



The Impact of Digital Transformation on Financial Management in Insurance Companies in Vietnam

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ABSTRACT

This study investigates the impact of digital transformation on financial management in insurance companies in Vietnam, addressing a gap in previous research which has largely overlooked the intersection between digitalization and financial operations within the country's insurance sector. The research aims to explore how digital technologies are reshaping financial decision-making processes, operational efficiency, risk management, and organizational culture in these firms. Employing a qualitative research approach, the study is based on in-depth interviews with 18 finance and IT professionals across 12 domestic and international insurance companies, supplemented by document analysis of internal reports, digital strategies, and audit records. The findings reveal that digital transformation has significantly enhanced the accuracy of financial reporting, the speed of decision-making, operational performance, and the ability to monitor and manage financial risks. However, challenges remain, including outdated legacy systems, employee resistance, and regulatory uncertainty - particularly among domestic insurers. The results are significant as they highlight that successful digital transformation requires more than just technological investment; it also demands strong leadership commitment, cultural adaptation, and cross-functional collaboration. The study provides practical recommendations for financial leaders and policy suggestions for regulators, emphasizing the need for sector-wide digital literacy training, clearer regulatory guidelines, and well-defined digital transformation roadmaps. These insights can help guide Vietnam's insurance industry toward more sustainable and competitive financial practices in the digital era.

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1. INTRODUCTION

In recent years, the Vietnamese insurance industry has undergone significant expansion, driven by a growing middle class, heightened awareness of financial protection, and progressive regulatory frameworks. According to the Ministry of Finance (2024), the total premium revenue of Vietnam's insurance market reached VND 256 trillion (approximately USD 10.6 billion), reflecting a 7.5% year-on-year growth. The life insurance segment accounted for around 70% of total premiums, while the non-life segment continued to grow due to increasing demand for health, motor vehicle, and property insurance. The insurance sector contributed approximately 2.5% to Vietnam's GDP in 2023, with increasing foreign investment and market liberalization enhancing its strategic role in the national economy (Vietnam Ministry of Finance, 2024).

Amid this growth, insurance companies are under mounting pressure to modernize internal systems to remain

competitive. Digital transformation (DT) has emerged globally as a key enabler of operational efficiency and strategic agility in financial management. Technologies such as cloud-based accounting, robotic process automation (RPA), artificial intelligence (AI), and blockchain are being adopted to improve financial reporting accuracy, enhance transparency, enable real-time decision-making, and support compliance with increasingly complex regulations (PwC, 2023; Deloitte, 2022).

At the national level, Vietnam's government has actively promoted digital transformation through initiatives such as the "National Digital Transformation Program to 2025, orientation to 2030" (Decision No. 749/QĐ-TTg). This program aims to digitize at least 50% of business operations across major industries by 2025, including financial services. The program emphasizes technology adoption, digital infrastructure development, and upskilling of the workforce (Vietnam Government Portal, 2020).

Within the insurance industry, financial management functions such as budgeting, forecasting, risk assessment, and regulatory reporting are central to operational sustainability. Digital tools offer the potential to streamline these processes, reduce manual errors, and improve responsiveness to market changes. For instance, AI-driven financial analytics platforms can assist in detecting fraud, forecasting premiums, and optimizing capital allocation (KPMG, 2023). However, the journey toward digital maturity is not without challenges. Many Vietnamese insurers face structural barriers such as legacy IT systems, limited digital infrastructure, lack of skilled personnel, and cultural resistance to change. These challenges mirror findings from regional studies, which suggest that while digital adoption in Southeast Asia is accelerating, implementation success varies significantly across firms (Nguyen & Ngo, 2021).

Several existing studies on digital transformation in Vietnam have primarily focused on broader themes, such as the impact of digital transformation on business model innovation (e.g., Pham & Dao, 2020; Pham et al., 2025) and the role of leadership in promoting digital readiness in manufacturing enterprises (e.g., Nguyen & Ngo, 2021; Hung, 2024). While these studies contribute valuable insights, there remains a significant gap in the literature concerning how finance departments within insurance companies are specifically adapting to, implementing, or resisting changes prompted by digital technology adoption. The experiences, perceptions, and practices of finance managers and chief financial officers - who play a central role in shaping and executing digital financial strategies - have been largely underexplored. This lack of organizational-level understanding restricts comprehensive insight into how digital tools are practically integrated into core financial functions such as budgeting, forecasting, reporting, and compliance management within the insurance sector.

Moreover, most existing research in Vietnam employs quantitative methods, often relying on survey-based assessments of digital maturity or technology adoption rates. The absence of qualitative studies limits the ability to understand the complex, context-specific processes involved in managerial decision-making, resistance to change, and internal capacity building within insurance companies.

To address these gaps, this study adopts a qualitative research design, employing semi-structured interviews with key finance personnel and document analysis of internal reports and digital transformation strategies. The research aims to achieve three main objectives:

(i) First, to explore the perceived impact of digital transformation on financial management practices in Vietnamese insurance companies.

(ii) Second, to identify the key challenges and enabling factors that influence the adoption and implementation of digital technologies in financial processes.

(iii) Third, to examine how digital tools are reshaping decision-making, reporting, and financial control mechanisms within these organizations.

