

Report:

Risky Business – analysing the state of UK business processes

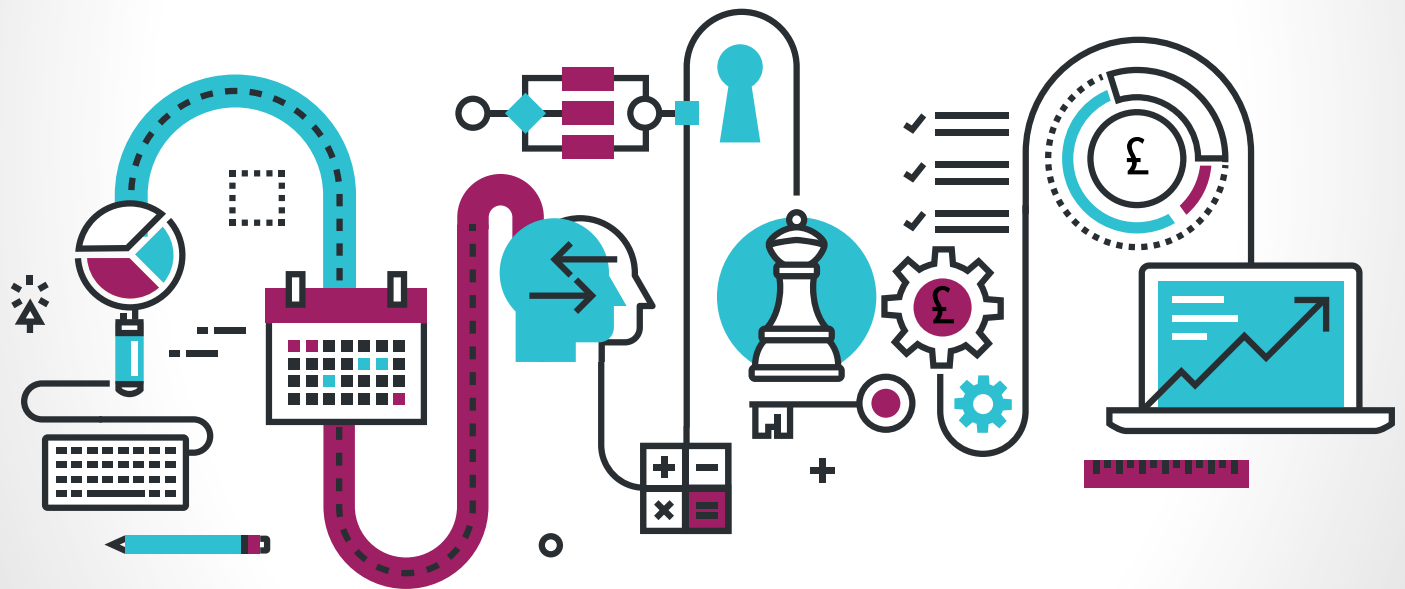


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Executive Summary

Efficient processes are a hallmark of any successful business. Very rarely – if ever – will you find a company doing well when its processes are cumbersome and stop employees doing their jobs easily.

Many businesses are turning to technology investment to help improve how they deal with daily tasks like payments, purchases and dealing with documents. But the questions remain, are they investing in the right technology, and are they implementing it correctly?

There is also the issue of whether some businesses are still refusing to invest in technology at all.

This report investigates the attitudes of financial workers towards their business on issues including adopting new technology, business processes and document management, adapting to the cloud and dealing with data privacy rules and regulations.

The report also seeks to understand the willingness of UK businesses to implement new technology and whether we are a country of businesses willing to take risks with unproven technology or a more wary economy more likely to choose established, proven technology.

Background

This report is based on the views of **1,000** financial and accounting workers from small (**1-49** employees) medium (**50-249** employees) and large companies (**250** plus employees) in the UK.

