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FINANCE AUTOMATION

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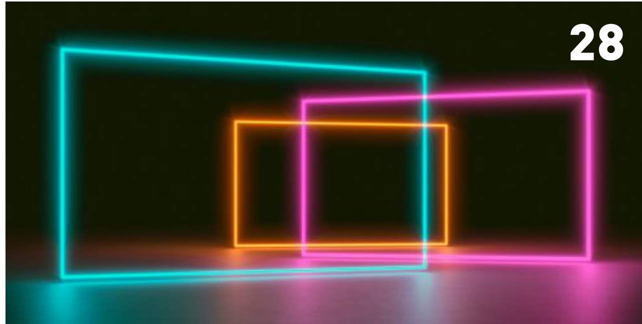

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SARAH GHOSH, FCMA, CGMA

The year ahead

'The scope of the finance function and the expectations of finance professionals will continue to broaden.'

Management accountancy is a forward-looking profession. As we move into 2024, I want us to think about and re-evaluate the opportunities and challenges in the year ahead.

We know the business environment will continue to be defined by high levels of uncertainty. Geopolitical instability from Ukraine to Taiwan to the Middle East will mean supply chains face a continued threat of disruption. Climate change and its related implications cannot be ignored and are probably the biggest long-term risk. These headwinds need to be factored in as finance teams will be tasked with building resilience for their organisations, delivering efficiencies through finance transformation and technology adoption, and driving business growth.

Alongside these issues, there are deeper trends that present both opportunities and challenges for finance leaders. If our profession responds to these trends intelligently, it is likely we will have a bright future ahead. The three key areas we should be leading on are innovation, sustainability, and talent.

Innovation

We are on the cusp of a digital revolution that is going to change our roles beyond recognition. How we prepare for this will define us. AICPA & CIMA's Future of Finance 2.0 research found that technology is enabling finance to drive greater organisational impact. Digitally equipped finance teams are better positioned to create opportunities, reduce risks, and drive value. With our mandate to support decision-making and act as guardians of trusted data and information, our influence will grow.

One interesting trend picked up by McKinsey & Co in its research is that CFOs see capability building and advanced technology as the most effective ways to build resilience into their organisations. This will be particularly important given the normalcy of uncertainty that defines the world we live in.

Sustainability

The scope of the finance function and the expectations of finance professionals will continue to broaden. This is being fuelled by an increasing focus on sustainability standards introduced through government policy and by changes in the regulatory landscape. From an organisational perspective, value is increasingly coming from intangible assets; integrated reporting is a key component of how organisations communicate this value. We are becoming the stewards of sustainable value creation and preservation. Stepping up to this role means we need to focus on (1) understanding the regulatory landscape; (2) managing sustainability, risk, and governance; and (3) measuring the impact of ESG initiatives.

To help you become a more effective business partner, AICPA & CIMA continue to expand their range of ESG resources to develop your professional edge so you can be the trusted adviser in this space.

Talent

Attracting and retaining talent will become further intertwined with technology and the expanding scope of finance in the year ahead. All organisations will be engaged in fierce competition for candidates who have the right skills and mindset. Attracting the right talent will be the challenge and will require employers to offer more than financial rewards; employees will favour organisations that embrace diversity, equity, and inclusion and demonstrate corporate values that align with their own. Upskilling and reskilling will become more important as we adapt to changing ways of working.

It is up to us as individuals — and collectively as a profession — to address these challenges and seize future opportunities. Despite the uncertainty, I am confident our profession will continue to accelerate its progress and lead the way in business — and other sectors. I wish you every success for your part in this journey. By seizing the future together, we can secure our profession for future generations.

KEEP IN TOUCH

Follow me on X (formerly Twitter): @CIMA_President #SeizeTheFuture

PHOTO BY BARNEY JAMES/TIMELESS PICTURES

Digital adopters' human capital advantage

By Andrew Harding, FCMA, CGMA

We are living through a fascinating period in the history of our profession. The big trends that will shape the coming decades are now becoming discernible, so we are at a stage when we can begin preparing ourselves and our teams to take advantage of them. These trends relate to technology, stakeholder expectations, and the aspirations of the next generation of finance professionals, to name but a few.

As a part of that preparation, we should consider how these trends interact with each other. This is why I want to examine how the continued development and adoption of productivity-enhancing digital technology will make digitally enabled finance teams more attractive to new recruits and also more able to retain their existing talent.

We know that digital technology is enabling finance teams to create and sustain more value. AICPA & CIMA research, conducted with Oracle, showed a growing gap between "superstar" organisations, which are leading in productivity and profitability by adopting digital technology, and everyone else. By harnessing the power of digital innovation, management accountants have more scope to find new opportunities to add value. This enhanced analytical capability has placed us at the heart of the decision-making process of modern organisations, and it is what makes our work so interesting and rewarding.

I acknowledge that gaining these advantages is not straightforward. Digital transformation projects carry considerable business risk and disruption, with a large number encountering significant problems. This goes some of the way to explain why our latest Future of Finance research found that many organisations still have multiple systems that are operating on siloed platforms in disconnected environments. Yet shying away from digitisation also runs the risk of a competitive disadvantage compared to peers who do embrace digital transformation.

This gap between the digitally enabled and the rest will not only be confined to operations, systems, and controls. It will likely also have an impact on the organisation's human capital too. Today, technology and talent are intertwined — a failure to invest in tech may also lead to a failure to attract and retain talent.

Generation Z is looking for the jobs that reward innovation, analysis, and the thinking needed to create and deliver value. They won't find those roles in organisations where the finance team is still performing the routine tasks others have long since automated.

I believe that we are reaching the point where organisations competing for talent to join their finance teams will need to show that they are investing in the latest cutting-edge technology. If they don't, there is significant risk that they won't be able to attract new talent, and that even their current employees with a digital mindset will take their valuable capabilities and skills elsewhere.

Despite the business risks associated with digital transformation projects, digital adopters will have the best technological capabilities to drive operations, productivity, and efficiency and also be able to attract and retain the very best talent in the profession to help manage risk, drive decision-making, and create value. That is something CFOs should be factoring in when evaluating digital investment decisions. ■

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

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How finance can start to use AI automation

Finance executives suggest how best to use AI to automate basic processes and more sophisticated tasks.

By Rhymer Rigby

Shamus Rae, founder and chief executive of the UK-based audit tech company Engine B, has a firm view on what artificial intelligence (AI) is likely to mean for accounting and finance in the coming years.

"I think a major skills and culture change is going to take place — and it's going to happen fast," Rae said.

Finance professionals, he said, are "going to be doing more business partnering, and they're going to have a different set of skills." They will, he added, be communicating with businesses, working with businesses on hypotheses and plans "and not hiding away with the numbers."

This is because AI and associated technologies are going to automate much of finance. It's already happening. So far, the change has affected relatively basic work. However, increasingly, technology is moving on to complex tasks. Moreover, the pace of transformation is accelerating.

So, what are some of the areas in which AI is being used? What can we expect in the years ahead? And what areas should finance professionals be looking at?

Where to start with AI automation

AI automation can improve efficiency and speed, particularly in operations in which processes have been streamlined.

"Processes which benefit from AI and finance automation are those that currently have a high level of manual input, involving large datasets and being time-critical in nature," said Haifa al Khaifi, FCMA, CGMA, finance director of PDO (Petroleum Development Oman). "My advice before undertaking your AI or finance automation journey is to ensure you have robustly mapped all your key processes."

By walking through a process, you will discover that there are improvement opportunities that are easy to implement, al Khaifi said. "There are good tools for this. Personally, I champion the use of lean methodologies and have had significant success with agile methodologies. Once you have simplified the processes and eliminated waste, you are in a good position to select processes for AI or automation."

PDO has already extensively deployed automation solutions, she said. "In my department, we have implemented user query-based automation tools so that staff can self-create dashboards, drawing on multiple datasets." Also, machine learning is being used to read extracted documents and PDO intends to implement a solution to forecast operating expenditures.

Paolo Lo Monaco, ACMA, CGMA, group CFO of Dubai-based Al Khayyat Investments (AKI), said that, in general, technology has augmented finance capabilities to generate value for the business over recent decades. That journey started with desktop automation and continued with robotic process automation (RPA) to free finance professionals from simple repetitive tasks. Desktop automation is the use of software robots to automate tasks on individual users' workstations (such as logging in to websites or extracting data from emails). RPA is used to automate large numbers of repetitive, rules-based tasks such as invoice processing and payroll management.

"More recently, there has been a move towards intelligent automation, which combines all the basic automation with artificial intelligence and analytics," Lo Monaco said. "This means we can develop more touchless processing and intelligent workflows to materially reduce the cost per transaction for all repetitive finance processes." (See the sidebar, "AKI's Digital Transformation".)

Automating risk analysis

Over the past year, Lo Monaco added that there has been an explosion of interest in generative AI as exemplified by ChatGPT. "There are now more programmes capable of researching and interpreting large sets of data to produce valuable insights and instant responses and generate summary reports."

AI will also be applicable to more sophisticated areas such as analysing risks. "If you are in a large or medium-size organisation in the United States and you want to see what risks the business might face over the next six months, you could use generative AI to look at all your competitors," Rae said. Their Form 10-K, which includes company risk factors, is publicly available on the US Securities and Exchange Commission (SEC) website, and AI will be able to look at hundreds of these, generate an overall picture, and offer insights. AI, he added, will also be hugely important in areas like spotting fraud — again, because it can parse vast amounts of information and look for patterns that humans may not be able to spot.

Staffing requirements

Not all AI will be behind the scenes. The rise of AI assistants (such as Microsoft's Copilot) will also represent a significant change. AI assistants are software programmes that follow voice or text commands to complete tasks ranging from dictation to research to generating reports. Their capabilities are growing rapidly and, in coming years, finance professionals are likely to find themselves augmented by AI that takes over some of the more mundane parts of their jobs.

Inevitably, this will result in a change in the staffing requirements of finance

Demystifying Artificial Intelligence

A practical overview of AI, machine learning (ML), and deep learning (DL). Real-world examples and use cases are used to explain and illustrate concepts.

