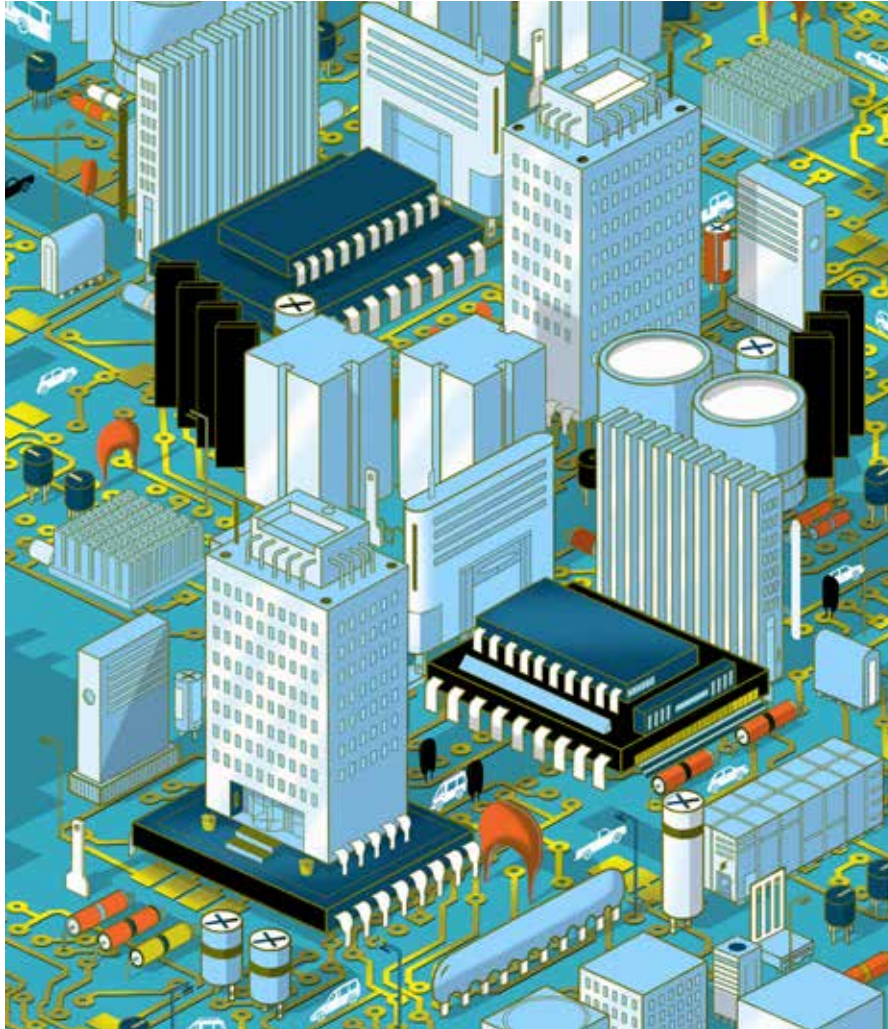


THE ROAD AHEAD

It's a new year, but what does 2020 hold for firms in terms of technology? Here, experts from various backgrounds and ICAEW share their predictions



THE VALUE OF DATA

This year we will see the evolution of several technology trends.

Technologies such as robotic process automation (RPA) will become easier to manage and cheaper to deploy.

However, understanding the business issues you are trying to address will remain the key starting point when adopting RPA. Increasingly, artificial intelligence (AI) and machine learning technologies will be integrated into existing services.

Regulation will play an increasingly important role for some forms of business. As consumers become

increasingly aware of the value of their data, their expectations that data will be used and protected will also increase. A number of major economies around the world are likely to introduce measures to protect personal data.

Underpinning all of these technologies will be cyber security. Businesses are now dependent on technology and, as a result, firms will need to recognise the opportunities presented by technology while at the same time play an active role in the management of the IT services.

Kirstin Gillon

Technical Manager, Tech Faculty



MAKING THE MOST OF NEW TECH

Demands for finance departments to make the most of new technologies and new data types will continue to grow, and few areas will be exempt. Given the range of options available, decision-makers will have to explore the market carefully before alighting on a solution.

At board level, CFOs and finance directors will be spending increasing amounts of time on how their organisations can be successful in the digital age. This will encompass constantly monitoring technological developments that may affect their organisation's competitive position, developing and implementing digital strategies and managing cyber risks.

Focusing on the medium- to long-term impacts of new technologies will be tough for finance departments as there will be little let-up in the need to respond to challenges. Firms cannot allow 2020 to be the year they get left behind.

Rick Payne FCA

Technical Manager, finance transformation, ICAEW



SEEKING ALTERNATIVES

The influence of technology on business operations is fluid and unpredictable, but that doesn't stop leadership from trying to forecast which way those winds will blow. As we move through 2020, I believe many of our priorities will begin to shift. In both the UK and US, swirling political rhetoric is consuming so much oxygen in public forums that once-solid channels of social media have become less effective for promotion.

