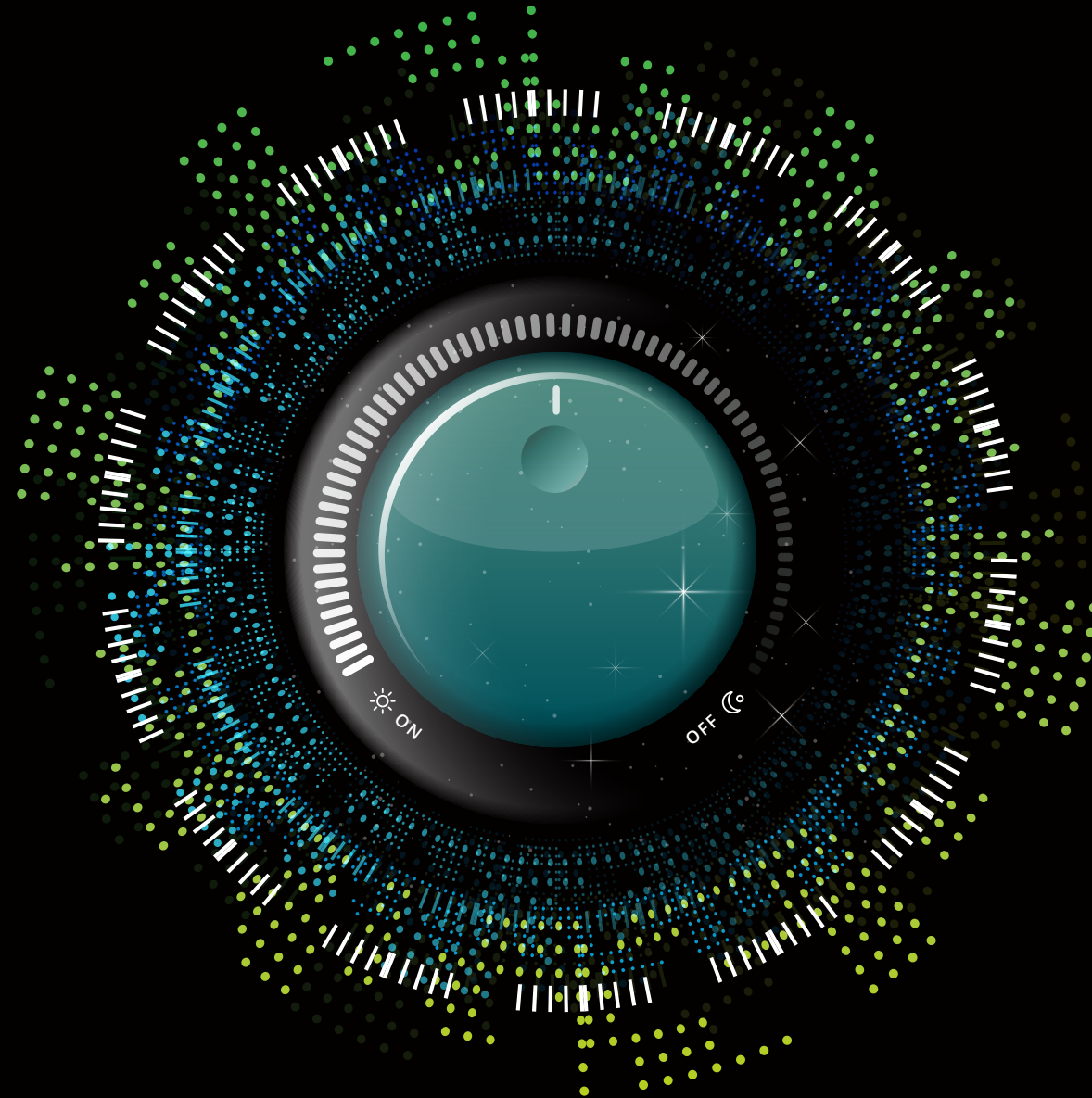


**Deloitte.**



*Crunch time series*

**Lights Out Finance™**

New horizons for a future-forward finance function

# What's inside

01

**First, a couple questions.**

3

02

**Wait, where are we going?**

4

03

**What exactly do you mean by Lights Out?**

7

04

**So, what enablers do I need?**

9

05

**Turn it up, turn it down.**

11

06

**OK, but why?**

13

07

**Imagine this: Turning the Lights Out**

14

08

**Getting started.**

19

09

**It's crunch time.**

20

# First, a couple questions.



What does Lights Out mean to you?

