

PERSIDANGAN AKAUNTAN SEKTOR AWAM KEBANGSAAN KE 30 TAHUN 2022

NATIONAL PUBLIC SECTOR ACCOUNTANTS CONFERENCE (NAPSAC)



MANAGEMENT ACCOUNTING IN THE ERA OF DIGITALIZATION

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PRESENTATION OUTLINE

**WHAT IS ERA OF
DIGITALIZATION**

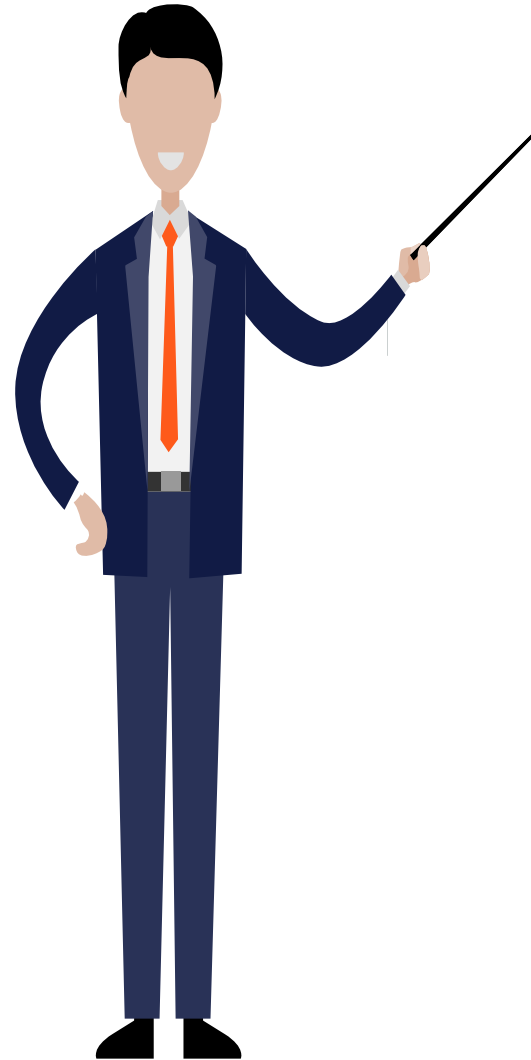
01

**DIGITAL ERA IMPACT &
ACCOUNTING PROFESSIONAL
CHALLENGES**

03

**CGMA COST TRANSFORMATION
MODEL**

05



02

**WHAT DRIVE DIGITAL
TRANSFORMATION**

04

**NEW INDUSTRIAL
REVOLUTION**

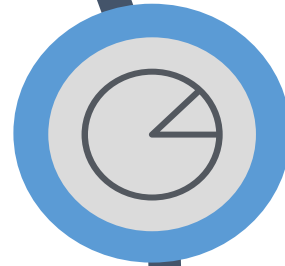
06

SOFT SKILLS ADVICE

WHAT IS ERA OF DIGITALIZATION?



01 - INDUSTRIAL BASED TO INFORMATION BASED



02 - INFORMATION & COMMUNICATION



03 - EASE PEOPLE DAILY TASKS & BUSINESS TRANSACTION



04 - MODERN DEVICES



WHAT IS DIGITAL TRANSFORMATION?

