

CHIEF VALUE OFFICER – THE IMPORTANT EVOLUTION OF THE CFO



About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

We're a thriving global community of 241,000 members and 542,000 future members based in 178 countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in [our purpose](#). In December 2020, we made commitments to the [UN Sustainable Development Goals](#) which we are measuring and will report on in our annual integrated report. We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations and individuals grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through cutting edge research, we lead the profession by answering today's questions and preparing for the future. We are a not-for-profit organisation.

Find out more at: accaglobal.com

About BDO

BDO Global

BDO is an international network of public accounting, tax and advisory firms which perform professional services under the name of BDO. For the year ended 30 September 2022 BDO (including BDO's exclusive Alliances) announced a total combined fee income of more than US\$ 12.8 billion, representing a year on year growth of 12.1%. BDO public accounting, tax and advisory firms provide professional services in 164 countries, with 111,307 people working out of 1,803 offices worldwide.

BDO LLP (UK)

BDO UK provides tax, audit and assurance, advisory and business outsourcing services to companies across all sectors of the economy. Our people are specialists in their respective fields and have a proactive, flexible approach to helping businesses overcome the challenges they face. We aim to be as innovative and entrepreneurial as the companies we work with, 95 per cent of whom say they would recommend us.

Operating out of 18 locations across the UK, we cover all of the major business centres while offering local expertise to local firms. Our growing business now comprises approximately 7,000 people who are encouraged to be themselves, bringing personality and authenticity to our professional environment. The core values which underpin our culture – including being responsible, acting with integrity and working collaboratively – are reflected in the behaviours of our people and our CSR policies.

www.bdo.co.uk



About this report

The chief financial officer (CFO) role is fundamental to organisations and their stakeholders. The role continues to evolve and reshape as the emphasis of organisations changes. The role of a chief value officer (CVO) is one that is increasingly used in the context of the broader reporting that organisations are now undertaking. Is the CVO role an extension of the CFO role or is it unique? What constitutes value anyway?

To explore those two questions, this report draws on the views of nearly 100 finance leaders from across the globe, representing a wide variety of organisations from large global corporates to start-up businesses. The finance leaders included not-for-profit and public sector organisations as well as publicly listed and private equity backed entities.

Foreword

The CFO represents the pinnacle of one of the branches of the accountancy and finance profession. CFOs are fundamental and highly respected members of the business community and the role that they play creates integrity and trust in the financial affairs of their organisations.

Increasingly their organisations are being asked to consider the implications of the necessity of creating sustainable organisations that deliver value to a broader range of stakeholders and to report on a broader basis. This is a requirement that most CFOs are already starting to satisfy. It requires a deep understanding of their organisation and a comprehensive set of technical and interpersonal skills, as highlighted in their profile in ACCA's Career Navigator, for example. It is important, in any discussion in organisations of creating or redesignating a CVO role, to acknowledge that much of what might be included in such a role is probably already being undertaken by the CFO.

This is not to be complacent, and it is important to recognise that those already undertaking CFO roles will benefit from continuing education programmes in key areas to maintain their skills.

The future of the profession relies upon the development of the next generation of CFOs, ready to replace those able individuals currently in the role, when the time comes. While the ever-broadening role may seem daunting, the good news is that the accountancy and finance profession is ready to provide support through mentoring programmes and continuous learning activities. It is essential for finance and accountancy leaders to play their part in ensuring that the next generation is prepared for this crucial role. Acting as mentors, for example, is an essential element and it should be recognised that many CFOs willingly give their time to this activity already. Networking and peer-to-peer discussions are also key elements in that career journey.

As the CFO role develops, so does the important consideration of the value that organisations generate. CFOs are the stewards of value. May we be the first to recognise this.



Helen Brand OBE
chief executive, ACCA



Ian McBane
Partner & National Head
of Business Services &
Outsourcing, BDO UK



Niek de Haan
Global Head of Tax and
Business Services and
Outsourcing, BDO Netherlands

Contents

Executive summary	6	
Key actions summary	8	
1. What do we mean by 'value'	9	
1.1 Defining value	9	
1.2 A model of value	10	
1.3 The enablers of value	11	
1.4 The converters of value	12	
1.5 The recipients of value	13	
1.6 Value vs. profit	13	
1.7 Linking value to values (and strategy)	14	
1.8 The chief value officer today	15	
1.9 A consistent view of value?	15	
2. The changing CFO role	16	
2.1 The historic CFO role	16	
2.2 The evolving trend	17	
2.3 The reality of the CFO role	18	
2.4 CFO, CEO and COO	19	
2.5 Value across the C-suite	20	
2.6 The CFO role for the future	20	
2.7 The CFO role in the context of the CVO	21	
3. Developing the relevant skill sets	22	
3.1 The imperative of developing the necessary skills	22	
3.2 For the current CFOs	23	
3.3 The next generation	23	
Conclusion	24	
Responses to three questions	26	
What is a Chief Value Officer?	27	
Is a CVO a CFO?	28	
Why would I want to be a CVO?	29	
Acknowledgements	30	
References	32	

Executive summary

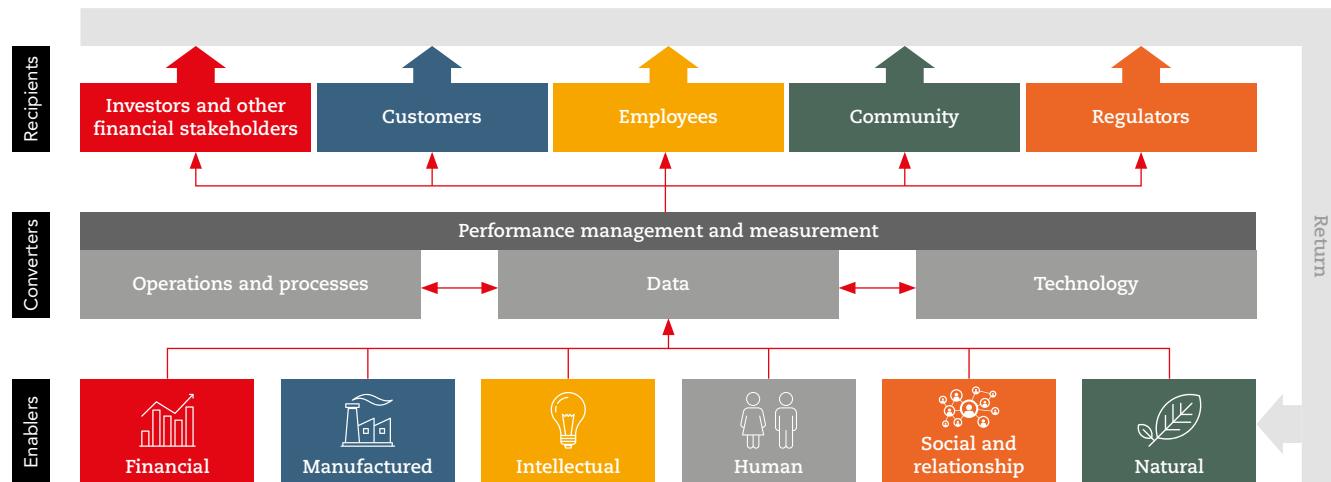
Three key messages from this report

- The concept of value is fundamental to the management of performance in organisations and its adoption is a key element in their path to a sustainable future.
- Chief financial officers are increasingly adopting a value centric approach in their work and this represents an evolution towards a chief value officer role away from a traditionally financially focused remit.
- The development path for those aspiring to be chief financial officers requires an increasingly broad range of experience which embraces both formal and informal learning activities which professional bodies and practices need to engage with.

Organisations are increasingly being asked to consider, and to report upon, more value-centric aspects of their operations. There is also an increasing requirement being placed upon many organisations to report against non-financial aspects of their operations. With a focus for many organisations on purpose and value, there is a trend to asserting the need for a new C-level executive, the chief value officer, or CVO. Is this a role that the CFO is already fulfilling or is this a new role? Drawing on the opinions of nearly 100 CFOs and other senior business leaders from across the world, this report suggests conclusions on this debate.

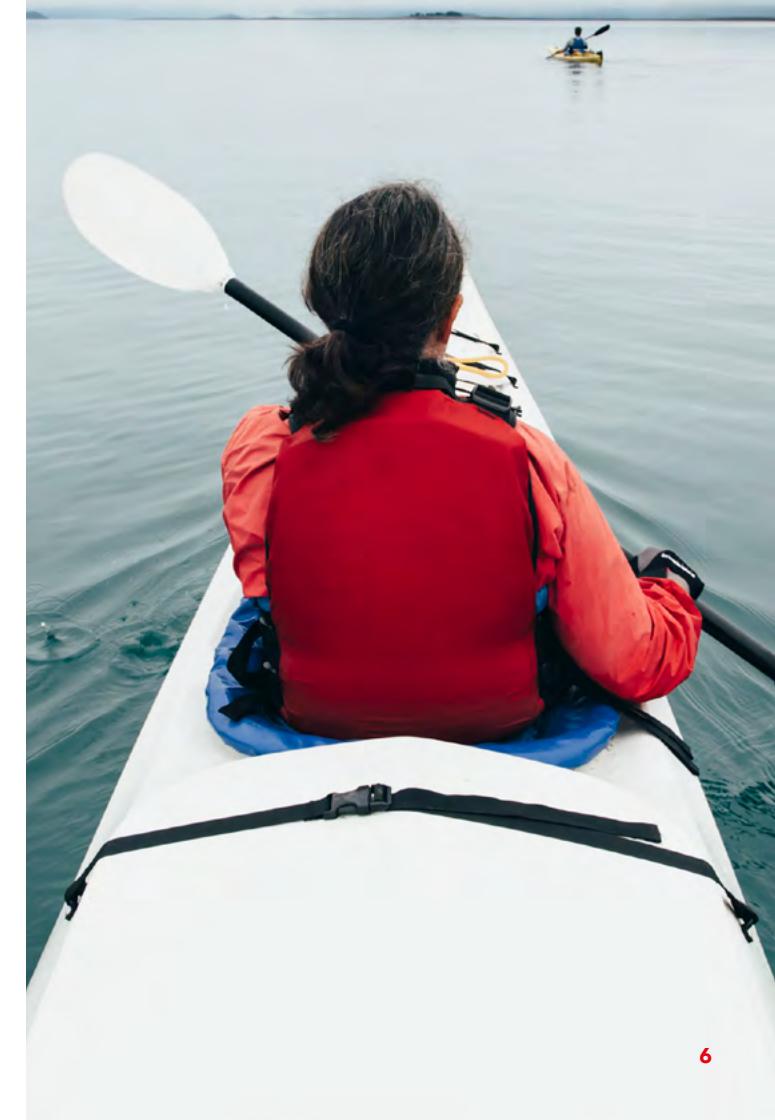
Before considering what the role of the CVO might embrace, it is important to consider what we may mean by the term 'value'. The following model (Figure ES1) seeks to explain the fundamentals of the concept.

FIGURE ES1: A model of value



'We look at value from a finance point of view of the numbers. But we realise over time there are many stakeholders who do not necessarily look at the monetary view or the value of the company in that way.'

CFO based in East Africa



Value in an organisation is produced by a series of enablers which can be represented by the six capitals in the Integrated Reporting Framework originally instituted by International Integrated Reporting Council (IIRC) as a proxy. These capitals are 'converted' by the operations and processes of the organisation into value and reported upon by using data and technology in real-time performance management. In turn, this reports the value to a series of stakeholders who are broader than, but include, the financial stakeholders. The role of the CVO is to support the development of components of the organisation's value-creation strategy and to monitor progress against this.

Value is a long-term concept and one that is aligned to the creation of sustainable organisations. The reality is that for most CFOs the achievement of the strategic goals of an organisation that embraces economic, environmental and social equity is a fundamental part of their evolving role. This is at the core of generating value.

CFOs are increasingly acting as strategic leaders and advisers in their organisations. The CFO role is one that has moved significantly from the traditional view, while retaining the core responsibilities. Figure ES2 provides a view of the currently required skill set for the role of the CFO.

For many CFOs, this role, together with that of other C-suite executives, embraces the concept of value management. CFOs are the accountable face for the delivery of value in their organisations. The evolution of the role is driven, in part, by the expectation of the stakeholders with whom the CFO engages.

While there is a debate as to whether there is a separate CVO role or if it is an extension of the CFO role, many of the CFOs who contributed to this research argued that they were already fulfilling that role.

On this basis, while there is always more to learn, there is no need to rebrand the role, but CFOs need to ensure that they step up to satisfy the required value agenda.

A failure to do so will lead to a marginalised finance team and CFO role, as the CVO requirement will be fulfilled by others and finance teams will remain focused upon historic reporting with less value add.

It is important to accept that there is a perception issue, as exemplified by the extracts in the 'Responses to three questions' section at the end of this report, which give a very traditional view of a CFO role. This does not align with the value-centric view that many senior finance leaders believe is the CFO role of today.

