

Foresight: The CPA Podcast

Season 4 Episode 5: The importance of driving innovation while navigating turbulent times

Neil Morrison: Welcome to Foresight: The CPA Podcast. I'm Neil Morrison.

On our previous episode, Priyanka Lloyd talked about her role persuading businesses to continue to invest in sustainability in times of economic uncertainty. Priyanka's job was to convince businesses that sustainability was not peripheral to the core activities of an organization, something that could be paused until the economy settles down. Instead, she wanted them to see it as central to their long-term viability.

Chris Dulny faces a similar challenge. He is the Chief Digital Data and Innovation Officer at PwC Canada. It's his job to help companies drive innovation in their business practices. This could mean innovation in the workforce, for example, breaking down silos or building bottom-up communication streams, but it also means technological innovation, bringing the latest digital tools to all business activities. You might think that in an uncertain economic climate, this would be an easier sell than new sustainability measures, but innovation means doing things differently, and to many businesses, that sounds risky and possibly expensive. And Chris says that while that's not something that necessarily keeps him up at night, it is a serious concern.

Chris Dulny: What I worry about is somebody who's responsible for leading the charge on the culture of innovation. With those headwinds, our Canadian organization is going to continue to push forward, continue to create their future and continue to innovate. You worry when there's economic headwinds, they kind of batten down the hatches and stop investment and kind of focus on today. And in this disruptive world, it's really about creating the next evolution of your organization.

Neil Morrison: According to Chris, when it comes to investing in innovation, the stakes are high. The speed at which change is happening, even as the economy slows down, is a real threat to the survival of many businesses, and they know it.

Chris Dulny: Every year around this time, PwC globally comes out with a survey of the CEOs that we work with, and the results from that are pretty striking. Some of those results tell us that about three quarters of the world's CEOs are predicting an economic slowdown over the next 12 months.



But what I found even more surprising is 40% of them don't believe their businesses will be viable over the next decade.

Neil Morrison: Wow.

Chris Dulny: Yeah. You would think about that, Neil, that is the CEO community saying, "There is a lot of disruption out there. There's a significant change in my customer's expectations, in my people's expectations, and our organizations have to change to kind of be ahead of the curve."

Neil Morrison: Can we just take a second there? Because that really is an incredible number. 40% don't think their business will be around?

Chris Dulny: Exactly. Yeah. Don't think it's viable, yeah. And I get that. I think about the change in the world today. There's a great quote out there that says, "Today is the fastest rate of change we'll all experience for the rest of our professional lives," which means that change is just accelerating. I focus a lot on the technology side of that disruption curve, but there's a lot happening geopolitically, the demographics of the world, climate change. We have all these sources of change, and I think businesses and organizations are stepping back and saying, "In this era where customers' needs are changing so quickly, and my ability to attract talent in terms of the worker, their needs are changing so quickly. What is the definition of my business if I think 10 years out?" I think CEOs see that disruption and they realize the old way doesn't necessarily get them to success over the next decade.

Neil Morrison: So clearly, there's a lot at stake here. How well have businesses responded to all this change?

Chris Dulny: Yeah. And I think the important thing to realize is that the pandemic jumped the digital adoption curves upwards in a big way. So what happened? We were all locked on our houses. We had to figure out a different way to get groceries, order meals, get services, and there was this digital revolution that happened in each of our lives. And I think businesses reacted well, Neil. I think there was a heightened period of innovation to set up people to work, to reach customers in a new way. And I think my only message is that can't stop now. The waves of disruption continue at pace. I think the pandemic is largely behind us, but every time we turn around, there's some new disruption in the world. Most recently, in my world, that is this topic of generative AI. Chat GPT is all over the news. It's Microsoft and Google and Amazon bringing a technology set to the world in a way that we've never seen.

Neil Morrison: Because Chris is on the forefront of this drive for innovation in Canadian businesses, it's easy to lose sight of the fact that he is not a tech guy. He doesn't have a computer



science degree, he is a CPA. He started his accounting career at PwC on the assurance side of the business.

