protiviti®
Global Business Consulting

REIMAGINE

From automation and cloud to ESG and talent management, CFOs are reimagining their long-term roles

2022 GLOBAL FINANCE TRENDS SURVEY REPORT

Contents

Executive summary

CFOs are positioning themselves as key contributors to the enterprise's strategy and related dialogue in the C-suite and boardroom.

Coming through several tumultuous years, CFOs and finance leaders have spearheaded enterprisewide responses to business challenges sparked by widespread labor shortages, outdated and inefficient supply chain models, Russia's war on Ukraine and the resulting profusion of business sanctions on Russia (along with global supply chain impacts), interest rate volatility, and rising inflation. If the global pandemic rendered brutally honest judgments on finance transformation progress, subsequent effects have presented opportunities for CFOs to establish and stress-test their expanding strategic roles in real time.

The takeaways from the results of our latest Global Finance Trends Survey show that, not surprisingly, CFOs are positioning themselves as key contributors to the enterprise's strategy and related dialogue in the C-suite and boardroom. Our findings confirm that CFOs continue to extend the value they deliver to the organization far beyond the boundaries of traditional finance and accounting activities. CFOs make pivotal contributions to remodeling the organization's talent and technology investments, designing and implementing supply chain transformation, guiding ESG strategy and reporting, fortifying cybersecurity, and helping the enterprise contend with soaring inflation and rising interest rates.

Much of this stems from finance's strong foundational knowledge in financial reporting and data management. Today's CFO and finance leader bring to their organization a unique blend of financial management fundamentals, risk intelligence, and access to forward-looking, data-driven insights, particularly related to the company's strategy, investments and innovations, as they drive not only financial reporting activities but also those tied to ESG, talent management, supply chains and more.

So, take a few minutes to dig into our survey findings, from the top finance priorities as rated by your peers to how they are addressing inflationary and other market trends, ESG reporting requirements, and more. And we hope you gain further appreciation for the strategic vision the CFO and finance organization are helping to drive in today's leading organizations.

Methodology and demographics

More than 1,000 (n=1,064) 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 June and July 2022. 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.

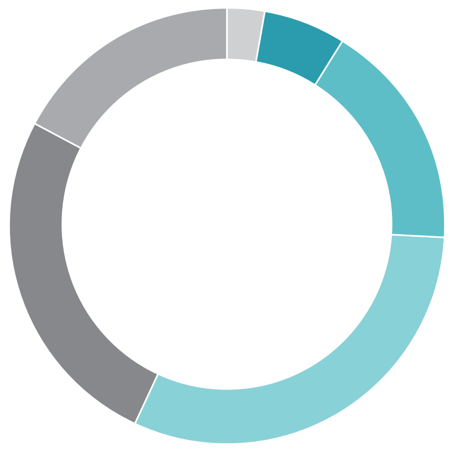
POSITION

Chief Financial Officer	50%
Vice President, Finance	14%
Finance Technology Director/Manager	10%
Finance Process Director/Manager	7%
Chairperson/Board Member	4%
Corporate Controller	4%
Financial Reporting Director/Manager	3%
Finance Transformation Director/Manager	3%
Budgeting/Planning Director/Manager	1%
General Manager	1%
Chief Executive Officer	1%
Executive Vice President	1%
SEC Reporting Director/Manager	1%

INDUSTRY

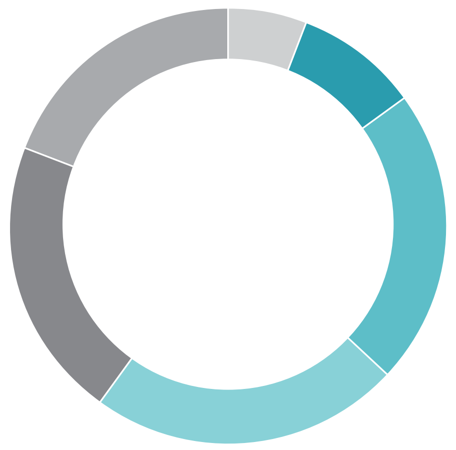
Financial Services — Banking	31%
Consumer Goods and Retail	15%
Utilities and Chemicals	11%
Telecommunications and Technology	10%
Biotechnology and Healthcare	10%
Manufacturing	9%
Professional Services	4%
Public Services	4%
Other	6%

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



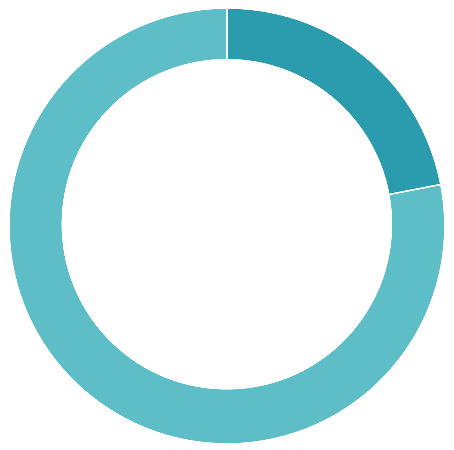
$20 billion or greater	3%
$10 billion - $19.99 billion	6%
$5 billion - $9.99 billion	17%
$1 billion - $4.99 billion	31%
$500 million - $999.99 million	26%
$100 million - $499.99 million	17%

SIZE OF ORGANIZATION (WITHIN FINANCIAL SERVICES) — BY ASSETS UNDER MANAGEMENT IN U.S. DOLLARS



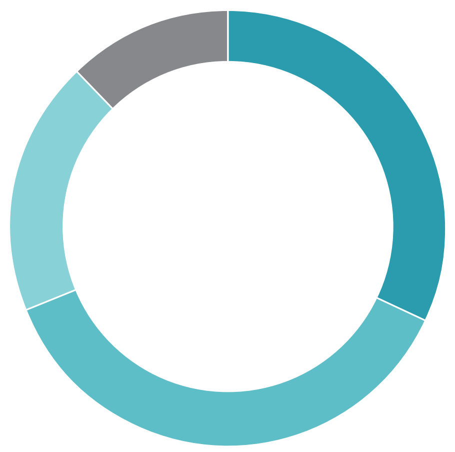
$250 billion or greater	6%
$50 billion - $249.99 billion	9%
$25 billion - $49.99 billion	22%
$10 billion - $24.99 billion	23%
$5 billion - $9.99 billion	21%
$1 billion - $4.99 billion	19%

TYPE OF ORGANIZATION



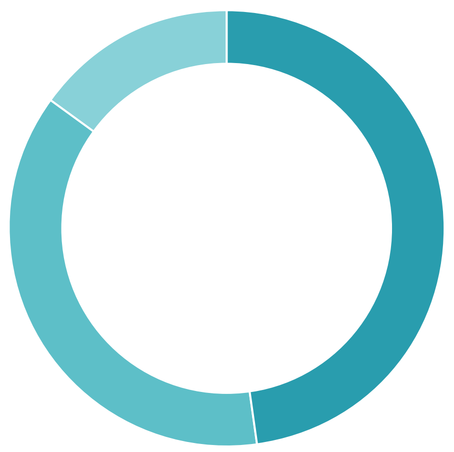
Publicly held	22%
Privately held	78%

SCOPE OF ORGANIZATION



Global	32%
National	37%
Regional	19%
Local	12%

ORGANIZATION HEADQUARTERS



The Americas	48%
Europe	37%
Asia-Pacific	15%

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

Top 10 most important finance priorities for organizations to address over the next 12 months — CFO/VP Finance

1	Automation
2	Challenges with regulations
3	Financial planning and analysis
4	Cloud-based applications
5	Mobile finance applications
6	Process improvement
7	New or impending accounting and disclosure requirements
8	ESG metrics and measurement
9	Changing demands and expectations of internal customers
10	Blockchain/smart contracts

Top 10 most important finance priorities for organizations to address over the next 12 months — non-CFO/VP Finance

1	Financial planning and analysis
2	New or impending accounting and disclosure requirements
3	Automation
4	Process improvement
5	Blockchain/smart contracts
6	Impact of inflation
7	Cloud-based applications
8	Strategic planning
9	Changing demands and expectations of internal customers
10	Security and privacy of data

Key findings

01 Use of flexible labor models is on the rise

Amid the ongoing war for qualified talent, more finance organizations are leveraging managed services providers and staff augmentation options to obtain in-demand and hard-to-find skills and resources in areas including financial reporting, accounts payable, strategic finance and PMO activities. Leveraging a flexible labor model is especially advantageous amid uncertain market conditions.

02 Security and privacy of data remains the top priority … but barely

Similar to prior years, security and privacy remains the top-ranked priority globally for CFOs, but other finance areas trail close behind, including profitability reporting and analysis, blockchain, and leadership skills.

03 ESG strategies and reporting take center stage

From increased focus on and frequency of ESG reporting to formal and documented DEI programs, CFOs and finance leaders are devoting more time, attention and resources to enterprise ESG initiatives.

04 Digitalization stays on the top, to transform the way of financial operation

CFOs, as well as other financial leaders, are still seeking emerging technologies to shift the way of financial operation, not only for improving efficiency but also for changing the way of working, such as leveraging cloud applications for remote work, adopting intelligent tools for enhanced analytics, etc.

05 Inflation is a concern — though for CFOs, not a major one

It's not surprising to find the impact of inflation (a new area added to this year's survey) among the top overall priorities in the study, but it ranks noticeably lower for CFOs than other finance leaders, perhaps indicating their greater awareness of measures the organization is taking or their views on other trends that may be emerging.

Reassessing finance technology, transformation and the advanced automation that powers it

71% CFOs and VPs of finance who view automation as a top priority for the finance organization over the next 12 months, compared with 65% of other finance professionals.

The finance group's growing strategic contributions and the expansion of its purview to more "beyond finance" activities (e.g., ESG, talent management, supply chain risk management and cybersecurity) make it imperative for CFOs to commit to ongoing transformation and the implementation of advanced automation and technology tools that propel this journey. For CFOs and finance leaders, these tools rank among their top priorities. They include automation, a new addition to this year's study and an area that CFOs and finance leaders view with more urgency than do other finance professionals. They also include the use of blockchain technology, which jumped noticeably on our latest list of finance priorities.

Because this commitment is difficult to sustain, CFOs are reassessing what finance transformation requires and evaluating what enablers need to be in place to achieve those objectives.

Successful digital transformation goes well beyond implementing new technology. It also is about fundamentally reimagining how the organization leverages people, process and technology. Optimizing the data, predictive analytics and technology tools required to generate — and continually regenerate — forecasts, robust scenario plans, and effective stress tests requires a next-generation finance mindset along with investments in talent management.

When viewed and performed in a sufficiently comprehensive manner, digital transformation serves as the engine that drives long-term value creation and ongoing performance improvements. Leveraging automation, advanced analytics and emerging technologies is a vital component of the digital transformation effort. Leading CFOs recognize that delivering on the potential of digital technologies will require a significant investment in resources every step of the way, from planning through implementation and beyond, including organizational change management.

They also understand that digital transformation is not a destination, but rather a continuous journey, and that on this journey it's important to select the right initiatives to pursue. Timing is also a vital consideration. For example, with potential economic headwinds, should the organization accelerate or decelerate digital-related investments? Is there a cost to pausing or stopping investments, including cost to restart later?

Finally, CFOs should keep in mind that successful digital transformation requires a change in culture, one that fosters innovative solutions and fully optimized business processes, while maintaining rigorous controls to protect against operational, compliance and financial risks.

Key action items for CFOs and finance leaders

Frame finance transformation as a set of concrete strategic objectives and incorporate digital opportunities into the business plan to achieve those goals over the long term.

Identify which finance processes should be eliminated, added or redesigned prior to automating or digitizing them with the help of the best available systems and tools.

Continually monitor the financial and performance insights and analyses that internal business partners, executives and the board need.

Keep tabs on the digital maturity and expectations of shareholders, regulators, partners and other external stakeholders.

Protiviti Success Story #1: Implementation of Cloud Solution for Finance Function

PROJECT DESCRIPTION

The company is a global fintech company which offers a convenient and reliable platform for users across the world, including the US, Hong Kong, Singapore, etc., covering, among others, securities brokerage, trade settlement and data services.

To better support business growth and enhance corporate governance, the company was seeking to improve their finance operations and upgrade its financial accounting system from the legacy systems to a world-class cloud platform.

PROJECT ACHIEVEMENTS

Upon the solid analysis of the current state of the company's financial operations and systems, as well as the industry features, the Protiviti team blueprinted the new system positioning and architecture, core functions, and system sustainability model. The team also assisted in re-designing the CoA as well as accounting process design, system tests, and user training.

Assessment, Design & Implementation

Cloud ERP / Accounting System Positioning

The positioning of the financial accounting system varies with the business models of companies. The project team clearly positioned the client's financial accounting system from various dimensions – organization structure, business functions and relevant IT applications – combined with industry practices.

"Finance-to-Business" Model Design

Based on the positioning of the financial accounting system, blueprint the basic structure of "Finance-to-Business" model

System: Financial accounting system convergence with business system

Data: Enhanced financial data for business financial analysis scenarios

Design of COA

Cased on the business financial analysis scenario, and the system architecture of the company's financial information system, we re-design the CoA so as to address the future needs in business analytics as brought by the dynamic business model of the company.

Sustainable Operating Model

We introduced an operating model which enables continuous improvement for self-optimization after the successful implementation of the new process and system.

