




Moving From Essential To Indispensable

Five Steps To Navigating The COVID-19 Storm

By Tom Hood, CPA, CITP, CGMA



We often tend to think of change as gradual. And sometimes it is. But think for a moment about tectonic plates — those slow-moving plates under the earth's surface.

Most of the time, they move slowly. At other times, they press up against each other and the pressure builds and builds until there's a dramatic tectonic shift — an earthquake. That's what we've all experienced. On the Richter scale, it was off the charts. And the aftershocks will continue to reverberate.

The size, scope, and speed of this crisis makes this even more dangerous, which says that imagining a “new normal” seems inadequate.

I prefer to use the McKinsey term the “next normal.” This is meant to reframe our thinking and change our paradigms from getting back to business to imagining what the “next normal” will look like.

It's part of our quest to make CPAs, finance and accounting professionals more future-ready — to see further than their competition and to be aware, predictive, and adaptive of future trends and issues that seem to accelerate with each passing day.

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With all that's happened — with all that's *still* happening — many CPAs, finance and accounting professionals are busier than ever.

If we're not careful, though — if we don't look ahead and devise the right long-term strategies for success — there's a real risk that we will “busy” ourselves out of business.

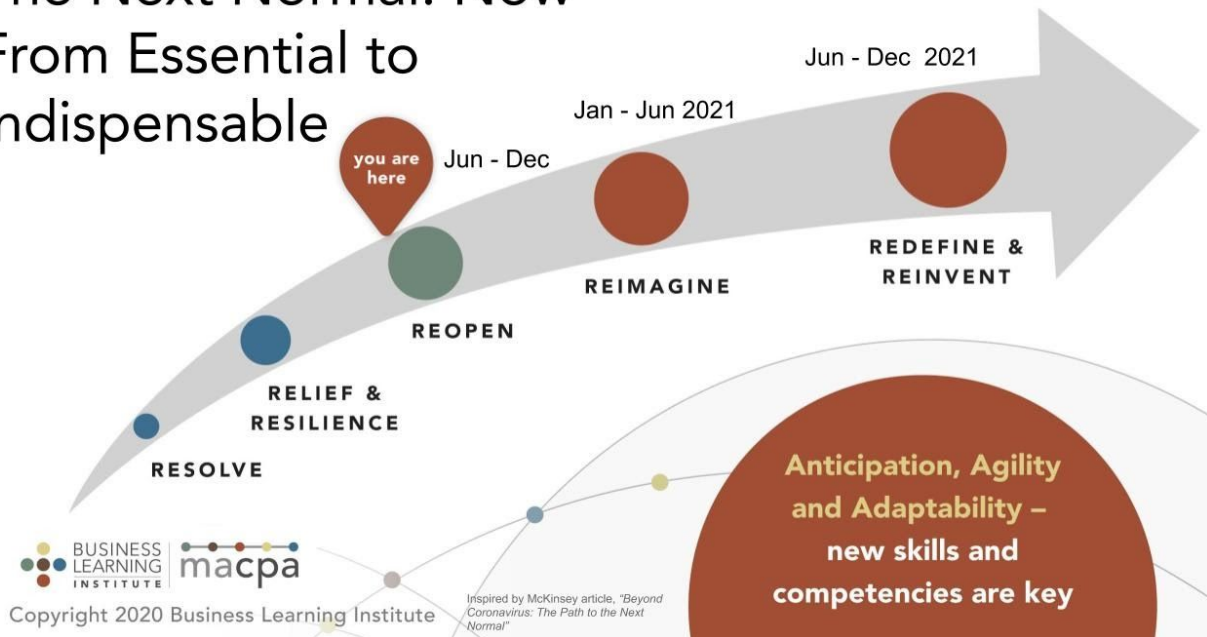
Inspired by a recent McKinsey article titled “Beyond coronavirus: The path to the next normal,” I believe there are five distinct stages we must navigate to get through the COVID storm together:

- Resolve
- Relief / Resilience
- Reopen
- Reimagine
- Redefine / Reinvent.

