



How Financial Process Automation Can Help Your Business



Finance automation is leveraging technology to automate critical finance tasks with minimal human participation, including accounting, integration, general ledger, reporting, expense management, and bank reconciliation. Financial automation enables tasks to be completed faster and more accurately.

The financial services business is heavily reliant on processes. These process-based operations constitute the lifeblood of financial institutions, from loan approvals to pre-trade clearances, reporting, analysis, approvals, and workflow bottlenecks that can significantly impact operating costs and impact output. Enterprises are compelled to adopt as competitors and organizations worldwide leverage new technology to streamline, speed, and improve their processes.

Finance Automation Definition:

The use of technology to execute activities with little or no human involvement is known as finance automation. This allows for better use of knowledge workers, with greater efficiencies, without actually supplanting them. It simply refers to automation to perform time-consuming, repetitive manual chores. Finance automation's main purpose is to increase process efficiency by decreasing or eliminating non-value-added repetitive procedures and activities. Finance departments may then more sharply focus on producing value and driving strategy by automating these repetitive processes.

Gartner Definition

"Finance automation technology integrates machine learning and artificial intelligence for use in areas such as financial analysis, payroll administration, invoice automation, collections action, and preparing financial statements. The use of such automated software reduces the need for human intervention in these activities."

How Financial Process Automation Helps Business Owners:

According to an EY analysis of how automation affects modern workplaces, automation benefits 80% of finance-related jobs, which is a higher proportion than for other industries studied. Financial functions, according to EY, are suitable for automation since they are rule-based and can be of higher volumes. In contrast, automation can only enhance 12% of activities when it comes to learning and development.

Financial process automation speeds up these common business processes:

- Invoicing, including automated reminders for customers
- Transaction processing
- Approval management including heuristics
- Accounts payable, such as paying invoices and handling approvals for expenses
- Account reconciliation
- Data capture and recording
- Financial statement preparation
- Employee expense reports
- Expense management
- Employee benefit management
- Tax reporting and compliance

Automating these financial functions leads to:

- Finance executives have more time to focus on efforts that require judgment and higher-level insights.
- Every processing stage generates an automatic approval request, with forms distributed to each stakeholder in the correct sequence.
- Data is sent instantly from one organization/department to another.
- Forms that auto-populate with data from related databases.
- More frequent periodic batch updates, leading to more real-time reporting

Key Processes in the Finance Function

The finance function consists of a range of procedures, that in aggregate directly influence the bottom line of the company. The following is a summary of an organization's major financial process:

Budgeting:

Finance reviews and approves each department's budget. Aside from individual department budgets, the Finance department also develops a consolidated budget for the CFO's approval. This procedure facilitates forecasting future activity using previous financial [data](#).

Billing and Approval:

Payments from customers and other organizations are aggregated and consolidated from approved expenditure requests. Manual request approvals may be one source of delays and manual efforts, leading to delays and process bottlenecks.

Accounts Payable:

After the department heads and financial officials have approved invoices, payment is authorized and executed. If not automated, manual steps and approvals may introduce delays from these process bottlenecks.

Planning and Forecasting:

Financial planning keeps budgets on track and balances cash flow and expenses against revenues. Future expenditures are forecasted using historical data collected from prior periods, in recurring planning cycles.

Bookkeeping and Financial close:

In finance, accounting documents an organization's financial transactions throughout a fiscal year. A final close of financial records is completed after the fiscal period. During the financial

closing procedure, the accounts are consolidated and reconciled.

Auditing:

Financial transactions and records are checked for compliance with the company guidelines and relevant laws during financial audits.

Data collection and reporting:

All financial transaction data is kept on file. This information is published in reports based on corporate policy.

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[Let's talk!](#)

What Are the Benefits of Finance Automation?

Finance automation offers several benefits to businesses who implement it, including:

1. Cost savings

According to an Ernst & Young analysis, adding robotic process automation may save companies from 20% to 60% of their baseline FTE costs.

2. Error reduction

Reducing the amount of manual labor required automatically [reduces the risk](#) of human errors. Financial, regulatory, and even reputational penalties can result from such errors.

3. Employee Satisfaction

Employees may devote more time and attention to problem-solving and strategic efforts since they are spared the drudgery of manual and repetitive tasks, resulting in higher employee satisfaction and ultimately retention.

4. Scalability

Every day more data enters organizations, which can be daunting to manage how to fully leverage it for analysis and insights if the data remains distributed, disjointed, and manually consolidated. Financial automation and Business Intelligence can aggregate data from

sources, standardize and format it, and consolidate it so you can get the most out of it.

5. Transparency

Before being deemed complete, financial processes frequently pass through several hands. The steps involved to surface this information can slow the process, leading to stale data in reports to executives and stakeholders who need data near real-time to manage financial oversight and to make informed decisions.

Users who have access to an enterprise software solution visualize the data flow, and surface patterns, and evaluate real-time financial information in an optimal format.

How to Implement Financial Process Automation:

Automating your accounting and finance standards can help you better run your firm, resulting in greater knowledge of your organization's [financial process automation](#) and insights and eliminating points of friction.

Here's how you can get started:

Map out your financial process:

Account for each step and stakeholder engaged in your financial operations, whether through a rigorous, company-wide critical eye at every stage of your financial processes or start top-down with one extended and expanded brainstorming session. Start building a flowchart to document how financial data is collected and reported, and then identify the most compelling steps that can be automated.

Tie automation to business objectives:

Although it would be ideal to automate every financial operation simultaneously, this may not be feasible. Instead, prioritize your most important demands while implementing automation in phases. If your company is challenged by monthly financial form deadlines, start by transforming those responsibilities and guiding your staff through the refinements.

Find an automation solution for your business:

Automation may be made simple with the correct software solution. Reality-Tech provides a range of options. For example, Reality-Tech offers a variety of business intelligence solutions, workflows, finance templates, and automation, including program management, budgets, and reporting, to help you get started with financial process automation.

Workflows can serve as the foundation for some financial operations, which can be automated. This automation can consolidate, capture, document, and report, and streamline many

financial approval processes that keep stakeholders and workers informed and accountable for approvals.

Financial process automation enhances your company's money management. You won't have to raise a finger if things operate smoothly in the background.

A future with financial automation:

Although AI and machine-learning algorithms are still in their infancy, they are available and offer benefits today. New opportunities continually emerge due to the exponential expansion of structured data fueled by enterprise resource planning (ERP) systems and the lowering cost of computer power and the increased ability of AI, and machine learning on top of Business Intelligence solutions.

Additional Read

[Why You Should Use SharePoint for Document Management System](#)

Conclusion:

Financial automation has a bright future ahead of it, and it is already reshaping how financial processing is done within enterprises in both large and small businesses. Automation might appear overwhelming since numerous activities, and organizational adjustments go into deploying new technology and procedures. Low-hanging fruit is available for organizations that are looking to streamline and optimize financial processes.

Reality-Tech is a pioneer in [Financial Workflow Automation](#) Solutions.

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