

POSSIBLE (RE)DEFINED

# Leverage Outsourcing and Automation to Optimize Effectiveness and Efficiency

Published Date: October 11, 2023

WELCOME

# Today's Presenters



**Carmel Wynkoop**

Partner  
Armanino Advisory LLC



**Eric Thomas**

Partner  
Armanino Advisory LLC

EXPLORING NEW AREAS

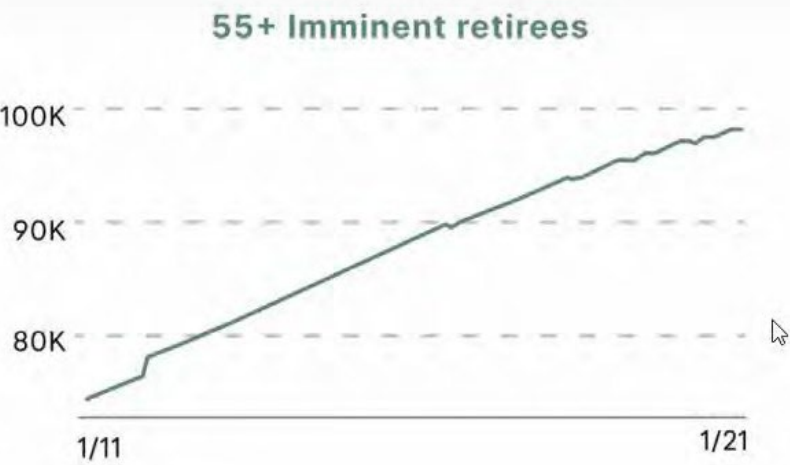
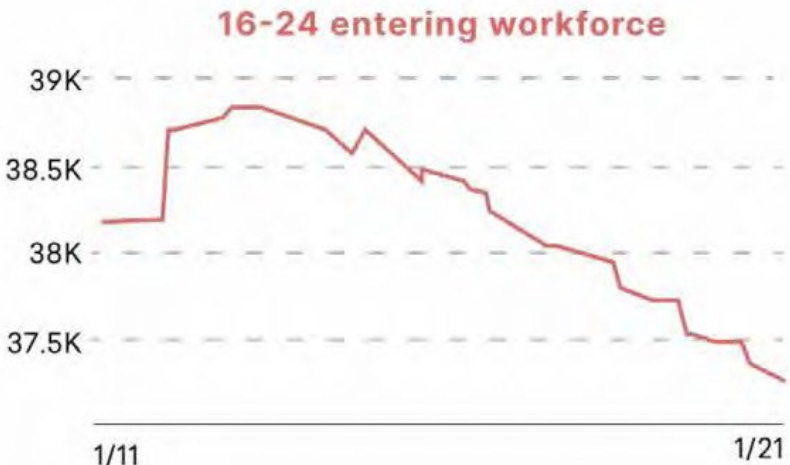
# Agenda

- Current State
- What is Automation and what kinds?
- 13-week Cash Flow and Outsourcing



Demographic Drought – What’s Happening?

