváth CFO-Panel

The Horváth CFO-Study 2023 was published in three dedicated parts, each focusing on current hot topics

Design of the Horváth CFO-Study 2023



Corporate management in times of uncertainty needs stability – How does the CFO safeguard and shape the corporate future?

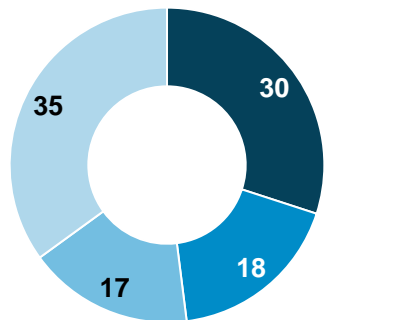
Content of the Horváth CFO-Study 2023 III

- The CFO-Study 2023 Part III provides an overall outlook of the **economic challenges** ahead and the **expectations of executives** to reach their goals
- The report outlines the **main strategic directions of companies'**
- The CFOs' current **responsibilities are displayed**, as well as their **role understanding** in the context of **transformation initiatives**
- At last, the study discusses the current **status quo of transformation in Finance and beyond**

Over 80 top Finance executives were asked about their expectations for 2023 and their current transformation status

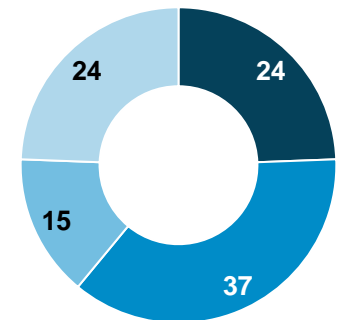
The participants of the study contribute from different countries

With revenue in € (in percent)



■ >1 bil. ■ 250 m. – 500 m.
■ 501 m. – 1 bil. ■ < 250 m.

And employee numbers (in percent)



■ >5,000 ■ 250 – 1,000
■ 1,001 – 5,000 ■ <250



Agenda

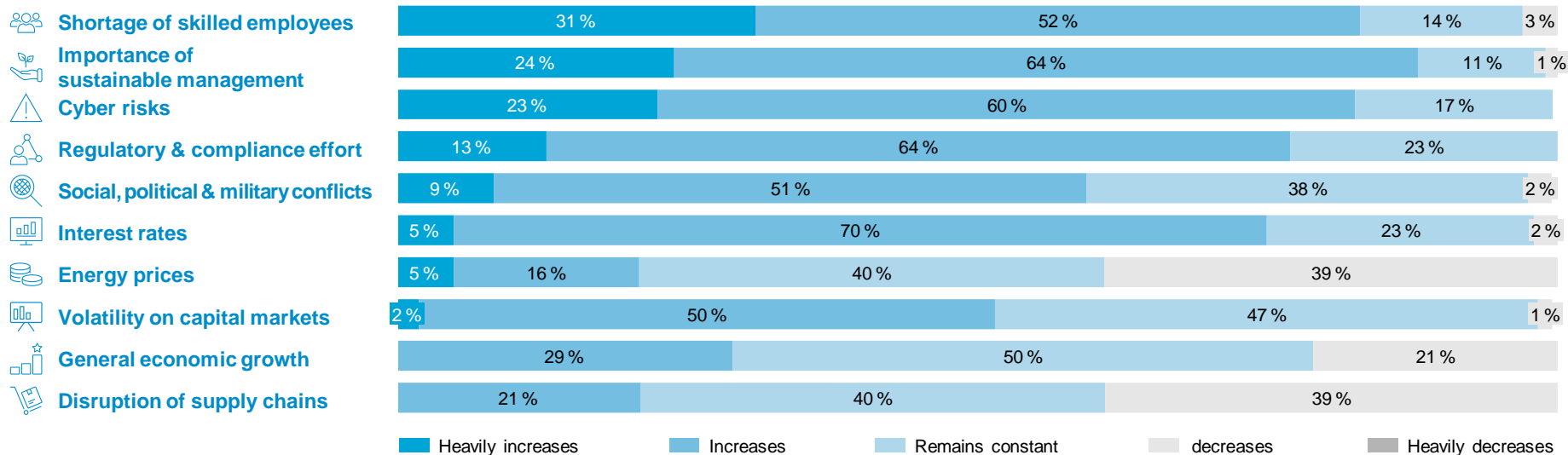
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The macroeconomic environment remains very challenging from a CFO's point of view...

