



CPA Canada Foresight: Reimagining the Accounting Profession

Digital Engagement Report

Why Foresight?

CPA Canada Foresight: Reimagining the Accounting Profession



What do we know... what are the critical certainties facing the profession...

- ✓ The Accounting Profession is at a crossroads as new technologies eliminate or replace many of its traditional functions. This presents both risks and opportunities.
- ✓ Shifting societal attitudes, evolving business models and blurring boundaries between industries is making historical data less relevant.
- ✓ Foresight, not hindsight, is imperative as transactions are processed and decisions made in real-time.
- ✓ The proliferation of unverified non-GAAP information often produces the equivalent of “fake news,” which in turn creates trust issues.
- ✓ Sustainability of the planet, the economy and our society is at risk

CPA Canada Foresight: Reimagining the Accounting Profession



Why Foresight – Why now?

- ✓ Develop a holistic view of the changing nature of business and the role of the accounting profession (both in Canada and globally)
- ✓ Employ *strategic foresight* through a multi-stakeholder scenario planning exercise
- ✓ Outcome is the development of a work plan which identifies the key projects the accountancy profession must undertake to become future ready

Objectives

The digital engagement was designed to compliment the in-person consultation, expanding the reach of the consultation to the broader community

Mirroring the core attributes of the in-person consultation, the digital engagement focused on catalysing a community dialogue that enables the broader accounting community to participate actively in shaping the future of the profession.



Digital Engagement Principles

In order to be effective the digital engagement must respect three core principles

Transparency – Participants must see how their input fits within the broader consultation

Timeliness – Responses and additional content will be shared in a timely manner that enables the digital participants to engage effectively in the conversation

Inclusion – The process will support the inclusion of diverse voices



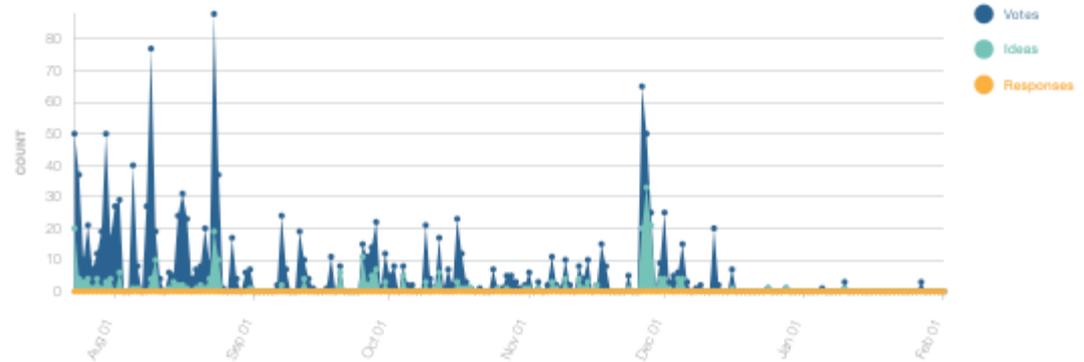
What We Saw

Over the 6 months that the CPA Canada Foresight Project has been running, more than 1200 individuals have joined the platform to share their perspectives, insights, and ideas around the future of the profession.

Overall participation on the platform was constructive, engaged, and thoughtful.

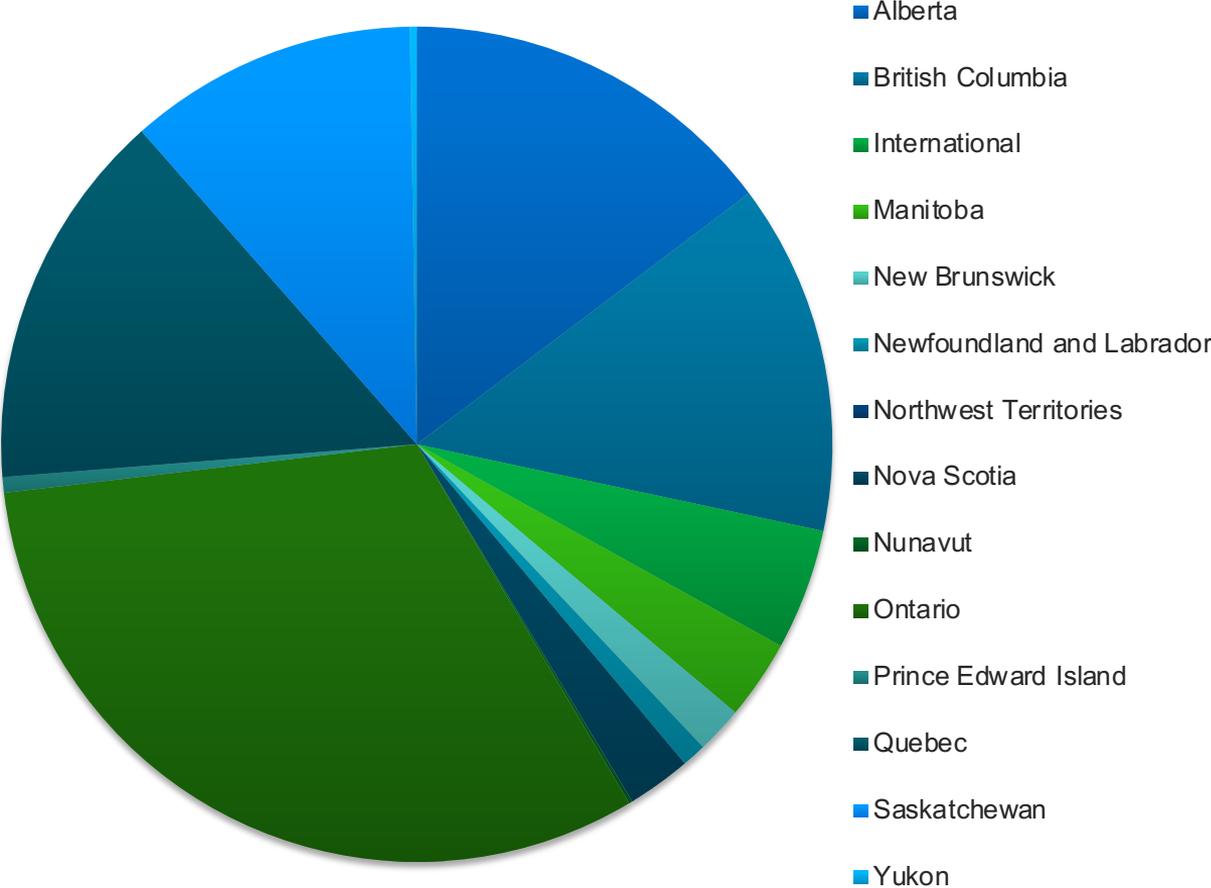
We saw significant increases in activity after key influencers became engaged in the platform (for example after the Winnipeg Council of Chairs Session) and The One Conference).