COURSE

departments and accountancy firms. Traditionally, junior staff have done a lot of transactional, monotonous work, Rae said. The result tends to be high staff churn. "That's going to go — and where we used to have a pyramid-shaped staff age profile in finance, we're going to have a diamond shape," he said.

Strategic framework

"Finance must establish strong data and risk controls to support safe use of AI and generative AI," al Khaifi said. "The implementation of AI and gen AI must be done in accordance with a well-defined AI risk strategy addressing ethical principles."

Lo Monaco said that AI should not just be viewed as an add-on — if it is, it's unlikely to deliver. "If an AI digital transformation is to succeed, it is very important to have a clear AI strategy in place which aligns with finance." It's necessary, he said, to map out a vision, set goals, and have clear metrics for success. "Of course, you also have to bring staff along," he added. "It's very important to connect your AI vision with a clear people strategy in terms of what is required [for] change management."

There also needs to be transparency around AI and not just blind trust, Lo Monaco said. "We need to ensure the accuracy of the responses by implementing review programmes. So, it's very important to maintain proper quality control from the finance team, making sure that we don't get a kind of black box response from the system."

The next few years should be a very exciting time for finance. One thing may slow the march of AI down: regulation. "I think the accounting industry will stay in its current mode for longer than it needs to because of the regulators," Rae suggested. ■

AKI's digital transformation

AKI describes itself as a new breed of family business that works across a portfolio of industries and partnerships. Founded in Dubai in 1982, it has grown from a single pharma company into a diversified enterprise with a presence in nine countries across the Middle East and North Africa (MENA) region.

Lo Monaco said the company has identified two high-level areas for digital transformation underpinning AKI's "Finance Vision of the Future."

"One is what we call the 'Finance Factory', our shared finance service centre, which is basically our financial operations and where we think AI can support automation efforts for all the transactional processes." Here, he said, AKI started with a review of its purchase-to-pay process delivered by the newly created finance Centre of Excellence with an end-to-end process streamlining the identification of key cost drivers, and automation efforts supported by RPA. AKI also implemented a dashboard to monitor the Finance Factory's process performance, both in terms of cost per transactions and service-level-agreement (SLA) process performance. This approach allows AKI to deeply monitor cost per transaction across the Factory, leveraging technology to deliver material efficiencies while the group is growing in scale.

"We are now in the process of extending this approach to the other finance operations in the Factory [areas], starting from accounts receivable and then general ledger consolidation," he said. "Next year, we will also move into treasury operations. So, the first pillar of our digital transformation is about reducing cost per transaction in finance and treasury operations. The second pillar is real-time finance augmenting the company's financial planning and analytics capability to impact financial performance."

"We have recently launched Qlik Sense self-service finance dashboards," Lo Monaco added. This is an AI tool that allows both finance and nonfinance users to interrogate the system in real time and do deep dives on the financial performance of their businesses, enabling finance teams to quickly identify areas of intervention to enhance business financial performance.

He explained: "This augmented capability and focus is a key enabler in our vision to reposition the finance function as a trusted value creator for stakeholders. This does require a reskilling of the function, hence why AKI has recently worked with [AICPA & CIMA] to review its finance competency framework and set up the AKI Finance L&D Academy to enhance the finance team's skillset for the future."

AICPA & CIMA resources

Podcast

"Hybrid Intelligence: Working With AI Instead of Against It", *JofA*, 17 August 2023

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 Oliver Rowe at Oliver.Rowe@aicpa-cima.com.*

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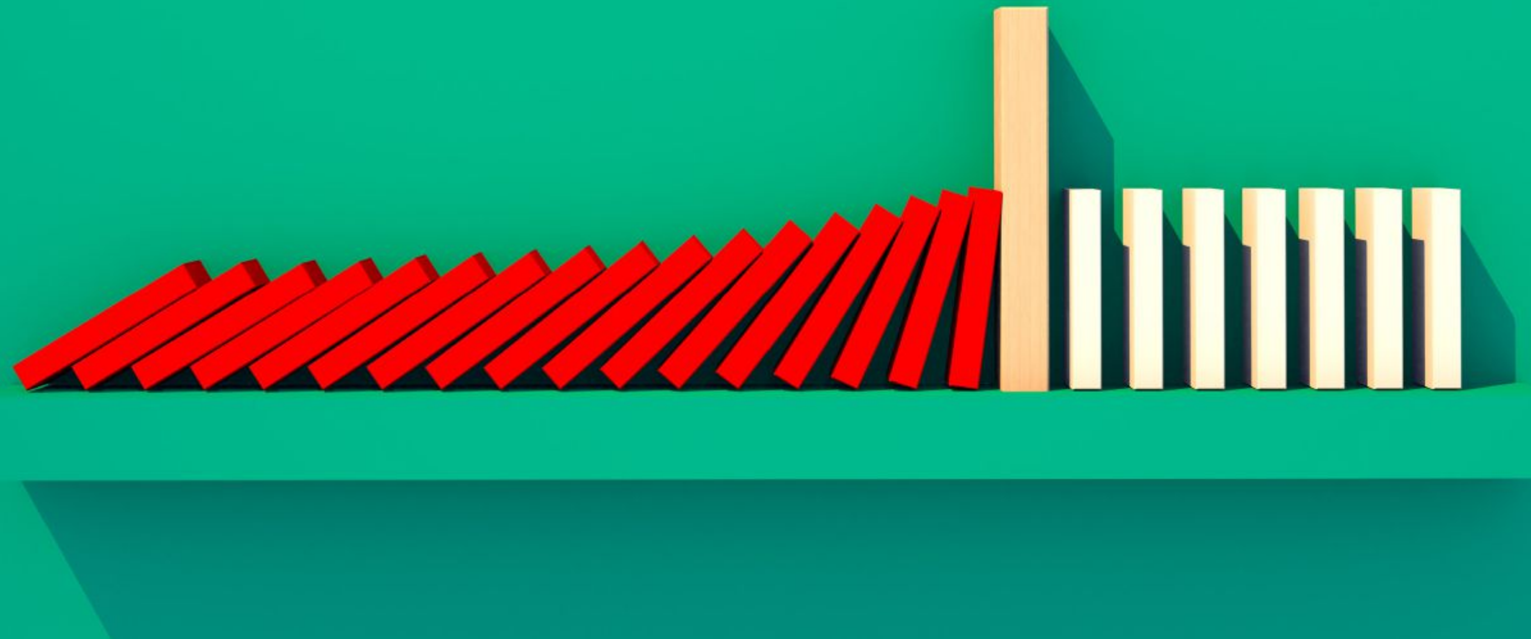

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Why risk management failures are not limited to banking

Overconfidence, a resistance to talking about risk, and a dislike of the word "no" are some reasons that businesses fail to invest in risk management leadership.

By Mark S. Beasley, CPA, Ph.D.

The precipitous developments surrounding the failures of Silicon Valley Bank and Signature Bank in 2023 along with the sudden bailouts of First Republic and Credit Suisse were remarkable. All are fresh reminders that as organisations engage in strategies to pursue higher returns, they are also taking on greater potential risks.

It is also striking to note that the chief risk officer position at Silicon Valley Bank remained unfilled for most of 2022.

A dedicated risk management leader would have been tasked with providing a coordinated, explicitly focused plan on how the bank should navigate the myriad risks emerging in today's highly complex, rapidly changing global economy.

The risk management landscape

Unfortunately, problems with enterprise-wide risk management are not isolated to Silicon Valley Bank and others making headlines.

Each year North Carolina State University in the US partners with AICPA & CIMA to survey executives across the globe on the state of enterprise risk management practices. According to the 2023 *Global State of Enterprise Risk Oversight: Managing the Rapidly Evolving Risk Landscape* report, 68% of the 983 global respondents representing a variety of types of organisations said that the volume and complexities of risks have increased "mostly" to "extensively" in the past five years, with respondents in Africa and the Middle East and in Asia and Australasia indicating even higher levels of 78% and 81%, respectively.

However, only 31% of the respondents assess the overall maturity of their organisation's risk management as "mature" or "robust", with no region of the world rating risk management maturity higher than 38%. Why the disconnect?

In our work through the Enterprise Risk Management Initiative at NC State University, we frequently observe boards and senior executives who are relatively uninterested in enhancing their organisation's approach to risk management. We often hear from individuals who serve in chief risk officer roles expressing a sense of frustration as they struggle to get the CEO's attention on risk issues. There are many more organisations that have yet to even consider the need for having a risk management champion at a senior executive level.

Excuses often heard for not investing in risk management

There are reasons that organisations fail to invest in risk management leadership. Here are a few we frequently observe:

- **Overconfidence.** The CEO and board think they don't need to invest more in risk management given that "we talk about risk all the time", even though those discussions are often ad hoc, side conversations.

  In fact, our research found that less than 40% of executives responding to the 2023 survey said that key risks are communicated to senior executives as part of ad hoc discussions at management meetings, and only 26% doing so as part of a scheduled agenda discussion about risks (with the highest level reported at 30% for organisations in Europe and the UK).

  This unstructured approach is not robust enough to identify all the complex, interconnected risks in today's rapidly changing environment.
- **Resistance to conversations about risks.** It's human nature for

10 questions that facilitate risk conversations

Business leaders can use these considerations to evaluate their organisation's preparedness for managing the rapidly evolving risk landscape:

1. How rapidly are uncertainties in the global business environment changing in complexity and volume, and is your organisation's approach to risk management at a level of robustness necessary to manage those changing realities?
2. To what extent is your organisation's risk management process providing valuable insights for board and senior management's strategic decision-making? Are risk insights from the risk management process a valued input to strategic planning?
3. What types of risks dominate board and management discussions? Is the focus mostly on "already known" operational, compliance, and financial risk challenges or are those discussions prompting management to consider new and emerging risk challenges on the horizon, particularly those that may emerge from outside the organisation?
4. To what extent are risks identified by the risk management process mapped to how they might impact the organisation's core business model and strategic plan on both a short-term and long-term perspective?
5. How is the organisation's culture affecting risk taking and risk management across the organisation? Is risk management perceived to be an important, value-adding management tool or is it viewed as a "check-the-box" or compliance activity?
6. To what extent is there clarity among the board and senior management about the top risks for the organisation?
7. Has management explicitly identified an "owner" for each of the organisation's top risks, and what accountabilities are in place to ensure risk owners are sufficiently overseeing their assigned risk areas?
8. To what extent do all members of the executive team and board have a rich understanding of the root-cause drivers of the organisation's top risks and how the entity is responding to those risks to prevent the root cause from occurring and minimize the impact should the risk occur?
9. To what extent does management's dashboard of key performance metrics also include relevant key risk indictors to help them keep an eye on emerging risk trends?
10. What risk information does the board and senior management need but currently not have? And what improvements to the organisation's risk management process are most essential?

many to want to focus on the positives in life, particularly in cultures that reward optimism over pessimism. Unfortunately, some C-suite executives resist engaging in discussions explicitly focused on risks because they see those as focusing on negatives, not positives.

