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Cloud P2P Automation. Easy. Powerful. Smart.

Finance Departments: what's your digital plan?

AT LAST your user's manual!

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SUMMARY

INTRO DUCTION

The Internet revolution has transformed our lives and those of our businesses, opening the way to new usages which, until now, we could not even imagine: real-time communication, removal of geographic constraints, mobility, connected objects...

New entrepreneurs - often not experts in the field - have made use of the new opportunities that digital technologies offer to give birth to new needs and new usages: e-commerce, social networks, geolocation, chatbots... In this way, our expectations, even requirements, as consumers have considerably developed with the potentials offered by the digital transformation of providers.

What do we really mean by 'digital transformation'?

Digital transformation refers to the shift from a fundamentally material economy based on physical sales points (office, paper files, cash payments, etc.) to a digitalised economy based on data exchange (e-commerce platforms, cloud, virtual coinage etc.). These digital usages impact business in all its dimensions: functions, processes, services (commercial, marketing, financing, HR...) Physical barriers have been erased, information access has been facilitated, the volume of data available has multiplied, modes of consumption and communication have been transformed.

Capgemini Consulting[1] has placed businesses into four categories according to their level of advancement in digitalisation: Beginners (or sceptics), Conservatives (moderate users), Fashionistas (those who use it as a fashion) and Digital Masters (those who have definitively integrated digitalisation as a tool of strategic transformation).

The figures speak for themselves: Digital Masters are 26% more profitable on average with a 9% higher turnover.

We note that this transformation seems all the more crucial for SMBs and MSBs: 'businesses which do not participate in the digital universe will disappear within 10 years, overtaken by more flexible and responsive competitors'[2].

1: The Digital Advantage: How digital leaders outperform their peers in every industry, Cap Gemini Consulting & MIT center for Digital Business, 2016

2: Digital economy and society statistics – enterprises, 2018

Upon reading these numbers, then, it seems difficult to escape this disruptive wave without endangering the future of one's business. Likewise, every CEO must wonder about the meaning of the digital world for his or her organisation and the best steps to take: is it necessary for businesses to reinvent themselves by making their own models obsolete, the strategy advocated by Stéphane Mallard ?

Or should they manage their transition in a progressive and pragmatic manner as suggested by Deloitte which states that 'digital transformation makes it necessary to take a path towards digital maturity, with the first stage of integrating digital tools aimed at improving business efficiency'[3]. In other words, according to Deloitte, the first steps on the digital journey must demonstrate their relevance by showing immediate efficiency!

Another legitimate question: which manager should be responsible for this transition? The CEO, the CFO, the ISD...? Accenture Strategy specifies: 'financial management now plays a role of strategic advisor and of guarantor of the predicted results of digital investments. It is also contributing more and more to the adoption of digital tools by businesses, in particular by the growing use of predictive analysis and of artificial intelligence to interpret data when strategic decisions are made'.[4]

If you are also wondering how to approach this crucial turning point for your business, this white paper is just right for you. It explains, using a few telling numbers, the acceleration of the 'entirely digital' tendency and the inevitable aspect of this transformation for businesses that want to perform in a context of increased competitivity. It also details some technological solutions suited to beginning your digital transfer and explains why AP Automations strongly favoured by CFOs so they can manage it in a pragmatic manner.

3: IProgress fueled by the past, Deloitte Review, 2019
4: The CFO Reimagined: from driving value to building the digital enterprise, Accenture, 2018

1.
Is digital transformation **inevitable?**

In reality, as the introduction above shows, this question is obsolete because the answer is obvious. Every study attests to the fact that businesses that are playing their cards right are those that have been able to manage this transition in a relevant manner.

The inevitable aspect of this process is further reinforced by several major and co-occurring phenomena:

- An unbridled race towards competitivity and productivity
- New expectations on the part of consumers
- A profusion of data to use
- The acceleration of regulatory developments

An unbridled race towards competitivity and productivity

Competitive intensity is continuing to accelerate.

Businesses that are solidly positioned in their markets have suddenly seen their future rendered precarious by new actors with two main characteristics: [1] their products perfectly correspond to consumers' new expectations, and [2] their model natively uses digital technologies.

Here we are thinking, of course, of Uber; in fact, the phenomenon has acquired the name of 'Uberisation'.

