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As the pandemic hit the world, CFOs had to suddenly deal not only with topics related to finance but also with some brand new challenges regarding the future of work.

PwC CFO Survey 2021

PwC CEE CFO Community Talks

Future of Finance

7. 12. 2021



In cooperation with



Welcome



Olga Řehořková
Director PwC Czech Republic
Future of Finance Leader



Joga Singh
Partner PwC United Kingdom
CMAAS Global Leader



Vladěk Šlezinger
VP, Chief Executive Officer
ATOS IT Solutions and Services



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Head of Markets ACCA
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Monica Movileanu
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Clive Webb
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György Geiszl
Global Controller at Diageo



Péter Biczó
Partner PwC Hungary



Tomáš Kuča
Partner PwC Czech Republic
CEE Risk Assurance Leader



Michal Stránský
Partner PwC Czech Republic

Agenda

1 CEE CFO Insight Survey Highlights

Joga Singh

Partner PwC United Kingdom, CMAAS Global Leader

2 Keynote speech: Global IT trends and its Relevance to Finance

Vladek Šlezinger

VP, Chief Executive Officer, ATOS IT Solutions and Services

3 PwC CEE CFO Insight Survey Results

Olga Řehořková

Director PwC Czech Republic, Future of Finance Leader

Viera Kučerová

Head of Markets Czech Republic, Slovakia & Hungary ACCA

Monica Movileanu

Partner PwC Romania, CEE Future of Finance Leader

4 People in Finance

Clive Webb

Senior Insights Manager, CFO Agenda Global Leader ACCA

5 Finance Transformation and Process Automation

György Geiszl, Global Controller Diageo

Péter Biczó, Partner, PwC Hungary

6 How to make life hassle free with Planning & Reporting tools

Tomáš Kuča, Partner PwC Czech Republic,
CEE Risk Assurance Leader

Michal Stránský, Partner PwC Czech Republic

7 Final Q&A session Wrap up

CEE CFO Insight Survey Highlights



Joga Singh

Partner PwC United Kingdom
CMAAS Global Leader

Our point of view

Takeaway #1

Covid-19 stressed the importance of the Finance transformation.



“Automation is expected to be the biggest challenge in upcoming year for almost 70% of CFOs.”

Takeaway #2

Covid-19 revealed the weak spots where companies and their back offices are vulnerable.



“Shortage of skilled professionals is viewed by majority of CFOs as the risk preventing them from achieving their goals.”

Takeaway #3

Covid-19 showed that companies that were well advanced in the transformation journey adapted more quickly and had supported C-office with more relevant forward looking information during the crises management situation.

Global IT Trends and its Relevance to Finance



Vladek Šlezinger

VP, Chief Executive Officer
ATOS IT Solutions
and Services

Global Technology Trends after the Covid 19 Crisis

Vladek Šlezingr

07-12-2021

The World After the COVID 19 Crisis and its Impact on the Technology Trends – Digital, Decarbonized and Data Driven World

Technology and its role within our [lives is evolving at speed](#). As society is shaken by major external events, it becomes ever more important to understand and anticipate the world of tomorrow.

This presentation anticipates selected aspects of what the [world will look like after the COVID-19 crisis](#), since some deep and long-lasting changes are expected building up a “new normal”:

- Remote collaborative work will be a new social norm; those who were hostile to it will have to adapt quickly.
- Cybersecurity is going to be even more critical since vulnerabilities are increasing.
- Traceability will also become a major issue and Internet of Things and Blockchain technologies could play an even more prominent role .
- Supply chains will be strongly reshaped in the coming years, both in the physical world and in the data world, with digital sovereignty gaining considerable relevance.
- Finally, the logic of decarbonization in all production processes, including digital, will sharply accelerate.

Designing, developing and [delivering the secure and decarbonized digital solutions](#) that will keep your business successful and sustainable in a changing world.”

Complete digitalization

An obvious result of the crisis is that companies need to **accelerate and mature** their digitalization, and to master business continuity and flexibility. This includes digital platforms, automation, workspace aspects and much more.

- Redefinition of purpose and strategy
- Accelerating the transition to the Cloud
- From physical to virtual
- Enabling true data intelligence
- Enabling true knowledge management and collective intelligence

Since humour often reveals uncomfortable truths, here is a bit of recent Internet humour to finalize this section...



Artificial Intelligence, Data Analytics and Machine Learning

Data availability, governance models and data analytics play **crucial role** in AI-ML success.

In the **B2C arena**, digital giants have had access to huge amounts of personal data from billions of users to train their models and populate their platforms (Google, Amazon, Apple, Facebook...).

In the B2B arena, digital giants do not have such easy and gratis access to industrial data, which is kept absolutely secret by most clients.

AI-ML can support countless business use cases:

- Tracing people's flows for traceability of epidemics and support actions
- Building and communicating solid statistical models (epidemiology, financial markets, buying behaviours etc.)
- Detecting fraud, detecting adverse events as they start to happen (early warning)
- Enabling biometrics (facial, voice or iris recognition)
- Translating texts and information to the language of the user...and vice versa
- Chatbots, virtual assistants....

While many AI-ML models offer great results and even greater potential **Ethics** are and will continued to be an open issue, which will need to be addressed in every effort.

Cybersecurity and Fraud Management – Opportunity and Risk

The process of digitalization is providing great tools to security professionals, but it has also augmented the surface attack and the cheap access of powerful technology to [cybercriminals](#).

Unfortunately, disruptions such as the present COVID-19 emergency have been accompanied by surges in [cybercriminal activity](#) – sometimes even targeted against those fighting in the frontline (hospitals) or those more vulnerable (elderly).

As technology becomes cheaper and better, and the incentives increase (inequality, unemployment, etc.), we foresee a [growth in fraud](#) – both organized and individual.

[Fraud management](#) is going to require a multidisciplinary approach and a broad range of possible solutions:

- Digital identity and Access Management
- Traceability
- Digital currencies
- Artificial Intelligence-Machine Learning (AI-ML),
- Biometrics, etc.

Cybersecurity is in a [difficult but promising](#) moment. It has many technologies at its disposal but at the same time [resources are scarce](#), and there is high dependence on them to effectively practice cybersecurity by design, and to enforce corporate security strategy and plans.

