



The Post-Pandemic Era: Chinese Finance Professionals in Action - Enterprise

About ACCA

About ACCA

ACCA is the Association of Chartered Certified Accountants. We're a thriving global community of **227,000** members and **544,000** future members based in **176** countries that upholds the highest professional and ethical values.

ACCA now has **27,000** members and **154,000** future members in China, with **11** offices in Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Shenyang, Qingdao, Wuhan, Changsha, Hong Kong SAR and Macau SAR.

We believe that accountancy is a cornerstone profession of society that supports both public and private sectors. That's why we're committed to the development of a strong global accountancy profession and the many benefits that this brings to society and individuals.

Since 1904 being a force for public good has been embedded in [our purpose](#). And because we're a not-for-profit organisation, we build a sustainable global profession by re-investing our surplus to deliver member value and develop the profession for the next generation.

Through our world leading ACCA Qualification, we offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. And using our respected research, we lead the profession by answering today's questions and preparing us for tomorrow.

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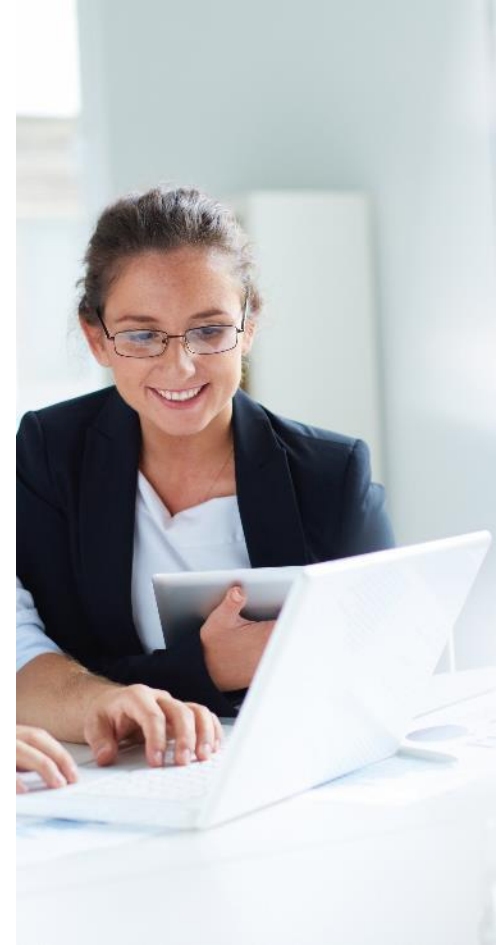
Purpose of the Research

1. To carry out research on effective ways for enterprises to maintain sustainable development in an organisation during the process of change.
2. To bring together actions and ideas from Chinese finance professionals on maintaining sustainable development of the organisation in a post-pandemic environment.
3. To explore the new challenges and missions for finance professionals in promoting sustainable development in an organisation.
4. To promote the collective wisdom of the accounting profession and set an example for all finance professionals, in order to help in driving the sustainable development of the society.



Research Methods

1. ACCA global professional insights – Accountants, Purpose and Sustainable Organisations and COVID-19 Global Survey: Inside Business Impacts and Responses
2. Five CFO roundtable discussions held in Hubei, Guangzhou, Shenzhen, Hong Kong and Changsha
3. Five CFO one-on-one interviews
4. Desktop research



CFO Activities: Roundtable meetings and micro-interviews

2nd April CFO Discussion in Hubei

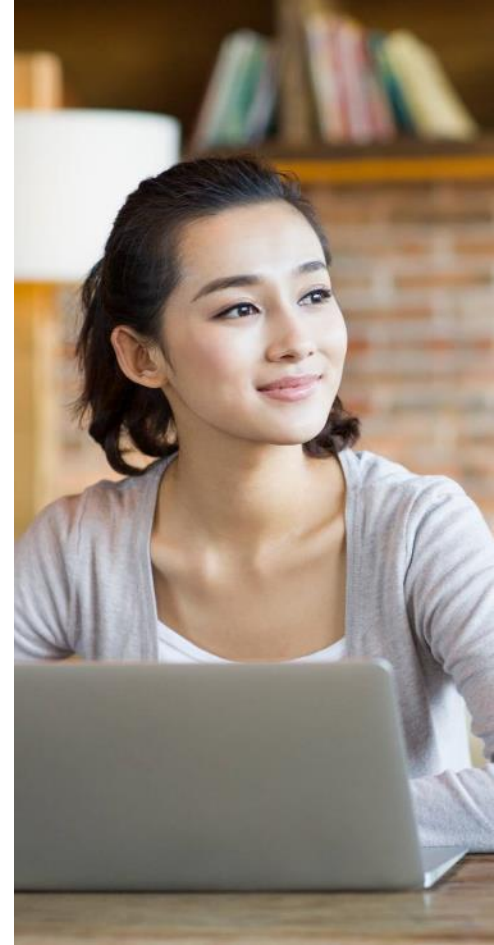
- Feng Fang, General Manager of SF Data Services (Wuhan) Co., Ltd.
- Feng Xiaobo FCCA, General Manager of the Finance Department of China Mobile Group Hubei Co., Ltd.
- Feng Zheng FCCA, CFO of Wuhan Boiler Co., Ltd.
- Gao Zhibin, CFO (Hubei) of Aier Eye Hospital Group
- Peng Lin ACCA, Regional Director (Hubei) of Zhongqi Yunlian (Beijing) Financial Information Service Co., Ltd.
- Wu Zhenxing, CFO of Wuhan Zhongshang Commercial Group Co., Ltd.
- Yang Xingsong FCCA, CFO of Yimeijia (Guangzhou) Brake Co., Ltd.
- Zhao Tuanjie ACCA, Deputy General Manager of Wuhan Fiberhome Yushi Investment Co., Ltd.
- Zhou Lu, Chief Accountant of China Communications Second Navigation Engineering Bureau Co., Ltd.

