Deloitte.

Deloitte CFO Survey

Spring 2022 I Denmark

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Foreword

Events in 2022 have already left a significant mark on the world economy. The Russian invasion of Ukraine, the effects of rising inflation and supply chain problems can be felt in every corner of the world.

In this year's CFO Survey, as many as 49 per cent of Danish CFOs predict a greater degree of external uncertainty in the future economy. This is more than four times the number in autumn 2021. It would therefore seem that Danish companies must manage uncertainty to a much greater degree in order to succeed in the foreseeable future.

In addition to reporting on the current uncertainty that CFOs are experiencing, we also dive into some positive narratives. Anders Boyer, CFO of Pandora, and Kristian Krag, CFO of 3Shape, share their experiences of the impressive growth journeys of their companies. As CFOs, they have each assumed significant responsibility for driving organic growth and have not been afraid to engage in the value chain and the company's commercial development.

In this report, you can also read more about the role of CFOs in creating and maximising growth. We find that 82 per cent of CFOs consider organic growth to be important for the future development of their company, and 77 per cent believe that they will play a greater role in growth creation over the next two to three years. In addition, we focus on the supply chain issues that CFOs have experienced. Many CFOs clearly experience supply chain difficulties, and the majority do not expect the situation to normalise until 2023.

Thanks to everyone who participated in the survey - and thanks also to all of you who read this report. We are happy to see a growing number of readers every year.

Happy reading!

Kim Hendil Tegner
Partner, Deloitte Consulting
Head of Deloitte's CFO Programme

Methodology

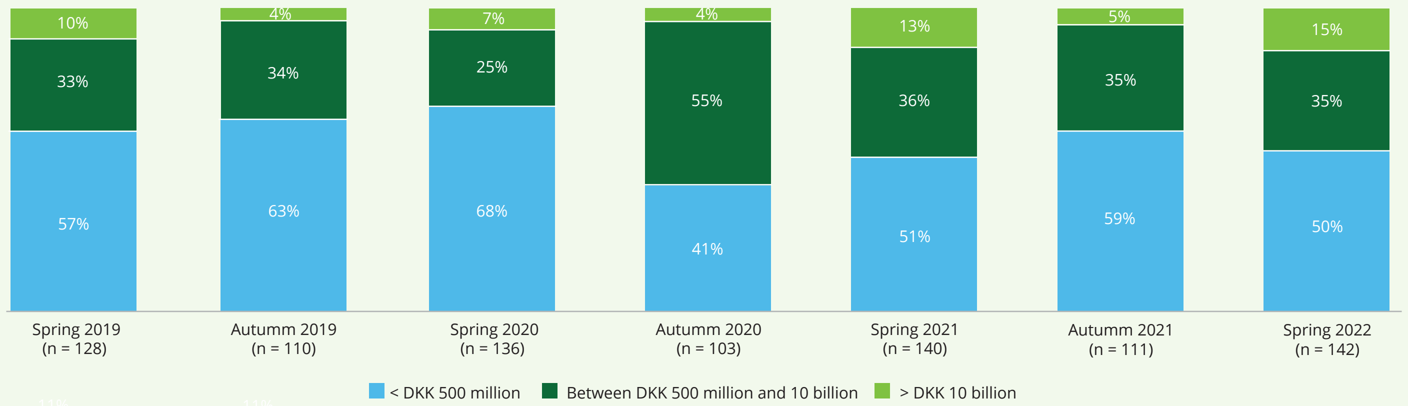
The spring 2022 edition of our CFO Survey reports the views of 142 CFOs from Danish companies. More companies from the top segment (>DKK 10 billion) participated in this year's survey than in any previous edition.

The purpose of this year's CFO Survey is to provide insights into three areas: 1) Economic and financial prospects and challenges, 2) Growth and the role of the CFO and 3) Challenges in the supply chain.

This survey was conducted by Epinion on behalf of Deloitte. Our surveys have been conducted in Denmark since 2017, providing an opportunity to compare data and CFOs' perspectives over time. The report is published twice a year.

Data for this edition were collected in March 2022 and are based on the responses of 142 CFOs, many from some of the very large Danish companies. 15 per cent come from companies with a turnover of more than DKK 10 billion, 35 per cent from companies with a turnover of between DKK 500 million and DKK 10 billion, and 50 per cent from companies with a turnover of less than DKK 500 million.

Figure 1. CFO Survey respondents



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Uncertainty among CFOs has never been greater

Danish CFOs are more concerned than ever about the global environment for their businesses according to data from this year's CFO Survey. Economic and financial uncertainty is greater than ever before, and CFOs are generally less optimistic about the economic outlook.

The invasion of Ukraine, supply chain problems and rising inflation have increased concerns among Danish CFOs. As many as 49 per cent predict an uncertain economic future – a fourfold increase compared to opinions in autumn 2021. The data for this year's report were collected just two weeks after Russia invaded Ukraine, which increased uncertainty among CFOs.

This percentage figure is an all-time high – the most uncertainty we have seen among CFOs since 2017 when our first CFO Survey was published. During the COVID pandemic, the number crept up to 42 per cent, but this is still seven percentage points lower than in the current survey. This reflects that Danish CFOs are more uncertain about the future now than when the COVID-19 pandemic peaked.

Less optimism about the future economy

CFOs are generally less optimistic about the financial prospects for their business: 38 per cent of CFOs feel less optimistic than three months ago. This figure compares with 14 per cent in autumn 2021 and 6 per cent in spring 2021.

Although 30 per cent show a willingness to take greater risks on to the balance sheet, their risk appetite has diminished considerably since autumn 2021 when the figure was 41 per cent. This suggests that the willingness to take on risks seems to have returned to the level prevailing prior to the COVID-19 pandemic.

Figure 2. External financial and economic uncertainty

How would you rate the overall level of external financial and economic uncertainty facing your business?

