

April 2023

The new role of the CFO in the collaborative future

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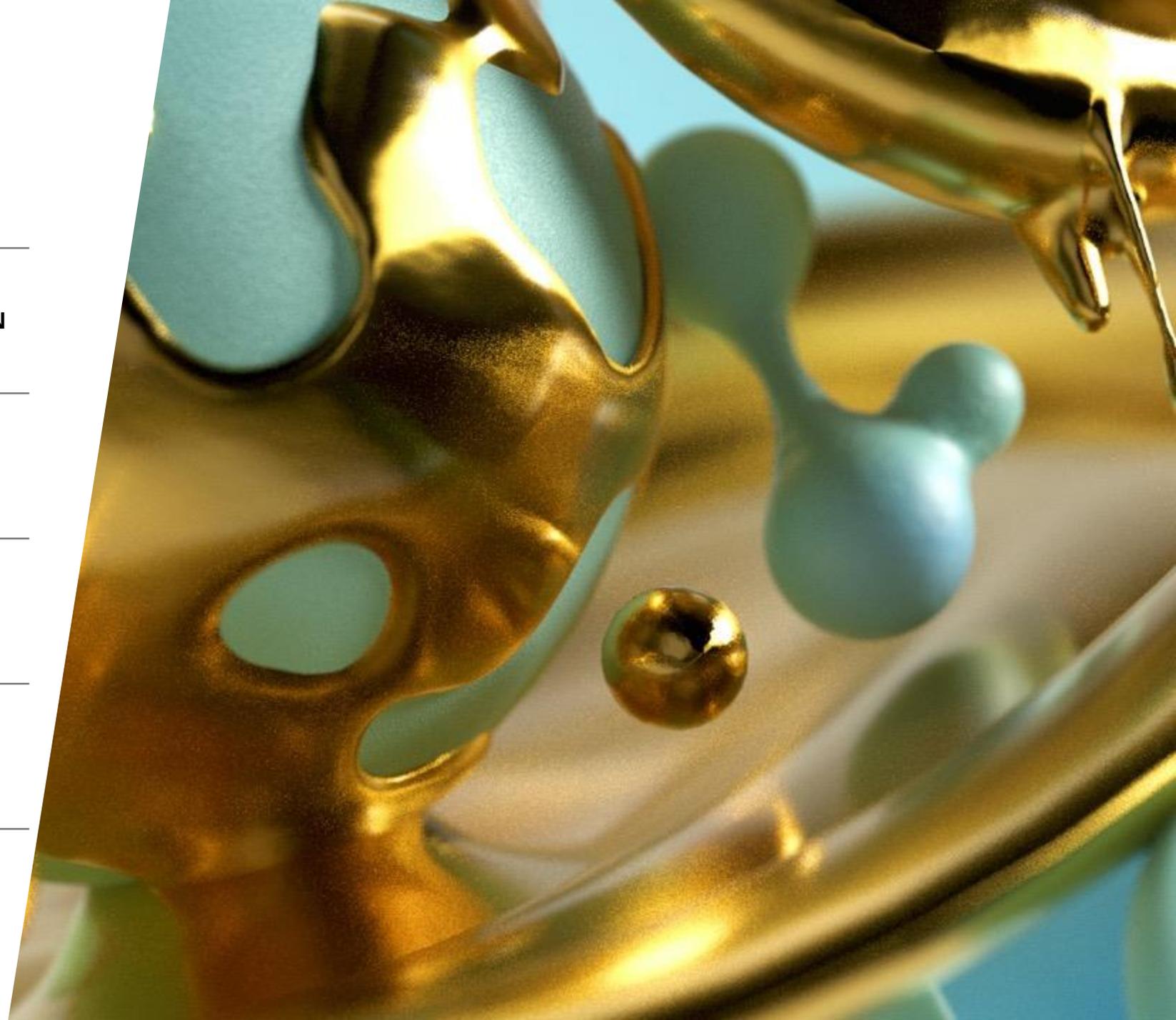
Agenda

