Mentimeter

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CFO Approach to Transformation:

Building a Future-Ready Public Service

Financial Management Institute (FMI) May 2025

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"The secret of change is to focus all of your energy not on fighting the old, but on building the new."
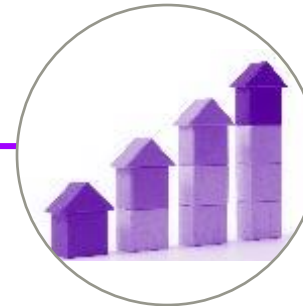— *Socrates*

For discussion today

Forces of Change

A Unique Moment

Employee Experience in an Uncertain World

The Talent Shift

Changing Public Sector Workforce Dynamics

Aligning Ambition and Outcomes

Setting our Ambition

The forces of change are a disrupter and catalyst

What is Value?

We need 5 Value Outcomes

Reskilling Employees

Embracing Technology to redefine our Skills

GenAI for Human Capability - Finance

A unique moment
Disruptive forces are creating challenges and opportunities

External forces

Socio-Political Pressures: Technology changes, geoeconomic fragmentation, economic uncertainty, demographic shifts and the green transition are the major forces shaping the labor market by 2030.

Impact of Tech and Gen AI: Agentic AI is transforming workforce strategies by dynamically adapting to rapid changes.

Workforce Demographics: aging workforce in higher- income economies, and expanding workforce, in lower-income economies.

Skills: workers can expect that 39% of their existing skill sets will be transformed or become outdated over the 2025-2030.

Business Models: Ways of working are adapting to leverage global capabilities while responding to shifting local demands.

Pace of Change: Change is faster, bigger, and more complex then ever before.

Internal forces

Question 1

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A unique moment:
Rate of change is increasing

Accenture Pulse of Change: 2024 Index

Analysis of business disruption			C-suite leaders' perception	
	2023	2022		2023
#1	Technology	Talent	#1	Technology
#2	Talent	Economic	#2	Geopolitics
#3	Climate	Geopolitics	#3	Consumer & Social
#4	Economic	Consumer & Social	#4	Talent
#5	Geopolitics	Climate	#5	Economic
#6	Consumer & Social	Technology	#6	Climate

