

Expectations of Industry from CMA Professionals

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Disruptive Technologies: The Context of Industry Expectations

- The 12 disruptive technologies are transforming global economy with a total worldwide impact of \$30 Trillion until 2025 i.e. more than top 3 economies i.e. US, China & Japan put together or around 15 times Indian economy
- The potential impact on Indian economy will be \$550 Billion to \$1 Trillion per year on Indian economy by 2025, equivalent to 20-30% of India's GDP growth until then

Source: McKinsey Global Institute



Mobile Internet



Automation of Knowledge Work



Internet of Things



Cloud Technology



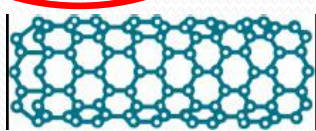
Advanced Robotics



Autonomous & Near-Autonomous Vehicle



Next-generation Genomics



Advanced Materials



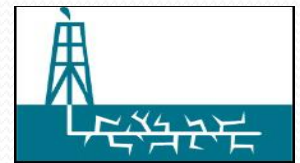
3D Printing



Energy Storage



Renewable Energy



Advanced Oil & Gas Exploration

Automation of Knowledge Work is disrupting and transforming the accounting profession globally.

Automation of Knowledge Work: Impact on People

Industry/ Function	Number of FTE work automatable by 2025
Clerical & customer service	50-65 million full-time equivalent (FTE) work automatable
Education & Healthcare	20-30 million FTE work automatable
Science, engineering & IT	15 million FTE work automatable
Management	15 – 20 million FTE work Automatable
Finance & Legal	10 million FTE work automatable

Source: McKinsey Global Institute

Substantial share of finance, management and clerical jobs under threat due to automation belong to accounting profession.

Accounting is moving to SaaS: Can Software Replace Accountants?



Power of Simplicity



Work. Online



Bright Future for Accounting Profession

*“Bean counters will have the last laugh. In the business of 21st century, **accounting will play as big a role as it ever did and probably even a bigger one. But the beans will have to be counted differently.** The new accounting will differ radically from traditional cost accounting in its basic approach. Its aim will be to integrate operations with business strategy”.*

- Peter Drucker

(Greatest Management Guru of the last Century)



Role of a Cost & Management Accountant (CMA)

- **The cost accountant** provides the detailed cost information that management needs to control current operations and plan for the future.
- **The management accountant** partners in management decision making, devising planning and performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organization's strategy.

While the cost accounting has been more traditional and focused on controlling cost, the management accounting is broader and focused on ensuring strategic alignment.

7 S of Changing Accounting Paradigm

7 S Dimensions of Paradigm Change	Traditional Accounting Paradigm	Current Expectations of Industry from Accounting Profession
Strategic analytics	Record internal past & present financial information to diagnose business health	Analyse internal and external information to diagnose trends and predict future
Sensitivity	Sensitivity analysis to local factors such as input costs, domestic demand	Sensitivity to global factors such as macro-economic scenario, global demand & competition
Sources of value	Measure tangible assets e.g. plants & machinery, land & offices	Measure all sources of value including intangible assets e.g. IP, brand equity & human capital
Speed	Time lag in recording accounting information is acceptable, manual efforts appreciated	Accounting information is reconciled in real time on tech platform, value addition required through insights
Standards	Focus on statutory compliance	Adopt global accounting standards & best practices for transparency
Safeguarding responsibility	Forensic accounting is auditor's job	Pre-emptive assurance of financial integrity is everyone's job
Sustainability	Optimise cost in pursuit of profit	Go beyond profit to serve people & protect planet

Accounting Profession: Pillar of India's Economic Growth

- Accounting profession needs to start looking beyond industry expectations towards expectations of the nation and humanity from the profession
- PM Modi has outlined vision to make India as a USD 20 trillion economy from current USD 2 trillion
- Areas in which CMA professionals can play a lion's share in the nation building:
 - De-risking economy by ensuring transparency and efficiency in the financial sector of the economy
 - Strengthening the execution of national initiatives such as Make in India, Digital India, Skill India, Swaccha Bharat and Smart Cities through superior resource allocation and performance tracking
 - Strengthening government, NGOs, MSMEs and academic institutions by going beyond the traditional accounting focus on big corporates
 - Inculcating the accounting and financial literacy of common men including farmers & small entrepreneurs

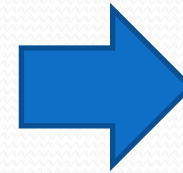
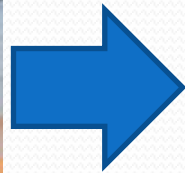
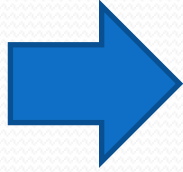
Professional pride comes from a great purpose and its relentless pursuit !

Competencies Expected of a CMA Professional



Source: (CGMA) Chartered Global Management Accountant

Pursuit of Ideal: Quest for Professional Perfection



The world will be heaven the day every doctor strives to match Lord Dhanvantari, every engineer Lord Vishwakarma and every accountant Lord Chitragupta in professional competence

Thank You !