



**SoMoClo technologies:  
Transforming how and where  
business takes place**



The Future Today





While social, mobile and cloud technologies ('SoMoClo') offer great opportunities to continue the automation of processes, SoMoClo should not be seen simply as more automation. Nor is it merely about 'mobilising' or 'socialising' existing processes and putting them in the cloud.

Instead, SoMoClo provokes a revisiting and questioning of all processes, which may have evolved in response to constraints that no longer exist. SoMoClo will be a crucial driver to evolving the role of the finance professional.

### About ACCA

ACCA (Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. We believe that accountants bring value to economies in all stages of development. We aim to develop capacity in the profession and encourage the adoption of consistent global standards. Our values are aligned to the needs of employers in all sectors and we ensure that, through our qualifications, we prepare accountants for business. We work to open up the profession to people of all backgrounds and remove artificial barriers to entry, ensuring that our qualifications and their delivery meet the diverse needs of trainee professionals and their employers.

We support our 170,000 members and 436,000 students in 180 countries, helping them to develop successful careers in accounting and business with the skills needed by employers. We work through a network of 92 offices and centres and more than 8,500 Approved Employers worldwide, who provide high standards of employee learning and development.

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### About IMA

IMA® (Institute of Management Accountants), the association of accountants and financial professionals in business, is one of the largest and most respected associations focused exclusively on advancing the management accounting profession. Globally, IMA supports the profession through research, the CMA® (Certified Management Accountant) program, continuing education, networking and advocacy of the highest ethical business practices. IMA has a global network of more than 75,000 members in 140 countries and 300 professional and student chapters. Headquartered in Montvale, N.J., USA, IMA provides localized services through its four global regions: The Americas, Asia Pacific, Europe, and Middle East/Africa.

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Prior to this, Didier was the global leader of the Telecom, Media & Entertainment practice at Capgemini Consulting for 15 years. He has more than 25 years' experience in strategy development, globalisation, and internet and digital economics, as well as in business transformation for large multinational corporations.



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Bobby Chadha is the accountant product manager for QuickBooks Online UK. His role is to develop Intuit's online offering while helping the UK office develop its accountant partnership strategy.

Bobby completed his ACCA exams in 2011 and previously worked for the Royal Bank of Scotland in various roles, from financial planning to credit risk, within the Retail and Global Banking and Markets arm.



## Raj Chandrasekhar

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## James Cherkoff

Director and Founder, Collaborate Marketing

James Cherkoff advises companies and brands about how to create digital marketing plans that focus on real business outcomes. He is also a speaker on the effects of technology on media and marketing and writes a well-regarded blog called 'Modern Marketing' that was chosen by the *Guardian* as part of its Select Marketing Network and selected by the British Library to join its Web Archive.



### Chris Davey

Director, Product Management, Intuit.

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Chris Davey leads Intuit’s international product management function responsible for the global expansion strategy and localisation of Intuit’s small business and accountant cloud offerings.

In his previous role, Chris led marketing and product management for Intuit’s Canadian Accountant Business Group. He drove the consolidation of Intuit’s professional accountant products into a single group, which included professional tax, accounting, and education programmes. This team supported the needs of 20,000 accounting professionals across Canada.



### Aarti Gulati

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As the CFO Asia (ex India) for Deutsche Bank (DB), Aarti Gulati is responsible for consolidation and reporting of financial statements for 12 countries in Asia Pacific (APAC). Prior to this she headed the Finance Analytics organisation for DB in APAC. During her 20 years in banking, Aarti has held various positions in DB and previously in J.P.Morgan, covering strategic analytics, financial planning, product control and business performance measurement. She has also spent five years as a part of the management team running finance shared-service centres in Mumbai. Aarti has an MBA degree and is a member of the Chartered Institute of Management Accountants (CIMA).



### Mark Deakin

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Mark Deakin has worked at Microsoft for around 14 years, during which time he has had a number of roles within the business. After working in support, he spent time in Consulting, Partner and Marketing and more recently returned to Partner, where he now meets with smaller organisations to talk about how Microsoft technology can help them compete with the bigger players. He is also ‘head of quality assurance’ aka ‘cake eater’ for his wife’s small cake decorating business, so he knows what it takes to survive as a small business.



### Richard Horton

Senior Manager, Finance Insight, Deloitte.

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Richard Horton is a senior manager and leads the Deloitte Finance Insight team, which produces a range of thought-leadership pieces for CFOs and other senior finance executives. He joined Deloitte in January 2014, having previously worked for a NYSE-listed research and advisory firm.

# Acknowledgments



## Simon Leech

Chief Executive Officer, Validis™

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Simon Leech joined Validis™ as CEO in June 2013. He has a seven-year track record of leading and developing technology services businesses. As troubleshooter at Microsoft, Simon restructured the sales operation in the company's Mid-Market Europe, Middle East and Africa (EMEA) division, increasing the profitability of the EMEA sales teams by over 12%. Prior to his role at Microsoft, Simon worked at Accenture, where he spent five years working on large-scale, custom-built software development projects.

In addition to his responsibilities at Validis™, Simon also serves on the board of directors of Easybuild, one of the fastest-growing software companies for the construction industry.



## Chris Mishler, CMA, CIA, CISA

Experis Finance – Senior Consultant,  
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Chris has been a consultant with Experis since 2005, primarily focusing on the Finance Operations, including Risk Management issues such as internal controls. Prior to Experis, Chris was the Controller and VP of Administration for a products importer and distributor.

As a subject matter expert in User-Developed Application Risks, Chris has assisted organizations in identifying, diagnosing and remedying risks in their key or high risk Excel files.

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## Steven Pease

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Steven Pease leads the Business Architecture and Cloud Applications practice for Deloitte in the UK. He specialises in the definition and implementation of large organisational change programmes supported by technology and has undertaken a wide range of projects in the public and private sectors in the UK, Europe and India. Steven is a chartered management accountant and PRINCE2 practitioner.



