

New CFO Study Reveals the Need for Digital Transformation Continues to Grow

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Statistics are like snapshots. They capture a single moment in time. But trends are the stories those snapshots tell.

And interestingly, finance pros like you – and CFOs in particular – report that digital transformation is trending as being even more essential in 2024 than in 2023, according to a recent survey of finance professionals.

My organization, Billtrust, recently completed a research project with the help of global market analysis and advisory firm IDC. The study results show some compelling trends, particularly in the desire for B2B firms to digitally transform their finance teams – and what doing so means for both their customers, as well as their own employees.

Let's start with the need for digital transformation: 83% of respondents say it's crucial for their organization's survival, up from 77% in a 2023 survey. Why the 6% uptick? Organizations are focusing more strongly on financial resiliency and the need to reduce outstanding receivables, according to the survey. The data shows that CFOs see digital transformation as an even more critical issue compared with the overall survey respondent pool. Ultimately, CFOs are more likely to see technology as a bridge to the future.

When it comes to talking about the future, it's hard to ignore AI's impact, and we all know it's not going anywhere. Maybe you're using it already. If you were at the recent CRF August Forum in Nashville, it was a hot topic, with our CEO Sunil Rajasekar delivering a compelling keynote about how we in finance can embrace AI by walking before we run. Overall, our study found that CFOs are optimistic about AI's impact on finance. In fact, they're somewhat more optimistic than their teams, with 66% believing it will significantly affect day-to-day financial activities, compared to 59% of all respondents. CFOs also demonstrate more optimism on GenAI's potential than the average respondent, with 44% of them strongly agreeing with the statement "Generative AI (ChatGPT, digital assistants, etc.) will help me do my job faster." versus 35% on average.

For certain, integrating generative AI into financial operations demands a meticulous approach tailored to an organization's needs and objectives. The survey identified both opportunities that finance teams see, as well as challenges.

First, the challenges: "data security and privacy" (63%) was the most often cited followed by "output accuracy and reliability" (51%). The two biggest opportunities: "continuously auditing transactions in real time" (58%) and "enhancing the employee experience" (46%).

Speaking of the employee experience, it's interesting that 54% of respondents said that a lack of order-to-cash modernization negatively impacts their ability to attract and retain financial employees. Therefore, it stands to reason that modernizing the OTC process through automation and digitization – which today involves an AI component – can lead to happier employees who aren't bogged down with manual processes.

Here are some other key findings:

- The CFO's role has gained in importance with 87% of survey respondents agreeing or strongly agreeing that current economic uncertainty has "significantly" elevated the CFO's importance to the

organization.

- 68% of respondents indicated that payment acceptance costs are a concern for their organizations.
- Vendor expectations are shifting in the order-to-cash space, and users expect vendors to integrate the latest advanced technology and to help them find ways to maximize its impact.

Regarding vendor expectations: the research cites the following musts when evaluating providers:

1. **Cloud first.** The unprecedented uncertainty has revealed the importance of cloud technology. The “anytime, anywhere” access allows businesses to be flexible and agile to cope with rapidly changing business dynamics.
2. **Scalability and flexibility.** Software vendors in this market must demonstrate that they are building a solution that is ready for today’s business hurdles and for tomorrow’s technology challenges.
3. **Data security.** Security has become a multifaceted issue because of the amount of sensitive data that is stored and shared with payees and government agencies through various delivery channels.
4. **Innovation.** Users must strongly consider a vendor with investments in technology advances such as machine learning and artificial intelligence to support critical functions, including the collection and analysis of relevant data to expose possible areas of risk/exposure.

Kevin Permenter, Research Director, Financial Applications at IDC, summed up the research by saying, “Our findings emphasize the critical role of digital transformation in the order-to-cash process, especially during economic uncertainty. The enthusiasm for generative AI among CFOs shows its potential to revolutionize financial activities. As we move forward, integrating advanced technology in the order-to-cash space will not only be expected but essential for competitive advantage and organizational adaptability.”

To me, this study marks a significant moment for finance leaders, highlighting the transformative potential of digitalization and AI in navigating economic challenges and driving future success.

About the Author



Chad Bruffey is Vice President, Corporate Sales at Billtrust. His focus is helping organizations drive value through automation, optimization and standardization. Before Billtrust, he had senior-level positions with C2FO, Tungsten Network (formerly OB10), Verian and Kofax.