

February 1, 2023 | 11:00 A.M. ET

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WHAT'S NEXT >

WEBINAR SERIES

Insights & education on the latest issues impacting people, profits and processes

Housekeeping Items

- The webinar will be recorded and shared as soon as it is available via email
- Today's materials will be shared in the chat box
- All lines are muted
- NASBA CPE requirements – in order to receive CPE for this webinar:
 - Participants must be connected to the session (both audio and presentation) for its entirety
 - Participants must answer three questions/elements of engagement
 - One (1) hour of CPE in the field of business management and organization will be granted if you meet these requirements

DISCLAIMER: The presenters, Bethany Novis, Gretchen Naso and Victoria Pritchard, and RKL LLP and its subsidiaries/affiliates are not held responsible for information that has changed or will change and makes no representation or warranty as to the ongoing accuracy of the information presented orally or in writing. Attendees should consult with legal, accounting and other advisors.

Introducing RKL Virtual Management Solutions

- A wholly-owned subsidiary of RKL LLP
- The fastest-growing segment of our firm
- Built on a model that combines best-in-class technology with highly credentialed advisors
- Focuses on streamlining, optimizing and managing back office functions so business owners and executive teams can focus on growth
- Primary services include financial management/accounting and workforce strategies



Remembering Scott Kimmel

"On behalf of the entire RKL team, we extend our deepest condolences to all those who knew and loved Scott. Things won't be the same without him, but we will carry on his legacy of building meaningful relationships, uncovering new opportunities and serving others."

— RKL CEO Ed Monborne



Scott J. Kimmel
1965 - 2023



Meet Today's Presenters

Gretchen Naso, CVA, MBA

President, RKL Virtual Management Solutions

For the past three decades, Gretchen has evaluated the structures, staffing and processes of businesses across the US and identified opportunities to increase value and efficiency. As President of RKL Virtual, Gretchen achieves these goals on a broader scale with an entity dedicated to helping businesses achieve next level growth.

Victoria Pritchard

Client Service Manager, RKL Virtual Management Solutions

Victoria is a Client Service Manager for RKL Virtual Management Solutions, specializing in accounting and financial management. Her primary function is to provide financial management and support for a wide variety of industries. Services she provides includes identifying transactional solutions, financial management, and leading technology implementations.

What Will We Introduce

01.

Financial Transformation

A look into what financial transformation is all about and why it is important.

04.

Challenges

A discussion of some of the challenges businesses encounter when undertaking a financial transformation.

02.

Current State

What 's happening in many small businesses post-pandemic.

05.

Functional Example

How financial transformation can change your procure to pay process.

03.

Outcomes

Potential effects of financial transformation and the risks of not making the leap.

06.

Questions & Closing

Follow-up to answer those difficult questions.



What is Financial Transformation?

Elevating your finance function to best-in-class levels of efficiency and effectiveness to enhance shareholder value.



What ISN'T Financial Transformation?

Upgrading
technology without
addressing process
& people

Hiring highly
qualified team
members to
continue manual
processes and
“work-arounds”

Outsourcing to a 3rd
party to duplicate
existing processes

POLLING QUESTION

To be eligible for CPE, 3 polling questions must be answered.

Why is Financial Transformation Important to You?

Goal – Successful, Sustainable Business

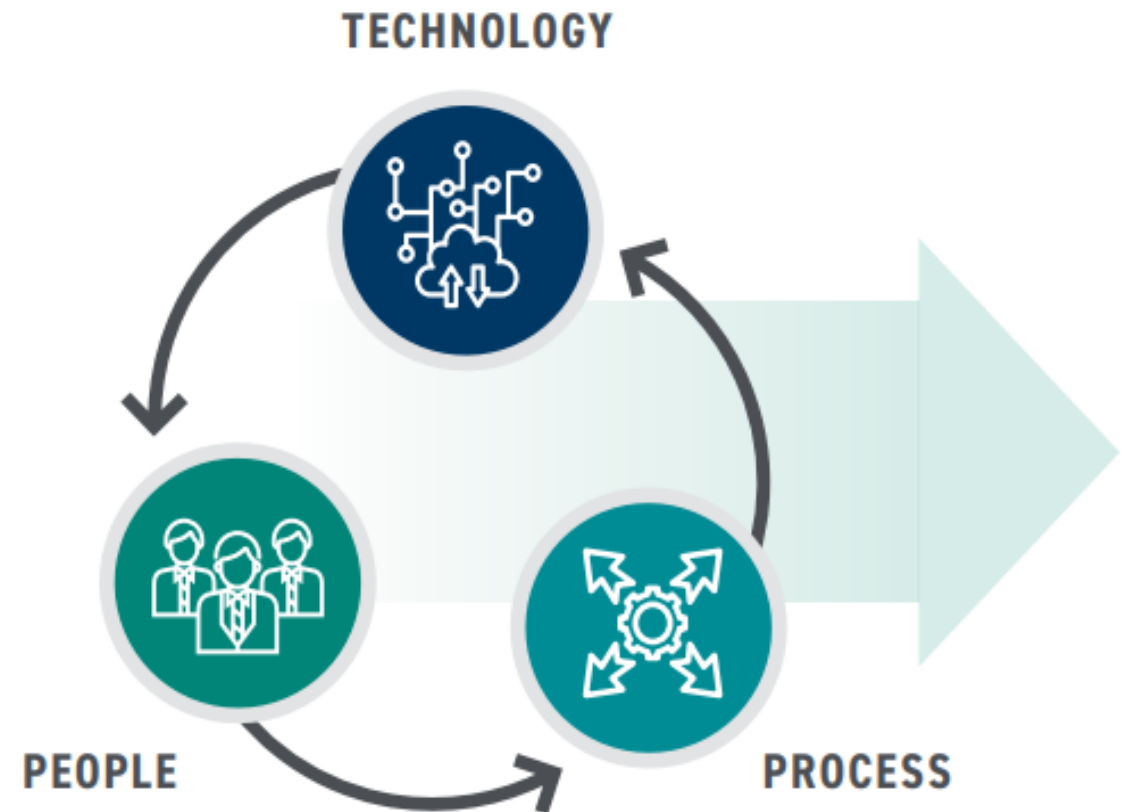
Business success depends on the ability to see what is happening in all areas of your business

