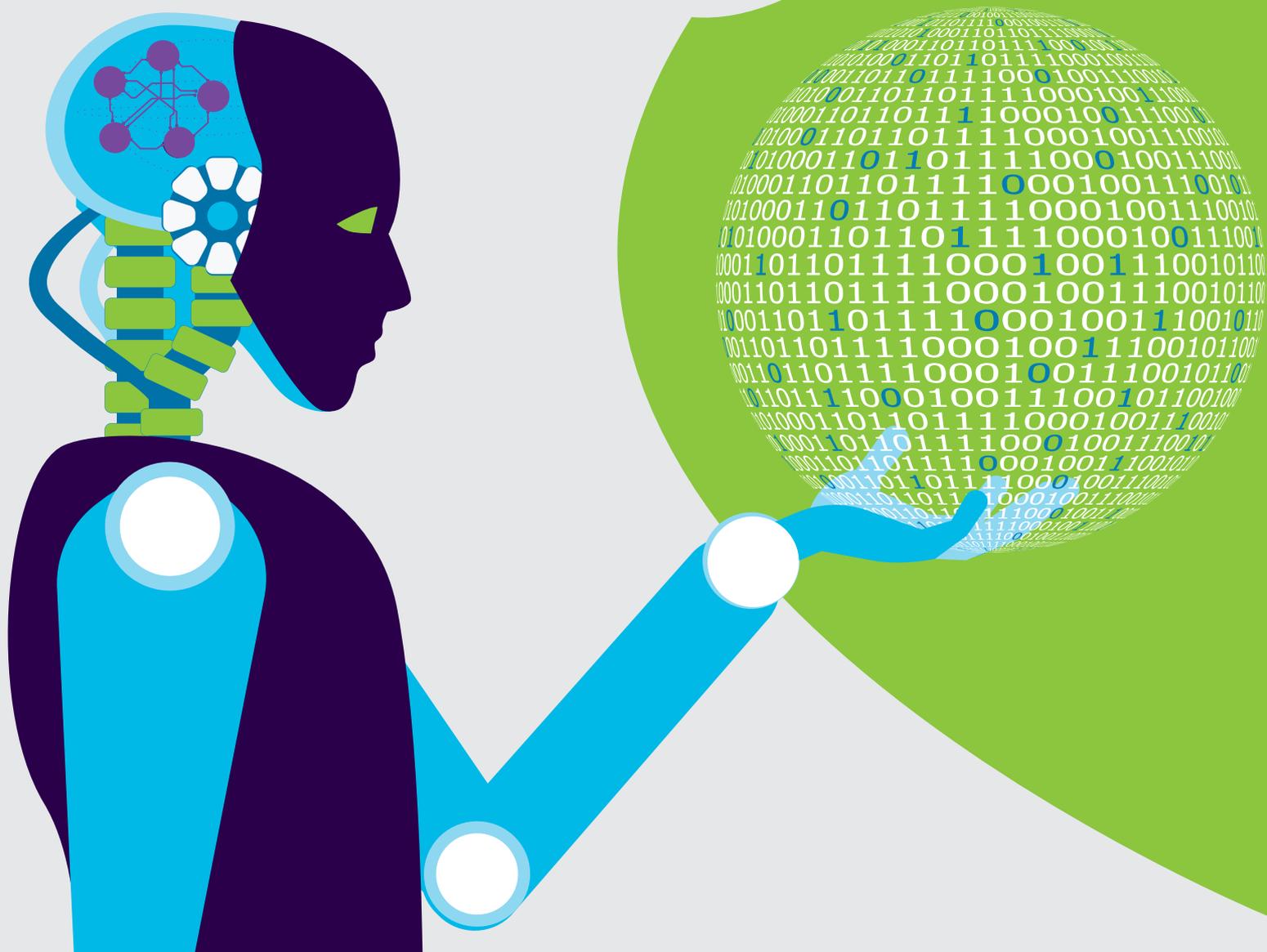


Reimagining the Future of Finance

Opportunities and challenges of intelligent automation for
the finance community





Finance is the guardian of corporate knowledge—we make sure the right people have the right information to make the best decisions.

