oneAdvanced

WHITEPAPER

Your business case for change

Implementing an AI finance platform in mid-market UK organisations

Introductory note

This document is a comprehensive business case template designed to streamline the approval process for a major finance, procurement, and risk management transformation initiative. It specifically targets the needs and context of growing mid-market UK organisations. The data points, financial projections, and target metrics presented in the following pages are built upon current industry benchmarks, best-practice studies, and realistic assumptions about the performance of a typical mid-sized company's finance function. To successfully secure investment, you must personalise and validate this content by:

- **Inserting your data:** Replace generic figures with your organisation's actual baseline performance metrics, costs, and spend data.
- **Validating assumptions:** Review and adjust the projected Target Metrics and Target Efficiency Gains based on your unique operational environment and the specific capabilities of the AI platform you intend to procure.
- **Customising the financials:** The ROI Methodology and Financial Analysis section includes placeholders and benchmark-derived ranges. You must replace these with the outputs of your actual financial model, using real vendor quotes for Total Cost of Ownership (TCO) and your internal cost of capital for Net Present Value (NPV) and Internal Rate of Return (IRR) calculations.
- **Refining the narrative:** While the strategic rationale is broadly applicable, ensure the language and transformation goals directly align with your organisation's current corporate strategy and leadership priorities.

This template is a robust blueprint, a persuasive, evidence-based starting point. Your final business case should be a living document that accurately reflects your current situation, the specific technology being proposed, and a realistic plan for benefits realisation. Use the provided Industry Benchmarks and KPIs to compare your performance and justify the magnitude of the change you are proposing.

Executive summary and business context

Mid-sized UK companies are at an inflection point where legacy finance systems and manual processes constrain growth and agility. This business case proposes a **finance transformation via a modern AI-infused platform** covering core finance, procurement, and risk management activity.
The goal is to replace fragmented, outdated tools with an integrated solution that improves efficiency, controls, and insights. Key drivers include the need for real-time financial visibility, streamlined operations, and compliance with evolving UK regulations (e.g. UK GAAP, GDPR). The proposed programme is expected to deliver significant benefits: faster financial cycles (e.g. month-end close in ~3 days vs 6+ today 1), cost savings (finance function cost reduced by 20–30%), and improved procurement effectiveness (spend under management increased to ~80% of total spend). An initial analysis shows a strong ROI potential - for example, studies of similar projects report over 300% ROI and full payback within 1–2 years [2, 3].
This document outlines the strategic rationale, expected benefits, investment requirements, and a comprehensive plan to ensure value realisation, providing the Investment Committee with a robust framework to evaluate and approve the transformation.

Strategic drivers and transformation goals

Several strategic imperatives compel this transformation initiative:

- **Digital enablement & agility:** The post-pandemic business environment demands systems that support remote work, real-time data access, and rapid decision-making. A cloud-based IT platform is now seen as essential infrastructure for digital transformation, with the UK ERP market growing ~9% annually as firms invest in scalable solutions [4, 5]. Our organisation must modernise to keep pace with competitors leveraging AI-ready, cloud platforms for finance.
- **Operational efficiency & cost reduction:** Current finance operations are resource-intensive and costly. By automating workflows and eliminating legacy overhead, we aim to **"do more with less."** Notably, world-class finance organisations run at ~40% lower cost than typical peers [6]. Moving to a cloud platform can rationalise our IT footprint and cut finance operating costs by up to one-third through standardisation and automation 7 . Freed-up budget and staff capacity can be redirected to strategic activities.
- **Controls, compliance and risk management:** Strengthening financial controls and third-party risk oversight is a strategic priority. Legacy systems and spreadsheets leave gaps in audit trails and expose us to errors or compliance breaches. A modular platform approach will enforce standardised processes (e.g. automated approval checkpoints, integrated risk scoring for vendors) to reduce error rates and ensure compliance with regulatory standards. The goal is to mitigate risks proactively – **reducing manual errors and omissions (a common source of compliance issues) by over 70%** via automation [8, 9] . Enhanced cybersecurity and resilience of a cloud platform also lower operational risk of system downtime or data loss.
- **Strategic finance & analytics:** Leadership expects finance to provide forward-looking insights, but our team is mired in transaction processing. **79% of finance teams say they are "swamped" with manual tasks** [10], limiting capacity for value-added analysis. By digitising, we seek to elevate finance into a strategic advisory role – delivering faster forecasts, scenario modelling, and data-driven guidance for the business. A composable ERP with embedded analytics and AI will enable improved forecasting accuracy and performance management. The transformation aligns with our corporate strategy of data-driven decision making and positions finance as a business partner rather than a back-office function.
- **Transformation goals:** In light of these drivers, the programme's goals are: (1) efficiency: achieve top quartile process efficiency in finance operations (measured by cycle times and cost metrics); (2) effectiveness: improve accuracy, control, and insight (measured by error rates, audit findings, quality of reporting); (3) strategic enablement: free up finance and procurement teams for strategic work (measured by reduction in manual workload and increase in analytical output); and (4) scalability: support growth and innovation with a flexible platform (measured by ability to integrate new business, handle higher volumes without adding headcount). These objectives directly support the broader business strategy of profitable growth, risk mitigation, and digital innovation. Each goal is tied to specific KPIs and targets as detailed below.

Baseline assessment of current finance operations and systems

A thorough baseline assessment reveals that our current finance and procurement landscape suffers from fragmentation, process bottlenecks, and high manual effort:

- **Legacy systems & siloed data:**
  The core financial system is an on-premise infrastructure over a decade old, augmented by numerous spreadsheets and standalone tools. There is limited integration between finance, procurement, and third-party risk systems, leading to duplicate data entry and reconciliation efforts. For example, **accounts reconciliation consumes 20–50 hours per month** due to data fragmentation [11].
  IT reports that simply keeping the lights on with legacy systems consumes an outsized portion of budget – studies show firms on legacy technology spend **60–80% of IT budgets on maintenance** and support of these aging systems [12]. This leaves little capacity for innovation.

- **Inefficient processes & cycle times:**
  Key finance processes are slow and labour-intensive. Our month-end close currently takes ~8 business days on average, well above the benchmark of 3–5 days for mid-market firms [13, 1]. Half of companies still take over a week to close their books [1], and we are in that lagging half. Contributing factors include heavy use of Excel (our team relies on spreadsheets for consolidations and reporting, similar to 94% of firms in a recent survey [14]) and manual reconciliations. In Accounts Payable (AP), processing an invoice requires multiple hand-offs and paper approvals; our average invoice cycle time is estimated at 10+ days. This aligns with industry findings that manual AP processes take ~12 days per invoice [15].
  The cost to process a single invoice manually can exceed £8 on average, whereas best-in-class automated operations do it for under £2 16 . Such inefficiencies translate to higher costs and missed opportunities (e.g. lost early payment discounts, which we currently capture minimally). Procurement cycle times (requisition to purchase order) are similarly protracted, often requiring email follow-ups and duplicate data entry into our finance system.

- **Effectiveness and control gaps:**
  Manual work and disjointed systems result in errors and limited control. Our AP error rate (duplicate payments, miskeyed amounts, coding errors) is not formally tracked, but anecdotal evidence of frequent corrections suggests we are far from world-class (benchmark error rates ~3.6% of invoices in manual environments) [17]. Each error not only costs time to fix but can incur direct costs (estimated £35+ per invoice error on average [17]) and strains vendor relationships. Spend visibility is another concern – without a unified procurement system, finance lacks a clear view of total spend under management. It is estimated that our procurement team influences roughly 50–60% of total spend (the rest happens outside formal procurement channels). This is below best practice; **world-class procurement organisations influence ~93% of company spend vs ~64% for typical peers** [18]. The low spend under management leads to maverick purchasing, suboptimal supplier terms, and higher supplier risk due to inconsistent vetting. Third-party risk management today is a manual, reactive process handled via spreadsheets and periodic vendor surveys, meaning potential vendor compliance issues or financial red flags may go unnoticed until problems occur.

- **User experience and capacity issues:** From an end-user perspective (both finance staff and business users raising purchase requests), the current tools are cumbersome. There is no self-service portal for budget managers to view reports or for business users to track purchase orders; everything funnels through finance as queries. Routine tasks like retrieving an invoice copy or updating vendor info involve bureaucratic steps. This frustrates users and consumes finance team capacity. Our finance staff spend a large portion of their time on low-value tasks: an internal survey indicates over 60% of the team's week is spent on transaction processing and manual data manipulation. This aligns with external surveys where **nearly 80% of finance leaders say their teams are bogged down in manual work** [10]. Consequently, analytical work and strategic projects (like scenario analysis or business partnering initiatives) are repeatedly deferred due to lack of bandwidth. Moreover, reliance on key individuals for manual processes poses operational risk (e.g. if a single AP clerk knows the workaround for a system limitation). The employee morale impact should not be overlooked – talented staff become disengaged when stuck in repetitive tasks, increasing turnover risk.

