Selecting finance systems to support your growth

VANTAGE POINT

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Introduction

One of the most expensive and laboured decisions a company will face will often revolve around selecting or upgrading core business systems. In today's ever-changing and fast-paced landscape, organisations are seeking new avenues for growth and innovation. Investors, executives and finance teams are now setting a clear requirement for technology to play a leading role within the future roadmap because they understand the critical aspect that business systems play in facilitating and sustaining rapid growth.

Choosing the right core systems for ERP, planning, reporting and analysis, and business automation, has become paramount for streamlining operations, enhancing efficiency, and unlocking new opportunities for any organisation. How companies embark on selecting the right systems and solutions that will not only be fit for purpose now but also as the company scales, can be a challenging question. Companies will also be faced with other difficult decisions to make such as which type of solution to select and whether to engage an implementer or consultancy.

A system is not just a piece of technology, it must align with business goals and objectives rather than just plug an immediate gap. It needs to align with business processes and fit with the skills and abilities of the people. More than that, technology needs to be part of a wider picture and the provider(s) should form part of that equation.

Whether business processes need to change, and by how much, is part of the process of selecting the right system.

Whether the system is simply to reduce manual input, allow the finance function to become more value-add or simply to make their role more fulfilling is all part of the consideration of selecting the right system.

At VantagePoint, we recognise every company has different needs. We know from experience what it takes to transform the office of finance and the wider business to achieve excellence. Every journey begins with a base understanding of a few key areas:

- What we have
- Where we want to be
- How much we can do
- The budget (time and cost) we have.

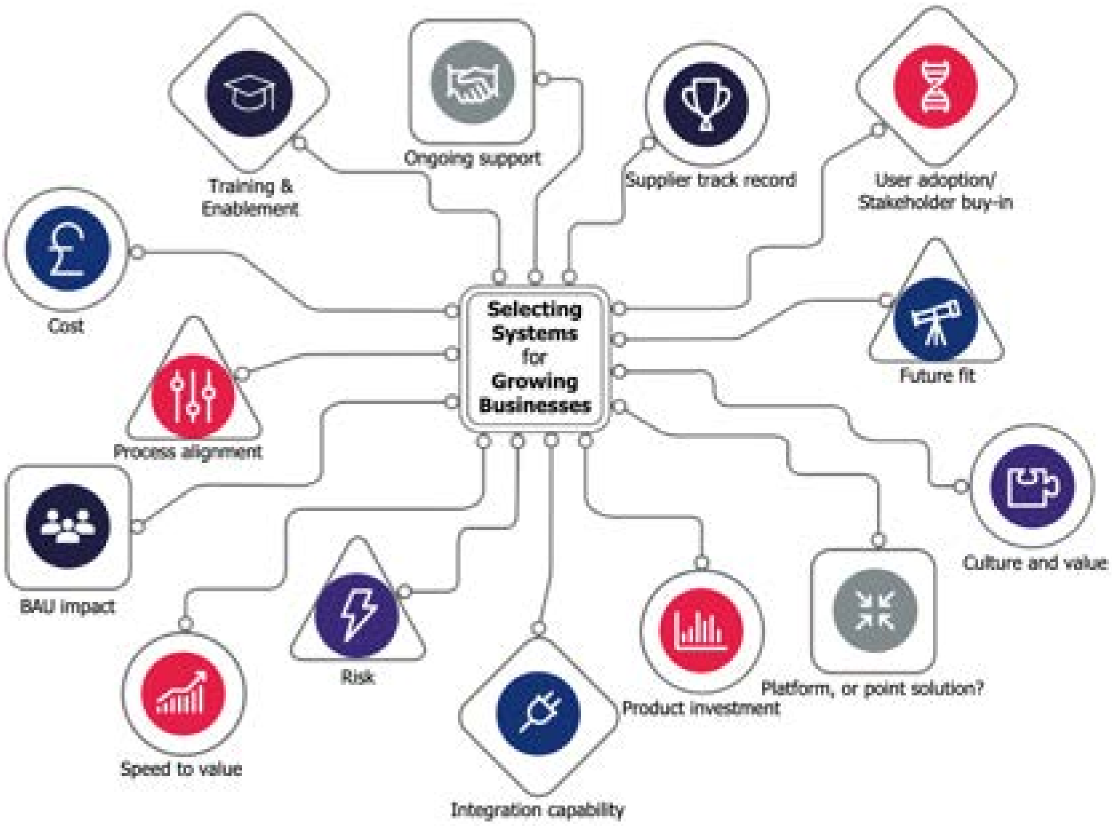
These are broken down into several questions we need to ask. To begin the process some guidance can help channel thinking in the right direction and increase the chance of success in selecting finance systems for growth.

The importance of choosing the right systems

Selecting appropriate business systems is more than just a technical decision; it is a strategic imperative for companies experiencing rapid growth. As an organisation expands, outdated or inefficient systems can hinder progress, hinder collaboration, and stifle scalability. Investing in modern, best-in-class technologies can bring numerous benefits to an organisation's growth trajectory. But it needs to be done in a way that hits all the outcomes desired rather than only achieving some key objectives.

Selecting the right systems for a growing organisation need not involve projects with long timelines to deliver and nothing to see for months. The scale of the challenge and the business need will impact any selection, but it should be done in a way that adds value to the business throughout the process while allowing the business to gain an advantage.
The core business system landscape is vast, there seems to be a tool that advertises 'cutting time and effort with AI around each corner'. Implementing new systems will always have a large cost associated with it but even here it is about spending investment (dollars/euros and pounds) effectively for the best result. The team will have to invest time and energy from their already stretched days, the last thing that any company wants is to have a failed implementation and to start over.

We have broken this guide into 14 sections split across technology, partners, people, cost and risk. Some sections sit across multiple areas, for example, business-as-usual (BAU) impact needs to consider not just the impact to the current operational performance of the business, but the people who will use it and the people tasked with implementing it, as well as current technologies and systems in place. Every VantagePoint client is different, every need from every customer is different. A guide that offers ideas and poses challenges creates food for thought and begins a conversation but is only the start. We welcome the opportunity to continue the dialogue with you one-to-one.



Stakeholder buy-in

Selecting a finance system is a complex undertaking that requires careful consideration and collaboration across various departments and individuals within an organisation. One of the most crucial elements for success is stakeholder buy-in. When all stakeholders (users, investors, senior management, other departments impacted by change, and more) are involved and supportive of the decision-making process, the chances of achieving the desired outcomes increase significantly.

Understanding stakeholder needs

To gain stakeholder buy-in, it is essential to thoroughly understand their needs, challenges, and expectations. Engaging with stakeholders early on allows for a comprehensive understanding of their pain points and desired outcomes. Conducting interviews, surveys, and workshops can help identify key requirements and align them with the organisation's goals.

Of course, different stakeholders will have different needs. In addition, the importance of each stakeholder group needs to be taken into consideration. For example, the impact on workload is likely to be more acutely felt by those undertaking the tasks than by those approving the budgetary spend for the project.

While it is not unusual to see diverging or even directly opposing stakeholder needs, that should not be a reason to abandon a project. Different needs and priorities should be viewed through the lens of the stakeholders and brought together to form a plan that all can commit to and see through successfully.

Communication and transparency

Clear and effective communication is vital for fostering stakeholder buy-in. Regular updates, progress reports, and transparent discussions about the finance system selection process build trust and keep stakeholders informed. Additionally, presenting the benefits and potential impact of the chosen system in a clear and concise manner helps stakeholders grasp the value it brings to the organisation.

The level and detail of communication may reflect the end reader and there may be occasions where company confidentiality or operational performance preclude complete transparency. From the start, it is important to set rules around the type of information that is shared, the level of detail and the frequency. While communication is good, too much detail too often can be counterproductive.

Building a cross-functional team

Forming a cross-functional team comprising representatives from finance, IT, operations, and other relevant departments, (including the end-use customer) fosters collaboration and ensures diverse perspectives are considered. This team can facilitate the decision-making process, address concerns, and bridge any gaps between stakeholders. It also aids in creating a sense of ownership and shared responsibility for the chosen finance system.

According to Teamwork.com a cross-functional team:

- Enhances team members’ engagement
- Creates a more streamlined work process
- Promotes a more creative and innovative work environment
- Combines diverse skill sets and experience.

