Global Finance Trends Survey Report

Finance Priorities in the COVID Era: Digital Dominance and Flexible Labor Models

CFOs and finance leaders are leveraging hard-earned lessons from the worldwide pandemic to strengthen organizational agility and resilience

protiviti®

Face the Future with Confidence

TABLE OF CONTENTS

EXECUTIVE SUMMARY

• • •

Major crises expose the true nature of things. In the face of extreme pressure, a company discovers just how digital, agile and resilient it really is. And its finance organization is no exception.

Entering 2020, CFOs and finance leaders already were focused on shoring up working capital, addressing new and evolving cybersecurity risks, completing financial statements timely and efficiently, meeting internal and external customer expectations, and making critical long-term talent sourcing decisions. Their progress toward these and broader finance transformation efforts subsequently received unvarnished real-world appraisals in full view, courtesy of COVID-19.

During the global pandemic, CFOs and finance VPs found that the rapid expansion of their strategic priorities — a trend we've identified over the past several years of our Global Finance Trends Survey — continued unabated. To manage their mounting demands while simultaneously standing up and mobilizing newly virtual workforces, finance leaders have been delegating more responsibilities to their teams — a likely reason why manager-level professionals rated substantially more finance areas and activities to be higher priorities for the next 12 months compared to prior years of our study.

Even amid COVID-19, the top strategic priorities for CFOs and finance leaders — data security and privacy, enhanced data analytics, meeting the changing demands of internal customers, cloud-based applications — are largely unchanged. This continuity suggests leading CFOs are committed to ongoing finance transformation and equipping their departments with the foundational building blocks needed to operate digitally, flexibly and resiliently to support their organizations, regardless of current circumstances or the next crisis.

In addition, finance leaders are calling on their third party partners with greater frequency for a highly agile and flexible workforce and access to needed expertise in the face of COVID-driven shelter-in-place orders, supply chain disruptions and greater overall resource efficiency, among other factors, as they seek to develop and employ their "future labor model."

Key Findings

01

Data security, analytics and cloud continue to sit atop CFO priority lists — Leading CFOs have solidified their long-term strategic role as a stakeholder in organizational data security and privacy, while marshaling advanced technologies, data analytics, and other finance planning and process improvements to keep pace with changing demands from internal customers.

02

COVID upended finance operations — The many effects of the pandemic hindered the preparation of timely financial statements, compelled the reforecasting of finance plans, impeded the ability of many third parties to meet their service level agreements, sparked supply chain upheavals, and spurred CFOs to fundamentally rethink their staffing approaches.

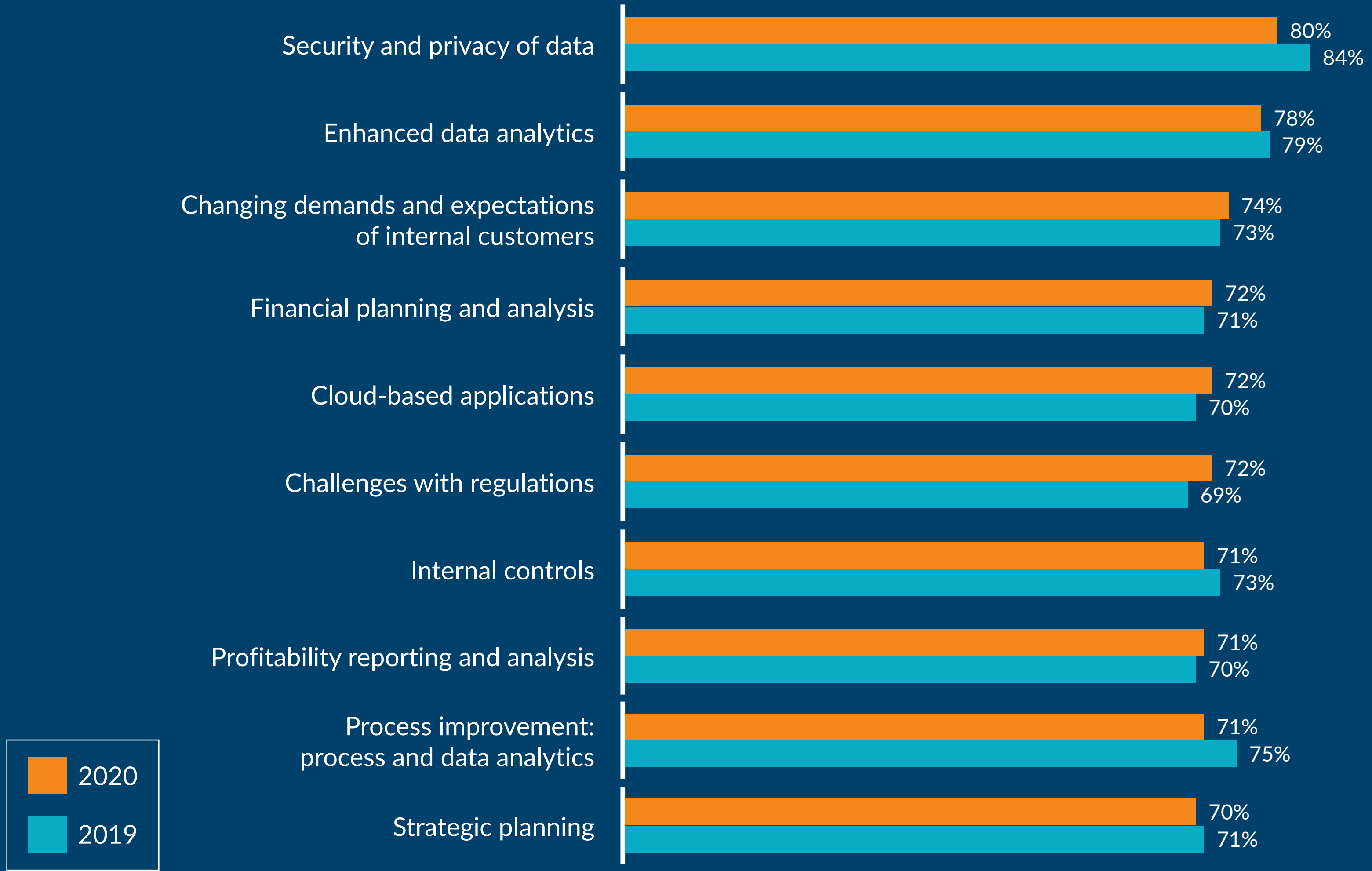
03

The new finance labor model gets stress-tested in real-time — Finance leaders who manage a diverse talent pool of full-time employees, contract and temporary workers, expert external consultants, and managed services and outsourcing providers have been able to respond to external disruptions with greater speed and agility — and with fewer compromises to core finance processes. In fact, for financial planning and analysis, 18% of CFOs and vice presidents of finance say their organizations rely on managed services providers and 29% leverage staff augmentation to support these activities.

04

Finance groups have more internal customers who have greater expectations for data and insights — A sustained commitment to finance and digital transformation is in large part driven by the rest of the organization's growing hunger for the forward-looking data-driven insights that finance produces. This expanding appetite is extending to new segments of internal customers, particularly those exposed to new risks amid COVID-related disruptions (e.g., information security, data privacy and supply chain).

TOP 10 OVERALL PRIORITIES BY CFOs/VPs FINANCE



ASSESSING KEY FINANCE PRIORITIES – CREATIVE RESPONSES TO COVID

As the COVID-19 crisis pushed companies to their limits, finance groups demonstrated creativity and resilience while testing — in both real-world and real-time circumstances — the efficacy of their digital capabilities in the face of never-before-seen constraints.

CFOs and finance leaders never have the luxury of moving their strategic priorities to the back burner — fulfilling the rapidly changing expectations of internal customers, bolstering data security and privacy, employing data analytics and visualization, building use of cloud applications, implementing process improvement and finance transformation efforts, and more — while also managing crisis-related responses such as managing working capital and strengthening financial planning and analysis (FP&A). This certainly has been the case in 2020.

While CFOs and finance leaders identify nearly the same top priorities that they did in last year's survey, they also improvised and innovated throughout 2020 in response to the pandemic, carving out time and resources to focus on process mining, outsourcing non-core activities and global mobility, among other areas. The technology-heavy makeup of CFOs' top priorities reflects an understanding that finance organizations on the leading digital edge were able to respond to COVID disruptions with the greatest speed, efficacy and resiliency. These priorities also underscore the crucial nature of a truly digital finance organization girded by next-generation technologies, workflows and collaborations. That foundational work is vital to address even amid pressure to invest in "quick fix" technologies in response to pandemic-related disruptions.

CFOs also plan to invest more time and expertise in areas including supply chain management, business process outsourcing and mobile finance applications. To manage these many activities, finance leaders are not only leveraging their internal teams, but also external partners and the advanced technologies they continue to deploy. In fact, many finance organizations turned to managed services providers to assist with COVID-related delays and disruptions.

Another noteworthy takeaway: The volume and significance of priorities ranked by managers and professionals below the CFO/VP level increased markedly compared to our prior year's results. This suggests that, more than ever, CFOs are leaning on their teams to assist in addressing their many priorities to support the business. These teams now have a first-hand view of helping to manage and lead these critical areas for the business — security and privacy of data, FP&A, enhanced data analytics, profitability reporting and analysis, leadership, data visualization, use of cloud-based applications, and more.

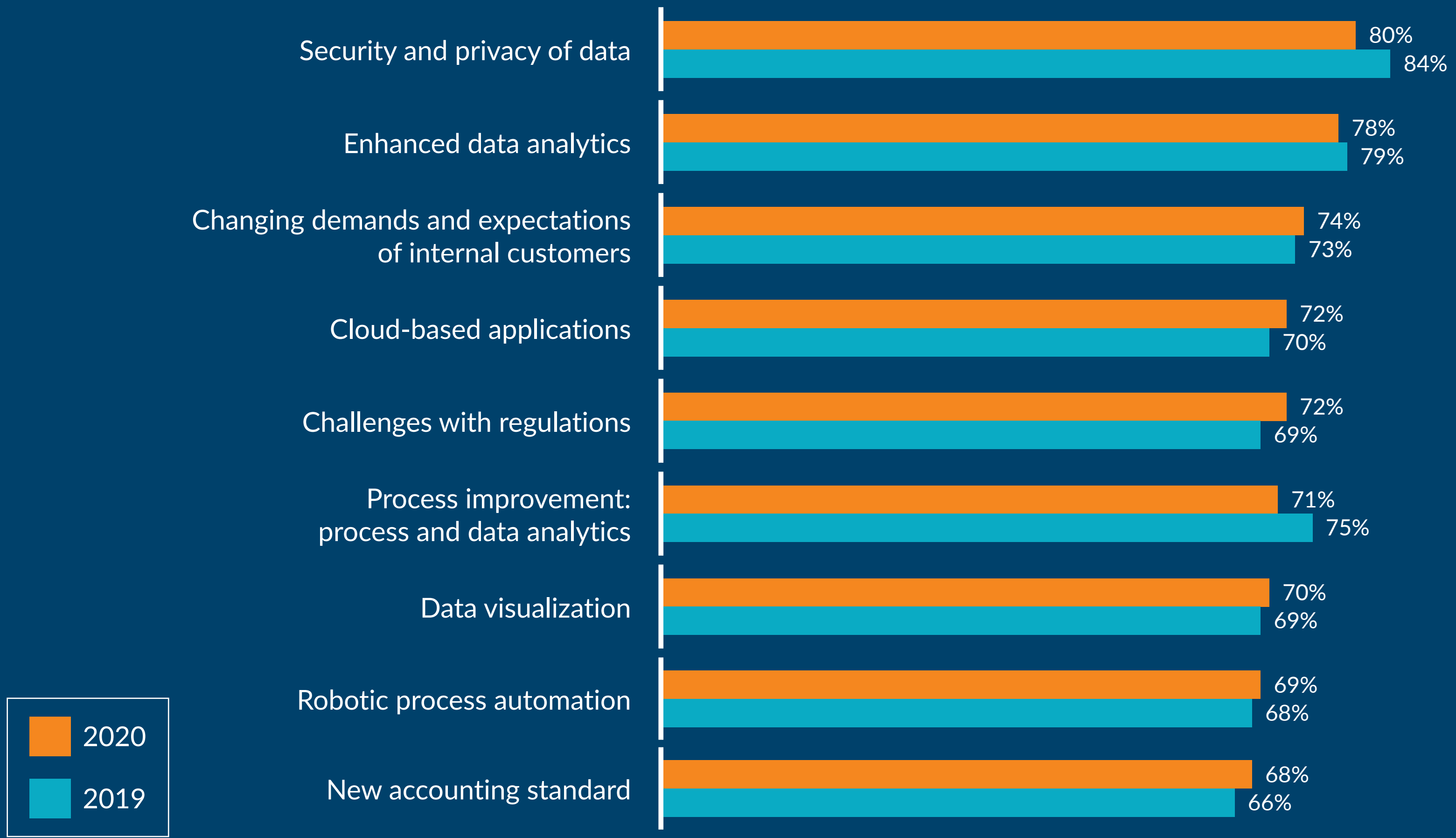
It also accentuates a long-term trend that the priorities CFOs add to their list become cumulative. This affords others in the finance organization opportunities to expand their skills and impact. It also underscores the need for CFOs to understand their teams well, recruit the right talent, and leverage outside expertise when and where needed.

