



The Growing Need for CFO and CIO Collaboration



Business decisions are a collaborative process involving multiple stakeholders and competing priorities. More than ever, CIOs and CFOs must work together to drive efficiency, enhance the customer experience, and ultimately grow revenue.

The traditional decision-making process, however, is rife with challenges. Most pressing—insofar as the digitization and transformation of accounts receivable (AR) is concerned—is a notable misalignment among key stakeholders over the value of automating AR, the prioritization of AR as a key driver in influencing customer experience, and the timing of implementation and deployment.

Pulse and Versapay surveyed 500 IT and finance leaders to understand their perception of how important collaboration between the CFO and the CIO is, as well as determine which members of the C-Suite view digital transformation of AR as a crucial business driver.

Data collection: January 26, 2022 - February 19, 2022

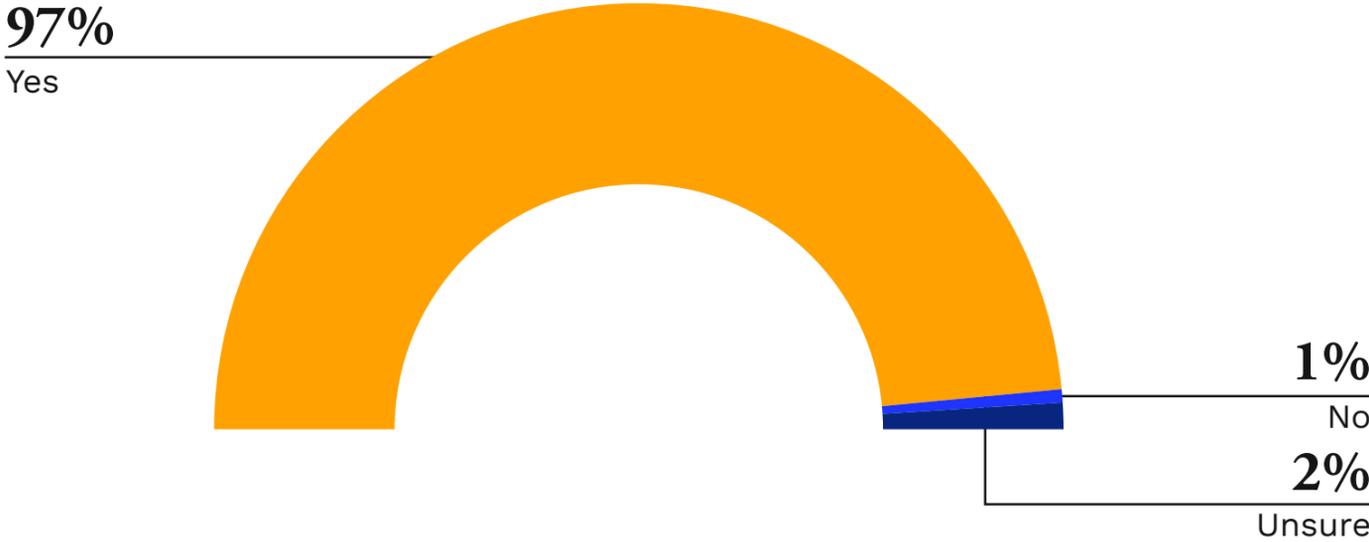
Respondents: 500 IT and Finance leaders



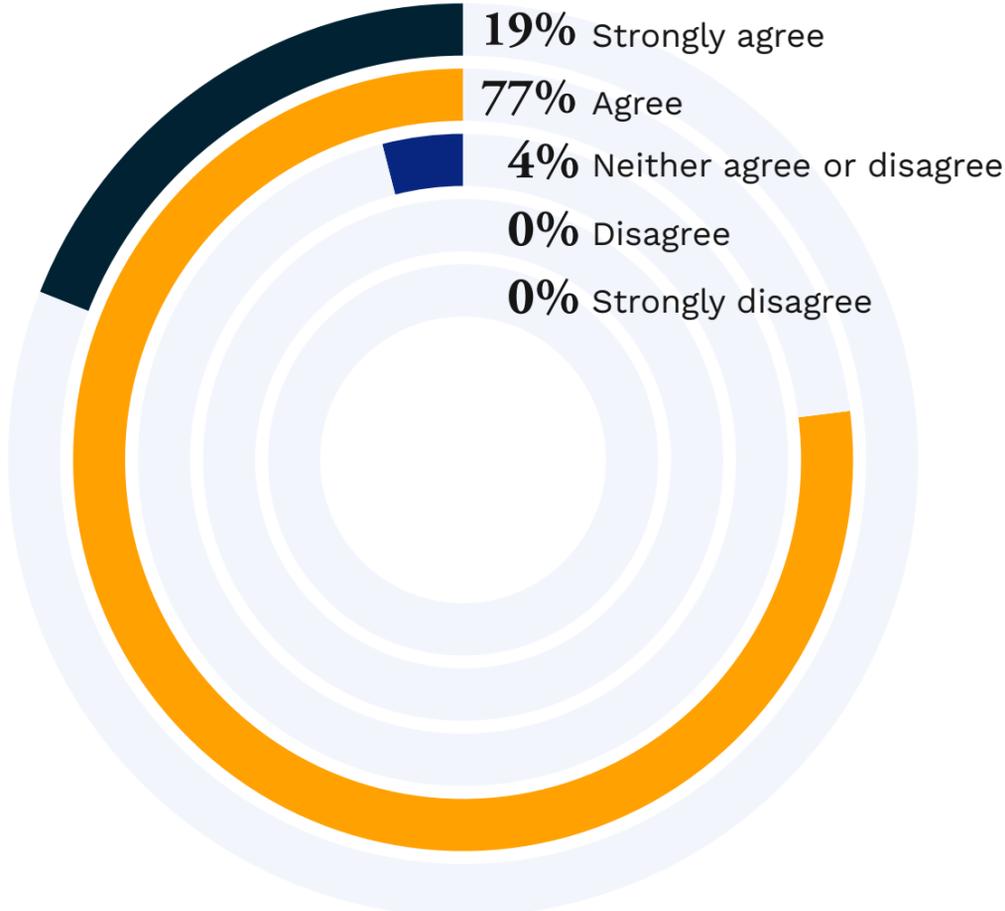
Leaders agree that collaboration between the CFO and CIO is critical to the success of digital transformation.

Almost all respondents (97%) are in complete agreement that there is a need for collaboration between the CFO and the CIO.

Do you see an emerging need for better collaboration between the CFO and the CIO?



Similarly, most leaders (96%) agree that the CFO/CIO relationship is critical to identifying future business needs.