Demonstrating ROI and long-term benefits

External stakeholders often require evidence of return on investment (ROI) and long-term benefits before fully committing to a new finance system. Conducting a cost-benefit analysis, showcasing successful case studies, and providing tangible examples of how the system will drive growth and efficiency, can strengthen the business case for stakeholder buy-in.

Very often this may form part of a business case or an evaluation of bidders. Far too often those tasked with preparing a business case provide a threshold report and a financial statement. This approach may find a good solution but at times it does not provide the right solution selection for the long-term needs of a fast-growing organisation.

Evaluating each supplier and whether the solution fits the needs today (and whether it will be fit for the potential needs for a set number of years from now) is a good place to start. Rarely is an evaluation of the potential future investment required to scale the solution, rather an evaluation of the requirements needed now in addition to what will be a functional fit for the future is carried out. As companies scale, there may be a need to invest more time and effort in redesigning processes, a need for more hardware in the case of hosted, or a need to change the licence to suit the new sized organisation.

Such a report accompanied by a cost-now statement gives only a snapshot in time based on current needs and not a true lifetime cost assessment. For most companies undertaking such an exercise is a complex and time-consuming task. The alternative is to have a consultant do this but, when one has a team in-house that can take the simplified approach, this may be seen as an unnecessary cost.

For a true ROI, a company needs to understand not only the upfront investment and the functional fit for the future, but the cost of the journey from the first implementation to the eventual future state in a set number of years from now.

Conclusion

Stakeholder buy-in is a fundamental element in successfully selecting finance systems for growth. By actively engaging all stakeholders, fostering open communication, and demonstrating the system's value through ROI and long-term benefits, organisations can increase the likelihood of a successful implementation. Moreover, by involving stakeholders from the early stages, businesses can foster a sense of ownership and commitment, leading to enhanced collaboration and overall success.

The approach taken by VantagePoint on all projects is to consider not just the project itself but the wider audience; those who are likely to be impacted by any project and who are likely to have an impact on any project. We work with the customer to ensure this is a key consideration and can bring a level of expertise to these conversations that extend beyond the immediacy of the project itself.

Considering people

Business transformation is a journey and taking the people on the journey is critical to success. As companies grow, the systems and processes they use change; the demands change but the people remain. They may need to upskill, change roles, perhaps even take on new tasks or become more focused on fewer tasks. There may also be occasions when there is a need to reduce headcount, this too needs to be managed in a positive way.

Engaging people early

Engaging people early in the process allows those with the most to gain (or lose) to have input and provide insight. According to Lisa Bodell, Founder/CEO of Futurethink, "Change cannot be put on people. The best way to instil change is to do it with them. Create it with them."

Engaging people early may not always include engaging them at the start. Often there are projects that need to be shaped, ideas formed, and a vision set before those in the wider organisation are engaged. Engaging people early is not just the domain of those directly affected or that have input in the change, it may also involve those indirectly affected, receiving the output or where change has a ripple effect into other areas of the business.

Engaging people early not only allows for a broader range of views and opinions, but it can also uncover additional new ideas and opportunities for improvement or, perhaps, identify obstacles and pitfalls.

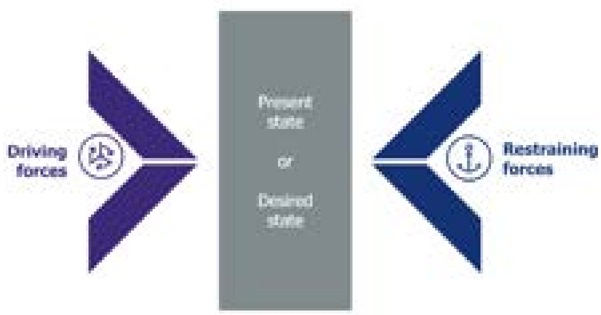
Managing resistance to change

Resistance to change is very often driven by a lack of understanding and/or engagement in the process. Engaging with people early can allow objections and resistance to surface; once understood, corrective or alternative action can be taken. Simply not engaging the wider organisation and those directly affected is likely to cause issues now which will become bigger matters later.

In any organisation, there are people and other processes and systems that support the current state and those that put pressure on supporting the desired change.

In 1951 Kurt Lewin developed his Forcefield Analysis[1] and applied it to business change. To achieve change, there are three steps required:

- Unfreeze the restraining forces
- Introduce an imbalance to allow change to take place, increasing the drivers for change
- Once complete, bring the forces back to 'quasi-equilibrium'.



What Forcefield Analysis does not do however, is address the forces demanding alternative forces for change or change towards an undesirable outcome. Very often the last of these three forces are more people-centric than technology. Therefore, engaging people early can identify these forces and how better to manage them.

1. Lewin K. (1951) 'Field Theory in Social Science', Harper and Row, New York.

Getting input and collective decision-making

Engaging people can allow for broader input and collective or collaborative decision-making. It should be a platform for gathering more data and evaluating more widely the options and outcomes available. Collective decision-making allows for shared responsibility and therefore, removes some of the individual pressure, especially if there are some negative outcomes or elements associated with a change programme.

While the collective input of many can offer several benefits, it should also be recognised that the collective wisdom of crowds can often lead to compromise or something sub-optimal when selecting the right systems to propel the company forward. Collective responsibility may lead to an aggregation of ideas and consensus rather than an outright focus on selecting the right system for growth.

Enlisting a broad range of people and allowing the people to overcome what is required for the process and systems, can lead to ‘groupthink’; a situation where a group of people strive for consensus and achieve a less than optimal decision. There is a focus on agreement rather than a focus on selecting a system for growth and what is right for the future of the business.

There is still business as usual

For any finance transformation project there is a need for the team to continue in their role while working to implement a new solution. Even where an implementation partner has been selected, and this is something we highly recommend; there is still input required from the current system users and the users of the future system. Balancing the demands of the current with input and involvement in the future can be challenging and needs to be considered.

On occasions we have seen temporary, or contract staff, brought in to support the daily function while freeing up those that will directly benefit from the transformation project. Allowing team members to be more directly involved in the project is certainly beneficial but it needs to be done in a way that does not impact current business operations and does not overly burden the team.

There will be losses

As companies grow the needs of the organisation change. Selecting a system for a growing organisation will doubtless have an impact on processes as well as people. The skills required for a small organisation may not be the same as the skills required for a large organisation. Similarly, the ability to have a multi-faceted and varied role could be replaced by a team of individuals all with much more specific roles. This requires either a greater level of specialism or, at the very least, a lot less variety to the role.

Accepting that some people may not want to stay the course should not be seen as a casualty of finance transformation but instead just a part of the evolution of a growing business. Managing the process of people wanting to leave, or change roles, and the addition of new members to the team should be a key part of any process. In selecting a system for growth, it matters to understand the impact on the team and the impact the team’s future state will have on the success of the project.

Communicating change

It is important to articulate the reasons for change:

Everyone directly affected and impacted needs to be made aware of why this change is happening. What is the need for the new finance system? How does this change align with the company objectives that have been set out? Highlighting the benefits that will be gained such as improved efficiency, scalability and better decision-making capabilities, also helps.

Provide a roadmap:

Be clear from the start as to what this will look like and a timeframe. Outline the steps that will be involved and clearly define the milestones and key deliverables. This will help stakeholders understand the process.

Tailor the message:

The impact for different audiences will vary and therefore it is wise to adopt communications to resonate with the various groups. Finance professionals may not be interested in the technical aspects such as integration capabilities but may care more about reporting functionality and the change in work required.

Address concerns and manage expectations:

Be transparent about risks and challenges that may be associated. Common concerns such as data security, training requirements and disruption to the transition period may arise. Provide a detailed plan of how you intend to mitigate these and reemphasise the long-term benefits along with how they outweigh the short-term challenges.

Encourage two-way communication:

Proactively ask for feedback questions and suggestions from stakeholders involved throughout the process. Create spaces for open dialogue such as instant messaging, weekly meetings and Q&A sessions. This will encourage engagement, help build trust and encourage a collaborative approach.

Celebrate milestones and successes:

Recognise the achievements along the way and celebrate these. This could be successfully completing the selection phase or achieving a smooth system integration. By doing this you acknowledge the work of the teams involved and the positive reinforcement will help motivate and maintain momentum throughout the process.

Conclusion

Selecting systems for growth is not purely a technology piece. The input and involvement of the people should be involved in any selection process and the impact on them, and their roles/future, understood. Selecting systems that fit the current and future needs of an organisation needs to consider people, as much as process and technology.

