

AI & AUTOMATION IN FINANCE

DETAILED FINDINGS FROM
THE BENCHMARK REPORT
By Rizal Ahmed and Grant Suneson **March 2024**

DETAILED FINDINGS



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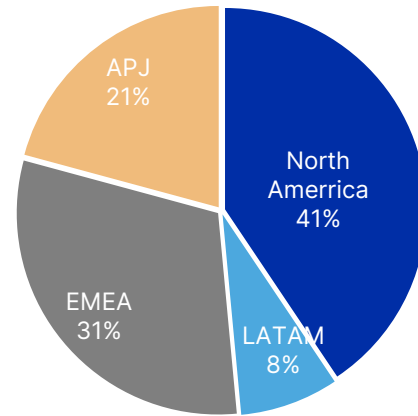


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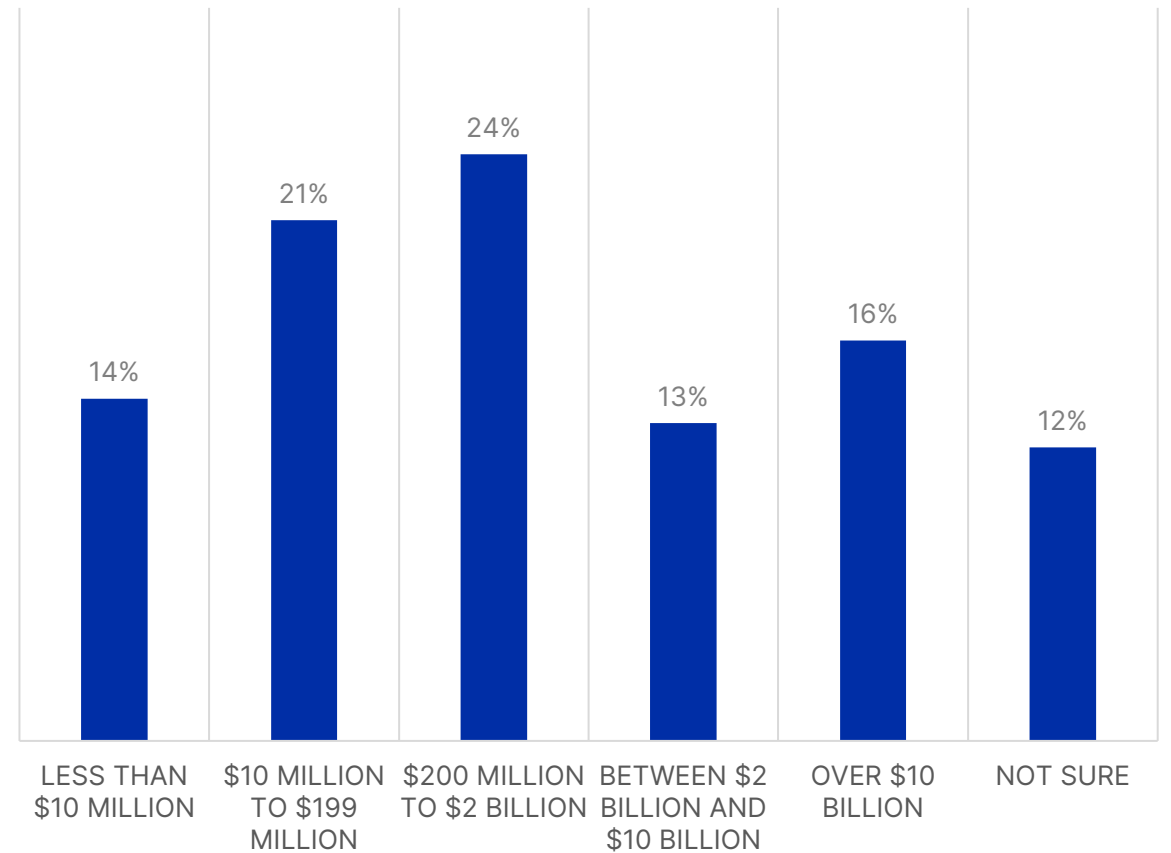
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Between January and March 2024, SAPinsider surveyed 159 of its community members to understand how business, technology, and regulatory trends impact the cash flow visibility strategies of multinational companies.

The survey participants came from various geographical regions worldwide and represented diverse organization sizes, contributing to a comprehensive dataset.



Annual Revenues



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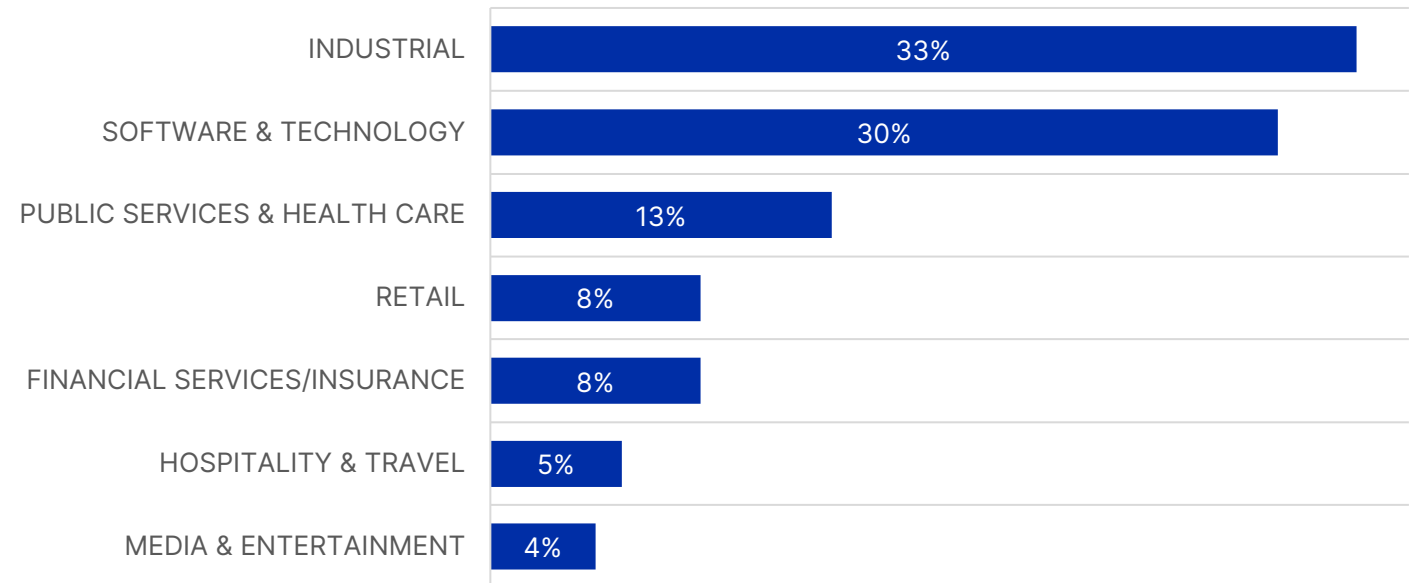
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The survey primarily targeted individuals who held positions in Finance lines of business, information technology, or hybrid roles responsible for making decisions within their respective organizations.

