The Future of Finance is in the CFO's Hands

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CFOs have never worked harder. Between dealing with the business impacts of the pandemic, including potentially adjusting to remote workforces and remote business processes, emerging technology and new regulations, they've practically needed superpowers to help steer their companies toward growth. Yet many have managed to help lead their organizations through these changes, pulling financial and operational levers they never thought they'd have to pull, including some many probably didn't even know were there. In doing so, they've become true heroes to their organizations.

Now more than ever, CFOs need to supplement those powers with clear vision and technology to meet the current challenges.

Finance is grappling with the economy, regulatory changes and the emergence of artificial intelligence and blockchain, while still handling "traditional" responsibilities like internal controls, compliance and closing the books on time.

Mastering these disciplines, is the key to CFOs success in today's high stakes business environment.

NetSuite is celebrating the superheroes of finance. CFOs, accounting departments and FP&A teams are all doing heroic work leading companies to growth and NetSuite is highlighting both the real and the fictional with superhero-inspired content.

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The CFO's Role Is Always Changing

Today, the close is no longer a monthly happening. It happens every day.

Thanks to the continuous close, the finance department is always in "close mode." NetSuite helps CFOs continuously close with a unified platform. For example, NetSuite automates revenue forecasting, allocation, recognition, reclassification and auditing through the rule-based event handling framework. Whether a company conducts sales transactions that consist of products or services, or both, and whether these transactions occur at a single point in time or across different milestones, NetSuite's revenue recognition functionality automates the scheduling, calculation and presentation of revenue on the financial statements accurately and in an automated fashion expediting the monthly close process.

Mastering the "continuous close" mindset has prepared finance departments to be resilient and agile.

Major regulatory changes mean finance departments now use tech like NetSuite's Advanced Revenue Management to maintain compliance.

ASC 606 and IFRS 15 changed requirements for revenue recognition and the disclosures required for reporting under GAAP, international standards, ASC 842, and IFRS 16 are in effect for lease accounting.

Finance departments must quickly adopt the new requirements while still reporting results and maintaining multiple books of account. It's no small task, but it's achievable with technology that does the heavy lifting for you.

…which means opportunities abound.

Finance departments are finding themselves with loads of opportunity thanks to artificial intelligence (AI), machine learning and blockchain technology.

AI and machine learning will give the CFO better tools to manage finances more strategically with improved insight into the financial performance of the business. AI has reached a tipping point that puts the capability in the hands of the CFO at a friendly cost. At NetSuite, it will be part of our intelligent cash management.

Introducing Self-Driving Software

Self-driving cars let the driver know everything happening around the car, in real-time. The user can adjust and see through the rear and side mirrors, and they can see what's happening through the front windshield. The car handles other less-important elements, like steering, by itself.

NetSuite's industry and role-based dashboards act similarly, giving users real-time visibility into only those elements of their business that need focus at any given time. With thousands of transactions occurring, things often happen so quickly that by the time the CFO catches an error, it's too late. Other times, something important is happening and CFOs don't know they should be monitoring it.

This is particularly true when it comes risk and control issues, like fraud and credit risk.

NetSuite's Intelligent Insights will ensure CFOs are looking at the right parts of their business at the right time. For example, the CFO may be alerted to payments that consistently fall just under the amount requiring authorization. AI will decipher patterns that may indicate fraud—such as frequent payments like these to the same vendor—and contrast this activity with the number of vendors in the database.

NetSuite will deliver AI and machine learning in a way that lets customers quickly see real business benefit.

Smart CFOs are Using Blockchain

Blockchain is targeted at recordkeeping, significantly affecting finance, specifically in areas that require accounting (accounts payable and receivable, fixed asset and lease accounting, account registers, etc.).

Blockchain uses a distributed database, while traditional ERP systems use a centralized database, either on-premise or in the cloud. With blockchain, CFOs can instantly trust that a commercial transaction has happened and is valid. This will massively increase the rate of commerce.

Blockchain creates one general ledger. All parties to a transaction can see the details and stay in sync, rendering account reconciliations—and many other monthly-close activities—extinct.

Blockchain will:

- Drive quicker settlement times, since understanding and accuracy of the transaction is equal for both parties.

- Lead to improved customer satisfaction and a reduction in capital needs, as transactions settle faster than ever before.

To own the future of finance, CFOs must own all that is blockchain.

Solar Site Design, a NetSuite customer since 2007, was one of the first companies to take advantage of the integration between NetSuite and Oracle Blockchain Cloud Service.

How Can CFOs Be Strategic While Delivering on Traditional Responsibilities?

The modern CFO needs to keep up with change —being both a strategic and operational leader— while still delivering on core accountabilities. But sometimes, it's tough to focus on becoming a strategic business partner while still managing day-to-day responsibilities.

CFOs can cope by creating a flexible infrastructure that reacts to an ever-changing environment. They need a platform that doesn't compromise between scalability and control. Governance, risk and compliance (GRC) processes and capabilities need to be embedded within core ERP software, IT infrastructure and organizational culture. Effective GRC needs to evolve as requirements do.

NetSuite is committed to helping customers achieve GRC fluency by delivering audit-ready financial solutions and robust IT controls to run more transparent, compliant and risk-savvy organizations.

Companies that use the NetSuite platform for effective GRC will beat their competitors while mitigating non-compliance risks that can undermine revenue, brand image and scalability.

As their competitors innovate, CFOs also need a flexible platform to test new business models. For example, retail companies need to design a seamless shopping experience whether the customer is shopping online from a desktop computer, a mobile device, or in a brick-and-mortar store.

