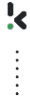




# THE STATE OF AUTOMATION IN FINANCE 2024

A benchmark report for finance departments  
across the UK, Germany, and the Netherlands.





## THE TAKEOFF

The world is steadily progressing towards more digitalization and automation. Current advancements in AI-powered technologies and their global adoption have accelerated this paradigm shift. But how developed is the average finance department when it comes to automation? And how does your department compare to others?

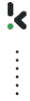
Klippa's latest benchmark report provides insights into the averages of automation adoption within **finance departments from the UK, Germany, and the Netherlands**. Into the challenges they face, and the extent to which emerging technologies have impacted their processes.

As AI continues to revolutionize the finance sector by enhancing accuracy and productivity, weighing its magnitude in everyday operations is essential. This report aims to help leaders in the field assess the proportions of technology integration and use the knowledge to stimulate improvement and growth.

**Yeelen Knegtering**

CEO, Klippa





## KEY TAKEAWAYS



59% of finance professionals overwhelmed by reporting & analysis



More than 70% of German financials not satisfied with level of automation



Finance professionals demand increased automation investments



Majority of financials is happy with fraud detection mechanisms



More than half of finance departments still haven't automated accounts payable



Duplicate & fraudulent invoices are the norm rather than the exception

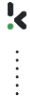


One third of UK businesses fail to pay invoices on time



Dutch financials lead the charge: 76.5% demand boost in automation investment

# **DATASET OVERVIEW**

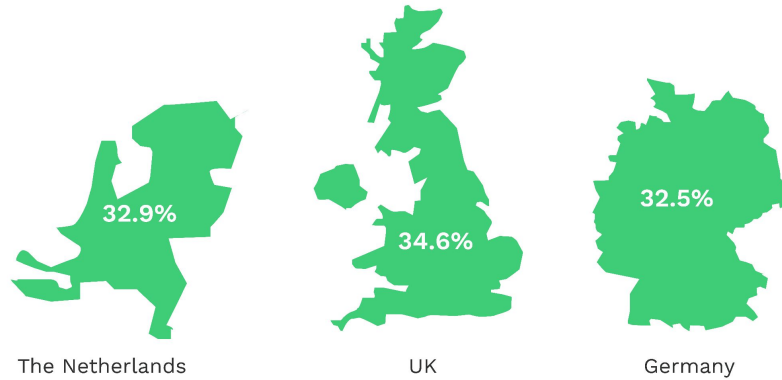


## OVERVIEW

# OUR DATASET AT A GLANCE

### Who?

The dataset contains responses from **246 finance professionals** active in the United Kingdom, Germany, and the Netherlands. We have collected data from various age groups, with the most notable concentration in the 30 to 40 years old category.

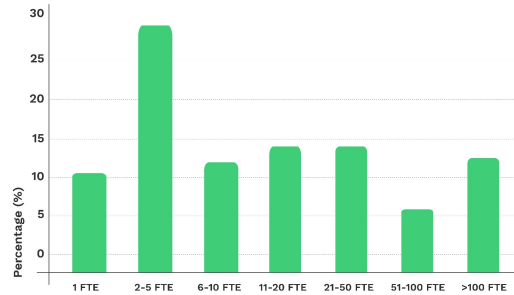


### What?

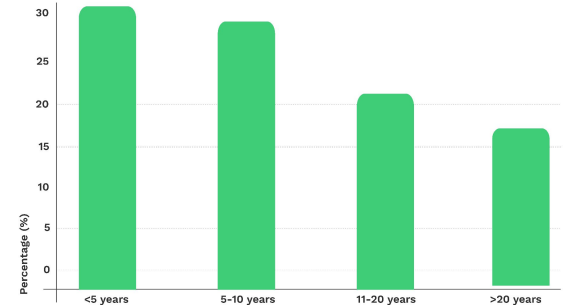
We compare insights shared by employees from finance departments of all sizes, from sole proprietorships to corporate operations appointing over 100 financial FTEs.

The most common roles currently occupied by respondents are Finance Manager (16.3%), CFO (9.8%), while Financial Controller and Financial Analyst are tied at 4.5% of the total.

#### Distribution According to Size of Finance Department



#### Distribution According to Years of Professional Experience



# **THE STATE OF AUTOMATION IN FINANCE**

GENERAL INSIGHTS



## INSIGHTS

# 59% OF FINANCE PROFESSIONALS OVERWHELMED BY REPORTING & ANALYSIS

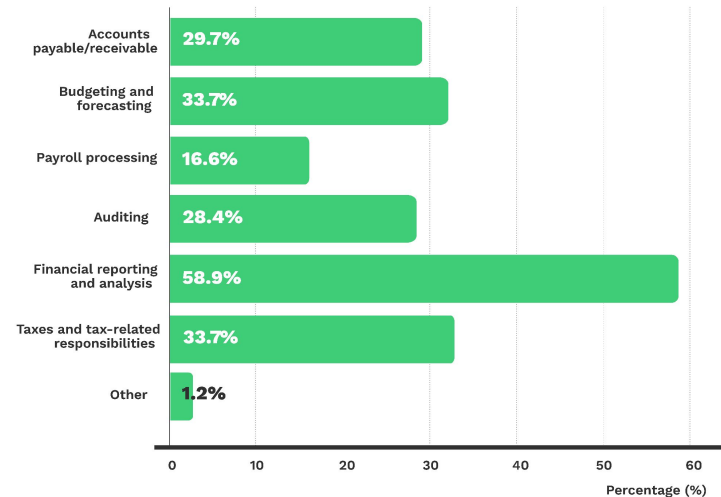
Finance employees often find themselves working longer hours to manage their numerous responsibilities.

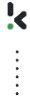
Top of the list? A staggering **58.9% of financials** cited reporting and analysis as their biggest time-killers. Accurate financial reporting, thorough analysis, and detailed financial statements are considered crucial, but they are also huge time sinks.

Coming in second place, with **33.7%**, are budgeting and forecasting, tied with taxes and everything tax-related. Additionally, the processes of accounts payable and receivable are consuming most time for **29.7%** of respondents.

Bottom of the list is payroll processing, which is mentioned by only **16.6%** as biggest time-waster.