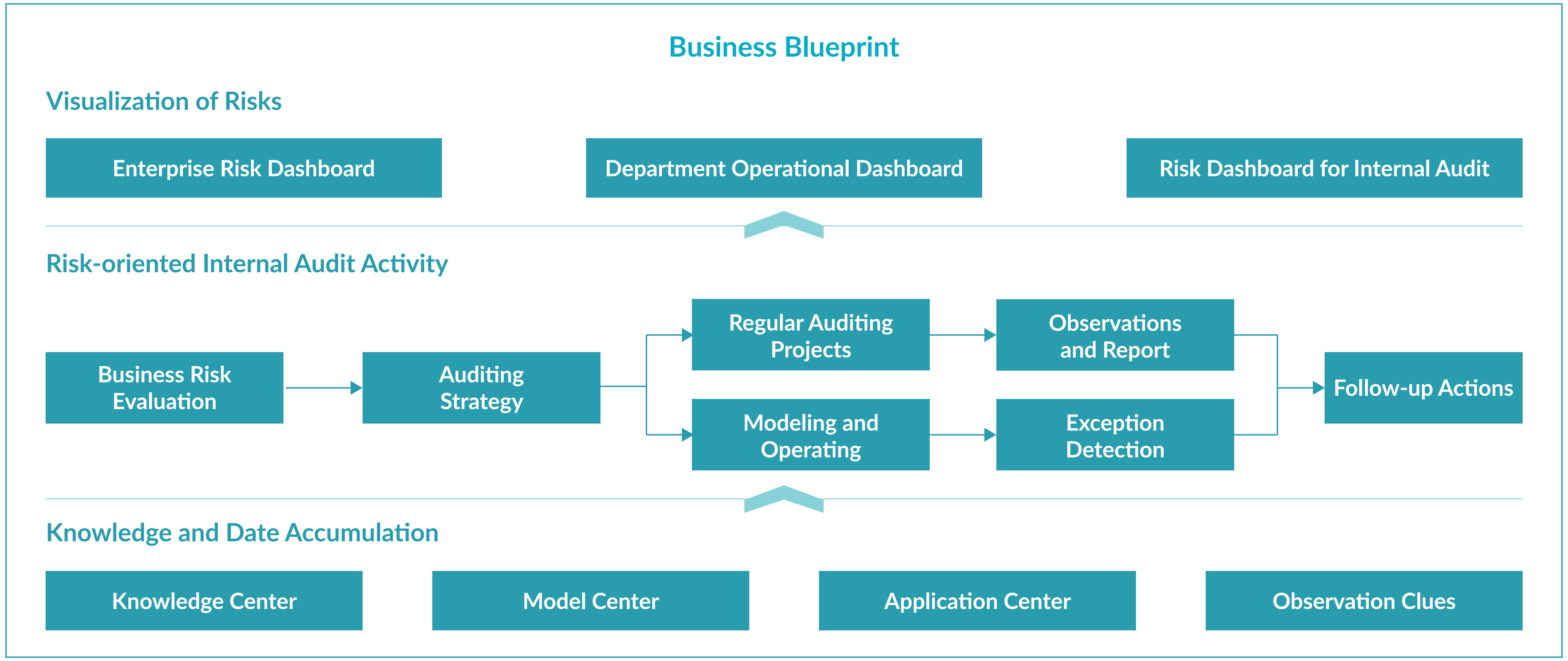
Protiviti Success Story #2: Next-Gen Internal Audit Transformation

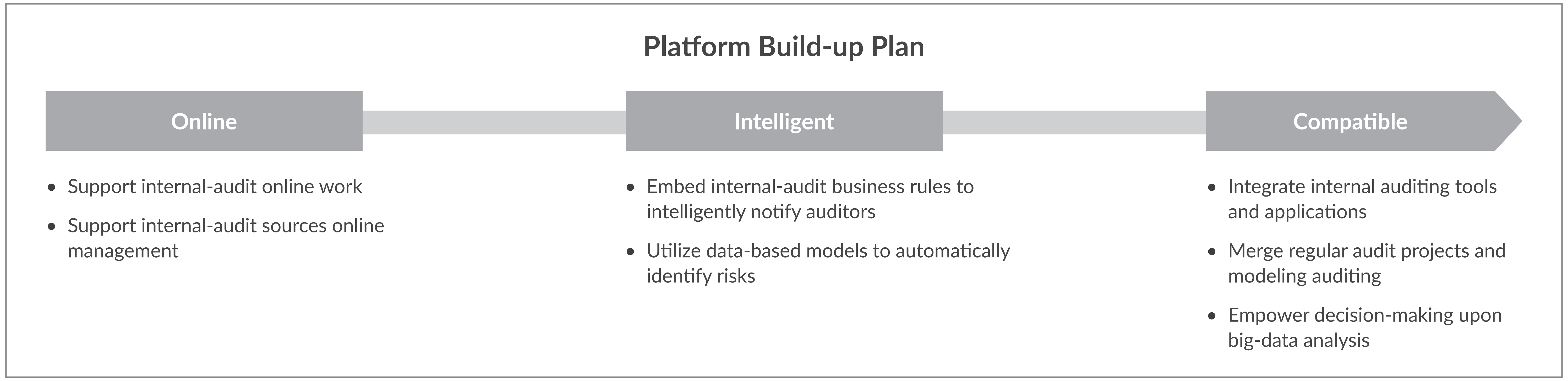
PROJECT DESCRIPTION

Protiviti provided internal-audit transformation services for a leading multinational conglomerate. Protiviti and the Internal Audit department of our client jointly established a digital platform, aiming to integrate multi-source data and operate analyzing models in order to continuously monitor risks and to trigger auditing projects for high-risk areas.

PROJECT ACHIEVEMENTS

Protiviti provided advisory services for the client on internal-audit transformation, design of the digital platform architecture and functionalities as well as implementation of the system.





Elevating ESG strategies and reporting

As companies continue to define and develop ESG and DEI operating and reporting strategies, a growing number of governments and regulatory authorities are putting forth requirements for ESG reporting by businesses.

Europe has led the way in promulgating ESG-related reporting requirements, but other jurisdictions are catching up quickly. And, regardless of regulatory requirements, companies are increasingly providing ESG disclosures and data in response to stakeholder inquiries and demands.

For example, in the United States, the SEC issued its long-anticipated proposed rules that would require reporting companies to enhance and standardize climate-related disclosures contained in registration statements and periodic reports, such as Form 10-K.[1] The proposal confirms the need for CFOs to take a prominent role in achieving, tracking, reporting and improving performance against their company's ESG goals while adding to a crowded collection of ESG reporting frameworks.

Given the multiplicity of frameworks and a lack of clarity regarding which are best suited for particular ESG reporting needs, CFOs are helping their organization choose the right framework while monitoring consolidation among the standard-setters as well as how competitors and other benchmark organizations are addressing the same challenge.

That's just one of numerous ways CFOs and finance organizations are strengthening their enterprise's ESG strategy, operations and reporting activities. Since nearly every C-suite and board of directors addresses ESG in some capacity during strategy and planning sessions, CFOs should find plenty of support and assistance as they:

- **Collect new ESG data while simultaneously fine-tuning the data-collection process:** Initial data gathering for climate disclosures and other new ESG reporting requirements necessarily involves scores of emails and a heavy reliance on spreadsheets as a summary tool. To avoid replaying this ad hoc data-gathering process every quarter, CFOs are identifying better processes and enabling tools as soon as possible. The purpose of these improvements is to ensure the accuracy, efficacy, consistency and efficiency of all ESG data gathering activities moving forward.
- **Leverage existing historical data:** Plenty of environmental and human capital data resides in past financial statements; finance teams are repurposing this data, when possible, to produce formal ESG metrics in line with standard reporting frameworks.
- **Help producers of climate data and other ESG measures embrace rigorous controls:** As finance teams obtain climate-related data from business colleagues and third parties, they should recognize that few, if any, of these partners are familiar with the exacting controls financial reporting requires. Most of these partners need to be schooled in producing ESG data of the same quality, and at the same cadence, as financial data.

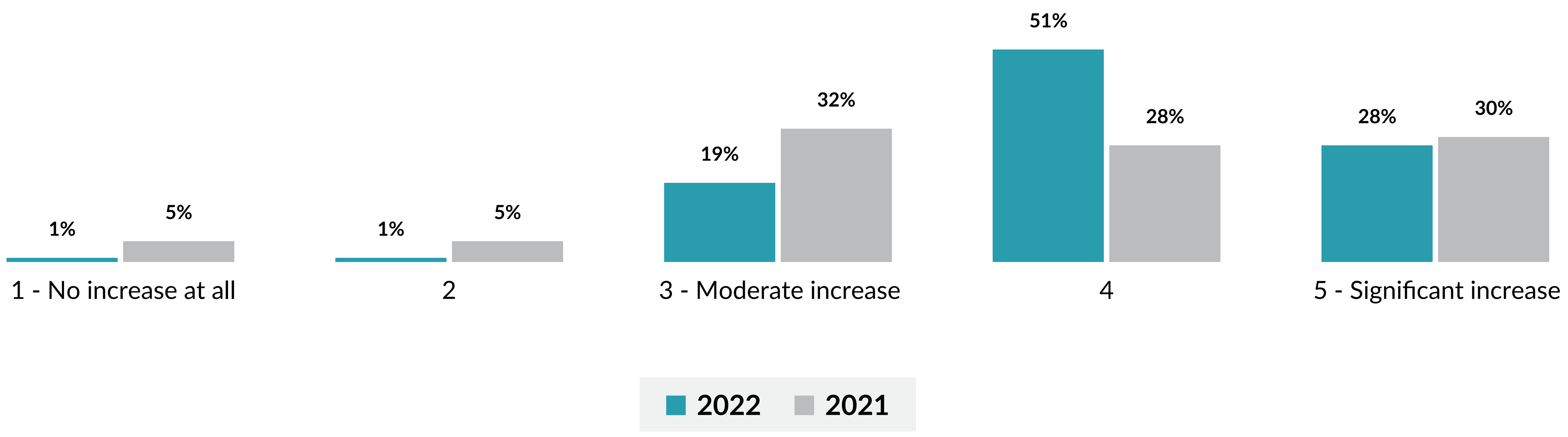
75%

Organizations in which the finance team has taken on ESG risk and issues as part of its role.

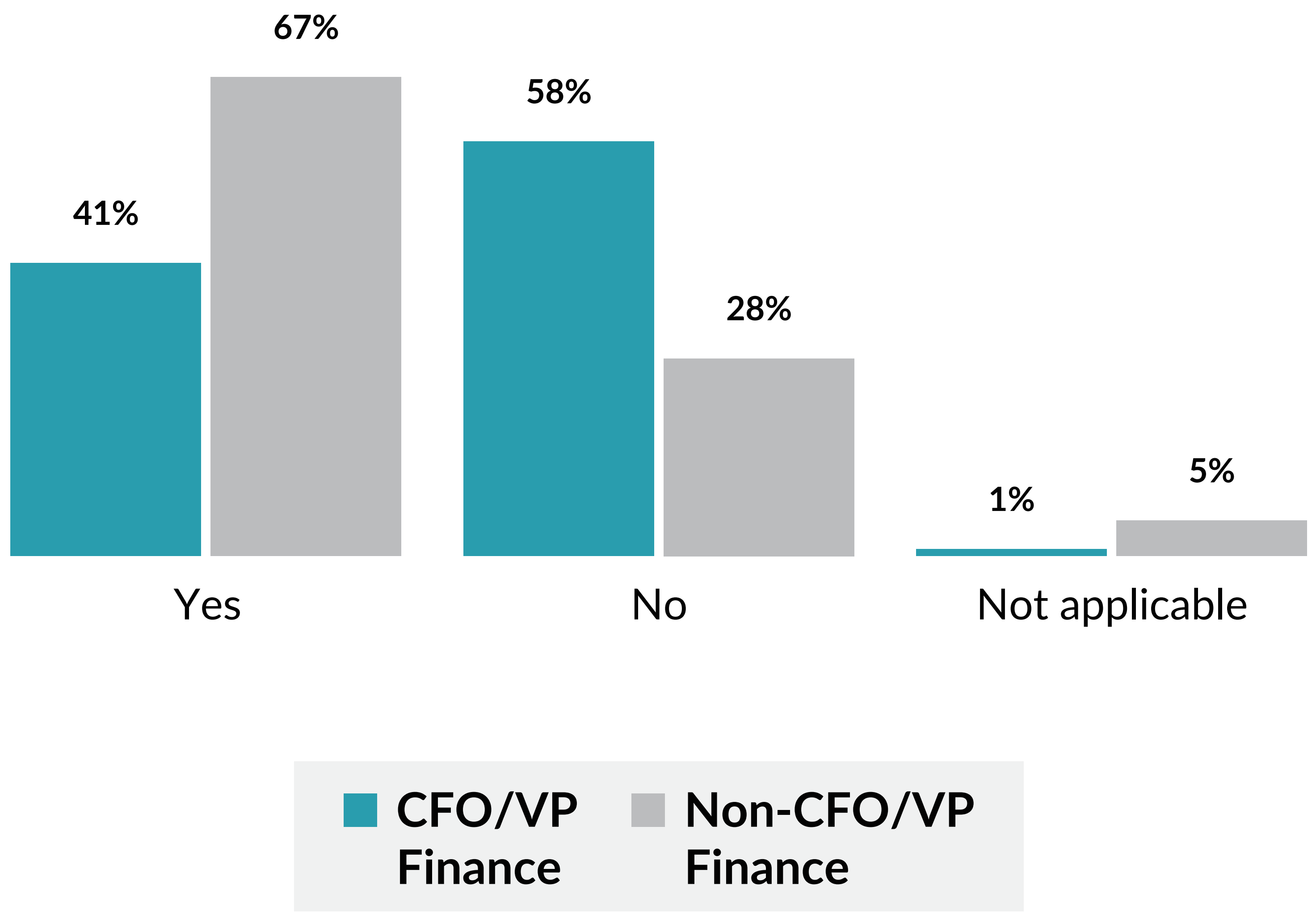
[1] "SEC Issues Proposed Rules for Enhancement and Standardization of Climate-Related Disclosures," Protiviti, March 21, 2022: www.protiviti.com/us-en/flash-report/sec-issues-proposed-rules-enhancement-and-standardization-climate-related-disclosures

To what extent, if at all, is your organization increasing the focus and frequency of its reporting related to environmental, social and governance (ESG) issues?