Transitioning from Workplace to Workspace Mindset

Most emergency actions at the start of the COVID-19 aimed to guarantee the **connectivity of people and their access to collaboration tools**. Of course, this was essential, but during confinement other **underlying problems** are starting to be revealed.

People are tempted to resort to popular digital tools that may do the job, but often **fail to meet the security and privacy standards** of the organization.

In summary, remote working is perceived as a front office matter, but once this layer is solved, many issues emerge at the **back-office layer**.

The transformational focus should be on achieving **digital maturity** and transitioning from a workplace to a **workspace mindset**.

Companies are likely to emerge from the crisis with their basic needs covered, but much more will be necessary:

- Cultural, change and process management
- Effective digital tools
- Workplace design
- Intelligent automation to enhance satisfaction and reduce costs – invoicing, ticket management, call centers etc.
- Smart collaboration tools – projects, works groups, knowledge management, booking...etc.
- Unified communications

Conclusions

In this presentation we focused only on **selected trends** that will be increasingly affecting our day to day business and personal lives, however the world of technology of course offers much more broad portfolio of trends – IoT, Quantum and Cognitive computing, Automation, Digital Twins, Cloud, Blockchain, Digital Currencies, Autonomy vehicles, 3D Printing and many others...

We face a very challenging situation, probably leading to a new world, but with ample room for **opportunity and change**.

Since the crisis will trigger deep and lasting changes, we must focus on **transformational actions**; those that will enable organizations to have an even **stronger position** in the new post-crisis world. In general, organizations need to pass the inflection point from legacy focus to new business focus.

Agility and flexibility will derive from **data-centricity**, **lighter processes** and high levels of **intelligent automation**.

Digital platforms and ecosystems must be a priority, since they will be the lever for that transition from legacy to **digital focus**.

Thank you!

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The Atos logo is displayed in a white, bold, sans-serif font. The letters 'A', 't', 'o', and 'S' are connected, with the 't' and 'o' sharing a vertical stem. The 'S' is slightly larger and more prominent than the other letters.

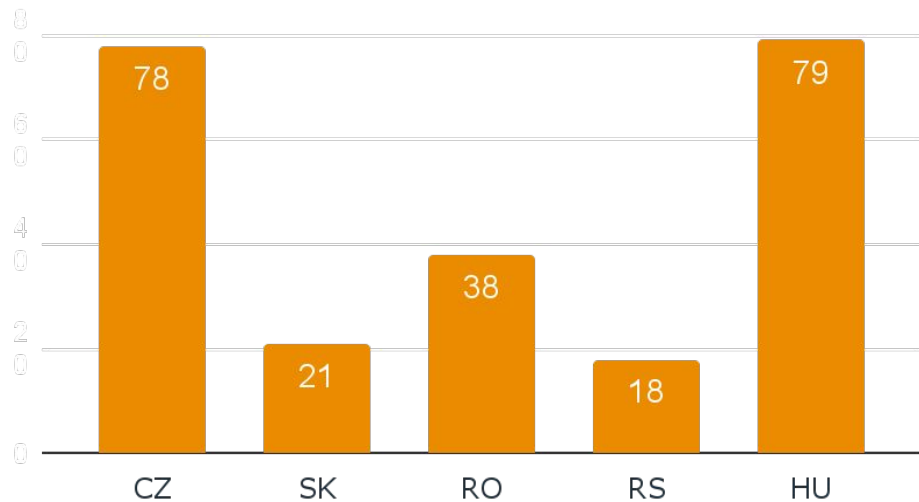
About the CEE CFO Insight Survey



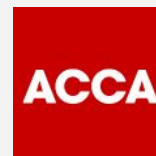
Olga Řehořková

Director PwC Czech Republic
Future of Finance Leader

CFO Insight Survey



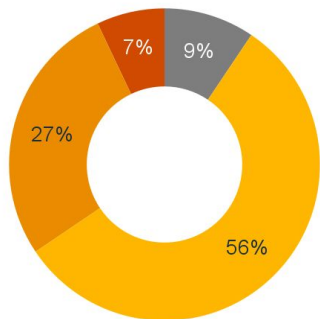
- **In cooperation** with ACCA
- **5 CEE countries** covered
- **234 CFOs** responses
- Conducted in **July–October 2021**



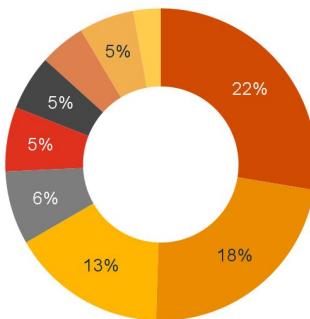
Think Ahead

Our respondents

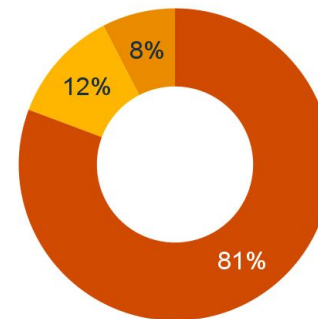
Company turnover



Industry



Number of people in Finance team



- 5-15 mil. EUR
- 15-100 mil. EUR
- 100-500 mil. EUR
- 500 mil. EUR +

- Manufacturing
- Distribution and consumer goods
- Industrial products
- Energy & services
- Pharma & healthcare
- Banks / Insurance / Asset management
- Business services
- Construction
- Media & entertainment