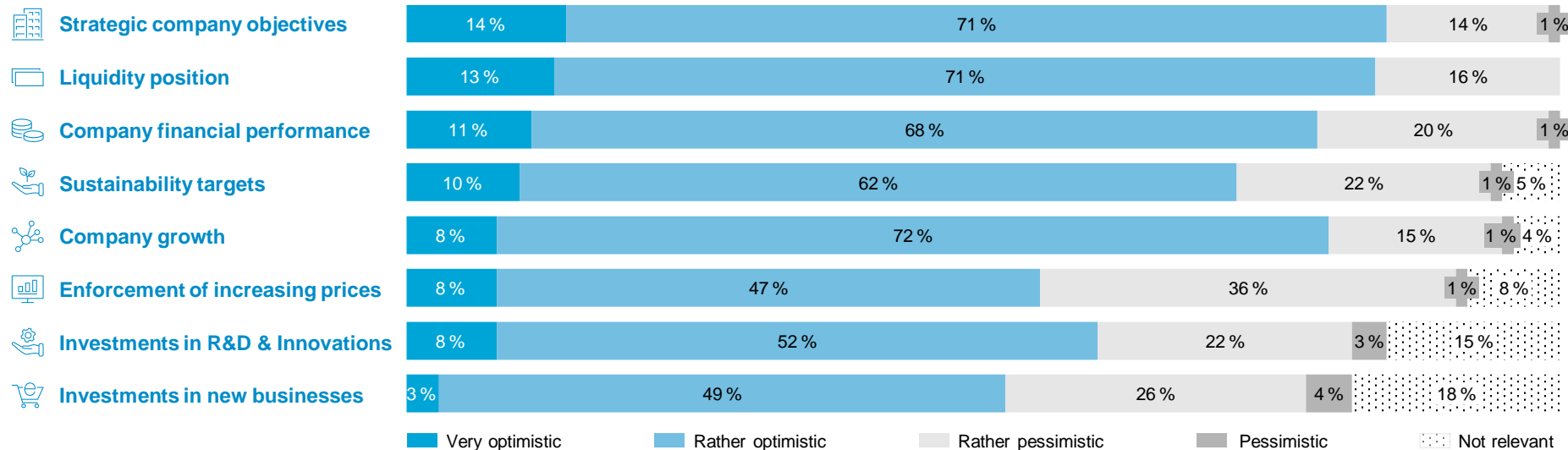
Economic outlook | Data in percent (Rating scale)



What challenges do you expect to increase / decrease within the upcoming year 2023?

...but the company specific outlook concerning strategic goals and ambitions is generally positive

