2021 GLOBAL FINANCE TRENDS SURVEY REPORT

Security, Data, Analytics, Automation, Flexible Work Models and ESG Define Finance Priorities

CFOs and finance leaders continue to juggle mounting demands in the emerging post-pandemic environment

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Global Business Consulting

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EXECUTIVE SUMMARY

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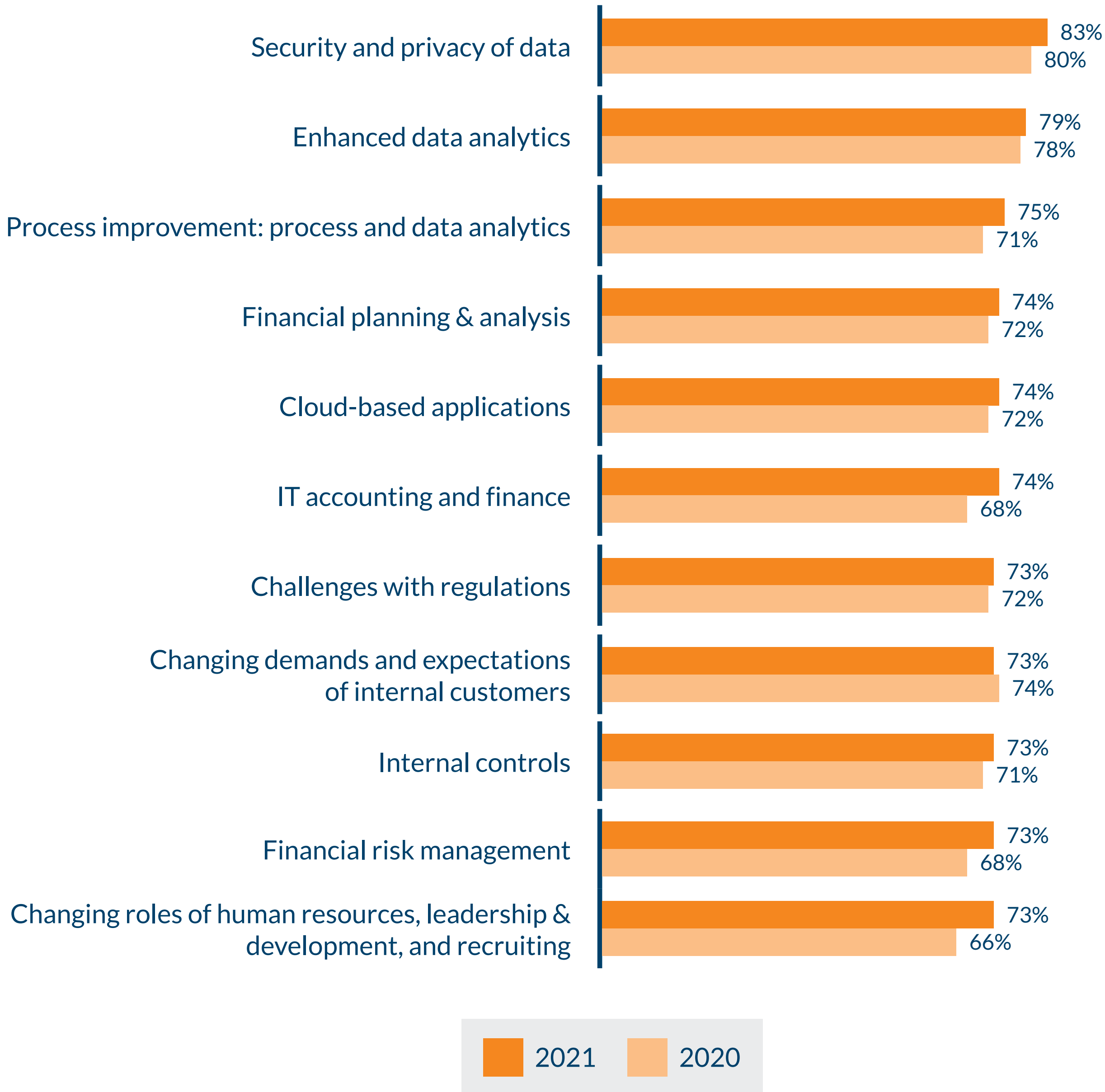
The COVID-19 global pandemic accelerated digitalization, remote work, supply chain disruptions, trade wars and other preexisting business trends. It also unmasked the adequacy of organizational resilience (or lack thereof) while equipping CFOs with brutally honest judgments about their finance transformation progress. This clarity provides finance leaders with a rare opportunity: a game plan for rapid improvements that should be implemented immediately.

In regard to this clarity, the findings of Protiviti's 2021 Global Finance Trends Survey reveal an unambiguous conclusion: The world, businesses and corporate finance teams have entered a new era, and there is no going back.

A defining characteristic of this new era is the need for finance organizations to engage with the business in areas that, until recently, were considered outside their purview. CFOs are informing and shaping cybersecurity investments and capabilities, long-term talent strategies, and supply chain management decisions, among other previously nontraditional areas for finance teams. Forecasting and planning processes are being overhauled to integrate new data inputs — from new sources — so that the insights they produce are more real-time in nature and relevant to rapidly expanding segments of finance customers inside and outside the organization. Traditional financial key performance indicators (KPIs) are being supplemented by key business indicators (KBIs) culled from the data troves not only of the organization but also of its external partners, vendors and other third parties to provide sharper forecasts and viewpoints. The finance labor model is being refined to become more flexible and gain and sustain access to cutting-edge skills and innovative thinking in the face of what may be a long-term finance and accounting talent crunch. Financial reporting expertise is quickly being extended to unfolding Human Capital and environmental, social and governance (ESG) disclosure requirements.

Most of these trends began taking shape inside finance organizations prior to the pandemic. In our survey, data security and privacy, enhanced data analytics, and meeting the changing demands and expectations of internal customers have topped the strategic priority lists of CFOs and finance leaders in recent years. The jarring disruptions of 2020 not only cemented the status of those "beyond-finance" priorities, but also added numerous others. More traditional, and transactional, finance and accounting activities remain table-stakes requirements, and savvy CFOs are leveraging flexible labor models as well as marshaling the cloud, advanced technology tools, and data-mining and third-party partners to automate as much of that work as possible. The future of the finance organization will be determined by its ability to source, analyze, protect and share the data sets it needs to drive enterprise growth, resilience and decision-making.

Top overall priorities — CFO/VP Finance



Key Findings

01

"Beyond-finance" priorities top CFO to-do lists — CFOs continue to strengthen and sharpen their strategic involvement in organizational data security and privacy, supply chain management, ESG reporting, and Human Capital management (and reporting), while deploying greater use of automation, advanced tools and data analytics to perform traditional finance and accounting processes.

02

Forecasting is the new X-factor — Forecasting was a challenging task prior to a global pandemic that exposed the limits of traditional forecasting processes and metrics. As major new sources of political, social, technological and business volatility arise in an unsteady post-COVID era, forecasting has become exponentially more important and more daunting. In response, finance leaders are reconstructing forecasting and planning approaches to integrate more data from suppliers, vendors and nonfinancial sources, while also relying more on KBIs that fuel real-time decision-making support throughout the organization.

03

CFOs help manage internal and external CX — Steadily increasing prior to COVID-19, the appetite for the finance group's data-driven insights expanded during the pandemic. Leaders and colleagues throughout the organization beat down finance's door for help responding to sudden supply chain disruptions, new information security risks, vexing resource shortages, new Human Capital and ESG reporting requirements and commitments, and more. CFOs are leading programs to migrate financial functions to the cloud, in part to provide their organizations with an improved customer experience (CX) in the form of self-service insights and a less burdensome financial reporting process. From an external perspective, CFOs are aiming for customer growth, bringing CX value and prioritizing the organization's investment in the CX capabilities that will have the most significant impact. These and other CX-related needs show no signs of abating.

Key Findings (continued)

04

Finance's flexible labor model expands — Finance groups have been pioneers in embracing a diverse talent pool of full-time employees, contract and temporary workers, expert external consultants, and managed services and outsourcing providers. In the face of long-term talent crunches, CFOs are recalibrating flexible labor models and helping other parts of the organization develop a similar approach to ensure the entire future organization can skill and scale to operate at the right size and in the right manner.

05

It all comes down to data — The ability of CFOs and finance groups to address each item on their priority list hinges on the quality and completeness of the data they access, secure, govern and use. Even the most powerful, cutting-edge tools will deliver subpar insights without optimal data inputs.

"The CFOs who responded to our survey showed continued interest in satisfying the needs of their customers, and the product their customers want is data. CFOs are increasingly being required to produce more and different, and perhaps more frequent, data to support the business needs of their organizations. This goes beyond financial reporting, with an assumption that baseline financial reporting is table stakes and part of the job. Emerging areas include producing more timely and relevant business data not only for forecasting, and not only for reporting the results after the fact, but also for managing the company to achieve those results."

CHRISTOPHER WRIGHT
Managing Director, Global Leader, Business Performance Improvement practice

ASSESSING KEY FINANCE PRIORITIES — ENABLING FINANCE'S EXPANDING ROLE

The post-pandemic era is underway inside leading finance groups. The volatile forces that came to a head beginning in early 2020 — materials and labor shortages, supply chain breakdowns, intensifying cyber attacks, extreme weather events, political and social volatility, and heightened regulatory activity — show no signs of dissipating; nor, in many parts of the world, do COVID infections and the social distancing measures they trigger. Massive global government stimulus initiatives combined with price and wage inflation present organizations and their finance teams with additional threats and opportunities.

Thanks to resilient performance in the face of ferocious business challenges last year, the finance organization has cemented its role as the enterprise's go-to source for insights, data analyses and expertise in addressing fast-moving drivers of change. Sales teams now expect up-to-the-minute reports. Supply chain executives need to determine whether shipments can be accepted. Chief human resources officers and IT leaders seek real-time, finance-generated information relevant to their domains. Investor relations teams want to instill new and emerging ESG and Human Capital reporting requirements with financial reporting discipline. Chief information security officers (CISOs) and the board need help quantifying and understanding the business impacts of cybersecurity risks as those threats transfigure.

These demands from internal customers motivate finance organizations to double down on data security and privacy, data analytics, cloud applications and advanced automation, new labor models, and other top priorities present atop this year's survey results. Yet the ways in which CFOs, finance VPs and their teams are executing these priorities reflect a sea change.

Consider how forecasting and planning capabilities are being rebuilt to access more data from suppliers, vendors and other external sources. Look at the robotic process automation (RPA) and process mining techniques increasingly leveraged to increase the speed and automation of more accounting activities so that finance teams can invest more time, tools and thought into real-time analyses tailored to the needs of various internal customer segments. Forecasting and planning teams are supplementing traditional KPIs with more advanced KBIs. It's notable that forward-looking vendors and finance leaders are upgrading traditional financial planning and analysis (FP&A) functions to so-called extended planning and analysis (xP&A) capabilities. xP&A is a planning approach that takes the best FP&A capabilities (e.g., continuous planning, forecasting, advanced analytics, performance monitoring) and extends them across the enterprise rather than focusing just on financial results. Accurate, secure and complete data represents the X-factor in building next-level forecasting processes and also in the development of next-generation digital finance.

Key action items for CFOs and finance leaders

- Fortify, and recalibrate as needed, the CFO's data security and privacy role to enable the board and organization to maintain a dollars-based grasp of cybersecurity investments and risks while making sure that finance has secure access to the data it needs to fulfill its mandate.
- Home in on the experiences of finance's internal customers while investing in the data security and privacy capabilities, talent and expertise, and tools needed to satisfy their growing reliance on financial insights.
- Put into place the foundational enablers of digital finance — data governance, workflows and collaboration, among others — and fund their ongoing integration and optimization.
- Recognize the increasingly "beyond-finance" expectations of the finance group's contributions while advancing new approaches to talent management, cybersecurity, data governance, ESG and Human Capital reporting, and more.

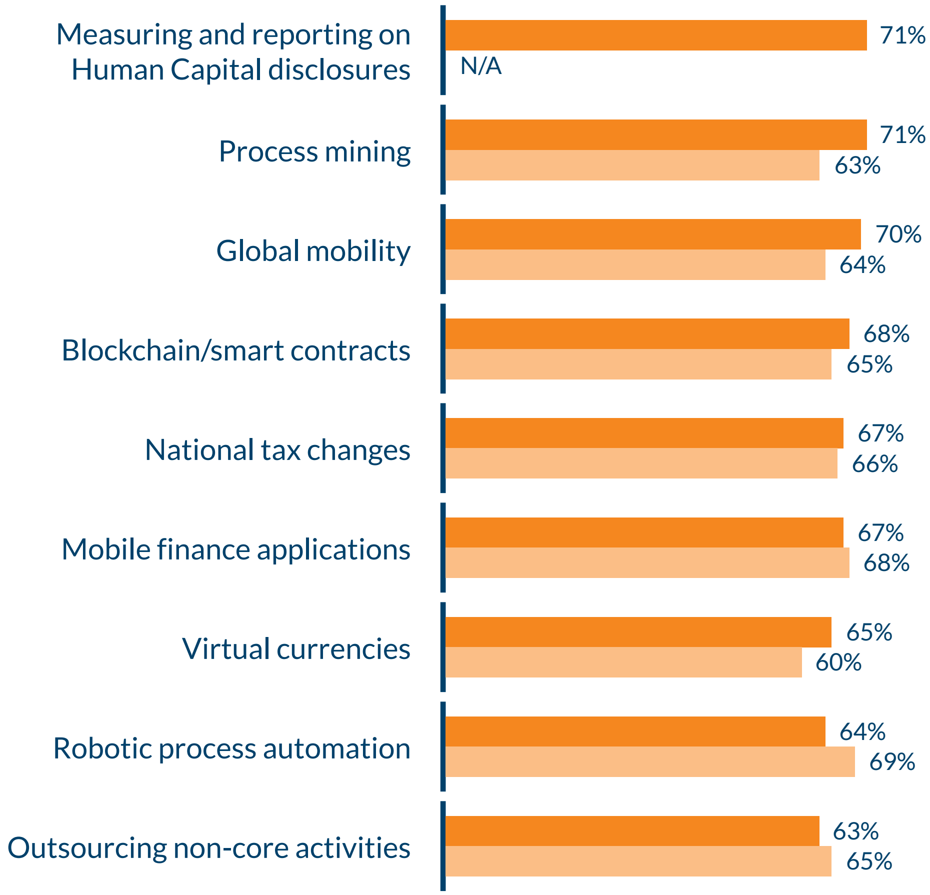
"The recent shift in FP&A focus from near future to a longer horizon is a sign of the times. As business slowly returns to some level of normalcy, that new normal will be nothing like the old normal. Customers' and internal stakeholders' expectations have changed permanently, and the analytics and business intelligence tools for making better, faster and more informed decisions are already being used by leading organizations to pull ahead of uncertainty. FP&A functions, as key partners in decision-making, need collaboration among leaders and business partners and every resource to help them perform their important function."

