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CHALLENGES THE FINANCE PROFESSION HAS BEEN FACING FOLLOWING THE 2008–2009 FINANCIAL CRISIS

– A MULTI-COUNTRY RESEARCH

In the successful strategic management of the modern companies each function plays their specific role. While today's businesses in many ways are different from their ancestors, the key fundamentals are derived from the same roots. Their main purpose of existence is to serve the needs of their shareholders and stakeholders by creating value (Pike et al., 1993). To achieve this effectively and efficiently the various functions need to work in close cooperation with each other. The global crisis, starting in 2008, proved that volatility is higher for the financial markets and the ordinary businesses that have been anticipated before. As the recession started as a financial crisis many people started to blame – amongst others – banks and financial institutions for excessive risk taking and taking short profits ahead of long term sustainable growth. Accordingly the lost confidence in the financial institutions has taken a toll on the reputation of other Finance professionals such as accountants, book keepers, treasury, tax people and others. The finance function's strategic importance is linked to its ability to help interpreting the business performance and provide transparency. In order to restore the trust the finance profession is now facing one of the biggest challenges of its history, the need to reinvent itself. This paper presents the findings of a recent international research conducted in the United Kingdom, France, Hungary and Poland interviewing 169 executives of the business sector plus the review of 237 job descriptions of finance professionals in order to understand the challenges of the modern finance function. The findings of the study could provide relevant answers and help to overcome a very current problem that Finance is facing today, how to rebuild reputation and to stay a trusted partner and enabler for long term business strategy.

Keywords: **strategic management, strategic finance, financial crisis**

Finance has always been the *common language used to translate business performance into monetary terms* throughout the world and has effectively been around since people started to use money in their transactions. Even in our modern world, the principal aim remains the same - as the International Accounting Standards Board (IASB, 2001) defines: "to provide the world's integrating capital markets with a common language for financial reporting". The role of the Finance function has been evolving in the last decades and the *recent financial crises acted as a catalyst to increase the need for change in the finance profession*. This has resulted that the Finance profession arriving to a crossroad by now. The triggers for change have been around for decades and there was a push for evolution. The changing business environment, the globalisation of the economy, the internalisation of accounting standards and tightened regulation following the corporate scandals have increased the need for evolution in the financial profession (Berriman, 2009).

Importance of the research topic

The finance function has always been considered as one of the *strongholds of business understanding and a key enabler of strategy formulation.* Finance professionals in general are reputable in their precision and transparency. Accordingly, potential challenges to the Finance function's reputation or its members might undermine the fundamentals of the modern business thinking and create instability in the business world, therefore, it should be taken seriously.

The challenges the Finance profession is facing can effect hundreds of thousands of professionals throughout the globe and have a knock on effect on millions of companies, their employees, shareholders and related parties. Understanding the triggers of change, the challenge that the Finance function is facing, and the potential ways of evolution is priceless.

As the *problems and challenges are not limited by country borders*, the research has scoped four countries in Europe. The United Kingdom, representing the Anglo-Saxon financial profession, France, representing the " Continental" Finance professionals and Hungary and Poland, representing the Eastern European Finance professionals. The choice of these countries are not only representing geographical differences but also reflecting the different financial educational systems and different professional status of the function's members in their local business environment. What is common in all cases that they face a very similar global phenomenon and they all need to provide an answer to the challenge.

The research aim

The principal objective of the research was *to understand the key challenges* that the Finance function is facing today on the journey of *becoming a strategic partner for the business*. After decades of standardisation and the increased participation of in international professional chambers (CIMA, ACCA) the finance profession is showing signs of global homogeneity. As the Finance profession has became international and so did the challenge around its evolution the research was done on international level with four countries participating. *To overcome the challenge of cultural bias* in international response comparison, *anchoring vignettes* were used (King – Wand, 2007.) to help comparability. Similar techniques are used by United Nations and OECD surveys managing cross-cultural respondents.

Scientific questions to be solved

In the era of globalised information platforms and online updates providing current and reliable international comparison would be still a challenge. This does not relate to data availability but rather data comparability and interpretation issues (Ács – Szerb, 2009). Therefore, *this research is unique in a number of ways*. It is one of the very few that has a geographical coverage across Western Europe from the UK to France and to the East to Hungary and Poland. The key question that the research is testing is whether the Finance profession is capable to effectively respond to the challenges of the business environment. What risk and obstacles might the Finance profession face on the journey of potential evolution? Is the Finance profession's understanding of the problems and challenges in line with the view of the non-Finance community? Is there a different view across the countries in the scope of the research with regards to the challenges that the Finance function is facing? Last but not least, what are the commonalities and differences to the answers that the Finance function in each countries are providing to the problem?

