

A Custom Technology Adoption Profile Commissioned By SAP | May 2016

Digital And Automation Enable Finance Operations Efficiency

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Evolve Finance Operations To Meet Business Needs

To respond quickly to customer needs in today's digital economy, business leaders are demanding that finance delivers greater insights on business performance and tools to help them make better business decisions. Therefore, it is paramount that finance operations is efficient, meets compliance requirements, and delivers valuable insights to better support the business.

In April 2016, SAP commissioned Forrester Consulting to conduct a study with 200 finance operations leaders around the globe who have influence in their organization's financial decision-making process. All respondents were key decision-makers or influencers and had knowledge about their organization's finance operations, accounts receivable, compliance and risk management approach, real estate management, shared services strategy, and expense management.



Country

US: **25%**
 Brazil: **15%**
 China: **15%**
 Germany: **15%**
 Mexico: **15%**
 UK: **15%**



Employee size

1,000 to 4,999 employees: **45%**
 5,000 to 19,999 employees: **35%**
 20,000 employees or more: **20%**



Responsibility

Final decision-maker: **16%**
 Influence decisions related to organization's financial decisions: **39%**
 Part of a team making decisions related to organization's financial decisions: **45%**



Type of organization

Regional organization: **33%**
 Multinational organization: **67%**

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Top Finance Operations Priorities Focus On Efficiency, Risk Management And Compliance

To enable them to make better decisions, business leaders are demanding greater transparency on finance operations and performance. So it comes as no surprise that finance operations leaders are prioritizing increasing efficiency, managing risk, and enhancing processes as their top priorities.

The study revealed that the key strategic priority for finance operations leaders is to improve efficiency (69%). In addition, they are looking to manage risk and drive compliance (59%) so that their organizations comply with their local regulatory needs and minimize potential brand-damaging incidents. Moreover, 59% of finance operations leaders are prioritizing improving their processes.



“What are the strategic priorities for finance operations currently?”



Base: 200 finance operations leaders around the globe
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, April 2016

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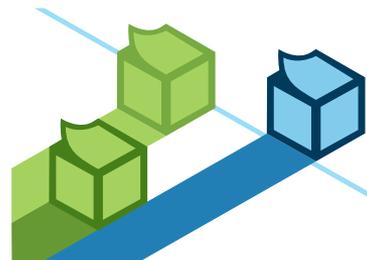
CONCLUSIONS

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Finance Struggles To Meet Business Goals And Contain Costs

Finance operations leaders are struggling to provide the transparency and efficiency that the business needs to make more informed decisions. Over a quarter of finance operations leaders said that managing and supporting revenue growth is one of their top two biggest challenge. Over 20% of respondents identified that supporting the business strategy and improving customer satisfaction are difficult to manage.

And the pressure is only growing. Finance operations leaders are not only struggling to support their business goals, but they are also being tasked to reduce costs. Twenty-one percent of respondents highlighted that they struggle to manage and reduce operations costs.



“Which of the following finance operations responsibilities is the most challenging for you to manage?”



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Lack Of Functional Knowledge And Timely Access To Data Keep Finance From Meeting Goals

The challenge to support business goals and contain costs is being compounded because of:

- ▶ **A lack of functional knowledge for finance operations staff.** Forty-one percent of respondents indicated that poor or limited knowledge of finance operations is a top challenge and hinders internal team performances, affecting the operations functionality and processes.
- ▶ **Timely access to data.** Respondents indicated they are challenged because they do not have timely access to information/data (32%). This is necessary to ensure the most relevant and accurate information is being used to inform business decisions.
- ▶ **Response times.** A further 32% of respondents said they are challenged to reduce response times in meeting finance operation priorities.



“What are the top challenges finance operations faces in meeting its priorities?”



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Firms Have Adopted A Shared Services Approach To Overcome Challenges

Over half of all surveyed organizations said they have adopted a shared services approach to finance operations. This allows finance operations to:

- › **Increase process efficiency (67%)** to ensure it reacts quickly and delivers improved service levels (48%) to effectively meet business demands.
- › **Contain costs (59%)** through the consolidation of tools and resources into a single team.
- › **Enhance knowledge and skills (44%)** through dedicated training and consolidate knowledge management tools.

Finance operations structure:

- 5% Shared services (centralized)
- 21% Federated (local finance teams can adjust decisions)
- 26% Decentralized (all strategy decision are made by local teams)



“Where has, or where do you believe a shared service approach to finance operations will have the largest impact?”



