

# CASH MANAGEMENT AND VISIBILITY

**DETAILED FINDINGS FROM  
THE BENCHMARK REPORT**  
By Ogo Nwanyanwu **November 2023**

# DETAILED FINDINGS



Research Partner



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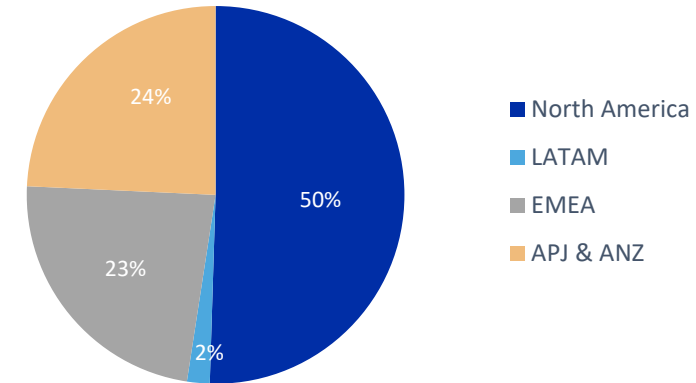
# DETAILED FINDINGS

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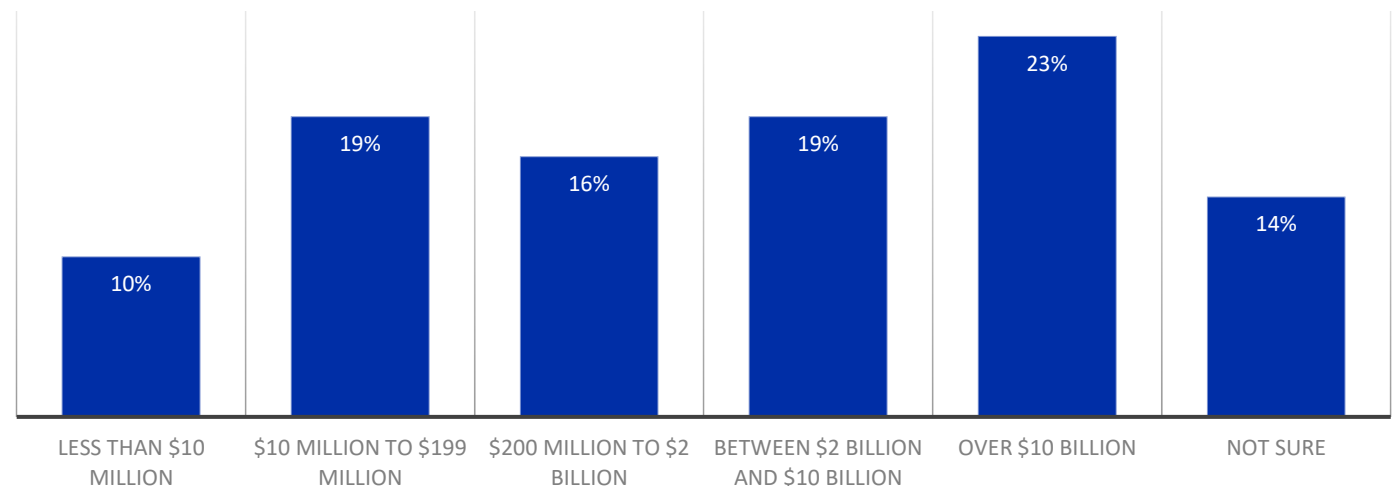
Between June and July 2023, SAPinsider surveyed 128 of its community members to understand how business, technology, and regulatory trends impact the cash flow visibility strategies of multinational companies.

The survey participants came from various geographical regions worldwide and represented diverse organization sizes, contributing to a comprehensive dataset.

Region



Annual Revenues



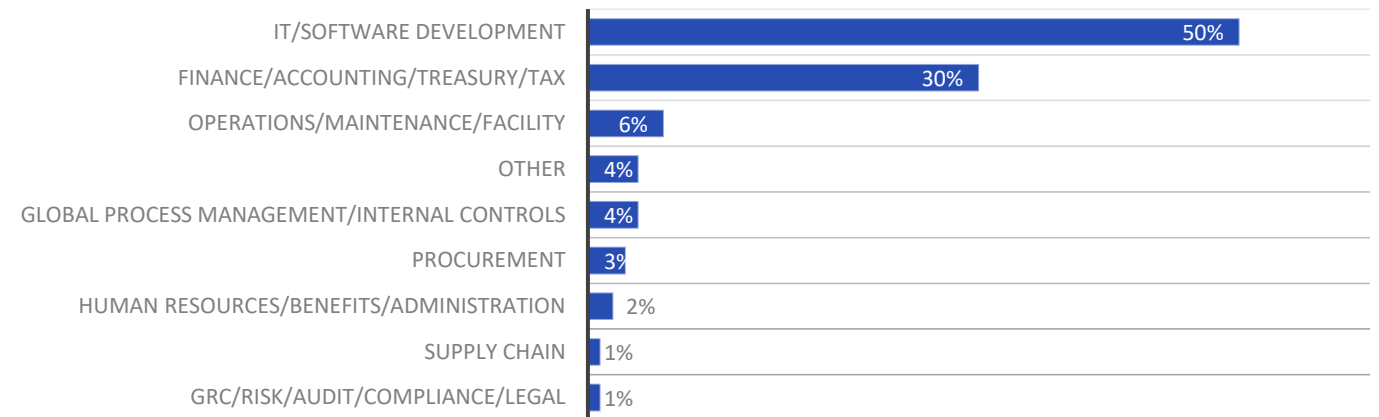
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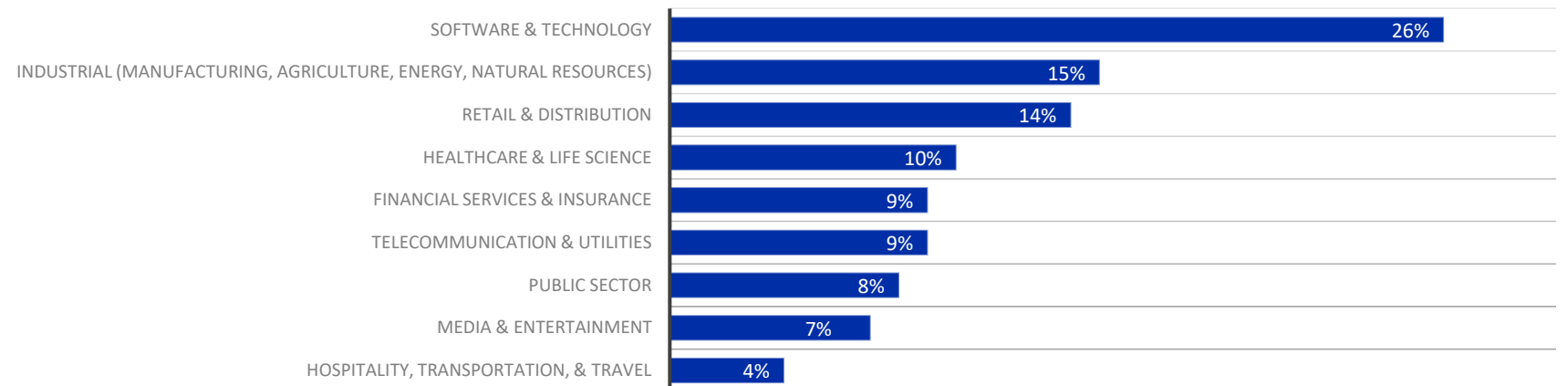
The survey primarily targeted individuals who held positions in Finance lines of business, information technology, or hybrid roles responsible for making decisions within their respective organizations.