Carole Murphy

Head of Business Transformation Services,
Capgemini's Business Services

Executive summary

This paper summarizes discussions from roundtable client events hosted by Capgemini in London and New York on the transformative effect intelligent automation could have on the finance functions of our clients' businesses.

It showcases our clients' views about where technologies such as robotic process automation (RPA) and artificial intelligence (AI) might be deployed to best effect in the finance function of their businesses—charting the progress they have already made, the benefits they are accruing and the barriers to adoption they must now overcome.

The paper also provides our vision of how intelligent automation transformation has evolved, and how it will continue to evolve to exploit the benefits and overcome the challenges highlighted by our clients.

Naturally, finance practitioners are at different stages of implementing intelligent automation—some have made significant progress, while others are still evaluating their options or assessing the business case for change. While many practitioners are excited about the range and reach of potential benefits on offer, they are also conscious of the barriers they will need to overcome in order to secure these advantages.

Key opportunities of intelligent automation

For some, the biggest benefit of intelligent automation lies in the potential for finance to offer greater value to the rest of the business, particularly over the medium to longer term. They are focused on the continuing drive to provide their internal business partnerships with tools that deliver real-time insight into current performance and granular analysis of future value opportunities. As one UK practitioner summed it up: "We're really talking about a cultural shift here—we've got to take this opportunity to show how we can add value."



We're really talking about a cultural shift here—we've got to take this opportunity to show how we can add value.
UK-based client

In other cases, our clients are building the initial case for transformation through an analysis of the efficiency savings that intelligent automation may drive. “Ultimately, at the moment at least, this is all about driving complexity out of the transaction in order to reduce cost,” stated one US-based client. This doesn’t necessarily mean eliminating posts within finance, but automation does offer the potential to accelerate manual processes and to strip out exceptions and errors, freeing up resources for deployment elsewhere.

Another of our US clients puts it this way: “There is so much process in finance that still needs to be fixed, and intelligent automation can do that for us.” The potential here is to deploy tools that integrate the systems and workflows required to capture and process data from across our clients’ businesses in the most meaningful and rapid ways possible—and then to generate actionable insight that can be pushed back out to their partners across the enterprise.

For many businesses, the need to improve the customer experience lies at the heart of the imperative for finance transformation. While the concept of business partnership is engrained in many finance departments, building structures that enable finance professionals to offer outward-looking support and insight has not proved straightforward. “We’ve worked hard to standardize process but we’re still not there,” says one UK finance practitioner. “We know we still have issues with the customer experience and these tools could help with that.”

Many businesses are now thinking in visionary terms. Finance transformation represents an opportunity to reimagine the work of finance—rather than simply perform the same tasks more quickly—and to address long-standing problems. “We also see this as an opportunity to think about the nature of our processes,” says a UK client. “Otherwise, you’re just putting a sticking plaster on top of something that doesn’t work well. There’s a danger there of industrializing bad process.”

In part, this will be a cultural shift, but by moving the focus of finance professionals away from manual processing and towards value-added reporting and analysis, intelligent automation can help to change mindsets. “We are beginning to change behaviors here that have built up over many years—it’s a fundamentally new way of working,” says one US practitioner that has already begun to deploy automation technologies.

Moreover, a key benefit of intelligent automation tools for many in finance is the opportunity to embrace transformation in a more iterative fashion. While replacing large legacy technology solutions wholesale requires substantial investment that can only be justified periodically, the cost of individual automation tools is much lower. This, in turn, enables finance to continually experiment with new solutions, optimizing the mix of tools over time according to results. “We’re considering limiting our investments in our ERP so that it becomes a basic database,” says one UK client of this approach. “If we can get integration right, we’ll do everything else outside of ERP, switching in tools in and out at will.”



There is so much process in finance that still needs to be fixed, and intelligent automation can do that for us.
US-based client



Automation for Finance



Challenges of implementing automation

For some organizations, the first challenge is simply knowing where to begin. “The theory is good, but every company is burdened by its own people, processes and systems, and it’s hard to push through this legacy,” said one US client.