The opportunity exists not only for those currently in post but also for those who aspire to be the next generation of CFOs, for their roles will be very different from that seen through the lens of 'tradition'.

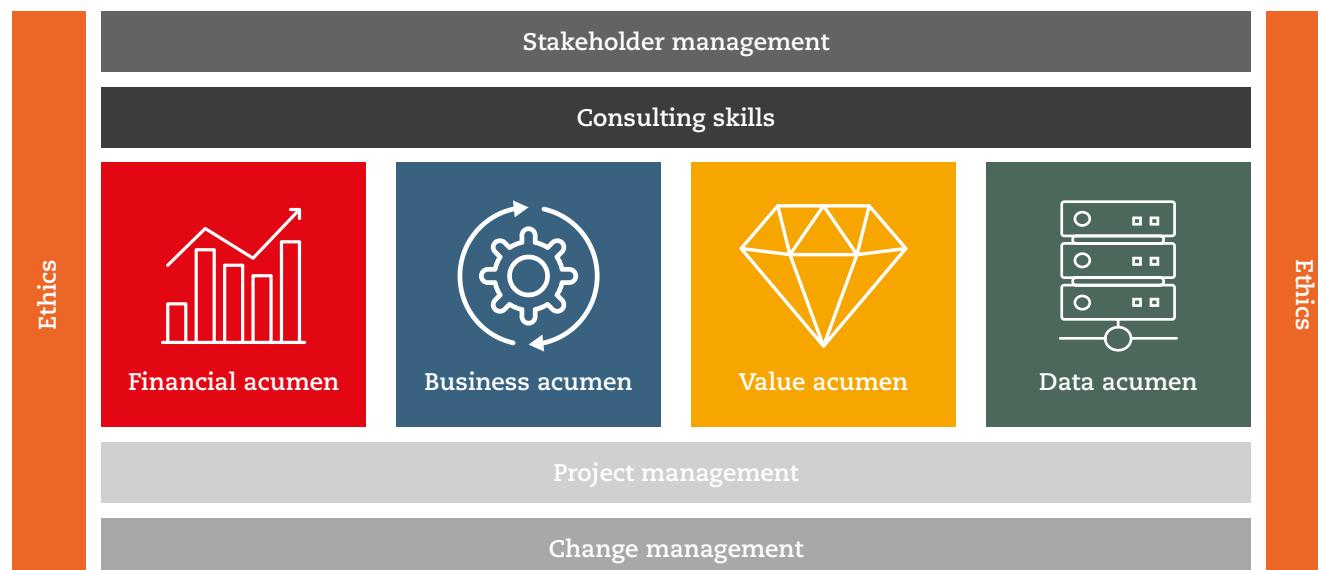
Using a range of career development actions is essential as the pathways followed in the past provide only some of the attributes expected (see section 3.1). It is important that today's CFOs appreciate the challenges in the development path that their successors now face.

The CVO role is an important evolution of the CFO role.

'I think that if a CFO does not become a chief value officer, then they are going to continue to be that back-office function where all the decisions are going to be made without the involvement of a financial lens or a perspective on the resources of the organisation needed. So, I think it is important that the CFO does evolve [in]to the chief value officer'.

CFO based in the US

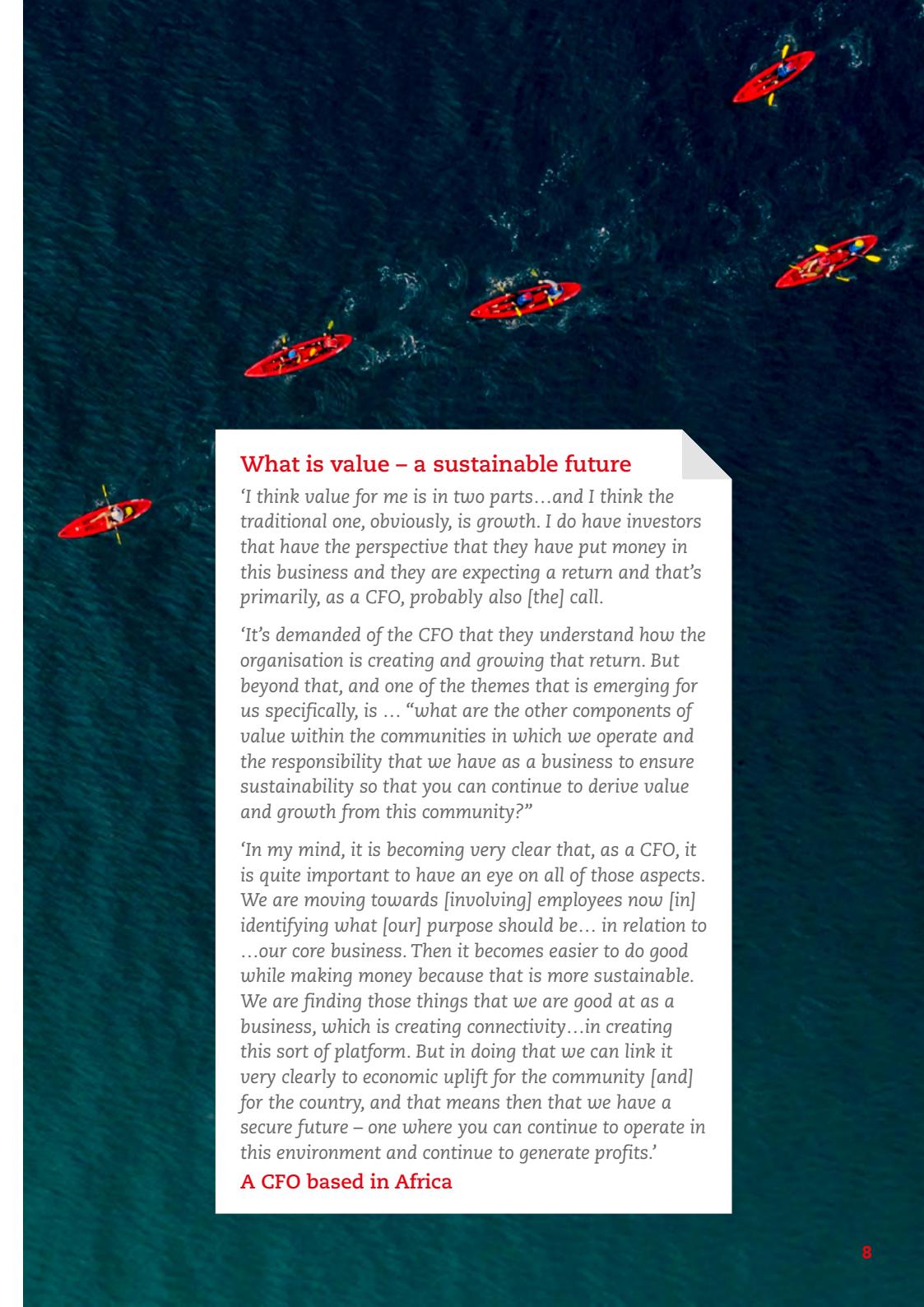
FIGURE ES2: The reality of the CFO role



Key actions

The following table suggests some actions that leaders of organisations may take to embed value-based concepts in their management and to develop their finance teams appropriately.

ACTION	REPORT SECTION
Consider the organisation's definition of value and how this may be applied across the range of recipients of value identified.	⊕ 1.2
Consider the value-based outcomes of the organisation's sustainability transition plan.	⊕ 1.2
Assess how each of the six capitals works to create value for the recipients of value.	⊕ 1.3 and 1.5
Consider how real-time reporting across the capitals can be incorporated into performance-management processes.	⊕ 1.4
Appreciate that performance management needs to reflect value across the six capitals and therefore increasingly relies on a combination of financial and operational data.	⊕ 1.4
Establish a democratisation of data across the organisation, enabling a collective view of performance and value to be established.	⊕ 1.4
Formalise the link between 'value' and 'values', through strategy.	⊕ 1.7
Establish a 'responsibility – accountability – consulted – informed' (RACI) model across the C-suite covering the different aspects of value.	⊕ 2.5
Establish a leadership structure that focuses upon value.	⊕ 2.5
Embed the concepts of value into the risk-management and governance processes in the organisation, including within the remit of the non-executive directors.	⊕ 2.5
Consider the development path for those currently in the finance team to ensure that they have embraced the concepts necessary to perform their expected role.	⊕ 3.1 and 3.2



1. What do we mean by 'value'

'VALUE IS IN THE EYE OF THE BEHOLDER.'
UK CFO



1.1 Defining value

value /'vælju:/

The **noun** 'value' is defined in three relevant ways by the Oxford Learner's Dictionary:

- 'how much something is worth in money or other goods for which it can be exchanged'
- 'how much something is worth compared with its price, and'
- 'the quality of being useful or important' (Oxford Learner's Dictionary 2023).

As a **verb** it is defined as:

- 'to think that somebody/something is important; and'
- 'to decide that something is worth a particular amount of money' (*ibid*).

From these definitions it can be surmised that the term 'value' relates to the relative importance of an item or service that might, or might not, be measured in financial terms. What one individual may perceive as the value of an item or service may be different from another's view. The laws of economics dictate that the scarcity of an item and its usefulness to an individual or organisation dictate their perception of value. In the second definition of the noun, above, the concept of a premium of value over price (or cost) is introduced. In defining the term itself the subjective nature of the discussion is inescapable.

This report seeks to identify the role of the CVO as the latest C-suite role in an organisation and to determine whether the emergence of this role represents an extension of the CFO role or is indeed unique. Whichever view you, as an individual, may take, there is a clear element of overlap, as indeed there are in many C-suite roles. Often, the execution of the activities that any individual might associate with a particular job title is more important than the role itself.

Considering whether the CVO role is an evolution of the CFO role and therefore one that is naturally the role of the finance and accountancy profession requires the examination of two aspects, firstly, what we might consider in line with the concept of value and, secondly, how the CFO role is itself developing. If there is a CVO role, what is the value that the role is managing?

The CVO role is clearly a discussion point in several professions, however. For example, the Next Level Purchasing Association posted an article in 2018 entitled 'Could CPO [Chief Purchasing Officer] Role be Replaced by Chief Value Officer?' (Next Level Purchasing Association 2018).

1.2 A model of value

For organisations, there is no single definition of 'value' covering either how it is generated or the nature of the stakeholders who may be considered as its consumers. Many of the roundtable participants were keen to stress that value itself is highly contextual for the organisation, its sector, size and location. A CFO from mainland China noted that value, besides the economic value that everyone thinks it can bring to enterprises, also includes the remaining value that lies in the sustainability that it can bring to society, the environment and the talent employed in the enterprise's operations, all of which benefit from the enterprise's activities. The so-called value brought to society and the environment is not directly obtained by the enterprise but is generated through the principles established by regulatory markets and authorities.

There are, nonetheless, some fundamentals that must be included in a model of value. The model in Figure 1.1 defines three levels of value:

- **the enablers** – the facets of the organisation that represent the assets used to create value
- **the convertors** – the processes by which the organisation combines inputs and creates products and services, and
- **the recipients** of the value that the organisation generates.

Creating and maintaining value is a cyclical activity, so there is a process of return of value from the recipients to the enablers. This process is also summarised in Figure 1.2.

The generation of value is a continuous process and this makes it a longer-term activity than, for example, an annual profit or loss calculation. This factor was not lost in comments made by many of the roundtable participants. While for many the financial perspective may be the key

imperative, it falls increasingly to the CFO to ensure that there is a balance between financial and non-financial drivers. As an all-embracing concept, value optimisation may necessitate taking decisions that are not, in strict terms, financially optimal.

In facilitating an understanding of the concept of value it is necessary to consider each of the three levels of value listed above.

