

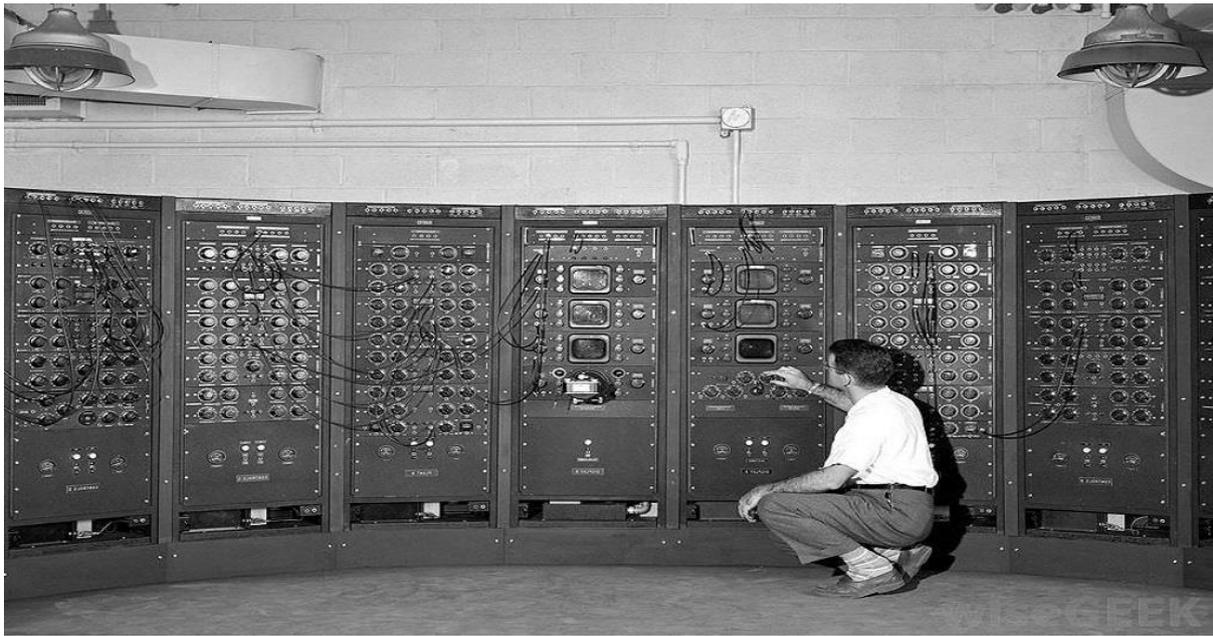


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Executive Search & Board Advisory

I WILL TAKE OUT 50% OF THE FINANCE TEAM – TECHNOLOGY ON THE WAR PATH



In recent discussions with CIOs, CTO's and CDO's about the future workforce there was a real appetite to make significant change, particularly with further introduction of Artificial Intelligence (AI) and digital.

"I will take out 50% of the finance team to start with", a comment by a leading CIO. This view was echoed by numerous technology heads when reviewing the organisation structure of today to that of tomorrow. The technology heads felt that a breath of fresh air was needed in many of the Australian companies' finance functions where repetitive and calculable tasks could be replaced by automation and enhanced technology.

Ironically, for many years it has been popular to have technology heads report to the CFO, until more recently where the tendency is now to report to the CEO, though it is a case by case basis. The increased focus on digital, data and AI has dramatically changed the corporate thinking and will have a definitive impact on finance and all other divisions.

AI is now replacing many manual and labour-intensive occupations and is now being felt by the white-collar workforce, finance being on the top of the list. The Heads of Technology believed that the Boards, and in many cases the CEOs, were dramatically behind international markets in terms of digital awareness and customer alignment. They were

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concerned by the growing gap between “us and them” where the United States, Western Europe, Eastern Europe and Israel are investing heavily in technology and disruptive practices. This is potentially placing Australian business at a disadvantage as we retain traditional team structures and arguably antiquated work practices.

Whilst there was a general recognition of the social implications of the anticipated reduction and lean business practices, there was great concern for what would happen to the displaced finance executives in the long term, particularly those in Australia over 55. “Technology is not going to be held back” said one executive. “We have to remain competitive with the international markets. The significant restructure will not be limited to the finance function. It will impact all of business. The statistics in regards to global upheaval are quite disturbing, with up to circa 60 percent of jobs across the OECD at risk” said a Technology Futurist.

So it may be the case that it is only a matter of time till the Head of Technology gets their way and takes out the finance function. Does this then mean that technology heads and innovators will become the CEOs of the future? Will the trusted CFO and right hand to the CEO be seen as second choice in the not so distant future? Will the heads of technology that are already blurring into the role of marketing be a more commercial and rounded executive to provide the board with another option in their CEO succession plans?

Only time will tell whether the Head of Technology is able to convince the CEO to reduce the finance function by 50%, but it is certain that the CIO isn't thinking in isolation. Change and restructure is abound.

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