

Contemporary Role of CFO

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Different areas/functional activities under CFO

- Controllanship
- FP&A
- Treasury
- Internal Control & Compliance
- Taxation
- Strategy
- Investor Relations
- Board Engagement
- M&A
- IT/Purchasing

Key role of CFO

Enhance the value of Business through unbiased views!

Attributes that drive Value of Business

“Growth & Customer”

“Profit”
“Velocity”
“ROI”
“Cash”

Business Situations are like Hiranya Kashiba

Need an intelligent, innovative & aggressive Narasimha to solve

Enhance the value of Business

Trusted Business Partner

Trusted Business Partner- example



Question

What happened?

Why did it happen?

What could happen?

What should we do?

How?

ERP, Reporting tool

Data exploration tool

Simulation tool, soft skills

Cognitive tool, soft skills

With?

Internal data

Internal and external data

Pre-prepared data analysis

Scenario analysis and frameworks

- CFO has an important role to play in bringing his insight for setting right performance metrics
- Drive organization towards those performance metrics

Trusted Business Partner-example

- **Simplify the value drivers of the Business for people**
- **Play a key role in creating execution bias**
- **Lead / play a key role in transformational projects- CFOs can help in setting the correct baseline, identify criteria, see if the true value is converted in to cash & not just accounting profits, increase effectiveness**
- **Help in identifying the potentials in existing Operations cost/ Revenue structure**

Trusted Business Partner-example

- **Challenge the Business model constantly**
- **In a changing world at best we can assume that change is constant**
- **Always look out for constant recalibration through structured means**

Trusted Business Partner-example

- **Provide a clear structure for process around strategy**
- **Lead the Business Strategy**
- **Pricing excellence amidst competitive dynamics**
- **Manage your forex exposure wisely**
- **Its also about how you manage costs (when you can't pass on cost increase)**

Trusted Business Partner-example

- **Provide a clear strategy for Capital structure**
- **EVA is a great tool; monetize the value of usage of assets in P&L**
- **Effectively Allocate Resources**
- **Focus on ROIC; ROE**
- **Return cash when can't be effectively deployed**

Trusted Business Partner-example

- **Try to create all activities around customer centricity/ experience**
- **Organic growth- leverage tail winds combined with position of strength**
- **Inorganic growth through synergy- about 2/3 of Inorganic expansion does not deliver promised value**
- **Be prepared & have plans to stay strong during cyclical downturn**
- **Manage Short term & long term priorities (often most difficult)**

Developing right mindset/ behavior

- **Think Outside- In**
- **Put Customer centricity in practice**
- **Be a great communicator**
- **Think the best upside & worst downside for every scenario**
- **Have a global mindset;**
- **Inclusivity & Consensus building approach**
- **Surround yourself with great people**
- **Build a great team**
- **Move from control to coach; be a mentor & mentee**
- **Take Business roles outside of Finance**
- **Experiential learning is a great way to learn**
- **Books can open new worlds for us**

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