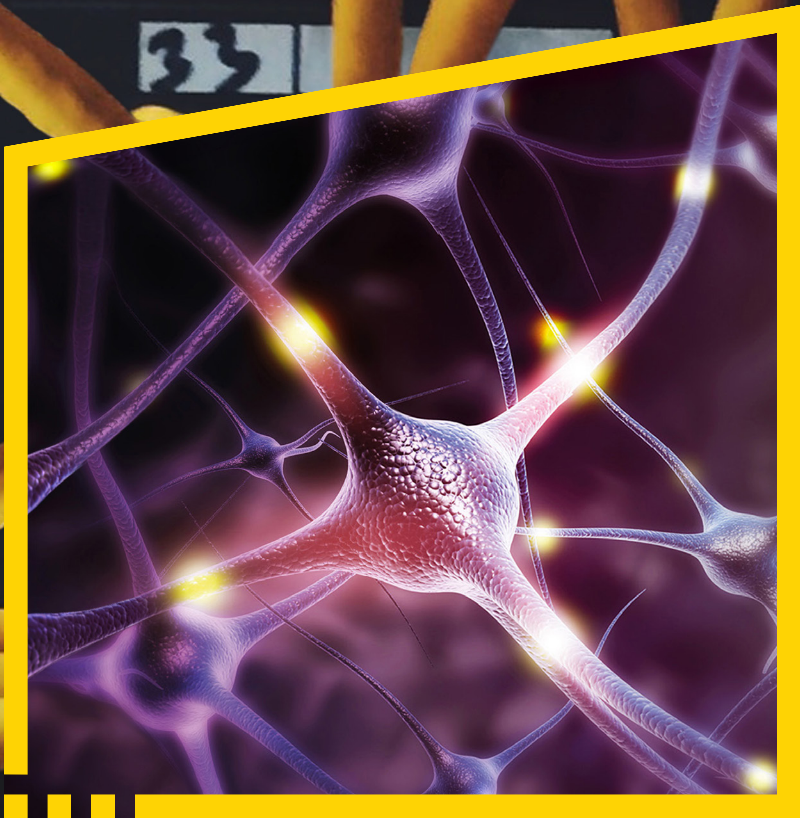
CFO Imperative Series

Critical answers and actions to reframe your future



How can corporate reporting connect your business to its true value?

Combining data and enhanced human insight through technology to reveal the full potential of corporate reporting

Financial Accounting Advisory Services (FAAS) | 7th Global Corporate Reporting Survey | February 2021

The better the question.
The better the answer.
The better the world works.

EY

Building a better working world

About the research

More than 1,000 chief financial officers (CFOs) and financial controllers of large organizations were surveyed to understand the challenges they face in corporate reporting. The research was conducted by Longitude on behalf of the EY Global Financial Accounting Advisory Services (FAAS).

Half the respondents (50%) were from the CFO community, with more than one-third (35%) representing financial controllers. The remaining 15% were finance directors or leaders in the treasury function. A majority (62%) of the respondents' organizations have revenues in excess of US$5b a year, and 10% in excess of US$20b a year. Respondents were split across the Americas; Asia-Pacific; and Europe, the Middle East, India and Africa (EMEIA). Thirteen main sectors were represented, with 56% of companies being publicly held or listed and 44% privately owned.

The survey was supplemented by in-depth interviews with the following CFOs and finance leaders:

Kazuko Kimiwada
Senior Vice President, Head of Accounting Unit, SoftBank Group Corp.

Christine Rankin
Senior Vice President, Corporate Control, and Principal Accounting Officer, Veoneer

Sundeep Reddy
Senior Vice President, Controller & Chief Accounting Officer, McKesson

Marc Rivers
CFO, Fonterra

Niclas Rosenlew
CFO, SKF

The EY Global FAAS Team would like to thank everyone who contributed their insights and knowledge to this report.

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Foreword

The COVID-19 pandemic has had a significant humanitarian and economic impact, and countries around the world continue to contend with the implications. During this disrupted, uncertain and anxious time, it has become even more important that organizations use their corporate reporting to explain how they are navigating through the turbulence. The senior finance leaders and organizations that EY teams work with have shown significant resilience and fortitude, in terms of how they have shifted to a virtual operating model and are providing the insight that stakeholders are looking for, to steer them through an uncharted future.

Leading organizations and finance executives have demonstrated their ability to maintain a critical balance: responding to the short-term crisis with resilience, while retaining focus on long-term results and sustainable growth. This means avoiding short-term thinking and generating long-term value for multiple stakeholders – shareholders, employees, customers, communities and other parties – with a focus not only on financial outcomes, but also environmental and social impacts. If finance fails to play a central role in meeting the changing expectations of investors, regulators and other stakeholders, reporting could become increasingly irrelevant. However, too many finance functions are on the back foot when it comes to meeting this shift in reporting and transparency expectations, simply waiting for legislation to emerge that will make it a mandatory requirement.

There are two priorities for finance executives who want to be seen as leaders in this area. First, they should rethink the role that reporting plays in enterprise value. As well as a focus on financial reporting excellence, this means meeting demands for nonfinancial information, with business models increasingly exposed to social and environmental issues. Second, finance leaders should take a fresh look at how finance and reporting are delivered. This means challenging themselves to think about what finance and reporting could look like in the future and being prepared to disrupt the status quo. Building trust into artificial intelligence (AI) and other technologies, transforming the finance and reporting operating model, and rethinking leadership roles and the future finance talent strategy are expected to be critical aspects.

