

ACCA

Think Ahead

Shaping your ACCA

**Corporate Sector
focus groups 2018**



In July 2018, ACCA's extensive outreach programme consulted with 28 members within the corporate sector in London, Birmingham and Leeds. The main findings from those meetings are summarised within.

The purpose of these consultative meetings is to find out about the challenges our members face in the corporate sector and to propose and implement appropriate solutions.

Disclaimer

The views expressed are those of ACCA members attending the focus groups, and do not necessarily reflect the views of ACCA.

Corporate Sector

Shaping Your ACCA

focus groups 2018

1. Challenges

Cash – for SMEs
Supply chain finance
Lean working
Fraud and security
Talent
Technology
Cloud
Automation
Up-skilling employees
Brexit
Political environment

For SMEs, cash and late payments remain key issues.

Lean working is considered to be a challenge – people are now so focused on the jobs at hand that they are uncontactable via phones or emails.

Cash – for SMEs

For SMEs cash and late payments are always an issue (particularly within retail space and aviation). The standard payment terms for large companies across the board are anywhere between 60 to 90 days, which is not financially viable for small companies (suppliers). Suppliers are really struggling with 90 days payment terms and some have even gone bankrupt as a result. Only a fraction of large businesses acknowledge the necessity to look after their suppliers, with one consulted business saying they were able to offer negotiable terms to their suppliers, offering from anywhere between 60 to 90 days.

Supply chain finance

A micro company with a £1m turnover reported that if they were to ask for a shorter payment term from the company they are supplying to, they would need to offer a 5% discount on their fee to guarantee 14 day payment terms. Often they resort to 60 days payment terms as the discount does not offer good value for money to the company. The same company offers a 21 day payment within their own supply chain.

Although large companies do offer unfavourable terms to their suppliers, some are becoming more and more concerned about the wellbeing of their suppliers and looking at ways of supporting them better.

Lean working

Lean working is considered to be a challenge – people are now so focused on the jobs at hand that they are uncontactable via phones or emails. In addition, finance teams are taken offshore, so it is hard to get in touch with them.

In Leeds managing teams is becoming a bit of an issue. Some companies still have very busy first and last week of each month but can be quite 'quiet' in the middle of the month. So some companies are considering 'leasing' their finance team's staff to other departments to assist but also to learn commercial / operational aspects of business.

Fraud and security

Fraud regulation is adding admin burden on teams and there have been several cases of hacked e-mails that if gone unchecked could have cost the company a lot of money. With threats becoming more and more sophisticated, data security is key as any mistake could manifest in large sums of money being paid out in response to a scam.

Banks were said to have been supportive in delivering training and support in identifying and tackling fraudulent e-mails/ information.

Relocation of main offices outside of London is causing companies to struggle with staff recruitment.

Members in the corporate sector find that the cost of implementation of a new technology or a system is too high.

Talent

Talent acquisition is a problem for SMEs, more so than for large corporates. SMEs are struggling to attract talent as people tend to prefer working for large companies. Relocation of main offices outside of London is causing companies to struggle with staff recruitment. Large corporates do find recruitment of talent a challenge too but mainly for operational type roles and not to such an extent as SMEs.

In Leeds, talent acquisition was a problem too. Some companies find themselves struggling to fill maternity cover contracts. Companies tend to recruit from within, through recruitment agencies, Linked In and via ACCA's job site. Members think that the staff shortage in Leeds is mainly attributed to the fact that Leeds is mostly a base for legal firms and insurance companies.

Staff retention is an issue for corporates in London. The media industry is struggling to keep staff as France is a competitor. Brexit has put a strain on the hospitality sector too, where staff shortage is being experienced. Being able to offer good career opportunities is key in recruiting and retaining staff – staff want to see there is scope for them to progress within the company.

Technology

Investment in and implementation of technology is a challenge for most members in London, Birmingham and Leeds. Members in the corporate sector find that the cost of implementation of a new technology or a system is too high. Besides, the time it takes from the moment of purchase to staff adopting and using the system is very long, especially in large companies. Hence, members feel there is more agility in SME that allows them to implement systems quicker.

Members also agree that senior managers need to be better trained at using the systems effectively, especially in relation to extraction of the reports. Transferring old clunky bespoke systems onto the new off the shelf systems presents a challenge to most of the participants too.

Members also noted how difficult it was to shop around for systems in the market place. Trying to find a credible system was a challenge and it would be fantastic if ACCA had a database of credible systems for use in various sectors or companies.

Cloud

In London, cloud was highly regarded due to its ease of operation and remote access; however, there were some security concerns raised in relation to using cloud based systems as they are seen to be out of control. Data leaks were seen as a major danger to organisations that use cloud based solutions.

Programming, digital and analytical skills will be essential for day-to-day accounting roles in the future.

There is a fear that Brexit could land the oil and gas industry with a half-billion-pound bill.

Automation

Automation is seen as a challenge too as it can replace low level accounting jobs with robots. Nevertheless, members feel this could open up opportunities for them to become more strategic, commercially focused / driven business advisers. Programming, digital and analytical skills will be essential for day-to-day accounting roles in the future.

Members also felt that it would be beneficial if companies used similar or same systems, so shortening staff adoption time as staff move from one company to another, getting a head start.

