

The Changing Face of Finance:
HOW **CFOS MAXIMIZE**
THE VALUE OF SOFTWARE AND AI
TO DRIVE BETTER BUSINESS DECISIONS



The Changing Face of Finance: How CFOs Maximize the Value of Software and AI to Drive Better Business Decisions

Over the course of the last decade, there has been an explosion of choices in financial management software—from full function suites to industry-specific apps. The software has matured with data management, reporting and functionality to deliver huge productivity gains to finance departments. Yet organizations still flounder with lack of insight and cumbersome business processes.

The organizations realizing the most value from software understand the need to align applications with the organization's unique objectives and requirements. They know what questions to ask to build the insights that will drive decisions.

In this eBook, we'll share the secrets of those CFOs who are maximizing the value of software and AI. They are adding value to their organizations by understanding requirements and leveraging software to simplify—streamlining processes and delivering clear, concise insight.

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“Simple can be harder than complex:

You have to work hard to get to simple.

But it's worth it in the end because once you get there, you can move mountains.”

- Steve Jobs

The transition to financial analysts

Before the digital age, the role of accounting was to enter transactions and summarize results—as accurately as possible. Financial reports provided summarized documentation of what had happened in the past.

Fortunately, financial management software has progressed to automate many of the manual data entry processes and provide more insightful reporting. With software handling more, the makeup of the finance department needs to change as well. Today's finance team needs people who can take full advantage of software functionality and data analysis to deliver meaningful dashboards and reporting that will drive proactive decisions.



Typical Requirements of a CFO

Strategic

- Right hand to the CEO
- Understand business model and key drivers
- Growth and funding strategy
- Mergers and acquisitions strategy

Tactical Operations

- Optimize technology platform
- Transactions with low/no error rate
- Pass audit
- Management reporting and KPIs
- Real-time forecasts and modeling
- Acquisitions platform

Volume of people in finance shrinks dramatically

Even in recent years, separate software systems meant data was spread across departments and functions. Accountants spent time creating spreadsheets to combine the data. Today, the cloud allows organizations to connect data and systems, reducing the need for people to perform manual tasks in the finance department.

Finance should be filled with business advisors not bean counters

With centralized data, the finance team can spend their time interpreting the meaning of numbers instead of simply validating them. Solving business challenges, uncovering opportunities and using software to improve productivity are where today's finance professional adds value.

It's a red flag if your finance team is still entering debits and credits

Today's affordable cloud-based financial management systems can replace most of the manual data entry of the past. A forward-thinking CFO will not be trying to protect a fiefdom, but will be building a leaner, more analytic finance team.



The critical role of expert builders

As you consider the future of your finance function, it's important to include expert builders to lead the process. To envision and build a new structure and processes for the finance function, you need “expert builders.” Expert builders thrive on creativity, change and ambiguity—they thrive on challenge and accomplishment.

Choose your expert builder(s) carefully

Expert builders can come in many forms, and there is no easy job description. Look both inside and outside your organization to find someone who has successfully realigned functions and processes. Keep in mind that many financial professionals were attracted to the profession because they are maintainers—preferring work that is predictable and consistent. They may not be well-suited to the role of builder.

Experience counts

The expert builder you engage should have specific experience in the finance role. They need to understand the personalities involved, the basic processes and the desired outcomes of the finance department.

Ensure the expert builder gets adequate time and focus

Business process realignment is not a part-time job. The expert builder should be empowered to fully focus on understanding, rethinking and redefining the finance function.

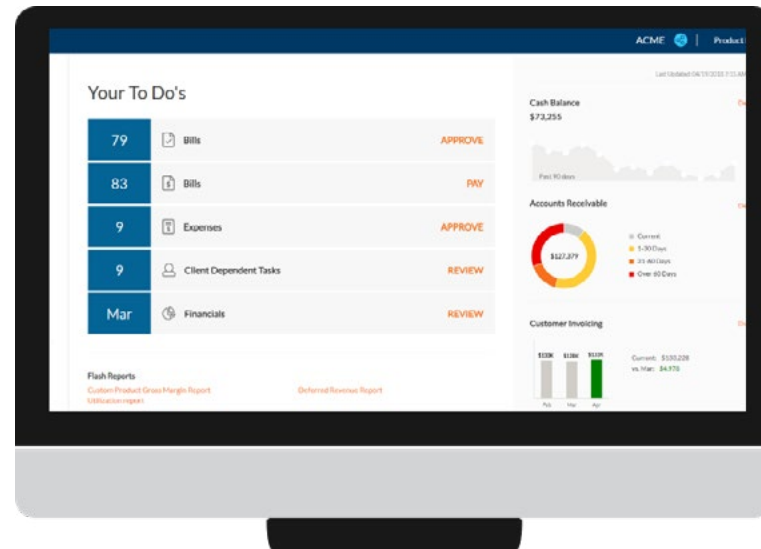
Realign the finance function

To build the foundation that will maximize the value of the organization's data and continue to adapt in the digital world, the finance function needs to align software and processes with the unique objectives and requirements of the organization. The expert builders you engage will need to centralize control, standardize processes and automate wherever possible.

