CFO Survival Checklist
How You Can Keep Pace with Frontier Firms

Uncover five ways *CFOs can prepare their firms to compete with industry and global leaders.*

Did you know that the top 5% of companies in most industries not only set the pace for productivity, but also for profitability?[1] These "frontier firms" are creating a productivity gap that continues to widen, threatening to restructure the balance of economic power as we know it.

It is a trend CFOs need to address if they want their organizations to not only survive but thrive in the future. New research commissioned by Oracle shows that cloud services can help close this productivity gap—and thus improve an organization's profitability and market leadership.

How would this happen?

Cloud services make advanced technologies and industry best practices accessible to all companies, helping them stay competitive and abreast of changing market demands. The research also shows that CFOs and their finance teams are best positioned to champion the adoption of cloud services, given their role as business strategists and their oversight of technology investments in emerging areas such as blockchain, artificial intelligence, and intelligent automation.

1 Andrews, D., Criscuolo C., and Gal P.N., "The Best versus the Rest: The Global Productivity Slowdown, Divergence across Firms and the Role of Public Policy," OECD Productivity Working Papers, 2016-05.

ORACLE®

"By implementing a broad array of cloud services, digital technologies, and industry best practices, CFOs can help their enterprises keep pace with industry and global leaders, not just today but in the future," states the Oracle-commissioned report *Intelligent Finance: How CFOs Can Lead the Coming Productivity Boom.*

The report spotlights seven organizations that illustrate how cloud services are making businesses more competitive. Here are five best practices from the report based on the experiences of those organizations, as well as on independent research. Together, they form a checklist for what CFOs should be doing today to prepare for tomorrow.

ACTION Use cloud services to close the gap with frontier firms.

Cloud services enable organizations to close the productivity gap with frontier firms — industry leaders using technology and talent to outpace the competition. As a result, enterprises that shift to cloud services can get a sustained gain in productivity rather than a one-time bump.

"We are talking about our ability to compete, our ability to stay relevant," explains Frank Sorrentino, CEO of regional financial services provider ConnectOne Bank. "We've been given a much larger lease on life due to our ability to use cloud technology to be able to compete with the largest of competitors and the most innovative of competitors."

One of the key findings in the *Intelligent Finance* report is that cloud services could add $2 trillion to US GDP over the next decade if adopted by sectors with comparatively low productivity — and that's a conservative estimate.

Some of this productivity boost would come from well-known cloud benefits, such as efficiency and cost reductions gleaned from a lower IT resource commitment. More significantly, though, cloud services enable any organization to adopt industry best practices as well as groundbreaking emerging technologies that can build long-term competitive advantage. These technologies include blockchain, artificial intelligence, machine learning, predictive analytics, chatbots, and other innovations that accelerate digital transformation.

Cloud services can add $2 trillion to US GDP over the next decade.

ACTION

Use cloud services to radically improve the productivity of the finance function.

Cloud services accelerate the diffusion of new best practices that are emerging around these "digital accelerator" technologies, which, from an operational point of view, fall squarely into the charter of the finance function. For example, CFOs have access to ERP data, which can become more valuable when used to drive data analysis and machine learning applications within finance or in other functions.

In the era of cloud, it is important for CFOs to consider best practices as a well-organized and continually upgraded technology toolbox with tools that help finance teams run more effectively and efficiently, and that provide integrations into emerging technologies like predictive analytics and blockchain.

This shared toolbox also makes it easier to disseminate standardized best practices—something that normally requires abundant training resources. Today, cloud services can automate much of this effort, so productivity improvements are easier and faster.

One example is Carbon, an Oracle customer that manufactures and services 3D printing systems. The company was able to reduce its monthly close rate from about 28 days to 7 days after consolidating 20-plus unconnected business systems into a single, integrated cloud platform—a changeover that happened in just six months.

"We're standardizing the accounting processes and finance processes across the organization. The technology itself and the improvement in process will, without question, improve the efficiency within my group. 'Dramatically' would be a word that I would use."

Shannon Castellanos, Vice President of Finance, The Wonderful Company

ACTION

Use cloud services to gain access to best practices across all industries.