Business owners need a holistic view (sales, inventory, capacity)

Business decisions require timely information

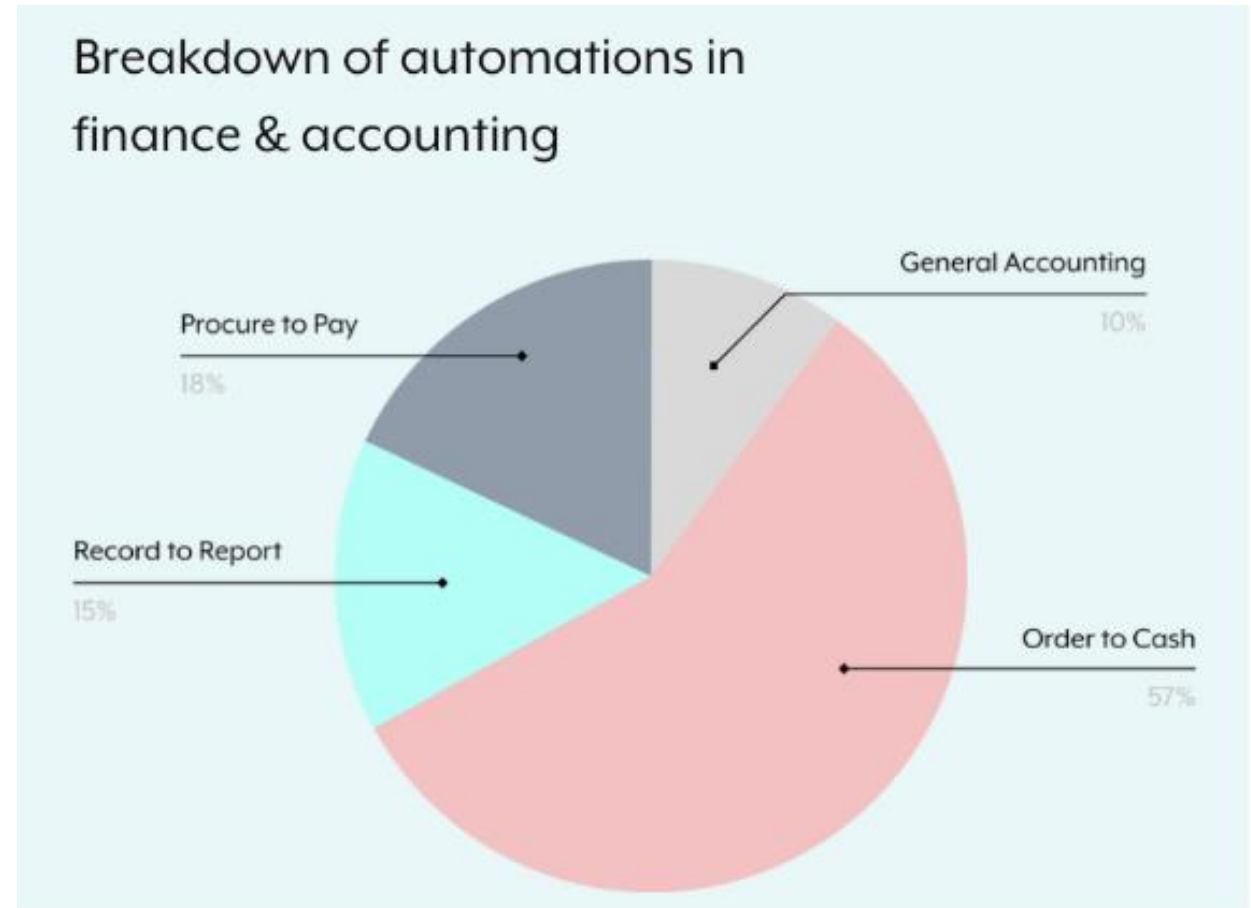
Financial Transformation – Three Components