These professionals held jobs in a wide variety of industries, including industrial, public services and health care, software and technology, and many more.

The survey aimed to understand the specific roles that the respondents carried out within their organizations and the industry sectors in which their organizations functioned.

Industries



DETAILED FINDINGS

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In 2024, more than half of organizations surveyed listed the complexity of changing business and operations and a lack of relevant skills and resources within the organization as a barrier to them implementing AI and automation in their finance workflows. A significant portion of companies also highlighted security and privacy risks, as well as data sovereignty concerns and regulations as a stumbling block.

A significant portion of respondents say they are unsure which technologies to use for their finance and automation needs, at 34%. Other organizations may know which technologies they would like to use but faced a lack of a business case or executive buy-in as a major barrier to implementing AI and automation solutions.

Barriers to Implementing AI and Automation in Finance



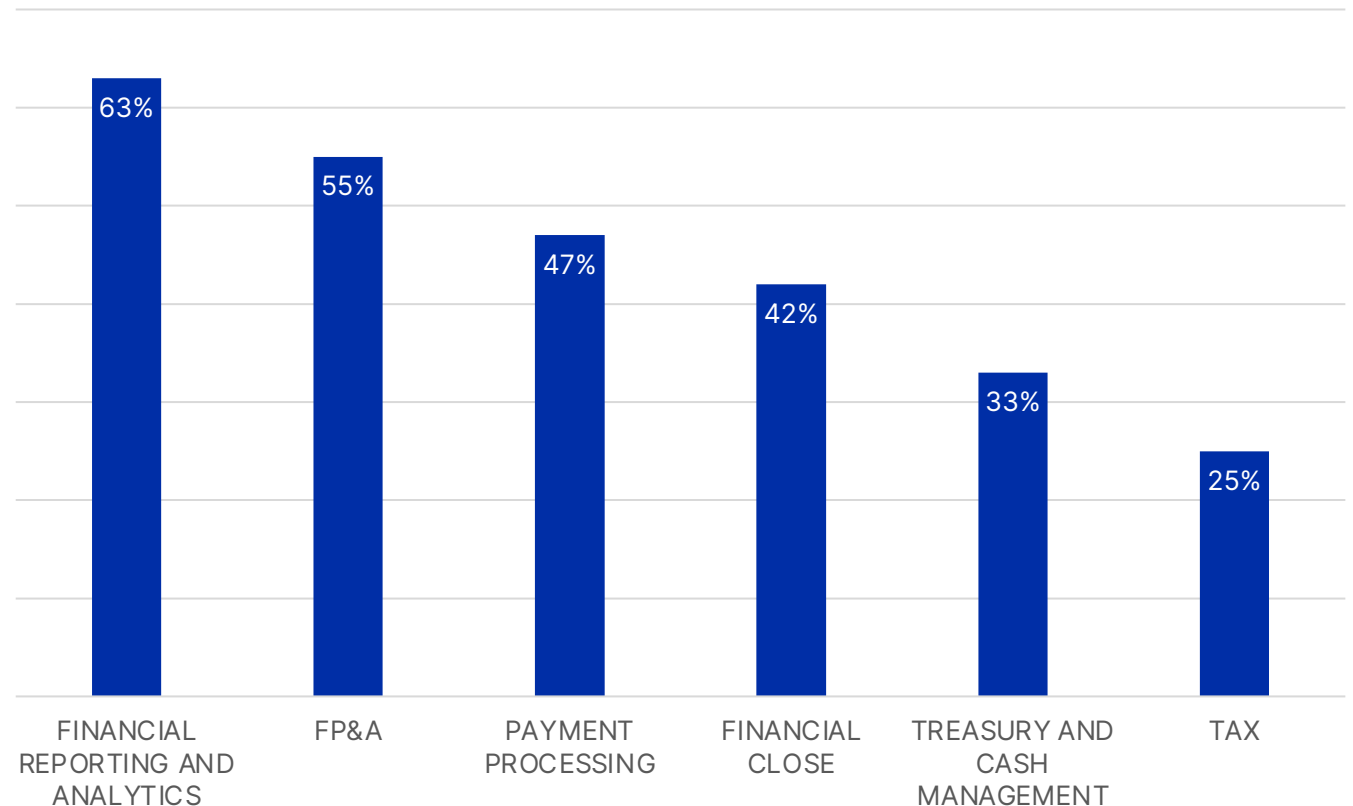
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The finance processes that organizations are planning to infuse with AI and automation over the next three years vary widely in type, scope, and scale. Financial reporting and analytics (63%) and financial planning and analysis (FP&A) (55%) were the only two processes in which more than half of companies are planning to leverage AI and automation capabilities. This indicates an emphasis on planning, data, and real-time insights.

Plans for AI and automation in payment processing (47%), financial close (42%), and treasury and cash management (33%) made up the second tier of process priorities. SAP organizations are aiming to infuse automation into manual, repeated tasks to save time and reduce the possibility of errors.

