



# Value in motion and why it matters for the Chief Financial Officer

The role of the CFO in reinvention



# Contents

01	Value in motion and why it matters for the CFO	3
02	The CFO role today and the disruption imperative	5
03	The CFOs role in reinventing business models	6
04	The CFOs role in related finance operating model changes	8
05	Technology and efficiency levers to fund reinvention	10
06	The CFO call to action	11

# Value in motion and why it matters for the CFO

Industries are reconfiguring. Value pools are migrating across sectors at unprecedented speed. PwC calls this “value in motion”, the fundamental shift of where and how economic value is created, captured, and defended.

## Cross-Sector Deals

44% of CEOs planning major acquisitions expect to do deals outside their existing sector

## Dynamism Pays

Dynamic companies achieve 9% revenue growth versus 7% for cautious peers

## Margin Gap

Dynamic companies post 9% profit margins, three points higher than cautious companies at 6%

## Trust Premium

Companies with fewest trust concerns delivered 9 percentage point higher total shareholder returns

# 42%

of CEOs say their company has started competing in new sectors in the last five years.

## What value in motion means in practice

- **Sectors without borders** - The collision of technology, climate change, geopolitics, and other megatrends is creating new customer needs, enabling new business models, and blurring the boundaries between industries. Traditional sector definitions are becoming obsolete.
- **New value pools emerging** - As the global economy reconfigures, new value pools emerge in platforms, ecosystems, services, and data. Companies generating a higher percentage of revenue from new sectors are more profitable and have greater growth confidence.
- **Capital flows shifting** - Investment flows are redirecting, the United States consolidates as the top destination (35% of CEOs), while India has nearly doubled in popularity (from 7% to 13%). The Middle East is diversifying into data centres and infrastructure.
- **Complementary capabilities** - PwC research shows acquisitions are more likely to add value when focused on acquiring complementary capabilities rather than market power or customers. Playing across sector boundaries requires new ecosystem skills.
- **Innovation gap** - Half of all CEOs say innovation is central to strategy, yet fewer than one in ten (8%) have implemented a critical mass of proven innovation practices. Companies that do are growing faster with higher margins.
- **The cost of standing still** - The 15% of companies frozen by caution (not planning acquisitions, not investing through uncertainty) are growing two percentage points slower with margins three points lower than dynamic peers.

## Why this is a Chief financial officer mandate

47%

of CEO time is spent on issues with horizons of less than one year, three times more than the 16% dedicated to five-year-plus activities. **The CFO must fill the strategic long-horizon gap.**

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56%

of companies have realised neither revenue nor cost benefits from AI investments. **The CFO must build the business cases and investment frameworks** that convert AI spend into measurable returns.

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12%

of companies are AI vanguards, achieving both revenue growth and cost savings from AI. They built strong foundations first. **The CFO must fund and govern** this foundation-building.

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Value in motion is not a market trend the CFO can observe from the sideline. When 42% of companies are competing in new sectors and cross-sector acquisitions are accelerating, the CFO must become **the architect who identifies where value is migrating, allocates capital to pursue it, and builds the financial architecture** to capture it. CEOs who move dynamically are outperforming. The CFO is the one who makes that dynamism financially viable.

# The CFO role today and the disruption imperative

Most Chief financial officers remain anchored in stewardship and historical reporting. But PwC's 29th Global CEO Survey confirms that companies moving the furthest and fastest to reinvent their business and operating models are outpacing their less-dynamic peers. The disruption imperative demands the CFO become the strategic architect of reinvention, not merely the guardian of today's margins.

## Traditional Focus

Reporting, compliance, cost control, annual budgeting

## Orientation

Backward-looking, centred on historical performance measurement

## Capital Approach

Incremental allocation protecting the core business

## Success Metrics

Revenue, earnings margin, and earnings per share

# 30%

of CEOs are very or extremely confident about revenue growth in the next 12 months - down from 38% last year.

## Key forces demanding the CFO leads reinvention

- **Value pool migration** - Industry profits are shifting from products to platforms, from ownership to as-a-service, and from linear chains to ecosystems. 42% of companies already compete in new sectors.
- **Shareholder return gap** - Companies with the fewest trust concerns delivered total shareholder returns nine percentage points higher. The CFO must protect and build trust as part of the value creation mandate.
- **Cost of inertia** - Cautious companies (15% of the survey sample) grow two percentage points slower with margins three points lower than dynamic peers. Standing still is the highest-risk strategy.
- **Compressed strategic cycles** - CEO short-term confidence has fallen sharply (30% versus 56% in 2022). Macro volatility, cyber risk, and geopolitical conflict compress decision windows, demanding faster capital reallocation.
- **Unique intersection** - The CFO sits at the crossroads of strategy, capital, data, and governance. With CEOs spending 47% of time on near-term issues, the CFO is the natural long-horizon architect of reinvention.
- **Metric obsolescence** - Traditional metrics fail to capture the health of emerging business models. Only 8% of companies have embedded proven innovation practices. New performance frameworks must be led by finance.

