

THIRD ANNUAL

# The Future of Finance Has Arrived:

2022 State of Automation in the Finance Office Report



**Automation.**

Still considered a nice-to-have in the corporate finance office, the rest of the corporate organization has embraced the cutting edges of innovation accessible through available technology solutions.

From sales to marketing and HR, the large majority of the enterprise has not only adopted advanced analytics and technology solutions to streamline every part of their processes, but they have also utilized the additional time to their advantage to focus on higher-level business priorities.

So what is corporate finance waiting for?

We recently surveyed more than 650 finance professionals to find out exactly that. Our report takes a deep dive into the responses collected from the corporate finance office, including the tasks that take up the majority of a finance professional’s time, the top challenges within the finance back office, and the current and future state of automation in finance.

Our third-annual State of Automation in the Finance Office report shows that automation is here to stay. Automation is no longer a “nice to have,” and corporate finance must step up to embrace automation or risk getting left behind, or worse, becoming even more overwhelmed and overworked resulting in burnout, turnover, and greater risk for the organization.

**KEY FINDINGS**

- 1. Most respondents (61.8%) do not feel that their finance back office is sufficiently automated.
- 2. Accounts payable and receivable were ranked as having the most manual work for the third year running.
- 3. Time spent on manual or repetitive tasks is the biggest challenge in the finance office, followed closely by time spent checking and updating data.
- 4. A lack of responsiveness from employees, vendors, and customers is the most significant pain point in the finance office.
- 5. Implementing advanced levels of analytics and reporting is the top technology priority in the next year.

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Chapter One

# Automation Is Here to Stay

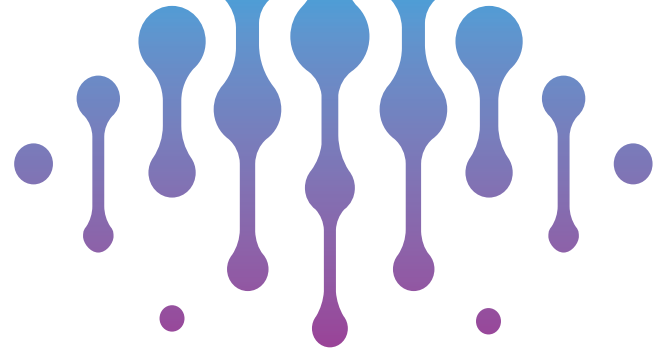


## The time has come for corporate finance to fully embrace automation.

The 2022 State of Automation Report showed that 62% do not feel that their finance back office is sufficiently automated. While the rest of the world has adopted Web3 and other next-gen tech, the finance office is far slower to implement the latest and greatest technology. Even more surprising is that the number of respondents indicating that they do not feel their back office is sufficiently automated is even greater than last year's report, which was about half (58%).

Further, a good percentage of respondents (44.5%) only have basic levels of automation where some workflows are automated, but most of the work is still handled manually.

That being said, advanced analytics and reporting are at the top of the list for implementing technology next year, indicating that corporate finance is willing to embrace automation and the benefits that come with it. With more than a third (38.4%) of respondents saying that less than 25% of tasks are automated, the corporate finance back office is begging for a technology facelift.



Other priorities for the finance back office include focusing on process improvements and investing in new technologies to improve processes for the finance office next year. Both are now “table stakes” for finance professionals wanting to implement artificial intelligence and machine learning, a surefire way to start on a solid automation journey in the back office.

We should include that the survey showed that at least basic levels of automation have already been implemented in the finance back-office, however limited. Given the manual nature of both accounts payable and accounts receivable, many survey respondents said that these were areas where their teams used automation.

### 2022 CORPORATE FINANCE PRIORITIES

What is the top priority for your finance back office in the next year?

Focus on process improvements

**34.6%**

Invest in new technologies to improve processes

**20.8%**

Improve visibility into business outcomes

**17.1%**

Hire new talent due to company growth

**9.8%**

Train team members for new skill sets

**7.7%**

Replace lost talent due to turnover

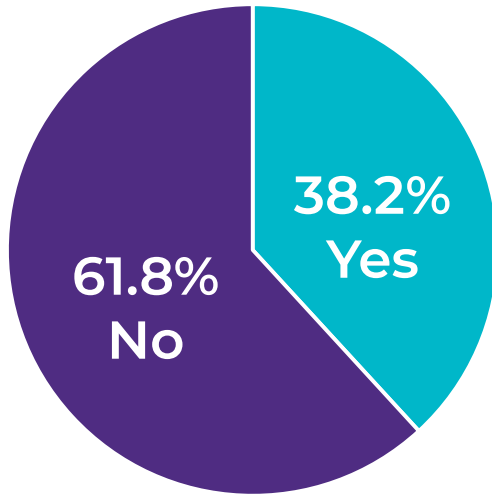
**6.5%**

Other

**3.5%**

## AUTOMATION IN THE FINANCE OFFICE

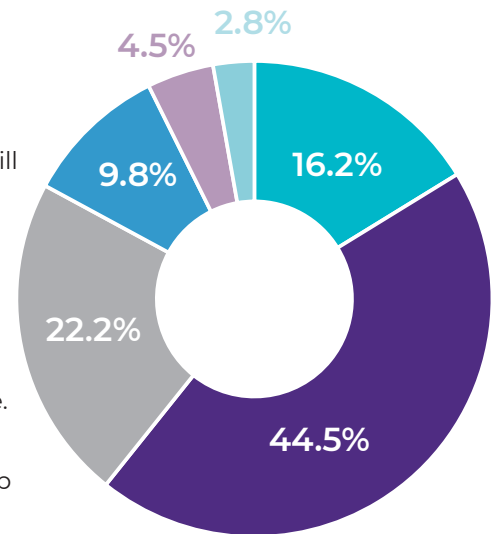
Do you feel your finance back office is sufficiently automated?