Naturally, individuals prefer talking about all the great things that the organisation can accomplish. Focusing on risks that might impede those great things is less exciting and rewarding. So those conversations aren't welcomed and don't occur. In fact, our research finds that 18% of executives surveyed globally "do not see the benefits exceeding the costs", or they believe there are "too many other pressing needs" to carve out time to discuss emerging risks.

- **Competing vs. complementary view of risk management.** Each year as part of our research for our global report, we ask executives to identify common barriers preventing their organisations from enhancing risk management processes.

  The most frequently cited barrier is a view that risk management is a distraction from competing priorities that add value to the organisation (38% of the global sample cited this reason for lack of risk management investment).

  Unfortunately, these executives fail to recognise that risk management isn't a competing priority but rather a complementary endeavour. Risk and strategy are two sides of the same coin. On one side is what the organisation is trying to do strategically, while the other side reflects risks that might impact (positively and negatively) the success of that strategy. A complementary view sees the strategic advantage of thinking and planning proactively and in advance of a risk before it emerges.
- **Distaste for the word "no".** From our early childhood onwards, most of us don't like to be told "no", and we often go out of our way to avoid having someone tell us we can't do something we think makes good sense. The word "no" is something senior leaders sometimes don't like to hear, particularly from someone subordinate in position and authority. That is despite knowing that, in some cases, the "messenger" recognises perils that leaders may lack the insight to see.

Risk management isn't getting easier

The world we now live in is weighted with complex drivers of uncertainty that can trigger difficult and interconnected risks at any point in time. Just consider a few: geopolitical changes; trade policies; emerging technologies and artificial intelligence (AI); cyber threats; supply chain challenges; environmental, social, and governance (ESG) developments; terrorism; disruptive innovations; regulatory changes; and talent wars. None of these are easy to manage and track, but they are real and can occur at times you least expect. And, when they do, they can trigger multiple risks simultaneously.

In fact, 55% of our survey respondents admit that their organisation has "mostly" to "extensively" experienced a significant unanticipated operational surprise in the last five years, with those in Europe and the UK and in Asia and Australasia reporting even higher levels at 62% and 59%, respectively. Those surprises may reveal a symptom of ineffective risk management capabilities.

LEARNING RESOURCES

COSO Enterprise Risk Management—Framework and Compendium Bundle

This addresses the evolution of enterprise risk management (ERM) and the need for organisations to improve their approach to managing risk to meet the demands of an evolving business environment.

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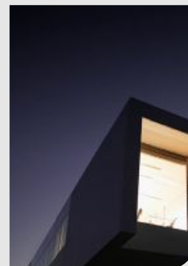

Risk Management Techniques and Tools

Understand the benefits of implementing an ERM system within your organisation.

COURSE

Pause and reflect on your risk management approach

Our extensive research and our work directly with a variety of entities show that many organisations have a long way to go to create risk management capabilities and infrastructures matching the realities of the risk environment in which we live.

Let's not assume the recent banking crisis is limited to a few rogue bankers. Rather, let's use this as an opportunity to make an honest and objective assessment of whether our organisations are similarly limited in their embrace of risk management as an important strategy and governance tool.

The 2023 global survey includes a number of diagnostic questions that executives and boards can use to facilitate conversations about the effectiveness of their organisation's risk management processes. (See the sidebar, "10 Questions that Facilitate Risk Conversations".)

These questions may help identify opportunities for enhancing how their organisation approaches consideration of risks in the context of their business model and strategic plan. The questions can be used to help outline next steps organisations can take to enhance the strategic value of their risk management efforts. ■

Mark S. Beasley, CPA, Ph.D., is the Alan T. Dixon Distinguished Professor of Accounting and Director of the Enterprise Risk Management Initiative at North Carolina State University's Poole College of Management in the US. The ERM Initiative (www.erm.ncsu.edu) provides thought leadership to help business leaders navigate enterprise-wide risks from a strategic and governance perspective. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.

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IMAGE BY MELITAS/GETTY IMAGES

How finance leaders can motivate their teams (and themselves)

Experts suggest five tactics that can keep finance team members motivated, engaged, and performing well in their role.

By Jessica Hubbard

Motivation is indispensable in a finance team tasked with growing a business successfully.

Motivated employees are likely to perform better; they feel better doing their job and are more interested in learning new skills.

"Motivation is a core component that contributes to job satisfaction and is a key driver for productivity and loyalty within the team," said Fiona Masuku, ACMA, CGMA, director at Creative CFO, a finance services consultancy based in Cape Town, South Africa.

Motivation is an invaluable asset for organisations, because it fosters engagement and promotes innovative thinking, said Ayelet Fishbach, professor of behavioural science and marketing at the University of Chicago in the US and author of *Get it Done: Surprising Lessons from the Science of Motivation*.

"A motivated team is more innovative, dedicated, and produces higher-quality work," said Funmi Adesida, FCMA, CGMA, and principal consultant at ADF Business Solutions in Lagos.

But keeping employees motivated can be a challenge.

Tactics to motivate teams

Masuku, Fishbach, and Adesida offered advice on how to best motivate teams. Ranging from incorporating fun activities into the work routine to implementing clear structures that promote work-life balance, their tips are:

Identify burnout

Before an organisation can determine how best to motivate its finance team, it must know how to spot telltale signs of fatigue.

All three experts agreed that fatigue manifests itself in various ways: increased errors, irritability, decreased interest in work, and a higher number of sick days.

Ignoring signs of burnout and depletion amongst your team carries significant risks. Adesida warned that overlooking such signs can promote low morale and lead to high staff turnover. This not only creates learning gaps but also increases costs associated with recruitment and training new staff.

"It is vital for managers and business leaders to have regular check-ins with their teams to understand their state of mind. This enables them to address fatigue before it spirals into a major issue," Masuku said.

"During periods when the workload is a lot, managers need to support their team to meet the department's deadline," Adesida said. They will feel encouraged by this because it signifies that you want them to succeed, she added.

"In a company I worked at, when the team [was] struggling with month end and we [needed] to do the forecast, I would take on the forecast process while the rest of the team was busy posting and doing recons," she said.

Consider smaller teams

Motivation can be enhanced through two main strategies: smaller teams and clear division of labour, Fishbach said. This allows for better coordination and increases the likelihood that team members contribute more on an individual level — more than they would in a large team.

Fishbach also advocates for a shift in focus from past progress to what remains to be accomplished, particularly after reaching a project's halfway point. "This promotes forward momentum and maintains motivation levels," she said.

How to Succeed as a First-Time Manager

As a first-time manager, develop the skills of effective delegation and motivation and avoid the trap of micromanagement.

COURSE

The Future of Talent Management

This session explores the most important objectives that leaders must be focused on in order to attract quality people, retain current superstars, and motivate for strong engagement.

COURSE

Encourage breaks and be empathetic

Adesida emphasised the importance of creating structures that limit the need for employees to work overtime and ensuring team members take regular breaks.

Having timetables, which the team must stick to, helps, she suggested.

"At the beginning of every year, I sit with my team and draw up a timetable," Adesida explained. "They are the ones on the ground and understand the [issues] they are facing. My job is to listen, challenge, and come to a consensus that ensures they are still able to meet the deadlines set."

It's important to take the time and effort to think through the scenarios and seek clarity from the team members involved, Masuku said.

"For example, if someone misses a deadline, it might be due to fatigue," she said. "However, in the heat of the moment, leaders might not consider that. That is why it is important to take a moment and review things, ask the right questions, and then react with the appropriate level of empathy."

Fishbach and Adesida cautioned against telling people to work harder or ignoring signs of burnout. Instead, they suggested leaders should remove barriers, increase enthusiasm, and make work more rewarding and fun.

In addition, a strong focus on work-life integration (such as offering flexibility) and inclusivity can reduce potential burnout. Employers also need to be aware of mental health issues and offer appropriate support when needed.

An empathetic approach — understanding and addressing the root causes of stress and fatigue — is key to supporting a depleted team and reinvigorating their motivation.

Provide learning opportunities and a fun element

For Masuku, motivating finance professionals often involves providing opportunities for learning and career development.

"As we are an outsourced service, there is a massive risk to ignoring fatigue," she said. "We push the value of our team, their skills and experiences. If people get burnt out, it is a huge risk for

'At the beginning of every year, I sit with my team and draw up a timetable. ... My job is to listen, challenge, and come to a consensus that ensures they are still able to meet the deadlines set.'

the organisation."

Using elements of fun at work is important, Adesida suggested. "For instance, we introduced a week that was filled with games, fancy dress, and charity visits. These activities provided a refreshing break and had a motivating effect on the team."

Keep yourself motivated

Even leaders have challenging days, and maintaining personal motivation is crucial. To keep herself motivated, Adesida sets aside "me time" in the mornings, reaches out to colleagues for advice, vents frustrations to a trusted confidante, and strictly observes off-work periods to recharge.

This approach applies equally to employees.

"I take breaks to recharge and when I do, I am switched off," Adesida said. "I only take calls if it is an emergency. I also do not work weekends, and I [have made] that clear in every place I have worked at."

Life-work balance is very important, and employees must push for that with their employers so that they also understand the need for it, she said.

Motivation is not a constant personality trait, Fishbach said.

"There are individual variations in motivation. I might be an unmotivated employee and dedicated mother, for example," she explained. "Once you realise that motivation depends on the situation that you [and the world] have created for your employees, you should work with them to change the situation to increase motivation." ■

AICPA & CIMA resources

"How Finance Leaders Can Develop Creativity in Their Teams", *FM* magazine, 5 July 2023

"How to Reward (and Retain) Your Top Performers", *FM* magazine, 11 August 2022

Jessica Hubbard is a freelance writer based in South Africa. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.

