

The logo for oneAdvanced, featuring the word "one" in a lowercase sans-serif font, followed by a stylized white triangle pointing upwards, and then "Advanced" in a lowercase sans-serif font. The background of the entire page is dark grey with faint, large-scale geometric shapes including a triangle at the top, several vertical bars, and overlapping circles.

ANNUAL BUSINESS TRENDS REPORT 2024

**BREAKING DOWN BARRIERS
TO SUCCESS IN FINANCE
& PROCUREMENT**

**FINANCE & PROCUREMENT
PROFESSIONALS REPORT**

INTRODUCTION

2023 was a challenging year for finance and procurement teams, navigating the cost-of-doing-business crisis while striving to boost cash flow against increasing costs, driving growth and seeking increased productivity and profitability. The challenge has been exacerbated by talent shortages and concerns around cybersecurity and data protection, the same factors that were at play last year and threaten to hold finance and procurement back in 2024, too.

This is no time to be playing catch-up with competitors who are already embracing the Cloud and digital transformation. Hardworking finance and procurement professionals deserve to be using effective tools that can help them realise success from their efforts. Given the opportunity to identify and implement strategies that can help overcome the frustrating barriers they face every day, they can embrace the latest innovations and processes that have been holding them back while more digitally-forward competitors have flourished.

2023 has seen a step-change in the way that businesses and society in general have been exposed to AI, as Generative AI has grabbed the headlines. While governments and regulatory bodies scramble to unpick the potential risks and provide best practice guidelines, many organisations are already beginning to use AI in everyday work processes. Although there are risks in using unregulated technology, there is a sense that who dares wins. Sitting on the fence with a 'watch and wait' approach may prove counterproductive. Many organisations are experimenting with AI and machine learning to improve their efficiency, productivity, customer, employee and supplier experience, while remaining compliant and data secure. These businesses will likely remain in the vanguard as these new technologies become embedded and others work hard to catch up in the months ahead.



A quarter of finance professionals say their organisation lacks the skills for digital transformation

Looking ahead to the coming 12 months, across all professions and sectors attracting and retaining talent is the number one priority at 47%. For Finance professionals it is third (41%), behind their top priorities, boosting efficiency and increasing productivity, 50%, and growth, 46%.

Procurement professionals positioned talent even lower as its fourth-ranked priority for the coming year, 36%. Instead, growth is the number one priority for 48% of procurement teams. Procurement has been hit particularly hard by supply chain and distribution challenges arising from Brexit, the Covid-19 pandemic and high fuel costs. The supply chain has been aggravated further by workforce shortages, specifically a shortage of qualified HGV drivers and other skilled warehouse and distribution workers. The increased impetus for growth in 2023 may be down to a feeling of arrested development in recent years.

The need to attract and retain talent is connected to the widespread skills shortage in the UK. If growth, increased efficiency and productivity, and profitability are to be achieved, it is crucial that organisations get on top of specific skills shortages, particularly in financial teams that are managing the money in and out. Almost one-quarter (24%) of finance professionals and 23% of procurement professionals tell us their organisation doesn't have the technological knowledge and experience to proceed with digital transformation. Without these digital skills within their teams, they cannot hope to achieve business ambitions.

Skilled professionals who can work effectively in the world of emerging technology, who understand it and can get the most benefit from it, are already in short supply. To satisfy the requirement for new digital skills, organisations will need to consider existing talent attraction and retention strategies, widening their talent pool to include more potential candidates. This may include things like offering hybrid working options to all, and that will require the implementation of effective cloud-based digital solutions.



No.1 priority: Attracting and retaining talent

WHERE IS ALL THE TALENT?

Attracting and retaining talent is the number one challenge for finance and procurement professionals, with 34% naming it as their greatest challenge this year. While not quite as acute a problem for this profession as it is in general across UK industry – 41% of all sector responses put talent attraction and retention first, it is still a critical issue as without sufficient talented professionals, teams can find themselves in a cycle of always playing catch-up, struggling to cover the work of missing colleagues and lacking the time for more strategic planning processes.

Perhaps the reason that finance and procurement teams rate talent attraction and retention seven points below other sectors is simply that their function puts them at the very sharp end of the business. Specific financial concerns such as boosting cash flow and maintaining a reliable supply chain are also jostling to dominate their day-to-day work lives.

