Relevance gained- the #FutureReady CPA in Industry 4.0

Tom Hood, CPA, CITP, CGMA
CEO
Maryland Association of CPAs
Business Learning Institute

@tomhood #CPATheOne

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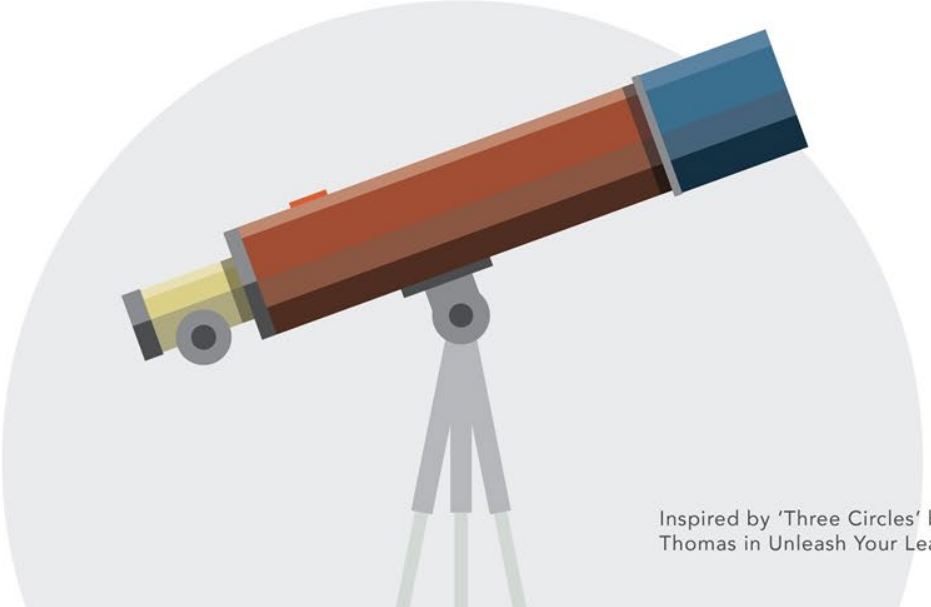
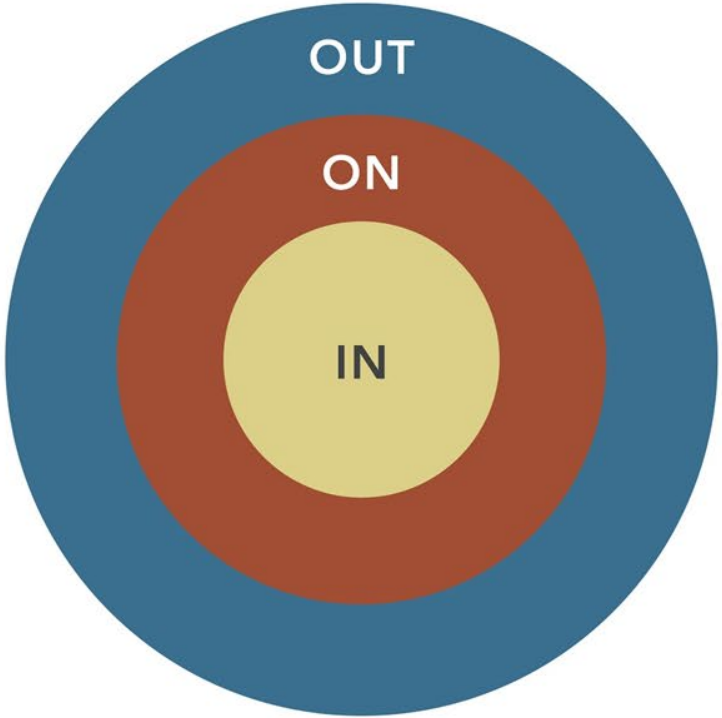
mise en place
"everything in its place"
relevance
possibility

HARD TRENDS
PROFITABILITY
EXPONENTIAL TECHNOLOGIES
FUTURE OF AUDIT
LEARNING
BIG DATA
PROJECT MANAGEMENT
CUSTOMER
BLOCKCHAIN
WORKFLOW
EXPERIENCE
DOING MORE
EMPLOYEE ENGAGEMENT
TALENT
RETENTION
NOT ENOUGH TIME
WITH LESS
COMPETITION
TRANSFORMATION
INNOVATION
SHIFTING MARKETS
ACCOUNTABILITY
NEW BUSINESS MODELS
REACTIVE VS PROACTIVE
CHANGING STANDARDS & REGULATIONS

THREE CIRCLES

Opportunity Scout





Inspired by 'Three Circles' by Emmanuel Gobillot and Katherine Thomas in Unleash Your Leader - How to Win In Business

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'**If** the rate of **change** on the outside exceeds the rate of **change** on the inside, the end is near.'

– Jack Welch

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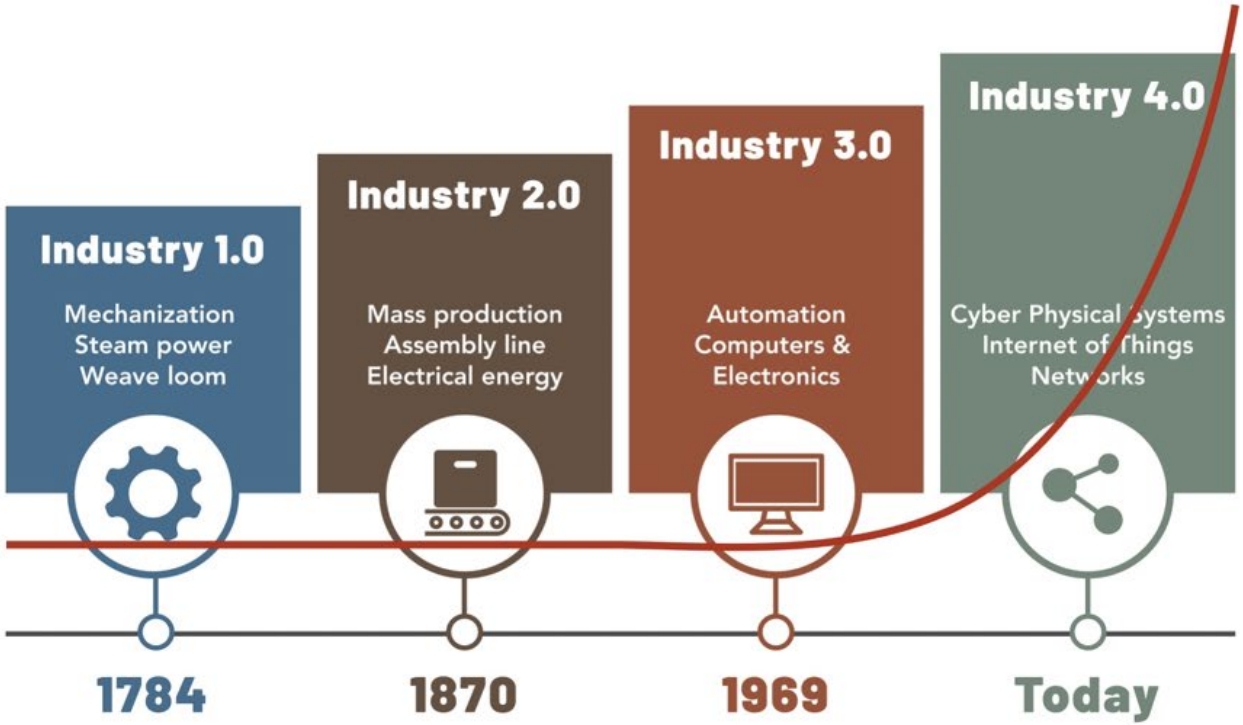
UNDER ARMOUR