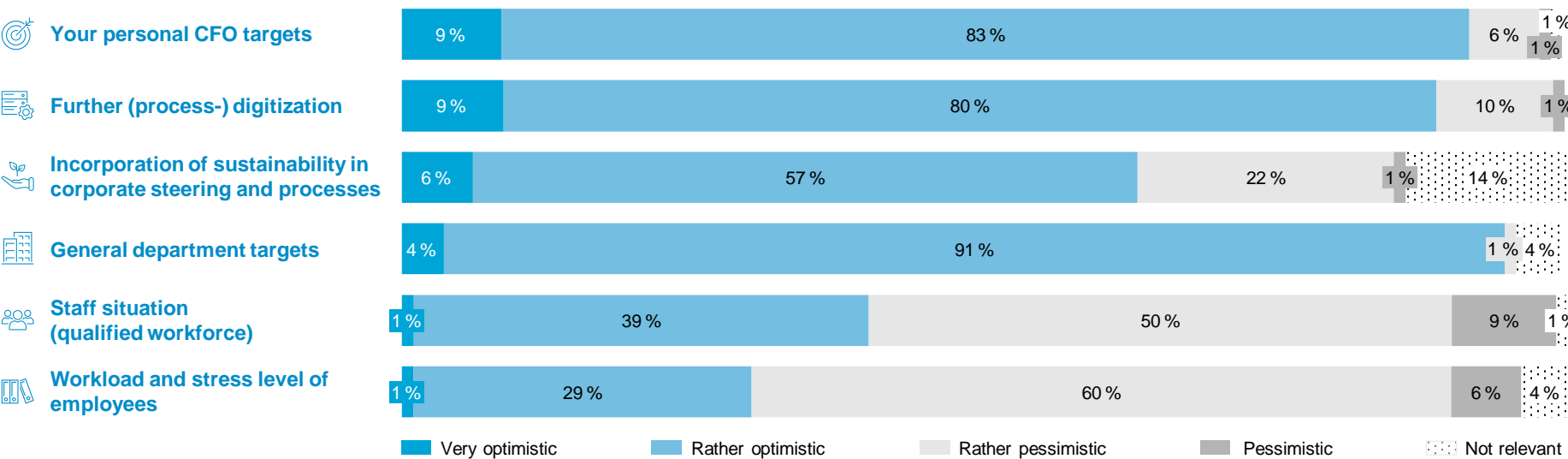
Business outlook: Company | Data in percent (Rating scale)



What is your expectation regarding the following target dimensions in your company?

Finance organizations are rather confident to meet their targets – personnel situation is still tense

Business outlook: Finance department | Data in percent (Rating scale)



What is your expectation regarding the following target dimensions in your Finance department?

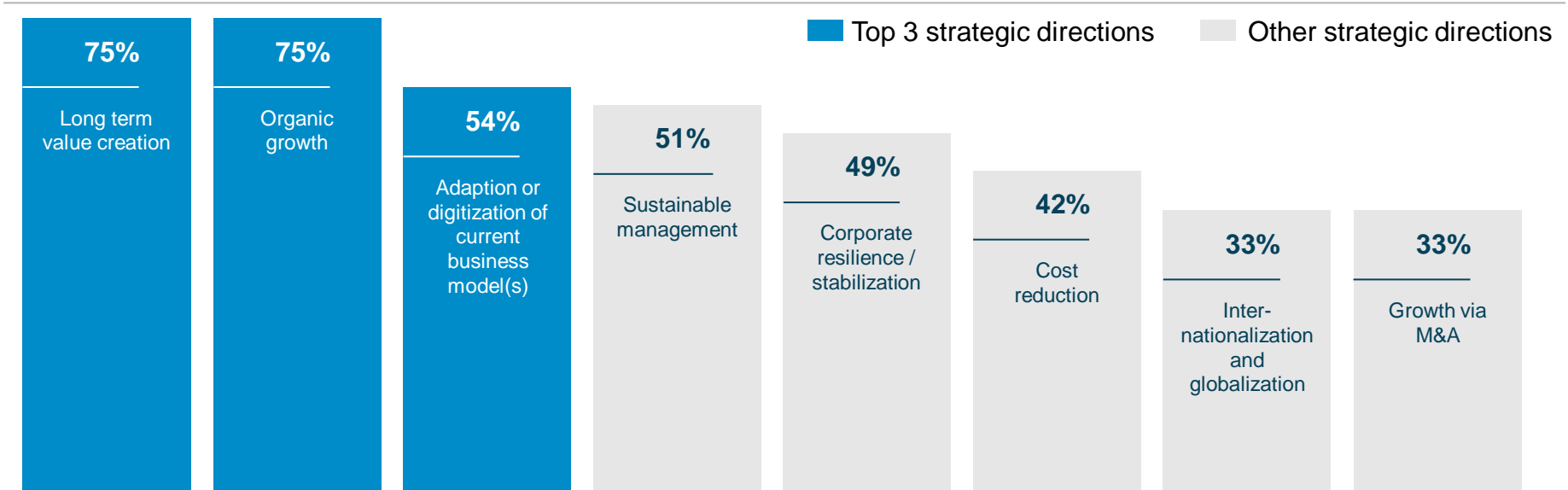
A high-angle, blurred photograph of a large crowd of people walking in a public space, overlaid with a semi-transparent blue filter. The image is used as a background for the slide.

