



Turning Adversity into Advantage

Finance Paves the Way for Future Growth

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THE BEST RUN



It is often in overcoming the greatest struggles that we achieve the greatest growth. This is true for both the human spirit and for businesses. The global response to COVID-19 in 2020 presented some of the biggest challenges businesses had to face in modern times. It was a time of retrenching: re-evaluating costs, cash, and how to manage liquidity; rapidly adapting to rapidly shifting work patterns; reworking processes to function in a decentralized work environment; and so many other unexpected situations.

Because of these challenges, businesses have, by necessity, become more agile and better able to respond to business conditions. Indeed, 86% of executive leaders agree that the pandemic has forced their organizations to become more open to experimentation and quick shifts in strategy.¹ This adaptability and agility, in turn, helps position them for future growth.

Priorities have shifted. Growth is now the number one overarching objective: 84% of executives report at least one growth-related goal, such as increasing sales growth or improving the customer experience, among their top five strategic priorities for the next 12 months.²



As new types of spending, pricing and business model shifts, new regulatory requirements, remote work, and other changes forced rapid adaptations, organizations have looked to technology solutions that provide responsiveness, predictability, insights, and enhanced control, all without sacrificing the user's experience. Many organizations seized the opportunity to reassess financial processes and adopt new solutions.

Here, Deloitte and SAP share their perspectives on the major forces continuing to influence business, how financial leaders are coping with these new realities, and the strategies they are adopting to help their organizations move forward stronger than ever.

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Major Global Forces Continue to Reshape the Business Landscape

While the global economy is continuing to recover, it is still influenced by pandemic containment and vaccine roll-outs. With shifting political climates, regulatory requirements, global trade deals, and other unforeseeable geopolitical events, uncertainty would exist even without the pandemic. One thing is certain: businesses will never return to the “old way” of doing things.

One major effect of these disruptions is that many employees will continue to work remotely. In fact, we’re seeing that a majority of workers do not want to go back to the old way of doing things. They want the option to work remotely, at least some of the time.³ That, of course, has a profound effect on processes and systems that organizations have been using to keep their business running. Many organizations that resisted remote or hybrid work were forced to embrace it in the short-term and now face long-term decisions that can impact everything from real estate costs to recruiting and retention. And it represents a broader philosophical shift to find a better way to do what’s always been done:

- Take forecasting and closes, for example. Organizations are shifting from the monthly or similar periodic cadence for core financial functions to an ongoing, continuous approach. Why? Because in a business environment where the pace of change itself has risen to break-neck speeds, when customer preferences can change without warning, and day-to-day sales affect budgeting and forecasting, the old models may no longer make sense.
- Or think about business travel and T&E spending. While business travel is slowly returning and will continue to grow, business travel patterns – and, as a result, T&E spending and travel policies themselves – will change as organizations redefine the value of a business trip.



While these disruptions have compelled businesses to adapt quickly, there’s a danger of employee resistance. When too much change happens too fast, it can lead to “transformation gaps.” Businesses must move ahead cautiously by implementing change management strategies to help employees adapt alongside the organization.

Moving Forward: A New Foundation for a Better Future

Business leaders must move beyond day-to-day survival and focus on reshaping their futures and laying the groundwork for growth. Research indicates that organizations are re-examining existing processes to identify areas for improvement, starting with small adjustments that have a large impact across the organization.⁴ One major trend is that they are leveraging intelligent technology to help increase productivity, efficiency, and speed — positioning the organization to remain profitable while moving forward faster.

The Strategic Focus

Executives across the Americas, Europe, and the Asia-Pacific region see these as their top strategic priorities in the next 12 months.⁵