Industrial Revolutions

Transforming Industries & Innovation



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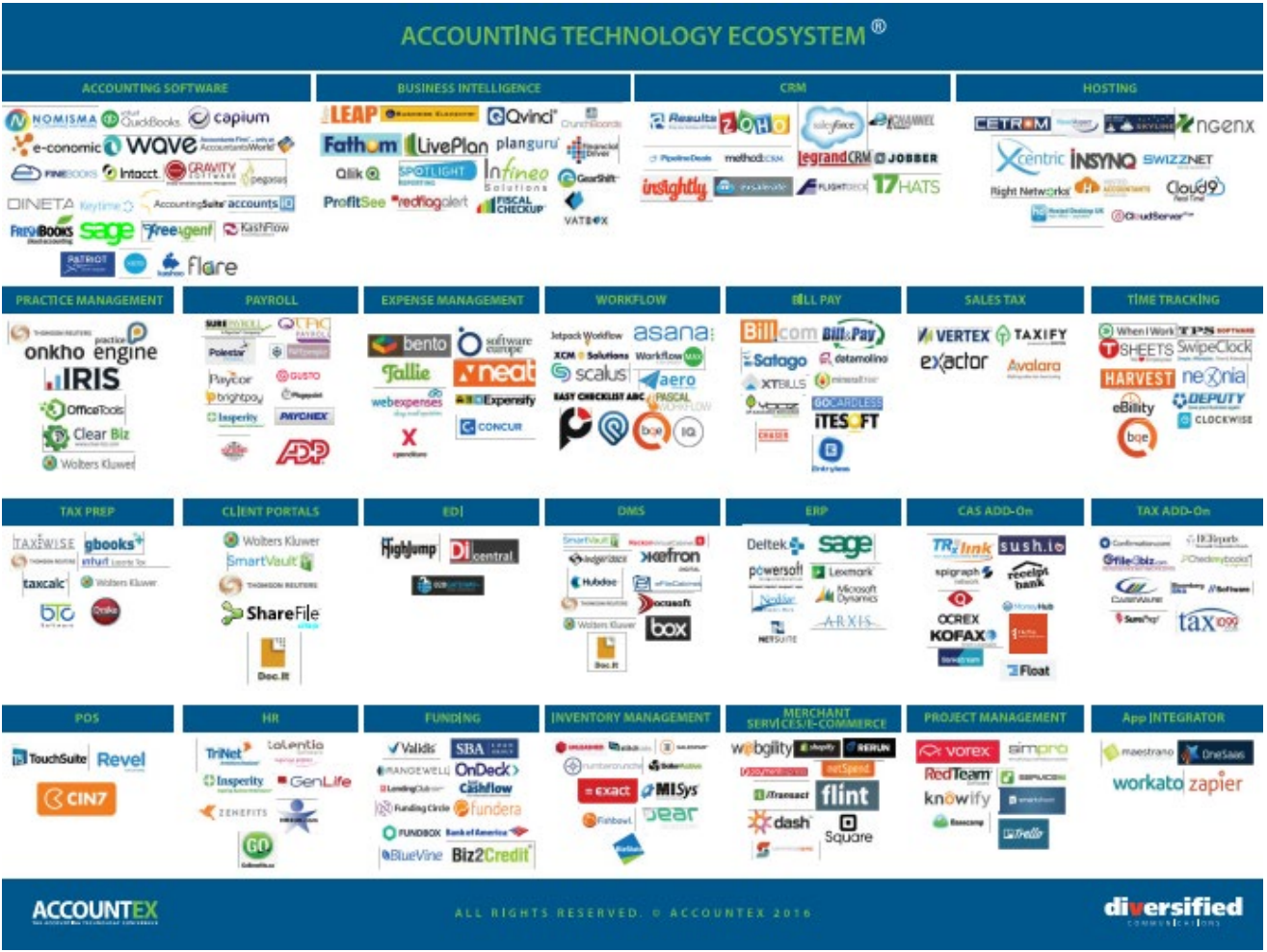
Top Challenges 5 T's

…two overarching concerns in the minds of the profession's leaders: **the impact of new technologies**, and accounting's **ability to adapt to the rapid pace of change.**

