

# The New Normal Requires a New Standard for Efficiency in Finance

Embrace new ways of  
working to remove friction



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## The Great Digital Accelerator

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**Over the last few years, CFOs discovered that many of their finance and accounting processes weren't resilient enough to support changing conditions and new ways of working.**

Organizations have faced critical road-blocks, exposing crippling short-comings in their systems due to outdated technology or even worse, a reliance on paper trails. Multiple technology platforms with inefficient capabilities created serious points of friction. Data was trapped across various systems, which was organized and recorded manually in spreadsheets, introducing the potential for error, creating more reconciliation work and delaying access to information. For CFOs, this obscured valuable insights, and hampered their ability to fulfill their role as a strategic leader.

And this challenge is on-going. According to a newly published study by Accenture, 27% of senior finance executives feel that inaccurate or inaccessible data prevents them from realizing their full potential as drivers of strategic change.<sup>1</sup> Going forward, CFOs have come to recognize that reducing this type of friction and ineffectiveness in their finance function is now essential.

With new automation technologies like RPA and machine learning, finance has the opportunity to usher in a new era of effectiveness with considerable ROI. "It's a future that will provide intelligent and frictionless operations, allowing finance to work smarter, faster, and more accurately," says Philippa Lawrence, Chief Accounting Officer at Workday. "What's always hampered finance leaders is data integrity, but in my role at Workday, I'm lucky to have immediate and seamless access to accurate data through our technology," she adds.

# What is Frictionless Finance and what does it mean for the CFOs?

**Frictionless finance** is a term used to describe a seamless accounting and financial management ecosystem based on advanced accounting automation technology. Within this ecosystem repetitive manual processes that once relied on either paper or Excel are fully automated, allowing companies to capture huge gains in efficiency. Within the frictionless finance ecosystem, transactions and business processes are machine learning enabled, and while advanced technology monitors a wide range of finance metrics, CFOs and their teams are free to focus on strategic initiatives.

**But how do CFOs achieve a frictionless finance function? In this playbook finance leaders will:**

Learn how intelligent finance automation can extend benefits across the organization

Discover key lessons learned from companies that have automated a variety of integrated accounting processes and tasks

Read about the characteristics of innovative technology designed to help you achieve an intelligent and frictionless finance function

## Big wins from advanced finance automation technologies

- ✓ Improve efficiency and reduce costs
- ✓ Increase time for higher value-added work
- ✓ Enhance decision making with deeper insights and one source of data
- ✓ Improve reporting and analytics agility and reduced time to close
- ✓ Increase audit comfort





## Finance Team Effectiveness

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Advances in automation technology have created unprecedented opportunities for CFOs to gain efficiencies in their finance functions. In terms of time saving alone, research conducted by Ernst & Young shows that companies that have automated manual accounting processes have been able to free up between 20% and 60% of staff time. These freed-up resources, they conclude, now focus on delivering deeper organizational insights that help mitigate risk.<sup>2</sup> Allen Narkiewicz, National Financial Services Lead for Finance Transformation at KPMG agrees, commenting, “Automation, is not about being replaced by technology, but rather allows finance teams to spend less time on routine and mundane tasks.”<sup>3</sup>

“Automation, is not about being replaced by technology, but rather allows finance teams to spend less time on routine and mundane tasks.”

**Allen Narkiewicz**, National Financial Services Lead  
for Finance Transformation, KPMG

## BUSINESS CASE STUDY

## Resource efficiency at CapTech

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As a fast-growing IT consulting firm, CapTech wanted to optimize consultant deployments, improve performance management, and boost visibility into HR utilization and financials. But CapTech's systems—some completely disconnected—spawned data silos. Data quality and governance were poor, reporting was difficult, and many of the processes were manual. Overall, the employee experience needed to be vastly improved. "We had a mishmash of systems that couldn't provide the foundation for our high growth company," says Heather Long, CFO at CapTech.

But CapTech's systems—some completely disconnected—spawned data silos. Data quality and governance were poor, reporting was difficult, and many of the processes were manual. Overall, the employee experience needed to be vastly improved.

