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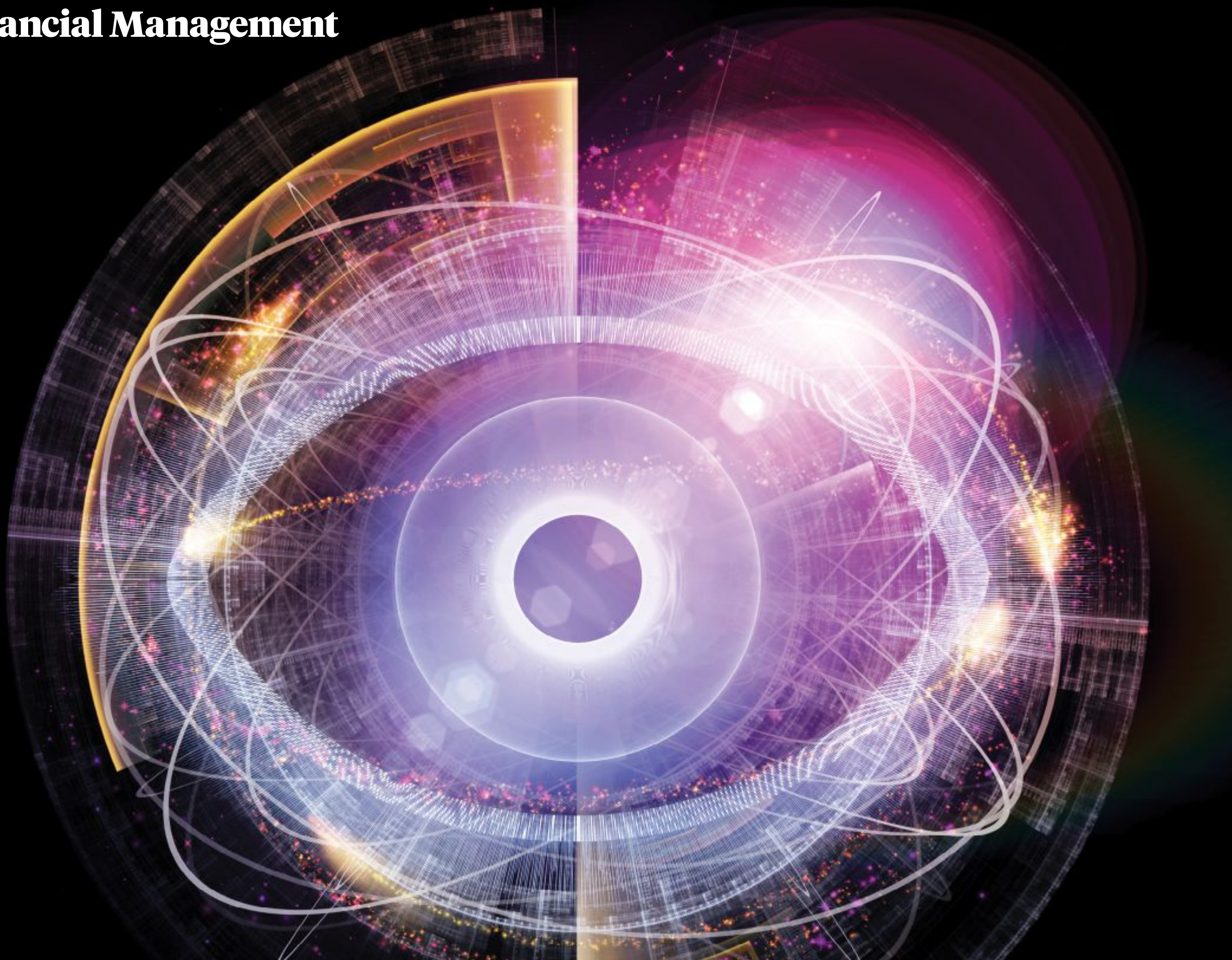

EYE ON CHANGE

Forecasting for long-term value creation

8

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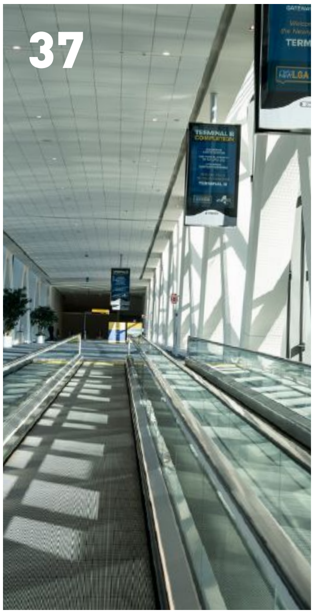

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Achieving through 'Daring Together'

'In the past two years, you became the "value partner" your organisations desperately needed.'

At the beginning of my presidential year, I chose "Dare Together" as my theme.

As we face up to new global uncertainty with Russia's military invasion of Ukraine, I believe that theme is even more relevant. To rebuild our world after the continuing shocks to our economic systems and meet the challenges of living with COVID-19, we have to travel forward collectively and be bold.

As finance professionals, we drive effective business management in any economic climate, but it is in challenging times such as these that our expertise and skills come to the fore. In the past two years, you became the "value partner" your organisations desperately needed. You truly delivered on the purpose of our profession — to drive prosperity and opportunity for those who count on us.

What we have learned in the past two years is that the future belongs to those who work with, not against, each other and, in the process, learn from one another. That is what I mean by daring together.

The Association's response to the Ukraine war has been thoughtful and strong.

And this crisis — like that of 2020 and 2021 — demands us on a personal level to be both bold in our actions and empathetic.

Finance teams that rode the waves of pandemic uncertainty now face new anxiety and uncertainty. Not least those working in the region most affected by the war.

For leaders operating across all parts of the world, now is the time to improve communication with teams and continue building genuine personal connections with staff to keep them engaged and productive.

Here are three areas where leaders can make a real difference by using their nontechnical skills.

- **Practise listening.** Listening is one of the most effective ways of showing empathy to members of your team.
- **Trust your team.** Rather than the corrosive effects of micromanagement on business culture, give your team as much autonomy as possible.
- **Bond your team.** Team bonding is essential for morale, culture building, and effective collaboration. Reminding your team why their work is valuable has always been important. In the remote environment, more so.

Through this and recent crises, AICPA & CIMA's combined forces are here to support the profession — including through our learning resources, conferences, guidance, and advocacy work.

Together, in recent months, we have achieved much. We have:

- Supported long-term sustainable economic recovery in the UK through meetings between key stakeholders and CIMA representatives.
- Accelerated economic recovery by advocating on behalf of small- and medium-size entities, skills building, and professionalism in Hong Kong, South Africa, and Poland and other countries.
- Rolled out to additional countries the CGMA Finance Leadership Program, our 100% online pathway to the CGMA designation.
- Launched a series of data analytics courses, including Data Analytics Core Concepts Certificate, Data Analytics Foundations Certificate, and Introduction to Data Analytics for Accounting Professionals, which is hosted on the Coursera platform.
- Committed, as part of the Prince of Wales's Accounting for Sustainability project's Accounting Bodies Network, to achieve net-zero greenhouse gas emissions as soon as operationally possible.

There is plenty more to come, including the combined CIMA Annual General Meeting, the AICPA & CIMA ENGAGE Europe 2022 conference, and the AICPA & CIMA Finance Awards in Birmingham in the UK in June 2022. This will be our first large UK in-person event since 2020. My address there will focus on the profession's important role in the adoption and evolution of environmental, social, and governance (ESG) issues in business.

I look forward to seeing you there.

KEEP IN TOUCH
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3 steps to navigate a disrupted world

By Andrew Harding, FCMA, CGMA

It would have been almost impossible for anyone to have predicted how fast the world has changed in the past two years. We have grappled with many unimagined circumstances, from a global pandemic to now a war in Ukraine.

Russia's military invasion of Ukraine is disastrous on a fundamental human level. And as we join the many voices around the world calling for peace, our thoughts are with members, students, and staff devastated by the invasion.

Economically, it is also a disaster. However, there are things we can do in the face of this crisis: times such as these demand both empathy as well as activity.

One area where we can sharpen our focus is business risk. I want to highlight three key risk areas finance leaders need to consider now:

People. For some businesses, this is the top risk. The need for a strong and healthy workplace culture is crucial. Learning the lessons from how your business dealt with the talent management challenges of the pandemic can help. Collaboration and trust are also fundamental to building a performance culture, described in our report *Reimagining Performance Management*.

Cybersecurity. In the first half of 2021 cyberattacks increased year-on-year by 125%, Accenture found. Linked to Russia's invasion of Ukraine we have seen the number of threats amplify — the need for cyber resilience has never been stronger. AICPA & CIMA have resources that can help prepare your organisation. They include a cybersecurity tool – Are You Prepared for Global Risk? – and a series of short Cybersecurity in 45 Seconds YouTube videos.

Supply chains. Electric vehicle (EV) manufacturing provides one example of supply chains hit by the crisis. Reuters reported that Tesla chief executive Elon Musk has seen "significant" inflation in raw materials and logistics. Business and finance leaders need to ask a series of questions including: What actions should be taken to improve my business's supply chain in the event of other geopolitical risk events? They also need to analyse their extended supply chains and consider regulatory and reputational risks.

In these disruptive times, the need to adapt is critical. We now need to constantly evolve to stay relevant and ensure our organisations survive, adapt, and thrive.