(Shown: CFO/VP Finance responses)

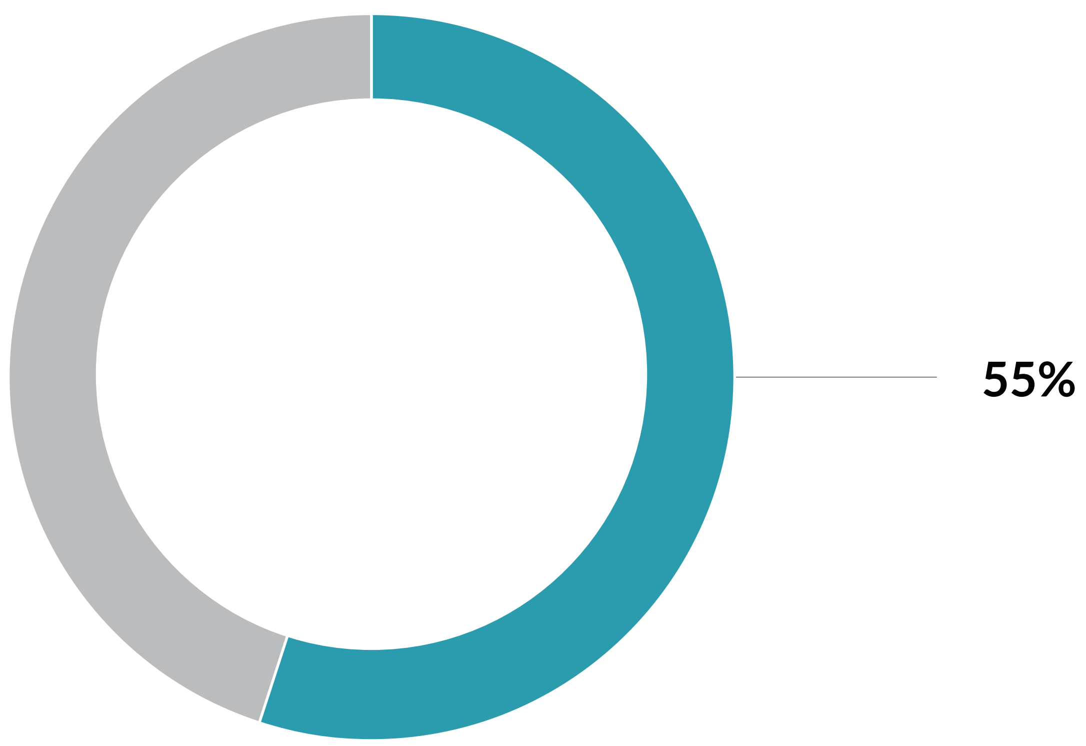


Is your organization investing in new technology to assist with measuring and reporting on ESG risks and issues?



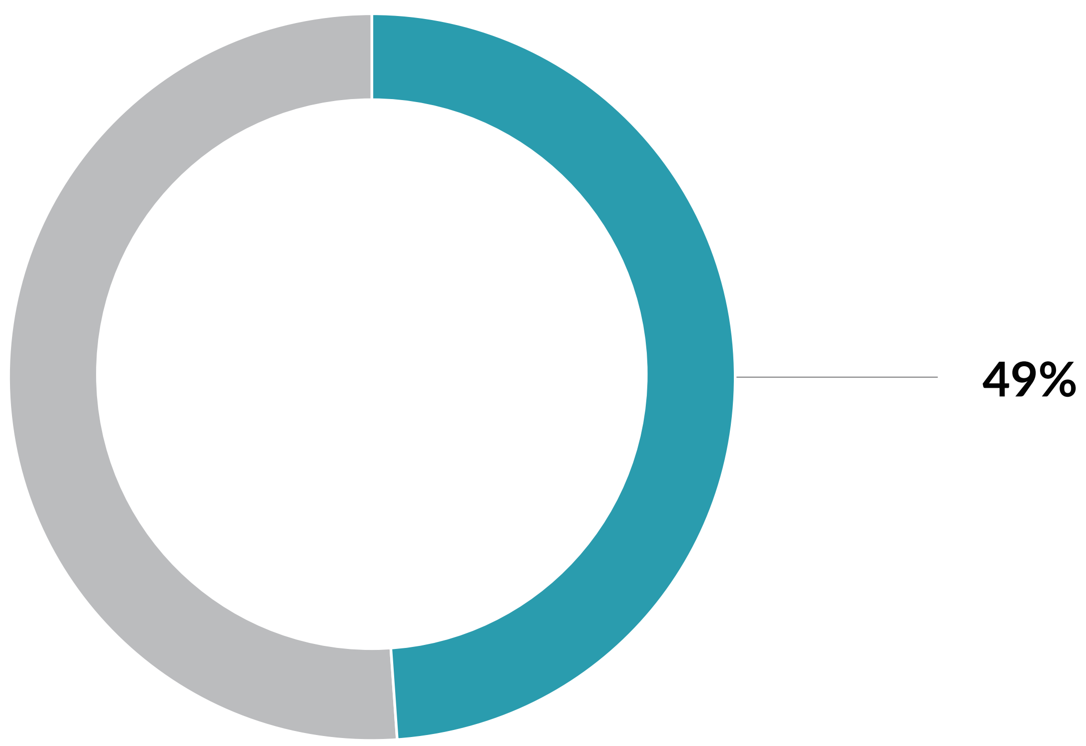
Publicly held organizations

(Shown: "Yes" responses among all respondents)



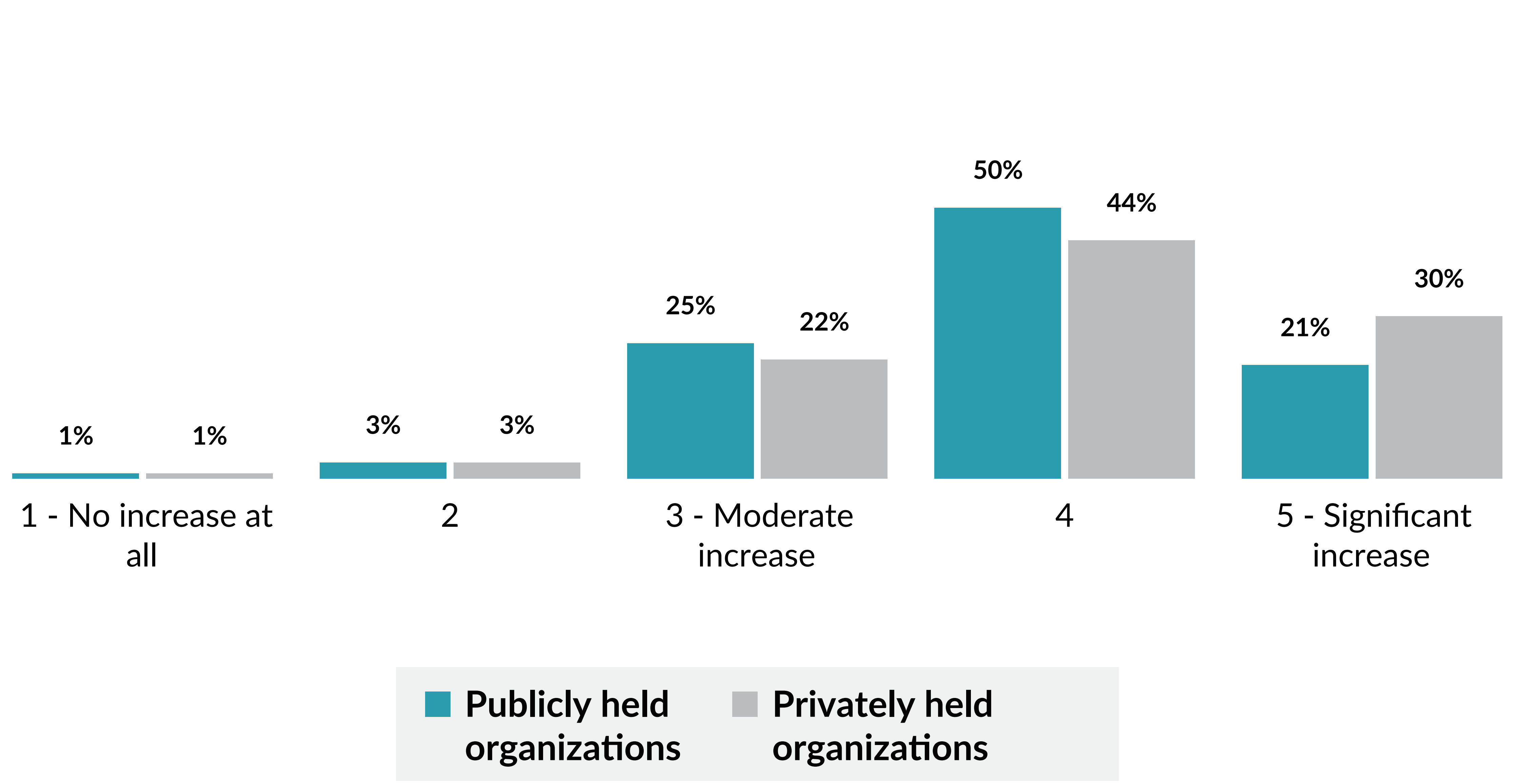
Privately held organizations

(Shown: "Yes" responses among all respondents)



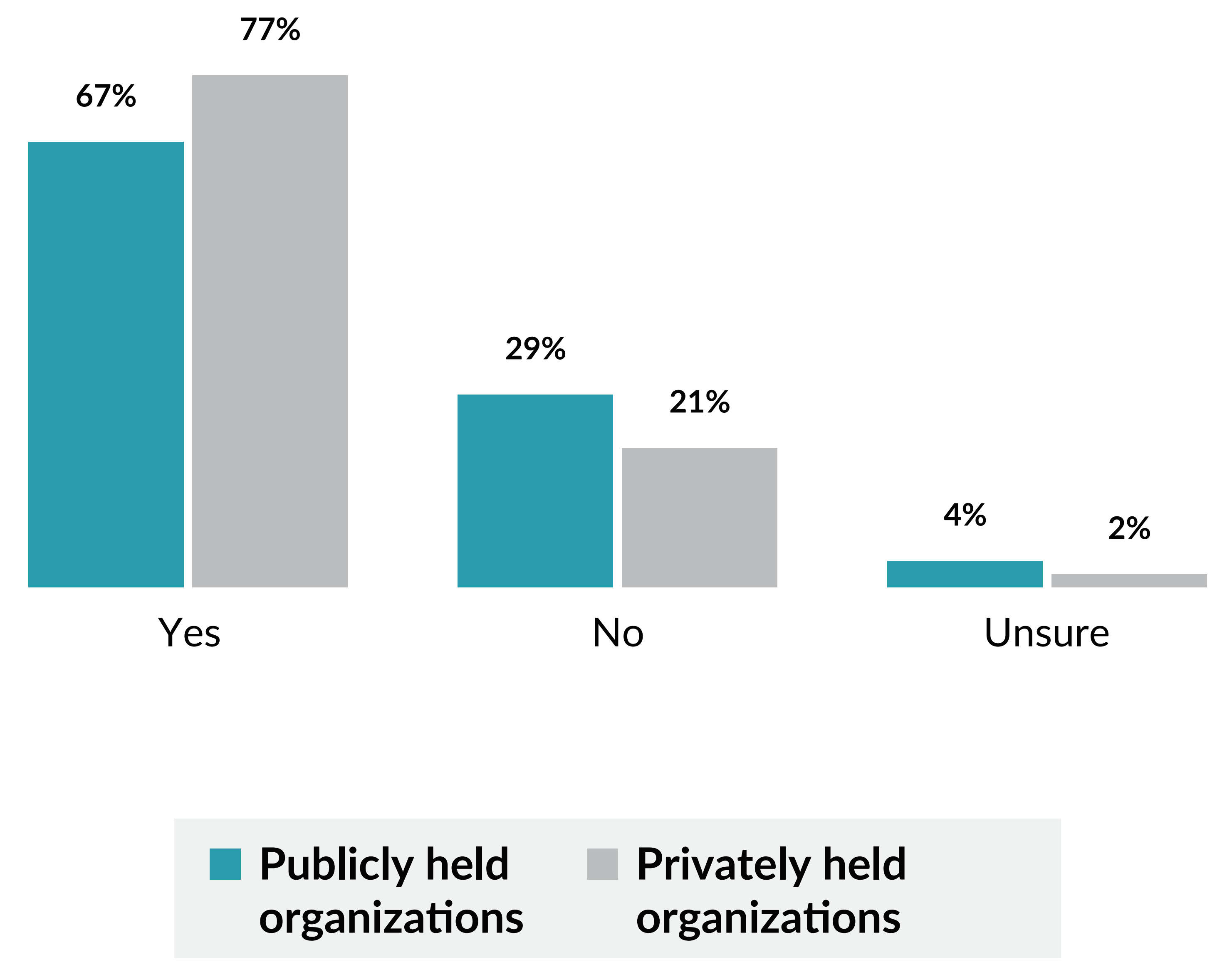
To what extent, if at all, is your organization increasing the focus and frequency of its reporting related to environmental, social, and governance (ESG) issues?

(Shown: All responses)



Has measuring/reporting on ESG risk and issues become part of your finance team's role in the last year?

(Shown: All responses)



How often does your organization currently report on ESG risks and issues, either through required public reporting or through voluntary reporting or disclosures?

