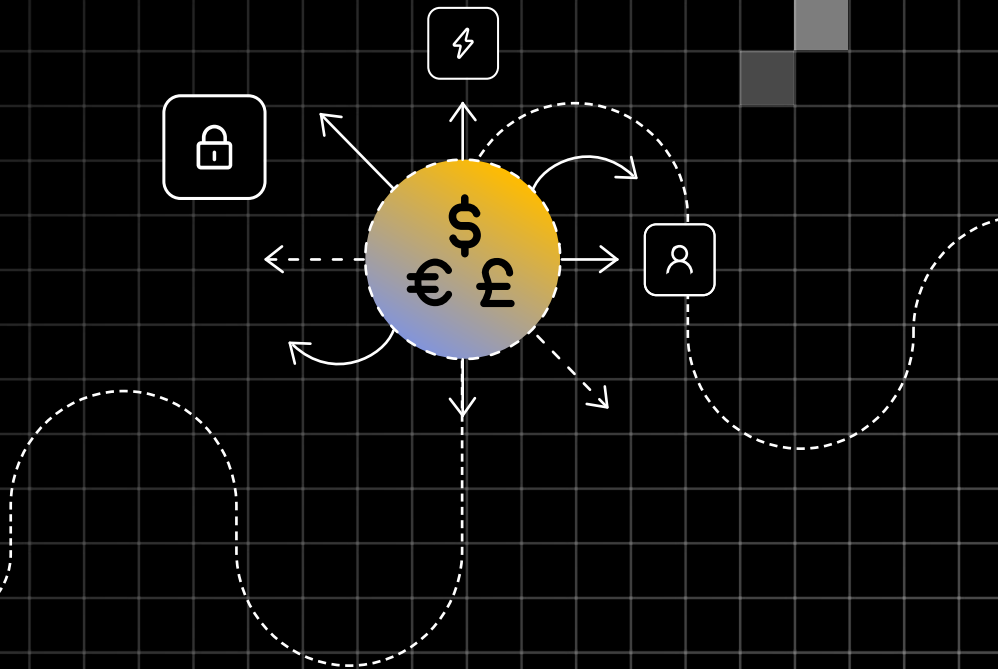


Industry Roundup



Your Guide to the **Latest Trends** **in Finance**

Trends in finance processes change as often as CFOs check their dashboards. This guide takes a look at five key finance processes, offering a step-by-step breakdown of the latest trends and best practices to stay ahead of the curve.



Controlling Company Spend

Goal

Implement effective strategies to control costs and build long-term profitability by knowing where your money is going.

Step 1

Understand what you're spending money on now.

By analyzing historical accounts payable data, you can see what you spend on goods and services. Collect this data from all departments to clearly view your company's purchases.

Step 2

Understand what your company will spend money on in the future.

Work cross-functionally with other teams to see which department will spend money and when it'll take effect during the fiscal year.

Step 3

Build strong relationships with both internal stakeholders and external vendors.

Implement effective processes for managing departmental spend with internal partners. Additionally, cultivate vendor relationships to secure future discount opportunities.



Best Practices for Spend Management:

- Implement a centralized contract repository
- Formalize your purchasing process
- Limit the amount of vendors that provide the same good or service
- Reduce purchase approvers for better control and fewer bottlenecks
- Ask for a discount—every single time

Tip From the Experts:

Designate the 80/20 principle—20% of your vendors equals 80% of your spend. Find ways to consolidate company purchases by adding more spend to a particular vendor.

“How can we better manage the overall total spend, and is there an opportunity to link that together to make sure that our business partners are getting what they want while ensuring that the money we’re spending is a return on investment?”



Terry LaRock
Head of Procurement
Tipalti

Prioritizing Sustainable Growth

Goal Balance growth ambitions while avoiding cash flow issues by planning, forecasting, and analyzing data to see how the company is performing as a whole.

Step 1 Measure performance with a “budget-versus-actuals” analysis. Establish an annual plan and monitor progress throughout the year. Consistently provide all budget owners with reports to track their performance against this plan.

Step 2 Find additional insights by examining department-specific spend. Analyze why some teams perform better or worse and use that insight to inform future investments. Uncover growth potential and provide recommendations for future funding.

Step 3 Prioritize efficient cash flow practices. Ensure your company's revenue model aligns with departmental budgets. Build adequate reserves to prepare for future market disruptions, and be cautious about your spending rate and amount.



