



The Association of
Accountants and
Financial Professionals
in Business

The global
body for
professional
accountants



ACCOUNTANTS FOR BUSINESS

Finance leaders survey report: June 2013



About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

We support our 162,000 members and 428,000 students throughout their careers, providing services through a network of 89 offices and centres. Our reputation is grounded in over 100 years of providing world-class accounting and finance qualifications. We champion opportunity, diversity and integrity, and our long traditions are complemented by modern thinking, backed by a diverse, global membership. By promoting our global standards, and supporting our members wherever they work, we aim to meet the current and future needs of international business.

About IMA®

IMA® (Institute of Management Accountants), the association for accountants and financial professionals in business, is one of the largest and most respected associations focused exclusively on advancing the management accounting profession. Globally, IMA supports the profession through research, the CMA® (Certified Management Accountant) program, continuing education, networking, and advocacy of the highest ethical business practices. IMA has a global network of more than 65,000 members in 120 countries and 200 local chapter communities. IMA provides localised services through its offices in Montvale, N.J., USA; Zurich, Switzerland; Dubai, UAE; and Beijing, China.

About Accountants for Business

ACCA's global programme, *Accountants for Business*, champions the role of finance professionals in all sectors as true value creators in organisations. Through people, process and professionalism, accountants are central to great performance. They shape business strategy through a deep understanding of financial drivers and seek opportunities for long-term success. By focusing on the critical role professional accountants play in economies at all stages of development around the world, and in diverse organisations, ACCA seeks to highlight and enhance the role the accountancy profession plays in supporting a healthy global economy.

The work in this area is also informed by the ACCA and IMA Accountants for Business Global Forum, which focuses on the issues that specifically impact the corporate sector.

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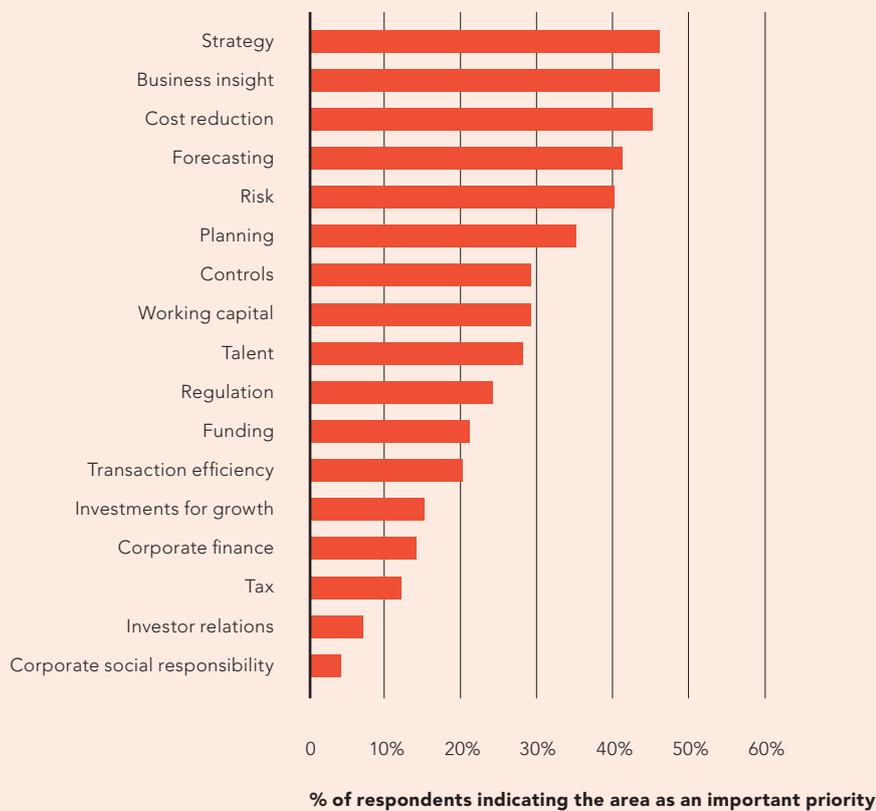
This report presents the results of a survey of finance leaders jointly commissioned by ACCA and IMA. It outlines views on six key issues:

1. current priorities in the finance function
2. the effectiveness of the finance function
3. finance function challenges
4. the importance of different skills
5. identification of key stakeholders
6. how finance leaders apportion their time.

