
Finance Processes: A global study of efficiency and automation

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INSTITUTE OF FINANCIAL
OPERATIONS & LEADERSHIP

REPORT OVERVIEW

Our 2022 global study profiled a range of roles and processes within finance operations teams, with a focus on understanding the level of efficiency and automation across each one.

The research shows the current state of efficiency and automation, and reveals any trends within finance operations around the investment or culture for continual improvement of existing processes.

We also set out to identify any known barriers for change or improvement within each area, and the impact these have on teams.

The survey was conducted over a 6-week period in Q1 2022, with IFOL members.

KEY FINDINGS

1. Too many finance teams are working with outdated processes

The study revealed that two-fifths (40%) of global respondents do not think their finance team has modern and efficient processes. This means that two in every five finance teams worldwide are working with outdated and inefficient processes. This figure is higher in the US and Canada - where 64% of finance teams are working with outdated processes, whereas in the UK and Ireland, it is 14%.

Just over three-quarters of respondents (76%) think their finance team needs to review the processes. There is an acute awareness within finance teams worldwide that processes need improving.

2. Accounts Payable processes are the most inefficient

The top three processes considered to be 'inefficient' or 'highly inefficient' are all Accounts Payable (AP) processes. These are:

- Purchase Orders
- Invoice Processing
- Invoice Approval

In addition, when asked specifically what their most manual processes are, respondents more frequently named AP processes as well. With the undeniable trend of AP processes being least efficient, is this function overlooked in general by finance teams?

3. Process improvement is not regular practice

Our study revealed that less than half of finance teams (43%) regularly review their processes throughout the year. Only 17% review them once a year, 11% every 2-3 years, and 7% never review their processes. With such poor practice, it's no wonder that the top three challenges respondents experienced were those directly impacted by poor processes.

Top three common problems experienced:

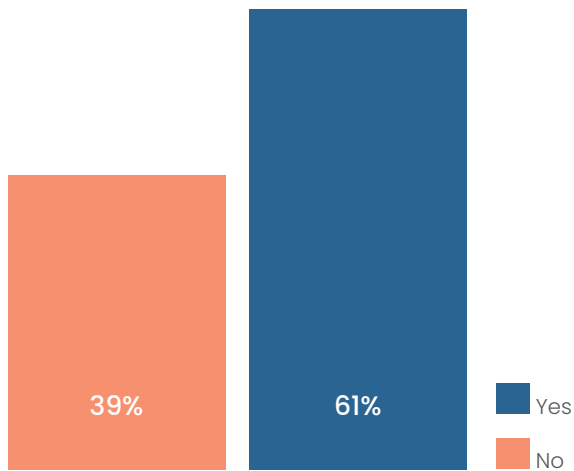
1. Manual processing time delays
2. Errors from manual processing
3. Lengthy invoice approval

Summary

The data has shown that whilst some finance processes are working efficiently, there are still too many that are inefficient, most of which are AP processes. If finance teams adopt a robust and regular continual improvement process, they can identify areas that need improvement and remove inefficiencies and frustrations from within the team.

