Tech-Savvy CFO

The Impressive Changes Digital Businesses & Technology Are Making on Accounting
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Key Messages

- Demographic/Structural Changes are Upon the Profession Now
- Shift from Industrial to Digital Economy Will Challenge the Profession
- Valuation, Analytics and Big Data Just Some of the Concerns
- New Rules/Metrics/Processes Being Created Daily
- Virtually All Processes Must Be Re-Imagined
- Finance Must Modernize Now!
- Major To-Dos
### The Big Forces

<table>
<thead>
<tr>
<th>Macro</th>
<th>Profession</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Economy: from Industrial to Digital</td>
<td>- Record Retirements –</td>
</tr>
<tr>
<td>- Information Velocity: Curvilinear Acceleration</td>
<td>- Knowledge Transfer Issues</td>
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<td>- Information Volume: Curvilinear Growth</td>
<td>- Leadership Issues</td>
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<tr>
<td>- Businesses Short on Many Key Skills</td>
<td>- Modernization Wave Requires More Cosmopolitan Leaders</td>
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<tr>
<td></td>
<td>- Different Skills Needed for Professionals</td>
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</tbody>
</table>
But the profession looks good…

“The U.S. Bureau of Labor Statistics says that employment of accountants and auditors is expected to grow faster through 2018 than for all the occupations the bureau tracks. It adds that the best prospects are for those “who have a college degree and professional certification, especially a CPA.” CNNMoney.com, which ranks the “hottest” jobs based on “great pay and superior growth prospects” and “work that’s meaningful,” puts CPA as number 6 on its top-ten list.”


or does it?

Will robotics, process automation, AI, algorithms, Machine Learning, etc., fundamentally change the role and need of auditors?
Or does it?

- McKinsey believes as much as 45% of current jobs could be replaced using technology that already exists;
- Forrester claims 1 million US B2B sales jobs will go away by 2020;
- Gartner predicts one in three jobs will be converted to software, robots and smart machines by 2025;
- According to an Oxford University Study, about 47 percent of total US employment is at risk;
- Stephen Hawking warns us that AI would be the biggest - and possibly the last - event in human history;
- The Guardian (bless them) even highlights Scientist Moshe Vardi’s view that the oldest profession in the world is under threat of being robotized (interesting...).

Source: http://www.horsesforsources.com/jobs-wont-be-jobs-anymore_022016
So, what challenges will appear?

• Relevancy - A generation gap
• Awareness – the industry’s need to be more cosmopolitan will reach everyone
• Skills - The need to incorporate new technologies into the profession and education curricula
• Growing Demand – More regulation, new data types, more risk management, etc.
• Adaptability – changing business models, global financial standards, new digital metrics, new risk factors, new technologies, etc.
The Rocky Start of Change…

“Roughly 80% of large companies report they’ve seen an important strategic decision go haywire in the past three years because it was based on “flawed” data. Almost three-quarters (72%) say that delays in getting information to the right people have torpedoed “at least one” major effort in the same period.

There’s more. Just 27% of C-level executives think their company makes “highly effective” use of data, while about a third (32%) say access to mountains of information has actually “made things worse.”

Source: http://fortune.com/2016/02/05/why-big-data-isnt-paying-off-for-companies-yet/
The Change Challenge:

“Fewer than 10% of accounting firms nationwide have undertaken a CRM initiative.”
Source: “CRM in Accounting: The Tide Turns”, Customer Relationship Management, Danny Estrada, March 2016, pg. 48

10 Least Social Jobs
Which jobs are least likely to use social media for business?

Least Social Job: Records Management
Records Management personnel are the least connected, according to our report. Other job functions not likely to be using social media include Treasurer, Board Member, Educator, Accounting, Food & Beverage, Payroll, Economist, Safety, and Environmental.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Job</th>
<th>NPSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Safety</td>
<td>10</td>
</tr>
<tr>
<td>9</td>
<td>Production</td>
<td>9</td>
</tr>
<tr>
<td>8</td>
<td>Environmental</td>
<td>8</td>
</tr>
<tr>
<td>7 (tie)</td>
<td>Economist</td>
<td>6</td>
</tr>
<tr>
<td>7 (tie)</td>
<td>Payroll</td>
<td>6</td>
</tr>
<tr>
<td>5 (tie)</td>
<td>Food &amp; Beverage</td>
<td>5</td>
</tr>
<tr>
<td>5 (tie)</td>
<td>Accounting</td>
<td>5</td>
</tr>
<tr>
<td>5 (tie)</td>
<td>Educator</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Board Member</td>
<td>4</td>
</tr>
<tr>
<td>1</td>
<td>Records Management</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: http://mwj.bulldogsolutions.com/content/article082011_social_industries
The Changing CFO Toolsets

