CLOUD-BASED FINANCIAL MANAGEMENT

The Ultimate Buyer's Guide

percipient

INTRODUCTION

When considering a new financial management system, there's one key decision you need to make early on. Which delivery model will provide the highest ROI for your organisation?

Now that the conversation has evolved from the merits of cloud versus on-premises to a more detailed analysis of the different types of cloud delivery, we've created a high-level overview to help you understand the pros and cons of each cloud model.

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WHAT TO CONSIDER WHEN CHOOSING A FINANCIAL MANAGEMENT SYSTEM

As the digital landscape has evolved and matured at pace, with Machine Learning (ML), Artificial Intelligence (AI), and Robotic Process Automation (RPA) stealing both headlines and product roadmap investment, four key trends have prevailed, bringing new insights from which to inform software buyers.

1 THE FUNCTIONALITY PANACEA

While still a fundamental part of any buying decision, high levels of functionality now tend to be present in most modern software systems. Such is the competitive and saturated nature of the financial software market, having strong capabilities is less of a USP and more a prerequisite. This in turn raises the standard and brings greater choice to buyers.

2 CLOUD HAS LANDED

Whether it's Software as a Service (SaaS), hybrid, or multi-tenant cloud which suits best right now, there is no doubt whatsoever that cloud represents the future when it comes to software delivery.

When it comes to financial applications, cloud-enabled software delivers flexible and agile financial applications that are easy to implement, configure and update. Not only can cloud-based financial management applications access massive amounts of data in real-time, they can also analyse, contextualise and deliver insights in an intelligent and collaborative way to inform decision-making and reinforce strategic planning.

With a cloud-based financial system, you tap into a world-class infrastructure. Your vendor delivers cloud solutions for multiple customers so can provide you with a robust infrastructure, 24x7x365 operations, continuous backups, disaster recovery and superior security. What this means is unparalleled performance, reliability and security, going above and beyond what you could ever provide at an enterprise level.

Plus, cloud applications can be provisioned immediately, able to scale and flex in-line with your specific business needs. So, you can hit the ground running, adapting quickly and effectively as and when requirements change.

3 SCALE & AGILITY ARE EVERYTHING

In the quest to maintain relevancy and stay competitive in dynamic marketplaces, digital platforms have a vital role to play. The right platform should contain sufficient scale and flexibility that it represents the last upgrade you'll ever need.

You only have to consider the horizon of new technology, and the potential this has to offer, to appreciate the importance of getting this investment right. It's impossible to take advantage of AI in its many forms, if you are running outdated architecture, or legacy systems which require manual intervention.

4 AI INCOMING

One of the most exciting areas set to transform and supercharge automation and productivity, is AI. Sage recently unveiled Sage Copilot, its AI-powered digital productivity assistant, which is designed to solve business challenges while elevating the value of human work. The output of Chief Technology Officer (CTO) Aaron Harris' dedicated Sage AI lab, which was set up in 2019 and now employs more than 100 data scientists, Sage Copilot has emerged from the lab as a generative AI product with accuracy, security and trust having been prioritised at every step of the way.
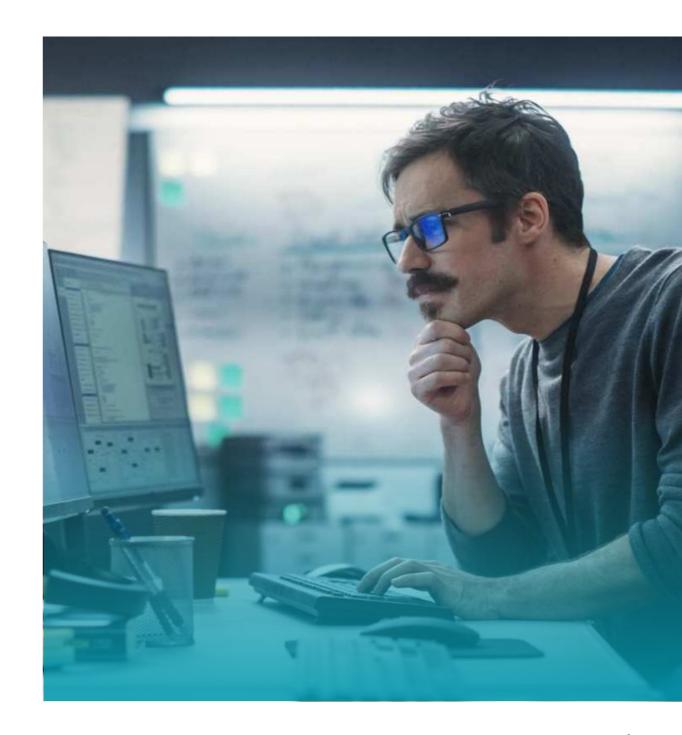
This, combined with expert support, robust encryption, access controls, and compliance with data protection regulations, sets it aside from its competitors and cuts through much of the noise in the saturated AI/ML space.

