6 Reasons CFOs Select Microsoft Dynamics NAV to Solve their Business Challenges

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Today’s Chief Financial Officer (CFO) is tasked with so many more roles and wears many more hats than just 10 years ago. A CFO’s job description has changed and grown in scope for most business organizations. Originally, the company CFO focused on basic accounting, bookkeeping, budgeting and reporting, but now the position has expanded in many organizations to include many departments and shared services. As a CFO you may need to manage IT, HR, outsourcing partners, tax, treasury, audit and much more.

As the role has expanded, so have the challenges facing a CFO. Business models, external conditions, competition and legal requirements are constantly changing. This speed of change has increased during the past few years with the pressures of the economic recession, cost cutting and increased oversight. A CFO has never needed as much support from technology and business intelligence systems as they do today. And, to keep your business growing and moving toward future goals, a CFO needs as many methods and tools as they can find to deal with those changes and challenges.

A versatile, expandable enterprise resource management and planning system (ERP) is needed at the heart of any business operation which plans to survive and expand its revenues in the current business world.

This interview from The World Financial Review with Mike Donnellan of ACS discusses how the Finance & Accounting Operating Model has changed over the last 20 to 30 years. It also points out that in the future –

“They (CFO’s) will have to stop doing things that are not core to their brand. They have to improve the quality of their work so that it is done right the first time and ensure they are not using a large portion of their staff time to fix quality issues around inaccurate data and incorrect information that does not reconcile.”
The CFO - An Ever Expanding Business Role

The best way to face the future and your challenges as a CFO is to implement the best qualities of a robust support system like Microsoft Dynamics NAV enterprise resource planning (ERP) system. Microsoft Dynamics NAV can be configured and tailored to your specific business model and operations. There are also many specialty modules for unique manufacturing and warehousing situations from independent service providers which simply plug right into the basic modules and do not require customization.

We’ve outlined below 6 specific reasons why Microsoft Dynamics NAV can help you face and overcome your day to day problems and challenges as the CFO of a complex, growing organization.

I. Simplifies Your General Ledger and Chart of Accounts

Does it take someone on your staff hours to setup new general ledger and chart of accounts entries? Or, have your account codes taken on a life of their own, with unmanageable lengths, multiple sections and cryptic numbers to define specific categories and elements for reporting?

If you are the CFO of a growing business where you must manage multiple company chart of accounts or have merged or acquired other companies, your accounting structure many need a major restructuring and overhaul to streamline your accounting operations.

Managing more than just two company structures and systems can lead to duplicated efforts and manual data consolidation which is time consuming and error prone.

A client of Competitive Edge had different chart of accounts for each company they had acquired, multiple bank accounts and a closet full of check stock. They also had multiple accounts payable vendor files. The annual 1099 filing was a 2 week exercise as the vendor payments had to be manually consolidated according to tax identification number (TIN).

In one implementation of Microsoft Dynamics NAV the company was able to eliminate six cash accounts. Their yearly 1099 creation process took minutes instead of days, and they only needed two types of check stock.

"The use of NAV dimensions allowed my client to simplify his chart of accounts from approximately 50 pages to 8 pages. He would spend hours setting up numerous general ledger accounts for each combination of projects, departments and divisions with the old software system. Now, with NAV he sets up one general ledger account and it only takes 5 minutes!"

- Hugh J. Glazer, CPA - WinterView Group, Business Advisor & Consulting CFO

Microsoft Dynamics NAV includes a dimensional capability for the set up and management of general ledger account codes. The flexibility of the accounting dimensions tables, their hierarchy and rules can be changed to meet any business requirement. Your general ledger account number segments are in separate tables rather than one long string of unintelligent numbers.
This is the primary advantage of NAV over other comparable systems because it significantly reduces the time for new company, project or location setup and maintenance. In many cases the effort to create or change the projects and reporting decreased from days to only minutes.

II. Better Management of Your Cash Flow

Critical to your day to day business is the ability to track your cash flow. In today’s lean environment you must know what client payments are due to be made in the upcoming months and quarters, as well as the cash outflows such as payroll, vendor bills and additional business costs from expansions or acquisitions.

Do you know for certain you’ll be able to make your payroll and pay your bills 3 months from now based on existing business levels? How do you plan for that late customer payment or delay in a project completion?

Many companies fall back on tapping their bank lines of credit periodically due to their lack of ability to accurately predict their cash flow. This can lead to an increasing debt level and higher interest rates. Risk management is a constant requirement for CFO’s in an uncertain business world. You need data and a system which will show you all of your inflows, outflows, account balances, and budgets in an ever moving timeline.