The survey aimed to understand the specific roles that the respondents carried out within their organizations and the industry sectors in which their organizations functioned.

## Department or Functional Areas



## Industries



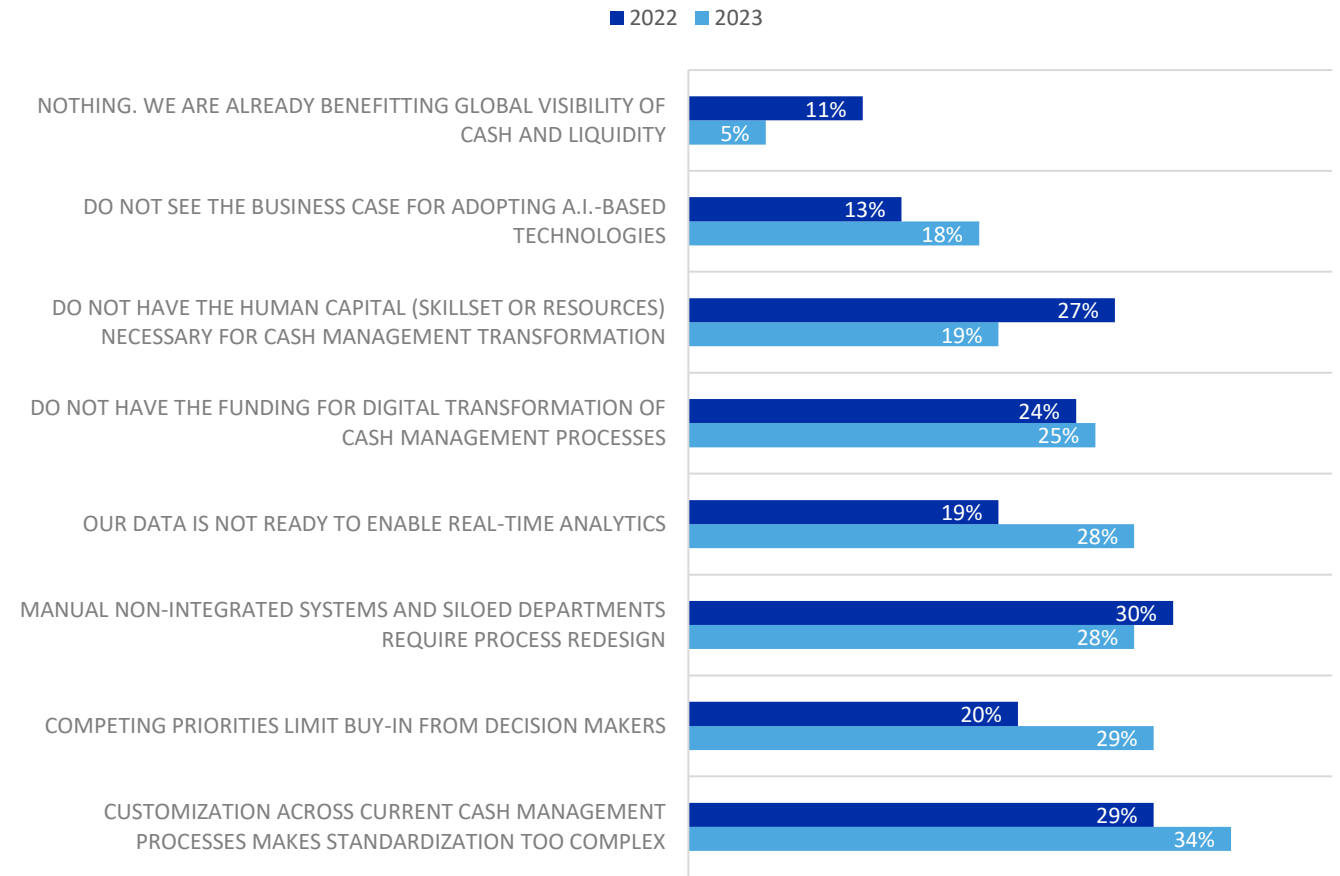
# DETAILED FINDINGS

3

Between 2022 and 2023, an increasing share of organizations listed complexity of customization across cash management processes as a barrier to visibility, growing from 29% to 34%. More companies also cited competing priorities among decision makers as a significant barrier, increasing to 29%. Concerns over data readiness for real-time analytics saw a significant jump, indicating accelerating awareness of the role of data quality in cash visibility.

Organizations who feel they already have global visibility of cash and liquidity decreased to 5%, pointing to significant gaps in current cash visibility capabilities. For SAP customers, these insights underscore the urgency to prioritize standardization, stakeholder alignment, system integration, and data readiness across the cash management transformation journey.

