



EXECUTIVE BRIEF

Drive real-time business insights with continuous intelligence

FINANCIALS & SUPPLY MANAGEMENT

Continuous intelligence has become a necessary process enabler that can help you make better, more informed decisions and gain a competitive edge. **Eighty-eight percent of C-suite executives agree** on the business value of continuous intelligence and believe they will benefit from it.

Gartner defines **continuous intelligence** as “a design pattern in which real-time analytics are integrated into business operations, processing current and historical data to prescribe actions in response to business moments and other events.”

While machine learning can systematize routines, data gathering, consolidation, pattern determination, and analysis to facilitate informed decision-making in near real time, continuous intelligence can make your operations smarter with increased purchasing power, and improve the accuracy and timeliness of your financial reporting.

Today’s complex business environment requires leaders like you to leverage real-time data insights to improve operational performance. One of the ways you can do this is through continuous intelligence.

Advancements in artificial intelligence

Advancements in workplace applications with artificial intelligence have systematized many mundane tasks and routines. These advancements introduced a major shift in operations, empowering administrators, managers, and controllers to transition from being gatekeepers to business partners. Instead of feeling stifled, they have more opportunities to contribute. As a result, strategic objectives are emphasized more frequently, and teams are more passionate about their work.

Continuous intelligence empowers you to take a deep dive into large volumes of data, events, and scenarios. This encourages users to create strong recommendations for: making requisitions, while keeping the inventory lean; selecting vendors that will add value to the organization; contracting supplies to improve profitability; and defining terms and conditions that will allow your organization to negotiate from a position of strength. Continuous intelligence enables your controller to have greater control by providing a realistic overview of funds available to meet future payables, obligations, and investment. And, it can monitor activities to reduce risks caused by bottlenecks in approvals and inefficient warehouse picking. The benefits of continuous intelligence can be felt in different departments and, more importantly, allow your organization to focus on employee empowerment and process optimization.

Reduce requisition risks and make better operational decisions

Advanced contract analysis: Contract management plays a crucial role in driving out product variation and costs within an organization. Machine learning can enhance your contract performance in several ways. First, machine learning can help predict contract activity by understanding the impact of contract changes to the behavior of vendors involved in negotiation. This can help speed up the negotiation process and improve your negotiating position. Second, machine learning can track and understand whether the expected values associated with the agreed terms and conditions were achieved. Machine learning notifies your contract manager if there were deviations from the agreed terms and conditions.

This enables your contract manager to address them immediately. Third, machine learning can determine which items or purchases should be included in a contract. This affords you the opportunity to negotiate contracts from a position of strength. Lastly, machine learning can predict sub-optimal terms and conditions and prevent them in future contracts.

Manage vendor performance: You're busy with the day-to-day activity of working and communicating with vendors. Because of the volume of data and other factors, the analysis of which vendor performs best is often set aside. With machine learning, vendor performance is analyzed holistically for an accurate performance rating according to industry standards. The Office of Inspector General (OIG) checks the List of Excluded Individuals and Entities (LEIE) to ensure vendors are not on the excluded provider listing. This ensures accuracy and compliance to organizational requirements, which can significantly reduce your penalties.

Predict bottlenecks: Approval workflows are mostly based on two-dimensional matrices that list various conditions based on which approval levels are triggered. Machine learning can identify benchmarks and bottlenecks in the requisition approval workflow and send reminders to your responsible parties, thereby significantly speeding up your approval process.

Forecast demand: Ad hoc orders caused by stock-outs are costly and unproductive. Preventing this requires a proactive approach through the advance calculation of demand. Machine learning can analyze patterns in item requisitions, which aligns purchasing and stocking activity. Machine learning can also call out requisition anomalies simultaneously. Item demand can come from different sources such as electronic health records. Moreover, machine learning can ensure that deviation in demand is identified and managed, with results like improved patient care or significant reduction of supply chain failures.

Optimized item picking: Replenishment is one of the major activities in supply chain management and can now be optimized through grouping commonly picked items physically closer to each other. Machine learning can analyze your picking information through time and provide information that helps arrange items closer to each other. Machine learning also provides you with greater visibility for high, medium, and low-moving items.

Improved accuracy and performance to make better financial decisions

Direct forecast: Your CFO, finance controller, or cash manager should always have a timely, realistic, and accurate overview of their receivables and payables. As these working capital items significantly impact the cash flow of your organization, a realistic overview lets them know if there are sufficient funds available to meet their payables and payroll obligations, or excess funds to invest in the market. A direct forecast is based on the due dates of the receivable and payable invoices. A direct forecast is a projection of the net position for a period range or on a given date. Machine learning is used to suggest the expected cash date for future due invoices on the basis of the payment dates of historical receivable and payable invoices. Machine learning uses trends in invoicing and payments to predict future invoices and their respective cash dates. As the predictions are based on past payment patterns, they provide you a more realistic, timely, and accurate picture of the expected inflows and outflows.

Fine-tune match tolerance: Match tolerances are used to determine an acceptable discrepancy between invoice and receipt/purchase order amounts. Many organizations will utilize a single tolerance definition for all or most of the vendors with whom they do business. It takes some time and a lot of trial and error to arrive at a correct tolerance that is going to provide a high invoice match rate, while ensuring invoice amounts are accurate. But, once found, an accurately defined tolerance helps optimize your profitability by reducing employee costs as maximum invoices are automatically matched without human intervention.

It also helps reduce your risk of overpay when the invoice amount exceeds the purchase order but remains within match tolerance levels. Machine learning can review the matching history and quickly suggest efficient tolerance limits per vendor. Apart from reducing time and costs by automating exception matching, machine learning also helps reduce the time and costs required to arrive at the perfect tolerance and the time required to process invoices for prompt payments.

Gain insights with continuous intelligence

Continuous intelligence can empower your stakeholders with accurate and actionable data, providing greater insight, improved collaboration, and higher productivity. Together with machine learning, you can systematize routines, data gathering, consolidation, pattern determination, and analysis to create strong recommendations for operations and finance. For modern organizations, continuous intelligence can drive real-time business insights you can use to overcome uncertainty and stay competitive.

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