

# Finance Automation

The Key to Finance-Led Growth

## Table of Contents

Introduction	<b>3</b>
Challenges preventing finance-led growth	<b>5</b>
Automating your way to a competitive advantage	<b>17</b>
Leveraging FinOps for faster growth	<b>27</b>
Conclusion	<b>31</b>

# Introduction

The rise in fintech has confirmed that finance automation is the future for modernization of finance organizations and operations. But the speed with which finance automation technology is being brought to market is surpassing finance leaders' ability to implement it to its full potential.

At Ramp, we see modern finance automation paving the way for companies to implement best-in-class financial operations (FinOps). Automation seamlessly brings finance and operations together under the umbrella of FinOps and helps businesses efficiently optimize company spending and focus on unit economics.

When applied with automation and operational rigor, FinOps enables the finance function to finally become a strategic partner, rather than a bottleneck, for the rest of the business. It also allows these finance teams to focus on their own ROI, rather than just the ROI of other business units.

We're calling this new paradigm finance-led growth, and we think it's the advent of a new era for finance teams everywhere, characterized by more responsibility as well as a bigger influence on the rest of the business.

This report studies how finance leaders are approaching finance-led growth and the challenges that stand in their way. It surveys the state of automation and FinOps at small and mid-sized organizations across the U.S.

#### **Key findings include:**

- Despite automating, only half of all finance leaders have real-time visibility into spending. Over half report challenges with wasted spending.
- Six in 10 leaders believe increased productivity from automation will give their organization a competitive advantage this year. Those with real-time visibility report greater productivity and cost savings.
- FinOps needs to evolve in tandem with automation to support greater employee flexibility, autonomy, and decentralized spending.

#### **Survey methodology**

To obtain these insights, we commissioned research firm Morning Consult to interview 514 finance leaders at U.S. companies with between 50 and 999 employees across various industries between December 21, 2021 and January 27, 2022. Respondents were interviewed online, and respondent verification measures such as social media validation, valid work email address confirmation, and digital fingerprinting were implemented during recruitment to confirm titles and positions of respondents. Responses were further screened for quality pre- and post-survey for attentiveness and engagement.

# Challenges preventing finance-led growth

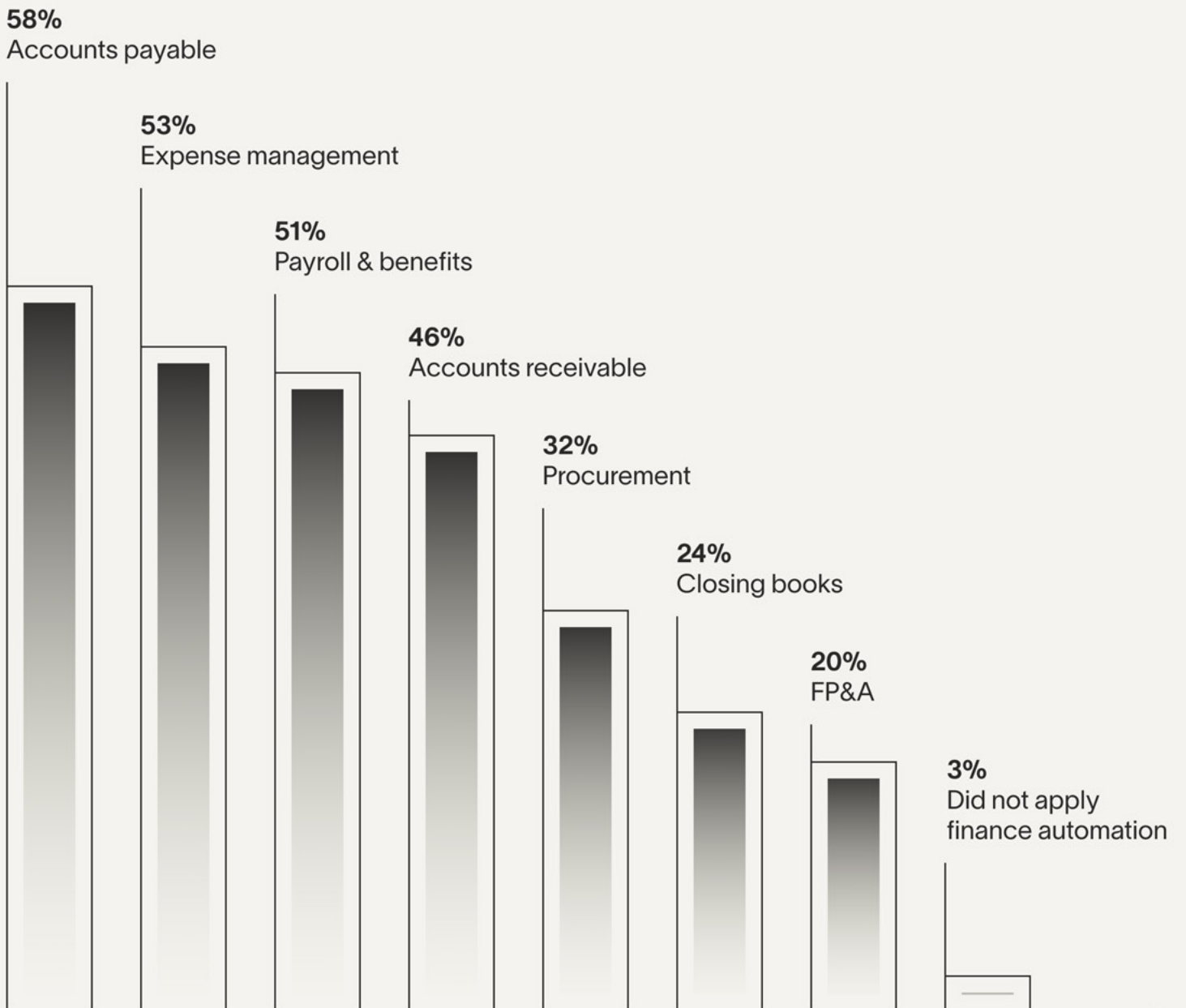
Automation is on everyone's minds. A whopping 97% of finance leaders in our study invested in some form of automation last year.

In theory, all of this automation should be generating more precise insights that allow businesses to recalibrate their finances in a timely manner.

In reality, many survey respondents still lack real-time visibility into their company's financials and the ability to prevent wasted spending.

They're essentially forced to fly blind and rely on best guesses to make important decisions that can directly affect their business's bottom line.