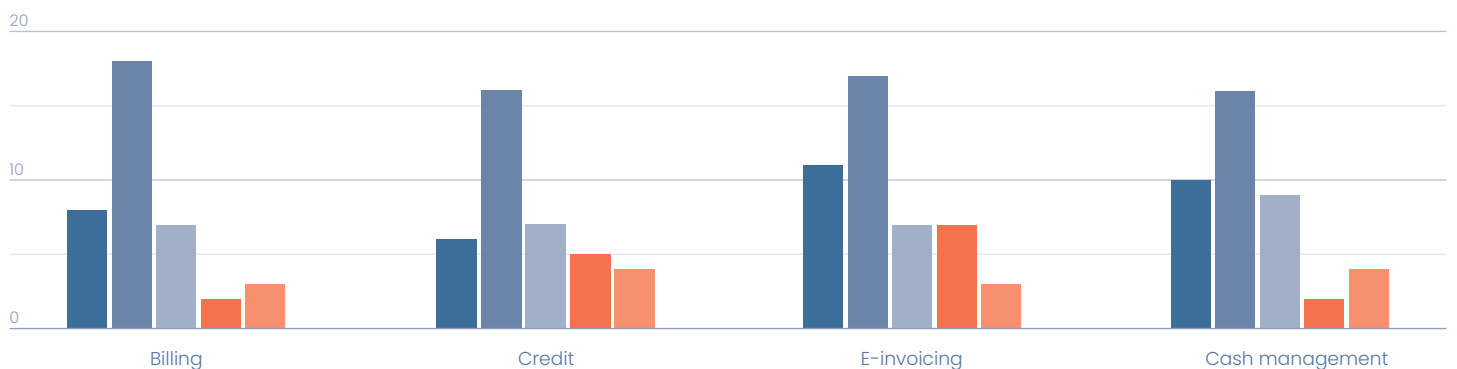
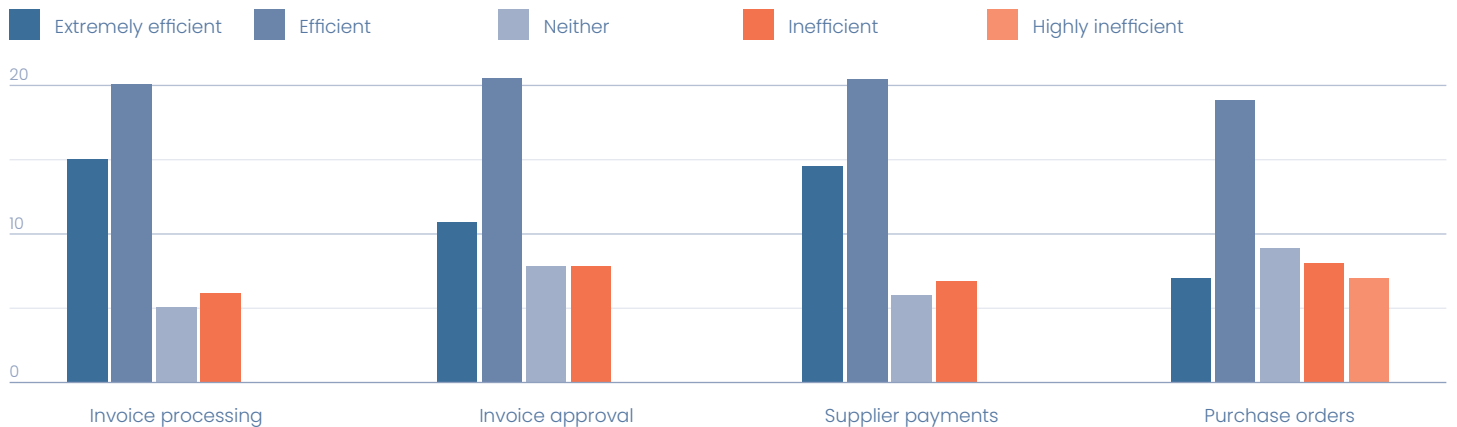
Question 1

Overall, do you think your team has modern and effective processes across finance operations?



