

# TCS 2021 Global Financial Leadership Study:

The Next Era in FP&A

November 2021

Key Findings report: Asia Pacific

TCS Thought Leadership Institute



# TCS 2021 Global Financial Leadership Study: Key Findings Report for Asia Pacific

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# TCS 2021 Global Financial Leadership Study: The Next Era in FP&A

November 2021

Asia Pacific: Collective Key Findings report

TCS Thought Leadership Institute



# TCS 2021 Global Financial Leadership Study: Overview

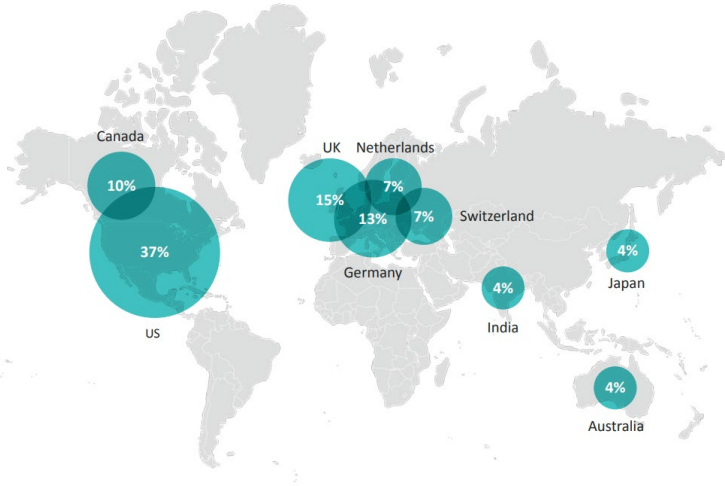
## Background

- During the period of extreme uncertainty due to the pandemic, **FP&A within finance played a key role for organizations**, from both a mid-term strategic and short-term operative perspective.
- As the “fog lights” of the organization, FP&A provided accurate outlooks on top- and bottom-line views – from sales to cash in hand — to more effectively adapt to the turbulent environment.

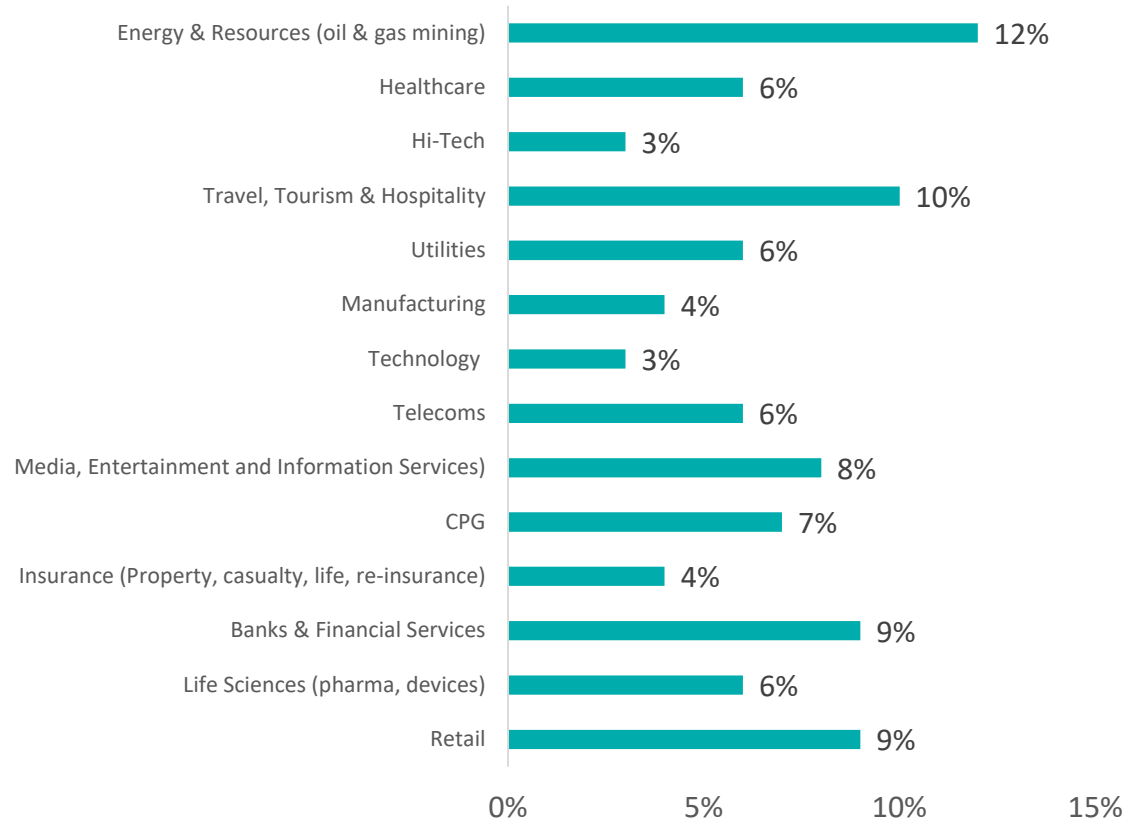
**New expectations: There is renewed emphasis on strengthening the FP&A function.**

TCS undertook a global survey of 750 senior finance leaders to better understand the current state of FP&A and how organizations are preparing to meet the demands of the next era of FP&A.

# TCS 2021 Global Financial Leadership Study: Asia Pacific demographics



## Industry percentages - Asia Pacific



# TCS 2021 Global Financial Leadership Study – Asia Pacific: Essential Takeaways



Current FP&A capabilities are falling short in essential areas

**60%**

of respondents say they consistently fail to derive aligned and robust budgets or do so without significant errors



Advanced FP&A capabilities are still in the early stages of maturity

**44%**

of respondents say they have advanced data analysis capabilities to a significant or full degree



The majority of organizations are increasing technology investments to close these gaps

**77%** of respondents say they invested in data & analytics capabilities over the past 12 months and **83%** plan to do the same in the next 12 months

# Current FP&A capabilities are falling short

**Rigid processes, lack of scalability and inadequate business insights** are leading many finance leaders to make significant errors in their planning and forecasting. Our research exposed **four areas** where finance teams across the Asia Pacific region need to rapidly strengthen their FP&A capabilities.



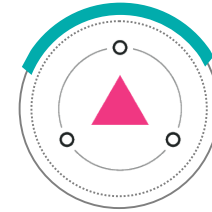
**Adaptive FP&A**



**Critical skills**



**Data quality  
and management**

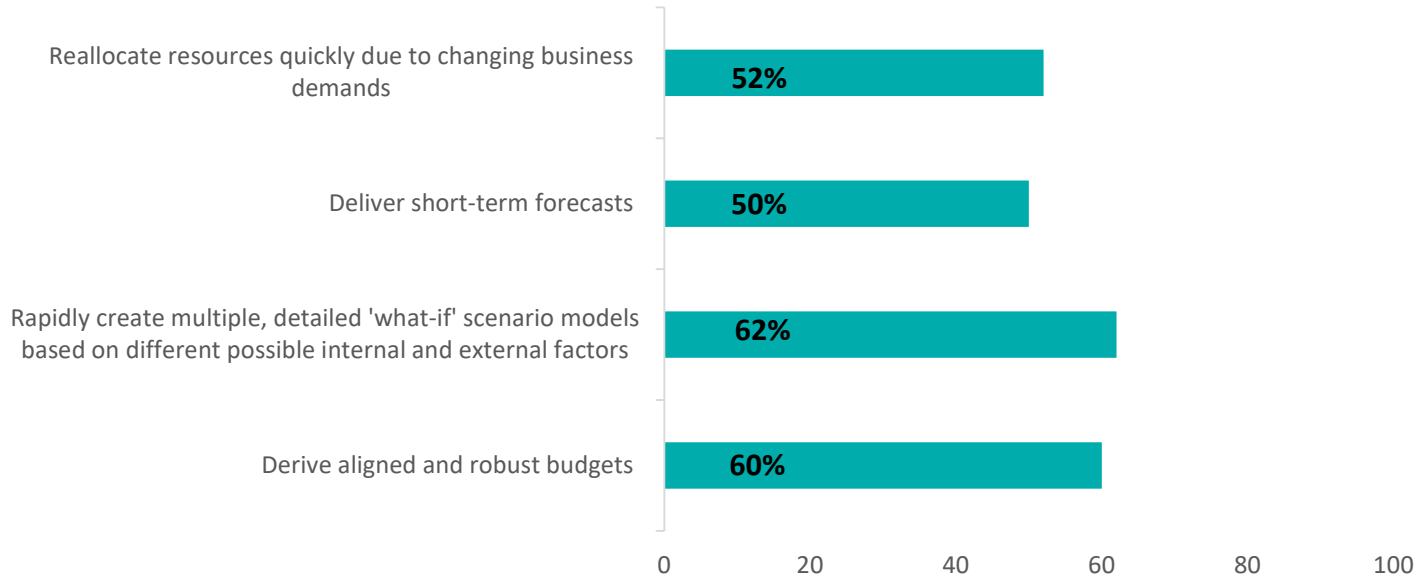


**Risk  
and control**

Current skills are proving insufficient for the increasing demands on FP&A.