Much of Sage's work in the AI space is focused on hyper automation, leveraging AI to learn about, and continuously refine processes, in the same way as the human brain works. Against this backdrop, Sage Copilot simultaneously handles administrative and repetitive tasks in a live environment, while recommending ways for customers to create more time and space to focus on growing and scaling their businesses. Crucially, it not only automates workflows, identifies errors and generates actionable insights for businesses and accountants' needs, but helps

with forecasting, cashflow management and generating and sending invoices with simple, natural language commands. As well as tackling your to-to list, automating tasks and recommending ways to make savings and drive improvements, it is always on, 24/7. Reports on any area, from cashflow to labour schedules, can be created in seconds, to aid on the fly decision-making.

Its magic also resides in how it interfaces with APIs across all applications, from Microsoft Teams and Excel, to Procurement and Payroll.

Representing what is essentially a virtual executive assistant (EA) for the Office of the CFO, the time and resources freed up because of its adoption can then be channelled into supporting strategy and driving the role of the CFO into a more business-centric one, which consistently adds value to strategy and operations through access to in-depth dynamic insights. It is this capability which really drives scale and innovation and while AI will not replace people, people using AI will ultimately replace people who eschew it.

WHY CHOOSE
CLOUD-BASED FINANCIAL MANAGEMENT?

If you are yet to migrate to cloud-based financial management, the time really is now.

When it comes to financial applications, cloud offers compelling and unmatched advantages for deploying business software. Rather than continuing to invest in antiquated on-premises systems, leading digital transformation businesses have turned their focus to cloud-enabled software

Demand for cloud-based financial applications continues apace because of their ability to not only access but also analyse massive amounts of data in real-time. When it comes to winning business globally, speed is of the essence. Organisations need faster insight from their finance systems than ever before.

THE BENEFITS OF CLOUD-BASED SYSTEMS

ACCELERATED FINANCIAL PROCESSES

Not only do cloud systems drive higher ROI through time and process efficiencies, considerable cost savings come from avoiding the capital investments and operating expenses associated with an on-premise system.

Cloud systems are inherently web-based, real-time, and accelerate crucial financial processes like collections, consolidations and period closes. They also deliver extensive automation and integration capabilities that help to eliminate time-consuming and error-prone activities such as manual data entry, paper-based processes and spreadsheet maintenance.

SELF SERVICE KPIs

Real-time visibility is a hallmark of today's cloud systems, providing access not only to other traditional finance department users, but also to other key stakeholders across the business. For instance, you can provide real-time dashboards for your entire management team, giving everyone access to the KPIs that apply to their departments.

You can also grant access to a wider range of employees too, enabling them to view relevant dashboards, manage expenses, and create purchase orders. Lenders, auditors, CPAs and board members can also be given access to key, real-time information. Helping to nurture trusted, transparent relationships.

LOWER COSTS AND EASY UPGRADES

With cloud systems, there are no upfront fees, capital investments or long-term commitments because you do not buy, license or manage the underlying hardware, software or networking infrastructure.

Upgrades are also performed at no cost to you and without disruption. Even if you make extensive changes to the system, your customisations 'roll over' to work with the new upgrade.

EFFICIENCY

Business-wide operational efficiencies are a key benefit of a move to the cloud. You can streamline classic finance processes, such as consolidations and closes, and leverage the power of the internet to tie in other company functions and processes, as well as your customers and suppliers. A cloud approach facilitates the crucial merging of financial and operational data.

INTEGRATION

Easy integration is part and parcel of the cloud. APIs and Web services enable cloud systems to easily integrate with one another so you can use the best applications for each area of your business. That means no more costly custom programming and maintenance.

REMOTE WORKING

Anytime, anywhere accessibility is a key benefit of moving to the cloud. The whole finance team can work anywhere, using only a standard and secure web browser with an internet connection, without any extra security hardware or software, or a VPN connection.

