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2022 GLOBAL FINANCE TRENDS SURVEY REPORT



From Cloud Migration to Managed Services, TMT Finance Leaders Tackle Challenges With Multifaceted Strategies

Supply chain problems are still lingering. Technology integration, still lagging. And companies still are lacking skilled workers to fill key roles as they contend with high interest rates and a possible recession. Surveying the technology, media and telecommunication (TMT) industry landscape, the results of Protiviti's [2022 Global Finance Trends Survey](#) are not necessarily surprising. Some priorities have shifted, but the overall challenges facing TMT finance leaders haven't changed by much from 2021.

What's more revealing from the results are how TMT companies are choosing to deal with the myriad issues; the strategies finance leaders are bringing to bear as they reimagine their roles and reset priorities for the long term. The results highlight another major trend, which is that CFOs continue to extend the value they deliver to their organizations far beyond the boundaries of traditional finance and accounting activities.

The 'cloud' factor

Take technology integration as an example. Despite a number of concerns related to the use of cloud, such as the security and saturation of cloud technologies, many companies have opted to take a long-term view – or as one software tech CFO described recently, "invest first and figure it out later." While this strategy isn't advisable, it is a sign of the times that certain business leaders are willing to take some financial risks in their effort to accelerate technological change.

Deploying cloud-based applications was cited as the No. 1 priority in 2022 by TMT respondents, up from No. 4 the previous year. Clearly, the cloud migration will continue, as only about a third of current apps being utilized reside in the cloud. With certain headwinds pointing toward managed services being more cloud-based, another software CFO said his company has prioritized moving all employee deployment over to the cloud. Protiviti's recent [CFO Exchange Roundtable](#) provides additional insights on this topic and other issues of concern to high-tech software companies.

Data security and privacy

TMT finance leaders also are expanding and refining their data-protection role by, among other things, quantifying risks associated with ransomware, assessing the risks and rewards of paying a ransom, and determining the funding that enables organizations to respond to these attacks quickly and cost effectively. Again, it comes as no surprise that like other industry finance leaders, TMT CFOs listed strengthening data security and privacy as their No. 2 priority this year. However, the multifaceted strategies that they are deploying underscore the urgency and scale of this concern.

Many of the strategies to address data security and privacy concerns are being driven by the [intensification of legislative, regulatory and enforcement efforts](#) globally. In the United States, for example, the Justice Department's pursuit of companies that violate Section 889 of the National Defense Act and the agency's Civil Cyber-Fraud Initiative are two primary examples of the elevated enforcement activity.

In the European Union, the passage of the [Digital Services Act](#), a new law to curb the spread of illegal content, is expected to have broad implications for technology firms of all types, both small and large, and some non-tech enterprises. The law prescribes significant financial penalties and enforcement actions against infringing companies, regardless of the location of their headquarters.

Similarly, the EU's proposed [Artificial Intelligence Act](#), the first legislation globally that aims to regulate the use of artificial intelligence across all sectors, proposes state-of-the-art security and privacy-preserving requirements for companies developing high-risk AI systems. Additionally, it prescribes an outright ban on certain AI practices and transparency obligations for organizations.