Key Action Items for CFOs and Finance Leaders

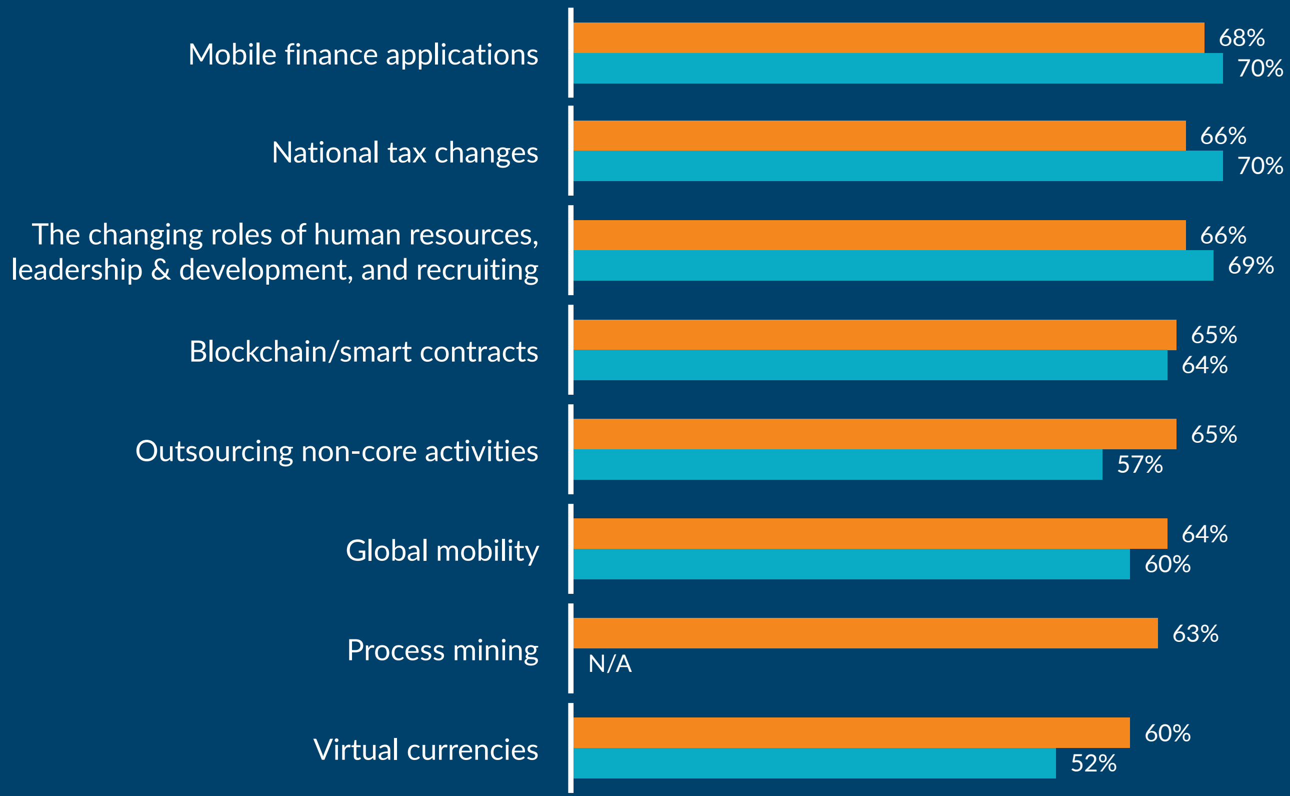
- Recognize the CFO's integral long-term role in supporting cybersecurity programs and activities in the organization.
- As pressure grows to invest in advanced technologies, ensure the foundational elements of successful finance and digital transformation — data governance, workflows, collaboration and more — receive sufficient attention, funding and resources.
- Keep close tabs on internal customer expectations, which are likely to continue growing and pivoting.
- Ensure the finance organization has the right talent and skills in place, both in-house and with external experts and outsourced providers.

Respondents were asked to rate 17 different finance areas based on a 10-point scale, where "1" reflects the lowest priority and "10" reflects the highest priority for the finance organization to improve its knowledge and capabilities over the next 12 months.

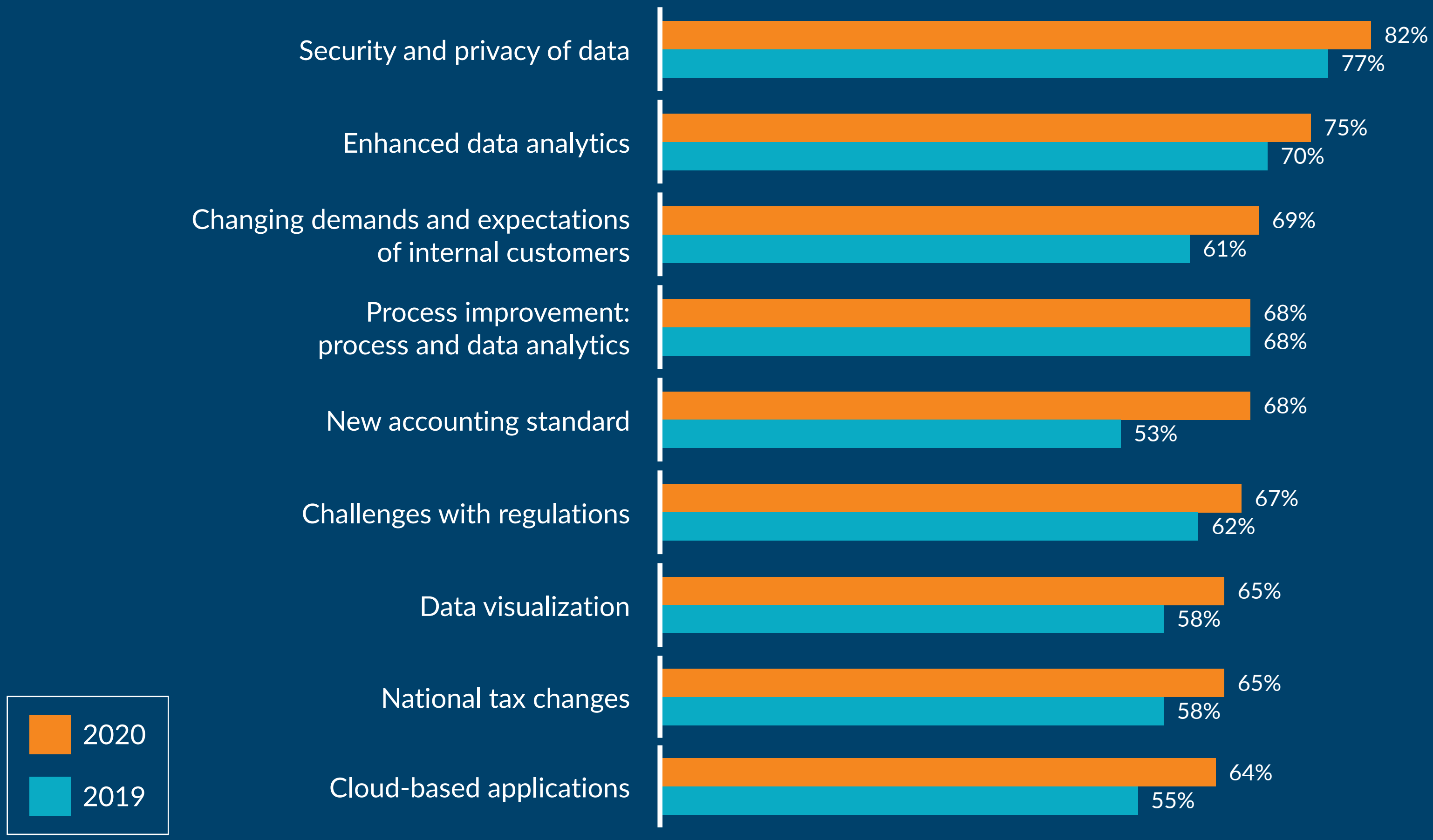
HIGH PRIORITIES (PERCENTAGES OF RATINGS WITH A SCORE OF 8–10) — CFO/VP FINANCE



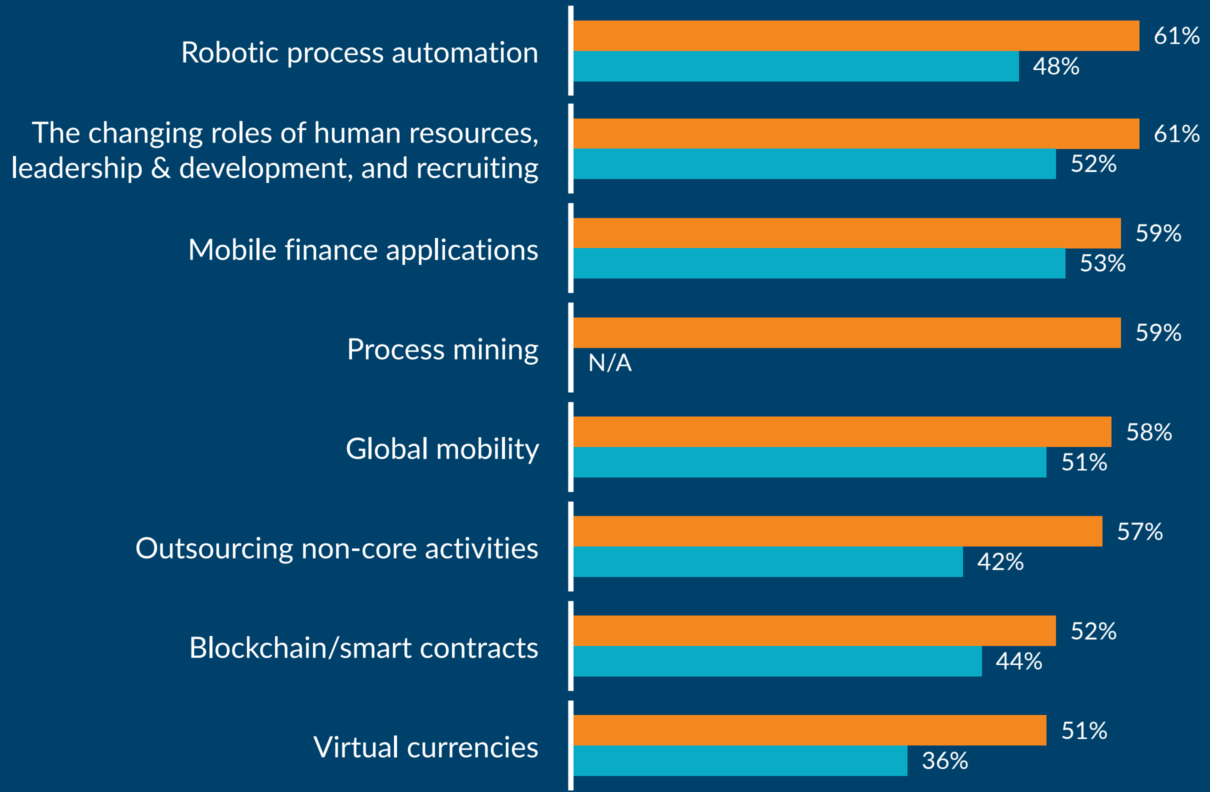
HIGH PRIORITIES (PERCENTAGES OF RATINGS WITH A SCORE OF 8–10) — CFO/VP FINANCE (CONTINUED)



HIGH PRIORITIES (PERCENTAGES OF RATINGS WITH A SCORE OF 8–10) — NON-CFO/VP FINANCE

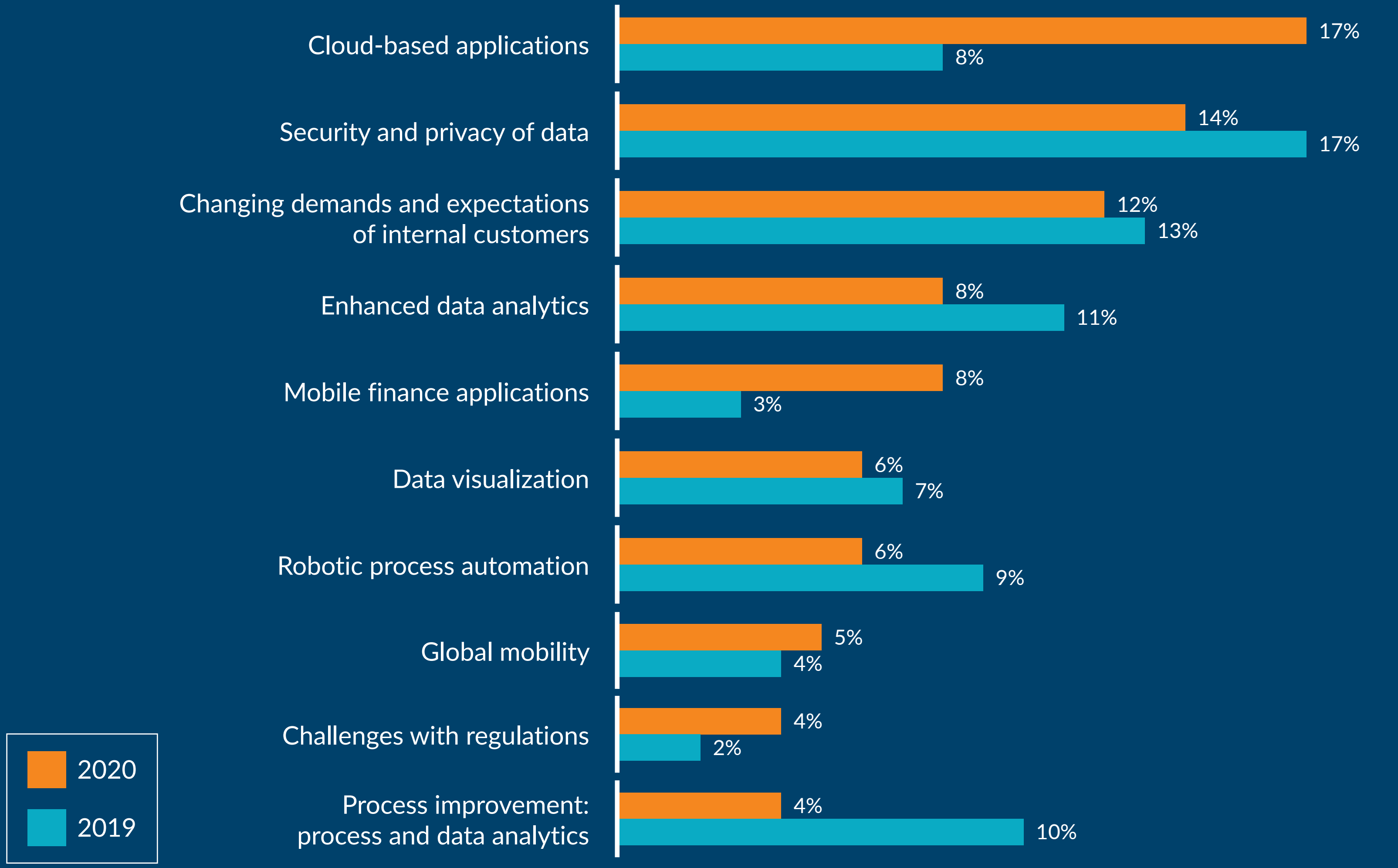


HIGH PRIORITIES (PERCENTAGES OF RATINGS WITH A SCORE OF 8–10) — NON-CFO/VP FINANCE (CONTINUED)