It's what I do when I leave a room,  
to save resources.



OK, but what does Lights Out  
Finance™ mean to you?

I don't get it.  
How can Finance operate in the dark?



---

It's not the dark. It's a new horizon, actually. (We'll explain.)



01

02

03

04

05

06

07

08

09

# Wait, where are we going?

Several years ago, Finance got excited about what automated technologies could do for its organization. Imagine what could happen when you layered robotic process automation (RPA) or artificial intelligence (AI) onto a function that performed a lot of rote activities, often at the expense of more strategic and value-added work. The possibilities were tantalizing—but the solutions were viewed less through an end-to-end lens to achieve outcomes and more to streamline individual tasks. Trumpeted as the next big thing for Finance, automated technologies may not have achieved their true potential because expectations were set too low for technologies that, when implemented in a true strategic fashion, could reshape Finance.

At the same time, pressures skyrocketed for CFOs and finance leaders. More and more, Finance is being pushed to execute a greater volume of transactional processes while also delivering more forward-thinking, strategic insights without adding resources—and adding value through one can't come at the cost of the other. External forces continue to bear down on Finance as well: The talent crunch is real, as is the constant stream of global disruptions, from geopolitics to social unrest. Those disruptions are making business cycles anyone's guess and forcing entire organizations to pivot quickly. Of course, Finance is expected to keep going, no matter what—whether or not its data, technology, processes, and people are up to the challenge.

# 92%

An overwhelming 92% of CFOs expect to embed more technologies and automation into their operations.<sup>1</sup>

Finance is expected to keep going, no matter what—whether or not their data, people, processes, and technologies are up to the challenge.



01

02

03

04

05

06

07

08

09

Wait, where are we going?

In the face of all this, finance leaders are right to wonder how to truly streamline operations, get the best out of their talent, and partner at higher levels across the organization—all while getting the books closed on time. We have an idea—let’s turn the lights out on back-office Finance—moving from automating task-specific processes to running autonomous finance operations. We call it Lights Out Finance.™ It’s a principle of Dynamic Finance foundational to building a new agility and resilience within the function and is

enabled by comprehensive platforms—connecting data, technology, process, and people—that can autonomously support end-to-end finance operations. With Lights Out, Finance can lend guidance on new business models, increase efficiencies, provide more predictive inputs for planning and forecasting, and track, monitor, and move the function closer to a true dynamic capability—all while providing better business support and higher value for the business.

We have an idea—let’s turn the lights out on back-office Finance—moving from automating task-specific processes to running autonomous finance operations.

**You’re probably doing this at home already.**

Think about how you interact with your smart home system. You ask it a question—“What’s the weather?”—and it answers quickly. It’s interactive, simple to use, multifaceted, learns what you need, and connects the many apps and digital tools that make your life easier. Now apply those principles to Finance. That’s Lights Out Finance™: It works when you need it to, at scale and speed, and you can always dial it back or change the individual tools you need. Up and down, add and subtract. Lights Out lets you have it both ways.



Wait, where are we going?

Lights Out is happening in organizations across industries, introduced by finance leaders who see the potential in autonomous business processes that allow their people, and their business, to do more: to partner more strategically across the business; to provide clean data instantly; and to answer almost any question that comes up, while focusing less on the transactional processes that keep the bills paid and the books closed. Lights Out allows the function to answer more “what if” questions while still answering the “what happened” queries. Leaders at these organizations

have reset their expectations and are looking for ways automation technologies can deliver highly intelligent and resilient finance operations when deployed in a strategic, end-to-end way.