ARTIFICIAL INTELLIGENCE ON THE RISE

Finance and procurement teams are a little behind other functions in adoption of AI but are investing in ways to potentially leverage this emerging technology.

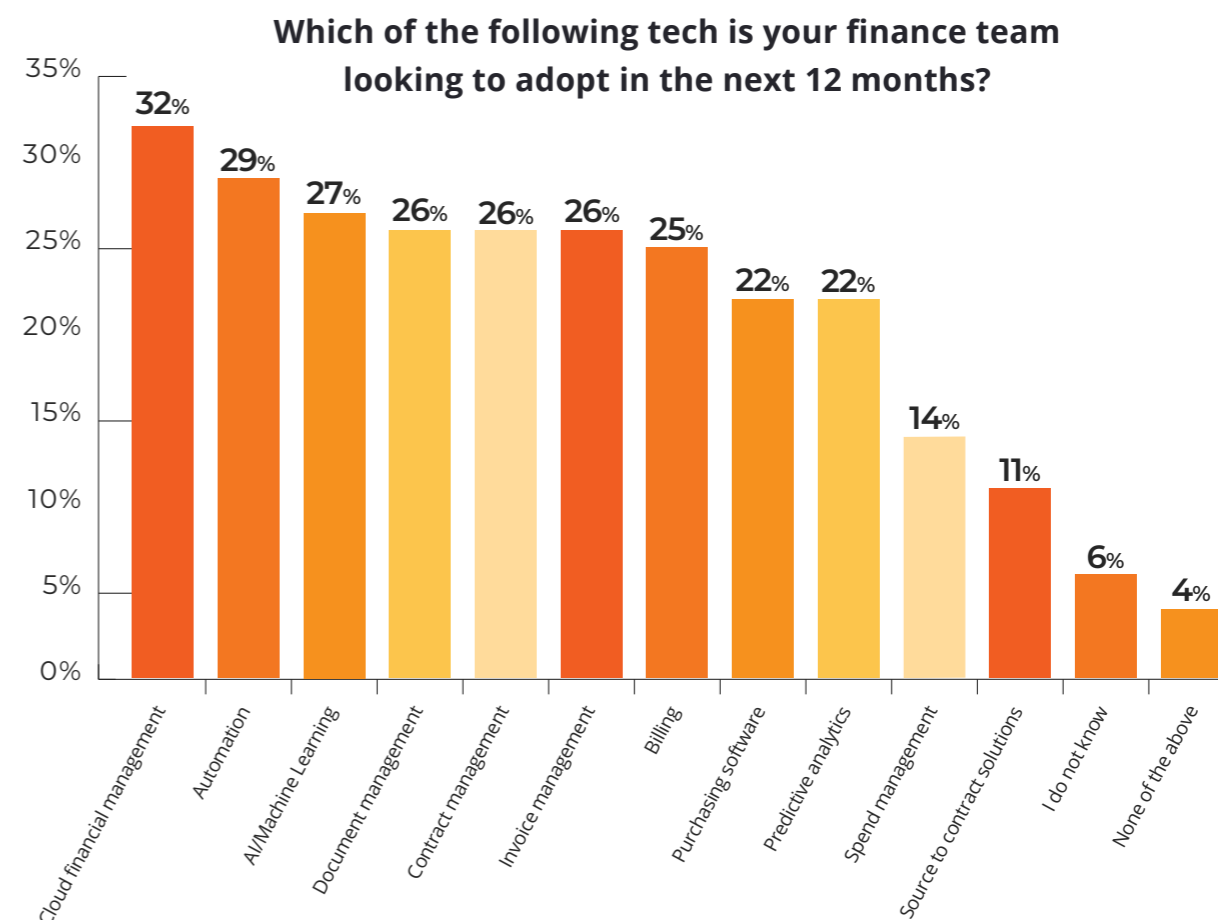
One-quarter (26%) of finance professionals say they already use AI tools in the workplace, behind the average 29% of respondents across all sectors. With just 17% of those working in procurement already using AI, it appears that overall, finance and procurement are demonstrating more caution than the average business professional. Indeed, only 16% believe that AI will positively transform the workplace.

