FINANCE EVOLUTION: THRIVING IN THE NEXT DECADE

Developing the opportunities

The following table summarises the key messages from the report and references them to the discussion in the following chapters within the report.

OPPORTUNITY		DISCUSSED IN SECTION(S)
The function needs to focus on the delivery of long-term value creation as well as short-term profit maximisation		
Delivering long-term value creation will be fundamental and requires forward-looking strategic thinking.	➔	**2.2.2**
The short-term focus on iterative business decision making cannot act as constraint on achieving longer-term value.	➔	**2.2.2**
Value creation arises from a combination of people, profit and planetary dimensions.	➔	**2.2.2**
Performance management needs to be aggregated across multiple dimensions and value-creation frameworks.	➔	**2.2.2**
Sustainable organisations focus on the creation and maintenance of 'good jobs' and maximising their role in society.	➔	**2.2.3**
The successful finance function manages the implications of the changes required in operating models and embraces models such as circular and regenerative ones.	➔	**2.2.4**
Relevant regulatory regimes will continue to expand as geopolitical risks and opportunities increasingly dominate.	➔	**2.3.6**
The finance function has a key role as a change agent in an agile world.	➔	**3.1.4** & **4.3.6**
Planning and forecasting activities are AI-driven continuous processes.	➔	**4.2.3**

OPPORTUNITY	DISCUSSED IN SECTION(S)
The role of the finance function is to create trust in predictive information and pre-emptive decision making within the ecosystem where their organisation and respective stakeholders operate, in a changing world where trust is at a premium	
Investor decisions are no longer just financially based but also embrace other objectives, such as sustainability and social progress. Trusted information is needed to facilitate this.	➔ 2.2.1
Trust continues to be an increasingly rare commodity in a geopolitically challenging business environment.	➔ 2.2.2 & 3.1.1
Rapid decision making requires trusted data, including that derived from AI-driven models, and creating trust in forecasts.	➔ 3.1.1 & 4.3.3
Data integrity is an essential prerequisite for the function.	➔ 3.1.4
The maintenance of an ethical approach is essential in creating and maintaining trust.	➔ 3.2.1
The 'branding' of finance continues to evolve.	➔ 4.2.1
Trusted data integration and exchange, both within organisations and between those in value networks, is essential.	➔ 4.2.3
Data capture and processing is predominately automated and connected across value networks, with finance professionals ensuring trust and integrity across the network.	➔ 4.2.3
Internal control is an increasingly continuous activity and essential to delivering trust in information.	➔ 4.2.2
AI is a value-adding tool which is embraced and used with human oversight.	➔ 4.3.3
Delivering strategic advice based upon sound data is essential.	➔ 4.3.6
A successful function embraces new, agile, skill sets, career paths and capabilities to ensure that it fulfils the broader role required of it by its stakeholders and continuously reinvents itself while maintaining its fundamental values and regulatory functions	
Value skill sets need to cascade from the leaders and C-suite throughout the function.	➔ 3.2.2
There is a need to be agile and constantly reinvent the function.	➔ 4.1.2
Traditional career paths no longer apply.	➔ 4.2.1
Entry-level roles are increasingly automated so new entrance pathways, focusing on judgement and acumen, need to be developed.	➔ 4.2.1
A new vision and image is needed for the finance function to attract new entrants into the profession.	➔ 4.2.1
Complementary skills, such as engineering, data and sustainability / functional design are core components of the finance function of the future.	➔ 4.2.1
Not all organisations can embrace all requirements; as a result, finance-as-a-service will provide deep technical skills at scale when required.	➔ 4.3.2

Recommended actions

The following table summarises the recommended actions highlighted in the report and references them to the sections in the report where they are discussed.

