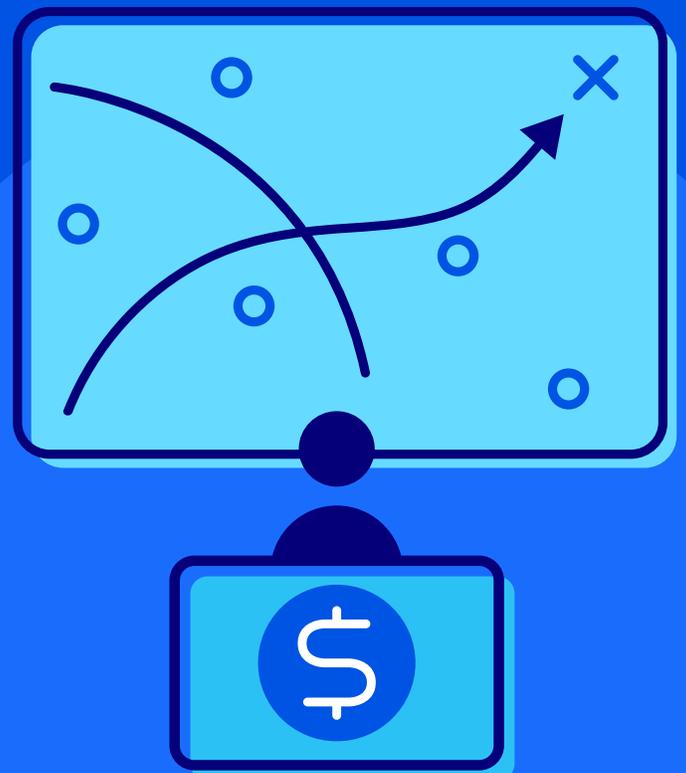


Why

# Robotic Process Automation

is the Answer to Your  
Accounting Problems



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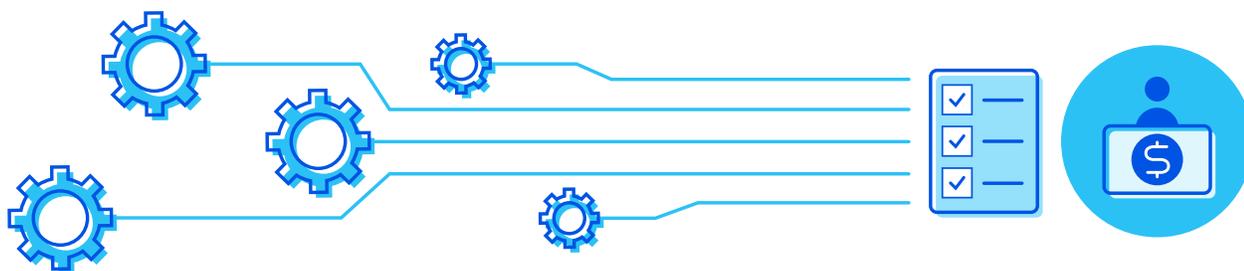
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# A glimpse at the present

Robotic Process Automation (RPA) is not the future of how finance teams and accounting departments will complete tedious job duties, streamline processes, and efficiently maintain workflow. **It is the present.** Software robotics have proven to streamline processes, assist in company and team data compilation and storage, and eliminate once manual and tedious tasks such as invoice auditing and number crunching. If RPA can do all of these things now, imagine where software robotics will be in five, 10, or 20 years from now. RPA, other AI systems and software are the solutions accountants, controllers, and CFOs have been searching for in order to save **time and money** when it comes to how invoice auditing and accounting is done.



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## What is RPA?

In a recent webinar titled RPA Disruption and Opportunity Creation, CEO and Founder of Duke AI, Marcus Cooksey, described RPA as “virtual bots that take the mundane human tasks and outsource them to robots.” As a productivity tool, users can configure one or more bots that overlay software applications. The result is that the bots can mimic specific tasks within an overall business or IT process. These may include manipulating data, passing data to/from different applications, triggering responses, or executing a transaction ([Gartner Predicts 2021](#)).

For finance and accounting departments, this means automating manual data entry, the sending and processing of financial documents, bookkeeping, number crunching client data including receipts and invoices, invoice auditing, and the generation of balance sheets and reports.

RPA is all about implementing systems to make workflow more efficient and cost-effective.

According to [Gartner](#), "the RPA software market is one of the fastest-growing segments in the enterprise software market. **It is expected to reach over \$3 billion by 2024**, on the back of double-digit growth rates."

