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The role of tools and technology

12

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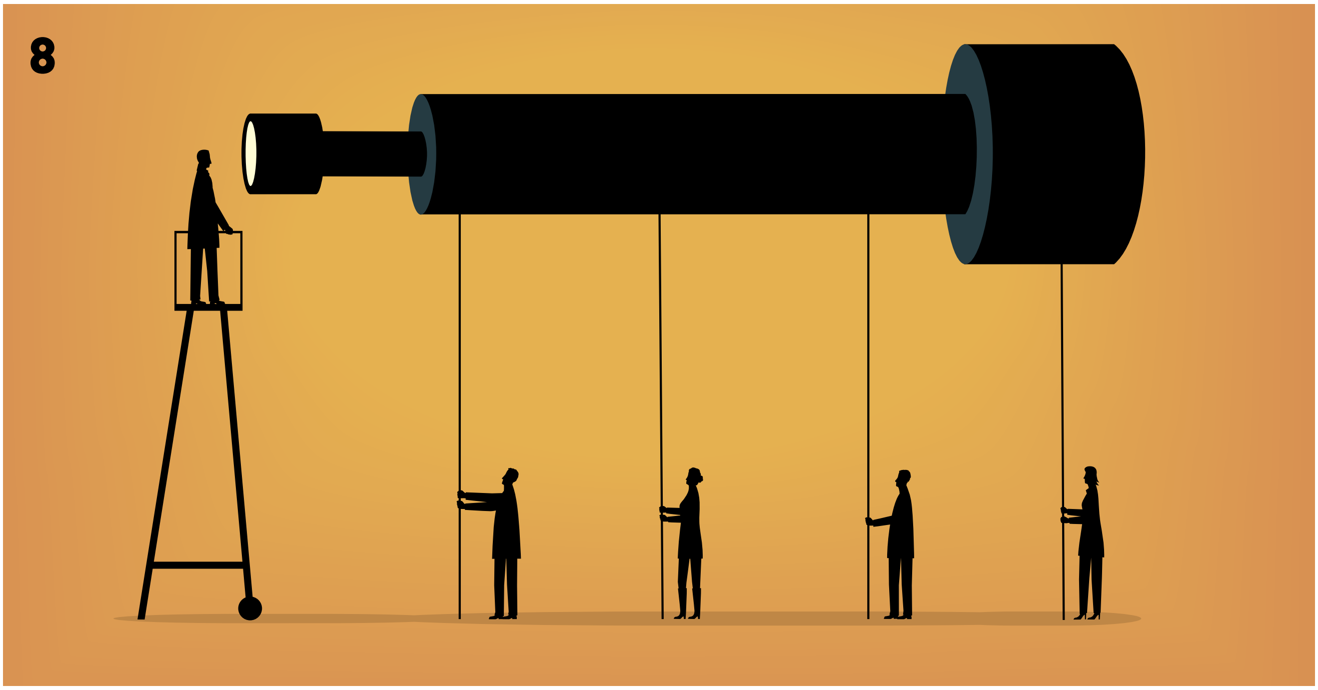

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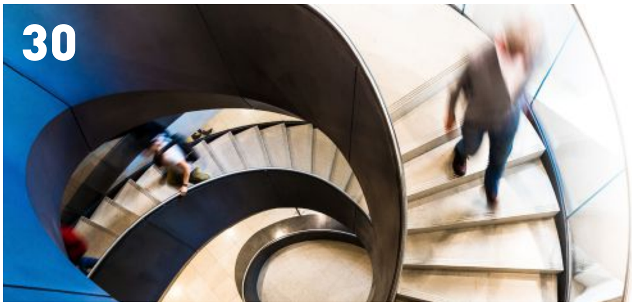

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MELANIE JANINE KANAKA, FCMA, CGMA

Why trust matters

'As the business world continues to rapidly evolve, the need for trust in our profession grows even stronger.'

As president of CIMA and co-chair of the Association of International Certified Professional Accountants, I feel it is a privilege to be part of and lead an organisation based on the four fundamentals of learning, ethics, trust, and professionalism. Since my election back in June, I have had the opportunity to meet with many of our members, students, employers, and stakeholders in Canada when I visited for CIMA Canada's 50th anniversary celebrations.

One thing that really struck me in many of these conversations was how far we have come as a profession, from focusing on cost management to transitioning to a key function that helps lead decision-making, foster business resilience, and create long-term value by being a valued, trusted partner. We didn't get here by accident.

Trusted business partners

Trust, built on ethics and integrity, is a fundamental reason that management accountants now sit at the heart of modern business strategy and transformation. As the business world continues to rapidly evolve, the need for trust in our profession grows even stronger, which is why I have made this a key part of my presidential platform, "Step forward and lean in".

In recent years, we have had to adapt to situations ranging from the global pandemic, a war in Ukraine to crippling of international supply chains, and an overall global economic downturn. Those with the CGMA designation have stepped forward and dealt with these events, proving the value of management accounting to a new generation of decision-makers and business leaders. We have been a stabilising force for our organisations.

I believe the strategic value of finance professionals increased during the pandemic. This increase is not a blip; I am convinced it is an indicator of the direction the profession is heading in an increasingly uncertain and complex world.

Data-led insights

As management accountants, we know how a business fits together, how internal systems and controls function, and where risks can be mitigated and opportunities explored. Our partners look to us to offer the data-led insights that fuel strategic decision-making and business solutions that foster innovation. This knowledge forms the basis of the value we add to our organisations.

Because of this we are valued and trusted by some of the best employers around the world. In an era where trust is undermined by uncertainty and misinformation, earning and retaining the CGMA designation gives finance professionals credibility.

Changing technologies and new ways of working continue to disrupt the world at a rapid speed, and businesses that don't adapt will be left behind. In this disrupted environment, we have the opportunity to bring our skills and focus on trust and ethics to the fore. Using the learning, development, and guidance resources available from AICPA & CIMA, we can keep ourselves at the leading edge of the business transformation process.

To sustain the place of the finance function as the heart of the decision-making process, we must continue — at every job and level, in every community and country — to uphold the highest ethical standards, guiding and directing the organisations we serve to do business responsibly.

The world is moving fast — and we can be certain there will be more radical change. We must, though, never lose sight of the core elements of our success: the trust that our business partners place in us because of our ethics, integrity, and commitment to learning. As we step forward together, I will remain resolutely committed to these fundamental values.

PHOTO BY DALE MARTIN

Risks of the status quo

By Andrew Harding, FCMA, CGMA

Many of us are already planning our business and strategic needs for 2023 and beyond. As we know, this type of strategic thinking is more than plotting the route to a destination. It's about evaluating our options along the way and working out why our chosen destination is the right one. For finance professionals, this means weighing the different risks and opportunities associated with different courses of action to inform strategic decision-making.

Now that sounds straightforward enough in theory. But in real life, things are not always so easy. Here's a situation that I'm sure most of us have encountered at work: You put a novel idea forward to your team, and it's met with some (or all) of the following responses: "It will never work", "That's not how we do things", "We can't take that risk".

Why does that happen?

Well, while we can often clearly explore the risks around different courses of action, we sometimes neglect to look at the risks associated with keeping the status quo. In other words, we try to make a decision without having all of the information, but we err on the side of caution. However, in a dynamic business world, the risks associated with inaction can often be greater than the risks that come with doing something new.

There are many famous examples of businesses that have successfully challenged the status quo. I'd like to focus on the work that CIMA has done over the past ten years.

The CGMA example

In the aftermath of the global financial crisis, we took the decision to partner with the AICPA to create the CGMA designation. CGMA was registered as a trademark around the world in 2011 and launched in January 2012. We wanted to create a designation to give our members a global career passport to help them stand out with employers, colleagues, and stakeholders. Many of you will remember that this looked like a risky proposition at the time.

Ten years is enough time to evaluate the merits of this decision. CIMA's CGMA Professional Qualification has long been seen as the global benchmark in testing management accounting competencies, and the CGMA designation is now the most widely held management accounting designation in the world. It clearly signals to employers and stakeholders across the world that you — as not just finance professionals but CGMA designation holders — have the technical skills, business acumen, ethics, and commitment needed to help your organisations succeed.

The action we took a decade ago to establish the CGMA designation has given members reputational protection and a unique identification in the marketplace, an important consideration, as we don't have proprietary control or legal ownership over the use of the ACMA and FCMA letters. I have no doubt that this was the right decision to make, and it gives us a great platform to build on in the future.

If organisations fail to assess the risks of the status quo, it doesn't mean that the risks won't materialise — it just means that they won't be prepared when they do. This type of strategic thinking, looking forwards as well as backwards and analysing the opportunities and risks of different pathways, is where we, as finance professionals, really add value to our organisations.

Andrew Harding, FCMA, CGMA, is chief executive–Management Accounting at the Association of International Certified Professional Accountants, representing AICPA & CIMA.