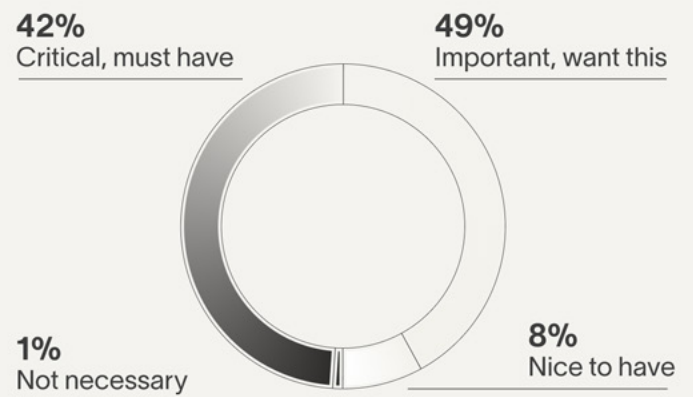
### What finance leaders have automated in the last 12 months



### Nearly half of all respondents lack real-time visibility into their finances

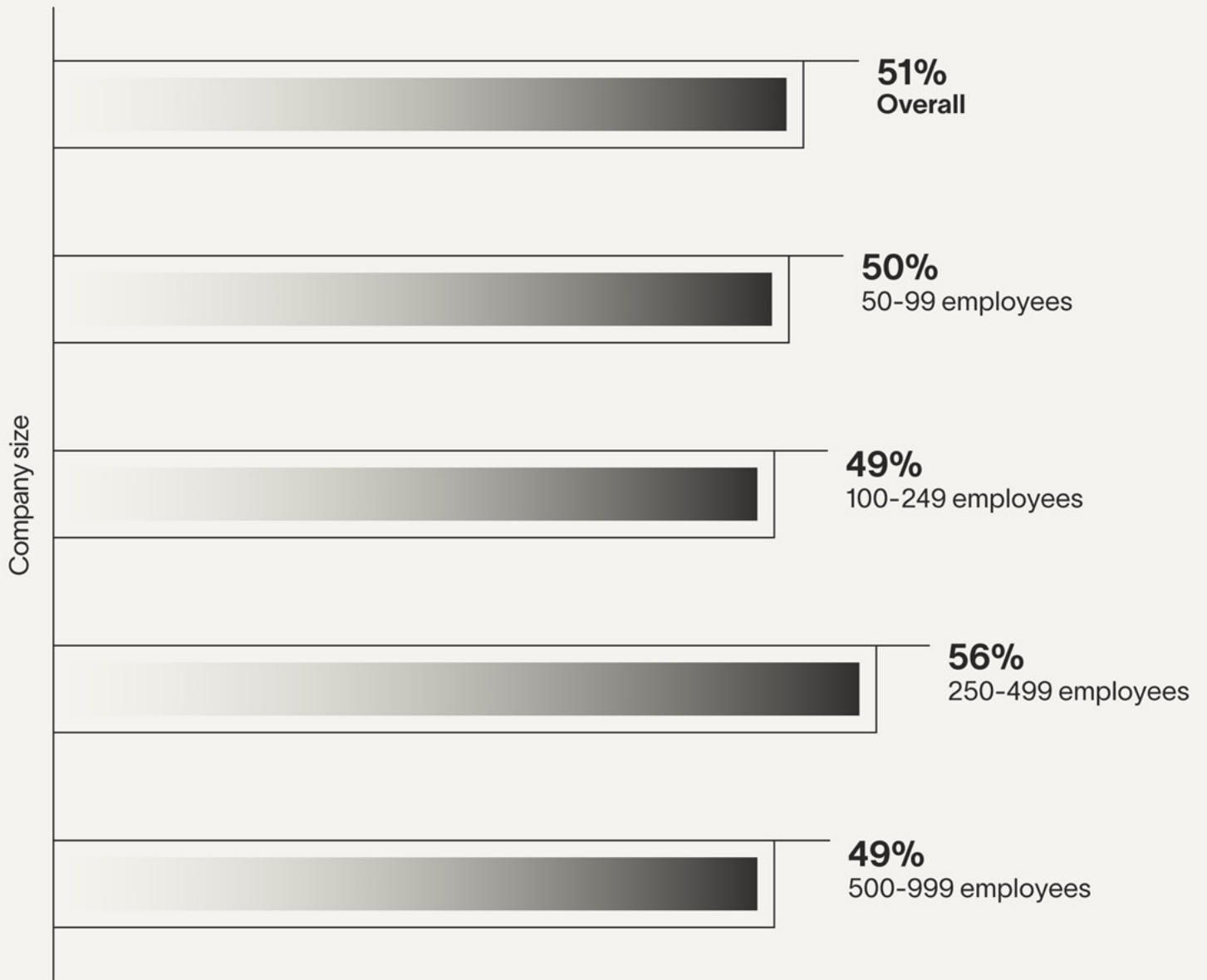
Finance leaders understand how real-time visibility is crucial for their teams' success, with 91% reporting that this capability is important and 42% even saying that it is critical. Yet only 51% of survey respondents report having this kind of visibility into their organization's spending.

