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PERCIPIENT E-BOOK

CFO 3.0: HOW TO JUSTIFY A BUSINESS CASE FOR DIGITALISATION

What are the key components of a watertight business case for digitalisation.

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It's predicted that by 2022 at least 55% of organisations will be 'digitally determined'. But, while 87% of senior business leaders regard digitalisation as a priority, only 40% of organisations have actually brought digital initiatives to scale.

The events of 2020 have seen falls in income and freezes on expenditure for many organisations, pushing the need for digitalisation yet further down the priority list. In reality, an effective digitalisation programme could be just what's needed to boost efficiencies, saving money and adding real value to businesses who are feeling the effects of the global pandemic.

But, justifying new capabilities when cash is scarce is difficult and needs someone with the right skills and knowledge to demonstrate that an investment in digitalisation more than justifies the benefits to be had.

As gatekeepers of critical finance data, CFOs are well-placed to recognise the significant benefits that digitalisation can bring, having comprehensive visibility over much business-critical data, not just limited to finance information. It's increasingly falling to CFOs to build a robust business case for digitalisation, driving strategic change right across the organisation to boost overall business performance.

With this in mind, what are key components of a watertight business case for digitalisation, highlighting just how significant an impact a well-thought out and well-executed digitalisation strategy can have?



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Chris Stock
Managing Director
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INCREASE BUSINESS AGILITY

A reliance on outdated, disconnected and disjointed systems is a thorn in the side of many a CFO. To get a true picture of the business, silos of information need to be amalgamated, a task that takes time and is prone to errors. What results is outdated, inaccurate information on which to base decisions. In the fast-paced world in which we all operate, this is no longer good enough, preventing business leaders from making fast, effective decisions.

Informed decision-making is vital if organisations are to respond to fluctuating market conditions and ever-changing customer demands, achieving the levels of agility required to stay one step ahead of the competition.

So complex are the supply chains of today that it's crucial for businesses to have a firm grasp of the data available to them. With the right systems in place, the right information gets to the right people, in the right format, at the right time, ensuring decisions can be made at a moment's notice. They also serve to broaden the reach of business information too, with key data no longer the sole preserve of the executive team, improving the quality of decision-making at every level.



MAKE SENSE OF DATA

But it's not just the data that's key, it's what can be learned from the data and it's here that digitalisation comes into its own. We're all inundated with data, an onslaught that shows no sign of slowing or decreasing, and making sense of this data is vital if businesses are to turn it to their advantage. Turning data into insight isn't an easy task but it's something that can be done automatically with the right investment in the right technology.

This automatically-generated insight is then presented to users in accessible, easy-to-understand reports and dashboards, placing key information front-and-centre when it comes to deciding the best course of action for the business at any point in time.

There's no need to wait for scheduled reports to be run, or time-consuming analysis to take place, with configured reports and dashboards providing often unique perspectives on the issues at the heart of any business, slicing and dicing information to optimise the use of every single available piece of data.

It's possible to reveal previously hidden depths of business insight, underpinning even more robust decision-making and bringing increased precision to forecasting and planning activities too. Access to this insight can turn a business from a reactive into a truly proactive organisation, with the systems in place to help a business grow and compete on a global stage.

SUPPORT GROWTH

The need to have systems which can aid business growth has never been more pressing. All too often businesses are held back by their own systems, unable to cope with fluctuations in demand or ventures into new markets and territories. Solutions need to be flexible and scalable, evolving in-line with the needs of the business and bringing on-board new and developing technologies, such as AI and machine learning, to further increase efficiencies and boost business agility.

This ability to adapt to change has been thrust into the spotlight in 2020 with the global pandemic altering business as we know it and it's never been more important to have the technological infrastructure in place to facilitate remote and more flexible ways of working. Those without scalable, flexible systems in place had to work hard to find additional IT resource to enable the almost overnight transition to home working back at the start of the pandemic, while those more digitally-enabled organisations were able to make a smooth transition with minimal disruption to the business.

As we wait to see what the new normal will be going forward, businesses must strive to have the systems in place to enable remote working, with the functionality and security that working remotely require. It's also important that it's not a case of 'software lite' too, with systems enabling the same levels of access and activity as if users were in the office. It's for this reason that many organisations are heading cloud-ward when it comes to digital investments too, recognising the flexible functionality that a cloud solution can deliver.

REDUCE COSTS

Perhaps where digitalisation can make the most tangible difference is in the area of cost reduction.

Many incumbent systems and solutions are awash with increasingly complex customisations and workarounds to attempt to make often outdated systems fit-for-purpose. All this means is spiralling overheads, functional limitations, unnecessary risks and limited company-wide visibility, all of which add up to costs that most businesses simply can no longer afford. Investing in the right systems can see a huge reduction in Total Cost of Ownership, while securing cost and efficiency savings across the business through the streamlining of business-critical processes, meaning a rapid ROI from systems that add value rather than cause additional expenditure.

At the same time, fewer customisations place less of a burden on the internal IT team, freeing up this valuable resource to focus on more value-add activities. This is improved further still with a cloud deployment, where you're guaranteed less downtime, enhanced security measures and up-to-date systems, all with a more manageable payment structure, furthering the ROI of any digital investments you do make.



EMBRACE CHANGE

There's a real risk of businesses sticking to the status quo out of fear of the unknown and untested when it comes to digitalisation. In reality, it's this inertia that poses the most significant challenge to businesses today, many of whom run the risk of being left behind by both competitors and customers.

By putting together a robust business case for the numerous business benefits that digitalisation can deliver, CFOs can ensure their organisations make the most of the data and tools available, adapting to changing circumstances and wholeheartedly embracing change to fulfil their true business potential.

READY TO WORK SMARTER?

Interested in learning more about Percipient and how we can help your business to make sense of data, automate process, reduce costs and build a case for digitisation?

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