## Barriers to Achieving Cash Visibility



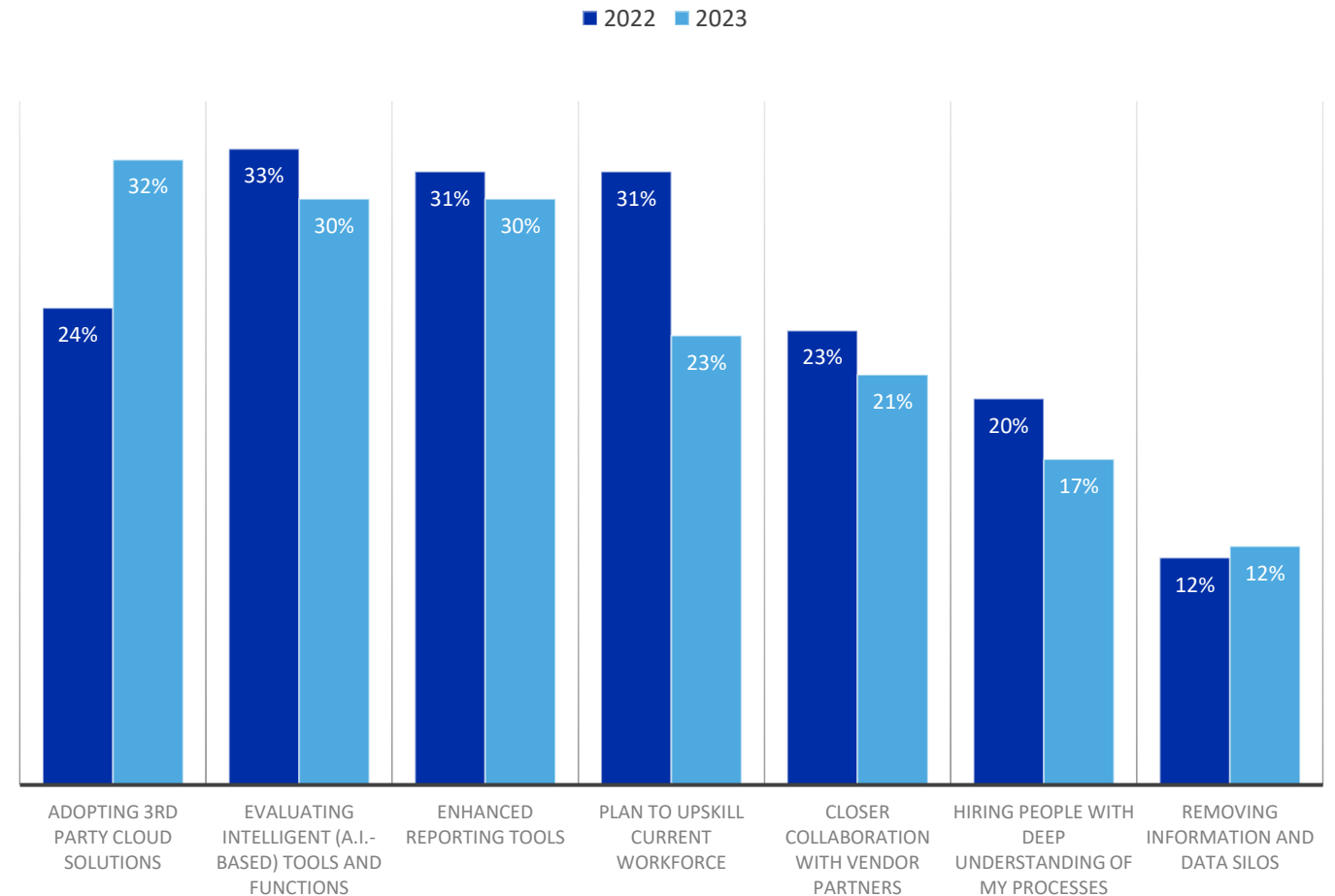
# DETAILED FINDINGS

4

The strategies adopted by organizations to tackle their cash management challenges reveal interesting shifts between 2022 and 2023. While evaluating intelligent tools and enhanced reporting tools remained constant, there is increasing adoption of third-party cloud solutions (eight percentage-point increase). This suggests a growing recognition of the role of external solutions in improving cash management.

Reliance on upskilling the workforce and hiring experts decreased (by eight and three percentage points respectively), indicating that technology adoption may be outpacing the human-centric approach. For SAP customers, this trend implies growing demand for integrating advanced, cloud-based solutions into their existing SAP environment.

## Plans to Address Most Challenging Cash Management Processes and Functions

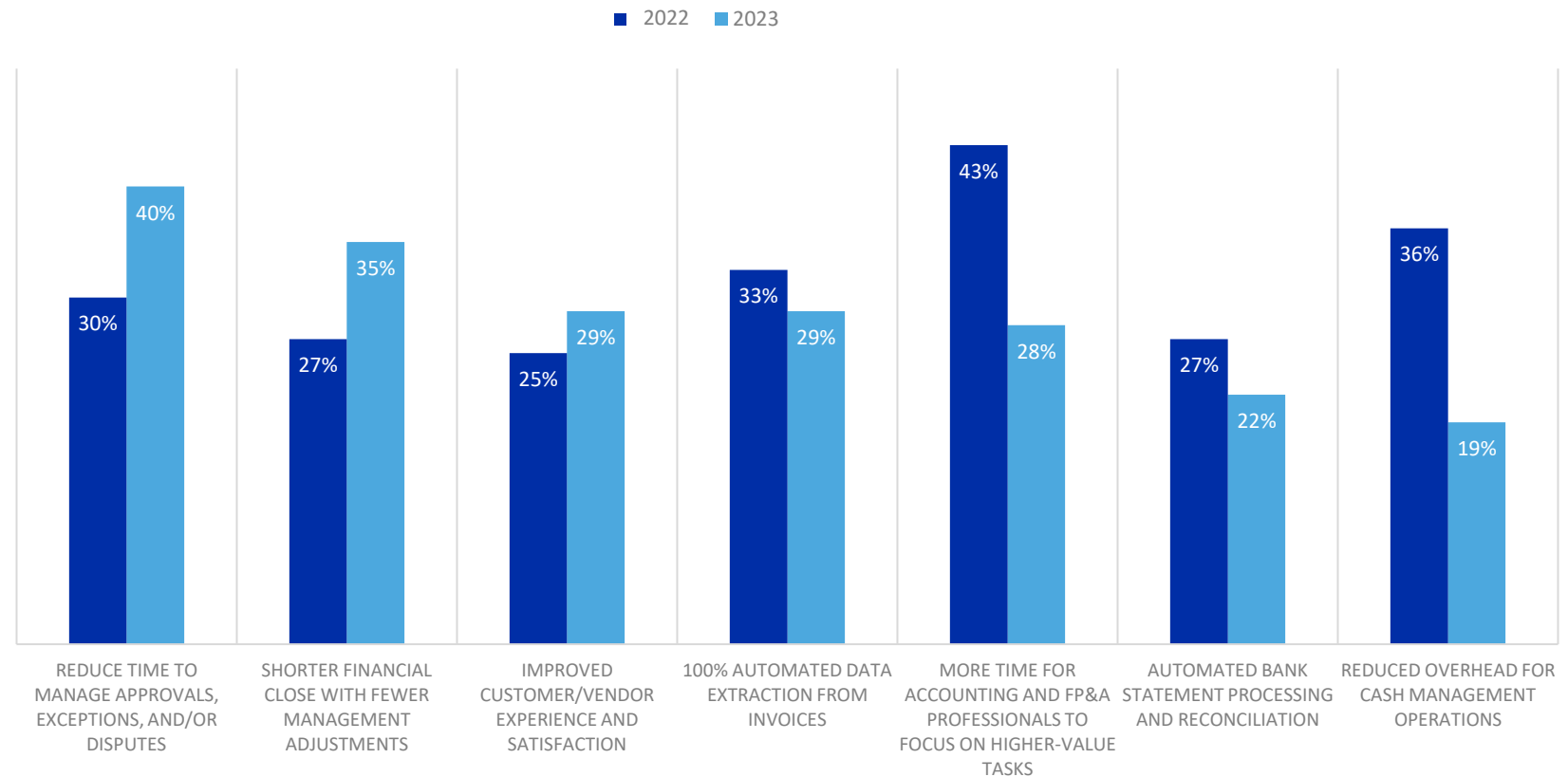


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5

From 2022 to 2023, there was a noticeable shift in expectations from enhancing cash management processes. The focus shifted towards reducing time to manage approvals, exceptions, and disputes (from 30% to 40%) and achieving a shorter financial close with fewer adjustments (from 27% to 35%). This trend suggests that SAP customers are looking to gain efficiency in cash management operations, enabling a quicker access to information.