## Ian Preston

UK Vice President, Adaptive Insights

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Ian Preston has spent his whole career in business intelligence and enterprise performance management, starting with 20 years in senior performance management and planning roles in UK groups Invensys (now Schneider Electric) and Diageo.

From this he moved into software, followed by management roles in Hyperion, Business Objects and SAP. As he has been a constant advocate of practical, simple, workable solutions, cloud-based technology just became an inevitable next career step, leading Adaptive Insights in Europe.

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## James Potter

Founder, The Linked In Man

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James Potter is the founder of the The Network Coach Limited, but now describes himself as 'The Linked In Man'. For the last eight years' he has been training people how to use LinkedIn. He works in over 50 countries, helping a range of global, national and individual executives understand LinkedIn. His clients include companies of all sizes and types, across IT, management consultancy, sales, software development, accountancy, law and more. He holds qualifications in accountancy, business development, business consultancy, project management, networking and selling from a range of professional bodies.



## Liv Watson

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Liv Watson is a highly regarded expert in corporate governance, financial and CSR reporting processes. Liv is one of the original developers of the XBRL technical standard, as well as a founder of the XBRL International consortium. Liv has also served in several leadership positions such as the International Accounting Standards XBRL Advisory Board.

She has been a co-author and contributing author to several books including 'XBRL for Dummies' and 'Trust Meltdown'. In 2007, one of her articles received the Lybrand Silver Medal, and was included in the International Federation of Accountants (IFAC) 2007 Articles of Merit. In addition, she developed one of the IMA's' most successful CPE courses, 'Accounting System Technology for the 21st Century'.



## Keith Siu

Chief Financial Officer, Maxim's Group

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Keith Siu joined Maxim's Group in 2008 as general manager of finance and IT. Through direct and key involvement in projects with various departments such as Human Resources, Learning & Development and Projects & Engineering, Keith has been one of the main driving forces in overhauling the group's operational management in various disciplines. Using his leadership and guidance, Keith oversaw the transformation and expansion of the Finance Department's role at Maxim's. Keith has been a certified public accountant since 1992 and is also a fellow member of ACCA and the Hong Kong Institute of Certified Public Accountants (HKICPA).





## Foreword

The convergence of collaborative technologies of social, mobile and cloud (SoMoClo) permeates our personal and professional lives, so much so these days that we are often almost unaware we are using them.



Ng Boon Yew,  
Executive Chairman,  
Raffles Campus Pte Ltd  
and Chairman, ACCA  
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Academy

Yet we are probably rather more aware of the opportunities offered by the combination of these technologies. The most powerful processing technology can be accessed from almost anywhere. Individuals can share knowledge and work together across business and geographical boundaries with ease. Data is no longer locked away and out of date, but is on tap.

Accountants and other finance professionals now have the opportunity to create the responsive and flexible companies they have perhaps not even contemplated before. Even as the technologies proliferate, however, finance professionals will not necessarily find that using them to drive change is easy, and the process will not be without dangers and challenges along the way. Above all, the move towards a new kind of company is not a purely technological journey but one that will change the way people work: what they do, where they are, what they know, and how they interact with co-workers, colleagues and clients.

ACCA and IMA hope that this report, the first in a series of signature research reporting, will not only give some insight into the challenges and opportunities of SoMoClo for finance professionals, but, above all, will encourage people around the world to experiment and discover even more exciting opportunities for themselves.

## Executive summary

The term 'SoMoClo' – the coming together of social, mobile and cloud technologies – represents the possibilities unleashed as these rapidly developing technologies begin to overlap and interact with each other.



Now is the time for finance to take the lead in SoMoClo as it breaks down corporate silos and enables the creation of a more flexible and agile finance function. People, not technology, will be central to this process, and the roles and skills of finance professionals will change and evolve.

So far finance and accountancy's adoption of SoMoClo has been less marked than in other functions, but cloud applications are growing. These applications enable remote working, which in turn encourages social interactions.

### Decision support is the killer 'app' for finance

For finance, SoMoClo means putting financial data and financial expertise where it belongs: at the heart of decision making at all levels in the business. Increasing levels of self-service will both free financial professionals to add value by analysis, and bring together financial and non-financial data to add meaning and insight to financial reporting. Financial data will not only be richer and more relevant but more timely and consistent, as well as easier to access and understand.

### Cost and efficiency benefits

As well as adding value to decision making SoMoClo offers numerous opportunities to reduce cost, both directly from automation and self-service and indirectly by eliminating, for example, travel costs and errors. Notably, smaller businesses now have access to the same technologies as the largest enterprises.

### Changing the role

Over the longer term, SoMoClo will change the way that finance professionals and accountants work with each other and their colleagues and clients, wherever they are located. Their role will no longer be primarily reactive and backward-looking but proactive, continuous, forward-looking and engaged. Communication becomes both more productive and collaborative, and innovation is encouraged.

### Challenges and imperatives

SoMoClo offers a great many challenges to finance, including where to direct investment, and how to adapt both personally and professionally. Security and reputational threats cannot be discounted and finance is perhaps in a better position than most to ensure that good governance is not overlooked.

What is clear is that the growth of SoMoClo can be neither resisted nor ignored. CFOs now need to take a leadership role in this area. Below are the imperatives for finance.

- + **Learn** from both the mistakes and successes of early adopters in other functions.
- + **Engage** and interact across corporate silos to combine data and expertise.
- + Offer **insight** to enhance decision making not just data.
- + **Facilitate** innovation in the business rather than using the extended reach of SoMoClo to police it.
- + **Move** finance professionals into the business using mobility and cloud.
- + **Automate** wherever possible to concentrate on added value.
- + **Dream** about new ways for finance to add value: SoMoClo makes so much technically possible that imagination is now almost the only limitation.

