

## The benefits of achieving best-in-class finance processes

cannot be overstated. An Everest Group [research report](#) notes that those enterprises that have achieved this state typically are able to deliver higher-value services at about half the cost of their average peers by redeploying their finance talent, transforming their service delivery model, and leveraging more effective technology capabilities.

***Best-in-class finance processes typically are able to deliver higher-value services at about half the cost of their average peers***

Typical benefits include:

- Higher customer satisfaction scores due to fewer billing issues
- Improved cash flow due to faster receivables collection and slower payables disbursement
- Expedited closing of their books
- More accurate forecasts in less time resulting in better business decisions
- Improved standing of the F&A team within the business

Many organizations still struggle with a month-end close that resembles a fire drill: reports that are late, difficult to understand, and often done in Excel; limited capacity or ability to track business metrics and perform root cause analysis; and disparate, disconnected financial systems that often require manual data rekeying.

So how does a finance team get from average to best-in-class? And how do all finance organizations become future-ready?

### Creating value in F&A

Over the past couple of decades, many organizations have successfully used traditional levers of consolidation and global sourcing (either via outsourcing or global in-house centers (GICs), or a hybrid of the two) to drive cost savings and productivity. However, to keep pace with the new world order and satisfy the ever-increasing demands of the business, it is imperative that organizations leverage new value creation levers, including Service Delivery Automation (SDA), analytics, cognitive, cloud computing, and mobility. (See Figure 1)

Figure 1 Key next-gen F&A levers, 1 of 2

SERVICE DELIVERY AUTOMATION



Automation is expected to replace 25-50% of F&A FTEs in the next two to five years, with more to come as new automations develop

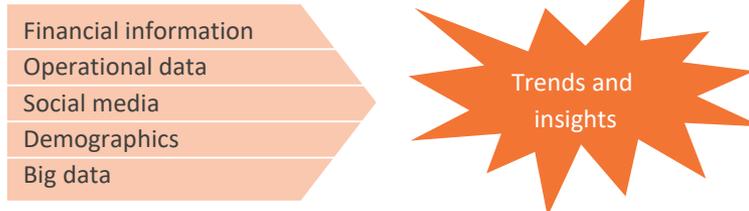
Examples:

- More than 60% of invoice processing functions can be replaced
- Approximately 70-80% of month-end processing is consumed by variation explanation, a significant portion of which can be automated

ANALYTICS



Analytics enable F&A to provide forward-looking, predictive insights that can play a part in improving business strategy and decision-making in real time and on demand



COGNITIVE COMPUTING AND MACHINE LEARNING



Combines automation and analytics to obtain information, find patterns, develop recommendations, and learn from experience

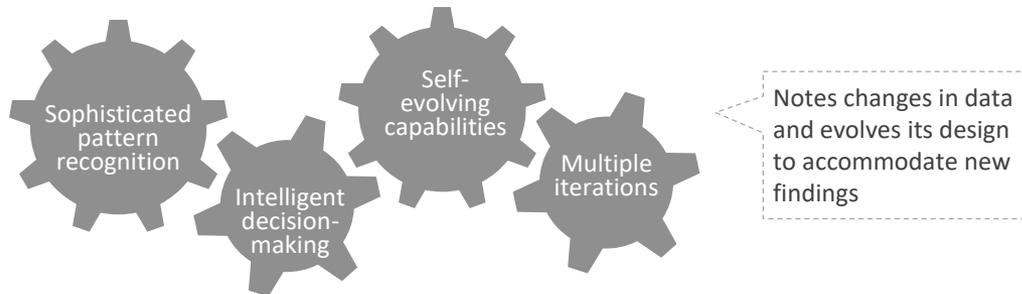


Figure 1 Key next-gen F&A levers, 2 of 2

## CLOUD COMPUTING



The benefits of cloud computing range from **cost savings** to greater **flexibility** to **enhanced performance**  
 Traditional vs. cloud computing

|                   | Traditional                  | Cloud                 |
|-------------------|------------------------------|-----------------------|
| Acquisition model | Buy assets                   | Buy services          |
| Business model    | Fixed                        | Variable              |
| Access            | Internal network or intranet | Internet              |
| Architecture      | Single-tenant, static        | Multi-tenant, elastic |