PODCAST

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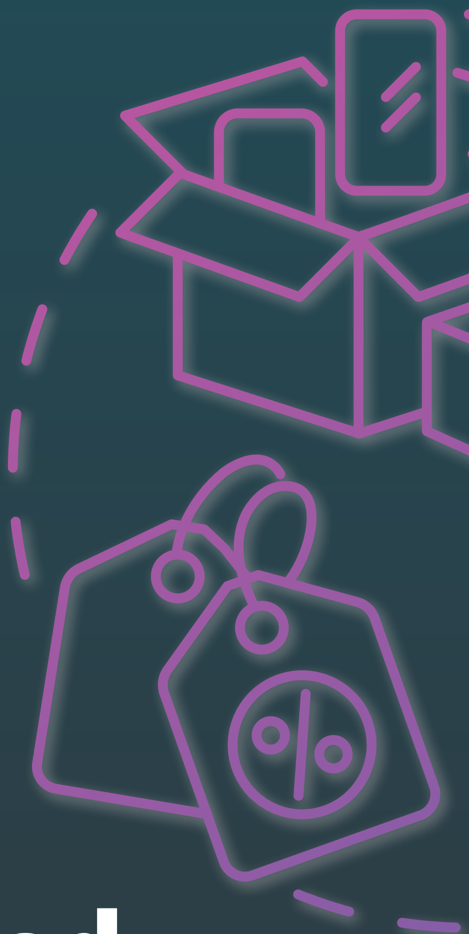

IMAGE BY BSD STUDIO/GETTY IMAGES

5 steps to transition to a subscription-based business model

At the interface between strategy, operations, and IT, finance is well placed to lead the adoption of subscription pricing models.

By Daniel Antoine, ACMA, CGMA

Since Salesforce disrupted the software industry at the turn of this century, businesses whose models are based on recurring revenues and cash flows rather than "fire-and-forget" products and services have attracted a lot of attention, particularly from investors.

The frequently cited reasons are compelling, not just as a driver of company value but also for the organisations themselves. Greater upselling and cross-selling opportunities and more predictable revenues combined with a vigorous focus on end customers' needs lead to stronger customer relationships, greater competitiveness, and ultimately higher customer lifetime values. Although often presented as a pricing strategy alone, subscription-based business models inform all aspects of an organisation from finance to IT to culture.

Finance is exceptionally well-positioned to champion companies along the subscription journey — from building the business case for change, to operationalising strategies, to incentivising culture change and shaping IT.

Components of a subscription pricing model

At the heart of any subscription pricing model is the idea of customers paying regularly, say monthly or annually, to receive the benefit of a product or service. The most common examples are subscriptions to magazines or streaming services such as Netflix, YouTube Premium, or Spotify.

Sometimes, subscription products or services include multiple components and bundling is an important aspect of subscription pricing strategy. For example, a mobile phone sale can involve a device, airtime (minutes, data, and texts), and insurance.

Subscriptions typically allow customers to continue, upgrade, downgrade, or discontinue the service contract annually, quarterly, monthly, or even daily. That is why continuous customer engagement and satisfaction become critical for any subscription business.

As such, organisations will need to zoom in on the product portfolio and contractual terms to ensure high customer loyalty. Achieving this will require a high degree of organisational flexibility and customer-centric processes and IT systems.

Moving to a subscription model is a strategic undertaking that affects all areas of the business, including culture, people, processes, and technology. This demands that the finance function deploy the full breadth of their capabilities, including business modelling and driver analysis; planning, budgeting, and forecasting; key performance indicator (KPI) development; and incentive structure definition.

Steps to transform to a subscription-based model

Management accountants play a key role in most aspects of a subscription-pricing transformation initiative. With their position between strategy, operations, and IT, they need to be heavily involved in setting up the appropriate technology and business intelligence data infrastructure.

Experience from a recent transformation initiative that saw a German technology company make the transition from a traditional, hardware-centred business to a subscription-based software business suggests these five steps for finance leaders to follow (see also the sidebar "IGEL Technology's Move to a Subscription-Based Business").

1. Translate strategic objectives into KPIs and incentive structures

Transitioning from a traditional model to a subscription pricing model frequently requires a change in mindset to one where the long-term and changing needs of the end customer, rather than the short-term sales success of the product or distribution partners, become the primary focus of activity.

It also means data trumps intuition. The finance team, therefore, needs to get involved early on by translating strategic objectives into appropriate business drivers, KPIs, and incentive structures. The results from this exercise not only inform the way sales or other parts of the organisation are incentivised but, crucially, determine the business intelligence and data requirements. Despite the known shortcomings, Kaplan and Norton's classic Balanced Scorecard and Strategy Map, or more recent frameworks like the Business Model Canvas, can provide guidance for this exercise.

2. Define data and analysis requirements based on strategic objectives and KPIs

Subscription businesses typically focus on three central areas: annual recurring revenue (ARR), customer retention, and cash flow metrics. Translating these metrics into KPIs and being able to monitor the KPIs can prove to be challenging for businesses that have traditionally followed a perpetual pricing model or have a channel-centric sales and distribution model.

Finance is best positioned to develop and operationalise the KPIs in the organisation. It can translate the KPIs into data and analysis requirements. Because the end customer is the focal point for any subscription business, organisations need to clearly define end customers, identify them in their data, and capture any interactions, including sales activity and pricing. As the business grows, it becomes crucial to be able to track customer interactions over longer periods of time and to establish leading indicators based on many data points, past or present, that can easily be interrogated.

3. Drive technology, data, and business intelligence infrastructures

Businesses that transform their pricing model will have to make significant changes to their operational systems, particularly the enterprise resource planning (ERP) software. They must typically also invest in processes and technology to deploy and monetise their products over the subscription period and to manage the product's use at the end-user level. This includes, for example, systems to reliably initiate, renew, terminate, and charge for all or part of a software functionality and associated support services.

Traditional subscription products that are typically of a physical nature, like newspapers or gym memberships, can easily be managed over the customer's lifecycle, and, for example, be withdrawn upon contract termination. Software products, such as Microsoft Windows, on the other hand, require new technologies and processes to control their usage at the end user level. This is a key area where early market innovators in the software space such as Salesforce

IGEL Technology's move to a subscription-based business

The company

Founded in Germany in 2001, IGEL Technology has its roots in the development, production, and distribution of thin clients (computers that are optimised for working in a server or cloud-based environment and therefore require less local computing power than traditional PCs) for the German market. Today, IGEL is a multinational software company with its core product portfolio built around its proprietary end-point operating system for cloud workspaces.

The opportunity

In the 2010s, IGEL's founder, Heiko Gloge, recognised the potential to turn the company from a Germany-based thin client manufacturer into a global player in the software industry based on its proprietary Linux-based operating system. This transformation provided access to a much greater number of professionally used PCs. When TA Associates took over as the majority shareholder in 2021, IGEL pressed forward with this strategic transformation. A core component of this transformation was the transition from traditional hardware-centred, one-off perpetual licensing to a subscription pricing model.

The challenge

As with any strategic change initiative, subscription pricing places high demands on a business. It was unchartered territory for IGEL, not only in terms of subscription pricing but also in terms of implementing fundamental strategic change of any sort. Historically, the business's channel partner–centric sales and distribution model, in combination with its hardware-based product portfolio and limited global reach, had shaped its go-to-market strategy and internal value configuration. This also permeated all aspects of the organisation. The company had to rapidly unlearn traditional ways of working and rebuild the necessary capabilities in all areas to successfully embark on a subscription journey that would redefine the business.

The solution

Given the lack of subscription pricing experience, taking an agile approach was needed rather than following a predefined project plan. This approach was more attuned to the need to continuously explore, test, observe, learn, and adjust solutions, technologies, and processes. Enterprise performance management, as part of the finance function, got involved early on and took a leading role in the subscription change initiative. It guided pricing, developed and tested KPIs, and implemented a reporting infrastructure to measure strategic progress. In doing so, the function drove data requirements and took on ownership of business intelligence technology within IGEL.

The result

The transition to an end-customer-centric, subscription-based software business meant IGEL doubled its annual recurring revenue (ARR) per customer while maintaining high customer retention rates, one of the KPIs the company introduced following the strategic transition.

disrupted the market.

Finance will have to take ownership of the required business intelligence infrastructure. This in turn demands a firm understanding of the organisation's technology architecture and data.

Experience shows that unless finance gets involved early and ensures that business intelligence requirements are met, companies run the risk of being unable to effectively master subscription pricing.

The business's ability to make good decisions based on data requires finance leaders to understand the implications of what is being proposed operationally.

Moreover, they need to work with IT and operations to confidently place their specific requirements on the roadmap and take full ownership of reporting as well as planning, budgeting, and forecasting for technologies.

Experience also shows that "outsourcing" any data and business intelligence competency to the IT function will often lead to not only inefficiencies and a loss in flexibility but also to business requirements not being met sufficiently or data not being interpreted correctly. Instead, subscription pricing initiatives require finance, IT, and other business functions to operate in lockstep.

4. Constantly realign IT systems and data with strategic requirements

Because subscription businesses first and foremost need to be built around customer satisfaction, they need to respond flexibly to changing demands. This also applies to reporting, incentives, IT systems, and data. Finance teams therefore need to adopt a flexible "lean startup" mentality when it comes to their willingness to drive and adopt change or accept failure.

IT systems and data should be flexible enough to support whatever strategic or operational change is necessary to realign the business. Examples here include the ability to re-map customers, products, and teams to new reporting hierarchies or to change the algorithm behind the calculation of KPIs.

Formulating and testing hypotheses based on data and then updating metrics as well as reporting structures should become second nature to any management accountant involved with subscription pricing. As the guardian of enterprise value, finance also needs to lead by example when it comes to making IT investment decisions; a rigorous use of business cases to test and clearly outline objectives, costs, benefits, and alternative options is good practice in any business, not just subscription businesses.

