

# AMCHAM Abu Dhabi Women in Business Committee

May 19, 2021

## Financial Leadership

Presented by  
Doreen Remmen, CMA, CSCA, CAE



The Association of  
Accountants and  
Financial Professionals  
in Business



# Course Goal and Agenda

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Financial Leadership in a VUCA World

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Finance's Unique Role in the Value Chain

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Finance's Opportunity to Help Meet ESG Goals

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Finance As a Driver of Strategy and Transformation

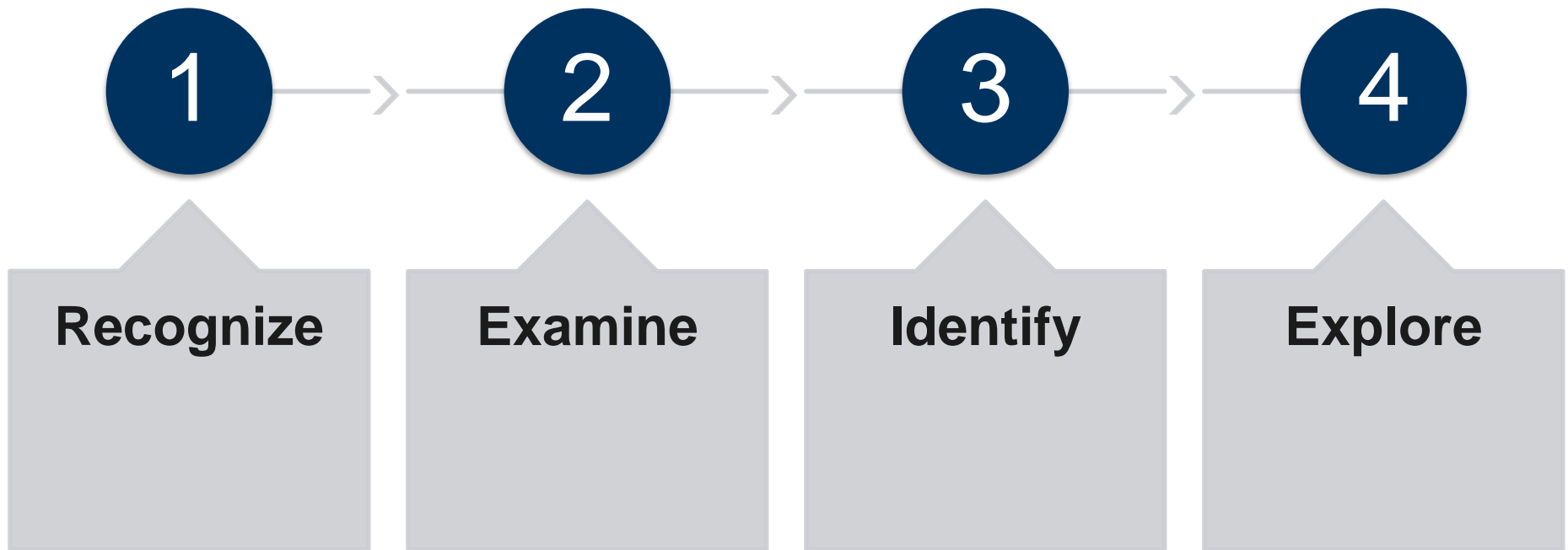
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Skills and Competencies for the Future

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Q&A

# Learning Objectives



# Financial Leadership in a Challenging World

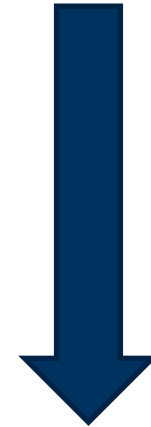
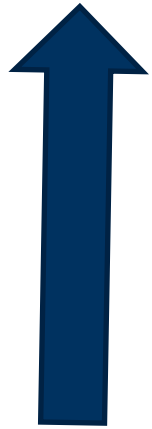


# The VUCA World Challenges All of Us

**Volatility** because expected conditions have changed



**Uncertainty** because I don't know what to do in response



**Ambiguity** because I don't know if what I see is true



**Complexity** because I don't recognize the way forward



# Edelman Trust Barometer

Research into societal trust in:

- Governments
- Business
- NGOs
- Media

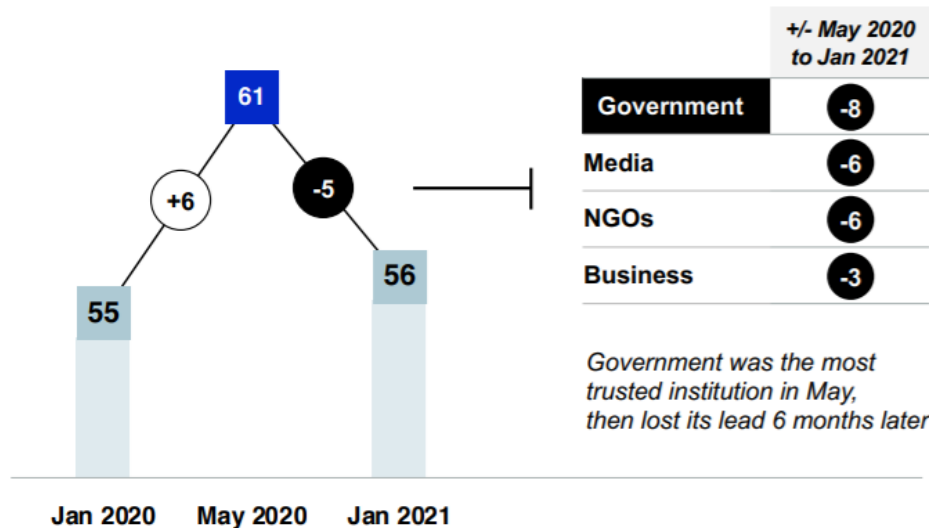
# Pandemic Puts Trust to The Test

## SPRING TRUST BUBBLE BURSTS; BIGGEST LOSS FOR GOVERNMENT

Trust Index, 11 countries included in the 2020 Trust Barometer Spring Update



Global 11



Government	+/- Jan 2020 to May 2020	+/- May 2020 to Jan 2021
S. Korea	+16	-17
UK	+24	-15
China	+5	-13
Mexico	+12	-12
Canada	+20	-11
India	+6	-8
U.S.	+9	-6
Germany	+19	-5
Japan	-5	-1
Saudi Arabia	+5	-1
France	+13	+2

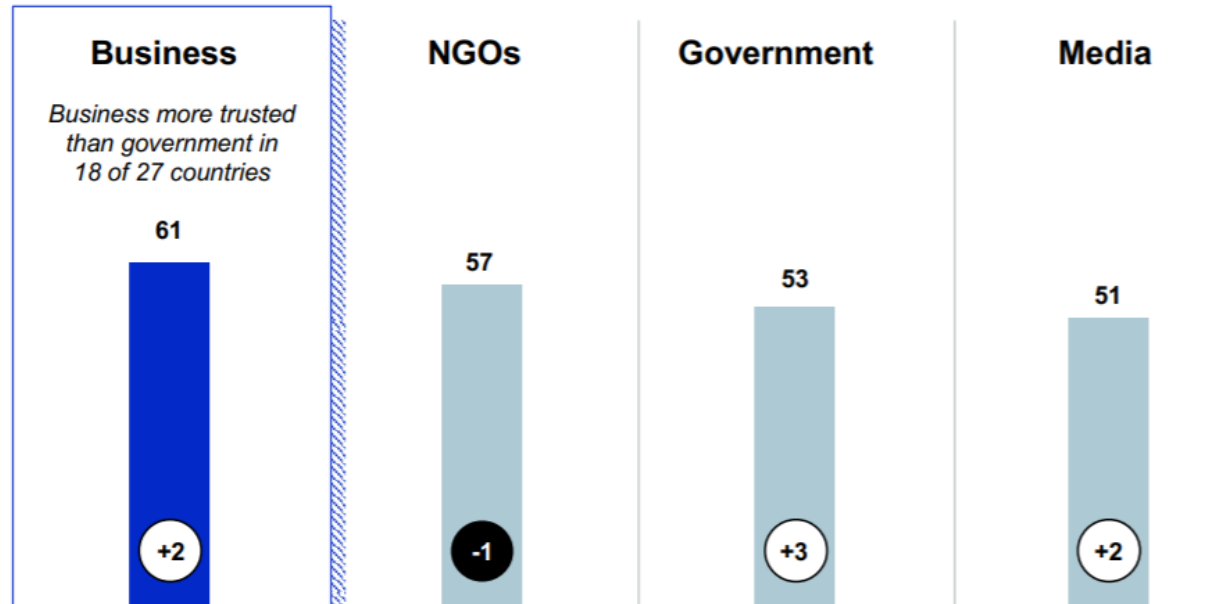
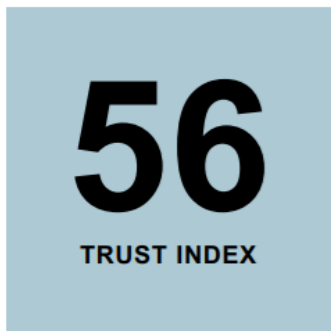


