

# The dawn of a new partnership

A robotics-led finance function

Financial Accounting Advisory  
Services





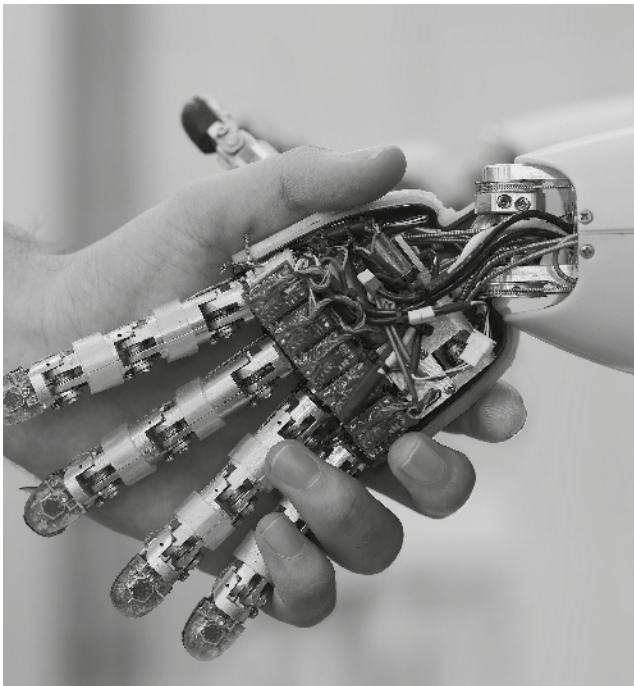
## What is robotic process automation?

- ▶ Robotic process automation (RPA) is the use of software that mimics human interaction with core systems, web and desktop applications to execute processes.
- ▶ RPA is an effective cost and time enabler, complementing any digital transformation journey to streamline business processes, achieve profitability and maintain a competitive advantage.

## Which tasks need to be automated?

The best tasks for automation are the tasks that:

- ▶ Are rules-based, to allow decision flows to alter dynamically
- ▶ Are consistent, with the same step being performed repeatedly
- ▶ Are template-driven, with data entered into specific fields in a repetitive manner



Involve manual calculation

Have electronic start and end points

Require an electronic trigger

High error rates

Data intensive

Repetitive in nature

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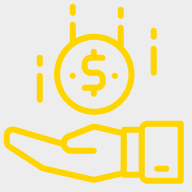





## How easy is it?

Non-invasive technology can be laid over existing systems and integrated with existing data, minimizing disruption to existing IT strategy and architecture. RPA technology can begin with simple rules-based tasks, and scale to more sophisticated algorithms and machine-learning functions as the organization matures.

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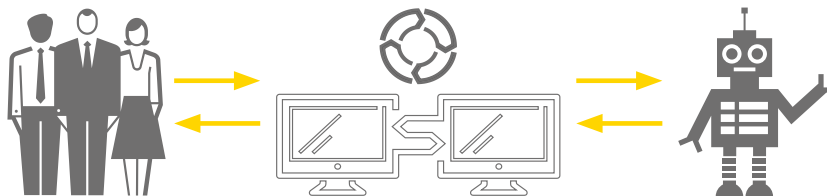


## What are the benefits of RPA?

<p><b>Accuracy</b> RPA provides accurate results, with precision in decision or calculation.</p>		<p><b>Audit trail</b> It provides the availability of fully maintained logs, which is essential for compliance</p>	
	<p><b>Cost savings</b> RPA can provide cost savings ranging from 20%-60% of baseline FTE cost</p>		<p><b>Reliability</b> RPA removes the need to account for sick days, making services available 365 days a year</p>
<p><b>Return on investment (ROI)</b> Typical RPA projects include multiple functional "pilots," but the program is completed in 9 to 12 months with an ROI of less than one year.</p>		<p><b>Right shoring</b> Geographical independence reduces need to offshore jobs while still delivering cost savings.</p>	
	<p><b>Productivity</b> RPA allows the freeing up of human resources for higher value-added tasks</p>		<p><b>Cross-industry</b> The standardized procedures make processes compatible across industries</p>



## Potential application of automation in the finance function



In the finance function, RPA can automate tasks that are of a repetitive nature and require tedious manual efforts.