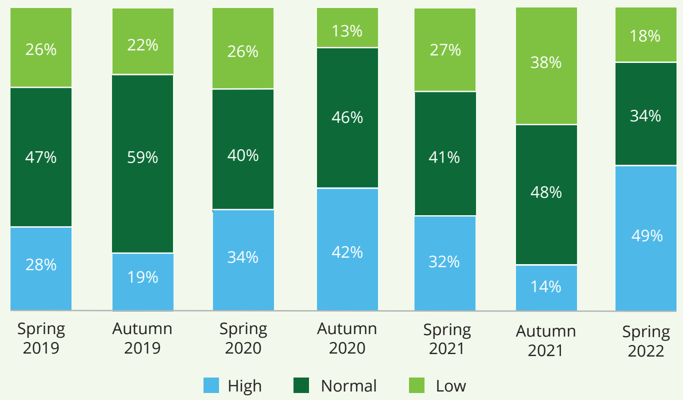


Figure 3. Financial prospects

Compared to three months ago, how do you feel about the financial prospects for your company?

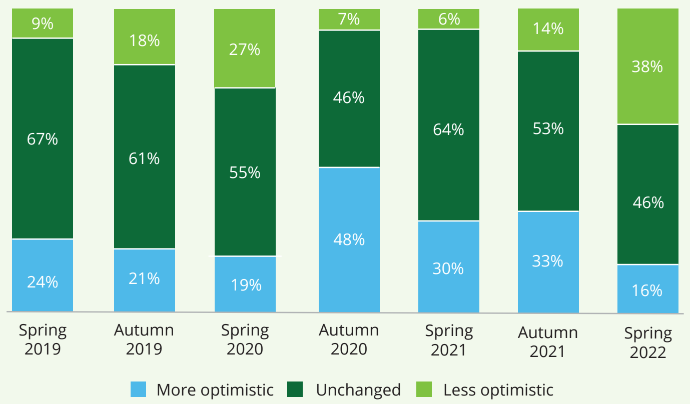


Figure 4. Taking risk onto the balance sheet

Is this a good time to be taking greater risk onto the balance sheet of your company?

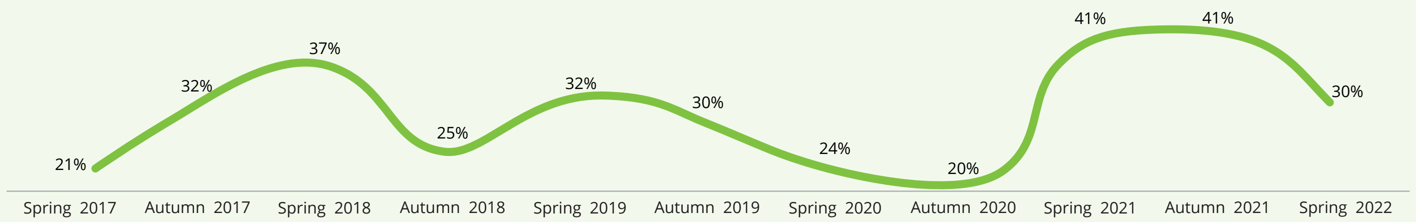
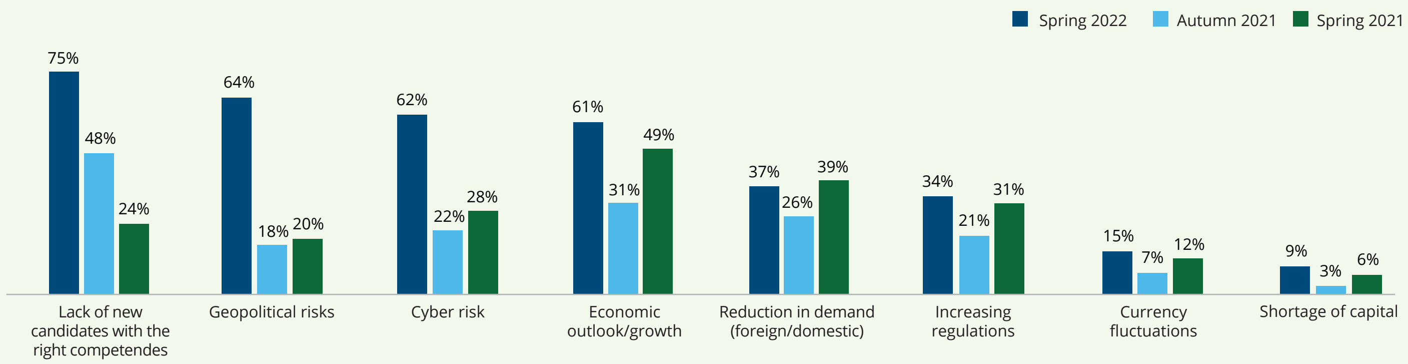


Figure 5. Risks in the year to come

Which of the following factors are likely to pose a significant risk to your business over the next 12 months?



New risks are receiving more attention from CFOs

The general concern among CFOs is also evident when looking closer at the specific risks. Across a range of risks, there are growing concerns compared to previous years. Consequently, CFOs are having to deal with several different risks at the same time.

