

Future-proof your finance capability amid digital disruption

As technology transforms the business environment, finance professionals need to acquire new skills to stay relevant. BY FRANCIS KAN



Expertise and skillsets in process design and engineering could be crucial to ensure that the finance functions could sustain any strain, according to Ms Chiang.



Mr Kalra says progressive organisations already have an ongoing process to build the capacities and capabilities and keep their employees' aspirations in mind.



Many organisations may not fully appreciate the true value of the finance function beyond that of a 'bean counter'. They are the glue that interlinks all business units, says Mr Toong.



Re-thinking the role of universities

ONE key component of the Committee on the Future Economy report is for professionals to acquire new skills for future jobs. Ho Yew Kee, associate provost (SkillsFuture & Staff Development) at the Singapore Institute of Technology, shares his views on how universities can help build future-ready capacities and capabilities.

It is widely recognised today that the job of a finance professional goes beyond that of merely keeping the books. They are increasingly being seen as a business partner, providing strategic insights that help drive or influence key decisions in an organisation, while playing a vital role in managing the financial and compliance risks of the organisation.

As the common link across an organisation's various units, the finance function's intimate knowledge of the business, its finances and operations makes it a logical partner of the C-suite to play this role.

"Traditionally, finance personnel can be seen as gatekeepers or number crunchers. However, finance personnel can do more by being strategic business partners to the management," says Ho Yew Kee, associate provost (SkillsFuture & Staff Development), Singapore Institute of Technology.

"Their analytical skills and ability to put numbers into strategies and decisions, if coupled with an understanding of the big strategic picture of the company, they would be in a good position to be even more valuable to the management."

As the role of finance professionals evolves, it is important that the industry anticipate future trends to see what skillsets and capabilities are required for them to remain effective, experts say.

In particular, the rise of digital technologies is dramatically disrupting a wide range of sectors, and changing the way the finance function operates. Among other things, technology has allowed for more complex and a higher volume of transactions, and also has led to more intense competition as new digital tools level the playing field.

"Digital, which is both an enabler and disrupter at the same time, is already transforming how businesses will operate and businesses also need new capabilities in the finance function to ensure that they are ready to use tools to process information more efficiently and also turn them into insights much faster than ever before, something that is clearly missing at present," says Rishi Kalra, global head, corporate finance, Olam International.

Acquiring digital expertise

To operate in such an environment, finance professionals will need to acquire knowledge in areas such as data analytics, valuation and IT systems, among others.

"Finance professionals who are familiar with the use and application of data analytics will benefit from the ability to draw insights from the reports and pursue growth areas previously unidentified or create implementable solutions that can initiate change in the business in a meaningful way," says Vincent Toong, partner, assurance, Ernst & Young LLP.

Similarly, he believes that the application of valuation models and techniques and when to apply them will be useful in acquisitions, fair valuation accounting or impairment testing.

"Traditionally, finance personnel can be seen as gatekeepers or number crunchers. However, finance personnel can do more by being strategic business partners to the management."

Prof Ho Yew Kee at Singapore Institute of Technology.

Meanwhile, a good understanding of IT systems and processes will also allow the finance team to assess the effectiveness of a system or process.

Finance professionals also need to be nimble to ensure that their organisations' systems and processes are flexible enough to cope with rapid and frequent changes in the environment.

"Expertise and skillsets in process design and engineering could be crucial to ensure the finance functions could sustain any strain and changes and to remain efficient," says Chia Hai Yin, chief financial officer, corporate group at the Singapore Tourism Board.

She noted that the challenge of acquiring new skills "presents tremendous opportunities for finance profes-

sionals to provide strategic value to an organisation, and if done well and ahead of the game, could increase the competitive edge of the organisation."

Prof Ho believes that universities can play a key role in helping prepare finance professionals to succeed in the digital age.

"The training they obtained in the university and the continuing training they received when they are working would significantly determine their ability to innovate to suit the jobs of the future. For example, traditionally finance major students do not learn programming or even large data set manipulation," he explains.

Fostering a culture of innovation

While many in the profession recognise the need for change, many organisations still treat their finance teams as mere book keepers, impeding their ability to adapt.

"One of the impediments is the organisation. Many organisations may not fully appreciate the true value of the finance function beyond that of a 'bean counter', that they are the glue that interlinks all business units, and can provide the right insights and support management decision-making," says Mr Toong.

He added that at the other end of the spectrum, another impediment is the finance professional himself or herself. The individual must be willing to embrace change and have the zeal for continuous learning.

Fostering a culture of innovation is key to helping companies successfully build the capacities and capabilities they require. As such, they need to give their finance professionals the room and resources to experience and acquire new skills, and the agility to embrace new ideas and processes.

Meanwhile, acquiring or hiring experienced professionals with these capabilities and encouraging them to share best practices and know-how is another way to build up knowledge in the team.

More progressive organisations already have an ongoing process to build the capacities and capabilities they need to succeed, and also keep their employees' aspirations in mind, says Mr Kalra.

"They adopt a more focused approach than using a broad-brush one, which ultimately helps both the individual in meeting their aspirations and at the same time improve overall organisational excellence."

- Get more practitioners back to the university to share their cutting edge knowledge and skills in the commercial world;
- Restructure the curriculum of the undergraduates such that they are more skill and practical-based without sacrificing the academic rigour of the programme;
- Get the professors to be involved in the business world so that they can understand the working mechanism of the businesses. They can then structure their research and teaching to meet the industry challenges;
- Give the students more personalised experience in the class rather than mere rote learning or even a one-way monologue lecture (particularly for large class size). Let them solve real world problems rather than simplified exercise or tutorials;
- The growth in content for the finance and accounting discipline will suggest that there is insufficient time for the faculty to cover the whole of the content space adequately. The universities will have to restructure their delivery such that the students should be encouraged to learn by themselves;
- There will be a greater role for online or technology enhanced learning since the current generation of students is already multi-media savvy and they spend a lot of time online.
- Consider putting the students on work-study programme, structured internship and on-the-job training as part of their acclimatisation to the real world.

