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The Definitive Guide to Hyperautomation in Finance



Introduction

Automation has been around for decades. People have tried to gain efficiencies and cost savings by automating the mundane, repetitive tasks and processes through innovative, useful tools and techniques.

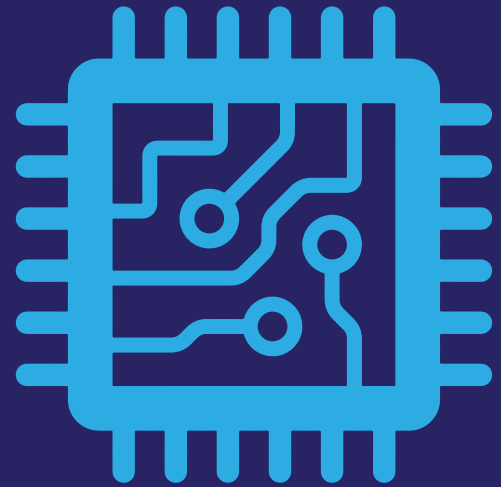
As we moved into this decade, there is a new dimension to where Automation can take us. By leveraging Artificial Intelligence (AI) and Machine Learning (ML), forms of Automation can now be enhanced to take on processes that require contextual decision making and augment the human interface.

This convergence marks the advent of Hyperautomation.

Research firm Gartner states, "As no single tool can replace humans, Hyperautomation today involves a combination of tools, including Robotic Process Automation (RPA), intelligent business management software (iBPMS) and AI, with a goal of increasingly AI-driven decision making."

The result is a significantly more sophisticated Automation framework that involves discovery and analysis, language-centric process construction, ongoing measurement, monitoring, and refinement of business processes.

The potential impact of Hyperautomation on companies is so profound that Gartner identified it as the #1 Top Trend to watch for in 2020.



TOP 10 STRATEGIC TECHNOLOGY TRENDS

1. **HYPERAUTOMATION**
2. Multiexperience
3. Democratization
4. Human augmentation
5. Transparency and traceability
6. The empowered edge
7. The distributed cloud
8. Autonomous things
9. Practical blockchain
10. AI security

Source: Gartner

Part One:

Automated Tasks

In ERP, the opportunity to drive efficiencies using Automation has been actively sought by CFOs and Finance executives for several years.

However, the dawn of Hyperautomation opens up exciting new perspectives on approaching Automation in the back office.

Let's take an example of a typical AR/Collections process. Usually, you'd have Receivables clerks or Collections agents leveraging tools, software, and telephone-based communications.

The goal is to automate outreach to clients (or their Payables teams) to remind them of upcoming payment obligations. As the situation necessitates, they're reminded of delays and late payments as part of the Collections process.

COMMON FINANCE AUTOMATION MYTHS

Myth: Automation will take away jobs.

Truth: Automation will reallocate your time to focus on higher-value Finance and Accounting strategies.

Myth: New technology is risky.

Truth: New AI-based technology has been proven to reduce both data errors and audit errors.

Myth: Manual tasks are an unavoidable part of any financial operation.

Truth: Manual tasks don't need to take up the bulk of financial operations.



With Hyperautomation technologies, the Collections process can be dramatically improved.

Let's look at some specific examples:

- Before a single outreach is made, AI proactively informs the Collections agent or AR clerk of which customers are likely to be late with payment or likely to request an extension.
- Next, with Recommendation Analytics and Machine Learning, the Collections agent is provided a set of incentives to encourage the customer to make on time payments. The best recommendation analytics predict which customers are likely to accept these incentives.
- Dramatic improvements in Natural Language Processing (NLP) can streamline the Collections process. The application of NLP includes initiating outreach, intercepting client requests (payment extensions or late fee waivers), and providing contextual decisions (approvals for fee waivers or split payments).

Part Two:

Automated Analytics

The famed physicist Niels Bohr once stated that “Prediction is very difficult, especially if it’s about the future.”

Forecasting is hard, especially if accurate predictions are what’s required. The reality is that the further out one goes, the harder it is to forecast accurately.