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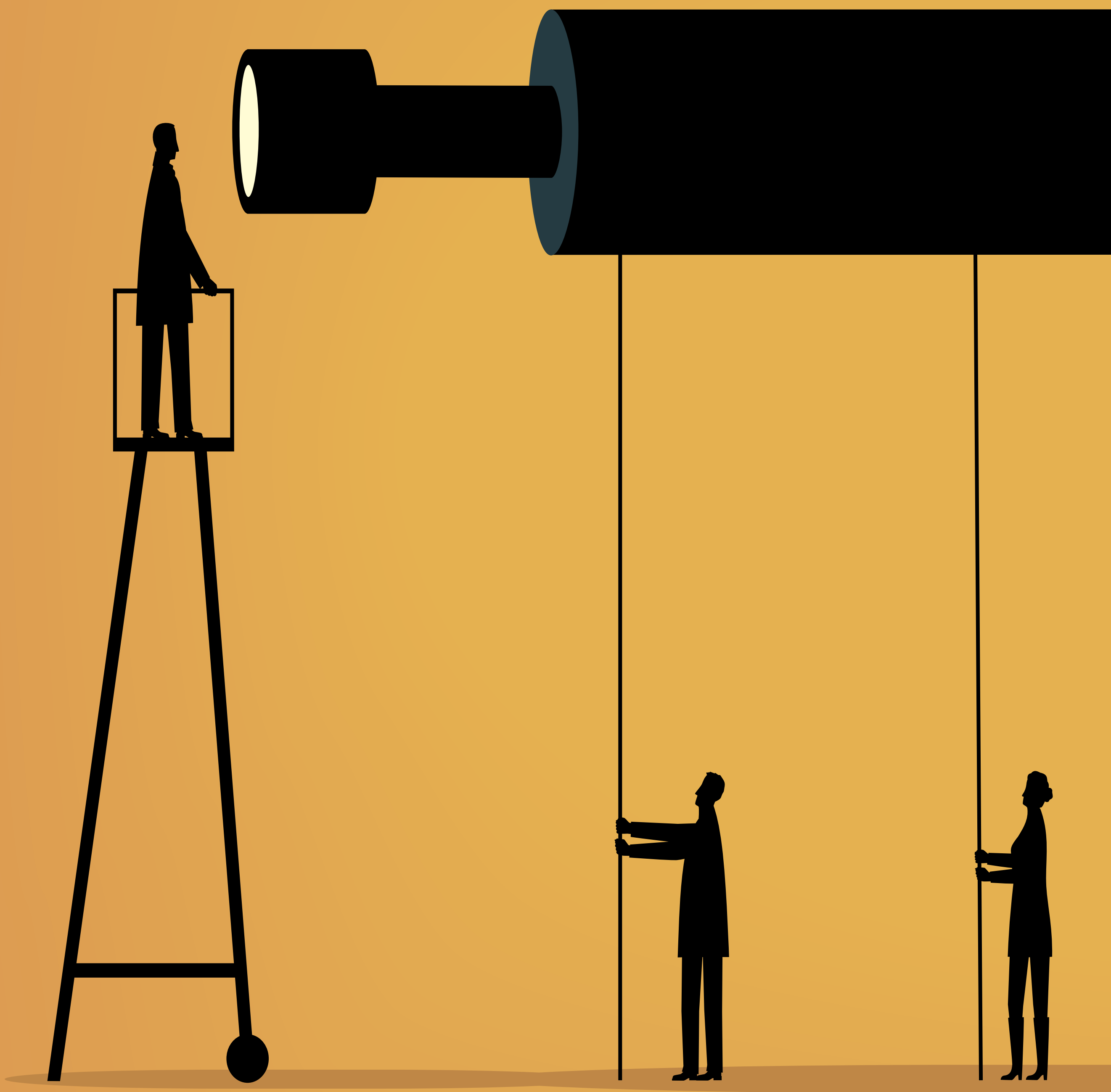
Improving forecasting for 2023 and beyond



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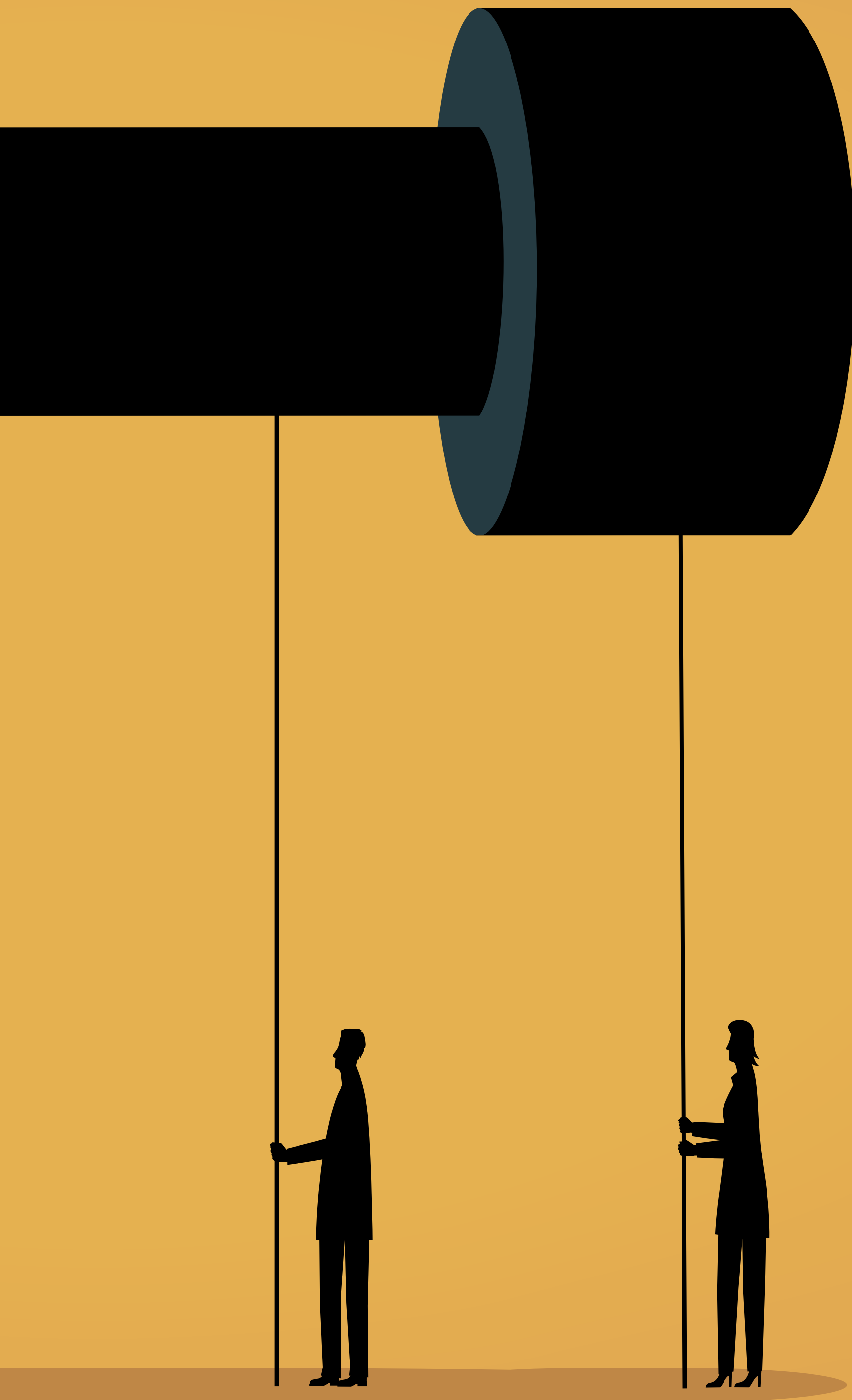


Traditional forecasting methods have been found lacking, so follow these steps to enhance quality — starting with alignment on the forecast's purpose.

By David A. J. Axson

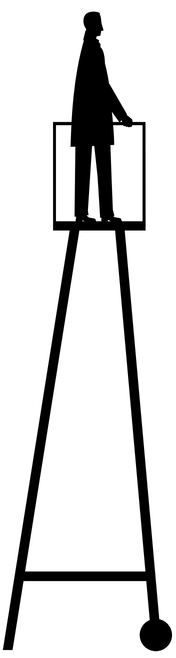
The last few years have seen unprecedented risk and volatility, making the task of forecasting financial performance fraught with uncertainty. The cumulative impact of COVID-19, global supply chain disruptions, war in Ukraine, and surging inflation has upended traditional methods for developing forecasts. Techniques such as trend analysis, variance to budget, and rolling forecasts have been found lacking at a time when insight into possible future performance has never been more important.

No industry or geography has been immune. In June 2022, US Treasury Secretary Janet Yellen admitted she was wrong to forecast that inflation would be a temporary blip. Oil prices surged from $65 to $120 a barrel between December 2021 and March 2022. The global rate of inflation more than doubled in the year to March 2022. Inventory levels in many

By adopting a rational, common-sense approach, we can have confidence that forecasts represent the best view of the future available at the time.

areas went from scarcity to excess in less than six months. *The Wall Street Journal* reported in June 2022 that US retailer Target was taking steps to cut prices to shift excess inventory. UK-listed companies issued 72 profit warnings during Q1 2022, the highest number in two years.

Developing credible forecasts of future financial performance is arguably a management accountant's most valuable forward-looking role. Managers use forecasts to develop strategies, decide on optimal resource allocations, communicate expectations to stakeholders, and set internal performance and compensation targets. It is disappointing that despite the massive investments in technology, data, and analytics in recent years, there has not been a commensurate improvement in forecast quality and accuracy.



There are many explanations — or possibly excuses — given for the inability to develop accurate forecasts. Most obvious is that the future is unknown. Excuses include unprecedented market conditions, faster or slower variations in key indicators, or changes in consumer behaviour. All sound reasonable, but they are not the only explanation for forecast failures. A number of other factors can negatively affect forecast accuracy:

- **Forecasting to budget:** Organisations spend significant time crafting very detailed budgets that often form the basis for setting compensation plans. Every period, variances to budget are reported and analysed. Managers are under pressure to take corrective action to ensure that the organisation will get "back on budget" later in the period. This can lead to an artificial manipulation of numbers in the forecast model to show a result that closes any variance to budget regardless of whether such manipulations are realistic or achievable.
- **Failure to understand the purpose of the forecast:** For a forecast to be useful it needs to be an objective view of what the organisation thinks the future will look like based upon the best information available at the time. Unfortunately, forecasts often show what we would like the future to look like rather than what we actually think it will look like. Budgets and plans can be aspirational, but forecasts need to be rational to be credible.
- **Management bias:** Frequently, rigorous forecasts are developed using the best available data and analysis, only for management to make some "top line" adjustments that are not supported by facts or analysis but serve to present the outcome management wants to see.
- **Ignoring risk and uncertainty:** The future cannot be forecasted with precision, so it's pointless to develop a forecast that provides a single view of the future. However, too many forecasts rely on a single set of assumptions that fail to address alternate scenarios and known risk factors.