In summary, our baseline is one of **high effort, high cost, and suboptimal outcomes.** Finance and procurement processes are slower and costlier than industry benchmarks, and current systems cannot support the growing demands for insight and control. This underperformance carries an opportunity cost: management decisions are made with delayed or incomplete information, and the finance function is perceived as a cost centre rather than a value driver. The baseline findings underscore the need for transformative change. They provide the starting metrics against which improvement will be measured, and they guide where the new solution must deliver impact (speed, integration, automation, better controls). These pain points form the foundation of the business case for investing in a cloud-based platform to achieve a more efficient and effective future state.

Future state target metrics and capabilities

The envisioned future state is a **fully integrated composable ERP** that unifies core financials, procurement (source-to-contract and procure-to-pay), and third-party risk management processes. This modern platform will enable best-practice processes and provide a step-change in performance. The following target metrics and capabilities are set for the future state, across each key domain:

- **Core Financials (Record-to-Report):** Implement a unified finance module (general ledger, accounts receivable, accounts payable, asset management) with workflow automation and real time reporting. Target capabilities: Straight-through processing of transactions with minimal manual intervention, real-time consolidation, and a "single source of truth" for financial data. Target metrics: **Month-end close completed in 3–4 business days** (down from ~8, a ~50% reduction) [1]; **75%+ reduction in manual journal entries and offline reconciliations** by using automated matching and integrated subledgers (e.g. bank reconciliations automated via integration); achieve **<2% error rate in financial postings** through validation rules and elimination of re-keying. Financial reporting cycle (management reports, statutory reports) to be cut by ~30% with on-demand report generation and self-service analytics for finance staff. We also target lowering the **finance cost-to-revenue ratio** toward world-class levels, for example from ~1% of revenue currently to ~0.7% through efficiency gains – closing much of the gap where world-class finance functions operate ~40% leaner than typical [6]. Improved controls like role-based access, automated audit trails, and enforced approvals will bolster compliance (aiming for zero audit major findings related to financial controls). Enhanced analytical capability (with dashboards and AI forecasting) is expected to improve forecast accuracy by 20%+ and enable rolling forecasts and what-if analysis, supporting better strategic decision-making.

- **Source-to-Contract (Upstream Procurement):** Deploy a procurement module encompassing vendor management, sourcing (RFQs/RFPs), contract management, and supplier onboarding, fully integrated with finance. Target capabilities: Electronic supplier onboarding with built-in risk checks, a centralised contracts repository with alerting for expirations, and online bidding/quotation tools for strategic sourcing events. The system will capture all addressable spend from requisition through contract, increasing procurement's coverage. Target metrics: **Spend Under Management to reach ~80%** of total spend within 1–2 years of implementation (up from ~60% or less currently), approaching top quartile performance where best teams hit 85%+ [19], [18]. This means the majority of spend will go through formal procurement channels or at least adhere to negotiated contracts. In turn, we expect **3–5% direct cost savings on influenced spend** through better supplier negotiations and consolidation (per industry rule of thumb that each 5% increase in managed spend yields 1–2% savings via compliance and leverage). Sourcing cycle times (from need identification to contract) should improve by ~30% due to templated RFP processes and easier collaboration with vendors on the platform. Additionally, supplier onboarding time is targeted to shrink from weeks to days with digital workflows, and every new vendor will go through a standardised risk assessment (100% of new suppliers vetted vs a patchy process today). The contract management tools will ensure

100% of contracts are stored and accessible (reducing risk of lost or unknown contract commitments) and allow tracking of contract compliance and key terms, which should improve supplier performance management (targeting a 20% increase in supplier performance scores by proactively managing KPIs in the system).

- **Procure-to-Pay (Transactional Procurement & AP):** Implement end-to-end P2P automation covering requisition, purchase order, goods receipt, invoice processing, and payment, tightly linked with the finance module. Target capabilities: User-friendly requisitioning portal for employees (with catalogues of approved suppliers/products), automated 3-way matching of POs, receipts, and invoices, electronic invoicing (OCR and EDI to minimise paper), and automated approval workflows for POs and invoices based on pre-set limits. Target metrics: **Touchless invoice processing rate > 80%** (meaning the majority of invoices are processed without manual intervention by leveraging OCR and matching) – this drives efficiency and accuracy. **Invoice processing cycle time < 3 days on average**, a dramatic improvement (~70% faster) compared to ~10 days now [8]. For context, Ardent Partners research finds automated AP can cut invoice cycle times by 70% [8], which is our benchmark. We also aim to reduce the cost per invoice by ~70%, from an estimated £8+ to ~£2–£3, aligning with best-in-class AP cost benchmarks [16]. This will be achieved through labour savings (fewer AP FTEs needed for the same volume) and elimination of paper, printing, and mailing costs. For example, increasing electronic invoicing and straight-through processing will yield significant productivity gains – one study showed over **£525k annual AP productivity gains** for a mid-size firm by adopting cloud P2P [20]. Another benefit target is to **capture >90% of available early payment discounts**, up from an estimated ~50% capture today, by accelerating invoice approval and scheduling payments optimally; this could mean tens of thousands in savings (Basware's TEI study quantified ~£195k in early-pay discounts for adopters) [21]. Overall, the procure-to-pay automation is expected to free up procurement and AP staff capacity by at least 30%, enabling those resources to focus on value-adding activities like supplier relationship management and spend analysis. It will also improve policy compliance (ensure nearly 100% of spend is backed by a PO or contract) and reduce maverick spending through enforced use of the system.
- **Third-Party Risk Management (Vendor Risk & Compliance):** Integrate third-party risk management capabilities either via a module of the composable ERP or a tightly connected specialist system. Target capabilities: A centralised vendor master with risk ratings, automated screening of suppliers against watchlists (for sanctions, credit risk, etc.), and workflow for periodic risk reassessments and document collection (e.g. certificates of insurance, compliance attestations). The system will provide dashboards for risk exposure across the supply base and trigger alerts for high-risk findings or expirations (like an insurance policy lapse). Target metrics: **100% of critical suppliers** (by spend or risk category) to have completed risk assessments and have mitigation plans documented, versus an informal/unmeasured process today. The time to complete a supplier risk assessment or onboarding will reduce by at least 50% with automation (e.g. using online

questionnaires and scoring instead of back-and-forth emails). We also expect a **reduction in supplier-related incidents or disruptions** (such as supply failure due to financial distress or compliance breaches) – while hard to quantify, the goal is to approach zero surprises by proactively monitoring vendor health. Another target is to maintain compliance documentation (like GDPR agreements, ESG certifications) for **100% of active vendors**, improving from an estimated <50% currently tracked. By embedding risk management into procurement workflows (e.g. blocking a new vendor who fails checks), we will mitigate risks upfront. Overall risk exposure is expected to drop, evidenced by fewer audit issues and no major supplier compliance failures. Although largely an intangible benefit, strengthening third-party risk management protects the company from costly disruptions, regulatory fines, and reputational damage – effectively an "**insurance value**" delivered by the new system.

These future state targets are ambitious but grounded in industry benchmarks and achievable through the capabilities of modern AI platforms. The new platform's features (such as AI-driven data entry, real-time analytics, and mobile access) will support these outcomes. For instance, AI-based anomaly detection in the system could flag unusual transactions for finance to investigate, adding an extra layer of control. Similarly, integrated procurement analytics can identify consolidation opportunities that contribute to spend optimisation savings. By designing our implementation around these capabilities and KPIs, we ensure the technology solution is aligned with the business outcomes we seek. Each target metric will be used later on to measure benefit realisation, and interim milestones will be set (for example, reach a 5-day close in the first year, then 3-day by year 2). The future state described represents a **transformed finance function** – one that is efficient, data-driven, and better equipped to support the company's strategic objectives.

Detailed benefit categories (tangible and intangible)

The finance transformation will generate a broad range of benefits. We have categorised these into **tangible benefits** (direct financial impact measurable in monetary terms) and **intangible benefits** (improvements that are real but harder to quantify financially, such as risk reduction or strategic enablement). Both categories are important in building a compelling business case and are considered in our analysis.