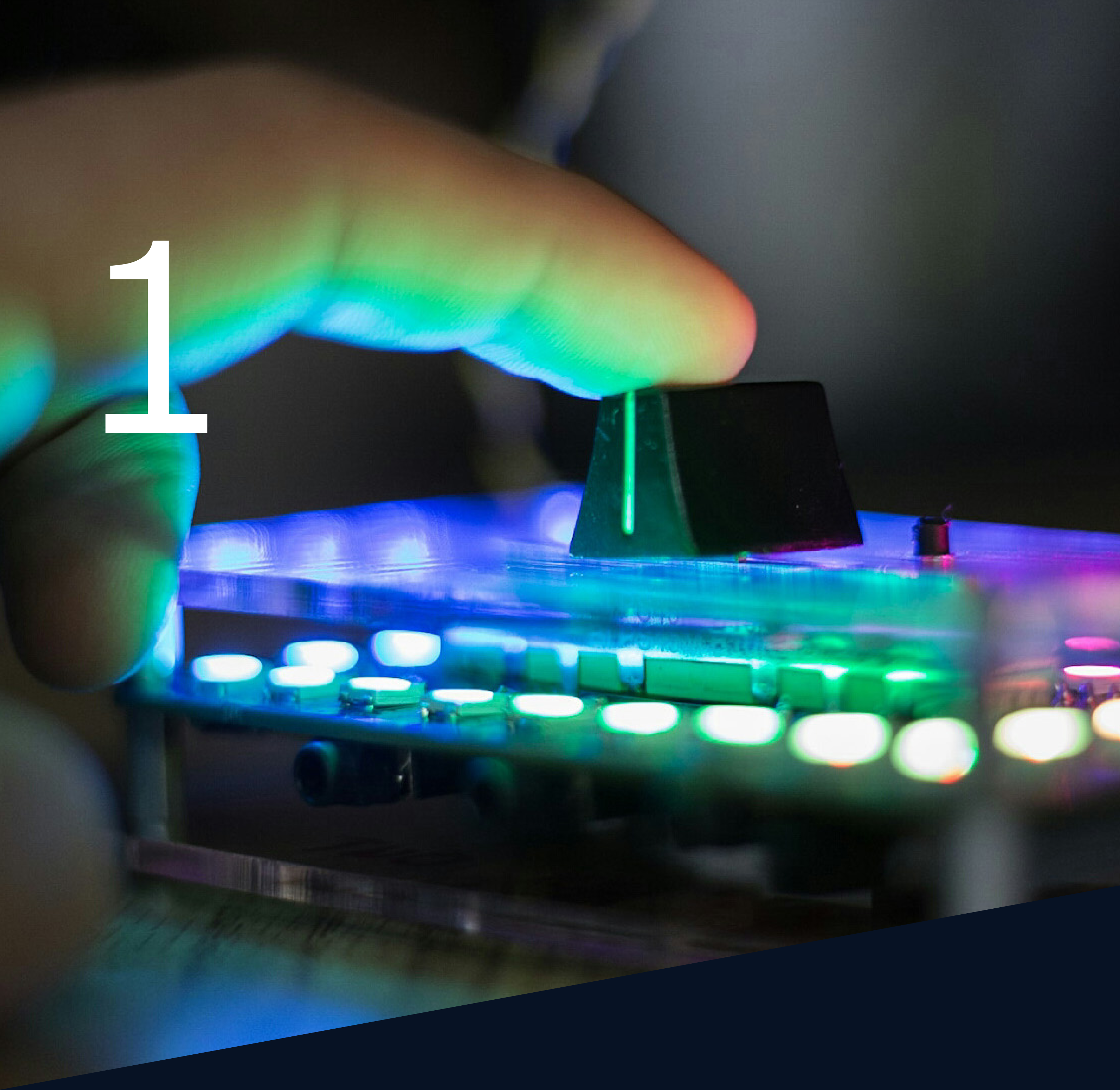
Failing to drive change in how organizations report enterprise value could have significant implications. Unless companies report on increasingly important intangible assets, such as intellectual property (IP) and human capital, investors will develop their own approaches and data sources to assess that value, essentially removing the reporting "narrative" from the companies' control. Organizations could also struggle to outline how their environmental and social activities impact society, and contribute to the overall growth and prosperity of the world, which can be critical to rebuilding trust with a wider group of stakeholders, including customers and communities. Finally, it could make it difficult for companies to really engage with investors – building transparency about the organization's long-term strategy and meeting investors' expectations in terms of reporting disclosures.

This significant shift in approach is the theme of this latest report, which builds on research that the EY Global FAAS team has conducted annually since 2014, examining a range of areas from finance talent, to the need for a reporting culture based on openness, authenticity and accountability.[1] Today's agenda is about how to map out a rethink of how finance and reporting are to be delivered, not just in the near-term future, but in 2023 and beyond. These insights form part of our CFO Imperative Series, which provides critical answers and insights to help finance leaders reframe the future of their organization. For more insights for CFOs, visit ey.com/CFO.

All of us have been challenged by the COVID-19 pandemic. We have moved from a world where the role of offices and physical work spaces have been upended, and where finance is more defined by the skills it possesses and the agility of its technology. But this is also an exciting time to accelerate the transformation of corporate reporting and how it is provided.

Tim Gordon
EY Global FAAS Leader

[1] Connected reporting: responding to complexity and rising stakeholder demands, EY, 2014; Are you prepared for corporate reporting's perfect storm?, EY, 2015; How can reporting catch up with an accelerating world?, EY, 2016; Can innovative corporate reporting build trust in a volatile world?, EY, 2017; How can the digital transformation of reporting build the bridge between trust and long-term value?, EY, 2018; Does corporate reporting need a culture shock? Meeting the transparency expectations of investors and other stakeholders, EY, 2019.