# Area 1: Organizations are struggling with adaptive FP&A capabilities

**Proportion saying they consistently fail to perform this task or they perform this task but with significant errors**

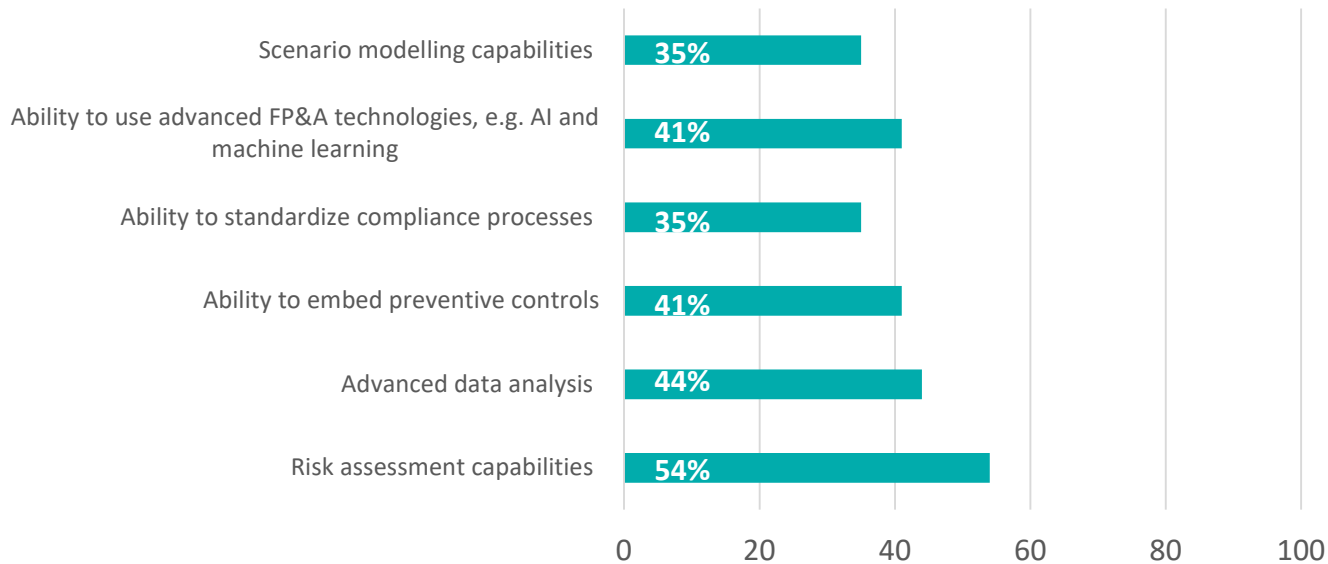


More than half of all finance teams surveyed in the Asia Pacific region are struggling to consistently and accurately perform essential forecasting and budgeting functions.



## Area 2: Many organizations lack critical FP&A skills

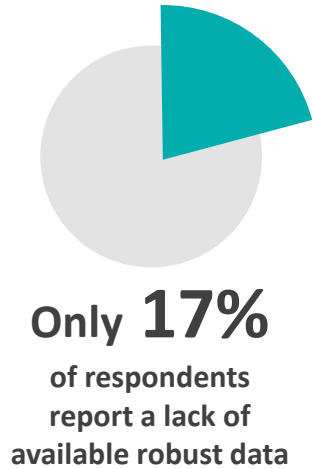
Proportion possessing the following skills in their finance team to a significant or full extent



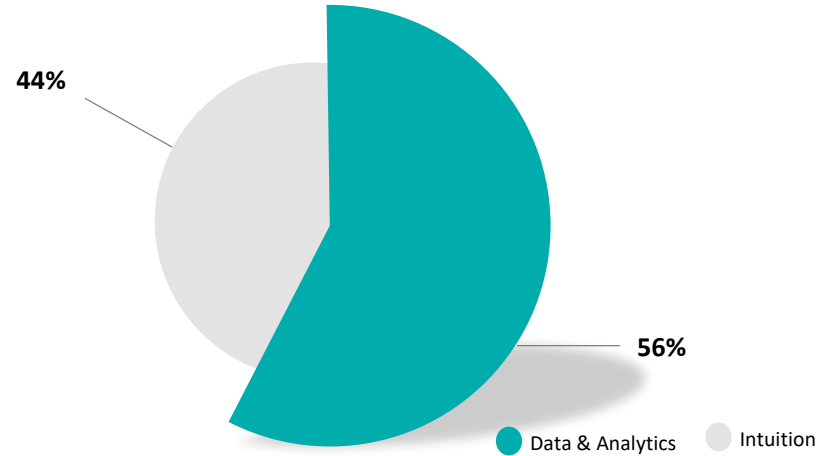
Many organizations lack critical FP&A skills, including risk, control and compliance as well as advanced data analytics, advanced FP&A technologies and scenario modelling.

## Area 3: A data disconnect is impacting decision making

### The good news:



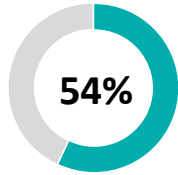
### The not-so-good news: Manual, intuition-based decision making is negatively impacting the FP&A function.



Q1A To your best estimate, what percentage of your planning, business and forecasting activities are informed by the following?

Is the data disconnect a result of immature technology capabilities ...or **do old habits die hard**? Finance leaders in Asia Pacific are relying heavily on their own intuition and that of others.

## Area 4: There are concerning risk & control shortfalls



Just over **HALF** of those surveyed in Asia Pacific believe they **possess risk assessment capabilities** to a full or significant extent



**Rigid risk evaluation practice** is ranked as the biggest **GAP** in FP&A capabilities

COVID-19 has highlighted concerning shortfalls in risk management and control

# Plugging the FP&A gaps in Asia Pacific

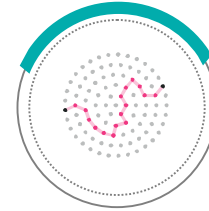
Top ranked  
FP&A concerns



**Risk evaluation  
practices are  
too rigid**



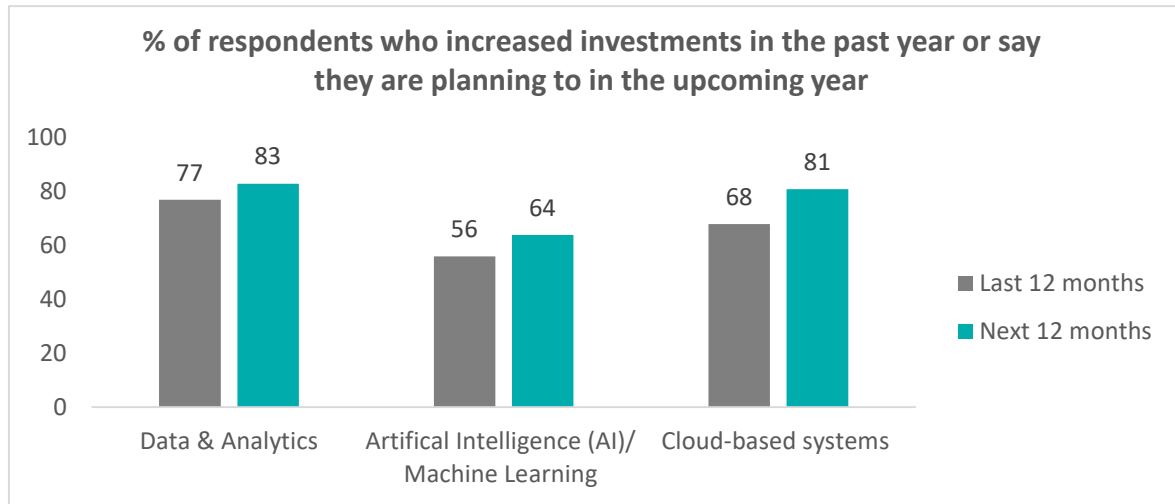
**Lack of predictive  
planning & forecasting  
capabilities**



**Lack of insights  
into business  
patterns**

Finance leaders in Asia Pacific view rigid risk evaluation practices as the biggest gap in their FP&A capabilities. Predictive planning and forecasting concerns and a perceived lack of insights into business patterns indicate growing demands and more sophisticated what-if analysis for FP&A functions.

