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Finance
process

AUTOMATION

A guide to automate repetitive, manual, and
mundane tasks using RPA (Robotic Process
Automation) and AI

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INTRODUCTION

"Digitalization is inevitable and if not today then by tomorrow. 64% of business leaders said they will use the economic crises as an opportunity to focus on redesigning their businesses and 69% said digitalization initiatives are accelerating."

CFOs are critical enablers of these enterprise ambitions.

After pandemic and current inflation forced CFOs to focus on return-based investment and accelerate the digitalization of finance functions. Company-wide vision also has shifted in the past few years and CEOs are pushing for building digital enterprise by adapting readily available technologies such as AI and RPA. Many expect digital technology to lead to substantial or total transformation for their industry by 2026. In a survey by Gartner, 64% of business leaders said they will use the economic crises as an opportunity to focus on redesigning their businesses and 69% said digitalization initiatives are accelerating. CFOs are critical enablers of these enterprise ambitions. Digitalization is inevitable and if not today then by tomorrow CFOs must introduce AI into finance function for sustainability and growth. These technologies do not just save cost but empower people and increase productivity which is the most relevant in 2023.

Pre RPA & AI

**2**

NUMBERS THAT YOU NEED TO KNOW

1000+

invoices are processed per month by an AP clerk manually

USD 40

per invoice is the cost of invoice processing




Post RPA & AI


60%

cost savings of baseline FTE costs for financial services.

30%

lower operational costs by combining hyper-automation technologies with redesigned operational processes.





Data entry is one of the most redundant and hated office tasks, according to global research.

94%

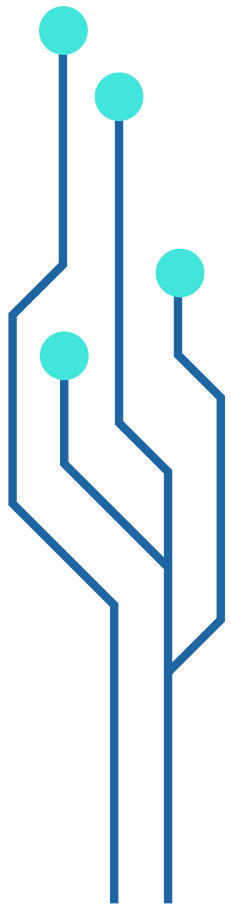
of workers say they perform repetitive, time-consuming tasks in their role

88%

of small business owners say automation allows their company to compete with larger companies.

65%

of knowledge-workers are less stressed at work because they automate manual tasks



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DIGITALIZATION
OPPORTUNITY- USE CASES

Accounts Payable

The AP Bot monitors your accounts payable inbox, pulls invoice details, handles and harmonizes payments, and performs three-way matching for invoices, purchase orders, and receipts.



Read Inbox, vendor portal and capture invoice data

- Read inbox that has seller invoices, and download invoices.
- Monitor vendor portal and download invoices.
- Source invoices from other sources.
- Capture invoice data such as PO no, amount, line items, date, etc. with AI and OCR technologies.

Validate and perform the three-way matching

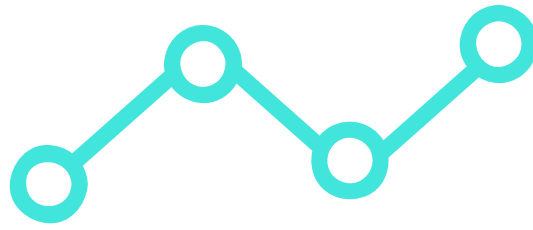
- Pull PO, Receipts, and other related data from ERP or other sources.
- Validate vendor.
- Match invoice, purchase order, and receipts/GRN (inventory) to validate the invoice.
- Use business rules for tax and GL code etc.

Handle payments

- Follow business rules and apply splits.
- Make journal entries.
- Reconcile payments with the bank account.



Accounting Bots and AI can automate 80% to 90% of invoice processing work and save 40% to 55% on invoice processing costs.



84 %

of an AP professional's day is wasted on manual, high-velocity tasks such as keying data, shuffling paper, fixing mistakes, chasing down information, and responding to inquiries.

40%

of workers state that physical, repetitive work takes up at least a quarter of their week.

