



GROWTH & PROFITABILITY PLAYBOOK

# TOP INSIGHTS FOR FINANCE LEADERS IN 2023

VIC.AI

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A PATH TOWARD INNOVATION IN

# FINANCE & BEYOND

**As a finance leader, what is your main priority for the next year?**

This might sound like a trick question as today's finance leaders wear many hats to properly serve their organization.

Over the last decade, Chief Financial Officers and finance leaders have become the CEO's copilot, providing insights for value-enhancing decisions. With leadership and business acumen, CFOs have naturally grown into this role as they continue to optimize their traditional finance function and add non-finance initiatives to their responsibilities.

Once focused on the past with transaction management, the most valued finance leaders now help guide businesses into the future by focusing on growth. Instead of being reactive, finance leaders are becoming increasingly proactive as processes improve and more time is freed up for planning & analysis or encouraging innovation. With the help of technology, the modern day finance leader is broadening their impact on organizations, playing a bigger role in strategy.

## THE TOP 5 FUNCTIONS

# REPORTING TO THE CEO

Finance leaders have increased oversight in key areas of organizations across the globe. Even five years ago, technology and digitization were barely on the horizon for most CFOs. Though technology wasn't at the forefront, CFOs were responsible for much more than finance. On average, five functions other than finance reported to the CFO in 2016.

Digital functions were at the bottom of this list. Only 14 percent of CFOs reported overseeing digital areas of their companies. According to the latest McKinsey Global survey, "Between 2016 and 2021, the share of finance leaders who say that they are responsible for their companies' digital activities has more than tripled." The pandemic forced companies to prioritize adaptation, causing finance leaders to lead the charge of accelerating digitization when their workforces abruptly shifted from the office to remote.

Business leaders face unique challenges as we enter 2023, and the effects of the pandemic continue to impact the global economy. From supply chain disruptions to interest rate hikes, finance leaders have the opportunity to tackle critical issues in the coming year. With that in mind, these are the top five priorities you, as a finance leader, can take action on to give your organization a competitive advantage as reimagining the workplace becomes imperative in a highly volatile operating environment.





# THE SEVEN HATS OF THE CFO



## Co-pilot

partner to the CEO with a complementary skill set



## Magistrate

arbiter of disputes and enforcer of the law



## Consigliere

trusted counsel, offering advice at the highest level



## Rescue Service

Identifier of problems and presenter of solutions



## Storyteller

creator of clear narrative for internal and external audiences



## Engineer

master of processes and systems; architect of business models



## Muse

promoter of fresh thinking and value enhancing decisions



**Joerg Joergensen**  
CFO, Vic.ai

From one CFO to another, Joerg Joergensen sees the demands of the modern finance leader first hand. Based on his experience, above are the seven hats the CFO wears as one helps lead their company.

Joerg is a finance executive and entrepreneur with a global perspective and multifaceted experience in financial management, AI and process transformation, strategy development, and operational efficiency.

1

# PROCESS EFFICIENCY

increase speed and accuracy



## COSTLY INEFFICIENT PROCESSES

# LACK OF AGILITY

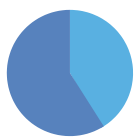
Inaccurate financial data can waste your teams' precious time -- up to 114 days, according to *Blackline's global survey of C-suite executives and financial professionals*. That's more than one-third of the full calendar year your finance team may be spending identifying errors and making adjustments.

Not only are business leaders losing valuable time, but they are also suffering from significant reputational damage, and data errors are negatively impacting their ability to secure additional investment.

With over 55% of respondents reporting a lack of confidence in identifying financial errors, finance leaders need to address the root of the data inaccuracy problem. **Human error** is reported as the top cause of hidden inaccuracies, followed by **multiple data sources, lack of automated control,** and **clunky technology**.

Awareness of errors before they occur is a capability your team is likely seeking out. If this is not yet on the horizon for your business, 2023 is the year you need to prioritize business intelligence to avoid falling behind.

## THE COST OF HUMAN ERROR IN REPORTING



**41% of inaccurate numbers**

in reporting stems from human errors  
*Accounting Today*



**28% of companies report**

that incorrect data has been manually input into their enterprise system  
*Accounting Web*



**10 days per month**

is spent on identifying and adjusting errors in organizations  
*PR Newswire*



## PROCESS EFFICIENCY

# INCREASE SPEED & ACCURACY

**Now that we've identified the causes of low confidence and errors in financial reporting, how can they be solved?**

The first step is to eliminate manual tasks as much as possible by updating outdated processes across your organization to provide a more holistic and accurate view of your company's performance. For the sake of time, we will focus on a common deficiency within finance departments - Robotic process automation (RPA).

