



Tech Dossier

How a Cloud-Native Accounting Platform Can Streamline Finances

As MS Dynamics Great Plains Sunsets,
Cloud Benefits Erode Resistance to Change

Trusted Sage implementation partner



SPONSORED BY



There is little debate about the centrality of cloud platforms to digital transformation. More than 90% of IT [decision-makers surveyed by Foundry in 2021](#) said they have adopted, or have plans to adopt, a “digital-first” business strategy. In a business world transformed by remote work, e-commerce, and self-service, cloud platforms remove many of the barriers to creating automated workflows and a seamless customer experience.

Cloud computing benefits are especially appealing to organizations that have experienced the constraints that legacy on-premises software can put on their organizations. Infrequent updates, long installation and test cycles, and limited scalability are among the top frustrations. In contrast, cloud applications:

- Are always available
- Support vibrant ecosystems of software extensions that build upon core functionality
- Provide frequent, seamless updates
- Scale almost infinitely
- Connect easily to other cloud applications and the mission-critical financial and operational systems of suppliers and customers

Many software-as-a-service (SaaS) providers are now integrating artificial intelligence (AI) into their platforms to automate manual tasks, advise on business decisions and even interact directly with customers.

Companies that use the financial accounting system Microsoft Dynamics Great Plains are feeling a special urgency to make decisions. [Microsoft has announced](#) that it will sunset the offering in stages through 2028, with extended support for early versions ending as soon as spring 2023. The company has outlined a Modern Lifecycle Policy that continues support indefinitely, but users still must download and install updates and fixes regularly.

To understand better how Microsoft’s sunsetting plans are affecting financial decision-makers, Foundry recently conducted a MarketPulse Survey aimed at measuring the attitudes of senior financial executives at small and medium businesses toward their existing finance applications and plans. The results indicate that cloud solutions can address many of their greatest frustrations.

The status quo is no longer enough

In the survey of 201 financial decision-makers at businesses with an average of 398 employees, the top priorities for financial and accounting leaders were:

- Improving the accuracy of data for real-time decision-making (cited by **48%**)
- Boosting efficiency/reducing costs (**46%**)
- Increasing data availability (**45%**)



The most oft-cited frustration was data integrity/ data quality issues (cited by 41%). Thirty-one percent cited the complexity of keeping current with compliance and security requirements.

Among the other frustrations of keeping and closing the books were the inability to forecast accurately, stay current with technology updates, and ensure access to data for employees anywhere, anytime. The latter has been a particular concern since workforces became more distributed during COVID-19 lockdowns. About 50% of VP and above respondents noted the difficulty of audit preparation, compared to just 20% of less senior financial professionals.

Working around the limitations of legacy software is a constant battle. “Seventy-five percent of my job is just tedious, moving stuff to different spreadsheets. If I had better reporting, that would make my life a lot easier,” noted the controller at one financial services firm.

Data at the speed of business

One advantage of digital business is being able to capture operational information as it happens. Real-time reporting is increasingly a baseline for decision-making. In fact, 77% of survey respondents said their leaders regularly request up-to-the-minute details on metrics such as sales and inventory turnover outside of regular

reporting periods. Most SaaS applications can ingest real-time feeds easily, unlike most legacy software. That means financial professionals must scramble to pull together reports that are timely enough.

“It would be easier if I could just click on those things that I want, rather than trying to go from scratch and create a whole report,” said the CFO at a nonprofit.

Executive demands for information from all corners also create a reporting burden for staff. Nearly 40% of the tasks associated with closing the books now take place outside of core financial applications, according to the survey.

Data silos contribute to the problem by requiring manual data collection, risking delays and errors, said Scott Freedman, director of marketing at Sage Intacct. “The information that’s required is often contained in many different applications,” he said. “People must go in and pull that data together, usually consolidating it in a spreadsheet.”

That rang true for a financial services firm controller who commented, “We’re importing stuff into Excel, having Excel do all the math and then exporting it back out. There’s a lot of room for error in there.”

Modern, cloud-based systems use application program interfaces (APIs) to connect to other applications without time-consuming data extraction and transformation procedures. Many also use artificial intelligence to spot errors such as unusually large accounting entries and duplicate values.

All this manual effort takes its toll. More than 80% of financial professionals said the time they spend on accounting, compliance, and financial close prevents them from working on more strategic projects.