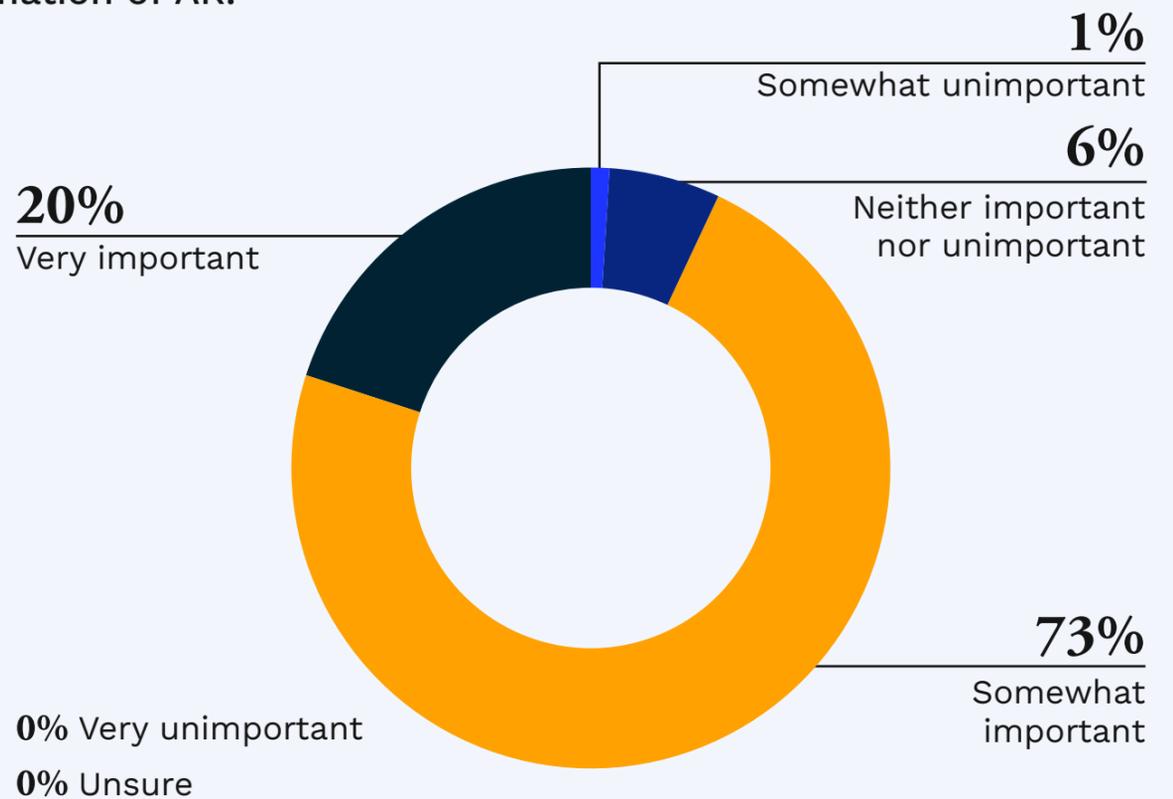


Do you agree with the following: "The CFO/CIO relationship is critical to helping organizations identify future business needs and actively pursue them."

While IT and finance collaboration is critical to the success of digital transformation in AR, there is still much work to be done in achieving alignment