You may be thinking, "Where do we start?" Here are my recommendations:

- **Commit to learning, unlearning, and relearning.** This will expand your skills to thrive now and in the future. You cannot complete this pledge in a few weeks. It's a continuous, career-long process of development — but it will ultimately help you, your organisations, and your teams succeed.
- **Grow your digital mindset.** To embrace the major digital transformation in finance, ensure you prioritise technology implementation and training on digital skills. Our Digital Mindset Pack for CIMA members and AICPA members harnesses future-focused resources — from blockchain to robotics to artificial intelligence — to sharpen your digital skills.
- **Get comfortable with ESG.** Management accountants have a key role to play in building the processes and systems to deliver relevant management information and insights in this area and improve their businesses' integrated thinking capabilities. Finance must lead the transformation of corporate reporting to implement ESG matters, which drives trust. I believe the profession is up to that challenge, and we are here to help.

Read more resources, insights, and tools to help you navigate the business impacts of the war.

Andrew Harding, FCMA, CGMA, is chief executive–Management Accounting at the Association of International Certified Professional Accountants, representing AICPA & CIMA.

PHOTO BY STEVE FORREST/STEVE FORREST PHOTOGRAPHY

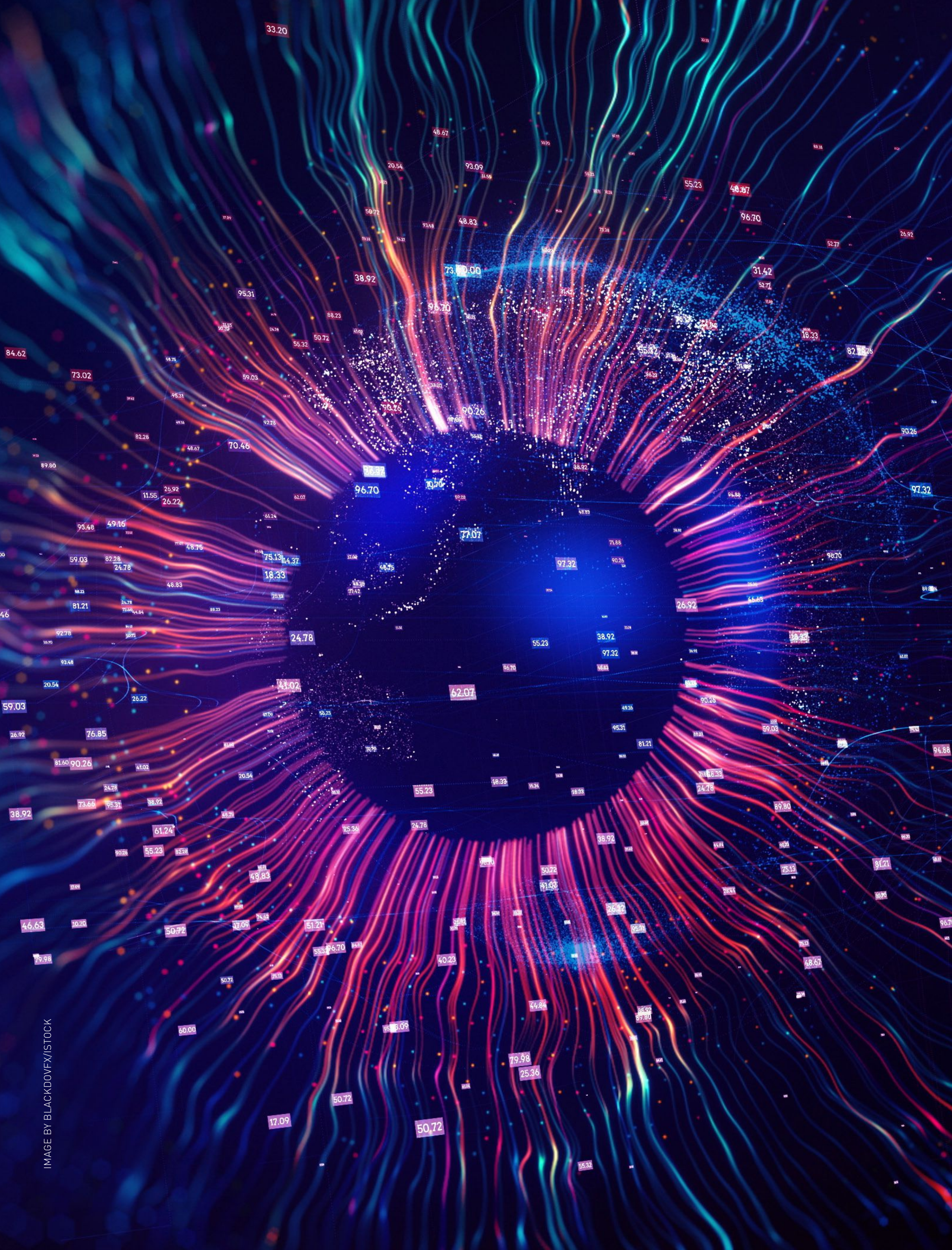


IMAGE BY BLACKDOVFX/ISTOCK

Value: How to create a robust financial forecast

Using a dynamic business forecast can enable the focus to be shifted to long-term value creation.

By Paul Ashworth, FCMA, CGMA

In the February 2022 issue of *FM* we explored value measurement techniques, the impact of intellectual capital, and the calculation of a relevant cost of capital. The article concluded that discounted-cash-flow (DCF) valuations have the potential to provide the most justified and accurate valuations.

This second article considers how processes and capability can be improved to provide a robust forecast that can then be used to provide the projections required for a DCF valuation.

The creation of robust financial forecasts can be boiled down to five critical steps:

1. **Analyse** historic performance to determine the underlying drivers of financial performance, map the interrelationships, and quantify the current values of drivers.
2. **Identify** projected future changes in the values of drivers and the external factors or strategic themes of the business that will cause those changes.
3. **Build or modify** a forecast model from the underlying drivers, including their interrelationships and projected future values, to determine forecast financial outcomes under various agreed scenarios.
4. Analyse **variances** between actual and forecast performance on an ongoing basis for both the underlying drivers and the financial outcomes.
5. **Review** the strategic themes, as necessary, and **modify** the forecast model.

It is imperative that finance develops the expertise to create accurate-as-possible forecasts for the short term but also into the long term. The forecasts also need to provide appropriate insight that informs actions to protect and increase business value.

Forecasting challenge

There are too many "known unknowns" and "unknown unknowns" in business to expect perfectly accurate forecasts. However, forecasts should reflect the "known knowns" and be well justified, insightful, and actionable. There is scope within most businesses to significantly improve forecasting capability.

Factors to consider when preparing such a forecast include strategic alignment, managing predictability, setting the appropriate level of detail, ensuring integration of data, and forecasting through to the long term.

Businesses that can produce better, more informative forecasts can gain a significant competitive advantage, reduce business risk, and hence improve value.

Strategic alignment

Improving understanding of the value-creation levers available to the business is needed. The underlying drivers generally relate to intellectual capital and will ultimately lead to finance outcomes that determine future financial capital.

To measure the development of intellectual capital and the consequent financial outcomes, interactions between types of intellectual capital need to be mapped and appropriate metrics identified. An effective approach is that proposed by Kaplan and Norton, in which interactions are described through a business's strategic themes. These themes provide justification for projected changes in the future values of performance ratios based on investments in intellectual capital (see the example in the chart "Example Strategic Theme").

The offset in time between investment in capability and the realisation of financial returns adds complexity to the

Editor's note

This article is the second in a two-part series looking at the role of the management accountant in understanding, measuring, and managing value.

There is scope within most businesses to significantly improve forecasting capability.

recognition of numerical relationships. The processes of identifying and tracking the strategic themes are critical in developing an improved understanding of how intellectual capital creates value. By incorporating all strategic themes within one model, the synergistic benefits that can come from improvements in multiple drivers are more easily identified and kept realistic.

The value of some metrics that measure the relationships will effectively be determined by business rules such as price lists, standard process timings, and staff costs by pay band. Others will be determined by the likely behaviours of different customers or customer groups, such as the propensity to renew or likelihood to pay within credit terms.

Predictability

Disruptive factors, such as terrorism, extreme weather events, or even client empowerment, can apply unpredictable pressures on the business, which will need to be managed. The challenge for finance is to identify and master the predictable aspects of business, freeing up time and resources to focus on managing the unpredictable.

Customer behaviours drive the actions required from the business. Therefore, finance needs to develop predictive analysis skills to determine how customers have behaved and may behave in the future under various scenarios.

