

The future of financial management is in the cloud

HOW CFOS CAN USE THE LATEST TECHNOLOGY TO CREATE VALUE ACROSS THEIR ENTERPRISES



NTT DATA Business Solutions



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Introduction

In today's digitally-driven business world, financial managers are all aware of the need to cultivate reliable data for business intelligence and informed decision making. On its own, however, good data just isn't enough. Businesses need to make the best use of new technologies to deploy actionable data effectively across the organization, creating valuable insights and continuing to learn and develop strategy over time.

CFOs in particular have a central role to play in developing company strategy, risk management, and business intelligence and driving forward companies' use of digital tools – particularly integrated, cloud-based software—to achieve the goal of transitioning from organizations that collect good data to those that rely on a unified source of truth to generate valuable insights. In this paper, I will offer advice for financial managers who want to make the most of technology, collaborating across their enterprises to foster an insights-driven business strategy and remaining competitive in their dynamic business environments.

USING FINANCIAL REPORTING TOOLS TO GET THE MOST OUT OF YOUR DATA

Today's CFOs and financial analysts need easy, coordinated, and insight-rich access to data in order to react to changing business conditions and act as strategic advisors for the business. In order to make the transition from data collection to using valuable insights, financial managers need the best available tools. The days of analysts tied up generating and managing clunky Excel spreadsheets are behind us. The digital business world demands more responsive, faster solutions to meet business challenges.

When it comes to financial management today, juggling Excel spreadsheets is old news. You need the latest tech tools to join the present.

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Why Get the Latest Financial Reporting Software?


As a financial manager, you need to be able to see accurately across your company's data landscape and drill down for specific insights when necessary. The newest cloud-based financial reporting software makes this possible by integrating your company data from various sources or applications to make it available in real time. Your data will be accessible by various internal stakeholders for quick queries and reporting in the formats appropriate for their needs. The bottom line: everyone can find the latest data in the most useful form to act with agility, intelligence, and speed.


Avoiding Silos

Using the cloud, you can stay up to date about the challenges facing your enterprise, while breaking through the barriers of silos. Cloud-based reporting tools allow you to share master data across applications for sales, marketing, finance, and beyond. You can also use hybrid planning tools that link cloud-based solutions with those based at your

company to cover your ERP and EPM needs. Financial managers can track KPIs, as well as handle forecasting, budgets, and business strategy using the most up-to-date business intelligence, analytics, and reporting.

 **Ready-made reports:** Use these or create customized reports for specific departments.

 **Automated report generation:** Allows your team to get relevant data without the manual generating spreadsheets.

 **Customizable dashboards:** Show the right data and KPIs to specific teams within your company. Choose how the data should be visualized.

Break through the silos with cloudbased solutions and create unified data access, sharing insights across your organization.

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Bottom line

Hybrid reporting with cloud-based ERP/EPM can do more for your enterprise than just coordinating your data. You can make faster decisions using developed insights, saving money and time by spotting problems and risks earlier. Predictive modeling can further help with risk assessment and strategy development. As a CFO, you can easily and directly access what you need in the most readable, usable form. This will help you go from a data-driven business to one that operates with agility and intelligence using insights.

FINANCIAL PLANNING & ANALYSIS (FP&A) AND THE NEWEST TECHNOLOGY

To effectively plan for your organization's financial future, you need both financial and non-financial data to create an accurate picture. Paired with cutting-edge technologies in the realms of Artificial Intelligence, Machine Learning, and CRM, your FP&A professionals can harness the power of your financial and customer-related data to become more responsive and plan according to the most current information. The latest technologies help them weave a story around the numbers and pursue company goals, removing potential human bias in processing data, and making it easier and more effective to visualize. CFOs can get a more accurate view of the company's financial future using key drivers and indicators and not just historical data.

Not Just Data – AI Visualization

Your FP&A team naturally relies on accurate data, but beyond just that, you need to be able to visualize the current situation in order to make future projections. Companies are increasingly turning to Artificial Intelligence (AI) and Machine Learning to get fast, accurate views of real-time data and generate valuable insights.

