



# Elevate every decision with intelligent **finance** operations

Fast-track to future-ready performance

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## Improving operations is complex

While  
**73%**  
of CFOs say they are  
best positioned to  
drive organizational  
resilience,

just  
**7%**  
say this has been the most  
impactful initiative they  
delivered to the business  
in the last two years.<sup>1</sup>

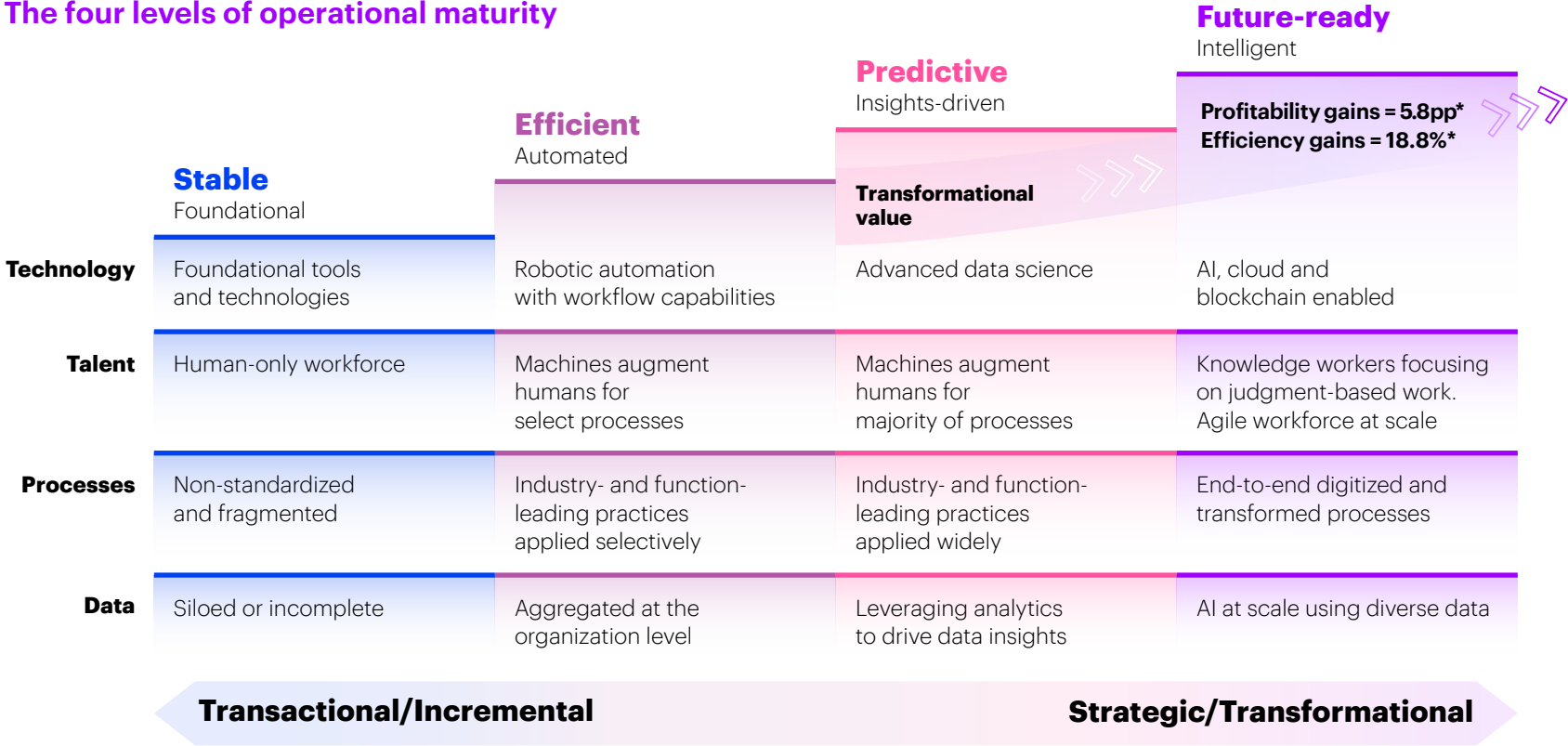
Even with good intentions and investment dollars, improving operations is complex. Yet operations maturity is key for Chief Financial Officers (CFOs) to fully embrace their evolving role and meet the growing expectations and demands of the business and Board.