We Need 3.2 Million More Workers to Get Back on Track



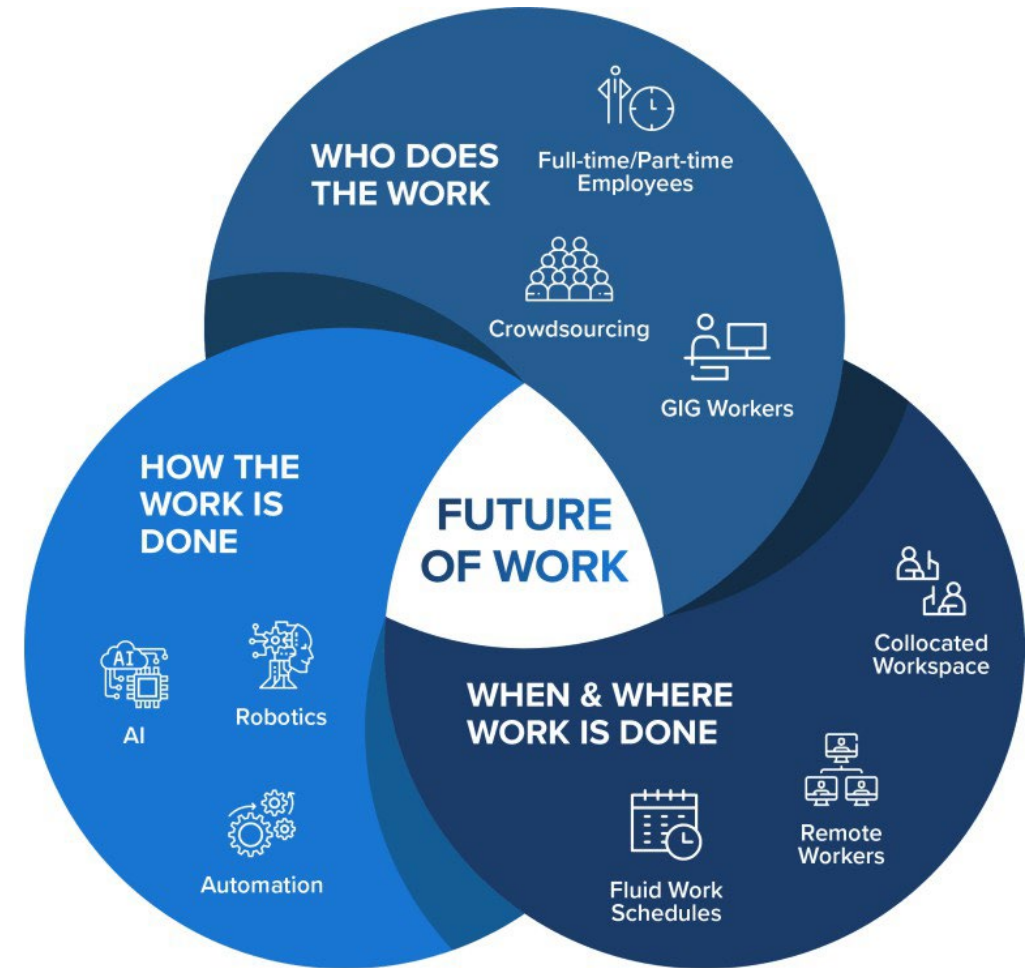
## WHAT'S HAPPENING

# The Changing Labor Market

“By 2025 ‘labor volatility’ will cause **40% of organizations** to report a material business loss.”

“**91%** of employees are frustrated with work tech, and **57%** feel legacy tech is holding them back”

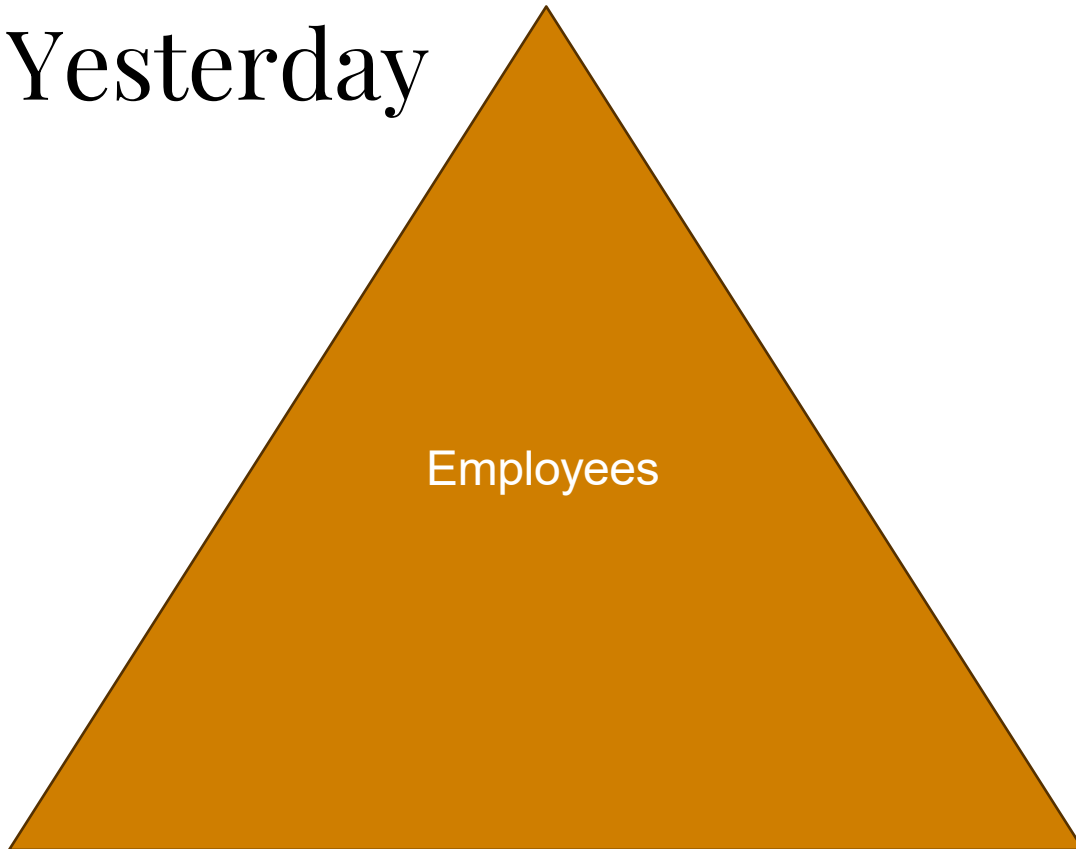
Freshwork [State Of WorkPlace Technology Report](#)