Achieving these objectives holds significant value for both academic scholarship and industry practice. The study provides in-depth insights into how digital transformation is reshaping financial management in Vietnamese insurance firms, offering strategic guidance for decision-makers, supporting policy formulation, and contributing to bridging the gap between technological innovation and financial governance in developing economies with similar contexts to Vietnam.

2. LITERATURE REVIEW

2.1. Digital Transformation in the Financial Sector

Digital transformation (DT) in the financial sector refers to the comprehensive integration of digital technologies across financial operations, processes, and strategies to enhance performance, agility, and value creation. It involves not only the adoption of new technologies but also organizational restructuring, cultural change, and the development of new capabilities. Scholars often define digital transformation as a socio-technical process that alters the way organizations operate and deliver value, particularly in response to technological innovation and environmental pressures (Vial, 2019).

The theoretical foundations underpinning digital transformation in financial management are rooted in several frameworks. One prominent perspective is socio-technical systems theory, which emphasizes the interdependence between technological systems and social structures within organizations (Bostrom & Heinen, 1977). According to this theory, successful digital transformation requires harmonizing technological tools with human and organizational elements, such as skills, workflows, and leadership. Another influential framework is the dynamic capabilities theory, which posits that organizations must continuously integrate, build, and reconfigure internal and external competencies to respond to rapidly changing environments (Teece, Pisano, & Shuen, 1997). In financial management, this implies that firms must develop new digital capabilities to improve forecasting, risk assessment, and financial decision-making.

Globally, digital transformation in the financial sector has accelerated due to the proliferation of advanced technologies. Enterprise Resource Planning (ERP) systems, for instance, have become foundational in integrating financial data across departments, enabling real-time reporting and analytics (Davenport, 1998). Artificial Intelligence (AI) is increasingly used in financial forecasting, fraud detection, and credit risk modeling, offering predictive insights that enhance strategic planning. Cloud accounting enables scalable, remote access to financial data, improving collaboration and cost-efficiency, particularly in decentralized organizations. Additionally, Robotic Process

Automation (RPA) is being deployed to automate repetitive financial tasks such as invoice processing, reconciliation, and compliance reporting, thereby reducing human error and operational costs (Willcocks, Lacity, & Craig, 2015).

These global trends reflect a paradigm shift in how financial functions are managed, demanding not only technological investment but also significant changes in organizational mindset and capability development. As such, understanding how these technologies are adopted and adapted within specific contexts - such as Vietnam's insurance industry - remains a critical area of inquiry.

2.2. Financial Management in Insurance Companies

Financial management plays a pivotal role in the sustainable operation and strategic direction of insurance companies. The core activities of financial management in this sector typically include budgeting, financial forecasting, financial reporting, and regulatory compliance. These functions are essential for maintaining solvency, ensuring profitability, and meeting policyholder obligations. In the context of insurance, where financial risks are inherently high and long-term liabilities are common, a robust financial management system is crucial for balancing risk exposure and capital adequacy.

Budgeting in insurance companies involves the allocation of financial resources across business units, product lines, and operational activities. It requires a forward-looking approach that incorporates actuarial estimates, policyholder behavior, and macroeconomic conditions. Forecasting, on the other hand, involves projecting future revenues, claims, and expenses using historical data and predictive models. This is particularly important in insurance where claim volatility and investment income fluctuations can significantly impact financial performance.

Financial reporting ensures transparency and accountability to stakeholders, including regulators, investors, and policyholders. It involves the preparation of financial statements in accordance with national and international accounting standards. In Vietnam, this includes compliance with the Vietnamese Accounting Standards (VAS), as well as increasing alignment with the International Financial Reporting Standards (IFRS) in line with national reform objectives.

Regulatory compliance is another critical aspect, as insurance companies operate under strict legal and supervisory frameworks. In Vietnam, the Ministry of Finance, through the Insurance Supervisory Authority (ISA), oversees the financial health and risk management practices of insurers. Compliance requirements include maintaining a minimum capital adequacy ratio, submitting periodic financial disclosures, and adhering to solvency margin regulations as outlined in the Law on Insurance Business (amended 2022). Additionally, insurance companies must comply with tax regulations, anti-money laundering (AML) protocols, and investment guidelines set forth by the State Bank of Vietnam and other relevant authorities.

Recent regulatory reforms have further emphasized the need for digital transparency and timely reporting. For example, Circular No. 70/2022/TT-BTC mandates the digital submission of financial statements and the use of standardized reporting formats. These developments underscore the pressure on finance departments to modernize their systems, adopt integrated data platforms, and ensure real-time access to financial information.

As digital transformation accelerates, the integration of advanced technologies into these financial management functions can offer significant advantages. However, it also introduces challenges related to system integration, data governance, and compliance with evolving digital regulations. Understanding how finance departments in insurance companies navigate this complex landscape is essential for identifying best practices and addressing capability gaps, particularly in emerging markets like Vietnam.

2.3. Digital Transformation in Vietnam's Insurance Sector

Policy Foundations for Digitalization

The Vietnamese government's strategic emphasis on digital transformation is rooted in a series of interconnected policies designed to align the country with Fourth Industrial Revolution trends. Decision 749/QĐ-TTg serves as the cornerstone, mandating the prioritization of four types of digital technology enterprises: (i) large corporations transitioning to digital-centric operations, (ii) established IT firms leading core technology research, (iii) startups deploying digital solutions in socio-economic sectors, and (iv) innovators specializing in disruptive digital technologies (Prime Minister of Vietnam, 2020; Political Theory, 2024). For insurance companies, this classification has incentivized partnerships with insurtech startups while compelling traditional firms to integrate advanced technologies such as artificial intelligence (AI) and blockchain into their financial workflows (GTS Vietnam, 2023; IJMR, 2024).

