Belgium Finance Executive Survey 2020

How finance functions are addressing the next steps towards digitalisation

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Executive summary

Overview

The 2020 edition of the PwC Belgium Finance Executive Survey polled 85 chief financial officers (CFOs) and senior financial executives from various sectors across Belgium.

The survey aims to assess where they position themselves in an increasingly digitised world where transformation is rapid and ongoing. To what extent are finance executives able to adapt their finance function to the new technological trends to increase effectiveness, create insights and add value to their business?

In a climate of rapidly occurring business transformations, finance executives are struggling to keep up with the increasing pace of change within a continuously evolving finance function. Surprisingly, finance executives' main objective, to turn digital goals into reality, remains unchanged over the past three years. While companies may have defined a digital vision and strategy, those that have translated it into a holistic roadmap for execution are one step ahead. They benefit from doing things right the first time, and minimise their people's resistance to change.

The survey focused on the following five topics:

- A roadmap for executing your digital finance strategy
- Workforce upskilling: your people and your digital journey
- Mastering transactional excellence and compliance
- Becoming a data-driven business partner
- Making the move to cloud-based solutions and ERPs

1 A roadmap for executing your digital finance strategy

61% of respondents admit their finance organisation took more time to complete transformations compared to three years ago

Transformation within the finance function is the new norm, and it's unlikely to slow down. Results of the 2020 Finance Executive Survey show that finance executives have a strong willingness to become a digitally enabled business partner. However, we see that turning this vision into reality remains a key challenge for many finance organisations.

A clear trend emerging from this survey is that the majority of finance executives attempt to reach their digital goals by taking isolated steps driven by trends, rather than considering the journey as a whole and translating it into a clear and actionable roadmap. This fragmented approach impairs the speed of execution, which reinforces the feeling of being in a constant state of digital change that's not delivering on its promises.

As a result, finance executives are confronted with frustration and resistance to change within their organisations. Nevertheless, it's possible to make the changes required to become a digitally enabled business partner. The key to success? A clear, holistic roadmap built around process, people and performance measurement, guided by the following questions: What business concerns are we trying to address? Who's impacted by this change and how? What's the scope and speed of achievement?

2 Workforce upskilling: your people and your digital journey

A constantly evolving environment where people are heavily confronted with change leads to a climate of change fatigue. The majority of digital transformations are heavily system- and data- related, which can create a barrier for non-digital natives who don't clearly understand the direct benefits of technology and its impact on their work. This can lead to potentially strong but understandable fear, hence a reluctance to adopt these new technologies.

The first step in dealing with resistance to change is to understand the impact of these changes on people and, more importantly, where the resistance is rooted and take appropriate action. Finance executives are increasingly aware of this issue, and are investing in upskilling programmes to help their people become more digitally savvy and create a future-proof skillset across their finance organisation. This approach is instrumental in optimising the engagement of their people and mitigating resistance to change.

51% of respondents indicate that their main concern about their current finance organisation is their people's digital fitness and how to cope with resistance to change

3 Mastering transactional excellence and compliance

71% of respondents are driven by technological evolution when considering improving the effectiveness of their finance function

Intelligent automation has proven its efficiency. Now it's time for consistent implementation organisation-wide, including in compliance matters. In recent years, data volumes have increased drastically, overwhelming people and systems ill-equipped to meet current needs.

In this context, data management and quality should be a greater concern for finance executives. Mastering transactional excellence now requires a mind shift where driving efficiency and effectiveness in finance is not only a question of implementing lean, automated and compliant processes, but also comprehensive, consistent and accurate dataflows.

On top of this, successful finance organisations are delivering transactional excellence by applying a unique blend of the added value of technological enablement (self-service, automation, data visualisation and analytics, etc.) and of making the best use of human empathy in their shared service centres.

4 Becoming a data-driven business partner

Finance executives clearly intend to evolve their role into a digitally enabled business partner. The success factor for this evolution is directly linked to their use of data analytics to turn financial information into valuable business insights.

The survey shows that finance organisations are still in the very early stages of data analytics, and confirms that its use is currently limited to producing reports. Respondents attribute their challenges not only to limited system capabilities and lack of integration, but also to a lack of relevant skills across their finance team. Data quality and data management, while still underestimated, are considered key success factors in kick-starting the data analytics journey. They require data accountability across the whole organisation, not only in finance and IT. However, both departments have a leading role to play.

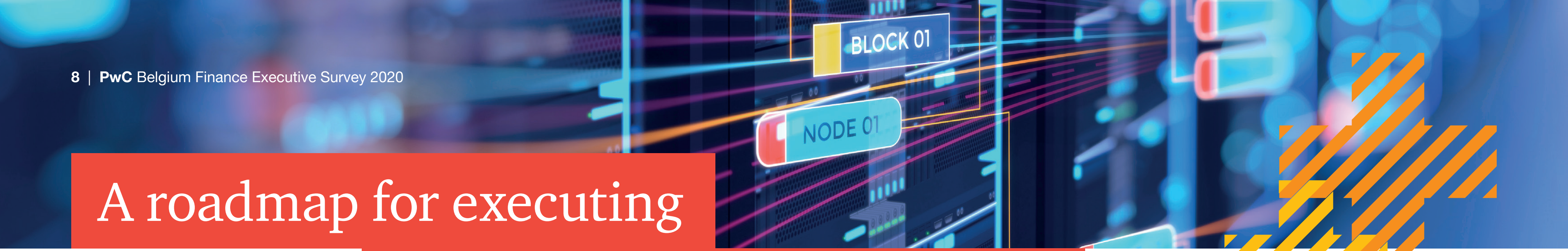
65% acknowledge limiting the use of data analytics to generating financial reports rather than generating insights that can steer business decisions

5 Making the move to cloud-based solutions and ERPs

56% of companies surveyed have moved part of their applications to the cloud, yet they're largely driven by IT and not sufficiently addressing the case for business value

Survey results show that cloud adoption is well on its way across the finance function. We see that moving to the cloud is more driven by its technical functionalities and efficient cost structure, rather than its functional capabilities.

