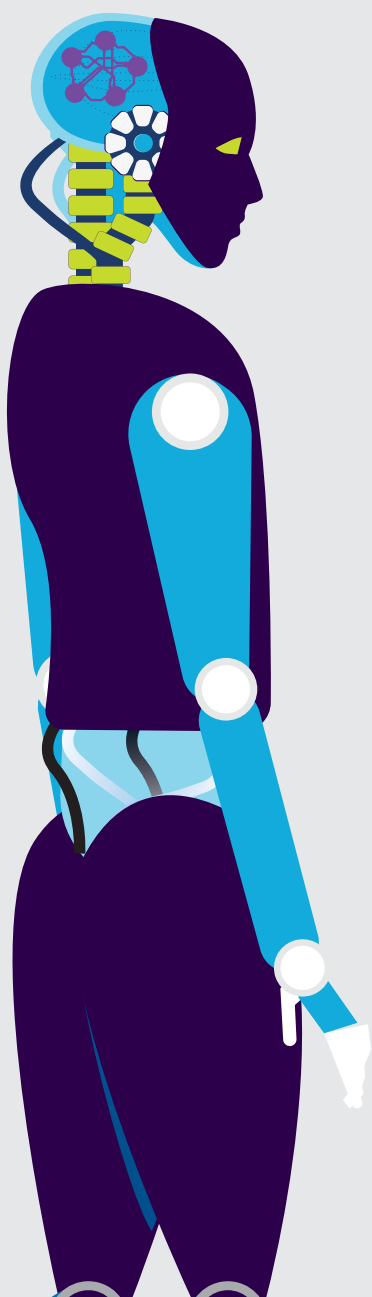


Reimagining finance for the digital age

How the application of intelligent automation
is transforming the finance function



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To deliver on their automation objectives, companies will need to step up a gear in their automation efforts. In particular they will need to support automation with more advanced technologies and knowledge-management strategies.”

Executive summary

What role should the finance function play in digital transformation? It would no doubt be expected to monitor progress and help front- and back-office departments to budget for transformation. But a large number of finance professionals believe that their function has the opportunity to play a more instrumental role. Central to their vision is intelligent automation.

This study, based on a survey of 500 senior finance executives in Europe and North America and across five sectors, finds that automation of finance processes with advanced tools such as robotic process automation (RPA) is well under way. Many finance teams also have plans to drive process automation with artificial intelligence (AI) and machine learning (ML).

The automation objectives of many firms stretch far beyond the transactional: first is the digital transformation of the finance function itself; second is the elevation of its role in the business to a provider of insights that drive value. To deliver on these objectives, companies will need to step up a gear in their automation efforts. In particular they will need to support automation with more advanced technologies (such as AI) and knowledge-management strategies.

Key findings

Automation of several finance processes is advancing. About half of the companies in the survey have, for example, fully or nearly fully automated individual processes such as query handling and payments. Just under half report the same of cash reconciliation, order management, and invoice raising. Around two-thirds see the potential for these and others processes to be close to fully automated within three years.

An elite group of automation “Masters” is leading the way. Guided by a transformation strategy, the Masters have fully or partly automated the above and other processes. They are much more confident about expected returns from automation than “Novices”—firms that have only started to implement a strategy. More than half (58%) of Masters believe automation will be generating maximum benefits for them within three years, compared with just 32% of Novices. The contrast between the two groups is stark in several other respects.

Bottom-line benefits are the priority today, but anticipated gains—if they are realized—could be transformative. Most firms are focusing on boosting efficiency and generating savings from automation. But in three years, Masters expect to be delivering multiple types of value to other parts of the business. For example, 60% expect that in three years’ time automation will be helping them to improve their customers’ experience, and 55% say it will be helping to unlock new insights that drive value for the business.

A joined-up approach to automation is more likely to be effective. Masters’ greater automation maturity and ambition may partly result from what appears to be closer integration with enterprise-wide automation efforts. More than eight in 10 Masters—85%—say the business as a whole is also pursuing an automation strategy, while 51% report that automation is led at enterprise level by a dedicated team.

For the most advanced, legacy technologies are the main impediment. While Novices struggle most with people and knowledge issues, for Masters, it is legacy systems that appear to cause more automation difficulties. The inference is: the greater a finance team’s automation progress, the more likely it is to be satisfactorily addressing talent and skills challenges, and to be running up against technology blockages.

Finance's digital role is enhanced in the most enhanced organizations. The Masters' ambition is demonstrated in two more telling statistics: nearly two-thirds (65%) say that automation is more advanced in finance than elsewhere in the business; and over half (54%) firmly believe that the finance function should play a leading role in driving automation in the organization. For these companies, the prospect of finance assuming an influential role in digital transformation overall look promising.

Defining automation

For the purposes of this study, automation is defined as the application of technologies such as RPA, AI, ML, and chatbots. Within the finance function, automation lends itself to numerous processes, such as invoicing, order management, payments, journal entry, and many more. In this context, the term "robot" typically denotes a software program that drives the automated execution of a process.

About the research

The analysis in this report draws on an online survey of 500 senior finance executives conducted in January and February 2018 by Capgemini and Longitude.

Seven in 10 survey respondents are finance directors (39%) or finance operations directors (31%), with the balance consisting mainly of finance transformation directors or managers, chief financial officers (CFOs), and controllers. Quotas were set on the sample to deliver an even split between five industries: consumer products, retail, financial services, manufacturing, and media and entertainment.

We also set quotas on geography, with half of the respondents based in North America and the other half in Europe (mainly in the UK, Germany, and France). All work in large organizations that have an annual revenue of €2 billion or more.

We also obtained in-depth insights from interviews conducted with the following individuals:

- Daniel Borges, Senior Vice President, Chief Account Officer, Iron Mountain
- Violet Desilets, Vice President, Financial Services and Systems, Staples
- Katja Hinojosa, Finance Transformation Director, Tetra Pak
- Bob Kurpershoek, director of financial operations, NBCUniversal
- James Merrick-Potter, Head, Robotic Automation Unit, UK Cabinet Office
- Thomas Newman, Director, Solutions Development, General Mills
- Thomas Peyton, Vice President, Service Excellence, Wolters Kluwer
- Nick Prangnell, Global Head, Finance Shared Services, Iron Mountain
- Wayne Walker, Director, Financial Operations, Global Business Services, General Mills
- Brian Warnert, Director of Operations, Global Business Solutions, General Mills



Robotics is a very exciting area for finance. And it's exciting for the people who are working with robots because they can focus more of their effort on areas where they can really make a difference."

Violet Desilets
Vice President,
Financial Services
and Systems,
Staples

Introduction—why automate?

Organizations' pursuit of greater efficiency through automation is not a new phenomenon. But the advent of intelligent automation technologies and techniques such as RPA, AI, and machine learning, combined with the growth of big data and the vast number-crunching power of cloud computing, have introduced a new dynamic. Their arrival is pushing automation on to the agenda of CEOs in most industries—and not just to boost efficiency.

