Chargebee

From Stewards to Strategists

How Can Financial Controllers Make Time For Business?

With contributions from

spendesk

Introduction

What do subscription businesses want from their finance controllers?

The answer to this question has been gradually changing over the years. The inherent nature of the subscription business model demands that the finance controllers take on a dynamic, forward-looking approach instead of the traditional historical number crunching.

Modern finance controllers are not merely the guardians of budgets and cash flow. They're strategic partners and play a key role in pivoting the business in the right direction.

This ebook will take a deeper look into the evolving role and expectations from a modern finance controller with some nuggets of insights from the experts at spendesk on how you can get started on that journey.

In the highest performing companies, the finance function is moving from a support team to a true business enabler. It's time for finance teams to be recognized for their true value.

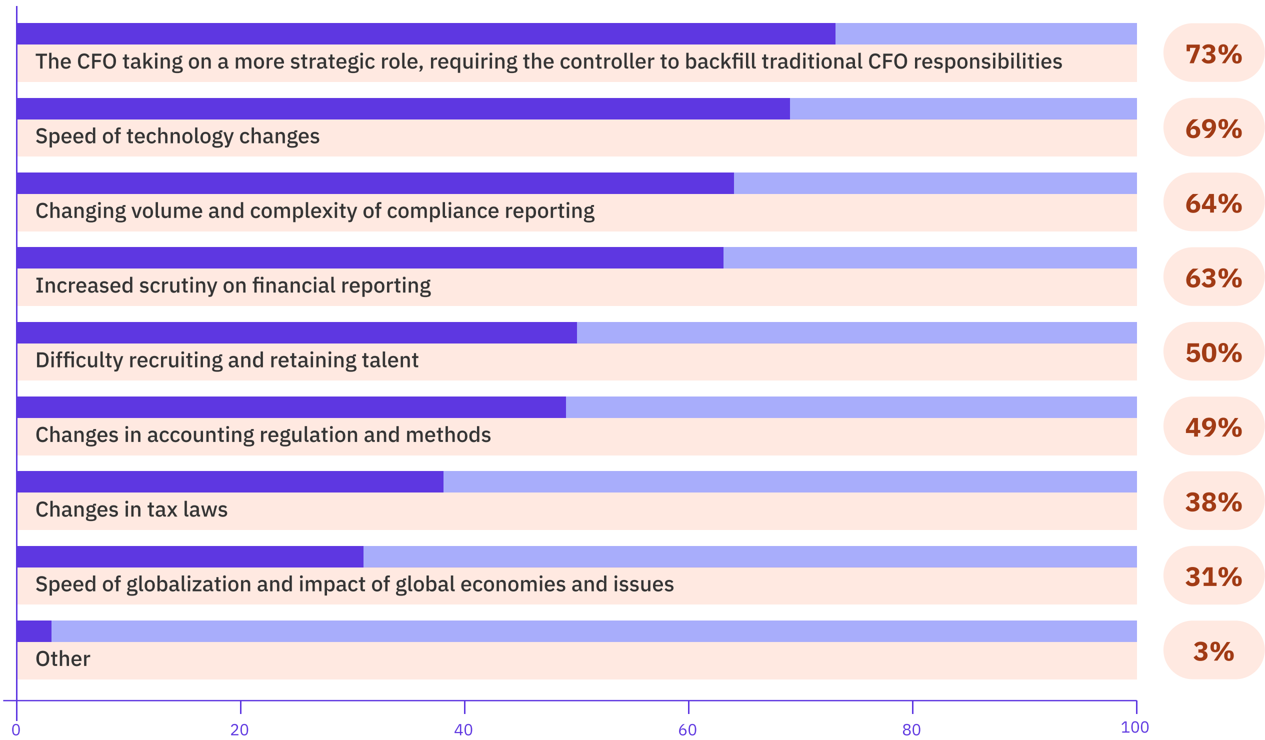
***Rodolphe Ardant,** CEO, Spendesk*

The Evolving Role of the Finance Controller

Conventionally, a finance controller's duties include bookkeeping, financial reporting, budget planning, and compliance. There's no denying that these are critical to business operations, but a modern controller needs to go above and beyond.