Tangible benefit categories:

- **Labour cost savings and productivity gains:** Automation and process improvements will allow us to handle growing transaction volumes without proportional headcount increases, and to repurpose or reduce existing staff in transaction-heavy roles. By eliminating manual invoice entry, for example, we expect to **reallocate a significant portion of AP staff time to higher-value work** and potentially avoid hiring additional FTEs even as the business grows [9]. In monetary terms, if we can eventually reduce finance operations workload by ~30% (as McKinsey suggests is possible [22]) that could equate to several FTEs worth of effort (~£X00k per year in staff cost savings or capacity). Similarly, procurement automation (e.g. automated sourcing events) can increase a buyer's throughput, enabling the team to manage more spend per person. Basware's TEI study of cloud P2P found annual productivity gains of **£553k in AP and £510k in procurement** for mid-sized firms after implementation [23] [24] – while our numbers may vary, it illustrates the scale of efficiency gains available. These savings can be realised either as cost reductions (if roles are eliminated over time through attrition) or as cost avoidance and capacity (if the same team can handle more work without adding staff).
- **IT cost reduction and avoided legacy costs:** Moving from legacy on-premise systems to an AI-enabled platform will reduce ongoing IT expenses. We will retire legacy maintenance contracts, obsolete hardware, and associated support costs. Cloud-based subscriptions are typically more predictable and include regular updates, shifting the maintenance burden to the vendor. Notably, organisations on modern cloud platforms avoid the heavy maintenance spend that legacy users endure (up to 80% of IT spend on maintenance) [12]. We anticipate saving on database and server upkeep, backup infrastructure, and external consultant fees currently needed for old system support. Additionally, by consolidating disparate systems into one platform, we eliminate license and integration costs for multiple tools (e.g. separate procurement or reporting systems). In the Basware case, companies saved ~£118k per year in legacy system maintenance after moving to cloud [25]. While our landscape is different, we expect a meaningful reduction in total cost of ownership over a 5-year horizon, especially as our current system nears end-of-life which would otherwise demand a costly upgrade.
- **Process cost savings and working capital benefits:** Streamlined processes will directly cut operational costs. For example, automating AP will save on **paper, printing, and postage** (by going largely paperless) and reduce late payment fees. It will also let us capture more early payment discounts from suppliers – a tangible bottom-line gain. In the earlier example, firms achieved ~£195k in annual early payment discount capture due to faster invoice cycles [21]. Our volume and terms differ, but even a fraction of that would be a solid benefit. On the procurement side, bringing more spend under management

typically yields **hard savings through better pricing** and compliance with preferred vendors. If we increase compliance to contracts, we might negotiate bulk discounts or prevent maverick spend on high-priced vendors, translating to a percentage of spend saved. For instance, if an additional £5M of spend comes under management and we negotiate 5% savings on it, that's £250k/year saved. Improved inventory and payables management via the platform can also improve working capital: more efficient P2P means we can optimise payment timing (pay neither too early nor late) and possibly take advantage of dynamic discounting. Likewise, better insight into spending could reduce overstock or wastage, indirectly freeing up cash.

- **Revenue enablement and error reduction:** While revenue impact is indirect, a modern finance system can support revenue growth by providing scalability (supporting new business models, faster customer billing, etc.). For example, if we implement better billing integration, we can invoice customers faster and more accurately, potentially improving cash flow. Error reduction is a tangible cost saving – fewer payment errors mean fewer duplicate or mistaken payments (which cost money) and fewer customer billing errors mean less revenue leakage.
  An **integrated platform will reduce error rates significantly**, thus avoiding costly rework and write-offs. If manual processes have ~3.6% error rate in AP [17], cutting this down to near 0% with automation avoids both the direct cost of errors and the indirect cost of correcting them. These savings, while harder to calculate upfront, contribute to financial benefit.

Intangible benefit categories:

- **Improved decision-making and strategic insight:** With real-time financial data and advanced analytics, management will gain better visibility into performance and can make decisions with confidence. The intangible benefit is better business outcomes (e.g. more optimal allocation of resources, faster pivots in strategy). For example, having up-to-date profitability by product or customer allows strategic pricing decisions that improve competitiveness. While it's hard to put a pound value on "better decisions," this is a key value driver – it can be the difference between capitalising on an opportunity or missing it. The new system's dashboard and forecasting tools will help finance identify trends and anomalies early (as noted, predictive analytics can flag issues and improve forecast accuracy [26]), essentially acting as an early warning system for the business. Over time, this contributes to revenue growth and cost control indirectly.
- **Enhanced compliance and risk mitigation:** Strengthening compliance (financial, regulatory, and policy compliance) reduces the risk of fines, penalties, or operational losses. For instance, improved controls and audit trails in the system reduce the chance of fraud or material misstatements. Likewise, robust third-party risk management lowers the likelihood of supply chain disruptions or reputational damage from supplier issues. These are **risk avoidance benefits** – if a single major compliance failure is prevented (e.g. an audit penalty or a regulatory fine for GDPR or SOX non-compliance), it could save the company significant costs and reputational harm. Similarly, avoiding a supplier default by catching warning signs could protect revenues. While we cannot count these benefits in an ROI as guaranteed cash savings, they are critically important to mention. The business case will articulate scenarios (e.g. "imagine if a data breach or compliance failure occurred – the costs could be millions; this system helps prevent such scenarios"). The intangible value of peace of mind for executives and the board that risks are under control is a selling point. We will monitor metrics like number of compliance issues or audit adjustments as qualitative benefit indicators.
- **Employee experience and morale:** A cloud-based, user-friendly system will greatly improve the daily experience of both finance staff and business users engaging with finance processes. Automation will **relieve employees from tedious, repetitive tasks**, which is known to boost morale and job satisfaction [27]. Happier employees are more productive and less likely to leave, which reduces turnover costs. Additionally, by removing drudgery, we create capacity for staff to take on more enriching work (analysis, strategy). This aligns with the career development and upskilling goals of our talent strategy. While it's intangible, we can gauge this benefit through employee engagement scores or surveys that ask the finance team if they feel able to focus on valuable work. Reducing burnout and increasing the appeal of working in finance can help attract and retain top talent. All of this contributes to a more effective organisation.

- **Supplier and customer satisfaction:**
  In procurement, moving to efficient digital workflows (e.g. electronic POs, faster payments) will enhance our reputation with suppliers. Suppliers will experience fewer payment delays and errors, improving trust. A strong supplier relationship can lead to intangible benefits like priority service or willingness to negotiate better terms. Similarly, better financial management can indirectly improve customer experience – for example, more accurate billing and faster issue resolution in AR can raise customer satisfaction and loyalty. These relationships are hard to value in cash terms but have real business impact (continuity of supply, preferential treatment, customer retention etc.). We will gather qualitative feedback from key suppliers and customers post-implementation as a measure of this benefit.
- **Flexibility and futureproofing:**
  A composable ERP gives us a modern platform that can adapt to future needs - whether it's integrating a new acquisition, scaling to handle more transactions, or adopting new technologies like AI, the platform is a foundation. This flexibility is an intangible asset. It positions the company for faster growth and innovation. For example, if the company decides to launch a new product line or expand to new markets, the finance systems won't be a bottleneck (they can handle multi-entity, multi-currency out of the box). Likewise, regular vendor updates mean we automatically get new capabilities (like AI-driven features) without major upgrade projects. Essentially, we avoid the "tech debt" trap that we are in now with the legacy system. This benefit ensures we remain competitive and can comply with future regulatory changes or market demands with minimal friction. It's challenging to quantify, but one could consider the cost avoidance of not having to do another full system replacement or heavy upgrade for a long time.

In summary, the tangible benefits will directly contribute to ROI calculations (we will quantify labour savings, cost reductions, and process savings), while the intangible benefits, though not in the financial ledger, strengthen the overall business case narrative. Best practice in business case development is to articulate both types, acknowledging that investment committees care about hard numbers and strategic impact. By providing real examples (supported by industry data and case studies) – e.g. a **315% ROI over three years was achieved in a similar cloud P2P project** [2] – we substantiate the tangible benefits. At the same time, we emphasise that the intangible benefits like improved agility and risk management align with our strategic vision and are key to long-term value. Both categories of benefits will be tracked in our benefits realisation plan (with tangibles tied to KPIs and intangibles tracked via proxy measures or qualitative assessments).

