About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

We’re a thriving global community of 233,000 members and 536,000 future members based in 178 countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in our purpose. We believe that accountancy is a cornerstone profession of society and is vital helping economies, organisations and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through our cutting-edge research, we lead the profession by answering today’s questions and preparing for the future. We’re a not-for-profit organisation.

Find out more at: www.accaglobal.com

About PwC

At PwC, our purpose is to build trust in society and solve important problems. It is this focus which informs the services we provide and the decisions we make.

With offices in 157 countries and more than 276,000 people, we are among the leading professional services networks in the world.

We work with our stakeholders to build trust in society and solve important problems. From developing new technology solutions to address our clients’ challenges, to helping people build digital skills, to enhancing the quality of our services, and much more.

PwC’s purpose means working with others to help address the biggest issues facing the world in a way that builds trust. For our people, this means living our purpose in all their daily interactions. One of the most pressing challenges today is the growing mismatch between the skills people have and those needed for the digital world. We’re committed to tackling this challenge and encouraging others to join us.

We are on a digital transformation journey marked by key investments in technology and a focus on upskilling our people. Our aim: to use the combination of people and technology to be the most relevant organisation for our stakeholders and one of the most Cloud-enabled organisations in the world.

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The pandemic has placed renewed focus on how organisations operate, their financial strength to survive turbulent market conditions and their financial performance in testing times. Operational resilience and adaptability have also been key to their survival. Generally, finance functions have stepped up to the challenge and played an ever more significant role during this time. However, two thirds of respondents globally an ACCA / PwC survey think this heightened relevance will not last. Can finance functions capitalise on this moment and develop an increasing relevance to the organisations they operate within and to the stakeholders of these organisations?
The COVID-19 pandemic has created a truly unprecedented situation, which has impacted various organisations and necessitated the need to evolve and adapt to deliver sustainable and responsible growth. The finance function has played a key role in this transformation and there exists a clear opportunity to contribute even more using data, insights and collaboration.

As organisations look towards building a sustainable business model, they must realise that how quickly we adapt will determine how we emerge from this crisis and what our future would be. To drive this, the role of the finance function as a business partner becomes extremely critical especially in the context of decision making and the broader context of the inclusion of non-financial information.

This report is joint research undertaken by ACCA and PwC and explores how finance teams have stepped up to play a significant role in the immediate aftermath of the on-going pandemic.

One thing is clear, that the pandemic has changed the way we were doing our business and in this change, the finance function has responded well and has become even more relevant and involved in decision making. To continue to deliver ahead, the finance teams would need to adopt an innovative and growth mindset while at the same time invest in acquiring the requisite skills to deliver what has been asked from them.

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The phrase ‘five years in five months’ has been used in many situations in relation to organisations during the past year. The level of achievement for organisations as they have sought to continue to trade, where possible, and to respond to changing customer requirements, both in ways that they interact but also in the products and services that they require.

It has been no different for finance functions and our survey which elicited over 3,000 responses globally of which nearly 70 were from India, shows their response has focused on four key areas without which they would have all found it significantly more difficult to survive the economic crisis brought on by the pandemic. These four areas are shown below in Figure 1.

Many finance teams have gained a seat at the table in the board room and with the business. For those who were already there, there has been an increased focus on what finance does and they have become increasingly relevant in all aspects of business decision making. For some this relevance is around baseline measures such as cash flow analysis, revenue forecasts or budgeting but many have taken on a much more strategic, forward looking role. The financial impact of the responses that organisations have been required to take has reinforced the need to be able to model an ever-changing set of scenarios as the situation has continued to evolve. Finance has been in many cases, and should be at the heart of this analysis, scenario modelling and decision making. Relevance and resilience have become key.

**FIGURE 1: Areas where finance functions have needed to make rapid changes**
One finance leader from India reflected that, ‘I think all of us need to have an enterprise resilience checklist. We need to challenge ourselves and review it every month so that we are updating it and seeing what challenges we are going through.’ He reflected that, in his view, the past 12 months are ‘going to leave a big scar in people’s minds.’ A CFO commented that:

‘I had to ensure availability of connectivity for everybody from their homes, and to do that in a safe manner, evolving all sorts of technologies which need to be there so that people do not get hacked.’

Relevance

In earlier research by ACCA and PwC the changing role of finance was highlighted. If finance functions were to remain relevant then they needed to embrace a core purpose of three components, business insights, transactional efficiency and compliance and control. The respondents to the survey suggested that each of these elements have increased because of the pandemic. From an India perspective, the survey respondents indicated an overall increase in all aspects of the work of the function, as shown in Figure 2.

