PATH TO GREAT

CFO

Finance Automation
Complete Info Pack

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AI & Automation
CFO Cocktail

Secure Electronic Payment & Automation

ONE Automation Solutions
PACIFIC
Payment Automation

For Organisations with High-volume of Vendors & Vendor Bills, Approvers in Multiple Locations

Massively improve efficiency in vendor payments and bank reconciliation with finance automation.

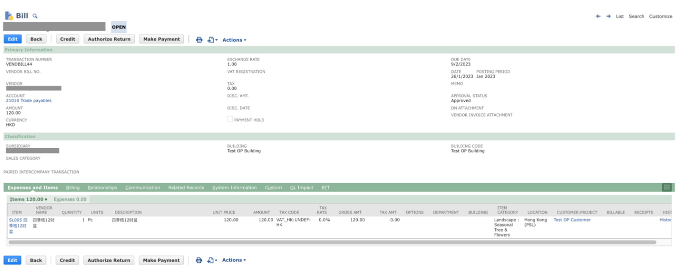
ONE Pacific Payment Automation optimises procurement to accounts payable processes by automating purchase order creation from requisitions, with flexible approval controls based on amount or account code for a secure workflow. 2-factor authentication of payment improves security to pay vendor bills directly with integration of bank transfer on the Cloud ERP system.

Common Pain Points in Accounts Payable

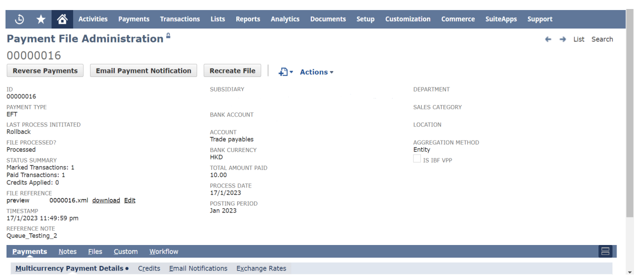
- Multiple vendors for the same services lead to missed economies of scale, impacting profitability negatively.
- Diverse invoice formats and payment terms across subsidiaries create inefficiencies and manual work in payments, further hindering profitability.
- Lack of service control over vendor payments and reliance on manual AP/reconciliation processes result in resource drain. This, in turn, contributes to issues like AP aging, customer complaints, and delays in vendor service delivery, ultimately affecting business operations and profitability.

ONE Pacific Payment Automation

Vendor Bill to Payment



Electronic Payment with 2-factor Authentication



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BUSINESS GUIDE

Cash Flow Management for Every Part of Your Business

Five problems and five solutions for CFOs now

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Cash Flow Management for Every Part of Your Business

Five problems and five solutions for CFOs now

It's no secret that costs have risen dramatically during the past year due to a combination of elevated demand, constrained supply and loose monetary policy. While the U.S. Federal Reserve is taking aggressive action in hopes of controlling inflation, prices won't feel the impact immediately. It's too soon to know what long-term impact the Fed's moves will have on the economy, but one thing is clear: Inflation remains a problem for now. Supply chain issues, the threat of recession and war in Europe will further confound the economy, adding to this period of instability.

Businesses can experience unexpected cash shortfalls even in the best of times, which is why cash management is always a top concern among financial leaders. Inflation, supply chain snags and labor issues increase the risk of a cash shortfall, especially if a business can't pass higher costs on to its customers. Throw in ineffective processes, inadequate controls and inaccurate information, and managing cash gets even more difficult – causing otherwise successful companies to struggle.

However, these issues are manageable with strong leadership from CFOs and technology to back them up.

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CHAPTER 1

A Real-Time View of Cash Position

The problem: Put simply, it's hard to manage cash well when you don't know how much you have. Checking a single account balance is easy, but it doesn't provide a complete picture. The finance team needs to know which transactions have cleared the bank and which haven't. Does the current balance include the previous day's deposits? Does it include recent vendor payments? These answers can mean the difference between making or delaying an investment.

Getting these answers, however, involves comparing bank transactions to actual accounting entries. Doing this manually is time-consuming, especially with multiple accounts, so some companies only perform bank reconciliation once or twice a month. Basing financial decisions on out-of-date information like this leads to generally poorer results.

The solution: Smart cash management decisions require access to real-time financial data, including the current balance across all accounts and a complete record of all bank transactions. A robust accounting system tracks this information and makes it centrally available so that managers work from a common source of data. In NetSuite, the Cash 360 cash management dashboard adds even more insight, monitoring cash flow trends and tracking total cash, accounts receivable and accounts payable balances in real time.

A central accounting system also facilities account reconciliation and the application of customer payments to open invoices. When these processes are automated, they can happen more often. In turn, business leaders get a better understanding of their current cash position.

Finally, daily and/or real-time bank feeds eliminate the need to enter data manually, saving time and ensuring accuracy. For example, NetSuite's automated bank feeds import account details nightly and allow for intraday updates, so finance teams know which transactions have cleared and how much cash is available at any time.

CHAPTER 2

Reliable Cash Flow Forecasts

The problem: Finance leaders must know how much cash the company needs to continue funding the business short-term, as well as the outstanding receivables it is likely to collect. Yet at most organizations, inaccurate cash flow forecasts are the norm. In a survey from APQC, a benchmarking research firm, nearly 60% of respondents indicated that their company's cash flow forecasts aren't within 75% of the actual balance. Forecast accuracy will only suffer more as economic headwinds affect suppliers and customers alike.

Poor forecast quality begets poor decision-making. Business leaders may become overly conservative if they lack confidence in the numbers, delaying investments in marketing, inventory or other initiatives that could fuel growth. This hesitancy can spark a vicious cycle in which demand falls, stockouts lead to lost sales, and revenue drops – further harming cash flow. Poor forecasting can also lead organizations to request more credit than they need, which typically increases interest rates.

The solution: Three factors affect forecast accuracy: the quality of the data used, the validity of the assumptions built into the forecast and the amount of time that has passed since the forecast was updated. To improve accuracy, begin by providing centralized access to real-time financial, sales and other relevant data – ideally in an enterprise resource planning (ERP) system.

Next, eliminate unsupported assumptions from the forecasting process. For instance, rather than estimating collections based on instinct or applying a standard percentage to open receivables, companies should use their own historical transaction details. Leaders should also factor in non-operating cash flows including planned capital expenditures, incremental venture investment or other activities. Finally, by automating cash flow forecasts, companies can update them more often, which both improves accuracy and saves time.

NetSuite's Cash 360 dashboard covers all of this, displaying a rolling six-month cash flow forecast based on current transactions and historical collections and disbursement averages.

It also considers data points including funding sources, planned expenditures, sales forecasts and billing schedules.

CHAPTER 3

Data-Driven Budgeting

The problem: In many organizations, the budgeting process begins with desired outcomes, such as a top-line revenue, annual growth rate and/or earnings target, and then works backward to establish spending limits. Departmental budgets for the coming year tend to mirror the current budget, with slight adjustments to reflect future performance targets. This approach tends to rely more on historical than current facts. And decisions may not consider which expense categories generate the most value or which investments are most likely to improve performance.

This process may have worked just fine prior to 2020, but it isn't sufficient for managing through the inevitable changes in demand and cash flow that come with a changing economy. Inflation, a recession threat and other timely issues can significantly change the assumptions behind budget numbers. If a business doesn't change its assumptions accordingly, it risks leaving some activities overfunded and others underfunded – and financial performance ultimately suffers.

The solution: Instead of establishing a performance target and then building their plans, use a bottom-up budgeting approach that bases plans on data. This will deliver more consistent, predictable results. Begin the process with an assessment of the current business environment and a review of past initiatives to determine which activities are likely to generate the most value. This gives leaders a better understanding of which results are actually achievable, so they can allocate budgets accordingly.

Planning and budgeting capabilities in NetSuite automate the planning process, save time and improve data quality by eliminating the need for cumbersome spreadsheets. They provide sophisticated modeling capabilities, predictive analytics and a powerful calculation engine that allow financial planners to quickly build and evaluate multiple what-if scenarios for more informed, data-driven budgeting decisions.

CHAPTER 4

Strong but Flexible Financial Controls

The problem: When first starting out, entrepreneurs have complete control of the checkbook, allowing them to personally approve every purchase. As the company grows, the purchasing process evolves, gradually giving more people access to the checkbook or corporate credit card. Controlling expenses becomes more difficult, increasing the risk of excessive or inappropriate spending.

To avoid these issues, organizations typically establish formal expense policies and procedures, including spending limits and purchase authorization requirements. These documented processes are only useful if enforced – and too often, they're not. Many organizations also don't update them regularly. But just as in budgeting, timely factors like inflation and supply chain issues are changing the fundamental assumptions that inform these controls. So, finance teams need easy ways to assess and change their spending review requirements.

