



In partnership with



Finance Superheroes leverage the OneEcosystem mindset to vault ahead of the competition

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Executive summary (page 1 of 2)

Nearly 90% of finance executives agree that driving growth for the enterprise is the *raison d'être* for the modern finance function beyond cost reduction and compliance. Yet, our research reveals that only 12% of finance organizations have realized their ambitions around cost, control, business outcomes, and influence. What are these finance Superheroes doing differently?

To find out, HFS Research, in partnership with Cognizant, surveyed 411 senior finance leaders across the Global 2000. Our study reveals that a "OneEcosystem" mindset shapes finance Superheroes.

HFS defines the OneEcosystem as a mindset where connected customer, employee, and partner experiences create new thresholds of value.

Finance Superheroes need to defeat internal organizational silos to become more tightly integrated with procurement, supply chain, CRM, and enterprise performance planning. They need to slay legacy technology and embrace new technologies. Superheroes invest in building future-ready skillsets internally and leveraging a network of external partners. And they use data as their superpower.

Key findings

01

While the promise of digital-led finance transformation is real, nearly 80% of finance and accounting (F&A) organizations have struggled to fully embrace and embed emerging technologies within core processes.

02

A lack of data quality, a lack of proper skills, and cultural inertia are the top three inhibitors for finance organizations.

03

There is dissonance between C-level finance executives and middle management. C-level executives blame their organization's reticence for changing as the #1 challenge, while middle management blames the lack of C-level support as an inhibitor.

04

Less than 20% of finance organizations have been able to scale up investments in emerging technologies such as RPA (robotic process automation), ML (machine learning), process mining, and digital assistants; the exception is analytics, which approximately 65% of organizations are implementing at scale.

Executive summary (page 2 of 2)

Nearly 90% of finance executives want to be enablers for enterprise growth beyond cost reduction and compliance but only 12% of finance organizations emerge as Superheroes

We segmented the 411 respondents into three categories:

1. **Superheroes** were top-quartile performers with a score of 4-5 across all four dimensions on a scale of 1-5. They have low operational costs and robust compliance; they also drive strong business impact (e.g., working capital, Daily Sales Outstanding) and play the crucial role of a strategic business adviser to drive growth for the enterprise.
2. **Sidekicks** aspire to be Superheroes but have middling scores across all assessment dimensions.
3. **The Aspirants** were bottom-quartile performers with below-average scores across all dimensions. The Aspirants have bold ambitions but are still searching for ways to drive down costs and create a business impact.

Superheroes are relatively more successful in finding new sources of value for their enterprises:

Nearly 40% of Superheroes have real-time analytics and artificial intelligence (AI) enabling proactive decision-making, compared to only 22% of Aspirants.

More than 20% of Superheroes have achieved a near-zero cycle time with fully automated or touchless transactional F&A processes, compared to only 8% of Aspirants.

More than 20% of Superheroes can drive continuous accounting (with no lag in closing books), compared to 10% of Aspirants.

Superheroes think of the ecosystem when transforming finance

A Superhero's ecosystem mindset has four distinct attributes:

1. **Defeating silos.** Thirty-six percent (36%) of Superheroes take a holistic view of finance transformation, compared to 16% of Aspirants. Superheroes are more tightly integrated with procurement, supply chain, customer relationship management (CRM), and enterprise performance planning.
2. **Slaying legacy dragons.** Superheroes are "cloudifying" F&A rapidly and embracing new technologies such as big data, RPA, intelligent document processing (IDP), and process mining faster than Aspirants.
3. **Investing in people.** Talent management emerges as the #1 ranked critical finance initiative for Superheroes. Superheroes also leverage third-party business services more extensively.
4. **Using data as a superpower.** Seventy-five percent (75%) of Superheroes rely heavily on data and insights to make strategic decisions, compared to 60% of Aspirants.

Technology will save us from drowning in the transaction processing trenches... right? WRONG!

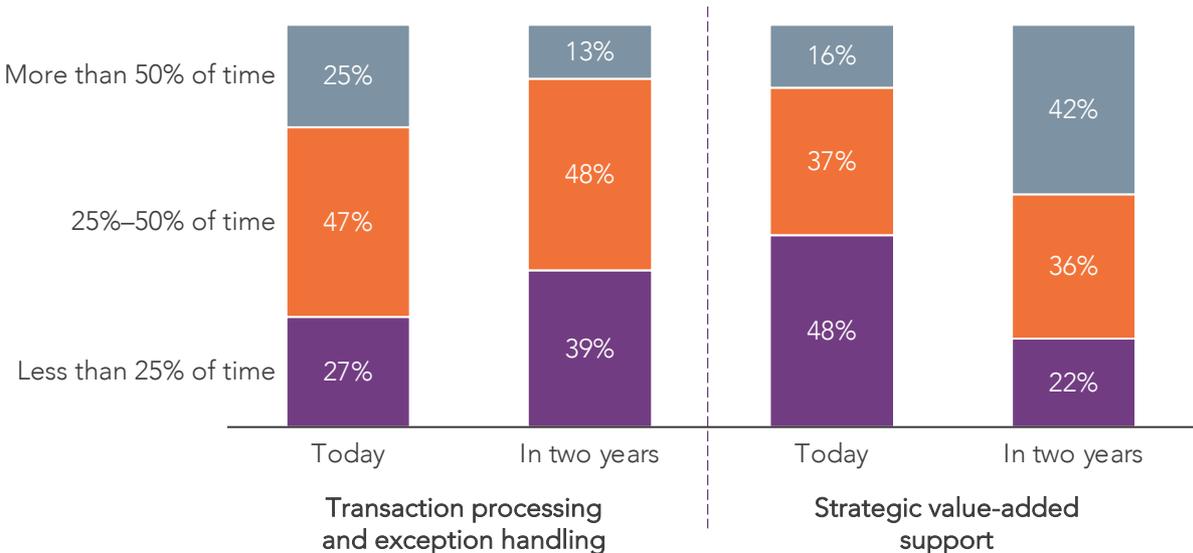
While the promise of digital-led finance transformation is real, nearly 80% of F&A organizations still need to embrace and fully embed emerging technologies within core processes.

Nearly 90% of finance executives agree that driving growth for the enterprise is the raison d'être for the modern finance function beyond cost reduction and compliance. The shift is clear and present: toward strategy design and away from the age-old exceptions and transactions processing role that the F&A organizations typically perform.

Only 16% of finance executives in Exhibit 1 spend 50% or more on strategic finance activities. They spend the most time on mundane transaction processing or exception handling. This workload imbalance needs to change dramatically over the next two years. How can finance leaders free their employees to focus on providing strategic insights that drive business growth?