Identify Key Points of Failure

Key points of failure exist when one person alone understands and executes an important task in the organization. For example, Joan has been doing monthly billing for 10 years. She is the only one who knows where to find all the data needed and the process for creating invoices.

If Joan were unexpectedly unable to perform the billing, it would take a significant effort to reconstruct. Situations like these pose risks to the organization both from procedural weakness and in the potential for fraud.



Dashboards, like Consero's SIMPL, deliver focused information and action items to each stakeholder.

Centralize data and control

Centralized data is core to all data analytics and the AI today's organizations need to stay competitive. The cloud enables data from all systems, whether cloud-based, or in-house to be consolidated. With leadership from finance, consolidated data allows organizations to fully leverage software, improving productivity and delivering clear, concise insights.

Standardize processes

As organizations grow, processes—many based on paper processes—become ingrained and stagnant. To build an efficient organization across departments, you need to step back and define efficient workflows that drive processes across departments and functions. Once standardized, the processes can be driven by software and augmented with AI.

Automate manual tasks and integration points

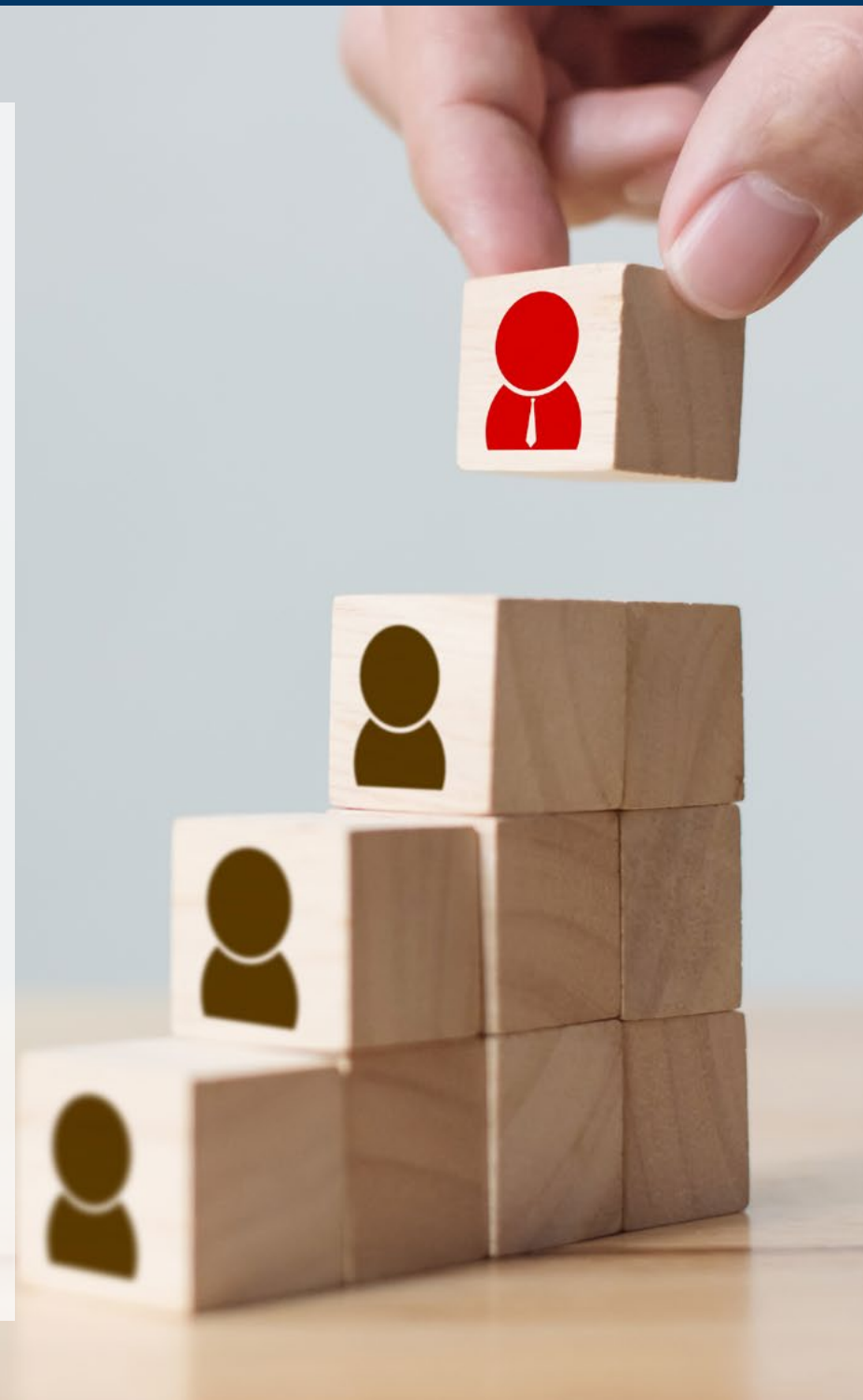
As processes are defined, automation should be implemented to reduce costs and errors wherever possible. Employees can make a bigger contribution to the company with profit-building work than with manual tasks.