While the IT function is driving the cloud journey, finance executives should take an active role in the discussion to fully leverage the business application benefits of the cloud, like driving process standardisation and being able to capture the right data and handle it securely. This way, the cloud not only brings value by doing more with less, but it becomes an accelerator of the finance digital roadmap.



A roadmap for executing your digital finance strategy

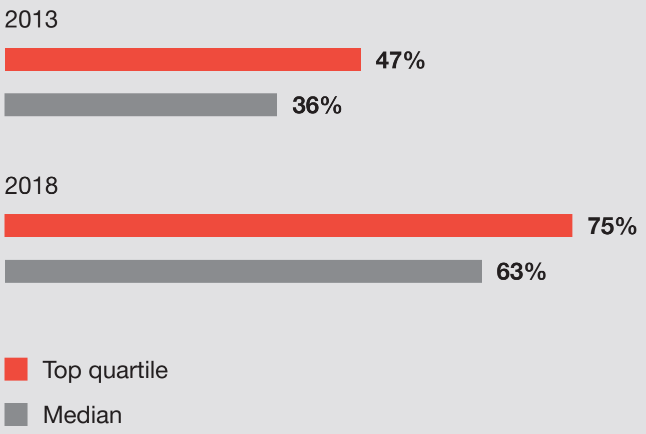
61%

of respondents admit their finance organisation took more time to complete transformations compared to three years ago

The majority of finance executives who responded acknowledge their organisations are taking more time to complete transformations compared to three years ago. While the available technologies haven't changed drastically in that time, one of the main reasons for the longer timeframes is the lack of planning (and a solid digital roadmap). While PwC agrees that finance transformations are one of the biggest challenges finance professionals are facing, we believe that a clear and global implementation roadmap could reverse this statistic and speed up execution.

Transformation has become the new normal and the trend is unlikely to taper off. The survey shows that finance executives have a strong willingness to become a digitally enabled business partner to their organisation. This is in line with the evolution PwC reported in its 2019 Global Finance Effectiveness Benchmark Report: 75% of time in top-performing finance functions is devoted to data analysis and acting as a true performance driver.

75% of time spent in top performing finance functions is devoted to data analysis



Source: PwC, Finance Effectiveness Benchmarking, August 2019.
Percent of staff time spent on analysis vs. data gathering in finance function roles.

Figure 1

Under the right conditions, finance is able to function as true performance driver:

Leverage innovations…

- **Use latest technology** for business steering and decision support, like predictive analytics
- **Enhance information** by gathering new data from internal and external sources
- **Increase efficiency** by full automation **of transactional processes**, like robotics process automation
- **Develop continuous transformation competence**, like large-scale project, process and change management
- **Spark and foster exchange and collaboration**

…and fix the basis

- Streamline and adopt **organisational setup**, like business proximity
- Fully **leverage shared services within finance**, like accounting and controlling
- **Manage the transformation** holistically and **stringently**
- Refine **the finance people strategy** and make it **your management priority**
- **Drive the execution of digital enablers**, like standardisation of master data

The performance level outlined above remains the exception rather than the norm.

The majority of companies are facing several limitations that need to be addressed to close the performance gap:

Figure 2: Root causes leading to main performance limitations

Companies need to build a holistic roadmap driven by a stable vision communicated and implemented not only by finance executives, but also supported by other top management across the organisation. We believe this will secure a better adoption within finance and beyond, thus reducing resistance and ultimately allowing finance executives to achieve the right speed of execution in transformation.

Finance requires an overarching perspective and integrated solutions

Building block	
CFO strategy and digital TOM	Define a new purpose for finance and design an organisation to support quality decision-making throughout the company
Steering of the future / Future regulation and compliance	Identify drivers and include non-finance factors to optimise steering Proactively manage external stakeholders and regulatory requirements
Transactional excellence	Make finance more efficient; focus on effectiveness and value-adding throughout the entire delivery chain
ERP services (incl. SAP) / Data management and Cloud services	ERP as operational processes mapping for reporting requirements Fully integrated, single-source, end-to-end information
People and culture	Provide the right qualifications to realise holistic transformation

Figure 3: PwC's holistic approach to the finance function of the future

"Because each individual transformation building block is important and they're all correlated, we believe that managing a successful transformation requires CFOs to build a clear and holistic roadmap to ensure that all transformation building blocks are addressed in a consistent and efficient way.

Where should you start?

The key to success? Keep your holistic roadmap true to your business strategy and priorities to ensure the right fit for your organisation by asking the following:

- **What business concerns are we trying to address?**
- **Who's impacted by this change and how?**
- **What's the scope and the speed of achievement?**

