

# Financial Management System Fundamentals

5 essential considerations for  
making the right purchase

# The financial function is the heart of every business.

Acting as support for the rest of the organization, the numbers are critical to making sound business decisions. As your organization navigates complex business environments, manual processes can drain your productivity, and it becomes challenging to analyze the growing amount of financial data. You can close your books, but do you have the time to look for root cause issues or trends? Lack of financial visibility hinders insightful decision

making, which in turn harms company performance. Financial Management Systems (FMS) are designed to solve these problems by getting you the financial information you need quickly, reducing manual effort, increasing efficiency, and allowing you to respond and excel in all types of environments.

With a myriad of choices to consider, it is critical to choose an FMS that will be the best for your business. But what does that mean? A robust FMS will automate and streamline core financial management functions, such as Accounts Receivable, Accounts Payable, and the Financial Close, but that's just one item to consider. In this handbook, we will show you the top 5 things you should be thinking about when purchasing an FMS. Read on, your business will thank you for it.

**04** **Beyond core financials**  
What you really need

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**06** **Trusted provider**  
Understanding your business

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**09** **Native cloud**  
Agility for scale

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**12** **Partner ecosystem**  
Expanding horizons

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**14** **Artificial intelligence**  
Enabling a strategic focus

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**18** **Conclusion**

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# Beyond core financials: What you really need

At the heart of any FMS sits the financial processes that are supported. For your business, this means your GL, accounts payable and receivable, order entry, purchasing, cash management and reporting. These processes may be done by different individuals or by one in your organization – but behind the scenes, they are dependent on each other, and delays in any one process can hold up the entire cycle, shifting time that could be spent on analysis or decision making to crossing the Ts and dotting the Is.

But there are more than just the above core functions to consider. Your FMS needs to have a robust set of features to support those accounting processes and accommodate your ever-changing business. For organizations with more than one entity, multi-entity support and fast consolidations help simplify monthly reporting. A single chart of accounts helps to unite the business into a unified view and gives full visibility into where things are happening across the board. And for reporting, being able to tag each financial transaction with key dimensions, such as customer, geography, or even user created dimensions—creates better transparency when it comes to looking at the big picture.



**“Sage Intacct has freed my team up to focus less on tedious transactions, and much more on analysis and reporting that adds value to the business. At the same time, it’s saving us \$100,000 every year... and has put us in a great position to handle whatever volume comes our way.”**