And by the way—Lights Out isn’t an all-or-nothing deal. We’ll show you how you can deploy capabilities when and where you feel ready, aligned with your organization’s strategic goals and long-term visions for the future.

Lights Out allows the function to answer more “what if” questions while still answering the “what happened” queries.

44%

Forty-four percent of advanced adopters of intelligent automation are already implementing end-to-end automation as part of their intelligent automation strategy.<sup>2</sup>



01

02

03

04

05

06

07

08

09

# What exactly do you mean by **Lights Out**?

Lights Out means finance operations that leaders can set and forget, like a slow cooker: easy, reliable, and in need of little to no human attention. Here's what we mean:



01

02

**03**

04

05

06

07

08

09

# What exactly do you mean by Lights Out?



## Data

Clearly defined end-to-end data strategy and structure with real-time continuous data that enables instant insights and alignment of actuals and plan.

### What Lights Out looks like:

- Standardized data infrastructure
- Globalized master data and definitions
- Single source of truth



## Technology

A combination of technologies that enable touchless transactions and autonomous operations, prompting human intervention on an exception basis.

### What Lights Out looks like:

- Dynamic rules-based ingestion, analysis, and processing of routine transactions
- AI augmented, in-transaction, real-time information supporting decision-making
- Humans and machines working together to enable the right action, at the right time



## Process

Lean and efficient centrally organized teams oversee standard process design and execution to keep processes streamlined and governed correctly.

### What Lights Out looks like:

- Consistent, standardized, and repeatable policies and procedures
- Reduced manual intervention and touchpoints
- Governance models that monitor KPIs and compliance through Global Process Owners (GPOs) and Centers of Excellence (COEs)



## People

Finance workforce that goes beyond the numbers—not only identifying trends, but also explaining potential implications—to tell the story of an organization's future.

### What Lights Out looks like:

- Time to focus on strategic work that adds value
- Emphasis on both technical finance and human skills, like problem solving and communication
- Elevated workforce experience enabled by humans and machines each doing what they do best



01

02

03

04

05

06

07

08

09



# So, what enablers do I need?

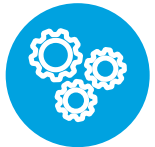
It's a good question, and the answer starts with another question: *How Lights Out are you now?* No matter the destination, here are the enablers that can make Lights Out work, no matter where you choose to turn your dials.



**Standardized processes** that enable automation and improve efficiency and efficacy



**Cloud-based ERP through a single platform** that reduces technology redundancy and can shorten close cycles



**Automated and purpose-built technologies**—including cognitive and machine learning capabilities—that free up human time to do more value-added work



**Self-corrective tasks**—utilizing RPA and advanced AI capabilities—that improve accuracy in complex transactional environments



**Advanced analytics and self-service capabilities** that provide automatic insights and real-time reporting



**Standardized data** that allows for the agility to change course and strategy as needed



**Flexible service delivery models** that include workers, robots, and algorithms (think humans *and* machines working together to bring out the best in each other)



**Systemically configured and automated controls framework** geared toward risk sensing that operates around the clock across the entire chain of processes; Lights Out won't work without those vital guardrails

With the right mix of capabilities to support your vision, your Lights Out road map can lead to an evolved finance organization driven by insight, analysis, and outcomes, instead of transactions and the same processes over and over.



01

02

03

04

05

06

07

08

09

# A deeper look into technology enablers

The combination and interplay between technologies is a critical element of going Lights Out. Technology layers are streamlined and integrated: core ERP, domain-specific solutions, robotics and intelligent automation, and autonomous business processes all work together to meet your desired business outcomes.

