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PRESS RELEASE

# New Research Reveals Finance Professionals' Sentiments Regarding Failure to Automate Core Operational Processes and the Future of Digitization

*Despite widespread COVID-era digitization, finance departments continue to rely on paper-based systems to the detriment of their business*

**MIDDLETON, Wis. — November 18, 2021 —** Esker, a global cloud platform and leader in AI-driven process automation solutions for finance and customer service functions, today released a national study, "2021 State of Finance Report: Digital Transformation & Business Disruption." The survey reveals that most finance and accounting professionals have undergone at least partial digital transformation, however, the industry is still heavily lacking the next step: a comprehensive automation overhaul of business processes.

The survey polled 1,000 respondents, consisting of 109 C-level executives, 92 VPs, 49 directors and 750 practitioner-level finance and accounting professionals, and was conducted from September 20 - 24, 2021.

When COVID-19 forced American businesses to adopt work-from-home policies, companies quickly realized their reliance on paper-based processes could no longer support day-to-day operations. As a result, 83% of companies had to digitize at least some paper-based processes. Today, nearly 18 months later, the majority of finance professionals (64-69%) still report that lack of process automation negatively impacts their organization. The consequences cited include slow client service/processing times, lack of oversight, employee frustration, and, ultimately, poor retention of department employees.

Digitization was do-or-die for businesses when the pandemic hit. However, failing to automate those digital processes can leave room for human error and could still be a burden for employees. In fact, seventy eight percent of finance professionals believe employees make mistakes when using manual processes, including lost documents (69%), compliance breaches (68%) and reduction in employee productivity (65%). The findings also revealed widespread doubt for a successful future if another drastic situation arose, with 76% of respondents reporting that they are not confident their business has the technology needed to maintain performance standards should something (such as another pandemic) force people to work remotely again.

"We wanted to conduct this survey to shed light on how damaging paper-based systems can be on business efficiency, performance and even staff morale," said Emmanuel Olivier, Esker Worldwide COO. "This data shows that finance professionals at every level clearly see the glaring problems spurred by lack of digitization in their organizations and want to automate their systems to avoid the potentially devastating effects of errors, but there's a substantial disconnect between desire and deployment."

For those who reported having already fully automated their cash conversion cycle, more than 80% said it made their business more efficient/successful. Alternately, 96% of those whose company has not automated their cash conversion cycle believe that automating cash application — a critical part of the cash conversion cycle — would increase their organization's efficiency and success.

Despite the majority of respondents who automated part of their cash cycle seeing success, and those who have not acknowledging the benefits of doing so, the survey still shows low rates of automation adoption across all processes, with only 20-23% of respondents reporting that they have automated core systems, including:

- Payment: 20%
- Cash application: 20%
- Accounts payable: 20%
- Order processing systems: 20%
- Deductions: 22%
- Procurement: 22%
- Supplier Management: 22%
- Credit & collections management: 23%

With finance and account professionals understanding the benefits of automation and having uncertainty for the future, it's surprising that only 17-24% intend to automate business processes in the next two years. For example, 96% of respondents whose company has not automated their cash conversion cycle believe that automating cash application would make their business more efficient and successful. However, only 18% plan to automate their cash application before 2024.

Why are companies and decision-makers still refusing to automate a variety of processes? The answer may be budgetary restraints, as more than half of finance and accounting professionals report that they exceeded their allocated budget for digital transformation. Respondents cited hidden costs, goal post changes during the project and a lack of clear objectives as just some of the factors that derailed their target budgets. Needlessly long timelines may also play a role in pushing automation to the back burner, as nearly 70% report that it took more than two years to see any ROI from their most recent digital transformation initiative.

"Esker customers typically start to see ROI around 6 months after the solution is deployed," said Steve Smith, Esker U.S. COO. "Businesses turned to Esker during the pandemic with a need for digitization and



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automation. We're delighted to quickly transform their cash conversion cycle and ultimately strengthen the company's bottom line."

Another operational hurdle addressed in the survey is how fragmented todays' ERP landscape is, with respondents almost evenly split across 14 ERPs, which points to how ERP-agnostic technology is critical to success. In fact, 94% reported that their company failed at least one initiative with another business due to ERP misalignment. At a time when mergers and acquisitions are their highest since 1995, ensuring seamless transitions can make or break newly acquired or merged organizations.

"Companies can inherit disparate ERP systems through mergers and acquisitions, but they must operate as a cohesive organization very quickly. Instead of undergoing costly ERP overhauls, ERP-agnostic automation solutions integrate to seemingly provide one system across crucial business processes," said Olivier.

The benefits of automation and process alignment go beyond increased efficiency and cost-cutting. Esker believes that by automating tedious, manual tasks, companies can create a better business experience and spur positive-sum growth for all parties involved. Employees can focus on strategic aspects of their job with a sense of purpose. Customers receive higher quality service from employees that have the accurate information and the time to help. Suppliers are paid faster to increase cash flow and strengthen company relationships.

To access the full report, visit: https://quitpaper.esker.com/2021-State-of-Finance-Survey-report.html

## About Esker

Esker is a global cloud platform built to unlock strategic value for finance and customer service professionals, and strengthen collaboration between companies by automating the cash conversion cycle. Esker's solutions incorporate technologies like Artificial Intelligence (AI) to drive increased productivity, enhanced visibility, reduced fraud risk, and improved collaboration with customers, suppliers and internally. Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin. For more information on Esker and its solutions, visit www.esker.com. Follow Esker on LinkedIn and join the conversation on the Esker blog at blog.esker.com.