**– Mark Bellich, CFO, RIVR Media**

# Trusted provider:

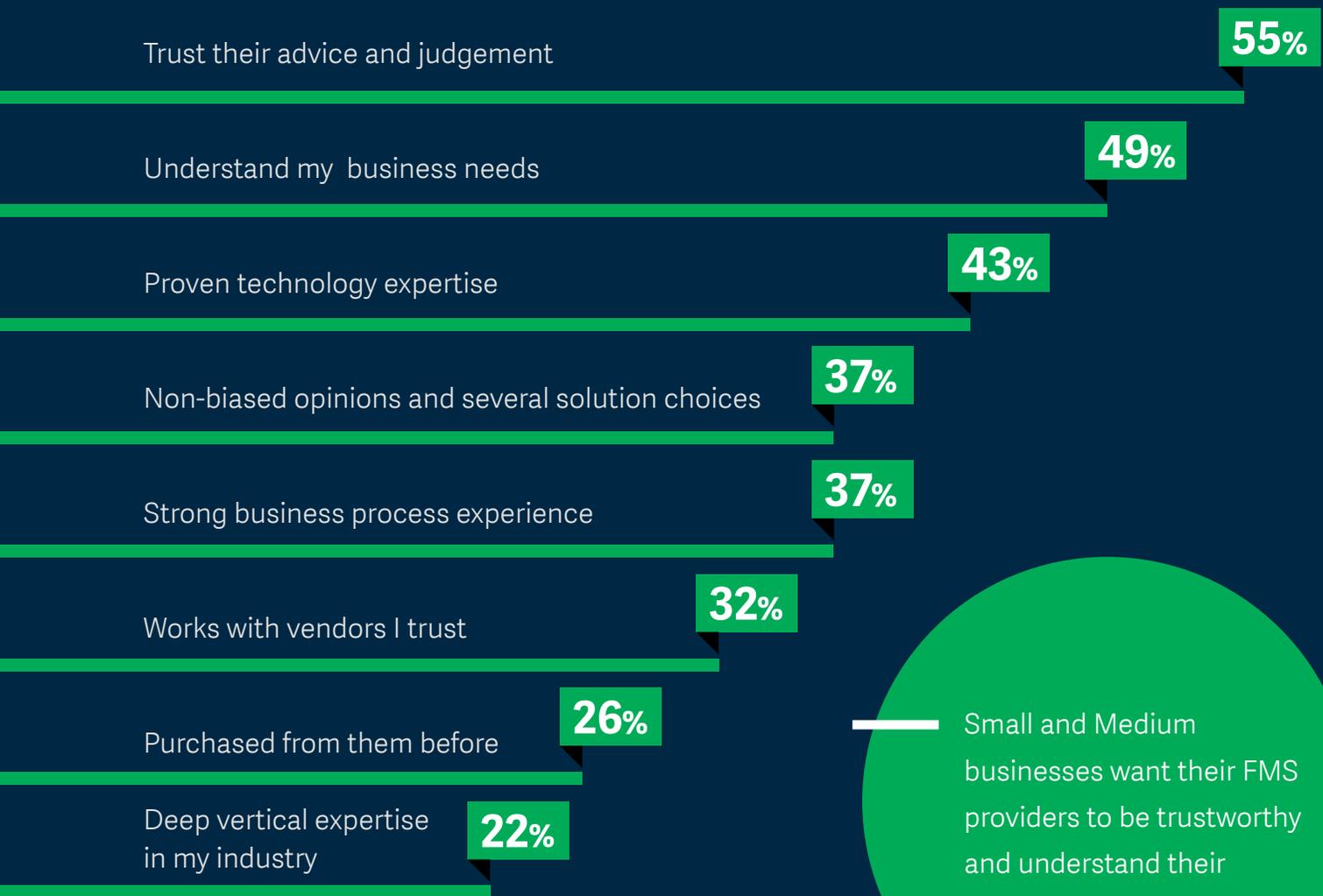
## Understanding your business

When it comes to selecting your FMS, how the vendor responds to your business needs is just as important as the solutions they offer you. It's important to do your homework on the vendor. What is their reputation in the marketplace? Are they known for their customer satisfaction? Name recognition alone does not mean a vendor has your best interests at heart! Bigger isn't always better. As you talk to vendors, look at their sales process. Do they really take the time to see your business needs, or are they aggressive in their interactions? How do they talk about the competition? Do they discredit them, or talk fairly? These are all telling indicators of how they will treat you as a customer.

Beyond the interactions, look at their company culture. Do they have finance and accounting employees in other roles throughout the company? Having finance professionals on staff in other functions within the company ensures that the vendor not only "speaks finance" but also understands how to build solutions for your requirements. Do they have any workplace awards? A good company culture shows they care just as much about their employees as their customers. How about endorsements? 3rd party organizations are an unbiased way to evaluate vendors. If a company has endorsements, odds are their customers are satisfied with the service – which should help give you peace of mind.

# Qualities SMBS want from technology advisors

What are the top 3 qualities you look for from your technology advisors?



Small and Medium businesses want their FMS providers to be trustworthy and understand their business needs.

Source: SMB Group 2019 SMB 360: Connecting the Dots Between Business and Technology Study

# Native cloud: Agility for scale

The Cloud – we hear so much about it. When it comes to software, the cloud is leading the way. In fact, according to the 2020 Close the book survey, 63% of respondents financial systems are now cloud based. While the benefits of cloud, such as higher availability, a reduced need for IT, and the ability to scale, are known, what's less clear is what the technology behind it enables. All clouds are not built the same.