I also believe that three new skills — **anticipation, agility, and adaptation** — will dominate our ability to navigate these turbulent times and get us to the other side of this pandemic.

Stages to the “Next Normal”

The Next Normal: Now From Essential to Indispensable



Let's talk about these stages and skills in detail:

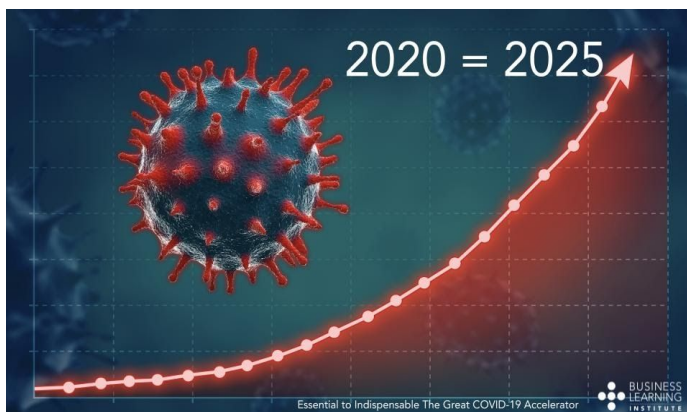
1. **Resolve.** The shock of this “black swan” event was immediate and severe as the federal and state governments reacted and shut down the economy like flipping a giant switch. McKinsey describes this stage as “safeguarding our lives and our livelihood.” Leaders were immediately called on to exhibit perseverance and resolve to calm their stakeholders’ growing fears and preserve their organizations in the midst of massive uncertainty. Accounting and finance professionals were quickly deemed “essential” workers and were allowed to return to work on a limited basis to keep businesses and the economy moving. The big question was how long this stage would last, and we all stayed glued to nightly briefings from the White House and state governors for answers.

2. **Relief and Resilience.** After the initial shock of the massive shelter-in-place orders, it became clear this would not be a short-term event. Governors walked us through the hard realities, with initial predictions that it would take two weeks to “flatten the curve.” Two weeks became four, and four weeks became eight, and the number of confirmed cases continued to rise as businesses began adjusting to the harsh reality of an extended shutdown. Layoffs grew, and the president and Congress began to talk about relief packages. All of these packages ran through the accounting, tax, and payroll systems, underscoring that the profession is “essential” infrastructure for the country’s economic well-being. Leaders and organizations were tested for their ability to survive, and cash was — and still is — king. CPAs were critical in helping businesses and their clients quickly navigate massive new legislation and regulations that were changing daily. While doctors and nurses were on the frontlines of the health crisis, CPAs and other accounting and finance professionals were on the frontlines of the financial crisis, protecting our lives and livelihoods. The money began to flow from federal and state relief and stimulus programs and many businesses were able to survive, though some did not.
3. **Reopen.** Most of us are now in some part of the reopen phase and businesses are being challenged as the pace of return varies from countries to states to local jurisdictions. Adding to the complexity is accelerating Hard Trends that were already in motion before the pandemic hit. Cloud computing, e-commerce, visual/video conferencing, big data, artificial intelligence, cyber-security, and robotic process automation are just a few of those technologies accelerating businesses’ adaptation to the pandemic. Digital transformation and customer and employee experience should be top of mind as you plan your return strategy. Of course, the most important issue is the health of your team, your customers, and your company or firm.
4. **Reimagine.** McKinsey says, “A shock of this scale will create a discontinuous shift in the preferences and expectations of individuals as citizens, as employees, and as consumers. These shifts and their impact on how we live, how we work, and how we use technology will emerge more clearly over the coming weeks and months.” As we look back, we can see more clearly how we adapted to the initial shock of the pandemic. Now it is time to look forward and reimagine what lies ahead post-pandemic. Major parts of

business operations like supply chains, a new distributed workforce, contactless commerce, and the need for continued digital transformation will require us to anticipate how these trends will impact our organizations to seek new opportunities for us and our clients. Next is to lead the creation of a new vision for the future and to mobilize the consent of others as you see through the fog of uncertainty. This is what we mean to be future-ready — “to have the capability to anticipate the hard trends and take action with strategic intent and purpose in order to adapt quickly and thrive.”