Organisations have demanded that finance teams provide greater insights and consequently the time spent in this area has increased. However, the compliance burden has also increased, partially in response to government interventions and the need to ensure operational resilience at a time when many organisations moved to a near 100% remote working from their traditional office-based model. The need for reliable and up-to-date information has placed challenges on transaction processing, especially on accounts payable/receivable where, for many, manual interventions and authorisations were still a large part of the process.

This has also increased the relevance of the role of the CFO bringing them more to the fore in organisations. One commented ‘it was time to shoulder the top management of the business.’ The relationship between the CFO and the CEO was key for many. Another CFO commented:

‘The days were gone where we used to have a quarterly board meeting, the reality was that this was every week. Forget about the CEO on the management, the CFO becomes the bridge between the board and the internal management.’
The chart below (Figure 3) shows that only 37% of the respondents in India felt that there had been a lasting change in the relevance of the finance function, whilst another 34% felt that the change had yet to be capitalised upon, however. This suggests that in the minds of many the achievements of the past 12 months may only be transitory.

If the finance function is to remain relevant it also needs to accept that the landscape of performance has changed. Traditional planning and controlling cycles may well have changed for ever. The definition of performance is increasingly broad as stakeholders look at an organisation’s performance through various lenses other than pure financial measures. This increase in performance reporting dimensions, encompassing a more holistic view of performance and more of an integrated reporting mindset requires the capture and understanding of new data sources.

The ways in which the finance function has changed can be seen in Figure 4.

Having said all the above though, the only way finance can drive more into the insight space and retain its focus on compliance and control is to continue to become more efficient and effective in how it operates. This is achieved by operating model changes to encompass new ways of working but also by embracing new technology and the power of data to drive process efficiency and insight generation.

**FIGURE 3:** Only a small proportion of respondents indicated a lasting change in the relevance of the finance function

![Figure 3: Only a small proportion of respondents indicated a lasting change in the relevance of the finance function](image)

**FIGURE 4:** Factors considered to have a lasting impact of the pandemic on the function

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**Data and technology**

Data has become ever more important in the pandemic. Being able to use the data, be that financial, operational or that which exists outside the organisation itself about competitor and customer behaviour and the economy, to derive credible scenarios for future actions has paid dividends for many finance functions. The respondents to the ACCA and PwC survey highlighted investment in cloud-based solutions and cloud technologies as the most significant next step for their organisations. Amongst the benefits that these bring, cloud-based solutions allow for greater volumes of data to be analysed and bring a whole range of analytics tools for finance teams to exploit.

Figure 5 below shows the percentages who anticipated investing in a particular technology because of the pandemic.

Those who participated in the joint roundtables and who have already embraced this and implemented a suite of best-of-breed cloud-based solutions clearly felt that the ability to access and manipulate data and, as a result, their experience in the last 12 months had been substantially improved. One CFO commented:

‘What really helped us was that we were very far ahead in our digital journey.’ They continued, ‘we have really transformed operations. I don’t think that life will go back to the old days. Digital is the way forwards; the customers are ready.’

Some organisations have undertaken tactical improvements during the pandemic, especially around accounts payable, during the pandemic to automate more of the process and remove layers of manual authorisation and intervention. Yet, most report, that their levels of internal control have not been comprised.

The importance of cyber risk to many organisations has been paramount in the last 12 months. One finance leader from India commented that, ‘there have been a lot of cyber attacks and whilst we are finance [professionals] first, the world is changing fast. We are technology people first and then finance people.’

Another important area where finance needs to look at technology is around process automation which can help free time and make finance teams more efficient and collaborative. A theme repeatedly heard over the course of our research that “it would have been impossible without the technology”. Whilst for workers-from-home this covers video meeting tools, and it extends into other collaboration tools where people can co-create outputs in workshops and work on presentations, documents and datasets at the same time to drive insights. Use of such technologies needs to be reassessed and accelerated as we now move into a hybrid office/virtual world. It can, however, only be driven by efficient and effective data collection and access to data sources.

Finance teams need to demonstrate their detailed understanding of the business model and its internal and external drivers. They also need to understand the data.
model that supports decision making and the insights they need to generate around business performance. Additionally, there is an aspect of sharing those insights in a meaningful way. One CFO commented that ‘we talk a lot about use of data and insights but there is a power that’s needed to even communicate it and convince. These softer skills are required from a finance professional’.

The pandemic has focused attention on the human capital across the organisation. Climate change has not stopped, and net-zero deadlines are getting ever closer. With this broader definition of performance so the skill balance of the function will continue to change. Finance teams need to apply what they have learned in the pandemic about financial processes and data to these other forms of data collection and reporting too. The rapid evolution of reporting requirements and the need to embrace these in internal decision-making mean that time is running out. The chart below (Figure 6) indicates that for many the human aspect of the pandemic was seen as important, with the environment, social and governance aspects being seen as a priority in India, in contrast to some other locations.