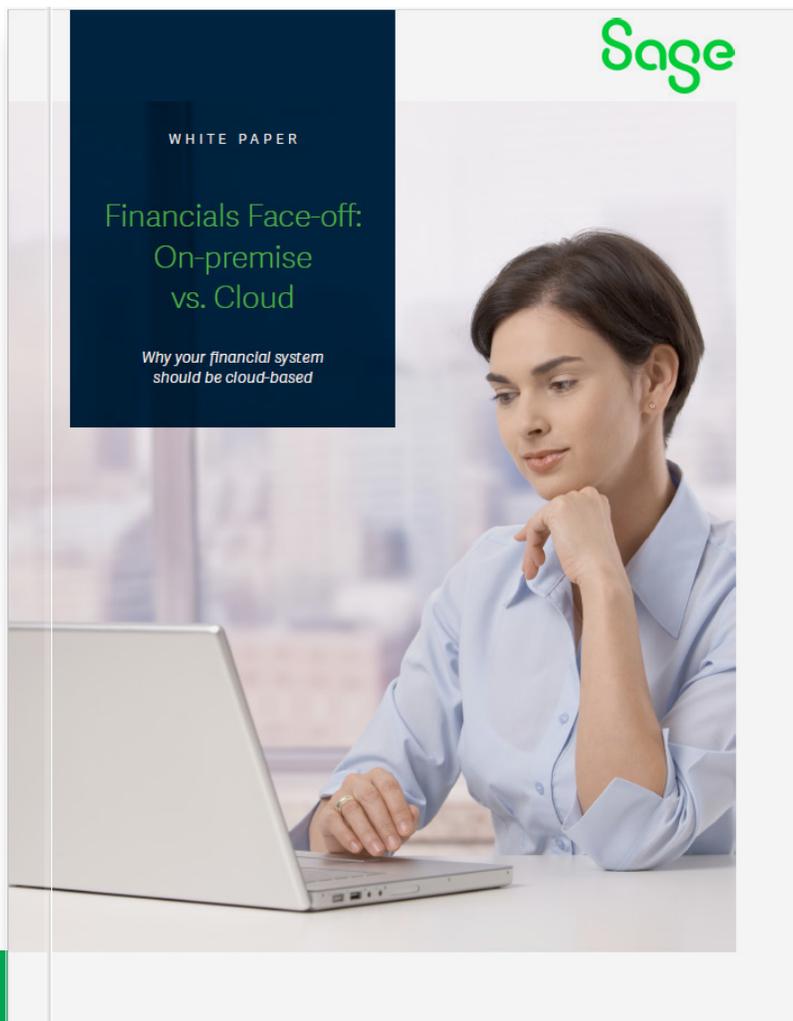


**63%**  
of financial systems  
are now cloud based

When it comes to cloud applications, there are two main types - Cloud enabled and cloud native. The difference? Cloud-enabled applications are made in an on-premise environment and are typically legacy software connected to the cloud. Cloud native applications were designed and built in the cloud and have distinct advantages, such as scalability, faster implementations, and more robust integrations with other software. As an example, Sage Intacct leverages the native cloud to connect directly to Salesforce -no 3<sup>rd</sup> party required! It also allows for the introduction of Artificial Intelligence features into the software – something we'll look at shortly.

### **Cloud native applications are:**

- ✔ Scalable
- ✔ Faster to implement
- ✔ More robust



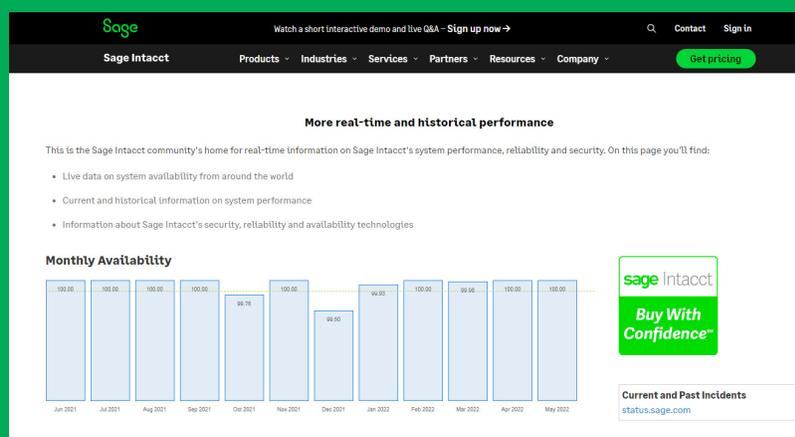
# Still not convinced cloud is the way to go?

Check out the white paper [Financials Face off: On prem vs Cloud](#) to see how cloud based applications compare to traditional On premise.

## Did you know...

Being native cloud allows Sage Intacct to be transparent about their system availability.

Check it out!