# Respondents are increasing technology investments to shore up capabilities in Asia Pacific



The majority of organizations in Asia Pacific are planning to increase investments in technologies to shore up current FP&A gaps, including bolstering predictive planning and addressing a lack of insights.

*“It’s an absolute necessity that we invest in new systems and have technology on board that will help us make changes. But it’s not just about gathering data – dashboards often have information overload. You need someone who can tell you: what are the key factors, and where do we go?”*

– Michael Kreeft, CFO, BMW Japan

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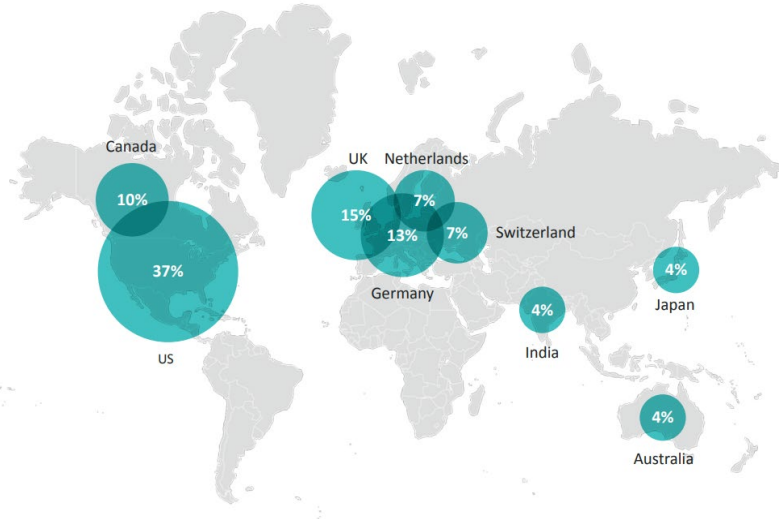
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Japan: Key Findings report

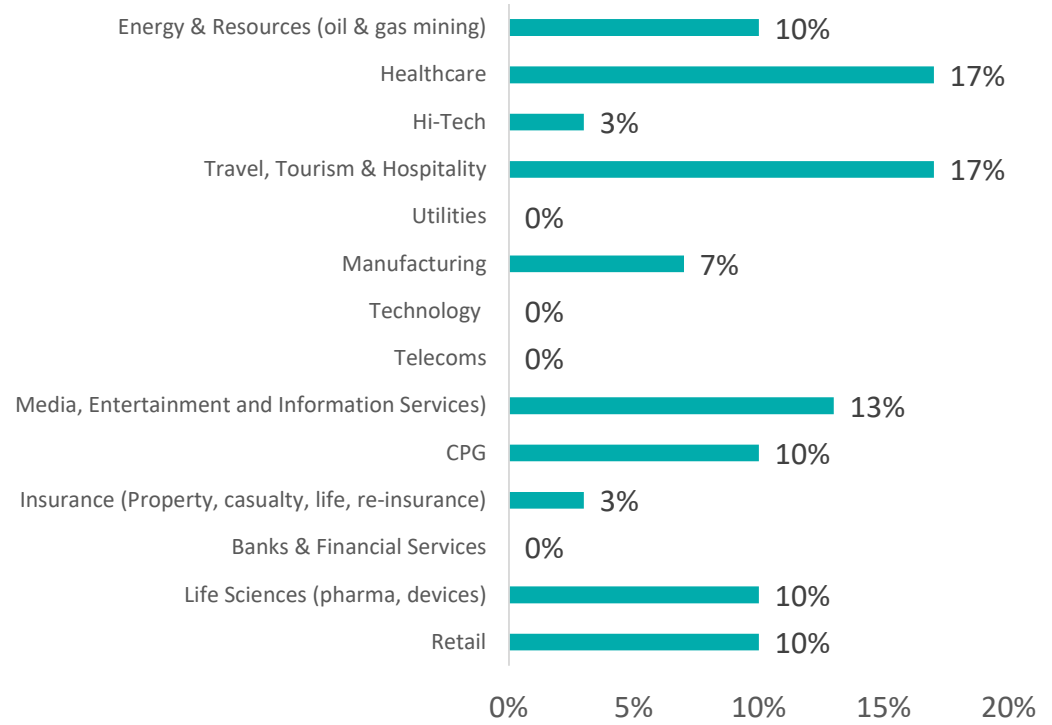
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# TCS 2021 Global Financial Leadership Study: Demographics



### Industry percentages - Japan



# TCS 2021 Global Financial Leadership Study – Japan: Essential Takeaways



Current FP&A capabilities are falling short in essential areas

**66%**

of respondents say they consistently fail to derive aligned and robust budgets or do so without significant errors



They've made further progress on advanced FP&A capabilities than others in the region

**50%**

of respondents say they have advanced data analysis capabilities to a significant or full degree



The majority plan to maintain technology investments to further widen their lead

**70%** of respondents say they

invested in data & analytics capabilities over the past 12

months and **80%** plan to do the same in the next 12 months



# Current FP&A capabilities are falling short

**Rigid processes, lack of scalability and inadequate business insights** are leading many finance leaders to make significant errors in their planning and forecasting. Our research exposed **four areas** where finance teams in Japan need to rapidly strengthen their FP&A capabilities.



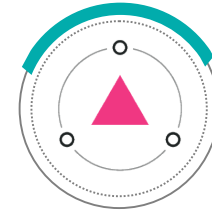
**Adaptive FP&A**



**Critical skills**



**Data quality  
and management**

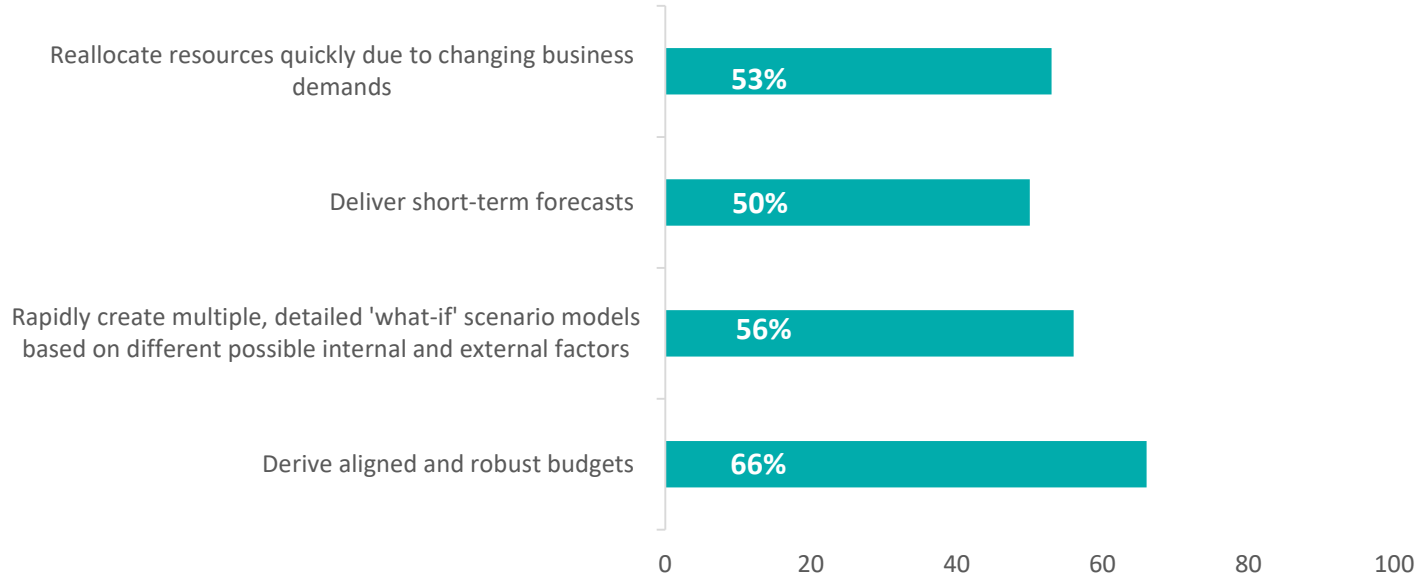


**Risk  
and control**

Current skills are proving insufficient for the increasing demands on FP&A.

