



Partnering for performance

Emerging markets perspective

Part 3: the CFO and the chief executive officer



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EY's Partnering for performance: emerging markets perspective

The *Partnering for performance* series explores ways in which CFOs can grow, protect and transform their organization by partnering with the leaders of different functions.

EY's *Partnering for performance: emerging markets perspective* series is tailored for emerging markets and covers the relationship between the CFO and:

- ▶ The CIO, demonstrating the need for strong collaboration required with the CIO as well as for a "digital CFO" who plays a key role in driving value from investments in IT and the technologies that enable digital
- ▶ The CMO, as success in a digital world relies on the CFO and the CMO developing a collaborative, focused relationship
- ▶ The CEO (further details in this document)

In this – the third and last part of the series – we explore the relationship between the CFO and the chief executive officer (CEO) while focusing on the contribution that CFOs are making to four vital strategic priorities:

- ▶ Driving and enabling the shift to digital
- ▶ Measuring performance against strategy
- ▶ Redesigning the operating model
- ▶ Developing an M&A strategy

Our findings are based on a survey of 652 CFOs, of which 329 are from emerging markets.

For more insights for CFOs and future finance leaders, visit ey.com/cfo.

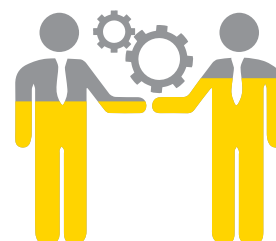
Key findings

Toward a strategic partnership between emerging market CFOs and CEOs

In the last three years:

64% report greater collaboration with the CEO.

74% say they have increased their involvement in corporate strategy.



CFOs are collaborating more closely with the CEOs for three main reasons:

- ▶ Changes in strategy (35%)
- ▶ New growth opportunities (34%)
- ▶ A need to understand the KPIs that are most important in tracking successful strategy execution (30%)

These reasons are quite different from the global results. The top two reasons are the same, but in reverse order, and the third reason is "new products and services": with 34%, 33% and 27% respectively.

Challenges to an effective alliance remain

Cost management is the CFO's main contribution to collaboration with the CEO

Top three CFO contributions

47% Managing costs and profitability

38% Setting budgets and costs

30% Financing

CFOs perceive significant relationship barriers with the CEO

Top three relationship barriers

40% Organizational boundaries

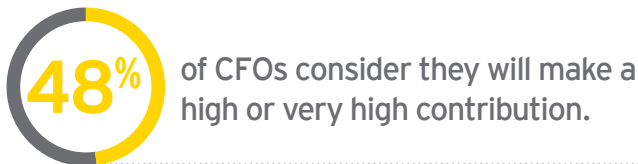
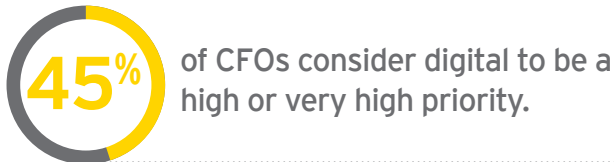
38% Lack of effective data analytics to provide business insight

37% Lack of demand from CEO for insight from finance into strategic issues

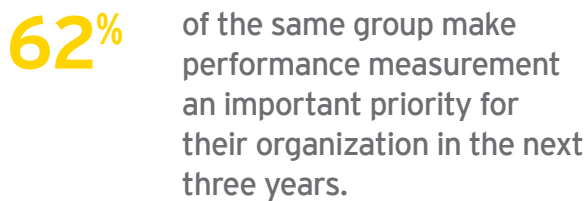
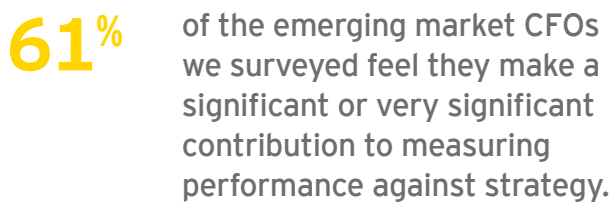
Shift to digital

Digital technology is only just getting started: CFOs and CEOs need to develop a strategic response and consider pre-emptive changes.