01 THE SHAPING FORCES OF COLLABORATION

02 MARKET INSIGHTS

03 THE COLLABORATIVE MINDSET OF CFOS

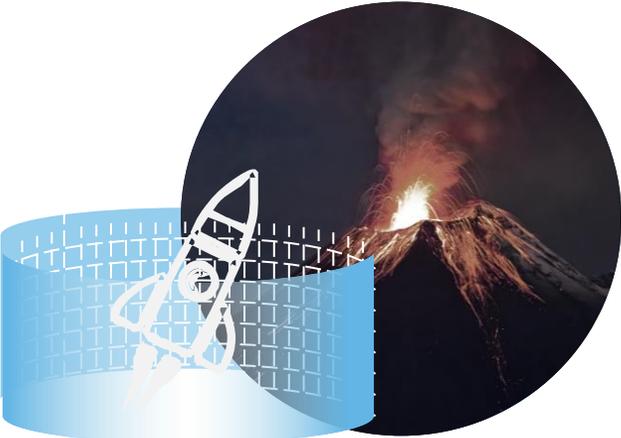
04 QUESTIONS



The background is a dark, almost black, space filled with a complex network of thin, teal-colored lines that swirl and curve across the frame. Interspersed among these lines are numerous small, colorful dots in shades of red, yellow, green, and blue. In the lower right quadrant, there is a large, glossy, translucent shape that resembles a liquid droplet or a piece of glass, reflecting the surrounding light and colors. The overall effect is one of dynamic, interconnected energy.

01 The shaping forces of collaboration

The shaping forces of collaboration



EXTERNAL SHOCKS

- Covid-19
- Climate crisis
- Geopolitical tensions (Ukraine war, US/CN conflict)

CALLS FOR INCREASED RESILIENCE



REGULATION

- European Green Deal
- Climate Disclosure Requirement (US)
- Action plan for CO₂ reduction (CN)¹

CALLS FOR NEW VALUE DEFINITION



DIGITIZATION

- Internet (information sharing, communication)
- Web3 (trust and digital ownership)
- Generative AI (immersive creativity)

CALLS FOR NEW COLLABORATIVE MODELS



TAKING TOGETHER, WHAT DO THESE TRENDS IMPLY FOR THE FUTURE ROLE OF THE CFO?

The background is a dark, abstract composition. It features numerous thin, teal-colored lines that curve and swirl across the frame, creating a sense of motion and depth. Interspersed among these lines are small, colorful dots in shades of red, yellow, green, and blue. In the lower right quadrant, there is a large, glossy, teal-colored shape that resembles a liquid droplet or a stylized letter 'D', which reflects the surrounding light and colors. The overall aesthetic is futuristic and data-driven.

02 Market insights

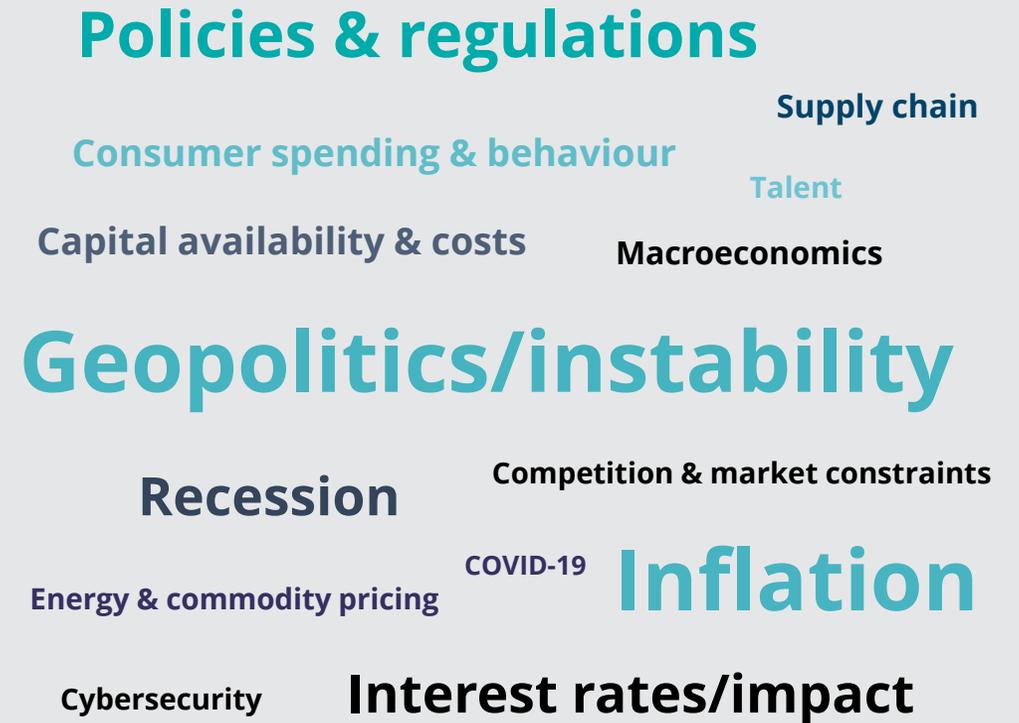
What does the CFOs say?