Therein is the classic innovator’s dilemma—short term predictions can be useful, but what’s more impactful is the ability to forecast accurately over an extended period.

When combined with the ability to simulate changes and conditional events in the underlying dataset and visualize consequential impacts, the predictive forecast becomes a critical instrument in any company’s analytical armory.



Stephan Unger, Daimler Mobility’s CFO, says, “To master the digital transformation, a company must take a comprehensive approach to algorithm-based forward-looking steering,” automated forecasting is fast becoming critical to a company’s transformational imperatives.

He continues, “This includes not only advanced analytical methods, new technologies, and the right expertise, but also an engaging approach to change management.”

Five key components are typically required to achieve automated analytics and algorithmic forecasting:



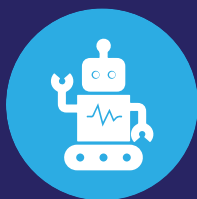
Rich Datasets

provide historical and statistical insights



Analytical Algorithms

harness cutting-edge predictions and recommendations



AI Applications

enable Automation at scale



Modern Compute Infrastructure

executes powerful analytical and derivative calculations

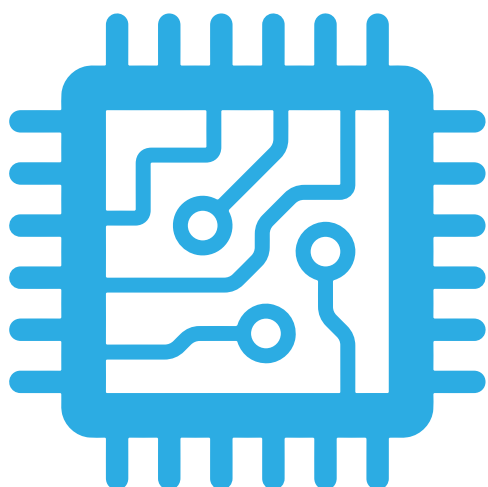
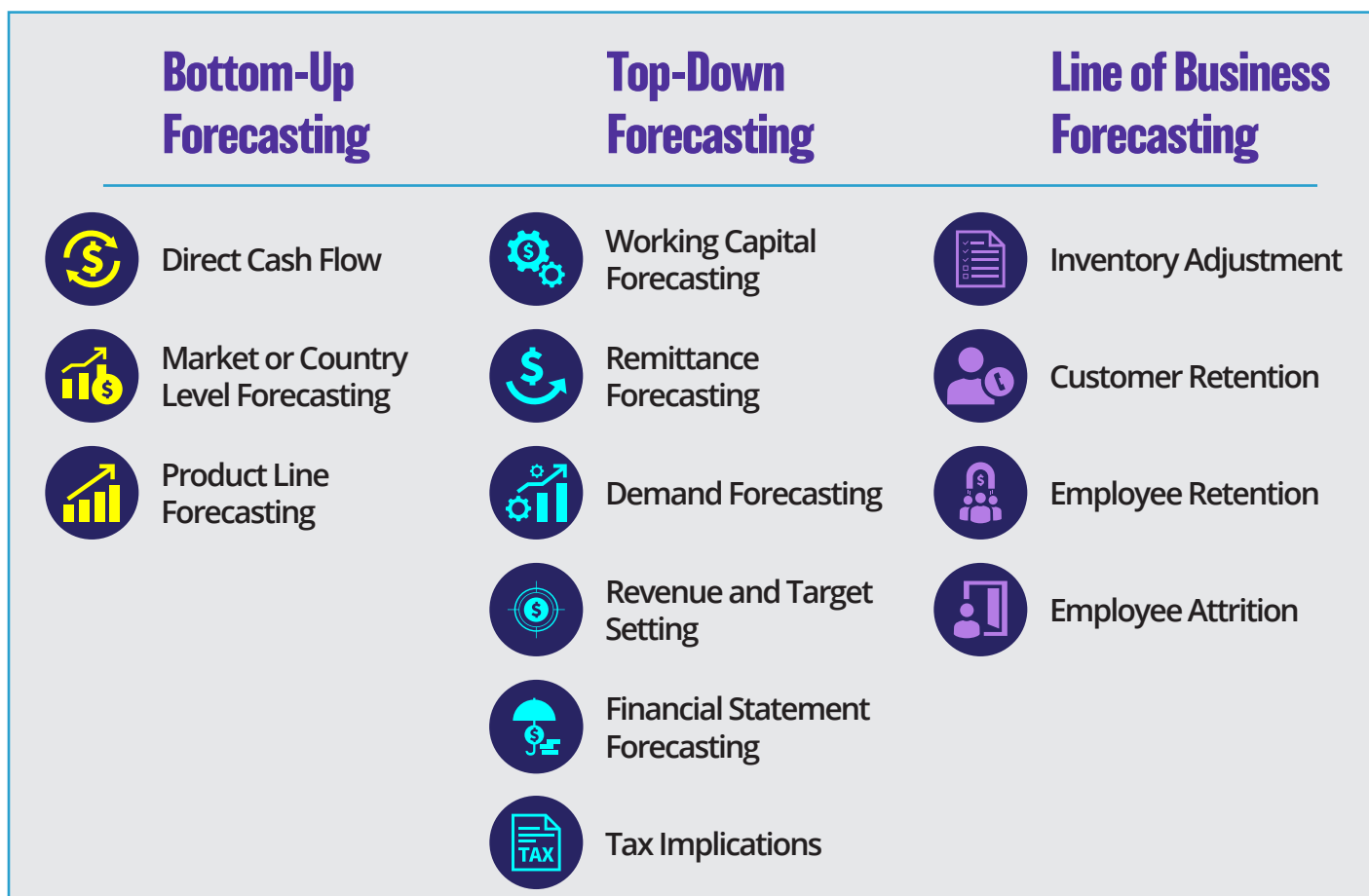