Beating Silos with FP&A

Your Financial Planning and Analysis team can effectively coordinate across all departments, climbing over silos to create effective strategic planning and improve outcomes in daily operations. How can they manage this? By linking financial data and strategy with overall goals of the enterprise, using cutting-edge algorithms to map out data-driven forecasts that allow for agile shifts in strategy. The result? Keeping the numbers in line with business goals, and using financial strategy to serve core aspirations of the entire enterprise.

Machine Learning: Better Forecasting and Less Drudgery

Software using Machine Learning – one facet of AI – can take your company beyond old-fashioned forecasting, number crunching, and spreadsheet

juggling. You can use Machine Learning to process huge amounts of data and use it to make informed projections that actually become more accurate over time. Automated forecasting models can even perform calculations involving huge amounts of data at lightning speed on a schedule, allowing your financial team to engage in strategy and communication.

What Can an Effective Partner Achieve for Your Enterprise?

- **Map external and internal drivers:** Using Machine Learning/AI, the right partner can identify the drivers that will most affect your company's success, including sales forecasts, competitor prices, and industry currents.
- **Use the right new tech:** Effective partners can create analytics, insights, and forecasts, processing big data and deploying automation in the form of AI and Machine Learning. They can generate effective reports and business intelligence, aiding in all areas of data engineering.
- **Implementing digital approaches:** The right partner can bring digital tools and approaches into all aspects of company operations, adding value across your entire organization.

AI, Machine Learning, and CRM combine to give your specialists the best view of the company's financial future.

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Bottom line

Today's financial analysts, armed with the newest technology, financial and non-financial data, and AI/Machine Learning, are more integrated into the overall goals, strategies, and daily operations of companies than in the past. In their report, "Steering through collaboration: CFOs driving new priorities for the future," The Economist's Intelligence Unit found that 90% of senior finance executives think that finance should be collaborating in enterprise planning to make sure operational plans match financial and strategic plans. The right technology, paired with your Financial Planning & Analysis team, can make this aspiration a reality and secure your company's future.

Financial executives think their teams should participate in overall business planning and financial analysts play an increasingly crucial role in company goals and strategy.

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THE FUTURE IS FULLY INTEGRATED, CLOUD-BASED FINANCIAL SOFTWARE

Modern, effective CFOs need dynamic, accurate access to company financial data for agile planning. The way to achieve this: full integrated, cloud-based financial software. CFOs can act more quickly with fewer errors and maintain a consistent picture of the company's financial status using connected financial management and project accounting software solutions ready to facilitate business in a globalized market.

Faster, More Accurate Consolidations and Integration

Cloud-based financial software cuts the time needed for consolidations from weeks to an always-available, real-time view of precise, accurate, and advanced analytic insights, ready to be used for decision making. Decisions based on financial data have an impact across your entire organization, so accuracy is as valuable as speed.

Integration makes all of this possible by connecting back- and front-end functions seamlessly for fast and accurate transactions. Collecting and maintaining good data improves the quality of your services, including asset management, trading, insurance,

and beyond. Integration also cuts down time spent on manual data processing, generating reports automatically from different sources, allowing you to gather insights.

These multi-dimensional, real-time reports avoid outdated or inaccurate data through integration. You also avoid time-lags in separate departmental reporting, which can lead to old information landing in reports for managers. Your team is freed from spending their time and energy manually generating reports and reconciling data. The right software offers them automatic, dynamic, real-time reporting based on accurate data from right now.

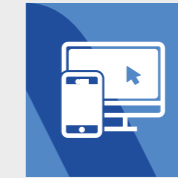
Integrated cloudbased software provides automatic, real-time reporting with accuracy, cutting out timelags, imprecision in reports, and slow consolidations.

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Features to look for when choosing software



Integration: seamlessly connected data across sources and departments



Real-time Reporting: dynamic reporting that shows you what's happening now



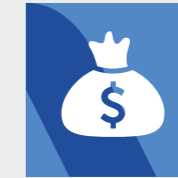
International Capabilities: global integration of locations, currencies, etc.



