

EBOOK

# The Rise of the Data-Driven Nonprofit Finance Leader

How nonprofit finance leaders can drive strategy and performance with data-driven decision making



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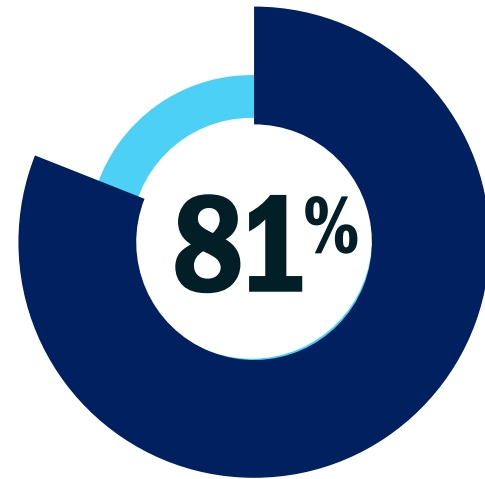
## Introduction

# The Evolving Role of Nonprofit Financial Leadership

Time is the scarcest resource of today's nonprofit finance leaders.

As a nonprofit finance leader, you need to find ways to get away from day-to-day accounting tasks and create time for strategic executive priorities. Recent surveys show that on average, finance leaders set a goal of spending 50% of their time working on strategy.

Instead, 75% of their days are consumed by routine accounting work and protecting the organization against risks.<sup>1</sup> Lacking time to focus on the big picture, 34% of executives make important decisions either reactively (9%) or after putting it off (25%) until the decision can wait no longer.<sup>2</sup>



81% of CFOs believe they are not keeping up with the pace of change well enough.<sup>3</sup>

<sup>1</sup> Armanino LLP, "CFO Evolution 2.0, The Path to the Transformational CFO," October 2017.

<sup>2</sup> PwC and The Economist Intelligence Unit, "Gut & gigabytes: Capitalizing on the art of executive decision making," September 2014.

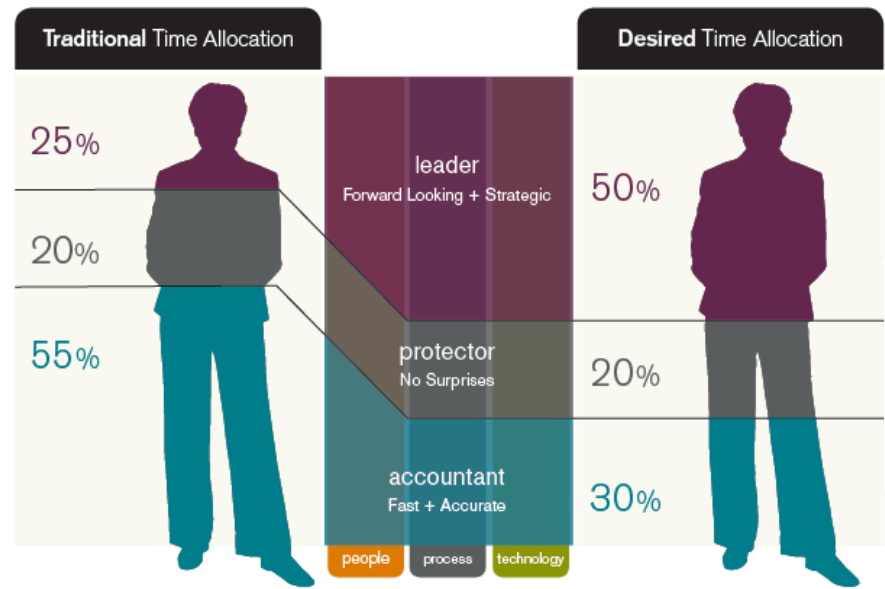
<sup>3</sup> Armanino LLP, "CFO Evolution 2.0, The Path to the Transformational CFO," October 2017.

## Introduction

# Nonprofit Finance Leaders Must Become More Data-Driven

As a finance leader, you need to streamline the “accountant and protector” processes, so you can make more time for forward-thinking strategy.

