5 Ways Finance Can Overcome Their Toughest Data Challenges

How HCM Tech Investment Sets Finance Leaders up for a Future of Success and Growth

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Primarily responsible for the cash flow and financial trajectory of a company, Finance leaders have a tough job— one that's not getting any easier.

And they're talking about it, too: 81% of CFOs say they experience the most intensive daily manual workload compared to any other role in C-Suite.

In a business landscape that is only growing more competitive and complex, can finance leaders maintain their output of financial statements, models, and strategic insights? A lot is at stake if they can't. Without finance leaders operating at optimal performance, organizations risk revenue loss, poor cost management, or even going out of business.

Positioned at such a crossroads between driving growth and safeguarding against risk, CFOs need every resource they can get to ensure they can do their job. To stay on the right track to overcome potential change and disruption, organizations must invest in technology that allows them to stay agile and capture real-time insights into their business — and the best way to do so is with the right Human Capital Management (HCM) solution.

In this white paper, we'll explore how the right HCM solution and ERP pair can act as an important resource for helping CFOs overcome their toughest data challenges:

Prepping the Role of CFO for The Evolving Role of Finance

Finance leaders hold a challenging role, one that's only growing in importance every year. In fact, a report from The Institute of Management Accountants reveals 72% of respondents think the role of the CFO will either "increase or increase significantly" in importance over the next three to five years. But as the role of the CFO increases in significance, so will the number of difficult choices that must be made.

Smart organizations need to consider where CFOs will find the bandwidth to handle these new challenges when they already face significant hurdles in their day-to-day life.

MANUAL WORK

Eighty-one percent of CFOs believe they suffer from the most intensive daily manual work in comparison to any other role in C-Suite.

ERRORS AND INACCURACY

Because organizational data is often siloed within departments, CFOs can't always be sure they're seeing the full picture or trust in the accuracy or recency of the data they use to make decisions.

PLANNING A FUTURE-PROOF WORKFORCE

Tending to too many manual processes prevents finance leaders from spending time thinking strategically about the financial implications of a future workforce or planning a future-proof one that can be flexible and agile in the face of change.

DISJOINTED HCM & ERP SYSTEMS

Finance leaders, unlike any other leader, are forced to operate in two separate systems for the data they need, and these systems are often out of sync. This further silos the finance organization and bars them from the decision-making process around headcount planning and reporting against budget.

As the demands placed on finance professionals evolve, it will not be easy to balance these rigorous tasks with new expectations — and finance leaders shouldn't have to do it alone.

To equip finance leaders to handle a role expanding in both organizational responsibility and daily commitments, they need to have access to tools that can help. Tools that empower them to monitor and communicate performance to executive leadership, board members, and investors instead of taking them away from that role.

Daily Hurdles Facing Finance Leaders

BALANCING SPENDING AND GROWTH

CFOs must create and maintain a balanced budget that puts the right resources behind fixed costs, investments, and stakeholder expectations — it's a difficult balance to maintain.

ASSESSING REVENUE

CFOs need to maintain an accurate view of important financial metrics like revenue and labor costs, which require them to bring a lot of different details into one place.

ANALYZING BUDGETARY RISKS

Finance leaders are the first line of defense in identifying, assessing, and managing budgetary risks, 55% of CFOs surveyed by Deloitte indicated they are responsible for their company's enterprise risk management.

HCM Supports Finance Leaders

Today, there is groundbreaking technology available to finance leaders. With the right HCM solution, finance leaders can lean away from rote, manual tasks, avoiding the workflows that introduce error and distract from the strategic, future-focused roles finance must become.

This is especially important in an era of unpredictability. Between inflation and recessions, organizations must be prepared to adapt to any financial situation that comes along. Incorporating digital transformation into HR and financial processes acts as a kind of "digital deflation" that permanently reduces the costs of doing business.

Here are some of the HCM tools that empower finance to have more impact within an organization and bring some of the benefits of "digital deflation" to the department of finance:

✓ TIME MACHINE TECHNOLOGY OFFERS IMPROVED VISIBILITY

Day in and day out, finance leaders are asked to create accurate estimates and plans while the most basic and essential factors are in flux. Finance leaders often need to peer into headcount, enrolled benefits, or accounting reports to reconcile today's data and then compare it to the same reports that have come before across multiple time periods.

With an HCM tool that provides "time machine" visibility, finance leaders can access accurate views of retroactive data. Being able to see point-in-time data from the past is incredibly helpful in planning for the budget and workforce needs of the future and gives improved visibility into the rising or falling of labor costs. Leaders can identify trends from daily historical data, right-size future benefits packages, and inform other compensation decisions more accurately, based on data that updates automatically.

✓ ROBUST REPORTING INFORMS BUSINESS STRATEGY

According to the Brainyard Winter 2020 Survey, "using data more effectively" was the No. 1 priority for finance leaders, and "producing better reporting on KPIs" was in the top three priorities. For most organizations, being able to capture and analyze more robust reporting would be a step up for finance leaders who otherwise cannot trust the data they pull — or data that requires so much time and effort to pull the data that it doesn't happen frequently enough to have a real impact.