## BASIC LEVELS OF AUTOMATION

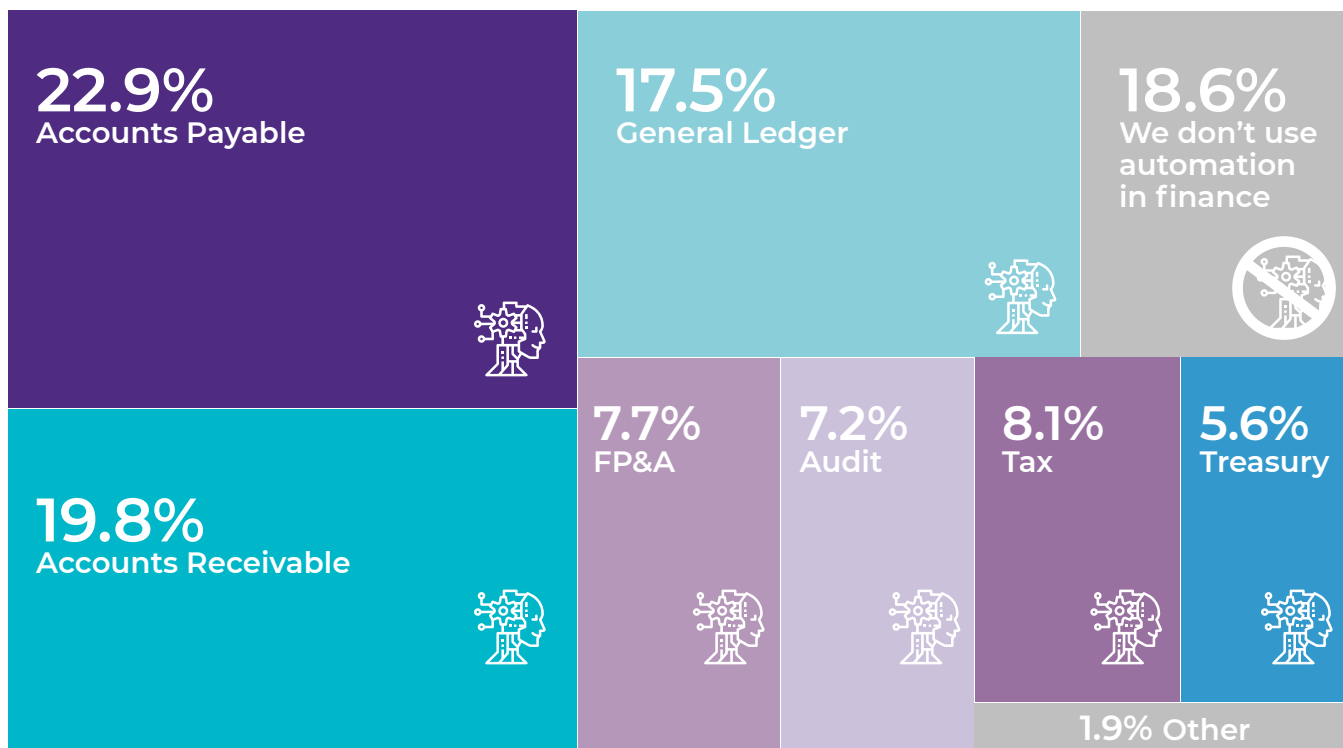
Which of the following best describes the level of automation in your finance back-office?

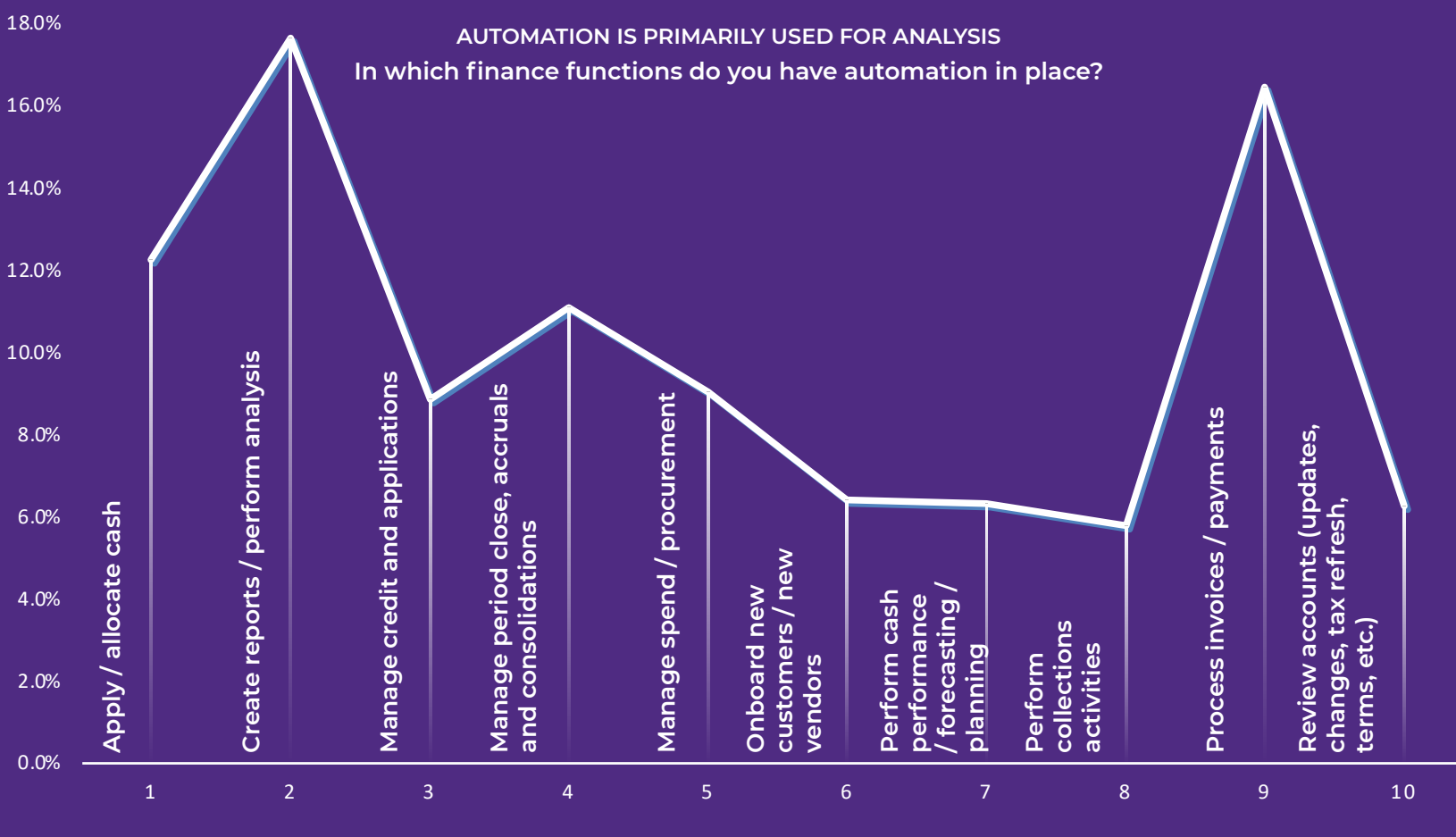
- We have no automation in the finance back office.
- We have basic levels of automation, where some workflows are automated but I still handle the majority of the work.
- We use some automation, where the technology takes care of the work and I oversee it.
- We have fairly advanced levels of automation, but I still review the results to make sure it is accurate.
- We have advanced automation, where I rely on technology to help me make decisions.
- We have a completely autonomous finance back office.