1
Awakening

2
Maturity assessment and digital finance target picture

3
Roadmap development

4
Pilots and implementation

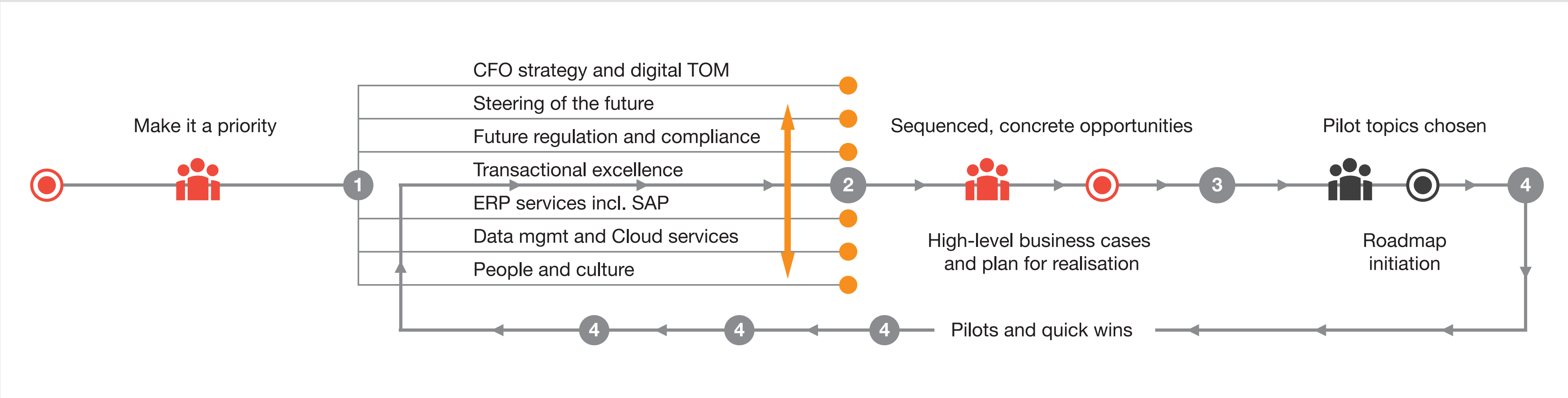


Figure 4

Workforce upskilling: your people and your digital journey

51%

of respondents indicate that their main concern about their current finance organisation is their people's digital fitness and how to cope with resistance to change

Main internal concerns impacting current finance organisations

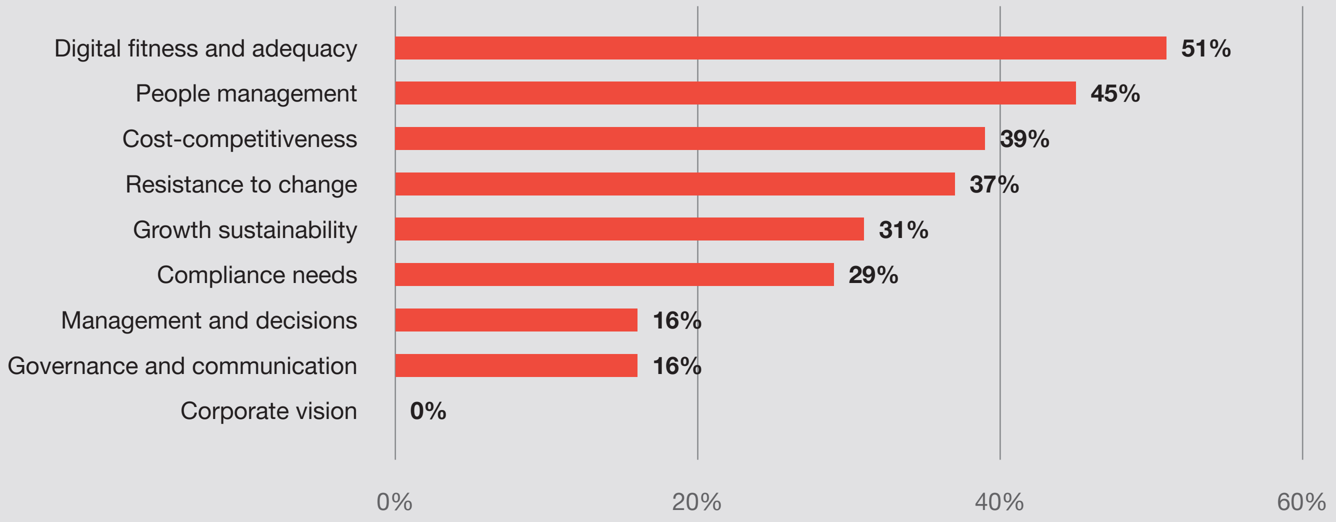


Figure 5

This is a clear evolution compared to our 2017 Finance Executive Survey, where neither digital fitness nor resistance to change, both workforce-related concerns, were mentioned. This year, results are totally in line with last year's PwC 22nd Annual Global CEO survey, which showed a clear shift over the past few years in the type of skills that leaders say they're looking for.

In 2008, CEOs – and CFOs – were struggling to find people with global experience. Today, organisations desperately need tech-savvy people at all levels with strong and empathic leadership, innovative thinking and curiosity. They seek talent that's able to take advantage of the potential benefits of new technologies and to find the best fit for continuously changing business needs.

It's clear that the pure functional skills related to automation and artificial intelligence (AI) are often essential for business growth, but these need to be combined with managerial and people-oriented capabilities.

This year's results showed that **71% of respondents acknowledge being driven by technological evolutions when thinking about improving the effectiveness of their finance function.** This demonstrates a clear need to add workforce upskilling to CFOs' agendas, as upskilling contributes to people engagement and motivation.

The benefits of upskilling are clear: according to PwC's 2019 Global Finance Effectiveness Benchmark, finance organisations that invest in upskilling their teams through learning and development reported a 50% drop in resignation rates compared to those that didn't. Lower turnover means lower replacement costs, less drag on productivity, and less time spent retraining. In other words, upskilling helps keep transformation up to speed.

Not only do new skills generate new career possibilities for your team within your finance organisation, but more importantly, **upskilling allows your people to understand the benefits of technological evolutions in their work and embrace changes instead of resisting them**. Resistance to change has emerged as a trend in this year's survey, so adequate change management and communication plans are indispensable in managing teams facing constant transformation.

All this is happening at a time when finance's customers – external (e.g. regulators), internal (e.g. business units) and strategic (e.g. investors) – are demanding accurate, insightful and forward-looking information. You need to know how to motivate and assemble teams to meet these requirements. A new generation of educated, diverse and digitally savvy talent has entered the workplace, and they're seeking meaningful roles and the ability to work across functions. They also possess the skills to use emerging technologies to test new ideas. You can expect the skill sets you require to continue to evolve, but it's difficult to foresee how each role will change. Watch for underutilised skills, and create opportunities for people to grow their skill sets in preparation to take on new roles as needs emerge. Providing ample opportunities for learning and development can have significant payoffs.

