



Finance Trends Report 2022/23

Is this the finance team of the future?

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Introduction

Finance teams have had a lot to contend with over the past few years. And they continue to face a number of complex challenges today as they strive to adapt. Change, although necessary, can be uncomfortable when it happens quickly. The finance department has been evolving at a faster rate than most. There's ever-changing legislation, industry trends and new technologies to keep up with if businesses want to remain relevant.

There has also been an enduring shift towards remote working, and the new employee expectations that come with this. Finance managers face a challenge holding onto their best talent if they don't embrace this, especially with the ongoing 'Great Resignation'. There's a burnout problem among finance professionals too, perhaps due to increased pressures as companies strive to keep up with competitors.

With all these considerations, it has never been more pertinent for us to commission our annual [Business Trends Report](#), so that we can understand what is happening within the finance profession and where it is heading, with the hope of helping teams to make pre-emptive changes. We surveyed hundreds of finance employees from all levels of seniority, to get the most accurate and complete picture.

An insatiable appetite to impact strategy

It's clear to see from the responses given that, within finance departments, there's an increased hunger for **better information**, so they can contribute in more impactful ways. When asked about top priorities, 50% of finance professionals said they want to provide a **higher quality of data** to company leadership to guide business decisions, and 25% said they want to get more **involved with strategy**.

Linked to this is the 'continuous accounting' trend that has risen in the finance world. It's no longer enough to simply assess performance at month-end, or to put fixed annual budgets in place. Finance teams must continuously assess their situation, so they have constant visibility of financial health and can make instant decisions to be bold or cautious accordingly.

However, only 20% of finance professionals surveyed have software solutions that help to measure and track performance. And 60% said they don't currently use

any business software for gaining a real-time view of important metrics.

Those that have implemented digital systems appear to have problems accessing the technology. This hinders their ability to contribute to business strategy. Accessing accurate data / information is the biggest challenge for 26% of finance employees, while 19% said it was access to systems, and 18% said manual tasks. Not only this, but 27% also believe the data in their FMS isn't completely accurate.



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Blurred lines between work life and personal life

Hybrid working has become a common working model since the pandemic. It has also created some new obstacles for workers, notably for those that struggle to separate their personal time from working time. There is now an extra burden on finance managers to put measures in place to ensure these lines don't get blurred, and to maintain optimal **productivity / wellbeing** among their team.



91%

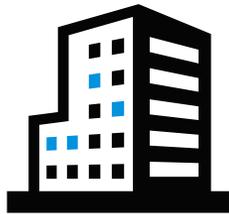
do work before / after
their contracted hours

The survey gave an insight into the routines of those in finance. Just 3% said they don't do any work outside their contracted hours, with 91% confirming they do some work before and / or after. When asked about the reasoning, 51% said it's because they get more quiet moments, and 40% said they are more mentally active at these times. 38% said it's because they have too much work to fit into their allocated hours, which seems to highlight the need for greater efficiency.

Remote working can bring about many benefits when implemented effectively. It means employees, in theory, can improve their work-life balance, as they spend less time commuting, and have more time to focus on physical health as well as social activity. They also have more flexibility to fit in appointments and other personal obligations.

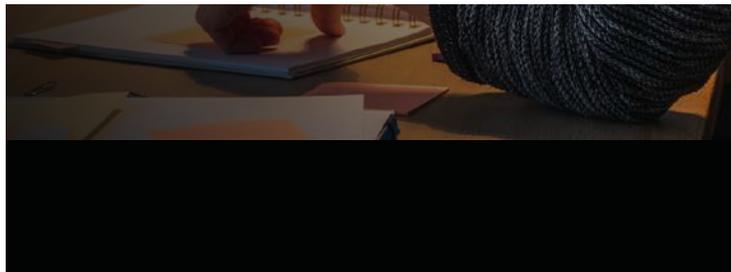
However, there seems to be a stumbling block for finance professionals looking to gain these advantages as 77% of respondents said they can only do their job effectively when working in the office. This contrasts with responses given by other departments in the wider survey, of whom most said they work equally well whether at home or in the office. Could this difference possibly be linked to the fact only 20% in finance said they're currently using Cloud-based software?

Companies having adequate ESG frameworks is another aspect that often contributes to the wellbeing and sense of fulfilment for employees, as many want to feel they're working for an organisation that takes these responsibilities seriously and is focused on making a positive difference in the world. Cloud technology can help organisations in these efforts to reduce waste and boost sustainability, by allowing them to move on-premise data centres to hosted servers. Surprisingly, however, 60% in finance don't see ESG as a priority.



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The inevitability of automation

Automation has been on the rise for years, both in our personal lives and in the workplace. It has been liberating in a lot of ways, as it has taken over many menial tasks and streamlined processes, so we can focus on the more creative and strategic aspects of our work. Despite these advances in technology, the survey hints that finance people are still bogged down with a range of repetitive jobs. Over two-thirds of respondents (67%) said they had to manually match up to at least 500 invoices in the last year.