The company valued how cloud-based Workday supported their mobility with a highly secure, full integration of Workday Financial Management, Workday Human Capital Management, and Workday

Professional Services Automation. "We liked the cloud-first, highly integrated architecture of Workday as well as its rock-solid security model," says Chief Financial Officer, Heather Long. The analytics, reporting, and dashboarding capabilities of Workday were attractive, too. With these tools, CapTech's finance team could give executive and line management real-time visibility into organizational and individual performance, so they could make better informed decisions. "We saw the potential in Workday dashboards, and we really valued it being an all-in-one system," Long adds.

With anywhere, anytime access, both leadership and consultants can more quickly and securely access relevant data without needing manual validations, boosting their productivity and saving time for the Finance group, which no longer has to provide reports. Data silos are gone, replaced with a single source of truth. As a result, CapTech's finance group can facilitate data-driven decision-making across the organization.

# Finance Team Effectiveness

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While efficiency is a big win for finance executives in terms of cost and time saving, automation comes with added benefits. For example, Workday experts tell us that moving towards an automated agile system allows for:

- 1. The seamless handling of data.**
- 2. Improved core business process planning.**
- 3. An increased capacity for advanced data analytics.**

When it comes to verifying transactions, they also point to audit reviews, concluding that automated processes enable internal auditors to focus less on the mechanics of compliance, and more on sustaining a culture of accountability.<sup>4</sup>

Advanced automation technology also allows CFOs and cross-functional teams to predict and react to problems more effectively, in real time. For example, bringing finance, HR, and payroll applications into a single cloud-based system, all data and processes can be stored together—allowing finance and other teams to plan, execute, and analyze in one place to drive continuous profitability and efficiency across the business.



## BUSINESS CASE STUDY

## Added insights, engagement and audit confidence at Plex Systems

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Plex Systems, a fast-growing provider of cloud-based manufacturing systems with operations in Michigan, Prague, and India, needed a more robust financials and HR platform that would not only facilitate current growth but also provide the scalability necessary to bring its global expansion plans to fruition. Plex had realized that its homegrown financials and human resources (HR) solutions were no longer able to keep up with its current growth trajectory.

Plex needed a system that was strong in both financials and HR, and one that would accommodate the unique accounting requirements inherent in Plex's software-as-a-service business model. The company also wanted an integrated system to streamline workflows within and across financials and HR functions.

Plex evaluated a few different options and found that Workday best met these requirements, and provided other desired capabilities. These included specific tools and resources to help managers better engage and manage their talent, as well as the ability to provide employees and managers with easy access to the information they need to improve decision-making.

"Workday allows us to slice and dice through vast amounts of information with ease and speed," said Leslie Sears, VP and Controller at Plex Systems. "More importantly, because Workday's internal controls and approval processes are solid and very auditable, there is never a question [that] the information is complete and robust."<sup>5</sup>



## Reduced Time to Close

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The time it takes to complete the financial close is a key indicator of the efficiency of a company's finance function. Those that have yet to automate this process continue to rely on spreadsheets and much of their time is spent collecting data from different systems, entering data, consolidating numbers, reconciling accounts and making adjustments. Weeks later, a financial statement is produced. Most companies have come to recognize the value of substantially automating their close process and have managed to reduce their time to close substantially over the last several years.

For example, Ventana Research's latest benchmark research on the Office of Finance shows a significant improvement in this metric for the first time: This time around 61 percent of participants indicated their company completes its monthly close within six business days compared to 53 percent in 2015, with nearly half (46%) finishing within four business days compared to the previous rate of 29 percent.<sup>6</sup>

Ventana Research's latest research shows that **61%** of participants indicated their company completes its monthly close within six business days compared to **53%** in 2015.