SHAWN SEASONGOOD
Managing Director, Protiviti

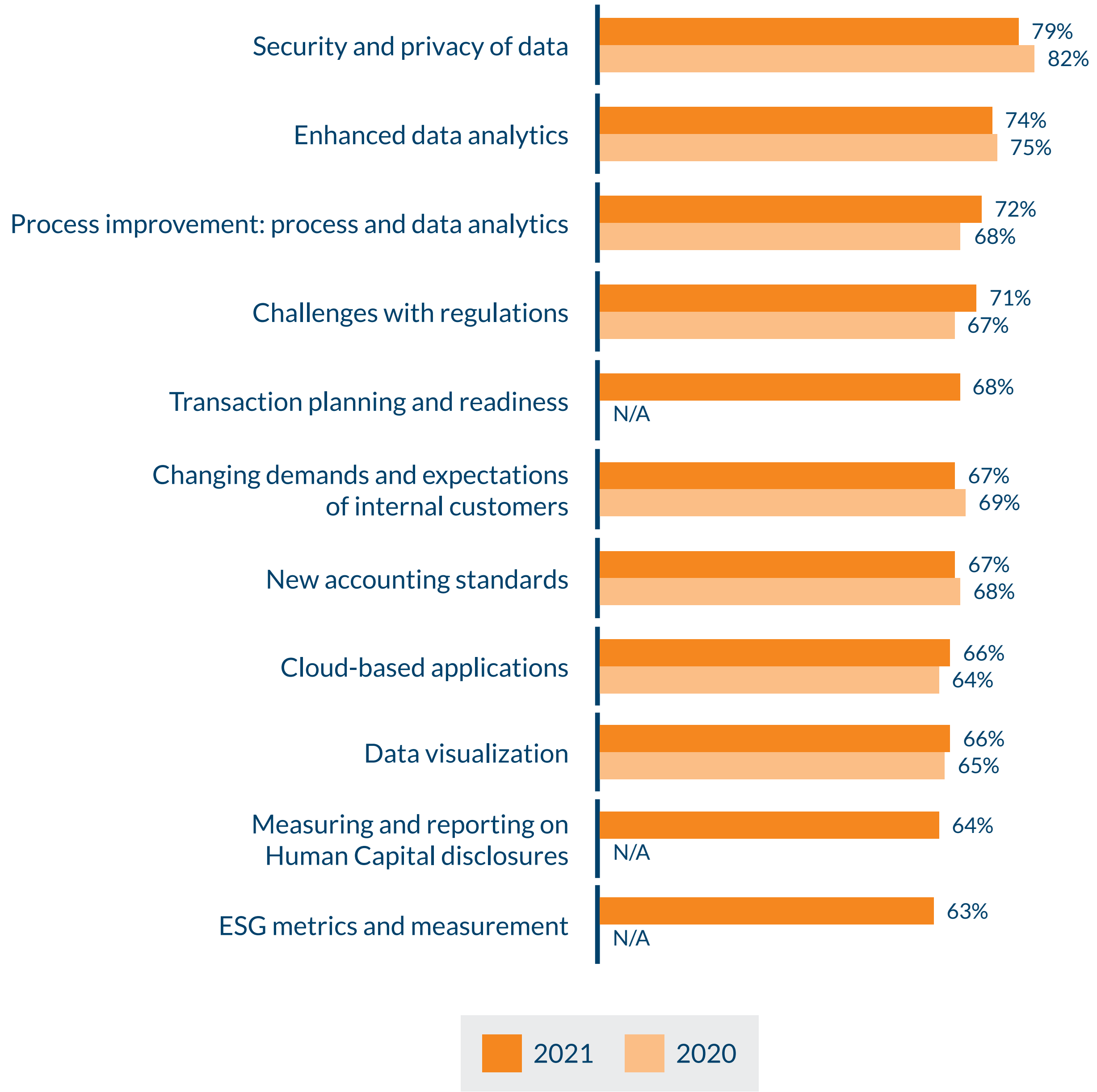
Respondents were asked to rate 20 different finance areas based on a 10-point scale, where "1" reflects the lowest priority and "10" reflects the highest priority for the finance organization to improve its knowledge and capabilities over the next 12 months.

High priorities (percentages of ratings with a score of 8-10) — CFO/VP Finance

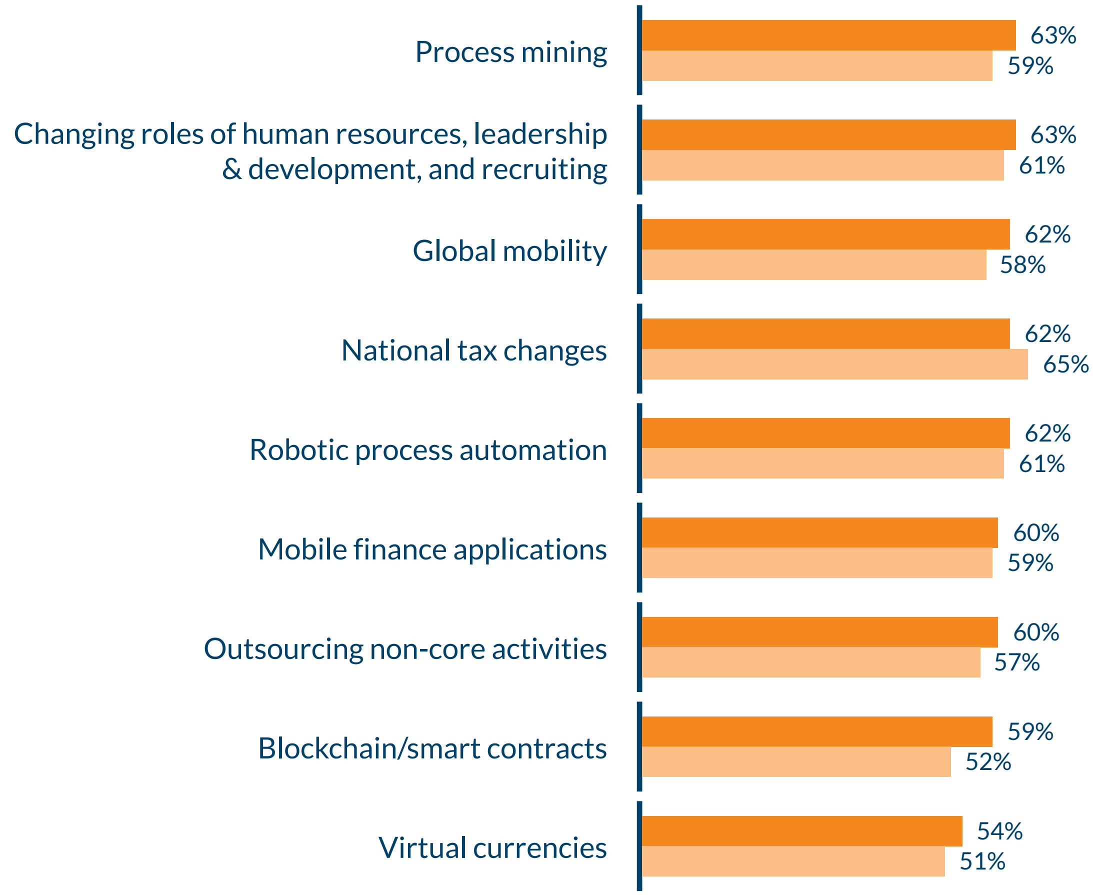
High priorities (percentages of ratings with a score of 8-10) — CFO/VP Finance (continued)



High priorities (percentages of ratings with a score of 8-10) — non-CFO/VP Finance



High priorities (percentages of ratings with a score of 8-10) — non-CFO/VP Finance (continued)



Respondents were asked to select the one finance priority deemed to be most important for their organization to address over the next 12 months.

Top 10 most important finance priorities for organizations to address over the next 12 months — CFO/VP Finance

1	Cloud-based applications that support finance
2	ESG metrics and measurement
3	Security and privacy of data
4	Data visualization
5	Changing demands and expectations of internal customers
6	Process improvement: process and data analytics
7	Enhanced data analytics
8	Mobile finance applications
9	Robotic process automation
10	Measuring and reporting on Human Capital disclosures

Top 10 most important finance priorities for organizations to address over the next 12 months — non-CFO/VP Finance

1	Security and privacy of data
2	Cloud-based applications that support finance
3	Changing demands and expectations of internal customers
4	Enhanced data analytics
5	Process improvement: process and data analytics
6	ESG metrics and measurement
7	Robotic process automation
8	Mobile finance applications
9	Data visualization
10	Measuring and reporting on Human Capital disclosures

Respondents were asked to indicate if their 2021 budget increased or decreased based on the potential impact of the following finance priorities over the next 12 months. (Shown: CFO/VP Finance responses)*

	Increase in 2021 budget	Increase in 2020 budget
Security and privacy of data	47%	46%
Enhanced data analytics	46%	47%
Robotic process automation	46%	39%
Changing demands and expectations of internal customers	46%	55%
Process improvement: process and data analytics	45%	43%
Data visualization	44%	46%
ESG metrics and measurement	44%	N/A
Cloud-based applications that support finance	43%	45%
Changing roles of human resources, leadership & development, and recruiting	41%	38%
Transaction planning and readiness	40%	N/A
Measuring and reporting on Human Capital disclosures	39%	N/A
Mobile finance applications	38%	40%
Virtual currencies	37%	28%
Blockchain/smart contracts	36%	39%
Global mobility	36%	37%
Process mining	36%	34%
New accounting standards	34%	37%
Outsourcing non-core activities	34%	34%
Challenges with regulations	32%	39%
National tax changes	32%	33%

* Not shown: "No change" responses.

	Decrease in 2021 budget	Decrease in 2020 budget
Changing demands and expectations of internal customers	31%	24%
Outsourcing non-core activities	30%	31%
Blockchain/smart contracts	29%	29%
Virtual currencies	29%	33%
Global mobility	28%	33%
Changing roles of human resources, leadership & development, and recruiting	28%	32%
Challenges with regulations	28%	27%
Cloud-based applications that support finance	27%	27%
Process improvement: process and data analytics	27%	28%
Data visualization	27%	27%
Mobile finance applications	27%	28%
Measuring and reporting on Human Capital disclosures	27%	N/A
New accounting standards	27%	30%
Security and privacy of data	26%	25%
Process mining	26%	31%
National tax changes	26%	34%
Enhanced data analytics	25%	25%
ESG metrics and measurement	25%	N/A
Transaction planning and readiness	25%	N/A
Robotic process automation	23%	36%

ELEVATING ESG AND HUMAN CAPITAL REPORTING TO THE NEXT LEVEL

CFOs and finance leaders are well aware of the need to focus more time, expertise and innovation on their organization's ESG investments and reporting. Not only do ESG metrics and measurement rank among the higher priorities for CFOs and finance leaders, but these are considered among the top priorities to address if these executives had to select just one area on which to focus.

It is noteworthy that the organizations responding to our survey indicated substantial increases in focus on these areas, given that over two-thirds of respondents are from companies which are not publicly held. This suggests both a heightened interest in the topic and an appropriate focus on readiness to engage in public markets on the part of private companies.

While this is not a novel perspective, it is newly pressing given the groundswell of regulatory actions, social attention and climate risks that have materialized and/or advanced in the past year. For example, in his first day in office, U.S. President Joe Biden signed an executive order reaffirming the country's commitment to the provisions of the Paris Agreement. In February, the acting chair of the U.S. Securities and Exchange Commission (SEC) issued a statement directing the SEC's Division of Corporation Finance to review climate-related disclosures in public company filings and determine the extent to which companies are addressing the topics identified in the commission's 2010 statement, "Commission Guidance Regarding Disclosure Related to Climate Change," concerning the potential financial effects of climate change on their performance and operations. Current SEC Chairman Gary Gensler has expressed support for additional climate change-related disclosures, noting that "… there are tens of trillions of dollars of invested assets that are looking for more information about climate risk."[1]

Numerous governments, regulators and standard-setters around the world have been just as active, if not more so, in enacting new climate-related regulations and related reporting requirements. The same is true for Human Capital disclosures.

CFOs should recognize that ESG and Human Capital reporting present an opportunity for companies to share what they are doing to sustain long-term value creation aligned with the interests of shareholders, while also addressing the interests of customers, employees, suppliers and the communities in which they operate. More CFOs also understand the benefits that ESG programs deliver, including:

- Employee retention and satisfaction;
- Better understanding of stakeholder interests;
- Enhanced corporate brand;

[1] "SEC Indicates Greater Interest in Climate Change Disclosures," Protiviti, March 4, 2021: www.protiviti.com/US-en/insights/flash-report-sec-indicates-greater-interest-climate-change-disclosures.

- The ability to tell a more complete story of an organization's long-term value creation efforts and alignment with key stakeholders;
- The potential for higher valuations;
- Stronger control environments and risk management;
- Making the company more attractive to investors; and
- Increased revenue and decreased costs due to better management of natural resources.