Source: <https://www.edelman.com/trust/2021-trust-barometer>

# Business the Most Trusted Institution

## BUSINESS BECOMES ONLY TRUSTED INSTITUTION

Percent trust





# The Profound Impact of COVID-19

- More than 140 million cases worldwide (WHO, April 2021)
- More than 3 million deaths worldwide (WHO, April 2021)

- ✓ More than 790 million vaccinations administered (WHO April 2021)

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- ✓ The IMF expects the world economy to grow by 6% in 2021. (April 2021)



# Finance's Unique Role in the Value Chain



# Sourcing and Logistics Management at The Gap



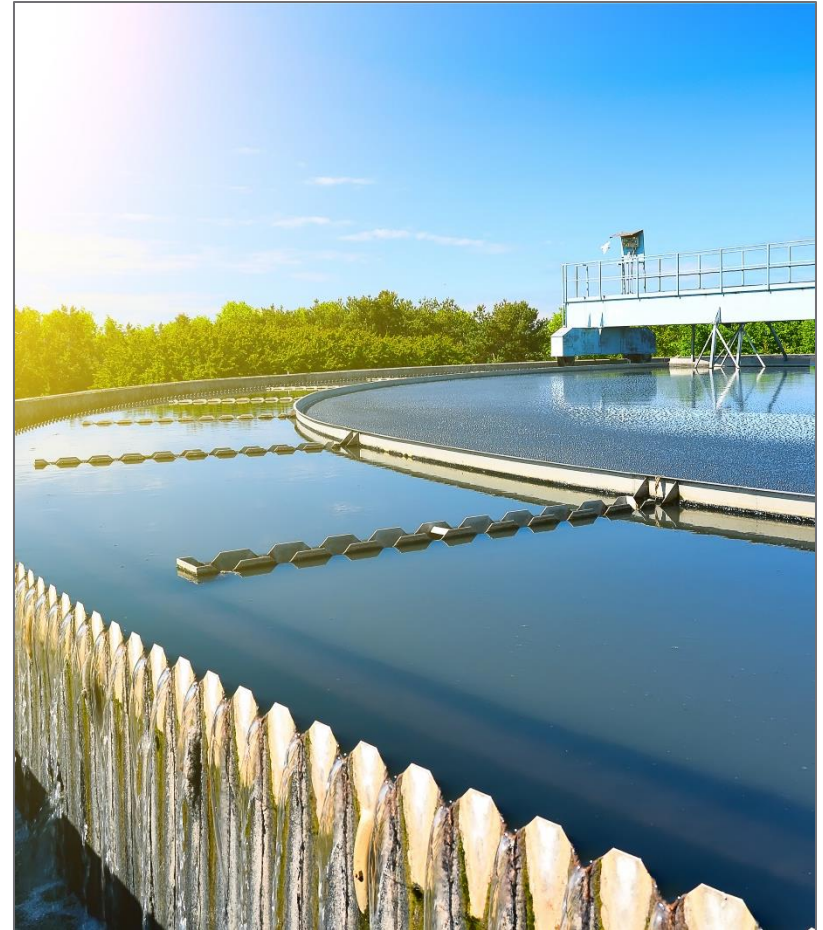
<https://sfmagazine.com/post-entry/march-2020-cfo-to-cfo-gaps-supply-chain-management/>

“The CFO needs to be deeply engaged with day-to-day operations and the impact on short-term financial results, but also strategically about capital allocation choices and the direction of the company.”

