

The Future Office of Finance

How to adapt to new trends & shifts in
the industry to optimize for success



The top priority for finance leaders is preparing for the future as they **discover new ways to connect technology, workflows, data, & people** to provide the most value to their organization.

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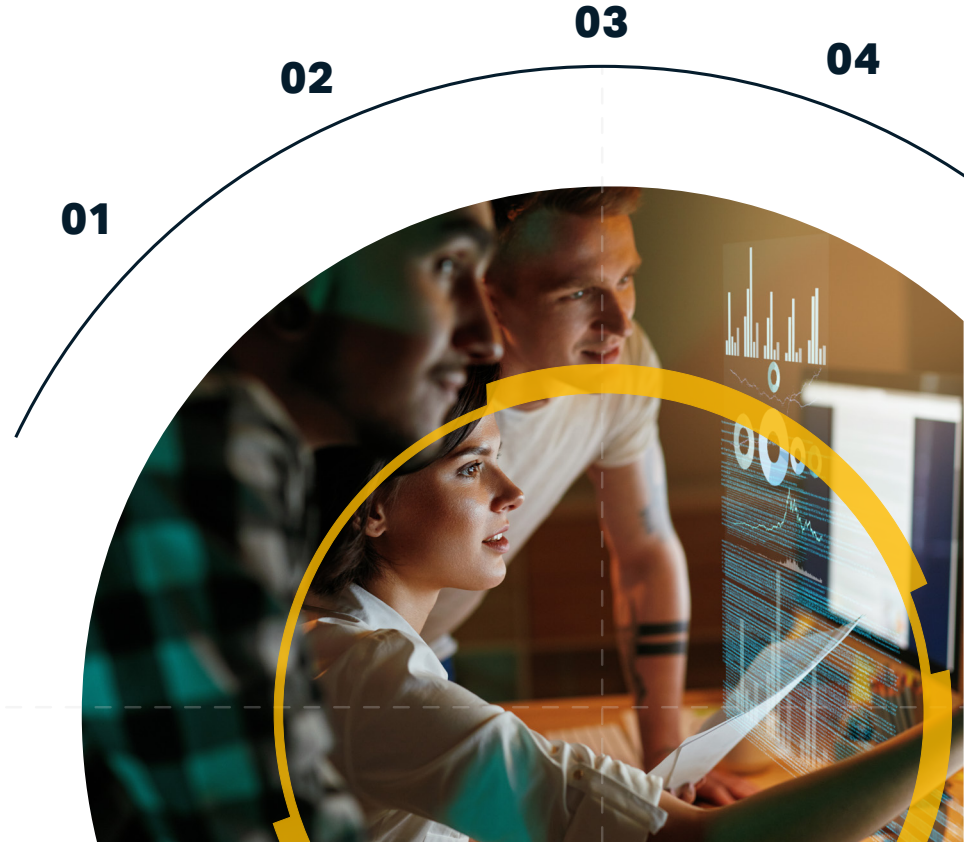
Current Trends in Finance

The days of finance being a back-office function are over. Leading finance teams have repositioned themselves away from being number crunchers to performing as key strategic partners across their organizations.

This is achieved by a combination of accelerated digital adoption, heavily influenced by the pandemic, as well as data analysis and insights skills. The finance team of the future needs to be multi-skilled and be able to interpret and manipulate data and demonstrate communication skills to feedback findings to the C-Suite.

We are starting to see CFOs implementing best practices of digital transformation across their organizations by considering fully end-to-end automated finance solutions.

Adopting the right automation technology platform also enables businesses to scale, and overcome additional complexities, as they enter new markets and add new entities.



Why Finance Leaders are Looking Forward

Until now, finance leaders were exclusively focused on historical financial data and fulfilling statutory filings and management accounts.

Workflows are often completed at a snail's pace due to inefficiencies related to accessing, entering, and updating financial records.

In a recent survey conducted by the Institute of Financial Operations & Leadership (IFOL), it was reported that on average, it still takes many businesses 11 days to close monthly accounts.¹

This slow data output limits insights & **is a barrier to speedy decision-making.**



Source: <https://tpl.tt/foffol>

Day 9

Day 10

Day 11

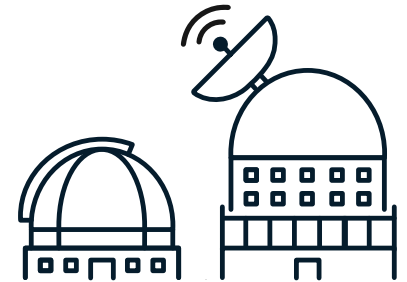
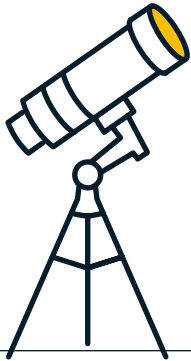


Why Finance Leaders are Looking Forward (CONT'D)

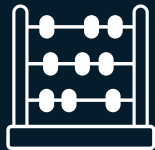
However, recent technology developments have allowed finance leaders to generate real-time data, achieved with minimal effort if the best practice of automation is applied.