You need to free up time to synthesize your own intuition and experiences with an understanding of your organization’s data, trends, and history. When surveyed, 77% of senior finance leaders recognize the need for a data-driven finance function to achieve strategic goals.<sup>4</sup> However, 64% also admit their finance function is not proactive enough in using data and analytics to identify, prioritize, and address critical issues.<sup>5</sup>



<sup>4</sup> Argyle Executive Forum / Sage Intacct survey, April 2018

<sup>5</sup> Argyle Executive Forum / Sage Intacct survey, April 2018

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*“I’ve saved 80% of my time at quarter-end using Sage Intacct and Adaptive Insights.”*

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**Russell Guthrie**

**CFO, International Federation of Accountants (IFAC)**

## Introduction

# Where Are You on the Journey to Financial Leadership 3.0?

The role of the nonprofit finance leader has evolved, and nonprofit finance leaders must lean into the journey to lead their organizations forward.<sup>6</sup>

### Financial Leadership 1.0

- Financial Historian
- Backward-looking financial statements
- Too many manual accounting tasks
- Limited reporting and financial visibility

### Financial Leadership 2.0

- Business Analyst
- Cloud financial management
- Real-time reporting and dashboards help identify trends and issues in real-time for better decision-making

### Financial Leadership 3.0

- Data-Driven Strategist
- Technology Futurist
- Taking advantage of Artificial Intelligence and Big Data
- Predictive analytics guide forecasts and strategic planning

<sup>6</sup> Sage Intacct, "Seeing Around Corners and Flying Through Walls – The Rise of CFO 3.0," Victor Baglio, January 11, 2018.

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*“Financial Leadership 3.0 is all about predicting the future. 3.0 is telling you about the trends. It’s forward-looking as opposed to in the moment. And literally, in the future, we’re going to be able to tell organizations where they should make their next investment, where they put their next dollar or \$10,000 or millions of dollars and why.”<sup>7</sup>*

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**Rob Reid**

**Managing Director and EVP, Sage Intacct**

# How to Become a Data-Driven Strategist

To become a data-driven strategist, you need certain kinds of people, processes, and technology.

### People

Your finance team needs curious, creative, analytical people who will monitor data, identify trends, and hypothesize how to achieve success for the organization.

### Processes

Today, only 33% of management accountants believe their organizations have strategies to use leading-edge analytic techniques and technologies effectively.<sup>8</sup>