Finance Processes In Which Organizations Plan to Implement Automation and AI



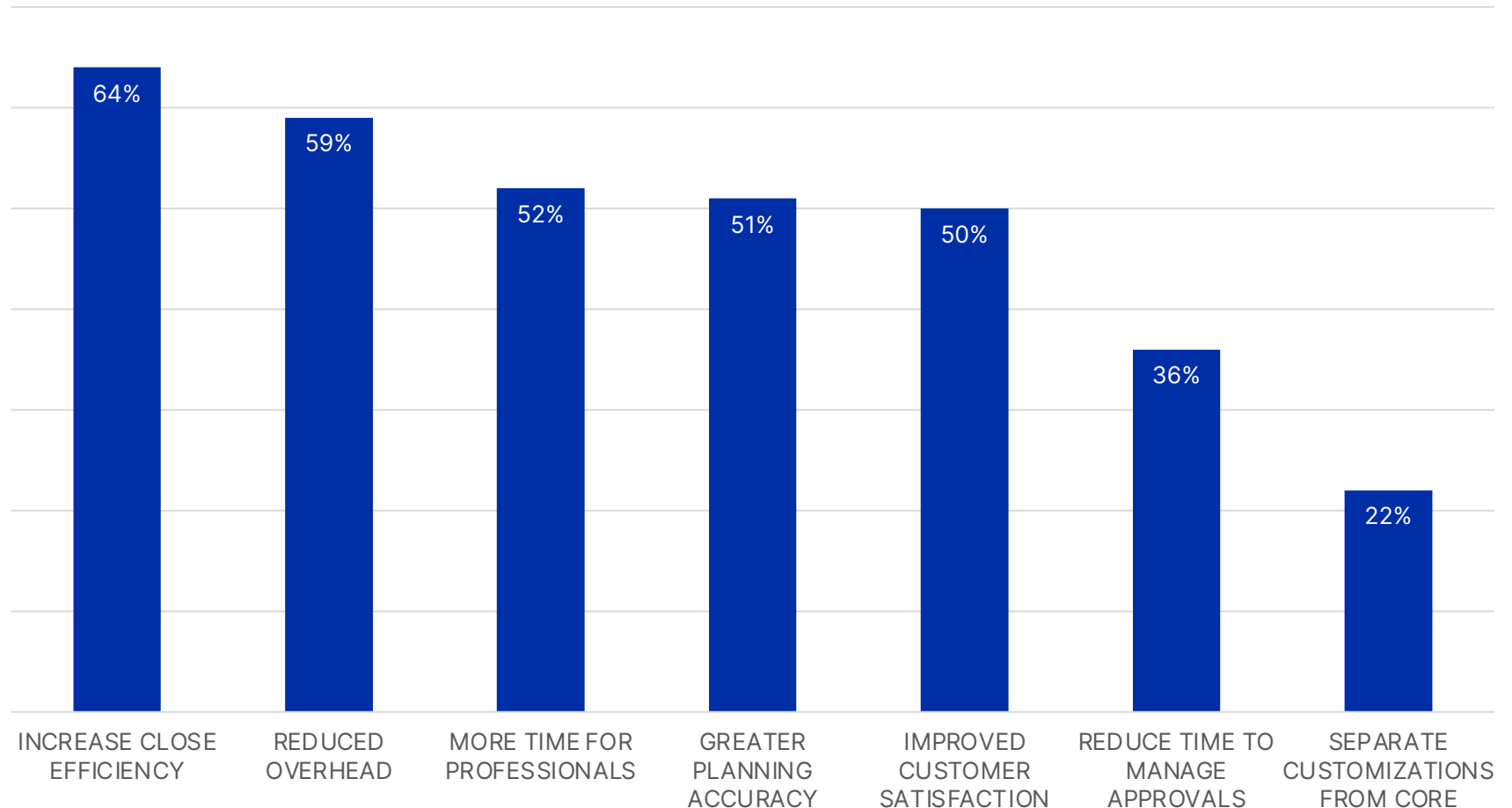
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By a significant margin, the benefit most companies expect from leveraging financial automation and AI is increased efficiency of the financial close, at 64%.

Organizations are also expecting these advanced technologies to improve their bottom lines by freeing up finance professionals to work on more value-add tasks (52%) and reduce the overhead for financial activities (59%).

Expected Benefits of Implementing AI and Automation



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MODEL FRAMEWORK

AI and Automation in Finance



DRIVERS

- The move to SAP S/4HANA provides opportunity for automating finance processes (26%)
- The need to improve the accuracy and efficiency of current business processes (26%)
- Growing data-driven decision making creates need for real-time reporting and analytics on finance data (23%)



ACTIONS

- Use advanced analytics, AI and ML on finance and operational data to enhance integrated planning capabilities (46%)
- Increase productivity of F&A teams by hyperautomating repetitive and manual (45%)
- Implementing AI for predictive analytics to inform strategic decision-making (43%)
- Build, extend, and enhance SAP applications based on business needs without disrupting the existing operations (40%)



REQUIREMENTS

- Manage and use data in a flexible and efficient manner to accelerate business demands (83%)
- Compliance with regulatory and risk management standards (82%)
- Automation of finance processes and workflows across different systems and technologies for end-to-end visibility (80%)
- Automated detection of anomalies and identify key drivers behind financial performance indicators (79%)



TECHNOLOGIES

- Invoice and payment processing solutions (48%)
- Advanced analytics and dashboard technology (36%)
- Financial close automation solution (34%)
- Analytics cloud platform (34%)
- ERP integration platform (31%)
- Intelligent RPA tool (31%)
- Process and workflow automation (27%)
- Intercompany balance sheet reconciliation and automation solution (27%)
- Extended planning and analysis solution (25%)
- Low code/no code tools (25%)
- Cloud-based AI business services technology (23%)
- Cloud-based data management solution (23%)