Key action items for CFOs and finance leaders

Working in tandem with their C-suite peers, CFOs should be taking concrete actions on ESG and Human Capital reporting issues, such as the following:

> Monitor how marketplace expectations are evolving and evaluate how their Human Capital and climate-related disclosures measure up.

> Compare climate-related disclosures in upcoming quarterly and annual financial statements to the recommendations outlined in country or regional regulatory guidance.

> Review all company climate disclosures, official and unofficial, in any medium, and consider whether they are material and should be included in regulatory filings pursuant to current rules.

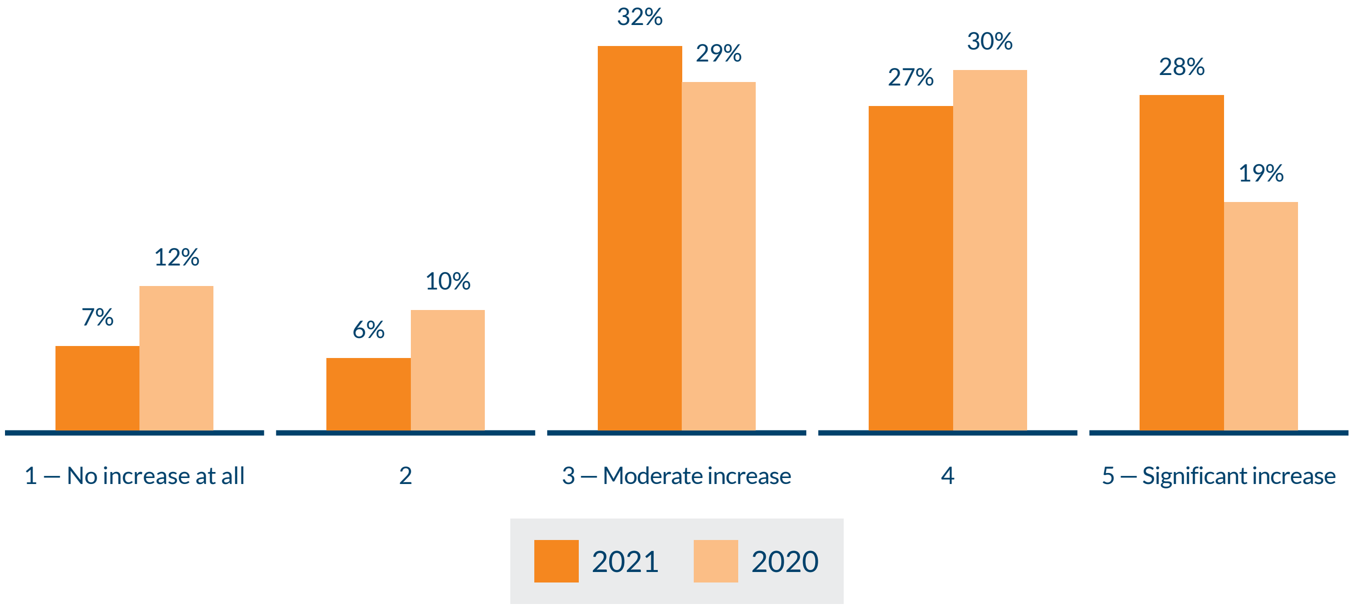
> Prepare for the strong possibility that more reporting requirements are coming, and focus on establishing data flows that are integrated with operating data, avoiding the need for data assembly and allowing for data analysis, instead.

> Consider the consequences of severe weather, including physical damage and operational disruptions to facilities and supply chains concentrated on coastlines, and other potential climate-related hazards.

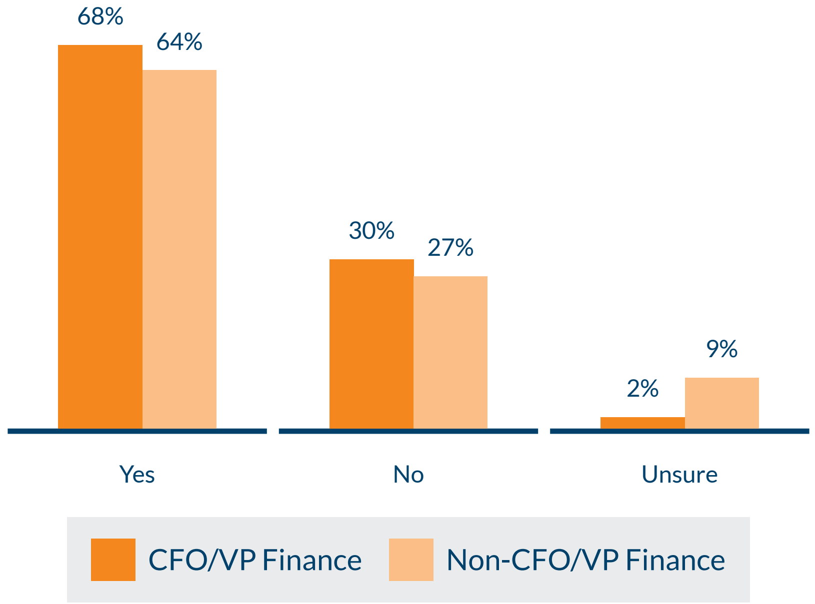
> Assess geopolitical risks — organizations with a global footprint need to be mindful of changing environmental laws around the world.

> Understand and take into consideration the expectations of institutional investors regarding ESG and Human Capital disclosures and initiatives.

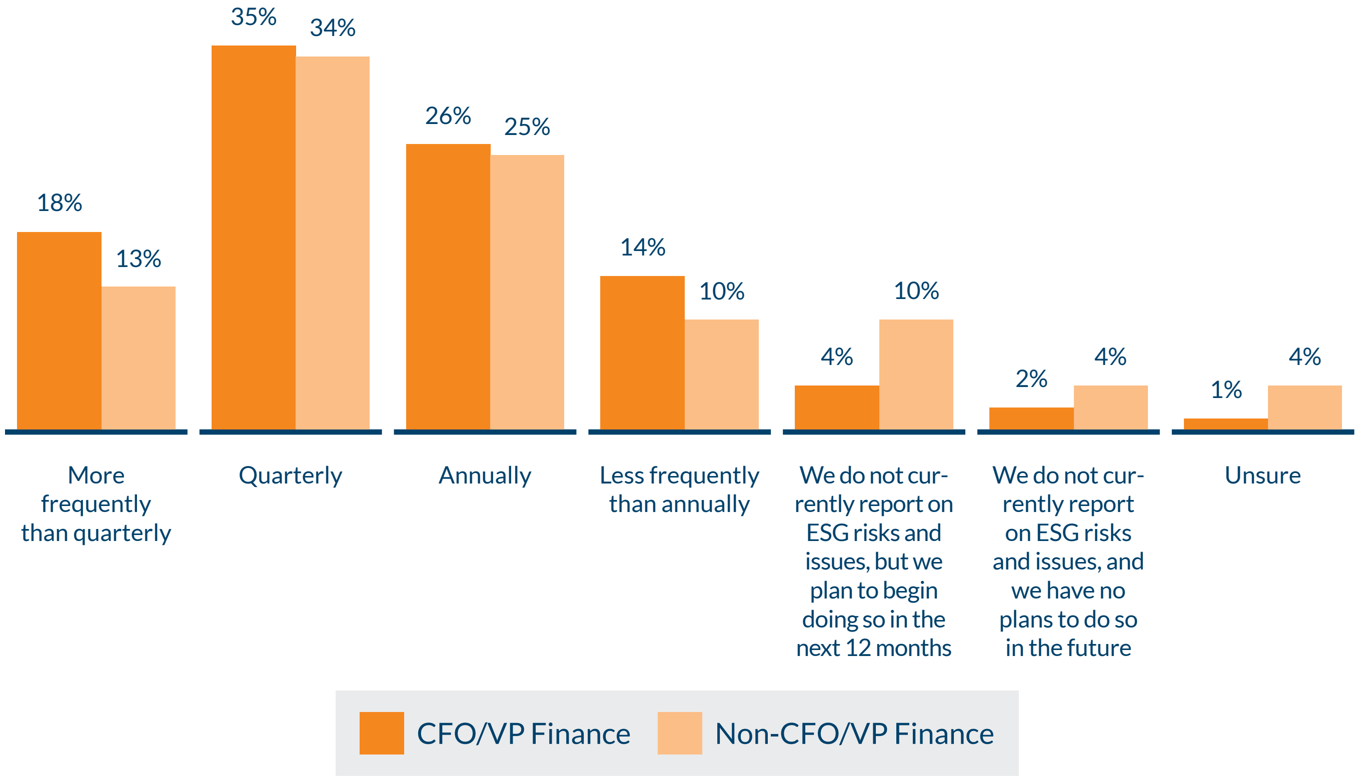
To what extent, if at all, is your organization increasing the focus and frequency of its reporting related to ESG issues? (Shown: All responses)



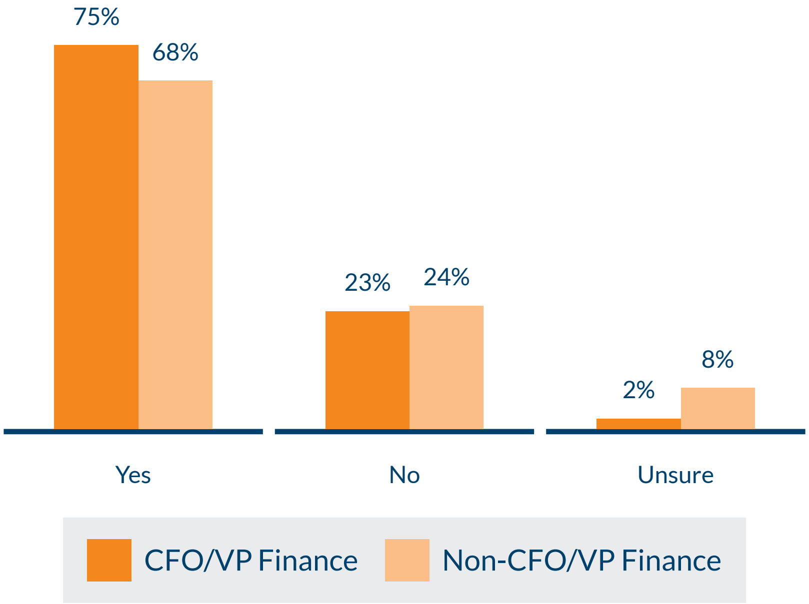
Has measuring/reporting on ESG risks and issues become part of your finance team's role in the last year?



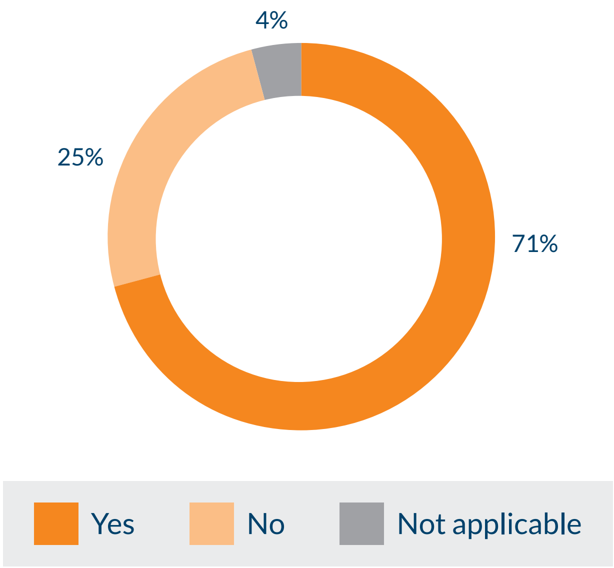
How often does your organization currently report on ESG risks and issues, either through required public reporting or through voluntary reporting or disclosures?



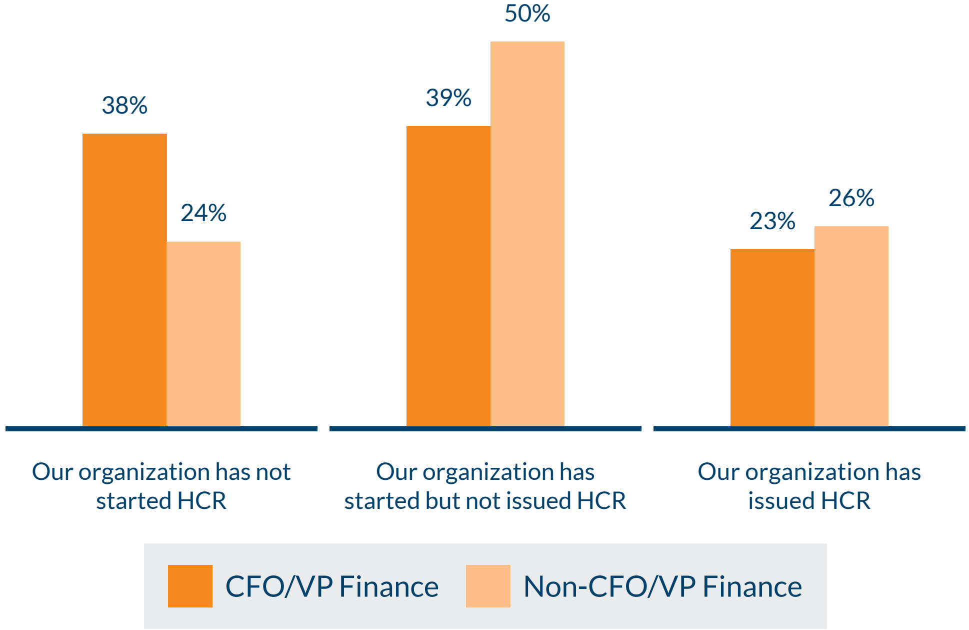
Is your finance team involved in conversations with senior leadership/boards to develop ESG metrics against which your organization should track progress?