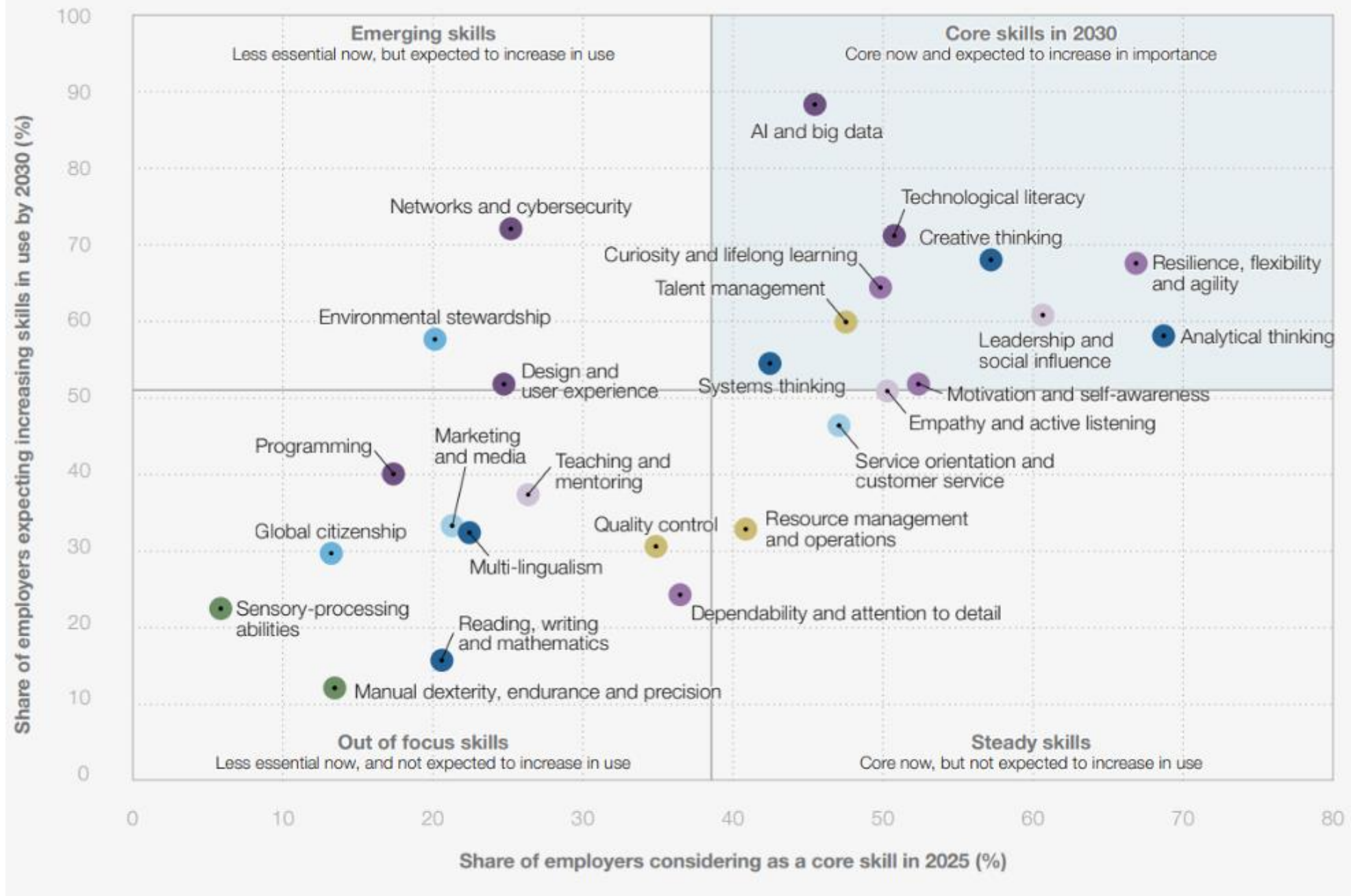Questions 2 & 3

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A unique moment:

Changing workforce Dynamics

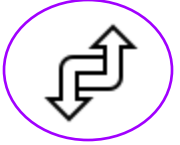*What is a core skill today and what will be the focus in 2030??*

The talent shift
Additional insights for public service

Below is a list of global trends impacting the public sector workforce and ways of working.
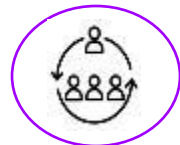
- ✓ **AI and big data, Networks and cybersecurity and Technological literacy**

- ✓ Employers **identify organizational culture and resistance to change** as the top barrier to transformation