Considering those who are directly impacted by the change is also not just about the end result. Asking people to take on more or to change their roles as they progress through the process of change is often as much of a challenge as the new and changed roles that you may be asking of them later.

At VantagePoint, we recognise that not engaging and communicating with those directly and indirectly affected, can open any change project to failure. This can have far wider consequences, such as refusal to adopt new systems, poor utilisation post-go-live, and even resignations. We recognise the need to take people on the journey through finance transformation, ensuring this is put into any project from day one. Considering people is critical not just to the success of any change project but to the success of the company long-term.

Training and enablement

A typical system selection and implementation is usually seen as the start of any finance transformation. However, finance transformation only begins when the users start to use the system and start to extract value from the investment. Until this point, transformation is likely to have delivered some benefit but the real pay-off has yet to come. It matters therefore that the users are not only committed to the project but are enabled to maximise the project and deliver on the promises made by the business from the start.

Training and enablement are two different things of course.

Training is:

"The process of improving workforce skills. This may be done by formal instructional courses, provided by employers or by educational institutions, either before or during employment."
(Oxford Reference)

Enablement is:

"The act of making it possible for something to happen or for somebody to do something"
(Oxford Learners Dictionary)

Users should be granted permission to use the system in a manner that adds value to the organisation but be mindful of the needs of the business and the checks and balances required in any complex organisation. System administration can limit and control the user as well as empower them to do more.

Enabling users to do more is an important element in the success of any finance transformation project. However, this must be tempered with not only security and other operational considerations but also the skills and abilities of the users.

Begin early

The Pareto Principle (80:20 rule) can be applied to most things; for training, this applies too. Very often new users will become familiar with adopting new systems but will not necessarily remember it all or remember it all sufficiently well.

New users need to be excited and engaged in the rollout of a new system. It helps to understand the 'bigger picture' and the role that tasks and functions play in delivering extra value to the business. Once the benefits have been established the focus should be on incremental advancement in knowledge leading to familiarisation and comfort in using the new system.

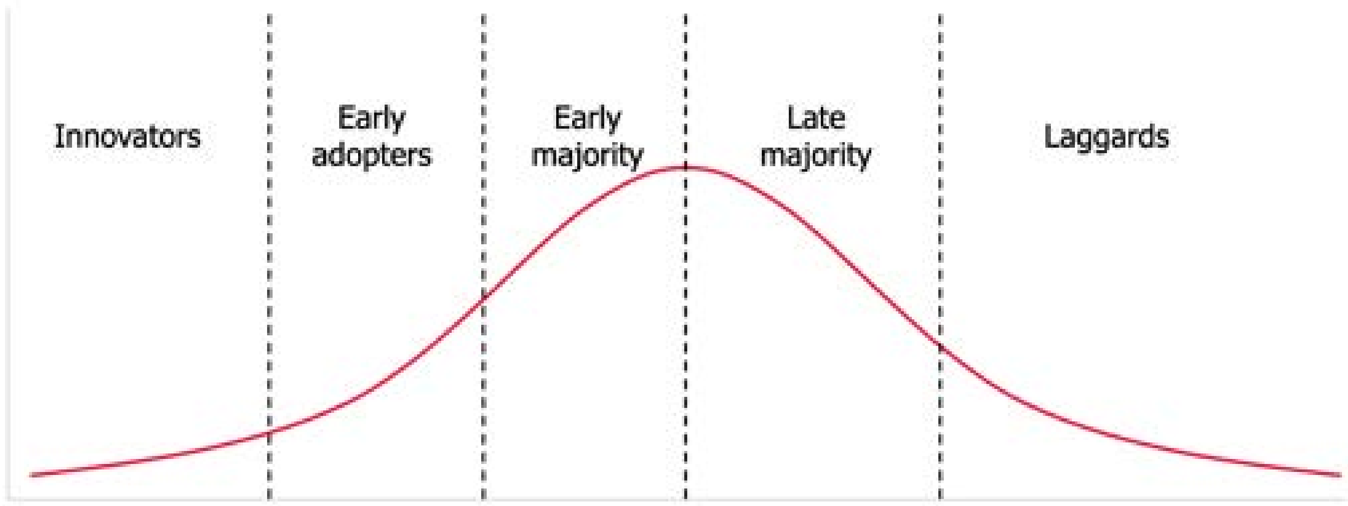
Training supported by repeatable content, for example, training manuals and training videos, allows new users to learn at their own pace while investing the time required at the time that best suits them. This library will evolve over time, updates can be provided when systems or processes change, and refresher sessions can be run as the project continues.

Incentives and influencers

Incentivising team members to learn can be an effective way to deliver more success more quickly. The form this takes will vary from company to company and very often be dictated by the scale and complexity of the learning or the change that is required for the person undertaking the change in their routine of work.

Any incentives should be considered in detail before they are set. Some roles are easy to complete training for, we all have different learning preferences for example, some people are slow adopters but great at the detail. Team achievement incentives may deliver more benefits than individual incentives.

User champions can be a good informal source of training through peer knowledge sharing. Beyond that, they can also help influence how people interact with the system not just educate them on the routines they are required to undertake.



Conclusion

Human nature suggests a mix of learning styles and content, iterative and incremental training, and the acceptance of failure, as part of the learning process. To achieve finance transformation success all these elements need to be accounted for and form part of a long-ranging and highly engaging process. Training should be seen as a key part of the overall project starting almost from the beginning and running through to post-project completion and delivery.

In all projects, VantagePoint provides a combination of hands-on and classroom (virtual or in-person) guidance supported by training materials (written and video) that are easily consumable and easily accessible and will help guarantee success.

An additional benefit of a multi-faceted approach to training that is always available is to provide a resource for new joiners and refresher training for the current team.

Training should be structured and built around the needs of the trainee tailored for their user role or function, in the language that serves them best. It should remain a constant part of any role and not retired once the project goes live.

Whatever your training plans, there needs to be a mechanism for feedback and for questions. Some users may be uncomfortable asking their peers or making public their questions; whether that is to ask for help or to give feedback. New and existing users should be encouraged to give feedback about training and development. Similarly, there should be a method for giving feedback, and discretion if required/desired.

VantagePoint works with customers to provide both internal and external training and enablement feedback. Giving new users the chance to share their thoughts either directly or indirectly, and even anonymously, can help drive a project's success.

Impact to business as usual

"The only constant is change" may be an ancient Greek saying but it applies today and no more so than in the place of work. However, the impact of change, and the demands on people's time and involvement, are never constant Managing the irregular demands of change with the constant of BAU will impact not only the time and cost of a project but also the relative success of any project.

Reducing the impact

Reducing the burden of impact can be achieved in several ways; when exactly to undertake such a project is perhaps the first place to start. For finance transformation, selecting a period in the calendar that is low demand is easily predictable.

The team can be augmented by additional resources either internally or externally. Bringing in expertise that is functional and from other departments, (for example, IT), will help. Externally the team can be augmented using outside consultants and specialists.

Very often finance transformation projects that involve system implementation rely on specialist organisations like VantagePoint. However, the ability of any finance transformation consulting organisation is more than simply system implementation. They can bring industry best practices and experience of what they have seen work (and fail) elsewhere. Allowing the implementation partner to take a broader approach can bring significant value as well as reduce the demands laced upon the team to undertake finance transformation and maintain BAU.

Taking a holistic view

Finance transformation needs to be seen through the lens of the totality of work. In other sections, we have discussed training and enablement, user adoption, stakeholder buy-in and process alignment, but to consider the impact on BAU we need to establish the entry and exit criteria for the people undertaking the work. How it impacts them, when they should become part of the project and when to no longer be involved, as well as the time demands, and other commitments placed upon them.

The impact on BAU can be made worse or can be lessened by how we engage those tasked with taking on the additional work. Empowering them and enabling them to take control over their time can mitigate the impact on them but may come at a cost to the project. The balance needs to be found.

Encouraging collaboration and cross-functional support overseen by effective good governance and an empowering culture can benefit the task, the team and the individual.

Speed to value

While large-scale projects can end up feeling like more of a marathon than a sprint, care should be taken when allowing extensions to timelines of projects as this can have a detrimental effect on the team.

If the project is broken into smaller objectives, as well as ensuring continual calibration of focus, it allows the team to celebrate success and measure progress across the whole project before moving on. It also provides the opportunity to reflect prior to the next stage of the project.

