How Finance Business Intelligence Can Give Real-Time Insight For Better Decision Making



For a long time the finance function has started moved away from doing just accounting and bookkeeping.

The pace of this change has increased in the last few years. It's no longer a back-office function now.

Finance has firmly moved towards leveraging strategic roles that drive value, innovation, and growth for the organization.

In the current hyper-competitive markets, leveraging the finance function has become the deciding factor between sinking or swimming—organizations with digitally native finance teams show much higher resilience, tighten their market positions, and grow shareholders' value even if the stock markets tumble.

These organizations can manage crisis better and can recover and excel faster once markets return to normal.

Furthermore, they also mitigate the risk posture better than those organizations that lag behind in financial transformation.

An important question arises: how can organizations turn finance from passive controller to proactive strategist?

It can be achieved by deploying business intelligence in the finance function—a powerful data-driven tool that CFOs and their finance teams can utilize to improve strategic planning and decision-making by analyzing big data, leveraging information to collect actionable insights, and sharing it seamlessly across the organization.

However, here's a catch—only 21% of CFOs leverage business intelligence to identify new value for their organization.

It is a considerable challenge. Caused partly by the fact traditional business intelligence lacks the forward-looking functionalities and business modelling capabilities required by modern CFOs to add strategic value to the company.

Here, organizations need to understand the vital difference between traditional business intelligence and finance business intelligence to grow the strategic value of finance.

What Is the Difference Between Finance Business Intelligence and Traditional Business Intelligence?

Typical business intelligence primarily focuses on and is designed for data analysis and visualization—conveying historical data in a meaningful format that can be easily understood and interpreted by people without advanced programming or data analytics experience.

It sees a business through a rear-view mirror and improves the efficiency of existing processes rather than the pursuit of change.

On the other hand, Finance Business Intelligence focuses on both past performance and future forecasts to help CFOs inform function-level, entity-level, or enterprise-level strategic decisions.

CFOs require tools like dynamic modelling, forecasting, and predictive analysis that traditional business intelligence fails to provide.

Because of this, finance teams are forced to plaster over those gaps and fill voids by using spreadsheets for different tasks such as driver-based modelling, deployment of different profit and loss and balance sheet schemas, financial reporting, planning, consolidation, and reconciliation.

It defeats the purpose of deploying business intelligence in the first place. Moreover, since spreadsheets are static, difficult to update in real-time, and can't incorporate data sources from either external or internal sources, they create severe problems for the finance teams.

Troubleshooting becomes challenging in case a fault arrives in data collection or calculation. As a result, inaccuracies in spreadsheets lead to inconsistent BI analytic findings and models.

Dedicated business intelligence in finance solves these inherent issues by integrating multiple ledgers, different entities within the same group, and cross-company data into a single unified view.

Legacy Business Intelligence tools bundled with ERP applications couldn't meet modern CFOs' requirements since they were not necessarily designed to operate beyond -their own operating environment. However, today's application-independent BI tools are intuitive enough for finance teams to manipulate extensively and reduce dependence on IT resources to conduct new and novel analyses.

> *Finance BI applications, like Microsoft Power BI, Tableau, etc., provide data visualization capabilities as part of a larger platform and can integrate various processes such as planning, consolidation, closure, cost allocation, and profitability analysis.*

Finance Business Intelligence has a variety of approaches in its arsenal—from looking backwards to evaluate past financial performance to forward-looking scenario planning and predictive modelling, which makes it an automatic choice for CFOs to wring strategic value from their organizations' financial activities.

What Is Finance Business Intelligence?

Finance Business Intelligence is a term used to describe methods to collect, process, and analyze financial data from databases in real-time and make better business decisions with the help of professional financial business intelligence software.

Business intelligence solutions extract data and information from both internal data sources (operations, finance, marketing, etc.) and external data sources (market data, competitor data, social media, etc.) for centralized, accessible, and comprehensive data management and analysis.

