

# Ventana Research

## The Office of Finance Research in 2017

Setting the annual expertise and topic agenda

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VENTANA RESEARCH

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# Ventana Research

Ventana Research connects users and providers of technology through its research and advisory services, focusing on improving business performance.

Our unique approach is evaluating the people, processes, information and technology components of organizations using applications and tools across business and IT areas.



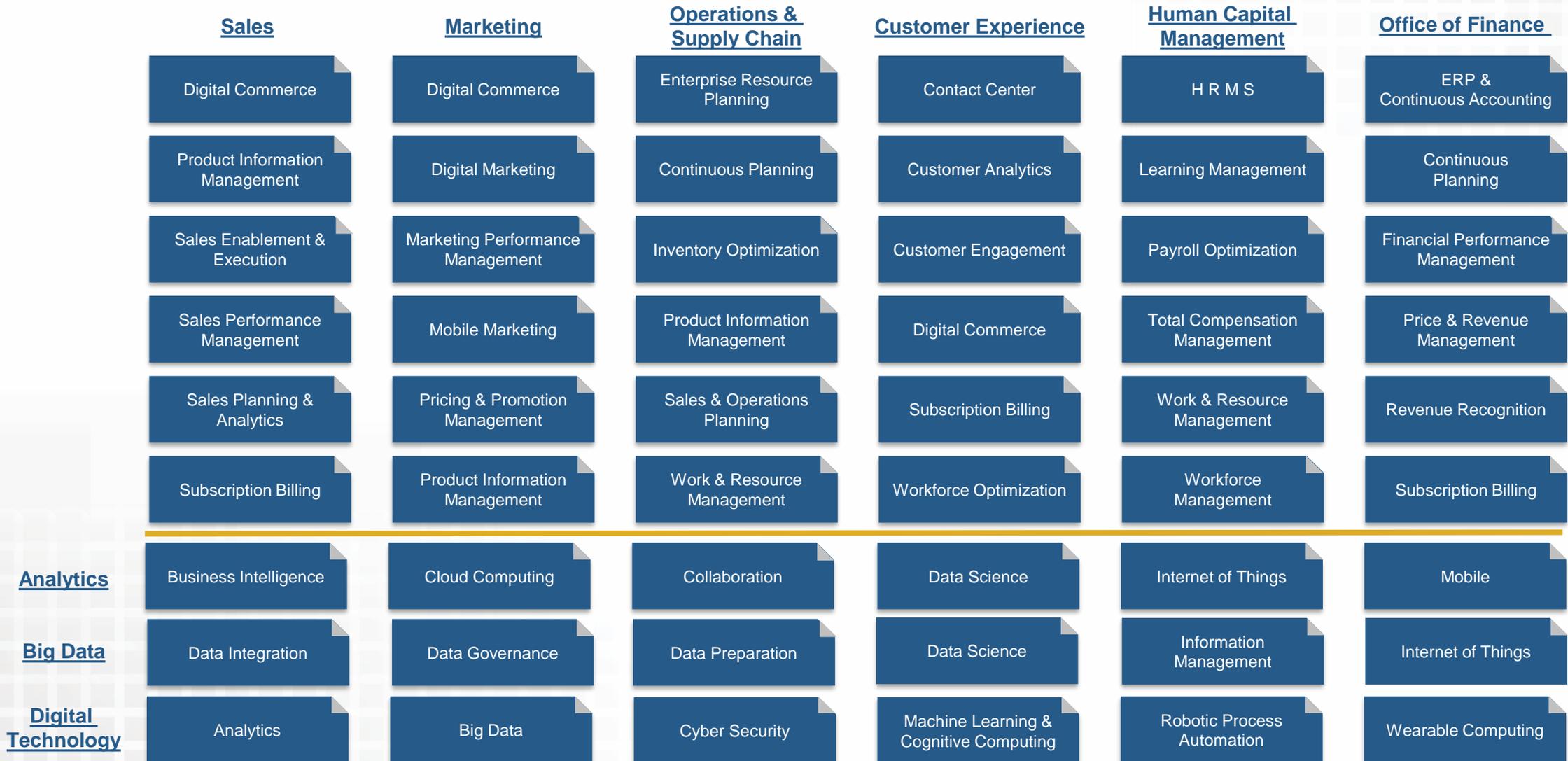
# Ventana Research Expertise Agenda

Our Research Agenda and expertise in critical business and technology topics is driven by our analysts' deep understanding of business requirements and our knowledge of technology providers.

Through our primary and secondary market research methods, we are able to provide insights and best practices to line of business and IT, and across vertical industries that will help any organization reach its maximum potential.



# Ventana Research Expertise Framework



# Expertise is Cross Functional, Not Pigeon-Holed

## Background:

Ventana Research analysts work as a team across lines of business, processes, functions and technologies to provide perspectives that analyst firms with narrow, technology defined coverage areas are not able to match.