The solution: Well-designed internal controls bring greater stability to an organization by holding individuals accountable for their actions. They also assure compliance with government regulations and accounting standards. Many business management solutions help establish this compliance. They build review and approval workflows into processes including accounting, sales, procurement and staffing, providing management oversight that reduces the risk of financial fraud or errors. Effective controls can also improve company performance by ensuring that senior staff sign off on actions from lower-level managers.

In NetSuite, configurable workflows in areas like procurement, accounts payable and expenses help companies avoid overspending by enforcing approval policies and holding managers accountable for staying on budget.

Embedded controls help save money by automatically logging all user activity, reducing the risk of fraud and maintaining appropriate separation of duties among finance and accounting staff.

CHAPTER 5

Proactive, Automated Collections

The problem: In an ideal world, customers always pay on time and in full. In reality, companies frequently have delinquent accounts. Collections efforts often fall to accounts receivable staff, who perform them ad hoc and focus mainly on accounts that are long past due, making it more difficult to secure payment.

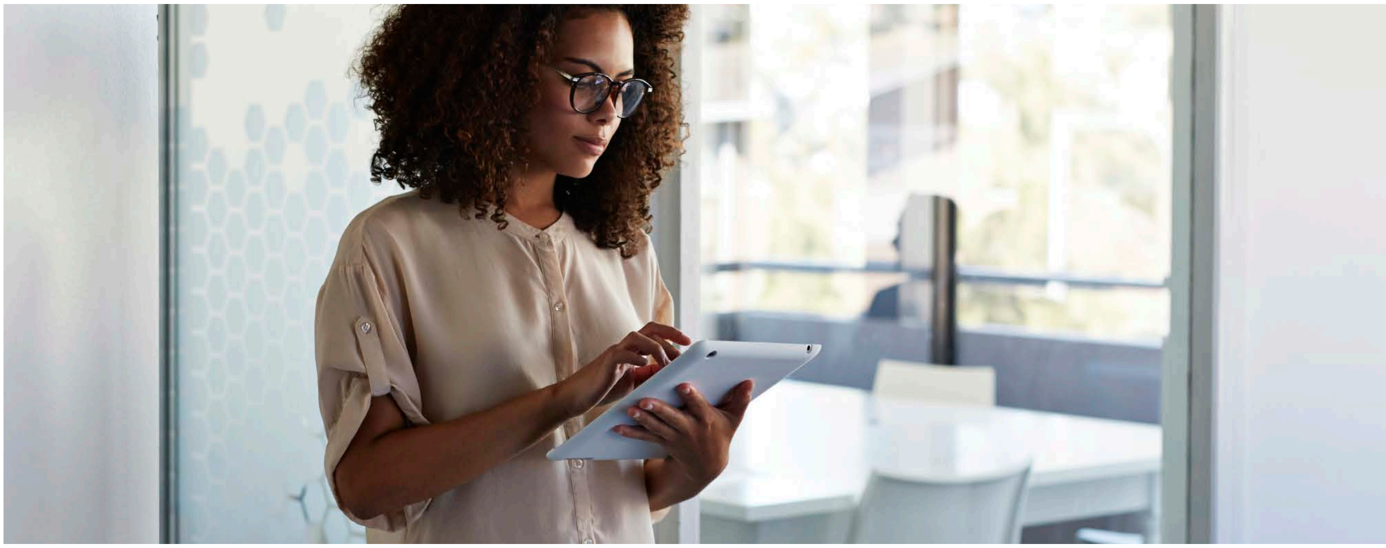
And the tougher the economic conditions, the more likely it is that some customers will pay late or need to renegotiate payment terms. In a difficult business environment, customers who once paid reliably may run into trouble. It's hard to assess how many customers – and which specific ones – will have trouble paying.

The solution: Use a business management system to establish an effective collections process that keeps days sales outstanding (DSO) under control. These systems can automate customer communications to ensure consistent follow up on past-due invoices and reduce bad debt write-offs.

Automation can even improve on-time payment by alerting customers of pending due dates. For example, NetSuite's automated dunning letters solution improves on-time payment by alerting customers before bills are due. It also helps avoid write-offs for bad debt by maintaining consistent, proactive communications with delinquent accounts.

See how your business can make smarter cash flow decisions with NetSuite.

Free Product Tour



BUSINESS GUIDE

Good to Great: CFO's Guide to Closing the Skills Gap

New data and advice from four top finance chiefs show how leaders can refine their expertise

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Read Time: 17 minutes

Good to Great: CFO's Guide to Closing the Skills Gap

New data and advice from four top finance chiefs show how leaders can refine their expertise

CFOs have a tough job in any economy. But now, and for the foreseeable future, their skills must be particularly on point.

First, they need to be extremely attuned to macroeconomic headwinds, says Chris Caprio, a three-time CFO who's currently with IT services provider Focus Technology and who also serves as co-chair of the Boston chapter of the CFO Leadership Council.

"I learned after the 2008 crisis: Learn about the macro," said Caprio. "It's important to understand what's going on … from an economic perspective, globally. Even if you just have a business in one town or one region, the impact of the global economy really does matter. We're so intertwined."

Today it's record inflation and the possibility of recession or even stagflation. Next year, who knows?

CFOs say they're looking to manage their organizations' cash positions to maximize liquidity and profitability without damaging their ability to grab new opportunities or serve customers at a high level. To pull off that tightrope walk, they need to intimately understand the business, both through the eyes of customers and employees and through operational data. Meanwhile, they need to collaborate with and coach peer executives to identify challenges and opportunities while also managing their own teams to ensure that the finance function is executed flawlessly.

Skills checklist: Expert at the art of finance. Empathetic people manager and coach. Deep industry knowledge. Technology-oriented executive. Collaborative communicator. Skilled at internal politics. Can translate raw data into business insights. Ability to parse and prognosticate macro trends.

That's a lot to ask of one person. So much so that many have tried to analyze CFOs traits and construct skills-oriented personas to predict strengths and weaknesses. Are technology-inclined CFOs bad communicators? Are great data analysts lousy managers?

We decided to drill into our own data for hints, using the lens of affinity, or lack thereof, for certain tasks as well as expertise in particular disciplines. Our goal in presenting this data is not to say CFOs, and those aspiring to that role, need to be great at everything. That's simply unrealistic.

Our intent is to show what CFOs with certain expertise typically enjoy and thus are likely skilled at — everyone tends to relish the work at which they excel.

In a job that's this demanding, it takes a team to be great at everything the finance team must do to help the business succeed. Top CFOs we spoke with generally keep the tasks they like and are good at and delegate others. They may also work on skills that they alone should own.

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CHAPTER 1

Data Download

For this report, we asked about 100 CFOs at midsize companies — up to $250 million in annual revenue, with a median of just over $25 million — to assess their proficiency in 10 functions.

Respondents could choose “expert,” “highly proficient,” “getting the job done” or “could use work.” We also asked about what job tasks they personally enjoy. We then collated those numbers and grouped tasks into four areas: finance management, coaching and collaboration, communications and presentations and strategy.

Overall, our CFOs are least likely to say they’re expert at driving adoption of new technology. Assuring accounting excellence and data analysis are more familiar turf. That second trait shows that the conversation around finance chiefs becoming more “strategic” is not just a popular talking point.

“The chief financial officer, with the right skill set and with the right people, could also be the chief data officer,” said Glenn Hopper, CFO of eDiscovery software company Sandline. “I think the analytical skills that make you good at finance also make you good at data, but you can’t just be the finance guy anymore.”

As to the time split on core accounting and finance versus management and leadership tasks versus strategic projects, the CFO Leadership Council’s Caprio said he spends 10% to 15% of his week on traditional accounting and finance.

"That's really left up to my controller and her team," Caprio said.