It positions finance as a business partner with Operations and enables CFOs to grow the strategic value of finance by:

- Stepping out from traditional silos
- Identifying opportunities to save costs
- Deriving new insights through data-sharing capabilities
- Working proactively with the enterprise to optimize operational cashflow

When properly deployed, business intelligence in finance appropriately manages consolidation, driver-based allocation, and closure process. It also enables the finance team to determine and analyze profitability across product lines, sales channels, customer pools and geographical regions.

With its support, finance teams can collect, collate, and organize everyday data the Finacne offce needs.

They can also create different P&L schemas (such as IFRS, local GAAP, managerial schemas, or XBRL disclosures) according to different timelines (monthly, quarterly, half-yearly, year-to-date, quarter-to-date, etc.).

An efficient BI solution enables an organization to optimize its processes and use powerful insights like spend analytics to identify opportunities for cost savings.

For instance, PLANERGY has helped save billions of dollars for clients through better spend management, process automation in purchasing and finance, and reducing financial risks.

How Can Finance Business Intelligence Be Used?

Today's forward-thinking financial professionals—particularly Chief Financial Officers—can drive innovation by applying digital finance transformation in big data at scale.

They can leverage business intelligence to collect, organize, and analyze information in order to harvest business-critical insights and drive value through process improvement.

Having access to real-time data enables CFOs to move from impulsive to thoughtful decisions and back their responses with accurate, up-to-date financial data. It leads to cost-effective, efficient, and forward-thinking choices and decisions based on objective and unbiased information.

For instance, PLANERGY provides real-time spend visibility with our Spend Analysis Software which helps finance teams keep a tab on how every cent is accounted for—who spent it and with which vendors.

Besides, it also automates accountability and provides budget vs actual spend reports to better inform business decisions.

What Are the Benefits of Business Intelligence In Finance?

With digital transformation pushing finance into strategic roles, organizations are placing

greater demands on the Finance Function in general—and the CFO in particular—to help them ride out uncertainty.

CEOs, COOs, and other C-level executives are relying heavily on the Finance

Function to not just improve the bottom line and provide an accurate picture of the financial health of the enterprise, but also assist them in understanding how emerging and potential shifts in key market factors and fast-moving strategic decisions will affect the organization.

Business Intelligence begins with helping the finance function achieve its traditional goals such as accounting, bookkeeping, preparation of financial statements, tax filing, etc.

Once traditional goals are met, finance can attend to forward-looking activities such as financial planning and forecasting—modelling and assessing the impact of various events on the cash position, driving portfolio cash investments and initiatives to maximize profitability or supporting the decision-makers in prioritizing, approving, and managing capex investments.

Business Intelligence enables finance to:

- Improve forecasting and reduce variance in estimations from different departments – this can encourage finance to shrink the size of reserved cash buffers and free up working capital.
- Shorten reporting times, provide timely insights, and speed up time-to-value through faster and optimized automated cashflows
- Prevent reporting duplication
- Streamline and optimize business processes
- Reduce risk exposure
- Pursue healthy organizational change

Risk management is another crucial benefit that CFOs can obtain from financial business intelligence.

Dashboards exhibiting key performance metrics that demonstrate the firm’s financial performance and a comprehensive perspective of market and credit risk ensure that management is aware and ready to quickly respond to abnormalities.

Besides, business intelligence also brings more credibility to data by providing periodic data cleansing to prevent bad data from getting in.

BI differentiates between good and bad data and eliminates the chances of inaccurate analysis or negative financial impact arising due to the presence of bad data.

Equally important, business intelligence and data analytics help an organization

identify and respond more effectively to customer expectations, improve the overall user experience and turn potential clients into paying customers.

It also improves relationships with vendors by improving the invoice processing and facilitating faster payments with minimum errors or exceptions.

In a nutshell, business intelligence changes the objective of finance from preservation to progression and empowers it to unlock new business value.

Since it sets up a connection between actual results and the planning and simulation phase— finance can focus both on rear-mirror business reporting as well as forward-looking predictive analytics.

Result? CFO can address the company's business needs through business plans, cascading goals throughout the organization, and implementing proper performance monitoring, measurement, and controlling processes.

How Is Business Analytics Used in Finance?

Real-time Business Intelligence in finance enables an organization to become more agile in the face of unprecedented external events and empowers business leaders to make informed decisions.