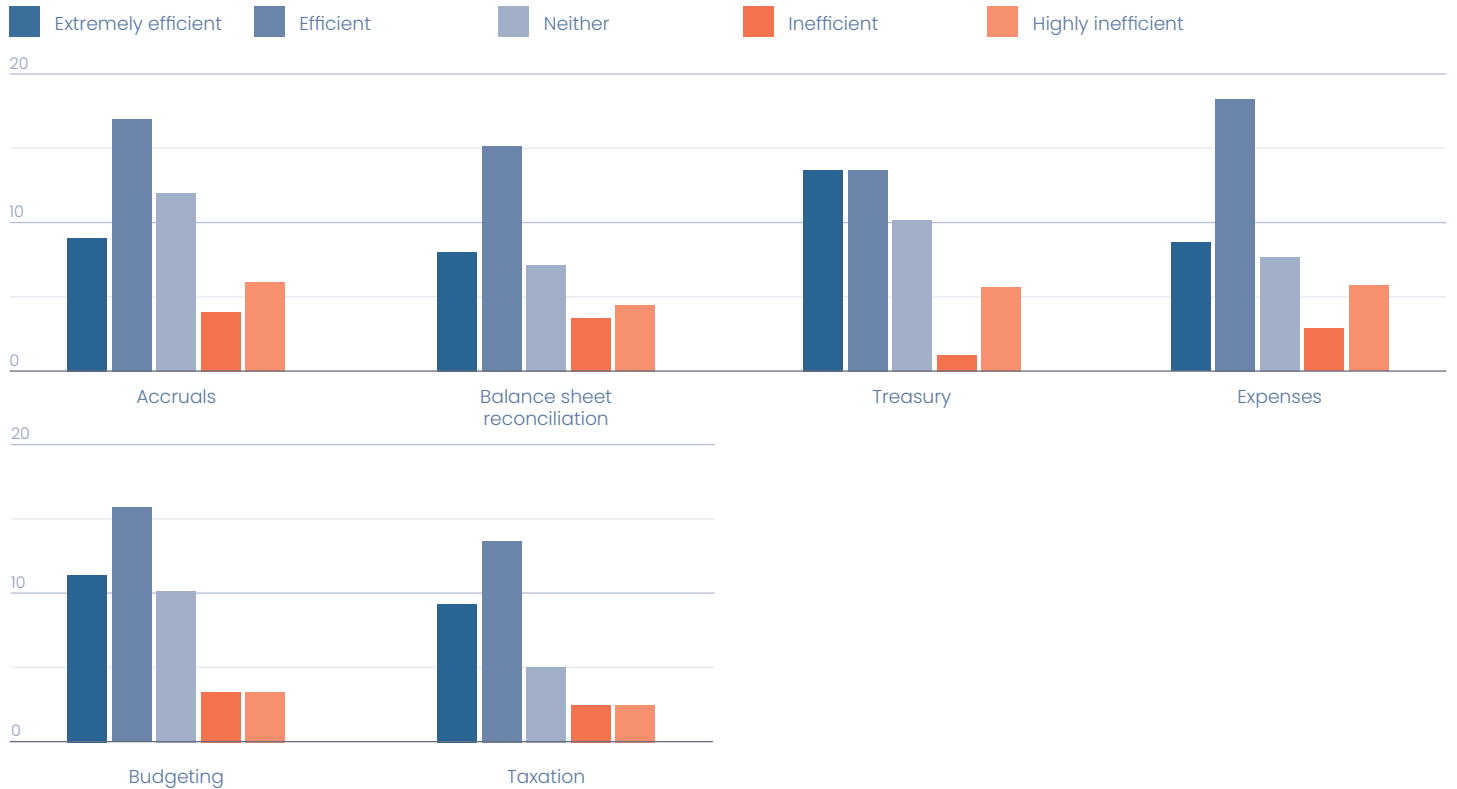
Question 2

Tell us how efficient your current finance processes are.



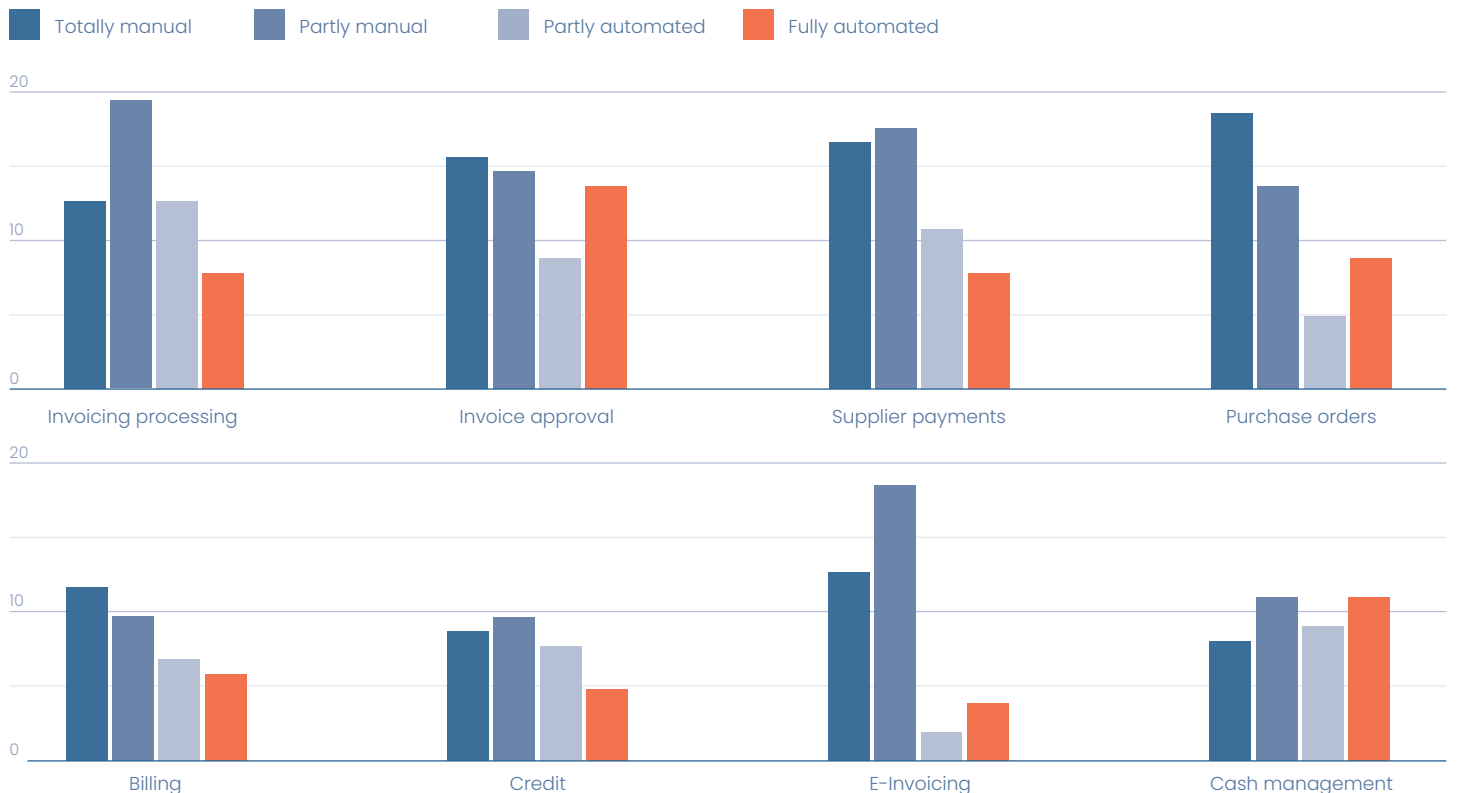
Question 2 cont.

Tell us how efficient your current finance processes are.