Strategic Finance – links to Strategic Management

In today's highly competitive business world *obtaining the right information at the right time* is a source of competitive advantage. This is even more applicable to markets where the risk of new entrants and substitutes are high (Porter, 1985.). For big multinational companies with dispersed global operations, setting up a centralised information office seems to be a solution to ensure quick and reliable access to information (Anastas, 1997). However, for most organisations with limited resources information management lies with the *Management Accounting Department* of Finance. In the last 15 years Management Accounting evolved significantly and started to incorporate elements of *Management Controlling* and *Strategic Controlling*. While management information is concerned with operational issues, strategic controlling is concerned with monitoring the implementation of long term strategy (Barakonyi, 2000) and taking decisive action where necessary to maintain the strategic direction. Parallel to this, management information tools have evolved together with how information is being processed and monitored. The Balanced Scorecard methodology (Norton – Kaplan, 1996) helps translate the organisations mission and strategy into tangible objectives and measures in many companies this concept has been known as the "Strategic Framework for Action". According to Riahi-Belkaoui (1995) the principal aim of accounting to play a communication role between the users (management) and producers (Finance professionals) of information. A key enabler of modern day Finance was the standardisation of accounting systems (Bhimani, 2006). With the increasing hunger for information, the evolution of Management Accounting became faster. While a few decades ago Finance was mainly a score keeper by now the need of the organisation shows into the direction that *Management Accounting becomes an active formulator of strategy*. Value added accounting (Adler, 1999) which embodies the traditional accounting role as well as the new role of informational linchpin to total quality management (TQM) and just in time (JIT) systems have been gaining increasing ground.

However, this fast evolution poses some risks as well. *The first risk relates to the position within the organisation*. Unless the Management Accounting department is a centralised function that lies in the strategic apex (Mintzberg, 1994) information could get distorted and take a long time to reach decision makers. *The second risk relates to the orientation of the function.* Management accounting is normally inward looking and past focused (Collier &Gregory, 1995). With changing needs this has fuelled the criticism towards management accounting on the ground of lacking timeliness, accuracy and relevance (Johnson – Kaplan, 1987). Furthermore, as a result of the increasing reporting (IFRS, 2004) and risk management compliance requirements (Sarbanes – Oxley, 2000) resources have been shifted away from management accounting to financial accounting and internal audit. This has resulted in the difficult situation that the *increasing needs from general management to support strategy have not been met in full*. A recent global survey (McKinsey, 2008) claims that the difference in expectations is still valid today (52% of CEO's expected Finance leaders to support strategy while only 29% of Finance staff expected the same).

Strategic Finance is defined as functions that acts as a strategic business partner and is concerned with decision support, risk management and proactive formulation of strategy (Ward, 1992). Except for a few world class Finance organisations (Durfee, 2005), this is still a theoretical concept rather than realty.

Research findings

The research had been carried out for two years comparing the views of business executives France, United Kingdom, Poland and Hungary. The executives who participated were chosen to be both Finance and non-Finance background in order to compare and contrast the viewpoints on the same topics from two different angles. As the research was done on an international level anchoring vignettes were used (King et al, 2004.) to help comparability. Scaling questions were first created and tested with all four cultures (Hungarian, Polish, French, UK) and based on these findings the final responses to the questionnaire were re-adjusted. The samples were taken without any special preference for gender, age or work experience, however, *nationality, job function and holding senior position were key definers of the survey sample structure*. The questionnaire was sent to 550 respondents of the four participating countries of whom, 197 responded partly or in full.

The output of the survey was 125 fully completed and comparable questionnaires. The research was also aiming to analyse what were the correlations of answers among the various respondents. The split of the actual sample compromised in the way that 42 per cent of the responses come from Central Europe (Poland 16% and Hungary 26%), while the United Kingdom (31%) and France (27%) represented the rest *(Figure 1).*

Figure 1

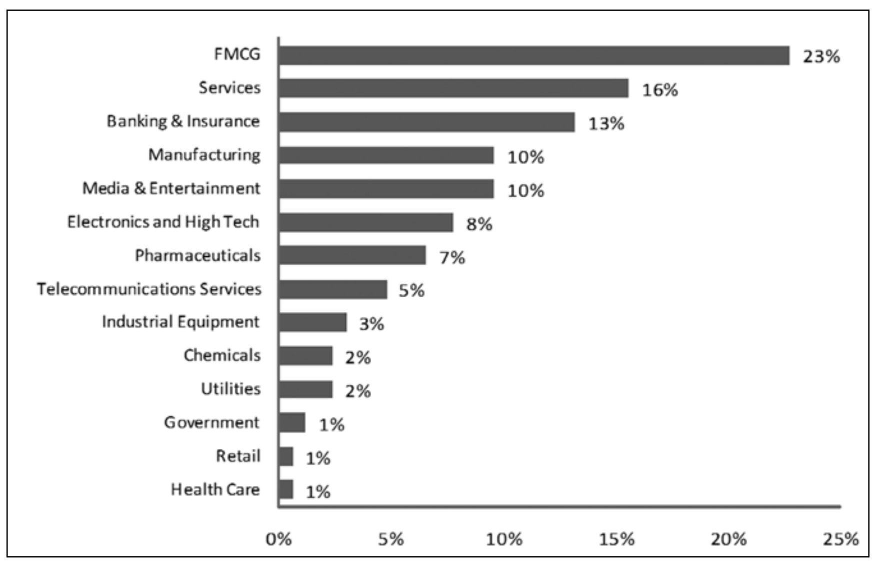
Sample split by country

France	27%
UK	31%
Poland	16%
Hungary	26%

The split by job function was almost even (48/52%), therefore, it provided a good balance between the Finance and Non-Finance professionals. As the reflections arrived in almost equal numbers from both Finance and non-Finance people the Finance function could gain a balance overview from both inside and outside of their functions.

