

A View of the Evolving Record-to-Report Technology Ecosystem

August 2021: Complimentary Abstract / Table of Contents



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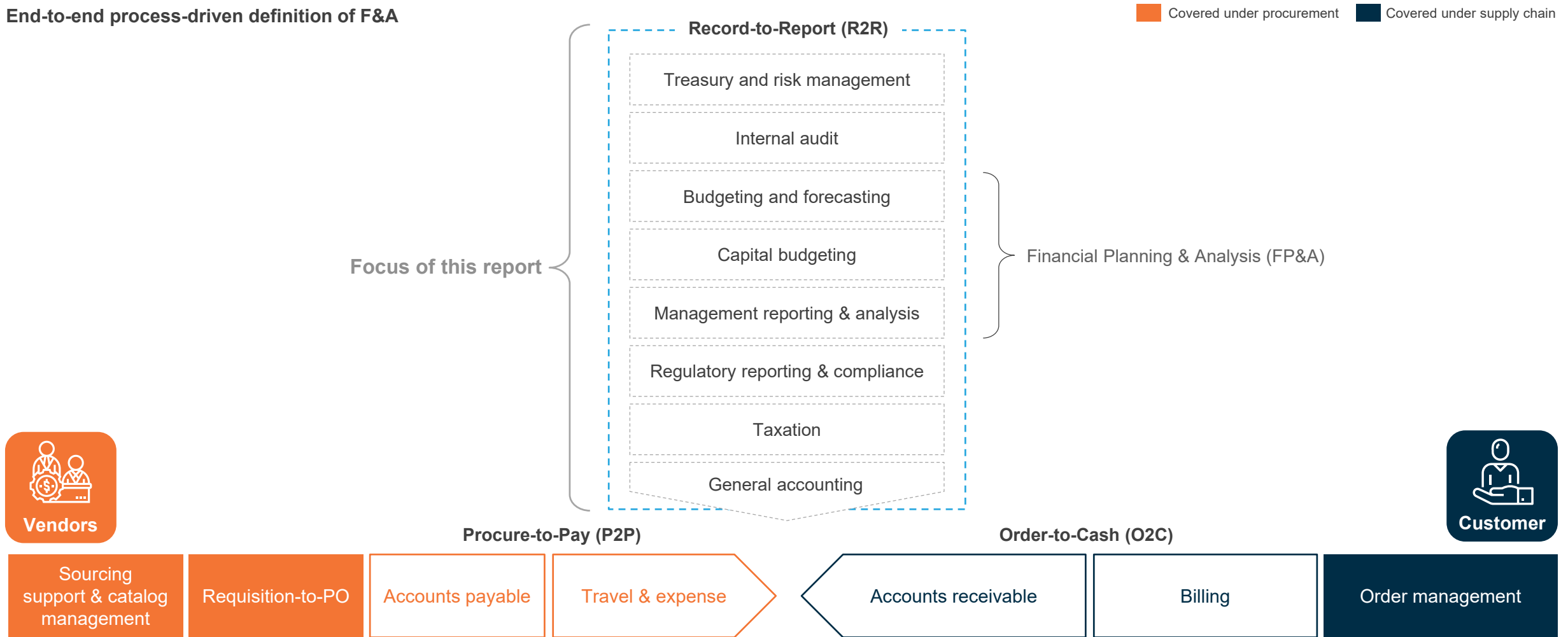
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The finance and accounting value chain and focus of this report

End-to-end process-driven definition of F&A



Background of the research

Record-to-Report (R2R) is a complex F&A process area that provides critical insights into a company's strategic, financial, and operational business performance to relevant stakeholders, and is also the custodian of all organizational data. As CFOs and finance teams work toward becoming strategic advisors to the business, many are short on time and resources while managing their R2R processes manually. They often struggle with disparate data, manual spreadsheets, localized processes, and multiple legacy systems that lack automated processes. Even for companies that have digitized their data, lack of proper information-sharing leads to poor process visibility and limits the ability to generate holistic insights. In today's competitive business environment, market and economic volatility, and the changing regulatory environment, complexities for the R2R function are growing. Hence, finance leaders are under increasing pressure from internal and external stakeholders to address these pain points through increased and efficient technology intervention.

In this report, we discuss the R2R technology landscape and embedded next-generation technologies such as RPA, advanced analytics, and blockchain, and their role in future-proofing the R2R function. We also analyze the major R2R technology categories – treasury management systems, financial controls & automation suites, Corporate Performance Management (CPM), and business intelligence & analytics.

Scope of this report:



Overview and abbreviated summary of key messages

The R2R function is the heart of the organization, impacting the firms' operations, business strategy, and financial health. With increasing internal and external challenges that R2R is facing today, an increased and efficient technology intervention is highly imperative. In this report, we discuss the R2R technology landscape and embedded next-generation technologies, and their role in enabling the R2R function. We also discuss key technology categories within R2R, and the evolving talent and adoption considerations in this function.