Manual execution is expensive. It is not cost-effective to spend up to 40% of your workweek on tasks that might be automated.



HOW AN AP AUTOMATION SOLUTION CAN STAND OUT

- Store massive data from all the business documents like purchase orders, invoices, GRNs, payment receipts, etc., and retrieve them at any instant with a single click.
- Route the invoices to the respective approval manager for one-click approval, followed by immediate email notification.
- Automated reminders to notify the users of any pending approvals.
- Invoices exceeding a certain threshold are configured for multi-level approval.
- Vendor categorization according to different tax and discount rates.
- Integrate with any banking APIs so that real-time bank reconciliation is made possible.
- Structured report of all the accounts payable in a single dashboard for planning the budget.

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DIGITALIZATION
OPPORTUNITY

Accounts Receivable

Streamline the accounts receivable process by using RPA to obtain claim information and documents from payers.



Create Invoice and follow up on collection

- Pulls client details from CRM or additional sources
- Constructs custom invoices by determining the line items for each client in the ERP system Or creating invoices through the software system that you use.
- Sends invoices through email or the application that you use.
- Sends payment reminders through automated calls and texts for aging invoices.
- Responds to customer questions and demands.

Track and process customer payment

- Can read images, PDFs, checks, ACH payments, wire receipts, and credit card dealings to use for payments from clients toward their open invoices.
- Can extract checks from the bank lockbox and do further processing.
- Can apply customized rules and logic for repayments, partial payments, refunds, credit notes, etc.
- Brings humans in the loop for any discrepancies.

Reconcile and journal entries

- Do the reconciliation on deposits automatically
- Reports on any uncleared entities or missing transactions from POS or e-commerce portals bring humans in the loop.
- Will record receivables and account for bad debt.
- Utilize ASC 606 norms to calculate and document deferred payment entries.



The global accounts receivable automation market is projected to be worth USD 3,433.40 million by 2025.

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DIGITALIZATION
OPPORTUNITY

Accounts Reconciliation

Account Reconciliation is the most tedious and time-consuming task for any accounting department. Survey says that more than 90% of the time gets consumed only for the transactions that are already matched and valid.



Bank reconciliation

- An integrated system that communicates with multiple systems and sources such as a bank, ERP, Checks, AR, etc., and does the automatic reconciliations.
- Check deposit reconciliation.
- Other payment reconciliations
- Flag exceptions for humans.

Credit Card reconciliations

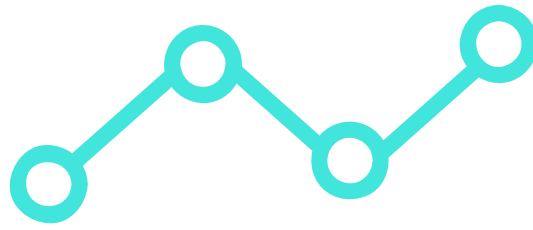
- Read and capture transactions through Credit card portal, excel, etc.
- Do reconciliation.
- Flag exceptions.

External processors

- Read and capture transactions sent by Amazon, Shopify, App stores, or any aggregator.
- Do reconciliation
- Flag exceptions



We expect the global account reconciliation software market to exhibit a CAGR of 13.1% during 2023-2028.



In 2023 and beyond, many fresh opportunities are awaiting the accounting industry. From AI-powered analysis to automated accounting to blockchain-based solutions, we can expect all kinds of technological advancements in this sector.

69%

of CFOs are using spreadsheets to generate financial reports.

The cloud accounting market could reach \$4.25 billion by 2023.



If you are a younger accountant coming into the profession you need to understand what's going on and what's available to help you work alongside artificial intelligence.

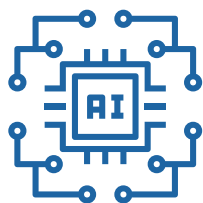
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DIGITALIZATION
OPPORTUNITY

Intelligent Document Processing

Intelligent document processing (IDP) is an advanced technology that automates the task of extracting information from documents such as invoices and processing the captured data further. It eliminates the painful and manual data entry from a process.



