



Advisory



Organization



Digital

# How finance can get to the future faster

November 19, 2019

Accelerate change with targeted automations.



## Ojel Rodríguez

Partner Head of Advisory  
T (1) 787 754 1915  
E [ojel.rodriguez@pr.gt.com](mailto:ojel.rodriguez@pr.gt.com)

Visit our website to view additional articles

[www.grantthornton.pr](http://www.grantthornton.pr)

It's time for finance to make another move. Finance teams have eliminated paper processes and adopted cloud solutions – now, they're feeling pressure to leverage automation. It's the next phase in what Bloomberg's Taran Khera calls the "age of automation," and it feeds the digital decisions that are starting to drive business.

The shift to automation coincides with the popularity of enterprise resource planning (ERP) systems that consolidate a company's back office finance and accounting, planning, human resources and other functions into one solution.

When companies implement an ERP system, they often start by examining and standardizing the processes that they are building into the system. Strategic companies "can achieve a complete transformation of their processes, to increase the stakeholder engagement, enhance operational efficiencies and reduce general operating expenses," said Grant Thornton Financial Management Managing Director and CPA Bob Cummings. But are ERP systems the only answer for automation?

### Automation advantages

Companies often implement ERP systems to improve operational efficiencies. But ERP implementations can be complex, expensive, resource-demanding and time-consuming, and they don't always yield the intended results. These large projects are also limited at using agile iterations to address evolving business requirements. Agile iterations can help ensure that automations meet evolving needs, with a reduced risk of failure. Targeted automations can provide several advantages:

- **lower cost:** Targeted automation projects have a much smaller overall cost, so they also require fewer stakeholders and approvals. Also, they often provide a more immediate ROI.
- **quicker results:** In the turbulent world of technology, one of the biggest risks for large (even agile) solutions is that problems will shift while the solution is on its way. Targeted automations can more quickly meet specific problems and show financial returns.
- **manageable scope:** Targeted automations can break down larger issues into chunks, so that the approach is more manageable, adjustments are easier, and teams can incorporate the initial lessons learned.

- **targeted resources:** With a smaller project size, a targeted automation is less of a burden on the organization's resources. The project can glean specific knowledge from the best in-house subject matter experts and can be implemented by the people most invested in the result. Companies can use business-as-usual resources in a targeted manner, so that their resources are not stretched too thin across the enterprise.
- **visible results:** Teams going through the implementation process can readily see the gains from a targeted automation in their area. Most importantly, they can better understand the transformation taking place. When an organization addresses problems in batches, the organization learns how to solve their problems more efficiently and effectively. Visible results also drive cultural change that get organizations to the future faster. "When implementing targeted automations, companies are teaching their teams how to live in the world of automation by bringing them along on the journey, rather than just dropping it on them all at once," Cummings said.

### Automation candidates

How do you know when to use targeted automation, rather than addressing issues with an ERP system? It truly depends on the organization's scope, timeline, budget and resources. Companies should consider the following:

- the ERP question: Do we have a cost-justified need to standardize and consolidate processes across our enterprise?
- the targeted automation question: Do we have a cost-justified opportunity to automate an inefficient process?

The signs of an inefficient process can be surprisingly clear. "One of the red flags of an inefficient process is excessive use of Excel," Cummings said. Finance departments often take information from multiple areas and combine it into an Excel workbook to run pivot tables and analyses. This workbook ultimately produces a result either for the business or for the general ledger. This is a sign that teams are using Excel to bridge a functionality gap where systems aren't integrated. Typically, companies have not integrated the systems due to the anticipated cost and effort of an ERP implementation. However, the organization can consider a targeted automation to both collect and manipulate the data. Targeted automations can help address efficiency, technology limitations, accuracy and other needs, in various areas of the finance function.

### Efficiency in policy administration and billing

Targeted automation where internal systems are synchronized on the same information, and customers receive the correct and current details, is the ultimate goal.

### Technology in cash suspense and cash application

Multi-system coordination is essential to ensuring that funds are quickly and correctly tracked and allocated.

### Automation flexibility

ERP systems are powerful, and they are often an excellent long-term goal, but their implementation can place high demands on time, budgets and resources. That's why many companies are automating processes with targeted solutions. Small targeted solutions can be easier to edit and replace after they are complete. When companies have new lines of business, or new rules that need to be created, they can change these solutions rather than having someone design a new system for the new rules. For companies with an existing ERP, targeted automations can even extend the life of the system.

If a typical ERP has a functional lifespan of seven to ten years, a company can gain another five years of effective life by improving the environment around the ERP with automation solutions. Implementing the right technology is critical to institutionalizing processes so that they can be performed by anyone in the organization. With a manageable size, comparatively quick results and dynamic flexibility, targeted automations are an essential option to consider.

Source

Grant Thornton library articles: [How finance can get to the future faster](#)

We are committed to keep you updated of all developments that may affect the way you do business in Puerto Rico. Please contact us for assistance in relation to this or any other matter, we will be glad to assist you.



DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2019 Kevane Grant Thornton LLP All rights reserved. Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit [www.grantthornton.pr](http://www.grantthornton.pr) for further details.