21st April CFO Discussion in Guangzhou Partner: Guangdong Association of Management Accountants

- Chen Chuxuan, Deputy Chief Accountant of Guangdong Provincial Communications Group
- Zhang Jinlong, Deputy General Manager of the Inspur Group Guangdong Company
- Ding Zhaoxia, Chief Accountant of Sun Yat-sen University Cancer Hospital
- Chen Ming, CFO of Lanju Group
- Zhang Jianhong, General Manager of M (Guangzhou) Data Processing Co., Ltd.
- Dong Xingbin, Head of the TCL Electronic Operations Centre
- Mai Jialun, Co-founder & CFO of Global Knight Purchase Privilege
- Liu Yingnan, Financial Accounting Director of Skechers China

22nd April CFO Discussion in Shenzhen

- Liao Yayun FCCA, KPMG Tax Partner
- Zhong Shan FCCA, CFO of Innoscience (Zhuhai) Technology Co., Ltd.
- Zhang Saiyin FCCA, Executive Vice President & CFO of Miniso Group
- Chen Dengkun FCCA, Co-General Manager of Ping An Hospital Management Group
- Wei Chuanjun FCCA, Senior Vice President and CFO of the Gemdale Corporation
- Zheng Runming FCCA, CFO of Tencent



CFO Activities: Roundtable meetings and micro-interviews (Con't)

23rd April Micro-Interviews of CFO in Action

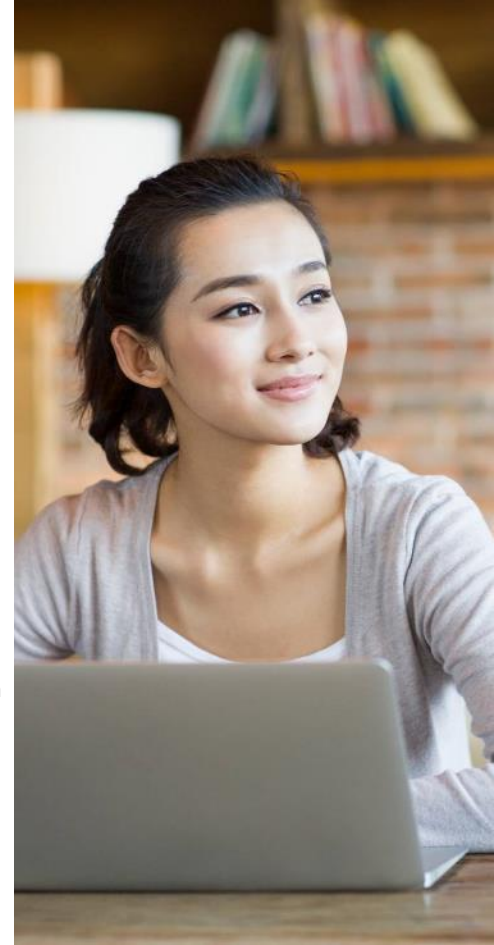
- Li Bing FCCA, CFO of Juneyao Airlines
- Yang Chuan, CFO of Bosch Automotive
- Guan Xiaohui FCCA, CFO of Fosun Pharma Group
- Tu Jun, CFO (Greater China) of Intercontinental Hotel Group
- Li Xiangrong, Deputy General Manager & CFO of BTG HOMEINNS Hotels Group and CFO of Home Inns Group

6th May CFO Discussion in Hong Kong

- Ellis Cheng FCCA, CFO of Kerry Logistics
- Jason Chow FCCA, CFO of Lee's Pharmaceutical Holdings Limited
- Sherry Lu FCCA, CFO of DHL Express (HK) Ltd.
- Horace Ma FCCA, CFO of S. Culture International Holdings
- Terry Poon FCCA, CFO of Lifestyle International Holdings Ltd.
- Dennis Tan FCCA, CFO of Shangri-La Asia Ltd.
- Alice Wong FCCA, CFO of Hong Kong Television Network Ltd.

13th May CFO Roundtable in Changsha Partner: Hunan Association for Public Companies

- Jiang Zuxue, Chief Accountant of Hunan Haili
- Liu Duoyuan, CFO of Aier Eye Hospital
- Li Xi, CFO of Tongcheng Holdings
- Zhu Zhengwang, CFO & Board Secretary of Yanjin Shop
- Huang Anguo, CFO of Sinocare
- Wang Libo, CFO of China South Publishing & Media Group Co., Ltd.

