



# CUSTOMERS SAY FINANCIALFORCE IS STICKY

ANALYST

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## THE BOTTOM LINE

**FinancialForce has cornered much of the enterprise resource planning (ERP) market on the Salesforce platform, capitalizing on the stickiness of Salesforce customer relationship management (CRM).** Nucleus found customers frequently selected FinancialForce due to its native integration with Salesforce and the platforms' flexibility. Existing customers achieved positive ROI, with some scaling revenue as much as five times while incurring minimal finance personnel costs.

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## OVERVIEW

FinancialForce has capitalized on its first-mover advantage to become a leading enterprise resource planning (ERP) application on the Salesforce platform, delivering modules for financial management, human capital management, and professional services management. Many companies using Salesforce for customer relationship management (CRM) chose FinancialForce for their ERP capabilities in order to connect the front office to the back office on a single platform. Nucleus found customers were able to get a positive return on their investment in FinancialForce and benefited from being able to rapidly scale their businesses without additional IT resources.

## FIRST-MOVER TO PLATFORM LEADER

FinancialForce was one of the first ERP systems on the Salesforce platform, and has successfully become a leader in the market for Salesforce-native ERP applications.

FinancialForce focuses on modules that deliver professional services automation, financial management, and human capital management. Its ERP applications are designed for services sectors rather than manufacturing, and, like other applications on the Salesforce platform, FinancialForce allows customers to customize and adapt apps to their business needs without prior coding experience.

The flexibility of the Salesforce platform is one of the primary reasons why customers choose FinancialForce for their ERP needs. Additionally, FinancialForce uses the same data model as Salesforce, ensuring continuity between ERP and CRM and giving customers visibility from sales opportunity to accounts receivable. FinancialForce's success is indicative of how customers are adopting the Salesforce platform and want to use it for more than just customer relationship management (CRM). While customers are given a large selection of ERP products that run on the Salesforce platform, FinancialForce has been able to capitalize on its position to become one of the leading ERP providers available on AppExchange.

## CUSTOMER PROFILES

Nucleus interviewed a number of customers to determine where FinancialForce delivered value.

### TECHNOLOGY SERVICES AND CONSULTING PROVIDER

One FinancialForce customer moved from a mix of disjointed solutions that required tedious processes to export data for reporting. The company needed a solution that eliminated the manual processes and integrated data across departments to provide key metrics. The customer preferred a hosted cloud solution and opted for FinancialForce over standalone ERP solutions based on its positive experience with Salesforce. FinancialForce helped the company to scale without adding additional IT personnel and delivered a tight integration between Professional Services Automation (PSA) and financials. Each department has dashboards showing monthly progress toward revenue targets based on the real-time data, helping each employee track progress. Additionally, the platform provides tools for users to build their own tools to fit their needs without going through Salesforce administrators. The company's top benefits of using FinancialForce are:

- Better visibility of the resource landscape, which leads to better resource utilization and better financial results.
- Greater visibility of key performance indicators and company accounts, which allows for better tracking of the company's financial position.

- Robust communication and collaboration capabilities, which help the customer maintain a company culture.

The customer said: *"FinancialForce is adding some really critical functionality. The new functionality around action views is one of the primary reasons we are upgrading to the latest version."*

## IT AND NETWORK SECURITY PROVIDER

The customer began with the goal of deploying a cloud based application that could integrate with Salesforce because of the positive feedback it got from its Salesforce users. The company looked at several options but ultimately selected FinancialForce because it was native to the Salesforce platform. Due to its business processes, the customer needed to configure its ERP system in particular ways, which were made possible by the flexibility of the platform. The user adoption was simple because FinancialForce had the same look and feel as Salesforce and was able to resolve complex issues in a variety of different ways to fit user needs. The top benefits the company experienced include:

- Reducing the audit process from six months to a few weeks
- Reducing IT infrastructure by 60 percent
- Simplifying upgrades and easing user adoption

## IT SOLUTIONS PROVIDER

The customer had a legacy ERP that was incompatible with Salesforce CRM. The company business model for sales professionals required an integrated data retrieval process that would eliminate manual data entry to multiple applications. The company also needed an ERP system that connected its existing CRM, general ledger, accounting, and procurement. FinancialForce offered these solutions as well as a similar look and feel to Salesforce, helping the company realize the following benefits:

- A positive ROI and reducing the number of required personnel in finance and operations
- Reducing errors and miscommunications between departments.
- A positive response from customers and service agents

The customer said: *"We have literally half as many people working in finance and operations than we would have."*

## CLOUD COMMUNICATIONS APPLICATION PROVIDER

The cloud communications customer experienced rapid growth and initiated use of Salesforce five years ago. As the company grew by five times from \$10 million to \$50 million, it needed an ERP product that could scale with it. After looking at various applications, the company selected FinancialForce in large part because it is native to the Salesforce platform. As a result, integrating with existing applications and maintaining data consistency was simpler. The company's biggest benefits include:

- Achieving positive return on investment
- Quadrupling monthly transactions and growing the business by five times while only adding two accounting staff.

The customer said: *"FinancialForce has some really good applications for the SMB market. The 360 degree view we have with the accounting and Professional Services Automation solutions is key."*

## MOBILE SOLUTIONS PROVIDER

The customer is a cloud-based mobile solutions provider focused on expense management and reporting. It identified the need to simplify and eliminate siloed processes and move accounting off QuickBooks. The company wanted a solution that could scale and integrate all customer interactions. With FinancialForce, the company automated order configuration and procurement to track contract values and monthly revenue, and link sales data to financial reporting. The biggest benefits the company received include:

- Eliminated manual data entry and retired 1,000 spreadsheets
- Provided increased mobile functionality and greater visibility
- Increased reporting efficiency and data analysis insights

The customer said: *"We realize that we are going all-in having our ERP and CRM on the same platform. But the savings and benefits outweigh any risks."*

## GROWING COMPETITION

FinancialForce touts that which may be its undoing: the ability of customers to build their own applications or find apps on Salesforce AppExchange. Salesforce is continuing to expand its application development environment and increase the speed at which users can develop apps, thereby increasing the ease with which a

rival solution could appear on AppExchange (Nucleus Research *q117 – Salesforce delivers full spectrum of app building*, June 2016; Nucleus Research *j29 – Force.com drives faster development*, May 2009). As Salesforce continues to simplify business app development, competition among ERP applications could grow and users could increasingly be able to develop their own apps to meet their business needs. As a result, FinancialForce needs to make continuous improvements in order to maintain its market position.

## CONCLUSIONS

FinancialForce benefits from potential customers already realizing the value of the Salesforce platform; nearly all of its customers were using Salesforce CRM before selecting FinancialForce ERP. Nucleus found companies adopting a Salesforce native ERP were able to achieve process efficiencies and greater visibility of their finances from sales opportunity to financial close. FinancialForce customers report positive returns on their investment and are excited about the product roadmap as FinancialForce continues to invest in new capabilities. FinancialForce will need to maintain its level of investment in order to demonstrate its value and outpace growing competition from other native ERP vendors on AppExchange as well as end-user business app development, which Salesforce continues to encourage. With the growth of Salesforce CRM showing no signs of slowing, FinancialForce should expect a steady stream of new customers that see the value in Salesforce native ERP.