5 Ways to Improve the Sales/Finance Relationship

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Here's the big secret about the often adversarial Sales/Finance relationship: it's not really a people problem. It's both a process and a systems problem.

This statement may seem to fly in the face of conventional wisdom, but consider this: ultimately, Sales and Finance are on the same side. They both want the business to succeed. They both want to grow the revenue stream. And they both want to be considered star players. When all's said and done, they're more alike than different.

But it's also true that they approach the business in different ways. And when processes and systems that cross departments aren't aligned, mistakes happen. And that's when tempers flare up and personalities clash.

So how can you improve the processes that touch these departments and ensure that both teams continue to do what they really want to be doing—which is pulling together in the same direction?

1 Eliminate Department Silos by Sharing Data

One of the major issues that keep Sales and Finance apart has to do with disparate data living in different respective systems. Wouldn't it have been great if Sales and Finance had each started using the same CRM and Accounting system on Day 1 of the company's founding? In reality, each department uses its own system—some in the cloud, and some on-premise, with access that's limited to certain department stakeholders. At most companies, each department lives in its own data silo.

The results can be ugly. There's no single source of truth, but rather a bewildering collage of different databases, spreadsheets, and customer master records, with synchronization and timing issues that result in bad information being dispersed at crucial moments in the sales and accounting cycle. Departments lose visibility into important information they both desperately need—such as customer sales information and billing activity.

What you can do:

Whether your company is one day or 100 years old, it's not too late to centralize the data used by both teams. The best practice is to put it in one cloud, so it's easily accessible by everyone, anywhere. Cloud-based systems have moved beyond just CRM; now you can put accounting and billing on the same cloud platform as CRM, such as Salesforce.com's Force.com. By using this approach, customer master records and account history become one and the same for Sales and Finance, and there's no syncing to worry about.

> **"Many of our previous on-premise systems were clunky. We're now connected to our general ledger and that automatically relates to customers in our CRM systems. We are growing without silos."**
>
> **Scott Johnson,** Co-Founder, All Traffic Solutions

2 Use Common Systems to Streamline Cross-Department Processes

An unfortunate side effect of having separate systems in each department is that it causes different, often disconnected processes to be built up around each department. This forces team members to take painful and usually manual steps to bridge the gaps for activities that span departments.

Here's a simple example. If Accounting teams have to resort to a barrage of emails and voice mails to chase down marketing and sales managers in order to secure expense report approvals, they will acquire an unwelcome reputation as "naggers." This happens because most companies don't have online workflow tools that span both departments that would enable such authorizations to occur online, with only a few keystrokes. Instead, the finance team has to go hunting for signatures at the end of the month—just when everyone is working the hardest.

The worst divide between Sales and Accounting is often found in the "order to cash" process after an opportunity is closed in Sales and before it is billed by Finance. A large majority of companies still re-key orders to generate invoices, or they resort to elaborate spreadsheets rather than creating invoices directly from closed opportunities in the CRM system. Such manual processes are always susceptible to human mistakes. This can create unnecessary friction and reconciliation wrestling matches to determine who is right.

This problem has grown dramatically with the adoption of Salesforce as the CRM of choice by Sales teams worldwide—because by definition, Salesforce CRM is disconnected from on-premises systems at the outset. Sales users enter their information in the cloud, but then accounting and billing teams enters the same data in on-premises based systems and spreadsheets. The two systems don't talk to each other easily, and that leads to arguments about data integrity.

What you can do:

Cloud platforms such as Force.com now offer the ability to run CRM and Accounting applications together in the same environment. Both departments share the same account records as well as the same user interface, and they allow users to create invoices from closed CRM opportunities in a single click without re-keying or resorting to spreadsheet workarounds. At the same time, Finance teams are able to leverage the same workflow authorization system and tasks lists already used by Sales and Marketing teams, so authorization tasks such as expense approvals become seamless, painless, and part of the normal process of logging in every day.