5. **Redefine and reinvent.** In this phase, we will know what it is like to live through a global “black swan” event and be ready to put into practice many of the key learnings and experiences we have gained. Understanding the predictable Hard Trends and visible future allows us to anticipate the massive social, health, and government changes to come, as well as the continued march of exponential advances in technology. We can expect significant changes in almost every structure we knew before the pandemic, including taxes and regulations in almost every industry. Some will become permanent and some will fade away. The leaders’ job will be to continue shaping their organizations through a constant iteration of redefining and reinventing their context as the pandemic fog clears. And of course, there is a risk of a recurrence that could thrust us back to the reopen phase ... or earlier.

Next is Now: The Great #COVID-19 Accelerator



It was if a giant switch was turned on overnight as most of the world instantly was thrust into figuring out remote and work from home policies as governments mandated stay-at-home and shelter-in-place policies to flatten the curve of the pandemic. *Time* magazine called it, "the world's largest work-from-home experiment in history."

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Soon two weeks became a month and a month became three as the orders continued with severe restrictions on gathering of people in offices and just about everywhere else. Companies and businesses began to quickly adapt as did the workforce. Almost anyone who could work from home was working from home. Then the closing of schools added the burden of helping children adjust to virtual schooling on working from home parents. Yet despite these challenges more than half of the workforce continues to want some form of flexible, remote work policies when they return to the office.

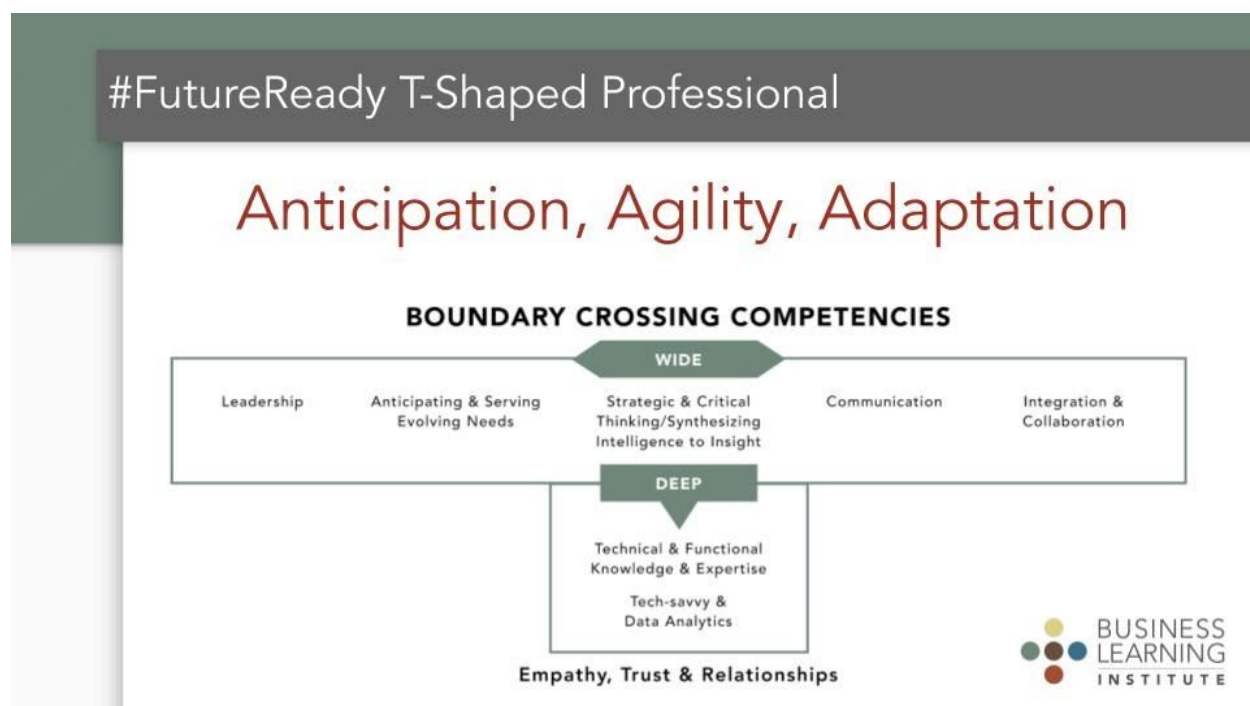
Already new concepts like 'windowed work' (breaking up the day into blocks of business and personal time) and #WFA or Work-from-Anywhere have appeared into our vernacular. A recent survey from Robert Half & Associates says that 80% of nearly 1,000 workers surveyed said they can make use of windowed work arrangements and of 73% said they are more productive. This is clearly an acceleration of what we refer to as *work-life integration* that has accelerated dramatically since COVID-19.