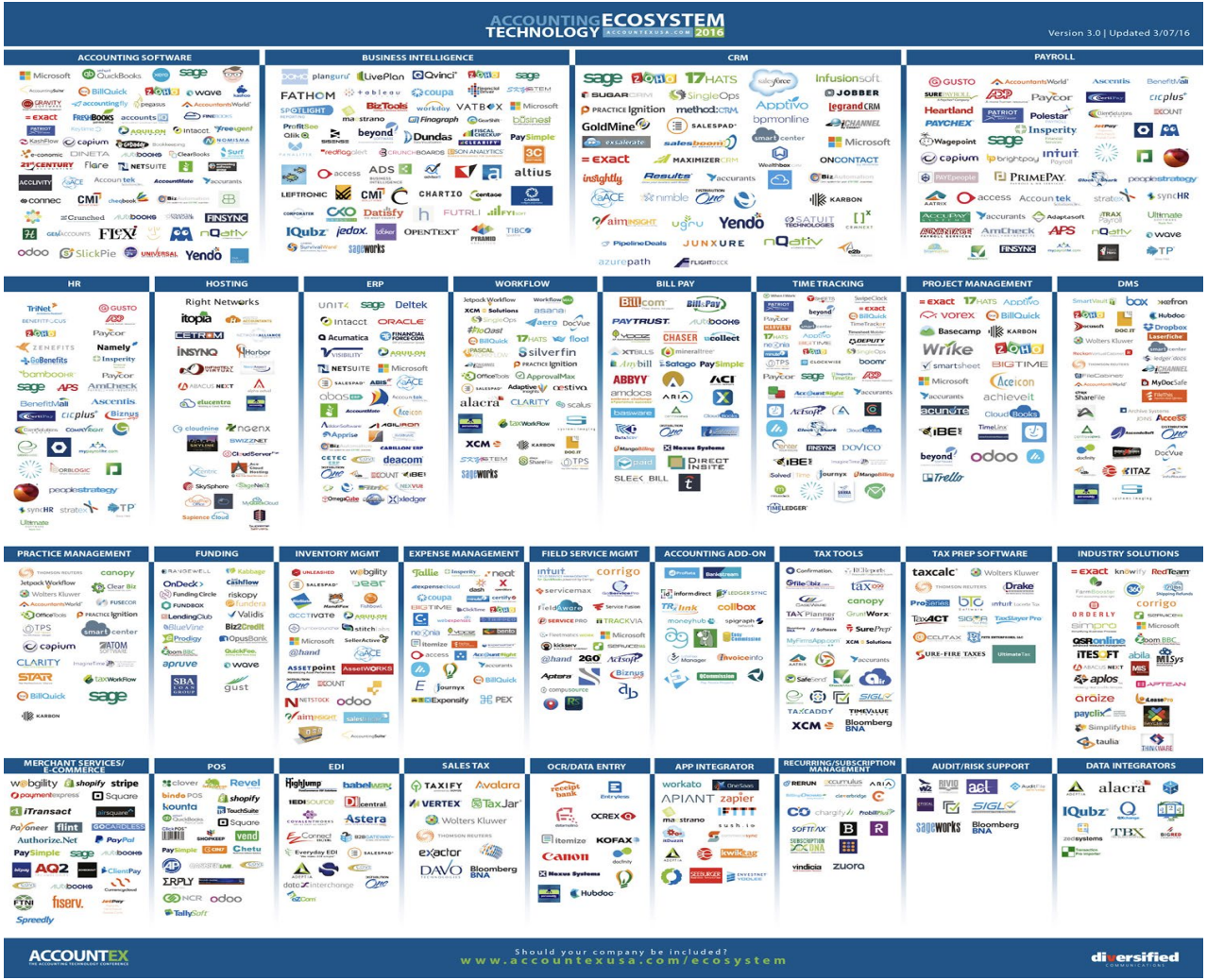
Source: Accounting Today Top 100 Most Influential People

1. Talent
2. Technology
3. Taxes, Regs, Standards
4. Time or lack thereof
5. Transformation



There is an explosion of software, tools and even categories of accounting and financial applications all taking advantage of the three hard trend accelerators of processing power, storage and bandwidth.

What can you do today that was impossible just a few years ago?



What can you do today that was impossible just a few years ago?

Or even just last year?

Exponential change in Accounting in just Eighteen months!

IBM Watson

KPMG

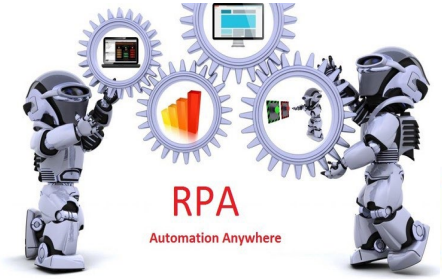
To

MindBridge

GARBELMAN WINSLOW

Certified Public Accountants

Benish • Deck • Grannell • Ewaski • Bowling



McCormick®

To

botkeeper

The Future of Bookkeeping

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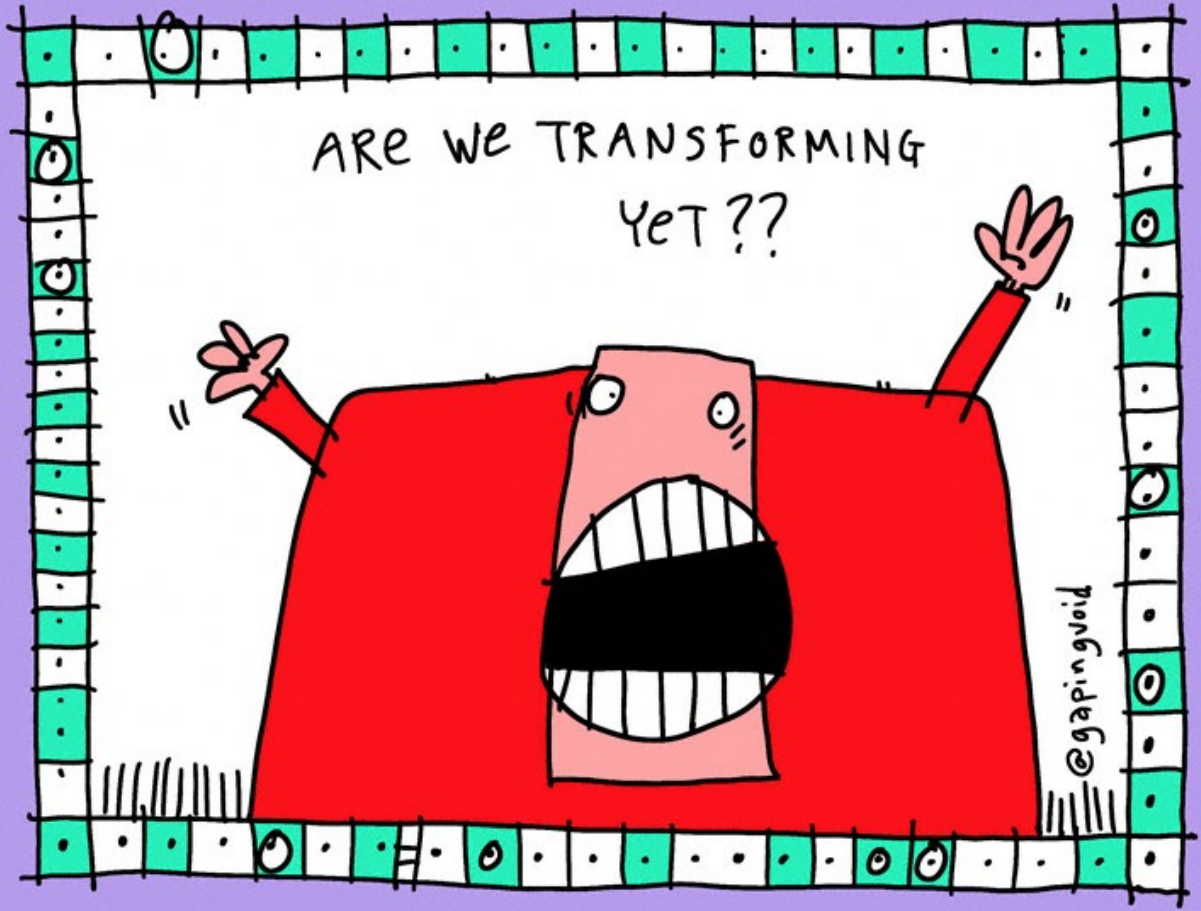
ARE WE TRANSFORMING
YET??
@gapingvoid