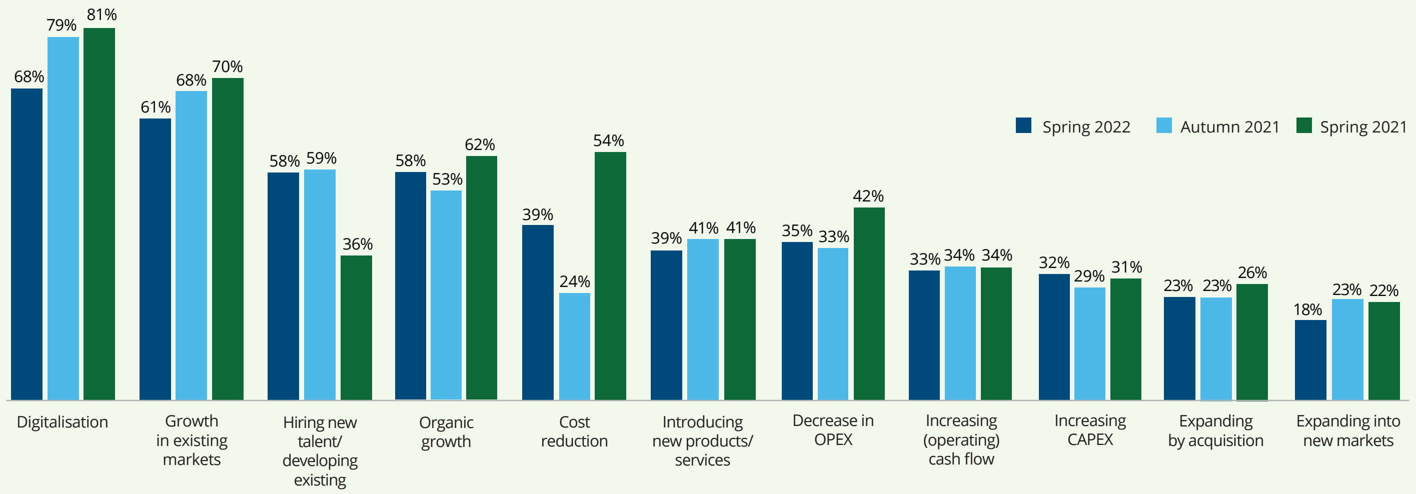
Again this year, the shortage of employees with the right competencies is seen by CFOs as the biggest risk factor. In autumn 2021, an all-time high percentage (48 per cent) saw this as the biggest risk, but the number has now risen dramatically to 75 per cent. This reflects the current problems in the labour market where companies are experiencing challenges in both hiring and retaining talented employees.

Other risks are also attracting greater attention from CFOs. Concerns about geopolitical risks have increased the most over the past six months, from among 18 per cent of respondents in autumn 2021 to 64 per cent in spring 2022. The main reason for this is the invasion of Ukraine and its consequences for many companies, including various sanctions, increasing energy prices, and considerations about their companies' activities in Russia.

In previous surveys, cyber risks have not been among the most prioritised risk factors for CFOs. However in this year's survey, as many as 62 per cent regard cyber risks as one of the key risk factors – a threefold increase since autumn 2021. This change may be seen in the context of the increase in geopolitical risks, and the crucial role of cyberattacks in modern warfare. In this context, companies have also been urged by both Danish and foreign authorities to strengthen their resilience and raise awareness of the threat to cyber and personal data security.

Figure 6. Priorities over the next 12 months

To what extent are the following strategies likely to be a priority for your business over the next 12 months? (CFOs that have answered 'to a very high degree' or 'to a high degree')



Digitalisation and growth will play an important role in the future

This year, digitalisation is once again among the top priorities for CFOs when it comes to deciding their future priorities over the next 12 months. Although digitalisation strategy appears to be the greatest priority, its comparative importance has fallen sharply since the two previous years. This indicates that although digitalisation is still important for companies, CFOs are increasingly prioritising other strategies as well.

CFOs also indicate that they will focus more on growth, in existing markets as well as organic growth. However, there is a small decline from last year in the focus on expansion in existing and emerging markets – whereas the focus on organic growth has increased.

Despite the wish for growth, CFOs' strategies have been influenced also by new risks and uncertain prospects. There is now a greater focus on reducing costs, perhaps as a consequence of the higher risks and uncertain prospects.

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Expectations for operating margin stand: 27 per cent of CFOs expect their operating margin to decline over the coming 12 months – this compares to just seven per cent only a year ago, and it partly explains the greater focus on reducing costs.

In 2022, 46 per cent of CFOs expect the number of employees in their company to increase over the next year. This number is higher than last year, suggesting that companies will need to focus on hiring and retaining staff. To this should be added the need to be attentive to the risk of talent shortages in the future.

Figure 7. Expectations to key metrics

In your view, how are the following key metrics for your business likely to change over the next 12 months?

> In our work with CFOs across Denmark, in the Nordics and globally, we are witnessing the big challenge in attracting the right talents. This challenge for the CFOs and finance leaders is being reinforced by the need to attract not only finance talents but also new capabilities within data, analytics and technology.

Anders Boyer
CFO, Pandora

We have created a global consumer brand

From a small jeweller in Copenhagen to the world's largest jewellery brand. Pandora's growth journey is impressive in every way – and far from over, according to the company's CFO, Anders Boyer.

There are good ideas – and there are ideas so good that you wonder why no one thought of them before. That is how you can sum up the story of Pandora and the company's now world-famous charms, the small pendants that come in hundreds of variants that are easily added to a bracelet to create a unique look.

After more than 20 years, the charms still make up the core business of Pandora, now part of the so-called Moments platform. According to Pandora's CFO, Anders Boyer:

"Although Pandora has seen such massive growth over the past two decades, the basic idea is still that customers create their jewellery by combining the charms they want. This is what separates us from other brands. The charms are the foundation of our business across age groups, social groups, nationalities and religions. Humans have used jewellery for thousands of years to tell stories about themselves. We're just the first company to commercialise this idea on a global basis, producing more than 100 million pieces a year."

Over the past 22 years, Pandora's growth can be roughly divided into three phases: The first phase focused on the product, the second focused on international growth and the third focused on the brand. Anders Boyer explained:

"Until the early 2010s, Pandora was basically a manufacturer of jewellery with distribution through a network of partners around the world. We then started to open the many flagship stores we know today and increasingly doing so as our own stores. Slowly, Pandora became a global retailer with direct contact with its customers. That shift has created a lot of opportunities over the years, but also several challenges."

A clear focus on marketing and branding

Pandora eventually needed new leadership. In 2018, Anders Boyer joined the company as CFO, and in 2019 Alexander Lacik took over as CEO. Together with the rest of the Executive Leadership Team, they have launched a new strategy focused on marketing and branding.

"We are a much more mature company now than just a few years ago, which also means that our brand is the primary growth driver. Today, we are not just running a manufacturing company or a retailer, but a global consumer brand, even the most well-known in our industry. To do so requires a new skill set and a different team. That is the journey we have now begun," says Anders Boyer.