Bot Source documents from

- Email
- Dropbox
- Folder

- Data capturing
- Data pre processing and post processing
- Increase accuracy

- Data capturing
- Data validation

- Data processing
- Integration

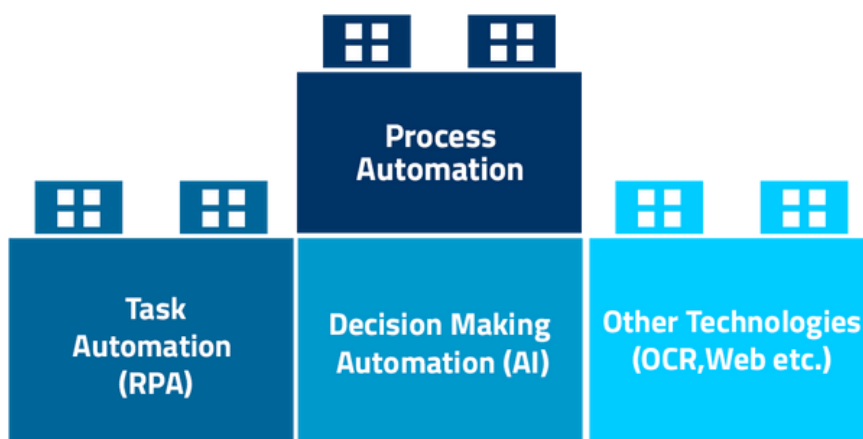
Capabilities

- Invoice automation
- Credit scoring
- Financial reporting (daily, monthly, annual)
- Reconciliation automation
- Journal automation
- Customer risk profiling
- Cheque image processing
- Fraud detection
- Account opening and closing
- Refund processing
- Compliance automation

HYPERAUTOMATION

Hyper-automation is a business-driven, disciplined approach that involves the orchestrated use of multiple technologies, tools, or platforms.

Hyperautomation Requires a Portfolio of Technologies



Hyper-automation building blocks

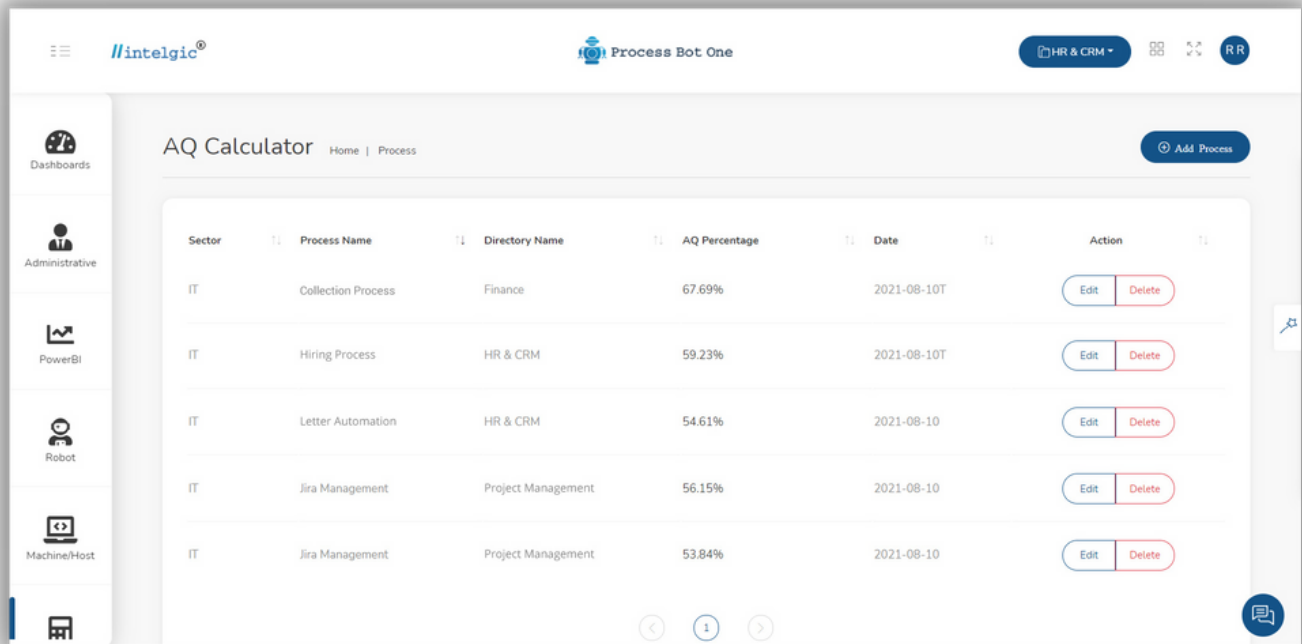
- Task level automation
- AI-based decision making
- OCR and other technologies

