



**MINI GUIDE**  
**CLOUD ERP**  
**IN THE NEW**  
**SERVICES**  
**ECONOMY**

What it takes to be a  
customer-centric company



CLOUD ERP  
IN THE NEW  
**SERVICES**  
**ECONOMY**

FinancialForce is the only customer-centric cloud ERP for the new services economy.

**FinancialForce unifies data in real-time, enabling companies to rapidly evolve their business models.**

**Historically, ERP vendors have focused on solving for transactional, linear processes.**

So what does this mean for ERP and other business apps?

# A subscription-based world

From Uber and Spotify to Apple and Salesforce, the belief that we need to own everything from cars to music to software has been completely upended. In this new services economy, businesses and consumers alike want the latest and greatest for the best possible value, and **we only want to pay for what we actually use.**



**If you're not in multiple business models, you're not ready for what's about to shift. And, by the end of 2020, your business will have at least 3-4 different types of business models. Now the real question is: "Can your cloud system handle that?" If it can't, you're in trouble.**

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**R "Ray" Wang**

Principal Analyst, Founder,  
Chairman Constellation Research



# Today's customers in the worlds of both B2C and B2B now expect everything as a service.

## **Transactional ERP**

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Historically, ERP vendors have focused on solving for transactional, linear processes. The customer places an order, then the ERP system creates a bill and initiates cash collection. In cases where a client had more complex needs, ERP vendors would mold their solution like a lump of clay to fit new processes, creating increasingly intricate and overly specialized solutions that only served that particular client for that particular point in time, but failed to be responsive to any future needs.

# The businesses that thrive will be those that can swiftly identify new opportunities and preempt changing expectations.

## **Customer-centric ERP**

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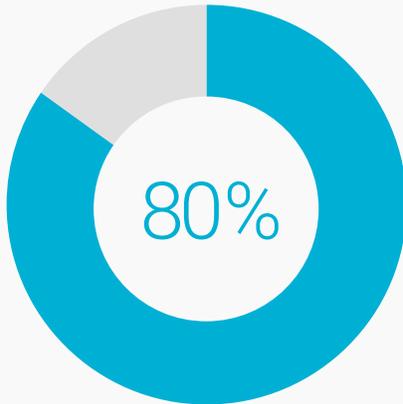
The “lump of clay” model is no longer sustainable. In the new services economy, the pace of change is relentless, exposing weaknesses in static business models and driving every organization to continuously blend revenue streams from products, subscriptions, and a wide variety of services. The businesses that thrive today will be those that can swiftly identify new opportunities and preempt changing expectations, and doing so will require a nimble ERP system that empowers your business to be adaptive to customer needs.



THE NEW  
**REQUIREMENTS**  
FOR ERP

# So what are the requirements for ERP in the new services economy?

While many businesses have already taken the important first step from legacy, on-premise to cloud-first systems, a critical obstacle remains: most cloud ERP systems are still designed for the linear, transactional order-to-cash process. Using such systems will unfortunately turn the back office into an anchor, slowing innovations and new models developed by the rest of the business. Organizations that want to be able to act rapidly and intelligently best serve customers in the new services economy must instead choose an ERP solution built around the following key themes.



The vast majority (80%) of companies have noticed a change in how their customers want to access and pay for goods and services, and 50% of those same companies are changing their pricing models as a result, according to The Economist.<sup>1</sup>

## **Business model agility**

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Every business, from century-old Fortune 500 corporations to newly founded startups, must now be able to develop and leverage flexible, ever-evolving business models that can adapt to changes in technology, the competitive landscape, and customer expectations.

Running your business in entirely new ways requires an ERP system that allows you to view multiple revenue streams, easily add new business models, and transition to emerging regulations (e.g. ASC 606, IFRS 15) without disrupting core business processes. With each of these components in place, the ideal ERP solution will not just let you redefine your business but will also give you real-time access to core metrics around forecasting, profitability, and customer success.



In the new services economy, every business must be able to act with the finesse and wisdom of a leading consulting firm by adopting a cloud ERP solution designed for time and talent optimization.

## **Time & talent optimization**

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Large consulting firms have long understood how critical it is to efficiently use their resources—not just financial resources, but time and talent resources too. In the new services economy, every business must be able to act with the finesse and wisdom of a leading consulting firm by adopting a cloud ERP solution designed for time and talent optimization.

Such a solution must allow your business to balance supply and demand for all resources at the global level while also enabling individual teams to assign people with specific skills to specific projects. Additionally, these same systems should be intrinsically tied to finances so that your business can predict profitability of customers as well as which resources will be needed in the future. And, perhaps most importantly, instead of making people contort their workflows around an inflexible tool, the ideal ERP solution should be able to adapt itself to your people and existing processes.



Those businesses best positioned to thrive in the new services economy will be those that can tap into this large store of data to derive future best practices and predictive intelligence.

## **Predictive insights**

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Ultimately, the ideal ERP solution should offer you a complete view of your business within the context of your customers' journey. Central to the back office, ERP systems house most of the significant data about your customers, from transactions to people hours to process details. Those businesses best positioned to thrive in the new services economy will be those that can tap into this large store of data to derive future best practices and predictive intelligence.

An ERP solution designed for the new services economy must grant you deep understanding of your utilization metrics. Beyond that, the ideal solution should also give you the power to predict future customer patterns and behaviors so at any given time you can act in the best way for your business. In the new services economy, every organization will have countless paths to choose from, but focus will remain as important as ever. Optimizing your business outcomes based on leading indicators vs. lagging indicators will allow you to guide your business in the right direction.

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# **FinancialForce is the only customer-centric ERP for the new services economy**

The #1 ERP on the Salesforce platform.

## **Reach out to learn more :)**

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