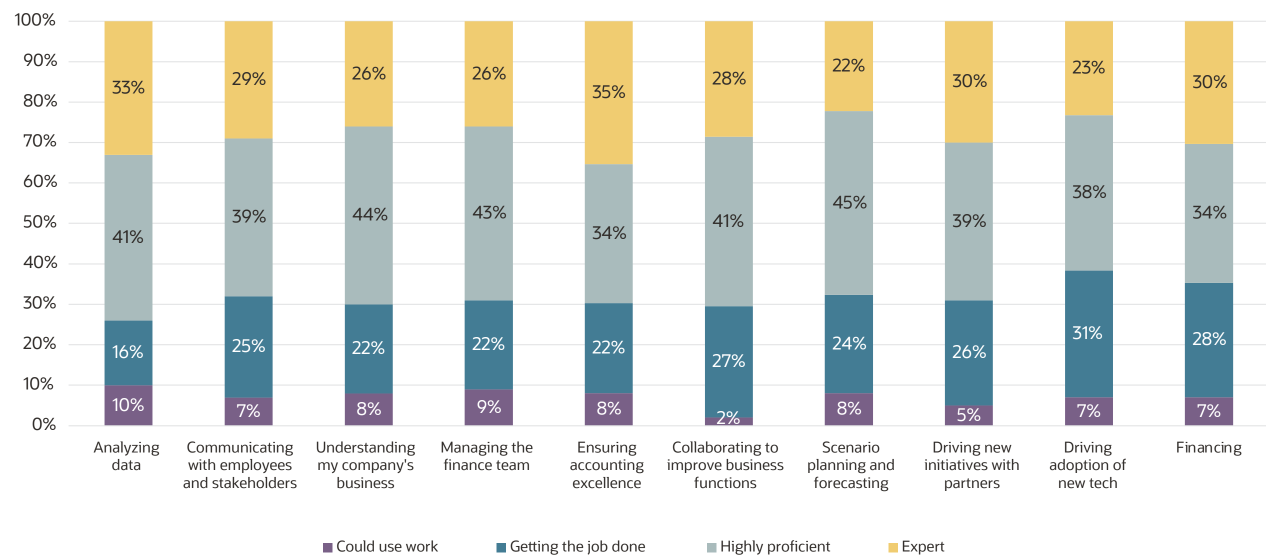
That was a common theme. All the CFOs we spoke to trust their accounting teams to report accurate numbers they can then use as the basis for models, forecasts and big decisions.

The rest of his time is split 60/30 on various levels of strategy and leadership.

"It could be high-level strategy on the direction of the company, or it could be just simply reviewing, whether it's insurance, property and casualty benefit insurance, things like that," he said. "And then the other 30% or 35% is on management and leadership."

Let's dig into our four general areas for insights into where there may be a skills gap, and how to compensate.

CFO Self-Assessment: Proficiency



CHAPTER 2

Finance Management

Of our four areas, one might think CFOs would most enjoy tasks related to finance management — after all, it's right there in the job title. And that would indeed be the case … if it weren't for the need to review month-end close accuracy, a task only 31% of CFOs said they enjoy. It's also the most delegated job, with 36% handing it off, most likely to their controllers.

"A controller is more accounting-focused," Caprio said. "Understanding GAAP, understanding your monthly close, processes around that, how to speed up the close."

When he worked as a controller, Caprio was responsible for the month-end close, and that helped him develop both hard and soft skills, notably including patience. So in some sense, managing the close is a bit of dues-paying.

"I always had my monthly close checklist — engineers are going to get their time sheets in by this date, project managers are going to approve invoices, I'm going to close fixed assets, and the AP person is going to close AP," he said.

Of course, things rarely went to plan, so he learned to be flexible and says that has paid off in his career.

Interestingly, CFO respondents who say they're experts in driving technology adoption are the least likely to enjoy reviewing the monthly close. That stands to reason, because finding and adopting new technology is all about being forward-looking, imagining improvements that could come through the use of new tools and systems, while closing the books is about accurately stating what happened in the past.

The Art of Delegation

Executives always need to strike a balance when it comes to handing off tasks.

Dave Damond, CFO of March of Dimes, always keeps an eye on big-picture KPIs like cash flow and knows who to ask for additional context if something catches his eye. But he leaves the details to staff.

"I try to delegate almost everything down because I want an expert and someone who gets up in the morning who thinks about that specific function," Damond said. "I think it ultimately rolls up to me."

Caprio doesn't delegate tasks pivotal to being able to make acquisitions, a strategic goal for Focus Technology.

"Knowing what level of access we have to capital, what price we can pay for our target," Caprio said, "all around our covenant compliance and our banking relationships is definitely the biggest area that really, today, pretty much only I deal with."

Those who consider themselves experts on managing and motivating the finance team are also the most likely to like finance management tasks (57%). Data analysis experts were the least likely (43%).

As with closing the books, much of the work that falls under finance management is retrospective. That tends to be of less interest to CFOs with FP&A backgrounds, like March of Dimes CFO Dave Damond. In general, Damond thinks most stakeholders are more interested in forward-looking numbers and those macros Caprio mentioned.

"I think they're interested in how we're doing, because that drives their performance goals and such," he said. "But I think they're more concerned about, 'What do we think of the outlook going forward, and how can they help?'"

CFOs Who Like Finance Management Tasks

CFO Subject Area Expertise	Percent of CFOs claiming to be experts	Review departmental budget compliance	Produce KPIs to illustrate financial health	Review month-end close accuracy	Develop scenario plans and dashboards for execs	Review sales and supply contracts
Analyzing data	33%	45%	36%	33%	60%	42%
Communicating with employees and stakeholders	29%	62%	51%	31%	58%	45%
Understanding my company's business	26%	42%	58%	35%	61%	54%
Managing, motivating the finance team	26%	65%	50%	38%	61%	69%
Ensuring accounting and compliance excellence	35%	56%	59%	28%	59%	48%
Collaborating to improve business functions	28%	53%	50%	32%	57%	53%
Scenario planning and forecasting	22%	55%	37%	27%	55%	46%
Driving new initiatives with business partners	30%	53%	56%	36%	43%	50%
Understanding and driving adoption of new technology	23%	48%	39%	17%	57%	57%
Financing	30%	56%	60%	33%	53%	50%

CHAPTER 3

Coaching and Collaboration

Of the five task areas, coaching and collaboration was the least liked by CFOs overall; in particular, coaching finance team members (just 36% enjoy) and line-of-business managers (37%) were most likely to be tolerated or delegated.

John Cappadona, CFO of music educator School of Rock, says that could be a product of CFOs who grew up on the accounting rather than the FP&A side of the house. Those who've spent their careers managing the books often have less experience working with other departments, so collaboration and coaching of peers may not come naturally.

"If you come up on the accounting side, more likely than not, you have not had to embed yourself in the business," he said. "You're sort of in a stove pipe. I'm not saying that you don't understand the business, but you actually have not been embedded in a business where you're seeing the dynamics that go on."

In our data, the lowest ratings among individual tasks are often outliers. For example, coaching line-of-business managers is enjoyed by just 24% of data analysis experts. That's a shame because those managers could likely benefit from the data-driven insights that these leaders can provide.

Hopper, the kind of new-age CFO who's always deep in data, makes an effort to ensure the entire finance team has insights to share.

"Everyone on my team needs to understand this, and they need to have a basic understanding of data science so that I'm not the only one that's on my soapbox," he said. "I'm upskilling and reskilling some people on my team."

He's not alone. Just 16% of respondents delegate the job of coaching finance team managers. It appears CFOs accept that duty as one they need to own. Cappadona, for example, leaves finance presentations at board meetings to his VP of finance to help her get more comfortable in these settings before she becomes a CFO.

Final approval of financial plans, forecasts and major expenses are all things John Cappadona, CFO of music educator School of Rock, maintains control over.

CFOs Who Like Coaching/Collaboration Tasks

CFO Subject Area Expertise	Coaching finance team members	Coaching LOB managers on success metrics	Developing ROI projections on proposals with execs	Working with HR to add finance metrics to worker evals	Working with sales managers to create comp plans
Analyzing data	39%	24%	60%	39%	39%
Communicating with employees and stakeholders	27%	38%	55%	34%	58%
Understanding my company's business	27%	31%	46%	61%	61%
Managing, motivating the finance team	46%	35%	54%	42%	54%
Ensuring accounting and compliance excellence	28%	37%	62%	54%	54%
Collaborating to improve business functions	39%	39%	46%	46%	64%
Scenario planning and forecasting	32%	41%	55%	32%	64%
Driving new initiatives with business partners	36%	46%	46%	53%	46%
Understanding and driving adoption of new technology	35%	39%	35%	35%	52%
Financing	46%	36%	46%	53%	53%

Coaching finance team members, however, is more universally disliked — a phenomenon that hasn't gone unnoticed by other executives. In the same survey, we asked non-finance executives which skills they'd like to see their CFOs improve. Forty percent pointed to coaching of finance staff. That made it the top area to improve from the point of view of peers.

Damond and Cappadona both point to personality and past experience as reasons why some finance chiefs may not feel comfortable offering advice. Mentoring simply comes more naturally to some people than others, and it may be more of a challenge for those who earned their stripes in accounting.

Still, a tight talent market makes it imperative that finance leaders get over their hesitation. Workforce surveys show that Gen Zers want managers who will act as coaches, and that a work environment that promotes learning is a differentiator for employee retention. Whether or not CFOs do the coaching themselves, it's increasingly important that they create a culture that encourages it lest they find it even more difficult to retain staff.

For those looking to improve in this area, Cappadona suggests seeking out colleagues who can provide a deeper perspective on different areas of your organization.

