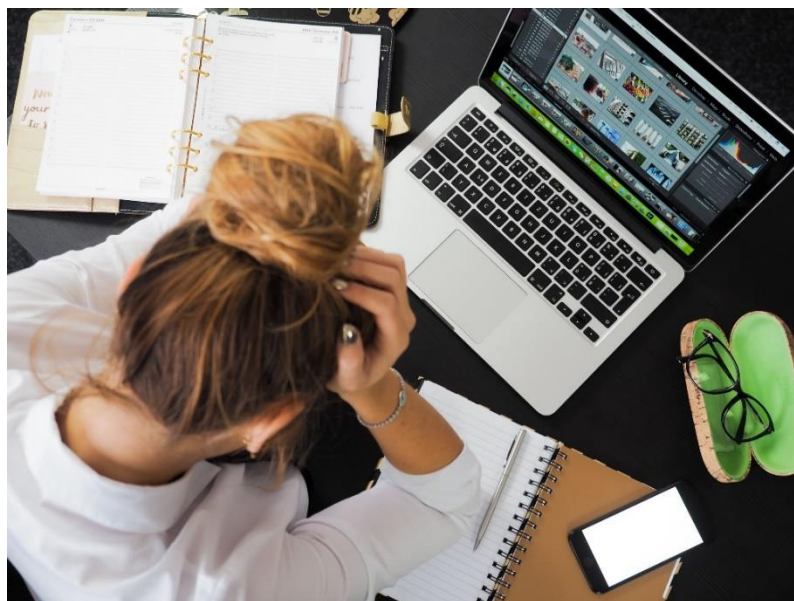


Buying an Enterprise Resource Planning (ERP) system for FinTech companies **By Mark Hennessy – Sales Director at Nolan Business Solutions**

FinTech is experiencing its heyday. As larger financial institutions are forced to spend more on meeting regulatory compliance mandates, they have smaller budgets for funding innovations crucial to meeting expanding customer expectations. Advances in technology itself have decentralised the financial services industry from its traditional hubs and opened up entirely new markets, especially in Europe and Asia. And, as digital natives come of age and wield more spending power, they bring with them the confidence – and the expectation – that financial process long relegated to the physical space should function smoothly and seamlessly in the digital realm.

While FinTech companies themselves promise to ease and innovate on consumers' financial interactions and partner with major financial institutions to increase access to their technology and services, they often lack the automation in their own financial and accounting processes that afford crucial efficiencies and insight into their business processes, as well as the scale to ensure sustainable growth.

An ERP solution is the best fit for a growing and aspirational FinTech company, but how does one go about choosing the best solution?



I have spent the last 10 years of my career working with SME's to select and implement new ERP and CRM systems. One of the things I experience time and time again is that it is actually incredibly difficult to run a successful ERP selection process and make an informed decision between systems. How can you avoid mistakes when selecting a new ERP, finance or CRM system? What is the best way to replace systems that are no longer meeting your organisational goals?

It usually takes an experienced hand who has been through this process a few times to manage it successfully, and they usually end up buying a system they have used before because they trust it and already know how it works. The problem with this approach is the system chosen may not actually be the best fit for the business and decisions may be influenced by personal comfort with a system that is known.

If you do not have an experienced hand in the organisation where do you begin? Do you simply Google or ask Alexa 'How do I buy an ERP system?', or do you go for the relatively comfortable, but expensive approach of employing a consultant to write an RFP (Request for Proposal) document to aid the selection?

After all, when you recommend a system and implementation partner to your business, you are exposing yourself to some personal professional risk, to some extent. If the project fails who will be questioned and asked to justify their decision? Who will the users look to in the coming months and years when they are actually using the system on a daily basis?

This white paper examines what I have seen work well and not so well over the years and recommends a new way forward.

Forget RFP's

Controversial I know, but in my experience, they simply don't work and here is why:

Useless content

They're full of useless statements like: "system must be intuitive and user friendly"; "must have comprehensive reporting capabilities"; "must be easy to upgrade".

No respondent in his/her right mind is going to say that their system is not intuitive and easy to use. These types of statements are not quantifiable and pointless to ask.

Not detailed enough

They can never contain enough detail to accurately define an entire business' requirements. It is not possible to accurately document every single system requirement; it would take far too long, cost far too much and would still be lacking in some areas. It is not until an implementation project has begun and the users start to see the capabilities of the new system that they start to understand what is possible. They should be asking questions like; "could we operate in a different and better way?"; "why was a particular element an important requirement?"

Too rigid

RFP's are too rigid. They do not leave any room for knowledgeable partners to give the benefit of their experience and to suggest ideas for change based on best practice and what has been seen to work incredibly well on other implementations in similar organisations. A successful ERP implementation is a two-way process. The client has to be flexible and take advantage of the system's native capabilities to get the best from it, and the implementation partner has to adapt the



system to meet any important requirements. The mantra must be to keep it simple and do as little development as possible.