# Area 1: Organizations are struggling with adaptive FP&A capabilities

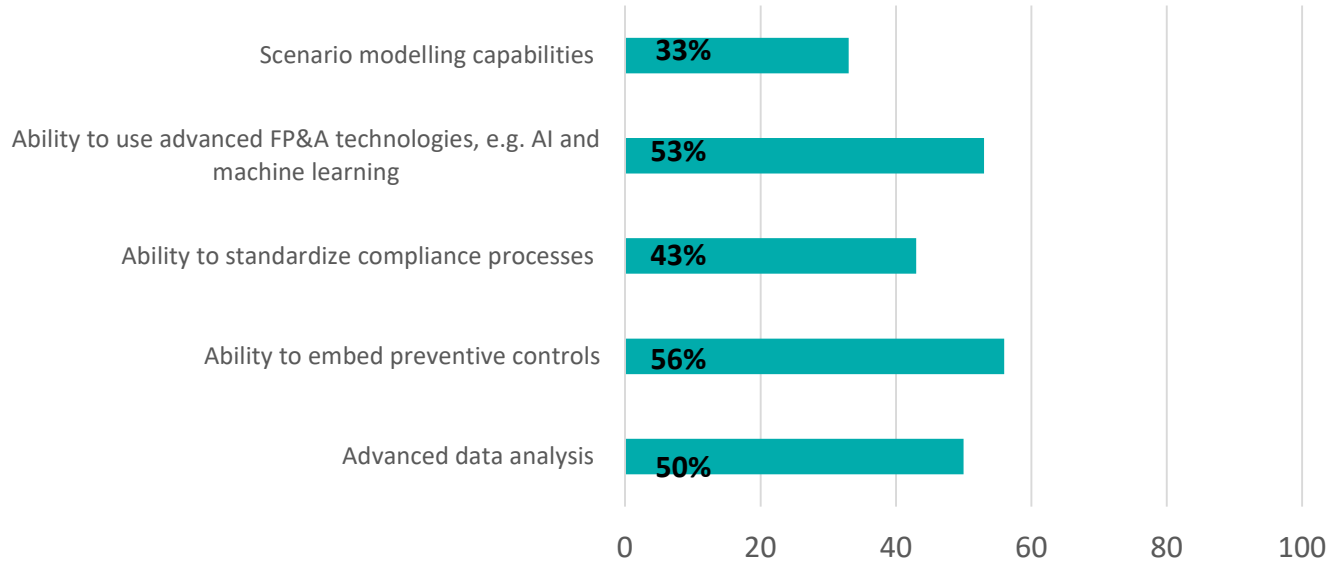
## Proportion saying they consistently fail to perform this task or they perform this task but with significant errors



More than half of all finance teams in Japan are struggling to consistently and accurately perform essential forecasting and budgeting functions.

## Area 2: Many organizations lack critical FP&A skills

Proportion possessing the following skills in their finance team to a significant or full extent



Many organizations in Japan lack critical FP&A skills, including risk, control and compliance as well as advanced data analytics, advanced FP&A technologies and scenario modelling.

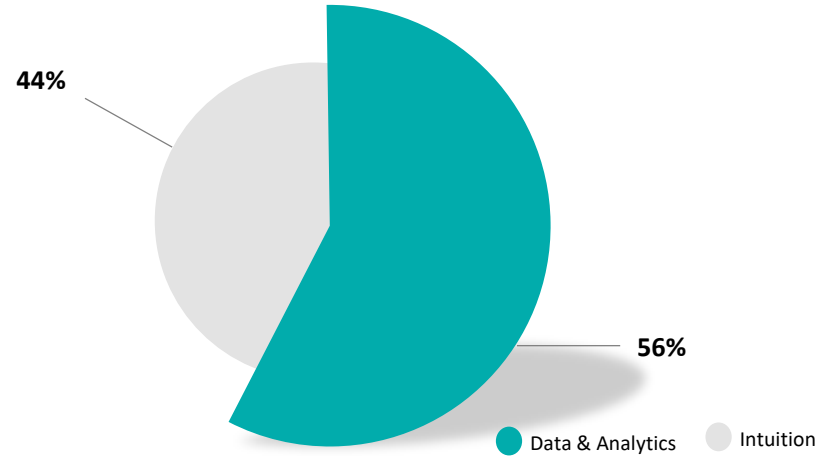
## Area 3: A data disconnect is impacting decision making

### The good news:



**Only 20%**  
of respondents  
report a lack of  
available robust data

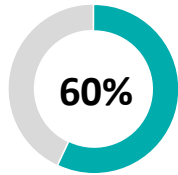
### The not-so-good news: Manual, intuition-based decision making is negatively impacting the FP&A function.



Q1A To your best estimate, what percentage of your planning, business and forecasting activities are informed by the following?

Is the data disconnect a result of immature technology capabilities ...**or do old habits die hard?** Finance leaders in Japan are relying heavily on their own intuition and that of others.

## Area 4: There are concerning risk & control shortfalls



More than **HALF** of those surveyed believe they **possess risk assessment capabilities** to a full or significant extent



**But is it enough?** Despite their confidence in risk assessment capabilities, respondents in Japan ranked **rigid risk evaluation practice** as the biggest **GAP** in FP&A capabilities

COVID-19 has highlighted concerning shortfalls in risk management and control

# Japan – Plugging the FP&A gaps

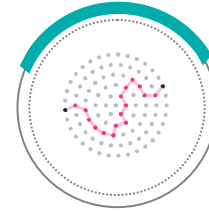
Top ranked  
FP&A concerns



**Risk evaluation  
practices are  
too rigid**



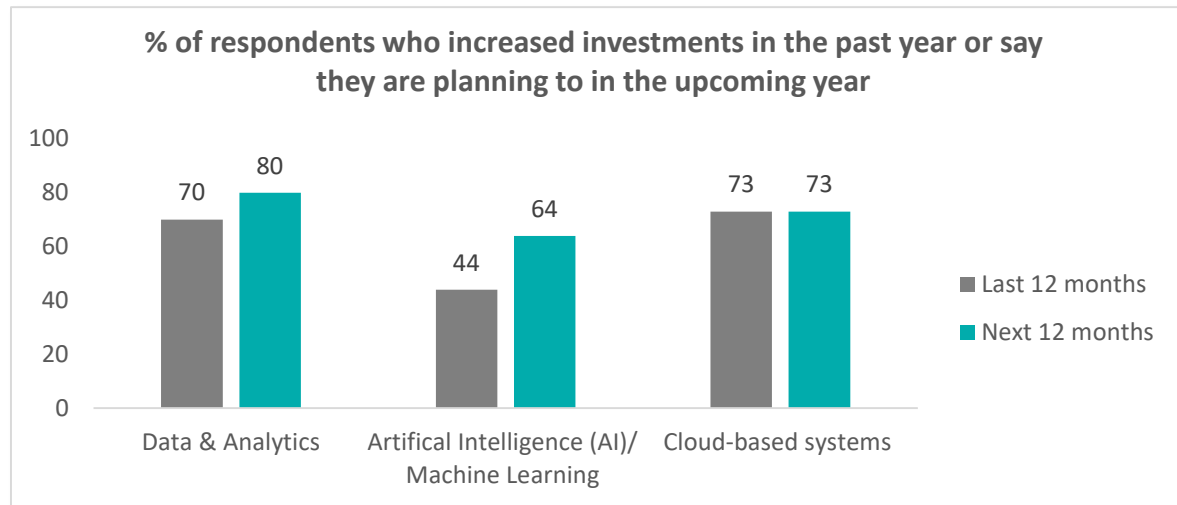
**Lack of predictive  
planning & forecasting  
capabilities**



**Lack of insights  
into business  
patterns**

Finance leaders in Japan view rigid risk evaluation practices as the biggest gap in their FP&A capabilities. Predictive planning and forecasting concerns and a perceived lack of insights into business patterns indicate growing demands and more sophisticated what-if analysis for FP&A functions.

# Organizations are increasing technology investments to shore up capabilities in Japan



The majority of organizations surveyed in Japan are planning to increase investments in technologies to shore up current FP&A gaps, including bolstering predictive planning and addressing a lack of insights.