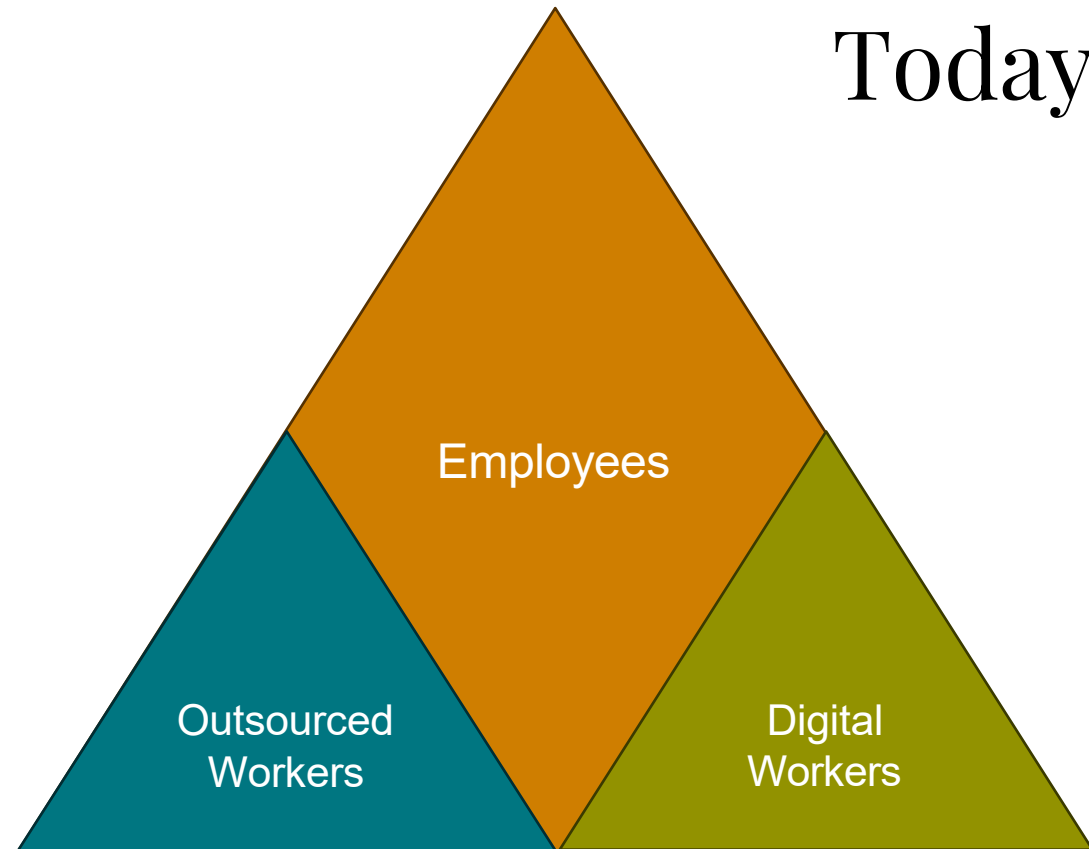
Today, millions of knowledge workers have greater freedom to decide when and where they work. (Image Source: shrm.org)

# Integrated Workforce

Yesterday

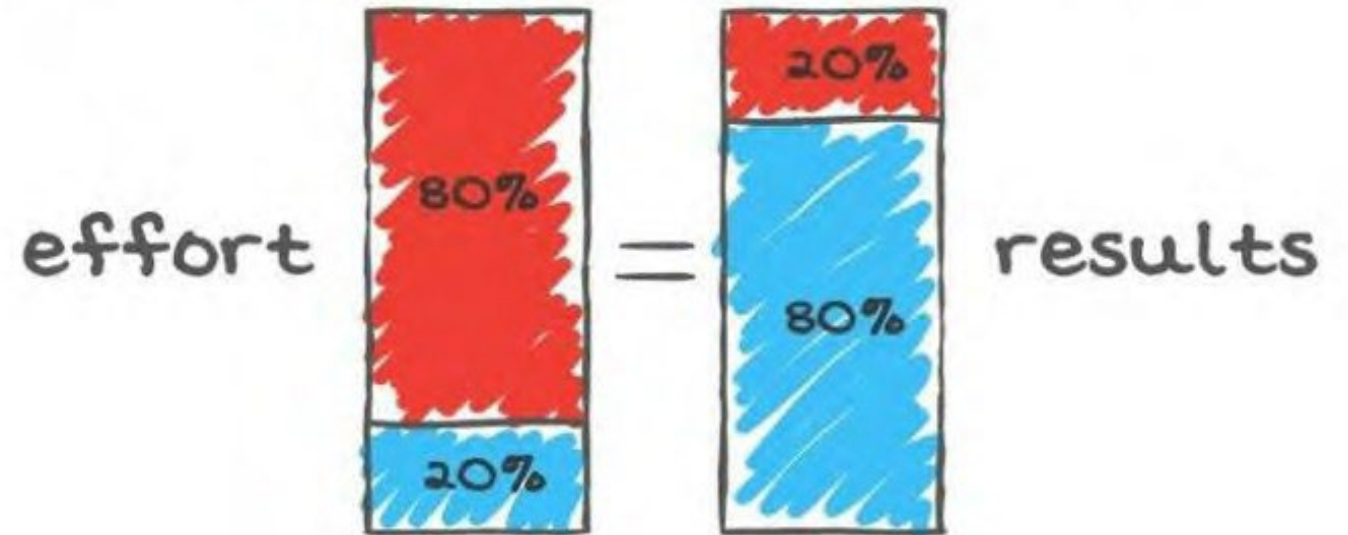


Today



What  
*Should* You  
Automate?