### Technology

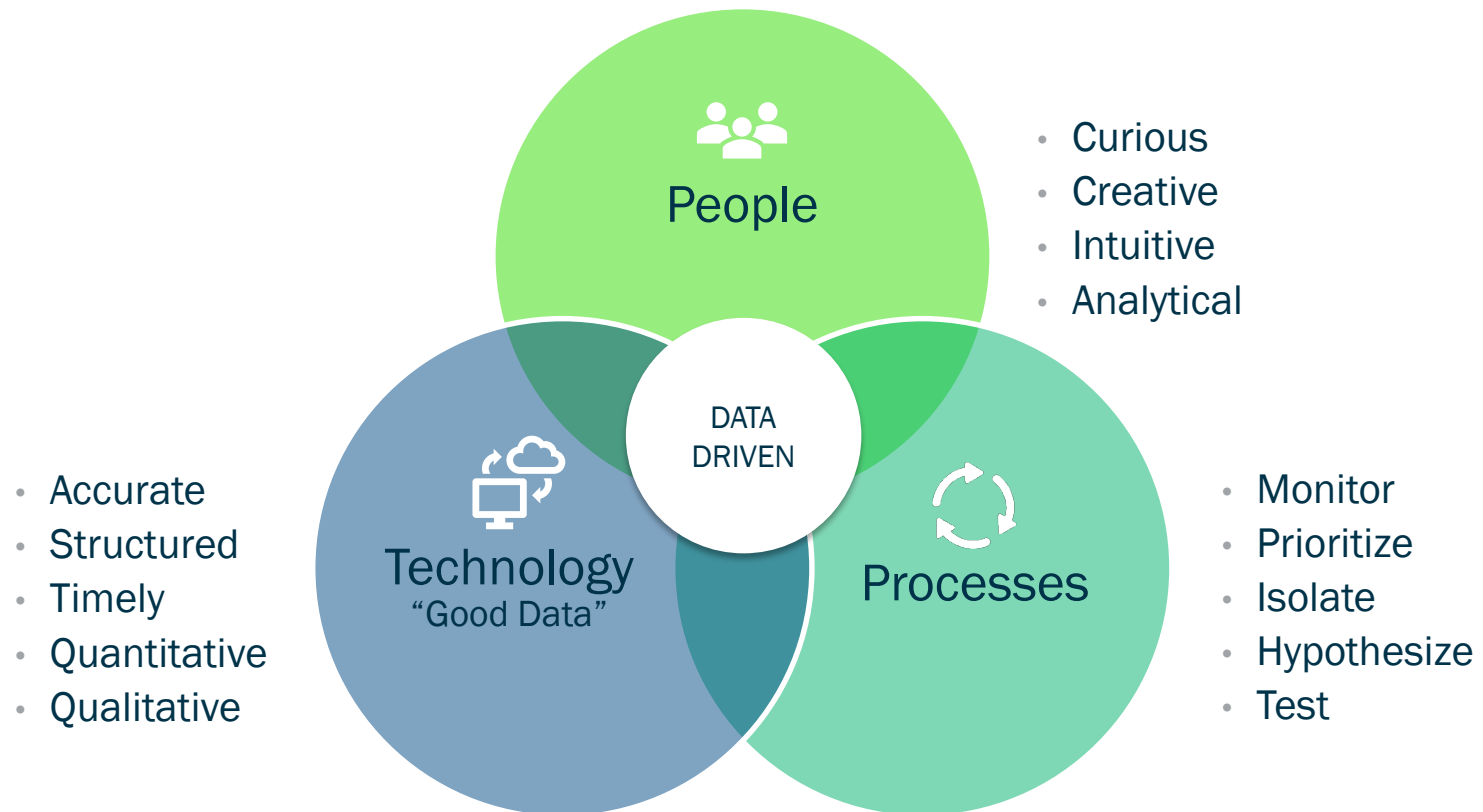
You need three technological capabilities to become data-driven:

1. Automated financial operations
2. Multi-dimensional analysis of key metrics
3. Synchronized data with other systems in real-time



## Data-Driven

# People + Process + Technology = Data-Driven Strategy



## Data-Driven Customer Success Story

# Creating Financial Structure to Scale



### CHALLENGES

- Fragmented, inaccurate financial information
- Reliant on unwieldy Excel spreadsheets
- Inefficient, manual data entry and reporting
- Lack of real-time information

### GAINS WITH SAGE INTACCT

- Timely insight to drive program decisions and expansion
- Customizable dashboards readily display KPIs
- Automated budgeting process
- Eliminated reliance on Excel

### RESULTS

**2.5 Months**  
Shorter Annual Budget Cycle

**40 Hours Saved**  
Monthly on Manual Processes

**<6 Months**  
Software Paid for Itself

*"The productivity we've gained with Sage Intacct allows us to make sense of our financial data...Now we can analyze our data to better forecast for the future, and make decisions about what we as an organization can do to advance our mission."*

**Christopher Sue**  
Chief Financial Officer

## Automation

# Automation Frees Time for Nonprofit Finance Leaders to Focus

Finance leaders understand that automating standard accounting tasks enables more strategic decision making. That's why 85% plan to invest in process automation.<sup>9</sup>

### Organizations are looking to CFOs for strategic leadership:<sup>10</sup>

- **78% of CFOs have noticed their influence expanding beyond accounting and finance.**
- **87% of CFOs surveyed feel pressure to collaborate on cross-functional initiatives.**

There are so many ways that a real-time cloud financial management solution like Sage Intacct can improve efficiency and accuracy. Financial automation can reduce or eliminate the time nonprofit organizations spend:

- **Consolidating financial information in Excel** for multi-entity, multi-location, and multi-currency organizations.
- **Calculating revenue recognition in Excel** after compiling project-based time and expense information from sales and HR systems.
- **Performing manual data reconciliations** and/or manual data re-entry between systems.
- **Calculating allocations using data that doesn't exist** within some traditional accounting systems.
- **Processing vendor payments** and manually routing paper approval sheets.

