Opportunities and areas of focus

The finance function is changing from a transaction processing, historical reporting function to a business partner responsible for driving growth and profitability. In our survey, CFOs identified financial reporting and process optimization, digitalization and analytics as the top areas for improvement within the finance function.

Financial reporting and process optimization

Ensuring there is a common chart of accounts across finance and the business

Defining process KPIs and measuring the process against these regularly

Implementing the use of a single source of truth for data

Embedding leading practice controls throughout

Clearly defining and documenting processes, including timelines, and outlined RACIs (responsible, accountable, consulted and informed parties)

Ensuring minimal manual intervention is required

Additionally, optimization can be achieved through integration, automation and digitalization. Removing the manual component from processes reduces the risk of errors and increases efficiency.

Nearly all CFOs surveyed identified management and financial reporting as the process they believed would benefit the most from automation.

Meanwhile, automation results in improved governance, time saving, mitigation of control risks, a higher quality of output and increased accuracy and reliability of data.

The majority of CFOs surveyed stated that their automation process is either established or is ahead of their peers, displaying confidence in their organization's systems.

Where reporting can be automated, functions have increased reliance on the output, increasing the time available to focus on more strategic and value-adding activities. Additionally, automation enhances end-to-end process visibility and creates a more defined audit trail.
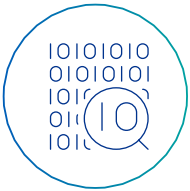
Embracing digitalization

CFOs are aware of the need to embrace digitalization, yet most of those surveyed identified digital maturity as one of the key challenges faced by their function today. Examples of successful digitalization include:

- Extreme process automation through the integration of new technologies, such as cloud ERPs, robotics, artificial intelligence and blockchain

- Performance insight and analysis from automated analytics and integrated business planning

- A revised and simplified organizational structure, requiring fewer staff, a simplified hierarchy and a defined service delivery model incorporating managed services, offshore locations and strategic business partners

- More effective use of the ERP system in finance processes, resulting in increased control and a reduction in the requirement for manual intervention

A majority of CFOs surveyed stated they are not using their ERP system to its full potential.

It is important for CFOs to review the needs of their business and reporting functions and structure their digital transformation around these specific requirements. This review should also include consideration of which reporting tools have the required functionalities to meet these needs. Potential solutions include, but are not limited to, vendors such as Oracle, SAP or Microsoft Dynamics.

Harnessing the power of analytics

Building advanced analytics into the finance function may potentially shift it from descriptive and diagnostic to prescriptive and predictive.

The CFOs surveyed identified analytics as a key opportunity for growth within their function. Finance is uniquely positioned to act as a catalyst for an analytics-driven enterprise.

Finance can process enterprise-wide data using advanced analytics, such as:

- AI and machine learning

- Driver-based results

- What-if analysis

- 'Touchless forecasting' using automated processes

- Statistical modeling

- Predicting signal changes