**BUSINESS CASE STUDY**

## Frictionless Finance at OneSource Virtual

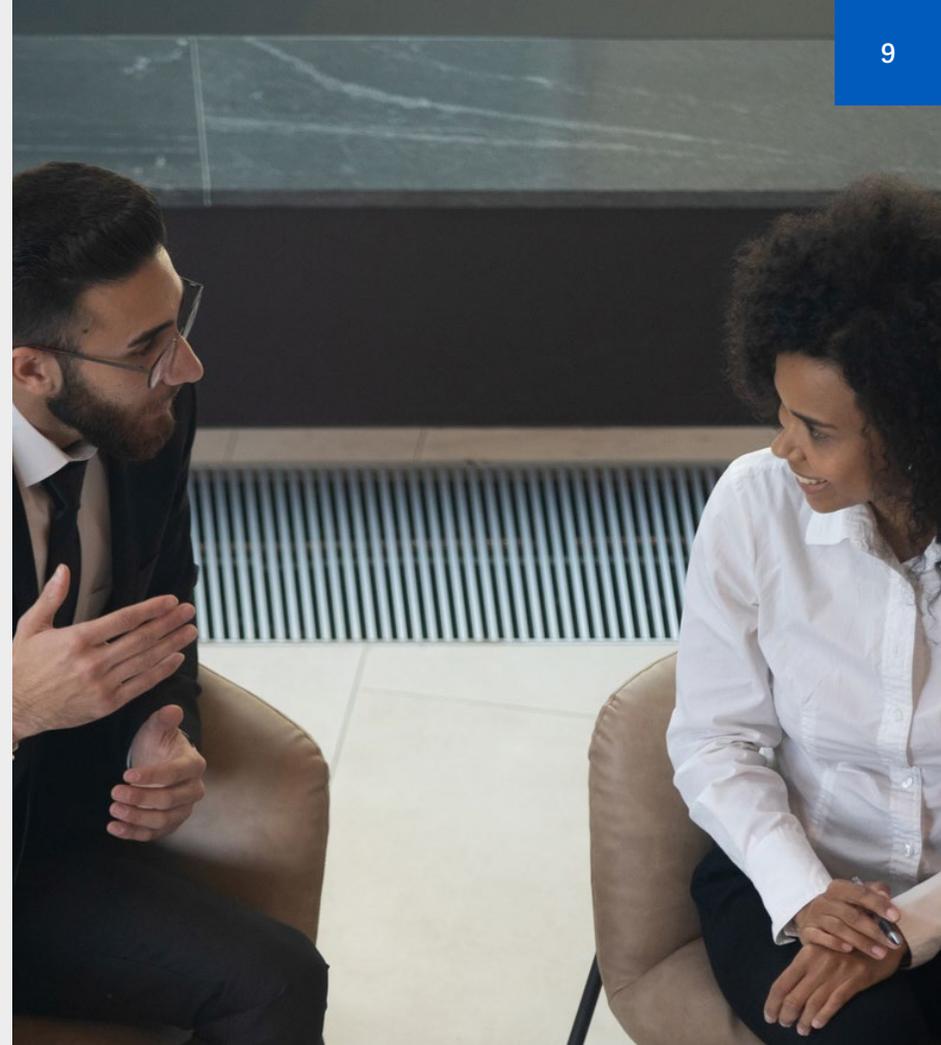
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OneSource Virtual (OSV), a strategic consulting services firm headquartered in Dallas, Texas, with staff located throughout the US, UK and Ireland, has consolidated its back office and now drives business on data-driven insights.

OneSource Virtual was operating from a rigid and disparate network of systems and applications. Team performed the majority of their work in Microsoft(R) Excel and Accounting and Finance were overwhelmed with manual tasks.

Since going live with Workday, OSV no longer needs to reevaluate its back-office environment and has equipped teams with data-driven, actionable insights that drive business performance.

“One person used to spend up to three weeks manually preparing the financial package for the leadership meeting”, Controller, OneSource Virtual.



