

The Modern Finance Department

December 13, 2018

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Today's Business Landscape is marked by Growing Competitive Intensity & Disruption



52% of companies in the Fortune 500 in the Year 2000 have either gone bankrupt, been acquired, or ceased to exist

- Harvard Business Review, July 2017

Amazon will drive **80%** of Ecommerce growth this year

- eMarketer Forecast, July 2018

CEO's say **Technology is the chief external influence** on their company (IBM Global C-Suite Study- 2016)

The Internet of Everything could be worth **\$19 trillion** over the next decade thanks to cost savings and profits for businesses and increased revenues for the public sector.

- EY, "The Internet of Everything Is Closer than You Think"

51% of total employment in the US can be automated

- McKinsey- January 2017

40% of CIOs are concerned that they **cannot keep pace** with cloud technology's evolution and demands

-2017 The Cost of Cloud Expertise Report

Unemployment continues to fall, ticking down to its lowest level (**3.7%**) since 1969

-The Wall Street Journal

Traditional Finance Department Models are not going to cut it



Poor Strategic Focus

Most back office operations spend **75% or more of their time** on “**keeping the lights on**” versus more value added, business growth activities.



Inefficient processes

Manual processes & lack of standardization cause high exception rates, substandard productivity and insufficient agility



Inadequate IT Capabilities

Dated and complex IT operating environments limit flexibility, operational effectiveness and predictive capabilities.



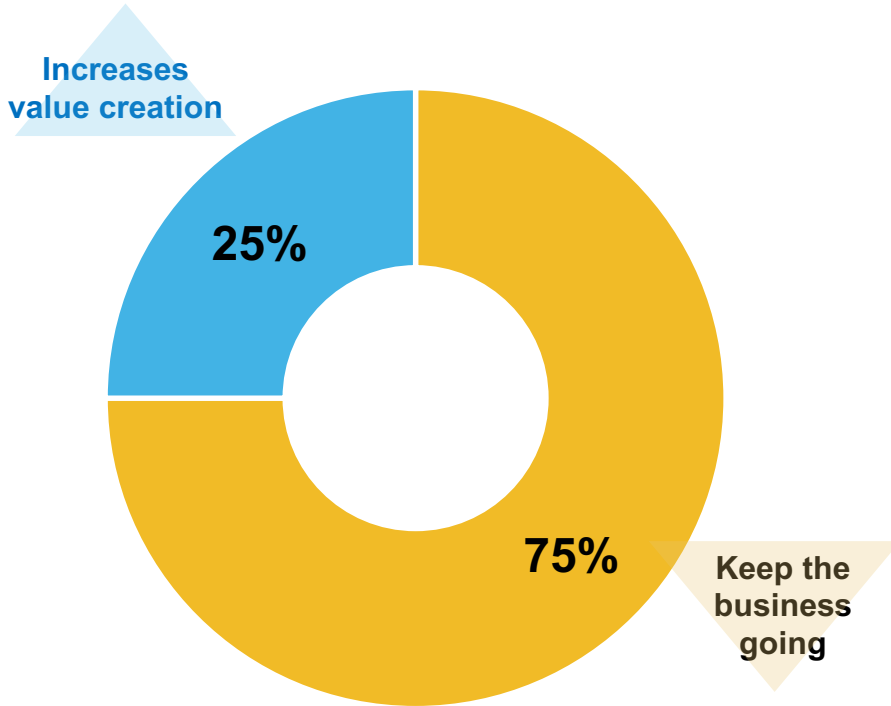
Talent Gaps

Challenges in attracting and retaining talent that is up to speed with latest technologies and business process practices.

Your challenge is to execute on day-to-day demands while delivering greater business value

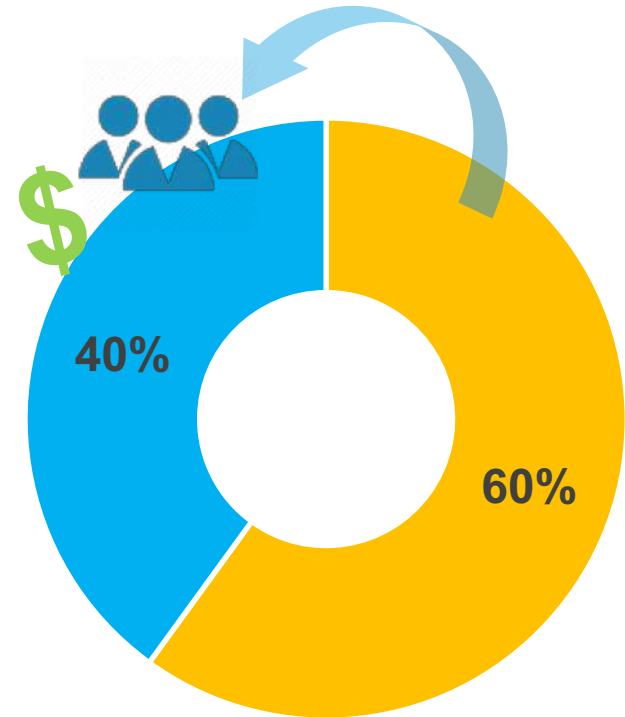


Traditional Finance Team Focus



- Transactional - "Keeping the lights on"
- Strategic - Business growth focused

"Modern" Finance Team Focus



- Transactional - "Keeping the lights on"
- Strategic - Business growth focused

The Modern Finance Department

Key Building Blocks



Shared Services Ecosystem

TRANSACTIONAL PROCESSING EXCELLENCE

Leverage Shared Services/Outsourcing Models to **increase Value Added focus** while also driving Process Excellence, Productivity, Scalability & Cost Competitiveness