This is the second of a series of surveys that ACCA and IMA conduct every six months to track how these finance issues are evolving.

1. Finance function priorities

Figure 1: The current priorities of the finance function



The survey results suggest that strategy and business insights are being identified by finance leaders as key priorities. It is interesting to note that in this survey cost reduction is only identified as the third highest priority, having moved from the top priority for the previous six-monthly survey. This may suggest some rebalancing in finance leader priorities as they look to the finance organisation to shift the

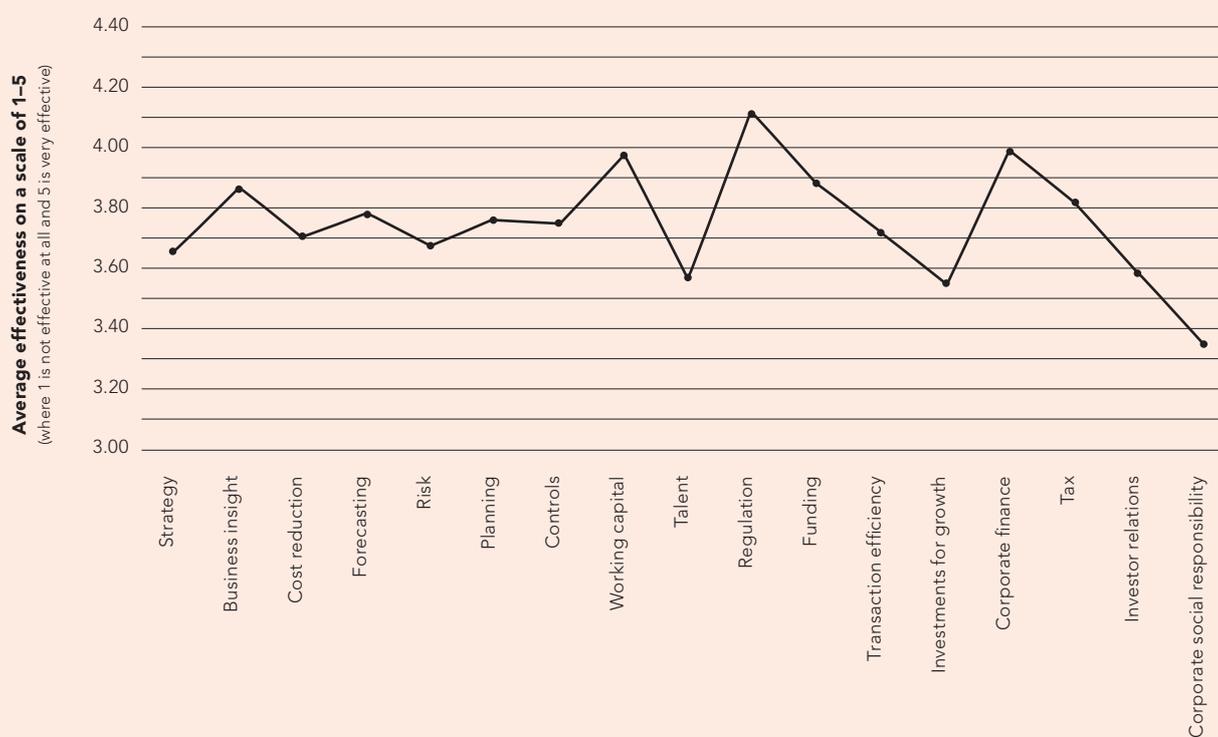
focus more to providing insight and strategy to support growth ambitions. Understandably forecasting in what continues to be a volatile environment, risk management and financial planning are also seen as reasonably high priorities.

