



Driving Finance and Business Decisions Today and Tomorrow

by Alex Wright, Freelance Copywriter and Journalist

Technology is set to transform the management accounting and controlling function like never before.

Driving this is the increasing need from organizations for faster and greater access to key business insights delivered by their controllers and finance teams in order to help them make integral business decisions.

And with less than five percent of finance divisions able to provide consistent business insights, according to SAP's research, the need to harness new technological advancements such as artificial intelligence (AI) and machine learning has never been greater.

But first, let's take a look at how the problem has manifested itself and how technology is shaping the way that controllers and their finance departments are helping companies to fulfill their business goals.

For the last 20 years, the role of the head controller and the finance division at large has been to support their organization and to provide the necessary insights to the CEO and their team to make critical business decisions. However, now companies are relying more than ever on their finance departments to deliver these insights in a much faster, and more consistent and transparent way, driven primarily by shifting business models, increased market volatility and competition, and, of course, the digital revolution.

"That is the changing business reality," said Michel Haesendonckx, global solution owner, financial planning and analysis at SAP.

“ Fundamentally the biggest challenge is the pace at which controllers and their finance teams have to deliver these key business insights, and it’s a global issue that cuts across all industries. ”

Controllers have the added problem of having to deal with much greater volumes of internal and external data today. Many also become tied up with operational tasks rather than focusing on their main role.

“Finance teams need to change their way of working to be able to spend more time focusing on delivering these insights; both understanding where their margins are coming from, but also using predictive analytics to determine the impact of certain key decisions on the organization’s financial performance,” said Haesendonckx. “On the other side, they need to embrace the latest technological developments available to improve their efficiency.”

However, help is at hand. New technological advancements such as machine learning, AI and blockchain will enable the automation of many of the operational tasks and thus free up finance teams to concentrate on delivering those key insights.

“Alongside the predictive analytics, organizations will also be able to automate their reporting and business intelligence processes using smart alerts to identify any anomalies in the data,” said Haesendonckx. “In terms of document flow, this technology can be used to harness the data already available to businesses to predict the financial impact on the company based on an order before an invoice is sent out.

“That way the controller will be able to deliver a better and more accurate insight. That ultimately makes the organization more efficient and able to react quicker to events by enabling it to make more informed business decisions.”

That’s where the International SAP Conference for Management Controlling comes in. The event, which is being held in Madrid, Spain on September 12 to 13, will cover everything from finance in the digital economy to the future work of the controller.

Haesendonckx said that the aim of the conference is to bring together finance professionals across a multitude of industries and geographies to share ideas and to learn from each other. Given the blurring of the lines between the production and service sectors, he said that there are more synergies between businesses than ever before.

“Many of the management accounting and controlling processes such as the cost of goods sold planning used in the automotive industry on a daily basis, for example, could be used in other manufacturing sectors,” he said.

“ Then there is the end-to-end value chain concept already used in production which could be adopted by more service-oriented industries. ”

Haesendonckx added that on the technology side SAP will be focusing on getting companies to take full advantage of their existing management accounting and controlling software, much of which is currently under-used. With the new generation of S/4HANA enterprise management applications, he said that combined with their analytical capabilities, controllers and their teams can now better deliver on their business goals.

“It’s about understanding the key requirements and pain points for controllers across the different industries worldwide both from a financial and technological perspective, and how we can bring the two together to ensure the best outcome for them,” he said.

“

By combining a top down mathematics based approach centred on statistical modeling and a bottom up transactional based approach typically used to provide the basic costing information, the whole process can be driven much more efficiently, producing a better end result.

”

Find out more about the International SAP Conference for Management Controlling [here](#). Or please feel free to get in touch at +44 (0)121 200 3810, info@tacook.com.