

# CFOs must drive digital transformation



Insurance company CFOs today must take the lead in business transformation around digital capabilities and also navigate the impact of the ongoing COVID-19 pandemic, said speakers at the *Asia Insurance Review* virtual CFO Summit which took place in late May.

By Jimmy John



In his opening address, Wolters Kluwer/CCH Tagetik senior director of financial applications for APAC Mahadevan Natarajan said that preparing for IFRS17 compliance need not be a daunting task any more for insurers who must see it as an opportunity with resources available in the market to help them in adopting the standard.

In order to provide more transparency, standardisation and streamlining to provide comparability of financial results across insurance companies and also beyond the industry, IFRS17 compliance will be mandatory from January 2022 or 2023 in different countries.

Referring to the timeline and ownership, he said that typically projects run for 18-24 months and so companies need to start early to meet the 2022 deadlines. “The actuarial, finance and IT teams must work in tandem to get the organisation ready for the compliance,” he said.

He emphasised that companies



Mr Mahadevan Natarajan

must also ensure that their solutions have a defined workflow for completeness and correctness. Highlighting the benefits of transformation, Mr Natarajan said that technology platforms should make it possible to explore the full potential of the insurance company’s corporate data and put insights into action.

“The platform empowers financial processes with granular data; collects, validates, transforms, and normalises data; explores your data according to unlimited dimensions and is easily configurable by the finance and business users and allows data governance through a data flow and audit trail and also provides expenses and cost allocations,” he said.

## CFOs in future

Workday CFO practice lead Asia Lee Thong Tan said that remote delivery of financial services will be essential in the future and mentioned the three outcomes that companies need



Mr Lee Thong Tan

to seek to navigate the future. These are insight, efficiency and agility.

“Companies must provide comprehensive operational insight for better decision making, increase operational efficiency through process simplification and resource optimisation and align data, processes and technology on a foundation to support continuous change,” he said.

### Finance reimaged

A discussion on ‘The Why, What and How of Transforming Insurance’ had EY’s Asia Pacific subject matter experts talk about the challenges facing insurance CFOs today in terms of regulatory change and other factors. EY Asia-Pacific insurance finance transformation leader John Morley said some of the core roles of finance is keeping the business compliant and safe and its ability to deliver targeted, informed insight to the business.



Mr John Morley

“It has been challenging to make a case for change in finance against competing business priorities and the imperative for finance change is moving quickly from optional to business-critical,” he said. EY Asia Pacific IFRS17 implementation leader Martyn van Wensveen said that finance is no longer a separate entity but part of the enterprise digital



Mr Martyn van Wensveen

platform and is able to keep the business safe in the new, dynamic market environment.

“Those who seize the opportunity to redefine finance for the next generation will be tomorrow’s winners. They can help the business deliver real value in today’s dynamic market and customer context during its transition,” he said.

EY Asia Pacific financial services finance consulting leader Janine Donnelly said that a utopian vision of finance on its own is not valuable to CFOs trying to keep the business operational, running business as usual, dealing with pervasive regulatory and accounting changes and supporting the business strategy and execution.



Ms Janine Donnelly

“The more relevant questions are how do we get there and how do we achieve the right approach to deliver near- and long-term business benefit,” she said.

### Cost effective strategies for CFOs to mitigate risks

Athena Dynamics CEO Ken Soh Lee Meng said that a shift in approach is required for industry leaders to mitigate future cyber attacks. He highlighted the NIST framework, which is based on existing standards, guidelines and practices for organisations to manage and reduce cyber security risk.



Mr Ken Soh Lee

DLA Piper Thailand of counsel Robert Tang said that the possibility of claims against CFOs for decisions made during the pandemic has



Mr Robert Tang

increased over the past few months. There has also been an increase in employment-related claims against CFOs and these include breaches in employment law in countries like Singapore, Thailand and Hong Kong.

“There has also been an increase in the level of fraud and cyber crime over the past year and companies need to focus on insurance mitigation strategies, including taking a professional indemnity cover, commercial crime insurance and cyber insurance,” he said.

### Effective leadership skills for today

Invictus Leader CEO and founder V S Ravi said that the greatest quality of a leader should be that he must be approachable. “Some leadership habits that must be cultivated include being open minded about disagreements and recognising various facets of a problem before arriving at a solution decision,” he said.



Mr V S Ravi

The two-day summit, with the theme ‘CFO morphing: The strategic link to CEO, board and business success’ was organised by *Asia Insurance Review* and sponsored by Wolters Kluwer/CCH Tagetik. 



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