• Spreadsheets
• Email
• Intranets
• On-Premises ERP/Financial Software
• Budget Tools
• Data Warehouses
• Industrial Age Methods/Metrics
The Changing CFO Toolsets

- Spreadsheets
- Email
- Intranets
- On-Premises ERP/Financial Software
- Budget Tools
- Data Warehouses
- Industrial Age Methods/Metrics

- Social Media
- Collaboration
- Analytics
- Big Data
- Cloud ERP/Financial Software
- Mobile Access
- New Metrics for Digital & Subscription Economies
The Digital Economy

From experiments, to add-ons, to pure-plays....
Not Fads

Cloud, Mobile, Social, et.al. – aren’t fads

Instead they:

Create the capability behind business model disruption

Create the data that powers machine learning, algorithms, analytics, etc.
Activity

Imagine you now work for a hot new all-digital firm that will out-gun Google soon

What would you measure?

How would you measure it?

How relevant would traditional measures be?
Wall Street’s Valuations of Modern Companies

Combined assets minus combined debts = $125 billion
Yet, combined market value of shares = $660 billion
Difference of $535 billion attributable to: search algorithms, patents, customer/user info, etc.

As of 8/6/2015, the combined market capitalization of these firms is approximately $743 billion USD (Source: Yahoo Finance)

Source: Wall Street Journal, 10/13/2014 “What is all that data worth?”
Value of Modern Information

“The Big Mystery: What’s Big Data Really Worth?
A Lack of Standards for Valuing Information Confounds Accountants, Economists

Supermarket chain Kroger collects a wealth of data from its 55 million customer loyalty-card members, but the data isn’t treated as an asset. report BAXTEY FOR THE WALL STREET JOURNAL.

“Corporate holdings of data and other “intangible assets,” such as patents, trademarks and copyrights, could be worth more than $8 trillion, according to Leonard Nakamura, an economist at the Federal Reserve Bank of Philadelphia. That’s roughly equivalent to the gross domestic product of Germany, France and Italy combined.”

Source: Wall Street Journal, 10/13/2014 “What is all that data worth?”
NEW YORK (AP) — Facebook is now bigger than Wal-Mart, at least when it comes to its value on the stock market.

The world's biggest online social network knocked the world's largest retailer out of the top 10 list of the highest-valued companies in the Standard & Poor's 500 index on Monday and the gap widened on Tuesday.

Facebook Inc. was valued at $238 billion at the close of trading Tuesday, according to FactSet. Its stock gained $3.14, or 3.7 percent, at $87.88.

Wal-Mart Stores Inc. was valued at $234 billion. Its stock dipped 22 cents to $72.57.

Source: Chicago Tribune, 6/24/2015
“Home-rental site Airbnb Inc. has given potential investors in a $1 billion funding effort an ambitious revenue forecast to justify a richer valuation than hotel giant Marriott International Inc.

Airbnb representatives in recent months told prospective investors the startup expects $850 million in revenue this year, according to people who viewed the projections. That would be more than triple the recorded revenue of $250 million in 2013…”

“Uber Technologies Inc. has closed a new round of funding valuing the five-year-old ride-hailing company at close to $51 billion, according to people familiar with the matter, equaling Facebook Inc.'s record for a private venture-backed startup.

Uber raised close to $1 billion in the round, one of the people said, bringing its total funding to more than $5 billion.”

Why are there 100 companies on this list?

Source: Fortune, The Unicorn List
Past Unicorn Valuations

Valuing a Business

Old School

• 8-10 years NPV of Income
• Asset Valuations
• Liquidation Value
• Income Capitalization
• Income Multiple
• Rules Of Thumb

New School

• Multiple based on CAGR and CAGR Decline Rate
• Billings Growth
• Improving Gross Margin/Operating Margin
• Others?
GAFAnomics for Google

What is the value of Google customers?

