



# BILL 2024 State of Financial Automation

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Financial management insights and trends

REPORT BY BILL AND SMB GROUP

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## Introduction

**Robust financial processes and timely, actionable insights are not just beneficial—they're crucial for growth and survival.**

For businesses large and small, technology and automation have become indispensable tools for financial professionals, empowering them with efficiency and insights to help improve financial performance.

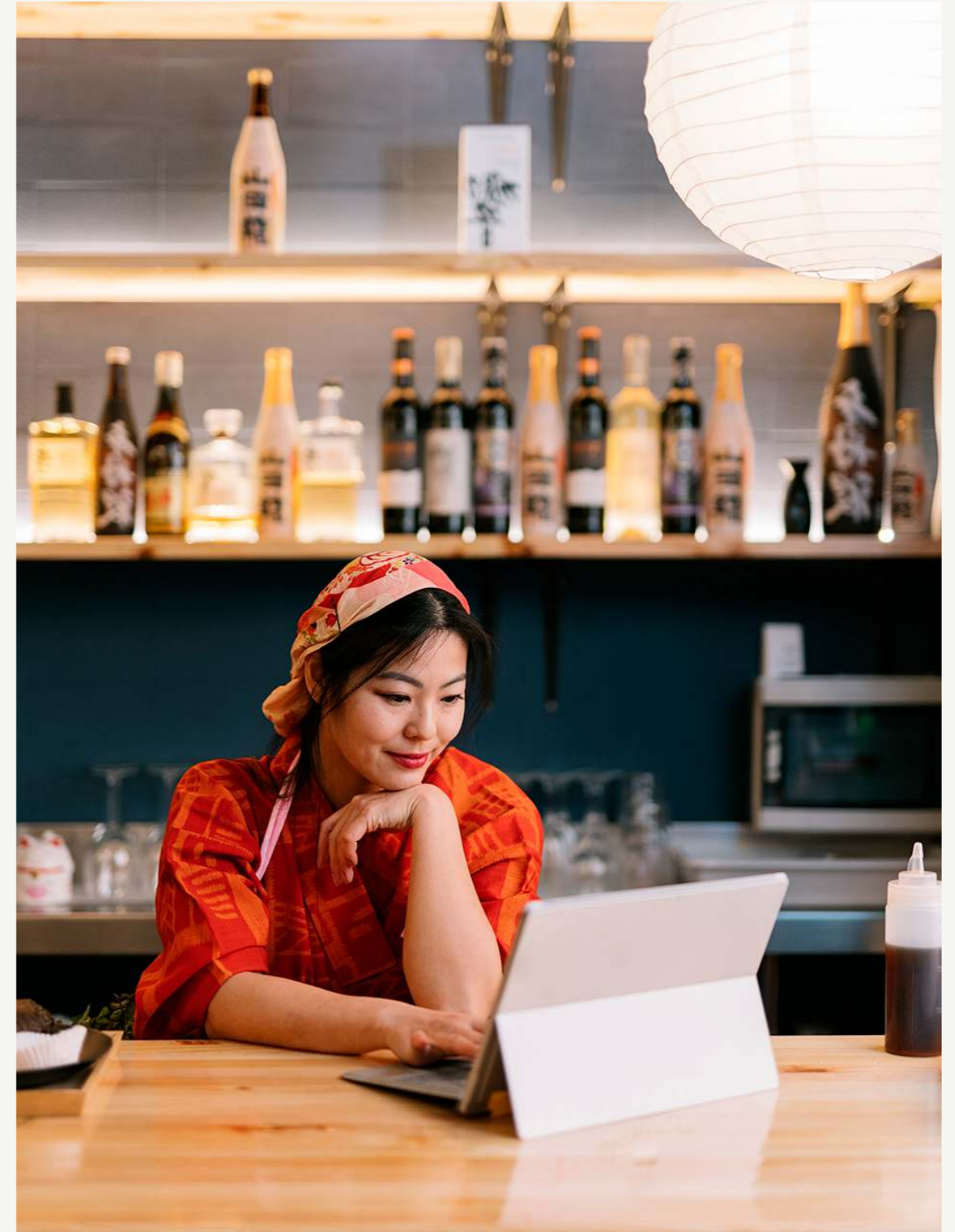
Today's modern, cloud-based financial automation solutions are revolutionizing financial operations, providing instant access to real-time financial data, and equipping businesses with sophisticated analytics to help them plan for the future. As financial professionals gain a more comprehensive view of the company's finances, their focus can shift beyond traditional number-crunching to strategic, informed decision making.

BILL's 2024 State of Financial Automation Survey, conducted by SMB Group, provides an in-depth look at the current trends in SMB financial management and operations. In December 2023, we surveyed 750 U.S. financial decision-makers in small and midsize businesses (SMBs) with 10 to 500 employees to gather insights that reflect the evolving landscape.

This year's survey revisits many of the questions from our 2023 survey, allowing us to draw parallels and highlight shifts in financial automation.



**Insights into the state of financial automation from our survey of 750 financial decision-makers from US SMBs with 10–500 employees.**



## Key takeaways

# 55%

strongly agree that automation is vital for sound financial operations.

# 3/4

of financial professionals say it's hard to attract talent.

## 2024 challenges and outlook

SMBs are most concerned about inflation, supply chain interruptions, and cyber-security threats.

However, most said they are prepared to navigate these challenges, and about two-thirds expect year-over-year revenues to increase in 2024.

## Primary focus

Financial professionals' primary focus 2024 is on managing their businesses in an inflationary environment.

## Automation

Automation is vital for sound financial operations. 55% of SMBs strongly agree and 35% somewhat agree that automation is essential to enhancing business efficiency, decision-making, and employee attraction and retention.

## AI

SMBs are eager to use AI for both strategic and tactical financial operations. 85% of survey respondents are enthusiastic about adopting AI, and they recognize several key benefits of AI, including better decision-making and analytics, freeing up employee time for more critical tasks, detecting anomalies, summarizing data, and simplifying everyday activities.

SMBs want to leverage AI capabilities that are integrated into the financial applications they already use or intend to deploy. This approach enables them to reap the benefits of AI without the need for extensive new infrastructure or expertise. It also ensures integration with established workflows.

## Remote work

Remote and hybrid work challenges continue. Almost two-thirds said remote work continues to test them. Top concerns focus on locating and accessing documents, measuring employee productivity, and establishing effective performance evaluation standards. This suggests that many SMBs have yet to implement digital solutions specifically designed to facilitate remote work.

## Financial talent

SMBs are struggling to attract and keep financial talent. Three-quarters said it is difficult to find and attract financial professionals. In addition, about two-thirds agreed that they have problems retaining their financial staff and reported overwork and burnout among these essential employees.

## Manual methods

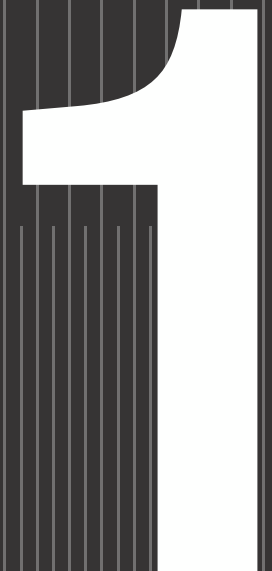
Automation addresses the limitations of spreadsheets and manual methods. Across all financial functions, respondents cited substantial time savings and enhanced visibility into financial operations as key benefits of using automated financial management software.

## Integrated solutions

Almost two-thirds of SMBs said that integrated financial management solutions would provide high value to financial operations.

They ranked gaining real-time insights into cash flow, the cost-effectiveness of integrating financial processes, and the convenience of consolidating financial information into a single platform as the top benefits of this approach.

# 2024 macroeconomic challenges





## Challenges

### Most SMBs feel prepared to weather headwinds.

SMBs face complex macro challenges that extend beyond the immediate confines of their businesses. Inflationary pressures, supply chain interruptions, cybersecurity threats, and geopolitical tensions are shaping a challenging landscape for 2024—and these broader factors continue to test SMB resilience.

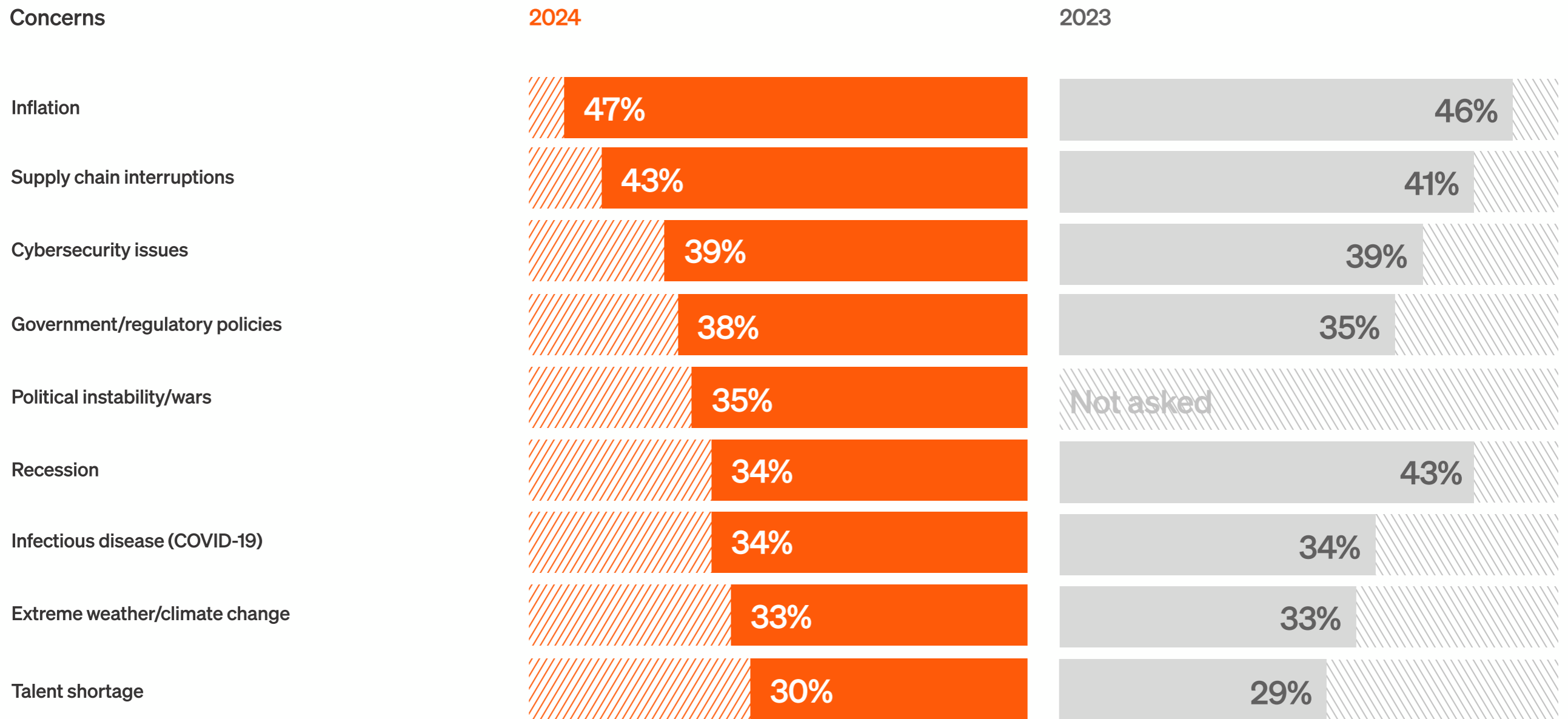
Overall, SMBs cited inflation, supply chain interruptions, and cybersecurity threats as potentially posing the biggest risks to their businesses in 2024.

Inflation remains the top worry, consistent with last year, yet anxiety over a potential recession has slightly diminished. Smaller SMBs feel the sting of inflation and recession worries more acutely than their larger counterparts.

Additionally, geopolitical unrest, notably wars in Europe and the Middle East, has emerged as a new significant concern for about a third of SMBs.

FIGURE 1.1

## Macro trends SMBs are most concerned about



## Challenges

A striking majority of businesses conveyed confidence in their ability to effectively deal with these issues: 51% indicated that they are very prepared, and 43% said they are somewhat prepared to navigate through these trends.

FIGURE 1.2



## Managing financials in an inflationary environment is the top financial management challenge.

Given the concerns that SMBs have about inflation, it's not surprising that financial professionals cited "managing business in an inflationary environment" as their top financial hurdle for 2024. Securing company data and managing cash flow round out the top three list.

These rankings are tightly clustered, with only 7 percentage points separating the #2 challenge, securing customer and company data, from the bottom-ranked challenge of reskilling staff.