## AUTOMATION IS PRIMARILY USED IN AP & AR

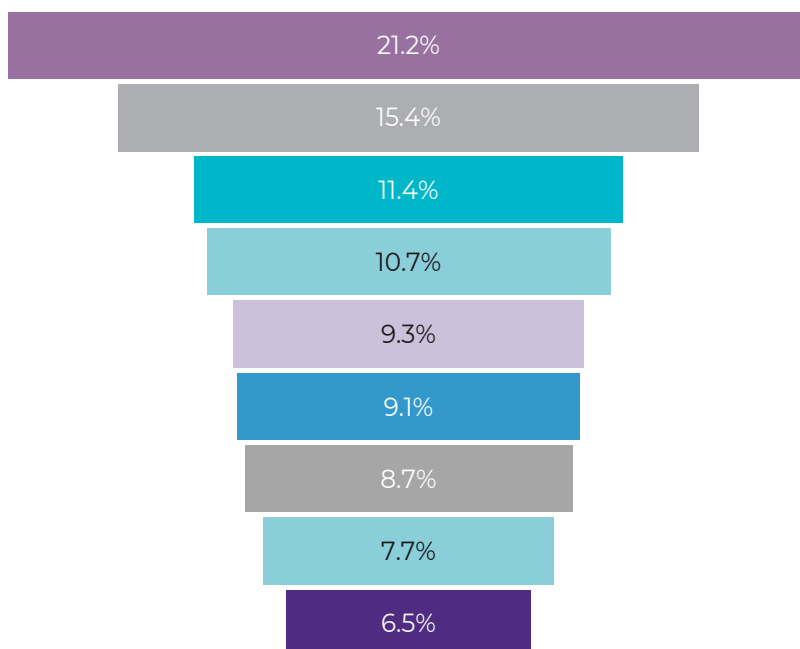
In which areas of finance do you use automation today?





**ANALYTICS AND REPORTING ARE AT THE TOP OF THE LIST**

My company plans on implementing the following technology in the next six to twelve months.



- Analytics and reporting
- Cash performance management / forecasting
- Accounts receivable variance
- Automated vendor invoice scanning
- Payment processing through invoice factoring
- Credit management
- Spend analytics
- Two-way or three-way matching
- Other

Chapter Two

# Repetitive Work Is Ruining Corporate Finance

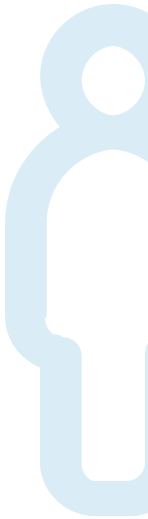


Avid readers of our State of Automation Reports will notice a trend, specifically in the time that the majority of finance professionals spend on both accounts payable and accounts receivable.

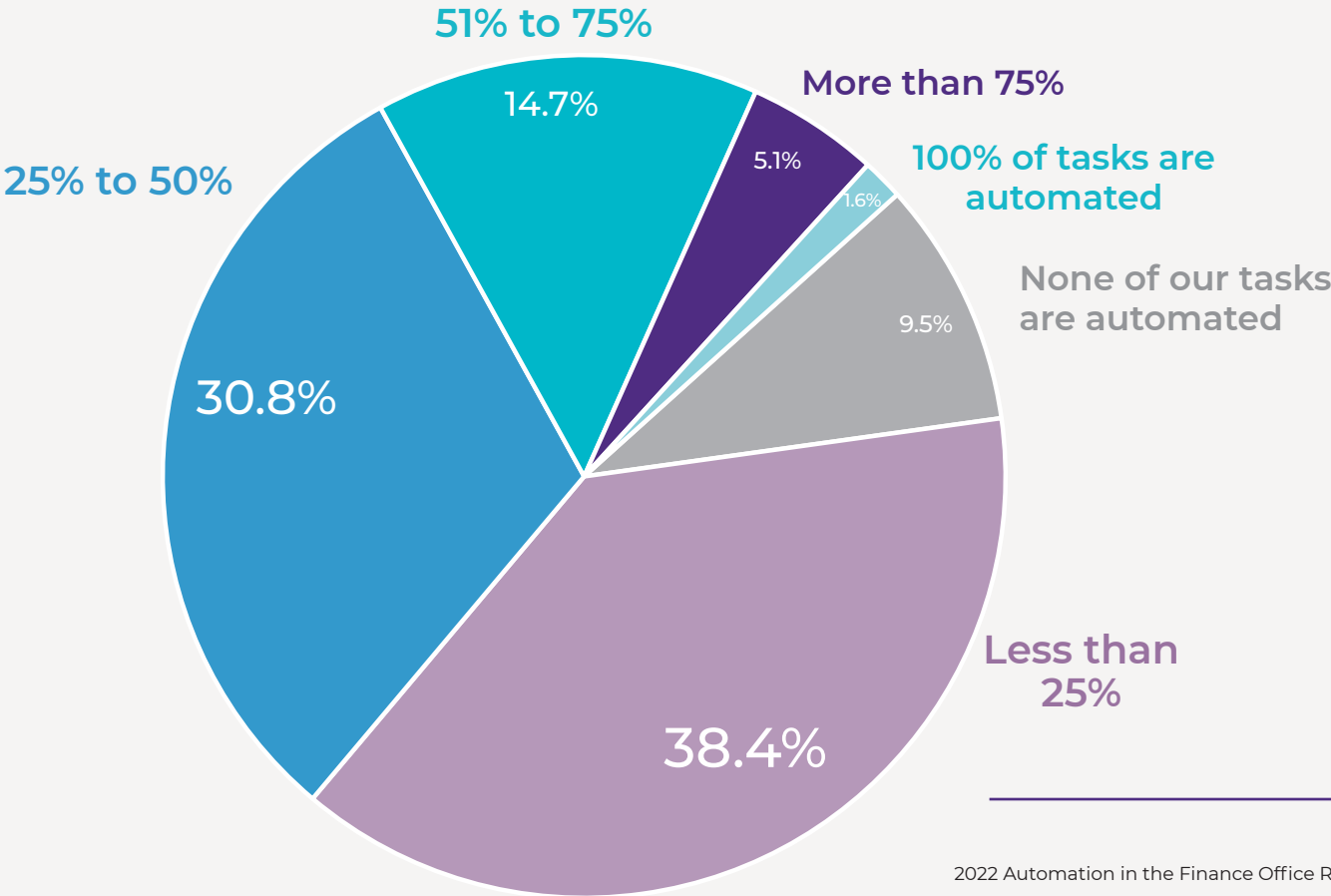
Repetitive, manual tasks run rampant in the corporate finance office, but especially in accounts payable (AP) and accounts receivable (AR). For the third year in a row, AP and AR were ranked as having the most manual work across the corporate finance back office. As many know, record-keeping often translates into hours spent inputting data into systems and updating old records. AP and AR tasks require a keen eye to notice trends and discrepancies in the data collected. About a fifth of respondents said a daily pain was inaccurate or partially complete info from vendors and customers.

