

Ventana Research

Office of Finance Research in 2020

Setting the annual expertise and topic agenda



Robert D. Kugel CFA
Senior Vice President & Research Director



blog.ventanaresearch.com



[@ventanaresearch](https://twitter.com/ventanaresearch)



ln.ventanaresearch

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The Strategic Value of Ventana Research

Mission: We pride ourselves on delivering uniquely insightful independent research and services through a tailored, trusted and empathic client experience.

Value:

- We help you ***discover and guide your unique potential*** in the business you serve to improve your efforts from our experience.
- Working with our firm in business processes you can ***elevate your performance*** through our objective and educational approach.
- Embrace our expertise to help you ***realize your full potential*** across entire organization.



Excellence. Independence. Innovation. Reliability. Research. Teamwork.

Our Client Commitment: The Ventana eXperience



Ventana Research Expertise Research Agenda

Our Research Agenda and expertise in critical business and technology topics is driven by our analysts' experience and expertise of business requirements and our knowledge of technology vendors and products.

Through our primary and secondary market research methods, we are able to provide insights and best practices to line of business and IT, and across vertical industries that will help any organization reach its maximum potential.



VENTANA RESEARCH

2020

RESEARCH AGENDA

Ventana Research Expertise Areas

Our business areas of expertise help organizations examine how to innovate and transform their processes and enable their people to effectively execute.

Expertise Areas

Analytics

Data

Customer Experience

Digital Technology

Human Capital Management

Marketing

Office of Finance

Operations and Supply Chain

Sales

Digital Technology Unifies Business Experience



Digital Technology Innovation and Transformation

Digital Technology helps organizations innovate and transform business and IT processes to improve efficiency and effectiveness.

Focus Areas

Analytics and Data

Artificial Intelligence

Blockchain

Collaborative Computing

Conversational Computing

Internet of Things

Mobile Computing

Robotic Automation

eXtended Reality (XR)



Office of Finance

By 2025, the number of organizations with a Finance IT function will grow from six out of 10 to nine out of 10.