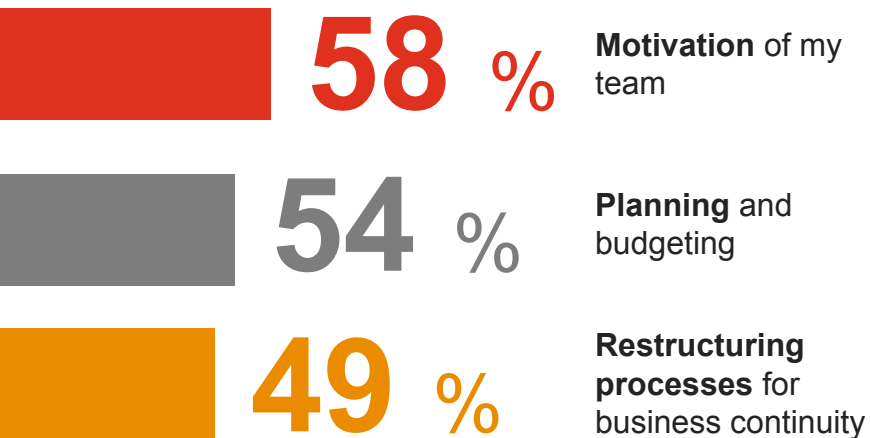
- Under 5
- 6-10
- Over 10

Challenges and Risks in Finance

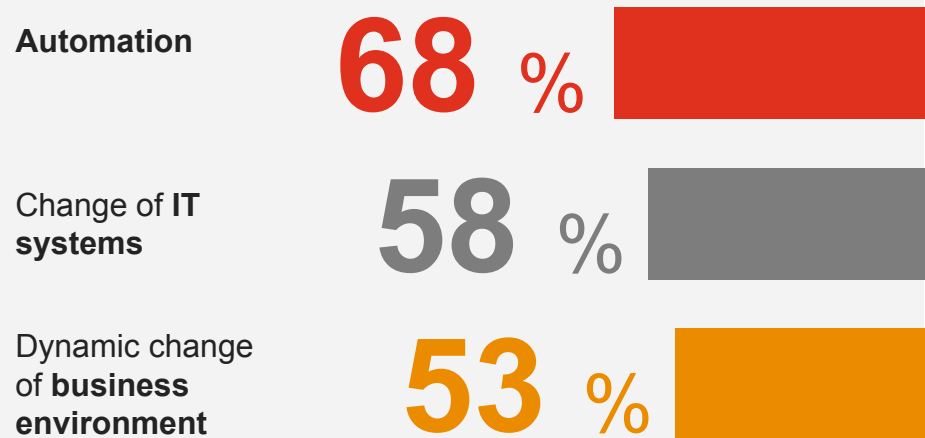
The background is a solid yellow color. In the top-left corner, there is a dark orange triangle. In the top-right corner, there is a dark orange curved shape. In the bottom-left corner, there is a bar chart with three orange bars of decreasing height. In the bottom-right corner, there is a complex geometric composition of overlapping shapes in orange, yellow, and red, including a dark blue semi-circle and several triangles.

Biggest CFO challenges

3 biggest challenges for CFOs PAST YEAR



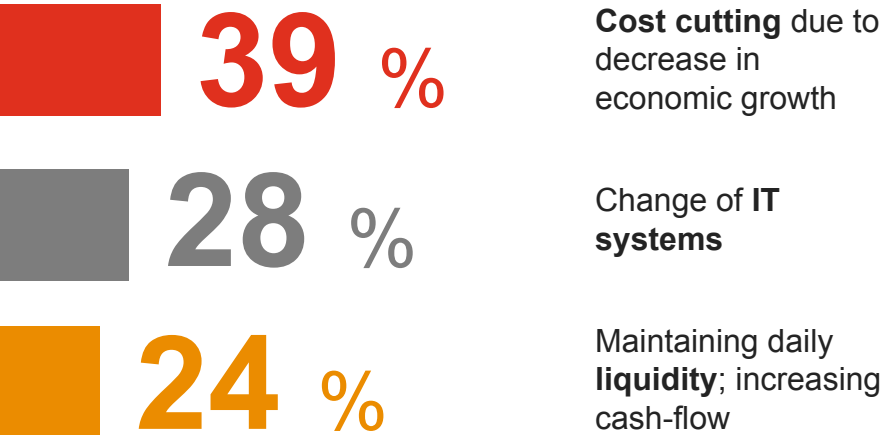
3 biggest challenges for CFO FUTURE



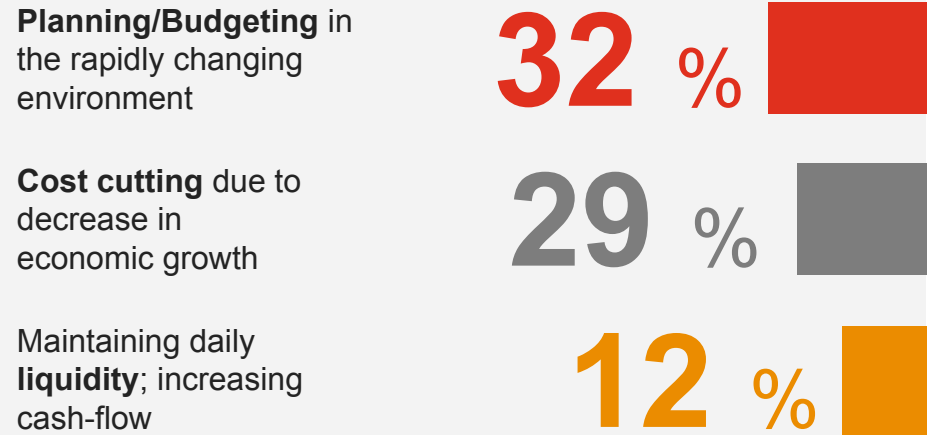
What were the three biggest challenges in past and upcoming year?

Least CFO challenges

3 the least important challenges for CFOs PAST YEAR



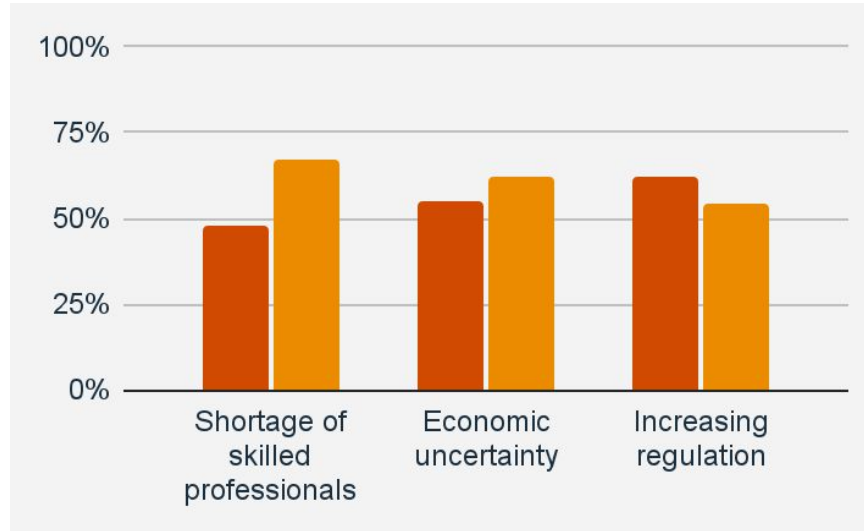
3 the least important challenges for CFOs FUTURE