And communication is key. Whether it is sending a fifth follow-up email to a client with an outstanding bill or creating and sending receipts for paid transactions, communication and the constant back-and-forth consumes hours of valuable time. Just over 20% of respondents indicated that a lack of responsiveness from employees, vendors and / or customers is the biggest pain point in the finance back office.

**CORPORATE FINANCE PAIN POINTS**  
**On a daily basis, what are your pain points?**



**THE BACK OFFICE HAS YET TO EMBRACE AUTOMATION**  
**How many of your team's tasks are automated?**







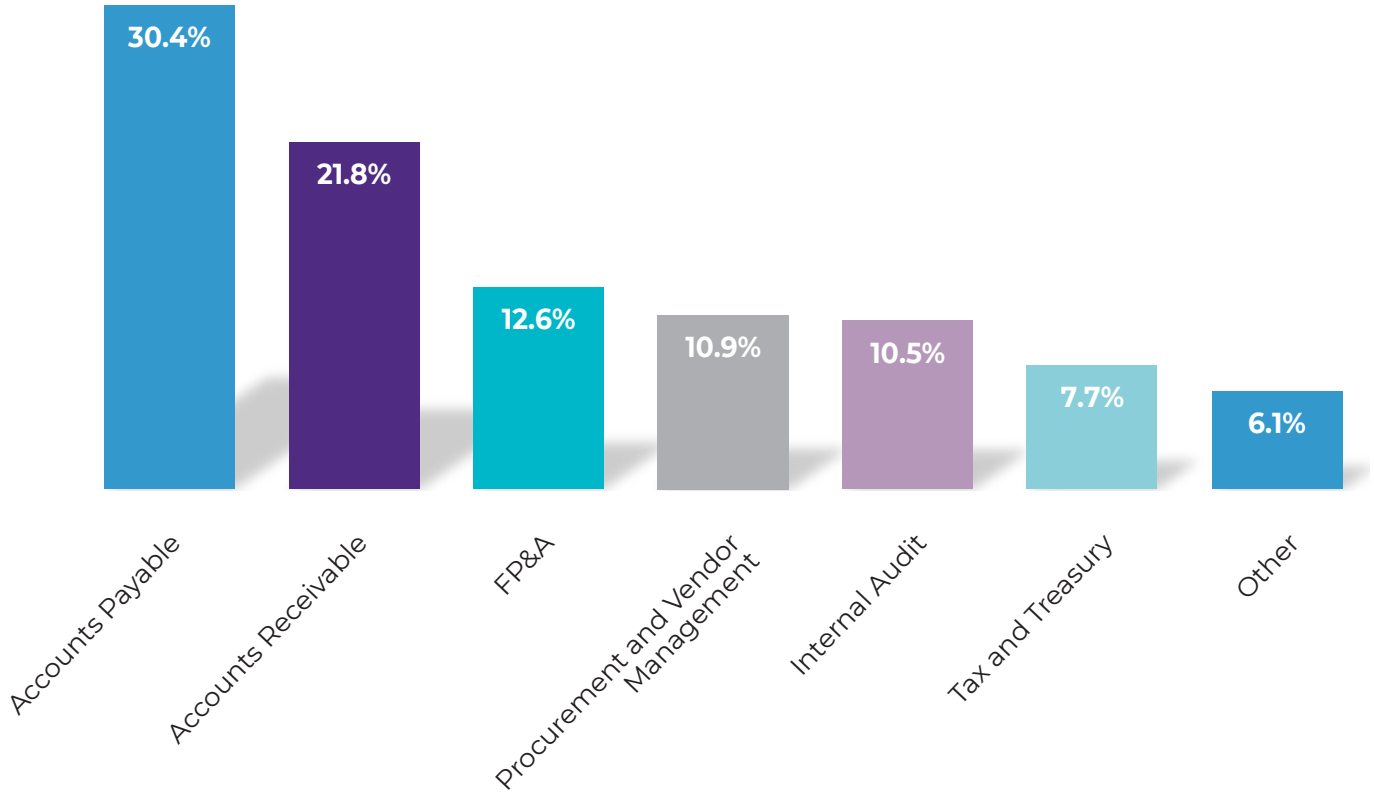
*"The Collections function is one area of Corporate Finance that is notoriously slow and tedious. Finance leaders seek turnkey solutions that bring together AI, Collections Process Automation, and Payments in a simple, compelling user experience that is built for the digital, autonomous enterprise. Almost every finance team I talk to seeks integrated payment offerings in the order-to-cash business process to streamline collections and cash posting while recovering thousands of hours wasted in manual back-office processing."*



**- R "Ray" Wang,  
CEO and founder,  
Constellation Research**

#### AP AND AR HAVE THE MOST MANUAL WORK

What function in your finance back-office involves the most manual work?



## Chapter Three

# Time Is Of The Essence



To put it simply, there is never enough time in a finance professional's day to focus on the higher-level business objectives that help to move the needle.

Why? Because of the rampant manual tasks we shared in the previous chapter. 2022 State of Automation respondents disclosed that the time spent on manual or repetitive tasks (24.0%) is the biggest challenge in the finance back office, followed closely by time spent checking and updating data (23.4%).

With many finance professionals using spreadsheets as their primary source of truth, reviewing work conducted by outsourced professionals or junior team members, and answering the deluge of emails in their inbox at any given moment, time is a precious, limited resource.