Cloud services allow for the cross-pollination of best practices from high-productivity to low-productivity organizations, allowing higher education or healthcare institutions, for example, to adopt modern techniques to improve the student or patient experience.

Case in point: Shawnee State is using cloud services to apply corporate-type marketing concepts to the higher education environment to improve its application process for students.

"If we take cutting-edge business as our benchmark, the government agency I worked with was 5 to 10 years behind their best practices. By contrast, universities are about 150 years behind," notes Rick Kurtz, president of Shawnee State University.

"The speed in which you can implement and drive best practices, right out of the box, was amazing. That change adoption happens immediately. We were going to spend, like, $600,000 on change adoption. We ended up spending next to nothing."

Michael Sheils, former Vice President, Corporate Shared Services, Blue Shield of California

Under Kurtz, Shawnee State has undertaken a multiyear project of implementing cloud services to modernize and improve the efficiency of the university's back offices; to better identify and track prospective students, as part of the admissions process, and identify their best career pathways; and to track the academic and financial progress of current students, to make sure they graduate on time.

Using cloud services to power its operations, Shawnee State was able to shave off about $900,000 in wage and benefit costs over the past year. And the gains don't stop there. Adds Kurtz, "When you go into a cloud platform like this, that's an enormous savings that we're going to garner year after year because, from the standpoint of our IT people, it frees them up to do these other things we really need them doing, particularly on the client-service side of the equation."

ACTION Leverage the power of integrated cloud services to increase agility and responsiveness.

Cloud services enable prepared companies to be more competitive, nimble, and responsive — key attributes that help bridge the productivity gap and allow businesses to match the pace of frontier firms. Organizations that are more agile and responsive are better able to capitalize on growth opportunities and respond to market changes.

Retailer The Wonderful Company is moving all its healthy food and beverage companies to a single ERP cloud platform, replacing multiple legacy, siloed platforms that grew as the result of acquisitions. This shift to cloud ERP should pay big dividends in the ability to monitor what's going on across the company.

Says Richard Scheitler, CIO of The Wonderful Company, "Setting up the environment and the business model to be able to more easily absorb acquisitions going forward was definitely one of our objectives." Another key benefit: Integrated cloud services make it easier to aggregate purchases across the company to get better deals.

Finally, over a longer period, cloud services will allow The Wonderful Company to be better able to keep up with the leaders. "Once we get everybody migrated to a common, modern platform, I think that we are going to see a tremendous push toward more advanced uses of technology," concludes Scheitler.

"It seems like it would be a fairly simple task to be able to tell the CEO how many dollars' worth of something we sell to a customer. But when you have six, seven different ERPs, being able to do that simple reporting requires a Herculean effort."

Richard Scheitler, CIO, The Wonderful Company

ACTION   **Don't wait to get started. It's easier than you think.**

The research found that most CFOs and other executives said their cloud deployments were easier than anticipated. In the case of Blue Shield of California, shifting to the cloud took about six to seven months versus the more typical year to a year-and-a-half with an on-premises implementation.

"The speed in which you can implement and drive best practices, right out of the box, was amazing," says Michael Sheils, former vice president, corporate shared services. "That change adoption happens immediately. We were going to spend, like, $600,000 on change adoption. We ended up spending next to nothing."

This speed of implementation — and, in turn, the speed at which organizations can apply best practices — is one of the things that makes cloud services a potentially powerful equalizer for low-productivity industries and organizations. Consequently, cloud services providers are key to making this happen because they enable the use of differentiating technologies such as blockchain and artificial intelligence, as well as the infrastructure needed for quickly adopting them.

For Blue Shield of California, shifting to the cloud took months versus the more typical year to a year-and-a-half with an on-premises implementation.

For more actionable insight and case studies focused on how to keep pace with frontier firms, download the research report, _Intelligent Finance: How CFOs Can Lead the Coming Productivity Boom_, authored by Dr. Michael Mandel, senior fellow at the Mack Institute for Innovation Management at the Wharton School. In it, you'll learn how CFOs can harness cloud-enabled emerging technologies and best practices to accelerate the next wave of growth and productivity.

Read the Research →

ORACLE®