<sup>9</sup> Armanino LLP, "CFO Evolution 2.0, The Path to the Transformational CFO," October 2017.

<sup>10</sup> Armanino LLP, "CFO Evolution 2.0, The Path to the Transformational CFO," October 2017.

## Automation Customer Success Story

# Managing Complexity with Flexible Financial Software



<h3>CHALLENGES</h3> <ul style="list-style-type: none"><li>• ERP disconnected from payroll and integrated care software</li><li>• Lack of transparency into multi-entity, multi-location financial data</li><li>• Dependent on IT resources and paper-based workflows</li></ul>	<h3>GAINS WITH SAGE INTACCT</h3> <ul style="list-style-type: none"><li>• Improved reporting and tracking</li><li>• Accounts payable process dramatically streamlined</li><li>• Fostered greater accountability</li><li>• Improved positive cash flow by \$125,000</li></ul>	<h3>RESULTS</h3> <p><b>\$500K Savings</b> Annually</p> <p><b>40% Shorter</b> Monthly Close</p> <p><b>8 Days/Mo Saved</b> Due to Automation</p>	<p><i>“With the time we’re saving from mundane processes, we’re able to focus on really understanding what drives our business and monitoring key trends... Now we’re truly a partner to the business; helping make strategic decisions about how to get our costs down, as well as where to invest in new ventures as we enter growth mode.”</i></p> <p>Tim Carlew Controller</p>
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## Decision Support

# Go Beyond GAAP Reporting with Multi-Dimensional Analysis

Data-driven nonprofit organizations make the GL the center of their data strategy.

The GL already contains the key financial information needed to create GAAP financial reports, including an organization's income statement, balance sheet, and financial ratios. By enhancing the GL with non-GAAP statistical data, nonprofits can track and report on key metrics that reflect your organization's success in accomplishing your mission.

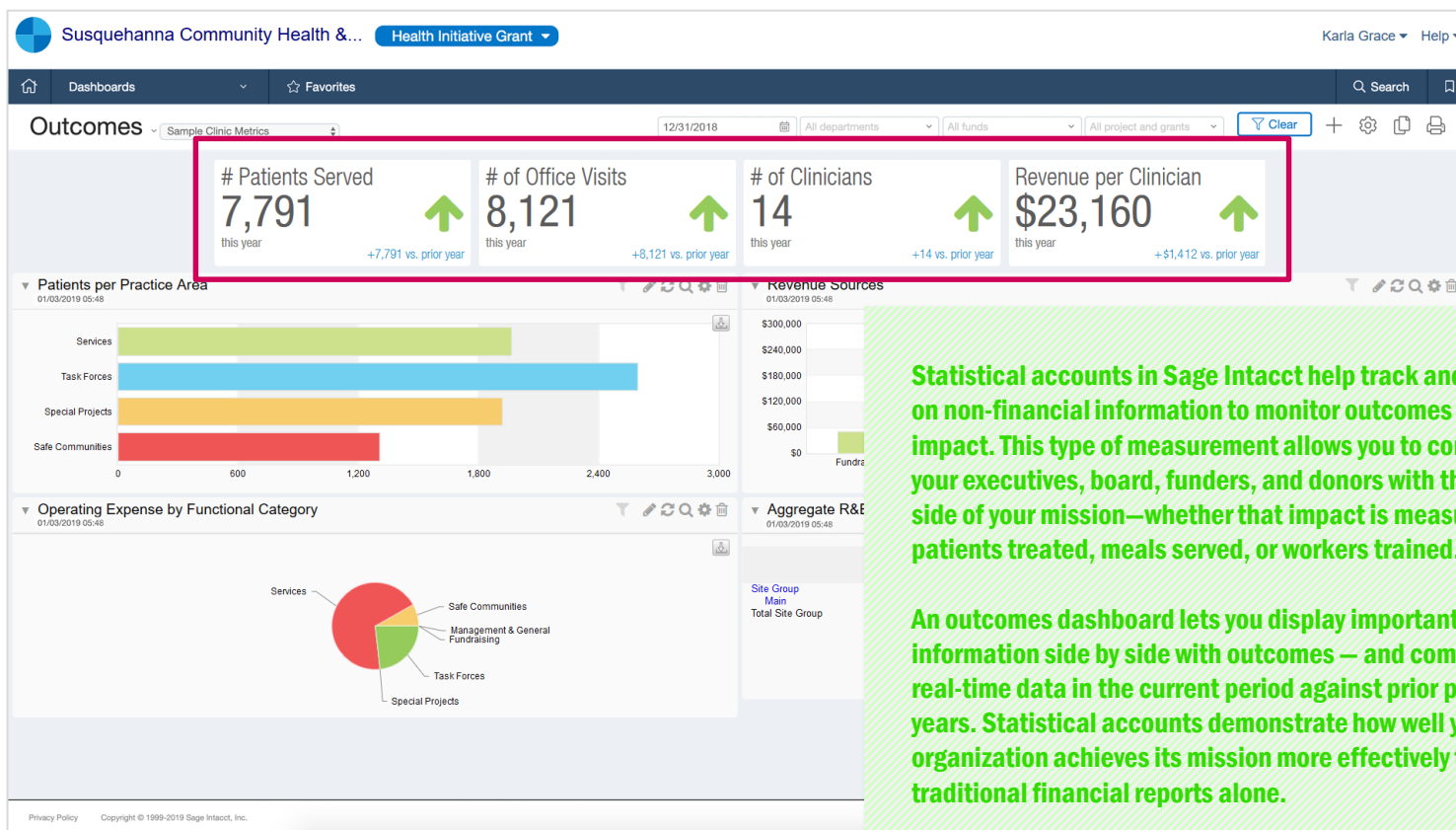
Multi-dimensional analysis brings together your financial data with important operational and funding data to give wider visibility across your organization.