## MOBILITY



Real-time access to data improves **agility** and **efficiency**, enabling **quick decision making**



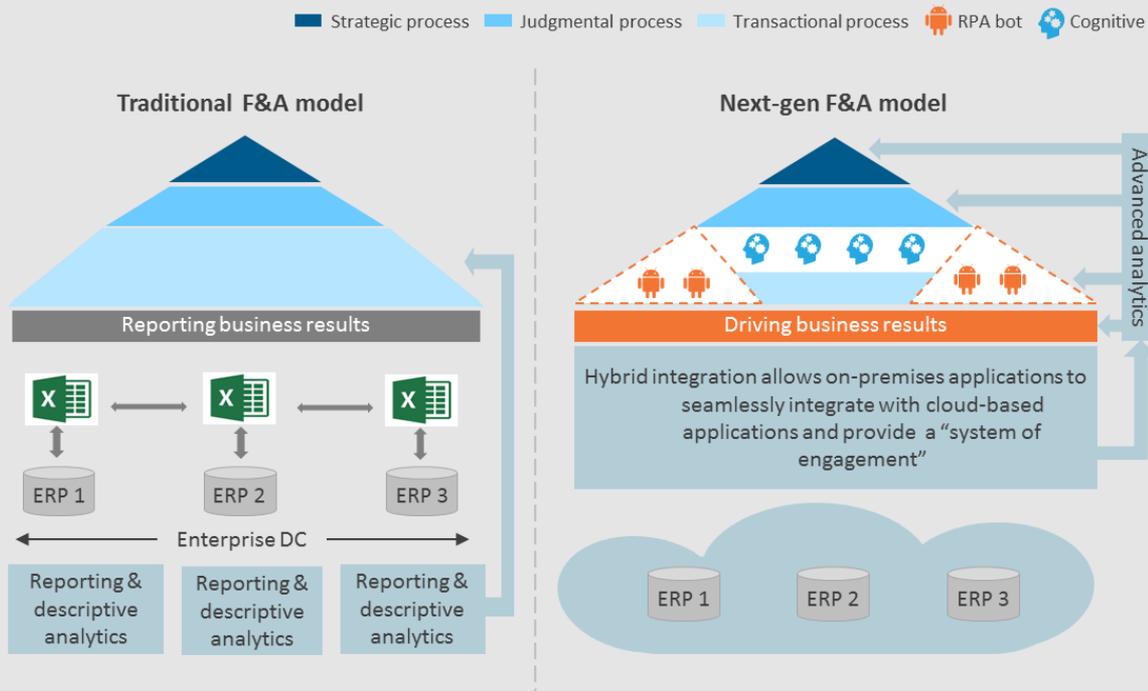
Consolidating these disparate capabilities enables a shift from the traditional F&A model to the next-generation F&A model, which brings together cloud-based technologies, RPA, and cognitive to eliminate inefficiencies, improve accuracy, enable better decision-making, and predict issues

before they arise, all while prescribing a set of actions to mitigate potential damages. This next-generation model represents a shift to partnering with the business to help drive corporate strategy and produce results. (See Figure 2)

## Capturing full value requires fundamental shifts

However, implementing these technologies in an organization that is not fully enabled to leverage them will quickly diminish their return. To take full advantage of the benefits of these next-gen technologies, finance organizations must undergo fundamental shifts in the way they operate. (See Figure 3)

Figure 2 *The next-gen F&A model*



*The next-generation F&A model brings together cloud-based technologies, RPA, and cognitive to eliminate inefficiencies, improve accuracy, enable better decision-making, and predict issues before they arise*