### The necessity of real-time visibility to your organization's financials



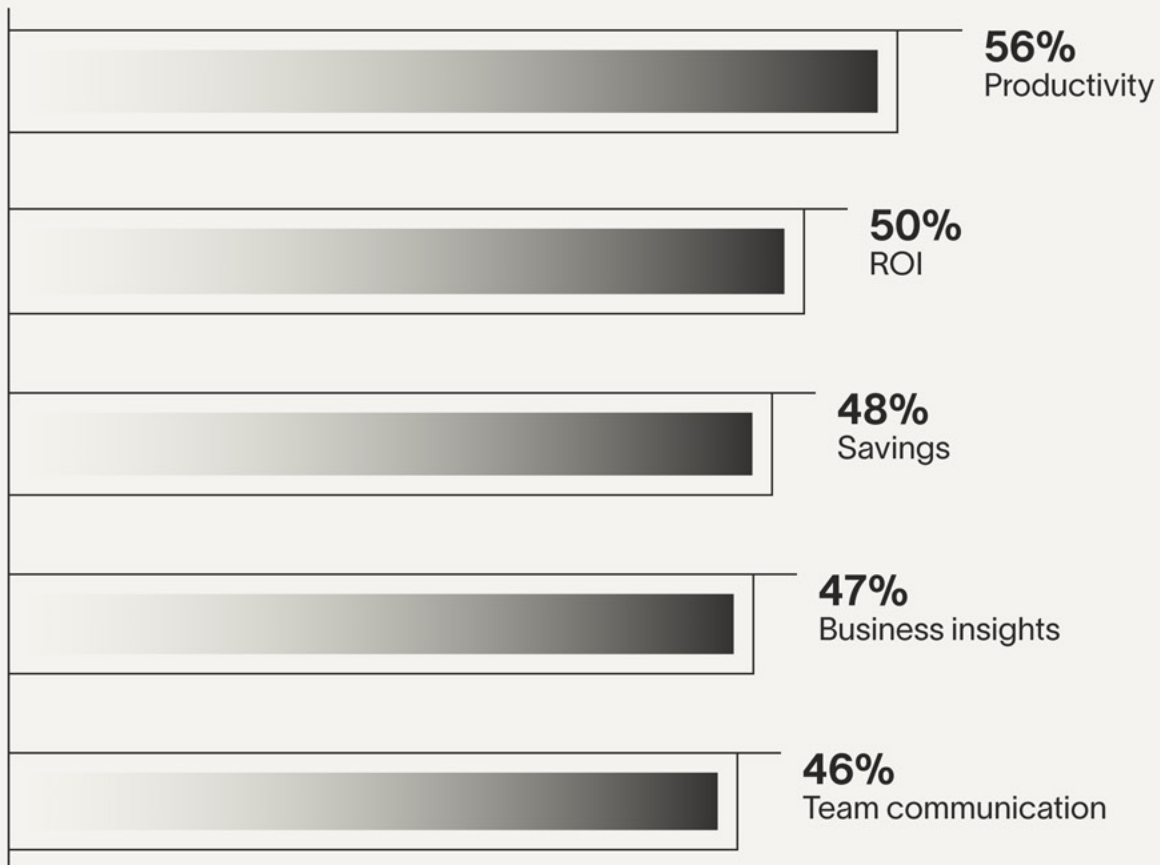


### Percentage of finance teams with real-time visibility



Teams without real-time visibility are at a disadvantage. Their counterparts are seeing greater productivity, ROI, and cost savings.

**Outcomes reported by teams with real-time visibility**



# What would you do with extra time from automation?

“If I had more time, I would block off a few days every month to think about what I need to rebuild, find better ideas, and whiteboard concepts instead of building on top of things.”



**Jonah Remz**  
Head of Finance, Capchase

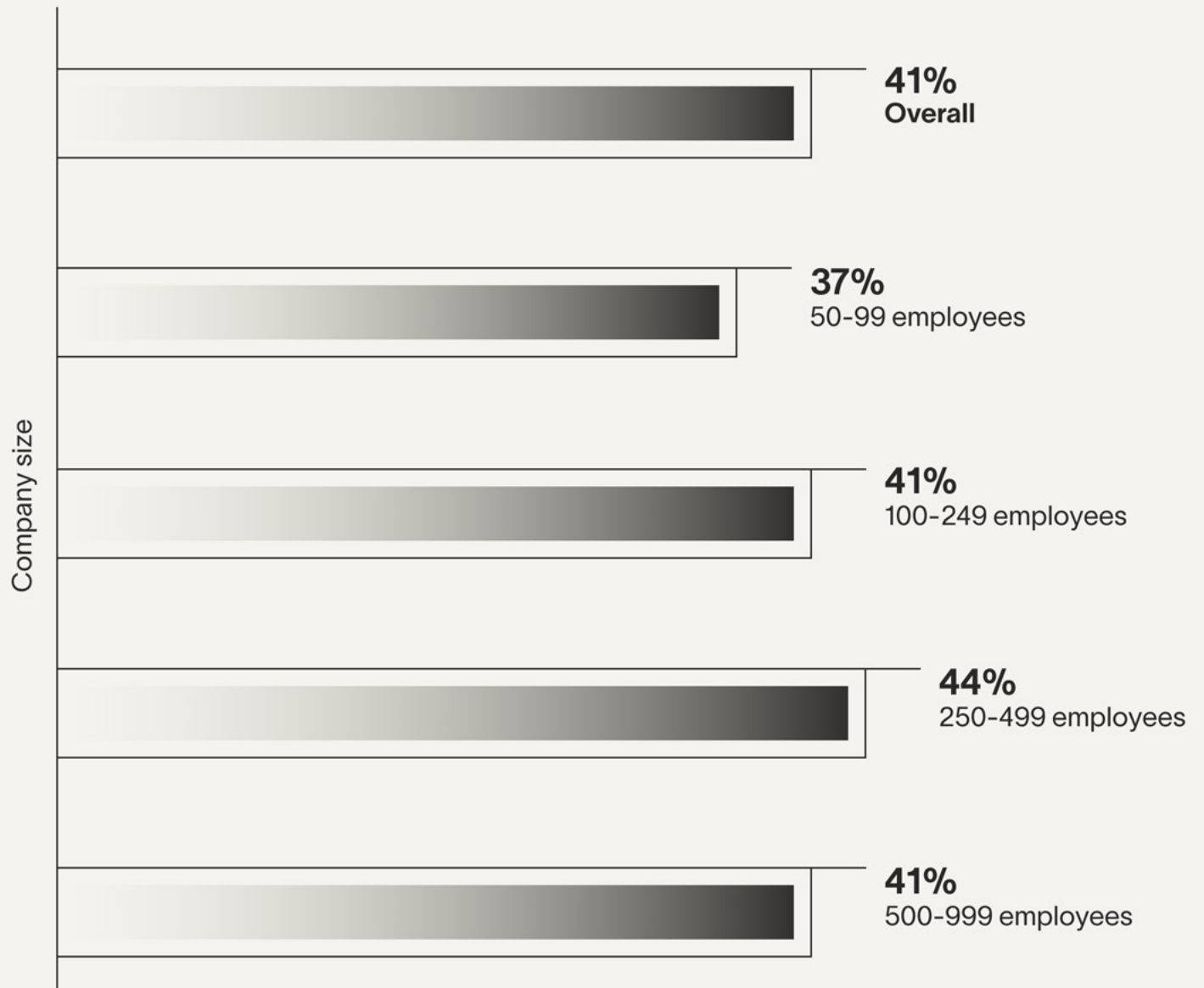
### **Over half report average or above average wasted spending**

Nearly 6 in 10 survey respondents don't feel confident about their organization's ability to measure wasted spending. This is surprising, given that while almost every finance decision maker polled invested in automation, the majority don't feel that they have the ability to measure spend from it.

| If your company isn't in control of its spending, then it also isn't in control of its growth.

Wasted spending is problematic as it can inhibit a business's growth by wasting valuable resources that could otherwise help move the business forward.