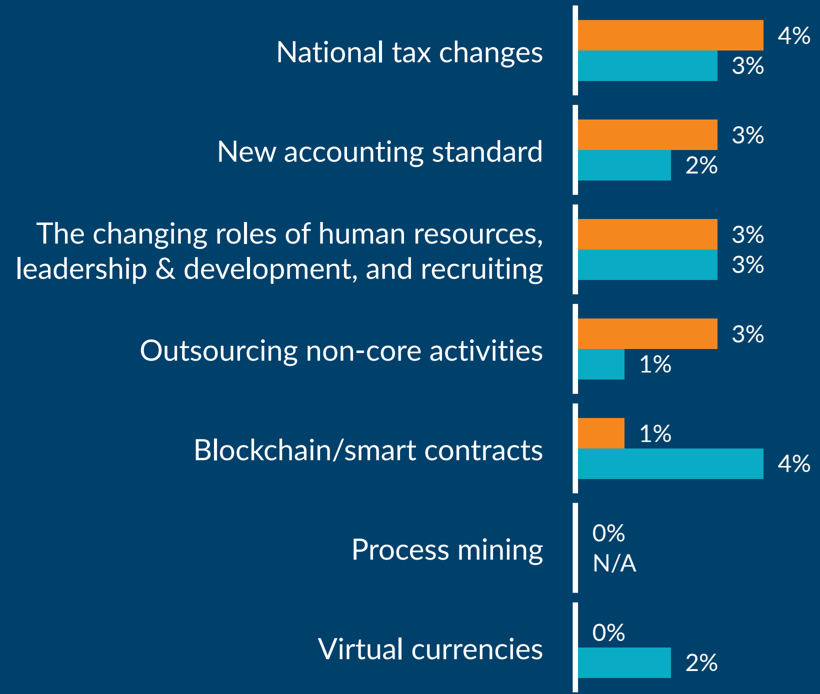


Respondents were asked to select the one finance priority deemed to be most important for their organization to address over the next 12 months.

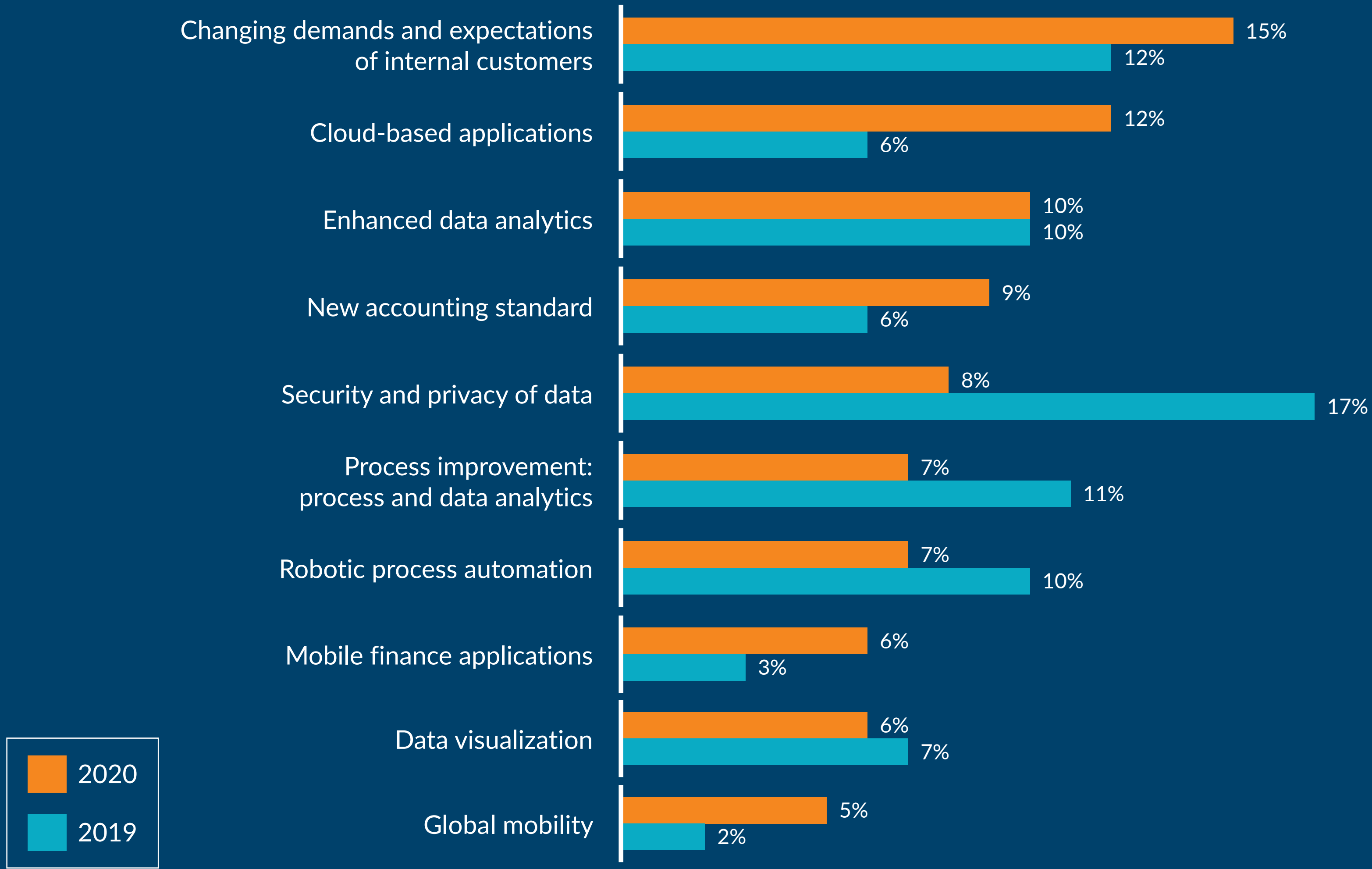
MOST IMPORTANT FINANCE PRIORITIES FOR ORGANIZATIONS TO ADDRESS OVER THE NEXT 12 MONTHS — CFO/VP FINANCE



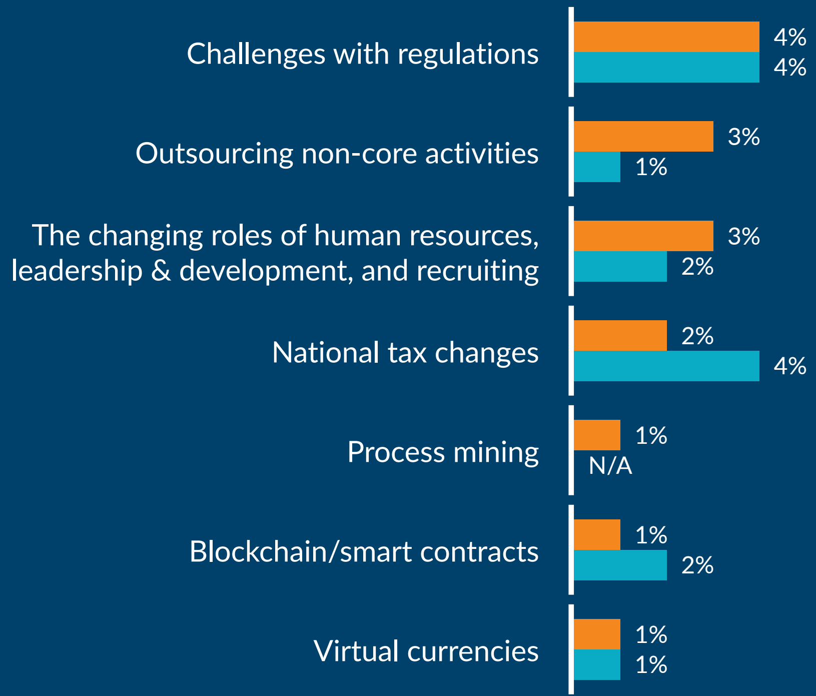
MOST IMPORTANT FINANCE PRIORITIES FOR ORGANIZATIONS TO ADDRESS OVER THE NEXT 12 MONTHS — CFO/VP FINANCE (CONTINUED)



MOST IMPORTANT FINANCE PRIORITIES FOR ORGANIZATIONS TO ADDRESS OVER THE NEXT 12 MONTHS — NON-CFO/VP FINANCE



MOST IMPORTANT FINANCE PRIORITIES FOR ORGANIZATIONS TO ADDRESS OVER THE NEXT 12 MONTHS — NON-CFO/VP FINANCE (CONTINUED)



Respondents were asked to indicate if their 2020 budget increased or decreased based on the potential impact of the following finance priorities over the next 12 months (shown: CFO/VP Finance responses):

	Increase in 2020 Budget	Increase in 2019 Budget
Changing demands and expectations of internal customers	55%	64%
Enhanced data analytics	47%	56%
Data visualization	46%	58%
Security and privacy of data	46%	62%
Cloud-based applications that support finance	45%	58%
Process improvement: process and data analytics	43%	52%
Mobile finance applications	40%	46%
Robotic process automation	39%	52%
Challenges with regulations	39%	44%
Blockchain/smart contracts	39%	43%
The changing roles of human resources, leadership & development, and recruiting	38%	48%
New accounting standard	37%	39%
Global mobility	37%	45%
Process mining	34%	N/A
Outsourcing non-core activities	34%	35%
National tax changes	33%	38%
Virtual currencies	28%	34%

	Decrease in 2020 Budget	Decrease in 2019 Budget
Robotic process automation	36%	16%
National tax changes	34%	18%
Global mobility	33%	17%
Virtual currencies	33%	19%
The changing roles of human resources, leadership & development, and recruiting	32%	18%
Process mining	31%	N/A
Outsourcing non-core activities	31%	25%
New accounting standard	30%	18%
Blockchain/smart contracts	29%	17%
Mobile finance applications	28%	16%
Process improvement: process and data analytics	28%	18%
Data visualization	27%	13%
Cloud-based applications that support finance	27%	16%
Challenges with regulations	27%	15%
Enhanced data analytics	25%	12%
Security and privacy of data	25%	16%
Changing demands and expectations of internal customers	24%	11%

MATERIAL ENHANCEMENTS TO ESG REPORTING

More than eight in 10 finance leaders plan to increase the focus and frequency of their organization's reporting related to environmental, social and governance (ESG) issues in the coming months. More than half of these leaders expect the magnitude of these enhancements to be at a substantial level (see accompanying chart).

While ESG most certainly was a key priority for organizations prior to the COVID-19 pandemic, many stakeholders — among them, investors, boards and the public — took note of bluer skies, cleaner air and reduced carbon footprints that resulted from shelter-in-place directives. As a result, institutional investors are likely to double down on pre-pandemic calls for a stronger emphasis on ESG issues, making them an integral part of business planning and elevating their importance to CFOs and finance leaders.

As ESG metrics become material for SEC reporting purposes and integrated reporting becomes a reality, CFOs and their C-suite peers should monitor how marketplace expectations are evolving for ESG initiatives, and evaluate how their organizations can best optimize the value they derive from existing ESG efforts and leverage opportunities for related strategies and new investments.

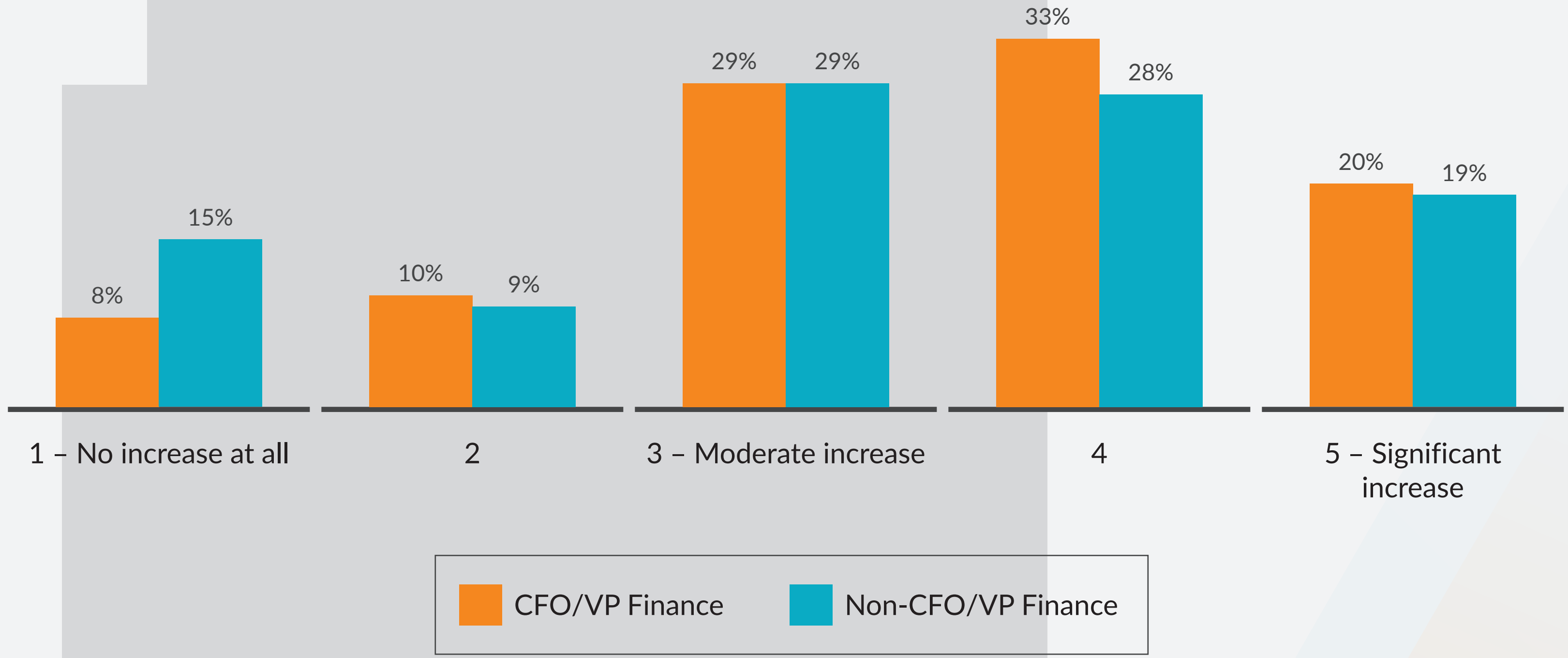
More finance leaders also need to consider expanding ESG investments or redeploying them differently (e.g., allocate more resources to training and development and supply chain risk management and less to external partnerships).