According to the Cambridge dictionary, 'to Uberise' describes a manner of 'changing the market for a service by introducing a different way of buying or using it, especially using mobile technology'.

Without going as far, businesses engaged in a process of digital transformation are demonstrating growth that is up to 6 times higher, and are on average 25% more profitable than their peers who stuck with the traditional approach.[5]

New consumer expectations

The uberisation phenomenon remains interesting to observe as it primarily threatens the professions that are late in integrating technological progress into their products. If an uberisation movement takes off in a sector, this is because demand is not entirely satisfied by the current products.

Combatting uberisation is thus a matter of pondering the expectations (explicit or otherwise) of a business's customers, and the suitability of the products provided to them...while also taking account of the fact that customers' profiles evolve on a regular basis. Today, they are more 'mobile', more 'connected', needing a 'prompt response'... in short, they are more demanding than in the past!

5: CIO Agenda Survey, Gartner, 2017

A profusion of data to use

The growth rate of the volume of data created is progressing by 30% per year[6]. This rate exceeds 40% for critical data.

The stock of data created will reach

163 Zettabytes in 2025, or 163,000 billion gigabytes...10 times more than in 2016!

Another interesting indicator: the average number of interactions with digital data, per person and per day. It will rise to 600 in 2020, to over 4,700 in 2025, as against only 85 in 2010.

Internet traffic, which stood at just 100 gigabytes per second in 2002, surpassed 27,000 gigabytes per second in 2017. It will reach 105,800 Gigabytes per second in 2021[7]...

This exponential afflux of data inevitably raises the question of the capacity to process and manage it. A multitude of digital tools have appeared on the scene, contributing to facilitating communications, sharing, mobility, data manipulation, process harmonisation, reporting...

Gartner confirms: 'stock market capitalisation of a business that makes intelligent use of its data would be three times higher than the average for other businesses'.

The capacity to process and manage data in an effective manner is therefore indisputably a strategic work area.

The acceleration of regulatory changes

Tweet now

On April 1st, 2019, Making Tax Digital (MTD) became law for over one million VAT-registered businesses, requiring companies to keep records in digital form and file their VAT Returns using a compatible accounting software.

It is often said that in the UK, regulation follows practice, not vice versa. Digital documents have been part of our practices for a long time, but until recently, there has been no law covering their use. This delay on the part of the UK regulations is about to be caught up, since several laws promoting the use of electronic documents have recently appeared. On April 1st, 2019, Making Tax Digital (MTD) became law for over one million VAT-registered businesses, with the aim to reduce errors costing the Exchequer over £9 billion a year.

Making Tax Digital for VAT requires to keep records in digital form and file their VAT Returns using a compatible accounting software. It also requires for quarterly updates instead of the traditional once-a-year tax return.

This means that more than a million businesses now need to file their first quarterly VAT return under MTD by August 7 or face a surcharge or penalty.

Moreover, the legislation concerns the full audit trail of information that your business receives, how it is managed, traced and reported through to payment.

This is just the first step, as HMRC's ambition is to become one of the most digitally advanced tax administrations in the world, and businesses can expect a lot more changes to come over the next 3-5 years.

6: Data Age 2025: The Evolution of Data to Life-Critical Don't Focus on Big Data; Focus on the Data That's Big, IDC, Seagate

7: The Zettabyte era: trends and analysis, Cisco, juin 2017.

2. The **essential** solutions for digital businesses

White Paper
'How to become an Accounts Payable Top Performer?'

I want to read this

It can be incontestably stated that a successful digital transformation project starts with a stage which will be able to display immediate results in terms of effectiveness and productivity:

- PwC/DFCG, how AI will transform the CFO Role: 'the optimisation of processes is considered the main driver of digital transformation'.[8]
- Deloitte: 'digital transformation makes it necessary to take a path towards digital maturity, whose first stage is integrating digital tools aimed at improving business efficiency'.

Therefore, if we focus our approach on technological approaches which enable the optimisation of processes and the improvement of productivity, we can discuss a small number of solutions: AP Automation, Data Visualisation, Cloud, etc.

The 3 levers with the strongest support: AP Automation, Data Visualisation and Cloud

AP Automation

To approach their digital transformation, companies turn first and foremost to Purchase-to-Pay automation.