Question 3

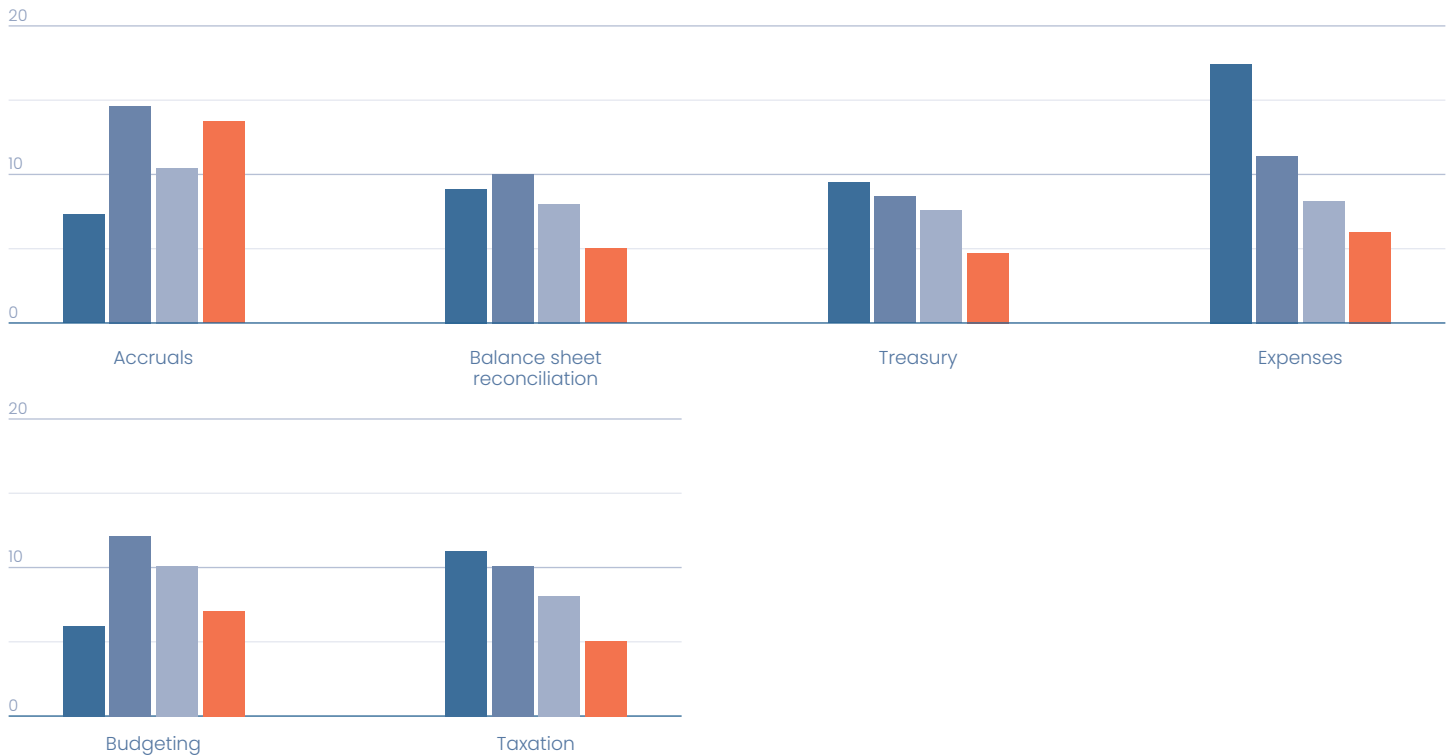
Please now rate how manual the following processes are within your company.



Question 3 cont.

Please now rate how manual the following processes are within your company.

■ Totally manual
 ■ Partly manual
 ■ Partly automated
 ■ Fully automated



Question 4

What is the most manual process in your role?



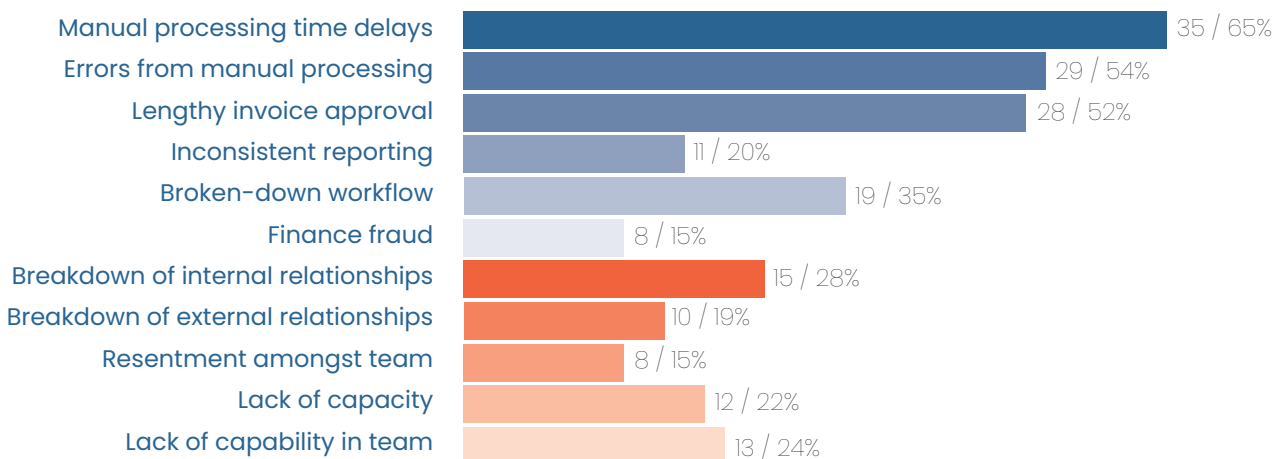
Question 5

The most automated process in my role is:



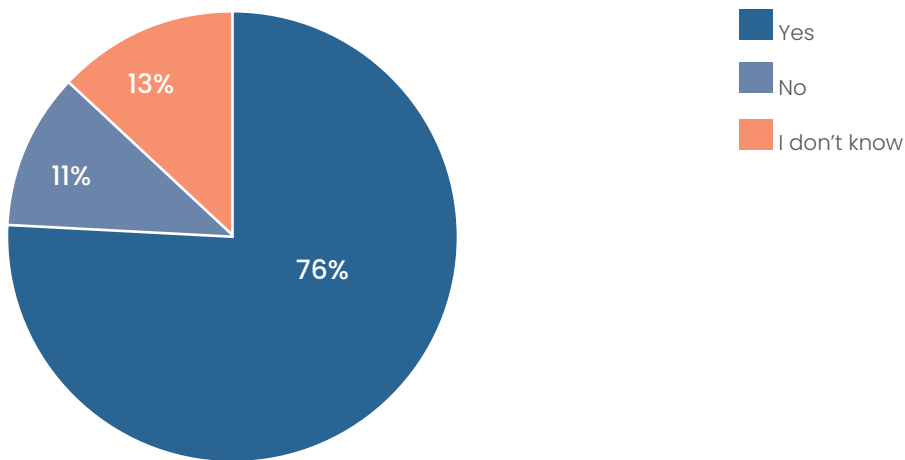
Question 6

Please select any of the below common challenges you regularly experience in your role.



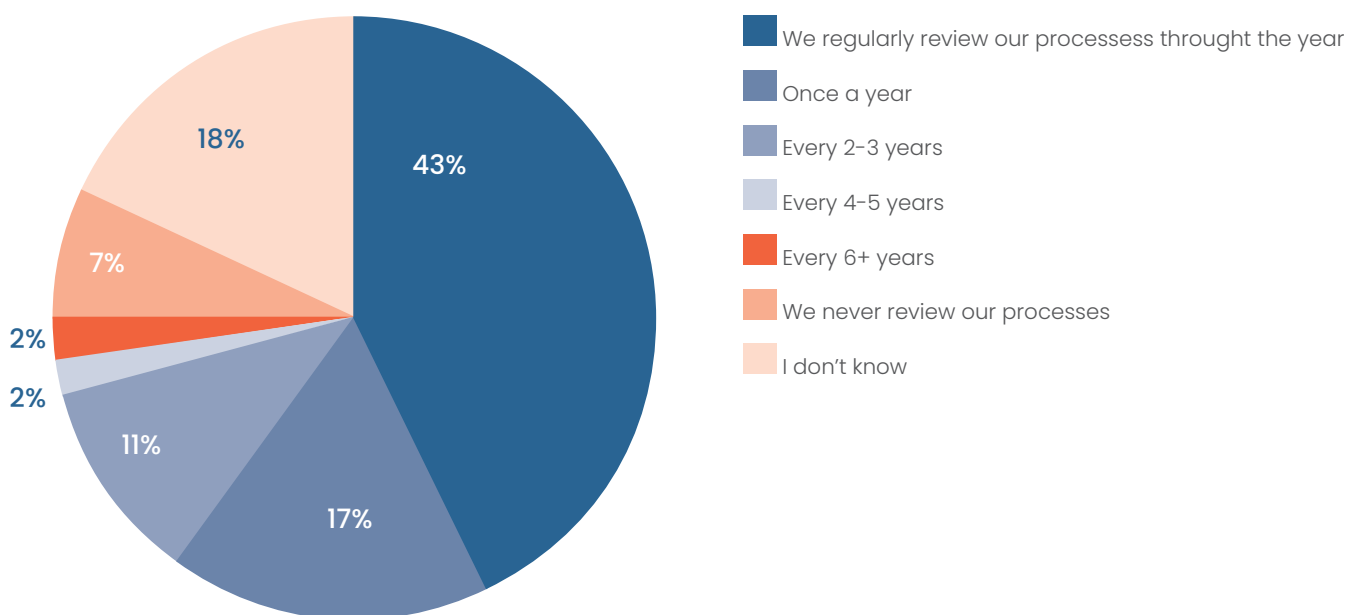
Question 7

Do you think that your finance team needs to review and update your finance processes?