## Expect Benefits of Improving Cash Management Process



# DART

MODEL FRAMEWORK

## Cash Management and Visibility



### DRIVERS

- Demand for improved cash forecasting accuracy (31%)
- Desire to automate manual cash management and reporting tasks (24%)
- Executive demand for more accurate, on-time, and harmonized cash reporting for decision making (23%)
- The move to SAP S/4HANA provides an opportunity for automating cash management activities (23%)



### ACTIONS

- Apply integrated solutions to connect cash management and accounting for faster access to and higher quality data (40%)
- Leverage functionality in SAP S/4HANA to help automate cash management processes (35%)
- Improve ability to forecast cash-flow with greater ease and flexibility (33%)
- Build end-to-end visibility across cash management functions, workflows, and processes (32%)
- Optimize and re-engineer the cash management process to reduce operating costs (32%)



### REQUIREMENTS

- Fraud detection for outgoing payments (86%)
- Deep integration of cash management with ERP for seamless, real-time data exchange (65%)
- End-to-end straight-through processing of all payments (63%)
- End-to-end invoice automation from invoice scanning to pay and archiving (62%)
- Timely global cash visibility and analytics for proactive decision making (62%)



### TECHNOLOGIES

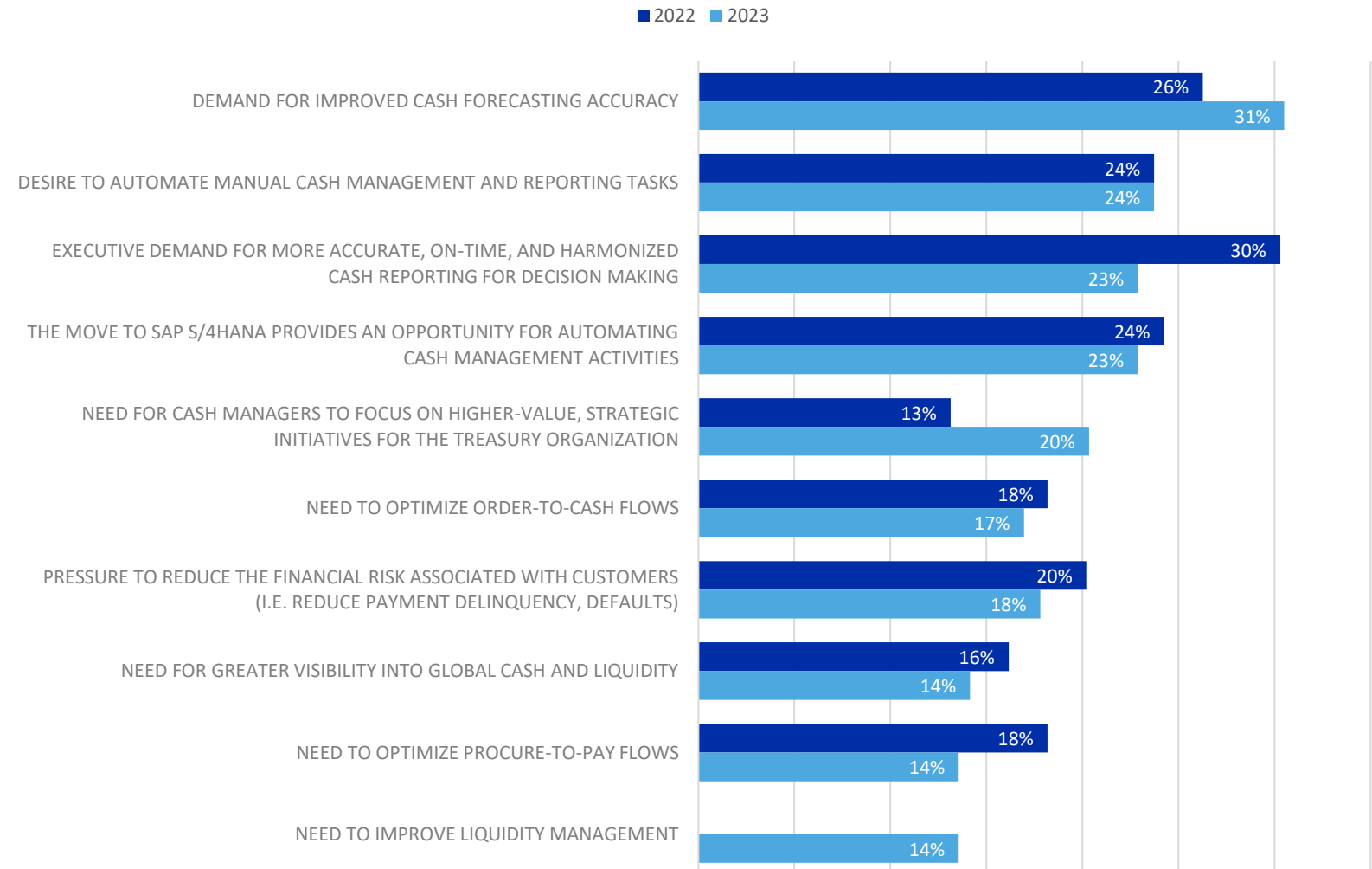
- Billings & Revenue Management (31%)
- Sales Order automation solution (31%)
- Purchase Order automation solution (30%)
- Payments Automation (29%)
- AR Automation solution (29%)
- Collections & Credit Management (29%)
- AP Invoice automation solution (28%)
- Risk management (27%)
- Cash Application automation (25%)
- In-house banking (23%)
- Transition to a service-based model (23%)
- Dashboard for Global Cash Flow Visibility (18%)

# DETAILED FINDINGS

6

The research reveals an increased emphasis on cash forecasting accuracy (31%) and the persistent desire for automation in cash management (24%) in 2023. There's also growing need for cash managers to concentrate on strategic initiatives (20%). The trend suggests a growing focus on automation, strategic initiatives, and forecasting accuracy.