Chris Dulny: And I found my path through that CPA journey quite inspiring. Canada went through a real interesting time. There was the dot-com boom and bust, and we had some large technology players back turn of the century. And I'd say there was a hollowing out of larger Canadian tech at that time. And because of the technological disruption, it allowed Canadian entrepreneurs to come to the forefront, a strong, vibrant startup community that turned into more powerful scaling companies. And we have great organizations today that are strong global technology players right from Canada and great innovation from Canada.

And my experience working with those clients is you got a different perspective as to how smaller organizations with the right technology basis and the right culture could really create value in an ecosystem. They worked a different way. They thought about technology more openly. They continually upskilled themselves on the opportunities, and they tried really, really hard to get behind the customer's problems that they were focused on, but to solve those problems in a different way.

Neil Morrison: Chris was inspired to bring this culture of innovation, of experiment and risk taking back to PwC.

Chris Dulny: I think PwC, like a lot of longer term or a lot of more mature Canadian organizations, Neil, thought of things from a top-down perspective. They thought of things from the leadership team and saying, "Hey, we're going to do these big innovation projects. We're going to implement big technology platforms. We're going to change this business based on our strategic initiatives." And the reality, when I kind of stepped into the world of the Canadian start-up and the Canadian scale-up organization, it was fascinating how they brought the whole team together a lot of the time. They were really looking at technology talent, engineering talent, whatever it may be, to contribute to the future path of the company. And they were always innovating. And they were failing all the time, and together as a team, they were adjusting and finding those new pathways.

So although PwC traditionally has been more of a top-down innovation, big technology company in terms of the platforms we use, we said, "Hey, what if we can bring the rest of the organization to that effort?" And that's when we launched a program called My Tomorrow about four years ago, which was, "Hey, we're going to invest in our people right across the organization. It doesn't matter what history you have, what position, what background, you are all accessible to the digital skills that we want to promote. We're going to train you up on the tool set that we think drives the next level of the economy, and we're going to give you the tools to build tools, technologies, to share the ways you're changing how you work."



So people were in charge of their own destiny, but at the same time helping us as leaders at the organization to change the path and change that customer/client experience that we were providing. So it's a little bit of watching how a tech start-up would work and bringing everybody to the table and asking them to innovate and work with the best technologies, bringing that into a more traditional organization like ours and saying, "How do you elevate everybody in the organization to say, 'You have a hand in changing the course of PwC'?" And that's what we did.

Neil Morrison: It makes a lot of sense it, but investing in training and investing in people, those sorts of things you're talking about, it feels like low hanging fruit for folks, let's say the people in accounting, when budgets are under strain. So how do you convince them to continue to make these investments, not that it's easy. It would have been easy to think about three years ago or maybe four years ago, but now when things are uncertain like this, how do you convince them that, "No, this isn't low hanging fruit. This is essential."?

Chris Dulny: There was a great quote I remember from a leadership meeting. It wasn't our quote, it was from another leader who said, "Well, what if we up-skill all our people and they leave?"

Neil Morrison: Yeah.

Chris Dulny: And the reaction from one smart partner of mine in consulting says, "Well, what if we don't empower our people and they stay?" And it makes the tone, right? There's a real need to invest in people's skills. The rallying cry at the time was, "Our people understand the issues and the roadblocks in front of them every day better than we do as leaders. Yes, we can point the organization in a strategic direction and we can take big swings at big problems, but our people have the challenge of working in a different way. And there's everything in an organization that can stand in their way. And how do they solve those problems collaboratively with technology tools and applications that allow them to work in a different way and satisfy their clients' needs in a new way?" I think that rallying cry still exists today. That mantra does not change.

