

LEADING THROUGH DISRUPTION



The CFOs of the Future: Challenges & Lessons

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Dr. Jeannette von Ratibor, former CFO at PŸUR | Tele Columbus, shares her insights on the challenges and lessons for CFOs of the future in this paradigm of disruption in this Leading Through Disruption interview with Anastassia Lauterbach, Managing Director of EMEA at The ExCo Group.

Lauterbach: Could you please briefly describe your professional path and tell us what brought you to where you are today?

Ratibor: Steve Jobs once said, “You can’t connect the dots looking forward. You can only connect them by looking backward. So you have to trust that the dots will somehow connect in your future.” And interestingly enough, they do.

After school, I worked as an apprentice in a bank, studied finance and economics, and worked for the most successful strategy consulting firms in the finance and restructuring space. My second career track was spent on the other side of the table, so to speak. I took CFO positions at large mid-cap companies. All along I witnessed Finance and Audit evolve over time as technology adoption grew across industries and business functions.

Roughly 10 years ago, I was part of a team building my first business within a large corporation and a tech startup based in Berlin.

Today, it all comes together as I am a professional CFO with early-stage companies that focus, among other things, on AI and the digital space.

Lauterbach: Digital assets play an increasingly crucial role in business valuation today, and the financial focus shifts to understanding intangibles, quantifying cyber exposure, and decoding ESG. How did this development change the CFO function overall?

Ratibor: Twenty years ago, CFO roles were rooted in accounting and controlling. Today, it is all about data and leadership. Finance became a strategic function where business understanding meets data. Managing complexity is on the daily agenda. Opening up to what might not be measurable from a traditional perspective and innovating to come out with operational metrics is the new normal.

The original Finance function involved applying efficiency models and accounting to businesses and people based on analyzing historical patterns.

Today, it is about a fundamental understanding of business, including competitive dynamics of new entrants within your ecosystem, the exponential rise of digital and AI, and regulatory frameworks. We operate at an increased speed to respond to interconnections within and outside your corporate environment. Uncertainty is high, and acting as in the past won't bring you too far. A big part of the role is managing expectations and communicating to shareholders and all stakeholders. In this context, it is not surprising that many CFOs take over CEO positions.

Lauterbach: When you coach leaders in Finance, what kind of advice do you give them?

Ratibor: First, one must learn the basics of the trade to the very last dot. This will allow you to swim in a challenging environment and hire smartly. Building a powerful, diversely skilled team is key.

Second, you need to know yourself, as you will have to drive decision-making without being able to reduce uncertainty to a palatable level. This will allow you to be realistic about talent development and building forecasts when you don't have all the variables on the table. Knowing yourself will also sharpen your intuition. Train your thumb, as you might need an educated guess once in a while.

Third, move around the company. Learn the business.

Job rotations have been here for decades but aren't loved. I am a big fan of having CFOs spend some years in Audit. This function connects the whole organization and is at the forefront of regulatory requirements and compliance.

Spending time in other functions improves the communication of future CFOs and builds trusted relationships within the company. Listening to operating executives in business is a must to enhance the quality of decisions. If people know you, you can ask for a frank discussion anytime.

Lauterbach: You are part of the Generation CEO network in Germany. What recurring themes have you heard from your peers in the past two years?

Ratibor: Let me mention only two major themes. First, everybody tries to get their arms around AI and GenAI. What do these technologies mean for my company? Can I improve operating processes while leveraging AI? What is realistic, and what should remain in corporate mythology or on charts consulting companies show me?

We must improve our understanding of AI and GenAI to make significant investment decisions. I don't see sufficient understanding to support the level of investment underway. Expectations might appear overheated these days, and we must educate ourselves and our teams to shape the next five to ten years.

The second issue is leadership. The saying "You hire people for competence, and you fire them for personality" might be dusty. Still, it gets more nuanced these days, taking the level of uncertainty, digital disruption, geopolitical constraints, and regulatory novelties.

Leadership is one of the eternal quantum topics. Innovating and keeping the books balanced, overcoming a crisis, and growing simultaneously – contradictory driving forces might pull people in different directions simultaneously. Today's leadership is about making decisions with uncertainty along the side.