01
CUSTOMER
EXPERIENCE



02
OPERATIONAL
AGILITY



03
CULTURE &
LEADERSHIP

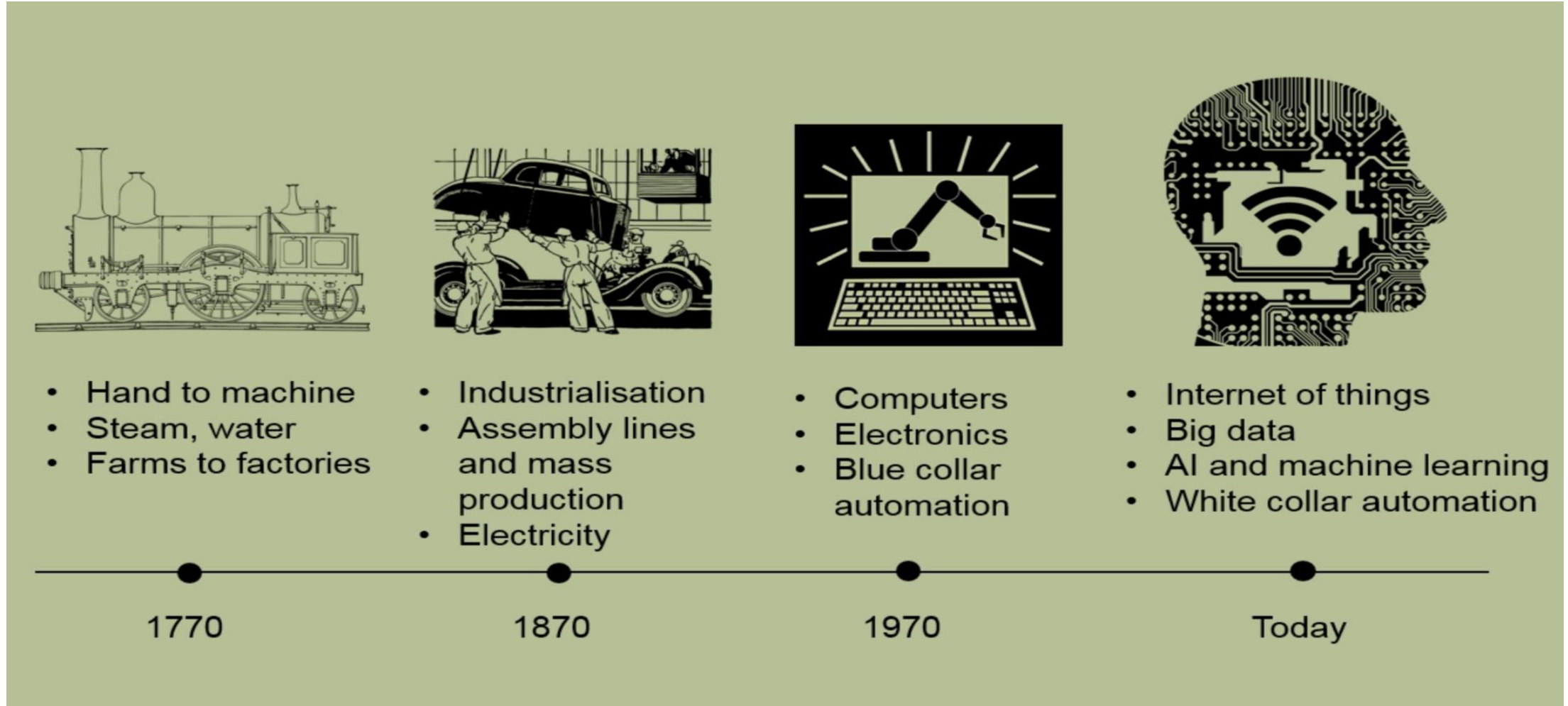


04
DIGITAL
TECHNOLOGY
INTEGRATION