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## How your finance department can leverage automation tools

42% of financial operations can be fully automated (McKinsey).

RPA and specialized software are emerging as the answer to many of the problems those in financial services and accounting face. A recent [Forbes](#) article claims that a survey conducted of 751 financial professionals found that on average, "it takes roughly seven days to complete the financial period closing process and two-thirds of respondents said that they rely heavily on spreadsheets. Considering that this increases both the time spent on financial statements as well as the risk of inaccurate results," implementing RPA is a strategic way to supplement and augment the human effort in workflows and processes such as this.

42%

of financial operations can be fully automated.

(McKinsey)



RPA and automation software can be used in a multitude of ways including: invoice auditing and analysis, invoice vs. contract comparisons, financial closings processes, data reporting, payment processing, collections notifications, and number crunching. "Intelligent character recognition makes it possible to automate a variety of mundane, time-consuming tasks that used to take thousands of work hours and inflate payrolls. For finance and AP teams, artificial intelligence-enabled software verifies data and generates reports according to the given parameters, reviews documents, and extracts information from forms" (Towards Data Science).

The benefits have been reducing operational costs and increasing compliance by reducing room for human error.

When a high volume of manual, repetitive tasks is in play, automation has proven to **reduce human workload by 60% with a 90% overall success rate (Forbes)**.

As companies and teams begin to implement RPA into their systems, keep in mind that the goal is not to replace people, but to free up the time of analysts, accountants, financial planners and to put their time and energy toward big picture creative planning.

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## The implementation of technology is not the CPA's demise...

...but, it could call for a change in daily job duties.

The volume of data that accountants must work with today is unprecedented and growing. Accounting teams are being asked to do more with the basic programs that have been used since the early 2000s. For those that are still using manual processes to do this work, the burden is tremendous.



Accounting teams spend hours inputting data into excel sheets, examining invoices for discrepancies, and comparing those invoices to original contracts. Scaling these practices to an entire team that manages the accounts of over 2,000 suppliers is untenable. But with RPA software, accounting teams will now be able to focus on big picture financial goals. They can spend their time and energy looking for ways to cut costs and drive revenue, and ultimately, ensure accurate and timely accounting work. In accounting and finance, companies are leveraging these technologies to increase efficiency and streamline business processes. But with these gains comes fear of replacement.

In a 2019 [survey](#) by Robert Half, 12% of workers indicated automation would have a negative impact on their job by:

- **Eventually eliminating their role**
- **Reducing opportunities for creativity and problem-solving**
- **Forcing excessive reliance on technology to do their job**

However, workers who believe technology will have a positive impact on jobs recognize that AI and RPA will require them to develop new skills and processes.

According to [Accounting Today](#), technology and CPAs will have a strategic partnership. "The value of the finance and accounting team has never been its ability to count and crunch numbers. Rather, its power to analyze financial and operational results of the business and use those insights to drive better strategic decisions is where its value lies."



While technology can crunch numbers and organize data, humans are still needed to make logical and ethical decisions. Technology is not eliminating jobs for CPAs, but allowing them to focus on the higher value work they were trained to do. Specialized technologies including RPA are risk mitigators, time savers, and ROI drivers that will aid, not inhibit, the success and productivity of CPAs.

# 65%

of senior management expects positive changes from the use of AI in financial services.

(Forbes)

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## Overcome the obstacles

Others are doing it, so why aren't you?

65% of senior financial management expects positive changes from the use of AI in financial services (Forbes).

Many organizations already use financial and accounting software for account reconciliations, invoice auditing, transaction processing, and variance resolution. However, the automation component is a game changer and is what sets apart great companies from the good.

Accounting Today states: "automation in the accounting and finance departments can help organizations improve the quality of their governance, reduce risk [by detecting fraud], deliver more insight, better manage working capital, and improve financial reporting by performing repetitive processes within the software."

One obstacle that stands between a company and RPA integration is cost. Upfront fees for licensing, integrations, and on-demand support are things that some startups and small businesses simply cannot afford. Additionally, the bureaucracy, red tape, and approval processes that well-established enterprises face can be a challenge when it comes to making a case for introducing new processes to what may seem like a well-oiled machine.