As we look forward to 2023, it is prudent to review how we can improve forecasting to deliver an outcome that is fit for purpose. Here are six practical steps finance professionals can take to improve forecast quality:

Be clear on the purpose of the forecast

The starting point for improving forecast quality is to ensure alignment across the organisation on the purpose of the forecast. Ideally, the forecast should represent the organisation's best estimate of future performance based upon the best available data.

Eliminate bias

Leaders must emphasise that bias, subjectivity, and manipulation not based on rational assumptions are unacceptable. One of the most important tools is to decouple compensation from forecast (and budget).

Any time budget and forecast outcomes are directly tied to rewards, there is an incentive to try to game the system. Revenue-generating functions seek to negotiate the lowest possible number while expense-incurring functions try for the highest possible number.

This maximises the probability that the forecast number can be achieved or exceeded but does not provide a sound basis for making effective resource allocation decisions. For example, if sales negotiate a low target and then easily exceed it, there may not be adequate inventory to fulfil all the orders, as the production schedule was based on an artificially low forecast.

Measure forecast accuracy

When I served as head of corporate planning for a large global bank, I introduced a metric that looked at each business unit's forecast accuracy over an extended period of time. With the agreement of the CFO, this was added to the scorecard of each business that was provided to the CEO. The simple act of measuring forecast accuracy and holding each business accountable reduced forecast variances by more than 50%.

Explicitly address risk and uncertainty

Use sensitivity analysis and scenario planning to communicate the impact of uncertainty and variability on key variables. A leading Asian electronics company develops forecasts under different sets of assumptions around four key variables that can materially impact future financial performance: raw material price inflation, exchange rates, shipping costs, and competitor pricing. Over time they have been able to identify that almost 90% of forecast variances are driven by one of these four variables. By developing alternate forecast views under different assumptions for these four variables, management is equipped with valuable insight on the range of future financial outcomes under different circumstances.

Communicate confidence levels

Not all numbers in a forecast are created equal. Some numbers can be forecast with a high degree of confidence; for example, expenses that are quantified in long-term contracts. Others — and, unfortunately, they are often highly material items, such as sales — are very difficult to predict with a high degree of accuracy. A number of organisations communicate confidence levels in each element of the forecast so management understands the likely areas of uncertainty. This can be done in a number of ways: Use colour codes to indicate confidence, ie, green for high, red for low; or use ranges, with a wide range indicating lower confidence and a narrower range greater confidence.

Ditch a forecast that is no longer credible

Forecasts can be a valuable tool for guiding planning, investment, and execution. However, more valuable than strict adherence to a forecast is to be smart enough to (1) identify when a forecast is no longer valid and (2) agile enough to adapt your behaviour and actions.

Moving forward with confidence

Of course, we do not have a crystal ball, so forecast variances can never be fully eliminated. However, by adopting a rational, common-sense approach, we can have confidence that forecasts represent the best view of the future available at the time. If a different outcome manifests itself, we have a basis for isolating the drivers of the variance, identifying corrective actions, and building that meaning into future forecasts. As data availability expands, analytical tools advance, and experience increases, we will be able to develop forecasts more frequently, in shorter time frames, and with increased confidence. ■

David A. J. Axson is a consultant and author and a retired partner from Accenture, a co-founder of The Hackett Group, and former head of corporate planning at Bank of America. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.

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IMAGE BY HECTOR ROQUETA RIVERO/GETTY IMAGES

6 technology tips to enhance finance business partnering

Start with an overall goal, understand tech's capabilities, and benefit from collaborations that cloud-based tools allow.

By Andrew Kenney

About seven years ago, Raju Venkataraman, FCMA, CGMA, was working as the CFO of The Walt Disney Company in Southeast Asia.

One of the company divisions, the Disney Interactive Media Group, was trying to incubate a new venture: video games for mobile devices in this region. But the business team and finance team were running into frustrating inaccuracies with their financial forecasts for the new games, and sometimes even on the reporting of actuals.

"The forecasts and the actuals would not match at all," said Venkataraman, now a consultant and leadership coach in Singapore. "We, in finance, did not have an understanding of what factors [and] drivers they took into account in saying this game will generate so much revenue in the first month, so much in the second month … We would not know how to explain it; they would not be able to explain it."

Seeing the disconnect, Venkataraman suggested to his finance team member: "Let's partner with the business team."

As the two teams investigated the assumptions built into the forecasts, the finance team began to see the problem. The financial forecasts weren't strongly linked to data from the games themselves, and the finance team did not know how to extract relevant information from the system.

Venkataraman encouraged his team to partner with the business counterparts to start extracting more useful information. "'Be relatable. Be willing to learn. Spend time with the business guys,'" he recalled. "'Learn how to tap into the system. Let's learn how to pull data from that.'"

The teams started building a bridge from the games' performance software to the company's financial data systems. Soon enough, the finance team got to grips with this and was able to start

> **'During the design stage, we talked to each other, we talked to IT experts, and we talked to selected people within our own business units.'**
>
> Marta Weglinska, FCMA, CGMA, finance and strategy manager for Liberty Powder Metals

regularly extracting real-time information about each game's daily population of users, for example, and the amount of money that each user was spending in the games' virtual stores.

"We fed that all into the system, and we could do better forecasting," Venkataraman said. "And this improved the rapport of finance with the business counterparts, reduced frustration, and increased their trust in us."

It's an example, he said, of how finance can use technology to improve its partnerships with business counterparts and help drive better decisions in an effort to deliver better results for the company.

Other experts in the field agree. They describe a growing opportunity — and expectation — that finance will not just track transactions but will also support strategic decisions about the business itself — and that they'll use the latest technology to do it.

"I'm watching finance transform completely," said Sanjay Sehgal, a US-based KPMG partner working on clients' finance transformation. "It's more technology-enabled, heavier on data and analytics, heavier on innovative thinking."

The demand for tech transformations of finance has accelerated amidst the uncertainty of the pandemic, supply chain disruptions, inflation, and the threat of a recession, said Tom Hood, CPA/CITP, CGMA, the executive vice-president–Business Engagement and Growth at the Association of International Certified Professional Accountants, representing AICPA & CIMA.

"Suddenly, the businesses were vulnerable, and they had to constantly ask, 'What [does] this look like ahead of us?'" he said.

Answering that question, he said, is going to require a finance function that has the talent and resources to utilise technology in its business partnerships.

"We call this a defining moment for finance and accounting. It's now the moment for CFOs to really rise to that value partner role," Hood added.

Here's how to ensure your team is ready for a tech-based approach to business partnering.

Choose a goal

There is no technological "magic wand" for business partnering — no single product that will help every effort. Instead, Venkataraman suggested starting with an overall goal.

"With so many technologies emerging, choosing where to begin can be a big challenge," he said.

He suggested a few broad frameworks. For example, if the goal is to reduce enterprise risk, finance might look broadly at improving data security, data quality, and the accuracy of its forecasts.

If the company wants to improve decision-making, then the focus might be to "get the right information to the right people in a timely fashion", especially through dashboards, self-serve software, and automated reports.

If the goal is to increase overall innovation, finance might help to tap new sources of data, especially unstructured data, such as comments on social media or in emails.

Those ideas cover a wide range of technology, from machine learning to data visualisation. The key is not for finance to master each one, but to understand their breadth.

"You don't need to know the ins and outs. You need to know the extent of capabilities that technology affords you," Venkataraman said. "As long as you know the capabilities that technology can afford you, then you can marry your requirements with that."

Embrace efficiency and automation

Finance can't be a good business partner if it doesn't have its own house in order.

"You can't forecast off of books that aren't accurate and reliable," Hood said. "I would start with closing your books as fast as you can, and beginning to immediately divert your team to analysing what those numbers mean."

Venkataraman agreed, saying: "The finance team — they're often being asked to do more with less." By embracing automation, "the time that you [save] can be used for adding value to the business — by playing more of the strategist and the catalyst role."

That might include implementing new tools for robotic process automation and machine learning — but those capabilities also are being added to larger enterprise risk management (ERM) platforms. With the pace of technological change, nearly complete automation seems inevitable, Sehgal said.

"If we can have driverless cars, why can't we have a touchless close process? Why can't we have a touchless forecasting process?" he asked.

Know your audience

Technology can boost finance's mission to share information and support decision-making in other parts of the business. But success still depends on relationships within the business.

UK-based Marta Weglinska, FCMA, CGMA, is the finance and strategy manager for Liberty Powder Metals, which is producing powder metals for 3D printing technology. It's a spinoff of a much larger steel company in the UK.

Designing a brand-new financial information architecture for the startup is a daunting task, so she has drawn on her experience in business partnering at the larger company, TATA Steel. She recalls previously working with a team of about ten people to assess the needs of partners across the company for a new self-service spend report for all TATA sites.

"During the design stage, we talked to each other, we talked to IT experts, and we talked to selected people within our own business units. You have to understand, 'What does the end user really need?'" she said. That kind of research ensured that the new cloud-based report didn't overwhelm its intended audience with excessive information.

"The more time you spend in this initial phase, the better the later phase will be," she said.

Now, she's applying those same lessons to her new job. She's currently working to draw together disparate streams of data, especially from the manufacturing floor, so the company can understand how its production of metal powders meets up with forecasted demand and financial assumptions.

Keep it in the cloud

Cloud-based tech is a natural fit for business partnering. By choosing tools that live on the cloud, finance prepares for future connections and collaboration.

"Cloud equals collaboration," Hood said. "If you have cloud, you can collaborate across your business and inside of your business."

Another benefit of cloud platforms is the relative ease of integrating different applications. Various applications can now be "knit together", even if they're offered by different developers, Sehgal said.

But the constant migration of data also brings risks, Weglinska said. Finance has to ensure that each application and repository is storing and sharing data in a uniform way rather than relying on bespoke transformations at each stage.