ROBUST INFRASTRUCTURE

Cloud-based solutions delivery robust infrastructure which includes 24x7x365 operations, continuous backups, disaster recovery and superior security. What this means is unparalleled performance, reliability and security.

CHOOSING THE RIGHT CLOUD-BASED FINANCIAL MANAGEMENT

Ultimately, whichever cloud model you choose, you're still investing in a sophisticated software application. So, what steps do you need to take when considering which solution is the best fit for your business?

DETERMINE EXACTLY WHAT YOU NEED

Carefully define and document your needs. Ensure input and gain consensus from key users in finance and related departments. Integration is a prerequisite, but it must be API-led and scalable to support future activity and performance.

PRIORITISE CAREFULLY

No system meets all the users' needs. Determine which functionalities and requirements are 'must haves' and rank them so that you can select the system that best fits your team's unique set of requirements.

CREATE AN RFP

Once you know what you need, you should list your requirements, expectations, and parameters in a clear, comprehensive Request for Proposal (RFP) form to send to a shortlist of vendors. Using the same form for all vendors allows you to compare solutions like-for-like.

DEMO OR TRIAL FROM A SHORTLIST

No amount of customer testimonials or case studies can take the place of a careful evaluation of the user experience. Make sure you understand how things work at the administrative level too.

RESEARCH YOUR OPTIONS

Make the most of independent research and reviews to sift through competing offerings and develop a shortlist of vendors. Social networks such as LinkedIn and X can help connect you with real-life users of the solutions you're considering. Similarly, have a look through our customer success stories on **Percipient.co.uk**

FOCUS ON PRODUCT FIT

Functional excellence is key. Regardless of the deployment model, you need a financial system that offers the comprehensive, up-to-date features that modern organisations require, seamlessly amalgamating financial and operational data. You want a solution that delivers the right functionality for your business' needs.

CHECK REFERENCES, SCORE, AND SELECT

Carefully screen vendor references. Of course, vendors can provide access to happy, successful customers but online forums can represent a great source of honest, unscreened, and unfiltered feedback about actual vendor performance.

CHOOSING A CLOUD PARTNER

When you move finance to the cloud, it's your vendor, not your IT team, that will operate the financial system for you. It's not like in the past when you licensed software from the vendor and then were on your own. With the cloud, you form a long-term partnership with your vendor, making it crucial that you choose the right partner for the job.

You need to be sure that your vendor of choice can do a better job of running your system than you can – and that it will keep up the good work, month after month, year after year. The right partner must also be one who aligns with your ethos and long-term goals.

7 QUALITIES TO LOOK FOR IN A CLOUD PARTNER

1 IMPLEMENTATION SUCCESS

The ideal cloud financial management solution is designed from the ground up as a cloud application and backed by a vendor and partners with extensive experience. Make sure your vendor can demonstrate a proven track record of successful implementations.

2 OPERATIONAL TRACK RECORD

Your chosen vendor isn't merely developing and licensing software—they're managing the core financial systems that run your business, making it very much a strategic partnership. Find out how your vendor conducts business. What's the cultural fit with your company? What standards do they pursue? Where are the applications physically being run?

3 DATA OWNERSHIP

Get it in writing that you own your own data and can obtain a copy of it (for an appropriate fee) if your relationship ends. You also need an agreement for appropriate assistance in migrating away from the vendor should you ever decide to leave.

4 INFRASTRUCTURE & SECURITY

Most cloud-computing vendors partner with elite data centre providers to deliver the backbone of their offerings. You need to know exactly who these partners are. Where are their data centres located? What are their business-continuity contingencies? What security standards have they adopted? Can they deliver guaranteed and appropriate levels of uptime? How do they prevent, detect and remediate physical and network security breaches? It's vital to thoroughly evaluate each vendor's network operations centre and technology infrastructure.

5 ROI/TCO

Although financial models can vary significantly, the total cost of ownership is typically far lower for cloud-computing systems than for on-premise and hosted systems. Therefore, make sure you carefully structure proper ROI scenarios and timelines to determine the investments and payback periods.

The only ongoing costs should be monthly fees for software subscription, training and configuration. When comparing cloud to on-premise, it's important to remember that software licensing for an on-premise solution actually makes up a very small percentage of its total cost.