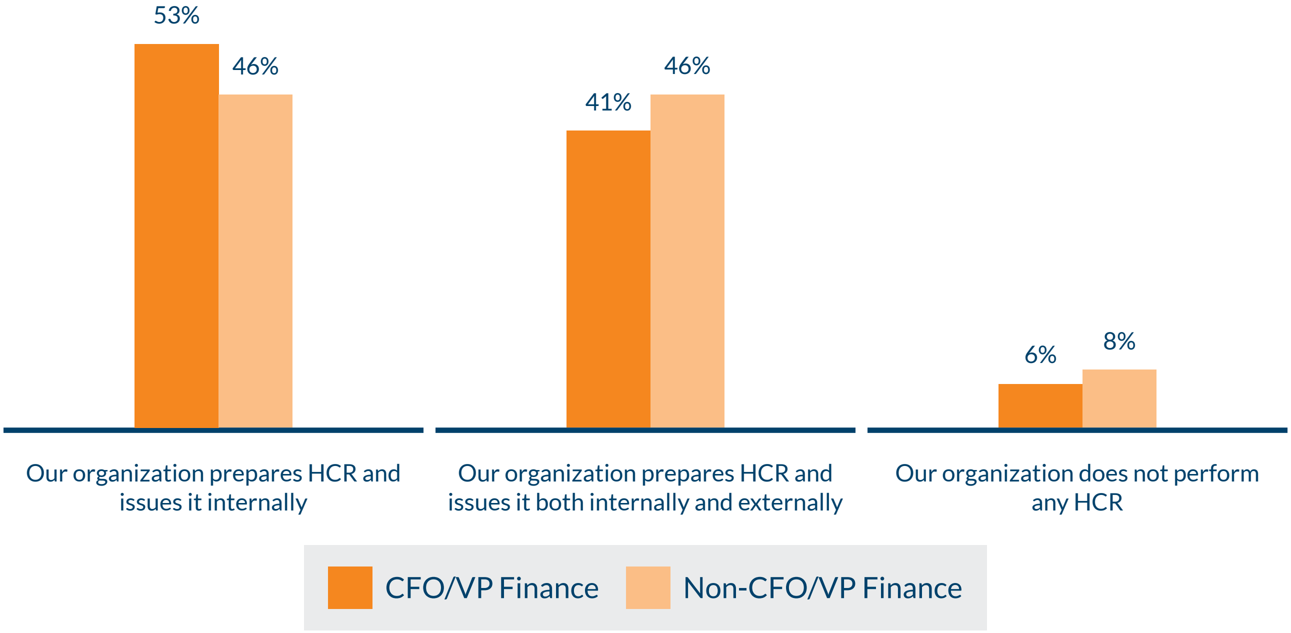
Is your organization investing in new technology to assist with measuring and reporting on ESG risks and issues? (Shown: All responses)



Which of the following best describes your organization with regard to the Human Capital reporting (HCR) requirement? (Shown: Public organizations)



Which of the following best describes your organization with regard to the Human Capital reporting (HCR) requirement? (Shown: Non-public organizations)



TALENT, RESOURCING AND THE FUTURE OF WORK — HYBRID IS AN OPTION, FLEXIBILITY IS A MUST

Prior to COVID-19, leading finance and accounting functions were deploying more flexible labor models, including a managed services approach, to staff their tax, accounting, risk management, strategic finance and treasury functions. This particular approach is straightforward — it enables finance leaders to deploy, in an on-demand manner, an increasingly diverse and flexible labor portfolio of full-time employees, contract and temporary workers, expert external consultants, managed services providers, and outsourcing partners.

As office closures and business shutdowns spread around the world amid the global pandemic, finance groups with flexible labor models kept accounting and finance activities moving forward even when disruptions impeded key operations and trading partners. They also helped finance teams conduct time-sensitive stabilization and recovery needs, sustain ongoing transformation initiatives, and free up internal resources to support and manage the organization's crisis response.

While this shift predated COVID-19, the pandemic's impacts and ongoing uncertainties have accelerated the adoption of flexible labor models by more finance organizations. The shift will continue in the face of a critical finance and accounting talent crunch that is leaving fewer would-be employees able and available to step into crucial roles — especially those requiring technological and digital finance expertise — on a full-time basis. And in many respects, CFOs are seeing the advantages firsthand: A majority report that the productivity and effectiveness of their finance teams have increased as they have worked remotely or in a hybrid model, and over 40% are more inclined to permit staff to work remotely on a permanent basis. It should be noted that while productivity and effectiveness have increased in the near term, we don't yet fully understand the impact on employee morale, fatigue and culture, any of which could have long-term effects on attrition and tenure.

Beyond hybrid and remote working approaches, a managed services model is proving to deliver an especially flexible approach where institutional knowledge can be retained while very specific skills and, on occasion, embedded technology can be applied at the needed scale. The greater organizational agility, workforce management advantages, innovation generation and other essential benefits this approach delivers have proven so valuable that the managed services model now qualifies as a strategic advantage, if not a requirement, for CFOs and finance organizations.

Key action items for CFOs and finance leaders

- Assess your core lean team and its ability to hire, onboard and retain all levels and types of finance and accounting professionals while determining how finance talent and skills investments will support the organization's current and longer-term strategic objectives.
- Focus on retention every day — companies are losing top finance and accounting talent in growing numbers, not only to other organizations and industries but also to other careers as these professionals move into non-finance-related roles.
- Consider the speed, cost and ease of your responses to staffing needs (i.e., quick fixes and tactical workarounds versus the smooth execution of an effective sourcing strategy), including those that arose during COVID-19-driven closures.
- Recognize the recruiting and retention challenges posed by hybrid working models that stress local talent resources only.
- Determine the extent to which there are seasonal or other cyclical or transactional peaks and valleys in the finance organization's workload that can be managed more effectively.
- Monitor how well remote and hybrid working models in the finance group and the overall organization are supported by sufficient investments in cloud-based collaboration and workflow technologies.
- Identify the most effective talent investments allocated among a highly skilled core of full-time staff, contractors, external consultants, managed services providers and outsourcers.

"Many finance organizations are developing the talent and resourcing model needed to 'skill and scale' at speed to address demands beyond their lean teams. That's important because remote working is likely to remain in place, certainly in the near term, and is becoming permanent policy in many organizations. There is a very real possibility of future work disruptions that could bring about shelter-in-place orders, further increasing the need for a highly flexible talent and sourcing strategy to augment these lean accounting teams."

JAY THOMPSON
Managing Director, Global Managed Business Solutions Leader, Protiviti

For each of these key areas of the overall finance process, please indicate how it is primarily resourced/staffed in your organization. (Shown: CFO/VP Finance responses)

	Full-time employees	Staff augmentation (contractors, freelancers, etc.)	Managed services provider (blend of full-time staff, contract professionals and third-party experts)	Fully outsourced
Accounting operations — accounts payable	64%	25%	10%	1%
Accounting operations — general ledger	55%	30%	13%	2%
Accounting operations — accounts receivable	54%	23%	20%	3%
Financial reporting	55%	23%	17%	5%
Financial planning & analysis	54%	24%	18%	4%
Tax	43%	30%	20%	7%
Risk management	49%	25%	21%	5%
Strategic finance (M&A)	48%	26%	20%	6%
Treasury	53%	27%	15%	5%
Finance PMO	56%	23%	16%	5%

Key fact

Among organizations in which finance operations experienced disruptions or delays as a result of office closures or shutdowns at vendors or third-party service providers over the past year, 57% addressed these challenges by engaging a managed services or business process outsourcing provider, compared with 41% the prior year.

Considering the impact of the COVID-19 global pandemic, please indicate if you are making adjustments in your workforce for the following areas. (Shown: CFO/VP Finance responses)*

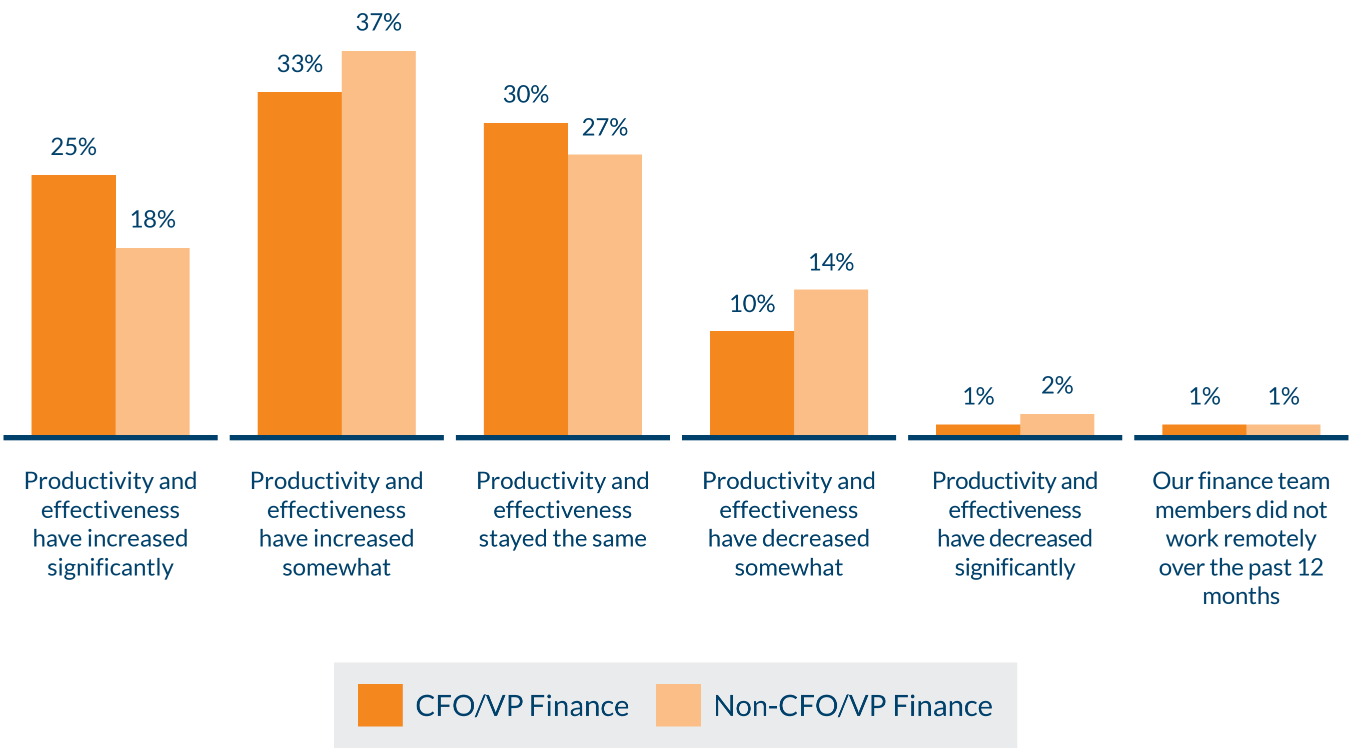
	Increase in workforce		Decrease in workforce	
	2021	2020	2021	2020
Changing demands and expectations of internal customers	46%	50%	31%	25%
Enhanced data analytics	44%	41%	27%	30%
Robotic process automation	44%	30%	23%	43%
Security and privacy of data	44%	35%	26%	31%
Data visualization	42%	34%	23%	26%
Process improvement: process and data analytics	41%	36%	27%	32%
Cloud-based applications that support finance	42%	37%	27%	30%
ESG metrics and measurement	42%	N/A	26%	N/A
Blockchain/smart contracts	38%	34%	26%	29%
Changing roles of human resources, leadership & development, and recruiting	39%	32%	29%	36%
New accounting standards	35%	36%	27%	29%
Transaction planning and readiness	37%	N/A	27%	N/A
Challenges with regulations	35%	32%	26%	33%
Global mobility	33%	33%	29%	32%
Measuring and reporting on Human Capital disclosures	33%	N/A	30%	N/A
Mobile finance applications	34%	32%	26%	30%
Process mining	33%	31%	26%	33%
Virtual currencies	33%	31%	28%	33%
National tax changes	35%	30%	27%	34%
Outsourcing non-core activities	32%	33%	31%	32%

* Not shown: "No change" responses.

Which of the following statements best describes the status of your finance team's working model?
(Shown: CFO/VP Finance responses)

Our finance team members have returned to work in the office full time.	22%
Our finance team members are using a hybrid working model (combination of remote and in-office), with plans to fully open our office(s) by the end of the year and expectations that finance team members will work full time on site.	46%
Our finance team members are using a hybrid working model (combination of remote and in-office), which we plan to employ permanently.	24%
Our finance team members continue to work remotely, but we plan to fully open our office(s) by the end of the year with expectations that finance team members will work full time on site.	7%
Our finance team members have transitioned to a fully remote working model on a permanent basis.	1%

How would you rate the overall level of productivity and effectiveness of your organization's finance team members over the past 12 months as they have worked remotely or in a hybrid model?*

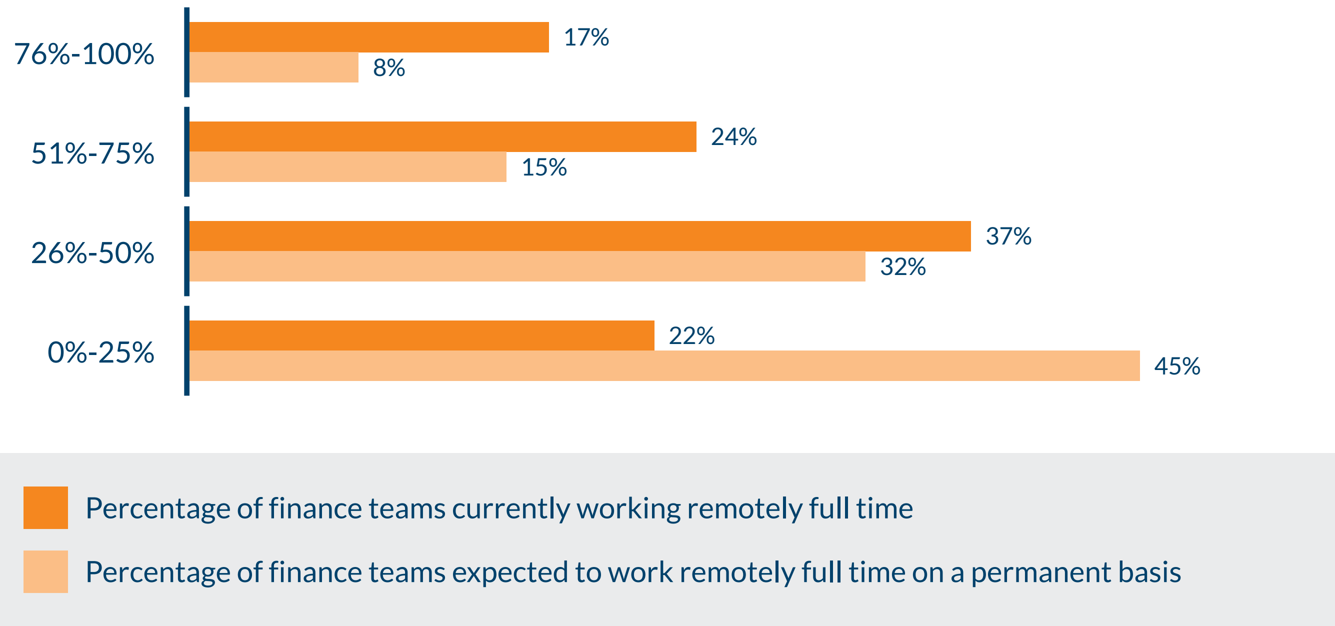


* "Unsure" responses are not displayed.