The robust reporting offered by an HCM is both more thorough and easier to access than traditional manual reporting methods, and it shows: 76% of finance executives surveyed by Deloitte claim their technology investments have yielded better insights and cost reduction.

✓ WORKFORCE PLANNING MAKES IT EASIER TO BUILD ALIGNMENT BETWEEN FINANCE AND HR

Shared data across a system is important for workforce planning, an effort that requires alignment between HR and finance. However, these departments often see each other as operating with different organizational goals, which can create many difficulties and inefficiencies when mapping fields, automating workflows, and sourcing data around workforce planning.

When finance leaders can lean on an HCM that has the core systems of HR, benefits, and payroll built in from the ground up, they can work from a central state of alignment. Because HR and finance systems are closely integrated and connected, the finance and HR departments can operationalize their organizational strategies and identify important connections (and missed opportunities) that allow them to engage in truly strategic and informed workforce planning.

POSITION MANAGEMENT OFFERS INSIGHT INTO BUDGETED PAYROLL VERSUS ACTUAL PAYROLL

With a workforce in constant flux, CFOs need data at their fingertips. Instead of requiring finance leaders to manually align spreadsheets and org charts with timetables, HCM software with position management consolidates and organizes this information so past, present, and future data can be seen all in one place.

With position management, finance leaders can see what expenditures are budgeted versus true labor cost investments. Finance can then work with HR to manage the constant state of flux taking place when employees are leaving roles or changing positions with position management.

VISIBILITY POSITION-BASED ARCHITECTURE UNLEASHES UNPRECEDENTED FINANCE INSIGHTS

The CFO of the Future report details some of the ways the role of the CFO is shifting, and top among them include taking leading responsibility for business strategy formulation, validation, and execution, as well as shifting from principally historic-based cost control to growth optimization.

Position-Based Architecture is a powerful HR and financial tool that allows users to manage both position- and employee-specific data separately, but simultaneously, to empower HR and finance executives with the data access, transparency, and accuracy they need for more efficient operations. HR and finance leaders are able to view both the organizational data and financial data across time and do so quickly and easily, then accurately estimate important details and indicators for the future such as projected budgets, staffing plans, current headcounts, and labor cost trends.

SEAMLESS ERP INTEGRATION PROVIDES A CLEAR, REAL-TIME SNAPSHOT OF KEY FINANCE INSIGHTS

Your HCM platform has the potential to seamlessly bring finance and HR information together to give finance leaders a clear, real-time snapshot of finances and financial insight into workforce investments. When operating from a place of confidence in the accuracy of your data — not just at a past point in time but in real-time — finance leaders are empowered to make and influence important business decisions. Having one system for all people and financial data automatically updates headcount in real-time and reflectschanges related to payroll and benefits within a single system of record that synchronizes data across departments in real-time, so you don't have to do all the work.

AUTOMATION AND WORKFLOWS ALLOW YOU TO ALLOCATE YOUR TIME TO KEY BUSINESS OBJECTIVES

Traditional HCM tools just can't meet the evolving needs of finance leaders, but the right HCM solution introduces automation to your workload so you can use your time to advance key business objectives. Automated HCM workflows are part and parcel of maintaining growth in an increasingly digitized business ecosystem. They reduce error-prone manual processes, eliminate avoidable sources of benefit leaks, and shave off time that can be used for ideating better strategies for business growth.

> **From an operations perspective, one of our primary competitive advantages is the ability to manage our manufacturing facilities daily, as opposed to monthly, like our competitors. The robust nature of our daily reporting means we need rock-solid time and attendance data, and a single source database for consistency and accuracy of all our data. These were of fundamental importance to us when selecting SyncHR as our new HCM solution."**

- Randy Bell, Vice President, and CFO at Cascade Windows

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Set Finance Leaders Up for Success

The CFO's job is hard enough. Don't complicate it further by continuing to work with manual processes, siloed data, and disparate software systems. These obstacles make it nearly impossible to understand what has happened and what is happening and what might happen in the future – and nearly impossible to perform the role of CFO to its full potential.

HCM systems like SyncHR support the kind of company-wide collaboration and alignment that's necessary to allow finance leaders to perform their best. With access to the full picture of organizational data, including HR and finance, finance leaders can successfully balance spending with growth, assess revenue, and analyze budgetary risks. The result is an organization that is aligned and in tune with what matters — and prepared for anything to come.

SyncHR helps finance leaders automate and streamline the back office We are here to support you with efficient, accurate, and cost-effective workforce management solutions. To learn more about SyncHR, [click here](#).

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UNDER 149 EMPLOYEES?
Learn how we are uniquely positioned to serve organizations with an employee size under 149.

150-500+ EMPLOYEES?
Learn how we are uniquely positioned to serve organizations with a large employee count.

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