"It's about preparing the data before the migration, making sure it's the same quality data as the one that we want to keep," she said. She suggests using simpler tools like Excel to create prototype reports and databases, ensuring you understand the scope of needs before committing to code.

The transition to cloud software brings other new responsibilities for finance, too. Because they are often simpler to operate, the oversight of cloud applications may fall more directly on finance rather than IT.

"You see finance owning more tech solutions," Sehgal said. "Finance doesn't want to take [it] over. That's not the goal. But the way the world is changing, you say, 'Where do I need to build my skillsets?' That affects training. That affects recruiting."

Create a collaboration culture with communication tools

The use of digital communication and collaboration apps like Slack, Teams, Zoom, and the Google suite are now the baseline. But there's still room to improve how they're used in business partnerships, Hood said.

Often, these platforms have hidden features that can improve workflow. For example, meeting platforms can record and automatically transcribe meetings. Those transcripts can be catalogued for future reference, making a handy record that keeps all partners on the same page.

The basic apps are "exponentially growing in functionality", Hood said. "If you haven't started, dip in a little bit more."

But it's not just the apps themselves — it's how you use them. Hood suggested setting guidelines for digital collaboration. For example, in an app like Slack, leaders should think about how to organise channels in a way that makes it easy for people to find relevant discussions.

"What kind of channel hierarchy do I want, to make that information findable?" he said. Employees can also use the "pinning" function to highlight important documents or messages, and they can tag documents with common search terms and hyperlinks to ensure that others have multiple ways to find needed information.

"Those are huge things that are really, really low cost," Hood said. "That's how you free up time."

Build the skills

All this raises a question: Does finance currently have the talent to take on new roles in tech and business partnering?

Many teams aren't ready, Hood said. As demand for partnership and forecasting has spiked, CFOs' team members "were still busy trying to close the books, keep the numbers right — and many of them did not have the skills to rise up and help their CFOs", he said.

Some of these skills can be developed in house. Hood suggested "reverse mentoring" with tech-savvy young employees sharing their ideas and advice with senior members.

Finance also can recruit for specific skills, of course. Many companies have even created new job titles: finance transformation leader, tech leader, digital leader, digital enablement officer.

But the fact is that the profession is in heated competition for talent with the tech sector, which has been hiring in huge numbers and at high salaries. To build the right team, Sehgal said, finance has to create a vision of its tech- and partnership-based future.

"We need to paint a vision for finance. We need to think about diversity of thinking," Sehgal said. "We need to think about the tools and technologies."

The key, Venkataraman said, is to think big, but start small and learn fast. ■

Andrew Kenney is a freelance writer based in the US. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.

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VIDEO

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Excel: How to reference a row dynamically

Excel MVP Liam Bastick explains the OFFSET(COUNTA) function combination, used for dynamic lookups.

By Liam Bastick, FCMA, CGMA

For this article, we take a familiar modelling scenario and extend it (please refer to the downloadable Excel file for a modelled example).

Imagine you had a dataset similar to that shown in the screenshot "Example Dataset".

Example dataset

	Jan	Feb	Mar	Apr	May	Jun
Item 001	25	56	17	19	81	98
Item 002	99	47	24	52	71	74
Item 003	47	77	59	29	35	78
Item 004	42	67	83	34	71	28
Item 005	40	34	18	55	96	17
Item 006	85	25	19	56	65	12
Item 007	81	81	46	31	30	85
Item 008	59	35	32	76	32	85
Item 009	85	26	27	30	48	56
Item 010	93	48	68	70	77	29
Item 011	95	61	49	87	31	95
Item 012	70	87	95	49	30	46

Your task is a simple one: For any given month and any given item, return the corresponding value (a so-called two-way lookup). I shall ignore XLOOKUP, as it's not in all versions of Excel presently, so I'll use the functions INDEX and MATCH instead. As a reminder:

INDEX

Essentially, INDEX(array, row_number, [column_number]) returns a value or the reference to a value from within a table or range (list).

For example, INDEX({7,8,9,10,11,12},3) returns the third item in the list {7,8,9,10,11,12},ie, 9. This could have been a range: INDEX(A1:A10,5) gives the value in cell A5, etc.

INDEX can work in two dimensions as well (hence the column_number reference) — see the screenshot "Table Array".

Table array

		1	2	3	4	5	6	7
		F	G	H	I	J	K	L
1	11	1	2	3	4	5	6	7
2	12	8	9	10	11	12	13	14
3	13	15	16	17	18	19	20	21
4	14	22	23	24	25	26	27	28
5	15	29	30	31	32	33	34	35
6	16	36	37	38	39	40	41	42
7	17	43	44	45	46	47	48	49
8	18	50	51	52	53	54	55	56
9	19	57	58	59	60	61	62	63
10	20	64	65	66	67	68	69	70
11	21	71	72	73	74	75	76	77

INDEX(F11:L21,4,5) returns the value in the fourth row, fifth column of the table array F11:L21 (clearly 26 in the "Table Array" screenshot).

Whenever we have extendable ranges, we should use a Table.

MATCH

MATCH(lookup_value, lookup_vector, [match_type]) returns the relative position of an item in a row or column vector that (approximately) matches a specified value. It is *not* case-sensitive.

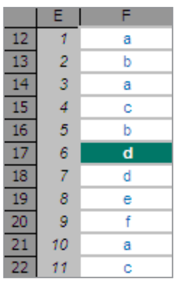
The third argument, match_type, does not have to be entered, but for many situations, I strongly recommend that it is specified. It allows one of three values:

- **match_type 1 [the default if omitted]:** Finds the largest value less than or equal to the lookup_value — but the lookup_vector must be in strict ascending order, limiting flexibility.
- **match_type 0:** Probably the most useful setting, MATCH will find the position of the first value that matches lookup_value exactly. The lookup_vector can have data in any order and even allows duplicates.
- **match type -1:** Finds the smallest value greater than or equal to the lookup_value — but the lookup_vector must be in strict descending order, again limiting flexibility.

When using MATCH, if there is no (approximate) match, #N/A is returned (this may also occur if data is not correctly sorted depending upon match_type).

MATCH is fairly straightforward to use.

Example MATCH function

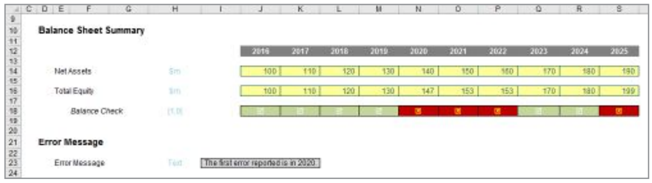


In the screenshot "Example MATCH Function", MATCH("d",F12:F22,0) gives a value of six [6], being the relative position of the first "d" in the range. Note that having match_type 0 here is important. The data contains duplicates and is not sorted alphanumerically. Consequently, match_types 1 and -1 would give the wrong answer: 7 and #N/A, respectively.

INDEX MATCH

Whilst useful functions in their own right, INDEX and MATCH combined form a highly versatile partnership. Consider the common situation shown in the screenshot "Balance Sheet Summary".

Balance sheet summary



MATCH(1,$J$18:$S$18,0) equals five [5]; ie, the first period the balance sheet does not balance in is Period 5. But we can do better than that.

INDEX($J$12:$S$12,5) equals 2020, so combining the two functions:

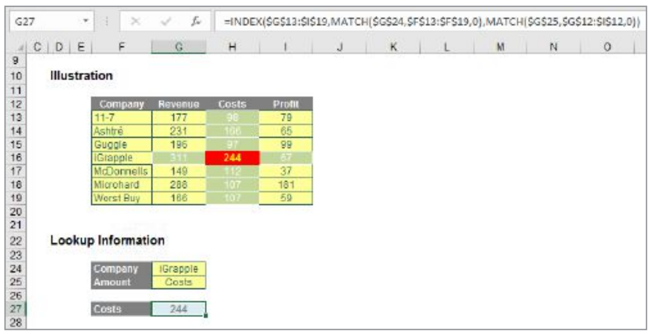
INDEX($J$12:$S$12,MATCH(1,$J$18:$S$18,0))

equals 2020 in one step. Note how flexible this combination really is. We do not need to specify an order for the lookup range; we can have duplicates, and the value to be returned does not have to be in a row/column below/to the right of the lookup range (indeed, it can be in another workbook, never mind another worksheet).

However, this approach considers one criterion only (in the above example, ascertaining when the first misbalance occurs). What happens if there is more than one criterion? This can depend upon how the data is presented.

Consider pivoted data; ie, where data is understood by cross-referencing criteria in two or more dimensions. Here, in essence, the output is similar to results produced by a PivotTable. For example, consider the illustration in the screenshot "Pivoted Value Illustration".

Pivoted value illustration



In this example, I have constructed a formula to determine the costs for iGrapple, a new fictitious company. The formula here uses INDEX(MATCH, MATCH) syntax, as it identifies the relevant row and column of the table to return.

The formula

=INDEX($G$13:$I$19,MATCH($G$24,$F$13:$F$19,0),
MATCH($G$25,$G$12:$I$12,0))

considers the range $G$13:$I$19 and selects the row based on the result of MATCH($G$24,$F$13:$F$19,0), which identifies which row iGrapple is in the range $F$13:$F$19. Further, the final argument selects the column based on MATCH($G$25,$G$12:$I$12,0); ie, which column "Costs" is in, in the range $G$12:$I$12.

The intersection of the row and column selected returns the pivoted value.