The data was gathered in October 2019

HIGHLIGHTS

- **29%** of finance workers fear their company could go bust over failures to adapt to technology or implement it properly
- Smartphone apps are the least trusted (**29%**) when it comes to keeping personal data secure
- **58%** of respondents are more likely to trust a large organisation to keep their data secure over a small or medium sized company
- Security remains the number one concern among finance teams when it comes to storing data in the cloud
- Only **43%** of finance workers say their business has taken steps to improve data protection in line with GDPR compliance. This, despite **81%** saying GDPR has made their company more aware of data privacy issues
- **68%** of people have chosen NOT to unsubscribe from an email for fear the unsubscribe button contained a virus
- **31%** of respondents say they most fear being blamed for an AI platform's mistakes as a top reason not to use the technology
- **One in 10** companies still require employees to print documents to be dealt with manually
- Small businesses are least likely to put strict controls on staff when it comes to buying things for the business (**38%** compared to **62%** of large companies)
- Brexit (**28%**) remains employees' biggest concern when it comes to their company's future
 - Their company's adaptability to change is second (**26%**)
 - Management's future direction for the business is third (**25%**)
- **77%** say their company uses external storage space to store paper documents (both their own and clients)
- A third (**33%**) of employees say their day is frequently disrupted looking for lost or difficult to find documents

Adopting and adapting to new technology

Less than half (**45%**) of finance workers think their company can quickly and effectively adapt to change. More than one in four (**29%**) think their company could go out of business because it's so bad at adapting to change. Of that **29%**: **16%** think their company brings in technology too often with no strategy, **13%** think their company struggles to adapt to new technology as a whole.

Even of those who don't think their company's future is at risk, **16%** still agree that their business is too slow to adapt to new technology.

INNOVATIVE VS PLAYING IT SAFE

45%

the proportion of finance workers who say their company is “innovative” and willing to take risks on unproven technology

46%

the proportion of finance workers who say their company is risk averse and only adapts proven technology

9%

the proportion of finance workers who say their company is against adopting new technology at all.

Are UK businesses good at implementing new technology? Just more than half (**52%**) of finance workers say their company is “very effective” at bringing in new technology.

38% - those finance workers who say their company is effective at rolling out new technology, but experience problems in the short term

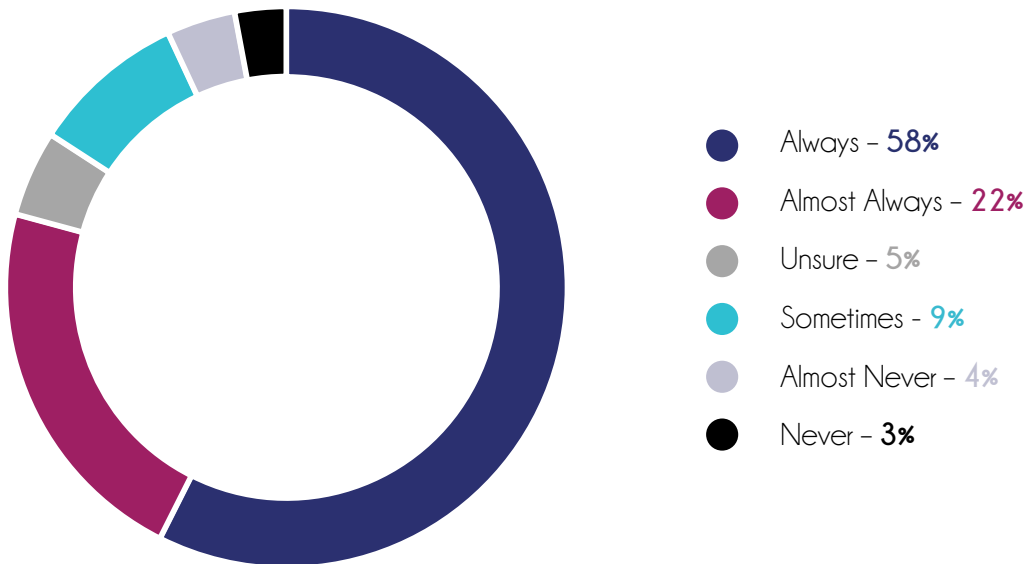
8% - those who say their company is “not very effective” at technology adoption

However, those working for larger companies are more likely to agree that their business is very effective at rolling out new technology:

