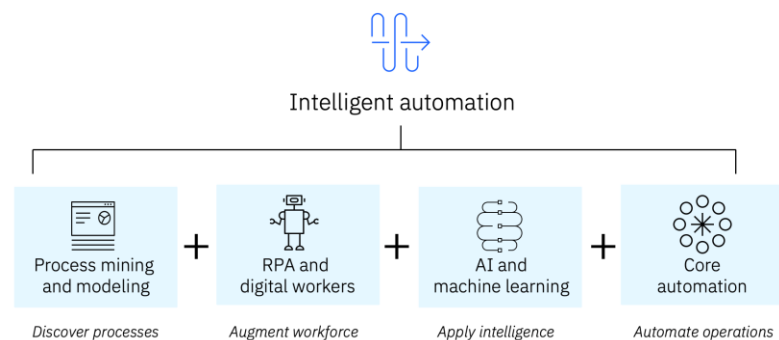# Drive Intelligent Automation in Finance & Accounting

WHAT IS INTELLIGENT BUSINESS AUTOMATION?

Intelligent Business automation is a term for the use of technology applications that automates business processes, perform repetitive tasks and freeing up employees for higher value work. This includes AI powered process discovery, task automation and use core automation capabilities to get end-to-end process visibility and automation.

Intelligent automation helps

- Leverage digital scale to improve the resilience and efficiency of operations
- Provide better Customer experiences
- Free your employees to do higher-value work

Intelligent automation

Process mining and modeling	+	RPA and digital workers	+	AI and machine learning	+	Core automation
Discover processes		*Augment workforce*		*Apply intelligence*		*Automate operations*

WHY IS BUSINESS AUTOMATION IMPORTANT?

Automation is an excellent way to streamline operations and drive business growth. Automation tools are designed to replace human labour with machine labour so you can elevate human resources to work on higher value tasks in the business.

1. Improve TAT: Improve turnaround time of the process
2. Saving time: Save time by automating manual tasks such as account reconciliation and variance analysis, Invoice parking, 2-way, 3-way mapping, payment processing, generating reports. Also providing end-to-end visibility of the process to manage tasks withing TAT and handle all exceptions through the system..
3. Reducing the likelihood of error: Automating finance operations without relying on humans which are bound to data entry and copy paste errors can be avoided through automation.
4. Process consistency and adhering to SOP: Many finance team members have their own ways of doing things. Even standard processes such as double-entry bookkeeping can differ between people. Automating processes creates greater consistency within teams, reducing the chances of mistakes and information gaps and also adhering to compliance checks and SOP.

5. Reducing the chance of fraud**:** Transparency achieved by Automating standard finance tasks makes it lot more secure and less prone to fraud.

APPLY INTELLIGENCE TO DISCOVER PROCESS BOTTLENECKS

AI-infused Process Mining - discover, analyze, and pinpoint hot spots for improvement across processes based on event logs and IT data – and Task Mining – analyze real human actions and 'clicks' to identify the most frequent tasks – this duo provides a complete set of insights to strategically transform operations and drive automation strategies.

Process mining can be used across operations in Finance and Accounting, giving visibility and continuous monitoring of Order to Cash processes, Procure to Pay processes and record to report processes.

PROCURE TO PAY

84% of organizations report that digital transformation will fundamentally change the way procurement services are delivered over the next 3-5 years. But only 32% have actually developed a strategy for getting there (Source: Purchase to Pay key issues Study, The Hackett Group, 2016).

For many companies the ERP purchasing system is used only as an inventory or for direct purchases. This leads to 40-50% unmanaged transactions, and opens a possibility to all problems related to maverick buying.

The lack of direct communication with the supplier regarding orders is often the cause of Longer Lead Times.

It may happen that invoices do not match available purchase orders, goods are not received, payments are out of sync or there is simply a lack of PO. All these issues require manual management.

Auditors need to have a clear vision of the lifecycle of every transaction from start to finish.
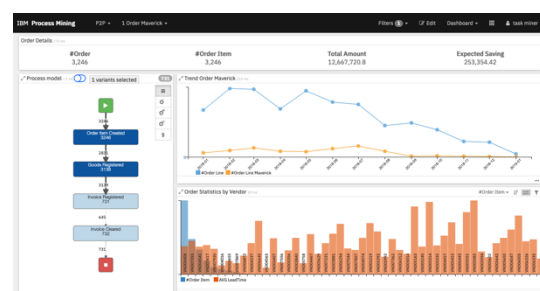
OPPORTUNITIES

With IBM Process Mining Advanced Analytics, users are able to access actionable insights such as:

- On-time payment ratio
- Spend visibility and trends
- Invoice processing time
- Spend-to-supplier ratio
- Supplier performance metrics
- Procurement process metrics
- Team productivity metrics
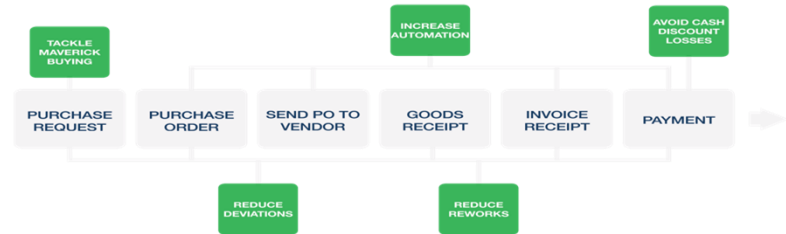
These and other insights help businesses to make better working capital decisions, gain access to insight into trends related to Day's paid invoice, Process order and Changing activities, aggregate spend calculations more easily, identify budget variances or maverick buying.
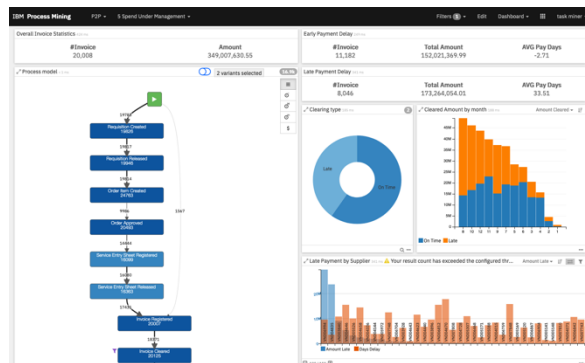
PREDICTIVE ANALYTICS

Our solution supports Predictive Analytics, Artificial Intelligence and Machine Learning, making it possible for your applications to make intelligent decisions based on trends and patterns.

