

# Finding opportunity in crisis

By [Andrew Harding & Sara Bux](#)

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Despite Covid-19 creating so much existential risk and uncertainty, or perhaps because of it, management accountants are well positioned to differentiate themselves and help their organisations prepare for an uncertain future as lockdowns are lifted.



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However, it will require the sophisticated and thoughtful application of a management accountant's toolbox to truly add significant value.

What does that mean, and what can you be doing right now to seize this opportunity? While there are significant and numerous challenges, often outside an organisation's control, facing many finance professionals, these are some of the tools that are making a difference.

In a pair of recent video conferences hosted by the Chartered Institute of Management Accountants (CIMA) with the Africa Regional Advisory Panel, African finance leaders shared how they are finding opportunity amidst risk and uncertainty, how effective financial management is confronting the challenges of the time, and the value that they are adding to their organisations.

## Effective cash management as a strategic advantage

Effective and prudent cash management offers multiple benefits beyond the short-term survival of the organisation. With stable cash flow now, organisations can approach banks proactively, in control of their own story, and demonstrate long-term stability, earning some much-needed breathing space and flexibility as the crisis progresses.

Organisations that understand and have a plan for their cash flow possess a distinct advantage when approaching lenders and investors for financing to support long-term planning, including strategic pivots, loan repayments, and facilities maintenance.

## Scenario planning

Uncertainty reigns: How long will shutdowns last? How equipped are governments to deal with the economic collapse? What

are customers and vendors doing to survive, and how will that impact our organisation? Decision-making and risk management challenges can be resolved more quickly and effectively in finance departments that have addressed these questions in a systemic way through thorough scenario planning. Business models, along with consumer behaviour and the regulatory environment, will likely be changing after the pandemic, and organisations that have engaged with scenario planning are best equipped to deal with those shifts.

## Digital transformation now

Now, more than ever, the business environment is going to be digital. Covid-19 has forced organisations to become more digital to survive, and much faster than some had anticipated. Workforces have become remote overnight, and productivity is more dependent on digital technology than ever. Finance departments that have already begun their digital transformations are less shocked by this shift and are better equipped to maintain productivity and speed. But the digital shift is not just important for the workforce and its productivity. The ways that organisations do business, deliver value to customers, interact with vendors, manage their supply chains, and understand costs and revenue will have to migrate to digital platforms. The organisations that are best responding to the crisis have already begun moving to digital technologies to address these challenges.

## Relationships matter

Negotiation and relationship management are key advantages for organisations facing so much tumult. As the business, political, workforce, and social environments change, finance professionals who can effectively negotiate and navigate thorny issues with banks, regulators, vendors, employees, and customers will be able to respond quicker to changing conditions. Nurturing one's network will also be an advantage when it is time to ask for help.

**Source:** [Financial Management](#)

## ABOUT THE AUTHOR

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