# The state of operations maturity

We conducted global, cross-industry research with over 1,100 senior executives<sup>2</sup>—including 130 finance leaders—to understand how they view their operations maturity and to quantify the link between business operations maturity and performance.

Our research and experience reveal four levels of operations maturity: **stable**, **efficient**, **predictive** and **future-ready**. Each level is grounded in and enabled by progressively more sophisticated technology, talent, processes and data insights (Figure 1).

**Figure 1.**  
The four levels of operational maturity



\*Accenture Research and Oxford Economics Intelligent Operations Survey, 2020

Accenture experience shows that additional productivity and efficiency gains up to 50% can be seen in organizations displaying future-ready characteristics.



Organizations that achieve the highest level of maturity possible are “future-ready.” When asked about their companies’ overall operations maturity today,

just

5%

of finance leaders say they have reached the threshold of future-ready operations,

and

35%

expect to be there in the next three years.





Elevate every decision with intelligent finance operations

## The path to progress

The potential benefits of getting to future-ready operations are significant:

**Change how work gets done.** Operational maturity can translate into tech-savvy ways of working, new revenue streams and meaningful ways to engage employees and customers.

**Boost profitability and efficiency.** On average, organizations that we found to be future-ready showed a 2.8x boost in corporate profitability and 1.7x higher efficiency than those at lower maturity levels.

However, from a CFO's perspective, the enterprise has work to do to get there. Because they are increasingly expected to protect the financial health of the company **and** manage the future, CFOs have a role in driving the enterprise's operations maturity. When it comes to improving finance's operations maturity, they are in the driver's seat.

## What actions can CFOs take to move finance operations to the next level?



# Knowledge is power

To start the journey to future-ready finance operations, CFOs should:



01

**Know the ultimate goal**



02

**Know the key steps**



03

**Know how to leapfrog maturity levels**



# 01 Know the ultimate goal

Become a strategic  
partner to business



The evolution of the CFO role from transaction processor to strategic partner has been ongoing for years. Most CFOs (79%) say that the pandemic accelerated its urgency.<sup>3</sup> Now they can build on this momentum and become strategic partners to the business in a more sustained way.

**Finance leaders say their organization's biggest challenges to improving operations maturity are strategy (25%) and structure (21%).**

This demands that CFOs rethink the finance operating model. Finance operations include “the core” and “the strategic.” Core operations are principal accounting processes, such as payables and receivables, reporting and governance. Whereas strategic operations provide the data and insights needed to quantify and evaluate different possible future outcomes and strategize accordingly. By applying digital technologies like automation and artificial intelligence (AI) to optimize core functions, CFOs can leapfrog operations maturity levels and run an efficient and compliant controllership function.

This frees finance to double down on strategic operations. Meaning, it can support the business by using personalized insights and highly accurate predictions for cash positions, revenue, sales and more to dynamically scenario plan and make better business decisions. Think of it as transforming finance into a concierge—a predictive analytics and insight-driven powerhouse that provides continuous, proactive decision support on demand.

51%

of finance leaders said that reskilling existing talent and attracting specialized talent is a challenge to realigning their finance operations.<sup>5</sup>

What truly elevates finance as a strategic partner is the use of real-time data insights. CFOs understand this. In a recent survey, nearly all finance leaders (99%) said that it's important to have real-time processes and operations in place to inform better business decisions.<sup>4</sup>

Forget the days when finance only focused on reporting historical numbers. With real-time data, finance can change the game for how the business drives growth and competitiveness during times of high volatility.