## Examples:

- Finance with Sales, Marketing and Operations and Supply Chain in Continuous Planning.
- Finance with Analytics and Big Data in Financial Performance Management.
- Finance with Sales and Customer Experience in Subscription Billing.



# Services for Users and Providers

## Technology Users

- Advisory and Research Services
- Benchmark Assessment
- Educational Workshops
- Market Consultation Service
- Research Reports
- Technology Assessments
- Vendor Selection Guidance

## Technology Providers

- Advisory and Research Service
- Benchmark Research Services
- Digital Content Services
- Market Consultation Service
- Research Reports
- Speaking Services
- Strategic Consulting

# Market Consultation Service

## Overview:

Ventana Research analysts provide insight and guidance on the market through their expertise using our research. The service consists of a two hour consultation, presentation and unique set of recommendations.

## Value:

- Smartest path to understanding the state of the technology market to adjust your business efforts.
- Improve technology strategies to better optimize your productivity and performance of business processes.
- Optimize business efforts by overcoming challenges with your people and processes through using technology.



# Research



creativity

sketch

A/a

Design

Focus on



# Office of Finance Expertise Overview

## The Office of Finance on the Brink of Change

After a decade of limited technology innovation, significant change is underway. Cloud computing and restructured architecture will transform how the office of finance will work, including accounting, planning, budgeting and closing.

### Focus Areas

Continuous  
Planning

ERP & Continuous  
Accounting

Financial Performance  
Management

Revenue  
Recognition

Price & Revenue  
Management

Subscription  
Billing



# Agenda for Office of Finance

## Continuous Planning

- Businesses must use technology to make planning and budgeting more agile and easier.
- The Cloud and in-memory makes shorter company-wide planning and review cycles feasible.
- Reimagine traditional budgeting and silo-based planning to achieve better results.

## ERP and Continuous Accounting

- ERP and other software is evolving to streamline and restructure the accounting function.
- Database, system architecture and UX has made significant process re-engineering possible.
- Cutting administrative overhead and increasing analytical talent are key challenges for CFOs.

## Financial Performance Management

- Real-time information, shorter cycles, self-service reporting are key capabilities for FP&A.
- Cloud, AI and in-memory driving changes in FP&A mission and how it's executed.
- Continuous planning and a shorter close are Office of Finance imperatives.

# Agenda for Office of Finance

## Revenue Recognition

- Most companies are late getting ready for new RevRec standards that are going into effect.
- New standards require software automation to handle the accounting, planning and budgeting.
- Companies must accelerate efforts to implement software for accounting and planning.

## Pricing and Revenue Management

- Pricing and revenue management for B2B and financial services going mainstream.
- Big data, machine learning enabling easier to deploy and more robust systems.
- Differentiated strategies will drive higher ROE and company valuations.

## Subscription Billing

- Subscription economy growing increasingly important.
- Contract-to-cash systems give greater sales flexibility while cutting accounting workloads.
- Companies with subscription models must adopt dedicated systems for billing.

# Digital Technology for Office of Finance

## Big Data Analytics

- Utilizing large volumes of transactions data well adds competitive capabilities.
- Predictive analytics, PRO, deeper visibility all enable differentiated strategy and operations.
- Companies must develop internal expertise to utilize big data analytical capabilities.

## Blockchain Distributed Ledgers

- Still emerging distributed ledger technology will profoundly affect the Office of Finance.
- DLT serving as a machine-to-machine universal data connector for B2B transactions.
- Be on the lookout for services that streamline finance functions.

## Emerging ERP Architecture

- Combining transactional, analytical, transactions fusion and in-memory.
- ERP enables and supports “Continuous Accounting,” and a more strategic role for Finance.
- Understand and utilize emerging ERP capabilities to drive an ongoing department evolution.

# Digital Technology for Office of Finance

## In-Memory Analytics for the Office of Finance

- More sophisticated analytics that put an end to “I’ll get back to you with that.”
- Supports a proactive, forward-looking role for FP&A with greater forward-looking visibility.
- Continuous planning requires technology to leverage analytical skills of FP&A.

## In-Context Collaboration

- Streamlining interactions supports continuous accounting and continuous planning.
- In-context enables faster interactions and saves time versus emails and voice mails.
- Collaboration tools are an essential capability for financial management software.

## The Cloud

- Office of Finance is a laggard in adopting cloud services.
- Cloud software isn’t always the right choice but many will benefit from using it.
- CFOs must have a deeper understanding of cloud benefits and issues.

# Continuous Planning

Continuous  
Planning

## Overview

- Continuous planning uses technology to support rapid planning and review cycles.

## Agenda

- Businesses must use technology to make planning and budgeting more agile and easier.
- The Cloud and in-memory makes shorter company-wide planning and review cycles feasible.
- Reimagine traditional budgeting and silo-based planning to achieve better results.

## Insights - Examples

- Key Insight: Continuous planning is a new approach to making finance more strategic by increasing the business value of planning and budgeting.
- Best Practices: Dedicated planning applications enable shorter cycles with greater accuracy.