Figure 3 *Revitalizing F&A, 1 of 2*

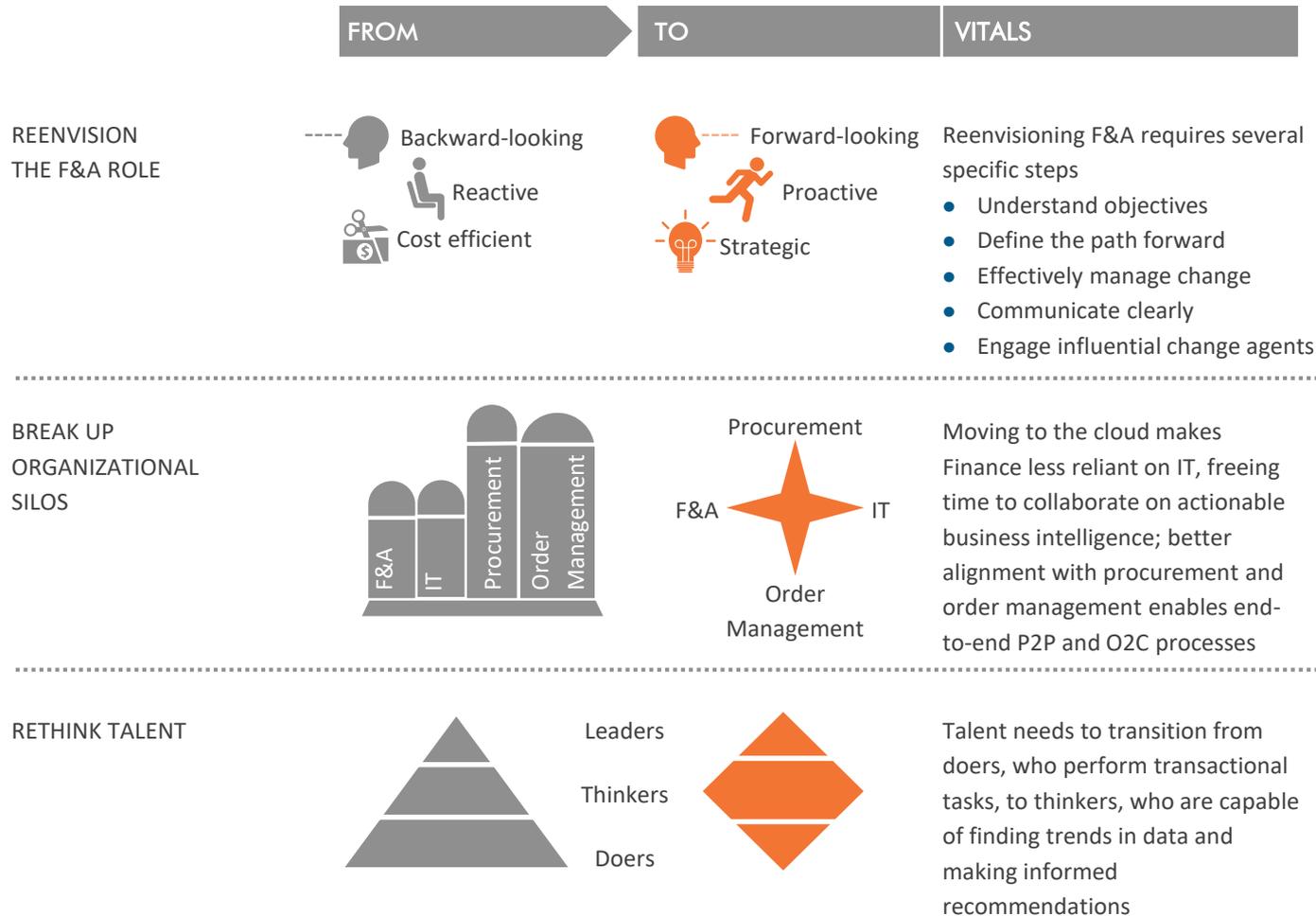
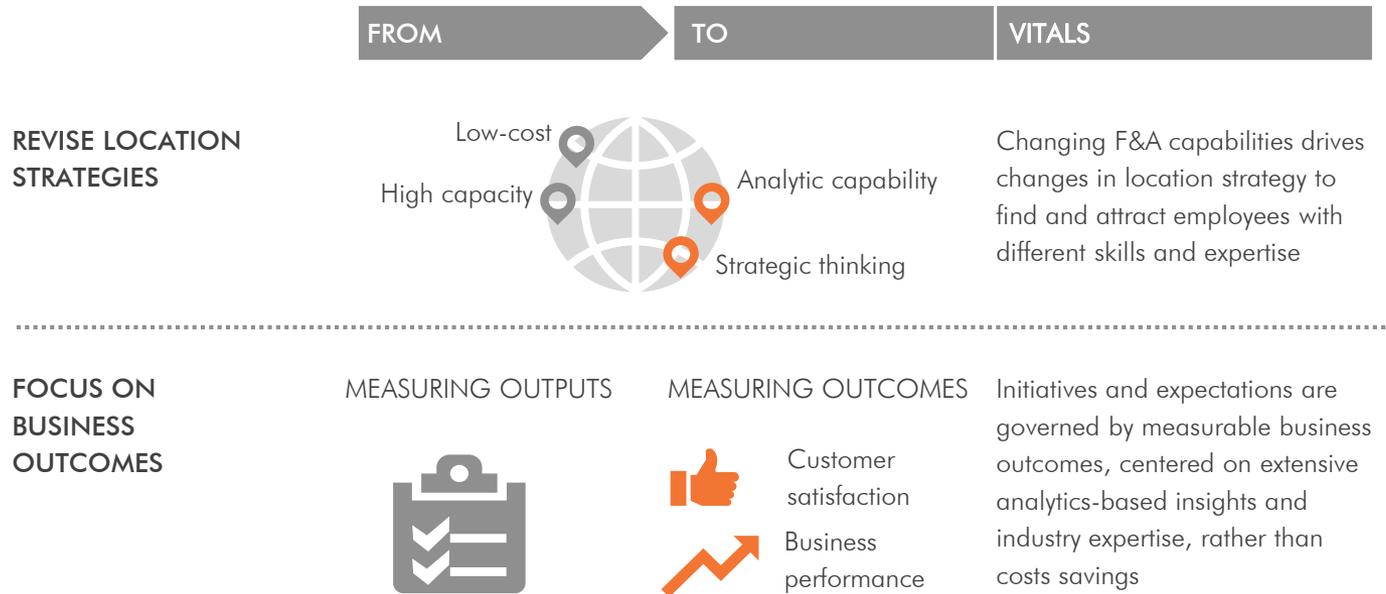


