SAPinsider

5 Tips for Optimizing Your Finance Processes

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CFOs are constantly bombarded with questions that are essential to the survival of the business:

- How can we improve cash flow?
- How can we preserve our cost structure as we exit the economic malaise?
- Will the company's manual processes and bloated databases put us at unnecessary financial risk?

Yet too often, competing priorities — such as global business strategy concerns, merger and acquisition activity, and the need for lightning-fast market reactions to macroeconomic news — relegate process optimization efforts that could help the CFO address these issues to the back seat. The following tips outline five simple process optimization opportunities that can help elevate the overall performance of your finance organization.

#1: Improve Process Performance

It's imperative to review performance metrics, determine where there might be process bottlenecks, and then work to fix them. For example, reducing paper and hand-offs from key near-cash processes, like accounts payable (AP) and accounts receivable (AR), with automation and workflow solutions allows you to more efficiently route transactions and track the process.

#2: Contain the Cost Structure

Companies should conduct a "true cost of paper" assessment that takes into account the space and costs to store documents, including filing cabinets, off-site storage, audit and access costs, and the costs of the multitude of copies made through a document's life cycle. This evaluation will likely identify the opportunity for big savings with a scan-and-index solution to digitize documents and follow through on destruction timelines for paper.

#3: Optimize Cash Flow

To improve your AP and AR processes, evaluate the historical performance of days payable outstanding (DPO) and days sales outstanding (DSO) against their targets, including early pay discount analyses. This will allow you to identify latencies and implement a prioritization process to address AR cash application exceptions and ensure that AP discount-relevant invoices are processed in a timely manner. You should also consider implementing advanced lockbox processing for AR and dynamic discounting for AP to further reduce costs and improve returns.

#4: Fine-Tune Any Risk Management Strategies

To identify any patterns with vendors, services, or approvers, conduct a "recovery audit" of duplicate invoices and payments in AP. Then, you can implement controlled workflow approval chains with advanced validations to guard against fraud and inappropriate approval processes.

#5: Tie Data Use to Data Storage

To secure data and remove potential risks, craft a data archiving strategy. You can also gain significant cost savings by aligning access needs to storage mediums to take advantage of SAP HANA, near-line, and cloud storage techniques.

Accomplish Your Goals with Solutions from Dolphin

The techniques explored here can help you recover costs, reduce risks, and optimize cash flow. To support this endeavor, Dolphin offers SAP-certified solutions, which complement SAP's applications for process optimization and information lifecycle management, to help drive improved financial performance. Dolphin's deep SAP expertise and exceptional customer experience make us uniquely qualified to deliver this kind of a performance-enhancing transformation to your organization.

To learn more about how Dolphin can help your company optimize its financial processes, visit **www.dolphin-corp.com.** ▪

Though process optimization efforts are often relegated to the backseat, in reality, they can help elevate the overall performance of your finance organization.