Finance leaders should expect to invest more time scrutinizing and strengthening ESG metrics and reporting to sustain relevance with institutional investors, asset managers and other stakeholders. On this count, they should consider a number of actions, including:

- Reporting against one or more existing ESG frameworks (e.g., Dow Jones Sustainability Indices (DJSI), Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB), among others);
- Aligning ESG reporting with the company's financial reporting calendar;
- Understanding who will be responsible for gathering and synthesizing ESG-related data for reporting; and
- Addressing the direct impact of ESG activities on improving financial performance.

[1] "12 Ways to Drive Better ESG Reporting," Jim DeLoach, Forbes.com CFO Network, June 9, 2020: www.forbes.com/sites/jimdeloach/2020/06/09/12-ways-for-you-to-drive-better-esg-reporting/#5a3801791245.

TO WHAT EXTENT, IF AT ALL, IS YOUR ORGANIZATION INCREASING THE FOCUS AND FREQUENCY OF ITS REPORTING RELATED TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES?



As expected, COVID-19 significantly disrupted finance organizations in numerous areas. Financial reporting and the preparation of timely financial statements as well as frequent forecast updates were impeded, data security suffered, office shutdowns hindered third party service providers, supply chain snafus proliferated, and business process outsourcing arrangements were challenged. And amid these many changes, most finance team members transitioned to a remote working model.

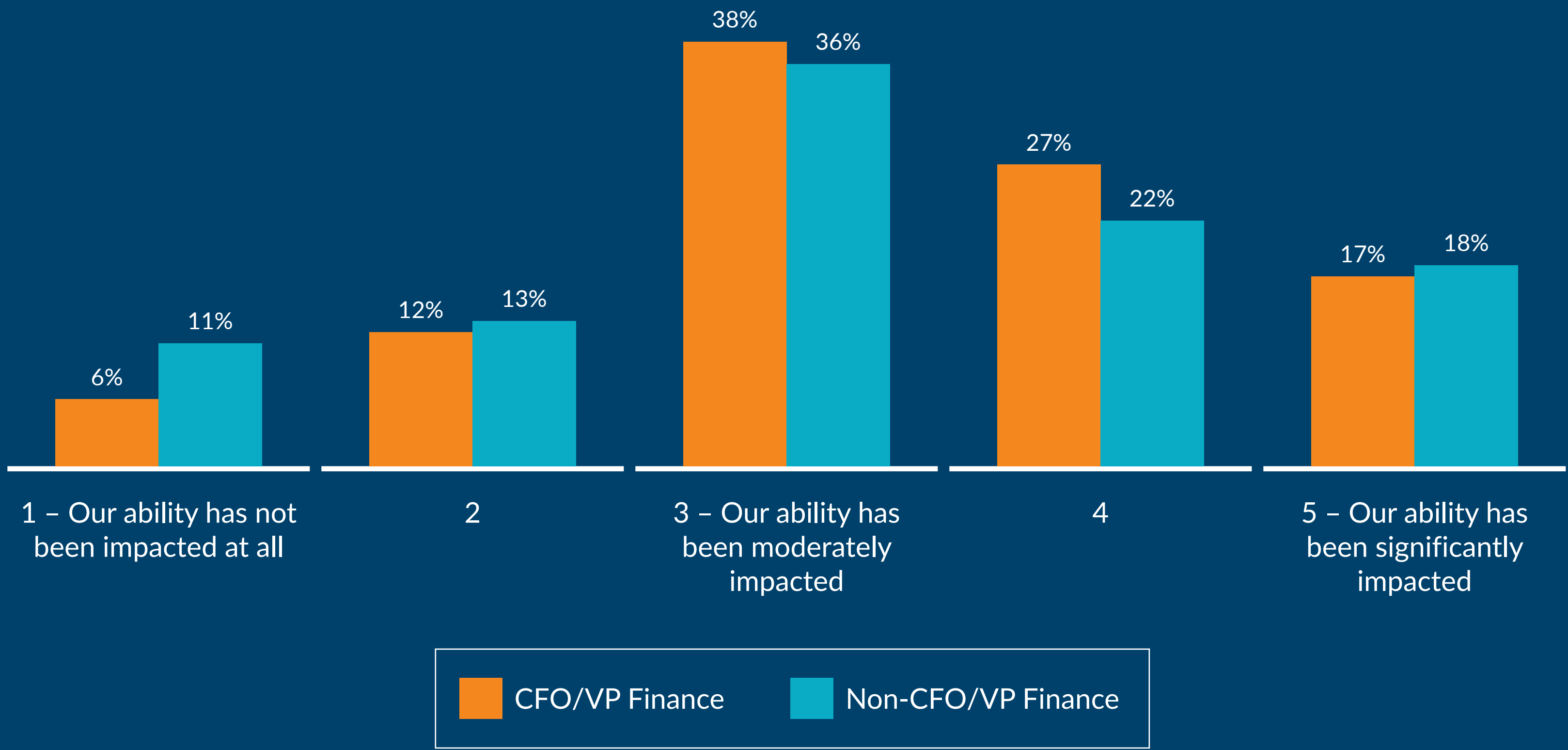
Finance leaders point to several ways the pandemic will drive longer-term, more fundamental changes to finance operations. Like other parts of the organization, large swaths of finance operations shifted to a remote working model — a strategy that many CFOs and finance VPs expect to continue after the pandemic fully subsides. Finance leaders also recognize that numerous risk management activities need to be reconfigured in response to the shift to remote work and other fundamental COVID-related changes. In addition, given that offshore business process outsourcing and shared services capabilities have been impacted substantially by COVID-19, finance organizations may look more closely at solutions such as robotic process automation, onshore managed services providers and insourcing, among other approaches.

As the economic fallout from the pandemic began to emerge in the first and second quarters of 2020, finance and treasury groups quickly mobilized aggressive cash and working capital management activities. Finance leaders also give themselves relatively high marks for being prepared to mobilize to a remote working model. While that reflects the hard work, creative configurations and all-out scramble to find workable solutions in the daunting early phases of the pandemic, a note of caution is warranted. The next pandemic or disruption of a similar magnitude is unlikely to generate as patient or as empathetic a response from customers, vendors, regulators, investors and other stakeholders. Nor are future government-funded liquidity programs likely to match the scope of the relief enacted earlier in the pandemic — all the more reason to treat the current climate as a source of learning and continuous improvement for managing future disruptions and opportunities.

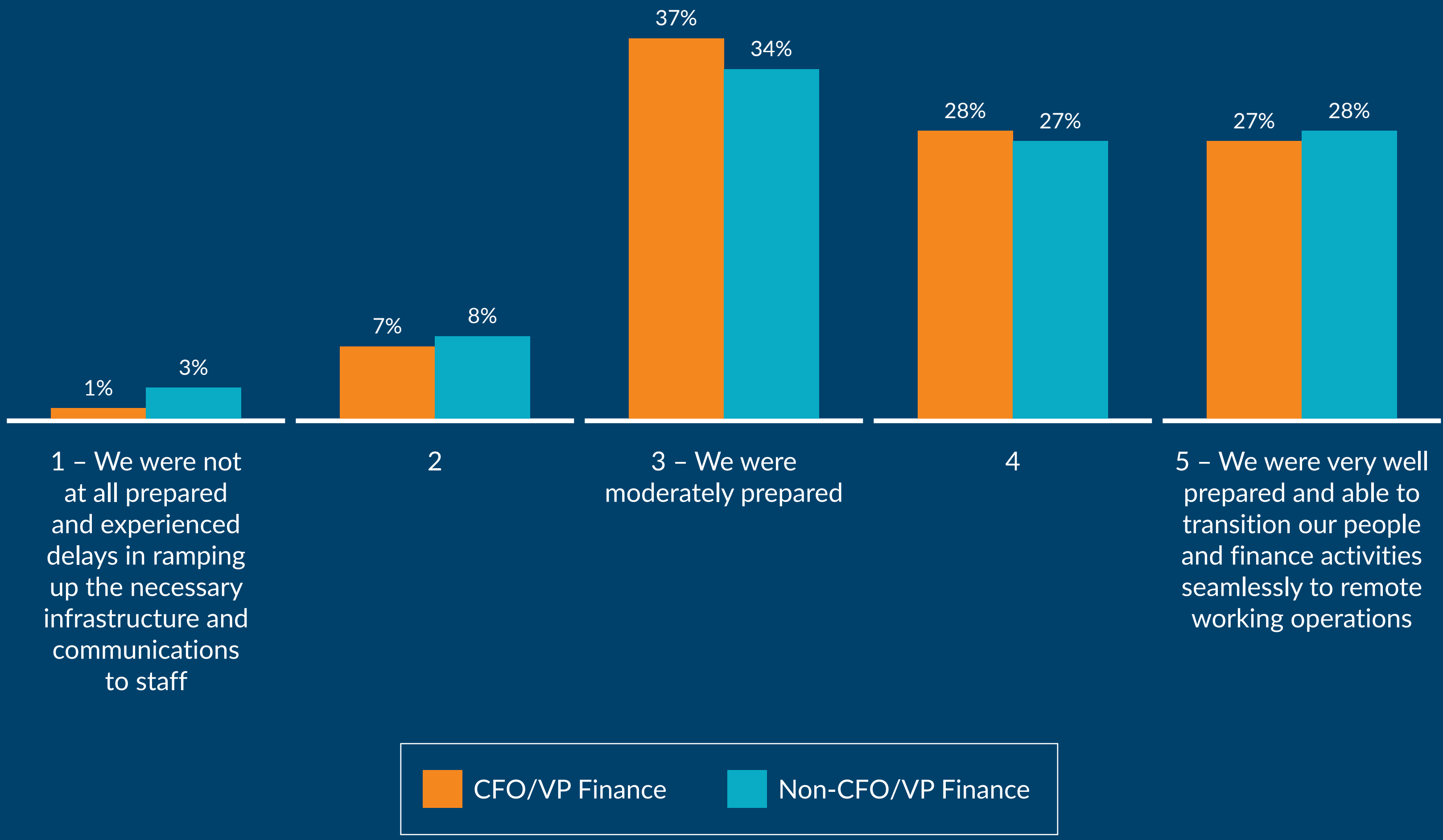
Key Action Items for CFOs and Finance Leaders

- Assess the degree to which current technology, workflows, collaboration capabilities and skills support a resilient finance organization.
- Considering that a majority of finance organizations have been at least moderately impacted by the COVID-19 pandemic, review and adjust risk assessments in the wake of process and workflow changes made during the shift to remote working models, among other pandemic-related adjustments.
- Evaluate how the finance organization's labor model — the combination of full-time employees, contractors, external consultants and outsourcing partners — delivers configurability and value in the face of disruptions of a COVID-like magnitude.
- Strengthen supply chain management by applying finance expertise to sourcing location decisions, third party risk management activities and supplier communications.

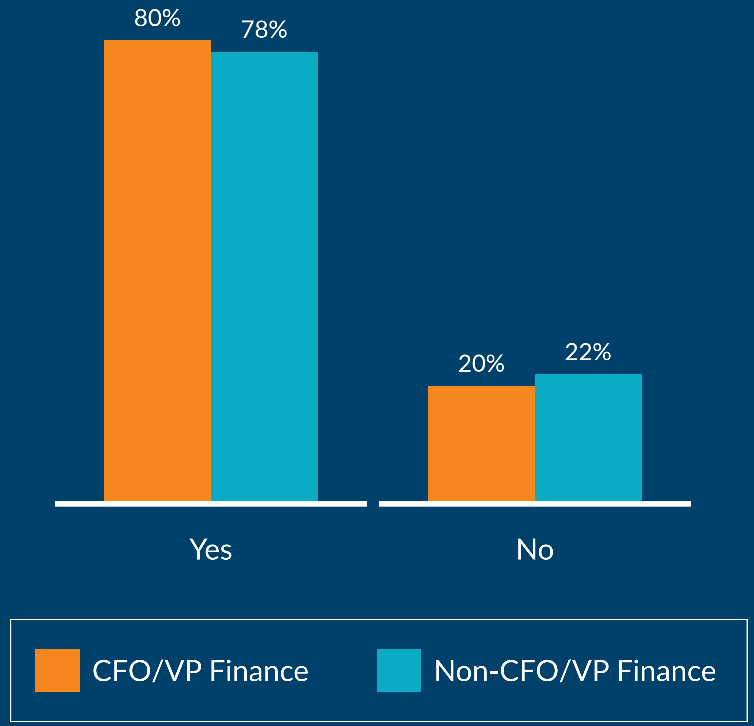
OVERALL, HOW WOULD YOU RATE THE LEVEL OF IMPACT THE COVID-19 PANDEMIC HAS HAD ON YOUR FINANCE ORGANIZATION'S ABILITY TO CONTINUE PREPARING RELIABLE FINANCIAL REPORTING AND STATEMENTS UNDER REQUIRED TIMELINES?



