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Learning Objectives

After attending this event you will be able to:

- Understand what Finance Automation is
- Identify the different types of financial automation
 - programmatic and algorithmic
- Acknowledge the dawning of continuous accounting
- Recognize the steps to begin finance automation in your organization

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Event Notes

- The slides are available under “Handouts.”
- We will send you links via email to the presentation and the recording within 24 hrs.
- For CPE/CE/CPD: Answer all polling questions and remain for the duration. Credits awarded in 24 hours.
 - Questions on credits? Email cpe@proformative.com.
- We want to hear from you! Ask questions for the Q&A session at the end of the event.
- Please take the short survey at the end of the webinar.

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**Grow, Change, Automate –
What You Should Know About Finance Automation**
Kenneth Fick, President, CEO, Pierce The Fog LLC

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Speed of Business is Accelerating

Brought on by the advancement of technology that connects us through:

- social media
- video
- voice and virtual reality.

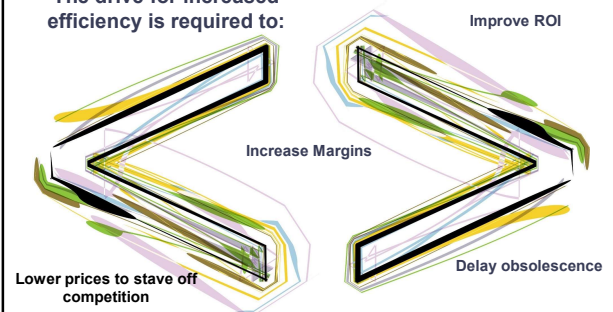
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More With Less

The drive for increased efficiency is required to:



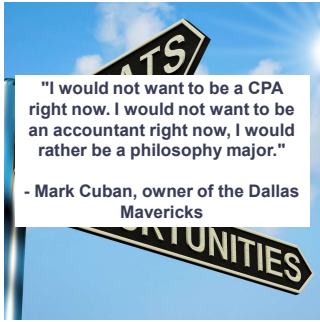
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Both a Threat and an Opportunity

- The title wave of data is now overwhelming.
- Previous ways of working must be re-imagined.
- Skills such as data analysis and programming must be applied.
- The birth of ATMs did not mean the end of bank tellers. Finance automation will not mean the end for accountants and finance professionals.
- But the job of tomorrow will most likely not look like the one of today.



"I would not want to be a CPA right now. I would not want to be an accountant right now, I would rather be a philosophy major."
- Mark Cuban, owner of the Dallas Mavericks

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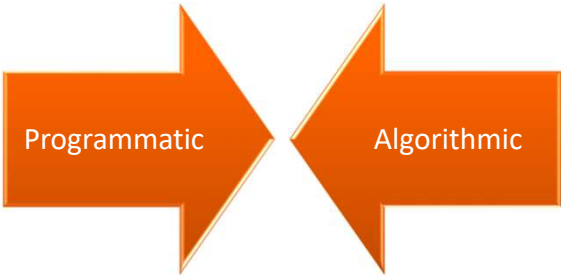


Types of Financial Automation

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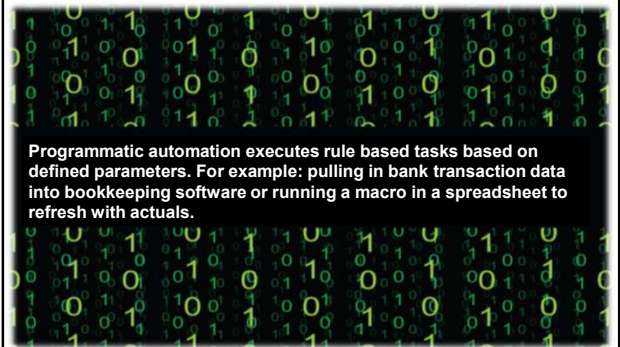
2 Types of Financial Automation



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Programmatic Automation

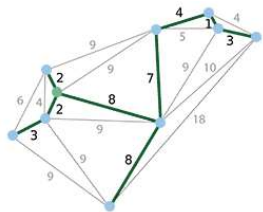


Programmatic automation executes rule based tasks based on defined parameters. For example: pulling in bank transaction data into bookkeeping software or running a macro in a spreadsheet to refresh with actuals.

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Algorithmic Automation



- Algorithmic automation performs some type of analysis to determine what to do next in a series. It can be thought of as a series of "if, this, then, that" statements or a series of contingent macros in a spreadsheet.
- Both programmatic and algorithmic automation help to eliminate the need to perform tedious tasks, speed the completion of a process and ensure that a process is executed consistently.
- Because processes that involve algorithmic automation involve ambiguity, they are almost never fully automatic and involve some degree of human interaction for review and approval of exceptions.

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The Case For Financial Automation

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We Can't Keep Up

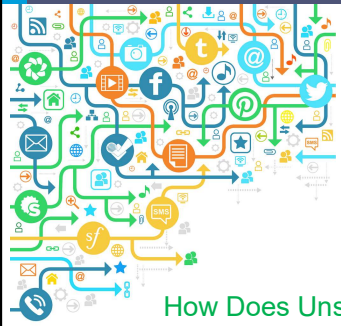


- More data has been created in the past two years than in all of human history and it is growing faster every day.
- By 2020, it is estimated that 1.7 megabytes will be created everyday.
- Driven by human to human interaction (H2H) as well as computer to computer (C2C) interaction.