Perceived key drivers to improve effectiveness of the finance function

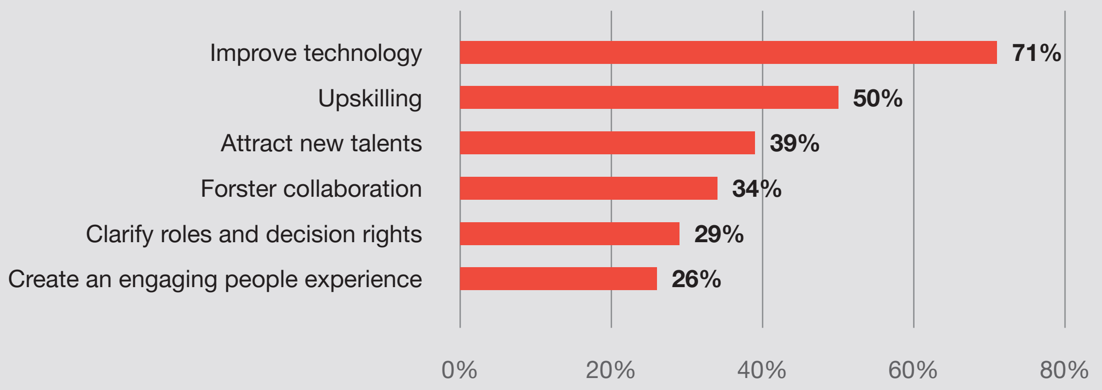


Figure 6

Mastering transactional excellence and compliance

71%

of respondents are driven by technological evolution when considering improving the effectiveness of their finance function

Finance executives say they're mostly driven by evolutions in technology when thinking about increasing efficiency. Top-performing finance functions focus on scaling up existing automation and centralising their activities to help create a more efficient organisation. They address these topics as part of a complete digital strategy, where elements like optimisation of systems integration, digital upskilling of their workforce and data quality are addressed in parallel.

Where are Belgian companies against the automation and centralisation benchmark?

Automation and centralisation/outsourcing aren't mutually exclusive. Finance organisations should assess which of these levers to activate based on a cost analysis and the benefits of each. A case for change will highlight opportunities to automate, reduce costs and increase efficiency of transactional and compliance-related processes.

The analysis of activity data in PwC's Finance Effectiveness Benchmark report 2019 shows that 30-40% of time spent on several key finance processes could be eliminated with automation and behavioral changes. A quick look at the results points out **high automation potential for activities that are still executed manually or only partially automated.**

How are Belgian companies leveraging automation in their finance processes?

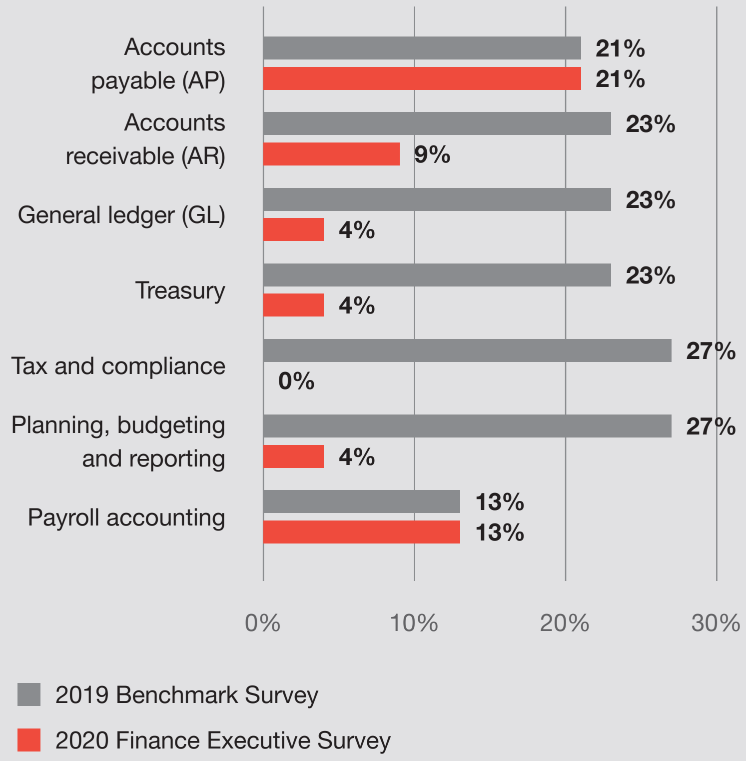


Figure 7

There are significant gaps between respondents' use of automation and the finance effectiveness benchmark, showing that Belgian finance functions lag behind in terms of automation.

- According to the 2020 Finance Executive survey results, **tax and compliance** activities are still executed manually, yet they have potential to be automated by 23%.
- **Planning, budgeting and reporting:** only four percent of the process is currently automated, while these activities can be automated by about 27%, specifically in management reporting.
- **General accounting** shows the same level of automation potential as Planning, budgeting and reporting and Tax and compliance activities; from automation currently at four percent to a potential gain of 23% based on the benchmark.
- **Accounts receivable** is behind mainly on billing and credit management activities. **Treasury** is four percent automated, against a benchmark of 23%. Both processes have the potential to gain up to an additional 14%.

This demonstrates there are still benefits to reap in the automation of finance processes, not only in terms of scope as demonstrated above, but also in terms of organisation. Indeed, process automation is about rethinking the end-to-end processes both in terms of execution and ownership, with new levels of coordination and collaboration across the enterprise.

However, companies generally aren't set up for the end-to-end oversight of processes that drive transactional efficiency (procure-to-pay, order-to-cash and record-to-report processes). Instead, multiple process owners drive what the business needs. Slowly, new roles are forming based on the potential for automation. For example, we're seeing increased interest in **single, end-to-end process owners** who are responsible for the standardisation of processes for transactional efficiency, while still allowing for some level of localisation of the work. These process owners are continuously scanning the landscape, taking a strategic view of their core function, making sure they're achieving cost savings and efficiencies and applying the right technologies to core tasks.

When looking at centralisation/outsourcing, we observe significant gaps between our respondents' centralisation/outsourcing reality and the benchmark, which leads us to the conclusion that there is great potential for centralisation and outsourcing in our Belgian organisations. **Finance executives must understand the advantages of shared services, not only from an effectiveness and efficiency point of view, but also for their potential to accelerate digital transformation**.