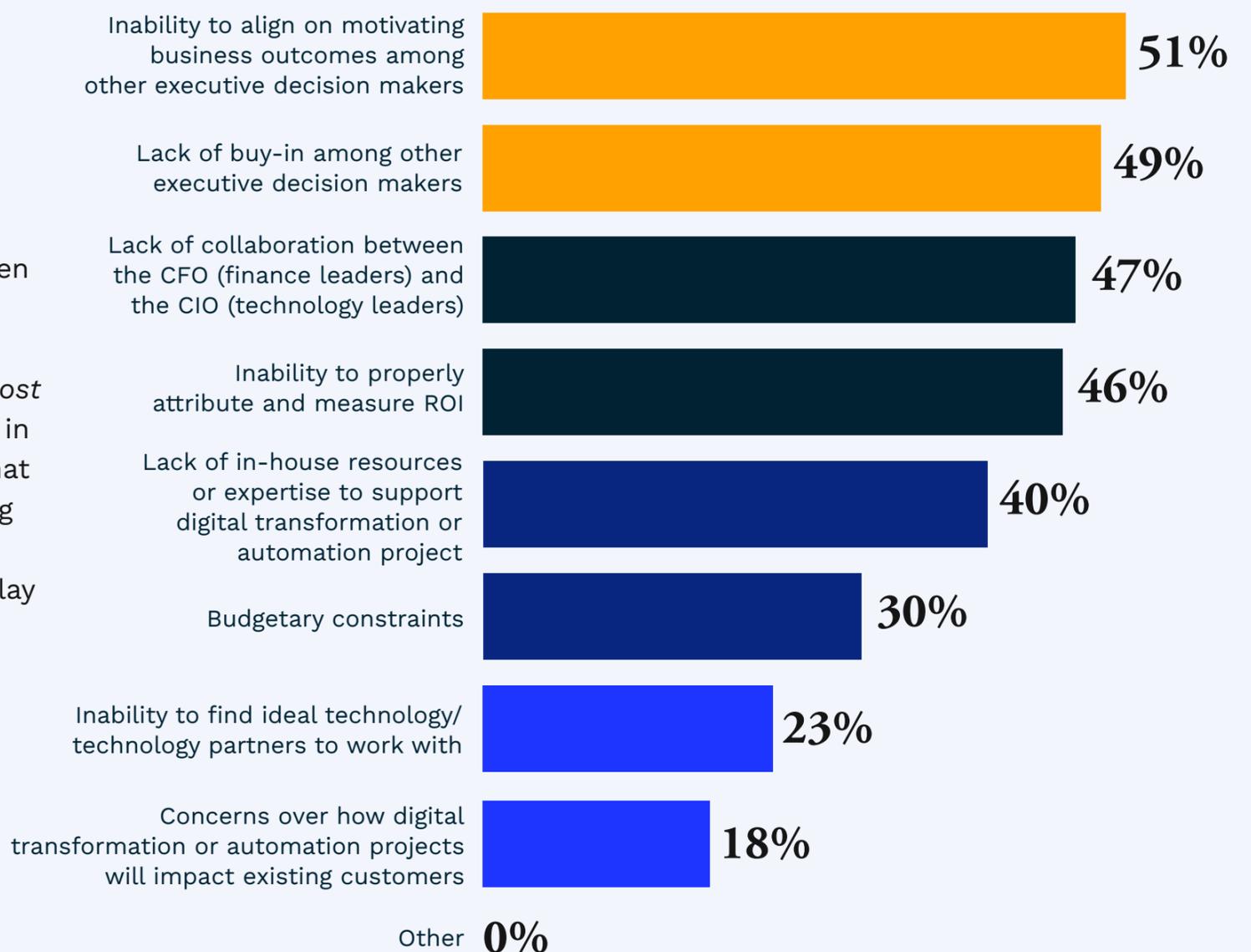
93% of leaders agree that the collaboration between technical and finance teams is important when it comes to the digital transformation of AR.

How important is it that technical teams collaborate with finance teams when undertaking the digital transformation of accounts receivable?