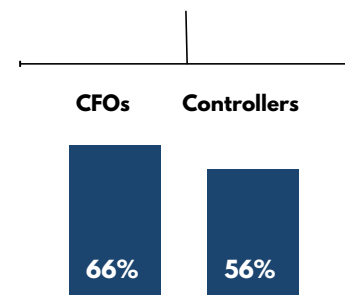
**Was implementing RPA and workflow automation a complete waste?**

A recent Gartner study found that RPA and workflow automation remains vital, but "to reap the benefits of automation and drive significant results, CFOs now need to focus on additional technologies (including chatbots, artificial intelligence, and machine learning) that cover increasingly complex, dynamic processes requiring human judgment."

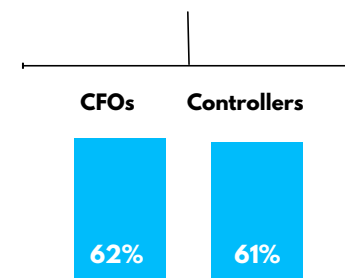
As artificial intelligence and machine learning technologies continue to improve, they can elevate outdated automation workflows of RPA that require tedious human tasks to maintain. Artificial Intelligence can perform cost-side accounting autonomously by learning from your data and your accounting team, gradually taking over the wheel and replacing legacy OCR and rules-based methods. This type of software is designed to work across one or multiple ERP systems and can help your finance department strive for process agility.

**Priority: RPA and other workflow automation**

% expect to spend more time on this goal in 2021



% expect it to be difficult to achieve this goal in 2021



# PROCESS EFFICIENCY

- 1** Determine the end goal of implementing a broad change
- 2** Audit current processes to determine successes and areas that need improvement
- 3** Update inefficient workflows with more simplicity
- 4** Implement artificial intelligence to accelerate legacy processes

## 2

# EMPOWER EMPLOYEES

to create an agile company culture



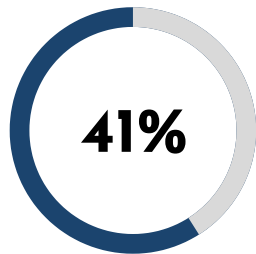


## TALENT RETENTION

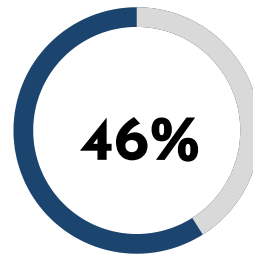
# WORKPLACE EXPERIENCE

Overall talent retention is a particularly acute issue for finance leaders in today's environment. Over 40% of the global workforce is considering leaving their current employer, and 46% plan to make a significant career pivot. The Microsoft Work Trend Index indicates that leaders are out of touch with employees and need a wake-up call as 61% of leaders report they are "thriving" right now while their employees are not sharing the same sentiment. Employees continued to show dissatisfaction by leaving their employers in 2021, which is predicted to continue. Microsoft reports that 74% of employees have only stayed in their current roles out of the need for security during the pandemic's uncertainty.

### Employees are at an inflection point



**41% of employees are considering leaving their current employer this year**



**46% say they're likely to move because they can now work remotely.**

Losing employees, hiring replacements, and training new staff are costly operations that impact much more than your general ledger. It affects your company culture, which is difficult to create and maintain as it's more of a qualitative metric. Workforce demands will continue to change and meeting your current and future employees' needs are crucial to retaining and attracting high-quality talent. Making your employees' roles and personal lives feel valued is easier said than done, but will go a long way.

## EMPLOYEE EMPOWERMENT

# PROVIDE VALUE TO ROLES

### **Provide flexibility & balance**

Demands for fully remote or hybrid work options have increased significantly due to the forced work from home trend that began in early 2020, which has caused employees to discover they waste time working in an office every day. Whether employees are in the office or not, time away from work is a necessity. Prioritize your employees' mental health by encouraging more time away. Time off is especially important if employees' home and office is the same place. It is much more difficult to shut work off if there is no transition from the work day to personal time. Flexibility and balance are key here.

### **Offer digital upskilling to current & potential employees**

With the addition of AI, how can your current employees keep up with the skill requirements through the acceleration of digitalization?

Leaders can identify tedious processes that can be updated by technology and free up your employees' time from monotonous and consuming tasks. Once these more efficient processes are implemented, leaders can work with their teams to identify relevant skills needed for new processes and develop the necessary on-the-job training programs.