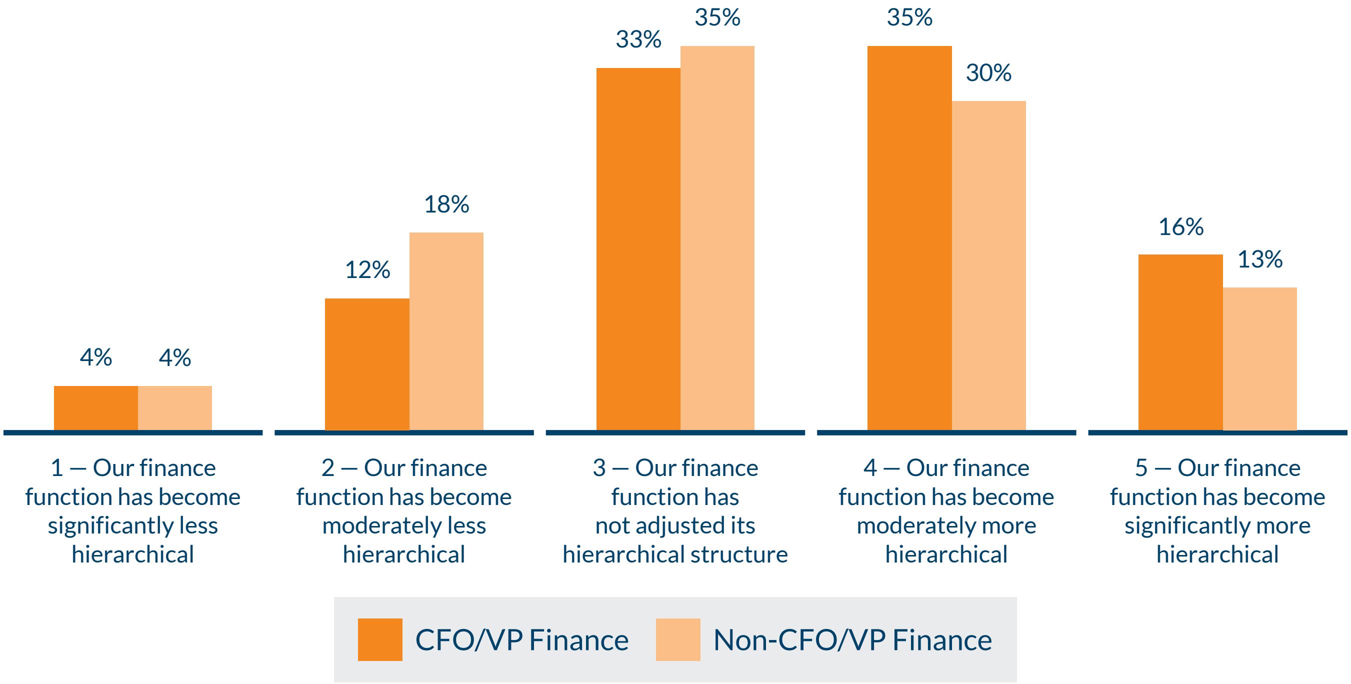
For the finance organization in the post-pandemic world, how have your views changed with regard to finance leaders and staff members working remotely on a permanent basis?
(Shown: CFO/VP Finance responses)

Significantly more inclined to allow finance team members to work remotely	14%
Somewhat more inclined to allow finance team members to work remotely	27%
Views have not changed	17%
Somewhat less inclined to allow finance team members to work remotely	24%
Significantly less inclined to allow finance team members to work remotely	18%

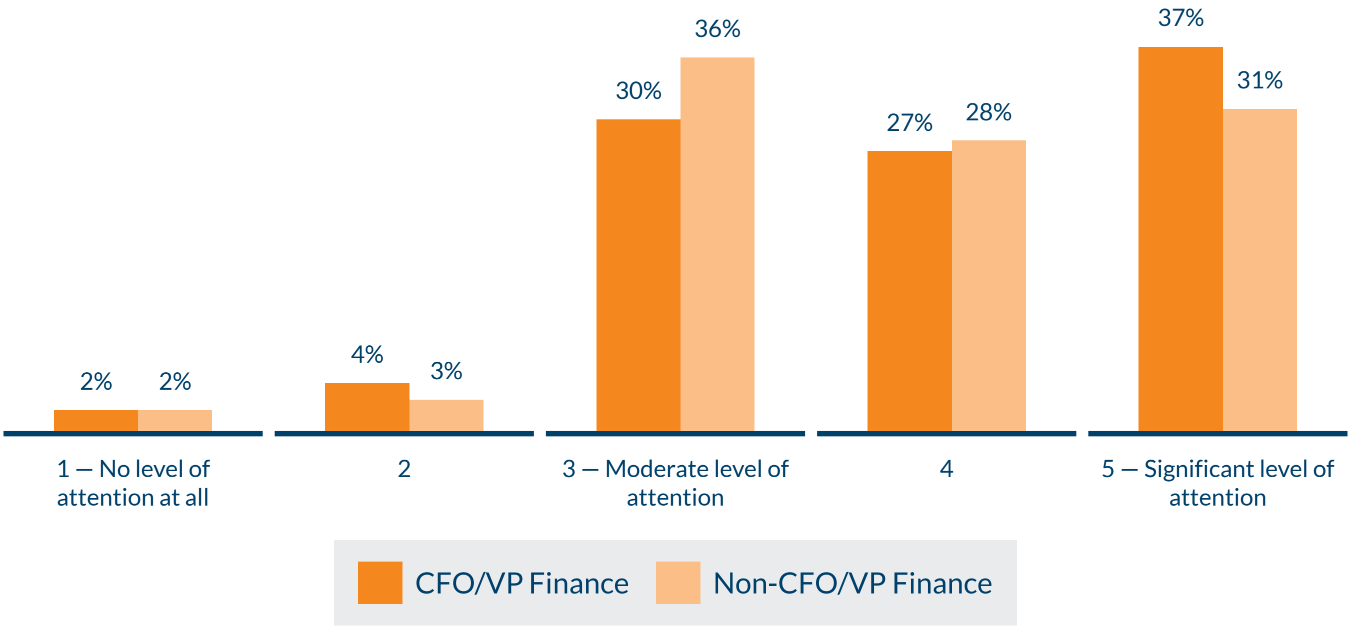
Perspectives on finance teams working remotely on a full-time basis (Shown: CFO/VP Finance responses)



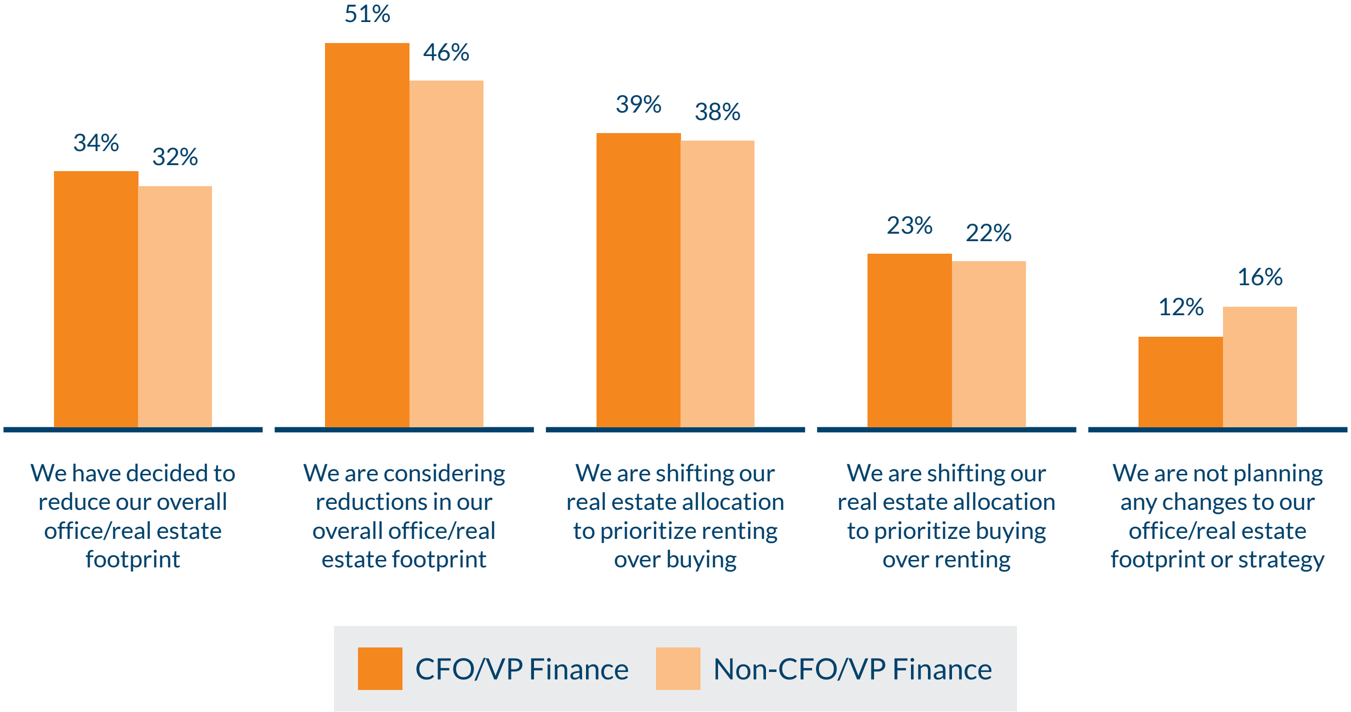
How, if at all, has your finance function adjusted its hierarchy in the past 12 months to address future needs?



What level of attention, if any, has your organization placed on finance organizational models focused on improving the finance function's impact?



Regarding your organization's real estate footprint and strategy, which of the following actions, if any, are you implementing or considering?*



* Multiple responses permitted.

"In these unprecedented times with economic fluctuations, workplace uncertainty and limited talent pools, it is critical for finance leaders to have short-term options to meet their immediate needs. Finance leaders are turning to managed services as one option for the agility to pivot and build the team in order to meet the changing demands in this unsettled environment."

KERRY BUCHAR
Managing Director, Protiviti

AUTOMATION AND TRANSFORMATION — A POST-COVID ROADMAP FOR RAPID ADVANCEMENT

The past two years have laid bare how far finance organizations have advanced on their automation and digital transformation journeys — and how much progress they need to make, quickly.

Many finance organizations continue to struggle delivering the real-time insights and decision-making support that other groups in the enterprise request as they address significant uncertainties in the market. In many organizations, an expanding set of internal customers depends heavily on the forecasts, reforecasts and other financial analyses the CFO's group produces. These insights strengthen decision-making involving sales, revenue growth, supply chain management, profitability management, talent management, ESG matters, and nearly every other strategic area. The value derived from these analyses ensures that the demand for financial insights will continue to increase.

CFOs are looking at their systems in a new light now that they are equipped with tangible evidence of the efficacy of those applications under extreme conditions and as the complexity of reporting requirements — e.g., Human Capital disclosures and expanding ESG disclosures — increases.

Ongoing changes to accounting rules also place new demands on financial systems.

As they scrutinize their existing capabilities in automation and progress made in their digital transformation efforts, finance leaders are assessing whether the outputs from their systems are accurate and timely. CFOs are also committed to increasing their team's use of cloud technologies, deploying innovative technologies to bolster virtual collaboration, and improving human and system workflows. Finally, finance executives want to find out whether the data in their systems, as well as within the systems of third-party partners, remains easily accessible and secure.

All of these technology-related demands are interrelated: Achieving substantive digital transformation progress requires the optimization of existing financial systems as well as the deployment of advanced automation. Maximizing the returns on those investments, in turn, requires a deep understanding of the information needs of an expanding set of finance customers as well as a rigorous approach to cybersecurity and data governance.