“75%
of my job is just tedious,
moving stuff to different
spreadsheets. If I had better
reporting, that would make
my life a lot easier. **”**

— *Financial Services*
Firm Controller

Great Plains plans

When asked about the greatest challenges of working with Microsoft Dynamics Great Plains, 45% of respondents cited speed and efficiency limitations. The inability to access data, limited ability to customize solutions, and data integrity and reliability followed closely.

The lack of automation capabilities impedes process efficiency.

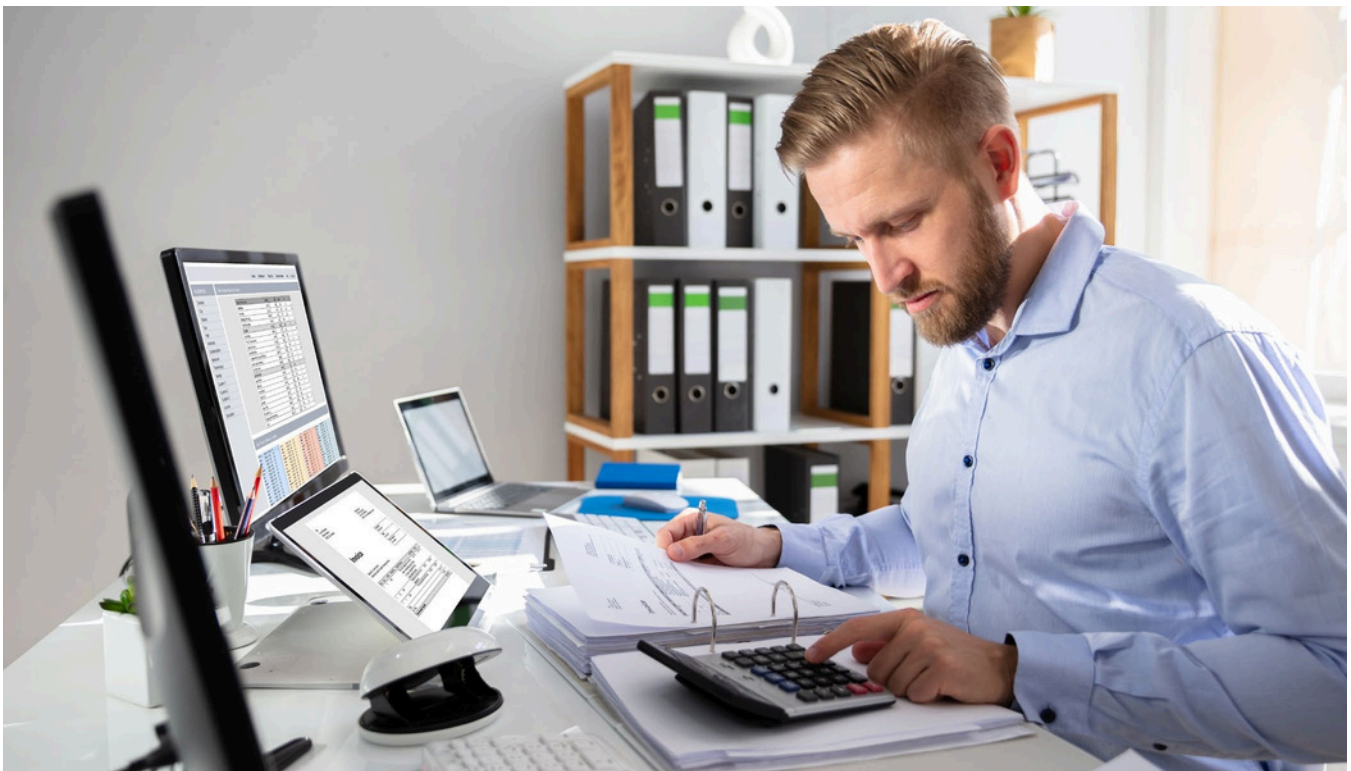
“I find that, when using Great Plains, you have to create several steps just to do one thing,” said the CFO at a nonprofit. “It could be an easier process.”

Another 30% of respondents mentioned challenges such as integration with other enterprise applications and visibility.

Does all this mean Microsoft Dynamics Great Plains customers are ready to jump ship?