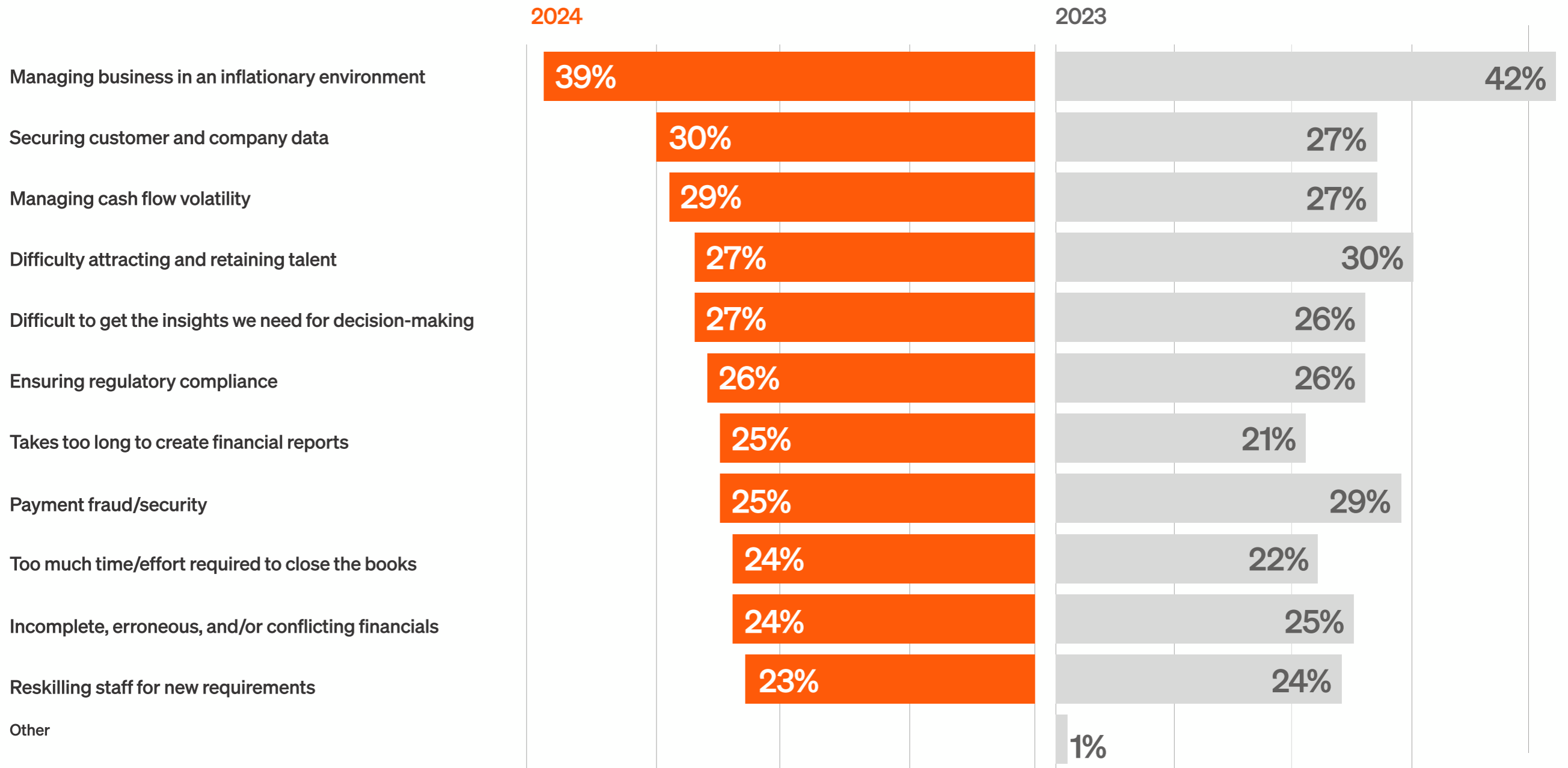


# 39%

say managing their business in an inflationary environment is the top financial management challenge.

FIGURE 1.3

## Top financial management challenges





## Challenges

Top challenges vary somewhat by employee size, highlighting the varied nature of the SMB landscape and underscoring the importance of each company customizing its approach to address their most pressing priorities.

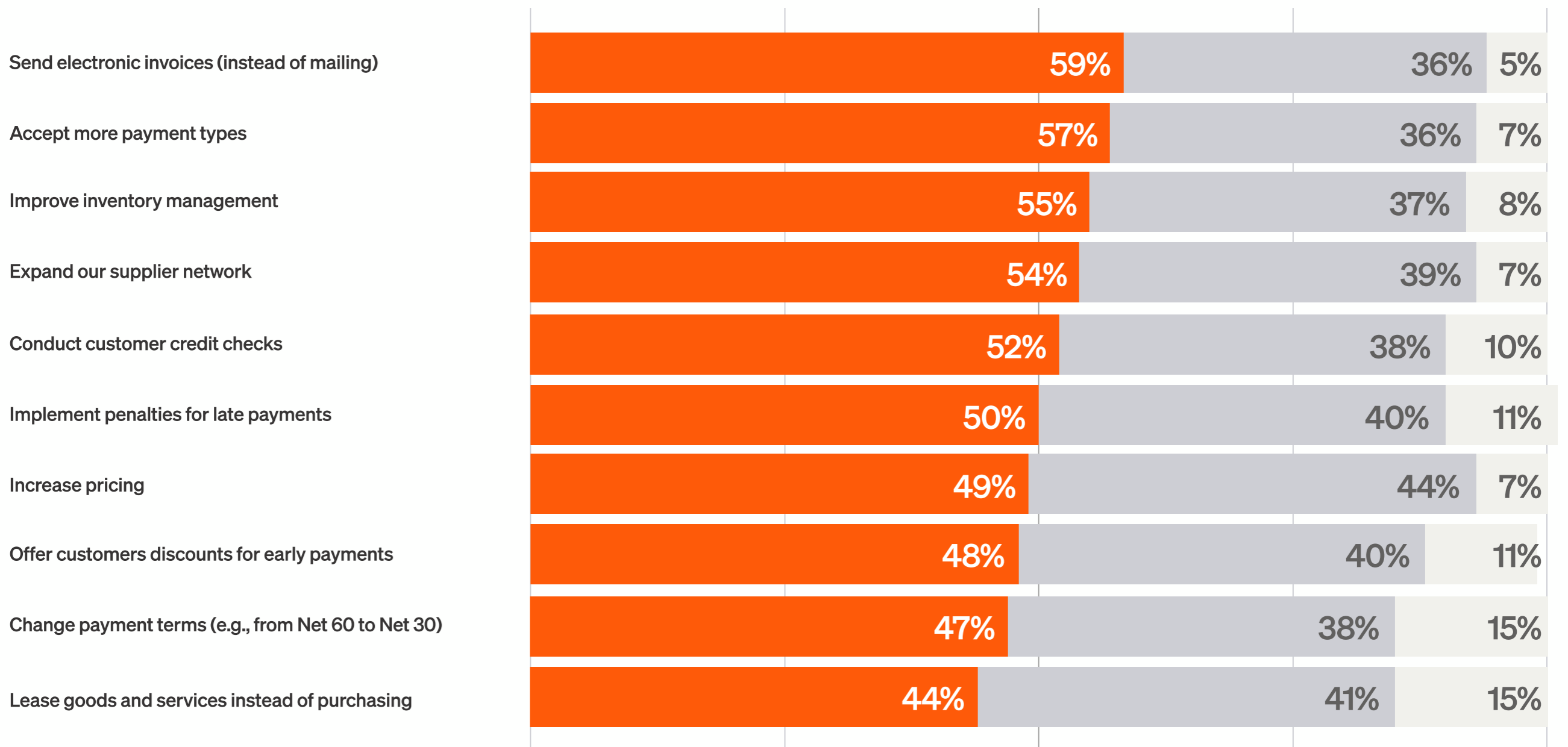
**FIGURE 1.4**

Employee Size	Challenge 01	Challenge 02	Challenge 03
10-49 employees	Managing our business in an inflationary environment.	Difficult to attract and retain talent.	Securing customer and company data.
50-99 employees	Managing our business in an inflationary environment.	Managing cash-flow volatility.	Time consuming to create financial reports/ difficult to gain insights for decision-making. <b>(tie)</b>
100-199 employees	Managing our business in an inflationary environment.	Managing cash-flow volatility/securing customer and company data. <b>(tie)</b>	Ensuring regulatory compliance.
200-500 employees	Managing our business in an inflationary environment.	Managing cash-flow volatility/securing customer and company data. <b>(tie)</b>	Difficult to get insights for decision-making.

FIGURE 1.5

## Current and planned strategies to manage cash flow

Many SMBs have already taken multiple steps to address inflationary pressures and better manage cash flow, and are planning to try new tactics in 2024. We asked survey respondents to tell us how they are addressing cash flow.



## 2024 revenue growth

# 2

## Growth

### Two-thirds of SMBs are optimistic about 2024 revenue growth.

As champions of SMBs, BILL was pleased to find that financial leaders are generally optimistic about their revenue prospects in 2024; two-thirds said they expected company revenues to rise in 2024.

In 2023, a significant portion of SMBs sought external credit and funding to fuel their growth.



# 2/3

expect company revenues to rise in 2024.



FIGURE 2.1

Do you expect revenues to increase, decrease, or remain the same in the next fiscal year?

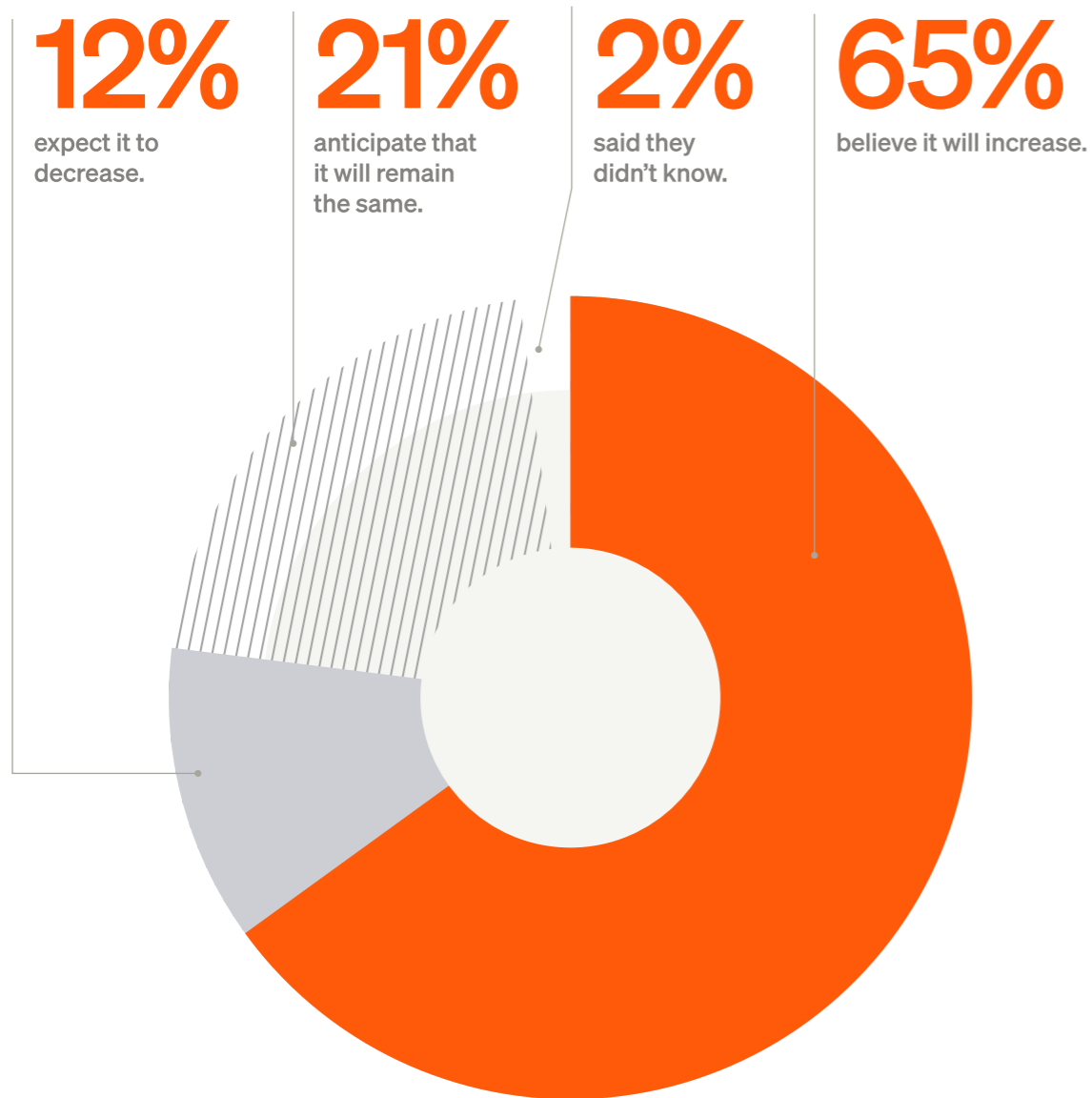
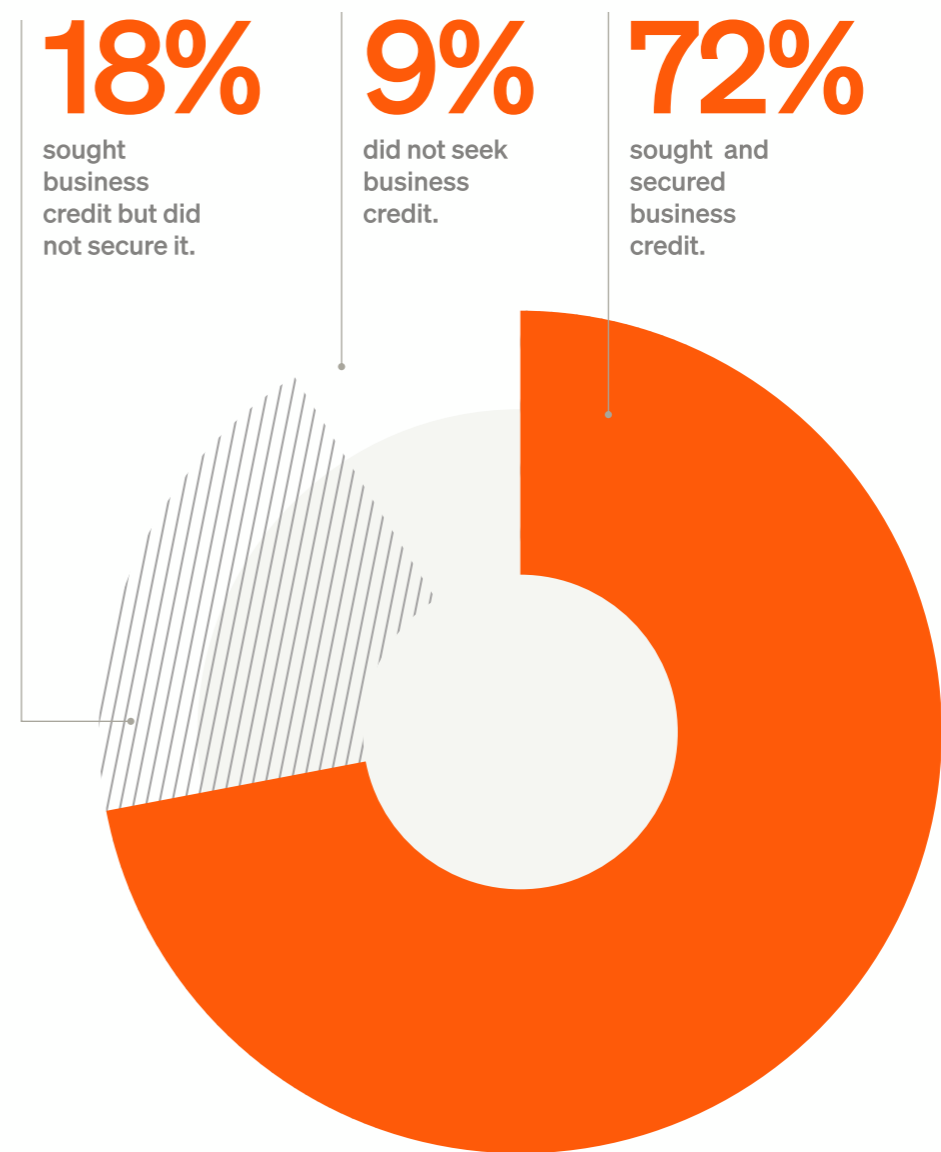