## The Pareto Principle







# What is AI?

Artificial intelligence refers to the ability of a machine to simulate human intelligence and thought processes.

AI systems are programmed to demonstrate cognitive functions such as learning, problem-solving and reasoning



## Computer Vision

AI powers systems that can automatically detect and classify objects in images and videos.

## Natural Language Processing

AI enables systems to understand, interpret, and generate human languages.

## Robotics

AI provides robots with sensing, reasoning, learning, and self-correction capabilities.

## Predictive Analytics & Machine Learning

Allows learning from data and statistical algorithms to analyze historical data and make informed predictions about future events or trends

## Rule-Based Intelligence

AI that follows a predetermined set of rules best used when the rules are straight forward and easy to define

## Robotic Process Automation

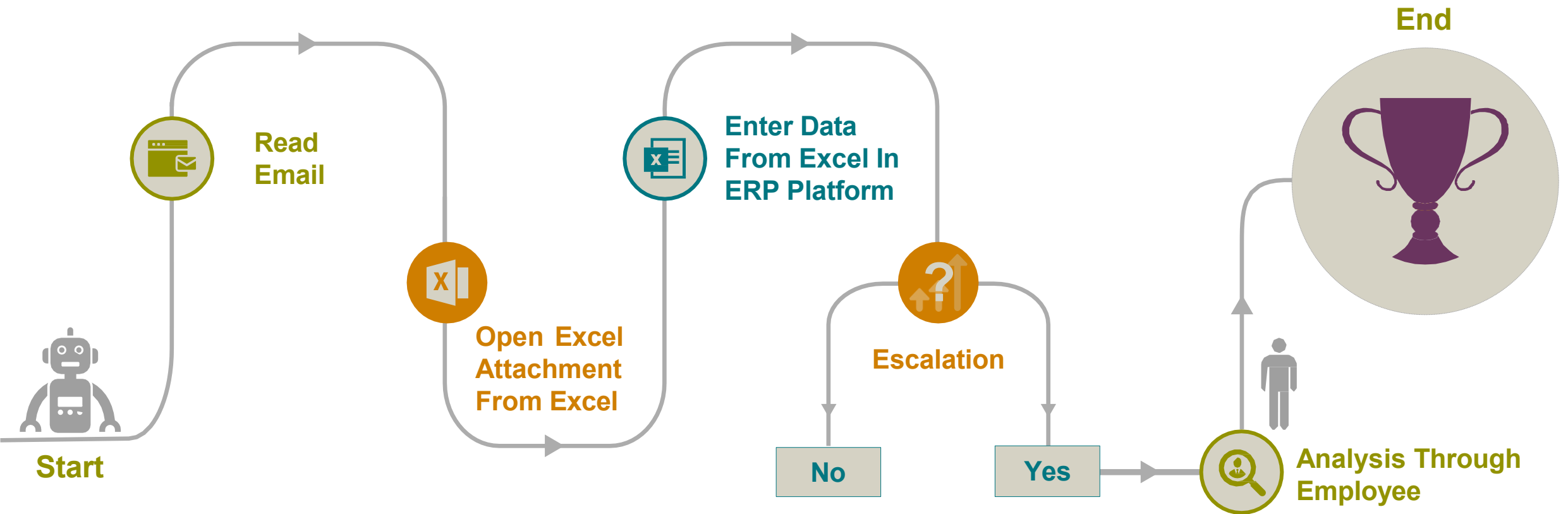
- AI “bots” that can be programmed to complete manual and repetitive work



RPA - Automation

# The Digital Worker

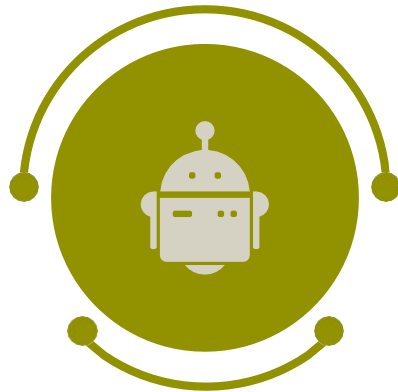
# How Does RPA Work?