The very nature of these processes easily explains this choice:

- it is a costly and time-consuming process,
- managing calls to suppliers represents 41% of an accountant's time,
- management of late payment takes up 31% of an accountant's time,
- the unitary costs of invoice processing fluctuate between £9.4 and £20.8,
- the manual process often causes errors (payment errors, loss of invoices),
- the successive steps lead to a long processing delay with regard to the requirements of the payment terms. The average time for processing an invoice varies from 45 days for 'novices' (companies that have not automated their invoicing process) to 5 days for 'innovators' (companies that have automated their invoicing process)[9].

Choosing to automate the Purchase-to-Pay process makes it possible to manage and automate the management of a company's commitments and spending from a single solution and ensures numerous benefits:

- reduction in administrative costs,
- acceleration of processing time,
- industrialisation and securing of processes,
- improvement of oversight of management,
- bringing into compliance with applicable regulations, etc

8: How AI will transform the CFO role, PWC, 2019.
9: Your guide to accounts payable automation technology, Paystream Advisors.

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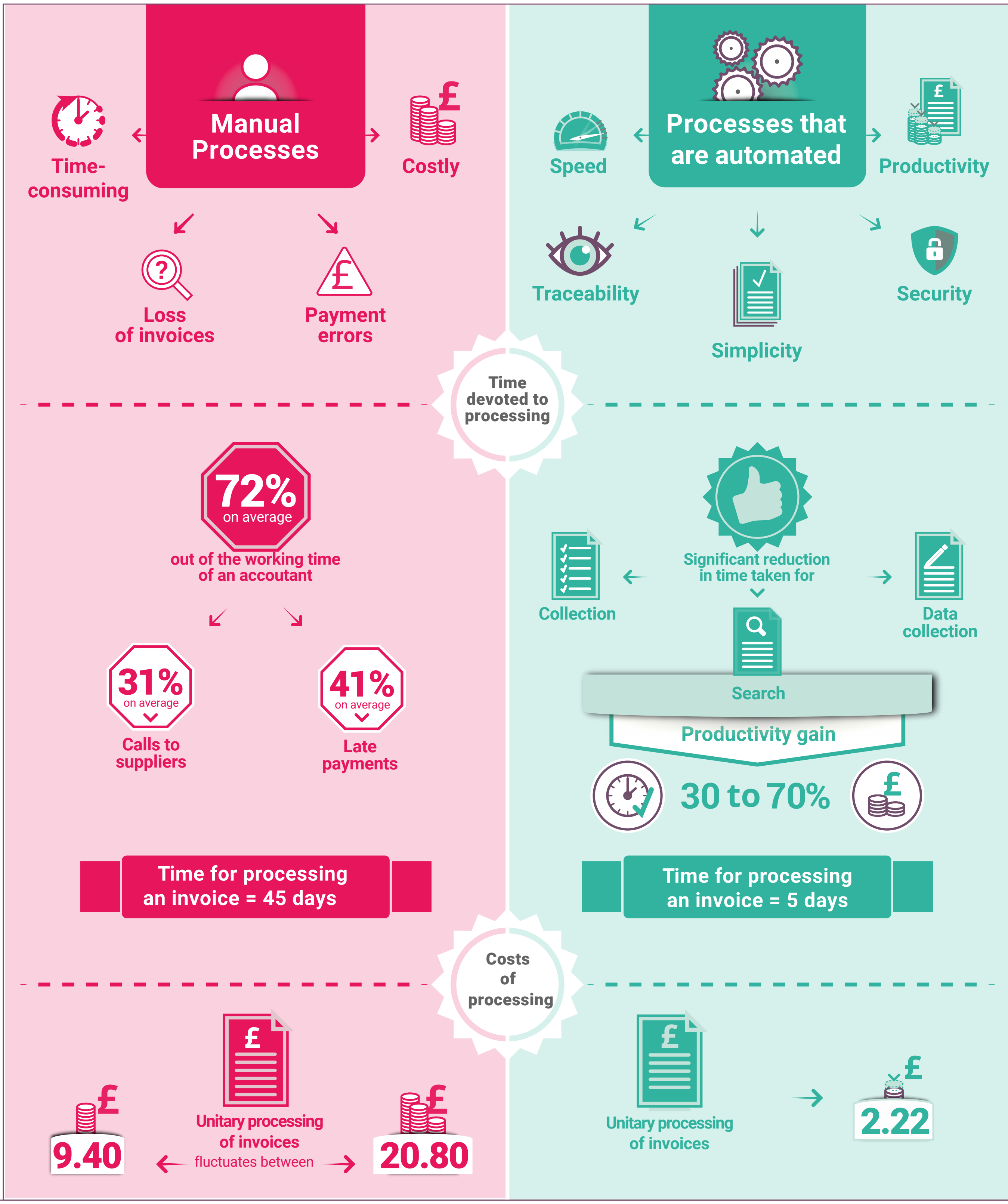
Purchase-to-pay automation, primary lever of the digital transformation of companies

