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Technologies that Midmarket Businesses Should Budget For in 2018

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Trusting Technology

Finance departments are kicking off the first quarter of 2018 with big plans and aggressive goals to make this year the best year yet. CFOs are focusing on answering the ageless question - 'How can the company make more and spend less?' The key is working smarter, not harder, to stay in the competitive 'Game of Growth.' As much as we want the speed of finance departments to be equivalent to an all-star running back, it's impossible without the star player - technology.

Technology has come a long way. 25 years ago, we were listening to a dial-up tone to connect to the Internet. Ten years ago, we were getting the hang of social media and smartphones. Today, we're using technology to make decisions and complete tasks with the click of a button at home and work.

Technology is changing at the speed of lightning, but not as fast buyer's demands. Customers are demanding companies to produce more, faster, and better than before. To win, companies must exceed their expectations, especially in the B2B world.

Technology is changing 'at the speed of life.' It's all about simplicity, security, and efficiency. Businesses are focusing on making this year better than last with steep growth projections and plans. As the first quarter of 2018 kicks off, it's essential to embrace digitalization to score in all four quarters.

In our free eBook, Technologies that Midmarket Businesses Should Budget For in 2018, you'll learn about leading technology and strategies to make 2018 the best year yet. We've evaluated what it takes to survive in the B2B world regardless of size or revenue. You'll understand the best implementation practices for your finance departments, and how to improve efficiency and visibility by simply trusting tech.

Cryptocurrency and Blockchain

Businesses are on the brink of buying into the latest digital dynamic duo.

In short, cryptocurrency is an encrypted digital payment method. Instead of the bank or government handling transactions, a set of computers and 'miners' do all of the virtual processing. The goal is to provide secure transactions using the blockchain - a secure database of records and transactions that uses cryptography to protect all information and processes. A lot has happened in the Blockchain World since its launch in 2011, and this year its growth is proof that 2018 may be the biggest blockchain and bitcoin year yet.

Cryptocurrency is the easy, digital payment form that is changing the way businesses and consumers pay online. Bitcoin is leading as the largest and most popular form. According to Bitcoin COO and Co-founder, Chris Kline, bitcoin grew from $900 at the beginning of 2017 to $6,300 by the beginning of Q4. Kline predicts that bitcoin will become widely accessible electronic payments for business in 2018.

"In 2018, we expect to see a dramatic increase in oversight and regulation for cryptocurrencies, and as a result, we expect to see established financial institutions invest billions of new money in the space."

According to a recent Forbes article, blockchain is projected to grow 61.5% annually through 2021. Predictions are that more industries will accept blockchain and reap benefits of easy access, auditing, and approving by all users. How? A recent study also shows that blockchain gives suppliers data, visibility, and competitor insights for more peer-to-peer (P2P) transactions.

In 2018, businesses must begin to see consumers as potential competitors. Anyone interested can crack the blockchain code for entry into the B2B world. As customers look for more ways to make money, they are initiating peer-to-peer transactions that will all take place using blockchain and cryptocurrencies like bitcoin to securely make high-value transfers - cutting out the middleman of electronic payments for business.

The growth of bitcoin, along with cryptocurrency and blockchain means major concerns for businesses and finance departments. If your business is considering getting on the list of those that accept cryptocurrencies, there are a few things to keep in mind. The value of cryptocurrencies changes depending on a few factors such as security and market. As trust rises, so does market value and cost.

Adopting the cryptocurrency and blockchain duo in 2018 gives financial departments the added bonuses of having a central hub for every user to access, audit, and approve secure transactions. As more businesses adopt blockchain and other cryptocurrencies, the electronic payment forms will broaden for companies and the procure to pay payment methods. Thus, calling for your finance department to consider getting on board or left behind.