FIGURE 1.1: A model of value

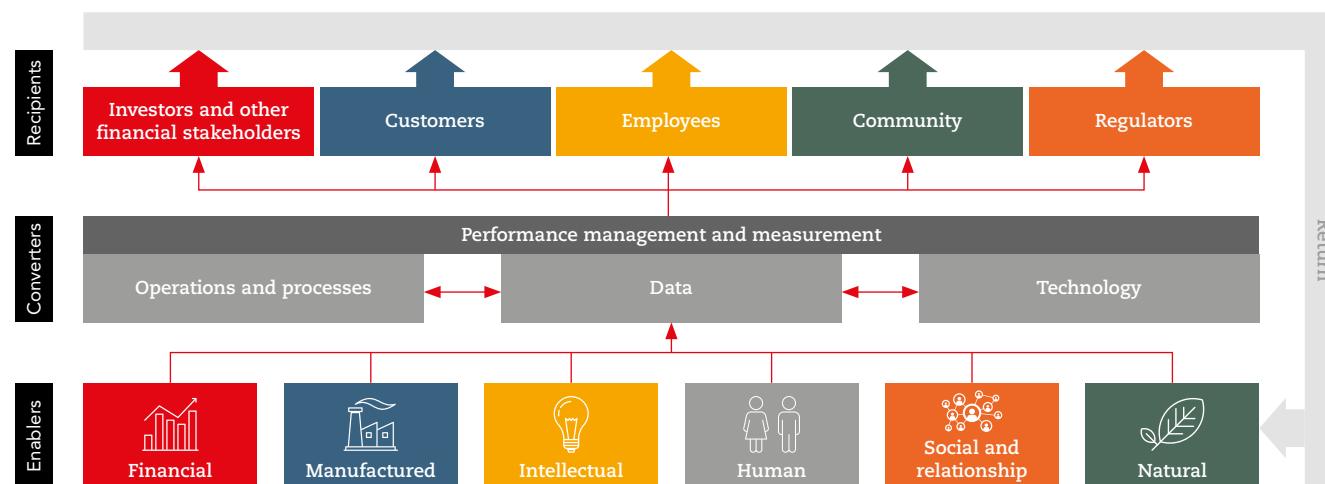
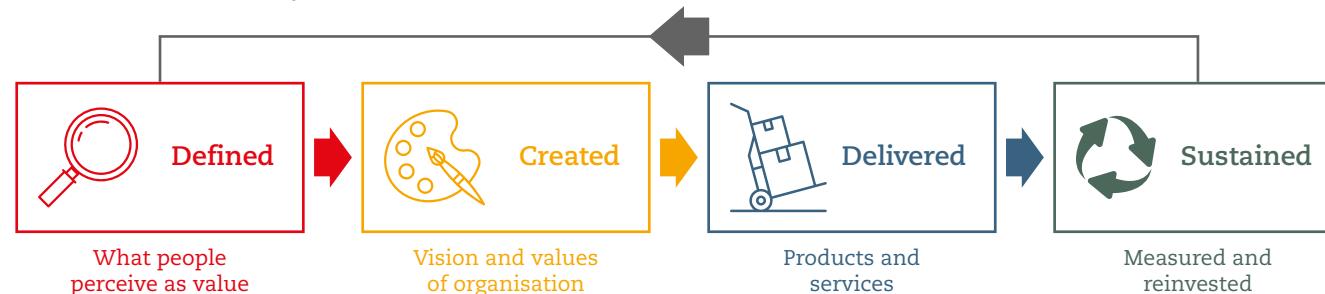


FIGURE 1.2: The value cycle



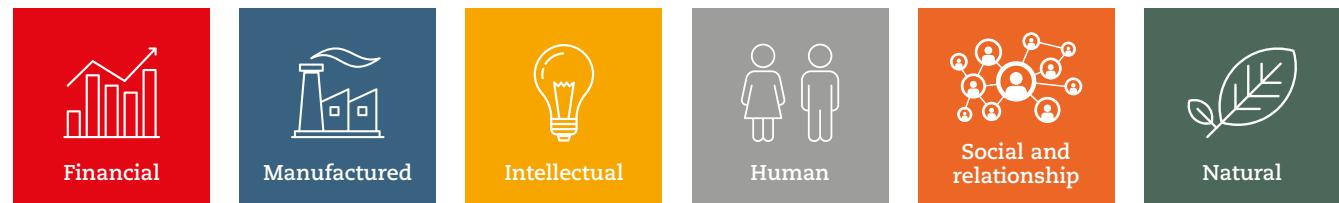
1.3 The enablers of value

The six capitals of the IIRC's Integrated Reporting (<IR>) Framework (IIRC 2013) provide an initial basis for the enablers of value in an organisation. Several roundtable participants referred to the Framework in their initial comments. Indeed, two academic institutions that provide courses for the CVO use it as their basis (Audencia n.d. and University of the Witwatersrand n.d.). That of the University of the Witwatersrand builds upon the work of Mervyn King in his book *The Chief Value Officer: Accountants can Save the Planet* (King and Atkins 2016).

The concept of these enablers is that they represent the levers that an organisation uses to create value through its activities. Each organisation will use them in a different combination according to the product or service it provides.

Several of the roundtable participants commented that whereas a 'traditional' view of the valuation of an organisation, for example when a transaction was undertaken, would have been based upon the physical assets that it used, it is increasingly the value of the intangible assets, as represented by the intellectual capital as well as its human capital, that constitutes the most appropriate valuation of an organisation. The concept of value is closely aligned to how an organisation uses each of these capitals in combination to generate a future revenue stream which provides benefits. Some roundtable participants even went as far as singling out the human capital as the key. Their assertion was that the human capital, the people of the organisation, working together with the other capitals create the organisation's commercial advantage. A CFO working in the not-for-profit sector commented that value is a matter of, 'what are we doing with the resources we have? How are we improving the lives of others? How we are fulfilling the deliverables of our mission'.

FIGURE 1.3: The six capitals of the IIRC's Integrated Reporting Framework

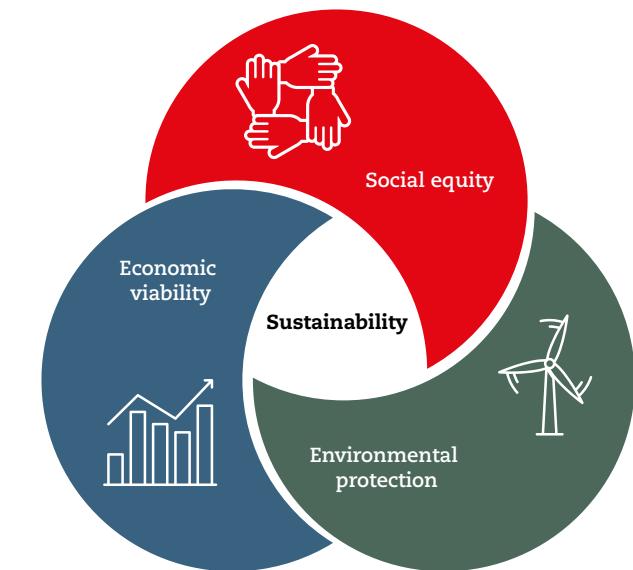


The definition of a sustainable organisation (Figure 1.4) is also closely linked to these enablers of value. A sustainable organisation is one which creates long-term value by taking into consideration how it operates in its ecological, social and economic environments. The progression of value in an organisation is therefore determined by how the six capitals are worked in combination to lead to such a sustainable future. This was a factor echoed by several roundtable participants.

Such a view of value makes the link between a purely financial objective, which might be associated with the economic aspect, and the need to balance this with the broader social considerations and those of environmental protection.¹ A CFO from Africa commented that, 'sustainability is [a] key that we cannot run away from, and in addressing the issue of sustainability, you are basically looking at an organisation, considering all its stakeholders over and above the shareholders and ensuring that you know the likely impact upon them'.

A UK CFO commented that: 'there is obviously the impact we can have in improving the environment, and on the social side it is the value either internally or outside in communities. This value to those stakeholders...is very different to the financial value that you [already] know'.

FIGURE 1.4: The three domains of sustainability – the triple bottom line



¹ The social aspects of value and the responsibility of organisations, and in particular finance functions, is considered in ACCA 2023.

1.4 The converters of value

The enablers of value are not themselves enough to create and sustain value in an organisation. Today's organisations increasingly use a combination of people, process, technology and data to take the six capitals and create value from them (Figure 1.5).

Some roundtable participants contended that the strategic importance of data to many organisations in creating and sustaining value meant that it should be considered as an additional capital in the IIRC's <IR> framework. While that might be appropriate in certain circumstances, it is better to think of data, once retrieved from the technology platforms that facilitate its collection, being converted into information. This conversion is a stage in the value-creation process and interacts with each of the other capitals. Indeed, it is the processes through which that data passes that create information. As organisations increasingly integrate analysis and artificial intelligence (AI) into their processes, it is the human analysis and validation of the outputs that creates the value. If one considers developments such as ChatGPT, while these are phenomenal as technical feats, they would not be very impressive without either the immense amount of human-created information on which they are trained, or effective use and verification on the output side. Data is an intermediate material on the way to realising and creating value, however it is processed in any particular organisation.

The value itself is only realised if there is an appropriate level of performance management and measurement in the organisation to benefit from it. Value cannot be created simply by having the data and processes on their own and it is the interpretation of the outputs and the resulting actions that produce results.

Many roundtable participants reflected that the production of historical results, while of some benefit, was not always relevant to an organisation that was looking to create value. There are two dimensions to this. Firstly that, as the events of the first four years of the 2020s have shown, there is a significant level of uncertainty in geopolitical and economic conditions. Organisations need to respond dynamically to external threats. Reflecting upon what happened a month or six weeks ago may not facilitate adding value.

Secondly, there is a desire by many stakeholders to receive information in as near real time as possible. Periodicity is no longer a valid concept. Waiting to get the 'numbers right'

at a certain point in time does not add value. The decision made may not change. It should be noted that there is a counter argument to this assertion, which is that trends do need to develop, and constant changes of direction can destroy as much value as rigidly sticking to a course.

In their roles as the providers of performance information across the organisation, finance teams need to understand the importance of the provision of real-time information, often through self-serve applications, across the capitals. This implies that information is needed that reflects performance across all the six capitals, which increasingly requires relating operational and financial information in an integrated manner. The democratisation of data across organisations is essential to creating value. The process of democratisation of data enables everybody in the organisation, irrespective of their technical know-how, to work with data comfortably, to be confident in talking about it and, as a result, make data-informed decisions and build customer experiences powered by this data, thereby creating value.

FIGURE 1.5: The converters of value



1.5 The recipients of value

In a traditional view of performance and value, the profit goal was seen as sufficient for organisations. That is no longer the case and, as illustrated in Figure 1.6, an organisation has many recipients of value.

This is not to say that *investors and other financial stakeholders* are not the recipients of value. Indeed, many of the roundtable participants whose organisations are private-equity-based observed that, for them, 'value' is considered to be the impact of the multiplier of EBITDA and that their responsibility as CFOs is to maximise the growth in value, as represented by that multiplier, to the end of the investment period for the benefit of the investors. That said, they also acknowledged that in so doing they needed to create an organisation with a positive future, indeed a sustainable future, which would continue to generate profits after a sale or other transaction had taken place. It can be contended that such future sustainability relies upon the interaction between investors and the other recipients of value. A CFO in a private-equity-backed organisation commented, 'we will eventually exit [at] some stage and the way we are trying to create value is not only obviously, through the valuation of our business based on financial metrics [but also] ... we view how our potential acquirers perceive us and the multiple they might put on our business, which is more determined by the value of what they see [as] the potential in our business going forward'.

The next group of recipients are represented by the *customers*. In the customer-centric operating model, the quality of the products and the resulting customer relationships are essential. Several CFOs, for example those working in service industries, commented that factors such as the NPS were fundamental parts of their assessment of the value that their organisation created. Two examples given by CFOs serve to illustrate the interaction between the social and the value agendas. In the first how the growing of a declining crop has led the organisation to

FIGURE 1.6: The recipients of value



provide markets for alternative products to sustain the livelihoods of their growers; and secondly how bringing mobile communications to remote communities also acts as a stimulus for economic growth thereby sustaining the investment in renewable energy required. Any balanced scorecard that reflects value needs to include such assessments of the quality of the customer relationships.

Employees are also receivers of the value created by organisations. Employees expect to be satisfied in their employment and to benefit from it – the concept of a 'good job'.² Value can also be related to the attraction of potential employees to the organisation. Employees can be considered to be not just those direct employees, but also those contracted to work with the organisation but who are not directly employed, as well as those in the supply chains.

As with employees, there is also a social element of value, which lies in the interaction between the organisation and the communities in which it is based. A traditional view of this might once have been just the impact of corporate and social responsibility (CSR) programmes. It has expanded significantly beyond this. By using concepts such as the 'social licence to operate' (see ACCA 2023) organisations are appreciating the value that their activities create, or destroy, in the communities in which they are based. In its purest form, this may be how the organisation ensures the future viability of its workforce, through education and environmental programmes.

The final recipient of value are the regulators with whom the organisation interacts. Regulators, which may also include governmental organisations other than purely financial regulators, are increasingly requiring disclosures about, and hence involvement in, the non-financial aspects of organisations. This reflects the importance of the actions of organisations in addressing issues such as net zero goals, but also literacy and health-care goals both in organisations and their supply chains. Indeed, frameworks as such the draft European Sustainability Reporting Standards (EFRAG 2022) may be said to reflect this broader view of value.

1.6 Value vs. profit

A UK CFO expressed what can be considered to be the classical view, commenting that, 'the traditional definition is that if you grow financial capital then you have generated value'. A CFO from Australia also noted that, 'you would hope that...value is reflected in the share market. Often it isn't, and there is a disconnect[ion] between the value in the market and the intrinsic value [of the organisation]'.

A discussion point for many of the roundtable participants was the relationship between value and profit. Many saw the maximisation of profit as remaining the core focus of their organisation, because profit creates the ability to invest in the future. Some amended this view by expressing the view that the pandemic had reinforced the need to focus on liquidity rather than regarding profit as the sole focus.