5. Provide strategic and operational insights from data

Finance professionals' core competency is the ability to provide strategic and operational insights from data to support decision-making. To do this, they need to become experts in packaging and pricing methods, subscription pricing models, and their value drivers. They should also have a firm grasp on KPIs and how and where they are being calculated, including the caveats that the underlying data and calculations entail.

Finance's championing role

Subscription pricing offers significant upside in terms of growth, competitiveness, and long-term value. But it also puts a high level of demand on businesses' and individuals' ability to manage complexity and change. Placed between strategy, operations, and IT, finance is able to champion subscription pricing models that are fast becoming the standard in many industries.

A prerequisite for this is for management accountants to fully embrace technology, data, and change — a challenge that promises the reward of making themselves indispensable for business success. ■

AICPA & CIMA resources

"Unlocking Data's Future Value: A New Role for CFOs", *FM* magazine, 11 April 2023

"Improving Forecasting for 2023 and Beyond", *FM* magazine, 9 December 2022

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LEARNING RESOURCES

Business Models and Value Creations

This course focusses on various types of business models that can be implemented or operationalised to generate value, including digital business models that are causing a disruption in digital ecosystems.

COURSE

Advanced Financial Skills

This course discusses the critical financial skills that today's finance professionals need to add value to their team, other departments, and the company. Some of the major areas covered include strategic planning, risk management, the Balanced Scorecard, and insightful financial analysis.

COURSE

PHOTO BY ALAN SCHEIN/GETTY IMAGES

How to manage for the first time

There are few more daunting times at work than when you have to manage for the first time — so how do you make the leap?

By Rhymer Rigby

The skillset you need to manage a team can be very different from what makes you technically excellent in a job. What's more, many companies assume the transition is natural when it's often anything but. When managing for the first time, you need to discover your style, recalibrate your working relationships, and, perhaps hardest of all, learn to let go of your previous job, even if you really loved it.

Where do I start?

A good starting point is thinking about the bosses you enjoyed working for in the past. What did they do that motivated you? How did you like to be managed? Think too about managers who you've struggled with.

One very basic point here is that everyone likes recognition. So, praise people who do good work — don't be the boss who only complains and never compliments their direct reports.

Act like a boss

This is perhaps easier said than done. But you'll need to be confident and decisive and start to act like a leader, even if you're nervous and uncertain and terrified — and you don't have long to get this right. Start by being fair and reasonable and listening to people — and, remember, it gets easier.

Understand your team

Have a team meeting to introduce yourself. But also have a one-to-one with everyone you manage. Sit down with them, perhaps over a coffee, and try to understand what they want. Really quiz them — what drives and motivates them and what frustrates them? What are their career goals, and how can you help them to achieve those goals? You should also stay on top of any needed staff appraisals — even if they take place a few weeks after you've taken over. Again, this shows that you are invested in your people.

Understand your style

Not everyone manages in the same way. Bosses can be relaxed and *laissez-faire*, consultative and collaborative, or even authoritarian — and these styles can all work under certain circumstances. There is no one right style — there will be styles you are more comfortable with, however. Experiment, but if a style runs counter to your personality, don't persist with it, no matter how well it works for someone else.

Aim to improve yourself

You're not going to know everything on day one — you will need new skills to manage a team, usually in addition to the skills and abilities that resulted in your being promoted. Recognise that you have learning to do and that you will make mistakes. Bosses often overestimate their management skills, and you shouldn't be this boss. Rather, own your mistakes, be open to improvement, and seek feedback from those you manage. Try to identify gaps in your skills and devise strategies to fill them. For particularly tricky areas, like performance management and dealing with conflict, you may wish to ask HR if it offers any training.

Learn to delegate and don't do your old job

This sounds simple, but it can be very hard. The first thing to do is tell yourself that you are now paid to lead and manage a team. Moreover, you're probably being paid quite a bit more, so you shouldn't be doing lower-value tasks. You should be finding the correct person to do these tasks.

The second can be even harder, especially if you went into a role because you love the work — and you often see this in fields such as tech and the creative industries. Resist the urge to do your old job, no matter how tempting it is and how good you were at it. There are good reasons for this. Micromanaging and meddling are enormously demotivating to staff (there is a correlation between employee empowerment and better outcomes). So, learn to delegate, focus on the bigger picture, and give your team the tools and support they need to succeed.

What if I'm managing former peers?

Here, you will need to reset the relationship. You are now a boss, not a friend, and, like it or not, that has to come first. If you try to be both, it will not work. It will make you ineffective as a boss

> ‘Not everyone manages in the same way. Bosses can be relaxed and laissez-faire, consultative and collaborative, or even authoritarian — and these styles can all work under certain circumstances.’

— and the first time you have to do something tough, they will play the friendship card and possibly end up disliking you. So, be a good boss, and they’ll respect you. They might even like you, too.

Hang around with other bosses

Your old peers are no longer your peers — your peers are now other managers. So, spend time with them, ask them questions, share your problems, and learn from their experiences. This will probably happen naturally anyway. Work friends are, to a large extent, situational friends. Now your situation has changed; your friends will change too. You will have less in common with former peers.

Consider a mentor

This exact situation is why mentors exist. Ideally, your company will offer you one — but you needn’t sit passively if they don’t. You can ask the people involved in your promotion or ask HR to arrange one for you — or you can approach someone. It can be a formal or informal arrangement, and you may even have more than one mentor. But having someone senior you can call on with the experience to help you navigate the organisation as you move upwards is invaluable and can make a huge difference.

LEARNING RESOURCES

Leading vs. Managing

When is it appropriate to manage and when is it appropriate to lead? You could be asked to do both on any given day. This self-study online course explains the differences and why it matters.

COURSE

Owning Your Leadership: Building Extraordinary Relationships Beginning With Self

Gain a deeper understanding of the leadership and relationship skills you’ll need to be an effective leader from any position — it starts with managing self.

COURSE

Working Together — Four Personality Styles at Work

Increase the effectiveness of your professional teams by understanding the dynamics and interactions between the various personality styles.

COURSE

You will still have a boss

Most bosses still answer to a boss. Moving up the ladder just means now having to manage those under you — you are still accountable to those above you. You shouldn’t neglect this relationship because much of your job will be ensuring that your team delivers what your boss wants. ■

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

AICPA & CIMA resources

“Manager to Leader: What’s Needed to Make the Transition?”, *FM* magazine, 14 August 2023

“How Successful Managers Lead Up, Across, Down, and Inward”, *FM* magazine, 5 October 2022

“How to Be a Tough but Respected Manager”, *FM* magazine, 19 November 2018

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, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.*

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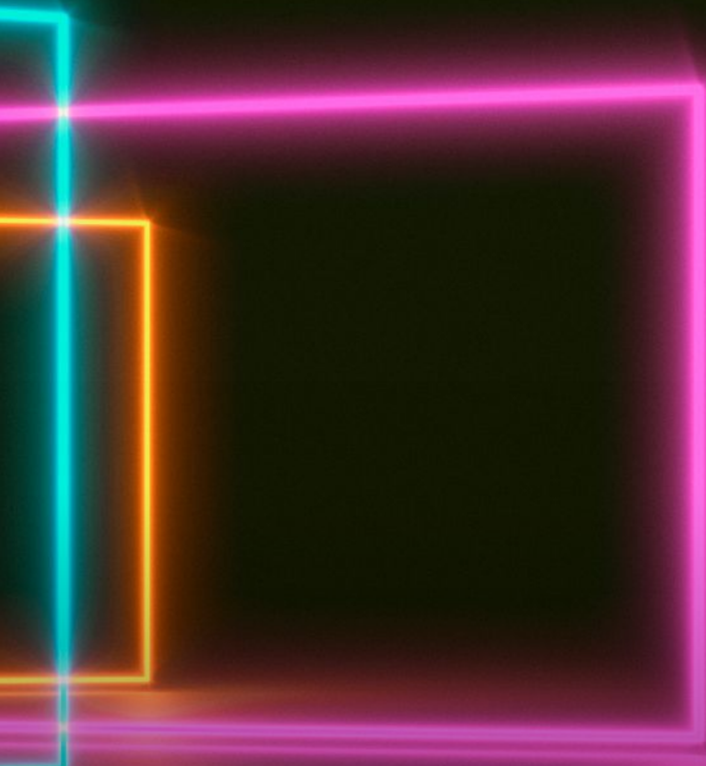
Tips for using the Power BI suite of tools

IMAGE BY GLADIATHOR/GETTY IMAGES

Microsoft's "Power" suite of tools can help make you both more efficient and effective in your data preparation, analysis, and visualisation work.

By Liam Bastick, FCMA, CGMA



In the October *FM* edition, I highlighted three related tools provided by Microsoft that are often neglected by the accounting profession. They make extracting, cleansing and transforming data, and reporting metrics and creating powerful data visualisations so much simpler and quicker. As a reminder, these are:

Power Query (known as "Get & Transform" in Excel these days) is what is known as an extract, transform, and load (ETL) tool. This software allows you to connect to data from a variety of sources (eg, Excel files, internet data, SAP business warehouses, Access files and other databases), then manipulate it, say, by removing unnecessary data, removing additional spaces, and unpivoting elements, and finally load the tailored version of the combined files in such a way that they may be used by Excel (eg, Power Pivot) for further analysis.

Power Pivot is often referred to as "PivotTables on steroids". You can enable it by going to **File -> Options -> Add-ins -> Manage -> COM Add-ins -> Go**. Checking the box for "Microsoft PowerPivot for Excel" enables the Power Pivot tab to appear on the ribbon.

Power BI, which initially referred to the entire suite of Microsoft BI tools out there, now chiefly refers to the dashboarding and reporting side of things. This is a standalone piece of software you may download from www.powerbi.com for free. Once you are satisfied with what you have created, you can publish your dashboard or reports to the cloud using Power BI Service and share them with the world.

As an introduction in the October *FM* edition, I provided a useful tip for demonstrating the power of Power Query. This time, I continue the theme, with several demonstrations of what Power Pivot and Power BI can do for you as well. Don't stop with just these suggestions though: There are many more useful tips you can discover as you become more familiar with the triumvirate. Just keep using the software!

Creating more powerful PivotTables

It's pretty easy to create a PivotTable (see the screenshot "Example PivotTable").