Some key examples are explained below:

### 1 Bank reconciliation process

- ▶ Automatic login to multiple bank accounts
- ▶ Automatic login to ERP system
- ▶ Extraction of relevant general ledgers by the Bot
- ▶ Cross referencing of balances from bank statement to General Ledgers
- ▶ Preparation of bank reconciliation statement on predefined format

### 2 Sales ordering and invoicing

- ▶ Automatic entry of sales inquiries
- ▶ Updating of details for new customers by the Bot
- ▶ Initiation of delivery process and updating of inventory records
- ▶ Preparation of sales invoice from sales order
- ▶ Posting of revenue entry into the system

### 3 Fixed asset management

- ▶ Acquisition of quotations from prescribed vendors
- ▶ Automatic preparation of report comparing multiple quotations
- ▶ Preparation of fixed asset budgets
- ▶ Preparation of additions and disposal reports
- ▶ Fixed asset register reconciliations

### 4 Financial and external reporting

- ▶ Financial reporting
- ▶ Regulatory reporting
- ▶ Statutory reporting
- ▶ Other reporting



## 5 Inventory management

- ▶ Verification of inventory received and performing three-way matching
- ▶ Calculating price and quantity variances
- ▶ Generate reports in multiple formats
- ▶ Automatic shipping process
- ▶ Calculation and posting of year-end adjustment entry

## 6 Receivables management

- ▶ Automated monitoring of receivables
- ▶ Sending of reminders to customers for long outstanding balances
- ▶ Calculation of provision for doubtful debts, in accordance with the company's policy
- ▶ Posting of journal entries related to payments and provisions

## 7 Payables management

- ▶ Cross-checking between documents to verify the accuracy of payments
- ▶ Compilation of payables listings
- ▶ Monitoring of outstanding balances
- ▶ Preparation and posting of year-end adjustment

## 8 Financial statement closing

- ▶ Updating of comparative figures for the financial statements
- ▶ Calculation and posting of exchange gain or loss valuations
- ▶ Posting of regular and repetitive closing entries, e.g., accruals
- ▶ Fair value adjustments and entries
- ▶ Collection of information for specific disclosures
- ▶ Financial statements and ratio analysis

## 9 Tax planning and accounting

- ▶ Tax accounting and tax data management
- ▶ Tax accounting and analysis
- ▶ Tax accounting and preparation and review
- ▶ Tax compliance











## Robotics within finance

### Assessing the benefits of introducing RPA into the finance function

Manual processing with little subjective judgment E.g., general ledger inputs to consolidation reporting package		FTEs reallocation and reduction
Increased subjective judgment ↓	<b>Data input</b> Extracting data from several applications and reading emails, files and folders, etc.	60%-80%
	<b>Data output</b> Sending data obtained from the execution of the process with pre-defined format and distribution channels (email, file transfer, web-based, etc.)	50%-70%
	<b>Reconciliation</b> Understanding and combining data retrieved from several applications (e.g., cash reconciliation, Profit and Loss reconciliation)	40%-60%
	<b>Data quality management</b> Measuring data quality and testing consistency (e.g., batch monitoring, availability and integrity check)	Control quality improvement 60%-80%
	<b>Reporting and dashboard</b> Implementing dashboards and generating reports	30%-60%
	<b>Business rules</b> Applying business rules (such as accounting bookkeeping principles, amortization themes and cost reallocation) on the basis of formalized principles and guidelines	20%-40%
<b>Strong judgmental activities, multiple and ad hoc analysis or reports</b> E.g., analytical reporting to management		

### Outcomes of introducing automation into the finance function

 Automated solution can work 24/7	Robots work with existing IT landscape 
 One-third of the cost of offshore FTE	Robots can be trained by business users 
 Double-digit reduction in error rates	Cuts data entry costs by up to 70% 



## How can EY help?

### EY's edge in RPA

#### Identified methodology

We have a proven methodology for RPA strategy formulation and deployment.