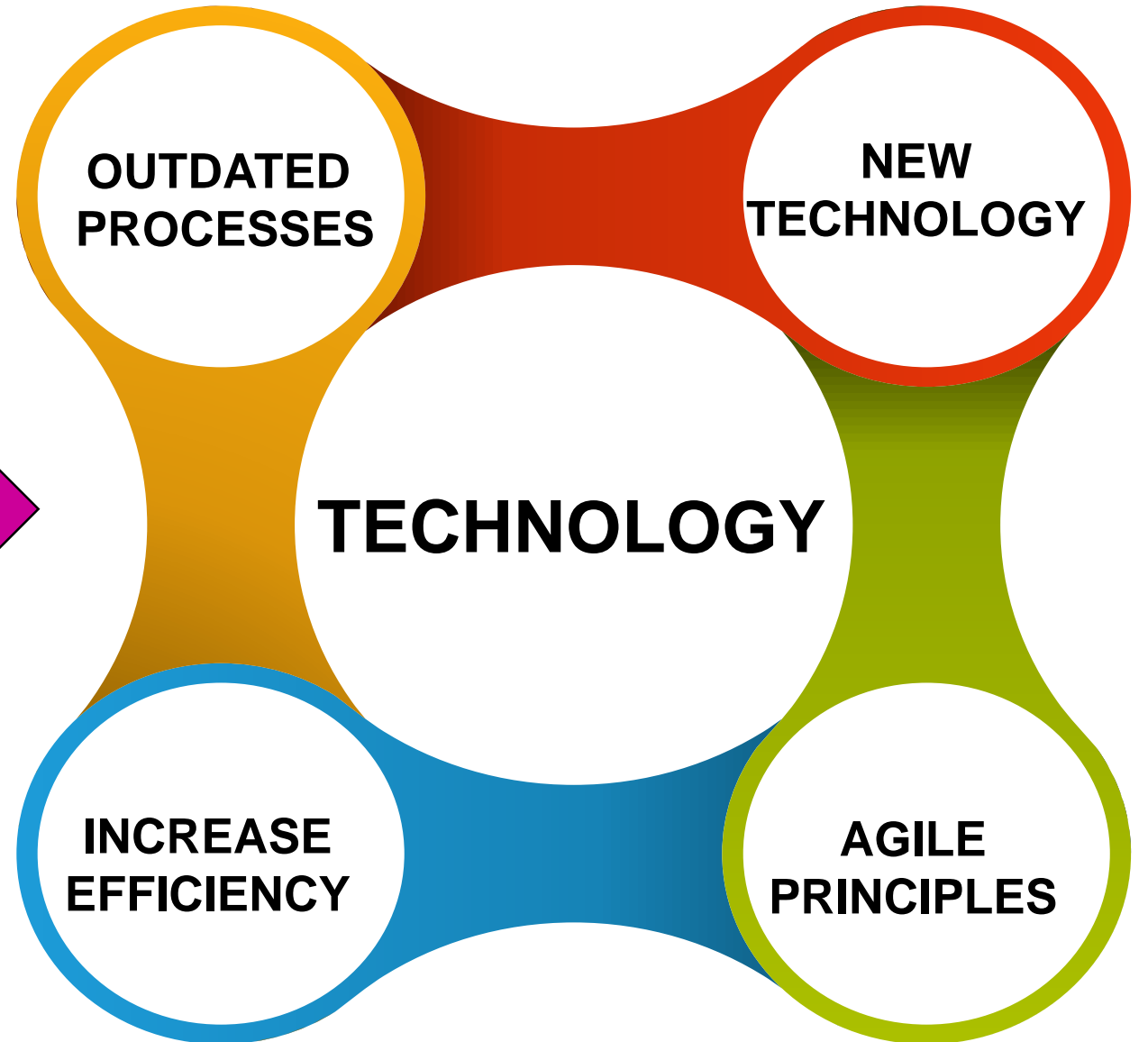
DATA REVOLUTION



Timeline of industrial revolutions from Bernard Marr's webinar: Digital transformation: mega trends in the accountancy profession