Percentage of finance teams with the ability to measure wasted spending



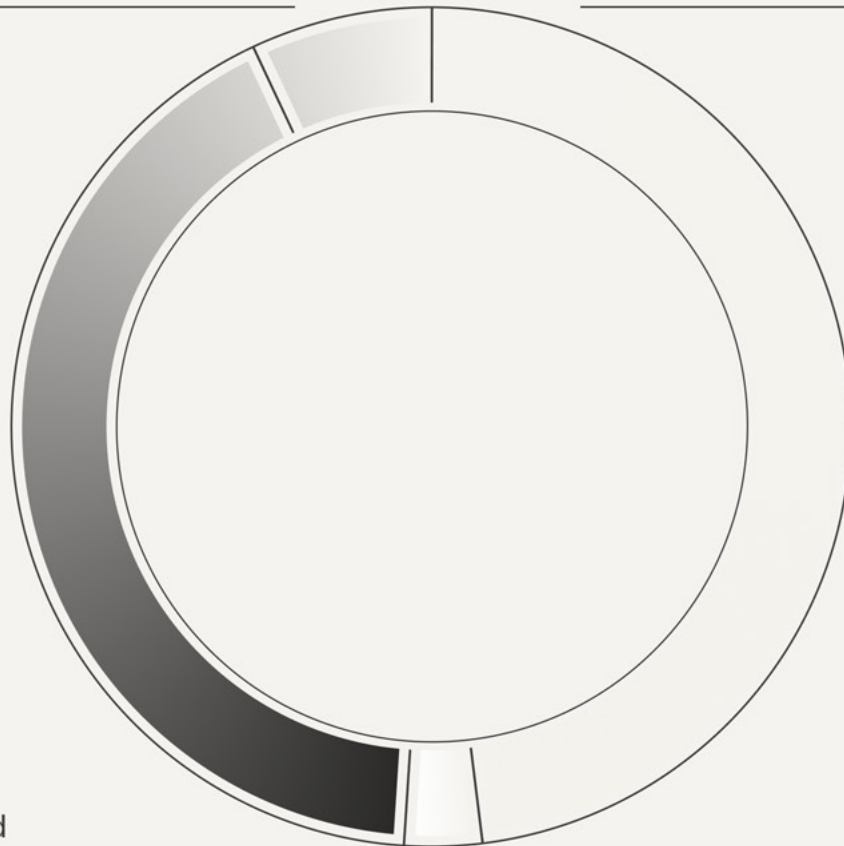
Amount of wasted spending reported by finance teams