According to recent research, technological advances are fueling the evolution of the role of the controller.

What Factors have caused the role of the controller to evolve?



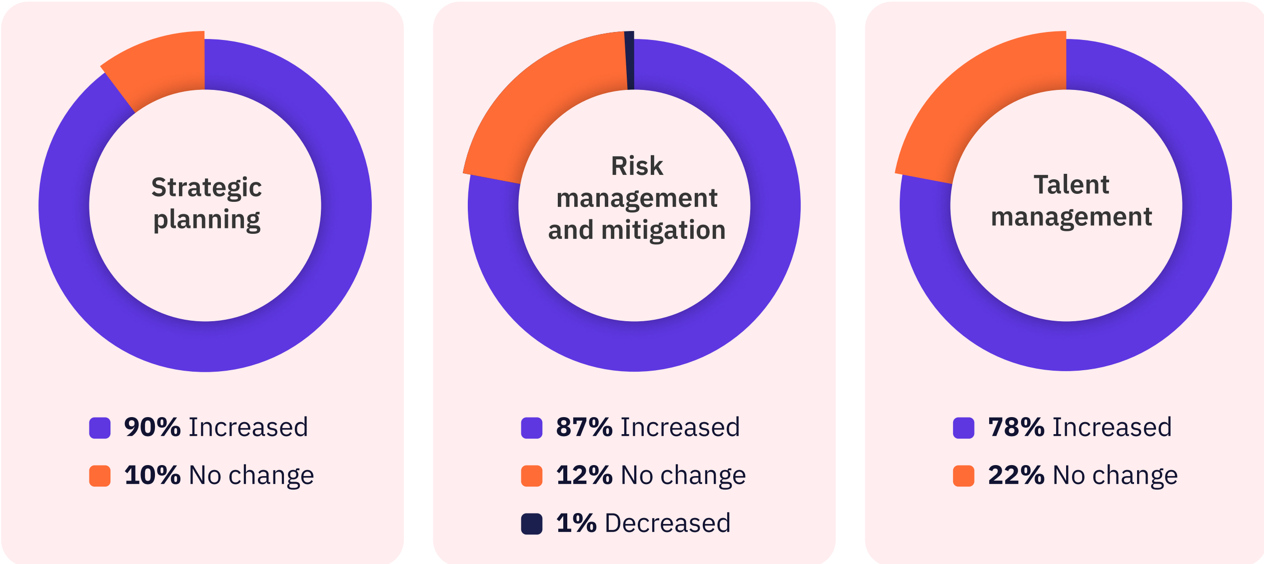
n = Controllers

Source: floqast.com

As the business grows and workflows become more complex, finance leaders are the CEOs' strategic partners to navigate the rapidly changing business landscapes. To do that, finance controllers today must make tough, data-driven decisions to tackle a crisis and the long-term strategy of the business.

In the last decade, this is how the time and effort a controller needs to spend has evolved:

How has the time and effort that a typical controller needs to spend on each of the following responsibilities changed in the past 10 years?



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An in-depth analysis of the finance controller's role from the ***Delloite and IMA report*** segments it into four categories:

- **Steward:** managing risk and preserving assets
- **Operator:** running an efficient and effective finance operation
- **Strategist:** influencing the future direction of the company
- **Catalyst:** helping to drive execution

But is the transition from being a steward to becoming a strategist easy? Not so much.

Making the Transition

What do controllers need to make a successful transition to a strategist?