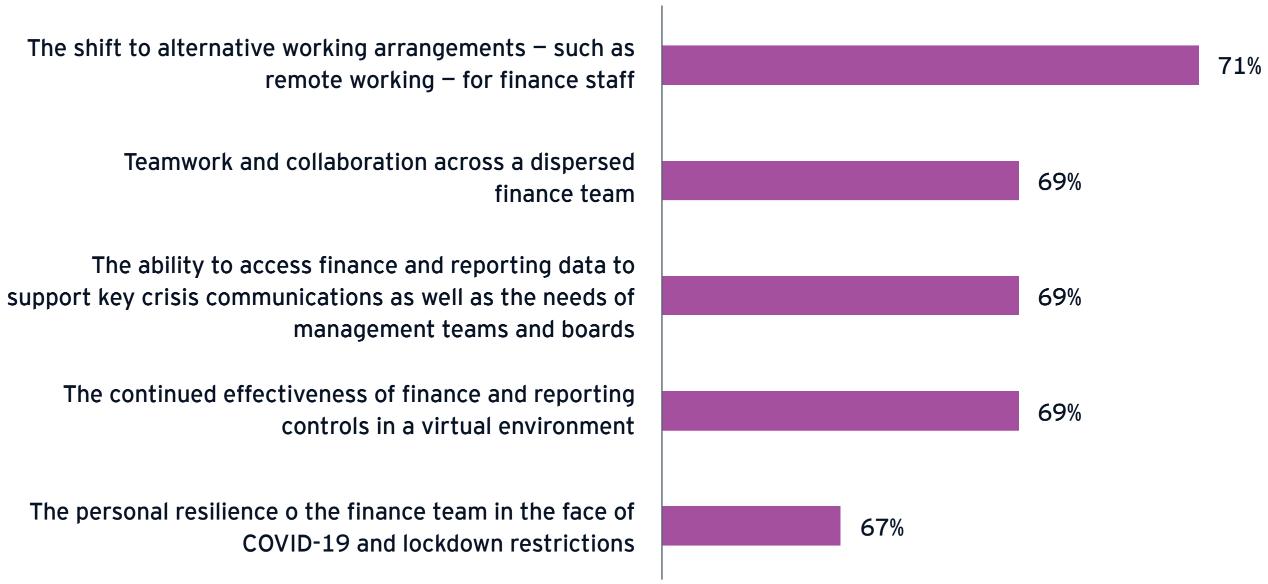
A new reality for reporting

Corporate reporting is playing an important role in providing leadership teams with the insight they are seeking to navigate through the current turbulence

Finance and reporting are at the heart of how organizations are responding to the COVID-19 pandemic. Corporate reporting is playing an important role in providing leadership teams with the insight they are seeking to navigate through the current turbulence. It also provides the reassurance and insight that key stakeholders – such as investors – are looking for in, what is, a time of great volatility and uncertainty. However, reporting only has the potential to play a critical role, if finance teams have made a successful transition to the new operating reality demanded by the COVID-19 pandemic and its ongoing implications. The 2020 EY corporate reporting survey shows that most finance leaders believe their teams have made a successful transition to a virtual working environment (see figure 1).

Figure 1. Percentage of respondents who are satisfied with the transition to a new operating reality, in the following areas

Question: How satisfied are you with the following aspects of how your finance function is responding to the ongoing COVID-19 crisis?



Note: respondents who answered "satisfied" or "very satisfied."

The challenges of systems deployment and onboarding in a virtual world

The head of accounting at a supermarket chain, which has operations across Europe and North America, pointed out that virtual working can be challenging when it comes to areas like systems transformation and onboarding new talent. "We had started a big, state-of-the-art ERP implementation and now this has to be done completely on a remote basis," he explains. "This has its challenges, because usually you get the different teams together so that everyone can get to know each other a little bit better. And, if you have a face-to-face meeting, you get direct feedback. Likewise, if you are presenting, you can really look people in the eye to keep them engaged."

"I also gained five new team members during this pandemic and all onboarding within the accounting team has moved to online from in-person. It is quite a big difference to meet people in-person versus via telephone or virtual. It can also be particularly challenging when you are onboarding with other departments outside of accounting, where you are often looking for information or support. Also, with home-working, there is not the opportunity to meet new colleagues in person at the coffee machine or over lunch."

Christine Rankin, Senior Vice President, Corporate Control, and Principal Accounting Officer at Veoneer – an automotive technology company with operations across the Americas, Europe and Asia-Pacific – points out that, while finance processes have transitioned smoothly to a new virtual reality, wider change management and transformation projects can benefit from people being able to physically meet rather than working remotely. "When you are in the middle of a big change management initiative – such as an enterprise resource planning (ERP) implementation – it does not always go at the required speed when you're working over digital," she says. "I would say that it can be more effective to actually sit around the table. While virtual can work well for informative meetings, it does have some restrictions when it comes to the creative and development discussions involved in large-scale change management."

While finance teams appear to have demonstrated significant resilience in the current environment, finance leaders should think about what the long-term future could look like and how they can overcome resistance to bring their people on the transformation journey needed. In the research, more than half of the respondents (56%) said "there has been resistance to some of the changes we have had to introduce". And, 51% said "finance team members have sometimes failed to adopt new processes, reverting to traditional ways of doing things".

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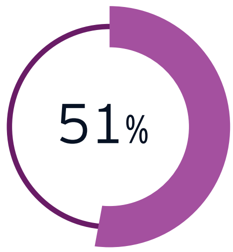


Half of respondents said "finance team members have sometimes failed to adopt new processes, reverting to traditional ways of doing things."

The dangers of reverting to old ways of working, and failing to pay enough attention to the future, can be significant. For example, finance teams could become less relevant and agile. This could impact their ability to provide the wide-ranging and forward-looking insight stakeholders want. They could also find their operating model too big and cumbersome to provide what is expected by the business, with the speed and flexibility necessary. Indeed, the demand for CFOs and other finance leaders to adjust to changing demands sits at the heart of our CFO Imperative Series, which identifies critical answers and actions to help leaders reframe the future of their organizations.

There are two priorities to focus on to build a bold new future for finance and reporting, which can be characterized as the "what" and the "how":

- **The what:** shifting what reporting encompasses and its role – providing new insight "beyond the numbers" of financial reporting and help reporting provides the long-term value creation stakeholders are demanding.
- **The how:** changing how organizations provide reporting, with a particular focus on accelerating the deployment of trusted AI, transforming the finance and reporting operating model, and rethinking key leadership and team roles.

We look at these areas in more detail in the two sections that follow.