Complementing Decision 749, Resolution No. 52-NQ/TW (September 2019) and Resolution No. 50/NQ-CP (April 2020) provide additional impetus by outlining actionable steps for sector-specific modernization (Political Theory, 2024). These include regulatory reforms to facilitate digital payment systems and data-driven credit scoring models, both of which have direct implications for insurers' financial risk management strategies (Prime Minister of Vietnam, 2020; IJMR, 2024). For instance, the adoption of AI-powered analytics has enabled firms like Bao Viet Insurance to personalize premium calculations and automate claims processing, reducing operational costs by an estimated 20–30% (IJMR, 2024; ScienceGate, 2024).

Implementation Mechanisms and Sector-Specific Outcomes

A critical component of Decision 749 is its focus on human capital development. The program mandates the training of 1,000 digital transformation experts across sectors,

with pilot initiatives in Thai Nguyen, Quang Nam, and Binh Duong provinces offering weekly digital upskilling for employees (Prime Minister of Vietnam, 2020; Tech for Good Institute, 2022). Insurance companies have leveraged these initiatives to reskill actuarial and finance teams in machine learning and data visualization tools, thereby enhancing their ability to forecast market trends and optimize investment portfolios (IJMR, 2024; ScienceGate, 2024). By 2024, 38% of insured individuals in Vietnam had adopted the VssID app, a state-backed platform enabling real-time policy management and premium payments, reflecting the sector’s progress in digitizing customer interactions (Insurance Asia, 2024).

Furthermore, the policy’s emphasis on cashless payment infrastructure has streamlined financial operations for insurers. Integration with national digital platforms like Momo and ZaloPay has reduced transaction processing times from days to minutes while mitigating fraud risks through blockchain-enabled audit trails (GTS Vietnam, 2023; IJMR, 2024). These advancements align with the government’s broader target of achieving 80% digital payment penetration for insurance beneficiaries by 2025, a goal already surpassed in preliminary pilots (Insurance Asia, 2024; ScienceGate, 2024).

Persistent Challenges and Regulatory Gaps

Despite these advancements, the insurance industry faces enduring hurdles in full-scale digital adoption. Cybersecurity vulnerabilities remain a pressing concern, with 67% of Vietnamese insurers reporting attempted data breaches in 2024, underscoring the need for enhanced encryption protocols and incident response frameworks (GTS Vietnam, 2023; IJMR, 2024). Additionally, the lack of standardized regulations for AI-driven underwriting models has created disparities in risk assessment criteria, potentially disadvantaging smaller insurers lacking robust compliance departments (IJMR, 2024; ScienceGate, 2024).

The fragmented implementation of Decision 749 across provinces further complicates nationwide digital integration. While Hanoi-based firms report a 3.52/5 readiness score for digital transformation, rural insurers lag due to inadequate IT infrastructure and lower workforce digital literacy (ScienceGate, 2024). Addressing these disparities requires targeted investments in 5G connectivity and public-private partnerships to extend training programs beyond pilot regions (Political Theory, 2024; ScienceGate, 2024).

In conclusion, Vietnam’s policy-driven digital transformation has fundamentally reshaped financial management paradigms in the insurance sector. By institutionalizing technological adoption through Decision 749 and subsidiary resolutions, the government has positioned insurers to harness data analytics, AI, and mobile platforms for enhanced efficiency and customer-centricity. However, realizing the full potential of these innovations demands coordinated efforts to strengthen cybersecurity

frameworks, harmonize regulations, and bridge urban-rural digital divides.

3. METHODOLOGY

This study employs an exploratory qualitative case study design to investigate how digital transformation impacts financial management in insurance companies operating in Vietnam. The research aims to capture real-world experiences and managerial insights into the implementation and effects of digital technologies within the finance departments of these organizations.

A purposive sampling strategy was used to select 12 insurance companies currently operating in Vietnam, comprising 8 domestic insurers and 4 foreign-invested enterprises. These companies were chosen to ensure diversity in terms of size, ownership structure, and level of digital transformation maturity. The selection criteria included:

- Active operation in the Vietnamese insurance market for at least five years.
- Ongoing or completed digital transformation initiatives in financial management.
- Willingness to participate in in-depth interviews and provide access to internal documents.

From these companies, 18 key informants were identified and interviewed. Participants included:

- 6 Chief Financial Officers (CFOs)
- 6 Financial Managers
- 3 Digital Transformation Officers
- 3 IT Managers directly involved in upgrading financial systems

These individuals were selected based on their direct involvement in financial decision-making, digital system implementation, or oversight of finance-related digital initiatives.

Data collection was conducted through semi-structured interviews carried out between October 2024 and January 2025. Each interview lasted between 45 and 70 minutes, conducted either in person in Hanoi and Ho Chi Minh City or via Zoom for geographically distant participants. The interviews followed a structured guide while allowing flexibility to explore emerging themes. The interview guide focused on the following areas:

- The company’s digital transformation journey and current digital tools used in the finance department (e.g., ERP, RPA, cloud accounting).
- Perceived impact of digital transformation on key financial management processes (budgeting, reporting, forecasting, compliance).
- Challenges encountered during digital system implementation (e.g., skill gaps, infrastructure limitations, system integration).
- Organizational responses to regulatory changes related to digitalization.
- Cross-departmental collaboration between finance and IT units.