Marketing in particular was one of the budget items that needed a thorough revision when the new strategy was launched. According to Anders Boyer:

"In 2018, we spent about 9 per cent of our revenues on marketing. Alexander and I agreed that it was not enough. Figuratively speaking, you can say that we played music, but the volume was too low, and the quality of the sound was not good enough. So, we turned up the volume and the quality. Today, we spend about 15 per cent of our revenues on marketing, which is a reasonable number. What is more, we have been able to finance that investment by cutting costs elsewhere."

But how does a CFO contribute to something as complex as marketing on a global scale? Sensibly and by using data, according to Anders Boyer.

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As a CFO, you have to realise that marketing has a completely different dynamic than the other cost categories. For example, it can make sense to increase your marketing spend even in a difficult financial situation, which is something we have done successfully. If you have the right tracking set up, you can see the results quickly and shut down a campaign if it is unsuccessful. In that sense, marketing is relatively easy to manage from a risk perspective," he said.

Nevertheless, it has required both courage and the confidence of investors to carry out such a major transformation.

When we started our transformation programme, we told our investors that we would need about DKK3 billion in restructuring costs, which is a large sum of money. However, it created the necessary freedom for us to test our hypotheses with sufficient impact and speed. The alternative would have been just to sit and adjust the details, and that wasn't our goal," says Anders Boyer.

The future is both physical and digital

Today, Pandora's Executive Leadership Team has laid the foundation for the future of the company: a global superbrand with a mix of distributors, online sales and stores worldwide.

Today, almost 70 per cent of our revenue comes from our stores, something which gives us amazing control over our business. For example, every Wednesday we gather all country and functional leads to go over last week's figures, and then we make decisions that are executed immediately. At the same time, we're in direct contact with more than 10,000 of our colleagues who work in the stores, and whose knowledge of products and customers is crucial to our brand. You should never underestimate their impact, and we see them as an essential part of our continuing growth," says Anders Boyer.

Pandora has also simplified its digital infrastructure and are now running an efficient online set-up. According to Anders Boyer:

We know that online sales and store sales are closely linked, and we have worked hard to create a consistent shopping experience across the channels. For example, if we open a physical store in an area, we also see an increase in online sales in the same place. That synergy is extremely important and underlines the need for our continued high street presence."

A commercially orientated finance organisation

With a solid strategy and impressive results, Anders Boyer has two wishes for the future: stable growth and resilience to withstand black swan events such as a global pandemic:

My clear desire is to ensure stable growth rather than large fluctuations. We have also learned a lot from the coronavirus crisis, although we quickly saw consumers return to their old shopping patterns. Like many other companies, we have reconfigured our supply chain with an increased focus on security rather than just unit cost optimisation. We also keep a close eye on consumer behaviour and consumer trust, especially in light of the events that are taking place in Ukraine."

Finally, the finance function needs to match a high-paced business – something that applies regardless of whether you are the CFO or working in a service centre in Poland, according to Anders Boyer:

Being a great finance function in Pandora requires us to be a great partner for the business, meaning that we must be commercially orientated and that we dare to use our financial knowledge to engage in discussions about commercial matters. This also applies to me as the CFO. Of course, I have my functional role in the management team; but I also think more broadly, and that is something I am very aware of. I like to say 'yes' whenever possible. As long as there is a manageable risk and a potentially large gain, of course we should try it out. That is the only way to move forward together."

Anders Boyer's advice on how to drive organic growth

1. **Think like a CFO and a CEO at the same time.** Say yes when it comes to testing new ideas if there is a sensible balance between risk and reward.
2. **Work tirelessly to understand the business.** Familiarise yourself with the production and the products. Understand specifically why customers choose to buy from you.
3. **Look for external input.** There are many things to learn from following competitors, reading the major industry analyses, istening to market analysts, and proactively seeking input and knowledge from outside.
4. **Approach the CFO role with courage.** Have an open dialogue with investors, create the necessary freedom for you to act, and have the will to implement the strategy.

Growth will depend largely on the CFO's initiative

Despite the negative expectations for the economic outlook, there is a focus among CFOs on growing the top line. CFOs regard their own role as significant in this context.

80 per cent of CFOs consider organic growth important for their company's future development, and for more than 50 per cent it is very important.

67 per cent believe that they should be actively involved themselves in driving organic growth in the company, and 77 per cent believe that they will play a greater role in growth creation over the next two to three years. This indicates that CFOs have become aware of the importance of driving growth and that they themselves will play a key role in this.

Figure 9. The CFO's role in maximising organic growth

To what extent do you find it important that the CFO is actively engaged in maximising organic growth?

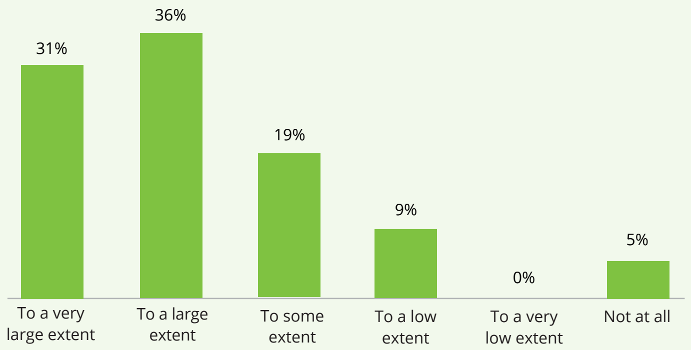


Figure 8. Importance of accelerating organic growth

To what extent is accelerating organic growth important to your company's future development?