Lauterbach: What are the differences in leadership in a traditional corporate environment vs. Private Equity?

Ratibor: A large corporation offers many structures and processes to work within—leadership has some guardrails if you will.

In a PE environment, it comes down more to your personal portfolio of operational experience. The longevity game and ownership are different in PE, given the portfolio turnover.

Lauterbach: What factors played the most decisive role in shaping your leadership style?

Ratibor: Being a mother of four provides me with unique learnings around leadership. First, there is a very specific sense of purpose and responsibility that became part of my DNA. Second, children ask you tons of questions. They challenge you, and you challenge them back all the time. You set the borders, knowing they will question these red lines. For some time, you get around with "Do this! Don't do that!" But parenting actually is the art of empowering.

Leadership today is not about standing in front of the crowd and showing the way. It is about providing people with confidence and creating a safe space for them to grow.

Growing implies accepting the possibility of failure, even welcoming it. People learn through failures.

Repeating a mistake would be rather unfortunate, but failing once is quite all right – if not downright fundamentally important. Learning from failure is not learning from falling down but about learning how to get up again. Finally, parenting – as is leadership – is about listening, not talking!

Lauterbach: Germany is behind in creating and growing powerful companies. Please reflect on the journey the German technology ecosystem is on.

Ratibor: Germany is a rich country, but the investment level in young companies is a morsel compared to what we find in other geographies. Sadly, Germany, traditionally a global technology leader, is falling behind more and more – hampered by a myriad of issues, of which the massive boost in regulations is only one. Founding a company to talk about startups is a hurdle race rather than a home run. Raising funds is super complicated as the enormous amounts of German capital hesitate to find their way into new technologies.

However, sometimes, things have to grow really bad to take a turn for the better. The discussion is ongoing, and I see energy and progress. More and more investments move into software, which drives AI. It is recognized that our education system needs an infusion to support creating an innovative economy.

Lauterbach: Please elaborate more on the link between early education and innovation.

Ratibor: Interestingly, this is less about accustoming children to IT early – rather, I see schools rolling back the deployment of tablets and smartphones. They appreciate the negative impact of social networks, which is increasingly difficult to convey to children.

Young people must learn to think critically and need room to develop their own creative power. They must understand that social networks have dire limits as a source of reliable information – and actually not only provide fantastic access to information but also an information overflow. They must be taught how to triangulate, question sources, and challenge outputs.

Undoubtedly, algorithms inundate our minds, diverting our attention with nonsensical and even toxic content. It's akin to a virus. The question then becomes, how do we immunize ourselves? The answer lies in a simple yet powerful principle: Learn the basics and learn critical thinking. Understand the mechanisms that govern the world around you – starting with history. Learn to experiment.

Lauterbach: I hear many executives complaining about young hires, claiming that the work-life balance went too far.

Ratibor: I am not so worried about young people not wanting to work. Over and over, I have the privilege of experiencing engaged youngsters—what a great crowd of young people out there! What I stumble over, again and again, are things like HR departments catering to assumed trends in how young hires think, ultimately suggesting that hard work is not really what is on offer but rather a perfect work-life balance—a term the purpose of which I'd question in the first place.

Lauterbach: I observe a different mindset among young people regarding getting hired for the first or second time. It is not just about a salary. It is about learning opportunities.

Ratibor: Companies are serious about educating and coaching people. For me, it is not only about functional expertise. Learning how to work with content, communicate, and get coaching on performing in cross-functional and multicultural environments is vital. Culture is fundamental—being part of a social ecosystem, team, and community is key to most people. I keep wondering how anybody on earth thinks this can be achieved with an abundance of remote work.

Lauterbach: What would be your biggest wishes for leaders?

Ratibor: I would like to see more integrity in leadership. We should be more mindful of what winning actually implies. Integrity in teams is crucial.

There is a sad lack of respect everywhere—in private contexts, business, and society. Respectful leadership should be back on the agenda.

Finally, I would like to see leaders with a good sense of humor. It is important to have fun at work. Humor is an ability that allows you to digest a lot of stuff and move forward, taking those around you along.