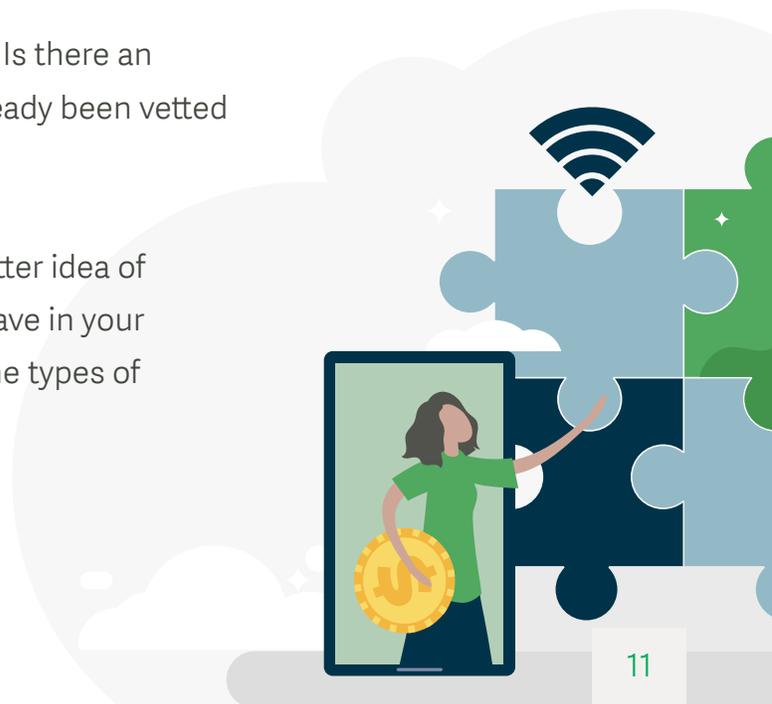
# Partner ecosystem: Expanding horizons

A simple fact - no single vendor can do it all for any business. That's where having a strong partner ecosystem comes in. Partners can fill in the gaps with complementary services and products. In the case of financial management, services like implementation, software integration, customization, onsite support, and more can complement the vendor offerings in addition to other consulting or business advice. In essence, it's like having an extended family to help you get things done.

When choosing a vendor, look at their partner offerings and consider the following:

- ✔ Do they have a network of implementation partners, maybe even someone you're already working with?
- ✔ Is their software used and endorsed by CPA firms?
- ✔ How well do they work with 3<sup>rd</sup> party software? Is there an existing marketplace of vendors that have already been vetted and will work seamlessly with their platform?

The answers to these questions will give you a better idea of how the software will work with others you may have in your organization, and in the case of using a partner, the types of support you can expect to receive.



# Did you know...

Sage Intacct has hundreds of marketplace partners, as well as a robust network of Business and CPA Partners.



200+ Partners | 75% of our customers integrate with 2+ partners

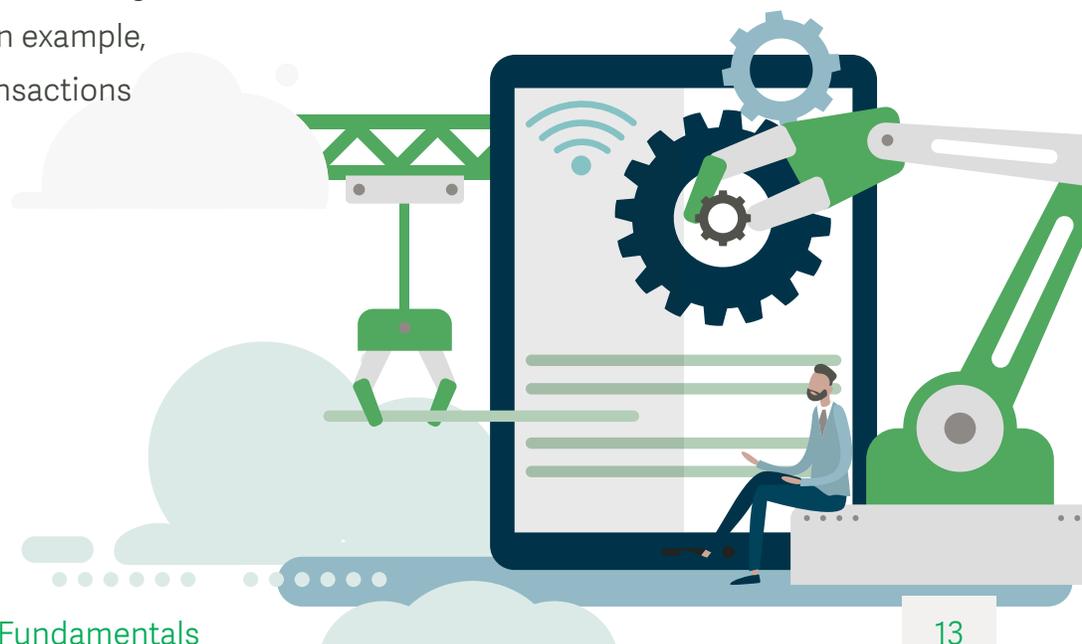
# Artificial Intelligence:

## Enabling a strategic focus

AI is a term we hear nearly every day. From smart assistants to automation, AI helps to make our lives easier. But how does it impact financial management? Simple - AI helps transform the work of finance and accounting teams so they spend less time on routine tasks and more time on analysis. The result is better, faster decisions, and more time spent towards planning and executing a winning strategy for your business.