2 The concept of a 'good job' and the broader social implications of value are considered in ACCA 2023.

It is important to see these two concepts as complementary rather than mutually exclusive. They may represent a short-term (perhaps annual) focus on profit maximisation against a longer-term perspective suggested by the concept of value. It is possible to reconcile these two perspectives.

The work of organisations such as the Impact Economy Foundation (Impact Economy Foundation n.d.) illustrates one way of doing this.

A CFO whose organisation is private-equity-backed commented that organisations need to: 'continue to perform and grow, and to do so in a more productive and effective way, either using technology or automation. AI, for example, is creating huge amounts of value for us as a business, [and] also for our clients and our stakeholders'.

A European CFO commented, 'value is directed to a different actor into the system. In Europe people are looking at profit, but it is much more important to demonstrate a level of ethics towards sustainability. It is another pressure on the CFO who only looks at profits'.

A CFO from Africa discussed a perspective for assessing value against profit in terms of performance, commenting that '[the] usual direction [CFOs] are coming from has been measuring the value of a company either by the performance of the shares or your bottom line. In doing that everything is monetised. But now the longer-term [perspective] looks at the social impact, it goes to look at the environmental aspects, and when you are looking at those things an annual cycle may not be adequate'. This participant then questioned whether finance teams were ready for the task and concluded that perhaps they were not. The changing role of the finance team is discussed in section 2.6.

1.7 Linking value to values (and strategy)

A further consideration is the link between the concept of value and the values of an organisation. Organisational values are a set of core beliefs held by an organisation. They act as guiding principles that provide the organisation with purpose and direction and set the tone for its interactions with its customers, employees and other stakeholders.

FIGURE 1.7: Value and values

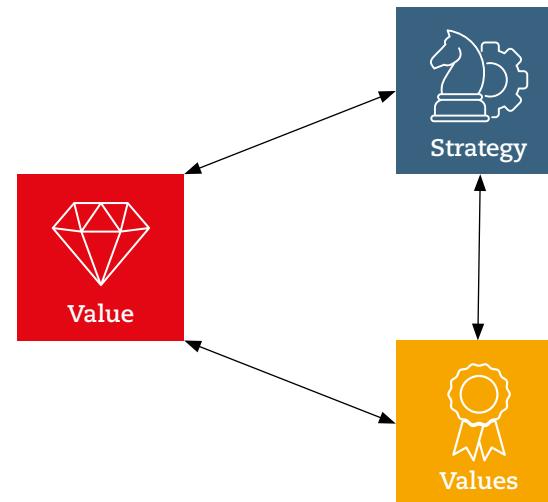


Figure 1.7 illustrates the potential linkage and the role of the strategy of the organisation. As has been explained, the value that an organisation delivers to its recipients is through a range of channels and is executed by using a range of capitals as the enablers.

The strategy of the organisation reflects the direction in which it seeks to progress. Any discussion of strategy will have a range of outcomes which should embrace some, if not all, of the recipients of value who were outlined in section 1.5. To execute that strategy, the organisation needs to establish a common purpose that can be exemplified through its values. There is, therefore, a strong correlation between the concepts of 'value' and 'values'.

A CFO commented that, 'I think there is a balance to be struck [between] short term, the medium term [and the] longer term. The sustainability aspect comes into that conversation as well, because I think that as organisations start looking at a more balanced scorecard, integrated reporting approach [to] how they actually perform... they are also considering how they report on value creation'. This participant continued, 'the long-term does not compromise your short-term performance and everything that you are doing there. It is about having that sustainable plan'.

Whether the CVO role exists today is a question – or is it an opportunity?

THE STRATEGY OF THE ORGANISATION REFLECTS THE DIRECTION IN WHICH IT SEEKS TO PROGRESS... TO EXECUTE THAT STRATEGY, THE ORGANISATION NEEDS TO ESTABLISH A COMMON PURPOSE THAT CAN BE EXEMPLIFIED THROUGH ITS VALUES. THERE IS, THEREFORE, A STRONG CORRELATION BETWEEN THE CONCEPTS OF 'VALUE' AND 'VALUES'.

1.8 The chief value officer today

A CFO noted that, 'the CVO description had been batted around for many years and you think if it is...heading in that direction, you want to...be ahead of the game'.

A search of a number of online recruitment-agency job boards³ for CVOs produces few roles with this title. Instead, these searches tend to identify roles such as the 'chief operating officer', 'chief procurement officer', 'chief technology officer' and 'chief financial officer' as their nearest matches. The inference therefore is that while the term exists as a discussion point in the development of a C-suite role, there are few actual roles that currently exist with this specific title.

A similar search of job titles in LinkedIn (conducted 1 April 2023) produced only a select few individuals who used this job title to identify themselves.

Such an analysis does not necessarily mean that the organisations are not considering the role and it may be expected to appear in roles soon. What is relevant is that, as organisations develop, value is being considered as an alternative aspect of many existing roles.

**AS ORGANISATIONS DEVELOP,
VALUE IS BEING CONSIDERED
AS AN ALTERNATIVE ASPECT
OF MANY EXISTING ROLES.**

1.9 A consistent view of value?

The discussion of value in this section has been at a conceptual level. The CFOs in several of the roundtables discussed whether it was appropriate to have a conceptual framework for value or whether more substantial guidance was needed.

As has been commented, for most of the roundtable participants, the concept of value was highly contextual to the organisation, its economic circumstances, its sector and its size. For that reason, any guidance on value must be capable of embracing this degree of variation.

Yet, there is also a view that, as the term is increasingly being used, there needs to be some level of consistency in what is meant by it. Several participants argued that a 'guiding principle' should be established to give consistency at a high level while enabling flexibility of interpretation at a detailed level.

A CFO from the public sector commented that for that sector the concept centred on value for money: how do public services serve their communities best? While at first glance this may appear to differ from the analysis of value provided above, it can also be interpreted as requiring a different definition of stakeholders, so the 'value for money' concept is embedded in the overall value concept.

A CFO from Africa who has worked in both the commercial and not-for-profit sectors commented, 'I tend to think that "value" is a very volatile [concept] because "value" for a profit-making organisation and "value" for [a] social enterprise means different things. Trying to come up with a definition that cuts across makes it difficult because you view value from a stakeholders' perspective, at the end of the day'.

If such a definition were to be in place it would help cement the role of the CFO in relation to value in organisations.

The changing CFO role – a perspective

'The role is changing, and I have seen it in so many forums where they say ... CFOs make the best CEOs [chief executive officers] because they have in mind what will the number look like? That is what the stakeholders want to have comfort in.'

'Even if my CEO spoke in a meeting, the chairman would look and ask me, do you agree...? [Agreement] coming from the CFO gives the comfort that somebody has looked at the mathematics behind all this storytelling and that [the CFO is] comfortable.'

'The role is evolving, and I think it is high time we start to move the CFO mindset away from just the financial reporting to see how we influence the numbers before they get to the trial balance. Because if you are looking at it from a 'cake recipe' [model] and every time I bake the cake [it] turns out [the same], unless I go back to change the recipe the outcome will always be constant.'

'Unless the CFO goes and changes the recipe of the cake and [is] not just waiting by the oven to get the cake out of the oven, the outcome is never going to change. We have to get involved in the day-to-day and I think that is where the CVO title becomes more appropriate. We [must] have the change in mindset to say it is not just about financial reporting, it is not just about finance-related roles, but you are able to influence so many strategic decisions that are of value to the organisation'.

CFO based in Africa

³ A search was undertaken of job boards in the US, UK, Singapore and on various global sites on 1 April 2023.

2. The changing CFO role



'Value in the past was very straightforward. It was "show me the money", and actually it was real money...that you could count with your hands. We have moved away from that because we have digital value money. We also have other values and we have struggled with the concept of the value of goodwill, which only ever crystallises when somebody's prepared to pay for that goodwill. What is the value of ESG?'

'Is the value that somebody puts on your organisation the same as my value? It is not financial value. It could be ethical value, it could be equality value through your contribution to the local community. All sorts of interactions become valuable to somebody, and it all depends on which stakeholder that is.'

UK-based CFO

2.1 The historic CFO role

The public perception of a CFO role may well be of an individual in an organisation who is responsible for the production of the financial statements and the integrity of the financial information that underpins these. The individual who discharges this role has a high level of ethical standards as the member of a professional body and that inspires a degree of trust. They understand in detail, and apply, the financial reporting standards as applicable to the organisation and so they are the key contact with the external auditors.

The more enlightened individual, perhaps one who has interacted with the CFO in an organisation, may well see them as the keeper of the purse strings and often, as many roundtable participants commented, as 'Dr No' – the person who says that the organisation cannot afford to undertake the suggestion made. In that regard, they are approached with caution.

Many of the roundtables referred to this perception of the role as one of the challenges in addressing the difference between a CFO and a CVO. This is why there may be a

perception that they are two different roles (see the commentary in the section 'Responses to three questions') rather than that the CVO role is either a natural evolution or a reality of the CFO role as it currently exists. The danger is that the traditional attitudes expressed in 'Responses to three questions' reflect the general public's view of the CFO role, which is significantly different from the perception of the roundtable participants.

A CFO from the Middle East commented, 'from my perspective, the role of finance is definitely transforming towards more business support, business value add[ing], rather than just finance retrospective reporting'.

2.2 The evolving trend

A CFO from Canada commented: 'I think as the CFO we must recognise that we are now becoming a contortionist. The world is changing, and the expectations of our roles are likewise evolving'.

ACCA has conducted several pieces of research on the development of the CFO role. In 2020 it published jointly a paper with the Institute of Management Accountants (IMA), *The CFO of the Future* (ACCA / IMA 2020). That report appraised the role of the CFO and concluded that, among other things, the role had evolved in breadth to include several key activities (Figure 2.1). At the core of this model of the CFO role is financial acumen, the level of trust and integrity referred to in section 2.1. That core value remains indisputable. It is what additional responsibilities the role carries and, indeed, how that core role is discharged, that is the focus of the discussion on the CVO role.

One aspect of the CFO role which was highlighted in the ACCA / IMA (2020) report was the range of stakeholders with whom the CFO engages. This is highlighted in Figure 2.1. Both internally and externally to the organisation, the CFO role is a voice for the organisation, building upon the inherent trust in, and ethical perspective of, the role.

Figure 2.2 provides an alternative view of the CFO role as the guardian against the risks the organisation faces and the steward of its assets. In both cases, the CFO is not necessarily the owner but is strategically involved. The CFO is the reporter of performance in its broadest sense of both financial and operational performance and, in this role, provides information to others, both internally and externally, enabling them to form considered and evidence-based opinions on the relative strengths and opportunities for the organisation. In presenting this information, the CFO

is the strategic adviser, often monitoring the organisation's performance in line with its strategic objectives. At the core of this is the role of 'change agent': the person charged with supporting, or driving, change within the organisation. For some organisations this may be transformational change, for others it might be strategic change. It means being a key focal point and super-connector for the organisation.

How much of this role embraces the leadership role over what we might consider as creating and maintaining value?

FIGURE 2.1: The role of the CFO – as defined in ACCA / IMA 2020



FIGURE 2.2: An alternative view of the CFO role



2.3 The reality of the CFO role

Most of the roundtable participants considered that their role has moved significantly beyond a traditional perception of the role. In fact, it has progressed beyond the definition offered in ACCA / IMA 2020. Some commented that the pandemic had been a significant factor in changing their role. The economic uncertainties had caused their organisations to increasingly seek their advice as relevant to the rapidly changing circumstances. In providing the advice that was being sought there had been a significant refocusing away from assessing historic data to predicting potential outcomes by analysing data and developing forecasts that present a range of options. The pandemic and post-pandemic disruption in supply chains and increased geopolitical uncertainties have meant that the level of certainty of the 2010s has not returned. The need for critical advice has been increased. The CFO now has a forward-looking rather than a backward-looking role. One CFO commented, 'I think disruptions are going to intensify over time. We need to be aware of the risks of devaluing as well and what can impact that. It is not just that you are not selling things. It is a much bigger picture around "how do the customers perceive your business?", or "[are you] adding value to your employees more than just what they are getting paid?"' A CFO from Australia added, 'CFO's are not driving the lag indicators, which are the financial results: they are driving the lead indicators, which are often not financial results'.

For many of the roundtable participants the CFO role is encapsulated in Figure 2.3.

The core need for financial acumen remains, together with responsibility for the financial processes, performance management and external reporting. The CFO requires an increasingly deep understanding of the business model. One CFO, who had transitioned to the role from being an audit partner, commented that one of the first realisations upon taking up the role was the depth of the understanding of the business model that the role required, beyond their initial expectations.