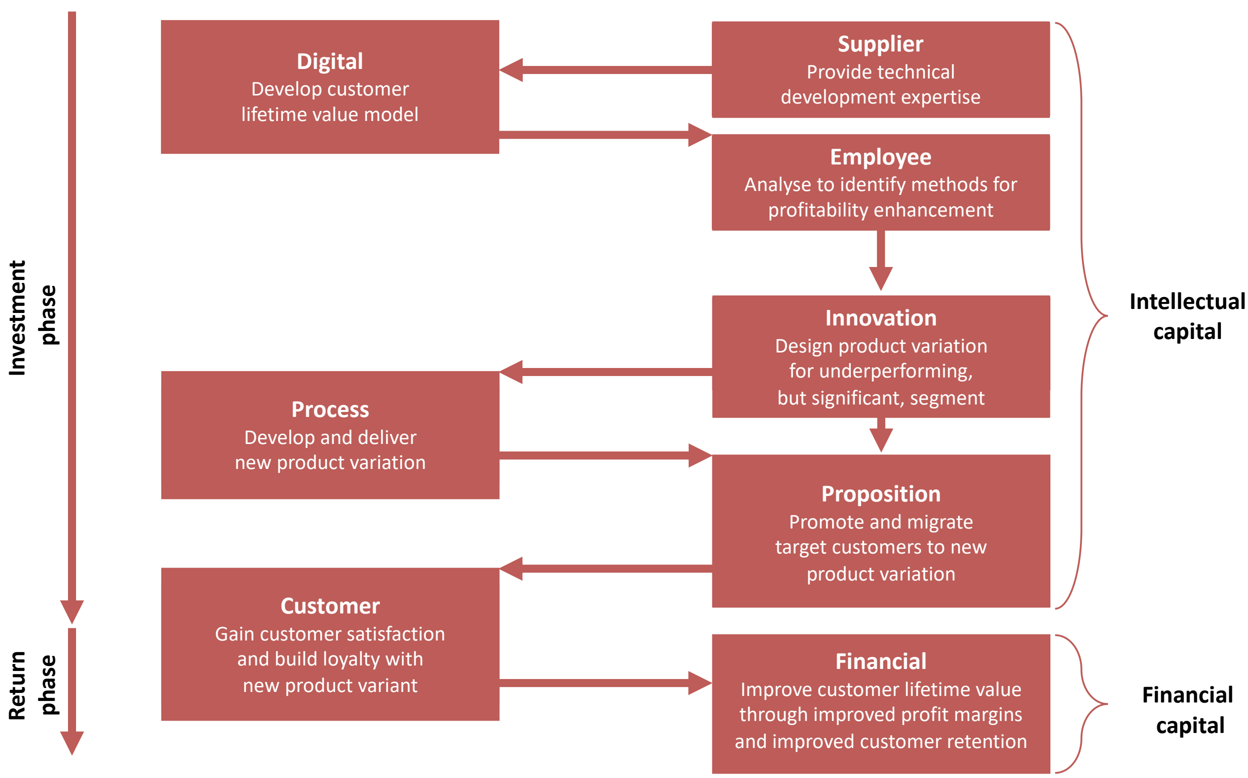
In my experience, drilling down to analyse business dynamics at greater levels of granularity provides insight to develop relationships that prove relatively stable over time. This results from the reduction of volatility resultant from changes in mix of business types.

By way of example, an insurance company may analyse the propensity of customers to renew their policies (see the chart "Example Insurance Renewal Propensity Rates"). It could just look at the overall propensity to renew (A). However, it could drill down further to analyse by the customer's age at policy inception (B), renewal year (C), or both (D). The increase in variability of propensity rates as you drill down highlights the amount of variance introduced by using top-level assumptions.

As models mature, it may become relevant to consider adopting algorithmic approaches. However, the potential increase in complexity and cost needs to be justified by a corresponding increase in forecast accuracy and the derived benefits.

The workings and implications of any algorithm need to be fully understood to prevent "black box" situations — where "what is happening" is understood but not "why" it is happening. This is likely to impede analysis on how to change

Example strategic theme



Example insurance renewal propensity rates

Age at policy	Renewal year						Blended total	
	1	2	3	4	5			
17–20	30%	50%	60%	66%	70%		52%	
21–30	50%	60%	66%	70%	72%		62%	
31–40	60%	70%	76%	80%	82%		70%	
41–50	70%	80%	86%	90%	92%	D	81%	B
51–60	80%	90%	92%	90%	88%		87%	
61–70	75%	85%	75%	70%	60%		75%	
71–80	70%	60%	50%	30%	15%		61%	
	59%	73%	79%	82%	84%		73%	A
			C					

Improved business value is achievable through the development and effective use of informative forecasting processes.

business dynamics to deliver value gains or avoid value loss.

Increasing the complexity of the prediction methodology can reduce the accuracy of forecasts, although it may improve accuracy for a few exceptional cases.

It is possible to see how significant benefits could be gained from automating predictive analysis, but this must be complemented by oversight from finance experts.

Once built, a forecast should then be flexed to run various scenarios that test the impact of assumptions. These risk-weighted scenarios should capture the impact of the disruptive factors relevant to the business to produce a forecast based on a range of possible outcomes rather than one specific outcome.

Level of detail

The level of detail used in the forecast should be sufficient to facilitate improving business predictability, whilst building confidence. However, if too much detail is used, there is a risk it becomes onerous to maintain, provides an unjustified illusion of credibility, and creates barriers hindering management engagement.

As understanding of the more predictable elements of the business improves, it is possible to increase automation and maintain greater levels of detail. By verifying the forecast against actual performance, credibility is built in the quality of the forecast.

Integration of forecasts

Short-term forecasts, which tend to be derived at a relatively detailed level and supported by stated underlying assumptions, can achieve high levels of accuracy. Variance analysis provides timely and high-quality feedback, improving understanding of performance and the accuracy of future forecasts.

Long-term forecasts tend to be produced as a totally separate exercise, at a higher level, and with limited documented justification for the assumptions made. It is rare that a business reviews historic long-term forecasts against subsequent actual performance, as there is little to be gained when the original forecast is unfit for purpose.

Creating one cohesive story to project future business performance results in integration within the forecasts across:

- **Temporal periods:** For example, operational plans, short-term forecasts, budgets, investment plans, long-term forecasts, risk management, and strategic planning.
- **Data types:** For example, nonfinancial, profitability, cash flow, and on- and off-balance-sheet measures sourced from across the business.

By developing one dynamic forecast, it is easier to ensure there is realistic progression through time and enable the business focus to be shifted to long-term value creation.

Creating a clear line of sight between current and long-term performance helps to improve the understanding and communication of strategy so that employees can effectively deliver on it. A recent AICPA & CIMA report, *Reimagining Performance Management*, indicated that 95% of employees do not understand their organisation's strategy.

Longer-term forecasting

The forecast should be prepared to cover all the periods to the point after which using an industry-based growth-in-perpetuity rate is judged to be appropriate; for most organisations the common range is five to ten years. After that period, a terminal or continuing value calculation should be completed to reflect the ongoing value-creation potential of the business (see the sidebar, "Terminal or Continuing Value").

The terminal value may be based on the normalised earnings, WACC (weighted average cost of capital), and an industry growth rate to derive a terminal value of the business by utilising McKinsey and Co's "value driver formula" referred to in the first article in the February *FM*.

Having developed the forecast, the net present values of future financial transactions and balances should be calculated by discounting at the company's WACC and hence create a DCF valuation.

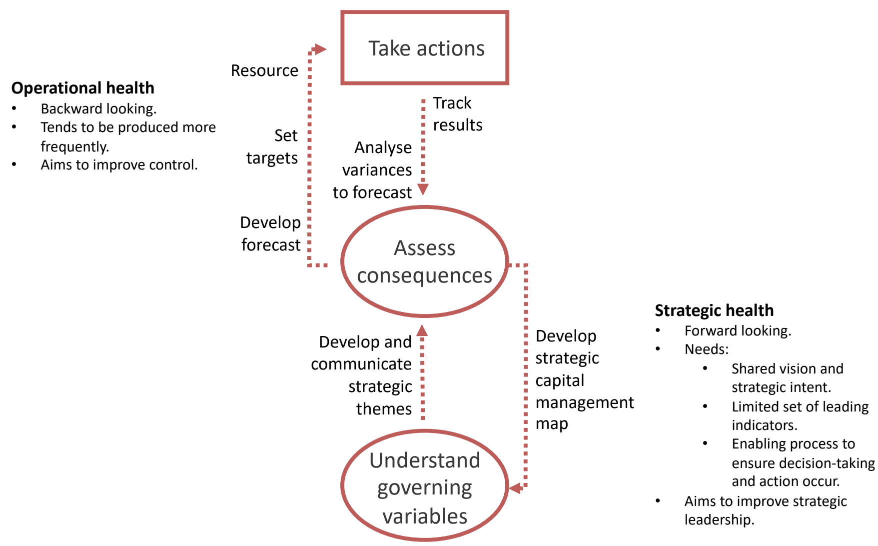
This approach creates a justified valuation with target values on underlying drivers that need to be met to deliver the specified value.

Learning feedback loops

The development and ongoing utilisation

By verifying the forecast against actual performance, credibility is built in the quality of the forecast.

Variation on Argyris and Schön's double-loop learning model



of the integrated forecast model provides valuable learning in two areas. Firstly, variance analysis provides insight into performance issues and adjustments to forecasting methodology, ensuring the operational health of the business. Secondly, the resulting insights can be fed into organisational strategy.

This approach facilitates finance partnering with the business to manage both its operational and strategic health and value in an aligned manner.

This two-level review was described by Argyris and Schön as double-loop learning (see the chart "Variation on Argyris and Schön's Double-Loop Learning Model"). Through the integration of the management of strategic health, this highlights that intellectual capital is a critical resource to be invested in, not a cost to be reduced.

In the rapidly evolving digital world, sustainable business advantage can be achieved and maintained through the monitoring of real-time data to inform strategic change. Double-loop learning helps ensure this becomes an ongoing, continuous process.