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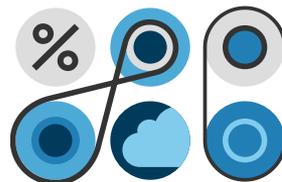
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Finance Leaders Demand More Insights To Support The Digital Business

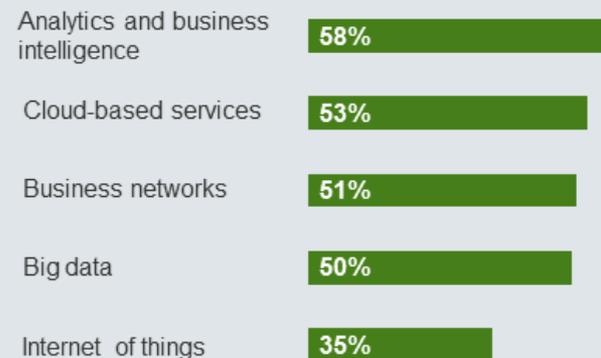
Finance leaders are being challenged to build and develop new business models to support the new digital economy. It is imperative for finance operations teams to share insights and be transparent to enable finance leaders to make the best decisions possible. But today finance operations teams have a fragmented view of what is really happening within their business, hampering their performance improvement goals. Finance operations leaders believe technology investments focused on analytics and business intelligence (58%) will enable them to support finance goals overall.

In addition, 53% of organizations seek cloud-based solutions to enable them to scale operations and resources in a more agile way. A further 51% believe business networks, where customers, suppliers, and internal teams are more interconnected, will enable more seamless processes, increase accuracy, and provide faster access to information.

Only 28% of respondents are very satisfied with their analytics and reporting capabilities.



“To what extent are different technologies perceived as enablers for the finance operations to achieve its priorities?”



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Digital Technology Investments Must Enable Automation And Analytics

Finance operations leaders seek additional investments to enhance user experiences and enable employees to make better decisions. Finance leaders told us they are looking to enhance:

- › **Automation and self-service.** Sixty percent of organizations said they are looking to automate and accelerate invoice and payments. A further 53% of organizations are also looking to reduce their paper trail through improved automation. Organizations are also looking to empower employees to make smarter spending decisions (48%).
- › **Reporting and analytics.** Fifty-seven percent of organizations are seeking additional investments in technologies to enable better reporting and analytics capabilities for better decision-making.
- › **User experiences.** Over two-fifths of organizations are also seeking technology investments to increase their employees' accessibility to expense tracking via mobile devices. This will boost employee productivity by saving them time in managing their expenses and allowing them to focus on more value-added tasks.

“What would be the main area of focus for additional investment in technologies for finance operations?”
(Select all that apply)



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Firms Should Seek Technology Partners That Have Deep Finance Expertise

Finance operations leaders want to become more efficient, reduce costs, and grow revenues at the same time. Finance leaders should seek technology partners' experience and expertise to help them on this mission.

Fifty-four percent of survey respondents highlighted that a technology partner must demonstrate deep finance experience and expertise, as well as the ability to work across the business effectively (52%). And just under half of respondents (49%) said a technology partner must showcase expertise in new technology areas and provide excellent customer service (46%).



“Which of the following attributes do you consider when looking for a technology partner to support your finance operations initiatives?” (Select all that apply)



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Boost Finance Operations Efficiency

In today's increasingly digital world, finance operations leaders must effectively meet business demand. To do this they must:

- › **Improve finance operational efficiency.** By increasing operational efficiency, finance operations will be able to better manage risk and improve processes to support sustainable and improved business performances.
- › **Invest in software technology, which includes the newest analytics capabilities, to provide deeper insights.** By leveraging analytics technologies, finance operations teams will be able to turn data into valuable, practical, and actionable insights and allow the business to make more informed decisions.
- › **Enhance process automation.** Automating finance processes boosts efficiency and reduces costs and risks by eliminating opportunities for manual error.
- › **Seek the help of a reliable technology platform partner.** Improving finance operations processes and efficiencies while reducing costs can be achieved by partnering with a technology platform provider that has deep industry expertise and extensive knowledge of new technologies and can provide an end-to-end finance solution.

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METHODOLOGY

This Technology Adoption Profile was commissioned by SAP. The custom survey questions were fielded to 200 finance and operations leaders around the world. The auxiliary custom survey began and was completed in April 2016. For more information on Forrester's data panel and Tech Industry Consulting services,

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