## Market Research

- Dynamic Insights: Business Planning (Q1)
- Value Index: Business Planning (Q2)

# ERP & Continuous Accounting

## Overview

- ERP technology is evolving to enable “continuous accounting,” a more engaged and forward looking management approach.

## Agenda

- ERP and other software is evolving to streamline and restructure the accounting function.
- Database, system architecture and UX has made significant process re-engineering possible.
- Cutting administrative overhead and increasing analytical talent are key challenges for CFOs.

## Insights - Examples

- Key Insight: “Only 43% of finance departments play an active role in management, with just 25% having a high degree of automation of core functions”
- Best Practices: “Continuous accounting is a discipline that enables finance executives to build a more strategically engaged department.”

## Market Research

- Benchmark: Next Generation ERP (Q1)

# Financial Performance Management

Financial Performance  
Management

## Overview

- FPM is the process of addressing the often overlapping people, process, information and technology issues affecting how finance organizations operate and support the their company.

## Agenda

- Real-time information, shorter cycles, self-service reporting are key capabilities for FP&A.
- Cloud, AI and in-memory driving changes in FP&A mission and how it's executed.
- Continuous planning and a shorter close are Office of Finance imperatives.

## Insights - Examples

- Key Insight: “The accounting close is a useful metric for measuring the overall efficiency and effectiveness of finance and accounting departments.”
- Best Practices “Companies that limit their use of desktop spreadsheets close faster, create fewer financial statement errors and plan more effectively.”

## Market Research

- Dynamic Insights: The Financial Close (Q2)
- Value Index: Financial Performance Management (Q4)

# Revenue Recognition

## Overview

- New revenue recognition standards will require changes in how companies account for sales and in some cases how they plan.

## Agenda

- New revenue recognition standards are a major departure from previous methods.
- Software is essential for managing process and handling more complex planning.
- Companies are behind schedule adopting ERP and haven't considered planning aspects.

## Insights - Examples

- Key Insight: “Our research confirms dedicated software drives a better planning process.”
- Best Practices: “Companies must automate revenue recognition processes; those with even moderately complex rev rec impacts should use dedicated planning software.”

## Market Research

- Benchmark: Next Generation ERP (Q1)

# Pricing & Revenue Management

## Overview

- Price and Revenue Management (enables demand-based pricing using segmentation techniques to achieve strategic objectives such as increased profitability or higher market share.)

## Agenda

- B2B pricing and revenue management entering mainstream and will be increasingly accessible.
- Refining big data analytics and providing end-to-end management makes software more usable.
- Pricing and revenue management is a way to achieve a sustainable competitive advantage.

## Insights - Examples

- Key Insight: “Pricing algorithms produce differentiated strategies because their use produces non-intuitive successful results.”
- Best Practices “Pricing & revenue management drives higher profitability at every level of revenue.”

## Market Research

- Dynamic Insights: Profitability Management (Q2)
- Value Index: B2B Pricing and Revenue Optimization (Q3)

# Subscription Billing

## Overview

- Finance and accounting is increasingly challenged by subscription business models.

## Agenda

- Subscription economy growing increasingly important.
- Contract-to-cash systems give greater sales flexibility while cutting accounting workloads.
- Companies with subscription models must adopt dedicated systems for billing.

## Insights - Examples

- Key Insight: “Subscription businesses can use dedicated software to enable a high degree of flexibility in the sales process while reducing accounting workloads.”
- Best Practices “Only contract-to-cash systems can maintain sufficient data integrity to streamline accounting and billing for subscription business models.”

## Market Research

- Benchmark: Subscription Billing (Q3)
- Value Index: Subscription Billing (Q4)

# Technology Areas of Focus for Office of Finance

## ERP and Continuous Accounting

- Revenue recognition and accounting standards.
- End-to-end process management
- Automating repetitive tasks
- Subscriptions and recurring revenue billing
- User experience
- Mobile and collaborative

## Supporting Technologies

- Blockchain Distributed Ledger Technology
- Robotic process automation

## Advanced Analytics

- Pricing and revenue management
- Predictive analytics
- Artificial intelligence and machine learning
- User experience
- Mobile and collaborative

## Finance Operations

- Business planning and budgeting
- Achieving a faster close
- Tax planning and visibility
- Treasury management
- GRC



# Market Research for Office of Finance

## Benchmark Research

- Next Generation ERP (1Q2017)
- Office of Finance
- Recurring Revenue
- Business Planning

## Dynamic Insights Research

- Business Planning (2Q2017)
- Subscription Billing (2Q2017)
- Profitability Management (3Q2017)
- Fast Close (4Q2017)

## Value Index Research

- B2B Pricing Revenue Management (2Q2017)
- Financial Performance Mgt. (4Q2017)
- Business Planning (3Q2017)
- Financial Performance Management
- Business Planning



# Questions?



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