Going forward, our recommendation would be to leverage these influencers to support the ongoing growth and engagement of the community.



The Community

1206 Active Users
1390 Votes
294 Ideas
371 Comments



Key Insights

Key Insights

In reviewing the comments across the 28 questions that were put to participants there are five core themes that emerge as areas of interest.

As the dialogue progressed the conversations around these themes also evolved.

For example the conversation around technology started at a very granular level (with a focus on specific accounting activities) then evolved into a broader conversation around trends (AI, blockchain, etc.) and in the end the conversation moved more to an exploration of what skills and mindsets would be required for accountants to leverage the full potential of technology.

Further, none of the insights stands on its own, but rather they are each woven into the others – for example skills ran through the discussions of technology, transformation, impact etc.

- Need to transform the profession
- Embracing technology
- Skills
- Sustainability
- Trust and leadership

Need to transform the profession



Given the focus of the project, transformation of the profession is not a surprising theme. What was interesting were the differing perspectives on how the profession could evolve and what the drivers of this change would be (technology, policy, globalization, increased localization, new entrants into the profession) and whether the transformation would be driven by the profession or imposed by external forces.

While no-one suggested that the profession would not change, attitudes towards change ranged from those who see change as a threat and a negative to those who are excited by the potential for innovation and transformation.

The greatest fear appeared to be around the potential for technologies like AI to replace functions that have traditionally been the domain of accountants - this was particularly acute in the audit space.

There was also significant discussion around competition from other professionals – specifically MBAs. Some questioned how CPAs would be differentiated from MBAs.

Among those who were excited about a transformation, the ability to viewed as a thought partner and trusted advisor was the strongest driver.

All of this led to comments throughout the platform that raised the question of defining the profession going forward – changing how both accountants and those outside of the profession view accountants.

Need to transform the profession

Supporting Quotes



“How does accounting stay relevant in the age of AI?”

“I think this era offers an opportunity to rebuild the profession around the broader base of value creation and multiple capital consumption - i.e. the total business model, versus our historic focus on financial accountability and compliance.”

“We will be irrelevant if we don't change. Program of study needs to be rigorous and well respected. I have noticed a decline in respect for the designation. We also need to have an understanding of the operations and various departments that make up a business or org, not just accounting and tax.”

“The biggest challenge is to define what we mean by “the profession”. We are fragmented, each seeing themselves as the whole, unwilling to recognize the importance of the other. Audit is often held out as the pinnacle of the profession but a number of challenges face this aspect of the profession.”

“If we don't change and become more relevant the finance function will be subordinated under HR (have already seen this happening in some organizations) and MBA's will take over.”

“To be a driver of change in our society. To promote and support, through concrete actions and aligned standards, the key and essential elements of a possible future. Accounting needs to evolve as an institution (and profession) towards the same reality: to embody this change.” *

“The profession needs to be ready for radical change. The profession needs to hammer out a new set of competencies that are required to be relevant in the new economy. We are headed for a wave of major disruption, and many accountants haven't even begun to prepare themselves. We need to catch up...”

Embracing technology



Throughout the conversation the impact of technology on the profession was at the fore.

As mentioned above, the attitudes towards this impact ranged from fear – the robots are coming and they are going to take our jobs – to enthusiasm – the robots are coming and now, because they are doing the things that are more operational, I am going to be able to focus on being a thought leader and trusted advisor.

Of emerging technologies AI and distributed ledger technologies were the two that were raised most often.

Many highlighted the need for accountants to not only develop the skills to leverage emerging technologies, but also to become experts in these technologies in order to be better advisors.

Embracing technology

Supporting Quotes



“I see our irrelevancy coming about only if we don't stay current with innovations – IT and non-IT. The idea of AI has been around for decades and we're still not really close to true 'AI' (admittedly the term itself is a source of great contention). Hopefully forums like this will be the beginning of a movement to ensure we don't lose touch.”

“Routine reporting, auditing, tax return roles will largely be replaced by software. CPA's will be squeezed into smaller specialized niches where strategy and creativity are required. Rather than flourishing, CPA roles will be more competitive. Results analysis and review of output will expand.”

“We need to embrace technology wherever possible in order to free up our time to be better advisers. Our clients no longer need us for compliance and historical reporting they need us to help make them more successful.”

“Technology should not become a weapon against humans, but serve and support our evolution, it should serve to foster collaboration, not to separate more. We cannot, as accountants, make technology a God and a savior of our society.”*

Skills



Skills, training, and curriculum were themes that wove through the dialogue.

In alignment with the conversation around technology, many flagged that for accountants to thrive in an exponential future they would need to develop new skills that would enable them to leverage the potential benefits of technology.

In addition to tech skills, there was also a call to focus on more soft skills – communications, leadership, mentoring.

The need to update curriculum – both at the university level and in continuing education – to reflect the evolving skills. Again, the call was made to ensure that there is a distinction between CPAs and MBAs.

Skills

Supporting Quotes



“While tech will drive the future it requires educated and broad based human capital to create intellectual capital. This requires both global movement of people and life long education. Both are foundational principles.”

“As the profession faces accelerating innovation and disruption (e.g. AI and machine learning), we should work more closely with the education sector to ensure the right skills and competencies are being developed to support our profession.”

“IT must become part of our training. So much of what we do utilizes and relies on technology. Technology changes so quickly it will be even more important for us to understand those changes and their impact. As well as what they can do to make us more relevant.”