## Robotics and intelligent automation coupled with autonomous business processes

### Robotics and intelligent automation

- RPA and cognitive to automate repetitive, rule-based activities

### Autonomous business processes

- AI-augmented, in-transaction, real-time process execution

- Automating the remaining repetitive and manual tasks
- Improving data quality and shortening transaction processing time
- Working on top of existing IT systems and infrastructure to autonomously execute critical processes

## Portals and point solutions with embedded technologies

### Portals and point solutions

- Leveraging digital technologies like machine learning, speech recognition, natural language generation (NLG), analytics, blockchain, and computer vision

### Data input solutions

- Link to upstream processes, serving as process input
- Data and information from upstream process is complete and first-time right

- Automating end-to-end processes with a combination of digital technologies embedded in platforms and point solutions
- Streamlining upstream process by automating interactions with internal stakeholders (but outside Finance) and external stakeholders

## Finance core modernization

### Cloud ERP

- Fully scalable architecture
- Improved security and control
- Enables easy and fast implementation of advanced capabilities such as machine learning

### In-memory computation

- Increased speed of data processing and analysis
- Improved reporting capabilities
- Ensures consistent data structure, providing one source of truth

### Automated workflow tools

- Create lean and efficient workflows
- Notify and engage with key users when needed
- Increase the level of automation provided by the ERP

- Creating a fast, scalable, and powerful source of financial data
- Increasing security and control while being cost-effective
- Increasing transaction processing speed and enabling advanced analytical capabilities



01

02

03

04

05

06

07

08

09

# Turn it up, turn it down.



Lights Out isn't all or nothing. Imagine a dimmer switch that allows you to turn the lights up and down as needed, but for your finance function instead. At its core, Lights Out is about taking steps appropriate for where your organization is on the journey. Define your vision and name your goals, and then use the dials to create a combination of outcomes that complement each other.

Remember, it's the combination factor that provides an end-to-end lens, producing better outcomes and creating agility in your function. When you invest in your foundation, you're setting the stage for a more flexible, dynamic capability that can handle whatever the future holds: changing business objectives, market forces and disruptions, social unrest and geopolitical change, and more. Wherever you land, the dials will help you adjust for your organization's unique challenges—and achieve your unique goals as well.



01

02

03

04

**05**

06

07

08

09

# “Powering up” key enablers

“Powering up” key enablers will allow you to turn down the lights across finance operations. How far you go is up to you and your organization. In the world of Dynamic Finance, going Lights Out is an imperative—and so are the human guardrails and digital watchdogs that send up the right signals when the machines aren’t working as they should. It’s the right combination of humans and machines that allows Finance to go Lights Out.



Key enablers	Get started	Progress	Lights Out
Standardized processes			
Cloud-based ERP through a single platform			
Automated and purpose-built technologies			
Self-corrective tasks			
Advanced analytics and self-service capabilities			
Standardized data			
Flexible service delivery models			
Systemically configured and automated controls framework			

## Enabler Maturity Legend



# OK, but why?

Because Lights Out can speed up Finance's journey from steward/operator to catalyst/strategist, now and for the future. Because rote processes that require too much time from human employees belong in the past, cost more, and produce less. Because with Lights Out, Finance can truly turn digital, scale up and down based on business demands, reduce costs, and do more, better.

## Here are a few benefits of Lights Out:

- Insight generation and analysis of cash flow, balance sheets, profit and loss, and more, enabled by technologies such as AI and predictive analytics
- Clean data and data standards that allow business units to operate cohesively and quickly (but don't panic: AI-enabled self-cleaning data is real, so data can be cleaned as you go)
- Scenario-based planning and decision-making that allow for organization-wide standardization and a proactive approach to issue resolution
- Cost reduction that benefits your talent and technology strategies, as well as the bottom line
- Human workers who can do more by leveraging untapped talents
- A more engaged finance workforce that delivers value to the business through forward-looking analysis and storytelling
- Flexible and efficient finance operating model to keep in line with changing and emerging business needs
- Digitization for the long term, with opportunities to scale



01

02

03

04

05

06

07

08

09



Imagine this



# What happens when you turn the **Lights Out**

For some organizations, Lights Out isn't just an idea. With the right playbook and careful consideration of their goals, finance organizations across industries are taking the concepts of Lights Out and are shifting their goals from transactions to outcomes, and their futures from disconnected and siloed to strategic and streamlined. With forward-thinking strategies that set end-to-end process automation as the goal, these organizations are exploring what's possible and making it real. While the challenge may seem daunting, just imagine what Lights Out could mean for you and your finance function.