#### Technology professionals on leading RPA tools

Strong experience and relationship with leading RPA vendors coupled with consulting help us to provide RPA services with a customizable proposition.

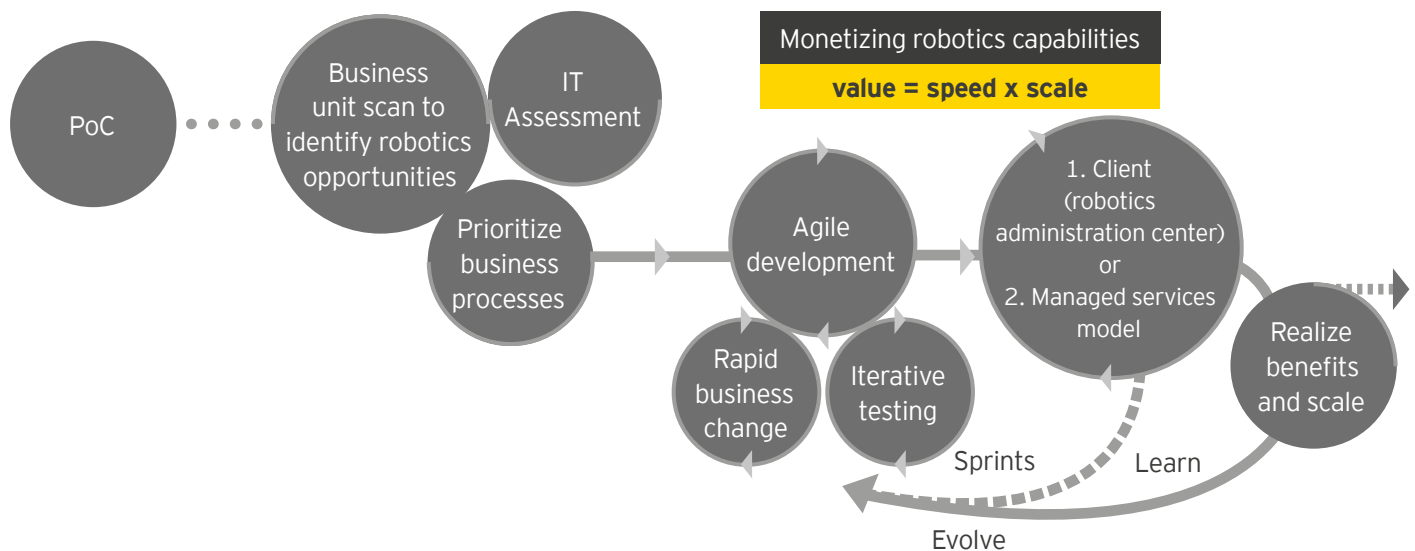
#### Future and vision

We are moving toward Smart Robotics. We are building experience across various industries, collaborating with leading and disruptive technology providers.

#### People capabilities

Our teams include highly experienced professionals across the spectrum of RPA strategy with knowledge of deployment across tools

### Our approach provides speed and scale required to achieve robotics value.



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## Contacts



**Jolanda Dolente**

Partner  
EY Financial Accounting Advisory Services  
Leader Switzerland (non-financial services)  
Mobile: +41 58 289 8331  
Email: jolanda.dolente@ch.ey.com



**Frederik Schmachtenberg, Phd**

Partner  
EY Financial Accounting Advisory Services  
Mobile: +41 58 289 3490  
Email: frederik.schmachtenberg@ch.ey.com



**Mathias Zeller**

Senior Manager  
EY Financial Accounting Advisory Services  
Mobile: +41 58 289 6652  
Email: mathias.zeller@ch.ey.com



**Johannes Bachmann**

Manager  
EY Financial Accounting Advisory Services  
Mobile: +41 58 289 4287  
Email: johannes.bachmann@ch.ey.com