Transform reporting to provide new insight "beyond the numbers" and help to provide the long-term value stakeholders are demanding

2

Reframing the role of reporting

66% of respondents say demand for "forward-looking financial analyses and forecasts" has increased over the last 12-months

Today, CFOs can have wide-ranging mandates and responsibilities. While they should protect enterprise value, they can also play a critical role in optimizing and growing value. However, corporate reporting – given its focus on backward-looking, financial performance information – has historically been weighted toward just one of those mandates – protecting value. Reporting should evolve to more fully embrace growing and optimizing value. There are two areas that could be important to delivering on this wider remit:

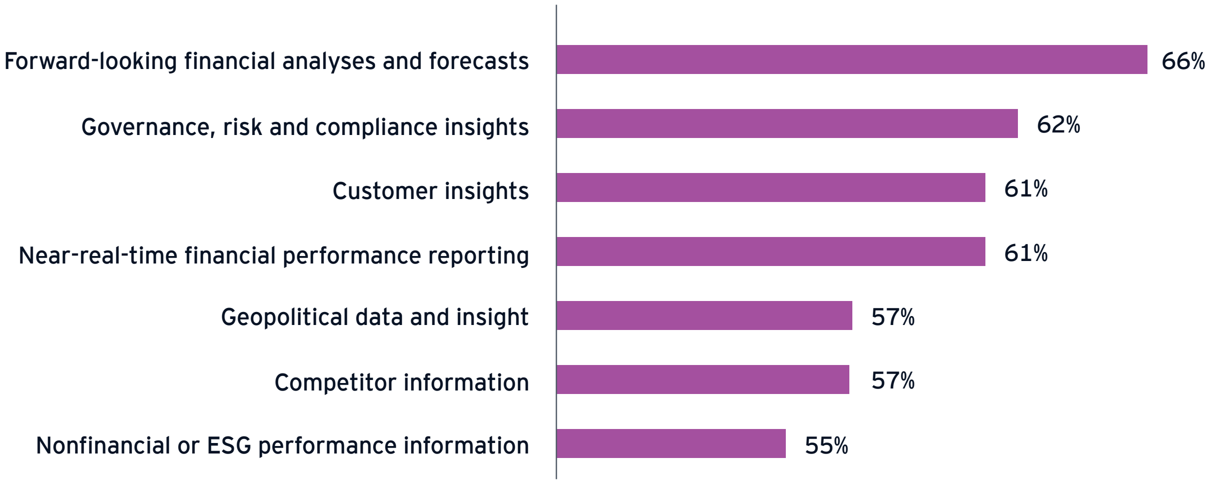
1. **Meeting the increasing and wide-ranging insight requirements of stakeholders**

In times of crisis, the demand for insight – to seize an element of control in a volatile and fast-changing environment – increases. The research shows that finance is bearing the brunt of increased demands for rich and varied information and insight. As figure 2 shows, two-thirds of respondents (66%) say demand for "forward-looking financial analyses and forecasts" has increased over the last 12-months. Stakeholders are also looking for new insight "beyond the numbers" of financial reporting, such as environmental, social and governance (ESG) data.

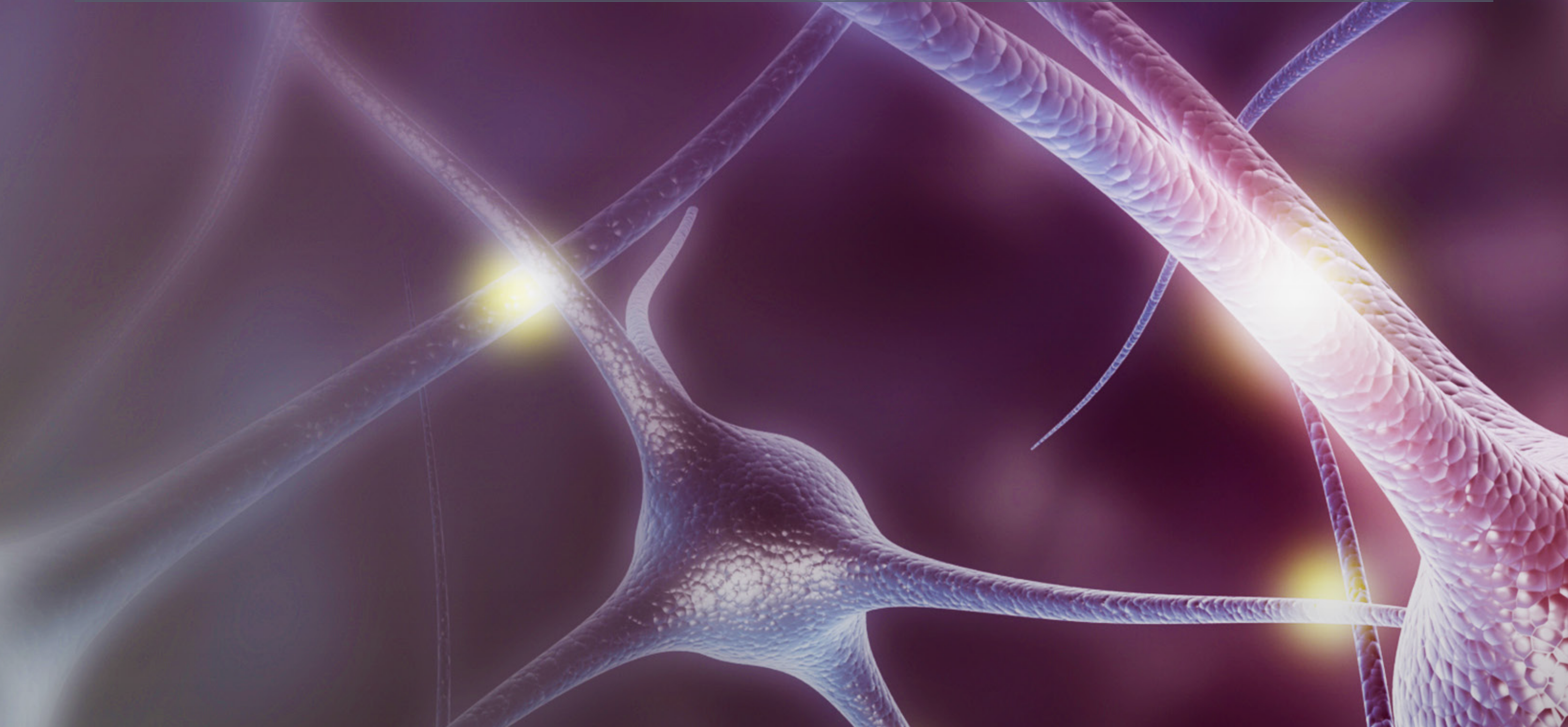
> "Increasingly, companies are talking about their social responsibility and where they stand on certain issues, whether it's the environment or social justice. So, where does finance play a part in that? I can certainly see us as facilitators and messengers, ensuring messaging across the business is connected and coalesces. And, if controls are needed on areas like sustainability, human capital or social responsibility reporting, that finance is tapped because of our best-in-class knowledge on internal controls, and that we're asked to monitor those reporting exercises within the company."
>
> **Sundeep Reddy**, Senior Vice President, Controller & Chief Accounting Officer, McKesson