# What is Robotic Process Automation (RPA)?



**Configurations That  
Automate Manual and  
Repetitive Tasks**



**Digital Workers That  
Integrate With  
Existing Software**



**Replication  
Of Desktop  
Actions**



**Driven By Simple  
Rules And  
Business Logic**



# Why Automation?



## Reduce Manual Data Entry & Errors

Improve accuracy and quality with less human data entry errors or typos



## Increase Productivity

Process cycle times are much faster compared to manual process approaches



## Integrate & Sustain Legacy Systems

Integrate legacy systems with each other when traditional means, such as open APIs, are unavailable



## Increase Availability

Digital workers operate on a regular, established schedule up to 24/7



## Improve Employee Morale

Reduce tedious, painstaking tasks. Allow employees to focus more on rewarding work and the strategic growth of the organization

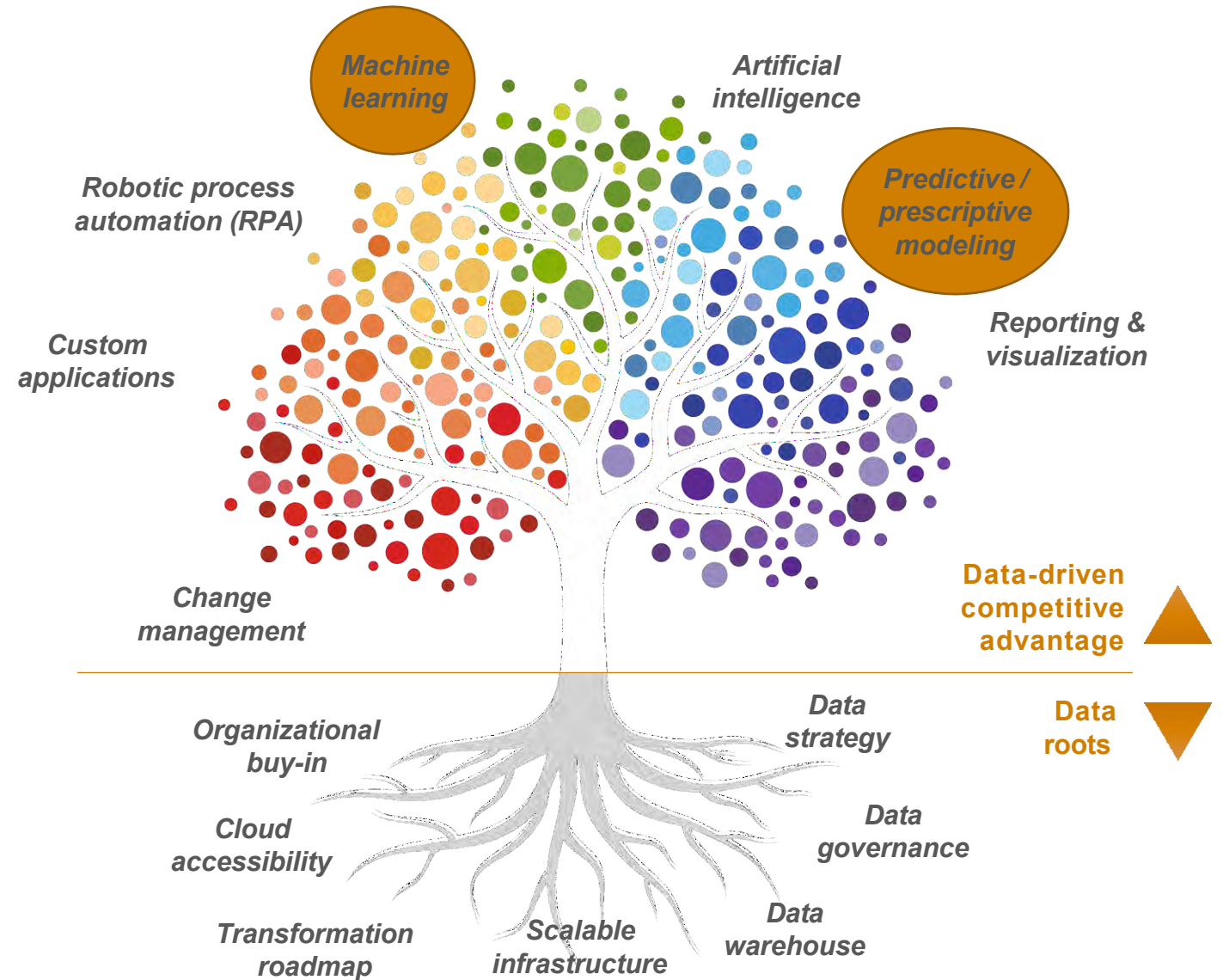


## Scale & Manage Expenses

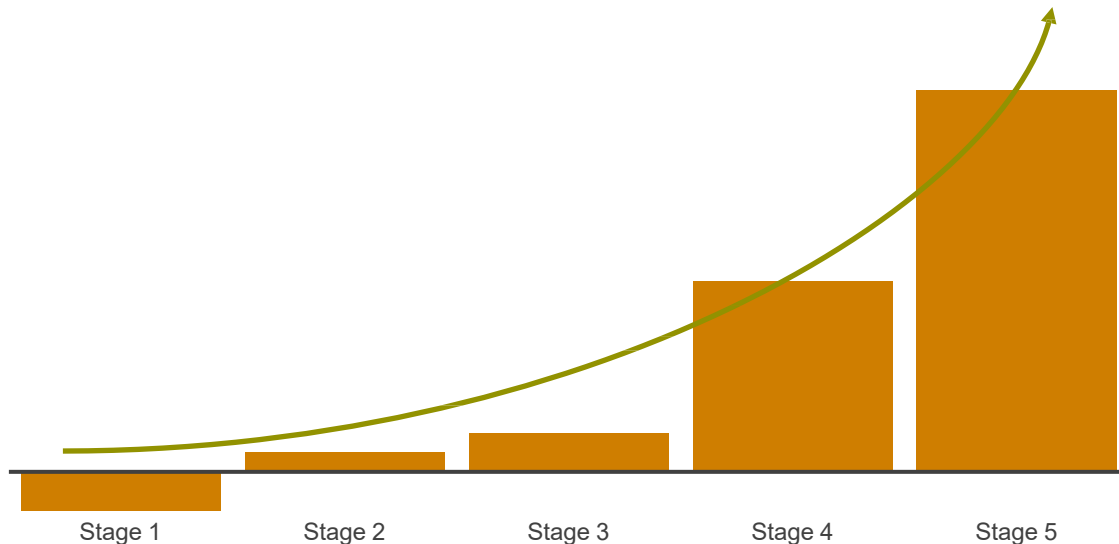
Scale without needing to add headcount. Reduce operating expenses through headcount reduction.

**Building the roots to your digital transformation enables all transformative outcomes.**

The journey to sustained competitive advantage begins with strong roots.



# How to get started with Predictive Analytics?



## Stage 1 *Instinctive*

Data is a hassle; we don't want to deal with it.  
*We wouldn't even know where to start.*

## Stage 2 *Reactive*

We have a data warehouse, but our data is still messy, unstructured, slow and historic.  
*We don't get many insights.*

## Stage 3 *Informative*

Our warehouse is scalable, but we don't have data strategy, governance or visualization in place.  
*We perform manual predictive analysis.*

## Stage 4 *Predictive*

We use accurate, readily available data to inform decision making in many areas.  
*We have identified the data we can use to gain insight and drive action.*

## Stage 5 *Transformative*

Real time, granular data and predictive modeling supports every business decision we make.  
*We now have a huge advantage over our competition.*