# The CFOs role in reinventing business models

There is a strategic imperative to move from financial steward to strategic architect of where and how the enterprise creates value in an era of industry reconfiguration.

## Six roles the Chief financial officer must play

1

### Strategic value pool analyst

Quantify where industry profits are migrating as sectors blur. Model the financial case for alternative business models such as subscription, platform, and outcome-based revenue. Lead portfolio rationalisation to free capital from legacy lines and redirect it toward new value pools.

42%

of companies now compete in new sectors, the CFO must quantify which cross-sector moves create value

Source: CEO Survey



2

### Capital allocation architect

Build a dual-horizon investment framework, directing 15 to 25 percent of capital toward transformative bets. Move from annual budgeting to continuous, dynamic resource reallocation as value in motion demands faster capital deployment.

Dynamic companies investing through uncertainty grow 2 percentage points faster with 3 points higher margins

Source: CEO Survey



3

### Business case and value story owner

Translate reinvention strategy into credible investor narratives. Introduce new metrics such as customer lifetime value and annual recurring revenue. Manage the transition valley with boards and capital markets as the company enters new sectors.

Revenue from new sectors correlates with bigger profit margins and greater CEO growth confidence

Source: CEO Survey



## 4 Risk and resilience strategist

Quantify the financial cost of inertia versus reinvention. Structure investments as real options with the right to scale. Stress-test new business models against macroeconomic volatility, tariffs, and geopolitical scenarios.

# 29%

of CEOs expect tariff-driven margin compression; 31% face elevated cyber risk exposure

Source: CEO Survey



## 5 Mergers, acquisitions and partnership strategist

Lead financial evaluation of cross-sector acquisitions, joint ventures, and partnerships that accelerate access to new capabilities. Evaluate the financial architecture of ecosystem participation including revenue shares and co-investment models.

# 44%

of CEOs planning acquisitions expect deals outside their sector, focused on complementary capabilities

Source: CEO Survey



## 6 Culture and capability catalyst

Transform the finance function from gatekeeper to growth enabler. Recruit for data science, commercial partnering, and strategic analysis. Build a culture that treats innovation investment as core, not discretionary.

# 8%

Only 8% of companies have implemented proven innovation practices at scale, the CFO must fund the gap

Source: CEO Survey



The reinvented Chief financial officer does not merely fund transformation. They **define which value pools to pursue, structure the capital to get there, and build the financial narrative** that carries stakeholders through the transition, in a world where sectors without borders demand a fundamentally new approach to value creation.

# The CFOs role in related finance operating model changes

**Several interconnected finance operating model dimensions must typically transform to support Reinvention. As CEOs devote 47% of their time to short-term issues, the Chief financial officer must provide the structural backbone that keeps long-horizon reinvention on track while the business manages near-term volatility.**

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## Structure and governance

- Design autonomous venture boards and ring-fenced profit and loss statements for new business models to provide sufficient autonomy with financial discipline
- Redefine decision rights and approval thresholds to accelerate growth initiatives without sacrificing accountability
- Shift performance management from backward-looking financial reviews to forward-looking strategic assessments blending financial and operational metrics

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## Processes and ways of working

- Replace static annual plans with rolling forecasts and agile planning cycles, improving projection accuracy by up to 30 percent
- Redesign end-to-end financial processes to support new revenue models such as subscription billing, usage-based pricing, and milestone-based invoicing as the company enters new sectors
- Evolve shared services from transaction-processing cost centres to value centres providing analytics, insights, and business partnering

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## Talent and capabilities

- Embed finance business partners within innovation teams and business units to provide real-time commercial insight
- Champion data literacy across the organisation, integrating commercial, operational, and financial data into a single accessible view
- Invest in upskilling the finance function in advanced analytics, digital fluency, and commercial acumen to support cross-sector business models

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**Cost structure transformation**

- Migrate from fixed cost structures to variable models using cloud infrastructure, contract workforce, and as-a-service procurement
- Apply zero-based budgeting and zero-based redesign to legacy cost lines to liberate funds for reinvestment in growth
- Proactively manage stranded costs that arise when legacy business lines shrink but their overhead remains

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**Supply chain and ecosystem integration**

- Ensure real-time financial visibility across extended supply chains and partner ecosystems, including cost tracking and margin analysis
- Define the financial terms of ecosystem participation including revenue shares, risk allocation, and co-investment models for cross-sector collaboration
- Quantify the return on investment of supply chain resilience as a strategic enabler rather than merely a cost



# Technology and efficiency levers to fund reinvention

The CEO Survey is clear: 56% of companies see no financial return from AI yet. But the 12% who do, the vanguards, invested in strong foundations first. The CFO's role is to ensure technology investment follows the same discipline: fund the foundations, measure the outcomes, and redeploy savings into the cross-sector growth opportunities that define value in motion.