## Which responsibilities consume the most time in your Finance Department?





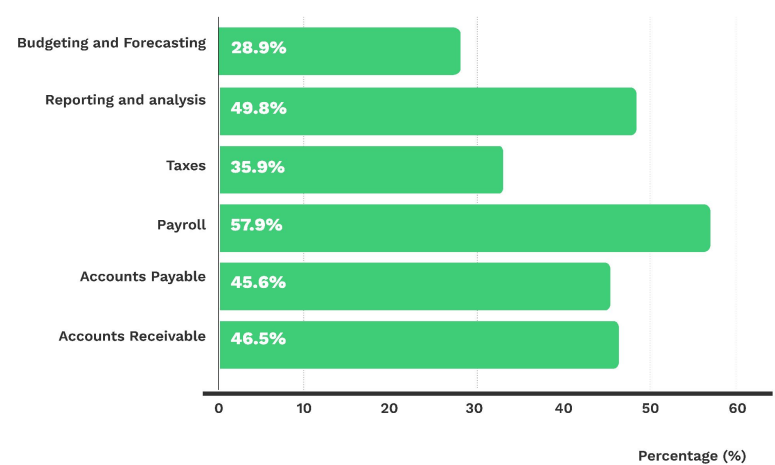
# MAJORITY OF FINANCE DEPARTMENTS HAVE AUTOMATED PAYROLL

Nearly **60% of finance departments** use automation in the area of payroll processing. This area stands out as the most automated, significantly reducing the time and effort traditionally required.

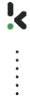
However, the automation revolution hasn't reached all corners of the finance department. Automation for reporting and analysis is **below 50%**, while tax-related responsibilities lag even further behind at just **35.9%**. These areas remain some of the most time-consuming challenges faced by finance professionals.

**Less than 30%** of financials cite automation in budgeting and forecasting, the least automated area and one of the most time-draining tasks. This underscores a clear trend: higher automation often correlates with lower time expenditure.

### Automated or Partially Automated Areas of Finance Departments







## INSIGHTS

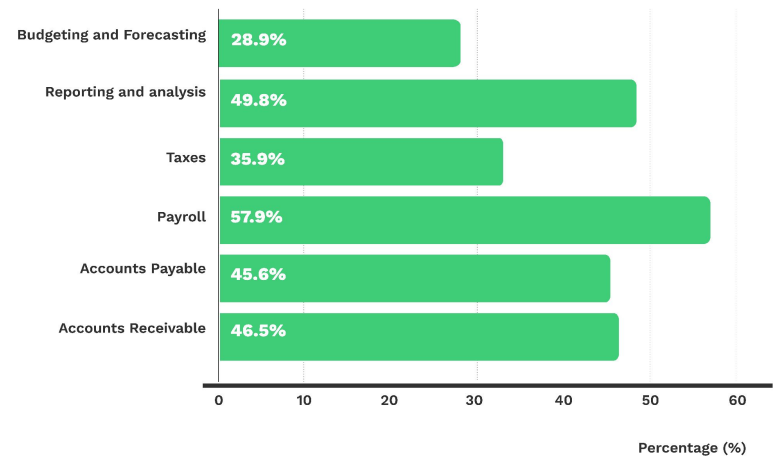
# MORE THAN HALF OF FINANCE DEPARTMENTS STILL HAVEN'T AUTOMATED ACCOUNTS PAYABLE

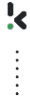
Despite the growing trend of automation across various finance areas, **over 50% of finance departments** remain stuck in manual accounts payable (AP) processes. This portion of the industry is missing out on the efficiency gains and error reduction that automation can bring.

Other finance areas like payroll processing and reporting and analysis make more use of automation. They are most often cited as being at least partially automated.

While many departments have successfully integrated automation into these areas, AP remains a major time-consuming task. This lag in automation is not just a missed chance for operational efficiency but could also serve as an opportunity to be less affected by labor shortages and increased costs.

## Automated or Partially Automated Areas of Finance Departments





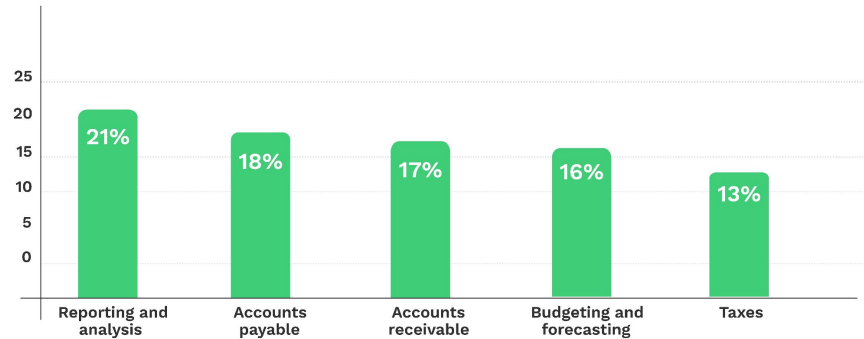
# FINANCIALS IN DIRE NEED OF AUTOMATION FOR REPORTING & ANALYSIS

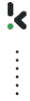
In a call for change, finance professionals have pinpointed reporting and analysis as the top priority for automation, with **21.3% of respondents** highlighting this urgent need.

Trailing closely, accounts payable (AP) is also spotlighted, with **18.2%** of respondents identifying this area as ripe for automation. These transactional processes are labor-intensive and could benefit greatly from automated data entry and faster payment cycles.

At the same time, **more than 50%** of finance teams are still managing these processes manually. As the industry advances, the push for automation in AP and reporting and analysis is becoming more urgent.