ROI methodology and financial analysis (Payback, NPV, TCO)

To convince the Investment Committee, we will employ a rigorous **ROI methodology** grounded in best practices for financial appraisal of transformation projects. The business case will present a detailed 5 year cash flow projection of costs and benefits, from which key investment metrics are derived:

- **Total Cost of Ownership (TCO):** We will calculate the TCO of the new cloud solution over a 5-year (or 7-year) period, including all upfront and recurring costs. This encompasses software subscription fees, implementation services (system integrator fees, data migration costs), hardware or infrastructure costs (minimal for cloud, but include devices or network upgrades if needed), internal project labour (backfill or overtime costs for our team's involvement), training and change management expenses, and ongoing support fees. We will also factor in the cost of process change (temporary productivity dips) if applicable. This comprehensive TCO forms the "Investment" side of the equation. For context, mid-market software subscriptions might be £X per year, and implementation might be 1-2x annual subscription in cost; we will use vendor quotes and benchmarks to estimate these. We will also compare this TCO to the "do nothing" case (cost of maintaining legacy over the same period) to highlight that even maintaining status quo has a significant cost. Studies show over 5+ years, legacy vs cloud costs can be comparable [28], but legacy yields none of the new benefits, strengthening the case to invest now.
- **Benefit and savings quantification:** For each tangible benefit category identified, we will project annual savings or revenue impacts over the same period. This includes labour cost savings (based on reduction in FTEs or avoided hires, using fully loaded cost per FTE), operational cost savings (e.g. reduction in maintenance contracts, printing, travel, etc.), process efficiencies (like early payment discounts captured, procurement savings on spend). We will take a conservative approach – using industry benchmarks as upper bounds and then discounting for our context (e.g. if benchmark says 70% AP cost reduction, we might assume 50% achievable initially to be safe). Intangible benefits will be described but not given monetary values in the core ROI, except where we can make a reasonable assumption (for instance, we might include a notional value for risk reduction by estimating probability-weighted avoidance of a certain loss). The **cash flow model** will subtract costs from benefits for each year, yielding net savings (or net costs in early years).
- **Net Present Value (NPV):** We will discount the annual net cash flows to present value using an appropriate discount rate (such as the company's cost of capital or a typical 8–10% rate used in capital projects). The NPV tells us the **value created in today's terms** by the project. A positive NPV means the project delivers financial value above its cost. For example, in one case a Forrester TEI found an NPV of £2.88 million over 3 years for a cloud P2P project [2] – indicating significant value creation. We expect our NPV to be strongly positive given the scale of efficiencies identified. We will conduct sensitivity analysis on key assumptions (e.g. if savings are 20% lower than expected or if project costs run 20% higher) to show how NPV is affected, thus giving the committee a range of outcomes (best case, base case, worst case). This demonstrates robustness of the investment.

- **Return on Investment (ROI) percentage:** We will compute ROI as the total net benefits divided by the total costs, expressed as a percentage. ROI over the analysis period (e.g. 5 years) illustrates the efficiency of the investment. For instance, an ROI of 150% means benefits are 1.5 times the costs. Many digital transformation projects for mid-market firms report ROI well above 100% – **one study showed 106% ROI for an ERP project with a 17-month payback** [29], and others even higher returns when including all efficiencies. We anticipate an ROI in the triple digits (our initial estimate, to be validated, is in the 150–250% range over 5 years), indicating the transformation pays back multiple times over. The business case will clarify whether we're using a simple ROI (undiscounted) or an ROI based on NPV (sometimes called ROI% = NPV/Cost, which would be lower due to discounting).
- **Payback period:** A critical metric for the committee is how quickly the project "pays for itself." We will identify the year and quarter where cumulative benefits exceed cumulative costs. Our goal is to achieve payback within **2 years or less**, which is often expected for projects of this scale. Notably, **some cloud SaaS projects have achieved payback in as little as 10–17 months** [30], [3], thanks to rapid realisation of efficiencies. Given our phased implementation (likely deploying core financials and P2P first, which deliver immediate savings), we expect to start seeing savings in Year 1 and reach payback around Year 2. The cash flow analysis will show this visually (cumulative curve crossing zero). A faster payback reduces risk to the business and increases the attractiveness of the project. If payback were beyond 3 years, we would need strong justification, but our projections show it well within that. We will also calculate the Internal **Rate of Return (IRR)** for completeness, which is the discount rate at which NPV equals zero (essentially the project's yield). A high IRR (far above our cost of capital) will further validate the investment value.
- **Scenario and sensitivity analysis:** The ROI methodology will include evaluating different scenarios: a conservative case (lower benefits, higher costs), an expected case, and an optimistic case. This bracketing provides the committee with an understanding of risk. Even in the conservative scenario, the project should ideally still have a positive NPV or at least break even to be worth considering. We will show, for example, that even if we only achieve half the efficiency gains (say 15% cost reduction instead of 30%), the payback might extend by a few quarters but still be under 3 years, and NPV remains positive. Conversely, the upside scenario (if we hit all targets) shows how much additional value could be unlocked. This approach follows best practice recommended by HM Treasury's Green Book and others for robust business cases - it demonstrates that we've stress-tested the financials.
- **Assumptions and financial governance:** We will document all key assumptions (e.g. average fully loaded cost per FTE used for savings, growth in transaction volumes, annual subscription inflation rate, etc.) for transparency. The ROI calculations will exclude any benefits we cannot credibly support (to avoid over-reliance on intangibles). We'll engage finance analysts to ensure assumptions are aligned with budgeting norms. Post-approval, these financial projections will form the baseline for tracking

actual results. Importantly, the business case will highlight any potential **one-off impacts** (for instance, write-off of the old system's book value or restructuring costs if redundancies are expected) so they can be weighed.

By using these standard financial metrics – NPV, ROI%, payback, IRR – the case speaks in the language the Investment Committee expects. We will present a summary table of these metrics. For example: Investment £X million, 5-year NPV £Y million (at 8% discount), IRR ~??%, Payback in 1.5 years, 5-year ROI ~200%. These figures, combined with qualitative benefits, make a strong argument. The methodology ensures **full transparency**: all costs are accounted for (no hidden expenses), and benefits are substantiated with benchmarks and owned by business sponsors. Ultimately, the recommended decision will hinge on whether these metrics meet our company's hurdle rates – given the analysis, we are confident this transformation will comfortably exceed the required return, making it a sound and strategic investment.

Benefits Realisation Plan (governance and tracking)

Achieving the projected benefits is not automatic – it requires diligent execution and postimplementation focus. We will institute a **Benefits Realisation Plan** with clear governance to ensure that the promised benefits are delivered and sustained. The plan includes:

- **Governance structure:** We will establish a Benefits Realisation Governance Group, likely as a subset of the project steering committee, which continues to meet through implementation and for at least 1–2 years post go-live. This group will include the Finance Transformation lead, CFO or Finance Director sponsor, procurement head, IT lead, and representatives from business units. Its mandate is to monitor progress on benefits, resolve issues hindering realisation, and report to the executive Investment Committee quarterly. A single **Benefits Owner** (senior leader in finance) will be accountable for overall benefits tracking, with individual owners for each major benefit category (e.g. AP manager for invoice processing savings, procurement lead for spend savings, etc.). This creates clear accountability.
- **Baseline and target confirmation:** As a first step, we will **validate the baseline metrics** before implementation (e.g. confirm actual current cost per invoice, current close time, etc. with data). This will ensure we have a solid starting point. Then, for each benefit KPI identified (from the earlier sections), we set target values and timeframes (some improvements might be immediate post-go-live, others ramp up over a year or more as adoption increases). These targets will be documented in a Benefits Register. For example, "Reduce month-end close to 5 days by Q4 2025, and 3 days by Q4 2026" or "Achieve £XX in procurement savings in FY2026 via strategic sourcing initiatives enabled by new system". Each entry will list how it's measured, the owner, and any assumptions. This way, all stakeholders know what success looks like in measurable terms.
- **Tracking mechanisms:** Many of the KPIs can be tracked using the new system's data itself – which is a plus of having a modern platform. For instance, we can configure dashboards for KPIs like cycle times (invoice approval cycle), rate of automated matching, spend under management percentage (the system can report total spend vs managed spend). We will utilise these system reports to gather data monthly or quarterly. In some cases, manual tracking or surveys will be needed (for intangibles like employee satisfaction or time allocation, we might do quarterly pulse surveys or time studies). The Benefits Realisation Plan will outline the **reporting cadence**: e.g. a monthly benefits dashboard produced by the Transformation Office, reviewed in the governance meeting. Any shortfall in benefits will trigger an analysis and action plan (e.g. if by 6 months live, invoice automation rate is only 60% vs target 80%, we investigate root causes – maybe additional user training or a process tweak is needed – and implement corrective measures).
- **Benefit ownership and incentives:** To encourage achievement, benefit targets can be built into performance objectives of the relevant teams. For example, the Accounts Payable manager's KPIs for next year might include reaching a certain invoice processing efficiency or cost per invoice. Procurement's targets might include achieving the identified savings. Tying these to performance evaluations or even a bonus pool for the team can align incentives. The plan will list these tie-ins, to be approved by HR and leadership. This

ensures that after go-live, the organisation doesn't slip back into old ways – teams are motivated to use the new system to its full potential to hit their goals.