The “war for talents” will continue to leave its mark on the Finance department.

Despite the overall optimistic expectation of achieving company and individual targets, the “war for talents” continues to be the major pain point in a challenging economic environment. More than 50% of the CFOs are pessimistic about their future workforce.

Long term value creation, organic growth and digitization of business models are the three top strategic directions

Main strategic directions | Data in percent (Multiple choice)



What is the main strategic direction of your company?

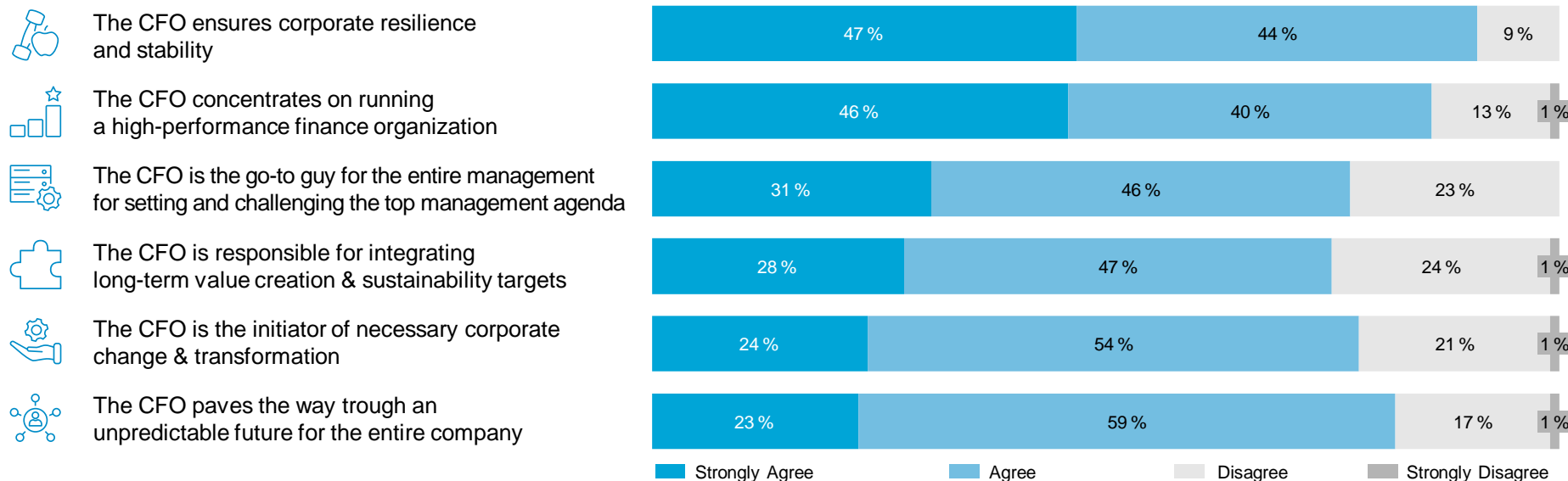
A blue-tinted background image featuring chess pieces. A white king piece is prominent in the upper left, and a black king piece is in the lower right. The text is overlaid on this background.

CFOs clearly commit to long term value creation goals and are eager to grow organically.

The strategic direction is clear: Sustainable value creation in the long term, growing through own capabilities and strengths, as well as building resilience and stability against external influences is the chosen way for companies to focus their business in the upcoming years.