Figure 2

Sample split by industry



On the other hand the split by industry *(Figure 2)* was not so even, as almost one quarter (23%) of the responses were returned by consumer goods industry (FMCG) companies, second largest were financial institutions (16%), followed by banking and insurance (15%) and service providers (13%).

Although a number of major international and local players participated in the survey *we can't consider the survey results fully representative for all sectors but for those where their joint market share exceeds at least 10%.* The results of the FMCG industry well exceeded this threshold with over 21% joint market share of the respondents, therefore, in the study the results for this segment could be extrapolated and be considered as representative.

Adjustments to the survey based on anchoring vignettes

With the international surveys there is a risk of misinterpretation of the result arising from the cultural differences of the respondents. Due to the fact that this research was performed on an international level the recommendation was *to adjust for cultural differences by using anchoring vignettes and scaling questions tested with all four cultures*. Based on the cross-cultural relations of the anchors the final responses to the questionnaire were re-adjusted.

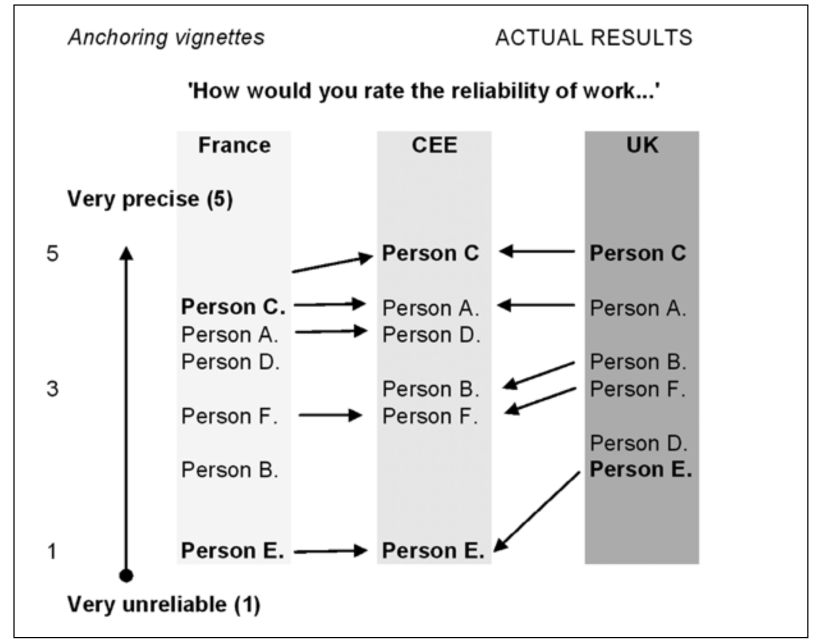
The anchoring vignettes used were the summary performance of 6 imaginary Finance people based on clear performance attributes, request was to provide a rating to their performance on a 5 point scale (1 being lowest, 5 being highest). The six imaginary people were then ranked in the order of their presumed performance. The number of candidates and the points on the scale were intentionally different so that the respondents had to make trade offs and assess the relative performance of the candidates against each other.

Once there is clarity in how different cultures understand and assess the same questionnaire it is possible to readjust the response rates to take into consideration of these cultural differences. The anchoring vignettes mapping was created based on the 40 personal interviews. The responses from Poland and Hungary were in 95% similar, therefore for the sake of simplicity these are represented as together as Central Eastern Europe (CEE). However, the UK and France responses were significantly different both in direction and magnitude, therefore these three were contrasted.

The findings of the analysis are captured in *Figure 3.*

Figure 3

Anchoring vignettes results



The overall ranking was similar in the majority of cases as the highest two scores (Person C and A) and bottom score (E) were the same in France, CEE and the UK. However, there were major differences in both the starting and ending points of the scale and also on the relative closeness of the scores to each other. For example in France the highest scores (5.) were not granted by a majority of the respondents, the top score was 4 (second highest) only, while both in CEE and the UK, highest scores were marked as 5 (top score). This implies that French respondent assumed 'highest scores' are not applicable and marked 4 as the highest. Similarly in the UK scores the majority of the respondents did not score the lowest performing to level 1., but level 2 only, while both in France and CEE the lowest scores meant 1. The distribution of the scores in the UK and France were almost even (between lowest/highest scores), while in CEE the respondents were slightly towards average or better scores and the lowest was alone at the bottom of the scale. Accordingly, *the author has taken the following adjustments* to the latter questionnaire responses: UK – worst score does not exist in general (2nd lowest means lowest score), France – "very good" (5) score does not exist at all (2nd highest means best score), CEE – no adjustments to the survey scores.