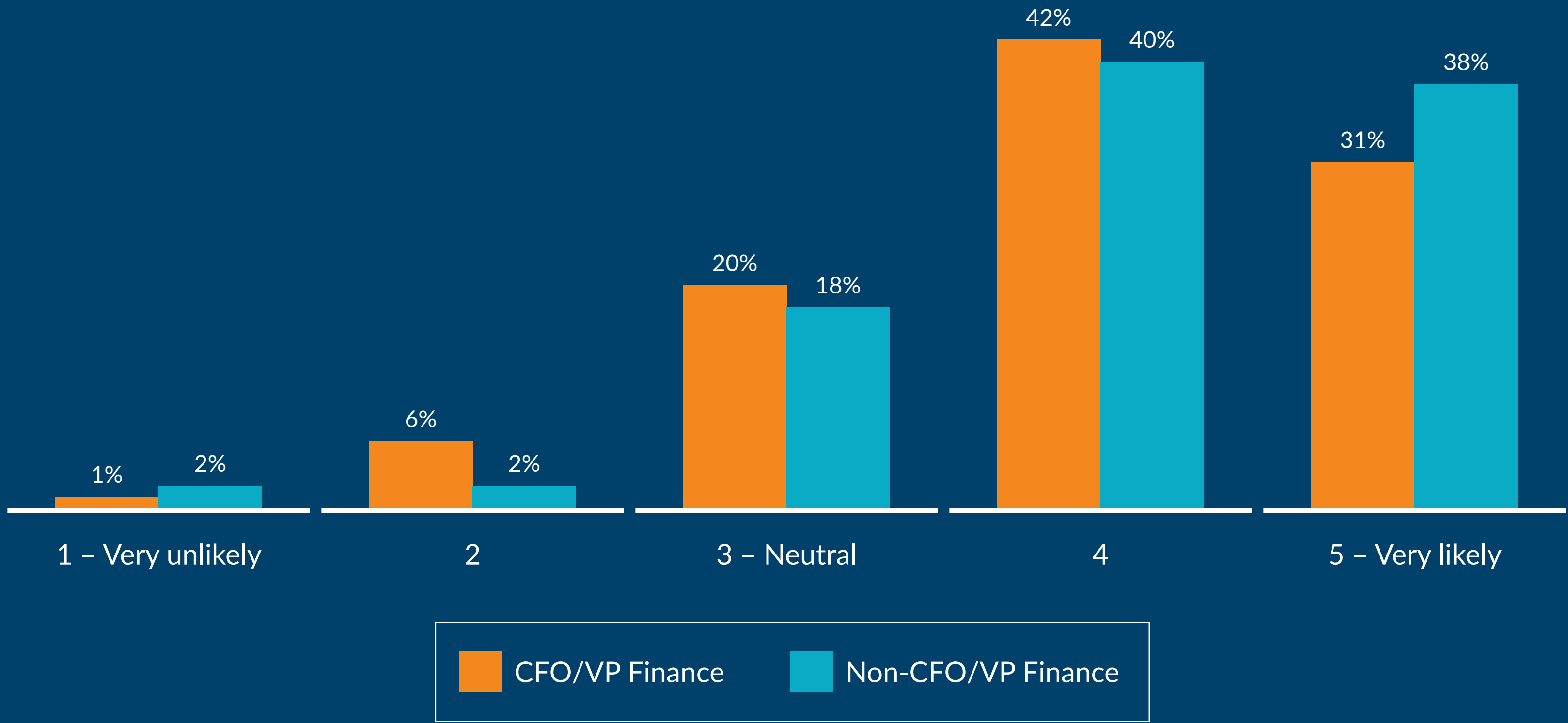
WITH REGARD TO THE COVID-19 PANDEMIC AND THE RESULTING SHELTER-IN-PLACE DIRECTIVES IN MANY COUNTRIES AND REGIONS, HOW WOULD YOU RATE THE FINANCE ORGANIZATION'S LEVEL OF PREPAREDNESS TO SHIFT TO A REMOTE WORKING MODEL?



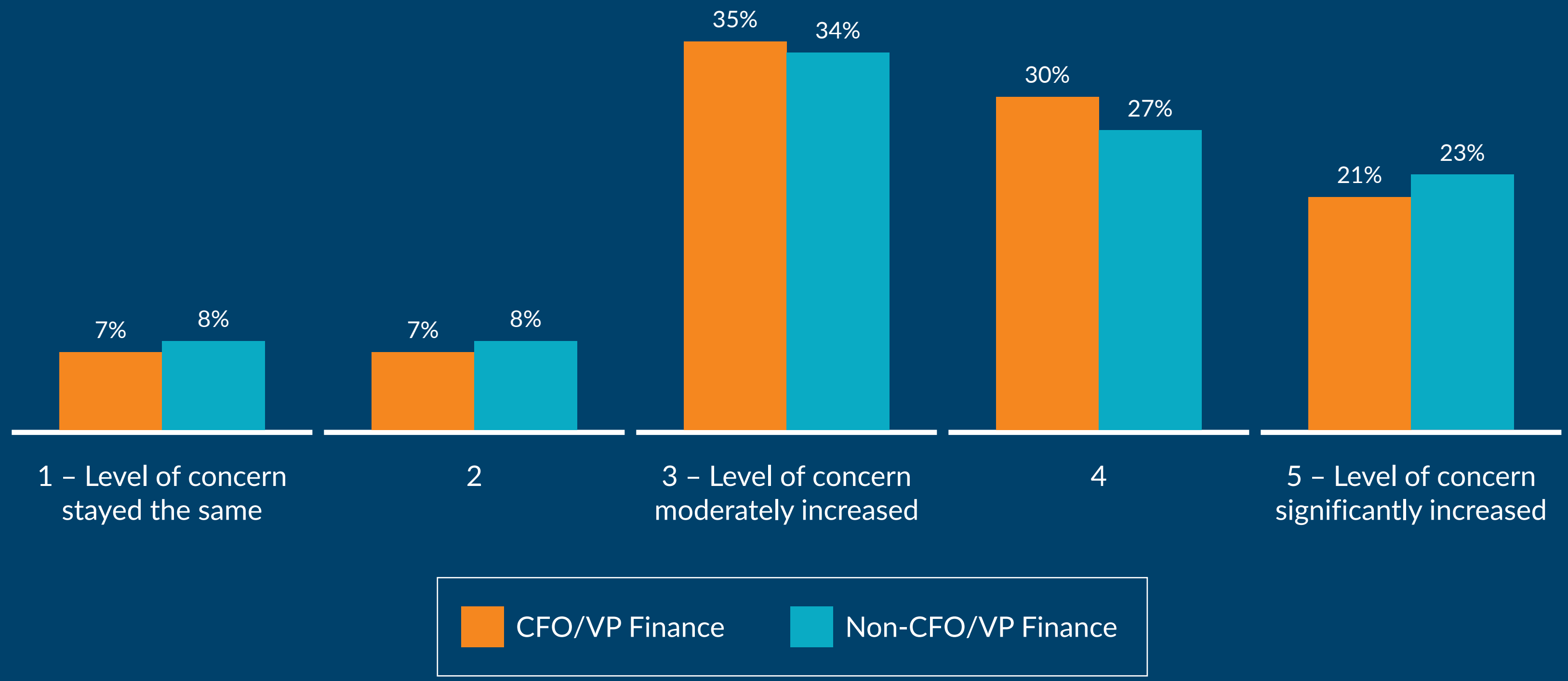
FOR THE FINANCE ORGANIZATION IN THE POST-PANDEMIC WORLD, HAVE YOUR VIEWS CHANGED WITH REGARD TO FINANCE LEADERS AND STAFF MEMBERS WORKING REMOTELY?



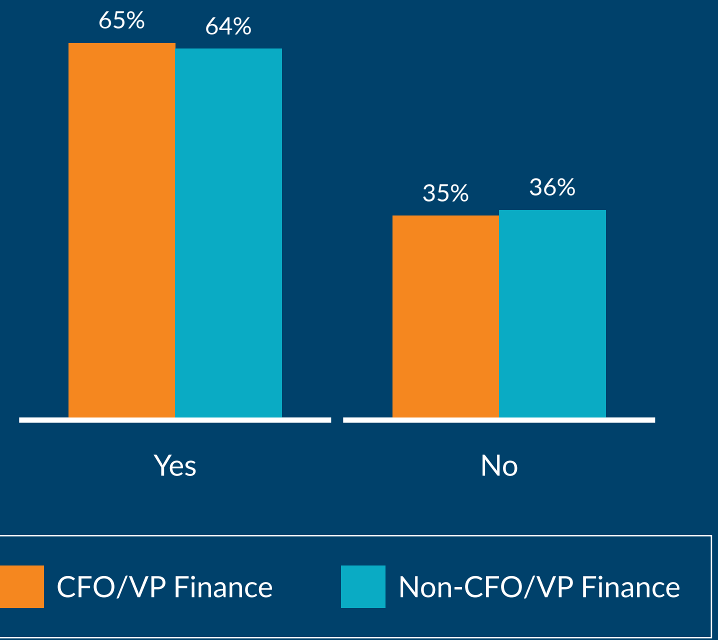
IF "YES": GOING FORWARD IN YOUR FINANCE ORGANIZATION, WHAT IS THE LIKELIHOOD THAT FINANCE LEADERS AND STAFF WILL WORK REMOTELY ON A MORE FREQUENT BASIS?



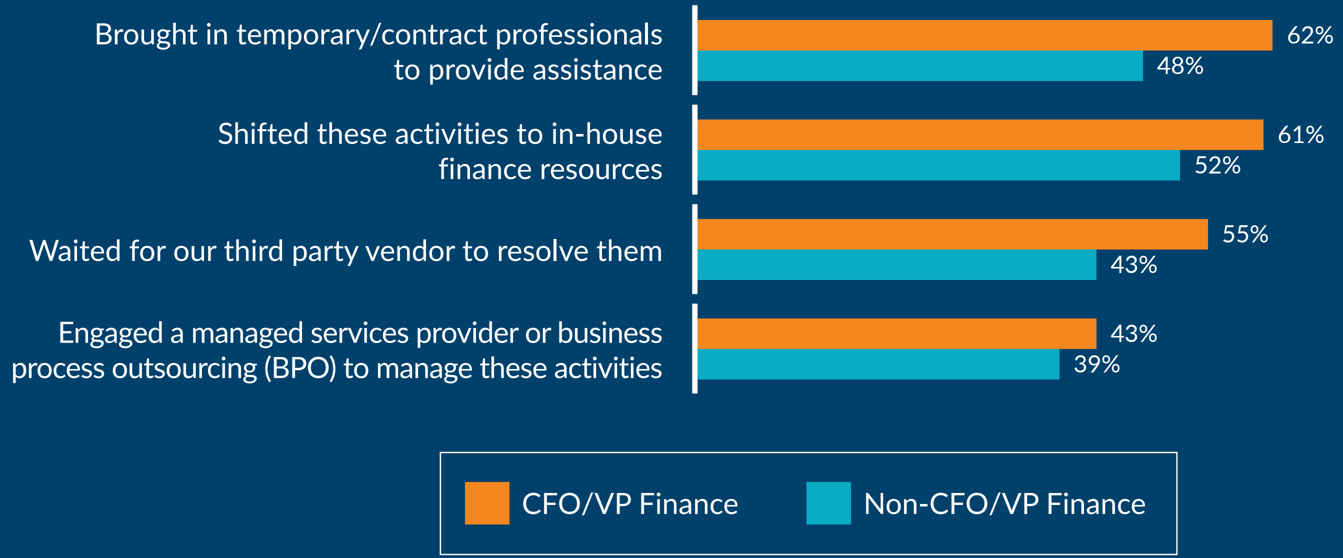
HOW, IF AT ALL, HAS YOUR LEVEL OF CONCERN FOR FINANCE-RELATED DATA SECURITY AND PRIVACY ISSUES CHANGED AS YOUR ORGANIZATION'S PEOPLE, PROCESSES AND TECHNOLOGIES HAVE SHIFTED TO A REMOTE WORKING MODEL RELYING ON YOUR ORGANIZATION'S EXISTING SECURITY?



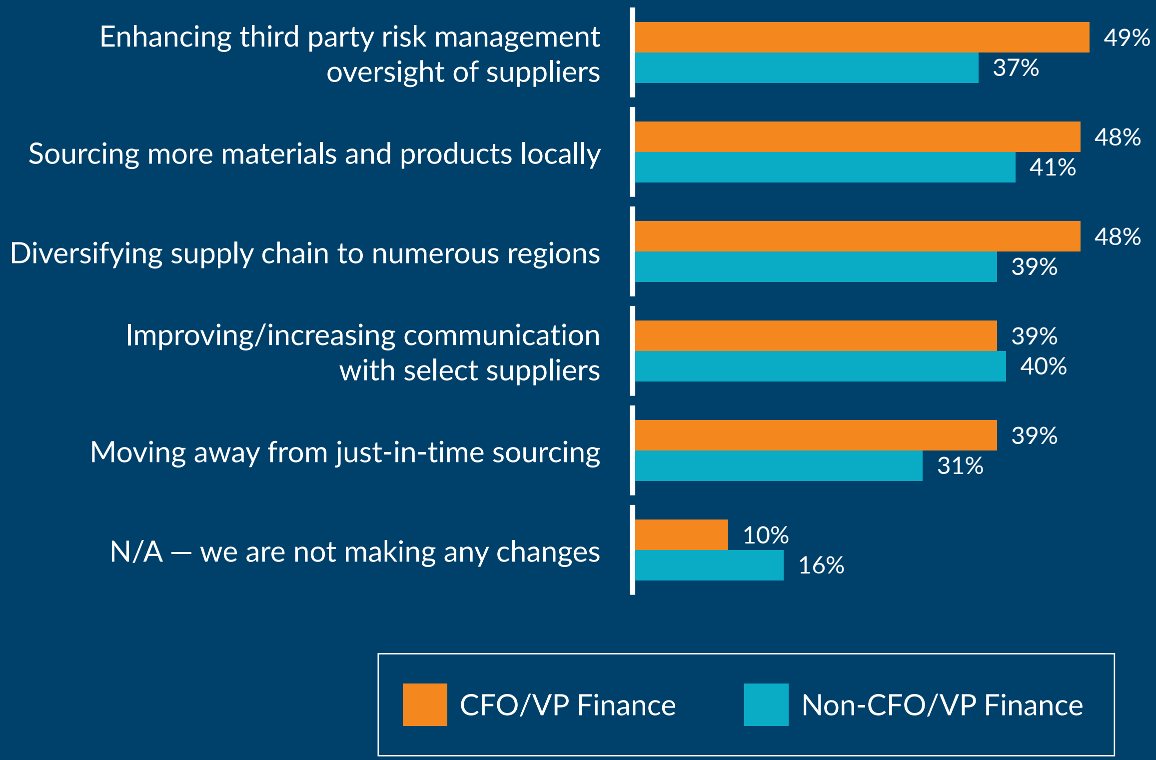
DID YOUR FINANCE OPERATIONS EXPERIENCE ANY DISRUPTIONS OR DELAYS AS A RESULT OF OFFICE CLOSURES OR SHUTDOWNS AMONG VENDORS OR THIRD PARTY SERVICE PROVIDERS ON WHICH YOUR FINANCE ORGANIZATION RELIES?