**WHAT DRIVES
DIGITAL
TRANSFORMATION?**





Educators

Practitioners

Regulators

Professional Bodies



TECHNOLOGY

ENABLER

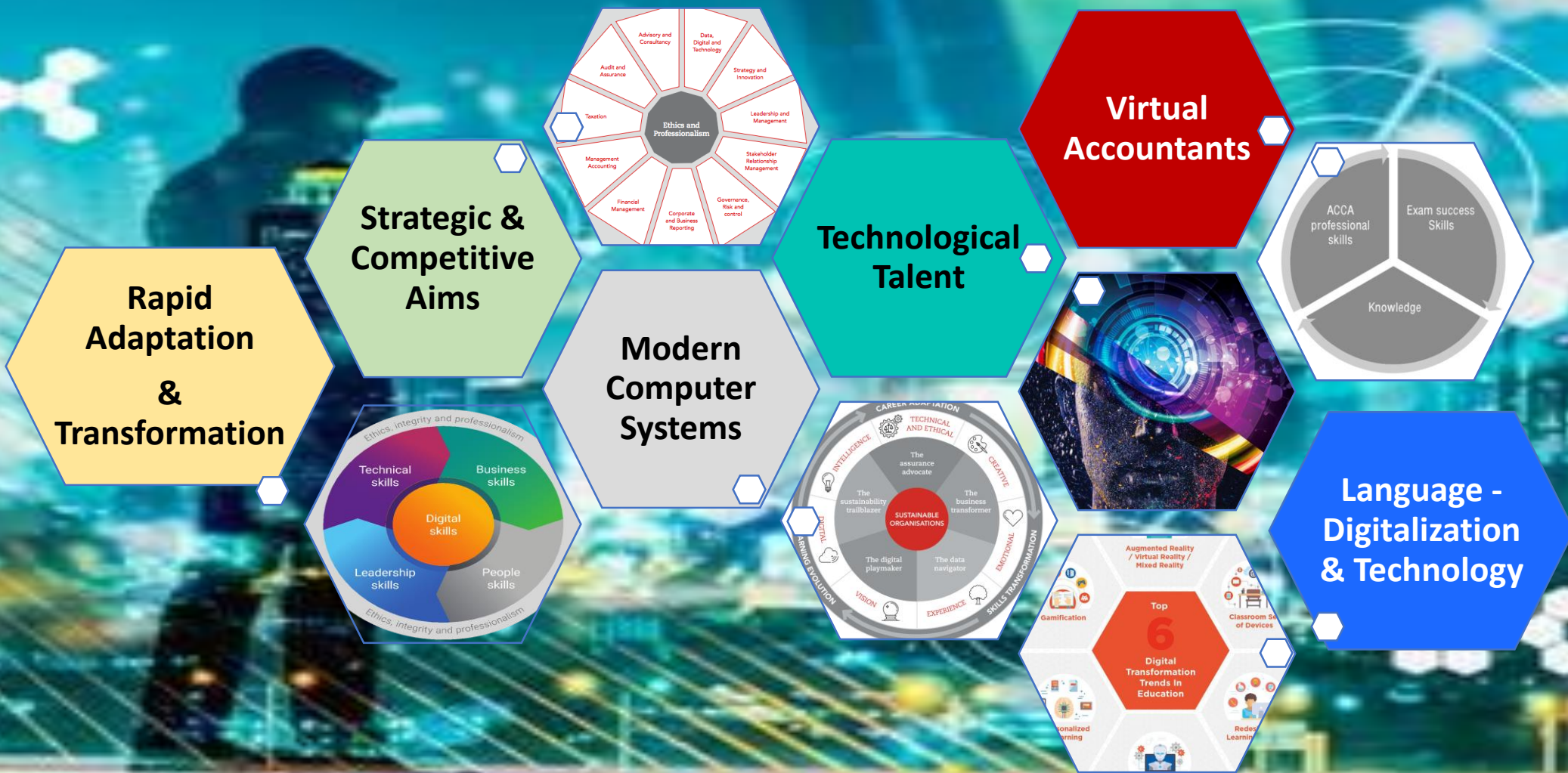


THE IMPACT OF DIGITAL TRANSFORMATION?





DIGITAL ERA IMPACT & ACCOUNTING PROFESSION CHALLENGES





DIGITAL ERA IMPACT & ACCOUNTING PROFESSION CHALLENGES



"Accounting Engineering"



Artificial intelligence & 4th Industrial Revolution



Technological Developments Integration



**Analytical & Numerical Thinking, Effective Communication,
Problem Solving, Digitalization Adaptation, Creative, Futuristic
& Holistic**



