Hyperautomation in Corporate Finance

4 ways to evolve from bots to business value.

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Executive Perspective

Financial Services

As the financial services industry grapples with mounting recession anxiety, digital disruption, and fast-changing regulations, everyone from CEOs and board members to IT leaders and auditors is under enormous pressure to optimize the workbench tech stack and streamline operations.

In other words, decision makers and auditors need timely access to actionable data faster than ever. But too many CFOs, department directors, and their teams are struggling to meet this challenge with spreadsheets and manual processes. Not to mention the frustration of trying to coordinate workflows via emails and phone calls, keeping important information stored on whiteboards or in someone's head and wrangling numerous finance and audit processes across the organization.

The problem with this traditional "process management by spreadsheet" approach is that it makes it that much harder for any organization to ensure consistent metrics, data, and security. On top of that, it also hinders the ability of corporate finance professionals to advise decision makers on critical business issues.

The good news is that automation technologies are catching on. The first step to addressing process management challenges, automation also aligns with the digital transformation missions of many organizations. But the trend is delivering mixed results.

Why you need more than RPA.

Pressured to deliver immediate value within their organizational units, operational leaders have been relying on robotic process automation (RPA) as a quick means to complete tactical automation initiatives. This use of bots has led to some efficiency gains—such as making individual processes faster and easier and eliminating human error—but bots do not scale well when evaluated for broader, organization-wide adoption. Also, most of these initiatives are disconnected from each other, impeding unification of data and processes.

While RPA does have its place in a larger automation strategy, it is limited to working only for repetitive, rules-based tasks that don't require analytical skills or cognitive reasoning. As such, RPA is far from a catch-all solution. RPA should be considered only when no other automation strategy can be used, such as when web APIs, decision rules, intelligent document processing (IDP), or other AI-backed automation capabilities are unavailable. For complex tasks that involve many different documents and materials, human intervention and other types of automation are needed.

Further, RPA isn't a good fit for processes that are likely to vary or evolve quickly. In corporate finance, regulations, policies, and accounting rules

> What you think is true today is going to change tomorrow, and financial services institutions need to keep up with those changes.

are always in motion. Too many changes to the surrounding process will burden the development team with making frequent changes to bots, limiting their time-saving value. Finally, as organizations extend their use of RPA, RPA solutions end up being applied to challenges that bots aren't intended to solve.

In short, bots are just a small piece of the automation puzzle. Harnessing automation's full power requires a hyperautomation strategy, also known as intelligent automation.

Intelligent automation at scale: beyond bots.

Gartner defines hyperautomation[1] as the orchestrated use of multiple technologies, tools, or platforms. RPA is one of many decision, process, and task automation tools that fall under hyperautomation's umbrella. Others include:

- Artificial intelligence (AI) and machine learning
- Event-driven software architecture
- Business process management (BPM) and intelligent business process management suites (iBPMS)
- Integration Platform-as-a-Service (iPaaS)
- Low-code/No-code platforms
- Packaged software

Hyperautomation unites a full range of technological capabilities for greater efficiency, visibility, flexibility, and confidence.

As financial services institutions seek to improve productivity and reduce costs, hyperautomation offers great potential for:

- Orchestrating processes and enhancing decision making, as hyperautomation and low-code work together to create a single-pane-of-glass view.
- Facilitating a better understanding of working capital and risk management.
- Enabling teams to quickly pivot to address changing needs.
- Decreasing spreadsheet reliance as organizations work to optimize costs, increase efficiencies, and grow.

What follows are four meaningful ways finance departments can use hyperautomation to help sharpen their management tools and increase accountability.

When trying to fix some micro piece within a process, you have to think about the whole process. If you change one piece, you have a risk of breaking the rest.

1. Optimize pre-general ledger reviews and approvals.

Pre-general ledger reviews and approvals are low-hanging fruit for workflow improvements and hyperautomation. Here's one vivid illustration of why:

To comply with regulations[2] and bank policies, a corporate finance team needs to collect and maintain specific sets of information and double-check data before it's entered into the general ledger.

Now, imagine the team discovers missing fields in their datasets—thousands of them. Fixing this situation would involve making calls or sending out emails and manually entering new information into a database. The process would be slow and prone to typos and other errors. Coordination would be complex, necessitating time-consuming follow-ups and possibly resulting in further gaps.

Hyperautomation brings the pieces together. With hyperautomation, a company can create an app that continuously scans the database for missing data and automatically sends information requests when it finds a gap. The app then deciphers the response and updates the database, flagging anything unusual or complex.

Access to the same data reduces the need for reconciliation tasks in the business process. Meanwhile, hyperautomation provides the orchestration necessary to automate business processes end to end. This trims time off pre-general ledger reviews and approvals while upping accuracy and confidence.