> **"Eliminating data duplication has reduced our invoice creation time from 45 minutes to a few seconds."**
>
> **Lucy Mills,** Product and Partner Manager, Nimbus Partners

3 Align Around the Customer – Not the Department

As you can tell by the term "Customer Relationship Management," the whole idea of a CRM is to build relationships. But accounting activity is often left out of CRM, which has the effect of making a company appear to be uncoordinated, unprofessional, and lacking in basic communication skills in the eyes of the customer.

After all, how do you think customers feel when they agree to one set of terms with Sales—who diligently enters the information into their CRM—but then receive a completely different set of terms when they receive the paperwork from Accounting? It's like they're doing business with two different companies.

What you can do:

Rather than align inwardly around departments and systems that live in silos, align around the customer. This can be done by making sure all sales, service, and accounts receivable activity is tracked holistically in one place. Doing so allows a 360-degree view of customer data by key stakeholders—giving your team members complete access to what's going on with each account regardless of which department they work in.

This can pay off in unexpected ways. For example, Accounts Receivable might not press a customer too hard for payment if they see a large sale pending with the account, electing to defer the issue to Sales. Or they may come across an onerous service issue that should be resolved before anyone starts shooting off threatening "Past Due" emails.

> **"We all have 360-degree visibility into our largest opportunities, which has helped us internally be more efficient."**
>
> **Patrick Kearney,** VP of Professional Servics, Perceptive Software

4 Get Social

The foundation of any healthy relationship is communication, and Sales and Accounting are no exception. You can't depend on the water cooler or annual team-building events to build teamwork in this day and age—not when companies have become so virtual and geographically distributed.

What you can do:

New social media and collaborative technologies are available to help teams work together, regardless of where people work or what department they are in.

Tools such as "Chatter," a real-time collaboration platform available on Force.com, can send system-generated or conversational information proactively via a real-time news stream to appropriate personnel. Users can follow co-workers, accounts, and projects to receive broadcasted updates about project and customer statuses. They can also form groups and post messages on each other's profiles to collaborate on projects.

Chatter helps to capture or institutionalize information that has traditionally been strewn around in email or that takes place behind-the-scenes during phone calls. Those "conversations" can now be attached directly to an account or transaction, providing a richer, auditable view of account activities and events.

Furthermore, Chatter is ideal for capturing information about customer situations. For instance, a receivables clerk might "chatter" that a big account is refusing to pay their bill because of a satisfaction issue. Those in Sales and Service following the customer chatter streams will be instantly notified—and with this advance warning, they can proactively deal with the issue.

"Aligning customer data and accounting data with Salesforce and Chatter has changed the business."

Addy Burry, Business Analyst, Global Relay, Inc.

5 Collect Cash and Monitor Credit as a Team

Cash is the oxygen of the business. It shouldn't just be the domain of the accounting team—sales and service team members can have a tremendous impact on how quickly cash is collected, as well as help avoid bad debts. The last thing Accounting should do is prevent Sales from seeing a customer's payment history, yet, this is a common (if unintentional) practice at many organizations.

What you can do:

Use the 360-degree views of cloud-based accounting and CRM systems to share customer payment history with Sales. This allows reps to:

- Help collect the cash. Sales and service reps often have the strongest personal relationships with customers, and they can often get payments expedited.
- Avoid selling more bad business to poor payers. One of the biggest advantages of the "360-degree customer view" is that it exposes bad payers and poor credit risks.
- Get paid. Many sales representatives are paid on collections. And, as we know that reps are coin-operated, it's safe to assume that they will be highly motivated to make sure customers are paying on time. But they can't do this unless they have complete visibility into the customer's receivables history.

"Integrating Sales and Accounting processes has produced significant cost and time savings."

Simona Foschi, Account Manager, Matala

Summary

It's not too late to improve the Sales and Accounting relationship. In fact, it's not too late to bring to bear significant efficiencies and cost savings to the business itself by eliminating the barriers that separate these two important teams. It's simply a matter of improving the processes that touch each of them—and helping them share data, use common systems, align around the customer, leverage collaboration tools, and collectively take ownership of cash and credit oversight.

Doing so will not only have a tremendous impact on the business, but also put Sales and Accounting where they really want to be in the first place—on the same team and working together with shared goals, shared tools, and a shared desire for success.

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