### Which area could gain from more automation in your Finance Department?





## MORE THAN 60% OF FINANCIALS ARE NOT SATISFIED WITH CURRENT AUTOMATION

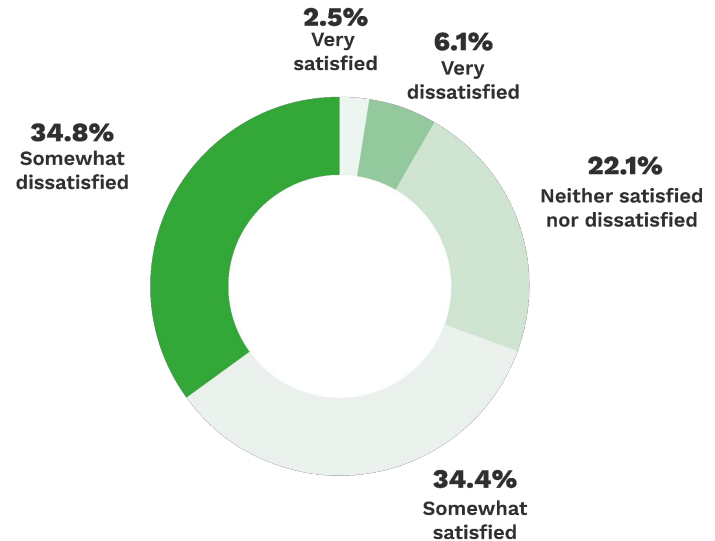
While some appreciation exists for the automation in place for 37% of finance professionals, the grand majority still finds that current systems don't fully meet their needs (**63%**).

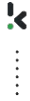
Alarming, **only 2.5%** of financials are very satisfied with their automation levels, signaling a dire need for system upgrades or better implementation.

Adding to the concern, **6.1%** of respondents are very dissatisfied, pointing to urgent requirements for more user-friendly, reliable and comprehensive systems.

The call to action is clear: organizations must reassess and enhance their automation strategies to bridge the gap between current capabilities and the high expectations of today's finance professionals.

### Satisfaction with Current Level of Automation





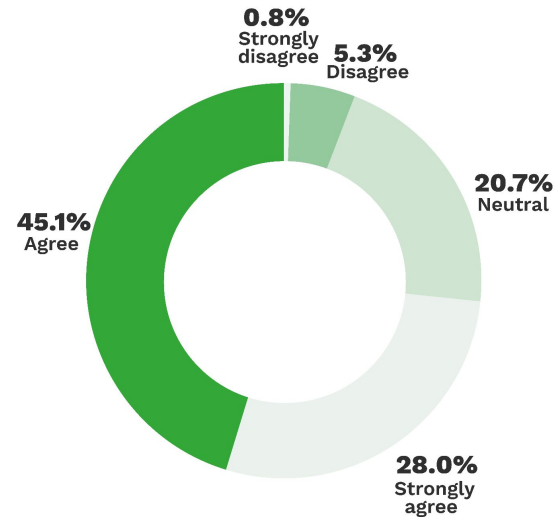
# FINANCE PROFESSIONALS DEMAND INCREASED AUTOMATION INVESTMENTS

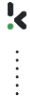
In a powerful endorsement for technological advancement, **73.1% of financial professionals** are calling for their companies to increase investments in automation to cut down on manual tasks. This clear consensus underscores a strong demand for more efficient, automated processes that could improve the way finance departments operate.

**Only 6.1%** are not on board with the push for greater investments. They have varying reasons, such as satisfaction with existing processes, budget limitations, or doubts about the benefits of further automation.

Overall, the high percentage of agreement suggests that the opportunity for improvement through automation is widely recognized. Companies could leverage this feedback to prioritize automation projects, focusing on areas they identify as bottlenecks or pain points.

Investment in Automation:  
Responses Distribution





# FINANCE PROFESSIONALS AGED 41-50 SHOW STRONGEST SUPPORT FOR INCREASED AUTOMATION

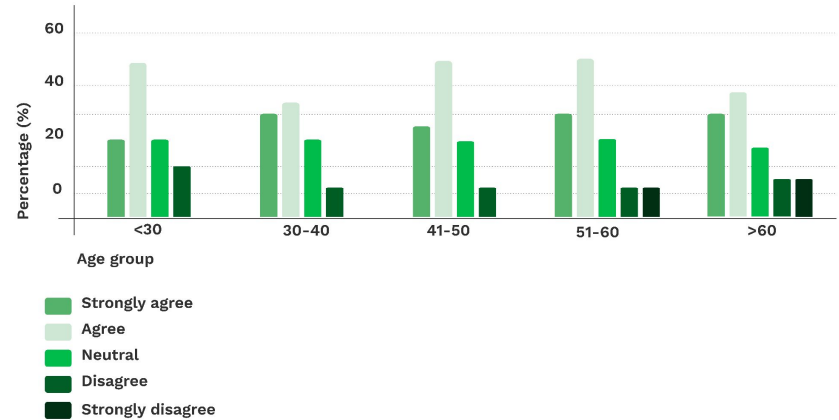
The 41-50 age group leads in advocating for automation, with an impressive **79.5% expressing strong support**. This mid-career segment seems well aware of the advantages of automation and is eager to see greater investments.

The over-60 age group, while being one of the older cohorts, shows solid support for automation as well at **69.2%**. This indicates that many senior finance professionals acknowledge the value of automation, despite their extensive experience with traditional workflows.

However, it's notable that the 50+ age categories are the only ones to report any “Strong disagreement” regarding further automation.

Interestingly, the under-30 age group, while generally supportive of automation, shows the least enthusiasm, with a combined support percentage of **67.7%**. This younger cohort's more reserved stance contrasts with the stronger support seen in other age groups.

## Belief In Automation Investment vs Age Group





# BIGGEST FINANCE TEAMS SHOW GREATEST SATISFACTION WITH AUTOMATION

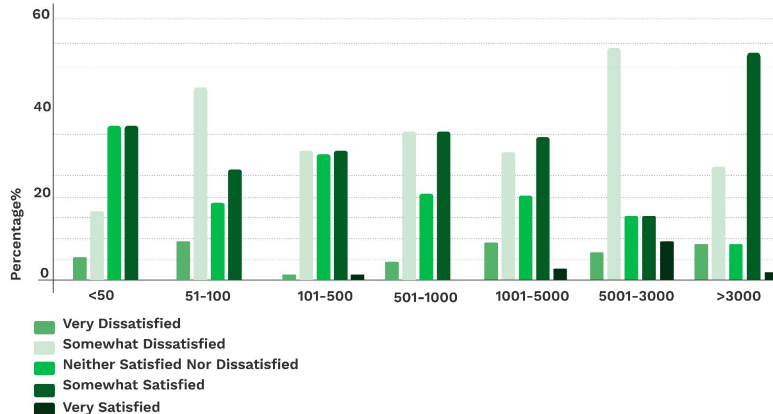
At **56.8%**, the level of perceived satisfaction in companies processing more than 30,000 invoices per month is significantly higher than in all other categories. The percentile difference ranges from 18.9% to 34.5%.