mise en place
"everything in its place"
1. Certainty
2. Capacity
3. Capabilities
4. Core Purpose & Values
5. Culture

Start with **Certainty** - FUTURE **FACTS**

where we know the future is going...

1. Exponential pace of technology innovation (A.I., Cloud, Big Data)
2. Increased complexity of regulations and standards
3. Increased automation of technical knowledge
4. Increasing shortage of talent
5. Clients/Companies demanding insights because of disruption
6. Proactive, anticipatory skills in demand
7. Increasing outside competition
8. Strong culture required to innovate fast enough
9. Trust, relationships and uniquely human skills in increasing demand

Based on our work with Top 500 CPA Firms based on hard trends

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Top Technology Trends Impacting the Profession in Next Three Years

1. Artificial intelligence, machine learning, and cognitive computing in audit and tax
2. Big Data and high-speed data analytics
3. Adaptive and predictive cybersecurity
4. Virtualization and automation of processes and services (RPA)
5. Mobile apps for business process innovation
6. Blockchains and cryptocurrency
7. Advanced cloud computing
8. Smarter smartphones and tablets drive mobile process automation
9. Virtualization of desktops, storage, applications, and networking
10. Social business applications

Source: 2018 Top technology Trends – Burrus Research
BLI-MACPA Research over one thousand finance and accounting professionals globally

2. Create Capacity - Automate current operations & workflow automation

People - Strengths, Engagement, Purpose

Operational Excellence:
Workflow & Process (e.g. XCM)

Technology

a. Cloud
b. Data Analytics & Visualisation
c. Robotic Process Automation (RPA)

Note: Do not make processes reflect old work patterns, design for new software capabilities

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3. Capabilities - Upskill your team with #FutureReady skills

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"Clients [and companies] are no longer looking for just a rearview mirror view, but the view through the windshield on where we are going and how to navigate the risks, opportunities, changing regulations, and globalization."

– Chris Stansbury
CFO, Arrow Electronics

The T Shaped Professional

BOUNDARY CROSSING COMPETENCIES

WIDE

- Leadership
- Anticipating & Serving Evolving Needs
- Strategic & Critical Thinking/Synthesizing Intelligence to Insight
- Communication
- Integration & Collaboration

DEEP

- Technical & Functional Knowledge & Expertise
- Tech-savvy & Data Analytics

Empathy, Trust & Relationships

Our (BLI) Research on skills needed for Finance/Accounting Professionals took CPA Horizons 2025 and validated against World Economic Forum, Institute for the Future, Age of Second Machine (MIT).

Core Competencies

A unique combination of human skills, knowledge and technology that provides value and results to the user. Enhancing our Core Competencies is key to sustaining a competitive and differential advantage in the marketplace.

- Communications Skills
- Leadership Skills
- Critical-Thinking and Problem-Solving Skills
- Anticipating and Serving Evolving Needs
- Synthesizing Intelligence to Insight
- Integration and Collaboration

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#FutureReady Competencies - Foundation

"Everyone keeps telling accountants that they need to change their focus from the historic and the backward-looking, and to start being proactive and offering future-focused advice – **but no one tells them how.**

The beauty of the Anticipatory Organization program is that it actually gives you **a set of tools to harness the hard trends that are shaping the future,** and use them to create new value for your firm and your clients." - Daniel Hood, Editor-in-Chief, Accounting Today

Elevate & accelerate your firm's culture and build the skills needed for the future http://www.blionline.org/ao

Process Step	**Common Leadership Competencies**
Know What's Next	Strategic Thinking External Awareness Vision Continuous Learning
Develop Opportunities	Innovation Creativity Problem Solving Prioritization
Shape the Future	Business Acumen Decisiveness
Accelerate Success	Influencing / Persuading Emotional Intelligence Consensus Building Collaboration

