

Digital Diffusion and Finance Transformation

Sumit Agarwal explains how mid-sized companies like Cloudnine can leverage existing and nascent technologies to drive efficiencies within Finance

Observe the internal landscape of any organisation over the past decade, and you'll notice several tectonic shifts triggered by technological convergence and government controls. First demonetisation, and then the GST reforms of 2016, left many Indian companies scrambling to survive under the impact of legislation, with crucial manpower redirected towards manual accounting, invoice provisioning, reconciliation, and vendor transitioning. With the right technology, all of these activities could have been done with the click of a button.

Until recently, global technology repertoires were limited to offerings thrown up by the 1990s' technology boom. That meant that most companies were exclusively built on enterprise resource planning (ERP) tools. Thanks to colossal advances in technology, CFOs and Finance teams now have access to insight, intelligence and innovations, as also to computing power, digital access, atomised processes, and low-cost Cloud servers. In turn, they can navigate decisions, optimally allocate funds, and experiment with automated engines. A technological Tsunami is rising as we speak, and it's wise to catch the next wave that comes your way, however large your organisation.

Tradition and Technology

Think of Finance as a pyramid with layers. Today, the biggest

Enormous advances in technology have given CFOs access to insight, intelligence and innovation on a whole different scale



layer is occupied by transactional activities. The expectation is that, as new technologies get adopted, the layers will shift and strategy will form the largest band. A decade from now, inventory management may be completely managed via radio frequency identification, robotic accountants may whizz across office floors, and budgets may be entirely sanctioned by algorithms. As organisations straddle the line between tradition and technology, verticals that used to operate as independent, watertight units are coalescing to enable synergy, symbiosis and scale. Technology and Finance have become mutually dependent on each other, with the dynamic between a CFO and a CIO serving as the binding force for a successful organisation. Businesses that aim to be future-fit now need to take a double-barrelled approach to success, with the CIO and CFO working together to mesh their growth strategies.

Technologies on Cloudnine

On Cloudnine, we have already pointed our Finance machinery towards ultra-modern technologies that we hope will elevate our position on the healthcare technology map. As a mid-sized organisation, we've taken an early-stage decision as far as technology is concerned.

ERP & CRM

Our advanced ERP and CRM applications have helped us construct a shared service environment that supports the automation of routine processes like bank reconciliation, vendor payments, and AR processes. Previously, these processes were performed manually with discrete systems, and were entirely dependent on human capital.

Cloud

Using a combination of analytics and Cloud, we aim to create a dashboard of performance parameters of various hospitals. To do this, we will move to a target-based reporting programme that will enable benchmarking, control and cost-optimisation. By feeding KPIs and configuring a scorecard, we look forward to setting up a fool-proof monitoring system.

The 3 As

Over the next three years, we expect 80 per cent of business decision-making to become automated, using a trifecta of technology groups known as

the 3 As: analytics, algorithms and Artificial Intelligence. The 3 As propagate that humans slow down decisions, and that they should only be allowed to take them when there is a dearth of data, no suitable algorithm, an irreversible outcome, or an element of emotion or empathy involved. In line with this philosophy, we are looking to introduce a spread of self-help kiosks and customer-centric applications to smooth operational efficiency, reduce lead-time and increase customer delight. We are also exploring ways to integrate bots into our processes.

AI and Machine Learning

AI protocols are rooted in cognitive learning and adaptation.

Cloudnine uses – or will shortly start to use – a range of technologies, from ERP and CRM, to Cloud, AI, Big Data and robotics



You'll seldom find AI reaching a roadblock: it knows how to reroute because its system flows are more organic than other intelligence tools.

Going back to the GST example I mentioned earlier, AI systems could be programmed to modulate tax revisions, improve audit, and improve the quality of repetitive tasks.