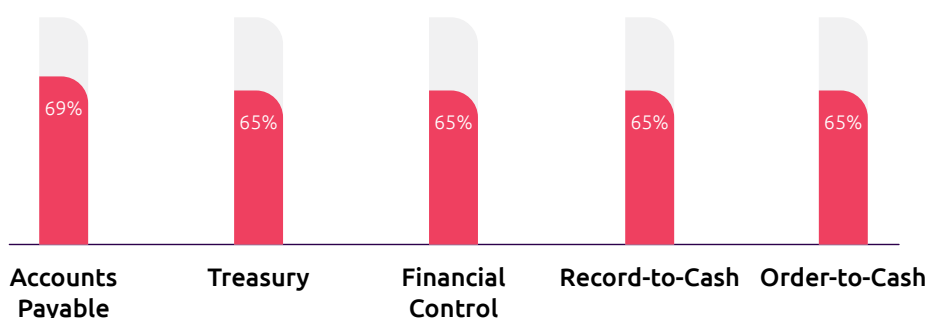
Businesses see that they can gain an automation advantage in many different spheres of operation where repetitive processes dominate, such as customer service, information technology (IT), procurement, and product development. About four in 10 survey respondents (41%) say that their organization has an enterprise-wide strategy in place for automation. They expect it to lead not only to greater productivity and reduced operating costs in these areas, but also to more informed decision making and better business insights. These companies also have increased sales and greater customer satisfaction in their sights.

Automation is an important tool for finance, because the function receives and processes transactions from myriad suppliers and customers in multiple formats. After converting all of these transactions into data, finance can conduct analysis and ultimately derive insights that drive decision-making. The finance function therefore features prominently in organizations' automation plans. To technology professionals, this might seem counterintuitive—after all, back-office functions are not often the first to benefit from investment in advanced digital technologies. But the era of intelligent automation provides an opportunity to change that.

Half or close to half of the finance executives in the survey report that their team has gone a long way toward fully or nearly fully automating a variety of individual processes today. Nearly seven in 10 see the potential for these and other processes to be fully or nearly fully automated within three years (see Figure 1). Finance leaders' expectations of automation are high. More than half of the survey group—56%—believe it will be a high-impact development for the finance function, affecting many of its workloads.

Robotics is “a very exciting area” for finance, says Violet Desilets, vice-president of financial services and systems at US office products retailer Staples. “It’s a way to free up time and effect change very quickly,” she explains. “And it’s exciting for the people who are working with robots because they can focus more of their effort on areas where they can really make a difference. Nobody wants to sit and do repetitive tasks.”

Figure 1: Companies in which individual processes in key categories could be fully or nearly fully automated within three years (share of respondents)



Note: The percentage figures shown are averages of the individual processes in each category that were included in the survey.

Beyond the bottom line

Many businesses are now thinking in visionary terms: that finance automation is an opportunity to reimagine the work of the function, rather than simply to perform the same tasks more quickly. It's not just about speed or cutting costs, says Desilets, "It's about improvement—of our customer experience and our value-capture."

A large share of surveyed finance executives—43%—concur, believing that automation, if used effectively, has the potential to transform the finance function from scorekeeper to a strategic business partner.

Finance veterans have heard this sort of claim before in relation to other enterprise technologies. And as we will see below, the automation efforts of finance teams are currently focused on improvements to the bottom line.

But in three years, different kinds of returns are expected—for example in terms of improved customer experience and the delivery of new business insights. As AI and machine learning come to drive more automated processes, the finance team's ability to generate unique insights from the depth and breadth of data it gathers in different business areas is likely to increase.

Thomas Newman, director of solutions development at General Mills, a US-based manufacturer of consumer food products, poses the automation challenge for his company's finance function. "How do we gain that efficiency and then move the finance group out of mere data-gathering into more insight-generation?" he asks. "That's the journey we want to go on."



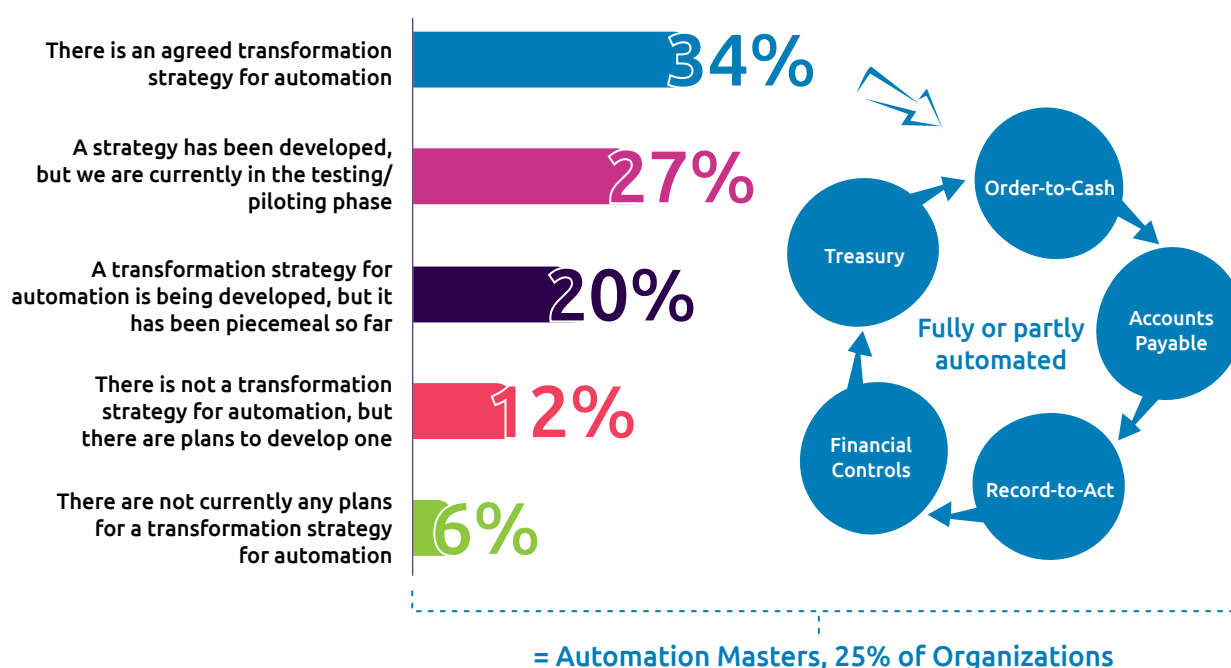
How do we gain that efficiency and then move the finance group out of mere data-gathering into more insight-generation? That's the journey we want to go on."

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Director of Solutions Development,
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Who is best in class?

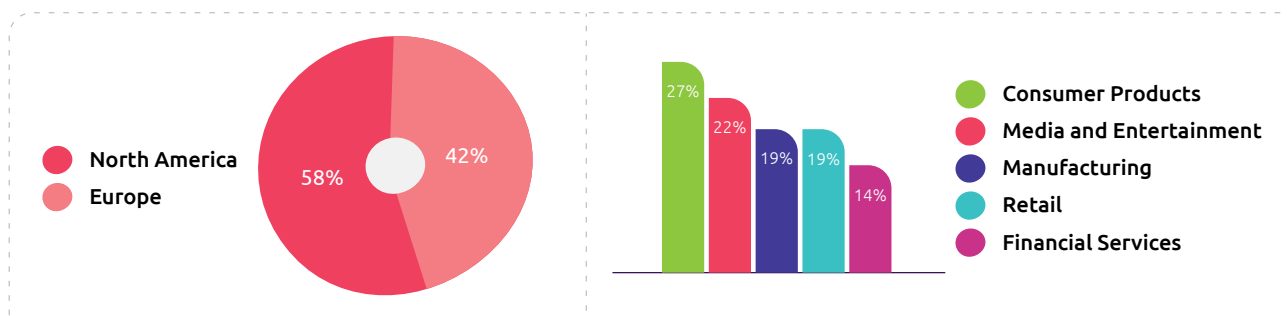
A select group of surveyed companies—26% of the sample—are ahead of the rest when it comes to the automation of finance processes. We call this group the finance automation “Masters”. Not only do these firms have an agreed transformation strategy in place to guide finance automation, but they have also already fully or partly automated the 18 processes covered in the survey (see Figure 2).