Figure 2. Percentage of respondents who say demand for data – and different types of insight – has accelerated, in the following areas

Question: Thinking about the demand on finance teams for data-driven analyses and information, to what extent has demand increased or decreased in the following areas over the past 12-months?



Note: respondents who answered "demand has increased" or "demand has increased significantly."



Across-the-board increased demand for insight is confirmed by Niclas Rosenlew, CFO of SKF, a Swedish-based manufacturer founded in 1907. "With the extreme increase in levels of uncertainty that we have seen this year, there's suddenly been major demands on finding the information you need to really understand what's happening," he says. "This is in terms of how our business is affected in terms of the numbers and how we can undertake multiple scenario analysis. Of course, it has to be done immediately and demand is also coming from multiple sources: investors, management leaders across the business, and also regulators."

While demand may have accelerated as a result of the COVID-19 pandemic, it is unlikely to decline once the crisis is over. Senior leadership, such as CEOs, are likely to expect increased visibility and the development of advanced dashboards that provide dynamic analyses of financial performance, operating performance and changing market conditions.

2. Making corporate reporting central to turning long-term value ambitions into reality

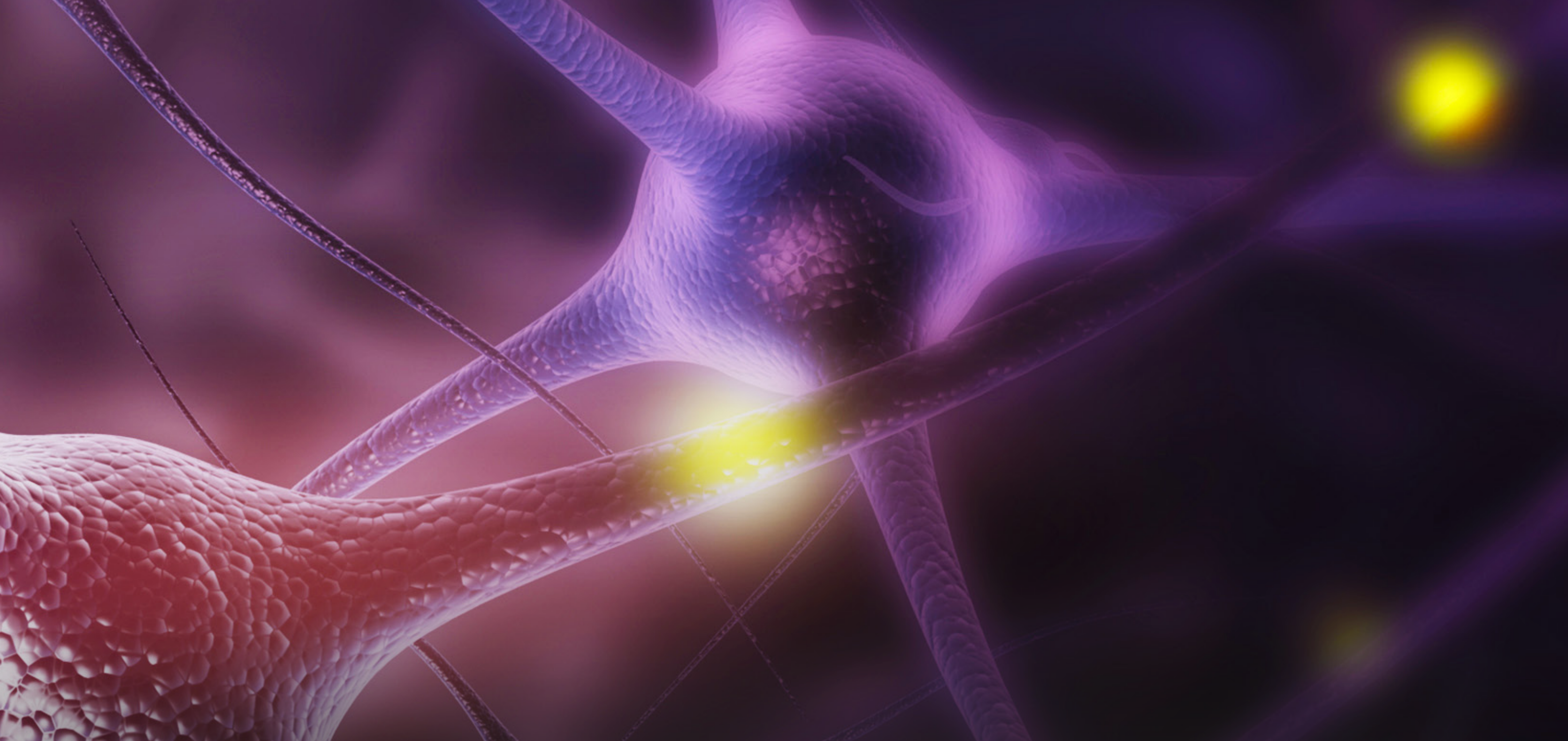
In the coming years, finance and reporting should look to play the leading role in redefining what constitutes organizational performance and value. Stakeholders, such as investors, are looking to organizations to adopt a longer-term perspective and focus on long-term value creation. The research shows that many CFOs and financial controllers are embracing this shift to a long-term value strategy: 69% of respondents say that "CFOs and senior finance leaders are increasingly seen by key stakeholders as the stewards of long-term value."