**7%**

Have above average wasted spend

**48%**

Have average wasted spend



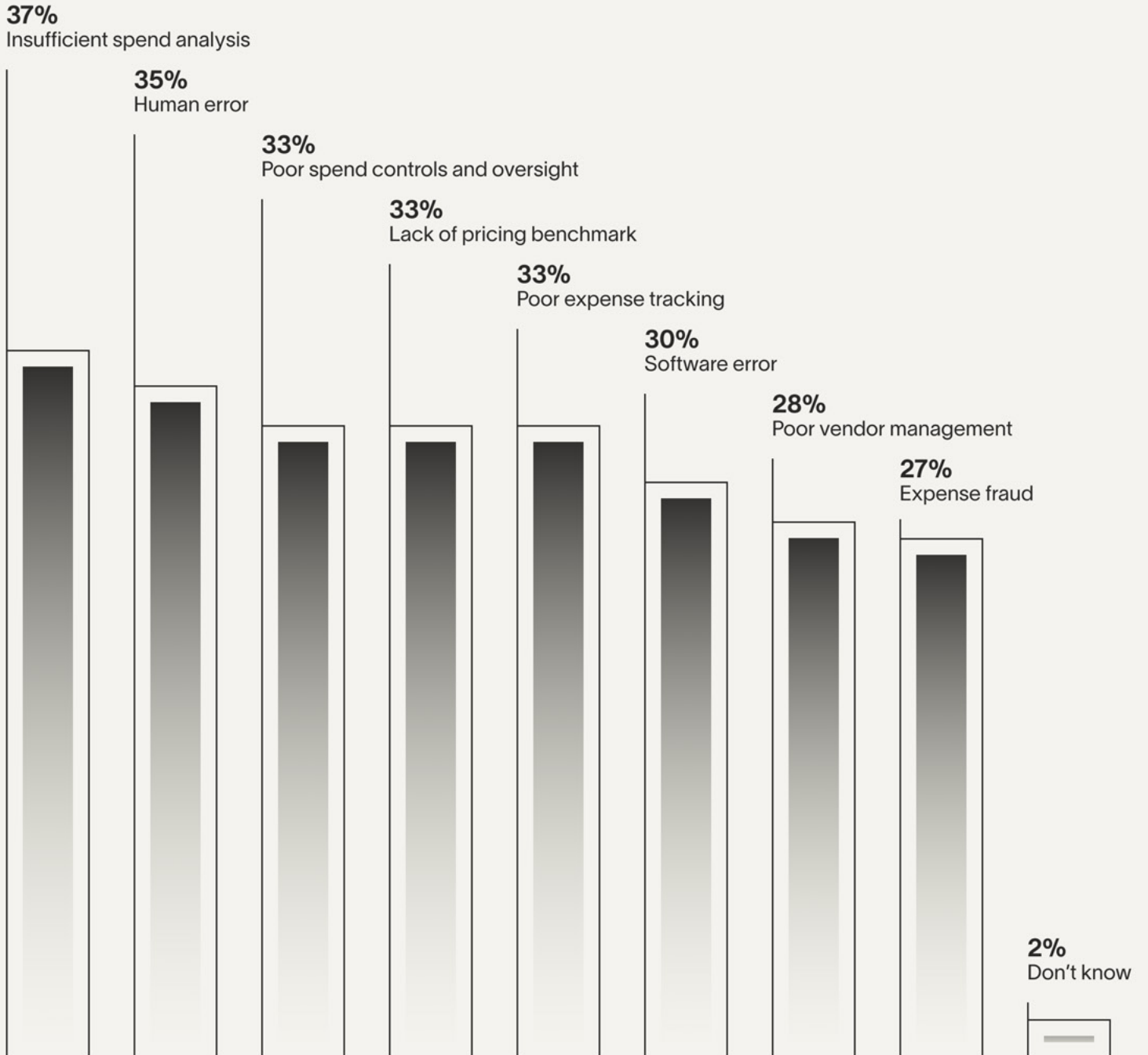
**42%**

Have minimal spend

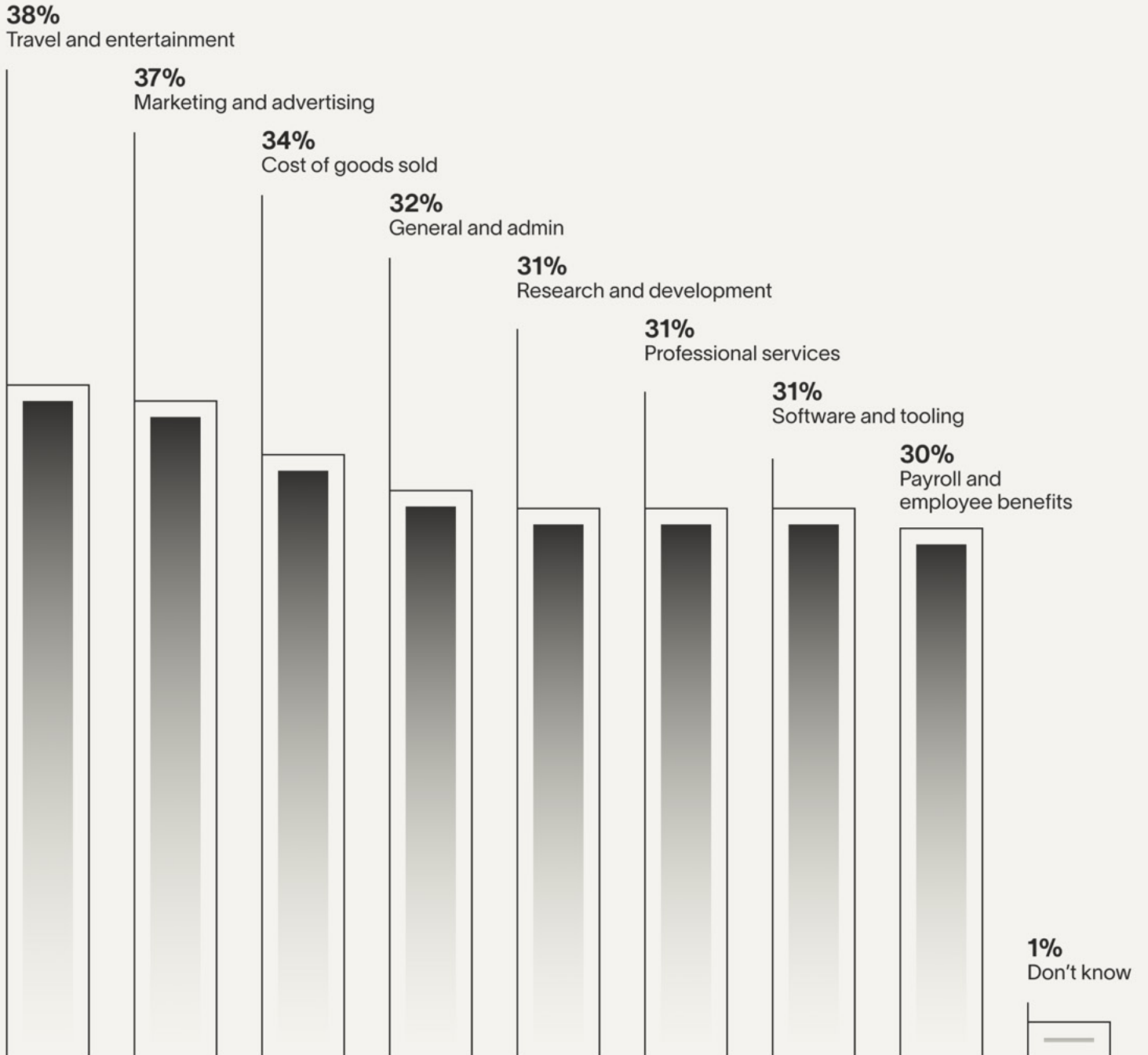
**3%**

Don't know

### The main causes of organizational wasted spending



### Where wasted spending most commonly occurs

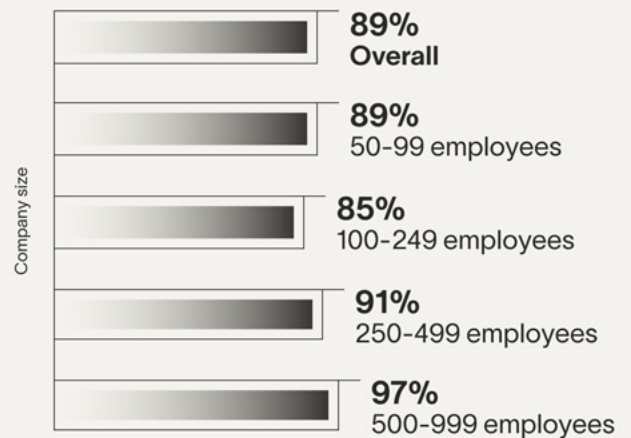




# Automating your way to a competitive advantage

Although existing tools haven't lived up to their promise, finance leaders see the potential and are betting on the latest automation technology to fill in the gaps. 89% believe that finance automation will give them a competitive advantage in the next three years.

**Percentage of finance leaders who think finance automation will become a competitive advantage in the next 3 years**

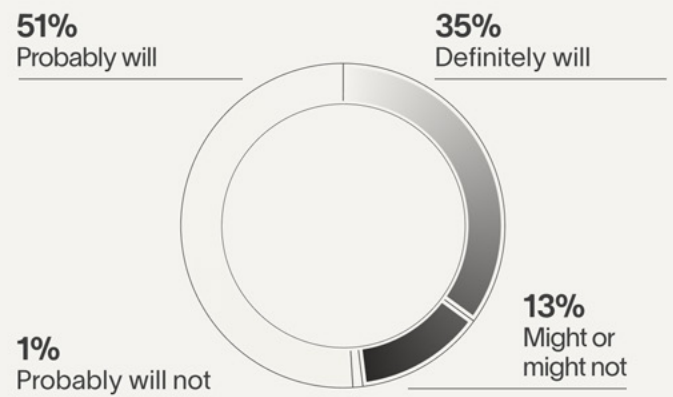


While a clear majority of participants agreed with this statement, companies with 500-999 employees were nearly unanimous about finance automation becoming a competitive advantage.

Over a third of respondents said that they will definitely be increasing their investment in finance automation with another 51% reporting that they probably will.

Let's dive into how automation is leading to faster growth.