FIGURE 2.2

Almost three-quarters of SMBs sought and secured external credit and funding in 2023.



# Financial automation solutions and AI

# 3



## Automation

### SMBs say financial automation is essential to success.

Macro economic trends and competitive pressures are propelling SMB interest in financial automation solutions and AI. These technologies can help streamline processes, reduce errors, and cut costs. In addition, automation and AI can free up valuable human resources, allowing SMBs to redeploy staff to more strategic tasks that can foster innovation and growth.

55% of SMBs strongly agree and 35% somewhat agree that automation is crucial for enhancing business efficiency. A majority also believe that automation aids in decision-making and employee attraction and retention.

FIGURE 3.1

The majority of SMBs agree that automation is critical to improving decision-making, enhancing efficiency, and attracting and retaining employees

Strongly agree

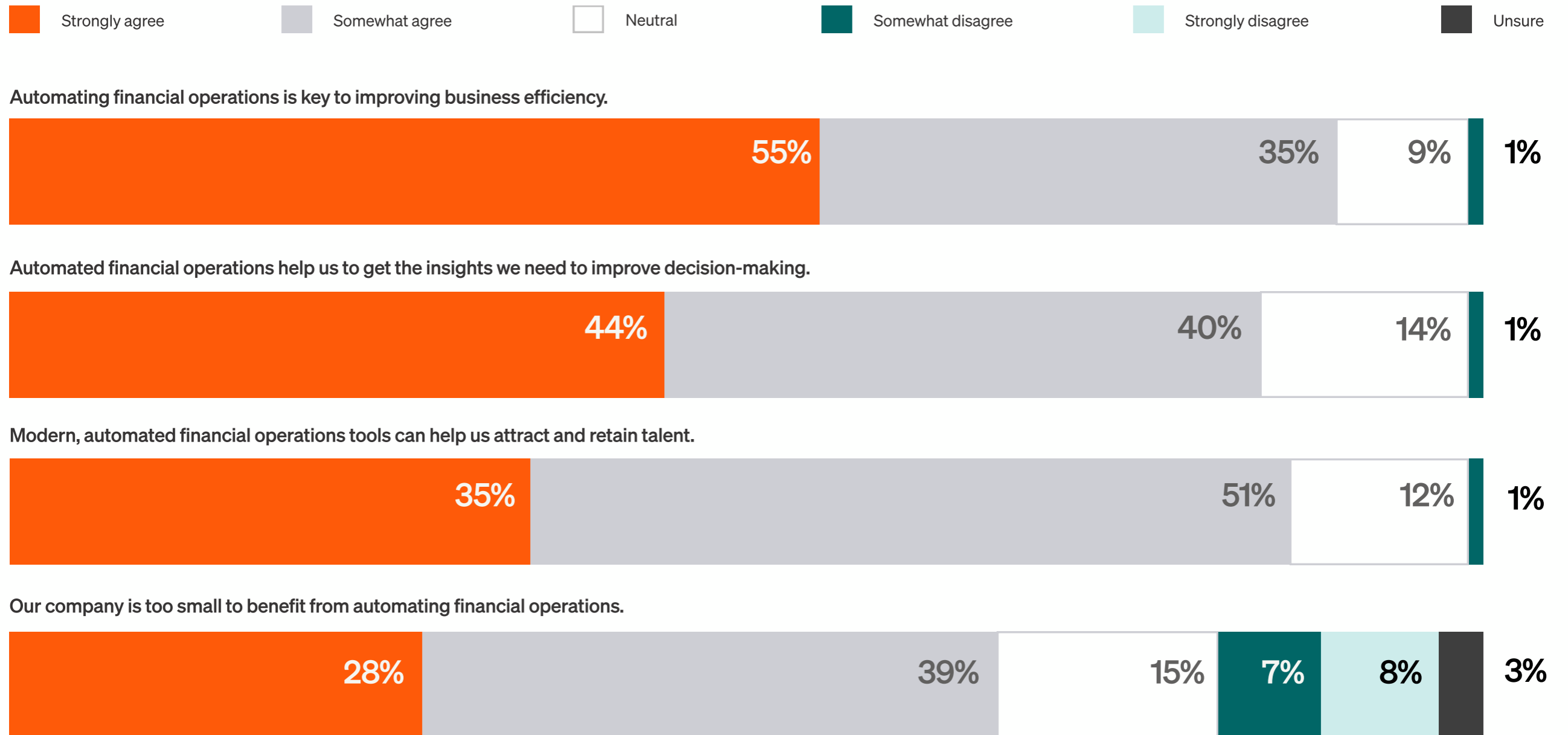
55%

Somewhat agree

35%

FIGURE 6

## SMBs attitudes about financial automation





## Artificial Intelligence

### SMBs are eager to use AI to improve financial operations.

The integration of Artificial Intelligence (AI) with automation is revolutionizing financial software, offering new opportunities for accuracy and efficiency. These technologies empower businesses to streamline operations, make more informed decisions, and enhance productivity.

Enthusiasm for automation and AI is high. 85% of survey respondents say they are enthusiastic about AI. It's interesting to note that smaller businesses, particularly those with 10 to 49 employees, displayed greater excitement: 59% indicated that they are very enthusiastic about AI, likely seeing AI as a means to increase their capabilities and efficiency without proportionally increasing staff.

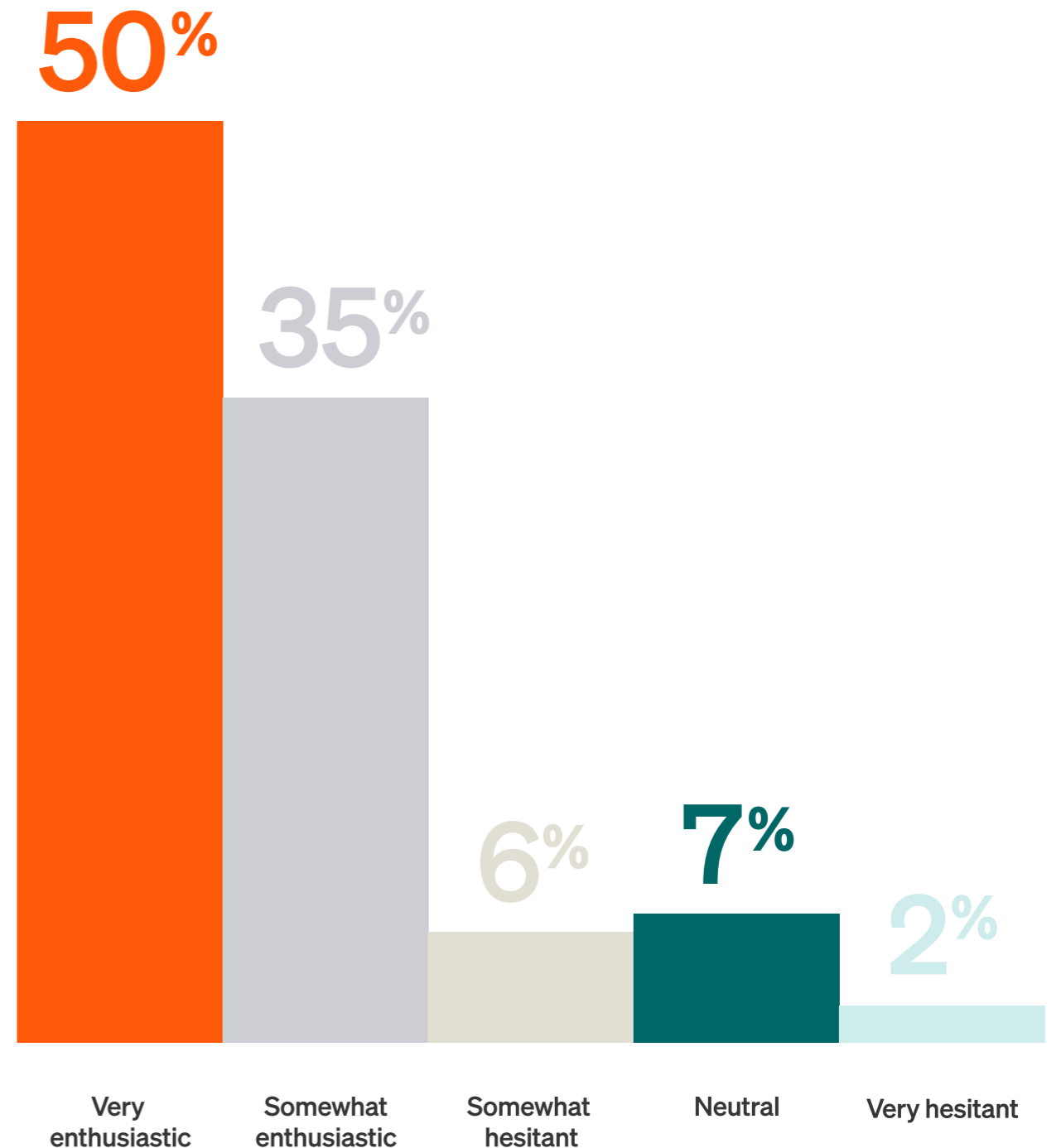


**50%**

are very enthusiastic about using automation and AI in their financial operations.