DIGITAL ERA IMPACT & ACCOUNTING PROFESSION CHALLENGES

**Right Talent
& Skills**

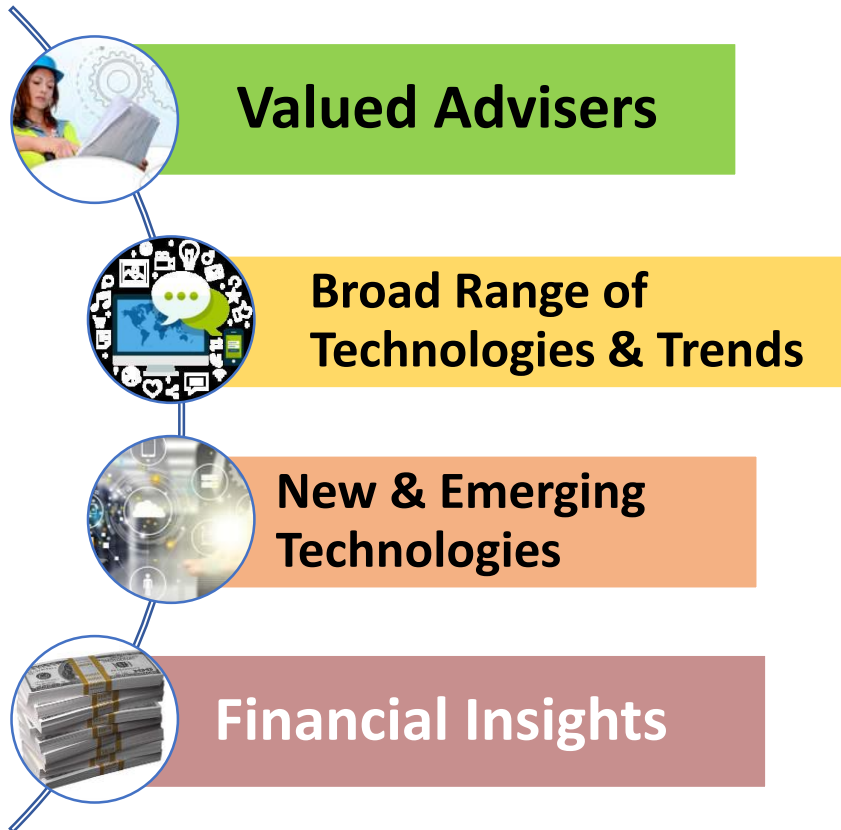
**Presentation
Skills**

**Business
Analysts &
Data
Scientists**

**Hard Technical
& Softer Data
Communication**

**Diverse,
Innovative
Flexible &
Collaborative**

**“Purple
People”**



10 TECHNOLOGY TRENDS :

- **Mobility**
- **Cloud**
- **Social Collaboration**
- **Digital Service Delivery**
- **Big Data**
- **Payment Systems**
- **Cyber Security**
- **Robotics**
- **Augmented & Virtual Reality**
- **Artificial Intelligence**



FINANCE PROFESSIONALS & DIGITALISATION

Sound Technical Skills

Financial Skills

Understand Digitalisation

Creating Value & Long-term Sustainability





NEW INDUSTRIAL REVOLUTION





THE COMPETITIVE ADVANTAGE

GLOBALLY COST COMPETITIVENESS

TRANSFORMATIVE OPPORTUNITIES

**GROWTH STRATEGIES, INNOVATION &
RETAIN COMPETITIVENESS**

**COST MANAGEMENT ---- GOOD COST MANAGERS ----
COST LEADERS**

"After 2008, we were feeling the effects of an economic climate where a strong pound was making imports cheaper than locally produced goods and impacting our sales volumes. The steel industry is fixed cost-intensive and reducing our variable costs would not have a significant enough impact. Our challenge was to find a way to re-structure our fixed costs base and differentiate our sales."

Claire Osmundsen-Little, ACMA,
CGMA, Finance Controller, Packaging,
Tata Steel Europe



TECHNOLOGY ELIMINATING COSTS

ELIMATE COST AS A BARRIER TO ENTRY

COMPUTER AIDED DESIGN (CAD)

3-D PRINTING

DISRUPTIVE BUSINESS MODELS ---- REDUCE VARIABLE COSTS REDUCE

CORE COMPETENCIES HAVE TO BE CONTINUOUSLY IMPROVED

"We all know the saying 'watch the pennies and the pounds will take care of themselves', suggesting that micro managing small expenditure paves the way for profits. But I believe that being penny wise can in fact mean being pound foolish. It's crucial to see the bigger picture of your business costs."