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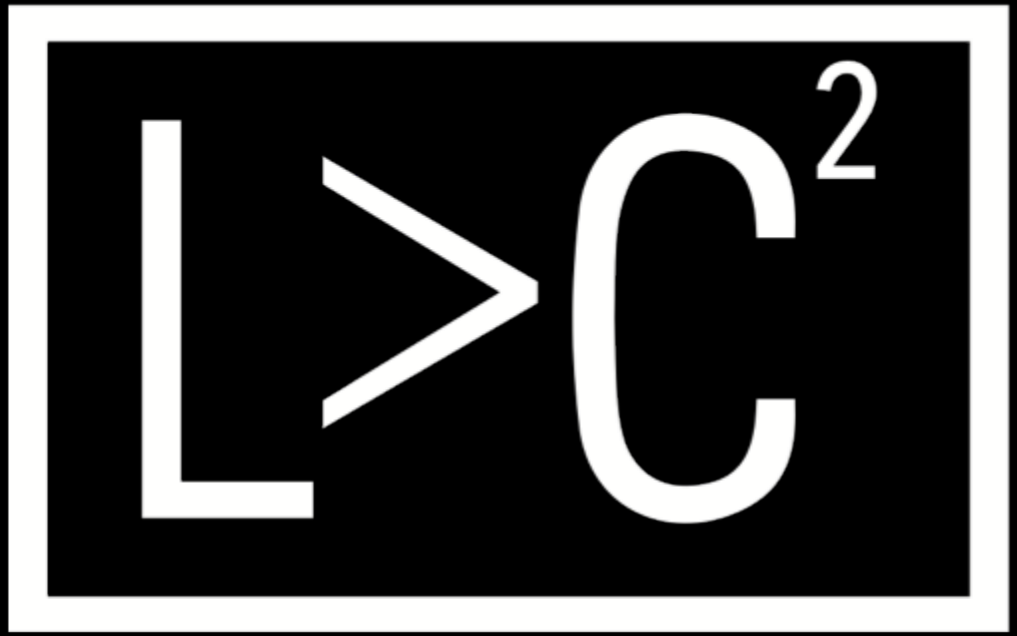
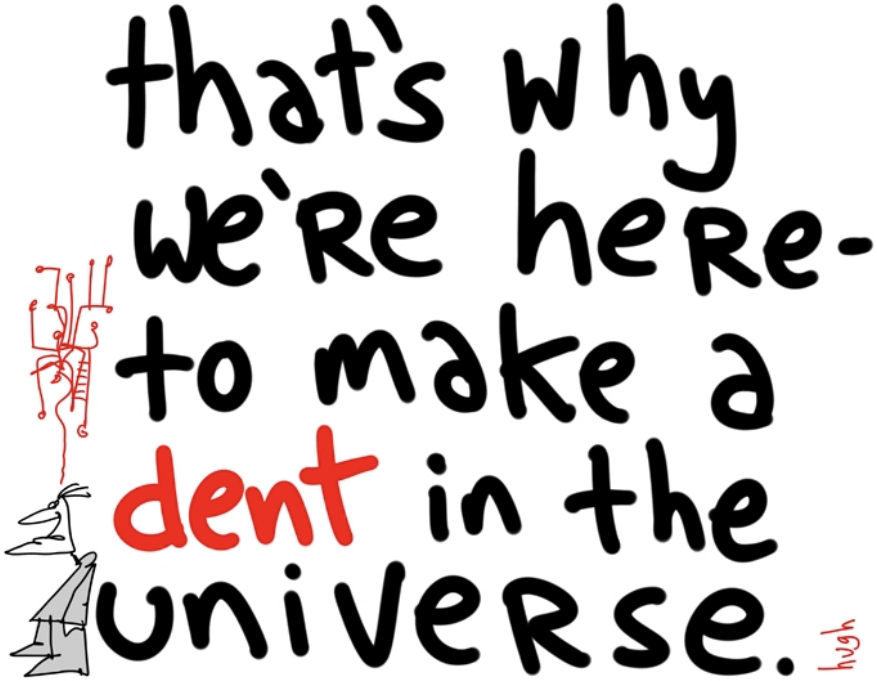


In a period of rapid change and increasing complexity, the winners are going to be the people who can **LEARN** faster than the rate of **CHANGE** and faster than their **COMPETITION**.

Tom Hood, CPA, CITP, CGMA

4. Core Purpose & Values



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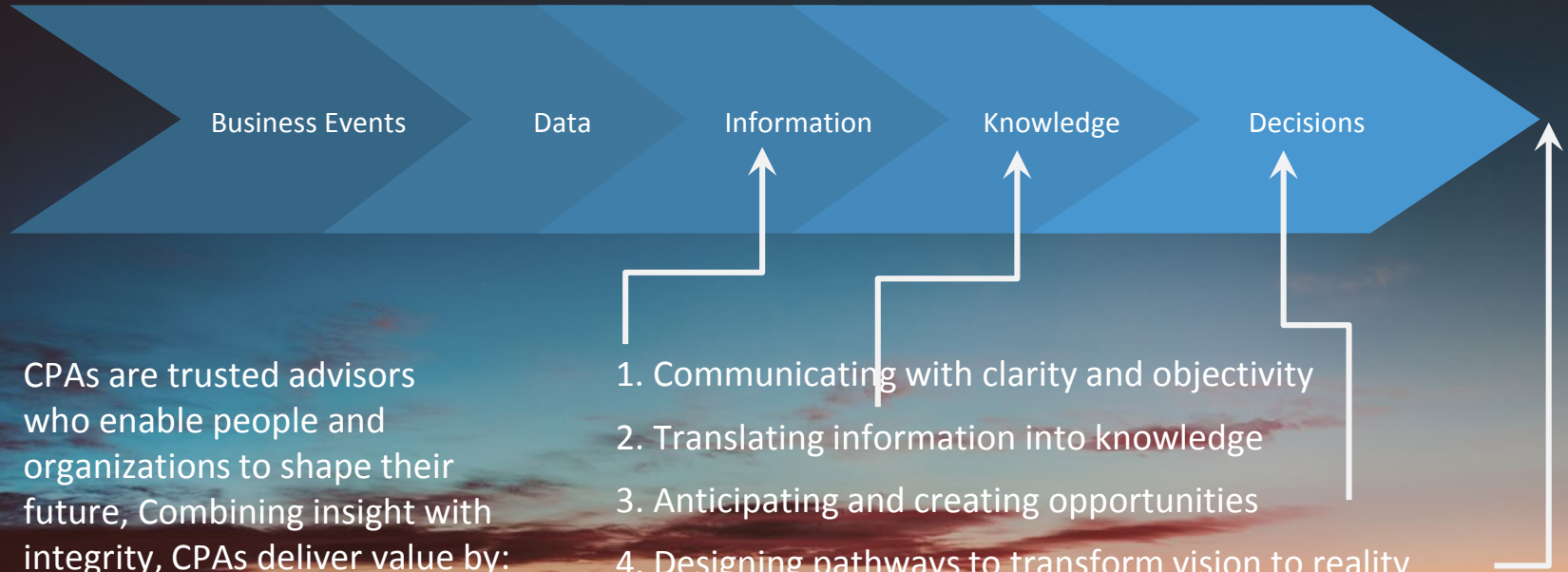
CPA HORIZONS 2025

ENVISIONED FUTURE 2025



CPAs are trusted advisors who enable people and organizations to shape their future, Combining insight with integrity, CPAs deliver value by:

1. Communicating with clarity and objectivity
2. Translating information into knowledge
3. Anticipating and creating opportunities
4. Designing pathways to transform vision to reality