## Drivers Shaping Approach to Cash Management and Visibility





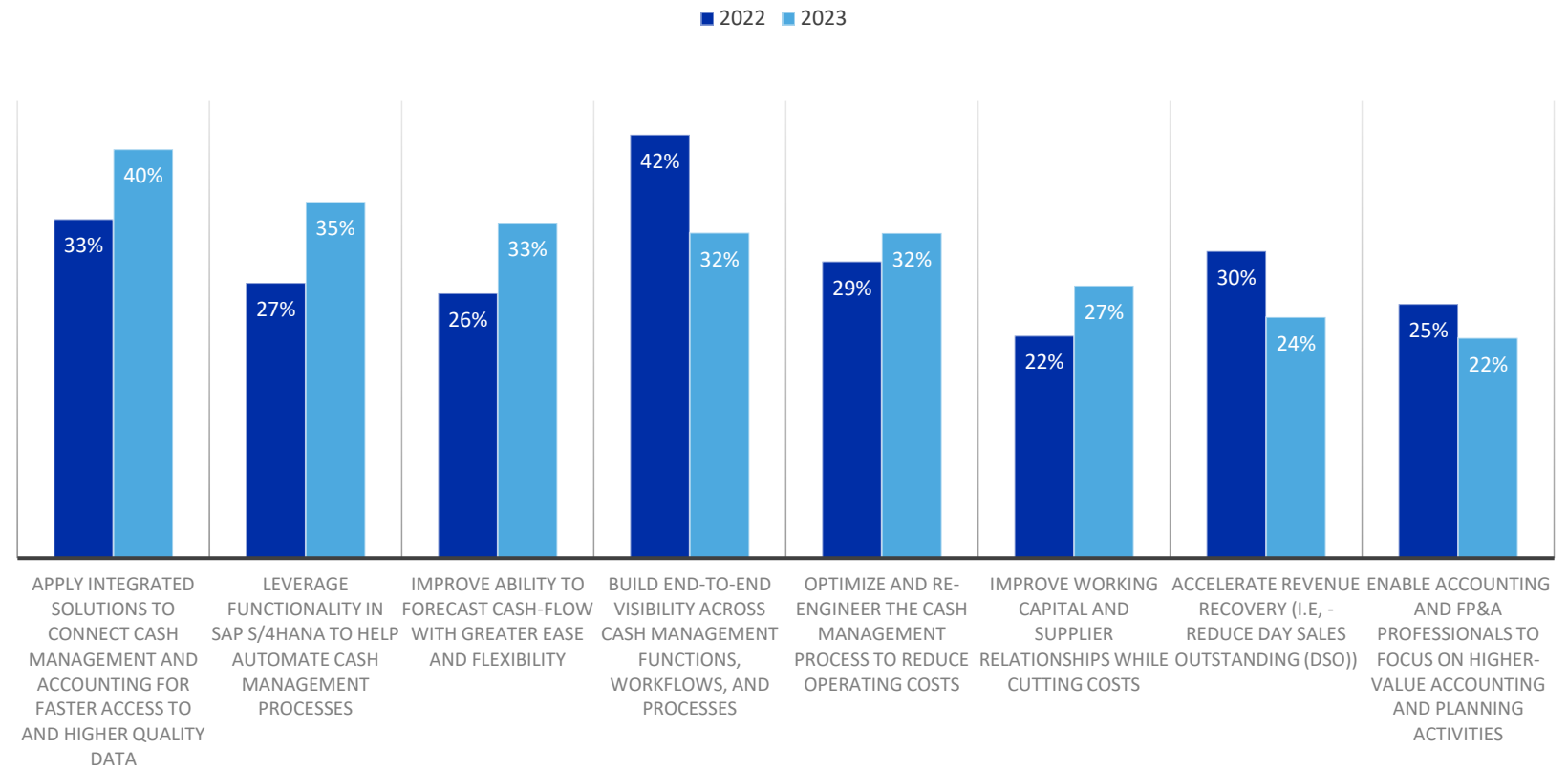
# DETAILED FINDINGS

7

In 2023, organizations have shown increased emphasis on integrating solutions for faster access to higher quality data (40%), leveraging SAP S/4HANA for automating cash management (35%), and improving cash-flow forecasting capabilities (33%).

This indicates a key trend towards the strategic integration of technologies and data-driven insights within SAP environments to enhance efficiency, accuracy and cash visibility

## Actions Supporting Cash Management and Visibility Strategic Priorities

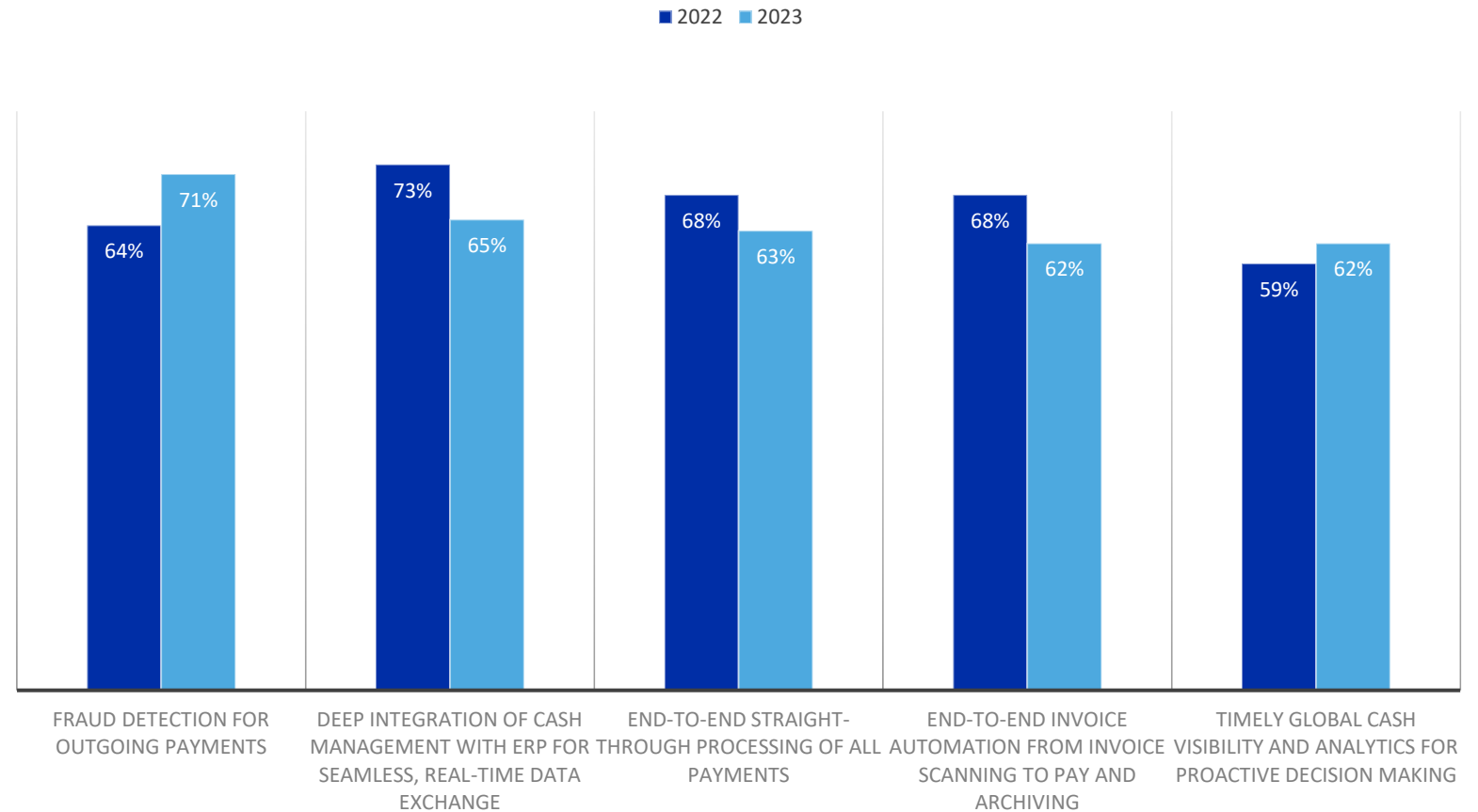


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8

The results highlight the growing importance of fraud detection in cash management processes, with an increase from 64% in 2022 to 71% in 2023. Additionally, the emphasis on seamless, real-time data exchange through deep ERP integration remains, end-to-end payment processing, and invoice automation remain high. Notably, the need for timely global cash visibility and analytics has increased, signifying an emphasis on proactive decision making. The findings indicate the growing importance of security, integration, and real-time visibility for SAP customers aiming to improve cash flow visibility.