As business goes global, the CFO also must facilitate the transformation of multi-currency, multi-lingual, multi-book and different statutory requirements with efficiency. If they don't, they'll fail the company's operational consistency, controls and visibility into foreign operations. Companies that have very large, rigid headquarters systems can't do this. In these situations, maintaining one version of the truth is impossible.

But those who use NetSuite are flexible enough to do this. For example, NetSuite customer Prophet, one of the fastest developing consultancies in the United States, was looking to expand globally but was held back by inefficient, unscalable systems and spreadsheets that were obscuring visibility across international operations. Prophet chose NetSuite OneWorld to manage business across nine international offices operating in U.S. dollars, British Pounds, Swiss Francs and Hong Kong dollars. Prophet realized efficiencies by automating time-consuming resource and expense budgeting and manual project management for hundreds of internal employees and consultants based around the globe. NetSuite has provided end-to-end visibility to empower insight-driven business decisions. Robust multi-language and multi-currency functionality in NetSuite OneWorld allow Prophet to quickly provision software for international offices and accelerate its global strategy.

But They've Got to Do Their Real Job, Too

While doing all this adapting and strategizing, the CFO has another task: running the finance function. This involves dealing with an ever-increasing amount of regulations, hurdling tax laws, maintaining internal controls, executing corporate governance, and reporting information that is accurate, actionable and readily available.

The right software can make managing this menagerie simple.

Today's CFOs should look at software companies who have experience with organizations across industries with best practices for global business management, corporate governance and controls built into its offerings. CFOs also need to get information into the hands of decision-makers quickly and accurately. The standard approach of generating reports (often through Excel spreadsheets) no longer works.

CFOs need a system like NetSuite that puts real-time data in the hands of decision-makers on their phones or tablets so they can make informed business decisions anywhere, anytime.

NetSuite's CFO Heroes

Of all executives, the CFO is the best positioned to help the organization concentrate on priorities. He or she needs a scalable infrastructure that can provide a single source of truth. The CFO also needs to be wary of interrupting business momentum when the need to scale demands a new system. That is where cloud platforms come into play.

Multi-tenant cloud platforms allow constant innovation and customization no matter how your business adapts or expands.

There are many companies with CFOs who have fulfilled the prophecy of becoming a strategic business partner by using NetSuite. Consider…

Lovesac

Lovesac's hard-earned success from a garage startup to revolutionary furniture company was threatened by process inefficiencies and poor visibility locked inside a legacy environment. The company desired a cloud-based solution that would deliver a single view of all customer, order and inventory data across in-store, online and call center touchpoints and that could scale to significant increases in market demand. With NetSuite's cloud-based, unified solution, Lovesac was able to deliver rich functionality and real-time visibility of all customer, order and inventory data to its Stamford, Conn. headquarters and across its 60+ retail stores. NetSuite also enables Lovesac to readily implement custom workflows to support unique operational and financial processes.

Zendesk

With a mission to build better customer relationships via intuitive and beautifully-designed software, Zendesk wanted an ERP system which made that mantra a reality in its own operations. In 2012, the software company embraced a NetSuite OneWorld strategy, which assisted in its 2014 IPO and become a public company with more than 101,000 customers in over 150 countries and territories. NetSuite OneWorld has empowered best-in-class financial processes—including near real-time global financial consolidation across Zendesk's subsidiaries. With efficiencies gained through NetSuite functionality like self-service reporting, IT is free to focus on strategic, business-differentiating priorities to fuel performance improvements as transactions increase and optimizing unused functionality in the system.

Heine Brothers' Coffee

Founded as a single coffee shop 25 years ago in Louisville, Ky., Heine Brothers' Coffee has since expanded to 16 stores in two states. As the company added locations with varied volume, profits and overall operations, tracking finances and inventory with QuickBooks and spreadsheets became unmanageable. Executives and store managers, who are heavily involved in budgeting, had limited visibility. Working with NetSuite partner Oasis Solutions to convert data and customize NetSuite, Heine Brothers' now tracks 550 SKUs of inventory in real-time. Visibility into pricing information has allowed the company to negotiate enough savings with suppliers to fund half of a new store. With better visibility into operations from financial reports that allow for quarterly budgeting and better visibility for store managers, Heine Brothers' plans to continue its ambitious expansion, hoping to open two new stores a year for the next five years.

Guide Dogs for the Blind

Founded in 1942 as a way to help wounded veterans returning from WWII, Guide Dogs for the Blind has since evolved into an organization that trains roughly 300 guide dog teams per year and now counts 2,200 active teams across the U.S. and Canada. When a new CFO came aboard, she quickly realized the need to replace an antiquated accounting system and manual, spreadsheet-based processes. With NetSuite, managers can create their own reports without going to finance, the organization can make decisions based on accurate forecasts and easily provide donors with detailed reports on spending. NetSuite's flexibility has allowed Guide Dogs for the Blind to customize the system for its needs, with some help from the NetSuite Pro Bono program. For example, a custom script for the organization's roughly 150 puppy clubs automatically tracks balances, something that used to be done manually.

Developing Your Superpowers

The future of finance holds new regulations, technologies and business models. The CFO must handle responsibilities beyond the finance function. They must also use strategic skills to transform the organization. An outdated ERP will not provide the tools to nimbly break out of the "Old CFO" role. Armed with NetSuite, CFOs can become the strategic business leaders every organization needs.