

ADOPTING A DIGITAL MINDSET



ANDREW HARDING, FCMA, CGMA, CHIEF EXECUTIVE—MANAGEMENT ACCOUNTING AT AICPA & CIMA, (TOGETHER AS THE ASSOCIATION OF INTERNATIONAL CERTIFIED PROFESSIONAL ACCOUNTANTS), WRITES ABOUT EMBRACING DIGITALISATION TO BETTER ADAPT IN A FUTURE OF CONSTANT CHANGE.

A research for a recent International Monetary Fund blog post found that the COVID-19 pandemic triggered an increase in digitalization, especially in economies or industries that had been lagging behind. This surge helped many companies survive lockdowns and COVID-19 restrictions through remote work and switching their operations online. But this is not a completely new phenomenon. New and emerging technologies were already pushing finance teams to transform radically and become more agile well before the COVID-19 pandemic hit. In fact, back in 2019, our Re-inventing Finance for a Digital World white paper found that accounting and finance profession-

skills to harness its benefits are missing.

DIGITIZATION FOR PROSPERITY

The economist Paul Krugman was right when he famously said: "productivity isn't everything, but in the long run, it is almost everything". If we want the benefits of economic growth, we need to make productivity enhancements. These arise from new technologies combined with professionals, including finance professionals, learning the right skills to exploit them.

A 2022 research by VIC.AI, an artificial intelligence firm, found that over half of CFOs are seeking to use new technology to generate

mean that our technical skills become obsolete; it means that they are applied in new ways to new areas.

Working in this way will mean becoming business partners, effective relationship managers, and trusted providers of reliable, actionable, and insightful data. We will be able to work with a wide variety of businesses' internal and external stakeholders, provide insights, and develop an in-depth understanding of how risks are managed, and value is created.

GREAT RESHUFFLE

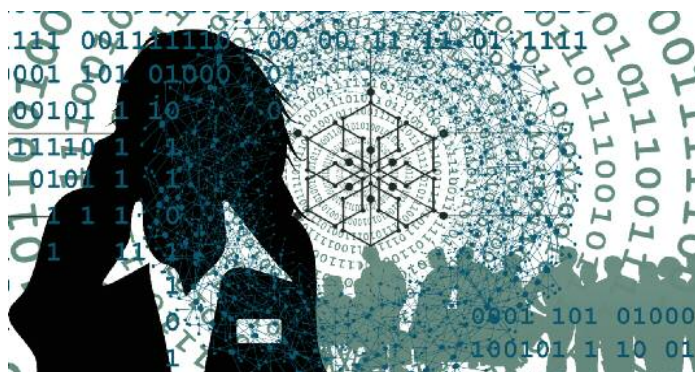
There is another reason why upskilling the workforce is unavoidable. An AICPA & CIMA research in Central and Eastern Europe (CEE) found that our profession is experiencing a "great reshuffle", with finance professionals now moving roles with increased frequency and feeling the need to acquire new skills and adjust to the next normal. It is a result of changes taking place in organizations, process redesign, new IT tools, and shifting attitudes towards greater added value. According to the Finance and the Great Reshuffle report published in cooperation with PwC in CEE, for as many as 83 percent of respondents, the ability to learn new competencies quickly is the most crucial soft skill. Next in line are analytical thinking (81%) and the ability to deal with complexity/ambiguity (80%). Among digital skills, respondents consider the knowledge of data visualization tools as the top priority (82%), followed by AI/machine learning (81%) and database management systems (67%). Finance professionals are motivated by the desire to develop and grow professionally. Em-

ployers need to adapt to the era of the great reshuffle by investing in their people's development needs and equip their finance teams with the skills necessary to thrive in a rapidly changing business environment. If they do not, they run the risk of losing their best people.

KEEPING SKILLS UP TO DATE

As learning, unlearning, and relearning skills is now the norm in accounting and finance, AICPA & CIMA are proud to provide high quality continued professional development resources to facilitate this. We provide a library of leading-edge resources to help finance professionals stay competent for a digital world. Finance professionals who are proficient in new and emerging technologies will be well placed to capitalize on the opportunities of an interconnected world. That is why it is critical to invest in professional development to become comfortable with harnessing new and emerging technologies and go from just "doing digital" to "being digital". Today, being future-ready means constantly reinventing ourselves.

FOLLOW THE LINKS TO FIND OUT MORE
imf.org/en/Blogs/Articles/2023/03/21/how-pandemic-accelerated-digital-transformation-in-advanced-economies
aicpa-cima.com/professional-insights/download/re-inventing-finance-for-a-digital-world
vic.ai/resources/cfo-report-the-future-of-automation-and-intelligence-within-enterprise-finance
aicpa-cima.com/resources/landing/greatreshuffle-cee
aicpa-cima.com/category/resources/management-accounting-and-finance?type=report



Finance professionals who are proficient in new and emerging technologies will be well placed to capitalize on the opportunities of an interconnected world.

als needed to adopt new mindsets and skills to remain relevant in the modern business world.

Yet, according to McKinsey, 87 percent of companies worldwide are aware that they either already have a skills gap, or will have one within a few years. Unless we reverse this trend, we will be unable to generate productivity increases and therefore struggle to achieve economic growth. This is especially true in the age of digital disruption, where the technology to enhance productivity already exists or is being developed, but the

more insights and improve their team's efficiency. That is an opportunity for the finance profession. It means we can dedicate our time to high-value activities and bringing new strategic insights to the decision-making process, which will help drive performance and sustainable success for our organizations.

Another way of looking at this shift is that the "management" half of management accounting is more important than ever. We will move from processing and collecting data to using it. That does not