Question 8

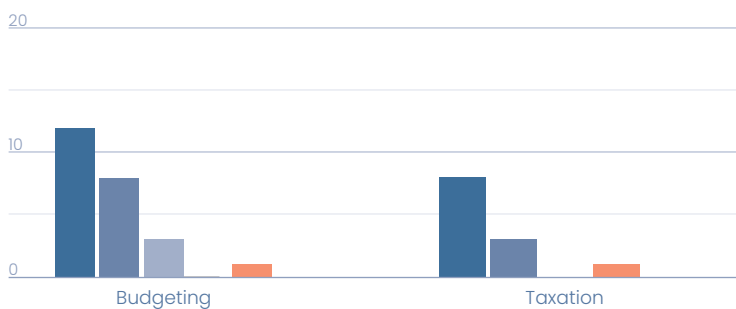
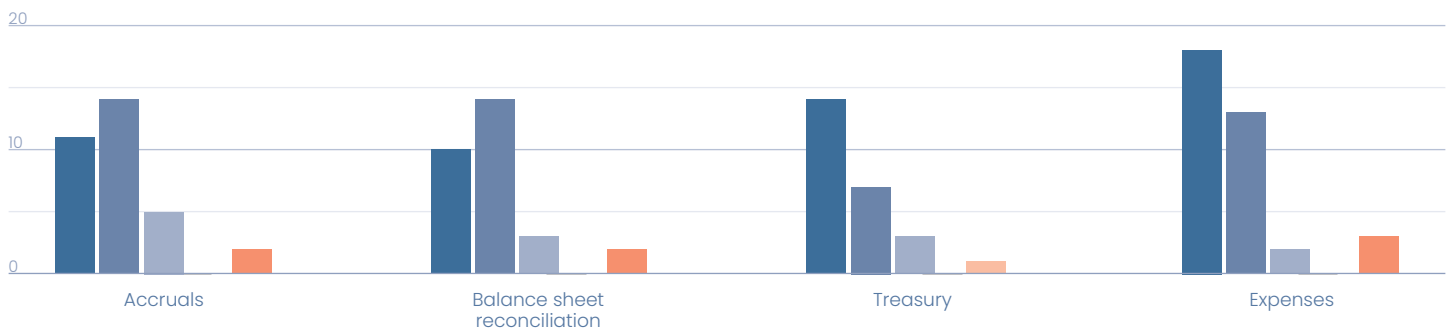
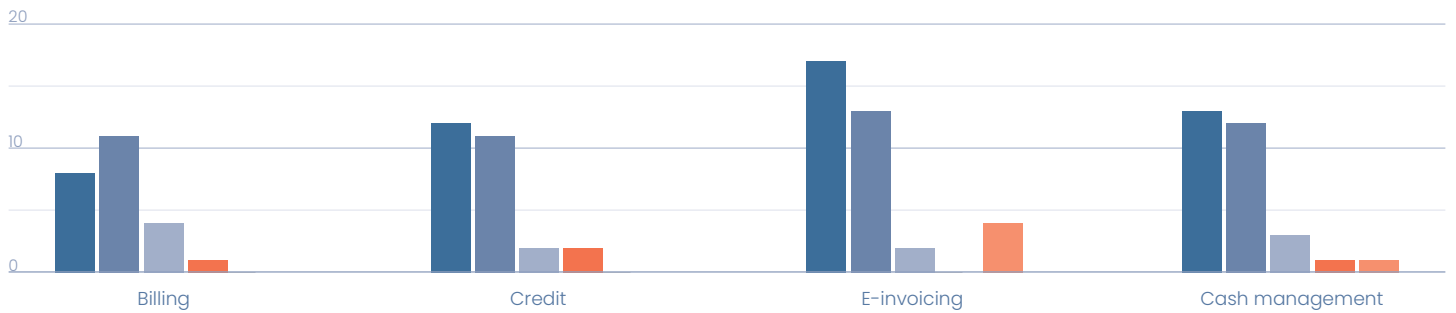
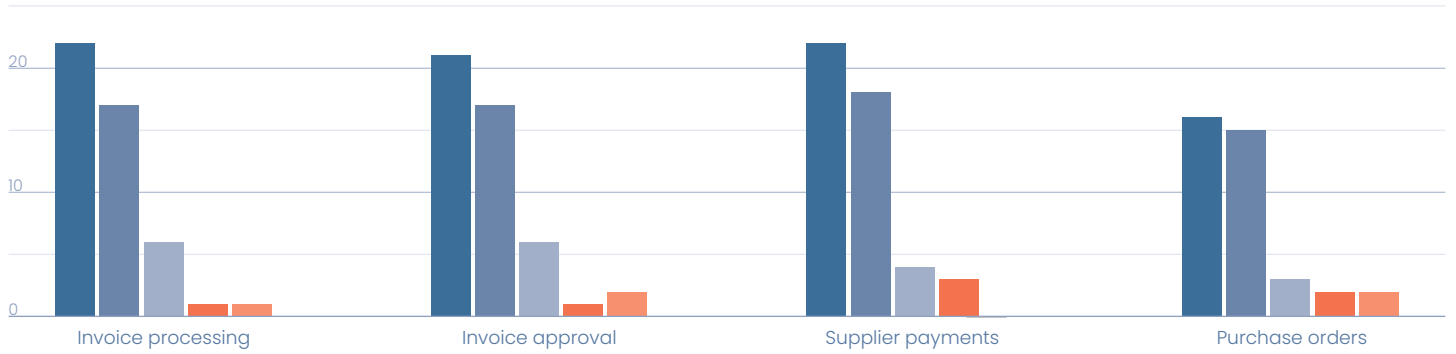
In general, how often does your department carry out a review of the current finance processes for continual improvement?