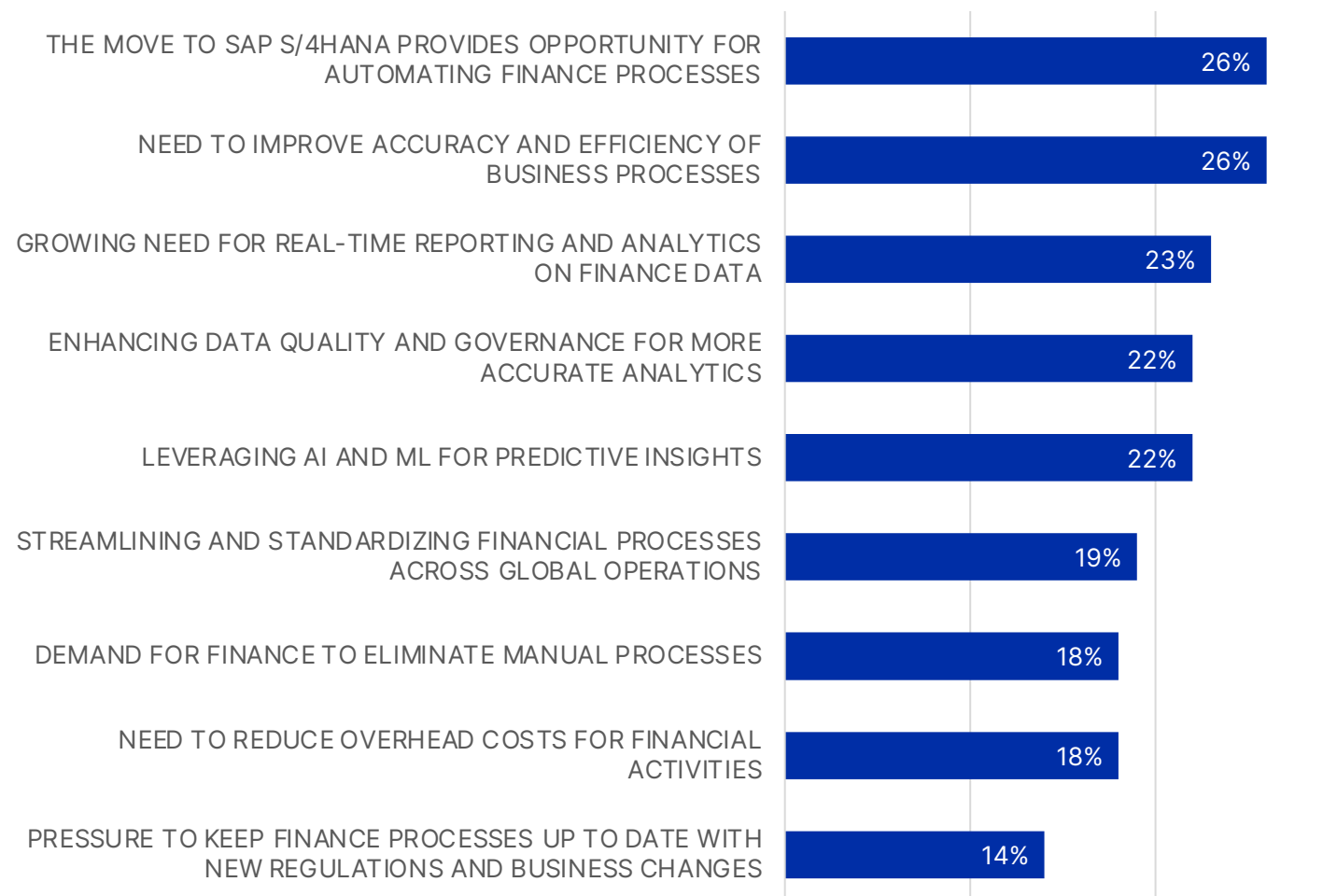
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The research reveals an increased emphasis on improving and automating processes. The move to SAP S/4HANA opening a window for organizations to infuse automation into their finance processes (26%) and the need to improve business processes (26%) ranked as the joint-top driver.

Advanced analytics and insights from data were also important drivers. The growth of data-driven decision-making creating a need for real-time reporting analytics (23%) and leveraging AI and ML for predictive insights (23%) also ranked among the top drivers.

Drivers Shaping AI and Automation Approaches



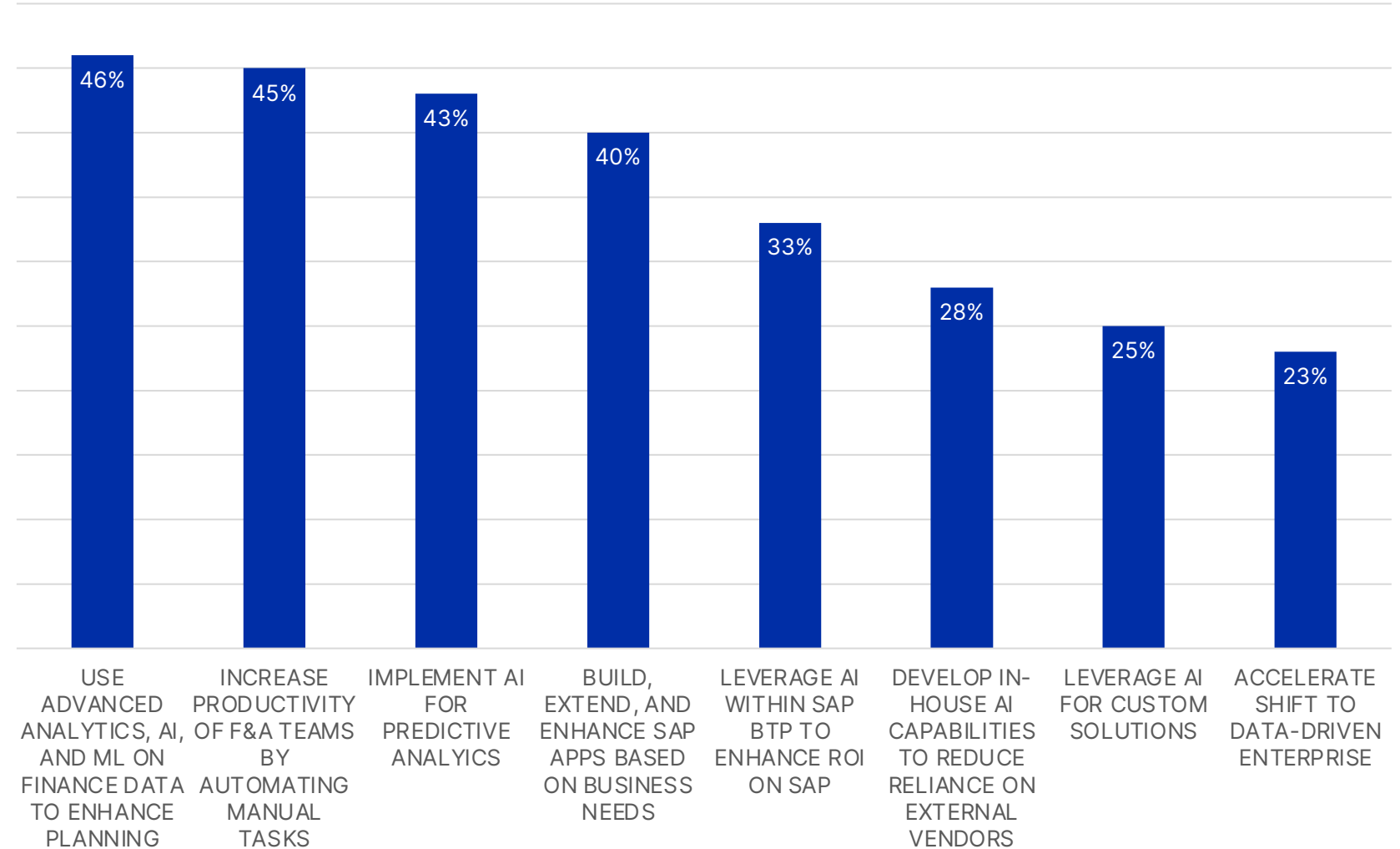
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In 2024, organizations have shown increased emphasis on planning and predictive analytics. Using advanced analytics, finance data, AI, and ML to enhance planning (46%) ranked as the top action companies are taking. In third was implementing AI to use predictive analytics (43%).