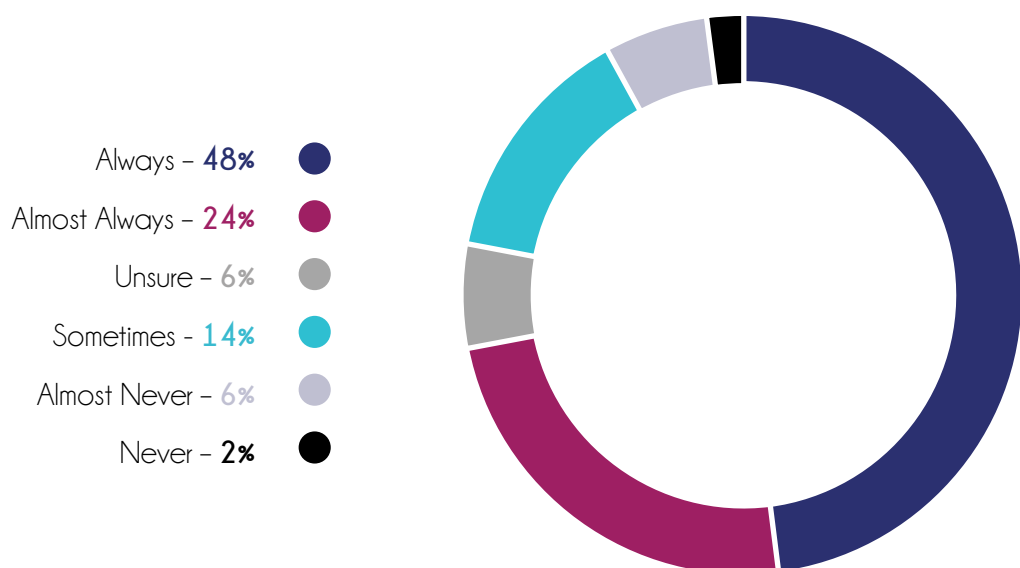
No. of employees	% very effective
1 to 99	32%
100 to 499	40%
500 to 999	60%
1,000 to 4,999	65%
5,000+	60%

What's in that fine print?

How often do you read the Terms & Conditions when signing documents or making purchases for your business?



How often do you read the Terms & Conditions when signing documents for personal purchases?



Dealing with documents

Businesses produce masses of documents on a monthly, weekly and even daily basis. From contracts, to purchase orders, to receipts; all of this information has to be created, dealt with and filed so it can be easily found again.

Trying to do all of this manually with paper documents can be cumbersome and time consuming for staff.

But change is on the horizon with new electronic based systems. More than half (**58%**) of finance workers say that their company is now using some form of electronic document management system to file attachments, with **40%** using automatic filing platforms.

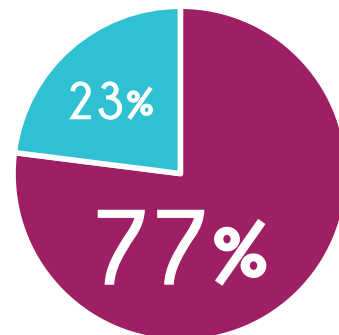
However, this still leaves a significant proportion whose company is still relying on central servers and manual storage:

- **18%** store documents as attachments in their emails to be retrieved when they are needed.
- **11%** file all attachments on a shared company server and **5%** store attachments on a personal server.
- **8%** use a more convoluted approach and print attachments out and then scan them back into their company system to be stored digitally once they've been dealt with.

A very small proportion (2%) print attachments and store them manually in paper form.

Does your company use external storage space to store paper documents?

- Yes
- No



Perhaps more worrying though, is that **77%** of finance workers say their company continues to use external storage space to store paper documents – potentially raising concerns over security and data privacy.

With so many documents being produced and dealt with, failing to manage them properly can lead to inefficiency and delays in processes.

And this, unfortunately for many businesses, is exactly what is happening, with **33%** of finance workers claiming they frequently feel their efficiency is reduced by the amount of lost or hard to documents they have to deal with on a daily basis.

More than half (**52%**) say they “occasionally” feel that they are made less efficient by the way their company deals with documents. **12%** - finance workers who claim they never feel less efficient at work when it comes to finding and dealing with documents.

Trust and data security

Scandals like those involving Facebook and Cambridge Analytica have put data privacy and security squarely in the spotlight; putting more pressure on businesses to protect our private information.

When it comes to who we trust most with our data, online businesses like Amazon enjoy the highest level of trust with **52%** saying they would trust these businesses most to keep sensitive data secure.