(N=99*)

Which **internal risks** worries you the most?



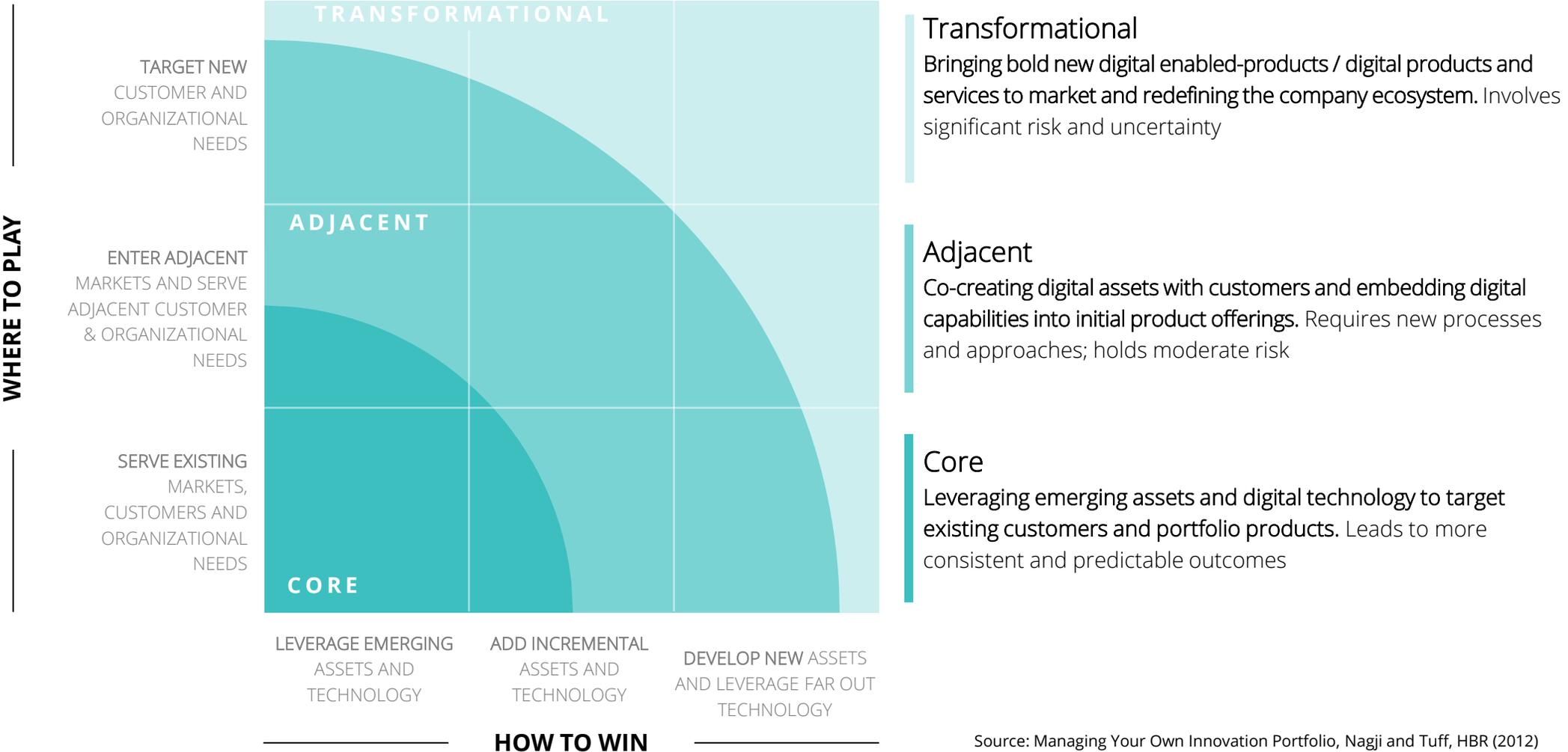
Which **external risks** worries you the most?