Exhibit 1: The finance workload imbalance

How would you classify the percentage of time spent today by your finance workforce, and how do you expect it to change in the next two years?
% respondents



Sample: 411 senior finance executives across Global 2000 enterprises
Source: HFS Research in partnership with Cognizant, 2022

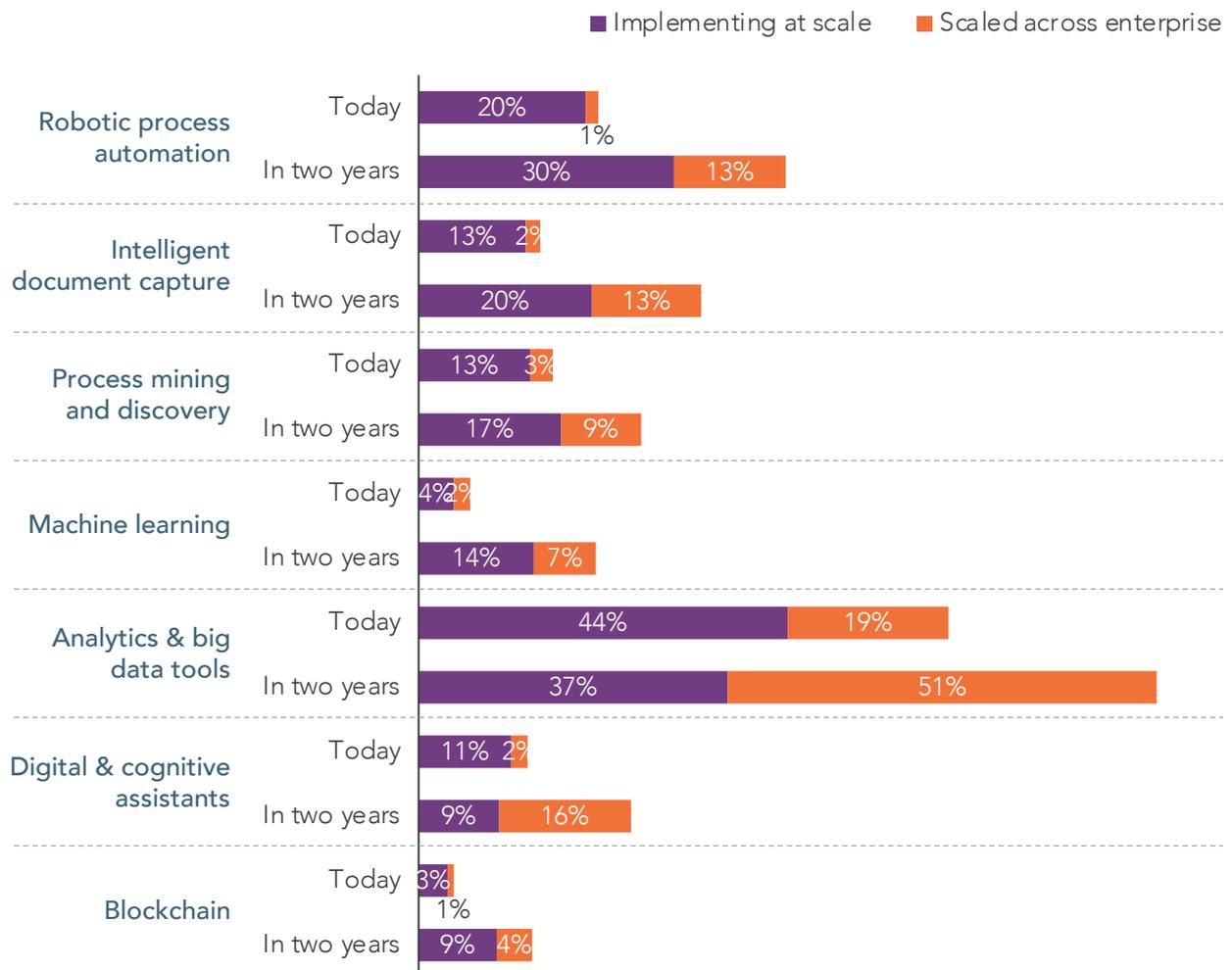
Over the past few decades, we have been on a journey to operate faster and more digitally and to move data up and down process chains more effectively. While more than 75% of finance executives believe that the digital transformation of finance is necessary for survival, only 20% have been able to fully embrace and embed emerging technologies within core finance processes.

scale is well below 20% in Exhibit 2. There is a realization and urgency to move toward a technology-intensive, digital-focused F&A setup, prompting more firms to ramp up their investments. Still, there is also the growing realization that simply throwing more money and resources at technology will not address fundamental issues.

Except for analytics, the adoption of all other emerging technologies (RPA, IDP, process mining and discovery, ML, digital and cognitive assistants, and blockchain) at

Exhibit 2: Less than 20% Finance organizations have been able to scale up investments in most emerging technologies

Adoption of emerging technologies at scale across the enterprise
% respondents



Sample: 411 senior finance executives across Global 2000 enterprises
Source: HFS Research in partnership with Cognizant, 2022

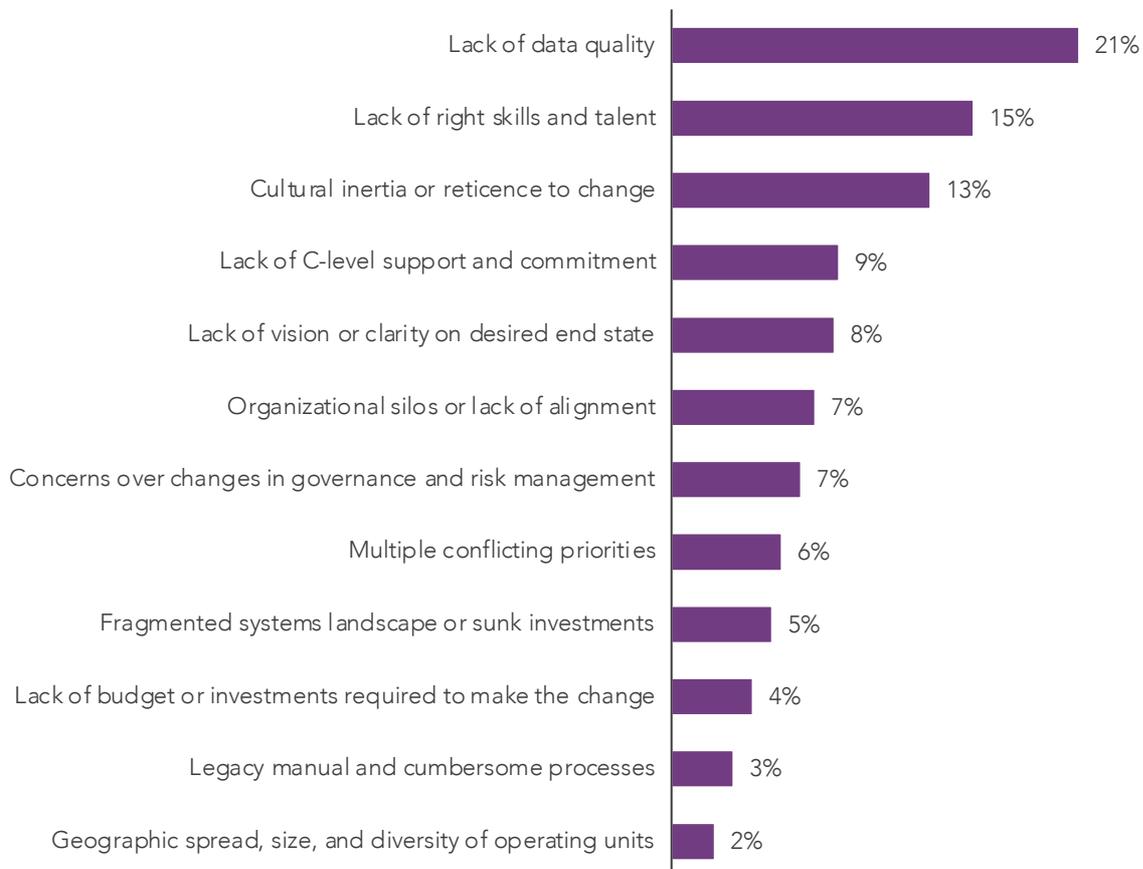
A lack of data quality, a lack of the right skills, and cultural inertia are the top three inhibitors in Exhibit 3 impeding finance organizations' path toward meeting their strategic objectives. Technology is not the problem alone, but focusing on the technology alone is! Digital aims to solve the technology debt.