Gartner's 2021 Finance Trends & Priorities Report shows that five digital competencies are essential and applicable to back-, middle- and front-office finance work: technological literacy, digital translation, digital learning and development, digital bias management, and digital ambition. Once these training programs are created, team leaders can ensure consistent processes are followed across the organization. Since most of these skills will likely be invented by your organization, your hiring managers can take this chance to offer opportunities to a more diverse candidate pool who might not have the skills upon hiring but have the aptitude to learn new skills and technologies.

# EMPLOYEE EMPOWERMENT

- 1** Provide a roadmap for your employees to visualize the path forward
- 2** Offer upskill digital training as technology evolves
- 3** Free up employees from monotonous tasks so they can focus on the big picture
- 4** Give employees ownership of the company culture and their own time



**3**

# UTILIZE TECHNOLOGIES

reduce costs and maintain control



LACK OF SUFFICIENT FINTECH

# LEGACY FINANCIAL SYSTEMS

Digitizing workflows and operations should be regarded as one of the most crucial undertakings this year. The digitization taking place, particularly in accounting and finance departments within U.S. companies, has accelerated rapidly over the past year, for a good reason.

**WHEN DIGITAL TRANSFORMATION IS DONE RIGHT, IT'S LIKE A CATERPILLAR TURNING INTO A BUTTERFLY, BUT WHEN DONE WRONG, ALL YOU HAVE IS A REALLY FAST CATERPILLAR.**

*George Westerman, MT*

Finance professionals have been drastically underserved when it comes to technology innovation. As a result, large enterprises spend millions to tens of millions of dollars per year on manual processes. Suppose you are a part of a larger organization. In that case, the need for digitization or automation is even more pressing to maintain control over company finances, as you deal with large volumes of customers, accounts, and payments.





## TECHNOLOGY UTILIZATION

# REDUCE COSTS WITH AUTONOMY

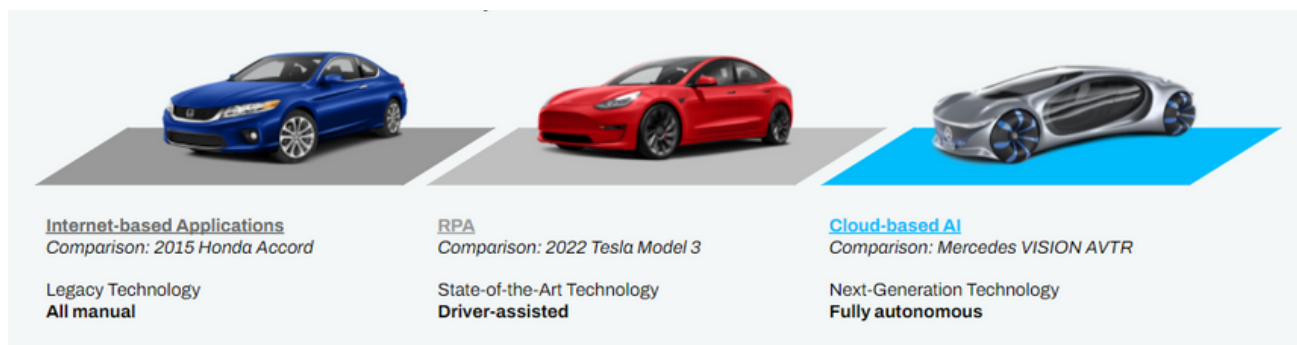
### Reinvent outdated processes

When looking at which part of your business to focus digitization efforts on, start by identifying your bottlenecks or where there is a lack of control due to manual processes. A question you should always think about is: how do we automate routine tasks and improve the process? As you are looking for ways to improve or automate processes, a few end goals to keep in mind are instant visibility and control over data.

### Align technology to deliver complete solutions

When looking at implementing technologies, start by conducting a complete process audit. Then, identify all products and technologies required to do the job with the desired outcome. Try to include products and technologies outside of your normal scope to push the boundaries. One of the main benefits of automation technology is that it can work 24/7 with accuracy and consistency. You might think you have already automated processes like invoice management, but if your team is part of the 68% of accounts payable teams who are still manually typing invoices into your ERP system, there is room for process improvement. Below is an example of how automation is beneficial, but fully autonomous technology has added advantages that work towards a future goal of instant visibility and reliability. Once the trust is built between the driver or in your case, the accountant, fully delegating those tasks to the car or finance technology will be a game-changer.

### Automation to autonomy progression model



# TECHNOLOGY UTILIZATION

- 1** **Align the organization's technology strategy with corporate strategy**
- 2** **Prioritize tasks according to how much time your team allocates to it each month**
- 3** **Look for complete technology solutions**
- 4** **Identify which processes are already automated, but still inefficient**

4

# LEVERAGE DATA

to drive growth initiatives





## REACTIVE DECISION MAKING

# NO REAL-TIME VISIBILITY

While automation is great for streamlining processes, data intelligence is the foundation for making informed, tactical decisions to identify growth opportunities. If you can leverage data strategically, you can be the ultimate owner and champion of value creation for the company.