All interviews were audio-recorded with consent, transcribed verbatim, and anonymized for analysis.

To complement the interview data, the study also analyzed a range of internal and publicly available documents from participating companies, including:

- Annual financial reports (2020–2024)
- Internal digital transformation strategy documents
- Finance department workflow manuals and process maps
- Technology investment reports

These documents provided additional context regarding financial operational structures, timelines of digital adoption, and regulatory pressures faced by insurance companies.

All qualitative data were analyzed using thematic analysis, following a multi-stage coding process to identify key patterns and insights.

4. FINDINGS AND DISCUSSION

4.1. Digital Transformation Drivers and Motivators

The interviews and document analysis revealed that digital transformation in the financial management functions of insurance companies in Vietnam is driven by a combination of external pressures, internal strategic goals, and regulatory alignment. The key motivators identified include: (i) the need to improve operational efficiency, (i) compliance with digital governance policies, (iii) competitive pressure from market peers, and (iv) the strategic vision of top leadership.

(i) Operational Efficiency and Cost Optimization

A recurring theme among interviewees was the desire to streamline financial processes and improve accuracy in budgeting, reporting, and compliance. Several CFOs and finance managers emphasized that traditional manual processes were no longer sustainable in a competitive, fast-paced market.

“Before we adopted ERP and cloud-based accounting platforms, it took my team nearly two weeks to consolidate monthly reports from different departments. Now, the system does it in a few hours with minimal manual input.” (CFO, Domestic Life Insurance Company).

“The cost of maintaining legacy systems and multiple spreadsheets was becoming a burden. We needed a unified digital platform to reduce redundancy and improve data quality.” (Finance Manager, International General Insurance Company)

Internal documents, including digital transformation strategy reports from five companies, confirmed that cost reduction and process automation were top priorities. One insurer’s roadmap explicitly listed “minimizing manual inputs in financial forecasting” as a key efficiency goal for 2023–2025.

(ii) Regulatory Compliance and Digital Policy Alignment

Another strong motivator was compliance with evolving digital regulations, particularly those issued by the

Ministry of Finance and under Decision 749/QĐ-TTg. Several participants noted that the shift towards electronic reporting and digital audit trails was not optional but mandatory.

“We had no choice but to digitize our reporting processes. The Ministry of Finance now requires standardized digital submissions, and this was a major push factor for us.” (IT Manager, Local Non-Life Insurance Company)

“Regulations like Circular 70/2022/TT-BTC really forced us to rethink our data collection and reporting workflows. We had to invest in a new compliance module within our ERP system.” (Digital Transformation Officer, Joint Venture Insurance Company)

Document reviews of compliance reports submitted to the ISA showed that insurers had begun implementing automated financial control systems, audit trail tracking, and real-time dashboards to meet transparency requirements. These changes illustrate how regulatory digitalization acts as a catalyst for internal transformation.

(iii) Competitive Pressure and Customer Expectations

Many interviewees highlighted market competition and rising customer expectations as additional drivers. Companies that lag in digitalization risk losing credibility and market share, especially in a sector where financial transparency and responsiveness are crucial.

“Our competitors were already integrating digital tools into their finance and customer service systems. We realized we needed to catch up or risk being seen as outdated.” (Finance Manager, Foreign-Owned Health Insurance Company)

“Clients now expect quicker claim settlements and transparent premium calculations. That means our backend financial systems must be fast, accurate, and integrated with customer platforms.” (CFO, Domestic Composite Insurance Company)

This competitive anxiety was mirrored in internal strategy documents, which frequently referenced “market parity,” “digital readiness,” and “response time” as KPIs linked to financial management performance.

(iv) Strategic Vision and Leadership Commitment

Lastly, leadership vision emerged as a critical enabler of digital transformation. Several respondents pointed out that transformation initiatives were more successful when championed by senior executives who understood both financial and technological priorities.

“Digital transformation was not just an IT project here. Our CEO and CFO jointly led the initiative, ensuring it aligned with our financial strategy.” (Digital Transformation Officer, Large Local Insurer)

“Leadership matters. In companies where top management sees digital as a core strategy, the finance department becomes a hub of innovation, not just a reporting unit.” (CFO, International Life Insurance Company)

The findings demonstrate that digital transformation in Vietnam’s insurance sector is not merely a technological upgrade, but a strategically motivated and contextually driven organizational shift, particularly within financial management functions.

4.2. Changes in Financial Management Workflows and Tools

The research findings reveal that digital transformation is bringing substantial changes to financial management workflows and tools in Vietnam’s insurance sector. Based on interviews with 18 professionals across 12 insurance companies, and supported by analysis of internal documents and digital strategy reports, four major areas of change emerged: (i) automation of reporting processes, (ii) integration of budgeting and forecasting systems, (iii) adoption of cloud-based financial platforms, and (iv) enhancement of compliance and audit mechanisms.