Gathering data for analysis takes the most time (22.2%) followed by communication with internal and external stakeholders (19.4%). On average, the majority of finance

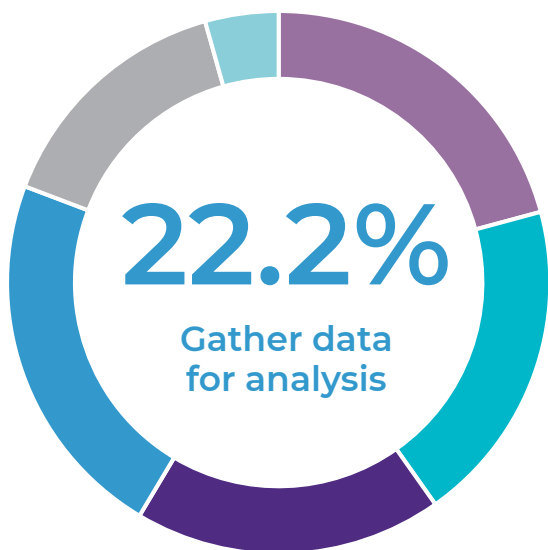
teams spend at least one workday (6-10 hours) on communication, with 29.4% of respondents saying that they spend 6-10 hours per week following up with stakeholders.

One of the more surprising statistics within our report is that when surveyed about the activities that take up the most time for finance teams, the responses differed by role.

CFOs stated that analyzing data for insights and reports took up the majority of the time, while mid-to senior-level professionals (VP / Director / Manager in Finance or Accounting) said that gathering the data for analysis took up the most time. Finally, junior accounting staff, including specialists and professionals in AP, AR, collections, and treasury, stated that executing audit and compliance-related activities were the most time-consuming, mundane, and repetitive tasks they completed each day.

## GATHERING DATA TAKES UP THE MOST TIME ACROSS CORPORATE FINANCE

Which of the following activities take up most of your team's time?



- 20.8% Analyze data for insights / reports
- 19.4% Communicate with internal and external stakeholders
- 18.4% Execute audit and compliance related activities
- 14.9% Learn and improve the company's business processes
- 4.4% Other

## JUNIOR ACCOUNTING STAFF SPEND THE MOST TIME IN AUDIT

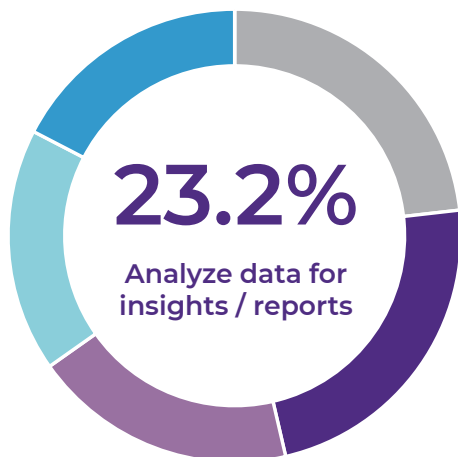
Which of the following activities take up most of your team's time?



- 20.0% Communicate with internal and external stakeholders
- 24.8% Execute audit and compliance related activities
- 15.6% Gather data for analysis
- 10.8% Learn and improve the company's business processes
- 5.6% Other

## CFOS SPEND TIME ANALYZING DATA

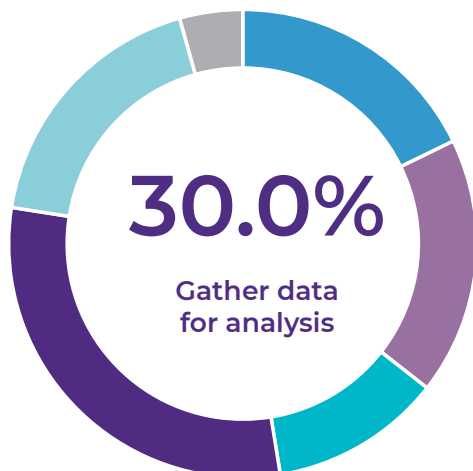
Which of the following activities take up most of your team's time?



- 23.2% Communicate with internal and external stakeholders
- 18.8% Execute audit and compliance related activities
- 17.4% Gather data for analysis
- 17.4% Learn and improve the company's business processes

## SENIOR LEVEL FINANCE PROFESSIONALS SPEND TIME GATHERING DATA

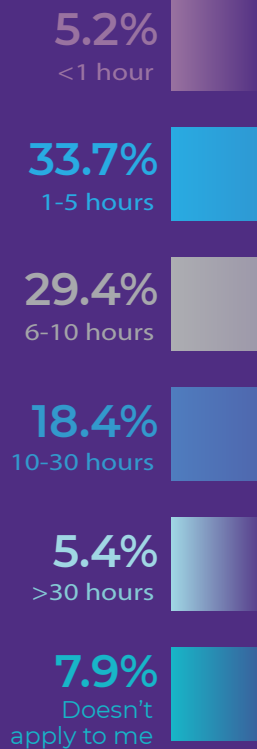
Which of the following activities take up most of your team's time?



- 18.2% Learn and improve the company's business processes
- 17.8% Analyze data for insights / reports
- 17.8% Communicate with internal and external stakeholders
- 11.9% Execute audit and compliance related activities
- 4.4% Other

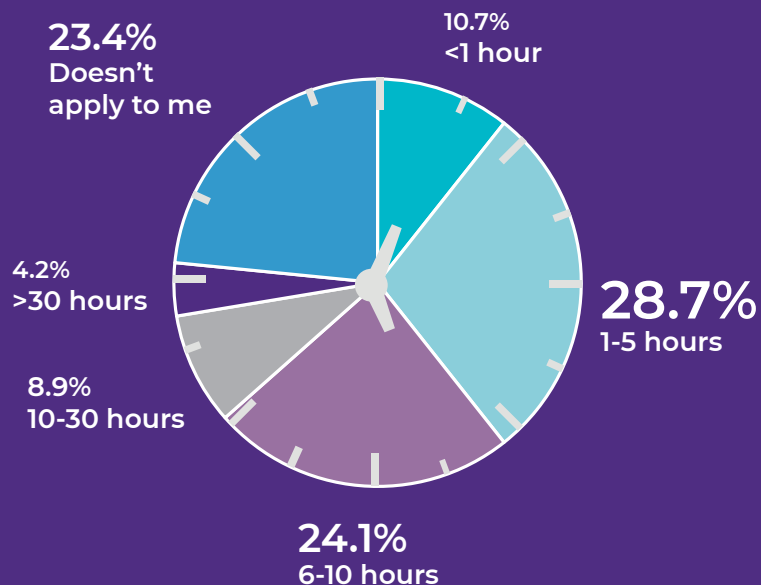
## COMMUNICATION IS A CHALLENGE

How much time does your team spend following up, seeking approvals, requesting documentation, and communicating with vendors, customers, and internal stakeholders each week?