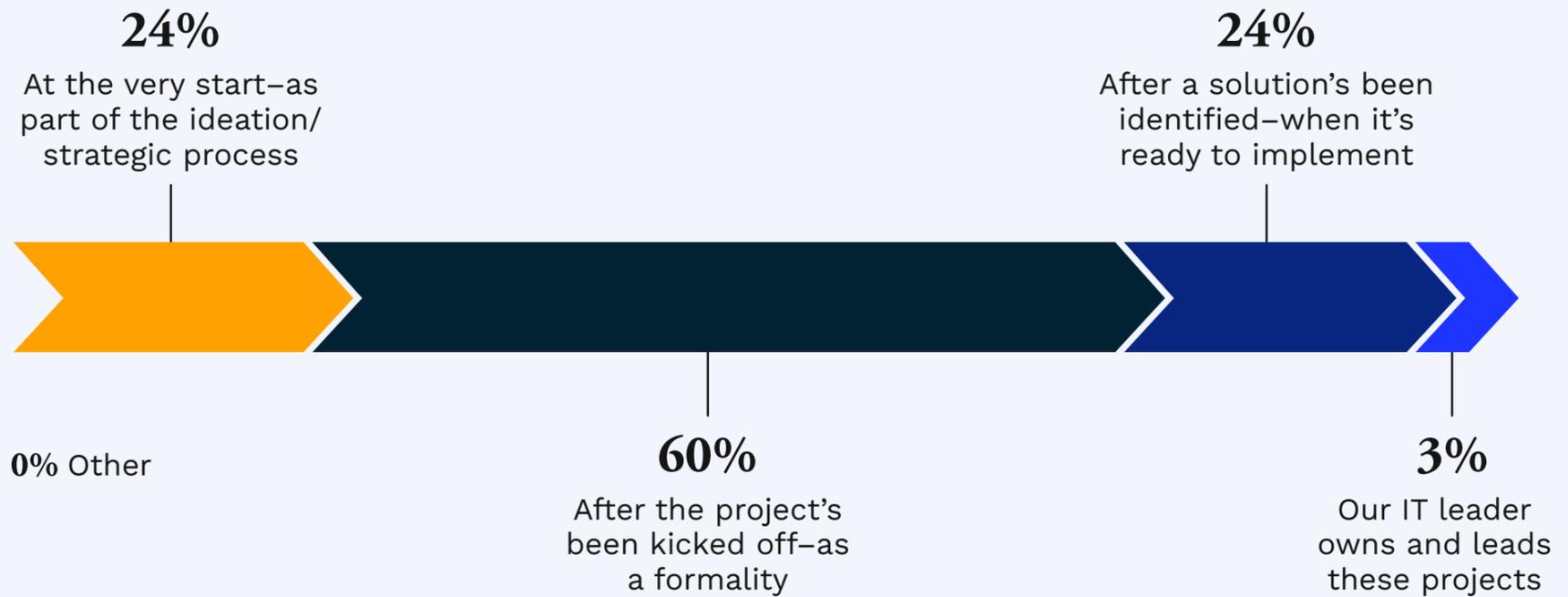
Acknowledging the need for collaboration, however, is as far as many executives get. Despite recognizing the importance of collaboration between both parties, respondents reported that the finance department struggles with cross-team collaboration and alignment.