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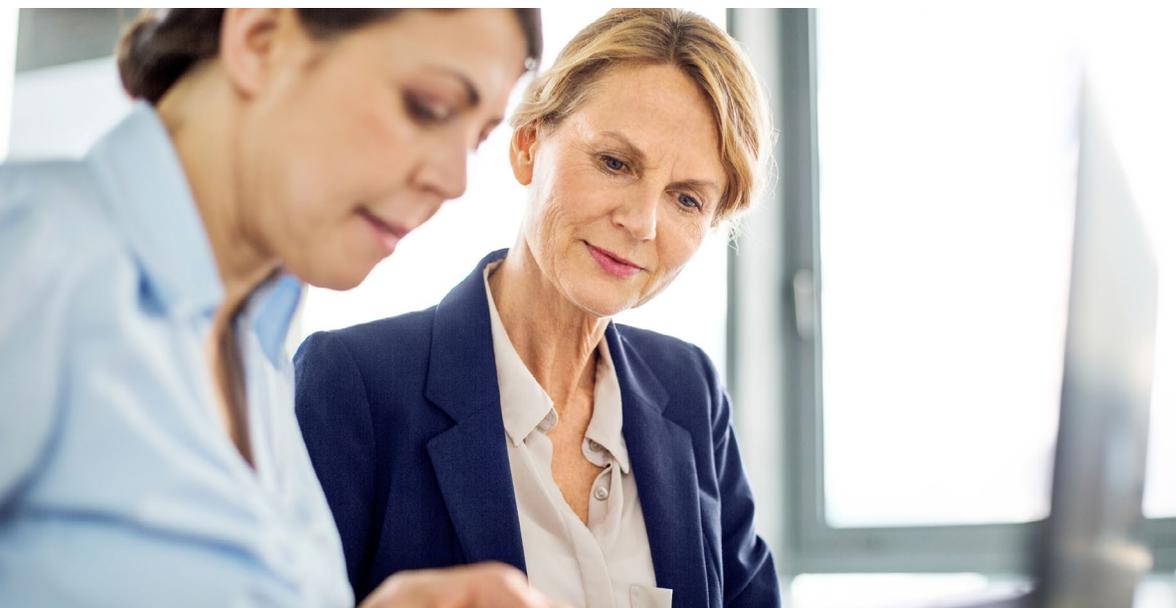
**OneSource Virtual Controller**

# Building a frictionless finance function

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## Choosing the right technology vendor

For CFOs, choosing the right advanced finance automation technology for their companies can be a complicated task. However, to build a truly frictionless finance function, they should look for technologies that have several key characteristics. In addition to improving productivity, the technology must increase transparency across the business, enable relevant data analytics in real time, allow for instant audit capabilities, be agile to changes in business processes and reporting requirements in all locations around the globe, and be easy to use.



## Characteristics of best in breed advanced finance automation technology:

- ✓ Provides CFOs with a more complete and accurate picture of their business
- ✓ Equips executives and business managers with relevant, contextual financial insights—available on the device of their choice
- ✓ Offers always-on audit capabilities
- ✓ Allows for organizational, process, and reporting changes without business disruption
- ✓ Provides a consistent and easy-to-use interface for all users—employees, managers, executives, and auditors

Source: [Developed from Workday.](#)

## Key lessons learned

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- 1 CFOs are empowered by finance technology that can provide deeper insights into business outcomes, better transparency across functions, greater collaborative capabilities and offer one source of truth through cloud-based integrated solutions.
- 2 Frictionless finance through advanced automation and machine learning technologies promises to improve the overall efficiency and effectiveness of your finance function.
- 3 Intelligent automation allows teams to be more productive, and helps them work faster, smarter, and more accurately, resulting in more efficient operations.
- 4 An automated agile system allows for the seamless handling of data, enhances process planning capabilities, and increases finance's data analytics capabilities.
- 5 Advanced automation technology allows CFOs and cross functional teams to predict and react to risks and opportunities in real time.
- 6 Automation expedites the financial close process and allows auditors to focus less on the mechanics of compliance, and more on sustaining a culture of accountability.
- 7 Choosing a vendor should be guided by understanding the characteristics of best-in-breed finance automation technology.

## Conclusion

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**The business disruptions caused by COVID 19 have emphasized the need for a frictionless finance function, supported by a system you can adapt to your needs. The inefficiencies companies tolerated pre-COVID are no longer acceptable. CFOs have recognized that automation is no longer a nice to have, but a must have.**

The ROI of finance automation technology is considerable. Research indicates that not only are there potentially huge time savings gains, but that the benefits extend to every aspect of strategic financial management and control. Companies that have significantly improved their automation capabilities are better positioned than their competitors to meet shareholder expectations for timely financial information. For the CFO, a frictionless finance function not only adds value to their companies but empowers them to fulfill their role as a key strategic business partner.



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