Dishonest responses, or no responses at all

The tough truth is that most sales people responding to RFP's will be somewhat flexible with the truth when answering them. It is unlikely that a sales person is going to say their system can't meet an item marked as an 'essential requirement' when they know that the element is not actually that important based on their experience. It is easy to say you can meet a requirement when you have such limited information to go on. There are too many grey areas which make any promise easy to wriggle out of. Most ERP sales people groan inwardly when an RFP lands in their inbox. I know some partners who simply refuse to reply to them unless the client has agreed to engage in some kind of discovery meeting and I have regularly seen consultants struggle to get replies to RFP's.

The new system will change your requirements

It is common that an organisation's requirements will change once they understand what a new modern business management system is capable of. For example, a selection team sets out with a brief to replace their legacy finance system for a cloud based system which must handle multi-currency and multi company consolidated reporting. It must integrate with an incumbent CRM system. Then once they start to understand the breadth of functionality contained in a modern system they realise that it is pointless to integrate with the CRM, it is better to replace it and have a single system across both Sales and Finance functions. The RFP doesn't reflect this so is rendered useless in respect of the CRM system. The requirements are always ever changing as the team learns about new systems.

The way forward

Now, let's be clear I am not saying that you should not examine your business and document the requirements but let's treat it differently and think more about higher level organisational goals. You should prepare a succinct document that focuses on things like:

- The organisation's goals over the next three to five years. Where is the business going and what do you need from a systems perspective to support that direction?
- How will the success of a new system be measured? This is a great question which really adds focus and direction to a project.
- High level functional areas the system must support. Stick with the high level here, the detail will come later once you engage in the discovery and demo process
- What are the current system in use and how/if are they integrated? What is in scope for change?
- Why are you looking to change systems?
- What is the culture of your organisation and how do you see an implementation partner fitting in with it?

Once you have prepared this you are ready to start looking for systems and implementation partners. Do you research online and shortlist no more than three systems? If you have more than three on the list it will just be confusing and you will forget what was in each system. There is a huge amount of information on the Internet. Watch demo videos, download data sheets, read up and generally get a feel for a system long before you engage in product demos. Look for systems that

have case studies in your industry. If there have been successful projects for similar businesses to yours, the chances of success are significantly higher for you. Especially if you use a partner that really understands your industry.

Partner or Software Vendor?

Once you have selected three systems you then need to think about how you would like it to be implemented. Do you want to work with a partner, or go direct to the software author? There are pros and cons to both, but the key thing is to find someone who understands your sector and has references to prove it. Also discuss the project methodology and if they are not using an agile approach then be careful. A good system implemented by a bad partner will be a bad system to live with! The reality is that partners make their money through their services so are inherently motivated to look after you and build long term relationships with their clients.

Look for trusted partnerships not client/supplier relationships

The best ERP projects are based on a trusted partnership approach. The devil is in the detail on these projects. You have to accept that you can't seek confirmation on every requirements right from the start and then hold your supplier to delivering on that scope. These are complex projects which change during the implementation. There has to be a partnership approach and shared goal to get the system up and running to meet the original goals as set out in your requirements document. This happens best when teams work together with flexibility on both sides. An agile project approach, that accepts that changes will happen as the partner learns about your business and you learn about the system, is essential. If you treat your implementer as a supplier and beat them up every step of the way you will end up with a system that does the bare minimum, not one that has been lovingly crafted by people who genuinely care and want to work with you. It works both ways, the implementer must be flexible, understand and deliver when a requirement is essential and outside the normal scope of the system. At the end of the day people buy people and it works both ways.



Set a budget

You need to be clear how much you are prepared to spend on a new system. This should be based on the ROI you expect to receive over the next three to five years. Your budget may change as you learn more about the systems, but do set one, so you have something to work to. You don't want to waste your time looking at something which is way over budget. Discovery meetings invite prospective partners in to conduct a discovery meeting. The purpose of this meeting is to start to understand how the partner works and their experience levels, and to get some more detail about the system. This is not a demo of the system, or a full requirement gathering workshop, but a chance for the partner to discover in more detail what your requirements are and for you to assess how they go about getting this information from you. The partner can't effectively demo the solution or give you a budget to work to until they understand your business to some level. There is no point sitting through hours of demo on a generic system which is not tailored to your business. Modern ERP systems are huge and complex and they need to be configured in the right way for you to truly see their capabilities.



The demo

Following the discovery meeting invite partners back to demo the solution to you. This should be a tailored demo to your business. Don't expect to see the system exactly as it will be implemented for you as the partner will not know or understand all your requirements at this stage. However, you should see a system which is able to run your business and help you meet your goals. It may not be polished and refined at this point, but that will come in the project. It is important to understand how the system is built at some level. I'm not suggesting you inspect the source code, but try and understand configuration options and what is possible with further configuration. Don't be afraid to ask for further and more detailed demos if you are not satisfied with what you have seen and need some further clarification. However, do be realistic about what is achievable before you sign the order.

Think carefully about data migration

If anyone tells you data migration is easy they are lying. It is always a tricky process particularly if you are changing things like your chart of accounts. The best advice is to migrate as little as possible and keep it simple. Make sure your data is clean before you start. Forget trying to import part delivered

orders with part payments attached for example. Just key them in as part of your training. It is unlikely there will be that many of them anyway. This is the advice you are looking for from your implementation partner, not promises that it will be easy and they will migrate everything for you. It won't happen!