In terms of digitization, finance has historically been considered less agile than other disciplines (with IT typically considered the *most agile*). Whether that's true in your experience or not, what barriers do you see existing within the finance department that would delay a digital transformation or automation project?



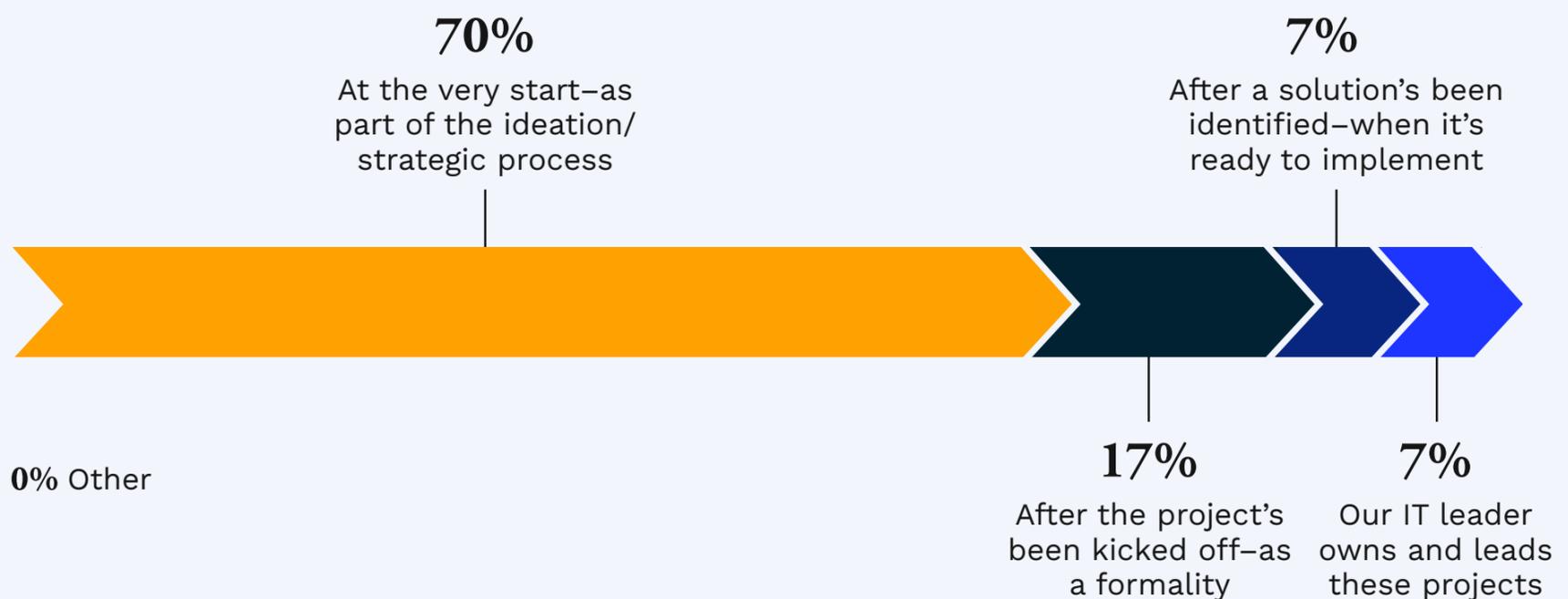
Additionally, over half (60%) of the respondents say that they loop in IT **only after a transformation project's been started**, highlighting the disconnect between the two teams.