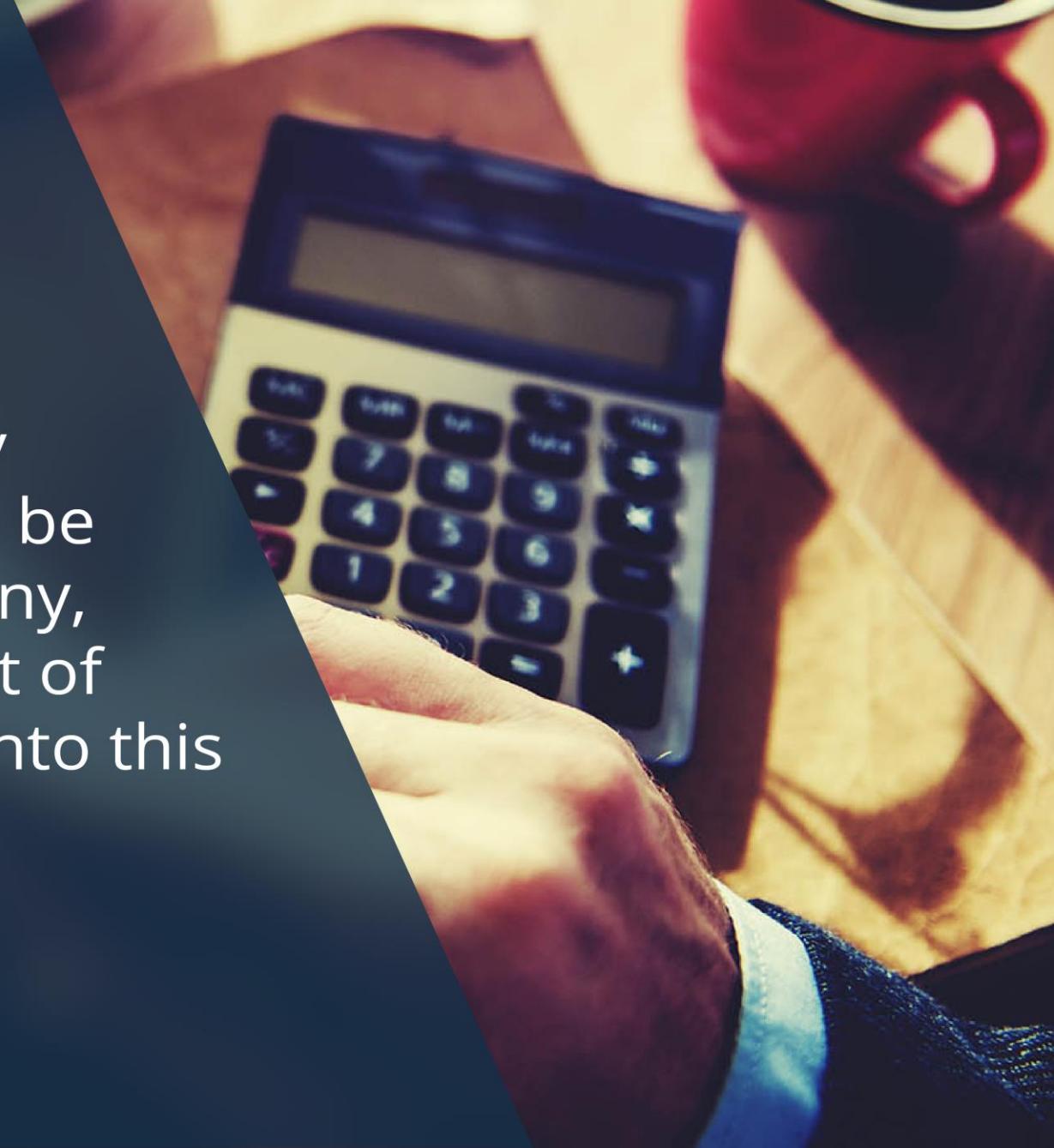
Robert Kugel
SVP & Research Director



Office of Finance

Nine out of 10 executives say they want their finance organization to be a strategic partner to their company, but by 2023 fewer than 25 percent of finance organizations will evolve into this role.

Robert Kugel
SVP & Research Director



Expertise Overview

After a decade of limited technology innovation, significant change is underway. Artificial intelligence, machine learning, bots, RPA, enterprise data management, blockchain distributed ledgers, cloud computing and restructured architecture will transform how the office of finance will work, including accounting, planning and analytics, budgeting and closing.

Focus Areas

Business Planning

ERP and
Continuous Accounting

Financial Performance
Management

Pricing and Revenue
Management

Robotic Finance

Revenue, Lease and Tax
Accounting

Digital Technology for Office of Finance

Artificial Intelligence and Machine Learning

- Automates transactions processing for simple, repetitive tasks that requires some judgment. Flags errors, omissions and inconsistencies at time of entry.
- Accounting requires consistent treatments and actions, lending itself to AI and ML.
- Unlikely to be a big-bang; more likely a steady evolution and adoption of new capabilities.

Conversational Computing

- Computing systems adapt to the individual accounting and line-of-business user, streamlining and accelerating processes and reducing the need for training.
- Critical capability in ERP deployments for HR, operations and digital boardroom.

Big Data Analytics

- Utilizing large volumes of transactions data provides competitive capabilities.
- Predictive analytics, PRO, deeper visibility all enable differentiated strategy and operations.
- Companies must develop internal expertise to utilize big data analytical capabilities.

Digital Technology for Office of Finance

In-Memory Analytics for the Office of Finance

- More sophisticated analytics that put an end to “I’ll get back to you with that.”
- Supports a proactive, forward-looking role for FP&A with greater forward-looking visibility.
- Continuous planning requires technology to leverage analytical skills of FP&A.