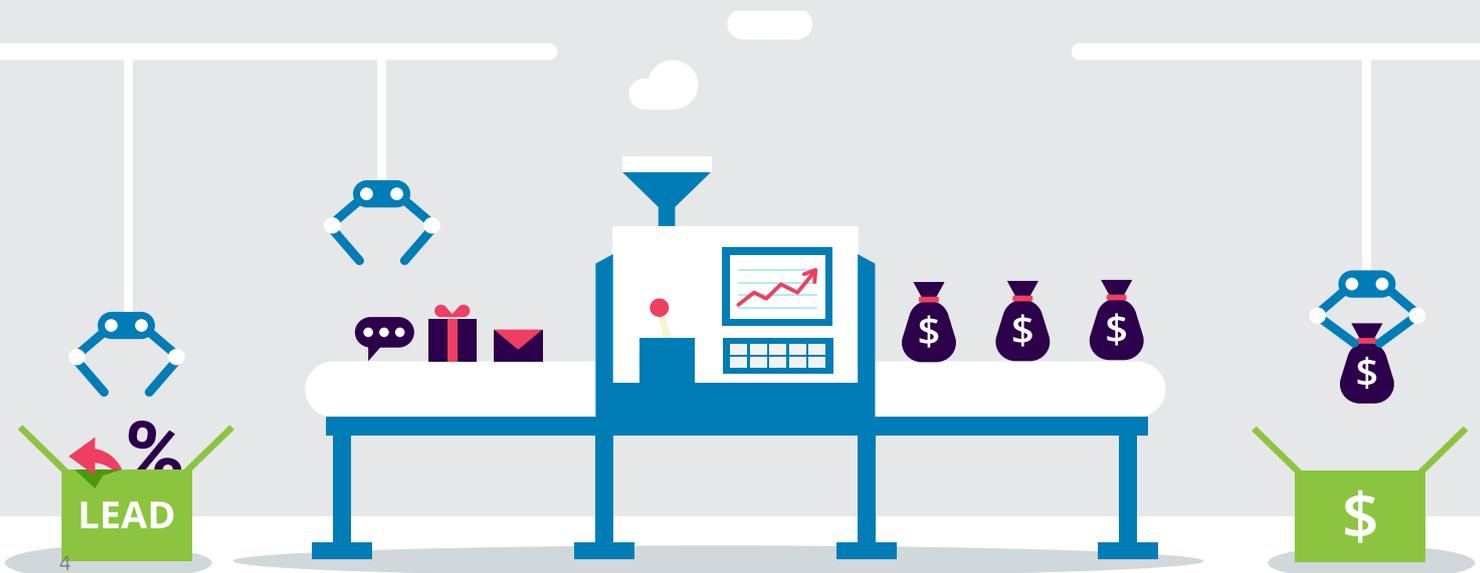
Certainly, there will be organizational issues to overcome—for example, are the business’s procurement processes fit for purpose in the context of regular small-scale investments rather than large but occasional capital spending projects? Finance will also need to think about how much support it needs from IT as it moves towards intelligent automation and who should control the adoption of new technologies. One UK client asked: “How do we work with IT to introduce these tools? Our experience is that IT can be conservative; for example, they worry about maintenance.”

Addressing these governance questions will be important, but finance will also need to be prepared to experiment—to spend some time understanding where intelligent automation tools are most easily integrated into their organizations in order to begin building the wider business case. Quick wins will provide the base for an incremental change process. It may simply be a question of identifying an existing problem that the organization already acknowledges and looking at how intelligent automation might deliver improvements.

Some finance professionals worry about becoming guinea pigs for the rest of the business, given the potential for automation in so many enterprise applications. For example, one UK practitioner said: “We struggle with the idea of being a test pilot for automation for the rest of the organization; is that what we want?” It’s a reasonable concern, but this wave of transformation offers finance an opportunity to take a central role. By contrast, finance has often been treated as a back-end function in previous transformation exercises, unable to take a leading role in shaping the change process.

As implementation progresses, the challenges may become more pressing. “How do we get up the maturity chain, incorporating more robots in our workforce and managing our cyber security exposure?” asked one US client. While a finance

*The theory is good,
but every company is
burdened by its own
people, processes and
systems, and it’s hard to
push through this legacy.*
US-based client



practitioner in the UK flagged up the need to improve data quality in order to make good use of emerging technologies: “While people talk about the opportunities of RPA, they don’t tend to mention the need for standard datasets across business units.”