Conclusion

A finance transformation project today will be the BAU of tomorrow. Allowing those involved to see the benefits of investing now for something better in the future can help win the buy-in of the wider team.

VantagePoint recognises not balancing BAU with business change projects can ultimately lead to failure or, at the very least, delays, higher costs and a lower outcome than expected. People may be willing to take on more, but often only for a limited period.

To address this, all VantagePoint projects are designed as a plan which allows the company and the people to run at a pace while being both realistic and achievable. A focus on speed-to-value needs to be tempered with the need to continue business as usual.

Any change project will bring about additional demands, over and above BAU. Success is finding a way to resolve these two demands equally and empowering people to do more without impacting performance.

Process alignment

When selecting systems for growth one might be forgiven for thinking it concerns technology, and perhaps to a lesser extent, people. However, a system is more than technology and should encompass processes too.

Selecting systems for growth should focus on the needs of the business and ensure that processes are brought into line with future needs building on new systems and technology. As a starting point for any change, often system selection will need to consider current processes and the limits thereof.

Process alignment and improvement needs to be tempered with what can sometimes be a drive for too much operational efficiency. Pushing too hard to achieve operational efficiency may deliver less value or miss opportunities to add greater value. Ultimately finance transformation is about achieving more not just being more efficient.

Begin at the end

While aligning with current processes should be the starting point, there should be consideration for which changes can or should be made to those processes to account for future needs. It is important that a forward view of processes and the inter-relationship between processes and systems is considered carefully.

Gap analysis

Aligning processes is not just about changing the current ones to integrate new technology. Often process gaps have been managed in the past by workarounds or alternative technologies, understanding where gaps exist and looking to make changes to improve them can deliver additional benefits.

People, process, technology

Systems selection needs to consider processes and the potential gains that can be made, as well as the limitations. This applies to the people within the organisation – anybody delivering a system and finance transformation needs to think about the end goal for the skills they wish the wider team to have because of the implementation of a new system, as well as the limitations on the business in meeting this goal.

Scalability

It's important when selecting a system that any technology implemented, as well as the processes related to that implementation, can be scaled. These can often be business dependent, but some questions you might ask when considering new technologies could be:

- The technology's support function is only available in one time zone, but your people and/or clients operate globally. Is this a feasible way of working?
- Rollout requires multiple regional deployments. Is it possible for the chosen technology partner to do this, or is a third party required?
- The chosen technology's use (or the process it sits within) requires everyone to be on site to use it, but the company's working model doesn't complement this (e.g., working in a hybrid or work from home model). How might processes have to change to facilitate this?

These questions are just examples of some considerations you might make, but there are many more to be made when thinking about scalability that can impact system selection.

Conclusion

Process alignment is often seen as either:

A) How do we make our future system fit our current processes?

or

B) How do we make our future processes fit our new system?

System selection should deliver gains in operational performance and the ability to achieve more - not just through system and technology, but through efficiency gain as part of the improvement of processes. Focusing on the end objective and understanding what can be achieved should be a key input to any system selection process.

VantagePoint has a dedicated advisory practice that works alongside our system selection and implementation teams. Often advisory is brought in early in the process to help the customer understand the impact of change and the requirements of any solution. As the project progresses our advisory specialists work with the project team to ensure we optimise any process to deliver gains beyond just the system itself.

Platform or point solution?

Best-in-class systems provide robust features and functionalities that streamline processes, automate repetitive tasks, and improve overall operational efficiency. This allows the finance teams to focus on strategic initiatives rather than getting bogged down by manual, time-consuming activities.

To achieve this there are two schools of thought. One is that a platform solution, sharing a common database and leveraging a 'single source of the truth' offers the greatest advantage. The other is that multiple point solutions offer a chance to take the best parts of each and have them work together.

Today the difference in functional capability between a multi-faceted platform solution and a multi-technology solution is marginal at best. Accepted users will have their favourite workflows and look and feel are important characteristics. However, the argument today for point solutions over platform no longer applies in anything other than a solution for a highly specific or very rare case. For most finance functions, a solution that can provide multiple capabilities offers the best features at the lowest total cost and therefore presents the best option.

When taking a platform approach to the needs of the finance function, there are several elements which must be considered:

Scalability and adaptability

Growing companies require systems that can scale alongside their expanding operations. Simply removing one system and implementing another is not feasible, even for the most financially robust organisation. Modern business systems offer flexible architectures and modular functionality that adapt to an organisation's changing needs.

All systems have a lifespan, but companies can now choose systems that address today's challenges, adding layers of functionality as the company grows. This ensures that any organisation can efficiently accommodate increased transaction volumes, global expansions, and ever-changing or newly emerging business models.

Real-time data and analytics

For the modern CFO, the ability to make quick decisions is key. Timely and accurate financial data is crucial for informed decision-making. Advanced business systems offer real-time reporting capabilities, comprehensive analytics, and customisable dashboards that empower finance professionals to gain valuable insights into business performance. These insights enable companies to make data-driven decisions, identify trends, and seize growth opportunities quickly.

Agility is not simple. The ability to share multiple data sources and types of data with multiple user and stakeholder groups can be challenging. Integrating multiple solutions and then extracting required content to various groups can be a challenge that is best overcome with a single platform approach. A platform approach provides a 'single source of the truth' that leverages multiple data sources in a way that enables different user communities to gather the information they need for effective decision-making.

Companies that can be agile will always progress faster than those that move slowly.

Improved collaboration and communication

As organisations grow, cross-functional collaboration becomes increasingly important. Modern platform solutions provide integrated platforms for finance, operations, sales, and other departments, facilitating seamless communication and fostering collaboration. This enables faster decision-making, promotes transparency, and drives alignment across the organisation. When teams are siloed problems can occur, decisions can be made that are not consistent across the company and potentially internal conflict can be allowed to develop.

Conclusion

VantagePoint has delivered over 200 projects - a mix of point solutions and platform solutions. As an independent business and finance transformation organisation our experience tells us that platform as an approach is preferred over multiple point solutions. However, we also recognise that not every company needs a platform to undertake multiple tasks. Finding a platform that can begin as a single solution and grow and evolve with the company is quite typical among leaders driving financial change.

Advantages of point solutions:

- Quick to implement due to limited scope
- Specific implementation partner expertise.

Disadvantages of point solutions:

- Limited scope and flexibility
- Multiple integrations required, complex data-matching
- Slow to move from implementation to integration
- Often limited scalability
- Multiple point solutions require multiple contracts and suppliers to be managed
- Managing the relationship between suppliers, particularly when there are issues, can be complex.

Advantages of a platform approach:

- Often tailored for specific industry requirements
- Fully integrated elements as standard
- Greater opportunity to scale as companies grow
- Staged implementation by module can be quick
- Increased transparency and communication between departments
- Commonality of user interface and experience.

Disadvantages of a platform approach:

- Cost model may not suit every customer
- Wider commitment from the business to adopt this approach (is that a disadvantage?).

The need for integration

Note: Before reading this section, we recommend you read the section above on platform or point solutions.

Platforms, by their very nature, provide a suite of already integrated solutions so the overall need for integrations is less. Not just because there is no need to integrate between the various elements on the platform but also because integrations now need to integrate only with the platform as one, not a series of individual point solutions.

Another consideration to be made is the different types of integration - whether there are built in integrations such as Application Programming Interfaces (APIs) and whether you want hub-spoke, vertical, star, or other integration models. The options around this and what would deliver the greatest benefit, or the lowest cost, are sufficiently complex and to some extent limited by the systems that the customer has chosen. The information around this choice could form a whole guide of its own, so if you want to know more about APIs and integrations, VantagePoint has considerable experience in this and we're happy to discuss requirements if needed.

Benefits of systems integration

Consistency and accuracy of data

Rather than having different databases or systems that are not kept in sync, integration allows for a 'single source of the truth' (even if there is more than one single source, as with a point solution). By having systems fully integrated, it ensures there is consistency and accuracy in the data.

Cost savings

Removing redundancy provides lower data storage costs and the need for less independent back-ups, the latter impacting the data as well as the processing time and effort to take back-ups.

Real-time updates

Data can be shared instantly and consistently across multiple solutions rather than relying on ad-hoc data exchanges.

Less manual error

Manual errors can occur on data entry, but also where old data is overwritten across newer data or where an update should have happened but did not and users are working from old data without realising.