It's a safe bet that organizations with huge invoice volumes have made substantial investments in advanced automation technologies and are already reaping the benefits.

In contrast, companies in the **5,001 - 30,000 category**, as well as those with lower volumes, show much lower levels of satisfaction. This suggests that their current automation tools are not yet fully optimized.

System inefficiencies, poor usability, integration issues, and scalability problems were given as reasons for the low satisfaction.

### Automation Satisfaction Levels vs Monthly Invoice Volume





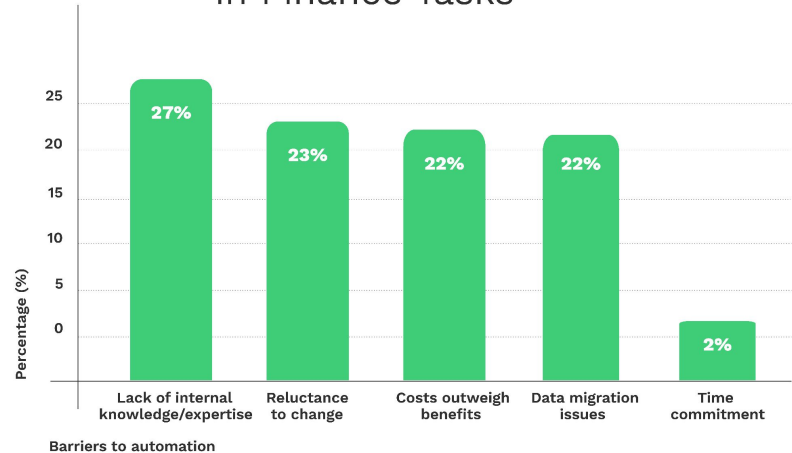
# FINANCIALS HESITATE TO IMPLEMENT MORE AUTOMATION DUE TO LACK OF KNOWLEDGE & EXPERTISE

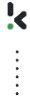
The most significant barrier to implementing more automation in financial tasks is the lack of internal knowledge or expertise, cited by **27.6% of respondents**. Reluctance to change is another major challenge, with **23.6%** of survey participants highlighting this issue. Resistance can stem from various factors, including fear of the unknown, comfort with existing processes, and doubts about the benefits of automation.

Additionally, **22.8%** of respondents feel that the costs of automation outweigh the benefits, suggesting that financial justifications and ROI analyses are crucial in convincing stakeholders of the long-term value of investments.

Data migration issues are perceived as a barrier by **22%** of respondents. This challenge involves the complexities and risks associated with transferring existing data to new automated systems.

### Barriers to Implementing More Automation in Finance Tasks





# DUPLICATE & FRAUDULENT INVOICES ARE THE NORM RATHER THAN THE EXCEPTION

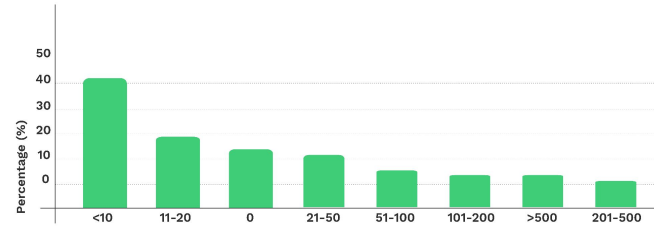
Whether they are deliberate actions to commit fraud or just simple mistakes, the fact is that duplicate invoices are commonplace. **41.4% of financials** encounter up to 10 double invoices per month. Another **44%** of organizations face higher frequencies of duplicates.

Only **14.6%** of respondents cited encountering no double invoices at all, which can either reflect highly accurate processes, or as savvy financials know, a complete lack thereof.

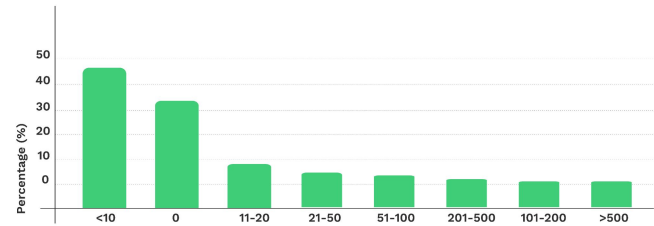
In terms of fraudulent invoices, nearly half of all respondents (**46.7%**) detect up to 10 fraudulent invoices, and **32.5%** report none. Some departments, especially in large enterprises, face more frequent fraud issues, in **5%** of the cases even more than 100 times per month.

In conclusion, proper fraud and error prevention methods are not a luxury but a necessity for finance departments.

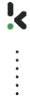
Average Number of Double Invoices Encountered Monthly



Average Number of Fraudulent Invoices Detected Monthly







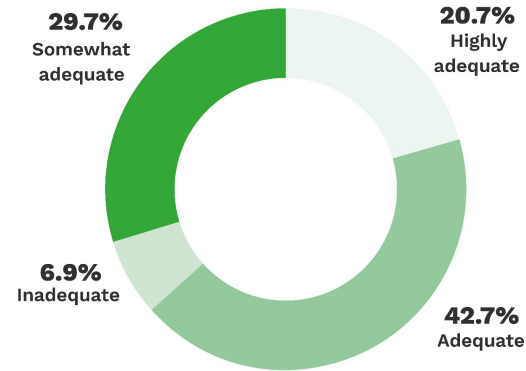
## MAJORITY OF FINANCE PROFESSIONALS HAPPY WITH FRAUD DETECTION MECHANISMS

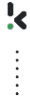
The fact that duplicate and fraudulent invoices do get found seems to translate to trust in the detection mechanisms in place. A vast majority of **63.4% of financials** indicated that their detection systems are either adequate or highly adequate.

Only **6.9%** of respondents reported that their detection systems are inadequate. In these organizations, there's still room for improvement and cost savings by using automated duplicate and fraud detection mechanisms.

No significant differences were found in relation to firm size, suggesting that regardless of size, most organizations have their detection systems in order.