SoftBank Group's accounting unit focused on investors' needs and reporting transparency

SoftBank Group, the Japanese multinational, has achieved worldwide recognition as a result of its focus on investing in digital innovation. For Kazuko Kimiwada, Senior Vice President, Head of Accounting Unit, SoftBank Group Corp., this emphasis on investment and complex transactions means that her team is very much focused on financial reporting and the needs of investors as a critical stakeholder. "Three years ago, the main focus of SoftBank was telecommunications, with a more limited focus on investment," she explains. "Today, SoftBank Group is an investment company. So, today, my team is very focused on financial reporting, because these disclosures are so critical to the outside investment."

As part of this focus on delivering the information that investors want, Kazuko Kimiwada sees giving these stakeholders the transparent and understandable disclosures they need as her "critical mission". "We follow the IFRS standards, which can be complex, and it can sometimes be difficult for investors to understand a company's disclosures," she says. "It's therefore a critical mission for me to increase transparency for our investors and to ensure our financial statements are straightforward, understandable and relevant for investors."

The shift to a long-term value orientation presents a significant challenge for finance leaders, who are expected to drive excellence in financial reporting, while also responding to increasing demands for credible and trusted nonfinancial reporting. Over the recent years, CFOs have had to contend with a wave of regulatory-driven changes to financial reporting requirements, investing significant time and effort into meeting new accounting standards. Now, demand for nonfinancial



information, including ESG and sustainability reporting, is growing, as investors seek insight into the impact of social and environmental issues on business models.

For Leo van der Tas, EY Global IFRS Services Leader, companies will increasingly see requirements for nonfinancial reporting growing as this domain becomes as demanding and as highly scrutinized as financial reporting. "Nonfinancial reporting has been around for many years, going right back to the Global Reporting Initiative," he explains. "But over the last one or two years, it has become exponentially more important, driven by investors as well as other stakeholders. That has led to a number of initiatives recently that will change the rules significantly, including for the finance function. In particular, those involved in sustainability standard-setting have started to cooperate with the IFRS Foundation. This is supported by the securities regulators, as well as investors and groups of preparers, because it is seen to at least set a path to a global set of standards that are acceptable not just for capital markets, but also more broadly."

This increasing focus by investors on high-quality nonfinancial information is reinforced by the research, where 65% of respondents said there "is significant value for our organization that is not measured or communicated using traditional financial KPIs, such as brand value and human capital". However, only 48% of respondents said their organization has made "significant progress" in measuring and communicating human capital.

For Marc Rivers, CFO of Fonterra, a global dairy nutrition company based in New Zealand, and the world's largest dairy exporter, a key role for finance in nonfinancial reporting areas, such as sustainability, is directly in line with the function's purpose and capabilities. "If you take a broader view of the role of finance, its purpose is about bringing transparency in a rigorous and reliable way — shining a light on the reality of things," he says. "That's so important because that's what builds trust with stakeholders."

"I think we're starting to think much more holistically about how we measure things, which, I think, is positive. For example, thinking holistically about the inputs that go into producing a set of outputs, which is ultimately what productivity is. What are the sources of capital that are used to produce things? As well as financial capital, we are using environmental capital and we're using people capital. So it makes sense to try to get your arms around measuring that, so you have a complete picture of total inputs and a holistic view on the outputs. It's not just sales and profit, it's also the benefit that are we providing to society. For example, what we pay farmers, as our suppliers, is a benefit that goes straight into the rural economies and helps address a major problem for the world: the urban-rural divide."

In the research, finance leaders identified a number of roadblocks that could stand in the way of measuring and communicating long-term value. One of the critical factors that emerged was "the absence of formal reporting frameworks that show how the connection between tangible and intangible assets contributes to long-term value creation", which was selected by close to one-in-five respondents as the most critical challenge in their view (17%). One initiative that can help companies to address this issue — the requirement for a reporting framework that embraces intangible assets — is the "Sustainable Value Creation" initiative led by the International Business Council (IBC) of the World Economic Forum (WEF). EY teams contributed to this initiative, which aims to develop a common, core set of metrics and recommended disclosures that corporates can use to report the shared and sustainable value they create. The WEF's 2020 white paper outlined consistent metrics under four ESG pillars: principles of governance, planet, people and prosperity.[2]

[2]Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation, WEF, 2020.

3

Reinventing how finance and reporting are delivered

Building trust in AI is difficult in an environment where governance, controls, ethical frameworks and regulations still struggle to keep up with the pace of change in cognitive computing

To provide a new future for reporting, finance leaders should stop thinking in a linear way about how they go from where they are now to where they are trying to get to next. Instead, they should take a future-back approach and look beyond the "now" and the "next". This means mapping out what the finance organization could look like in the future and what roles and skills might be required. Unless you do this, you are unlikely to challenge yourself to think exponentially or disruptively about what finance and reporting could look like. As a result, the ties of legacy infrastructure and traditional ways of working could keep you anchored in the past. There are three areas to focus on:

1. **Building trust into technology and accelerating the deployment of trusted AI**

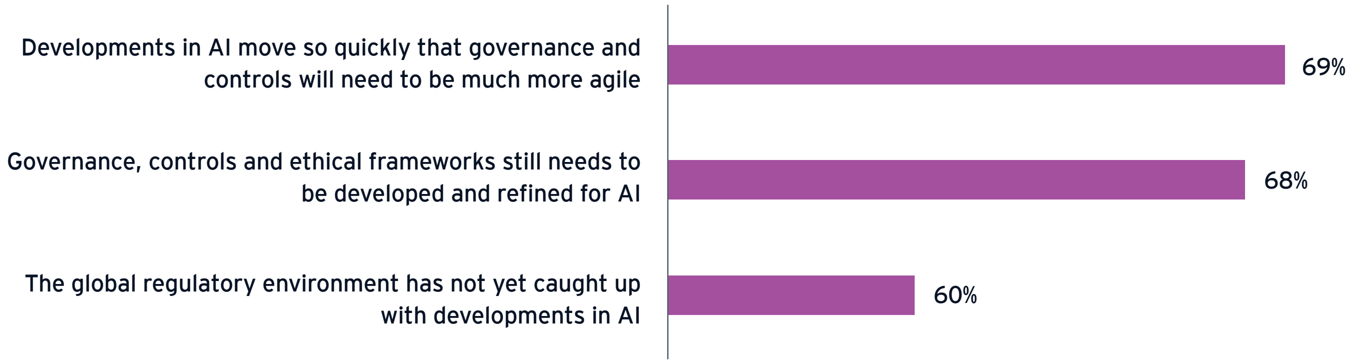
Building trust in AI is difficult in an environment where governance, controls, ethical frameworks and regulations still struggle to keep up with the pace of change in cognitive computing. More than two-thirds of respondents (68%) say that "governance, controls and ethical frameworks still need to be developed and refined for AI".