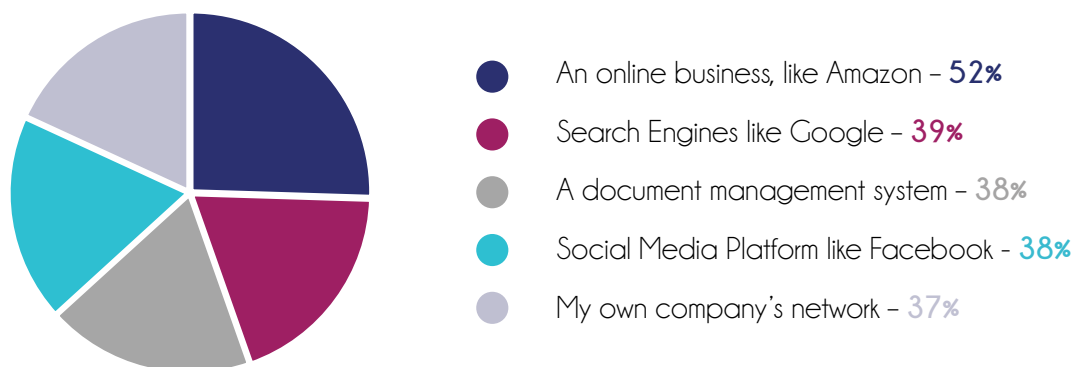
Search engine providers (**39%**) are the second most trusted, with document management systems and social media platforms coming next (**38%**) followed by businesses' internal computer networks and personal laptops and computers (**37%**).

Smartphone apps are least trusted with only the option of keeping information on paper and locked in a filing cabinet having the same low level of confidence (**29%**).

Perhaps because it is assumed that they have more money to invest in security, large businesses are most trusted with data security (**58%**) followed by medium sized companies (**24%**) and small businesses (**11%**).

However, this research has also uncovered a tribal attitude among workers based on the size of the company they work for. Those working for small businesses for example are more likely to trust other smaller businesses with their data. The same goes for employees of large businesses who would most trust other large companies with data security.

Which of the following do you most trust to protect your sensitive data?



What sized company do you most trust to protect your sensitive data?

- A large enterprise – **58%** overall (**81%** of those working in companies with 5,000+ employees compared with **27%** in small companies)
- A medium sized business – **24%** overall (**41%** of those working in companies with 100-249 employees compared to **20%** of those in small companies and **13%** in large companies)
- A small business – **11%** overall (**27%** of those working in companies with 1-24 employees compared with **2%** of those in large companies)

Documents in the cloud



Security remains the main concern about putting data into cloud platforms, with **50%** of finance workers citing this as the biggest reason they're hesitant about using the technology.

This is followed by concerns over back-ups and data recovery (**37%**) and the risk of loss or corruption of data (**31%**).

The other reasons people are still not convinced about the cloud:

- Control over access - **29%**
- Location of the data (particularly personal data) - **24%**
- Inappropriate or erroneous data sharing - **23%**
- Loss of internet connectivity - **21%**
- The cloud is "too expensive" - **16%**



"Many of the concerns about cloud security stem from the feeling of an absence of visibility and control of data once it is in the cloud and a lack of knowledge about how cloud platforms work. In reality, the platforms offered by the big three, Microsoft, Google and Amazon, are at least as secure as most premises based networks."

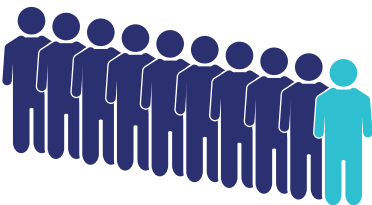
"Typically the biggest risk in both cases is the user rather than the infrastructure, with socially engineered attacks like clicking on links in emails and attacks on identity amongst the biggest concerns."

GDPR

Less than half of UK businesses (**43%**) have introduced new policies and processes to ensure they are compliant with GDPR – despite the regulation coming into force almost 18 months ago.

This is despite **81%** of finance workers saying GDPR has made their company more aware of the risks of security and the need for stricter privacy regulations.

Even with the increased awareness, **57%** of businesses have chosen not to introduce any new procedures or policies.



