



Q&A

THE DIGITAL FUTURE OF FINANCE



In the fast-moving modern world of payments and transactions, no finance function can afford to cling on to the past. To learn how digital innovation is helping advance accounting operations, we've picked the brains of FIS' corporate data and process expert, Joseph Vesey.

Q1: What new pressures does finance face in the digital world?

Joseph Vesey: Modern corporations have seen a huge increase in the volume of transactions they must process, across a growing number of channels. With more interactions, connections and relationships to manage, the sheer complexity of the modern transaction life cycle makes it essential to accelerate processing times and optimize cross-functional workflows.

Improving finance and accounting processes can take significant investment, but the rewards will be substantial, too. By identifying and correcting inconsistencies across your different operating units and locations, you are in a far stronger position to speed up critical processes such as the financial close and comply with any regulatory reporting requirements.

And with robust processes and consistent controls across the business, an organization can count on accurate numbers for not only financial reporting but also strategic and business decision-making.

Q2: How are accounting operations responding to the demands of the modern transaction ecosystem?

JV: Historically, accounting processes like the financial close have been carried out at fixed times every month, quarter or year – often leading to a last-minute scramble for resources. Now, the shift toward more organic, “continuous” accounting is helping take the pressure off the traditional period approach.

In continuous accounting, automated technology essentially incorporates period-end checks and balances into daily/weekly activity, with near real-time processing providing a continual source of accurate financial data.

Thanks to advancements in automation, the continuous approach is cropping up in many different areas of the modern corporation. With time of the essence, it's no wonder that finance teams are gravitating toward continuous accounting and close processes.

Q3: What technological components are helping to support continuous accounting?

JV: When integrated with end-to-end automated workflow tools, near real-time, high-volume transaction matching solutions are speeding up and improving the management of accounting and close processes.

Another important introduction is the design and development of models for managing repeatable processes, not just in finance and accounting but across the whole business. The model-based approach allows corporations to enforce consistent controls and standards that, in turn, improve accuracy and efficiency.

And as their operations become increasingly digitized, firms are looking to automate more and more transactional processes and free up time to focus their skills on more strategic or judgement-intensive activities.

Through robotic process automation, for example, corporations are providing much-needed support for laborious manual processes. With integrated robotic interventions, minimal human effort will be necessary to either continuously fine-tune the efficiency of solutions or complete exception handling tasks.

At the same time, application programming interfaces (APIs) are emerging as the key to improving payments between corporates and banks. APIs are quickly becoming a natural part of the landscape for businesses of all sizes and helping them to reinforce connectivity and provide a seamless flow of accurate data.

Q4: How can digital technology help finance mitigate risks?

JV: One of the main sources of risk for finance comes from a marked separation between the function and the business and operations teams that report balances to it.

As well as certifying account balances at a summary level, finance and internal audit teams need to know why balances change from period to period. That means being able to validate and access a deeper level of transactional detail.

Generally, it's not the job of finance to reconcile the underlying transactions – that's down to the individual business and operations teams. But when these teams report in different ways, it makes it harder for finance to substantiate, explain and analyze account activity.

Conversely, the standardized processes and seamless connectivity that digital technology supports can help bridge the gap between finance and operations.

Furthermore, by using the same technology to complete operational reconciliations and certify accounts, you could eliminate the significant risks involved in reporting data from one system to another.

More broadly, of course, highly automated digital processes also minimize opportunities for manual error, increase transparency and are easier to manage and track – greatly reducing operational risk as a result.

Q5: How has FIS developed its own technology to assist the finance function and improve financial close management?

JV: FIS has launched a single platform for financial close management, powered by automated workflow and our industry-leading reconciliation technology.

As well as seamlessly automating and controlling every step of the financial close, from general ledger capture to account certification, FIS® Financial Close Manager provides a centralized account inventory and real-time views of the process. So, you can easily track the progress and status of every task.

For optimally structured workflows and consistent approaches to reporting across the finance and operations teams, our solution comes backed by best-practice models for both certification and reconciliation tasks. It also uses machine learning, a branch of artificial intelligence, to optimize automation – by studying how skilled human staff act in reconciliation and certification scenarios, and then learning to replicate their actions and avoid unnecessary manual intervention.


Want to find out more about the future of finance? See how FIS can help digitize your accounting and close processes by emailing getinfo@fisglobal.com or visiting our dedicated financial close management [website](#).



About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our more than 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.

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