Systems need to be standardised so that any new personnel could implement them easily. Most people struggle with change and often such projects are managed too high up without consultation with finance teams that use the systems. Often systems are built and developed by people who don't even use them!

Small businesses are struggling as everything is outsourced and there is no internal storage facility. The links on shared drives keep breaking. Google sheets were recommended as a solution to such problems.

In London, artificial intelligence is being given a go to test if humans can be factored out. One hospitality company found that even though the AI can do the calculations from start to finish it still needs a person to verify data as AI does not factor in emergencies, disasters and any other ad hoc event. Humans can offer assumptions/analysis – something systems lack at the moment.

Up-skilling employees

Need to invest in up-skilling staff on using new systems. People need to be involved in the implementation of the new systems from the start to allow for ownership and understanding of the system.

Brexit

Brexit is not considered to be an issue by SMEs. Business must go on, especially in private equity, so investment and trading needs to go on. Shareholders need their return, so the dividend structure has been going up and up.

In London, however, Brexit is considered to be an issue, especially for the oil industry. There is a fear that Brexit could land the oil and gas industry with a half-billion-pound bill if EU exit talks end with the UK leaving on World Trade Organisation rules. The oil and gas industry struggled between 2014 and 2016 as it has lost more than 120,000 jobs in the UK. After Brexit, the EU would apply a higher tariff rate on exported refined petroleum goods, with a range of tariff rates applied to other goods. The result would be extra trading costs imposed on exports and on imports.

Brexit is also adding uncertainty to employees within sectors such as hospitality and media where most of the staff are from European countries.

2. Member views on ACCA

On the future of the profession
Stronger partnerships for ACCA

ACCA offers a great grounding for anyone willing to work in business and truly believe the qualification opens doors to many opportunities.

ACCA should consider partnering with other professional bodies to offer more varied CPD, and this could be with professional bodies from outside of the profession.

On the future of the profession

Members in the corporate sector see the role of accountants moving towards being more to do with big data and technology. Accountants of the future will be business leaders who drive change and who possess a wide range of skills (legal, consumer, commerce). Project management will be a big part of the role too.

Members agree on the fact that ACCA offers a great grounding for anyone willing to work in business and they truly believe the qualification opens doors to so many opportunities, allowing members to work across sectors and across the globe.

Although members in the corporate sector didn't have much awareness about the recent changes to the qualification, the news excited them as they saw how valuable the introduction of the Strategic Business Leader case study will be to future students.

Members suggested ACCA could better educate recruitment consultants on the benefits of hiring ACCA qualified as recruiters are the link between the talent pool and employers.

Stronger partnerships for ACCA

Members in the corporate sector feel that ACCA should consider partnering with other professional bodies to offer more varied CPD, and this could be with professional bodies from outside of the profession, for instance Institute of HR that offers support on leadership skills and employment law.

Members would like ACCA to collaborate more with government departments, IoD, CBI, ACT and perhaps hold HMRC roundtables for members to attend.

ACCA should consider supporting and working with more charities. CCA's Benevolent Fund would benefit from better promotion to raise awareness among members on the benefit of contributing towards it and the support that it makes available to those that need it.

There's a lack of information available to graduates re: which route to choose – ACCA, CIMA or ICAEW. Would be helpful to catch them either before leaving university or at the point of them joining internship schemes at employers, offering information on why ACCA should be their preferred choice.

3. Support needed from ACCA

Members in the corporate sector expressed the view that mentoring would be an invaluable support to students and members alike.

ACCA should facilitate a community of members with the purpose of helping them exchange ideas, network and collaborate to advance their careers.

Support needed from ACCA

Members in the corporate sector expressed the view that mentoring would be an invaluable support to students and members alike. They felt those that receive mentoring support progress better within the organisations. Member suggested to have retired members becoming mentors as they have a wealth of experience to share as well as time. Note to copy editor: ACCA will be addressing this need by launching a new Mentoring programme in September. Further communication will follow.

Members also asked for a one stop shop for useful, business essential information for members that could be accessed via the website (under a log in). This could be useful technical content (legal, contracts, compliance, insurance etc.), events, webinars, articles, templates etc.

In terms of practical benefit from attending events, members want something tangible at the end of the learning to be able to use it within the business. This could be either a practical solution or a 'how to' guide that could be taken back to business and used/implemented straight away.

Given the changing nature of businesses, members want to see commercially driven content. For instance, in relation to GDPR members would like to how to apply GDPR rules and manage the transition effectively. Short, concise, tailored content is preferred as time is a commodity.

Members suggested ACCA could facilitate a community of members with the purpose of helping them stay in touch, bounce ideas, network, collaborate, and advance their careers.

Members want an easy and straightforward way in which they could do business with ACCA, hence, they would like ACCA to launch a mobile app allowing members to access all the information that can be found online in an easy format ie events, articles, resources, research, CPD declaration, CPD recording tool that could talk to myACCA etc. Members should also have an option of rating the events.

Technical Advisory help line (available only to members and fully confidential) needs to be better promoted to membership as across Birmingham, Leeds and London there was very little awareness if any.

In terms of support post-qualifying, members felt ACCA should provide better support to new members. Currently there is a lack of awareness of what is available to members post-qualifying and only once members get involved in local networks, do they become more informed and engaged.