Data-driven business intelligence drives finance transformation by:

- Consolidating and integrating data into a shared system by pulling datasets from business applications, ERP systems, office tools, and 3rd party system data;.
- Providing a platform for scaled data utilization by processing data, transforming data, and enabling insights. Also, since it's cloud-based, it is infinitely scalable.
- Extending to include new data capabilities such as data modelling, machine learning, AI, IoT, and Industry 4.0
- Facilitating a 360-degree view of working capital across the business and allows finance to enjoy better control and access over cash movement.

Efficient finance Business Intelligence—seamlessly connected to planning, reporting, and other functions—can predict trends with unbelievable accuracy and speed which humans or spreadsheets can't even match.

It also eliminates human emotions or bias from the equation and exposes new, never-before-seen financial data that opens up new opportunities to pivot.

Business Intelligence takes analytics beyond charts and graphs and leverages advanced technologies to create powerful, intuitive, and accessible visual representations such as heat maps, interactive augmented reality applications, and dynamic data dashboards.

By slicing and dicing information as required, CFOs can identify opportunities for efficiencies, track performance and revenue streams, and make timely decisions to reduce risk and increase profitability.

Besides, the finance function is responsible for producing various reports in a financial year.

These reports have to be made in accordance with the guidelines prescribed by the General Agreement on Tariffs and Trade (GATT), the International Financial Reporting Standards (IFRS), and the Sarbanes-Oxley Act (SOX).

Apart from external stakeholders, internal stakeholders such as employees and management also require some reports to run the audience.

These reports have to be customized and categorized for each department and aligned to represent a 'single version of the truth.'

Road Ahead

Once finance becomes accustomed to Business Intelligence, it can address other use cases such as improving payment terms for customers, making timely and accurate payments to vendors, assessing the resilience of the supply chain, and optimizing capex investments.

finance business intelligence can expose an enterprise to unprecedented financial data that opens up new opportunities to pivot. As a result, today's fast-paced organizations eagerly look up to the CFO to safeguard and strengthen their

competitive advantage in the current business climate.

However, finance transformation–deployment and smooth implementation of finance BI—is not a cakewalk.

The five building blocks for transformation are strategy, people, process, technology, and data in any technology adoption journey.

Out of these building blocks, the most important one is people—CFOs must make sincere efforts to combine analytics-savvy people with seasoned business communicators to achieve desired objectives and goals.

Once CFOs persuade their teams to consider themselves strategic advisors instead of traditional custodians, this mindset shift will enable the function to break down siloes, democratize the financial data, and collaborate with the wider business to create new value.

Overall, the deployment of business intelligence in the finance function can enable organizations to achieve financial transformation and earn exponential rewards.

QuickBooks Desktop for small and mid-sized businesses

QuickBooks Desktop is a flexible accounting software application designed for small to mid-sized businesses. While the desktop application cannot complete with custom-designed ERP applications, many larger businesses have continued to use QuickBooks Desktop applications for their bookkeeping and accounting needs.

QuickBooks Desktop was first introduced in 1998 and modeled after Intuit’s first financial application, Quicken, which provided personal accounting capability, but no double-entry accounting. When QuickBooks Pro was initially introduced it was aimed at the non-accountant small business owner looking for a way to do accounting other than an Excel spreadsheet. In 2000, additional features were added to the application, but it still lacked the specificity that many small business owners were looking for.

That all changed in 2003 when Intuit introduced the first industry-specific editions of QuickBooks, which have grown in popularity and are now available in several editions, including the professional services version, which we'll talk about in this article.

What is QuickBooks Desktop Professional Services?