Kevin Eidelman, ACMA, CGMA, Group Financial Manager, Calgro M3 Holdings Ltd



INFORMATION REVOLUTION

PRODUCT PRICE INFORMATION READILY ACCESSIBLE

COMPETITION ON PRICE MORE PERVASIVE

DRIVE DOWN COSTS TO MAINTAIN COMPETITIVENESS

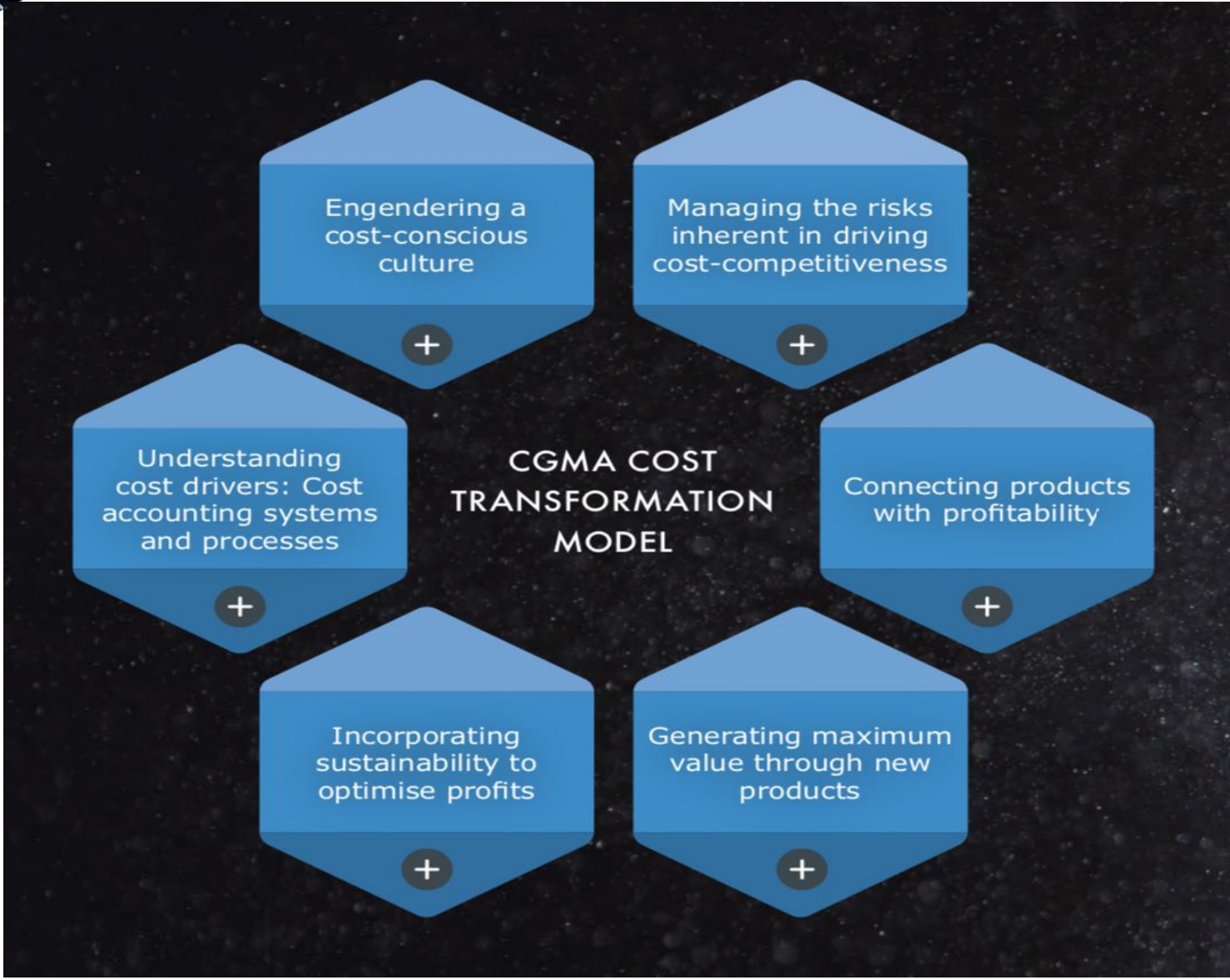
KNOW HOW IS MORE ACCESSIBLE WITH KNOWLEDGE
MADE POSSIBLE BY THE INTERNET

“When looking to bring down costs, a key area that can benefit from extra scrutiny is your supply chain management. It’s not enough to simply seek out the lowest cost suppliers.”