Customer base value: $218 Bn

How many customers does Google have?
1. NUMBER OF CUSTOMERS:
- Visitors: 1.42Bn
- Friends: 1.0Bn
- Customers: 0.3Bn

How does Google monetize them?
2. AVERAGE REVENUE PER USER (ARPU):
- Direct: $2.1
- Advertising: $40.5
- Platform: $1.9
- ARPU: $44.5

How long does Google retain them?
3. CUSTOMER RETENTION: 95% (Assumption)

Read this e-book:
http://www.slideshare.net/faberNovel/gafanomics

Source: FABERNOVEL, GAFAnomics, October 2014
Valuation Concerns at Heart of Recent Stock Volatility

Share Prices in $USD

- Google
- Amazon
- Apple
- Facebook
### Is Everyone Is Going Digital?

<table>
<thead>
<tr>
<th>Manufacturers</th>
<th>Retailers</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensors (Nest Thermostat)</td>
<td>POS (PayPal, Google Wallet)</td>
<td>Voice (Dragon, Siri)</td>
</tr>
<tr>
<td>Internet of Things</td>
<td>Commerce (PayPal, Google Wallet)</td>
<td>Transportation (Uber, Lyft)</td>
</tr>
<tr>
<td>3-D Printing/ Additive Manufacturing</td>
<td>Real-time Scheduling (Big Weather Data)</td>
<td></td>
</tr>
</tbody>
</table>

Consumers/Youth Aren’t the Only Digital Natives!
Even the workforce is adapting to the digital economy

Businesses are looking for a new kind of worker: the Digital Native

Where are the Digital Accountants?

Source: www.careerbuilder.com, 8/6/2015
or a total realignment of an existing one, often with a new model in mind. They then roll out new competencies, they take advantage of new developments to create a new need among customers, or give them a new and more compelling experience.

As CFOs, you have to be able to change course, and move more, yet without sacrificing so much that customers and investors become excited about who you are, those who can do this successfully will be among the leaders, not the laggards.

The following are seven key areas to playing an effective game.

Home your personnel strategy.

Have the psychological and mental propensities for turn around and change, and spot potential for significant developments, motivations, and additions to the external landscape.

Aim on contract, for this ability, but it can be learned and every instruction and over time.

Be a hoping Again.

Some companies are digital from their first breath. Others are legacy companies, their think about how to become digital is to all of its forms to provide some information about the consumer and meet and new and improved experiences. They cannot simply re brand their businesses for the transition can make a digital rebirth.

Company can be reborn digital if their leaders have the mindset for offense and the courage to nurture internal customer. Many, for example, is forging a rebirth, becoming an e-mail driven sales, sales, and more, and meeting the technology over the past five years to improve the end consumer experience.

Some retailers may manage to remain poorly liked and scarce, but they will be in the minority. For those who choose to take the shift, be decided. If you within a reborn digital plan will move swiftly to capture your peace, most profound sources

Have the mindset for offense.

The whole biggest moment of growth, the most needing some uppermedium opportunities and companies for an ever growing universe of today’s businesses, is the advancement of the problem-solving help called algorithms. Algorithms and the decisions engines they drive process enormous amounts of data, far beyond what a human can handle, at high speed. Companies that use these new nascent capabilities possess a huge advantage over those that don’t even those that have been highly successful in the past.

We can see the power of math in ascending healthcare, in industry as legacy as they come. As the Affordable Care Act did not erase search and statistical associations trends already under way, aggressive companies are seeking opportunities and software and algorithms to help shape the industry transformation rather than because untrained.

Don Richards has been a front line health, for example, investing talent and funds to build an infrastructure of algorithms, algorithms and software that interpret signals of patient over various departments and centroids the collection and analysis of patient data, to which nurses and other providers have instant access.

Still, remember that the consumer holds the key.

The most sophisticated data mining software won’t replace the waiting line for the customer and what can be easily written. The manner must still work in a positive and compelling narrative and emotional journey that can drive them from a hipster to the best algorithms. It is. Our fundamental role of math and statistics is to the technology that binds everything and turn it into a brilliant algorithm.