Be realistic about timescales

ERP projects take time to get right so you need to be realistic about go-live dates. There is nothing worse than a project that gets moved back several times. The users start to lose confidence and the pressure builds to go live with something that is not right. The best approach I have seen is to get to a point where you have a system you can use and roll it out. Then build on it and add more advanced functionality one piece at a time. This is where the agile approach comes in as the system will naturally evolve over time and the project team need to understand this. The users will therefore get to use the system more quickly and you get to see ROI.

Don't forget change management

Like it or not we are all resistant to change at some level. Your users may have a tough time adjusting to the new system so it is important that you consider your approach to change management and include it as part of the project. Your implementation partner should help with this by involving users through the project and working out some quick wins that deliver them a personal benefit. If it makes their lives better they will want to use it!

A conclusion on RFP's

Once you have been through this process you will be in a strong position to make a decision on the best system and best partner to implement it. If it seems like a long and complex process, well it just is, and there are no real shortcuts if you want to ensure you get your transformation project off to a great start. From my experience, by trusting and truly working with your partner in an agile manner

and taking advantage of their experience, you will end up with a system that really works for you and in turn meets those end goals that were set out early on.

NetSuite for FinTech Companies

By adopting a unified, cloud-based platform for financial management, FinTech companies can ensure the same level of efficiency and innovation in their own business processes that they are bringing to the banking and financial services sector as a whole.

NetSuite provides robust controls, the ability to manage transactions in multiple currencies and across subsidiaries, and lends FinTech companies a single view of the truth that allow them to innovate products while empowering insight-driven decisions on partnerships and growth.

Benefits of NetSuite for FinTech Companies

Investing in a unified platform for automating financial and accounting processes positions FinTech companies to optimise operations, innovate for their customers and meet their business goals. Below are some examples of the Benefits of NetSuite for FinTech companies.

Seamless transactions and financial consolidation in multiple currencies

An incredible amount of FinTech growth is coming from Europe and Asia, and the importance of being able to seamlessly operate in international markets will only increase. With NetSuite OneWorld for instance, FinTech companies can easily conduct business in more than 190 currencies.

Robust controls, automation to ease regulatory compliance

FinTech companies are subject to regulatory compliance without the same resources to devote to ensuring it as larger financial institutions and, as a result, are ensuring controls with manual processes. Automation ensures streamlined financial processes and robust controls.

Lower TCO, scalability for growth

FinTech companies are disrupting the market because of the agility and superior service they offer to customers, often delivered through a cloud-based model. Yet, in their own back-office, they're leveraging client-based software like QuickBooks or Excel. With a cloud platform, ensuring updates and turning on additional functionality as needed is simple, and eliminates the need for in-house IT personnel and hardware.

Features of NetSuite for FinTech Companies

NetSuite provides the insight FinTech companies need to grow with sustainable business models, while at the same time providing an extensible platform that grows with the business. Below are some examples of the Features of NetSuite for FinTech companies

Robust, multi-currency consolidation engine

NetSuite OneWorld accelerates financial processes with multi-currency consolidation and real-time roll-up across accounts receivable, accounts payable, payroll, inventory, billing, invoicing and order fulfilment, from local in-country operations to the regional offices to global headquarters.

Support for regulatory compliance, globally

NetSuite OneWorld has been built to support both global standard and country-specific requirements. The always-on audit trail, built-in analytics, access logs and workflow, and the ability to drill down to the underlying transaction detail ensures that supporting documentation is always available. Roles in user permissions management in business workflow capabilities allow FinTech companies to configure the system behaviours to support your unique process requirements.

Custom GL segments

Finance teams can define GL segments such as profit centre, fund, program, product line and more, in addition to the standard subsidiary, class, department and location segments. This improves accuracy and saves time for the finance department by ensuring that financial impact follows double-entry accounting principles and balances across all segment combinations. Users can also tag the GL impact of transactions, and create relationships between the segments for further analysis.

SuiteSuccess deployment methodology

The advantage FinTech companies have is agility. NetSuite SuiteSuccess is a customer engagement methodology that allows FinTech companies to deploy NetSuite in 100 days or less, adopting pre-built templates and best practices from thousands of customers within the FinTech industry.

To find out more about Nolan Business Solutions, an Oracle NetSuite Solutions Provider, and how we can unlock your growth potential visit our website www.nolanbusinesssolutions.com or speak to one of our team on 01252 811 663.



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About us:

Founded in 1988, Nolan Business Solutions is an international solutions provider which delivers software to mid-market businesses. Focused on industry leading CRM and ERP solutions, Nolan Business Solutions supports its customer's growth with flexible, scalable and intelligent solutions implemented and supported by experienced consultants.

With an expert development team, Nolan Business Solutions also create innovative and popular SuiteApps and customised development services to those with more complex needs.

Nolan Business Solutions has delivered real benefits to over 2,500 customers worldwide through software, professional implementation and outstanding customer support.