Transition to Digital: 6 Ways to Control Cashflow and Ensure Sustainability

Automation Enables Organisations to Thrive Amid Challenges.

Companies today are in a time of accelerated transition. Many organisations' competitive position is now being re-evaluated, requiring them to change their current path or risk weakened profits. To start, they lack visibility into the impact of COVID-19 on their operations so they can't properly assess and plan for the future. Teams are already working with a mix of paper and digital processes which is inefficient and prone to disruption, but with remote working and social distancing thrown in the mix, complexity is now further exacerbated.

Manual processes that organisations still rely on to carry out tasks aren't cost-effective. They are prolonged and often lead to inaccuracy, affecting reporting at a time when a clear and accurate view of cashflow is crucial. In the context of current disruption and economic outlook, many companies face difficulties of maintaining liquidity and cashflow. Concerns over data leaks or misuse that could result in reputational harm to the company and individuals are also on the rise as the workforce is increasingly mobile and dispersed.

> **54% of HR leaders indicated that poor technology and/or infrastructure for remote working is the biggest barrier to effective remote working in their organiszation.[1]**

While most businesses understand the importance of embracing digital change, many are discouraged from taking action due to their dependence on various stakeholders such as their IT department, suppliers, partners and clients. They're worried that introducing and harmonising new technology across their network will be frustrating and too cumbersome in the long run. Automating will enable you to:

Manage cash flow. Gaining cash visibility in real time will empower companies to proactively monitor and manage their working capital and cashflows across their organisation.

Optimise finance & accounting processes. This will ensure business continuity despite COVID-19 restrictions via cost-optimisation measures; and balancing short-term financial commitments against long-term, sustainable investments and stability.

Plan strategically for future sustainability. Building and implementing a robust and resilient finance strategy will make the finance team and processes more efficient and ensure the organisation's profitability.

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> **Organisations with poor financial processes typically suffer an error rate of 3.3% in their sales forecasts, compared to 1.5% leading organisations.[2]**

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Transitioning to digital is no longer a perk that some companies adopt to obtain a few benefits. All companies must accelerate this change if they want to remain competitive and minimise the impact of disruption now and in the future. In the immediate term, they should focus on stabilising and controlling cashflow and liquidity of their organisation. In the medium-to-long term, companies need to build resilience and implement processes that reduce risk to ensure sustainability.

When companies go digital, they harness continuous change, reach their management's vision and adapt to market pressures faster. In other words, they:

- ☑ **Minimise disruption to critical F&A processes, ensuring long-term sustainability of the organisation.** When companies automate manual processes and migrate to cloud-based services, they support mobility, reduce error and process information faster. They also bolster their risk mitigation strategy and can build resilience against the uncertainty of the current pandemic's economic and societal impacts.

- ☑ **Drive greater value and maximise productivity for sustainable success.** The ongoing economic situation is likely to affect most business operations and companies need to think long term. With competition expected to increase, customers will be less forgiving in a more difficult economic environment. That's why finding ways to be easy to deal with is becoming a crucial customer-retaining strategy.

- ☑ **Enable staff to spend more time on higher value work.** Spending time on rote and manual tasks is inefficient, boosts errors and wastes resources. Automation makes it possible for employees to focus on building relationships, driving growth and improving the bottom line.

☑ **Manage and control capital expense needs.** Adopting cloud-based services and automation removes the need for expensive and large infrastructure and assets. As a result, companies can access improvements through operation spend and reduce capital expenditure.

☑ **Align activities with ESGs.** Harmonising business with Environmental, Social and Corporate Governance is becoming increasingly important as a criterium for accessing funding – reducing carbon footprint is now a priority for investors and grantors, not just for the Corporate Social Responsibility (CSR) department.

☑ **Support mobile and dispersed workforce.** Employees can access the services from anywhere, on any device, while benefiting from a consistent user experience.

How Do Cloud Services and Automation Ensure Sustainability?

Organisations benefit operationally in a number of ways. Firstly, cloud services and automation speed up payment for customers and suppliers through rules-based routing, notifications, reporting and reduction of human error. It also provides companies with a more accurate view of the organisation's operation and delivers full visibility to all stakeholders and decision makers within the organisation. This empowers leaders to make smarter and quicker decisions that drive growth.

Secondly, they remove the need for expensive infrastructure and are easy to implement and scale. Companies can initiate and integrate a small project, then grow as required while realising ROI. Scaling this way also makes things easier for the IT department.