## CHECKING WORK TAKES TIME

How much time does your team spend checking and validating back-office work done by contractors or outsourced staff each week?



Chapter Four

# Challenges In the Finance Office



Corporate finance professionals face several challenges across the back office, many of which could be solved with technology and automation.

The 2022 Automation in the Finance Office study results shows that many finance professionals agree that several of the topics presented within the report are particularly challenging for their department—task repetition, customer and vendor communication, and data input.

Similar responses were provided when looking at department-specific challenges. High accounts receivable balances (16.1%) top the list of the biggest challenges in collections and AR. For the AP side around vendor management, data input continues to be a major challenge. Nearly a quarter (22.7%) of respondents noted that the manual input of vendor invoice data to the general ledger (GL) is the biggest challenge.

While manual work issues are rampant, hiring could also be a challenge in the finance back office. The “Great Resignation” that has thrown a wrench into hiring plans across companies in 2020, 2021, and 2022. Fortunately for corporate finance, more than half have

*“In today’s market conditions with rising interest rates and global supply chain challenges, finance leaders are actively looking to digital technologies to accelerate cash performance and drive their transformation efforts.”*

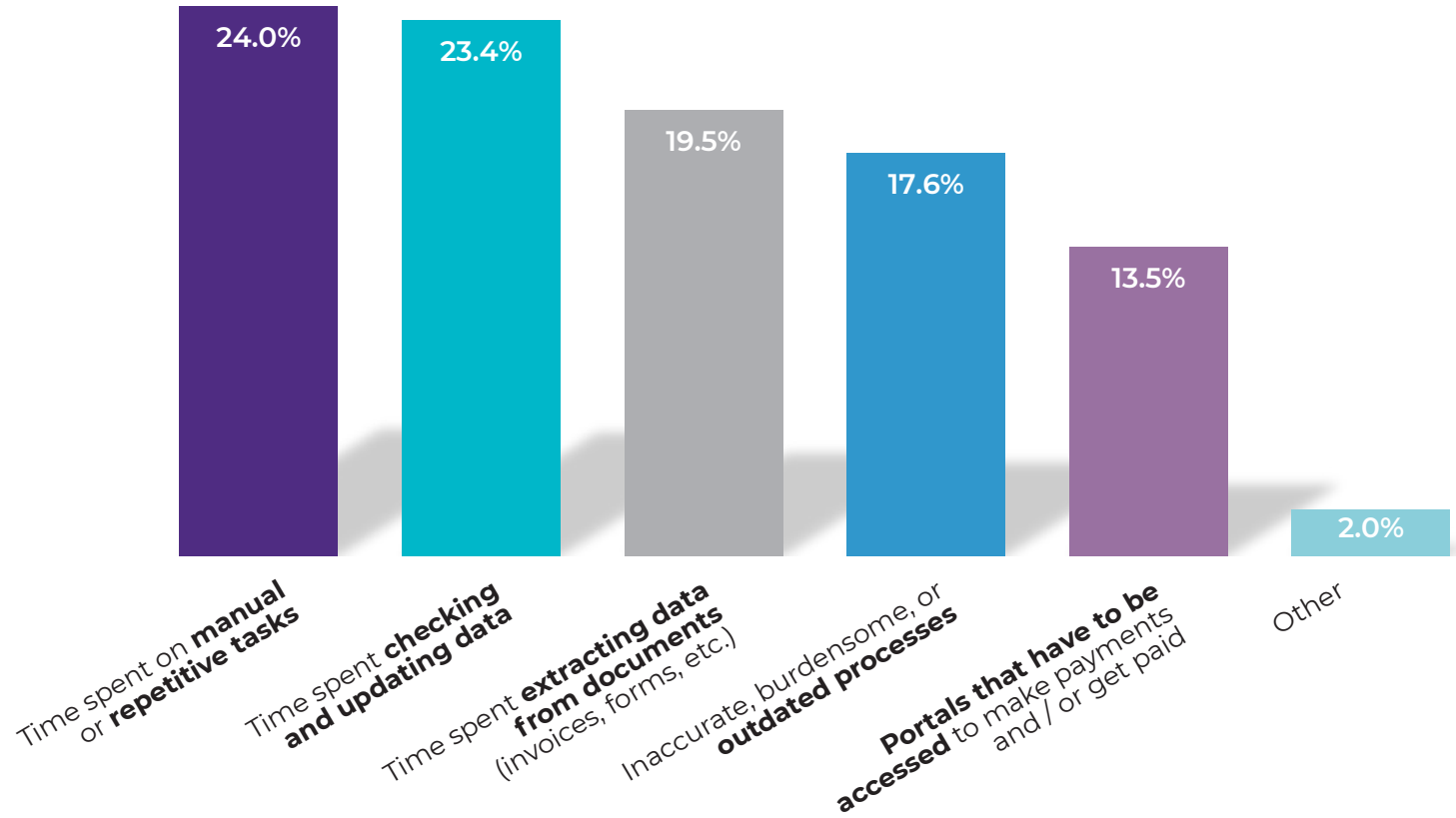


**– Rohit Gupta,  
CEO and co-founder of Auditoria.AI**

been able to fill open positions within three months. Even so, almost 30.0% said it took up to half a year to fill an open position. And 6.1% said they were unable to fill open positions and most likely abandoned hiring for those roles. It is situations such as these where putting automation in place could help alleviate some of the pain caused by lack of available talent or relieve organizations that are feeling the strain of overworked and overwhelmed finance teams.

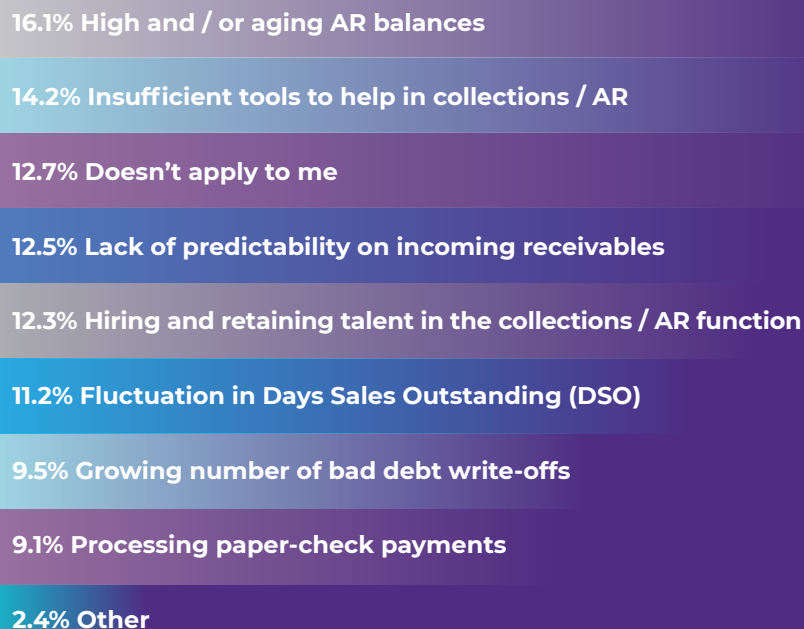
### CORPORATE FINANCE BACK OFFICE CHALLENGES

Overall, what are the challenges across the finance back office?