Companies will need to rely less on social media to reach their sales goals and lean more heavily on engaged workers to do so. I see corporate resources moving away from employee wellness programmes toward better monitoring of engagement levels.

At the same time, a renewed focus on overall workplace culture will seek to improve engagement statistics. Smart leaders will get a jump on this trend and start seeing immediate payoffs.

Chris Dyer

Performance expert, speaker, consultant and author of *The Power of Company Culture*

**BETTER MANAGEMENT**

I'm starting my 2020 within a new avant-garde organisation structure, relinquishing a decade of line management for 50 wonderful colleagues and yet keeping accountability for making sure ICAEW creates unique and relevant know-how for members that is shared through various platforms. Needless to say, I anticipate our faculty's recent special report (see tinyurl.com/BAM-ManagementChange) will be very useful.

I anticipate the year ahead will bring complex challenges and uncertainties for both business and practice, and I plan to be obsessively focused on how ICAEW helps members deal with these head on. For example, resources to help signpost businesses to the funds they need; guidance to support members' transition to IR35 (off-payroll working) and other tax policies of a new government; insight for members to figure out what steps to take to get carbon neutral; and generally helping members with the increasing technicalities of business and creation of value for society.

Deborah Folkard

Director, ICAEW Technical Knowledge, and Acting Head, Business & Management Faculty

**WORKING ON TAX**

After the launch of Making Tax Digital (MTD) for VAT in 2019, we expect to see continued progress during 2020. With more than 400 products now listed on HMRC's website, we expect a merger of filing tools and many relying on spreadsheet solutions to look at end-to-end accounting software instead.

The rollout of IR35 from the public sector to larger business engagers in the private sector is expected in April 2020. This will affect many of our members, and we have already provided guidance and advice on how to prepare, but this will develop as the launch draws nearer and more information becomes available.

Globally, the OECD will continue its programme of work to address the tax challenges of the digitalisation of the economy. A coordinated set of rules to counter attempts to shift profit to low-tax jurisdictions are being developed.

Anita Monteith FCA CTA

Technical Lead, Tax Faculty

**TRUST AND TRANSPARENCY**

In the era of fake news, deepfakes, data breaches and unfair use of personal data, trust and transparency are gaining importance and value. This year will bring yet another surge of concern over the way our data is being used, so brands must prove they can be trusted with our behavioural, contextual and emotional data if they are going to survive. Businesses will have to focus on embedding trust as a key value in their company culture. I believe we'll also see the continued rise of the 'chief ethics officer' in 2020 as a result.

Steven Van Belleghem

Expert in customer experience in the digital world

**SHOWING LEADERSHIP**

AI is on the verge of transforming all industries - including accounting. We'll see repetitious tasks 'cheese sliced' away. In many narrow spheres, AI can already deliver better results at a lower cost. So, what's left for humans? In 2020, many firms will rewrite the workplace skills they need from high-potential people. The message: stop competing with and start differentiating yourself from machines.

Greg Orme

Lecturer and Programme Director at London Business School and author of *The Human Edge*

**IMPROVING PROCESSES**

Automated augmented intelligence - the combination of AI and machine learning - will become hugely sought-after as large companies continue to search for ways to automate the drudgery of creating actionable knowledge (and predictive analysis) from their data. RPA will rush to evolve to natural-language generation, and partnering platforms will industrialise business partnerships for ease of discovery and time to market. Finally, the concept of businesses being responsible for the entire lifespan of the products they sell will become commonplace.

Craig Vachon

Managing Partner, Chowdahead Growth Fund

**CRYSTAL BALL**

Banks will be focusing on the reliability of their risk-weighted assets and capital numbers following a tumultuous year for some in 2019. The Prudential Regulation Authority's renewed focus on this area will ensure it's on the minds of boards and their supporting committees.

Cyber risk and operational resilience remain priority areas across the industry and, as the pace of change in technology continues to increase, banks, insurers and investment managers need to have the expertise to ensure resilience and good customer outcomes.

Political and economic uncertainties will likely persist, and firms will still be dealing with the tail of legacy issues such as PPI well into 2020. New issues and opportunities such as climate change will hopefully get the chance to move up the agenda.

No short positions anyone...

Philippa Kelly ACA

Head of Financial Services, Financial Services Faculty

**PREDICTIVE TECHS**

If you spent some of 2019 behind a paywall, that might change. AI will alter the way content is monetised by better predicting readers' interests, making them more likely to subscribe.

We all know that AI and the internet of machines are speeding up business decisions, but what is the impact of that going to look like in 2020? Well, traditionally decision-making lay with management - but with fewer of such decisions being needed, we're likely to see more firms operate with flatter structures.

2020 won't just be a year for tech developments, though. We'll see advancements in the general public's awareness of how that tech operates. Consumers are now becoming savvier on issues related to data and privacy. This year the California Consumer Privacy Act will come into effect, meaning Silicon Valley will soon be held to account.

Chris Griffiths

CEO and founder, Ayoa.com