– Teri List-Stoll, CFO, Gap Inc. in SF Magazine, March 2020

# Linking ERM with Sustainability at Coca Cola

“Coca-Cola launched “2020 Vision” in 2009 which identified a number of points to help it achieve its goal of doubling its revenues by 2020. That goal triggered several critical sustainability questions, including will there be sufficient global access to water and other key ingredients to meet this projected demand?”



“ERM and Sustainability  
Together on the Road Ahead,”  
SF Magazine, 2015



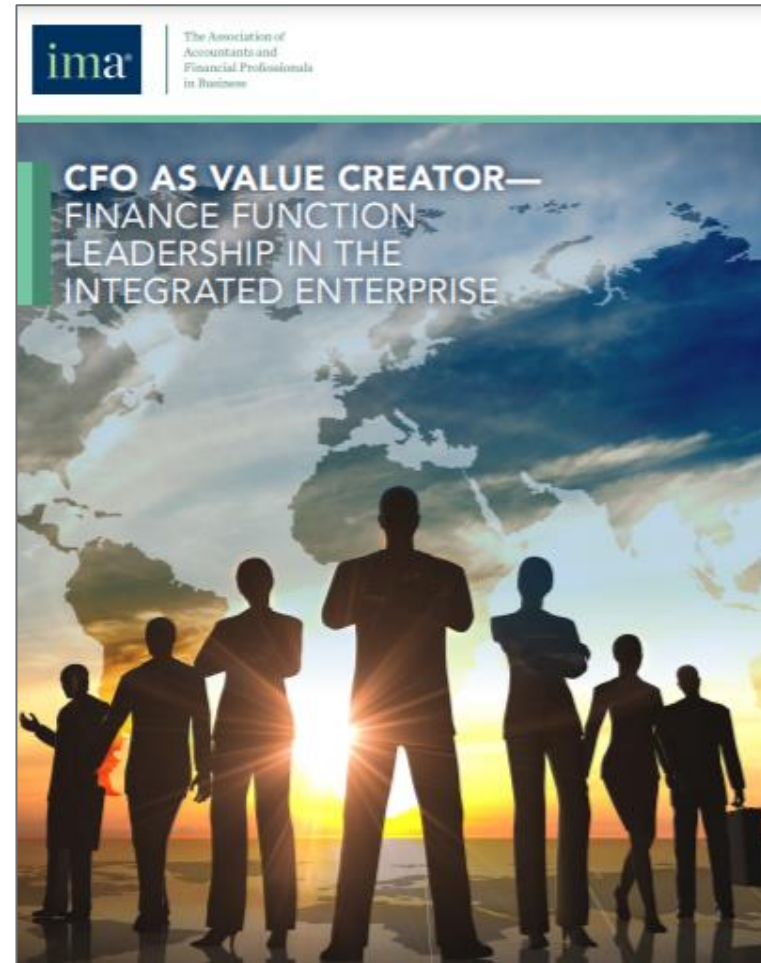
# Finance's Opportunity to Help Meet Environmental, Social, and Governance Goals



# Profit with Purpose

Finance has a unique role to play in helping business address:

- Corruption
- Climate change
- Deforestation
- Ocean plastic pollution
- Fair use of human talent



<https://www.imanet.org/insights-and-trends/the-future-of-management-accounting/cfo-as-value-creator?ssopc&ssopc=1>

# IMA and ACCA Finance Partnering Framework





# 2021 Sustainable Finance Trends

- Push by investors for sustainability data, with clear and measurable energy transition plans
- Impact investing as the new wave of growth
- Slowing investment in the fossil energy sector
- Diversity and inclusion become critical issues in determining economic success