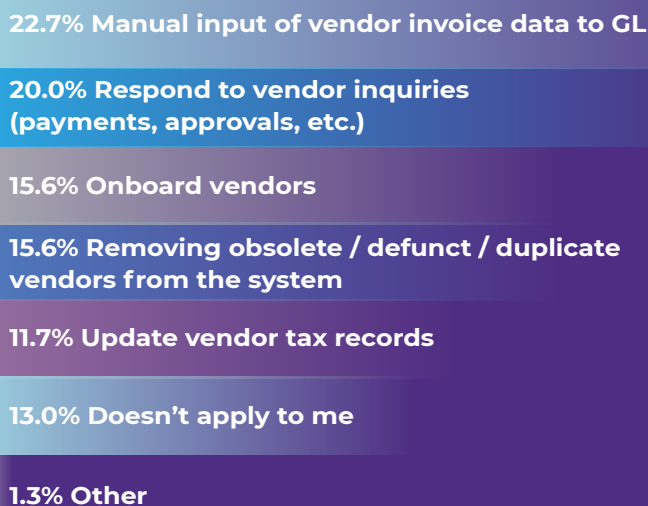
## HIGH BALANCES IS AN AR CHALLENGE

Regarding your collections / accounts receivables function, what are the challenges?



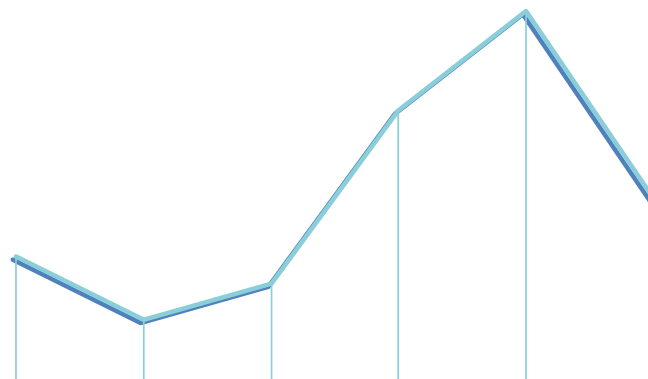
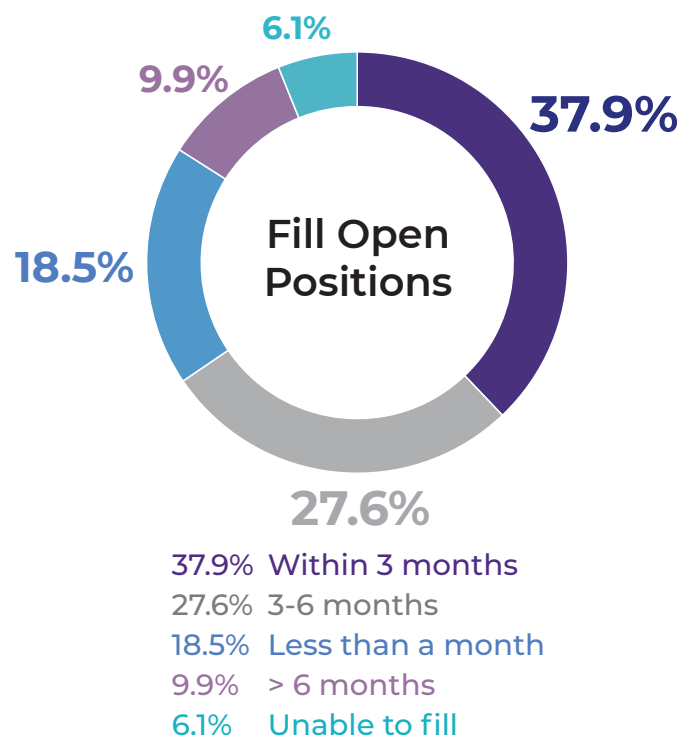
## MANUAL DATA INPUT IS A VENDOR MANAGEMENT CHALLENGE

Regarding your vendor management function, what are the challenges?



## MINIMAL HIRING CHALLENGES IN CORPORATE FINANCE

To what degree have you experienced challenges in hiring / retaining personnel?



# Conclusion: Embrace Automation or Stagnate





## Automation is now a requirement for corporate finance.

It has been made clear that the finance office is still suffering with transactional, manual type work. Results show that 60.7% of finance professionals do not use advanced technologies in the finance back office. These teams will be the slowest in the adoption race, but others who have started to incorporate technology will be the early adopters.

CFOs should consider purpose-built technology that inherently understands finance terms and processes to meet and exceed expectations. Organizations looking to alleviate the challenges faced by the finance office need to find solutions such that will increase finance teams' speed, accuracy, and efficiency using intelligent automation to replace manual and time-consuming accounting, accounts payable and receivable processes.

Companies should seek technology that is purpose-built for finance, with advanced next-gen technology, to integrate with systems of record and email boxes and act as a system of engagement to streamline collections, add controls to procurement spend, optimize vendor management, and handle helpdesk inquiries using automation.

Finance teams that implement advanced technology will recover thousands of lost hours in repetitive manual accounting tasks, follow-ups, error checking, and data entry. With AI and machine learning enhanced software, the promise of an intelligent, autonomous finance back office is now a reality.

*"At Otto Car, we believe in the power of agility and innovation and look for vendors aligned with our vision. We knew Auditoria was the best choice for us and our Sage Intacct application environment to streamline incoming invoice processes and bank reconciliations. Auditoria's cutting-edge AI technology will help us to save time, increase accuracy in growth predictions and avoid the added spend of an army of accountants who would have to track, process, and enter this manually."*



**– Ali Syed, Head of Accounts, Otto Car**

### Report Overview

Auditoria conducted an online survey of 650 US-based finance professionals in spring 2022. Titles included Business Applications Professional, Chief Financial Officer / Chief Accounting Officer, Controller, Digital Transformation Professional, Enterprise Applications Architect, Finance Specialist / Professional (Accounts Payable, Receivable, Collections, Treasury, Tax, Audit, etc.), and VP / Director / Manager in Finance or Accounting.

