

Busting the Automation Myths that Keep Accounting Teams from Optimizing

Finance and accounting managers at growing firms know that improving process efficiency is essential for keeping up with increasing workflows. And, they have likely witnessed how artificial intelligence (AI), machine learning, chat bots, and other forms of automation have led to dramatic productivity gains in other areas of their firm's operations.

Yet, myriad misconceptions about automation persist, keeping these leaders from exploring the potential of automation to expand the resource capacity of their accounting and finance functions.

Below, we identify—and bust—some of the most common myths about automation. We explain how even small companies can leverage a universe of cost-effective automation tools not only to increase productivity, but also to improve accuracy and make a direct, positive impact on the bottom line.



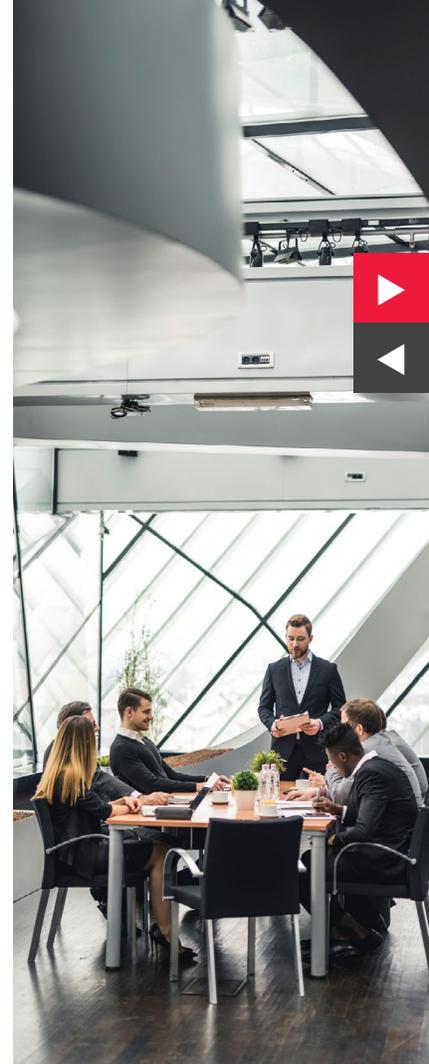
MYTH 1:

Adopting Automation is Slow, Complex and Expensive

Not all that long ago, automating accounting processes generally required building your own comprehensive software systems and applications—a painstaking undertaking that was cost-prohibitive for all but the most well-resourced companies. But today's technology marketplace offers a wide array of relatively inexpensive specialized tools that integrate seamlessly with QuickBooks Online and other core systems.

These applications consist of bots that can “learn” to replicate many discrete tasks. For example, optical character recognition (OCR) applications convert text in an image into editable and searchable data, and can be used to automate the process of identifying, coding and routing vendor invoices.

For a finance manager, utilizing automation to improve efficiencies is mostly a matter of determining which application makes the most sense for your objectives, and then programming it to fit your workflow.





MYTH 2:

The Primary Benefit of Automation is Labor-Cost Savings



While automation often does reduce labor costs, perhaps the most compelling reason to automate some accounting functions is to improve the reliability of your output. When humans execute a process, there is generally a trade-off between accuracy and speed, since double-checking results takes time. Automation can eliminate human error altogether, improving accuracy, while also increasing speed. That combination may be especially valuable for fast-growing organizations that need to scale up their accounting and finance controls to support expansion in their core business operations. At the same time, because bots don't get tired or take vacations—or even go home at night—you can run processes continuously to maximize resource capacity.