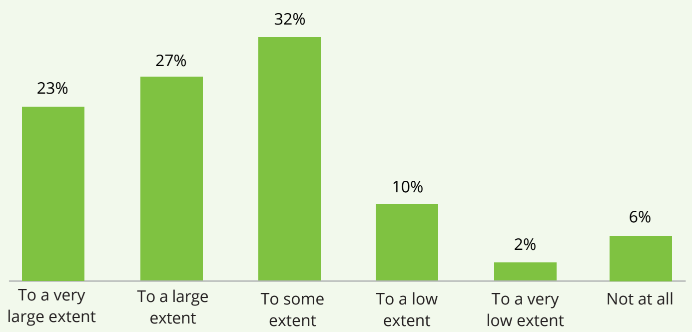
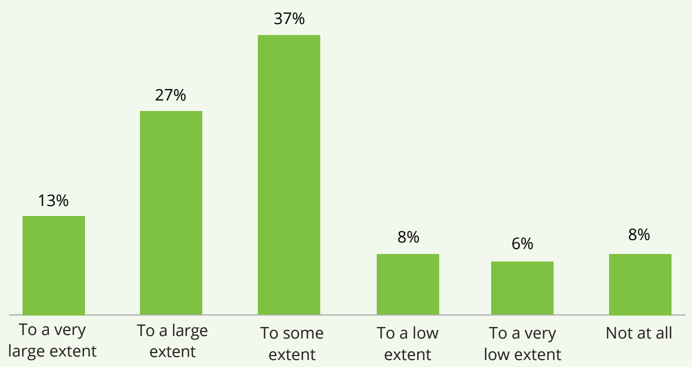


Figure 10. More influential role in maximising organic growth

To what extent do you think you as CFO will play a more influential role around maximising organic growth in two-three years' time?



Discrepancy between need and focus

This year's report has found that businesses apply different techniques to accelerate organic growth. CFOs judge the most important growth drivers to be client experience, branding and sales force optimisation.

When assessing their own role in growth creation, CFOs mainly point out that they have a central role in pricing and the introduction of new business models, which fall within the 'classical' tasks of the CFO.

However, there is a discrepancy between the CFOs' assessment of what their businesses need for growth creation, and what they themselves will focus on. This may indicate that CFOs should focus more on the needs of their business, if they want to succeed in maximising organic growth.

Figure 11. Main levers to maximise organic growth

What are the main levers your company is pulling to maximise organic growth?

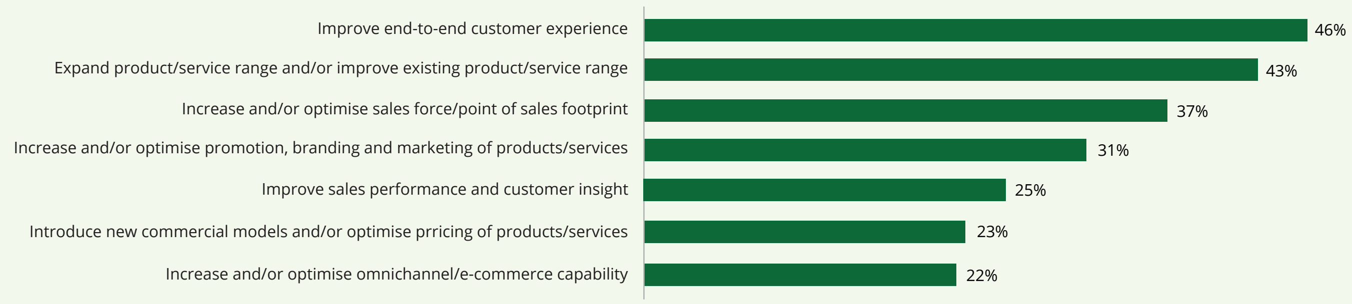


Figure 12. Areas where the CFO has an important role

In which area(s) do you believe CFOs have a particularly important role in maximising organic growth?

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Our focus in the market has paved the way for massive growth

"With a record result, 3Shape is ready to conquer the world with 3D scanners for dentists. We believe that we are facing a substantial growth curve," says 3Shape's CFO, Kristian Krag.

Few people like to have an old-fashioned dental impression taken, using a large lump of silicone or alginate. Fortunately, this practice belongs to the past for thousands of dentists worldwide. When preparing a dental crown or an implant, they now use a modern, intra-oral 3D scanner. This type of scanner is the core product for Danish company 3Shape, which has experienced impressive international growth in recent years, according to the company's CFO, Kristian Krag.

"3Shape is a company with strong ties to the Technical University of Denmark (DTU) and Copenhagen Business School (CBS). Here, our founders Tais Clausen and Nikolaj Deichmann began digitising the impressions that are used in the hearing aid industry. Since then, 3Shape has managed to identify two additional growth streams based on the same basic scanning technology. In 2005, the company entered the dental industry, using the same technology to digitise dental impressions to produce a crown or an implant in a laboratory. It turned out to be a wise move as it laid the foundation for the global success we know today," says Kristian Krag.

The big revolution

Through the 2000s, 3Shape built a successful business. However, the "third growth curve and the big revolution", as Kristian Krag puts it, did not occur until 2011 when the company launched Trios, a range of intra-oral scanners that are used directly in the mouth, eliminating the need for a physical impression.

"With Trios, we were able to digitise the entire process around a dental impression from the scanning of the mouth, through advanced software processing and then digital transfer to the laboratory. This was a significant improvement on the old physical impressions. For a dentist, working digitally leads to increased precision, increased efficiency and increased hygiene. We simply get a better result," says Kristian Krag.

Today, the Trios scanners are the main driver of growth for 3Shape. According to Kristian Krag:

"Although we have seen significant growth over several years, four out of five dentists globally still work in the traditional way. Due to the benefits of working digitally, we believe that dentists around the world will invest in digital tools in the coming years. Our assumption is that we are still on the low part of an S-curve and that we are approaching a tipping point in the dental industry when it comes to the use of scanners and advanced software."

Challenges along the way

3Shape has just announced record financial results for 2021: revenues of DKK 2.6 billion, operating profits of DKK 889 million and net income of DKK 705 million - a significant increase from the previous year. Additionally, the private equity fund EQT bought 20 per cent of the shares in 3Shape towards the end of 2021, adding further fuel to the company's growth ambitions. Nevertheless, the road to success has not been without challenges. According to Kristian Krag:

Kristian Krag
CFO, 3Shape

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Kristian Krag's advice on how to drive organic growth

1. **Do not be afraid to get involved as CFO in the business and strategy process,** so that you get your seat at the table when the important decisions are made.
2. **Understand your growth drivers and growth barriers,** so you always have a realistic picture of both opportunities and challenges.
3. **Take responsibility for crossorganisational coordination,** so that you become an active business partner who helps processes towards a decision.
4. **Add people with experience from large organisations to your team,** so you constantly have an eye on how things should look five years from now.