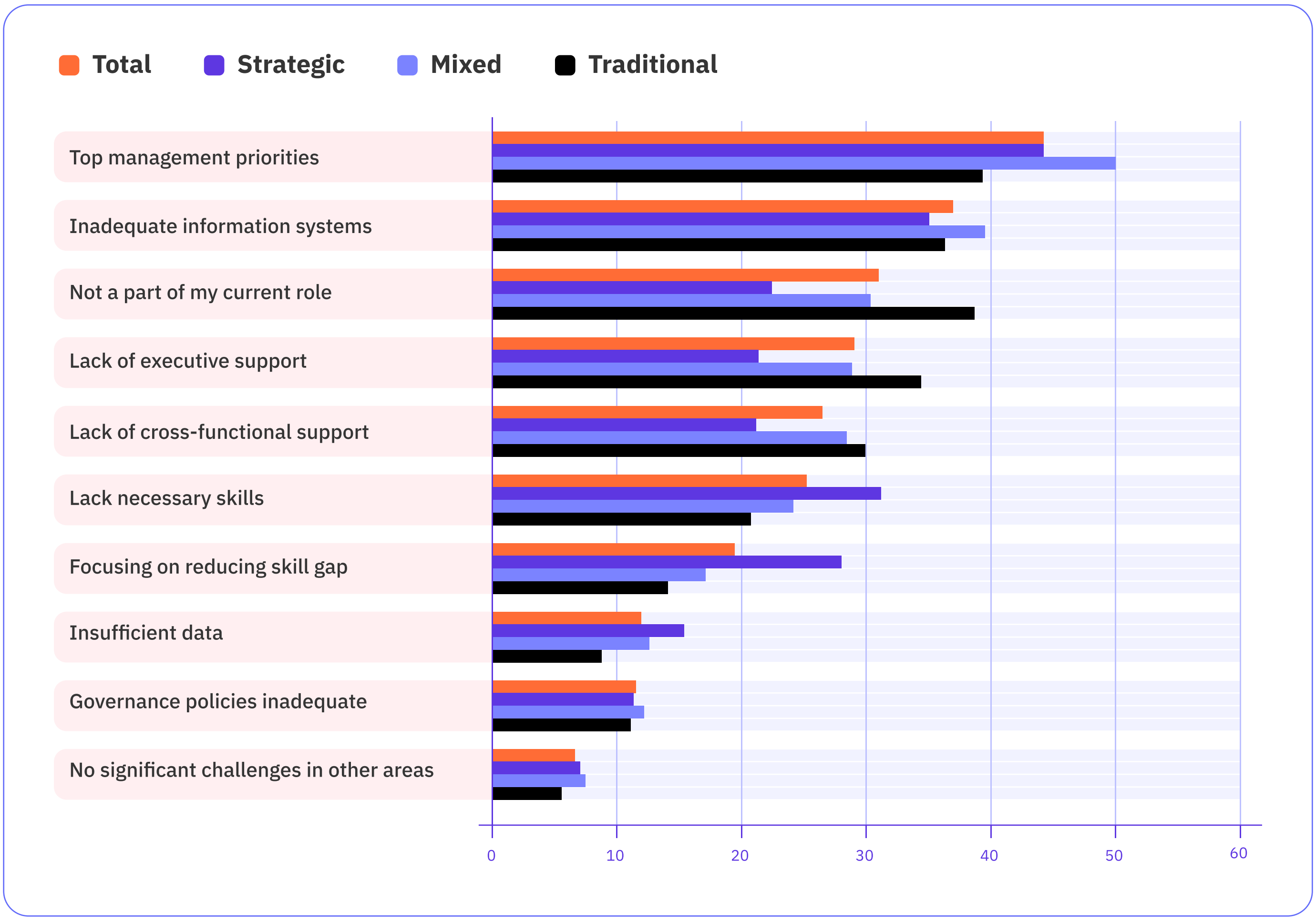
According to Deloitte, there are three areas a financial controller should focus on three areas:

Influence	Strategic financial controllers must have the ability to build relationships with other leaders in the organization in order to get the buy-ins of necessary stakeholders.
Skills	Being strategic demands upskilling both in financial arena and communication.
Time	Controllers deal with many time-consuming activities such as reconciliation, compliance, invoice processing, spend management, and book-closing. These activities are business-critical, but performing them manually or with inflexible systems can take about 25% of the controller's time per week!

When controllers are freed up from the shackles of these time consuming activities, they can take up a more proactive role in steering the growth strategy of the business.

Research shows that unscalable or inadequate systems are the second biggest obstacle standing in the way of controllers looking to be more efficient and strategic.

Main Obstacles to Spending Time on Desired Areas of Focus



Source: imanet.org

Inflexible systems are not only time-consuming, but they're also error-prone. Rather than burning your midnight oil fixing errors, controllers should embrace automation that saves them time that they can use on strategic initiatives.