Outsourcing



# Process Life Cycle

**Stage 1 –  
Outcome  
focused**

**Stage 2 –  
Definition &  
Improvement**

**Stage 3 –  
Documentation**

**Stage 4 –  
Delegation**

**Stage 5 –  
Outsourcing**

**Stage 5 –  
Automation**

Effectiveness

Efficiency

# AI-Enabled 13-Week Cash Flow

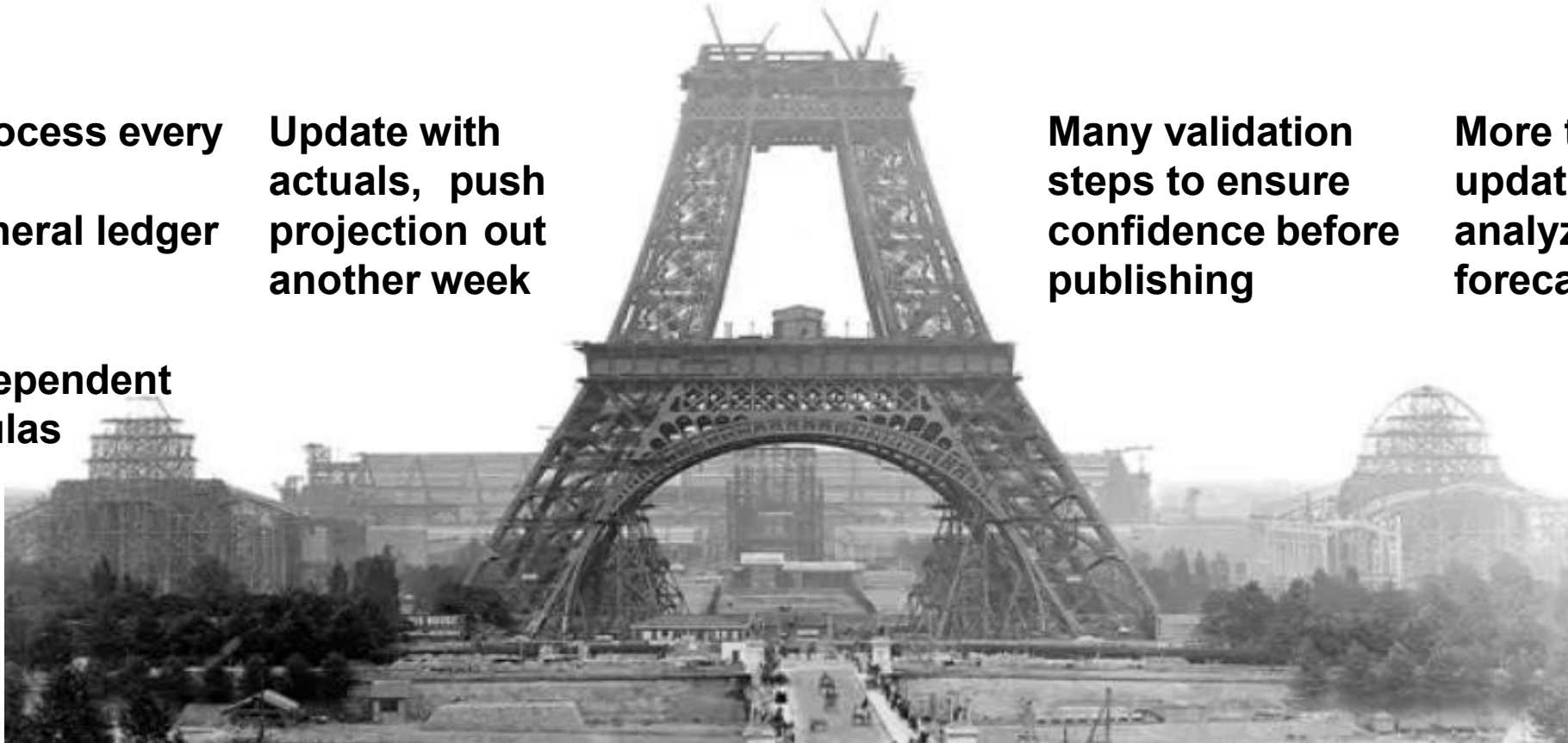
# Manual 13-Week Cash Flow Forecast

**Same process every week**  
**Uses general ledger activity**  
**In Excel**  
**Highly dependent on formulas**

**Update with actuals, push projection out another week**

**Many validation steps to ensure confidence before publishing**

**More time spent updating than analyzing and forecasting**



# 13-Week Cash Flow Forecast

- Start every week with **clarity** around **today's cash position** and a detailed weekly outlook for the upcoming quarter
- Empower your finance **team** to make informed decisions and address potential cash flow challenges well in advance

		0	1	2	3	4	5	6	7	8	9	10	11	12	13
		Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		8/19/2023	8/26/2023	9/2/2023	9/9/2023	9/16/2023	9/23/2023	9/30/2023	10/7/2023	10/14/2023	10/21/2023	10/28/2023	11/4/2023	11/11/2023	11/18/2023
		8/25/2023	9/1/2023	9/8/2023	9/15/2023	9/22/2023	9/29/2023	10/6/2023	10/13/2023	10/20/2023	10/27/2023	11/3/2023	11/10/2023	11/17/2023	11/24/2023
Beginning Bank Cash	B.BKCASH	14,006	17,068	11,976	13,388	14,903	17,045	18,236	11,800	13,872	15,320	17,050	12,103	14,456	15,818
Trade Receipts	TRRCPT.X	7,881	6,722	7,052	7,138	7,773	6,618	7,123	6,275	7,368	7,598	7,448	7,378	7,383	5,947
Interco Trade Receipts	TRRCPT.I	294	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	OTHRCP	3	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Receipts	SBT.OPERRCPT	8,177	6,722	7,052	7,138	7,773	6,618	7,123	6,275	7,368	7,598	7,448	7,378	7,383	5,947
Trade Payments	TRPMT.X	(3,976)	(4,573)	(4,299)	(4,278)	(4,248)	(4,248)	(4,183)	(3,542)	(4,183)	(4,183)	(4,278)	(4,343)	(4,343)	(3,658)