- **Realisation timeline:** We acknowledge that not all benefits will be realised on day one of go-live. The plan will include a timeline for when each benefit is expected to kick in. For instance, some efficiency gains (like reduced close time) might materialise in the second month of operations once the team adjusts to new workflows. Others, like procurement negotiated savings, could take longer as contracts renew over the year. We anticipate a ramp-up period. The realisation schedule will likely show partial benefits in Year 1 (perhaps 50–60% of full run-rate savings as the solution stabilises by mid-year) and full run-rate by Year 2. The tracking will reflect this – we will measure interim progress (e.g. 50% of target achieved by mid-year) and adjust approaches if lagging.
- **Change management and user adoption:** A significant portion of benefit realisation hinges on users actually adopting new processes and not reverting to manual workarounds. Our change management programme (training, super-user network, clear procedures) is a critical enabler and will be tightly coupled with the benefits plan. We will monitor adoption metrics, such as system usage stats (e.g. number of manual journal entries should drop, use of Excel should drop correspondingly). If adoption issues arise (say, some departments not raising POs and still doing ad-hoc purchases), the governance group will intervene by enforcing policy or providing additional training. Executive sponsorship (CFO backing to mandate use of the system) is key here, and we have that commitment.
- **Benefits reporting:** The Investment Committee will receive regular updates on benefits post-project. We propose a quarterly Benefits Realisation Report for the first year, then semi-annually. This report will include each benefit KPI, target vs actual, commentary on variances, and any remediation actions. For transparency, we will continue to update the ROI calculations with actuals – effectively doing a **post-implementation review**. This might show, for example, that by end of Year 1, we achieved £Y of savings vs £Z planned (with explanation). Such discipline not only builds credibility (by showing we deliver on promises or take action if not) but also helps identify additional opportunities. Often, once a new system is in, users discover more ways to leverage it for benefit – those will be captured and potentially added to the benefits register (with necessary approvals).
- **Long-term sustainability:** Benefits realisation doesn't end after ticking off initial targets. The plan includes measures to **sustain and extend benefits**. We will embed key KPIs into the ongoing management dashboards of finance and procurement. For instance, cost per invoice and days to close will become standard metrics reported in the finance department's performance reviews. This ensures focus on continuous improvement. Moreover, the governance group will consider any further system optimisation or additional module deployment that could add value (for example, after stabilising core financials, we might turn on additional automation features or explore advanced analytics – these could yield new benefits). Essentially, we treat the cloud solution not as a one-time project but as a platform that continuously evolves and improves our operations.

Finally, risk management is part of the benefits plan – if external or internal changes threaten a benefit (e.g. an economic downturn means transaction volumes drop, affecting our savings calculations), we will reassess targets and inform stakeholders. The plan is a living document. We will likely schedule a formal **post-project audit** around 12–18 months after go-live, to compare delivered results against the business case and capture lessons learned. This will hold the project team accountable and provide valuable insights for future initiatives.

In summary, the Benefits Realisation Plan ensures that the business case is not just a document to get approval, but a roadmap for delivering value. With strong governance, clear ownership, and continuous tracking, we will bridge the gap between project implementation and actual business outcomes. This approach reflects best practices (such as those recommended by PMI and OGC for benefits management) and gives the Investment Committee confidence that approving this investment will indeed result in the promised improvements to the business.

Industry benchmarks and KPIs supporting assumptions

To build a credible case, we have grounded our assumptions in industry-recognised benchmarks and statistics. These provide assurance that our targets are reasonable, and the benefits are achievable based on others' experience.
Key benchmarks and KPIs used include:

- **Cost of finance as % of revenue:** Typical mid-market finance functions cost around 1% of revenue or more. World-class finance organisations operate at roughly **40% lower cost** than peers, i.e. around 0.6% of revenue [6]. We use this gap to justify that a substantial cost reduction (20–30%) is feasible through transformation. Additionally, by adopting digital tools broadly, peer companies (like ours) can potentially cut finance costs by up to 35%, nearly closing the gap to current world-class levels [7]. This underpins our efficiency goals.
- **Month-end close duration:** Research by Ventana and others indicates a best-practice range of **3–6 business days** for month-end close in modern finance teams [13]. Yet, **50% of companies take over 6 days** (over a week) to close [1], and fewer than 20% achieve a 3-day close [31]. Our current state (~8 days) is in the slower half; our target of ~3–4 days aims to put us in the top quartile (the 18% of firms that can close in 3 days [31]). This benchmark supports the magnitude of improvement we're pursuing.
- **Accounts Payable processing benchmarks:** According to Ardent Partners, the **average cost to process an invoice manually is ~£8**, while best-in-class operations achieve **~£2 per invoice** by leveraging automation [16]. Similarly, manual invoice processing takes **over 10 days on average,** vs **3 days with automation (a 70% time reduction)** [8]. We have used these benchmarks in estimating AP savings – targeting roughly a 60–70% reduction in cost per invoice and time. Another source (APQC or similar) often cites a median of ~6–7 days and £3.75–£4.50 per invoice, so our assumptions are actually conservative relative to the absolute best numbers of £2 and 3 days. Additionally, AP error rates in manual processes average ~3.6% of invoices [17]; automation can reduce errors drastically, which informs our error reduction benefits.
- **Procurement and spend management:** The Hackett Group finds world-class procurement organisations **influence ~93% of spend** vs about 64% for typical companies [18]. We used this to calibrate our spend under management improvement (moving from ~60% toward 80%+). Industry benchmarks suggest that each percentage point increase in managed spend can yield savings (via better pricing) – often cited as 1-3% savings on that spend. Our assumption of ~5% savings on newly managed spend is in line with such benchmarks. For sourcing cycle time, benchmarks vary by industry, but a 30% improvement is commonly seen when moving from manual RFQs to e-sourcing platforms. Supplier onboarding times can drop from several weeks to a few days with self-service and integration (some case studies show 50–70% reduction). While exact figures are scarce, we referenced internal targets from procurement experts and solution providers.
- **Third-Party Risk Management (TPRM):** Benchmarking TPRM is more qualitative, but an EY 2025 survey notes that leaders are using AI and centralisation to transform TPRM for efficiency [32]. A specific stat: automating TPRM can reduce assessment cycle time by 40% or more (source: OneTrust webinar, etc.). Also, companies employing continuous monitoring

report catching risk issues 2–3 times faster than annual review cycles (from various risk management forums). We assumed at least a 50% efficiency gain in risk processes. While not heavily quantified in our ROI, these benchmarks ensure our narrative on risk improvement is supported by industry direction (e.g. **automation and AI improve consistency and efficiency in vendor compliance management** [32]).

- **Automation impact on capacity:** McKinsey research indicates automating finance tasks can **free up 30–40% of a finance team's capacity** [22]. This is a powerful benchmark that we use to justify staff time savings and redeployment. It suggests that nearly a third of current manual effort can be eliminated, which aligns with our labour savings estimates. Similarly, surveys show ~70% of CFOs are prioritising RPA/automation in finance [33], reflecting a consensus that these efficiency gains are real and needed.
- **ROI benchmarks for transformation projects:** Independent studies by Forrester and others provide credibility to our ROI projections. For instance, a Forrester Total Economic Impact study for a cloud solution showed **106% ROI and a 17-month payback** [29]. Another study for a P2P solution (Basware) showed **315% ROI over 3 years** [2] and payback in under 12 months. And a Coupa deployment study found **~277% ROI with 10-month payback** (from a Forrester TEI – not directly cited above due to access issues but widely quoted). We reference these to reassure the committee that triple-digit ROI and <2-year payback are not fanciful – they have been attained by others. Our own projections fall well within these observed ranges. We also compare to internal hurdle rates: typically, our company might require, say, >20% IRR or <3-year payback for strategic projects – the benchmarks show this project can exceed those thresholds by a good margin.
- **Key Performance Metrics from analysts:** The Hackett Group, APQC, and Gartner regularly publish performance metrics: e.g., **invoice processing best-in-class ~90% touchless, financial reporting automated for 80% of reports, forecast accuracy ±5% for top performers vs ±10% average**, etc. We have used such data where relevant to shape targets (e.g. wanting 80% touchless invoices, or cutting days sales outstanding by adopting better AR processes, etc.). Another Gartner insight we referenced: over 70% of digital transformation projects fail to meet objectives due to misalignment with business goals [34] – we use this not for benefits quantification but as a cautionary benchmark to emphasise aligning the project with strategic goals (which we have addressed in our approach and risk mitigation).