### What is business intelligence?

According to IBM, "Business intelligence (BI) is an umbrella term for the technology that enables data preparation, data mining, data management, and data visualization. Business intelligence tools and processes allow end-users to identify actionable information from raw data, facilitating data-driven decision-making within organizations across various industries."

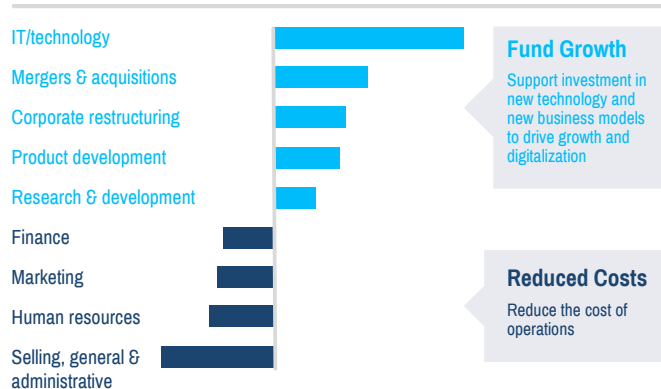
### Implement intelligence into your business

By using technology to leverage existing data sources, you will reduce the manual work of extracting, manipulating, and reconciling actual data from source systems. This allows you to make smarter and faster decisions with intel for actions, like purchase order matching, detecting errors or billing and collections. Detecting errors early allows more time to fix detected errors and provide timely transparency to all necessary parties.

These initiatives commonly start with collaboration efforts for employing external SaaS technologies. According to Gartner, Market Databook, 2Q21 Update, IT spending will continue to grow in the future as the focus is on growing and scaling businesses. Gartner predicts that the worldwide IT spending in 2021 and 2022 will expand by 6.4% and 4.9%, to drive growth and digitization.

### CFOs will need to reduce costs and fund growth

Average expected budgetary increase/decrease



n = Base sizes vary; excludes "don't know"  
Board directors were asked what budgetary changes they expected as a result of the COVID-19 impact.  
Source: Gartner View from the Board of Directors 2021

# LEVERAGE REAL TIME BI

## Invest in IT and technology to fund growth

Analytics has become a key driver of how value is created in companies, and the finance function is running the risk of drowning in data. As a finance leader, you need to spearhead the finance function in expanding analytical capabilities to help business stakeholders understand, interpret and use data to make sound operational decisions.

The majority of the budget increase should be on IT and technological advances, with a focus on data analytics and optimization, and bringing your operations into the future with hyper-automation technologies powered by machine learning capabilities. By adopting smart automation technologies, your company becomes more cost-efficient; in turn, your team saves time by gathering accurate financial data in one place, preventing burnout that is plaguing businesses with endless manual work.

**So, where should you start? To help identify challenges, sources of competitive advantage, and potential process improvement opportunities...**

- **Intentionally push to use analytics/business intelligence tools that give you access to real-time data.**
- **Strive for 100% transparency and accountability within the team. Define a set of operational KPIs to benchmark against at a higher frequency than monthly.**
- **Measure the finance function's performance against its peers in the same industry.**

# PROACTIVE DECISION MAKING

- 1** Take the time to create reports and dashboards to enable real-time reporting
- 2** Give ownership to dedicated pro(s) to developing and maintaining BI tools
- 3** Optimize the allocation of technology budgets
- 4** Strategically choose benchmarks and KPIs for a level playing field
- 5** Apply predictive planning with the use of analytics/data

5

# BE INDISPENSABLE

as a co-pilot to your CEO



## HISTORICAL FOCUS

# STRATEGY TAKES A BACKSEAT

Coming out of a tumultuous period, we were reminded how painfully fragile the world, and our day-to-day business operations are, which is why contingency plans and long-term thinking must take priority. Finance leaders need to be more strategic and ambitious, focusing more on driving strategic issues with the potential to shape the long-term future of their company, working alongside the CEO.

The starting point is to determine the company's current business performance, deciding what to prioritize and how to support the CEO best. Finance leaders must work with the CEO to align on company objectives, working together to codevelop the company's overall strategy.