Human Intelligence

translates the machine’s conclusions into actions and decisions

How AI Helps Create Powerful Forecasts

So, where can automated analytics have the most significant impact? This illustration showcases how companies can transform their operations by leveraging automated algorithmic forecasting and analytics to accelerate their insights and decision making.



An automated algorithmic approach to forecasting streamlines and simplifies traditional spreadsheet-driven manual forecasting methods.

This approach eliminates the biases that people unintentionally introduce into the forecasting process.

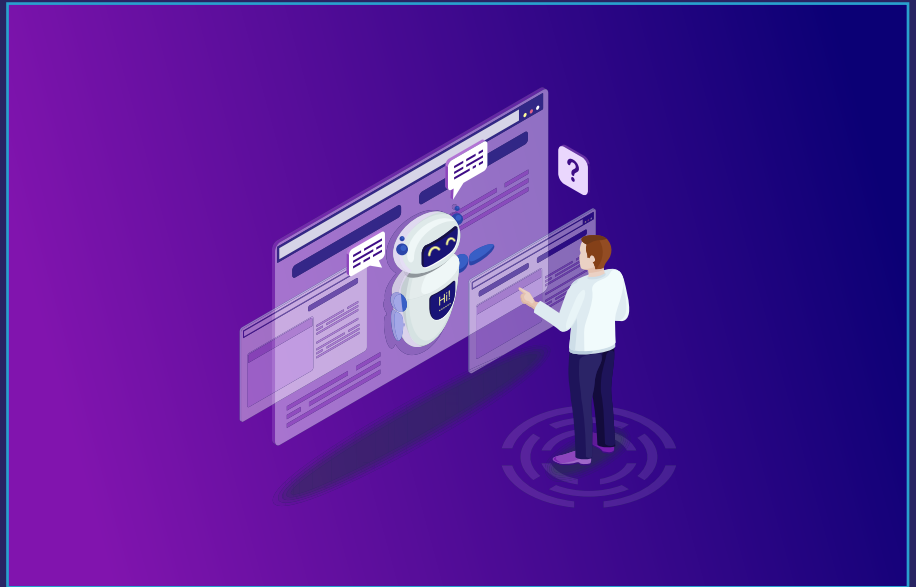
And lastly, it allows for frequent, rapid updates and adds support for simulations and modeling for the modern digital enterprise to align itself for success.