### Intent to invest more in automation in 2022

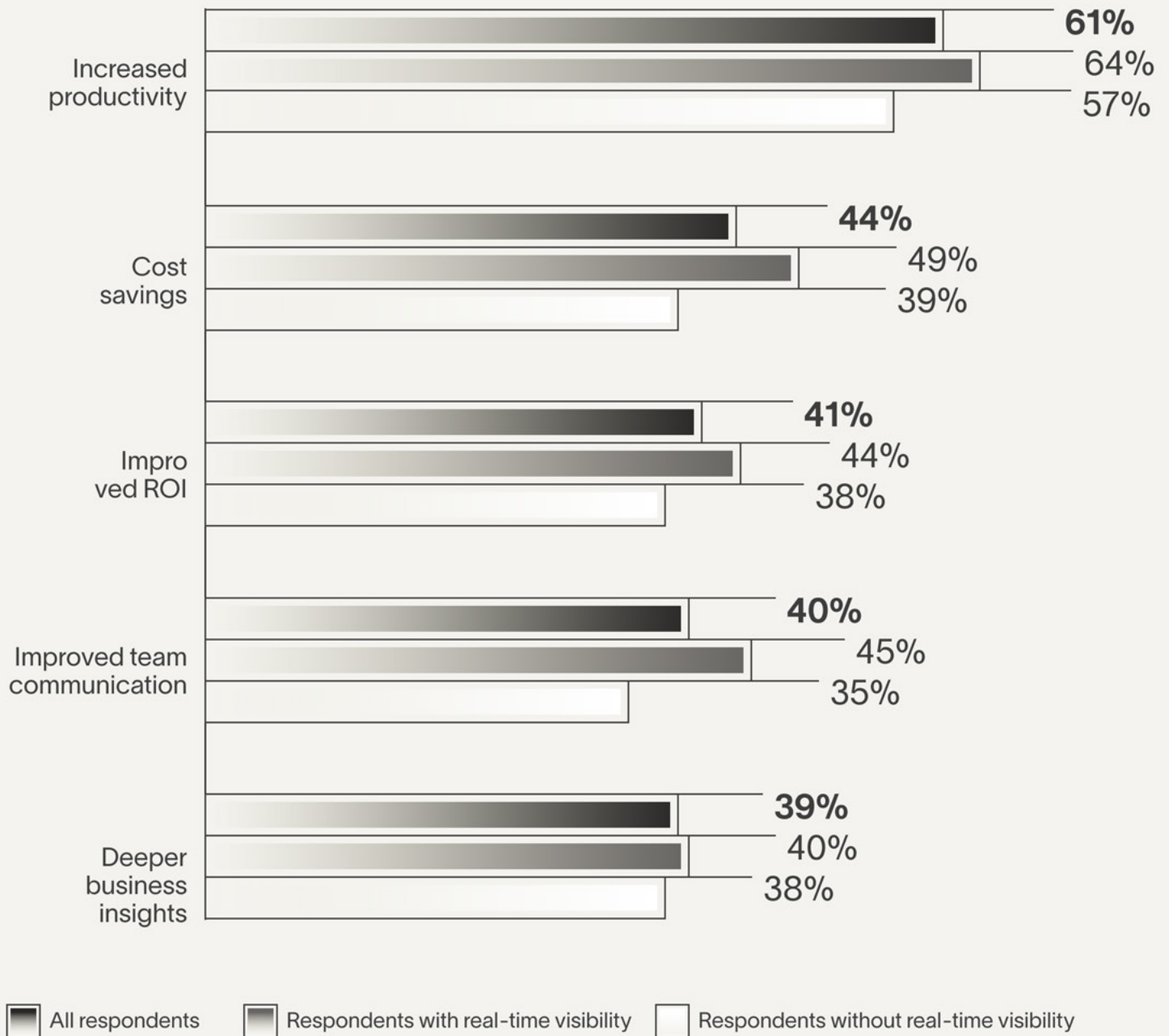


### **Companies with real-time visibility report greater productivity and cost savings**

The main advantage that automation provides is giving valuable time back to teams, with 61% of finance leaders surveyed stating that increased productivity from automation generates a key advantage.

Not surprisingly, respondents with real-time visibility into their organization's financials report greater productivity than those without (64% vs. 57%), underscoring the importance for organizations to enhance their automation capabilities in 2022. They also report better automation ROI (44% vs 38%) and increased cost savings (49% vs 39%).