Non-financial metrics could reflect program delivery, such as headcount or labor hours from an HR system. Or you may want to measure and report on the impact your organization makes in terms of meals served, patients treated or educational courses delivered. You could also include donation and funding data from your donor management system.



## Decision Support

# Go Beyond GAAP Reporting with Outcome Metrics



Statistical accounts in Sage Intacct help track and report on non-financial information to monitor outcomes and impact. This type of measurement allows you to connect your executives, board, funders, and donors with the human side of your mission—whether that impact is measured in patients treated, meals served, or workers trained.

An outcomes dashboard lets you display important financial information side by side with outcomes — and compare the real-time data in the current period against prior periods or years. Statistical accounts demonstrate how well your organization achieves its mission more effectively than traditional financial reports alone.

## Decision Support Customer Success Story

# Cloud-Based Financials for a Rapidly Growing Nonprofit



DonorsChoose.org

### CHALLENGES

- No visibility into partner-specific revenue
- Excel-based reporting
- Physical invoices and check mailing

### GAINS WITH SAGE INTACCT

- Minimized data entry
- Intuitive, powerful reporting
- Complete visibility into the grant lifecycle

### RESULTS

**20% Gain**  
In Efficiency

**50+ Hours**  
Saved Per Month

**60% Shorter**  
Monthly Close

*“Sage Intacct is the perfect partner to scale with us along the way. The software delivers major productivity improvements for our team, but more importantly, it gives us access to trusted financial data on a real-time basis.”*

Andy Kaplan  
CFO

## Decision Support

# Twitterize Your Chart of Accounts

Adding dimensionality to your Chart of Accounts creates greater simplicity and richer contextual data.<sup>11</sup>

Think of dimensions within your Chart of Accounts like hashtags on Twitter. Dimensions make it easy to search, sort, and slice and dice your data for reporting with context that is meaningful for your specific organization.

Just as you can look at hashtags over time, you can analyze your financial reports over time. Just as you can view real-time trending Twitter statistics, you can analyze your financial performance across one or more entities in a real-time dashboard.

Sage Intacct dimensionality lets you organize information by the attributes that matter most to your mission—program, impact, location, grant, and more. Dimensions help you perform a more meaningful analysis of your organization's performance.