# Finance as Driver of Strategy and Transformation



# CFOs' Changing Roles: Less Compliance, More Strategy

## Functional teams and activities under CFO oversight

	2018	2016
Risk	67	64
Internal audit	58	n/a
Corporate strategy	51	36
Investor relations	46	33
Regulatory-Compliance	46	55
Enterprise transformation	44	n/a
Pricing: Goods and services	43	n/a
Board engagement	42	24
M&A process	42	52
M&A strategy	39	38

More responsibility for:

- Risk management
- Corporate strategy
- Investor relations
- Board engagement

In addition to:

- Regulatory compliance



# Digital Transformation in Hyper-Drive

## The Morning Ledger: CFOs Look to Ramp Up Automation Investments Amid Pandemic

*By Mark Maurer*

CFO JOURNAL

## Finance Teams Adapt to Closing the Books Remotely Amid Coronavirus

Finance chiefs rely heavily on automation, communication with auditors as the first quarter comes to a close

## Under stress, accountants seek new tech to get through the pandemic

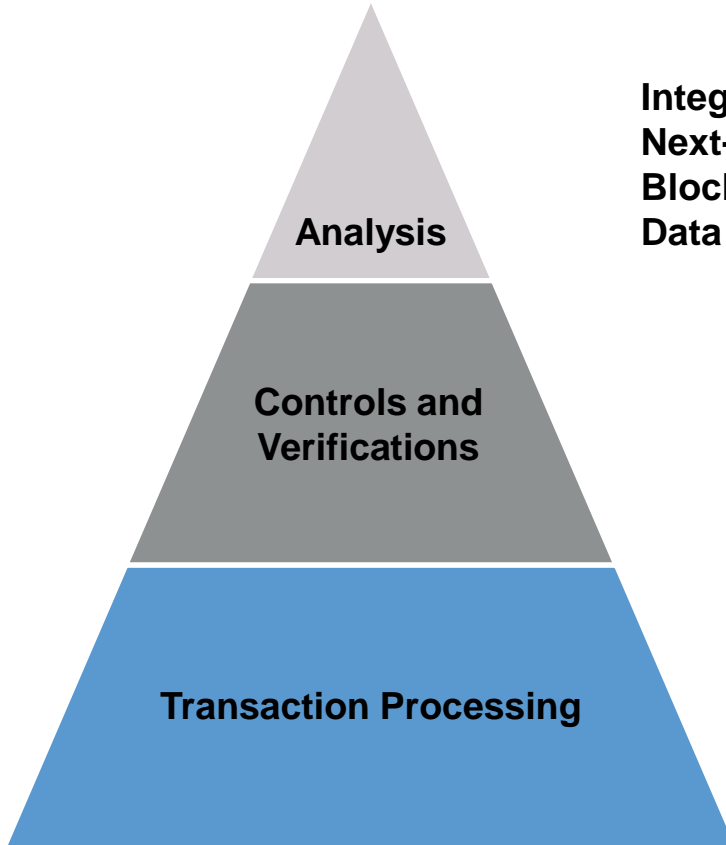
By Ranica Arrowsmith

July 09, 2020, 5:34 a.m. EDT