People challenges

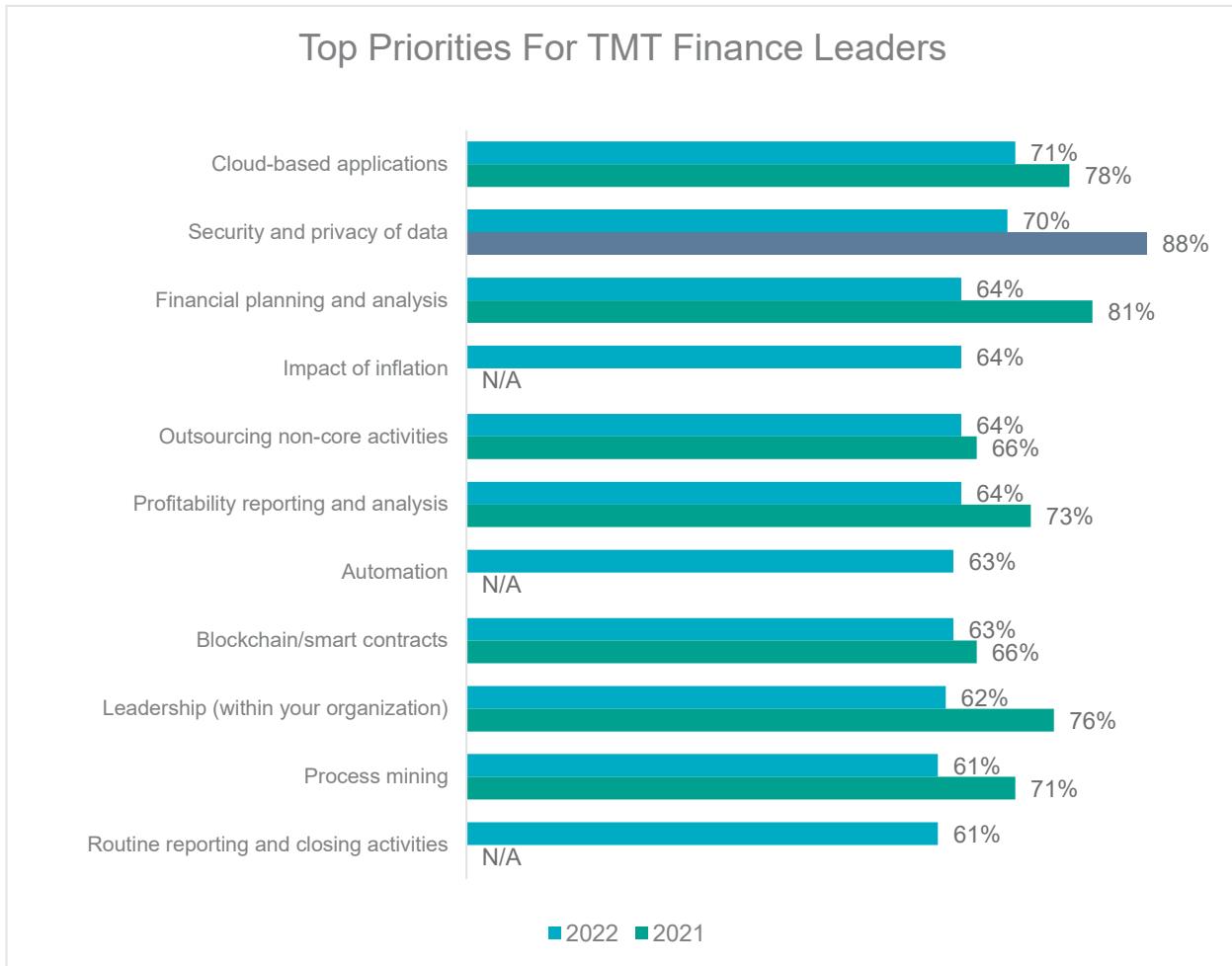
Various strategies are also being applied to address the talent gap. According to the survey, for TMT finance leaders, the foremost strategy is researching, procuring and implementing technologies and automation to handle high-volume and repetitive tasks. Organizations are increasing investments in internal programs to upskill and reskill teams. That's the No. 2 strategy, according to the survey.

In an added complexity to the talent crunch, a number of TMT organizations have announced layoffs and hiring freezes, driven by inflation, rising cost of wages and benefits, and a need to eliminate less value-added resources to focus on profitability. How are TMT organizations addressing these tensions? The survey shows a growing trend toward outsourcing non-core activities – and leveraging managed services. Almost 40% of respondents identified managed services as a key solution to dealing with the issue of attrition.

Leading organizations that are leveraging both contingent workforce and hastening adoption of advanced technologies, such as AI and machine learning, will no doubt produce more and better work with fewer people. A recent Vision by Protiviti [article](#) explores the office of the future and how some organizations are working to foster meaningful workforce connections, collaborations and celebrations.

Ranking of priorities – current and future

Among the top priorities, TMT finance leaders identified improving financial planning and analysis, addressing inflation, and outsourcing noncore activities as highest priorities to improve their knowledge and capabilities over the next 12 months. Separately, when asked to rate the most important finance priorities to address over the next 12 months, TMT finance leaders cited: Financial planning and analysis; changing demands and expectations of internal customers; challenges with regulations; and process improvement. The table below shows a ranking of the top priorities for TMT finance leaders.



The survey also yielded the following additional insights:

- When asked to rate their top strategies to fight inflation, TMT finance leaders cited the following, in order of significance:
 - Negotiating pricing with suppliers
 - Balancing risk of higher staff attrition against potential compensation increases
 - Reducing costs of operations
- On the pressing issue of supply chain, 67% of TMT finance operations have experienced supply chain disruptions or delays, compared to 31% that have not.
- To address supply chain disruptions, a majority of the respondents stated that their firms engaged a managed services provider or brought temporary/contract professionals to assist, while others cited that they waited for third-party vendors to resolve the issue.
- Environmental social and governance (ESG) strategy and reporting remain a central focus for TMT finance leaders. The number of TMT organizations that have increased their focus and frequency of ESG reporting is up sharply; from 86% in 2021 to 93% in 2022. Also, 70% of the TMT respondents said they are ready for potential new ESG disclosure requirements.

Protiviti gathered insights from a broad sample of TMT finance leaders across different company sizes and multiple jurisdictions. This year, 73% of the TMT respondents were companies with annual revenues in the \$500-million-to-\$10-billion range. TMT CFO participation in 2022 increased significantly; about 52% of the respondents identified as a CFO, compared to 20% in 2021.

Our survey report, briefs and infographic are available [here](#).

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