The CFOs also see that they have a responsibility for value creation in the organisation: not just for its financial performance but also for other aspects of value. Some of the CFO contributors saw this discharged solely through the reporting requirements for non-financial disclosures, while others categorised it as a stewardship of all the assets that produce value. All agreed that to discharge this element they needed to be actively involved in the management of data across the organisation to ensure that there is an appropriate level of integrity. This applied especially to non-financial data that might form the basis of external reporting. For some CFOs, this represented a particular challenge, especially, as one commented, because for many aspects of reporting against the required environmental disclosures they are essentially dealing with 'single entry bookkeeping' when an accountant's premise of internal control is firmly based on the concept that 'double entry' provides the checks and balances. Ensuring that the data has an appropriate level of integrity is something that other functions were not used to and therefore it falls to the finance team to control the

data flow. This was something that other CFOs noted was exacerbated by a lack of up-to-date systems, with many calculations being performed on 'unreliable' spreadsheets.

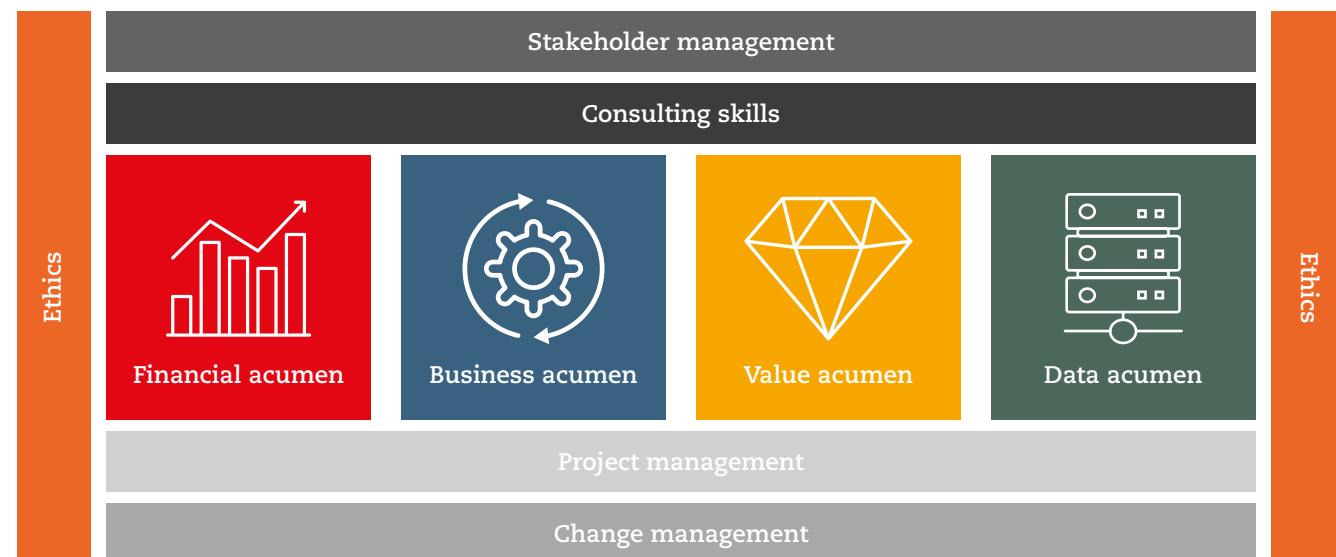
To support these core roles, the CFO needs to be a strong project manager and an effective change leader.

Finally, there is an expectation that the CFO is an effective communicator, a key stakeholder manager. This requires a breadth of consulting skills that include influencing, conflict resolution and strategy development.

Running through all these aspects of the role is a moral and ethical core. A CFO from Southern Africa commented that it is, 'interesting how the CFO is normally the one with the moral compass. That resonates with the term "value" and understanding the long-term consequences of the decisions that you take today: "doing the right thing"'.

Value and how the organisation represents itself to others is at the heart of the CFO role of today.

FIGURE 2.3: The reality of the CFO role



2.4 CFO, CEO and COO

A positive dynamic between the CFO and CEO was seen by most roundtable participants as fundamental to the success of the organisation. Several commented that the pandemic had reinforced that dynamic. Some categorised it as the change in the CFO role from 'Dr No' to 'Dr How' – how can the organisation achieve this given the constraints and range of opportunities that it faces?

Several roundtable participants were former CFOs who were now CEOs. They commented that they saw the step from one to the other as a natural progression and, in the economic climate of 2023, they could not see how they could discharge their current responsibilities without having had the CFO experience.

A CFO in mainland China commented that another function of the CFO, whether we call them the CVO or the CFO, is to oversee the entire value chain of the company's

operation. The results of various aspects of that will eventually be summarised in finance. This gives the CFO an advantage, giving them a comprehensive understanding of the company's processes or business. This puts the CFO in a better position to become a sparring partner for the CEO, brainstorming together and cross-checking, verifying, or validating various assumptions. Our participants argued that this is a particularly important part of the CFO's role in creating value.

A discussion of the distinction between the CFO and the chief operating officer (COO) was a more nuanced conversation. In smaller organisations that did not warrant a COO role as such, there was a consensus among the roundtable participants that the CFO role embraced the operational aspects of the COO role, such as the focus on process efficiency and back-office operations. For the larger organisations, the convergence of the CEO, CFO and COO roles was highlighted by some participants.

They argued that, for organisations to create value efficiently, it is essential for the three roles to operate in unison with, to some extent, overlapping responsibilities. In that way, strategic goals would be attained, and value preserved and created.

A CFO from Hong Kong SAR related the importance of the CFO role, at an executive level, to another aspect of value, suggesting that having a CFO at this level and with a role in managing and creating value would intensify the focus on the sustainable nature of the organisation. One of the key drivers for this would be the circular economy and the recycling of products. This participant suggested that while, on the face of it, the cost equation might look in one direction, the value equation – aligned to a broader range of stakeholders – looked in another, commenting, 'we have to find a cleverer way to make the Earth better but [still] be profitable'.



2.5 Value across the C-suite

The roundtable participants considered the question of ownership of value as a concept. As has been established in Chapter 1, value is a broad concept, and its creation reflects activities that are discharged by multiple teams across an organisation. No single C-suite executive could be responsible for all aspects of value.

In relation to value, the application of the 'responsibility – accountability – consulted – informed' (RACI) model across the C-suite would probably demonstrate that most performing these roles had a responsibility for some aspects of value creation. All the C-suite roles need to be consulted on the whole value agenda for the organisation.

As many aspects of the reporting of value are covered by the financial and non-financial reporting standards, in reality the CFO is accountable for these aspects of value. Creating a separate CVO role would not remove that responsibility from the CFO.

While the leadership of the value-creation process is a collective responsibility of the C-suite on a day-to-day basis, it should be reflected in the responsibilities at the executive and board levels, and within the risk-management and governance structures of the organisation. Many of the risks to value should already be included in the assessments undertaken by chief risk officers: it is important to embed such responsibilities in their role.

MANY OF THE RISKS TO VALUE SHOULD ALREADY BE INCLUDED IN THE ASSESSMENTS UNDERTAKEN BY CHIEF RISK OFFICERS: IT IS IMPORTANT TO EMBED SUCH RESPONSIBILITIES IN THEIR ROLE.

2.6 The CFO role for the future

A finance professional commented, 'The role of the modern day CFO is more like a like a T-shape where you have got that depth of knowledge from an accounting perspective, but then you have got the bar along the top with a broader understanding of different parts of the business that you link to integrated reporting, and it brings in different points of what we say value is about being ...the worth or the usefulness of something to the business or whatever your objective may be'.

The CFO role in the future is defined by two trends: one of increasing automation and one of a broadening range of external and internal reporting requirements.

Automation will continue to provide the finance team, and hence the CFO as its leader, with the opportunity to streamline data processing and improve the accuracy of data capture. Trends such as open accounting may simplify data flows for many, creating transparency across organisations. The use of blockchain to record transactions, both of a financial and non-financial nature, will also serve the same end. Consider the skills for a CFO as the vertical stem of a 'T-shape' with the recipients of value (the stakeholder groups) as the crossbar (Figure 2.4). The effort required in the processes and performance management across the finance function (the stem) will decrease over time with the progressive adoption of automation. This will enable the CFO's focus to shift towards engaging with the stakeholders across the top bar the 'T'.

FIGURE 2.4: The T-shape of the CFO's responsibilities



In the other dimension, the finance function increasingly assumes some responsibility for the sustainability agenda of the organisation. The extent of this will depend upon the nature of the organisation. In a large entity where there are many complex issues associated with achieving a sustainable future, the finance team will do best to focus their skills on the quality of the reporting of sustainability activities, both internally and externally. Reporting, however, only reflects what has already been achieved. It is strategy that leads to action. CFOs need to be integrally involved in this. For a smaller, and perhaps less complex entity, as one audit partner commented, 'when the music stops the agenda ends up with the CFO'. Finance teams therefore need to be prepared to structure themselves across four zones (Figure 2.5), led by the CFO.

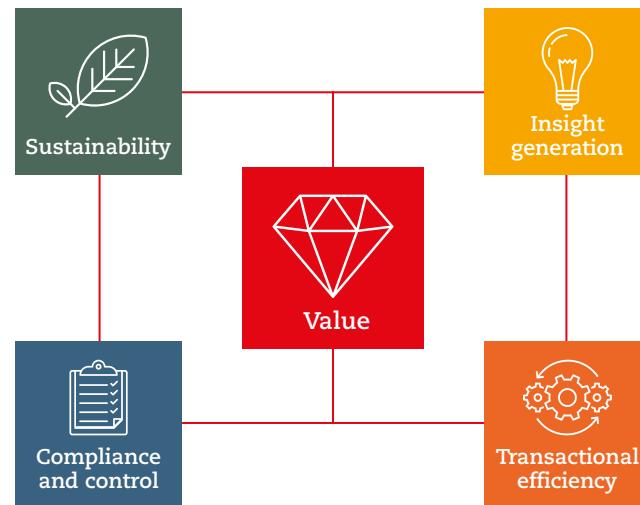
What can be said with a fair degree of certainty is that the CFO role will continue to be vital for the leadership of organisations and will continue to develop over the coming years.

2.7 The CFO role in the context of the CVO

Are the CFO and the CVO roles synonymous or are they separate? The answer to that question, from the evidence presented, is that, to an extent, 'it depends'. The classic view (as noted in the 'Responses to three questions' section) is that the CFO role is short-term focused and financially driven. The overwhelming majority of the CFOs consulted for this research would immediately refute that premise, arguing that their role is longer term in nature and embraces the totality of performance.

For a significant global organisation, an argument may be made that an individual must be responsible for non-financial reporting and, hence, for addressing more value-driven requirements. This could be because a focus is needed on the special nature of the disclosures required and the complexity of gathering that information. As the CFO will remain the key figure in presenting such information there is a strong argument that this person – the 'CVO' – should report to the CFO.

FIGURE 2.5: Four zones of the future of finance



For many organisations the CFO is the CVO. The progression has been a natural one. Several roundtable participants foresaw the growth of overlaps between the two distinct roles. One commented that 'there is a thin line between these two, because [as CFOs we] are not just going to continue...just being the bookkeeper, now you are just the reporting person. The question now is, "[is] it possible to have a CFO and a CVO in one institution?"'

Another CFO commented that, 'it is not so much in the title [as] in the mindset. What am I doing with that data to create that value?'.

Another commented that, 'I think you can start out as a CFO and then become a chief value officer. You need to know the fundamentals of financial finance and accounting. But I think as you gain experience and you put yourself out there more, you understand the business [and] you can build relationships with people around the company. You could then become that chief value officer. You start as a CFO but then you become a chief value officer'.



3. Developing the relevant skill sets



'I think the CFO of the future if they are going to be a true value creator – are going to see themselves as an executive in the business, not as the "chief bean counter".'

CFO in Australia

3.1 The imperative of developing the necessary skills

The role of the CFO is one that is continually evolving. New skills are required, but older skills can afford to be 'unlearned'. What is important is that there is a cadre of individuals with the relevant skills both for present and for the future.

Historically, most CFOs will have followed one of two routes through the profession. Either they have progressed through the finance function of organisations to a financial controller / finance director role before moving onto their first CFO role, or they have followed a route through practice to then assume a CFO role. As has been demonstrated in this report, there is a potential skill 'jump' between the last roles in these pathways and the CFO role.

One CFO likened the progression through the finance function to a triangle of roles, noting, 'that triangle has shrunk at the bottom because of automation and technology. You can select people from the bottom to move them up and then move them up [again]. That can still happen. However, you are drawing from a smaller pool'.

In several roundtables the discussion turned to the relevance of a CFO-specific, or more advanced, certification in the career progression of a finance professional. While this did not have uniform support, among many there was an agreement that such a certification could offer support in developing a range of relevant skills that currently stand outside the requirements of the core professional qualification and could consolidate a range of currently available continuing education opportunities for example, covering sustainability, non-financial reporting, technology and data. It could also reinforce the development of the interpersonal skills necessary for career progression.