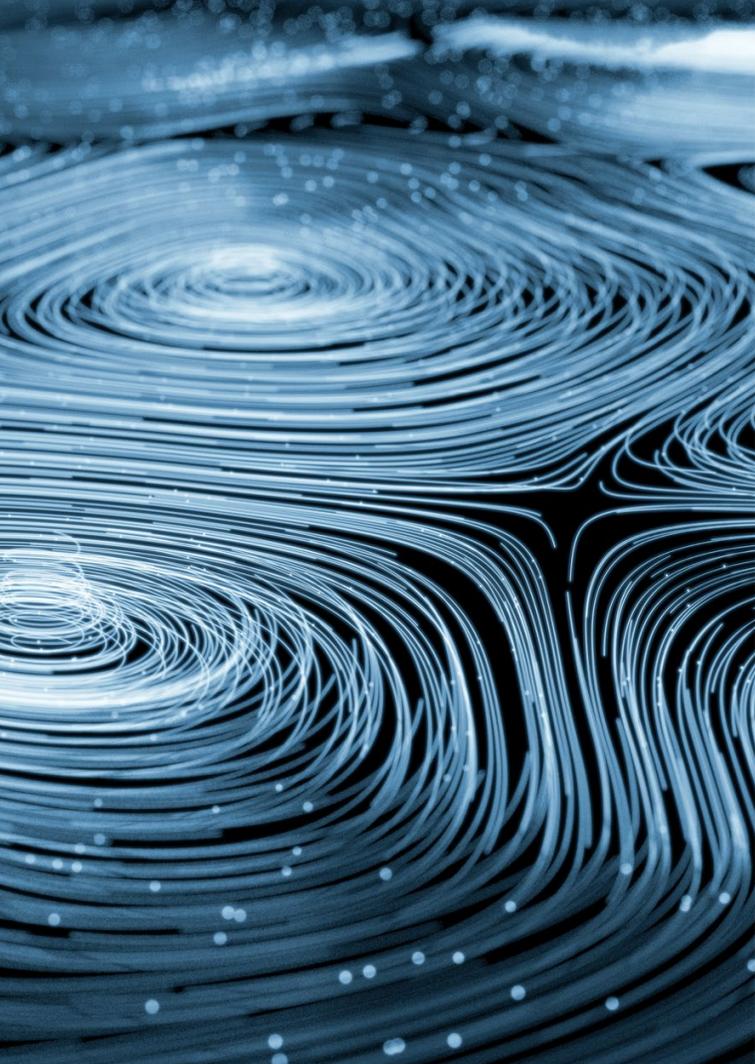
MYTH 3:

Automation is an All-or-Nothing Proposition

Finance and accounting managers don't have to make the binary choice between upgrading everything all at once or forgoing the benefits of automation altogether. Instead, you can upgrade your business processes selectively, or over time, and prioritize those that best support your specific objectives.

Automating even a small number of steps in a high-impact process can result in significant efficiency gains, but the right processes to upgrade first will depend on your team's current priorities, as well as your specific pain points. For example, a large finance department focused on reducing labor costs might prioritize tasks that entail significant numbers of man-hours, while a smaller group that struggles with accuracy may want to upgrade processes used to generate its most important financial reports.





MYTH 4:

Automation Eliminates the Human Element

Although bots can take over most of the repetitive work to execute a process, you will still need employees in your accounting and finance department. However, their focus will likely shift to higher-value tasks that only humans can do, such as process-monitoring, addressing exceptions the bot may flag, or perhaps looking for additional ways to improve efficiency. Some employees may require re-training for their new roles. In addition, as with any organizational change, a thoughtful change-management plan can help ensure a successful transition to automation. Your plan should include clear communication about the reasons for the change, what will happen when, and how employees will be affected.