Satisfaction with Finance

The analysis was based on a set of 24 questions addressed to each of the respondents and the individual responses have been aggregated to an overall score per individual in order to judge the level of satisfaction towards the Finance function per each respondent. This average satisfaction score towards Finance and has been measured on a 5 point scale where scores close to 1 means Finance failing to deliver against expectations and 5 implying that Finance is serving superbly the needs of the business. The preliminary analysis showed that the average satisfaction score was 3.27 indicating that the view from the respondents was relatively positive towards the function. This was made up by the self-score of the Finance professionals of 3.343 (standard deviation = 0.56) and by the non-Finance executives score of 3.183 (standard deviation = 0.64). As per SPSS the model summary of the Finance/Non-Finance predictors show a low level of R square (0.010) as adjusted R square (0.002). The detailed country analysis shows that the lowest score came from Finance in France (1, provided by a single respondent) and the highest (4.43) from the UK *(Figure 4).*

Figure 4

Scores by country

Score	County				Total
	France	Hungary	Poland	UK	
1.00	1	0	0	0	1
2.14	1	1	0	0	2
2.29	0	0	0	1	1
2.43	3	1	0	0	4
2.50	1	0	0	0	1
2.57	2	1	0	2	5
2.67	0	0	0	1	1
2.71	0	0	4	0	4
2.83	0	1	0	0	1
2.86	1	1	3	3	8
3.00	4	0	6	7	17
3.14	0	4	2	1	7
3.26	0	1	0	0	1
3.29	1	5	0	4	10
3.43	6	3	0	1	10
3.50	0	0	0	1	1
3.57	3	8	2	4	17
3.71	3	1	3	5	12
3.86	4	3	0	5	12
4.00	2	2	0	1	5
4.14	0	0	0	2	2
4.29	2	0	0	0	2
4.43	0	0	0	1	1
Total	34	32	20	39	125

When comparing the country scores it could be spotted that in the below average (3) range Polish respondents are the least satisfied with the Finance function as 35% of the total respondents have fallen into this category, followed by France 26.5% and Hungary and UK scoring below 20% *(Figure 5).*

Figure 5

Country comparison with split to below and above average scores

Below 3

	County				Total
	France	Hungary	Poland	UK	
Scores	9	5	7	7	28
% of total	26.5%	15.5%	35.0%	17.9%	22.4%

Above 3

	County				Total
	France	Hungary	Poland	UK	
Scores	25	27	13	32	97
% of total	74%	84%	65%	82%	78%

The highest scores on the contrary were coming from Hungary, where 84% of the total Hungarian respondents have scored Finance with a higher than average score. For the sample of the 125 respondents with standard deviation of 0.5 the significant difference is calculated as 0.191, which was referred to when comparing the effects. Examining the countries shows, that there is indeed country and function combinations where the difference is higher than 0.191. For example the average scores in the UK were 0.29 points higher versus Poland. If we analyse the combinations of function with country the same trend is true with the UK

Figure 6

Scores split by function & country

Fin	UK	3.38
Fin	France	3.36
Fin	HU	3.29
Fin	POL	3.02
Non-Fin	UK	3.41
Non-Fin	France	3.08
Non-Fin	HU	3.38
Non-Fin	POL	3.14

and Polish (Finance background) respondents. UK far exceeds Poland by 3.38 to 3.02. However, amongst the non-Finance respondents the biggest difference is not UK-Poland but UK-France *(Figure 6).*

Therefore, we can conclude that while in the UK people are most satisfied with Finance (and non-Finance is slightly more satisfied than Finance), in other countries like France, Finance scores themselves significantly higher (3.36) than the non-Finance French respondents (3.08). It is worth noting and follow up as to why the French non-Finance people scored the function so low (3.08), comparing to the Finance people's (3.36) as this difference was the highest within a single country. Polish Finance people score lower in general for Finance, however, non-Finance scores here higher too. With regards to Hungarian respondents the Finance background people scored themselves close to the average, however, non-Finance people were also more generous scoring themselves higher (3.38). The internalization of the responses shows higher differences between the people working for global organization (being more satisfied, 3.35) and the least satisfied (3.05) in the local organizations. This could be linked to the fact that *in global organizations Finance are doing more specific tasks and could seen relatively stronger experts* on some areas, while in national organizations Finance takes multiple tasks and the risk for not being able to oversee everything according to expectations is therefore higher.

The qualitative results of the interviews also support that *the appreciation of Finance* is more positive than negative *(Figure 7)* As 85% of the respondents agree that Finance is providing reliable results and analysis. Furthermore, there is nearly 60% disagreement on the negative statement that Finance is an inward looking and past focused function. Although the appreciation is positive, this also implies that 4 out of 10 respondents have the view that Finance is *rather inward and past focused function*. Further criticism is the strong ranking of the function spending too much time on reporting and transaction processes – which some consider less value adding than business decision support (61% and 59% respectively).