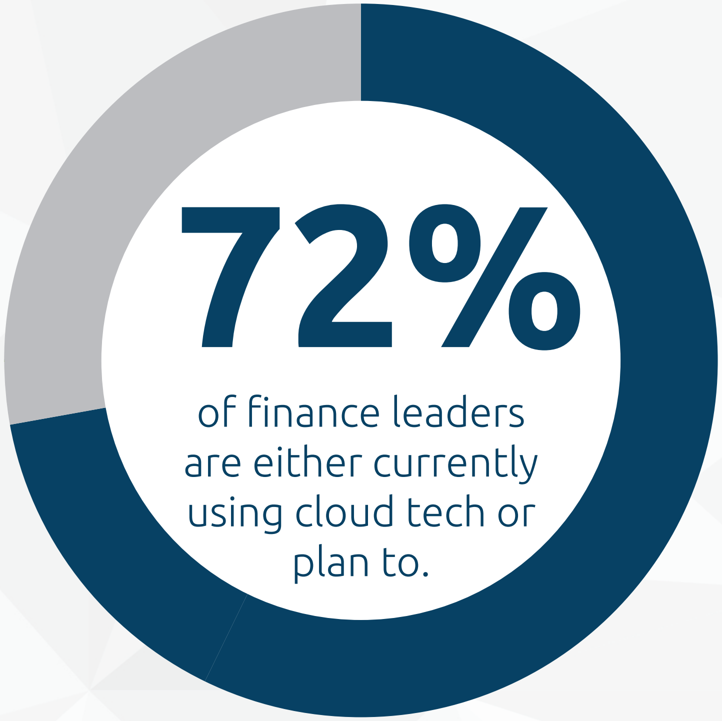
Edge Computing

Finance departments must live on the edge or up in the clouds

The cloud is not new to financial professionals, but the speedy progression is worth noting. Since the cloud's millennial developments using Amazon services, the cloud is being used as a service, software, and storage. Financial departments often use public and internal cloud services to increase visibility and collaboration for big data, reporting, and forecasting. Since the cloud has matured, there's less concern about data breaches - all thanks to increased trust and security. In a recent Robert Half and the Financial Executives Research Foundation (FERF) study, more than half of organizations from all company sizes said they are currently using cloud technology.

IDC predicts that in 2018, more than half of enterprise-level IT companies will have embraced multiple cloud services - changing the way companies store and share data. IDC pointed out the big change in 2018 cloud purchasing - buyers will be business managers, not the IT department that tried to sell businesses on cloud technology almost a decade ago. This year, IT departments will continue to trust the cloud by making big investments in cloud services and software by at least 40% - planning to be well over half of IT support and services by 2020.

Finance departments are predicted to use 2018's cloud technology advancements for big data to gain insights for bigger business bets. For finance professionals, it's beyond data storage and security. It's the ease of collaboration and control of sensitive financial documents and data that encourages implementation. Use of the cloud in 2018 opens doors for secure, simplified automation processes for accounting workflows and up to date compliance.



Use of the cloud will be big in 2018, but not without competition. The next up and coming trend is edge computing. Instead of holding the processing power on a cloud, edge computing processes data and services on the edge of a network - closer to the end source or user - a big difference between cloud computing and edge computing. Data and processing speed is accelerated - providing quicker insights for larger amounts of data. This process improves security by never making the user put processed data in centralized storage - like the cloud. It goes straight from the device to the network for processing to the end user.

What's in store for edge computing in 2018? There are arguments that edge computing will replace the cloud soon for fast and secure processing. Although the success of edge computing is yet to be determined, finance departments should stay up to speed on what's to come.

Robotic Process Automation

Businesses save money and time with the new 'know-it-all' - RPA

The robot is gaining momentum and capabilities that raises the big question - will accountants become obsolete? The answer depends on who you ask. The new 'thinking machine' is taking the liberty to complete tasks that AP strategists usually handle for a fraction of the costs. Don't worry, it's unlikely that your employees will soon be replaced by metal machines, but virtual robots are increasingly used to perform tedious and repetitive tasks commonly undertaken by humans. While humans spend hours creating formulas and spreadsheets, robots are crunching numbers and producing usable data.

Finance has big plans for Robotic Process Automation (RPA) for 2018. A recent study evaluated automation's role in the finance industry. It's safe to say that RPA's impact is big. As robots learn more, they will be able to complete tasks that humans do in a fraction of the time. In the coming years, RPA will have the ability to manage forecasting, reconciliation, and data reporting. According to Forbes and a recent Forrester Research report, automation will eliminate 9% of US jobs, but will create 2% more.

The 2% growth comes from technology-related jobs that support automation, and RPA will add 500,000 US "digital workers." The article also predicts that by the end of 2018, the RPA software market will increase to $1.06 billion.

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Businesses have included the robot in their budget for 2018 to boost efficiency to reduce the massive workload and manual mistakes. According to KPMG, RPA can cut financial costs by up to 75%. RPA minimizes processes in the finance department, including accounts payable automation - the process of paying suppliers and vendors for goods and services. Finance departments are automating payment processes, compliance, and reporting with the click of a button.

Finance departments can leverage RPA in 2018 in many ways. According to a Softomotive and CFO study, best practices to implement RPA include short-term solutions for another IT efficiency solution, testing the impact of digital before transitioning, or to serve as an assistant to full-time employees. The key is efficiency at minimal cost.

Regulatory Technology (RegTech)

Say 'So Long' to the Typical Treasury Department

Treasury departments are starting fresh with new budgets and goals for growth in 2018. As technology evolves, business goals and projections are rising to a new level. The treasury department wears a lot of hats in the finance industry. There's a fine line between focusing on risk versus reward for growth and success. They spend hours analyzing investments, cash flow, foreign exchanges, risk aversion, and growth investments to keep the company thriving.