How are Belgian companies leveraging shared services / outsourcing?

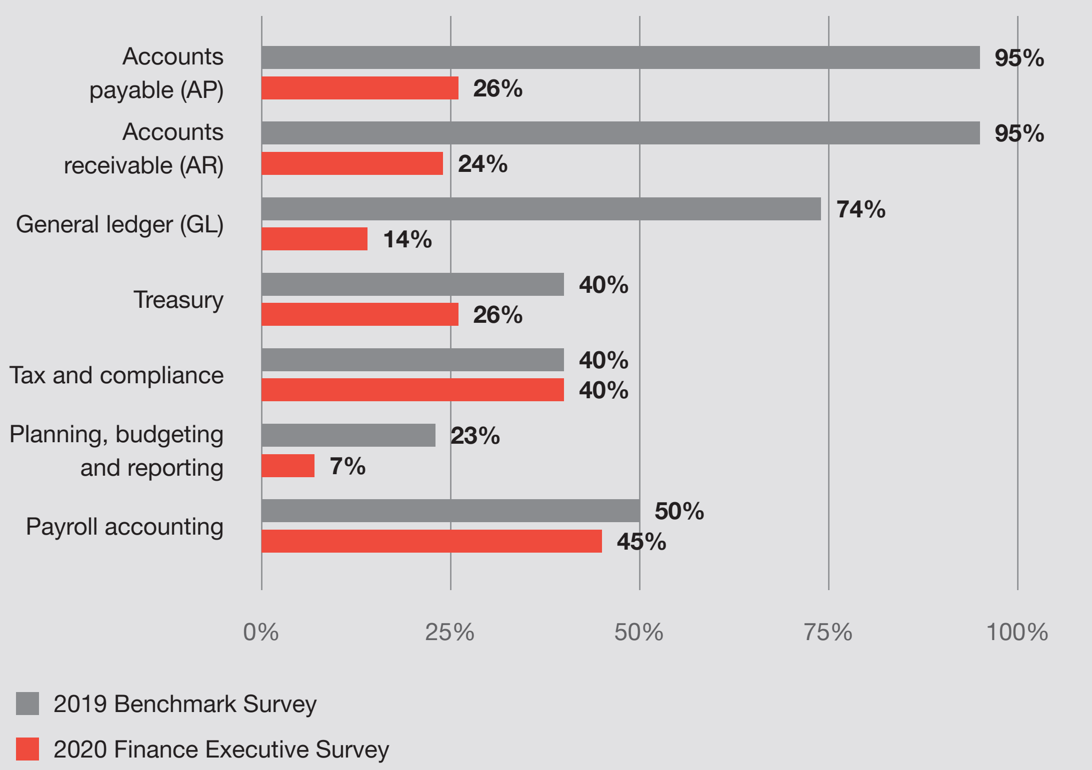


Figure 8

Traditional shared services have used a 'lift-and-shift' approach to achieve labour arbitrage in lower-cost locations (version 1.0). As organisations have matured, we've seen a shift from multifunctional activities to today's more holistic, end-to-end process lifecycle (version 2.0).

Thanks to the progress and adoption of intelligent automation and overall technological evolution, shared services will become a true value-added business partner by bringing new service offerings as opposed to traditional transactional skills (version 3.0). For example, top-performing organisations benefit from emerging trends such as predictive analytics insights, data-enabled compliance and real-time, self-service data ('the truth at any time').

In fact, with the growing number of global regulations and the constantly changing nature of the regulatory landscape, it's harder than ever for organisations to keep on top of compliance. Companies are hiring people specifically to tackle increasing regulatory requirements.

46% of respondents to the Belgian Finance Executive Survey report that changing regulations are impacting the finance function.

However, technology has begun to play a much larger role within compliance. Financial institutions and regulators have realised that by harnessing the power of technology such as process mining, and especially artificial intelligence and machine learning, a considerable proportion of the compliance function can actually be automated. This reduces the burden on institutions and compliance professionals, and can help narrow the automation gap we see in the 2020 survey.

This opportunity seems to be well understood by Belgian finance executives, as **39% indicate that predictive controls are one of the top improvement focuses for the next 18 months.** Predictive controls use data to foresee when critical control process failures will happen. This permits process maintenance to be performed before failure occurs. Applying this method to compliance processes provides the same type of future-proofing in compliance costs and resources. Also, digitised compliance data can become an enabler for continuous improvement and digital upscaling within every company's culture.

Becoming a data-driven business partner

Finance's role in creating business insights is becoming more critical than ever

Finance plays an increasing role in **steering** companies. Of our respondents, 52% highlighted business engagement and supporting company strategy among their top three areas of improvement, ahead of all other considerations.

This does not come as a surprise: the **business partnering** role that finance can and must play puts it in a position to provide valuable insights in both a structured and independent way. Finance executives recognise this, as more than 95% of our respondents acknowledged that the finance function either currently fulfilled the role of business partner, or would do so within the next three years.

Becoming a strategic business partner is easier said than done. Creating insights involves navigating a number of challenges, including a tidal wave of data: 63% of survey participants indicated exploding and/or unstructured data volumes as one of the key trends affecting the finance function, ahead of all others.

We believe that to put finance in a position where it can help steer the business, it needs to work on developing a strong **corporate culture around its integrated planning capabilities** and must **rely on a solid data strategy.**

Corporate culture as fertiliser for effective business steering

Successful business steering can only flourish provided the right culture and mindset prevail. One cannot expect the business to make the right decisions if it's not empowered at all levels of the organisation. **Empowering management** and laying out a strategy which is consistently cascaded down goes well beyond finance. It reaches every department in the organisation and lays its foundations on the following:

- **Performance management**: Linking incentives to performance in a way that the organisation is driven towards the right success factors and which it can effectively influence. This is all about accountability and ensuring top-down company targets are embedded in the core of decision making at all levels of management.
- **Career management**: Managing people both in terms of growth and retention.
- **Formalised ownership**: Linking the organisation's assets (products, brands, cost categories, processes, etc.) to owners.