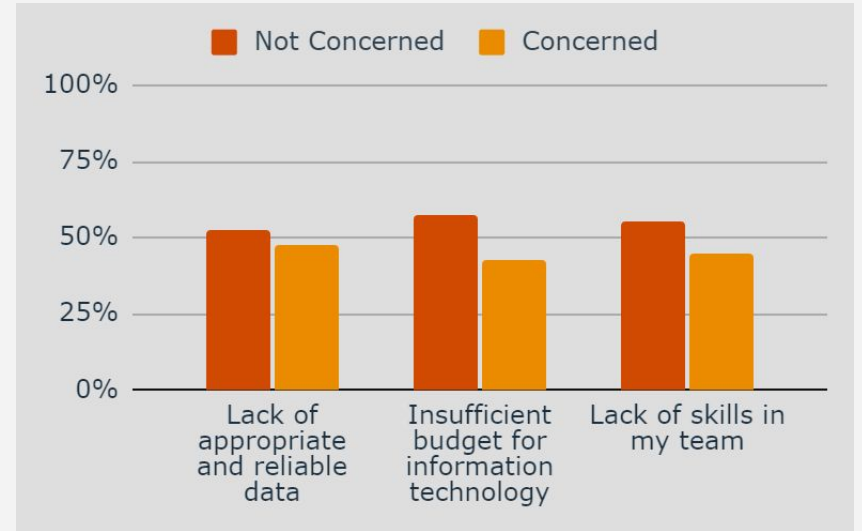
What were the three least important challenges in past and upcoming year?

Possible risks

Risks CFOs are most concerned about



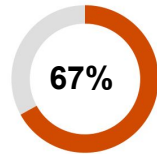
Risks CFOs are least concerned about



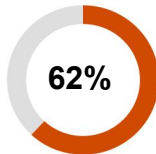
Possible risks

Mostly concerned

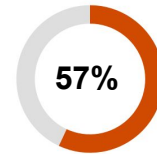
Shortage of skilled professionals



Economic uncertainty

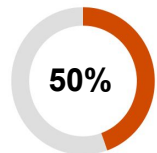


Increasing regulation

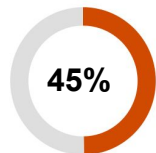


Least concerned

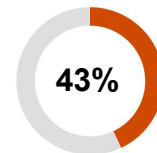
Insufficient budget for information technology



Lack of skills in my team



Lack of appropriate and reliable data



”

How decisive the next year will be can also be seen that the biggest obstacle to development scarcity resources available for development projects are held by CFOs. This is also important because the second highest risk is still the uncertain economic environment. That is, it must change the way scarce resources are used in an uncertain, dynamically changing business environment to find the highest value creative solution.

People



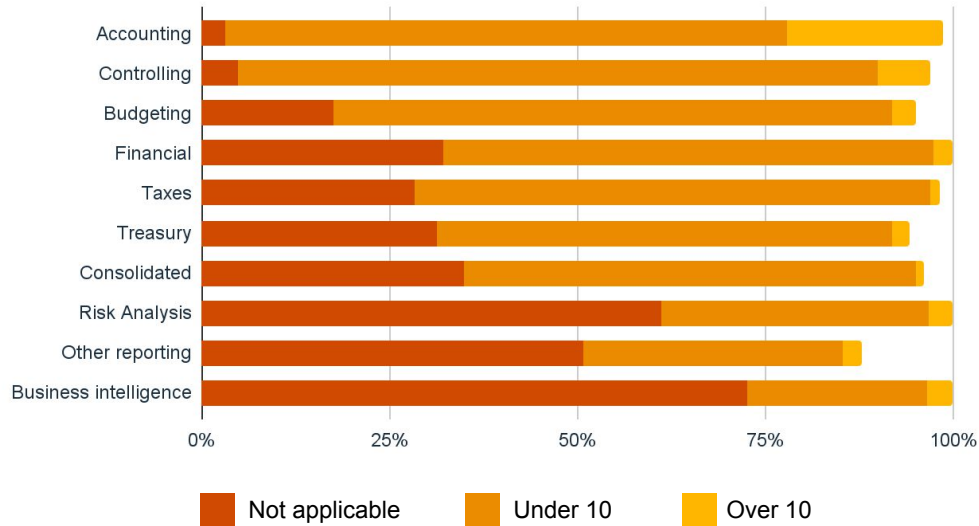
Viera Kučerová

Head of markets ACCA
Czech Republic, Slovakia
and Hungary

Finance Team



Q: How many people work in different financial teams



80%

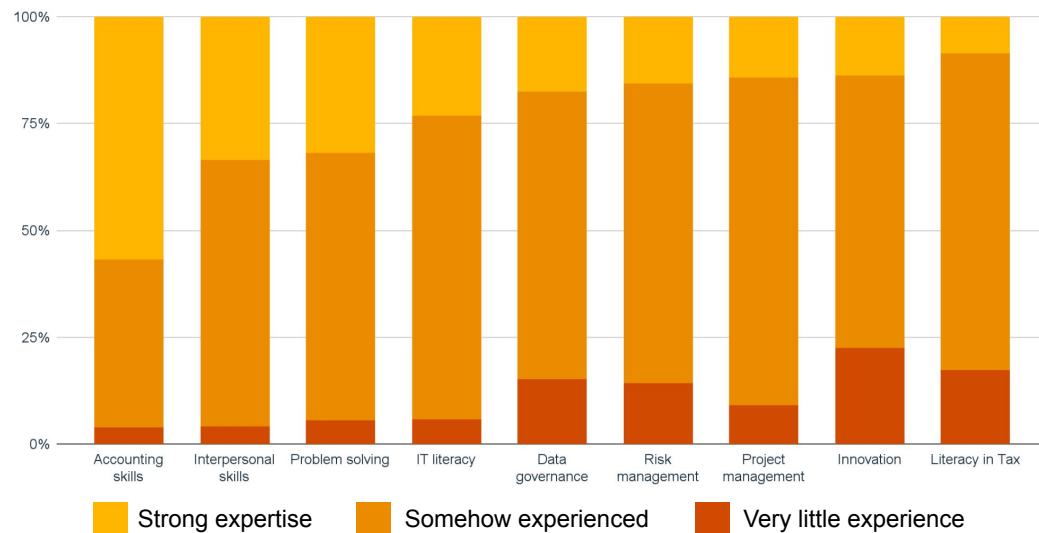
“Financial, accounting and controlling teams are established in around 80 % of companies.”