Without those frameworks, finance leaders are concerned about the risk implications of AI: 63% of respondents said that they "have concerns about the risks of using AI in finance and reporting, from security threats to regulatory risk". And, matters have not improved when compared with the 64% of respondents who said the same in the 2019 research.[3] At the same time, many respondents do not have complete trust in the output of these systems: 47% said that "the quality of the finance data produced by AI cannot be trusted in the same way as data from our usual finance systems". While this is an improvement from 2019, when more respondents (55%) felt they could not trust AI outputs in the same way as existing finance system outputs, it is still close to half of respondents who are still unsure.

It is clear that a lack of trust in AI outputs is an issue for a number of respondents. However, these reservations could be more of a reflection of the lack of understanding of how these systems work. An alternative view is that AI and machine learning can potentially increase the credibility and accuracy of insights rather than detract from them. This rigor is due to the fact that they arrive at conclusions based on a larger number of data sets, rather than an

Figure 3. AI is outrunning the development of ethical, governance and regulatory frameworks

Question: Thinking about the challenges to trusting in the data outputs of AI systems, please state whether you agree or disagree with the following statements



[3] Does corporate reporting need a culture shock? Meeting the transparency expectations of investors and other stakeholders, EY, 2019.

individual probing a single set of data and potentially introducing their own biases into the equation. It is therefore likely that smart machines could actually undertake data-driven tasks with greater accuracy, consistency and time efficiency than humans.

2. Transforming the finance and reporting operating model

The research shows that finance leaders anticipate their function to look very different in the future, with a major shift to a smarter, more open finance operating model: 53% of respondents think it is "likely" that more than half of the finance and reporting tasks currently performed by people will be performed by bots over the next three years, with 24% thinking it is "very likely". Similarly, 54% think it is "likely" that blockchain-based systems will underpin finance (28% think it is "very likely"). As finance leaders look to reinvent the finance operating model for the future, there are a number of priorities:

Priority one: define a provider or managed services strategy to achieve transformational goals. As the research has demonstrated, finance teams face significant complexity and business-as-usual demands. This means they could struggle to meet new demands and challenges because of the distraction and weight of legacy responsibilities and complexities, the likely requirement to transform finance technology, and the challenges of finding the right talent to deliver against new mandates. Rather than outsourcing – which tends to be cost-focused – managed services offers access to deep domain subject matter professionals in finance as well as state-of-the-art technology. In the next-generation operating model, many process-driven, regulatory and other reporting activities could potentially not be handled in-house, but be taken on by subject matter professionals and accredited providers. This is a strategy focused on quality rather than cost. Finance teams gain access to IP and advanced technologies, and the finance team can then focus their time on key value creation and business provider activities.

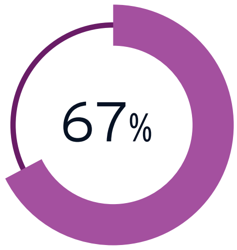
Priority two: tackling legacy IT and taking finance and reporting into the "cloud". For many finance functions, legacy IT infrastructure can be a burden. It can often be too expensive to overhaul, but also costly to maintain. Continued upgrades to the infrastructure could make it difficult to keep up with current demands, making it time-consuming for the finance function to do its job and add value. In particular, meeting increased demands for data insight will likely require an accelerated transformation of finance systems. The research asked finance leaders to identify which technologies they were particularly focused on for accelerated adoption over the next 12 months. They were also asked to identify which technologies would be the primary focus of investment over the next three years. Regardless of the near- or long-term horizon – in terms of accelerated adoption or investment focus – "cloud" solutions were the primary focus, with advanced analytics and AI also major priorities. The overall focus on a triad of "cloud" solutions, analytics and AI makes sense, as the technologies are closely inter-related. The "cloud" represents more than just space for high volumes of data. AI involves huge processing capabilities and the "cloud" is the infrastructure that makes it possible. AI, in turn, then plays a critical role in advanced analytics, allowing finance to derive insights by simulating aspects of human intelligence and analyzing vast amounts of data.

3. Rethinking leadership roles

In the future, CFOs and financial controllers recognize their roles are likely to evolve significantly:

- Two-thirds (67%) of respondents said that "CFOs will spend less time on traditional finance responsibilities and more time on driving enterprise-wide digital transformation and growth."
- Two-thirds (66%) of respondents said that "financial controllers will increasingly take on more of the CFO's finance responsibilities, as CFOs focus on new mandates."

The 2020 EY DNA of the CFO survey identified that this will likely require significant changes to the responsibilities and skills of the CFO role to succeed. Building strong relationships with fellow C-suite leaders will likely be an important success factor, but the DNA of the CFO study found significant concerns about the current state of these relationships. For example, 52% of respondents reported limited or no collaboration with the chief human resources officer (CHRO).[4]



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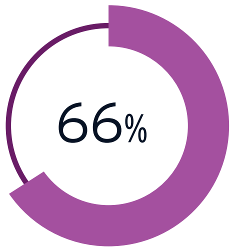

Two-thirds of respondents said "financial controllers will increasingly take on more of the CFO's finance responsibilities, as CFOs focus on new mandates."

[4]How can the CFO evolve today to reframe finance for tomorrow?, EY, 2020.