3.2 For the current CFOs

For those who are already in CFO roles, the development pathways to embracing the concept of value are less complex. For many, the route is through a series of evolutions which can be enhanced by using continuous learning opportunities to ensure that they maintain their skill sets in areas such as sustainability, technology and data, among others. Networking with other CFOs who are progressing along the same path can also be beneficial.

A CFO from mainland China commented that not just the finance leader, but also the entire finance team should be moving in a direction, asking 'What is this direction?' This participant argued that it is towards being able to manage the business as a CEO at any time.

3.3 The next generation

For those who now aspire to be CFOs the challenges are greater than in the past. The gap in the pathway between a more junior role and the CFO role may now be harder to bridge than it was. It is important to reiterate a comment made by many of the roundtable participants – bridging that gap is worthwhile. The CFO role is one that offers tremendous satisfaction and reward.

The roundtable participants made several observations that reinforce the value of many of the traditional steps in the pathway, as summarised in Table 3.1.

One consideration on which several roundtable participants commented was that even with the T-shape progression of the CFO (Figure 2.4) there is a need for strong technical accountants to manage the data flows. This is also an area of developing expertise. One that should not be ignored.

'I always feel exploratory learning is critical, especially in the finance function. I used to work previously at an organisation that supported those who were incarcerated. I have been inside correctional facilities, I got to go home at the end of the night. I wasn't a resident, ...but it helped me understand what we [were] doing as a business'.

CFO based in the US

TABLE 3.1: Reinforcing the development opportunities

	MENTORING There is significant value in finding a mentor who can assist in developing one's personal career path. Each career path is unique and many senior finance professionals are very willing to mentor aspiring CFOs. Being part of a network of peers helps one to share experiences and gain fresh insights.
	COURSES Courses such as MBAs have value in giving understanding of some of the broader operational aspects of organisations. Some of these may be more marketing focused, but there are sufficient synergies between an accountancy qualification and an MBA to make them a sound basis for a CFO role. A CFO commented, 'I did my MBA because I thought my accounting qualification was too narrowly focused'.
	LEARNING Undertake relevant continuous learning programmes, not only those focusing upon technical skills, such as those related to sustainability, data and technology, but also embracing the 'softer' skills, such as influencing and conflict management as well as persuasion and stakeholder management
	OPERATIONS Seek opportunities for operational experience to gain a deep understanding of the sector, which can be applied in the CFO role.
	INTERNATIONAL Where possible, gain international experience because the connectivity of the global economy and the resulting risks heavily influence the work of the CFO.
	CRISIS Experience of crisis management is essential. As a CFO from Argentina commented, 'you have to learn how to surf in every kind of crisis'.
	BUSINESS PARTNERING Undertake business partnering roles, focusing especially upon the analysis and interpretation phases of stakeholder engagement. A CFO from the US commented that, 'I preach all the time about this necessary skill, that we have [to be] storytellers. It is not one that you teach in a class, but it is how do you get people with more of those skills because we deal with all the different facets of the organisation, and it all comes back to how do you define value?'
	TECHNICAL Ensure that your technical accountancy skills remain relevant and avoid the 'computer says yes' syndrome. Several CFOs commented that when interviewing candidates for senior roles they were astounded by those who failed to demonstrate an understanding of the core accounting fundamentals that a qualification inculcates.

Conclusion

'What footprint does the organisation want to make on the world outside of the monetary footprint?'
CFO from Canada

The concept of value is an important one for organisations. It is an increasing area of focus for many stakeholders, whom this report defines as the recipients of value. Being able to report upon and achieve value-based objectives is essential for organisations now and in the future.

While value itself may be a concept that is unique in detail to each organisation, there are several principles that we can agree upon: how value is enabled, how it is converted and the identity of the recipients of the value among the range of stakeholders to whom an organisation is increasingly accountable. Sustainable organisations have a long-term role in society which balances the economic, environmental and social dimensions and is crucial to how they add value. Finance teams increasingly need to demonstrate how this is being achieved from the organisation's strategic direction, looking towards the future to the external reporting and highlighting the progress made.

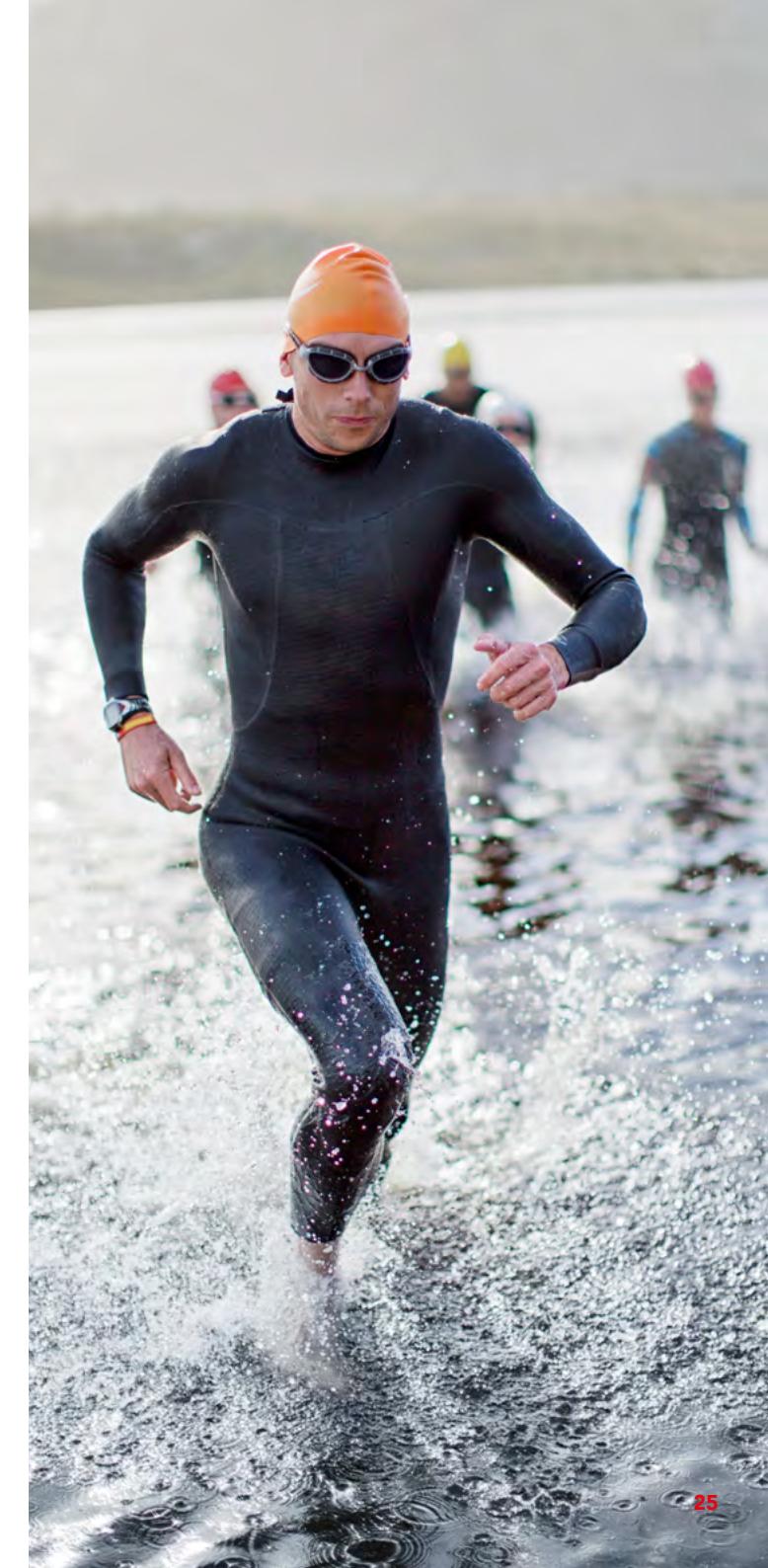
The concept of a CVO seeks to embrace many of these notions as longer-term concepts in the leadership of organisations. In reality, creating value is a collective responsibility of the board and senior management. Yet the role that CFOs already play in organisations means that they are acting as CVOs. Whether that implies a need to 'rebrand' the CFO role is a matter of personal choice, but the inherent values integral to the CFO role are attributes that should be cherished in relation to value, and not lost. In creating value, CFOs are the key players for many organisations.

It is important that CFOs, as leaders of finance teams and in their own roles, seize the opportunity presented to them. Increasingly, finance teams are being asked to become more forward looking, to embrace operational as well as financial performance measures and to deliver decision support when needed. Organisations are increasingly being held accountable for their actions in society, well beyond generating profits. As the balance between these aspects continues to alter, so the role of CFO will continue to grow. Failure to adapt will marginalise the function and the individual.

The CVO role is an important evolution of the CFO role.

'Regardless of our title as "CXO", it ultimately originates from our mindset, where we position ourselves, what we think we can do, and what we are willing to do. I think mindset is very important, and most importantly, from a mindset perspective, we should not limit ourselves. Regardless of whether I am a "CXO", I am responsible for the company's business development and future, which is the most important thing. With this kind of mindset, regardless of whether I am a "CXO", I can create value in my position'.

CFO from mainland China



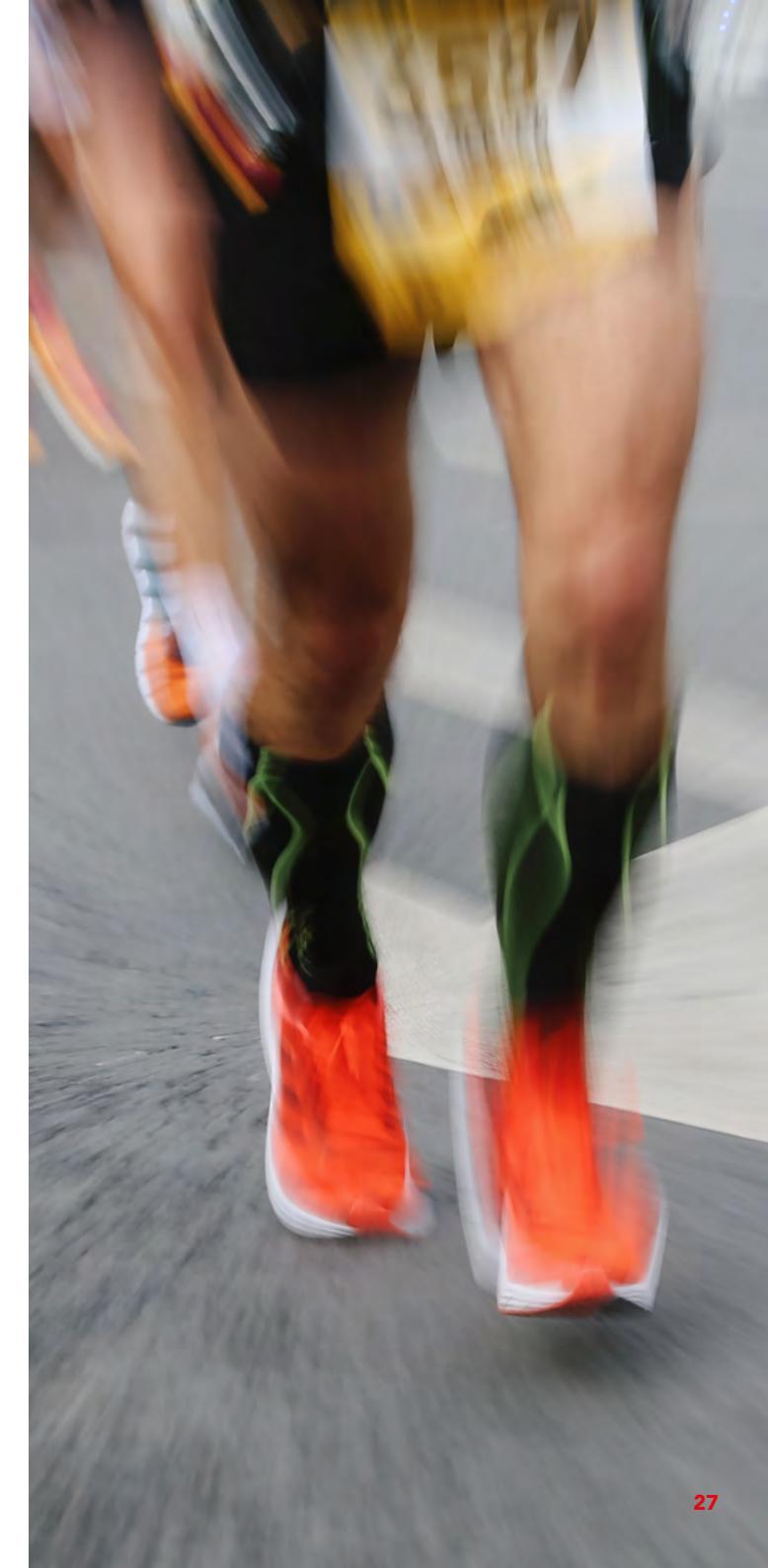
Responses to three questions

As an illustration of the discussion about the CVO and the role's relationship to that of the CFO, three questions were posed to both ChatGPT and Bard (the Google equivalent). The responses are reproduced below and illustrate one perspective on the debate, which might well influence any discussion of the awareness of the reality of the CFO role in organisations. These views do not accord with those who contributed to this report. Indeed it shows the lengths that we, as a profession, still need to go to, to continually update and broaden the concept and perception of what the CFO role is.



