Key Digital

5 automation strategies to transform finance in 2022

CFOs and finance leaders take note:
Adopting these automation strategies in 2022 will ensure that your company stays agile and competitive

"Today's CFOs are responsible for much more than finance. On average, five functions other than finance now report to the CFO. More than half of CFOs say their companies' risk, regulatory compliance, and M&A transactions and execution report directly to them, and 38 percent of CFOs are responsible for IT. Some CFOs even manage cybersecurity and digitisation."

SURVEY BY MCKINSEY & COMPANY

Welcome to 2022

The CFO's role has never been more important. This ebook explores five automation strategies that can transform finance in 2022.

Once a simple role dedicated to forecasting, budgeting and reporting, typical finance leaders now find themselves shifting from managing money to defining strategy for a company.

This shift requires skills far beyond accountancy. CFOs are being asked to lead the way by seeking productivity improvements that increase the potential for growth. That's why understanding business technology and staying close to near-future tech trends is critical.

Adopting modern technology can become a competitive lever while enabling your company to better manage risk and meet compliance mandates. This has never been more important. It's no stretch to say the CFO has the toughest gig in modern business.

As we look at 2022, we see five critical areas for improvement that can help finance organisations stand at the forefront of digital transformation. Many of these issues are familiar but require fresh approaches. All of them require the right technology and the right planning to solve.

CFOs and directors of finance: Now is the time to get in front of these change waves.

#1

Take advantage of automation for new levels of productivity

#1

Automation skills are the new path to knowledge-worker productivity, not Excel

Common, repetitive tasks and routine decision making can be expedited and improved with office automation software. Documents and information can flow through workflows that require a human touch only when needed.

Old technology like Microsoft Excel simply cannot deliver what finance needs. According to a recent article in the *Wall Street Journal, "While many still see it as a helpful tool, some CFOs say finance teams rely on it too much, often for tasks that Excel isn't well-suited to handle. That can lead to mistakes and wasted time."*

Automation is not about replacing people with machines. Automation is about eliminating the waste and churn of sluggish processes so knowledge workers can perform at higher levels of productivity.

Take, for example, a simple invoice payment process. When a paper or digital invoice arrives, it often requires review and approval by the person who ordered the goods or services before review by management and the finance team. In a manual world, this simple, linear process can drag on significantly. But office automation captures the incoming invoice, intelligently indexes it, electronically routes it for approval, then posts back data to an ERP – and only flags exceptions. Expedited workflow enables payment within days, not weeks.

This is just one small example of automation freeing up staff time and saving the company wasted money. When automation is baked into every process, those benefits grow exponentially.

"Finance stands at a crossroads where new technology offers the chance to dramatically improve automation and efficiency, allowing finance to step forward as the analytic engine for companies."

Miles Ewing, Principal
DELOITTE

#2 Simplify and secure audit preparation

#2 Provide accurate, complete, secure information – and keep tabs on who asked for it

Financial scrutiny and oversight have certainly not waned over the past decade, and it's not likely to relax any further. Internal and external audits are a primary path to ensuring accurate reporting and healthier corporate behavior.

For businesses dependent on manual tasks or paper-based information, audits range from "an ordeal" to "a literal nightmare." And not just for the accounting department – everyone is affected by time-wasting document searches and endless inquiries.

Precise monitoring of audit trails will continue to grow in importance.

Technology can be a massive enabler. An intelligent digital document management solution empowers finance, controlling, HR, procurement and other teams to prepare for audits with absolute confidence.

Simple queries pull together relevant information and deliver it digitally. With a complete set of files, the threat of fines and delays disappears. And monitoring who accesses highly confidential financial data is critical.

> **"There is no question that the massive ongoing increase in global regulatory complexity has had a disruptive effect."**
>
> KPMG
> **AUDIT TRENDS REPORT**

#3 Double down on information security

#3 Information has never been more valuable – nor more vulnerable

Everyone has seen the headlines: every month, data breach after data breach threatens the privacy of employees and customers, the competitive advantage of the business and the credibility of the brand.