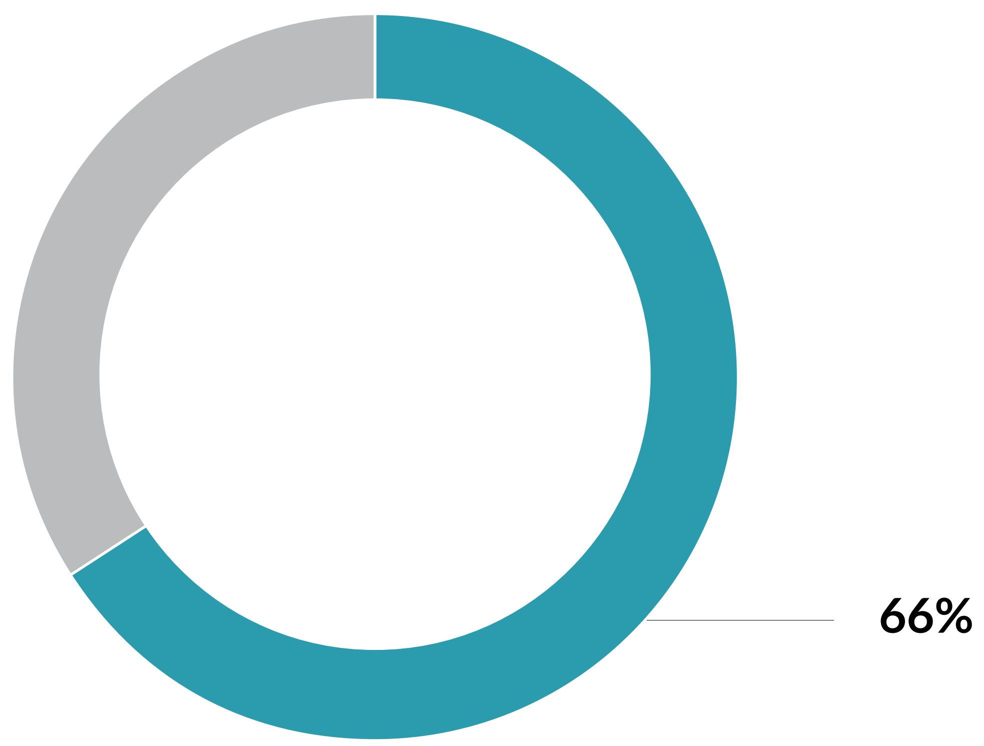
(Shown: All respondents)

	Publicly held organizations	Privately held organizations
More frequently than quarterly	11%	12%
Quarterly	43%	41%
Annually	25%	29%
Less frequently than annually	11%	9%
We do not currently report on ESG risks and issues, but we plan to begin doing so in the next 12 months	8%	7%
We do not currently report on ESG risks and issues, and we have no plans to do so in the future	1%	1%
Unsure	1%	1%

Are you ready for potential new required ESG disclosures?

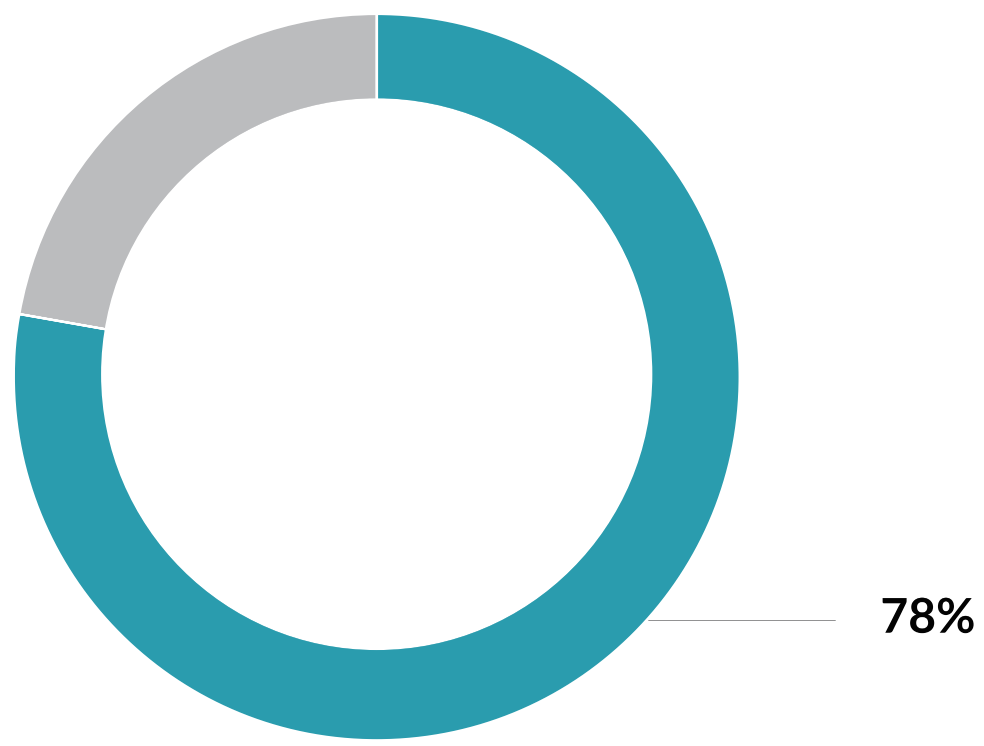
Publicly held organizations

(Shown: "Yes" responses among all respondents)



Privately held organizations

(Shown: "Yes" responses among all respondents)



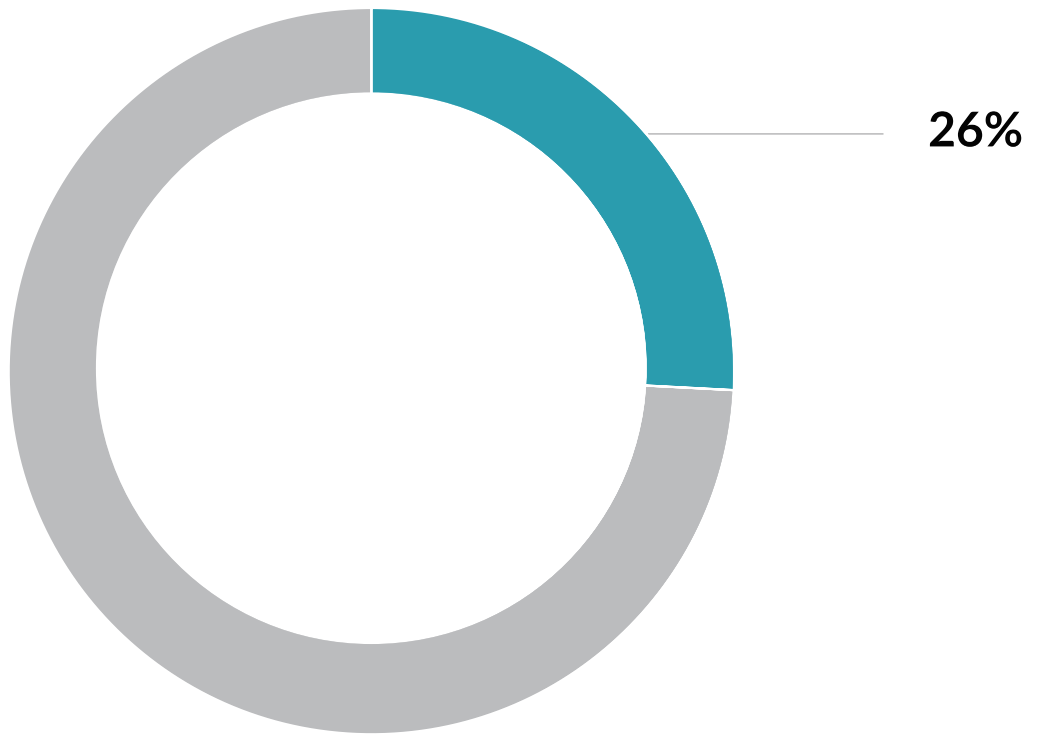
What does your organization require in order to be prepared for the new ESG disclosure requirements?*

(Shown: Respondents whose organizations are not ready for potential new required ESG disclosures)

Have you assessed your readiness for potential new ESG disclosures for U.S. public companies?

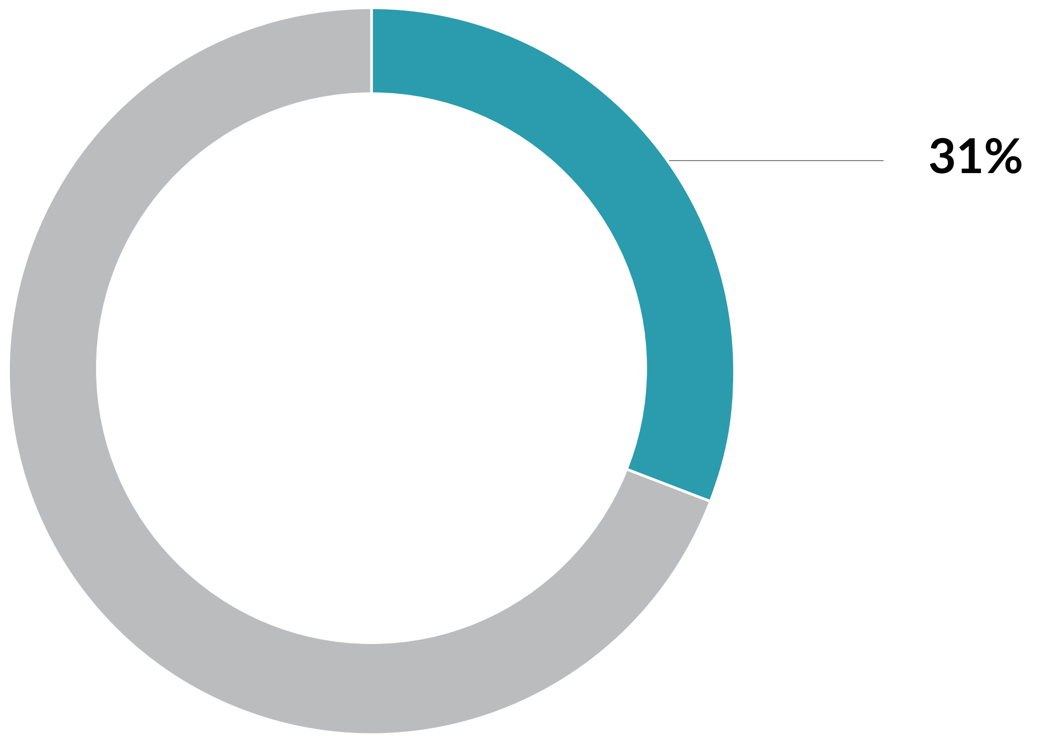
Publicly held organizations

(Shown: "Yes" responses among all respondents)



Privately held organizations

(Shown: "Yes" responses among all respondents)



* Multiple responses permitted.

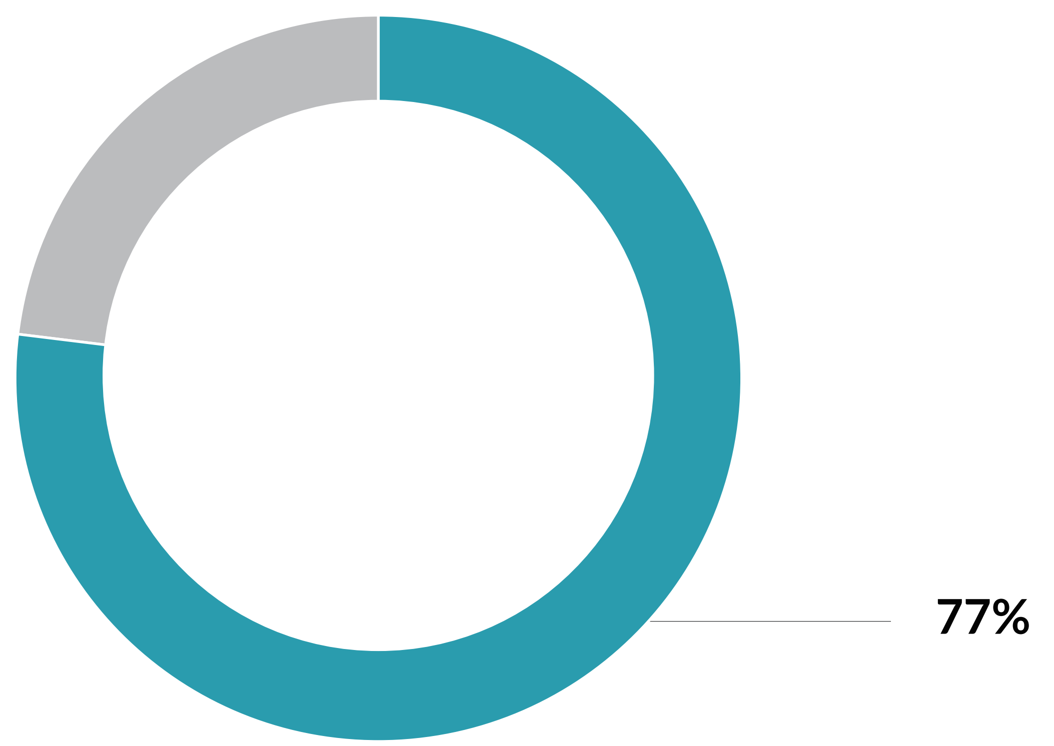
What is your level of preparedness?