But what about ballooning people and processing debt? We need to find ways to erase the process debt (the wasteful activities that we continue to do slightly cheaper and somewhat faster) accumulated in every Global 2000 organization. A technology band-aid is not going to erase process debt.

The talent equation also continues to be unresolved. The great resignation manifests decades of ignoring employee experience at the expense of potentially generating a better customer experience. And then, there is the dissonance between the C-level executives and middle management. Twenty-one percent (21%) of C-level executives blame their organization's cultural resistance or inertia to change as the biggest inhibitor, compared to only 10% of middle management executives, who identified the lack of C-level support and commitment as their biggest inhibitor.

Exhibit 3: Lack of data quality, lack of right skills, and cultural inertia are the top 3 inhibitors for finance organizations

What are the biggest inhibitors for your firm in meeting your strategic objectives for finance?
% respondents

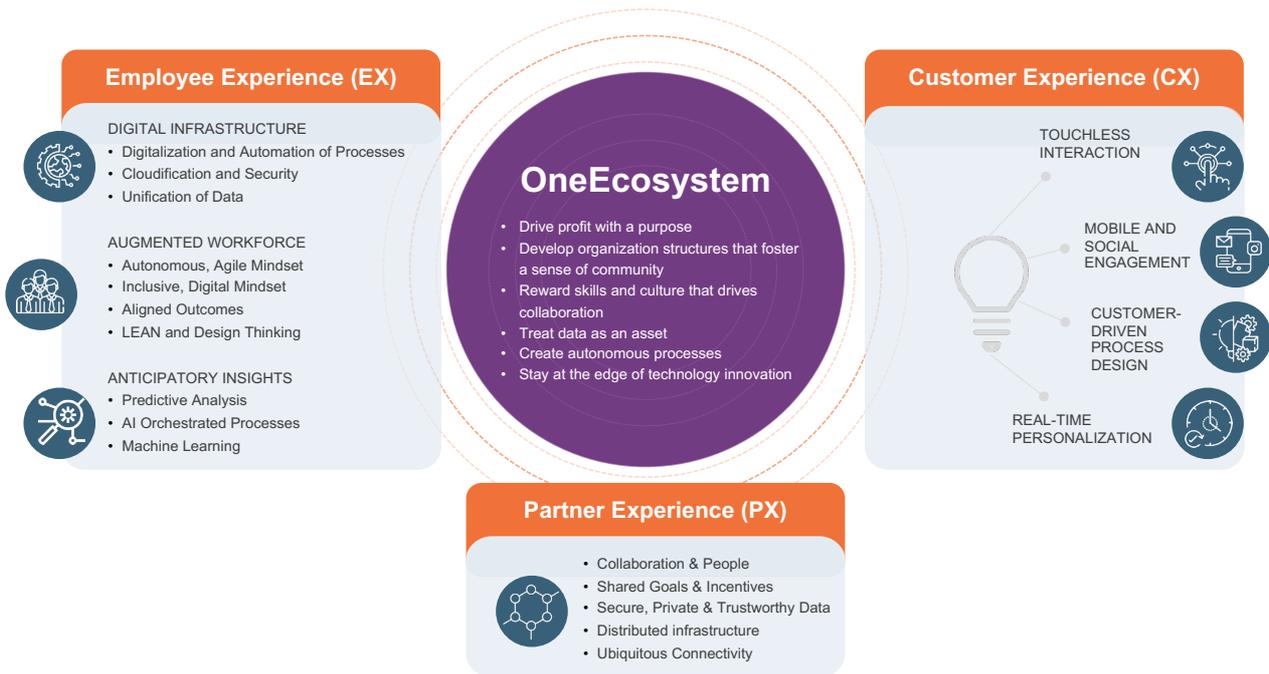


Sample: 411 senior finance executives across Global 2000 enterprises
Source: HFS Research in partnership with Cognizant, 2022

While the digital narrative helps you drive better processes more efficiently and potentially more cost-effectively, it misses fundamental organizational transformation. To realize the expectations from finance in a modern enterprise, finance executives need to look at how they can orchestrate the customer-employee-partner ecosystem. We

must bring equilibrium to the people, process, and technology competency framework and add data and change management to make meaningful progress. HFS calls it the OneEcosystem mindset, shown in Exhibit 4.

Exhibit 4: The OneEcosystem mindset for finance



Source: HFS Research, 2022

Finance Superheroes can drive cost, control, impact, and influence

Despite the ambitious CFO agenda, only 12% of finance organizations emerge as Superheroes.

Based on their F&A performance across four dimensions in Exhibit 5—cost, control, business impact, and influence—we segmented the respondents into three clusters:

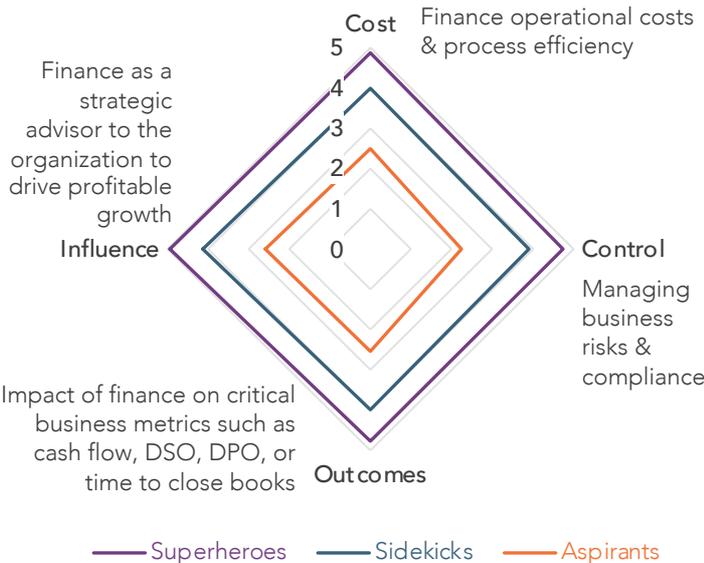
- **Superheroes** were top-quartile performers with a score of 4-5 (on a scale of 1-5) across all four dimensions. Superheroes not only have low operational costs and robust compliance, but they also drive strong

business impact (e.g., working capital and DSO) and play the crucial role of a strategic business adviser to drive growth for the enterprise.