These questions will have to be addressed—what start out as proofs of concept or individual deployments will need to be developed into scalable solutions. Equally, the imperative for the enterprise to build better datasets comprising structured and unstructured information will be even greater as finance adopts new tools, strong though it already is.

More broadly, the value of freeing up resources by applying robotics tools to manual processes will not be realized unless finance is able to use those resources effectively. “Our accountants right now don’t have the skills to control the process,” stated one US client. “We’ve got to move them to exception-based work rather than repetitive work.” It’s an important point: if intelligent automation changes the nature of finance work, finance workers will need to be equipped with the necessary skills to adapt accordingly.

Ultimately, the most pressing question of all will be whether finance is generating tangible returns on investment in these new tools. “The challenge for you guys is to show us how this will impact on the bottom line,” said one of our US clients. This will require finance to develop robust performance indicators and measurement tools that identify key outputs on an ongoing basis—both in terms of cost savings generated by the move to automation, but also focused on value creation.



If we want to be true business partners, we need to be able to explain what’s going on in the business much more quickly.”

Lee Beardmore
Chief Technology Officer,
Capgemini’s Business Services

Drivers of change

The challenges and opportunities picked out by our clients underline the broader imperative for intelligent automation: these tools represent a means to move finance from its historical role as an auditor of information in the business to a position where it ensures the business has the right information with which to make decisions.

In the past, the debate about automation in the workplace—both in finance and beyond—has often been couched in negativity, focusing on the threat robots pose to employment, for example, or the elimination of human intervention. However, the opportunity that intelligent automation tools represent does not lie in stripping ever-more people (and therefore cost) out of the business. For finance, these tools offer a means to step up to the challenge it is being set by its peers across the enterprise to:

- **Deliver bottom-line effectiveness**—cost is a narrow prism through which to consider the bottom-line. While automation can deliver savings, the bigger picture is about value: outward-looking cost-effectiveness and competitiveness.
- **Drive top-line value**—intelligent automation gives finance access to ever-richer pools of data and frees up resources previously deployed in repetitive processing to report on and analyzes that data. In this way, finance can meet its responsibility to monitor performance across the business and identify how to drive improvement.
- **Enhance and accelerate decision-making across the business**—armed with enhanced business intelligence and visualization tools that automate reporting and analytics, finance is better placed than ever to ensure every other function can innovate and accelerate growth.

Moreover, intelligent automation offers a route to new ways of working that is iterative rather than “big bang”. Unlike previous waves of transformation, it does not require finance to make large-scale investments in IT or to replace legacy technology with more modern systems. Instead, businesses will move forward with a series of small projects and experiments, stitching together best-of-breed tools and technologies to offer constantly evolving services and processes that deliver ever more.

Transformation in practice

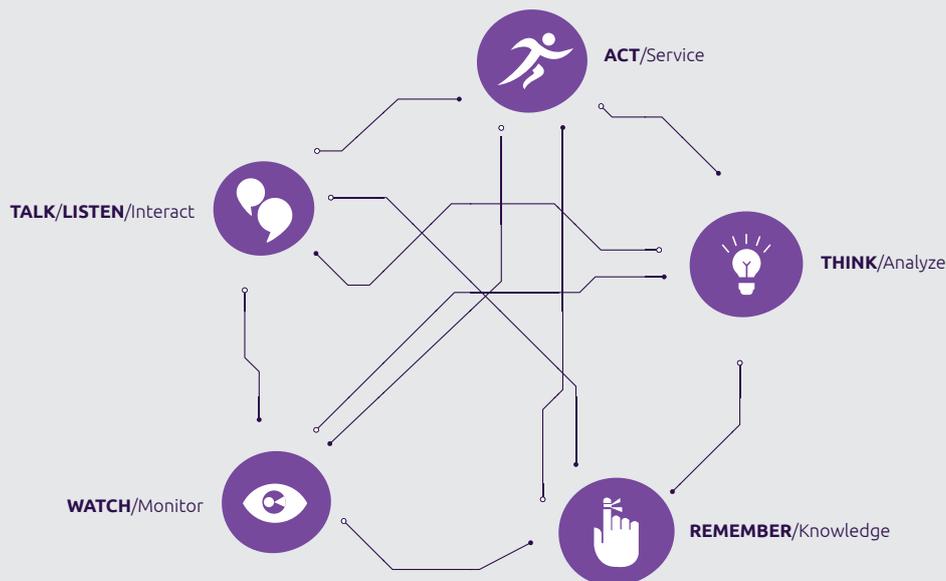


We are beginning to change behaviors here that have built up over many years—it's a fundamentally new way of working.
US-based client.

