



Finance: a journey to the future?

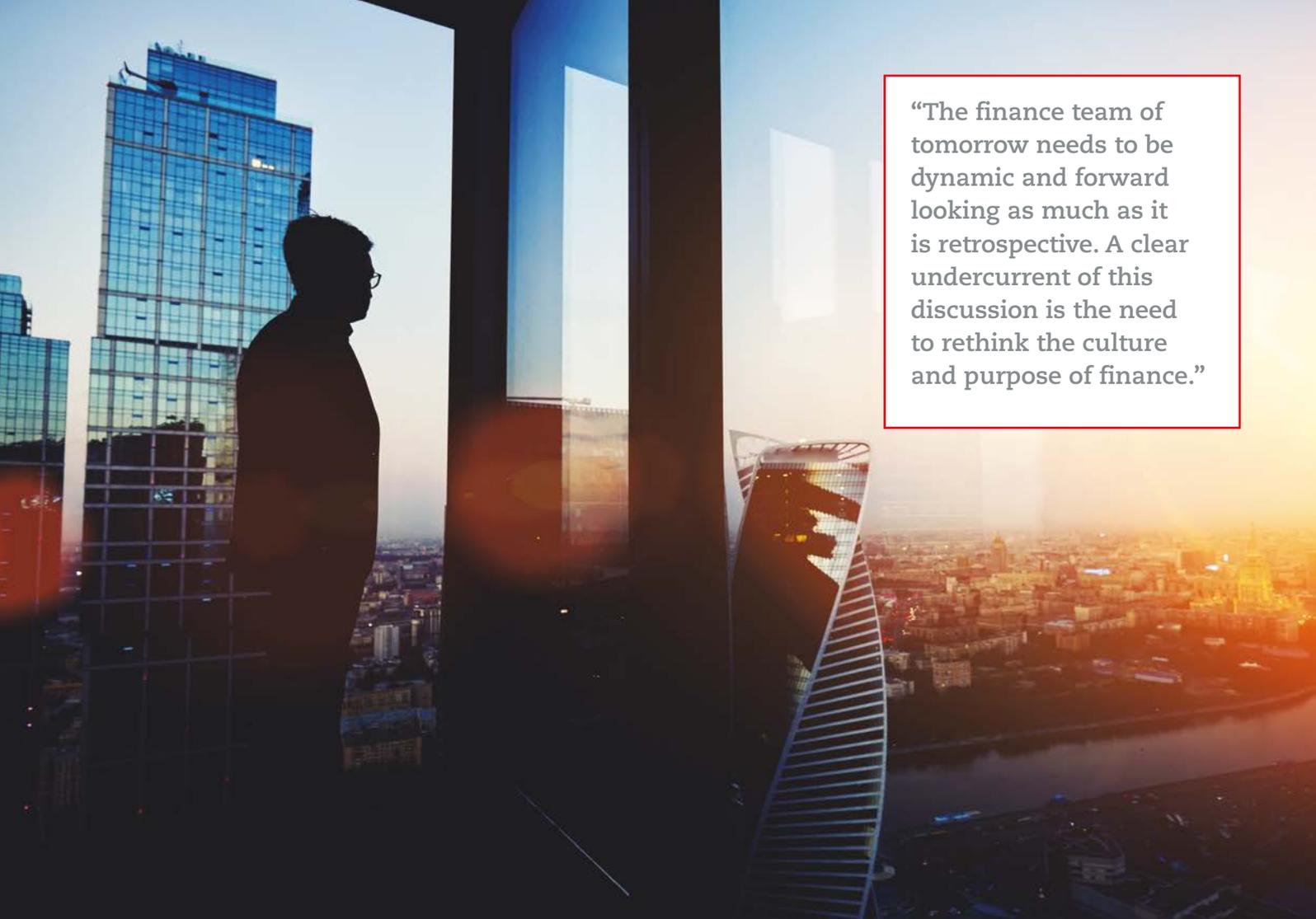
‘If you could start with a blank piece of paper, how would you design a finance team for the future and how different would it be to today’s structure?’

Our organisations are operating in a changing world with the influence of emerging technology. This impacts our workforce, the new skills which will be needed and the career paths of our people in the future.

ACCA and PwC’s UK Finance Benchmarking team developed six hypotheses that reflect the finance function of the future. These were tested through a series of workshops and a survey with people across finance globally. Did the finance community consider themselves as representative of the future; what would the implications be of beginning a transformational journey? 65% of our survey respondents agreed that, whatever the impact, the finance function would be substantially different in the next five to ten years.