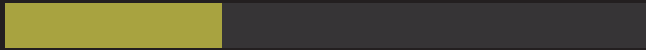
Increase sales growth **31%**



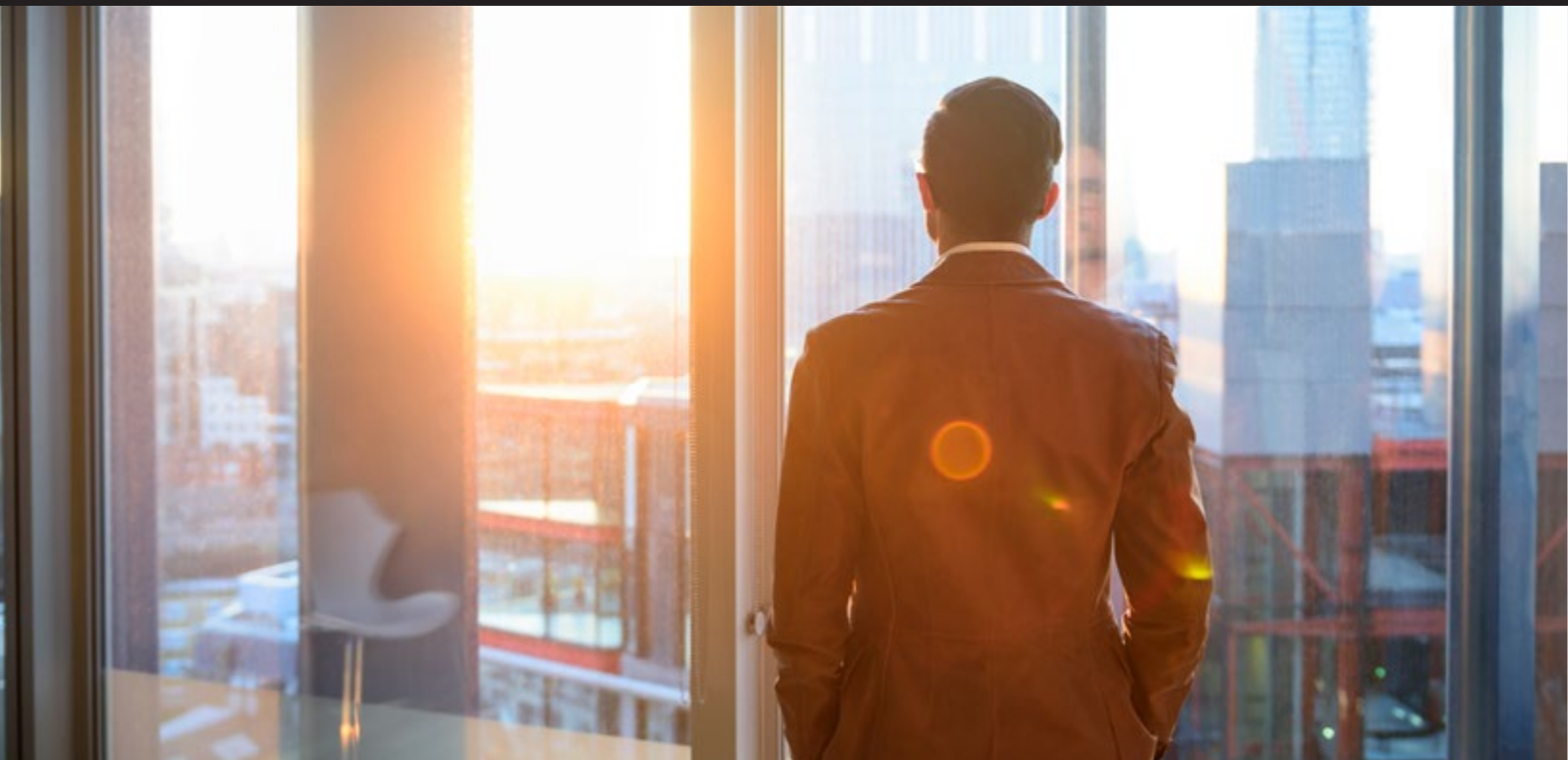
Ensure employee safety and well being **29%**



Increase adoption of new tech **30%**



Improve customer service **28%**



Finance Executives Take the Lead in Resetting for Growth

In many organizations, reducing costs and gaining greater control over spending were areas of emphasis in 2020. Now, financial leaders are taking these same strategies and using them to fuel stronger and faster growth – shifting their focus and resources to reinventing foundational financial processes in order to make them faster, easier, and more automated than before. **In fact, 88% of executives surveyed agree that “finding new ways to increase speed and flexibility in the management of expenses and invoices is critical for my organization to stay profitable and continue to grow.”**⁶



Financial leaders themselves are taking a lead in implementing technology for better travel, expense, compliance, and invoice management. They are focused on gaining better control over all financial activities by investing in technology that:

- helps the organization re-imagine work processes for a decentralized workforce,
- provides tools to gain visibility into current spending and helps forecast future activity more accurately,
- improves auditing efficiency and tax reporting to uncover savings,
- and adapts more quickly to changing regulation, vendor relationships, and business travel patterns.

Targeted Technology Investments Promise Strong ROI

Technology modernization initiatives were vitally important pre-pandemic, but many plans were put into overdrive in 2020. Today, organizations are taking a highly strategic approach to modernization, focusing on those technology investments that promise to have the fastest, biggest return.

Cloud-Based Solutions Answer the Need for Anywhere-Access

At the core of many technology-modernization initiatives is the shift of as many systems and processes to the cloud as possible. Cloud solutions are the cornerstone supporting a more remote or virtual workforce with easy anytime, anywhere access. But they also enable organizations to take advantage of innovation faster – putting the latest technology to work as soon as it's available.