This indicates a key trend towards the strategic integration of technologies and data-driven insights within SAP environments to enhance planning and real-time data to drive decision-making.

Actions Supporting AI and Automation Priorities



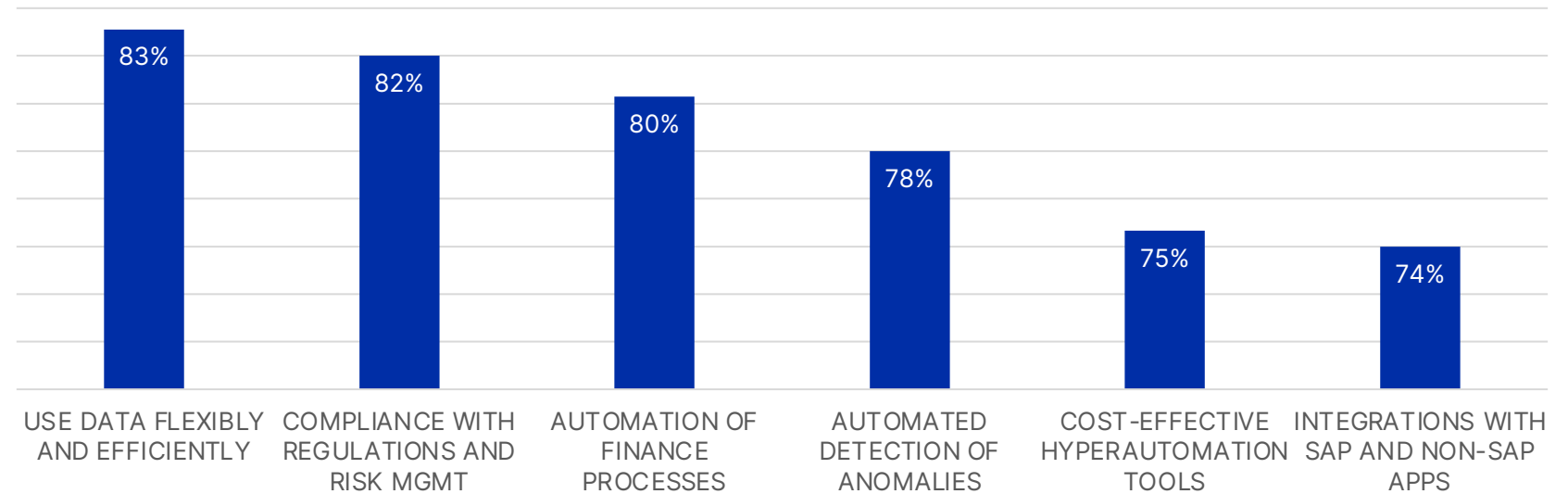
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Survey results found 83% of organizations said the need to use data flexibly and efficiently to accelerate business demands was either important or very important, a higher share than any other requirement. Compliance with regulations and risk management followed closely behind at 82%.

These responses indicate that organizations need solutions that allow them to maximize efficiency by automating manual processes and meet the increasing demands for real-time insights from business leaders.

Requirements for AI and Automation in Finance



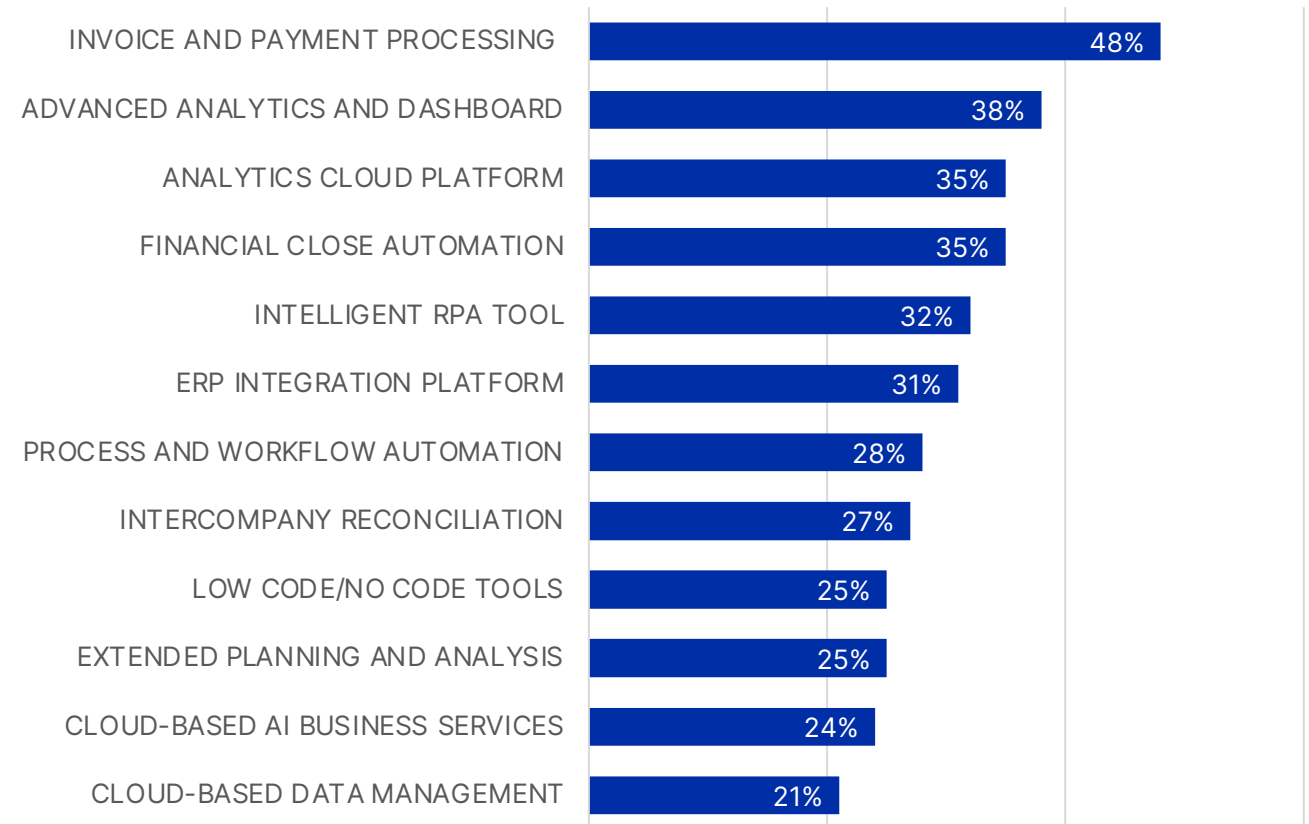
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Research data reveals two major avenues of AI and automation technology adoption in the finance area. First is the need to leverage solutions that automate manual and repetitive processes, as demonstrated by the high share of organizations that either implemented or are currently implementing invoice and payment processing (48%), financial close automation (35%), and intelligent RPA tools (32%).