Question 9

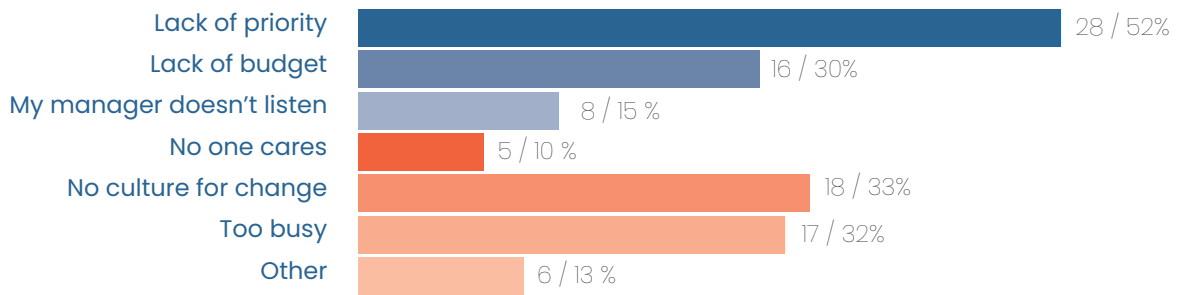
Please state below when each of the following finance processes were last improved:

■ In the last year
 ■ In the last 2-3 years
 ■ In the last 4-5 years
 ■ Over 5 years ago
 ■ Never



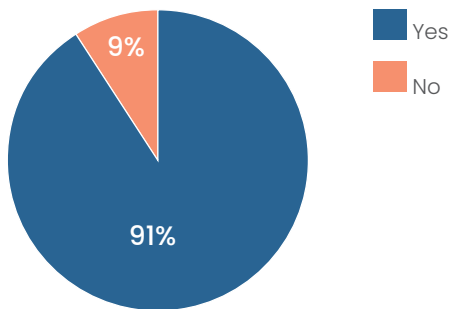
Question 10

What do you think could be the barriers for process improvement within your company?



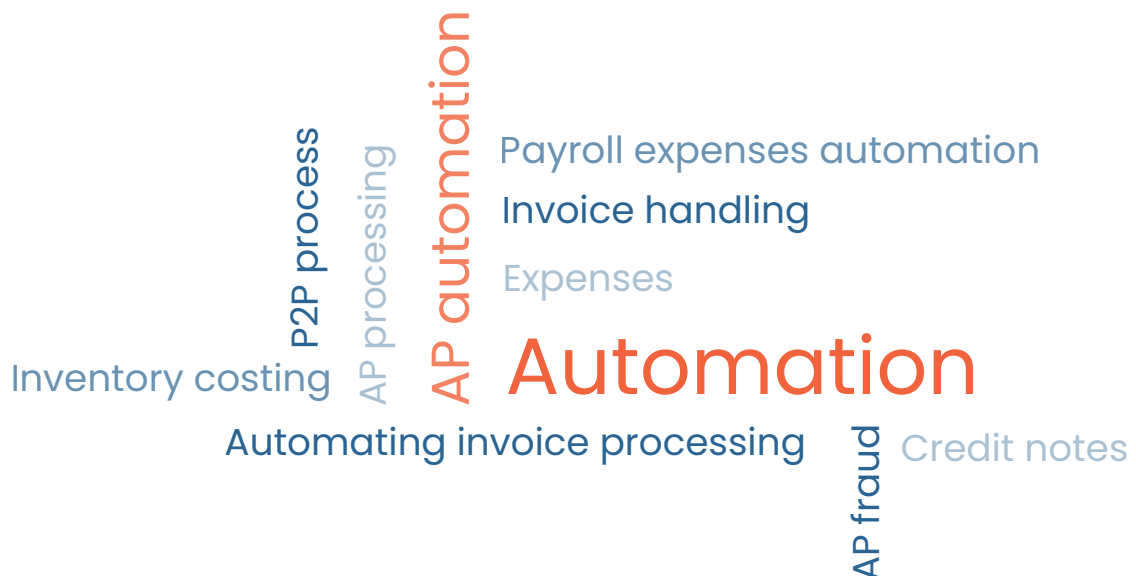
Question 11

Have you ever approached your manager to discuss how you feel a process could be improved?