At which point in a digital transformation project is the IT leader at your company (CIO, CTO, etc.) typically brought up to speed/brought in?



However, those who highly value cross-team collaboration are genuinely committed to it. 70% of those who responded that collaboration between technical and finance teams is **very important** (n=102) say they loop in the IT leader at the very start of the project—offering a glimpse of a more collaborative process.

At which point in a digital transformation project is the IT leader at your company (CIO, CTO, etc.) typically brought up to speed/brought in? (n=102)



What are your biggest concerns when undertaking the digital transformation of accounts receivable?

“Folks fear that this [digital transformation of AR] is about a reduction in staff, when it’s more about freeing staff up for **more important work.**”

- Director, 5,001 - 10,000, Software

“[Our biggest concern is] ensuring the system integrates well with our ERP.”

- Director, 501-1,000, Manufacturing

“[Determining how] we start this transition so everyone feels that this [digital transformation of AR] is benefiting them. When change occurs, **most people don’t like learning new things**, and that is hard to tackle.”

- C-Suite, 1,001 - 5,000, Manufacturing

“Coordinating process changes **without impacting customer relationships.**”

- Director, 10,001+, Manufacturing

“That we don’t try to digitize existing workflows and company culture(s) that is/are either **sub-optimal or outright broken.**”

- Director, 10,001+, Health Care and Social Assistance

“Legacy thought patterns [exist] in senior finance staff. It creates **hesitancy to adopt newer patterns and technology.**”

VP, 5,001-10,000, Health Care and Social Assistance

“[The] finance [function] may feel that it is losing control, and **automation may lead to job reductions.**”

- VP, 5,001-10,000, Finance, Banking & Insurance

Delivering an excellent customer experience across all areas of the business is a key driver of digital transformation in AR.

Customer satisfaction remains one of the top three problems organizations are looking to solve with the digital transformation of AR.

58%

A reduction in time spent **performing collections activities** (sending standardized communications—dunning letters and notifications, supporting documentation, etc.—calling and chasing delinquent accounts, updating customer accounts with detailed notes—delinquency alerts, promises to pay, etc.)

57%

A reduction in time spent **performing invoice delivery activities** (sourcing account information from disparate sources—email, ERP, etc.—manually preparing and sending invoices)

