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of technology solutions to engage, communicate and collaborate with stakeholders virtually. This topic is top of mind across all industry leaders.

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By Fred Hargrove, Kim Strumwasser, Perry Menezes.

Let's begin with a simple comparison between digital transformation and IT transformation. Digital transformation entails significant changes to an organization's use and application of technology (and other functions of the organization), while IT transformation entails significant changes in the IT services, structure, and hardware and software provided by the organization.

As a basic analogy, consider moving from a handwritten shopping list, to creating

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stakeholders virtually. This topic is top of mind across all industry leaders. From a recent poll we conducted, 43% of 450+ business leaders shared that they will pursue digital transformation initiatives in 2022. Based on our experience supporting organizations across industries, we identified the following digital enablement initiatives that are trending within the F&A function:

- Decoupling the inefficient and functionally limited legacy systems that support critical functions from those systems that support fast-moving, often customer-facing interactions
- Automating finance-specific processes including accounts payable, accounts receivable, consolidations, monthly close (to strive for zero-day close), and non-financial metrics (e.g., carbon footprint, ethical sourcing, etc.)
- Creating portals for customer self-service (e.g., provide customers the ability to download current and historical statements and invoices, and upload current tax exemption certificates)
- Investing in artificial intelligence or advanced analytics for real-time operational and financial analysis and automated planning and reporting
- Migrating business applications (e.g., ERP, CPM) to the cloud for increased agility, accessibility, collaboration across teams, and visibility of real-time data, all with the benefits of a managed environment (e.g., cloud provider manages patches, updates, security)
- Developing robotic process automation (“RPA”) systems to create workflows, perform data gathering and processing resulting in meaningful business insights

People, process, security, and technology implications must be considered and carefully evaluated when prioritizing digital-focused projects that optimize and evolve the finance and accounting function. As an example, the following questions should be included in this evaluation:

- Where is there most business-risk (e.g., attrition, security, inability to integrate,

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- What capabilities and skills does F&A need to develop?
- What initial and ongoing training, communication and motivation is needed to support the implementation of technologies and educate the F&A teams on advanced strategic analyses?
- What are the expected initiative outcomes and the related performance indicators to measure success?

Considerations for Finance and Accounting Leaders

And, before a roadmap is developed for the various projects, it is necessary to implement a strategy for building or optimizing networks that connect devices, systems, and people – and that provide strong security. The F&A function supports and interacts with teams and individuals across the organization, and with vendors, financial partners, and clients. F&A has a key role in identifying business risks and perspective on exposure. Sensitive data is often included in these interactions and, therefore, digital transformation should be carefully mapped, tested and optimized to ensure continuously strengthened and managed security.

With digitization comes new threats, specifically cyber-attacks. Any digital transformation strategy should take cybersecurity into account. When choosing new technology, partners, platforms and vendors, their respective cybersecurity standards and accountabilities need to be clearly understood.

With GDPR (General Data Protection Regulation) and a heightened focus on data privacy, F&A leaders are seeking a smarter and more rigorous approach to protecting sensitive data. Many are harnessing technology, hosted fields, and portals to streamline data processing and remove the need for their teams or organizations to handle sensitive information.

Final Thoughts Considering Urgency

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priorities across all industries, geographies, and company sizes. F&A teams need to implement solutions to monitor and report on non-financial data (e.g., carbon footprint, stakeholder experience, social impact, diversity of vendors, leaders, and employees).

The evolving standards related to ESG further encourage F&A leaders and their companies to become as agile as possible, which is largely supported by digital transformation. Furthermore, technology can help organizations improve people's lives and benefit society. For example, visually impaired employees can be supported with IT applications that utilize speech interfaces.

The rising need to access and analyze real-time operational, financial, and non-financial data provides an opportunity for F&A leaders to become visionaries. Launching a carefully constructed digital transformation strategy enables improved interaction between technology and humans for making rapid and smart business decisions.

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