

BRIDGING THE GAP BETWEEN BACK-OFFICE AND FRONT-OFFICE

Consumer Centricity is Universally a High Priority

Across the globe, consumer centricity is universally a high priority with CXOs. CXOs combine back-office and front-office activities to improve consumer centricity.

Top Priorities for 2018 and 2019

Percentage of Respondents

North America (n = 1,144)		EMEA (n = 786)		Latin America (n = 241)		APAC (n = 572)	
Revenue/business growth	27%	Digital initiatives	29%	Digital initiatives	29%	Digital initiatives	27%
Digital initiatives	14%	Revenue/business growth	18%	Operational excellence	22%	Revenue/business growth	18%
Operational excellence	12%	Operational excellence	15%	Revenue/business growth	17%	Operational excellence	10%
Customer experience	9%	Cost optimization/reduction	9%	Cost optimization/reduction	12%	Customer experience	10%
Business or financial goals	8%	Customer experience	8%	Data and analytics	6%	New products and services	8%
Cost optimization/reduction	7%	Business or financial goals	8%	Customer experience	6%	Cost optimization/reduction	7%
Industry-specific	7%	Business model change	7%	New products and services	6%	Data and analytics	7%
Modernization (of legacy systems)	7%	Industry-specific	5%	Business or financial goals	6%	Business model change	7%
Security	6%	Data and analytics	5%	Industry-specific	5%	Industry-specific	5%
Data and analytics	5%	New products and services	4%	Security	5%	Business or financial goals	5%

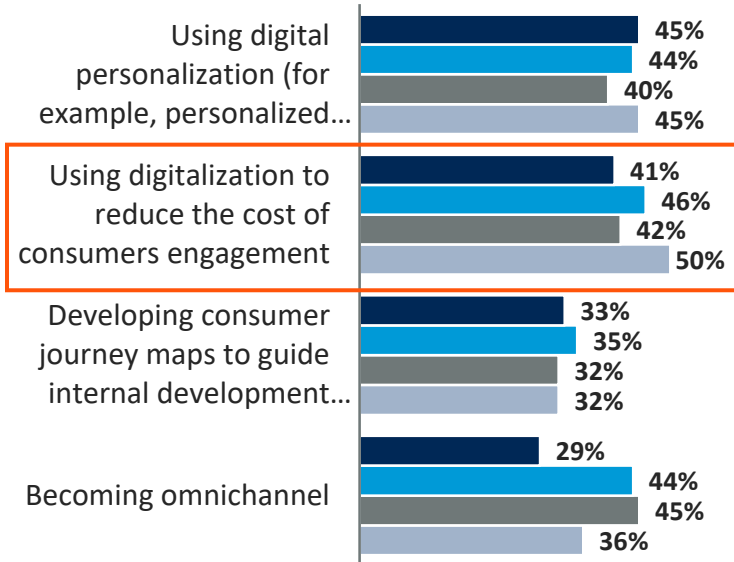
Source: Gartner

Globally, CXOs are Combining Similar Back-office and Front-office activities to Improve Consumer Centricity

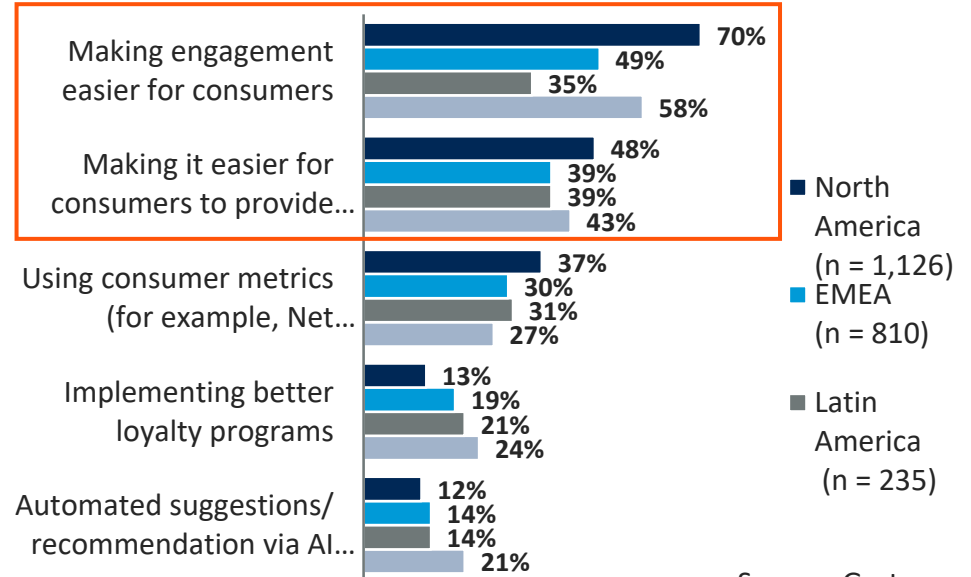
Focus Areas for Improving Consumer Experience

