Buyer's Guide to moving to the Cloud

Everyone seems to be moving to the Cloud. There are aspects of financial management for which Excel is starting to look as old-fashioned as the pad and pencil! But changing software is complex, and there are many considerations. This guide will take you through the key questions and help you identify the right way forward for your business.

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The challenge: buying finance tech in a connected world

Technology is no longer a nice-to-have for finance professionals. It's front-and-centre at the heart of modern business management.

But technology is also constantly moving forward. Next year's tech will always be a step ahead of what's on the market now, so it's tempting to hold on to today's familiar tools until they give out completely.

That used to be a reasonable argument, especially for the FD with an eye on the pennies. It made sense when each team operated in isolation, with their own localised IT systems.

But today, we're all connected. Tools like ERP are the central nervous system of a business, sending signals across the operation. Like everyone else, the finance team is part of a shared, data-powered experience. If you hold on to creaking old systems, you'll not be wringing out extra value, you'll be holding back the whole business.

And if you are thinking of upgrading your finance systems, a key question will be whether to invest in a local (or 'on-premise') system, or to move to the cloud.

The cloud was initially just a safe place to keep data. Now, it's a universal digital workspace to process everything we do; and an important contributor to business agility and competitiveness. Ignoring the cloud isn't an option, and it comes with many attractive benefits including minimal upfront expenditure. But there are also some legitimate reasons to hold back.

In this guide, we'll examine why these questions matter so much today and then look at both sides of the argument for a balanced approach which will help you make an informed decision.

The finance team is changing - fast

The cost of the latest technologies has reduced dramatically over the past decade or so. But you still won't have an endless budget! Tech still needs a business case – a reason for your hard-earned investment. So, why should your financial management suite evolve?

The truth is, the role of the finance function has changed dramatically:

REACTIVE TO PROACTIVE
The days of the CFO as primarily a reporting function concerned with annual filings and other compliance activities are over. Today's CFO is a key contributor to company strategy. They look forward, not backward.

GUARDIANS OF DATA
The CFO is now also the natural owner of data in the business. The finance function is impartial, data-focused and the first port of call for insight. The Covid crisis is a perfect example of a situation in which boards looked to the CFO for immediate answers.

OWNERS OF TECHNOLOGY
To be able to provide that information to anyone in the business, the finance team is also often responsible for, or at least a major contributor to, technology decisions. As tech has become all-embracing, it often now falls to finance professionals to decide what technologies will put the right information in front of decision-makers.

REFINING PROCESSES BEYOND FINANCE
Finance is, of course, ultimately responsible for profitability. That means driving out costs, improving productivity and discovering efficiencies. To achieve this, CFOs now also take a keen interest in processes across the business, and partnering with other functions to refine them.

To meet these diverse needs, the finance team's technology resources must change too – from transactional tools to providing connected, data-rich strategic insight.

The CFO needs:

▸ Operational as well as financial information

▸ On demand, as close to real-time as possible

▸ With reporting that makes sense and adds value to everyone in the business

▸ And access anywhere in the world

Why move to the Cloud?

By now, we're all used to the Cloud. If you're not already using Cloud services at work – for everything from project management to file storage - you'll be using them at home and on your phone. Even trusty old Excel is now cloud-enabled through Microsoft's Office 365.

Cloud driven services make plenty of business sense:

1 **THE DATA YOU NEED, NOW**
With data held in the Cloud, you can work from anywhere you have an internet connection, with access to real-time insight.

2 **CAPEX TO OPEX**
Instead of buying software, you'll rent it; converting the capital expenditure to a predictable and manageable monthly fee.

3 **UP TO DATE FUNCTIONALITY**
Delivered through a browser, you'll always have the latest version of the software, putting new functions at your fingertips.

4 **SHARE AND COLLABORATE**
Financial data is more valuable when everyone can use it. With data in the cloud, you can share information and reports with everyone who needs it, even collaborating on live documents.

5 **REDUCE THE IT BURDEN**
With cloud software, responsibility for servers, security, maintenance and uptime are where they belong – with the provider and not you.

6 **SPEND TIME ON STRATEGY**
When financial management processes are automated and optimised, you can deploy your talent on more useful, strategic and outward-facing activities.

7 **INTEGRATE WITH EVERYTHING**
Modern cloud services connect seamlessly with your other systems – like ERP, CRM or, increasingly, production systems; anywhere in the world. That means less data entry, fewer manual processes and better visibility of the whole business with meaningfully real financial information for better decision-making.

There are on-premise arguements, too

Life in the Cloud seems pretty rosy. And it is the right answer for the majority of organisations. However, there are also reasons for an on-premise solution which you should consider:

SECURITY

CHALLENGE:
Some businesses feel uncomfortable outsourcing their data security to a third party. In some sectors there is a regulatory obligation to keep data local, or at least in one defined place.

RESPONSE:
Major digital service providers live and breathe security. Their reputations depend on it, and they are usually better resourced to protect data than you are. But for some, the security issue is a dealbreaker.

INTERNET CONNECTIVITY

CHALLENGE:
If much of your business is field work, or you require real-time services in locations with a weak internet connection, it may make more sense to invest in local digital services.

