PART OF THE STRATEGIC PRODUCTIVITY SERIES

UNLOCKING PRODUCTIVITY: COLLABORATIVE SYNERGIES FOR CHIEF FINANCIAL OFFICERS

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EXECUTIVE SUMMARY

Strategic productivity is essential for businesses and organizations aiming to enhance efficiency, improve performance, create more value for customers, and sustain long-term growth to benefit stakeholders.

The finance function's scope has expanded in recent decades to include IT, digital transformations, and ESG practices, increasing the importance of the Chief Financial Officer (CFO) in driving strategic productivity.

Based on interviews with finance leaders, this report identifies good practices for driving productivity in several key areas of CFO responsibilities. These include the streamlining of finance activities and mobilising global talent offshore; technological solutions such as leveraging AI to automate routine and repetitive tasks; and introducing new work practices such as flexible budgeting and finance business partnering.

The report also emphasizes that collaboration and skills development are crucial for driving productivity.

It concludes that CFOs need to lead by example, partnering with other C-suite leaders to drive efficiency, stability, investment, and development strategies to enhance business productivity.

WHY STRATEGIC PRODUCTIVITY MATTERS

Increasing productivity is crucial for addressing many societal challenges, such as countering slow labour growth, enabling more public investment, and tackling environmental issues. Indeed, productivity drives economic growth, supports sustainable development, and ultimately helps to improve living standards.

A recent survey of CFOs reveals that productivity is also a top concern regarding business risks - second only to geopolitical threats.[1] Such risks may include sub-optimal utilisation of the workforce, delay in project timelines, reduced profitability, low employee engagement and high workforce turnover.[2] Importantly, CFOs strategise to offset some business risks by driving productivity gains.[3]

One major challenge in raising productivity is that rapid technological advancements do not automatically translate into noticeable productivity gains at business, sector or macroeconomic level. This so-called "productivity paradox" can be attributed to the time for workers and organisations to adapt to new technologies, the need for complementary investments in skills and infrastructure, and the risk of initial disruptions caused by technological changes. The productivity paradox suggests that leaders and finance teams may be missing many opportunities to improve productivity.

Strategic productivity aims at enhancing efficiency, improving performance, creating more value for customers, and sustaining long-term growth to benefit stakeholders. It focuses on aligning productivity initiatives across all functions within an organization. It also develops a strong productivity narrative, supported by metrics and analysis, as part of the strategy of the business.

The diagram identifies five key business drivers essential for strategic productivity, as developed by The Productivity Institute.[4] INNOVATION AND DIGITAL ADOPTION enable businesses to harness new technologies for sustained productivity gains, through greater efficiencies in production and service delivery, as well as the improvement and development of new products and services. ENHANCING WORKER SKILLS AND WELL-BEING ensures a motivated and capable workforce. EFFECTIVE LEADERSHIP AND MANAGEMENT are critical for setting the direction and fostering a culture of continuous improvement. MARKETING AND COMMUNICATION help in understanding market needs and effectively positioning products and services. MOBILISING FINANCE ensures that businesses have the necessary resources to invest in productivity-enhancing initiatives.

An integrated effort to activate those drivers is essential for addressing the complex challenges of today's business environment and overcome the productivity paradox. Strategic productivity also requires a cohesive approach, with senior leaders actively discussing and planning for improvements in those drivers across all functions in the organisation.[5]

This report highlights the role of the finance function, and more specifically that of the finance leader, the Chief Financial Officer (CFO), to improve strategic productivity. Based on previous and current desk research, supported by recent interviews with finance leaders, we capture the changing role of the CFO, explore the finance function's contribution to organizational productivity, and offer reflections on the evolving role of the CFO within the leadership team.

Figure 1: Five Key Drivers of Productivity in Business

Source: K. Penney, J. Pendrill (2022) Strategic Productivity For the Leadership Team: Briefing Paper, September 2022, The Productivity Institute.

1 Deloitte (2025), Deloitte CFO Survey: 2024 Q4: CFOs double down on costs, January,
2 Ajay Kumar (2021), The Effects of Low Productivity on Business Growth, March.
3 See Deloitte (2025), ibid
4 K. Penney and J. Pendrill (2022), Strategic Productivity For the Leadership Team: Briefing Paper, September, The Productivity Institute.
5 See K. Penney and J. Pendrill (2022), ibid.