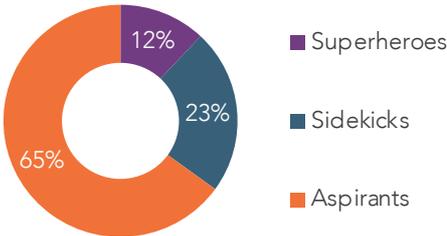
- **Sidekicks** aspire to be Superheroes but have middling scores across all assessment dimensions.
- **Aspirants** were bottom-quartile performers with below-average scores across all dimensions. The Aspirants also have bold ambitions, but they still search for ways to drive down costs and create a business impact.

Exhibit 5: Categorization of finance organizations into Superheroes, Sidekicks, and Aspirants

How would you rate your organization's finance function on the following dimensions on a scale of 1-5, where 1 = Poor and 5 = Excellent?



Percentage of respondents categorized as superheroes, sidekicks, and aspirants



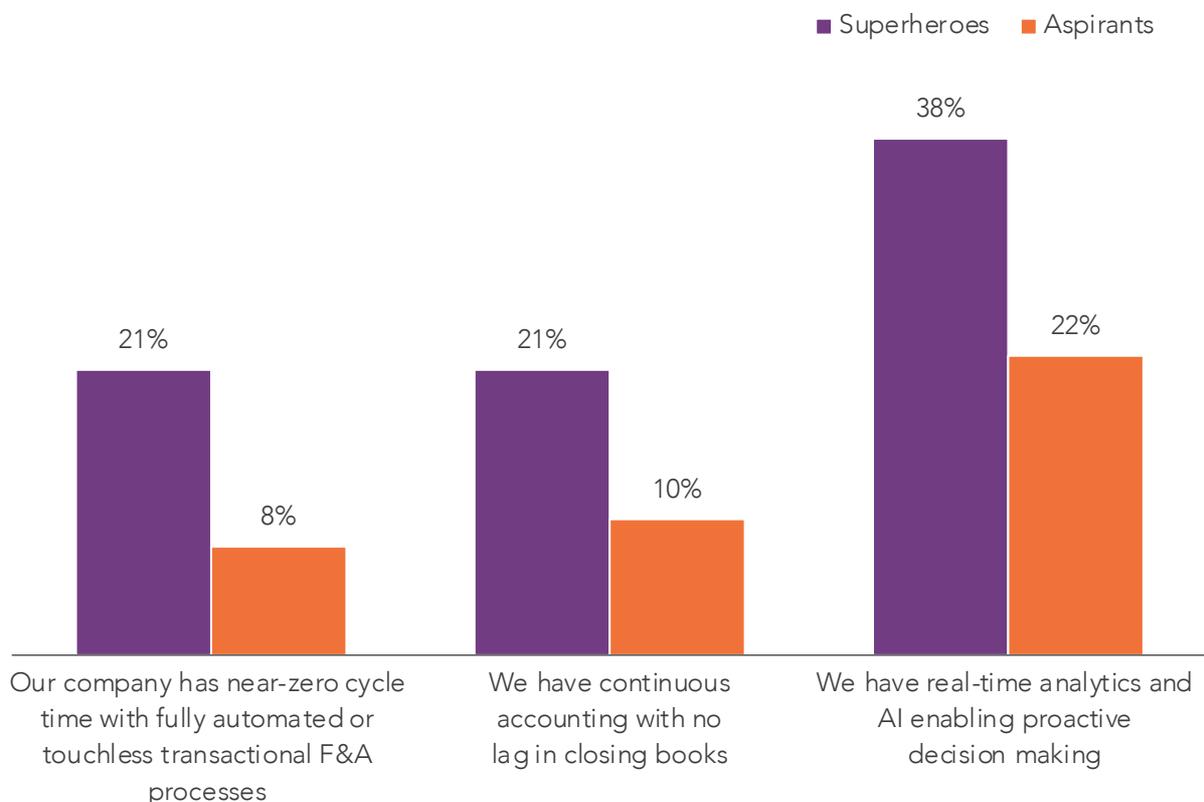
Sample: 411 senior finance executives across Global 2000 enterprises
 Source: HFS Research in partnership with Cognizant, 2022

Our data in Exhibit 6 shows that Superheroes are more successful in finding new sources of value. They have a significantly higher incidence of creating near-zero cycle time with fully automated, almost touchless transactional F&A processes. Superheroes (compared to

Aspirants) can close their books faster. One in five Superheroes claims to have continuous accounting with almost no lag in closing books. Most importantly, Superheroes have used the power of data to make proactive decisions with real-time analytics and AI.

Exhibit 6: Superheroes are relatively more successful in finding new sources of value

What is your organization's current status with respect to the following finance functions?
% respondents answering "already reached"



Sample: 411 senior finance executives across Global 2000 enterprises
Source: HFS Research in partnership with Cognizant, 2022

Superheroes think of ecosystems when transforming finance

What do the 12%, the finance Superheroes, do differently that helps them find new sources of value creation?

Superheroes approach finance transformation with an ecosystem mindset by defeating internal silos, slaying legacy dragons, investing in talent, and using data as their superpower.

Defeating organizational silos

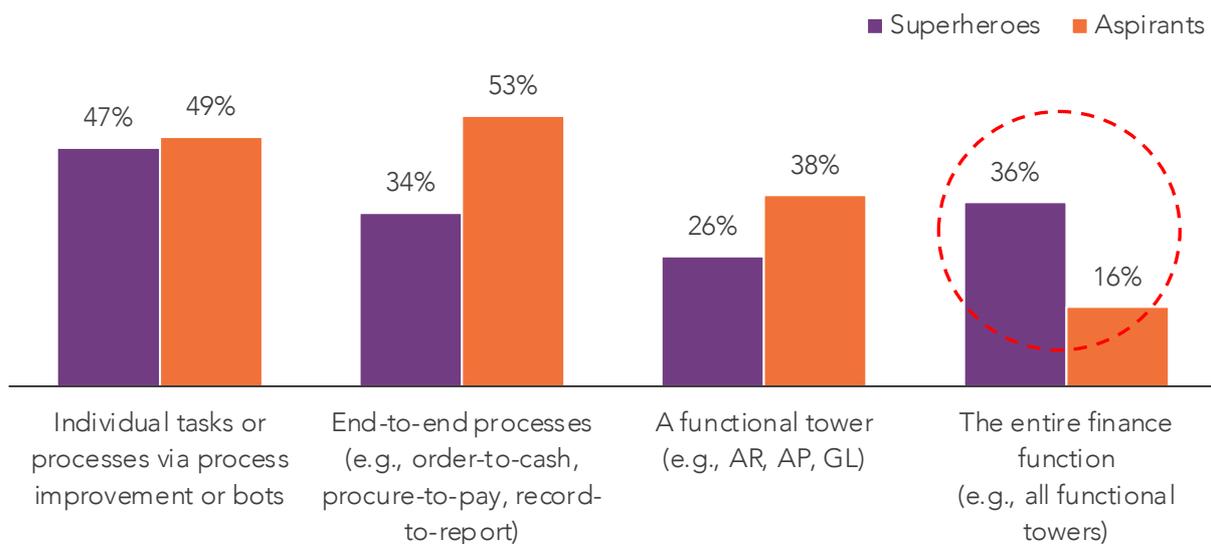
Compared to Aspirants, Superheroes take a more holistic view of the finance transformation, spanning the entire function, versus a more siloed task-focused view, such as accounts payable, accounts receivable, or general ledger, or even a process-focused view, such as order-to-cash, procure-to-pay, or record-to-report.

