



Cheatsheet

The cloud made clear: Why now is the time to change up your IT

Talking cloud means talking business

By now you've definitely heard of the cloud. In our home lives, we store our stuff "in the cloud"; and we know that it ought to be simpler, safer and smarter.

But as a finance professional, it would be nice if someone put "the cloud" into business terms instead of technical terms. We're going to do that right here.

We all know how to use computers and the software they run. For finance professionals, Excel is a good example: it's like a comfy armchair—the go-to software that we're all happy with.

We all have files on our computers, too. Sometimes they got lost or stolen, and that was a problem. So companies invested in servers and security to keep files safe and share them within the business.

But the cloud philosophy says: instead of computer effort happening on all our individual devices, now that we're all connected to the internet, why not do computer work remotely?

That sounds complicated, but in business terms, it's exactly what every CFO is looking for:

- **Efficiency:** Efficiency means everyone doing what they're best at. In the words of TechRadar, "Because cloud providers tend to be highly specialised, they can heavily invest in doing one thing well and with high-quality materials." In the cloud, you no longer have to maintain software, run it or secure it. All that is handled by people somewhere else, people who do that sort of thing 24/7; so with the cloud, you don't need such a huge IT overhead.
- **Strategy:** With scalable IT taken care of, you'll have more bandwidth to devote to the business, too. Modern CFOs are strategic contributors to their organisations, and recent Sage research shows that CFOs in cloud-enabled businesses are delivering increased value: "Finance leaders who believe their companies are ready for the shift to the cloud tend to perceive the benefits of digitalisation differently. These CFOs were more likely to be tapped for help in providing commercial insights, rather than simply reporting the numbers (39% vs 27% in non-cloud-ready organisations)... The financial professionals who understand this value proposition—and can communicate the benefits to stakeholders—will be best positioned to make it happen. They know stasis is no longer an option."
- **Simplicity:** Instead of multiple copies of Excel on different people's machines, what if there was always just one perfect copy of Excel, which meant you always had access to the latest features? With the cloud, there's no updating of software, no buying licenses and no complexity. Switch licensing on and off as your team grows or shrinks.
- **Built around the cadence of your business (CapEx to OpEx):** Perhaps best of all, the cloud changes the economics of computing. In the old days, you had the high CapEx hurdle of buying servers and software before you could put technology to work. With the cloud, the CapEx is zero. Access to the world's best software is on a subscription basis: so long as your team is connected to the internet, they can have the software they need month-to-month with no upfront outlay.

The cloud is a technical innovation, but it makes business sense. Which is why businesses are moving to the cloud faster than ever.

"The rapid pace of innovation in cloud infrastructure and platform services (CIPS) makes cloud the de facto platform for new digital services and existing traditional workloads alike, which is why 40% or all enterprise workloads will be deployed in CIPS by 2023 and beyond."

Gartner, Tech Analyst.



More reasons to move to the cloud



Work anywhere

When your software and data are in the cloud, you can work from anywhere, so long as you're connected to the internet. Since the pandemic has had us all working from home, it's never been more obvious that isolated pools of information on machines tied to the office just won't do any more.



Design your digital world

Modern cloud systems are designed to integrate with each other. Sage Intacct, for example, integrates seamlessly with Salesforce—and data is easily extracted into any of thousands of other systems which you might already use. So whatever the shape of your business, cloud software is ready to fit the way you work and add value.



Forge ahead at the speed of modern business

Today's world is less predictable than ever. From supply chain disruptions to the steady flow of tax and regulatory changes, evolution is constant. Only cloud-based software can keep up—and if you're still updating local systems, you're wasting time which could be spent on bigger priorities.



Collaborate

When we're all connected to the cloud, we're also connected to each other. That means we can collaborate on documents—often in real time; speeding up the flow of business, reducing errors, and ensuring that remote working is as productive as office working.