# Evolving Role of Finance and Accounting

**Former State**  
Focus on efficiency  
and compliance

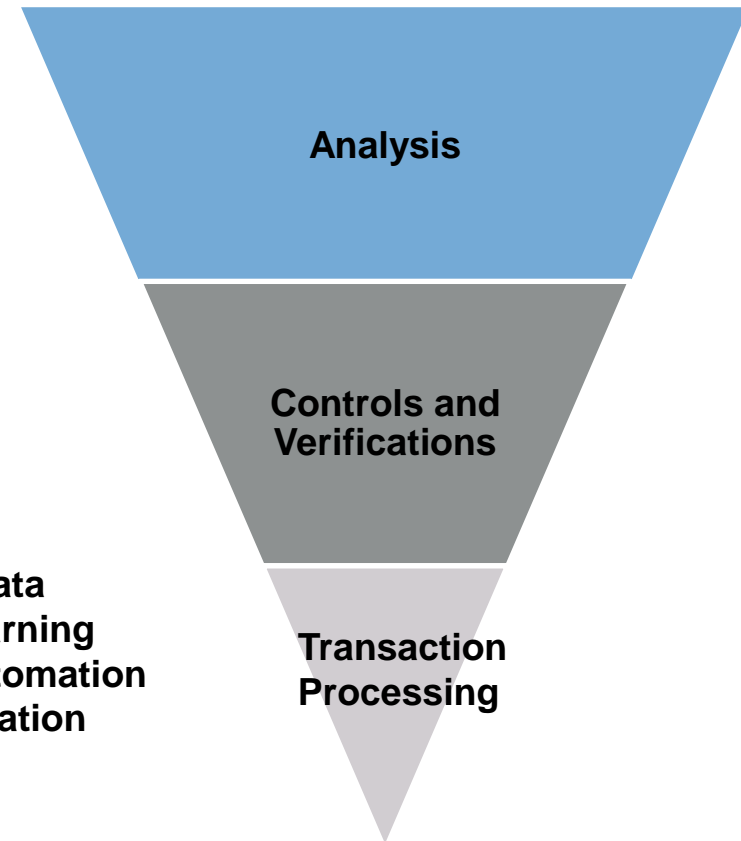


Integrated value chain  
Next-gen ERP  
Blockchain  
Data and analytics



Real-time data  
Machine learning  
Process automation  
Skills innovation

**Future State**  
Focus on responsiveness  
and insight



# New Set of Collaborators for The Finance and Accounting Team



**Data scientists**



**Statisticians**



**Data security professionals**



**IT delivery specialists**  
in areas such as agile development



**Systems specialists**  
in areas such as cloud computing



**Behavioral scientists**

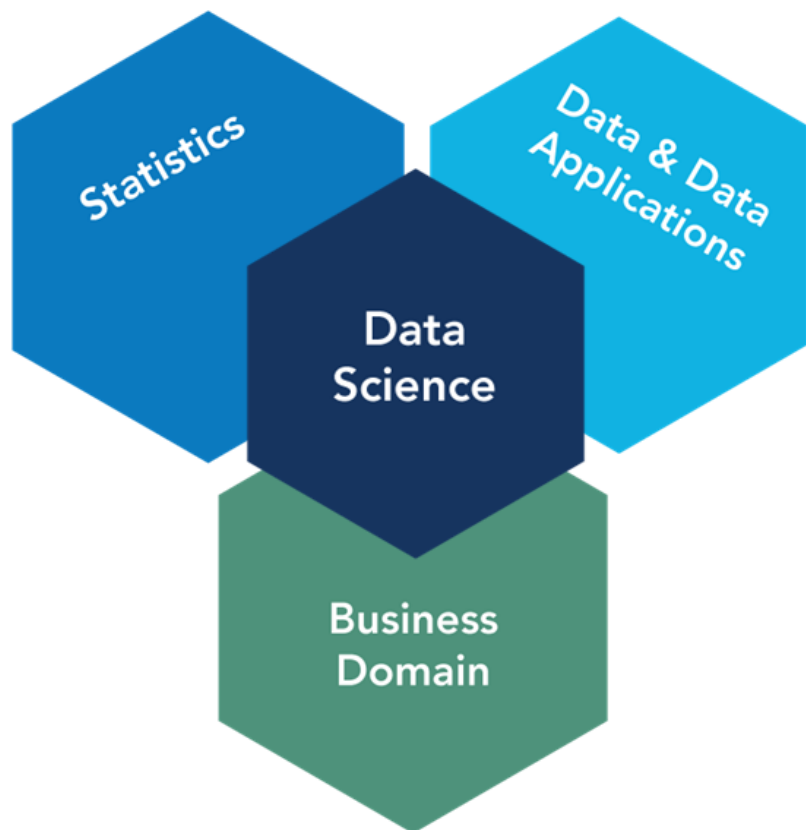


**Roboticists**  
for example, experience developing software for robotic process automation

# Skills and Competencies for the Future



# Data Science – Critical for Accountants



## Statistics

- Ascending levels to describe, diagnose, predict, and prescribe.
- Linear and multiple regression, correlation analysis, hypothesis testing, goal seeking, and more.