Daily tasks are met with industry challenges that every treasurer is battling. According to a recent Deloitte survey, top treasury departments are continuously challenged with foreign exchange rate changes, financial visibility, and cash repatriation - all vital keys for future financial success. Of all the challenges, technology takes the cake.

Most treasury solutions are solving problems with technology. Finance departments are figuring big data, reporting, and cash flows for hours manually, instead of trusting tech to deliver results in seconds. Even with all the perks and benefits, there's still not enough trust to implement tech.

RegTech is the new treasury police for fraud

The list of potential fraud attacks is endless. As soon as finance departments believe that they have figured out the method to the madness, a new attack is on the rise. With technology expanding at the speed of lightning, the only treasury solution cannot be trusting internal, manual processes to minimize every financial risk.

In AFP's 2017 Payments Fraud and Control survey, FBI is warning companies about the most recent fraud attack on the rise - Business Email Compromise (BEC) scams. Finance departments that work with foreign suppliers and buyers are often targeted with BEC scams via email for payments - primarily wire transfers. The statistics of the B2B payment methods is alarming. Nearly 75% of companies were targeted in 2016. 60% of companies that detected fraud via BEC scams were through wire transfers. ACH debits, ACH credits, and corporate credit cards combined accounted for less than 40% of the payment methods impacted.

The current treasury solutions for payment fraud are manual and quite rigorous. To prevent ACH fraud, 60% of all businesses make it a daily habit to reconcile accounts to return all unauthorized ACH debits. Most companies take some form of action to check any outside payment for suspicious account information or payment method. Other procedures include stopping all ACH debits except a single account with filters. Some companies also create a separate account for third-party debit payments that are sent electronically. Internal processes may give leadership the peace of mind by reducing their biggest risks, but there's much more that manual processes cannot account for.

To prevent fraud from every angle, the number one treasury solution for healthy growth is to trust Regulatory Technology (RegTech). According to EY's Innovating with RegTech study, investing in preventative technology has its benefits.

"RegTech will help drive positive customer experiences. For example, a robust fraud detection platform could shorten the transaction lifespan and improve consumer experience by reducing the number of false negatives."

Other perks include consistent data reports, patterns of identifying risks, automated compliance regulation, and regular monitoring of changes to reduce the amount lost. Treasury departments reap the benefits of real-time visibility and earlier identification of trends, fraud, or risks with minimal manual labor. Regular compliance monitoring can be completed by robots.

So, how is RegTech the ultimate treasury solution for 2018? RegTech does all the intense work of Inspector Gadget to identify risks with advanced technology and data. According to EY, technology is used to detect and determine the pattern of breaches. The data is then used to analyze potential problems and risks for companies.

"Companies include a terabyte analytical capability with billions of different data points in a single transaction to identify potential threats to financial security."

RegTech has a promising future in the finance department. Technology and data join forces to analyze transactions from every angle to catch any suspicious activity without the manual analysis and headache that still may cost your company thousands.

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Treasury Management Systems are not one size fit all

The 2017 Deloitte Global Corporate Survey focuses the importance of a strong Treasury Management System (TMS). According to the survey, even though the TMS is advancing, over 20% of each part of the funnel is still being managed manually - including cash management and investments. Treasury departments are still in need of a well-oiled management machine to efficiently manage and monitor all tasks.

Why jump on board this year? According to the survey, companies that are trusting the cloud with their TMS with a year over year increase of 50%. Studies are predicting for TMS cloud usage to steadily increase over the years as more buyers and suppliers focus on cloud migration. Cloud TMS implementation eases managing funds, gathering big data, and global communication in one spot. It's sad but true - in 2018, some treasury departments are still stuck in the Roaring Twenties by trying to protect proprietary information in closets and cabinets. Holding onto the information internally comes with the risk of unauthorized access to information, less collaboration, and potential tampering of third-party data.

Any company's TMS must do more than just manage the cash flow. According to a recent Association of Financial Professionals (AFP) and Bloomberg study, it's all about "customization and configuration" for both colleagues and clients. Your company's TMS cannot be a "one size fits all" system to measure your risks and rewards. Each system must be implemented based on the company's processes to ensure efficiency. Because most systems require a great deal of research to find the perfect one, most businesses are sticking to their tried and trust internal processes - spending hours manually managing and monitoring daily operations.

CGMA agrees that treasury departments need a more robust system. It's necessary to reduce risks and manual errors when dealing with large quantities of transactions and even bigger transactions. The advancement of treasury systems will also ease the auditing process with reports, data, and easy tracking of all accounts.

In 2018, the TMS is the one stop shop treasury solution for your company to monitor and manage the financial future better than before. Companies are relying on the system to manage cash flow, monitor transactions, reporting, and data because spreadsheets and calculators are things of the past.