THE EXPANDED ROLE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer (CFO) leads the financial management of a firm's operations, working closely with both internal and external partners. Given the diverse range of stakeholders, including shareholders, customers, investors, auditors, and policy makers, CFOs must be organised and precise in maintaining records and providing information. They establish policies and procedures to safeguard firm's resources and monitor debts. As gatekeepers, CFO focus on the efficiency of the organisation's assets, financial control, and resource management to enhance business performance.

In today's dynamic business environment, finance functions face increasing complexity and continuous change, expanding beyond their traditional scope. The CFO's role now includes involvement in information technology, digital transformations, and ESG practices. Consequently, CFOs must be proactive, focusing on pre-emptive actions and providing solutions rather than merely reporting historical data.[6] They play a crucial role in determining the best paths to success by assessing investment opportunities, risks, and capital utilisation.[7] The responsibilities entrusted to the CFO have also broadened to encompass areas such as procurement, investor relations, M&A transactions, digital and enterprise transformations, IT, cybersecurity, corporate strategy, and pricing.[8]

The expanded scope of CFO activities emphasises the need for integrated information systems, requiring digitalization and automation across the organization, not just within the finance department. Management no longer relies solely on finance professionals for reporting and performance measurement. Experts from various departments, such as sales, marketing, purchasing, and operations, can now access operational and financial data instantly. This shift has made employees more numerate and data-driven, reducing the reliance on finance teams for information delivery.[9]

CFOs can drive the firm's operating and financial strategy more effectively when their teams have access to comprehensive information beyond just financial data. Finance professionals' unique competence lies in their deep understanding of the business and its operations. They can see the big picture while using their detailed knowledge to find linkages and interpret data in multiple ways. Consequently, the role of financial professionals is evolving towards integration—bringing people and projects together, breaking down functional silos, fostering open communication, and providing a realistic view of risks and opportunities.

Additionally, finance professionals are increasingly involved in mediating and facilitating their organizations' understanding of sustainability issues and their impact on financial results and organizational performance.[10]

Overall, this role expansion of the CFO requires a delicate balancing act between increasing the productivity of traditional finance functions—such as data collection, analysis, and risk and compliance management—while also seeking growth opportunities and strengthening long-term business resilience.[11]

MEASURING PRODUCTIVITY

Productivity is key metric for finance leaders to monitor the performance of their business. In a recent survey of UK chartered management accountants, including senior managers, directors, seniors director or other C-Suite leadership positions, 50% of respondents say that the Finance function is responsible for tracking and monitoring productivity in their organisation. However, the survey also reveals a wide variety of definitions that finance leaders assign to productivity, which often align with the results orientation of their respective businesses.[12] On one hand, productivity is linked to value creation and raising customer expectations. On the other, it involves the efficient utilization of resources allocated to value adding activities.

Almost all finance leaders now use a combination of financial and non-financial performance indicators to measure productivity, covering a wider range of key performance indicators (KPIs) than the traditional input/output metrics used in manufacturing. In fact, these traditional metrics can be misleading when applied to service provision. Many intangible assets that drive productivity, like data, innovative product features and organisational competencies, have uncertain value and are difficult to quantify. Unique resources like customer goodwill and brand reputation are typically not recorded in the financial system due to conservative accounting rules.

In sum, finance leaders need to actively pursue strategies and work to optimize metrics that reflect the real strategic value of an organisation's activities, and proactively collaborate with other functions to identify and improve such metrics.

6 ACCA Global (2024), Finance evolution: Embracing the future of finance and technology.
7 Shim, J. K. (2012) CFO fundamentals : your quick guide to internal controls, financial reporting, IFRS, Web 2.0, cloud computing, and more. 4th ed.
8 McKinsey (2023), What are the roles and responsibilities of a CFO?.
9 AICPA & CIMA (2023), The role of finance professionals in driving productivity - The role of finance in productivity.
10 AICPA & CIMA (2024), Future of Finance 2.0: Re-defining finance for a sustainable world I Professional Insights.
11 McKinsey (2023), CFOs' balancing act: Juggling priorities to build resilience.
12 AICPA & CIMA (2021), Tackling the UK productivity puzzle.