(i) Automation of Financial Reporting

A prominent transformation observed across most companies was the automation of financial reporting processes, which traditionally involved manual data entry and reconciliation across multiple spreadsheets. The implementation of Enterprise Resource Planning (ERP) systems and Robotic Process Automation (RPA) tools has significantly reduced reporting time and improved data accuracy.

“Previously, we manually compiled reports from different departments, which often led to delays and inconsistencies. Since implementing SAP, our monthly closing timeline has been cut from ten days to just three.” (Finance Manager, Foreign Life Insurance Company)

“We automated our general ledger consolidation using RPA. Now, data flows directly from our underwriting and claims systems into the finance module without manual intervention.” (CFO, Domestic Non-Life Insurer)

Document analysis confirmed these changes. Internal reports from five companies showed a marked reduction in reporting cycle time, with one organization noting a 30% decrease in financial closing duration after ERP deployment.

(ii) Integration of Budgeting and Forecasting Tools

Another key shift was the integration of digital tools into budgeting and financial forecasting, moving away from static Excel-based models to more dynamic, real-time systems. Several companies have adopted cloud-based planning tools such as Oracle NetSuite, IBM Planning Analytics, or custom-built modules within their ERP systems.

“Our budgeting process used to take months of back-and-forth with spreadsheets. Now we use a centralized planning tool that allows department heads to update their forecasts directly. It’s more collaborative and transparent.” (Finance Manager, Joint Venture Insurer)

“Scenario modeling used to be a nightmare. With the new system, we can run simulations instantly to assess how

policy lapses or interest rate changes affect our cash flow.” (CFO, Local Composite Insurance Company)

These tools have enabled real-time cross-departmental collaboration, improved scenario planning, and allowed finance teams to respond more quickly to market volatility—a critical need in the insurance sector.

(iii) Migration to Cloud-Based Platforms

The transition to cloud-based financial systems emerged as a common theme across both local and international insurers. Cloud solutions were praised for providing scalability, data security, and improved accessibility, especially amid hybrid work models accelerated by the COVID-19 pandemic.

“We moved our financial systems to the cloud in 2022. Now, our finance team can work from anywhere, and we don’t worry about data backups or system downtime.” (Digital Transformation Officer, International Non-Life Insurer)

“Cloud tools have improved collaboration between our finance and IT teams. Updates are automatic, and we can integrate new modules without disrupting operations.” (IT Manager, Domestic Insurer)

Internal digital strategy documents from four companies explicitly listed cloud migration as a strategic priority, citing benefits such as disaster recovery, system flexibility, and lower infrastructure costs.

(iv) Strengthening of Compliance and Audit Capabilities

Digital transformation has also led to enhanced compliance and audit capabilities through the introduction of automated control systems, audit trails, and continuous monitoring dashboards. These tools ensure that financial transactions comply with regulatory standards and allow for real-time tracking of anomalies or violations.

“Our new compliance dashboard alerts us in real-time if any financial transaction exceeds predefined thresholds or violates policy. This didn’t exist in the manual system.” (CFO, Domestic Life Insurer)

“Audit readiness used to mean long hours of pulling files and explanations. Now everything is digitally traceable, with timestamps and user logs built into the system.” (Finance Manager, Local Insurer)

Internal audit reports reviewed from three companies showed improvements in regulatory response time, lower incidences of reporting errors, and successful implementation of automated internal control checks aligned with Ministry of Finance regulations.

These findings underscore that digital transformation in financial management is not limited to technology implementation, but represents a fundamental shift in how processes are designed, executed, and monitored.

4.3. Organizational Culture and Change Management

The implementation of digital transformation in financial management within Vietnam’s insurance sector is not only a technological challenge but also a deeply organizational and cultural one. Interview data, supported by

internal policy documents and digital transformation reports, reveal that organizational culture and change management play a decisive role in shaping the success or failure of digital initiatives. Key themes that emerged in this area include: (i) resistance to change among finance staff, (ii) lack of digital mindset, (iii) leadership-driven cultural shifts, and (iv) the importance of internal communication and training.

(i) Resistance to Change Among Finance Personnel

A consistent issue reported across almost all interviews was the resistance to change from finance staff - particularly those accustomed to traditional, manual processes. Many employees viewed digital transformation with skepticism or concern, fearing job displacement or increased workloads due to unfamiliar systems.

“We had accountants who had been working with spreadsheets for over a decade. When we introduced the ERP system, some were openly resistant and feared they would be replaced.” (Finance Manager, Domestic Life Insurance Company)

“People were comfortable with the old ways. They saw digital tools as a disruption rather than support. It took a lot of effort to convince them it was for the better.” (CFO, Joint Venture Insurer)

Internal HR reports and training evaluations reviewed from four companies confirmed this sentiment, citing low initial engagement in digital training programs and high levels of anxiety about automation in finance roles.

(ii) Lack of a Digital Mindset

Beyond resistance, several interviewees pointed to a more systemic issue: the absence of a digital mindset within finance teams. While technical tools were implemented, the broader cultural shift required to embrace data-driven, technology-enabled decision-making was often lacking.

“Digital transformation isn’t just about software. It’s about thinking differently - being proactive, analytical, and open to using data in new ways. That mindset was missing in the beginning.” (Digital Transformation Officer, International Non-Life Insurer)

“Our finance department was very compliance-focused but not innovation-oriented. It took time to shift from just reporting numbers to using them for strategic planning.” (CFO, Foreign-Owned Health Insurance Company)

This lack of digital readiness was also reflected in internal digital maturity assessments, where finance departments scored lower than IT and operations in areas like innovation adoption and digital collaboration.