As CFOs rethink operations and realign ways of working, they also need to rethink talent profiles. With the core digitized, the human workforce will shift to strategic finance operations. This requires different skills—everything from working alongside machines and running integrated scenarios to analyzing data and communicating with business stakeholders.





### Case study

#### Bringing new value to the business

A **medical device manufacturer** transformed its fragmented finance operations into an intelligent finance operating model. By integrating platforms with digital technologies such as AI and robotic process automation (RPA), the company standardized and centralized processes—achieving greater efficiencies, control and visibility across its global operations. Balance sheet integrity also improved, which helped the company reduce intercompany balances by **US \$225 million**, increase working capital by **US \$77 million** and save **US 12.3 million**, within just two years.

By implementing process diagnostics, agent performance, workflows, controls and task management assets, the company also freed up the amount of time finance professionals spend on transactional tasks from **89%** to **17%**, while increasing the time spent on strategic initiatives from **11%** to **37%**.

With intelligent finance operations, the company now has access to actionable, data-driven insights that have made it more flexible, agile and responsive. And with a predictive and proactive finance function, the company can navigate operational challenges and threats to business continuity, while meeting the evolving needs of customers and suppliers.



02

# Know the key steps

Use data to create connected  
finance experiences



As important as real-time data is, finance organizations struggle with drawing insights from it. Data is often trapped across systems and organized manually in spreadsheets—27% of finance leaders say that inconsistent, inaccurate or inaccessible data is preventing them from realizing their full potential as drivers of strategic change.<sup>6</sup>

A world of possibilities exists for CFOs who go beyond capturing data to capitalizing on it. This means investing in data-driven operations—breaking down silos, elevating data quality, modernizing data platforms, and managing and governing data holistically. We call this a connected finance experience. It is grounded in a deep and broad view of internal and external data such as macroeconomic data. With this foundation, finance can provide touchless, on-demand and self-service experiences; multi-dimensional analyses; interactive experiences that allow stakeholders to explore scenarios through visualizations; and proactive alerts.



# 66%

of finance leaders say data is in wide use or at scale in their organization today.



Consider how different planning could be if it's seamlessly connected across business and enterprise functions like procurement, supply chain, human resources (HR) and information technology (IT). Today, planning models are manually compiled and rely more on human judgement than on data-driven insights. They are also static and do not respond to scenario changes—any material changes in the business outlook necessitate a “back to the drawing board” approach that involves a lot of time and effort.

With connected finance experiences, planning models are driver-based. They incorporate real-time statistical models to more accurately and dynamically project revenue—even in changing market environments. Expense models are driver based, with clear tagging of discretionary versus non-discretionary and fixed versus variable costs. If business dynamics change—which they invariably do—re-forecasting and budget adjustments happen much faster. This is just one example of a modern finance function that is maximizing productivity and value creation. It all starts with data insights.



# 73%

**of CFOs are retooling finance with the latest technology to ensure that they maintain their influence across the enterprise.<sup>7</sup>**

## **Take the digitization of finance to the next level**

CFOs have made impressive strides in the digitization of the finance function. Finance has been a first mover in automating transactional tasks and augmenting human roles with machines. On average, 60% of traditional finance tasks are automated today,<sup>8</sup> and we believe that many finance organizations are on track to increase this to 80% in five years.<sup>9</sup>

Organizations that reach 80% will expand their use of automation to accomplish finance tasks like cash management, closing the books, error processing, controls and compliance. This will free up the workforce for value-added activities such as advanced financial modeling that predicts future risk. As CFOs expand the use of automation, they cannot forget the human side of the human + machine equation. Reskilling and new skilling will be necessary, and talent acquisition strategies will need to evolve.

Leading finance organizations have also invested in AI, although to a lesser extent than in automation. Case in point: 31% of CFOs now use AI to enable cost efficiencies, and 21% now use AI to identify new value.<sup>10</sup> The combination of data, AI and analytics is at the heart of future-ready operations.