Figure 2: Finance automation Masters



Masters are more likely to be found in North America than in Europe. They are most prevalent among consumer products companies and least prevalent among firms in the financial services sector (see Figure 3).

Figure 3: Finance automation Masters by region and sector



Note: The survey sample is distributed evenly between the two regions and between each of the five sectors shown in the charts. In addition, here and elsewhere, not all chart numbers add up to 100%, either because of rounding or because respondents were able to provide multiple answers to some questions.

Maturity and confidence

Masters display very different levels of automation maturity in comparison with “Novices,” the 18% of surveyed companies that have no plans for a finance automation strategy or have plans but no strategy yet. There are also clear differences between the two groups when it comes to the automation approaches they are taking (for example, where the efforts are being led from) and the challenges they are facing. We will explore these differences in some depth later.

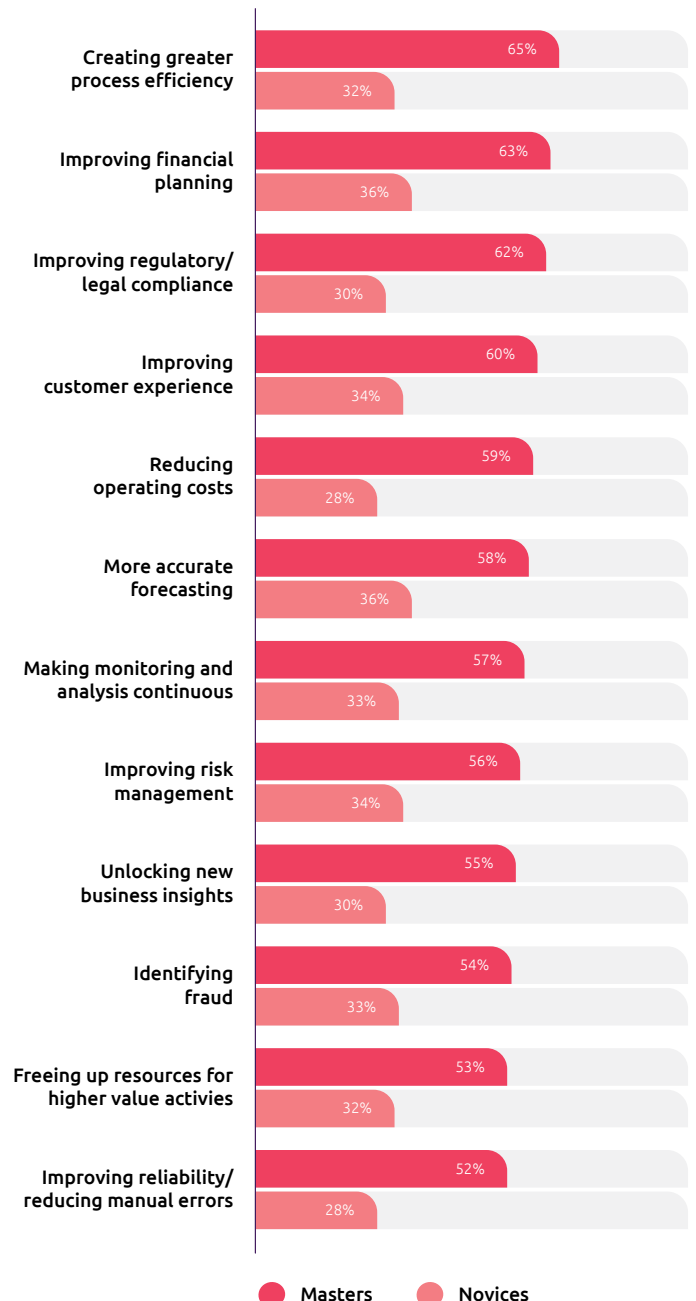
There are telling divergences between the Masters and the Novices in two other areas: revenue growth and confidence about the future.

Masters often enjoy higher revenue growth than Novices: 26% of the former group have experienced revenue growth of 10% or higher over the past three years, compared with only 6% of the latter group.

Masters are also a confident group when it comes to automation. In both groups only relatively small proportions (22% of Masters and 27% of Novices) say they are realizing automation benefits now. But when it comes to the future, Masters are much more bullish: 58% say they expect automation to be generating benefits in full within three years, compared with just 32% of Novices.

Masters are most confident of generating significant future returns in the form of greater process efficiency, better financial planning, and improved customer experience. And although the numbers are slightly smaller when it comes to benefits that will help other parts of the business, more than half the Masters believe they will be generating full returns by 2021 in terms of improved customer experience, continuous monitoring and analysis, and the unlocking of new business insights (see Figure 4).

Figure 4: Finance automation benefits expected to be fully realized within three years





We're still in the early stages of this, so we are looking at things that are business-rule driven."

Violet Desilets
Vice President,
Financial Services
and Systems,
Staples

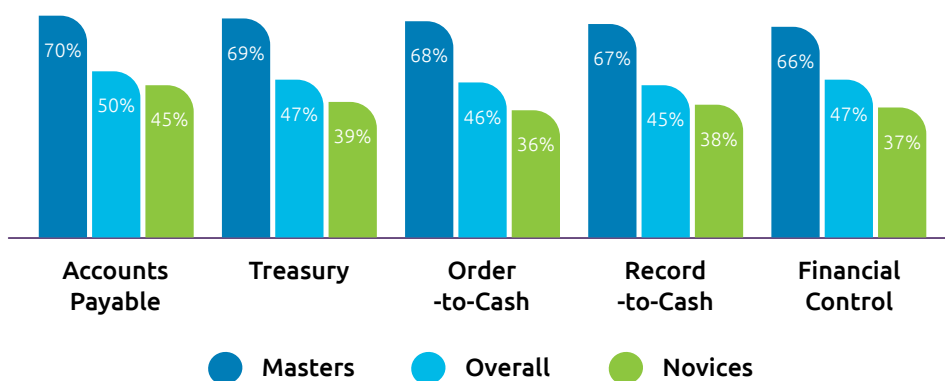
What is being automated?

Many companies in our research are choosing to take an iterative approach to automation, starting with the processes that should be easiest to automate. This approach makes sense for two reasons. First, it provides straightforward and relatively risk-free opportunities to test and pilot newly acquired automation technologies. Second, success in building efficiency and driving costs out of such processes helps make the business case for later, more ambitious stages of automation.

Arguably more than other enterprise functions, finance abounds with the types of repetitive processes, such as accounts payable, that lend themselves to optimization through automation. "We're still in the early stages of this, so we are looking at things that are business-rule driven," says Staples' Violet Desilets.