Bob Cortese, CPA, CGMA, Canadian
Controller, CTS Corporation



CGMA COST TRANSFORMATION MODEL





ENGENDERING A COST-CONSCIOUS CULTURE

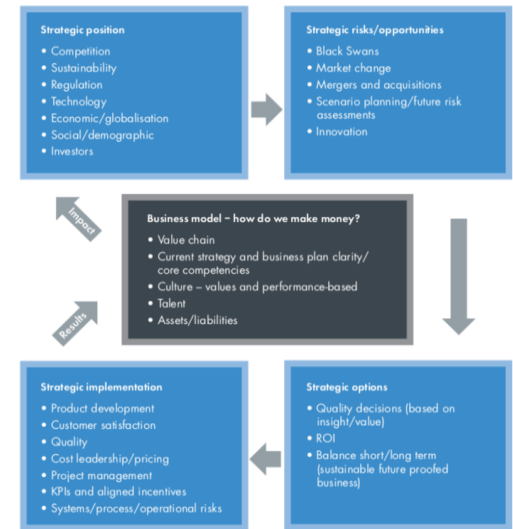
CONTINUOUS COST COMPETITIVENESS, PRESERVE OR ENHANCE CUSTOMER VALUE

BUSINESS STRATEGY FOCUS ON COST TRANSFORMATION AND MANAGEMENT

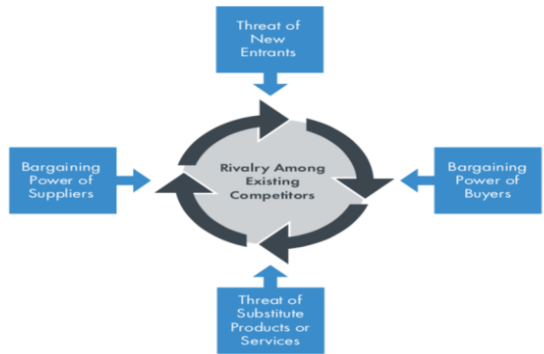
PEOPLE NEED BOTH TO BE ALIGNED TO ORGANISATION'S PURPOSE

AGILE IN THE FACE OF DESTABLISING INFLUENCES

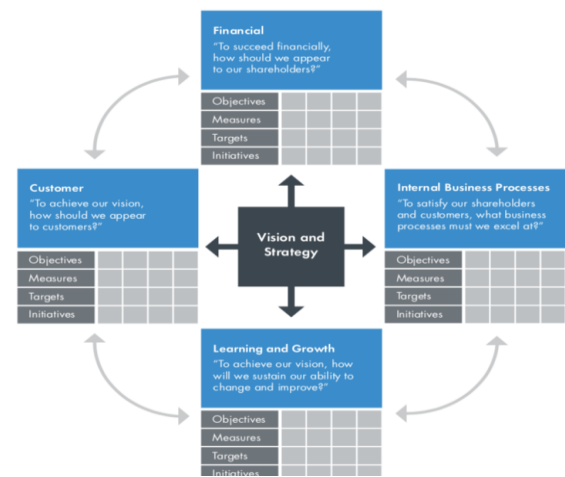
PEOPLE MOTIVATED & IMPROVE COST COMPETITIVENESS



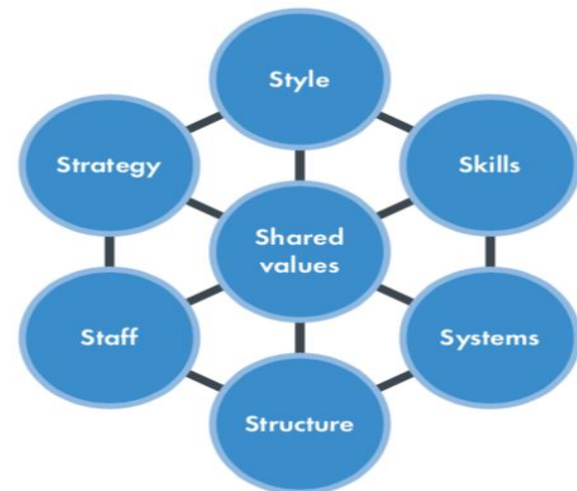
The CIMA Strategic Scorecard®



Porter's Five Forces of Competitive Position Analysis



The Balanced Scorecard





MANAGING THE RISKS INHERENT IN DRIVING COST-COMPETITIVENESS

RISK MANAGEMENT FOCUSES ON WHAT COULD STOP THE BUSINESS ACHIEVING ITS COST TRANSFORMATION AND MANAGEMENT OBJECTIVES. WHILE BUSINESSES WILL INVARIABLY FACE RISKS THAT ARE UNIQUE TO THEIR MARKET OR ORGANISATION, CERTAIN RISKS TO COST COMPETITIVENESS MAY BE MORE PREVALENT.