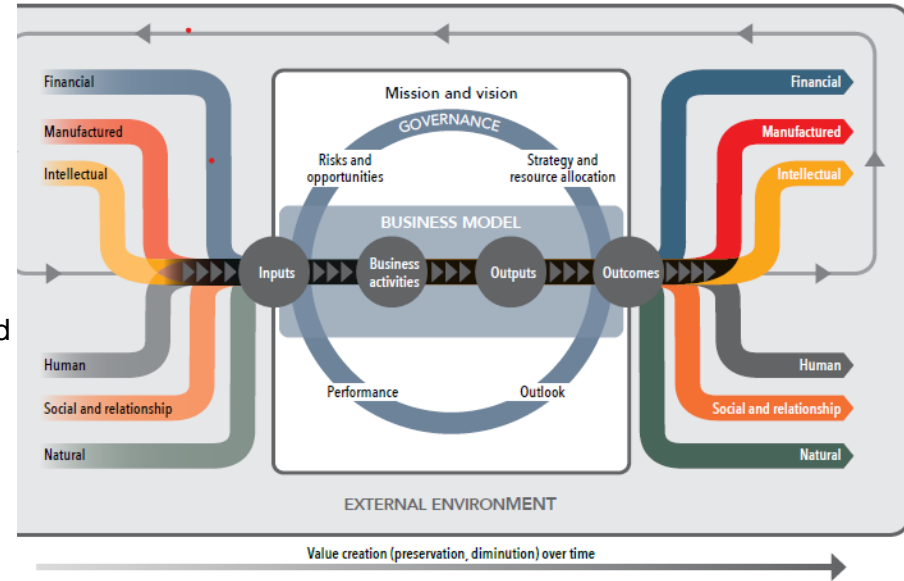


1. Changes and Sustainable Development in the Post-Pandemic Era

In the post-pandemic era, questions about how to uphold the development concepts concerning innovation, coordination, environmental-friendliness, openness and sharing, while promoting high-quality economic growth and holistically implementing the 2030 Agenda for Sustainable Development, have become issues of increasing concern to the society and enterprises.

The value creation model of the International Integrated Reporting Framework highlights the fact that enterprises should make use of the total factor of their capital input, which should be effectively transformed into an output by a combination of vision creation, business model construction, capital resources allocation and business activities.

The capital input includes the company's **financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and its natural capital**. The process of an enterprise's value creation reflects how its total factor capital is increased, decreased or converted through a series of business activities in an external environment.





1. Changes and sustainable development in the post-pandemic era (Con't)

The external environment includes the economic conditions, technological advancements, social issues and the environmental challenges, and these factors together constitute the business environment of the enterprise.

ACCA's global research programme over the last three years points broadly to six dynamic forces of change affecting society and organisations therein, influencing their capability for creating sustainable value for the long term. **Digitalisation, social and environmental capital, shifting demographics, global systemic economic shocks, geopolitical and regulation.**



1. Changes and sustainable development in the post-pandemic era (Con't)

Digitalisation: Technology is transforming channels to market, opening up new growth opportunities for organisations, as well as creating new competitive threats as it rapidly dismantles long-established barriers. The shift from 4G to 5G and cloud technologies are transforming business and data connectivity, driving new possibilities for insight, sharing and engaging.

The increasing demand for online channel brought about by the pandemic has accelerated the digital transformation of enterprises. Data from iiMedia Consulting has revealed that the market size of China's smart mobile office reached 28.8 billion RMB in 2019, and is expected to increase by a further 30% in 2020 to reach 37.5 billion RMB. During the Chinese New Year Holiday in 2020, the maximum number of daily active users of the online medical consultation app reached 6.712 million, representing a year-on-year increase of around 1.6 million, or more than 30%. Speaking of online education, the number of online users in China will reach 309 million, which is an increase of 18% on a year-on-year basis.

Different customer bases are emerging as organisations invest more heavily in digital services and products to meet consumer demand. Fast-changing technology is also a catalyst for new business-model innovation, opening up new channels for funding. To be sustainable for the long term, organisations need to adapt continually, and digital transformation and technology adoption are key to fulfilling this ambition.



1. Changes and sustainable development in the post-pandemic era (Con't)

Social and environmental capital: Shifting social expectations continue to herald a seachange in the very raison d'être of organisations. Big questions are raised on what constitutes good performance and how value should be generated and reported, recognising the wider social, community and environmental impacts that are integral to how companies create value.

Society increasingly expects businesses to serve a wider social purpose, and be much more mindful of their environmental responsibilities. And long-term value creation are influenced by the quality of the relationships organisations have with their employees, their customers, their suppliers and their role in the wider community. **Sustainable organisations demonstrate innovation and accountability in their integrated thinking and actions: the outcome is value creation well beyond that currently reported within the financial statements.**

During the pandemic, the Hema Fresh stores in Wuhan set a fine example by remaining open and not raising their prices, in an effort to safeguard the livelihoods of the Wuhan citizens. Hema actively assisted multiple agricultural vendors by procuring their overstocked high-quality products, while taking care of its employees involved in catering services by ensuring the continuation of their employment. On the other hand, under the guidance of the E-government Office General Office of the State Council and the State Information Centre, Alipay and WeChat quickly began to implement health QR codes in February, as a tool for keeping track of healthy personnel and ensuring the orderly resumption of production.



1. Changes and sustainable development in the post-pandemic era (Con't)

Shifting demographics: Shifting workforce and customer demographics are creating an unparalleled opportunity for organisations to drive sustainable growth. From the presence of five generations in the workforce to the ascent of the Generation Z, from social mobility to gender diversity, employee demographics are transforming the face of the workplace. Sustainable organisations understand how major demographic and socio-economic transitions such as the rise in urban populations across the world, rising income levels and a growing middle class in emerging markets (particularly in Asia) are shifting purchasing power and providing new opportunities for growth.

The pandemic has become a driving force of the population and labour flow between different areas and industries. According to ILO statistics, around 57 million Americans participated in the gig economy in 2019, which accounted for 36% of the total labour force. The US Bureau of Labour expected that this proportion would increase to 43% in 2020, and this trend will change where and how enterprises can maintain sustainable development. More entrepreneurs have now recognised the fact that diversity within an organisation can effectively improve the company's financial performances and its ability to withstand risks.

Sustainable organisations also understand the innovation that flows from bringing together employees across cultures and geographies, spurring new ideas and driving efficiencies.



1. Changes and sustainable development in the post-pandemic era (Con't)

Geopolitical: The inflows and outflows of trade, people and finance are fundamentally reshaping the business landscape, and creating new opportunities as well as challenges for many organisations. Major geopolitical shifts, particularly relatively short-term shocks, challenge the viability of organisations and necessitate strong risk-management capabilities.