Additional ongoing costs may include customisation, hardware, IT personnel, maintenance, training, tuning, customisations, network maintenance and much more, translating into a far more difficult investment to swallow.

Also, cloud computing costs are taken entirely from OPEX, whereas on-premise deployments typically include even larger OPEX plus significant CAPEX investments.

6 SUPPORT AGREEMENT

A good support agreement will specify what level of support comes as standard and offer several levels of additional support. If it is important to you to have access to UK-based experts, find out where your vendor's support team is located. It's also a good idea to inquire about the people who make up your support team: will accounting experts and seasoned representatives be available to you if needed?

7 SERVICE LEVEL AGREEMENT

A world-class service level agreement (SLA) is non-negotiable when dealing with a cloud-computing vendor. With the cloud, you rely more heavily on your vendor for support, so it's vital that your vendor has the appropriate infrastructure to offer optimum levels of expertise and responsiveness. This must all be defined in a comprehensive, ironclad SLA. As the basis of your relationship, this document can be enforced for many years and is essential to setting expectations and insulating your organisation from risks.

Look for SLA transparency from vendors who are unafraid to publish two-month histories and current system statuses on their public websites. If a vendor does not have a public system status website, it should be a major red flag that it may not have a complete handle on its operations.

HERE'S 7 SLA MUST-HAVES

Your vendor's service level agreement (SLA) should specify incentives and penalties for defined performance metrics. Make sure you've got the following areas covered, in writing.

1

SYSTEM AVAILABILITY

Look for a vendor that can commit to 99% availability or higher.

2

DISASTER RECOVERY

If there's a data centre disaster, ensure you'll be back up in 24 hours and lose no more than two hours of data.

3

DATA INTEGRITY & OWNERSHIP

If you decide to leave your cloud vendor in the future, you must be able to get your data out of the vendor's system.

5

ESCALATION PROCEDURES

If you have a support case that you feel should be escalated, you need a clear escalation path and the contact information of at least three people who can help.

4

SUPPORT RESPONSE

Your vendor should be transparent about what constitutes a high-priority, medium priority and lower-priority issue, with the ability to respond to high-priority requests within one to two hours.

6

MAINTENANCE COMMUNICATION

Your vendor must let you know when regular recurring maintenance activities occur and should post a special notification if any maintenance activity is expected to take longer than normal.

7

PRODUCT COMMUNICATION

Your vendor should commit to providing regular updates on new product features and product release notes.

CONCLUSION

With so many options for financial applications, finance leaders must ensure they understand the respective merits of different cloud models and keep in mind that the right platform should be one which can flex and scale to be truly future proof.

While SaaS brings substantial benefits, the full potential of future technologies such as AI can only be realised via a cloud-native/multi-tenant model. As well as flexibility via virtual seamless upgrades which improve operating efficiency, it can maximise the potential of teams, improving collaboration and productivity, and fostering better access to talent, and better use of talent acquisition. Of course, all of this results in a better proposition to the market, and expands the opportunity to scale, both now and as future dynamics dictate.

The remote access enabled by a cloud model also supports skills acquisition by facilitating access to a larger pool of talent, both from a diversity and geographical perspective. For many industries, the days of being confined to candidates in and around the physical office simply no longer exist. And in turn this means less of a need to expand physical office space when scaling, and a lighter, more cost-effective infrastructure from which to pursue strategies.

When it comes to scaling a business, a cloud native model means that there is no additional cost and complexity associated with bringing new entities on board, or launching in new regions, or shifting a business model to reflect a change in direction. The software is always on the latest version, easy to use and delivering modern functionality.

Ultimately, cloud computing is about capitalising on a software delivery model that accelerates a larger ROI, while better aligning the financial organisation with the new dynamics of a growing business in an unpredictable economic climate.

In today's financial management software market, the buyer has the power. No matter what solution you choose, you should expect faster financial closes, easier regulatory compliance, less manual work, real-time visibility and reporting, and an outstanding service level agreement. If not, it's time to make a change.

Good luck with your buying journey. If you'd like to know more about Percipient and how we can help your business, please get in touch.

At **percipient**, we specialise in the implementation of Sage Intacct, a cloud-based financial management system designed for growing businesses.

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Get in touch to find out more about Sage Intacct and how we can help your business.

Simply email us at **info@percipient.co.uk** or call us on **01606 871332**

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