

Finance Futurescape 2030 Survey



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Finance functions must manage talent and technology to be future ready

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Finance functions must manage talent and technology to be future ready

New survey by CPA Australia and PwC finds that finance functions will evolve in the next 15 years to keep pace with business opportunities and challenges presented by the ASEAN Economic Community

Singapore, 27 August 2015 – Companies will likely see the war for finance talent intensify over the next 15 years as the ASEAN Economic Community (AEC) opens the door to greater mobility of professionals in the region.

The talent war is one of four key trends that will likely reshape the finance functions of companies and the role of the chief financial officer (CFO) as we know them today, according to a new report by CPA Australia and PwC.

The report, ‘**Finance Futurescape 2030**’, suggests that the role of the CFO will also evolve towards increased business partnering, driving the new technologies agenda in their organisations, and a shift to better management of company profitability.

“It is clear that the formation of the AEC will have significant bearing on businesses and their finance functions over the next 15 years. Along with the numerous opportunities that will come, there will also be new and evolving challenges that businesses should start to recognise and prepare for,” said R Raghunathan, Management Consulting Partner, PwC South East Asia Consulting.

The report said as organisations adapt to the development of the AEC, companies will need to start thinking about how their CFOs and finance functions need to be upskilled to cope with the myriad of challenges in the business environment in 2030.

“There is no one-size-fits-all approach for the finance function. CFOs need to focus on developing the people that form it and the technology that supports it,” said Melvin Yong, Singapore Country Head at CPA Australia.

The **Finance Futurescape 2030** report is based on a quantitative survey of CFOs conducted in May and June this year, as well as a qualitative focus group discussion of selected CFOs.

The war for talent will intensify

The survey found that by 2030, the implementation of the AEC will allow companies to access a larger talent pool in ASEAN

With, freer flow of goods, services, investment, capital and skilled labour across the region, CFOs would have more options to develop talent to take on strategic roles in the organisation.

But access to a larger talent pool could ironically become a significant disruptive force, with nearly six-in-10 (57%) of CFOs surveyed indicating there will be a war for talent across all levels of the organisation in 2030.

In 2030, finance functions in organisations are expected to be leaner due to increased use of shared service/outsourced models (38% in 2030, from 16% in 2015).

Over a third of respondents also predicted a significant reduction in the size of their finance teams by 2030 due to increased use of automation and newer finance operating models.

As the finance function gets leaner, it will have to take on more strategic activities compared with administrative activities. Respondents indicated that strategic activities would comprise about two-thirds (66%) of the finance function in 2030, almost double that in 2015 (34%).

“These factors are an opportunity for CFOs to re-look their finance talent management programmes and ensure they are sustainable in the long-term,” said R Raghunathan, Management Consulting Partner, PwC South East Asia Consulting.

The scope and content of business partnering will increase

The complexity of operating in ASEAN will likely increase by 2030.

Six-in-10 (61%) of respondents believe a combination of factors such as increased competition, expanding footprint in ASEAN and a stronger requirement for knowledge of cross border regulations will add to business complexity.

Strategic Business Partnering activities are expected to be the top priority for CFOs in the future, rising from 63% in 2015 to 87% in 2030.

The CFO of 2030 will also need to be more proactive in supporting the management of business performance and outcomes across a wider operating footprint. Currently, CFOs tend to centre their focus on year-end performance and cash flow management.

As CFOs take on a more strategic role, they are likely to also need more help. More than half of respondents identified a need for a deputy CFO role in 2030, compared with just 19% now.

New technology will change the finance function

The finance function of 2030 will also evolve with new technology. Asked to rank factors in 2030 that would differentiate organisations from their competitors, CFOs picked ‘being the best adapters of technology’ as second.

Nearly six-in-10 (57%) respondents currently use a combination of applications or systems in their finance function. Leading to 2030, organisations are likely to be challenged to integrate newer technologies with their current platforms to ensure that information is timely, relevant, accurate and mobile.

The survey suggests the CFO in 2030 will have to play a key role in ensuring that the organisation's business requirements from technology are aligned with its technology strategy. This way, CFOs also help manage the business outcomes, both performance and return on investment, on the organisation's technology spend.

Managing profitability will be a key priority

The survey also suggests that managing profitability will be a key priority going to 2030 because of the challenges it may pose to the finance function as companies operate across territories with increased competition.

As the AEC opens up the region to more industry players, remaining cost competitive has been identified as a key differentiator that will help organisations succeed in 2030.

The Finance Futurescape 2030 report may be accessed [here](#).

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Notes to Editor:

The CPA Australia-PwC report ' **Finance Futurescape 2030**' is based on data gathered from a quantitative survey and a focus group discussion of selected Singapore-based CFOs. More than 70 responses were received from senior finance professionals and leaders in over 10 industry sectors, including Financial Services, Multi-industry Conglomerates, Manufacturing, Healthcare and Services.

The survey respondents worked in companies of different sizes – from Small and Medium Enterprises (SMEs) and family-owned organisations to large multinationals and conglomerates with operations within and outside Singapore. All respondents were based in Singapore.

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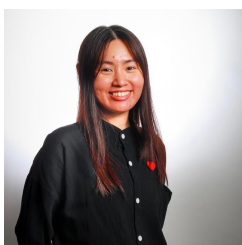
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