When evaluating vendors, it's important to look at their AI strategy. Do they have AI in their product? What types of intelligent features do they have? As an example, outlier detection, where transactions

that are outside "normal" are identified and flagged, is made possible by the inclusion of AI. But AI offers so much more – the ability to continuously monitor transactions, automate routine tasks, and even make recommendations based on the data. Forward thinking software companies are embracing AI and making investments to integrate it into their products. These features will benefit your organization and are seamless, working in the background while you focus on what matters most – your business.



Today, **less than 10%** of time is spent on strategy.

AI reduces manual workload and allows companies to focus resources where it matters most.

## TRANSFORMING FINANCE



### Today

#### Manual processes

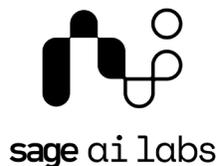
The traditional finance pyramid where less than **7%** of the function is focused on organizational strategy

### Tomorrow

#### AI enables the shift to strategic focus

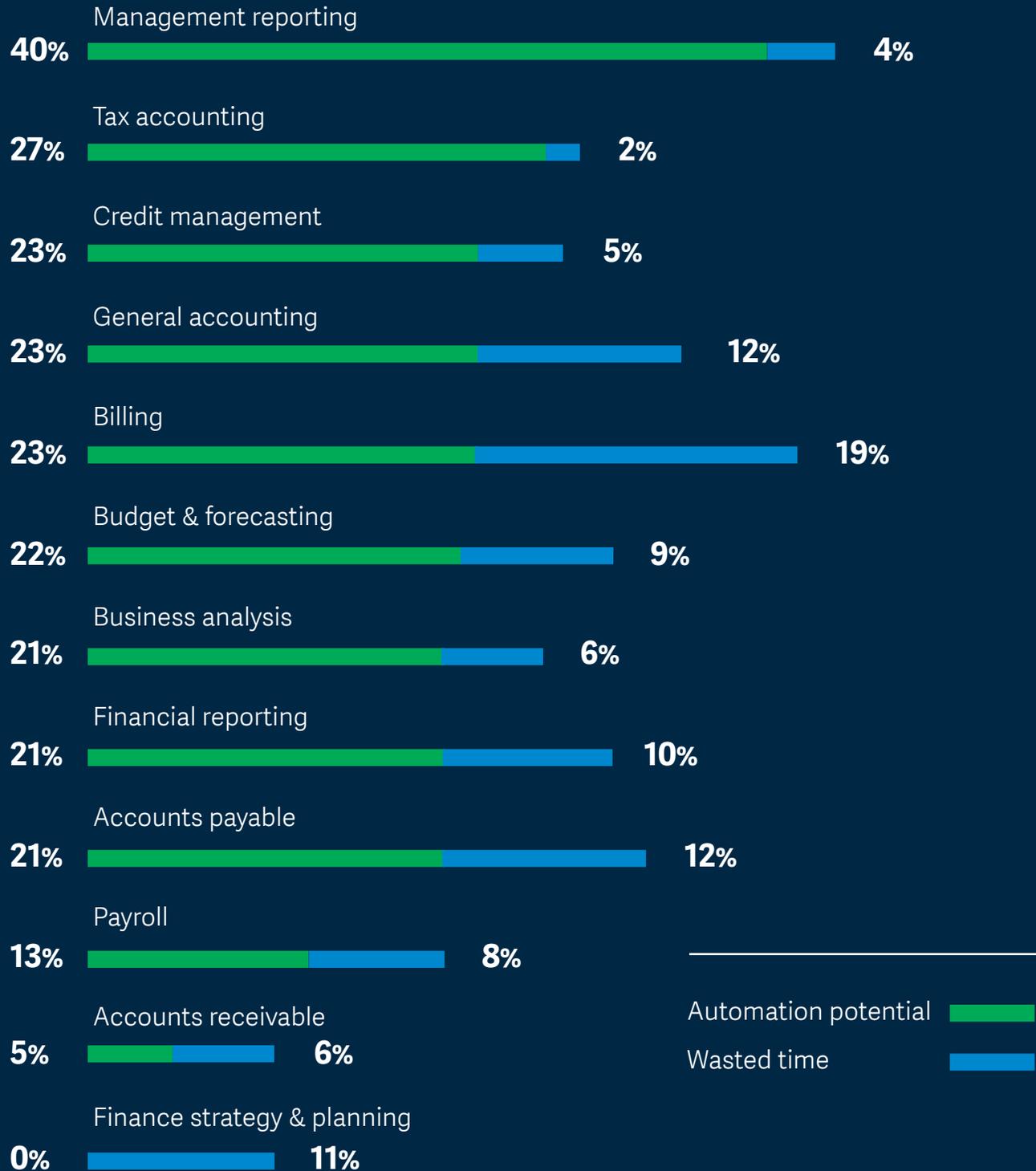
The transformed finance profile where a greater proportion of the function is focused on strategic decision support