THE ROLE OF THE FINANCE LEADERS IN DRIVING PRODUCTIVITY

Based on our interviews with finance leaders we identified initiatives critical to driving productivity in the five key areas of CFO responsibilities, including (1) Data collection, classification and integrity; (2) Reporting and compliance; (3) Data management, analysis, insights and forecasting; (4) Value creation and (5) Risk management. The table below describes the initiative identified to improve productivity as well as specific points of attention for the CFO to strengthen the capabilities.

Mapping activities within CFOs area of responsibility with the productivity boosting initiatives:

CFO area of responsibility	Description	Initiatives that improve productivity	Points of attention
Data collection, classification and integrity	Capturing operating and financial data from multiple sources. Involves assembling, classifying and maintaining data in suitable formats. Ensures that the information is accurate, accessible and useful for analysis and decision-making	Centralising Standardising Offshoring	Redesign of processes Staff skills and motivation Communication Agility
Reporting and compliance	Prepares reports or statements to comply with rules and regulations and inform stakeholders	Using (Gen) AI application to speed up and partially automate submissions	Limited by the increasing complexity of regulations
Data management, analysis, in-sights and forecasting	Meaningfully interpreting data and information to influence decision making Empower internal stakeholders. Granular analysis of financial and non-financial performance/objectives Briefs and visualizations that pre-sent the big picture. Financial planning and control Focus on the future, rather than the past	New technological solutions that offer accessibility, quality and flexibility	In-source skills Collaborate with data scientists Create centres of excellence
Risk Management	Ensures organizational effectiveness and survival	Flexible Budgeting	Commercial savviness versus risk mindedness
Value Creation	Provides predictive insights Makes the business case for strategic initiatives Business growth opportunities	Finance Business Partnering	Cross functional collaborations Joint projects Skills shortage Storytelling Agility

"Certainly, from the perspective of the CFO and the finance function, it is important to understand where the opportunities are, what are you currently doing and where opportunities to win exist – to spend better or to put more money in, because you can get better results."

We highlight three types of productivity-enhancing initiatives that CFOs can lead, based on various interviews:

STREAMLINING FINANCE ACTIVITIES AND MOBILISING GLOBAL TALENT OFFSHORE

Data collection, classification and integrity

Offshoring transactional activities to other regions can lead to significant cost reductions, data consolidation, and improved quality of information for decision-making. It also frees up time for business partnering and innovations. However, this transformation must be carefully planned, organised, and executed to be successful.

The productivity gains from offshoring depend on several factors. First, workflows need to be redesigned to achieve standardization and centralization. Second, sustained communication and engagement with existing employees are crucial for a successful transition. Third, the new talent pool must possess not only the necessary technical skills but also motivation and positive work attitudes. This leads to high-quality data and good coordination. Coupled with new and improved customer interactions and routines, this will ensure that client goodwill is not affected, and customers continue to feel valued. Lastly, new risk management and business continuity procedures must be introduced to maintain agility and resilience.

"Technological transformation is ultimately looking to significantly increase the impact that finance has on the business, enhance business partnering, build that value creation element. It is about trying to grow that top line as well as shrink the cost line."

TECHNOLOGICAL SOLUTIONS

Data management, analysis, insights and forecasting

Investing in new technological solutions, such as data lakes, ensures data integrity, facilitates flexible, on-demand reporting and data access, and enables timely and relevant decision-making. This approach leads to productivity gains by eliminating the need for manual adjustments by the finance function, thereby saving time and ensuring accuracy. Additionally, it allows for sourcing valid and relevant information at the appropriate level of detail, verifying data with both external and internal sources, and retrieving sufficient data to evaluate the impact of marketing and people initiatives, which are often difficult to measure.

However, implementing such solutions requires specialised knowledge and experience in data science, which finance professionals often lack. A viable approach to address this gap is to establish a centre of excellence to drive the transformation. This centre would need to attract skilled data scientists and foster close collaboration, for example between the Finance and IT departments. As with all transformations, it begins with board-level sponsorship and proceeds through meticulous planning and execution, guided by comprehensive yet flexible targets. Ensuring transparency and maintaining regular communication are crucial for securing employee buy-in and managing the cultural shift effectively.

Reporting and compliance

Leveraging AI to automate routine and repetitive tasks, while incorporating industry best practices from publicly available information is a technological solution that enhances productivity and significantly speeds data collection and reporting. However, this approach is constrained by data privacy and security risks, which evolving regulations aim to address. Additionally, the growing complexity and specialisation of reporting activities require human discretion and intervention, further limiting AI's potential for productivity gains.