Part Three:

Automated Responses

Over the last few years, chatbots have become incredibly popular to provide rapid responses to frequently requested information.

With the ability to seamlessly interact, engage, and deliver information in different form factors— web, mobile, and kiosk— chatbots and digital assistants are now a universally accepted form of interactive responses for B2B and B2C use cases.



Today, almost every type of online interaction— stock trades, travel reservations, IT support requests—can all be achieved through this mechanism.

An additional dimension to interactive responses comes from email bots.

Today, email bots are a universally accepted form of interaction for automated marketing campaigns. These bots are tasked with sending promotions, event invitations, automated survey assessments, and more.

For corporate Finance teams, the Automation of interactive responses through chatbots and email bots can significantly recover time.

It can eliminate or reduce the drudgery of responding to repeated incoming queries.

Today's modern Finance teams should leverage intelligent AI-based responses in order to automate inbound status inquiries about approvals or payments, manage requests for tax forms, deliver information on orders, and other time-consuming, repetitive tasks.

Required Capabilities for Intelligent Automated Responses

For intelligent automated interactive responses to be effective, they must include the following capabilities:



Built-in Intelligence

Innovations in natural language processing (NLP) provide industry-leading intent detection and classification so that incoming inquiries and requests can be rapidly understood and responded to.

The ability to continually learn from prior interactions is critical, and Finance teams should avoid investing in the proverbial “dumb” bot with minimal intelligence or learning capabilities.



Flexible Integrations

Today's Finance teams have a myriad of systems that surround their ERP applications: point products for Procurement, Accounts Payable, Accounts Receivable, FP&A, and more.

Make sure your automated response systems are flexible and have rich integrations. The last thing you want to end up with is a siloed one-off response system that works only with a portion of your applications.



Domain Expertise

Having an automated response system understand the Finance and Accounting domain—and hence the specifics of payables, invoices, receivables, purchase orders—can make for delightful user experiences.



Human Takeover

The most effective automated response tools know when to bring in the human expert and take over the interaction to completion.

This creates the best customer experience while ensuring that insights are gleaned to improve future automated responses. Intelligent and elegant human handover are critical elements of an automated interactive response strategy.



Process Awareness

Another essential component is the flexibility to support the processes defined by the Finance team. Whether it's multi-level approval or automated executive escalation, process awareness is a critical component of automated response systems.



Bulletproof Security

Today, ensuring the security and privacy of your data is essential. While industry certifications like SOC2 are important, it is critical that your automated response systems have data pipelines that are both anonymized and encrypted.

Making the Case for Integrated Automated Responses

Aside from leveraging Hyperautomation for routine, repetitive tasks and complex, algorithmic forecasting, ensure that intelligent interactive responses are part of your core Automation platform.

Automated intelligent communications dramatically extend the capabilities of Finance teams, and provide complete Automation coverage across all facets of back-office functions.

Practical Approaches to Adopting Hyperautomation

With Hyperautomation in the Finance back office, one of the first questions asked is, “Where do I even start?”

Let’s dive into that question.

Tactical Approach

If you’re new to Hyperautomation (and by extension AI-based Automation) it’s recommended to start with a tightly-scoped departmental effort with a project that is specific and focused, low in risk, and low effort.

Operational Approach

Once you have experience with implementing Hyperautomation in a tightly-controlled project, you can extend it into something more operational.

In this case, multiple teams may be collaborating on AI-driven processes that span departments, with stakeholders both within and outside the company. These AI projects are more complex and lengthy.

Strategic Approach

Experienced organizations can take on even larger strategic projects that require executive buy-in, are broader in scope, and may involve a multi-year initiative. These projects can require a considerable investment in time, money, and resources—with a significant payoff.

As you start on this journey, it’s essential to start small, iterate, grow into something operational, then perhaps implement Hyperautomation as a strategic initiative as you gain experience and success.



ADOPTION STRATEGIES USED BY FINANCE LEADERS

Assess Existing Internal Projects

Are other teams leveraging AI within their functions? The supply chain, sales, or marketing teams may have piloted Hyperautomation projects. Internal experience can jump-start those efforts for Finance teams.