I think where pressure exists today is an organization's total investment capacity, and how are you going to make the right bets considering the economic headwinds that are in front of us? But I think that's where CPAs can really bring their skillset to an organization. I said earlier about every CPA in a business today asking, "Are you central? Are you central to that future strategy? Are you central to that vision of what your organization has to become?" But then bringing the recognized skills of the CPA community, right, the diligence, the discipline, the critical thinking, to really get behind some of those investment cases and the theses that leaders are putting out there to say, "How do we make sure we drive the appropriate return? And how do we make sure we're solving the right problems with these investments?" And I think that's where CPAs can really play in this era of uncertainty that an economy can generate.



Neil Morrison: We've been talking a lot about innovation as applied to people, but obviously, there's a lot that's applied to the technology. What does it mean to bring technological innovation to a business?

Chris Dulny: Yeah, great question, and something I think businesses, or more traditional businesses, have always struggled with. And I think that organizations today, maybe like never before, are solving their problems with technology first. We have massive moves on technology layers and platforms, like a big movement into the Cloud. And that was accelerated by the pandemic, which made us all remote and made our customers remote, et cetera, et cetera.

And I think one of the key things that organizations have to think about is, "What are the ecosystem of players that I work within, and I ask for help from, to solve my problems?" And there's a lot of dimensions to that. I think you have to bring your leadership teams together from all of their silos and figure out how to play with a technology ecosystem. And sometimes, Neil, those can be the biggest technology companies in the world that can certainly help you with those big migrations. But there's also a layer of great Canadian star-ups and scale-ups and boutiques that have that kind of point solution that fits into a bigger ecosystem. So it's really on leadership teams to really understand the technology stack and where it's headed in the context of the problem they're trying to solve.

But I guess my message in that is, I don't think it's wise to go it alone as an organization, right? It's getting that industry expertise, it's learning from others, and then bringing an ecosystem of technology and service providers together to work on something collaboratively. I think that's a key way to get to better results more quickly.

Neil Morrison: How good would you say Canadian businesses are at incorporating new technology into their organization and their processes?

Chris Dulny: Well, we've seen some great advancements, and we've seen some Canadian technology-first companies who've become very valuable on a world stage, but I still think there's a way to go for the more traditional Canadian industries. And you can tell or share your views, and we can all do that based on our personal experience. "How easy is it for me to engage with the companies I buy services from? Is that as easy as it's mobile-first and it's really slick and I get value from that experience? Or am I locked into the old style phone call, searching a website or whatever else?" Right?

Neil Morrison: Yeah.



Chris Dulny: And there's been disruption in all industries, but I think customers are looking for that experience. And you'd think about anything. I recently went through a buying experience for a Tesla, and it struck me how markedly different that buying experience was all on my phone versus the more traditional retail experience in the industry. And I don't call that out as being better or worse than anybody else, but you start to get, this is the customer demand. And I think organizations have to think about that more holistically in terms of attracting a new client base and growing that customer base, and then thinking about the growth of the next generation and those digital natives, what their expectations are in terms of how they're engaging with Canadian corporations. So although we've seen great examples in the application of technology, there's still, I think, a long way to go to really hit that global-first kind of technology experience that customers want.

Neil Morrison: Another way of describing innovation is a new way of doing business. And it makes me wonder, is a period of economic uncertainty the right time to try new ways of doing business? Or is it the time to... You might think that it'd be reasonable to think that if we're going through economic uncertainty, the right thing to do is strip down, consolidate, figure out what you're really good at doing, stick to that, avoid experiments, ride it out, and get to the other end, and then you can begin experimenting again. What do you think of that?

Chris Dulny: It's a great question, Neil. I think, though, the process you just described is a little bit of innovation though.

Neil Morrison: Huh.

Chris Dulny: When you think about it, going through the exercise of a business getting focused on what they really do well and how to do that better as the focus of the business through a period of economic uncertainty, is by definition innovation. So even going through that is not a bad process, and I think that's what business leaders will be doing depending on the direction of the economy.

But having said that, I still think executives are bullish on what is next. I still think they're thinking about how technology and other forces will continue to disrupt, and if they're placing bets or deploying capital, they're deploying it to those areas first. So it's a little mix. It's a little bit of, "Hey, what should this business be focused on? What is core to our financial success?" And then, the second question of, "How do we do that in a different way, thinking about that 10-year horizon and how we redefine that we're at the center of our customers' thinking in that time period?"

