



THE ANSWER COMPANY

Right-Size Your Digital Transformation

How CFOs can map their own journey to reap the benefits of business transformation.



The evolving role of a CFO.

Tectonic shifts in the marketplace are disrupting nearly every industry and they have not left the role of mid-market CFO/finance directors untouched. The need for greater business agility, fueled by real-time business insights, has become an urgent priority that falls largely in the lap of finance.

In addition to overseeing the flow of revenues, policing expenses, and assuring compliance, the modern CFO is also tasked with gathering the data and disseminating the crucial strategic insights that will allow their businesses to sow wisely and reap abundantly.

Successfully making the transformation into this new role requires sophisticated new tools—a new breed of accounting and ERP solutions, supported in part or whole by cloud-based offerings. Making the commitment to adopt new technology is never easy. Understandably, one might be hesitant to abandon the security and functionality of a legacy accounting system that has served one well.

Installing and adapting to a new system and taking the leap to a cloud-based model, is not to be taken lightly. There are cost and ROI concerns. Worries about potential disruption. New risk and compliance concerns. And navigating the sea of seemingly equivalent offerings can be daunting.

CFOs delay implementation of new systems at their peril

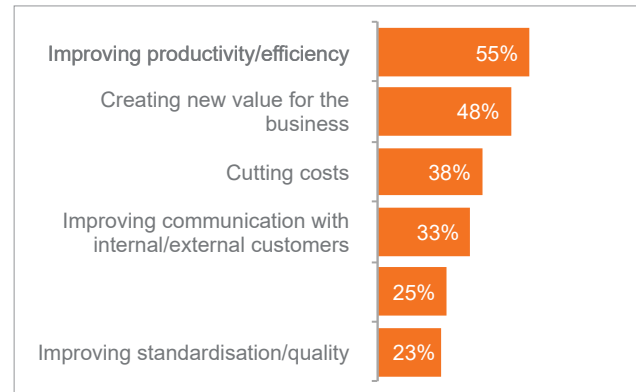
Competitors who have made the transformation are realizing significant benefits and greater efficiencies. Stakeholders across the company can make critical decisions faster and with more confidence, getting a clear, company-wide snapshot in real time. They can quickly game out scenarios and identify the most profitable path forward.

Companies that have not leveraged these benefits of digital transformation will find themselves at a crippling disadvantage. The longer the delay, the

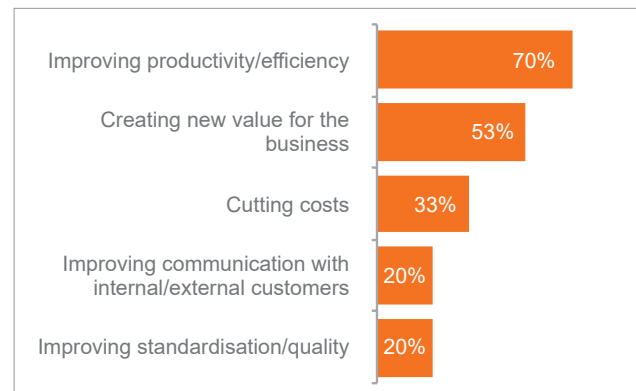
greater the pressure builds. If a CFO is unable secure the tools to support his strategic evolution, his inevitable replacement surely will.

Exhibit 1: The Business Case for Technology Investments

Across the enterprise



And in finance alone



Source: ACCA Global (Association of Chartered Certified Accountants) survey



5 ways digital transformation will forever change your role as CFO:

1. Aided by artificial intelligence, advances in automation will allow you to greatly reduce your workload, freeing up time to pursue more strategic tasks
2. Consolidating siloed systems will simplify your IT environment, increasing accuracy and making data more readily available
3. Cloud-based analytics tools will help you quickly extract powerful insights from your data
4. You can pivot faster and scale more seamlessly to accommodate rapid growth
5. The ability to be more responsive, collaborative and strategic will make you an indispensable voice helping to drive key business decisions

The benefits of digital transformation are clear. The crucial question is not IF you'll make your transformation, but HOW.