Richer data

Integration allows more data to be shared with users that may be beyond their core system. For example, sharing HR data to the finance function, or perhaps supply chain forecasting to the budgeting and planning function. The outcome of this is better insight, greater analysis, more informed decision-making and facilitation of cross-departmental working.

Greater confidence

Providing richer data from multiple sources on time and accurately allows quicker decisions backed with a degree of greater confidence in the choices and selections made.

What to consider when integrating systems

As with any project, you must clearly define the objectives, understand the requirements, know the limitations, set a budget and establish a timeline.

When considering systems integration, the types of integration required, the order in which to do them, whether to integrate all systems and to what degree, all need to be considered. Where there is duplicity in the data, a decision also needs to be made as to which data set should be kept and used.

It is also worth remembering that there may be a need to manage and monitor the performance of the integrations, make changes and, on some occasions, decouple an integration either to allow work to take place or as part of a new process. Extra technology may also be required to facilitate the integration.

A detailed map of the integrations and the order in which to deploy and run the integrations will also be needed. Often there may be competing demands with different stakeholder groups in terms of data ownership, and so this should be mapped in advance to prevent conflict

Conclusion

It would be a bold statement to say all systems can integrate, as this is not always the case. For that reason, systems integration should not be a key part of the decision-making or evaluation, but it should be factored into the overall project timeline and as part of cost considerations. It is also important to understand which other departments may need to be involved in the process of designing an integrated solution.

Working with a partner that has experience in delivering complex integrations and finding a solution that has a robust integration capability can deliver huge benefits and success to any finance transformation. VantagePoint recognises this and works with customers from the outset to identify the needs and which gains can be made through this kind of efficiency.

Future fit

Systems selection in any organisation can be a complex process. For companies that are relatively stable, it can be an easier task. Where companies are scaling or plan to use technology to help them scale, this can be a more difficult task. Understanding the type of growth should therefore help shape thinking around system selection.

Growth, according to Ansoff, occurs in four ways: product development, diversification, market penetration, and market development. The latter two focus on existing products or services, but for market development, that means new markets - and that could require international expansion.

Different types of growth

A system that covers jurisdictions today should be tested against jurisdictions for tomorrow. Whether it can cope with languages and fonts of potential new markets, whether it has a licence to be sold or used in a territory and whether it can apply local regulations should all be checked and tested. Often companies focused on international expansion will have a list of countries they are aiming for, even if the result looks slightly different.

It is not just the system capability that should be evaluated. Understanding whether the provider can offer support in additional languages, or whether the implementation partner has the desired language skills or, perhaps, local representation for support purposes are important things to consider when selecting systems.

If growth is to be achieved by diversification, the system selection should include the future needs of potential new products and services. A system able to deal with the finances of complex supply chains may not be suited for the regulatory requirements of a financial services offering; what may be well suited for a service-orientated business, may not serve well one now expanding into selling physical products.

Selecting a system that will grow as an organisation grows is also about scalability. A system that can cater for millions of line items in a general ledger may not be necessary now, but if aspirations are to get to that level, then it's important to understand that timeline. It may be that a solution for now and a solution for later is a better approach in the circumstances than a system that has the flexibility to offer a solution now that can scale as the company grows, and vice versa. Understanding the limits of scalability for any system will help identify a potential date of obsolescence.

Obsolescence

Understanding the date of obsolescence for any system can help quantify the total cost of ownership of two systems in succession – licence, hardware, implementation, training, operational impact and more – versus the investment in one system now that may be bigger than needed right now but may be the most effective selection overall.

It is common for companies to sunset products, as they move towards end-of-life very often the provider will encourage customers to upgrade to new solutions. This, in turn, may trigger an evaluation of the solution and whether to change supplier.

Platform solutions are rarely sunset. Modules within the offering may be replaced by new modules which are updated to increase functionality, but the core components remain constant and allows for both parties to work together for a seamless transition.

To ensure a solution is fit for a fast-growing organisation, consideration should be made as to whether to go for a point solution with a known and committed long life term ahead, or a platform approach, where the provider will continue to maintain and develop the solution.

Prioritising capabilities

Without prioritising certain capabilities, the outcome may be a solution that does not support the longer-term objective and would need to be replaced in the not-too-distant future, resulting in another expensive procurement and implementation process. To avoid this, some of the key priorities to consider are:

1. **Scalability**

   Ensure the finance system scales with the business. As any business grows, it should be able to handle increasing volumes of data - whether that be transaction volumes, data storage orreporting requirements.

2. **Integration capabilities**

   Can the finance system work seamlessly with existing systems such as ERP and CRM software? Integration will greatly reduce the amount of manual effort that needs to be carried out and can improve accuracy and processes.

3. **Flexibility and customisation**

   Every business has its own financial requirements so it is important to select a system that can be tailored to these specific needs. Features such as configurable workflows, reporting templates and chart of accounts are just some features to look out for.

4. **Financial reporting and analytics**

   To track financial performance and make informed decisions, it is essential to have robust reporting and analytics capabilities. It is critical for the system to be able to produce comprehensive reporting tools, financial dashboards, while having the ability to generate custom reports.

5. **Security and compliance**

   Data theft is increasingly common, and therefore protecting financial data is crucial. Prioritising a system that offers robust security features, data encryption, user access controls and compliance with relevant regulations is an important consideration.

6. **Support and training**

   Consider the level of support and training that will be provided by the vendor. Is it adequate or will further support need to come via another partner?

7. **Total cost of ownership**

   Choosing and implementing a system can be an expensive task so it's important that organisations evaluate what they believe the total cost of ownership will be. There may be a human resource cost, in that more people may be required in-house. It may also be that the need arises to dedicate existing individuals to maintain the system full time.

Conclusion

Selecting a system for the future needs of an organisation and one that will deliver something fit for purpose today needs to assess three options:

- A system for now and for change later, considering the total cost of ownership of both systems and two projects to implement
- A system for the future that is perhaps too big for current needs, delivering a future state that is not fully utilised at the start
- A system that has the flexibility to scale to the size and aspirations of the company's future state.

VantagePoint recognises that finding the right balance in scale and fit today versus future needs can be complex and that there may be alternative ways to solve current and future requirements. Whatever path a company chooses, there needs to be an understanding of the Total Cost of Ownership (TCO).

The TCO is not just about the annual software figure, the hosting fees, or the maintenance and support, but the cost of change also. Cost of change considers both the hours required to replace an old system and the impact of the change on BAU, as well as the impact on operational performance.

Overall, finding a single solution that will scale as a company grows offers the best solution. Smaller to begin with means it comes with less cost and is easier to implement. As needs grow, the solution can be flexed to adapt both in scale and in function. Finding the right solution that does this may require a greater investment upfront, but the gains to be had later can be significant.

Developing and implementing a plan

Why is developing a plan part of the selection process? It may make more sense to you that the plan comes after. That is how many companies go about selecting any system, whether for growth, finance, or other reasons. There should be no reason to decouple an understanding of implementation from the process of selection; there are no gains to be made from separating the two and much that could be lost by doing so.

Having a well-defined implementation plan is essential to ensure a smooth transition, minimise disruption, and maximise the system's value. Even in outline form, before the process of selection begins, a plan is critical to the overall success. It should not be a later stage that begins only once a selection has been made.

Define project scope and objectives

The first step in developing an implementation plan is to clearly define the project scope and objectives. This involves identifying the specific functionalities, features, and goals that the finance system should address. By establishing a clear scope, organisations can focus their efforts and ensure that the selected system aligns with their growth strategy.

Aligning business objectives and system configuration

Any project can put a strain on a business's resources and its stakeholders. Having a plan that is clearly aligned with the objectives and wider ambitions of the business provides a north star for the project. By developing a comprehensive implementation plan, CFOs can ensure that the solution is tailored to address their organisation's specific needs and wider goals.

This includes the mapping of key processes, defining data requirements, and determining all necessary system integrations, all while aligning them with the broader strategy for finance.

Establish a project team and roles

Building a dedicated project team is crucial for the successful implementation of a finance system, through identifying key stakeholders, assigning roles and responsibilities, and establishing clear lines of communication. The project team should include representatives from finance, IT, and other relevant departments to ensure comprehensive expertise and effective collaboration throughout the implementation process.