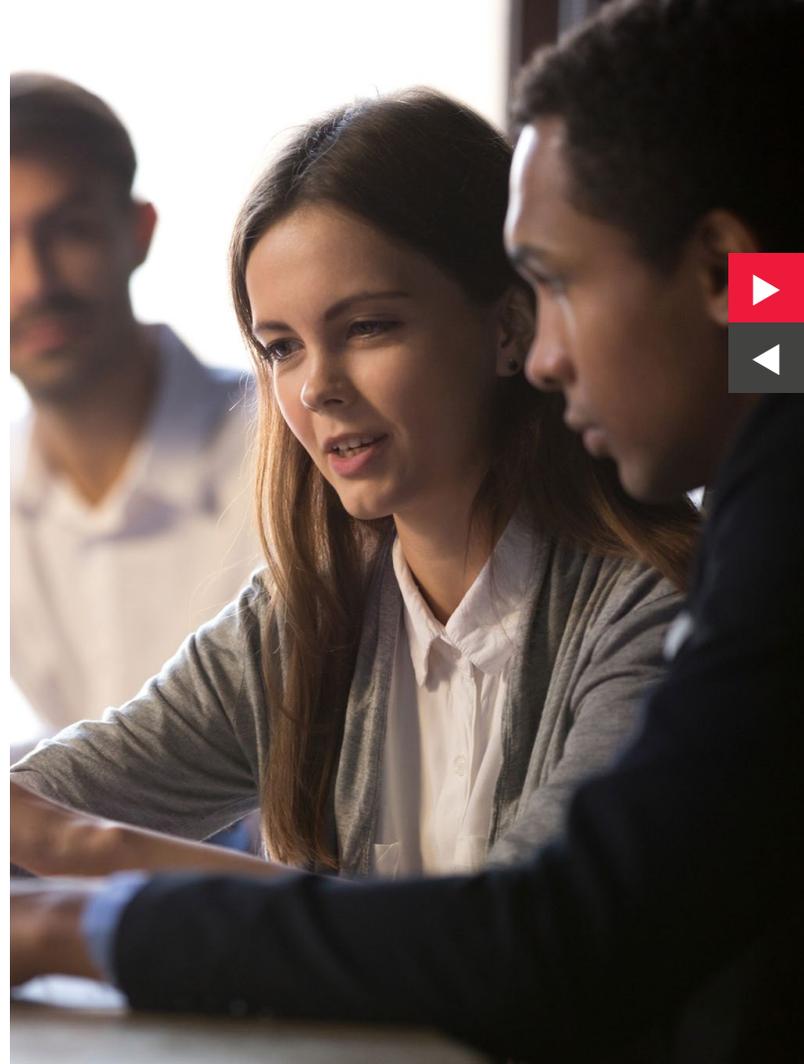


MYTH 5:

Everything That Can Be Automated Should Be

Virtually any manual process can be automated to some degree, but sound decisions about what to upgrade require a careful comparison of the relative costs and benefits. For example, if your invoices often are missing vendor codes, the manual effort required to address all the flags raised by your OCR bot might partially or completely offset any potential time savings.

However, keep in mind that automating a single high-impact task—even one with many exceptions—could result in efficiencies in multiple dependent steps of the process, adding up to a total benefit that far outweighs the cost. That is why your cost/benefit analyses should take into account all the effects of automating a given step, including any that occur to downstream processes.





MYTH 6:

Automation is Futuristic and Complicated—and a Bit Scary

Terms like AI and machine learning may conjure visions of sci-fi robots wrestling control from their human creators. But automation tools actually give you more control—not less—over your accounting and finance functions by allowing you to selectively delegate certain tasks to bots. You decide what and how much to automate, from basic data entry and maintenance to reorganizing complex report generation.

In that way, automation allows you to make major advances in the speed and efficiency of your accounting output, without requiring changes to your business processes. For example, automating steps that represent transfers of data between discrete applications may enable legacy applications to share data, creating an integrated system out of your existing software tools.