Source: CIMA



Sage is committed to AI and has invested heavily in Sage AI labs to lead the way.

# 30 - 40% of time can be reduced with finance automation and behavior change.



Source: Source: PwC, Finance Effectiveness Benchmarking, August 2019. Data is based on activity analysis projects.

# Conclusion

Purchasing a new FMS is no small task. Much consideration must be given to choosing the right vendor and platform for your organization. This guide has outlined 5 things you should consider as you evaluate your next purchase. Keep in mind that your next FMS will be more than just a core accounting platform. It will touch nearly every area of the finance function and will allow you to automate processes that may be done manually today. A recent study by PWC shows that up to 40% of time can be saved with automation across the finance function. Choosing the right platform will help you realize this savings, making everything from your AP and AP to your overall reporting more efficient and effective than ever before.

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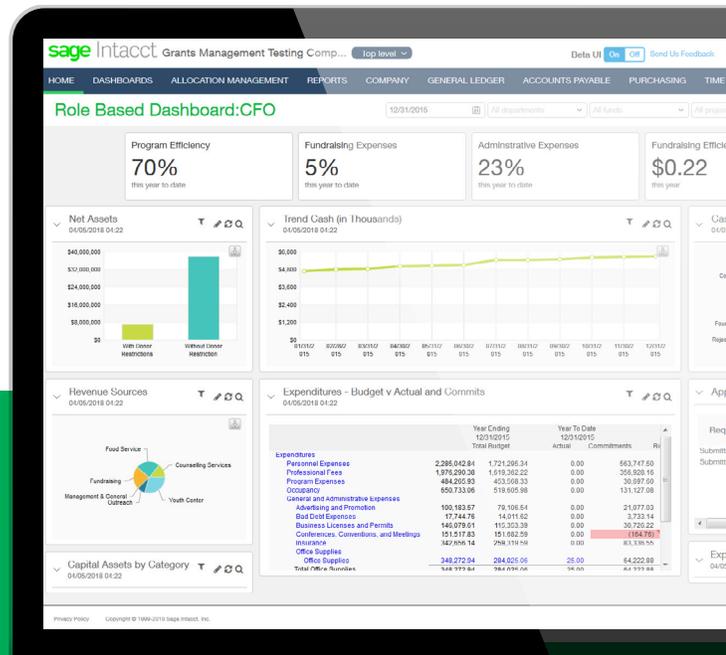
**40% of time  
can be saved  
with automation**

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**Sage Intacct** is the innovation and customer satisfaction leader in cloud financial management. Bringing cloud computing to finance and accounting, Sage Intacct's innovative and award-winning applications are the preferred financial applications for AICPA Business Solutions.

In use by organizations from startups to public companies, Sage Intacct is designed to improve company performance and make finance more productive. Hundreds of leading CPA firms and Value-Added Resellers also offer Sage Intacct to their clients.

The Sage Intacct system includes accounting, cash management, purchasing, vendor management, financial consolidation, revenue recognition, subscription billing, contract management, project accounting, fund accounting, inventory management, and financial reporting applications, all delivered through the cloud.



Sage Intacct is the only preferred solution of the AICPA. This honor is a result of our dedication to tackling complex accounting issues, while maintaining an intuitive, user-friendly interface.



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