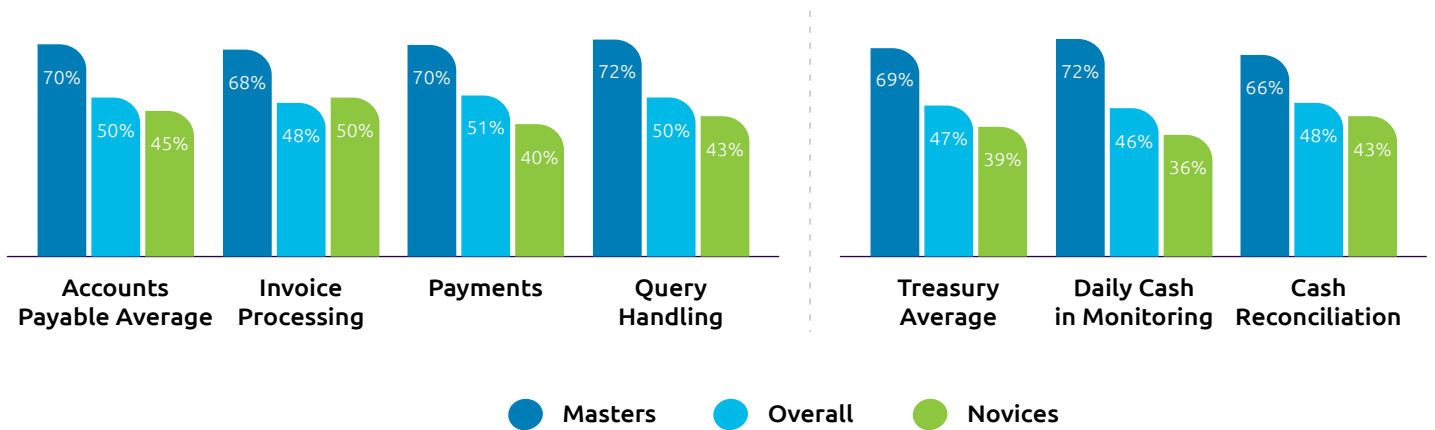
The same is true for Tetra Pak, a manufacturer of food packaging. Katja Hinojosa, its Switzerland-based finance transformation director, states that finance automation has begun with what is most rules-based and repetitive. "Robots are helping humans in these processes," she says, "allowing them to relinquish what were copy-paste activities and engage in more knowledge work." Automation can thus do more than streamline processes; it can eliminate entire sets of activities (see Figure 5).

Figure 5: Share of respondents who say processes in key categories are fully or nearly fully automated



Masters have reached a considerably greater degree of automation than Novices as well as the overall survey sample. This is evident when looking at accounts payable activities. Seven in 10 Masters, for example, have fully or nearly fully automated their query handling and payments processes, compared with half of the overall sample and little more than 40% of Novices (see Figure 6).

Figure 6: Accounts Payable and Treasury processes fully or nearly fully automated



High-volume, positive returns

For many companies, transaction processing is currently the focus for automation. It is the case, for example, at Staples. “We’re leaning out our transaction processing in accounts payable, cash application, and accounts receivable,” says Desilets. “Robots are completing the transactions and reconciliations. Much of it is completing the tasks that we have to do for customers and vendors.”

Finance teams at other firms are automating in a few different categories to start with. One such firm is NBCUniversal, a leading global entertainment company. According to Bob Kurpershoek, the group’s director of financial operations, most of its robots have been deployed in cash applications and invoice creation for international order-to-cash. “We’re automating these first,” he says, “because the volume is high, and the process is quite standardized. A combination of those two make the return on investment of putting a robot in place very positive.” Kurpershoek adds that later steps will involve automating tender and customer master data set-up.



Robots are helping humans to relinquish what were copy-paste activities and engage in more knowledge work.”

Katja Hinojosa

Finance Transformation Director,
Tetra Pak



We leverage best-in-breed workflow tools and software-enhancing applications that allow us to process consistently and in a standardized manner."

Brian Warnert
Director of Global
Business Services,
General Mills

Other finance teams are automating across a wide array of processes (see figures 7 and 8).

General Mills has seven core transactional areas, according to Brian Warnert, its director of operations for Global Business Solutions, including accounts payable, cash application and fixed asset accounting and general ledger activities.

Automation is proceeding across all of these, says Warnert. "We leverage best-in-breed workflow tools and software-enhancing applications that allow us to process consistently and in a standardized manner. We operate many of the automated processes in our shared services centers."

Figure 7: Order-to-cash processes are fully or nearly fully automated (share of respondents)

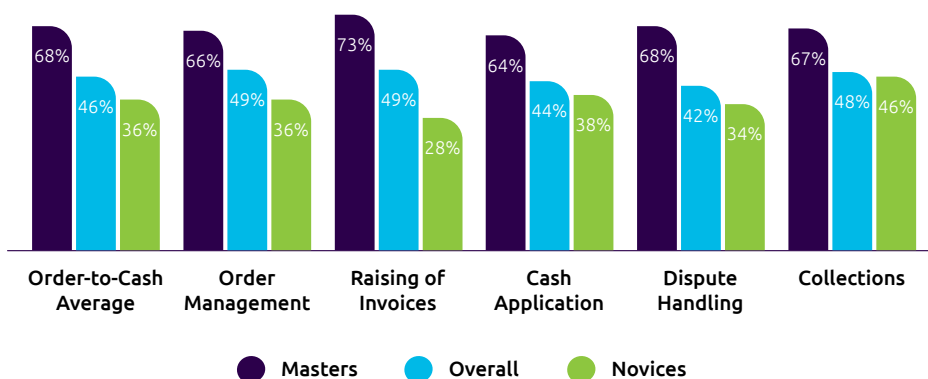
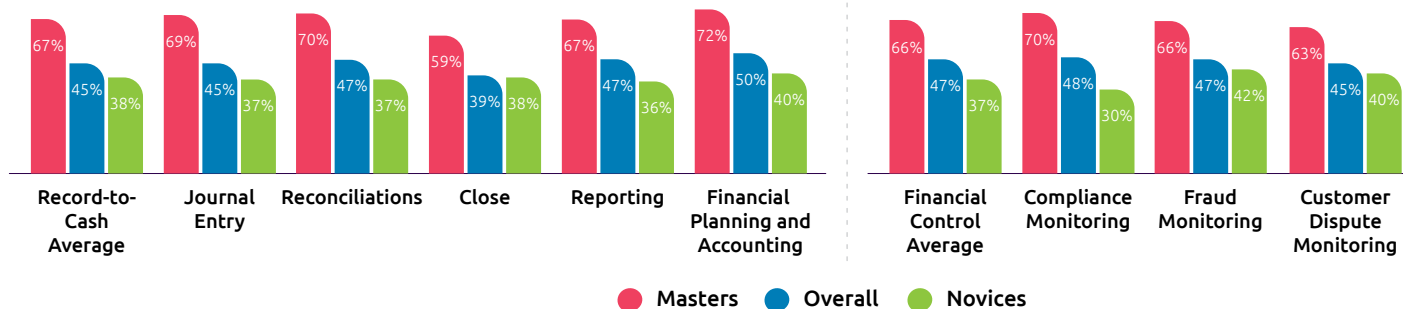


Figure 8: Record-to-cash and financial control processes fully or nearly fully automated (share of respondents)



Roads to transformation

The progress of these companies presents an encouraging picture for all finance teams that have embarked on automation.

The initial case for automation may have been built on efficiency gains and savings, but for many firms, as we have seen, the longer-term goals are more far-reaching. Improving the customer experience, delivering better insights to the business, redeploying staff to focus on higher value activities—these are objectives that speak of finance transformation. But how do companies reach each milestone, and who leads the way?

Again, Masters provide some indications. Many more of this group than Novices and the rest of the survey respondents consider automation to be a strategic priority for the finance team.

