

News Release

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Are CFOs from Mars and CIOs from Venus?

PwC Finds Large Perception Gaps between Finance and IT Functions in Companies and Recommends How to Bridge Them

Chief Financial Officers (CFOs) and Chief Information Officers (CIOs) in many companies face a large perception and perspective gap – almost as if they were from different planets, finds research conducted by CFO Europe Research Services, a unit of CFO Publishing and part of the Economist Group, together with PricewaterhouseCoopers. The report, based on an online survey and in-depth interviews with more than 130 CFOs and CIOs from all across Europe, finds that while CFOs and CIOs generally express high mutual regard for each other, CFOs believe that IT lacks understanding of their company's business strategy and financial reality, while CIOs say that finance fails to communicate goals effectively.

The research suggests that CIOs have a higher opinion of their CFOs than vice versa: when asked about their leadership skills, the ability to collaborate and long-term strategic thinking and planning, six in ten CIOs rate their CFOs as "excellent", while only three in ten CFOs say the same about their CIOs.

However, collaboration between their departments is crucial for the success of their projects and their subsequent impact on earnings. Today, when a company's success, even its viability, depends on the integrity of its financial data and timeliness of transmission, CFOs and CIOs must make sure they communicate regularly, resolve their natural differences in a rational manner and regularly review the process to ensure that it is working.

Knowledge and experience sharing is important. One of the research participants, for example, implemented regular job rotations, moving promising IT managers into the business section for a period of time and giving people from the business side a chance to work in the IT department. Other companies emphasised the need for more business education for IT leaders as a way to bridge the gap between the functions and achieve better understanding.

IT also needs to have a voice at the highest level of the company, regardless of whether it means that the CIO reports directly to the board or to the CFO – what is crucial is that the IT function's role and contribution is understood and that it is able to align itself to achieving strategic goals and driving value.

By nature, CFOs and CIOs often compete for attention, resources and authority, but the success of their projects – and the company's overall performance – is dependant on their ability to co-operate.

A final important step of successful collaboration between finance and IT is measuring of progress: establishing new metrics that will show how technology can drive productivity in other parts of the business and demonstrate the returns on IT investment.

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Notes to Editor:

Mutual expectations

What CIOs want from CFOs:	What CFOs want from CIOs:
"More communication"	"Working more closely together"
"Talking to each other"	"CIO report to CFO"
"More written communication"	"Finance courses for the IT people"
"More forced communication"	"Mutual understanding of business strategy"
"Better communication"	"IT should deliver more value"
"More flexibility"	"Clarify IT strategy"

Methodology

In March 2008, survey responses from 53 senior IT executives and 80 senior finance executives were collected through an online self-completion survey and in-depth phone interviews. All are from Europe (from more than 15 different countries) and all hold top positions in their organisations. All major industries are represented.

For a full copy of the survey, please contact [Zuzana Sehnalova](#).

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