However, there is recognition that AI is an unstoppable force to be reckoned with and 50% and 46% of professionals in finance and procurement respectively tell us their organisation has started researching AI tools for their business.



40% of finance professionals believe AI will be used to make critical business decisions by 2030, considerably more than one-quarter (25%) of those working in procurement. This disparity may be because when procurement teams work with suppliers and negotiate deals and contracts, there is more need for human interaction than in other areas of financial management.

28% believe AI will replace at least half of all manual work and finance and procurement are not alone in worrying that AI might threaten jobs in the long-term. Indeed, Elon Musk's recent prediction that this new technology will mean no one has to have a job in future might be a good reason to withdraw investment in AI altogether. People are struggling to understand how society might operate without the requirement for employment in our economies.





At the same time, the benefits of AI-powered 'smart' automation could transform the way people work for the better, saving them hours in repetitive, boring processes and finance professionals have identified the top 3 technologies that their teams are looking to adopt in the next 12 months as a Cloud financial management system, 32%, automation, 29%, and AI/machine learning 27%.

Procurement professionals though, place automation first, 29%, followed by invoice management 27%, and purchasing software 25%, highlighting the very different priorities of these two linked business functions.

440%

of finance professionals believe AI will be used to make critical business decisions by 2030

GETTING LEFT BEHIND

Inadequate systems mean that many finance and procurement professionals feel they are being left behind by the competition and seek improved digital solutions to help them remain competitive.

32% of all businesses in our wider Trends Survey said their finance function doesn't have the technology it needs to be effective, and only one-third (34%) of people working in finance said they are equipped to be productive at all times, leaving a large percentage who are not fulfilling their potential.

More than half (57%) of finance and 56% of procurement professionals tell us their organisation is on track with technology adoption compared to competitors, and 24% of finance and 14% of procurement said they are further ahead than expected. However, a significant one-fifth (21%) of procurement professionals think their organisation is stalling and falling behind the competition in relation to technology adoption.

Recent disruptions to the supply chain have compounded supply chain challenges and procurement professionals need better visibility over their supply chain, what

they are spending money on, and who with. This visibility over data is key for unlocking business insights to expose more strategic capabilities. Worryingly, one-quarter (26%) of finance teams tell us they don't have the necessary visibility of suppliers and their ESG credentials, which is crucial for measuring their own organisation's carbon footprint. Understanding, measuring and decreasing emissions under Scope 3 (i.e., emissions created within the supply chain) is going to be an increasing requirement as the UK works towards its net zero emissions target and may soon be a legislative imperative.

Finance teams are seeking ways to implement technology to speed up processes, and 44% of those surveyed said the number one priority for their finance teams over the next 12 months is to reduce the time it takes to produce reports and analytics.

There is also a real need to accelerate implementation of correct purchase processes, as maverick spend and failure to follow correct processes are bogging finance and procurement teams down in repetitive, avoidable work. More than half (56%) of finance and procurement professionals have a system in place to control spend, but 35% say they still see some maverick spend despite their system, rising to 40% for procurement professionals who are combatting rogue spending within their organisation. This indicates a small improvement from last year when 49% told us they struggle, at least sometimes, with maverick spend.



49% struggle with maverick spend



Rogue spending is a persistent problem from previous years. In 2022, 55% were manually matching more than 200 invoices a year, and 18% were matching more than 1,000. In 2023, 60% of finance teams will have to manually match more than 200 invoices per year, and almost one-fifth (19%) will match more than 1,000 each year.

When asked for the top three ways that finance and spend management teams could improve their supplier relationships, 44% say better visibility of suppliers in the supply chain, 44% say better supplier and contract management process, and 35% say ease of communication.

Better systems are also required when managing contracts, as only 52% of finance people say that 'all' of their supplier renewal dates/contract terms are easily and readily accessible, with 41% saying just 'some' are accessible. This is putting them at an immediate disadvantage in contract management. Digital renewal processes can help protect against automatically renewing for products or services that are no longer required or help flag renewals in advance so procurers can shop around for better deals or renegotiate more advantageous terms with existing suppliers.

Our survey reveals a need for more rigorous contract review processes as just one-third (33%) of finance people say they review their supplier relationships less than 'often' and only 22% say they 'always' review them. Finance and procurement professionals need digital solutions that make this easier, for example, a platform with a prescribed workflow that doesn't allow these reviews to be put off until next time.