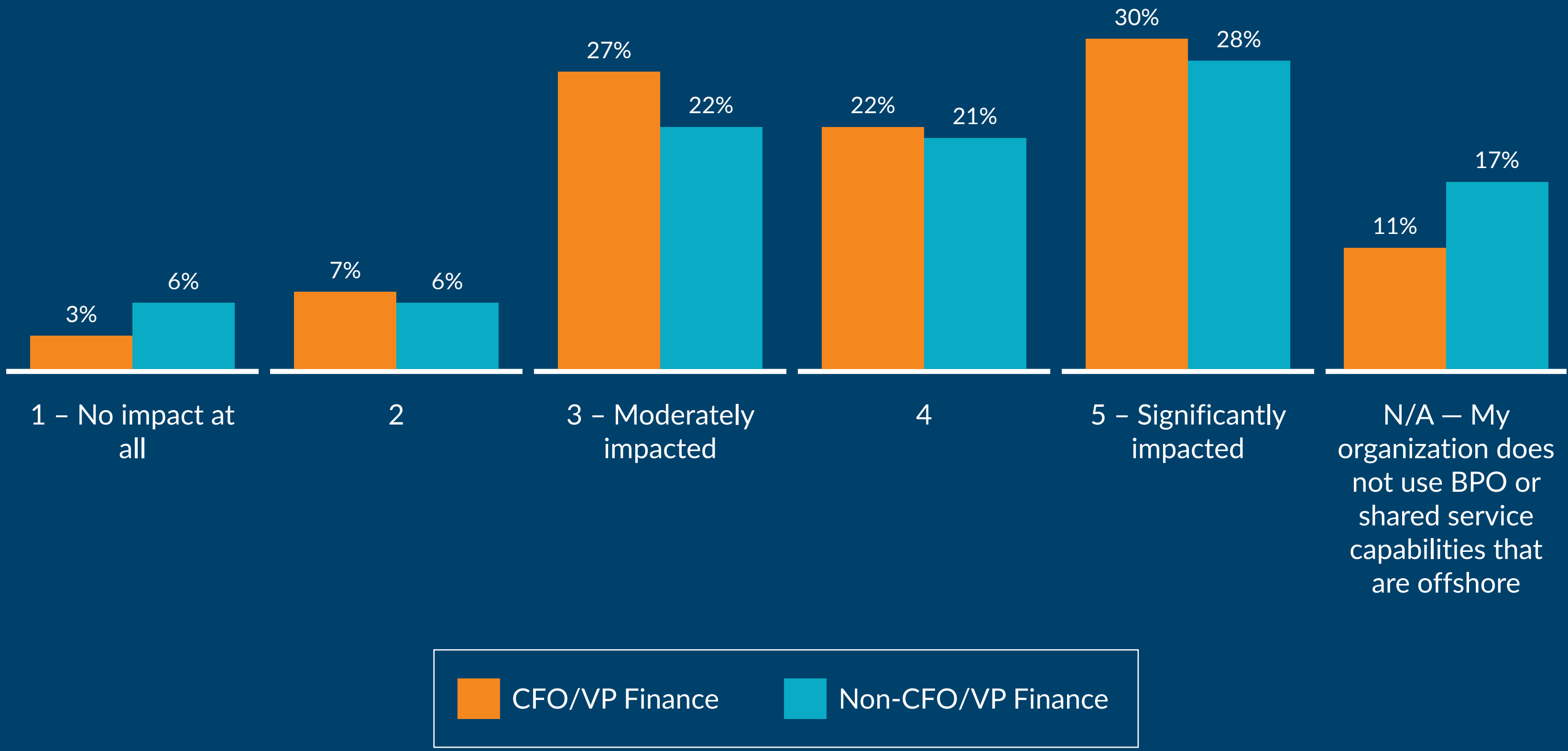
IF "YES": WHICH, IF ANY, OF THE FOLLOWING ACTIONS DID YOU TAKE TO ADDRESS THESE DISRUPTIONS OR DELAYS?



IN LIGHT OF CURRENT OCCURRENCES AROUND TRADE BARRIERS, HOW IS YOUR ORGANIZATION REVIEWING ITS POLICIES TOWARD SOURCING GOODS FROM ITS SUPPLY CHAIN?



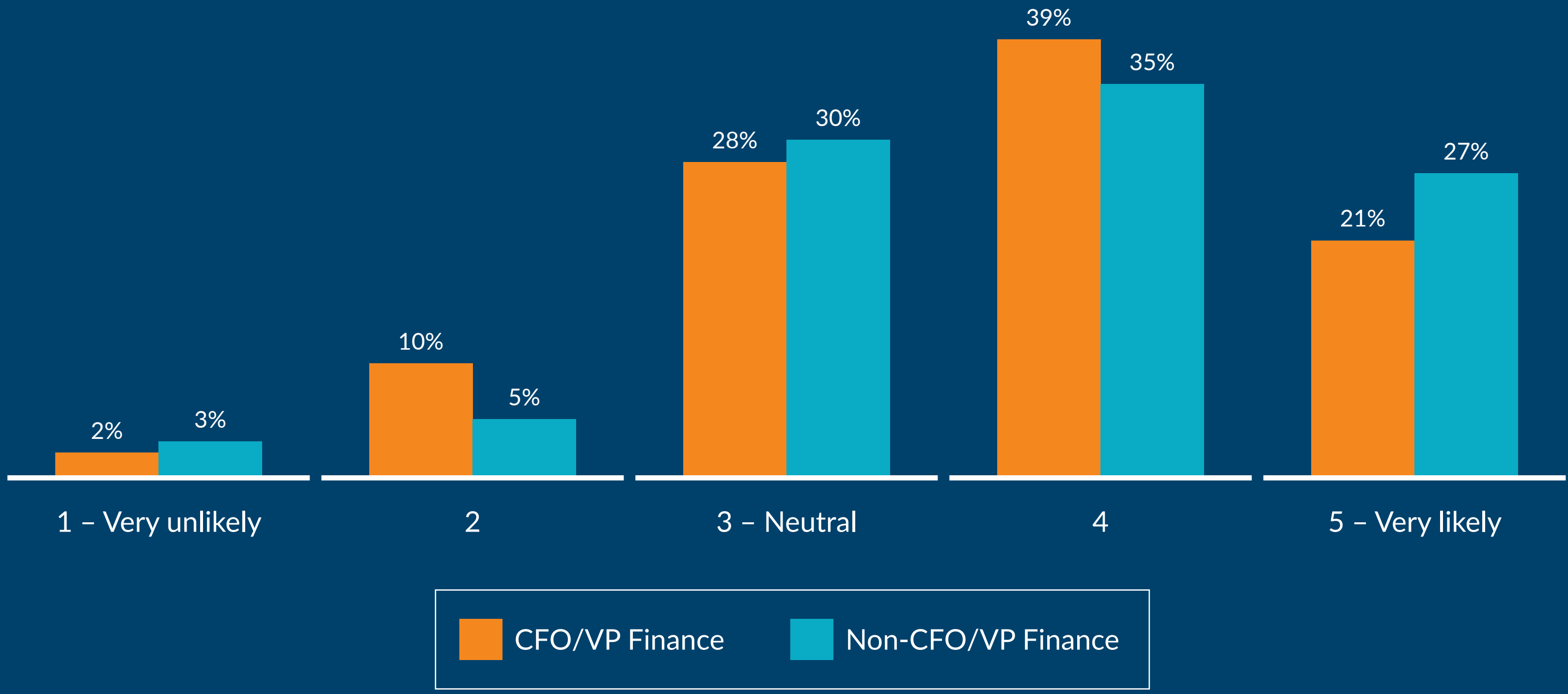
IF YOUR FINANCE ORGANIZATION IS DEPENDENT ON BPO OR SHARED SERVICE CAPABILITIES THAT ARE OFFSHORE, TO WHAT EXTENT WERE THEY IMPACTED BY THE COVID-19 OUTBREAK?



TOP AREAS EXPECTED TO BE IMPACTED BY COST-CUTTING MEASURES IN THE FINANCE ORGANIZATION (MULTIPLE RESPONSES PERMITTED)

	All Respondents
Workforce	60%
Facilities	52%
Operations	52%
IT/Cyber	38%
Customer experience	37%
Research and development	35%
Environmental, social and governance (ESG)	26%

HOW LIKELY OR UNLIKELY IS IT THAT YOUR ORGANIZATION'S RISK ASSESSMENT/RISK RESPONSE PROGRAMS WILL CHANGE?



TALENT AND RESOURCING — THE NEED FOR SPEED

COVID-19 packed a powerful one-two-three punch to organizational talent and resourcing strategies and activities. Many of these landed squarely on CFOs and finance leaders.

First, the pandemic sparked the largest and swiftest shift to a remote working model most businesses have ever experienced, forcing many finance teams to adjust to mobile technologies, new workflows and virtual collaborations on the fly while adhering to reporting deadlines and internal control obligations that had not changed. Second, the COVID economic swoon forced companies to reallocate their human resources dramatically through a complex mix of reductions, increases, reassignments, outsourcing, re-shoring and other reconfigurations. Third, and perhaps most important, C-suite colleagues called on CFOs to help identify which talent investments are most likely to enable the organization to operate at the right size, and in the right manner, to operate optimally going forward while also allowing for future disruptions.

Finance organizations were not immune to staff reductions, yet COVID's impact on changes in workforce size were varied and nuanced. While roughly one-third of survey respondents are reducing staff sizes across most finance areas, a surprisingly high percentage of CFOs are increasing the size of their teams, with a focus on addressing the changing demands of internal customers, data analytics enhancements, and cloud-based finance applications. Additionally, CFOs are relying less on full-time employees and more on a combination of staff augmentation, embracing a future labor model by leveraging managed services providers and full-outsourced arrangements to perform numerous finance activities. The use of external parties is particularly commonplace within accounting operations (both the order-to-cash cycle and FP&A), tax, risk management, and strategic finance (i.e., mergers and acquisitions).

Key Action Items for CFOs and Finance Leaders

- Assess which talent and skills investments are most likely to enable the organization to operate at the right size, and in the right manner, to best address current and future operations and potential disruptions.
- Reassess how different elements within the finance labor portfolio — a highly skilled core of full-time staff, temporary staff, contractors, external consultants, managed services providers, and outsourcers — can be allocated and deployed optimally to maximize productivity and profitability.
- When evaluating managed services providers (partners that offer a blend of full-time staff, contract professionals and third party experts), finance leaders should zero in on the depth and precision of the firm's knowledge of the finance organization's operations and culture, an asset that can greatly reduce the time required to ramp up new activities or to take over processes previously performed in-house or by other service providers.
- Ensure that remote working models — within the finance organization as well as throughout the enterprise — are supported by optimal investments in collaboration and cloud-based technologies and workflows.

FOR EACH OF THESE KEY AREAS OF THE OVERALL FINANCE PROCESS, PLEASE INDICATE HOW IT IS RESOURCED/ STAFFED IN YOUR ORGANIZATION (SHOWN: CFO/VP FINANCE RESPONSES):*

	Full-time employees	Staff augmentation (contractors, freelancers, etc.)	Managed services provider (blend of full-time staff, contract professionals and third party experts)	Fully outsourced
Accounting Operations — Accounts Payable/Procure-to-Pay	83%	15%	15%	6%
Accounting Operations — General Ledger/ Record to Report	62%	34%	18%	5%
Accounting Operations — Accounts Receivable/Order-to-Cash	55%	32%	24%	8%
Accounting Operations — FP&A/Plan to Project	56%	28%	24%	9%
Financial Reporting	59%	26%	21%	9%
Financial Planning & Analysis	61%	29%	18%	7%
Tax	47%	33%	25%	11%
Risk Management	55%	29%	22%	8%
Strategic Finance (M&A)	53%	31%	22%	7%
Treasury	62%	28%	18%	8%
Finance PMO	54%	33%	19%	7%

* Multiple responses permitted.

CONSIDERING THE IMPACT OF THE COVID-19 GLOBAL PANDEMIC, PLEASE INDICATE IF YOU ARE MAKING ADJUSTMENTS IN YOUR WORKFORCE FOR THE FOLLOWING AREAS (SHOWN: CFO/VP FINANCE RESPONSES):

	Increase in Workforce		Decrease in Workforce		No Change	
	2020	2019	2020	2019	2020	2019
Changing demands and expectations of internal customers	50%	61%	25%	12%	25%	27%
Enhanced data analytics	41%	45%	30%	19%	29%	36%
Cloud-based applications that support finance	37%	49%	30%	14%	33%	37%
Process improvement: process and data analytics	36%	44%	32%	19%	32%	37%
New accounting standard	36%	37%	29%	16%	35%	47%
Security and privacy of data	35%	51%	31%	15%	34%	34%
Data visualization	34%	48%	26%	14%	40%	38%
Blockchain/smart contracts	34%	37%	29%	17%	37%	46%
Global mobility	33%	41%	32%	18%	35%	41%
Outsourcing non-core activities	33%	30%	32%	23%	35%	47%
Mobile finance applications	32%	41%	30%	17%	38%	42%
Challenges with regulations	32%	38%	33%	14%	35%	48%
The changing roles of human resources, leadership & development, and recruiting	32%	40%	36%	18%	32%	42%
Process mining	31%	N/A	33%	N/A	36%	N/A
Virtual currencies	31%	30%	33%	19%	36%	51%
Robotic process automation	30%	39%	43%	28%	27%	33%
National tax changes	30%	31%	34%	22%	36%	47%

AUTOMATION AND TRANSFORMATION — FOCUS ON FOUNDATIONAL ENABLERS

• • •

Finance leaders continue to rank automation and transformation among their highest priorities. This was the case in prior years of our study and this emphasis has only grown in the COVID era. However, as finance organizations race to procure and implement technologies such as robotic process automation and cloud to support and optimize remote working models (and address related board-level concerns), they cannot afford to neglect the overarching need to build a foundation of underlying data governance that sustains ongoing, long-term transformation. Investments in automation that optimizes finance processes (e.g., automation for lease accounting, mobile finance applications, cloud) are beneficial and necessary but not sufficient on their own to advance the finance organization's digital transformation journey.