Improved business value is achievable through the development and effective use of informative forecasting processes. Organisations that have started developing in-house expertise will already be benefiting from the insights gained, invariably gaining advantage at their competitors' cost. ■

Terminal or continuing value

The terminal value or continuing value is the present value of the free cash flows after the point where any explicit forecast ends and can represent a significant proportion of a company's overall value. This is not unreasonable, as it can reflect improved cash flows from higher-than-normal return on investments in the near term. An explicit forecast should be prepared for the period until the company is expected to reach an equilibrium state, which is likely to be in line with average industry performance.

Paul Ashworth, FCMA, CGMA, is a Jersey, British Isles-based practising management accountant providing strategic insight and enabling business intelligence systems in financial and business services, and public-sector organisations. To comment on this article or to suggest an idea for another article, contact Drew Adamek at Andrew.Adamek@aicpa-cima.com.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Step it up: 5 tips to secure a promotion

Now is a great time to move up if you position yourself wisely.

By Sophie Hares

Putting your hand up for promotion can be a daunting prospect, but the changes brought on by the pandemic are creating a wealth of opportunities to take the next step up the ladder.

As companies scramble to fill new and existing roles to help them through the disruption, finance professionals need to be proactive and carefully position themselves to be ready when their ideal job arises, experts said.

"Don't think working hard is going to get you promotion or get you noticed," said Anna Herremans, Panama-based Latin America finance officer for the International Fund for Agricultural Development.

"Raise your hand and stretch yourself in small and bigger ways. What's going to get you to the opportunities you want is to be clear on who you are," said Herremans, who also coaches international women finance executives.

As accountancy roles expand, thinking laterally, adding new skills, and broadening your experience beyond finance will open up a wider spectrum of potential positions.

Read these five tips on making the next move.

Play the long game

It's rare that the perfect promotion lands in your lap, so it's important to be strategic and lay the groundwork to increase your chances of securing your next role, experts said.

Flagging your intentions is crucial, so start the conversation with your manager early so they know you're looking for fresh challenges and more responsibilities and that you want to grow within the company.

Getting your manager on your side to champion your cause can be invaluable, particularly ahead of corporate appraisal and development meetings that help flag rising stars.

"The question to ask yourself is, 'How does my manager see the real value in what I bring?'" said Gary Cox, ACMA, CGMA, a UK business and individual capability coach.

"The outcome should be to get your manager to be a champion and advocate for you, so he'll go to HR or ask colleagues if they have suitable roles as well."

Show, don't tell

Instead of expecting automatic promotion because of your time with your organisation, it's crucial to stand out from your peers and show why giving you more responsibility would help the company and produce results down the track.

Often, it's the softer skills that can make a difference, so keep a list of your workplace wins and show how you

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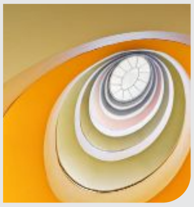


Future Proof Your Career

Being able to develop your people, business, and leadership skills alongside your technical skills is critical for success. Learn how to develop a focused path forward that leverages new technical skills and your increasingly important human intelligence.

VIDEO

Watch Your Language! Words That Are Sabotaging Your Career

In this session, participants will learn strong vocabulary that impacts their success as a leader and learn the obstacles that prevent their progress and impact.

VIDEO

encouraged your team or helped change mindsets to get a project over the finish line.

In a fast-changing landscape, it's increasingly important to highlight how you can think creatively to solve the myriad problems businesses are facing as they try to respond to the new environment.

"The worst thing you can do is have a cold conversation, turning up with all your medals and saying, 'This is what I've done … I deserve promotion.' The push system never works in promotion," Cox said. "Promotion is recognition of how your skills, capabilities, and influence are needed to develop a future successful organisation."

Build your network

The days when playing golf or socialising with the boss would open the door to promotion are being consigned to history, but building your peer network is more important than ever, Cox and Herremans advised.

Managing upwards is invariably transparent and unpopular, so focus on working closely with colleagues to help them overcome hurdles and create value for the company.

As finance roles change, nurturing relationships in other business areas can help accountants piece together a comprehensive picture of how their company works, while building a positive reputation.

There's no reason working from home should be a disadvantage, so reach out to people you want to build a relationship with to organise a quick online introduction.

Find the right role

It's easy to be lured into applying for a role that comes with an impressive title and fat salary, but a post that offers room to develop and grow will prove a better move, experts say.

Instead of presuming job descriptions are set in stone, take a big-picture view and think of how you can apply your skills and experience to a role even if you don't tick all the requirements.

Likewise, rather than just consider the next move up the ladder, finance professionals should also look at smaller or sideways moves that give them the skills and experience to get to where they want to be in the long run.

"Getting a promotion is not always about making the big one step, it's also about appreciating the little opportunities," Herremans said.

Live and learn

Tempting as it may be to walk away if you don't get the promotion you've tried so hard for, it's important to regroup, analyse what went wrong, and move forward. It's vital to get a clear idea of why you didn't get the job, so always ask interviewers for honest feedback. Maybe another candidate had more relevant experience, came across better in the interview, or simply clicked with the interviewer.

Instead of taking rejection personally, look for ways you can go the extra mile to take on projects that will prime you for promotion down the track, Herremans said.

"Don't think of going for a new opportunity or promotion as success or failure," she said. "Embrace the mindset of 'This is an opportunity for me to grow … whether I get the job or not.'" ■

Resources

Visit the Global Career Hub from AICPA & CIMA for help with finding a job or recruiting.

Sophie Hares is a freelance writer based in Spain. To comment on this article or to suggest an idea for another article, contact Drew Adamek at Andrew.Adamek@aicpa-cima.com.

Smoke and steam billow from Bełchatów Power Station, Europe's largest coal-fired power plant, at night near Bełchatów, Poland. The government plans to close the plant by 2036 as part of its plan to shift to low-emission energy sources.

PHOTO BY KACPER PEMPEL/REUTERS

Money for a green future

Earth Day spotlights investments to fund the world's transition to a green economy.

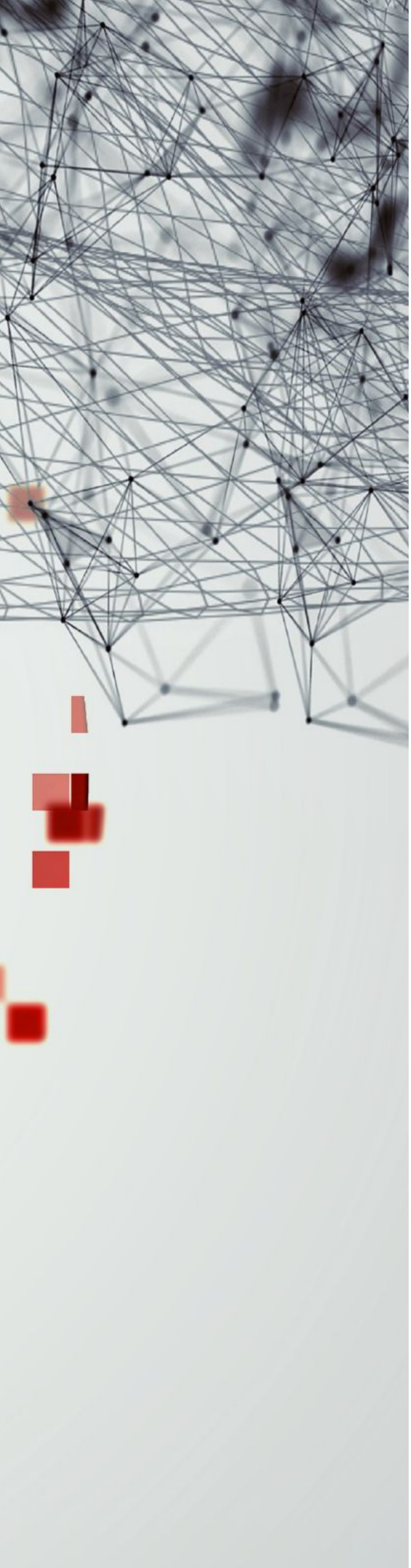
Earth Day has been celebrated every 22 April since 1970 to remind people of their duty to protect the natural world. This year, Earth Day organisers highlight the role companies and governments can play to fund the world's transition to a green economy.

A rising number of businesses are using new financial instruments — vanilla bonds labelled as transition finance, sustainability-linked bonds, and sustainability-linked sukuk for those in Islamic finance — to finance environmental, social, and governance plans. In the past two years, Tesco, H&M, Etihad Airways, and many others each issued hundreds of millions of dollars' worth of sustainability-linked bonds where the bonds' interest rate rises if they fail to meet their emissions reduction targets.

In the public sector, Poland is set to receive €3.5 billion ($3.95 billion), the largest grant to date from the EU's Just Transition Fund, to help the country transition to cleaner sources of energy and reskill its local workforce. Almost 90,000 people rely on Poland's coal sector for their livelihood.

5 steps to a digitalised reporting dashboard

IMAGE BY KOYU/ISTOCK



Take steps to transform data into actionable insights by using a business intelligence tool, choosing new data sources, and creating an interactive dashboard.

By Heimo Losbichler, Ph.D., and Lisa Perkhofer, Ph.D.

A core task of management accountants is to provide decision-makers with the right information, at the right time, in a suitable format for at-a-glance key insights. New technologies, such as predictive and prescriptive analytics, artificial intelligence, and real-time data processing, allow data quality to improve and trigger analytical reasoning and data-driven decision-making.