While finance organizations have made significant progress in functional transformation, functional organizations continue to leak value where they intersect.

We must look at our finance enterprise as a whole, as do the Superheroes in Exhibit 7—not in silos. Focusing on the entire function rather than pillars and processes helps determine how the finance function’s teams, tools, and processes align with a company’s strategic goals, and it helps supplement the ongoing effort to optimize each pillar to support those goals more effectively. Aspirants, however, focus more on individual tasks and processes, resulting in a transformation that occurs in small pockets at a much slower pace.

Exhibit 7: Superheroes take a holistic view of finance transformation

What is the scope of your finance transformation initiative(s)?



Sample: 411 senior finance executives across Global 2000 enterprises
 Source: HFS Research in partnership with Cognizant, 2022

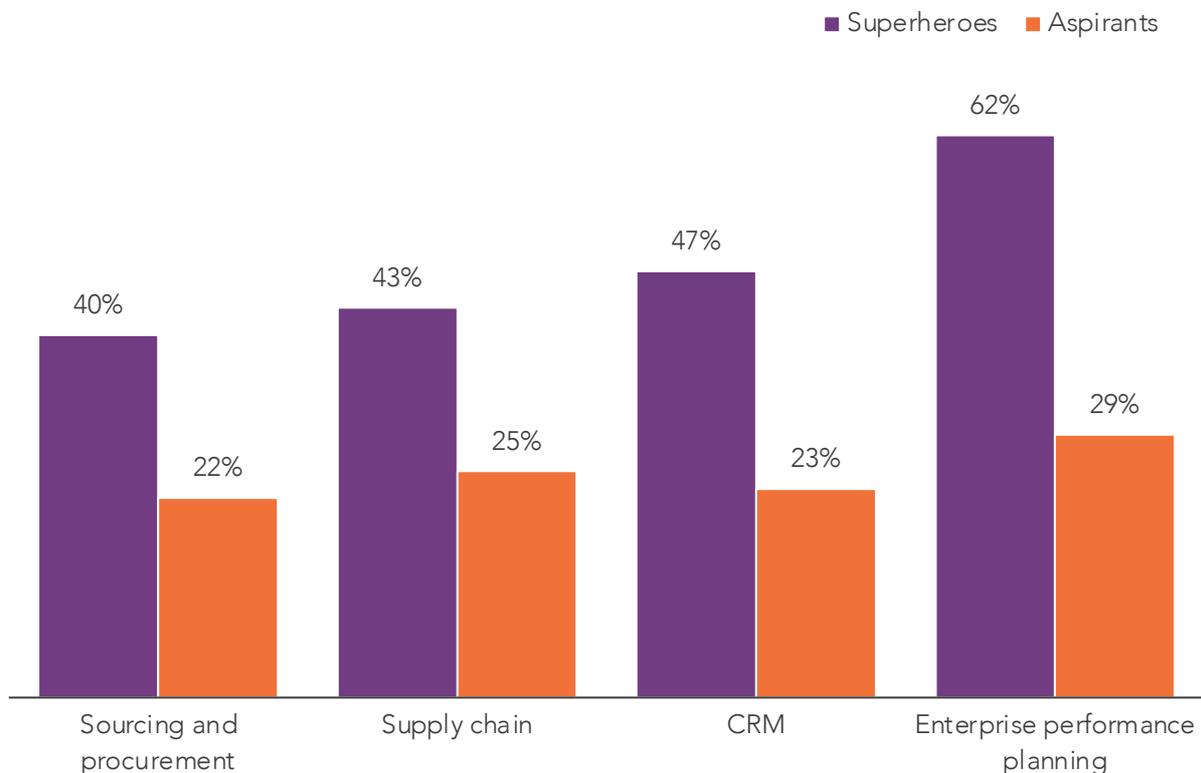
Superheroes focus on defeating internal finance silos and broader enterprise divisions. Exhibit 8 shows that they are more tightly integrated with procurement, supply chain, CRM, and enterprise performance planning than Aspirants, enabling the free flow of data across functions. F&A’s operational transformation journey started nearly two decades ago with the rise of shared services and outsourcing around payables, receivables, and general ledger management.

These mostly siloed tasks evolved into end-to-end processes as payables became procure-to-pay (P2P), receivables evolved

to order-to-cash (O2C), and the general ledger expanded into record-to-report (R2R). Finance was already expanding into procurement and sales, but it focused mainly on the back office. The future calls for a boundary-free organization where silos around the front, middle, and back offices collapse. P2P needs to expand into source-to-pay (S2P), O2C needs to expand upstream into the CRM space (lead-to-order) and downstream into after-sales services, and R2R should extend into enterprise planning management (EPM). Finance can no longer afford relegation to a back-office function.

Exhibit 8: Superheroes are more tightly integrated with procurement, supply chain, CRM, and Enterprise Performance Planning

How seamlessly does your finance function integrates with adjacent enterprise areas?
 % respondents answering “tightly integrated functions where data and processes flow freely across functions”



Sample: 411 senior finance executives across Global 2000 enterprises
 Source: HFS Research in partnership with Cognizant, 2022

Slaying legacy technology dragons

A stand-alone technology will rarely solve a business problem; a solution often includes a combination of technologies. Finance functions rely heavily on the systems of records (the beloved enterprise resource planning tools: SAP and Oracle) for transaction processing. Over the last decade, enterprises have augmented these systems of records with workflows—systems of engagement—to ensure that transactions flow through processes smoothly. In recent years, enterprises have adopted RPA and AI-powered solutions to automate these transactions further and execute them even faster and cheaper.