Masters' automation strategy for finance also appears to be more joined up with that of the wider enterprise. More than eight in 10 Masters—85%, who by definition have a finance automation strategy—say that the business as a whole is also pursuing such a strategy. Far fewer of the other survey groups say the same (see Figure 9). And considerably more Masters indicate that automation is led at enterprise level by a dedicated team (see Figure 10).

This more advanced group of finance teams has a better chance of integrating its automation initiatives with those of other parts of the business that it is ultimately serving. This is thanks to a holistic, enterprise-wide approach to automation. Coordination with enterprise-level automation efforts does not mean that finance is not in control of its own automation. All the executives we spoke to confirm that the key player in their automation initiatives is their CFO or themselves. Masters (95%) and the rest of the survey sample (85%) are clear that finance will lead the automation strategy within its own function.

Figure 9: The status of automation strategy at respondents' organizations

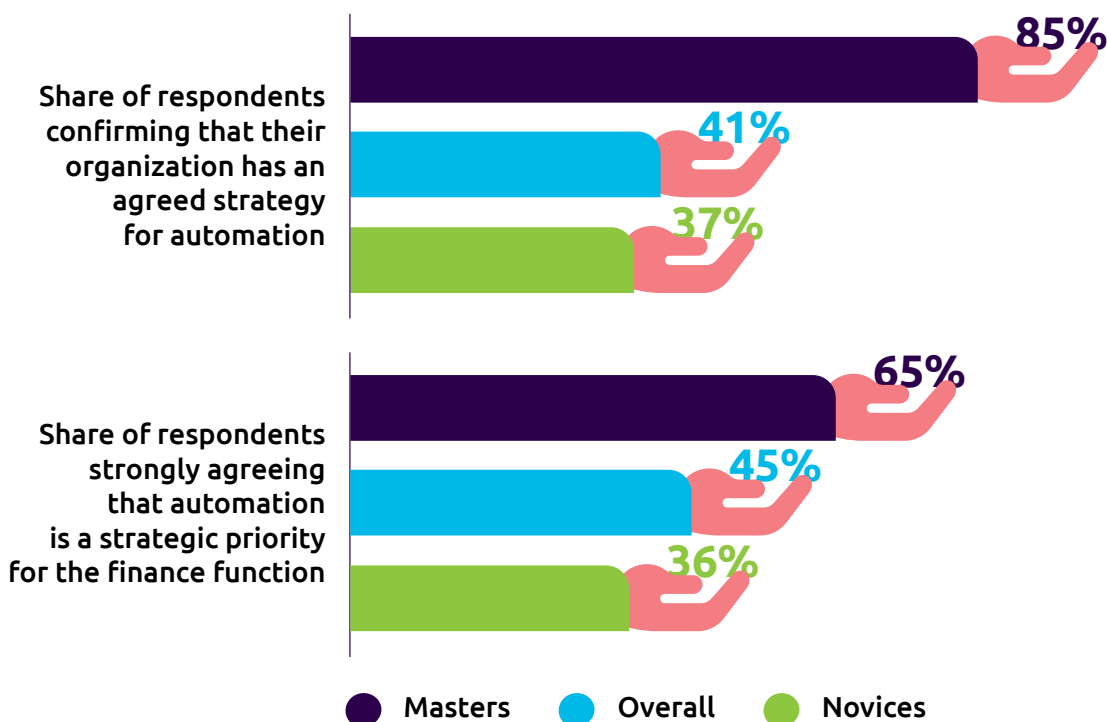
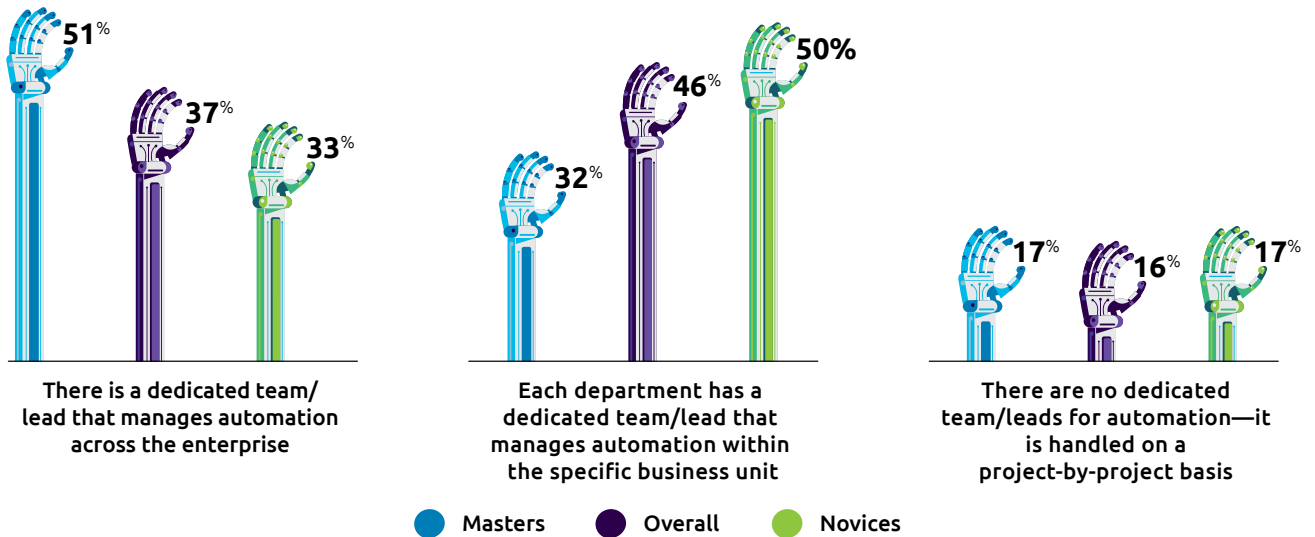


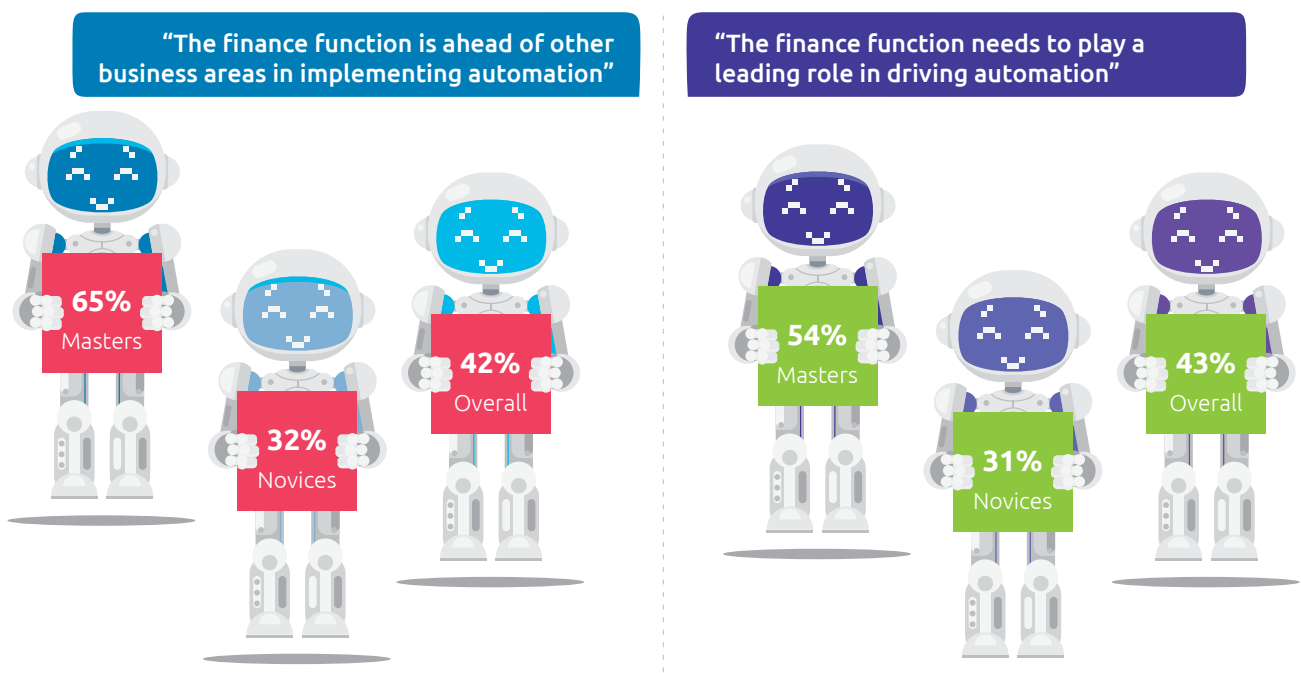
Figure 10: Level of automation projects at respondents' organizations