Our digital transformation and capability are designed in technology does not only matter. The consumer, for example, is not only the observer of the customer’s condition, is as a result, as those roles, and those roles, that focus on coding for doing. This is not a quest to position the consumer for staying relevant.
The Market is Moving Without The Accounting Profession

Innovation isn’t waiting for the Accounting profession to ‘anoint’ new metrics, methods, standards

Wall Street isn’t waiting either

Speed is key for the profession to remain relevant
Every process begins with Big Data

“Digital” causes waves of new data to be created and this causes ....
How Marketo Sees Things

CHAPTER THREE: DEFINING A LEAD MAPPING LEAD GENERATION STRATEGIES TO YOUR FUNNEL

The next step is to understand your lead’s buying journey. Revenue funnels may vary between companies, but we’ll use Marketo’s funnel to show how buyer intent and campaigns can be mapped to different stages.

At Marketo, we break our funnel up into three parts: Top-of-Funnel, Middle-of-Funnel, and Bottom-of-Funnel. (Note that a lead only enters our database after they cross the red dotted line.)

Top-of-Funnel (TOFU)
A person in this buying phase is at the beginning of your sales and marketing funnel. It’s someone who expressed your product or service interest in the past and is not necessarily ready to buy. Individuals in the TOFU stage also are primarily qualified through automated workflows.

We break the TOFU stage down into three sub-stages:

- **Aware**: This indicates awareness of your brand but does not necessarily mean they’ve engaged with your company or are buying from you. These contacts are potential buyers who are interested in what you have to offer.
- **Engaged**: We still move them into the TOFU stage unless they have a meaningful interaction with us. Engaged customers know they are in our system and they expect us to remain involved and communicate with them over time.
- **Targeted**: Once we’ve identified a lead as engaged, we use our lead scoring algorithm to find out whether they are a qualified potential buyer—which means they fit our demographic and behavioral profile.

What is your social reputation?
  PR presence?
Blog?
Thought leadership?
Currency of content?
Industry knowledge?
Collection of stars?
Etc.

What are you doing to enhance it?
Do you manage the changes in your social reputation month-to-month? What tools do you use?
Running Time Series over Social Sentiment

Measure brand quality changes over time

Measure rise/fall of competitor brand/quality over time

Measure overall changes in volume of mentions over time

Can social sentiment be a window into business viability?
Big Data can Improve Plans, Operational Results and Reduce Fraud

- Identify upsell opportunities
- Increase traffic
- Identify supply chain opportunities
- Identify best time to buy
- Use smart meter data to better time production
- Schedule repairs with minimal impact on production
- Identify parts before imminent failure
- Identify high risk drivers
- Minimize voluntary attrition
- Reduce workforce acquisition costs
- Optimize staffing

### Profit & Loss Statement

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Less Cost of Goods Sold</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>Less Expenses</td>
<td></td>
</tr>
<tr>
<td>Accounting and Legal Fees</td>
<td>$100,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>$300,000</td>
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<tr>
<td>Depreciation</td>
<td>$220,173</td>
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<tr>
<td>Electricity</td>
<td>$65,000</td>
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<tr>
<td>Fuel</td>
<td>$22,000</td>
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<tr>
<td>Insurance</td>
<td>$16,231</td>
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<tr>
<td>Interest and Bank Charges</td>
<td>$412</td>
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<tr>
<td>Postage</td>
<td>$877</td>
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<tr>
<td>Rent</td>
<td>$45,231</td>
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<tr>
<td>Repairs/Maintenance</td>
<td>$78,871</td>
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<tr>
<td>Training</td>
<td>$92,320</td>
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<tr>
<td>Wages and Salaries</td>
<td>$223,145</td>
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<tr>
<td>Other</td>
<td>$871,000</td>
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<tr>
<td>Less Total Expenses</td>
<td>$2,035,260</td>
</tr>
<tr>
<td>Equals Net Profit</td>
<td>$1,964,740</td>
</tr>
</tbody>
</table>
Planning in the Big Data Age

Sales/Revenue

- Check review sites to assess future demand
- Check social media to see what the product’s reputation is
- Use Machine Learning to validate CRM sales forecasts

Parts/Service Sales

- Access IoT and sensor data to see if MTBF estimates are correct
- Check social media to see if new product warranty claims or recall costs are possible

Product Costs
Payables in the Big Data Age

New Vendor Setup
Detect Potential Fraud
Audit every transaction

• Let Machine Learning interrogate new invoices, pre-map fields and learn to map 100% of future invoices automatically
• Let Machine Learning assess each invoice for potential fraud, score them and route to experts for review
• Everything matched automatically
• Vendor information vetted against big data

BUSINESS

Tweet: #BigData&Accounting
Other Social Sentiment Uses

NEW Social Sentiment and Technical Summary Score

During today's webinar, attendees will learn about two of Fidelity's newest research tool enhancements, Social Sentiment* and Recognia® Technical Analysis, and how you can start using them to help create or manage your investment portfolio.