Compliance: including features specific for your industry



Scale: the right fit with your company, its processes, and its size, now and in the future



Costs: consider both initial price tag and trainings, updates, maintenance, and potential future upgrades

COSTS AND ROI WHEN SWITCHING TO CLOUD-BASED ERP

Analyzing ROI is crucial for achieving your business goals, and forecasting ROI accurately means considering a wide range of costs when using traditional ERP. However, these costs can be reduced or avoided by moving to Cloud. Significant benefits of a Cloud ERP system include higher profits achieved by managing resources in order to move products most effectively. You'll be able to better visualize schedules and chart demand, better manage materials, staff, equipment, and employee scheduling, and better follow market fluctuation for marketing.

Below Are Six of the Most Important Cost Factors that You Can Reduce or Avoid by Switching to Cloud ERP.

Cost Factor #1: Staff Time

When thinking through ROI, it's important to consider hidden costs and their counter-balancing benefits. Modern Cloud ERP reduces overhead, since data centers are based with the service provider. Expenses like IT staff, hardware, and

training are quite obvious, but it's important to also consider factors like added employee work time: staff, including upper-level managers and executives, will need to adjust as your system is implemented updated, taking them away from their usual tasks.

CFOS: THE VALUE OF CLOUD ERP FOR YOUR ORGANIZATION

Cost Factor #2: Training and Tailoring

You can reduce the costs of training and customization through outsourcing bug reporting and problem solving with Cloud ERP. However, you should consider these possible new costs a new system can generate:

- **Expanded training:** Cloud systems can require advanced trainings, retraining, and new employee orientation.
- **Individualization:** Customizing systems for your enterprise initially and over time, as well as associated trainings, should be part of your planning.
- **Expanded features:** Expansion of usage of system features, as your needs change, will require more training and could even require outside help from consultants.

Cost Factor #3: Doing Nothing

Is your existing system providing enough ROI to justify the cost of keeping it running? You've invested time and money in it, it's true, but failing to upgrade to a Cloud ERP system can have serious negative consequences for ROI, especially when you consider the benefits and savings of a new, more technologically advanced solution.

Cost Factor #4: Disconnected Data

As we've address above repeatedly, integrating data from various sources is crucial for today's businesses, and achieving this manually is arduous and less accurate than an integrated solution. Cloud-based ERP is cheaper and more effective, linking data sources and allowing all teams user-friendly access to a single source of truth, allowing for greater efficiency and higher quality of work across teams.

Cost Factor #5: Tying Up IT's Time

Your existing software may not just be eating up your IT team's valuable time and energy – it may also be leaving your company's data open to instability or risk. Your staff's time is better spent avoiding time-consuming coding projects or awkward manual workarounds. With Cloud ERP, much of the maintenance and support costs are shifted to the software provider, allowing your company a more agile, affordable IT strategy.

Cost Factor #6: Expansion and Coordination

Cloud-based ERP solutions are flexible, easy to expand, and adaptable through add-ons. A modern system can easily accommodate changes to your organization, while maintaining the integrity of company data, as opposed to traditional systems. Instead of coordinating multiple data sources and workarounds, cloudbased systems offer scalability, flexibility, and better security.

Cloud solutions for ERP are empowering businesses to thrive in the digital world, benefitting from an integrated SLA for a solution with agility, scalability, and comprehensive service—including all hardware, security, and operations. The cloud offers value in terms of TCO, faster and easier development, greater reliability, and lower risks. Hybrid solutions or various coordinated solutions coordinated are not the answer. Real Cloud ERP like SAP S/4HANA Cloud offers the best value for the modern business world.

More Value for Small and Midsize

Creating value means striving to provide the best for customers while remaining highly efficient within your enterprise. Smart Cloud ERP solutions do this by using business intelligence to reduce waste. You can analyze stock, avoiding overstocking and shortages, and track purchases across the company with real-time global procurement data. Intelligent Cloud ERP also lets you operate smarter, armed with an integrated, accurate single source of data for all departments. This creates value for you, your company and your customers. It makes you more responsive to your customers' needs, setting you apart in the global marketplace.

