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Amid Global Market Ambiguity, CFOs Can Still Act Decisively



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f Between the outbreak of the novel coronavirus, the resulting oil price war and an increasingly volatile stock market, the runup to this year’s U.S. presidential election carries an extra helping of risk for companies’ bottom lines, feeding into corporate uncertainty. If you’re a chief financial officer, trying to navigate your company’s finance through this unprecedented level of uncertainty and disruption while keeping your goal on course is no small task.

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founding director of [The Duke University/CFO Global Business Outlook](#) survey and Fuqua finance professor. “However, it would be foolhardy to claim that the recession in 2020 or 2021 was a surprise. Although recessions are not controlled by CFOs, the impact on their firm is, to a large degree, managed by the CFO. This time around, CFOs will be judged by their preparations.”

“I’d expect uncertainty about the election itself to cause firms to slow expansion in the summer and fall of 2020,” said John Graham, a finance professor at Duke University’s Fuqua School of Business and the director of the [survey](#).

Deloitte’s quarterly [CFO Signals](#) survey has also indicated a preoccupation about the election-year economy. While only 3% of CFOs surveyed predict a full-blown recession 97% of CFOs anticipate a downturn this year, explained Greg Dickinson, managing director at Deloitte LLP.

“It is safe to say that this election is a bit different from others from the perspective of the broader macro backdrop,” he said. “The concurrent concerns about a global economic slowdown, trade tensions, geopolitical conflicts, U.S. political divisiveness... that’s a lot going on at the same time.”

So how do CFOs remain confident and [act decisively during times of market turmoil and disruption](#)? Stay flexible, Dickinson said, and remain vigilant about market trends, shifts in demand and other potential developments. Otherwise, they risk missing out on key growth opportunities or falling behind competitors.

Achieving such agility requires gathering and analyzing large quantities of data that change rapidly, a feat that many financial tools and solutions are not adequately equipped to handle.

“CFOs are already managing a complex set of accounting and finance responsibilities,” said Sara Baxter Orr, Global Head, CFO Practice at Anaplan. “Add in global market instability, the outbreak of the novel coronavirus and the unknowns of an election year and finance leaders are under an immense amount of pressure to make strategic decisions based on constantly changing economic dynamics. As we brace for a potentia

Modeling scenarios and developing contingency plans [can help CFOs react rapidly as change occurs](#) but having accurate and relevant data can be the difference between a successful pivot versus a move that lacks impact or worsens the situation. While most companies aggregate and analyze data, the level of accuracy and efficiency is largely dependent on the tool being leveraged. For instance, manual tools like spreadsheets are often fragmented, tedious and prone to error, opening the door for data to be misrepresented and misinterpreted. At a time when every hire, capital investment and extra dollar of cash reserve counts, finance teams [can't afford to spend valuable time collecting, validating and consolidating data in disparate spreadsheets](#).

That's where Connected Planning and analysis comes into play. By collecting data from the farthest points of the business—from your sales professionals and business modelers to product developers and supply merchants—Connected Planning creates a unified source of truth with linkages to all the functions across the enterprise and enables finance teams to align objectives with operational tactics and financial plans. Having the capability to aggregate data collaboratively and real-time across the organization, CFOs are armed with a more accurate and holistic view of the businesses' activities and outcomes.

[One leading insurance provider](#) is constantly looking for new ways to be more competitive and provide value to its customers. To do this, the company's finance organization turned to Anaplan to consolidate its tools and improve its processes, resulting in 25% faster annual planning cycle and a two week decrease in semiannual budget cycle. According to the company's CFOs, by consolidating tools and investing in Anaplan, the finance team was able to become more efficient and can now spend more time discovering new connections, formulating responses and preparing for the future.

With a 360-degree vantage point, CFOs are uniquely positioned to drive digital transformation for their organizations. Armed with a holistic view of the enterprise, strong data and the ability to model outcomes against any number of variables, CFOs who leverage Connected Planning and analysis can better anticipate external events—and feel confident shifting strategies to respond to them quickly.

at their fingertips. These technology advancements have put more precise information and insights into the hands of the CFO.” said Baxter Orr.

As the election heats up, agility is key for CFOs who must assess the impact of alternative courses of actions quickly to deliver value.

Accurate, real-time insights can help CFOs mitigate risk and make smarter decisions in the face of uncertainty, and even [helped one global asset-servicing provider to improve customer trust and retention](#).

While disruption is expected in an election year, Connected Planning arms finance teams with the visibility needed to discover trends and patterns in a quickly changing world. With fast access to actionable insights, and the agility to turn on a dime, CFOs become catalysts for transformation within their organizations.



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