


GO BEYOND DISRUPTION: THE FUTURE OF FINANCE

From the Association of International Certified Professional Accountants

A person is shown in silhouette from the back, looking out over a city skyline at sunset. The sun is low on the horizon, creating a warm, golden glow. The person is wearing a dark jacket and glasses. The city buildings are visible in the background, some with lights on. The overall mood is contemplative and forward-looking.

We have entered the fourth industrial revolution – a period of innovation and acceleration expected to fundamentally alter how we live, work and relate to one another. It will, according to the World Economic Forum, drive transformation “unlike anything humankind has experienced before.”

It’s already having significant implications for business, where the speed of disruption driven by technologies like cloud computing, robotic process automation (RPA), artificial intelligence and Blockchain are forcing wholesale reinvention of business models and functions.



Nowhere is that more pronounced than in the finance function, which has to evolve at pace with the transformational change. For finance professionals, this means they will need to become adaptive learners constantly acquiring new skills. They will need to learn, unlearn and relearn to meet the demands of our new digital world. Lifelong learning and continued professional development will be critical for their future success.

That's why the Association of International Certified Professional Accountants (the Association), the unified voice of the American Institute of CPAs (AICPA) and the Chartered Institute of Management Accountants (CIMA), undertook a year-long research project to better understand the changing finance function and the skills and competencies professionals need to evolve.

"The digital transformation of finance brings enormous opportunity," said Ash Noah, CPA, CGMA, VP of CGMA External Relations at the Association. "With technology automating many routine processes and reporting, finance can focus on data analysis and producing the insights that drive business solutions. This is elevating the role of finance as a trusted partner to the business."

The Association's future of finance research project shares insights from interviews and roundtables with more than 800 business leaders and academics across 34 countries, as well as a global survey of nearly 5,000 finance professionals. From the research, four major themes emerged.

Changing competencies and mindsets: In the finance function of the future, the technical capabilities of robotics and algorithms combine with the creativity and empathy of human accountants. While competencies are still very important for the finance professional, it's a growth mindset that makes the greatest difference in the working environment.

The changing shape of the finance function: As expectations and skills evolve, the shape of the finance function migrates from a traditional hierarchical triangle to a structure where expert teams collaborate as equals to achieve shared corporate objectives.

Changing technology and finance: Advancements in technology will allow organizations, and in particular the finance function, to do more than they've ever done before. However, to capitalize on these technologies, the competencies of finance professionals will need to evolve.

The changing role and mandate of finance: The finance function has a mandate to go beyond its core accounting role. This changing mandate doesn't discard core accounting; it's still an essential foundation of the finance function. However, enabled by new technologies, the function is now capable of assessing a broader range of information and becoming a more influential player within an organization.

Important Insights for Finance Professionals: The Association has issued four reports on these themes, available for download at <http://www.cgma.org/resources/future-of-finance>. These reports provide important insight for members in business and industry and are equally beneficial for those in public practice. Members can use these reports to gain valuable perspective on the changing role of finance and what this means for them. The reports will also help CPAs drive a conversation with their organizations or clients on how to best prepare for the future.

"The emerging themes from our future of finance research represent horizon-scanning exercises for the finance profession," said Dr. Noel Tagoe, EVP of Management Accounting, Research and Curricula at the Association. "By sharing the findings, we're aiming to provide and empower finance professionals with new competencies and growth mindsets to help their organizations create and preserve value and to widen the remit of finance."

Insights gleaned from the research project will also be used to update the Chartered Global Management Accountant (CGMA) syllabus and learning pathway. Through the CGMA Finance Leadership Program, finance professionals develop the critical technical, business, leadership and communications skills required to be successful in business today.

To learn more about the Association's Future of Finance research project, visit cgma.org/resources/future-of-finance.