Organizations also use technologies that allow them to plan using advanced analytics, such as advanced analytics dashboards (38%), analytics cloud platform (35%), and extended planning and analysis (25%).

AI and Automation Technology Adoption



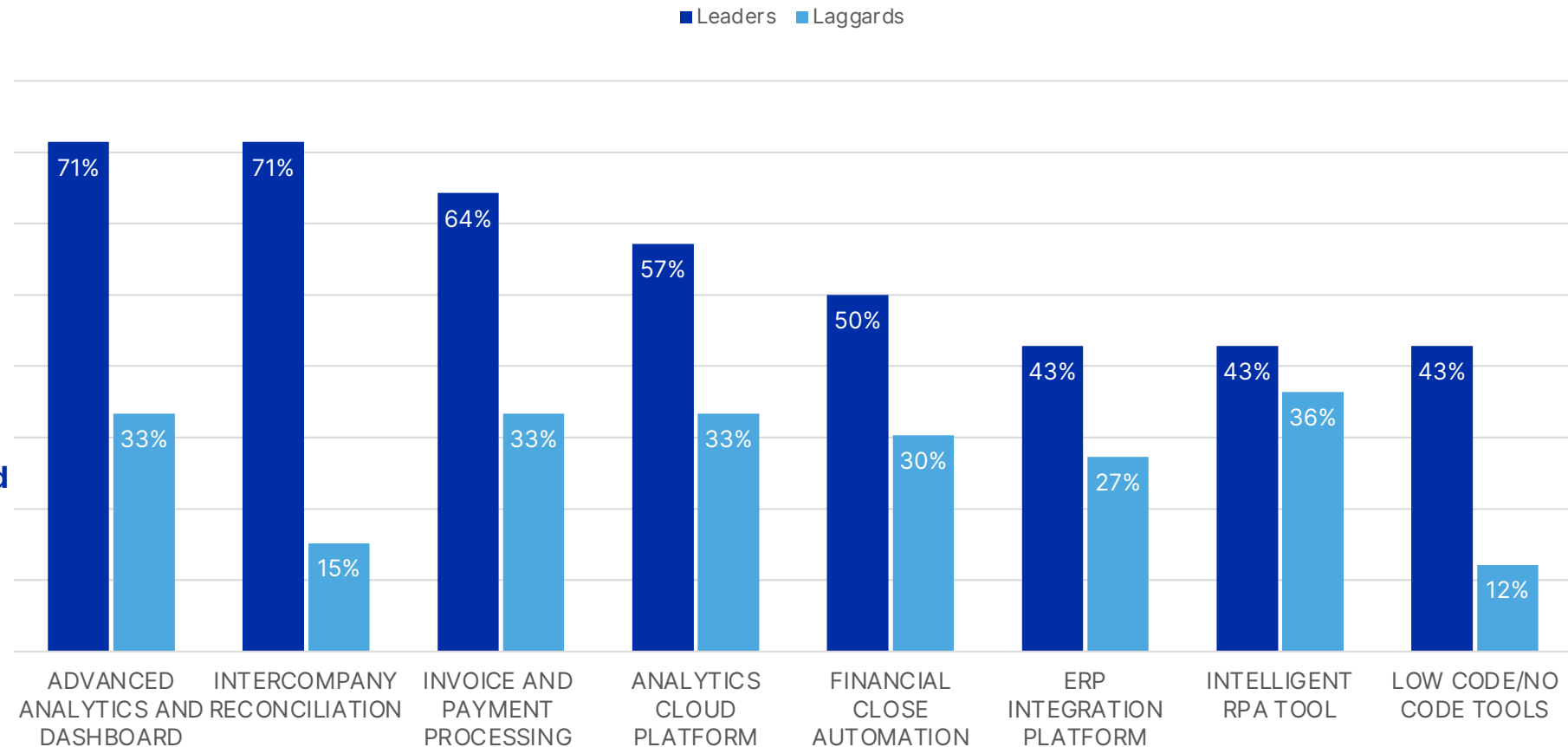
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The difference was stark between leaders (organizations that reported being somewhat or significantly ahead of their competition) and laggards (who said they were significantly behind the competition).

Most Leaders are using or implementing advanced tools like analytics, dashboards, and cloud platforms, compared to just 33% of laggards. Leaders are also much more likely to automate tasks like intercompany reconciliation and invoice processing.