*#MealsServed*

*#VolunteerHours*

*#RevenuePerClinician*

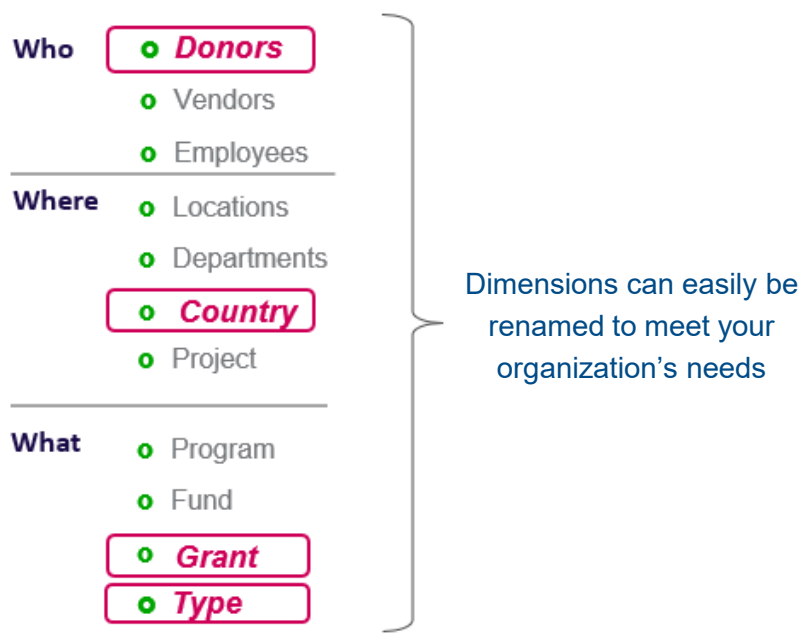
<sup>11</sup> Sage Intacct, "Twitterize your Chart of Accounts – The Data-Driven CFO," Ian Howells, July 5, 2017.



## Decision Support

# Dimensions Allow You to Visualize the Information You Need

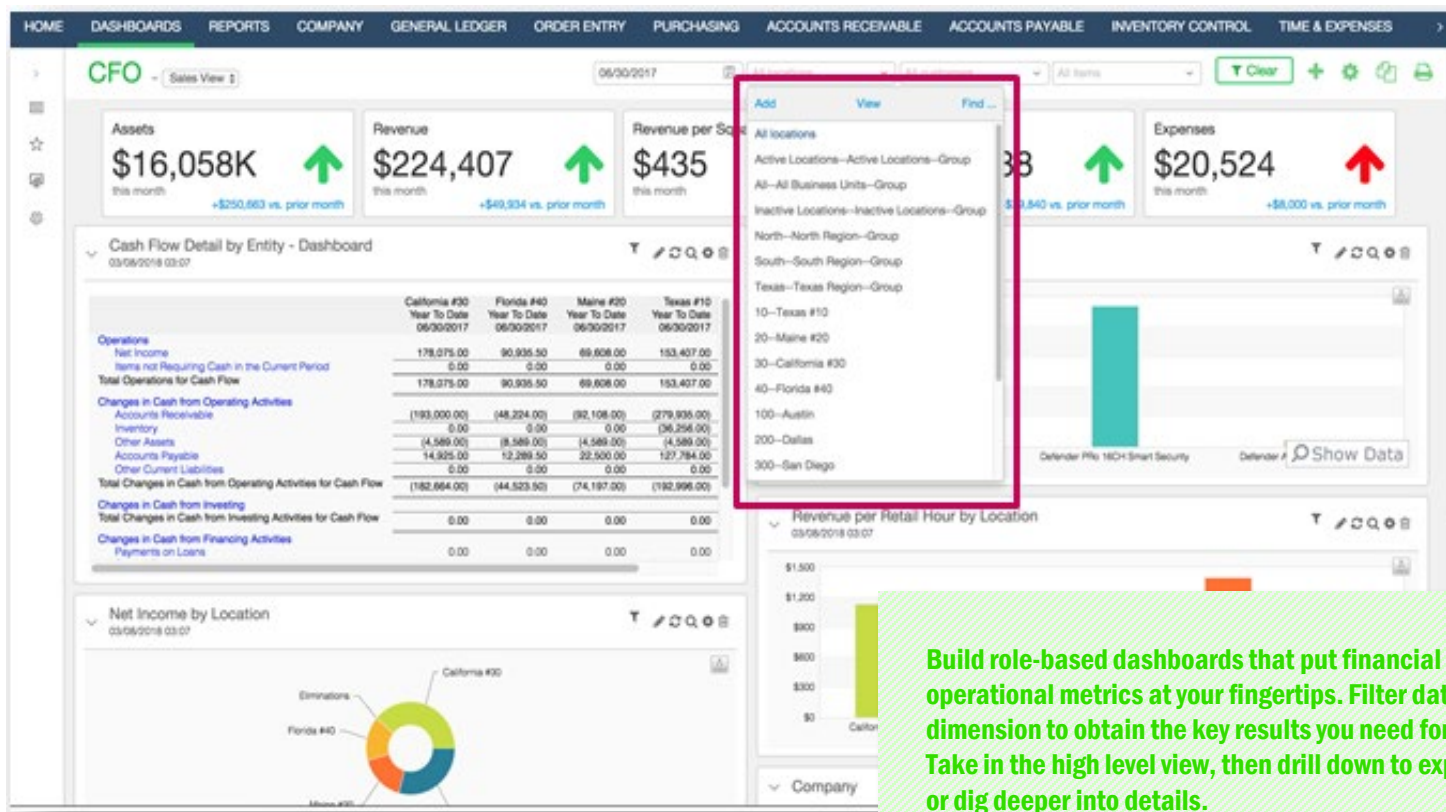
Leverage dimensional data to slice and dice your data for maximum visibility and impact.



