

# CIMA SURVEY DETAILS SCALE OF THE ROBOTIC PROCESS AUTOMATION CHALLENGE FOR FINANCE

Finance teams recognise that their responsibilities are changing. In addition to delivering traditional activities such as accounting, controlling and closing the books, today's Office of the CFO is increasingly expected to help manage volatility and enterprise complexity. Tasks here include M&A activity and risk & compliance, as well as value added services such as insight and decision support.

Previously the Finance department might have spent around half their time on routine, operational activities, with just 20% of activity apportioned to performance issues. That model has now flipped, with performance analysis, interacting with decision-makers and other strategic initiatives now accounting for around half of the Office of the CFO's time. This is clearly placing an increased emphasis on Finance teams needing to optimise the delivery of key transactional processes and improve their regular reporting.

How the Office of the CFO adjusts to its evolving role is critical, particularly as it works to transform key Finance processes that are regularly executed in large volumes. Automation has a key role to play here, particularly through the application of the latest Robotic Process Automation (RPA) capabilities.

Servicetrace – recognised as a Visionary in Gartner's 2020 Magic Quadrant for Robotic Process Automation - has worked in association with CIMA on a survey of CFOs, Finance Directors, Financial Controllers, Finance Managers, Accountants and Management Consultants. The goal of the survey is to gain a sense of just how far the Office of the CFO is progressing on its digital transformation journey, with a particular focus on the enabling role that needs to be played by RPA.

**This survey was conducted by The Chartered Institute of Management Accountants (CIMA) in association with Servicetrace**



CIMA is the world's leading and largest professional body of management accountants. CIMA is part of the Association of International Certified Professional Accountants that represents an influential network of more than 650,000 members worldwide.

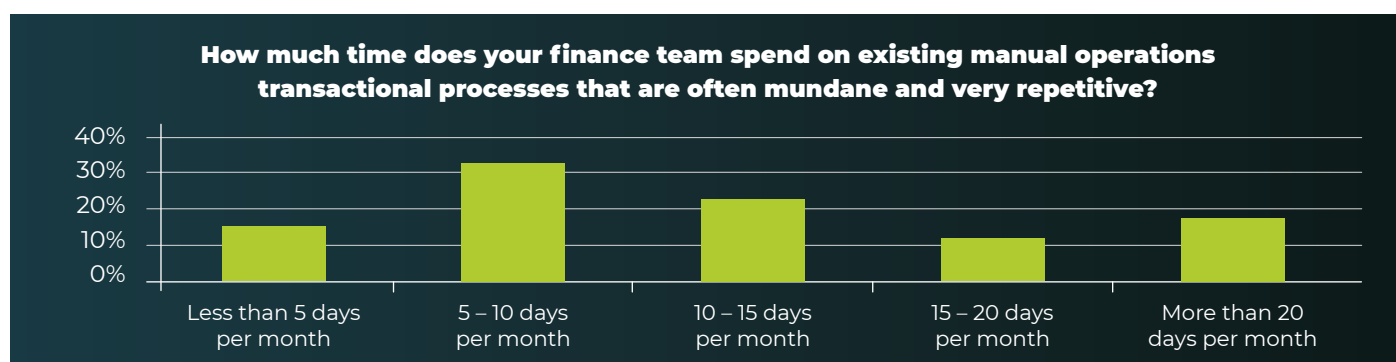
## What's holding back business and digital transformation within the Office of the CFO?

While industry analyst firms are often quick to promote the Digital Transformation agenda, it can be much harder to translate their strategic direction into actual operational programmes within the Office of the CFO. Finance teams often find that they're held back by legacy systems and extensive manual processes. As a result, progress in key areas such as automation frequently isn't as rapid as CFOs might hope.

Clearly for many there is still a disconnect between the digital transformation of Finance and the ability of organisations to deliver on its potential. CIMA's survey of members found that only 40% of respondents actually had a digital transformation process in place within their Finance function. And of those who were moving forward with a transformation initiative, 76% were unhappy with their progress. The takeaway message here is that 80% of respondents either didn't have a transformation initiative in place or were unhappy with its development.