Technology Being Used or Implemented by Leaders and Laggards



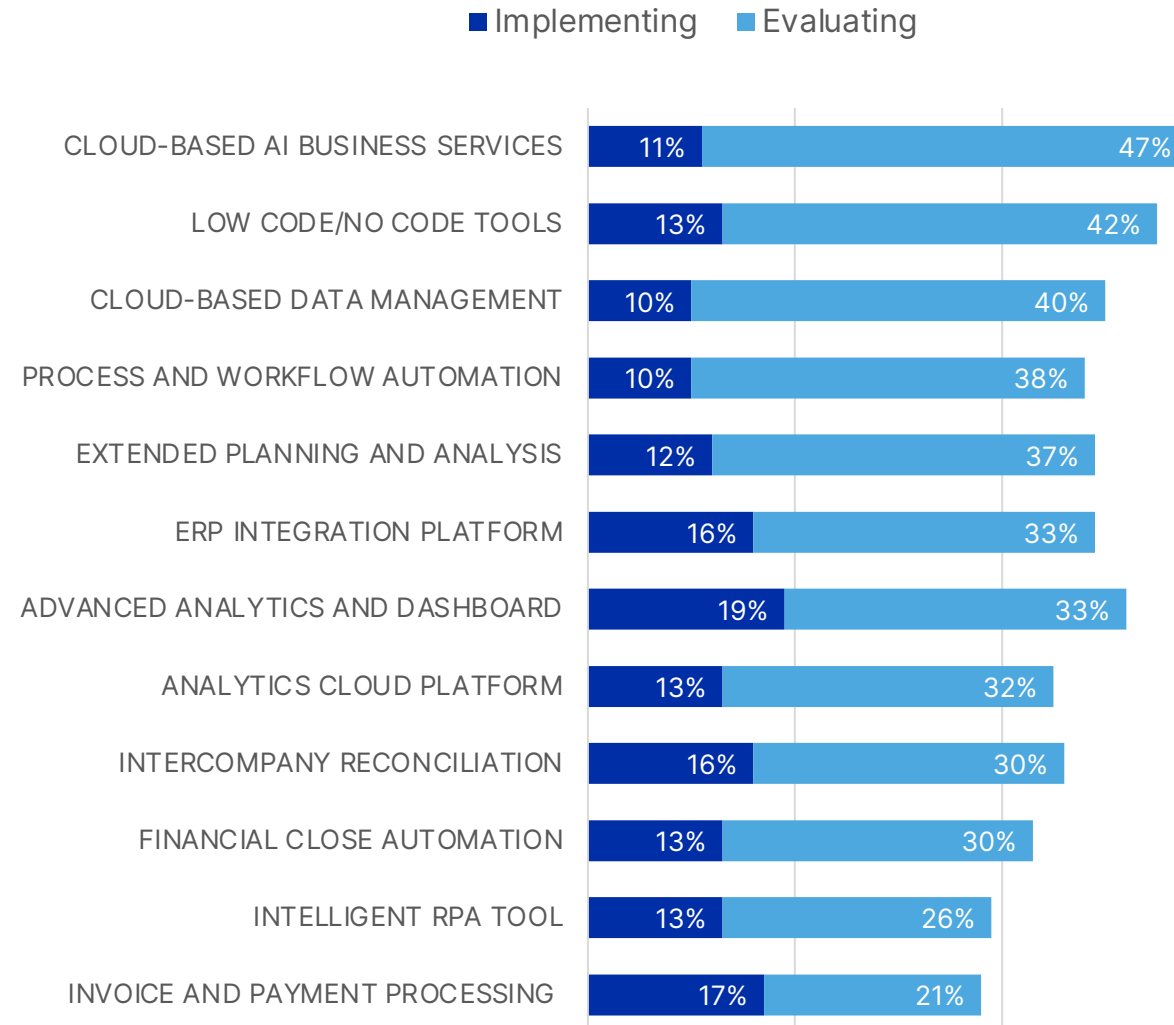
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Organizations continue to prioritize implementing or evaluating technologies with AI and automation capabilities. Top areas of interest include Low Code/No Code tools, Extended Planning and Analysis (xP&A), and Cloud-based AI Business Services, with more than 40% of respondents considering them. This signals a significant trend towards flexible, scalable, and customizable ERP landscapes.

These findings indicate an ongoing transformation wave, reinforcing the urgency of technological adoption for AI and automation in finance.

Next Wave of AI and Automation Technology Adoption



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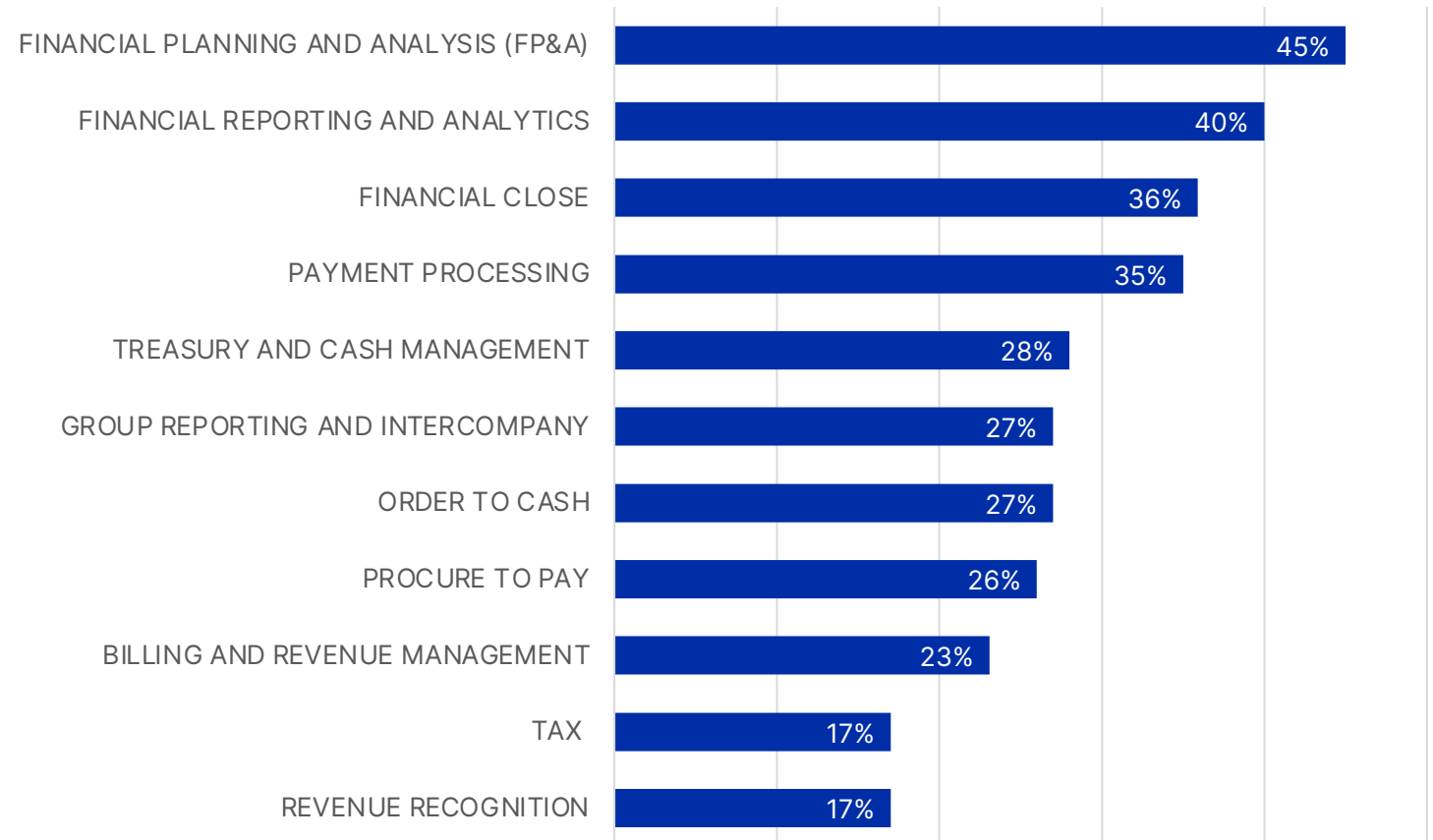
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Organizations said they would consider changing some of their finance and accounting systems if certain processes had an added AI offering. **Financial Planning and Analysis was the most commonly selected of these processes, at 45%. Financial Reporting and Analytics was the next closest, at 40%.**