Line Item Transactions	
Capture and report on key transactional information	
Transaction Value	\$1, 500,000
Scenario	Actual
Time	01/10/2019
GL Account	4000 –Revenue
<b>Donor/Grantor</b>	Gates Foundation
<b>Country</b>	Afghanistan
Employee	Kyle Reese
<b>Grant</b>	<b>Immunizations</b>
Department	Operations
<b>Type</b>	Bill Back

## Decision Support

# Real-Time Multi-Dimensional Analysis of Key Reports



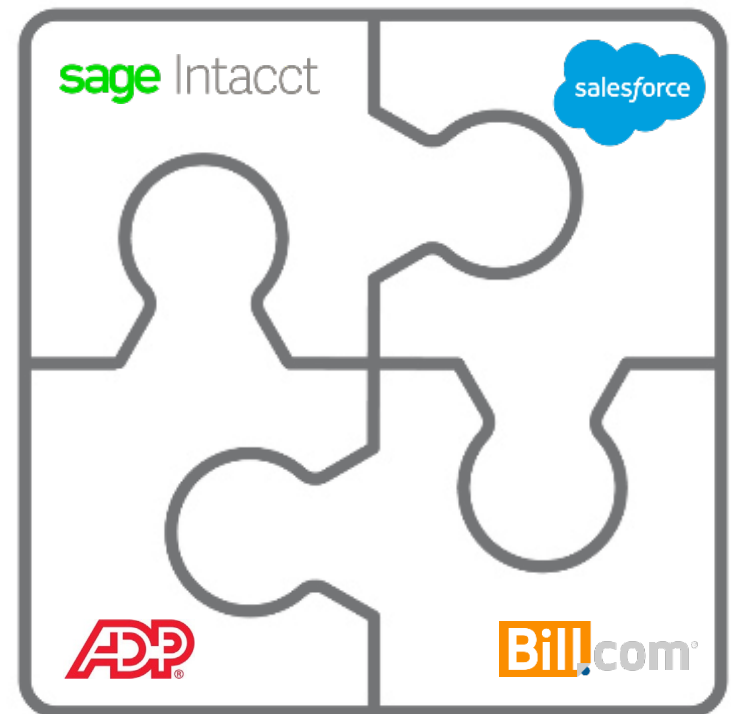
**Build role-based dashboards that put financial and operational metrics at your fingertips. Filter data by any dimension to obtain the key results you need for analysis. Take in the high level view, then drill down to explore ideas or dig deeper into details.**

## System Integration

# All of Your Real-Time Data, in One Place

Sage Intacct was designed to make it easy for nonprofits to synthesize information from many data sources for more-informed analysis and decision making.