The background features a complex, abstract pattern of teal and blue wavy lines that resemble a network or data flow. Interspersed among these lines are numerous small, colorful dots in shades of red, yellow, green, and blue. The overall aesthetic is futuristic and digital, set against a dark, almost black background.

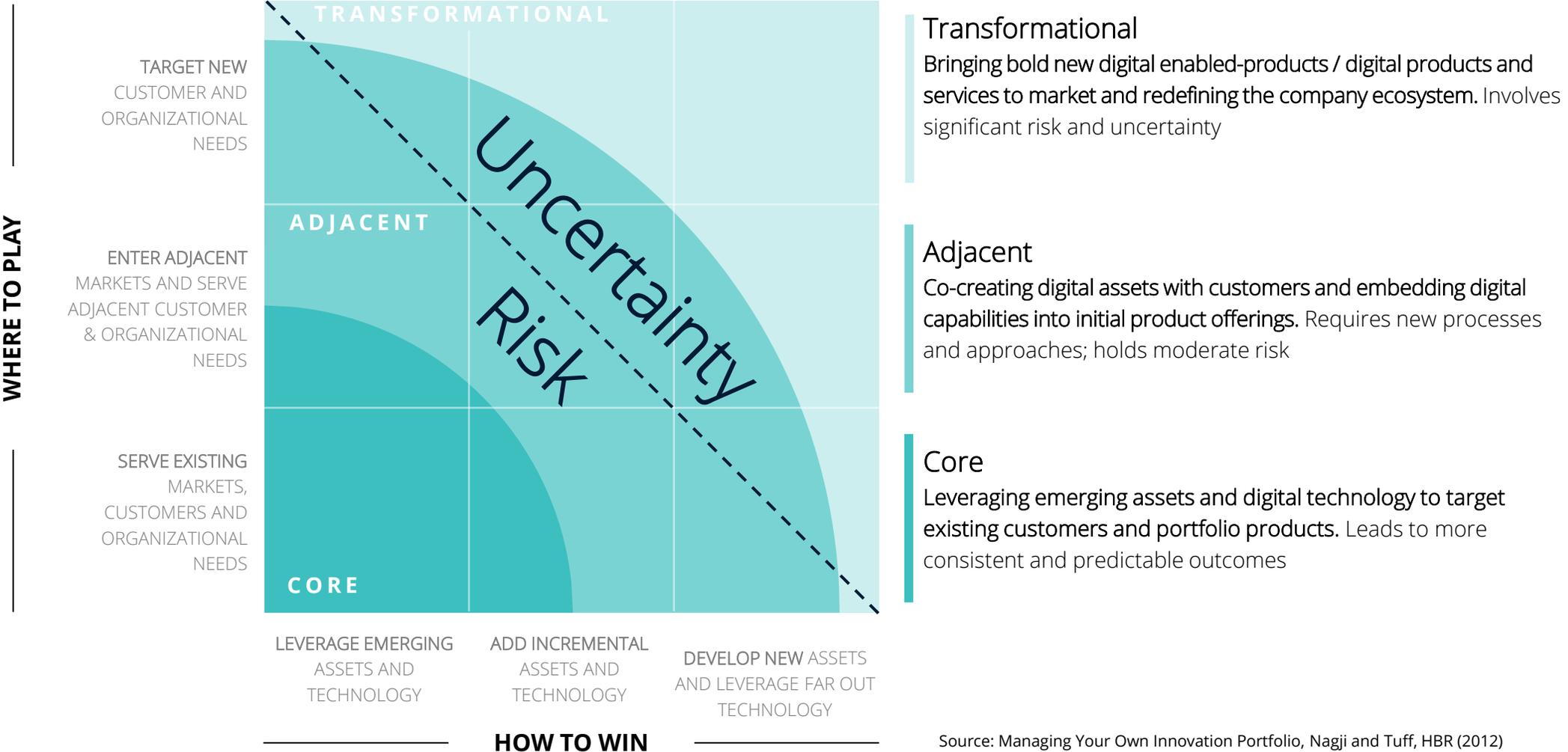
03 The collaborative mindset of CFOs

The collaborative CFO insists on innovation capital allocation across cores, adjacent and transformational