With increasing focus on the business partnering agenda in the finance organisation, it is not surprising to see insight as rated as the second highest

priority for finance leaders in what continues to be a challenges and complex decision making landscape. Similar to the previous survey results, balancing on the one hand the finance organisations traditional custodial responsibilities such as meeting regulatory and control responsibilities with the need to provide insight and support to drive the strategy of the business forward is a clear balancing act.

2. Finance function effectiveness

Figure 2: Effectiveness across different finance priorities

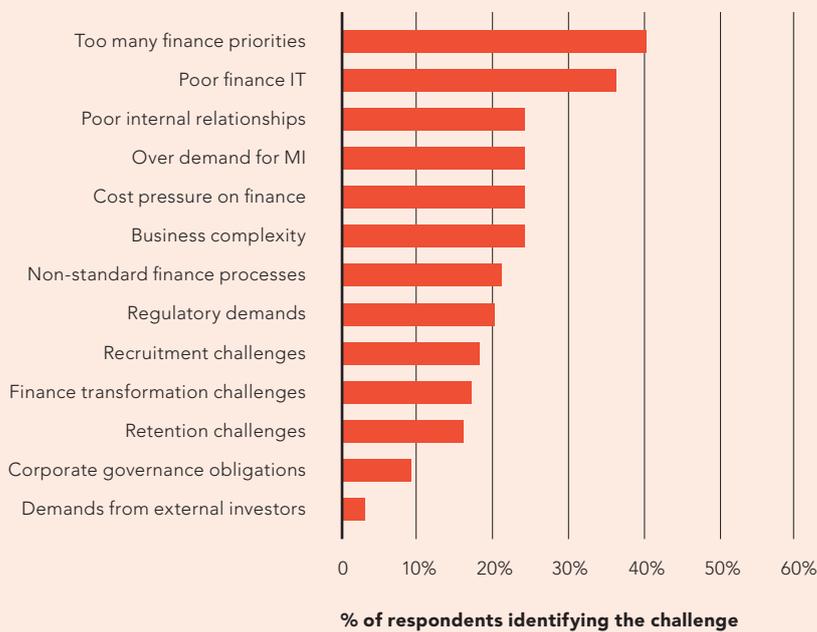


How effective do finance leaders perceive the finance organisation to be in this latest six-monthly survey. There are marginal differences apparent in terms of perceived effectiveness across different areas. Effectiveness in the important area of business insight is rated reasonably high, but the other two priorities of strategy support and cost reduction are seen to be less

effective. Again it's interesting to note how the priorities of the finance organisation compare to the perceived effectiveness – finance leaders continue to rate areas such as corporate finance, tax, funding, regulation and working capital as key strength areas, but they aren't particularly considered to be the most important priorities for the finance organisation (see Figure 1).

3. Finance function challenges

Figure 3: Finance function challenges



Too many priorities for the finance function continue to be the biggest challenge facing finance leaders. This was exactly the same result in the previous survey. Similarly, poor finance IT capability continues to be a major concern of CFOs and Finance Directors, and again this is exactly the same result from the previous six-month survey. This is a concerning trend, particular with the advent of social mobile and cloud

technology developments, and the need for the finance organisation to leverage its technology capability to drive value. This issue also specifically ties into the value agenda issue and how the finance organisation is leveraging technology to drive insights and better decision making. Here, effective technology is fundamental. It again raises the question as to how much time finance is having to spend

reworking numbers and spreadsheets rather than providing the insights that can help create value for the organisation. Linked to this is the challenge that some finance leaders continue to see with increasing demands for management information, again deemed a similar challenge in the previous survey.