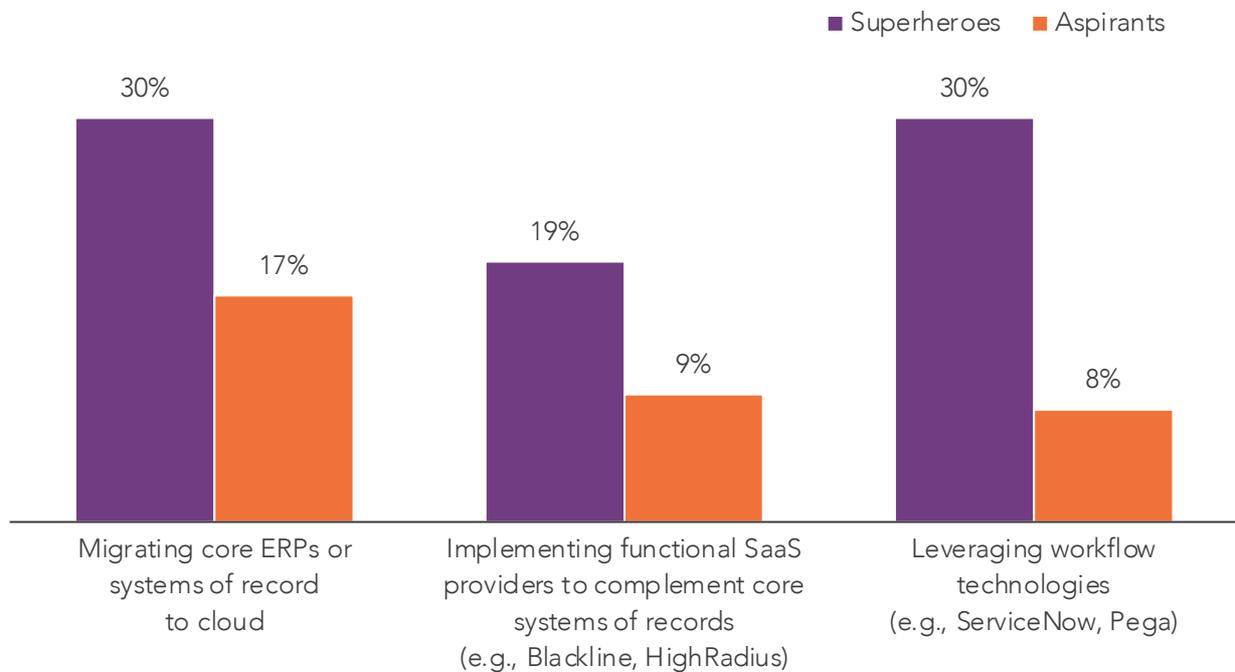
But automation alone doesn't entirely solve problems. Businesses use technology

advancements to fix broken processes and extend the life of legacy technologies instead of fundamentally transforming their operations.

This technology patchwork is change resistant and provides limited real-time visibility, failing at fulfilling critical requirements for an invisible F&A. Superheroes are laying down the technology architecture of the future with an integrated technology approach. This involves the aggressive "cloudification" measures in Exhibit 9, migrating core enterprise resource planning (ERP) systems to the cloud, implementing functional software as a service (SaaS) like Blackline or HighRadius, and leveraging cloud-native workflows like ServiceNow or Pega.

Exhibit 9: Superheroes are rapidly "cloudifying" F&A

How are you taking advantage of cloud computing for your finance function?
% respondents who have completed the following cloud-related initiatives



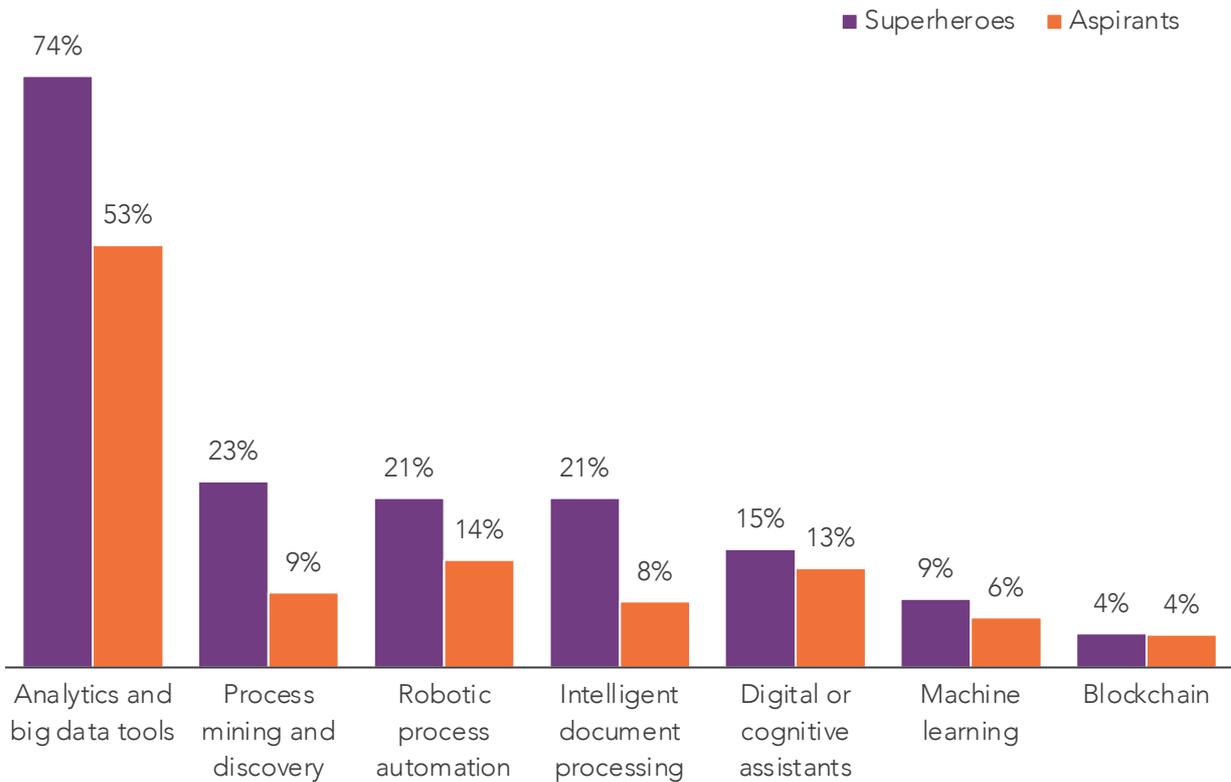
Sample: 411 senior finance executives across Global 2000 enterprises
Source: HFS Research in partnership with Cognizant, 2022

In addition to taking advantage of the cloud, our data in Exhibit 10 shows Superheroes are moving toward embracing emerging technology with more urgency than Aspirants. Advancements in RPA, and AI technologies, including ML and natural language processing (NLP), are pushing the boundaries of value creation in F&A transactional processes, such as purchase order processing and general ledger

transactions. RPA can automate manual, rules-based tasks, and ML can handle pattern-based exceptions. The rise of process mining and discovery tools allows Superheroes to address the underlying process debt, not just apply a band-aid to address only their technology debt. Superheroes build and orchestrate their ecosystem of technology partners better than Aspirants.