Percentage of Respondents

Back-Office Activities



Front-Office Activities



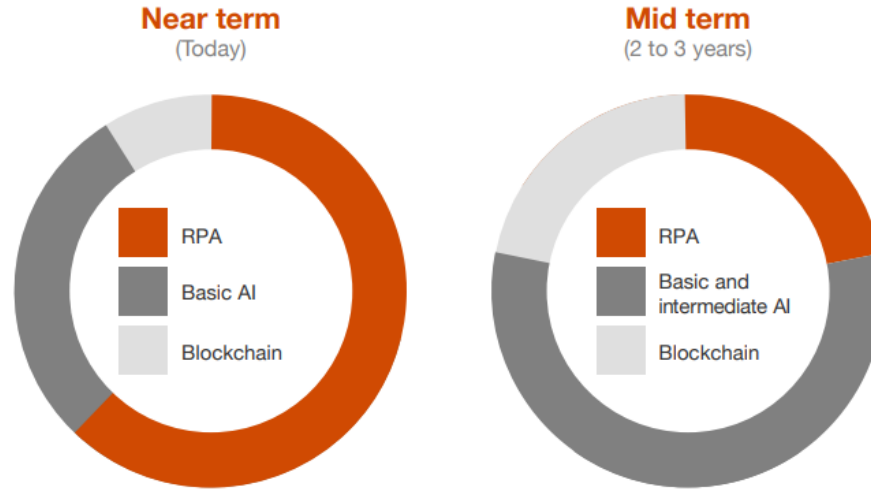
Source: Gartner

As predicted by Global Analysts Firms

By 2022, automation will eliminate 40% of non-value-added tasks within the office of finance

By 2020, embedded AI will become a key differentiating factor in finance systems' evaluations

