Collaboration between CFOs and CIOs is Becoming Essential

CFOs and CIOs Must Work Together to Balance Technology, Investment Strategy and Risk

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Traditionally, CFOs and CIOs have existed on separate planes of their organizations, operating on parallel paths with complementary—but indirectly-related—responsibilities. However, as the business world becomes increasingly digital, companies must evolve accordingly.

According to a recent global survey, we’re beginning to see signs of this evolution: CFOs are becoming “increasingly involved in managing cybersecurity, establishing information management strategies and processes, transitioning to a digital IT function and creating an analytics-driven organization.”*

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Partnering for performance: the CFO and the CIO
A crucial collaboration

A growing relationship
CFOs say they are getting closer to the CIO and IT agenda.

In the last three years:

- 61% report greater collaboration with the CIO.
- 71% say they have increased their involvement in the IT agenda.
- 35% report a significant increase in their involvement with the IT agenda.
At the same time, CIOs must help CFOs make technology investment decisions using their knowledge of important IT issues such as cybersecurity and data privacy.

Experts say that the success of the CFO's integration into IT affairs—as well as the strength of the CFO-CIO relationship—could play a huge role in determining the financial well-being of an organization.

**Barriers to a CFO-CIO Relationship**

Overall, the study found that CFOs “continue to struggle with balancing their responsibility to maintain cost discipline with more strategic ambitions, such as setting the agenda for change.”*

More specifically, however, it identified the number one obstacle that CFOs believed would hinder a relationship with the CIO: an overall insufficient understanding of IT issues.

Below, other perceived obstacles to a strong bond (according to the 600+ CFOs surveyed), listed in order from most prevalent to least:

- Insufficient understanding of IT issues among finance executives
- The absence of a clear set of key performance indicators (KPIs) that link financial performance and the IT agenda
- Processes and tools are incompatible across the two functions
- Lack of finance resources to dedicate to the IT agenda
- Our organizational structure prevents this kind of collaboration

Luckily, experts offer advice to overcome these barriers, including tips for CIOs.

To achieve the smoothest action, CIOs should try to avoid technical jargon when discussing IT issues. Sticking to business language instead will lead to faster decision-making and less confusion. In other words, both parties must be speaking the same language.

Simultaneously, CFOs shouldn’t be trying to understand every facet of technical detail. Instead, they should try to maintain their focus on the big picture.

For example, when it comes to cybersecurity (after all, two-thirds of the CFOs surveyed believe that managing cybersecurity is a high priority), it’s imperative that both the CFO and CIO understand what exactly the business is trying to protect.

Meanwhile, a CFO must ensure that the organization is protected by a tested, strong plan to guarantee quick response in the event of a data breach.

**Looking Ahead**

The report associated with this study* also outlines other ways in which CFOs and CIOs can more easily collaborate, ensuring the health of their organizations.
It also addresses new digital technologies that demand significant change from the IT function and a more flexible infrastructure—which for CFOs means shifting the digital IT investment mindset from capital expenditure to operational expenditure, for example.*

The goal remains: Two previously-independent parties must come together to balance technology, investment strategy and risk.

For more helpful advice, see CIOs: How to Regain Control Over Your Priorities and How to Achieve Innovation & Cost Savings in a Digital IT Environment.