Some of the findings in this report, among others, are:

Introduction and trends in R2R

- Being the nerve center of the organization, R2R already faces traditional challenges such as manual processes, volume fluctuations, disparate systems, data security concerns, and low end-to-end visibility across processes
- With increasing competition, pricing pressures, continued market and economic volatility, and changing regulatory environments, challenges for the already complex R2R process group are growing exponentially, impacting the efficiency and productivity of finance functions

R2R technology landscape and embedded advanced technologies

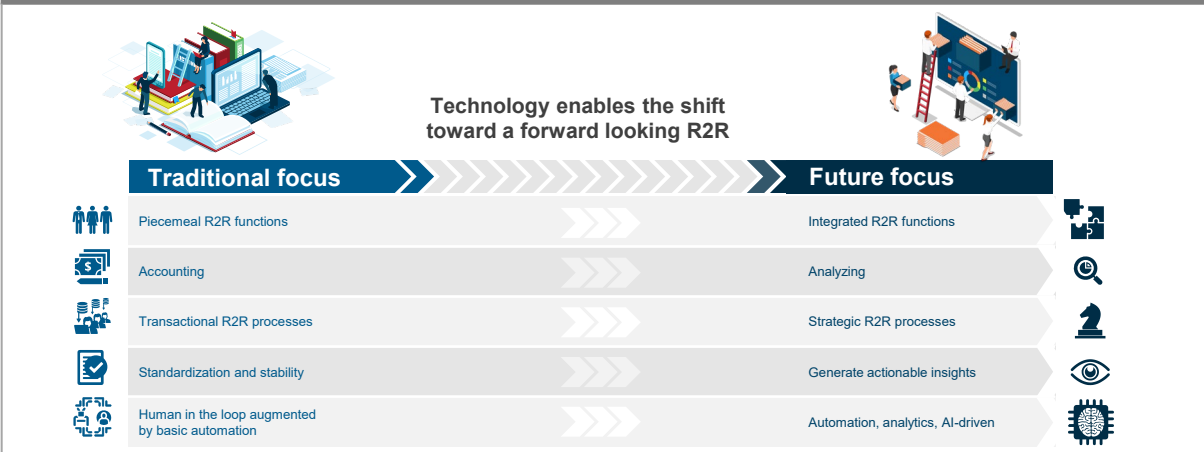
- The R2R technology landscape is highly fragmented with good overlap in functionalities across categories with varying degree of sophistication
- BI & analytics tools complement existing financial software and are leveraged in conjunction with one or more of the core R2R technologies; TMS assist in managing core financial activities relating to cash, assets, debt, banking, and risk and are leveraged to optimize cash & liquidity
- Financial controls & automation software are as a value-addition to existing ERP systems and addresses the gap left by traditional CPM suites by automating the account reconciliation process
- Embedded advanced technologies such as RPA, advanced analytics, and blockchain have a vital role in enhancing the sophistication of core R2R technologies

Future of R2R and emerging themes

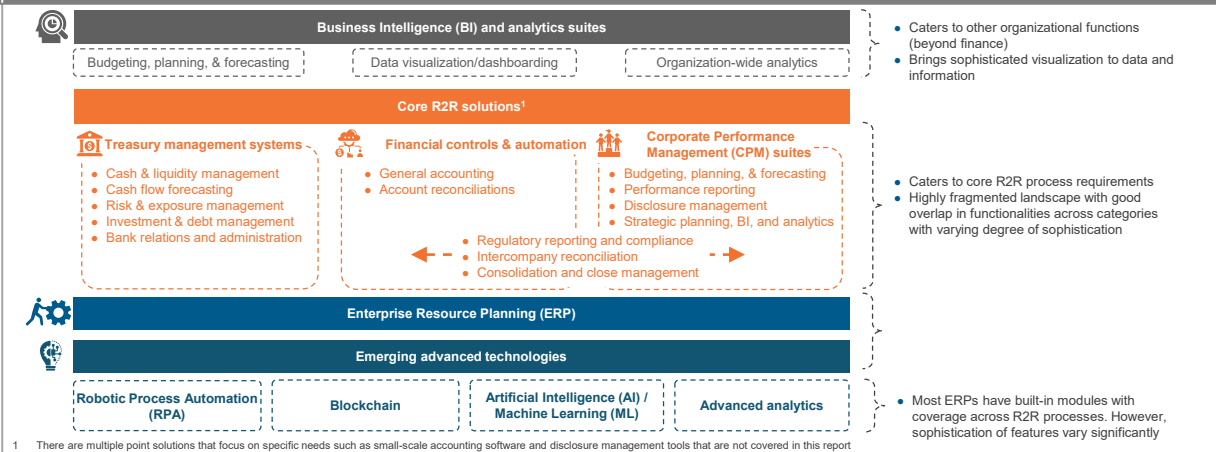
- There is an increase in need for talent with good technical and functional skill sets with rapid changes in R2R technology landscape; strong reskilling/upskilling programs with focus on collective intelligence across domain, digital, and professional skills are on the rise
- BPO service providers are well-positioned to enable technology transformation in the R2R, which is driving high-paced growth of the R2R outsourcing market