Geopolitical problems create more uncertainties for society and organisations, which then has consequences for trade and investment. Significant geopolitical issues, such as the role of the US in the global economy, the US–China trade war of 2019, widening income inequality, the rise of populist policies, nuclear security in Asia and continued Middle East instability all contribute to a challenging global operating environment in which businesses are seeking to build sustainable organisational value, compete, and manage risk effectively. Conversely, geopolitical events also offer an upside in the form of strategic opportunities to be exploited.

After the pandemic, geopolitical issues have brought further uncertainties to the society and to enterprises, which in turn have affected trade and investments. Several politicians are of the opinion that the COVID-19 outbreak in 2020 will be a “milestone” or a “turning point” for global politics, and the world’s political arena will enter a “multipolar stage”, with influencing factors such as the US’s stance regarding its role in the international economy, the uncertainties resulted from the US-China trade war since 2018, a widening disparity in income, the emergence of populist policies, as well as nuclear security in Asia and instability in the Middle East.



1. Changes and sustainable development in the post-pandemic era (Con't)

Regulation: Appropriate regulation should be a force for good, driving sustainable business practices that lead to long-term value creation and protecting the interests of all stakeholders. It supports consistency and comparability across organisations, promotes fairness in competition, provides healthy and safe environments and defines the tax burden. Regulatory systems must balance the protection of the stakeholder and management of risk against the potential cost of stifling innovation or imposing unreasonable burdens on economic actors. For example, as the global economy transforms and digitalises, swathes of new regulations are following, such as the EU's General Data Protection Regulation (GDPR) & China Cyber Security Law.

For example, the pandemic has resulted in a trade-off between personal safety and public health, as well as a balance between personal information security and digital construction. With the transformation and digitalisation of the global economy that is already in progress, a series of new regulations have followed, such as the EU's General Data Protection Regulation (GDPR) and China's Cybersecurity Law.

2. How do Finance Professionals Promote Sustainable Development

The sustainable development of an enterprise depends on the sustainability of its value creation. In a traditional sense, the meaning of value refers to the present value of future cash flow, which is related to the financial capital owned by the company. ACCA believes that the measurement of value should consider the wider range of the total factor capital. **Value does not only depend on the financial capital, but also in a comprehensive list of capital inputs, such as a company's manufactured capital, intellectual capital, human capital, social and relationships capital, as well as its natural capital.**

Under the influence of the six aforementioned driving factors, our understanding of the meaning of capital is also constantly evolving. For example, BYD Automobile was quick to innovate during the pandemic, where the technical personnel (human capital) were organised and the existing production technologies (intellectual capital) were improved to transform the automobile lines (manufactured capital) into mask production lines. Since the conversion to face mask production in February this year, BYD's mask production capacity has seen a steady increase and recently surpassed the American company 3M, thus becoming the largest producer of face masks in the world. This has allowed BYD to meet the domestic demand for face masks, as well as exporting them overseas (social and relationship capital). **During the process of value creation from the total factor capital, finance professionals are in place to promote a company's sustainability by protecting, creating and communicating these six types of capital input.**

2. How do Finance Professionals Promote Sustainable Development (Con't)

Creative (CQ): 


The ability to use existing knowledge in a new situation, to make connections, explore potential outcomes, and generate new ideas.

Digital (DQ): 


The awareness and application of existing and emerging digital technologies, capabilities, practices and strategies.

Emotional intelligence (EQ): 

The ability to identify your own emotions and those of others, harness and apply them to tasks, and regulate and manage them.

Experience (XQ): 

The ability and skills to understand customer expectations, meet desired outcomes and create value.

Intelligence (IQ): 

The ability to acquire and use knowledge: thinking, reasoning and solving problems.

Vision (VQ): 

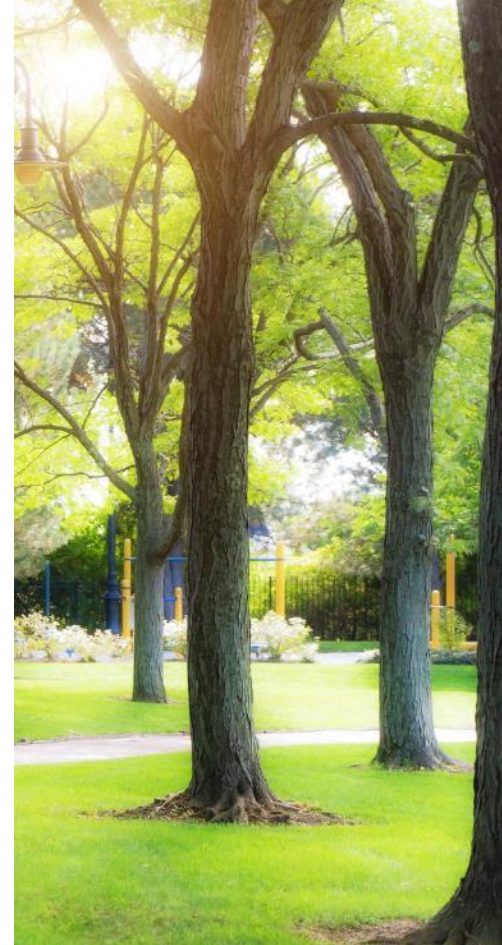
The ability to anticipate future trends accurately by extrapolating existing trends and facts, and filling the gaps by thinking innovatively.