- **Process.** *As you continue to grow and mature, standardized workflows improve scalability and agility in times of change (ownership transitions).*
- **Technology.** *Implementing and leveraging technology is a critical component of financial transformation. However, technology is an enabler and by itself never the answer. **The improvement of processes and adoption by people is what determines success.***
- **People.** *Talent retention and acquisition is a significant risk. Improving process efficiency and implementing automation can empower your team to shift focus from low-value tasks to strategic opportunities.*



Current State - Automation

- Many privately-held businesses continue to rely on manual processes in key functions.
- 31% of businesses have fully automated at least one function (*McKinsey*).
- Order to Cash is the most frequently automated process in finance.



Current State - Process

A recent study by the largest independent CPA firm in California found these factors consistently slow down the monthly accounting and financial reporting process...

- Over-reliance on manual, paper-based processes
- Lack of integration between financials and other business critical applications
- Decreased staff productivity as a result of inefficient and lack of automated processes
- Inadequate data and lack of insight into the business

Current State - People

- Talent shortage exists in finance and accounting.
- Accountants are leaving their jobs in record numbers.
- Professionals are seeking positions that allow them to collaborate more efficiently and drive better data-driven decision-making through automation.

65%



“HIGHLY EDUCATED ACCOUNTANTS AND FINANCIAL PERSONNEL SPEND SIXTY-FIVE PERCENT OF THEIR TIME ON MANUAL, LOW-VALUE PROCESSES.”



The Hackett Group

World Class Defined and Enabled

Trends Reshaping Accounting & Finance in 2023

- The Cloud is here to stay.
- The labor crunch is accelerating the use of automation in accounting.
- Accounting AI investment will continue to grow, even in industries late to digital transformation.
- Analytics, action and storytelling will continue to converge with data automation.

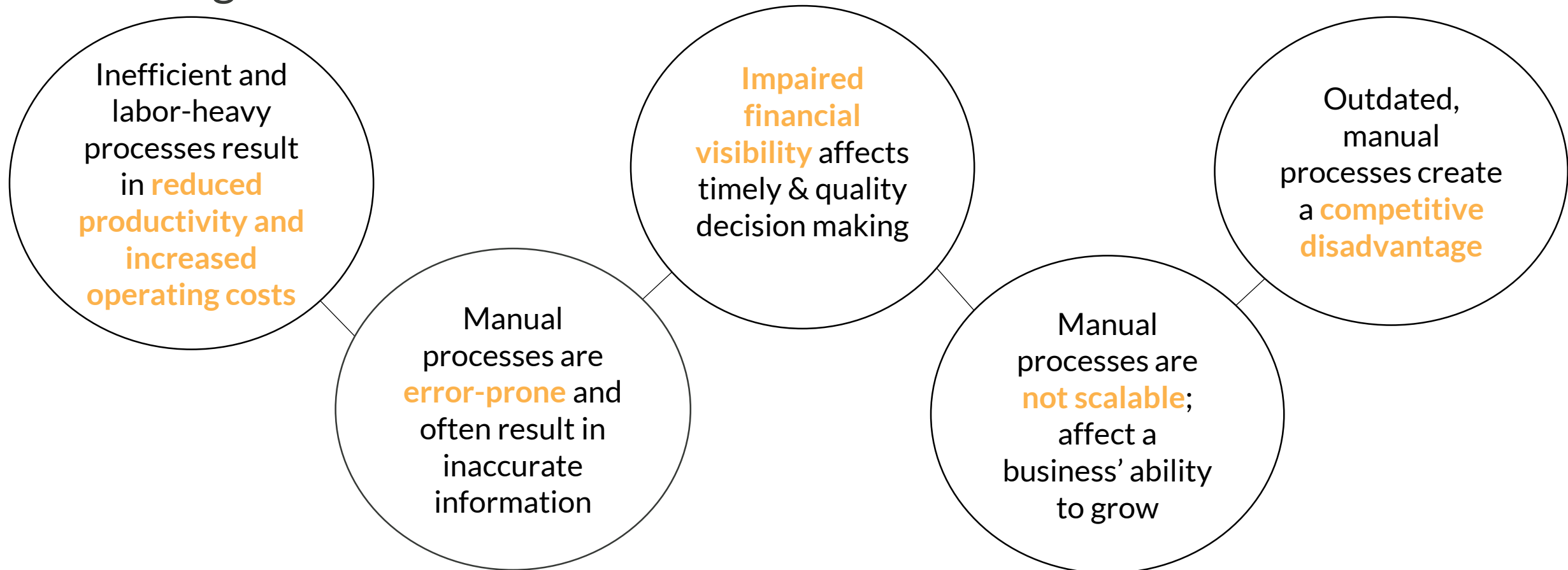
POLLING QUESTION

To be eligible for CPE, 3 polling questions must be answered.