"Find a peer that is in a different department that you can sit down with, and say 'Help me understand how this works,' or 'This is what I'm seeing, and this is how I interpret it, help me understand how all this fits together,'" he said. "I think that that is a less intimidating situation than knocking on the door of the VP of sales or whoever and saying, 'I need you to explain this to me.'"

Working with sales managers to create comp plans rated the highest in the group, with nearly two-thirds of CFOs claiming cross-business collaboration or scenario planning and forecasting expertise saying it's something they enjoy. The exceptions are data analysis experts, who were least likely to like any of the tasks in this group, with the exception of developing ROI projections on proposals, where 60% find enjoyment.

CHAPTER 4

Communications and Presentations

The stereotype of the CFO as a less-than-effective communicator is busted in our data. Not only is this category the favorite of our CFOs — 53% overall like the tasks listed here — it's an area where only 25% of peer executives think their CFOs should improve, putting it just behind "knowing the company's business" in terms of solid approval by peer executives.

"I think being able to effectively communicate, no matter what your role is, just adds so much value," Hopper said. "Think about if you were an engineer or a physicist or whatever, half of what you do is so obscure and abstract that nobody understands it. But if you can take it and make it applicable to the audience, you become like the Neil deGrasse Tyson of the industry."

Still, there are some head-scratchers within this data. CFO respondents who report being experts at communicating with employees and stakeholders are the least likely to enjoy presenting data at company meetings and telling the company's story through financial data. Those who are experts at driving new initiatives with business partners are also least likely to enjoy presenting data at company meetings as well as managing relationships with creditors and investors.

CFOs Who Like Communications and Presentations

CFO Subject Area Expertise	Running finance team meetings	Presenting business strategy proposals to execs	Presenting finance data at company meetings	Presenting monthly or quarterly performance data to stakeholders	Managing relationships with creditors/investors	Telling the company's story through financial data
Analyzing data	66%	60%	57%	51%	72%	33%
Communicating with employees and stakeholders	65%	58%	45%	45%	69%	31%
Understanding my company's business	50%	54%	58%	46%	61%	46%
Managing, motivating the finance team	69%	58%	50%	58%	69%	42%
Ensuring accounting and compliance excellence	65%	62%	48%	51%	71%	34%
Collaborating to improve business functions	53%	50%	57%	53%	75%	28%
Scenario planning and forecasting	69%	41%	59%	41%	82%	46%
Driving new initiatives with business partners	60%	53%	46%	40%	53%	40%
Understanding and driving adoption of new technology	70%	57%	52%	31%	52%	31%
Financing	50%	50%	50%	50%	60%	43%

Some of those are likely the business partners CFOs would be working with. Still, deal-making and presenting are two different things.

Cappadona had the good fortune earlier in his career of becoming the de facto financial spokesperson for his company following an acquisition. Damond's consulting role at a Big Four firm meant he frequently presented to clients. For those who haven't had such opportunities, improvement comes down to on-the-job practice and repetition. But like with collaboration, it may be less daunting to start with trusted colleagues.

"I think they just need to start slowly, and kind of get out of their comfort zone," Damond said. "And then expand the network there to find some allies that they can latch on to, that they can communicate to well, and then you move from there to the people that are going to be tougher to communicate with."

Because we're largely dealing with private companies, there's usually no requirement for SEC filings or annual reports. But we were surprised that, as a group, very few respondents like telling the company story through data, as you'd do in those reports.

We were also a bit puzzled that running finance team meetings was the second most enjoyed activity on this list, and yet coaching finance team members was liked only by about half as many CFOs.

Caprio says good communication means getting out in the company, with some good old-fashioned MBWA — management by walking around. It helped that when he assumed the CFO role, his assistant controller was primed and trained to step up into that job, freeing him to visit offices around the country.

"I got into talking more with other members of the management team, what they needed, process changes they may want to put in place, dealing with other departments, talking, going out to the field," he said. "That gave me a better affinity for what we truly did as a business at the detailed, individual level."

He also made it a point to meet with customers and says that practice of getting out into the field has stayed with him through multiple CFO positions. His top advice: Catch up with employees at all levels and across all departments to fully understand the impact of new initiatives.

"Talk with people that know more than you on all the areas that impact your business to educate yourself," Caprio said. "Not just your CEO, not just your C-level executives. Talk to sales reps: What are they struggling with? What's working? You implement a new process out there, how's it going?"

All that networking informs our final tasks bucket.

Learn More

- Investor Relations 2.0: What CFOs Need to Know Now
  As investor demographics and expectations change, the practice of investor relations needs to evolve as well.
- Hiring Top Finance Talent in a Candidate's Market
  Team-building CFOs face not only a competitive finance-jobs market but also the need to identify and develop future leaders.
- What Gen Z Looks for in the Workplace, and How to Provide It
  Make room, millennials and Gen X. Gen Z has entered the workforce — and so have their expectations.

CHAPTER 5

Strategy

There's no doubt that the unstable business environment of the past two years has made CFOs more strategic partners to their C-suite colleagues. But that strategic partnership takes more than one form. There's the short-term, ongoing strategy that involves scenario planning, cash flow and demand projections and continual analysis of new margin pressures. That's all gotten both more difficult and more important since the start of 2020.

Then there's the longer-term strategy that involves understanding customer needs, monitoring competitors and planning for growth — both organic and through M&A. Executive peers are particularly interested in the CFO's help planning for long-term growth, but it's an area where finance chiefs often feel unsure of their skills.

For one thing, there's little repetitive exercise: You communicate all the time with colleagues, but you evaluate M&A targets likely just a few times a year.

CFOs Who Like Strategic Tasks

CFO Subject Area Expertise	Creating competitive analyses of closest competitors	Finding and evaluating M&A targets	Monitoring advances in technology for the business	Managing / finding financing for expansion	Watching our market for new service or product opportunities
Analyzing data	48%	57%	60%	33%	36%
Communicating with employees and stakeholders	45%	51%	62%	41%	41%
Understanding my company's business	50%	46%	54%	35%	31%
Managing, motivating the finance team	58%	42%	50%	46%	46%
Ensuring accounting and compliance excellence	48%	51%	68%	45%	34%
Collaborating to improve business functions	64%	50%	53%	43%	39%
Scenario planning and forecasting	41%	59%	59%	46%	27%
Driving new initiatives with business partners	40%	53%	43%	50%	40%
Understanding and driving adoption of new technology	39%	44%	61%	52%	35%
Financing	43%	53%	50%	40%	36%

One task CFOs have become good at over the past few years is evaluating technology. It's one area where most companies increased spending during the work-from-home migration, and that investment proved important to longer-term success. Now, well over half of CFOs say they like the process of monitoring technology advances for their businesses.

Watching the market for new product opportunities is the least-liked function listed here. While there are likely many contributing factors, we've seen throughout our CFO surveys that organic expansion tends to be something that finance chiefs don't favor.

Organic expansion is risky, time-consuming and expensive — three things CFOs never like. It's telling that those respondents who consider themselves experts at forecasting are by far the least likely to enjoy scouting out new product opportunities. One possible reason is the difficulty in developing a positive forecast, which takes into account current economic uncertainty.

But while there's no doubt that's a challenge, smart bets taken during downturns are often the biggest winners.

CHAPTER 6

Business Outlook and Job Difficulty

The data above came from a more extensive survey that included questions about revenue and earnings expectations as well as overall business optimism. Below are several of those charts with data cut by CFO expertise.

The most optimistic CFOs tend to be those who are experts in forward-looking disciplines, like forecasting and technology adoption.

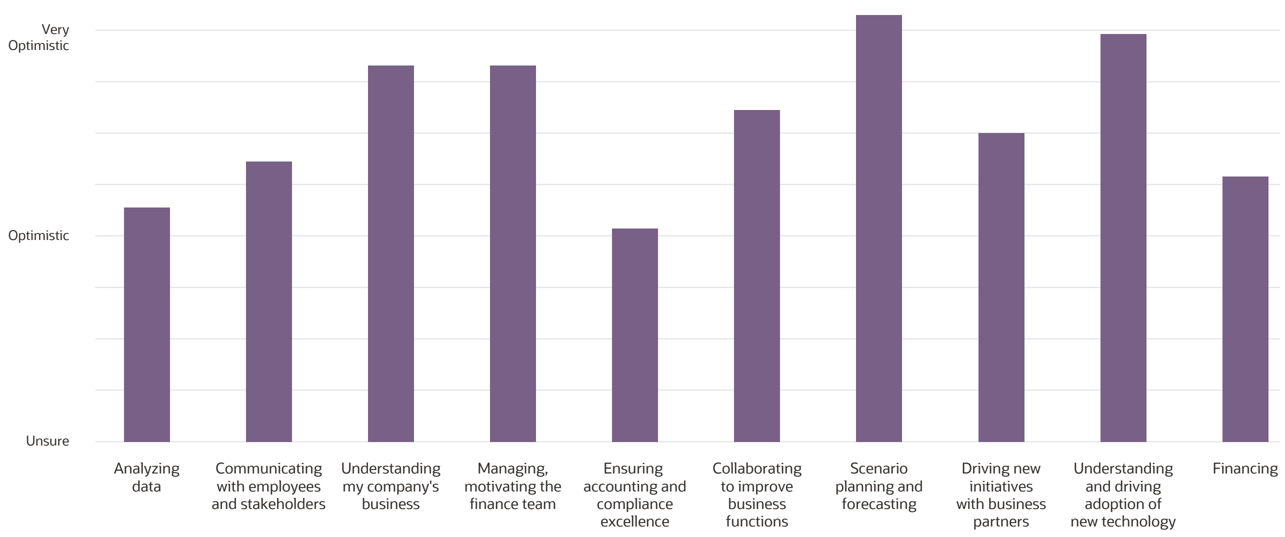
This makes sense — a scenario planner who lacks the ability to visualize a good outcome probably won't be effective.