Not exactly. In fact, 71% of surveyed users said they’ll probably stay with the platform as long as possible. However, satisfaction varied by job function: Only 44% of vice-president-and-above titles said they’ll stick around for the long term. Half of those senior executives said they expect to move to Microsoft’s Dynamics 365 Business Central, compared to just 21% of people with lower-level titles.

Migrating to a new platform carries risks. One financial services controller said, “I’m worried that not everything, like all the records from past years, will come over cleanly. It might be harder to look at past-year financials.”



Although 21% of financial professionals said the end of support for Dynamics Great Plains will influence their purchase decisions over the next 12 months, customers are inclined to give Microsoft the benefit of the doubt. Thirty-seven percent said they are at least open to considering non-Microsoft solutions, compared to 51% at organizations with 500 to 999 employees.

Users trust Microsoft, but they also are realistic about their choices. “Microsoft is a well-respected product, so there are reasons to give Microsoft a chance,” said a healthcare firm CEO. “But ... competitors are in the space, and they’re winning a lot of people’s businesses.”

“I think you owe it to your company to compare [Microsoft Dynamics 365 Business Central] to some of the competitors just to make sure that it is the right fit for your organization,” said a healthcare CFO.

Sage’s Freedman calls the reluctance to consider alternatives a case of “latent vs. manifest needs.”

“People don’t see legacy software as a problem unless they see a better way to accomplish their tasks,” he said.

There are also concerns about the scope of the migration task and fear of the unknown. Respondents who said they weren’t evaluating alternative solutions cited:

- Lack of resources or deployment skills (cited by **38%** of those not changing)
- Cost and budget concerns (**37%**)
- Resistance to change (**34%**)

“Can the product do what we need it to do, or is it not made for our industry?” asked the controller at an energy firm.

Switching factors

Regardless of which solution they choose, nearly half of respondents said the organizational process changes will influence their purchasing decisions; 39% said security requirements are a factor, and 38% noted industry/compliance requirements.

Among those open to non-Microsoft alternatives, the top motivations were:

- Improved data accuracy/quality (cited by **47%** of potential switchers)
- Improved efficiency (**41%**)
- The potential to streamline manual processes, improve scalability, and better integrate with new technologies (**40%**)

The CFO at one nonprofit mentioned the ability to “drill down into something if it looks off, and then click on something to get to the accounts that create it. In Great Plains, I cannot drill down as easily.”

The 37% who are open to switching accounting packages are considering up to a dozen alternatives. Executives are aware that this is not a decision to take lightly: 42% said they are likely to reach out to third parties for help.

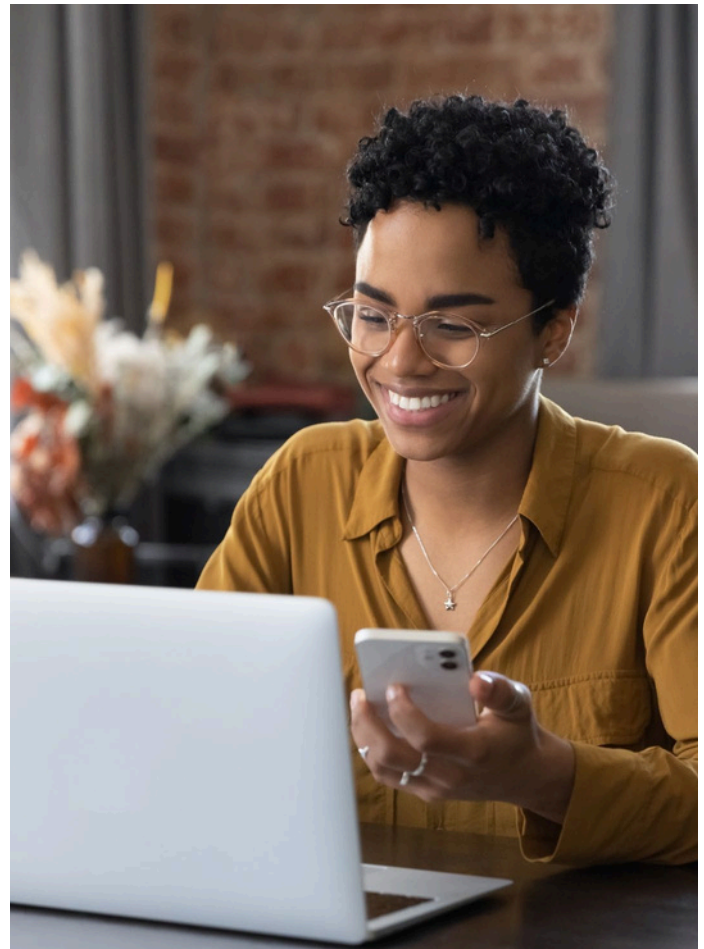
“There aren’t enough hours in the day for my team to do it on our own,” said a healthcare CFO veteran of multiple implementations. “None of us have the expertise to go through and project-manage the whole implementation process.”