*“It’s an absolute necessity that we invest in new systems and have technology on board that will help us make changes. But it’s not just about gathering data – dashboards often have information overload. You need someone who can tell you: what are the key factors, and where do we go?”*  
– Michael Kreeft, CFO, BMW Japan

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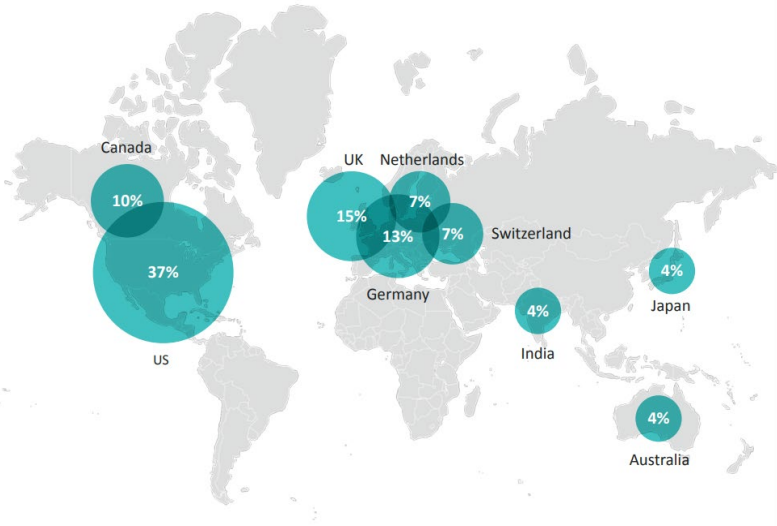
India: Key Findings report

TCS Thought Leadership Institute

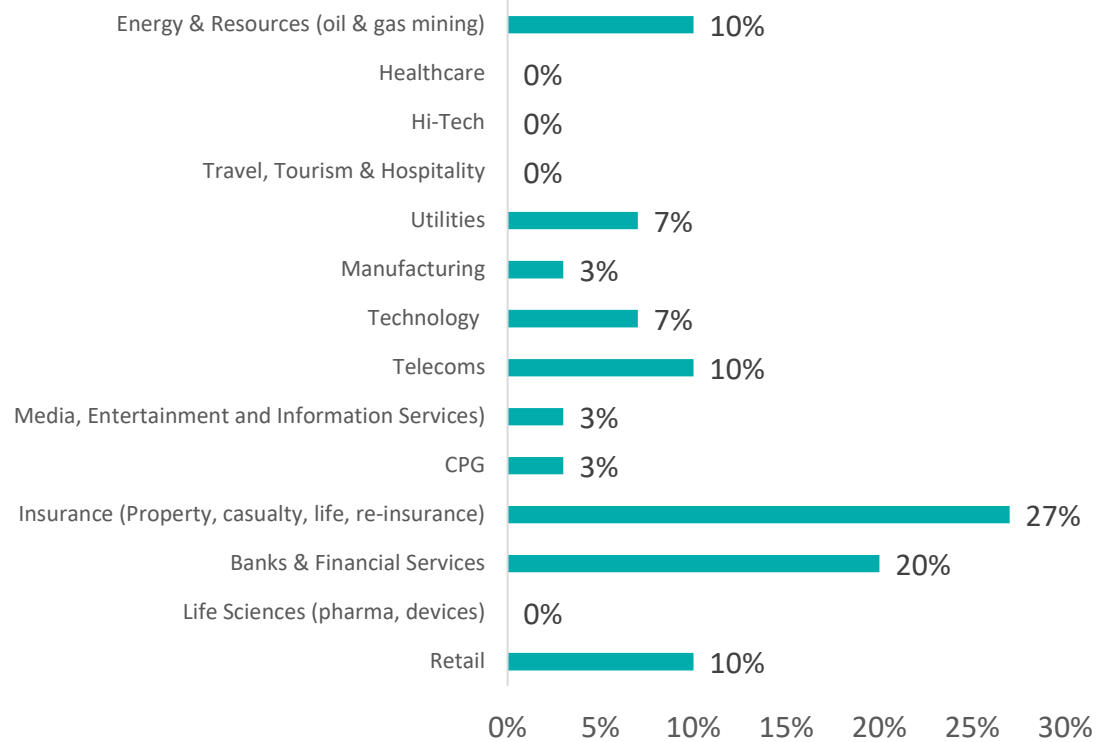




# TCS 2021 Global Financial Leadership Study: Demographics



## Industry percentages - India



# TCS 2021 Global Financial Leadership Study – India: Essential takeaways



Current FP&A capabilities are falling short in essential areas

**50%**

of respondents say they consistently fail to derive aligned and robust budgets or do so without significant errors



There are significant gaps in advanced FP&A capabilities

**50%**

of respondents say they have advanced data analysis capabilities to a significant or full degree



The commitment to closing gaps through technology investments is higher than all other regions surveyed

**97%** of respondents say they plan to invest in data & analytics capabilities over the next 12

months and **86%** plan to do the same for cloud-based systems

# Current FP&A capabilities are falling short

**Rigid processes, lack of scalability and inadequate business insights** are leading many finance leaders to make significant errors in their planning and forecasting. Our research exposed **four areas** where finance teams in India need to rapidly strengthen their FP&A capabilities.



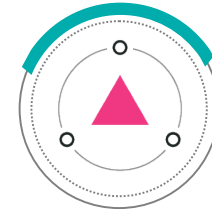
**Adaptive FP&A**



**Critical skills**



**Data quality  
and management**

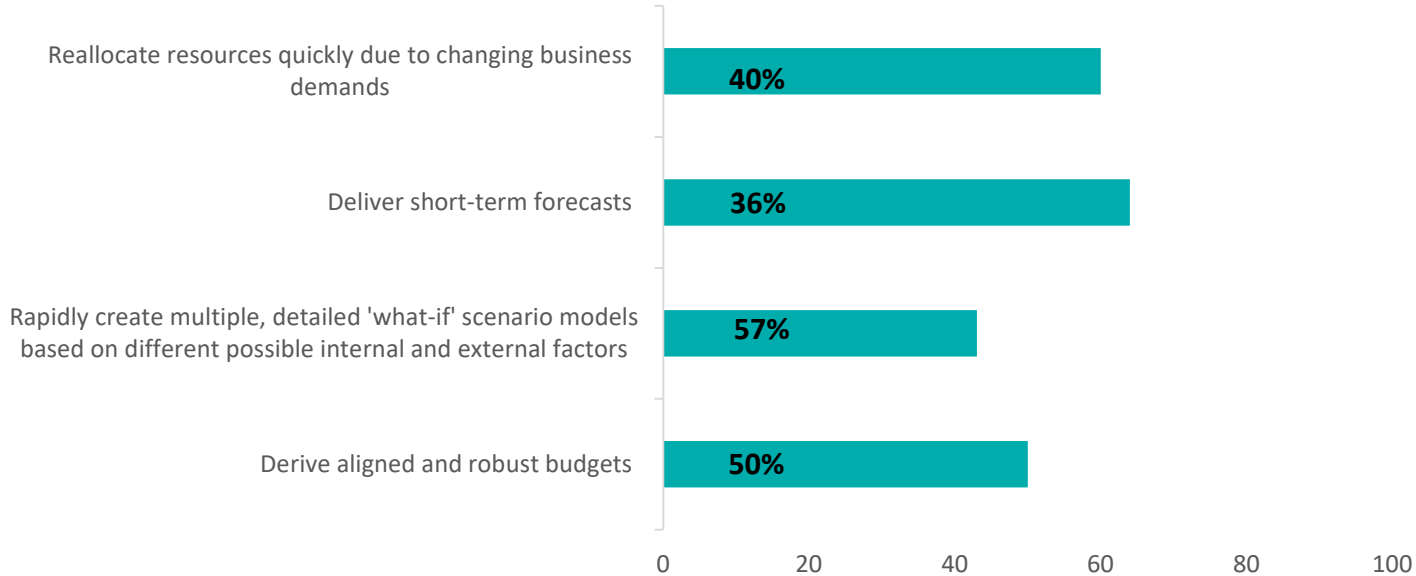


**Risk  
and control**

Current skills are proving insufficient for the increasing demands on FP&A.