- ✓ **Skills gaps in the labor market and outdated regulatory frameworks** impact pace of transformation
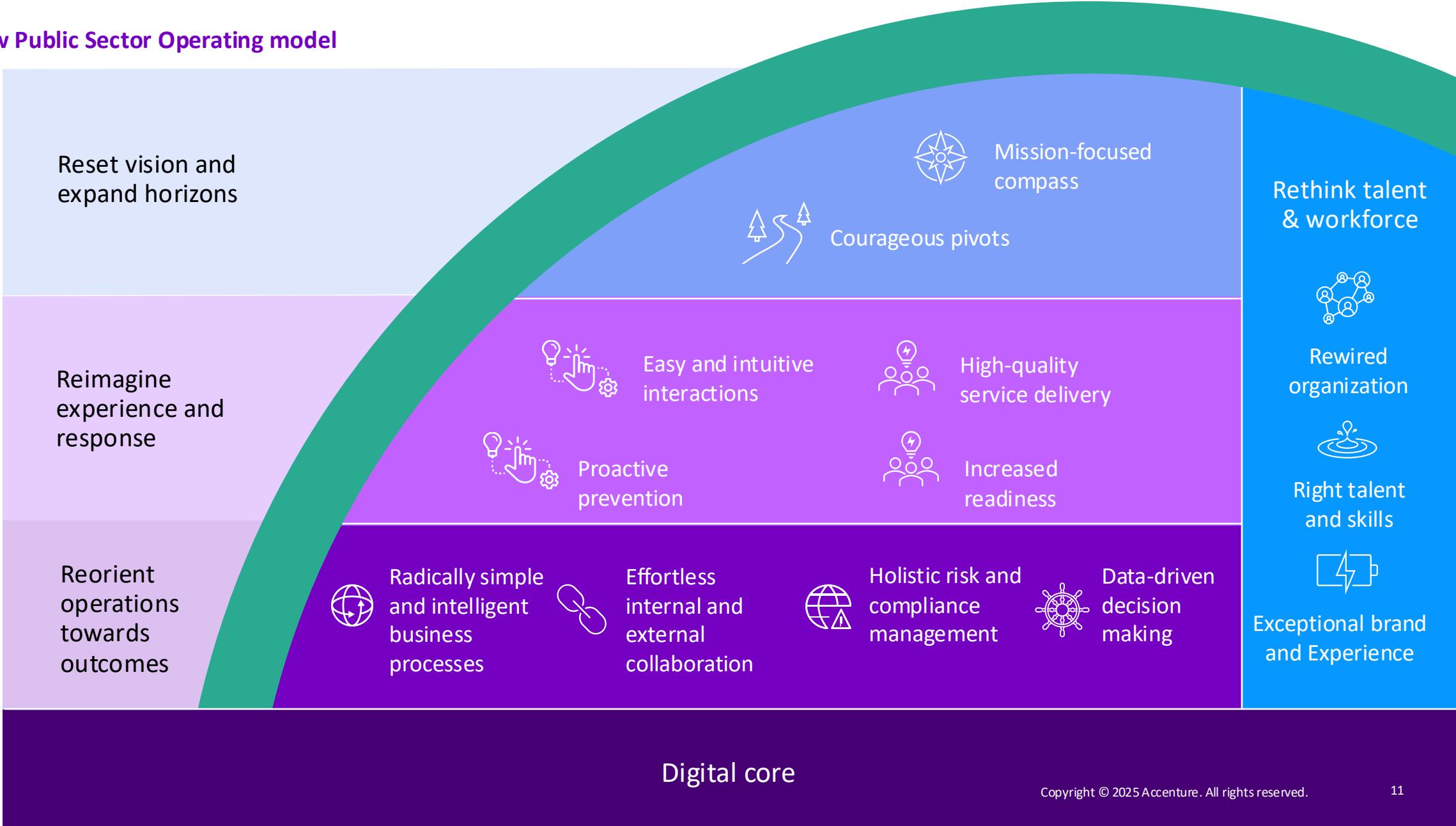
- ✓ Public employers are **positive about future talent availability**

- ✓ Employers are planning on enhancing **talent progression and providing reskilling and upskilling programs**

The talent shift: Public Service Reinvention Framework

The New Public Sector Operating model

Reset vision and expand horizons

Mission-focused compass

Courageous pivots

Reimagine experience and response

Easy and intuitive interactions

High-quality service delivery

Proactive prevention

Increased readiness

Reorient operations towards outcomes

Radically simple and intelligent business processes

Effortless internal and external collaboration

Holistic risk and compliance management

Data-driven decision making

Rethink talent & workforce

Rewired organization

Right talent and skills

Exceptional brand and Experience

Digital core

Reinvention in
an era of permacrisis

12

Disruptor or Catalyst?

The Core Four Disruptors

1	**Technology advancements**
2	**Shifting citizen preferences**
3	**Staying relevant as we move to Digital native**
4	**Increasing cost of capital**

Question 4

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Most transformation programs generate more than five different types of business value

What are the top 5 for you?

Optimize Operations
Cost efficiency
Operational imperative
Compliance and control
Sustainability
Resiliency

Accelerate Growth
Data
Speed and agility
Customer and talent experience
Insight

Ambition to match disruption

Transformation ambition must match the level of disruption... But value is a self-fulfilling prophecy