Almost one in 10 finance workers (**8%**) went so far as to claim their company had carried on as if GDPR hadn't come into force and had paid no attention to any new privacy or security policies they might need to implement.

Small businesses in particular appear to be running a risk with GDPR compliance with just **29%** having introduced new policies for data handling – despite **60%** admitting to being more aware and concerned of the risks.

Companies (by size) yet to implement new data privacy and security measures in line with GDPR compliance requirements

1-24 employees: 71%	500-999 employees: 62%
25-99 employees: 57%	1,000-4,999 employees: 55%
100-249 employees: 60%	5,000-9,999 employees: 52%
250-499 employees: 47%	10,000+ employees: 61%

“The scale of penalties issued by the ICO, UK Information Commissioners Office, in recent months should have helped focus the attention of UK Business leaders on this issue. You only need to consider the record £183.39 million penalty issued to British Airways for data security failures under GDPR.”

“This just shows that GDPR fines are a real threat to those businesses not doing enough to protect Personal Data. I would have expected many more businesses to have taken at least some precautions by now - but this data suggests many have not”

How has GDPR made a difference to your company?

It has made my company more aware of the need for data privacy only – 38%

It has made my company more aware of the need for data privacy, and policies & processes have been put in place to improve compliance – 43%

It has made my company worried about the requirements surrounding data privacy without necessarily introducing any improvement – 9%

It has assured my company that it already had data privacy concerns covered – 8%

Fear of AI and Automation in the workplace

Nearly a third of finance workers in UK businesses (**31%**) fear they will be blamed if AI systems introduced by their company make a mistake – citing this as one of their biggest concerns about the roll out of AI within finance departments.

Part of this fear is fanned by the fact that **27%** believe their company lacks the technology skills to be able to set up, implement and use AI properly. But for **33%** of finance workers, AI is simply just another technology platform that they don't want to have to learn on top of everything else.

For others, (**25%**), they most fear that they will end up losing control over processes if an AI platform was set up within their company with another **22%** adding they fear an AI platform, which could automate processes within their department, would eventually take over their job.

Other reasons finance workers are concerned about AI include:

- Negatively impacting the customer experience (**21%**)
- Negatively impacting customer relationships (**19%**)
- Overall lack of trust in the technology (**14%**)

“There remains a group within the workforce who are convinced that technology is a job stealer, but this really does just underline a lack of understanding about the limitations of technology – including AI.

“The fact is that you need the people – even in the background – who need to program the technology properly in the first place and then be ready to step in when something goes wrong, and something will inevitably always go wrong.

“This is very much a management point to quell these fears among the workforce that technology is something to be feared and begin to get buy-in from employees so the technology works properly, and workers can be deployed in more effective ways.” – Ian Smith, GM and finance director, Invu

The benefits of AI and automation

While some people have concerns about the emergence of AI in the workplace, others are far more optimistic and see the technology as something that will enhance their finance department, rather than take over.

And while the specific benefits differ by worker, it is clear that the main perceived benefits are in improving a business' profitability and employee satisfaction, as well as improving the customer experience.

The main benefit of AI is that it will make finance teams more productive, according to **44%** of finance workers, with **37%** seeing AI as the thing that will help their company stay competitive and ahead of the competition.

More than a third (**35%**) of finance workers think AI will help them do their jobs better by providing accurate information quicker, while others (**22%**) think the technology will take away the boring, repetitive parts of their job – like data entry.

25%

Percentage of finance workers who see AI as a recruitment tool to attract talent interested in working with the latest technology

21%

Percentage of finance workers who think their business could hire more people with the cost savings made by using AI

Perhaps not surprisingly, it is those working within larger organisations that are most optimistic about the introduction of AI into their business.

For instance, **55%** of those working for a business with 1,000 to 4,999 employees say improved productivity will be the main benefit, compared to **38%** of those working for a business with 100 to 249 employees.

Security paranoia

68%

the percentage of people who have chosen not to unsubscribe from spam emails for fear the link to unsubscribe could contain a virus.

Younger people in particular are concerned about this possibility with **64%** preferring to live with a jammed inbox than risk downloading a virus, this is compared to **41%** of those aged 55 and over.