## About Auditoria.AI

**Auditoria.AI** is an AI-driven SaaS automation provider for corporate finance that automates business functions for vendor management, accounts payable and receivable, and accrual creation and management to accelerate cash performance. By leveraging natural language processing, artificial intelligence, and machine learning, Auditoria removes friction and repetition from mundane tasks while automating complex functions, and providing real-time visibility into cash performance.

Auditoria integrates with industry-leading ERP and Financial applications, including Bill.com, Conga, Coupa, Oracle ERP Cloud, Oracle NetSuite, Sage Intacct, Workday, and collaboration tools such as Microsoft 365 and Google Workspace. Corporate finance and accounting teams at leading companies including Armanino, Arrive Logistics, FreshWorks, LiveRamp, UserTesting, and more use Auditoria to accelerate business value while minimizing heavy IT involvement, improving business resilience, lowering attrition, and accelerating business insights.

### **Auditoria® SmartFlow Platform, SmartFlow Skills and SmartBots**

Built on Auditoria's SmartFlow Platform that leverages Artificial Intelligence, Machine Learning, Cognitive Robotic Process Automation (CRPA), Computer Vision, OCR, and Natural Language Processing and Understanding (NLP/U), SmartFlow Skills are discrete, pre-packaged, purpose-built accounting applications that automatically perform a wide range of critical finance office functions for O2C, P2P, and R2R. Auditoria® SmartBots act as "junior accountants" that execute SmartFlow Skills, fully engaging with systems of record, shared inboxes, and key stakeholders to capture actions and hand-off to humans using workflows to assign and escalate where necessary.

### **Auditoria® SmartCustomer SmartFlow Skills | O2C**

Auditoria's SmartCustomer improves cash flow, reduces DSO, and increases efficiency in the finance office using AI-enabled SmartBots to automate redundant and manual accounts receivable processes to derive greater cash position visibility. Purpose-built for finance, SmartBots streamline collections, speed up payments, prioritize AR team performance, and handle helpdesk inquiries and requests, using the data generated to provide key insights into cash performance.



**SmartCollections** Auditoria SmartCollections leverage Artificial Intelligence, Machine Learning, Cognitive Robotic Process Automation (RPA), Optical Character Recognition (OCR), and Natural Language Processing to overhaul your Collections function while smoothly executing A/R business workflows. By leveraging cutting-edge machine learning algorithms, Auditoria SmartCollections mines through millions of invoices to decipher payer behavior patterns, continually and automatically.



**SmartPay** Auditoria SmartPay significantly expands Auditoria SmartCollections capabilities by streamlining and automating payments, one of the most manual and time-consuming aspects of the order-to-cash business process. SmartPay, powered by Stripe, offers full-featured enhanced payment processing, automated cash posting, and support for global currencies and payment methods, securely, rapidly, and cost-effectively.



**AR Helpdesk** SmartBots are deployed to monitor shared AR inboxes, categorizing emails and responding conversationally to inquiries and requests, including sending copies of invoices or POs, within minutes. Available 24/7, SmartBots process email content and understand finance-specific intent to email authorized customers securely and protect sensitive accounting information.



**SmartInsights** Built on Snowflake Data Cloud, Auditoria SmartInsights ushers in a new era of surgical order-to-cash insights autonomously generated through analytical algorithms, providing real-time visibility of critical cash-centric indicators to revenue accounting teams.

### **Auditoria® SmartVendor SmartFlow Skills | P2P**

Auditoria's SmartVendor reduces manual work, reduces risk, and improves accuracy in the finance office using AI-enabled SmartBots to automate redundant and manual accounts payable processes to derive greater cash position visibility. Purpose-built for finance, SmartBots streamline procurement spend and data extraction, optimize vendor management, and handle helpdesk inquiries and requests, using the data generated to provide key insights into cash performance.



**Vendor Onboarding** Automatically collect vendor account information from tax forms for domestic and international suppliers. SmartBots identify unauthorized vendors, activating and onboarding through an approval process to securely capture information. No custom portals needed to safely maintain private vendor interactions, and get new vendors up and running quickly to reduce risk and increase productivity.



**Vendor Invoice Data Extraction** With advanced cognitive OCR and Computer Vision, Auditoria SmartBots extract data from unstructured and structured documents such as PDFs, invoices, and remittance memos, regardless of format, to streamline data input activities. Approval workflows ensure data written to the system of record is checked and approved before being uploaded to verify inputs and improve accuracy.



**Vendor W-9 Data Refresh** Ensure sustained compliance for the procurement function by regularly capturing updated IRS W-9s and W-8s. SmartBots make sure vendor tax data is accurately captured and leveraged before issuing annual tax documentation to reduce errors and missing data issues.



**AP Helpdesk** SmartBots are deployed to monitor email inboxes and respond conversationally to inquiries on approval status, invoice payments, short pay issues, and missed invoices. Available 24/7, SmartBots process email content and understand finance-specific intent to email authorized vendors securely and protect sensitive payment information. SmartBots respond with answers, documentation, or escalations, minimizing interruptions to the AP team throughout the day and increasing timely customer service.

### **Auditoria® SmartGL Smartflow Skills | R2R**

Auditoria's SmartGL reduces risk, improves accuracy, and simplifies close in the finance office using AI-enabled SmartBots to automate redundant and manual accounting processes to derive greater cash position visibility. Purpose-built for finance, SmartBots integrate with systems of record such as ERP applications, procurement systems, and revenue operations platforms and act as a system of engagement to streamline journal entry creation, track, estimate, and manage accrual capture, and reconcile bank statement matching, using the data generated to provide key insights into cash performance.



**Advanced Accruals For Suppliers** SmartBots automate monthly outreach to suppliers and estimate accruals using supplier input along with Purchase Order and Purchase Requisition data. Journal entries are automatically created, reviewed, and reconciled to the general ledger. SmartBots detect anomalies and identify erroneous or unusual activity such as backdating or in some cases fraudulent transactions in the general ledger, delivering an industry-first capability to automate the typically arduous and error-prone monthly accruals processing.



**Bank Statement GL Matching** SmartBots autonomously review bank statement and retrieve specified transactions to reconcile bank entries to general ledger entries. The SmartBots integrate with systems of record and automatically generate journal entries while supporting segregation of duties. Entries get approved for export and then updated in the general ledger.



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