2. How do Finance Professionals Promote Sustainable Development (Con't)

Value protector: *Value protection is within the DNA of the profession. Professional accountants influence and contribute to building sustainable organisations, through their fundamental role in designing and implementing performance-management processes. They also champion the importance of risk management and control.*

Value creator: *Professional accountants have an essential role to play in strategy formulation and capital allocation, and are key to understanding and directing appropriate investment strategies to create long-term value. They help set business strategic and financial goals linked to the purpose of the organisation. In the information age, perhaps the biggest influence on the capacity of organisations to create value is how they use data. The profession supporting data insight development isn't just about identifying new opportunities to create value. Professional accountants are a facilitator in driving organisational change, and delivering process innovation.*

Value communicator: *With traditional financial reporting activities providing an indication of only the financial value being created in the short term, there have been wider calls for some time to extend the breadth of reporting, to give a more holistic reflection of the true value-creation activities of organisations, and provide more transparency and insight on how these lead to sustaining this value creation. Professional accountants are at the heart of reporting the story on value creation*





3. Chinese Finance Professionals in Action

Experience and Case Sharing

Value Protector

- Achieving Strategic Goals through Optimised Resource Allocation and Performance Management
- Identifying Risks and Controlling them Promptly

Value Creator

- Identifying and Evaluating Growth Opportunities
- Strategy Formulation and Business Insights
- Driving the Digital Transformation

Value Communicator

- Fulfilling Corporate Social Responsibility
- Building an Open Ecosystem
- Protecting Employee Interests

3.1.1 Value Protector: Achieving Strategic Goals through Optimised Resource Allocation and Performance Management

Under an uncertain environment, it is necessary for enterprises to establish a financial strategy model, as well as sorting out their financial strategies, in order to better control the risks and make sound judgments before the next crisis arrives.

Li Bing,
CFO of Juneyao Airlines

Professional accountants influence and contribute to building sustainable organisations, through their fundamental role in designing and implementing performance-management processes. These processes not only monitor current progress and provide forecasts of potential progress against strategic goals, but also act as a control mechanism, enabling business leaders to make decisive interventions or changes if progress is off track.

Optimising resource allocation: the epidemic has driven enterprises to focus more on long-term value.

- ❑ McDonald's China has formulated a financial recovery plan, to balance its medium and long-term needs for business development. More input and training of talents in the areas of digitalisation, informatisation and intelligentisation are being provided for its profit-generating units. *M (Guangzhou) Data Processing Co., Ltd.*
- ❑ The company is saving costs by adopting RPA technologies and increasing its investment in its business department. *Skechers China*
- ❑ In regard to our business operations with household chemicals and consumer products, the company is optimising its resource allocation by strengthening cost controls, budget management and profit assessments. *FMCG manufacturer: Lanju Group*
- ❑ The company has begun to convert its production technologies to reduce and control costs. *TCL Electronics*

3.1.1 Value Protector: Achieving Strategic Goals through Optimised Resource Allocation and Performance Management (Con't)

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Adjusting performance indicators and company reports: the pandemic has resulted in delivery delays and sales pressure, among other impacts. As such, the performance indicators will have to be adjusted in time in order to realise the strategic goals.

- ❑ To mitigate the associated impacts, the company is paying more attention to its main financial indicators, while limiting its debt ratio and maintaining good liquidity. More robust financial policies have been implemented to maintain a healthy cash flow and ensure risk prevention. The investment strategy has also been adjusted, with a focus on major cities/locations and mainstream products. *Gemdale Corporation*
- ❑ The pandemic has presented the opportunity to establish a new financial reporting system, as it is necessary to consider how to ensure the financial statements reflect information such as the data capital and intellectual capital. *Bosch Automotive*

3.1.2 Value Protector: Identifying Risks and Controlling them Promptly

We obtained low-interest loans from banks, while taking advantage of the company's M&A and private placements. These measures have given us a lot of buffer space.

Liu Duoyuan, CFO of Aier Eye Hospital

Making full use of financial support policies to lower financing costs and ease funding pressures

- ❑ The hospitality industry has been heavily affected by the pandemic. The group contacted its bank in the early stage of the outbreak, in order to apply for an increased credit line, as well as preferential loan interest rates and tenure extensions. This has allowed the enterprise to gain enough buffer and time to operate in a safe manner. *BTG HOMEINNS Hotels Group*
- ❑ The healthcare industry is at the epicentre of this pandemic. The hospital made use of the state's low-interest rate policy to get invoice factoring credit and borrow tax loans, and creates cash flow by a leveraging process. *Sun Yat-sen University Cancer Hospital*
- ❑ The transportation industry has been greatly affected by the pandemic. On one hand, the company is reducing its operational burdens by making use of the preferential tax policies and reducing its financial pressure by utilising the financial support policies. On the other hand, corporate bonds have been issued, which directly led to an increase of the gearing ratio. *Guangdong Provincial Communications Group*
- ❑ Thanks to a robust financial strategy and management foundation, the company has managed to maintain a stable asset-liability ratio. By maintaining good relations with the banks in our daily operations, the line of credit has been increased, which helps the company to respond quickly to cash flow challenges and pressure. *Juneyao Airlines*

3.1.2 Value Protector: Identifying Risks and Controlling them Promptly (Con't)

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Eye Hospital

Actively cooperating with business and human resource teams to reduce costs

The costs of the group have been controlled and reduced with short-term salary reductions of different levels for both management and junior staff. The group has also actively liaised with the suppliers to extend the payment period appropriately, while capital expenditures are strictly scrutinised to reduce the cash outflow. *Intercontinental Hotel Group*

The group has streamlined its organisation, refined its management and optimised its resource allocation, while reducing its costs through debt replacement. *Guangdong Provincial Communications Group*

3.1.3 Value Protector: Identifying Risks and Controlling them Promptly

The finance of an enterprise is similar to the cockpit of a sailing ship. A clear and comprehensive plan, as well as the monitoring of various indicators during the navigation, are important factors in coping with the various changes.