Frameworks for Sustainable Growth:

- Identify company health metrics, such as operating expenses and profit margins
- Consolidate forecasting data into one tool for more accurate planning
- Utilize predictive modeling by manipulating cyclical sets of data
- Implement data aggregators that consolidate all actuals
- Know the business model inside and out

Tip From the Experts:

Understand where your dollar is best spent. See the ROI you're getting back for each initiative and analyze that data to ensure your company spends its money in the best place possible.

"It's budget versus actuals—all budget owners get that reporting and analysis. The challenge is uncovering the insight around that. It's all a puzzle that you look at functionally, divisionally, and departmentally, which then rolls up to the story for the company as a whole."



Viet Duong,
Director, Financial Planning and Analysis
Tipalti

Preparing for AI Advancements

Goal Discover how to adopt and leverage rapidly evolving technologies, like AI, and transform these advancements into a competitive advantage.

Step 1 Know which companies are actively integrating AI into their products. Solutions that take advantage of available AI tools will unlock new operational potential, enabling you to manage your internal resources more efficiently.

Step 2 Utilize AI to process large volumes of data. Leverage AI to sift through large amounts of data quickly to get faster information, allowing you to make more impactful business decisions.

Step 3 Let AI and automation handle the repetitive, manual work. Partner with software solutions that utilize AI and automation to eliminate manual workflows and improve accuracy and data hygiene.



Getting Your Business AI-Ready:

- Effectively manage your available data to get better AI insights
- Prioritize anonymization by limiting AI access to sensitive data
- Identify which workflows will benefit most from automation advancements
- Evaluate current resources to identify potential technology cost savings
- Build human relationships—business decisions still rely on lived experiences

Tip From the Experts:

Allow AI to learn cyclical data patterns to help you forecast month over month, review standard or templated documents, and receive answers for common problems.

“I think everyone will try to understand and utilize AI. In terms of something that could move the needle and change how people work and how teams get broken up and resourced, it will be AI.”



Alex Cedro
VP Finance
Tipalti

Reducing Fraud and Financial Risks

Goal **Implement strategies that mitigate operational risk in case of disruptions, such as supply chain challenges or inconsistent financial markets.**

Step 1 **Ensure your funds are safe.** Establish backup accounts, including alternative banks, to address credit issues or failures. Ensure your funds are consistently protected and accessible at all times so day-to-day operations aren't affected.

Step 2 **Implement better internal controls.** Establish the proper checks and balances internally. If you're lean and don't have many resources, adopt a system that institutes those controls for you.

Step 3 **Reduce fraud in the most risky areas.** Operational risks, such as corporate credit cards, can cause significant financial losses for your company. If fraud occurs, make sure it can be quickly discovered, alerted, and shut down.



Strategies to Improve Risk Management:

- Stay up to date with headline news to mitigate any potential forex risk
- Pay vendors on time to reduce operational stoppage
- Understand global tax requirements and the implications of cross-border transactions
- Implement an optimal bank account structure with built-in fraud controls
- Know what's coming in and what's going out—always have an eye on cash flow

Tip from the Experts:

Align your inflows with your outflows to prevent excessive spending and avoid a deficit position, which can be costly for your business.

“It’s making sure the company’s funds are secure and safeguarded and there are no external threats impacting operations. It’s about mitigating the risk and picking the safest options.”



Reena Patel
Corporate Controller
Tipalti

Adopting Integrated Technology

Goal **Prioritize technology solutions that seamlessly integrate with current systems and connect various finance processes into a streamlined workflow.**

Step 1 **Automate your end-to-end operation.**
Eliminate manual work in the entire accounts payable process to minimize friction and data inaccuracies, which can significantly hinder your operations.

Step 2 **Build a lean team with automation.**
Process thousands of global payments with automation. Allow your team to manage this complex workflow without increasing manual hours or headcount.

Step 3 **Invest in technology that grows with you.**
Implement a system with multiple point solutions, allowing for the addition of new products as needed without requiring multiple technology contracts.



Benefits of Connected Solutions:

- Provides consistent and accurate financial reports for your board and regulators
- Removes manual inefficiencies at the beginning of the process
- Eliminates data capture inaccuracies
- Provides single solutions for critical functions, then allows you to add on as needed
- Reduces vendor fatigue—invest in known, reliable companies

Tip From the Experts:

Implement systems and technology that support your people and processes. Find ways to integrate various silos and functions together in a seamless way.

“The key is trying to get as efficient as possible, and that means having the right amount of technology, the right types of solutions that connect together so that you have proper control of the business.”



Paul Henderson
Chief Accounting Officer
Tipalti



Easily Navigate New Trends With Finance Automation

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