

Finance Priorities in the COVID Era: Digital Dominance and Flexible Labor Models

The Transformation of Transactional Work

When comparing the findings of Protiviti's latest global survey of finance trends to the results from prior years, one of the most significant changes relates to the higher priority placed by midlevel professionals on the finance organization's transactional activities – cash flow forecasting, financial reporting, the procure-to-pay cycle, working capital management, profitability reporting and analysis, and more. In fact, the significance of nearly all finance areas ranked by managers and professionals below the CFO/VP of Finance level has increased meaningfully.

In the wake of the COVID-19 global pandemic and other external disruptions and uncertainties, CFOs are leaning more than ever on their teams to assist in addressing the many transaction-oriented activities necessary to support the business. This frees up more time for finance leaders and managers to focus more on critical areas for the business – including security and privacy of data, FP&A, enhanced data analytics, profitability reporting and analysis, leadership, data visualization, and the use of cloud-based applications, among others. It also places greater time constraints and pressure on finance managers and staff to perform transactional activities better, faster and with more flexibility and resilience. To meet these heightened expectations, controllers and finance managers are keeping the following considerations and capabilities top of mind:

- 1. All finance customers expect more** – Core finance processes cannot be moved to the back burner regardless of the magnitude or duration of disruptions that hinder their execution. As finance's growing audience of internal customers expect more insights and real-time analysis from CFOs, these finance leaders in turn require more from their controllers and finance managers. In this year's survey, non-CFOs give higher priority ratings to 40 out of 41 finance processes compared to prior year's respondents. The priority ratings assigned to certain transactional processes – including order-to-cash, outsourcing non-core activities, robotic process automation (RPA) and external reporting – posted the survey's highest increases.
- 2. Digital transformation drives effectiveness, efficiency and agility** – Finance groups that had notched the greatest digital transformation progress prior to COVID-19 shifted more rapidly, securely and effectively to a remote workforce at the onset of the pandemic. Amid that early and intense external uncertainty, digital leaders also experienced less disruption to core finance processes and were able to produce crucial forecasts, frequent reforecasts and related analyses better than less digitally advanced finance teams. As pressure grows to invest in advanced technologies, finance teams should ensure that the foundational elements of successful finance and digital transformation – data governance, workflows, collaboration and more – are in place.

3. **Skills and scale are crucial** – Over the course of 2020, as shelter-in-place orders and other pandemic-related disruptions unexpectedly shut down shared services centers, operations and outsourced activities in certain regions, some finance teams reacted with much greater speed and flexibility than others. The most adaptive finance groups succeeded by being able to provide the exact expertise that was needed when it was needed; work remotely, using secure technology; scale their resources up or down quickly, aligning to evolving circumstances; and access outside consulting expertise to help address unusual or one-off situations where the full-time staff lacked experience.
4. **Flexibility can be embedded in the finance labor model** – More finance groups are blending highly skilled operational resources with consultants and their own staff to deliver dramatic productivity gains with embedded quality control across all activities. This approach follows a proven, repeatable processes to build teams, onboard skilled remote resources, and improve systems and processes to address.

Interested in learning more? Further insights and our full report, *Finance Priorities in the COVID Era: Digital Dominance and Flexible Labor Models*, are available at www.protiviti.com/financesurvey.

Top 10 Overall Priorities – Finance Processes and Activities (Non-CFOs/VP Finance responses)*

	2020 Survey	2019 Survey
Financial planning and analysis	78%	68%
Profitability reporting and analysis	72%	64%
Strategic planning	69%	68%
Internal controls	68%	62%
Financial risk management	66%	60%
External reporting (10-Q, 10-K, etc.)	65%	55%
Period-end close	64%	59%
Critical audit matters	63%	N/A
Competitive intelligence (competitor, customer, etc.)	60%	52%
Procure-to-pay	58%	48%

* **Source:** Protiviti Global Finance Trends Survey (www.protiviti.com/financesurvey). In our survey, respondents were asked to rate 42 finance areas based on a 10-point scale, where “1” reflects the lowest priority and “10” reflects the highest priority for the finance organization to improve its knowledge and capabilities over the next 12 months. Rankings are based on the percentage of respondents who scored these areas at “8” or higher.

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