But it could mean finance taking a lead role in the enterprise itself in certain aspects of automation. Bob Kurpershoek reports that finance is leading the way with automation at NBCUniversal as a sort of testing ground: "Finance is on the leading edge in the business," he says.

Perhaps not surprisingly, most (nearly two-thirds) of the Masters in the survey believe that finance is ahead of other business areas in implementing automation. And over half believe that finance can and should play a leading role in driving automation—one more indication of their ambition and boldness (see Figure 11).

Figure 11: Share of respondents who strongly agree with the indicated statements



A helping hand from IT

Another conclusion from these findings is that the IT department is playing a supporting, rather than leading, role. Only one executive in the survey sample (499 respondents) say that IT is leading the automation of finance processes.

IT's control of infrastructure, however, and its visibility into other departments' applications and processes, mean it has an important consultative role to play. "The IT team are an important part of our governance," says Desilets. "We tell them about any robots we're deploying and why we're deploying them, and what they're expected to do. The partner is building the bots and the business is approving them. But the IT team needs to understand why we have need of them as well as the system requirements."

Kurpershoek also confirms that, while his team's RPA initiative is led from within finance, IT is closely consulted. "We involve IT right from the beginning," he explains, "because the robots often run on servers and access systems."

At Iron Mountain, a US-headquartered information management provider, a global finance application relationship executive sits between IT and finance, according to Daniel Borges, the firm's chief accounting officer. This person reports into IT but has a strong finance background, he says. Borges refers to the role as that of a translator between the finance function's needs and its IT organization's technology enablement capabilities.

The existence of an automation strategy points to the use of a roadmap to guide its implementation. In many cases, this may not be formalized. Instead, it is based on a consensus view of the finance leaders about where automation should begin—in which processes or geographies—and how it should be scaled up. The "small steps, big thinking" approach detailed below, gives examples of the iterative approach many finance teams are taking to automation: pilot, proof of concept, deployment in one or two transaction processes, and then a staged rollout to other process categories.

A considerable amount of preparatory work must naturally be done before robots are even piloted. Ensuring that processes are fully standardized is an important element of this. "Many processes initially appear standardized but when you look closely, it turns out they are different," says Katja Hinojosa of Tetra Pak. "Before automating anything, we first streamline and simplify the processes to its best extent. It is necessary to spend time on this before starting with automation."

Borges agrees. "We don't yet have common platforms in systems and standardized processes," he says. "Until you actually get those fundamental pieces done, I don't think you can begin automating in a large and impactful way. We're laying the groundwork to be able to get to that space."



We involve IT right from the beginning because the robots often run on servers and access systems."

Bob Kurpershoek
Director of Financial
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NBCUniversal



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Tetra Pak



We will start small, and build the planning capability on top of that, and then we will grow that out across the function over the next several years.”

Thomas Newman

Director of
Solutions Development,
General Mills

Small steps, big thinking

Automation technologies such as RPA (not to mention AI and machine learning) are relatively new to enterprise finance teams. Some might therefore argue for caution in deployment, but it is possible to experiment with little risk.

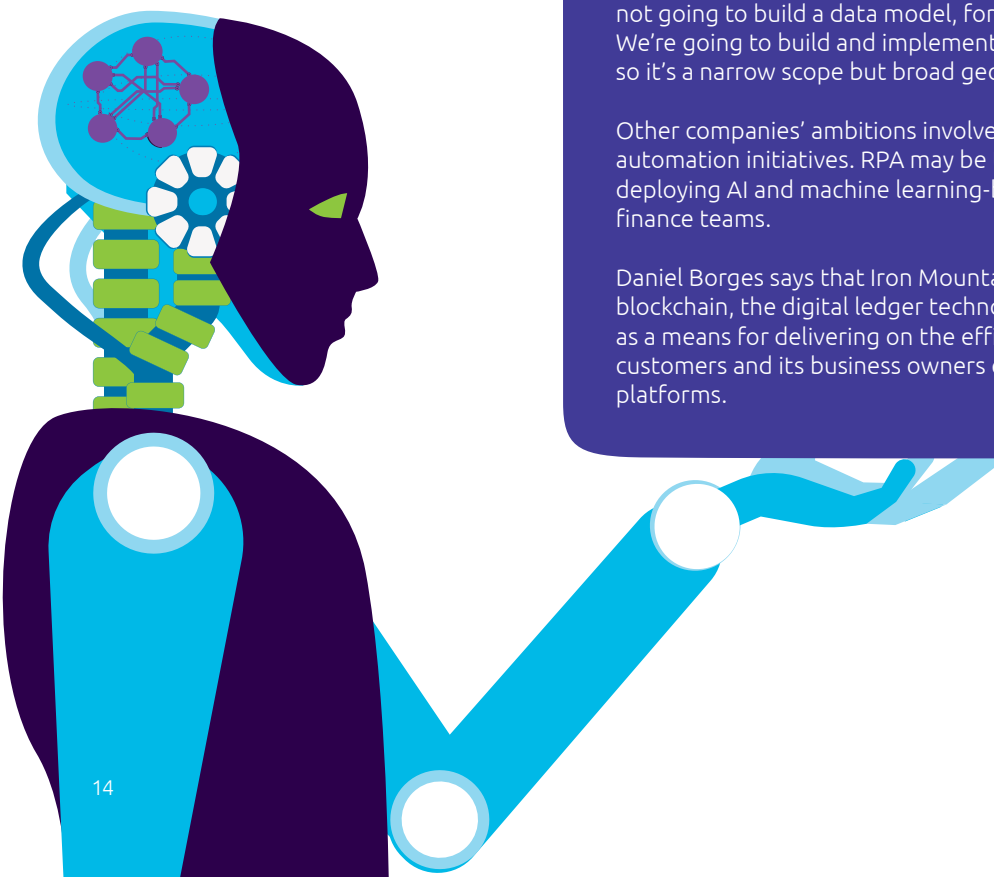
Unlike previous waves of new enterprise technology, RPA tools do not need to involve large investments. Organizations can keep their experimentation within tight parameters while knowledge is accumulated, and after building and learning from prototypes, can implement small pilots before extending the tools to other processes or geographies.

