

Automation is an effective way to create capacity for expanded roles in the office of the CFO. Financial software users need applications that reduce not only the time but also the number of people and the amount of resources needed to complete core financial management tasks.

Intelligent Automation: Doing More with More

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Questions posed by: Emburse

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Q. What is the current state of automation in the finance department?

A. Sadly, the tools that form the foundation of the office of the CFO are very often ill-suited to accommodate the shift toward automation. Legacy applications, which populate many larger companies, don't have the flexibility, automation capability, or business intelligence features needed to support today's CFO. Legacy applications can often limit the CFO's ability to make data-driven decisions at the speed of business and across the scale of the entire business. As such, the need for a new breed of digital, insight-driven tools is critical.

Q. What tasks make the best candidates for automation within the office of the CFO?

A. In the finance department, the typical categories ripe for automation are as follows:

- » **Tasks that are relatively stable:** These are processes that are well established and are not in flux.
- » **Repetitive tasks:** These are tasks that are often performed in the same way.
- » **Tasks that are performed manually:** These are workflows that require many user actions or steps.
- » **Tasks that involve multiple applications:** These are processes that require users to switch between applications to complete them.

The following are places within the office of the CFO that can benefit from automation, including areas within the spend management cycle:

- » Automation can be applied to expense management so that expense reports are minimized or even eliminated while giving corporate travel managers more control to enforce policy and manage travel budgets.
- » Payment optimization and straight-through processing of small recurring, validated payments represent additional use cases for automation.

- » Treasury management can leverage automation to assist with bank connectivity and file formatting.
- » Tasks such as invoice ingestion are good candidates for automation, which can be highly useful to aid staff in corralling the multiple invoice types and formats used by their suppliers.
- » Cash application is an example of an order-to-cash process that could be automated. It is essential for companies to be able to apply cash quickly because it is critical to daily financial operations.

Q. What are the key benefits users can expect from automation?

A. While specific metric improvements will vary greatly from company to company depending on process maturity and resource allocation, a few of the key benefits of automation are as follows:

- » **Saves time.** Automation solutions speed up financial management by making data transfer from invoices and receipts faster.
- » **Improves productivity.** Automation improves the productivity and efficiency of your team. It helps you increase your team's capacity without adding head count.
- » **Reduces errors and fraud risk.** Automation tools can be rule based, which helps with being able to complete repetitive tasks in bulk without errors and frees up time for financial staff to identify fraudulent activity within spend management.
- » **Saves costs.** Automating processes reduces the resources needed to complete a task, saving both time and money.
- » **Improves employee experience.** Staff accountants can reduce the time spent on mundane tasks and increase the time spent on more exciting work such as problem solving or forecasting.
- » **Provides visibility into company spend.** Instant access to easily compiled data can help executives make strategic decisions that support business growth.

Q. You mentioned automation allows users to do more with more. What do you mean?

A. We often hear the term "doing more with less," but I believe that's the wrong lens through which to look at a powerful technology such as intelligent automation. I believe that by investing in more technology and giving more tools to staff accountants and controllers, you will empower them to take their job to new heights. With the proper investment, the following game-changing concepts are within reach:

- » **Holistic compliance:** Compliance becomes a part of the entire daily workflow — not just an end-of-the-period exercise.
- » **Supplier collaboration:** Aligning partners and suppliers with business objectives leads to greater collaboration.

- » **Working capital optimization:** Managing working capital doesn't begin with treasury or the CFO; it begins with the contracts and purchase orders — aligning payment terms across business units.
- » **Elimination of rogue spending:** Setting and enforcing dynamic policies that allow for rapid changes in the spend profile of employees and production teams can help curtail unapproved or unmanaged expenditures.

Q. So, what does the future of finance look like?

A. The future is digital. Spend management processes such as invoicing, expense, and procurement have long been moving away from paper (checks, invoices). But digital B2B commerce growth and compliance mandates are accelerating this move. The same can be said for accounts receivable (AR), treasury, and order management.

The future is converged. Financial applications are evolving and growing into a broader position including adjacent categories. For accounts payable (AP), consider the convergence we have seen with areas such as procurement, expense, payroll, and corporate payments. For AR, consider how treasury, billing, and financial close are converging with AR platforms.

The future is fully automated. The financial back office is littered with opportunities for automation including invoicing, expense reporting, cash forecasting, financial reporting, and compliance management. In all these cases, intelligent automation will positively impact employees, suppliers, and customers.

Above all, the future is intelligent. AI/ML is driving innovation into the heart of processes such as tactical-level applications for managing approvals and managing treasury risk and even more strategic-level activities such as liquidity analytics and financial reporting. Predictive AI, generative AI, and natural language processing hold the promise of opening new vistas for business productivity and operations management.

About the Analyst



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As a research director, Kevin M. Permenter provides insights and analysis across multiple fintech market segments including accounting, revenue management, corporate tax, accounts payable, accounts receivable, treasury, and enterprise payment management. Kevin leads qualitative research efforts, which drive a series of technology buyer-focused documents including MarketScapes, Buyer Perspectives, PeerScapes, and end-user surveys.

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