(Shown: Respondents whose organizations are ready for potential new required ESG disclosures)

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

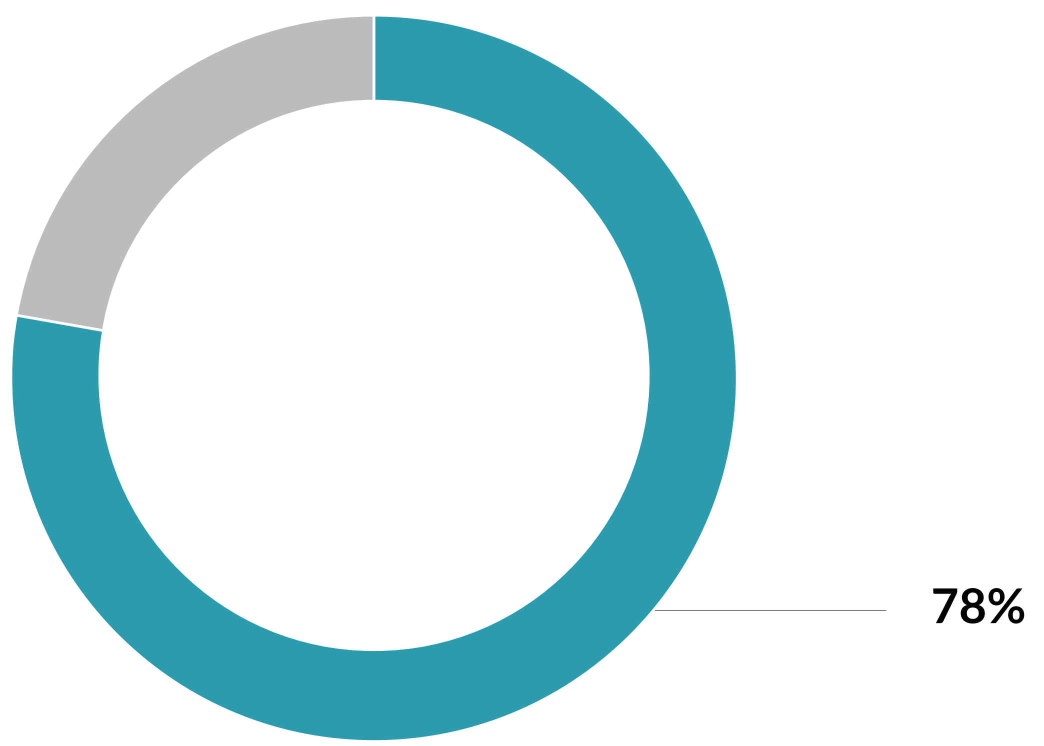
Publicly held organizations

(Shown: "Yes" responses among all respondents)



Privately held organizations

(Shown: "Yes" responses among all respondents)



Key action items for CFOs and finance leaders

Recognize that ESG rules and requirements as well as stakeholder demands are in flux, thus expectations and needs in both operations and reporting may shift.

Prepare to be audited by ensuring the validity, accuracy and applicability of climate data; an auditor ultimately will need to confirm that the data is just as reliable as the financial data they're accustomed to reviewing.

Identify who (inside or outside the company) will be able to access and provide the necessary ESG data, some of which involves complicated calculations and the use of data from sources which are not familiar to the CFO, FP&A group and other financial reporting teams that will be responsible for the filings.

Expect all stakeholders — regulators, shareholders, investors, customers and employees — to intensify their reviews of corporate ESG reporting.

Involve the audit committee, internal audit and SEC counsel in the evolving climate reporting conversation during the planning phases so that resources and priorities can be aligned.

Assess the company's existing ESG reporting capability and skills against ESG objectives, and then identify where the partners in your professional services ecosystem can be complementary and fill in the gaps.

Other notable observations

- Interestingly, CFOs and VPs of finance are significantly less likely to indicate their organizations are investing in new technology for measuring and reporting ESG risk issues compared with other finance leaders and managers. One possibility could be differing perspectives based on existing plans to acquire such technology once ESG reporting requirements become official. CFOs may not be considering these plans to be investments until that time.
- It's a bit unexpected to find that CFOs and finance professionals in privately held companies are more likely to rate ESG metrics and measurements as a high priority to address over the next 12 months compared with those from publicly held organizations. It's possible those in publicly listed companies have more of a head start in this area given different regulatory requirements with which they have complied in recent years. Absent required reporting, private company finance leaders are increasingly likely to be dealing with stakeholder demands for this data.
- Both privately held (86%) and publicly held (83%) organizations are very likely to have a formal and documented DEI program.
- Surprisingly, among organizations reporting that they are not ready for potential new ESG disclosures, privately held entities are more likely, compared with publicly held organizations in this group, to have assessed their readiness for potential new disclosure requirements.

Protiviti Successful Case: ESG Services

PROJECT DESCRIPTION

Protiviti provided ESG reporting services and management consulting for a number of Hong Kong listed companies in different industries. We assisted enterprises in establishing ESG oversight, identifying material ESG issues, assessing ESG risks, establishing ESG information collection processes and templates, and preparing ESG reports in accordance with the applicable *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, and other application international standards.

PROJECT ACHIEVEMENTS

- Set ESG goals and set the tone for the company's commitment to environmental protection and social responsibility
- Design ESG management and decision-making procedures to strengthen risk management over ESG
- Define the roles and responsibilities, processes and templates of ESG information from collection to disclosure, and lay the foundation for efficient disclosure of ESG information
- Publish high-quality ESG reports that meet regulatory requirements and stakeholder expectations to strengthen confidence of investors and other stakeholders

Top-level ESG Management Design

- Assist the board and management in formulating ESG goals and implementation paths
- Establish ESG organization, and define monitoring, reporting and decision-making mechanism for ESG issues
- Study the changes in regulation requirements and leading practices and report to the board and management

Material ESG Issue Identification

- Identify stakeholders and study their impact on the business
- Develop stakeholder ESG engagement plans
- Collect, aggregate, analyze and rank ESG issues of concern to key stakeholders
- Identify the key disclosure topics in ESG reports based on the principle of dual materiality

ESG Risk Assessment

- Analyze the risks and opportunities related to climate change based on the TCFD framework
- Provide response advice to management

ESG Information Collection Process Design and Template Development

- Formulate the roles and responsibilities and standard processes of ESG data collection, calculation, verification, and reporting and develop relevant policy
- Design KPI data collection templates for ESG reporting

ESG Reporting

- Draft bilingual ESG reports in accordance with the company's chosen disclosure framework(s)
- Summarize the company's ESG practices, draft board statements, and assist in board reporting

Security and privacy of data again stands out

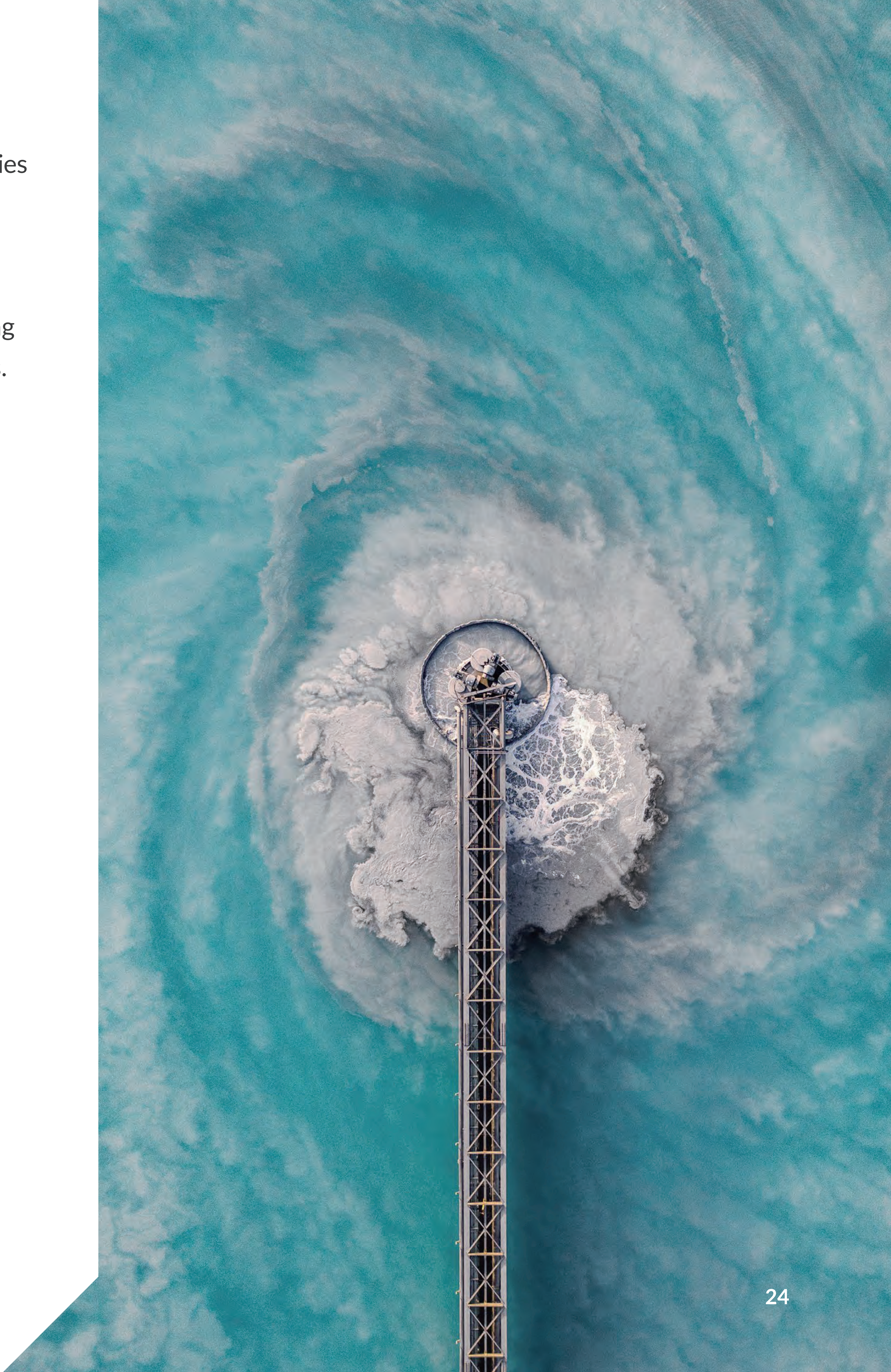
73% CFOs and VPs of finance who view security and privacy of data as a top priority for the finance organization over the next 12 months.

Among many ongoing challenges, more government authorities and regulators view cybersecurity and data privacy as CFO priorities. For example, earlier this year, the U.S. Securities and Exchange Commission (SEC) issued a series of proposed amendments to its rules on cybersecurity risk management, strategy, governance and incident reporting by public companies.[2]

Compliance with such requirements calls for expertise that falls squarely in the CFO's wheelhouse. For example, finance groups play a leading role in:

- Determining whether cybersecurity incidents rise to a level of "materiality";
- Ensuring appropriate attention is paid to controlling breaches when they occur as well as subsequent remediation activities;
- Reporting cyberattacks and related remediation efforts to investors and other stakeholders; and
- Disclosures concerning risk management policies, third-party risk management procedures, the board of directors' oversight of cybersecurity risks, and management's role in assessing and managing these risks.

Finance leaders should be engaging in a broad range of activities related to cybersecurity and data privacy. Many leading CFOs now quantify cyber risks in dollars, articulating those risks in business terms, benchmarking cybersecurity spending in the market, evaluating current investment allocations, and ensuring that data security and privacy activities extend to third parties. Today, most of these activities qualify as table stakes.



[2] "SEC Cybersecurity Disclosure Enhancements: They're Coming, in One Form or Another," Protiviti, June 3, 2022: www.protiviti.com/us-en/flash-report/060322-sec-cybersecurity-disclosure-enhancements

To further support these efforts, the CFO should seek to improve their collaboration with the chief information security officer (CISO) and data privacy leaders by clearly connecting their activities to business objectives, especially when sharing information with the board. These collaborations yield improvements to how the organization responds to ransomware attacks, changing regulatory requirements, third- (and *n*th-) party data security and privacy risks, and the hardening cyber insurance market.

Organizational ransomware responses offer a useful depiction of the CFO's expanding role in cybersecurity. CFOs quantify the risks associated with ransomware, evaluate and approve funding that enables organizations to respond to these attacks quickly and cost effectively, and help address the difficult question of whether to pay bad actors to unlock company systems and/or restore data. Finance leaders also proactively raise and address difficult ransomware issues during tabletop exercises. For example, they evaluate the risks and rewards of the high stakes pay-or-don't-pay question, establish decision making criteria, and, to ensure the organization is prepared for all options, develop and test crypto payment procedures well before a ransomware attack occurs.

Key action items for CFOs and finance leaders

As corporate directors shift their focus from detection and prevention to resilience, help lead "What do we do when it happens?" conversations in the boardroom while ensuring directors receive the cybersecurity data they request.

Evaluate the cost, coverage and value of cyber insurance policies as premiums continue to rise and coverage limits decrease.

Help CISOs and data privacy leaders link their activities to business objectives while determining the most cost-efficient approach to complying with a complex "quilt" of data privacy and security rules (while balancing those costs against the value derived from data the organization collects and uses).

Leverage ownership of part of the ESG agenda to help data privacy leaders frame their activities and investments in ways that extend beyond compliance to address social responsibility, customer expectations of the company's data usage, and digital ethics.

Ensure that procurement teams balance pricing priorities and data security diligence in their sourcing decisions.

Rank vendors according to different risk tiers (associated with varying levels of risk management scrutiny) to improve the efficacy and cost efficiency of third-party risk management programs.

Protiviti Success Story #1: Purple Team Exercise

PROJECT DESCRIPTION

The client is an online travel agency for lodging reservations and other travel products operating globally.

The client wanted to assess the capability of its managed security service provider by leveraging a purple team exercise. The red team would provide attack and penetration services to simulate a real-world attacker and the blue team observed the performance of MSSP team to formulate areas of improvement.

PROJECT ACHIEVEMENTS

Upon the delivery of the project, the client was able to:

- Understand the capability of its MSSP team
- Understand how attacks are captured and prevented by the MSSP team
- Identify the vulnerabilities in its system and corresponding remediation plan
- Optimize the workflow for MSSP team

WORKING PROCEDURES

- Test the effectiveness and resiliency of the current defense mechanism by leveraging attacks against client system
- Test the capability of MSSP team by assessing how MSSP team reacts to red team attacks
- Review client's runbook and provide improvement recommendations
- Provide improvement recommendations on how MSSP workflow
- Provide remediation recommendations on identified vulnerabilities

Protiviti Success Story #2: Compliance of Applicable Laws (CSL, DSL, and PIPL)

PROJECT DESCRIPTION

The client is a wholly owned subsidiary of a vehicle group at the cutting edge of automated driving research and development. The client is headquartered in Japan with worldwide operations.

The client was planning to perform data processing and automated driving related system development activities in China. To deal with these situations properly in China, the client was seeking advices on complying the Cyber Security Law (CSL), the Data Security Law (DSL), the Personal Data Protection Law (PIPL) and vehicle related regulations. The client also wanted to understand export and import technology control regimes in China.