The larger the organization, the more difficult a “big bang” implementation of robotics is likely to be, according to Bob Kurpershoek of NBCUniversal. He believes, however, that an outsourcing partner can help a large enterprise to build scale rapidly rather than in a fragmented manner—particularly if the partner is executing all or most of the enterprise’s legal, IT, and HR processes.

Starting small does not indicate that ambitions are low. General Mills, for example, is in the midst of efforts to globalize the finance function. That means that limited pilots may be conducted globally. “We will start small, only doing actuals, and build the planning capability on top of that, and then we will grow that out across the function over the next several years,” says Thomas Newman. “But we’re trying to do it globally; we’re not going to build a data model, for example, for North America alone. We’re going to build and implement a data model that will work globally, so it’s a narrow scope but broad geographically.”

Other companies’ ambitions involve the technologies behind their automation initiatives. RPA may be the most commonly used today, but deploying AI and machine learning-based tools is on the agenda for many finance teams.

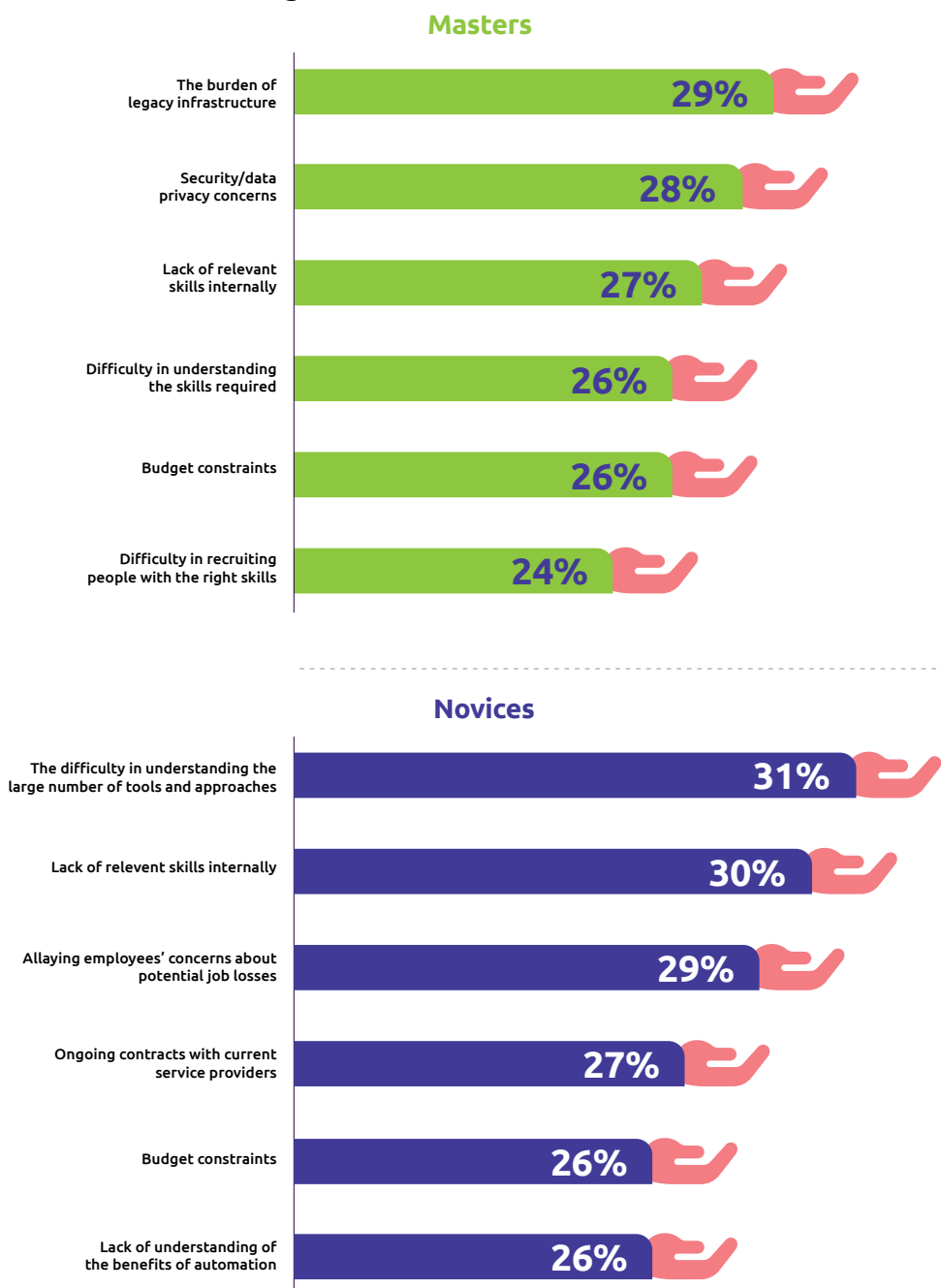
Daniel Borges says that Iron Mountain is also exploring the use of blockchain, the digital ledger technology behind today’s cryptocurrencies, as a means for delivering on the efficiencies, ease of use and data that its customers and its business owners expect from a finance team’s billing platforms.



Meeting challenges, reducing risks

For those finance teams that are just starting to automate, it poses a series of “soft,” people-oriented issues (see Figure 12). This is evident in the most difficult automation challenges cited by the Novices group in the survey. Toughest for them is gaining an understanding of the variety of available tools and practices that they can use. Other challenges include a lack of relevant skills and insufficient understanding of the benefits that automation can bring.

Figure 12: Primary challenges for the finance function in adopting automation technologies





We have many different systems, and the robots will help us bridge the lack of full integration between applications.”

Violet Desilets
Vice President,
Financial Services
and Systems,
Staples

The list of challenges also points to gaps in comprehension among finance staff about the implications of automation—and especially around the prospect of job losses. Tetra Pak’s Katja Hinojosa suggests that such fears are the result of poor communication from the top about the aims of automation. The short-term objectives of RPA initiatives, for example, “puzzle people a lot,” and are often difficult to explain to staff, she says.

Senior finance leaders need to communicate the automation strategy and its aims clearly. They should also outline the opportunities some staff will have to engage in higher-value work once they are freed from repetitive tasks. Understanding at the top of the organization is key to automation progress: among Masters, awareness among senior business leaders of automation opportunities and challenges is more widespread than it is among Novices.

For Masters, by contrast, the top concerns are about technology and data-specific obstacles. This suggests that the greater a finance team’s automation progress, the more likely it is to be satisfactorily addressing knowledge and skills concerns and to be running up against technology blockages.