# 1. Introduction

## What is 'SoMoClo' and why should financial professionals care about it?

'SoMoClo' is a term coined by a research company, Aberdeen Group, to describe the convergence of social, mobile and cloud technologies.

It is not so much a single trend as the multiple and overlapping adoption of and interaction between these three technologies. As science fiction author William Gibson has said, 'the future is already here – it's just not very evenly distributed' and this is particularly true of SoMoClo. Marketing and human resources (HR) teams, for example, have been enthusiastic early adopters. In the finance function the take-up of these technologies has been much more uneven, but it would be wrong to describe finance as simply being 'behind the curve'. Use of SoMoClo is becoming more widespread and it is arguable that in some areas finance pioneered the use of the precursors to cloud technology through business process outsourcing (BPO) and even early bureau services for functions such as payroll.

If finance departments have been slow to adopt some aspects of SoMoClo this may be no bad thing. It may lead to more sustainable investments, more far-reaching changes and greater value later on. Now, however, finance needs to engage actively with these technologies and make its voice heard. Digital transformation is rapidly breaking down corporate silos and finance must make sure it does not become a subordinate department in the new world of data.



**'Is finance behind the curve? I would say we are getting there but we keep chasing the technology, which is growing rapidly. Is finance too risk averse? No, but we need to be more cautious on choosing which technology in terms of security, durability, functions and popularity.'**

*Keith Siu, Chief Financial Officer, Maxim's Group*

It is, however, important to distinguish between the mere adoption of these technologies, and their use, to create a mobile, agile finance function. CFOs must play a dual role, looking across the company at the investment case for new technologies, but also acting as an internal entrepreneur working to maximise intellectual property and human capital for the business.

Crucial to this will be the evolving role of the finance professional. While SoMoClo offers great opportunities to continue the automation of processes, it should not be seen simply as more automation. Nor is it merely about 'mobilising' or 'socialising' existing processes and putting them in the cloud. Instead, SoMoClo provokes a revisiting and questioning of all processes, which may have evolved in response to constraints that no longer exist. SoMoClo can be as much about stopping doing certain things altogether as about doing new things, but at the same time the need for 'traditional' activities or disciplines may be reaffirmed or even strengthened.

People are not so much an element of SoMoClo as its essence. A more unwieldy way of expressing the concept would be: 'People, wherever they are and whatever they want to do'.

SoMoClo is already transforming how and where people fulfil their roles in many different parts of the company. Up to now in the finance function it has been an added layer of convenience in the form of ready access to remote data and colleagues. In future it promises a complete reappraisal not just of the location but the role of the finance professional in relating to and supporting the rest of the business: while some elements of the role will be deskilled or even disappear, there will also be a need for the development of new skills and capabilities, which may be as much social and interpersonal, or commercial and analytical, as purely financial.

## Key questions

SoMoClo raises a number of questions for the finance function, including the following:

- + What are the key benefits of SoMoClo solutions for finance?
- + Is SoMoClo seen as saving costs or adding value?
- + Are the gains to the finance department or the wider business?
- + How can CFOs keep in touch with technological developments, and set investment priorities?
- + How can finance mitigate the risks – security, control, data integrity, reputational – attached to SoMoClo?
- + How will SoMoClo change the skills and working patterns of finance professionals?



## 2. SoMoClo

SoMoClo is, on one level, entirely technology-driven. At another level technology is irrelevant. A technology platform such as a smartphone has such a range of capabilities – voice communication, camera, text messaging, geolocation, motion detection, 'Quick Response' (QR) code recognition, to name a few – that an almost infinite variety of applications can be built on it. Add that to the many other technologies that already make up SoMoClo – cloud storage, software as a service, social media – and the limitations of use for this technology begin to look limitless.

### Social

Social technologies are most familiar in their consumer forms. Social media platforms such as Facebook and Twitter bring together millions of users for many levels of communication between families and friends, between celebrities and fans, businesses and customers, even governments and citizens. LinkedIn, the equivalent to Facebook for professionals, is a global networking site as well as a source of new business and job opportunities.

Corporations use these technologies, mainly for marketing and recruitment purposes, but increasingly for customer service and shareholder and stakeholder communications.

Within companies the use of social media technologies is more fragmented. Some businesses encourage employees to communicate and form groups on Facebook and LinkedIn and use Twitter, others discourage it or use internal or proprietary alternatives such as Microsoft's Yammer or Lotus Notes.

Internal use of social technologies will be far more about collaboration: bringing together individuals across the business and geographical boundaries. This may involve bringing colleagues together through sophisticated presence suites that create a 'virtual boardroom'. Even lower-cost tools allow colleagues to collaborate effectively across time zones and shorten the 'finance day'. With the rise of single-instance storage, global accounting and Enterprise Resource Planning (ERP) systems, the software and data themselves become part of a shared social space.

## Mobile

Mobility is a corollary of cloud, because the latter frees data and therefore frees users from using data in a single location. This is underpinned by ever-increasing communications infrastructures and bandwidth – 3G, 4G, wifi and ‘hotspots’, all offering internet access, and a multiplicity of internet-enabled devices: desktops, laptops, tablets, smartphones. Often these will be owned by employees themselves, a trend known as ‘bring your own device’ (BYOD). The corporate world has rapidly moved from a position where the use of personal digital devices in the workplace was seen as a threat to one where employees’ and customers’ own devices are seen as valuable adjuncts to their companies. For example, some airlines now allow passengers to connect their devices directly to in-flight entertainment systems.

Combined with cloud access to data and applications, mobile means that no location is privileged. Everyone can work as easily from home as in the office, or can work on the move or in client locations.