65%

acknowledge limiting the use of data analytics to generating financial reports rather than generating insights that can steer business decisions

Developing integrated planning capabilities

Integrated planning capabilities require a strong set of three **key enablers** to ensure consistency between the different planning and reporting activities, providing insights to make the necessary decisions and follow up on them:

Organisation: All controlling layers need to work closely together, each with dedicated roles and responsibilities, from local business partners to corporate controlling. Each needs a clear and shared vision, including the safeguard role it plays at all levels of the company. In addition, assuming that the controlling department manages the full planning cycle falls short of sound organisational practices. Instead, controlling must be considered the ‘orchestra conductor’, ensuring the entire organisation works as one, from sales to production, HR, project management and strategy.

Process: Planning processes serves a distinct yet interconnected purpose. One cannot work on a standalone basis – a long-term strategic plan must link to a shorter-term business plan that translates into a concrete budget. Quarterly review and forecasting and monthly management reporting serve as the short-term levers to monitor and steer business performance. Top-down guidance and guidelines should be cascaded, well understood and consistently applied.

System: Data analytics and reporting functionalities are there to perform post-mortem root cause analyses, allowing to drill down to the required level of granularity. Predictive analytics and simulation capabilities should allow finance and business to jointly shape the future. Tooling plays a key role in these activities by producing information to steer the business and by structuring and integrating data, provided it’s accompanied by a proper data management strategy.

Improved decision making

The ultimate goal of having a sound data management strategy in place is to support the finance function and other departments in improving the decision-making process. Focusing on the following elements will support this:

- **Optimise planning and forecasting** using **on-demand budgeting, planning, and forecasting capabilities**: Digital tools can provide finance teams the flexibility to revise assumptions and inputs and get instantaneous feedback. Despite that this is a key element in supporting the decision-making process, only five percent of participants in the current survey are delivering on-demand budgeting, planning, and forecasting capabilities.
- **Apply AI, predictive analytics, machine learning and advanced algorithms to enhanced decision making**: Of survey respondents, 48% identify ‘insights and predictive analytics capability’ as one of the key enablers to realise their desired future finance function. This would enable the finance function to reveal unexpected drivers behind business performance. However, as the below graph indicates, the use of analytics is not yet widespread.
- Deploy a **self-service approach** rather than wait for reports: People can use **visual dashboards** to get the data they need when they need it. This self-serve approach decreases the need for the finance group to generate reports and cuts the cost of reporting.

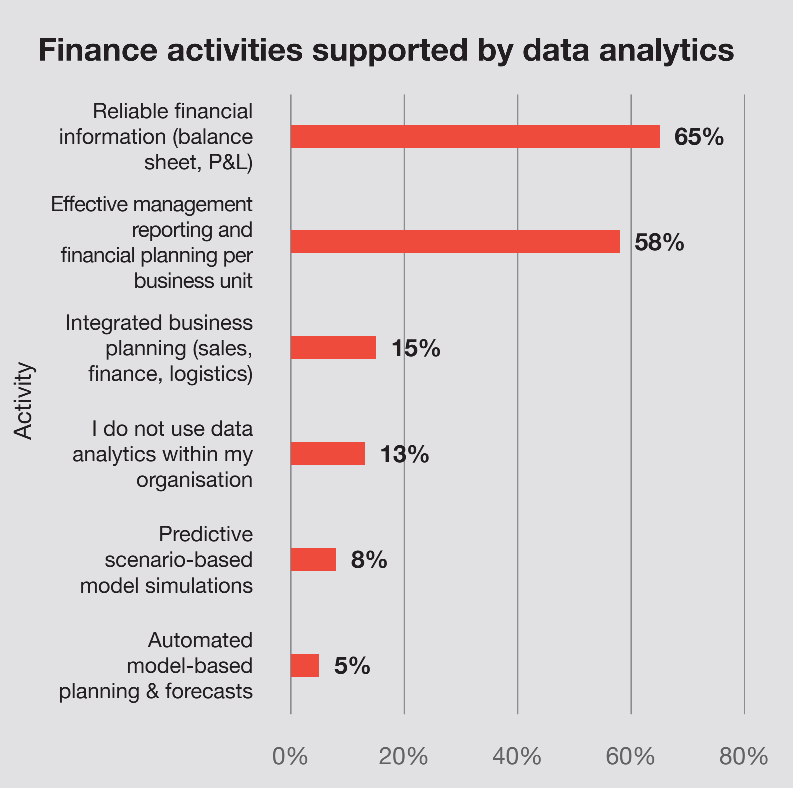


Figure 9

A reliable data management strategy to support integrated planning

Finance executives and their teams are the gatekeepers for the critical data required to generate forecasts and support senior leaders' strategic plans and decisions. However, **63% of those surveyed reported that 'exploding and/or unstructured data volumes' is one of the top global trends impacting the finance function, indicating the importance of having a data management strategy to overcome this challenge**.

Towards a forward-looking data management strategy

For the finance function to take on a more strategic role, helping fellow business leaders see not only where the organisation stands at any given moment, but also where it can and should be next week, next month and next year, a series of developments and transformations of the finance office should take place. To lead this change, finance executives should follow a path starting with descriptive analytics and proceeding through more accurate diagnostic, predictive and prescriptive analytics (**see Figure 10**). The goal should be to **create a governance structure that enables finance to pull data from an appropriate and single source and ensure it's properly structured, accurate and clean**. Governance should incorporate providing access to the right people at the right time, but also secure the connectors or interfaces of the data flows into the finance systems.