Figure 3 *Revitalizing F&A, 2 of 2*



## FAO paving the way to the future

While the benefits may be clear to a financial organization willing to embrace a new tool set and a fundamental shift in how they operate, for many organizations that are still struggling to provide reliable and timely financial reports, the path forward may be unclear. A third-party service provider can be invaluable in accelerating the achievement of these benefits. However, reaping the full benefit requires that the organization work with service providers that are both capable of, and willing to, engage in a meaningful partnership.

As FAO is a mature offering, there are many providers to choose from. On the surface, it may be difficult to distinguish one provider's capability from another, but there are some capabilities that differentiate the most proficient from the rest. Many are combining digital capabilities with domain expertise to create business outcomes and drive value for their clients.

In fact, outsourcing is quickly giving way to what we consider to be more accurately described as "orchestrating," giving rise to FAO (F&A **Orchestration**). Today's buyers are looking to providers to improve the overall F&A experience. To meet this need, top providers are delivering consultative projects up front that utilize

design thinking methods to invite their clients to envision the art of the possible and then helping them to lay out a roadmap to get from current to future state.

## Additional Resources

- [Finance of the Future](#)
- [Future Readiness of GIC Talent Models](#)
- [Pushing the Dial on Business Process Automation](#)
- [Robotic Process Automation \(RPA\): Technology Vendor State of the Market Report](#)
- [Technology in BPS – Service Provider Profile Compendium 2016](#)



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