The six hypotheses, listed in the order of that which was considered to be most likely to least likely to occur now, were as follows:

Accessible, trusted data will drive real-time, customer-centric decision making	Trusted data will be open and accessible across the organisation	Finance teams will spend all of their time on generating insights	Traditional finance roles will disappear. New roles, skills and career paths will be needed	The finance ‘function’ will be virtual	The traditional CFO role will no longer exist – to be replaced by roles such as chief operating officer and chief strategy officer
<ul style="list-style-type: none"> Existing planning, budgeting and forecasting processes will be replaced by dynamic, AI supported, modelling. Finance and operational data will be integrated to give one unified ‘version of the truth’. 	<ul style="list-style-type: none"> Artificial Intelligence (AI), machine learning and blockchain will form the basis of transactional processing and transform data quality. Finance will assume a governance role over the quality and interpretation of data, ensuring security and integrity. Internal controls will be embedded through technology in end-to-end processes. 	<ul style="list-style-type: none"> Finance’s reporting role will disappear – delivery will be through self-service data presentation and enquiry. External reporting will be real-time and integrated. Regulators will access data remotely on a real-time basis. Finance teams will focus externally, on markets, competitors and spotting disruption. 	<ul style="list-style-type: none"> New roles will be required, eg to design, configure and maintain highly automated finance systems and processes, and to manage the ‘ecosystem’. Data skills are central to the new finance roles and skills. Career development will be quite different with the transformation of the traditional finance function. 	<ul style="list-style-type: none"> There will be no traditional finance function. Core processing activities will be largely automated and/or delivered through an ecosystem of on-demand resource, outsourcing and automation. Routine interaction will be through chat-bots, apps and AI. Finance adjustments will no longer be required as ledgers and sub-ledgers integrate and/or use blockchain. 	<ul style="list-style-type: none"> There may be no business requirement for a senior finance leader to have a recognised accountancy qualification. Stakeholder management will be more important than financial acumen at the senior level. 



“The finance team of tomorrow needs to be dynamic and forward looking as much as it is retrospective. A clear undercurrent of this discussion is the need to rethink the culture and purpose of finance.”

Accessible, trusted data will drive real time, customer centric decision making

Real time decision making and the consequent need for organisations to be able to respond more quickly were rated most highly. 34% of the survey respondents considered this to be happening now whilst only 13% thought that it would not be achieved in the next five to the years. The speed of decision making to respond to changes in market forces was grasped by a significant proportion of those involved in the research.

For this to be effective, however, we need to be more open about the data that we have access to in support of the decision making process.

Trusted data will be open and accessible across the organisation

29% of our survey respondents thought that this was happening now and 22% thought that it would not be achieved in five to ten years. There was an element of concern about what ‘trusted’ meant in reality. Whilst for many it could be accepted that we should be more open in the management of data in their teams, they were challenged when this was opened up on an organisation wide basis.

Finance teams will spend all of their time on generating insights

The advance of technology in automating routine processes, including data capture and reconciliations, would be likely to shift the balance of the finance team from a compliance focus to an insight driven one. Many felt that ignoring the relevance of historical data would be a mistake. 22% thought that this was being achieved now and 72% thought that it would be the case in the next five to ten years.

The evolution of technologies that make finance processes more efficient and integrated were significant factors in both the nature of the function and the skills that the finance team therefore require. Whilst many could appreciate the implications of data and the increased speed of decision making, they were less convinced by the more structural changes that might occur.

Traditional finance roles will disappear. New roles and career paths will be needed

The progression of new roles and skills to support them within the finance community appeared to be slower than might be anticipated. 22% thought that this had been achieved, indicating that the journey has a way to go, whilst 78% thought that it would be achieved in five to ten years.

The finance function will be ‘virtual’

Many organisations commented that finance skills were increasingly being applied in functions outside of the traditional finance department. The importance of strong finance skills to assist in decision making was important to many. Finance is becoming a competence that pervades the organisation. 35% thought that this would not be achieved in next five to ten years.

The traditional CFO role will no longer exist – to be replaced by roles such as chief operating officer and chief strategy officer

Our respondents were equally split on this. Many agreed that the role of the Chief Financial Officer would evolve, yet opinions differed as to the extent.

It is clear that the finance function needs to evolve to remain relevant. We will need to address the challenges of data, technology, process and skills. What is paramount is that in this period of change there is a strong culture of leadership and innovation that matches the changing business environment and puts the purpose of the finance function at the heart of its journey into the future.