## Cloud

Cloud computing is itself a term for a hybrid technology encompassing a number of IT architectures in which the cloud’s data and applications are typically stored, manipulated remotely and accessed online. In most extreme form, IT infrastructure, platforms and software would all be accessed by a single Web login and purchased as a service. Cloud solutions can range from simple file storage such as Dropbox, email services such as Gmail, online application suites such as Office 365 or full-scale ERP solutions such as Salesforce.com. Cloud solutions are becoming increasingly popular in processing financial accounts at SME (Small and Medium-sized Enterprise) level and for accountants in practice.

Clouds can be public, private or hybrid. Shared services, business process outsourcing and managed services can all share some of the characteristics of cloud technology.

The advantages of cloud technology are primarily cost, adaptability and mobility. Capital expenditure can be replaced by operational expenditure and reduced through economies of scale, while upgrades and version control are all handled centrally and deployed globally. A company’s IT footprint can vary precisely as it expands and contracts, even reflecting seasonal variations. Depending on the application and provider, new capabilities and functions can be added and removed as required. Web access means that users can access data and applications wherever they are and on a variety of devices.

## Social, mobile and cloud: SoMoClo

The term SoMoClo encapsulates how these technologies not only interconnect but also enhance and build on each other.

The combination of cloud and mobile means that employees working remotely can have access to enterprise data and applications: mobile and social platforms connect remotely working employees, while cloud and social media facilitate effective collaboration. Underpinning all this are the constant increases in processing and storage power that are allowing users to share or stream ever-larger amounts of data in a variety of locations.

The convergence of the three technologies offers the promise of reduced costs, enhanced decision making and innovative ways of working.

SoMoClo increases the pace of workflows by reducing bottlenecks found in more rigid work location models. Collaboration among colleagues can rise to a more productive level as the available knowledge pool deepens and widens to include more experts or interested parties. Cloud technology allows untethered access to business functions from a wider variety of platforms, again speeding work processes and therefore productivity.

*Chris Mishler, Senior Consultant,  
Subject Matter Expert, Experis Finance*

### 3. SoMoClo in the finance function

#### Adoption

'Banks have not been early adopters or even late adopters of this technology – we are generally behind the curve. Not too many CFOs have thought through the implications of social, mobility and cloud as a game changer: they worry about security; they worry about data confidentiality and market-sensitive information.'

Aarti Gulati, Regional Finance Director, Deutsche Bank

Finance and accountancy's adoption of SoMoClo has certainly been less visible than, say, that of marketing and HR. Is this risk aversion, or recognition of the unique status of finance and financial data in companies? The pattern of adoption suggests the latter, with a clear risk gradient between the three elements: cloud applications are already widespread and growing in finance, often purely for cost reasons. This is, in turn, enabling more use of mobiles, subject to security and governance, with social media and platforms being brought in more slowly.

'There could be very good reasons for finance to be behind the curve in SoMoClo. For marketing or HR you couldn't do without it, but finance is unique, in that SoMoClo confers fewer advantages but might imply bigger risks. As much as you need people to think creatively and imaginatively, you also need the old guard who could ask "have you thought of these risks?" A certain amount of structure would have a sanitising effect on what could otherwise be runaway technology change.'

Raj Chandrasekhar, Global Head, Product Risk Management, GTO, Standard Chartered Bank



**'In finance we are nowhere near a critical mass and there has yet to be an exemplar company. CFOs are still saying to cloud providers, "let's see what you can do"'**

Richard Horton, Senior Manager, Finance Insight, Deloitte

So it is not necessarily that early adopters such as HR or marketing are less risk averse than finance but the responsibilities that CFOs have across a whole range of data mean that they have to be able to answer critical questions about their data, such as: how do we know it's safe? Where is it stored? Is it backed up? Will it be available to be audited? What if we want to move to another provider?

'No matter how many people tell you software is becoming easier, it is a cottage industry in an industrialised world. Cloud options are fantastic and the benefits can't be ignored, but people need to be aware that data structures can be quite different; it's not like hopping in and out of a car. When people buy into a cloud option they don't really think about it, they don't ask those hard questions.'

Simon Leech, CEO, Validis™

While they are at risk of appearing negative, CFOs are in fact well placed to look for controls, standards and security that other departments may take for granted.

Finance may therefore act as a brake on unnecessary investment and help avoid the 'shiny ball' syndrome that has led to expensive outlays on short-lived fads such as Second Life, where large corporate investments created no lasting value.



## Finance and social

Even when businesses are keen to promote themselves through, for example, LinkedIn, finance professionals may be unwilling to expose themselves on social media.

'They're doing the absolute minimum because they are worried about personal liability – it's a standoff but the end user has got the upper hand – companies want them to be updating their social media but the people at the sharp end don't want to do it.'

[James Cherkoff, Director and Founder, Collaborate Marketing](#)

Where social platforms are used by finance professionals, this therefore tends to be through internal proprietary and private systems, which are unlikely to be supplanted by their public equivalents.

Finance must also be keenly aware that social interaction as a company is very different from the interactions of individuals. There are, in fact, many different levels of social interaction and these can become dangerously blurred in social media contexts.

In an ACCA 2014 global survey, Drivers of Change, of 2,000 finance professionals and C-suite executives, 27% percent of respondents selected that they expect social media and its role in business to have a large impact in the next three years.

Finance professionals communicating with outside stakeholders need to be intensely aware of the multiple contexts in which that communication can be viewed. Will it affect brand and reputation, reveal confidential or price-sensitive information, and so on?

The "So" in SoMoClo is one of the hottest topics among investor relation officers today. The Securities and Exchange Commission (SEC) announcement in 2013 that social media is an acceptable conduit for disclosure gave investor relation departments a wake-up call, especially those who may have been reluctant to jump in.