Hard to picture? No problem—let us illustrate an example of what Lights Out could look like:







Imagine this

## New wheels, new processes

You've test-driven the car you want, and you're on the website, customizing your new vehicle with all the features the automaker offers: wheels, sound system, driverless functionality, leather seats, and everything else you're looking for. You put down your deposit, arrange payment, and receive an email confirmation that you're on the list for this car—and then you immediately get another that says the car is delayed because parts are unavailable. While a manufacturing delay might be irritating, this entire ordering process—and your up-to-the-minute status updates on your new car—have been made smoother for you, the consumer, because the car manufacturer's finance unit has gone Lights Out.

Here's what Finance could do:



01

02

03

04

05

06

07

08

09





Imagine this

### Procure-to-pay

Touchless technologies have collated the orders of the day and provided a detailed list of what parts are needed: number of batteries, types of rims, speaker parts, and everything else needed. Now that the manufacturer knows exactly what it needs, it has automated the process:

- Checked inventory and part sourcing, and received an update from the vendor when parts will be delivered (Spoiler alert: parts are delayed.)
- Showed potential lowered margin if the needed part is fast-tracked to meet consumer demand and options for alternative sourcing to expedite fulfillment (Human intervention here makes sense as Finance can NOW focus on strategic decision-making weighing the margin impact of expedited sourcing versus consumer impact of delayed fulfillment.)
- Communicated an updated fulfillment date back to you, the consumer, along with real-time visibility into where the car is in the manufacturing process
- Automatically created purchase orders (POs) after all necessary system built-in checks
- Automatically paid invoice submitted through vendor portal after automated checks such as “No PO, no pay” and duplicate invoice were completed

### Real-world impact

# \$260M

With touchless procure-to-pay, a client achieved an improved PO process resulting in more effective and efficient invoice processing and eliminated manual invoice entry, resulting in \$260 million in working capital benefits.



01

02

03

04

05

06

07

08

09





Imagine this

### Order-to-cash

For the consumer, all the relevant financial hurdles have been automated, expediting the purchasing and financing processes. For Finance, that relieves the human workers to do higher-level work, such as solving procurement problems that these technologies aren't equipped for. Here's what going Lights Out did for the order-to-cash process:

- Took an initial deposit through automated technologies and cash application solutions with advanced (partial) payment posting algorithms and machine learning (ML) capabilities, driving high auto-match hit rates and automatic postings into the ERP system
- Triggered the creation of an order fulfillment request and downstream manufacturing processes
- Executed credit management processes with robotic and cognitive automation, dynamic workflow, data analytics, and real-time triggers to review credit risk exposure
- Took payment through the automaker's consumer finance service, connecting the manufacturer's B2C portal to the financing service's systems; ML and cognitive automation detected anomalies in billing and proactively intervened, if needed

### Real-world impact

90%+

With nearly 40% of payments requiring manual intervention by accounts receivable (AR) associates, a client automated its cash application process with ML, leading to an average invoice-to-payment match hit rate of more than 90%.



01

02

03

04

05

06

07

08

09



Imagine this

### Record-to-report

While the record to report process is not customer facing, for Finance it is as critical as the order is to the customer and inventory fulfillment is to procurement. Being able to automatically attach accurate account coding and dollars to a buy/sell transaction throughout its lifecycle not only reduces level of effort for back end accounting, it enables faster monthly/quarterly closes and forward looking reporting:

- Automated journal entries translate the customer sales and inventory purchases to ensure the transaction revenue and expense are recorded timely and accurately
- Reconciliation of accounts are automated and completed on a recurring basis requiring only validation of exceptions
- Period end accruals are projected through predictive analytics and allocations are automatically calculated to expedite the close process
- Continuous process analytics identify anomalies (out of balances, unusual variances, etc.) that impact ability to close timely
- Automated real-time reporting on profit margins, product costs, revenue forecasts and other analytics support both internal and external reporting

### Real-world impact

# 94%

Hours spent on manual, error-prone, and repetitive reporting tasks were unlocked by implementing natural language generation-driven reporting for one client, resulting in 94% less time compiling monthly reports—time that could be refocused on partnering with the business to unlock new value.



