

Four essential functions for any ambitious finance team

BUSINESS

Growing a business involves tricky decisions, the right data and appropriate tools.

By [Jason Toshack](#) • 09 December 2022 • 5 minute read

For many start-ups and small businesses, it can be challenging to move beyond business-as-usual mode and shift up to the next gear. The question of what should come first — new resources or new business — is hard to answer.

Businesses often face a crossroads when they need to choose whether to spend more on headcount to meet surging demand or avoid hiring new staff to keep costs down.

Additionally, some businesses have turned away new business to remain viable if demand drops off. The balancing act of maintaining cash flow while taking on new business can make it hard to sustain operations at a healthy level.

With cash flow at the heart of the finance function, any future plans must be backed by sound financial input. Fortunately, finance leaders have a growing selection of tools and technology to provide detailed business insight enabling the right decisions for operational success.

Here are four essential management capabilities a finance team should be able to access if it wants to guide its company beyond business-as-usual to exceed its financial goals.

1. Scalability

Scalability speaks directly to the future plans of a business. Today's modern systems can support this goal by providing the functionality needed while leaving the door open for the business to add more capabilities further down the road. In this sense, the system can scale with the business as it grows and evolves.

With a cloud-based enterprise resource planning (ERP) system in place, it becomes easier for companies to scale to meet increased business demands without having to invest in additional infrastructure. This approach reduces the extensive time, money and resources needed to upscale business processes and build internal technology skills, saving both time and costs.

2. Efficient cash flow management

For many businesses, the efficiency of financial processes makes the difference between whether revenue is recognised for the sale of service for which it was received in the relevant reporting period. A lack of real-time visibility into financial performance within various business areas can make the processes inefficient and lead to reporting delays. When this happens, it can be difficult to quickly identify areas where there may be issues with cash flow.

Efficient cash flow management is underpinned by greater insight into finances from across the business. To identify areas of financial performance including areas of drag, teams need to have access to real-time data. This can be provided by tapping into an efficient business management system to get timely reports which will identify areas of concern before they become a problem.

3. Process automation

Efficient processes are critical to the success of a business and can contribute to the overall profitability of the company. One of the first and easiest ways to make processes more efficient is to automate them. For example, data entry, accounts payable, and receivables management among many other finance functions can be automated, streamlining requirements across these business units and making them less prone to human error.

Greater productivity through automation means businesses don't have to add to headcount to get more done, a factor that can support its goals without additional investment.

4. Real-time visibility

While it may seem obvious, visibility is a critical element to the success of any business. When the finance team has line of sight into every aspect of the business, it can drive scale through agility by enabling faster and better informed decisions across the company.

The benefits of real-time visibility aren't restricted to the finance department. For example, if the purchasing team can see the status of in-transit orders that have yet to reach the warehouse, it can factor that into the orders it's about to submit to avoid excess or insufficient stock.

Having a business management system that offers real-time insight and allows high levels of automation provides a solid foundation upon which a business can execute on its expansion plans. The right system can provide the data needed by the finance team, which sits at the nexus of a company's cash flow health, to pave an economic path to a prosperous future.

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