Exhibit 10: Superheroes adopt and scale emerging technologies more quickly than Aspirants

Which emerging technologies has your enterprise adopted at scale?
% respondents



Sample: 411 senior finance executives across Global 2000 enterprises
Source: HFS Research in partnership with Cognizant, 2022

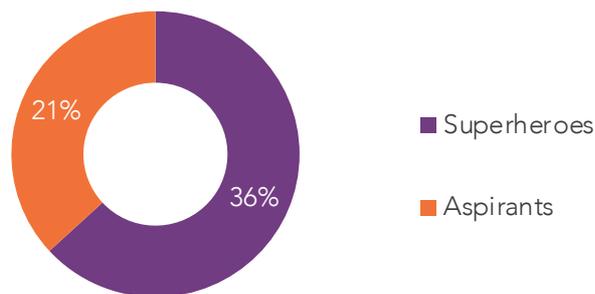
Investing in people

Talent management emerges as the #1-ranked critical finance initiative for Superheroes in Exhibit 11. Left-brained talent typifies the F&A function, which is full of operational experts that enable fast operations by following rules. Technology advancements can automate most of these repetitive, rules-based tasks. As a result, emerging F&A functions need two primary

skillsets: experts who can deal with high-end F&A activities such as risk, treasury, and decision making and creative thinkers who can reach across the business ecosystem to define and design new business solutions. The talent profile you likely need is the inverse of what you have now. F&A leaders need to embrace—not resist—change.

Exhibit 11: Talent management emerges as the #1 ranked critical finance initiative for superheroes

Percentage of respondents who consider "retention, reskilling, and attracting talent" as their #1 finance-related initiative



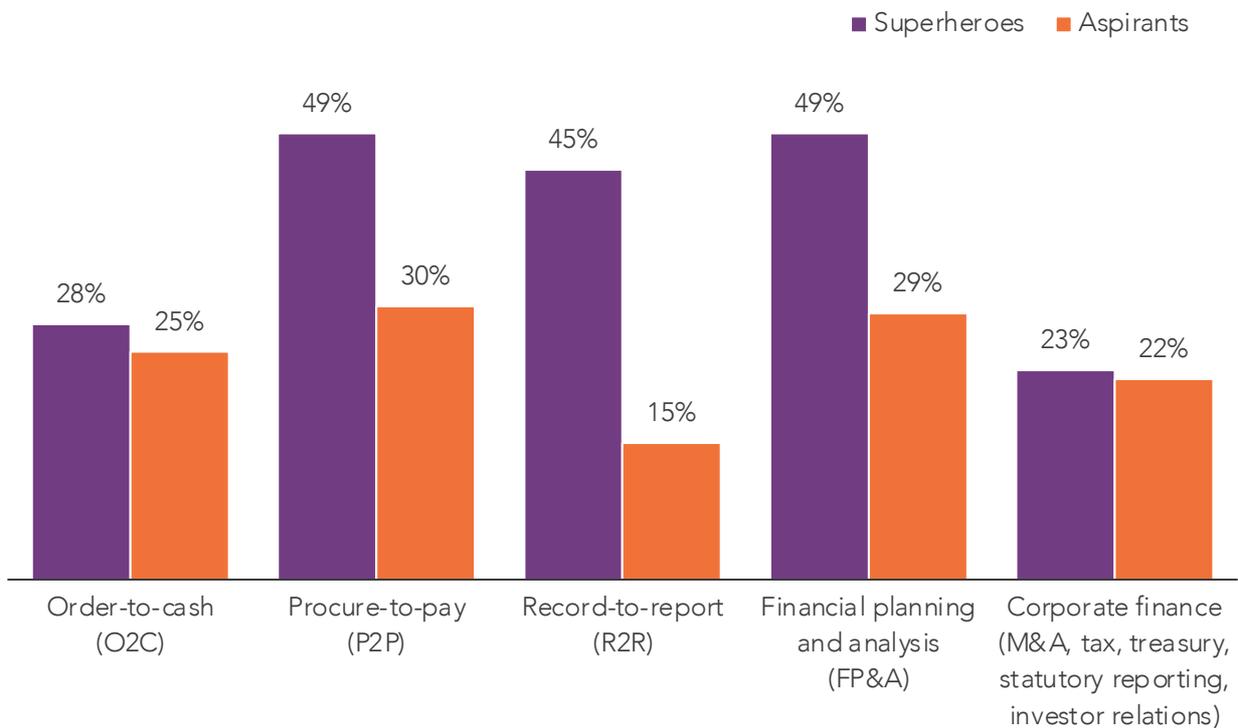
Sample: 411 senior finance executives across Global 2000 enterprises
Source: HFS Research in partnership with Cognizant, 2022

An ecosystem mindset also requires finance leaders to look beyond their internal organization to scout for talent. Winning the talent war requires finance leaders to strategically engage with third-party technology and business services providers,

as Superheroes do in Exhibit 12. Provider selection is an important decision. Superheroes' most important selection criterion for third-party vendors is digital capabilities. Aspirants primarily focus on risk management while selecting partners.

Exhibit 12: Superheroes leverage third-party business services more extensively than Aspirants

Do you currently leverage third-party BPO services for the following F&A activities?
% respondents using BPO extensively



Sample: 411 senior finance executives across Global 2000 enterprises
Source: HFS Research in partnership with Cognizant, 2022

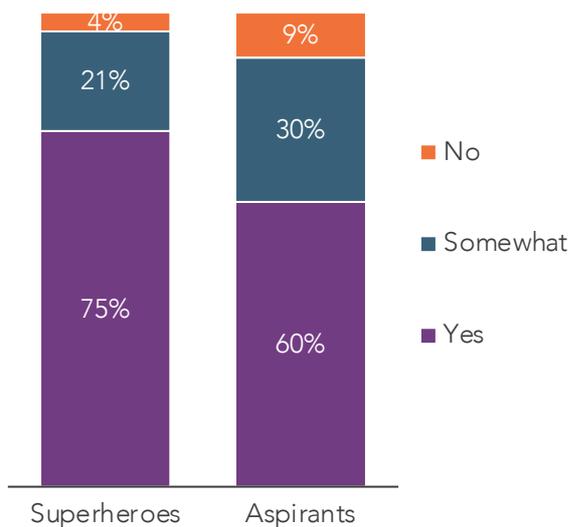
Data is a superpower

The journey to being a strategic adviser entails first becoming data driven. From M&A to demand planning and R&D, finance teams have meaningful and actionable data and insights that impact enterprise-wide decision-making. The missing elements distill good insights and collaborate with business counterparts to take action and capture value from it. Intelligent analytics augments human decision making when machines that can learn and improve give humans actionable recommendations for decision making. Nearly three-fourths of Superheroes in Exhibit 13 leverage data as an asset to make real-time strategic decisions.

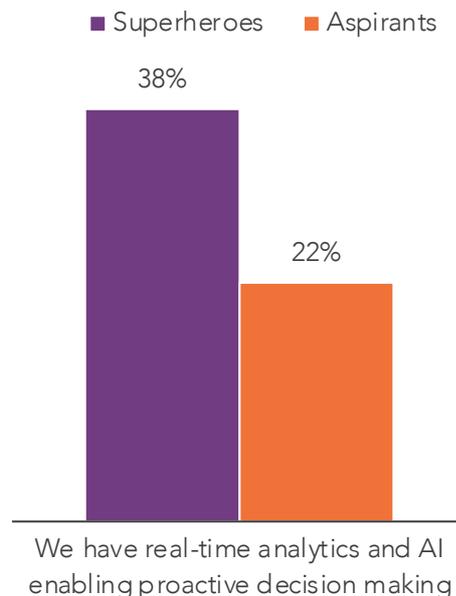
A business with data-driven finance manages data as a strategic asset and uses the large volumes of data available to generate quick, real-time insights that aid in strategic decision making for the enterprise. It looks beyond transactional finance activities and enables finance teams to partner with other functions across the organization through data sharing and insight-driven business decision making, breaking boundaries, making finance more seamless and agile, and directly influencing business. Data-driven finance can enable enterprises to develop predictive capabilities to win in their markets and adapt to volatility.