# Area 1: Organizations are struggling with adaptive FP&A capabilities

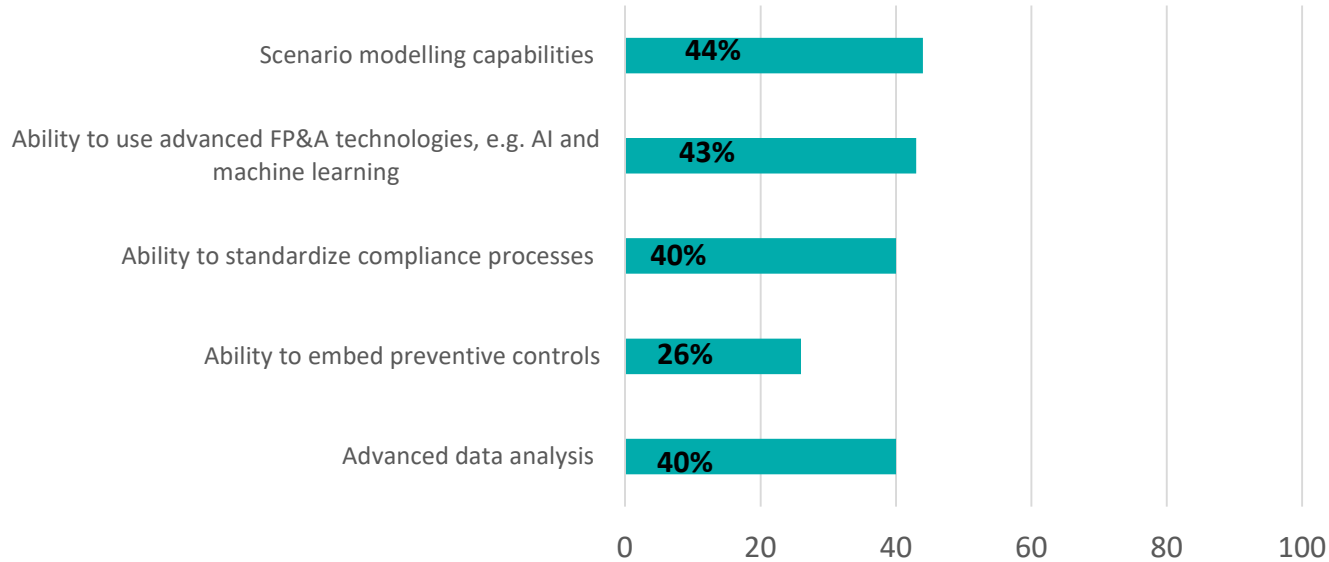
## Proportion saying they consistently fail to perform this task or they perform this task but with significant errors



Many finance teams in India are struggling to consistently and accurately perform essential forecasting and budgeting functions.

## Area 2: Many organizations lack critical FP&A skills

Proportion possessing the following skills in their finance team to a significant or full extent



Many organizations in India lack critical FP&A skills, including risk, control and compliance as well as advanced data analytics, advanced FP&A technologies and scenario modelling.

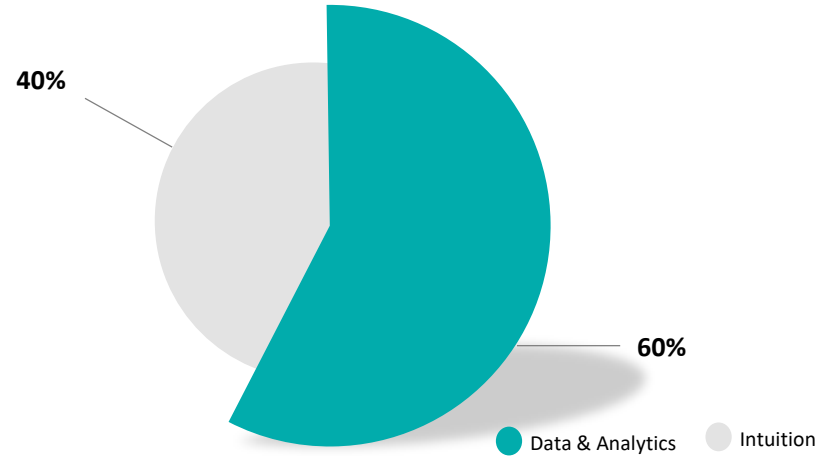
## Area 3: A data disconnect is impacting decision making

### The good news:



Only **13%**  
of respondents  
report a lack of  
available robust data

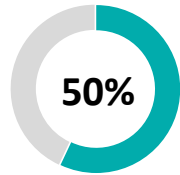
### The not-so-good news: Manual, intuition-based decision making is negatively impacting the FP&A function.



Q1A To your best estimate, what percentage of your planning, business and forecasting activities are informed by the following?

Is the data disconnect a result of immature technology capabilities ...**or do old habits die hard?** Finance leaders in India are relying heavily on their own intuition and that of others.

## Area 4: There are concerning risk & control shortfalls



Just **HALF** of those surveyed believe they **possess risk assessment capabilities** to a full or significant extent



**Rigid risk evaluation practice** is ranked as one of the biggest **GAPS** in FP&A capabilities

COVID-19 has highlighted concerning shortfalls in risk management and control in India

# India – Plugging the FP&A gaps

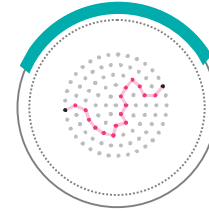
Top ranked  
FP&A concerns



**Risk evaluation  
practices are  
too rigid**



**Lack of scalability to  
meet new business  
demands**

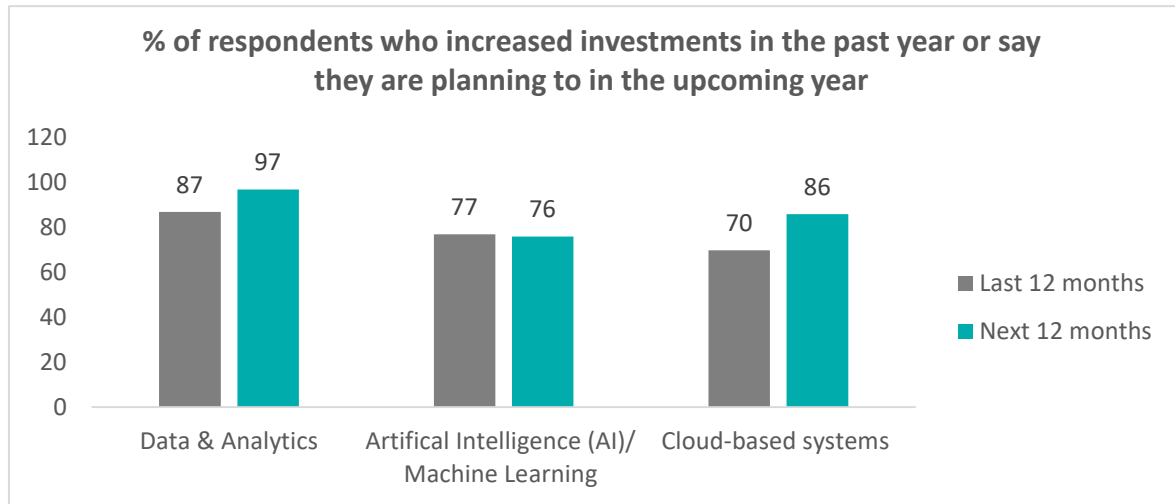


**Lack of insights  
into business  
patterns**

A lack of insights into business patterns, rigid risk evaluation practices and a lack of scalability to meet new business demands indicate the growing complexity of FP&A in India.



# Respondents are increasing technology investments to shore up capabilities in India



The majority of organizations in India are planning to significantly increase investments in technologies to shore up current FP&A gaps, including bolstering scalability and addressing a lack of insights.