Example dataset

	Jan	Feb	Mar	Apr	May	Jun
Item 001	25	56	17	19	81	98
Item 002	99	47	24	52	71	74
Item 003	47	77	59	29	35	78
Item 004	42	67	83	34	71	28
Item 005	40	34	18	55	96	17
Item 006	85	25	19	56	65	12
Item 007	81	81	46	31	30	85
Item 008	59	35	32	76	32	85
Item 009	85	26	27	30	48	56
Item 010	93	48	68	70	77	29
Item 011	95	61	49	87	31	95
Item 012	70	87	95	49	30	46

Returning to our scenario

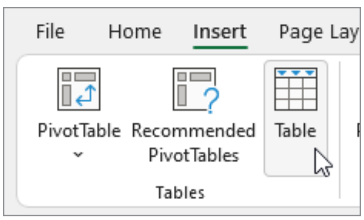
Therefore, in our situation (see the screenshot "Example Dataset") to determine a value, we would simply use the generic formula

=INDEX(Table_Data, MATCH(Item, Item_List, 0),
MATCH(Month, Month_List, 0))

But what if the number of rows and columns were to extend? Table_Data (the array of input cell values), Item_List (the vertical list of items in grey), and Month_List (the horizontal list of months in grey) would all be of variable size. It's not just the ranges that need extending; it's the idea, too.

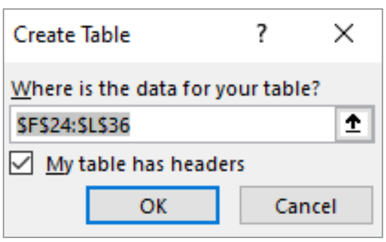
Whenever we have extendable ranges, we should use a Table. I highlight the table and go to **Insert -> Table (CTRL+T)** — see the screenshot "Insert Table".

Insert Table



This calls the **Create Table** dialog (see the screenshot, "Create Table Dialog Box").

Create Table dialog box



Ensuring you have checked "My table has headers", our table is converted into a Table.

The table looks *slightly* different (see the screenshot "Amended Example Dataset").

Amended example dataset

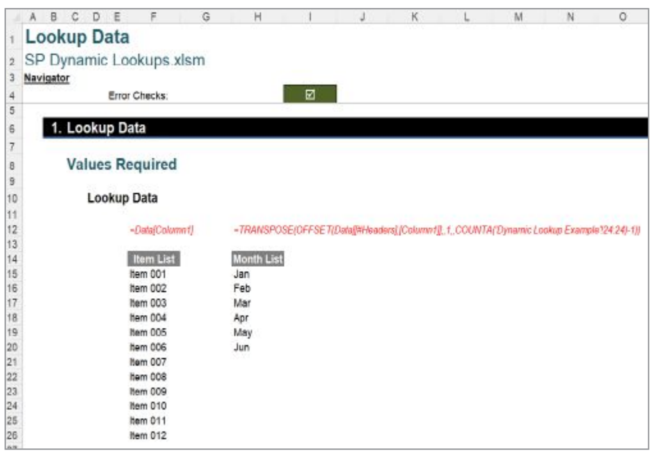
	Jan	Feb	Mar	Apr	May	Jun
Item 001	25	56	17	19	81	98
Item 002	99	47	24	52	71	74
Item 003	47	77	59	29	35	78
Item 004	42	67	83	34	71	28
Item 005	40	34	18	55	96	17
Item 006	85	25	19	56	65	12
Item 007	81	81	46	31	30	85
Item 008	59	35	32	76	32	85
Item 009	85	26	27	30	48	56
Item 010	93	48	68	70	77	29
Item 011	95	61	49	87	31	95
Item 012	70	87	95	49	30	46

Four things have changed (only two of which are visible):

1. Filter dropdowns have been added to the first row. We don't require these, so these may be removed by highlighting the table and clicking on the **Filter** button in the **Sort & Filter** section of the **Data** tab on the Ribbon (ALT+A+T).
2. The top left-hand cell has had text added, which defaults to the highly imaginative "Column1". This is because all columns (fields) in a table must be named and contain text, not formulas. This must not be deleted, but it will remain invisible in my example due to the cell formatting.
3. Alternate rows are shaded differently. Again, this is not noticeable, as I have already included my own formatting, which overwrites this formatting. If my formatting were to be removed (eg, change the cell style to "Normal", ie, **Home -> Styles -> Normal**), this shading would become apparent.
4. In the bottom right-hand corner, a green, irregular hexagon is visible, which highlights the fact the table may be extended both to the right and downwards; ie, we have a range that may be extended.

I now name this table "Data" (simply name it in the **Table Name:** section of the **Properties** group on the **Table Design** tab of the Ribbon). Then, on a separate sheet I will call "Lookup Data", I have created two formulas (see the screenshot "Lookup Data").

Lookup data



This is another common problem in Excel. All too frequently, modellers forget to put the reference table in an Excel Table.

Just a minute! I have stated I won't use XLOOKUP because it's not in all versions of Excel, and then I quite merrily use dynamic arrays, which are even less prevalent in Excel.

Er, yes.

You see, what I am not doing here is not essential, and dynamic arrays will not be used to generate the formulaic solution. However, creating these lists demonstrates the key concept I shall use to construct my formula. Allow me to explain.

To generate the "Item List" (column F in the "Lookup Data" screenshot), I have simply used the formula

```
=Data[Column1]
```

This is quite simply the contents of the Column1 field in our Data table. I created the calculation simply by highlighting the contents (eg, Items 001 to 012 in our example). Generating a columnar list is simple; unfortunately, row lists are trickier — and this is where my second formula in column H comes in:

```
=TRANSPOSE(OFFSET(Data[[#Headers],[Column1]],,1,,
    COUNTA('Dynamic Lookup Example'!24:24)-1))
```

You should note that OFFSET(Data[[#Headers] appears automatically when you click on the header in the first column in the "Data" Table. This is merely the syntax for referring to cells in Tables, known as structured referencing.

TRANSPOSE and COUNTA are fairly simple to explain:

- TRANSPOSE does what it says on the tin: It swaps rows and columns around so that rows become columns and *vice versa*.
- COUNTA counts the number of nonblank cells in a range. Therefore,

  COUNTA('Dynamic Lookup Example'!24:24)-1

  counts the number of blank cells in row 24 (which is the row containing the table headings in my example) and subtracts one [1] so that the effect of the required text in the first column of the table (Column1) is ignored. This presupposes there is no other text, value, or formula on this row.

The third function, OFFSET, perhaps needs a little more explanation.

OFFSET reminder

OFFSET employs the following syntax:

```
OFFSET(Reference, Rows, Columns, [Height], [Width])
```

The arguments in square brackets (Height and Width) can be omitted from the formula — but they will prove to be useful in this article.

Most commonly, OFFSET(Reference, Rows, Columns) is employed to select a reference Rows rows down (-Rows would be Rows rows up) and Columns columns to the right (-Columns would be Columns columns to the left) of the Reference. For an illustration, consider the downloadable screenshot, "Example Dataset 2".

OFFSET(A1,2,3) would take us two rows down and three columns across to cell D3. Therefore, OFFSET(A1,2,3) = 16 (see the downloadable screenshot "OFFSET Function Example 1").

OFFSET(D4,-1,-2) would take us one row up and two rows to the left to cell B3. Therefore, OFFSET(D4,-1,-2) = 14 (see the downloadable screenshot "OFFSET Function Example 2").

Let's now extend the formula to OFFSET(D4,-1,-2,-2,3). It would again take us to cell B3, but then we would select a range based on the Height and Width parameters. The Height would be two rows going up the sheet, with row 3 as the base (ie, rows 2 and 3), and the Width would be three columns going from left to right, with column B as the base (ie, columns B, C, and D).

Hence OFFSET(D4,-1,-2,-2,3) would select the range B2:D3 (see the downloadable screenshot "OFFSET Function Example 3").

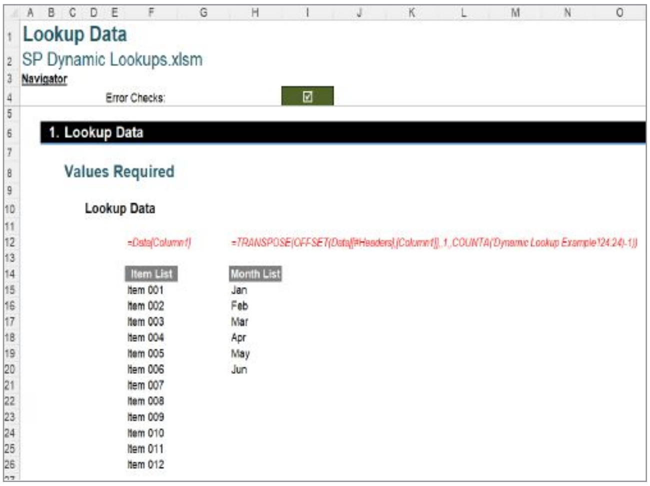
Note that OFFSET(D4,-1,-2,-2,3) = #VALUE! in some versions of Excel that do not support dynamic arrays, since in these versions Excel cannot display a matrix in one cell, but it does still recognise it. This can be seen as follows:

- SUM(OFFSET(D4,-1,-2,-2,3)) = 72 (ie, SUM(B2:D3)).
- AVERAGE(OFFSET(D4,-1,-2,-2,3)) = 12 (ie, AVERAGE(B2:D3)).

Returning to our scenario (again)

Now that our functions are understood, the second formula is easier to follow (see the screenshot "Lookup Data"):

Lookup data



=TRANSPOSE(OFFSET(Data[[#Headers],[Column1]],,1,,
COUNTA('Dynamic Lookup Example'!24:24)-1))

The element,

OFFSET(Data[[#Headers],[Column1]],,1)

returns the cell one column to the right of the Column1 header (ie, Jan). I have used this expression as the first column, which will always be consistently identified as Column1, but it's possible for all other headers to be renamed.

The extension of this formula

OFFSET(Data[[#Headers],[Column1]],,1,,COUNTA('Dynamic Lookup Example'!24:24)-1)

creates a range starting with the second column header (Jan) and extending it to be COUNTA('Dynamic Lookup Example'!24:24)-1 columns across; ie, it will be of the precise width of the nonblank range excluding the first column (Column1).

