



The Need to Bring Finance & Accounting into the Digital Age

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The 21st century is sometimes referred to as the Digital Age due to the fact that so much of what we do is done digitally. This includes everything from listening to music and watching television to accessing our news, information and entertainment on handheld mobile devices like smart phones and tablets.

This makes it more than a little ironic that the financial and accounting function at many companies is still stuck in the 20th century. Rather than adopt new financial and accounting systems that take advantage of digital technologies, some companies are still using costly and inefficient legacy systems that were developed two or even three decades ago. This is the business equivalent of listening to 8-track tapes or watching VHS videos in an iPod and movie-streaming world.

Dangers of Outdated Legacy Systems

There are a number of potentially negative impacts to continuing to use outdated legacy financial and accounting systems here in the Digital Age, including the following:

- High maintenance, service and other hardware and software costs.
- Low productivity.
- Greater inefficiency.
- Slow data processing and information reporting.
- Stale and outdated information.
- Low customer satisfaction rates.

Also, your accounting and IT personnel may become frustrated at not being able to work with cutting-edge systems. And finally, there is the risk of losing a competitive edge to other companies that are using leading-edge financial and accounting systems to lower maintenance and service costs, increase efficiency and productivity, improve access to current data, and serve customers better.

Challenge the Status Quo

The first step in bringing your financial and accounting systems into the Digital Age is to challenge the status quo in your finance department. The six most dangerous words in business and technology are: "We've always done it that way." Your CFO or controller must think outside of the box and be willing to invest the time and energy required to investigate and implement new, cutting-edge systems.

Here are five tips to help you bring your financial and accounting functions into the Digital Age:

1. Simplify your processes in order to limit complexity and the escalating costs associated with it.
2. Inspire and motivate your workforce to embrace new functions and systems.

3. Lead strategic, enterprise-wide partnerships within your sales, operations, purchasing and other departments to get everyone onboard with committing to new technology.
4. Move from a “finance as a function” to a “finance as a service” mindset by providing financial, operating and non-operating KPIs throughout the organization.
5. Consider the flexibility and cost-saving benefits and capabilities of cloud-based technology.

Your company may realize a host of benefits by updating your financial and accounting functions, including:

- Improved data accuracy and real-time reporting for better decision-making.
- Streamlined processes that provide timely feedback to reflect how the business is performing.
- Lower hardware and software maintenance costs.
- Higher employee productivity and efficiency.

An outsourced CFO services provider can help you realize these and other benefits by bringing your financial and accounting systems into the Digital Age. This provider will start by examining your legacy systems to determine specifically where updates are the most urgent. The outsourced CFO will then make recommendations on which new systems will be the best fit for your financial and accounting functions and help you install and implement these systems and functions.

Concluding Thoughts

Some companies today are still using outdated financial and accounting systems that were developed two or three decades ago. This is the business equivalent of listening to 8-track tapes or watching VHS videos in an iPod and Blu-ray world. Your company may realize a host of benefits by updating your financial and accounting functions. An outsourced CFO services provider can help you bring your systems into the Digital Age.

About CFO Edge

CFO Edge, LLC delivers enterprise-class financial and operational performance solutions to executives throughout Southern California. Based in Los Angeles, our formerly-seated chief financial officers engage on demand as part-time CFOs, single-project CFOs, and interim CFOs to help business leaders successfully resolve pressing challenges and realize their financial and operational goals. At CFO Edge, we are passionate about helping our clients create, grow and sustain value. For more information, visit www.cfoedge.com or call 800.276.1750 Ext 101.

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