A flexible transformation journey.

Fortunately, this is not an all-or-nothing proposition. Software vendors understand while some companies may be prepared to make a full migration to the cloud, there are others who, for any number of reasons, find it best to take a measured approach to digital transformation.

So, as companies explore their options, they will surely find a solution that fits their unique circumstances, whether it is an entirely cloud-based system, or a hybrid solution that allows you to integrate elements of your existing, on-premise system with new cloud-based capabilities. It is possible to find product offerings that, along with their affiliated support ecosystem, are uniquely optimized for businesses that want to embrace new capabilities without feeling they are throwing away the baby with the bathwater.

Running a successful business requires having knowledge of and control over all aspects of your business. It stands to reason you should feel fully in control over how fast and to what degree you transform the systems that are so essential to your company. Choosing a supportive partner who understands your business objectives and can help you intelligently control digital transformation is a great first step to modernizing and optimizing your business.

Exhibit 2: Technology Trends of 2021

Top Strategic Technology Trends for 2021		
 People Centricity	 Location Independence	 Resilient Delivery
Internet of Behaviors	Distributed Cloud	Intelligent Composable Business
Total Experience	Anywhere Operations	AI Engineering
Privacy-Enhancing Computation	Cybersecurity Mesh	Hyperautomation

Combinatorial Innovation

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New solutions for an elevated role.

Let's get strategic.

Central to the modern CFO's evolving role is the ability to provide the strategic guidance that will influence key business decisions. This means having the business intelligence (BI) tools to analyze data from across the company in real time and quickly test how various scenarios are likely to play out. But before a CFO can take full advantage of those tools, he needs something equally if not more valuable. Time.

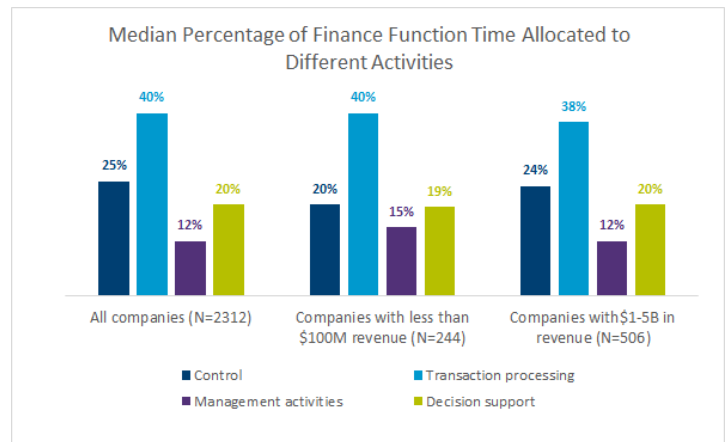
Put time back on your clock.

Data entry. Reconciliations. Expenditure approvals. Invoice processing. Keeping on top of your core, day-to-day tasks robs you of the time and human resources you need to conduct research, generate analytical reports and create presentations.

Automated accounting solutions are purposefully designed to eliminate many of your more time-consuming and redundant processes. For example, you can integrate AP with your accounting software and fully automate data entry, workflow approvals and payments. You can sync data from all your invoices, regardless of format. In myriad ways, large and small, these systems let you work far more efficiently. You can already start to see the hours flowing back into your day.

Now throw cloud-based machine learning into the mix and your time savings become even more profound. By detecting patterns of behavior, machine learning essentially allows your system to learn on its own how to optimize and take over execution of many of your more mundane tasks. With an intelligent system now grinding away at many of your day-to-day chores, these jobs are not only accomplished much faster, but accuracy is greatly improved as well. Let's see how else a cloud-based solution can lighten your load.

Exhibit 3: Where does a CFO's Time go?



Source: APQC's Finance Organization Performance Assessment, 2020

Mitigate risk, enable compliance.