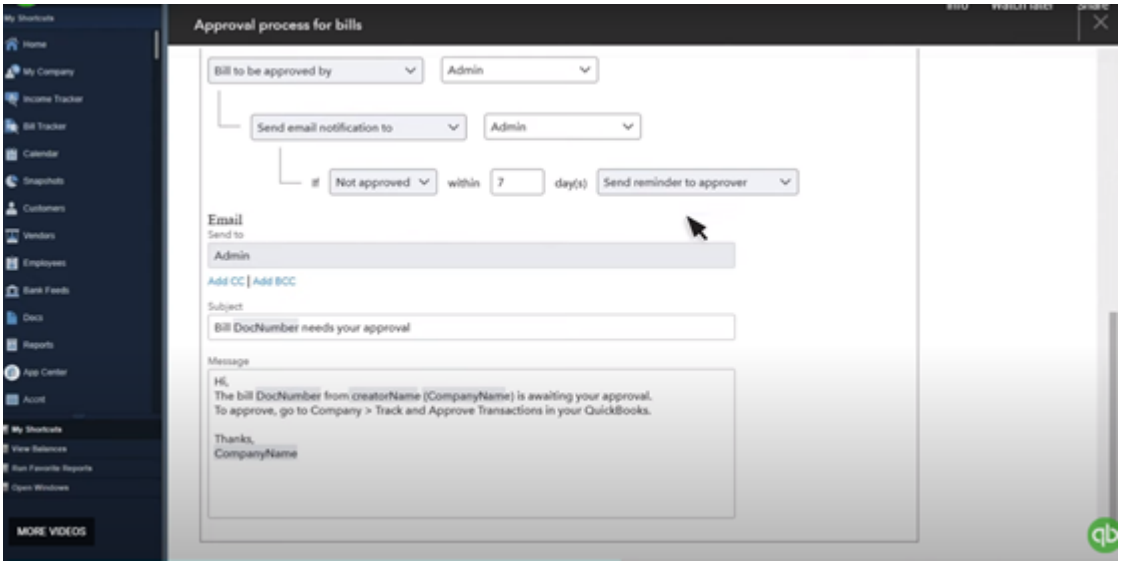
While all niche industries can make an argument for an application designed specifically for their business needs, the professional services industry offers several challenges that need to be appropriately addressed including solid time tracking capability, flexible billing rates, and the option to better track project data.

QuickBooks Desktop Professional Services does that and more. Designed for those providing services rather than selling products, the Professional Services edition is available in both the Premier and Enterprise versions of QuickBooks Desktop.

In this article, we'll take a look at QuickBooks Enterprise for Professional Services, which is designed for mid-sized businesses and can support up to forty system users. However, if your business has less than five QuickBooks users, you may want to consider using QuickBooks Premier Professional Services, a better option for smaller businesses.

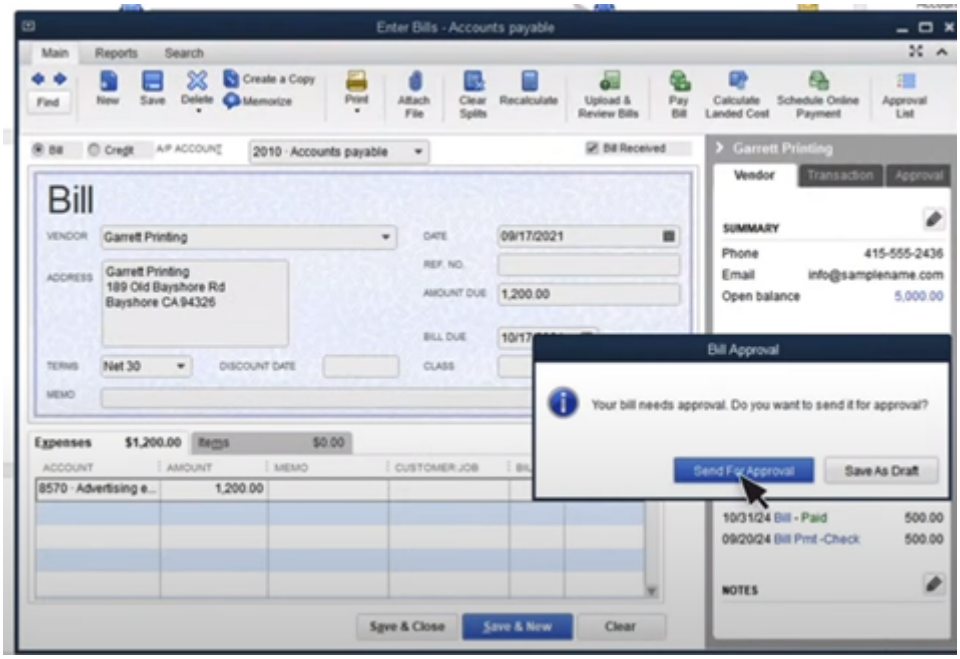
Today, QuickBooks Enterprise Professional Services is loaded with features, including all those found in regular QuickBooks Desktop applications, such as double-entry accounting, online banking, bill payment, and invoicing. But it also includes features and functionality designed specifically for service professionals. Here's a breakdown of some of the latest features.