Why?



Data visualisation

Data visualisation is the visual and interactive exploration of data drawn (often) from varied sources. It makes it possible to process significant volumes of data and display them in graphic form, facilitating the use, sampling, sharing and analysis of data.

Raw data is thus made accessible and comprehensible, even for the layman. According to PWC, 75% of time in top finance functions is devoted to data analysis and insights.

The cloud

'The latest Annual Trends Survey shows that 60 per cent of UK business professionals are seeing Cloud services supporting their work.' The benefits of the Cloud for finance are wide-ranging.[10] It improves insight, efficiency and accuracy, enabling finance leaders to step into a more strategic role in the business.

It is now a significant technological lever of digital transformation and will become the standard of the information system.

At the same time, software publishers have changed their marketing model, from On-Premise to the cloud, which has helped foster market acceptance, mainly thanks to on-demand pricing, deployment flexibility and reversibility offers.

Other accessible solutions: Big Data, Collaboration, Robotisation, etc.

Among the other technological levers of digital transformation that lead us to notice rapid benefits, we can also mention Big Data, collaborative tools or robotisation, even if these do not figure among CFOs' top priorities.

Faced with an explosion in data volume, **Big Data solutions** are taking up the torch from traditional data analysis and storage solutions.

Financial managers envisage these data analytics methods to calculate forecasts for stocks, sales, cash-in-hand, or risks of non-conformity...

Whatever the size of a company, data analysis plays a key role in its performance. Thanks to better use and promotion of data, it allows financial management teams to gain precious time, facilitates decision taking and contributes to creating value thanks to a rapid return on investment.

10: Advanced Trends Survey 2018-2019

Collaborative **tools** meet users' new requirements for responsiveness, mobility and sharing. The digital transformation is making it necessary for users to have connected tools, on the one hand, and collaborative solutions, on the other hand, in particular for sharing/managing information and data. In this way, flexibility, mobility and collaboration are the triptych on which any organisational and managerial transformation must rest. All as companies, including SMEs, make more and more use of document sharing environments, particularly SharePoint, Exchange, OneDrive, Google Drive, Dropbox.

Companies need to be able to manage data and document flows in this way at any time, from anywhere, with any terminal and for any type of content, whether from inside or outside the company. A principle summarised by the acronym ATAWADAC (Any Time, Any Where, Any Device, Any Content).

Robotisation consists of automating repetitive, low value added activities. Activities that are candidates for automation by robotisation are identifiable by their manual, repetitive, time-consuming nature and are based on simple rules that don't require human analysis, such as management of payments and invoices, production of reports, processing of transactions, copying of data or connections to applications. The expression Robotic Process Automation (RPA) is moreover being used more and more to describe this automation of repetitive tasks.

In the area of finance, RPA is used, for example, to accelerate the production of accounts, facilitate entering data into an ERP, in connection with order reception and the invoicing system, or to automate document validation circuits according to specific internal oversight rules. Gartner cites 4 benefits of robotisation in the financial and accounting fields: reduction of the complexity of audits, acceleration of closing of accounts, acceleration of decision making and reduction in errors.[11]

11: Market Guide: Robotic Process Automation, Software, Gartner, Novembre 2018

3.
Why 86% of UK businesses have automated **a key part of their organization**[12]

12: https://www.financialdirector.co.uk/2019/11/28/uk-cfos-and-fds-split-on-the need-for-automation-survey-shows

Britain's Chief Financial Officers (CFOs) and Financial Directors (FDs) expect automation to be pivotal to their businesses and employees' development in the coming year. 87% have automated a key business process during the last year and one in five (21%) CFOs view automation as their most important investment priority during the next five years. Two thirds of FTSE100 companies prioritised automation during last year.[13]

Why this recent increase in the numbers?