Artificial Intelligence and Machine Learning Will Play an Increasingly Large Role

Artificial intelligence (AI) and machine learning (ML) can broadly impact financial operations, adding value wherever they are implemented. Here are just some of the ways businesses are adopting AI/ML solutions:⁷

Automation

- **Process improvements** that include eliminating manual processes, faster reimbursement, reduction of manual reviews and approvals, and identification of fraudulent claims that can be missed by humans
- **Infrastructure optimization** via automated integration and interoperability for simplified management and consistent processes

Insights

- **Added intelligence** that provides employee travel and accommodation recommendations, improves policy compliance, and guides expense management adjustments based on AI-analyzed data
- **Data analyzation and insights** that help organizations gain key insights on inefficient and costly processes, improve risk assessment, eliminate errors, and increase compliance

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Companies Look to Gain Greater Value From Existing Solutions

Making adjustments to existing processes using technology delivers tremendous value at a low cost. Here are a few of the ways finance leaders are using their existing solutions to realize significant savings, greater control over spend, and ensure compliance.

1. **Make real-time a reality** – shift periodic processes and workflows to fit the always-on reality of modern business.

- **Go from periodic closes to continuous accounting** by orchestrating the entire process and all the people involved – bringing consistency and speed by using a simple, central template; best practices; and planning, transactions, consolidation, reporting, and analytics all together in one system.
- **Create and modify planning models on the fly** by combining planning with data discovery, visualization, and predictive analytics, so you can run simulations at any level of detail with any number of collaborators all in real time.
- **Proactively manage risks and processes** by embedding controls and risk management right into your ERP system and applying intelligent technology and governance to your processes and transactions, so you can stay ahead of identity issues, cyber threats, and international trade exposures.



2. **Create flexibility that scales** – Establish a modern, versatile technology infrastructure that equips you to take on virtually any challenge and deliver dynamic growth.
- **Reinvent business and billing models in an instant** by dynamically designing subscription- or usage-based structures, running projections to measure the impact, then quickly launching and managing billing, collections, disputes, and DSO.
 - **Operationalize sustainability** by embedding sustainable disciplines into core business processes, so you can increase visibility and control of material usage, carbon emissions, and humanitarian and social aspects of business operations.
 - **Quickly expand to new markets** by adapting to the unique language and regulatory requirements in each country, so you can add employees, customers, locations, and more throughout the world without adding complexity.

42%

of employee expense transactions do not meet compliance requirements for VAT/GST reclaim due to incorrect information and missing data.⁸

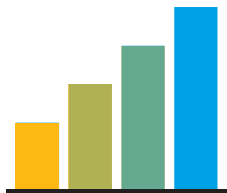


3. **Bring more financial processes together in one place** – close the gaps in data and workflows that slow you down by bringing every critical financial function together in one solution with one consistent experience for the entire company.
- **Efficiently direct liquidity and working capital management** by linking treasury tasks together with core financial processes, so you can view cash balances and liquidity forecasts, run what-if scenarios, and understand cash requirements in real time – all in one place.
 - **Capitalize on innovation faster** by creating a centralized financial hub that harmonizes information held in systems spread across your company. As a result, you can create a real-time digital map for all your financial data and processes, then apply new technology without having to rip and replace existing systems all at once.
 - **Connect finance to the rest of the company** by linking critical data sources and workflows across HR, operations, supply chain, sales, marketing, and more, so you can eliminate inefficiencies and disjointed views and drive company-wide innovation and transformation.

Evolving for the Future With the Help of Technology

Over the years, virtually every organization has learned hard lessons about the value of sensing and responding to sudden shifts in customer demand, competitive pressure, economic forces, and their own strategies. Financial leaders are applying those lessons to position their organizations to be able to adapt to evolving situations more easily and quickly, free their teams from burdensome busy-work, empower their employees and ensure their well-being, as well as create the conditions for expanding profitably.

Top financial leaders realize that standing still will only get them left behind, and that's not an acceptable option. With strategic technology investments, they are resetting their organizations for growth.



**To learn more about how to reset
your enterprise for growth, visit
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Let's Talk

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¹The Economist Group and SAP, [Ready, Reset, Grow](#), April 2021

²The Economist Group and SAP, [Ready, Reset, Grow](#), April 2021

³Deloitte, "[The Kinetic Enterprise: Where do we go from here? The Year Ahead](#)," January 22, 2021

⁴The Economist Group and SAP, [Ready, Reset, Grow](#), April 2021

⁵The Economist Group and SAP, [Ready, Reset, Grow](#), April 2021

⁶The Economist Group and SAP, [Ready, Reset, Grow](#), April 2021

⁷TTGmice, "[AI Adoption in workplaces will accelerate in 2021](#)," January 11, 2021

⁸VATBox data benchmark, 2018