**As such, CFOs should expect to expand their AI investments to provide data-driven insights to the business, at speed and scale.**

When it comes to how CFOs use AI, it's important that they avoid the trap of applying this technology to yesterday's ways of working. This means harnessing AI for forward-looking, predictive insights such as assessing leading indicators of demand.<sup>11</sup> Cognitive capabilities are leveraged for hyper-personalization of management reporting, providing business leads with better insights to help them make more informed, timely decisions. AI also powers proactive alerts, such as notifying the business when it's time to raise a regular purchase order, warning them when supply goes below a pre-established demand threshold, or alerting them that a manual journal entry is being posted to a wrong accounting code.



## Put cloud infrastructure at the heart of finance

C-suite leaders view the cloud as one of today's most important technologies, and CFOs are no exception. Seventy-eight percent of finance leaders say that their organization has applied cloud at scale. Many CFOs may initially gravitate toward the cloud for the opportunity to reduce capital expenditures with lower infrastructure costs.

While these are important benefits, CFOs targeting operations maturity are leveraging the cloud in even more strategic ways that support transformation at speed and scale. By putting cloud infrastructure at the center of finance operations, they have the flexible and secure computing power to scale investments efficiently and cost-effectively in data and digital technologies. This also provides agile, scalable and future-ready architecture to enable hybrid ways of working, which will be the norm going forward.

There are also tremendous opportunities for CFOs to lean into cloud investments as a shared data platform for business units to come together—pivoting skills and activities to function as a connected, intelligent enterprise. The finance function can extend from a core enterprise resource planning (ERP) platform to take advantage of cloud-enabled technologies, APIs and the extended ecosystem, to enrich the way data is used.

Only  
**23%**

**of CFOs are using the cloud  
to provide new insights, and**

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just  
**16%**

**are using it to identify  
new sources of value.<sup>12</sup>**

## Case study

### Tapping into the power of digital

**NH Hotel Group (NH)**, a leading operator of city hotels in Europe and Latin America, has grown steadily through organic growth and acquisitions. With these acquisitions came new sets of processes, systems and ways of working. NH knew it needed to tackle the resulting inefficiencies to improve margins and competitiveness. Finance clearly stood out as an area where they could standardize processes, better manage costs and improve productivity and service quality.

NH transformed its finance operating model by integrating innovative technologies, such as RPA and AI, with automation and talent. For example, a new cash application advisor trained a machine to think like an agent to match payments to the correct invoices—increasing the number of monthly payments it can match to invoices from **4,000** to **16,000** (representing more than **US \$50 million**) and dropping the average handling time of transactions across multiple languages by **60%**.

Automation, AI and a lean organization structure have already improved productivity by **45%**. This new approach to finance has become the foundation for continued growth.



03

# Know how to leapfrog maturity levels

Smash the internal silos and continue  
to build ecosystem relationships



Forward-thinking CFOs understand that the journey to operations maturity is an evolution, not a revolution. And progress pays off. According to our cross-industry research, even a one-position climb in operations maturity can lead to a projected 17% increase in global profits.<sup>13</sup>

Collaboration is a powerful way to leapfrog levels. Think of collaboration in two ways. First, CFOs must build relationships across their own enterprise to smash the silos that separate data, processes, talent and technology. This is so important because CFOs need that end-to-end view of the enterprise—it's key for them to take the long view of the business strategy, understand working capital and cash flow, and identify opportunities across the value chain.

CFOs also need to continue building strong ecosystem relationships for future-ready finance operations. This is not a new endeavor. Finance leaders have a track record of turning to technology partners as well as professional services providers with niche finance skills that can augment workforce skills gaps. Moving forward, relationships with ecosystem partners that provide advanced technology capabilities in areas such as automation, analytics, AI, cloud and blockchain will be important assets.