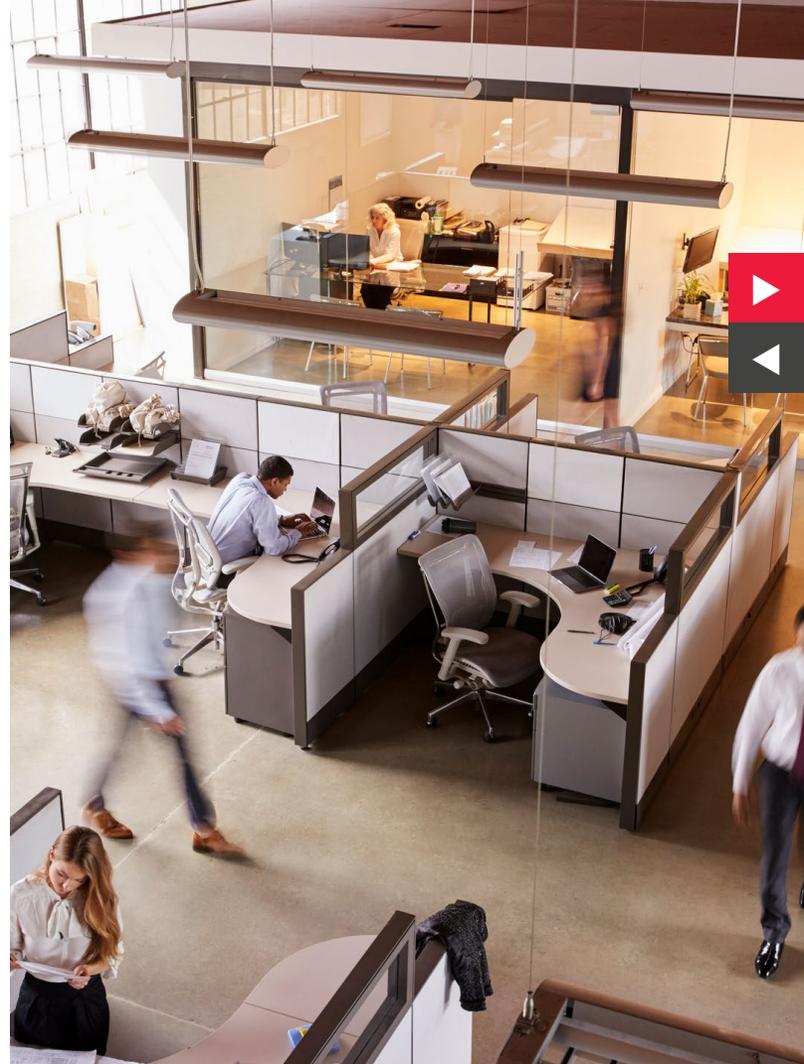


MYTH 7:

Automation is for Large Enterprises Only

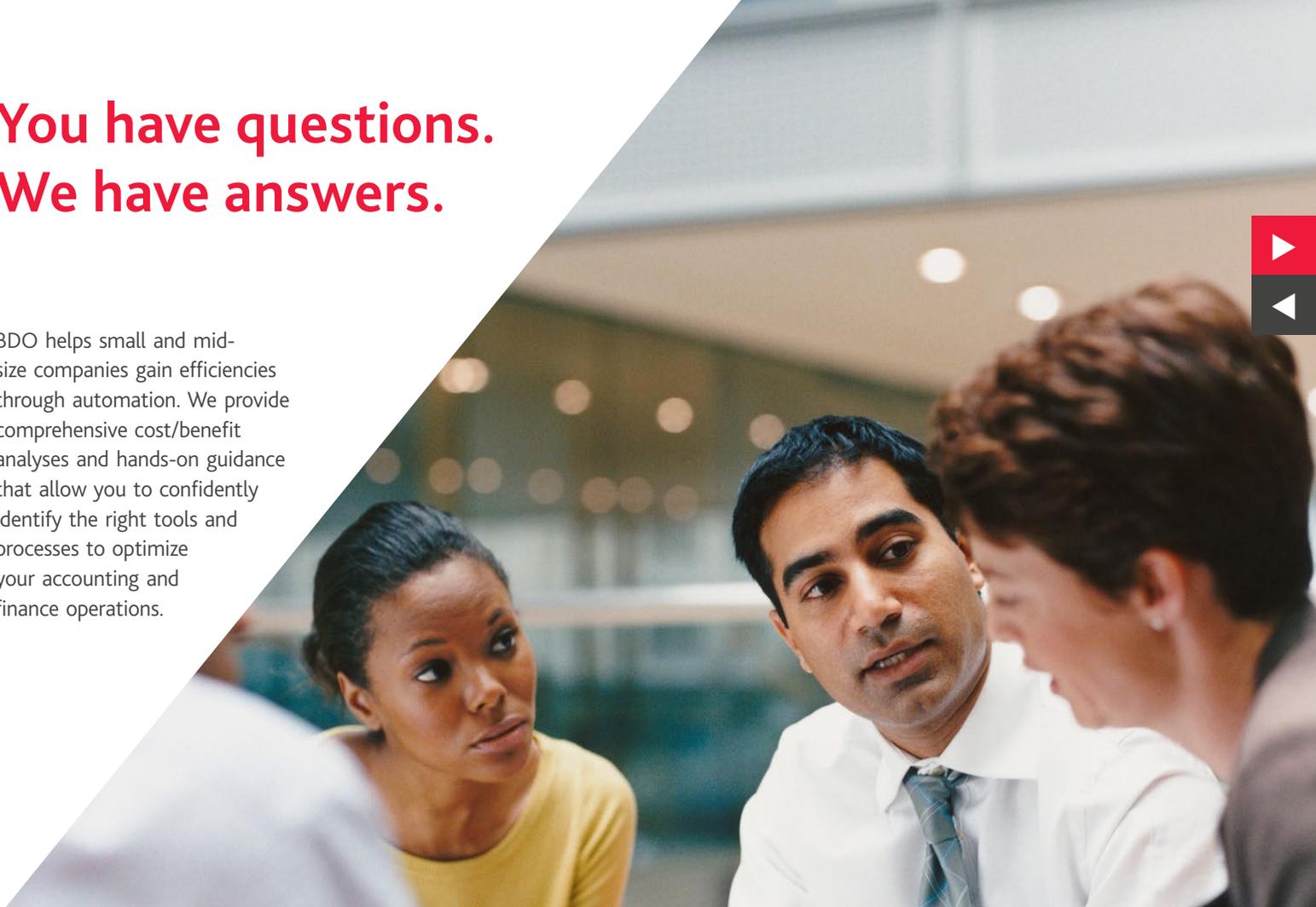
Because you can cost-effectively automate just one step or several, even small companies with limited budgets can strategically leverage automation to gain efficiencies. Although the optimal way to approach automation will differ for each organization, a sound high-level plan should include the following steps:

- ▶ Understand and document your current business processes, step-by-step and click-by-click
- ▶ Model the flow of data through your current technology systems
- ▶ Identify and select the right automation tool(s)
- ▶ Implement an organizational change management plan that includes employee re-training and communication



You have questions. We have answers.

BDO helps small and mid-size companies gain efficiencies through automation. We provide comprehensive cost/benefit analyses and hands-on guidance that allow you to confidently identify the right tools and processes to optimize your accounting and finance operations.



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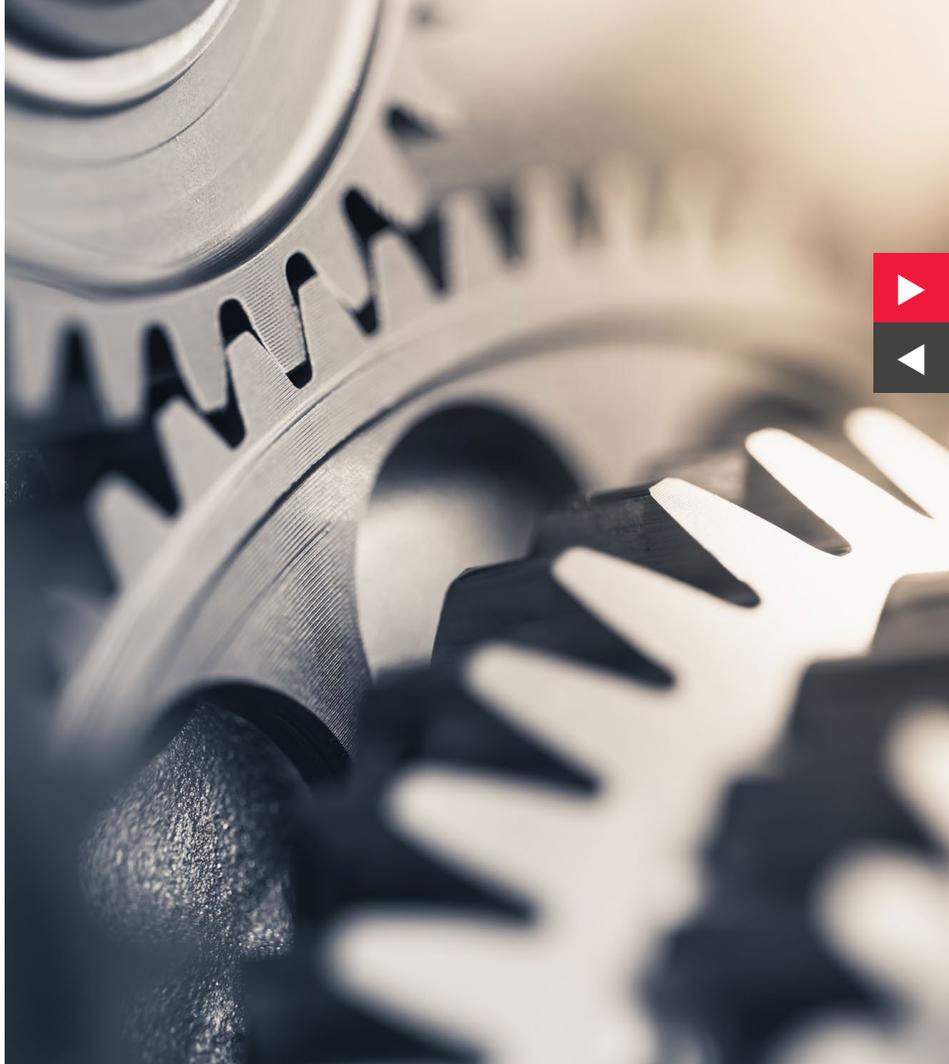
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