

A photograph of a workspace featuring a laptop, a smartphone, and a pair of glasses. The laptop screen shows a financial dashboard with a line chart and a bar chart. The smartphone is white with a black screen. The glasses are black-rimmed. The background is a plain, light-colored surface.

The Accountant As A Strategic Business Advisor

Key Trends 2020



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Introduction

2020 has been a year of unprecedented challenges to finance teams across the world. As the status of the pandemic continues to lead to huge uncertainty, finance teams need to be able to scenario plan and make quick whilst informed decisions. It is more important than ever to get the margins right in a business to improve performance, identify efficiencies and reduce costs. Companies are taking a strategic and forensic view of the business amid a fast changing and unpredictable market, examining every cost and calculating cash burn. During such uncertain and challenging times, never has it been more important to have a robust finance function regardless of the size or complexity of an organisation.

Traditionally a lot of finance activity has focused on reporting historic financial data. The finance function of the future needs to be a strategic business partner, with a forward-looking approach, delivering valuable business insights to aid decision-making. However according to a new ACCA-PwC report (October 2020), only 32% of Irish finance professionals reported that their finance function truly operates as a strategic business function, highlighting a key gap in terms of skillsets as well as an appetite to embrace the new more strategically focused ambitions of the finance function.

At Mason Alexander we have seen client requirements adapting to the uncertainties presented by COVID-19 as well as to the impact of the continued digital disruption. There is an increased demand for commercially astute accountants, with excellent analytical skills, including SQL and VBA, who can analyse performance, identify and understand trends through financial models and analysis. This has been driven by the sheer amount of data and unprecedented technological innovation – for instance according to a 2020 study by Deloitte, 90% of the world's data was created in the last two years alone. As technology continues to automate the finance team, we are seeing an increasing demand for qualified accountants who can code or are familiar with BI tools as well as knowledge of SQL, R, Python and VBA. The insights produced by technology enable businesses to evolve. Businesses that fail to embrace technology and change could quickly find themselves losing market share and falling behind competitors. This technology does not mean the accountant's role will become redundant, but rather that it needs to adapt.

Increased Automation

According to research done by Wolters Kluwer in 2019, 86% of accounting tasks can be automated using technology that currently exists and which continues to grow utilising AI and cloud computing. By automating processes within a finance team, the cost saving capability for a business is compelling. Taking the manual tasks away from an accountant frees them up to focus on more value-add activities, leaving technology to complete manual and repetitive tasks, speeding up month-end cycles, as well as making the information more accurate. Areas where we see more significant optimisation are transaction processing, management reporting and analysis, financial and regulatory reporting and even planning and forecasting.

Data & Predictive Analytics

Not exactly a new phenomenon but there has been a growing focus on data analytics within finance teams. Accountants use data analytics to help the organisation uncover valuable insights, identify process improvements as well as increase efficiency and manage risks better.

At Mason Alexander we have seen an increasing trend in the demand for predictive analytics skills from our clients which is another key growth area. Predictive analytics is the use of data and statistical algorithms to predict the probability of future outcomes based on historical information. By the end of 2020 the predictive analytics market is expected to reach \$3.6 billion, according to Global Industry Analysts, Inc. The potential for predictive analytics is growing and can enhance a variety of finance processes, making it possible for finance teams to not only forecast revenue more accurately but to anticipate future demand for products. The expectation is that many finance teams will be using some form of predictive analytics as it will be embedded in their organisation's software applications.

Soft Skills

While technology has caused huge disruption to the labour market, innovations such as artificial intelligence, automation and robotics will never be able to replace our human side. Increasingly soft skills are becoming more important with the movement from compliance to advisory, even more so during such uncertain times where emotional intelligence is a key skill in leading teams.

Accountants today and leaders of the future need to be techsavvy, commercially aware and to realise the importance of honing their soft skills. Skills like critical thinking, negotiation, empathy and problem-solving are true traits of leadership.

Emotional empathy is key for a finance leader to successfully drive digital strategies and change management initiatives across an organisation, helping to understand people's attitudes to change and to encourage buy-in from stakeholders, bringing them on the journey. Those with collaborative capacity with multiple stakeholders will excel in a volatile environment.



The Accountant as a Strategic Advisor

Technology is disrupting the way we work by focusing the human workforce on more value-add activities, rather than the manual and repetitive tasks. The accountant's work is shifting from a focus from compliance to advisory, freeing up their time to act as business partners, focusing on business growth and strategy. The modern accountant needs to be able to think laterally and creatively, interpreting financial information and offering insights and recommendations to aid decision-making and problem-solving.

Remote Working

The shift to flexible working hours and remote working was catapulted by the onset of the pandemic. Generally, feedback has been positive in how employers have adapted to working from home arrangements, and a hybrid of office and remote working seems to be most appealing to employees looking beyond the short term. We expect to see working from home and flexible working hours becoming much more prevalent on a company's list of employee benefits. Highly valued by employees, it certainly has been a common question we have been asked by candidates embarking on a job search during 2020 and we expect this trend to continue. Companies who fail to embrace flexible working arrangements risk finding themselves struggling to attract and retain talent.

There are some drawbacks of working from home, especially during the pandemic. Employers need to focus on employee well-being, including encouraging time away, being supportive and offering flexibility, meeting people's individual needs. Many people are working longer hours while working from home and often struggle to separate work from personal time. Working from home during a pandemic does create extra challenges on an emotional, physical and mental level and employers need to offer support and initiatives which are tailored to remote working including candidate on-boarding and ongoing candidate engagement.

It is a challenging time to join a new organisation and employers need to ensure they keep communication lines open, offer a lot of support and maintain high levels of engagement with new employees as some candidates who have on-boarded during the pandemic have had difficulty settling into their new role, sometimes feeling isolated and disengaged.



Conclusion

With 2021 looking as uncertain as 2020 due to the combined risk of ongoing COVID-19, restrictions and a no-deal Brexit, finance teams will continue to face frequent changes in plans and strategies. Such a volatile market requires constant attention, with the need for strategies that anticipate an evolving landscape so finance teams will need to be agile and decisive with a strong, steady leader in place to navigate through such demanding times. We expect to see the continued acceptance of remote working and flexible working hours becoming engrained in working culture beyond COVID-19 and coupled with this a growing demand from employees seeking this out as a key priority when embarking on a career search.

Technology will continue to disrupt the finance industry, leading to changes in the work that is done and the workforce that is needed to continue to add value. The area of analytics and coding will become increasingly visible on job descriptions driving a need to add the right people with the right skills to complement new technologies. Candidates who embrace technology and new approaches but who have strong emotional intelligence, problem-solving and critical-thinking skills will fare well in tomorrow's market.



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