

Improving Operations Through CFO and CIO Collaboration

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Finance departments have tended to view information system departments as budget breakers. But information system departments are contributors to other departments in an organization that drive profits.

Traditionally, many leaders of information systems (IS) and finance departments have seen their teams as opponents. The tensions have only been escalated by the recent prominence of inflation and budgetary pressures throughout the COVID-19 pandemic. The two departments have worked in silos. But as organizations move to implement innovative technologies that will transform their day-to-day operations, IS and finance departments need to find ways to collaborate.



"I used to report to the CEO, but to implement this collaborative effort, I now report directly to the CFO. The result: We communicate more directly and work hand-in-hand on financial and IS initiatives," writes Richard Temple, vice president and CIO of Deborah Heart and Lung Center in Browns Mills, New Jersey.

A lack of collaboration between finance and IS can lead to a wide breadth of issues. The finance department often views the IS department as breaking the budget. Although the IS department does not generate revenue, it contributes to other departments that drive profits. Because not many people within the organization see or feel IS's impact directly because it primarily promotes backend application, there typically isn't a grand celebration when a new cybersecurity system is onboarded.

However, without technology, organizations wouldn't be able to function and would be at much higher risk for threats like overspending or cybersecurity attacks. Technology implementation and upkeep is expensive, but absolutely essential if organizations are to improve operations, as well as stay up to date with competitors and industry developments.

Benefits of collaboration

Through effective collaboration, chief financial officers (CFOs) and chief information officers (CIOs) and the teams they lead can contribute to organizations' bottom lines. Besides just benefiting the individual teams, other areas of the organization have an opportunity to uncover financial savings and business optimization strategies that result when CFOs and CIOs work together.

Although I work in healthcare, these concepts of multiteam collaboration are also applicable to a broad range of fields. In healthcare, CFO and CIO collaboration can improve patient care and physicians' experience within the workplace. CFOs and CIOs finding common cause can unlock access to resources for more specialized treatment. As the two teams learn to work together, it is important they keep in mind that the work they do can benefit the entire hospital or health system, helping it achieve a greater mission on multiple levels.

Strategies for implementation

In order to facilitate successful collaboration between IS and finance departments, it's crucial to streamline review cycles and ensure the teams can work together. I used to report to the CEO, but to implement this collaborative effort, I now report directly to the CFO. The result: We communicate more directly and work hand-in-hand on financial and IS initiatives. There has to be a solid relationship that involves transparency and clear communication to ensure everyone understands the possible outcomes of any decision. It's also critical for both teams to utilize and understand the various technological offerings in place to help them.

Our finance team uses Strata Decision Technology's platform, which provides access to key data throughout the organization. This platform implementation was based on our IS team understanding the finance department's unique needs and finding the right technology to best suit their requirements. Together, this collaboration ensures our health system is utilizing the right tool for finance, just like they have with other facets of the organization, like medical records. Through a strategic partnership, IS can help the finance department get what they need, and, in turn, help the entire organization achieve its goals: improving margins, lowering costs and more.

Workplace culture also plays a large part in how teams work together. To sustain a supportive environment that promotes collaboration, leadership must support recognition and awareness that IS contributes to the organization's financial success. Having executives across the board that understand the benefits of uniting CIOs and

CFOs and the teams they lead will help streamline processes and ensure the best tools are in place to enable financial and operational excellence. Customer experience, company morale, and the company's bottom line will all reap the benefits of a strong IS team if they are given the proper resources to make their proposed changes.

The disconnect between the CFO and CIO is rapidly becoming a thing of the past. As various industries continue to advance, more finance and accounting needs will require technology to perform everyday functions.

Once there is a strong working relationship between the teams, difficult conversations surrounding budget allocation and other high-level discussions will become easier. The two departments can work together to identify inefficiencies and solve problems – efforts that will, ultimately, lead to a better experience for all.

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