How would you describe your system's adequacy in detecting double invoices and fraudulent invoices?





## INSIGHTS

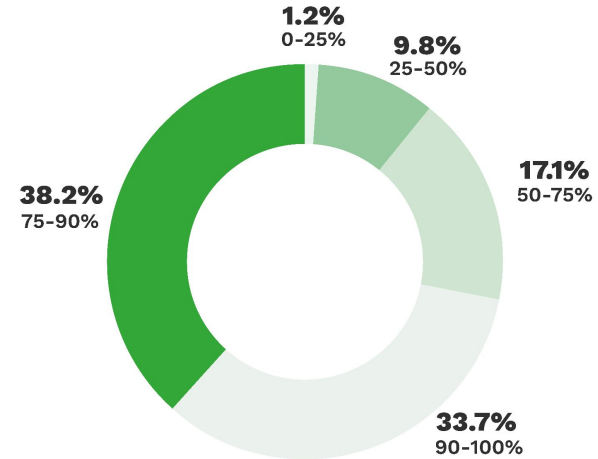
# 72% OF COMPANIES PAY MAJORITY OF INVOICES ON TIME

A majority of organizations are managing their payment processes effectively. **More than 70%** reported that between 75% and 100% of their invoices are paid on time. Encouragingly, **33.7%** of respondents pay 90%-100% of their invoices within the agreed payment terms. The high rates reflect well-established financial controls and efficient use of automation tools that streamline invoice processing and payments.

However, the data also reveals that **17.1%** of organizations only pay 50%-75% of invoices on time, indicating some inefficiencies that need addressing.

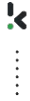
In most dire need for improvement are the **11%** of organizations which pay less than half of their monthly invoices on time. Targeted measures to improve payment processes, whether through better financial management, improved automation, or addressing external factors that impede timely payments are critical.

### On-time Payment Percentage of Monthly Invoice Volume



# **THE STATE OF AUTOMATION IN FINANCE**

## REGIONAL SPECIFICS



## REGIONAL SPECIFICS

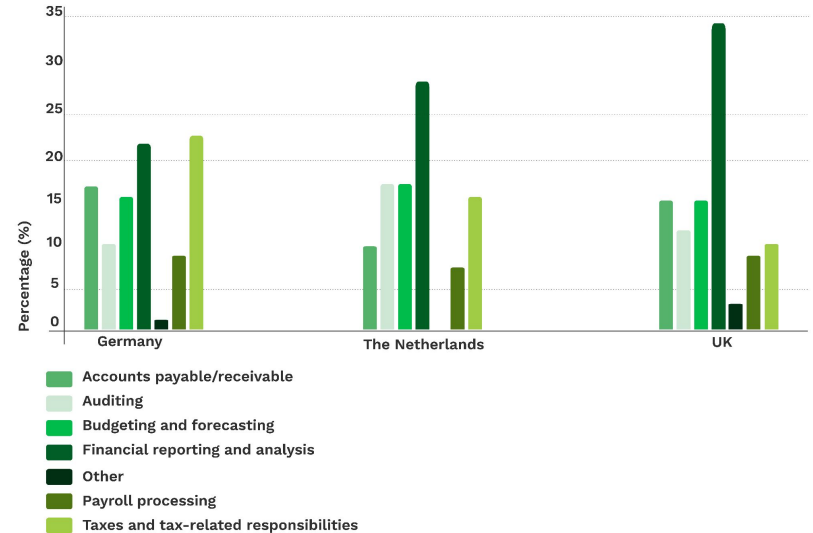
# GERMAN FINANCIALS POINT TO TAXES AS BIGGEST TIME WASTER

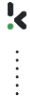
Financial reporting and analysis consistently ranks as the most time-consuming responsibility across finance departments in The Netherlands (**28.7%**) and the UK (**34.5%**).

In Germany, however, taxes are strikingly more time consuming (**22.9%**), especially in comparison with the UK (**10.7%**). German finance professionals consider tax-related responsibilities more than twice as time-consuming as their UK counterparts.

The German tax system is generally considered to be complex, involving numerous regulations that businesses must navigate. The many tax requirements apparently lead financials to see them as their biggest time killer.

## Geographical Differences in Time-Consuming Responsibilities





## REGIONAL SPECIFICS

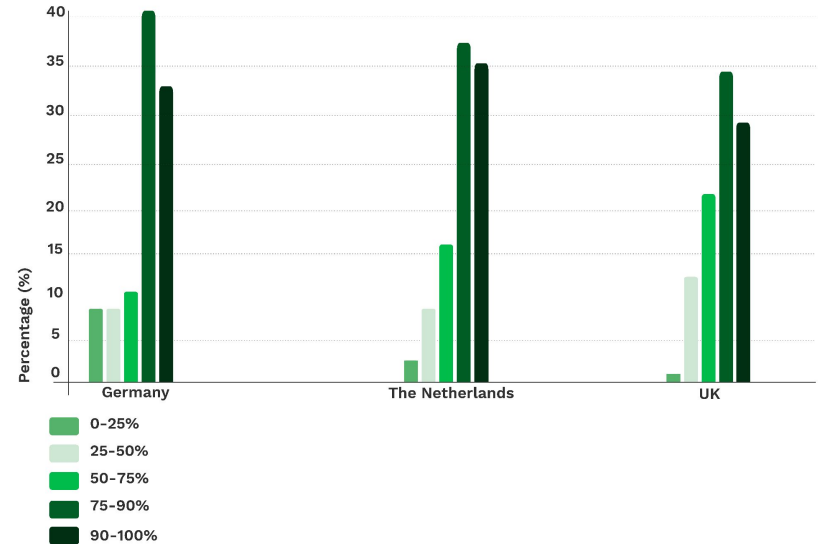
# GERMANY: LEADER IN ON-TIME INVOICE PAYMENTS

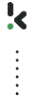
A large majority of German businesses manage to pay their invoices on time. **80.1% of German financials** indicate that more than 75% of their invoices are paid within the agreed payment terms.

Compared to the other surveyed countries, Germany ranks at the top in this area. The UK has the lowest percentage of on-time payments with **63.5%**, followed by the Netherlands (**72.8%**).