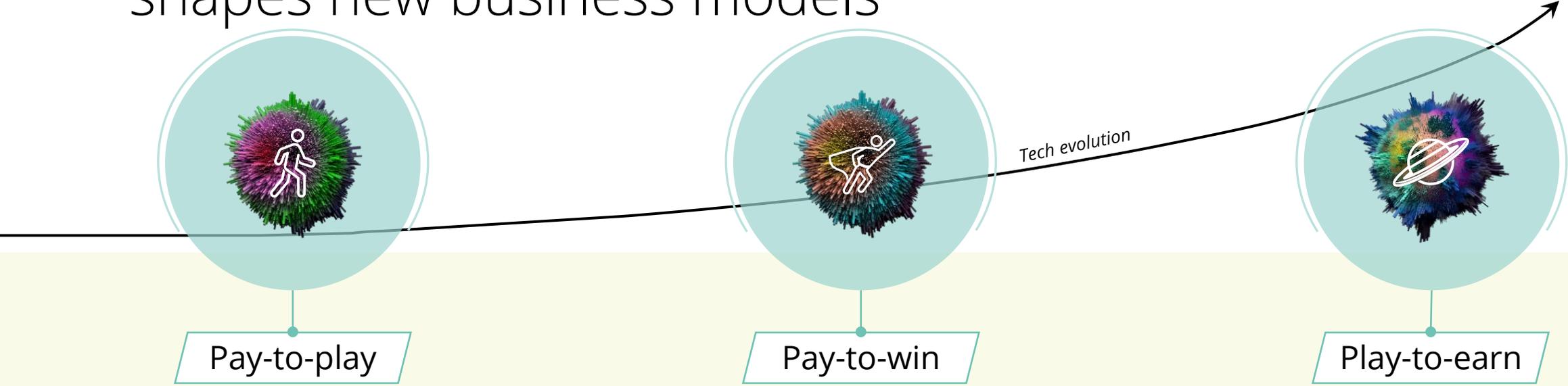
Source: Managing Your Own Innovation Portfolio, Nagji and Tuff, HBR (2012)

The collaborative CFO insist on innovation capital allocation across cores, adjacent and transformational



Source: Managing Your Own Innovation Portfolio, Nagji and Tuff, HBR (2012)

The collaborative CFO understands how technology shapes new business models



Pay-to-play

Pay-to-play games are games for which the player pays a front-up cost, but once purchased the player can access all content without paying additional money

Pay-to-win

Pay-to-win games are games that offer items or other gear that give buyers **advantages over non-paying players** in real money or make gameplay more difficult for players who do not pay

