

How to tackle the top three challenges facing finance departments

Putting the finance team of any business at the centre of its strategy could help it become more resilient in tough times. Grace Child, senior product marketer at business software and services company Advanced, explains why.

2020 was a year like no other for business planning. Previously, different sectors would have had their busy and slow times in the calendar and would manage cash flow accordingly. No one could have predicted the impact of the pandemic on business and market behaviour. But without a doubt, it has helped to drive an increasing appetite for financial planning using Cloud-based solutions that yield optimum results.

Being agile and reactive

From the start of the pandemic, organisations have arguably been working in the dark when planning. Optimistically, some may have hoped that everything would go back to normal quickly and most did not anticipate that restrictions would still be in place almost 12 months later.

Existing business plans and financial forecasts became obsolete. For finance teams in particular, an agile approach in response to the ongoing situation has been vital. As far as cash flow and planning goes, finance teams have had to model different scenarios to establish many possible financial outcomes and

how to deal with them. Projecting how these outcomes might alter if they did things differently has required ongoing effort just to keep balancing the books.

Five years ago, it might have been acceptable to have less than up-to-date information about your company's financial position, but the pandemic has highlighted the importance of the finance team in keeping everybody's fingers on the financial pulse.

For many, normal business dried up almost overnight and managing finances became their most critical challenge. We're seeing that finance teams are no longer seen as number crunchers, but are actually leading business strategy and advising MDs and CEOs on possible actions and outcomes.

That's where finance teams want to get to. CFOs want to be guiding business strategy with teams that are adding value and they want to be able to do that easily, without having to battle spreadsheets.

The importance of reporting

Pre-pandemic, if you were using an on-premise system for financial planning, you were in big trouble if you ever had to work from home. Many customers were looking at *Cloud-based solutions* anyway, but that has massively accelerated in the last year as working from home has become the new normal. The only way to be fully agile in the current situation is to work from a digital Cloud-based system where data can be updated and shared immediately.

This is no more evident than in the area of financial reporting. Finance teams used to spend days preparing reports from complex data in their financial systems. When we talk to new customers about switching to the Cloud, we still typically hear that they usually export all of their numbers out of their legacy system into a spreadsheet application, so they can create presentations and reports for the rest of the business. It is time-consuming and laborious.

With a Cloud-based solution, teams can easily react to the need for an insightful up-to-date report the very next day, and importantly one that the CEO and others will understand. Having real-time dynamic data and reporting can keep everyone on their toes, ready and prepared for the next spanner that life might throw into the works or the next opportunity that comes their way.

Thinking about security

With many finance teams currently working from home, the sensitivity of the data that they are processing means security is key. Data breaches are potentially very damaging, both for reputation and financially. Customers understandably expect the very highest standards of security in relation to their financial information – as do staff whose bank account details and home addresses are held by their employers.

Data protection is, of course, a legal requirement and also good business practice, but it remains a challenge. For those still working on non-Cloud-based systems, the risks to data security cannot be underestimated because cybercriminals are finding ever-smarter ways to get their hands on it.

All employees should have a clear understanding of their obligations and responsibilities regarding data protection, but harnessing a system that accesses data from the Cloud helps reduce the risks of human error, protecting everyone. Ensuring that all teams working either from home or company premises are accessing data stored securely in the Cloud gives businesses, employees and customers the confidence of knowing their information is safe.

The lessons of COVID-19 might have been tough to take, but businesses that have managed to react with agility and flexibility are in a strong position to move forward. Adopting a *Cloud-first* approach to planning, reporting and data security means they can take advantage of opportunities that present themselves and will help protect them from future unpredictable events, providing the resilience to weather the storm.

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