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BAROPAPER

New technologies make finance department future-proof

But are they ready for it?

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Introduction

In an era of constant technological advancement, innovative technologies such as AI and intelligent automation are driving significant changes in how finance departments operate. While some organisations have already integrated the latest innovations into their everyday tasks, others are cautiously taking their first steps in this area.

Onguard asked more than three hundred CFOs, financial managers and financial employees how they deal with the latest technologies. For example, what challenges they face with their implementation and how different generations view these advancements.

Key technology trends in the financial process

Although finance professionals see a major influence of big data **(36%)** and IoT **(23%)** on the financial process, they argue that AI **(45%)** is the technology with the greatest influence. This is not surprising when considering the various benefits that AI can bring to a finance department. To put this into context, **43 percent** of finance professionals expect that AI can help predict future financial trends, **39 percent** see a role for AI in the field of risk management, and **28 percent** expect AI to make a difference in automating routine tasks.

AI in credit management
Experts working in credit management are increasingly looking at the possibilities that AI has to offer. One of these possibilities lies with automating manual and repetitive tasks, such as manually sending a payment reminder and following up on outstanding invoices.

Expectations of finance professionals for AI:

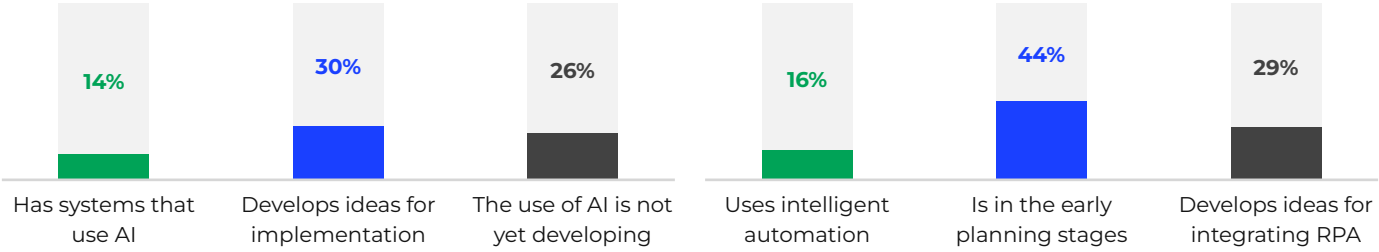
Finance professionals welcome new technologies

The potential of AI in the finance department

Finance professionals therefore see plenty of benefits from using AI. However, this advancement is only slowly entering the finance department: The survey showed that only **fourteen percent** of organisations have systems that use AI, while **thirty percent** of organisations are currently developing ideas for their implementation. However, a quarter of the organisations **(26%)** are not quite there yet: it is not even on their agenda.

Intelligent automation and RPA

Automation and RPA are also emerging technologies that organisations are currently examining. Namely, **sixteen percent** of organisations are already using intelligent automation and **44 percent** are in the early planning stages of implementing this technology. Meanwhile, **29 percent** are currently developing ideas for RPA integration.



Rogier van Velden, Head of Credit Solutions Netherlands at Aon: "When I look at how finance departments approach the latest technologies, I notice that many actually pay little attention to this. This is often because they are still busy digitising financial processes, such as replacing countless Excel files with an ERP system. They invest so much time and energy in this that the adoption of AI tools, for example, still seems far away. This is a bit disappointing as AI has actually the potential to reduce work time. For example, consider automating reminder messages, freeing up more time for strategic thinking or personal customer contact."

Blockchain: from hype to opportunity

A technology already more established for providing numerous benefits to the finance world is blockchain. Finance professionals mainly see opportunities for blockchain to reduce errors **(26%)**, shorten processing times **(19%)** and offer more convenience with international payments **(16%)**. Only **six percent** of finance professionals see no opportunities for this technology.

New technologies, new challenges?

