

Finance Priorities in the COVID Era: Digital Dominance and Flexible Labor Models



Skills and Scale: The New Finance Labor Model Proves Its Real-World Value

The finance labor model of the future has passed a major test – and it was a massive one. The results of Protiviti’s [latest global survey of CFOs and finance leaders](#) show that finance organizations which leverage a diverse talent pool of full-time employees, contract and temporary workers, expert external consultants, and managed services and outsourcing providers are able to respond to external disruptions, such as the COVID-19 global pandemic, with greater speed and agility. Finance groups with this talent and resourcing approach also experienced fewer compromises to core finance processes during the early stages of the pandemic. In fact, for financial planning and analysis, 18% of CFOs and vice presidents of finance say their organizations rely on managed services providers and 29% leverage staff augmentation to support these activities.

Real-world tests of the future labor model came fast and furious in 2020. During COVID-19’s initial surge, most finance groups were ready for the transition to a virtual operation. In fact, a majority of CFOs and finance leaders reported that their functions were well prepared to shift to a remote working model in response to shelter-in-place directives enacted in many countries and regions. This capability also enabled finance leaders to stand-up just-in-time finance operations in new locations in response to temporary shutdowns in different regions. Finance teams that were not as prepared found themselves scrambling in more of an ad hoc, do-it-yourself mode.

Besides reflecting the difficulty and creative configurations needed to find workable solutions in the daunting early phases of the pandemic, this effective transition suggests that many finance organizations are developing the talent and resourcing capability needed to “skill and scale” at speed. That’s important because remote working models are likely to remain in place throughout much of 2021 and are becoming permanent in many organizations. There is also the very real possibility of future market disruptions that could bring about shelter-in-place orders, either through additional COVID-19 surges, new viruses or other events, further increasing the need for a highly flexible talent and sourcing strategy.

Our latest survey results underscore that finance groups are accelerating the development of their next-generation labor models. In the past 12 months, finance leaders have increased their use of managed services providers to perform financial reporting, strategic finance (M&A) and finance PMO, among other processes and activities.

For each of these key areas of the overall finance process, please indicate how it is resourced/staffed in your organization (shown: CFO/VP Finance responses):*

	Full-time employees		Staff augmentation (contractors, freelancers, etc.)		Managed services provider (blend of full-time staff, contract professionals and third party experts)		Fully outsourced	
	2020	2019	2020	2019	2020	2019	2020	2019
Accounting Operations	n/a	81%	n/a	23%	n/a	17%	n/a	4%
Accounting Operations – Accounts Payable/ Procure-to-Pay	83%	n/a	15%	n/a	15%	n/a	6%	n/a
Accounting Operations – General Ledger/ Record to Report	62%	n/a	34%	n/a	18%	n/a	5%	n/a
Accounting Operations – Accounts Receivable/ Order-to-Cash	55%	n/a	32%	n/a	24%	n/a	8%	n/a
Accounting Operations – FP&A/Plan to Project	56%	n/a	28%	n/a	24%	n/a	9%	n/a
Financial Reporting	59%	68%	26%	29%	21%	19%	9%	3%
Financial Planning & Analysis	61%	70%	29%	24%	18%	24%	7%	6%
Tax	47%	54%	33%	22%	25%	31%	11%	14%
Risk Management	55%	61%	29%	23%	22%	27%	8%	8%
Strategic Finance (M&A)	53%	64%	31%	25%	22%	20%	7%	7%
Treasury	62%	67%	28%	23%	18%	19%	8%	4%
Finance PMO	54%	68%	33%	25%	19%	14%	7%	7%

Source: Protiviti Global Finance Trends Survey (www.protiviti.com/financesurvey).

* Multiple responses permitted.

As CFOs and finance leaders strive to elevate their flexible finance labor models to the next level, they should:

1. **Assess** which talent and skills investments are most likely to enable the organization to operate at the right size, and in the right manner, to best address current and future operations and potential disruptions.
2. **Ensure** that remote working models – within the finance organization as well as throughout the enterprise – are supported by optimal investments in cloud-based collaboration, ERP and workflow technologies that tap a diverse collection of internal and external talent sources.
3. **Look closely** at the depth and precision of an external firm’s knowledge of the finance organization’s operations and culture when evaluating managed services providers (partners offering a blend of full-time staff, surge professionals and third party experts).
4. **Transition to appropriate** elements within the finance labor portfolio – a highly skilled core of full-time staff, temporary staff, contractors, external consultants, managed services providers, and outsourcers – to optimally to maximize productivity and profitability.

Interested in learning more? Further insights and our full report, *Finance Priorities in the COVID Era: Digital Dominance and Flexible Labor Models*, are available at www.protiviti.com/financesurvey.

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