NEW WORK PRACTICES IN FINANCE

Risk management - Flexible and rolling budgeting

Redesigning the existing budgeting process to make it more dynamic, effective, and manageable across the organization is a key productivity-enhancing initiative led by the CFO. In today's uncertain environment, it is more efficient to engage in flexible and frequent interactions with business units rather than forecasting long periods of activity. This approach eliminates the unnecessary workload associated with extended projections of future operations. It also leads to more relevant and realistic planning while ensuring regular discussions between the business units and the finance team.

Sharing developments and challenges allows finance to see the bigger picture, enabling synergies and teamwork. Thus, while the CFO retains the appropriate level of control and manages strategic risks, finance professionals become critical friends and collaborators, opening up opportunities for partnership.

Value creation - Finance business partnering

Finance business partnering is a collaborative approach where finance teams use their financial analysis, reporting, and forecasting skills to grow the business, enhance customer satisfaction, and drive productivity. This approach is seen as a value-adding activity and involves regular dialogue and cooperation with other functions to understand and support their work. It includes collecting and providing relevant information and KPIs, delivering timely reports, identifying commercial opportunities, evaluating necessary investments, and conducting continuous, flexible analysis to spot inefficiencies and cost-cutting opportunities.

Finance business partnering requires finance professionals to work with others, not in isolation, positioning them as consultants and change-makers. They contribute to a culture of partnership by ensuring accessible information, giving and receiving feedback, sharing workspaces, and communicating effectively and impactfully.

COLLABORATION AND SKILLS

Finance professionals play a crucial role in driving productivity within an organization. Efficient management of financial and other resources ensures that investments yield returns and benefits, making financial oversight a positive driver of productivity. Our interviews reveal that finance specialists see themselves as fulfilling a multitude of roles:[13]

Analyst:	Rationalizer:	Gatekeeper:	Business Partner:	Advisor:	Connector:	Optimizer:
Corroborates numbers and facts, challenges plans and projections.	Measures progress seeks structure.	Safeguards assets, manages compliance, efficiency, and performance.	Collaborates with colleagues to improve performance, adds value, generates business ideas.	Helps leaders make timely and evidence-based decisions.	Considers the big picture, links ideas, data, and people.	Breaks functional silos, avoids tunnel vision.

However, colleagues from other functional teams sometimes see finance specialists and CFOs as hindering rather than enhancing productivity. For example, finance professionals may hide behind technical language, and an excessive focus on rigid financial measures can come across as confrontational. Their mindset—seeing themselves solely as gatekeepers—can stifle collaboration, innovation, and agility. At the same time, many CFOs have shared their perception of productivity barriers across the organization, including a toxic culture, system fragmentation, excessive IT applications, lack of expertise, uncoordinated initiatives, rigidity, and cumbersome administrative processes.

To address the gap between these different vantage points on productivity barriers, it is essential for CFOs to foster seamless collaboration between finance and other functions. Joint planning, open and impactful communication of analysis and metrics, and effective business partnering enhance productivity by ensuring optimal resource allocation for value-adding activities.[14] They also need to move beyond managing traditional financial indicators and refine productivity metrics to include aspects such as quality, long-term effectiveness, and growth objectives like customer value. While risk management is critical for preserving a firm's capital, it is no longer sufficient on its own. Striking a balance with commercial savviness is crucial.

Barriers to partnering often lie in the skills of finance professionals. The skillset that enables finance professionals to support the productivity agenda includes technical skills such as data analysis and insights, risk and investment management, and technology and process improvement. Digitalisation and automation enable CFOs to leverage data for high-level analysis and interpretation. Skilled finance leaders are digitally savvy and understand the organizational context, seeking productivity improvements through careful measurement and analysis beyond surface-level KPIs.

Additionally, CFOs have highlighted the importance of relationship-building and enabling skills like strategic and business partnering, curiosity, ownership, critical thinking, creativity, perseverance, vision, and a growth mindset. Strong and versatile communication skills are essential for engaging in strategic alliances, with storytelling and continuous dialogue being key approaches.

These skills help finance professionals continuously seek improvement and innovation to enhance productivity. They question how reporting and analysis could work differently, inquire about numbers and business events to generate new ideas and solutions, empower themselves to work towards better productivity, ask critical and unusual questions to explore various perspectives, seek original solutions to explain performance and productivity, persist in the desire to improve processes and performance, and envision different and better solutions.