CFOs are taking more and more responsibility beyond pure financial steering

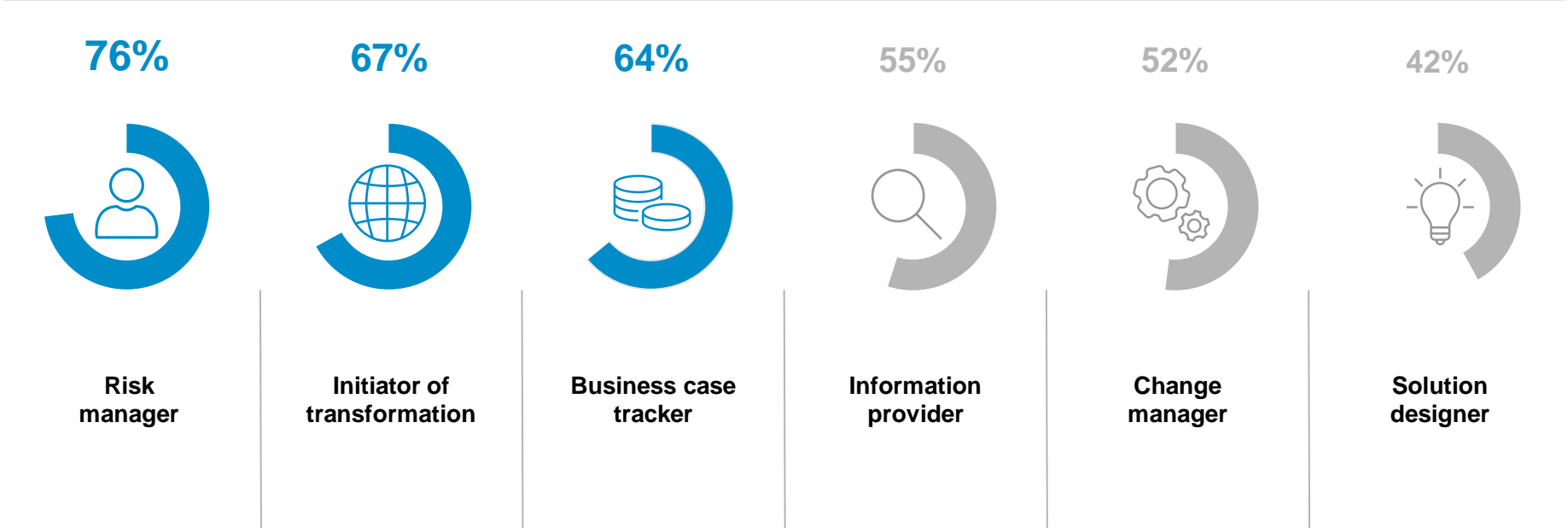
Evaluation of statements regarding the responsibilities of CFOs | Data in percent (Rating scale)



How do you evaluate these statements concerning the responsibilities of CFOs?

In corporate transformations CFOs take over the role as risk manager, initiator and business case tracker