01

02

03

04

05

06

07

08

09

# Getting started.

Just as Lights Out is about small steps and gradations of change, so is getting started on your journey. Any good playbook starts with a few questions: What's our reality now, and where do we want to go?

## **As you consider Lights Out for your organization, here are more questions to consider asking:**

- Most important, what exactly do you want to achieve? What benefits are you hoping to receive?
- How touchless do you want your processes to be, and why?
- How ready is your data? (Read: homogenous, streamlined, and clean—but again, don't worry if it's not. You can still turn the lights out on your data with touchless data cleansing. It's a challenge, not a roadblock.)
- Do you feel confident in your organization's standardization processes and approaches for consistency, or do those need some attention as well?
- How much change will you need in terms of talent? Do you have the right people with the right skills?
- How good is your organization at change management? (Hint: Your people will truly need to know that automation, and change, are not the enemies.)
- How advanced do you want your technologies to be?
- What needs to happen in your finance function to get started, and why?
- What, at the very top, is your strategic objective for your finance function? (Think big, and then we'll start small together.)



01

02

03

04

05

06

07

**08**

09

# It's crunch time.



A finance function built for the future is dynamic, risk-sensing, and able to react to any disruption that comes its way. The past few years have shown us just how vital it is for Finance to pivot quickly and react in the moment to dynamically support to the enterprise. Key to that is automated processes and an embracing of the technologies that allow Finance to partner with the business in deeper, more strategic ways—without adding resources and costs to the back office.

That means turning the lights out, which will allow finance leaders to increase their business partnering abilities while future-proofing Finance. It's a shift from transactions to outcomes, and from rote processes to insights and analysis, which only Finance can provide. Imagine a silo-less function with an integrated ERP, real-time data availability, and next-generation roles and skills for finance workers—and the added ability to help an organization tell the story of its future. With the right playbook and understanding of how to turn the dials, a finance function can achieve all of this. That's Lights Out Finance™—and it's a new horizon.

A finance function built for the future is dynamic, risk-sensing, and able to react to any disruption that comes its way.



01

02

03

04

05

06

07

08

09

# Acknowledgments

## Authors

**Ranjit Rao**  
**Principal, Consulting, Finance and Enterprise Performance**

Deloitte Consulting LLP  
Tel: +1 404 631 3661  
Email: ranjrao@deloitte.com

**Soumen Mukerji**  
**Partner, Consulting, Finance and Enterprise Performance**

Deloitte Consulting B.V.  
Tel: +3 188 288 6745  
Email: smukerji@deloitte.nl

**Martha Fung**  
**Managing Director, Consulting, Finance and Enterprise Performance**

Deloitte Consulting LLP  
Tel: 1 202 465 0866  
Email: mafung@deloitte.com

**Katie Glynn**  
**Partner, Risk and Financial Advisory, Controllership**

Deloitte & Touche LLP  
Tel: +1 714 913 1264  
Email: kaglynn@deloitte.com

## Contributors

**Susan Hogan**

**Cameron Andriola**

**Jagadish Bandla**

**Eric Bramley**

**Kyle Cheney**

**Valeriy Dokshukin**

**Varun Dhir**

**Priya Koundinya Ehrbar**

**David Griswold**

**Dean Hobbs**

**Arian Kaandorp**

**Beth Kaplan**

**Mark Karagelian**

**Philipp Klingmann**

**Arjun Krishnamurthy**

**Caroline Leies**

**Richard Littleton**

**Eric Merrill**

**Brian Murrell**

**Kirti Parakh**

**Gina Schaefer**

**Matt Schwenderman**

**Matt Soderberg**

**Scott Szalony**

**Tom Toppen**

**James White**

## Endnotes

- 1 [Deloitte, \*CFO Signals™: 4Q 2021\*, 2021. Survey included 130 CFOs from the United States, Canada, and Mexico](#)
- 2 [David Wright et al., "Automation with intelligence," \*Deloitte Insights\*, 30 June 2022.](#)