Just one-third of finance people say they review their supplier relationships less than 'often'

HEAD IN THE CLOUD

Despite hybrid working becoming the norm for many, most finance and procurement professionals find they work more effectively in the office because it's the only way to access accurate data when needed.

Almost two-thirds (64%) of finance and procurement professionals said they work more effectively in the office. This is down from 77% in last year's report, possibly because more have adopted effective solutions that support remote working. However, it is still a challenge and more than half (55%) of finance people said they have at least some trouble accessing their finance software when working remotely.

The many benefits of the Cloud include easy access to systems from anywhere with an internet connection, making it crucial for effective hybrid and remote working. But just 31% of procurement professionals and 39% of finance professionals are working from cloud-based systems only, giving themselves the opportunity to work flexibly. 28% of those working in finance are still using on-premise systems only, meaning they can't access real-time information from anywhere but the workplace. With almost four out of 10 (39%) of procurement professionals juggling with data from a combination of both kinds of system, so it's no wonder that it's easier to work in the office for many.

This limitation is not beneficial for an effective talent attraction and retention strategy. Ever since the pandemic presented people with the opportunity for remote working, many want to continue having flexibility and the opportunity to work from home for at least part of the week. Implementing a cloud-based solution means organisations can attract talent based in other parts of the country, even internationally. When geography is no barrier, the potential talent pool is almost infinite.





20

%

of finance and procurement teams tell us they have no plans to adopt the Cloud at all

However, the Cloud offers other benefits that are intrinsically bound with the finance function, specifically enabling access to accurate and up-to-date information. When asked about the top three challenges finance professionals face in their roles, number one (30%) is access to accurate data, while 26% say access to systems. Finance is driven by numbers, and accuracy is everything. People can't work effectively with data that contains errors or is out-of-date. There's almost no point in creating reports or making decisions based on erroneous and misleading data that can make the difference between success and failure for the entire organisation.

Our survey has also highlighted a desire with finance teams for more collaboration across the business and being involved more closely with strategy, which can only be facilitated by technological integration across all functions. 40% tell us they are seeking greater collaboration that can improve the supplier and internal non-procurement customer experiences, too.

It is clear that the benefits of the Cloud have been recognised by finance people, but surprisingly, they have yet to be adopted by so many. 28% of finance teams tell us they are currently evaluating different options for Cloud adoption, with a further 20% planning to begin this process following research. Perhaps more of a surprise is the one-fifth (20%) of Finance and Procurement teams that tell us they have no plans to adopt the Cloud at all – they are missing out on crucial benefits that can drive productivity and profitability.

It appears this situation remains unchanged from last year, when 20% of all finance and spend professionals said they had already adopted the Cloud, 29% were evaluating the technology, 19% were planning to adopt it following research, and 20% had no plans to do so. Perhaps many organisations have stalled on their digital transformation projects because the cost-of-doing-business crisis has hit them too hard, leaving them without the time or resources to manage anything beyond business as usual.

