



FOR SALES & MARKETING PROFESSIONALS

JANUARY 6, 2011

Sales and Finance Work Together in the Best-Run Companies

With both accounting and customer relationship management in the cloud, Sales and Finance can inter-connect and share data and communications online.

By Jeanne Marzano, Controller, and Niranjan Samant, Vice President, Sales and Client Services, Equilar

Sales and Finance always have been two separate business departments. Despite each affecting the success of the other, traditionally, these two functions have experienced a difficult relationship. As the Controller, I'm focused on profit levels and business volumes, and I like to track progress as accurately as possible, while my colleague, the Sales VP, is focused on closing deals and growing the customer base. From the Sales perspective, Finance imposes aggressive targets with business restrictions that, in their mind, can limit the sales team's attempts to create revenue. Handholding deals through the credit and pipeline requirements just adds unnecessary difficulties to the sales process. Typically, this has been how Sales views Finance as they have very different mind-sets—a killer instinct for closing business versus a need for accurate billings and recordings within the guidelines of GAAP data.

What companies often forget is that every business transaction ultimately ends in a debit and credit. For Sales to be as effective as possible, they need to have a relationship with Finance to avoid broken business processes that lead to invoicing errors and bad customer service. Technology has a major role to play in improving communication and relationships. The dawn of cloud computing, in particular, is encouraging immediate response times and collaboration, and cloud accounting is helping to bridge the gap between Sales and Finance for the first time. By plugging modern accounting into modern business, Finance and Sales can work side by side to understand customer credit balances, to invoice more efficiently and accurately, and to collect cash quicker, ultimately improving customer service.

In the same way Sales relies on a good customer relationship management (CRM) system, Finance always has relied on accounting software. The difference is that this software traditionally has been on-premise in the back office, requiring significant infrastructure and upkeep and involving dreaded upgrades to keep it up to

date. In many cases, this has led to companies working with legacy systems that are 10 to 20 years old. The growth and advance in cloud accounting systems is changing the way the best-run companies do business, encouraging a customer-centric accounting mind-set that Sales will appreciate. With both accounting and CRM in the cloud, the departments can inter-connect so the two functions share up-to-the-minute data and communications online, working toward the same end goal.

Best Practices in the Cloud

An organization thrives by Sales' ability to grow revenues. However, growth that is uncontrolled, unexpected, or unplanned for can be as much a curse as a blessing—if resources are not in place to cope with the extra sales and new accounts, customer service and corporate reputation can take a knock and profitability can be damaged. Therefore, accurate forecasting is essential but only can be achieved if Sales and Finance are speaking the same language.

In my experience, Sales likes telling people what their new business pipeline looks like, but if I approach our vice president of Sales and ask him for a 'forecast,' I usually get a somewhat distorted version of the truth. What I really want to know is what business is guaranteed, what is their expectation, and what would the best-case scenario look like. Forecasts are crucial to help us define future strategy—where we allocate resources and what we spend time on. Without close communication with those working on sales, I cannot do my job.

My colleague, Niranjan Samant, vice president of Sales and Client Services at Equilar, says, "Accountants need to be sensitive to the complexities of customer relationships. If I've spent weeks or months building a relationship with an organization and they have just signed with us, I don't want them to receive an incorrect invoice. It's a bad reflection on me and the com-

pany, and the salesperson has to bear the brunt of it. Inaccurate billing creates more work for the customer and takes time out of my schedule that could be spent selling. By using CRM and accounting cloud applications in sync, we have more accurate data.

“In the past, if a customer called to ask a question about their invoice, Sales would have to send an e-mail to someone in Finance, and then wait for a reply before calling the customer back with the answer. Some company finance departments still circulate entire spreadsheets containing credit status and billing status of all their customers. That’s just crazy from a security point of view, and the numbers are only as good as the last time they were updated. With up-to-date information being delivered online through secure, connected sales and finance applications, I have all the answers I need every day. The accountants no longer are hindering our deals, customer service is improved, and the finance department is meeting its objectives. You cannot underestimate the difference this makes.”

As controller, I can think of several occasions when collaborating more closely with Sales has solved customer issues quickly and successfully. Non-payment by a customer immediately alerts us that there is a problem and we can work with the relevant Sales contact to resolve that or to determine how solvent that client is, for example. In turn, Sales knows about payment issues prior to client visits and can help to resolve problems before further deals are signed. This kind of collaboration helps us deliver proactive customer service while ensuring optimal cash flow and closed business.

Samant adds, “Working with Salesforce CRM and FinancialForce Accounting, we have more visibility into the health of customer and prospect accounts. Imagine closing a large deal and then having it held up because of a dispute over a relatively small invoice. By having visibility that Sales is in the process of closing a big deal,

Finance can alert Sales to credit issues in advance so they can reach out to the customer to push it through. This avoids any hold-ups at the end of the quarter and keeps my team happy because customers are happy and paying and the sales reps get their commission on time.”

In the end, what we have found is that by working more closely together, and having access to customer detail at both levels, the Sales/Finance relationship is simplified. Rather than a barrage of questions relating to new sales and sales pipelines, the finance department can see data on new sales of a particular size, for example, or deals won over a specific competitor. There are fewer forms to fill out and better business intelligence on which to base business decisions.

Evolving best practices and enabling technology are breaking down the typical barriers that have developed between these business functions. By working together, Sales and Finance can achieve common company goals and can help each other to be more successful. Deals are signed quicker and customers are satisfied; repeat business improves; and forecasting becomes more accurate and valuable. Technology is the answer to couples counselling for sales and finance.

Jeanne Marzano is controller, and Niranjan Samant is vice president of Sales and Client Services at Redwood City, CA-based Equilar. The company delivers a product for benchmarking and tracking executive compensation, board compensation, equity grants and award policies, and compensation practices. Equilar products and custom research services enable corporations, human capital consulting firms, law firms, investors, individual executives, and the media to compare pay packages across thousands of public companies using SEC and exclusive survey data. Equilar is a strong advocate of cloud computing and relies on Salesforce CRM and FinancialForce Accounting on the Force.com cloud computing platform to manage its business. For more information, visit www.equilar.com

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