Measures such as implementing automated invoicing systems, offering multiple payment options, and regular follow-ups can help to improve the score.

### Percentage of monthly invoice volume paid on time





## REGIONAL SPECIFICS

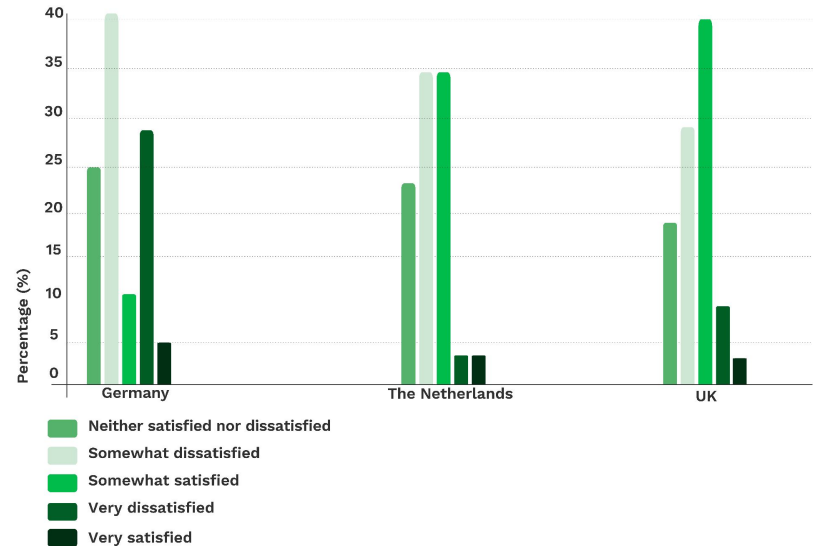
# MORE THAN 70% OF GERMAN FINANCIALS NOT SATISFIED WITH LEVEL OF AUTOMATION

**71.3% of finance professionals** based in Germany are not satisfied with the level of automation in their daily tasks. They are the least satisfied group across the surveyed regions.

In comparison, only **56.5%** in the UK, and **61.7%** in the Netherlands express not being satisfied with their current automations.

Is it because there's still a lot of day-to-day paperwork in Germany? Or are German financials simply more demanding of their automation software? That's something to find out in future research.

## Satisfaction with Financial Task Automation





## REGIONAL SPECIFICS

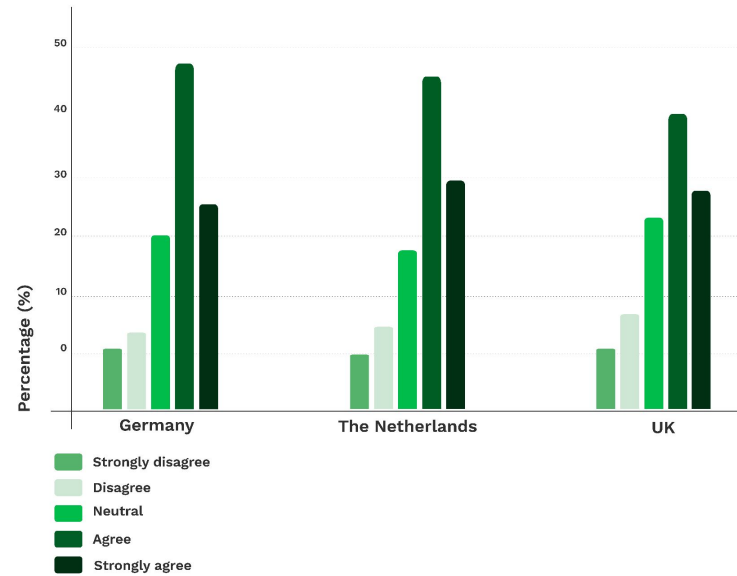
# DUTCH FINANCIALS LEAD THE CHARGE: 76.5% DEMAND BOOST IN AUTOMATION INVESTMENT

Finance professionals in the Netherlands are at the forefront of advocating for greater automation, with **76.5% of respondents** supporting increased investment in technology.

Germany follows closely behind, with **75%** of finance professionals expressing support for more automation. The UK, while also showing a majority favoring increased automation at **68.2%**, is behind its European counterparts in this regard.

Although the overall response to automation is positive, there are some notable differences in levels of dissent. In the UK, **8.2%** of respondents either disagree or strongly disagree with further investment in automation, the highest rate of opposition among the three countries.

## Geographical Differences in Opinions on Automation Investment





## REGIONAL SPECIFICS

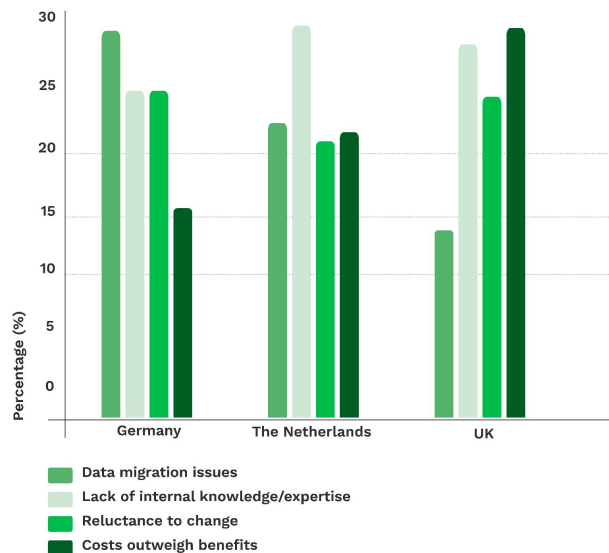
# 30% OF DUTCH FINANCIALS CITE KNOWLEDGE DEFICIT AS BARRIER TO MORE AUTOMATION

In the Netherlands, a lack of internal knowledge and expertise was reported as most significant hurdle by **29.6% of respondents**. The high percentage reflects a critical gap in the skills and knowledge necessary to implement and manage automation effectively.

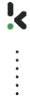
UK-based financials see costs outweighing benefits as top barrier, with **29.4%** of British respondents citing this concern.

Data migration issues accounts as biggest challenge to automation for **28.7%** of German respondents. Finance departments in Germany seem wary of the perceived risks and resource investments required for successful data migration, which could potentially lead to disruptions in their current operations.