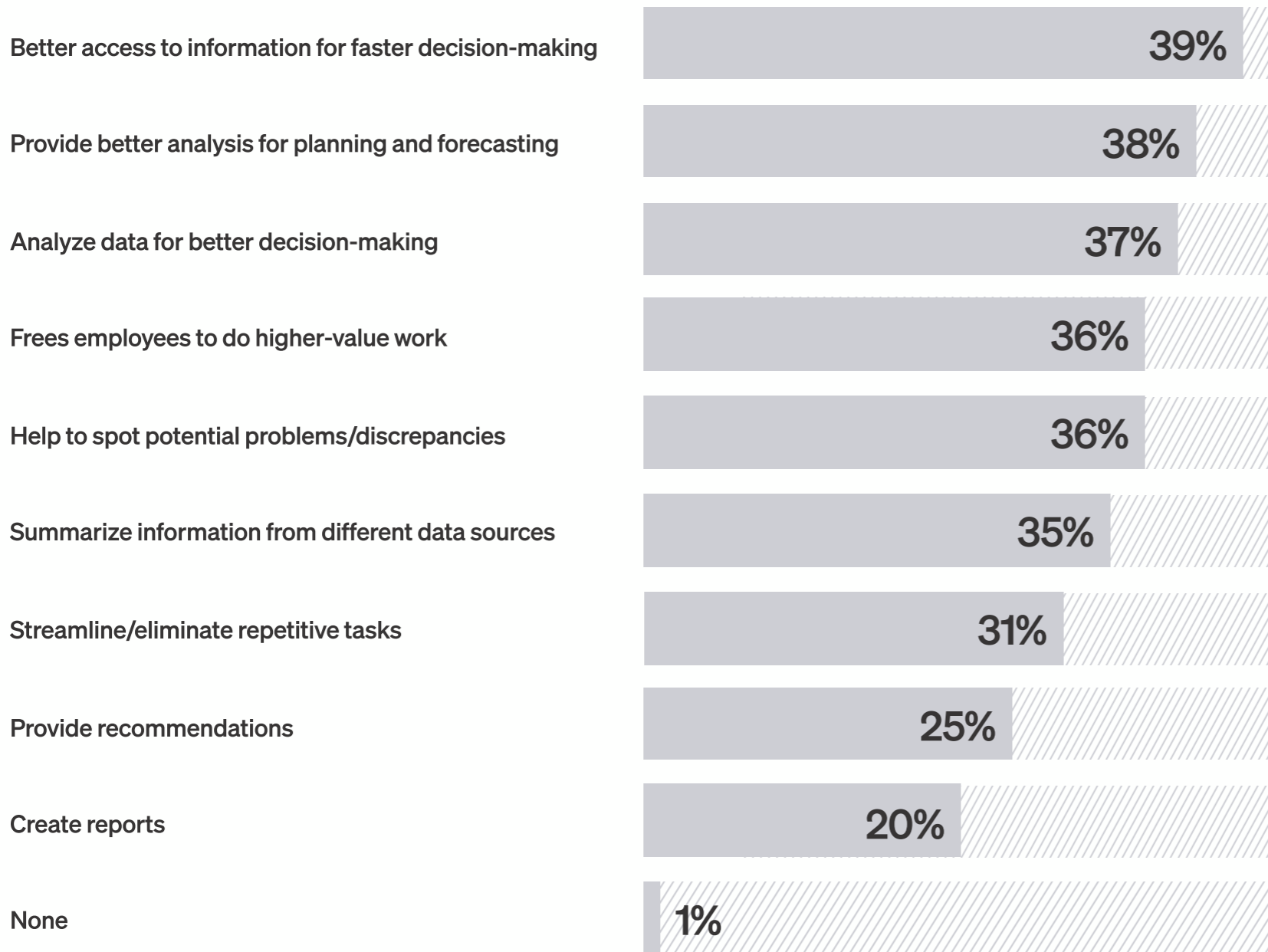
FIGURE 3.2

### SMB's attitudes about financial automation



**FIGURE 3.3**

## Top benefits AI can provide to support financial operations

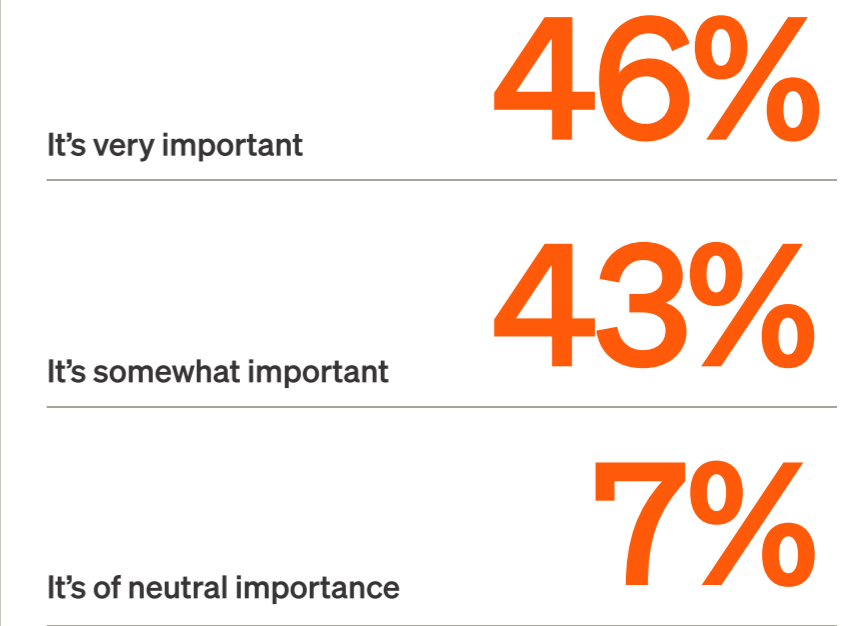


SMBs view AI as a beneficial tool for both strategic planning and everyday operations. They identified decision-making and analytics benefits as the top advantages that AI can contribute to financial operations, and also cited practical benefits like giving employees time to focus on more important tasks, detecting irregularities, summarizing data, and streamlining routine activities as key advantages.

Most survey respondents want to leverage AI capabilities in the financial applications they currently use or intend to deploy for a couple of key reasons. First, integrating AI into these applications simplifies and enables SMBs to reap the benefits of AI without the need for extensive new infrastructure or AI expertise. Second, this tight integration improves efficiency and decision-making processes while minimizing disruption to established workflows.

**FIGURE 3.1**

### How important is it that vendors provide AI capabilities in their solutions?



## Accuracy and data security

# 4



## Data security

### Accuracy and data security concerns.

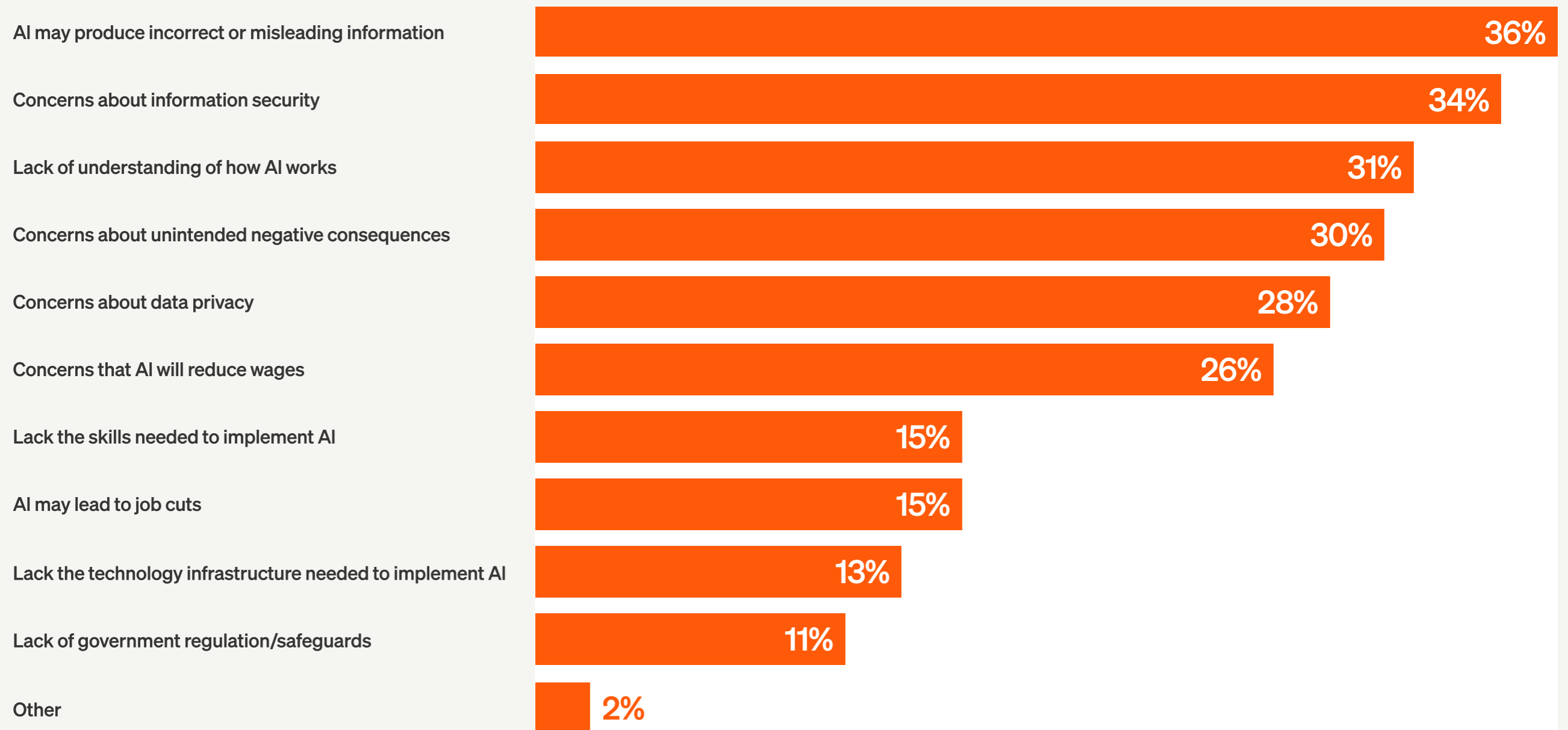
In the very small subset of SMBs reluctant to adopt AI for financial tasks, the top worries noted are that AI could deliver inaccurate or misleading information, concerns about data security, and a lack of understanding about how AI works.

Very few respondents were apprehensive about AI, but those who were may be less familiar with the applications of this technology. Financial operations software uses AI for very pragmatic and legitimate needs—such as automated invoice coding, receipt matching, identifying duplicates, and financial projections.

By being transparent about how their AI models work, the data they use, and the specific functions performed with AI or automation, software solutions can help reluctant SMBs overcome these concerns.

FIGURE 4.1

## Reasons SMBs are hesitant to use AI for financial operations



## Adapting to various work models

# 5



## Work models

### **SMBs blend onsite, remote, and hybrid work models.**

The modern workplace is continuously evolving, with businesses adapting various work models to accommodate changing needs and preferences. The survey's findings show that on average, just over half of SMB employees work exclusively on-site, about a quarter work remotely, and another quarter work in a hybrid model, blending remote and on-site work.

This trend is consistent across companies of various sizes. Interestingly, there has been a slight increase in the number of employees working exclusively at company locations compared to the previous year. This shift could be influenced by the strategies of major tech companies like Google, Amazon, Meta, and Apple, which have created policies that require employees to work in company locations for a certain number of days per week.

Looking to 2024, individual workplace location preferences will continue to shift as SMBs seek balance between business requirements and employee preferences.

