

# GETTING READY FOR THE FUTURE



**ANDREW HARDING, FCMA, CGMA, CHIEF EXECUTIVE, MANAGEMENT ACCOUNTING AT AICPA & CIMA, WRITES ABOUT THE CHALLENGES THAT ACCOUNTING AND FINANCE PROFESSIONALS WILL BE DEALING WITH IN 2023.**

2022 was defined by enormous economic and management challenges. The Russian invasion of Ukraine and the subsequent energy price spike caused a significant economic shock across the world. In addition to geopolitical turbulence, fast-changing monetary and fiscal policies contributed to a situation where finance and accounting professionals have had to address high inflation and disrupted supply chains, among other issues. This instability has had a serious impact on many organizations, and they have had to re-evaluate their business models and processes as a result. I am proud to say that the finance profession has proved its worth in these difficult times. Everywhere I go I meet accounting and finance professionals who are securing the futures of the organizations they serve, providing high-quality analysis and strategic counsel. One of our most recent reports “Cost of Business—Inflation’s Impacts and Role of Finance” also highlights how management accountants play a key role in supporting their organizations to deal with the consequences and effects of high inflation, and how their skill sets are supporting effective mitigation strategies for their businesses. As the economic turbulence the world is experiencing shows little sign of easing, it looks likely that this work will have to continue well into 2023. Accounting and finance professionals will need to be ruthless in bearing down on unnecessary costs and vigilant when appraising new opportunities if they are to successfully guide businesses through this year. The effect of interest rates rising to more historically normal levels is likely to have a significant impact on con-

sumer spending patterns and investment decisions. We will have to work hard to help businesses understand these changing patterns and adapt to them.

## THE CHALLENGE FOR THIS MOMENT

The challenge for the profession at this moment is to make sure the immediate challenges we are solving do not obscure the deeper trends shaping the future. Rapid advances in technology are revolutionizing the environment we operate in. At the same time, we are being asked to apply our skills to new areas, most importantly to the ESG space and things are moving fast. The European Union formally adopted the Corporate

skills can be put to work will place us in the role of key strategic advisors. The finance team of the future will focus its efforts on identifying the drivers of value, and on communicating them to a wider group of stakeholders. That will mean getting out of the comfort zone of purely financial analysis. Doing so will allow us to become indispensable ESG partners, among other things. A good way of understanding this change is to think that in the past the finance function was a cost necessary for an organization to operate. In the future it will be judged on the value we add to our various business partners.



**The finance profession** has proved its worth in 2022 and will continue to do so this year and in the future.

Sustainability Reporting Directive (CSRD) at the end of 2022 and is working on the Corporate Sustainability Due Diligence Directive, while the ISSB will be issuing the first two IFRS Sustainability Disclosure Standards early this year. We need to get used to connecting sustainability information with financial information because that is where the profession is heading. This combination of new technology and new areas where our

## BECOMING FUTURE READY

Whenever there is a structural shift in the economy, those who lean into it do exceedingly well. Conversely, those who ignore it risk being left behind as the world moves on. To take advantage of the opportunities offered by the way the profession is evolving, finance and accounting professionals should be embracing a digital mindset. This means understanding that we

operate in a complex environment and being agile enough to adapt to rapid changes. It also means being willing to learn, unlearn and relearn new skills and ideas to keep ourselves at the leading edge of the latest developments. To equip accounting and finance professionals with the skills that they need to thrive in a changing business environment we launched Agile Finance Transformation Series with Oracle, a professional development resource to keep their digital skills at the leading edge. And as the importance of ESG quickly grows, we also launched our Fundamentals of ESG Certificate and released a new *Sustainability and Business: Environmental Issues Brief* series to help them develop the skills to advise their organizations on ESG-related opportunities and risks. The possibilities offered by the direction in which the profession is evolving make me optimistic, despite the immediate economic challenges we are dealing with. The profession has proved its worth in 2022 and will continue to do so this year and in the future. And as long as accounting and finance professionals are willing to adapt themselves to the business environment of tomorrow, I firmly believe the profession has a bright future ahead of it.

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