“Delaying automation and financial transformation is a risk to the current and future state of your business.”

Keeping the Status Quo – What are the Costs?

Electing to remain “manual” has associated costs....



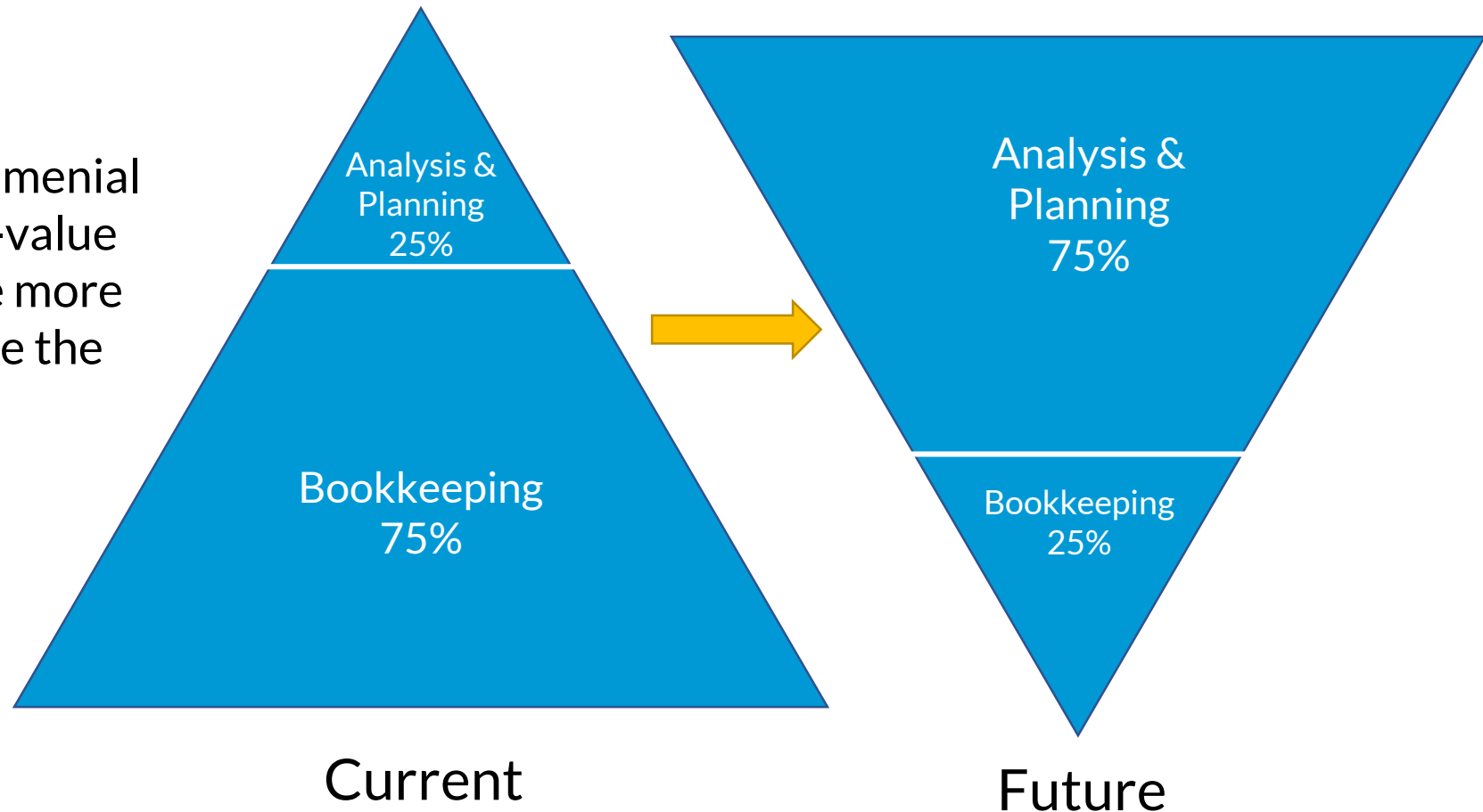
Outcomes

Micro	Macro
Faster approvals	Accelerated decision making
Fewer errors	Increased time for strategic activities
Increased productivity	Increased ability to scale
Reduced costs	Leveled playing field
Fewer customer issues	Improved customer & employee experience

Financial transformation enables small businesses to compete upstream!!

