Process Automation Is More Important Than Ever

Due to the ongoing crisis, many companies are under economic pressure. Measures to increase efficiency are indispensable. Optimizing finance processes can be especially beneficial.

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In a survey by DIHK (Deutscher Industrie und Handelskammertag e.V. - German Chambers of Industry and Commerce), 77 percent of around 8,500 of companies surveyed stated that they expected a decline in sales as a result of the ongoing coronavirus pandemic. More than a third of respondents are planning to invest less - which is quite the opposite of what digital transformation initiatives need. DIHK's chief executive commented, "In view of the enormous challenges posed by digitalization, we need innovations and investments to remain competitive even after the crisis is over." Ensuring that companies remain competitive is also an important task of finance departments when it comes to streamlining processes and consequently reducing costs in the long term. Although finance departments usually work with ERP systems, many complex, manual processes still burden daily work routines and cause unnecessary expenses.

Furthermore, since the financial crisis, closing processes have become increasingly complex, and not only due to regulatory requirements. For example, the IFRS9 annual financial statements of an insurance company may easily comprise more than 50 process steps in the future, all executed by different departments, people and applications. Without the support of a suitable tool, such a high degree of complexity quickly devolves into a Sisyphean task for the person responsible for the process. Furthermore, there's the question of transparency to e.g. ensure that timely action is taken if a process step is delayed. Without a tool for monitoring, it also becomes increasingly difficult to ensure quality throughout the entire process if manual intervention is required at every turn.

Considering that most process steps in ERP systems are simply the product of the manual execution of programs in the correct order, where errors rarely occur, the advantages of process automation using suitable software become obvious. In addition to increasing efficiency, process automation also helps companies achieve higher transparency. Furthermore, new audit steps are easy to implement and can be carried out automatically e.g. during the night if necessary, thus significantly improving the quality of processes even within an ERP system. Such applications also often contain data from processes that have already been carried out, meaning that least improved research options can help to optimize business processes. Nevertheless, not all companies automate complex business processes despite the obvious benefits.

Modern ERP systems such as S/4 Hana often already offer many possibilities to automate and synchronize programs. As with any software selection process, companies that are involved in procuring and introducing an automation tool should lay out their solution requirements in advance. Among others, the following aspects could be of importance.

The application should display processes clearly. For example, all relevant processes and their respective status should be displayed on the starting page of the respective user, functioning as kind of a cockpit so that the user can identify problems at a glance. The application should also be able to display different processes and process variants per business unit. In addition, several process steps (standard programs, customer-specific checks, manual activities, etc.) should have the option to be started automatically and at the same time as other process steps. Furthermore, successfully completing one step should automatically trigger follow-up actions. Status and result of process steps should be displayed in a suitable user interface. If errors or delays occur or if a user has to execute a step manually, the application must be able to inform the responsible decisionmakers by mail or notification. Users should be able to analyze and control a problem with a few mouse clicks. A direct connection to the ERP application including variants facilitates error analysis and can significantly increase the efficiency of manual activities. With a modern user interface, e.g. SAP UI5, process management can not only contribute to ensuring competitiveness, but also gain the necessary acceptance among users to handle complex processes in a more automated way.

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CFO: The Chief Financial Officer not only manages a company's finances, but also exerts significant influence on digital transformation initiatives. The CFO has to recognize risks early on and define central strategies for the company.