Satisfaction with key Finance functions

Figure 8. shows the satisfaction of the respondents to with regards to each of the key Finance functions' tasks. Not surprisingly the most satisfactory area is related to the core function of Finance, namely *reporting accurately and timely*. However, the least satisfying areas relate *transaction processing and accurate forecasting.* While the highest scores of 'very satisfied' answers 8.3% is on reporting, scenario modelling and rolling financial planning scores at 2.5% each. Financial forecasting accuracy gained also the highest number of the lowest scores (5%), which was probably strengthened by the fact that most forecasting models have failed during the recession and Finance, who in many companies own the forecasting process, was to blame.

Also the *ranking of the important subjects* against each other provides new findings. Forecasting accurately the future is more important (59% views this as high priority) than looking at the past performance (18% views this as high priority). Business risk management and putting key controls in place also ranks high amongst the important tasks (33% and 34% viewed as high priority).

Figure 7

Post crisis opinions on the Finance Function

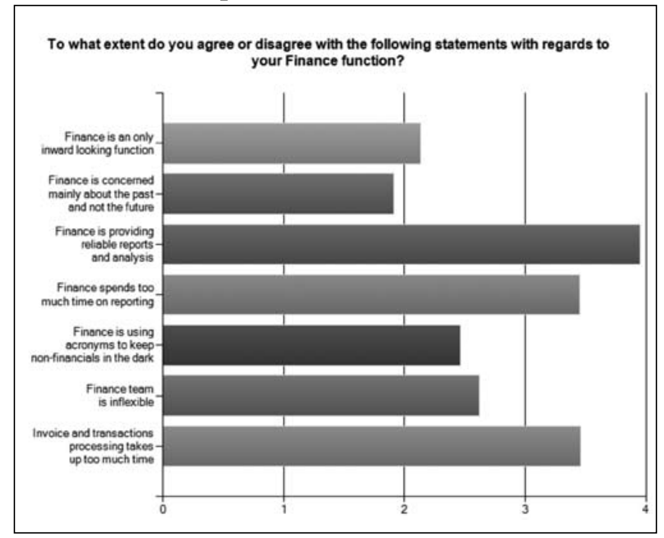


Figure 8

Post crisis opinions on the key finance tasks

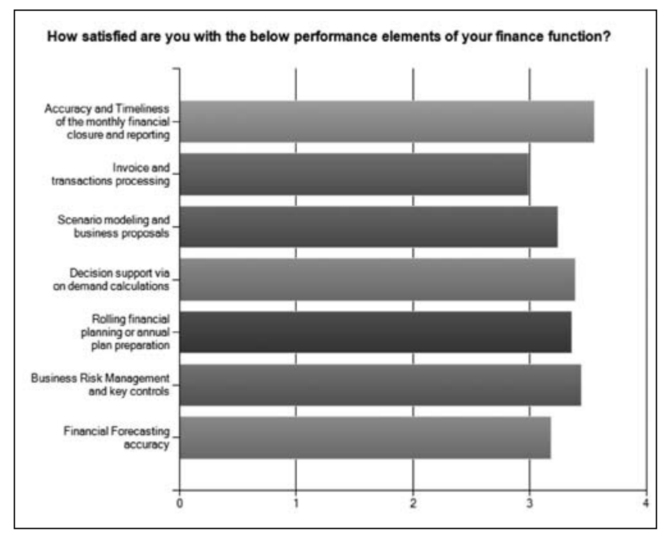
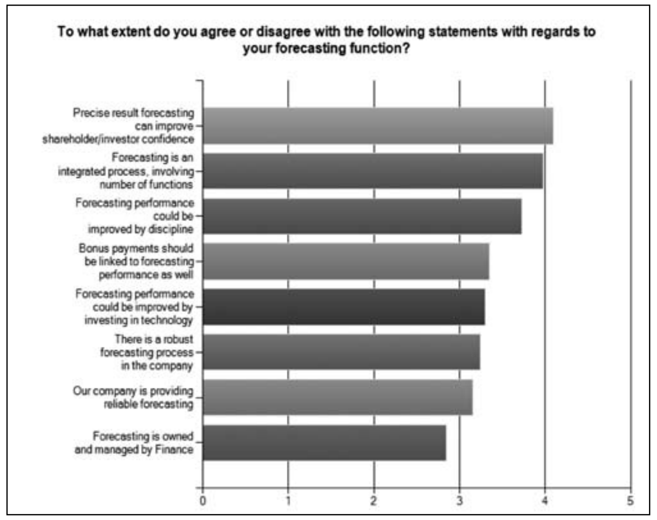


Figure 9

Importance of forecasting vs. pre-recession



The research data shows that *importance of forecasting increasing* as 89% of the respondents claimed to be using forecasting in the future as much or more than before. This is in line with the findings of the secondary research, Hackett study on forecasting (Hackett, 2011).

In *Figure 9* the *benefits of forecasting* are captured, number one being improved investor confidence as a result of reliable forecasting. There is mutual agreement that forecasting is a *joint process that could be improved by discipline*. Furthermore, there is also agreement among most respondents that purely technology investment would not solve forecasting problems.