Power up with AI cloud accounting and automations

AI-powered cloud accounting transforms the way businesses handle their finances, automating time-consuming tasks and saving you hours every week. From streamlined workflows and easy cash management to an AI-driven general ledger that detects anomalies, your accounting processes become more efficient and accurate. AP automation, powered by AI, further enhances efficiency, allowing you to focus on high-value tasks. Imagine automating entire solutions: the moment a web order is placed, the client is added to a CRM, a receipt is sent, and packing slips are produced across different systems—all without human intervention. No hassle, no errors.

Cloud Computing is 40x as cost-effective compared to in-house IT systems for small and medium sized businesses.³

³ <https://www.gartner.com/smarterwithgartner/gartner-predicts-the-future-of-cloud-and-edge-infrastructure>



Why now?

Moving to the cloud does carry some complexity. And it's therefore tempting to put it off. Every CFO and IT manager has other priorities, after all. That's a bad idea: every month, the economics of procrastination will get worse...

It's not going to get easier...

- Commercially, there are both push and pull factors which suggest that it's never too soon to deploy a cloud migration strategy.
- The burning platform is that managing a patchwork of legacy systems is going to get increasingly complex and therefore expensive. In particular, end-of-life software tends to get exponentially expensive, for vanishing value.
- At the same time, we're on the cusp of a remarkable wave of innovations—Artificial Intelligence, the Internet of Things, 5G connectivity, autonomous vehicles and many more—which are revolutionising business.
- Holding out in a disconnected world means missing out on at least some of the competitive advantage that these emerging tools will provide; and the cost of that will grow with each passing year.
- Tech has made itself indispensable in almost every conceivable business function. It will continue to drive new value, and laggards will be penalised.

Power the new finance function

- The technical reasons for moving to the cloud are also backed up by drivers specific to the finance function.
- There was a time when the finance function looked in the rear-view mirror. You were responsible for reporting, reconciliation and review.
- But today's CFO is proactive. You are expected to contribute to strategy, and that means having the right data at your fingertips—in the IBM 2021 Global C-Suite Study, 70% of leading CFOs said that implementing enterprise-wide data standards was a top priority.
- It's no surprise that the CFO, rather than an IT function, is often the owner of data in the enterprise, or even the outright owner of technology decision-making.
- The finance role demands more than ever. Luckily, you have the levers of IT transformation in your hands.

Why not?

The cloud is everywhere. In the 16 years since the phrase was coined in August 2006 by then Google CEO, Eric Schmidt, the sector has reached a value of over \$350BN. But the cloud isn't for everyone. Here are the key caveats and considerations which might make you pause for thought, even if they don't entirely hold you back.

- **Connectivity:** Remember we said that with the cloud you can work anywhere? Well you can—provided you're connected to the internet. This can be particularly challenging for field-workers. Solutions include the increasing range of connectivity options (now including satellite, which is becoming affordable) and offline modes, whereby software works fine while you're temporarily disconnected and updates to the Cloud when you're back online.
- **Security:** The cloud had a slow start because many businesses felt uncomfortable surrendering their precious data to a third party. However, the truth is, the big cloud providers are better at data protection than most businesses could ever be. They live and breathe information security. So whilst nobody can guarantee your data protection 100%, moving to the cloud will, for most businesses, represent a step change in information security capability.
- **Data sovereignty:** Legal protections and obligations can mean that data must always remain in particular territories (depending on where you operate) and this can require you to route that data very carefully. In some instances, that may be complex enough that it's simpler to lock data away on-premise. Computer Weekly reports "cloud storage is the ultimate in technology outsourcing. Business units and IT teams don't need to know how the technology works, or even where it is: to set up a cloud service, they just need a browser and credit card. But this simplicity creates regulatory and security concerns, especially when it comes to cloud storage. The very flexibility of the cloud—where hardware can be anywhere in the world—makes it hard to comply with national laws that are by their nature based on a fixed geography."

