

WHY CFOs ARE DRIVING ERP UPGRADES



**Your CEO might lead, but let's be honest:
IN MANY CASES, YOU AS CFO DRIVE THE COMPANY.**

That's because as Chief Financial Officer, you're the person tasked with managing profitability and improving financial performance. And that's the heart of business.

Managing and improving your company's financial position is significantly easier when a proven enterprise resource planning (ERP) system is in place.



ERP is company-wide business process that handles all aspects of your company's operations, from accounting and human resources to manufacturing and distribution. ERP tracks, standardizes and brings visibility to every aspect of your business, which will help you adjust corporate priorities, lead change management, and improve both business processes and the culture across your company's teams for better financial performance and cost optimization. Having an ERP system in place also helps you drive digital transformation for ongoing competitiveness

There are direct and immediate benefits for financial operations, too.

With ERP, you get real-time, unified financial data for your company and increased accounting transparency, which can enable faster closes, lower transaction costs and working capital optimization, in addition to ensuring compliance needs are met nationally and globally. Dashboards and embedded analytics make it easy to always know the current financial and operational performance of your business, and intelligent automation helps you automatically optimize financial decisions in real-time.

Don't be fooled: ERP rollout is not a typical IT project, it is a financial management project. ERP significantly improves how you manage the financial position of your company, and rollout requires your input and guidance. IT handles the technical details, but this is all about managing and improving the financial performance of your company.

LEARN MORE ABOUT THE ERP JOURNEY WITH OUR FREE GUIDE, **UNDERSTANDING CLOUD ERP FOR NON-IT EXECUTIVES.**

INCREASE REVENUE OPPORTUNITIES

THE RIGHT ERP PLATFORM HELPS YOU EXPAND REVENUE OPPORTUNITIES BY SUPPORTING GROWTH AND PROFITABILITY IN NEW MARKETS AND GEOGRAPHIES.

- Management accounting simulations and what-if analysis combine with real-time financial information for better decision-making.
- Flexible system processes and easy configuration boost agility for meeting evolving business needs and new opportunities.
- A single repository for all accounting information improves reporting consistency and reliability for legal, segment, and management reporting.
- Linked processes across the entire value chain—including those in manufacturing, procurement, sales, and service—enable automatic updates to the general ledger and subledgers for greater insight.

AUTOMATE FINANCIAL PROCESSES

RUN HIGHLY EFFICIENT AND AUTOMATED FINANCIAL PROCESSES WITH ERP FOR IMPROVED FINANCIAL MANAGEMENT.

- Recorded transactions are reflected automatically across all ledgers for faster management and a single source of truth that includes all financial data.
- Process automation helps define closing tasks and their sequence in advance to minimize the risk of data omission or mistiming important closing steps.
- Complete financial data access combined with process automation enables fast close on a monthly, quarterly and annual basis.
- Automatic generation of a transparent audit trail, including drill-down functions for top-level aggregated figures, detailed subledger postings, original data for a given business process and changes to data, make financial auditing easy.
- Comprehensive, integrated functionality helps with automating financial value chain operations such as payment reminders, payment advice, electronic bank transfers and statements.

OPTIMIZE CASHFLOW AND FINANCIAL STRUCTURE

WITH ERP, YOU GAIN AN UNPRECEDENTED LEVEL OF VISIBILITY INTO YOUR COMPANY'S OPERATIONS FOR BETTER FINANCIAL OPTIMIZATION AT EVERY LEVEL OF THE COMPANY.

- Payment and dunning proposals can be sent automatically to accountants for acceptance or manual resolution for more efficient financial oversight.
- Streamlined collections and dunning improve transparency for exact amounts owed, length of time outstanding and from whom, which helps achieve shorter days-sales-outstanding (DSO) and reduces operating cash cycles.
- Central management and real-time access to all bank-related information and accounts make it easy to conduct liquidity forecasts and manage cash and liquidity, as well as optimize cash positions.
- Greater visibility into financial performance helps shorten cash cycles and improve the cash-to-cash cycle.
- Decoupling the physical value chain from the financial value chain helps deliver greater operational flexibility and provide precise and accurate valuations.
- Standardized services, business process outsourcing and other models baked into the system make it easy to leverage best practices for financial processes.
- Real-time access to collections, disbursement and other financial activities help with cashflow management and optimization.
- Role-based system access gives only what an employee needs for his or her job function, limiting fraud and security issues.

IMPROVE FINANCIAL METRICS

ERP AUTOMATES THE CALCULATION OF MANY KEY FINANCIAL METRICS, AND IT GIVES YOU EASY ACCESS TO METRICS THAT TRADITIONALLY HAVE BEEN HARD TO COMPILE.

FINANCIAL RESULT METRICS

- Cost of compliance from FTEs and third-parties such as consultants and auditors
- Cost of non-compliance such as penalties and additional resources demanded
- Cost of finance as a percent of revenue
- Cash flow
- Interest expense

OPERATIONAL METRICS

- Number of violation notices from regulatory agencies
- Turnover of finance department staff
- Timeliness of internal and external reporting
- Closing-cycle times
- Manual entries and non-integrated spreadsheets
- Internal satisfaction with performance of finance department
- Days sales outstanding (DSO)
- Days payable outstanding (DPO)
- Time in collecting past-due invoice payments



WHY ERP ROLLOUT *is a* CFO PROJECT

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