Transformation Ambition Vs. **Expected Level of Outcome**

High level 11%
Low level 15%
Moderate level 74%

Focus on value to be created

High level — 81
Moderate level — 44
Low level — 41
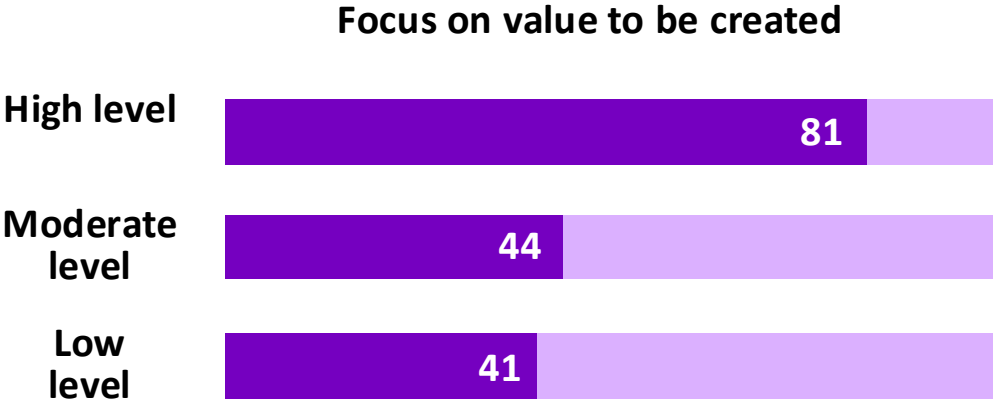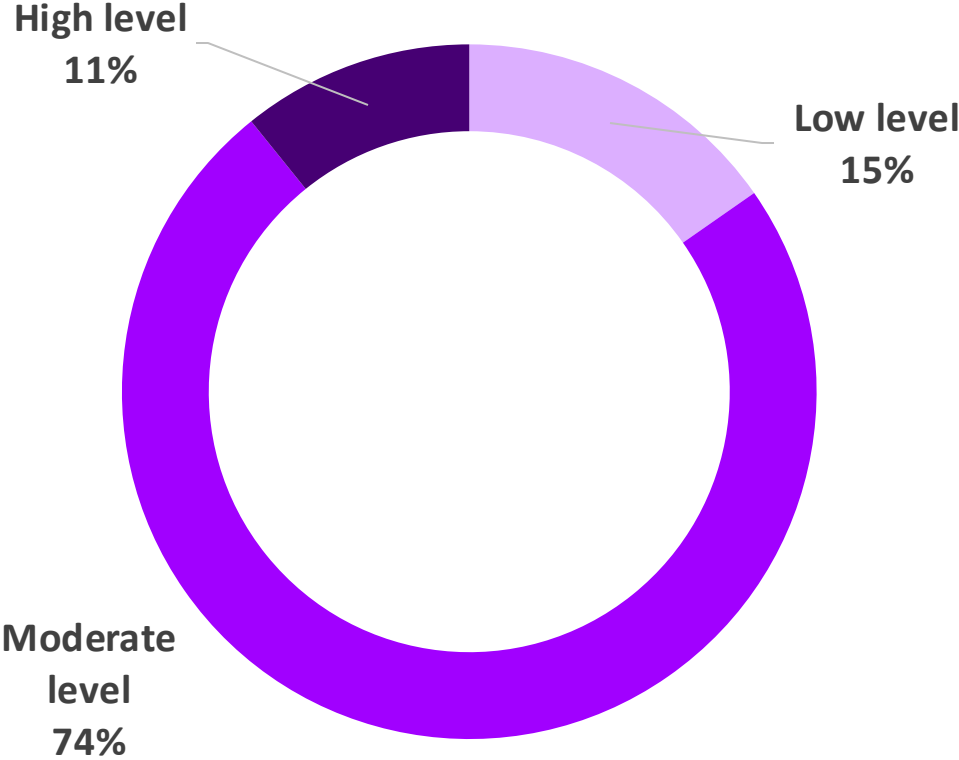
Talent and skill shortages are felt acutely by public service organizations

53 %
of eligible employees accelerated retirement in the last year (highest ever recorded)[1]

1/3
of government frontline workers feel they don't belong in their workplace[2]

52 %
of state and local workers are considering quitting due to higher salary, burnout, or post pandemic-related stress[3]