This is then wrapped in TRANSPOSE:

=TRANSPOSE(OFFSET(Data[[#Headers],[Column1]],,1,,
COUNTA('Dynamic Lookup Example'!24:24)-1))

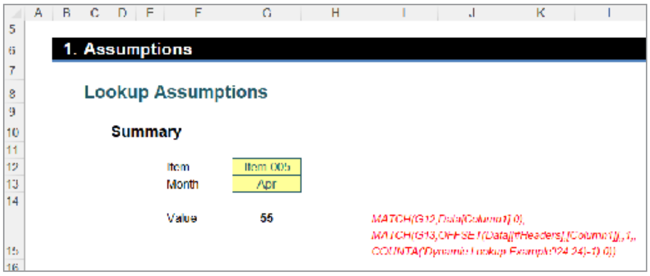
Since the OFFSET formula is containing a row range, the result will be expressed across a row; using TRANSPOSE propagates this result down a column instead.

These two ranges are dynamic arrays, so for versions of Excel that support dynamic arrays, these ranges may be referred to using the formulas =F15# and =H15#, respectively (as # is the spill operator in dynamic Excel). And these references may be used to create data validation lists, should you so wish.

However, if you don't have dynamic arrays, keep reading. It's a "nice to have" — not an essential element of the solution.

The dynamic lookup formula is "easy" from here (see the screenshot "Lookup Assumptions"):

Lookup assumptions



=OFFSET(Data[[#Headers],[Column1]],
MATCH(G12,Data[Column1],0),
MATCH(G13,OFFSET(Data[[#Headers],[Column1]],,1,,
COUNTA('Dynamic Lookup Example'!24:24)-1),0))

Rather than use the INDEX(MATCH, MATCH) approach detailed earlier, I use OFFSET(MATCH, MATCH), with the base cell being the first column header, Data[[#Headers],[Column1]], which is simply the structured reference for Column1 (cell F24 in our example file). The two MATCH computations simply use the two lists generated earlier to find the correct row and column displacements.

Word to the wise

This is another common problem in Excel. All too frequently, modellers forget to put the reference table in an Excel Table. For those that manage this, many are unsure how to reference a row dynamically. The OFFSET(COUNTA) approach has been available for many years, but few ever use this function combination.

Try it out! ■

Liam Bastick, FCMA, CGMA, FCA, is director of SumProduct, a global consultancy specialising in Excel training. He is also an Excel MVP (as appointed by Microsoft) and author of Introduction to Financial Modelling *and* Continuing Financial Modelling. *Send ideas for future Excel-related articles to him at liam.bastick@sumproduct.com. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.*

IMAGE BY EUGENE MYMRIN/GETTY IMAGES

4 ways to lead employees through times of anxiety

Acknowledging the challenges your team members are facing can be a powerful response to employee anxiety.

By Jessica Hubbard

With finance teams operating in a global business environment characterised by volatility and uncertainty, leaders must adjust their normal approach and consider the prevailing atmosphere of anxiety.

According to the World Health Organization, the pandemic triggered a 25% increase in the prevalence of anxiety and depression worldwide in its first year. As a result, finance leaders should reflect on some of their conditioned responses to employees who are struggling and consider their approach very carefully, cautioned Jerry Colonna, an executive coach and founder at Reboot, a US-based coaching consultancy.

In addition, finance leaders should also consider what formal support structures are in place to help team members, advised Liza Robbins, chief executive at Kreston Global, an international advisory and accountancy network headquartered in London.

FM magazine interviewed Colonna, Robbins, and Jennifer Challenger, ACMA, CGMA, an executive coach based in London, to find out how finance leaders can best support their team members and lead empathetically through times of hardship and anxiety. Their advice includes:

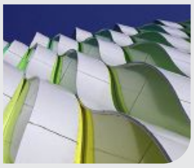
Leaders can still do more to prioritise and strengthen support structures for employees.

Acknowledge the challenges

If team members are struggling with anxiety and feeling overly pressured, the first thing to do is to acknowledge that these are difficult times and we don't know what normal means anymore, Colonna said.

"When a finance leader or manager doesn't acknowledge the present conditions and challenges and tries to shut down the emotions of those feeling worried or vulnerable, they make the situation worse," he explained.

In the modern business environment, leaders are affirmed by being successful at managing and motivating employees, so when they encounter



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employees struggling, it often engenders a feeling of helplessness. In many instances, Colonna said, leaders respond to this helplessness in two socially conditioned yet harmful ways.

"First, with the erroneous belief that if we allow the employee to talk about the thing they're struggling with, it's going to make it worse," he said. "The second myth is the notion that you might be engaging with them in wallowing or self-pity."

Both are very dangerous reactions to people struggling, cautioned Colonna. It's dangerous because the person will internalise your response to them, so in addition to anxiety, they then experience shame and are likely to feel they are wrong or somehow broken.

Prioritise support structures

While the pandemic has certainly highlighted the importance of mental health and wellbeing at work, leaders can still do more to prioritise and strengthen support structures for employees, Robbins advised.

For instance, she encouraged finance leaders to invest in and strengthen key employee benefits such as mental health resources, helplines, and access to legal advice.

"Many companies actually have important benefits in place, but their leaders don't communicate to their employees what is there and how to access it," Robbins said. "It is important for leaders to really dig into what is available and be very clear with team members about what is there and how to leverage these support systems."

For companies in which employee support structures are either thin or nonexistent, Robbins encouraged leaders to begin to explore emerging global best practice and to view employees "as their most valuable resource".

Emphasise collaboration

In times of high stress and anxiety, leaders can alleviate many of their own challenges by learning to delegate and to encourage more collaboration, said London-based Challenger.

"At times of stress and uncertainty, finance leaders tend to take on too much responsibility and assume their team members can't manage additional challenges," she explained. "They often don't understand or acknowledge their own threshold for stress and, instead of delegating, get bogged down by overwork … which has negative consequences in the long term both for the individual and the team."

To avoid this, Challenger advised finance leaders to foster a culture of collaboration, and to ensure that team members are constantly given opportunities for new responsibilities and challenges.

"Unless leaders learn to delegate, challenge, and demonstrate confidence in their team, they can end up creating a situation in which the team rely on the leader to 'rescue' them," she cautioned. "Part of building long-term resilience among teams and individuals is encouraging them to navigate challenges and new obstacles using their own strength and resources."

Be honest about your own struggles

Leaders must be transparent and acknowledge what is happening in times of stress and anxiety, Colonna said.

"When a leader doesn't acknowledge his or her own fear and uncertainty, it more often than not turns into toxic aggression," he explained.

For example, a finance leader who is worrying about making payroll and is under severe pressure might, instead of talking about the challenge and acknowledging his or her anxiety, start yelling at everybody around him or her. Everybody panics, productivity plummets, profits decline, and the worst nightmare starts to come true.

According to Colonna, the finance leader in this situation should be honest about their fears and struggles but be equally honest about the positives. For example, they can explain why it's still a good company to work for and what they are doing to tackle the challenge.

"The key point is to invite your team members into the process with you," he said. "Take the opportunity to welcome people into the situation, rather than seeing yourself as the all-knowing leader who has all the answers all the time, which simply isn't true."

By doing this, the finance leader encourages a culture of safety in which it is OK to be struggling and in which team members feel both valued and included in important matters. ■

Jessica Hubbard is a freelance writer based in France. To comment on this article or to suggest an idea for another article, contact Oliver Rowe, at Oliver.Rowe@aicpa-cima.com.

Using open-source data to manage risk

The biggest benefit from the integration of open-source, nonfinancial data into decision-making could be to businesses' risk registers.

By Ian Thomson, ACMA, CGMA

IMAGE BY FILO/GETTY IMAGES

The internet, data science, and digital technologies have both dark and bright sides. The internet was originally created to be a data commons where digital material could be accessed freely, shared, and integrated, but today it can be a magnet for scammers, fraudsters, fake news, and trolls. It is also bursting with high-quality, reliable data that can be used to create innovative products and services, make more sustainable decisions, and address shared problems (see the sidebar "Open Data Use Cases").

Finance professionals should be aware of the side of the digital world that is based on data sharing, open-source cooperation, and collaborative possibilities, particularly to manage risk.

According to the Open Knowledge Foundation, "Open data is data that can be freely used, re-used and redistributed by anyone — subject only, at most, to the requirement to attribute and share alike." And open data is intended to be interoperable, facilitating collaboration and cooperation (see the sidebar "Open Data Sources").

Open data is here to use

Open, interoperable data, which means it can be exchanged and made use of, is not a utopian vision; open datasets are there waiting to be used. Even the most tech-hesitant will have already used some open, sharable, interoperable data, although in many cases they probably paid someone to provide them with freely available data. I have seen far too many expensive consultancy reports that contain straight lifts from freely available government or World Bank datasets — properly referenced, of course.

Open data forms the basis of many apps, websites, and information systems. These systems combine different open datasets to transform online experiences. Take, for example, the widely used global platform Tripadvisor. It seamlessly combines reviews and images provided by millions of consumers and marketing material from individual businesses, with open-source data such as location data from tourism boards, satellite images, mapping data, street view data, location services, and weather forecasts.

Harnessing the wisdom of the crowd has been and remains a winning strategy, and digital technology has turbocharged this potential.

Open data use cases

The added value from using open data comes from better, quicker decision-making, new products and services, and improved risk management, regulatory compliance, and accountability.

Open data can also facilitate innovative joint ventures. UK national mapping agency Ordnance Survey (OS) collaborated with MapServe, a London-based open-source platform for publishing spatial data and interactive mapping applications to the web, to produce a tool to help developers, town planners, architects, and surveyors with planning application processes. This collaboration allows developers to add their project to OS maps to demonstrate how their proposal protects the natural environment and provides people with access to greenspaces and transport links, education, and healthcare.

OS data also played a critical part in the UK's COVID-19 vaccination roll-out. The integration of road network dataset OS MasterMap Highways Network with data collected from in-vehicle GPS allowed the UK's National Health Service to minimise the travel time of 50 million adults to 2,000 proposed vaccination sites.