Move to Higher Level Activities

Eliminate low-value, menial work to free up high-value resources to become more strategic to help drive the business forward...



Cost Savings



Average Reduction in
Payment Processing Costs

MANUAL



\$14.89

Cost to process a paper invoice – invoice receipt through approval and entry into the accounting system.

AUTOMATED \$

\$7.00 OR LESS

According to Aberdeen Research best-in-class results for AP Automation processing.

MANUAL



\$7.15

Cost to process a paper check – check printing through mailing and filing.

AUTOMATED \$

\$3.00 OR LESS

According to Aberdeen Research best-in-class results for Payment Automation processing.

MANUAL



\$22.04

Total cost of the AP process from invoice receipt through payment.

AUTOMATED \$

\$10.00 OR LESS

According to Aberdeen Research best-in-class results for AP & Payment Automation processing.

Success Stories



Fast Casual Restaurant

- 20-location business lost entire accounting function overnight due to staff resignations.
- Financial transformation enabled business to reduce staff, improve financial reporting and survive the pandemic.

Dental Group

- Management of an eight location dental practice did not have timely financial information; were “flying blind”.
- Automation, process change and a scaled-down financial function produces real-time financial insights.

Distributor

- Controller resignation (unexpected) spurred Company into action.
- Financial transformation enabled a single entity business to execute 4 acquisitions in a two-year period.

Food Manufacturer

- Business transfer (family) highlighted need for improved processes and reliable financial information.
- Process improvements and cloud-based automation provides real-time, reliable financial information.

POLLING QUESTION

To be eligible for CPE, 3 polling questions must be answered.

What if You Aren't Ready?

- Consider a process assessment (use an objective 3rd party)!
- Develop a roadmap; clarify your objectives; obtain buy-in from leadership
- Consider a phased approach ... take one function at a time

Challenges

Change Management

The “We’ve always done it this way” mentality...

- Adopting and embracing automation will require significant change through out the business.
- Don’t assume that everyone will be on board!
- Consider a formal change management approach.

Managing the Technical Aspects

Implementing automation will require technical resources.

- Evaluate internal/external resources.
- Consider training requirements.

Competing Priorities

Trade-offs may necessary...

Leadership Commitment

Everything from differing priorities and resistance to change can work against a successful transformation...

- Obtain alignment among and sponsorship from key stakeholders
- Allocate a budget
- Dedicate management time (transformations require time and focus)
- Assign dedicated resources (team)
- Frequently recognize participants for their accomplishments

Is Your Team Ready?

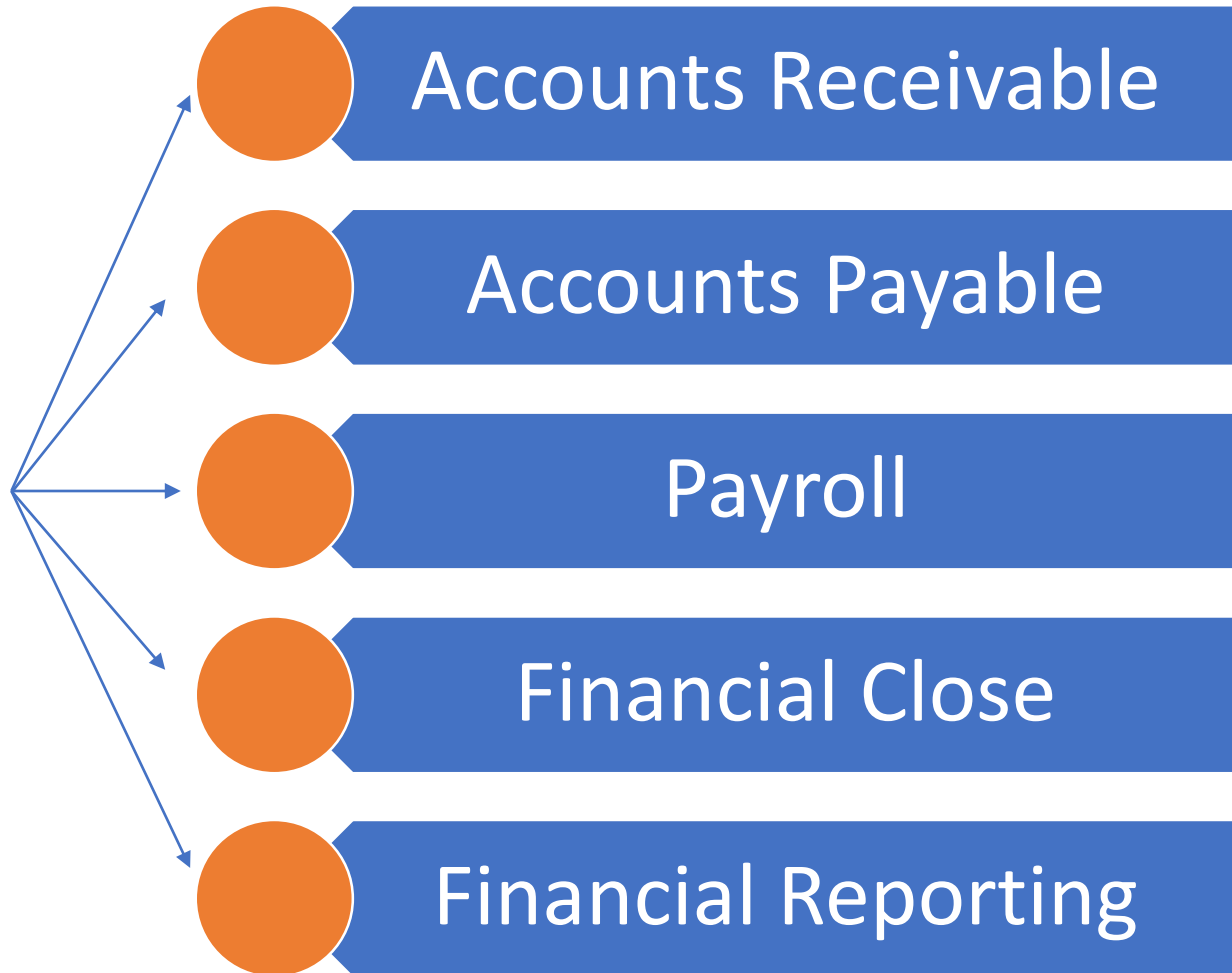
Financial transformation will require a different skillset...