Choose A Data Strategy

Data often resides in functional silos, and that’s typically not rich enough to inform a machine learning model. Create a strategy for breaking down silos and maximize the data set for the best possible predictive outcomes.

Establish A Cross-Functional Task Force

Hyperautomation must produce results with a strong impact across the business. Experiment to find success—but know it’s also okay to fail. The critical point is to uncover different perspectives as part of the initiative.

Build A Center Of Excellence

Depending on the company’s maturity with Hyperautomation, a few trusted partners can help you evangelize it. Use established best practices and experienced talent to improve your team’s technical capabilities.

Confront the Fear of AI

Some may feel they are not sufficiently knowledgeable or conversant to engage in a dialogue about AI or Hyperautomation. Through cross-functional partnering and low risk, tightly constrained projects, Finance teams quickly gain fluency in the Hyperautomation domain.

Conclusion

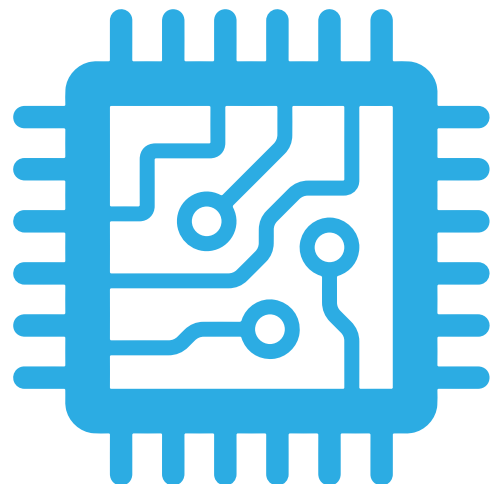
As you can see, with advances in AI, ML, and NLP, Hyperautomation is quickly becoming a reality. Here at Auditoria, we are helping companies every day to re-imagine the back office.

Virtually every core Finance and Accounting process—AP, AR, Audit, Tax, and Treasury—can benefit from intelligently digitizing these functions.

At Auditoria, we have built the industry's first Cognitive Automation platform that combines Automation of tasks and business processes, the Automation of analytics, and the Automation of interactive responses, purpose built for corporate Finance and ERP, in one simple SaaS offering.

Combined with cutting edge NLP and ML, we empower CFOs to digitally transform their back-office functions and bring automated outcomes to every part of their charter.

The need for Automation and digital transformation has only accelerated amidst the global pandemic. Auditoria is thrilled to be at the forefront of helping Finance teams achieve higher efficiencies and resiliencies using our SmartFlow Skills solution.



Contact Us

[Contact us](#) today to learn how you can transform your corporate Finance function using Intelligent Automation.

Visit www.Auditoria.AI for a [demo](#) or to [test drive](#) the Auditoria SmartFlow Skills platform.



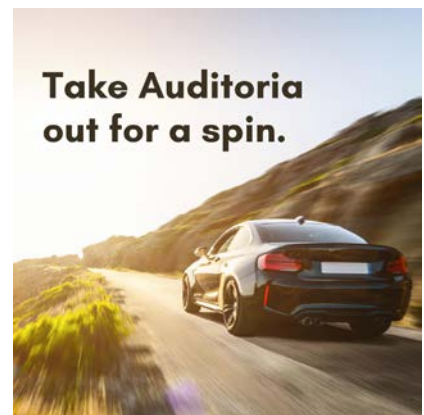
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About Auditoria

Auditoria is an AI-driven SaaS automation company for corporate finance that automates back-office business processes involving tasks, analytics, and responses in Vendor Management, Accounts Receivables, Planning and Audit. By leveraging natural language processing, artificial intelligence, and machine learning, Auditoria's platform removes friction and repetition from mundane tasks while also automating complex functions, such as predictive analytical forecasting. Corporate finance and accounting teams use Auditoria to accelerate business value while minimizing heavy IT involvement, improving business resilience, lowering attrition, and accelerating business insights. Give your finance teams superpowers at Auditoria.AI.

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