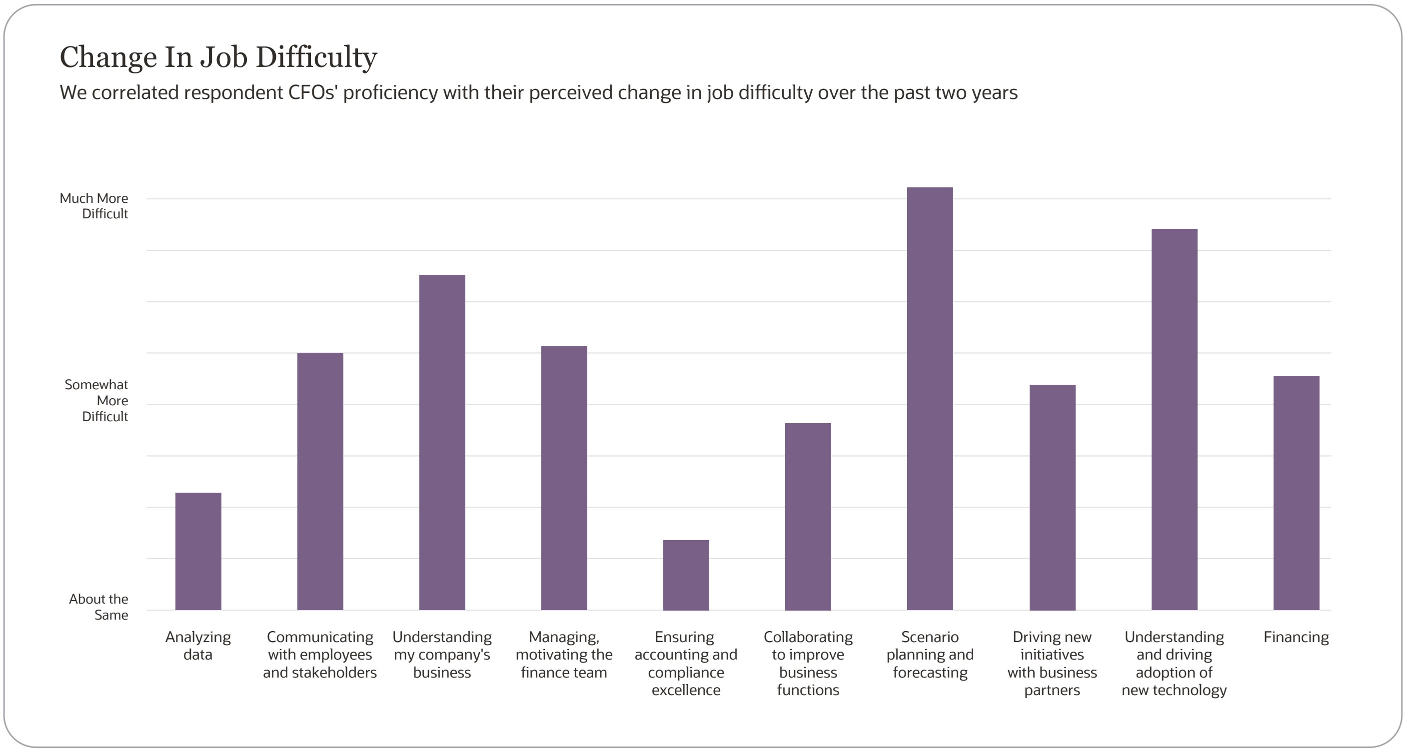
"If you're doing the scenario planning, if you're doing the forecasting, you're looking out in the future, and at that point you end up feeling more bullish, I suppose, because you can see [what's coming]," Cappadona said.

Those same CFOs are also most likely to say that the role has become more difficult since 2019. It's important to remember that we're looking at responses from CFOs who consider themselves experts in each discipline; in the case of scenario planning, it's just the top 22% who consider themselves highly skilled.

Business Outlook for Next Two Years

We correlated respondent CFOs' proficiency at tasks with their level of optimism about the business





And of course, that 22% still had all the other responsibilities of a CFO. So, their deep knowledge of scenario planning combined with the obvious forecasting challenges since the early days of the pandemic mean their jobs likely did get tougher.

Revenue expectations show a similar response, with the most optimistic outlooks coming from CFOs who are experts on their company's broader business and forecasting. In the case of Focus Technology, contracts are signed weeks or months before the work actually starts, making future income more predictable.

"We're fortunate enough that we have a lot of visibility into our next quarter, and that is minimally impacted by a volatile environment," said Caprio. "But certainly looking out further than a quarter, absolutely we continue to monitor that on a rolling 90-day basis."

Those focused on compliance and data analysis were less optimistic about revenue growth, but also expected earnings to grow slightly faster than revenue.

"I see a lot of promise, and I think that's part of it, there's a better understanding of how the business ticks," Cappadona said.

For those CFOs who shy away from understanding and driving new technology but crave more opportunities for data analysis, Caprio has a message: The automation that technology offers can be a life-saver.

And, as his company continuously works to automate lower-level jobs to save time and improve accuracy, he can more easily look at what's going well and make better, faster decisions.

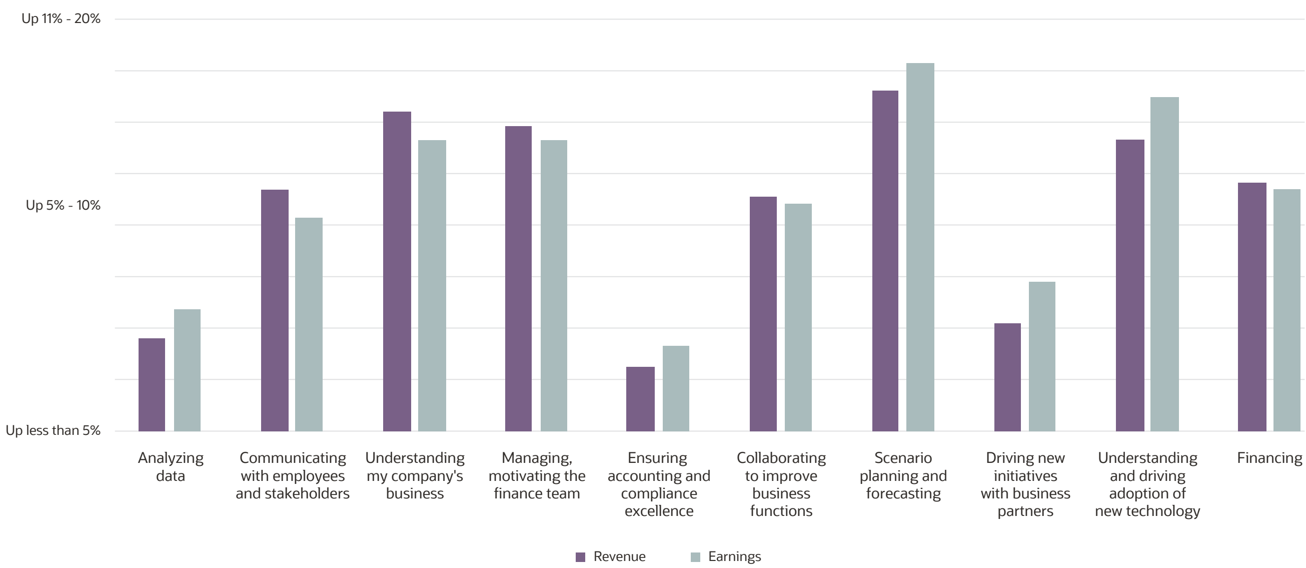
"We need to continue to focus on what's important to us," he said. "And now, hopefully, we have a little bit more time because we're doing less processing and more analyzing."