Blockchain Distributed Ledgers

- Emerging distributed ledger technology will profoundly affect the Office of Finance.
- Self-executing contracts, identity management, traceability and other capabilities can streamline finance/HR functions and impose new control requirements.

Robotic Process Automation

- Hands-off processing of straightforward repetitive transactions.
- Increase automation of data movements to improve data quality.
- Improves efficiency, increases data quality, reduces errors and facilitates integration.



Business Planning

By 2025, more than one-half of companies will have tightly integrated sales and HR planning with their budgeting process.

Robert Kugel
SVP & Research Director



Business Planning

By 2023, more than two-thirds of organizations will still need to make it easier for budget owners to increase the business value of planning and budgeting.

Robert Kugel
SVP & Research Director

Business Planning

Overview

- Predictive planning employs technology such as in-memory computing, advanced analytic technologies and interactive planning to make planning and budgeting processes more agile and easier.

Direction

- Businesses must use technology to make planning and budgeting more agile and easier.
- The Cloud and in-memory makes shorter company-wide planning and review cycles feasible.
- Reimagine traditional budgeting and silo-based planning to achieve better results.

Market Research

- Benchmark: Business Planning (Continuous)
- Dynamic Insights: Sales and Operations Planning
- Value Index: Business Planning (Q1 Release)

Business Planning

By 2023, more than two-thirds of organizations will still need to make it easier for budget owners to increase the business value of planning and budgeting.

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ERP & Continuous Accounting

By 2025, more than one-half of manufacturing companies will use a cloud-based core ERP system.

Robert Kugel
SVP & Research Director



ERP & Continuous Accounting

In 2023, it will still be the case that fewer than one-fifth of finance departments will have adopted continuous accounting to make their organization a strategic partner to the rest of the corporation.

Robert Kugel
SVP & Research Director



ERP & Continuous Accounting

Overview

- Continuous accounting is an approach to managing transactions recording and accounting that takes advantage of current ERP technology to streamline and restructure the accounting function; it can provide more real-time information and insight while simultaneously cutting administrative overhead.

Direction

- ERP and other software is evolving to streamline and restructure the accounting function.
- Database, system architecture and UX has made significant process re-engineering possible.
- Cutting administrative overhead and increasing analytical talent are key challenges for CFOs.

Market Research

- Benchmark: Next Generation ERP (Q1 Launch) and Subscription Management (Q1 Launch)

ERP & Continuous Accounting

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SVP & Research Director





Financial Performance Management

By 2025, two-thirds of finance and accounting departments will improve their use of readily available technology to close their quarterly books within six business days, up from about half that can do that today.

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SVP & Research Director

Financial Performance Mgt.



Financial Performance Management

By 2025, two-thirds of finance and accounting departments will improve their use of readily available technology to close their quarterly books within six business days, up from about half that can do that today.

Robert Kugel
SVP & Research Director

Overview

- Financial performance management applies technology to the full cycle of departmental functions, including corporate and strategic finance, planning, forecasting, analysis, closing and reporting, facilitating more accessible predictive and prescriptive analytics and driving changes in the role and mission of the financial planning and analysis (FP&A) group.

Direction

- Real-time information, shorter cycles, self-service reporting are key capabilities for FP&A.
- Cloud, AI and in-memory driving changes in FP&A mission and how it's executed.
- Continuous planning and a shorter close are Office of Finance imperatives.

Market Research

- Dynamic Insights: The Financial Close (Continuous)
- Value Index: Financial Close Management (Q2 Launch)



Price & Revenue Management

By 2025, more than half of B2B businesses will adopt price and revenue optimization. Today, the technology is only lightly adopted.

Robert Kugel
SVP & Research Director



Price & Revenue Management

By 2023, competitive pressures will force three-fourths of B2B companies to adopt technology supported strategic pricing strategies to achieve volume and margin objectives.