Interco Trade Payments	TRPMT.I	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries & Wages	FXDSLRY	(826)	(324)	(731)	(418)	(836)	(331)	(1,060)	(331)	(865)	(331)	(1,060)	(331)	(865)	(331)
401k/Social Charges/PF	RETIRE	(68)	(34)	(77)	(44)	(87)	(35)	(113)	(35)	(90)	(35)	(113)	(35)	(90)	(35)
Other EE Benefits	OTHBNFT	(230)	(199)	(394)	(203)	(411)	(203)	(374)	(203)	(431)	(203)	(619)	(203)	(431)	(203)
Tax	TAX	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Card Payments	CCPMT	-	-	(25)	(301)	-	-	-	(38)	(301)	-	-	(57)	(243)	-
Bank & Processing Fees	BNKFEE	(11)	-	(8)	-	-	-	(8)	-	-	-	-	(8)	-	-
Other Payments	OTHPMT	(3)	(50)	(107)	(229)	(50)	(50)	(50)	(55)	(50)	(125)	(50)	(50)	(50)	(40)
Operating Disbursements	SBT.OPERPMT	(5,115)	(5,180)	(5,641)	(5,473)	(5,631)	(4,866)	(5,787)	(4,203)	(5,919)	(4,876)	(6,120)	(5,025)	(6,021)	(4,266)
Operating Cash Flow	SBT.OPERCF	3,062	1,542	1,411	1,665	2,142	1,753	1,336	2,071	1,449	2,723	1,329	2,353	1,362	1,680
Capital Expenditure	CAPEX	-	(358)	-	(150)	-	(562)	-	-	-	(533)	-	-	-	-
Financial Investment	FININV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investing Cash Flow	SBT.INV	-	(358)	-	(150)	-	(562)	-	-	-	(533)	-	-	-	-
Mgmt Fees/ Royalty External	MGTTEE.X	-	-	-	-	-	-	-	-	-	(460)	-	-	-	-
External Debt Principal	DBTPRN.X	-	(6,275)	-	-	-	-	(7,772)	-	-	-	(6,275)	-	-	-
Interco Debt	DBTPRN.I	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Cash Flow	SBT.FIN	-	(6,275)	-	-	-	-	(7,772)	-	-	(460)	(6,275)	-	-	-
Net CF	NETCF	3,062	(5,091)	1,411	1,515	2,142	1,191	(6,436)	2,071	1,449	1,730	(4,947)	2,353	1,362	1,680
Cash Sweep	SWEEP	-	-	0	-	-	-	-	(0)	-	(0)	-	-	-	-
FX Translation Effect	FXTRANS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Bank Cash	E.BKCASH	17,068	11,976	13,388	14,903	17,045	18,236	11,800	13,872	15,320	17,050	12,103	14,456	15,818	17,498