30%

“Less than 30 % of our respondents have BI or reporting teams set”

Competencies in Finance team

Q: Evaluation of competencies of your finance team



“Innovation and tax literacy are the least experienced teams in the Companies according to CFOs”

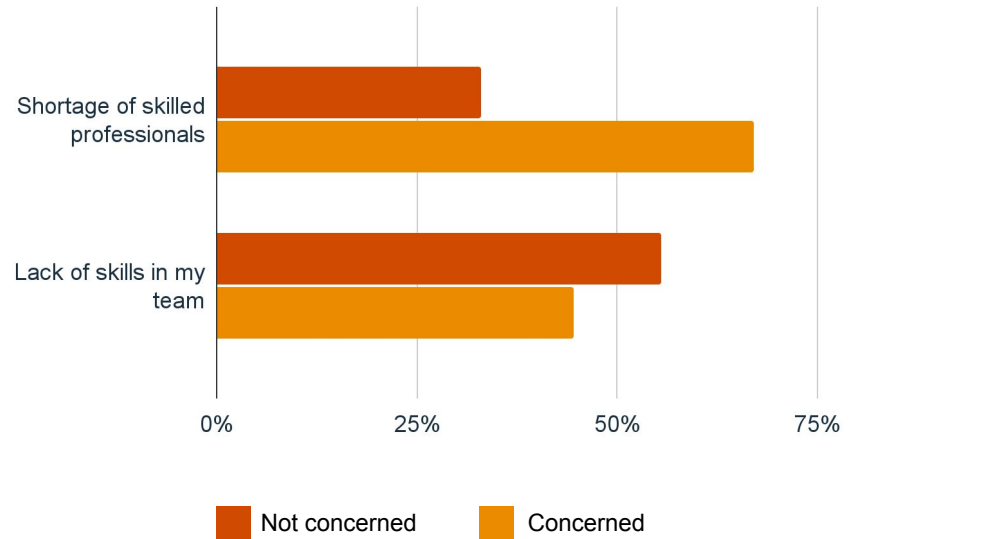
57%

Of CFOs is confident about his/her finance team’s accounting technical skills

Risks regarding employees



Q: How concerned are you about the following risks?



5,5/10

Of CFOs **are not** concerned about the lack of skills in his/her team

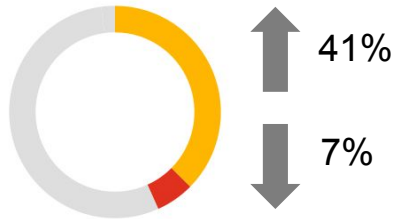
67%

Of CFOs **are** concerned about the shortage of skilled professionals

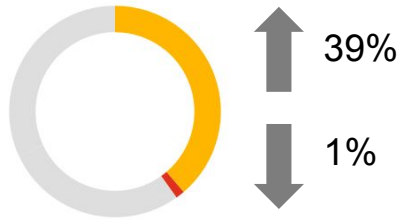
Finance team future roles

Q: How will the number of operations change in next 3 years?

Controlling



Business Intelligence



Managerial accounting



Decrease

Increase

”

Around **40%** of CFOs do believe that the number of operations is set to increase by 40% in the following areas:

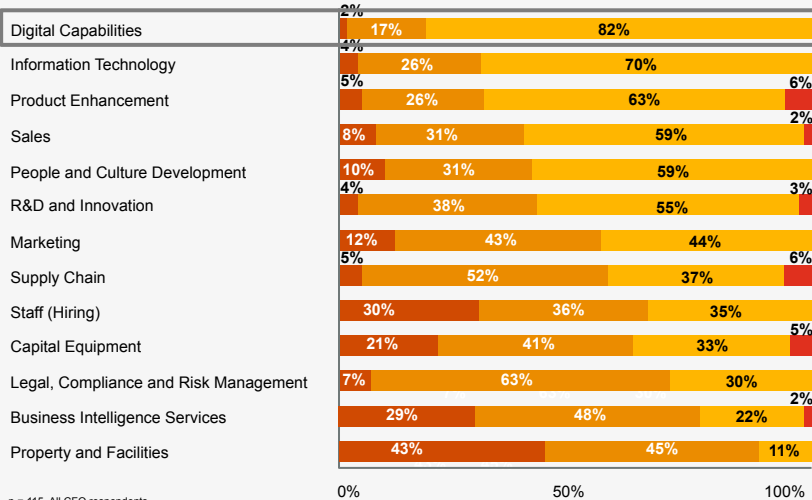
1. Controlling
2. Mgmt Accounting
3. Business Intelligence

Gartner's report

Investments in Finance team

Figure 4. Investment Change in FY21 Versus FY20

Will Decrease Investment No Change Will Increase Investment Not Applicable



n = 115, All CFO respondents
 Q: Compared to fiscal year 2020, how will your organization's investments in the following business areas change in fiscal year 2021?
 Source: 2021 Gartner CEO and Senior Business Executive Survey. Note: Percentages may not add up to 100% because of rounding.

“Gartner’s report confirmed PwC results in respect of investments needed in finance teams to enhance digital skills and investments in “IT platforms”

82%

Of companies are going to increase investments into digital capabilities next year according Gartner research

Source: The Gartner CEO Survey: The CFO Perspective, 2021

Processes and Technologies

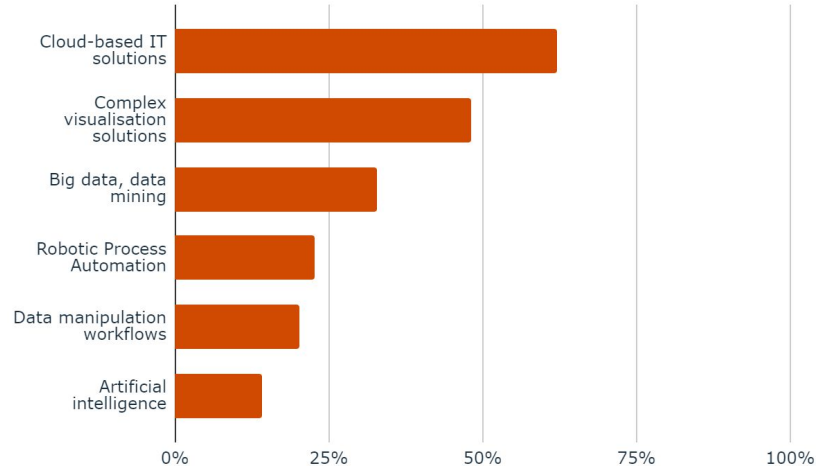


Monica Movileanu

Partner PwC Romania
Future of Finance CEE Leader

Technologies used in Accounting & Finance

Q: Which of the activities regarding new technologies were performed in your company?



