

# Security, Data, Analytics and ESG Top 2021 Priorities for TMT Finance Leaders

Corporate finance teams in technology, media and telecommunications (TMT) are embracing new operating models, strategies and technologies in response to the escalated business risk and regulatory environment, as well as shifting expectations of both internal and external customers. Across the industry, teams continue to increase their focus on top priorities identified at the height of the pandemic, a trend that is expected to persist over the next 12 months, according to Protiviti's latest global survey of CFOs and finance leaders across various industry sectors.

For TMT companies, data protection and maintaining privacy for customers and other key stakeholders is an area of intense focus. In last year's survey, TMT finance leaders identified this as their second overall top priority, but this year, most survey respondents (88%) ranked security and privacy second to none. The survey shows that for 32% of TMT respondents, the level of concern for finance-related data security and privacy issues has increased significantly, compared to only 11% in 2020.

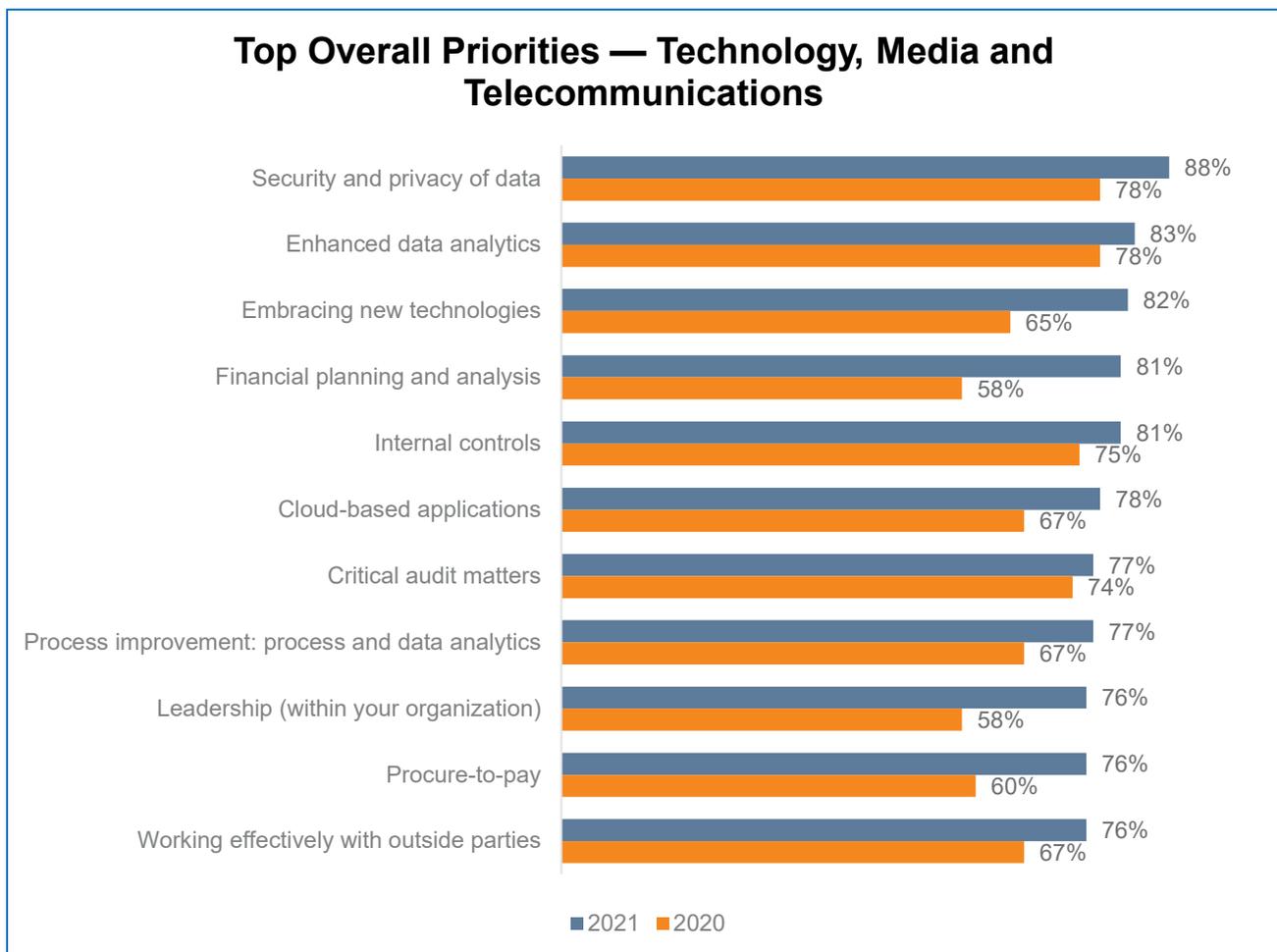
These results are not a surprise. Internal stakeholders, regulators, legislatures, shareholders and customers are putting significant pressure on TMT companies to take clear, concrete and proactive steps to [enhance their data privacy standards](#). In recent months, following a meeting with the Biden administration, leaders of the tech industry, including Big Tech firms Google and Microsoft, pledged huge sums of money toward [cybersecurity initiatives](#).