As the pace of business accelerates, worries about risk and compliance inevitably grow with it. Having a system that can automate controls and expedite collaboration across your business will improve the accuracy of your reporting and can maintain your audit-readiness on a continuous basis.

New regulations inevitably crop up like weeds after the rain. Maintaining compliance with the complex and evolving specifications of International Financial Recording Standards (IFRS) or the EU's General Data Protection Regulation (GDPR), for instance, can feel like a full-time job in its own right. Automated solutions make sure you are up-to-date with all the latest changes and adjust your reporting accordingly.

Another ongoing source of anxiety today is the security of data. In fact, security concerns are among the greatest causes for hesitation to moving to cloud-based solutions. Yet, in reality, cloud-based solutions come with extremely robust, enterprise-grade cybersecurity protections that are constantly upgraded to meet ever-evolving threats. It's just one less thing to worry about and one less distraction to keep you from playing a more transformative role in your company.

Boost your business intelligence.

With your repetitive tasks automated and risk and compliance well in hand, there are now wide-open spaces on your calendar and a newly liberated team at your disposal. Your digital transformation is well under way. By changing *how you work*, you can now leverage digital transformation to help you change *what you do*.

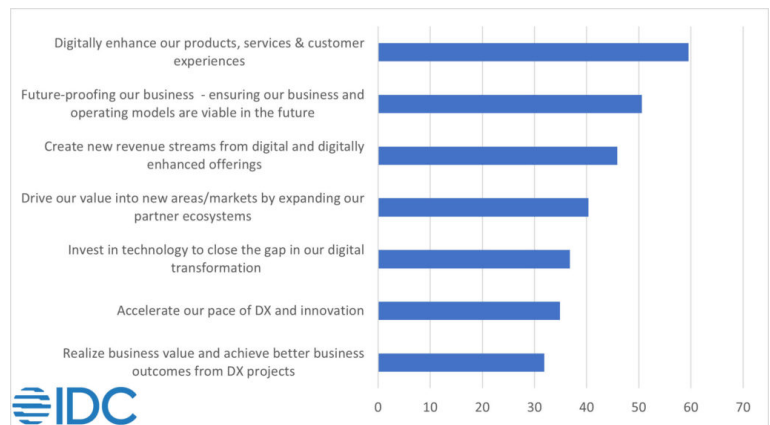
One of the key benefits of a cloud-based system is that it allows you to consolidate multiple, siloed systems into a single environment. Every business entity, every line of business, every department has its data available through the same system. One of the most obvious benefits of this is that you can view business performance metrics for the entire company, or by distinct entities, in real time. You have a single source of truth and powerful tools at your fingertips that allow you to extract meaning from your data and forecast with confidence.



Because your BI functions are hosted on the cloud, you have access to complex algorithms and potent processing power that would be all but impossible for a typical mid-market business to develop on its own. Sophisticated predictive analytics let you quickly analyze a range of scenarios, and data visualization tools allows you to see and share the analysis with clear and compelling charts and graphs. Stakeholders across the company can create customized dashboards that allow them to keep a finger on the pulse of the business at all times. Without a doubt, having the time and the resources to devote to deeper business analysis is a game changer.

As a CFO becomes an essential player in determining and enabling the direction of their business, their status is elevated in the eyes of management. Ironically, where once there was a fear that automation technology would eliminate jobs, it is allowing CFOs and their teams to find a greater sense of purpose and meaning in the jobs they do.

Exhibit 3: Organization's top goals for 2021-2022



Source: IDC's COVID-19 Impact on IT Spending Survey, November 2020

Be the captain of your digital transformation journey.

The benefits of digital transformation are clear. Leveraging cloud-based functionality is essential for any business that wishes to stay competitive and excel in today's market. What is less clear for the typical mid-market CFO is how to embark on the journey from Point A to Point B, or even how to determine precisely what Point B is.