>

Experience and GenAI: AI reaching human-like capabilities

Human performance = 100%

Legend:
- Handwriting recognition
- Speech recognition
- Image recognition
- Reading comprehension
- Language understanding
- Language inference
- Grade school math
- Code generation
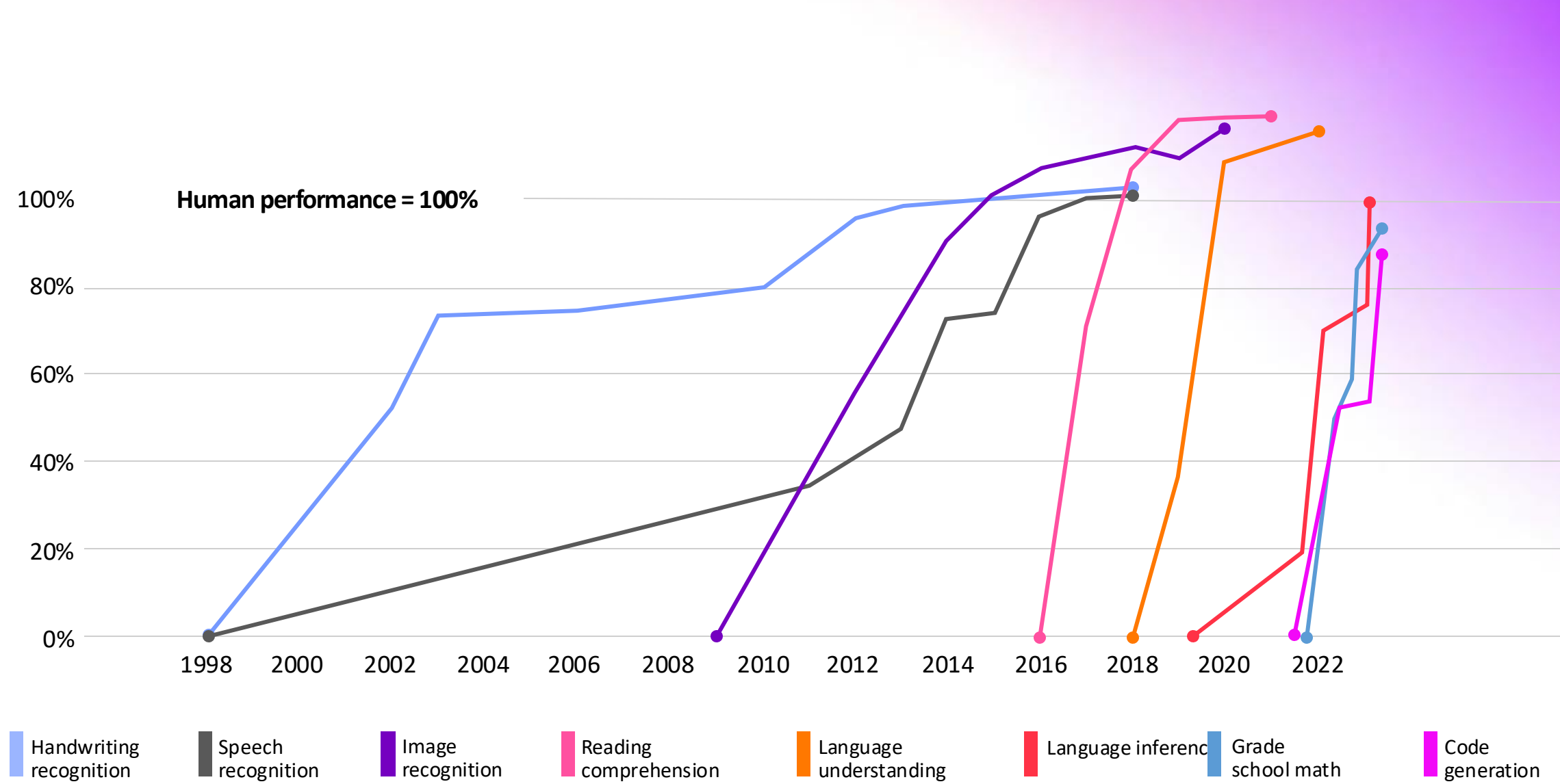
Question 5

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Embracing technology: How will Finance be impacted?