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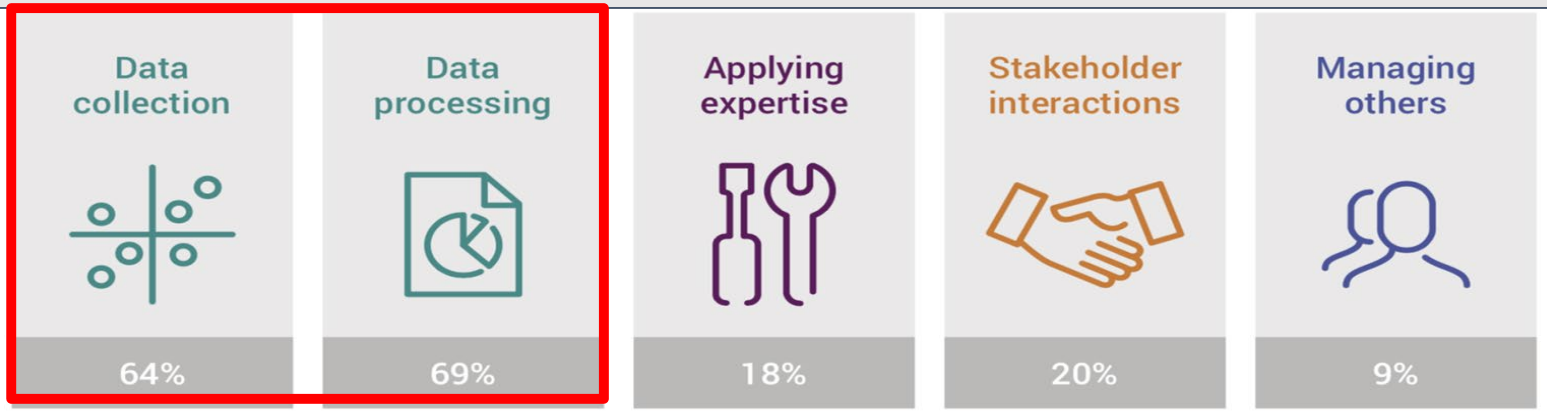
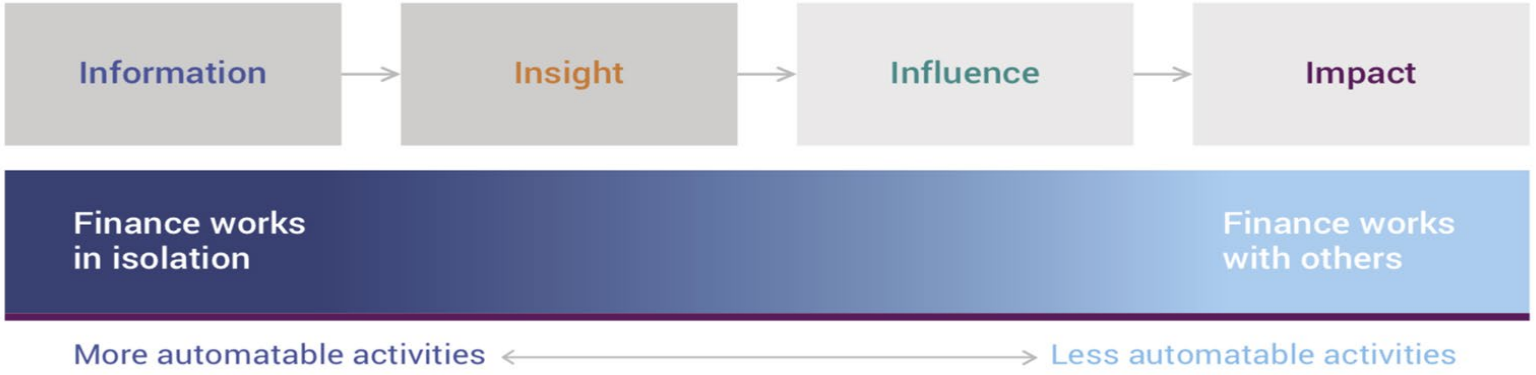
The Potential for Automation of Activities in Finance & Accounting



Estimates of extent to which different types of roles could be automated; Source: McKinsey



Source: CGMA - Changing Technology & Finance

CPA HORIZONS 2025

CORE PURPOSE & VALUES

CPA VISION CORE PURPOSE

CPAs: Making sense of a changing and complex world

CORE VALUES

The essential and enduring beliefs that we uphold over time. Core values enable us to retain our unique character and value as we embrace the changing dynamics of a global economy.

- Integrity
- Competence
- Lifelong Learning
- Objectivity
- Commitment to Excellence
- Relevance in the Global Marketplace

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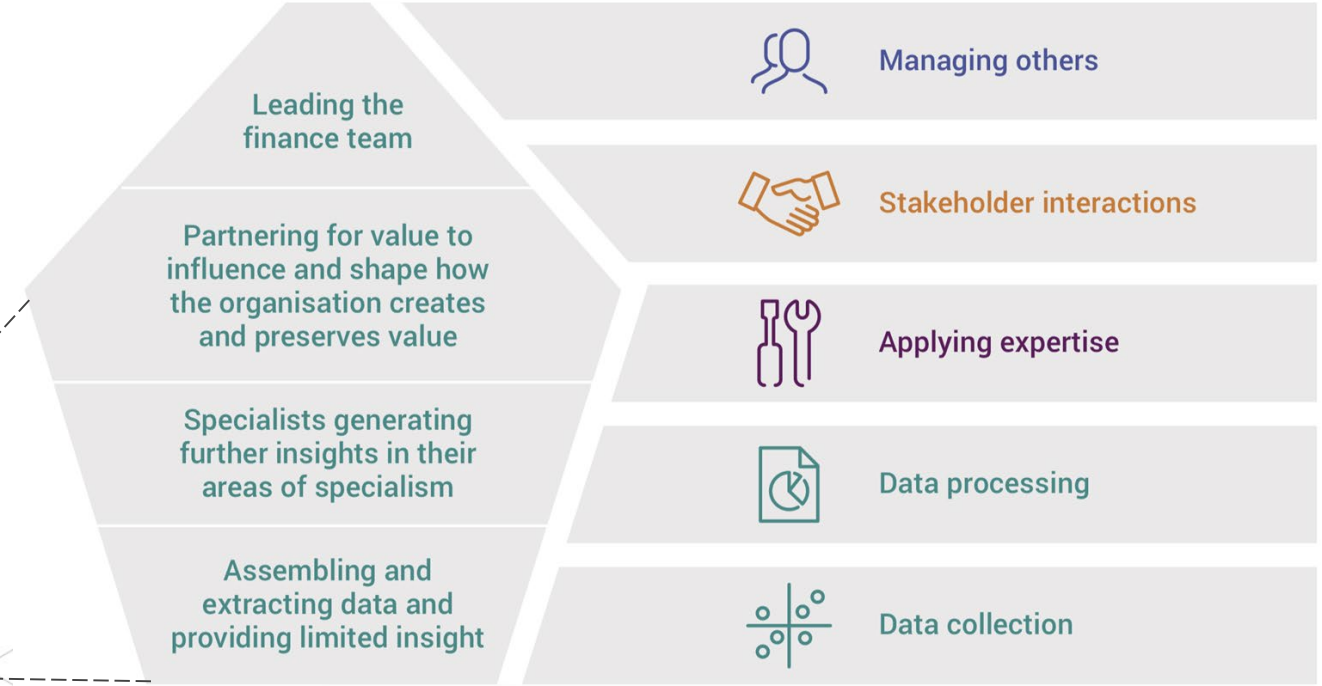
Finance & Accounting Transformed

What the Future Firm & Finance Team structure will evolve into as you become digitally mature.