The property sector is another example of the innovative use of open data. In the analogue days, all the data you had when buying or leasing a property was an advert in a newspaper and two typewritten pages handed out when you viewed the property or physically went into a real estate agent's office. If it was a really expensive property, you may have been sent a colour brochure by postal mail. Now, everyone has instant access to online video tours, photo galleries, property price datasets, local crime stats, average income data, details of local connecting roads and public transport, school performance data, and even drone or satellite footage of the property and its environs. You can even find old images of the property relating to the previous sale and do your own comparison of changes since then. And the sophistication and richness of data on these websites just keeps growing.

Using open-source data in your own systems

Imagine if you could emulate the changes observed in the property sector in your financial information systems, based on integrating open-source data. Think about what you could do with your asset register. No longer would it be a couple of columns in an Excel spreadsheet. You could geotag it and place it on a GIS (geographical information system), link it with data on climate risk exposure, risks of sea level rises, crime statistics, satellite images, potential sources of pollution, resource availability, access to clean water, demographic information to help with workforce planning, transportation accessibility data, drone footage, or videos to manage and monitor repairs and maintenance.

This new, enhanced asset register that draws on interoperable open data could greatly enhance strategic decisions on assets and their protection, maintenance, sale, and relocation, as well as help inform rental decisions or renegotiate insurance premiums.

Risk registers

Perhaps the biggest benefit from the integration of open-source data could be to your risk registers.

Often, risks come from changes outside your business, evidence of which was previously considered too expensive to gather and difficult to integrate into financial or business systems. Open-source data that provides reliable, contemporary data on the state of systems that are the source of these risks could make managing these risks a lot easier.

A 2022 survey of more than 3,000 UK adults, including more than 1,000 senior business decision-makers, suggests the preparedness of business to deal with the challenges of the sustainability agenda is low despite known existential threats to their business models.

Open datasets provide evidence that would simply be far too expensive for an individual business to obtain but have been collected, collated, and curated by organisations responsible for managing these risks. These organisations include planning regulators, universities, governments, producer organisations, international agencies, police, health boards, and so on. To fulfil their responsibilities, these organisations share data that can be used by others to manage risks.

It would not make sense for every business to invest in its own global climate change forecasting model, despite the exposure of all businesses to climate risks such as those leading to business relocation or supply chain disruptions from projected sea level rises, flooding, or wildfires.

Fortunately, there are many applications or datasets that provide easily usable data on the probability of damage for virtually all locations across the globe for different scenarios. When combined with data on the location of a business's premises, its logistics network, and the location of its suppliers, it is possible to begin to identify how predicable threats could seriously impact the business. That means the business can respond proactively and doesn't have to wait for a catastrophe to occur and the expense to be incurred to fix it.

Open data sources

There is a whole ecosystem of open data standards, protocols, and organisations designed to help share open data, if you know where to look for it.

Open data collections and foundations:

- DataHub.io.
- The ODI.
- Open Knowledge Foundation.

International agencies: Social and economic data:

- World Bank Open Data.
- UNICEF Data.
- OECD Open Government Data.
- Data Europa EU.

National government sources:

- Data.gov.
- Data.gov.uk.
- Data.gov.au.
- Statistics Netherlands.

Geospatial data management and analysis:

- Open Data Cube.

Difficult-to-manage risks

Similarly, open data can be used to model for very-difficult-to-manage risks, such as modern slavery or human rights abuse in the supply chain. Slavery, forced labour, and child labour are known to be far more widespread than many business leaders would like to admit, particularly in international supply chains.

No one connected to a business would be happy knowing they have been complicit with exploiting child cobalt miners in Congo or trafficked fishing workers in Thailand. And ignoring these risks to maintain a kind of culpable deniability is problematic in a world of ever-expanding and easily accessible knowledge.

Reasonably reliable data produced by nongovernmental organisations and international agencies exists on the location of forced labour practices by industry and location, which can be used to map out a business's risks by product, sector, or supplier locations. By mapping out possible intersections between information on raw materials, components, and suppliers, and these sectoral or national datasets, a business could begin to predict the possibility of connections with labour practices that could destroy its reputational capital.

This enhanced knowledge allows a business to focus any investigation or enquiry into the high-risk parts of its supply chain.

Socially conscious investors no longer need to rely on borrowers to produce reports on what happened with the money. Investors could ask borrowers to upload videos on their GIS of what they are doing and monitor index changes of multiple deprivation and health statistics, or evidence from local environmental regulators or community groups — even in remote areas such as the Niger Delta.

Managing other sustainability-related risks like biodiversity could also be enhanced by using open data. You can search for and monitor the performance of all delicate ecosystems connected to your business, or even integrate data on the quality of these ecosystems on your website or as part of your sustainability reporting system. The integration of independent, open-sourced, third-party data can greatly enhance the credibility and legitimacy of your reporting.

Tips to use open-source data to manage risk

Finance professionals are natural collaborators who work better collectively. Harnessing the wisdom of the crowd has been and remains a winning strategy, and digital technology has turbocharged this potential.

Here are five tips to incorporate open-source, nonfinancial data into financial management decisions:

- Integrating open data on possible risks could give you a competitive edge in insurance, procurement, and other contract negotiations. When you identify data gaps in your information systems, search for open datasets rather than carry on with no evidence whatsoever.
- Explore the benefits of combining business information systems with open-source mapping data and software. This can provide new enhanced data visualisations and improve the interpretability of complex datasets.
- Open datasets related to environmental risks often include detailed, reliable forecasts and scenarios that can be readily integrated into strategic planning and budgeting.
- Take advantage of online training material and invest in developing the finance team's capacity to integrate open-source data.
- Remember to use only reliable datasets from trusted organisations in order not to breach data privacy or security laws.

Integrating open data offers considerable cost reductions, better risk management, and value-creating potential. A few days of training, often provided free by open-data proponents, open up a universe of data and possibilities. And many new graduates already possess data analysis capacity. The data-sharing economy is alive and thriving in the World Wide Web — and waiting to be used. ■

Ian Thomson, ACMA, CGMA, is professor of accounting and sustainability and director of the Lloyds Banking Group Centre for Responsible Business at the University of Birmingham in the UK. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.

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Steps to take when a remote job turns out to be more office-based

Fix the problem by communicating, agreeing work expectations, and presenting an evidence-based business case to your boss, while considering backup options.

By Rhymer Rigby

It is a very 2022 work problem. Late in the intense pandemic period or shortly afterwards, you changed jobs. The job you applied for was sold to you as largely or wholly remote. But slowly you have found yourself being asked to come into the office more and more. There's always a reason, but now you're in three or four days a week. This is not what you signed up for. So, what should you do?

Stress that you want to find a positive outcome for everyone and try to offer solutions.

Take a step back

Ask yourself how bad it really is. Were you sold a completely different job, or is it just a bit different? Think, too, about the role itself. Has it changed, or have external circumstances changed? Ask yourself if you're being unreasonable and if this is instead just a minor annoyance. Next, think about the changes that are required to make it right. Is it just a day more at home? Two days? More? Can it be fixed easily?

Ensure you communicate about work expectations

Some managers still think that people they can't see aren't working. If this is the case, ensure that expectations are clearly agreed by both sides in advance so that you can demonstrate you are delivering. This can also be a symptom of micromanagement. Here it may help if you give your boss what he or she needs. Provide regular updates and communicate. Ensure you participate in chat, group calls, and video meetings — even those where your presence is optional. Yes, it's a bit performative, but good work doesn't always speak as loudly as it should.

Get some context

You need to determine where the change is coming from. Is it an edict from the CEO, who has decided to go office-based? Is it directed at just you or at the people who work for your boss? Sound out your colleagues. You might discover that many people are in the same boat, which is great — you have allies. One person approaching the boss is easy to dismiss, half the team less so. Alternatively, you might find out that it's only you. Again, this could work in your favour. Why can Jenny do four days at home when you're expected to be in the office for three days a week? Finally, your co-workers might see no problem. This is the least desirable outcome for you. But it should at least provide you with a check — are your complaints reasonable?

Understand your boss's position

This is key. If everyone is being affected by this, your boss might be shielding you from its worst effects. In this case, you want to make a kind of general complaint, rather than blame the boss. Conversely, if the problem is localised around your boss, you should try to understand why he or she is behaving in this way, in order to find the most constructive way forward.

Build your case

"But I don't like it, and it's not fair!" is not a persuasive argument, even if you're right. So, make a list of real instances where you are having problems. If, for example, you chose remote work because it fitted around childcare or other family commitments, these can be presented as extremely difficult to deal with. Worth pointing out, too, is that your commute is lost time and makes you less efficient. Stress the positives. You are calmer, more effective, and more productive if you are allowed to work partly or wholly from home.

Find independent evidence

One of the key arguments in favour of remote work is that it makes employees more productive. Thanks to the pandemic, a great deal of research has been done on this in the past few years. So look up some studies such as one from global not-for-profit Catalyst, which shows that remote employees are 68% more likely to report high organisational commitment, or one from PwC, where 57% of business leaders said remote or hybrid work boosted productivity, at least in the short term.

Focus on areas such as productivity, engagement, retention, trust, and happiness. Look at what your competitors and global examples of excellence do. Finally point out that it is the norm: According to McKinsey & Co, 58% of Americans are now offered remote or flexible working.

Ask for a meeting

This is an important issue and could materially impact your future at the company. So set up a proper meeting to discuss it. While you are asking your employer to stick to an agreement that was made, you need to be reasonable, too. So, think of some concessions that are relatively easy for you to make but would be important to them. You might commit to being in for certain days. Stress that you want to find a positive outcome for everyone and try to offer solutions. Say, "To make this work, what do you need me to do?"

