Financial Management Solution Trends
Between November 2020 and January 2021, Gatepoint Research invited selected finance, financial planning, and accounting executives to participate in a survey themed *Financial Management Solution Trends*.

- **Candidates** were invited via a multi-channel approach and **121** executives have participated to date.

- **Management levels** represented are all senior decision makers: 20% hold the title CxO, 15% are VPs, 21% are Directors, 29% are Managers, and 15% are Controllers.

- **Survey participants** represent SAP customers from a wide variety of industries, including but not limited to: chemicals, medical devices, insurance, information technology & services, consumer goods, oil & energy, financial services, machinery, food & beverages, real estate, business supplies, computer software, machinery, mining & metals, building materials, healthcare, automotive, electrical manufacturing, construction, and pharmaceuticals

- **100% of responders** participated voluntarily.
2020 was a challenging year, disrupting the way we live and work. But challenges provide perspective. Are organizations' existing financial management solutions providing clear analysis quickly and efficiently – or is change in the wind for these processes as well?

This survey asks respondents to report:

- Has your business been impacted by the events of 2020? How? What priorities are driving your business now?
- What changes to your financial management process would help you overcome its biggest obstacles?
- What are the biggest obstacles to optimizing your financial management process?
What priorities are driving your business today?

- Cutting costs/optimizing costs: 74%
- Growing the business: 57%
- Improving productivity: 53%
- Managing cash: 50%
- Revenue: 34%
- Increasing competitive advantage: 33%
- M&A: 12%
- Other: 2%

Nearly three quarters of survey respondents agree the highest priority driving their businesses now is optimizing/cutting costs, outranking the second most cited priority, growing the business, by 17 percentage points.
How has your business been impacted by the events of 2020?

- Revenue has decreased: 60%
- We've experienced workforce disruptions: 52%
- We've experienced supply chain disruptions: 40%
- Business costs have increased: 20%
- Core business processes have suffered: 20%
- Business model has changed: 19%
- Our technology roadmap was revised: 18%
- Other: 13%

Despite some predictions for an economic rebound, 60% of respondents note 2020 resulted in a decrease in revenue. More than half (52%) also suffered workforce disruptions and 40% experienced disruptions in their supply chain.
How has the 2020 business climate affected your financial management processes? (Rate 1 to 5: 1 = low impact; 5 = very high impact)

Although 2020 brought significant financial impact to many, impact on financial management processes was muted, with 40% rating it neutral.
What are the top three obstacles to optimizing your financial management process?

- Manual processes: 62%
- Budgeting/forecasting takes too long: 40%
- Disconnected/disparate systems feeding financial management process: 36%
- Lack of time for analysis drives lack of confidence in results: 35%
- Inadequate collaboration across departments/divisions: 33%
- Increasing cost of regulatory compliance: 17%
- Other: 8%

The three highest barriers cited as slowing respondents' financial management: manual processes, onerously long budget/forecasting operations, and sources feeding the financial management process are disconnected and disparate.
What improvements to your financial management system(s) would help you overcome your obstacles?

- Automating manual tasks: 60%
- Better predictive analytics/forecasting: 49%
- Simplified financial close process: 45%
- More agile, flexible planning: 40%
- Systemic alignment of the financial and operations systems: 36%
- Other: 3%

Proportionately addressing the two problems reported as most often hindering optimization of financial management process, respondents primarily want manual tasks to be automated (60%) and better analytic/forecasting tools to shorten the process of predicting results (49%).
What is your current ERP/financial management cloud deployment model?

More than half of survey participants use a hybrid cloud deployment model. Rarest configuration is a 100% public cloud model.
Are you transitioning to S/4HANA?

- 48%: I'm not sure
- 24%: We plan to transition from ECC to S/4HANA
- 17%: We have already transitioned to S/4HANA
- 8%: We are reviewing options other than SAP to transition to the cloud
- 3%: Other

Almost half of those surveyed are not sure if they’ll be transitioning to S/4HANA and 8% are reviewing other options.
When do you expect to begin updating, upgrading or replacing key components of your ERP and/or financial management system?

52% of those surveyed plan to update/upgrade/replace their ERP and/or financial management system within the next 3 years.
56% of survey respondents hold director or executive level positions in their organization.

- CxO: 20%
- VP: 15%
- Director: 21%
- Manager: 29%
- Controller: 15%