## Understanding the scale of the opportunity?

Core financial processes typically involve a mix of digital and paper-based documentation processing, frequent manual data re-entry and complex compliance and archiving needs. As a result, too much of the Finance team's time is spent on repetitive, manual tasks. These processes can easily introduce human error and an element of risk into what are critical business processes.



The survey found that only 15% of respondents were spending less than five days a month on operational transactional Finance processes that were generally mundane and highly repetitive. Clearly these tasks account for a considerable part of the Finance function's time, with 55% of respondents spending between five and 15 days each month on routine tasks, while a 13% took 15-20 days and a disturbing 17% reported that tedious administrative activities were accounting for over 20 days each month. A key factor holding the Office of the CFO back from being able to automate high-volume, repeatable rules-based finance tasks were the barriers imposed by legacy systems such as ERP on process automation. According to the survey, 80% of respondents agreed with this.

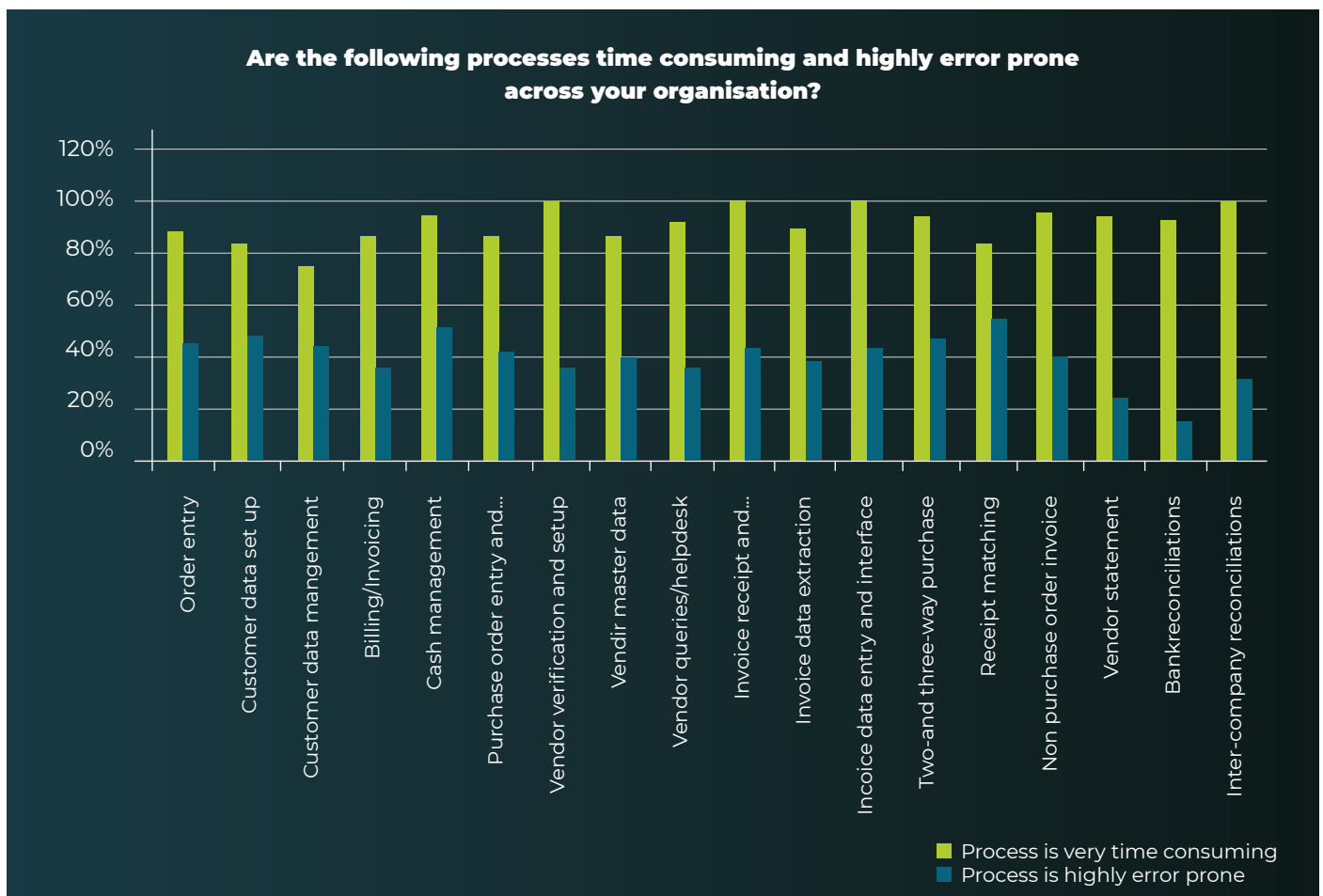
## Time-consuming and highly-error-prone Finance processes

The survey of CIMA members asked them to identify those Finance processes that they felt to be very time-consuming - as well as those where they felt the process was highly error-prone.