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90% of the Data Created is Unstructured



- **Structured data** is highly organized and can easily be included in a traditional relational database.
- **Unstructured data** does not have a pre-defined data model or is not organized in a pre-defined manner.
- It can include time, date, subject and sender or recipient details (meta data) but the data itself is unstructured.
- Examples include e-mail, Facebook posts, tweets, photos, customer purchase history or customer service logs.

How Does Unstructured Data Affect the Finance?

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New Data Means New Metrics and New Reporting Requirements



By combining structured and unstructured data, organizations can achieve a better understanding of underlying events than relying on structured data alone.

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The Dawning of Continuous Accounting

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Record to Report



Source: Blackline: Continuous Accounting

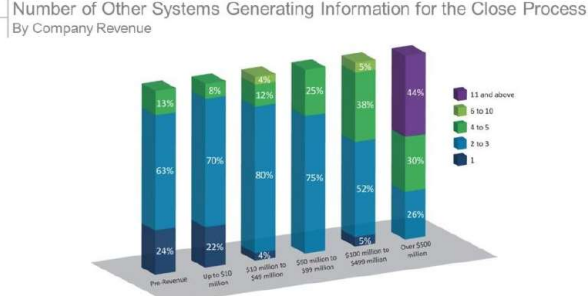
- Recent [survey by the IMA of 751 financial executives](#) showed that it takes small firms 7.4 days to close the books, large firms 6.6 days with an average of 7.1 among all firms.
- Looking at the full close-to-disclose cycle a recent [APAQ study](#) shows that companies take a median of 18 days to file quarterly reports and 25 days for annual reports.

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Why Is It Taking Longer Not Shorter?

Number of Other Systems Generating Information for the Close Process By Company Revenue

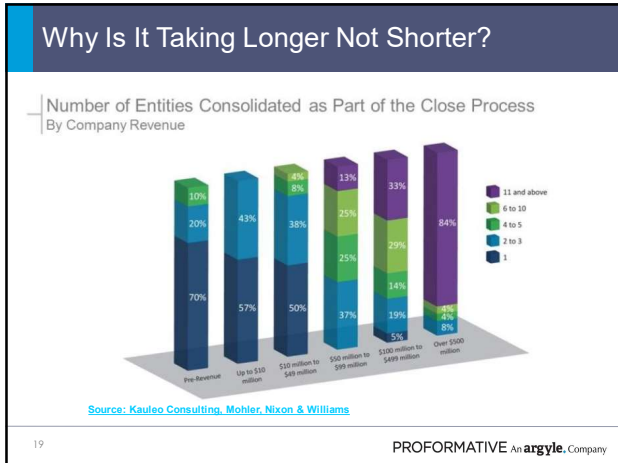


Company Revenue	1	2 to 3	4 to 5	6 to 10	11 and above
Pre-Revenue	24%	63%	13%	0%	0%
Up to \$10 million	22%	70%	8%	0%	0%
\$10 million to \$49 million	4%	80%	12%	4%	0%
\$50 million to \$99 million	7%	75%	12%	4%	2%
\$100 million to \$499 million	5%	52%	15%	25%	3%
Over \$500 million	26%	30%	15%	25%	4%

Source: Kauleo Consulting, Mohler, Nixon & Williams

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Implementation Is All In The Mindset

- Faster
- Accurate
- Relevant
- Continuously monitored
- In easily usable formats
- Leverage technology

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5-Steps Steps to Implementing Financial Automation in Your Organization

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1) Standardize & Streamline

- Manual and unstandardized processes plague financial close and reporting processes.

- Document what is not documented
- Limit the # of steps per process

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2) Increase Visibility

• You can't report what you don't know.

Find out where the handoffs of information are and track them!

missed.

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3) Enhance Controls

- Typically the more the merrier, unless you have to consolidate, then less is better
- Identify **One Throat to Choke!** in each entity, department, cost, center, reporting unit, etc... who is responsible for the numbers.

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4) Connect & Integrate Your Existing Systems

- Today's software systems are built for integration, especially cloud-based systems.
- For systems that do not automatically integrate look for bridges like [Zapier](#) and [IFTTT](#) that will do it for you.
- Look to 1st enhance and **NOT** replace your existing system.
- Find ways to ensure that Finance and Accounting own the technology without the need of IT intervention, otherwise you risk losing control.

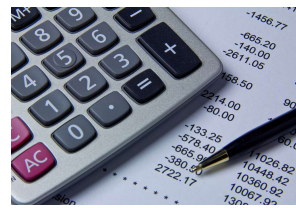


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5) Automate Account Reconciliations



- Account reconciliations can be some of the most time-consuming and painful components of the financial process.
- They also take valuable time away from strategic analysis.

- Implementing a transaction matching system tool will expedite the process and should be the first step in the finance automation process.

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Thank You

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Q & A

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A Few Final Items

- Thanks to our speaker
- Join us at www.proformative.com to continue the conversation with your peers in our community
- If you want an introduction to today's speaker or sponsor, tell us on the survey!

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