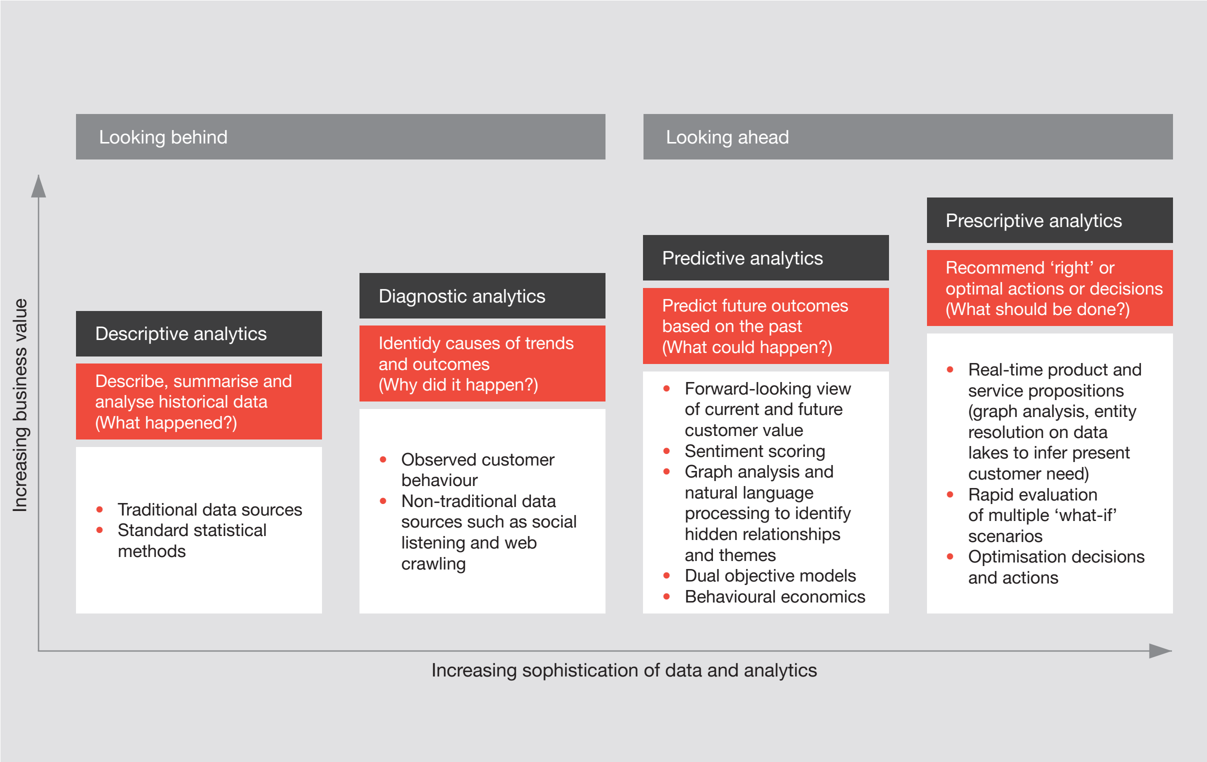


Figure 10: The path to digitising the finance function

Opportunities and challenges in building a future-proof data management strategy

As technology evolves and enterprise systems are increasingly interconnected and cloud-based, data access is facilitated and the potential of data as input for the finance function grows exponentially. This leads to both opportunities and challenges. Opportunities result from the fact that extensive amounts of data are available to support informed decision making. Challenges rise from the organisation of the finance function and the structuring of data. **How do you deal with exploding data volumes? How do you train and organise your people to become data experts?** Having a clear approach in place to establish a data management strategy will support addressing these challenges.

Several factors are to be considered when building an efficient data management strategy. One could think that securing a clean and standardised data structure would be sufficient, but it's a whole data culture that must be built around it to fully leverage the benefits of an effective data management strategy.

Develop a real data culture across the whole organisation

The key steps to implementing a real data culture organisation-wide are as follows:

- Create **awareness** among everyone of the importance of data driven decision making.
- Initiate a cultural change in **data ownership** across the organisation.
- **Upskill your workforce**: Ensure that the finance function has access to sufficient and appropriate data management skills.
- The finance function will need to **collaborate** with the CEO, CIO and IT organisation, and will need to draw on expertise from data scientists and data analysts who might work in IT or directly with the finance function.
- Rethink **end-to-end finance processes** (such as data-to-report, purchase-to-pay, and order-to-cash processes) and rebuild them using a visual, user-focused approach.

Data structuring

As for other functions, data can best support the finance function when it's structured to cope with the increasing volumes. That's where data structure becomes key. The following elements are crucial in supporting the data structuring exercise:

- **Develop a strategy** to overcome the legacy of systems and processes, and invest in systems that can aggregate internal and external data sources and indirectly secure the connections between the various systems to safeguard the end-to-end data flows.
- **Make the switch from data warehouses to data lakes** that gather numerous types and formats of unstructured data, as opposed to data warehouses that only contain structured data. In addition, a data lake transforms data into information that can be easily accessed and applied.
- **Use automation and robotics** to automate data reconciliation and standardisation and automate repetitive tasks.
- **Take into account regulatory constraints** such as GDPR. Governance and control needs to be built in throughout the entire data lifecycle, and effectively and repeatedly communicated to all those involved.

Making the move to cloud-based solutions and ERPs

The cloud is 'trendy' nowadays, and organisations are assessing the benefits of moving part or all of their applications to the cloud. The market is full of literature explaining the pros and cons of this technological offering, which often brings a narrow perspective to assessing the pertinence of its adoption. **Decision drivers are often the technological or cost-effectiveness components, while notions of the cloud as the access point to best-in-class ERPs or even the latest business-steering functionalities are left aside**. All major ERP players to date have adopted a 'cloud-first' strategy, releasing any new functionality or upgrade in the (public) cloud before it becomes available as an on-premise version. Despite this strategy from the ERP vendors, our survey still confirms substantial resistance, reluctance or slowness of organisations to move to the cloud.

What are the perceived benefits of moving to the cloud?

1. "It's cheaper" remains a key driver

The total cost of ownership for a cloud-based solution can be 50 to 60% less than for traditional solutions over a 10-year period following an all-inclusive, subscription-based pricing model in which the vendor's responsible for hosting, maintaining hardware, upgrading software, providing support and monitoring the system.