Path 1: Live with what you have

If you are satisfied with the current financial management function of your organization, there may be no imperative to change. Forward-thinking organizations that have kept pace with technology can leverage that strength to continue to improve processes and use data analytics to drive the business forward.

Questions to answer as you consider sticking with your current situation

- Are you paying and getting paid without any problems?
- Can you close the books and get financial statements in 10 business days?
- Will your technology solutions scale to support growth?
- Are your F&A (finance and administration) costs less than 1% of revenue?
- Can the people in your organization get the information they need to make business decisions?
- Are your external reporting needs being met?





Impacts of Financial Management Software and AI

- Eliminates and automates work
- Single source of the truth
- Speed of access
- Transparency
- Eliminates finance as middle man

Path 2: Build it/shared services

If you have the internal resources —specifically expert builders—who understand the business and will be able to focus full attention on the realignment, building in-house is a viable option. Shared services, the concept of centralizing administrative functions, is an option to consider when you build in-house. Shared services can deliver significant cost savings by standardizing practices and procedures—plus creating economies of scale.

The rule of thumb to justify shared services is that the organization employees ten people or more to do one task. For example, ten people handling Accounts Receivable.

Questions to answer as you consider building in-house

- What metrics will you use to evaluate the success of the finance function realignment project?
- Do you have enough volume to warrant it?
- Do you have expert builders to establish standardized processes?
- Can you ensure the expert builders can devote their full attention to the effort?
- What technology will you need to build versus buy?
- If you choose shared services, will all divisions, even small ones, feel like they are getting adequate attention?

Path 3: Outsource or Finance as a Service

True Finance as a Service (FaaS) delivers integrated best-in-class technology as a platform, business process engineers, data analysis expertise and high-level strategic CFO guidance. (Outsourced accounting simply allows you to offload non-core business activity such as AP, AR and basic reporting.) Providing the full function of a modern, efficient finance department, an FaaS provider will prepare your organization to leverage software and AI to the fullest—identifying challenges and uncovering opportunities.

Questions to ask potential Finance as a Service providers?

- Are services charged by the hour (which indicates staff augmentation rather than true advisors) or by the value delivered?
- How does the provider monitor and control services? What is their escalation process?
- Will they assist your organization in aligning business processes with software workflows?
- Will they provide role-relevant dashboards and metrics reporting, leveraging AI?
- Can you interview their references from organizations similar to yours?
- How easily can you get out of the relationship?



Finance as a Service from Consero

At Consero, we combine traditional CFO, controller and bookkeeping services with proven processes and integrated software. Executives get a dashboard view of company performance, plus the ability to invoice customers and pay bills all in one place.

Delivering far more value than outsourced accounting, which often just provides glorified bookkeeping with compliance-based reporting, Finance as a Service will provide enterprise-level financial visibility and control. More insight at a fraction of the cost and time required to setup and manage an internal finance team and infrastructure. You also get management reporting that tells you how your business is actually performing financially. We can have you up and running in 30 days with minimal impact to your company, delivering real value including:

- **Connected Data:** No more disparate data; we provide a financial portal with best-of-breed financial, accounting, invoicing and expense software.
- **Process and Controls:** We implement proven processes and controls to increase efficiency and speed to market.
- **Right People:** We combine traditional CFO, controller and bookkeeping services with proven processes and integrated software that gives executives a dashboard view of how their company is performing, as well as the ability to invoice customers and pay bills all in one place.
- **Saving Time:** We free up your top people from dealing with time-consuming financial activities and allow them to focus on strategic goals.
- **Financial Visibility:** With comprehensive financial reporting, you can make decisions based on a clear picture of your financial standing.
- **Poised for Growth:** We deliver a new paradigm; a finance department that is an enabler of growth—not a constraint.



Contact us for a complimentary assessment at 866-588-0495 or visit www.conseroglobal.com.