Sage Intacct Application Programming Interfaces (APIs) were designed for real-time integration. Our APIs don't require you to wait for accounting to post the entries. APIs power our best-in-class ecosystem with prebuilt connectors to popular business systems like Salesforce, ADP and Bill.com. Sage Intacct puts all your data in one place—not just financials—but also sales, planning, payroll data, and any other information you need to drive strategic analysis.



# Gaining Flexibility for Future Growth



Great  
Books  
Foundation

### CHALLENGES

- Lacked capabilities and flexibility to support the growth of the organization
- Outdated legacy system
- On-premise system lacked remote access

### GAINS WITH SAGE INTACCT

- Streamlined financial processes and improved inventory management
- Expedited order-to-cash process
- Halved monthly close process to one week
- Seamless integration to SugarCRM and osCommerce

### RESULTS

**50% Faster**  
Monthly Close Time

**38% Fewer**  
Invoice Days  
Outstanding

**33% Lower**  
Inventory Carrying  
Costs






*“I would recommend Sage Intacct to any organization. Having a cloud-based financial management system delivers more benefits than we expected while reducing the demand on our IT team.”*

James Linday  
Chief Financial Officer

## Conclusion

# Data-Driven Nonprofit Finance Leaders Deliver Big Results

Using Sage Intacct, nonprofit finance leaders were able to free up time to be more strategic and make impactful decisions. Here are some ways their organizations benefitted.

TACTICAL		STRATEGIC	
	<b>60%</b> Faster time-to-close		<b>40%</b> Increase in donor or customer base
	<b>78%</b> Faster customer reporting		<b>20%</b> Growth in new grant funding
	Board book in minutes		<b>\$\$</b> Millions increase in cash flow
	Real-time access to financials		<b>20%</b> Efficiency increase » benefiting programs

## Conclusion

# Take the Lead in Financial Leadership 3.0

The pace of evolution in technologies like AI and analytics is quickly accelerating.

Now is the time to push your organization to adopt a more data-driven strategy. Have you hired the right people, built the right culture, and streamlined critical processes? Does your technology generate meaningful, real-time insights or backward-looking reports?

Sage Intacct delivers a rapid transition to Financial Leadership 3.0. Nonprofits benefit quickly from these capabilities:

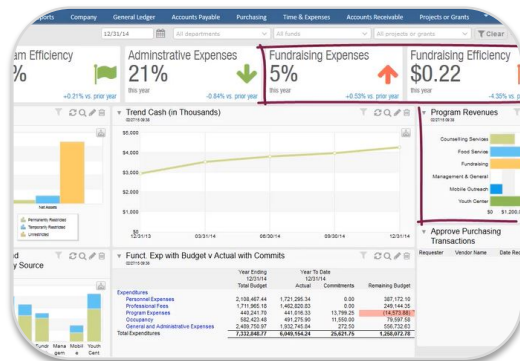
1. **Automation** eliminates manual data entry and spreadsheets to close the books faster.
2. **Real-time reporting** enables proactive response to changing conditions.
3. **Aggregate data** from disparate sources improves analysis.
4. **Role-based dashboards** drive decision-making.

Sage Intacct makes it easier to carve out executive time for focused strategic analysis. With a single source of truth and better visibility across the organization, you will be well-positioned to take advantage of Financial Leadership 3.0 innovations.



## Conclusion

# Educational Resources to Help You Make the Right Decision



**Product Introduction Video**  
Sage Intacct for Nonprofits  
Overview

[Watch Now »](#)



**Customer Success Video**  
Atlanta Convention & Visitors  
Bureau (ACVB)

[Watch Now »](#)



**Nonprofit Accounting  
Software Buyer's Checklist**  
40 Essential Features of a Modern  
Accounting System

[Download Now »](#)

# sage Intacct

For more information, visit

<https://www.sageintacct.com/nonprofit-accounting-software>