Percentage of working hours in the US that can be transformed by generative AI (large language models)

	High potential for automation	High potential for augmentation	Lower potential for augmentation or automation	Non-language tasks
IT and technology	32%	41%	26%	1%
Finance	42%	28%	21%	10%
Customer sales and services	33%	34%	16%	17%
Operations	44%	21%	18%	17%
HR	22%	35%	41%	3%
Marketing	22%	34%	41%	3%
Legal	19%	27%	50%	4%
Supply chain and operations	29%	14%	18%	39%

■ **High potential for automation**   ■ **High potential for augmentation**

■ **Lower potential for augmentation or automation**   ■ **Non-language tasks**

Question 6

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Embracing technology: So, what's holding us back?

Barriers to organizational transformation, 2025-2030

Share of employers surveyed expecting the stated barrier will hinder their organisational transformation.

1. Skills gaps in the labour market	**63%**
2. Organizational culture and resistance to change	**46%**
3. Outdated or inflexible regulatory framework	**39%**
4. Inability to attract talent to the industry	**37%**
5. Lack of adequate data and technical infrastructure	**32%**
6. Inability to attract talent to my firm	**27%**
7. Shortage of investment capital	**26%**
8. Insufficient understanding of opportunities	**25%**

Now is the time for public sector leaders to address key talent transformation questions.

| How is work delivered across the combined efforts of people and technology? | What talent do I need to deliver on mission? | What talent do I have? | What and where are my talent gaps? | What actions do I take to address the talent gaps and sustain changes? |

With AI of course!
Lightcast Provides an Unparalleled View of the Labor Market

Lightcast

1B Current & Historical Job Postings	**700M** Career Profiles	**3.5M** Companies
100M Salary Observations	**150+** Countries	**1,500** Occupations in 9 Languages
30,000 Open Access Skills	**22,000** Colleges & Universities	**1,900** Unique Occupations

Professional Networking
Social Media Platforms
Online Forums and
Communities

Skills Discovery: Outside-In Approach
data-driven approach to analyze skill gaps and generate insights.

Data Gathering	Data Analysis	Prepare Insights
Extract client & Benchmark role and skill data from external sources	Normalize Client & Benchmark roles to enable cross-company skill comparisons	Identify skills gaps for Client against Benchmarks

Job Profile Data Sources (e.g., LinkedIn)

Lightcast Data Extraction

Raw External Role & Skill Data
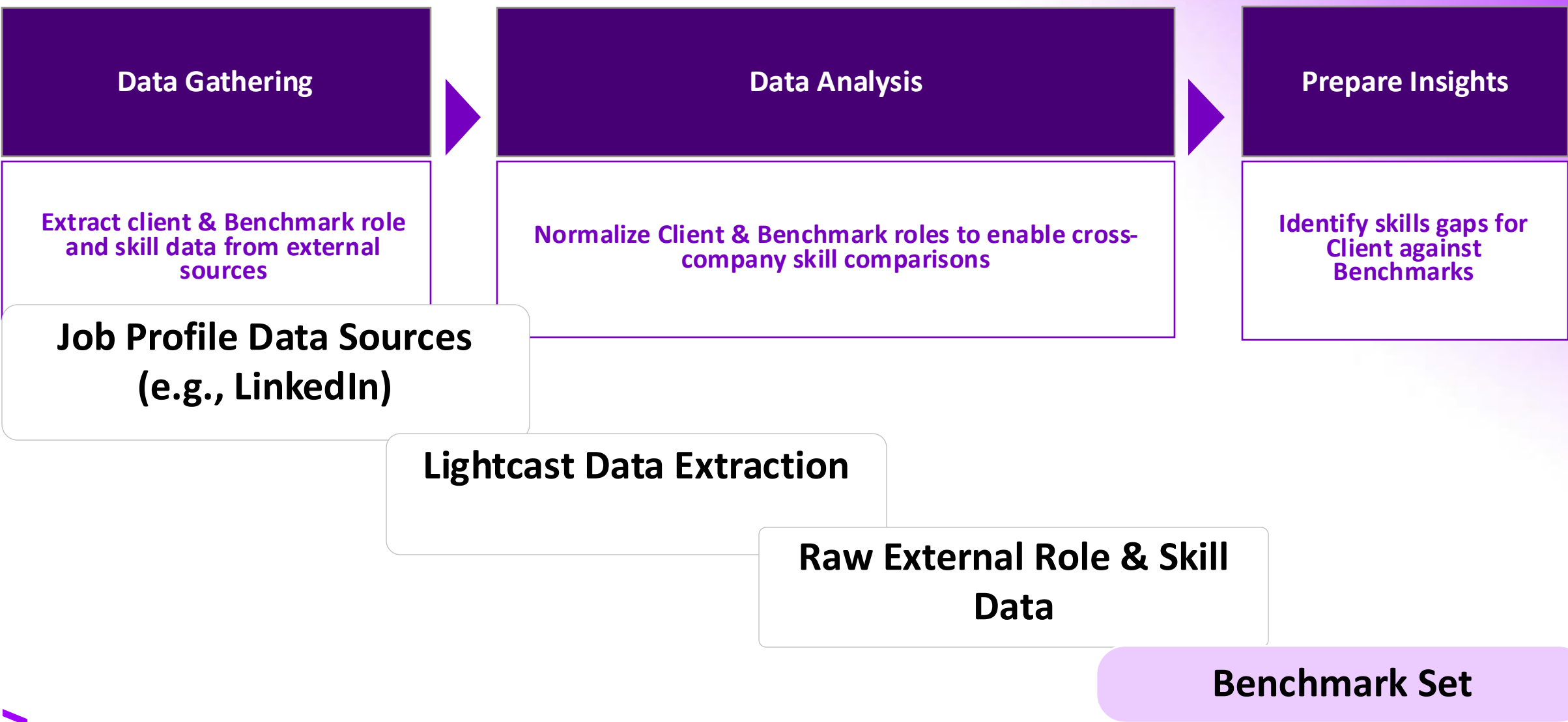
Benchmark Set