* **Bill Workflow Approvals – (Platinum version)** Bill workflow approvals is a brand new feature that allows you to better manage your cash flow by creating customizable workflow approvals. This new feature also includes reminders when approval deadlines approach.



You can set up custom workflows with the new Bill Workflow Approvals feature.

You can choose the custom workflow to suit your business, and can even customize the email message that the assigned recipient will receive. You can also choose whether you wish to copy anyone on the email. Once a workflow process has been set up for a particular vendor, whenever you enter a bill for that vendor, you will receive a message that the bill needs approval.

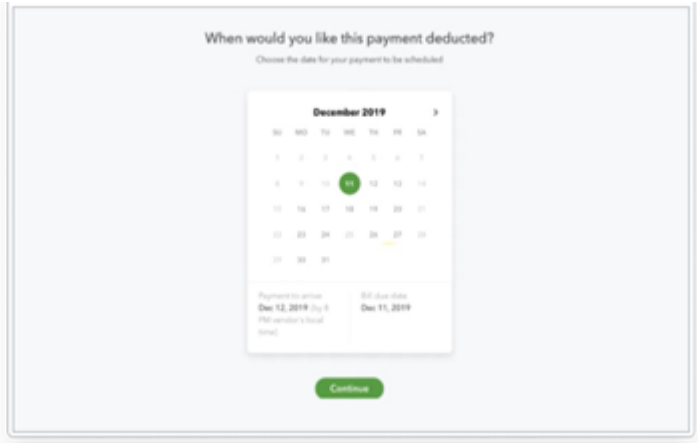


The Bill Approval option appears when a custom workflow has been set up for that vendor.

This message serves as a reminder that the bill has to be submitted for approval before processing.

*** Scheduling and Paying Bills -** Another new feature in QuickBooks Enterprise Professional Services is the option to schedule

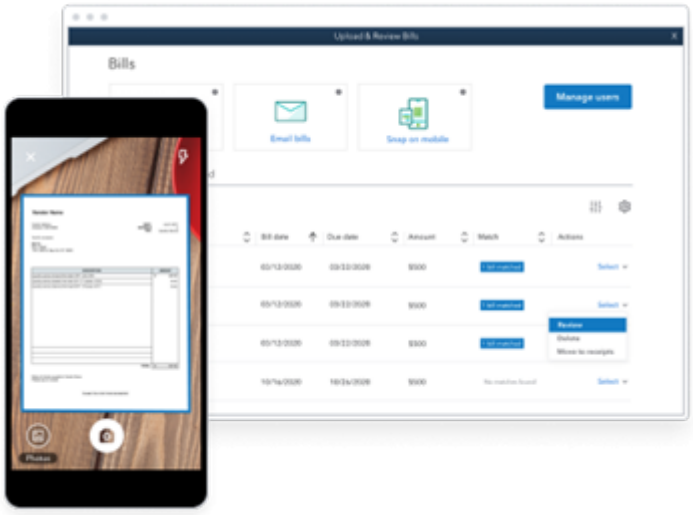
bills for payment. A particularly useful feature for smaller businesses with limited cash flow, using the billing scheduling and payment feature allows you to review any open balances, track sales orders, and plan in advance when to pay a bill.



The Scheduling and Bill Payment feature allows you to schedule bill payments.

When scheduling a payment, you have the option to choose the form of payment you wish to use including bank transfers or a physical check.

*** Upload Bills to QuickBooks –** Using the QuickBooks Desktop mobile app, you can now upload your bills directly into the application.