▶ Register Now

Sources: Fidelity Investments email; Forbes, February 29, 2016, pg. 65
Big Data can also help identify fraud

Figure 6. Accounts payable visualization of free-text descriptions – identify potentially corrupt payments

Internet of Things

“There are expected to be 28 billion connected devices by 2020.”
Source: Fast Company, December 2014, pg. 72

“By 2020, an estimated 50 billion devices around the globe will be connected to the Internet.”
Source: Strategy + Business, Winter 2014, pg. 51

Potential economic impact by 2020: $2-14 trillion
1 in 6 firms to have an IoT product
¾ of firms to use IoT data to improve internal operations & services
Source: Strategy + Business, Winter 2014, pg. 52
It’s here.....

& it’s coming from everywhere

- Thermostats
- Watches
- Sensors
- Toothbrushes
- Automobiles
- Houses
- Smart Phones
- Kiosks
- Cameras
- Satellites
- Personal Fitness Equipment
- Social Media
- Televisions
- Search Engines
- Turbine Engines
- Printers
- Garage Doors
- Alarms
- Vending Machines
- Railcars
- GPS devices
- Online Videos
- Retailers
- Point of Sale Devices
- Wearable Technology
- Pets
- Credit Cards
- Banks
- Insurers
- Health Care Providers
- Diagnostic Tools
- ID badges
- Scanners
- On-Board Diagnostic Couplers
- Alternative Cabs
- Etc.

Tweet: #BigData&Accounting
"There are a few notorious examples out there. GPS navigation company TomTom collects billions of data points from their customers' two-way GPS systems, and resells consolidated (and anonymized) speed data to local highway authorities to help them plan roadway improvement and reduce congestion areas. Tire manufacturer Pirelli leverages data from the sensors that measure tire pressure and wear-and-tear on trucks, to provide monitoring of the drivers to both fleet managers and insurers."

Source: InfoWorld, 11/24/2014
Data Sources

55 million loyalty-card members shopping at 2,600 stores – data resold to vendors via joint-venture - $100 million business for Kroger

Source: http://www.wsj.com/articles/whats-all-that-data-worth-1413157156
But not all Big Data is Great Data…

- Consumers, marketers and accountants all have different perspectives re: data integrity
- Is close-enough ever good enough?
- How do firms weed out incorrect or misleading data?
- Difficult to discern honest feedback from snarky sarcasm or jokes

Source: http://www.mtv.com/shows/catfish/
The Big Mystery: What’s Big Data Really Worth?
A Lack of Standards for Valuing Information Confounds Accountants, Economists

Where to get the data will no longer be the issue…

… The issues will be:

Which data source to use

How to work with less precise data

How to deal with overwhelming volumes of data

What technologies can handle this (e.g., in-memory)
Not incremental but transformative change….

Reporting
What’s Wrong With Reporting Today

Not relevant to digitizing companies

Still tied to old processes and data sources

Incrementalism not re-invention

Lack of imagination

Shackled by non-existent constraints
Old Reporting Environments

Simple, but Dated, ERP Reporting

- Reliable
- Familiar
- Constant
- Historical
- Internal-only focus

ERP Transaction Data → Traditional Reports

More Complex, But Still Dated, ERP Reporting

- Static
- Limited
- Dated
- Rigid
- Financially-focused

ERP Transaction Data → Traditional Reports

ERP Transaction Data → Data Warehouse

Data Warehouse → Executive Dashboards

- More Graphical
- More Operational Content
- Historical Focus
- Internal-only focus
New Management Focus

BIG DATA

- Social Sentiment
- Weather Data
- IoT
- Sensor Data
- ERP Transaction Data

Internal Data

External Data

Pattern Recognition
Visualization
New Metrics

New, Always Evolving Insights
The reporting challenge only worsens….