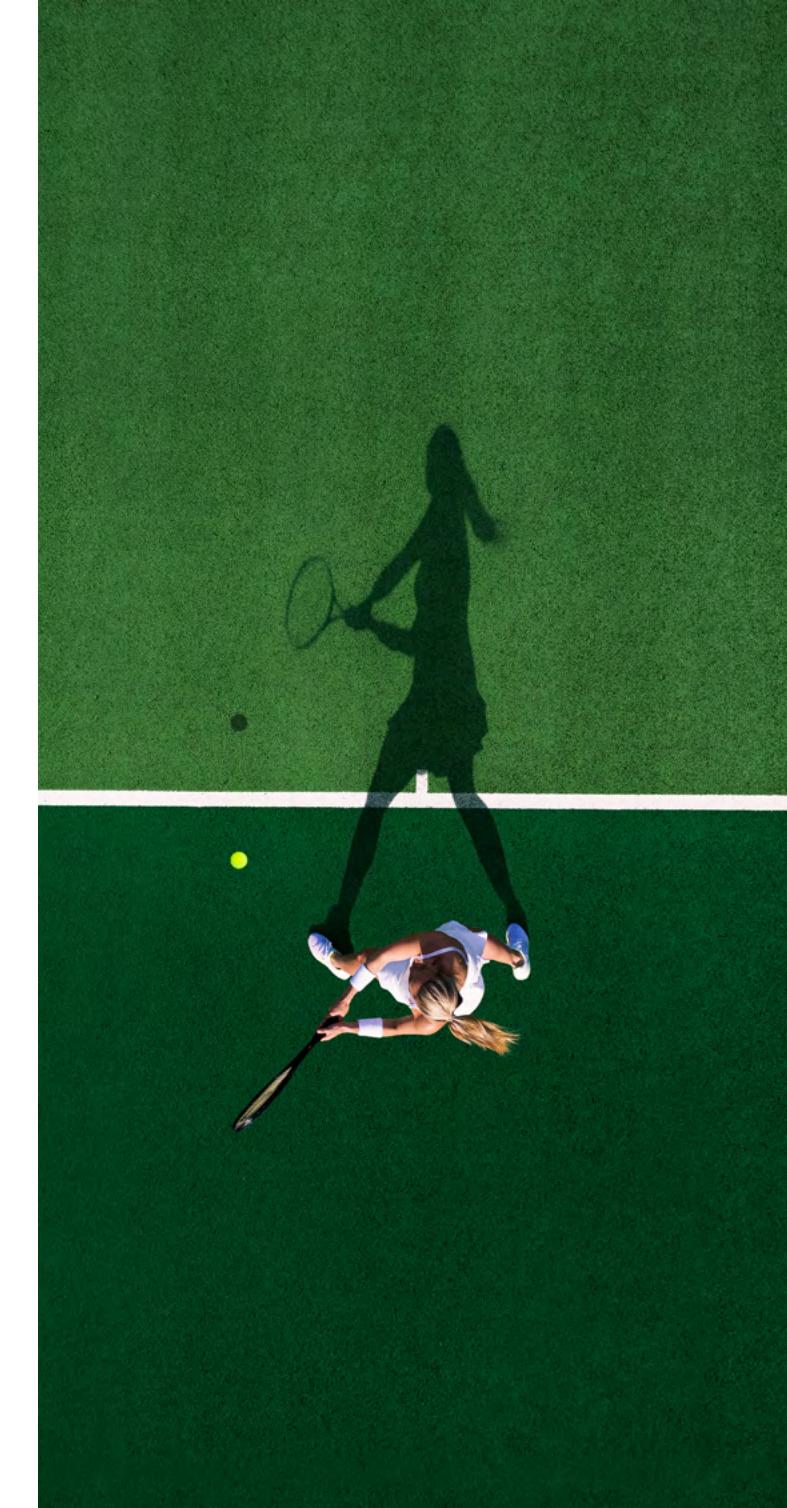
What is a Chief Value Officer?

CHATGPT RESPONSE	BARD RESPONSE
<p>A Chief Value Officer (CVO) is a senior executive in an organization who is responsible for identifying, developing, and implementing strategies that create and maximize value for the company and its stakeholders. The CVO is typically focused on creating long-term value for the organization by aligning business strategy with the needs and expectations of customers, employees, investors, and other stakeholders.</p> <p>The role of the CVO is to identify new business opportunities, assess market trends and changes, and develop strategies to optimize revenue and profit. Additionally, the CVO is responsible for monitoring and analyzing key performance indicators, such as customer satisfaction, brand equity, and market share, to ensure that the organization is delivering value to its stakeholders.</p> <p>In summary, the Chief Value Officer is a strategic leader who is focused on creating and delivering value to all stakeholders, and is responsible for developing and executing strategies that drive sustainable growth and success for the organization.</p>	<p>A Chief Value Officer (CVO) is a senior executive who is responsible for creating and protecting the value of a business. The CVO typically reports to the CEO and works closely with other members of the executive team to develop and execute strategies that will increase the company's value.</p> <p>The CVO's responsibilities may include:</p> <ul style="list-style-type: none"> • Developing and implementing a value creation strategy • Managing the company's risk profile • Measuring and reporting on the company's value • Communicating the company's value to investors and other stakeholders <p>The CVO role is relatively new, and the responsibilities of the role vary from company to company. However, the CVO is typically responsible for ensuring that the company creates value for all of its stakeholders, including shareholders, employees, customers, and the community.</p> <p>The CVO role is becoming increasingly important as companies face more challenges and opportunities in the global economy. The CVO can help companies to identify and capitalize on opportunities, and to mitigate risks. The CVO can also help companies to communicate their value to investors and other stakeholders.</p> <p>The CVO role is a demanding one, but it can be very rewarding. The CVO has the opportunity to make a significant impact on the success of a company.</p>



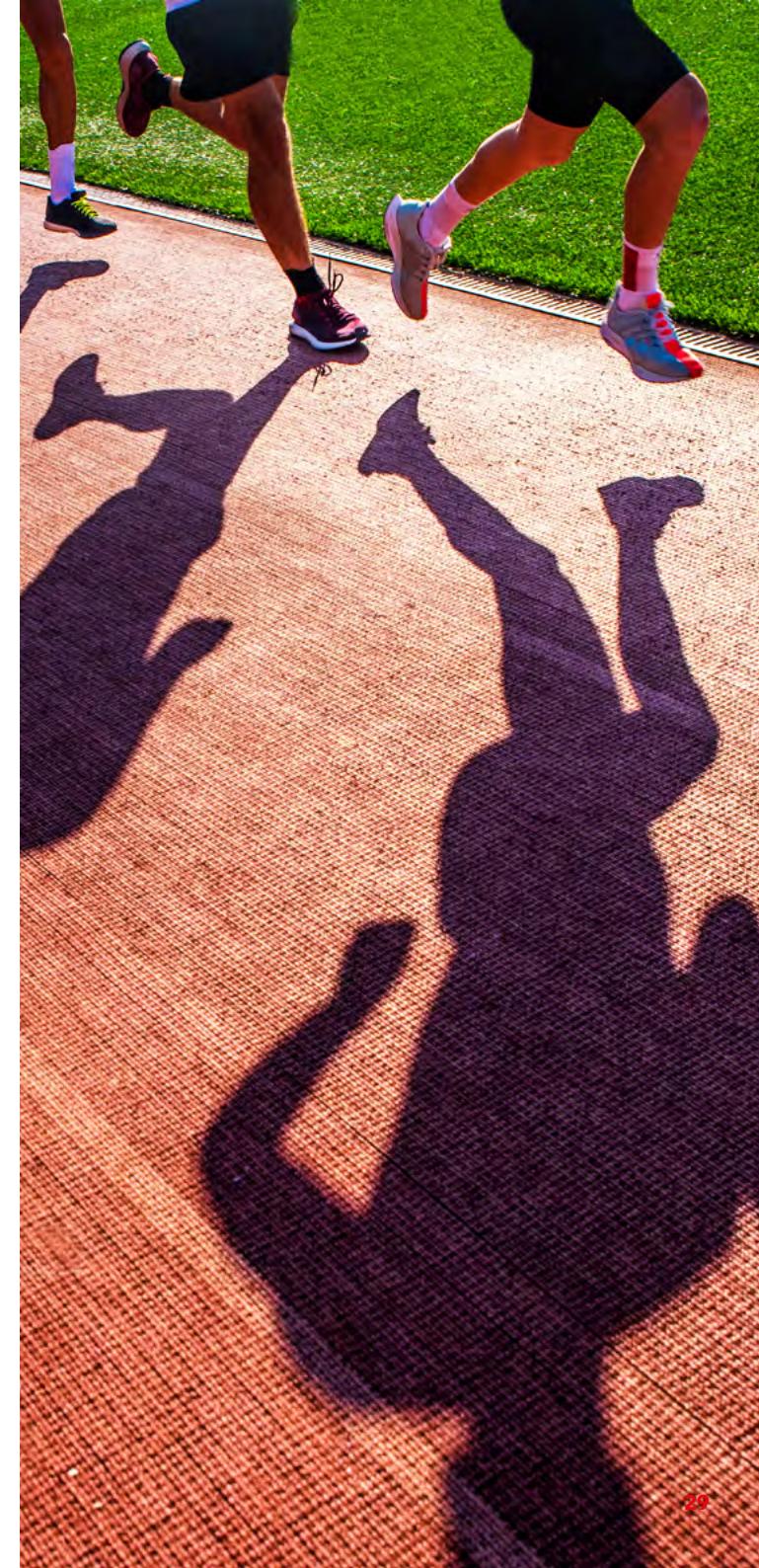
Is a CVO a CFO?

CHATGPT RESPONSE	BARD RESPONSE
<p>No, a CVO (Chief Value Officer) is not the same as a CFO (Chief Financial Officer). While both roles are senior executives in an organization, their responsibilities and focus are different.</p> <p>The CFO is responsible for managing the organization's financial resources, including budgeting, forecasting, accounting, and financial reporting. They oversee financial operations, ensure regulatory compliance, manage risk, and work to optimize financial performance. The CFO's primary focus is on financial matters, and they are responsible for providing financial guidance and support to the organization's leadership team.</p> <p>In contrast, the CVO's primary focus is on creating and maximizing value for the organization and its stakeholders. They are responsible for developing and implementing strategies that align with the needs and expectations of customers, employees, investors, and other stakeholders, with the goal of creating long-term value for the organization. The CVO may work closely with the CFO to ensure that financial resources are being used effectively to create value, but their primary responsibility is focused on value creation and not financial management.</p>	<p>No, a CFO is not a CVO. A CFO is a Chief Financial Officer, while a CVO is a Chief Value Officer. While both roles are important for the success of a company, they have different responsibilities.</p> <p>The CFO is responsible for the financial management of a company, while the CVO is responsible for creating and protecting the company's value. The CFO typically reports to the CEO, while the CVO reports to the CFO.</p> <p>The CFO's responsibilities include:</p> <ul style="list-style-type: none"> Preparing and analyzing financial statements Managing the company's cash flow Investing the company's money Managing the company's taxes Overseeing the company's accounting department <p>The CVO's responsibilities include:</p> <ul style="list-style-type: none"> Developing and implementing a value creation strategy Managing the company's risk profile Measuring and reporting on the company's value Communicating the company's value to investors and other stakeholders <p>The CFO role is typically focused on the short-term, while the CVO role is typically focused on the long-term. The CFO is responsible for ensuring that the company's financial statements are accurate and that the company is in compliance with financial regulations. The CVO is responsible for ensuring that the company creates value for all of its stakeholders, including shareholders, employees, customers, and the community.</p> <p>The CFO role is more traditional, while the CVO role is more strategic. The CFO role is typically filled by someone with a strong background in accounting and finance, while the CVO role is typically filled by someone with a strong background in strategy and business development.</p> <p>In some cases, a company may have a CFO who also serves as the CVO. However, this is not always the case. In some cases, the company may have two separate executives, one for CFO and one for CVO.</p>



Why would I want to be a CVO?