2. Accelerate the auditing process.

Hyperautomation offers great potential for the auditing side of a company's operations.

Corporate finance teams often need quick access to highly granular data. Take, for example, period-end closing of books, which involves many time-consuming, menial tasks, such as data entry, transaction matching, and checking balances. This kind of information tends to live in multiple disparate systems and is hard to track—not to mention error-prone when entered and searched for manually.

Meanwhile, third-party auditors and regulators want to see a clear-cut, accurate account of who decided what, and when. Spreadsheets, lacking both timestamps for data entry and financial-grade security, were never designed for this purpose.

Hyperautomation helps enable efficiency, visibility, security, and trackability. With a hyperautomation approach, finance teams can bring data together into one screen, automatically. Those involved in audits can benefit from a

> If someone doesn't pick up the next stitch in the business process, that's where it causes problems.

clear delineation of roles and responsibilities and quickly see who prepared what. Consistency and controls across processes mean all parties can trust what they're seeing and make decisions with confidence.

3. Stay ahead of the disruption curve.

During the pandemic, financial institutions worldwide got a crash course in adapting to change.[3] Overnight, they were tasked with administering huge government-backed programs and refinancing schemes, moving to remote operations, and serving customers through a nearly all-digital world.

This need for speed and agility continues today. Amid intense competition and rapidly evolving economic conditions, financial institutions are scurrying to forecast and fulfill customer needs and grow in a sustainable direction.

Firms with more mature, intelligent automation capabilities are better prepared to quickly understand the landscape and adapt.

For starters, hyperautomation enables proactive analysis. Not only can organizations enrich the historical data in their own general ledger with data from external sources, but they can also leverage capabilities like data analytics and assumption modeling to gain a forward-looking view.

Furthermore, a hyperautomation approach offers a range of integrated tools for acting on new information: low-code/no-code, AI, business process management (BPM), and beyond. Companies have the capabilities they need in one place, and they can move quickly without having to rip out existing systems, move data, or make costly capital investments in new infrastructure.

4. Leverage data across the enterprise.

To operate in today's complex, fast-moving world, you need to be able to answer high-stakes, time-sensitive questions regarding accounts, balances, terms, and more—and to do it fast. You might need to ask yourself: What are my outflows going to be? Will I have to borrow or liquidate a short-term investment to cover them?

Timely, accurate answers are vital for avoiding any short positions or overdrafts and disruptive scrambles to fix them.[5] They're also essential for proactive business strategy—for example, leveraging real-time data on revenue capture and disbursements to optimize the company's payables and receivables.

Worst case, many of the answers to these questions live in individual employees' heads or on whiteboards. You may be just one cleaner spray away from not knowing where a bank's position is on all your foreign holdings. Such "tribal" data must be captured and stored securely. Even if an institution has

Find out how top financial services firms use automation to boost employee morale and customer retention.[4]

avoided the whiteboard temptation, too often there are still spreadsheets involved, which present risk. At least one large multinational bank had a fine that ran into the hundreds of millions for using desktop tools like spreadsheets in critical business processes.[6] Visibility into enterprise data is vital for analytics, security, responding to regulatory requests, monitoring compliance, and overseeing spend. And even once this data is stored, if it's spread across multiple, disparate data systems in your organization, you'll have a lack of insight and will waste time and effort trying to gather the information you need, when you need it.

Furthermore, such information is too voluminous to handle manually. Imagine a private wealth manager with thousands of clients, each with individual investment goals, strategies, and risk tolerances. Periodic spot checks of performance against goals leave the company with unknown, unmanaged risk in other areas. And conducting these checks via spreadsheets and manual processes takes up valuable time.

For many, hyperautomation is the solution. It lets you centralize data by synchronizing separate processes and simplifies and speeds up the process of accessing data, letting you arrive at the best data-driven decisions, fast.

Hyperautomation gives corporate finance teams enterprise-wide visibility, with orchestration that tames process chaos. For example, companies can continuously monitor and manage risks, with guidelines that trigger alerts when thresholds are breached.

Ready to put hyperautomation to work at your company? Take the next steps with Appian and KPMG:

- Start with a small hyperautomation project to gain a quick win and buy-in.
- Grow incrementally as business needs evolve.
- Achieve savings as hyperautomation solutions reduce the maintenance and upkeep costs that ramp up total cost of ownership.

Learn more about how hyperautomation can elevate business efficiencies and your bottom line. [Contact Appian for a customized demo]().

It takes only one keystroke, or one person with access to your SharePoint site, to delete an important formula.

1 Gartner Glossary, Hyperautomation
2 Longitude-Appian Automation Maturity Index Research Report, Part 1
3,4 Longitude-Appian Automation Maturity Index Research Report, Part 2
5 Longitude-Appian Automation Maturity Index Research Report, Part 3
6 Reuters

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