Create a detailed timeline and milestones

Developing a detailed timeline with specific milestones helps to keep the implementation process on track. Break the project into manageable phases, set realistic timelines for each phase and then define measurable milestones to track progress. Regularly review and update the timeline to adapt to any changes or challenges that may arise during the implementation.to track progress. Regularly review and update the timeline to adapt to any changes or challenges that may arise during the implementation.

Minimise disruption and downtime

Implementing a finance system without a well-structured plan increases the risk of disruption and downtime. The impact of operational interruptions on financial performance has the potential to be significant, depending on the departments and activities affected by the downtime. An implementation plan outlines a systematic approach to minimising disruption by addressing potential roadblocks and dependencies. It includes strategies for data migration, user training, and change management, ensuring a smoother transition and reducing the impact on daily operations.

Data migration and systems integration

Planning for data migration and systems integration is critical to ensure a seamless transition to the new finance system. Firstly, it's important to identify the data to be migrated, establish data cleansing and validation processes, and then define integration requirements with other existing systems. Thoroughly testing data migration and integration processes helps to maintain data integrity and minimise disruption.

User training and change management

Effective user training and change management are essential components of a successful finance system implementation. Developing a training plan helps to ensure that users are equipped with the necessary skills to use the new system effectively. By implementing change management strategies, you can address any resistance or concerns among users and promote a smooth transition.

Testing and quality assurance

A robust testing and quality assurance process is critical to identify and resolve any issues or bugs before going live with the new finance system. Developing comprehensive test scenarios, performing thorough testing at each stage of the implementation, and involving key users to gather feedback and address any gaps or concerns, helps to prevent issues or bugs when going live.

Change management

Large technology implementations like ERP implementation are projects of change - they can change the way people work day to day across the wider business. Implementations do not happen in a vacuum, but instead have an impact across the business and need to be considered within the wider workstreams that are happening across the business. Developing strategies to effectively manage the organisational and cultural changes associated with the implementation helps to promote stakeholder buy-in. It is imperative that process change is communicated across the business and adopted by all key stakeholders.

Conclusion

Having a well-structured implementation plan is essential for successful finance system selection. By defining project scope and objectives, establishing a dedicated project team, creating a detailed timeline, addressing data migration and system integration, providing user training and change management and conducting thorough testing, organisations can navigate the implementation process effectively and maximise the benefits of their finance system.

All VantagePoint projects have a comprehensive implementation plan that ensures a smooth transition, minimises disruption, and sets the foundation for long-term growth.

The right partner

There are often two parties involved in the process: the technology provider and the implementation partner. Sometimes a third party, such as an advisory partner, could be brought in to steer the path of selection and help with the process of finding the right solution. Often the technology provider will also be the implementation partner, but this doesn't always equate to the best way of working.

An implementation partner who is a partner, or reseller, of the technology company may be better suited because of their geographic location, industry expertise or their specific understanding of the client company. Where there is a need for significant process change and non-system impact is going to be high, it matters also that you partner with those that bring the right skills not just because they all happen to be under one roof.

By partnering with organisations that specialise in CPM/EPM, ERP, and reporting tool systems, businesses can tap into their knowledge and experience to make well-informed decisions that align with their growth objectives.

Accessing specialised expertise

Finance system providers and implementation companies possess specialised expertise in evaluating, selecting, and implementing finance systems. They understand the intricacies of different software options, industry best practices, and the specific needs of organisations across various sectors. By partnering with these experts, businesses can leverage their knowledge to navigate the complexities of system selection, ensuring a tailored solution that meets their unique requirements.

Comprehensive needs assessment

Partnering with experienced professionals allows for a comprehensive needs assessment to identify gaps, pain points, and areas for improvement within an organisation's financial processes. These experts can conduct thorough evaluations, analyse existing systems and workflows, and align the identified needs with strategic goals. This collaborative approach ensures that the selected finance system addresses current challenges while providing a foundation for future growth.

Vendor evaluation and selection

Finance system providers and implementation companies are well-equipped to assist with vendor evaluation and selection. They can leverage their network and market insights to identify and evaluate potential vendors that align with the organisation's requirements. By partnering with these experts, businesses can benefit from their expertise in conducting due diligence, negotiating contracts, and selecting the most suitable vendor for their finance system needs.

Implementation and support

Strategic partnerships extend beyond the selection phase and encompass the implementation and support stages as well. Finance system providers and implementation companies offer valuable support during the implementation process, ensuring a smooth transition and minimising disruption to daily operations. Their expertise in change management, user training, and ongoing support can significantly enhance the success and adoption of the selected finance system.

Conclusion

Partnering with finance system providers and implementation companies is a strategic approach to selecting finance systems for growth. By accessing specialised expertise, conducting a comprehensive needs assessment, leveraging vendor evaluation and selection support, and benefiting from implementation and support services, organisations can navigate the complexities of system selection more effectively. These partnerships enable businesses to make informed decisions, optimise their financial operations, and lay a solid foundation for future growth.

VantagePoint has considerable experience in selecting systems for growing organisations and implementing solutions that support companies with high growth ambitions. Our experience and focus on the office of finance ensures we bring the right knowledge to every project. VantagePoint is made up of technology leaders, qualified finance specialists and consultants from specialist and big-four consulting organisations. The blend of skills and expertise makes VantagePoint ideally placed to partner with organisations looking to select the right finance system for a fast-growing operation.

Ongoing support

Selecting the right system for any organisation, whether it's for a fast-growing or an established organisation is very much built around the current and future needs of the system itself. However, consideration should also be given to the new BAU and what ongoing support and maintenance can offer. Whether that is at a simple, functional level only or something more involved such as continuous improvement and a continuation of change, there are a series of questions the customer should ask before undertaking a selection process.

In simple terms, these questions should be asked to the company undertaking business or finance transformation and to the potential supplier:

Post-go-live support coverage:

- What do you require for coverage? 24/ 7 support or just working day?
- What about response times and commitment to an agreed service level?
- For complex implementations do you want a single-support function or support direct from suppliers and implementation partners?

In-house solution maintenance:

- Has the system administrator been sufficiently upskilled?
- Is there even a system administrator?
- Is the supplier looking to offshore this to the post-go-live support team? This can be a cheaper option, but are these discounts passed on?

The complexity of the solution:

- Is it a small solution with an annual submission? Or is it multiple different applications?
- What level of different subject-matter-expert knowledge is required?
- What is the depth of their support function? How will they cover annual leave and sickness for example?

The duration of post-go-live support:

- Is it more an element of hyper care while they familiarise themselves?
- Does the supplier want a longer-term relationship whereby we can recommend the latest product enhancements and quality of life improvements?

Improvements, upgrades and further build of the solution:

- Is this something that they can confidently tackle in-house, or do they rely on a third party?
- Do they provide an advisory function or is it purely functional improvements?

Regular health checks:

- How are they addressing the end user/system admin pain points?
- How are they certain that the solution is as optimised as can be?

Training:

- How do they plan to upskill any future new joiners in their team?
- Will they offer training, and training support to you as part of the support agreement?
- As the solution evolves are they committed to upskilling their own team?

Documentation maintenance:

- Are they taking ownership of ensuring that the documentation is up-to-date, or is this something they can hand over to support?

Metrics:

- How are they monitoring and tracking the issues encountered with the solution?
- Are they purely dealing with issues, or do they monitor trends and work in partnership to identify ways to make improvements?

Conclusion

Support and maintenance are very much an afterthought for some system selection projects. Often, where it does form part of a requirements definition, support can be featured as a functional-only type request rather than anything value-add for the in-life use of the system.

Companies can make huge investments in new systems and in projects to implement them, which is why, from the very start, VantagePoint provides a full managed services offering for every customer enquiry. To not consider how best to support the new BAU, including the system, the people and the process, is to resign the investment to chance in the future.

Cost

Any system selection absolutely must have a cost consideration. However, there is a difference between cost and price, and to that end also a difference again between these two and value.

- Price: what you pay
- Cost: what you expend
- Value: what you get in return

For system selection, the cost can be broken down into several elements. These cover the process of getting to a decision, delivering and deploying a new system and the ongoing cost post implementation.

Hardware and/or hosting

Purchasing software as a service (SaaS) incurs an annual fee that includes access to the software platform, hosting and maintenance. Typically, it may include only basic support for bug-fixes and minor issues. Where the software is purchased outright, or for an annual (not SaaS) fee, hosting will be required either in-house or with a third-party provider. SaaS has the advantage that it offers a simple and predictable annual fee and covers eventualities such as disaster recovery/business continuity and upgrades. Comparing SaaS to licence fee would show a significant discount but does not consider other factors.