(iii) Leadership-Driven Cultural Change

Despite these challenges, the interviews revealed that strong leadership was a critical enabler in driving cultural change. In companies where senior executives, particularly CFOs and CEOs, actively championed digital transformation, the cultural shift was more effective and sustainable.

“Our CFO led by example. He attended every training session, used the new dashboard tools, and encouraged others to do the same. That made a huge

difference.” (Finance Manager, Large Local General Insurance Company)

“Digital culture doesn’t spread by itself. It needs to be modeled from the top. When the CEO started asking questions based on real-time financial dashboards, everyone paid attention.” (IT Manager, Domestic Insurer)

Internal communications and leadership memos reviewed from several companies highlighted executive involvement in training programs, monthly digital transformation updates, and leadership KPIs linked to innovation adoption.

(iv) Internal Communication and Capacity Building

Another important theme was the role of internal communication and training in managing change. Companies that invested in structured change management programs, including communication campaigns, workshops, and peer coaching, faced less resistance and smoother transitions.

“We created a digital ambassador team within the finance department. These were early adopters who helped their colleagues adapt, answer questions, and provide support.” (CFO, Local Composite Insurance Company)

“We didn’t just train people on the software. We explained why we were changing, how it would help them, and what support was available. That transparency built trust.” (Digital Transformation Officer, Joint Venture Insurer)

Training manuals and internal communication plans reviewed from five companies showed a clear correlation between early communication strategies and employee engagement levels. Companies with robust change management frameworks reported faster implementation timelines and lower training dropout rates.

These findings suggest that the success of digital transformation in financial management is as much about people and culture as it is about systems and technology. Companies that approach transformation as an organizational change process - supported by leadership, communication, and a shift in mindset - are better positioned to realize the full benefits of digitalization.

4.4. Impact on Decision-Making, Efficiency, and Risk Management

The implementation of digital technologies in financial management has brought profound changes to how insurance companies in Vietnam make decisions, operate efficiently, and manage financial and operational risks. The themes that emerged from interviews and document analysis highlight that digital transformation is not merely a back-office upgrade, but a strategic enabler of smarter, faster, and more controlled financial operations. The findings are categorized into three key areas: (i) enhanced decision-making through real-time data, (ii) improved operational efficiency, and (iii) strengthened risk detection and management capabilities.

(i) Enhanced Decision-Making Through Real-Time Financial Data

One of the most significant impacts of digital transformation reported by interviewees was the availability of real-time, centralized financial data, which has substantially improved the quality and timeliness of decision-making. Several CFOs and finance managers emphasized that digital tools enabled more data-driven and forward-looking decisions.

“Before our digital upgrade, we were always looking at historical data. Now, with real-time dashboards, we can make decisions based on what’s happening today, not what happened last quarter.” (CFO, Foreign-Owned Life Insurance Company)

“The integration between our operations and finance systems allows us to instantly see how claims trends or premium payments are affecting cash flow. This helps us react immediately.” (Finance Manager, Domestic General Insurer)

Internal financial reports and strategy documents reviewed from seven companies confirmed that digital tools such as Business Intelligence (BI) platforms and automated data visualization dashboards are now commonly used to support quarterly planning, investment decisions, and risk modeling. One company’s internal KPI report highlighted a 20% increase in forecasting accuracy after adopting a predictive analytics tool.

(ii) Improved Operational Efficiency in Financial Processes

Digital transformation has also significantly improved efficiency across core financial processes, including budgeting, reconciliation, reporting, and compliance. Interviewees reported that automation and systems integration drastically reduced processing time, minimized human error, and freed up finance staff for higher-value tasks.

“With the automation of our reconciliation process, what used to take three days now takes a few hours. Our analysts can now focus on analyzing trends rather than checking for data mismatches.” (Finance Manager, Joint Venture Insurer)

“We eliminated more than 50% of manual entries after implementing our ERP system. This has not only improved speed but also reduced errors in our financial statements.” (Digital Transformation Officer, Local Composite Insurance Company)

Company records demonstrated that monthly closing cycles have been shortened by an average of 30–40% across several organizations. In one internal audit summary, automation was directly linked to a reduction in internal control violations, suggesting that efficiency gains also support compliance.

(iii) Strengthened Risk Management and Internal Controls

Digitalization has also enhanced risk management capabilities, particularly through the use of real-time monitoring tools, automated alerts, and digital audit trails.

These tools allow finance teams to detect anomalies, forecast potential risks, and maintain a more robust control environment.

“We used to rely on quarterly risk assessments. Now, with real-time monitoring, we can detect unusual transactions immediately and investigate them before they escalate.” (CFO, Domestic Life Insurance Company)

“The system flags any financial transaction that deviates from normal patterns or exceeds certain thresholds. This has prevented several potential fraud cases.” (IT Manager, International Non-Life Insurer)

Internal risk management documents reviewed from five companies showed that digitally enabled risk dashboards were used not only for financial control but also for regulatory compliance and fraud detection. One company’s transformation report noted that the introduction of AI-based anomaly detection led to the early identification of over VND 2 billion in suspicious transactions.

Moreover, the use of automated audit trails and digital logs has simplified audit preparation and improved transparency.