This puts them in a position to turn their attention to future business activities such as cash management, scenario planning, & risk assessment.

The recent spike in IPOs shows there is a desire for **mid-size organizations to disrupt their industries & exceed their growth targets**, & forward-looking CFOs are seizing the moment to help their businesses achieve this.



The Evolving Role of Finance



Strategic Value Drivers

CFOs are still responsible for being stewards of their company's finance and accounting operations but are now also expected to drive value and strategize alongside CEOs.

In a recent survey, 69% of CEOs described their CFOs as being enterprise value creators, whereas 31% saw them as fulfilling the role of being finance and accounting stewards. ²

Enterprise value creation includes finding ways to improve the customer experience and providing deep financial insights to enhance decision-making in the C-Suite and alongside CEOs.

CFOs are also required to test new strategies across functions and be resourceful to spot new opportunities to measure growth.

Source: <https://tpl.tt/fofcodrive>

This must be balanced by finance leaders **identifying, assessing, and managing risk** associated with their ideas around value creation.

69% of CEOs described their CFOs as being
"Enterprise Value Creators"

31% of CEOs saw CFOs as fulfilling the role of being
"Finance and Accounting Stewards"

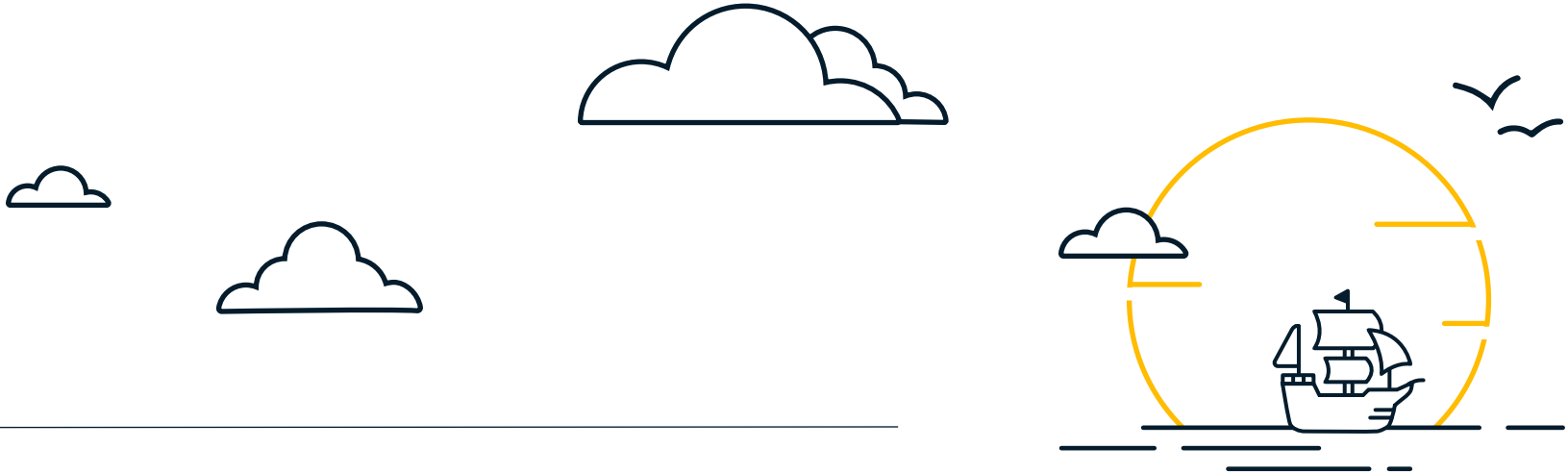


International Expansion

As we emerge from the pandemic into an uncertain economic environment, many companies are demonstrating their desire for growth by entering new markets.

Restricting sales to domestic markets limits the growth of businesses. Expanding to international markets opens up an array of profitable opportunities.