*“It’s an absolute necessity that we invest in new systems and have technology on board that will help us make changes. But it’s not just about gathering data – dashboards often have information overload. You need someone who can tell you: what are the key factors, and where do we go?”*

– Michael Kreeft, CFO, BMW Japan

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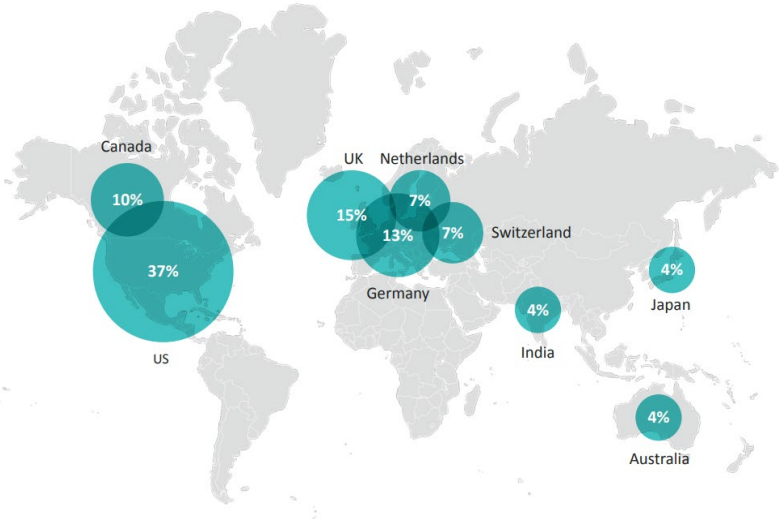
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Australia: Key Findings report

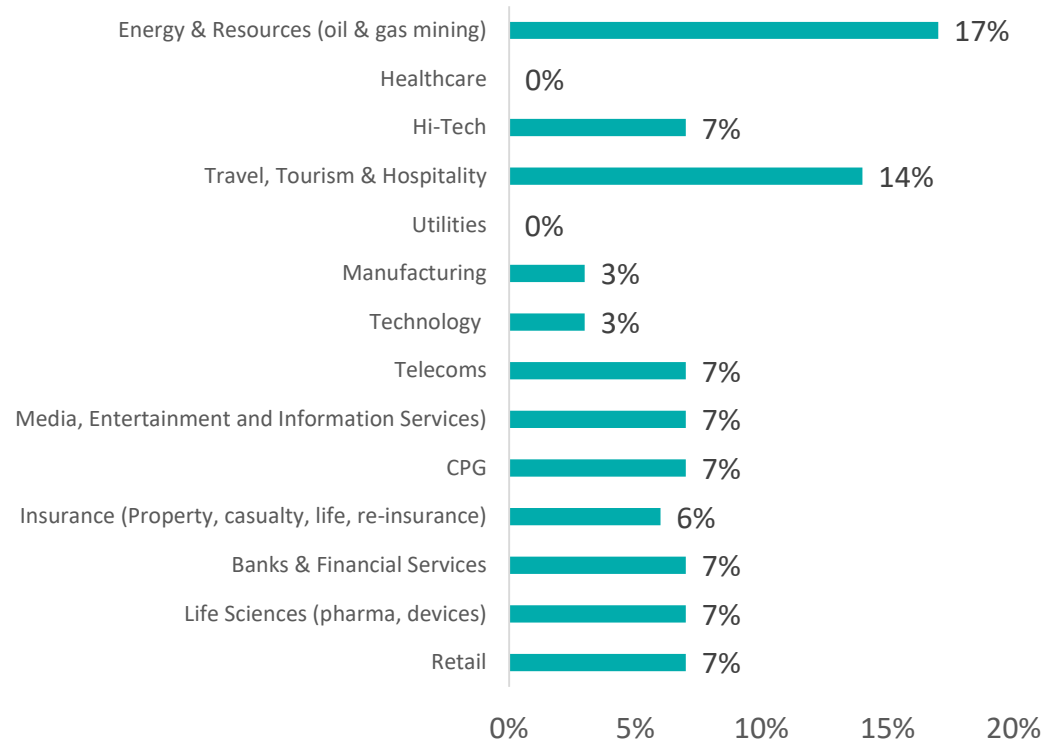
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# TCS 2021 Global Financial Leadership Study: Demographics



Industry percentages - Australia



# TCS 2021 Global Financial Leadership Study – Australia: Essential takeaways



Current FP&A capabilities are falling short in essential areas

**64%**

of respondents say they consistently fail to derive aligned and robust budgets or do so without significant errors



Advanced data analysis capabilities are in the early stages of maturity

Only **26%**

of respondents say they have the ability to use advanced FP&A capabilities such as machine learning to a significant or full degree



Many are increasing technology investments to close those gaps

**70%** of respondents say they plan to invest in data & analytics capabilities over the next 12

months and **84%** plan to do the same for cloud-based systems

# Current FP&A capabilities are falling short

**Rigid processes, lack of scalability and inadequate business insights** are leading many finance leaders to make significant errors in their planning and forecasting. Our research exposed **four areas** where finance teams in Australia need to rapidly strengthen their FP&A capabilities.



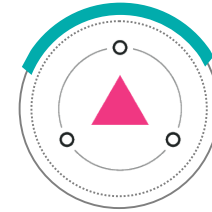
**Adaptive FP&A**



**Critical skills**



**Data quality  
and management**

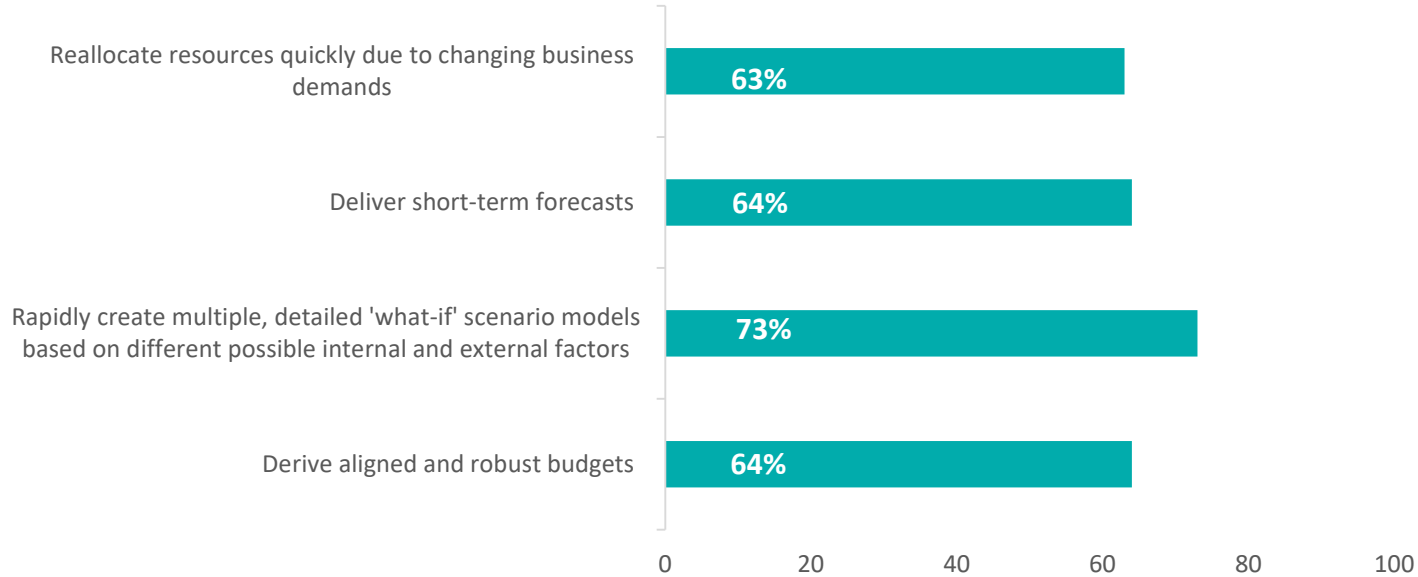


**Risk  
and control**

Current skills are proving insufficient for the increasing demands on FP&A.