Li Xiangrong, CFO of BTG
HOMEINNS Hotels Group

Quick response to reduce overseas operational risks: making rapid changes to business activities during the pandemic, while ensuring the ability to provide a financial response and support, will ensure the company is up for the challenge

- In the face of the pandemic, the global procurement of anti-pandemic materials has increased in volume, which has led to a large number of cross-border payments and custom clearance issues, among others. The company's finance team has ensured the normal flow of the supply chain through rapid adjustments and responses. In order to facilitate global cooperation concerning the company's mRNA vaccine, the Finance and the Business Departments are working closely together and are intensively engaging in business negotiations, due diligence, fund-raising and other procedures to make sure the transactions proceed smoothly. In addition, due to the fact that around one-quarter of the revenue originates from overseas, the outbreak has had a relatively larger impact on the production and business operations of the company's overseas subsidiaries. The finance team is closely monitoring the development of the pandemic overseas, making real-time predictions and analyses, and providing different predictive scenarios for decision-making and judgments. *Fosun Pharma Group*

3.1.3 Value Protector: Identifying Risks and Controlling them Promptly (Con't)

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Making special arrangements, streamlining processes and facilitating collaboration among teams:

- ❑ Multiple action teams have been established with special arrangements implemented to reduce the risk of business interruption. For example, the rent reduction working group is responsible for facilitating rent reductions and exemptions for more than 800 stores, as well as providing communication and negotiation training. The policy implementation group is responsible for compiling various tax and fee reduction policies concerning taxation, social security, labour unions and training funds, as well as sorting out the relevant documents in different locations and arranging for personnel from the Finance Department, Human Resource Department and the stores to implement them. The Industry Association group is responsible for applying to the Ministry of Finance, through the Industry Association, and providing recommendations on specific anti-pandemic support programmes for the hotel chain industry. Several recommendations have been accepted and implemented. **BTG HOMEINNS Hotels Group**

Re-planning with agile management to alleviate the supply chain pressure: the current operation model of the chip industry and key product components for whole machines are highly dependent on imports; therefore, the supply chain risks are relatively severe

- ❑ As a domestic chip manufacturer, the company has embarked on measures to secure the supply-side reserve and to engage with the re-planning work. The company is committed to rapidly allocating its resources, continuously updating its inventory, identifying and tracking the supplies of key components, and ensuring the stability of its supply chain in terms of the key suppliers and logistics. **Innoscience**

3.1.3 Value Protector: Identifying Risks and Controlling them Promptly (Con't)

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- Identifying and Evaluating Growth Opportunities
- Strategy Formulation and Business Insights
- Driving the Digital Transformation

Value Communicator

- Fulfilling Corporate Social Responsibility
- Building an Open Ecosystem
- Protecting Employee Interests

3.2.1 Value Creator: Identifying and Evaluating Growth Opportunities

In the past, most Chinese companies moved full speed ahead with a courageous approach, aiming for the top but without actually performing any proper management. They did not think about how to endure a diminished market. For example, they have respected neither the laws of economic development, nor the talented individuals. This crisis has created an opportunity for all of us to make up for these missed lessons.

Yang Chuan, CFO of Bosch
Automotive

All organisations have to make investment decisions across a wide range of parameters, from deciding the geographic markets or industry sectors in which to compete, which products or services to expand or curtail, which partnerships or strategic relationships to form, or how to distribute investment across different capitals, such as people, infrastructure, or intellectual property, to generate a sustainable return.

Opportunities for exogenous expansion: the company has tapped into investment opportunities amid the pandemic, to actualise its integration strategies through M&A.

- ❑ After being squeezed out of the competition during the pandemic, small-sized hospitals now hold less bargaining power in the M&A process. This has provided the company with an opportunity to invest in integration. *Aier Eye Hospital*
- ❑ Hospital investments often come with a longer payback period. Deals with a shorter payback period and a faster return on the investment are favoured to reduce the risks. *Ping An Hospital Management Group*

Opportunities for endogenous growth: a rush of entrants have been drawn into bullish sectors to expand the business landscape. For instance, there are a number of online platforms that have ventured into the online education sector during the pandemic.

- ❑ Education is the new priority in the strategic roadmap for the company's cross-sectoral endeavours. We are committed to recruiting top-notch teachers and achieving breakthroughs in terms of both products and technologies. *ByteDance*

3.2.1 Value Creator: Identifying and Evaluating Growth Opportunities (Con't)

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Opportunities for talent acquisition and team building: reverse thinking should be applied to seize the upside of labour market trough.

- ❑ Enterprises should optimise their budgets to select areas with a high return, such as improving the efficiency of their processes and targeting higher-quality talents. The pandemic is a good opportunity to approach high calibre candidates. Although recruitment has been suspended for various job vacancies, the acquisition of key talents, such as software engineers, continues on. *Bosch Automotive*

3.2.2 Value Creator: Strategy Formulation and Business Insights

The pandemic has radically reshaped the consumption structure and habits. The future model will be that of online–offline integration, with increasingly blurred boundaries. For this reason, a comprehensive blueprint is strategically important to both the company and to the industrial development as a whole.

Li Xi,
CFO of Tongcheng Holdings

New-product strategy: the pandemic has forged a new pathway for growth in the leisure and hospitality sector.

- ❑ Despite the decline in the number of independent travellers staying in urban hotels, the resort areas on the peripheries of the main cities have benefitted from new development opportunities. The strategic priority of businesses has switched to the peripheral tourism around the major cities. *Shangri-La Asia Ltd.*
- ❑ Semi-finished products are riding on a new wave of opportunities. Missfresh has partnered with offline food and beverage brands across China in developing finished and semi-finished fast food products. JD Fresh has founded the Food and Beverage Retail Development Alliance to promote the semi-finished fast food production of food and beverage brands, and to achieve a supply chain transformation through a JD-led sales expansion. As of now, more than a hundred companies, including Haidilao and Shanghai Min, have joined the Alliance. *“Semi-finished and convenience foods are rapidly rising to be the food investment trend of 2020,” lyiou.com*

New-market strategy: the company has expanded into new markets to protect itself from the risks of specialisation.