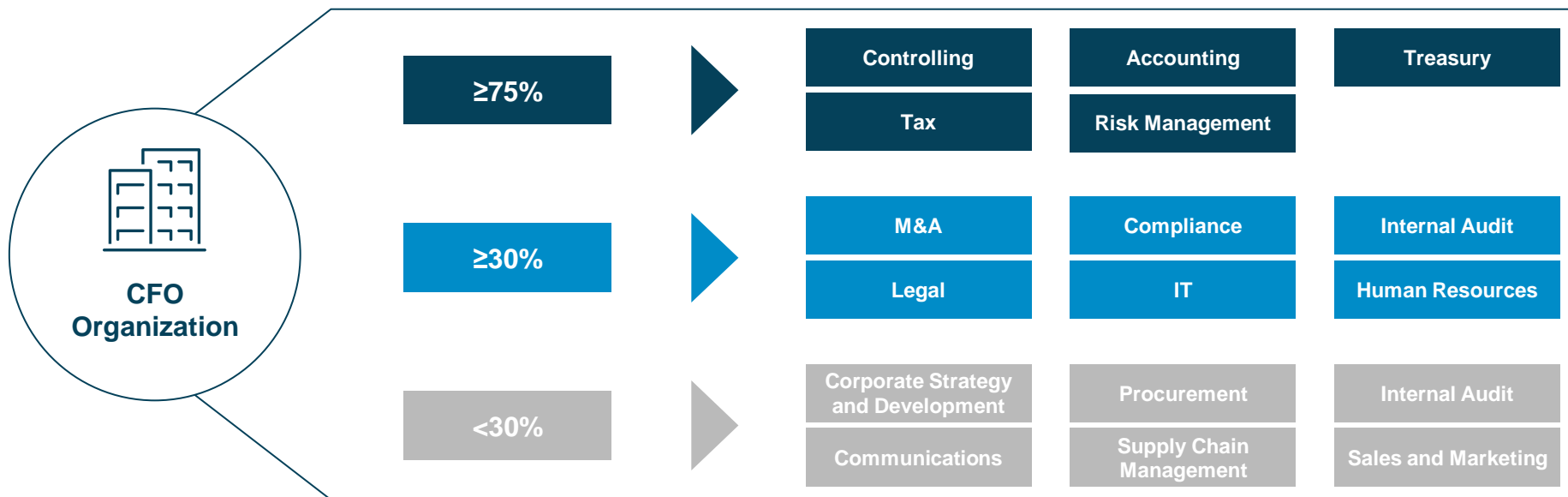
Role understanding of CFOs regarding transformation initiatives | Data in percent (Multiple Choice)



What is your role understanding concerning transformation initiatives?

The functional responsibilities of CFOs are increasing – integration focus lies on further indirect functions such as IT

Functions belonging to the CFO area | Data in percent (Multiple choice)



What functions belong to your CFO area?



The CFOs' future role is substantiated by steady increase of responsibilities beyond Finance activities.

CFOs become more and more the go-to-guy for the top management as they influence the topics for the top management agenda. Next to initiating transformations, CFOs have a strong focus on risk management and business case tracking. Considered as thought leader and indispensable business partner, they guide discussions and decisions towards the crucial topics of the company. A broad-based, competent financial organization builds the base that is constantly being functionally expanded.

Most CFOs are pursuing an evolutionary strategy in which they drive transformation holistically and step by step

Preferred and followed transformation approach | Data in percent (Single choice)



37%



Evolution

Holistic transformation (processes, organization, IT/data and employees) in small steps



29%



"Use Case"-Focus

Continued rollout of individual improvement activities and scaling of existing, isolated use cases



27%



Revolution

Holistic transformation (processes, organization, IT/data and employees) derived from a visionary target picture



7%



Technology Focus

Priority focus on the further development of the IT landscape and data models

Which transformation approach do you prefer and follow in your company?

CFOs prefer fast and pragmatic solutions with the later option for minor improvements

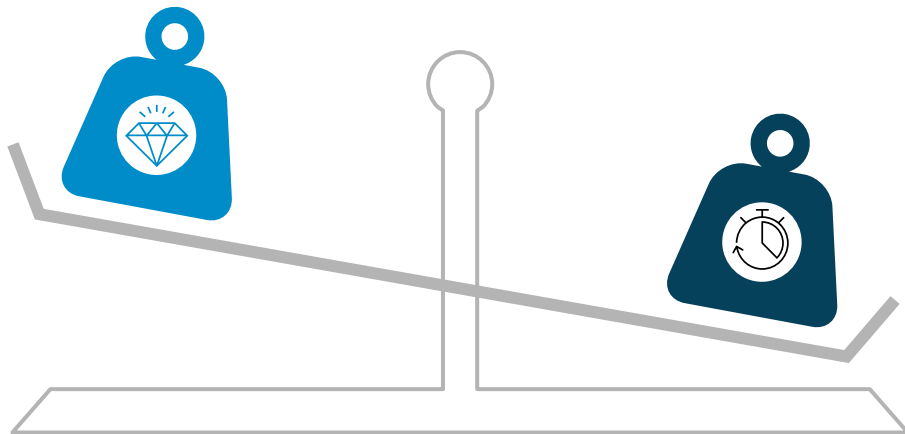
Importance regarding transformation measures | Data in percent (Single choice)