PROJECT ACHIEVEMENTS

As a result of the project, the client was able to:

- Understand security and privacy compliance risks against China laws and regulations
- Remediate security gaps for data protection and cross-border identified under China laws and regulations
- Build up security compliance governance structure and develop relevant role responsibility
- Validate business process using security assessment checklists
- Use scenario library to solve different data & technology processing activities in China
- Understand the requirements of technology sharing between China and Japan

WORKING PROCEDURES

- Meet with the security management to align the expectation for the assessment
- Review organization level information security and privacy management policies and procedures
- Design application information collection questionnaire to gather application/system information and data flow in client's application/system
- Design China prohibited or restricted import and export technology questionnaire to understand the technology sharing between Japan and China
- Perform gap analysis of personal data protection and network operation procedures against China CSL, DSL, PIPL, and Several Provisions on Vehicle Data Security Management
- Provide remediation recommendations for each identified gaps
- Analyze data cross-border transfer, technology import & export impact and privacy compliance risks of automated driving related systems and provide recommendations

Driving talent management transformation

As is the case with ESG programs and other traditionally "beyond finance" areas, enterprise talent management requires the CFO's unique expertise, data-driven insights and risk management mindset.

The global pandemic only elevated the need for a well-defined talent management strategy, placing greater pressures on boards and leadership teams to invest in, and optimize, the employee experience.

Much of the success of an effective talent management process hinges on how well CFOs partner with their HR counterparts. CFOs need to determine headcount requirements to meet financial targets, while the HR function, in partnership with business leaders, determines what talent and/or upskilling programs (skills/experiences) are required to help meet business objectives.

Managing and executing talent and business strategy in lockstep is the lodestar, calling for new approaches to talent assessments, board reporting, talent metrics and reskilling. This integration involves the deployment of an innovative labor model and sourcing strategies — something more organizations are pursuing, as indicated in our latest findings that show greater use of managed services providers and staff augmentation for certain finance activities. This work also dovetails with ongoing innovations and improvements related to the employee experience, organizational culture, leadership development, succession planning, and ESG and DEI programs.

CFOs are applying their attention and expertise to three talent management transformation areas, in particular:

1. **Repeatable talent planning:** Leading companies conduct quarterly assessments of their teams and compare those evaluations to the talent and skills needed to execute the business strategy. These talent inventories are then evaluated based on their alignment with longer-term business objectives (for example, the skills the company needs to achieve goals six, 12 and 24 months down the line). When gaps exist, CHROs, CFOs and other senior leaders develop strategies to eliminate them. CFOs also help CHROs distill these assessments into their board reports.

2. **New talent metrics:** Creating and sustaining alignment between talent and business strategy requires new metrics. CFOs and CHROs are developing new measures to identify skills at risk and upskilling opportunities, as well as a range of DEI and ESG metrics that are relevant to business objectives and the health of the culture (e.g., well-being indicators).

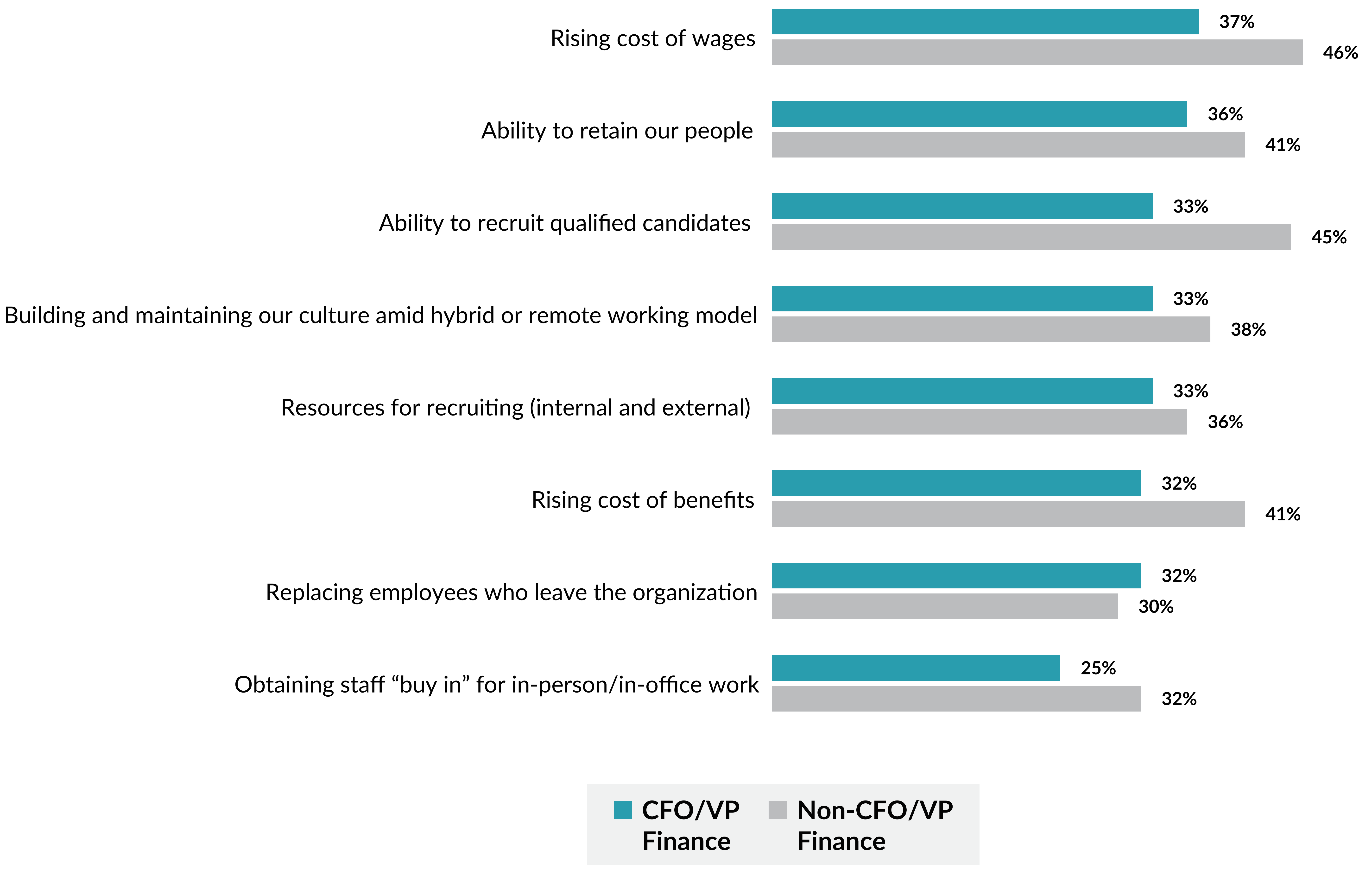
3. **New models for acquiring talent and skills:** The scarcity of in-demand talent — for example, to drive digital transformation and the use of emerging technologies — is likely to linger for years, even as unemployment rises in other talent domains. To expand the sources of labor available to them, more companies are instituting a flexible labor model consisting of a diverse talent pool of full-time employees, contract professionals, expert external consultants, and managed services and outsourcing providers. The value of this approach is evident inside companies that have been able to respond faster and better to events such as COVID-driven temporary closures and staffing shortages, supply chain breakdowns, and other external disruptions. Now, leading organizations leverage contingent labor to achieve more strategic returns, including the development of new capabilities, rather than relegating contingent staff to discrete projects and largely task-based assignments. This trend is evident in this year's results, which indicate finance organizations are increasing their use of managed services providers to support areas including accounts payable, financial reporting and finance PMO activities.

For each of these key areas of the overall finance process, please indicate how it is primarily resourced/staffed in your organization:

(Shown: CFO/VP Finance responses)

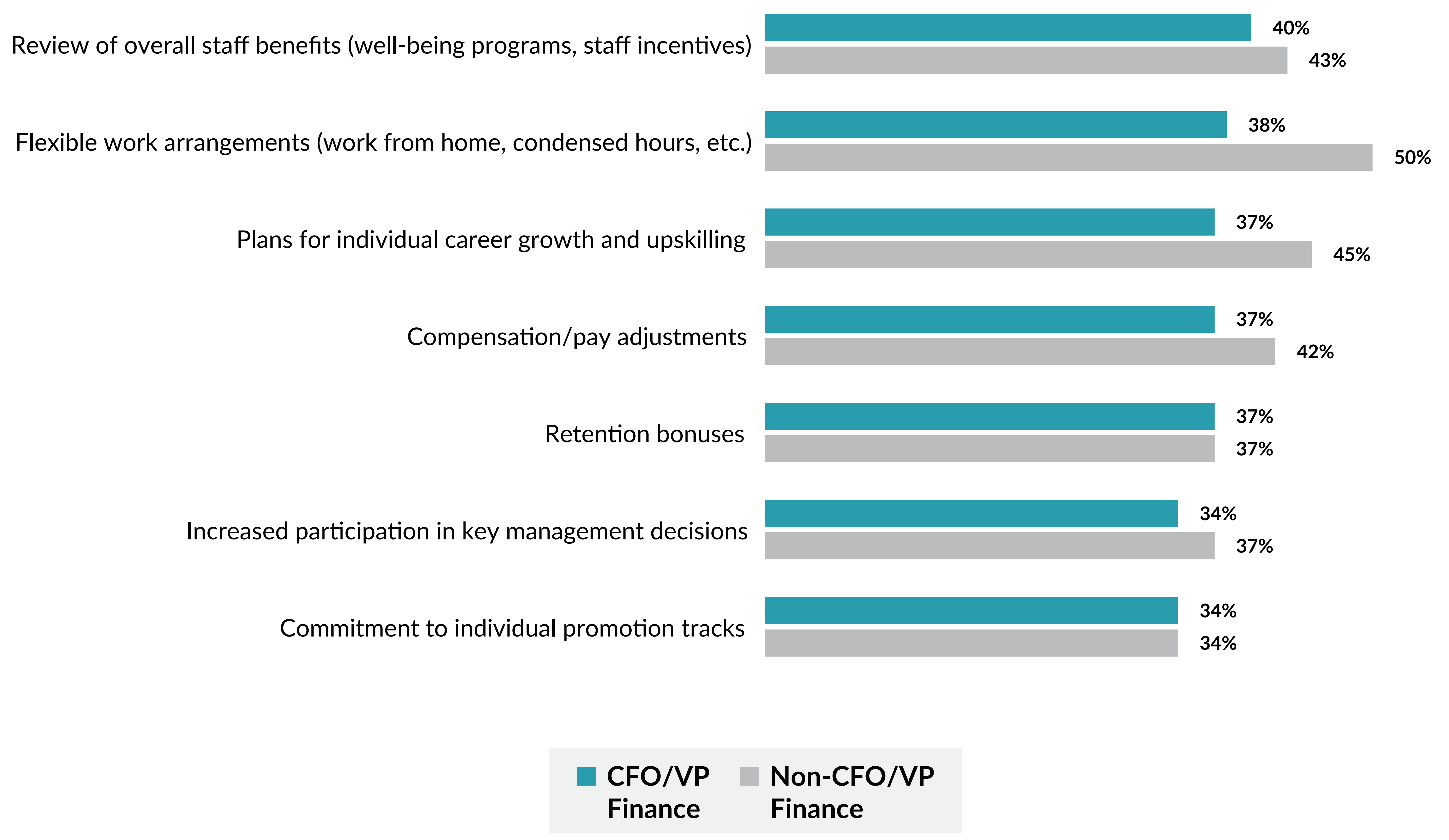
	Full-time employees		Staff augmentation (contractors, freelancers, etc.)		Managed services provider (blend of full-time staff, contract professionals and third-party experts)		Fully outsourced	
	2022	2021	2022	2021	2022	2021	2022	2021
Accounting Operations — Accounts Payable	58%	64%	27%	25%	13%	10%	2%	1%
Accounting Operations — General Ledger	48%	55%	35%	30%	13%	13%	3%	2%
Accounting Operations — Accounts Receivable	44%	54%	35%	23%	17%	20%	5%	3%
Financial Reporting	42%	55%	32%	23%	19%	17%	6%	5%
Financial Planning and Analysis	43%	54%	32%	24%	18%	18%	7%	4%
Tax	38%	43%	35%	30%	19%	20%	8%	7%
Risk Management	40%	49%	34%	25%	20%	21%	7%	5%
Strategic Finance (M&A)	39%	48%	34%	26%	21%	20%	6%	6%
Treasury	41%	53%	34%	27%	19%	15%	6%	5%
Finance PMO	38%	56%	34%	23%	22%	16%	6%	5%

Which of the following HR/people-related areas are concerns for the finance organization today?*



* Multiple responses permitted.

Which of the following tactics are you employing to increase staff retention in your finance organization?