This follows the same pattern we are seeing in public accounting firms where we are moving from the pyramid to the diamond.



Source: CGMA whitepaper The changing shape of the finance function

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5. Culture

Futureview & Mindset - EXERCISE # 5

1	2	3	4	5	6	7	8	9–10
Nothing has changed; we continue to do things as we always have			We are starting to transform by doing things differently based on what is possible today			We are constantly reshaping the way we do things based on what we know will happen in the future		

Where is your firm?

Where are you?

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CREATING THE **MAGNETIC FIRM**

Purpose Driven

- Vision, Purpose and Values-Based - Mutual Respect
- Focus on Strengths and Positivity
- Inclusive and Diverse
- High Performance - Insight to Action

Great Leadership

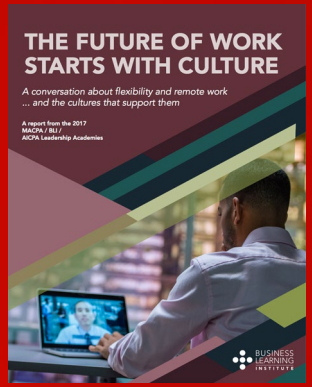
- Transparent and Inspirational Leadership
- Build Consensus, Commitment and Trust
- Leadership Development at All Levels
- Anticipatory and Proactive

Culture of Growth

- Learning Culture - Self and Formal Development
- Career & Growth Orientation – Career Paths
- Customer and Relationship Focused
- Collaborative and Team-Based

Inspiring Workplace

- Flexible and Open Work Environment
- Work/Life Integration
- Accountability, Coaching and Feedback
- Effective Technology Tools - Mobile



mise en place
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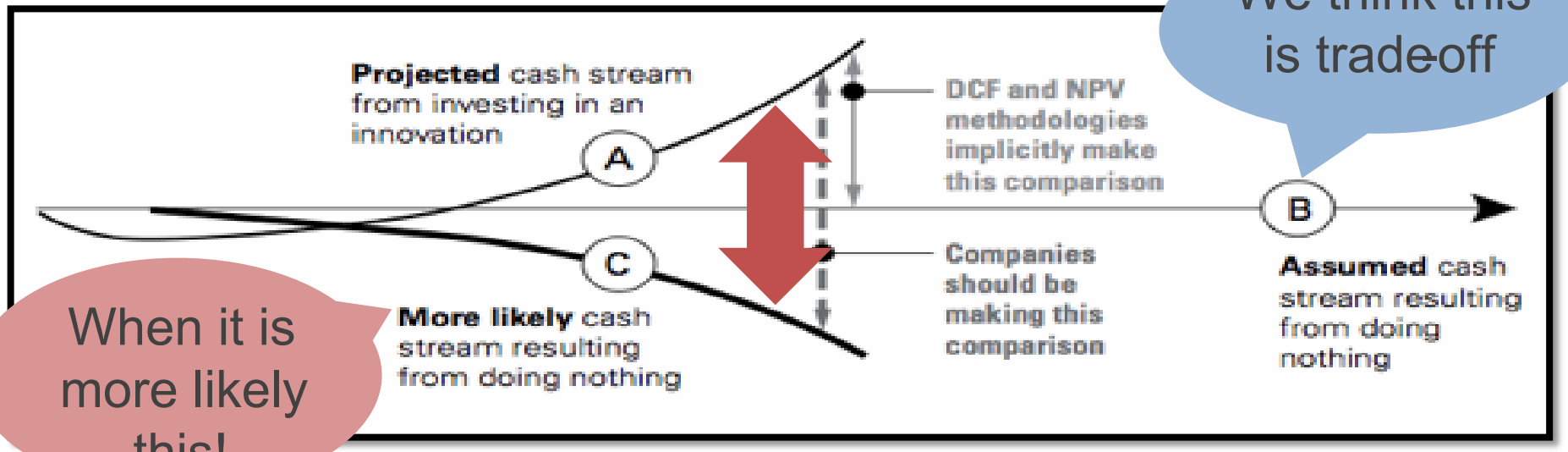
Disruption and RONI

The gap is widening, faster!



RONI = Risk of Not Investing

Source: Clayton Christensen, “Innovation Killers”

TO BE BUILT
TO LAST YOU
MUST BE BUILT TO
CHANGE.

Innovation and Adaptation = Growth

Tom Hood, CPA, CITP, CGMA

> If there is a conversation about the future of the profession, you're bound to hear Hood's name mentioned as one of the people leading the way.
>
> – Accounting Today

CEO

Maryland Association of CPAs (MACPA) macpa.org

Business Learning Institute (BLI) blionline.org

- CPA Practice Adviser Accounting Hall of Fame
- Named the Second Most Influential in Accounting by Accounting Today Magazine 2011-present
- Top 100 Influencer by LinkedIn (700,000+ followers)
- Member of the Forbes Finance Council
- Top 25 Influencers in Learning & HR by HR Examiner
- Top 25 Public Accounting Thought Leaders by CPA Practice Adviser

linkedin.com/in/tomhood

Resources to help you elevate and accelerate your finance team transformation

Our Business Learning Institute can help you in your firm transformation with developing the right future-focused strategy based on the hard trends of where we are certain the future is going. Our i2a: Insight to Action Strategic Planning Framework creates the vision for the future, creates buy-in from your team, and set actions to accomplish it.

Our FutureReady Curriculum can be customized to fit your firm with a wide selection of programs in multiple formats to build or enhance you current training and development needs.

Our flagship product - The Anticipatory Organization® :Accounting and FInance Edition can elevate and accelerate a #FutureReafy culture, create a common language, accelerate innovation, and build the foundation for value-added consulting skills.