[Liv Watson, Director of Strategic Customer Initiatives, Workiva Inc.](#)

The rise of integrated reporting is creating an intensified focus on the relationships these professionals have and on the active involvement of multiple stakeholders in the business. Social media cannot be excluded from the work of building, managing and reporting on those relationships.

'There's a fear that social media is going to consume your time but if you only get people to do what they should be doing for themselves anyway it will drive the business. There's also fear of being exposed, but social media is no different from talking to people on a day-to-day basis: I advise people to have "ruthless authenticity". Be very good at being you – it's a real differentiator.'

[James Potter, Founder, The Linked In Man](#)

## Finance and mobile

The use of mobile applications by the finance function has tended to be tactical and peripheral. As part of SoMoClo, mobile technologies have clearly improved the ability of finance professionals to be productive when working away from the office. Greater processing power is rapidly overcoming the limitations of the devices, while MbaaS (mobile backend as a service) products can boost the processing abilities of mobile devices by connecting them with the cloud.

Mobile devices also allow the introduction of live financial data into face-to-face discussions with colleagues or clients. Real-time reporting is increasingly feasible, raising the possibility of using graphical interfaces to present business data in an immediate and consistent way, wherever staff or clients are.

Mobile devices are more than simply ways of accessing information. Mobile banking apps are increasingly being extended into payment systems. In 2012 the UK's NatWest introduced GetCash, allowing customers to withdraw cash from ATMs using a code sent to a mobile phone. Originally intended as an emergency back-up for customers who had lost their ATM card, this is now being promoted as an alternative to carrying one. Barclays Pingit allows individuals to send money to each other, while Apple Pay uses phone technology to replace the contactless payment card.

Fingerprint technology not only helps with the validation of transactions, but also turns the mobile device itself into a powerful validator of identity, allowing for more personalised applications to be delivered to individual users with appropriate security and access controls.

## Finance and cloud

For many companies the transition to cloud is no longer a question of 'if' but 'when'. They now need a business case not to use cloud. In a 2014 ACCA survey, 37% of C-suite executives and 35% of CFOs, have identified that the adoption of cloud computing will have a large impact on finance in the next three to ten years. Finance departments are looking for those areas where it is most applicable: reporting, transaction processing and working with outsourcers.

SMEs, which do not have the legacy investments of larger corporations, are in a better position to move quickly, as cloud solutions offer quick wins for them. These include access to enterprise-class software on a flexible basis rather than having to rely on 'one size fits all' solutions, with improved security and reduced maintenance costs. Accountancy practices are also keen to move their clients to online solutions to reduce costs and improve efficiency. Social and mobile solutions provide added bonuses to the initial case.



+ In a 2014 ACCA survey, Drivers of Change, 37% of C-suite executives and 35% of CFOs, have identified that the adoption of cloud computing will have a large impact on finance in the next three to ten years.

## 4. The case for investment

### Insight: the real value of SoMoClo

'Looking forward, the question is how can cloud and social support other agendas: the automation of financial work and the ability to have access to data with seamless granularity; the ability to pull back into a big picture and go from the big picture into the detail?'

[Aarti Gulati, Regional Finance Director, Deutsche Bank](#)

In the long-term, SoMoClo may make working life easier but for CFOs the real long-term benefit is likely to lie in the greater levels of decision support it offers, bringing not only financial data but also financial expertise into the decision making of people right across the business. Within finance it can deliver real 'bang for the buck' by tying into big data initiatives, and the greater levels of insight that come from the forensic analysis of, for instance, trading patterns. Or it can simply have greater social relevance and bring more pairs of eyes to the data.

As users increasingly benefit from mobile and cloud to perform self-service transactions and reporting, the finance function is freed to do more analysis and add more value and insight, ultimately helping the business to make better decisions. Combining financial and non-financial data can take the mythology out of financial statements and enable a more fulfilling conversation about the financial aspect of decisions.

"Finance says no" becomes "finance says why and how". This is a way for finance to get from the back of the boat to the front of the boat. It's not enough to be the gatekeeper and the rulemaker any more: finance has to get out there and make things happen.'

[Ian Preston, UK Vice President, Adaptive Insights](#)

In the short term, reporting will become faster and more flexible, and data more timely and relevant. Existing financial reports tend to be backward looking, lacking in detail, with limited context, and not necessarily relevant to the task at hand. What is needed is insight to help make forward-looking decisions and allow non-financial managers to use financial information on a consistent basis. Data will need to be not just simply available, but supplemented by compelling visual elements and analytics if its presentation is to be better than that on spreadsheets.

'The move from information to insight is something CFOs are striving towards, the idea that finance sits on a wealth of information and is the primary source for decision making in the business. What CFOs talk about when they talk about adding value is all about providing greater decision-making support, making the data that you have more accessible and visible. The most valuable insights are those that are made when decisions are being made. You can use cloud tools to embed the insight into the decision-making process.'

[Steven Pease, Partner, Consulting, Deloitte](#)

Cloud and mobile applications put power in the hands of the users, enabling them to see and handle their own financial data. It releases them from the need to involve IT in creating reports or even bringing in data from other systems such as HR and CRM (Customer Relationship Management).

## Cost and efficiency

Cost may not be a primary driver in the adoption of SoMoClo but there are definite cost advantages that can offer quick wins and bolster the case for adoption. For instance, cloud significantly reduces the cost of storing and collating data – for many businesses even email traffic is creating significant and unsustainable storage costs.

Cloud and mobile can work together to eliminate paper processes: an often-cited use is photographing expenses claims for remote processing. Remote signing can even eliminate the need for an employee to come into the office, and more and more financial processes become self-service for users from any device. This can be used to encourage greater commonality of conduct and consistency of approaches, as practices become standard and are easier to automate. Users will need to make a case to show that that any deviation really adds value.