Example PivotTable

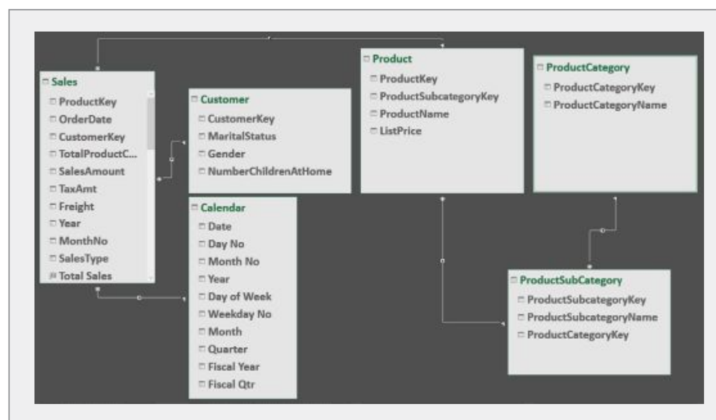
YOY Growth in Sales Pct	Column Labels					
Row Labels	0	1	2	3	4	5
Bikes						
2002						
Jul	21.19%	-24.75%	54.37%	-45.67%	-44.56%	41.50%
Aug	-11.62%	31.06%	238.31%	60.61%	-22.76%	54.84%
Sep	-37.24%	-8.37%	-31.31%	50.29%	49.98%	11.75%
Oct	-24.14%	-54.32%	103.88%	42.31%	-42.93%	46.76%
Nov	-40.44%	-13.03%	-74.22%	-42.08%	289.44%	-52.18%
Dec	-25.16%	-55.77%	-29.69%	75.32%	134.53%	697.98%
2003						
Jan	-30.53%	38.94%	-55.70%	-41.28%	-1.89%	43.36%
Feb	-9.90%	-1.04%	-20.83%	1.81%	96.77%	-59.55%
Mar	-28.12%	103.71%	-5.49%	-46.38%	-52.28%	-15.89%
Apr	-17.44%	55.05%	-72.87%	-45.78%	-38.73%	-69.76%
May	-13.87%	-28.80%	-8.42%	-54.32%	26.86%	-13.76%
Jun	-22.71%	-39.11%	136.57%	-56.63%	168.18%	-48.61%
Jul	43.99%	138.64%	174.26%	168.74%	159.37%	75.77%
Aug	62.63%	-26.63%	63.11%	43.16%	169.94%	14.15%
Sep	146.46%	274.77%	196.27%	702.07%	130.83%	76.61%
Oct	129.16%	155.22%	71.12%	117.23%	557.46%	284.51%
Nov	219.80%	160.71%	1,017.06%	200.75%	182.29%	118.72%
Dec	154.38%	397.51%	94.04%	374.04%	473.33%	233.51%

But look closer. This uses Microsoft's AdventureWorks Cycles database (hence the years are a little old), but do you see what is being reported? It is year-on-year sales growth by month for a particular product (bikes), analysed by how many children the customer has at home. Would anyone ever want to retain all that information in one table that could be used as the source for a PivotTable?

In the past, I would have humbly suggested the answer is "no". You'd need your main ("factual") table detailing the sales and then some lookup ("dimension") tables detailing the precise product sold and further details about the customer the sale would be made to. Think of a "fact" table as one where you have the data you wish to analyse and your "dimension" tables as the data sets you "**VLOOKUP**" other data from.

However, in Power Pivot, you can import all the tables and connect them just by importing them, going to Diagram View, and simply dragging one field to its pairing in another table, thus avoiding clunky **VLOOKUP**s or a raft of **INDEX MATCH** or **XLOOKUP** formulas (see the screenshot "Diagram View in Power Pivot"). Unfortunately, it should be noted that the fields that are linked do not highlight unless the link between the tables is clicked on.

Diagram View in Power Pivot



You can't do *that* in PivotTables. It's simple — the tables are just loaded into the software, and then you simply drag the fields across to their counterparts to link them. Power Pivot only supports what is known as "one to many" linking, but don't worry if you are unsure what this is. Power Pivot knows and will link data tables together the correct way round to ensure your **VLOOKUP**-type links work as expected.

Easy reconciliations

Imagine you had two data tables — it could be your bank statement and a spreadsheet — and you wanted to perform a reconciliation. Here, let's have "Revenue" and "Cost" Excel Tables (see the screenshot "Revenue and Cost Excel Tables").

Revenue and Cost Excel Tables

Code	Revenue
43565	953.87
43584	833.07
43567	354.00
43556	865.83
43565	779.02
43569	836.12
43585	361.93
43581	834.35
43580	827.47
43576	238.77
43572	708.22
43559	348.03
43573	360.85
43557	362.98
43568	343.14
43569	300.00
43585	756.30
43577	217.94
43576	716.64

Code	Cost
43556	865.83
43556	538.38
43556	262.37
43556	425.90
43557	362.98
43557	975.59
43557	367.01
43557	695.42
43557	856.12
43557	788.48
43557	458.49
43557	971.95
43558	916.66
43558	660.44
43558	805.97
43559	348.03
43559	940.82
43559	753.99
43559	190.77

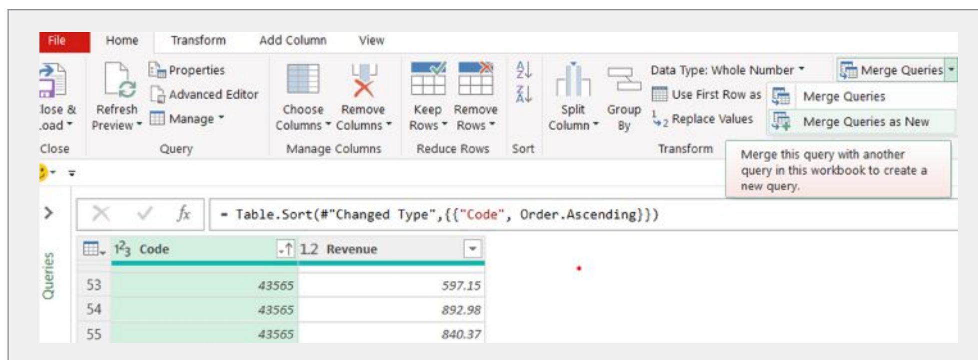
Do you see that both use a five-digit code number? I want to see which items do not reconcile. Yes, this could be performed with **COUNTIF** formulas in Excel, but again, manual manipulation is required.

An alternative is to both merge and append tables:

- **Merging** is when *columns* (fields) from one table are added to another (this requires a field that can be used to identify which rows match).
- **Appending** is when *rows* (records) from one table are added to another (this requires the tables to share the same field names).

The first thing is to import both Excel Tables into Power Query. Once there, select one of the tables (say Revenues and then click on the Merge dropdown on the Home tab and click on "Merge Queries as New" (to generate a new table rather than merge with an existing one) — see the screenshot "Generating a New Table".

Generating a new table



This gives rise to the Merge dialog box, where the two tables and fields may be selected (see the downloadable screenshot "Merge Dialog Box").

There are several join kinds (shown in the downloadable screenshot "Merge Dialog Box"); the one required is the Left Anti — this creates a table where records in the top table do not have a corresponding item in the second table (ie, they cannot be reconciled). Clicking OK creates the result shown in the screenshot "Merged Table Result".

Merged table result

```
= Table.NestedJoin(Revenues, {"Code"}, Costs, {"Code"}, "Costs", JoinKind.LeftAnti)
```

	Code	Revenue	Costs
1	43521	905.86	Table
2	43585	249.71	Table
3	43585	361.93	Table
4	43685	194.78	Table
5	43746	756.3	Table
6	46364	263.22	Table

Notice the rows in the final column say "Table" (in green). This means Power Query cannot display all the fields in one column. However, note there is an icon ( ) to the right of the final field header. Clicking on this and selecting the correct fields generates the table as shown in the screenshot "Generating the First Part of the Table").

Generating the first part of the table

```
= Table.ExpandTableColumn(Source, "Costs", {"Cost"}, {"Cost"})
```

	Code	Revenue	Cost
1	43521	905.86	null
2	43585	249.71	null
3	43585	361.93	null
4	43685	194.78	null
5	43746	756.3	null
6	46364	263.22	null

We have the first part of the table, and this query should be saved. Repeating this entire process starting in the Costs query creates the other half of the reconciliation — this time, rows in the second table, not in the first.

Appending and then closing and loading the appended query will produce a final report (see the screenshot "Final Report").

Final report

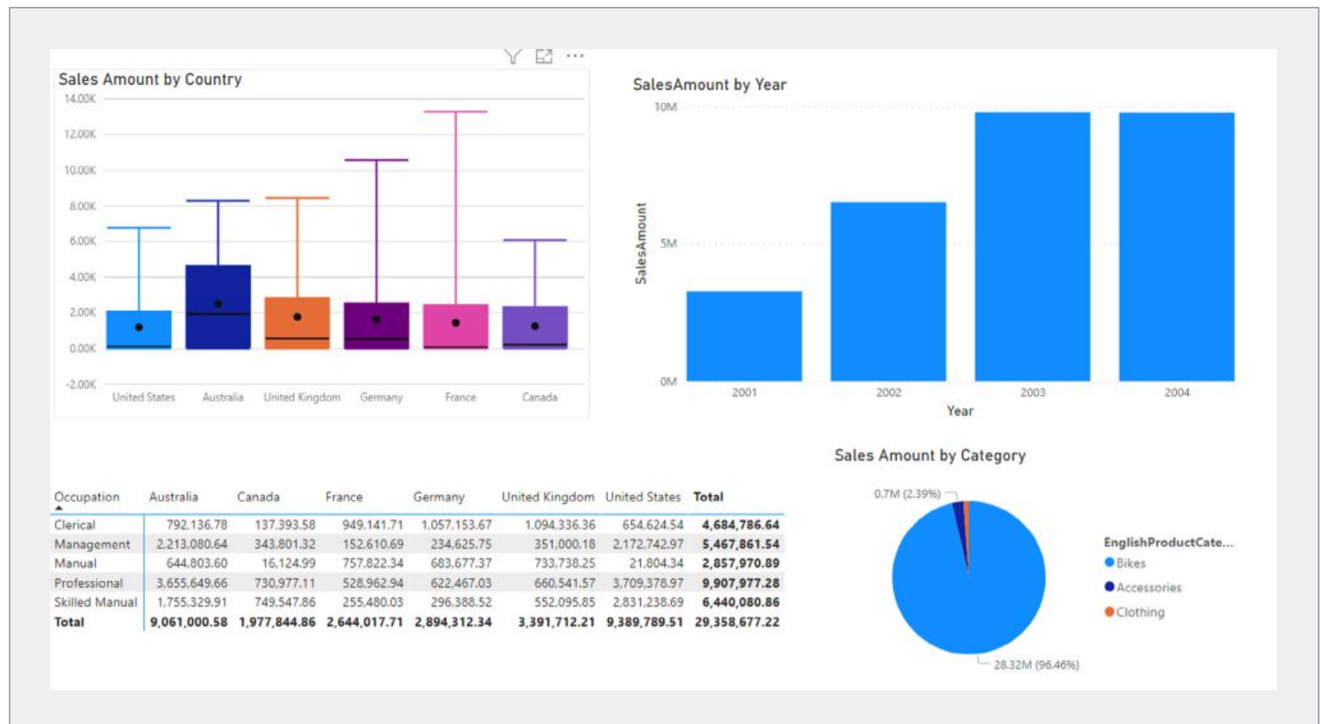
Code	Revenue	Cost
43521	905.86	
43585	361.93	
43585	249.71	
43685	194.78	
43746	756.3	
46364	263.22	
43581		834.35