"We continue to look at ways to automate our processes around accounts payable, accounts receivable, invoicing collections, payment applications, things like that. As we automate, we're going to get even more data."

Chris Caprio, CFO, Focus Technology

Revenue and Earnings

We correlated respondent CFOs' proficiency with their companies' revenue and earnings growth between 2021 and 2022



The Bottom Line

In the name of continuous improvement, CFOs should always poll colleagues, whether formally or informally, about where their teams are exceeding expectations and where they could provide more value. Realize that hiring people more knowledgeable than you in certain areas is often the solution to these shortcomings. As noted at the top, no CFO has the time to master the vast area that the finance department covers.

One last relevant lesson from Caprio: Always be on the lookout for people who can step into roles with minimal training. During the 2008 downturn, even as his company looked at laying off 8% to 10% of its staff, he had his eye out for talent.

"Start that database of candidates," he said. "We felt confident at some point, this economic downturn is going to turn around and we're going to have to hire people. Let's be ahead of it."

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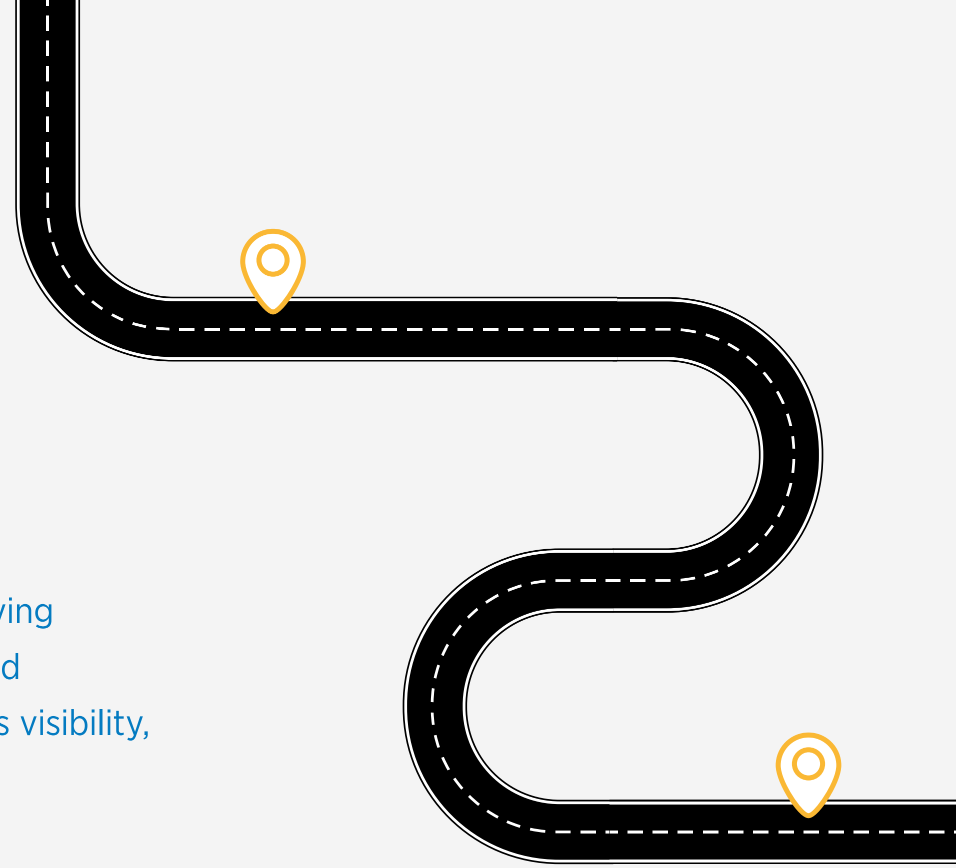
THE FINANCE AUTOMATION JOURNEY

How to Fuel Your Finance Transformation

BLACKLINE

ONE PACIFIC

In today's modern, highly-complex business environment, even the most competent organizations can and do make mistakes. These are often due to an out-of-date, manual, and spreadsheet-driven approach to back office accounting and finance operations.



Each line on the balance sheet is made up of thousands of underlying transactions, often manually compiled and adjusted by overworked accountants facing pressing deadlines. This is a process that stifles visibility, scalability, and productivity, and it
is fraught with risk.

Meanwhile, CFOs at companies of all sizes will tell you that they are constantly expected to do more with less. This is the result of increased regulatory scrutiny, rising business complexity, and heightened expectations for accurate and real-time financial intelligence. Many know this but are left wondering, where to even begin?

Why are some organizations accelerating while you seem stuck in city traffic? This is a guide to getting in the fast lane.

GO FARTHER. GO FASTER.

To make your Finance Automation Journey most effective, start with a holistic approach and look at four key areas:

PROCESS

What are you doing today? What's working, and more importantly, what isn't? How would you characterize the controls in your processes? Are you at risk?

TECHNOLOGY

Is your current technology sufficient? What are the gaps? Do you have the technology to complement new processes and meet the needs of a growing business?

PEOPLE

How are your employees? Are they overworked? How can you get more out of your team while avoiding burnout and increasing engagement?

INFORMATION

Do you have the information you need, when you need it? What could you do with real-time intelligence?

THE ENGINE THAT POWERS FINANCE TRANSFORMATION

Technology is changing the way business is done all around us – from agile product development to digital marketing – and it is time for accounting and finance to get on board. Failing to automate your financial close leaves your company at a competitive disadvantage.

New process automation tools free up time for analytics, enabling finance teams to transition from performing manual and spreadsheet-driven processes to strategic, value-adding operations. By 2020, Accenture predicts that Finance productivity will increase by two to three times, and organizational costs will decline by 40%. They also foresee a dramatic shift in time spent on analysis, from a mere 25% today to 75% in the future.

The results of using automation are already dramatic, with organizations seeing faster close cycles, increased accounting efficiency and transparency, and more satisfied and engaged finance and accounting teams.

It's the new paradigm.
It is the way modern business is done.
Automation is not an option.

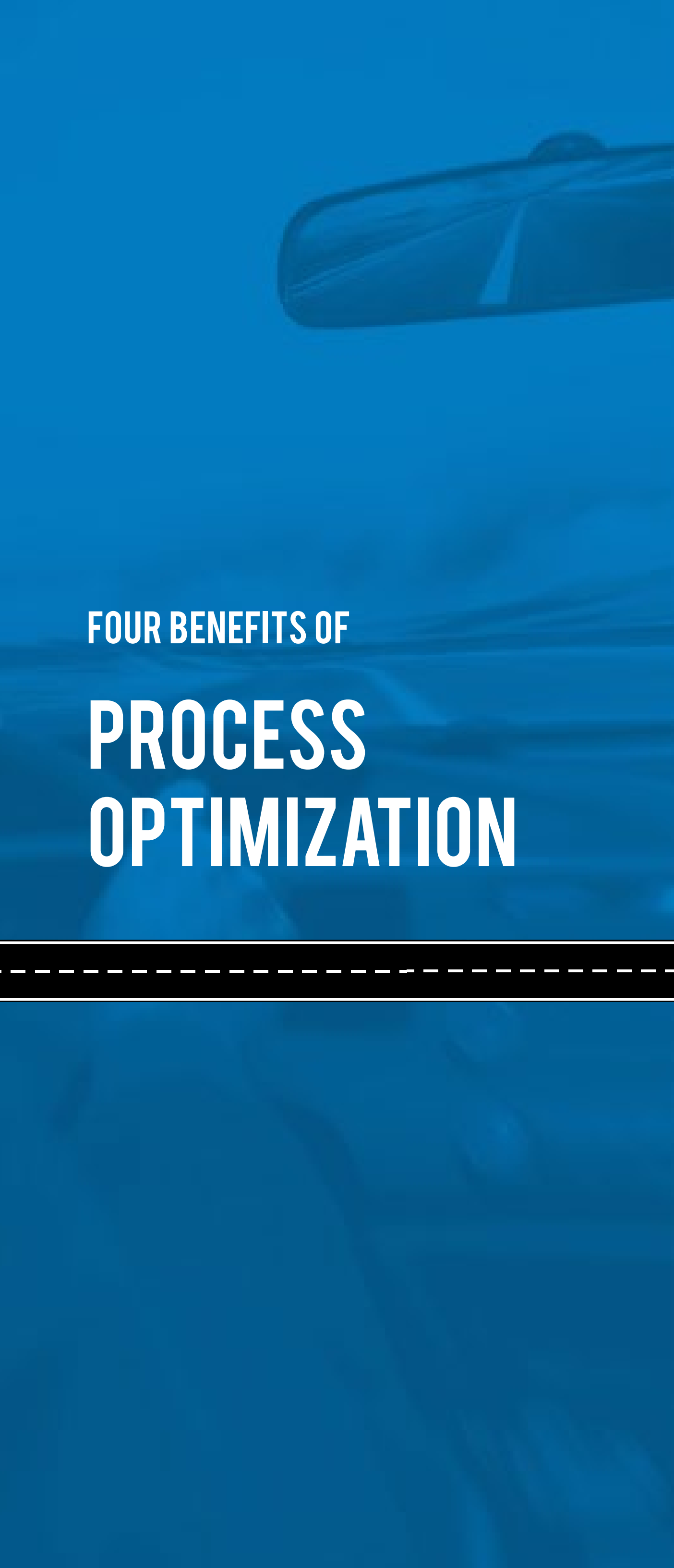
ROAD RAGE: CONSTRUCTION ZONES, DETOURS & SPEED BUMPS

According to 69% of Finance and Accounting leaders in a recent survey by The Hackett Group, the top inhibitor of the financial close remains manual processes like spreadsheets, re-keying, reconciling, and hunting for data and errors. More than half of finance executives report being frustrated with spending too much time on non-strategic work. They are awash in transactional activity and two-thirds say they don't have time for process improvement.