This indicates organizations have an interest in adding AI capabilities into planning and reporting processes, helping them to become data-driven enterprises.

Other processes like Financial Close and Payment Processing were also listed by over 35% of respondents, indicating a desire to add intelligence to manual processes.

Which Process Would Propel You to Switch F&A Systems if It Had an AI Offering?



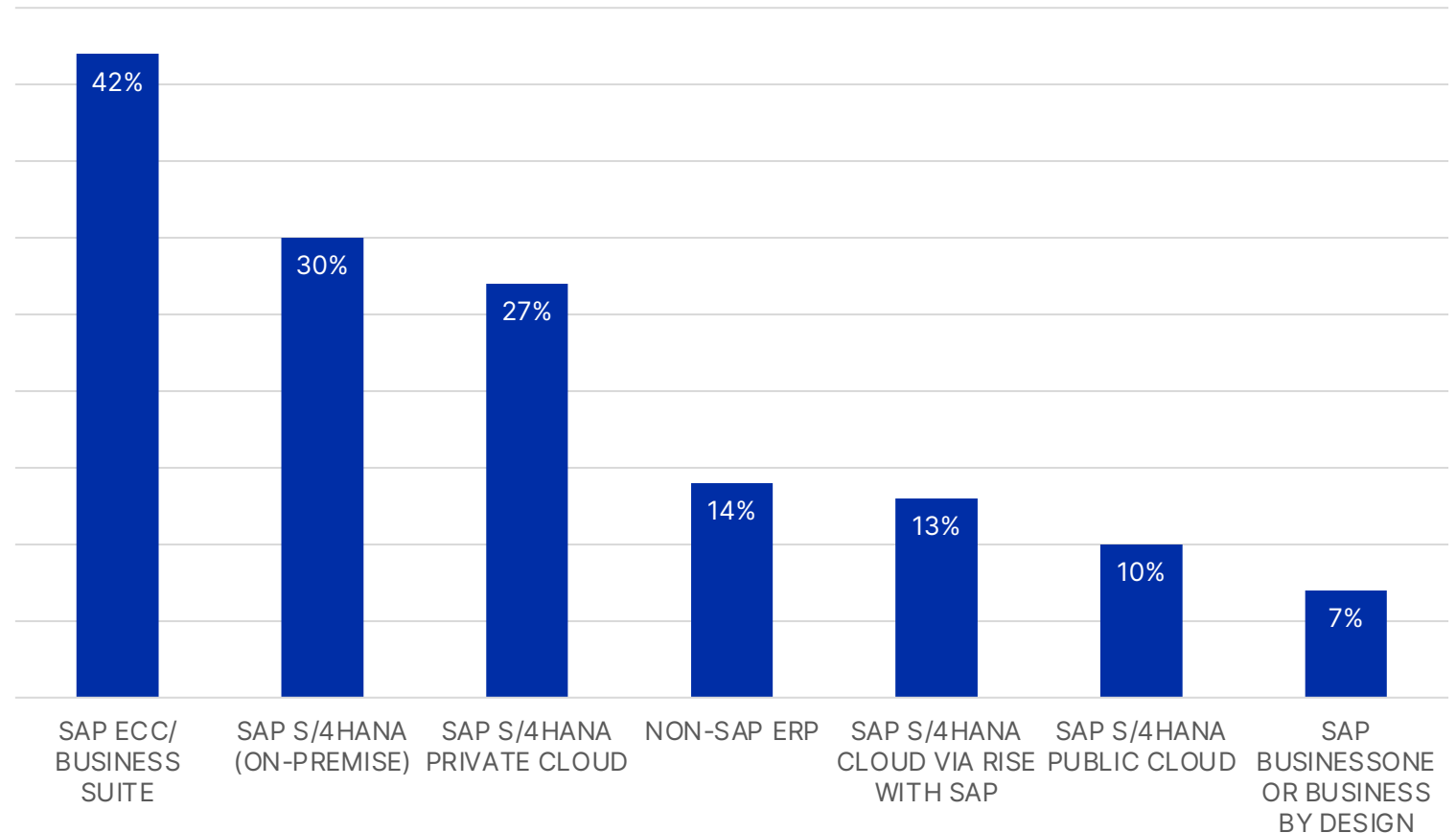
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The study highlights a split between SAP ECC and the different versions of SAP S/4HANA, whether that is public or private cloud or on-premise. Nearly half of respondents are still using SAP ECC, as many SAP users have yet to transition away from legacy systems ahead of the 2027 end of maintenance deadline.

Among SAP S/4HANA users, on-premise deployments were the most common, utilized by 30% of respondents. A quarter of respondents are using SAP S/4HANA private cloud.

Finance and Accounting Solutions Currently Being Used



THANK YOU

Rizal Ahmed

President & Research Director, Finance

Rizal.Ahmed@sapinsider.org

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