”

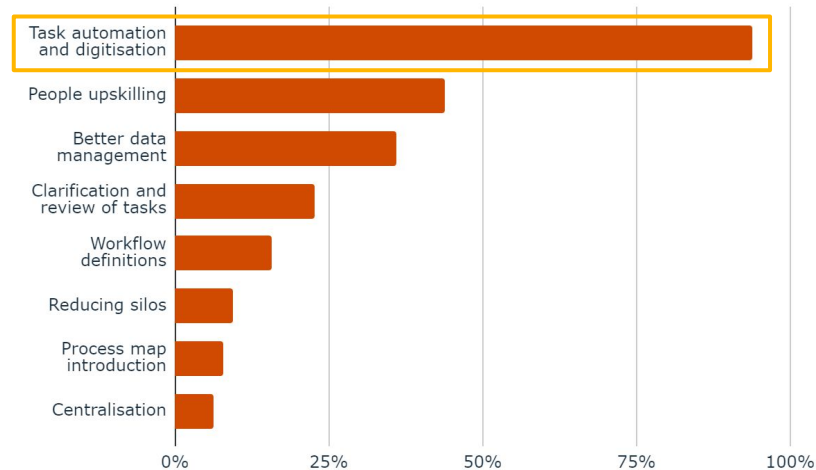
Not surprisingly the biggest potential in the technologies not used is related to emerging technologies regarding AI, RPA or workflow optimization.

62%

Cloud based IT solutions are the most common in terms of “new technologies”

Potential areas for the improvements in Finance processes

Q: How could finance processes be best improved in your organizations?



”

Task automation and digitisation and people upskilling is on the top of CFO agenda.

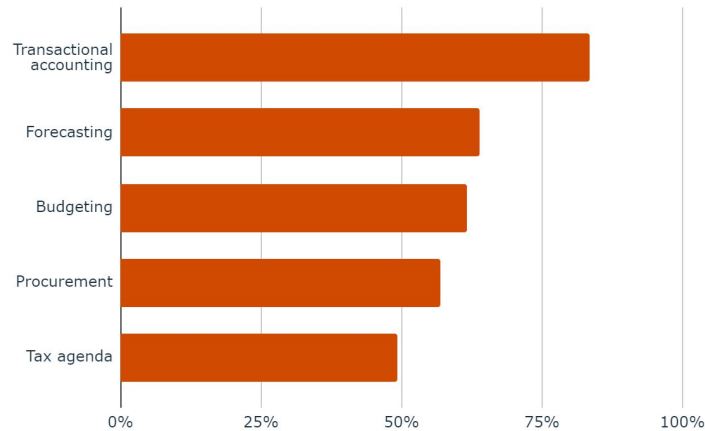
94%

Of CFOs do believe that task automation and digitisation could improve the finance processes in their organization.

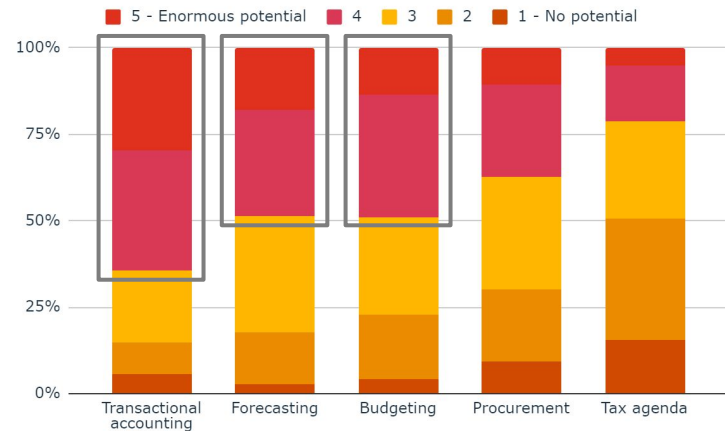
Potential areas for the improvements in Finance processes

Q: What potential for task automation do you see in following areas?

Already automated to certain extend

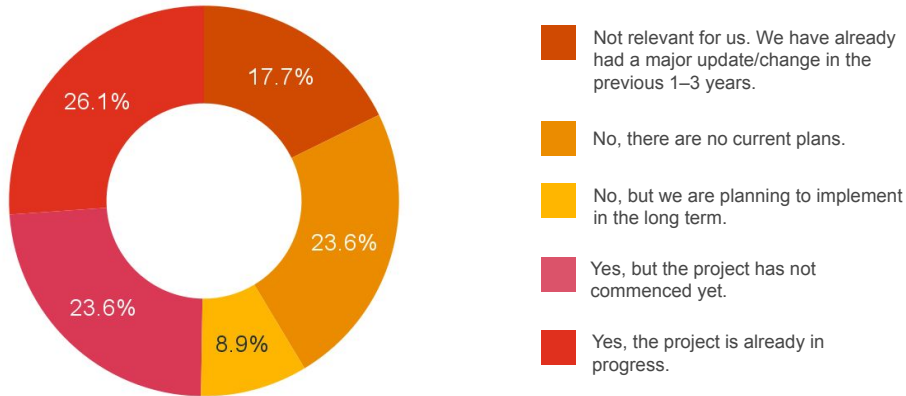


Potential for improvement



Modern ERP systems

Implementation of modern ERP systems (e.g. S/4 HANA, ...)



4.6/10

Almost half of the firms have had some kind of ERP system update in the previous 1–3 years or are currently undergoing an implementation.

23%

Of CFOs are not even considering the implementation of such solutions.