As well as eliminating data entry, cloud solutions can also cut down on re-entry. Uploading and downloading data to and from spreadsheets is not only time-consuming but also a source of errors. With cloud, everyone is working from the same data and the same software, and according to the same business rules.

**+ Cloud software takes away many of the issues associated with rolling out and updating systems at scale.**

Many CFOs are now aware of the cost of their legacy technology, particularly where they have made significant investments in ERP software: often multiple instances of ERP, which can make it difficult to act quickly.

Cloud changes the investment in enterprise systems from a capital to an operating expense. Nonetheless, while IT no longer has to support a variety of different systems, the trade-off is a lack of customisation.

Cloud software takes away many of the issues associated with rolling out and updating systems at scale: users are merely logging on at terminals, everything else is hosted remotely.

Scalability and agility are other key benefits: users' seats can be added and removed on an ad hoc basis. Even the distinction between large enterprise and SME software is becoming blurred.

'Access to better software applications is a vital competitive driver to increase smaller firms' presence in the market and take back some of the reputation for high levels of personal customer service previously the hallmark of smaller local businesses which have been pre-empted by larger global firms to a certain extent.'

*Chris Mishler, Senior Consultant,  
Subject Matter Expert, Experis Finance*

## Collaboration

SoMoClo opens up new ways for finance professionals to share data and to collaborate – with each other, with business users, with clients, with suppliers – and even, in some cases, to share data with competitors.

Because the data is in the cloud it is not only inherently mobile, but usable on a wide range of devices. This makes it very easy to join up everyone globally so that budgeting and planning become collaborative.

‘It’s not just about collaborative features but creating a collaborative process. You can have conversations in the software, or attach notes to any cell to explain what’s happening in that area of the forecast. You start to hook a lot of people who may be working distantly into one common purpose.’

[Ian Preston, UK Vice President, Adaptive Insights](#)

This can enable truly collaborative working across time zones and across cultures, which will be of obvious benefit to global or multinational companies. It can apply equally to an accountant in practice working with local clients, where issues can be resolved in an ad hoc manner without the need to arrange formal meetings or even schedule a phone call: the relationship between the client and the accountant or finance professional becomes more of a continuous conversation.

‘In the past you would download software and it would be sitting on your computer. The only way you could collaborate with your clients was to pick up the phone or have them come to your office. What you experience with cloud applications is the ability to collaborate with your client in a more fluid manner while still minimising client disruptions. Being able to access your clients’ data real time is driving incredible time savings for practices.’

[Chris Davey, Director, Product Management, Intuit](#)

This leads not just to efficiency gains but also to more proactive approaches from accountants and finance professionals, from reminders to take action on timely issues such as outstanding invoices to just giving general advice. Pressure is taken off monthly reporting cycles and year ends, and the finance professional’s role as an all-year-round business partner and adviser is strongly enhanced.

In outsourced and shared services environments companies are talking more and more about using social media and cloud and changing the way they use analytics in consequence. Social media or social media-like applications are being used to share both best practice and a sense of culture, complementing and in some cases replacing traditional ways of communicating with staff.

SoMoClo can encourage and enable innovation at ground level, which becomes less of a shot in the dark as financial feedback and support become continuous. Digital transformation is encouraging the rapid development and roll-out of solutions on a trial basis: the closer involvement of finance simultaneously reduces the risk and the time to validate or abandon the concept.

‘You can try a new pricing strategy and have control at ground level, and see whether there are real results. The people in the store can innovate and finance can see what is flying off the shelves. It’s really important to have CFOs in the strategic discussion to understand where the real costs are.’

[Dr Didier Bonnet, Senior Vice President and Global Practice Leader, Capgemini Consulting](#)

## Communications

SoMoClo enables better communications and challenges the dominance and clumsiness of email: where appropriate, email 'conversations' can be changed to more productive one-to-one instant messaging or expanded into virtual conferences. Documents can be shared and worked on collaboratively rather than emailed. The proliferation of voicemail has made phone contact a hit and miss affair but now people can check each other's availability before calling. Even so, back office professionals may still find appropriate uses for more formal email communications, which then become part of the mix.

**+**  
**'Your communication flows  
into the areas that make  
sense to you'**

Mark Deakin, Partner Technology Strategist, SMB, Microsoft

Finance may be wary of opening communications to the outside world through social media, but that does not mean it should be deaf to social chatter.

Marketers have developed the concept of 'social listening': monitoring what people are saying about products and trends from social media traffic. This also has uses in the financial world, where social media can be mined for signals.

'One of the things the Bank of England has brought into its forecasting model is the numbers of people looking for keywords on Google – it has become part of the BoE palette of forecasting. It's about bringing different types of data sources on modelling. That's where Twitter comes in – an individual Tweet is useless.'

James Cherkoff, Director and Founder, Collaborate Marketing

Accountants in practice are increasingly using social media as a way not only of continuously interacting with their clients, but also of putting themselves 'out there' in the wider market. This might mean picking up leads on Twitter and LinkedIn, or gaining new clients from the social presence they have: for example, offering opinions and advice on forums such as Accounting Web.

'Accountants are becoming more social through online technology. They are using social platforms to discuss changes in our industry, offer advice via forums and also promote their own services.'

Bobby Chadha, Product Manager, QuickBooks Online, Intuit

## 5. Implementation

### Developing a strategy

Despite the apparently limitless possibilities of SoMoClo, CFOs need to think carefully about what it might mean to their company and how it can be used to meet their needs. Being slightly behind the curve gives finance the opportunity to learn from the mistakes of the early adopters.

'Millennials are incredibly tech savvy but you don't want to just pick a 20-something year old at random from your office and base your strategy solely around what they think. CFOs have to spend time with vendors to understand what is the potential, and find out from other companies what is working.'