- ❑ The company has transformed itself from a manufacturer of blood glucose monitors for diabetes to a provider of diabetes expert services. It has also systematised its smart healthcare services, by acquiring hospitals specialising in diabetes treatment. *Sinocare*
- ❑ In the medical field, iFlytek’s A.I. medical assistants have benefitted more than 50 million residents by empowering primary healthcare practitioners. In the field of urban management, it has introduced the Urban Superbrain as an engine for refined urban management. *iFlytek*

3.2.2 Value Creator: Strategy Formulation and Business Insights (Con't)

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CFO of Tongcheng Holdings

Channel diversification strategy: online and offline channels are being integrated and developed in conjunction.

- ❑ 3D technology has opened up a new world of possibilities for footwear retailers, who tend to have difficulties in moving their entire businesses online. The pandemic has driven the growth of e-commerce in Hong Kong. It is projected that the retail industry will gradually transform into a hybrid business model consisted of online shopping, from-home purchases and in-store purchases. **S. Culture International Holdings**
- ❑ As a provider of biosensor technology, the company had already systematised its online businesses prior to the outbreak, which has consequently cushioned the impact of the pandemic. **Sinocare**

3.2.3 Value Creator: Driving the Digital Transformation

The industries we represent include offline retailers of jewellery, apparel, skincare, cosmetics, and so on. It is imperative that we survive. Despite having operated and delivered up to par for decades, we are in grave danger of being crushed by the new era due to not having the courage or the preparedness to embrace the Internet. What should we do? Let's embrace it!

Sun Laichun,
Founder of Lin Qingxuan

Digital marketing: enterprises are leveraging digital marketing as a mean to bring about more precise marketing and more effective interactions, and to drive sales growth.

- ❑ The company has shifted its approach to promotions from the offline, conventional forms, such as on-site promotions and free tastings, to live-streaming in collaboration with online celebrities. *Yanjin Shop*

Smart manufacturing: a smart management and control system is being utilised to cut costs effectively and to control the product quality with precision.

- ❑ It is incumbent upon the company to attach more importance to cyclic changes and to upscale its investments in smart manufacturing, for better product usage and quality *Yanjin Shop*

Online services: Online medical services are provided to facilitate diagnoses and treatment, while balancing the uneven distribution of medical resources.

- ❑ Resources are directed to the development of a remote diagnosis and treatment system, remote medical consultations and remote video-conferencing, among other systems, to ensure the availability of medical services in special circumstances. *Aier Eye Hospital*
- ❑ Customers can place orders online via our WeChat Mini program, after which our brick-and-mortar restaurants will arrange for dedicated contactless pick-up services. We are also incorporating third-party delivery platforms as our sales channels. Thanks to the roll-out of these digital service platforms and the back-end technical support, the impacts on our business turnover have been limited. *McDonald's China*

3.2.3 Value Creator: Driving the Digital Transformation (con't)

The industries we represent include offline retailers of jewellery, apparel, skincare, cosmetics, and so on. It is imperative that we survive. Despite having operated and delivered up to par for decades, we are in grave danger of being crushed by the new era due to not having the courage or the preparedness to embrace the Internet. What should we do? Let's embrace it!

Sun Laichun,
Founder of Lin Qingxuan

Digital transformation of the enterprise's finance function:

- ❑ After the pandemic, we will build on SF Express's powerful technological platforms and technical strength, to explore new business potentials in big data analytics and other areas, based on mobile office solutions and e-learning platforms for business education. *SF Express*
- ❑ During the pandemic, remote-work and online clock-in arrangements were put in place with the aid of online office software. The Finance Department also embraced the use of emerging office tools with open mind. For example, electronic seals have been used for sealing contracts. *Global Knight Purchase Privilege*

Value Protector

- Achieving Strategic Goals through Optimised Resource Allocation and Performance Management
- Identifying Risks and Controlling them Promptly

Value Creator

- Identifying and Evaluating Growth Opportunities
- Strategy Formulation and Business Insights
- Driving the Digital Transformation

Value Communicator

- Fulfilling Corporate Social Responsibility
- Building an Open Ecosystem
- Protecting Employee Interests

3.3.1 Value Communicator: Fulfilling Corporate Social Responsibility

As a pharmaceutical and healthcare company, our first and foremost mission is to fulfil our social responsibility by taking active countermeasures against the pandemic.

Guan Xiaohui,
CFO of Fosun Pharma
Group

Professional accountants are at the heart of reporting the story on value creation. We have seen how the profession in its public-interest remit evolves financial reporting standards, frameworks and legislation, so that the professional accountants applying them are able to tell the **holistic, more reliable and relevant 'true and fair' story**.