Email us: learn@blionline.org Call 888-481-3500

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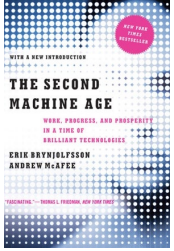

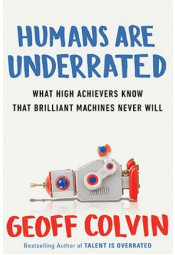

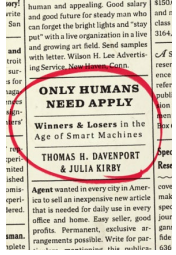

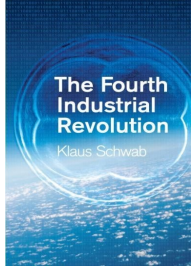

Finance and Accounting Professional's Competencies	Eric Brynjolfsson & Andrew McAfee	Geoff Colvin	Thomas Davenport and Julia Kirby	Klaus Schwab	Marina Gorbis	Jeanne Meister & Karie WIllyard
Leadership	Ideation	Lead & Inspire people	Social & emotional intelligence	Analytical thinking and innovation	Cross Cultural Competency	Globally focused & Cross cultural
Anticpating and Serving Evolving Needs	Creativity	Empathy	Novel & adaptive thinking	Active learning and learning strategies	Social Intelligence	Team Development
Critical Thinking and Problem Solving	Innovation	Build relatiionships	Sensemaking	Creativity, originality and initiative	Transdisciplinarity	Tech Savvy
Synthesizing Intelligence to Insight	Large frame pattern recognition (outside their frame)	Brainstorm (Ideation) Creativity / innoavtion	Moral and Ethical Reasoning	Technology design and programming	Novel and Adaptive Thinking	Collaborative mindset
Communications	Strategic Guidance vs Tactical Acuity	Collaborate		Critical thinking and analysis	Sensemaking	Future-Facing
Technology Savvy & Data Analytics	Complex communication			Complex problem-solving	New media literacy	
Integration & Collaboration				Leadership and social influence	Computational Thinking	
Functional & Domain Expertise				Emotional intelligence	Virtual Collaboration	
				Reasoning, problem-solving and ideation	Design mindset	
				Systems analysis and evaluation	Cognitive Load Management	

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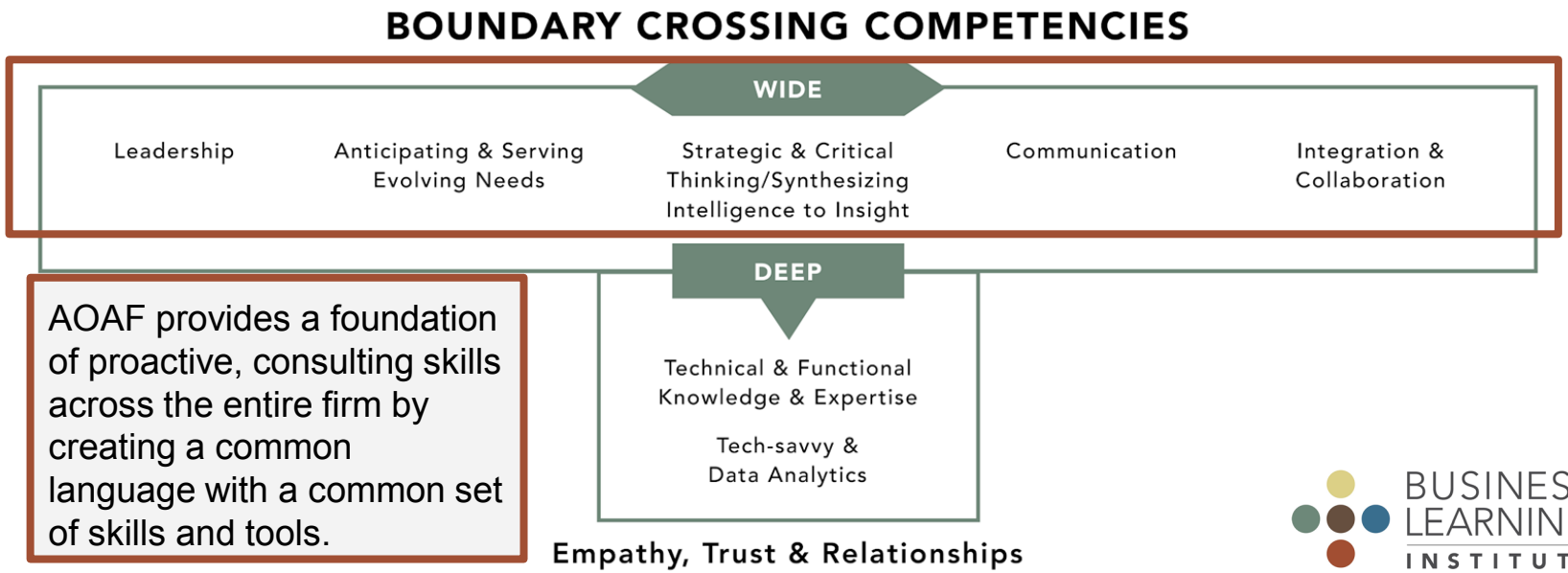
http://bit.ly/BLI-Future-Ready-Matrix

#FutureReady T-Shaped Professional

The skills CPAs, consultants and advisory services professionals will need in the future and the emergence of the T-shaped professional.



AOAF provides a foundation of proactive, consulting skills across the entire firm by creating a common language with a common set of skills and tools.

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THE ANTICIPATORY ORGANIZATION® MODEL
An Innovation and Transformation Accelerator

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Burrus Research

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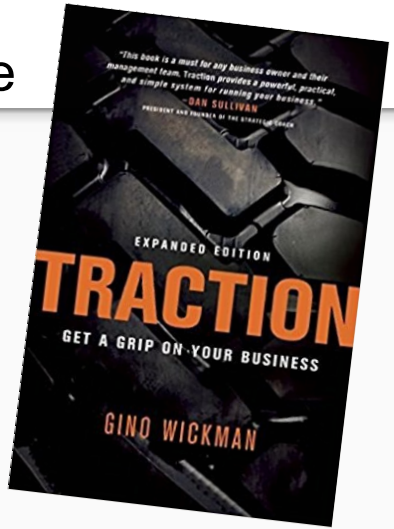
Execution Discipline

1. Ability to simplify
2. Ability to delegate and elevate
3. Ability to predict (anticipate)
4. Ability to systematize
5. Ability to structure



https://strategyx.blionline.org

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