

A photograph of three business professionals in a meeting room. A man in a dark suit is shaking hands with a man in a brown jacket who is writing in a notebook. A woman with long dark hair is also present, looking towards the man in the suit. They are seated around a white conference table with a laptop, papers, and coffee cups. The background shows office chairs and a window.

FUELING BUSINESS GROWTH WITH A STRONG FRONT OFFICE BACK OFFICE RELATIONSHIP



Grab a seat and enjoy.
Read Time: 2 minutes

FUELING BUSINESS GROWTH WITH A STRONG FRONT OFFICE BACK OFFICE RELATIONSHIP

Front office versus back office

If it takes your finance team 20 working days to close its books, then it's fair to say that their relationship with the rest of the business is going to be minimal. And when there is contact, it will probably be fractious and stressful.

Back office functions have important regulatory, compliance and auditing tasks to undertake. But supporting the business more directly—particularly the 'front-line' commercial functions—is now on finance's agenda. And fast-growing organisations must think very carefully about how finance, IT and other back office functions will fit now—and in the future.

This short guide for finance directors and CFOs of growing businesses provides pointers for creating a more fruitful and valuable relationship between finance and the front office.

The ideal relationship

What should the relationship between front office and back office look like?

There are a number of steps to take to build a strong relationship between front and back office that help the business make the best decisions possible. Not only must the data flowing from the back office to front be 'clean' and reliable, it must also be timely. That requires a system with as little manual intervention as possible to ensure speed and accuracy of data.

You want your finance team undertaking tasks to verify and audit the information; only making corrections or alterations on an exceptional basis. Finance also needs to understand what information is required by sales, marketing and client-facing teams to do their job better.

Can finance and front office just...get on?

A key role of the finance function is helping the businesses manage risk, but often finance is populated with people averse to *any* risk taking.

Businesses looking to grow quickly will be sales- and product-focused—this is about risk-taking and bringing in cash, often in a ‘lower-process’ environment. Managing the balance between risk and reward, or between ‘those pushing the businesses forward’ versus ‘those holding it back’ often creates tension and resentment. Finance leaders should strive to reduce that tension.

Being left behind, and out the back

Remember that the front office is always looking to grow—contrast this to finance, where risk-averse teams focused on compliance and reporting will be merely reacting to all this change resulting from growth.

Older ERP and small business finance applications generally struggle to scale at the speed demanded by the front office. This hinders growth because information, actionable or otherwise, doesn’t get through to sales and business development teams in time.

Automate systems, verify information, develop departmental KPIs...

Newer businesses have an advantage over older organisations: they are not encumbered by legacy systems and processes. And new finance technology allows for automation, removing much ‘human error’ risk.

But the next step isn’t merely supplying fancy data visualisation tools to accountants and sales managers. Finance, freed from inputting data, must use some of its time verifying and auditing the data coming into the organisation.

The next step sounds simple—but is vital. Finance must then develop key performance indicators (KPIs) that make sense to the business and support it in taking actions and making decisions that improve business performance.

...But maintain flexibility

Your finance function may be able to move quickly to collate, verify and disseminate information around the business. But what if sales triple in a year? What if staff numbers quadruple, and you develop operations in several new countries?

Finance will often embed processes and work hard to keep them rigid—to maintain control and consistency. But in a changing organisation, finance must flex.

Finance’s systems and processes must be scalable. Fortunately, a modern cloud-based system supports that requirement.

A vital opportunity to develop the finance team

If providing more valuable and timely support from the back office requires better systems and new processes, that also means changes for finance team members.

Much transactional processing will disappear, but new roles will need to be filled.

You will need experts in how the systems can manipulate data, and understand what data is currently at hand. Importantly, they will be able to work with other business teams to understand how they operate and what information they need to run the business better.

A cost-cutting exercise or value-creating?

Finance professionals often worry that automating processes and functions will mean fewer staff. In large, bloated firms that might mean reducing headcount, but in growing businesses it typically releases staff for more value-adding tasks (such as working with the front-line business) and not having to increase back office headcount in direct proportion to the business growth.

For finance to leverage its new information-gathering and validation tools, it will need people with the right skills to operate them—and understand what information the organisation needs.

The good news is that the next generation of finance staff will not be satisfied with data input roles—they will want value-driven and creative projects to get to grips with.

Those staff will be able to move between back and front office and serve as true business partners.

ORACLE® NETSUITE

www.netsuite.co.uk



info@netsuite.com

+44-0-1628-774400