4. The importance of different finance skills

Figure 4: The importance of different finance skills for finance leaders



The top three most important skills ranked by finance leaders in this survey are exactly the same skills in the same order as those ranked in the previous six-monthly survey. Financial planning and analysis skills continue to be rated by CFOs and finance leaders as the most important skill. This again ties in to the value agenda, and how the finance organisation is using its analytical capabilities to drive insights which help create better decision

making for the organisation. As in the previous survey, finance leaders continue to recognise however that telling the story behind the numbers and influencing their colleagues in the business is also critically important, which is why communication and influencing skills are ranked as second highest priority. Similarly, in today's environment this understanding has to be contextualised for the particular business, so knowledge of the business

remains a highly valued capability to have. Again we can see how some of the traditional finance skills relating to custodial and stewardship responsibilities – regulation and reporting, finance processes, skills in areas such as tax or treasury are rebalanced against the skills necessary for finance leaders in their new role as business advisors and strategic communicators.

5. The most important stakeholder relationships

Figure 5: The most important stakeholder relationships

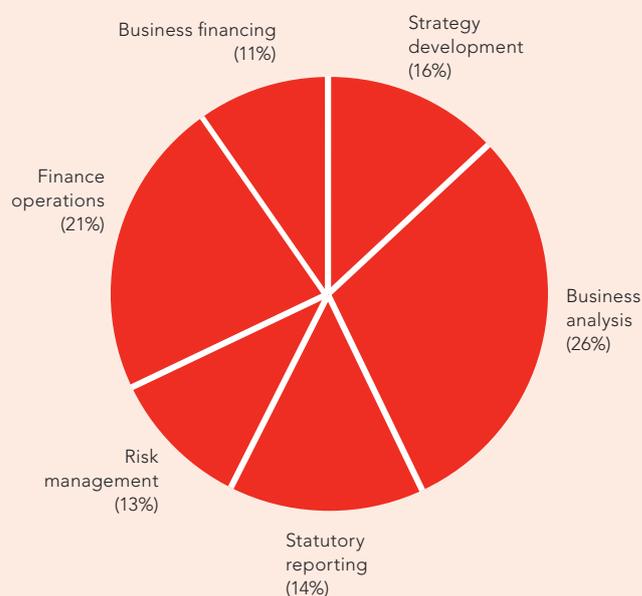
1. Auditors
2. Bankers
3. Customers
4. Suppliers
5. Investors
6. Tax authorities
7. Regulators
8. Government
9. Analysts
10. Regulators
11. Media
12. CSR groups

The most important relationships according to finance leaders continue to be their traditional relationships – the auditors and the banks. These results are identical to the previous six-months survey. It's of interest to note that customers again comes in third place, a reflection of the growing customer centricity of the finance organisation, and the need to engage with a much broader stakeholder relationship base.

Unsurprisingly other key traditional finance relationships such as investors, tax authorities and regulators continue to be deemed reasonably important.

6. How finance leaders apportion their time across finance activities

Figure 6: How finance leaders apportion their time across finance activities



Finance leaders continue to apportion their time across finance activities in this survey almost identically to the previous six-monthly survey. The results are a perfect reflection of the multiple priorities that CFOs and finance leaders face as they balance their fiduciary and stewardship responsibilities with their increasingly strategic remit.

Unsurprisingly, finance leaders are spending over two fifths of their time on business analysis and strategy development as opposed to core traditional finance responsibilities. Running finance operations continues to account for over one fifth of their time.

7. About the ACCA and IMA finance leaders survey

The survey, jointly commissioned by ACCA and IMA, was undertaken in May 2013.

In total almost 750 finance leaders including CFOs, finance directors, vice presidents of finance, and finance controllers responded to this survey. Respondents from organisations with a turnover of \$1 billion or more made up 23% of the sample.

The survey sought views on six key issues:

1. current priorities in the finance function
2. the effectiveness of the finance function
3. finance function challenges
4. the importance of different skills
5. identification of key stakeholders
6. how finance leaders apportion their time.

This was the second survey in a tracking study conducted every six months, which investigates how perceptions of these issues are evolving.

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