That’s a wise decision, said Sandi Main, senior director of product marketing at Sage Intacct. “A third party can help you get the most out of your financial software. You will end up getting a lot more value if you get some help.”

Cloud-native advantage

One critical part to consider is migrating from on-premises applications to software in the cloud.

“Outdated technology environments make change expensive,” [wrote McKinsey analysts](#) Jayne Giemzo, Mark Gu, James Kaplan, and Lars Vinter. Quarterly release cycles make it hard to tune digital capabilities to changing market demands. “Rigid and brittle infrastructures choke on the data required for sophisticated analytics. Operating in the cloud can reduce or eliminate many of these issues.”



Software applications traditionally have been monolithic: Functionality and logic were wrapped up in a single code base. This vertical integration stretches development and testing times and increases risks because flaws in the code can have unintended consequences elsewhere. Tracking down and fixing bugs is laborious. These are among the reasons monolithic applications typically are updated no more than once or twice a year.

Modern, cloud-native software is built on an entirely different set of constructs. Microservices, loosely coupled software components that each perform a specific task, can be assembled into sophisticated applications without extensive testing or interdependency analysis. Each microservice functions independently and can be swapped out for another.

This means that vendors can extend functionality without taking the application offline or inconveniencing users. New features are available immediately, without installation and testing.

One software development breakthrough the cloud introduced is application program interfaces (APIs). These are software intermediaries that enable programs to exchange data and access functions. For example, you can use your preferred CRM or payroll applications while integrating some of their data into your accounting software.

The rapid adoption of APIs (more than 90% of developers use them, according to the [SlashData Developer Economic Survey](#)) has given rise to third-party cloud marketplaces that add functionality to core platforms like accounting, customer relationship management, and logistics. Customers can try, buy, and use these quickly, with little setup.

APIs also enhance customer choice by connecting best-of-breed applications. For example, Sage Intacct's ecosystem of more than 200 value-added partners lets customers select from various third-party alternatives for functions such as expense management, payroll, expense reporting, and project management. Users no longer must accept substandard functionality in one area for high quality in another.

"We don't think we should build our own CRM, so we have deep integration with Salesforce.com," Main said. "We also have a strong partnership with ADP because they're great in payroll. We can pick and choose the areas where we do well and partner with others."

"People don't see legacy software as a problem unless they see a better way to accomplish their tasks."

— *Scott Freedman, Director of Marketing, Sage Intacct*

Freedman advises prospective buyers to investigate the value of a modern cloud-native financial solution. “[Companies that switch to a cloud-native solution] typically see annual savings from efficiencies and automation that more than compensate for the time spent in due diligence and implementation,” he says.

The Sage Intacct edge

Sage Intacct’s “born in the cloud” financial management system is cloud-native from top to bottom, offering:

- Deep multidimensional accounting automation for efficiency
- Sophisticated visibility for real-time decision-making
- Easy integration with best-of-breed applications
- A modern, configurable web-centric user interface

With more than 20 years as an innovation and customer satisfaction leader in native cloud financial management, Sage Intacct is the only solution to earn the top score in Gartner’s Cloud Core Financial Management Suites Lower Midsize Enterprise Use Case for five years in a row. Ranked no. 1 in customer satisfaction by G2, Sage Intacct is the first and only preferred provider of the American Institute of Certified Public Accountants (AICPA). Tightly integrated with budgeting and planning and paired with HR and people software, Sage Intacct enables digital transformation through continuous accounting, continuous trust, and continuous insight.

To learn more, visit www.sageintacct.com.

Sage trusted implementation partner



www.x3consulting.com
(+44) 0345 094 3885

20-22 Wenlock Rd, Hoxton
London, N1 7GU