

TECH Practices

By Brad J. Monterio

Keeping Ahead of the Evolution of Technology

In October 2013, IMA® and ACCA (Association of Chartered Certified Accountants) published a joint research study titled “Digital Darwinism: thriving in the face of technology change.” The study analyzes the ways in which the accounting and finance professions will be impacted by rapidly changing technologies. “Today we live in an era of ‘digital Darwinism,’ a time where technology and society are evolving faster than many organizations can adapt to the changes,” the report begins. “As trusted advisers to business, accountants and finance professionals are expected to lead, not follow. The profession has historically been quick to identify and then exploit the potential of emerging technologies.”

IMA’s Technology Solutions and Practices (TS&P) Committee was recently chartered to help IMA members leverage—and exploit—current and emerging technologies in their businesses by providing them with guidance materials, education, training, thought leadership, and advocacy in the area of technology standards, best practices, and solutions. Our Committee has spent the past year designing a new strategy and

platform to help guide its work in delivering information and resources to members in an efficient and meaningful way and to ultimately help members get in front of the technology changes that are sure to come.

Our Committee was first chartered in 2009 as the eXtensible Business Reporting Language (XBRL) Committee. IMA is a founding member of the XBRL business reporting standard for digital/electronic reporting of financial and nonfinancial information over the Internet, and a portion of our membership uses the standard in the United States and other countries for regulatory filings to various oversight authorities. During the first few years, the Committee focused on advocacy efforts to support global adoption of XBRL. Once XBRL established a foothold in many markets around the world, our Committee recognized the need to expand our view toward other technologies impacting management accountants, both now and in the future. It was at that time that the Committee began to evolve into the TS&P Committee.

The purpose of the TS&P Committee is to promote, via education, research,

and awareness building, existing and emerging technology solutions and practices in a vendor-independent manner to enable accountants and financial professionals in business and their organizations to be more effective and efficient. Areas of focus include financial planning and analysis, risk management and internal controls, business reporting and analysis, and business process improvement.

We currently have three subcommittees to align with the key topics, issues, and deliverables for IMA members:

- ◆ The primary purpose of the **Emerging Issues Subcommittee** is to watch the horizon for new technologies and related issues, challenges, and opportunities for management accountants.
- ◆ The **Education & Research Subcommittee** primarily assists IMA staff in the development of educational content/programs and identification of research topics around technology topics relevant to IMA members.
- ◆ The **Advocacy, Outreach, and Partnerships Subcommittee** manages the TS&P Committee’s advocacy and thought-leadership efforts (e.g., comment letters, speaking engagements,



articles, and webinars) and identifies for IMA potential strategic partnership organizations in the technology domains.

The new strategy and platform the TS&P Committee has developed centers on creating bundled content and deliverables addressing key technology themes and topics. We felt strongly that it was important to bundle content together in multiple formats so as to have maximum impact as well as to give members the choice of formats and channels that best fit their needs. These formats include articles in IMA publications, webinars, educational programs, research studies, Statements on Management Accounting (SMAs), strategic partnerships, and more.

The Committee selected four key technology-related themes to guide our content for the current year:

1. Connecting complex data sets with meaningful reporting. This is a broad theme covering multiple data sources and formats, technology tools, and reporting audiences. Meaningful reporting is timely, relevant, useful, and accessible. This reporting moves

beyond compliance to usefulness in running and managing a business. It needs to help bridge the gap between investor/stakeholder expectations and corporate communications. Reporting audiences include management, investors, analysts, regulators, banks, supply chain partners, and more. Data formats can be structured and unstructured, financial and nonfinancial, numeric and narrative. For topics under this theme, the Committee is exploring technologies that enable this connection and how members achieve these connections. We also are exploring the tools that are available to accountants and any new skills that our members may need. Areas such as disclosure management solutions, structured interactive (XBRL) data, and integrated reporting are top on our list of hot topics.

2. The role of business intelligence and predictive analytics in business. This theme is about the *application* layer—the analytics process itself—rather than the act of data extraction and the overwhelming amount of big data currently being gathered and

aggregated by businesses. The Committee is exploring how businesses go about performing this analysis, the available tools, and the necessary skills for management accountants.

3. Scalability of accounting and finance applications for small and medium-sized entities (SME) through cloud and Software as a Service (SaaS) models.

The increasingly wide assortment of cloud and SaaS solutions available to SMEs has fundamentally changed the capabilities of smaller organizations, enabling them to compete like larger companies. Cloud and SaaS solutions often bring scalable, cost-effective, and powerful technology solutions to the business community. The Committee is exploring how SMEs can take advantage of these solutions, how SMEs decide which ones best fit their needs, and the related pitfalls, risks, and opportunities.

4. Finance supply chain process improvement. CFOs are increasingly being asked to do more with less, including improving the efficiency of consolidation, achieving the virtual/fast close, enhancing disclosure management,

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and improving analytics processes.

A recent IMA member survey identified business process improvement in the financial information supply chain as a key need among SMEs. The Committee is exploring how our members go about achieving process improvement in the financial information supply chain, what tools are available, and what skills and training will be needed. In addition, we are looking at the technological challenges, risks, and opportunities related to this topic.

The world of technology is broad, ever-evolving, and limitless. I'm reminded of a question a colleague used to ask when tackling broad areas like technology: "How do you eat an elephant? One bite at a time." Although there are many topics we could cover, the TS&P Committee wants to make sure that we can cover topics with enough depth to be meaningful to IMA members—hence, our new bundled content strategy.

That being said, the TS&P Committee is always seeking input from IMA members about which technology topics are important to them. While we will continue to move forward with efforts around our key themes, we welcome your input and suggestions for others. **SF**

Brad J. Monterio, managing director of Colcomgroup, is a member of the IMA Global Board of Directors, a member of the Board's Planning & Development Committee, and Chair of the IMA Technology Solutions and Practices Committee. He can be reached at bmonterio@colcomgroup.com.

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