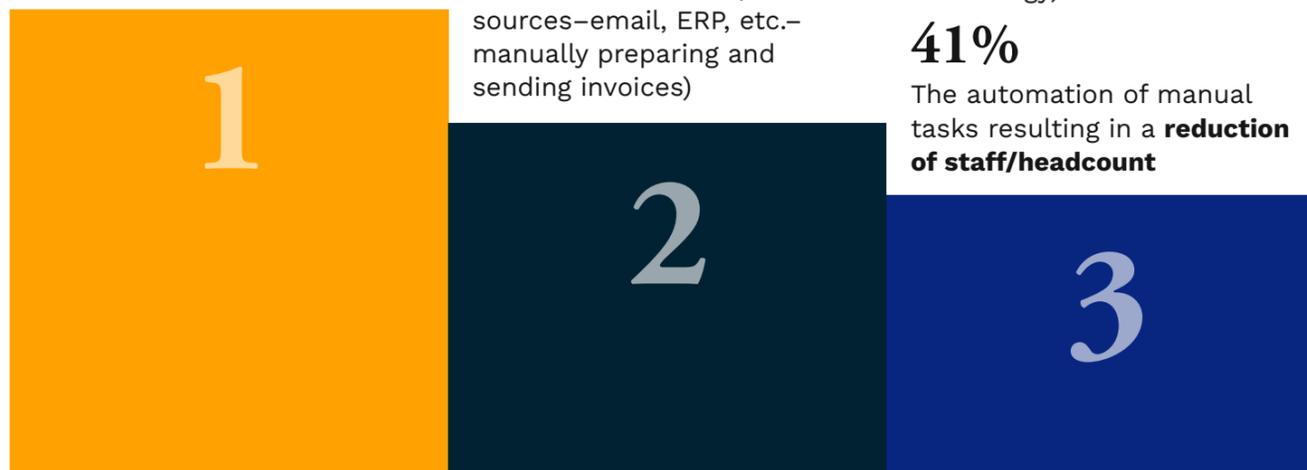
How would you calculate the return on investment (ROI) of digital transformation in accounts receivable?¹

41%

Increased **customer satisfaction scores** (including high levels of adoption of new technology)

41%

The automation of manual tasks resulting in a **reduction of staff/headcount**

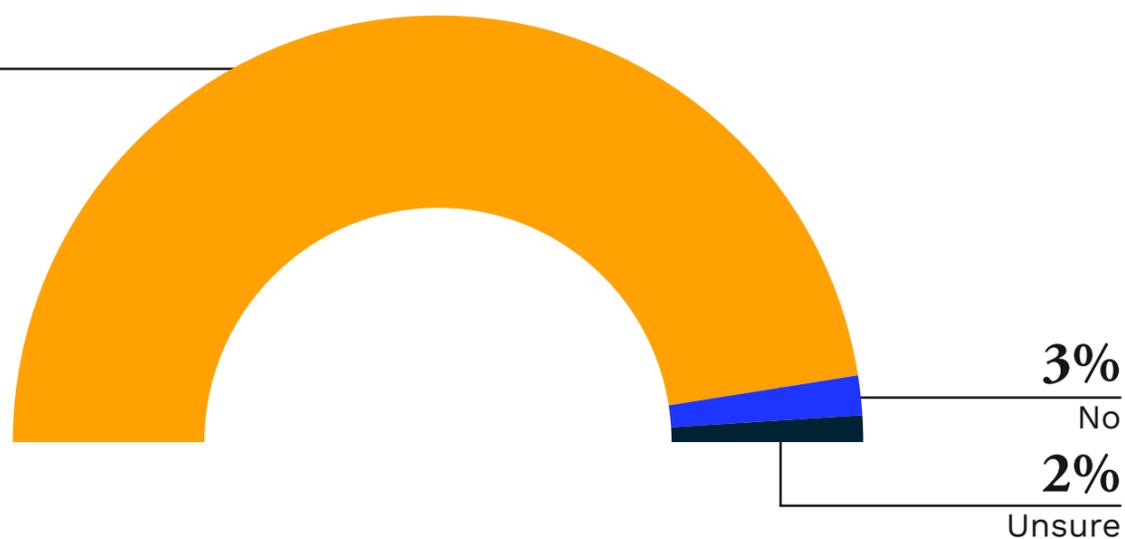


Overwhelmingly, respondents recognize that finance has a substantive impact on the overall customer experience.

Do you believe that finance (as in the function/discipline) can influence your customers' ease of doing business with you?