While there is an upfront cost, “forward-thinking industry leaders look to robotic process automation when they want to cut operational costs and boost productivity” ([Towards Data Science](#)). In fact, implementing robotic processes for the high-frequency, repetitive tasks and eliminating chance for human error is so beneficial that Ernst & Young [reported](#) a 50%-70% cost reduction for these kinds of tasks, and Forbes calls it a “[Gateway Drug to AI and Digital Transformation](#).”

The article by Towards Data Science titled [The Growing Impact of AI in Financial Services: Six Examples](#) explains how JP Morgan Chase has been successfully leveraging RPA to perform tasks such as extracting data, complying with Know Your Customer regulations, and capturing documents. RPA is one of “[five emerging technologies](#)” JP Morgan Chase uses to enhance the cash management process.

When it comes to overcoming the obstacle of funding, Duke AI CEO, Cooksey, points out that business is always about determining where more profit can be made. However, he notes that if back end costs are reduced (by 50%-70% as pointed out by Ernst and Young), then there is no need to stretch to find ways to increase profit.

Funding and implementing RPA software will be easier for some than others, but the longer your company waits, the further behind they will fall.

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## Getting your company in the game of RPA

The question of “where do we start?” is one that is creeping into the minds of CFOs and decision makers at enterprises that feel the weight of manual, mundane tasks of their finance departments.

AI Multiple addresses this very question in their article [Top 4 RPA Use Cases / Applications in Finance in 2021](#) by laying out the finance processes each team should look to automate in order to see immediate ROI and benefits.



## 1. Accounts Payable (AP) and Accounts Receivable (AR) Automation

RPA bots can automate most accounts payable and receivable tasks because they include repetitive tasks, such as:

**Managing outgoing documents:** Auto generating invoices and orders to be sent out. Offers received from suppliers can be used to generate orders. Customer contracts can be used to generate invoices.

**Managing incoming documents:**

- **Extracting data from invoices or orders received from suppliers and customers in numerous different formats**
- **Matching invoices to purchase orders**
- **Matching orders to offers**
- **Invoice routing for approvals**
- **Invoice filing and retrieval**
- **Processing payments**

## 2. Financial Controls

RPA bots produce dependable data because they follow standard procedure and do not skip steps by accident so they reduce compliance issues in automated processes.

RPA bots can also be used to aggregate compliance-related data from various sources into a single system. Using this aggregated data, the finance function can implement necessary monitoring and alerting functionality to identify oversights and errors in a timely manner.



### 3. Report Automation

Reporting can at least be partially automated. Examples include:

**Investor reporting:** such as annual reports

**Regulatory reporting:** such as for tax purposes, including income tax. This is especially useful since regulatory reporting errors can be costly from a reputational and financial perspective and increased automation can reduce errors.

### 4. Financial Planning

**Forecasting:** Analyzing latest financial trends in the business and researching the market to build accurate forecasts

**Comparing results vs. plans:** Forecasts need to be compared with actuals to improve future forecasting accuracy and to measure the performance of the business and identify improvement points. This activity involves loading accounting balances into financial planning systems and creating variance reports. These variance reports compare actual results with forecasts in detail.

Both financial planning activities involve gathering data inputs, formatting the data, and aggregating them in an easy-to-understand format for all stakeholders. This is a great match for RPA bots' capabilities. RPA in financial planning allows businesses to provide forecasts at a faster rate and constantly have an updated view of the latest capital expenditures, investments, and financial statements.

#### TOP 4 RPA USE CASES / APPLICATIONS IN FINANCE IN 2021



Accounts Payable (AP) and  
Accounts Receivable (AR)  
Automation



Financial Controls



Report Automation



Financial Planning

# Conclusion

Historically, finance team responsibilities include a number of highly manual and time-intensive processes such as account reconciliations and manual journal entries. The processes of the past were once effective, but are no longer scalable with consideration to time and money.

Emerging technologies such as AI and RPA are changing the way work is done in every industry and the market size for RPA alone is expected to exceed \$3 billion by 2024, according to Gartner.

Thus far, automation in the finance department and among AP teams has reduced costs and detected fraud risks with technological accuracy and speed, allowing accountants and finance personnel to analyze, strategize, and plan for the future. Entire careers have been built on finding numbers, entering them in a certain spot, and performing routine calculations. But is that really the value accountants provide?



# About OpenEnvoy

OpenEnvoy, founded in 2020, audits every invoice before you pay. Our solution automates costly finance workflows enabling the recovery of billions of dollars in wasted spending. OpenEnvoy supports customers around the world with offices in Nevada, California, India, Philippines and Singapore. To learn more, visit <https://openenvoy.com>.