"Part of the formula behind 3Shape's success is that we are a relatively simple company with a simple production setup and a simple product portfolio. When we started developing a new portfolio of scanners a few years ago, we quickly realised that it caused a loss of focus throughout the value chain, which we did not like. Today, we are extremely focused when it comes to implementing our playbook, and going forward we will continue down that path."

At the same time, 3Shape has been involved in a long legal battle with the competitor Align Technologies, which slowed down market growth in 2018 and 2019. The coronavirus crisis did the same – and now, 3Shape is having to deal with the war in Ukraine.

"There is no doubt that we have been affected by both the legal battles and the coronavirus crisis. Right now, we are focusing on the war in Ukraine where approximately 20 per cent of our employees are located. Their safety is of course our first priority and we are doing everything we can to help them. Ukraine is an important technology hub in Europe, and we are 100 per cent dedicated to supporting our Ukrainian employees in both the short and the long term," says Kristian Krag.

Going after the world market

Despite the difficulties in Ukraine, Kristian Krag looks forward to the future and is ready to take on 3Shape's competitors. He explains:

"Our clear focus right now is to get a fair share of the global market, which is around the corner. We believe that we can continue to differentiate ourselves in the market because we already have a strong brand, and because our products are considered the best in the industry. But we are well aware that we have to put in the hard work."

In addition to focusing on sales, 3Shape has increased investments in research and development:

"In recent years, we have increased our investments in R&D by approximately 30 per cent. We have done this because we believe that our ability to differentiate ourselves is the key to future growth. At the same time, we are in the process of scaling up our company to become an even larger global player, which means that we must find future-proof solutions for master data and ERP. The last thing we want is a bottleneck for our ambitions," says Kristian Krag.

A strong team

Becoming a bigger player not only requires a structural transformation; it also needs a strong team of financial specialists – some of whom should have had experience in larger companies. According to Kristian Krag:

"In my view, we need employees who can run the business right now, and employees who see the long, tough road that lies ahead. It is also important to have a mix of employees who combine deep internal knowledge with external knowledge and inspiration. As a result, we have hired people with experience in large companies. Of course, we should not copy everything from big corporates, because that would kill off the agility of our business. However, I want us to be a finance organisation that knows what 'good' looks like and how we scale. I want employees who can see the big picture and translate it into tangible initiatives."

The CFO should have a seat at the table

How does Kristian Krag see his role as a CFO when it comes to driving growth? His answer: A mindset focused on making things happen.

"I do not want to present myself as a CFO who masters everything commercial to perfection, but I want to help identify challenges. Being a partner for the business is about trusting that we are all working towards the same goal. I try hard not only to ask critical questions but also to drive processes towards a decision and thus make things happen," said Kristian Krag.

Having a seat at the table and playing an active role are some of the best things about being a CFO. Kristian Krag observes:

"Of course, I am driven by delivering on our financial goals and doing so in a structured way. But I also get up in the morning to use my role broadly and actively, to tie things together in the organisation, and make sure we allocate resources to where value is created. Whether I say yes or no, I want my colleagues to see that I help them and our business. This is where the role as CFO becomes fun and meaningful."

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Kim Hendil Tegner
Partner, Deloitte Consulting
Head of Deloitte's CFO Programme

The CFO can be the growth champion of the executive board

According to Kim Hendil Tegner, partner and Head of Deloitte's CFO Programme in Deloitte, Danish companies increasingly need CFOs who dare to take the lead when it comes to driving top-line growth.

Danish CFOs undoubtedly face many challenges on their agenda in 2022: rising uncertainty driven by the Ukraine crisis, significant price increases for raw materials and transport, continuing difficulties in supply chains, increasing challenges in attracting talent and the need to ensure progress in digitalisation and sustainability.

Still, there is one word that lurks constantly in the background: growth. Numerous studies have shown that the value of one extra percentage point of annual revenue growth over a number of years is often far greater than the value of one extra percentage point of EBIT margin. Nevertheless, profitability – rather than growth – is often at the top of the CFO's agenda when it comes to developing the business. Kim Hendil Tegner elaborates:

" With the risk of generalising, I believe you can talk about two different types of CFO when it comes to the commercial agenda. The first type focuses primarily on tight pricing management as well as cost and working capital efficiency. The second type, on the other hand, is a CFO who does not feel constrained by this narrow commercial role but engages broadly in the company's value chain and at the same time creates the necessary financial room to manoeuvre for the company to realise its full potential."

According to Kim Hendil Tegner, the different ways of approaching the CFO's role should be seen in relation to how roles are distributed in executive boards:

" In many executive boards, we continue to see the classic configuration in which the CFO primarily takes on a defensive role, while other board members take on the more offensive roles. Fortunately, we are also seeing more and more executive boards where all members are encouraged to take on a broad responsibility for the company. In these boards, roles are typically more dynamic and aimed at a common goal, and people are much less nervous about stepping on each other's toes."

Kim Hendil Tegner emphasises that the dynamic interaction between the CFO and the rest of the executive board could very well be a key driver for success in the coming years:

" Our hypothesis at Deloitte is that more and more companies will need a CFO who wants to venture into a more offensive, growth-driving role. The increasing pace of change and the continual development of companies' business models simply mean that a CFO who is always 'playing defence', so to speak, will rarely be a recipe for long-term success."

CFOs prioritise growth
Thankfully, more and more CFOs are turning their attention to organic growth, as confirmed by Deloitte's latest Danish CFO Survey from spring 2022 in which there were over 140 respondents. Kim Hendil Tegner is pleased with this development:

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"Our latest survey shows that 67 per cent of CFOs believe that they should be actively involved in driving organic growth in the company, and 77 per cent believe that CFOs will play a greater role in growth creation over the next two to three years. In other words, there is a broad consensus that companies should prioritise organic growth, and that many CFOs will take an active role in achieving this growth."