## Requirements for Cash Management and Visibility



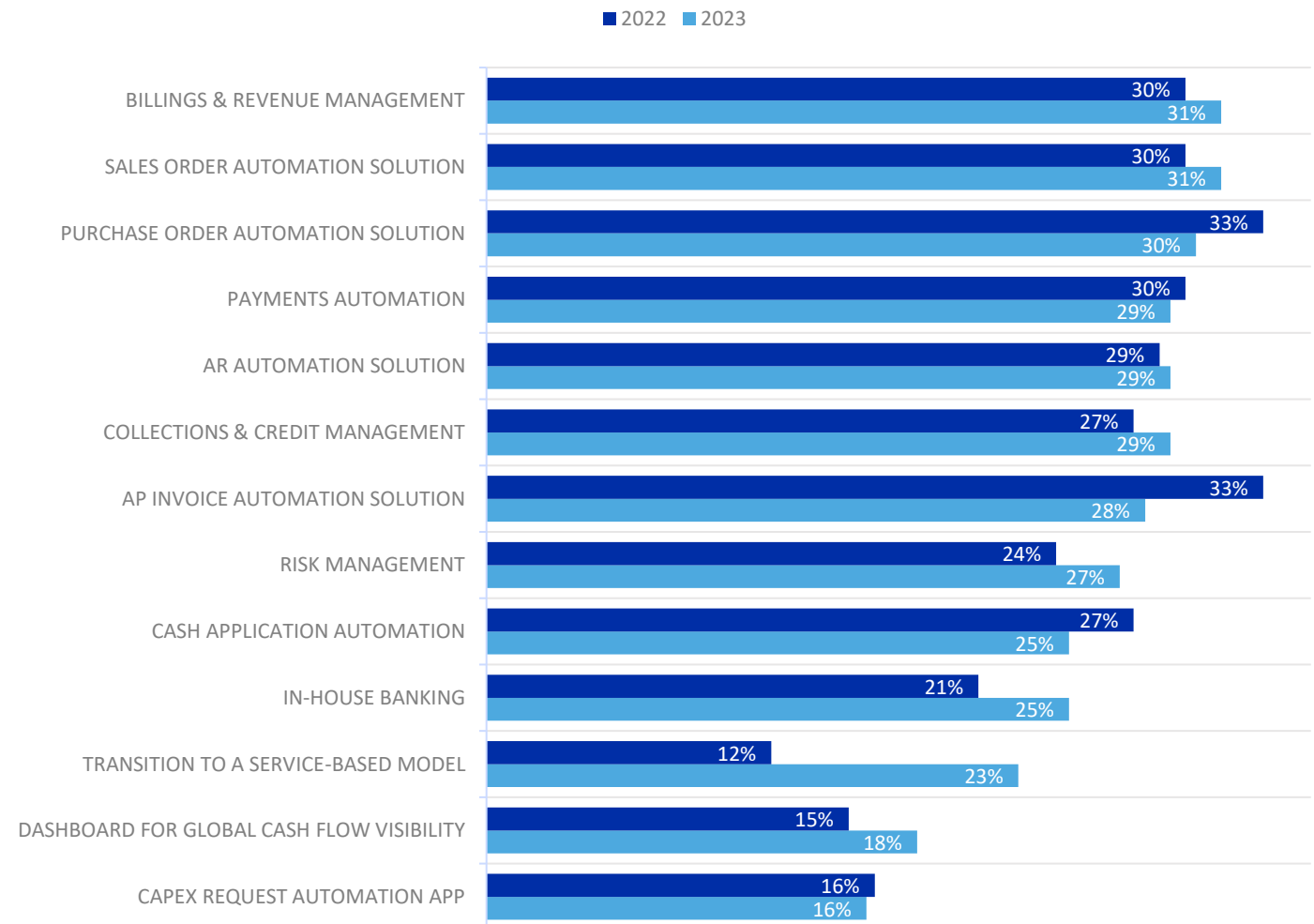
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9

Research data reveals a steady adoption of technologies aimed at enhancing cash management and visibility. Sales Order automation, Billings & Revenue Management, and Purchase Order automation remain the most adopted solutions over the past year, with roughly 30% adoption. Notably, the adoption of a service-based model nearly doubled from 12% in 2022 to 23% in 2023, indicating a significant shift towards service-based processes.

This suggests companies are prioritizing sales and billing efficiency while transitioning to more service-oriented operations for improved cash visibility. These technologies align with the pressing need to accurately forecast and manage cash flows.

## Cash Management Technology Adoption Trends



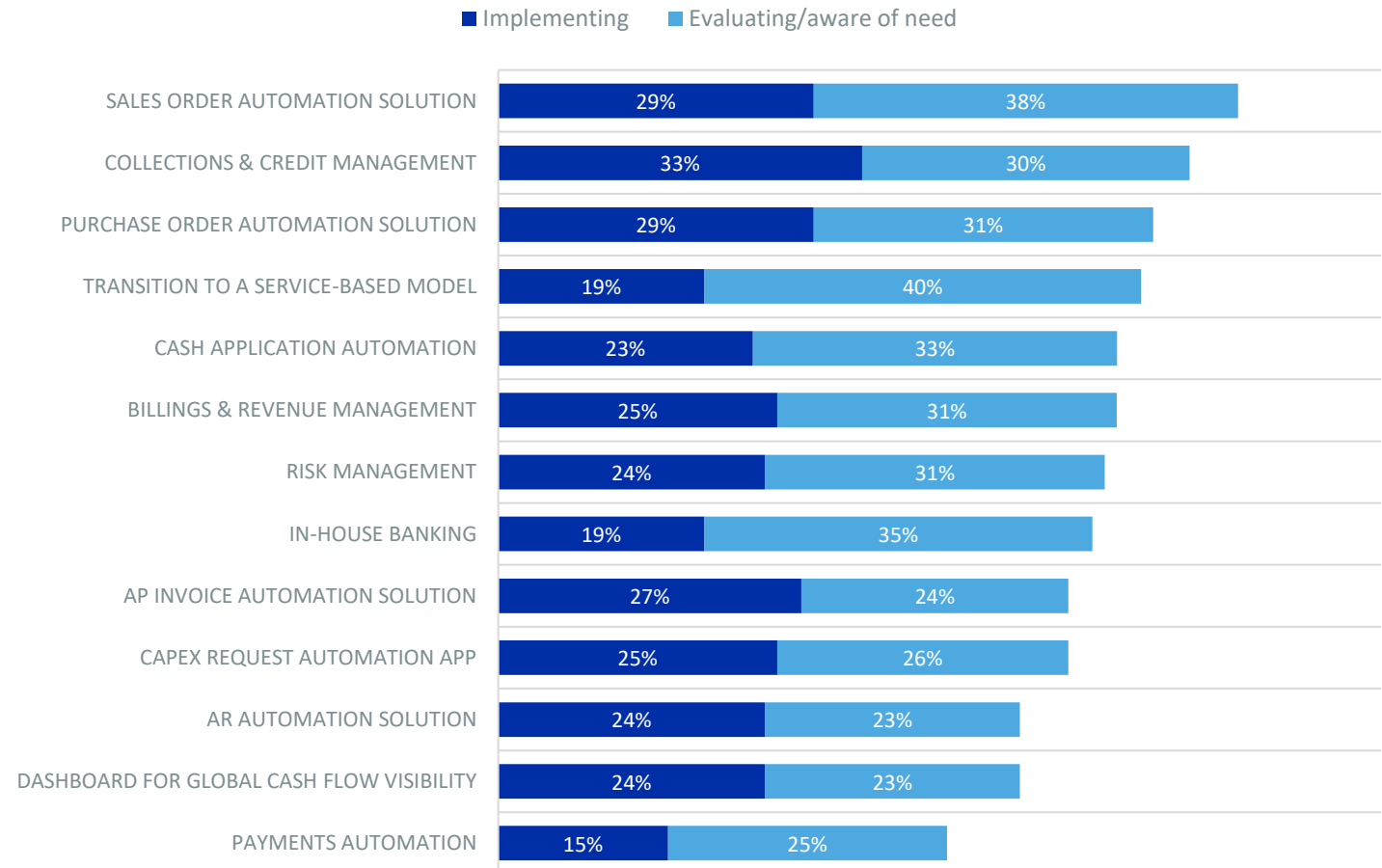
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10

