

Real-Time Access to Relevant and Accurate Billing Data



Introduction

Finance is taking on new responsibilities in response to a shift in the business environment. Historically focused on being an effective caretaker and record keeper, the CFO is now required to play a more active role in shaping corporate strategy and driving critical business decisions. This shift is forcing companies to rethink the way they manage financial data and revenue operations.

This white paper will explore these challenges and explain how financial leaders can use automation and system integration to streamline cash flow, generate actionable insights and stay ahead of the competition.

New Challenges Emphasize the Need for Real-Time Data


Both internal and external pressures are driving financial leaders' focus on real-time access to data.

Technology is creating new opportunities, but it is also fueling competition by empowering small companies and lowering the cost of entry in many markets. Entire industries are being created and destroyed by continuous innovation. Meanwhile, economic uncertainty is making the business cycle less predictable, credit risk is escalating more quickly, and stringent regulatory requirements are increasing the importance of accurate reporting.

Against this background, customer preferences are evolving rapidly and new products are entering the market faster, making it more important than ever for companies to detect and act on emerging trends. Simultaneously, subscription-based services are becoming more popular, price points are falling and the timeline from Research and Development to revenue is shrinking.

All of these trends are contributing to a dramatic increase in the number of moving pieces in the order-to-cash process. At the same time, internal pressures are driving financial reports to deliver information faster.





Within the enterprise, stakeholders are looking to the CFO for strategic guidance and performance feedback. Deloitte suggests thinking about the CFO's role as the combination of four interrelated jobs: Steward, Operator, Strategist, and Catalyst¹. The first two roles represent the traditional contributions of the CFO: controlling costs, minimizing risk and keeping accurate records.

Modern CFOs must look beyond these boundaries. As a Strategist, the CFO is responsible for identifying new and emerging opportunities that will support growth in the future. But the CFO is also required to act as the Catalyst that drives business decisions through financial insight. This is where companies are running into problems.

Reporting timelines previously considered "fast enough" are no longer adequate. If it takes several months for your company to identify an emerging opportunity, you're giving the competition a significant head start and could end up missing the market opportunity altogether.

4 Roles of a CFO

- Steward
- Operator
- Strategist
- Catalyst

Outdated Systems and Processes Are a Major Problem

Financial leaders cannot successfully execute their new strategic responsibilities without access to relevant, timely and accurate financial information. But despite the vast quantities of raw data being collected by modern companies, it remains difficult to generate actionable insight. Manual processes and disconnected computer systems slow down the flow of information and produce unreliable results, making it hard to isolate and interpret meaningful data points in a timely fashion.

Companies have two options: they can add staff or invest in technology. The former is a stopgap solution at best. Adding headcount may make the data flow faster, but it fails to solve the accuracy problem and perpetuates unreliable manual processes. A larger workforce will also prove to be quite expensive in the long run.

The most effective way to gain real-time access to financial data is to invest in technology that integrates with existing systems and automates the order-to-cash process.

MGI Research wrote a State of Monetization² report that surveyed 122 potential buyers of monetization tools. They found that:

44%
of companies
see their legacy
systems as a
barrier to growth

39%
indicate that
monetization related
challenges impact
financial reporting,
forecasting, and
audits

30%
of companies
indicate that
billing issues are
impacting their
financial results



Automation and Integration Boost Cash Flow and Financial Insight

An automated solution enables you to expedite all aspects of your revenue operations. For instance, when your billing platform automatically issues accurate and timely invoices, you can receive cash faster regardless of revenue model. In turn, this capital can be invested to generate additional revenues.

Automated billing alone isn't enough to bring your revenue operations up to speed. Your company's enterprise resource planning systems and general ledgers must be integrated in an end-to-end solution to achieve the level of financial insight you need to stay competitive.

Together, automation and integration provide access to the real-time data you need to recognize and respond to changing business dynamics and customer preferences. And when all of your financial data is available in a single system of record, you can be confident that your information is accurate and up-to-date.

Best-in-Class Companies Have Embraced Automation and Integration

Ventana Research Robert Kugel states that "By 2025, two-thirds of finance and accounting departments will improve their use of readily available technology to close their quarterly books within six business days, up from about half that can do that today."³

In 2019, 83% of companies had at least some form of automation to close monthly books, compared to 60% in 2015.⁴

He recommends that businesses should automate the close process as much as possible by reviewing the close process to find and remove bottlenecks and extra activities. However, companies need to setup automation correctly to ensure material corrections and additional journal entries are not needed.



Evaluate Your Options

You have unique business requirements and need a software provider that will take the time to understand them. Partner with a vendor who adheres to this best practice by working with you to understand the sales, customer service and reporting experiences you want to achieve. With the desired outcome in mind, the right technology partner will work with your existing processes to configure an end-to-end revenue management solution that provides the full benefits of automation and integration, streamlining your order-to-cash process and giving you unprecedented insight into your financial data.

Sources

¹ Deloitte, Four Faces of the CFO. <https://www2.deloitte.com/us/en/pages/finance/articles/gx-cfo-role-responsibilities-organization-steward-operator-catalyst-strategist.html>

² MGI Research, State of Monetization. <https://www.mgiresearch.com/Billing-Solutions/state-of-monetization.html>

³ Ventana Research, https://www.ventanaresearch.com/hubfs/Images/Research_Agendas/Research_Assertions/2020/Office%20of%20Finance/Ventana_Research_2020_Assertion_Financial_Performance_Management.png

⁴ Ventana Research, Finally, a Faster Close. <https://robertkugel.ventanaresearch.com/finally-a-faster-close>

Ready to get started?

Get a customized demo with a billing expert.

Request a Demo

About Gotransverse

Gotransverse provides cloud-based software that enables companies in any industry to operate as a subscription business model, including the often challenging aspects of usage-based pricing and monetization at massive scale. Founded by globally recognized billing experts, the company offers an intelligent billing and subscription management platform that automates the subscription order-to-cash process, including billing, rating, collections, mediation, analytics, and revenue recognition.

Gotransverse was founded in 2008 and is headquartered in Austin, TX. For more information, visit www.gotransverse.com.