Software licence

Software can be bought through multiple types of contracts, whether annual, outright or term purchase, as a service or simply as a licensable item. Additional user licences may be required (named users or simultaneous users). There may also be the need to purchase additional software to support the application or to run with the application.

Implementation

The cost of implementation brings with it the service fees (and expenses) of the implementation partner. Companies typically ignore the internal cost associated with a finance transformation project or, where there is a process, it is often only the charges transferred in from other departments (IT, security etc.) and not the eventual owner of the solution which may see this treated as BAU.

Training

The cost of training is usually measured as the time and fees associated with classroom or similar courses. But training costs should also include refresher training and non-formal learning, certainly early on in a new implementation.

Process and change impact

As companies embrace change there may be a need for fewer people to undertake the work, or there may be a need to redeploy people away from their current roles. This should be factored into the upfront cost and then offset against the benefits gained as a result of such a project.

Support and maintenance

Beyond basic software support, there should be a need to provide system support in an ongoing capacity, that may or may not include training.

Selection cost

Very often the cost of running the process of system selection is not factored in. Where there are central teams running procurement programmes, they may either be seen as a central cost or may charge their time and input to respective departments. However, for smaller organisations perhaps, or those directly involved that are outside of procurement, very often the time and effort required to run the process of system selection is not considered, even though it should be.

The cost of doing nothing

Occasionally projects may fail before they start. System selection may throw up many options, leaving the company unable to decide or wanting to retain the current status quo. The cost of doing nothing is still a cost, not just for the wasted time but also for the impact of not making progress.

Opportunity costs

Companies may be impacted by other projects. For example, deferring a decision because other projects have taken a priority or the cost of change elsewhere meaning there is insufficient time or budget.

Companies that delay decisions or opt to do nothing may or may not factor in their own costs. What they invariably fail to factor in is the loss of goodwill from potential bidders and suppliers and even reputational impact if this becomes a frequent occurrence.

Conclusion

While considerable weighting may be given to cost, the price should be one element of any system selection but not the most important. Understanding the difference between the price of various components (software, implementation fees etc.) should not be confused with the total cost of a project.

VantagePoint can work with customers to understand the total cost of a project and the return on (total) investment (ROI) for any finance transformation, whether as part of the transformation project or as an advisory-led separate project.

Understanding risk

Any project implementation plan can expose organisations to financial and compliance risks. Some of those risks can be directly associated with “downtime” or a lack of access to the information required when required. Data, financial and otherwise, is heavily regulated in virtually every industry, and a lack of access or challenges to the integrity of that data can put the company at tremendous risk.

CFOs have a responsibility to safeguard financial data integrity and ensure compliance with industry regulations. An implementation plan incorporates risk assessment and control mechanisms to mitigate financial risks associated with data inaccuracies, security breaches, and inadequate internal controls. By proactively addressing these risks, CFOs can maintain financial transparency, regulatory compliance, and stakeholder trust throughout the implementation process.

As well as the risks inherent in any project, there are other risks to consider, such as the risk of doing nothing, and not understanding the constraints within an organisation. Other risks such as not having a robust implementation plan, working with the wrong partner, and not understanding the financial impact are all covered in separate sections.

So, for a growing business, what is the risk of staying the same, continuing to rely on outdated legacy systems or postponing the retirement of a sunset system?

Inefficiencies and bottlenecks

Legacy systems often lack the capabilities required to handle the complexities of a rapidly expanding organisation. This can result in manual workarounds, data inconsistencies, and increased operational inefficiencies hindering growth potential. The workarounds add complexity and increase the risk of human error which can be stressful for the team and add hours and days to key processes and reports.

Compliance and security vulnerabilities

Often it takes a security or compliance issue for a business to make a change. Outdated systems may lack essential security measures, leaving organisations exposed to cyber threats and non-compliance with evolving regulations. As a company grows, the risk associated with data breaches and non-compliance increases, necessitating robust security measures provided by modern systems. Understand exactly when an old system will be unsupported and start planning, realistically at least 12 – 18 months prior.

Understanding constraints

It is unlikely a system is perfect in every way and fulfils all needs of a company, for now and in the future. Some limitations on what can be achieved may exist within the capability of the company, its people, its process or perhaps even from parent organisations. Other constraints could exist within industry or general regulations. However, for the most part, the constraints of any system selection are with the system itself. Understanding these constraints and the impact they are likely to have is critical in the selection process.

According to the theory of constraints, any system is limited in achieving its goals but only by a small number of constraints. In simple terms, it means just a few things can get in the way of real progress, rather than the obstacles to progress being many. What then are these constraints? And how do we address them?

Challenge everything

Because an idea, a department, technology, system or a process, maybe even an individual, was or is well respected, fit for purpose, cheap or easy to use; does not mean it should be excluded from any systems selection process.

That something worked before, or indeed works very well now, should not exclude it from the process of evaluating a new system. It may well pass a current assessment and get to live another day but, that is unlikely to always be the case. The very process of challenging everything helps identify what can stay, what needs to change now and what may need to be changed down the line.

Scope and functional fit or time/cost/quality

The Triple Constraint is a known model for the management of any project and for system selection; very often companies set a deadline to achieve an outcome, either for system selection itself or for the go-live date of the project. While it may be good to have a timeline and target date to focus on, it needs to be a practical one to prevent a rushed selection or a sub-optimal implementation.

Simply put, there is a belief that organisations can have a better-quality outcome if they allow more time and/or if they throw more money at it. Cost however, is not purely financial, very often there is a resource cost associated and, for a better outcome there may be more demands on internal and consulting resource. Where companies focus on a cost first (or indeed all cost) selection the outcome is often usually sub-optimal. The promised gains never fully materialise, and the additional later work may add more cost overall. In the worst-case scenarios, a cost-focused selection and implementation can even result in a lack of user adoption and, ultimately a project failure.

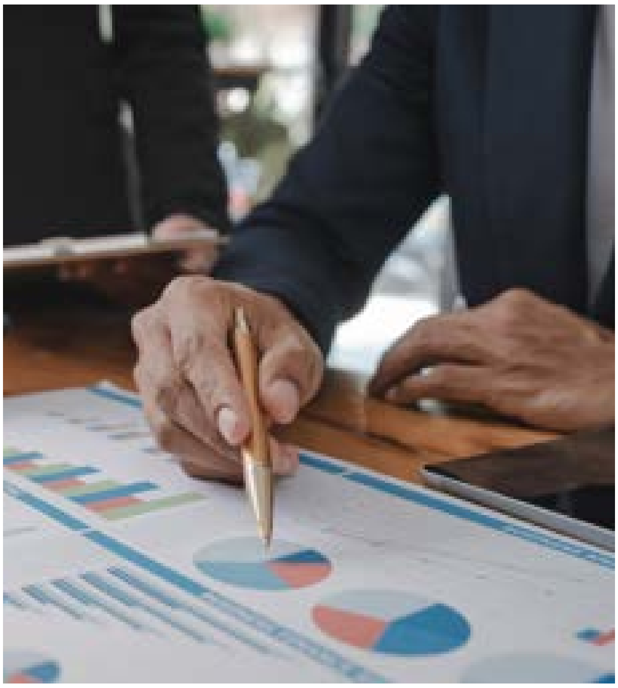
Understanding which levers of time, cost and quality matter most should be considered early in any project and the impact of these fully brought into before any project starts.

Resources

Whatever the system selection process and whether to partner or not, ultimately people in an organisation will be called upon to work on a project of system implementation. Asking the team to continue their daily task and to be directly involved in a new solution will be a challenge. Consideration should be given to the impact on both parts; the impact of lack of resource on the project and the impact on daily work schedules when engaged in a project.

In the finance function, there are seasons of high demand and times when there is less operational demand on the team. Finding the right time to run a project can impact success.

Asking team members to invest more of their time can seem a demanding request but, very often, people are willing to invest more for a short period because they see the benefits and gains once the project is a success. This is fine in the short term and should be viewed as optional by the company. The employer should also remember to repay this investment of time and effort by the team and reward accordingly, as a project will succeed or fail because of the people involved.



De-risking system selection

One risk that cannot be understated is the impact of choosing the wrong systems. The cost of getting it wrong is very often more than just financial. Reputational harm to the company and to the leadership team can be damaging. The impact on operational performance, followed by the impact on taking corrective action can be huge.