The shift from transactional to strategic, *business partnering roles* are in the responses of the question that was comparing focus areas in a 3 year backward and 3 year forward looking perspective. Worthwhile noting that business partnering not only expected to gain importance versus 3 years ago, however, *it would become the most important* (70% agreeing) focus for *Finance Figure 10 and 11*).

The question that was testing the speed of data availability and accuracy shows that investment in ERP technology should be still in the forefront of financial strategy. Nearly half of the respondents agree that a single performance indicator on the total (global) energy consumption of the company would take 1 hour to 1 day. In the volatile economic situation when some decisions are made in seconds rather minutes this could be considered as a very low response period. Therefore, area for improvement via standardisation and auto-immunisation is wide. The other aspect of the same question testing trust in reliability of this performance indicator is also concerning as nearly the same one third of respondents would have either full trust or no trust at all in the figure.

The question testing *the effectiveness of cost cuts in response to the financial crisis* shows first of all that in most areas the actions were found to be effective (almost all areas have 3 or higher rating on the 4 scale rate). However, the most effective cuts are coming from the supply chain side. This is not surprising as this is the area where decisions could be implemented fast and savings materialise in due course. The second area of short term cuts is in the area of advertising and promotions that companies consider revising when there is an urgency to improve profitability. The least successful area for cost management is trade discounts, due to the fact that selling contracts are usually fixed for a one year period, therefore permitted changes are minimal.

Figure 10

Relaying on forecasting 3 years ago and now

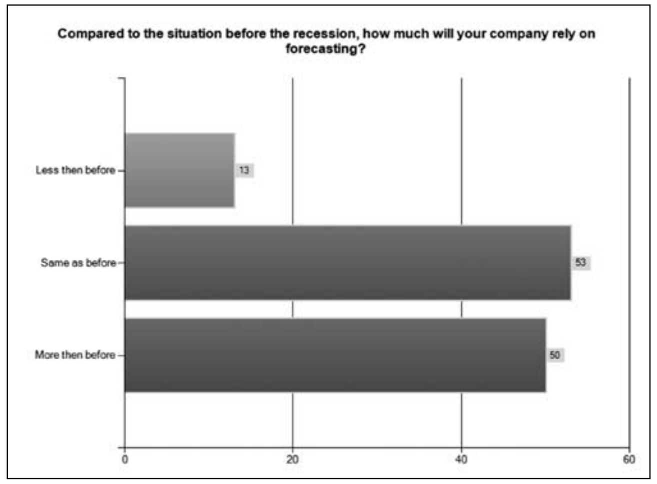
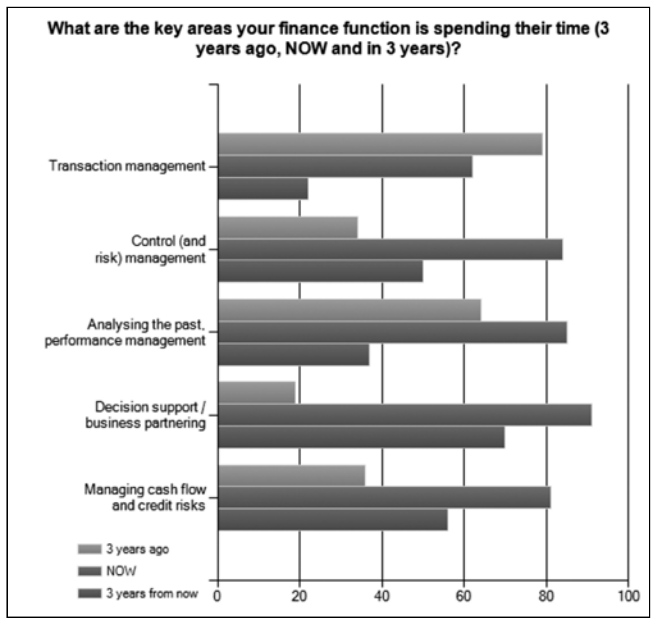


Figure 11

Finance key focus areas, in a 6 year overview

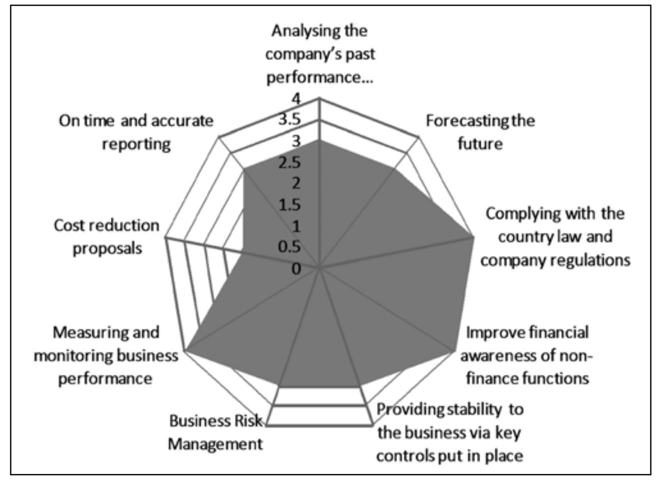


Differing priorities in different countries

The "spider diagrams" in Figure 12 to 15 capture the *differing priorities of the Finance teams in the different countries*. The diagrams coloured area represents the level of importance of a specific area with the higher scores meaning higher importance. Starting with the commonalities, measuring business performance scored high in each of the countries. Forecasting seems to be the most important area for Finance in France, but only average important in Poland, Hungary and the UK.