Read more about the features and capabilities of Dimensions in Microsoft Dynamics NAV by clicking here.
Microsoft Dynamics NAV 2013 now includes new cash flow capabilities for showing your accounts receivable and payable in various timeframes, and the ability to forecast short term cash flow. This enables you to monitor cash receipts and disbursements, and take preemptive steps to prevent a cash flow crisis. With simple setup steps, using your receipts, payables and liquid funds in a worksheet, NAV shows how your cash flow forecast will evolve over time. It draws on various sources from within your NAV data such as open orders, receivables, and payables and allows the user to decide which data to include over specific date ranges. You can choose from a variety of options on how to handle discounts, payment terms and other financial variables.

In the cash flow worksheet NAV creates a suggestion which can be used to create reports and charts, and these can be exported to Excel, but it does not update or change the source data. This makes the worksheet a ‘work area’ and ‘what if’ where you can change the data creating various cash flow scenarios. You can keep these forecasts saved for future reference and analysis.
III. Improves Your Budgeting and Planning

You’ve set up budgets for your department directors and managers to follow during the fiscal year. How do you get their updates to keep track of where they stand related to their budget targets? Can your managers quickly and easily update their information?

You know if it isn’t easy to update they won’t do it, and you or your staff will be forced to nag and chase them down to make certain you don’t encounter any surprises due to unexpected projects or costs.

Are their ongoing operations sticking to the company goals and plans? Or, have new opportunities come up which will need significantly greater funds to support?

A perfect example might be a new client requirement to add capacity or equipment. If your budget did not include enough capital for equipment or a contingency account, where will that money come from? Will other programs or departments need to cut spending to support this new priority?

In Microsoft Dynamics NAV you can make it easy for budget updates to be submitted by your operations or shared services staff. The budget screens support multiple types of views and the columns may be customized to show specific categories important to your business managers.

Views can be restricted so different lines of business only see their budgets and security over confidential areas is maintained. Roll up budgets to see the overall picture and support long term planning for future plans and strategic growth.

Need more information about Budgeting in Microsoft Dynamics NAV – check the resources at this link. http://www.ceservices.com/ms-dynamics-nav-massachusetts-provider

I have reviewed and worked with many accounting packages...NAV is now at the top of my list for accounting solutions.

Hugh J. Glazer, CPA
WinterView Group
IV. Supports International Business Growth

Your business expansion into the global markets leads to significant challenges with different languages, in currency conversions, tax considerations and tracking of new and different legal reporting requirements. How do you quickly support sales growth and make your accounting systems compliant?

Do you suddenly have new users in different countries that prefer to work in a different language? Or, is your company planning growth through acquisition of overseas vendors and partners?

Your accounting platform will need to be flexible enough to expand quickly to support these challenges. Incorporating additional data, classifications, accounts and gaining the local user perspective quickly can make the difference between success and failure for your global venture and its ultimate profitability.

Microsoft Dynamics NAV 2013 is available in multiple languages and more than 30 countries worldwide. With multilingual translations in NAV, your employees can have access to the same database of information whether it’s English, German, Swedish, or Hebrew. The list of language capabilities is extensive. There’s no need for multiple databases since one database can have several languages.

With international trade and multiple currencies capabilities, you can maintain your general ledger in two different currencies, determine how amounts are rounded and posted for an unlimited number of currencies, and then manage customer and vendor accounts in the appropriate currency. Plus, you can track the sustainability of your business through automatic calculations of exchange rate gains and losses.

Conduct business internationally and meet the most demanding international accounting requirements with the flexible accounting processes and multicurrency support in Microsoft Dynamics NAV.

For a complete list of Multi-Currency features of Microsoft Dynamics NAV visit this link.

V. Provides Better Resource Utilization and an Effective Accounting Staff

You have a limited staff, too many inbound communications (phone calls, emails, faxes and documents) and a financial system which is difficult to use. Many existing and older ERP systems have obscure hidden fields and menus which users forget exist if they do not use the function very often. Once a year or once a quarter, they need to get out a manual or training documentation to recreate a unique recording method or report.

Does your month end process take 3 or 4 workers a week to complete due to consolidating information from different systems or spreadsheets? Data manipulation can be very time consuming, tedious for the worker and error prone.

The Microsoft Dynamics NAV Role Tailored user experience presents an uncluttered window and an overview of upcoming tasks, helping your staff prioritize and be more productive. Your users have the ability to personalize their view and can organize their time based on what works best for your company.
Critical information and required actions are pushed to your users with the familiar Microsoft desktop look and feel as well as complete integration to all of the MS Office applications. Users can see what tasks they have accomplished and what lies next on their to-do list. This provides a great positive feedback loop and increased motivation for your workers.

Since Microsoft Dynamics NAV is also multi-language capable, your users will be able to input and work with data with screens in their own language. This improves your resource productivity and reduces training time for new employees.

Another benefit of the Microsoft Dynamics NAV Role Tailored system is its ability to secure your financial data so only authorized users can see the sensitive, company critical information. Each role can only access the screens, data and reports required for their role.

