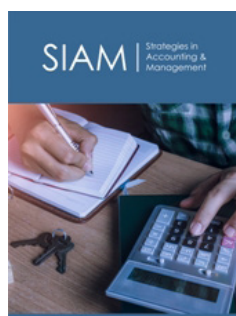


Pre-review Research Digitalization and Blockchain in Finance 2021

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Commentary

The exploratory research in 2020 received a lot of attention in professional journals in the Netherlands and in the international context of academic journals, webinars and conferences [1-6]. This led to this research in 2021 including a reorientation of the research design. Through the further development of the professorship in 2020 and 2021, the questions from the research were further professionalized, peer reviewed by experts and supplemented. In addition, it is interesting and of scientific importance to place the research more in a national and international perspective, both in relation to professional groups and to other studies such as that of Controllers Magazine (Executive Finance CM 2020). After several inventory discussions at the end of 2020, whether or not at the request of the interest holders, this has led to a reorientation of the research.

Response

The survey was conducted in February to March 2021 among all members of the Work Field Committee (Werkveldcommissie (WVC)) of the courses Accountancy (AC), Finance, Tax and Advice (FTA, formerly Fiscaal Recht en Economie), Finance & Control (FC) of the Academy of Finance, Economics and Management (FEM) of Saxion University of Applied Sciences, 15 strategic international universities involved in Saxion Finance & Control and the SRA, a network organization of 375 independent accountancy firms with 900 offices in the Netherlands. A reminder was sent out once. The response (n=54) and the offices and universities represented are shown in the overview below. This response of n=54 in total is 74% higher than in the 2020 survey with n=31. In total, the response rate in 2021 is 12.8% out of a total number of potential responses: 31 WVC, 375 SRA and 15 strategically involved universities, totaling 421. All responses received were 100% usable.

Conclusion

Five conclusions can be drawn from the study based on the state of affairs in (1) society, (2) organization, (3) as a professional with digitalization and in particular Blockchain, (4) terms of influence on the financial professional and (5) investments in digitalization.

State of society with digitalization and Blockchain: relevance of technology in the market is clearly bearing fruit

The majority indicates that digital developments in society are mainly in the last two phases of the Gartner Hype Cycle: Slope of Enlightenment and Plateau of Productivity. A considerable number of respondents still see a Peak of Inflated Expectations, which may indicate media coverage with or without clear source statements and/or general expectations. When we compare this conclusion to the 2020 survey, we see a significant shift towards the last two phases, which indicates a greater adoption of technological developments. Blockchain is

predominantly in the first three phases of developments. Compared to the same study in 2020 [2], we see a clear shift to phases 2, 3 and 4 instead of mainly an indication in phase 1 in 2021. This indicates a greater adoption of Blockchain in society.

State of affairs in the organization with digitalization and Blockchain: heavier emphasis on phases 3 and 4

The majority of respondents see more companies funding pilots and that conservative companies remain cautious. Compared to the same survey in 2020, we see a much heavier emphasis on the fourth and phase. Quite a shift compared to 2021. Blockchain is predominantly in the first phase of developments. Compared to the same survey in 2020, we see a similar picture with a clear shift towards phases 3 and 4. This indicates a greater adoption of Blockchain in the organization compared to the survey in 2021.

State of affairs as a professional with digitalization and Blockchain: more adoption

Respondents predominantly see more companies funding pilots and conservative companies remaining cautious and the broad applicability and relevance of the technology in the market clearly paying off (phases 4 and 5). Respondents are mostly very positive about where they stand in relation to digital developments. Compared to the same survey in 2020, we see a picture where there is now more of a clear shift towards phases 4 and 5. This indicates a clear adoption of digital technologies compared to the survey in 2021. When we look more specifically at the maturity and adoption of Blockchain technologies and applications of the professional with the number of respondents per stage, we see that this is balanced across stages 2, 3, 4 and 5 with a notable response to stage 1. Compared to the same survey in 2020, we see a shifting picture towards phases 2, 3 and 4. This indicates a more adoption of Blockchain by the professional compared to the survey in 2021.

Timescales of influence on the financial professional and opportunities: already very significant

Clear developments are expected in 2021 in the broad scope of digitalization in general and in the years thereafter to a lesser extent, which may indicate that people expect the trends to start in 2021. Blockchain developments are expected to occur mainly in the next four years. In 2021, cybersecurity, ethics, data analytics, accounting software, ERP and big data are expected to play a role. For 2021, it is mainly Payment Services Directive (P2P), purchase-to-pay process and robot process automation. For 2022, it will mainly be Blockchain and Internet of Things. Looking at Blockchain,

we see that on all fronts the expectations in 2021, 2022 and 2023 will affect the financial professional faster than all other digital developments.

Investments in digitalization: too little knowledge, capacity and equipped staff

In conclusion, the combination of capacity and insufficient knowledge and equipped personnel (49.3%) is more decisive than adoption (29.0%). It is striking that most investments are made in accounting software, followed by data analytics and cybersecurity. What is also striking now is the attention paid to ethics and the no attention paid to investments in Blockchain, currency, Initial Coin Offerings (ICO), Payment Services Directive (P2P), Bitcoin and Bitcoin SV. These mainly digital currency-related non-investments may indicate that the surveyed organizations are not involved in these matters as an organization or as a professional. When investments are made in new technological developments, it is mainly the management team, CEO and CFO who decide. When the implementations of the new technologies are done, these are mainly done jointly or by the ICT department.

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