This might be an involved process, but again, it only has to be performed once — only refreshing will be required for future reconciliations. Tedious tasks have become a thing of the past.

Creating a chart instantly

You can create a dashboard intuitively and efficiently by loading the data into Power BI Desktop (similar to how it is done in Power Query) and using the charting tools (see the screenshot "Creating a Dashboard").

Creating a dashboard



Occupation	Australia	Canada	France	Germany	United Kingdom	United States	Total
Clerical	792,136.78	137,393.58	949,141.71	1,057,153.67	1,094,336.36	654,624.54	**4,684,786.64**
Management	2,213,080.64	343,801.32	152,610.69	234,625.75	351,000.18	2,172,742.97	**5,467,861.54**
Manual	644,803.60	16,124.99	757,822.34	683,677.37	733,738.25	21,804.34	**2,857,970.89**
Professional	3,655,649.66	730,977.11	528,962.94	622,467.03	660,541.57	3,709,378.97	**9,907,977.28**
Skilled Manual	1,755,329.91	749,547.86	255,480.03	296,388.52	552,095.85	2,831,238.69	**6,440,080.86**
Total	**9,061,000.58**	**1,977,844.86**	**2,644,017.71**	**2,894,312.34**	**3,391,712.21**	**9,389,789.51**	**29,358,677.22**

If you want to create a chart to answer a question, it is so easy. Simply click on an empty area of the dashboard and then click on the Q&A icon in the Visualizations pane (see the downloadable screenshot "Using the Q&A Icon in the Visualizations Pane").

Type your question in the speech bubble that appears and watch as your chart appears by magic (see the downloadable screenshot "Creating a Further Chart"). Here, I have asked for the graphical analysis of "yearly income by birth date" (the wording may seem a bit "clunky", but Power BI understands the question).

That's it!

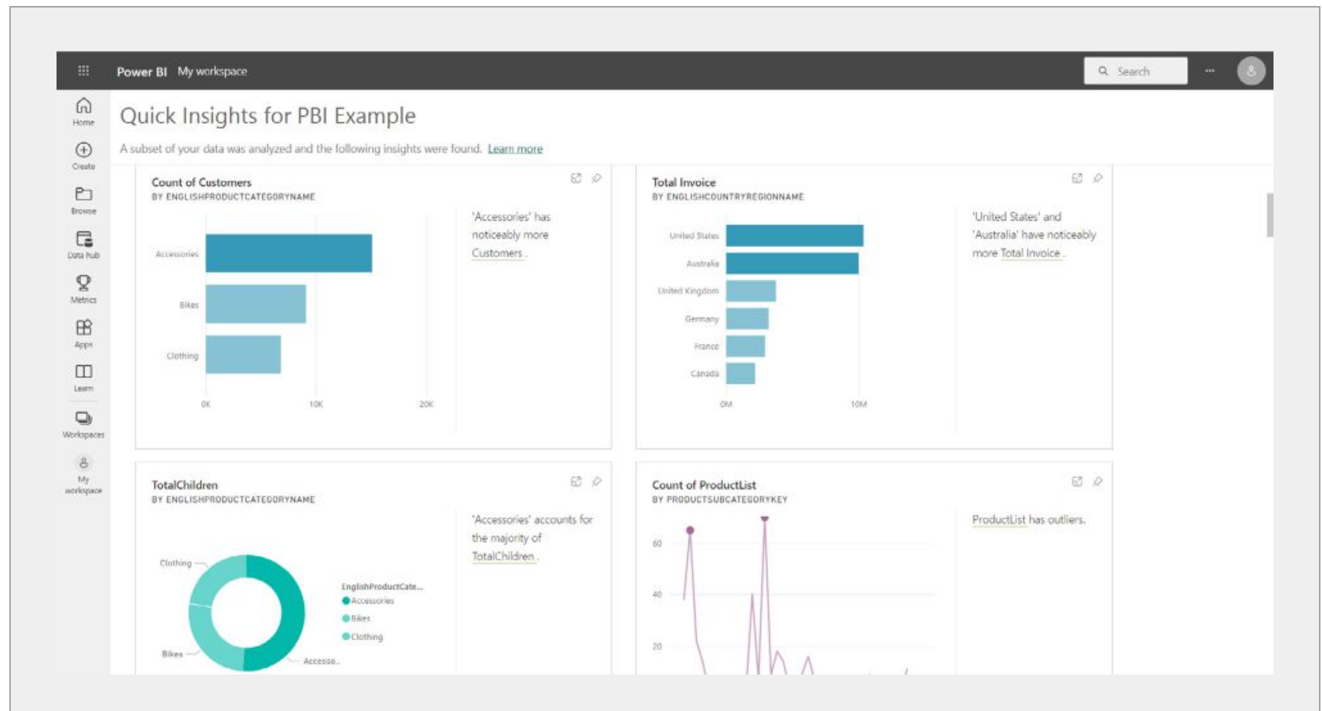
Quick Insights

There's another showstopper in Power BI. First, create your chart in Power BI Desktop. Once happy, click on Publish on the Home tab. This will "post" the file to the Power BI Service (see the downloadable screenshot "Publish on the Power BI Service"). This is the Cloud-based Power BI offering where you can choose who you share the report with (it is never shared publicly by default).

Once the file has loaded, you have the option to access Quick Insights immediately within your login area of the Cloud (see the downloadable screenshot "Option to Get Quick Insights").

Clicking on the "Get Quick Insights" hyperlink will generate key insights identified by the Power BI Service (see the screenshot "Quick Insights Example").

Quick Insights example



Obviously, the insights will depend on the quality of the data. However, with many linked data tables, it is easy for an analyst to miss relationships, correlations, and outliers in the data that Power BI, quite simply, won't. Let it do some of the heavy lifting for you.

I must confess that I use this last tip all the time. When I have unfamiliar data, I create rudimentary charts in Power BI (what they depict is often irrelevant) in order to use the Quick Insights feature. This provides me an understanding of structure, key trends, and outliers *in seconds*. It's definitely worth the diversion.

Word to the wise

With this article and the previous one in the October *FM* edition, hopefully you can now see just how the Power BI suite of tools can make your life easier. I hope I have your interest piqued. Too often we spend 95% of our time preparing data and only 5% of our time analysing the resulting information. It's time to swap those two percentages: work smarter, not harder. ■

Liam Bastick, FCMA, CGMA, FCA, is director of SumProduct, a global consultancy specialising in Excel training. He is also an Excel MVP (as appointed by Microsoft) and author of Introduction to Financial Modelling *and* Continuing Financial Modelling. *Send ideas for future Excel-related articles to him at liam.bastick@sumproduct.com. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.*

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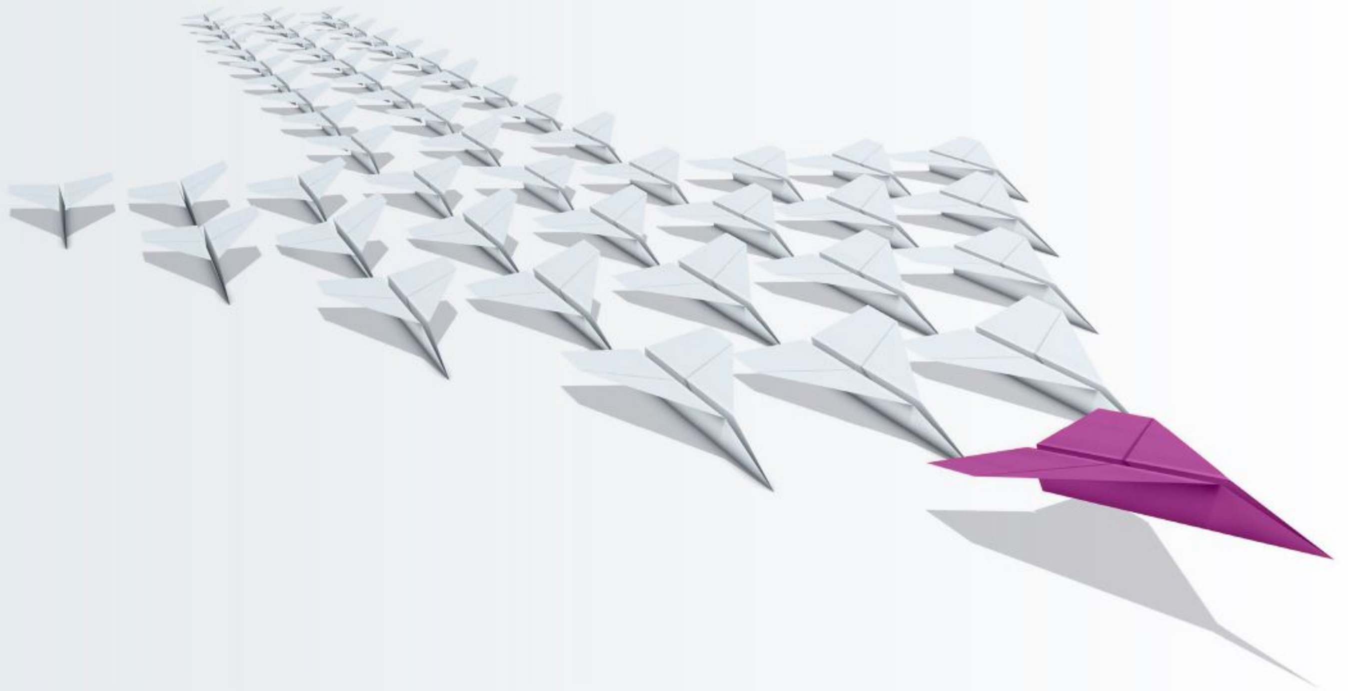

What does it take to be a strong risk leader?

