



White paper

# 7 Reasons to Move to Cloud Financials Now

Sage

# Introduction



The frenetic pace of modern business shows no signs of slowing down. If anything, it's accelerating. Enterprises have to operate in an always-on, digital world in which we all expect results on demand. But their incumbent systems are letting them down.

Traditional financial systems were typically designed in an era when it might take days or even weeks to collect and process information. The mismatch to today's high-speed expectations means the right answers don't arrive when they're needed.

Modern, ambitious businesses need a financial system that's designed to operate the way they do—one that's adaptable, responsive, and ready to deliver timely answers on demand.

It's always tempting to postpone the necessary action—to put off change until another day. But when colleagues don't have up-to-date information, they risk missing crucial warning signals or remaining blind to developing trends. Margins stay under pressure because it's so hard to chase down costs. Customer billing questions are left unresolved. Key performance indicators constantly lag behind the curve.

Every month that passes is yet another missed opportunity. Don't wait until a crisis forces your hand. The time to act is now.

# Cloud financials keep you ahead



A modern financial system can become ‘right-time’—not looking only at the past but also involved in what’s happening now and in the future. With earlier generations of technology, the only way to get things done was to run each function in isolation. The financial system kept to its core role of keeping a reliable historic transactional record. While that remains a crucial function, today’s robust connectivity makes it possible to break down those barriers and connect financials directly into day-to-day business operations.

Implemented in just a few months or even weeks, a cloud financial system is able to work in sync with the business. Instead of acting as a brake on progress, it embraces and facilitates change. It delivers financial data in a business context that shows the real-world impact of decisions. It supports speedy digital alternatives to error-prone, slow-moving paper processes. It has the connectivity and integration smarts to automatically consolidate business data. Rather than running in isolation from the rest of the business, it becomes an integral part of day-to-day operations, decision-making and strategic planning.

Fast-moving enterprises understand the importance of right-time information to compete successfully in a digitally connected world. They recognize the risks of delay and the rapid advantages a cloud financial system brings their business. There are seven reasons now is the time to move to cloud financials.

## 1. You can’t afford to delay change

Businesses today need the flexibility to rapidly seize emerging opportunities or quickly deal with new challenges. But many are held back by disjointed processes and cumbersome systems that don’t easily adapt to new requirements. Conventional software packages can’t accommodate change without involving IT specialists. Multi-step manual processes can’t be altered without significant disruption and risk. Reports can’t be updated to track important new business metrics.

A cloud financial system supports business agility because it offers the freedom to adapt rapidly, at the precise moment when it will be most impactful. Finance staff can easily reconfigure workflow or data points without needing to call for IT help.

Automation makes it easier to manage and modify multi-step processes. Point-and-click menus allow employees to adapt reports and dashboards to track and analyze new cost centers, revenue streams or other metrics. The business doesn't have to hold back any more on new initiatives for lack of proper systems to support them.

Cloud backup and file sharing vendor Code42—whose CrashPlan and SharePlan SaaS solutions protect and manage data on laptops and desktops—is currently investing to expand its subscription sales to businesses. “The enterprise market opportunity for security companies like ours is immense; it's a very competitive space right now,” says Assistant Controller Grant Christianson.

Code42 uses configurable dimensions built into Sage Intacct financials to segment its customers into consumer and three types of business customer. Another dimension allows it to track customer retention rates by revenue. These dimensions, set up by the finance team, are automatically applied to every transaction and flow through to reporting. This helps management to monitor progress by segment, in real time, without any custom programming.

“Our CFO prioritizes speed, automation and foremost accuracy,” says Christianson. “We're charged with producing financials in an effective, timely manner so our executive has what it needs to run our fast-growth business.”

## 2. Business demands to know now

If the business doesn't have a financial view of day-to-day operations, it can't control spending or margins effectively. Keeping finance isolated in its own functional silo denies access to crucial transactional data that business managers need to inform their decision making. Every day that action is delayed has adverse effects on the bottom line, and impacts competitiveness in fast-moving markets.

When financials run in the cloud, the data is available in real-time to stakeholders wherever they are. Even more valuable is the ability to combine it with operational data and business metrics. Putting finance into a business context allows far more accurate monitoring of how the business is performing. Metrics can be as diverse as customer acquisition cost, dollar churn or even tracking specific assets or projects.