Robotisation

The future is geared towards virtual teams and virtual members. Robotisation will eliminate a sizeable chunk of manual work-flows, giving rise to superior organisational performance. Robotisation will encompass an array of processes on Cloudnine, including payment processing, bank reconciliation, P2P, financial reporting, process integration and legacy system control. The key is to strike the perfect people to robot ratio by



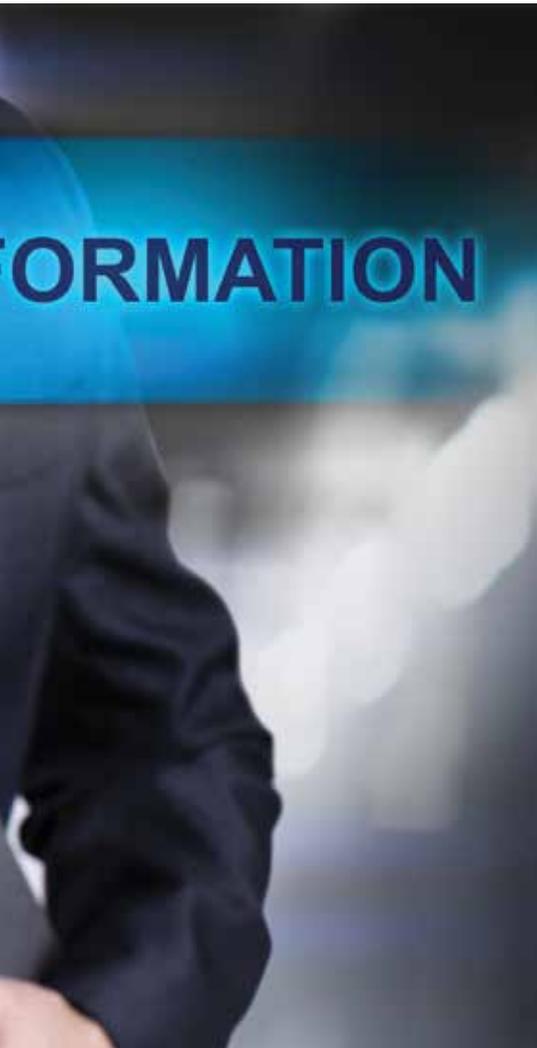
identifying skill sets that are unique to each.

Big Data and Deeper Insights

Big Data will allow granular analysis, deeper financial insights, and accurate predictive models. We will be able to determine how a specific asset will fare in the future and take decisions on whether to liquidate it now or wait it out. We will also be able to pre-empt and arrest cyber fraud, troublesome trends, and security breaches.

A 4-Piece Intelligence Framework

As the Chief Financial Officer at Cloudnine Hospitals, I ask myself one simple question before considering any kind of technology layer for



Technology can enable deeper intelligence and more pragmatic decision-making, but its implementation must be properly managed, and has to go hand-in-hand with strong control mechanisms



my function: 'Will this simplify our processes?' If the answer is a 'Yes', I dig deeper. Simplification is my primary motivator while adding to my team's technology stack. Over the next few years, I aim to manoeuvre my function into intelligent automation so that my team can focus on what really matters. The framework that I envision rests on four fundamental tenets.

Tenet 1. Homespun Intelligence

Technology that sources financial market trends and patterns, and then uses that information to project a roadmap for the future, can serve as a guiding light. In today's dynamic business environment, CXOs need real-time data to augment query outcomes across verticals.

Tenet 2. Pragmatic Decision-making

Today, major financial decisions are taken based on experience, but also, very often, on one's gut feelings. Sometimes, you may feel that a decision is favourable in the long run, but there's no quantifiable metric to prove it. AI can be an enabler for pragmatic decision-making, leaner execution protocols and fewer failed outcomes.

Tenet 3. Comprehensive Control Mechanisms

Installing control checkpoints within a technology ecosystem is imperative to ensure that your financial goals are met. Contrary to perception, not all automated control applications are supported by complex technologies like machine learning or robotisation. For mid-sized organisations on a budget, alternative automation tools abound in the market, and they don't all come with jaw-dropping price tags.

Tenet 4. Situational Sensitivity

The adoption of technology should proliferate equally at all levels of the organisation so that the digital engine is optimally armed with tools throughout the hierarchy. The idea is to have every employee understand the risks and potential for their area of expertise through a technology lens. The goal? Zero human error arising from inefficient decision-making.

The Benefits of Technology Adoption

Finance transformation has shone its light on various sub-functions, including analytics, audit, operations, and risk management. Technologies continue to pervade the farthest corners of the global business topography, and a cultural revolution is silently being catalysed. Automation is eclipsing basic roles, and the need for exceptional financial strategists within organisations is becoming more relevant than ever. Cross-pollination between departments is facilitating stronger teams, firmer strategies and better outcomes. As businesses race to stay ahead, it's only a matter of time before technology separates the forward-looking from the conservative. ■



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