- More advanced cognitive skills (critical thinking, project management)
- Higher level social and emotional skills (communication, entrepreneurship)
- Training and reskilling should be a top priority to address automation-related skill gaps*

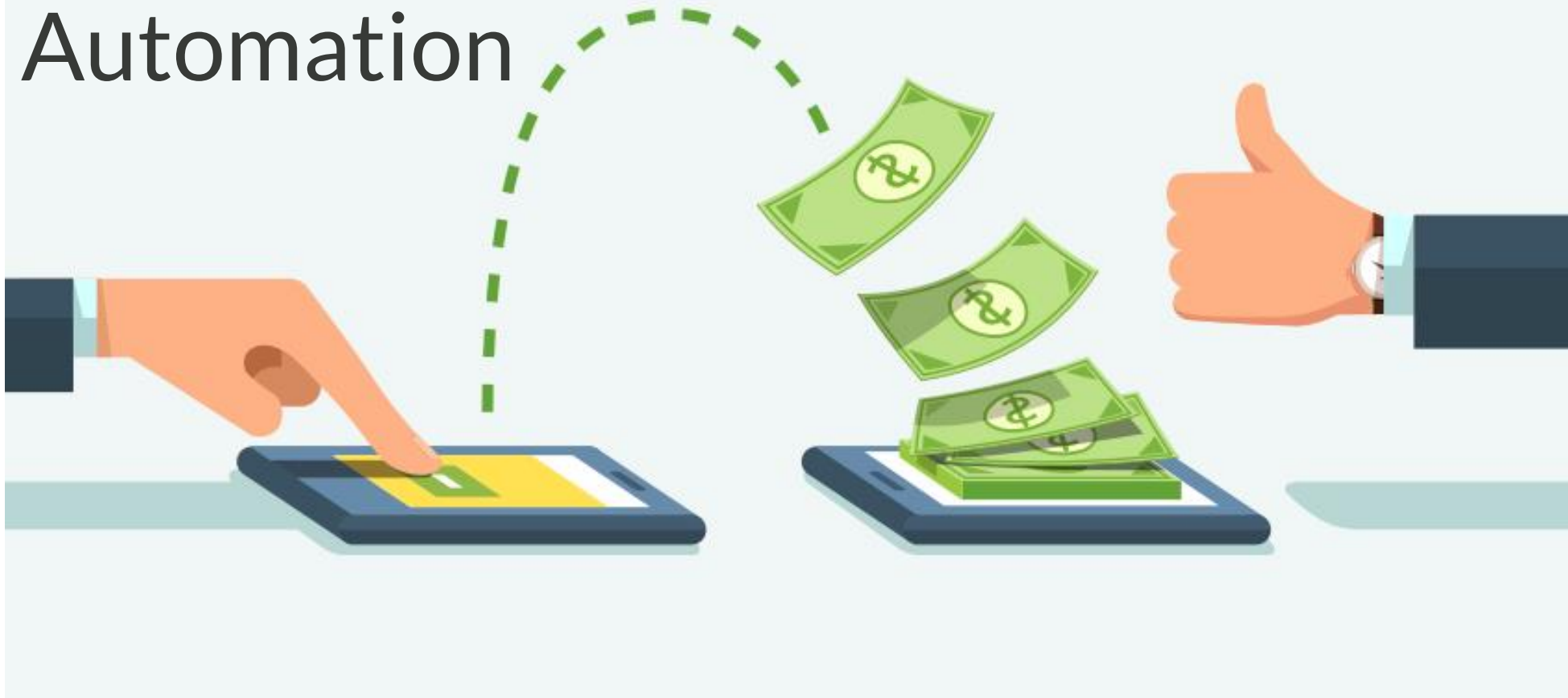
***Factor cited as having the biggest impact on their company's automation outcomes**

Where to Start?