**FIGURE 5.1**

**Percentage of SMB employees working onsite, remotely, or hybrid**

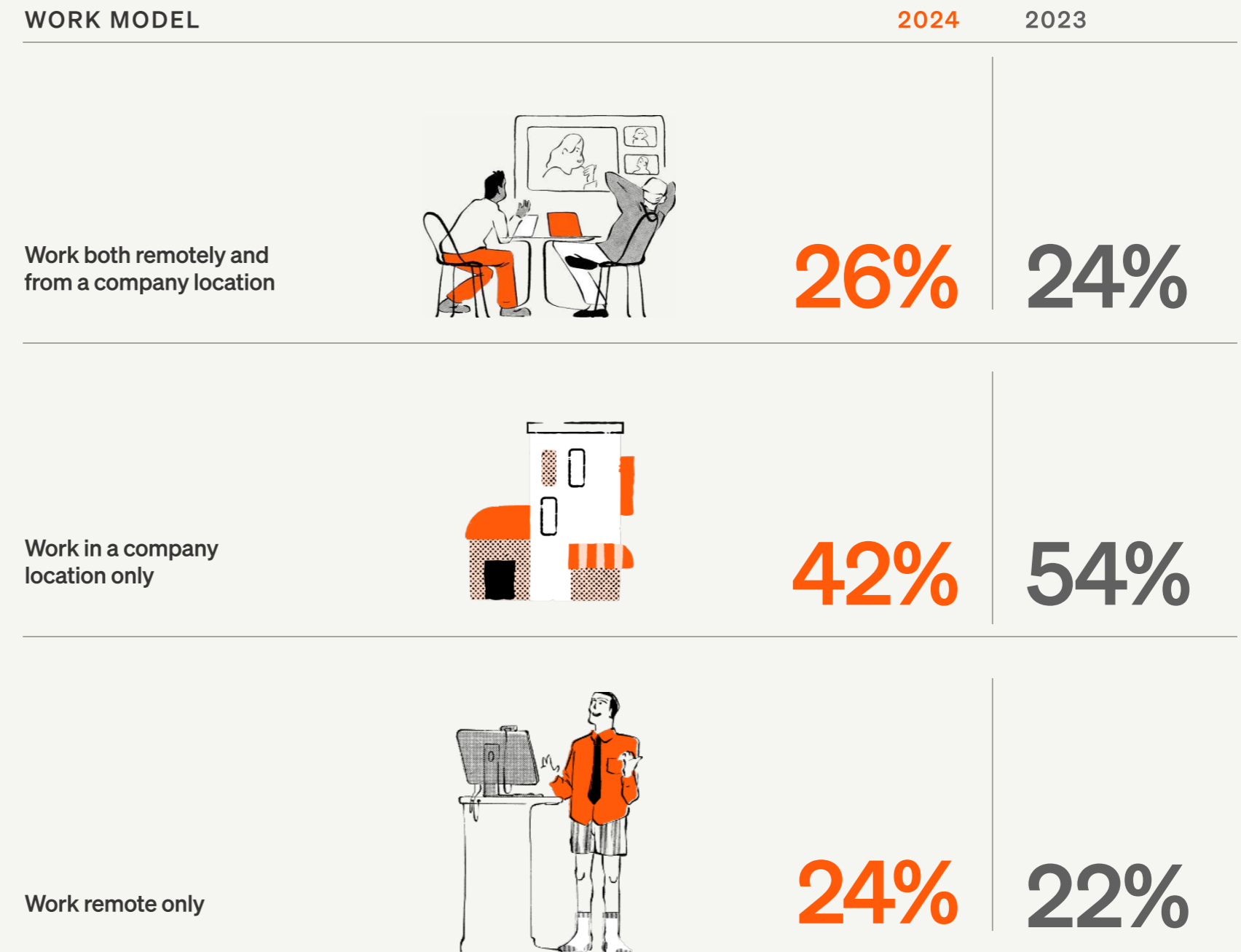
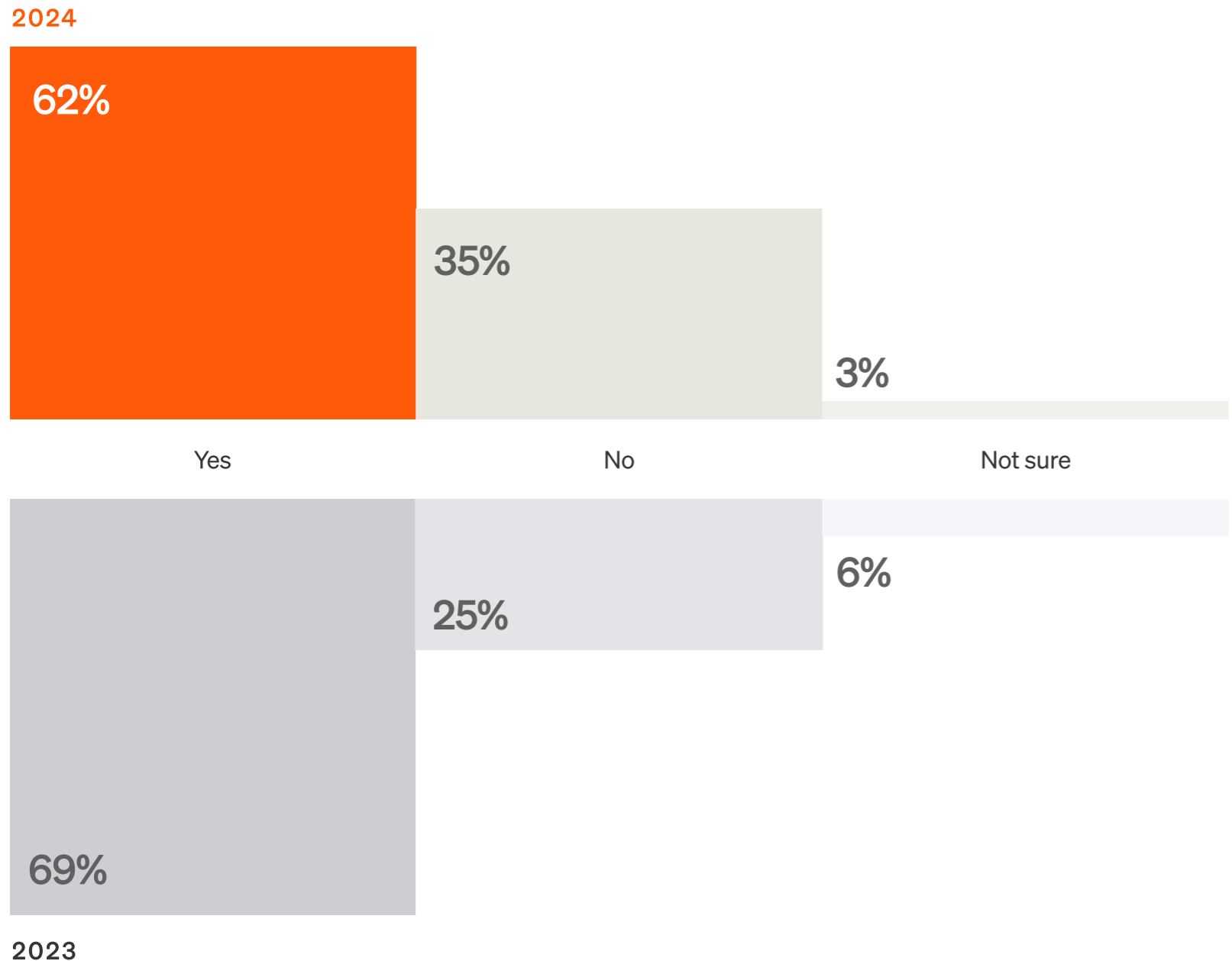




FIGURE 5.2

## Views on whether managing a remote or hybrid workforce has introduced new financial management challenges



### Remote work challenges continue.

Financial professionals continue to face obstacles navigating the intricacies of remote and hybrid work arrangements. 62% acknowledged that remote and hybrid work models have introduced new challenges, a slight dip from the 69% reported in the previous year's survey.

The struggle is particularly pronounced for SMBs with 10 to 49 employees: three-quarters of companies in this size group report encountering more difficulties, likely because smaller businesses are less likely to have digitized financial processes than their larger counterparts.

Overall, rankings of challenges that result from managing a remote/hybrid workforce are tightly clustered. However, locating and accessing documents has moved up from the number 6 slot in last year's survey to tie as the top concern today, indicating that many SMBs have yet to implement digital collaboration, file sharing, and other solutions to streamline these tasks.

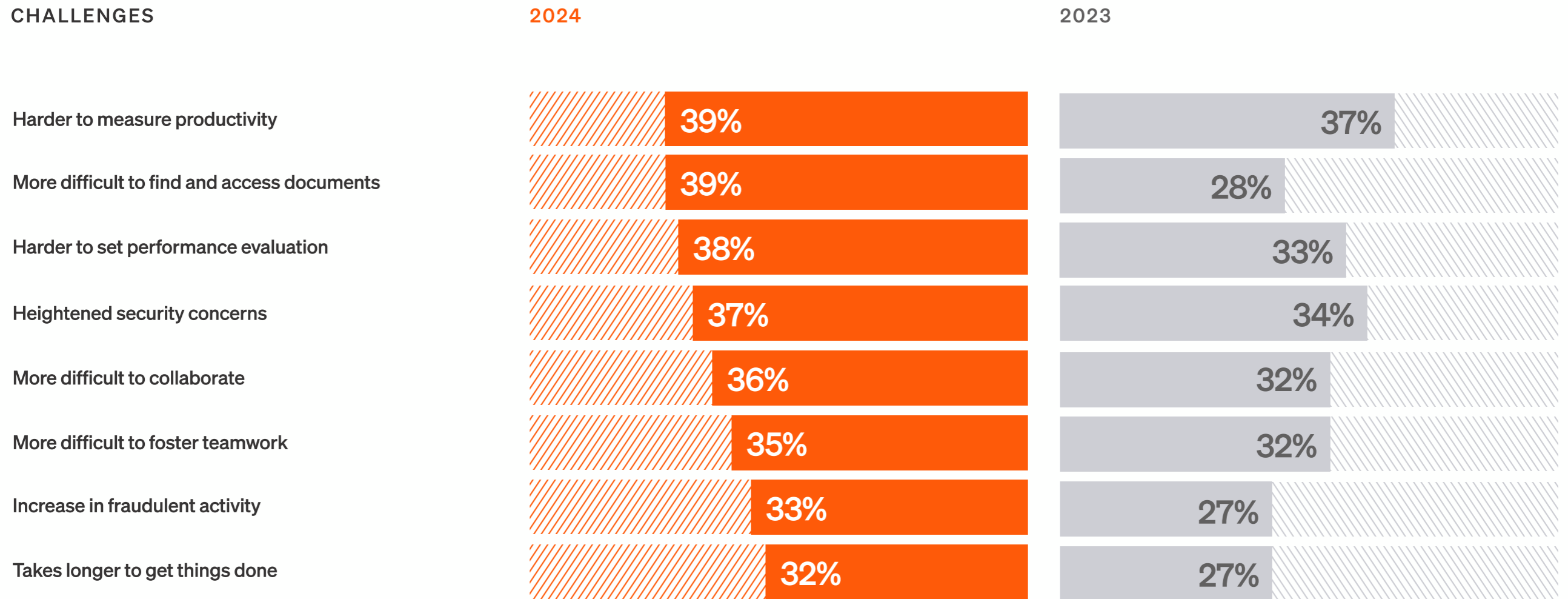
Problems measuring employee productivity, and establishing effective performance evaluation standards round out the top three list of current hurdles. SMBs, like all employers, are struggling to adapt to a remote-first model while measuring and maintaining performance standards.



Survey respondents say "locating and accessing documents" is one of their top concerns with remote work.

FIGURE 5.3

## New challenges resulting from managing a remote or hybrid workforce



## Retaining financial talent





## Retaining talent

### SMBs struggle to attract and retain financial talent.

The scarcity of skilled business finance professionals presents a significant challenge for SMBs. A striking 49% strongly agreed and 32% somewhat agreed that finding finance talent is difficult due to a limited pool of qualified candidates, and respondents also noted that they struggle to attract these professionals.

Compounding this, about two-thirds strongly or somewhat agreed that they face difficulties in retaining their financial staff, and also reported problems of overwork and burnout among these essential employees.

FIGURE 6.1

Finding finance talent is difficult due to a limited pool of candidates.

Strongly agree

49%

Somewhat agree

32%

FIGURE 6.2

## Level of agreement with the following statements



Talent challenges are more pressing for companies with 10-49 employees; these respondents were 12% more likely to strongly agree that it's tough to find talent, and 33% more likely to strongly agree that their finance people work too many hours and are burned out.

Addressing the critical issue of recruitment, SMBs consider a range of benefits as very or somewhat important to attract candidates. They were most likely to rank a competitive salary as very important, closely followed by providing employees with a flexible work schedule and financial automation tools to streamline repetitive work.

While the importance of competitive salaries is undeniable, many SMBs find it tough to match the salaries offered by larger companies.

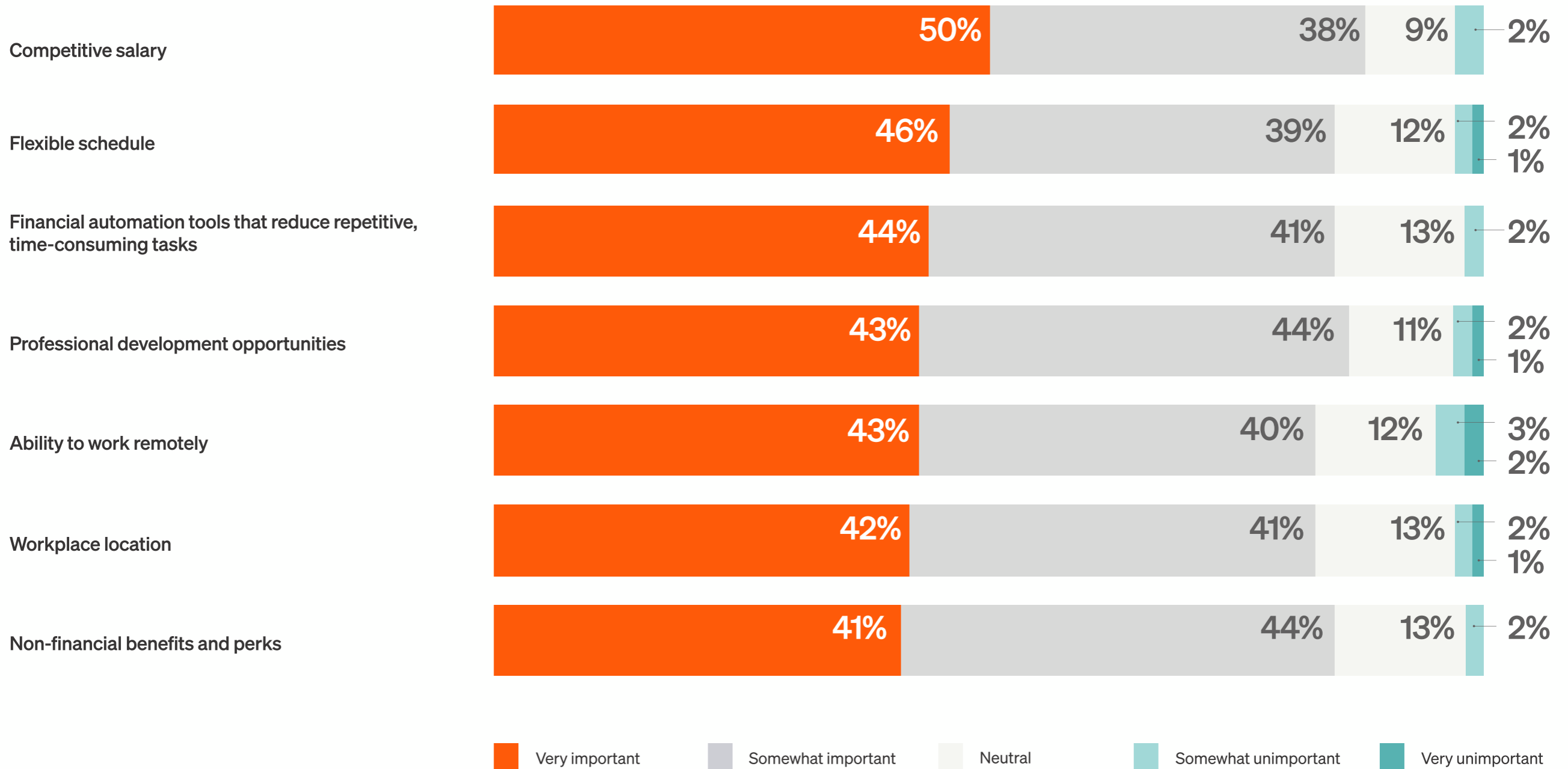
However, SMBs can leverage the advantages of flexible work arrangements and financial automation tools as strategies to attract and retain talent more successfully.

