Digital Transformation
Transforming Business in Stages

by Chris Howard

Introduction

There are many benefits and reasons as to why a company would look to automate their business processes, including empowering employees to work smarter, increasing the company's level of control, better productivity, and a reduction in laborious tasks.

There is a business imperative for all organisations, large and small, to make a conscious effort to become more agile and responsive to their customers ever-changing needs. The main driver for companies to engage in digital transformation is because their customers and their market demand and expect process improvement via digital platforms. Clients these days expect to be able to place orders, interact with customer service and view and access documents or accounts information, instantaneously and seamlessly from a laptop or mobile device.

What is digital transformation?

Digital transformation is the process of implementing systems across various facets of a business to enhance or modify a pre-existing process or deliver new ones. Digital transformation can be used to improve business processes, in many ways benefitting employees within the organisation, clients and suppliers.

The concept of digital transformation can be a challenging prospect for organisations who can view it as a daunting and expensive task. Digitising existing processes or creating new ones is not about replacing staff with software. It is about meeting client's needs, market expectations and delivering efficiencies by leveraging appropriate technologies and solutions.

A staged approach to digital transformation

The key to a successful digital transformation project is to define your business model in the short and medium term. This will entail assigning budgets and realistic return on investment (ROI) models and creating a road map of transformation, breaking your transformation journey into manageable projects; optimising business processes one at a time. The total digital transformation project can be viewed as the whole of many smaller projects.

Each project must not be seen in isolation but taken together so that technologies and processes are integrated. Digital transformation projects are akin to building a road network, with various roads laid and implemented as and when budgets and needs align. Each road segment is linked to provide the organisation with a compete network, the capacity to meet future needs and with the flexibility to be expanded as and when business demands.

In delivering a series of transformation projects, potentially over several months if not years, it is imperative that the technology platforms can be seamlessly integrated and ideally the same platforms leveraged for multiple projects. This approach increases ROI, reduces integration costs, accelerates deployment time scales and reduces staff training.

Digital transformation touches each aspect of an organisation but by way of illustration I have selected a few examples of digital transformation projects that we have implemented within our own back-office function or have been adopted by clients in the recent past.

Each solution provided integration and building blocks for the respective organisation's digital transformation journey.

Workflow and Case Management

An invoice approval workflow would typically be the first step in a digital transformation project within the accounting function. Expanding further, companies have seen the benefit of incorporating a purchase order approval process to front end the invoice approval process. Taken together with a GRN process and an automated three-way matching process, such integrated solutions have delivered significant efficiencies.

Another benefit we've seen from this solution is the automated communication with suppliers to notify of orders, disputes and the approval status of invoices. By triggering automated messages, as invoices are approved or routed for payment, suppliers are kept abreast of approval cycles, thereby reducing the time and effort the Accounts Payable team spend dealing with supplier queries.

We've also seen the benefits of implementing case management and workflow systems in the accounts receivables function. These systems are automated to trigger alerts for outstanding invoices, reminder emails, the scheduling of following up calls by the Accounts Receivable team, the escalation of disputes and the assignment of disputed cases to the appropriate person within an organisation.

With the integration of all supporting data and documentation such as contracts, PO's, invoice documents and correspondence instantly

available on screen, queries and issues can be addressed in a more efficient and streamlined manner.

eSignatures

One of the most exciting pieces of software on the market in recent years has been the eSignature. In the search for a completely paperless process, many organisations find that getting documents signed is one of the major reasons for delays in their processes.

An eSignature solution gives your customers, partners and employees a fully automated method to speed up the signing process and securely routes documents to the proper recipients. eSignatures remove the time-consuming tasks of printing a document, manually signing it and scanning it back to the approver. eSignatures can be implemented right across your organisation, in any process that involves an approval process.

For example, if a manager within your organisation wishes to hire a new employee, the whole process can be completed through an integrated workflow and eSignature solution. After choosing the successful candidate, the hiring manager would route the contract of employment to the HR department for approval via a workflow system. Here, the HR department would sign the document electronically. This approval would then trigger the workflow system to automatically send a contract to the successful candidate to sign electronically once again. Finally, the signed contract would be returned to the HR department, archived and stored automatically together with the audit data.

In terms of legality, eSignatures are legally valid in almost every industrialised country around the world. In 2016, the EU passed the Electronic Identification and Trust Services Regulation (eIDAS) making eSignatures legal for virtually all business uses. A similar law was already passed in the USA. Now, less-developed countries are beginning to enact eSignature laws.

Web Portals

Organisations often need to provide access to documentation beyond their internal employees. That's where online web portal solutions come in.

For example, they can help project-based organisations reduce their billing time by automating invoice-related data collection for subcontractors. These organisations can gather billing information electronically and automate the data capture process, they can speed up processes with vendor self-service and access to real-time information.

The ability for clients to view documentation such as current project files, specifications, invoices and statements allows for effective cross-organisation collaboration. For instance, in our own company we have implemented a web portal that allows our teams to share project documents, quotations, invoices, customer contracts and PO's with our clients.

Robotic Process Automation

Robotic process automation, or 'RPA', has become extremely popular across many business functions in recent years. This technology allows you to configure computer software, commonly referred to as 'bots', to emulate and repeat the actions of your human employees. They have the ability to log into applications, move files and folders, copy and paste data, fill in forms, extract data, scrape browsers, and much more.

The accounts function in most organisations is consumed with repetitive, rules-based, and document-heavy business processes making it an ideal candidate for automation. RPA enables you to automate repetitive tasks such as data retrieval from invoices and the generation of reports by combining data from multiple sources. This reduction in time consuming tasks also frees up your staff members to be redeployed to higher value business functions which can increase your company's overall productivity.

A further example where RPA is appropriate is where a client has a requirement to log on to a customer

portal each morning to extract overnight data relating to deliveries and queries and rekey this data into their own sales ordering platform. By leveraging RPA, this tedious task is automated saving significant time and cost.

RPA meets all compliance regulations and standards. Every step that is undertaken by a bot in a specific process is recorded for historical auditability. This enables tasks that are prone to human error to be done in a short-term, accurate and effective manner.

Conclusion

To automate your Accounts Processes efficiently and effectively, there are a few best practices you can follow. Assess your current processes to identify any potential growth opportunities or areas that are prime for automation. Once you have finished this evaluation, you will be ready to set out a strategy to implement change.

Next you will have to develop an operating plan. This is where the strategic plan is divided into executable tasks. This is typically the hardest step. It requires time to get right, and dedicated staff to both map execution from start to finish and see it through.

Once your process is in place, you will need to set out guidelines to measure it's performance. You can only improve what you can measure. Often companies will track metrics such as cycle time to determine how automation has made previously manual processes quicker and more accurate.

Streamlining the finance function of your business is just the beginning. Workflow automation reaches far beyond the finance team. It can include HR, procurement, sales, marketing and almost every other department within your organization. The workflows and processes in these departments can then interact and intersect with the finance function.

Although, it is vitally important that you create a road map which is broken into manageable chunks.

By leveraging technology that has the ability to integrate with your existing legacy systems, like those mentioned above, your company will save time and money whilst increasing your organisational efficiency.

Chris Howard,
CEO, Inpute Technologies

Along with the help of the team at Inpute, Chris has been working with companies across Ireland on their digital transformation projects for over 20 years.