Performance



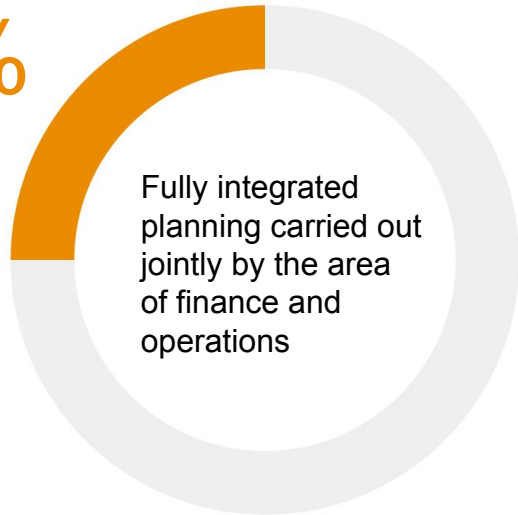
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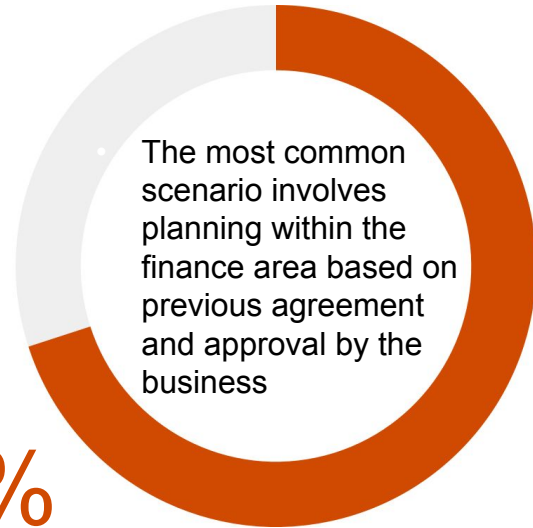
Planning and budgeting

Q: The level of integration of the planning processes within the organization

26%

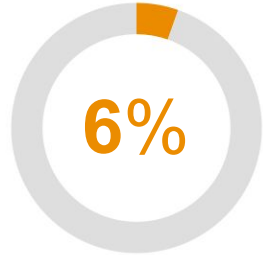


70%



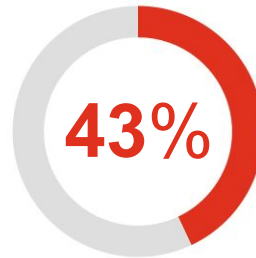
Technology infrastructure

Q: Technology and level of automation in planning processes within the organization



Only a minority of firms has **fully automated processes** using **web-based workflow** and data capture and a central calculation and **consolidation system/warehouse**

Cloud-based IT solutions are the most widely use solutions regarding new technologies in finance



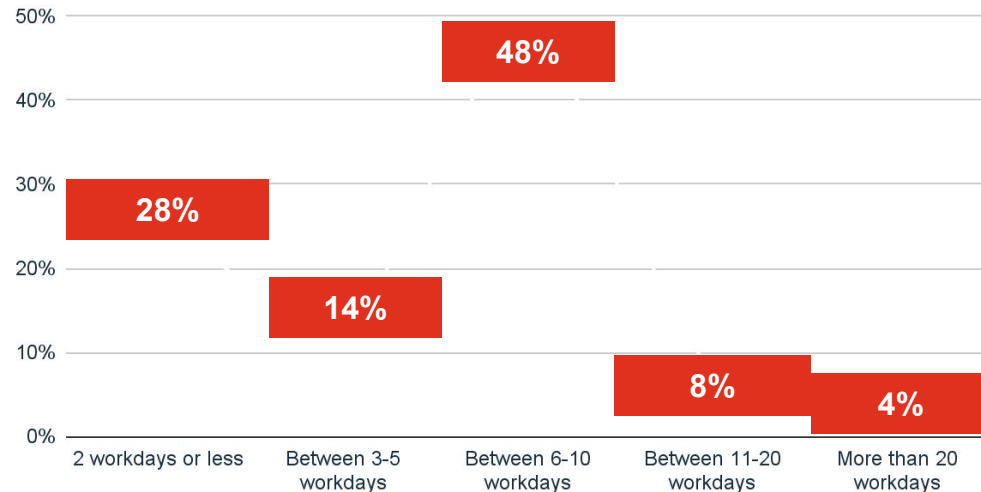
”

Even though some kind of automation already exists, the majority of firms still use spreadsheets for various processes. Within that, **42 %** of companies use spreadsheets extensively.



Technology infrastructure

Q: How many workdays does the monthly closing process take to provide key KPIs to management?



”

ONLY **28 %** of companies are actually able to provide the key financial results in less than 2 working days.

Key focus areas coming from CFO Insight Survey



Olga Řehořková

Director PwC Czech Republic
Future of Finance Leader

CFO Insight confirmed 3 trends in finance transformation agenda

Trend #1: People

Change in required competences of employees in Finance field

What to do to embrace the trend:

Acknowledge that skills of finance business partners are different from other finance roles. Appraise the skills of current finance partner and develop those skills that will be needed.

Support innovative and creative thinking.

Invest in data skills.

Create and implement career paths that reflects need to develop future skills.

Trend #2: Process and Technology

Task automation and digitization of routine processes

Optimise business processes to exploit collection of data (operational and financial).

Exploit investment in technology and data across the organization to maximise their potential.

Identify technology suite that enables the company to interrogate data and develop scenario model.

Optimise business processes to exploit collection of data (operational and financial).

Trend #3: Performance

Relevant data, strategic forward looking focus

Identify and remedy technology and data weaknesses in the organisation, focusing on the data sets necessary to create customer value and yielding useful insight.

Instigate a performance management approach that thinks broader than financial return.

Review the approach to scorecard measurement and align processes to reflect customer centricity and value creation.