29%

Aiming on **time-intensive** implementation measures to achieve **high quality** state-of-the-art solutions

Being **fast** by implementing **pragmatic** solutions which properly function but still have minor room for later improvements

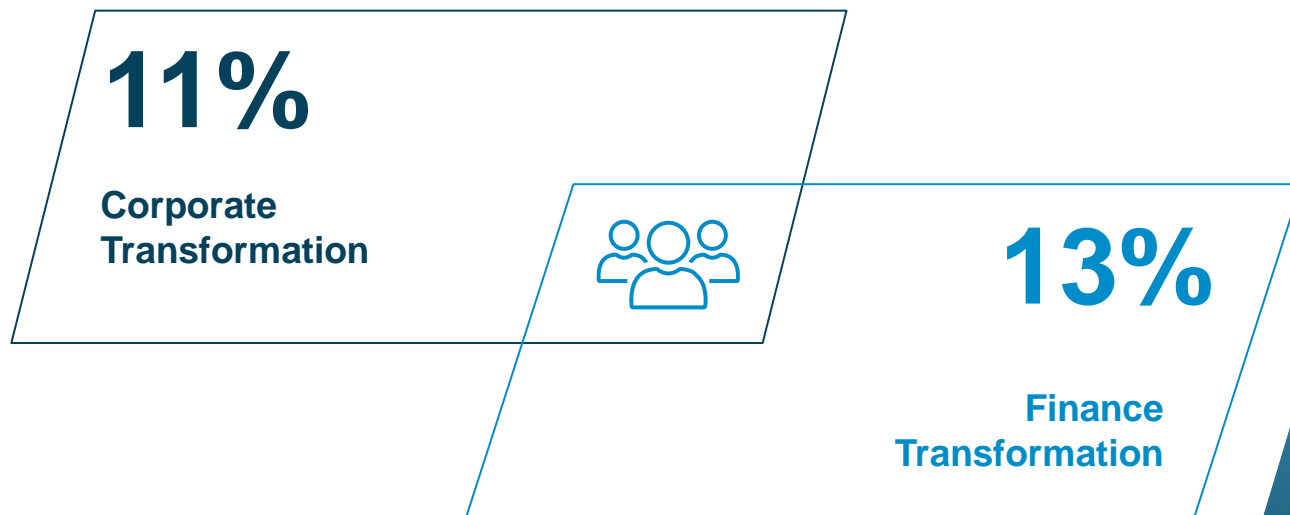
71%



Regarding the implementation of transformation measures - What is more important to you?

CFOs support both - Finance and corporate transformations

Allocation of FTE in the CFO area for transformation initiatives | Data in percent (Input)



How much resources are your allocating on transformation initiatives?

The high transformation pressure is actively addressed by an evolutionary change in Finance and for the company.

CFOs have prepared for further transformation initiatives. Fast and pragmatic implementation of measures based on a holistic but step-wise transformation approach will provide the key direction for the near future. For that matter, there are willing to contribute resources, emphasizing their commitment to shape and safeguard the corporate future.

Horváth CFO-Study 2023 III:

The most important insights at a glance

Despite a **challenging macroeconomic** outlook, CFOs evaluate their **business outlook** generally **positive**. Only the “**war for talents**” will continue to temper expectations, with over half of the participants being **pessimistic** about securing the **right workforce**.

CFOs have a clear **strategic direction** for their companies: Creating **sustainable value** in the long term, growing through **own capabilities and strengths**, as well as building **resilience and stability** against external influences.

CFOs are taking more and more **responsibility in a corporate context** beyond pure financial steering. As a consequence, their **functional responsibilities** are increasing; especially regarding indirect functions.

CFOs are prepared for further **transformation initiatives**. Fast and pragmatic implementation of measures based on a holistic but step-wise transformation approach will provide the key direction for the near future, **resources** are being allocated to **drive transformation measures**.