## Top 4 Perceived Barriers to Automation vs Geographical Location







## REGIONAL SPECIFICS

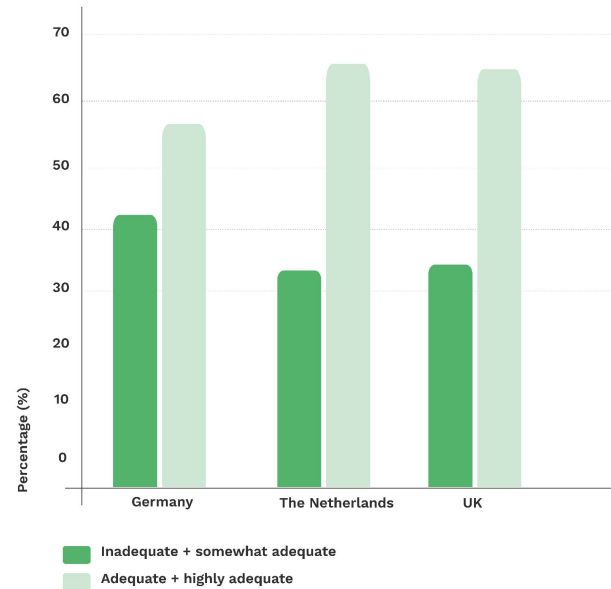
# DUTCH FINANCIALS MOST SATISFIED WITH FRAUD & DUPLICATE DETECTION MECHANISMS

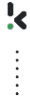
Finance professionals in the Netherlands exhibit the highest level of confidence in their systems for detecting duplicate and fraudulent invoices. Exactly **two-thirds of the respondents** rated their systems as adequate or highly adequate, reflecting strong trust in their current tools.

German financials, on the other hand, expressed mixed feelings about the adequacy of their systems' capabilities. **42.5%** identified their error and fraud detection systems as either inadequate or just somewhat adequate, indicating that there remains significant room for improvement.

Meanwhile, UK finance professionals seem to agree with their Dutch counterparts, with **65.9%** rating their systems as either adequate or highly adequate.

### System Adequacy in Detecting Double and Fraudulent Invoices by Location





## REGIONAL SPECIFICS

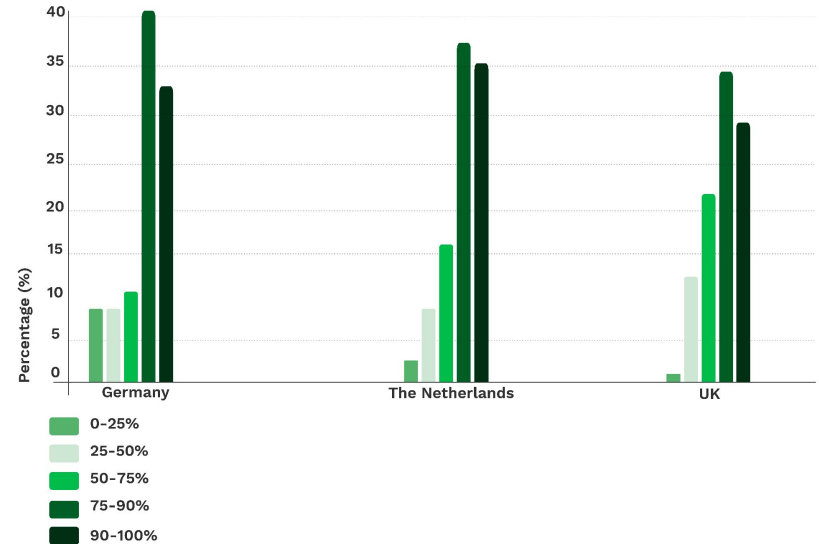
# ONE THIRD OF UK BUSINESSES FAIL TO PAY INVOICES ON TIME

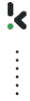
More than a third of UK businesses are failing to pay their invoices on time. **36.5% of UK financials** indicate that less than 75% of their invoices are paid within the agreed payment terms.

Compared to the other countries surveyed, the UK ranks at the bottom in this area. Germany has the highest percentage of on-time payments with **80.1%**, followed by the Netherlands (**72.8%**).

Measures such as implementing automated invoicing systems, offering multiple payment options, and regular follow-ups can help to improve the score.

### Percentage of monthly invoice volume paid on time





## REGIONAL SPECIFICS

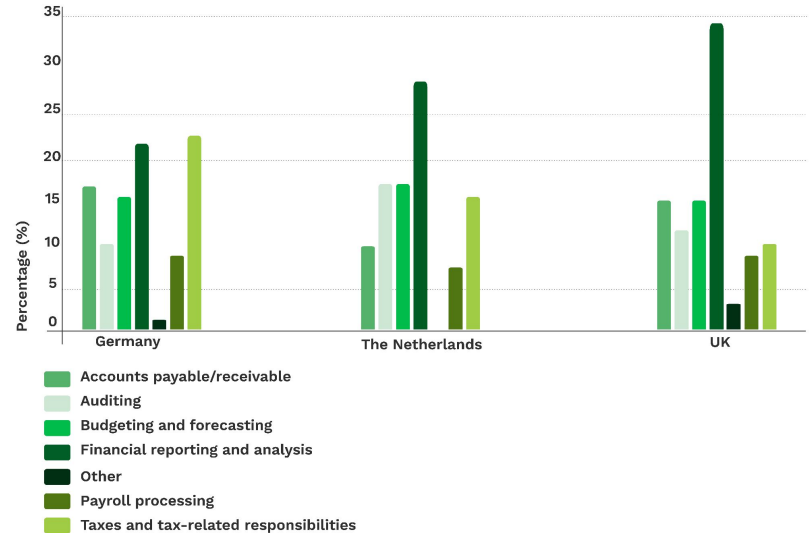
# UK FINANCIALS LEAST CAUGHT UP BY TAX-RELATED RESPONSIBILITIES

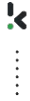
Financial reporting and analysis consistently ranks as the most time-consuming responsibility across finance departments in the UK (**34.5%**) and The Netherlands (**28.7%**).

In the UK, however, taxes are considered to be significantly less time-consuming (**10.7%**), especially in comparison with Germany (**22.4%**). From the investigated regions, the UK scores best in this area.