- ❑ During the pandemic, the company assigned more than 2,000 medical practitioners to join the frontline (at the Fangcang Hospital, for example), and made direct donations in form of both cash and medical supplies to local healthcare personnel and medical teams. **Aier Eye Hospital**
- ❑ Dispatching stacks of medical resources to the Hubei area: as a manufacturer of anti-pandemic supplies, including negative-pressure ambulances and ventilators, the group reacted immediately by rescheduling its production, allocating funds and coordinating raw materials, to ensure stable production and a supply of the needed materials. Meanwhile, it accelerated the global R&D cooperation for COVID-19 tests and mRNA vaccines. **Fosun Pharma Group**
- ❑ In January and February, a score of flights was arranged for the free-of-charge transport of anti-pandemic supplies and homebound tourists. **Juneyao Airlines**
- ❑ To ensure the smooth logistics of supplies during the pandemic, all highways were open to traffic free-of-charge. **Guangdong Provincial Communications Group**
- ❑ After Wuhan was put on lockdown on 24 January, our subsidiary, SF Airlines, dispatched flights to Wuhan with planeloads of anti-pandemic supplies in the vanguard of the battle against COVID-19. During the entirety of the pandemic, our business operations have not stopped for a day. After the pandemic, we plan to consolidate the expansion of our business in express deliveries, same-city deliveries, warehousing, cold chain and the traditional supply chain. **SF Express**
- ❑ The company established a dedicated department for the procurement of sanitary products to assist the government in transporting anti-pandemic supplies to Wuhan with its own transport capacity. **Kerry Logistics Ltd**

3.3.2 Value Communicator: Building an Open Ecosystem

Building a beautiful world takes great technologies and, more importantly, great products. Creating values for client is the mainstay of a business ecosystem. A sustainable ecosystem is only made possible by seeing things from the clients' perspective and cooperating in a way that is mutually beneficial.

Liu Qingfeng,
Chairman of iFlytek

Building an open ecosystem: upstream and downstream industries should partake in coordination to achieve win-win outcomes.

- ❑ Suppliers are offered incentives to expand their supply capacity and to ensure the smooth execution of orders. **Lanju Group**
- ❑ Supporting franchisees fully through difficult times: the group launched customised pandemic loans in partnership with banks, partially waiving the franchise management fee, and offering the same terms in the Hubei area. Various efforts have also been made to communicate with and guide the franchisees in a timely manner. **BTG HOMEINNS Hotels Group**
- ❑ A guided refinance fund has been set up to meet the pressing financial needs of various small and medium-sized enterprises across the industrial parks and platforms in Hunan Province, as a measure to support all industries along the stream. **Tongcheng Holdings**
- ❑ In a decision to weather the storm in solidarity with hotel owners, the group has offered hotels a range of fee waivers and has extended the payment period, which has granted the hotel operators reasonable control over their cost management, while promoting the spirit of self-help and mutual help across the hospitality industry. **Intercontinental Hotel Group**
- ❑ The reimbursement procedure for suppliers has been streamlined to accelerate the payment process and enable a quicker recovery of funds. **SF Data Services (Wuhan) Co., Ltd.**
- ❑ Digital services have been made available to external B2B clients, in order to help struggling banks during the pandemic and to expand the scope of financial services. **Ping An Bank**
- ❑ A rent waiver has been offered to the premises, while the remuneration payable to agents has been pre-paid and pre-settled to ease their financial burden. **China Mobile Group Hubei Co., Ltd.**

3.3.3 Value Communicator: Protecting Employee Interests

During the pandemic, the company alleviated its cash flow pressure not by laying off workers, but by actively maintaining its customer connectivity, while optimising and controlling its operating costs to sustain normal business functions.

Sherry Lu,
CFO, DHL Express APEC

Protecting employee interests : To secure the livelihood and employment of our citizens, a large number of enterprises have opted not to lay off workers or cut salaries, even when facing immense pressure during the pandemic. This has served to protect the interests of employees and communicate the values of the society.

- ❑ In the short run, the employee-sharing model offers a high degree of flexibility. Employees can return to their previous duties once the business reopens. In the long run, as Hema Fresh stores are largely located in shopping malls, the company is able to “borrow” workers from the mall for human resource reallocations. *Hema Fresh*
- ❑ The group champions both enterprise growth and employee prosperity, by engaging employees in its own development. Core technical talents were also encouraged to work closely with employees to promote business transformation. *Inspur Group*
- ❑ A dedicated hotline has been set up to provide psychological counselling for employees. *China Mobile Group Hubei Co., Ltd.*
- ❑ The group's over 100,000 employees were all allowed to adjust their on-the-job rate according to the actual operational needs of the hotels. In February and March, the group took active steps to undertake cross-sectoral cooperation and to provide online and offline retail services. For instance, it joined forces with Hema Fresh and Yonghui Superstores by exporting its labour to reduce the labour costs. *BTG HOMEINNS Hotels Group*
- ❑ The employees are encouraged to report any difficulty that they encounter. The group is committed to ensuring the wellbeing of each and every employee with subsidies, as well as support and help wherever necessary. *Yimeijia Brake Co., Ltd.*

4. Mission of the accounting profession in the post-pandemic era

In modern times, professional accountants play a pivotal role in promoting corporate sustainability and creating long-term value. ACCA believes that the accounting profession has the following four basic characteristics: **work ethics and morals** that are deeply embedded in the DNA of the profession; a comprehensive repertoire of **professional expertise** that is certified in a scientific, systematic and rigorous manner; a spirit of **lifelong learning** and persistent knowledge renewal as required by continuous professional development; and an autonomous, **close-knit and sharing-based network** of professional accountants intent on promoting public values. Together, these characteristics make up the cornerstones of the public trust that is bestowed on accounting professionals and the profession as a whole. These characteristics might seem underwhelming individually, but the accounting professionals as a whole contribute tremendously to organisational constructions and to the realisation of long-term corporate sustainability. This is the mission entrusted to the accounting profession in the post-pandemic era.



Recommended Reading



Accountants, purpose and sustainable organisations



Covid-19 Global Survey: Inside business impacts and responses



ACCA Member Survey: Business challenges and considerations for the Covid-19 outbreak – Mainland China and Hong Kong SAR



The impact of Covid-19 on Audit and Assurance - challenges and considerations

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