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The Horváth CFO-Panel – A fully comprehensive information platform for finance executives

Conferences and meetings



Our annual CFO-panel meetings promote interactive exchange between panel members



As an open networking and trend platform for CFOs, the conference presents cutting-edge questions, solutions and best practices in the field of finance excellence

Benchmarking



Profound location determination over the entire processes of the performance analysis



Process mapping based on the CFO-Panel standard process model



Detailed data collection and peer group evaluations

CFO-Panel

CFO-Study



Annual overview of challenges and trends in the CFO area and corresponding measures



Horváth at a glance

Values

Entrepreneurship, Competence, Innovation, Openness and Trust

Offices

Abu Dhabi | Atlanta | Berlin | Budapest | Bucharest | Chicago | Copenhagen | Dubai | Düsseldorf | Frankfurt | Hamburg | Milan | Munich | Riyadh | Rome | Stuttgart | Vienna | Zurich

Global Delivery Competence

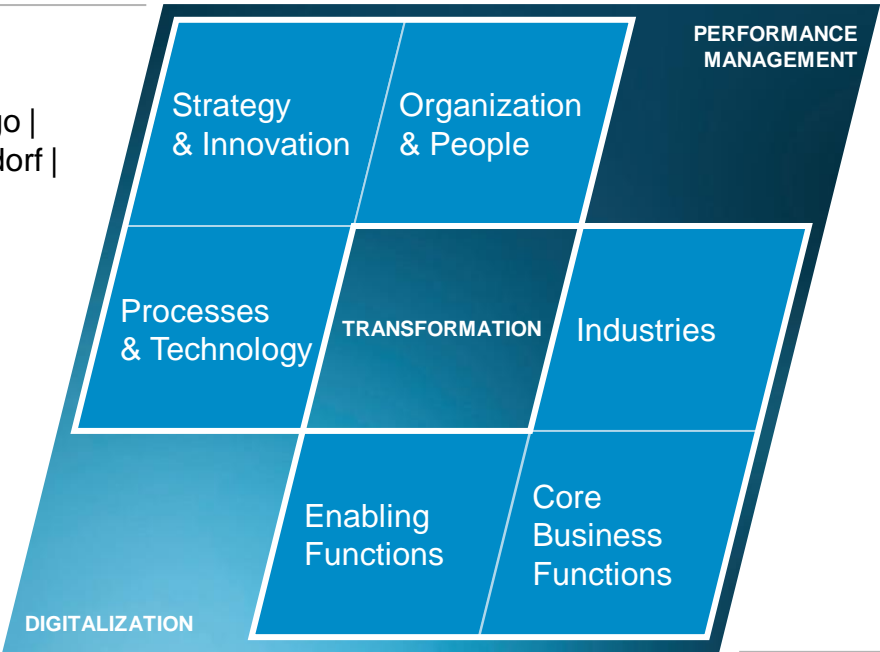
Cordence Worldwide Alliance with 3,500+ consultants

Employees

1,200+

Mission

Eager to support our clients in transforming their organizations to become unbeatable in a changing world – leveraging our DNA in performance management



Industry Expertise

Automotive | Aviation | Banking & Financial Institutions | Building & Construction | Chemicals | Consumer Electronics & High Tech | Consumer Goods | Health Care | Industrial Services | Industrial Goods & Machine Industry | Insurance | Life Science | Logistics | Media | Medical Devices & Technology | Metals & Mining | Oil & Gas | Paper & Packaging | Public Sector | Rail | Retail | Telecommunication | Travel | Utilities

How the market sees us

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Expertise

Strategy/Organization development, Marketing/Sales, Procurement/SCM, Compliance/Risk Management

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Manufacturing & Operations

1st place

Detailed project evaluation

2022, 2019, 2018, 2015, 2014, 2013, 2012, 2010

World's Best Management Consulting Firms



Ranking

Analysis of numerous recommendations from consultants and clients of consulting firms – conducted by statista