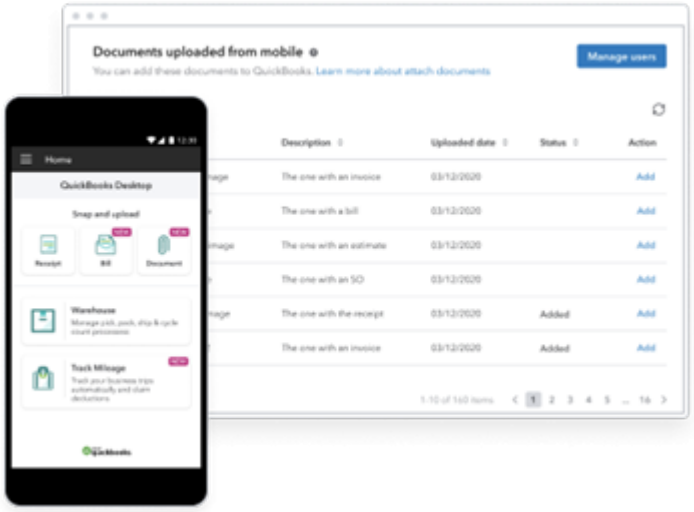


Using the QuickBooks Desktop Mobile App, you can easily upload bills.

All you have to do is snap a photo of the bill and click on the import feature. You'll be able to review the bill for accuracy before it posts into your account. Another benefit to using this feature is that you can have your vendors email their invoices directly to QuickBooks, where they will be available for you to review.

*** Attach Documents to Transactions –** Along with uploading invoices, you can

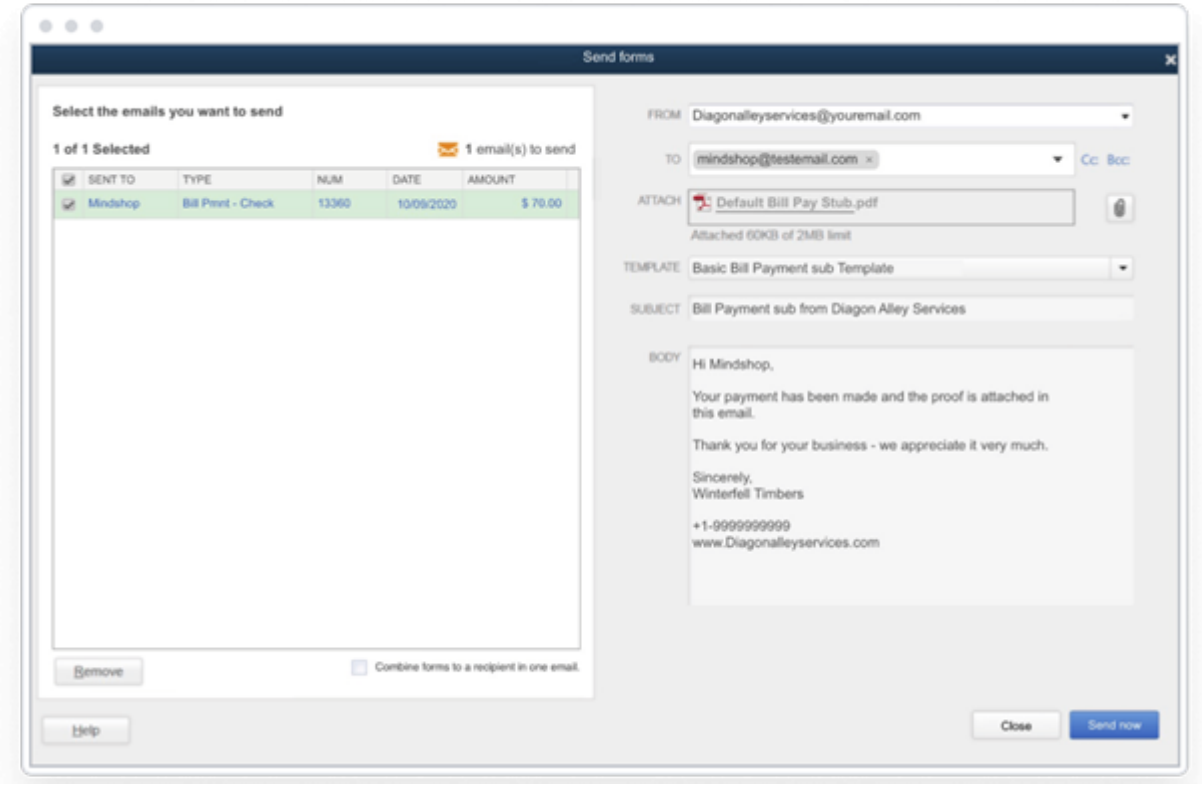
also attach documents to any transaction using the mobile app.