# 3/4

of SMBs struggle to find and attract financial professionals.

FIGURE 6

## Which of these benefits or perks are the most important in attracting top finance talent?



# Financial automation solutions



## Automation

### Automation addresses spreadsheet challenges.

Financial automation solutions offer clear benefits that address the limitations of spreadsheets and manual methods. Purpose-built financial applications help SMBs streamline and digitize their processes, ensuring standardization and efficiency. In addition, they provide a dynamic, real-time snapshot of financial data to support more informed decision-making and planning.

Across all functions, respondents cited substantial time savings and enhanced visibility into financial operations as top benefits of using automated solutions.

# 1

### Accounts payable (AP)

Automation accelerates the process of closing the books, and this efficiency scales as invoice volumes grow.

# 2

### Accounts receivable (AR)

Solutions foster better customer relationships by ensuring more accurate, timely billing.

# 3

### Spend and expense management

Applications simplify the setup and management of employee expense budgets, saving time for both employees and their finance colleagues.

# 4

### Financial planning solutions

Can quickly generate regular and ad hoc reports—a game-changer compared to the complexity of creating reports manually.



## Financial automation solutions can help SMBs to save time and gain clarity around their financial data

### Benefits of automation

**Accounts Payable**  
Helps to close the books faster

**Accounts Receivable**  
Improves customer relationships

**Spend and expense management**  
Easier to setup/manage employee expenses

**Financial planning solutions**  
Easier to create regular/ad hoc reports



### Drawbacks of manual processes

**Accounts Payable**  
Dealing with increasing volumes of invoices

**Accounts Receivable**  
Managing cash flow/forecasting

**Spend and expense management**  
Setting up expense budgets

**Financial planning solutions**  
Setting up/managing departmental budgets



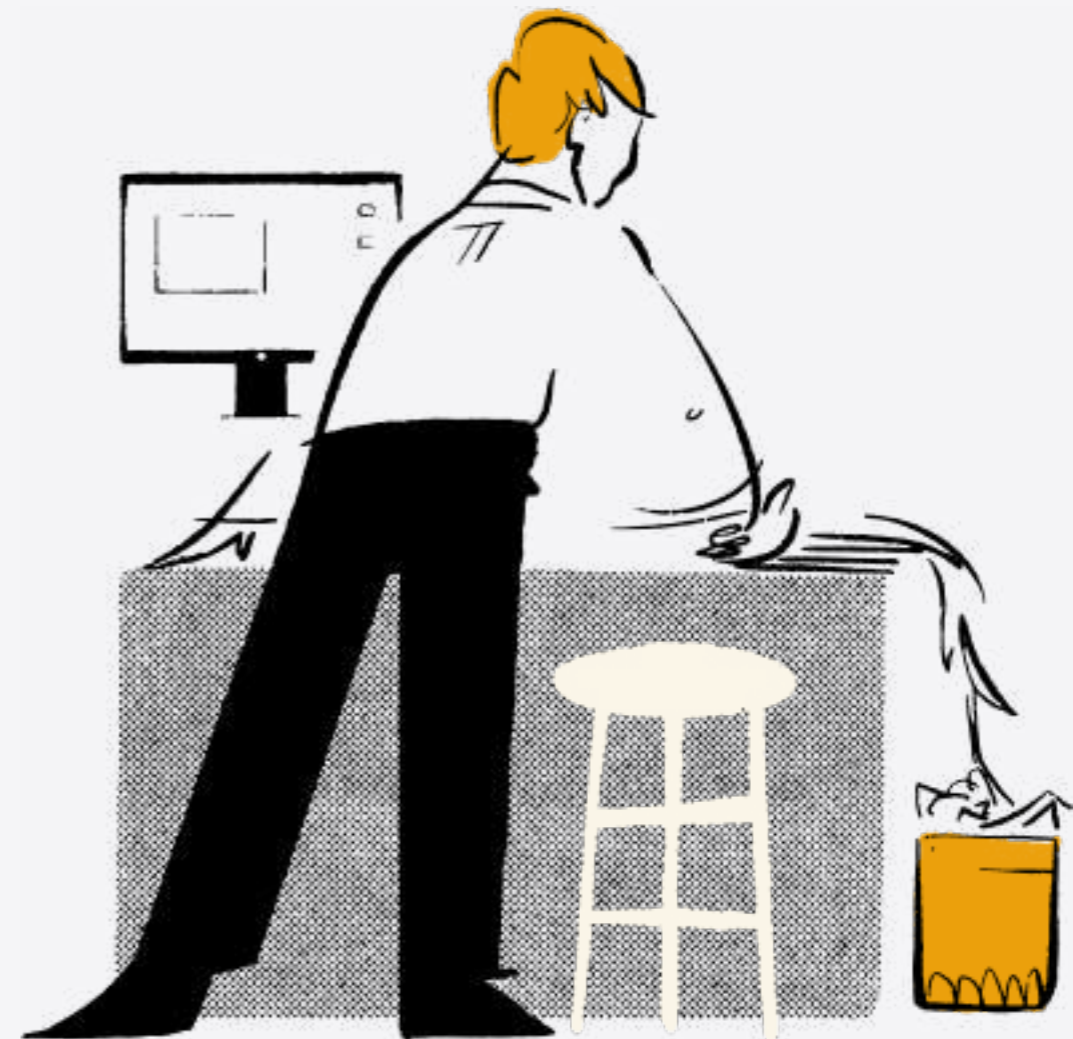
## Accounts Payable (AP)

### Using automation to save time.

In accounts payable, the transition to automation is proving to be a strategic move for businesses aiming to streamline their financial processes.

The top three benefits noted by respondents using automated AP solutions—significant time savings, improved visibility into cash flow, and a more efficient month-end close—are pivotal to scaling operations [without comparably increasing back-office headcount.

Conversely, SMBs that are still using spreadsheets and manual processes cite several challenges. Their top hurdle is dealing with surges in invoice volume. Increased transaction volumes can quickly overwhelm a manual system, and could bring an increased risk of errors. Next, they noted that chasing approvals becomes very time-intensive, which can divert staff from higher-value activities. Finally, they indicated that manual processes can create bottlenecks, resulting in inefficient communications with vendors.



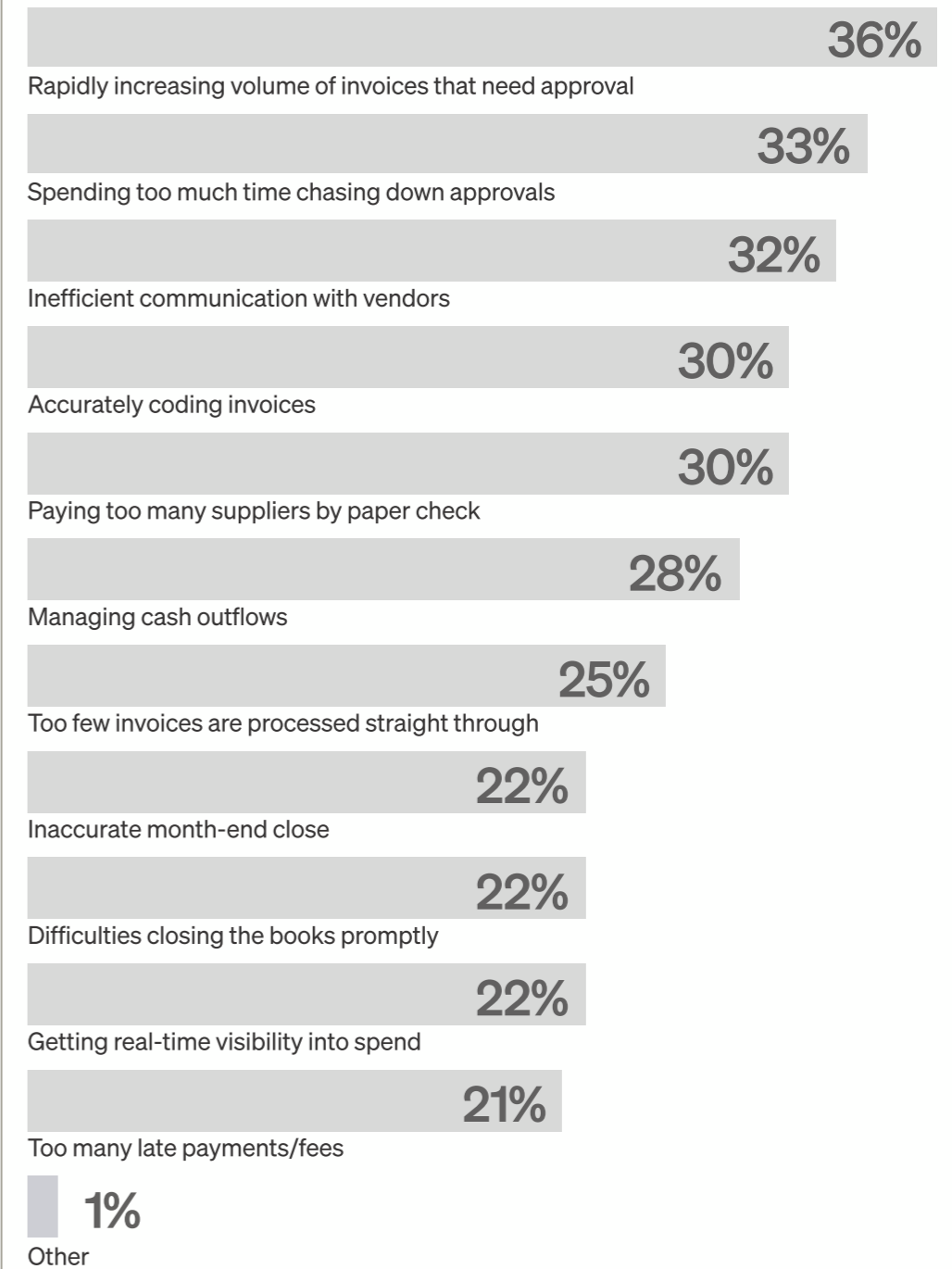
## Accounts Payable (AP)

FIGURE 6.2

### Benefits of automation in AP software



### Challenges of manual AP processes



## Accounts Receivable

### Using automation to gain visibility.

Automating accounts receivable can yield some key benefits, not only in terms of efficiency and decision-making but also in improving relationships with customers.

Respondents using automated AR solutions ranked better visibility into cash flow as the top benefit. Being able to monitor financial health in real time is critical to accurate forecasting and better financial planning. They also cited the time savings afforded by automation as a top benefit; by reducing manual entry and processing, staff can redirect their efforts to activities that contribute more directly to the company's bottom line. The positive impact on customer relationships captured third place, as automated invoicing and payment reminders can help SMBs create more professional, efficient interactions with clients.

