

## Editorial

Dear readers,

Industry 4.0 is a commonly used buzzword. The expected fourth industrial revolution is not limited to production and logistics, but concerns all aspects of all enterprises and organisations. Our section „Focus on“ sets out some highlights on the digitalisation of financial reporting and accounting.

Section „Project Hiccup“ introduces the typical rushed person in our series of difficult team members. Please read how you may calm down the rushed one without losing speed of your project progressing.

We welcome your feedback. Please contact



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## Focus on: Financial Reporting 4.0

Uninterrupted digitalisation of all processes is the dream of every Head of IT. Attacks on routers, hacking of user accounts, theft of customer data, ransomware and many other types of cyber crime indicate, however, that digitalisation not only offers new possibilities for economic crime, but also creates new dependencies of security and availability of internet or intranet. Digitalisation of accounting and financial reporting processes is an unstoppable evolution. Strict requirements on data security and data recording have to be respected on each process step of accounting and financial reporting.

### Digitalisation of Finance and Accounting

Digitalisation often is realised in replacing a printed document by a scanned print of that document. Digitalisation, however, is surely more than that. Digitalisation rather allows re-designing existing processes from scratch and to develop and utilise different forms and formats of data exchange and information. Digitalisation opens principally new rooms for processes and documents. On the one hand, legal requirements, e.g. mandatory information provided on business letters have to be ensured. On the other hand, enterprises should take the opportunity to define new processes and products on the proverbial green-field site. Let's have a look at invoicing: Typing an invoice, printing it, scanning it and then e-mailing it certainly saves the stamp. A continuous digital process is something different, though.

## News

### FEE revamped to Accountancy Europe

The Federation of European Accountants (FEE) have renamed themselves on 7<sup>th</sup> December 2016. Now their new name is Accountancy Europe. Not only a new name was chosen, also the web-site has been re-launched: <http://www.accountanceurope.eu>. As before, Accountancy Europe represents accountants, public accountants and consultants. More than 50 professional groups out of 37 countries are members of Accountancy Europe.

### EPSAS-Website of EUROSTAT

EUROSTAT publishes important summaries and other documents of the EPSAS Working Group on the website <http://ec.europa.eu/eurostat/web/government-finance-statistics/government-accounting>. Furthermore, information on essential work reports and – results of EUROSTAT and EPSAS Task Forces is available.

Positive examples of a digital invoicing process are the electronic invoices using the ZugferRD- or EDIFACT-format. Standardised file formats allow direct automated retrieval of relevant parameters and data. That may reduce manual data inputs. The freed-up time may be used for testing and other quality assurance measures.

Besides the creation and processing of invoices other activities of customer or supplier management may be implemented, for example reminders or dunning letters. Also Financial and Management Reporting may be given new accents by implementing digital processes.

### Aspects of Data Recording and Data Security

Data recording and data security are essential: Besides safeguarding the own entrepreneurial existence, it is vital to ensure integrity and safety of customer and HR data as well as other sensitive business data. Last but not least, legal requirements on data recording have to be met.

Subsequently, a few key words are stated – every reader may draw the inherent conclusions by her-/ himself: How often backups are made? Which data are subject to backups at all? Where are backups stored? Which emergency procedures have been implemented in case a catastrophe incurs? Who controls compliance with data privacy regulations? How it is ensured that data not needed any longer are actually destroyed after passing of the given waiting period? Is staff sufficiently made aware of the dangers of cyber crimes?

This list of questions may have many other entries. In any case, implementation of new available digital feasibility requires cautiousness and carefulness when processing business or personal data.

### Future Requirements

A popular saying reads: "Bait the hook to suit the fish not the fisherman." Today's days are fast moving. And they mandatorily require shaping the own strategy to the needs and preferences of customers and addressees of business communication. Today, many people smile on the trend of pressing messages in texts of not more than 140 characters, and permanently posting messages all over the globe. But who knows – maybe the days of the traditional annual report are already dedicated to come to an end. An annual report being a comprehensive booklet usually is published many weeks after the reporting date. The imagination that a financial statement press conference will be replaced by a couple of tweets in the future, may be seen as little realistic. The further penetration of our business and personal daily life, however, will require questioning current processes and products. And it will require using opening rooms for manoeuvre courageously.

## Project Hiccup

### The Rushed Person

Everybody is in a hurry once in a while. And yes, there are some days on which one nearly gets crazy so many tasks are urging in. This pattern, however, is the normal one for a rushed person. In his attitude to expedite issues without thorough consideration first, he makes a lot of noise without accomplishing the tasks to be done in a stringent manner. In the contrary, being the master of hasty reactions he manages to increase the workload of his colleagues by measures required to remedy his barely thought out actions.

### How to Handle the Rushed Person in Crucial Periods

The most important point when dealing with a rushed person: Avoid contagion. You will not be able to change a rushed person – even if he himself has manifold brave resolutions. As soon as he gets stressed (and this happens rather quickly to a notorious rushed one), he switches on his autopilot function. He then tries to master the situation in doing much ado about nothing. So, it would be the best if you would take measures that will avoid that the rushed person gets into his

hectic mood at all. Has such a situation incurred nevertheless, clearly advise the rushed one to perform a clearly defined task which needs to be expedited immediately. If necessary, stress that you are the project manager and that it is your task to manage critical situations. Both, a task requiring immediate action and the acknowledgment not being responsible for organising crisis management, usually relaxes the rushed person. He will be calmed down and may support crisis measures with keeping his head and steadier hand.

### How to Handle the Rushed Person in a Project

Many project team members are only temporarily available during the runtime of a project. The more important it is that every team member is taking care of his tasks in a consistent manner. Sidekicks of a notorious rushed person may have an utmost contradictory impact.

Consequently applying project control tools (e.g. tracking special events in the daily log) may assist the rushed one to think of his upcoming tasks and incurred problems first before acting. Issues deemed to be important are tracked in the first step and evaluated with some distance and some room for consideration in the second step. Urged actions having negative implications on other team members may be avoided by that. Well-designed work packages also help in achieving the project targets. By that you may make sure that all team members may focus on their tasks.

## Events

### Schmalenbach Conference 2017

On 30 March 2017 this year's conference of Schmalenbach association will take place in Cologne, Germany. The conference will deal on „Corporate Reporting – quo vadis?“. Details of the event are available at: <http://www.schmalenbach.org/index.php/veranstaltungen/schmalenbach-tagung>  
On that website, interested persons may register for participation online.

## Imprint

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