

## The Melding of Finance and IT

The overall IT decision-making process has shifted for many organizations as CFOs are increasingly responsible for authorizing technology investments. A recent study by The Gartner Group, Inc., Financial Executives Research Foundation (FERF), and the Committee of Finance & IT (CFIT) of Financial Executives International (FEI) found that more than a quarter (26%) of IT spending was authorized solely by the CFO while just 5 percent was authorized by the CIO.

This growing role of the CFO in IT decisions does not come as a surprise for Kristine Brands, MSA and MBA lead accounting faculty for the College for Professional Studies School of Management at Regis University.

“It is inevitable that these two disciplines work together,” said Brands. “Where finance and accounting examines business processes, IT is a means to achieve a company’s business objectives. Including finance and accounting executives in these decisions is an extremely important move.”

However, finance and accounting’s involvement in IT should not be limited to buying decisions.

“With the number of efficiencies that can be achieved with IT solutions, finance and accounting executives should be involved in this process from beginning to end,” said Brands. “It is too important and there is too much money on the table to leave these decisions solely to the IT department.”

To help ensure that the organization is reaching its potential with its IT investments, finance and accounting executives should lend their expertise to strategic decisions, such as setting the IT budget, as well as tactical decisions such as how the organization can implement business processes more effectively using IT. They should also stay abreast of new technologies that have the potential to improve their organization’s overall efficiencies and business processes.

“Finance and accounting professionals understand business and they understand the information reporting needs of their organization,” said Brands. “By having finance and accounting professionals participate in IT decision-making, they ensure that both user requirements and business needs will be met.”

IT professionals will also benefit from this relationship, as stronger lines of communication between finance and IT will result in faster, more efficient systems delivery. This increased level of involvement from finance and accounting in IT decisions does call into question the required experience of the CFO.

“There are several generations of non-tech savvy CFOs that are incredibly valuable because they have the knowledge and experience of the CFO function. However, I believe it is imperative for those CFOs to assess their IT skills and design their team to include someone who can bridge any gaps they may have in IT experience,” said Brands.

She believes that continuing IT education is also important and organizations should invest in career development programs that train finance and accounting staff to play a more prominent role in IT decisions.

“Organizations should groom potential CFOs to have the skills necessary to deal with business operations and IT,” said Brands. “This can be done in a number of ways, from continuing education classes and seminars to participating on project teams that implement IT systems. The more exposure to IT, the better.”

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This tighter alignment between finance and IT has also impacted higher education curriculum, with many finance and accounting programs now offering cross-functional classes that include IT. For example, Regis University offers classes on accounting information systems, IT auditing and eXtensible Business Reporting Language (XBRL) and Interactive Data.

“Students now are well-prepared to enter this environment where IT and finance and accounting co-exist. However, for existing professionals it is important that they understand how the two functions can help each other be more successful and benefit the organization as a whole,” said Brands. “By bringing together these two disciplines, organizations will be better able to meet business objectives and improve operations. It is a win-win for all parties involved.”