Highly Automated

MINIMIZE MANUAL ACTIVITIES

Reduce reliance on excel and silos of data. Leverage point solutions that can wrap around core ERP systems



Business Adviser Culture

BUSINESS PARTNERSHIP MINDSET

Team with bias, skills and focus to help drive business performance versus just reporting on it



Robust Business Intelligence

PREDICTIVE VS. HISTORICAL

Provide business insight and predictive analysis through robust Business Intelligence capabilities

It's about defining your CORE to drive more value and insights to the business



EFFICIENCY



VALUE



84% of organizations have a centralized back office model including **Shared Services & GBS**



On average, organizations are managing **83%** of their F&A function under a **Shared Services Model (45%)** or **Outsourcing (38%)**



38% of companies are leveraging **offshoring** or **nearshoring** for F&A



59% of organizations are looking to **increase its reliance on BPO**



Latin America represents **24%** of the Top 100 Global Outsourcing Destinations



Mission Critical C-Suite Directives for Operational Strategy:

42% Drive down operating costs

31% Create real-time data for predictive vs. reactive decisions

30% Accelerate speed to market



Gartner predicts that by 2018, more than **50%** of large organizations globally will **compete using advanced analytics** and proprietary algorithms, causing the disruption of entire industries



The **Global Business Intelligence (BI) market** is expected to grow from **\$15.6 B** in 2016 to reach \$29 B by 2022 with a CAGR of **11.1%**

Sources:

2017 KPMG SSC & Outsourcing Report, Tholons, Statistics MRC

Technology is at the core of the Modern Finance Department



- ✓ **Robotics Process Automation (RPA)**
- ✓ **Business Process Management**
- ✓ **Analytics & Dashboards**
- ✓ **Automated Workflows**
- ✓ **Collaboration & Knowledge Management**
- ✓ **Automated Account Reconciliations**
- ✓ **Vendor Portals**
- ✓ **Cloud Transformation**
- ✓ **Security**

Robots aren't coming. They're here!



- ✓ The **RPA software market** expected to grow by **41% YOY to 2020** – Gartner
- ✓ **MIT** to launch a **new college dedicated to AI** backed by **\$1 Billion**
- ✓ **UiPath**, one of the top 3 leading RPA platforms in the market, is the **fastest growing software company in history** – from **\$1M to \$100M+** in less than 21 months!
- ✓ **Low licensing costs** coupled with **quick implementation timelines** and **ease of development** have made RPA accessible for all industries and company sizes



Auxis 2018 RPA Survey Report



Key Highlights

F&A is the top penetrated function (79%)



Order To Cash (70%)



Purchase To Pay (70%)

40% average cost savings



41% average productivity gains



RPA is led by the business, not IT, for 62% of organizations



70% leverage a 3rd party expert to get started



70% recover their RPA investment in less than 1 year



AI still more myth than reality with only 4% piloting and beyond

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Link to download full report:

<https://www.auxis.com/2018rpastudy>

70% recover their RPA investment in less than 1 year



Started



AI still more myth than reality with **only 4%** piloting and beyond

Relevant RPA Case Studies

Quick ROI across the board



LEADING MEDIA & PUBLISHING FIRM

AP INVOICE PROCESSING

3-MONTH PAYBACK
65% PRODUCTIVITY GAINS
57% COST SAVINGS



GLOBAL HOSPITALITY ORGANIZATION

DAILY OPERATIONAL REPORT

500% PRODUCTIVITY GAINS
INCREASE OPERATIONAL VISIBILITY



GLOBAL JEWELRY RETAILER

SALES TO CASH RECONCILIATION

2-MONTH PAYBACK
75% PRODUCTIVITY GAINS
67% COST SAVINGS



LEADING TIME-SHARE RESORTS COMPANY

EMPLOYEE ONBOARDING & TERMINATIONS

73% COST SAVINGS
100% SOX COMPLIANT



COSMETIC MANUFACTURER & DISTRIBUTOR

JOURNAL ENTRY PROCESSING

1-MONTH PAYBACK
80% PRODUCTIVITY GAINS
60% COST SAVINGS



HEALTHCARE SUPPLY CHAIN LEADING PROVIDER

CUSTOMER PRICING ANALYSIS

6-MONTH PAYBACK
50%+ PRODUCTIVITY GAINS
REVENUE GROWTH ENABLEMENT



CFO's are best positioned to lead the charge to the Modern the Back Office



The Modern Back Office should be more...



STRATEGIC



**FUTURE
ORIENTED**



AGILE



SCALABLE



AUTOMATED



**COST
EFFECTIVE**

Thank You!

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CONSULTING & OUTSOURCING