



# Automating Finance & Accounting

## How robotic process automation (RPA) will transform F&A



# Picking Processes and People

With the use of RPA, for the first time, accounting departments can reliably automate many of the processes they were previously unable to.

## → The fitness criteria for choosing which processes to automate are:

It must be a highly manual, repetitive and high volume process

It must be a rule-based process

It must have a low exception rate (low variation between processes)

The inputs must be electronic or machine readable

The processes and their underlying Applications must be stable



One of the key considerations is variation. For example, if 90% of your transactions can be mapped in ten steps, but 10% require an additional two steps to be completed after step three, this becomes an exception to the rule that needs to be managed. Here, exception paths need to be built into the workflow to manage the variation. While these processes can also be automated, it will take time to build workflows into the robotic process, so the business has to make a decision as to whether the

additional time delivers value. This is where the role of humans alongside RPA will change. As robots take over the routine, repetitive transactional processing tasks, finance and accounting professionals will be expected to become expert exception handlers. They will need to perform the complex, judgement-based, transactions that the robots are not able to perform.

The role of managers in accounting departments of the future will move away

from managing people to driving higher value activities from their staff, including exceptions and decisions that require human intervention, while the orchestration engine oversees operational performance. Finance and Accounting professionals will move away from data gathering, data entry and book-keeping and instead take on more advisory roles where their judgement and consultative skills will see them become business partners.

## Finance and Accounting process automation entry points

Here, we've picked out a list of the processes in finance and accounting that are highly suited to RPA. Though the listing is not comprehensive, it provides a good suggestion of F&A sub-processes that can be explored by any organization that is embarking into driving RPA-led digital transformation of its F&A function.

Procure to Pay	Accounts Receivable	General accounting	Tax, treasury and compliance	Financial planning, analysis and reporting
Purchase order entry and delivery Vendor verification and setup Vendor master-data management Vendor queries/helpdesk Invoice receipt and classification Invoice data extraction Invoice data entry and interface Two and three-way purchase order/invoice/ receipt matching Non-purchase-order invoice coding Vendor statement reconciliation Accounts payable accrual journal entry Expense compliance audit Payment processing	Sales order entry Customer data set up Customer data management Billing/invoicing Collection activities (dunning) Cash application Credit risk management Dispute verification and resolution Chargeback management	General ledger and subledger reconciliations Bank reconciliations Inter-company reconciliations Manual journal entries Reclassification journal entries Fixed asset accounting Inter-company settlements Financial close activities	Data aggregation for tax liability Convert data to tax basis Complete tax return workbooks Prepare tax returns File tax returns and payments Tax accounting entries	Data aggregation for reports Report preparation (including the below) <ul style="list-style-type: none"> <li>■ Trial balance and balance sheet</li> <li>■ Profit and loss</li> <li>■ Cashflow</li> <li>■ Variance analysis</li> <li>■ Management reports</li> <li>■ Statutory/regulatory reports</li> </ul>

## Considerations for automation

A great place to start if you're considering using RPA is to start by automating straightforward processes such as invoice data entry and cash applications. These are best suited to carry out proof-of-concept studies before beginning your RPA journey. You can follow this with other processes such as billing and invoicing, as well as customer and vendor data set-ups.

Moving on to general accounting processes, these are often fragmented as a result of being generated from

periodic and event-driven activities. Here, the best way to automate general accounting processes is to take a more agile and iterative approach to realize the most value from automating the process effectively.

Another consideration to make for general accounting activities, such as manual journal entries, is to use attended rather than unattended automation as these processes could require the need for expert judgement or a customized computation specific to the event or scenario.



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## The results of RPA can be dramatic

Process	Client	% of Robotization	Benefits
Purchase order entry automation	Global automotive supplier, Germany	100%	8 months ROI 100% accuracy rate 78% improved processing time
Credit note processing	Media company, Switzerland	100%	3 months ROI 100% reduction in manual effort and accuracy 60% improved processing time
Travel and expense report processing	Consumer goods company, Germany	100%	15% manual effort reduction 75% improved processing time 100% accuracy
Accounts payable: Three-way matching automation	Medical/pharmaceutical company, Switzerland	100%	2 months ROI 90% improved processing time 10% manual effort reduction
Travel and expense report processing	Consumer goods company, Germany	100%	15% manual effort reduction 75% improved processing time 100% accuracy
GRN-to-Invoice match and release hold	Building materials supplier, UK	53%	100% compliance on TAT SLA 54% FTE reduction
Automate vendor payments	Global property insurer	—	70% productivity improvement 50% operations cost reduction
Invoicing/billing automation	HR service provider, Germany	70%	3 months ROI 10% manual effort reduction 75% faster processing 60% cost reduction
Cash application	Retail company, India	100%	100% accuracy 80% volume automated
Month-end accounting	Accounting services provider, Germany	75%	5 months ROI 25% manual effort reduction 65% improved processing time 100% accuracy
Daily P&L reports generation	Global financial services company	100%	67% improved processing time Faster/earlier report delivery 100% reporting accuracy