Although most respondents think tax reform will positively impact growth in the UK in the near future, they don't seem to worry about the time tax-related tasks take.

## Geographical Differences in Time-Consuming Responsibilities





## REGIONAL SPECIFICS

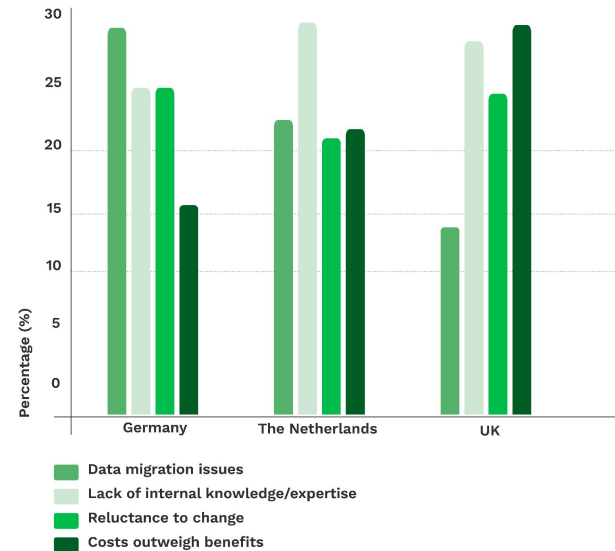
# UK FINANCE PROFESSIONALS MOST CONCERNED ABOUT COSTS OF AUTOMATION

UK-based financials see costs outweighing benefits as top barrier, with **29.4% of British respondents** citing this concern. Clear cost-benefit analyses, as well as more compelling value propositions to justify expenditures associated with automation technology adoption could help clear this hurdle in the British isles.

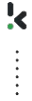
In the Netherlands, a lack of internal knowledge and expertise was reported as most significant hurdle by **29.6%** of respondents.

Data migration issues accounts as biggest challenge to automation for **28.7%** of German respondents. Finance departments in Germany seem wary of the perceived risks and resource investments required for successful data migration, which could potentially lead to disruptions in their current operations.

## Top 4 Perceived Barriers to Automation vs Geographical Location



# ABOUT KLIPPA

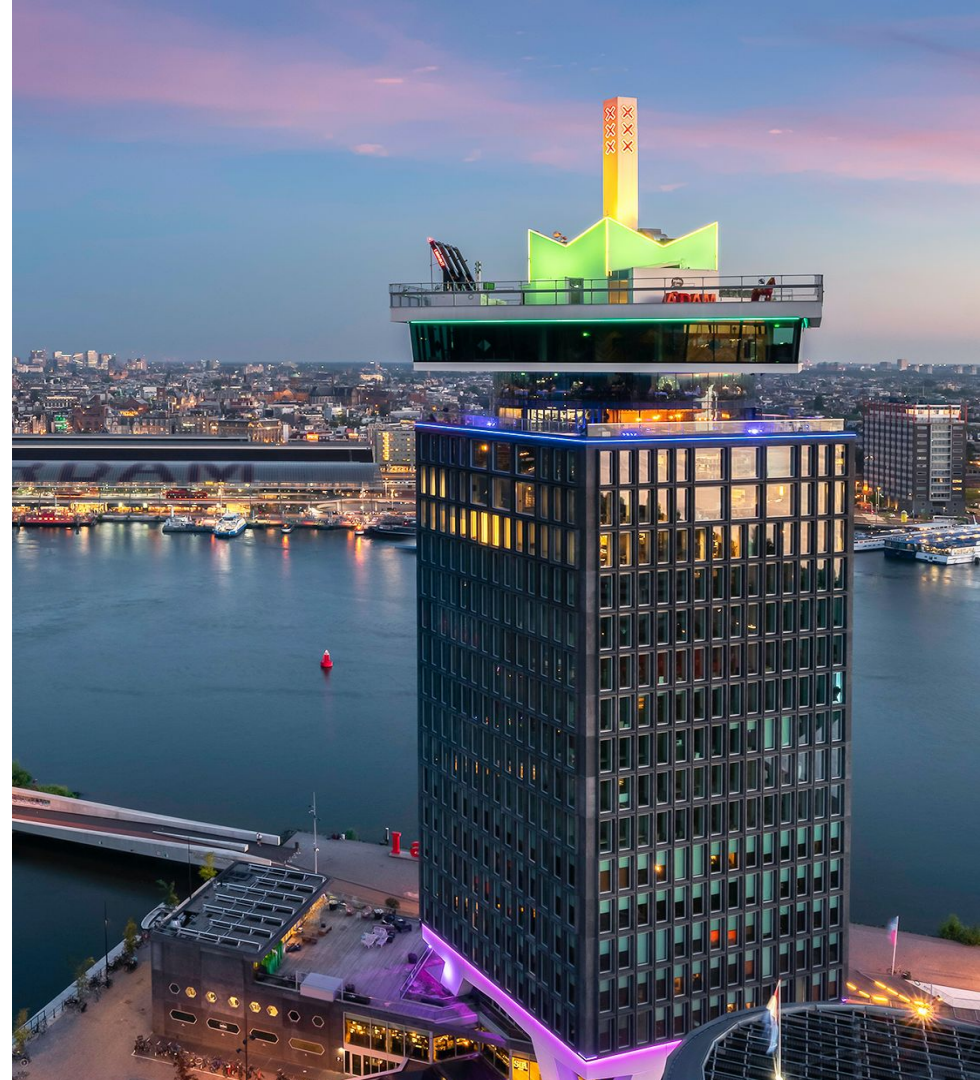


## OUR STORY

Founded in 2015, Klippa is on a mission to digitize and automate tedious and costly administrative workflows.

Our solutions leverage AI and [Optical Character Recognition](#) to automate tasks like reading, sorting, extracting, approving, and verifying information. This automation helps businesses effectively manage workflows with fewer office staff, directly addressing labor shortage issues.

Klippa has expanded globally, now serving over 1,000 clients across the world, with offices in Amsterdam, Groningen, Hamburg, and Brasov (Romania). Our rapid growth was recognized in 2022 and 2023 when we were named among the Deloitte Technology Fast 50.



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