At VantagePoint, we have worked with companies that have tried to implement a solution and failed. The most common outcome is for companies to revert to the previous ways of working and to leave the technology untouched and unused. Investment in both the software itself and the cost of implementation is written off.

Working with a partner that has undertaken similar projects will significantly reduce the chance of failure and the impact of an abandoned implementation.

There is generally no right answer to selecting a business system, the growing technology market has created an incredible and competitive landscape. Customers are spoiled for choice when selecting systems and there will probably be more than one option to address any set of specific requirements. Despite this, it is very important to understand requirements and ensure software vendors are meeting them holistically; selecting the wrong systems for a growing business can have severe consequences, including:

Operational disruptions

A great finance team will embrace change. They know that efficiencies will help bolster their own growth and allow them to focus on more interesting and challenging work that delivers more value to the business. Any finance transformation is a project of change which will include setbacks, often steep learning curves and at times fundamental changes in the way people work.

Implementing a system that does not align with an organisation's needs can lead to operational disruptions, causing delays, errors, and frustration among employees. The outcome is to hamper productivity and impede growth. Teams that are not aligned with a new system can revert to old ways of working (very often without senior management approval) or struggle to adapt.

Suboptimal ROI

Investing in a system that does not adequately support a company’s growth objectives can result in a poor ROI. The total cost of ownership of the technology stack can accelerate, and if value is not being realised quickly, it is likely to reflect badly at the corporate level and with investors. Financial resources are finite and allocating them to the wrong systems may divert funds from other critical growth initiatives.

Missed opportunities

Choosing the wrong systems can limit the ability to leverage critical or contemporary functionality. It can limit the ability to integrate with third-party or peripheral solutions and stay ahead of industry trends. Putting off change will result in missed opportunities to gain a competitive edge and accelerate business growth. An underperforming system can mean more resource focusing on the less important things, as well as access to the right data for decision-making not being available when the important opportunities arise.

Conclusion

The finance function acts as the cornerstone in driving growth and ensuring the long-term success of any organisation. By selecting tailored systems, companies can unlock tremendous potential, drive efficiency, and bolster innovation. Conversely, neglecting the importance of system selection or making poor choices can hinder growth, jeopardise operations, and impede a company's ability to thrive.

When planning for the future of finance at a company, leaders must consider the benefits that best-in-class technologies can offer. Consider the choices competitors are making and reflect on the risks associated with outdated systems or staying the same. Embracing a modern, scalable, and adaptable architecture that aligns with the finance strategy might just be the key to surpassing the competition and setting the stage for continued growth in today's dynamic business environment.

Risk is usually defined as the likelihood of something happening and the impact thereof.
For VantagePoint, all projects have a clear four-stage approach to risk:

- Risk identification
- Risk assessment
- Risk action management
- Risk reporting and monitoring.

Speed to value

When selecting a finance system to meet the needs of your business objectives, it is important to get to that value as soon as possible. Typically license fees apply from the moment the contract starts. There are a multitude of factors to consider depending on the specific requirement of the system but some ways to approach this are listed below.

Define requirements clearly

Clearly define the functionality and features that the company requires for the system to align with growth plans. This will help narrow down options greatly and improve the speed of the procurement process.

Prioritise implementation speed

If an organisation has the capability in-house to deploy a new finance system, this may not be the most efficient and cost-effective way. Using a partner, aside from freeing up time to continue working on the daily tasks, can bring more value to the company and in a shorter time frame. Cloud-based solutions can often get to a point of value a lot faster than others.

Seek vendor expertise and support

It could be worthwhile choosing a finance system that has a lot of experience working with similar businesses with similar industries going through the same fast growth. However, picking a partner that works with fast-growing organisations, regardless of sector, may be more beneficial than focusing purely on sector expertise alone. Such experience could be extremely helpful in speeding up the implementation process and navigating challenges, as you can rely on the partner to optimise the system for specific needs and future requirements..

Data migration planning

It is important to consider the time and effort that this is going to require from any existing systems. When selecting a new system there is always going to be a considerable migration operation, however, an efficient and smooth transition is critical to minimise the disruption.

Phased implementation

To expedite the implementation process, companies should always consider implementing in phases. Focus and prioritise the critical areas first for example, these could be accounts receivable and payable, general ledger and financial reporting. This would allow any organisation to start using the system sooner and then build in more functionality.

From the user's point of view, it also removes the potential for the new system to become a daunting task. Taking on modules one at a time, familiarising with new processes and how to use the system early can give dividends later as the solution is expanded beyond the first implementation.

Understanding cost and benefit

Evaluate the potential costs that will come with selecting and implementing the new system. As well as the license fees and implementation costs, consider training costs and ongoing maintenance fees. Compare these to the expected benefits and savings such as time saved, improved productivity and output, reduced errors and increased revenue opportunities. ROI is not purely a financial calculation but one that should consider the investment of the people implementing and using the system.

Measure and monitor performance

Establishing KPIs provides the metrics to measure the impact of the new finance system on a company's financial processes and outcomes. Continuing to monitor and assess these to track performance over time will identify additional gains that can be made and alert the team to performance failings or shortfalls. All KPIs should be regularly reviewed and adjusted as required to maximise the investment that has been made.

Conclusion

Speed to value is about delivering gains quickly set against the overarching strategy to achieve a successful project outcome. This can be best achieved by focusing on incremental learning and operational gains structured around several measures to ensure progress and consistency.
At VantagePoint, we focus on getting users engaged early on in any project. Companies may see system selection and implementation as an outsourced project and, therefore, very hands-off.

While a solution partner should lead the project it tends to deliver better results earlier, and a more engaged user base, if the users are directly engaged in the learning journey from the start.

Speed to value is about partnership and a focus on handing over responsibility for day-to-day operations as soon as the customer is able to and in a structured and organised way that delivers results and engaged users.

Selecting systems for growth

When it comes to selecting the right systems for your business, VantagePoint will help you choose the most suitable technologies on the market that align with your business ambitions within a matter of weeks, not months.

We enable finance functions to take control. Together we overcome the inertia prevalent within technology selection that leaves finance teams frustrated by legacy systems not fit for purpose, and unable to provide adequate insight to make decisions.

Our rigorous selection process, combined with applied knowledge of best-in-class finance technology, puts us in a unique position to give CFOs independent advice and clear direction on which technologies are best suited with an implementation roadmap to make it a reality.
We follow a three-step process:

1. **Requirements gathering** - Document the business-critical requirements of today and tomorrow.
2. **Shortlisting** - Analyse best-in-class technology that meets your requirements.
3. **Selection** - Follow an objective selection process that unites stakeholders.

1: Requirements gathering like you've never experienced

Dividing your business into process owners, our consultants run workshops designed to understand, in fine detail, the processes that make up your business. During these workshops, we discuss:

- What activities and processes you are currently using your systems for
- What challenges and pain points you have with your systems
- What ideal or future requirements you have.

Using a proven methodology, we then document and prioritise your goals and present these to you giving you full visibility of what your core requirements are across multiple business functions.

2: Shortlisting best-in-class solutions

Based on your prioritised list of requirements (often 300+), our technology specialists analyse the market to shortlist three vendors we know can fulfil your requirements and meet our high standards. Our consultants will then create a comprehensive request for proposal (RFP) that offers all the vital context a vendor requires to give you a high degree of accuracy for your implementation when it comes to:

- Investment level
- Timeline
- Functionality
- Flexibility

3: Selection process that is truly objective

Our selection process relies on objectivity focused on your needs as well as your overarching business goals.

The survey we have designed re-engineers the demo process from being a sales tool for software vendors into a reliable and quantifiable selection method.

Each process owner is given a survey with which to score each system based on the demo and their specific requirements. Our consultants collate this into a scorecard so your project lead can objectively assess which vendor is best suited to your business.

Benefits of system selection with VantagePoint:

- A guarantee to find the best systems for your business ambitions – at pace
- In-depth and applied knowledge of the latest trends within technology for the finance function
- Independent and impartial advice, not tied to any software vendors, focused on your business requirements
- Minimised risk of implementing software not fit for purpose
- Structured and controlled process documentation enabling you to identify opportunities to streamline
- Acceleration of any software implementation due to thorough and comprehensive RFP.

To begin your journey, whether you need help analysing today what you have in place and making sure it’s futureproof, or help making the step change needed, click the button below to speak to one of our Consultants.

Request a callback