Source: Gartner



RPA

- Process Improvement & optimization
- Automate routine, manual tasks

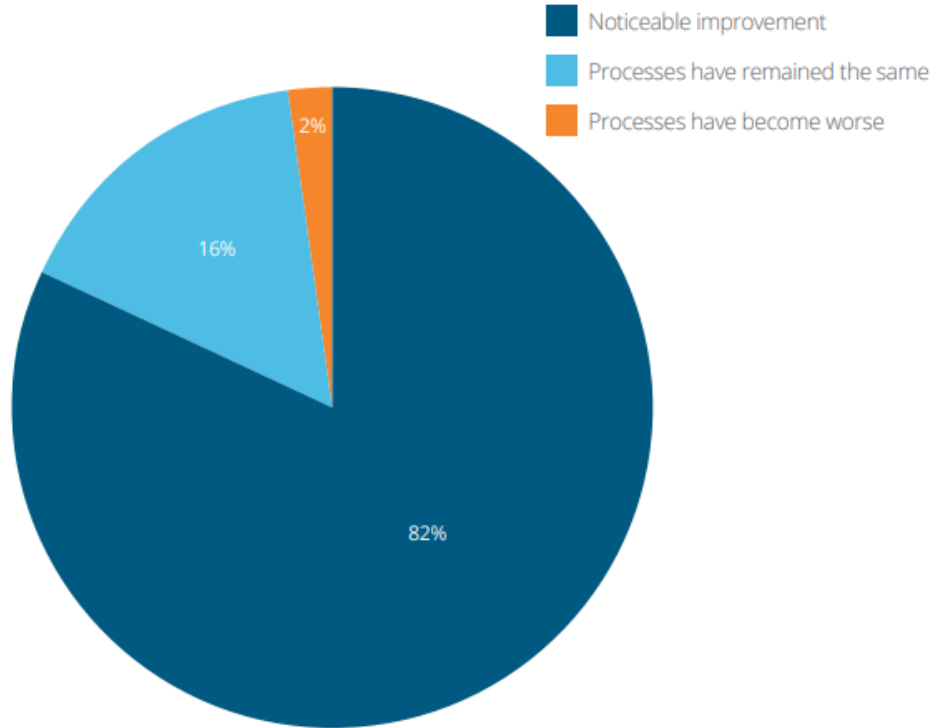
Artificial Intelligence

- Accounts receivable cash management and payment matching
- Financial close acceleration
- Improving collections by predicting customers that may default on payments or pay late

Source: PwC- How tomorrow's technologies can help the finance function of today

Perceived Improvement from AP Automation

PERCEIVED IMPROVEMENT FROM AP AUTOMATION



Source: Paystream Advisors 2018

Key metrics of back-office operations

KPIs	Top Performers	Industry Average
Order Cycle Time	5 hours	15 hours
Invoice Cycle Time	6 days	11 days
PO based invoices	72%	60%
Compliance management	83%	44%
Percent of Indirect Transactions through E-catalog	40%	20%
Percent of Indirect Spend through E-catalog	22%	5%
Percent of indirect requisition volume supported by catalog content vs free text	54%	38%
Spent to process per invoice	\$2.05	\$10
Total cost to perform AP as percentage of revenue	0.04%	0.16%

Source: Hackett, AQPC, Procurify

Key metrics of back-office operations

KPIs	Top Performers	Industry Average
Number of AP FTEs per \$1 billion in revenue	3.3	14.4
Cycle time in days from receipt of invoice until payment is transmitted	3.3 days	14.4 days
Orders per FTE	14,041	3,726
Receipts per FTE	23,776	14,571
Invoices per FTE	22,126	9,182

Source: Hackett, AQPC, Procurify

Top 5 areas to automate & integrate in front-office and back-office operations

P2P

- Cost per Invoice
- First time match rate
- Payment on time
- Days to improve an invoice
- Negotiated discounts captured
- Productivity per FTE
- Percentage of invoice-less or electronic invoicing
- Percentage of touchless invoices
- Number of suppliers per 1,000 invoices
- Spend under management

O2C

- Total order-to-cash process cost as a percentage of revenue
- Total order-to-cash process cost per order-to-cash FTE
- Days sales outstanding (DSO)
- Operating cycle
- Percentage of order-to-cash key controls that are automated

R2R

- Time to close
- Number of entry corrections
- Volume of transactions per FTE
- Growth of chartered accounts
- R2R process cost