55%

of finance leaders say that ecosystem relationships improved over the last three years, and

42%

believe the pandemic pushed the organization to focus more on these relationships.

## Case study

### Partnering for more agility

**Gavi**, the Vaccine Alliance, is collaborating with an ecosystem partner to support finance operations for its **COVAX Facility**, a multilateral initiative co-led by Gavi, the Coalition for Epidemic Preparedness Innovations (CEPI), and the World Health Organization (WHO), with the aim of accelerating equitable access to COVID-19 vaccines around the world.

The scale and urgency of this mission calls for exceptional operational agility to manage what has become one of the largest and most complex undertakings ever in global health. Critical to this ambition is the ecosystem partner's capabilities and the support of its finance experts. To enhance the agility and rigor of Gavi's operations, the partner is helping define the right operating model, and is standardizing processes for working across alliance partners, manufacturers, governments and other organizations.

As the initiative progresses, Gavi will be able to adjust and scale capacity as demand changes. It will also allow COVAX participants and partners to plan and manage operations with greater efficiency and accountability.



A young woman with long, light brown hair is working in a workshop. She is wearing a black tank top and a blue ring on her left hand. She is holding a wooden mallet in her right hand and a chisel in her left hand, focused on carving a piece of wood. The workshop is cluttered with various tools and materials, including a workbench, a mallet, and a chisel. The background shows a wooden structure and a piece of wood being worked on. The lighting is warm and focused on the woman and her work.

# The choice to change

## Now is the time to make your move to intelligent operations

CFOs have always understood the importance of operational resilience. The expansion of their role creates opportunity for them to take the lead in improving operations. This starts with advancing finance operations towards future-readiness.

Progress here can start a ripple effect of change that spreads across the entire enterprise.

# 74%

of CFOs say that the finance function, led by the CFO, will champion a new way of operating across the enterprise.<sup>14</sup>

## Here's how CFOs can get started:

- **Become** a strategic partner to the business.
- **Use** data to create connected finance experiences.
- **Take** the digitization of finance to the next level.
- **Put** cloud infrastructure at the heart of finance.
- **Smash** the internal silos and continue to build ecosystem relationships.

**If you fast-track the journey, your operations can become a true catalyst for competitive advantage. And, along the way, you can elevate your business decisions to realize tangible, sustainable, transformational value and growth.**



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## We defined the four levels of operations maturity based on respondents' assessments of eight characteristics:

### **Analytics**

Covering the discovery, interpretation and communication of meaningful patterns in data to provide superior insights for business decision-making. Analytics includes multiple levels from basic descriptive reporting to more predictive and prescriptive actions which can be applied to business processes.

### **Artificial intelligence**

The ability of a machine to perform cognitive functions like sensing, comprehending, acting and learning. AI capabilities (for example, natural language processing, machine learning) enable computers to make decisions and identify patterns and insights for future decision making.

### **Automation**

Sets of technologies that perform repetitive rule-based tasks. Robotic process automation (RPA), one of the most frequently used examples, increasingly includes multiple solutions such as workflows, platforms and software-as-a-service that further digitize the process.

### **Business-technology collaboration**

Comprising IT and business functions with joint governance models, enabling integrated ecosystem partners and driving the organization's strategic road map.

### **Data**

The quality, scope and depth of structured and unstructured data (for example, video, web content, voice memos, and so on) from diverse internal and external sources, including what is embedded in internal processes.

### **Functional and industry leading practices**

Ways of doing business within a function, organization or industry that are recognized as enabling best-in-class performance.

### **Stakeholder experiences**

The overall engagement experience across all stakeholders of an enterprise including customers, end clients, suppliers, partners and employees.

### **Workforce agility**

Encompassing two key elements: on-demand, collaborative workforce strategy and a work environment where humans and digital machines work together to drive the best outcomes.