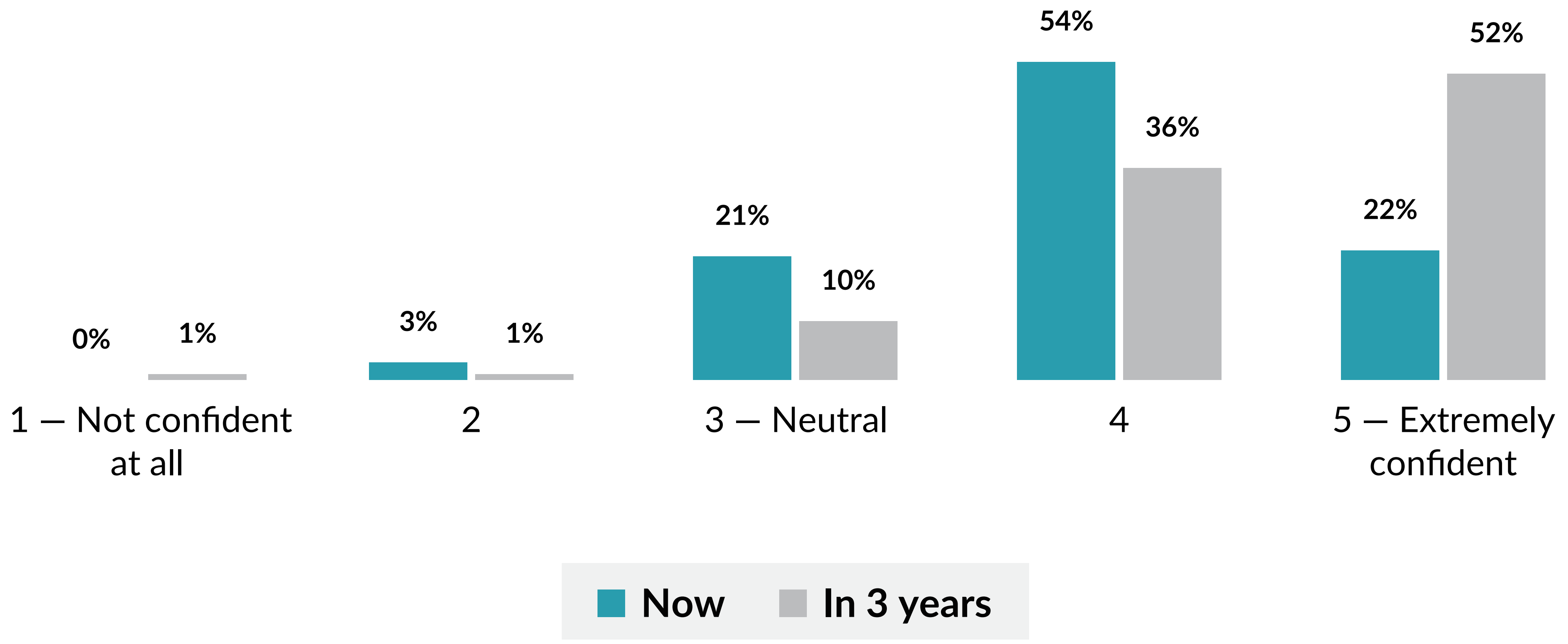


Other notable observations

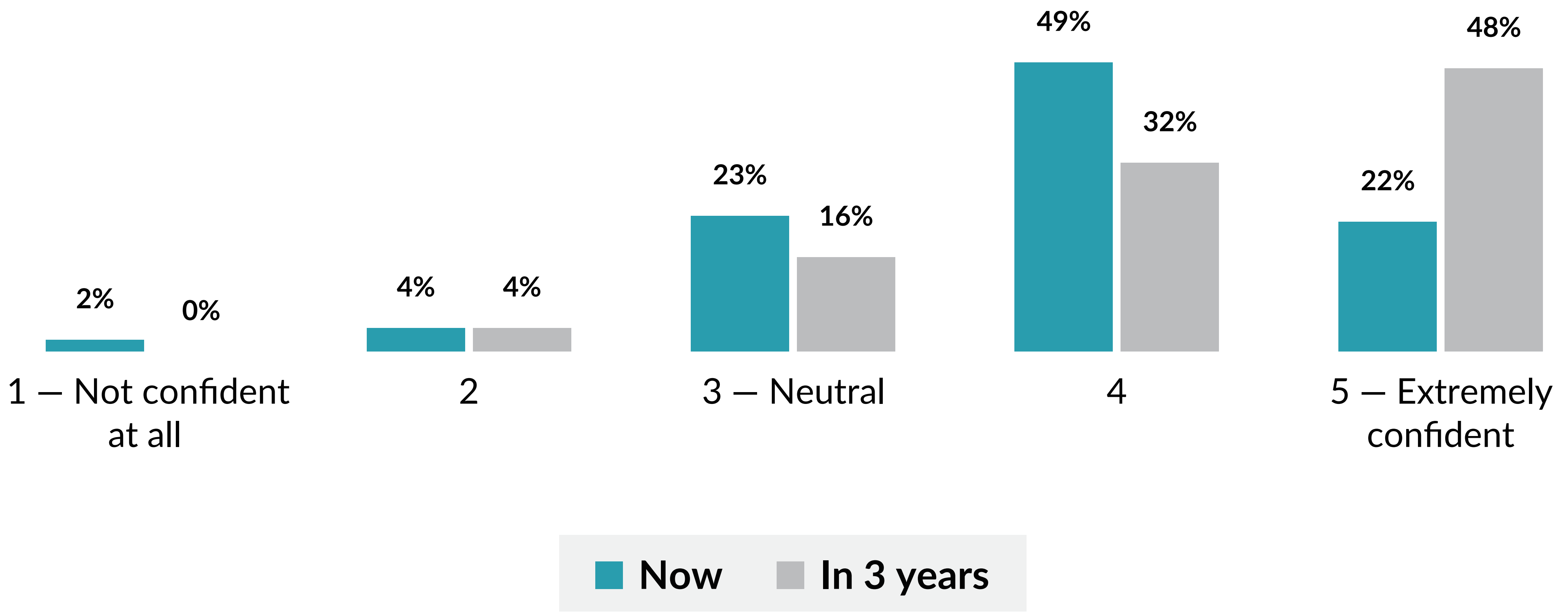
- CFOs and finance leaders have a high level of confidence that they have the right skills and numbers of people in their finance organization to meet business objectives both today and in the next three years. This is positive news but also somewhat surprising given the ongoing challenges to find and retain qualified talent. Based on other survey findings, it's possible these high confidence levels are arising, at least in part, from the ability to access resources from managed service providers and staff augmentation to support the finance organization.
- Among the strategies CFOs and finance leaders are employing to obtain needed talent and skills are increasing use of technologies and automation, upskilling and reskilling staff, implementing flexible work arrangements, and increasing use of managed services providers.

How confident are you that you have the right skills and the right numbers of people in your finance organization to meet your business objectives today and in the next three years?

(Shown: CFO/VP Finance responses)



(Shown: Non-CFO/VP Finance responses)



Overall, which of the following strategies is your finance organization employing to obtain needed talent and skills?*

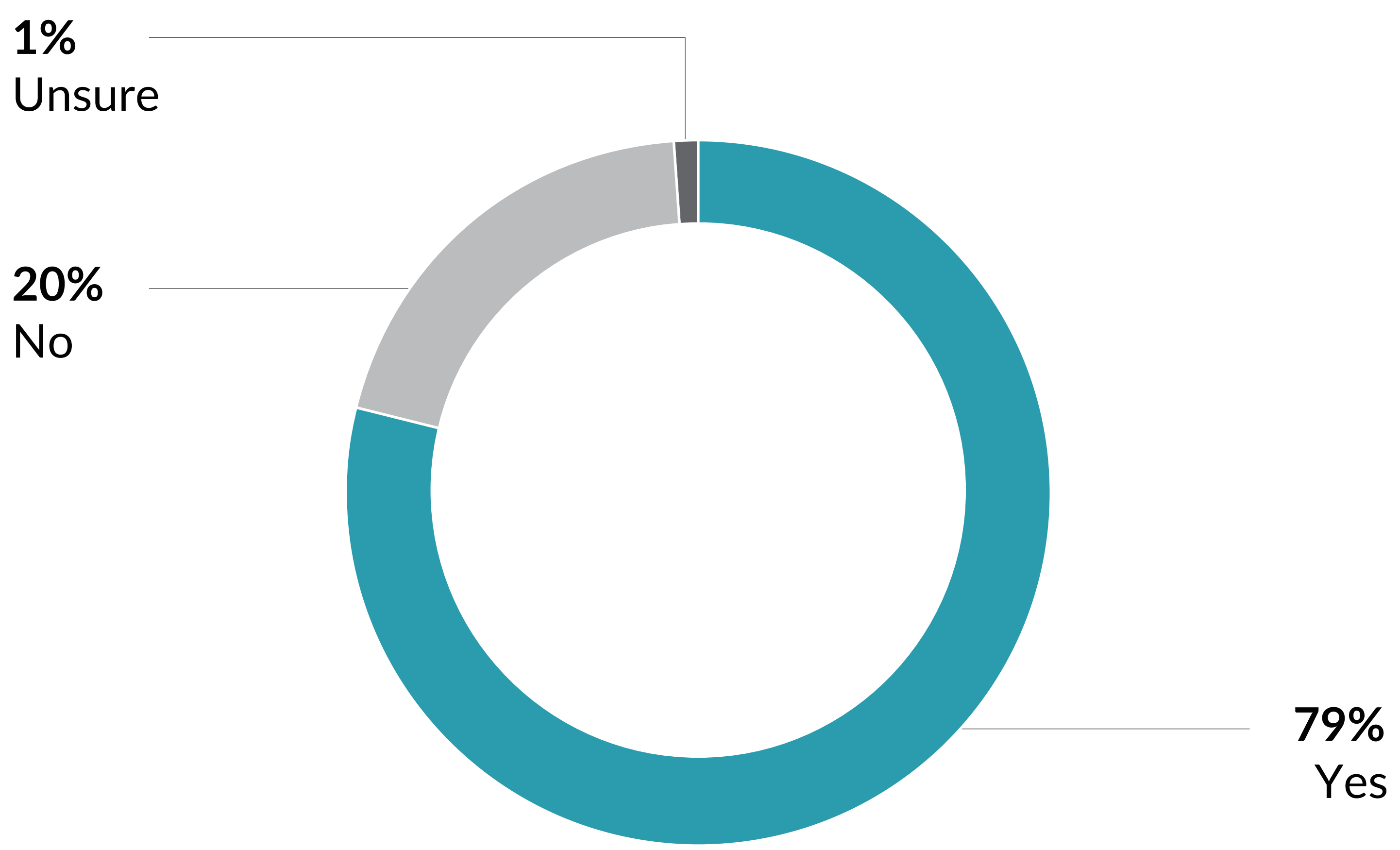
(Shown: CFO/VP Finance responses)

We are researching, procuring and implementing technologies and automation to handle high-volume and repetitive tasks	46%
We are increasing internal programs to upskill/reskill our team	41%
We are increasing our overall recruitment strategy	40%
We are implementing flexible work arrangements or job share programs	40%
We are increasing our use of managed services providers	39%
We are increasing our use of contractors	34%

* Multiple responses permitted.

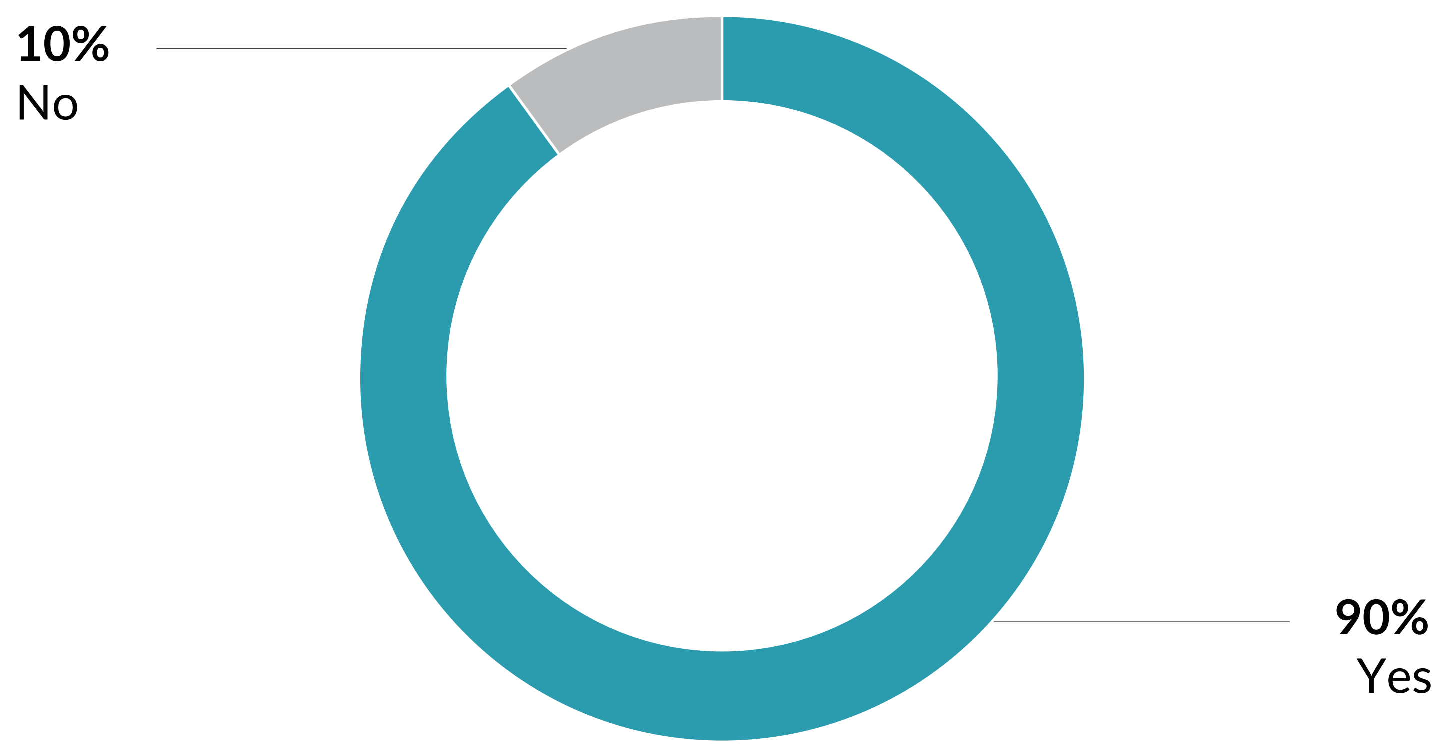
Does your finance organization have a formal and documented succession plan for key leaders and subject-matter experts?