Online educational assessment provider WebAssign makes extensive use of its Sage Intacct financial system to track business metrics. This helps its project managers monitor key parameters when developing new content, such as subject disciplines, number of questions and time spent on different tasks.

“Sage Intacct helps project managers to understand where they're spending their dollars and their time,” says financial planning analyst Barbara Raess. “All in real time. As soon as it's posted, they can look at it.”

Project managers can predict implementation timescales and plan resources more accurately. This also helps them negotiate terms with course publishers, says Raess. “They're not just throwing a number out there. They have the background to say, this is what we need.”

## 3. Information logjams cost you money

Many organizations 'make do' with paper-based processes, time-consuming workarounds and spreadsheet consolidations—despite the waste of resources and increased risk of errors. The cost and disruption of upgrades and integration deter them from converting to a more automated system. But data that's waiting to be entered or consolidated can't be made available where it's needed. These information logjams have a hidden cost that's growing all the time as the pace of business accelerates.

A cloud financial system that's designed to work in sync with other business functions can eliminate the need for workarounds and spreadsheets. Cloud systems connect easily and securely to other applications, especially customer-facing systems such as CRM and ecommerce. These automated connections bring data directly into the financial system for end-to-end processing, manipulation and analysis. A cloud system also has the flexibility to run certain capabilities as built-in modules instead of requiring separate specialist systems. Examples include global consolidations, billing, travel and expense management and project scheduling and management.

Bringing all the data together in this way results in a cost-effective, integrated view of core financial and business metrics that cuts costs, saves time, delivers real-time insight and improves decision making.

Fast-growing treasury management software vendor Kyriba has been able to eliminate time consuming manual data entry and consolidations with Sage Intacct as it scales its business globally. It has implemented Sage Intacct's global consolidations module and added several integrations to other applications including Salesforce for order-to-cash and Trinet for expense reporting.

Using Sage Intacct alongside Trinet Expense has cut administration time by two thirds, says accounting supervisor Kristyl Riggs. “It has really automated our expense capture and tracking, our reporting and approvals. We can review reports in Trinet posted from any of our global locations. Then we simply export those reports into Sage Intacct with the click of a button, and journal entries are booked automatically. It really speeds

up the invoicing process to our customers for those billable expenses coming through.”Bringing external data from so many different systems into Sage Intacct has made reporting much simpler, she adds. “That has really expanded our reporting capabilities. It allows us to do the data manipulation in Sage Intacct itself. We don’t have to export data in a spreadsheet. We can do everything in Sage Intacct to get visibility on whatever it might be that we’re trying to look at.”

## 4. Automation makes you lean

Up-and-coming businesses gain a significant competitive edge when they harness digital connectivity to streamline productivity and enhance outcomes. More established incumbents find it hard to respond because their processes are rooted in a history of passing paper forms and documents from one department or organization to another to get things done. These manual processes constantly burn up money—wasting productive employee time on repetitive data input, and then on copying, faxing, and physically storing documents that create complex, time-consuming audit trails. Going paperless instantly saves costs, improves efficiency and streamlines processes.

A single, connected system that integrates easily with other cloud-based systems helps an enterprise eliminate time-consuming manual processes and take full advantage of the connectivity and digital features of today’s smart devices and applications. Introducing automated, digital processes for functions such as timesheets, expense claims and billing can quickly improve efficiency, enhance accuracy, cut costs and prevent revenue leakage.

WebAssign has moved to entirely paperless processes for accounts payable and receivables, expense reports and timesheet submissions. These all-digital processes eliminate manual transcription errors, speed processing times and free up resources previously devoted to processing paper forms.

Collecting and processing paper timesheets used to be a 2-3 day process, says Barbara Raess. “That was a very manual process. With Sage Intacct, that all went away because the managers do everything within the system, so it’s all electronic approval.”

At Kyriba, the finance team has been able to automate many of the repetitive manual activities that were slowing down processes such as month-end journals, global consolidations and order-to-cash, says Kristyl Riggs. “We try to eliminate the manual processes that we have here. Sage Intacct has really allowed us to automate all of our processes, whether it be booking entries or running reports.”