By anchoring our assumptions to these benchmarks, we ensure that the business case is not built on wishful thinking but on documented outcomes from industry peers and best practices. Each major improvement claimed has a source: for example, reducing invoice processing cost by ~£6 is backed by Ardent Partners data [16], reducing close time by ~4 days is backed by Ledge's finance survey [1], etc. These references lend credibility in an Investment Committee setting, as members can see third-party validation of the potential.

We have included footnoted sources throughout this document (analyst reports, consulting studies, etc.) to provide traceability. If required, we can provide copies of or links to these benchmark studies for further reading by the committee. In the appendix of the business case, we might tabulate some of these metrics ("Current vs Benchmark vs Target") to succinctly show how our targets compare to known standards. For instance:

- Metric: Cost per invoice — Current: ~£8 — Benchmark (Best): ~£2 [16] — Target: £3 (middle ground)
- Metric: % Spend under management — Current: ~60% — World-class: 90%+ [18] — Target: 80%
- Metric: Days to close — Current: 8 — Benchmark: 3–6 [13], [31] —Target: 4 • Metric: Finance cost as % revenue — Current: ~1.0% — World-class: ~0.6% [6] — Target: 0.7%
- Metric: Payback period on system — Peer cases: ~1–2 years [2], [3] — Target: ~2 years.

Such benchmarking not only supports our case but also helps set expectations for implementation (we know what "good" looks like). It also provides a way to measure success post-project relative to external standards, not just internal history. In summary, the use of industry benchmarks and statistics fortifies the assumptions in our financial model and the feasibility of our goals, making the business case as persuasive and reality-based as possible.

Target efficiency gains, automation impacts, and risk reductions

The transformation is expected to deliver substantial **efficiency gains, automation benefits, and risk reductions** across finance and procurement. Here we summarise the key targeted improvements and their magnitude:

Finance cost as a percentage of revenue for peer vs world-class organisations, showing potential cost reduction from digital transformation. As Hackett Group research indicates, world-class finance functions already operate at ~40% lower cost than typical ones [6]. With broad adoption of cloud automation, peer companies can **reduce finance operating costs by ~35%**, nearly reaching current world-class efficiency levels [7]. This establishes an aggressive but attainable upper bound for our cost efficiency goals.

- **Process cycle time reductions:** We aim to dramatically speed up finance processes through automation. For example, **monthly close time will drop ~50%** (from ~8 days to ~4 or less) by eliminating manual consolidations and improving data integration [1]. **Invoice processing cycle time will reduce by ~70%**, from roughly 10–12 days to about 3 days on average [8]. Purchase requisition-to-order cycle times could shrink by 30–40% thanks to electronic approvals and catalogue-based ordering. These gains mean faster throughput and the ability to handle more transactions in less time, directly contributing to efficiency and responsiveness.
- **Cost efficiency and productivity gains:** Through automation of routine tasks, we expect to **free up 30% or more of finance team capacity for higher-value work** [22]. This translates to needing fewer hours (or FTEs) for the same work. In Accounts Payable, our target is to process **4–5 times more invoices per FTE** than currently (aligned with the difference between manual and automated invoice cost benchmarks [16]). Overall, finance headcount growth can be curbed even as business volume grows – effectively doing more with the same or fewer people. As one metric, **invoices processed per AP clerk** will greatly increase (we will track this as invoices/FTE). Similarly, each procurement manager will manage more spend (spend per procurement FTE rising in line with increased automation and better tools). The result is a leaner organisation: potentially finance FTEs per £100m revenue moves closer to world-class ratio (for instance, if currently 10 FTE/£100m, target ~6–7 FTE/£100m after efficiencies, depending on business growth). These efficiency gains are fundamental to our ROI – they drive labour cost savings and scalability.
- **Automation and straight-through processing:** The introduction of advanced automation (workflow, RPA, AI) will drastically cut manual intervention. **We target >80% of transactions (invoices, journal entries, payments) to be processed "straight-through" without manual touch**. For AP, specifically, >80% of invoices to be auto-matched and posted (touchless). For GL, routine entries (accruals, allocations) will be automated via rules. This reduces human error and speeds processing. It also means staff intervene only on exceptions (e.g. mismatches or anomalies), allowing them to handle by exception rather than by default. As a side effect, this improves morale (people stop doing drudgery). We will measure automation impact by the **percentage of transactions automated** and continually push to improve it with new system features or RPA bots for any remaining manual steps. Reaching these automation levels aligns with digital finance leaders who leverage AI and RPA extensively.

- **Quality improvements and error reduction:** By embedding controls and removing manual re-entry, we anticipate **a sharp decrease in errors**. For instance, **invoice processing error rates should fall below 1%**, from several percent currently, thanks to validation and matching algorithms. **Data quality will improve** – e.g. one source cites a 3.6% invoice error rate manually [17]; we aim to get near zero with the new system's checks. Fewer errors mean less rework and more accurate financials. Furthermore, standardised master data and a unified system will eliminate discrepancies between systems. One concrete efficiency gain here is the reduction of time spent investigating and reconciling discrepancies (which currently consumes many hours). If we reduce reconciliation effort by, say, 80% due to a single source of truth, those hours are saved for productive work. Improved accuracy and consistency also feed into better decision-making (no time wasted questioning the numbers). We will track error metrics like number of correcting journal entries, payment re-issues, etc. as indicators of quality gains.
- **Risk reduction and control enhancement:** Several risk mitigation benefits translate into efficiency or cost avoidance. With better controls (automated approvals, segregation of duties enforced by system roles), the risk of fraud or non-compliance is greatly reduced. Automation also ensures **compliance steps aren't skipped**, reducing operational risk. For third-party risk, continuous monitoring will catch issues earlier – e.g. flagging a supplier's financial trouble in time to qualify an alternate, thereby avoiding a costly disruption. While these are hard to quantify, we consider that **the likelihood of costly errors or fraud is significantly lowered**. For example, duplicate vendor payments (a risk and inefficiency) should virtually disappear with system controls (some studies show duplicate payments reduce by ~90% with proper AP automation and master vendor controls). The efficiency gain here is not doing firefighting or fixes for issues that never occur in the first place. Additionally, by reducing reliance on key individuals (knowledge is built into system vs tribal), we mitigate continuity risk if staff turnover happens, ensuring processes keep running smoothly.
- **Targeted efficiency KPIs:** To summarise targets: Accounts Payable: Cost per invoice down ~70% (e.g. from ~£8 to ~£2) [16]; invoices per processor up ~3-4x; cycle time down 70% [8]. Procurement: Spend under management up to 80% (from ~60%) [18]; sourcing cycle time down 30%; supplier onboarding time down 50%; contract compliance near 100%. Record-to-Report: days to close halved [1]; manual effort for reporting down (e.g. fewer late adjustments); internal customer (management) satisfaction up (via faster delivery of numbers). Financial Planning & Analysis (FP&A): forecasting process streamlined (target 50% reduction in time to produce budget or forecast, by using new tools), and improved accuracy (variance between forecast and actual improved by e.g. 10% relative). These efficiency and effectiveness gains collectively mean finance can produce more output with less input.
- **Automation impacts on strategy:** Beyond process metrics, automation allows finance to shift its role. By freeing 30–40% capacity [22], that time can be reinvested in strategic analysis, business partnering, and value creation. While not a "hard" efficiency like cutting cost, it's an impactful outcome:

finance becomes a driver of performance, not just a reporter. One could say automation enables finance to contribute an opportunity value – e.g. if better analysis yields actions that improve profit by 1% or avoid a loss, that's huge. We will capture success stories (like finance identified a profitability issue or an investment opportunity thanks to the newfound analytical focus) to illustrate this impact over time.

- **Soft efficiency gains:** There are also less tangible efficiency improvements, such as easier audits (external auditors can be granted read-only access to the system, reducing the effort of pulling files – possibly cutting audit prep time by 20–30%), and easier compliance reporting (generating compliance reports automatically). These free up staff time that is often buried in peak periods. The new system's **self-service reporting** for department managers means finance spends less time fielding ad-hoc data requests (an efficiency gain for both finance and other departments).

In essence, the transformation will act as a force multiplier for our organisation's efficiency. Each automated process or integrated workflow either reduces the time needed, the cost incurred, or the risk taken in our operations. The quantifiable efficiency gains feed into the financial ROI model (cost savings), while the qualitative ones (more strategic activity, better relationships, risk reduction) ensure a more resilient and agile organisation. By tracking these improvements with specific KPIs, we can validate that these targets are being met. The risk reductions, though sometimes invisible, will be reflected in outcomes like stable operations, no major compliance findings, and fewer "surprises" affecting the business – which ultimately also have economic value (even if not explicitly in the cash flow model).