[Richard Horton, Senior Manager, Finance Insight, Deloitte](#)

It may well be that most of what finance needs from SoMoClo will end up being supplied by existing providers – ERP providers are thinking very carefully about how they should adapt to a cloud environment. In future the experience they offer will have to be close to, if not the same as, the experience people have when they are at home or on their mobiles. The providers will also have to offer a logical selection of functionalities, for both the devices and their contexts of use.

'With the wide variety of tools available to accountants and clients it's critical for us to design the right customer experience for each device they use. Online software, mobile apps and desktop software all deliver unique capabilities and experiences. Just placing desktop software online or on a mobile device will not deliver the optimal customer experience. We are no longer tethered to a single device or software experience; we use our smartphones, tablets, laptops and desktops to streamline our workflows.'

[Chris Davey, Director, Product Management Intuit](#)

### Commitment

While SoMoClo technologies are relatively inexpensive and in some cases free, these investments are still a waste of time and effort if not of money unless there is commitment throughout the business. Social networks need a different outlook to a Web presence: websites are expensive to build but require less commitment to manage than do social networking sites. Social networks are cheap or even free to use, but this means they can be taken less seriously than they should be.

'The "freemium" model seems to short-circuit the decision-making process: they think it must be useless because it doesn't work but they haven't put any resources into it. There wasn't a plan on how they were going to use this tool, so obviously nothing happens at all.'

[James Cherkoff, Director and Founder, Collaborate Marketing](#)

There is a tendency to assume that once a social enterprise network is introduced, the employees will somehow make it work, or that individuals can be tasked with managing social groups on top of their normal job. In practice, communities need to be managed and fed with a constant stream of content: a non-trivial task that requires time, resources and skill.

'It's like an iceberg: the hidden activity to make it effective costs a lot of money. If you spend one pound on deployment you should spend at least as much on adoption. It may not cost so much initially but it is useless if users don't engage.'

[Dr Didier Bonnet, Senior Vice President and Global Practice Leader, Capgemini Consulting](#)



## Changing roles

The biggest question posed by SoMoClo is how it will affect how people behave: the roles the finance department will take on as a result, as well as those it will relinquish. The rise of self-service will clearly remove the finance role from a lot of basic transaction processing, but also from the preparation and analysis of data for reports. As well as losing this 'grunt work', finance will also have its own work speeded up.

Will this result in a deskilling and depopulation of finance? Or a dispersal into more business-facing roles and a new more strategic and advisory role?

Finance departments will already have seen the changes SoMoClo brings to customer engagement, or recruitment and retention, as well as financial data management and processing. Now they need to think about how their own roles and relationships will change.

'The information that is going out of the door from finance is not always financial—you need the ability to have the softer skills from a variety of people to connect the dots.'

[Aarti Gulati, Regional Finance Director, Deutsche Bank](#)

Nonetheless, although SoMoClo offers great opportunities to make financial data more readily available to the wider business, that does not mean that users will automatically be empowered or have the necessary expertise or context to interpret and use that data.

Financial departments need to leverage data to make real-time decisions that improve performance and reduce risk. In addition, many businesses are required to report an increasing amount of disparate information to a variety of regulators and other stakeholders, further straining their ability to produce meaningful and consistent data and reports on a timely basis.

The real transformation in finance will therefore be the diversion of people from repetitive work to more value-added tasks. This could lead not only to more fulfilling and attractive roles for finance people but to better paid ones as well.

The role of the financial teams has become increasingly challenging. The demand for greater transparency, accountability and sound management practices are driving internal change. At the same time, new regulations around governance, sustainability, autonomous growth and meeting the needs of internal and external customers put further pressure on finance departments to manage risk and internal controls for non-financial data.

[Liv Watson, Director of Strategic Customer Initiatives, Workiva Inc.](#)

In private practice, too, the accountant's role as a trusted adviser will be enhanced. Some accountants are now advertising themselves as 'virtual CFOs', yet many do not even have an office.

This is changing not just the way that finance professionals interact with the business (more informal, less discrete, more consultative) but their physical location. In many companies finance is becoming a virtual department: finance professionals are integrated into local teams and are remote not just from data but each other. Cloud and mobile allow them to operate in this way and social media become as much the glue that holds finance together as the link between finance personnel and the rest of the business.

'You see folks in finance becoming a little more market-intelligent and starting to think more commercially.'

[Raj Chandrasekhar, Global Head, Product Risk Management, GTO, Standard Chartered Bank](#)

## Security

Data security is a major concern with cloud and mobile solutions, but there is a positive side: all data is held remotely at the level of security offered by the cloud provider: users only view the data, access levels are firmly controlled and it is fully backed up with an audit trail.

SoMoClo challenges the paradigm of a perimeter that has to be defended: the business is turned inside out so security has to be implicit and explicit in all interactions with data, whether they take place onsite or remotely. So, for example, rather than only certain individuals having access to data and others being excluded and having to request it specifically everyone has access all the time, but only to the level of data and drilldown that is appropriate to their role.

It is also important to remember that people both inside and outside the company are already in the world of SoMoClo, even though they themselves may not conceive of it as such.

It is clearly better to enable staff to share files and work remotely through official, controlled channels than have them use third parties. With social media there is a choice, either co-opt the unofficial platform or provide an internal or proprietary alternative.

'If you are not using SoMoClo, either your competitors are, or people in your company are using things like Facebook or Dropbox on an informal basis.'

[Mark Deakin](#), Partner Technology Strategist, SMB, Microsoft

## Social skills

The challenges in moving into a social environment are those not just of regulation but also of ethics and even etiquette. As everyone from celebrities to the general public is finding, what is said on social media can never be retracted, and an 'innocent' remark may take on very different meaning out of context.