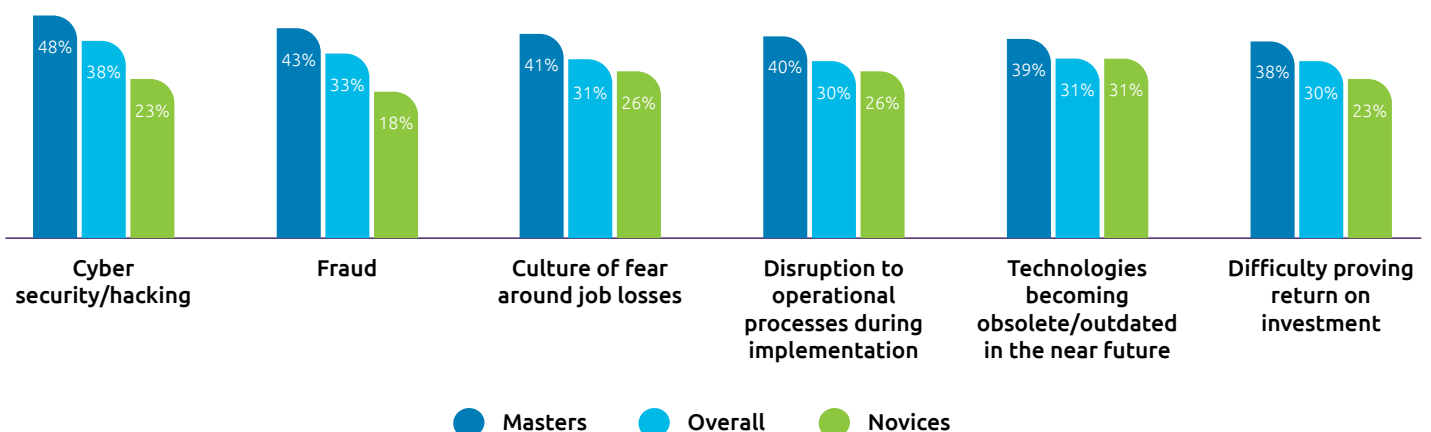
Paramount among these blockages is the burden of legacy infrastructure, including older data management systems. There are no easy fixes to overcoming the obstacles that legacy systems pose. The good news is that they may not need to be replaced wholesale: relatively low-cost automation tools can easily be deployed via incremental investments. This allows for experimentation and the iterative approach to automation that many finance teams appear to favor.

Automation technologies can also help firms to address some of their legacy challenges directly. “We have many different systems, and the robots will help us bridge the lack of full integration between applications,” explains Staples’ Violet Desilets. “That’s where we see improved quality and cycle time.”

A premium on governance

Two other, interrelated challenges of automation are high on companies’ lists (see Figure 13). One is ensuring the security of systems and of data. According to Thomas Peyton, vice-president for service excellence at Wolters Kluwer, a professional services firm headquartered in the Netherlands, automation does not necessarily present unique security challenges. It does, however, require the building of extra security into the applications and processes that are being

Figure 13: Risks of adopting automation technologies held to be “significant”





A whole series of programs are in place to audit, monitor, and improve our cybersecurity defenses. Any new initiative, including RPA, must go through that testing process to ensure that no vulnerabilities are being introduced."

Thomas Peyton
Vice President,
Service Excellence,
Wolters Kluwer

automated. "A whole series of programs are in place to audit, monitor, and improve our cybersecurity defenses," he says. "Any new initiative, including RPA, must go through that testing process to ensure that no vulnerabilities are being introduced."

If strong governance systems are in place, automation may actually enhance the security of systems and data. NBCUniversal's Bob Kurpershoek believes automation will enhance control framework, for example. And James Merrick-Potter of the UK's Cabinet Office points out that the additional transparency and better data that automation should deliver will boost security. "The greater auditability and transparency over the tools themselves should give us a level of assurance around security and risk," he says.

Another perceived risk of automation is the fear of automated processes going wrong. Senior company management, according to several executives we interviewed, are afraid of losing control of key financial processes once large numbers of robots are deployed.

Strong governance and control is the most effective way to allay such concerns. For example, human intervention could be mandatory for certain types of sensitive transactions such as large payments. Robots themselves need to be monitored and managed.

According to Kurpershoek, senior management embraces automation, but wants to be sure that humans are in control of what the robots are doing. "A solid, governed framework needs to be created around this," he says. "Where is the documentation about how the robots are being built, and their wiring infrastructure? How dependent are we on vendors? What are the metrics around this? That's a good governance framework for us."

How difficult is automation in government?

James Merrick-Potter heads up the UK Cabinet Office's Robotic Automation Unit, which gives him a good vantage point from which to spot public sector success in finance automation.

In the UK, he says, HMRC (Her Majesty's Revenue & Customs) has had longer experience than other government departments of implementing automation. It has been exploring RPA for at least four years, according to Merrick-Potter. Early on, he says, it developed a digital, paperless transformation program that sought to transform all of the services being provided to the public under different tax regimes and tax plans.

The department was quick to adopt RPA as an enabling technology. "HMRC went through a process of starting small, with some pilots and projects, and working with a few companies to see what was possible," says Merrick-Potter. "Once they realized that there was sufficient scope for RPA, they jumped in with both feet. They invested some money and built central teams to help create enterprise scale with it."

Legacy systems are also a difficult challenge in the public sector. UK government agencies have a large number of these, says Merrick-Potter, and they are difficult to phase out because they hold substantial amounts of information. "We don't have the budget to reform or replace those," he says. "Instead, we tend to build new digital systems from scratch."

Conclusion—eye on the bigger prize

Automation is likely to eventually meet finance executives' expectations for returns on efficiency and cost savings. But can it help them meet their more ambitious aim of raising the finance function's profile as a generator of insights to the rest of the business?

Not many of the finance executives participating in this study are looking very far ahead. Most are focused—for now at least—on using pilots to gain a clear picture of what automation technologies can do, and consolidating the bottom-line gains that are accumulating. The more advanced group in the survey, however, fully expects that within three years automation will be helping them to improve their customers' experience and unlocking new insights for the benefit of the business—partly by freeing finance staff to engage in higher-value activities. Some of the firms whose executives we interviewed for the study are already preparing the groundwork for that future.

Finance teams are building this foundation one step at a time rather than in a “big bang.” And their experience offers a few lessons for companies that are starting out on their own finance automation journey:

- **Think automation first**—traditionally we think of people and manual workarounds as the solutions to problems. If it is worth changing the process, it is worth thinking about how to change it sustainably and how automation can help improve outcomes.
- **Standardize to the hilt**—automation lends itself to processes that are already highly standardized. Organizations will need to review these carefully before automation begins to ensure that they remove any differences that have crept in over time. They should also avoid viewing automation as a solution to areas where they have failed to standardize. Ultimately, the biggest prize will come from a combination of standardization and automation.

- **Automate at your own pace, but not in isolation**—initial pilots may be ringfenced, but keeping other departments updated on finance’s progress with automation will pay off. IT should obviously have a view of early efforts, but given the weight of front-office and other back-office data in finance processes, so should some other departments.
- **Be iterative, but think big**—experimentation may be confined to a few processes, but large firms with a globalized function may find it useful to roll out pilots across all their regions from the start. Thinking big also means planning for AI and machine learning to eventually drive many processes; especially those most capable of generating business insights.
- **Generate knowledge from the data**—the most effective robots will be those that are underpinned by intelligent knowledge management. Data storage and retrieval are central to this and should involve the use of a central repository. Applying AI techniques to knowledge management will in turn give robots more powerful capabilities.
- **Communicate and educate**—managers and line employees alike can be paralyzed by fear of automation if it is not fully understood. Senior finance leaders need to clearly communicate their goals for automation to staff. Redeployment prospects should not be minimized, but opportunities for higher-value, more rewarding work should be emphasized.

In some organizations, finance is proving a testing ground for the rest of the business in automation-driven transformation. This may be an unfamiliar role for the function, but CFOs and other finance leaders should embrace it. There are few other parts of the business that will be untouched by automation; demonstrating from experience how it can be done will do wonders for finance’s standing in the business.



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