The move to **digital-led economies** has made it **easier to establish a presence overseas** and **reach a global customer base.**



International Expansion (CONT'D)

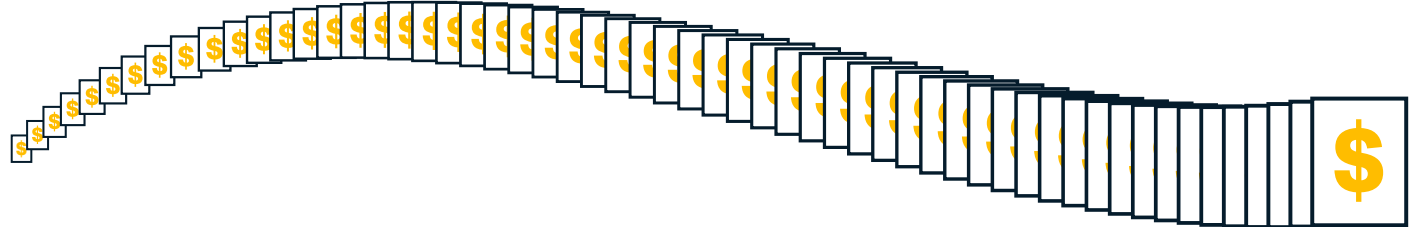
In a recent survey, around a third of CFOs (30%) cited their ability to expand internationally as being a factor that resulted in their roles changing over the last two years.³

Automating the day-to-day finance function will help CFOs overcome this issue and enable them to **focus on compliance, risk, and opportunities related to domestic and corporate activity.**

This comes with its own set of challenges. On top of already existing issues, one in five CFOs surveyed stated that international expansion had added complexity to their roles.

33% of finance leaders indicated that increasing numbers of

Cross-border Supplier Invoices & Payments Significantly Contributed To their AP Challenges



Operational Efficiency

Environmental sustainability is another area where CFOs are expected to display leadership that goes beyond the books. Nearly a quarter of CEOs (23%) think it is important for CFOs to develop ESG capabilities.

It's critical to get this right as sustainability affects both Corporate Social Responsibility (CSR) & profits.

A recent survey found that nearly four out of five consumers are changing their purchasing decisions based on companies' sustainability credentials.⁴

CFOs view this responsibility as so important that most of those surveyed said they would prioritize studying it over any other subject area to strengthen their careers.

Source: <https://tpl.tt/fofswissarmy>

To keep on top of sustainability initiatives, CFOs must **analyze operational & financial data and tweak their supply chains** to minimize overall environmental impact.

79% are changing
their purchasing
decisions based on
**Companies'
Sustainability
Credentials**



Digital Transformation

There is a pressing need for the CFOs of growing businesses to adopt fully automated AP solutions.

In a recent Automation Trends Report conducted by the Institute of Financial Operations & Leadership (IFOL), 68% of finance departments indicated that they are still manually typing in invoices.⁵

Most companies have introduced some elements of AP automation, but on average, 43% of their AP processes are still manual or paper-based.

It is no longer sufficient to automate a limited number of finance processes such as OCR recognition for invoice capture or auto-matching POs to invoices. **The full spectrum of AP processes must be automated** to fully benefit from digital transformation. This includes the entire AP lifecycle, **from purchase requisition to obtaining and validating supplier details through to payment authorizations and invoice and payment reconciliations.**

68% of finance departments indicated that **They are Still Typing in Invoices**



Digital Transformation (CONT'D)

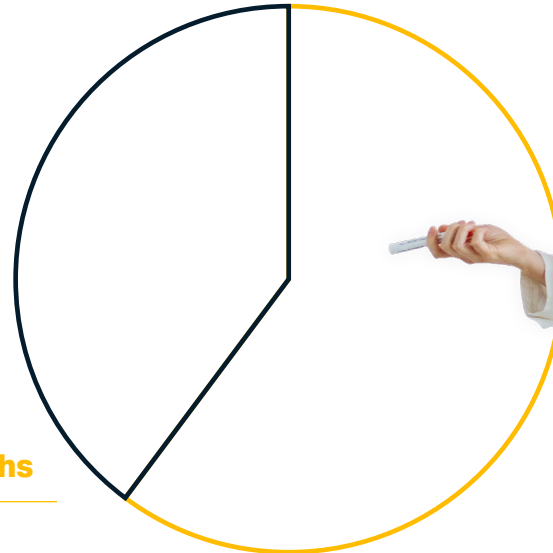
There is a misunderstanding of what AP automation consists of, with 39% of finance and AP leaders believing it only relates to supplier invoice payment processing.

