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There are few hotter topics absorbing executive attention than digital transformation, which has been identified as a **top strategic priority** by virtually every company. Many organizations are hot on this trail, digitizing their data to obtain the work enhancements provided by robotic process automation (RPA), machine learning, predictive data analytics, and automated solutions in other functional areas such as tax, payroll, and accounts payable.

Yet, success is proving to be elusive. According to a **study by McKinsey**, less than one-third of companies that have already invested in digital transformation have improved their performance. So, what's missing?

Since real time, accurate financial data is the foundation for digital transformation—the so-called single source of truth—perhaps the disconnect has something to do

with the transparency, access to, and quality of information. Automating procure-to-

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knew existed, but they had no visibility into the flow of data to assuage their worries. And an astonishing 69 percent believe their organizations have made significant business decisions based on inaccurate financial data.

A digital transformation built on error-prone processes, difficult to access data, and unvalidated financial information may be at greater risk of failure. Since Accounting and Finance is the province of this information, the onus is on the CFO to ensure systems and processes are poised to fulfill the transformative goals of the rest of the enterprise. In this regard, the CFO needs to look inward to enhance the systems and functionalities that are integral to producing data of the highest integrity. Otherwise, bad information can result in material errors and re-statements, poor business decisions, lack of investor trust and confidence, and a loss in market share.

Taking Charge

Finance, in many companies, also is in the thick of its own digital transformation modernizing the ERP system, typically the core of the organization's tech stack. While some companies struggle with heterogenous or outdated ERP solutions, the bigger challenge is often the hodgepodge of bolted-on systems and customized processes that rely heavily on tribal knowledge and came into existence through siloed decision making.

In these digital transformations, organizations often squander the opportunity to simultaneously modernize the financial close, a set of processes that typically exist outside the ERP. Given apparently widescale concerns over the accuracy of financial data integral to the close, it is crucial to complement the ERP upgrade with accounting automation. Not only will this provide more certainty over the integrity of the financial statements and reports, it benefits the broader enterprise-wide digital transformation that depends on this information.

This is not news to finance professionals: [82 percent of CFOs](#) believe leading-edge

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human errors. This risk was attributed to the collision between the manual nature of preparing and validating the financial statements and reports and the massive and rapidly increasing volume of data flooding Accounting and Finance from so many different systems.

Complicating these problems is the lack of transparency into the origination and movement of financial information across the enterprise. When questions arise over the accuracy of a journal entry, for example, a finance professional must discern the initial source of the information and subsequently contact this person to set the record straight. Emails and phone calls back and forth result in delays that heighten the pressure to finalize the results as the clock ticks toward the deadline for the period close. This pressure boils over into mistakes, explaining why so few finance professionals completely trust the accuracy of their company's financial figures.

The broader message is that Accounting and Finance teams and the lines of business they serve can jumpstart enterprise-wide digital transformation, minimize the related risks and help them seize sought-after innovation and business growth by putting the transformation of Accounting and Finance first.

Large ERP providers like SAP have realized this need by selecting key independent software providers to complement its functionalities. Of the 18,000 partners in SAP's ecosystem, there are only 31 Solution Extensions (BlackLine recently expanded its relationship with SAP). With its ability to resell BlackLine solutions, SAP now offers customers an extended end-to-end solution for the financial close.

Digital transformation will continue to be a top strategic priority for the foreseeable future. In today's complex 24/7 global business cycle, companies slow to modernize are at a competitive disadvantage. Instead of rushing forward on a function-by-function basis to seize the opportunities inherent in automated and intelligent technologies, Accounting and Finance should lead by example.

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