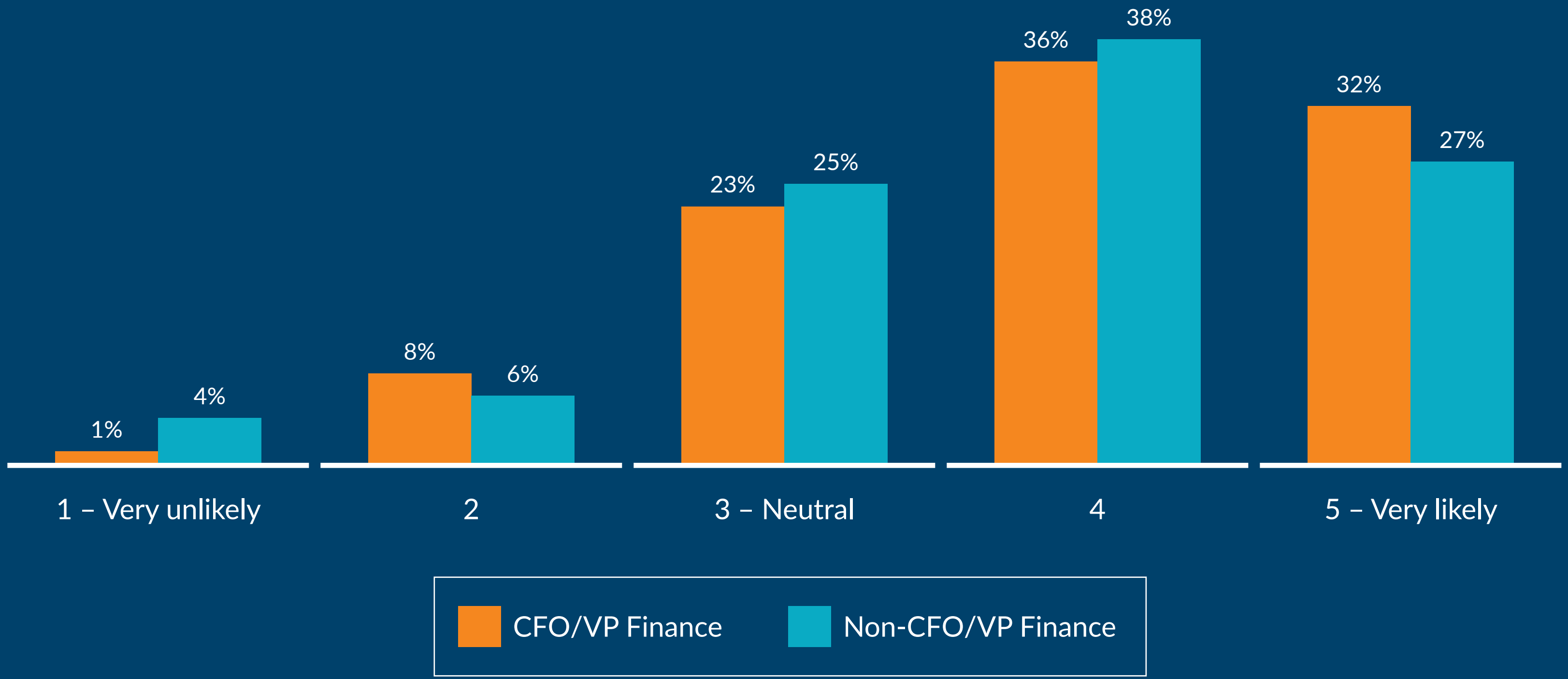
Making transformation progress will not be easy, given the need to address immediate finance technology needs, including managing data security and privacy. Cybersecurity requires extensive CFO-level involvement in benchmarking spend, evaluating investment allocations and quantifying cyber risks, especially amid COVID-driven disruptions and longer-term uncertainties.

COVID-19 has brought into greater focus another strategic priority for CFOs: determining the technology investments required to align the organization with the size and shape needed to thrive not only during the current pandemic, but also in response to future disruptions. COVID exposed digital transformation progress as insufficient in organizations that have yet to take the steps they need to become truly digital. These shortcomings have generated a clear picture for CFOs regarding the technologies and underlying governance required to enhance productivity, enable and strengthen virtual collaboration, rethink supply chains, bolster data-driven decision-making, and deliver insights generated from a flexible portfolio of real-time data inputs.

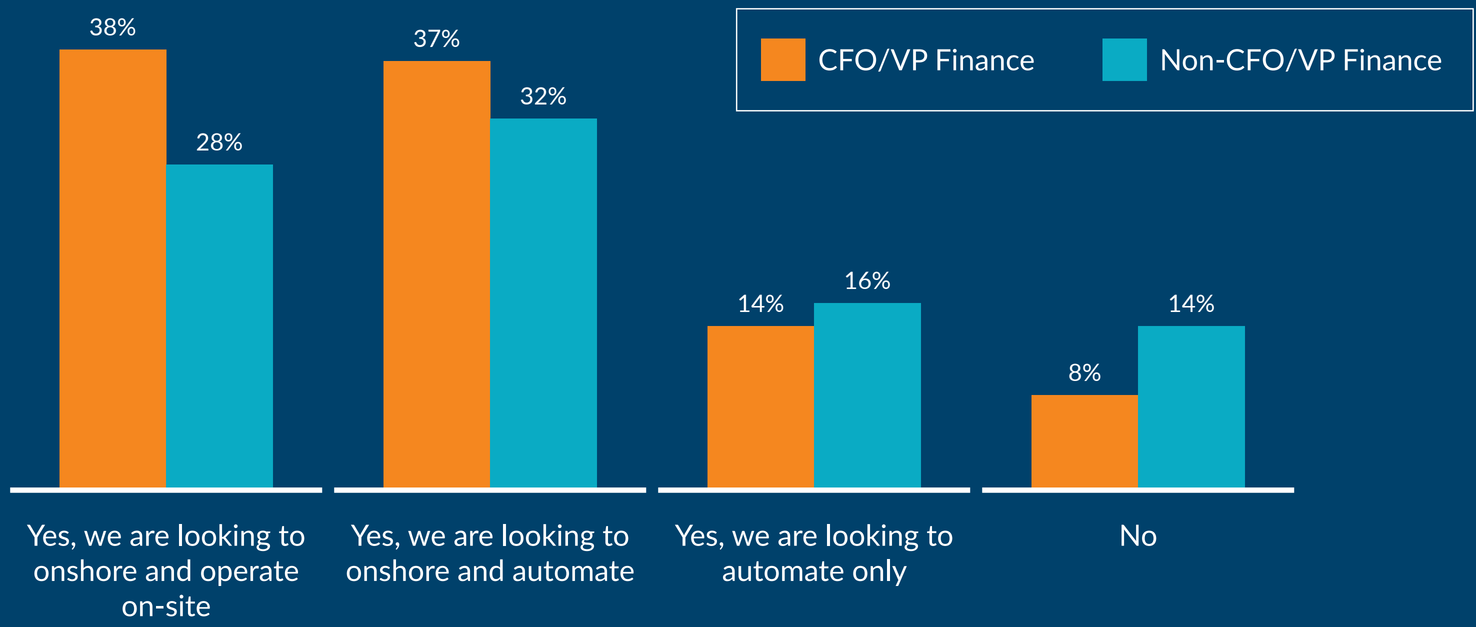
Key Action Items for CFOs and Finance Leaders

- Assess which investments in advanced technologies are most likely to enable the organization to operate at the right size, and in the right manner, to best address current and future disruptions.
- Consider what processes should be automated as people begin to think about returning to the office.
- Distinguish between forming a digital veneer around core finance capabilities and operating in a truly digital manner, and identify the core finance organization changes required to achieve the latter.
- Bolster organizational cybersecurity by bringing to bear fundamental finance expertise on the way data security and privacy spending is benchmarked, investments are allocated, cyber risks are quantified in dollar amounts (and articulated in business terms), and third party risks are identified and monitored.
- Recognize and address the risks posed by the deferral of systems maintenance during the pandemic.

HOW LIKELY IS IT THAT YOUR ORGANIZATION WILL INCREASE AUTOMATION TO PERFORM CRITICAL BUSINESS FUNCTIONS?



IS YOUR ORGANIZATION LOOKING TO ONSHORE AND/OR USE RPA TOOLS TO AUTOMATE PROCESSES MORE IN THE FUTURE?*



* Not shown: "Don't know" responses.

INTEREST IN VIRTUAL CURRENCIES IS ON THE RISE (SHOWN: CFO/VP FINANCE RESPONSES)**

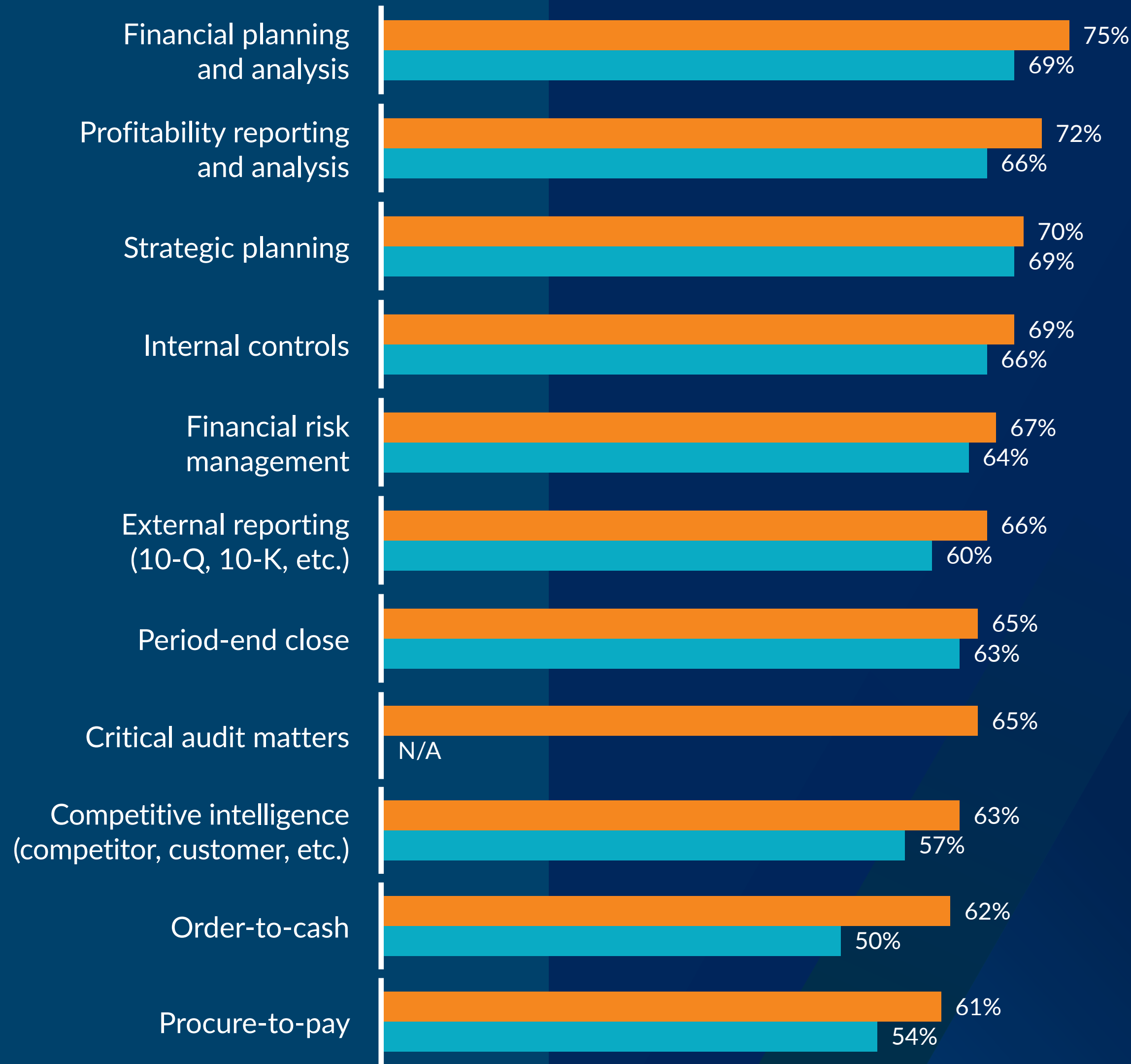
We are interested in using virtual currencies	54%
We are investing in virtual currencies	52%
We are listing on a market based on virtual currencies	47%
Our employees, customers, suppliers and/or partners are demanding that our organization work with virtual currencies	24%
None of the above	16%