Solution for AP Automation or for P2P processes have developed considerably over recent years to offer accessibility in SaaS mode, simplification of use and implementation (without compromising on performance) and acceleration of project return on investment.

A product that provides tailor-made, high-performing and accessible solutions

The availability of these solutions in SaaS (Software as a Service) mode is proving to be excellent news when it comes to the accessibility of this type of solution:

- No prior investment either in materials or software is required.
- Solutions are accessible 24/24 and 7/7, from any terminal connected to the Internet: PC, Mac, smartphone/tablet, etc
- As a general rule, they are billed as a service 'according to use', which makes the financial model well-suited to the use that is made of it.

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New-generation AP Automation solutions don't need an installation phase, the settings are intuitive and accessible to everyone, integration with the accounting system or the ERP is native.

Real simplification, with no compromise on performance

The nightmare of complexity, of significant implementation and optimisation delays, so feared by CFOs and CIOs, is over.

New-generation solutions don't need an installation phase, the settings are intuitive and accessible to everyone, integration with the accounting system or the ERP is native, etc.

Together, all these elements allow rapid implementation, in only a few hours or days.

13: https://www.bdo.co.uk/en-gb/news/2019/british-businesses-commit-to-long-term-investment-in-automation

Immediate benefits, a quick return on investment

In addition to the disappearance of the obvious costs linked to the processing, storage and printing of documents, the advantages of implementing this type of solution are direct, immediate and measurable: validation cycles divided by 5 to 20, doubling of processing productivity, access to all digital documents in real time...

With regard to indirect benefits, they contribute to improving activity steering thanks to smart reporting, to bringing into line with regulation (reliable audit pathway, faithful copy), and to securing the process (coherence monitoring, detection of duplicates, detection of fraud, data protection, prevention of document loss)..

4.

Some **real false received ideas** about AP Automation!

Certain businesses are still reluctant to attack 'their digital transformation' with an invoice AP Automation project as they very often associate these terms with a costly and complex process that takes a long time to put in place.

But they are wrong. What could be better, for putting a stop to prejudices, than hearing finance professionals commenting on their experiences?

Prejudice No.1

Our AP processes are very complex. The switch to Ap Automation will only be more time-consuming.

'We have very detailed analytic accounting as we need to establish results by parking with presentations that differ according to the audience. This is an element that contributed to the complexity of our system. Before Yooz, we had a manual system that was very difficult and very complex with a high volume of invoices. We were all very quick to adopt Yooz, which drew us in with its simplicity, flexibility and adaptability, with productivity gains, being so very simple to use and providing a high level of flexibility in adapting to our needs.'

Philippe Sarthou, Financial Director
Q-Park
18,000 invoices per year
Accounting/ERP: Navision

Prejudice No.2

The time needed for implementation and the complexity of the set-up process are beyond what we are able to deal with.

'We wanted to modernise our accounting system with an easy and fast access to electronic invoices. Two hours of set-up were enough to adapt Yooz to our needs. A solution that was very easy and fast to set up; in 15 days we were fully operational!.'

Maxime Nicolas, Controller
Novotel
3,000 invoices per year
ERP: NetSuite

Prejudice No.3

I'm not sure I'll obtain productivity gains.

'Yooz has given us the ability to provide new offerings to our clients —who all process large volumes of invoices— allowing them to improve their efficiencies. Previously we struggled with this, and now we're rolling out Yooz as a standard processing tool to support all of our large clients and help them achieve their business goals.'

James Smalley, Partner
Mazars
20,000 Professionals
Accounting/ERP: Sage 50, Xero, Netsuite, SAP, Ellios, CEGID, Akuitéo

Prejudice No.4

Switching to AP Automation leads to a risk of fraud.

'With the Yooz and Sage Intacct combined integration you have a single source of the truth. It is easy to find and manage every step of the AP workflow because everything is captured in one place. We have full visibility into the entire ledger.'