Robert Kugel
SVP & Research Director

Pricing & Revenue Management

Overview

- Using big data analytics, machine learning and process management, price and revenue management technology enables B2B companies to optimize profit margin and sales objectives and achieve consistently better financial results than without technology.

Direction

- Pricing and revenue management for B2B and financial services going mainstream.
- Big data, machine learning enabling easier to deploy and more robust systems.
- Differentiated strategies will drive higher ROE and company valuations.

Market Research

- Benchmark: PRM / CPQ (Q1 Launch)
- Value Index: PRM / CPQ (Q1 Launch)



Price & Revenue Management

By 2023, competitive pressures will force three-fourths of B2B companies to adopt technology supported strategic pricing strategies to achieve volume and margin objectives.

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SVP & Research Director





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Robotic Finance

By 2025, robotic finance technologies will significantly reduce employee training requirements and boost productivity by 25 percent.

Robert Kugel
SVP & Research Director

Robotic Finance

Overview

- Robotic finance utilizes technologies such as artificial intelligence and machine learning, robotic process automation and blockchain distributed ledgers to shift the balance of the department's work from transactions processing and reporting to forward-looking operational and financial analysis.

Direction

- Includes AI and Machine Learning, Robotic Process Automation and Blockchain Distributed Ledgers
- Breakthrough technologies will support a profound change in the Office of Finance's role.
- “We've always done it this way” inertia is the key risk facing CFOs and their companies.

Market Research

- Dynamic Insights: Office of Finance (Continuous)

Robotic Finance

By 2025, robotic finance technologies will significantly reduce employee training requirements and boost productivity by 25 percent.

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SVP & Research Director





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Revenue, Lease and Tax Accounting

By 2023, more than two-thirds of companies will utilize technology to simplify accounting for contracts and leases.

Robert Kugel
SVP & Research Director



Revenue, Lease and Tax Accounting

By 2023, it will still be the case that fewer than half of companies with moderately complex legal structures will use dedicated tax provision software.

Robert Kugel
SVP & Research Director

Revenue, Lease and Tax Accounting

Overview

- New standards for accounting for contract revenue and for leases impose more complex processes and ongoing reviews that are best handled by software. The standards also are more principles-based, requiring effective process control and comprehensive disclosures.

Direction

- Companies are still adapting to new RevRec and Lease Accounting standards.
- New standards require software automation to handle the accounting, planning and budgeting.
- Companies must accelerate efforts to implement software for accounting and planning.

Market Research

- Benchmark: Office of Finance (Continuous) and ERP (Q1 Launch)



Revenue, Lease and Tax Accounting

By 2023, it will still be the case that fewer than half of companies with moderately complex legal structures will use dedicated tax provision software.

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SVP & Research Director



Technology Areas of Focus for Office of Finance

ERP and Continuous Accounting

- Revenue recognition.
- Accounting standards.
- End-to-end process management
- Automating repetitive tasks
- Subscriptions and recurring revenue billing
- User experience
- Mobile and collaborative

Supporting Technologies

- Blockchain Distributed Ledger Technology
- Robotic process automation
- Automated data management

Advanced Analytics

- Pricing and revenue management
- Predictive analytics
- Artificial intelligence and machine learning
- User experience
- Mobile and collaborative

Finance Operations

- Business planning and budgeting
- Achieving a faster close
- Self-service data prep
- Tax planning and visibility
- Treasury management
- GRC

Our Strategic Differentiator: Market Research



Market Research for Office of Finance

Benchmark Research

- Business Planning (Continuous)
- Office of Finance (Continuous)
- ERP (Q1 Launch)
- PRM / CPQ (Q1 Launch)
- Subscription Management (Q1 Launch)

Value Index Research

- Business Planning (Q1 Release)
- Financial Close Mgt. (Q1 Launch)

Dynamic Insights Research

- Sales and Operations Planning Continuous)
- Fast Close (Continuous)

Robert Kugel - SVP & Research Director



[@rdkugelVR](https://twitter.com/rdkugelVR)

Passion: Make finance and accounting cool (again). Eliminate the tedious and focus on continuous improvement to improve performance using software. Keep it real: I'm deep in technology futures but read accounting bulletins.