### How finance automation generates a competitive advantage

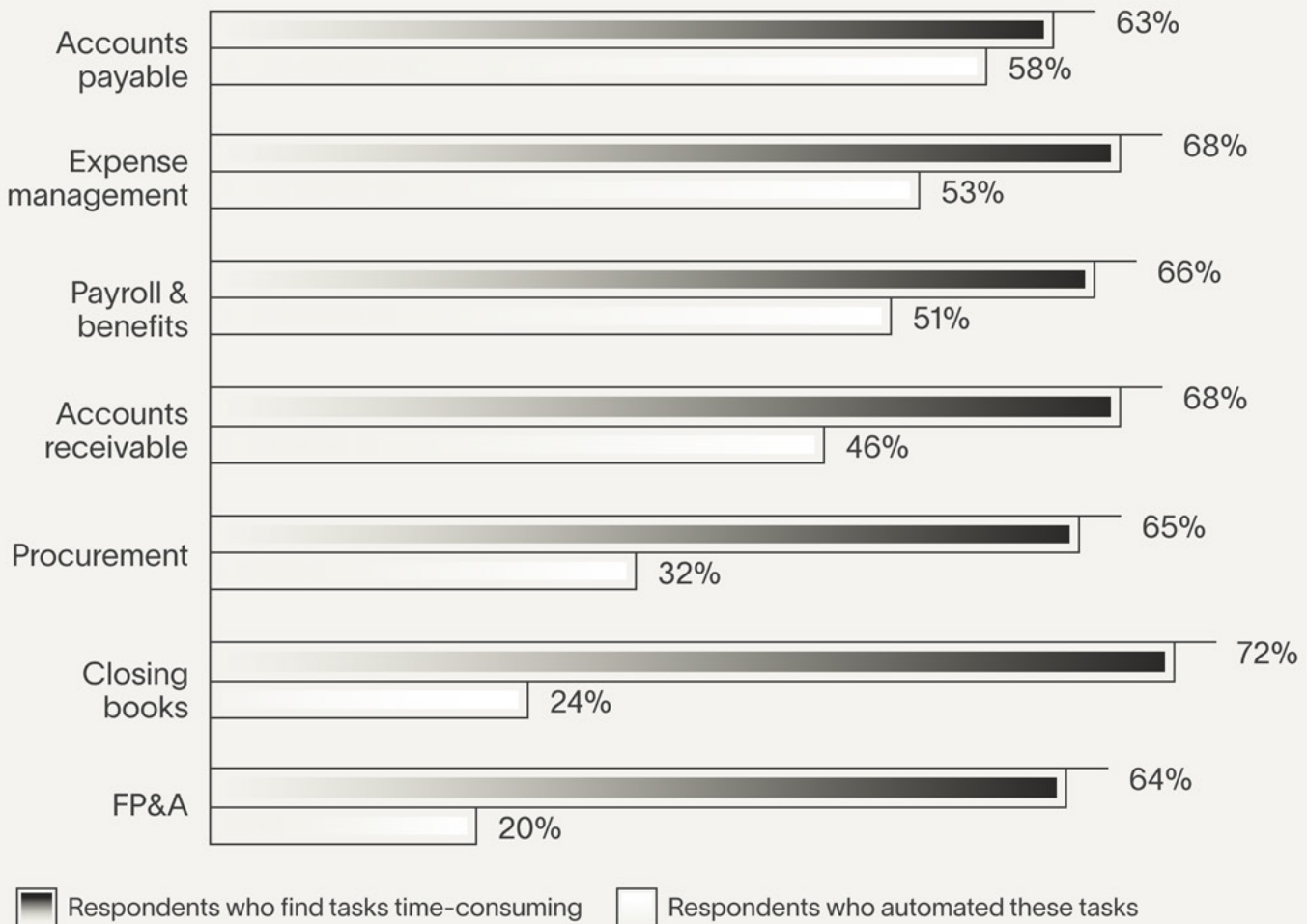


**The areas with the fullest potential for automation remain underinvested**

Closing the books ranks as the #1 most time-consuming task for finance teams (72%). Yet

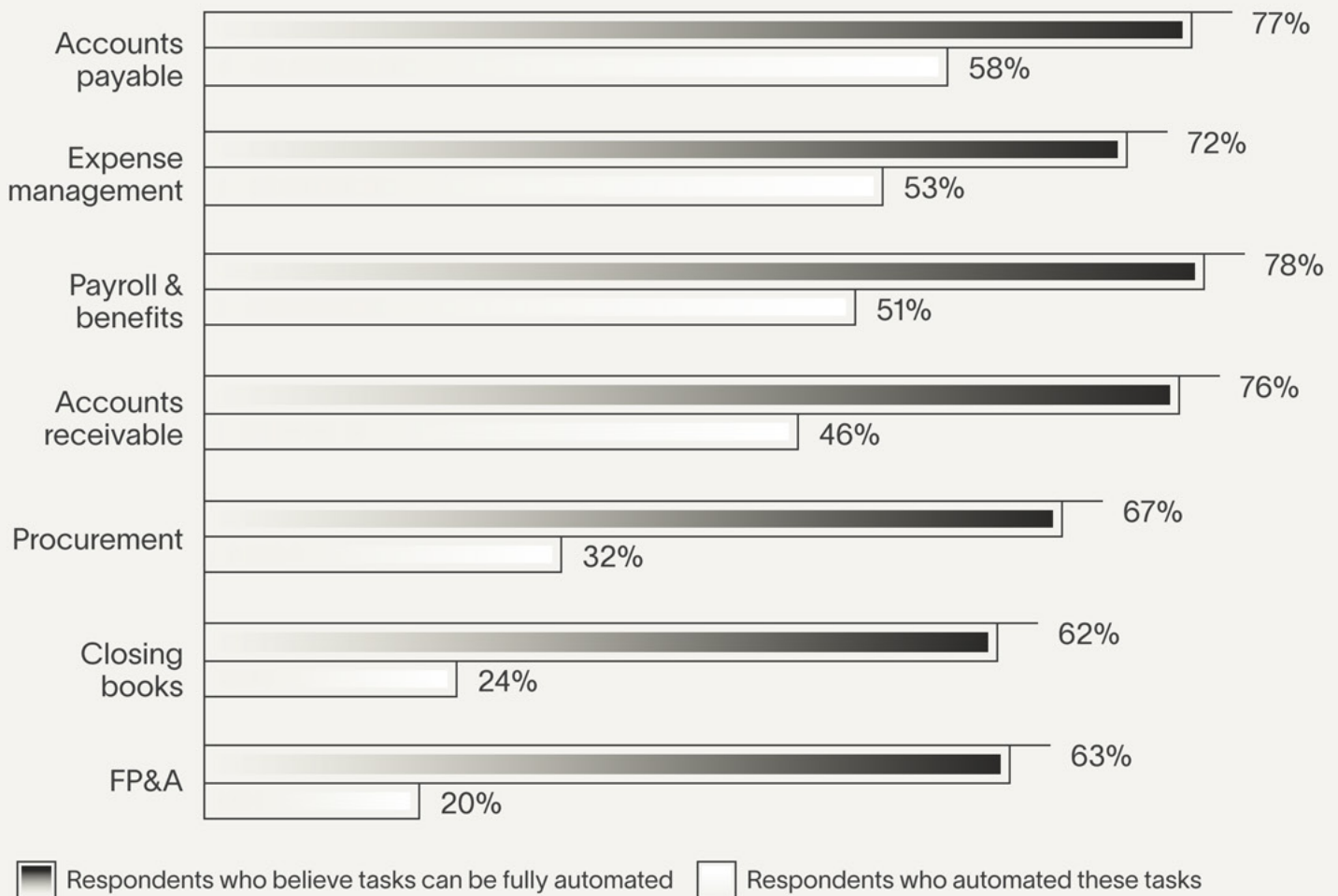
only 24% of survey respondents invested in automation for closing their books in the past 12 months, creating a big opportunity for teams that successfully optimize this area for their organization.

**Automation of time-consuming finance tasks**



Payroll is another area that can be highly automated, according to 78% of respondents, but only 51% applied automation to it in the last year. We see similar disparities across other finance functions.

### Finance tasks that can be fully automated



# What are you planning to automate?

“Today we’re thinking about what are we going to automate so that people don’t have to spend a weekend VLOOKUP-ing two giant spreadsheets for stuff? How are we going to automate credit card reconciliations?”



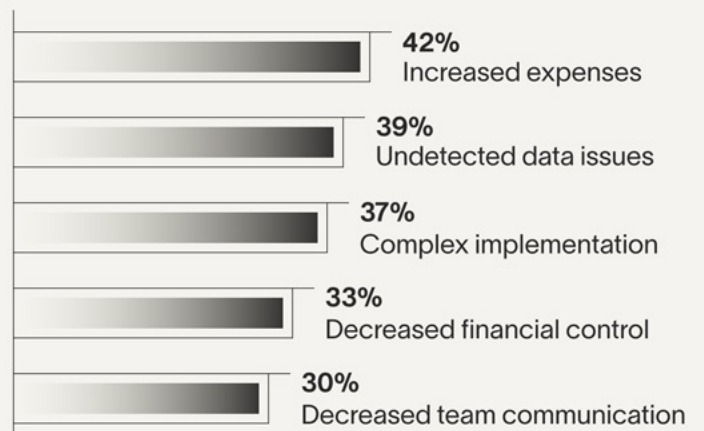
**Jeannie De Guzman**  
CFO, 1Password



### Look out for costs and data silos

The advantages to automation are clear—so what’s holding finance leaders back? Around 4 in 10 (42%) don’t know if the cost of automation will justify the ROI. Over a third of survey respondents are also concerned about undetected data issues and complex implementation.