Use the QuickBooks Desktop Mobile App to attach documents to any transaction.

Doing so eliminates the need to store multiple documents on your system. You can also upload and attach multiple documents simultaneously if desired.

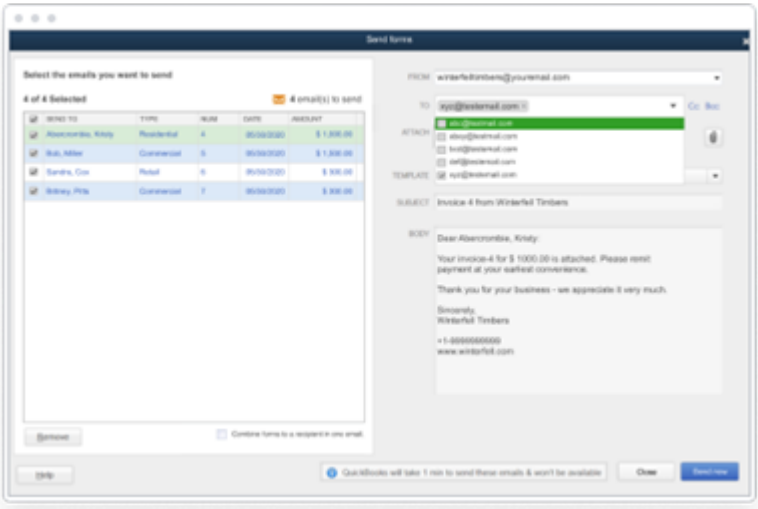
*** Customize Bill Payment Stubs –** Your vendors no longer have to wait for a paper check to receive a bill payment voucher. Using this feature, you can add your business logo and format the payment stub to suit your business.



You can now customize bill payment stubs for all of your vendors.

You can choose the vendors you wish from the dropdown list and create a custom email to send along with the bill payment stub.

* **Multiple Email Contacts –** Do you have a newsletter, targeted sale, or other information you wish to send to a select group of contacts? Using the multiple email contact feature, you can do just that.



The Email Contact List allows you to choose the recipients for a group email.

This is a great way to get custom messaging out to the appropriate recipients without having to manually enter each email address.

> *The professional services industry offers several challenges that need to be appropriately addressed including solid time tracking capability, flexible billing rates, and the option to better track project data.*

Other features

Along with these new features, QuickBooks Enterprise Professional Services also offers numerous features designed for professional services businesses. These include:

Time Tracking with QuickBooks Time Elite (formerly TSheets Elite) – Time tracking is important for any business, but particularly so for service businesses who have to manage timesheets and bill their time accordingly.

Using QuickBooks Time Elite, professional services users can track time spent on any project. But even more important, the time can then be automatically rolled up into any subsequent project reports as well as into QuickBooks Payroll, eliminating the need to enter data twice.

This allows users to track their time from any location, whether it's from their home, the office, or the client's office.

Project Costing – It can be difficult to know if a client project is profitable if all of the project management components are not tracked properly. Not only can you easily track project cost projections in real-time using the job costing dashboard, but you can also track the actual expenses to see if you're on track for profitability or if cost adjustments are needed.

Best of all, QuickBooks Enterprise will automatically create client invoices based on data entered in the system, eliminating the need to bill clients separately.

Flexible Billing Rates – As a professional services firm, your billing rates likely change frequently, depending on the job completed, who completed it, and the level of difficulty in completing the job. That's why being able to assign different billing rates to your employees based on a variety of criteria is so important.