Play-to-earn

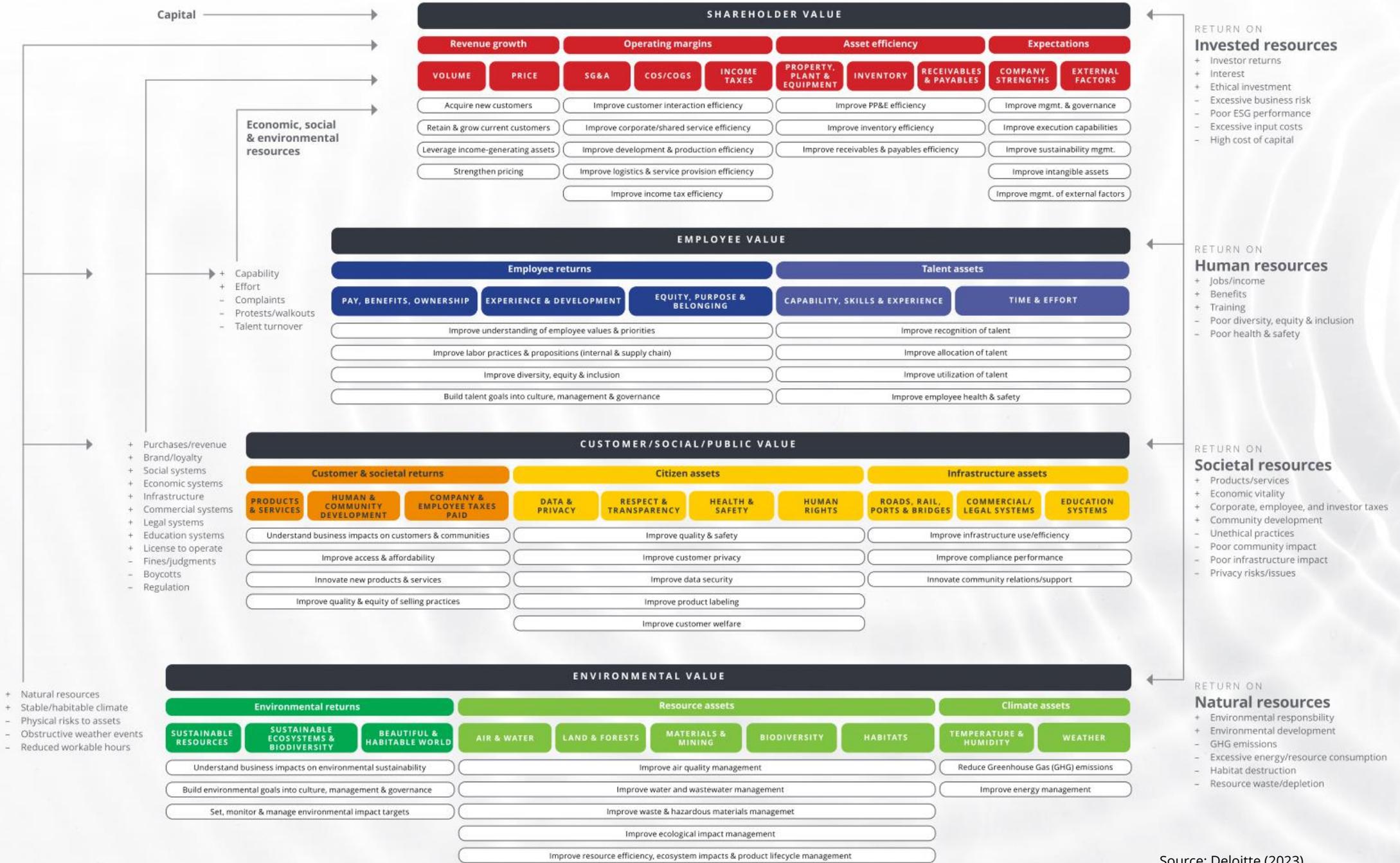
Players can **earn NFTs as rewards** for simply playing the game. Not the developer's, not the game's, nor anyone else's. Even if the game shuts down, they remain in the players' hands



