



## CFO AND CIO INDICATOR STUDY

# How to build a digital finance function fit for the technology industry.

## A perfect storm for finance transformation in technology.

Finance leaders in the technology industry are finding that the nature of their business does not automatically give them a head start on digital transformation.

Their organization's customer-facing activities may be technology driven, but finance itself faces the same challenges as its counterparts in other industries when it comes to functional transformation. By embracing technologies that go beyond legacy ERP systems, finance has an opportunity to support the strategic objectives of the business and help drive growth.

To do this, finance leaders will need to work more closely than ever with their IT counterparts. [Our latest global survey](#) of senior finance and IT leaders suggests that the tech industry is ahead of other industries regarding digital transformation, and that CFOs and CIOs are increasingly working together. This is not surprising. But the survey also shows that these leaders face three main challenges in their finance transformation efforts:

1. **Shortening the length of time it takes to carry out transformation at scale**
2. **Creating closer alignment between finance and IT**
3. **Enhancing IT's financial literacy and similar skills**

“

It's really about making sure from our perspective that as a finance function we are keeping up with the speed of change of the business, and anticipating that change at the same time.”

**Charlie Steel**  
CFO, Babylon

## What does digital finance transformation look like for technology organizations?

Digital finance transformation is a top priority for technology companies, prompting these IT and finance leaders to make it their goal to:

### Boost financial literacy within IT.

Increasing IT's financial knowledge can help the organization identify the technologies and techniques that can improve forecasting, scenario planning, and business modeling.

### Accelerate Innovation.

Harnessing the innovative spirit of technology businesses within the finance function can help identify new opportunities and solve problems.

### Align finance more closely with IT.

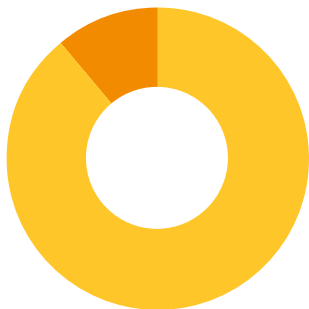
Building closer links between finance and IT increases the sharing of expertise and knowledge, and helps accelerate the technology industry's existing advantage.

## Technology organizations struggle in some areas.

Among tech industry respondents:

# 89%

would not describe their digital finance transformation strategies as robust



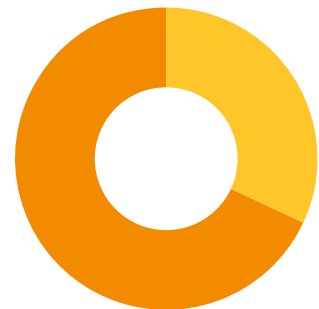
# 28%

say the time it takes to carry out transformation at scale is a top barrier to digital finance transformation



# 32%

who are finance leaders say that innovation is the skill that will be most valuable in the transformation of their functions over the next three years



## Where should technology organizations begin?

Technology companies that want to advance their digital acceleration should take the following steps:

### 1. Invest in skills to accelerate alignment between IT and finance.

Both CFOs and CIOs recognize the need to combine their talents and efforts, but it's important that the IT team improves its financial literacy in order to work more closely with finance colleagues. And, to a lesser extent, finance teams need to improve their technical skills.

### 2. Build the business case for investment in technology.

Finance leaders worry about how long it will take to fully transform their functions. But articulating the commercial imperatives for investment can make it easier to secure the resources for rapid technology renewal.

### 3. Embrace the personal as well as the professional.

Survey results revealed that technology companies are particularly likely to worry about the interpersonal skills across their teams. To help increase interaction among teams, recruiting and upskilling staff will place improved communication and collaboration front and center.



CFOs today are required to provide more than just financial insights. They're required to provide insights that can drive operational change and guide business strategy, and ultimately provide long-term value to stakeholders.”

**Barbara Larson**  
CFO, Workday



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## About the research.

The data in this report comes from a global survey commissioned by Workday and conducted by FT Longitude in March and April 2022. The survey of 1,060 senior finance and IT leaders (C-suite or their direct reports) sought to understand the state of digital finance transformation in today's organizations and how it is impacting the relationship between finance and IT. There were 65 respondents from technology organizations.

Learn more: [workday.com/technology](https://workday.com/technology)



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