

HOW CFOs SHOULD NAVIGATE COST OPTIMIZATION IN THE MONTHS AHEAD



This is the third post in our series of what digital leaders should consider as they navigate the scale, pace and actions required to steer their org back in the new normal. Finance leaders everywhere know that all eyes will be on them to restore stability to economies and budgets.

In a survey of 300 chief financial officers, PwC¹ learned that about half expect remote work to become the norm for certain roles, and a quarter expect to decrease their real estate footprint through partial openings of offices or retail locations. The survey also showed that cost pressures are rising: 80% expect a decrease in profits and/or revenue this year as a result of Covid-19, and 70% are considering deferring or canceling planned investments.

As CFOs think through what's required to shift from crisis mode to stability, they are on the hook to answer significant questions:

- What did we do well to optimize existing and unplanned resources?
- What weaknesses were exposed in our revenue projections?
- What lessons did we learn the hard way about how we invest in keeping people safe?
- Who demonstrated better practices about cost optimization that we could learn from?

Other questions as CFOs re-calibrate planning and strategies:

Existing Standards

- Costs: how to factor in which costs are truly fixed versus variable as we reconsider what was really necessary in a crisis?
- Re-Imagining Opportunities: now that we have a stronger sense of what makes our business more resilient to shocks², what tools do we need to invest more in to remain more productive?
- Supply-Chain: how do we rebuild supply chain resiliency with alternate suppliers and closer to the end user?

Projecting Future Costs for

- Testing and tracing for employees, contractors, partners and suppliers?
- Reconfiguring workspaces to provide recommended guidelines for social distancing?
- Technology to support emergency notifications and ongoing updates?
- Increased demand in short term leave requests?

Re-architecting the way a business looks at the absolute tools and processes needed for complete disruption is no easy task. As the pursuit of on-demand gratification gives way to the requirement of what's needed to stabilize working environments, no one is more equipped to lend a calm, objective eye like that of financial leaders. It's their moment to shine!

To read more in this series:

- [How CIOs should navigate IT buying and spending in the months ahead](#)
- [How CPOs should navigate employee experience in the months ahead](#)
- [How CISOs should navigate security in the months ahead](#)

¹ <https://www.adweek.com/brand-marketing/what-cfos-are-expecting-as-the-economy-begins-to-reopen/>

²

<https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/beyond-coronavirus-the-path-to-the-next-normal>