Despite this consensus, however, there are also inconsistencies when looking more closely at the numbers. Kim Hendil Tegner explains:

"When CFOs assess the most important growth drivers, the majority point to areas such as customer experience, branding and sales force optimisation. When the same CFOs assess their own role in the growth creation, the majority point to pricing and commercial models. Again, we see that some CFOs do not focus on the areas that are included in the offensive role for CFOs, although the greatest potential exists here."

Even so, Kim Hendil Tegner believes that Danish CFOs will adapt to the new reality with many ambitious and growth-oriented CFOs already showing the way forward:

"In this year's CFO Survey, for example, we spoke with Anders Boyer from Pandora and Kristian Krag from 3Shape – both of them having taken on significant responsibility for driving organic growth while also engaging in the entire value chain in their respective companies. These are CFOs we can all learn from because they have achieved impressive results."

GUIDE: Seven areas that are crucial to driving organic growth as a CFO

- **Market potential.** Do you sufficiently understand the market in which your company operates? What is the current and future competitive situation, and what is the full potential? What does your company need to secure a competitive advantage and a leading position in the market? What are the main themes of the growth journey?
- **Product portfolio.** Is there sufficient focus on those parts of the product portfolio that have growth potential? Are there products that need to be excluded to ensure adequate focus on the areas that can drive growth?
- **Research and development.** Does the company invest adequately in the development of existing and new products?
- **Brand and marketing.** Is the level of investment sufficient to expand the position in the market, ensure differentiation and support the growth potential?
- **Distribution.** Are there plans to scale the company's distribution, either through partnerships, expansion of own sales channels, acquisitions or development of new sales channels in new markets, with direct access to end users or via e-commerce?
- **Supply chain and operations.** Can the company's supply chain and operations support the company's growth? Is there a suitable balance between security of supply, speed and costs? As a CFO, have you organised your direct areas of responsibility, such as finance, IT and the back office, to support growth, for example within data, ERP and business intelligence? Have you acquired the necessary competencies to ensure scalability and the handling of increasing complexity?
- **Capital and funding.** Do you have a 'license to invest in growth' from your owners? Do you understand the concerns of your owners? Is the company's equity story clear enough to ensure that your owners understand what the growth potential is and what are the implications for profitability and liquidity?

Four tips from Kim Hendil Tegner

1. **Get out of the financial "engine room".**
   Take a wider look at the business to identify the key growth drivers. Engage in the strategy process and take ownership of a plan to implement the company's growth potential in both the short and long term.
2. **Be aware of the need to continually adapt your role.**
   Driving growth calls for a CFO who dares to step out of the defensive role and challenge the business to invest more when needed. As a CFO, make sure you are aware of when you as a CFO need to do this and be clear in your actions.
3. **Create the adequate financial leeway for growth.**
   It is your job to ensure that the company has sufficient capital and liquidity to maximise growth. Spend the necessary time with stock analysts, banks, investors and owners to understand and address their perspectives and concerns.
4. **Remove internal growth bottlenecks.**
   As the CFO, you are responsible for ensuring that there are no growth bottlenecks, especially within your own areas of finance, IT and the back office. Make sure you are at the forefront in getting these areas ready to handle a significantly larger amount of business to support the growth journey.

A well-functioning supply chain will not return for a long time yet

This year's report also provides perspectives on supply chains and their problems. Most CFOs are being affected by supply chain issues.

For the first time, the CFO Survey has looked at problems that businesses are experiencing in their supply chains. The majority of this year's respondents are affected, to a moderate to a large extent, by supply chain issues.

When businesses describe which supply chain problems they are experiencing, they mention in particular higher prices, shipping costs, and delivery problems with both intermediate and finished goods.

Figure 13. Supply chain issues

To what extent is your company currently affected by supply chain/delivery problems?

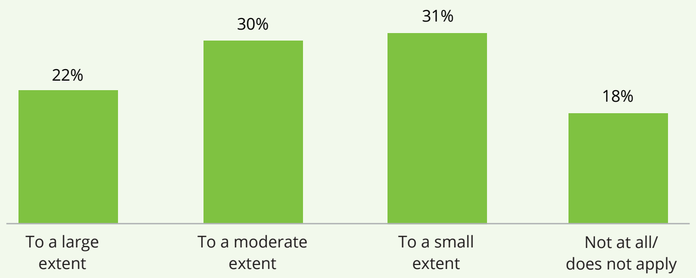


Figure 14. Type of supply chain problems

To what extent are the following supply chain problems relevant to your company?

