THE NEED FOR AUTOMATING

There is a growing realization that the only way for CFOs to be in the driver’s seat is to adopt technology to deal with the rain of regulation. The current approach of employing regional consultants to manage this has an inherent risk of relinquishing control where the final accountability continues to remain with the CFO.

The top reasons CFOs cited for automating compliance are:

1. **Taxes constituting largest cash outflow**
   “Taxes have now become the largest cost buckets... between 30-35% of total revenue goes towards cash taxes”
   — Prasanna, Sonata Software

2. **Governments digitizing at a rapid pace with, private sector playing catch-up.**
   “Compliance automation is happening by default. However, as the process is gaining complexity, CFO acts as a gatekeeper for data integration and protection. We can aid the government further by developing an equipped system for real time data updation.”
   — Arun Kumar, Vedanta

3. **The Board:**
   Compliance is a hot-button issue with all Boards. With the new laws imposing civil and criminal liability not just on the CEO or CFO, but even the Independent Directors.
   “You should be able to get reports which highlights variances, non-compliances, etc and so that you can immediately take action.”
   — Ajay Seth, Maruti Suzuki

4. **Multifold increase in financial & reputational risks:**
   Errors in reporting in one jurisdiction or with one regulator can have extremely high financial and reputational ramifications. In worst case scenarios, prove to be existential threats to the enterprise

5. **Visibility—Centralizing & de-risking Compliance**
   “Outcome from digitalization should be simplifying the business. How can I use the technology to create visibility and ensure leadership can make right decisions”
   — Sanjeev Churiwala, Diageo

6. **People v/s Systems:**
   “Instead of thinking about tech as reducing people, we need to think about how do we reskill people”
   — Manoj Bhatt, Tech Mahindra

   “Subject Matter experts” who understand technology will be required to drive further innovation”
   — Anant Purandare, Bajaj Electricals

“With the implementation of the massive digital database GSTN, Government has inched one step closer to the digital wave. Today companies are looking at progressive initiatives that can simplify the work flow bringing higher transparency. By ensuring centralized compliance through large scale digitisation, Vedanta is also embracing the digital automation” — Arun Kumar, Vedanta