

## 5 TRENDS IN FINANCE AND ACCOUNTING

The Finance & Accounting (F&A) outsourcing space continues to evolve rapidly; there are two major drivers for this - one on the client side and the other on the vendors' side.

On the client side, there are fundamental shifts in the expectations from outsourcing initiatives: CFOs want to focus more on the strategic value of the finance function, expecting outsourcing programs to arm them with insights and not just information and deliver on business metrics. They want a modern, future-ready finance function that can execute with speed, agility and stability. On the vendors' side, there are many tools and innovations available at the vendors' disposal: point solutions for a track or specific utility, cloud ERP, automation platforms, big data analytics and even AI-driven platforms.



### The Automation cliffhanger

While Robotics Process Automation has been around for some time now, the focus is shifting from process automation to intelligent and cognitive-based automation. Today's end-to-end automation uses software bots that are knowledge driven and come with the ability to self-learn – this makes it possible for bots to be trained to understand, learn and execute complex business processes: enhancing agent productivity by as much as 20-30 % and ensuring 100% accuracy.



### Digital convergence in F&A

While every transaction is processed on the system, the CFO still has to pour over multiple spreadsheets at the end of the month to review performance: which is all in rear-view mirror perspective. The CFO needs a single real-time version of truth - at her fingertips, accessible anytime and anywhere. Vendors are now arming the CFO and controllers with an interconnected, interactive, cloud and mobile-enabled Digital Command Console that provides live data and diagnostics, transparent monitoring, exception highlighting, divisional-level drill down and real-time performance status.



### Bolder domain = unlocking business value

Expanded and in-depth functional expertise is being mined to unlock value for customers by 'looking beyond the scope of process' and 'executing more optimally' through innovative ideas and solutions. These range from identifying opportunities to optimize working capital, inventory reductions or risk avoidance – all of which may not explicitly feature in the contractual Statement of Work.



### Smarter knowledge-based Artificial Intelligence (AI) platforms

Platforms that can ingest data from the sources of truth systems (both internal and external), apply machine learning and big data analytics on that data will help derive predictive insights enabling the CFO in decision support. Today AI-based solutions are being used to analyze the financial and operations data to identify patterns and trends which have a significant impact on various aspects such as: optimizing working capital, developing self-evolving collections strategy based on customer behavioral patterns, external market risk-factors to proactively address data inconsistencies that could hinder timely book closure, zero-touch claims processing and intelligent fraud detection.



### Creative collaboration

Service providers are moving away from taking responsibility for only the outsourced portions of work to assuming shared responsibility for the success of the overall transformation program. Endless lists of process metrics are being replaced by fewer end-to-end business metrics which ensure that functional ownership is not split. There are newer business models such as BPaaS and innovative component-based pricing models being introduced to bring flexibility and meet evolving needs. As a rub-off of this 'program-as-a-whole' view, customers are now much more proactive in acknowledging and addressing implementation and change-constraints on their side and are seeking expert help to collaboratively address those constraints together.