# AI-Based Banking Transaction Classification Engine

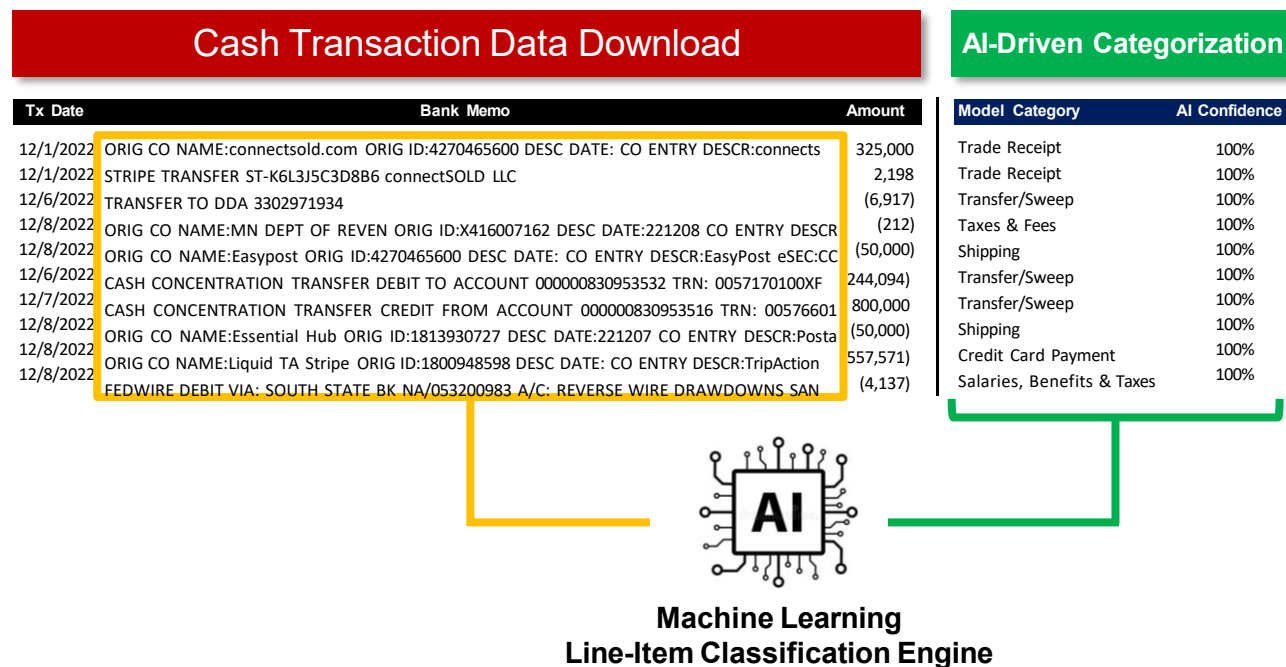
Source Cash Actuals from any ERP or Online Bank Portal

## Features

- ✓ Feed **accounting** entries booked against cash
- ✓ Feed banking transaction CSV's **downloaded directly from online bank account**
- ✓ Machine-learning model categorizes 30k+ transactions in a matter of minutes
- ✓ Produces **data confidence score** – how sure was the AI in classifying each line item?

## Benefits

- ✓ Historical cash flow analysis – incorporating weekly cash transactions over **past 12 months**
- ✓ Initial set up allows for **real-time** reporting on **today's cash balance** every Monday
- ✓ The more cryptic the data is, the more valuable AI becomes (**cannot automate bank memo “lookup” in Excel**)
- ✓ Allows for actionable insight to make key decisions each week



POSSIBLE (RE)DEFINED

# The End

Armanino is a brand name under which Armanino LLP, Armanino CPA LLP, and Armanino Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with law, regulations, and professional standards. Armanino LLP and Armanino CPA LLP are licensed independent CPA firms that provide attest services, and Armanino Advisory LLC and its subsidiary entities provide tax, advisory, and business consulting services. Armanino Advisory LLC and its subsidiary entities are not licensed CPA firms.