Skills and careers
The impact on the individual has been particularly important during the pandemic. One India Shared Services lead for a multi-national company commented, ‘50% to 60% of our employees are not in very high paying jobs, so we have arranged for power back-ups, wireless connectivity and things like that so that they can be as comfortable as possible working from home’. Access to this changing working model is essential if careers are to thrive in future.

The nature of the business model within finance is changing. No longer is it acceptable to tell what has been, the pandemic has focused attention on the ‘to-be’ and the “what could be”. Predictive and prescriptive analytics that use data to look forward are of increasing importance and the skills needed to build performance management frameworks that encompass them are in high demand. Our survey and roundtables showed that this data centric approach to driving insight and the skills needed to deliver it are often lacking in finance teams. Even where the data skills exist the insight is only really useful where finance teams are able to tell the story in a relevant manner. A CFO from the India roundtable commented:

‘If we are looking at output to drive decision making, we are setting ourselves up for failure. We need to look at what is the input, what is the process and then the outcome in financial terms comes in.’

This leads to the conclusion that a broader set of skills is becoming ever more important – from data and analytics to technology, influencing skills, and the desire to be inquisitive around data, explore it from a business angle and the confidence to challenge senior executives based on what the data is telling you. Performance is about many aspects and finance teams need to be able to interact across the breadth of this agenda.

A CFO commented on the changing nature of the skills needed, ‘you need people who can live the new normal

The chart below (Figure 6) indicates that for many the human aspect of the pandemic was seen as important, with the environment, social and governance aspects being seen as a priority in India, in contrast to some other locations.
and who are also more resilient and more agile in the adoption of new technologies.’ Another that agility and adaptability were key:

‘Can you look at situations and adapt yourself to the various scenarios that come in? That is the first thing that I look for now. The second is how do you influence people. You are not going to win battles if you cannot influence.’

It is important to not forget the mental health impact of the pandemic. Both in the immediate term but also in the longer term. There remains significant uncertainty for everybody around the workplace of the future. Finance teams reported a level of fatigue brought about by increased demands placed upon them, shortened timescales and uncertainties around their personal lives. Developing a way forwards from this presents a challenge. These conflicting uncertainties will remain for many years and if, as organisations, we move to more remote working models (as opposed to working-from-home) then much needs to change. In the shorter-term leaders need to appreciate the need to address these issues. In the longer term, whole new ways of working need to be adopted. As skills become more focused so career paths will continue to change. The skills that are valued are evolving but at the core is adaptability and flexibility for the changing world. Understanding the multi-talented teams that finance now needs is a key to success. One India CFO commented, ‘training people has become the need of the hour.’

Innovation and collaboration

The pandemic has seen many finance functions work in ways that had not been anticipated. Some have come through immediate struggles to succeed. The narrative of how we work in future is clouded at present. What is certain is that organisations that are able to carry forward the lessons of innovation and creativity are those that will succeed. Innovation and creativity require collaboration.

One CFO commented that ‘earlier there used to be only two types of companies – Big and Small. Now, there are only fast and slow companies, irrespective of size’ One factor highlighted by many in the research is how finance teams have become part of many more conversations. The role finance now needs to play is as a super-connector and trusted advisor across the organisation. Maintaining this relevance is perhaps the greatest challenge. Yet delivering insights from robust data and delivering well thought through arguments are at the heart of this.

Conclusion: And the opportunity...

For many finance teams the pandemic has continued to bring evolution. Whilst there is a positive story of continued relevance, there is also a gap between relevance and recognised improvement – the continued seat at the table. For one CFO the pandemic had been a catalyst for change as in their view:

‘The next 20 years will change completely the finance function, but the pandemic has brought forward a lot of things that the CFO was planning to do in the next five-year horizon.’

Finance teams have a unique chance is to seize the opportunity presented as we emerge from the uncertainty of recent times. The measures of organisational performance are broadening, to include the environmental, social and governance agenda, and the role of finance needs to continue to develop to meet these requirements. Finance teams need to help drive better business decision making and to do this they must leverage data and technology and redefine the traditional performance management framework whilst increasing efficiency and reducing cost. The time to deliver this revolution in how finance operates is shorten and the change needs to begin in earnest if finance teams are to remain relevant.
There are six key actions for the post-pandemic finance function to consider to assist it in capitalising on the current opportunities:

1. Redefine the focus of finance to include broader performance metrics for natural and human capital.

2. Invest in technologies that can be used to create and support an enterprise-wide data model.

3. Use predictive analytics based upon this model to drive more holistic business decision-making.

4. Enhance business partnering and analytical skills to ensure that finance can fulfil this new role across the organisation and continue to improve collaboration both across it and with external parties.

5. Drive for greater efficiency, productivity and standardisation across processes and common platforms.

6. Through these actions, establish finance as the central point within the organisation for achieving sustainable and responsible growth and enhancing the reputation of the organisation.