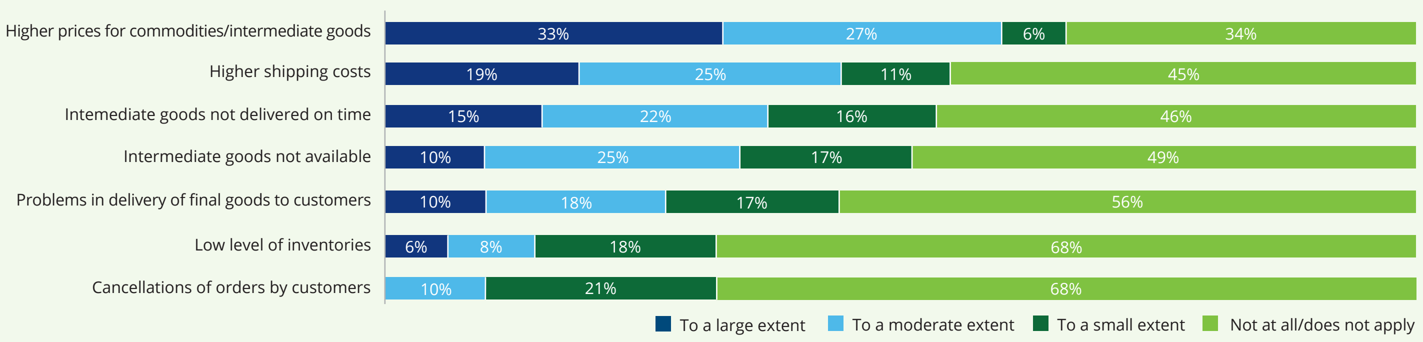


Figure 15. Planned actions

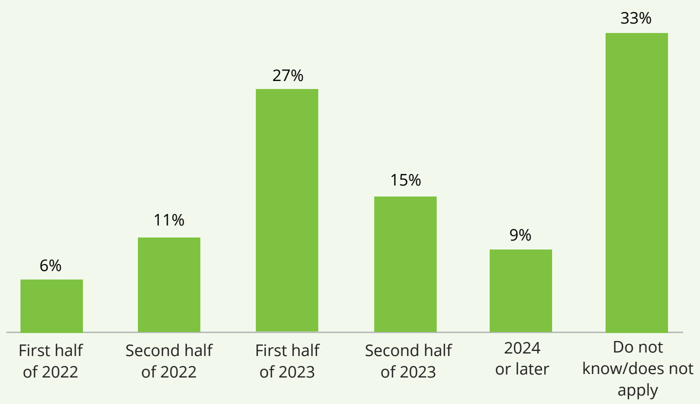
Is your company taking or about to take any of the following actions?

To address these issues, businesses are focusing on increasing the use of digital planning tools, better collaboration with suppliers, and the use of scenario analysis. In other words, there are various elements which may all help them handle externally imposed crisis situations and problems.

When CFOs were asked to predict when they expect a wellfunctioning supply chain, we found difference of opinion, although half of them expect it to be well into 2023 before supply chains return to normal.

Figure 16. Expected normalisation of supply chain(s)

When do you expect your supply chain(s) to work normally again?



Deloitte CFO Survey| Spring 2022

The Deloitte European CFO Survey

Since 2015 Deloitte has conducted the European CFO Survey, giving voice twice a year to senior financial executives from across Europe. The data for the spring 2022 edition were collected in March 2022 and garnered responses in 19 countries and across a wide range of industries - including 142 from Denmark.

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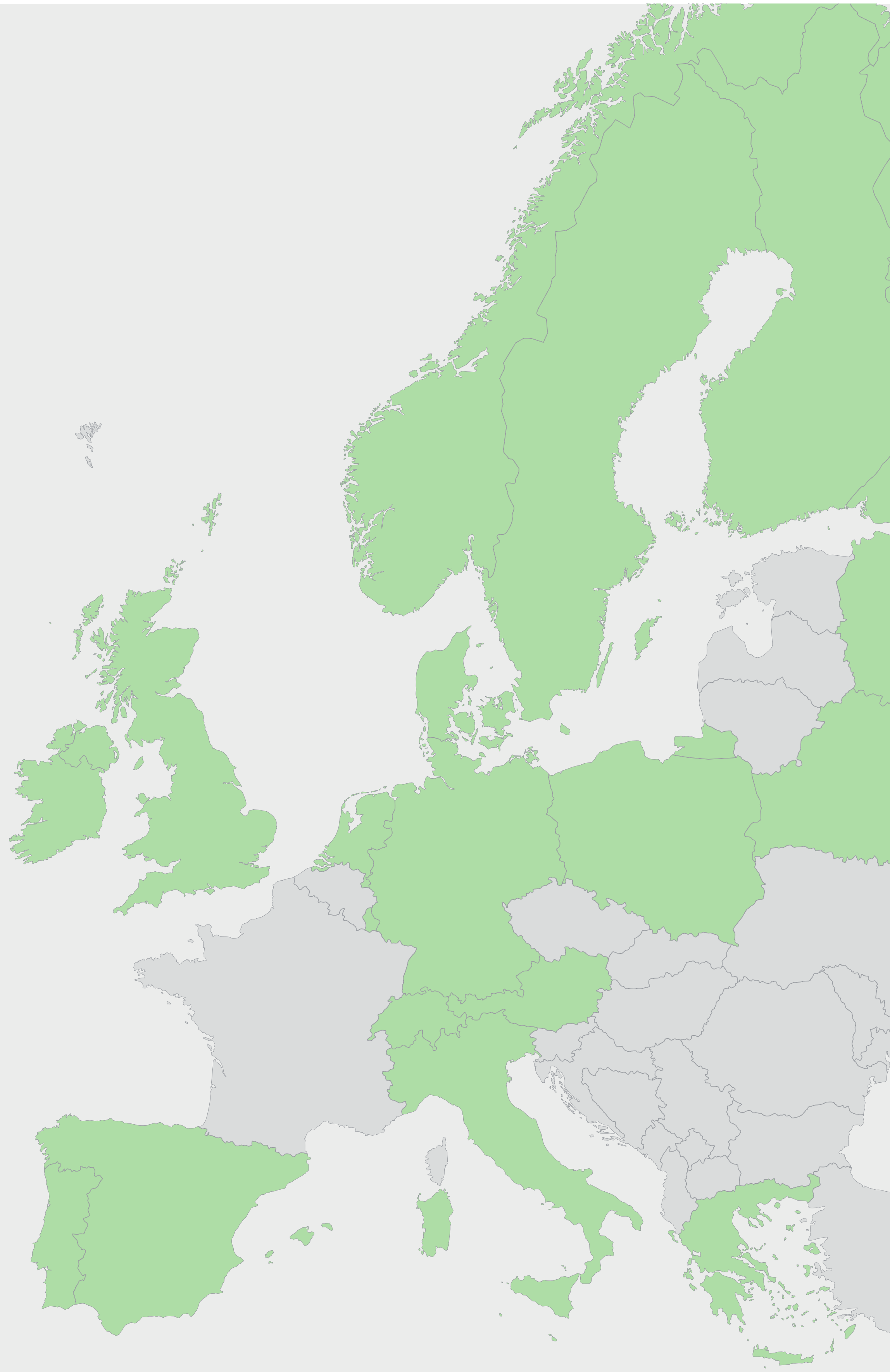

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