Organizations continue to prioritize implementing or evaluating technologies that support cash management and visibility. Top areas of interest include **Billings & Revenue Management, Cash Application automation, and Sales Order automation**, with about a third of respondents considering them. Notably, **transitioning to a service-based model** sees the highest level of evaluation at 40%, signaling a significant trend towards flexible, scalable, and cost-efficient business models.

These findings indicate an ongoing transformation wave, reinforcing the urgency of technological adoption for improved cash management.

## Next Wave of Cash Management Technology Adoption

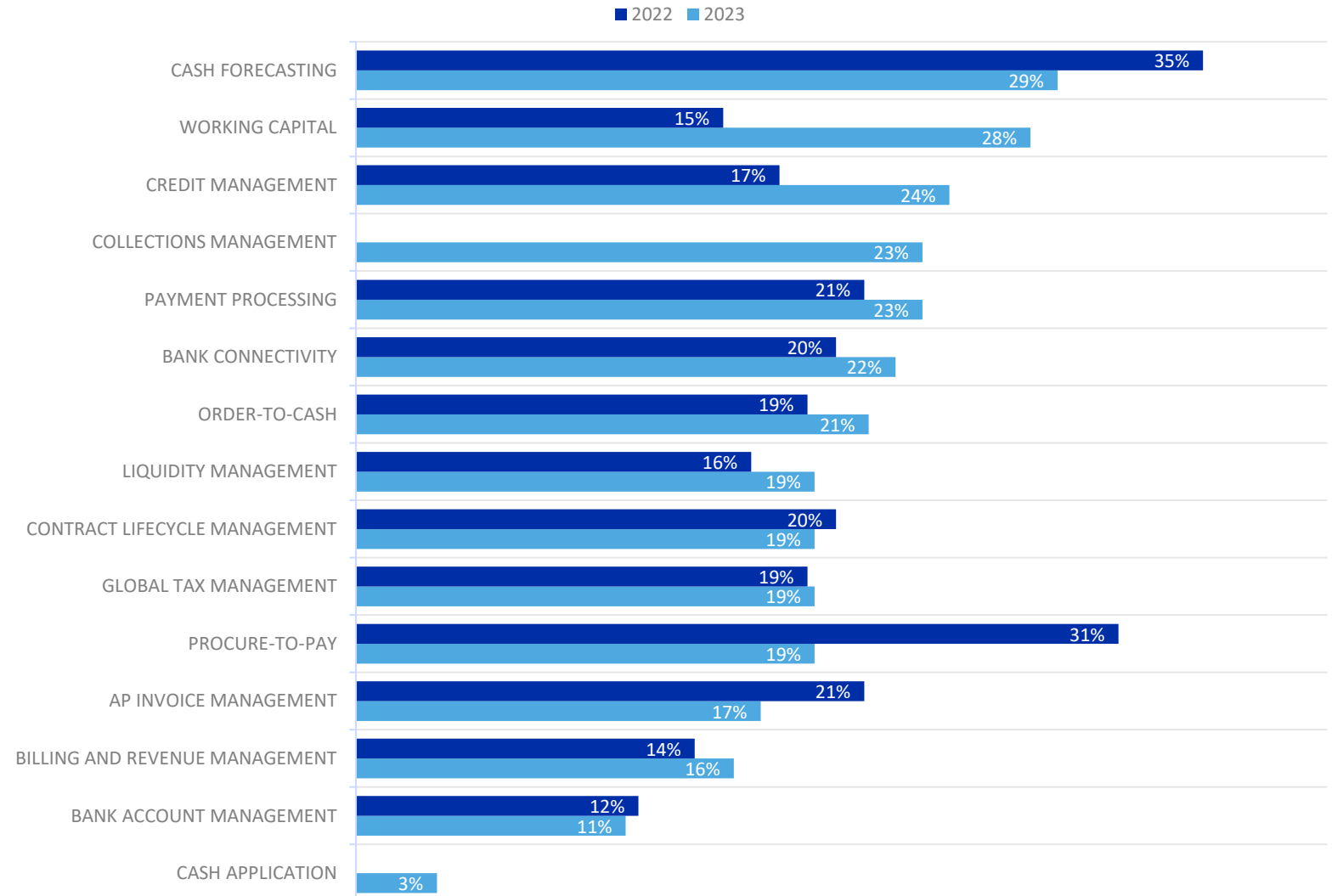


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11

Over the past year, organizations have identified several areas within cash management that pose significant challenges. From 2022 to 2023, there's a notable increase in working capital and credit management, which saw an increase of 13% and 7% respectively. Yet, the most challenging process remains cash forecasting, at 29% in 2023, even though it decreased from the previous year. This data indicates a continued struggle for organizations to accurately predict cash flow. For SAP customers, it underscores the need to prioritize solutions that enhance forecasting, credit management, and working capital optimization.