Our vision of intelligent automation is built on three pillars or principles:

- **Automation first**—the need to move people away from work processes that can be automated into areas where they can add greater value.
- **Technology arbitrage**—the idea that no single tool or provider will offer everything that finance needs. Rather, the imperative is to create an architecture in which the best tool for each process or task can be plugged in and connected to other tools also being employed.
- **Knowledge centric**—the need to build a corporate knowledge center that grows over time as staff from finance and beyond add their expertise and search for new answers.

The “Five Senses of Intelligent Automation”



But what does such a framework look like in practice? What specific tools can finance apply to begin to reap the benefits of intelligent automation? Capgemini’s “Five Senses of Intelligent Automation” approach to intelligent automation imagines a wide range of applications employed by finance to meet the need to:

Nothing we show you today could not be deployed in your business tomorrow; the technology is proven and these tools work
Christopher Stancombe
Head of Industrialization and Automation, Capgemini

- **WATCH/Monitor**—conduct continuous monitoring of business performance through real-time financial reporting and exception flagging. Example technologies include a broad range of configurable KPI dashboards.
- **TALK/LISTEN/Interact**—communicate with the business, receiving and processing diverse forms of structured and unstructured data, and responding intelligently. Example technologies include chatbots and voicebots.
- **ACT/Service**—automate processes and complete tasks with no or limited human intervention. Example technologies include RPA tools that can process orders and invoices, with AI that is extending the reach and scope of such tools.
- **THINK/Analyze**—detect patterns and recognize trends in order to determine or recommend appropriate actions. Example technologies include dashboards that offer insights of value across the business.
- **REMEMBER/Knowledge**—build a user-driven bank of knowledge appropriate for the needs of the business. Example technologies include AI tools that can identify fraud.

It’s important to recognize that no organization will acquire and implement all these intelligent automation capabilities in one stroke. Rather the challenge is to build and connect tools over time, swapping in new solutions as superior applications become available.

Building an automation-led transformation program is not just about process and technology. Capgemini also reviews the impact changing technologies can have on your grade mix and capabilities, which drives change and supports your business in the future. Knowledge can be hardcoded into your processes using automation that enables your finance teams to augment their abilities, as we shift from record to report, analyze, and action.

In conclusion

Intelligent automation:

- Offers a more comprehensive and real-time view of business performance, to the benefit of both finance and every other part of the organization.
- Brings new and more immediate levels of measurability to finance, enabling it to secure or drive both bottom-line and top-line benefits.
- Supports compliance with automated processing and reporting.
- Enables finance to focus on delivering a better customer experience for both internal and external audiences.

Moreover, the iterative and granular nature of implementing intelligent automation tools means a modest upfront investment can deliver significant return, which can fund further transformation.

The transformative benefits of intelligent automation can be achieved to their fullest extent when technology and tools are matched by deep understanding and experience not only of their implementation, but of the processes to which they apply inside global operations. When this happens the finance function will be recognized as the nerve center of the enterprise, enabling the entire organization to reimagine its own future.

We know we still have issues with the customer experience and these tools could help with that.
UK-based client



Scan here to read more about “The Five Senses of Intelligent Automation”



About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 200,000 team members in over 40 countries. The Group reported 2017 global revenues of EUR 12.8 billion.

Visit us at

www.capgemini.com



Scan here to learn more about Capgemini's Finance Powered by Intelligent Automation offering can help reimagine the future of your finance function

Connect with us:



@CapgeminiBusSvc



www.linkedin.com/company/bpo-thought-process



businessservices.global@capgemini.com

People matter, results count.

The information contained in this document is proprietary.
©2018 Capgemini. All rights reserved.