**“BE BOLD WITH CAREER CHOICES. BE CONFIDENT  
IN YOUR ABILITY AND DON'T UNDERESTIMATE  
YOURSELF. YOU WON'T KNOW WHAT YOU ARE  
CAPABLE OF UNTIL YOU TRY.”**

*-Heather Dixon, CFO, Everside Health*

If the company is going through a restructuring or a turnaround, the focus needs to be on improving efficiency, investment management, and sustainable cost reductions. If the company is in a more mature stage, the financial leadership must prioritize new growth opportunities in a stagnating market. Suppose the company, on the other hand, is going through a growth spurt in an industry. In that case, the focus needs to be on new financing, optimizing the capital structure, and supporting the CEO in managing investor relations.

No matter what stage your business is in, delivering confident and realistic earnings calls will provide consistent transparency. Though these meetings might get repetitive, remember words matter when it comes to effectively communicating positive or negative results.



# BE THE INDISPENSABLE CO-PILOT

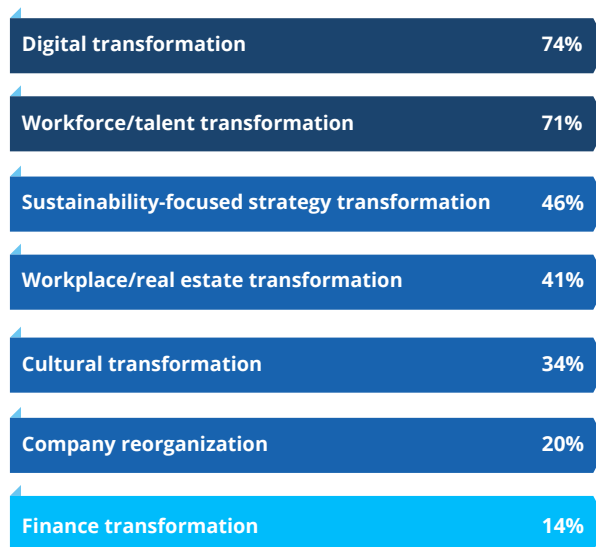
According to the fall 2021 Fortune/Deloitte CEO survey, leading CEOs representing more than 15 industries indicated their top two external concerns going into the next twelve months are labor/skills shortage (73%) and pandemic/future variants (70%).

Its no surprise that large-scale internal initiatives CEOs are preparing for include addressing their top external concerns through digital transformation (74%) and work/force talent transformation (71%).

finance leaders are particularly experienced in working with and adapting to unpredictable circumstances their company might face. Be a visionary by assessing, planning, and investing in digitalization efforts and talent management, which will be the keys to 202. Don't overlook the action plans or be afraid to think outside the box when planning for these initiatives. If you get these right, you and your company will be ready to take any challenge.

## Transformations or large-scale initiatives in the works

CEOs were asked if they consider their organization to be undergoing or preparing for any of the following large-scale initiatives. Nearly three out of four CEOs indicate their organization is undergoing or preparing for digital transformation.



In January 2021, 85% of CEOs agreed that the pandemic accelerate digital transformation

On average, CEOs say their organizations are undergoing or preparing for 3.26 large-scale initiatives – with three CEOs selecting 8 of 10 options.

# LOOK INTO THE FUTURE

**1**

**Invest in financial planning & analysis to provide enhanced forecasting**

**2**

**Look at the big picture - pursue shareholder value from employees to investors**

**3**

**Encourage experimentation and innovation in finance and beyond**

**4**

**Think long-term with strategic and flexible planning**

**5**

**Secure business health by constructing reliable control systems**

REINVENT YOUR ACCOUNTS PAYABLE DEPARTMENT

# AUTONOMOUS AP PROCESSING

Implementing our AI solution into your finance team improves processing time, cuts hours spent on repetitive work, and lays the groundwork for more intelligent spend.

- ✓ **Are you processing more than 5,000 invoices/month?**
- ✓ **Do you have invoices with and without PO?**
- ✓ **Do you have a semi-automated process and no AI?**

If your answer is yes to any of the questions above, [click the button below](#) to learn more about how Vic's AI-powered autonomous invoicing can help you save more time, money, and focus on the critical functions of your finance department to scale your business.

Vic.ai is pioneering the use of autonomy and intelligence to digitally transform accounting and finance processes to improve productivity, decision-making, and ROI. Vic.ai addresses the most manual and inefficient task in accounting – invoice processing – to improve its speed and scalability, and ultimately enable customers to reinvent their accounts payable operations and improve financial management. **By processing more than 535 million invoices with up to 99% accuracy, Vic.ai has helped 2,500+ customers achieve nearly \$70 million in cost savings and 6 million hours in time savings.** Vic.ai is jointly headquartered in New York City and Oslo, Norway. For more information, please visit <http://www.vic.ai/>.



**PUT YOUR ACCOUNTING  
ON AUTO-PILOT**