The Benefits of Cloud ERP that Provide Value for Your Enterprise

Integrated Cloud ERP's finance integrations can boost value and productivity for your whole organization. Here are some of the ways you, as a CFO, can benefit:

- 1. A Single Data Source:** A single source of truth allows your finance team to integrate with all other departments. No more shared Excel sheets or delayed decisions. You'll have a complete picture of company data and can simplify operations.

- 2. A Clearer Picture of Data:** Real-time access to accurate company information allows for agile, quick decision making all the way up to the CFO. Plan, execute and control projects, manage resources, and handle billing without arduous data management, freeing the CFO to make informed decision and collaborate in overall business strategy.

- 3. Intelligent Scheduling and Reporting:** CFOs will be happy to save costs through accurate planning. For instance, manufacturers can cut procurement costs by making more specific, binding agreements with suppliers based on an accurate, dynamic picture of company data.

- 4. Act Faster with the Clearest Data Picture:** Cloud ERP gives CFOs and other company leaders access to relevant KPIs automatically. Dynamically updating dashboards can be customized, offering transparency and agility. The capability to move from general KPIs to deeper dives into the data allow the whole C-suite to collaborate on business strategy with agility and intelligence.

Cloud-based ERP saves you money by outsourcing support and maintenance, but it also saves by linking data sources and increasing efficiency across teams.

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Teams across your enterprise can coordinate efforts with the accurate, up-to-date view of company data provided by Cloud ERP.

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ACTIONABLE STEPS FOR CONVINCING YOUR CIO TO ADOPT NEW TECH


Now you're ready to take a valuable step towards operating an insights-based business using modern technology and investing in Cloud ERP. But, how to convince your CIO? Here are some concrete arguments to get him on the same page:

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1.
Simplicity Means Scalability and Easier Adoption

Cloud ERP is a much simpler, more scalable solution than tools that need to be constantly reconciled and integrated manually. The single interface is better for all departments, and CIOs will have fewer hassles with adoption and engagement and more streamlined processes. Ultimately, ease with software and data leads to better ROI.
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2.
Putting IT Competency Where It's Most Needed

Your CIO and IT team will save time not trying to be all things to all people and can leave the software-related IT to the provider. This leaves IT to address core-business-related IT issues and strategies. For instance, they can focus on improving customer experience and maintaining competency in your industry, rather than putting out fires in your ERP software!
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3.
Speedy Implementation

You can get Cloud ERP systems up and running much faster than those based on-site. You can devote more time to integrating new solutions into your business processes, rather than a long, labor-intensive implementation process. Cloud tech is lightweight and travels fast!
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4.
Evolving Technology

Your Cloud ERP provider is in the business of serving clients and meeting their fast-developing needs in an evolving digital business environment. Their business model includes staying up to date with the latest tech for better ERP. Let them do the legwork, rather than tying up your CIO and IT team with staying at the ERP forefront.

CONCLUSION

Welcome to the future of financial and enterprise resource management. With modern, cloud-based solutions, CFOs can turn a data-driven business strategy into one empowered by valuable insights. Modern tech allows finance to collaborate across all departments, driving decision-making in operations, sales, marketing, and beyond and tying accurate, real-time financial information to overall company goals. These solutions also empower each department to individually access and analyze company data and reporting for more agile collaboration within and among teams. Modern, cloud-based solutions offer value to your enterprise, all while saving IT's time and allowing for better flexibility and scalability moving into the future.



Make the move from data to insights with the help of modern, cloud-based solutions.

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We Transform. SAP® Solutions into Value

Digital transformation helps companies reach their full potential – if the underlying technologies work for the people using them! At NTT DATA Business Solutions, we design, implement, manage and continuously enhance SAP solutions to make them work for companies – and for their people.

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Want to know more?
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