Nuggets from Industry Leaders

Above and beyond technical expertise, the move from being a finance controller to a CFO requires an in-depth business view and understanding of the business and the market that you are in.

It's a challenging journey, but undoubtedly not an impossible one. And if you're a strategic controller, you're well on your way to becoming a CFO eventually.

> ***Think about the three to five-year impact if we buy that business? Do that acquisition? Merge with another firm? It's forward-thinking that makes the difference between a valuable CFO today and one who is just interested in expense control and belt-tightening.***
>
>  ***Paul McDonald,*** *Senior Executive Director, Robert Half*

This detailed ebook by Spendesk covers advice, insights, and strategies from finance leaders at fast-growing businesses. According to Charly Kevers, CFO at Carta, it is crucial for CFOs to become and act as true business partners and trusted advisers to the CEO.

> ***Whatever the role of the finance team member - accounting, treasury, FP&A - they need to deeply understand the problems we're trying to solve to be the best business partners they can be.***
>
>  ***Charly Kevers,*** *CFO, Carta*

In addition to strategic thinking, controllers should also cultivate communication and leadership skills to efficiently tackle board meetings and stakeholders.

The Three Pillars for the Strategic Finance Leader

As a strategic controller, your roles and responsibilities include the following major pillars:

Modern accounting

Seamless billing operations

Robust reporting and forecasting

Let's see what each of these pillars entails.

1. Modern accounting

Growth begets complexity. In the early days, the business needed basic financial statements and tax accounting. Those basic details are enough for preparing your tax returns but not so great for understanding the economics of your business and leading your business.

As the business grows, finance operations become increasingly complex (new products, new staff, new markets). Inflexible systems simply do not match that level of complexity.

The business simply can't rely on accounting processes that need 5-10 days to close books every month and are still error-prone.

Take ***revenue recognition*** or reconciliation, for example. It's a highly complicated process for subscription businesses, with no room for error. ***Automating revenue recognition*** and ***reconciliation*** will spare controllers a tonne of time and makes the process efficient.

> ***One of the first things we had to do was to do revenue recognition correctly. And that's why I started working with Chargebee. We now save over $42,000 every year by automating revenue recognition and accounts receivables via Chargebee.***
>
> **Walter Chen,** *Chairman, Animalz*

Another area with heavy manual workflows is expense management. It's a sure shot recipe to messy book closure with little or no visibility into the business's spend and inconsistent data. ***Automating spend management with tools like Spendesk*** and integrating it with your core systems ensures error-free real-time expense reporting.

Takeaway

Strategic controllers actively monitor the point at which the business has outgrown its accounting workflows. Failing to do so will lead the business to miss opportunities to unlock efficient growth. Automation is key to keeping speed with the latest accounting standards and generating important reports in a matter of minutes.

As Spendesk Finance Manager Clémentine Svartz explains, **"there's a difference between simply managing the books and contributing to the greater company goals. We automate all of the basics so we can be more active in decision-making and help other teams with their budgets."**

2. Seamless Billing Operations

With scale, recurring billing gets complicated - think of all the upgrades, pauses, and downgrades mid subscription cycle. As a strategic finance controller, you should work with leaders in your organization to maximize your revenue without worrying about whether your billing system can handle the increased volume of transactions. You should have expansion plans on the horizon without worrying about accepting different currencies or complying with multiple international regulations. You should be able to analyze pricing strategies without dreading the thought of executing a price change.

Billing automation is more than just automated invoices - it's a growth opportunity. Aside from the efficiency and drastically low margins of error, automated billing leads to 80% less invoice processing cost, recovers potentially lost revenue due to failed payments, and opens up opportunities to experiment with billing logic to provide the most seamless customer experience.

For example, ***here's a story*** of how ***Trail*** (a work management application) reduced the time spent managing subscriptions by about 80% and onboarded customers much faster.

Flexibility around subscription types is probably the biggest win - being able to view all our subscriptions in one place and learning the absolutely everything in the subscriptions trail. Chargebee cut down time spent managing subscriptions by about 80% compared to our previous process.