RESPONSE:
This is particularly a challenge for manufacturers with premises which cannot be uprooted. Seamlessly switchable connectivity from multiple providers is available across most of the UK, but in many real-time manufacturing contexts, a local solution may still be the answer.

SUSTAINABILITY

CHALLENGE:
Modern businesses all have a renewed focus on sustainability. But there is evidence that cloud services are quite costly to the environment, thanks to ongoing energy usage.

RESPONSE:
Consider running an environmental impact assessment comparing local with cloud solutions. Many cloud providers offer some sort of energy information, and offsetting is always possible.

SERVICE QUALITY

CHALLENGE:
The services you use are only as strong as their own security and operational commitments.

RESPONSE:
Only use services whose brands you thoroughly trust.

Building a case for change

In short, upgrading your finance systems comes down to identifying the right time for your business, the right outcomes and the right technology solution. To help you decide (and make the process as painless as possible), here are some checklist questions.

What do you want to achieve?

YES	NO	
☐	☐	Efficiency?
☐	☐	Compete with bigger businesses?
☐	☐	Greater visibility across the organisation?
☐	☐	Responsiveness to changing needs?
☐	☐	Make better forward investment decisions?
☐	☐	A more connected digital business?
☐	☐	Reporting and governance?

Is it the right time to change up your finance technology systems?

YES	NO	
☐	☐	Are you increasingly wasting time on manual processes or data entry?
☐	☐	Are current solutions falling behind expectations?
☐	☐	Are you finding it harder to meet the information demands of the business?
☐	☐	Are you getting complaints from elsewhere in the organisation?

If you've answered 'Yes' more times than 'No' - it's time to take action before you fall behind the competition. Where to begin?
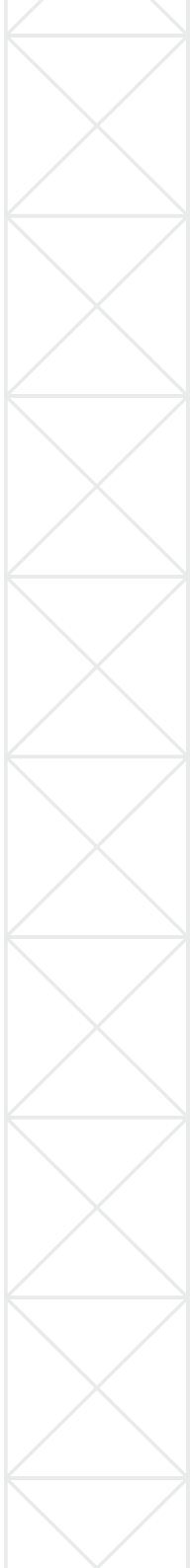
How to begin your journey to the Cloud

To find the right Cloud tech answer for your business, you have to start by asking a few questions. Once you've got the answers to these, the rest will fall into place.

1

Create your spec

- How many users do you need to service?
- Which processes do you wish to manage – and improve?
- What reports do you want to run? How often and for whom?
- Which third party systems should your new finance package integrate with?
- What needs might you have in 12 months' time?

2

Select your software

- Will my team find this easy to use – and will it add rapid value?
- Will other users across the business find it easy to use, too?
- Will it do what we want it to do – putting more data in front of more people for more effective decision-making?
- Is this provider reliable, secure, and with a roadmap to the future that matches our ambitions?
- In a connected world, will this software also meet the needs of e.g. customers or your supply chain? Will it integrate with the tools they use?

3

Make procurement painless

- Do I need further executive sponsorship?
- Do we know 100% 'what good looks like'?
- Have I defined a business need – ideally with a 'burning platform' to justify making the change now?
- Have I got good technical advice from an appropriate external partner?
- Is the downselection process of possible suppliers clear and reasonable? Are other decision-makers on board?

4

Choosing a business partner

Business solutions are often sold through resellers, like Datel, who add a host of extra value:

▶ They have the experience of many previous deployments and bring that customer insight to your needs

▶ They often have sector-specific experience and will therefore understand your business challenges as well as your technical needs

▶ They have specialist expertise in translating your business requirements into a working solution

▶ They can help you develop prototypes and pilots, using real data from your business. Then, they will help you navigate a path from, for example, one department to the whole organisation

▶ They will apply their knowledge to accelerate your deployment, minimise business risk and help your team to extract maximum value

Your choice of reseller is as important as your choice of solution. Pick a partner that you feel confident understands your business, and that you can work closely with. Share your long-term plans with the reseller, so they can help ensure the solution will meet your needs well into the future – it should be a powerful ongoing partnership for your business.

At Datel, our end-to-end service includes customisation, user training, ongoing support and the advice of countless business successes: everything you need to hit the ground running and establish value, fast.

Business technology to empower your future

At Datel, we believe that business technology shouldn't be complicated. Whether you are evaluating a full business system or looking to improve one specific area in your financial arsenal, such as insight and reporting, our team is here to help.

Datel is here to empower your business aspirations through the innovative use of technology. We've been helping businesses to realise their ambitions for over 30 years. In that time we have seen plenty of change: technology has evolved and we've witnessed our customers grow and succeed through embracing solutions that change the way they work and the experience they can offer their customers.

Speak to our team today. Call 0800 0775 888 or visit <u>www.datel.info</u>.

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