Below, we summarise other key issues and priorities that TMT finance leaders intend to focus on over the next year.

## Top Overall Priorities

TMT finance leaders' top priorities reflect the prevailing issues in today's unstable business environment. With enhanced data analytics ranked the second most important priority, the growing appetite among internal stakeholders for real-time, actionable data analytics to facilitate forecasting and planning processes is confirmed. That embracing new technologies is another critical must-do item on the CFO agenda this year shows the industry's growing reliance on tools to enhance workflow and support its remote-working model. The ongoing migration of financial functions to the cloud, in part to improve customer experience, reduce burdensome financial reporting processes and protect customer data, explains why finance leaders are prioritising cloud-based applications, which offer greater flexibility.

Other must-do items such as financial planning and analysis, internal controls and critical audit matters (for public companies) point to the growing urgency of addressing compliance matters and keeping all books in order in the current heightened regulatory environment.



## Data (Analytics) Is King

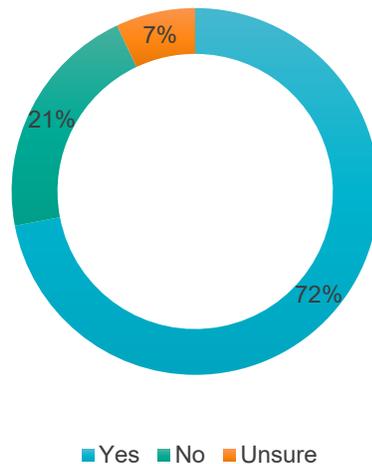
The ability of finance leaders to address each of the items on the priority list hinges on the quality and completeness of the data they access, secure, govern and use. Forecasting and planning capabilities are being rebuilt to access more data from suppliers, vendors and other external sources. Finance teams are eager to get their hands on complete and timely data to help combat fraud and criminal activity (like ransomware), major challenges the pandemic has exacerbated.

Data ownership is a key component of transformation and varies greatly among organisations. In a recent [roundtable conversation](#) with tech CFOs, one executive explained how integrating various siloed enterprise systems and getting the data to move between those systems was a huge headache until the company implemented a modern data lake to collect data from all systems and serve as a single source of truth. The organisation has since realised significant cost savings due to this transformation.

## Environmental, Social and Governance

An accelerating imperative for both public and private companies, environmental, social and governance (ESG) initiatives have become a top-of-mind issue for finance leaders across all industries. These leaders are laying the groundwork for their organisations to maximise the business value that can be derived from monitoring, managing and reporting all forms of ESG-related performance metrics. However, the process requires management teams and boards to first decide the [ESG maturity](#) at which their organisations should operate.

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



TMT companies are making significant progress on the ESG continuum. The survey shows that a majority of finance leaders (56%) reported substantial increases organisationwide in the focus and frequency of reporting related to ESG issues, compared to 39% in 2020. Also, nearly half of TMT finance leaders have increased 2021 budgets for ESG programs, and, when asked to select a single most important finance priority to address over the next 12 months, they ranked ESG number 3 — behind only cloud-based applications that support finance, and security and privacy of data.

Additionally, 65% of TMT respondents shared that measuring and reporting on ESG risks and issues have become part of their finance team's role within the last year, and 72% indicated that they are involved in conversations with senior leaders and boards to develop ESG metrics against which their organisation should track progress.

## Leadership Concerns

In a labor-stretched market, grooming the next generation of finance leaders has taken on a new sense of urgency. This explains leadership within the organisation making a strong showing on the TMT top overall priorities list, with 76% of TMT finance leaders indicating this is a top issue, compared to 58% last year.

While the pandemic has had a destabilising effect on the global workforce, C-suite turnover, particularly for large TMT firms, has largely remained stable. However, the same cannot be said for middle management, where there has been a bigger strain. Also, [previous surveys](#) suggest finance leaders haven't been proactive in identifying their successors, an issue that may be coming home to roost in this unstable environment. Finally, for private and middle-market technology companies, the leadership issue may be more pronounced as they battle with larger competitors to keep top talent from being poached.

***Interested in learning more? Further insights and our full 2021 Finance Trends Survey are available at [www.protiviti.com/US-en/insights/finance-trends-survey](http://www.protiviti.com/US-en/insights/finance-trends-survey).***

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