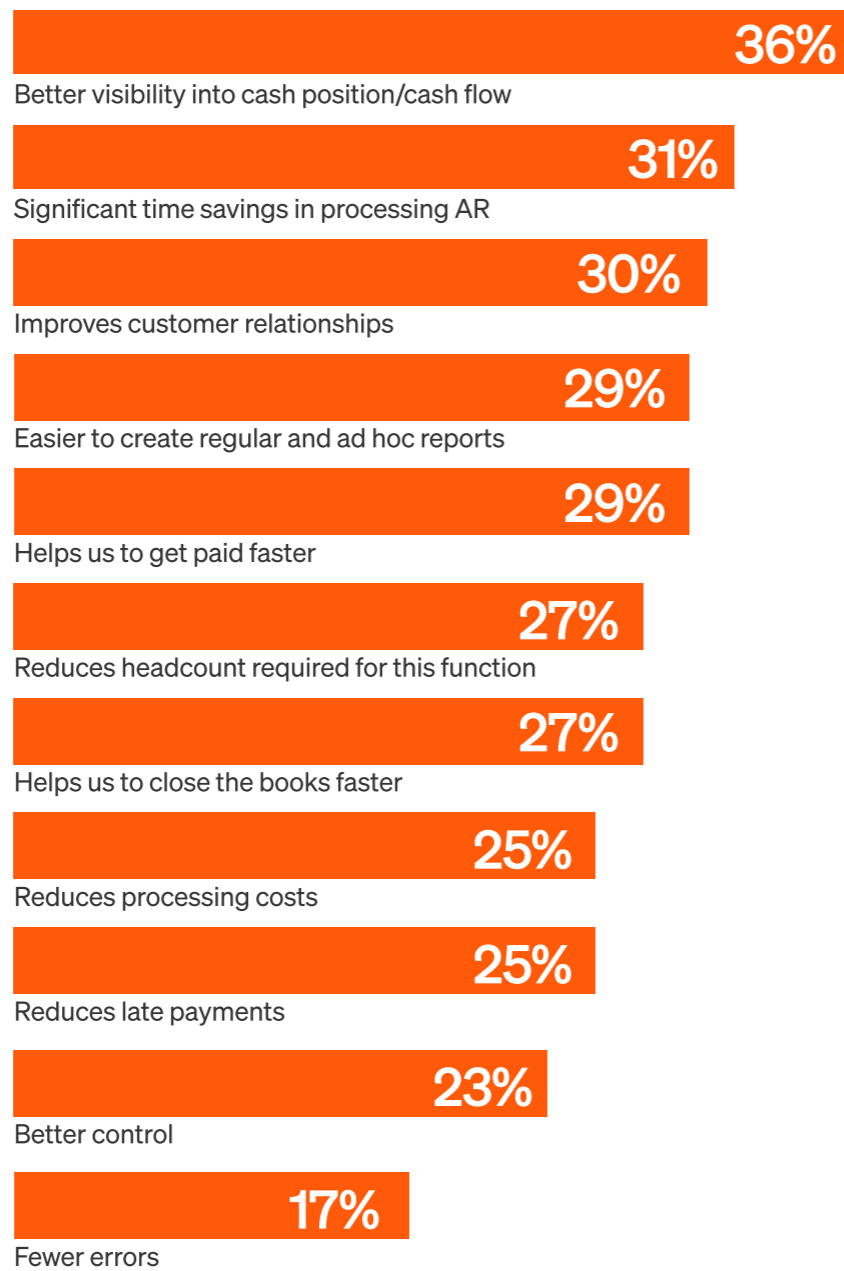
On the flip side, those using spreadsheets rated forecasting and managing cash flow—the lifeline of any business—as their top challenge. This was followed by the problems of managing credit risk manually, which if not done properly, can increase exposure to bad debt, and in the third slot, spending too much time processing AR.



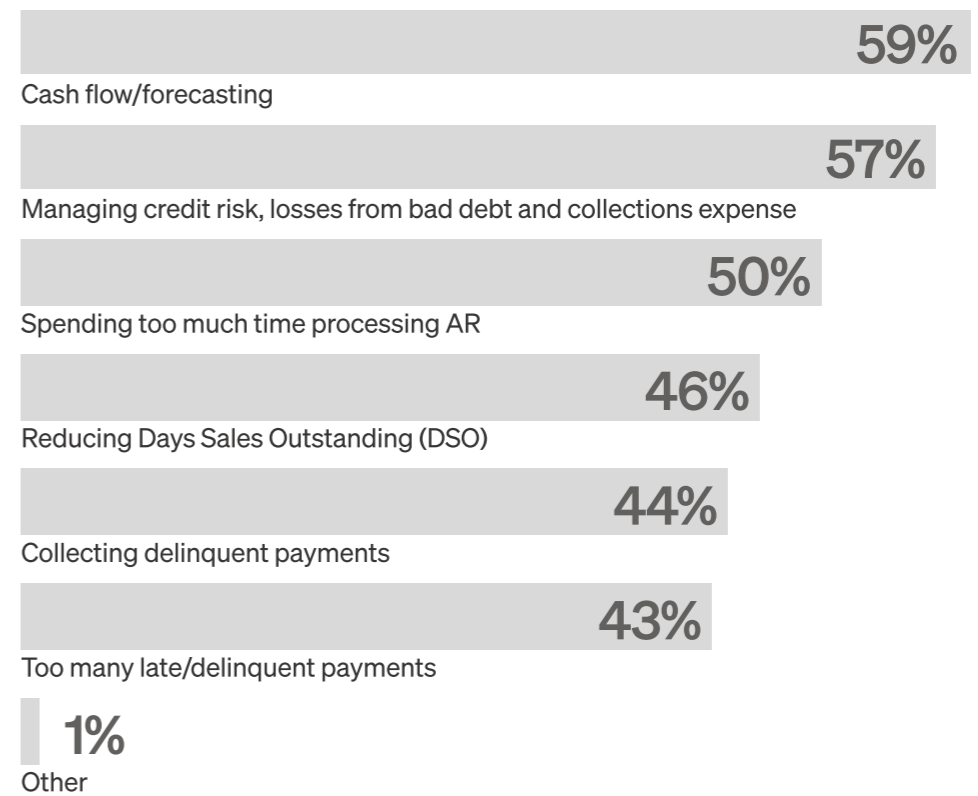
# Accounts Receivable

FIGURE 6.2

## Benefits of automation in AR software



## Challenges of manual AR processes



## Spend and expense

### Using automation to achieve efficiency.

SMBs reported that automation can deliver significant time savings, simplify the setup and management of employee expenses, and streamline the approval and payment processes for expense reports. Other top benefits include better visibility into spending and reducing the cost of processing expenses.

However, respondents who have yet to adopt spend and expense software shared that they spend too much time on these processes. Other top challenges include establishing and maintaining expense budgets, ensuring the accuracy of expense coding, and the time-consuming (and thankless) task of routing and chasing approvals.

As in other areas, these manual processes not only consume valuable time but also increase the risk of errors.

## Spend and expense

FIGURE 6.2

### Benefits of automation in S&E software



### Challenges of manual S&E processes



## Financial planning

### Using automation for improved reporting.

Having an accurate, real-time view of a company's financial position is essential to inform stakeholders—such as lenders, auditors, customers, investors, management, and—about the health of the business.

Automated financial planning solutions can help SMBs gain the agility and insights to navigate more successfully through changing market conditions, and provide the information that external stakeholders need to make partnership decisions.

Respondents indicated that the top three advantages of automating financial planning, budgeting, and forecasting are that it streamlines the creation of reports, reduces the problems of conflicting information and that it makes the month-end close more accurate. Other key benefits cited are that it provides better protection for sensitive data and that it makes it easier to set up and manage departmental budgets.

On the other hand, respondents using spreadsheets rank the extensive time requirements of planning, budgeting, and forecasting, the complexities of setting up and managing departmental budgets, and delays in creating reports as the top drawbacks of this approach. About one-third also cite difficulties reconciling and consolidating information, and getting visibility in their cash position. These problems can make it harder to reach actionable information or gain insights in a timely manner.

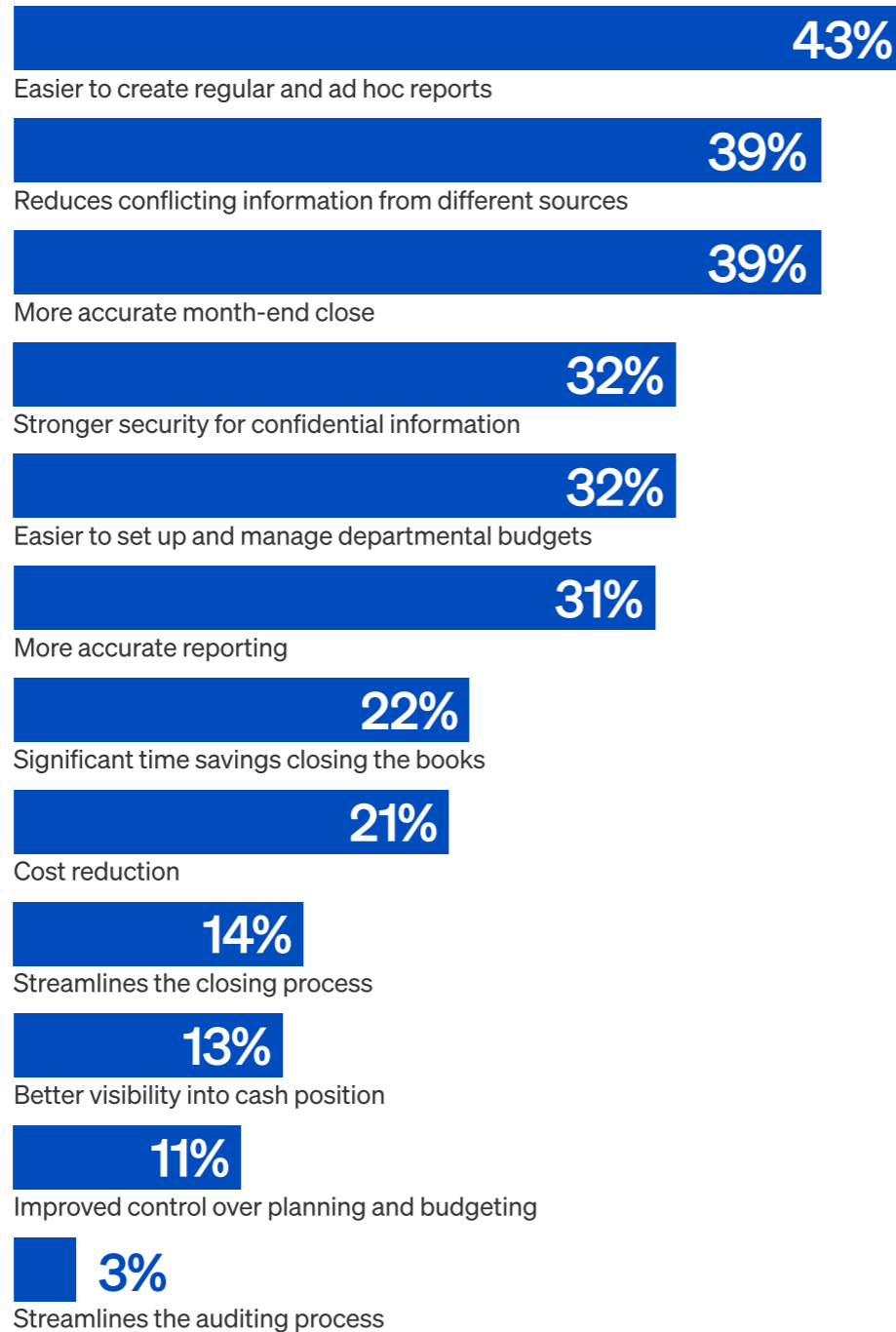




## Financial Planning

FIGURE 6.2

### Benefits of automation in financial planning software



### Challenges of manual financial planning processes



# Integrated financial management software



## Management solutions

### The role of integrated financial management software.

Integrated financial management software brings data from different financial functions into one place. This unified approach enables financial professionals to pay bills, get paid, manage business spending, and create key reports all from one central location.

This reduces the chances of duplicate data entries and mistakes and supplies a clearer, more precise snapshot of the company's financial health. As a result, finance professionals can spend less time on manual tasks and more time on higher-impact activities that drive growth, shifting their focus from number-crunching to strategic planning.

59% of respondents said that integrated financial management solutions would yield high value to financial operations, mirroring last year's response of 60%. Just 1% of respondents don't see the value in an integrated financial operations platform. This perspective is shared across businesses of all sizes.