## 5. Self-service helps you do more

Improving access to information helps manage change and tune performance of business operations. But many finance systems

require specialist expertise to develop or customize reports, turning the finance department into a bottleneck that slows down the availability of critical analysis. Unable or unwilling to wait for answers, business decision makers either abandon the attempt or turn to inefficient, unreliable workarounds to extract the information they need. This adds to costs every day and inhibits the effectiveness of the business.

Self-service access to reports and user-friendly editing tools are a familiar characteristic of cloud financials. A cloud-native system includes a robust access management infrastructure to control who has access to create reports and the data they are authorized to view. Finance teams can easily create reports and make them available to others in the organization for rapid access to up-to-date financial and business metrics. These may be created and maintained by finance or delegated to other departments.

At WebAssign, project managers have been given direct access to their own reports so that they can run them as needed and even make their own modifications, as Barbara Raess explains:

“It’s relieved the accounting department from having to do these manual reports in another system, then download them and send them to the managers. They run them when they need them or they schedule them to run automatically.

“They’re not coming back to accounting and saying, ‘I need you to do it a little differently.’ They’re able to make those changes whenever they want, where before they were having to wait for us to have time to be able to do it.”

## 6. You have to find answers faster

Everyone is trying to get more done in the working day and we are all less willing to wait for answers. Connecting processes and data within your organization puts the foundation in place but automation only goes so far. The picture is not complete until your people can communicate efficiently to co-ordinate and react promptly when exceptions arise.

Online collaboration is a natural fit for a cloud-based financial system. When conversations happen in the context of the transactions and documents they refer to, people have the information in front of them to be able to resolve questions quickly and accurately. There is a direct cash benefit to the business as collections improve and orders turn into invoices more quickly.

German software company Canto, which provides file management for marketing and creative agencies, uses Sage Intacct Collaborate internally and with customers to resolve exceptions, chase actions, and exchange information.

“In accounting there are a lot of things that require communication and collaboration and not just number and document crunching,” says its CFO, Hans Schaedel.

The collaboration tool is based on Salesforce Chatter technology, which Canto has been using for several years already. “It’s so much more effective than email,” he says. “It makes us more productive.”

It’s useful that Collaborate records the conversations within Sage Intacct, he noted. “It gives us an additional source of accounting documentation which might be important later on to understand what happened and why.”

## 7. You want to be thinking ahead

In today’s fast-moving, digitally connected world, enterprises have to be on top of their game to survive and thrive. Not just lean and efficient at what they do, but ready to adjust their business strategy in response to new opportunities or challenges that can spring up at any time. The finance team has a pivotal role to play in this strategic thinking. But that’s a big ask when resources are tied up in day-to-day firefighting and meaningful metrics are sparse and slow to arrive.

Cloud financials provide flexible automation that frees up resources while right-time reporting delivers appropriate business metrics. Decision makers and finance teams are spared time-consuming administrative tasks, becoming free to focus on timely, well informed strategic analysis and planning.

Mozilla, the organization responsible for the Firefox web browser, saves the equivalent of almost two full-time

employees in its finance team thanks to the automation Sage Intacct delivers, according to CFO Jim Cook.

The company tags expense invoices with custom fields in Sage Intacct that help it analyze the success of its product investments. The data is exported into Adaptive Planning for analysis.

“We can track specific initiatives against every single item of operational expense, so we know how much we were investing across the different initiatives we have,” says Winnie Aoleong, senior finance manager. “That helps us make a lot of downstream decisions, so it’s pretty impactful.”

# The time to act is now



The challenges—and opportunities—facing businesses today aren't getting any easier. This is no time to be saddled with inflexible systems that can't adapt to change and growth or aren't able to deliver timely information flows. Every day that passes without making the move to right-time financials adds to the mounting waste of resources and missed opportunities.

Fortunately, a cloud financial system avoids the long-term disruption and implementation risk of conventional on-premises software projects. It can be rolled out incrementally, replacing core financial functions in the first few months or weeks. Later on, new modules, reports and connections to other systems can be added according to need and resource availability.

As soon as the new system is in place, the finance team can begin to take advantage of the self-service and automation features to free up time while delivering more meaningful reporting to business colleagues. Further value can be delivered once more functions and connections are added, breaking through earlier barriers that prevented financials contributing to day-to-day business operations.

Most important of all, a cloud financial system brings fresh agility to adapt to a connected, digital world in which change is the only reliable constant. It can deliver the capabilities, information and insight that a modern business needs to face the future with confidence.