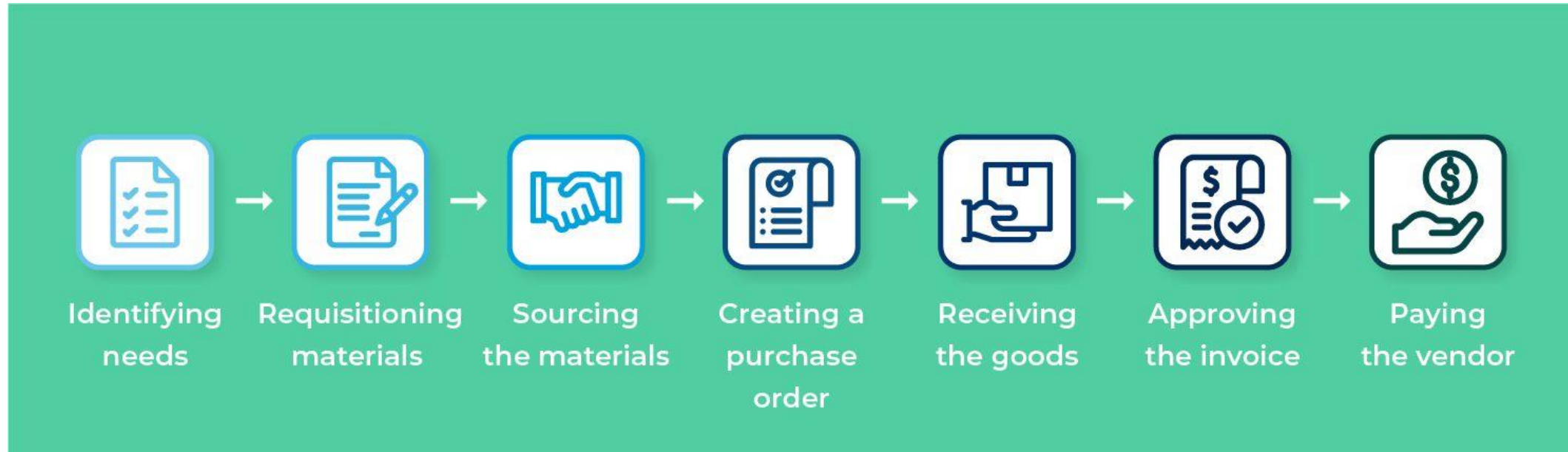
Five Time-Consuming
Tasks Ripe for Automation