- Every entity has its own systems & reporting tools
- Data often limited to internal information
- Usual content: historical accounting transactions
- Spreadsheet reliance: high
- Data often out-of-date
- No shared data model – many definitions for same term
- Very fragile environment
- Stuffing everything into a data warehouse might not help
… & It Gets Worse

Bank Software
• Forecasting
• ERM
• Spreadsheets
• Budgeting Software
• ERP software
• Hedging

ERP software
• Payroll
• Capital Projects
• Accts Payable
• Credit & Collections
• Accts Payable
• General Ledger

Accts Rec

Channel Data
• Integrated Supplier Data
• Internet of Things’ Data
• POS Data From Key Customers
• Big Data
• Third Party Data Bases
• Macro Economic Data
• Marketing Automation Pipeline Data
• E-Commerce Data
• Social Sentiment Data
• Internal Collaboration Content/Insights

Business Intelligence Tools
Planning Tools
Corporate Performance Management Tools
Reporting Tools

Cloud Analytics

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The Necessary Modernization

What Finance and Accounting must do….
Evolution of Accounting Technology

Data Requirements

- Modest
  - Custom 1st Gen Packages
  - Distributed Solutions

- Significant
  - In-memory DB
  - Blends Operational/Accounting/Big Data
  - No more sub-ledgers
  - Record speed
  - Unlimited Dimensions

Technology Generations Over Time

- Mainframe
  - Custom
  - 2nd Gen Packages
- Mini-Computer
  - Distributed Solutions
- Client Server
- Web-Enabled
- Cloud Accounting
  - Record speed
  - Unlimited Dimensions
83% of finance executives see $\frac{1}{2}$ of their transactions happening in the cloud within the next 4 years.

What kind of Employer are You Training for?

- Dysfunctional Firms
- Functionally Excellent Firms
- Process Excellent Firms
- Industry Leadership
- Transform Industry

- Excel spreadsheets
- Out-of-date: still using on-premises s/w, sub-ledgers, old software, old processes, etc.
- RDBMS
- Data Warehouse
- On-premises ERP

- Big Data
- Workflow management, exception handling & collaboration/communication tools
- Process automation, AI, Machine Learning
- Audit software
- Diagramming software
- Security software

- Cloud accounting/ERP
- Cloud Brokerage/Interfaces/integrations
- Tax research software
- BI/Analytics
- GRC

- RDBMS
- Data Warehouse
- On-premises ERP
### Challenges

**Educators**
- Expand technology skills re: Big Data
- Ethics of Big Data
- New vendor relationships needed
- Altered curricula
- Research into:
  - Big Data powered processes
  - New accounting technology
  - New metrics
  - Etc.

**Public Accountants**
- Expand technology skills re: Big Data
- Ethics of Big Data
- Acquire ancillary skills (e.g., machine learning)
- Re-examine Fraud liability issues when all transactions can be checked
- Re-examine business viability issue re: social sentiment
- Audit the Algorithms
- Working with imprecise data

**Corporate Accounting**
- Expand technology skills re: Big Data
- Ethics of Big Data
- Acquire ancillary skills to design processes to utilize Big Data
- Valuation of Big Data
- Data acquisition standards
- Develop new planning methods and data sources
- Fix the mess re: current systems
“Then last week I attended junior parents’ weekend at Notre Dame and sat through an information session for their Masters in accounting program. They asked how many parents in the audience were CPAs and then pointed out that the undergraduate accounting curriculum is the same today as it was 35 years ago. Think about how much more complex our world has become (Sarbanes Oxley, complex financial instruments – CDO, ABS, derivatives, etc.) and yet what is taught in our universities has not changed in decades. The pitch being made was that the Masters program focuses on those higher level functional skills combined with case studies and real world problem solving to round out the student’s skill set. They seemed to think that they have the secret sauce to make the transformation happen but I am not so sure.”

Source: Anne Kohler
http://blog.thempowergroup.com/2016/02/25/frustrated/
Sobering Thought

“People just don't like change. In a child development book I read years ago, the authors cautioned new parents to understand how little tolerance that children have for change. Children crave routine. If you're the parent who takes your child to its dance class every Tuesday, then notice how rattled your child gets when someone else has to take them to that class. In Finance, one only needs to remember that accountants are simply older children.”
Recapping the Issues

• How does the profession (re-)gain leadership in areas like Big Data, business valuation, valuation of intangibles, etc.?
• How does the profession become more cosmopolitan?
• How will the profession move at the speed of business/innovation today?
• What are the tools of the profession now, 5 years from now, etc.?
• Remediation of old financial/accounting systems will be job one for many practitioners (but it won’t be the end game!).
• What skills should be taught to accounting students now?
• What should accounting processes look like in a mobile, social and Big Data world?
Thanks!

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