Expertise: Since 2003, Robert has led the Office of Finance research practice focusing on the intersection of information technology with the finance and accounting to line-of-business departments.

Experience: He has been a technology analyst for 30+ years, with the perspective that brings. But the practice is focused firmly on what's next.

Research: His research covers the full range of finance functions (accounting, FP&A, tax, treasury, and corporate finance) along with the software that supports these functions such as ERP, performance management, tax provision but also in lease accounting, price optimization and S&OP.

Background: Robert was an equity research analyst (Credit Suisse, Morgan Stanley and Drexel Burnham) and a consultant with McKinsey & Company. He earned his BA in Economics/Finance at Hampshire College, an MBA in Finance/Accounting at Columbia University, and is a CFA charter holder.

Mark Smith - Chief Research Officer



[@marksmithVR](https://twitter.com/marksmithVR)

Passion: A digital technology native and enthusiast who loves the art and science of research for educating technology buyers and suppliers.

Expertise: A founder and head of research, Mark is responsible for the overall business and research direction of the firm and specializes in all aspects of Customer Experience across marketing, sales and service.

Experience: With 30 years of experience and 20 years being a technology analyst, with a decade of work in technology industry as CMO and in product marketing and alliances at companies like Oracle, SAP and IRI Software.

Research: His research covers the full range of enterprise software and business technology innovations including: AI & ML, analytics, big data, cloud computing, collaboration, conversational computing, eXtended Reality, IoT, and mobile technology.

Background: Mark was rated the 2011 software industry analyst of the year by The Institute of Industry Analyst Relations (IIAR). Ranked as one of the top ten technology influencers in 2012 by Human Resources Executive magazine.

Alan Kay – SVP of Research Management



 [@alankayVR](https://twitter.com/alankayVR)

Responsibility: Alan manages the development, publication and syndication of the company's research projects and other analytic and advisory materials. Alan is a veteran business journalist, newspaper and magazine editor and publication consultant who has written in and directed coverage of many of the areas addressed in Ventana's research agendas..

Background: He served as executive editor of Corporate Computing and editor of Knowledge Management, and his writing has appeared in BusinessWeek, CIO, Forbes, Fortune, InformationWeek, the Washington Post, Wired, and more. Alan attended Brooklyn College of the City University of New York and Princeton and Yale universities.

Katie Prince – Research Program Manager



[@KatiePrinceVR](https://twitter.com/KatiePrinceVR)

Responsibility: Katie is responsible for ensuring the effective operations of research programs and editing written content to ensure its maximum value to the firm.

Background: Katie is an experienced writer and editor who worked as an English professor, a television producer and a newspaper reporter before joining Ventana Research in 2017. She has a BA from St. John's College and an MFA from NC State University, and has won two Emmys for her investigative reporting and writing.

Ryan Swagerty - Director of Content Services



[@RyanSwagVR](https://twitter.com/RyanSwagVR)

Responsibility: Ryan is the Director of Content Services at Ventana Research. He is responsible for the guidance of production of content deliverables to ensure that they reflect Ventana Research standards while satisfying client needs and ensuring client satisfaction.

Background: Prior to joining Ventana Research, Ryan worked as professional writer and marketing consultant, Director of Operations for the Business Analytics Collaborative, Manager at TM Financial Forensics, and as a Senior Consultant for Navigant Consulting, working with clients on content creation and marketing strategy. Ryan has a B.S. in Business Management from the University of Southern California.

Questions?



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Electronic Mail

researchteam@ventanaresearch.com

info@ventanaresearch.com

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