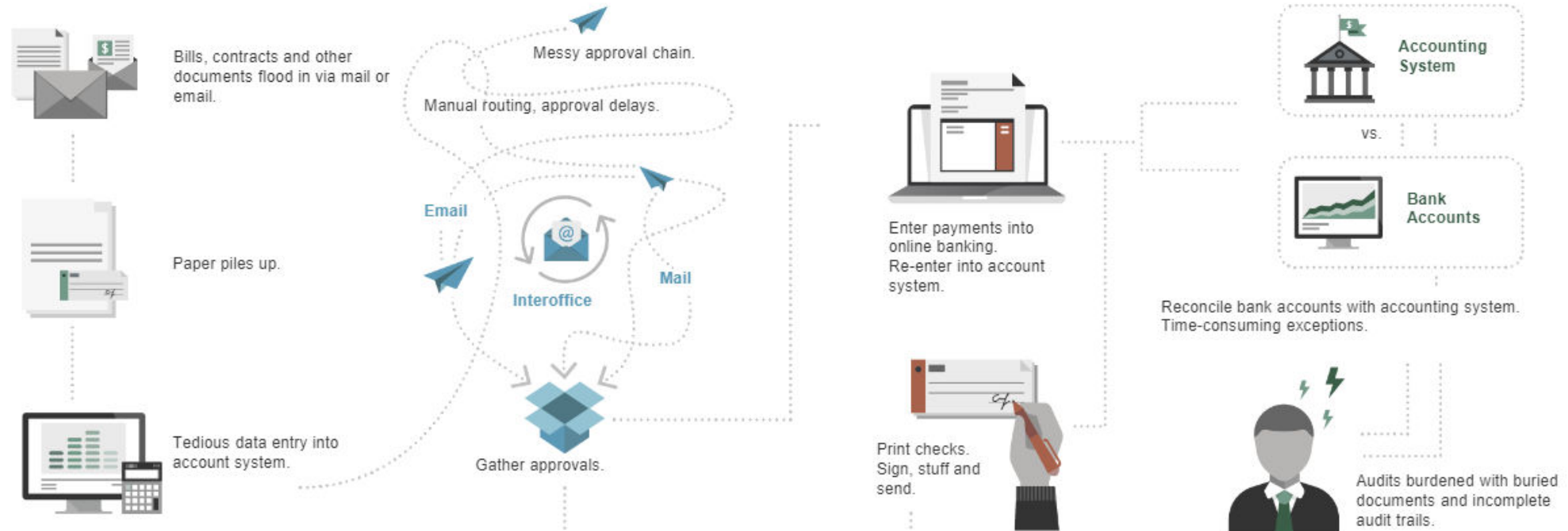
Procure to Pay Automation



Procure to Pay Process



Manual Workflow



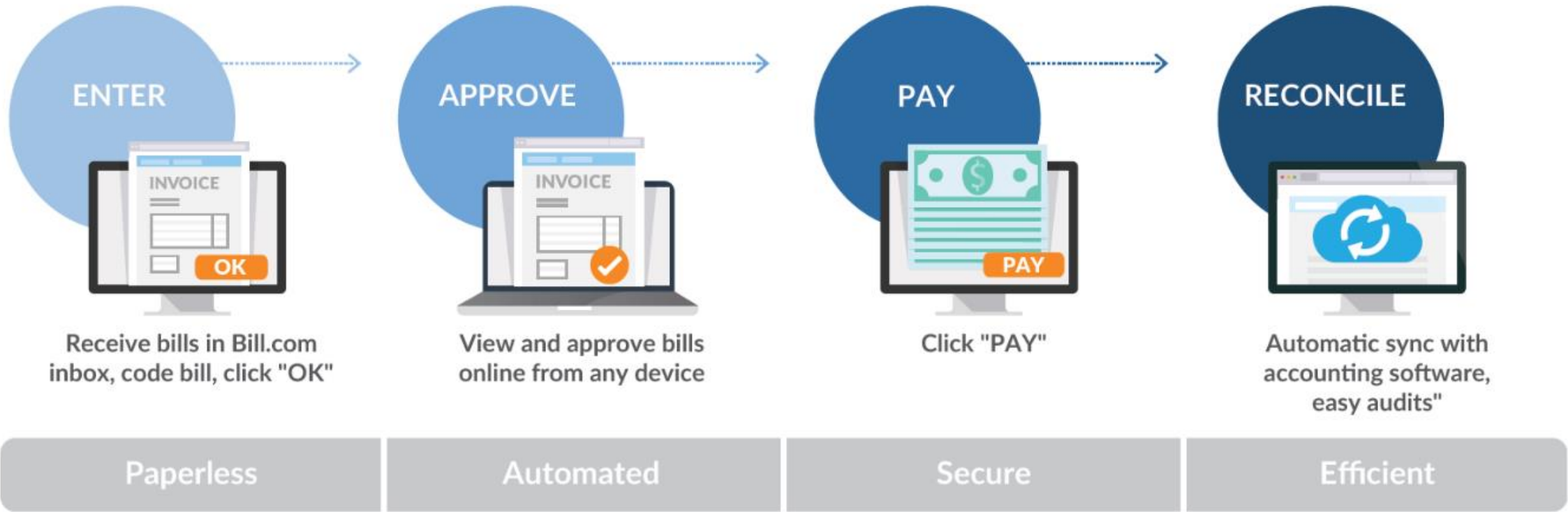
Paper-intensive

Manual

Fraught with Risk

Time-consuming

Automated Workflow



Challenges

Common issues inherent in a manual procure to pay process...

Time Intensive

- Data entry
- Manual approval
- Check printing

Error Prone

- Data entry
- Lost documents (manual tickler system)
- Late payment
- Receiving is a manual process; no transparency

Delays

- Physical receipts
- Approvals (invoice and disbursement)
- “Check is in the mail”

Exception Handling

- Inconsistent processes for approvals

POLLING QUESTION

To be eligible for CPE, 3 polling questions must be answered.



- Designate financial transformation as a strategic priority (company-wide initiative).
- Define clear objectives.
- Assign an “executive sponsor”.
- Understand costs and the expected ROI.
- Deploy automation systematically (one function at a time).
- Focus on roles and people ... prioritize workforce management.
- Address automation-related skill gaps early on!

Do You Have Questions?





VIRTUAL
MANAGEMENT
SOLUTIONS

A photograph of three people in an office setting. A woman on the left, wearing glasses and a black top, is leaning forward and high-fiving a man in the center. A woman on the right is also high-fiving the man. They are all smiling and appear to be celebrating. The background shows large windows with a view of a city.

Thank you for joining us

Whatever your next move, we're here to help.

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