Source:
CFO Insights October 2021 and Finance Insights -
Reimagined (ACCA and PwC, June 2020)

Let's have a short break
Back in 10 mins

Join our voting at www.menti.com
code 3214 9460

People in Finance



Clive Webb

Senior Insights Manager ACCA
CFO Agenda Global Leader



Escalating Finance Innovations

People agenda

Czech Republic, 7 December 2021

The workplace is changing

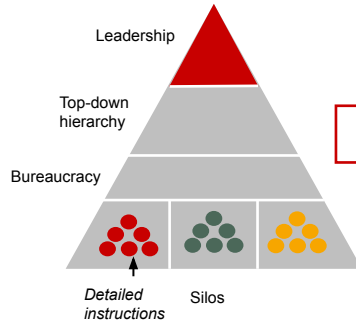
- Post pandemic expectations
- Generational changes
- Mental health of workforce
- Technology
- Transformed business models



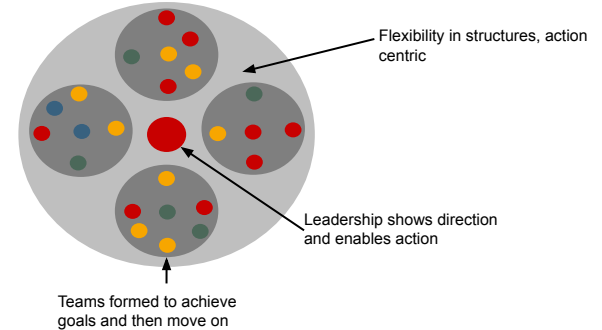


Evolving business models

Traditional structure
Organisations as machines



Agile structure
Organisations as organisms



The sustainable business and finance professional

CAREER ZONE 1:

TRANSFORMATION DRIVERS



CREATE VALUE:

Helping organisations execute the right business decisions to create sustainable value



PROTECT VALUE:

Helping organisations establish and execute processes that protect sustainable value



REPORT VALUE:

Helping organisations report value externally in meaningful and transparent ways

CAREER ZONE 3:

ASSURANCE PROVIDERS

CAREER ZONE 2:

ENTERPRISE ANALYSTS

CAREER ZONE 4:

STAKEHOLDER REPORTERS

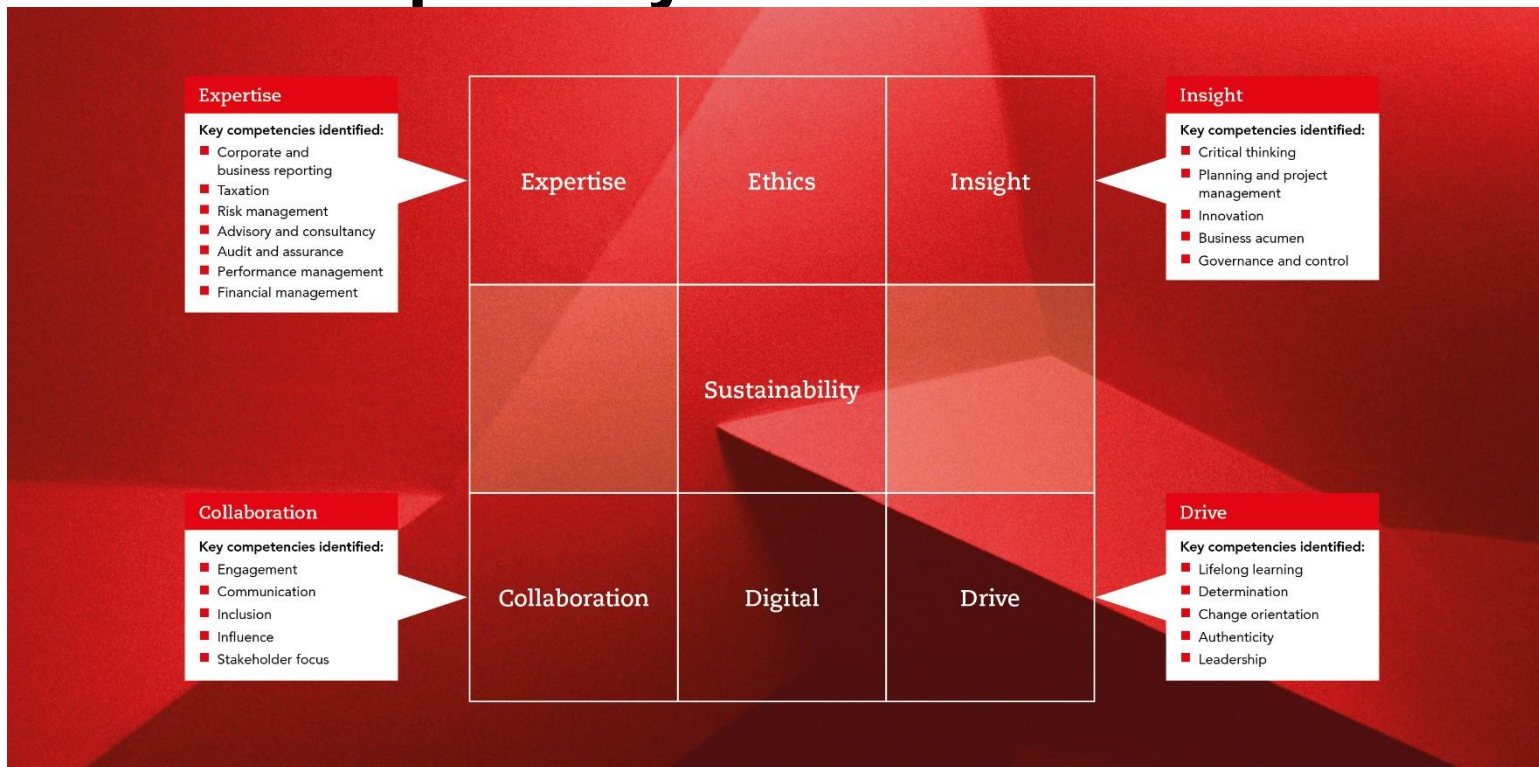


Impact on finance teams

- Data is the fundamental aspect of organisations and will drive future growth
- Collaboration is key – finance is not an island, rather a super connector
- Change is constant
- Skill sets need to change – continuously learn



ACCA Competency framework



How to stay in touch

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Finance Transformation and Process Automation



György Geiszl

Global Controller at Diageo



Péter Biczó

Partner PwC Hungary

How to make life hassle free with **Planning & Reporting** tools



Tomáš Kuča

Partner PwC Czech Republic
CEE Risk Assurance Leader



Michal Stránský

Partner PwC Czech Republic

Q&A Session

The background is a solid yellow color. It features several decorative geometric elements: a large orange triangle in the top-left corner; a curved orange shape in the top-right; a bar chart with three orange bars of decreasing height in the bottom-left; and a complex arrangement of overlapping triangles and semi-circles in orange, red, and dark blue in the bottom-right.

Thank you for your attendance

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