“Education inflation has rendered the CPA designation not sufficient to obtain many senior level jobs in both private and public sector organization. Often an MBA or other master's degree is required. CFO's can no longer be 'back office accountants' - need to understand the operations of the organization to add value.”

Sustainability



The topics of impact and sustainability – environmental, social, economic – were not prominent at first yet as the conversation they emerged as a point of significant discussion. Notably, these emerged first and strongest in the French conversation.

Perspectives were not consistent. Some participants advocated strongly for accountants to take a leadership role in changing what is measured and valued as it relates to sustainability, while others argued that accountants need to provide core business advice and that the environment does not fit into that.

Threads on this topic were some of the most active, with significant discussion around how to transform perceptions of what is core business data and if and where sustainability metrics fit.

Sustainability

Supporting quotes



“There is a beginning to emerge a realization that the current 'linear economy' needs to be supplanted by a 'circular economy' if the world is to support over 10 billion people while trying to achieve long-term environmental sustainability. Accounting needs to evolve to support the circular economy”

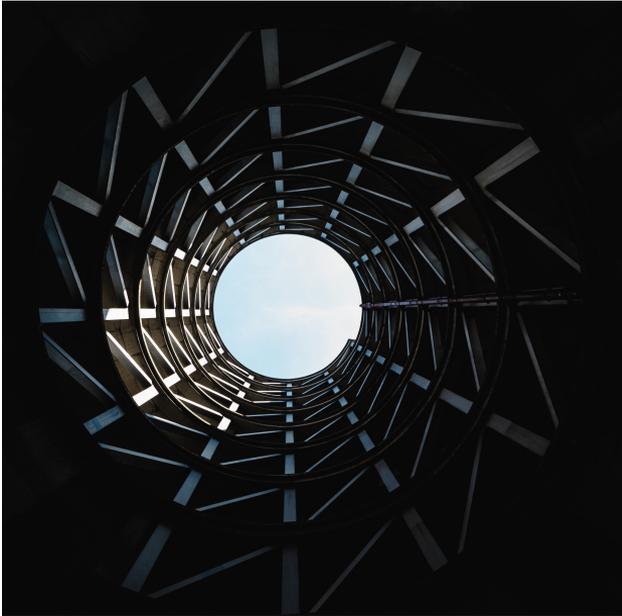
“We must prioritize the business skills needed to support engineers, entrepreneurs, investors, salespeople who become business owners, and so on with the information they need. It is not our job to protect the environment.”

“Could one protect one's loved ones while remaining open to bigger questions? Could one think of oneself while thinking of others? Could one look after one's interests while leaving space for the interests of others? Can we be unique while contributing to a larger whole? In quantum mode ”*

“The CPA needs to rapidly train students and members on environmental, social, and governance (ESG) reporting, climate change disclosure, and reporting against sustainability development goals (SDGs). Canada is behind in this area the CPA could be influencing change with all sizes of organizations.”

“More heart, more consciousness, more importance to humans, more meaning, things you can not buy, invent or create, things that technology can not really offer and areas in which it will always be limited. These should be reflected in business and financial statements ... ”

Trust and Leadership



In a platform with many divergent opinions, one thing came through clearly – accountants want to protect and grow their reputations as trusted professionals, particularly in an era where trust in leaders and information is decreasing.

Pride in the profession was consistent throughout the dialogue – with many calling for a greater focus on communicating to potential accountants their ability to drive positive change through the profession.

The overall message was that accountants need to be leaders and focus on taking actions that build the profession's reputation as a source of trust, ethics, and sound advice across all areas of business – not just finance.

Trust and Leadership



“Part of the answer must be the CPA brand - awareness, trust, value beyond debits and credits”

“The CPA profession needs to ensure its relevance in an ever changing world. We need to ensure the profession is viewed as ‘the’ credible voice within all aspects of business and the ‘go-to’ resource as a trusted financial, strategic and general manager, This encompasses technology as it’s pervasive”

“That accounting is seen by young people as a profession that can make a positive difference to society and the human condition. That the best and brightest students will pursue accounting and earnestly desire to become CPAs, proud to be part of a trusted and rewarding profession. “

“Our biggest obstacle is our collective ability to continue adding value as a trusted business partner as the world of business continues to evolve. The question is not where we need to be in 10 years; it’s how we add value in every year.”

“A trusted and ethical professional will be seen as someone who ensures that while the law is upheld, business decisions consider the societal and ethical impacts of their actions. Thus we will have to struggle with resolving, as an example our role in tax planning?”

The Process

Digital Engagement Overview



**Pre-Launch
(July)**

Draw Users to the
Conversation



**1st Round Table
(Sept)**

Refine Questions
Identify Topics to be
Explored in Depth



**2nd Roundtable
(Oct)**

Scenario Creation



**3rd
Roundtables
(Nov - Cross-
Country)**

Confirming Scenario
and Engagement of
Wider Community of
Stakeholders



**4th Roundtable
December**

Action Steps

Round 1

July 23 –September 3

Objective:

Establish awareness of the process
and commitment to the conversation

Digital Implications

Create pre-launch communications
leveraging CPA platforms



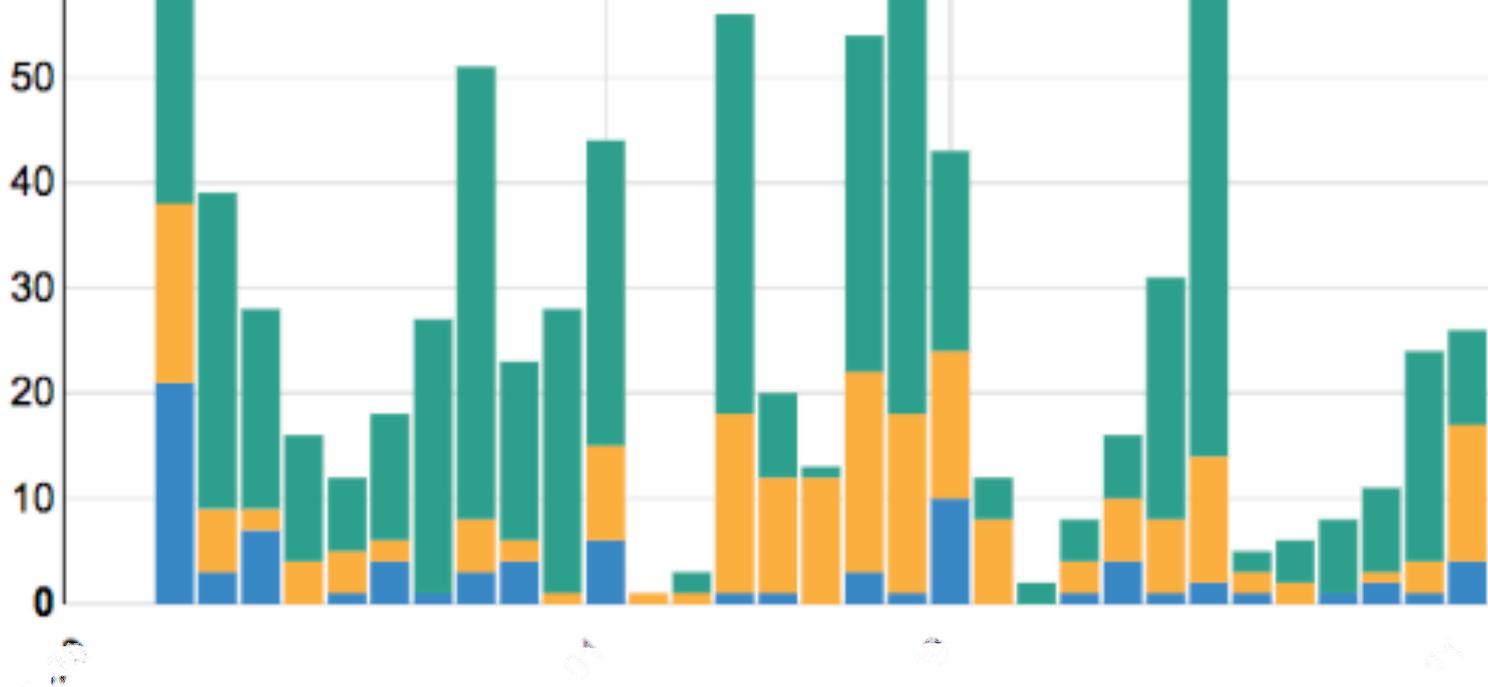
The Questions - Round 1

Question 1 What do you see as the most significant challenges facing the profession in the next 10 years?

Question 2 If we remain on our current course, where would you expect the profession to be in 10 years?

Question 3 In your ideal world, what would the profession look like in 10 years?

Question 4 What obstacles do you see that would prevent the profession from achieving this ideal state?



The Community (July 23 – September 4)

- 480 Active Users
- 113 Ideas
- 219 Comments
- 751 Votes

Insights

The focus on technology and its impact on the profession remains at the fore of the conversation.

However, there is significant discussion within the community about what a technologically disrupted future will look like – and what it will mean for accountants.

Another key trend is the discussion around skills development and what it means to be a CPA

- The profession should put more emphasis on technology. CPA will need to start to blur the lines between accountants and IT professionals. Basic training in data analytics and foundational programming would allow those in industry especially to provide greater value to the organizations they serve
- To be recognized as leaders in the decision making process around the adoption of technology solutions while retaining the credibility necessary to perform the critical role of maintaining and/or providing an opinion on the financial well-being of businesses globally.
- In 10 years, all Big 4s would have technology to replace CPAs. Industry would start replacing CPAs with machines that can do work for CPAs. Smaller companies may still have CPAs in the short term but eventually, once the technology is older and cheaper they will adopt the technology too.
- Can we harness emerging technology to capture the experience we are going to lose in the next decade as so many professionals leave the workforce? CPA Canada is perfectly positioned to develop this network and market it to all industries to provide experienced professionals where there are none.
- CPA needs to lobby all levels of government to restrict the use of the word "Accountant." Engineers have this, Lawyers have this, Medical Doctors have this, but we don't. Allowing anyone to call themselves accountants goes against our mandate of protecting the public and is putting people at risk
- There are many CPA's who have been brought into the fold with varying levels of skills based on the route they took to get there. This has muddied the waters about what employers can expect a CPA to be able to do. CPA's will also need to upgrade skills en masse; prof bodies need to provide options.

Round 2

September 4 & 5

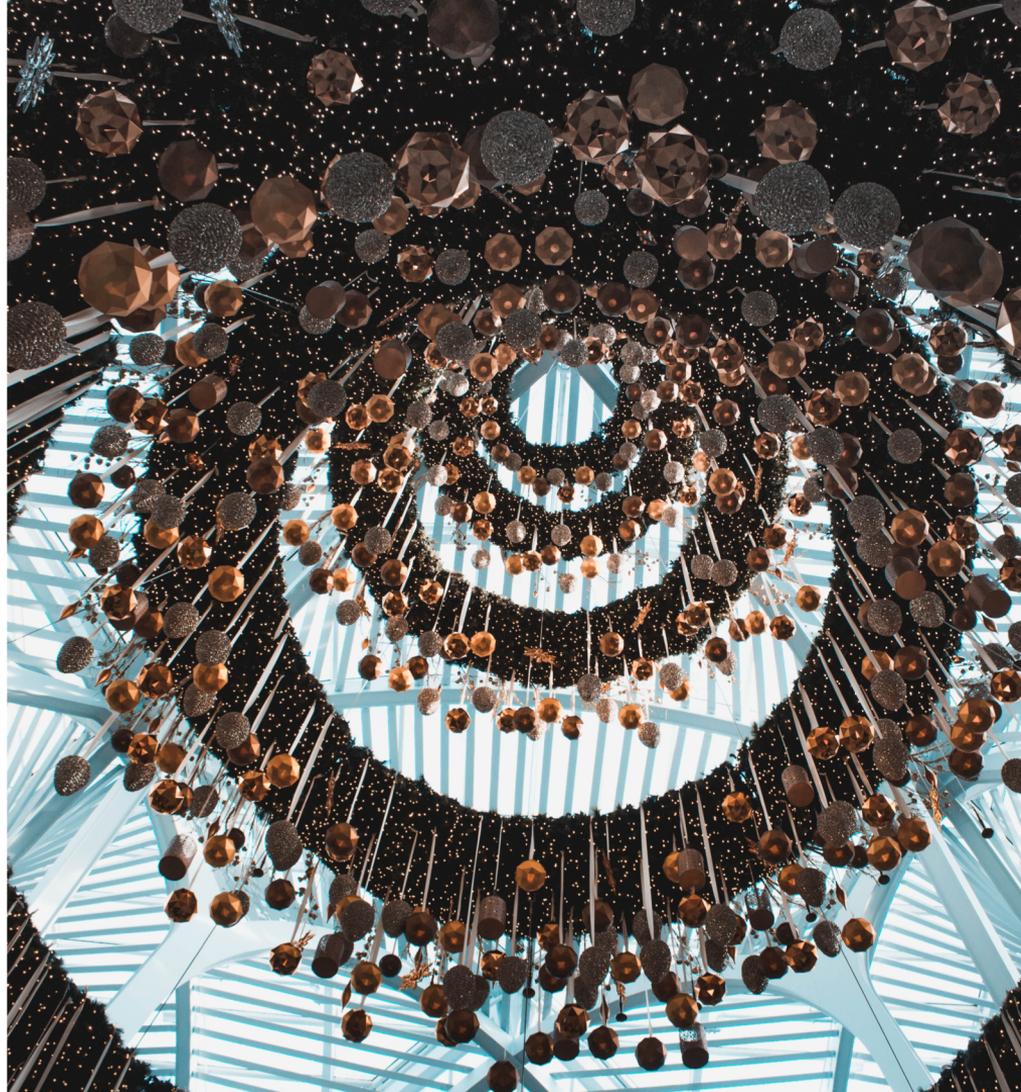
Objective:

Build a link between the in-person framing roundtables and the digital community

Process:

Provided videos of expert speakers from Framing Workshops to get input from digital community

Continued to use social media and other engagement to drive people to Soapbox site

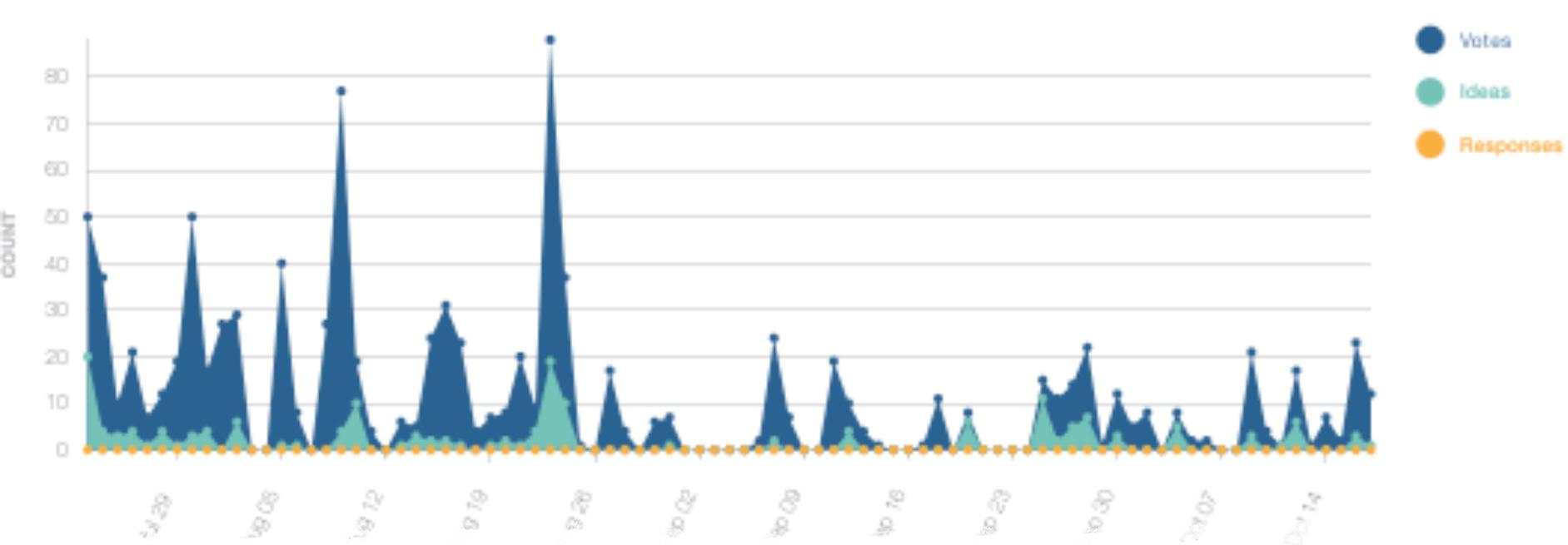


The Questions – Round 2

Question 5 - If there was an oracle who could see the world in 2030, what is the question that you would ask them about the information age that would help you to understand how the work we do might change?

Question 6 - Our economy is changing but we are not capturing and/or measuring all of the activity in the system (for example, human capital, natural capital, sharing economy, and data). What implications might this have?

Question 7 - Recognizing the changes in our communities, our economies and our world, in 2030, what could it look like to be a trusted and ethical professional?



The Community

- 734 Users
- 172 Ideas
- 291 Comments
- 1026 Votes

Insights

Sept 5 – Oct 15

Discussions emerge around adopting an entrepreneurial mindset

Data – its use, capture, and manipulation is also a topic of significant interest.

A new discussion emerged around responsible business practices and sustainability.

The conversations evolved significantly since the launch of the project - the online community is now exploring the less absolute nature of technology and transformation.

Where earlier comments used stronger good/ bad dichotomies, the conversations now are more nuanced.