### Concerns with increased finance automation



Finding solutions that integrate well with other tools in the finance tech stack can mitigate cost and implementation concerns. In fact, integration with other systems is the top capability that finance leaders look for in an automation tool. Integration brings teams together and helps people work together without missing a beat.

**Capabilities that finance leaders look for in a finance automation tool**



# Leveraging FinOps for faster growth

FinOps is the backbone of an efficient and informed finance team, providing autonomy and a foundation for successful operations across all functions. In short, optimal finance automation isn't possible without powerful FinOps that can support the latest workplace needs, such as increased employee flexibility.

But finance decision makers report that FinOps isn't completely supporting the spend management solutions they need.

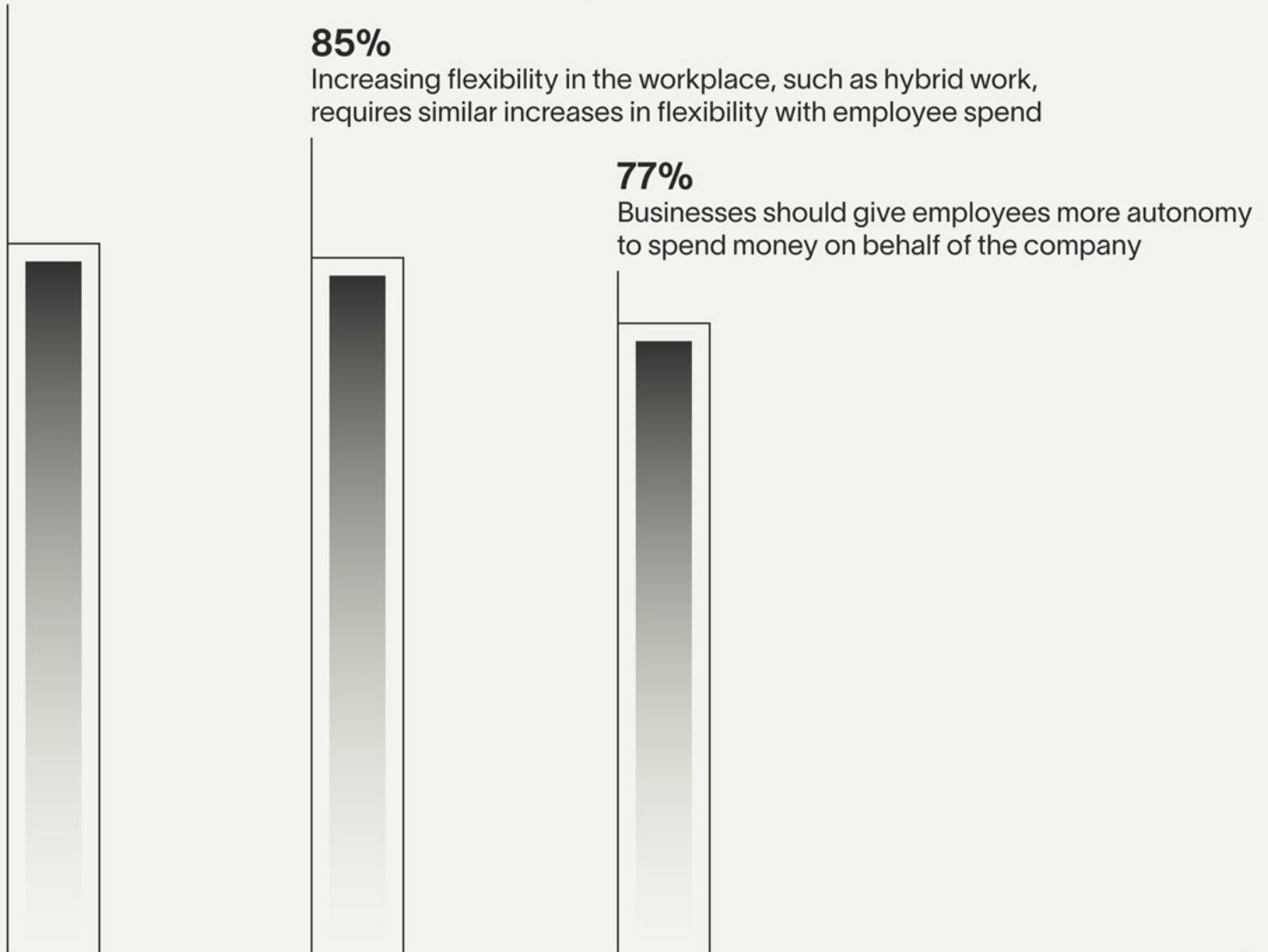
FinOps needs to evolve in tandem with automation in order to achieve maximum time and cost savings.

Specifically, 87% of those surveyed noted a greater need for automated processes that can support decentralized spending and maintain cost control. A similar number of leaders are thinking about ways to give employees more autonomy and flexibility when it comes to spending money on behalf of the company. FinOps teams should drive these changes through designing and implementing new processes and tools.

Percentage of finance leaders who agree with the statement below

**87%**

There is a greater need for automated processes that can support more decentralized spending while maintaining cost control



**85%**

Increasing flexibility in the workplace, such as hybrid work, requires similar increases in flexibility with employee spend

**77%**

Businesses should give employees more autonomy to spend money on behalf of the company

## What would you do with extra time from automation?

“I think the biggest thing that I wish I had more time for is teaching. It’s very easy to get in cycles of doing and growing and building, but not helping people to understand where we’ve been and why we’re going where we’re going.”



**Patrick Corker**  
VP of Finance & Treasury, Circle

# Conclusion

To stay competitive, efficient, and growth-oriented in 2022, finance teams must take a fresh look at the state of their automation and operations. Our study shows that capabilities like real-time visibility and integrated workflows are critical for boosting productivity and cost savings. This is how savvy leaders will turn the finance function from being a cost center into a growth driver for the business.

### **About Ramp**

Ramp is the finance automation platform designed to save you time and money. With Ramp you get corporate cards, expense management, bill payments, accounting automation and reporting—all in one easy-to-use and free solution. With this unique approach to financial services, Ramp has quickly become America's #1 rated and fastest-growing corporate card. Businesses that use Ramp save on average 3.3% in year one and close their books 8 days faster.

Learn more at [ramp.com](https://ramp.com).