Finance Process	Process is very time consuming	Process is highly error-prone
Vendor verification and setup	100%	33%
Invoice receipt and classification	100%	45%
Invoice data entry and interface	100%	42%

Inter-company reconciliations	100%	29%
Bank reconciliations	96%	12%
Vendor statement reconciliation	95%	26%
Non purchase order invoice coding	94%	41%
Two- and three-way purchase order/invoice	93%	47%
Cash management	93%	50%
Invoice data extraction	89%	39%
Vendor queries/helpdesk	88%	35%
Purchase order entry and delivery	87%	42%
Order entry	87%	43%
Billing/invoicing	87%	35%
Vendor master data management	87%	40%
Customer data set up	85%	45%
Receipt matching	84%	53%
Customer data management	76%	43%

When presented with 18 specific routine Finance processes, all were rated as time-consuming by over 75% of respondents. Four tasks – vendor verification and setup, invoice receipt and classification, invoice data entry and interface and inter-company reconciliations – were considered to be time-consuming by 100% of respondents.



In terms of potentially error-prone processes, over half of the survey respondents cited receipt matching and cash management as key concerns. Additionally, over 40% of those surveyed believed that 2 and 3-way purchase order/invoices, invoice receipt and classification, customer data setup, order entry and customer data management were also highly-error-prone.

### Transforming key Finance processes with Robotic Process Automation

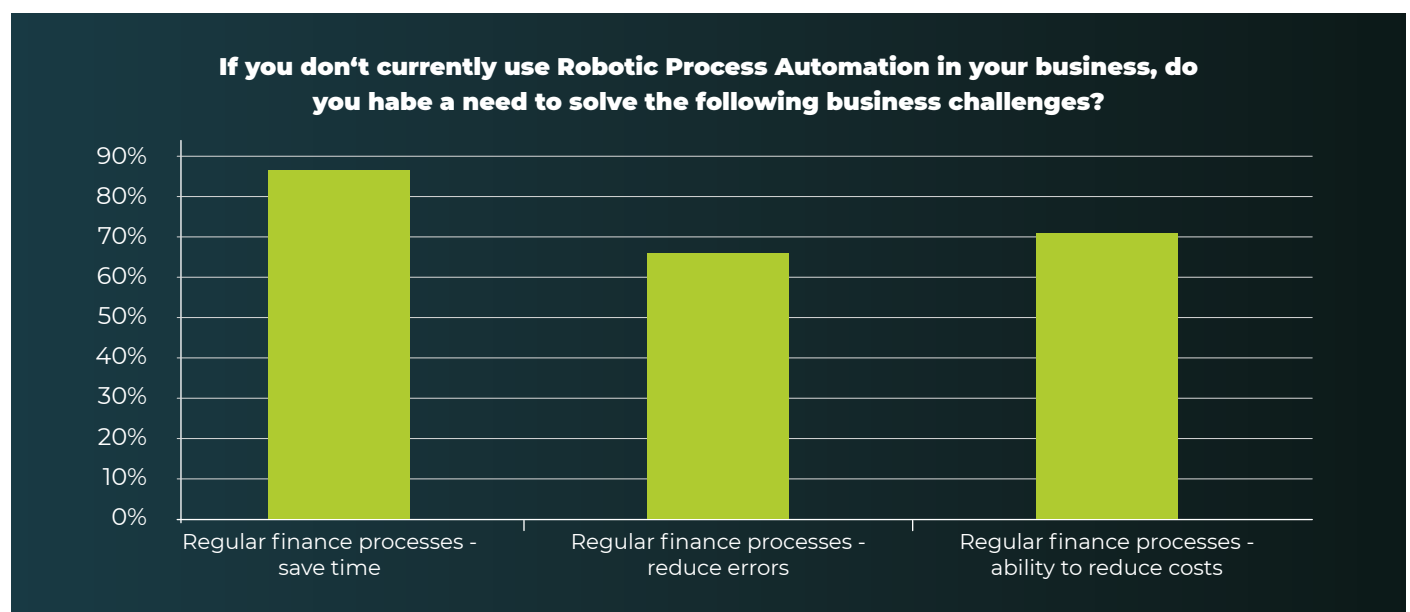
Robotic Process Automation (RPA) has an important role to play in helping to transform key Finance processes, particularly those that are frequently executed in large volumes. By replicating existing processes – extracting data from physical documents, switching between and sharing information with multiple applications, and learning as the process progresses – RPA can effectively take on board the execution of these manual processes at scale, either handling complete workloads or augmenting and accelerating the output of the existing Finance team.

