Pandemic Prompts CFOs To Use More Automation

by Steve Brown Topics: technology, automation, strategic planning

Summary: The pandemic has prompted CFOs to rethink how to manage their responsibilities using automation. We give you some insights from a recent report.

Poland has a crooked forest where hundreds of trees bend at a 90-degree angle and point north. Sometimes you may have to make a turn to get where you need to go.

As the pandemic lingers on, CFOs are making a turn or two as well, with automation. Many are rethinking how best to manage their needs, both short-term and long-term, and finding automation can help. We provide some insight from a new report from Tipalti, "Rebooting Finance Teams for the Robot Revolution." as you consider automating some finance processes with your teams.

Day-to-day management during the pandemic. Only 14% of organizations were adequately prepared for the shift to remote work. So, 75% of CFOs made major changes to their existing processes to enable their finance teams to continue day-to-day procedures in a timely way remotely. Likewise, 70% of CFOs believe that current heightened demands will be difficult to address without automation. Automating certain processes can ultimately free employees up to increase the time they are able to dedicate to more strategic work, such as forecasting and cost controls.

Automation creates new roles and opportunities. Contrary to the concerns of job loss through automation, most CFOs believe that automation will mean a shift in roles. The Tipalti report found that 62% of CFOs believe automation will enable them to give higher-value work to employees who currently handle manual finance tasks that could be automated. In cases where automation could make positions redundant, 77% of CFOs said they would transfer employees to a different position, while 50% say they would train those workers with new skills necessary elsewhere in the organization. In fact, automation is even being looked at as a way of circumventing skills shortages among finance employees, something 60% of CFOs indicated as a concern.

Moreover, another report, the ZipRecruiter "Future of Work Report" discovered that for every job that automation has made redundant, it has actually created three more positions. Not only that, the World Economic Forum expects automation will generate 58MM new jobs by 2022.

Continuing efficiencies for better overall results. For CFOs that have already gone down the automation road, over half of them say they have been able to reduce 40% or more of the time it previously took their employees to execute manual financial processes. At the same time, automation created a better customer experience, according to 47% of CFOs.

While we don't expect all of you to run out and start using automation, many of you likely already use it to some degree and may find that you could leverage other benefits as well. We hope we have provided you with some insightful ways to do that today.

ECONOMY & RATES

Rates As Of: 10/01/2020 04:43AM (GMT-0800)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.09	0.00	-1.45
6M	0.10	0.00	-1.48
1Y	0.12	0.00	-1.45
2Y	0.13	0.00	-1.44
5Y	0.29	0.02	-1.40
10Y	0.71	0.03	-1.21
30Y	1.49	0.03	-0.90

FF Market	FF Target	Fed Disc
0.09	0.25	0.25
SOFR	**Prime**	**Unemp**
0.08	3.25	8.40

BANK NEWS

Updates to Bank Disclosures

The SEC has just adopted rules to update and expand its statistical disclosures that banks must provide. The new rules require disclosure about: distribution of assets, liabilities and stockholders' equity, the related interest income and expense, and interest rates and interest differential; The allowance for credit losses by loan category; and bank deposits; and much more.

New Job Growth

According to the Bureau of Labor Statistics, the greatest number of new jobs expected from 2019-2029 include: home health and personal care aides (1,159,500); fast food and counter workers (460,900); restaurant cooks (327,300); software developers/QA analysts/testers (316,000); registered nurses (221,900).

St. Louis Fed

St. Louis Fed President Bullard recently stated that Q3 will bring "off the charts" economic growth that will help bring up inflation. "*This is the biggest growth quarter of all time in the U.S. It looks like 30% at an annual rate....way off the charts compared to anything we're used to in U.S. post-war macroeconomic history.*" He expects the unemployment rate to decline to 6.5% by year's end -- well below the median projection of 7.6% of other Fed members.

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