The Investment Committee can take confidence that these targeted gains are rooted in proven outcomes (as evidenced by the cited stats) and that management has a clear plan to achieve them. We will use these targets as guiding lights during implementation – for example, in solution design, we will always ask "will this configuration help us reach our KPI of X days to close or Y% touchless invoices?" to keep focus on the end goals. This tie between technology changes and business outcomes is critical to realising the efficiency gains promised.

Risks, mitigations, and implementation considerations

Every transformation comes with risks, and we have identified key risks along with mitigation strategies to ensure successful implementation and benefit realisation. The business case will transparently outline these **project and operational risks** to the Investment Committee, along with how we plan to manage them. Additionally, we address broader implementation considerations (like phasing and resource needs) that go hand-in-hand with risk management. Below are the major risks and mitigations:

- **Risk: Project scope creep and complexity** – Implementing an end-to-end platform across finance, procurement, and risk is a complex endeavour. There's a risk of trying to "boil the ocean" by including too many requirements or customisations, leading to delays and cost overruns. Uncontrolled scope can also overwhelm users and dilute focus on core value.
  Mitigations: We will adopt a phased implementation approach – for example, Phase 1 for Core financials and P2P, Phase 2 for more advanced modules (like contract management or additional analytics). This breaks the project into manageable pieces. We'll also practice strict scope management via a Change Control Board: any new requirements or customisations beyond the initial design will require approval based on value-add vs impact on timeline. Emphasis will be on using standard out of the box processes (avoiding custom code) to reduce complexity. The project will use agile methodologies with iterative testing, so that issues are identified early. Moreover, we have engaged an experienced composable ERP implementation partner with a track record in mid-market projects to guide scope to best practices. Their templates will help avoid reinventing processes unnecessarily. Clear prioritisation of critical requirements (must-haves) over nice-to-haves is documented during planning to keep scope tight. These measures ensure the project remains on schedule and budget, delivering a working solution without endless delays.

- **Risk: Resistance to change and low user adoption –** Our people might resist the new system and processes. Mid-market companies often have long-tenured staff used to certain ways (e.g. Excel-based work). If users bypass the system (e.g. continue doing offline approvals or maintain shadow spreadsheets), the expected benefits won't materialise.
  Mitigations: A robust change management and training programme is built into the project. This includes early engagement of end-users in design (so they have a sense of ownership and input), comprehensive training sessions tailored to each user role, and readily available support (super-users and help desk) during and after go-live. We will highlight "what's in it for them," showing how the new system makes their jobs easier (for instance, demo how a task that took an hour now takes 5 minutes). We will also leverage change champions in each department to evangelise the new ways of working. To enforce adoption, management will update policies: e.g. "no PO, no Pay" policy to ensure all purchases go through the system, or requiring all reports to come from the platform (not personal spreadsheets). By aligning performance goals (as mentioned, tying some KPIs to using the system), we create accountability. Additionally, initial go-live might involve temporary parallel runs or extra checks, but with a clear cutoff after which old methods are retired. Executive sponsorship is key – the CFO and CEO will communicate the importance of the transformation, setting a

top-down expectation that this is not optional. Based on other organisations' experiences, we anticipate some resistance in the first few weeks, but with sustained support and some quick wins (like showing how fast a task can be done now), adoption will steadily increase. We'll monitor usage data and address gaps in real time (e.g. if a department is lagging in raising POs,we'll send in support or engage their manager). The goal is to reach high user adoption within the first quarter of go-live, which is critical for full benefits.

- **Risk: Data migration and integrity issues** – Moving from legacy systems and spreadsheets to the new platform requires migrating large volumes of data (master data, open transactions, historical records). There's risk of data loss, errors in migration, or poor data quality (e.g. duplicate vendors, inaccurate balances) undermining the new system's effectiveness. **Mitigations:** We have a detailed data migration plan with multiple test cycles. All critical data (GL balances, vendor master, customer master, open AP/AR, etc.) will be cleansed prior to migration – for instance, we'll conduct vendor master deduplication, remove obsolete entries, and standardise formats. We will perform at least two trial migrations during testing phases to iron out scripts and ensure completeness. Reconciliation of financial data is a must: after migrating, we'll reconcile trial balance and subledger totals to ensure they match legacy system outputs to the penny. If discrepancies arise, we fix the mapping or data and repeat. Additionally, not all history will be migrated (to reduce risk); we might choose a cutover date and keep older historical data in a read-only legacy archive or data warehouse for reference, rather than loading years of history into the new systems. That simplifies migration. We'll involve business users in validating migrated data (e.g. AP clerks check vendor data, accountants verify GL balances) to catch issues. Also, we intend to start with a clean chart of accounts and supplier list structure where possible, taking the opportunity to standardise. Good data is the foundation of a good system – by investing effort here, we mitigate go-live headaches. Post go-live, we'll have hyper-care support to quickly correct any data-related issues that slipped through (e.g. adjusting an opening balance). With these steps, we aim to have a smooth transition with integrity of financial data intact, preventing disruptions like inability to pay vendors or close the books due to data errors.
- **Risk: Implementation delays or cost overrun** – Projects can run over schedule or budget due to unforeseen complexities, vendor issues, or resource constraints. In a mid-market context, we have limited slack – overspending or dragging timelines could erode ROI and business confidence. **Mitigations:** We have conducted a thorough planning and vendor selection process to reduce this risk. We chose a composable ERP solution known for faster deployments (many mid-market solutions have accelerators). We've also allocated contingency in both timeline and budget (typically ~15% contingency is included) to absorb minor overruns. The project plan is realistic, with appropriate sequencing and buffer for tasks like testing and training. Strong project management is in place: a dedicated project manager will track progress, manage interdependencies, and flag issues early. We'll use agile sprints for configuration which provide frequent checkpoints (so if something is slipping, we see it in weeks, not at the end). Regular status reports to the steering committee will ensure executive awareness and support if things go awry (e.g. if a critical decision is needed quickly to avoid delay). The contract with implementation partners includes clauses and incentives for on-time, on-budget delivery (for example, milestone-

based payments tied to deliverables). Internally, we will protect key project team members' time – one risk is that daily business fires pull them off the project. To mitigate, we may backfill some of their regular duties or get temporary contractors for peak periods, so the project stays on track. If delays do loom, we will have fallback options like de-scoping certain non-critical features to Phase 2 in order to hit the main go-live date for core functionality. In the worst case, if an extension is needed, the contingency budget covers it, and we communicate transparently about impact on ROI (likely minor if it's a short delay). With these controls, we intend to deliver within the proposed budget and timeline, keeping the financial returns intact.

- **Risk: Business disruption at go-live** – When we cut over to the new system, there's a risk of operational disruption: e.g. inability to pay suppliers or issue invoices if the system has issues or users are not fully comfortable. This can have financial and reputational consequences. **Mitigations:** We will conduct comprehensive user acceptance testing (UAT) and a pilot of critical processes before go-live. Key scenarios like closing the month, paying a vendor, or raising a purchase order will be rehearsed end-to-end in the test system with users and IT to iron out kinks. We'll also have a detailed cutover plan, including a rollback strategy if something truly critical fails (though in cloud, rollback is tricky, so we mostly focus on ensuring success). We plan the go-live at a time that minimises business impact (for example, just after a month-end, to have maximum time to resolve issues before the next close, and avoiding year-end or other critical periods). Extra support (on-site "floor walking" and extended hours helpline) will be in place the first weeks. We expect some productivity dip in the first days as users learn in practice – we have factored that in and will possibly run parallel some processes as safety (e.g. keep the old system read-only accessible for reference, maintain manual backup for issuing urgent payments if needed until the new system stabilises). Communication to external parties is also planned – e.g. informing major suppliers of a new PO/invoice system, providing them guidance to avoid confusion. By being well-prepared and having contingency plans (like manual emergency procedures if needed), we reduce the chance of a severe disruption. The measure of success will be that the first month-end close on the new system might take a bit longer but completes, payroll runs, vendors are paid – essentially business continuity maintained. We are confident given other firms our size have done this with minimal hiccups that we can too, with the right preparation.
- **Risk: Not achieving full benefits** – Even if the system is delivered, there's a risk that the benefits fall short (e.g. savings not as high, or efficiency not as improved as expected). This can happen if underlying assumptions were off or if new issues arise (for example, maybe some manual work remains, or volume growth is less than expected). **Mitigations:** Our Benefits Realisation Plan (discussed earlier) is the primary mitigation – by tracking benefits closely and taking corrective action. Additionally, we set conservative targets in the financial model (not overpromising), so there is some buffer. For instance, if we predicted a 60% AP efficiency gain but achieve only 50%, the ROI is still solid – we've pressure-tested that scenario. If certain benefits lag, we can implement continuous improvement initiatives: e.g. additional training to raise automation rates, tweaking system configurations to increase throughput, or adding an RPA bot to handle a process that was left manual. We also have the option of leveraging the vendor's updates – since it's cloud, regular new features might help

us optimise further. The contract with the software provider often includes customer success services; we will use those to get expert help in fully utilising the system. Essentially, we won't consider the project "done" at go-live – we have allocated resources in the months after for optimisation. If, say, spend under management isn't rising as fast, we might push a policy change or bring in procurement consultants short-term to drive strategic sourcing events capturing value. By being proactive, we will close any gaps between projected and actual benefits. The Investment Committee will be kept apprised of benefit realisation, and if any significant shortfall is emerging, we will be ready with a mitigation plan (or transparently adjust expectations with justification). However, given our careful benchmarking and the team's commitment, we believe we can achieve the lion's share of benefits with only minor variations.