Figure 12

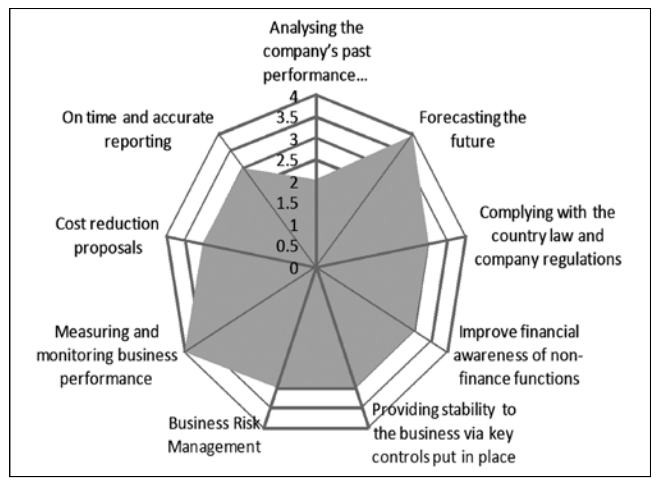
Priorities per country (UK)



On the other hand compliance to the law is high on the agenda in the UK which is due to the stronger threat of the law enforcement there.

Figure 13

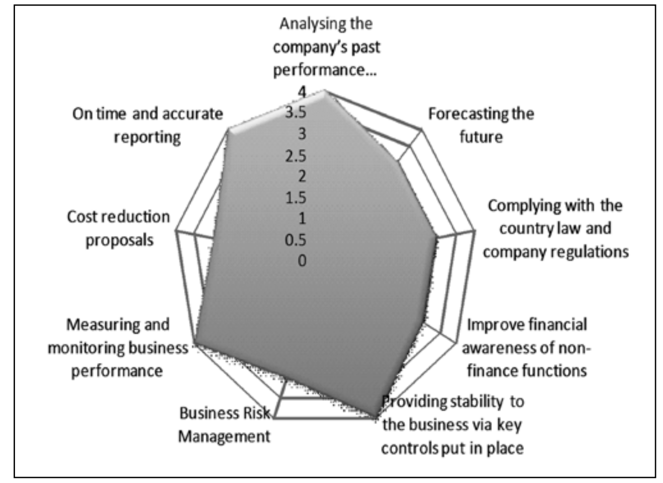
Priorities per country (France)



In Hungary the focus seems to be on time and accurate reporting with analysis of the past performance. This is contrasted by France where the analysis on past performance had the lowest score from all of the measured areas.

Figure 14

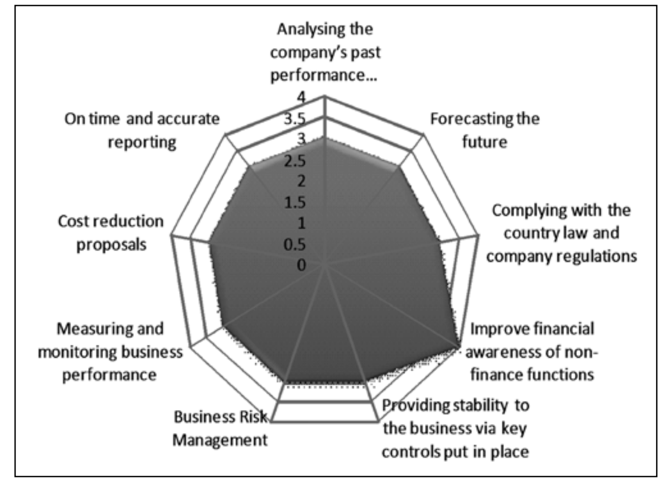
Priorities per country (Hungary)



The importance of training non-financial people on financial areas is equally important in Poland and the UK while less so in the other countries.

Figure 15

Priorities per country (Poland)



Does the finance function have a different view on itself than the rest of the business?

The analysis of the questionnaire showed that there is indeed a difference in the appreciation of the Finance function's support quality, this is shown in Figure 16.

Figure 16

Scores split by function and country

Country	Finance	Non-Finance	Difference	Highest ranking
UK	3.38	3.41	–3.0%	Non-Finance
France	3.36	3.08	28.0%	Finance
HU	3.29	3.38	–9.0%	Non-Finance
POL	3.02	3.14	–12.0%	Non-Finance

The results show an *overall satisfaction* of 3.28, however, there is a variation in scores across the countries and whether the response is from Finance or Non-Finance respondents. The function *appreciation by its customers* (Non-Finance) exceeds its own (Finance) appreciation in the UK, in Hungary and in Poland. On the other hand in France the function has a much higher (+28%) appreciation of itself than the view of its customers. Even if 3 out of 4 countries put higher ranking by Non-Finance the level of difference in viewpoint differs on a scale of –3% to –9% in the different countries and findings in France show an extremely high +28% difference towards the opposite spectrum. Therefore, there might be a *real risk in terms of priority setting and miscommunication on expectation between Finance and its internal customers,* based on the research this risk seems to be the highest in France and the lowest in the UK. We can conclude that Finance needs to be more realistic about its real role and responsibilities in order to serve better its internal customers.