# Contacts

## Susan Hogan

**Principal, Finance  
Transformation Practice Leader**

Deloitte Consulting LLP  
Tel: +1 404 631 2166  
Email: shogan@deloitte.com

## Nnamdi Lowrie

**Principal, Consulting, Finance  
& Enterprise Performance Leader**

Deloitte Consulting LLP  
Tel: +1 213 996 4991  
Email: nlowrie@deloitte.com

## Jessica Bier

**Managing Director, Consulting,  
Human Capital**

Deloitte Consulting LLP  
Tel: +1 415 783 5863  
Email: jbier@deloitte.com

## Jonathan Pearce

**Principal, Consulting,  
Human Capital**

Deloitte Consulting LLP  
Tel: +1 646 301 1407  
Email: jrpearce@deloitte.com

## Varun Dhir

**Principal, Consulting,  
Oracle**

Deloitte Consulting LLP  
Tel: +1 484 868 2299  
Email: vdhir@deloitte.com

## Eric Bramley

**Managing Director, Consulting,  
SAP**

Deloitte Consulting LLP  
Tel: +1 404 631 2145  
Email: ebramley@deloitte.com

## Matt Schwenderman

**Principal, Consulting,  
Emerging ERP Solutions**

Deloitte Consulting LLP  
Tel: +1 215 246 2380  
Email: mschwenderman@deloitte.com

## Clint Carlin

**Partner, Risk and Financial Advisory,  
Controllershship**

Deloitte & Touche LLP  
Tel: +1 713 504 0352  
Email: ccarlin@deloitte.com

## Sarah Fedele

**Principal, Risk and Financial Advisory,  
Internal Audit**

Deloitte & Touche LLP  
Tel: +1 713 982 3210  
Email: sarahfedele@deloitte.com

## Mike Kosonog

**Partner, Risk and Financial Advisory,  
Cyber**

Deloitte & Touche LLP  
Tel: +1 313 919 3622  
Email: mkosonog@deloitte.com

## Prashant Patri

**Principal, Risk and Financial Advisory,  
Treasury**

Deloitte & Touche LLP  
Tel: +1 212 436 7568  
Email: prpatri@deloitte.com

## Scott Shafer

**Principal, Tax,  
Tax Technology Consulting**

Deloitte Tax LLP  
Tel: +1 312 486 5340  
Email: sshaffer@deloitte.com

## Ed Nevin

**Partner, Tax,  
Tax Specialty**

Deloitte Tax LLP  
Tel: +1 410 576 7359  
Email: enevin@deloitte.com

## Scott Szalony

**Partner, Audit and Assurance**

Deloitte & Touche LLP  
Tel: +1 248 345 7963  
Email: sshalony@deloitte.com

## Steve Gallucci

**Partner, CFO Program Leader**

Deloitte & Touche LLP  
Tel: +1 212 436 5914  
Email: sgallucci@deloitte.com

## Jeff Goodwin

**Partner, Risk and Financial Advisory,  
Government & Public Service**

Deloitte & Touche LLP  
Tel: +1 303 921 3719  
Email: jgoodwin@deloitte.com

## Brian Siegel

**Principal, Consulting,  
Government & Public Service**

Deloitte Consulting LLP  
Tel: +1 571 882 5250  
Email: brisiegel@deloitte.com



01

02

03

04

05

06

07

08

09



To find out more, please visit [www.deloitte.com/us/crunchtime](http://www.deloitte.com/us/crunchtime).

#### **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States, and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.