## Data & Data Applications

- “Life beyond Excel” (R, Python, Tableau, BI)
- Data governance, data lifecycle, and data architecture

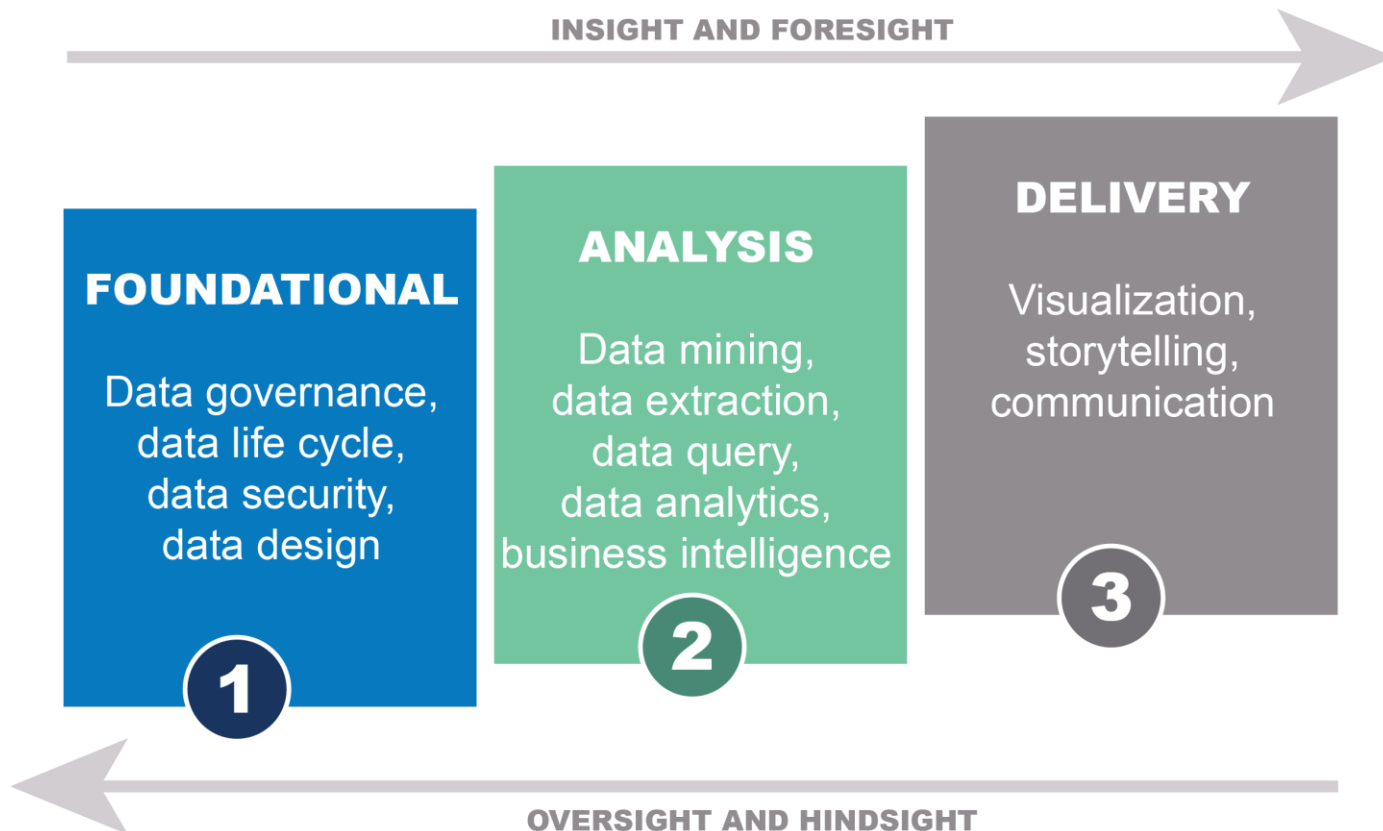
## Business Domain

- Understand the business to know what problem to solve
- Able to develop programs for intelligent solutions