80% of businesses are concerned about their AP processes being optimized for the future. However, companies have flagged this as a priority for the year ahead, with 61% of those surveyed planning to introduce end-to-end AP automation within the next six to twelve months.

Finance leaders who are unable to implement technological changes are in danger of being left behind due to pressures associated with growth, such as assessing risk and being able to access real-time data to make agile decisions.

Efficiencies from end-to-end accounts payable platforms **allow organizations to keep their headcount down and not need to add new resources as they scale.**

61% of businesses surveyed plan to introduce
End-to-End AP Automation Within The Next 6-12 Months



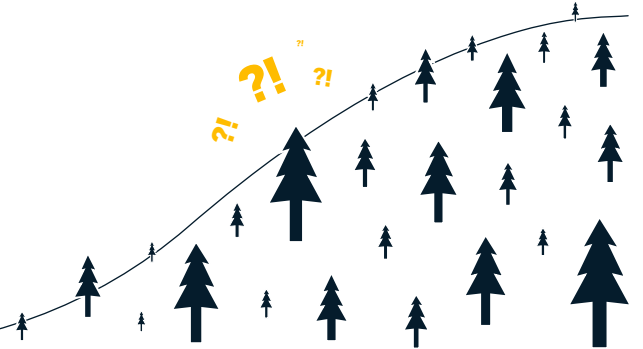
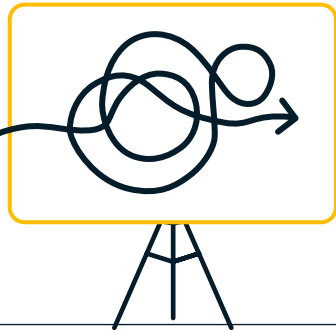
Business Visibility

Because of the disruption of COVID-19, finance leaders were forced to adapt quickly & implement new technology to overcome the unique challenges from the pandemic.

CFOs are dealing with increasing amounts of data, and full digital transformations are empowering them to create a culture of cash management excellence and financial discipline.

A greater proportion of overperforming finance teams, who run digitally transformed finance functions, **have a strategy in place to manage & leverage working capital that's better than their peers.**

21% of teams who manage & leverage working capital
Do Not Have A Strategy in Place



Business Visibility (CONT'D)

These over performers are also using the benefits of digital transformation to increase automation and reduce human intervention.

This increases their agility related to process improvements and enhanced reporting, and they are **using this saved time to apply better judgment and follow real-time activity on business dashboards.**

35% of teams who manage & leverage working capital

Are Overperformers; They Have a Strategy And Increased Agility



Employee Attraction & Retention

The Great Resignation has fueled the war on talent, with large volumes of employees seeking new opportunities subsequent to the pandemic.

Young professionals are ambitious and won't necessarily take the job with the highest salary.

46% of young professionals prefer to work in the **Finance Department Of a Large Company**⁵



Companies have to compete to **attract and retain finance staff by providing them with career growth opportunities.**

24% of young professionals seek employment in a **Large Bank, Investment or Brokerage Firm**⁶



Employee Attraction & Retention (CONT'D)

Process-led roles, typified by repetitive tasks, don't excite them, as they want to work on exciting problems.

Businesses need to move away from spreadsheets and manual data entry to automated solutions. This will allow staff to engage in more projects and help retain them.

Young professionals list the following as the activities that would **most excite them if they were to become CFO:**

39% identify new opportunities related to

Growth Productivity Or Profitability

39% identify new opportunities related to

Finding New Paths To Growth (such as Security Funds & M&A)

39% identify new opportunities related to

Modernizing Finance With Technology



The New Wave of Finance is Connected

CFOs can only deliver on their role as value creators by investing heavily in their finance stacks.

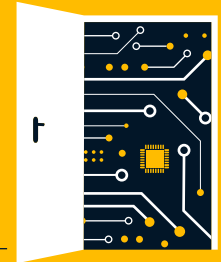
Research shows that 81% of businesses are still logging into more than two systems to make supplier payments.⁷

Finance leaders can free themselves from this disconnect of siloed islands by acting similarly to their peers in marketing and sales and integrating specialist tools that streamline their processes and give them real-time insights.

Connected finance tools overcome this inefficiency by allowing data to flow easily between accounting and ERP systems, third-party platforms, and the automation software that links them.

This reduces the chance of human error and gives CFOs unparalleled visibility into finances and cash flow.

Once connected finance systems have successfully been embedded, CFOs have the data and capacity to deliver company goals & make significant decisions to optimize their operations for the future.





Is Your Finance Team Optimized for the Future?

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