VI. Real Time and Flexible Management Reporting

Efficiently managing and completing your end of month close process is critical to getting your CEO the information and reports they need to make decisions. If your close process and report creation takes more than just a day or two you may be in trouble!

Do you own a business intelligence tool, but it is just too complicated for most users to try to create an adhoc, on the fly report? Or, does your accounting team have to request report changes from your technology group because only one person has the training to use your reporting system? Wouldn’t your team like to be able to think of a question, and then create a report with the correct data and answers in minutes instead of days or weeks?

The reporting features in Microsoft Dynamics NAV can help your team and all business users accomplish that goal. You can have all the answers to executive questions in minutes instead of days. The capabilities in NAV provide real time, on demand trial
balances, and the ability to drill down into the data to answer additional questions immediately.

The financial management module of NAV comes with over 300 standard business reports out of the box which support most business processes and requirements for sales, purchasing, inventory and accounting. There are also report creation wizards and design tools to support business specific requirements or even customer requested reports.

These flexible reporting tools also help speed transitioning reports from your previous accounting systems. Your team can completely eliminate their reliance on time consuming, error prone, manual manipulations of data into Excel.

A project management consultant for Microsoft Dynamics NAV explained their implementation team was able to create account schedules for the majority (if not all) of the existing management reports across two legal entities including consolidation and budget data during the implementation project within about 2 weeks. These reports included automated allocations, and after the implementation they could be created at the touch of a button instead of taking hours of data manipulation. The company had many allocation schemes which they were able build into the functionality of NAV.

This system also has built in analysis tools allowing users and managers to easily perform 'what if' scenarios. Your users may compare data to budgets across time, departments, projects, campaigns, and other dimensions.

Another powerful reporting tool for Microsoft Dynamics NAV is Jet Reports Express, which ships with NAV. This completely Excel based add on allows your users to create self-service reports and do analysis in a simple and familiar environment. Management can use this tool to view key performance metrics in real time for all areas of the organization using the Table Builder function. As the CFO, you will be able to run reports from your General Ledger using the GL function and distribute them on a daily, weekly or monthly basis.

"As a provider of educational services, we have a variety of programs where financial reporting and analysis is required. Prior to implementing Microsoft Dynamics NAV, our month end close was a tedious process. We had multiple databases that needed to be manually consolidated before we could even begin reporting. With Microsoft Dynamics NAV, we have eliminated manual processes and have one database with transaction attributes that allow for easy analysis and reporting."

David R. Morrissette
NESI
Salem, MA
"With the NAV software we have gained efficiency and flexibility in all areas of financial management including accounts payable check processing, cash receipts application, and particularly general ledger applications as it applies to adding programs and companies; financial statement reporting; exporting information into Excel for analysis; and importing general ledger entries."

Mike Matthews, CFO – The Seven Hills Foundation

Additional details about the features and benefits of Jet Reports Express can be found at this link.

Conclusions

A flexible and expandable ERP system will make a CFO’s job much easier in a volatile business environment where requirements constantly change. A software system cannot solve all business challenges. Many of your initiatives will need to streamline business processes and train users to get the biggest payback from your ERP system.

Think about what your company is doing today versus how you were operating just 5 to 10 years ago. What kind of change will your financial environment need to support just 5 years from now?

What will your international needs be? What you will be doing tomorrow may require global adaptability and Microsoft Dynamics NAV will give your enterprise those capabilities. It will also be the expandable platform you need to rapidly support your firm’s business direction.

Robert Half International recently surveyed over 1400 CFOs about what their top challenges are today. The escalating cost of healthcare was their number one concern, but controlling spending and improving profitability and staff morale were ranked second and third in the results. One of the CFO’s primary responsibilities is controlling spending. The tools and reporting capabilities of Microsoft Dynamics NAV directly support improving the visibility of your spending for better cost control and showing ways to improve productivity. In today’s slowly improving economy this means keeping spending from increasing to pre-recession levels.

As mentioned above, Microsoft Dynamics NAV can easily improve your staff morale by eliminating tedious manual data consolidation, providing a productive work environment as well as the simplified user experience for their specific job function due to the role tailored work centers.

More than 80 percent of CFOs feel it is more difficult to be a business executive today than it was five years ago. You need a great team and technology on your side to meet your day to day challenges and support your company goals.

Implementing or adding additional Microsoft Dynamics NAV modules will support your goals and eliminate many problems facing company CFO’s. Find exactly how your business can see these solutions and improvements by calling Competitive Edge Services and discuss scheduling an assessment with Pat Lacouture at 508 983-1983.

Competitive Edge Services would like to thank Hugh Glazer of the WinterView Group for his participation in the writing of this whitepaper.

References

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