Speaking of acceleration, McKinsey recently reported that e-commerce has **experienced 10 years of growth in 3 months**, and Microsoft CEO, Satya Nadella said that the tech giant has experienced **two years' worth of digital transformation in two months**. Look at telemedicine which has been around for over a decade and now it is on every medical or doctor commercial on TV. Cashless, touchless businesses are being introduced in every sector from car dealers to restaurants. Every major 'Hard Trend' happening BC (Before COVID) is accelerating by five years or more AC (after COVID). Our entire **Accounting Ecosystem** is undergoing the equivalent of a Cambrian explosion! How much of this will return to 'business as usual' when COVID-19 is gone? I think you know our thinking on this, the **Next Normal is NOW!**

In addition to the acceleration of the hard trends of [exponential technologies](#), increased regulation, and the changing demographics of the workforce, there is another accelerating need for skills to deal with the ‘next normal’ quickly emerging from the COVID-19 storm. One futurist said it well, *“If you automate, you must elevate the skills of your team.”*

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Let’s talk about the skills needed post-pandemic. We can now see the need for the three overarching categories of skills as **ANTICIPATION, AGILITY, and ADAPTABILITY**. These skills form a foundation for what we call a T-shaped Professional with broad, boundary-crossing skills on top of our deep technical skills of accounting, auditing, tax, and consulting and next to deeper tech-savvy skills. Together they include seven major competencies that the #FutureReady Professional actually needs now, and has accelerated as a result of COVID-19.



Skill No. 1: Leadership

Closely tied to communication is the ability to lead. As the rate of technological transformation accelerates, your clients, colleagues, and employees may feel unable to keep up. They may worry about how new technology will affect their businesses and jobs. These feelings and concerns may make communication more emotional and challenging than typical workplace exchanges.

Understanding the needs of those around you will require a combination of emotional intelligence, empathy, cross-cultural intelligence, and insight. At various times, finance professionals must be reassuring voices, visionary adopters, motivating mentors, and shrewd negotiators. Those who hold these leadership skills may find greater success in helping their teams navigate this fast-paced era of change.


Skill No. 2: Anticipating and serving evolving needs

In addition to data analysis, you'll also need to recognize emerging requirements around you. Critical thinking will be necessary to help you ask the key questions to gain a deeper understanding of which indicators are important and which are anomalies.

Another outcome of widespread automation adoption will be a new demand for finance professionals to innovate and develop creative solutions to business problems. This is good news in that it allows you to contribute great value to your organization and clients.

At the same time, complex problem-solving, adaptive thinking, and even future forecasting will be expected of top finance professionals. These roles will be transformed into centers of innovation.

Skill No. 3: Strategic and critical thinking



As automation technology frees you from the rote and manual aspects of financial work, you'll have more time to focus on efficiency- and revenue-building activities. Delivering value to your organization and clients will require the ability to read and understand data, and think about it critically and strategically. As you work with more AI-powered systems that will help you spot large-scale patterns and trends, the ability to turn numbers into insight will give you essential knowledge into creating a roadmap for the future.