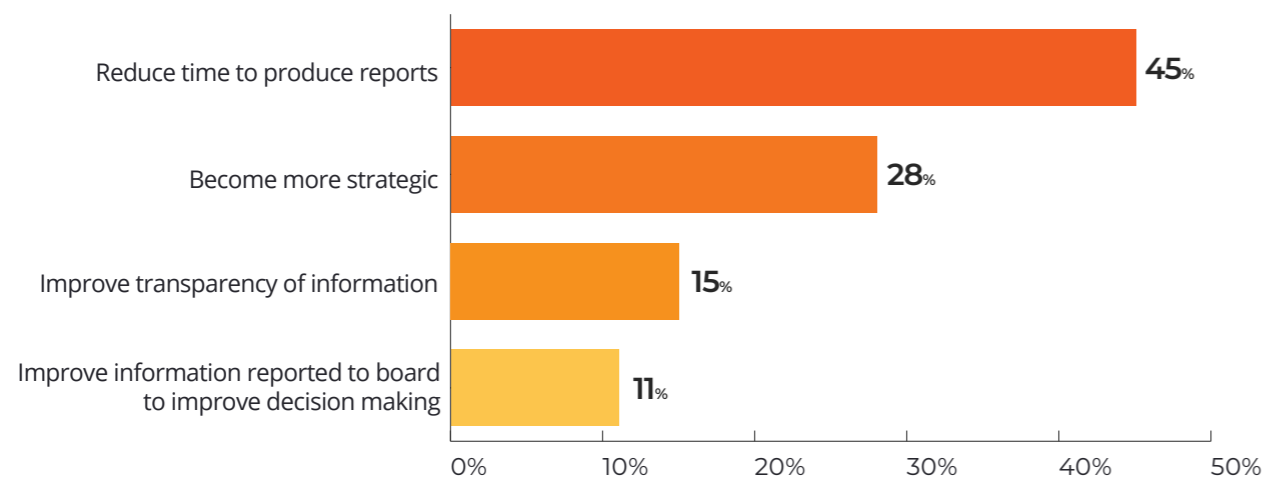
ONLY AS GOOD AS THE DATA

Finance and procurement teams aren't making any headway in achieving last year's priority to become more strategic, as it continues as a top priority for one-quarter in 2024.

More than ever, finance professionals have a crucial role to play in helping decide and shape overall organisational strategy and want a place at the table. They tell us that the second highest priority over the next 12 months is to become more strategic (28%) – almost unchanged from last year's findings when 25% said they wanted to become more strategic, and 50% said they wanted higher quality information for the board to improve decision-making.



The number one priority for finance professionals over the next 12 months



Poor data is frustrating for finance talent who are putting the work in and are not always gaining the recognition and status they deserve within the organisation, and less than one in 10 (9%) of finance professionals are telling us they have 100% confidence in their finance system's data now. Among the many causes of poor-quality data that hampers productivity and efficiency, respondents say the number one (37%) reason for data-related issues is inaccurate or incorrect data.

Procurement professionals recognise the benefits of switching to a digital procurement platform. Almost half (49%) say these benefits would include fuelling higher quality reports, and 49% also say more cost-effective sourcing. Data is important for improving spend management too and 60% of procurement professionals say it would help them demonstrate the value of existing relationships, 44% said it would help evaluate/enhance supplier network, and 43% to demonstrate contributions of procurement team to business objectives.



50%

said they wanted higher quality information for the board to improve decision-making

Confidence in systems may be falling. Last year, 90% of finance professionals said they believed their current finance system met the needs of their organisation, falling to 82% in 2023. Surely it is crucial that financial and spend management is operating with the most appropriate and effective tools to optimise all expenditure in this tough economic climate? Teams need to consider strategies to turn this trajectory around and ensure that when we come to the 2024/25 report, we find that more people than ever have full confidence in their financial systems.

Indeed, the need for accurate, real-time data that can provide true insights and drive better business decisions is a theme that runs through all of our findings this year. Solving the challenge of talent attraction and retention, skills shortages, getting to grips with AI, the need to be competitive, and transitioning to the Cloud are all challenges that are significantly eased by having access to high quality data.



REPORT SUMMARY

POWERING THE WORLD OF WORK

OneAdvanced is one of the UK's largest providers of business software and services, serving 20,000+ global customers. We believe that finance is the beating heart of any successful business. Our suite of financial management and procurement solutions is designed to transform businesses and help them imagine a different future.

OneAdvanced Financials is our world-class cloud-based accounting software package. It enables remote access, automates manual tasks, and provides real-time business insights via built-in reports/dashboards. By consolidating all financial activity in one place, it allows finance teams to have a bigger influence on key strategic decisions. OneAdvanced Financials directly integrates with our OneAdvanced Data Automation solution, delivering 100% accurate movement of data from invoices into your business software, meaning less time and resource is spent on your documents.

Procurement professionals can also benefit from our supplier and contract management solutions, meaning increased control and visibility of your suppliers and your agreements with them. This suite provides you with all the tools you need to plan ahead, manage organisational spend and enhance new and existing supplier relationships.



The OneAdvanced Trends Report survey was carried out between 11th August and 31st August 2023 from 6,605 UK senior decision makers. The data for this Finance and Spend Management report is based on responses from 921 finance and procurement professionals (specifically 712 Finance and 209 Procurement professionals) alongside the main Trends data.

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