However, these new technologies can also potentially be highly complex and overload the decision-maker, even deteriorating decision quality. For the full potential of digitalisation to be unlocked, management accountants need to pay particular attention to five steps (for an overview, see the graphic, "5 Steps to Successfully Digitalise Reporting").

Step 1: Use BI software to support data analysis and reporting

Especially for small and medium-size companies, Microsoft Excel is the tool of choice when it comes to data preparation and reporting. However, Excel as the sole management information tool can be seen as a barrier when it comes to the inclusion of big data into the reporting routine, due to its limited integration and evaluation options as well as its low data storage capacity. Additionally, Excel offers limited options for data visualisation (especially when it comes to newer forms of visualisation designed to present big data as described in this article) and only a limited number of interaction techniques (eg, filtering, sorting).

Fortunately, the barriers for data analysis and reporting are decreasing, and the proportion of companies relying on business intelligence (BI) software for managerial decision-making is rising. When choosing the right BI tool, the company's needs and its existing IT infrastructure should be taken into account. Two tools — Microsoft Power BI and Tableau — have become market leaders (identified by analysts Gartner and BARC for many consecutive years). Based on our research, we provide indications of when to choose which software product (see the table, "Benefits of Leading BI Tools").

Step 2: Use new data sources to increase understanding

The inclusion and combination of various data sources such as the internet of things or social media for a new and better understanding of business models, products, and processes is the most important and the most challenging task when it comes to big data use. Data that has been stored from various sources and occasions needs to be put to use, and "value" needs to be generated. Especially in accounting, the identification of new and better growth or sales predictors could potentially change the way decisions are made today.

Nonetheless, it is not recommended to include every data source available into a pool and see if a trend or correlation can be detected to derive better predictors. Data

Data Visualization Certificate

Learn fundamental types of visualisation techniques and explore a sampling of the most common reporting tools for producing meaningful visualisations.

Find this course in the AICPA store and in the CGMA store.

COURSE

Microsoft Power BI: Power BI Series

This nine-part self-study online series will help you develop the skills necessary to use Microsoft Power BI tools, which will allow you to perform enhanced data analysis.

COURSE

Power BI — Use PBI Desktop to Create Reports and Dashboards

Power BI Desktop is a new standalone tool that adds visualisation to your data. This webcast focuses on learning the Power BI Desktop interface, connecting to data sources, and creating the visualisations.

VIDEO

Power BI — Introduction to MS Power BI Tools

This webcast provides an overview of the various Microsoft Power BI tools and should be your first step in learning the complete set of Power BI tools. By the end of this webcast you will have a thorough understanding of what each tool can accomplish.

VIDEO

sources should be carefully chosen with respect to their potential to contribute to the company's strategic goals. For example, while for stores in a shopping mall low customer flow simply follows good weather, financial service providers need to draw up customer profiles allowing them to assess and predict a customer's potential for default by combining personal information (eg, credit records and information on their income and fixed costs) and general market information (eg, information on industries, interest rates).

Step 3: Identify new insights and correlations from big data

Earlier identification of indicators gives management more decision-making leeway. When algorithms are highly complex, or for an initial analysis of the data with a limited number of variables, visual analytics can be used, as they present more intuitive ways to understand large amounts of data. Their inherent goal is to present the whole dataset within one frame to uncover insights that might otherwise be missed.

Step 4: Integrate new insights into reporting to enhance decision-making

Steps 2 and 3 identify early-warning indicators or new insights in the company's business logic. Visuals such as a parallel coordinates plot that can present multiple attributes in one chart or the heat map using example data from the wine industry presented in the sidebar "Interactive Visualisation for Assessment of Distribution and Correlation" are necessary for these tasks but should not be used in end-user reporting. High analytical skills are needed to derive information from a parallel coordinates plot, placing an unnecessary burden on the decision-maker. This task should be performed by trained management accountants or data scientists, and the understanding gained should be transformed to a simpler format so that the decision-maker can act on it (eg, if Y [order intake] predicts X [revenue], then reporting should focus on Y, to increase the manager's ability to take action by indicating problems very early on).

Step 5: Use user-friendly design and appropriate visualisation types for interactive dashboards

The optimal tool for managerial decision-making is a dashboard. One definition of a dashboard — by authors Ogan M. Yigitbasioglu and Oana Velcu-Laitinen — is a "visual and interactive performance management tool that displays on a single screen the most important information needed to achieve one or several individual and/or organisational goals, allowing the user to identify, explore, and communicate problem areas that need corrective action". Thus, a dashboard should only feature standard visuals known to management such as bar, column, waterfall, or line charts, which will clearly emphasise deviations from the plan that indicate a need for course-correction. Management can only take appropriate action if deviations stand out early on.

Visual choices should follow general design recommendations, such as in Hichert and Faisst's International Business Communication Standards, but also represent the data structure and allow for adjustments by users (such as filtering, panning, and drill-through). In addition to bar, column, line, waterfall, and scatterplot charts, visualisation types such as the sunburst, which is a development of a pie chart, and the choropleth presented in the sidebar "Useful Interactive Visualisation in a Dashboard" are helpful in a dashboard display. They transmit information in an understandable format while condensing a lot of data either in a hierarchy or by location.

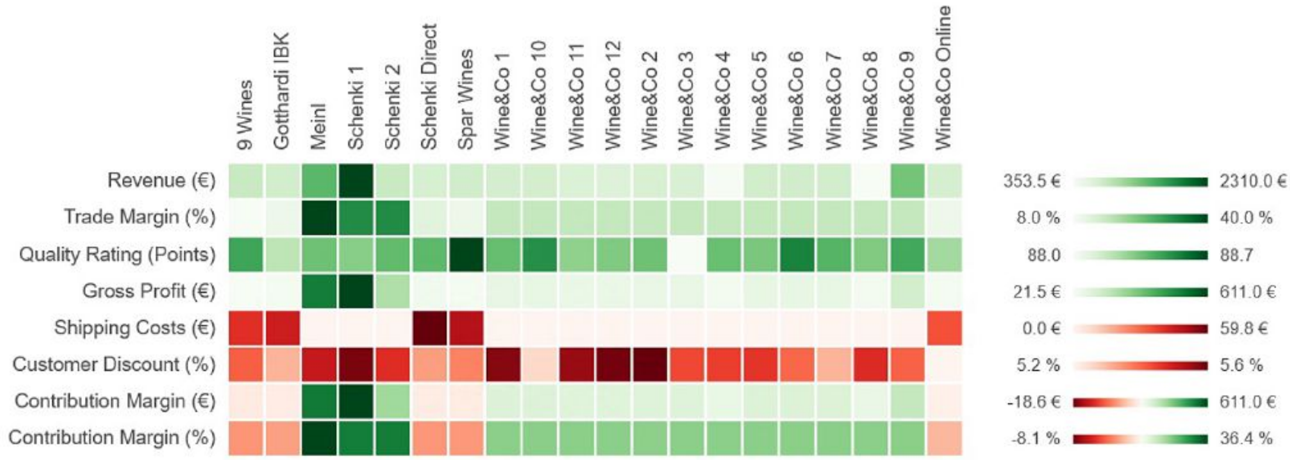
Putting the data to work

Digitalisation and big data will remain mere buzzwords if management accountants cannot transform data from various sources into understandable information. Our five-step process shows how to successfully integrate new data sources into the reporting routine and satisfy the demand for self-service information and dashboarding. It also emphasises the need for the right tools for easy integration of various sources and for newer forms of visualisation and interaction. ■

(Charts continue on page 24.)

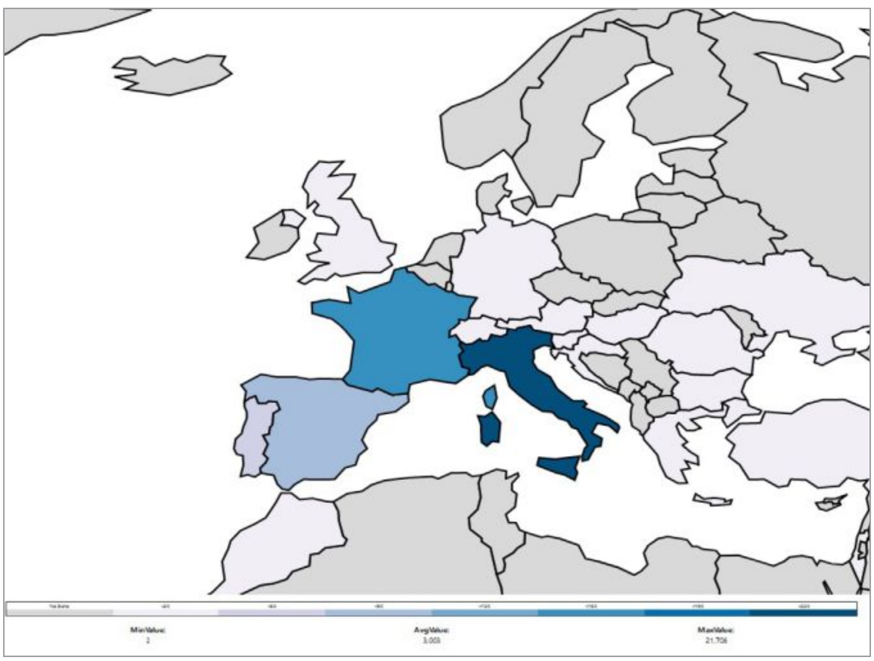
Heimo Losbichler, Ph.D., is professor of controlling, and Lisa Perkhofer, Ph.D., is research project manager, both at the University of Applied Sciences Upper Austria. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.