How to migrate to the cloud

Still got the cloud bug? Good—it's almost certainly the right decision. Migrating to the Cloud for most growing businesses need not be a dramatic challenge. But it will involve new ways of working, and a review of your IT operations. Here are 10 simple steps which every business can follow:

1. **Snapshot your current IT:** What information do you have and need; where is it currently stored, and what systems do you use today?
2. **Set some objectives:** What are you trying to achieve? Is it data security, efficiency, scalability, remote working access or just a simpler economic model? These and many more are benefits of the cloud, but which are of strategic value to you? As consultants Accenture say, "A move to the cloud is far from just a technology exercise. It needs to be rooted in business outcomes—specific objectives the company wants to achieve."
3. **Decide what to migrate:** Work out what services and data are staying put, what can move to the cloud, and in what order. Often simple applications (especially those where you are simply changing from an on-premise to a cloud version of the same tool) will be an overnight swap. More complex and interdependent systems may need several weeks of effort to bed down.
4. **What are the barriers to the cloud?** We've already discussed, for example, data retention issues which might require aspects of your business to remain on-premise. But there will be specific issues for you to resolve; for example, do you have on-site software which simply can't be moved to the cloud? If so, what is the cost of a replacement option—and how long will it take to implement and help users move across?
5. **Discuss modernisation:** If you're going to endure some upheaval, why aim for the same operational outputs as before? Examine cloud solutions and processes to see where efficiencies, automations and other benefits can be rolled out which will create new value in your business.
6. **Does everything connect?** Cloud software is invariably well interconnected, but you'll want to be sure that everyone has the tools to do their jobs properly. Don't work this out yourself: ask stakeholders across the business. Every functional specialist will know the software options in their field, so get their advice on best practice in their area of expertise.
7. **Finalise the business case:** What is the cost of change, and what are the expected benefits over time? Even if the cost of change is high, remember that our whole thesis is that the cost of change will only get higher and the price of clinging to the past in lost competitiveness will eventually be prohibitive.

8. **Get the right skills in place:** The orchestration skills and processes required for cloud management can be different to the maintenance skills common in in-house IT maintenance. Collaborate with your IT team to ensure they are appropriately resourced; and give the IT team any training they need.
9. **People are everything:** The days of imposing tech on employees are long gone. Help them through the transition. And remember: modern cloud software comes with support from Customer Success teams dedicated to making every user's experience a positive one. Ask for help if you need it!
10. **Keep an eye on progress:** Savings dissipate rapidly over time without a careful financial eye on expectations. Examine billing and operational performance against SLAs (service level agreements); and review cloud costs regularly. You are looking for initial sunk costs to be comfortably offset by the simplicity and predictability of the OpEx model and reduced in-house IT costs.



Cloudify your finance team with Sage Intacct

The finance function is, of course, only one of many departments which can benefit from cloud services. In fact, in the cloud world, the idea of a “function” operating in its own silo, is (thank goodness) largely out of date.

But finance can be a first mover: as we saw above, the modern finance function soaks up data from across the organisation and turns it into meaningful, actionable strategy. To quote Forbes, “Finance leaders now shape and drive corporate strategy in areas ranging from advanced technology investments to organisational design, and from supply chain resilience to organizational culture. The increasingly advanced and predictive insights that finance groups generate from an expanding collection of internal and external data sources features prominently among the enablers of the CFO’s multidimensional contributions to the organization’s strategy setting and execution.”

To make a head-start, consider Sage Intacct—our cloud-first finance software with all the typical benefits of cloud delivery:

- Anywhere, anytime access with 99.8% guaranteed availability and rigorous security certifications.
- Four feature-rich upgrades delivered automatically, every year.
- Modern cloud APIs for always-on integrations at a fraction of the cost of on-premises integrations.