CHATGPT RESPONSE	BARD RESPONSE
<p>If you are interested in being a strategic leader who is responsible for creating and maximizing value for an organization and its stakeholders, then becoming a Chief Value Officer (CVO) could be a rewarding career path. As a CVO, you would be responsible for identifying new business opportunities, assessing market trends, and developing strategies to optimize revenue and profit.</p> <p>Being a CVO can be an exciting and challenging role that requires a broad range of skills, including strategic thinking, analytical abilities, leadership, and communication skills. You would work closely with other senior executives and stakeholders, and would have the opportunity to shape the direction of the organization, drive growth and success, and make a positive impact on the company and its stakeholders.</p> <p>In addition to the intellectual challenge and sense of purpose that comes with being a CVO, the role can also be financially rewarding. CVOs are typically well-compensated, with high salaries and other perks such as stock options, bonuses, and other incentives.</p> <p>Overall, if you are passionate about creating value, have a strong strategic mindset, and are interested in a challenging and rewarding career path, then becoming a CVO could be a great choice for you.</p>	<p>There are many reasons why you might want to be a CVO. Here are a few:</p> <ul style="list-style-type: none"> • To make a difference. As a CVO, you have the opportunity to make a significant impact on the success of a company. You can help to create and protect value for all of the company's stakeholders, including shareholders, employees, customers, and the community. • To be challenged. The CVO role is a demanding one, but it can be very rewarding. You will have the opportunity to work on complex problems and to make decisions that will have a real impact on the company. • To learn. The CVO role is a great opportunity to learn about different aspects of business. You will have the opportunity to work with people from all over the company, and you will learn about different industries and markets. • To grow. The CVO role is a great opportunity to grow your career. You will have the opportunity to work with senior executives and to learn from them. You will also have the opportunity to develop your own skills and expertise. <p>If you are interested in a challenging and rewarding career, then you should consider becoming a CVO.</p>
Source: ChatGPT, accessed 31 March 2023	Source: Bard, accessed 1 April 2023

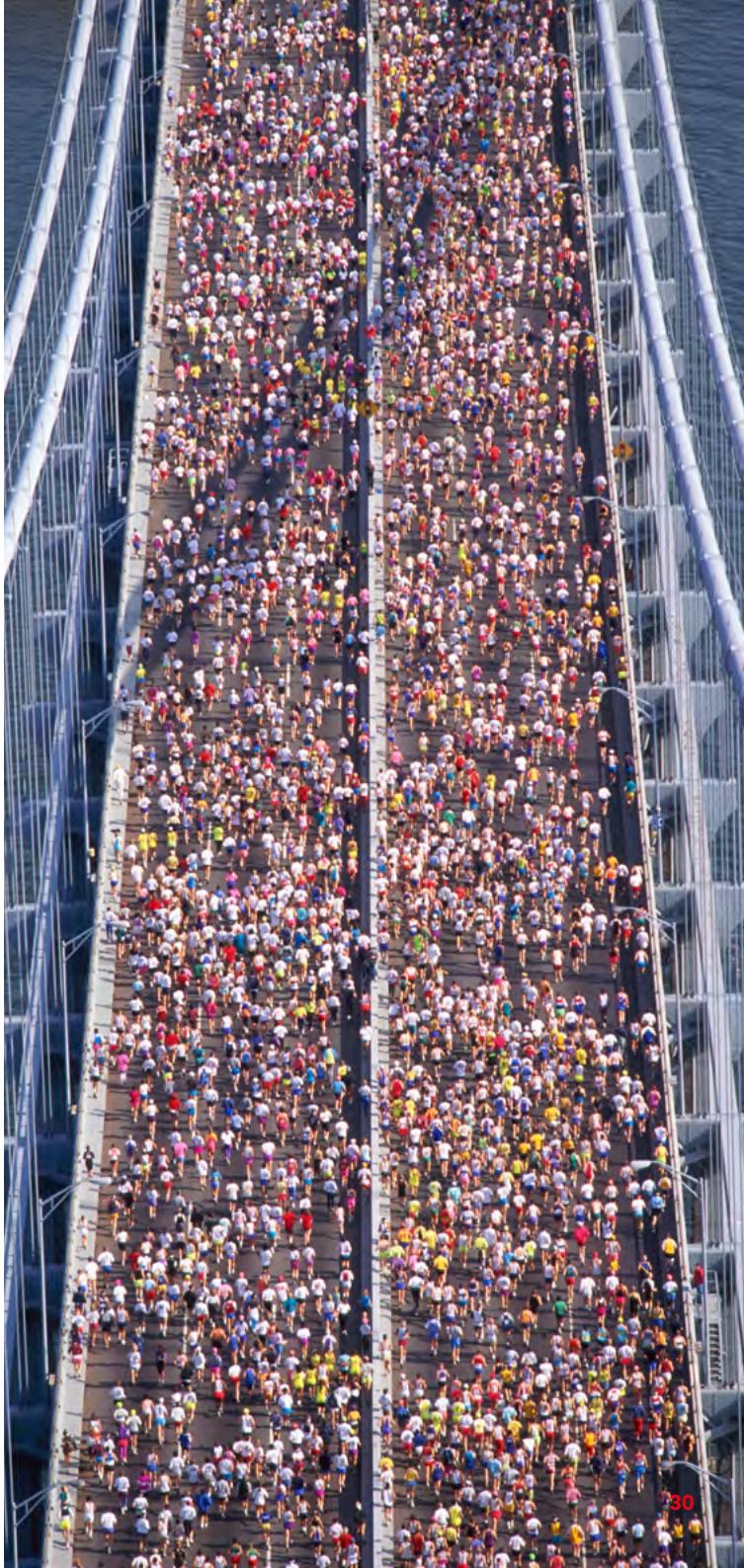


Acknowledgements

The contributions of the following individuals, amongst others, in the development of this research are noted with thanks.

Zhang Aihui, Changan Automobile, mainland China
Richard Aitken-Davies, Non-Executive Director, UK
Susan Allan, Willerby Group, UK
Olayinka Anyachukwu, Nigeria
Amber Arnhold, Honeywell Aerospace, US
Francis Au, Portfolio CFO, Hong Kong SAR
Sharon Barnes-Simmonds, Action Against Hunger, Canada
Katherine Bayliss, Arab Australia Bank, Australia
Michael Bencsik, BeforePay Group Limited, Australia
James Best, Precision Consulting, UK
Liz Blackburn, ACCA Council Member, UK
Michael Bradburn, Ausgrid, Australia
Geoff Bryant, B&Q, UK
Natalie Burkitt, Shepper, UK
Aaron Chan, Standard Chartered, Australia
Imran Chughtai, Goldsmiths, University of London, UK
Phoenix Chung, Legend Strategy International Holding, mainland China
John Craig, DC Consulting (Scotland) Limited, UK
Eric Dana, Atom Power, Inc., US
Rory Dennis, Xuper, UK
Jim Dodge, First Quality, US
Grant Earney, RMBL Investments Limited, Australia

Andrew Elsby-Smith, Amtico Europe, UK
Ben Fash, Fluence Corporation, Australia
Nick Fox, BDO, Australia
Swee Guan Goh, StorHub Self Storage, Singapore
Edward Guest, Unlimited, UK
Jonathan Guttmann, Alloys, Australia
Jacques van Heerden, Solana Group, South Africa
John Herman, Movable Ink, US
Peter Houillon, Kaplan International, UK
Michelle Hourigan, Datatrails, Republic of Ireland
Juan Carlos Jerez, Holding Auto Club Chile S.A, Chile
Jey Jeyakumar, Toll Global Express, Australia
Yang Jihong, Yangzijiang Acetyl Chemical Industrial Co, China
Echo Jin (Jin Song Hua), Microsoft China, mainland China
Joshua Jonas, Strathwise Consulting, Tanzania
Kevin Jones, SA Power Networks, Australia
Neville Kadimi, Diamond Wipes International, US
Steve Kamski, Tri-Mach Group Inc., Canada
Julius Katanaka, Wazalendo Savings Credit and Cooperative, Uganda
Amit Kooyela, HV Holdings Ltd, Mauritius
Jeff Lewis, BDO, Canada
Evans Madioli, HealthX Africa, Kenya



Beatrice Malenga Mabhena, Vodacom, Mozambique

Hesham Mohamed Adel Abdelhay Mahmoud, Mayfair CIB Bank Limited, Kenya

Steve Mazinga, PYXUS Agriculture Malawi Limited, Malawi

Dony Mazingaizo, Italy

Joanne McCourt, Ebit Intelligent Procurement, UK

Sally McGill, Staffordshire University, UK

Nauman Mian, byat.com, UAE

Gordon Miller, BronxWorks, US

Michael Mills, Jaguar Land Rover, UK

Shakira Mohamed, Sai Pharmaceuticals Ltd, Kenya

Prudence Muchinouta, Community Markets for Conservation, Zambia

Lydia Muhangi, Financial Sector Deepening Uganda, Uganda

James Murnieks, Siemens UK & Ireland, UK

Stephanie Murray, Lawyers on demand, UK

Kelvin Musana, Standard Chartered, Uganda

Mark Nadel, The Friedkin Group, US

Ian Ng, AMMEGA, mainland China

Lillian Njuba, East Central and Southern Africa Health Community, Tanzania

Tatiana Okhotina, CUBE Content Governance, UK

Josephine Okui Ossiya, Bujagali Energy, Uganda

Andrew Oyie, Umeme Ltd, Uganda

Cecile Parker, Vital Energi, UK

Andrew Pepper, Consultant, UK

Alan Pepper, essensys, UK

Iván Pérez, Metrotel, Argentina

Zeng Ping, Heidrick Chengdu Tunnel Co, mainland China

John Reidy, SOR Consulting, Canada

Amoen Marie Ange Rödiger, Henry Schein, Germany

Alistair Roman, Consulting CFO, UK

Amélie Ruellan, Audencia, France

Agne Saade, Vistra, UAE

Ebrima Sawaneh, Arise Ports & Logistics, UK

Alan Shand, Weatherford, US

Malcolm Shroff, Tata Consultancy Services, Australia

Brendan Sheehan, White Squires, Australia

Heather Smith, ANISE Consulting, Australia

David Swan, Non-executive director, UK

Qiu Tian, Chongqing Pharmaceutical (Group), mainland China

Ashenafi Tiruneh Bikila, Silafrica Ethiopia Industries PLC, Ethiopia

Adrian Tittarelli, Crucianelli S.A., Argentina

Paul Turacayisenga, Portfolio CFO, Uganda

Aashima Vadhera, Midrex Technologies, Inc., UAE

Romay Whal, Intocast, Germany

Hannah Williams, Tiny Rebel Brewing Co, UK

Paul Wood, Australian Public Police, Australia

Mike Wynen, ISG Group of Companies, Canada

Jack Xiao, Rosewood Hotel, mainland China

Du Xiaohui, Beijing Foton Daimler Automotive Co., Ltd, mainland China

Chen Yilong, Country Garden, mainland China

Masresha Zeleke, GIZ Somalia, Somalia



Author

Clive Webb

Head of Business Management, ACCA



References

ACCA (2023), Accounting for Society's Values, <<https://www.accaglobal.com/gb/en/professional-insights/global-profession/society-values.html>>, accessed 1 June 2023.

ACCA (n.d.), 'Career Navigator' [website resource] <<https://careernavigator.accaglobal.com/gb/en.html>>, accessed 17 April 2023.

ACCA / IMA (2020), *The CFO of the Future*, <https://www.accaglobal.com/gb/en/professional-insights/pro-accountants-the-future/cfo_future.html>, accessed 2 April 2023.

Audencia (n.d.), 'Executive Master Chief Value Officer' [website, course details], <<https://executive.audencia.com/en/programmes-in-english/chief-value-officer/>>, accessed 2 April 2023.

EFRAG (European Financial Reporting Advisory Group) (2022), 'First Set of Draft ESRS' [website], <<https://www.efrag.org/lab6>>, accessed 2 April 2023.

IIRC (International Integrated Reporting Council) (2013), *Capitals – Background Paper for <IR>*, <<https://www.integratedreporting.org/wp-content/uploads/2013/03/IR-Background-Paper-Capitals.pdf>>, accessed 2 April 2023.

Impact Economy Foundation (n.d.), 'Impact-Weighted Accounts Framework: Measuring Value Creation Beyond Profit' [website article] <<https://impacteconomyfoundation.org/impactweightedaccountsframework/>>, accessed 2 April 2023.

King, M. and Atkins, J. (2016), *The Chief Value Officer: Accountants Can Save the Planet* (Routledge, ISBN-13: 978-1783532964).

Next Level Purchasing Association (2018), 'Could CPO Role be Replaced by Chief Value Officer?' [website article] <<https://www.certitrek.com/nlpa/blog/cpo-role-replaced-chief-value-officer/>>, accessed 1 April 2023.

Oxford Learner's Dictionary (2023) 'Value' [online resource] <https://www.oxfordlearnersdictionaries.com/definition/english/value_1?q=value>, accessed 1 April 2023.

University of the Witwatersrand (n.d.), 'Accountancy Programmes – Chief Value Officer Programme' [website, course details], <<https://www.wits.ac.za/accountancy/programmes/>>, accessed 2 April 2023.