** Multiple responses permitted.

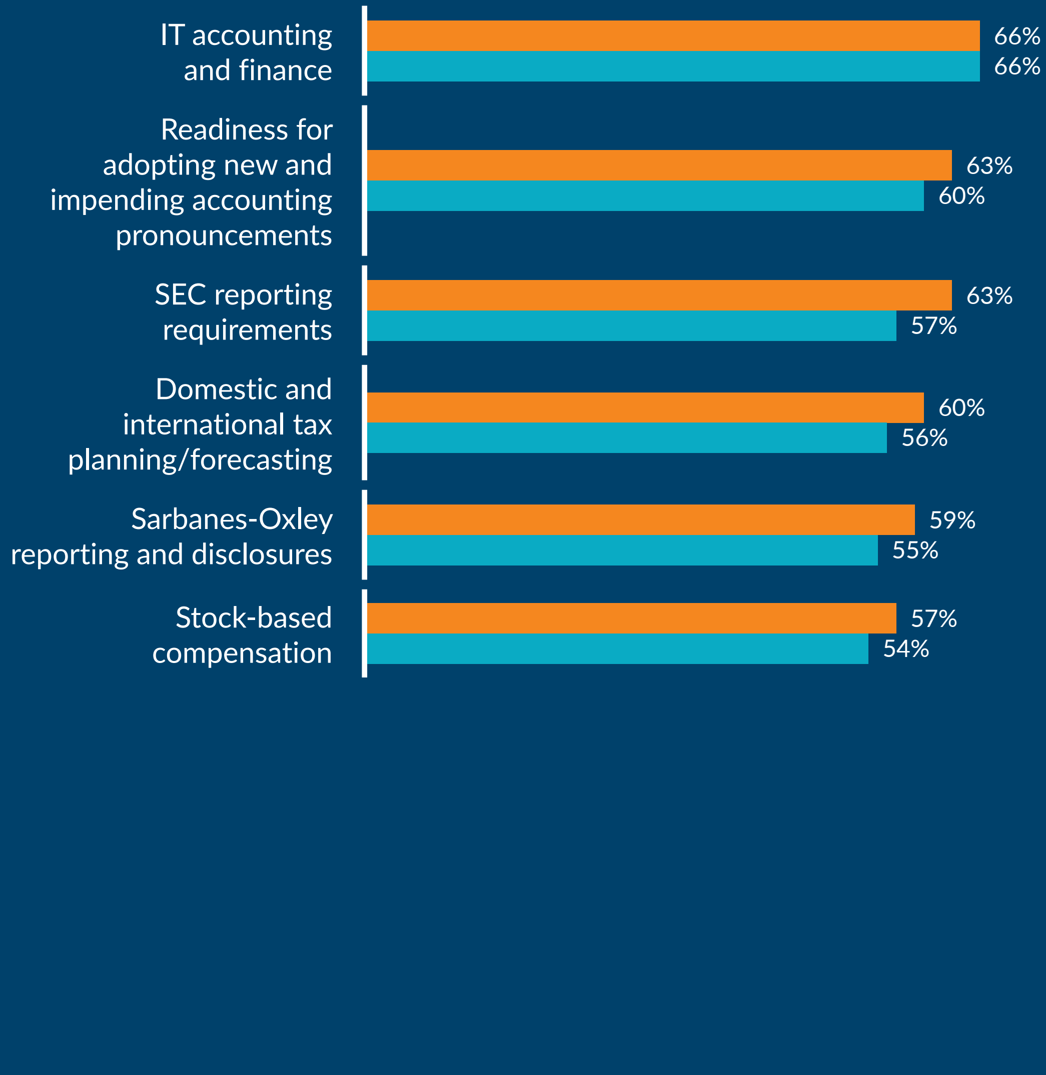
APPENDIX

• • •

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



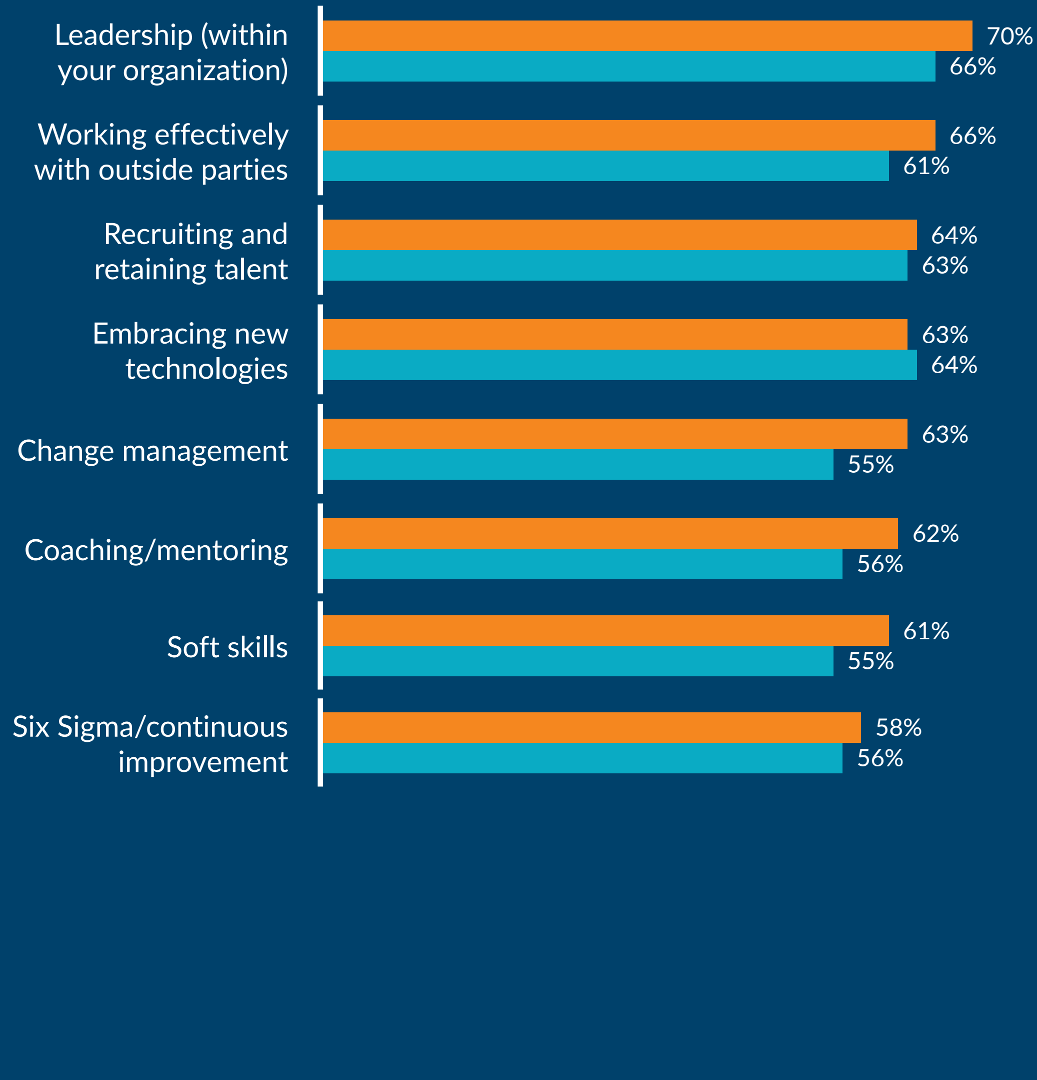
Respondents were asked to rate 6 different finance-related technical areas based on a 10-point scale, where "1" reflects the lowest priority and "10" reflects the highest priority for the finance organization to improve its knowledge and capabilities over the next 12 months. Percentages indicate ratings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



FOR WHICH OF THE FOLLOWING AREAS DO YOU USE RECORD TO REPORT TOOLS? (MULTIPLE RESPONSES PERMITTED)

	CFO/VP Finance
Reconciliations and high volume matching	58%
Variance analysis	53%
Manual journal entries	52%
Close calendar and process	43%
External reporting and footnote disclosures	27%
None of the above	8%

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



METHODOLOGY AND DEMOGRAPHICS

More than 1,000 (n=1,057) finance leaders worldwide, including CFOs, vice presidents of finance, and a broad range of finance directors and managers, participated in Protiviti's Global Finance Trends Survey, which was conducted online in July and August 2020. Respondents represent a broad cross-section of public and privately held companies. Survey participants also were asked to provide demographic information about the nature, size and location of their businesses, and their titles or positions. We are very appreciative of and grateful for the time invested in our study by these individuals.

POSITION

Chief Financial Officer	34%
Financial Reporting Director/Manager	22%
Finance Process Manager	11%
Vice President, Finance	10%
Finance Transformation Director	6%
Finance Transformation Manager	5%
Budgeting/Planning Director/Manager	4%
Finance Technology Management	3%
Corporate Controller	2%
Treasury	2%
Internal Control Lead	1%

INDUSTRY

Financial Services — Banking	22%
Financial Services — Asset Management	18%
Technology (Software/High-Tech/Electronics)	10%
Manufacturing (excluding Technology)	6%
Retail	6%
Financial Services — Broker-Dealer	4%
Construction	3%
Transportation and Logistics	3%
Automotive	2%
Financial Services — Other	2%
CPA/Public Accounting/Consulting Firm	2%
Insurance (except Healthcare Payer)	2%
Telecommunications	2%

Healthcare Provider	2%
Power and Utilities	2%
Real Estate	2%
Services	2%
Biotechnology/Life Sciences/Pharmaceuticals	1%
Consumer Packaged Goods	1%
Hospitality	1%
Media	1%
Oil and Gas	1%
Chemicals	1%
Higher Education	1%
Airlines	1%
Other	2%

SIZE OF ORGANIZATION (OUTSIDE OF FINANCIAL SERVICES) — BY GROSS ANNUAL REVENUE IN U.S. DOLLARS

$20 billion or greater	18%
$10 billion – $19.99 billion	11%
$5 billion – $9.99 billion	10%
$1 billion – $4.99 billion	21%
$500 million – $999.99 million	17%
$100 million – $499.99 million	21%
Less than $100 million	2%

SIZE OF ORGANIZATION (WITHIN FINANCIAL SERVICES) — BY ASSETS UNDER MANAGEMENT

$250 billion or greater	6%
$50 billion – $249.99 billion	18%
$25 billion – $49.99 billion	18%
$10 billion – $24.99 billion	17%
$5 billion – $9.99 billion	14%
$1 billion – $4.99 billion	27%

TYPE OF ORGANIZATION

Privately held	56%
Publicly held	44%

SCOPE OF ORGANIZATION

Local	14%
Regional	15%
National	41%
Global	30%

ORGANIZATION HEADQUARTERS

United States	41%
Germany	17%
United Kingdom	11%
Australia	9%
India	6%
Italy	6%
Hong Kong	5%
Singapore	3%
Switzerland	2%

ABOUT PROTIVITI

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

Named to the 2020 Fortune 100 Best Companies to Work For® list, Protiviti has served more than 60 percent of *Fortune* 1000 and 35 percent of *Fortune* Global 500 companies. The firm also works with smaller, growing companies, including those looking to go public, as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

HOW WE HELP CFOs AND FINANCE ORGANIZATIONS

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

GLOBAL LEADERSHIP TEAM

Christopher Wright
Managing Director
Global Business Performance Improvement Leader
+1.212.603.5454
christopher.wright@protiviti.com

Scott Bolderson
Managing Director
United Kingdom
+44.207.024.7536
scott.bolderson@protiviti.co.uk

Anneke Wieling
Managing Director
The Netherlands
+31.6.1505.7224
anneke.wieling@protiviti.nl

Marco Perrone
Managing Director
Italy
+39.011.7771.811
marco.perrone@protiviti.it

Matthias Heintke
Managing Director
Germany
+49.69.963.768.127
matthias.heintke@protiviti.de

Nigel Robinson
Managing Director
Singapore
+65.6220.6066
nigel.robinson@protiviti.com

Craig Bretton
Managing Director
Australia
+61.261.133.928
craig.bretton@protiviti.com.au

Hiroyuki Sadotomo
Managing Director
Japan
+81.3.5219.600
hiroyuki.sadotomo@protiviti.jp

Adam Johnston
Managing Director
Hong Kong
+852.2238.0499
adam.johnston@protiviti.com

David Cheung
Managing Director
China (Mainland)
+86.21.5153.6900
david.cheung@protiviti.com

U.S. LEADERSHIP TEAM

Charles Dong
Managing Director
New York
+1.646.428.8210
charles.dong@protiviti.com

Scott Evans
Managing Director
Houston
+1.713.314.4987
scott.evans@protiviti.com

Mark Gosnell
Managing Director
Los Angeles
+1.213.327.1304
mark.gosnell@protiviti.com

Rob Gould
Managing Director
New York
+1.212.708.6354
rob.gould@protiviti.com

Erin Progelhof
Managing Director
Dallas
+1.469.374.2458
erin.progelhof@protiviti.com

Hani Masood
Managing Director
Chicago
+1.312.476.6091
hani.masood@protiviti.com

Nick McKeehan
Managing Director
Chicago
+1.312.476.6419
nick.mckeehan@protiviti.com

Shawn Seasongood
Managing Director
New York
+1.212.708.6341
shawn.seasongood@protiviti.com

Charles Soranno
Managing Director
New York
+1.732.326.4518
charles.soranno@protiviti.com

Andrea Spinelli
Managing Director
Boston
+1.617.330.4815
andrea.spinelli@protiviti.com

Ken Thomas
Managing Director
Tampa
+1.813.348.3524
ken.thomas@protiviti.com

Jay Thompson
Managing Director
Houston
+1.713.314.4923
jay.thompson@protiviti.com

THE AMERICAS

UNITED STATES
Alexandria
Atlanta
Baltimore
Boston
Charlotte
Chicago
Cincinnati
Cleveland
Dallas
Denver
Fort Lauderdale
Houston
Kansas City
Los Angeles
Milwaukee
Minneapolis
New York
Orlando
Philadelphia
Phoenix
Pittsburgh
Portland
Richmond
Sacramento
Salt Lake City
San Francisco
San Jose
Seattle
Stamford
St. Louis
Tampa
Washington, D.C.
Winchester
Woodbridge

ARGENTINA*
Buenos Aires

BRAZIL*
Rio de Janeiro
Sao Paulo

CANADA
Kitchener-Waterloo
Toronto

CHILE*
Santiago

COLOMBIA*
Bogota

MEXICO*
Mexico City

PERU*
Lima

VENEZUELA*
Caracas

EUROPE, MIDDLE EAST & AFRICA

FRANCE
Paris

GERMANY
Berlin
Dusseldorf
Frankfurt
Munich

ITALY
Milan
Rome
Turin

NETHERLANDS
Amsterdam

SWITZERLAND
Zurich

UNITED KINGDOM
Birmingham
Bristol
Leeds
London
Manchester
Milton Keynes
Swindon

BAHRAIN*
Manama

KUWAIT*
Kuwait City

OMAN*
Muscat

QATAR*
Doha

SAUDI ARABIA*
Riyadh

UNITED ARAB EMIRATES*
Abu Dhabi
Dubai

EGYPT*
Cairo

SOUTH AFRICA *
Durban
Johannesburg

ASIA-PACIFIC

AUSTRALIA
Brisbane
Canberra
Melbourne
Sydney

CHINA
Beijing
Hong Kong
Shanghai
Shenzhen

INDIA*
Bengaluru
Hyderabad
Kolkata
Mumbai
New Delhi

JAPAN
Osaka
Tokyo

SINGAPORE
Singapore

*MEMBER FIRM

protiviti®
Face the Future with Confidence

© 2020 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or offer attestation services. PRO-1020-101125