The answers are predicated on a number of different factors. It will depend on the nature of your business, the markets you serve, the culture of your company and how easily it assimilates new systems and processes. What are your current accounting, ERP and CRM systems? What is your outlook for growth going forward? What specific new capabilities are your top priorities?

For many newer companies, it makes sense to implement a full complement of cloud-based solutions from the get-go. A key consideration for these companies should be the scalability of the systems they choose, the breadth of functionality they can support and the ease with which new functionality can be integrated into their systems.

More mature companies often seek the flexibility to implement new solutions that can integrate with their legacy systems. They may want to leverage some cloud-based functionality, but at the same time want to upgrade an on-premise accounting system.

In short, **they want options**. And they should be sure they have guidance they can place their trust in to help them navigate the multitude of decisions that lie before them.

Here are some key questions a mid-market CFO should consider before embarking on their digital transformation journey.

1. Can I retain critical components of my core accounting system?

Look for a system that is purpose-built for scalability and integration with other systems and functions. Perhaps you want to keep your on-prem AP system in place for the foreseeable future, but also want to take advantage of cloud-based predictive analytics. Make sure the system you choose allows you to leverage the relevant APIs for the functions you want so you can implement a powerful, hybrid solution.

2. How well will a new system integrate with my current ERP and CRM systems, like Salesforce?

Make sure the solution you select has built a deep ecosystem of developers offering a wide selection of APIs, so you can seamlessly integrate existing solutions with other cloud-based systems you may be using. If your company is leveraging the Salesforce platform, for example, look for a financial-cloud solution that is actually built on the Salesforce.com platform to ensure your financial system will work hand-in-hand with this ubiquitous and powerful CRM solution.

3. Can I easily integrate the cloud-based functionality I want?

The strength of the developer-partner ecosystem attached to the system you choose is key. Eventually, you want to work with ISV partners who deliver the best technologies, providing the greatest business value to their customers. A strong partnership relationship between your financial-system provider and their ISV partners means you'll be able to integrate new solutions with minimal disruption to quickly seize a competitive advantage.

4. How well will the system scale to accommodate rapid growth?

A truly scalable solution is one that can grow with you, via seamless upgrades, from a micro-business up to a multi-billion-dollar enterprise. While most solution providers tout their scalability, few offer the kind of A-to-Z scalability that will help you manage growth at any rate to any size, while also providing the unflinching advice and guidance you will need every step of the way. Seek out a partner who has established long-term relationships supporting the growth of their clients.

5. Do you have the right partner to guide your transition?

Look for a provider that has a deep, high-quality partner ecosystem—a provider that has partner relationships going back decades, not quarters. Those partners in turn should be able to claim longstanding client relationships helping customers adjust to change over the long term. You also want partners who have deep roots in the markets where their clients do business. Many late entries into the ERP solutions market have little industry-specific experience and only a cursory understanding of the nuances of specific markets. Be sure to ask specific questions and request relevant references. Someone well-versed in the myriad APIs available and the ISV apps that will provide your business with the most value. Someone who can help you navigate the vast sea of possible solutions and zero in on those best suited for your business objectives.

Ultimately, you want a partner who is not just knowledgeable, but responsive and supportive as well

Travel at your own pace.

Whether you're setting out to conquer Kilimanjaro, or your ultimate goal is a cloud-based, fully integrated, intelligent, business-management system, a well-planned journey is essential to achieving your objective. On Kilimanjaro, the Tanzanian porters have a mantra to help propel their Western clients up the mountain's slopes: "Poli, poli." Slowly, slowly. Step by step.

While a sprint to the cloud is plausible and potentially greatly rewarding, not every company is equipped to attempt such a mad dash. Look for a solution provider with the big-picture experience that comes from having travelled the long road with thousands of clients over the years. They will have the hard-earned wisdom to help you assess your goals, to understand your trepidation, and to custom-fit solutions that meet your needs now and anticipate your path ahead.



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