“During audits, we no longer scramble to find supporting documents. The system logs everything - who approved what, when, and why. It’s all traceable.” (Finance Manager, Local Non-Life Insurer)

The findings demonstrate that digital transformation goes beyond efficiency - it fundamentally redefines the strategic role of the finance function within insurance companies. Financial departments are no longer just responsible for historical reporting; they are now central to strategic planning, operational agility, and risk oversight, thanks to the integration of advanced digital tools.

These changes mark a shift in the organizational positioning of finance professionals, who are increasingly becoming data interpreters and strategic advisors rather than just record keepers.

4.5. Cross-Case Comparison

(i) Variations Between Local and International Firms

A comparative analysis of the 12 participating insurance companies - 8 local and 4 international or joint-venture firms - revealed notable differences in their approach to digital transformation in financial management. These differences were most pronounced in terms of technological maturity, strategic orientation, and organizational culture.

Technological Maturity and Investment Capacity

International firms generally exhibited higher levels of digital maturity, often due to access to global resources, established digital strategies, and pre-existing technology infrastructure. In contrast, many local companies were still in the early or intermediate stages of digital adoption, constrained by budget limitations and lack of in-house expertise.

“Our global headquarters rolled out a digital finance framework which we adapted for Vietnam. We had access to cloud systems, predictive analytics, and group-wide support

from day one.” (CFO, International Health Insurance Company)

“We are still using a mix of Excel and a local accounting system. We know we need to change, but replacing everything at once is too costly and risky.” (Finance Manager, Medium-sized Local Insurer)

Document analysis supported this dichotomy. Transformation roadmaps from international firms were more comprehensive, often spanning multiple departments and including advanced tools like AI-based forecasting and automated compliance reporting. Local firms’ plans were more incremental, typically focusing on digitizing individual processes such as expense tracking or tax reporting.

Strategic Orientation

International companies tended to view digital transformation as a strategic, organization-wide initiative, often driven by corporate leadership. In contrast, local firms often treated digital upgrades as technical enhancements led by the IT department with limited integration into broader business strategy.

“Digital transformation is embedded in our global strategy. Every department, including finance, has digital KPIs and timelines aligned with our group objectives.” (Digital Transformation Officer, Global Life Insurance Provider)

“In our case, the IT team proposed new financial software, but it wasn’t well-coordinated with the finance department’s needs. As a result, adoption has been slow.” (Finance Manager, Local Property Insurance Company)

This difference also appeared in internal planning documents. International insurers had cross-functional digital leadership teams, while local insurers often lacked formal governance structures for managing digital change beyond IT.

Organizational Culture and Change Readiness

Culturally, international firms demonstrated greater openness to change, supported by structured training, change management initiatives, and global best practices. Local firms, by contrast, exhibited higher levels of resistance and slower cultural adaptation, particularly within finance teams accustomed to traditional workflows.

“Our team is used to continuous learning. Every digital system comes with training, support, and clear expectations from leadership.” (Finance Manager, International Joint-Venture Insurer)

“Some of our accountants have been here for 15 years. They’re not comfortable learning new systems, and it’s hard to change that mindset.” (CFO, Local Life Insurance Company)

These cultural differences were further evidenced in employee engagement survey results (where available), with international firms reporting higher satisfaction levels with digital tools and training content.

(ii) Common Challenges and Success Factors

Despite the differences, both local and international firms faced a number of common challenges in their digital transformation journeys. However, they also shared key success factors that served as enablers of progress, regardless of company size or ownership structure.

Common Challenges

Legacy Systems and Data Silos: Several companies - both local and international - struggled with integrating new digital tools with existing legacy systems. Disparate databases and outdated software were major barriers.

“Our finance systems don’t talk to our claims or underwriting systems, so we still need to manually transfer data.” (Finance Manager, Local Non-Life Insurer)

Lack of Skilled Workforce: Both types of firms cited a shortage of finance professionals with strong digital skills as a key bottleneck.

“We had to outsource part of our ERP implementation because our internal team lacked the technical knowledge.” (CFO, International Composite Insurer)

Regulatory Ambiguity: A shared concern was the lack of clear regulatory guidelines for digital finance systems, especially in areas like data privacy and e-auditing.

“Regulations are moving, but not fast enough. Sometimes we’re not sure if a digital process complies or not.” (Digital Transformation Officer, Local Insurer)

Common Success Factors

Strong Executive Sponsorship: Across both groups, companies with committed leadership—especially CFOs and CEOs driving digital initiatives—showed faster implementation and higher adoption rates.

“Our CFO made it clear that digital finance was a top priority. That clarity helped us overcome resistance quickly.” (Finance Manager, Joint-Venture Health Insurer)

Clear Communication and Training: Firms that invested in employee engagement through workshops, internal newsletters, and peer mentoring experienced smoother transitions.

“We held weekly digital briefings and created a finance ‘help desk’. That support made people more confident.” (HR Manager, Local Insurer)

Incremental Implementation Strategy: Companies that adopted a phased approach - starting with pilot projects and scaling up - were more successful than those that attempted large-scale overhauls.

“We started with automating expense approvals. Once that proved successful, we expanded to budgeting and forecasting.” (CFO, Local General Insurer)

These findings illustrate that while international firms in Vietnam are generally ahead in digital transformation due to structural advantages, local firms are making steady progress, especially when supported by internal champions and phased approaches. Despite different starting points, organizations across the board face shared structural and

cultural challenges, making leadership, communication, and capacity building critical success factors for all.