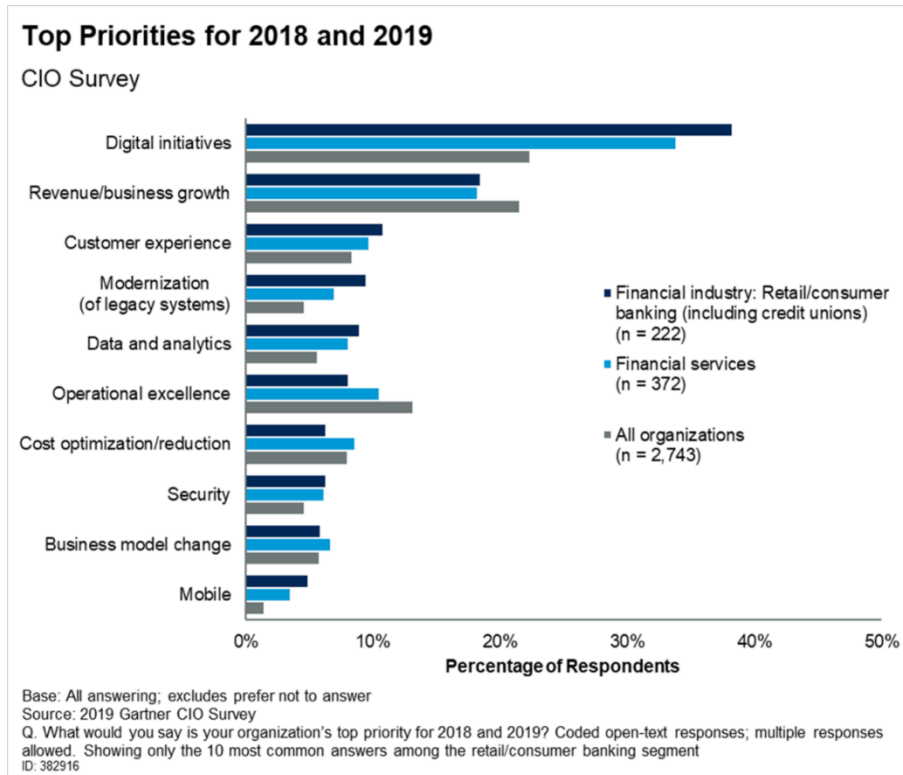
Source: Shared Serviceslink

Adoption of technology in Banks

- In terms of Artificial Intelligence (AI) digital maturity, banks are starting to ramp up their adoption rate, which is at 37%, higher than in earlier years.
- By 2020, 20% of operational bank staff engaged in back-office activities will rely on AI to do the non-routine work
- AI tools are increasingly showing up in products and services that provide efficient ways for banks to absorb the solutions across their activities.

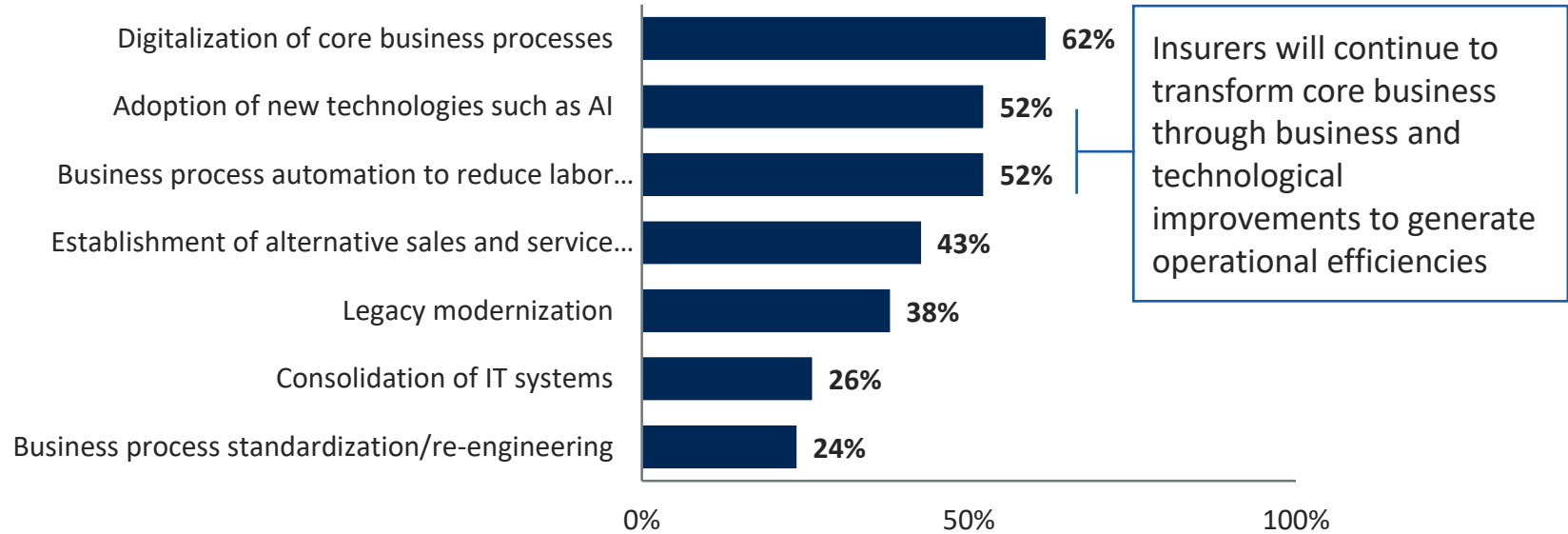
Source: Gartner

Digital initiatives remain top priorities for the Financial industry



Source: Gartner

Top 3 Priorities for Insurance Companies



Source: Gartner