This is a bit of a chicken or the egg scenario. How could you ever have time to improve process if you are too focused on doing things the way they've always been done? Isn't the old way of doing things the reason you don't have time for improvement?[2]

Left unchecked, manual processes, together with expanding data volumes, are preventing Finance from making the shift from accountant to strategic business partner. Rote, human-driven, and error-prone manual procedures expose companies to the undue risk of inaccuracy, or worse, restatement.

> **"The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency. The second is that automation applied to an inefficient operation will magnify the inefficiency."**
>
> **- BILL GATES, FOUNDER & CHAIRMAN OF MICROSOFT**



FOUR BENEFITS OF

PROCESS OPTIMIZATION

PUT IT IN YOUR REARVIEW

The first step to embarking on your Finance Automation Journey is to look at all of your internal processes and begin making a wish list of improvements.

Still not sure where to start? Ask your staff accountants. Those deepest in the weeds of manual effort are often the ones with the best ideas about how to streamline existing processes. In fact, many of the procedures best suited for the first steps of your journey are often the most manual and risky, and the easiest to improve and automate.

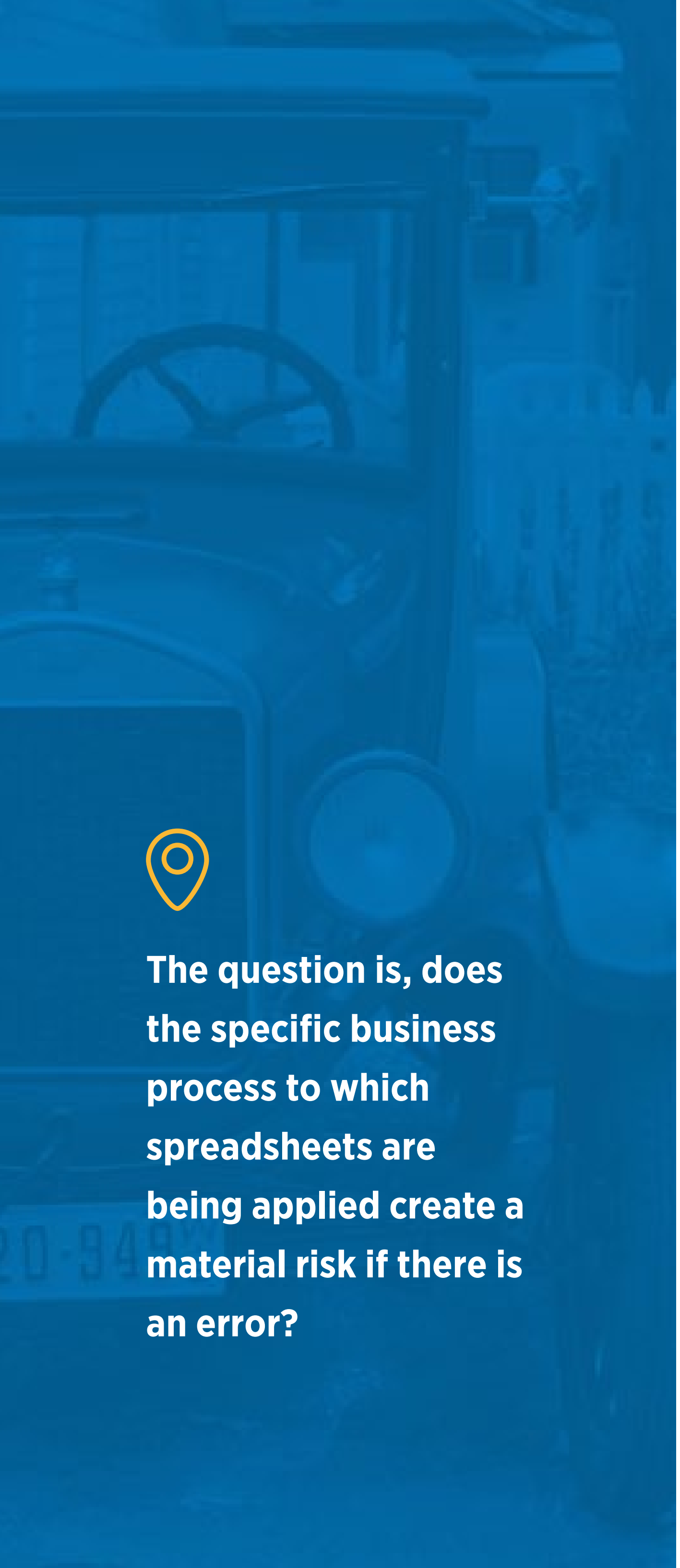
Process improvement is not an all or nothing proposition. Take a stepwise approach to realize incremental results and benefits at every stop on your journey.

Standardization embeds process control to prevent inaccuracies at every level of accounting and finance.

Control, born out of standardizations, means decreased risk of error, higher quality financial reporting, and results you can trust.

Efficiency from improved process has a compound effect as the time saved can be reallocated to further optimization.

Continuous Improvement keeps companies on the Finance Automation Journey continually honing processes and improving outcomes to meet the dynamic needs of the organization, now and into the future.



The question is, does the specific business process to which spreadsheets are being applied create a material risk if there is an error?

STEAM-POWERED TECH IN A HYBRID WORLD

More than two-thirds of organizations see their current IT processes as inadequate for easily managing controls and reducing risk, found the [IBM Institute for Business Value]. This, in turn, causes spiraling resources to mitigate it. Some of the prime factors creating risk are aging infrastructure, old ERP systems, multiple systems of record, spreadsheets, manual processes outside of systems of record, and systems that just don't work together and require rekeying.

ERPs do a lot, but they simply weren't built to do everything. They are systems of record and push accountants to extract data and perform many critical functions within spreadsheets. This manual labor is repetitive and error-prone, making it difficult to guarantee the accuracy of a company's financials. Moreover, spreadsheets make it almost impossible to have any visibility into the quality of financial processes.

According to the Association of Chartered Certified Accountants, [90% of spreadsheets contain serious errors]. Even for spreadsheets that undergo meticulous testing and validation, 1% or more of cells often still contain errors, and as a result, any process that is mostly dependent on spreadsheets will likely yield inaccurate results.

However, along any Finance Automation Journey, understanding when to use spreadsheets and when to mitigate their use is essential. Despite their risks, spreadsheets aren't going away. They're just too useful and flexible. It's important to know where spreadsheets are appropriate, and where they aren't.

FOUR BENEFITS OF

TECHNOLOGY AUTOMATION

POWER THE FINANCIAL CLOSE

Answering this question provides the reason why organizations typically eliminate spreadsheets from financial close processes first: the risk of exposure and embarrassment from a defect is too great.

Beyond risk mitigation, automating financial close and FP&A processes is critical for keeping pace with change and elevating the strategic role of finance. The results are substantial for those finance organizations that upgrade their performance through automation. According to PwC, best-in-class finance organizations run at a 40% lower cost than their peers, yet spend 20% more time on analysis versus data gathering.

Efficiency is enhanced as high-volume tasks from transaction matching to account reconciliations are automated and data aggregation and formatting are streamlined.

Risk is reduced as control increases and human error is removed from manual, transaction-level processes, including data extraction, recurring journal creation, and intercompany invoicing.

Accuracy and quality rise not only as automation executes error-prone tasks, but also as exceptions and anomalies can be better investigated by accountants freed from manual activities.

Visibility reaches new levels as disconnected spreadsheets are replaced with technology that automatically reports task progress, close status, and real-time financial results.