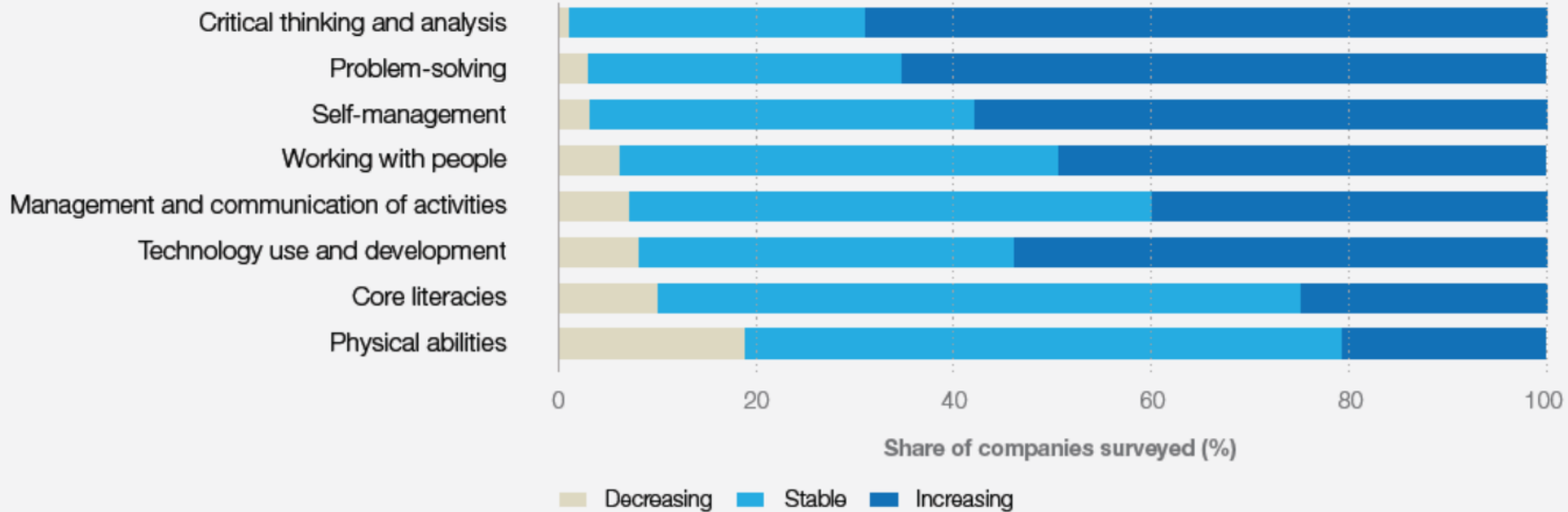
# Digital Competencies Needed

## STRATEGIC MANAGEMENT





# Skills Employers See As Increasing in Importance Through 2025

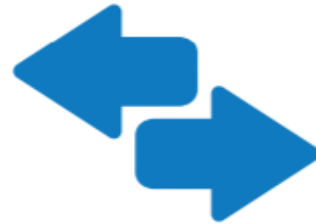


A newly emerging skill this year is “Self-Management,” defined as the ability to actively learn, demonstrate resilience, tolerate stress, and remain flexible.

# IMA Competency Framework



# Strategy, Planning, and Performance



## STRATEGY, PLANNING & PERFORMANCE

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The competencies required to envision the future, lead the strategic planning process, guide decisions, manage risk, and monitor performance.

# Reporting & Control



## REPORTING & CONTROL

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The competencies required to measure and report an organization's performance in compliance with relevant standards and regulations.

# Technology & Analytics



## TECHNOLOGY & ANALYTICS

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The competencies required to manage technology and analyze data to enhance organizational success.

# Business Acumen & Operations



## BUSINESS ACUMEN & OPERATIONS

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The competencies required to contribute as a cross-functional business partner to transform company-wide operations.

# Leadership



## LEADERSHIP

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The competencies required to collaborate with others and inspire teams to achieve organizational goals.

# Professional Values & Ethics



## PROFESSIONAL ETHICS & VALUES

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The competencies required to demonstrate the professional values, ethical behavior, and legal compliance essential to a sustainable business model.



# Chart Your Path





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