Learn more in our new report.

INSTITUTE NEWS

CIMA and CPA Australia renew Member Pathway Agreement

CIMA, part of the Association of International Certified Professional Accountants, and CPA Australia have renewed their Member Pathway Agreement for a further four years.

First signed in 2008, the agreement allows members of each professional accounting body to concurrently become members of the other body and adopt, subject to criteria, the relevant professional designation. Over the years, the agreement has opened up new employment opportunities for members and given employers across the world access to a wider pool of accounting and finance talent.

CIMA members can join CPA Australia, subject to completing the CPA Australia Better Practice in Governance and Accountability course. CPA Australia members can join CIMA, subject to passing CIMA's CGMA Professional Qualification Strategic Case Study Exam. Candidates will also need to meet the other body's practical experience requirements to demonstrate their competence and experience in the workplace.

AICPA & CIMA leadership programme returns to Singapore

The third CGMA Leadership Academy, an intensive four-day leadership programme for CGMA designation holders, was held in Singapore from 9 to 12 October 2023.

Hosted by AICPA & CIMA, together as the Association of International Certified Professional Accountants, it had the theme "Finance Forward: Igniting Value Creation & Leadership".

It featured four tracks of curated content from industry leaders and experts: digital transformation, sustainability and ESG (environmental, social, and governance), leading finance teams, and communication for influence and impact.

The Leadership Academy is designed to equip a new generation of finance leaders with the capabilities, mindsets, skills, and network they need to become catalysts of change within their organisations, the finance profession, and the broader business community.

AICPA & CIMA chief executive — Management Accounting, Andrew Harding, with participants at October's CGMA Leadership Academy in Singapore.

BOTTOM: PHOTO BY TERENCE LOO AND CLINTON LEE, TOP LEFT: PHOTO BY GALLO IMAGES /GETTY IMAGES

CIMA and CPA Canada sign MoU

CIMA and the Chartered Professional Accountants of Canada (CPA Canada) have signed a Memorandum of Understanding (MoU), which became effective 1 August 2023.

The MoU on Reciprocal Membership Arrangements allows members of each professional accounting body to concurrently become members of the other body and adopt, subject to criteria, the relevant professional designation.

CIMA members are now able to join a provincial/regional CPA Canada body, subject to meeting the conditions of the MoU and passing days two and three of the CPA Canada's Common Final Examination. CPA Canada members can join CIMA, subject to passing CIMA's CGMA Professional Qualification Strategic Case Study Exam. Candidates will also need to meet the other body's practical experience requirements to demonstrate their competence and experience in the workplace.

Elections to CIMA Council

As the term of office for each Council member in the following CIMA electoral constituencies (ECs) expires at the end of the Annual General Meeting in 2024, elections will be held in February 2024. Nominations for candidates (Fellow and Associate members) to fill the vacancies must be made by six or more members (three of whom must be Fellows) whose registered addresses are in the EC concerned.

Nomination forms for candidates for election to Council are available to download from the AICPA & CIMA website. They may also be obtained from the Governance department by emailing governance@aicpa-cima.com.

Please also read the downloadable guidelines and information on the role of a Member of Council carefully before completing the form.

Nominations must be received on the prescribed form by 23.00 GMT on Friday 5 January 2024, and should be clearly marked for the attention of the Lead Specialist, Governance. A scanned copy of a signed and completed form is acceptable.

Electoral constituency (EC)	Current member
EC3 East Midlands and East Anglia	Andrew McGunnigle*, FCMA, CGMA
EC10 West, Central and Southern Africa	Geoffrey Jjuko, FCMA, CGMA
EC10 West, Central and Southern Africa	Danny Luswili, FCMA, CGMA
EC11 Central Southern England	Karen Marrinan, FCMA, CGMA
EC12 South East England	Vacancy
EC14 South Asia	Manohari Abeyesekera, FCMA, CGMA
EC14 South Asia	Channa Gunawardana, FCMA, CGMA
EC14 South Asia	Rifka Ziyard, FCMA, CGMA
EC16 South East Asia	Yogesvaran Arianayagam, FCMA, CGMA
EC17 Europe, North Africa and Middle East	Anju De Alwis, FCMA, CGMA
EC19 Australasia	Rebecca Bennett, FCMA, CGMA

*Member not eligible to stand again, having served on Council for nine or more years.

The Governance department will promptly acknowledge receipt of the nomination form, either through an automated process or by individual notification. It is the candidate's responsibility to ensure that their form has been received. To avoid uncertainty, candidates who do not receive such confirmation should contact the Governance department directly by emailing governance@aicpa-cima.com before the closing date.

If there is more than one candidate for a vacancy, a ballot will be conducted. The Governance team will contact you if an election is required.

PHOTO BY IMAGEEGAMI/GETTY IMAGES

Nominations to the 2024–2025 Association Regional Engagement Groups and Management Accounting committees

The Association of International Certified Professional Accountants Nominations Committee, composed of CIMA and AICPA members, will convene in February 2024 to nominate members for the Association's board of directors, its chair, and co-chair and to select committees with terms from June 2024 to May 2025.

These committees include the Management Accounting (MA) committees, Lifelong Learning Committee, CGMA Exam Board, Thought Leadership and Business Ethics Committee, and the eight Regional Engagement Groups (REGs).

In July 2019, the Association's MA board of directors voted to have all seats for the Lifelong Learning Committee, CGMA Exam Board, and Thought Leadership and Business Ethics Committee determined by the Nominations Management Accounting subcommittee. CIMA Council approved this resolution in October 2019 with the objective of building a strong pipeline of volunteer talent, providing opportunities for rotation of our broad and diverse membership, and ensuring candidates are fit for purpose.

All individuals interested in serving on the REGs should complete and submit an online form to ensure a common set of information on each candidate is received.

All individuals interested in serving on the Lifelong Learning Committee, CGMA Exam Board, the Thought Leadership and Business Ethics Committee, Membership Committee, and/or Professional Standards Committee should complete and submit an online form to ensure a common set of information on each candidate is received.

All nominations must be received by 17.00 GMT on 1 January 2024.

For questions and inquiries regarding submitting a nomination, please contact the Association's Governance team at VolunteerServices@aicpa-cima.com or one of the following Association staff liaisons:

Regional Engagement Groups

- Africa — Tariro Mutizwa, ACMA, CGMA, Tariro.Mutizwa@aicpa-cima.com, and Kerry Smith, Kerry.Smith@aicpa-cima.com.
- The Americas — Tom Hood, CPA/CITP, CGMA, Tom.Hood@aicpa-cima.com, and Ken Witt, CPA, CGMA, Ken.Witt@aicpa-cima.com.
- Australasia — Venkkat Ramanan, FCMA, CGMA, Venkkat.Ramanan@aicpa-cima.com, and Justine Mills, Justine.Mills@aicpa-cima.com.
- Mainland Europe — Jakub Bejnarowicz, Jakub.Bejnarowicz@aicpa-cima.com.
- MESANA — Venkkat Ramanan, FCMA, CGMA, Venkkat.Ramanan@aicpa-cima.com, and Antoinette Jayamohan, Antoinette.Jayamohan@aicpa-cima.com.
- North Asia — Vicky Li, FCMA, CGMA, Vicky.Li@aicpa-cima.com, and Amy Shen, Amy.Shen@aicpa-cima.com.
- South East Asia — Venkkat Ramanan, FCMA, CGMA, Venkkat.Ramanan@aicpa-cima.com, and Antoinette Jayamohan, Antoinette.Jayamohan@aicpa-cima.com.
- UK & Ireland — Paul Greenaway, Paul.Greenaway@aipca-cima.com.

MA committees

- Lifelong Learning — Stephen Flatman, Stephen.Flatman@aicpa-cima.com.
- CGMA Exam Board — Tracey Fabiyi, Tracey.Fabiyi@aicpa-cima.com.
- Thought Leadership and Business Ethics — Ash Noah, CPA, FCMA, CGMA, Ash.Noah@aicpa-cima.com.
- Membership Committee — Peter Steel, Peter.Steel@aicpa-cima.com.
- Professional Standards Committee — Peter Steel, Peter.Steel@aicpa-cima.com.

Candidates will be notified of their status in March 2024.

IMAGE BY YULYAO/GETTY IMAGES

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Aviation's carbon takeoff

Internationally, the aviation industry has pledged to reach carbon net zero by 2050.

And while aviation accounts for only 2% of energy-related CO_2 emissions, the sector is one of the most challenging to decarbonise, according to the International Energy Agency.

Sustainable aviation fuels (SAF), which are renewable or waste-derived, could contribute an estimated 65% of the reduction in CO_2 emissions from aviation by 2050. However, hydrogen- and electric-powered aircraft are also part of the solution, albeit in a more limited way.

Aircraft using battery-electric propulsion could replace 15% of the global jet fleet by 2050, according to the Mission Possible Partnership. These electric aeroplanes, estimated to enter the market by 2035–2040 at scale, are likely to be focused on regional transportation, currently served by turboprops and short-distance, narrow-body jets.

The Pipistrel Velis Electro electric aircraft is photographed on 8 September 2023 at Aachen Merzbrück Airfield, Würselen, North Rhine-Westphalia, Germany.

PHOTO BY ROLF VENNENBERND/PICTURE ALLIANCE VIA GETTY IMAGES

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