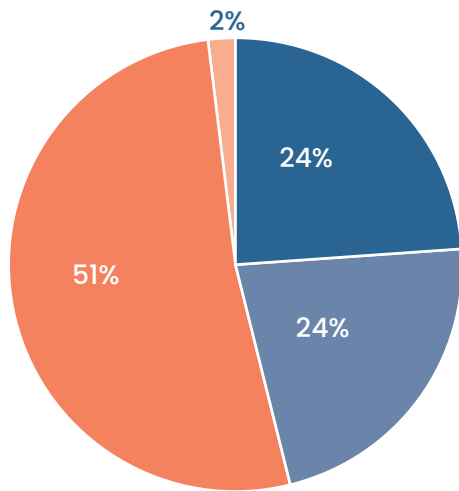
Question 12

Finance processes that are most often discussed to be manager that need to be improved.



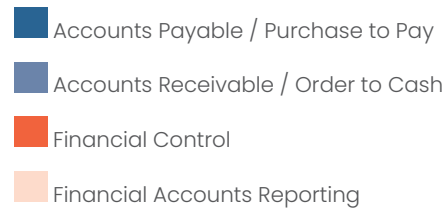
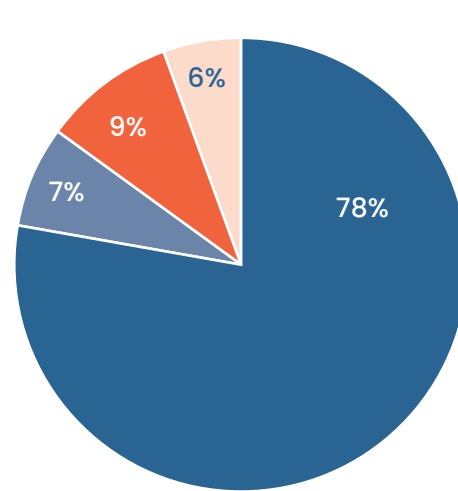
Question 11

Job role.



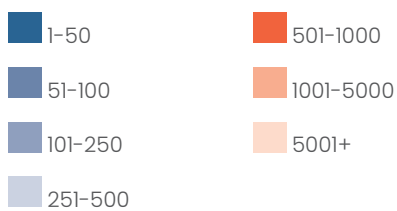
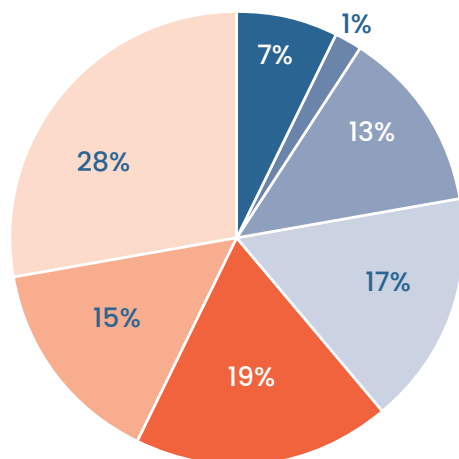
Question 12

Area of finance.



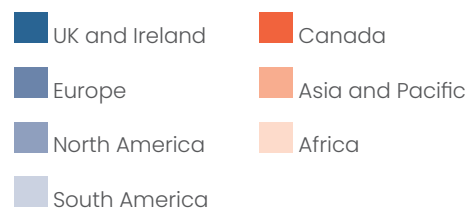
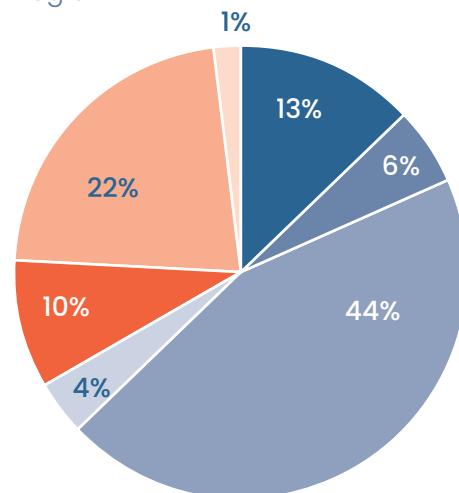
Question 13

Company size.



Question 14

Region.



ABOUT IFOL

Who we are

The Institute of Financial Operations and Leadership (IFOL) is a leading provider of education, support and research to a global audience of Accounts Payable, Procure to Pay, Accounts Receivable, Order to Cash, and Payroll.

What we do

We provide training, certification, and support to both individuals and teams so they can grow as professionals, improve their performance and advance their careers in finance operations.

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With over 30,000 active members and 7,000 students from over 14 countries who study with us each and every year, we offer over 13 courses and qualifications and help our students achieve a 99.8% first time pass rate.

Our promise

“In an ever-changing environment, IFOL helps finance operations professionals be more effective through industry-leading education, training, and support.”

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We're committed to providing leading research and helpful resources for finance professionals.

Each quarter, we produce a brand new research paper across a range of themes within financial operations and leadership. The research also features in live webinars and panel discussions with our education and training team.

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