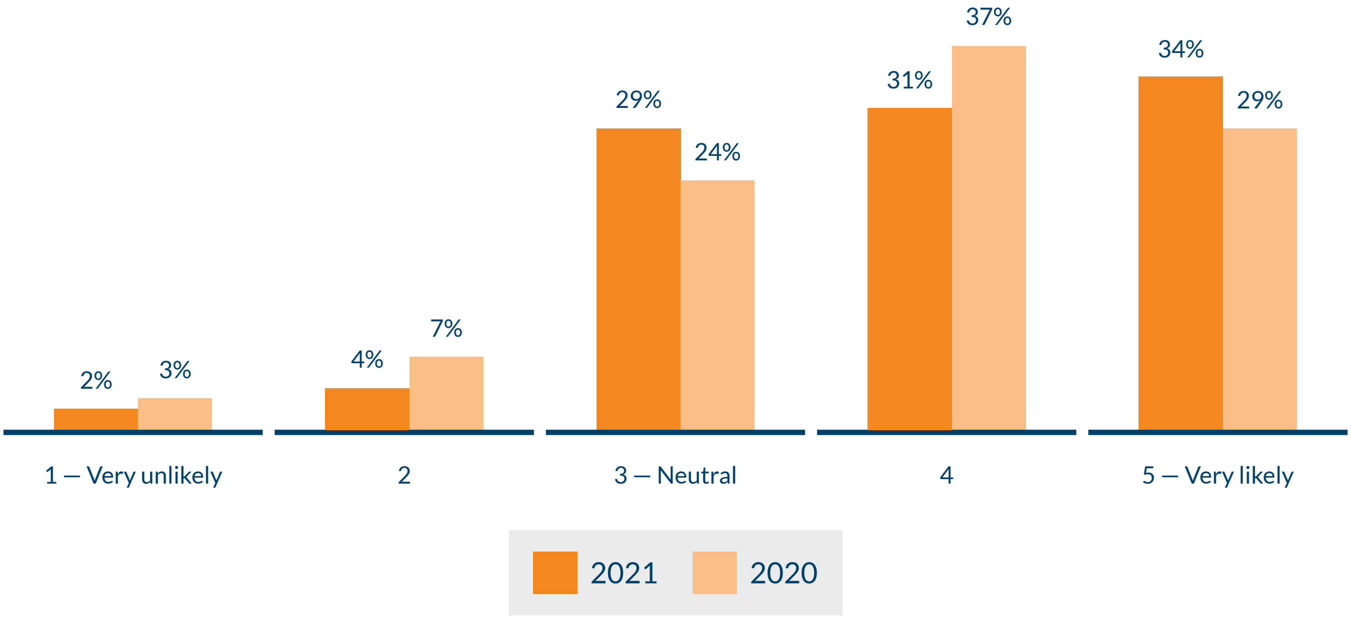
Key action items for CFOs and finance leaders

- Evaluate whether current financial systems produce real-time insights as opposed to grinding out historical analyses days or weeks after the monthly close. Consider the utility of those tools in enabling not only current but also known and potential future requirements.
- Optimize existing systems and tools by replacing time-consuming manual activities (e.g., custom reports) with automation while developing an advanced cloud, collaboration and workflow capability.
- Deploy advanced tools and techniques, including those that produce innovative finance analyses, and process mining applications that identify steps and activities that can be removed from a cycle while ensuring all relevant internal controls are addressed.
- Consider mechanisms for monitoring and continuously enhancing the finance customer experience.
- Establish and expand the finance group's crucial cybersecurity role; these activities include benchmarking cybersecurity spending, evaluating current investment allocations, quantifying cyber risks in dollar terms, articulating cyber risks in business terms, and ensuring that data security and privacy activities extend to third parties.

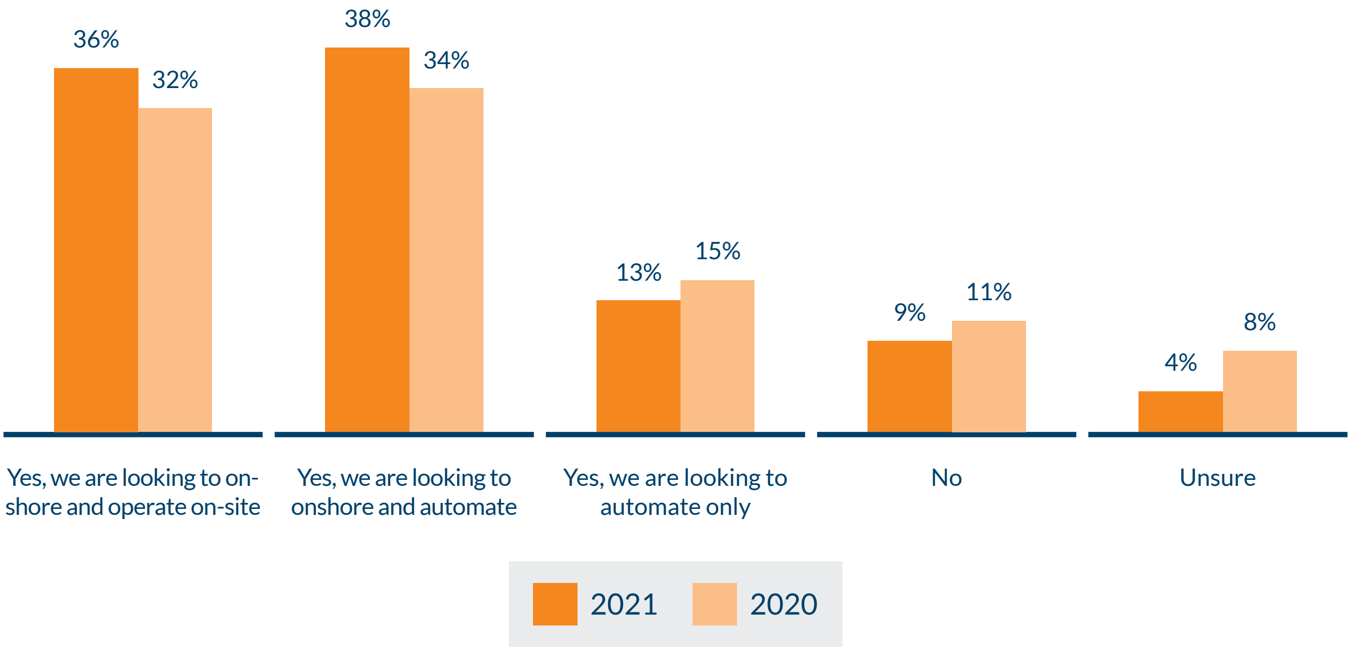
"Finance organizations today are focusing extensively on their automation and data, particularly as the ongoing war for talent creates new demands requiring new solutions that include new technologies. For those that have not had a chance to adopt these digital tools or have not adopted them at scale, the time is now. Pilots and proofs of concept that have been waiting for attention from senior leadership should be brought into the light and prioritized for adoption as appropriate."

KEN THOMAS
Managing Director, Protiviti

How likely or unlikely is it that your organization will increase automation to perform critical business functions within the next year? (Shown: All responses)



Is your organization looking to onshore and/or use RPA tools to automate processes more within the next year? (Shown: All responses)



VIRTUAL CURRENCIES ON THE RISE?

While virtual currencies and their potential applications for organizations and their corporate finance groups have been an uncertainty in the past, things may be changing. The results of this year's survey suggest significantly growing interest in using and investing in virtual currencies, and more employees, customers and suppliers are demanding them to be an accepted form of payment and compensation.

The numbers are even more pronounced among CFOs and finance leaders, with 58% reporting interest in using virtual currencies and 56% saying they are already investing in them.

With regard to virtual currencies, which of the following statements applies to your organization?
(Shown: All responses)*

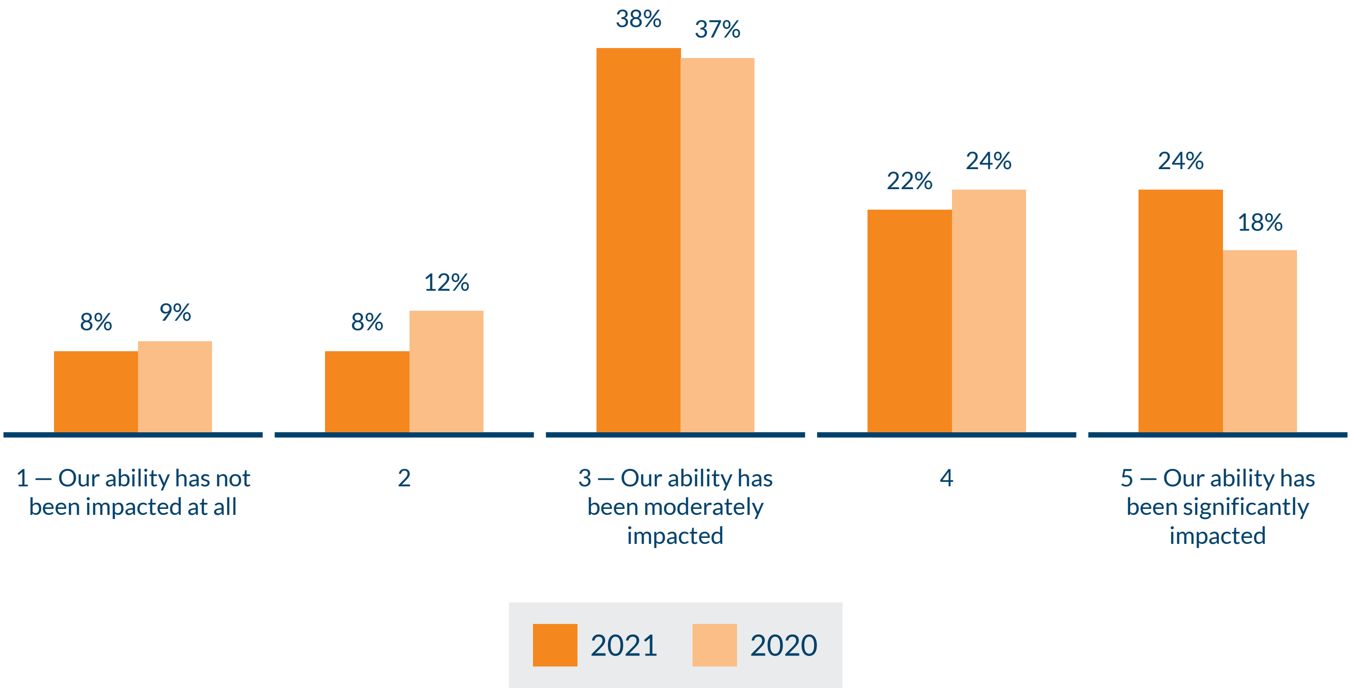
* Multiple responses permitted.

ONGOING IMPACT OF THE COVID-19 GLOBAL PANDEMIC

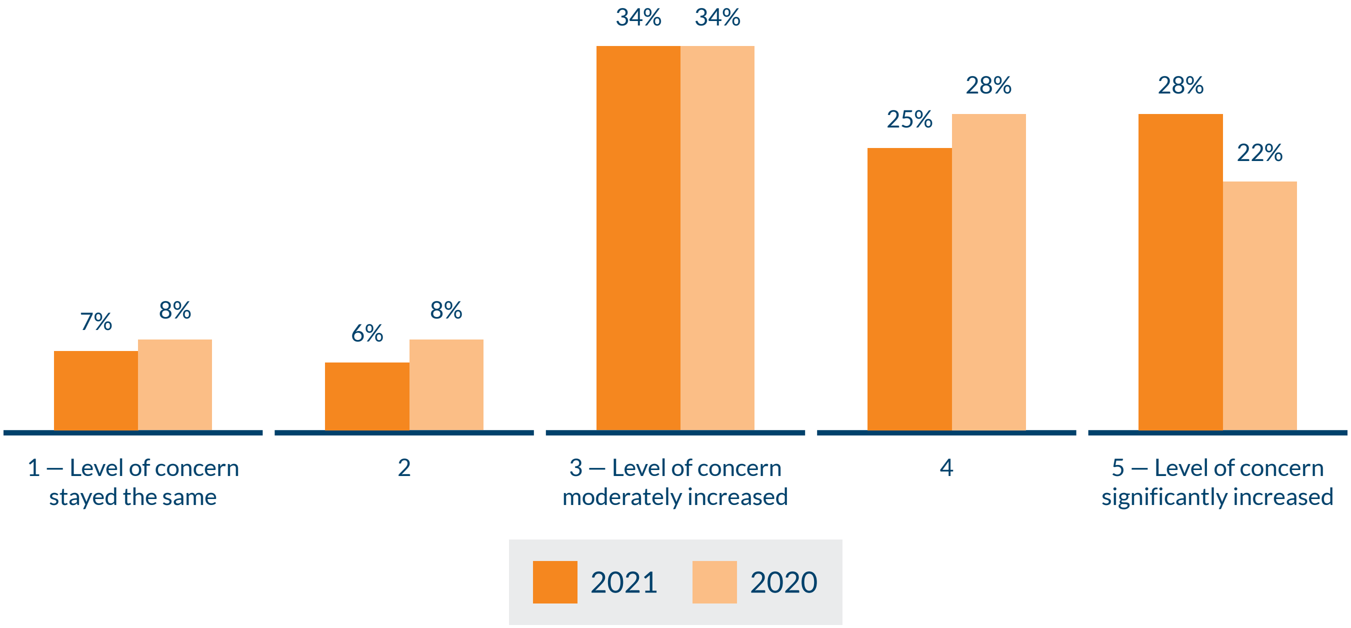
More than a year into a global pandemic that upended the business world, the effects clearly are still being felt by finance organizations. Challenges persist in preparing reliable financial reporting and statements under required timelines. Finance-related data security concerns remain and, in fact, have increased year over year.

Notable trends include a greater number of finance organizations engaging managed services or business process outsourcing (BPO) providers to help address disruptions or delays resulting from office closures or shutdowns among their vendors or third-party service providers. In addition, fewer finance organizations are seeing cost-cutting measures affect areas including their workforce and operations.