Interactive visualisation for assessment of distribution and correlation



A heat map represents data through a colour-coded system, and the format resembles a table, as it consists of rows and columns. Although no numerical values are presented, they can be inferred by colour: Very dark and very light colours are an indication of extremities.

Useful interactive visualisation in a dashboard



This choropleth visualisation is one of the most used geographic visualisation types. It applies the concept of the heat map and transforms a colour code onto a map, conveying different regions with different granularity (countries, states, or districts). Colours in different shades are used to distinguish between regions with high and low values. If a region attracts interest, a deeper analysis should be made possible by jumping into the next hierarchy level, and if more choropleths are used to visualise different variables, interactions should be linked to view the changes induced simultaneously in other variables.

More information on how to use this visualisation using wine industry example data is available here.

5 steps to successfully digitalise reporting

1

Use BI software to support data analysis and reporting
- Use BI tools (beyond Excel) to expand analysis and reporting capabilities, especially when you want to include data-intense visualisations and advanced interaction.
- Choose a software suited to your needs; market leaders are Microsoft Power BI and Tableau.

2

Use new data sources to increase understanding
- Include data sources that add value to achieve strategic goals.
- Do not shy away from unstructured data sources (eg, social media, internet of things) that require high effort.

3

Identify new insights and correlations from big data
- Use algorithms and intelligent software to sort data.
- Use visual analytics (big data visualisations) wherever algorithms are highly complex.

4

Integrate new insights into reporting to enhance decision-making
- Create new and relevant KPIs from the obtained insight, related to the company's strategic goals.
- Use BI support to enable self-service.

5

Use user-friendly design and appropriate visualisation types for interactive dashboards
- Rely on accepted design guidelines.
- Choose easy-to-understand and standard visuals to enhance recognition, acceptance, and understanding.
- Choose new visualisation types where necessary.

Benefits of leading BI tools

When to favour Power BI

If you are a novice user, Power BI is easy to understand and use compared to Tableau, as it works in a similar fashion to all other Microsoft products.

If your dataset is changing a lot (eg, adding new dimensions for analysis), including new tables using primary and secondary keys is easier than doing so in Tableau, as it works with only one data table.

Creating a dashboard and arranging visuals on the page is more efficient and intuitive than with Tableau, which asks you to create the visuals first (on separate pages) before being able to integrate them onto one dashboard.

If you have a limited budget for BI support, then Power BI is the better choice, as it is integrated into Microsoft 365. Access is easy, and low costs are guaranteed.

When to favour Tableau

Tableau has a different process — the user first selects the data and then gets a selection of ready-to-use visualisations based on the dataset. The options are supported by research, as the program was designed by visualisation researchers.

Customising design characteristics according to the decision-maker's needs and adjusting to corporate identity requirements is easier than in Power BI.

Using interaction (cross-visual filters, drill-down options, tool-tip information, and including charts for further analysis) is easily and more intuitively implemented in Tableau compared to Power BI.

IMAGE BY VERTIGO3D/ISTOCK

Are you telling a story with data? You should be

A data and management consultant shows how to turn valuable information into a compelling narrative for the people you want to reach.

By Bernard Marr

Success as an accountant often lies in being able to "speak" finance to different areas and levels of the business. In today's data-driven business world, this essentially means being able to communicate data.

What's the best way to communicate data to any audience? Turn it into a story.

In this article, I look at best practice tips for turning data into an engaging story that will encourage understanding and inspire action.

Why we need to tell more stories with data

As a data and performance management consultant, I see as one of the biggest problems companies simply dumping information on people in its raw form through complex dashboards, lengthy performance reports, and overly complex graphs that no one understands. When I help organisations improve their approaches to performance management and data reporting, we often focus on improving data storytelling.

It reminds me of a version of a quote often attributed to Mark Twain, "I didn't have time to write a short letter, so I wrote a long one instead." Turning data into a succinct, actionable story takes time — certainly more time than dumping masses of data on people and hoping they'll pick through it to find the insights they need.

People are busier than ever. Faced with a wall of data, with no obvious insights to pull out, how likely is it they'll sift through the minutiae in the hope of unearthing interesting nuggets? And even if they do sift through them, how do you know they'll arrive at the right conclusions? When you just give people numbers and graphs, you could get lots of interpretations.

That's why, instead of writing long letters, we need to write short, informative notes. We need to package data into easily digestible stories. By telling stories, not only do you make sure the core message is clear, but you also give people in the organisation the ingredients to understand and retell that story.

Becoming a master storyteller with data

The first place to start is your audience. To whom are you communicating this information? What do they already know about the issues being discussed? What else do they want and need to know? And what will they do with the information?

With your audience firmly in mind, you can then begin to think about communicating your information effectively. Remember, what you want to do here is communicate *insights*, not *details*. You need to help

Financial Storytelling: The Key in Growing Your Organization to the Next Level

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people in the business interpret key data so that they can make smarter, more informed decisions, and you need to make it as easy as possible for them to extract and understand the insights. The easier it is to do that, the easier it is for them to take action.

When it comes to communicating insights effectively, it's hard to beat the front page of a newspaper. In other words, like a newspaper, you'll need:

- **A compelling headline:** This short, snappy description should frame the story you want to tell and highlight the issue at hand. It should explain what the data means, essentially. Where you have been measuring a metric in order to answer critical questions (such as, "Who are our top performers?"), it's a good idea to use the headline to reiterate the question that the data aims to answer or, even better, answer the question.
- **A useful visualisation of the data:** Visuals are a great way to convey information because they're quick and easy to understand, they're memorable, and they're much more likely to hold the reader's attention than a full page of text or numbers. Be sure to think about your audience here: Is a graph really the best way to communicate your message, or would something like a traffic light visual or infographic work better? Plenty of fantastic data visualisation tools are on the market, such as Power BI, Tableau, and Qlik.
- **A short but informative narrative description:** A little bit of narrative is important because, without it, people can interpret the data in different ways. By including a short narrative that supports the headline and visual, you can ensure everyone understands the key insights in the same way. Use this as your opportunity to present the key facts, explain the context behind the information, and highlight the key messages that should support decisions and action.

If you must include detailed data, consider putting it in an appendix or supplying a web link to further information.

Drawing inspiration from other master storytellers

As well as learning from the way journalists package their front-page stories, there are plenty of other inspiring storytellers to learn from. For example:

- TED Talks provide a great example of conveying information while telling a story. These talks are short, easy to digest, and often supported by helpful visuals (without being overloaded with data).
- Perhaps you have a friend who has a knack for spinning a good yarn. What is it that keeps you hanging on his or her every word? Is it a particular type of language, the way they paint a clear image, or their use of humour?
- Today, we can even tell stories that engage people's senses. Data visualisation experts Susanne Jaschko and Moritz Stefaner are turning data into food through their Data Cuisine workshops, which create edible visualisations and taste experiences of local data (see the sidebar, "Recommended Reading and Viewing", for more). ■

Bernard Marr is a thought leader, speaker, author, and business, tech, and data adviser. To comment on this article or to suggest an idea for another article, contact Drew Adamek at Andrew.Adamek@aicpa-cima.com.

Recommended reading and viewing

For more inspiration on turning your data into a compelling story, you might like to check out:

- Book, *Effective Data Storytelling: How to Drive Change With Data, Narrative, and Visuals*.
- Book, *Storytelling With Data: A Data Visualization Guide for Business Professionals*.
- Data Cuisine workshops.
- TED Talk, "Why Smart Statistics Are the Key to Fighting Crime" (useful as an example of pulling out actionable messages).
- TEDx Talk, "Making Data Mean More Through Storytelling" (a great example of making data engaging and fun).

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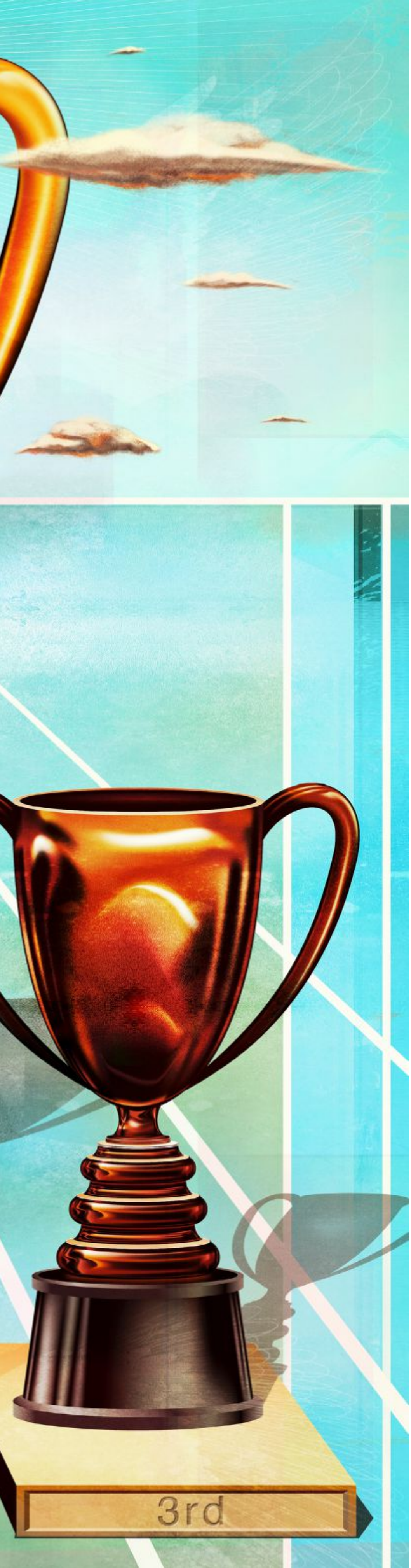


Lessons from 'Best Places to Work'

What top-rated workplaces teach us: Take care of your employees, and your employees will take care of you.