Skill No. 4: Communication


Communication is often called a “soft skill,” a label that understates its importance. Top-down communication structures are no longer effective if they ever really were. As a finance professional, you need to master the ability to ask questions, listen objectively to various viewpoints, consider the information at your disposal, and respond appropriately to various stakeholders across multiple communication channels. Fostering ongoing dialogue with your constituents also is essential to getting the best information possible to solve problems and identify opportunities.

Skill No. 5: Integration and collaboration

As you fill a more strategic and creative role as a finance professional, you'll also find that cross-functional collaboration increases. More than ever, finance professionals will need to work closely with people who have other skill sets and specialties. As the world becomes increasingly complex, you may need to work closely with subject matter experts, department heads, and other key players who can inform your work and help you develop the big-picture ideas that will be expected of you.

In a world where companies operate globally and employees increasingly work remotely, mastering virtual collaboration and management skills—sharing ideas and information with people in other places through various methods—also will be important.

Skill No. 6: Tech-savvy and data analytics



While it might seem obvious, virtually no job will be untouched by technology. To best spot new developments and recognize how they can benefit your business, develop and maintain both enthusiasm for new technology, as well as intellectual curiosity about what's coming next. As [machine learning](#) becomes more sophisticated and new applications emerge, looking for ways to maximize their potential within your own or your client's organization can give you a competitive edge that less tech-savvy finance professionals don't have.

Skill No. 7: Functional and domain expertise

Of course, even with enormous technological advancements, finance professionals must be skilled in their areas of expertise. Various roles require particular education, certifications, and competencies. In addition, this area of work often requires a code of ethical and moral behavior that earns the trust of those who put their finances and, sometimes, livelihoods in your hands.

Reskilling as a finance professional has traditionally meant continuing education and learning new aspects of the profession. As automation changes the very nature of our work, skills like communication, critical thinking, collaboration, and leadership will be increasingly in demand. While it may seem like new territory—perhaps even territory that is somewhat difficult to traverse—these skills also unlock exciting new opportunities for professional growth.

The Next Normal, NOW

In a COVID-19 world, phrases like “new normal” and “next normal” are well worn and overused, to the point of becoming clichés. But there's a reason why phrases become clichés: There's an element of truth to them that attracts people over and over again.

“A new world is upon us. Those who conquer it will be those who reimagine, redefine, and reinvent not only themselves and their businesses, but what it means to live and work in a post-pandemic world.”



We are entering uncharted territory. A new world is upon us. Those who conquer it will be those who *reimagine, redefine, and reinvent* not only themselves and their businesses, but what it means to live and work in a post-pandemic world. This presents an amazing opportunity for our profession to play an important role in helping to shape this future with insight and integrity. This is our chance to move from being *essential to indispensable* — to step out from behind the spreadsheets, reports, and forms and become the most trusted advisor that the next normal will require. Millions of businesses, from Main Street to Wall Street, need us more than ever. This is our defining moment. **What do you want to be remembered for from the great pandemic of 2020?**

Resources:

New! LinkedIn Live interviews twice every month (First and Third Tuesday) on Tom Hood's LinkedIn page - Connect with Tom and you will get notices

<https://www.linkedin.com/in/tomhood/>

[The Future of Work is Culture](#) - an MACPA Leadership Academy whitepaper

[Podcast: Leading a remote team in a crisis](#) - Greg Rittler

[Podcast: Building a Culture of Autonomy with a Results-Oriented Work Environment](#) - Jody Thompson #CultureRx #ROWE

[Anticipatory Thinking in Uncertain Times | with Daniel Burrus](#)

[Big Data, Artificial Intelligence, RPA and Cloud top the list of profession's technology hard trends for 2020](#)

[In uncertain times, you have more control than you realize](#)

[The Key to your Firm's post-pandemic Success](#)

Tom Hood, CPA, CITP, CGMA, is president and CEO of the [Maryland Association of CPAs](#) and the [Business Learning Institute](#). Contact us for how we can help you and your organization be even more #FutureReady and equip your team with the right skills for the “next normal.”.

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