"We need to stop people being like the king of their castle, saying: 'this is my data, this is mine, you have to come to me for the data', rather than using it as open source of information that people can dip in and out of."

13 AICPA & CIMA (2023), ibid.

14 Jörden, N. Adaramoye, W., and Kuenning, G. (2024), Navigating the Productivity Paradox: Strategic Insights from Chief Information Officers. The Productivity Institute.

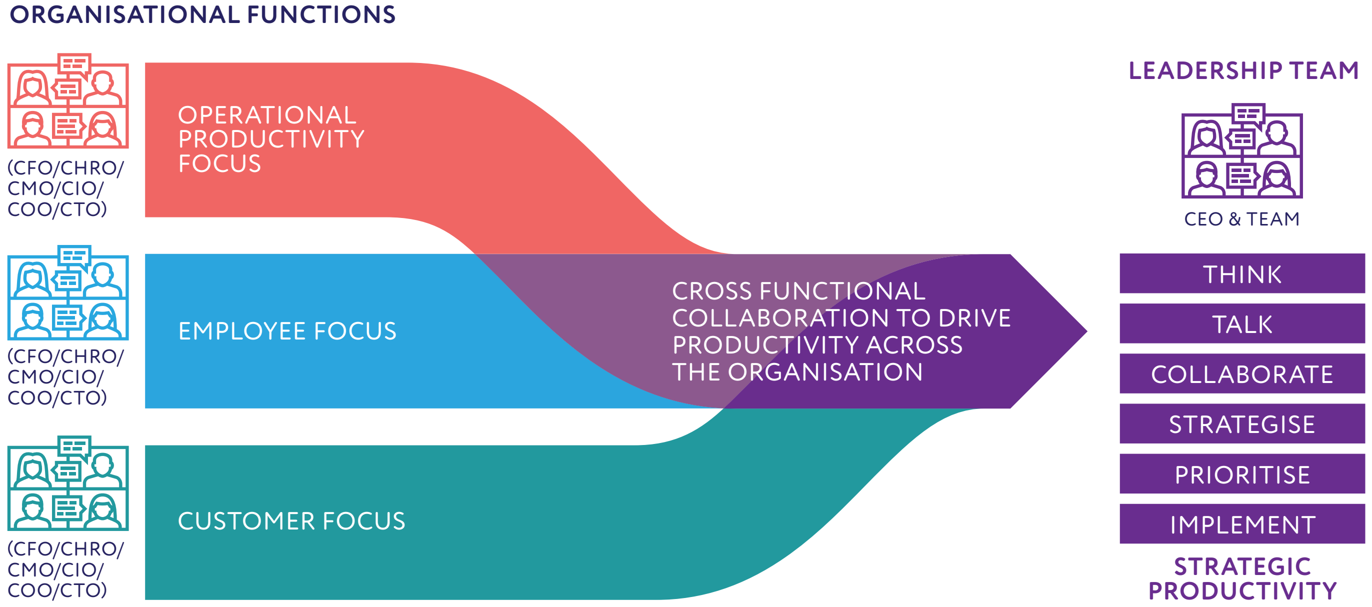
CFOs' lived experiences: Quotes from Interviews