- *Competencies such as risk taking and entrepreneurship. If we want to be innovative with advent of technological change then I suggest we need to take some chances (not be held back because we don't have all the data - we never will) and to pursue those ideas that meet a need (an idea or product that can be commercialized).*
- *Another skill set for CPAs to consider is the ability to better understand large and complex data sets, ability to meaningfully question relevance, accuracy and completeness of data sets in a given context, and to work with "technical" data scientists to produce actionable insights to drive / support decision making for clients / applicable business units in an organization.*
- *Ensure people have control over the privacy of their data and confidence that the technology was designed to protect them and their rights.*
- *As technology evolves, the profession will need to stay abreast of the electronic tools available in managing the raw data captured. This raw data, once assembled into meaning reports with respective analysis, will ensure integration of the professional as a business partner.*
- *Society as a whole needs to change their mindset on what a successful business is. New certifications such as B Corp need to be celebrated more and rewarded in our society rather than profits and shareholder ROI. Leaving the world a better place than we found it should be the goal of all businesses.*
- *The ability to use information and forecast future trends and actions that your business will take on. We are generating data all the time with web usage, investments, interaction, but we do not measure all of this activity in a way that will benefit our companies.*

Round 3

October 15 -17

Objective:

Scenario development

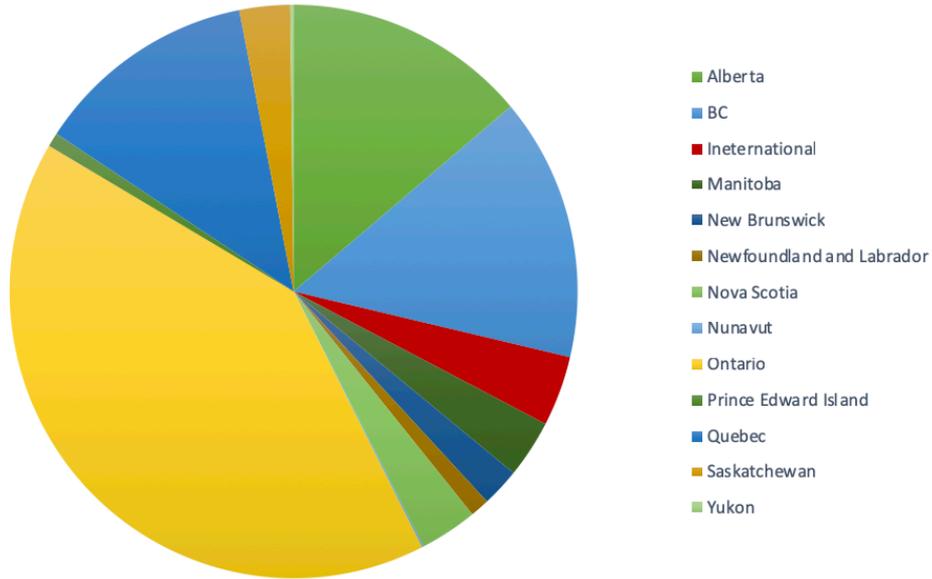
Process

Integrate digital inputs into the in-room dialogue

Creation of scenario videos to enable the digital community to act as a 4th round table.



The Community



952 Active Users

198 Ideas

340 Comments

1145 Votes

Insights

There is an emerging discussion around the future of learning and skills development.

There was a specific discussion around the evolution of learning options to support emerging technologies.

The conversation around data - and how CPAs can help make sense of it remained a topic of interest.

- While 1 hour webinars explaining new technological terms (blockchain, AI, etc) is a helpful introduction, I find that CPA Canada should be putting a lot more resources, or at least partnering with other institutions to create training programs to beef up CPA's skills in these areas. Perhaps the CPA Student requirement should be changed to have mandatory computer science courses, with a section in the CFE that tests this.
- To what extent will the role of a CPA evolve into a "storyteller" who can make sense of all the big data and analytics that exist? There is so much talk about data and AI but what does that mean for your, or your client's, business? Will we be able to turn all that data into meaningful insights?
- CPAs in 2030 will continue to be recognized for their strength in numbers and professional skepticism.. and will be increasingly valued as systems thinkers capable of breaking down the complex data to tell the story of impact (financial, social, environmental, +) of organizations and systems.
- Most of the posts below make sense. I would add, perhaps, a specific training or certificate would be required with the evolving changes occurring globally with the economy. This would add another level of trust for users and stakeholders.

Round 4

November 26 – 30

Objective:

Engage the digital community as a fourth cohort of input to help test and refine the scenarios

Process

Mirror the in-person experience by sharing the four scenario videos and associated questions with the on-line community.

Consolidate feedback on scenarios in-line with the format from the regional roundtables



The Questions - Round 4

These questions were asked for each scenario (questions 8- 27)

1. What about this scenario is plausible and why?
2. What should be removed from the scenario and why?
3. What is missing and should be added?
4. What are the major challenges for accounting under this scenario?
5. What are the major opportunities for accounting in this scenario?