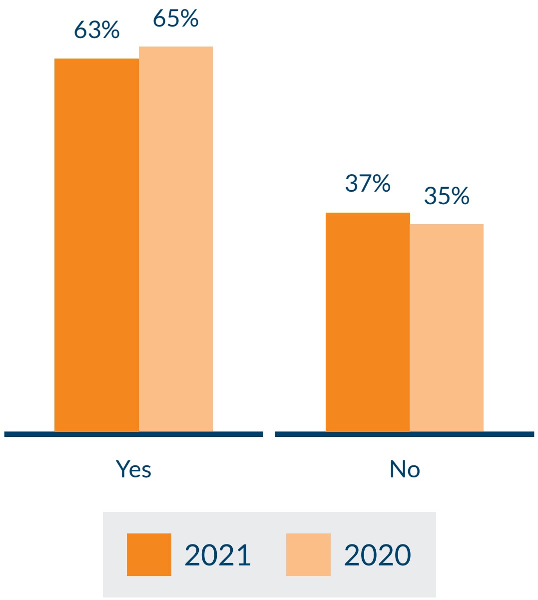
Overall, how would you rate the level of impact the COVID-19 pandemic has had on your finance organization's ability to continue preparing reliable financial reporting and statements under required timelines? (Shown: All responses)



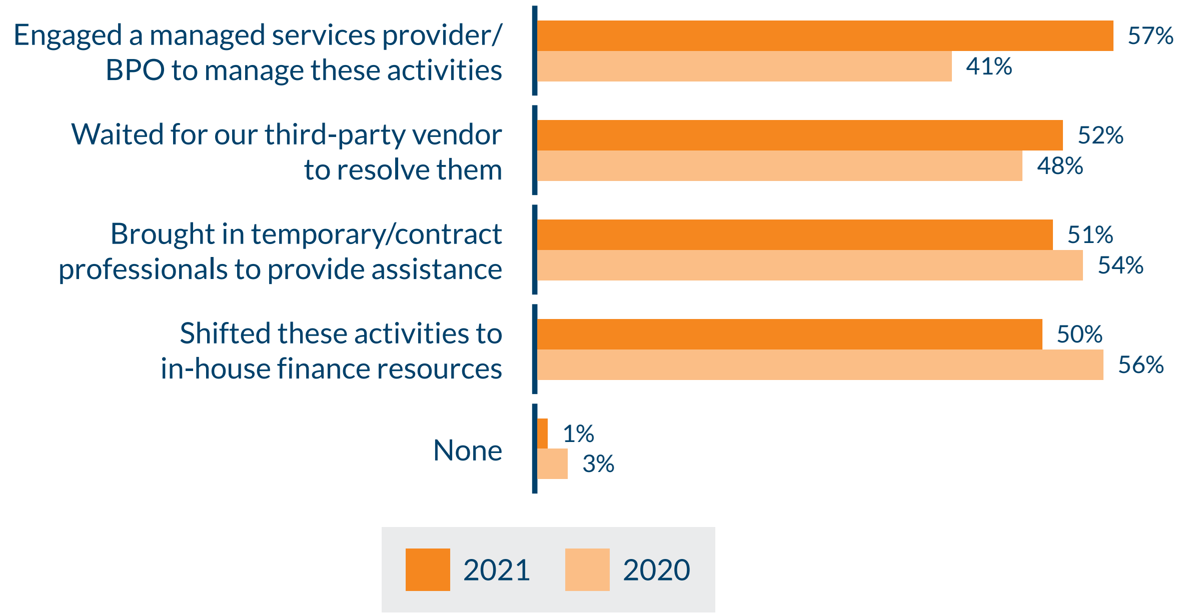
How, if at all, has your level of concern for finance-related data security and privacy issues changed as your organization's people, processes and technologies have shifted to a remote working model relying on your organization's existing security? (Shown: All responses)



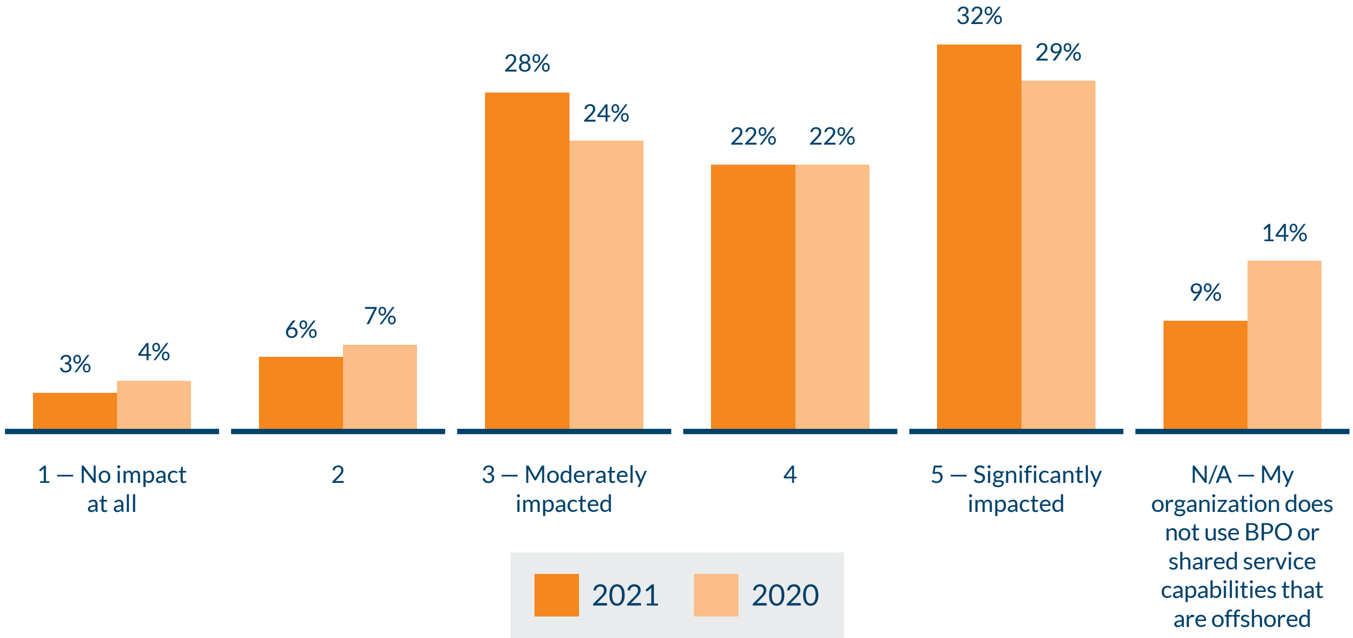
Did your finance operations experience any disruptions or delays as a result of office closures or shutdowns among vendors or third-party service providers on which your finance organization relies? (Shown: All responses)



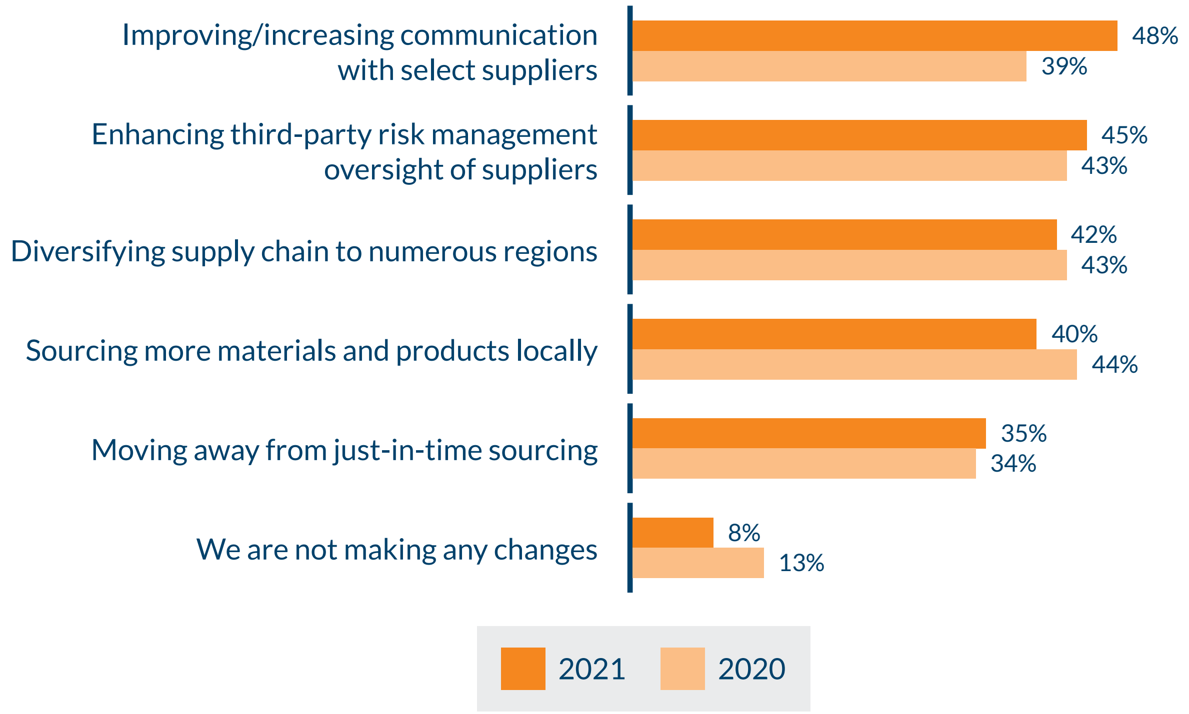
[If Yes]: Which, if any, of the following actions did you take to address these disruptions or delays? (Shown: All responses)



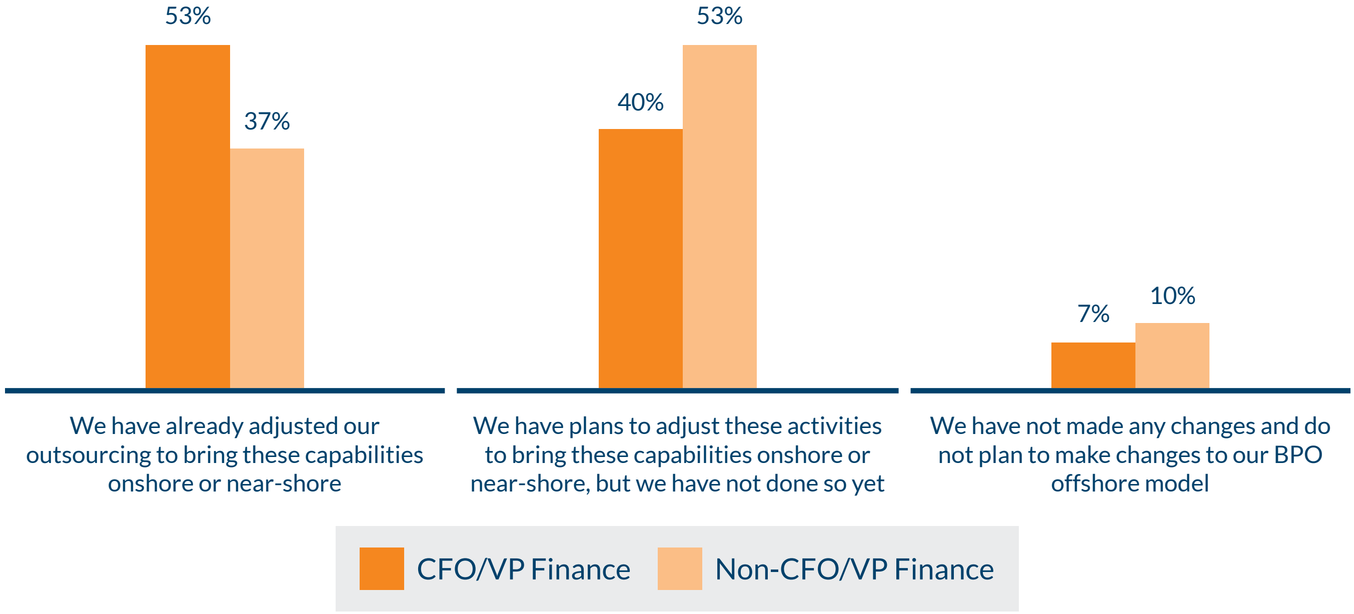
If your finance organization is dependent on BPO or shared service capabilities that are offshore, to what extent were they impacted by the COVID-19 outbreak? (Shown: All responses)



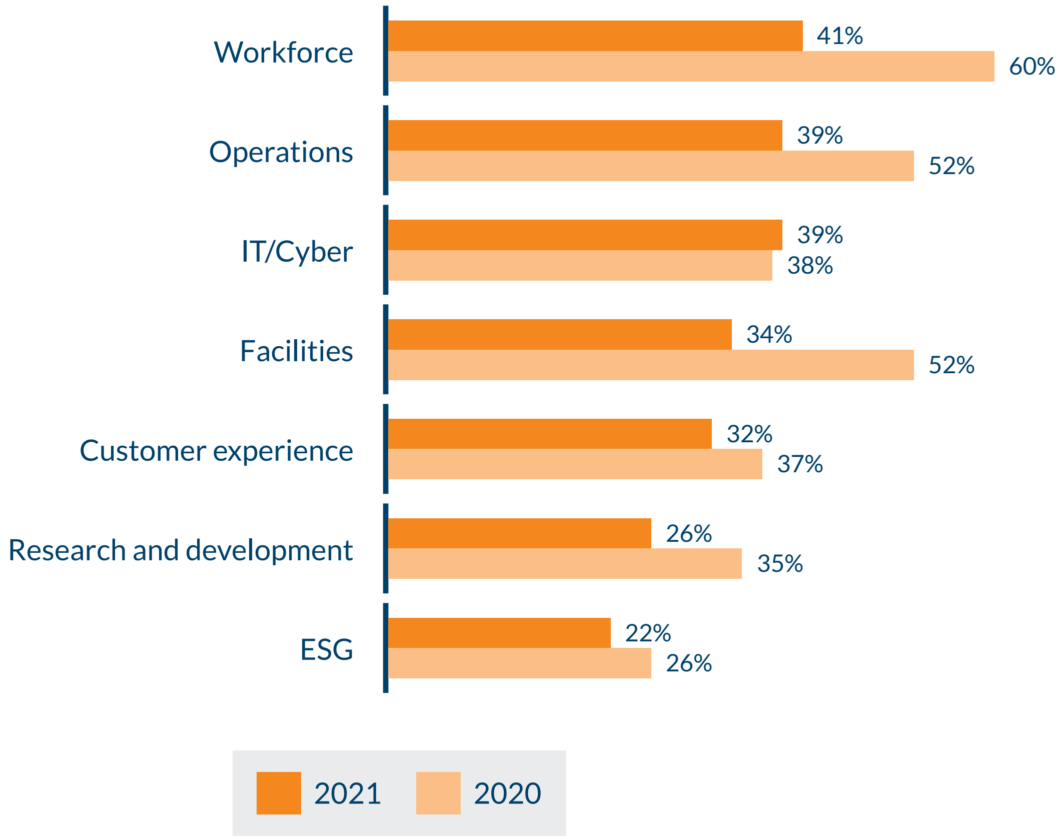
In light of current occurrences around trade barriers, how is your organization reviewing its policies toward sourcing goods from its supply chain? (Shown: All responses)



What actions, if any, has your organization taken or planned to take with regard to your offshoring strategy?