2. It's faster to deploy

Contrary to on-premise or hosted solutions, cloud-based solutions come with a set of pre-configured best practices that, when fine-tuned through a limited range of options, meet the requirements of most businesses. Energy is not spent on customising the system to the specific needs of the organisation, but rather on adapting business processes to a readily available and standardised system.

3. It's flexible

ERP vendors have developed app store-like platforms where organisations can benefit from extra functionalities developed by the vendor, the organisation itself or a third-party integrator. These add-ons can be plugged almost instantly into cloud ERPs, thereby allowing organisations to maintain a competitive edge.

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Reasons why organisations moved to the cloud

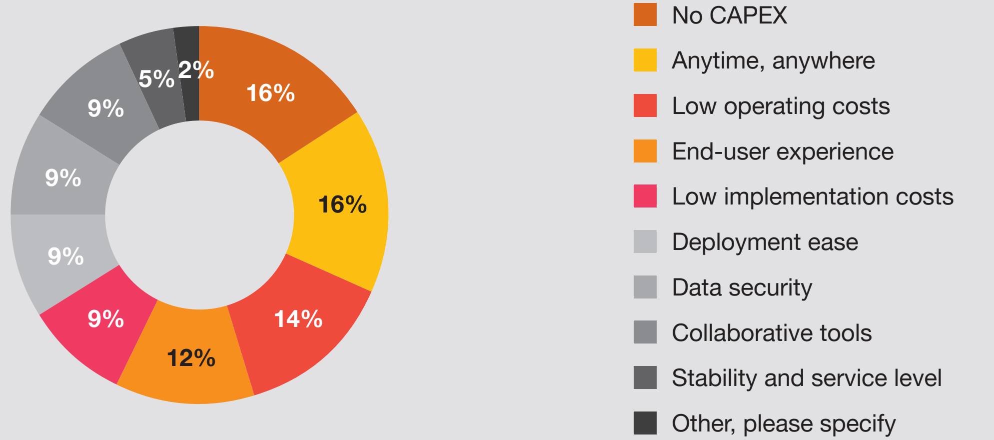

Figure 11

Reasons given for avoiding the cloud

"It's a tremendous change for our current IT infrastructure"

Combining an existing IT infrastructure and legacy systems with cloud offerings is not a simple task. As organisations plug in a growing assortment of cloud services, a number of practical and technical challenges emerge: What's the best way to break down silos and integrate processes? How do we manage data across systems and software? How can we address shadow IT?

"It feels unsafe" (and organisational resistance abuses this argument)

All data in the system is saved in the cloud. That can include sensitive employee, customer, production and financial data. But since data security is a top priority for cloud providers, they often exceed what hosted or on-premise solutions can offer.

Despite the slow adoption in Belgium of cloud-based ERP platforms, new digital, cloud-based ERP platforms – otherwise known as the **digital core** – will be driving the technological future of the organisation and should be part of the transformation journey.

Finance executives will need to understand the advantages a 'digital core' can bring to their digitally enabled finance function. For example, a CFO would be able to run month-end at any point in time by consolidating data from around the business. In fact, month-end may become a thing of the past.

It's clear that finance executives are crucial to making the journey to the cloud a success, by generating real and lasting commercial advantages for the business. Their skills and attitudes will help ensure data validity, quality and homogeneity, and therefore help build trust in the data. This will reduce resistance to change and enable every aspect of the organisation to benefit from the vast potential of technology.

Reasons why organisations have not moved to the cloud

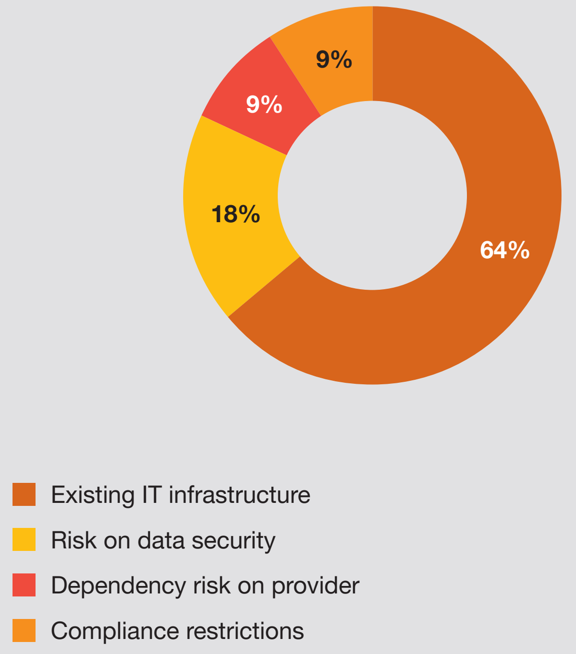

Figure 12

Conclusions

Finance executives' main concerns about their finance organisation focus on digital adequacy and people engagement, even if much has already been invested in improving the way they manage their people.

Overall, the internal role of the finance function has evolved little in the last two years: finance executives acknowledge that the finance function is still essentially playing the role of Finance Steward. They intend, however, to evolve their function into the role of business partner or even business adviser over the next three years, essentially by developing aspects like the simplification or standardisation of their processes and data flows.

Only when the ambiguity in the data is removed and rules are implemented can tools such as big data, analytics and robotics be used to deliver enormous growth in business insights and predictive information. The key is that both financial disciplines and modern tools form the core of the future of finance. Assuming the data's 90% accurate, a robot (which can work faster and longer than a human) adds an additional nine percent accuracy by performing repeatable tasks set by rules to validate data, using an algorithm to ensure flawless data.

Furthermore, as long as the data has a level of repeatability, then we can begin to imbue our robots with a level of intelligence (AI). Suddenly, the cloud-based ERP or 'digital core' can provide a level of predictive output, as well as data validation. This will manifest itself in the coming months as more companies take the leap into the cloud.

Taking all of this into account, finance executives must understand their vital role in building a data-driven (finance) organisation that's ready for the robots, AI and Blockchain of the future to give the business real and lasting commercial and competitive advantages.

What will help keep companies ahead of the curve? A clear and holistic digital roadmap that leads to the intersection of technological enablement, people engagement and business strategy.

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