By setting custom billing rate levels, you can assign a rate for a particular level rather than by an employee. For example, at a CPA firm, partner billing rates would be assigned at a different level than entry-level employees.

Reporting – Good reporting options are available in all QuickBooks Desktop applications with the Enterprise edition of QuickBooks Desktop offering more than 200 reports that can be customized to suit your needs. Any customized report can be saved in the application as a template, so you can use the same reporting criteria in the future without having to set it up again.

Advanced Reporting – Advanced reporting allows Enterprise users to access raw data to create reports and graphs from scratch. In addition, the Professional Services edition of QuickBooks (and all niche editions) also offers bundled reports designed specifically for professional services businesses. These reports include:

- **Billed and Unbilled Hours –** This report can be run by person or by

project, and provides management with a good view of all billable hours as well as how long an employee has spent on a particular project.

- **Costs by Project –** Costs need to be looked at throughout the life of a project. Running the Costs by Project report allows you to see exactly how much you've spent to date, allowing you to make adjustments to your forecast mid-project when needed.
- **Project Costs Detail –** Still wondering exactly why your project has gone over budget? Run the Project Costs Detail report to see exactly how funds were spent.
- **Cost to Complete –** Not sure if you have enough in the budget to complete a project? Just run the Cost to Complete report, which displays both percentage complete and cost to complete, allowing you to make any adjustments before the job runs over budget.
- **Project Status –** One of the most important reports for management, the Project Status report provides a summary view of all projects in progress along with a guide that shows you whether the project is on track for on-time completion.

Payroll Processing – All QuickBooks Enterprise editions come with QuickBooks Enhanced Payroll, which allows you to pay both employees and contractors. Enhanced Payroll also includes both printed check capability as well as free direct deposit. For those that want additional help with payroll, a subscription to Assisted Payroll will take care of all payroll taxes including filing and payment.

QuickBooks Enterprise Professional Services also includes a custom chart of accounts, can monitor project progress, track unbilled time, and electronically invoice clients. Multi-level data permissions are available, so management can establish permission levels for multiple groups of employees, ensuring confidentiality throughout the life of the project.

In addition, you can prepare custom proposals for potential business, accept mobile and credit card payments from your clients, and even integrate with Salesforce CRM for better client and sales management. For those that require integration with outside e-commerce channels, an optional e-commerce integration add-on is available that offers seamless integration with online stores and marketplaces.

Like all QuickBooks products, QuickBooks Enterprise Professional Services is designed to work on a Windows platform and is not currently available for Mac systems. Available as an annual subscription, Intuit offers three versions of Enterprise:

1. **Gold –** The Gold version of QuickBooks Enterprise includes Advanced Reporting, access to QuickBooks Priority Circle, and QuickBooks Enhanced Payroll. The Gold version supports up to 30 system users and starts at $1,489.50 for the first year.
2. **Platinum –** The Platinum version includes all Gold level features as well as Advanced Inventory for tracking inventory items, Advanced Pricing, and Bill Workflow Approvals. The Platinum version supports up to 30 system users with a subscription starting at $1,831.50 for the first year.
3. **Diamond –** The most advanced version of QuickBooks Enterprise, the Diamond version can support up to 40 users and includes advanced features such as QuickBooks Time Elite, and the Salesforce CRM Connector. Diamond subscribers also have access to QuickBooks Desktop Assisted Payroll. The Diamond version of QuickBooks Enterprise starts at $3,618 the first year.

All subscription levels include customer support, online data backup storage for all QuickBooks data, product upgrades, and training tools.

Is QuickBooks Enterprise Right for Your Business?

A great option for mid-sized and growing professional services businesses that are looking for a better way to manage project costs and billing, QuickBooks Enterprise Professional Services is an all-in-one application that you will not soon outgrow.

What’s your goal today?

1. Use PLANERGY to manage purchasing and accounts

payable

We've helped save billions of dollars for our clients through better spend management, process automation in purchasing and finance, and reducing financial risks. To discover how we can help grow your business:

- Read our case studies, client success stories, and testimonials.
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