95%

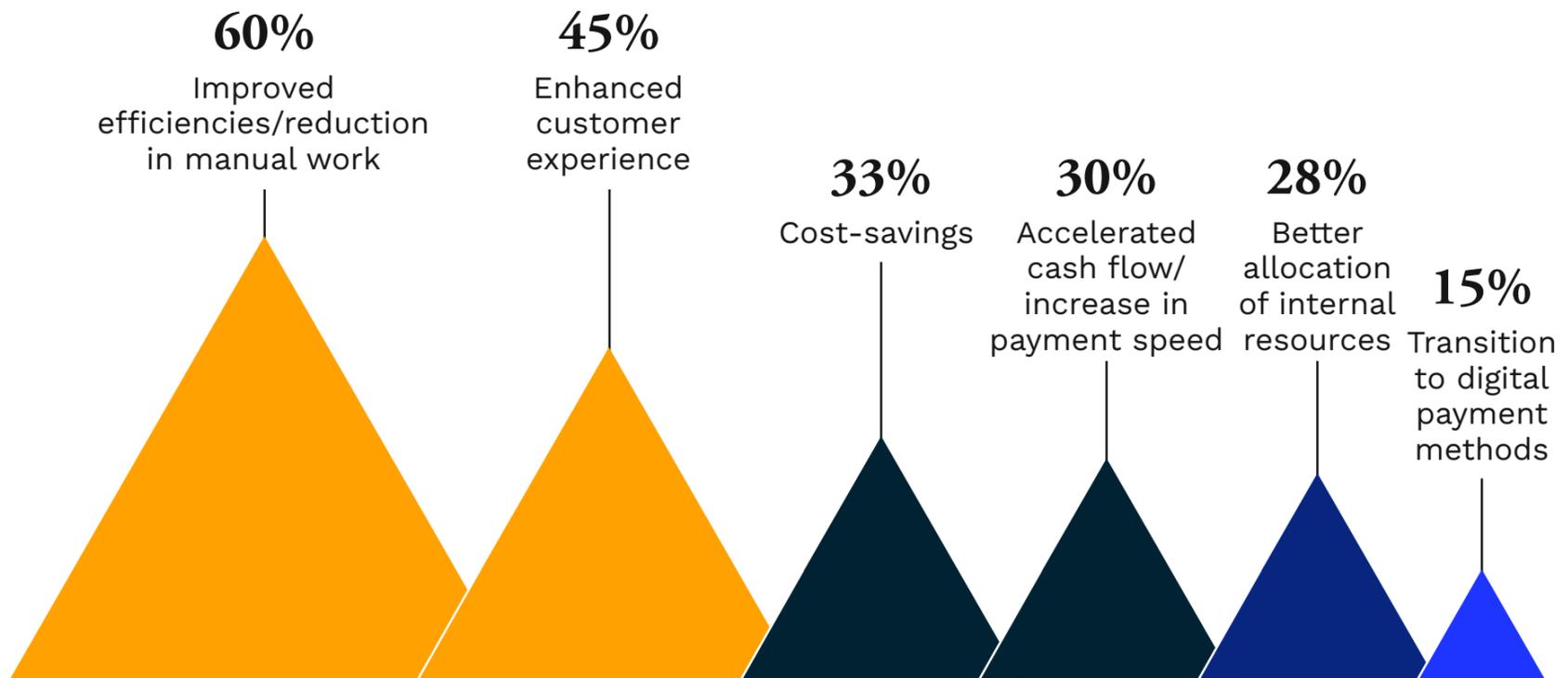
Yes



¹The automation of manual tasks resulting in the **reallocation of staff** to work on higher priority activities/more strategic initiatives **38%**, Improvements in **critical collections metrics**, including Days Sales Outstanding (DSO), Accounts Receivable Turnover Ratio (ART), Collection Effectiveness Index (CEI), etc. **22%**, Enhanced **payment processing processes** that result in substantial reductions to interchange and other processing fees **20%**, Significant cost savings as a result of eliminating **paper-based collections processes 20%**

Automation of process (60%) and improvement of customer experience (45%) are cited as the top two motivations for the digital transformation of AR.

Which two business outcomes motivate you most to digitally transform Accounts Receivable?



Respondent Breakdown