BAD PROCESS + OLD TECHNOLOGY = GRIDLOCK

An uneven workload, overtime hours, dissatisfaction with timeliness, and lack of faith in quality create escalating frustration for finance and accounting staff. Additionally, the fact that much of accounting – such as legacy record-to-report processes – is reactive, leaves employees little control over their daily work lives. As the old accounting joke goes, what do you call a trial balance that doesn't balance? A late night.

Spending every day putting out fires or hastily chasing exceptions during the month-end close is exasperating and draining. Couple this with legacy technology or spreadsheets and everything about accounting and finance can feel outmoded, leading to ever-increasing frustration. All the while employees will continue to disengage, as nothing about their job actually uses their well-honed skills in analysis; they are blocked from helping their business think more strategically.

All they can do, all they have time for, is the minimum of what is asked of them. Unsurprisingly, manual repetitive tasks drain satisfaction and motivation – and are a predictor of churn. To compete for and retain talent, automation is key.

97% of CEOs see attracting and retaining the best talent as key to improving the finance function, yet only one-third give CFOs a passing grade here. CEOS TO CFOS: WE NEED MORE FROM YOU

FOUR BENEFITS OF

PEOPLE OPTIMIZATION

DRIVE EXCEPTIONAL ACCOUNTING

There appears to be widespread agreement that Accounting and Finance have the necessary skill sets to drive business strategy, but these skills are underutilized. To unlock this value, companies need to automate the tedious and manual accounting work that consumes so much of accountants' time and effort.

This is not about replacing accountants but engaging them. The emerging idea that automation will replace accountants fails to properly value the fact that higher level accounting is complex, and only strengthened by automation. Whether investigating accounting anomalies, evaluating financial reports or preparing corporate taxes, in-depth know-how and analysis require nuance.

Process automation helps by completing unskilled tasks and enabling skilled individuals to provide strategic services to both their department and the entire organization. Automation frees accountants to be more efficient and effective. It frees them to be exceptional.

Close 70% faster by removing manual bottlenecks and freeing employees to investigate exceptions, not process transactions.

Increase productivity by up to 24% for each full-time employee in addition to the productivity gains realized from process automation.

Improved engagement so that employees feel more satisfied with their work, which leads to reduced turnover (and associated savings!).

Strategic redeployment opportunities that enable your most capable team members to focus on value-adding activities to better support the broader business.

TRAFFIC'S JAMMED & YOU'RE ALREADY LATE

The volume of data in accounting and finance are increasing as sources of information continue to expand across every business division. Organizations expect to use analytics to create competitive advantage, and they're looking to Finance to be in the driver's seat. In fact, according to a recent survey by FSN, 81% of senior finance professionals believe CFOs will be responsible for corporate data in the future.

As senior finance executives deal with an increasing amount of financial data, they are expected to deliver better intelligence and provide the big picture of their organization. Unfortunately, making sense of so much unstructured data is a huge challenge. Seeing through the fog is almost impossible amid disparate systems, databases, and spreadsheets.

Standalone analytics solutions rarely deliver their promised value, and more than half of these projects typically fail. Complex data extractions add overhead and fail to meet the need of real-time visibility into financial performance. Despite tools and technologies, financial reporting and analysis are still reserved until after the financial close.

Nearly two-thirds of CFOs believe that an inability to master the variety and volume of new business data is a serious threat to the future finance function.

THE FUTURE OF THE FINANCE FUNCTION - 2016 SURVEY

FOUR BENEFITS OF

INFORMATION OPTIMIZATION

NAVIGATE WITH REAL-TIME INTELLIGENCE

Modern business requires every part of the organization to be forward-looking and strategic. The need for transparency and easy auditability is increasing, and ever more volatile markets are exposing the necessity of up-to-date financial data.

Automating the finance function not only improves the efficacy of back office activities, but creates time for reporting and analysis to be done at the point of need, and not when everything is already "done."

Real-time access to financial data and full confidence in those numbers really is the only way forward, especially with the increasingly complex regulatory guidelines and ever growing amount of data companies are expected to analyze.

By automating finance and leveraging the power of data, organizations can unlock competitive advantages and distinct benefits for the finance function and the entire organization.

Enhanced Visibility coupled with automated data aggregation, standardization, and integration, your organization gains instant access to data.

Better Decision-Making
Better data (and analysis) means business decisions are better informed, leading to superior choices and optimal outcomes.

Real-Time Intelligence
Executives and their companies benefit from having the information at hand when it is needed, and not days or weeks.

Agile Business Operations
With faster analysis and informed decision-making, leading businesses can be more agile and rapidly respond to changing pressures as they arise.

PREPARING FOR YOUR FINANCE AUTOMATION JOURNEY

Many organizations fear finance transformation projects. Horror stories of failed attempts and the confusion of figuring out exactly where to start leave many quitting before they even begin. Indeed, the first step is the hardest.

A wise man once said, a journey of a thousand miles begins with a single step. The best performing finance teams embrace this journey and embark on it while building a culture of continuous improvement. They know that success means always adapting, innovating, and improving. With that in mind, here's a look at the journey from beginning to end.

SIX MILE MARKERS FOR

FINANCE AUTOMATION

01

ANALYZE YOUR CURRENT STATE

What are your biggest challenges? Don't forget to ask your staff for help with identifying the most painful, inefficient, and risky accounting processes.

02

DESIGN YOUR FUTURE STATE

Play the "What If" game and design your ideal plan for the future. Then, start with the low-hanging fruit and areas with excess risk exposure.

03

OPTIMIZE & AUTOMATE PROCESS

First improve and standardize your processes, then automate wherever possible.

04

FINANCE AUTOMATION

Monitor your process closely and ensure automated processes are more efficient and continue to yield expected results.

05

REVIEW OUTCOMES & CONTROLS

On a quarterly or annual basis, review the outcomes of your Finance Automation Journey. What worked? What didn't?

06

IMPROVE CONTINUOUSLY

Combining the knowledge gleaned from the Review stage, rinse and repeat. Return to Step 1 and focus on new risks and more challenging automation projects.

FINANCE AUTOMATION POWERS MODERN FINANCE

By embedding process standardization, technical automation, and constant analysis, the Office of Finance and its team members advance beyond transactional accounting execution to become a strategic partner to their business. This is Modern Finance. It is a journey yielding continuous improvement in the quality, accuracy, and efficiency of accounting operations.

Returning to our holistic approach, it's easy to see how finance automation benefits the four key areas of every improvement project:

PROCESS

Optimized processes will streamline automation, reduce risk, improve accuracy, and increase efficiency, benefiting the entire accounting and finance function.

TECHNOLOGY

Using technology to automate procedures enhances the benefits of process optimization while increasing the overall productivity of accounting team members.

PEOPLE

Reducing manual and rote workloads frees team members to be more productive and use their exceptional abilities to help guide the business.

INFORMATION

Accurate, always available, and real-time financial intelligence empower agile and strategic business decisions.


ARE YOU READY TO EMBARK ON YOUR
FINANCE AUTOMATION JOURNEY?

IT'S TIME TO TEST DRIVE

If you use spreadsheets and emails to find discrepancies and investigate them, if you manually create the same journal entries every month, or if you just find yourself doing the same manual tasks over and over again every period, it's time to help your business grow by modernizing your processes. The risks associated with doing nothing are high and costly. Organizations that continue to operate using the traditional record-to-report model will fall further and further behind as other companies gain competitive advantage.

If you contrast an organization that is still using manual processes with another that is implementing finance automation, it's no longer an apples-to-apples comparison. One is bogged down by investigating errors, overwhelmed by the expensive and time-consuming financial close that is burning out their team and can have little confidence in the reporting outcomes. The other is running efficiently with a more satisfied and engaged finance and accounting department, and experiencing faster close cycles that allow time to focus on providing strategic insight and a greater level of analysis.

It's time to elevate finance and accounting and improve performance, efficiency, and engagement. It's time to gain confidence in your accounting processes and insight into your finance operations.

It's time for Modern Finance. Take a test drive.

Authorised Solution Provider

ONE PACIFIC BLACKLINE

Contact our consultants today for a free consultation.

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ABOUT BLACKLINE

BlackLine provides cloud-based software that automates and manages complex, manual, and repetitive accounting processes for more than 1,500 customers. BlackLine enables customers to move beyond outdated processes and point solutions to a Continuous Accounting model, in which real-time automation, controls and period-end tasks are embedded within day-to-day activities.

As a result, customers achieve more accurate and insightful financial statements and a more efficient financial close. By improving the efficiency, accuracy, and control of accounting operations, we help enhance the office of Finance's strategic impact and better serve the broader organization.

LEARN MORE ABOUT HOW BLACKLINE CAN HELP YOU TRANSFORM THE FINANCIAL CLOSE.

BLACKLINE.COM