By Hannah Pitstick

Companies that are rated highly by employees tend to have an easier time attracting and retaining talent, which is a boon in a tight job market. Studies have shown these companies are also likely to be more profitable.

In the past two years, companies listed as "Best Places to Work" were 1.8 times as likely to be among the top 10% of financial performers when compared with peers, according to surveys by Development Dimensions International (DDI), a human resources and leadership development consultancy. On top of the business case for becoming a Best Place to Work, having a strong employer brand helps attract and retain talent. According to Glassdoor, 86% of prospective employees research company reviews when deciding whether to apply, and 67% of men and 86% of women in the US say they won't work for a company with a bad reputation.

The "100 Best Companies to Work for", published by *Fortune*, and "Best Places to Work", published by Glassdoor, determine rankings based on employee reviews, using factors such as career opportunities, compensation and benefits, culture and values, diversity and inclusion, effective leadership, and work/life balance.

Glassdoor's 2022 winners were recently announced, and many of the top-rated companies stood out by supporting their people throughout the pandemic and fostering a flexible, balanced work environment.

How to improve your company's rating amongst employees

Every company would probably like to be considered a great place to work. Implementing these five tips recommended by experts will help employers move closer to that ideal state.

IMAGE BY KEVIN HAUFF/IKON IMAGES

Select and develop empathetic and inspiring leaders

To take your organisation to the next level, it's essential to invest in leaders with key traits and skills like empathy, active listening, transparency, and vulnerability.

"In our studies of highly engaged workforces, trust in leadership, or [its] ability to guide the business to success while creating an environment where people can be healthy and happy, is always the most significant driver of employee engagement," said Lewis Garrad, who leads Mercer's career business in Singapore. "When it comes to doing leadership well, selecting the right leaders is the most important thing, as once a leader is in charge, they are extremely difficult to remove."

In many organisations the selection process is flawed, Garrad said. "People often believe that bold, aggressive, and confident leadership styles work best, even at the expense of [intelligence]," he said. "But the data from scientific psychological studies continuously reinforces the notion that intelligent, thoughtful, humble leadership works best in the medium to longer term."

Many employees at "Best Places to Work" have humble, thoughtful leaders who consistently celebrate team member success, practise open and honest communication, and demonstrate care for individual employees, according to the DDI surveys.

Jonathan Ip, ACMA, CGMA, Hong Kong-based senior director of strategy and operations at Salesforce, which was ranked tenth in the 2022 top large "Best Places to Work" in the US, said Salesforce leadership does a great job of exhibiting these behaviours.

"Achievements and wins are always celebrated publicly, and team members are called upon for recognition of their contribution and achievements," Ip said.

The pandemic helped to highlight the importance of transparent and open communication by leaders, according to Evan Buck, CPA, CGMA, senior director and head of internal audit, compliance, and enterprise risk management at DocuSign (ranked 27th among the 2022 "Best Places to Work" in the US). These traits are especially effective at creating a great workplace during times of crisis.

"Sometimes we don't know the answers to questions, and it's OK to say you don't know," Buck said. "For example, if you're going to pause an office reopening, and you don't know the return date, instead of giving an arbitrary date or trying to evade the question, say, 'We don't know, but we're going to evaluate it and make the best decision as an organisation, so we'll value any input into that discussion.'"

Help employees unlock their potential

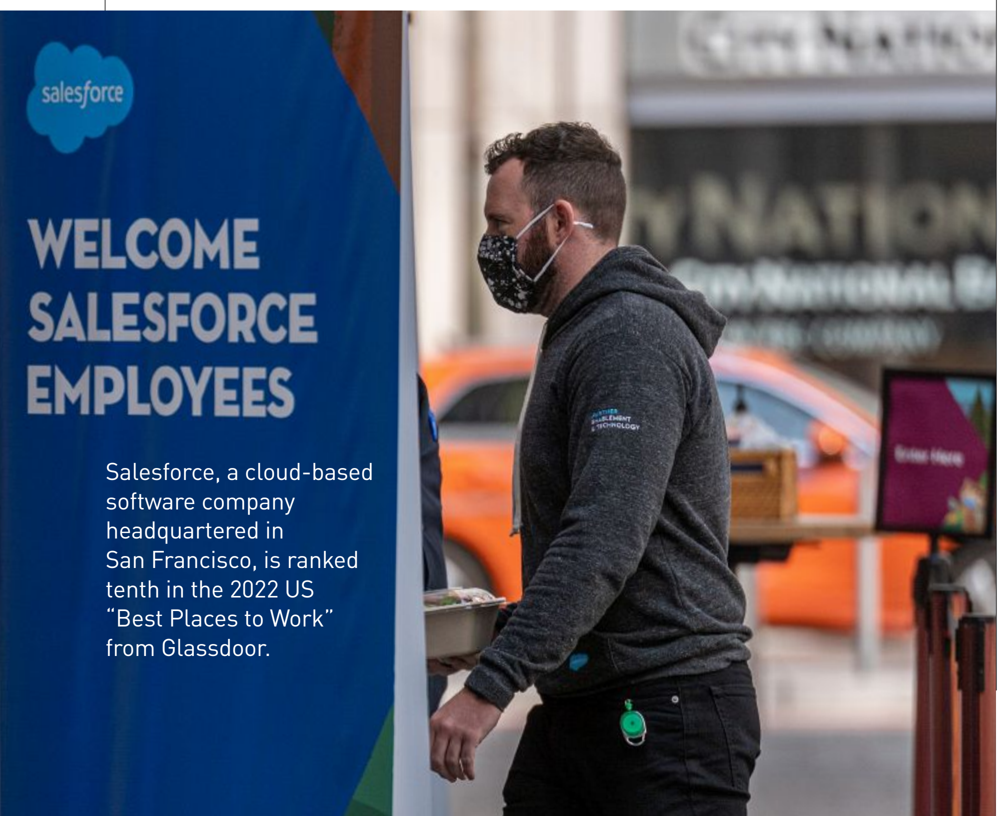
Garrad said great places to work are able to clearly connect employee and organisation futures, which means a deep and enduring focus on learning. Great organisations know developing their employees is good for the business and the individual, and they implemented employee development programmes at all levels. Garrad suggested organisations make sure they're empowering their people to constantly develop and learn new skills to avoid stagnation, which can lead to disengagement.

"I think it's useful to really explore what gets employees energised and excited at the individual level," he said. "What does the person find meaningful and interesting to learn about and why? Sometimes an assessment of employee values and personality can help with insights about this."

Garrad added that managers can use technology to forecast in-demand skills in order to focus investment in areas that will be increasingly essential.

At DocuSign, Buck said managers help team members figure out how they can be doing "the work of their lives", by setting aside time throughout the year to outline individual career goals. They then take those goals and build out plans for the next one, three, five, ten, and 20 years (as applicable), allowing for as much flexibility as possible. If team members want to grow in a particular area, Buck will try to assign them a project that requires existing strengths and covers areas of interest for career growth.

"People are looking for a way to express themselves, and we want to empower and engage them to do so," Buck said.



Salesforce, a cloud-based software company headquartered in San Francisco, is ranked tenth in the 2022 US "Best Places to Work" from Glassdoor.

Hire people who will contribute to your ideal culture

Great people want to work with other great people, which means you have to start hiring employees who will contribute to your ideal culture.

"Interestingly, many organisations have moved from thinking about 'culture fit' to looking at 'cultural contribution'," Garrad said. "This means trying to find people who share the values of the organisation, but who would help to continue to build and develop the culture in a constructive way."

Buck said that creating a great culture begins during the recruitment process, when companies need to look for not only the right technical skills but also the right attributes and soft skills that make the candidate a good pick for the organisation. Managers and executives should get together and outline a list of attributes that every new employee should have and curate a list of interview questions designed to reveal whether a candidate possesses those traits.

"During the recruitment process, we're very upfront about DocuSign being a trusted brand and us wanting to work with others that we trust," Buck said.

He added that once you decide to bring someone on board, every manager and executive they interact with needs to reinforce key pillars of the company culture at every turn.

"Leadership helps people who are new to the organisation understand how they can come in and learn and also provide value, and once they get up to speed, they start to realise that this is a strong environment built on trust, and so they feel more open to share because all opinions and thoughts are valued," Buck said.

Buck recommended organisations have a manager work directly with new team members for six months to a year after they join the organisation, as a way to open lines of communication on both sides and throughout the company. They should then actively listen and seek to incorporate ideas the new team members bring to the group.

"These new team members have a fresh perspective and can help the groups continuously evolve," he said.

Increase autonomy and flexibility

No one likes to be micromanaged, so organisations that focus on empowering employees tend to receive more positive reviews, Garrad said.