RECOMMENDED ACTIONS		DISCUSSED IN SECTION(S)
STRATEGIC Using the drivers for change model (Figure 2.1 and the commentary in the following sections), benchmark the organisation and the finance function in relation to the impact and likelihood of emergence of each of the drivers.	→	**2.1**
Identify any additional drivers that might affect your finance function and conduct an impact and likelihood assessment.	→	**2.1**
Map the impact of each of these drivers against the strategy for the finance function.	→	**2.1**
DRIVERS FOR CHANGE Establish a process for monitoring and evaluating the impact of geopolitical risks as part of the enterprise risk management process and link this to the finance function strategy.	→	**2.2.1**
Conduct a stakeholder analysis and map the results to the organisations' value drivers to determine future reporting and engagement requirements.	→	**2.2.2**
Consider the roadmap towards the development of a circular or regenerative business model and how this may change the operating model and performance metrics.	→	**2.2.4**
Consider how new roles within finance, such as a sustainability controller (see Appendix 1, Table A1) can assist in realigning the operating model and providing a pre-emptive link between finance and sustainability teams.	→	**2.2.4**
Continue to embed process optimisation in the heart of the finance function, with a focus on data timeliness and quality.	→	**2.3.1**
Consider a future talent roadmap for the function, covering the projected future skill sets needed in the context of predicted workforce changes.	→	**2.3.2**
Appreciate that having robust data management strategies in place is essential for a pre-emptive, autonomous finance function.	→	**2.3.3**
Ensure that the organisation is investing in data-management strategies and include these within the finance function as appropriate.	→	**2.3.3**
Develop strategies that support the open transmission of data between relevant entities.	→	**2.3.3**
Undertake exercises to understand potential data obsolescence as well as identifying new sources of data relevant to the function and the organisation.	→	**2.3.3**
Closely monitor technological developments and their applicability and constantly reappraise the technology and data strategy for finance as part of the organisation's overall strategy.	→	**2.3.4**
Monitor the regulatory environment and consider how the drivers in this area move the goals and change the data requirements of the function.	→	**2.3.6**

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RECOMMENDED ACTIONS		DISCUSSED IN SECTION(S)
VISION	Ensure that the strategic goals of the organisation are value orientated and that the performance measures that are attached to them are both qualitative and quantitative.	➔ 3.1.2
	Develop a roadmap for the function which embraces a strategy towards a pre-emptive and autonomous function.	➔ 3.1.3
	Map the strategic roadmap of your finance function to the domains suggested and identify any gaps in capabilities and / or skill sets.	➔ 3.1.4
	Identify any gaps in domains and consider how these may be addressed, through either internal or external (eg 'as-a-service') resources.	➔ 3.1.4
	Develop transformation plans to move each domain towards the strategic goal and ensure that the necessary investment plans are in place.	➔ 3.1.5
OPERATIONAL	Establish and promote a clear vision of the purpose of the function that is founded on trust in the integrity of information and alignment of its analysis of the organisation's strategic objectives.	➔ 4.1.2
	Ensure that the vision has leadership approval and is embedded in an organisation-wide culture of collaboration and innovation.	➔ 4.1.2
	Establish performance indicators aligned to the vision for the function and demonstrate its value-adding and autonomous role.	➔ 4.1.2
	Implement a continuous learning programme and embed a continuous learning culture to support skill development across the function with a focus on identifying future skill requirements.	➔ 4.1.2
	Use the vision for the value-adding function to reassess how to enhance the function's attractiveness to talent.	➔ 4.2.1
	Identify the core capabilities that the finance function wishes to be known by and map these to the organisation's strategic value drivers.	➔ 4.2.1
	Consider the balance between roles that are no longer required to the previous extent against new roles that need to be developed.	➔ 4.2.1
	Embrace the need to add new roles into the finance function to support the broader objectives identified in the function's domains.	➔ 4.2.1
	Define career paths to bring development of strategic and business acumen skills forward in the career pathway.	➔ 4.2.1
	Continually assess and improve processes to remove barriers to the timely collection and presentation of trusted and valuable information.	➔ 4.2.2
	Assess process models for opportunities to integrate and optimise removing periodic cycles which no longer add value or are obsolete.	➔ 4.2.2
	Understand the totality of the process models across the organisation, including both financial and non-financial data.	➔ 4.2.2
	Optimise internal control activities to use more continuous monitoring techniques.	➔ 4.2.2
	Develop a data-management strategy that ensures the integrity of the data across the organisation.	➔ 4.2.3
	Ensure that there are sufficient skills within the function to be able to analyse, interpret and correct the outputs of automated models.	➔ 4.2.3
	Optimise internal control activities to use more continuous monitoring techniques.	➔ 4.2.3
	Undertake an impact assessment of the technology requirements for each domain and develop appropriate strategies.	➔ 4.2.4