Which of the following three areas will be most impacted by cost-cutting measures in the finance organization? (Shown: All responses)



APPENDIX — OTHER NOTABLE FINDINGS

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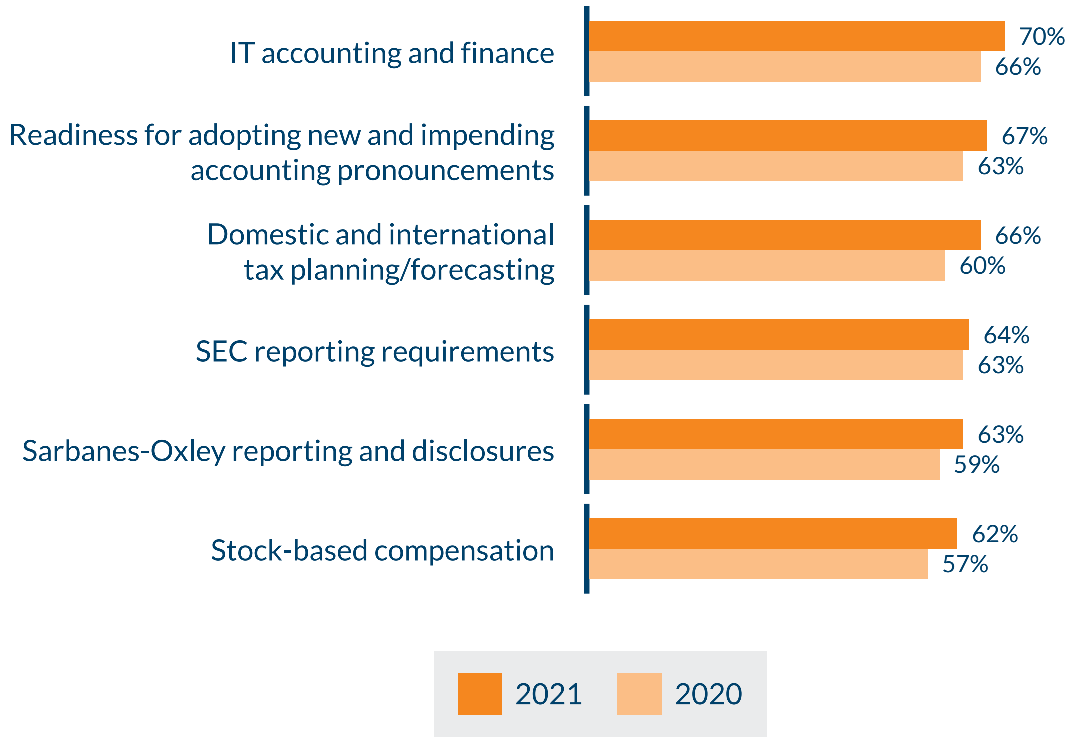
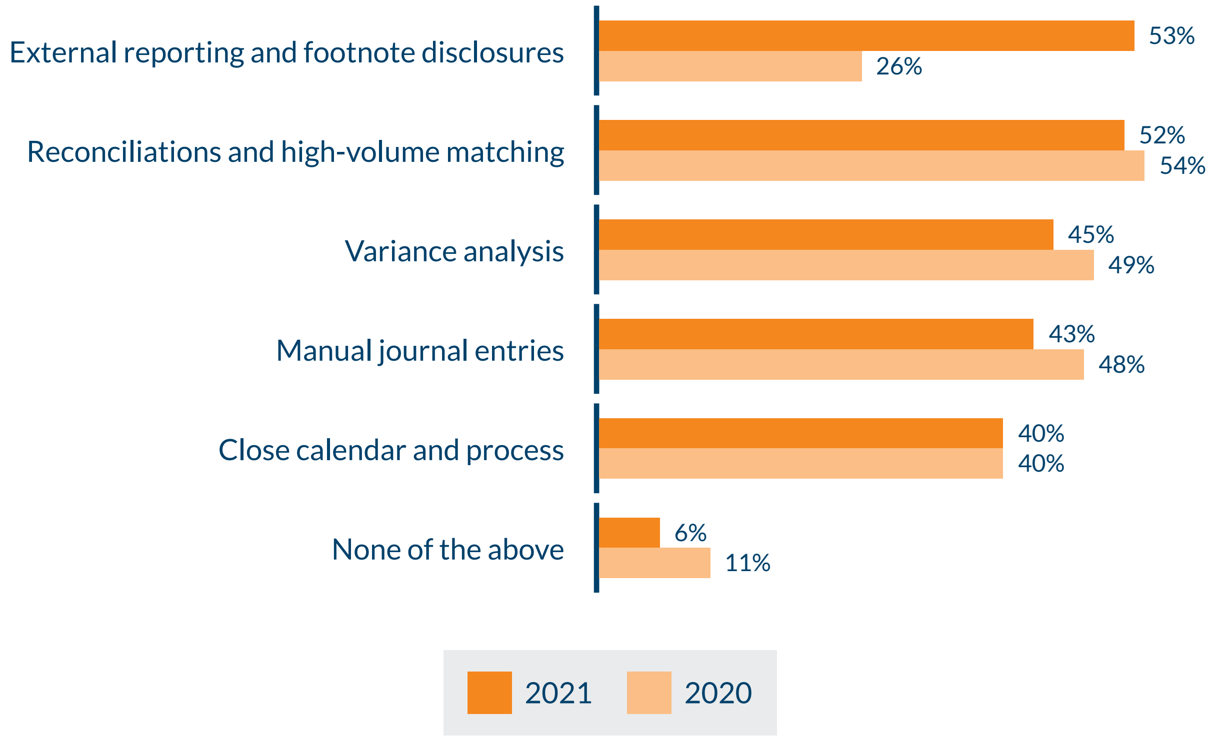
Respondents were asked to rate 11 different finance processes and activities based on a 10-point scale, where "1" reflects the lowest priority and "10" reflects the highest priority for the finance organization to improve its knowledge and capabilities over the next 12 months. Percentages indicate ratings with a score of 8–10. (Shown: All responses)

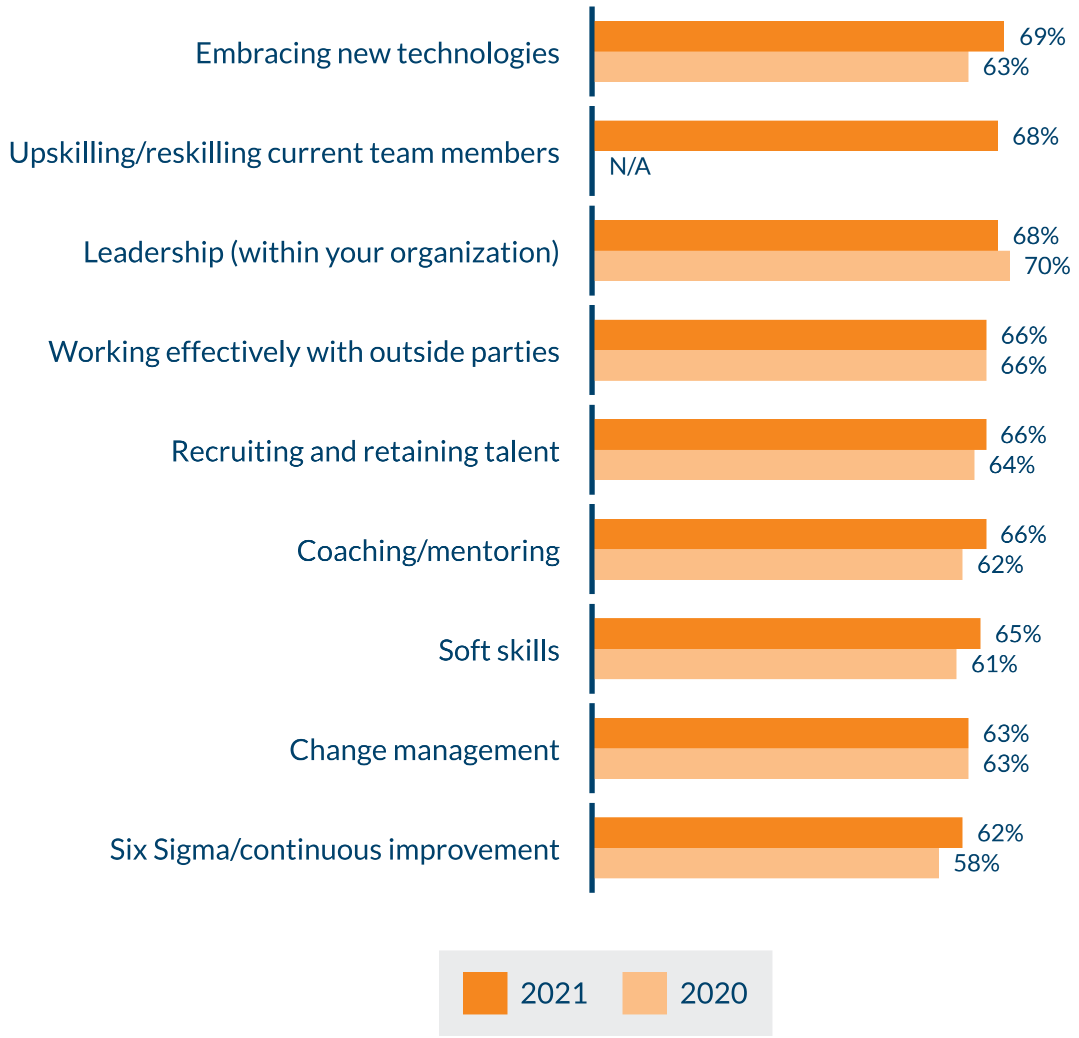
Respondents were asked to rate 6 different finance-related technical areas based on a 10-point scale, where "1" reflects the lowest priority and "10" reflects the highest priority for the finance organization to improve its knowledge and capabilities over the next 12 months. Percentages indicate ratings with a score of 8–10. (Shown: All responses)



For which of the following areas, if any, do you use record to report tools? (Shown: All responses)



Respondents were asked to rate 9 different staff-related skills and topics 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. Percentages indicate ratings with a score of 8–10. (Shown: All responses)



METHODOLOGY AND DEMOGRAPHICS

More than 1,000 (n=1,010) finance leaders worldwide, including CFOs, vice presidents of finance, and a broad range of finance directors and managers, participated in Protiviti's Global Finance Trends Survey, which was conducted online in July and August 2021. Respondents represent a broad cross-section of public and privately held companies. Survey participants also were asked to provide demographic information about the nature, size and location of their businesses, and their titles or positions. We are very appreciative of and grateful for the time invested in our study by these individuals.

Position

Chief Financial Officer	29%
Vice President, Finance	18%
Finance Transformation Director	6%
Financial Reporting Director/Manager	23%
Finance Transformation Manager	6%
Finance Process Manager	6%
Finance Technology Management	4%
Budgeting/Planning Director/Manager	3%
Corporate Controller	3%
Treasury	1%
Internal Control Lead	1%

Industry

Financial Services — Banking	18%
Financial Services — Asset Management	17%
Manufacturing (excluding Technology)	10%
Retail	10%
Technology (Software/High-Tech/ Electronics)	6%
Construction	4%
Insurance (except Healthcare Payer)	4%
Transportation and Logistics	3%
Consumer Packaged Goods	3%
Financial Services — Broker-Dealer	2%
Automotive	2%
Financial Services — Other	2%
Wholesale/Distribution	2%
Telecommunications	2%
Oil and Gas	2%
CPA/Public Accounting/Consulting Firm	2%
Healthcare Provider	2%
Power and Utilities	1%
Real Estate	1%
Services	1%
Biotechnology/Life Sciences/ Pharmaceuticals	1%
Hospitality	1%
Media	1%
Chemicals	1%
Healthcare Payer	1%
Other	1%

Size of organization (outside of financial services) — by gross annual revenue in U.S. dollars

$20 billion or greater	4%
$10 billion — $19.99 billion	4%
$5 billion — $9.99 billion	8%
$1 billion — $4.99 billion	24%
$500 million - $999.99 million	36%
$100 million — $499.99 million	23%
Less than $100 million	1%

Size of organization (within financial services) — by assets under management

$250 billion or greater	6%
$50 billion — $249.99 billion	11%
$25 billion — $49.99 billion	16%
$10 billion — $24.99 billion	20%
$5 billion — $9.99 billion	20%
$1 billion — $4.99 billion	25%
Less than $1 billion	2%

Type of organization

Privately held	68%
Publicly held	32%

Scope of organization

Global	33%
National	29%
Regional	23%
Local	15%

Organization headquarters

United States	39%
Germany	14%
Australia	14%
United Kingdom	10%
Italy	7%
Hong Kong	6%
India	5%
Singapore	3%
China	1%
Brazil	1%

ABOUT PROTIVITI

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and our independent and locally owned Member Firms provide clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through our network of more than 85 offices in over 25 countries.

Named to the 2021 Fortune 100 Best Companies to Work For® list, Protiviti has served more than 60 percent of *Fortune* 1000 and 35 percent of *Fortune* Global 500 companies. The firm also works with smaller, growing companies, including those looking to go public, as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

HOW WE HELP CFOs AND FINANCE ORGANIZATIONS

The role of finance executives is dynamic, constantly evolving to keep pace with changing demands of internal and external customers and technology. Protiviti helps finance leaders address their current challenges and explore opportunities for continuous growth, delivering innovative solutions and supporting finance as a forward-thinking, strategic partner to the business. At the core of our methodology is aligning people, process and technology to drive efficiency and productivity, enabling change and creating value for the entire organization.

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