Adam Maurer, CPA, CFO
Deutser
1,000 invoices per year
Accounting/ERP: SAP

Prejudice No.5

Automating invoices entails an upheaval in employees' working methods.

'We were looking for a high-performance tool, capable of scaling and managing the Group's growing accounting flows, enabling us to automate manual data entry, make internal control more reliable, and reduce closing times: Yooz immediately showed its value by embracing our digital culture in the most natural way possible and by sharing the same understanding of the stakes involved as we experience extraordinary growth.'

Alexandra Chastand, Head of Finance
ManoMano
3,000 invoices per year
Accounting/ERP: Netsuite

Prejudice No.6

We will lose control if we automatise our processes.

'In less than 2 months, the solution was operational for headquarters and for all 200 users on all 64 sites '.Invoice processing time was divided by two: 30 days manual versus 15 days with Yooz and it should take only 10 days soon !'

Nicolas Nérot, Administrative and Financial Director
Campéole, CIAT Group
7,500 invoices per year
Accounting/ERP: Sage 1000

Prejudice No.7

Implementing a high-performing AP Automation solution always has to be costly.

'Many of the providers we considered offered a 500-pound solution for our 10-pound problem. Yooz, seamlessly integrated with the Sage Intacct ERP, was the perfect fit. And it will scale as we grow.'

Tim Carter, CFO
Salsarita's
72,000 invoices per year
Accounting/ERP: Sage Intacct

Prejudice No.8

I am not certain that the solution can meet our very specific needs.

'Our approving managers travel a lot. They are so happy to be able to approve invoices while they are out of the office. And as a result, our approval process time has sped up dramatically. What used to take 15 days now only takes two or three days.'

Audrey Boggs, Accountant
Ritter Communications
40,000 invoices per year
Accounting/ERP: Sage Intacct

Prejudice No.9

Integrating an AP Automation solution requires internal technological skills.

'We were very fortunate to have readily available support from Yooz. The dedicated support team was integral in a smooth and seamless conversion process. Together with our internal team and executive leadership we had all pistons firing in the same direction, which was why we were able to roll out Yooz to our group with such success.'

Sherry Wang, Group Controller
Go Auto
170,000 invoices per year
Accounting/ERP: CDK

Prejudice No.10

The concrete results are not always visible.

'Supported by insight and expertise from Percipient, Sage X3 Finance with SEI and Yooz OCR, we were able to divide our invoice processing time by 2 and to have the visibility we need in order to continue on our growth journey with the right platform at our helm.'

Jen Kim, Finance Manager
Five Guys
15,000 invoices per year
Accounting/ERP: Sage X3

CONCLUSION

Try typing **'Digital transformation'** into Google...There will be nearly 63 million results! This makes it difficult to navigate among all these sources of information and see a clear roadmap for approaching this project.

With this White Paper, we hope that we have shed light on the evidence for this transformation, convinced sceptics that this change is inevitable, and provided concrete responses on how to initiate this change.

Five Guys is starting its digital transformation by automating the accounting processes of its 102 restaurants with Yooz!

To find out more about the implementation of their AP Automation project with Yooz and its benefits, view our webinar replay:

Sign in for the webinar replay

Cloud P2P Automation. Easy. Powerful. Smart.

Yooz provides the smartest, most powerful and easiest-to-use cloud-based Purchase-to-Pay (P2P) automation solution. It delivers unmatched savings, speed and security with affordable zero-risk subscriptions to more than 3,000 customers and 200,000 users worldwide.

Yooz's unique solution leverages Artificial Intelligence and RPA technologies to deliver an amazing level of automation with extreme simplicity, traceability and end-to-end customizable features. It integrates seamlessly with more than 200 financial systems, exceeding any other solution on the market.

Yooz is a fast-growing, award-winning company that perfectly fits the expectations of mid-size organizations across all sectors.It has been recognized as a SaaS innovator, recently named as a 10 Best Cloud Solution Provider by Industry Era, Best of SaaS Showplace (BoSS) by THINKstrategies, Top 10 Accounting Solution Provider by CFO Tech Outlook; and Top 50 Company to Watch by Spend Matters.

Yooz is based in the US and Europe, with UK Office located in Woking – Surrey.

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