"It is encouraging to see that a relatively large proportion of respondents are aware of, and vigilant about, clicking on links from unknown recipients. In security only the paranoid survive."

Company admin (filing expenses, buying things for the business)

41%

Percentage of finance workers who say their company makes it easy for them to file expenses

11%

Percentage of finance workers who say their company makes it difficult for them to file expenses

Employees at large companies (5,000+ employees) have an easier time claiming their expenses – **54%** at these companies describe the process as “very easy”

Employees at small companies (100-249 employees) have the hardest time with **15%** describing the process as difficult, the highest proportion of any business.



Purchase controls

There is always a juggling act when it comes to purchasing processes between putting in controls and having visibility over who is buying what, and ensuring only authorised people are making purchases, without destroying convenience for employees and not making purchasing too complicated and burdensome.

For the majority of businesses in the UK (**51%**), the focus is very much on implementing strict controls over how employees can buy things, with large companies (**5,000+** employees) leading the way.

62% of employees in companies with more than **5,000** employees describe their company's purchase processes as "very controlled" – this is compared to **40%** working in businesses with between **25-249** employees.

The smallest companies (**1-24** employees) are the ones taking the biggest risk with purchasing policies with **11%** of employees saying there is no control over how employees can make purchases for the business.

Getting control over purchase processes is a critical duty of any business or finance department and recent headlines including the likes of Patisserie Valerie demonstrate what can happen when a company loses visibility of its commitments.

Clearly there is some recognition of this among some companies which are putting controls on what employees can and can't do around supplier purchases.

The key however is putting in strict enough controls that don't create an excess of admin that slows down purchases or makes peoples' jobs harder.



Threats to business

With the UK heading towards the exit door of the EU, most finance workers (**28%**) say they are most concerned about the impact of Brexit when it comes to their company's future.

Next is concerns over their company's adaptability to change (**26%**) and senior management's planned direction for the future of the business (**25%**).

Political discourse makes up a number of the Top 10 concerns held by UK employees.

Political polarisation is a major concern for (**21%**) of people, competition from the developing world (**24%**) and climate change (**23%**) all placed highly among the biggest concerns.

Outside of politics, poor business processes (**22%**), the rise of robotics and automation (**21%**) the skills gap and lack of education for new workers (**20%**) and general recruitment (**16%**) make up the rest of workers' biggest worries over their company's future.

“The uncertainty around Brexit has been a real killer for businesses because no-one seems to have any idea what is happening or what is going to happen. Even if there is a deal agreed we're still looking at Brexit being a problem for another decade with our settlement with the EU and agreements that need to be signed.

“Employees are right therefore to be concerned about the implications because we need to know what it means for businesses.”

KEY TAKEAWAYS

- Implementing new technology that improves productivity and empowers the end user to perform better for the business should be a major goal of any modern company.
- However, there is a significant percentage of finance workers within UK companies that have genuine concerns about their business' ability to adapt to new technology – or keep up with technology at all.
- The fact that nearly three in 10 finance workers (**29%**) fear their company could go out of business because they're so bad at adopting new technology demonstrates the dire situation within some UK businesses.
- How businesses are dealing with stricter data protection regulations (and GDPR in particular) is another area of concern with just **43%** of finance workers saying their business has taken steps to improve data protection policies in line with GDPR. This is despite 81% saying they are now more aware of the requirements and risks around the data law.
- The rise of AI within finance has been a hot topic for many years and employees are currently split between those who see the benefit and those who still harbour concerns. Among the biggest concerns is that businesses lack the skills to be able to introduce AI properly, which is leading to a wider concern that people will be blamed if the AI system makes a mistake.
- Others, however, welcome the arrival of AI within their business seeing it as a means of improving the quality of the work they do while also helping as a recruitment tool for the new tech savvy generation.

About Invu Services Ltd

Founded in 1997, Invu develops Electronic Document Management (eDM), Accounts Payable (AP) and Purchasing solutions for a range of sectors, particularly those which are highly document dependent, or where compliance is important. Invu's comprehensive product suite encompasses document and content management, workflow, document automation and collaboration solutions.

More info is available at www.invu.net

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The logo for INVU, featuring the word "INVU" in a bold, dark blue, sans-serif font, followed by a colon ":" consisting of two small red dots.