- **Risk: Vendor lock-in and future flexibility** – Moving to a single cloud platform means dependence on that software vendor. If the vendor raises prices significantly or has outages, we could be exposed. Also, there's a risk that certain specific needs of our business might not be perfectly met by a generic cloud solution without customisation. **Mitigations:** We chose a reputable vendor with a strong UK presence and track record, minimising risk of instability. We negotiated a contract with pricing safeguards (multi-year pricing caps or pre-agreed increments) to avoid runaway costs. The solution's scalability was evaluated – it can handle our foreseeable growth and even an order of magnitude more transactions, so we won't outgrow it soon. To mitigate functionality gaps, we assessed any critical bespoke needs and found either configuration or third-party extensions to handle them (rather than core modifications). We also ensure we have data ownership clauses – our data can be extracted in standard formats, ensuring we're not hostage to the platform if something changed and we had to switch in the distant future. Essentially, we accept some vendor lock-in as a trade-off for efficiency, but we protect ourselves contractually and with good exit options if ever needed. Also, by staying on a standard platform, we actually gain flexibility in the sense of always being up-to-date with technology (as opposed to being locked into an outdated in-house system).
- **Risk: Regulatory or business environment changes** – The landscape could change (new regulations, mergers/acquisitions, etc.) that impact project requirements or timeline. **Mitigation:** We built some flexibility into design (e.g. the system can handle new VAT rules, etc., through configuration). If an acquisition happens mid-project, we might adjust phasing or incorporate that entity in later phases. The key is that a modern composable ERP gives us agility to respond, and the project governance will include risk review for external factors regularly.

Implementation considerations: Beyond these specific risks, some general considerations have shaped our plan: We intend to use a **cloud SaaS solution** to reduce infrastructure burden and enable quicker deployment of updates (which is also a risk mitigation for tech obsolescence). We will leverage **industry best-practice processes** delivered by the system, adjusting our processes to fit the software when possible (rather than customising software to old processes). This may require some business process re-engineering, which we have accounted for (with change workshops to redesign processes in alignment with best practices). We are also considering the **timeline** – our target is to go-live with core modules within 12 months of project start, which is reasonable for a mid-market scope if well managed. We chose this timing to avoid a prolonged project which increases risk of team fatigue or business change; a focused timeline creates momentum. We also plan the go-live date carefully (e.g. start of a fiscal quarter) to allow bedding in.

Another consideration is **parallel projects or dependencies** – we have mapped out any other major initiatives (like a CRM implementation or an organisational change) that could interfere, to avoid resource conflicts. We might sequence things to not overload the same departments with multiple changes at once. Lastly, post-implementation support is arranged: we'll have either an internal "Technology Centre of Excellence" or a support contract for the first year to handle any issues, do further enhancements, and support users. This ensures longevity of the solution and continuous improvement (and mitigates the risk of the system falling into disuse or issues lingering).

In conclusion, while the project has risks, we have a comprehensive risk management plan. The Investment Committee can take assurance that we have "eyes wide open" about what could go wrong and have put in place strategies to prevent or mitigate those scenarios. Our company's culture of pragmatism and the experience of the chosen implementation partner further reduce execution risk. With strong governance, executive support, and the outlined mitigations, we are confident we can deliver this transformation on time, on budget, and on value. The result will be well worth the effort – a modern AI-infused finance platform enabling the business to thrive, delivered with managed risk and careful stewardship of the investment.

References

[1], [11], [14], [31] 50% of finance teams still take over a week to close the books | CFO.com

https://www.cfo.com/news/50-of-finance-take-week-to-close-books-ledge-month-end-close-time-cfo-three-day-close-myth-/ 746085/

[2], [20], [21], [23], [24], [25], [33] The ROI of automation in finance & P2P - The CFO

https://the-cfo.io/2021/04/19/the-roi-of-automation-in-finance-p2p/

[3], [15], [16] Accounts Payable Automation vs. Manual Processing: Cost & ROI Breakdown

https://www.getcashcloud.com/post/accounts-payable-automation-vs-manual-processing-a-cost-comparison

[4], [5] The UK ERP Industry: Market Leaders, AI Transformation & Future Outlook 2025 - News

https://www.hall-fast.com/news/post/the-uk-erp-industry-market-leaders-ai-transformation-future-outlook-2025?srsltid=AfmBOoo3G9SbNBcY5rCJMwiYskUWTCLS-Ogdu1DgmjQ62p0QCF3LW8lv

[6], [7] Breaking the Finance Cost Barrier - The Hackett Group®

https://www.thehackettgroup.com/insights/breaking-the-finance-cost-barrier/

[8], [17], [22] Are manual processes holding your finance team back? | TechnologyOne

https://www.technology1.com/resources/articles/are-manual-processes-holding-your-finance-team-back

[9], [26], [27] The Real ROI of Finance Transformation — and Why It Is Often Overlooked - Controllers Council

https://controllerscouncil.org/the-real-roi-of-finance-transformation-and-why-it-is-often-overlooked/

[10] Manual tasks still clogging finance teams' capacity | CFO.com

https://www.cfo.com/news/manual-tasks-still-clogging-finance-teams-capacity-zuora-modern-finance-leader-cfo-toddmcelhatton-/752988/

[12] The Costs & Challenges of Maintaining Your Legacy ERP Software

https://www.kwixand.com/post/the-costs-of-maintaining-legacy-erp-software

[13] How Long Does Month-End Close Take? Examining Benchmarks

https://www.numeric.io/blog/how-long-does-month-end-close-take

[18] The Monthly Metric: Percentage of Spend Influenced by Procurement

https://www.ismworld.org/supply-management-news-and-reports/news-publications/inside-supply-management-magazine/ blog/2020-10/the-monthly-metric-percentage-of-spend-influenced-by-procurement/

[19] Spend under management explained - Procurement Magazine

https://procurementmag.com/procurement-strategy/spend-under-management-explained

[28] How to Calculate the Total Cost of Ownership for Legacy vs Cloud ...

https://erpsoftwareblog.com/cloud/2019/05/how-to-calculate-the-total-cost-of-ownership-for-legacy-vs-cloud-erp-tcocalculator/

[29] [PDF] TEI of Microsoft Dynamics 365 ERP infographic - Forrester

https://tei.forrester.com/go/Microsoft/Dynamics365ERP//docs/TEI-of-Microsoft-Dynamics365-ERP-infographic.pdf

[30] Forrester Total Economic Impact study: A 304% ROI within 3 years ...

https://azure.microsoft.com/en-us/blog/forrester-total-economic-impact-study-a-304-roi-within-3-years-using-azure-arc/

[32] Faster, Easier Third-Party Risk Management with AI and Automation

https://regscale.com/product-third-party-risk-management/

[34] ERP for Midsize Companies: Features to Look For | Workday UK

https://blog.workday.com/en-gb/erp-midsize-companies-features-to-look-for.html

oneAdvanced

Powering the world of work

OneAdvanced is a leading provider of AI-powered, sector-focused software and services, headquartered in the UK. With over 30 years of experience, our mission is to power the world of work, helping our customers integrate workflows, improve efficiencies, and accelerate growth.

Our safe, secure, scalable, and user-friendly solutions are trusted across a broad range of mission-critical sectors including wholesale & logistics, retail, manufacturing, passenger transport, and business services.

Get in touch

+44(0) 330 343 4000 www.oneadvanced.com hello@oneadvanced.com