Mobile and Real-Time Payments

Buyers and businesses are making payments quick, fast, and in a hurry

What's there to look forward to with mobile payments this year? With technology advancing at the speed of lightning, mobile and real-time payments will be on the up-tick. The ACH (Automated Clearing House) recently launched same-day payments to keep up with the times. Payments are processed in no more than 24 hours.

Real-time payments are generally immediately deposited. In a recent SWIFT survey, 42% of treasurers want real-time payments. Treasury management must keep up with the rapid increase in transactions incoming and outgoing on a regular basis. If they do, they'll be rewarded with quicker reporting and data to make smart budgeting and investment decisions. There's also the bonus of real-time reporting that the finance department will receive from making real-time payments on their end.

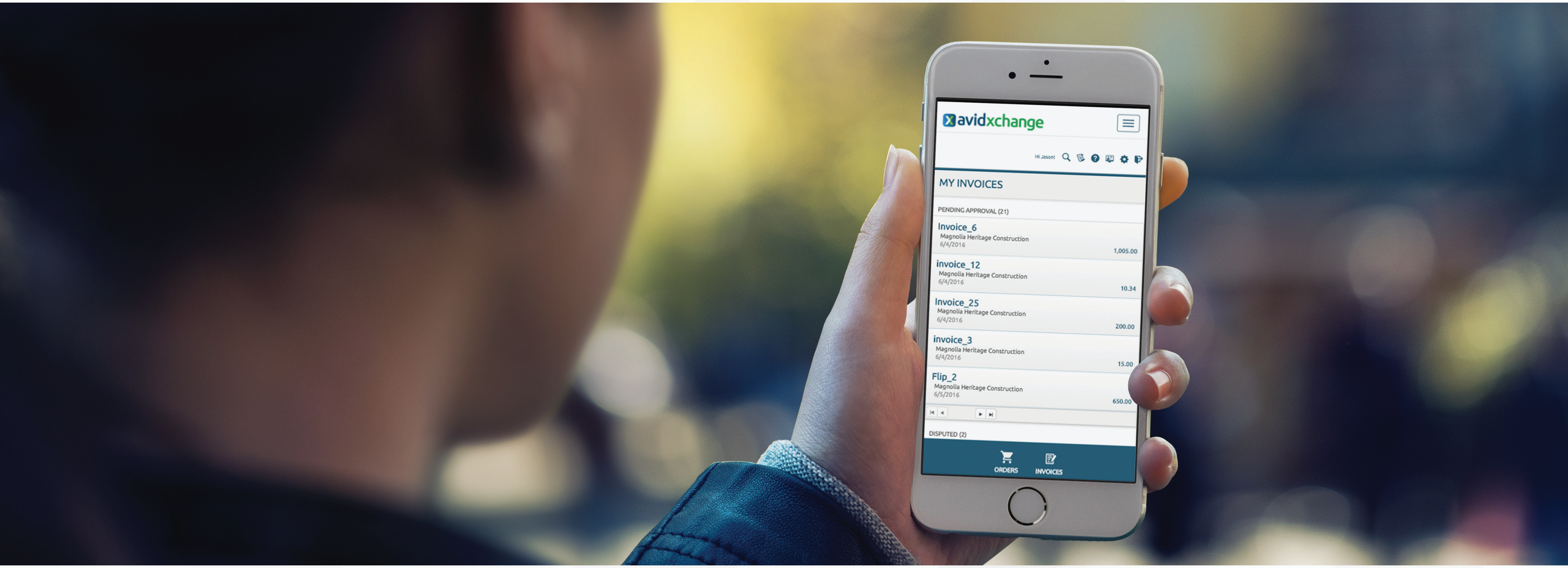
There are a few ways treasurers can leverage faster payments without caving into security risks. Many businesses are trusting accounts payable automation for faster payment processing, compliance, and control. Simply by using SaaS (Software as

"According to the ACH, same-day payments are expected to jump from 43% to 75% by the end of 2018.

a Service) to manage transactions and automatically pay businesses. Real-Time or instant payments vary based on the accepted payment methods. But, companies will have the security and on-the-go needs to access payment information with a connection.

Treasury departments can leverage data and information from payment automation services, as well. While payments are being automatically processed, robust reports are automatically built to show treasurers the financial data needed to make informed decisions about cash flow, investments, and financial security with payments all in one hub.

Say Goodbye to Paper Checks and Invoices



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Interested in automating your payables and creating efficiencies for your AP team? Schedule a meeting with an AP automation expert to learn how you can increase productivity and protect your business. Our automation specialists will create a customized demo and walk you through the streamlined workflow of an automated AP process.

To schedule a demo, click here!