Hyperautomation Journey

- * Start with a pilot project with 1-3 processes
- * Choose the pilot processes that have higher AQ
- * Can be automated faster
- * Less impact on human resources

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AUTOMATION QUOTIENT



The screenshot displays the Intelgic AQ Calculator interface. The header includes the Intelgic logo, 'Process Bot One', and a dropdown menu for 'HR & CRM'. The main content area is titled 'AQ Calculator' and features a table with the following data:

Sector	Process Name	Directory Name	AQ Percentage	Date	Action
IT	Collection Process	Finance	67.69%	2021-08-10T	Edit Delete
IT	Hiring Process	HR & CRM	59.23%	2021-08-10T	Edit Delete
IT	Letter Automation	HR & CRM	54.61%	2021-08-10	Edit Delete
IT	Jira Management	Project Management	56.15%	2021-08-10	Edit Delete
IT	Jira Management	Project Management	53.84%	2021-08-10	Edit Delete

The interface also includes a sidebar with navigation options: Dashboards, Administrative, PowerBI, Robot, and Machine/Host. A search icon is visible on the right side of the table.

Every process can be automated either fully or partially. But before jumping into automation, you should identify the processes that will provide high ROI. You can calculate that through Automation Quotient(AQ). Use this free tool by Intelgic to generate the AQ Score of each of your processes to prioritize your automation opportunities.

<https://www.intelgic.com/automation-quotient>

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AUTOMATION PRACTICE

**Process Discovery**

In many cases, VPs or upper-level workers do not know how stakeholders are executing processes or tasks. It is important to talk to these stakeholders and understand how they are executing tasks on a daily basis. This process discovery opens up many digitization opportunities.

**Documentation**

The next step is to create step by step documentation of "AS-IS" processes with BPMN(Business Process Model and Notation) diagram to bring all the stakeholders on a same page.

**Identify process and automation debt**

List down the manual intensive processes where people are spending more time and speed is an issue.

**Determine AQ (Automation Quotient)**

A higher AQ score will tell you "Need to transform" processes. Priorities your automation. Generate AQ for each process with this free toll by Intelgic- <https://www.intelgic.com/automation-quotient>

**Design "To Be" Processes**

Identify the tasks within a process that can be automated and prepare the step-by-step documentation for the To-Be process.

**Technology Selection and Implementation**

A process is step by step tasks. Some tasks can be automated with RPA and some with AI and some with other tools/technologies. Combining all these technologies for the end-to-end automation is called Hyper-Automation

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HOW TO GET STARTED WITH AUTOMATION JOURNEY

PILOT

Identify your pilot process-

- The process with high AQ(Automation Quotient)
- Easy to automate
- Can be moved to the production fast(generally 2-5 weeks)

MEASURE

Monitor and measure the ROI of your pilot for a few weeks

- List the next set of processes and calculate the investment and ROI. If these numbers look good for you go to the next phase of automation.

ROLLOUT

Allocate budget, and team, and propagate the message across the department.

Make your priority list and automate processes one by one.

Please make sure end users are properly trained with the new process and environment.

The best way to achieve this is to involve them in this digital transformation right from the beginning.

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CONCLUSION

Well, Automation and AI are already the big change-maker in the accounting industry. And, it will be more powerful in the years to come. To prepare, businesses should consider how they can leverage these new sources of data. Accounting professionals, finance controllers, and bookkeepers must be willing to discover new skills related to security and technology, which will equip them to become strategic partners rather than paper pushers. The future of all operations is automation. Using AI, Machine Learning, Augmented Reality, and Cloud – everything can be automated, localized, virtualized, and simplified!



80% of professionals believe that AI in accountancy gets them to advantage while maintaining their cash flow, payroll, and tax management.