# What we did

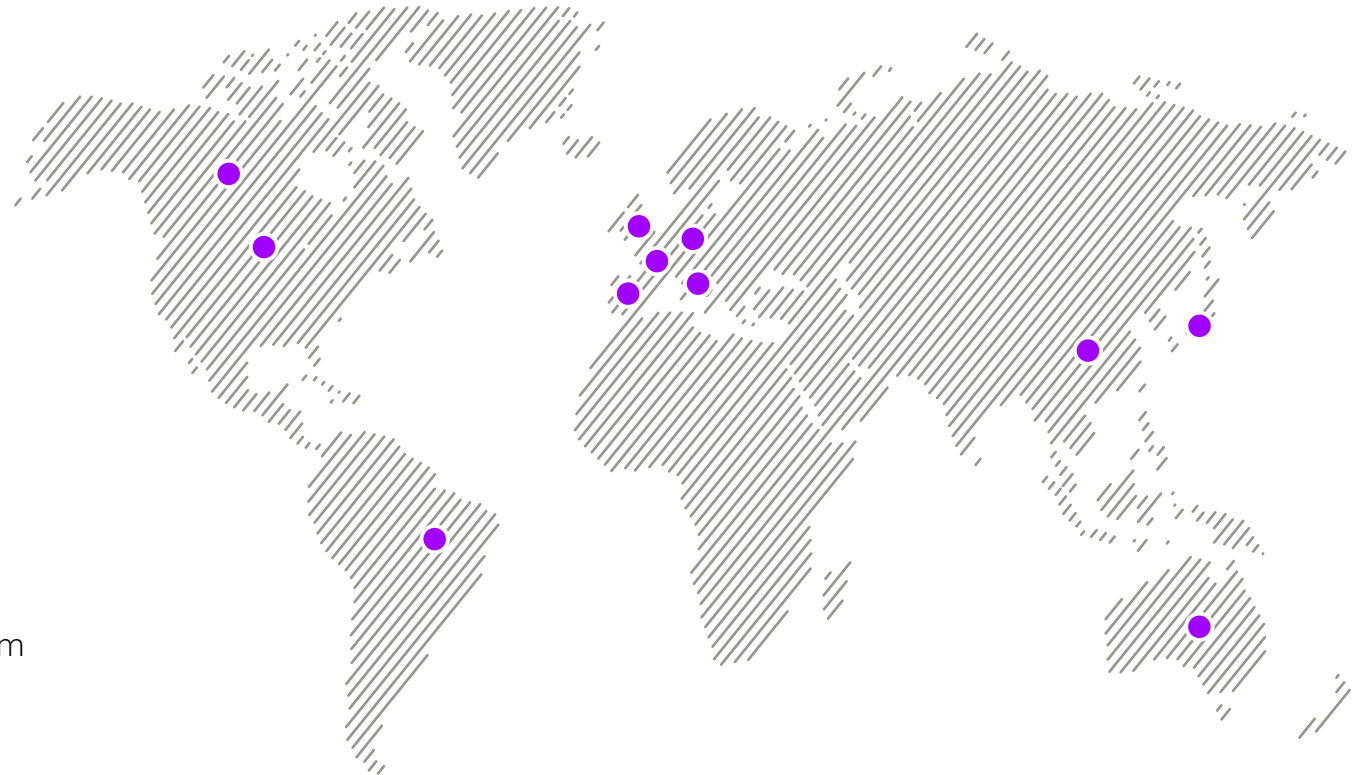
## Primary research

Accenture Operations and Accenture Research undertook a 2020 survey, run by Oxford Economics, among 1,100 executives globally—44% of whom were C-level or equivalent—across 13 industries and 11 countries. Oxford Economics also conducted 12 in-depth, off-the-record interviews with executives across countries and industries.