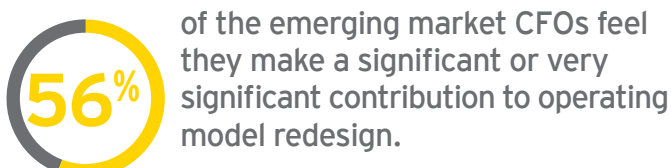
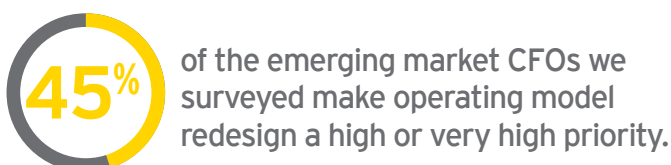
In the next three years:



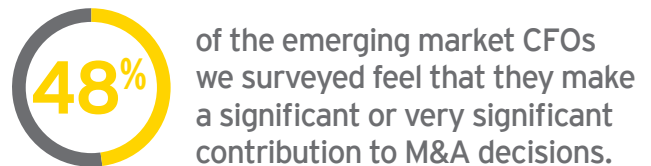
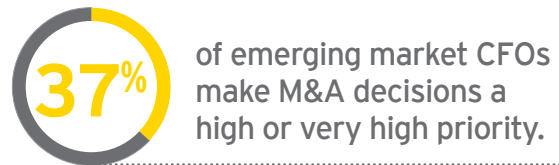
Measuring performance against strategy



Redesigning the operating model

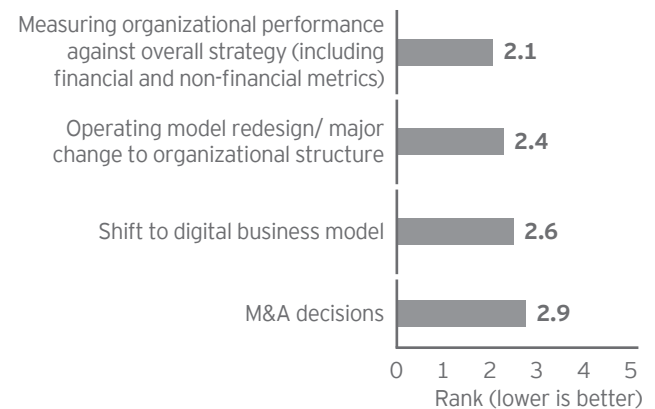


Developing an M&A strategy

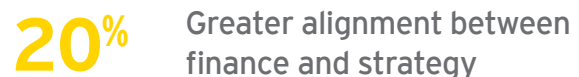


Increased contribution needed

Performance measurement against strategy is cited as the number one area where emerging market CFOs feel they need to make a bigger contribution in their collaboration with the CEO.

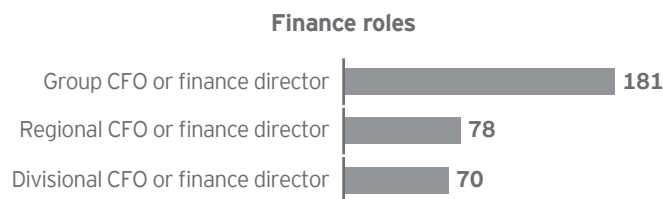
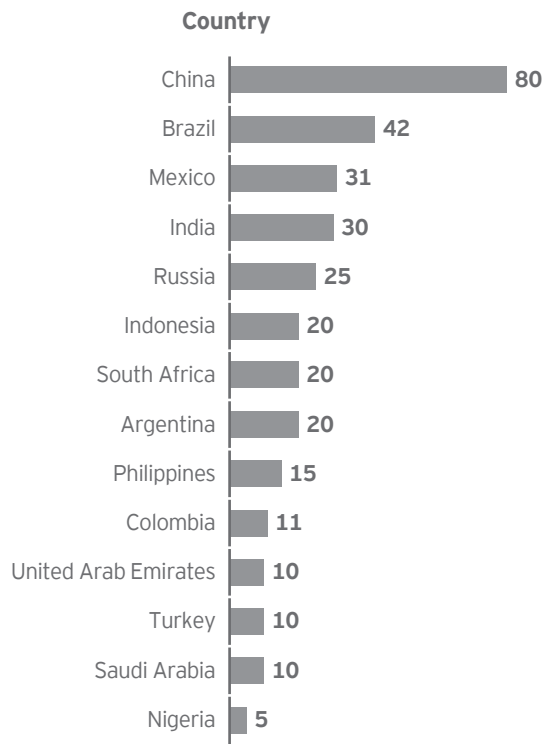


The emerging market CFOs we surveyed said they would need the following to make a bigger contribution to these activities:



Emerging market survey respondents

The following is a snapshot of the geographic location and designation of the 329 CFOs who participated in this study:



Find more information on the survey respondents demographics at ey.com/em-cfo-and-cio.

Learn more online

- ▶ For further insights into the global results and global CFO role, visit ey.com/cfo.
- ▶ Follow us on Twitter at [@EY_EmergingMkts](https://twitter.com/EY_EmergingMkts).

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