In such volatile market conditions management performance is also measured by *how accurate they deliver on their forecasts*. Therefore, getting forecasting right is utmost importance, otherwise companies will not be using their resources effectively and would incur unnecessary cost or miss cost saving opportunities. The correlation of share price improvement with reliable forecasting accuracy has been proven (KPMG, 2007), therefore companies could and should consider investments into forecasting with a potential good return on investment.

Conclusions

One of the criticisms of the traditional Finance function is that *it spends too much time on analysing the past* instead of looking into the future. While taking the learning from the past is also important, supporting strategic planning without looking into the future is hardly possible. A similar problem is the orientation of focus, which in most cases *inward looking*. The traditional inward and past focused orientation limits Finance's capabilities to help the enterprise gain competitive advantage by closely monitoring competition via benchmarking or to gain further market trust by providing accurate forecasting.

The numerical results of the research show based on the samples taken that regardless of the cultural and geographical differences there is *no strong correlation in terms of satisfaction scores and the country of origin, neither the job function*, let it be Finance or non-Finance background. Accordingly, the sample does not prove that tested statistical models in SPSS would be applicable to predict future patterns. There might be more correlation amongst these factors. However, *even if the statistical models have limited applicability on the results*, it could be still noted that there was significant difference in how each participating country scored the Finance profession. UK scoring in general the highest and Poland the lowest. Hungarian scores were closest (0.09) to each other implying that according to these results viewpoints from the Finance/non-Finance are similar, which might suggest that *Hungarian Finance people have the most realistic view* of themselves and their professions. Last but not least the significant differences (0.28) by the French Finance/non-Finance respondents also worth further follow up as this was much higher than any other country/category combinations.

Qualitative insights from the interviews and job descriptions support that the *Finance function truly feels the needs of changing*. Performing the core Finance tasks such as reporting and analysis does not please the internal customers anymore if it is escorted by low forecasting accuracy and inward orientation, ignoring what is happening on the market. *Finance needs become truly business partners who support strategy* by helping building the business rather than blocking the new projects with constrained thinking. Furthermore, the *recession has taught the lesson* that the *controls* of the business processes and *cash flow* are crucial in difficult periods and *risk management* is not only necessary, but if used robustly, *could be a competitive advantage* over less prepared competitors.

Being one of the first authors to explore a very new research topic is both an exciting and also very challenging task. With very limited comparable Hungarian or international research data it is difficult to relate this study to other studies and researches. Comparability and cross checking of the findings can be rather difficult. The limitations of the research relates to its uniqueness as well. Being a multi-country research and having in scope four countries in Europe provides an exciting opportunity to compare results from different geographical locations and business communities with different cultural background and mindset. However, this wider scope can also limit the relevance on a country level.

Outlook in 2011

In the second half year of 2011, there were already alarming signs that the economies of Europe might not be on the path of economic recovery but *fall back to recession* The earlier optimistic CFOs' global outlooks of the first half year of 2011 (O'Sullivan, 2011) seems to be gone. Outlooks have become more pessimistic on the emerging risks of a W shape recession amid the concerns of Europe falling back to recession (Rastello, 2011) for the next year. As noted earlier the financial crisis and recession were

not the triggers of the change in the Finance function's behaviour, but rather *catalysts of speeding up the change that started earlier. Finance seems to have understood the need of change and in process of responding,* but the journey is far from over. Stopping here would mean a greatly missed opportunity and in midst of a second wave of recession a big risk as well. While the 2008–2009 financial crises put the need of change for Finance to higher gears, a potential fall back to recession in 2012 might be the actual tests to judge how ready the function has became to help overcome economic downturns. Therefore, *Finance should be more determined* than ever before in order to become an agile, strategic business partner for the business during these critical periods.

The findings of this paper also support that *finance is ought to go through a transformation to fulfil this mission*. The journey starts from traditional finance that is mainly concerned about the past and focused internally, while the future towards becoming strategic finance where future planning is crucial and external orientation becomes essential.

Limitations and implications for future research

As a word of caution, one single study – even if based on multi-country research – can't solve the reputational issues of a global profession and this research is not attempting to do either. Therefore, the aim is *to draw attention to the problem* from the involved parties and *trigger further research and solution proposals* into the subject. Future research should delve more into the comparison of challenges in the public vs. private Finance functions. In the survey there was a limited data collected on the public sector but due to the low responses it could not qualify as representative sample. Exploring this area further is recommended as according to the literature review there are significant changes in the public Finance sector as well, therefore a dedicated research could be very useful by its own. Public sector Finance seems to follow and implement the practices from the private sector Finance, however, with a few years of delay. Understanding the patterns and knowledge exchange between the public and private could provide a new research area.

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