Exhibit 13: Superheroes rely heavily on data and insights for strategic decision making

Does your firm rely heavily on data and insights to make strategic decisions?
% respondents



What is your organization's current status with respect to the following finance functions?
% respondents answering "already reached"



Sample: 411 senior finance executives across Global 2000 enterprises
Source: HFS Research in partnership with Cognizant, 2022

The Bottom Line: CFO success requires articulating a purpose-driven vision that can excite and unite all finance ecosystem stakeholders

The ambition for finance transformation is now clear: cost, control, business impact, and enterprise influence for growth. But we'll struggle to find new sources of value if we don't change our mindset toward transformation. Success will require a purpose-driven articulation of a vision that can excite and unite all stakeholders of the finance ecosystem: the customers (a.k.a. business), employees, and partners. Execution will require integration in every sense of the word—technology, talent, process, data, organizational change, and leadership—to achieve scale and deliver exponential benefits. Also, be prepared for many disappointments as exponential expectations are met with linear execution. But there is no time to wait for the future—it is already here. Act now!

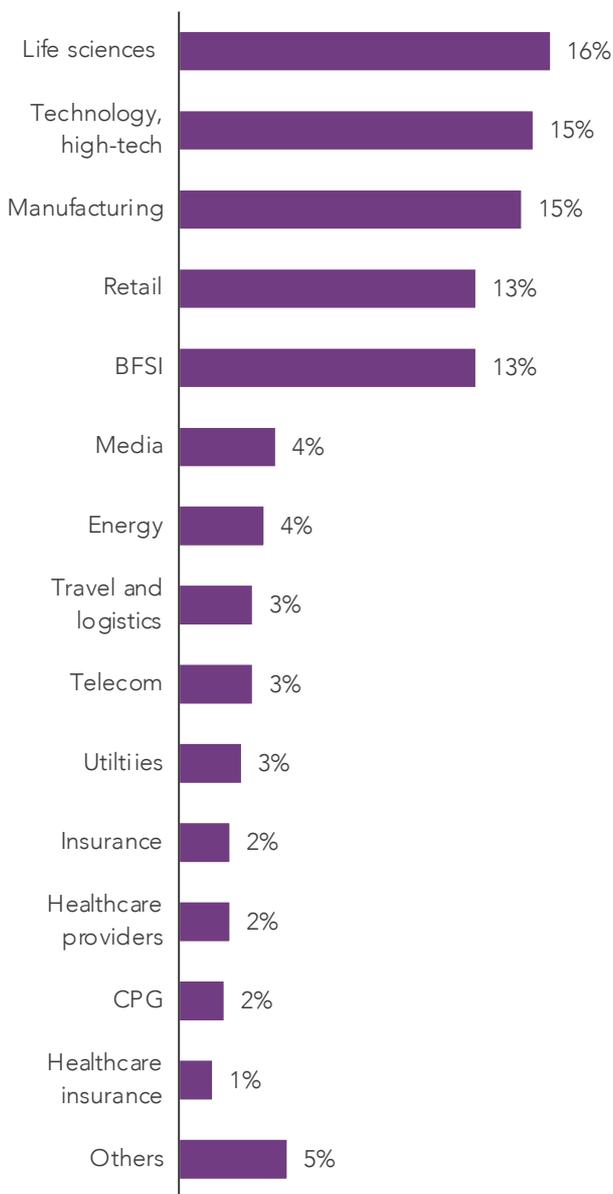
Research approach and survey demographics

HFS and Cognizant collaboratively designed a survey and fielded it to 411 senior finance leaders across the Global 2000 enterprises. The key themes included:

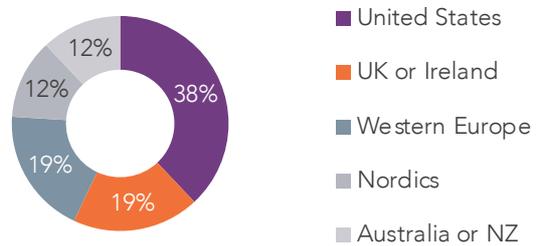
- Finance aspirations
- Investments and challenges
- Current and future state of finance

Survey demographics

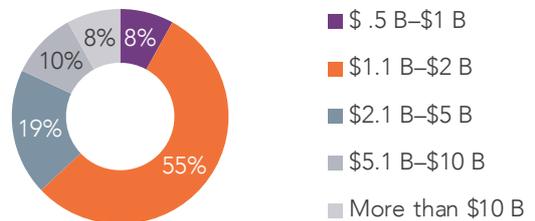
By industry segment



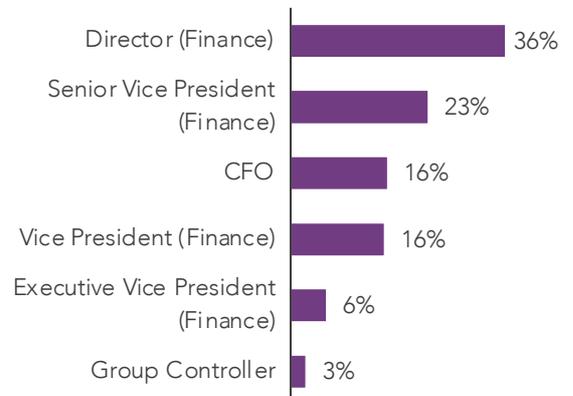
By organization headquarters



By annual revenues



By job title



Sample: 411 senior finance executives across Global 2000 enterprises
 Source: HFS Research in partnership with Cognizant, 2022

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Juan is Business Transformation Executive with broad and in-depth experience of +20 years in Shared Services and Outsourcing. He has worked with multiple leading BPO service providers, strategic advisory organisations and in-house Global Business Services (GBS). Juan is the Head for Digital Finance in UK&I and member of the F&A leadership group for Global Growth Markets (GGM) at Cognizant.



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Tom is Vice President and leads global finance and accounting outsourcing practice and markets team for Cognizant's Intuitive Operations and Automation (IOA) line of service. He is primarily responsible for F&A outsourcing services growth, solutions, practice capabilities and partners as well as revenue and P&L.



About Cognizant

Cognizant (Nasdaq-100: CTSI) engineers modern businesses. We help our clients modernize technology, reimagine processes and transform experiences so they can stay ahead in our fast-changing world. Together, we're improving everyday life. See how at www.cognizant.com or [@Cognizant](https://twitter.com/Cognizant).



About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand-side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand-side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, Digital OneOffice™ and OneEcosystem™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation and Process Intelligence, Blockchain, the Metaverse and Web3. HFS has deep business practices across all key industries, IT and business services, sustainability and engineering.

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