"The feeling that 'I made good progress today' is extremely motivating, and when it comes to empowerment, that is really a code word for autonomy and flexibility," he said. "People want to be able to craft their work around their own unique capabilities and needs. The more boundaries you put in place for people, the most restricted they feel."

He added that the pandemic has highlighted the tension that many organisations experience between control and empowerment. While some leaders feel they need to exert control to get everyone back to the office in order to maintain productivity and camaraderie, many employees feel the pandemic has highlighted how effective they can be when given the flexibility and empowerment to decide how and where they will work.

Garrad argued that organisations should empower employees to rethink the workplace, allow more cross-team collaboration, and distribute power more widely.

Demonstrate that your organisation actually cares and has a greater mission

The pandemic was a challenge for every organisation, but some companies used it as an opportunity to demonstrate their support for their employees and the world as a whole — and people noticed.

According to Ip, Salesforce reacted swiftly and decisively throughout the pandemic with the primary focus of taking care of employees and their families, customers, and the community. For example, the company sourced masks, gowns, and swabs for frontline healthcare workers across the US and sent critical medical supplies to India.

"When the pandemic was at its worst in India, Salesforce organised an internal hotline to support our Indian colleagues and their families. The hotline was staffed by other Salesforce employees around the world," Ip said. "I'm extremely proud as a Salesforce employee that our company invested in supporting team members and the community all over the world."

Of course, organisations don't need a crisis to demonstrate that they care for their employees and have a mission that transcends profits. DocuSign, for example, tracks the number of trees saved throughout the year when people use the company's digital technology rather than pen and paper to execute contracts. It helps connect the dots between the work employees are doing and the greater good of the world.

"We try to make those connections at both a macro and micro level, and I think that helps really define the North Star or purpose for people," Buck said.

For organisations hoping to establish a greater mission, Buck recommended seeking feedback from all levels to figure out which causes employees most care about and then designing impact programmes around them. Leaders can also empower and encourage employees to give back on an individual level by offering volunteer time off and matching funds programmes to support engagement with their charities or community organisations of choice. ■

To comment on this article or to suggest an idea for another article, contact Drew Adamek at Andrew.Adamek@aicpa-cima.com.

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COURSE

PHOTO BY BLOOMBERG/GETTY IMAGES

How to minimise the impact and chances of a rescinded job offer

Asking the company to explain why is the first step to mitigate the fallout from a withdrawn employment offer.

By Rhymer Rigby

IMAGE BY BGBLUE/ISTOCK

There are few workplace situations more dispiriting than being offered a job, accepting it, and then having the offer taken away. But if it happens, you need to face up to the situation and take a practical, rational approach to dealing with it. You might even decide it's for the best in the long run.

If you haven't been told why the offer was pulled, you need to try to find out. At the very least, the company owes you an explanation.

Can they do this?

It feels wrong and unfair. Laws about such practices will vary widely based on your organisation's location — in some countries it is legal to rescind a job offer for almost any reason; in others much less so. You should seek legal advice in your jurisdiction as you may have options, particularly if there is any element of discrimination involved. You may also be able to claim back any significant expenses you have incurred in preparing to take the job. Otherwise, you need to look at how you are going to cope with this setback.

If you haven't been told why the offer was pulled, you need to try to find out. At the very least, the company owes you an explanation. Also, knowing the reason informs what you do next.

Have you resigned?

If you haven't resigned from your current role, then things are easier. You stay at your existing job and look for another new job should you wish to do so. However, if you have resigned, all may not be lost. If the resignation was amicable or your employer tried to get you to stay, you could ask to come back. That said, it's hard to return once you've made the decision to leave, so you might suggest that you consult, provide cover for your old role, or ask for something different. In fact, even if you haven't resigned, you may have "mentally left".

Is it them or you?

It is possible something happened at the company after you were offered the job. For example, finances might have taken a turn for the worse, or the business on which the job offer was based was lost. These are legitimate reasons to rescind the offer — and if the organisation's fortunes are waning, you might not want to be going there. Other possibilities are that the company is chaotic and disorganised, that it discovered a candidate it liked more, or that the company was not certain about you. In all these situations, you may have had a lucky escape. They were not playing straight with you, so you might be better off elsewhere.

Did they discover something in your past?

This is unlikely but possible. If so, you are unlikely to have a legal comeback. An example might be that you failed a criminal background check, have a bankruptcy on file, or have a poor credit history. You could also have failed a drug test (although drug tests can give positives for reasons other than drug abuse — famously, eating poppy seeds can give positive results for opioid use). Another reason is that you have misrepresented your background. Obviously, if you have lied about your education, this is pretty cut and dried. But there may be shades of grey — for instance, if you have put too much gloss on a previous role, you got a bad reference, or perhaps an internet search revealed ill-advised social media posts.

How can I protect myself?

You should not only get the job offer in writing but also get details of what happens if the offer is rescinded. You should supply a prospective employer with references whom you have spoken to, delete any questionable social media posts, and so on. Wait until you have passed all the company's checks before you resign from your current job — and when you do, be professional and amicable. Never burn your bridges, tempting as it may be. Even with all this, you need to think about what might happen if it all goes wrong. In an ideal world, you have applied for multiple jobs and have a fallback offer.

What if I have no fallback position?

It's not the end of the world. You can look for another job; try your hand at consulting, contract work, or self-employment; talk to your network about opportunities; or try something completely different. You might also take some time off to take stock or travel. There is no rule that says you have to go from one job to another.

Moving on from the situation

A rescinded job offer is very unlikely to ever be unrescinded. Look at where you might have gone wrong or made poor choices and learn from your mistakes. Then move on. You probably don't want to work for an organisation that does this sort of thing — so focus your energies on finding a job with a better company. ■

Visit the Global Career Hub from AICPA & CIMA for help with finding a job or recruiting.

Rhymer Rigby is an FM *magazine contributor and author of* The Careerist: Over 100 Ways to Get Ahead at Work. *To comment on this article or to suggest an idea for another article, contact* Andrew Adamek *at Andrew.Adamek@aicpa-cima.com.*

INSTITUTE NEWS

Albert Law, FCMA, CGMA, (left) receives the CIMA award from Paulus Chau, director–Hong Kong and Emerging Markets at the Association of International Certified Professional Accountants, representing AICPA & CIMA.

Institute Plaque awarded to CIMA Hong Kong member

Albert Law, FCMA, CGMA, was awarded the Institute Plaque in 2021 for services to CIMA. He was admitted as a CIMA member in 1979, and his career has included roles as the first local resident appointed treasurer at the then-named Royal Hong Kong Jockey Club and group CFO and executive director of listed companies. Law was president of CIMA Hong Kong division in 2005–2006.

Opportunities to serve on CIMA's Research and Development Panel

CIMA is looking for members in senior finance roles to fill current and upcoming vacancies on its Research and Development Panel — and is particularly interested to hear from those working in the environmental, social, and governance (ESG) space and also members working across all roles and sectors.

The R&D Panel oversees CIMA's academic research programme, which promotes and develops the science of management accountancy as stipulated in the Institute's Royal Charter. The panel is made up of academics and practitioners who help set the research agenda and advise on the commissioning of research relevant to management accounting practice.

The panel meets three times a year virtually, and panellists also assist in reviewing research proposals and outputs according to their time availability.

If you would like to be involved, please contact Research@aicpa-cima.com.

Agreement to launch the Digital Management Accounting Certificate in China

CIMA and the China International Talent Exchange Foundation (CITEF) signed a cooperation agreement in December to launch the Digital Management Accounting (DMA) Certificate in China and promote training and support to develop digitally competent finance professionals.

Wan Jinfa, CITEF deputy director, and Andrew Harding, chief executive–Management Accounting at the Association of International Certified Professional Accountants, representing AICPA & CIMA, signed the agreement. It is one practical step in the implementation of the Memorandum of Understanding on Cooperation in International Professional Exchange and Vocational Education and Training signed in 2019 by China's Ministry of Science and Technology and the UK's Department for International Trade.

UK mentoring scheme

A new mentoring scheme for CIMA members in the UK was launched in January to bring together members of the UK management accounting community for career support. It builds on existing successful volunteer-led schemes across the UK.

Schemes also exist in markets such as Canada, which currently has 40 active mentors who mentor CIMA members and students newly migrating to the country.

With two cohorts a year, the UK scheme will allow CIMA members to share their experience, insights, and knowledge with other members to help them accelerate their professional development and careers.

Watch the launch event webinar recording to find out more and apply to become a mentor or mentee, or contact Megan Beamish at Megan.Beamish@aicpa-cima.com.

BOTTOM: IMAGE BY OLEKSII LISKONIH/ISTOCK

Business travel spending ticks up

Spending on corporate business travel took a precipitous dive during two years of pandemic restrictions and uncertainty but is expected to rebound in 2022, according to the Global Business Travel Association (GBTA). In an international survey released in November 2021, the GBTA found that 52% of CFOs surveyed expected that their "travel spend would reach 2019 levels in 2022". The GBTA predicts that global spending on business travel will top $1 trillion in 2022 but not reach pre-pandemic levels until the end of 2024. However, emerging variants of the coronavirus, uneven global vaccination rates, conflicting international regulations, and corporate carbon reduction mandates may put a damper on business travel's recovery.

The recently opened pedestrian skybridge leads to the new Terminal B at New York City's LaGuardia Airport. The $4 billion terminal project is 90% complete and is expected to be finished later this year.

PHOTO BY LEV RADIN/REUTERS