Strong appetite for new technology

Although several new technologies are available and show potential, their implementation is not yet at full speed. For example, **45 percent** of finance professionals indicate that they would like to use more of these technologies. The interest is higher among the younger generation (18-35 years), with **46 percent** being willing to embrace this development, compared to **36 percent** of the older generation (55 years and older). The younger generation **(46%)** also sees more opportunities in applying new technologies compared to the older generation **(24%)**. It is not surprising that a third **(31%)** of finance professionals also think that these technologies can only be successfully implemented after colleagues aged 60 and older retire.

"Just like with all changes, it is also evident here that the younger generation is more open to new technologies. For this generation, it is self-evident to use and implement such technologies where possible. Although the younger generation is keen to change financial processes, I often notice that they still lack some determination and perseverance to initiate a proper implementation of new technologies. An important factor here is that they usually only stay with an employer for a short time, which gives them less time to actually take the lead in technology implementation projects.

"A major challenge when implementing a new technology is that it often requires a lot of customisation if you want to use the tool effectively. After all, you often have to deal with a variety of software packages and tools that lack interoperability. To ensure a more seamless operation, close collaboration with the IT department is essential. This can be done, for example, by setting up a joint project team in which employees from different disciplines work together. This promotes a better understanding of each other's challenges and needs, making the implementation of new technologies much smoother."

Challenges on the way to technological progress

The need to implement more new technologies in the finance department is therefore imminent, but such implementations also bring expected challenges. For example, **28 percent** of finance professionals surveyed feel that they have insufficient skills and/or knowledge to implement new technologies. The collaboration between IT and finance is another area of concern. For **35 percent** of organisations, this makes it more difficult to apply new trends, including AI. More specific pain points that can hinder successful implementation of AI include the differences in priorities and unrealistic expectations. A challenge that companies also face is the fear of job loss. A small portion of finance professionals **(28%)** are afraid that their jobs will eventually become redundant. This is mostly a fear among the younger generation **(38%)** compared to the older one **(15%)**.

Making a finance department future-proof

New technologies such as AI, intelligent automation, RPA and blockchain are on the rise within the finance department, bringing several benefits to organisations. Using these technologies effectively can automate manual and repetitive tasks, such as invoicing. Furthermore, AI systems can analyse and process financial data with a high degree of accuracy. This allows finance professionals to focus more on strategic tasks and advise management on crucial decisions that affect the future of the entire organisation.

However, implementing new technologies does not always go smoothly. Organisations face various obstacles, such as the limited cooperation between the IT and finance departments, as well as the lack of knowledge and skills. It is therefore essential that organisations investigate what challenges arise within their finance department. In this way, future-proofing the finance department becomes increasingly attainable.

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About the research

Every year, Onguard investigates how financial professionals view current trends and developments, such as financial technologies, digital transformation, AI and new payment methods. This study, entitled the FinTech Barometer, was conducted for the seventh time this year. 304 finance professionals participated in the survey. Of these, 212 work in financial management and 92 work as financial employees.

About Onguard

Onguard accelerates payments and improves cash flow for companies through smart credit management. Onguard solutions give insight into payment behaviour, minimise financial risks and improve communication about unpaid invoices. The result? Faster payments, fewer write-offs and lower customer churn. With over 30 years of experience, we facilitate optimised working capital and provide you with more valuable time with your customers by saving time from handling daily activities.

Onguard is a Visma company with more than 30 years experience in facilitating optimised working capital through smart credit management. Bottom line, we provide quality time with your customers by handling the day-to-day operations.

About Rogier van Velden

Rogier van Velden, Head of Credit Solutions Netherlands at Aon, has more than twenty years of experience as a finance professional. He started his career as a finance consultant and quickly advanced to Executive Director of the Credit Solutions Team. He held various roles within Aon's Credit Solutions Team for fifteen years. Aon is a consultancy organisation that focuses on risk, pension and health solutions. Aon professionals analyse the financial risks and help to eliminate them. In his current position, Rogier strives every day to optimise customers' working capital and alleviate credit risks. This is why he looks forward to creative technological solutions that can help with this.

Want to know more?

Do you have questions about this solution or how you can optimise the credit management process within your organisation? Please contact us, we're happy to help you.

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