Source: Own creation

INPUTS

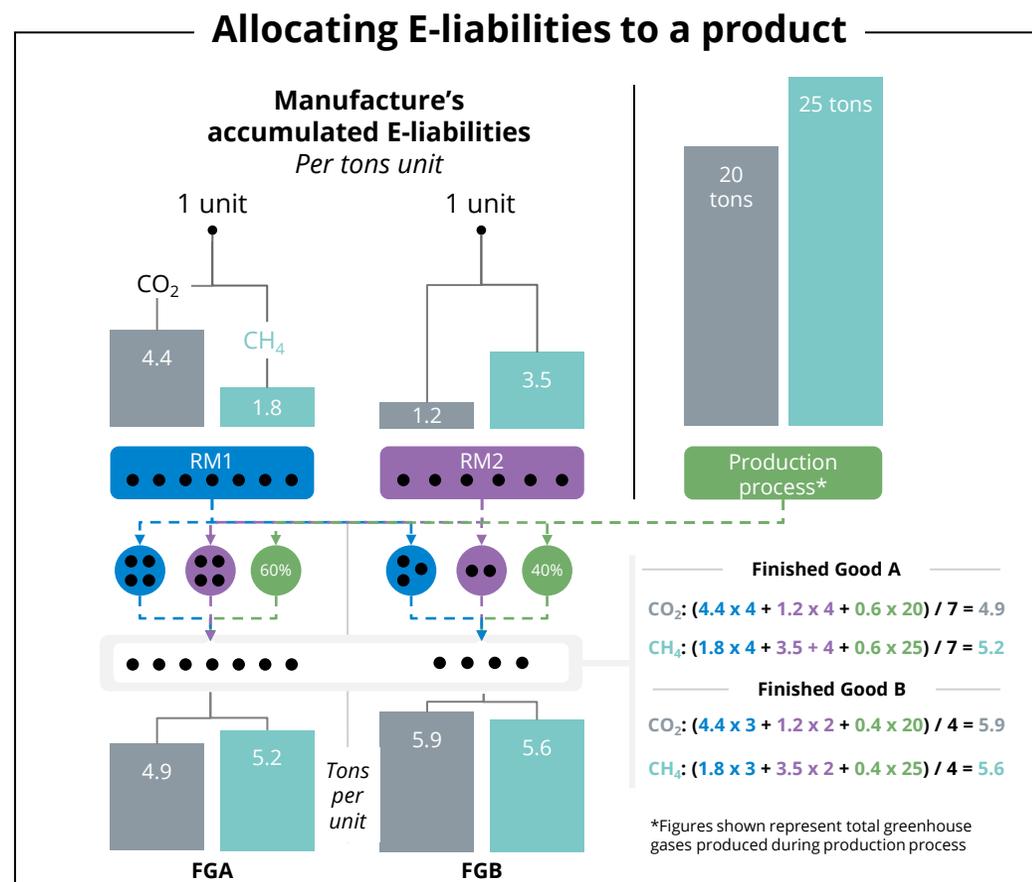
OUTPUTS



Note: "+" and "-" symbols denote impacts that are typically regarded as positive or negative, respectively.

Dealing with outside issues require new tracking methods

Left exhibit shows how cost accounting would assign to two finished-goods products the E-liabilities associated with their raw materials and production process. **Right** exhibit shows hypothetical changes to a car-door manufacturer's booked E-liabilities during one accounting period.