Report Section	Context	Participant Perspective/Quote
Measuring Productivity	Productivity metrics need to be analysed in a flexible and dynamic way, with the notion of value on mind	"For me, it feels like the difference between knowing the value of something versus knowing the cost of something. I think there's always that danger, as an accountant, to look too much at the cost of something, rather than kind of the overall value. Because it's easier to manage or measure."
The Role of the Finance Leaders in Driving Productivity Initiatives	Introducing new technological solutions	"Technological transformation is ultimately looking to significantly increase the impact that finance has on the business, enhance business partnering, build that value creation element. It is about trying to grow that top line as well as shrink the cost line."
	Streamlining finance activities and mobilising global talent offshore	"Change management is always the most difficult part of the project. The efforts to really drive the transformation across the organisation, so that people understand what's behind it and what the benefits are. But there was a lot of communication, and a lot of thinking done around how to communicate."
	Value creation - Finance business partnering How the CFO/Finance team add value	"Certainly, from the perspective of the CFO and the finance function, it is important to understand where the opportunities are, what are you currently doing and where opportunities to win exist – to spend better or to put more money in, because you can get better results."
Collaboration and Skills	Undue focus on the role of a 'gatekeeper' limits open communication with colleagues from other teams	"I find that you end up with different conversations when people don't realise that you're the finance person. It is quite interesting to have seen that change in dynamic. It then makes me think back to conversations I had in the pure finance roles and how probably it stifled collaboration to some degree."
	Desired Behaviours for Finance	"It's key going out and talking with marketing, talking with sales, talking with the other functions." "It's important just being part of the day-to-day conversation of the business, as opposed to being brought in for these big projects."
	Sharing data openly to facilitate the work of others, rather than using it to establish power and authority	"We need to stop people being like the king of their castle, saying: 'this is my data, this is mine, you have to come to me for the data', rather than using it as open source of information that people can dip in and out of."
	Finance needs to reframe and change their narrative	"Just think about value versus cost. Thinking about the value of something, in my mind, already feels very optimistic and forward looking and positive. Whereas, if you're thinking about the cost, I feel, we are going to a very negative place. It's that narrative, it can reshape people's thought patterns as well. Reframing it, as opposed to just purely talking numbers."
Strategic Productivity in the Boardroom	The Role of the CFO	"It's not only about cost reductions, but how to get more efficient and drive better business. Those are difficult conversations, but that's the only way to deliver and that is the Board's mandate to the executive leadership team."
	CFOs are responsible for the effective use of resources, and they need to make critical assessments, rationalise and estimate the effects on performance	"As a CFO I worked very closely with the managing director and often talked about the business and strategy. So, driving the decision making through insights, but also asking the tough question, worth asking. I think the CFO in the room is the one that has to ask the question when marketing might come with the new, latest and greatest idea, and ask: 'OK, that looks fantastic. But what's going to deliver and how do we measure that? And how do we know that it's going to work'."

STRATEGIC PRODUCTIVITY IN THE BOARDROOM

Managing productivity is not sole responsibility of finance professionals. While the CFO is an established and legitimate position within the executive team, it is also one that is rapidly evolving. The CFO role is multi-faceted, often overlapping with those of other leadership team members, in particular the Chief Operation Officer (COO), the Chief Human Resources Officer (CHRO) and the Chief Technology or Information Officers (CTO/CIOs). This evolution demands enhanced communication and collaboration to effectively mobilise finance for productivity and resilience.

Figure 2: Joining up strategic productivity across the organisation



Source: The Productivity Institute.

The chart underscores the need for a holistic approach to productivity, where different functions and strategies are aligned to create a synergistic effect to achieve cohesive and effective productivity improvements. It illustrates how these functions can align their productivity narrative in the boardroom to drive productivity gains. By joining up these strategic elements, organizations can achieve sustainable productivity improvements that drive long-term success.

For example, in the case of the CHRO, much of the productivity narrative is around a people-centric approach, emphasising people-based levers, such as a skills-building strategy, management capabilities, transformative job design, workforce agility and resilience, diversity and inclusion and worker well-being. The CHRO narrative stresses the creations of stakeholder value, and addressing urgent economic, social, and environmental concerns.[15] The CFO can add value by rationalizing and advising the CHRO on financial risks and opportunities to improve performance and productivity. But both need to agree on all those factors that cannot be measured precisely and where they will be guided by their leader's instincts.

CIOs need to be empowered to take a leading role in driving technological change, with stronger coordination among C-suite executives. The development of technical literacy within the leadership team is essential to ensure that digital initiatives are seen as integral to the firm's long-term strategic vision.[16] With their detailed knowledge of the organisation and its operations, environment and culture, the CFO can offer invaluable insights here. By working with the CIO, they measure progress and ensure rational steps and bridging short-term sacrifices with long term achievements.

The CFO needs to lead by example, partnering with other C-suite leaders to bring unique insights not only to efficiency and stability but also to investment and development strategies to drive overall business productivity.

"It's not only about cost reductions, but how to get more efficient and drive better business. Those are difficult conversations, but that's the only way to deliver and that is the Board's mandate to the executive leadership team."

15 B. van Ark and M. Devine (2024), Productivity Through People: New Opportunities for CHROs, The Productivity Institute and The Conference Board.
16 N. Jörden, W. Adaramoye and G. Kuenning (2024), Navigating the Productivity Paradox: Strategic Insights from Chief Information Officers, Productivity Insights Paper No. 037, The Productivity Institute.

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