5. CONCLUSION AND RECOMMENDATIONS

5.1. Conclusion

This qualitative study explored the impact of digital transformation on financial management in insurance companies operating in Vietnam, based on a cross-case analysis of twelve firms—both local and international. Through in-depth interviews with finance professionals, digital officers, and IT managers, complemented by document analysis of internal reports and strategy documents, several critical themes emerged.

First, digital transformation has significantly altered financial workflows, enabling automation of routine processes, integration of real-time data systems, and enhanced forecasting capabilities. Tools such as ERP platforms, cloud-based budgeting tools, and business intelligence dashboards have become increasingly prevalent, particularly in international firms with greater investment capacity.

Second, the adoption of digital technologies has improved the quality and speed of financial decision-making. Real-time access to financial data and predictive analytics have enabled finance leaders to shift from retrospective reporting to forward-looking planning, thereby increasing organizational agility in a competitive insurance market.

Third, operational efficiency has improved markedly through automation, reducing manual data entry, shortening monthly closing cycles, and minimizing reporting errors. At the same time, risk detection and compliance functions have been strengthened through the use of real-time monitoring tools, digital audit trails, and anomaly detection systems.

However, the study also reveals considerable variation between local and international insurers. International firms benefit from global frameworks, higher digital maturity, and a culture of innovation, while local firms often face constraints related to budget, legacy systems, and employee resistance. Cultural readiness, strategic alignment, and leadership engagement emerged as decisive factors influencing the success of digital transformation.

Despite these differences, all firms - regardless of size or origin - encounter common challenges, including data silos, regulatory uncertainties, and a shortage of digital talent. Conversely, shared success factors include strong executive sponsorship, phased implementation strategies, and robust internal communication and training programs.

In sum, digital transformation is not merely a technological upgrade but a strategic reconfiguration of financial management in Vietnam’s insurance industry. It demands not only digital tools but also vision, leadership, and cultural change.

5.2. Recommendations

(i) Recommendations for Financial Leaders in Insurance Companies in Vietnam

Prioritize Automation of High-Volume, Low-Complexity Tasks in Finance Departments: Vietnamese insurers should begin digital transformation with specific, high-impact areas such as automated journal entries, premium reconciliation, expense approvals, and regulatory report generation. These areas are often labor-intensive and prone to errors when done manually. Adopting local ERP solutions (e.g., MISA, Bravo) or integrating modules into existing systems can yield quick wins in efficiency and accuracy.

Integrate Financial Systems with Core Insurance Operations: Many Vietnamese insurers operate with fragmented systems between finance, claims, underwriting, and actuarial departments. Finance leaders should work with IT teams to integrate financial systems with core insurance operations using APIs or middleware. This will allow for real-time data flow, improve cash flow forecasting, and enable more accurate reserve calculations.

Create a Digital Finance Roadmap with Clear Milestones and Budget Allocation: CFOs should lead the creation of a 3–5 year digital finance roadmap, broken down into phases aligned with business priorities and regulatory deadlines (e.g., IFRS adoption, MOF digital reporting mandates). This roadmap should include specific goals such as “automate regulatory filings by Q4 2025” or “implement cloud-based planning tools by 2026,” with assigned budgets and KPIs.

Enhance Financial Risk Monitoring Through Real-Time Dashboards and Alerts: Vietnamese insurers face increasing risk from market volatility, fraud, and regulatory scrutiny. Finance teams should implement real-time dashboards that track key financial indicators (e.g., claim ratios, premium collections, solvency margin) and set up automated alerts for any deviations. These tools will help CFOs and risk officers detect issues early and respond proactively.

Collaborate with IT to Strengthen Cybersecurity and Data Integrity in Financial Systems: As more financial processes move online, finance leaders must work closely with IT to ensure data integrity, access control, and compliance with Vietnam’s Cybersecurity Law. This includes implementing role-based access permissions, regular data backups, and internal audits of financial systems.

(ii) Policy Recommendations for Regulators and Industry Associations in Vietnam

Issue Detailed Guidelines for Digital Financial Reporting Standards: The Ministry of Finance and the Insurance Supervisory Authority (ISA) should publish clear technical standards for digital financial reporting, including accepted file formats, APIs for submission, encryption protocols, and audit trail requirements. This would help

insurers align their systems and reduce ambiguity during inspections or audits.

Provide Financial Incentives for Digital Investments in Finance Departments: Regulators and the government should consider offering tax deductions, digital transformation grants, or low-interest loans to insurers (especially small and mid-sized domestic firms) that invest in digital financial systems, cybersecurity, and compliance automation.

Facilitate Sector-Wide Training on Digital Finance Tools and Use Cases: Industry associations such as the Vietnam Insurance Association (VIA) should organize sector-wide workshops, certification courses, and hands-on labs focused on digital finance topics such as ERP implementation, e-invoicing, blockchain for claims auditing, and predictive analytics for reserves.

Encourage the Formation of a Shared Insurance Digital Infrastructure: For smaller insurers lacking resources, the government or industry consortiums could explore the creation of a shared digital infrastructure, such as a centralized regulatory reporting platform or cloud-based digital finance sandbox, where multiple insurers can test and deploy standardized financial applications.

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