## Typical technology investment areas driving efficiency



### Intelligent automation

Robotic process automation and AI applied to accounts payable, receivable, reconciliations, and close processes

30-40% finance cost reduction



### Cloud enterprise resource planning

Modern platforms reducing infrastructure costs, accelerating reporting cycles, and enabling real-time financial visibility across sectors

Faster close, real-time analytics



### Advanced analytics and AI

Predictive demand forecasting, dynamic pricing optimisation, customer profitability analysis, and working capital optimisation

Data-driven capital allocation



### Integrated planning platforms

Extended planning and analysis connecting financial, sales, supply chain, and workforce planning for holistic scenario modelling

Unified cross-enterprise planning



### Digital platforms and interfaces

Enabling marketplace and ecosystem models, partner integration, and new data monetisation revenue streams across sector boundaries

New business model enabler



### Generative AI at enterprise scale

Compressing time and cost to develop analysis, reporting narratives, and prototypes. Foundation-building is key -- the top 12% built strong AI foundations first

CEO Survey: 12% are AI vanguards



# The CFO call to action

**Value is in motion. The CFO who waits for certainty will find the value has already moved. These six themes distil the mandate into actionable commitments.**

## 1 Follow the value, not the org chart

1

Industry boundaries are dissolving. **42% of companies are already competing in new sectors**, and the most profitable are those generating revenue beyond their traditional domain. The CFO must lead the enterprise in identifying where value pools are forming and redirect capital before competitors claim them.

## 2 Reward dynamism, punish caution

2

The data is unambiguous: **dynamic companies outperform cautious ones by three margin points and two growth points.** The CFO must build investment frameworks, governance structures, and incentive models that reward bold, evidence-based moves through uncertainty, and make the cost of standing still visible to every board member.

## 3 Own the long horizon the CEO cannot

3

With 47% of CEO time consumed by issues less than a year away, **the CFO must become the strategic counterweight**, the executive who holds the five-year reinvention roadmap, protects transformative investment from short-term pressure, and keeps the organisation honest about where it needs to be.

## 4 Turn efficiency into fuel, not an end goal

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Technology can reduce finance function costs by 30 to 40 percent. But efficiency without reinvestment is just managed decline. The CFO must build an explicit **savings-to-growth pipeline**: every pound saved through automation, cloud migration, and process redesign must have a named destination in the reinvention portfolio.

## 5 Build AI foundations before chasing AI headlines

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56% of companies see no return from AI. Only 12% are vanguards. **The difference is not ambition, it is foundation.** The CFO must insist on data quality, process readiness, and capability building before scaling AI investment. Govern the hype cycle with financial discipline.

## 6 Rewrite the CFO job description - starting today

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The traditional CFO role, reporting, compliance, cost control, is necessary but **no longer sufficient.** The reinvented CFO is a value pool strategist, a capital architect, a risk innovator, and a culture catalyst. Every CFO must ask: am I building the finance function that a reinvented enterprise needs, or the one that a declining enterprise deserves?

The question is no longer whether your industry will be reinvented. The question is whether your CFO will lead it?

## As a CFO there are tangible actions that you can plan for immediately:

### This week

**Map your value exposure**, Identify what percentage of current revenue comes from sectors or business models at risk of disruption. Quantify the cost of inertia alongside the cost of reinvention.

### This quarter

**Launch a reinvention portfolio**, Ring-fence 15 to 25 percent of discretionary capital for transformative initiatives. Establish new metrics, governance, and milestone-based funding for cross-sector bets.

### This year

**Redesign the finance operating model**, Shift to rolling forecasts, variable cost structures, and integrated planning. Build the finance talent, AI foundations, and ecosystem partnerships that a reinvented enterprise demands.





In a world where 42% of companies are competing in new sectors, where dynamic companies outperform cautious ones by three margin points, the CFO must move from guardian of the ledger to **architect of reinvention.**



# Value in motion and why it matters for the Chief Financial Officer

At PwC, we help our clients build trust and transform their businesses to enhance competitiveness. We are leaders in tax, audit, and advisory services and are part of a global network with 364,000 employees in 136 countries. By combining our expertise and experience with the latest technology, we assist our clients in becoming more efficient, adapting to changes, and always staying ahead.

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