Are you a value integrator? (say yes)

Tough economic times have thrust Chief Financial Officers under a glaring spotlight. The finance departments have had to address urgent capital acquisition, cash flow and revenue challenges. They also were drawn into more frequent boardroom conversations about forecasts, profitability, risk management and strategic decisions related to supply chains, pricing and production.

As a result, CFOs have attained even more influence at the enterprise level. Unfortunately, Finance's effectiveness lags - particularly in broader areas of responsibility and impact, where company success often hinges on the CFO's advice.

These are the stark conclusions of a comprehensive new study of over 1,900 Chief Financial Officers (CFOs) and senior finance executives from 81 countries and 35 industries worldwide, conducted by IBM.

The study points out, for example, that since 2005, the importance of integrating information has more than doubled. Also, the priority of enterprise risk management has risen 93 percent.

Yet more than 45 percent of CFOs indicate that their Finance organizations are not effective in the areas of strategy, information integration, and risk and opportunity management. "With expectations rising faster than effectiveness, Finance faces a widening execution gap," the study notes.

However, the report celebrates one group of Finance organizations that it believes stands out from its peers. IBM calls them Value Integrators. It says these operations excel at two primary capabilities that are strongly associated with outperformance. They are finance efficiency - The degree of process and data commonality across Finance; and Business insight - the maturity level of finance talent, technology and analytical capabilities dedicated to providing optimization, planning and forward-looking insights.

IBM calls the other two broad groups Constrained Advisors and Disciplined Operators.

The study asserts that the Value Integrators are more effective across all nine dimensions of the Finance agenda, with significant advantages in managing enterprise risk, measuring and monitoring business performance and driving insight from information integrated across their companies and governments.

IBM also says they are better at navigating uncertainty. According to its calculations, 75 percent indicated their firms anticipate and respond well to external factors compared with 62 percent of Constrained Advisors and 56 percent of Disciplined Operators. "And against each financial measure we examined - balance sheet, profit and loss, and cash flow - their enterprises outperform," IBM insists.