If they say no

Here you have a number of choices, and these depend on whether the disagreement is with your immediate manager or is more of a company-wide issue. In the former case, if you get on well with those above your boss or others in the hierarchy, you might approach them informally. A more formal route would be to speak to HR. You could also get an employment lawyer to look over your contract. Your rights here will vary widely by jurisdiction, and, as with all disputes of this nature, it is worth bearing in mind that the further you escalate it, the more likely you are to permanently damage your relationship with your boss or company.

And if this fails?

If you have a serious work issue that is proving intractable, it may be worth asking yourself if you might be happier elsewhere. You may decide the legal route is simply not worth it or that a company that is inflexible is not for you. Here, you are in a strong position. In many countries, there are more jobs than applicants. What is more, many companies are now very supportive of remote work and even when it's entirely remote. Moreover, these tend to be forward-looking companies. So, start job hunting. And you can be completely honest in your interview when they ask why you want to leave your current job. ■

Visit the Global Career Hub from AICPA & CIMA for help with finding a job or recruiting.

Rhymer Rigby is an FM *magazine contributor and author of* The Careerist: Over 100 Ways to Get Ahead at Work. *To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.*

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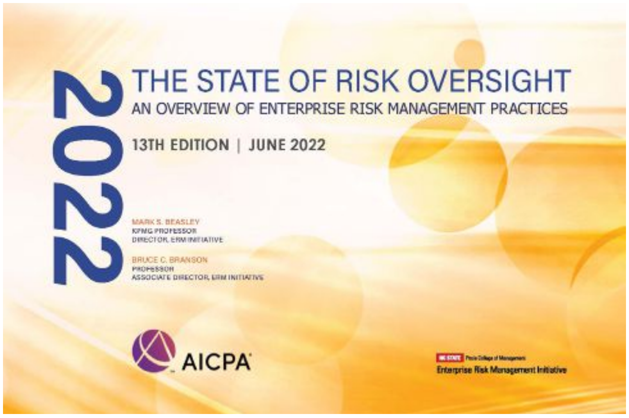


AICPA report: *The State of Risk Oversight 2022*

North Carolina State University in the US, together with the AICPA, has published the 13th edition of an overview of enterprise risk management (ERM) practices in *The State of Risk Oversight 2022*. The 560 survey responses for this overview of ERM practices included 152 from organisations with revenues greater than $1 billion and 129 publicly traded companies. Topics covered include:

- Drivers for enhanced risk management;
- Overall state of risk management maturity;
- Strategic value of risk management;
- Impact of culture on risk management;
- Assignment of risk management leadership;
- Risk identification and assessment processes;
- Risk monitoring processes;
- Board risk oversight structure; and
- Board reporting and monitoring.

Bronze medal awarded for outstanding service to CIMA

Kam Pok-Man, FCMA, CGMA, Ph.D., has been awarded CIMA's Bronze Medal for outstanding service to the Institute. He served as president of CIMA's Hong Kong Division between 1985 and 1987 and held positions that included CEO of Hong Kong's Financial Reporting Council and member of the IFRS Advisory Council of the International Accounting Standards Board.

Kam Pok-Man, FCMA, CGMA, Ph.D., (right) receives the CIMA Bronze Medal from Jasper Chung, ACMA, CGMA, chair of the Hong Kong Area Committee of the Association of International Certified Professional Accountants.

Future of Finance 2.0 research

The AICPA & CIMA Future of Finance 2.0 research programme, led by the global Research & Development and Syllabus teams, is building on the 2019 *Re-inventing Finance for a Digital World* white paper. The research is now entering the roundtable phase, where emerging themes will be discussed with members and other finance professionals, employers, educators, regulators, and policymakers.

For more information, contact the Future of Finance research team at FutureofFinance@aicpa-cima.com.

ENGAGE Europe Finance Awards 2022

The ENGAGE Europe Finance Awards — now in their second year — celebrate the achievements of AICPA & CIMA's students, members, and partners across Europe.

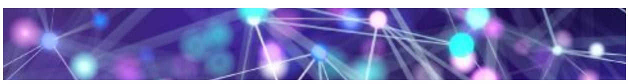
CIMA President Melanie Janine Kanaka, FCMA, CGMA, presented the awards at a ceremony in Birmingham, UK, at the end of June as part of the ENGAGE Europe conference. The winners were:

Rising Star of the Year: Joseph Phillips, ACMA, CGMA, deputy principal, Weston College in the UK. The award is for an individual who has up to five years of post-qualification experience and who has outperformed their peer group.

Finance Leader of the Year: Duke Dayal, ACMA, CGMA, CFO, Santander UK. The award is for a senior finance leader who has an exemplary track record of delivering transformation, leadership, and outstanding performance.

Public Sector Team of the Year: National Citizen Service Trust, UK. This is awarded to a public-sector team that can demonstrate how it has embedded a culture of innovation and improvement.

Small to Medium Size Enterprise (SME) of the Year: AFP Services Limited, UK. The award is for a business that shows outstanding initiative, boldness, and imagination, and sound management accounting practices, resulting in sustainable growth and exceptional commercial success.



CIMA issues guidance on trading whilst insolvent

As a management accountant you are likely to be in the best position to advise your employer or client of the financial health of a business and be one of the first to know when a business seems to be failing. Unfortunately, some business owners are resistant to the facts and continue to trade whilst effectively insolvent or heading towards insolvency with no rescue on the horizon.

CIMA has issued guidance on trading whilst insolvent on the Fraud and Financial Crime hub of the CIMAglobal website. It is relevant for members and registered students in business and Members in Practice.

CIMA Poland mentoring programme

CIMA Poland launched in July the latest round of its mentoring programme for students and members — for them to gain valuable experience as a mentor or mentee and develop their careers.

The programme, which started in 2019, has more than 30 mentors. For more information or to register interest, visit the CIMAglobal website (login required) or email Noemi Tańska at Noemi.Tanska@aicpa-cima.com.

Scholarship programme to nurture future North Asia finance leaders

A total of 36 exceptional students have been selected from 100 candidates from 15 top universities in mainland China, Hong Kong, Macau, and Taiwan for the CGMA A-Star Scholarship Programme. The universities include Tsinghua University, Peking University, University of Hong Kong, University of Macau, and Taiwan National Chengchi University — working with AICPA & CIMA and industry leaders to create the programme.

The selected students were given the opportunity to attend a two-month online summer camp and a one-week CIMA Strategic Case Study workshop. After completing the programme, they could sit the Strategic Case Study exam. In addition, students benefit from mentoring by business influencers and industry leaders.

BOTTOM LEFT: IMAGE BY MACIEJ FROLOW/GETTY IMAGES; TOP RIGHT: PHOTO BY ARTUR DOMANSKI/EYEEM/GETTY IMAGES; BOTTOM RIGHT: IMAGE BY VIEWSTOCK/GETTY IMAGES

IMAGE BY ANNA EFETOVA/GETTY IMAGES

2023 elections to CIMA Council

Retirements by rotation

As the term of office for each Council member in the following CIMA Electoral Constituencies (EC) expires at the end of the Annual General Meeting in 2023, elections will be held in February 2023. Nominations for candidates (fellow or associate) to fill the vacancies must be made by six or more members (three of whom must be fellows) whose registered addresses are in the EC concerned.

EC		Current member
EC1	Central London and North Thames	Louise Sargeant, FCMA, CGMA*
EC2	South West England and South Wales	Jonathan Nicholls, FCMA, CGMA
EC4	West Midlands	Vacancy
EC4	West Midlands	Hasmukh Mistry, FCMA, CGMA
EC5	North East England	Garry Thickett, FCMA, CGMA
EC6	North West England and North Wales	Chrishan Mendis, FCMA, CGMA
EC6	North West England and North Wales	Ciu Yan, FCMA, CGMA
EC7	Scotland	Stephen Milne, FCMA, CGMA
EC10	West, Central and Southern Africa	Jaco Moolman, FCMA, CGMA
EC11	Central Southern England	Bruce Burrowes, FCMA, CGMA
EC11	Central Southern England	Mustafa Muchhala, FCMA, CGMA*
EC12	South East England	Brien Hueppauff, FCMA, CGMA, CPA (Australia)
EC12	South East England	Jannette Watson, FCMA, CGMA

*Members not eligible to stand again, having served on Council for nine or more years.

The nomination form and guidelines for completing it, and information on the role of a Council member can be found on the CIMAglobal website. Please read carefully. If you have any questions, please contact the CIMA Governance team at Governance@aicpa-cima.com.

The nomination must be received on the prescribed form by **23.00 GMT Monday 2 January 2023** and should be clearly marked for the attention of the lead specialist, Governance. A scanned copy of a signed and completed form is acceptable.

The Governance team will promptly acknowledge receipt of the nomination form, either through an automated process or by individual notification. It is the candidate's responsibility to ensure that their form has been received. To avoid uncertainty, candidates who do not receive such confirmation should contact the Governance department directly at Governance@aicpa-cima.com before the closing date.

If there is more than one candidate for a vacancy, a ballot will be conducted. The Governance team will contact you if an election is required.

Recovery at sea

The cruise industry could re-emerge strongly after being hit hard by COVID-19. There are estimates that by the end of 2023 passenger numbers could surpass those in 2019 — the year before the disease disrupted the sector. However, companies' borrowing during the pandemic remains difficult — it was a period when they also issued new equity and sold and scrapped ships.

Developing sustainable operations in the move to net zero by 2050 is a further challenge: to shift away from oil-based to alternative marine fuels such as liquefied natural gas and increase the use of shoreside electricity in ports. A total of 66% of the global fleet will be equipped to connect to ports' infrastructure in this way by 2027, according to industry body Cruise Lines International Association.

Royal Caribbean's cruise ship *Wonder of the Seas* moors after arriving at Málaga Port in southern Spain. When completed this year it was the world's largest cruise ship, carrying up to 6,990 passengers and 2,300 crew.

PHOTO BY JESUS MERIDA/SOPA IMAGES/ LIGHTROCKET VIA GETTY IMAGES