GLOBALISATION



**TECHNOLOGY
IMPROVEMENTS
&
BREAKTHROUGHS**

**COMMODITY
COSTS**



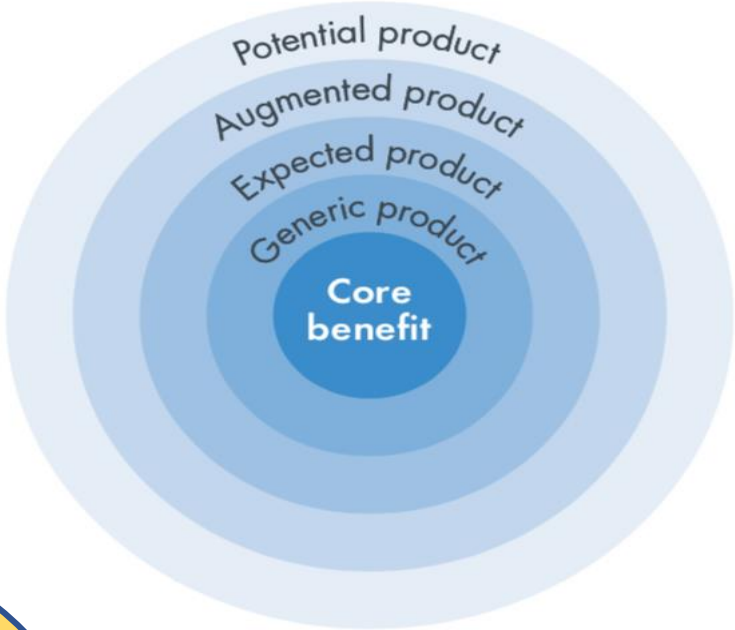
CONNECTING PRODUCTS WITH PROFITABILITY

**BUSINESS'S FINANCIAL
BOTTOM LINE**

**COMMERCIAL
BUSINESSES MAXIMISE
PROFITABILITY**

SEGMENT-SPECIFIC STRATEGIES

Management Accountants therefore must analyse product profitability and devise strategies to maximise product profitability by customer segment.



**CHARITIES EXIST
SUSTAIN RESERVES**

**GENERATE MAXIMUM
VALUE**

UNDERSTANDING COST DRIVERS

It costs more to serve some customers than others. A clear understanding of the cost drivers for existing products and customers should also inform new product and business development.



4 STEPS FOR CREATING A “SOFT SKILLS” IMPROVEMENT PLAN

Make a point to flex your soft skills in order to thrive in an automated future.

ADOPT A GROWTH MINDSET

PINPOINT YOUR GOALS

**BREAK DOWN GOALS INTO SPECIFIC ACTIONS
& BLOCK OUT PRACTICE TIME**

FIND SOMEONE TO HOLD YOU ACCOUNTABLE



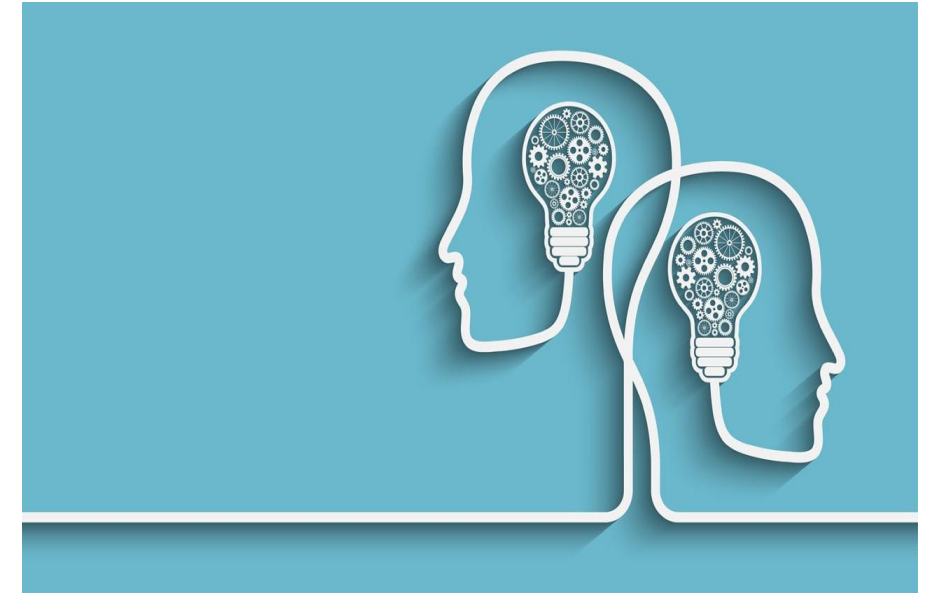


- **DIVERGE YOUR THINKING :**

- Generate various ideas/approaches
- New connections – trigger ‘aha’ idea
- "How might we ...?"
- Mind-Mapping

- **IDENTIFY THE 'COMPETE REFLEX':**

- Collaborate & create value together
- Co-creation, building equity & mindset being in service to others
- Intention to listen to understand, be present & ask good questions





- **Assess current levels of trust**
 - Diagnosing your current relationships
 - Direct conversation
- **Avoid burnout and stay healthy**
 - Develop a disciplined way of managing your day
 - Block out time in your calendar for certain tasks
 - Take regular breaks & minimize work interruptions
 - Take on volunteer work
 - Increase your resilience





SUMMARISED POINTS

WHAT IS ERA OF DIGITALIZATION

WHAT DRIVE DIGITAL TRANSFORMATION

DIGITAL ERA IMPACT & ACCOUNTING PROFESSIONAL CHALLENGES

NEW INDUSTRIAL REVOLUTION

CGMA COST TRANSFORMATION MODEL

SOFT SKILLS ADVICE