(Shown: CFO/VP Finance responses)



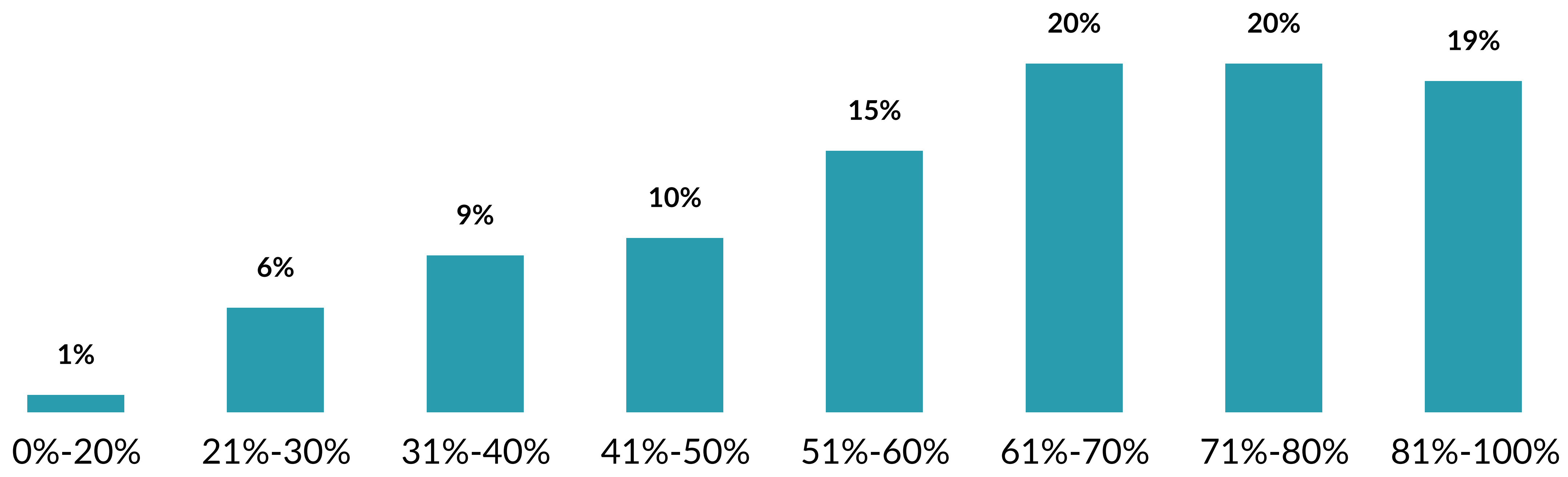
Does the finance organization's succession plan include formal development plans for potential successors?

(Shown: CFO/VP Finance respondents whose organization has a formal and documented succession plan for key leaders and subject-matter experts)



What percentage of your finance organization's team does your succession plan cover?

(Shown: CFO/VP Finance respondents whose organization has a formal and documented succession plan for key leaders and subject-matter experts)



Key action items for CFOs and finance leaders

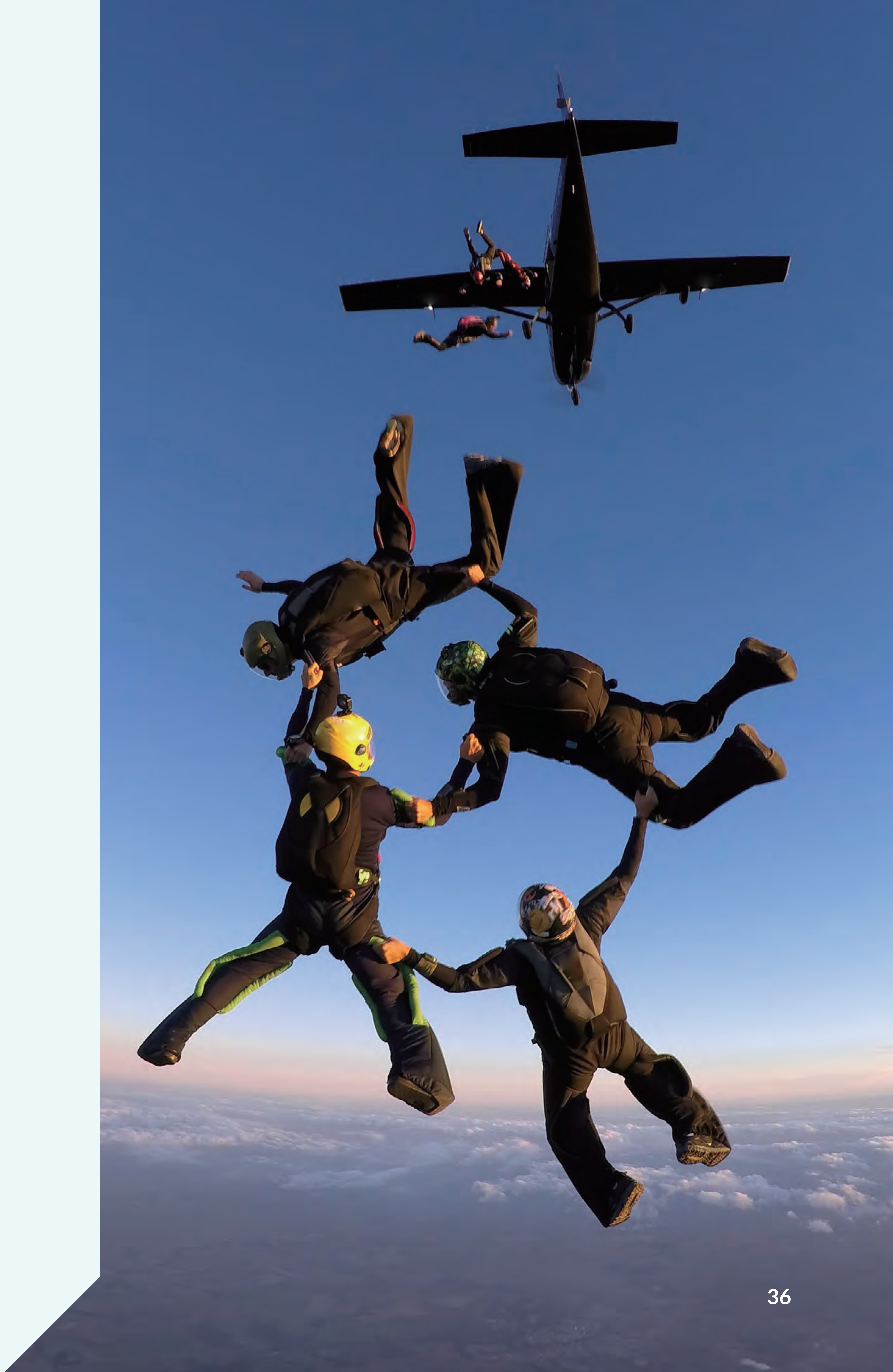
Institute a flexible labor model consisting of a diverse talent pool of full-time employees, contract and temporary workers, expert external consultants, and managed services and outsourcing providers, while investing more thought and effort in integrating contingent workers into the organizational culture.

Recognize that fundamental leadership approaches are changing as nontraditional management competencies, such as empowerment and empathy, become more valuable (especially with regard to fostering employee resilience and flexibility).

Evaluate the ways in which ESG, DEI and well-being factor into higher returns on investments in the employee experience.

Reevaluate the value of physical office locations, a high cost in most operating budgets, by assessing the true value the office provides to the company, its employees and its customers.

Seek ways to blend upskilling, reskilling and retention activities in the finance group.



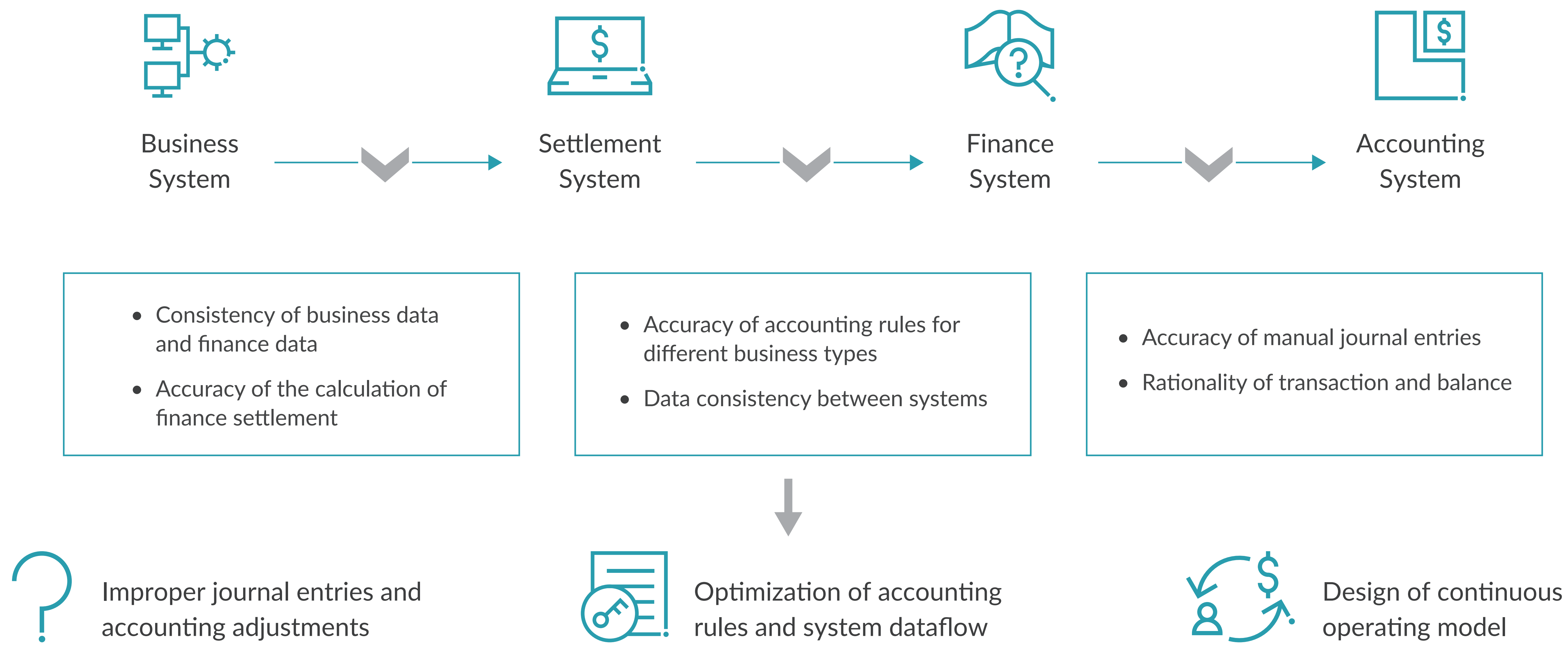
Protiviti Success Story #1: Managed Business Services – Account Reconciliation

PROJECT DESCRIPTION

Protiviti provided account reconciliation service for a multinational conglomerate. To verify the accuracy and completeness of each account, we sorted out accounting rules for different business types and verified the financial data flow and logic, as well as data mapping from business systems to accounting systems. Our Consulting team summarized accounting and system rules for over 300 business types and our Delivery team validated the system data as well as manual journey entries for the past years accordingly.

PROJECT ACHIEVEMENT

We identified root causes for all improper journal entries and suggested on the corresponding accounting adjustments to ensure the accuracy and completeness of transaction and balance of each account. Meanwhile, we optimized the rules of each account and summarized the methodology in form of SOP and digital tools to support the ongoing operation of the relevant processes.



Protiviti Success Story 2: Managed Business Services - Compliance Execution

PROJECT DESCRIPTION

The client is a global pharmaceutical company. The project was aimed to conduct live monitoring for the company's marketing and promotion events to ensure the authenticity and compliance of these events.

Given the company's compliance guidelines, the live monitoring focused on the execution of these events, including the contents and durations, the identity of the participants, and the reasonableness of the relevant costs.

PROJECT ACHIEVEMENTS

Hundreds of meetings have been monitored to assist the company's business and ethics department:

- To effectively strengthen meeting compliance execution
- To improve the compliance awareness of sales teams

Working Procedures

- Design live monitoring program and draft template of workpaper
- Perform live monitoring
- Follow up findings of observations and propose remediation actions
- Review and issue final live monitoring report
- Undertake customer needs and report live monitoring findings
- Provide necessary training and guidance

Deliverables

Work Products

- Monitor procedures, including process, checking points, finding follow-up, etc.
- Workpaper template, including manual template and auto questionnaires, etc.
- Monitor schedule, including time, resource arrangement and progress, etc.

Management Reports

- Monitoring report, including meeting findings and remediation actions, etc.
- Monthly summary, including monitoring results, finding summary, etc.

How we help CFOs and finance organizations

The roles of finance executives are dynamic and constantly evolving to keep pace with changing demands of internal and external stakeholders. Protiviti helps finance leaders address their current challenges and explore opportunities for continuous growth, deliver innovative solutions and support finance as a forward-thinking and strategic partner to the business. Our methodology focuses on aligning people, process and technology to drive efficiency and effectiveness, enabling and managing changes so as to create value for the entire organization.

Protiviti offers finance consulting services to empower the financial transformation for our clients, including:

Financial Process Optimization

- Agile Financial Closing
- Management Reporting
- Financial Process Acceleration

Financial Reporting and Compliance

- Financial Reconciliation and Restate
- Financial Policy
- Accounting Standards

Financial System and Technology

- Financial Data Architecture and System Implementation
- Financial Data Governance
- Automation and Intelligence

Performance Management

- Cost Efficiency and Optimization
- Analytics and Visualization
- Budget, Planning and Forecast

Financial Operation Model

- Financial Organization Structure
- Shared Service Center
- Outsourcing Advisory

Merger & Acquisition and IPO

- Post-merger Integration
- IPO Preparation

Managed Business Services

We provide a unique and flexible delivery model to help you address short-term skill gaps, deliver project results, and transform your organization by creating the right team that can scale up or down quickly and cost effectively to fit your needs

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, digital, legal, governance, risk and internal audit through our network of more than 85 offices in over 25 countries.

Named to the 2022 Fortune 100 Best Companies to Work For® list, Protiviti has served more than 80 percent of *Fortune* 100 and nearly 80 percent of *Fortune* 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.

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