This study offers three distinct chapters providing a deep dive into key aspects of R2R technology ecosystem; below are four charts to illustrate the depth of the report

Current trends and forward-looking shift within R2R



R2R technology landscape



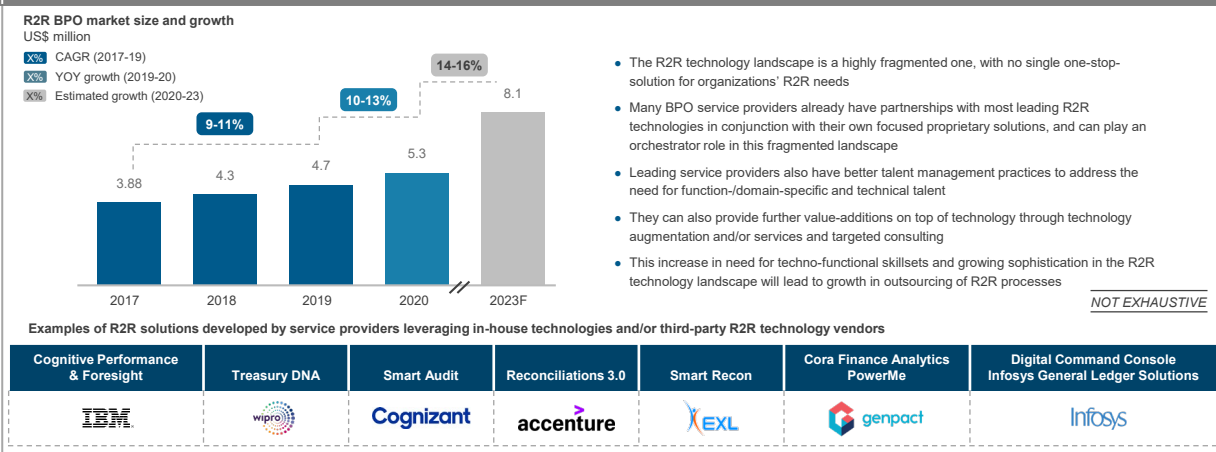
Embedded advanced technologies in R2R

Advanced technologies	Key enabling functionalities	Current level of adoption	Adoption potential
RPA & IDP	<ul style="list-style-type: none"> Complex reporting automation Automation of financial controls and approval workflows Automated data extraction, ingestion, and validation of data from multiple sources 	■ ■ ■ ■ □	■ ■ ■ ■ ■
Advanced analytics	<ul style="list-style-type: none"> Reporting/interactive visualization Persona-based insights Multi-dimensional scenario modelling Predictive/prescriptive analytics 	■ ■ □ □ □	■ ■ ■ ■ □
Blockchain	<ul style="list-style-type: none"> Cryptographic security Shared and distributed ledgers Smart contracts Hyperledgers 	□ □ □ □ □	■ ■ □ □ □

Low □ □ □ □ □ High

Augmented by cognitive and AI/ML-based tools

Emerging theme – R2R BPO market growth



Research calendar

Finance & Accounting

■ Published
 ■ Planned
 ■ Current release

Flagship reports

Release date

Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	September 2020
Finance and Accounting Outsourcing (FAO) Service Provider Compendium 2020	September 2020
Exploring Data & Analytics, Resilience, and the Next Normal in Finance: Finance and Accounting Outsourcing (FAO) State of the Market Report 2021	December 2020
Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2021	Q3 2021
Finance and Accounting Outsourcing (FAO) Service Provider Compendium 2021	Q3 2021
Finance and Accounting Outsourcing (FAO) State of the Market Report 2021	Q4 2021

Thematic reports

Release date

Building Future-ready Finance in the New Normal – A Glimpse into the CFO Mindset	December 2020
Is Work From Home (WFH) the Future of Work? A Perspective on WFH, Locations, and Delivery Strategy Beyond COVID-19	December 2020
Business Process Services (BPS) 4.0: Heralding the Start of a New Era	February 2021
Getting Your Business in Order through Integrated Order Management	June 2021
A View of the Evolving Record-to-Report Technology Ecosystem	August 2021
Service Provider and Buyer Archetypes in F&A	Q3 2021
Cash is King	Q3 2021
ESG in Finance	Q3 2021
Power of AI in driving the future of Finance in the next normal	Q4 2021

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