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2/3
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Ineffective systems could also be responsible for distractions during the working day, with 27% of our surveyed finance professionals telling us this is the number one challenge they face. This could be interpreted as distractions from colleagues when they're in the office, but it might well be outdated processes and systems that are getting in the way of their work.

Struggling with maverick spend within their company was an issue for 50% of finance respondents. Those that have

failed to embrace technology may be suffering from a lack of centralised processes, meaning activities are less streamlined and individuals at the top can't implement as much control and consistency (in terms of the methods deployed within their teams).

The survey seems to suggest that in finance there is an appreciation for new technologies and the results they can garner, but this is mixed with trepidation. When asked about their views on the future of robots and AI,

over 40% of finance professionals agree that by 2030 AI will be used to make critical business decisions. Only 19% think the workplace will be positively transformed by this technology, maybe due to fears that automation will make human beings redundant?

But this outlook may be failing to recognise the opportunities brought about by automation. The job market is always evolving, so people will likely shift into new and interesting careers, which will be facilitated by technology.

There is some optimism though. Among the finance teams we surveyed, 27% do have a focus on technology and see Cloud adoption as a priority. And 43% are looking to adopt Cloud financial management technology in the next 12 months, with 39% looking at automation and 32% for predictive analytics.

Almost 50% of finance professionals agreed that adopting new technology in the last 12 months enabled their business to work more effectively. The top four ways they believe technology supports their profitability are: faster task completion (55%), ensuring compliance / security (42%), more efficient client communications (41%) and business application tech integrations (41%).

In terms of the technologies they rely on most in their day-to-day roles, the top results were: collaboration tools such as Teams and Zoom (50%), business intelligence (48%), automation tools (39%) and productivity / performance management solutions (37%). An even greater adoption rate of these technologies would likely generate transformational results based on the priorities stated.



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Economic conditions weighing heavy on minds

The responses show that people from all departments and sectors are thinking about the **cost-of-living crisis**, with 78% saying they are concerned their organisation will be impacted over the next year. They also understand the role of technology in overcoming this, with 94% saying technology supports their profitability.



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Finance professionals are on the same wavelength when it comes to the economic climate, with 82% saying they're worried economic conditions may impact the profitability of their business over the next 12 months. However, 40% are conflicted about the importance of technology in supporting their profitability.

Only 33% of finance workers believe the leadership of their organisation are prioritising preparation for future challenges / crises. It's interesting to speculate the cause of this perception. Could it be a question of competence, or perhaps the younger generation have concerns about short-term thinking / a lack of contingency planning among those in positions of power?

There's no denying that Cloud technology and other innovative techniques are a great way to protect against economic downturns, recessions and other existential challenges for businesses. The reason for this is that these tools boost efficiency, provide complex insights, and help to cut costs, which ensures the company can be in the strongest financial position possible during a crisis.

It is generally assumed that younger generations are tech-savvy and are perhaps more open to innovation and progressive ideas. But interestingly, when looking at the age demographic of the survey responses, it appears younger employees have a bigger problem with tech accessibility when working from home. This could be related to their financial stability and home setup though, or even their perception of what sophisticated accessibility should look like. A higher proportion of

senior employees believe they are already using the Cloud compared to their younger counterparts. There could also be a difference in perception around what Cloud technology can do.

We asked these finance professionals if their current system is fit for purpose and 90% said it was. In many cases it might well be, but perhaps they are overlooking limitations or are unaware of the additional features that could be available to them. There could also be a reluctance to switch systems due to the perceived time, energy, and monetary sacrifices required, especially in trying economic times. Or they haven't taken the plunge as they are yet to find a suitably smooth implementation process. But the long-term benefits of switching will likely outweigh the costs, given the improved capabilities to navigate the unique challenges of today.



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A story of contrast and contradiction

The survey demonstrates that, in a number of instances, there appears to be a contrast between the views of finance teams and the wider consensus (making them outliers to some extent). We've already touched upon the differing perspectives in relation to productivity at home and productivity in the office.

But there's also a notable difference when it comes to the priorities they hold dearest. The top three priorities for businesses generally are: growth, cybersecurity and employee retention. This isn't to say that these aren't important for finance workers, but their central concerns are focused more on data accuracy and using financial information for strategic gains.

There also appears to be an element of contradiction within the finance-specific answers, in terms of how they plan to address the challenges highlighted. Interestingly, 20% say they have researched the Cloud and still do not plan to adopt it, with a further 9% saying they simply have no plans at all to adopt the Cloud.

This is a significant percentage when you consider the issues finance professionals have faced around remote accessibility and a lack of accurate data. Also, only 20% of finance teams have already started using Cloud technology. But perhaps the remaining portion of people (that are considering the Cloud but haven't yet adopted it) are already on an innovative journey and implementing Cloud-based accounting software is the final piece in their technological puzzle.





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