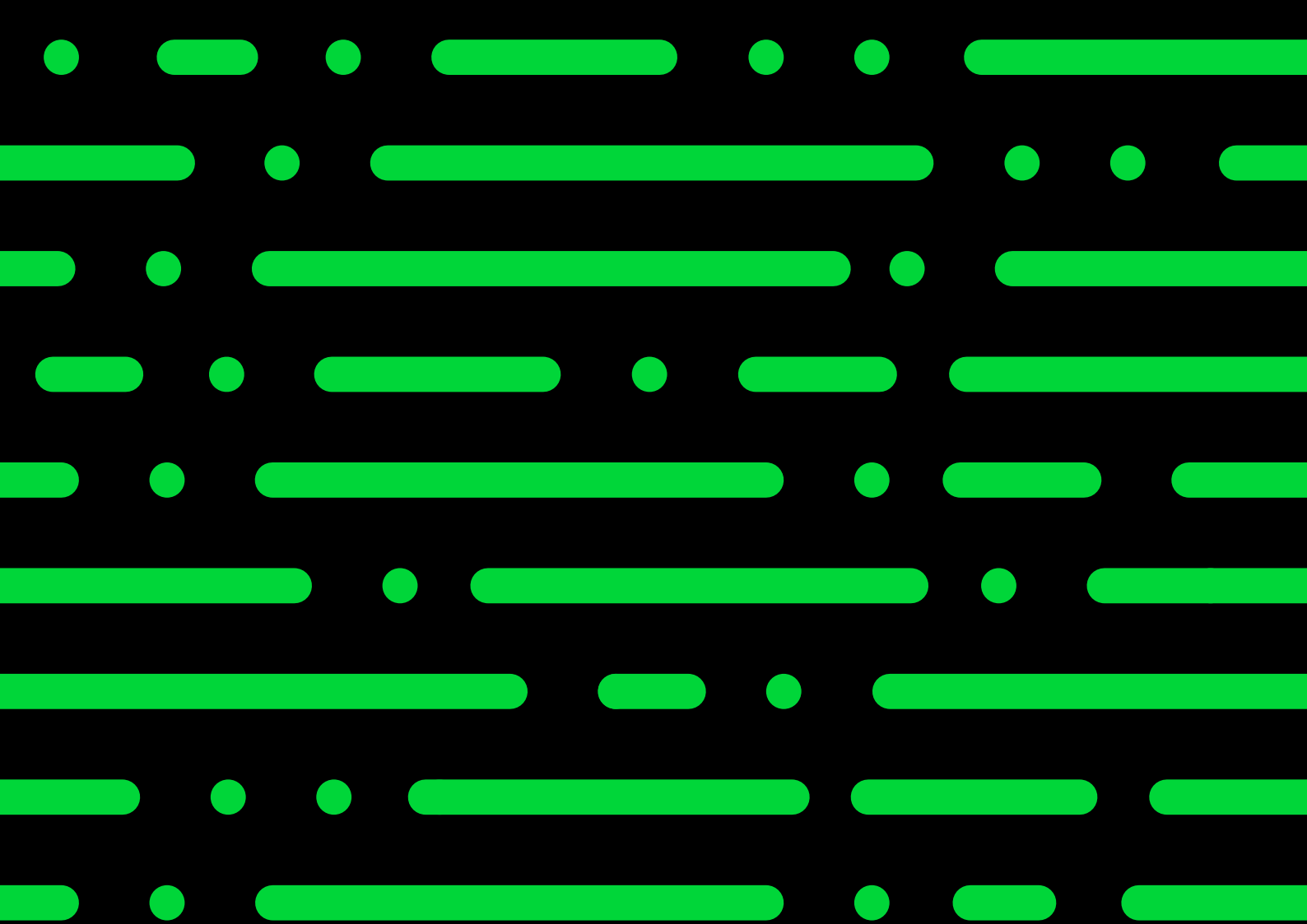
Sage Intacct is also full of features designed for growing businesses:

- The ability to manage and rapidly consolidate multiple entities and geographies—so whatever the shape of your company in the years to come, your management systems will be able to cope.
- Advanced reporting to give you—and anyone else who needs it—real-time visibility of the business, tailored to their needs.

Sage Intacct has been voted number one in customer satisfaction by G2 Crowd and selected by the AICPA as their first and only preferred financial management solution. Furthermore, we’ve just received the highest rating for the lower midsize use case in Gartner’s Critical Capabilities Report for the fourth year in a row; thanks to functionalities which include multi-dimensional real-time reporting and dashboards, streamlined multi-entity management and rapid, automatable financial and compliance processes.

If you’d like to learn more about how your business can grow with Sage Intacct, please visit sage.com/za/sage50toSageIntacct





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