Nick Allen, *Product Manager, Trail*

"We implemented Chargebee at a point when we were experiencing massive growth and this (growth) wouldn't have been possible without Chargebee.", Nick adds.

With a subscription management platform like Chargebee, you can focus on building your business while ***Chargebee handles your billing heavy-lifting.***

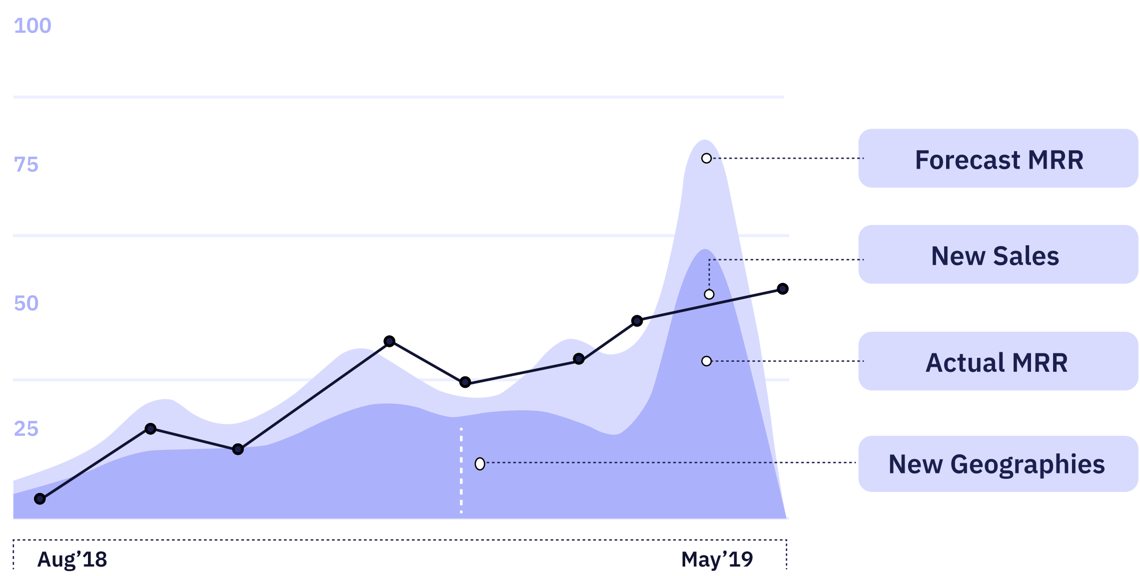
Takeaway

Billing gets increasingly more complicated as the business grows. Instead of getting entangled in manual workflows that hinder growth, strategic controllers should leverage technology that enables smoother workflows and unlocks new growth opportunities.

3. Robust Reporting and Forecasting

For growing businesses, financial forecasts need to be altered to match the changing scenarios every quarter. Decisions must be fact-based and numbers-driven with a tinge of gut feeling, never the other way around. The modern controller needs a single source of truth that could help highlight the right data and the right insights.

This data will be crucial in experimenting, financial analysis, and forecasting consistently. The metrics tell a story, and strategic controllers must have their eyes peeled for cherry-picked insights to help the business take data-baked decisions.



> ***RevenueStory for Chargebee enabled us to get deep into our business financials, reducing our reporting effort basically to zero, while adding extensive options for explorative analysis - all that based on the existing information in Chargebee.***
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> ***Robert Weissgraeber,*** *MD & CTO*

Integrated reporting dashboards centralize all the data and provide the relationship between the metrics like customer lifetime value, churn, average revenue per customer, etc.

Takeaway

Some of the crucial data that often signal the direction your company needs to take right away resides quietly in reporting dashboards. Strategic finance controllers must make use of it to steer the company in the right direction.

In Conclusion

Strategic controllers have a key role to play and their part is the most prominent in deciding the company's direction. With a unique approach to the three pillars i.e. Modern Accounting, Seamless Billing Ops, and Robust Reporting, strategic finance leaders can make a difference in business growth.

Controllers, are you ready to be in the driver's seat of the business strategy?

Automate your complex billing workflows with Chargebee.