Understanding Job Families, Roles, Skills and Capabilities
A Strategic Approach to Talent Management

Job Family Client's classification of roles	**Role** Employee with a set of responsibilities	**Skill*** Learned, finite abilities that can be used under a fixed set of constraints	**Capability** Organizational constructs through which skills are grouped
12 Job Family Groups **44** Job Families	**1,775** Roles **4** Role Levels	**22** Skill Family Groups **221** Skill Families **326** Skill Groups **2,336** Skills	**9** Capability Groups **64** Capabilities

*Skills do not indicate proficiency.

Organization Capability Model – Skill Gap from Benchmarks

Product Control **+1%**	Financial Control (Accounting) **+8%**	Financial Planning and Analysis **-5%**
Data **+3%**	Policy **+1%**	Treasury **+20%**
Reporting **+2%**	Change **+6%**	Tax **-1%**

Proportion of Skills for Capabilities

Capability Group	Client's Proportion
Financial Planning and Analysis	12%
Tax	3%
Policy	4%
Product Control	5%
Reporting	9%
Data	11%
Change	38%
Sub-Ledger & General Ledger Accounting	23%
Treasury	42%
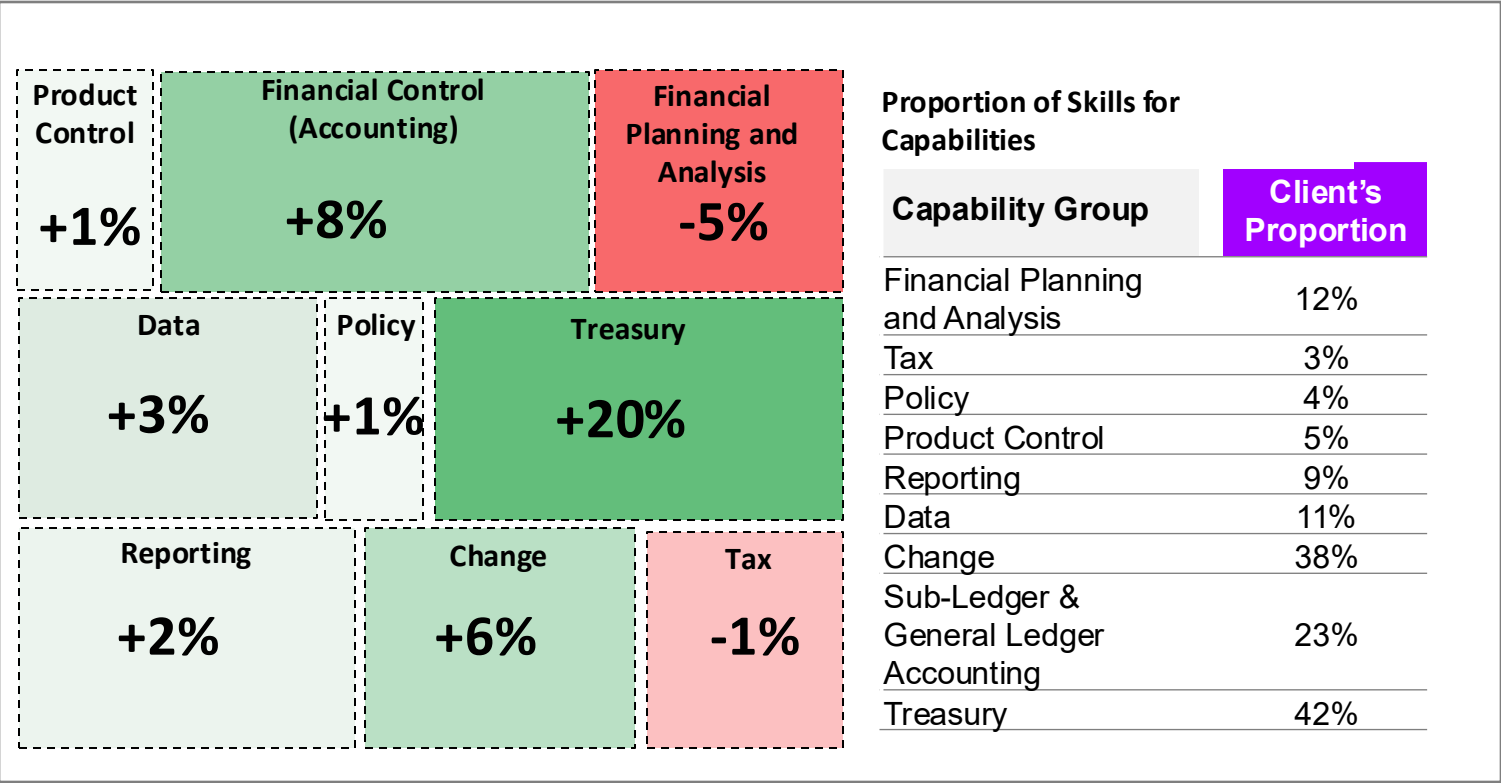
How to read this data: 12% of the organization has skills within the Financial Planning and Analysis Capability, which is 5% lower than the average of Benchmarks at 17%.