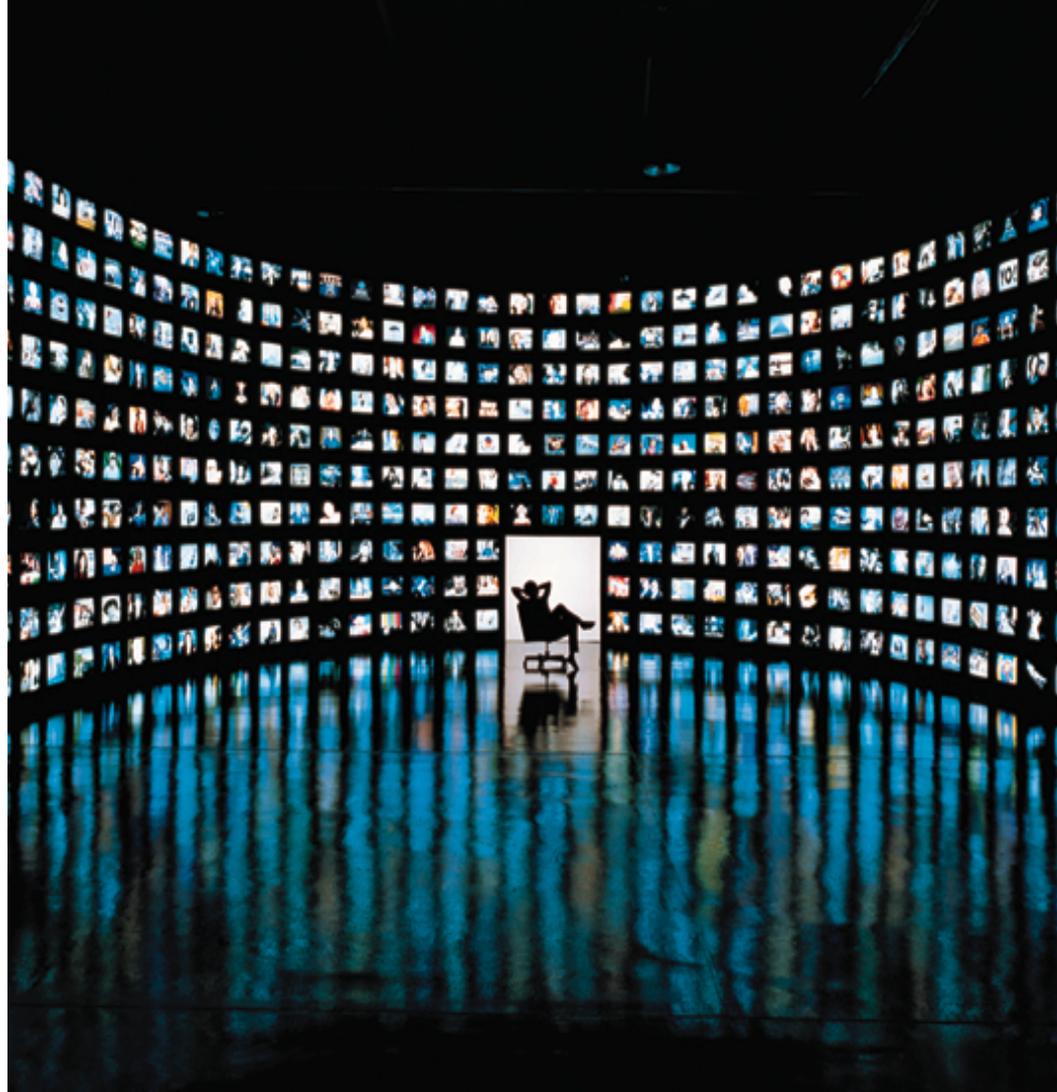
Question 28. In considering the various scenarios, what priorities emerge for the profession?

What are scenarios?

“Scenarios are stories about the ways that the world might turn out tomorrow...

...that can help us recognize and adapt to changing aspects of our current environment”

Peter Schwartz



CPA Foresight Matrix

High

(priority is common good)

1. Slow and Steady

A world where strong institutions guide decisions based on careful analysis: conservative, prudent, consensus-driven, standards-based

2. Phoenix Rising

A world where calamity inspires global cooperation and technology is harnessed for the common good: equitable, integrated, regulated, redistributive

Low

Willingness to embrace

Social/technological change

High

Cooperation, cohesion, social capital

4. My Way

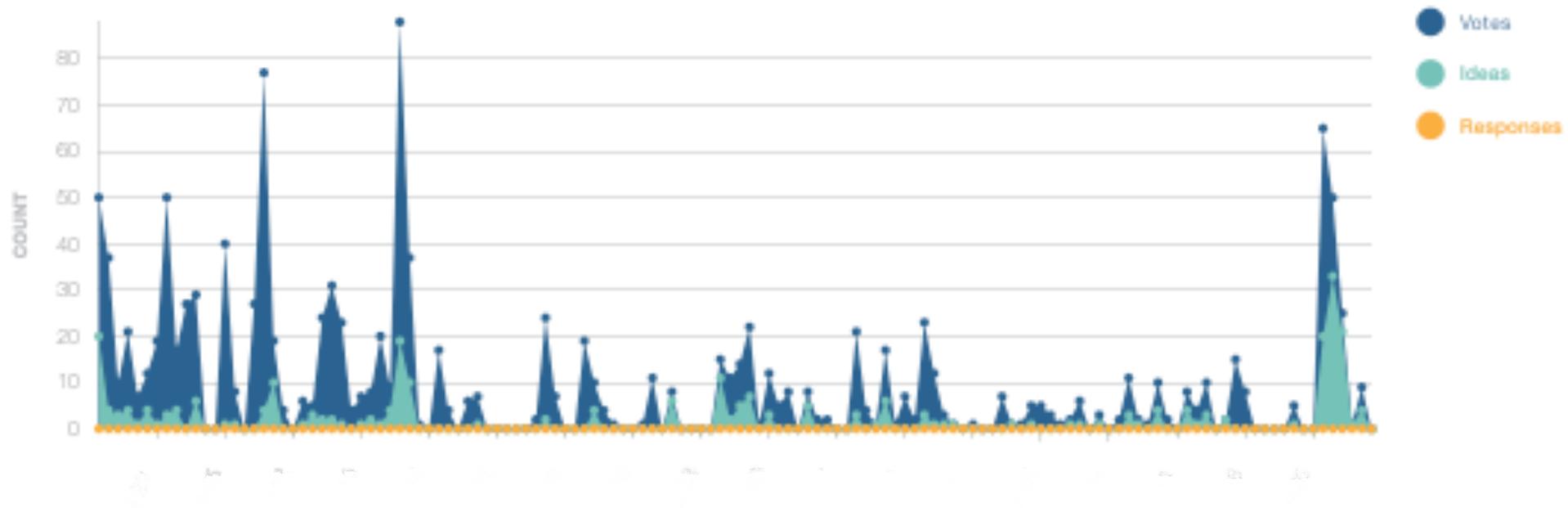
A world where communities turn inward to protect local interests: protectionist, fragmented, community-focused

3. Tech Titans

A world where “wild west” innovation thrives with few regulatory impediments: dynamic, competitive, un-equal

Low

(priority is individual advantage)



The Community

- 1022 Users
- 277 Ideas
- 363 Comments
- 1295 Votes

The Insights

In Round 4, the online community was a virtual round table – presented with the same content and questions as the in-person roundtables.

Due to the large number of questions and time required to view the videos we did see a decrease in the number of comments on the refining questions (specific to the scenarios) though we did see that activity on the site remained good with a strong response to question 28 – the priorities setting question.