## Most Challenging Cash Management Processes to Improve



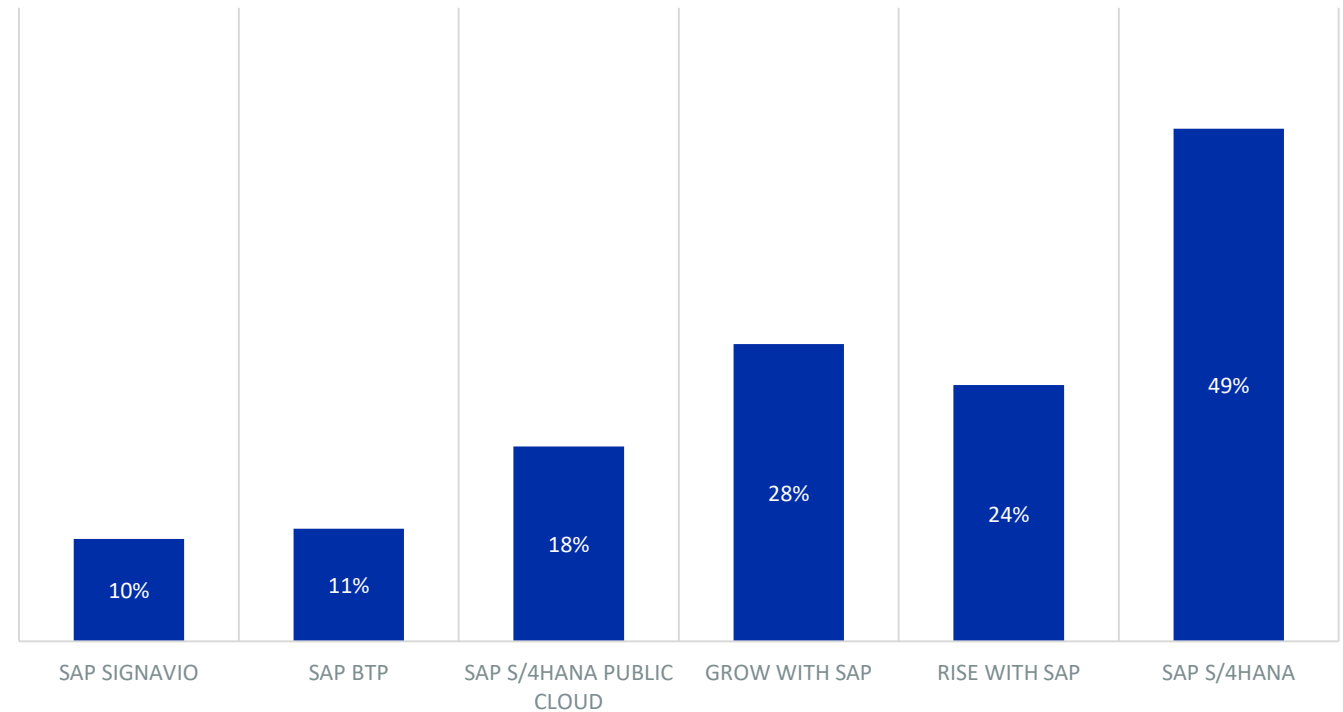
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## 12

The study highlights a strong preference for SAP S/4HANA, with 49% of respondents considering its implementation for enhancing cash management. Other significant choices include GROW with SAP (28%) and RISE with SAP (24%). A separate query with open-ended responses reveal a particular interest in the SAP Cash Management feature within SAP S/4HANA, emphasizing its perceived benefits for cash management.

This underlines SAP customers' intent to employ these technologies to improve cash management and treasury functions.

### SAP Solutions and Services Under Consideration to Enhance Cash Management and Treasury Function



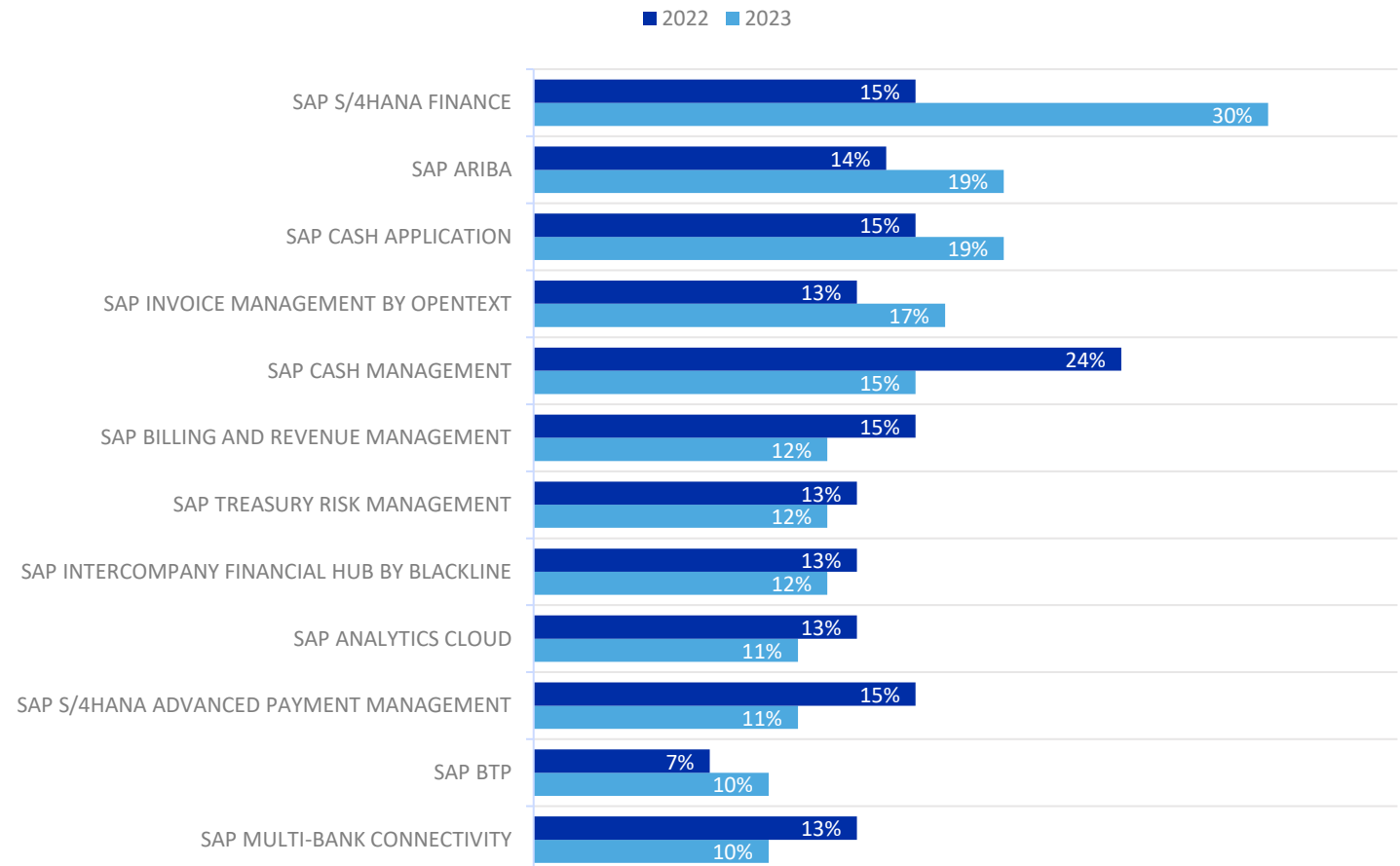
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13

SAP organizations have employed an evolving range of products to enhance cash management processes. Notable shifts in adoption between 2022 and 2023 include growing emphasis on SAP S/4HANA Finance, SAP Ariba, SAP Cash Application, SAP Invoice Management by OpenText, and SAP BTP in 2023.

These shifts reflect organizations' proactive approach in harnessing advanced tools to optimize cash management strategies and adapt to changing financial landscapes.

## SAP Product Utilization to Enhance Cash Management Processes



# THANK YOU

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