The frequency of these attacks is no accident: information is hugely valuable. In a recent *State of Cybersecurity* report, Accenture identifies the characteristics of companies that ward off cyberattacks successfully, *"The cyber-resilient business brings together the capabilities of cybersecurity, business continuity and enterprise resilience. It embeds security across the business ecosystem and applies fluid security strategies to respond quickly to threats, so it can minimise the damage and continue to operate under attack."*

The CFO and the finance organisation must invest in secure technology to manage their information. Every system, from the ERP through the analytics tools to the capture and document management solution, must adhere to the strictest protocols to support:

- **Redundant data storage**
- **Tight access rights and data separation**
- **Comprehensive disaster recovery**
- **Support for compliance mandates**
- **End-to-end encryption**

It is fair to say that these issues will continue to top the priority list of every CFO in companies of all sizes for quite some time.

#4 Fraud detection and mitigation

#4 The risks are simply too high to ignore

The escalation of fraud against finance organisations is an unfortunate trend in companies of all sizes. The threat delivers real consequences including:

- Severe damage to the company's reputation
- Direct loss of business
- Exposure to civil or criminal liability
- Increased risk of noncompliance with industry and legislative requirements

CFOs and finance teams must improve fraud monitoring and the prevention against vendor fraud schemes. For instance, digital approval workflow can reject invoices that are questionable quickly, and AI-based indexing will verify invoice numbers to eliminate duplicate payment.

Strong information and document management tools will provide clear visibility of processed invoices to also help decrease fraud.

Basic technologies and processes can go a long way in preventing disastrous outcomes for an organisation. As Deloitte stated simply in their report, *Preventing Procurement Fraud and Protection, "Prevention is always better than cure."*

"Treasury and finance professionals must be equipped with the appropriate tools, information and resources in order to outsmart fraudsters."

Association for Financial Professionals
PAYMENTS AND FRAUD CONTROL SURVEY

#5 Make your move to the cloud now

#5

Shift from heavy on-premises technology to agile cloud services

Without a doubt, the shift from on-premises IT stacks to on-demand cloud services has been the technology story of the past ten years, yielding a crop of subsequent technologies like big data analytics, blockchain and machine learning. Recent challenging economic conditions have only accelerated this transformational trend. These are just a few advantages:

1. **Employee-centric**
   Employees are no longer bound by internal networks and distant data centers.

2. **Acquisition cost structure**
   Lighter subscriptions to services are operational costs, not capital expenditures, and are acquired only as the company needs them, enabling even, predictable budget planning.

3. **Simplified maintenance**
   Cloud service providers assume responsibility for system upgrades and apply security patches.

4. **Life of business deployment**
   Deploy quickly without lengthy IT processes. Your finance team and other department managers can evaluate and acquire technology that best works for them.

5. **Deeper, up-to-date security**
   Providers leverage economies of scale to provide security beyond anything most businesses could practically do in-house. Free IT from reactive patching and focus on more strategic projects like system integrations.

CFOs are tasked with finding secure, cost-effective, information-centric technology. Without exception, cloud services must be part of your strategic technology roadmap – especially those that connect and automate workflow.

> **"Our successful transition to the cloud is closely accompanied by finance at the forefront of cloud enablement."**
>
> Mana Mojadadr Khalkhali, CFO
> **SAP ITALY**

We hope you found this ebook helpful. Your time is premium. The trends of 2022, and the challenges and opportunities that accompany them, require your team's time and attention to meaningfully leverage them for strategic gain.

As you look to the future, reach out to us. We specialise in cloud office automation technology for finance organisations, with a portfolio of key solutions for AP, AR, audit, legal and beyond.

Set the new pace for finance with Key Digital

Key Digital's finance package solution completely automates your invoice process, from data capture to approval and provides the capability to post invoices to your accounting or ERP system. The solution combines modern process expertise with our zero-compromise cloud and mobile platforms to eliminate the waste of manual processes and refocus your team on strategic, profit-driving projects.

It directly addresses the issues highlighted in this ebook.

Interested in seeing how Key Digital can set a new pace for finance in your organisation?

Request a demo

Key Digital

Key Digital are an industry-leading provider of document workflow solutions and IT services, recommending what's best for your business, not ours.

Head Office: Sycamore Business Centre,
Sycamore Close, Burnley, BB12 6EG

Phone: +44 (0) 1282 479466
Email: info@key-digital.co.uk