### 11 countries

<b>125</b> Australia	<b>50</b> France	<b>50</b> Spain
<b>50</b> Brazil	<b>50</b> Germany	<b>125</b> United Kingdom
<b>50</b> Canada	<b>50</b> Italy	<b>375</b> United States
<b>50</b> China	<b>125</b> Japan	

**Figure 4.**  
Survey demographics Part 1



Source: Accenture Research and Oxford Economics Intelligent Operations Survey, 2020

**Figure 4.**  
**Survey demographics Part 2**

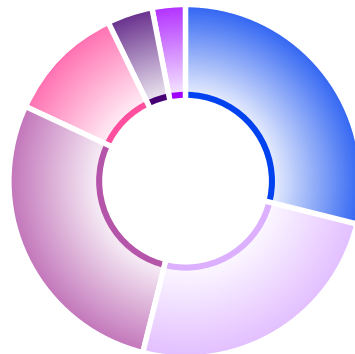
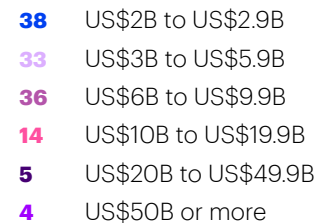
### Industry



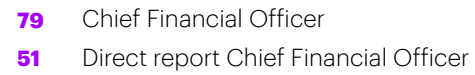
### Country



### Revenues



### Roles (to nearest equivalent)





## Economic modeling

Our modeling is based on data from the 2020 Accenture Research and Oxford Economics survey. Each participant was asked about their company characteristics (for example, industry, employment and revenues) and past, current and expected level of operating maturity. Financial data from 2017 to 2019 for each public company was matched from S&P Capital IQ including EBITDA, revenue growth and total shareholder return.

We identified a group of future-ready organizations based on their operating model maturity and analyzed the key underlying factors and operational maturity actions that differentiate these organizations from their peers. This involved developing and implementing econometric models of the relationship between organizational differences in operating maturity position (based on four categories: stable, efficient, predictive, and future-ready, which identify increasing levels of operational maturity) and key financial outcomes. See Figure 5.

The modeling framework also controls for background differences across firms such as geographic location, industry and size. Using our model, we were able to assess the nature and magnitude of the connections between operating maturity, business investments and business outcomes. For example, we found that companies that were just a single step higher up the ladder of operational maturity in 2019 exhibited, on average, better returns. Moreover, investments in leading practices AI and automation were most strongly linked with improved performance.

Scenarios: Using our model and secondary data from S&P Capital IQ, we assessed the implications of hypothetical scenarios of companies raising their maturity level. For example, if all companies were to take a one-step improvement (for example, from stable to efficient) then global profitability, captured by EBITDA, could rise by as much as US\$1.9T (17%). If they were all future-ready, then profits could be US\$5.4T higher (48%).

**The report includes case studies and stories from our own experience of guiding 400 clients on the journey to intelligent operations—33% of Fortune 500 companies or 60% of Forbes G2000 companies.**

We have helped organizations in 20 countries (Australia, Belgium, Brazil, Canada, China, France, Germany, Greater China, India, Ireland, Italy, Japan, Netherlands, Singapore, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom and United States) and 18 industries (Automotive, Banking, Capital Markets, Chemicals, Consumer Goods & Services, Communications & Media, Energy, Health, High Tech, Industrial, Insurance, Life Sciences, Natural Resources, Public Services, Retail, Software & Platforms, Travel and Utilities) to achieve intelligent operations.

## Figure 5. Measures of financial performance

The tables below describe the various financial metrics used in our modeling:

### Financial metric

#### EBITDA, % of revenue

#### Operational efficiency (OPEX per dollar revenue)

Revenue growth  
Total return to shareholders  
Changes in market capitalization  
Productivity (revenue per employee)  
Return on invested capital, %  
Operating profit, % of revenues

### Alternative variants of the financial metric

Change (total and average) in metric since 2019 vs 2016  
Three-year average metric 2017 to 2019  
Metric in 2019  
Dummy variable identifying companies in the top percentile of revenue growth, profitability and efficiency

We were only able to find robust, statistically significant relationships for **profitability** and **operational efficiency**.

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