However, when the survey asked CIMA members if they were currently using Process Automation or RPA technologies in their business to replicate the specific actions that Finance team members would take to automate processes such as Accounts Payable, Accounts Receivable, Sales Order Processing and Treasury functions, only 15% of respondents said they were. Of those, the five most cited capabilities of their RPA solutions were Governance, Scalability, Collaboration, Mobile support and the ability to integrate Machine Learning data.

### Solving three key Office of the CFO productivity challenges with RPA

Despite only 15% of respondents currently using RPA within their Finance operations, there was a clear acknowledgement of the benefits that Finance Process Automation could deliver.

86% of those who don't currently use Robotic Process Automation believed that RPA could save time when conducting regular Finance processes. The same number also agreed that the application of the technology would reduce the volume of errors generated when conducting regular finance processes. A further 71% of respondents understood how adopting Robotic Process Automation could help in terms of reducing the ongoing cost of executing regular financial processes.



## Enabling Finance to support more effective decision-making

After acknowledging the advantages associated with the effective deployment of automation, CIMA's survey respondents were asked whether they had identified and built a business case for RPA within Finance for their senior management. Despite recognising the time-saving, error reduction and cost benefits, only 24% of those surveyed had raised the issue of using a Robotic Process Automation tool that could integrate with their other management systems.

This hesitancy is perhaps concerning given that the majority of those surveyed felt that the processes and systems in place across the organisation didn't always support their board to make fully-informed, hence better, decisions for the business. When asked about this, only 47% felt their board was able to make effective use of current Finance data and information.

The survey echoed this finding, with 41% of respondents feeling that their organisation wouldn't be able to adapt quickly enough to minimise risk when faced with a significant external event – such as a new market entrant, a major acquisition, a profits warning or a crisis like a global pandemic. Only 59% thought they would have the process management tools in place to optimise the performance of their operations in response to such critical events.

## Servicetrace – enabling Robotic Process Automation for Finance

Servicetrace is a leader in the provision of Enterprise Process Automation solutions, with a track record of continued Robotic Process Automation (RPA) innovation and customer success since it first began developing software robots and automation solutions in 2004.

The company's RPA solutions are deployed across multiple industries, with many of the world's leading organisations – including major global firms such as Atos, Computacenter, Deutsche Telekom, Fujitsu, Merck and Siemens – placing Servicetrace RPA at the heart of their automation activities.

Servicetrace Finance Process Automation solutions are focused on helping organisations to unlock the maximum value from automating longer and more complex processes. The company's comprehensive Enterprise RPA platform X1 enables control of all projects, stakeholders, bots and lifecycle phases using a single, advanced RPA platform.

For more information, visit [www.servicetrace.com](http://www.servicetrace.com)

**RPA for the office of finance: Reduce errors, cut costs, win time.** [Find out more.](#)



### How RPA can reduce human error and improve internal controls and compliance

Core financial processes typically involve a mix of digital and paper-based documentation processing, frequent manual data re-entry and complex compliance and storage needs. As a result, too much of the Finance team's time is spent on repetitive, manual tasks. And these processes can easily introduce human error and an element of risk into what are critical business processes. See what RPA can

do for the office of Finance – **watch our free on-demand-webcast.**