Client Has More

Client Is On Par

Client Has Fewer

Insight 6 | Selected Organization - Wide Transformation Skills

The Client is 17% below Benchmarks in Transformational Skills* such as Leadership & Strategic Planning

Selected Skills (L4)	Client's Proportion	Gap from Benchmarks
Leadership	2%	-17%
★ Customer Service	2%	-17%
★ Business Partnership	7%	-17%
Forecasting	1%	-8%
★ Budgeting	1%	-6%
★ Strategic Planning	1%	-5%
★ Innovation	0%	-5%
★ Data Management	2%	-1%
★ Generative Artificial Intelligence	0%	-1%
★ Data Storytelling	0%	+1%
Artificial Intelligence	1%	+1%
★ Data Visualization	1%	+1%

How to read this data: *2% of roles in the organization have Leadership skills. This is 17% lower than the average of Benchmarks at 15%.*

Client Has More
Client Is On Par
Client Has Fewer

★ **Future Finance Skills**

What did we learn? And what is our action?

Forces of Change

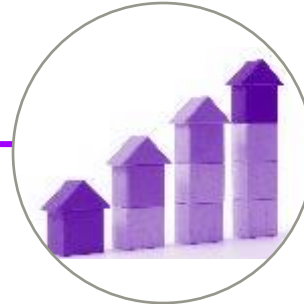Define your Reinvention Operating Model

Rethink skills based on 2030 – focus on leadership and soft skills

Aligning Ambition and Outcomes

Mediocre ambition does not drive outcomes; align!

Define your 5 value outcomes

Reskilling Employees

Reskilling talent is our greatest opportunity; know where you are starting

Thank You