Thirdly, cloud-based services such as accounts payable (AP) automation support mobility and curtail the impact of disruption. Employees can access them from anywhere, on any device and enjoy a consistent user experience.

Finally, AP automation enables firms to pay and get paid faster. It translates into better customer experience and allows companies to benefit from early payment discounts.

5% of businesses are using a fully automated accounts payable approach while 19% had no automation at all.[3]

Digital Partners Are Key

Embracing digital transformation can be a challenging process if companies don't have access to the right partners to guide them through it. Partnering with professional digital vendors is mission critical for companies that want to deliver a consistent, value-driven customer experience. The right digital partner ensures that companies:

Consolidate key tasks and functions while managing analogue and digital aspects of information flow. Companies must be effective in managing the complex reality that includes a mix of paper and digital information. It's about finding a partner that can cover your current functions and processes while working with you to slowly implement digitisation in sync with your transformational strategy and needs.

Implement cloud-based architecture and process automation. This is a key component of a modern and efficient organisation. It supports mobility and a dispersed workforce and allows greater operational oversight – companies can review and optimise key tasks and functions to ensure greater efficiency. It removes unnecessary barriers to access and provides a consistent and user-friendly experience no matter how and where users access the infrastructure.

Identify key processes and functions with the quickest benefit to the organisation. Invoice and payment compliancy with regional needs and nuances is easily accomplished. F&A automation speeds up interactions with customers, provides greater efficiency and supports compliance and regulatory requirements. This removes costly barriers to entering new markets and allows for quicker onboarding and interactions with suppliers.

Eliminate difficulties that arise with digitisation and onboarding new technology. Quality technology partners provide solutions that integrate well and are underpinned by responsive support structures.

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38% of AP teams handle paper invoices, with 28% having to process the information manually.[4]

How RICOH Can Help

Smarter approach for increasing profit. Every business faces pressure to boost profit. One way of achieving this is to reduce costs. But when companies do this, they often reduce their capabilities which can have negative effects on the entire company. Choosing RICOH is a better and more intelligent approach to reducing and containing costs. RICOH enables companies to harness the opportunity of improving their service delivery to customers while systematically reducing costs at the same time.

Our cloud-based automation is scalable and cost effective. Companies can manage and monitor their costs to quickly identify deviations from plans and take corrective action towards reducing threats and capitalising on opportunities. By speeding up processing time and reducing the need for manual intervention staff can focus on higher value tasks such as building relationships that improve ROI. Plus, when companies optimise costs, they become more agile and able to respond to circumstances in a challenging environment.

Secure remote work with fewer errors. Automating workflow results in the elimination of offline decisions and external referencing to other areas where data may be held – a personal spreadsheet or list for example. Process no longer fails as a result of these manual elements. As teams transition to remote work we know that security is paramount. RICOH's cloud and infrastructure services are hosted in our MS Azure cloud which conforms to the latest security standards. By providing remote access, we're enabling companies to ensure continuity of operations even when disruption strikes.

Trouble-free integration. RICOH solutions integrate simply with your existing architecture. When you utilise cloud, your only requirement is to be connected to the internet. There's no need for expensive servers and storage space within your organisation. It means you can start small and expand gradually on the go.

Your F&A department can make fast gains from improvements in efficiency, productivity and compliance, while your regulatory requirements can be met by employing rules-based routing and archiving. These benefits are quantifiable and realised without much effort across various segments of your business, which is why document management and process automation is a good place to start adopting cloud-based services.

Quick and visible operational improvements

With RICOH's process automation and cloud-based infrastructure you can expect to see the following operational improvements quickly:

- ✓ Faster and more accurate information processing
- ✓ Error reduction
- ✓ Full transparency of process and increased regulatory alignment
- ✓ Reduction of time spent onboarding new suppliers
- ✓ Enhanced, more accurate and faster reporting for a more realistic view that promotes smarter decision making
- ✓ Reduced reliance on paper that results in waste reduction

1. https://www.gartner.com/en/documents/3981830/coronavirus-in-mind-make-remote-work-successful-
2. American Productivity and Quality Center (APQC)
3. https://www.webexpenses.com/2020/02/global-survey-results-accounts-payable/
4. https://www.webexpenses.com/2020/02/global-survey-results-accounts-payable/