Neil Morrison: You said you're bullish on this. Are you optimistic that Canadian businesses are going to make these investments? We started this conversation with you saying that was one of your big concerns, is that they're going to pull back on making those investments.



Chris Dulny: Yeah, it's a great question. That would be, I think, the generic thing we would see in any period of economic headwind. I still think, though, that technology and the disruption that's out there and what we experience in our personal lives after the back of the pandemic is allowing executives to think differently about what is possible. And we had that moment, right? We had that moment where the nation went home to work, or a lot of the nation went home to work. And suddenly, the mindset changed and suddenly, the thoughts opened up as to, "Hey, there is a different way." Nobody would have predicted that kind of work environment back 2018, 2017. So although we have this traditional reaction to economic headwinds, I still think there's a digital acceptance and maybe a cultural change, that I'm still hopeful that Canadian organizations will push forward. I think they have to, for our competitive stance both here and our place in the world.

Neil Morrison: What would your final pitch be to those businesses, the ones who think, "This is not the right time to gamble with something new"?

Chris Dulny: There is always the opportunity to drive at something new, and you've got to accept there's a level of failure to get there. Customer expectations don't slow down. And the expectations of the talent you're trying to attract to work at the best organizations, if you define yourself as that, do not stop. So just because there's an economy that may be slowing, those two major forces in a business's success don't stop and neither can leaders.

Now you can be focused, you can be intelligent about it, but it's really a question about, "Why would our customers continue to choose us in this era of heightened expectations? And why would the talent out there, who's got all the choice in the world about where to work, continue to help my organization meet those customer demands?" I don't think those expectations slow down and neither should leaders about creating what's next.

Neil Morrison: Yeah. What I've heard you say through this conversation is honestly, there's very little difference between innovation and really refining your strategic direction. They're really closely lined up, if not the same thing.

Chris Dulny: I think that's really important, Neil. I don't think organizations can think of innovation that happens over in the corner of an organization somewhere that throws innovation over the fence every once in a while.

Neil Morrison: Right.

Chris Dulny: It's fundamental at the leadership table and through the people of your organization. So in reality, it happens every day at every Canadian company. It's on leaders to get that focused, refined, and really pushing forward to help define what's next for their company.



Neil Morrison: Awesome. Chris Dulny, thanks so much for chatting with me.

Chris Dulny: Thanks very much, Neil.

Neil Morrison: It's been great.

Chris Dulny: Thank you.

Neil Morrison: Chris Dulny is the Chief Digital Data and Innovation Officer at PwC Canada. And that's it for another episode of Foresight: The CPA Podcast. On our next and final episode for this season, we will be speaking with Jerome Dwight. Jerome is a CPA, and he is the co-founder and CEO of BoomerangFX, a company that provides digital tools to help healthcare providers manage their businesses. He and his co-founder launched BoomerangFX in the middle of the pandemic, so he has an interesting take on economic uncertainty. For him, a recession is an opportunity.

Jerome Dwight: I see recessions and financial or economic crises very differently. I see it through a very different lens. I see those as really pivotal moments for businesses to really accelerate ahead. You take a look at all the major companies, the unicorns of today that were born out of a recession. There's a long list, everything from Airbnb in 2008, Slack, WhatsApp, Square, Instagram. These were all companies that were actually born during a period of the 2008-2009 Financial Crisis and the recession that ensued.

Neil Morrison: That's Jerome Dwight, the CEO and co-founder of BoomerangFX. He will be on our next episode. Foresight: The CPA Podcast, is produced for CPA Canada by PodCraft Productions. If you enjoyed this episode or this series, please leave us a five-star rating or a review wherever you get your podcasts. And please note, the views expressed by our guests are theirs alone and do not necessarily reflect the views of CPA Canada. Thanks so much for listening. I'm Neil Morrison.

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