IBM Process Mining provides a Real Time Analysis of your process, estimating the remaining time and the expected costs for those cases that are still running. This allows you to be one step ahead and achieve ever better performance.
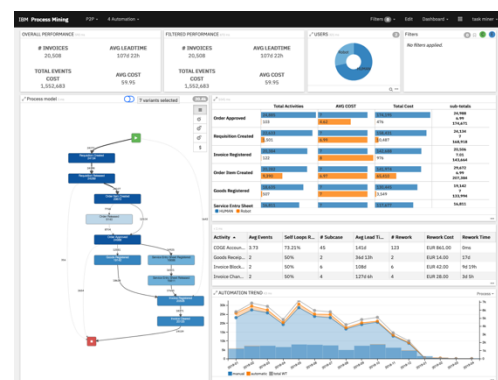
APPLY AI TO FREE PEOPLE WITH INTELLIGENT PROCESS AUTOMATION AND DIGITAL WORKERS

Business processes are often manual, paper-based and labour-intensive. Cycle times could be long, sometimes requiring multiple physical signatures. Customers often experienced lengthy wait times, and compliance issues could take considerable time and effort to resolve.
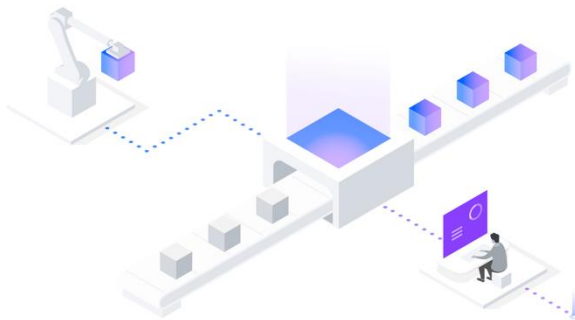
Applying automation to automate processes and to simplify routine or mundane tasks frees up a workforce to do more strategic, higher value work, such as bringing new products to the marketplace.

It's also enhancing experience by improving response time and accuracy.

Businesses are realizing the benefits of automation through reduced inefficiencies and human errors, which are lowering business costs and improving data quality. Through process automation, including those offering low-code or no-code authoring tools, Finance and Accounting users are solving emerging business challenges in real time.

Process Automation is applied to the following functions of Finance and Accounting

Order-to-cash

Different functions in the Order to Cash process can be streamlined through automation to improve efficiency and cash flow.

1. Creating a purchase order received from customer through email into the ERP system.
2. The processes of Finance team such as setting up new customers, producing accurate invoices based on incoming sales orders, and collecting invoice payments.

3. Reconciliation of remittances in the system and automating follow up against the payments can be automated.

Procure-to-pay

Processes that are involved in the Procurement cycle can be automated through the Business automation solution. Processes include

1. New Vendor registration process.
2. Purchase requisition to PO process which is often done outside the ERP as the approval process is case specific and will have to be authorised and approved by different users based on the type of purchase.
3. The process of acquiring, validating and parking the invoices in SAP. Running payment process in SAP as per credit period of invoice, to avoid late fees and interest charges.
4. Invoice processing in a touch-less manner with workflow for approving non-po invoices and based on the approval rules. Processing invoices by excuting rules to identify Vendor Code, GL Code against which the invoice is to be posted, Tax code and also run other rules to check the validity of the invoice.

Financial planning and analysis (FP&A)

1. Budgeting, forecasting: sourcing, aggregating, and formatting data required for budgeting and forecasting.

Treasury operations

1. Cash reconciliation and reporting processes to understanding the current cash position at any point in time by reconciling consolidated bank account balances against cash reported on the balance sheet.

Automation capabilities, automates these manual tasks to improve the accuracy and timeliness of cash position reporting and forecasting as well as to make better use of limited financial resources.

Financial operations

1. Finance department has the key responsibility to manage monthly general ledger close process and generating timely, accurate financial reports.
2. Bots can automate the daily manual activities in finance department such as:
   a. Journal entries
   b. Bank reconciliation
   c. Expense management
   d. Credit control
   e. Financial reporting

IBM Automation case study

Deloitte

Business problem
Essential reporting tasks required large commitments of time and repetitive effort, including accounts receivable reports and travel expense reports. Since Deloitte was becoming increasingly involved in IT consulting and working on digital transformation projects for its clients, it began looking for opportunities to use advanced software tools for internal operations.

The solution
Deloitte used IBM RPA to create bots dedicated to the monthly management report, accounts receivable, travel expenses, and currency exchange rate monitoring.

The RPA bot assigned to automate production of the monthly management report enables Deloitte to complete the report in one hour — a process that used to take five to eight days.

For accounts receivables, an RPA bot generates a list every day that reports how long each invoice remains on the books without being paid. This aging list report used to require one hour a day for processing but is now completed in 15 minutes.

Reduced management report preparation time from 5 – 8 days to

1 hour

Reduced travel expense report preparation time from 3 hours a day to

10 min