The impacts of globalization, questions around what role the profession should play related to sustainability, and planning for anvolatile, uncertain, complex, ambiguous (VUCA) future ran through both the conversations at this stage with question 28 highlighting the need to move with speed in an era of radical change.

The Insights

- In a global world, where there are several major international issues, isolating oneself may limit partnerships, chances of prospering and collaborating, and potential to evolve and learn. There is a lot of wealth in sharing information, resources and ways of doing things *
- Given the far reaching impact of blockchain, AI, cryptocurrency and other such initiatives, it's evident that larger institutions - which cross borders- will have to provide guidance and oversight to ensure a consistency of standards and safety.
- I don't see a lot of careful, conservative, consensus driven decision making on the geopolitical landscape these days, which does impact our regulatory environment. in a VUCA* world, I'm concerned that our current decision apparatus is lacking - (*volatile, uncertain, complex, ambiguous).
- Starting to see many non-CPA's developing technology solutions that offer cheaper services. Need to invest in integrated technology solutions that take care of the transaction based work.
- I think the greatest challenge will be acting ethically - doing what is "right" versus what is just legal. The more we act in our own self-interest the more we potentially disadvantage others. Second will be the danger of becoming involved in illegal cross-jurisdiction activities.

The Insights

(Question 28)

- Priorities should focus on survival in the technological era. Future CPA skills need to be relevant to the market needs. The association need to integrate technological skills in the program. can start by Integrating relevant accounting and tax software in the learning.
- The profession needs to be ready for radical change. The profession needs to hammer out a new set of competencies that are required to be relevant in the new economy. We are headed for a wave of major disruption, and many accountants haven't even begun to prepare themselves. We need to catch up.
- The CPA needs to rapidly train students and members on environmental, social, and governance (ESG) reporting, climate change disclosure, and reporting against sustainability development goals (SDGs). Canada is behind in this area & the CPA could be influencing change with all sizes of organizations.(note this comment received 3 upvotes and 4 downvotes – as noted earlier this is an area where there appears to be a divide within the community)
- Put people and life at the center; be open to various possibilities, offer more flexibility, decrease the importance of LT forecasts (everything changes too quickly), include the notion of continuous renewal, value the contribution to the community, stop wanting to control everything. *

Round 5

December - Onward

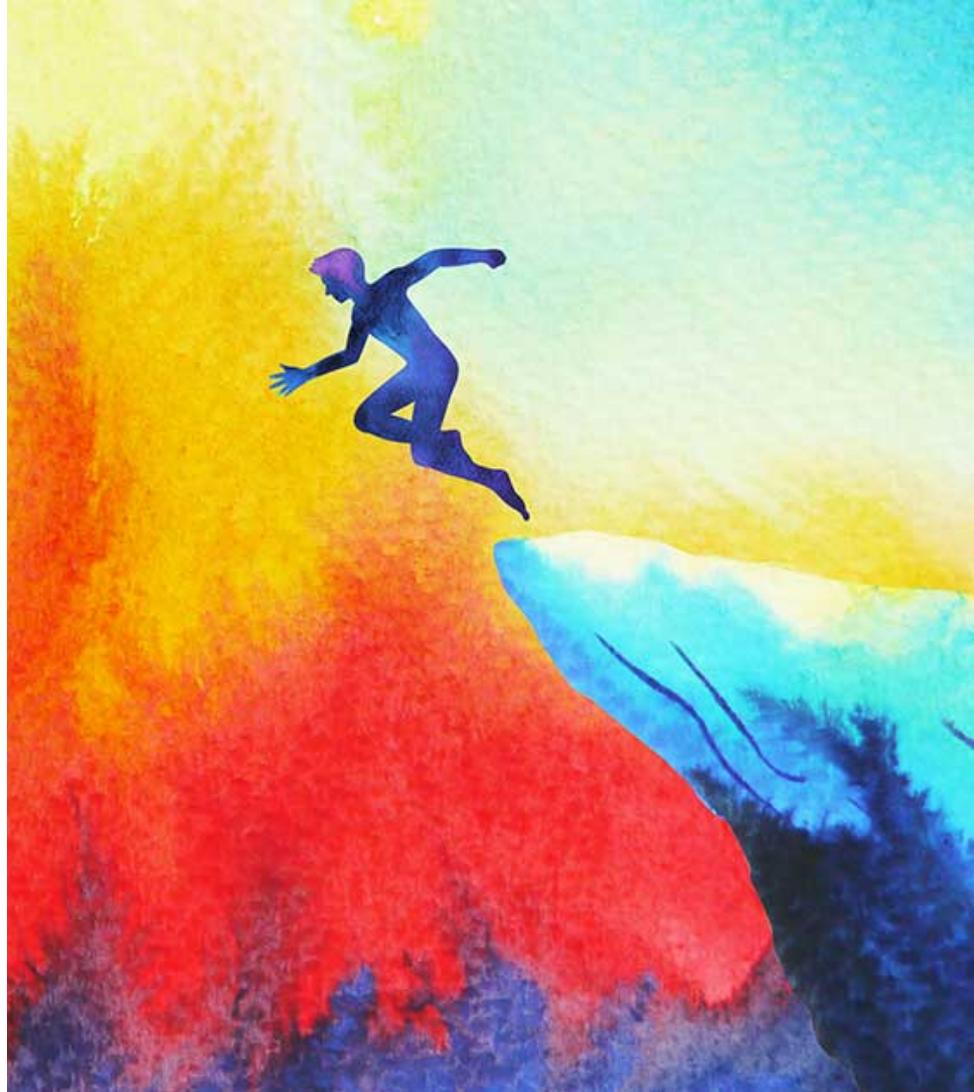
Objective:

Build Community of Action

Digital Implications

Share back the output of the scenarios consultation

Building on the outputs of round 4
identify communities of action to move
priorities forward



Building Communities of Action

At this phase the community platform is transitioning over to the CPA Canada internal team.

The team has posted three new questions

- What are the core skills that define a CPA?
- What emerging skills do we need to adopt today to prepare for the future?
- What does the business community - our employers, our clients, our investors or other stakeholders - need from us as CPAs?

The team will leverage feedback from these three questions in combination with the in-person work to continue to build communities of action to drive forward.



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