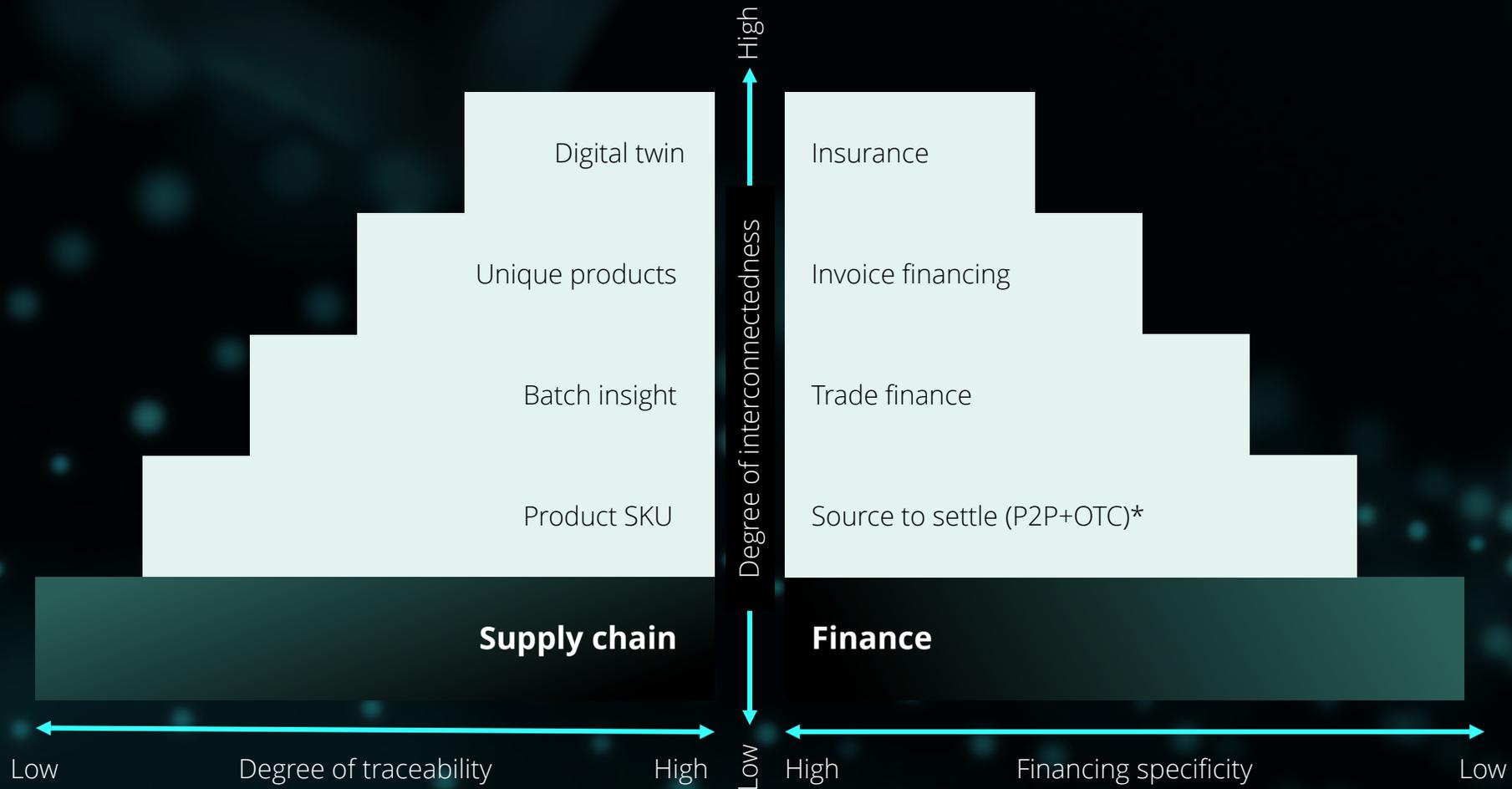
The E-Liability Statement

E-liability flows	Tons of CO ₂
Opening E-liabilities	3,600
Add E-liabilities acquired from suppliers	39,800
<i>Electricity</i>	10,600
<i>Sheet steel</i>	5,400
<i>Glass</i>	1,200
<i>Fabric and plastic</i>	4,800
<i>Capital equipment</i>	12,200
Add E-liabilities directly produced through operations	2,600
Subtract E- liabilities transferred to customers	(32,600)
Closing E-liabilities	13,400
Change in E-liabilities during period	9,800

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04 Questions

What does the convergence of supply chain and finance mean?



Interview with Kristian Krag, CFO of 3Shape

Get involved, coordinate, and understand your growth drivers and barriers says Kristian Krag, CFO at 3Shape

Kristian Krag's advice on how to drive organic growth

- 1 Do not be afraid to get involved as CFO in the business and strategy process**, so that you get your seat at the table when the important decisions are made.
- 2 Understand your growth drivers and growth barriers**, so you always have a realistic picture of both opportunities and challenges.
- 3 Take responsibility for cross-organisational coordination**, so that you become an active business partner who helps processes towards a decision.
- 4 Add people with experience from large organisations to your team**, so you constantly have an eye on how things should look five years from now.

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Interview with Anders Boyer, CFO at Pandora

Freedom to act, understanding the business, and external input helps drive organic growth says Anders Boyer, CFO at Pandora

Anders Boyer's advice on how to drive organic growth

- 1 Think like a CFO and a CEO at the same time.** Say yes when it comes to testing new ideas if there is a sensible balance between risk and reward.
- 2 Work tirelessly to understand the business.** Familiarise yourself with the production and the products. Understand specifically why customers choose to buy from you.
- 3 Look for external input.** There are many things to learn from following competitors, reading the major industry analyses, listening to market analysts, and proactively seeking input and knowledge from outside.
- 4 Approach the CFO role with courage.** Have an open dialogue with investors, create the necessary freedom for you to act, and have the will to implement the strategy.

Corporate Sustainability Reporting Directive

- Companies must report on the environment, including climate, social conditions and corporate governance. The report must be given in the annual report and provided with an auditor's opinion
- **2024:** Large public-interest companies with over 500 employees must report according to CSRD
- **2026:** Listed SMEs will subsequently be subject to the requirements (may refrain from reporting until 2028)
- CSRD continues to evolve and is complemented by CSDDD

EU Taxonomy

- A list of economic activities that are sustainable
- Must help investors identify sustainable investment opportunities
- *Do No Significant Harm*



Climate neutral 2050

- European Green Deal adopted in 2020
- Ambitious goal for the EU to be climate neutral by 2050
- Legally binding cf. the Climate Act



Strategy for sustainable and circular textiles

- EU Circular Economy Action Plan
- *"Make fast Fashion go out of Fashion"*
- ÷ Microplastic pollution
- ÷ Textile waste and destruction of unsold products
- **2023:** Increased producer responsibility
- **2024:** The minimum requirements shall be drawn up
- **2030:** Textile products have a long lifespan, are recyclable, and manufactured under ethical conditions

Empowering consumers in The green transition

- ÷ Greenwashing and design of short-lived products
- A digital product passport must contain information on environmental impact and circularity, e.g. information on substances of concern, repair, fibre composition, proportion of animal origin
- The proposal covers virtually all physical products in the EU
- **2024:** Entry into force (gradual roll-out until 2030)

Deforestation strategy

"...All companies must expel strict traceability requirements; if they place on or export palm oil, cattle, coffee, wood, etc. within the EU and derived products (beef, furniture or chocolate). Traders must prove that the products were produced on land that has not been subject to deforestation after 31/12-20" - EU