FIGURE 8.1

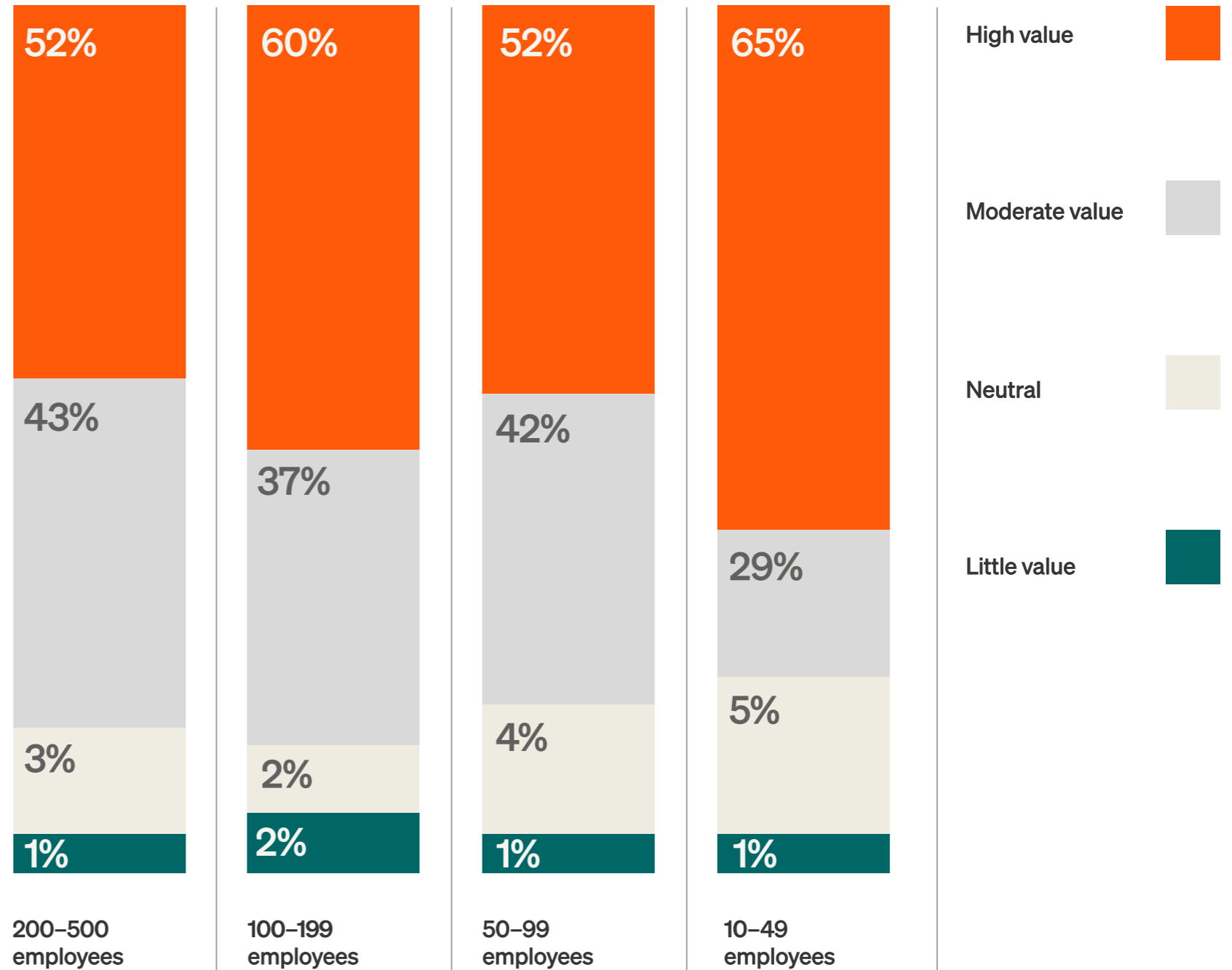
### Perceived value of an integrated financial operations solution



Almost two-thirds of SMBs said that integrated financial management solutions would provide high value to financial operations across all company sizes.

**FIGURE 3.2**

### Perceived value of integrated financial operations solution



## Benefits of deploying an integrated financial management solution.

SMBs rank gaining real-time insights into cash flow, the cost-effectiveness of integrating various financial processes, and the convenience of consolidating financial information into a single platform as the top three benefits of this approach.

These top benefits have remained fairly stable in preference and order from last year, indicating a clear consensus on what SMBs value most in their financial tools.

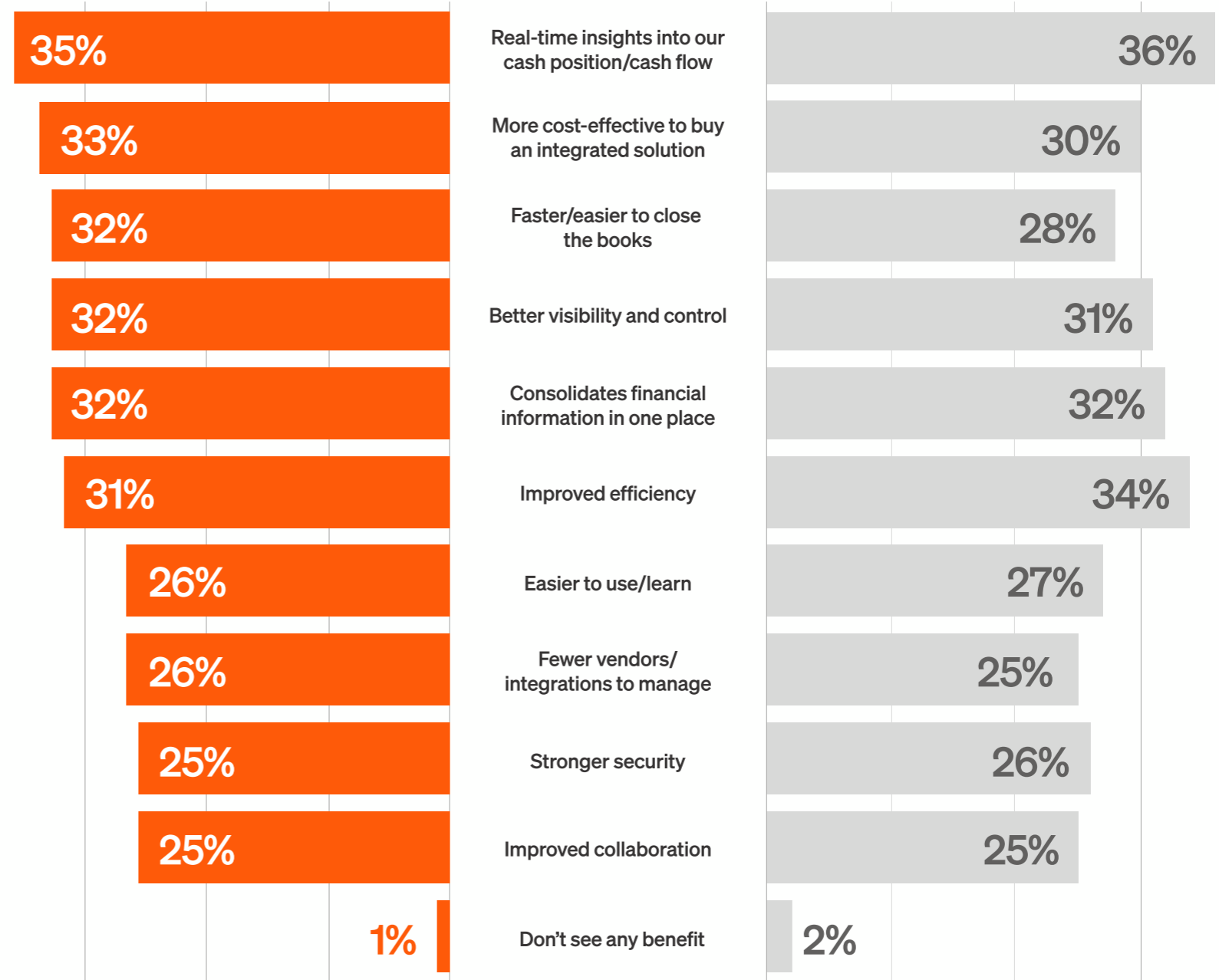
Survey respondents believe an integrated solution can help them gain the operational efficiency and strategic edge they need to compete more effectively in the marketplace.

FIGURE 3

### Top benefits of integrated financial solution, YOY comparison

2024

2023



## About the study



## About the study

### BILL's 2024 State of Financial Automation survey.

This survey, conducted by SMB Group, was fielded in December 2023. We surveyed 750 SMB financial decision-makers in the U.S. with 10–500 employees.

Where appropriate, we compared these findings with data from our 2023 State of Financial Automation study, conducted the previous year. Please note that in this instance, we surveyed 750 SMB financial decision-makers in the U.S. with 50–500 employees.

FIGURE 9.1

### Percentage of respondents by number of employees

EMPLOYEES

PERCENTAGE RESPONDENTS

200–500



20%

100–199



27%

50–99



27%

10–49



26%

FIGURE 9.2

## Respondents by industry

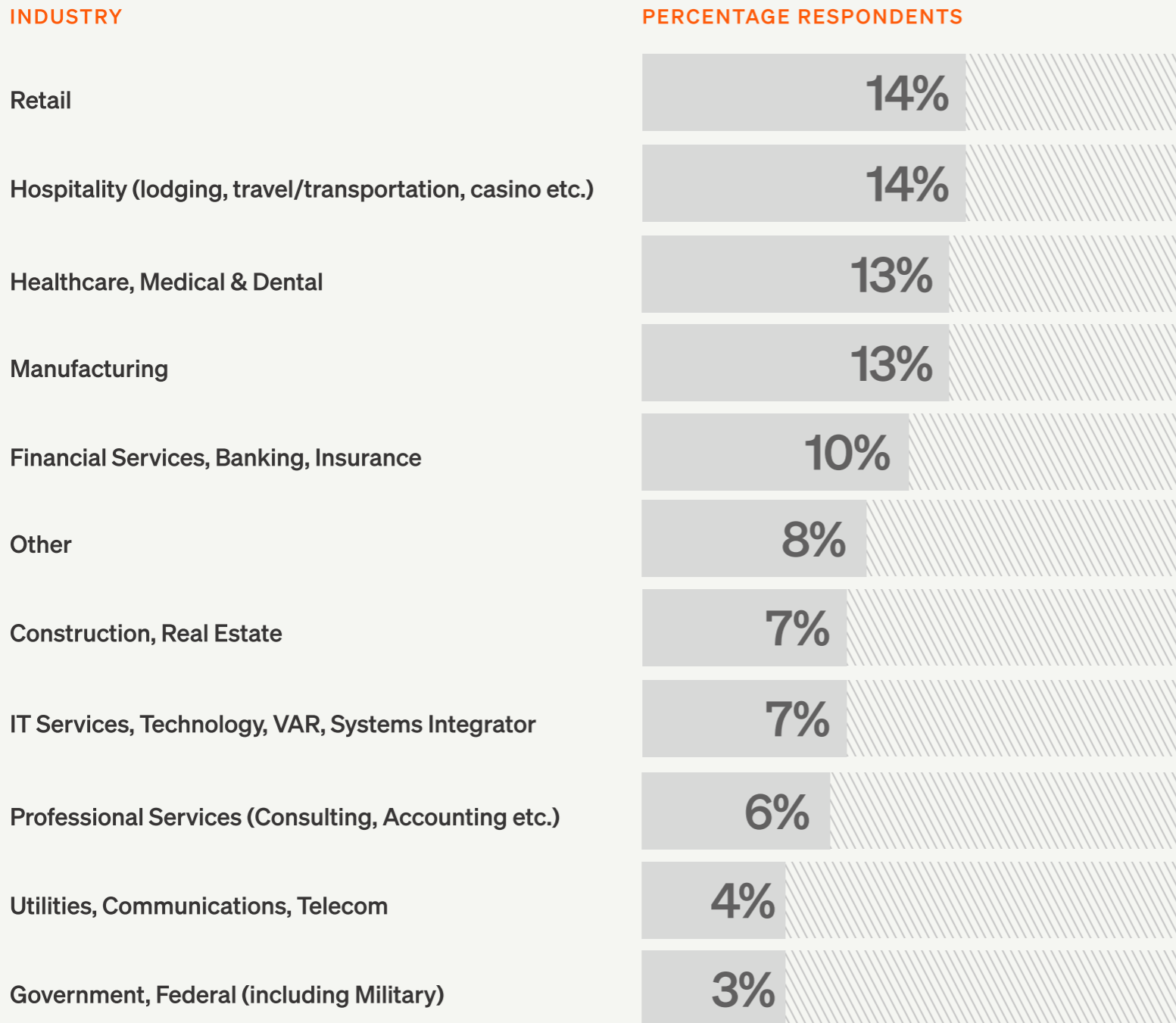


FIGURE 9.3

## Respondents by role distribution





## Ready to streamline your financial operations with BILL?

Learn how we help SMBs pay bills, send invoices, manage expenses, control budgets, and access the credit your business needs to grow—all on one platform.

[Request Demo](#)

### About BILL

BILL is a leading financial operations platform for small and midsize businesses (SMBs). As a champion of SMBs, we are automating the future of finance so businesses can thrive.

Our integrated platform helps businesses to more efficiently control their payables, receivables and spend and expense management.

Hundreds of thousands of businesses rely on BILL's proprietary member network of millions to pay or get paid faster.

Headquartered in San Jose, California, BILL is a trusted partner of leading U.S. financial institutions, accounting firms, and accounting software providers.

### About SMB Group

SMB Group is a research, analysis, and consulting firm focused on technology adoption and trends among small and medium (1-999 employee size) and mid-market (1,000-2,500 employee size) businesses.

Founded in 2009, SMB Group helps clients understand and segment the SMB market, identify and act on trends and opportunities, develop more compelling messaging, and more effectively serve SMB customers.