Companies cannot simply give staff social media tools and let them get on with it: they need to be trained and supported in how to behave and present themselves to others online. This can mean simply ensuring that social communication does not come across as rude or disrespectful but also involves making sure that the company presents a consistent and professional image to the outside world.

Businesses are caught between a rock and a hard place when it comes to encouraging staff to contribute to social media: it is becoming increasingly noticeable how poorly branded and presented individual pages are on social media such as LinkedIn compared with the carefully monitored 'official' Web presence. Unprofessional-looking profile photos, profane language, and failures of basic grammar and presentation are widespread.

'People don't seem to realise that their professional profile on LinkedIn can impact their company's brand, value and reputation. There are literally thousands of "professionals" and "mangers" on LinkedIn. I've even found over 200 accountants in the UK who cannot spell "accountant" correctly!'

[James Potter](#), Founder, The Linked In Man



## 6. Looking ahead

As was mentioned in chapter 1, William Gibson said that the future is already here, just unevenly distributed: for many finance directors it may be truer to say that the future is here, but they may not have noticed it.

Take Microsoft Office, the standalone standby of finance for decades. With the dawn of Office 365, and a new licensing model for the standalone version Office 2013, users are being nudged by finance and functionality towards a cloud solution. Cost concerns alone mean that finance departments will increasingly have to make the business case against cloud solutions, even if the benefits are not considered.

The cloud is already here, even if we do not always see it. Email systems already reside on private or public clouds; UK tax submissions are all made via the Web to a government cloud.

Mobility is already coming to the office by default; smartphones and other devices are in people's hands and will be used. Financial data will be accessed and used remotely and 'on the go'. The opportunities for mobile work will be taken. Finance can either control or guide these developments, or see them take place informally and outside proper governance.

Financial discussions are already taking place via social media: business users are forming themselves into natural forming communities, which may or may not include finance professionals. Finance can either take control of the situation or exclude itself not just from conversations but also from decision-making roles.

Security is obviously a concern but it can no longer be used as an excuse to attempt to hold back the tide.

SoMoClo turns security concerns inside out: the idea of storing data within more and more highly protected perimeters is increasingly untenable. It becomes a case no longer of 'our data is too valuable to make available over the Web', but rather 'given that our corporate systems are widely accessible, how do we protect our data?'

Finance needs not only to understand the challenge that SoMoClo poses to the very work that it does but also to respond to it actively. It is no longer acceptable for finance professionals to spend their time processing simple transactions that users can do for themselves, or simply act as middlemen, accessing data to create reports. It is no longer sensible or safe to carry on daisy-chaining data through multiple datasheets. It is not wise to keep users at arm's length from the data they need to make vital and timely decisions. It is also unsustainable for finance not to contribute its own unique insights in to the day-to-day flow of conversations and data within the business.

'Within a company people are going to be having questions about finance or even discussion about the finance department itself – by ignoring that social networking piece you aren't part of that conversation.'

[Mark Deakin, Partner Technology Strategist, SMB, Microsoft](#)

The danger to finance can clearly be seen from other disciplines. Digital transformation is making it increasingly hard, for example, for marketing and strategy professionals to contribute in the way that they used to do. Implementation and strategy are now intertwined in an iterative process in which the contribution of the strategist and marketing professional are subsumed into the design process.

'One of the problems with digital transformation is it's a highly cross-functional activity that cuts across silos, which is never a natural thing to do on a company. I don't see many CFOs leading the change although some are extremely comfortable: they are able to work with the business and develop new metrics, to see the world in a different way.'

[Dr Didier Bonnet, Senior Vice President and Global Practice Leader, Capgemini Consulting](#)

CFOs need to be prepared to actively promote the adoption of SoMoClo, and work with IT professionals to develop a shared understanding of the language and issues.

The danger for finance is that it will simply be seen as a subset of the overall world of data and not be able to assert its unique role in business. By embracing the multiple technologies and strategies embodied in SoMoClo, finance can not only continue to evolve and thrive as a profession, but, more importantly continue to add value in new and richer ways to the businesses it serves.

## The imperatives for finance professionals

### + Look, listen and learn

If finance departments have been slow to adopt SoMoClo this has increased the opportunity to learn from the experiences and mistakes of early adopters. Other departments in the business will already be using elements of SoMoClo – they will have valuable lessons to impart. Existing investments can be redeployed, extended and used as platforms for trial and experimentation.

### + Engage and interact

SoMoClo means very little if its use is kept in corporate silos. Just as finance professionals should be thinking about 'social' and 'mobile' and 'cloud', they should also be thinking about finance and operations and marketing, and so on.

Rather than starting from finance and working outwards, look for conversations that are already happening in the business and involve finance in them.

### + Offer insight, not data

Businesses are drowning in data, much of it irrelevant or unhelpful. Finance should not be using SoMoClo to pump out data, but should instead look for ways to improve the quality of decision making at all levels of the company, and to support the business in its use and understanding of financial data.

### + Facilitate, do not legislate

SoMoClo can extend the reach of finance and the visibility of the business, but this should be seen as a liberating force rather than an extension of control. Innovation and experimentation can not only be encouraged but also supported and derisked.

### + Move yourself

SoMoClo liberates not just data but also individuals, who no longer need to be tied to physical locations. Financial professionals can better place themselves wherever they can offer the most value to the business.

### + Automate to elevate

SoMoClo can remove the need for a lot of the work previously done by finance, by allowing the rest of the business more direct access to financial data. This can be seen as a threat or an opportunity: finance has the chance to raise its status and do more value-added work, be more attuned to the needs of the business and create a more fulfilling role for finance professionals.

### + Dare to dream

SoMoClo is not a predetermined set of options, but a space in which new opportunities are emerging for all parts of all companies. Finance must take the time to think innovatively about what it wants to achieve for the business, and use these new technologies to do so.





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