Meeting increased demands for data insight is likely to require an accelerated transformation of finance systems that integrates trusted technologies including “cloud” solutions, analytics and AI

The way forward

Finance should look to play a central role in instilling discipline into nonfinancial reporting processes and controls to build confidence and trust

There are three action areas that will likely be important to providing a new future and continued relevance for finance and corporate reporting:

Accelerating the digitization of finance and building trust into AI and other smart technologies

For many finance functions, the COVID-19 pandemic-induced move to a virtual operating model has accelerated the digitization of the function and shown the way forward to a more agile, machine-powered future where digitally-savvy people and smart machines provide the reporting insight that stakeholders want. However, the research has also shown that building trust into finance technologies, particularly AI, will likely be critical. This is because the survey shows there is still some concern on the part of finance leaders about introducing new risks with these systems, and there are some who are not yet prepared to trust the outputs of machine intelligence. As a starting point, finance leaders should build a clear picture of the new risks that could emerge in an AI-powered finance function, from whether algorithms reflect any biases that could skew results, to legal risks and liabilities. To build trust in AI, finance leaders should define a clear approach to governance and ethics. Ethical principles around the transparency of AI should be codified, lines of accountability should be formalized, and policies and procedures put in place for regular reviews and ongoing risk assessments. Ensuring finance employees have the resources and training required to use these systems appropriately will likely be important, as well as consulting with policymakers to understand how emerging ethical principles could influence AI regulatory developments.

Putting finance at the heart of sustainability and ESG reporting

As sustainability and ESG reporting become ever more important to how organizations measure and communicate value creation, the success of nonfinancial reporting is likely to depend on how relevant it is to stakeholders, how trusted and credible it is, and how clear the link is between financial and nonfinancial information. This begins with finance engaging with, and understanding, the needs of stakeholders – particularly investors – and translating that into relevant and material metrics and disclosures. Finance should look to play a central role in instilling discipline into nonfinancial reporting processes and controls to build confidence and trust. Establishing effective governance practices – and seeking independent assurance over nonfinancial processes, controls and data outputs – will likely help to build trust and transparency with stakeholders. CFOs and financial controllers – whose teams have extensive experience in establishing processes, controls, and assurance of financial information – can bring their financial leading practices and experience to bear on sustainability and ESG reporting.

Defining a talent strategy that focuses on reskilling employees for a very different future

Like many functions, finance faces a significant skills gap in terms of the people and experience it is likely to require to provide the new future for reporting. Finance leaders should therefore take an assertive and innovative approach to reskilling their people, to equip them with the capabilities they are likely to require in the future finance function. In a market where many finance functions could be chasing the same sorts of skills, and where demand will likely outstrip supply, it is increasingly necessary – and even cost-effective – to future-proof core elements of the current finance workforce. Important actions could include undertaking a gap assessment of existing staff skillsets and developing new incentives to encourage the finance workforce to learn new skills. But as well as a leading learning experience, finance leaders should look to develop a culture of continuous learning. This is because in an environment where skills should keep pace with developments in technology, finance people should look to have the desire and ability to grow and adapt their skills to that environment.

Key findings by market

Combining data and enhanced human insight through technology to reveal the full potential of corporate reporting

	Finance teams are increasingly expected to measure and communicate how the company creates long-term value for investors and other stakeholders	CFOs and senior finance leaders are increasingly seen by key stakeholders as the stewards of long-term value	There is significant value for the organization that is not measured or communicated using traditional financial KPIs, such as brand value and human capital	Developments in AI move so quickly that governance and controls will need to be much more agile
Global	72%	69%	65%	69%
Australia	73%	70%	65%	65%
Belgium	58%	53%	45%	70%
Brazil	85%	83%	71%	56%
Canada	65%	60%	70%	68%
China Mainland	78%	71%	73%	61%
Denmark	63%	63%	45%	80%
France	70%	78%	60%	75%
Germany	63%	70%	58%	70%
Hong Kong SAR	70%	65%	63%	68%
India	85%	88%	78%	63%
Italy	80%	73%	63%	78%
Japan	70%	68%	53%	70%
Mexico	98%	88%	83%	58%
Netherlands	48%	58%	53%	68%
Norway	60%	43%	53%	63%
Poland	78%	78%	73%	68%
Russia	75%	70%	85%	73%
Saudi Arabia	75%	79%	54%	75%
Singapore	85%	68%	63%	70%
South Africa	88%	80%	63%	45%
South Korea	63%	65%	53%	70%
Spain	78%	75%	83%	50%
Sweden	48%	55%	65%	78%
UAE	75%	75%	75%	63%
UK	71%	61%	68%	66%
US	80%	78%	78%	53%

Governance, controls and ethical frameworks still need to be developed and refined for AI	We have concerns about the risks of using AI in finance and reporting, from security threats to regulatory risk	Audit Committees will play an increasing role in understanding a business's exposure to technology-driven disruption and developing response strategies	CFOs will spend less time on traditional finance responsibilities and more time on driving enterprise-wide digital transformation and growth	Financial controllers will increasingly take on more of the CFO's finance responsibilities, as CFOs focus on new mandates
68%	63%	68%	67%	66%
60%	75%	73%	68%	63%
73%	58%	55%	53%	60%
68%	63%	83%	66%	78%
80%	65%	75%	73%	60%
68%	81%	68%	81%	66%
78%	83%	63%	65%	48%
65%	75%	60%	63%	63%
58%	68%	73%	55%	70%
68%	70%	65%	65%	65%
63%	54%	78%	76%	81%
70%	83%	65%	68%	75%
75%	73%	63%	68%	58%
60%	55%	85%	70%	85%
75%	73%	58%	60%	48%
60%	68%	50%	53%	53%
60%	60%	65%	73%	80%
70%	65%	63%	88%	73%
67%	67%	75%	54%	71%
73%	75%	80%	73%	75%
55%	53%	85%	78%	60%
78%	90%	50%	70%	55%
65%	68%	88%	65%	78%
80%	60%	55%	53%	48%
56%	63%	69%	63%	81%
76%	76%	71%	66%	61%
68%	65%	65%	63%	65%

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