# Area 1: Organizations are struggling with adaptive FP&A capabilities

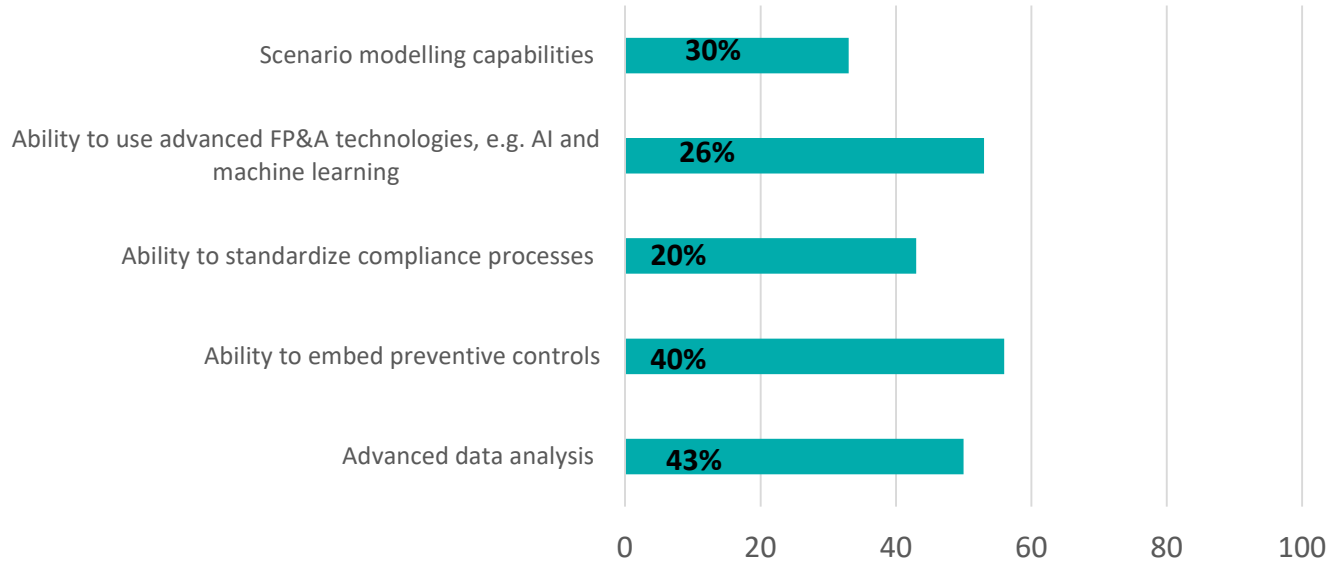
**Proportion saying they consistently fail to perform this task or they perform this task but with significant errors**



More than half of all finance teams surveyed in Australia are struggling to consistently and accurately perform essential forecasting and budgeting functions.

## Area 2: Many organizations lack critical FP&A skills

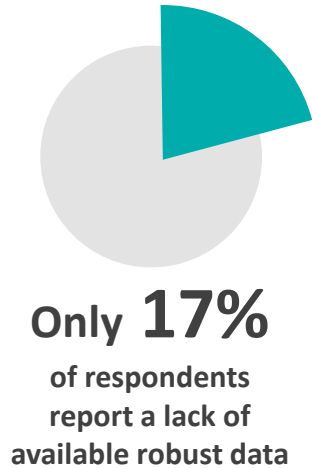
Proportion possessing the following skills in their finance team to a significant or full extent



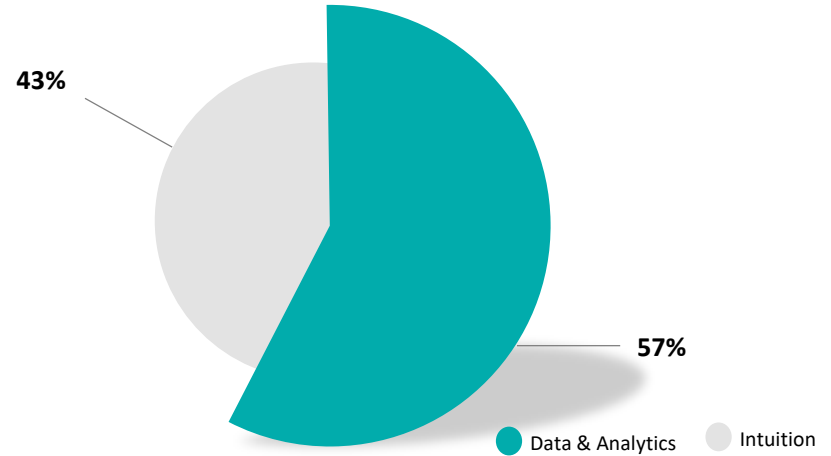
Many organizations surveyed in Australia lack critical FP&A skills, including risk, control and compliance as well as advanced data analytics, advanced FP&A technologies and scenario modelling.

## Area 3: A data disconnect is impacting decision making

### The good news:



### The not-so-good news: Manual, intuition-based decision making is negatively impacting the FP&A function.

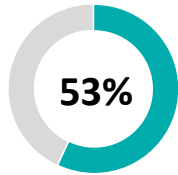


Q1A To your best estimate, what percentage of your planning, business and forecasting activities are informed by the following?

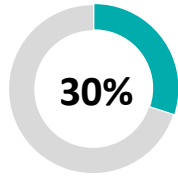
Is the data disconnect a result of immature technology capabilities ...**or do old habits die hard?** Finance leaders in Australia are relying heavily on their own intuition and that of others.



## Area 4: There are concerning risk & control shortfalls



**Just over HALF** of those surveyed believe they possess **risk assessment capabilities** to a full or significant extent



**Nearly a third** of those surveyed say they can't identify sources of risk or make significant errors

COVID-19 has highlighted concerning shortfalls in risk management and control in Australia

# Australia - Key Finding 3 – Plugging the FP&A gaps

Top ranked  
FP&A concerns



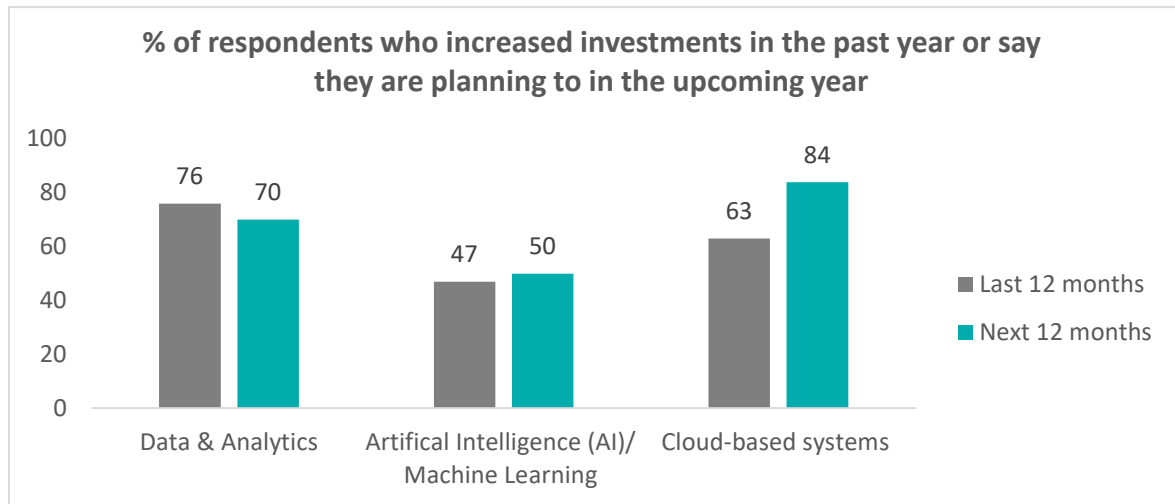
**Lack of predictive  
planning & forecasting  
capabilities**



**Lack of scalability to  
meet new business  
demands**

Predictive planning and forecasting concerns and a lack of scalability to meet new business demands indicate the growing complexity of FP&A in Australia.

# Respondents are increasing technology investments to shore up capabilities in Australia



The majority of organizations surveyed in Australia are planning to increase investments in technologies to shore up current FP&A gaps, including improving scalability to manage new business demands and addressing a lack of insights.

*“It’s an absolute necessity that we invest in new systems and have technology on board that will help us make changes. But it’s not just about gathering data – dashboards often have information overload. You need someone who can tell you: what are the key factors, and where do we go?”*

– Michael Kreeft, CFO, BMW Japan

# Call to action: How can organizations meet the demands of next-generation finance functions?

**FP&A must rise to meet the demands of next-generation finance**, with the agility to work at the pace of business, deliver real-time insights, and drive elevated performance

**To achieve that, they must focus on:**



## Integration

Ensure all initiatives are connected to enterprise strategies with clear expectations of the financial impact and tightly linked sales, marketing, operations, financial plans and forecasts.



## Automation

Leverage machines to build forecasts with robust statistical models that harness machine learning and artificial intelligence capabilities.



## Adaptability

Develop the agility to sense and manage changing market dynamics, ensuring the enterprise can swiftly recalibrate resources as needed.



## Proactivity

Consider multiple scenarios and clearly articulate financial implications of business decisions with agreed-on potential counter measures for each.

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## Contact

If you would like to have more information on the TCS 2021 Global Financial Leadership Study, please visit <https://www.tcs.com/perspectives/cfo>

For more information or any feedback, email TCS Thought Leadership Institute at [TL.Institute@tcs.com](mailto:TL.Institute@tcs.com)