CONFESSIONS

OF A SERVICES COMPANY CFO

6 Six costly problems that keep Services CFOs awake at night... and how they can get back to business and get some rest.

Intacct.

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INTACCT

A CFO's job is supposed to be tough. But when you're a CFO of a Services company, it's a lot tougher. Here's why—and what you can do to lower your stress level.

It's always been hard to manage project costs and uneven cash flows, quickly and accurately invoice all billable time and expenses, measure and analyze true project profitability, develop accurate budgets and forecasts… and the list goes on! But as competition increases, so does the pressure to increase profit margins and maximize your bottom line. Intacct helps Services CFOs achieve this by:

- **Enabling real-time visibility into project and financial information—** With real-time visibility, you can measure project performance and profitability, accurately assess the true ROI of your projects, control costs and deliver exceptional client value.
- **Minimizing revenue leakage—**Tightening financial controls and improving accuracy can add 1% or more to your bottom line.
- **Improving project profitability—**Developing bids based on actual costs, decreasing non-billable hours and delivering projects on-time and under-budget can lead to **thousands in cost savings** per job.
- **Increasing staff productivity—**Doing more with the staff you have can delay or eliminate the need for full-time employees and save up to $120,000/year.

If you're like most Services CFOs, the confessions in this booklet may sound familiar to you. But the more you know about how Intacct's award-winning cloud computing financial management and project accounting applications solve these issues, the lower your stress level will be.

Revenue leakage caused by not billing 100% of project time and expenses.

1

Track time and expenses in the cloud— automatically.

"For every $10 we bill, $1 or $2 slip through the cracks"

1

CONFESSION

Using manual, paper-based time-tracking methods, spreadsheets and standalone applications can be a major source of revenue leakage, especially when employees work "in the field" or are geographically dispersed in locations close to clients.

Why? Because they rely on each employee's memory, which can be wildly inaccurate. There's also no automated way to capture all project-related expenses, including employee expenses, purchase orders and other expense transactions. And, because expenses can't be automated and integrated with accounting systems, the manual data entry required to capture this critical information invites mistakes and may lead to massive amounts of non-billable time.

All of these factors result in lost revenue. So, how can you recapture it?

Because Intacct is a comprehensive, cloud computing financial management solution, employees, remote workers and subcontractors can access it 24x7 using any standard, internet-connected web browser. It streamlines and automates the capture of all billable and non-billable time and expenses and it gives finance the ability to tag non-employee-related expenditures as billable items.

What's the bottom line? Using Intacct to capture time and expense information can help you capture up to 10% of revenue that may have fallen through the cracks using manual methods.

Managing complex billing terms and cycles impacts cash flow—and not in a good way.

"Our clients are demanding more flexible payment options… and it's killing our cash flow."

Increase billing automation and flexibility.

2

CONFESSION

Whoever said, "the customer is always right," never had to bill them. These days, clients require multiple billing methods, different payment terms and schedules, varied billing rate structures and may even request separate and/or consolidated invoices for the different services you provide to their company. And due to fierce competition, Services companies comply— even if their accounting systems aren't up to the task.

Finance organizations typically turn to labor-intensive, time-consuming, error-prone manual processes to cope with the plethora of unusual billing demands. The problem is that manual processes can delay invoicing and payment, reduce client satisfaction and decrease finance productivity.

How can you get your cash flow up to speed?

2

Intacct automatically generates project invoices from time and expense transactions, which accelerates the invoicing cycle, shortens time-to-cash, reduces errors in the billing process and improves finance productivity. It also offers the flexible, automated billing schedules that today's clients demand, such as fixed-fee, time and materials, cost-plus and more. And you can choose from a variety of standard invoice formats or customize them to suit your business needs.

The net impact is that with Intacct, you can realize a 5% improvement in your cash position—without adding full-time employees at a fully burdened cost of up to $120,000/year.

Poor visibility into current and projected cash inflows and outflows.

**CONFESSION** **3**

In the Services industry, value is earned as work is delivered. So, in addition to improving client satisfaction, delivering work on time is essential for a healthy cash flow. But throughout the course of delivering that work, there are unavoidable expenses, such as the vendors and subcontractors that provide goods and services. Their invoices come in long before yours go out, which creates a cash flow management nightmare.

How can you balance the uneven cash outflows that occur during a project with the cash inflows that are heavily weighted toward the end of a project—and improve your cash flow management?

Choose a financial management solution with real-time, end-to-end visibility.
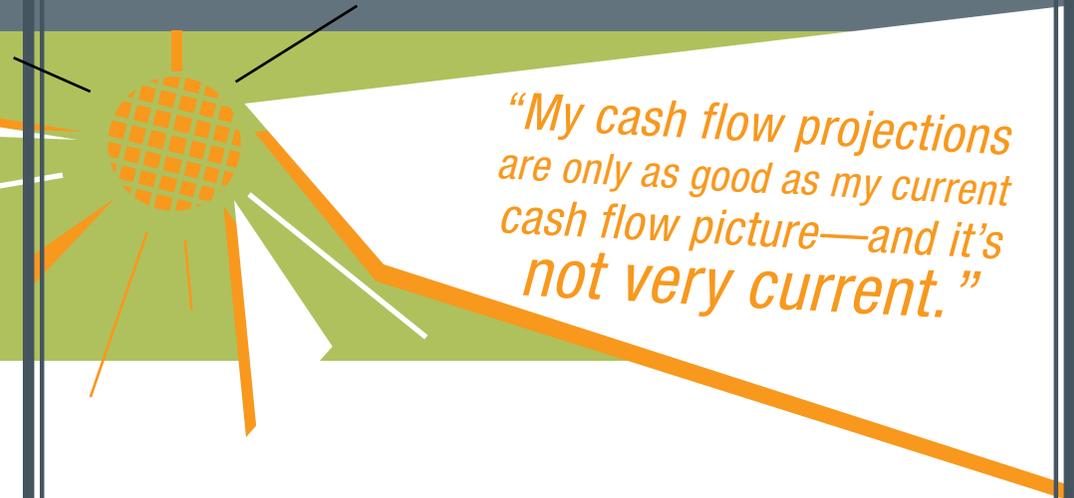
"My cash flow projections are only as good as my current cash flow picture—and it's not very current."

3

Intacct provides real-time visibility into key financial and operational performance indicators, enabling you to more effectively manage the erratic cash flows common in the Services industry.

With one click, you can get valuable insights into how much you can bill today, how much unbilled work-in-progress is in-house, which clients are negatively affecting your days sales outstanding (DSO) and how much is outstanding by client, project and subcontractor. You can automatically generate invoices, which accelerates your billing and reduces your DSO. And role-based dashboards keep stakeholders apprised of the company's current position 24x7 via the cloud.

So, instead of unpredictable cash flows and inaccurate cash flow projections, Intacct gives you the real-time visibility you need to accurately project costs and revenues.

Manually deferring and recognizing revenue creates costly productivity bottlenecks.

4

CONFESSION

Service companies often need to decouple client billing from revenue recognition and to defer revenue based on project delivery milestones or more complex revenue recognition rules. And when services are bundled with other purchases, allocating revenue across the bundle and recognizing each element based on delivery status complicates matters even more.

Traditional accounting applications can't handle these complex needs, so companies need to track projects, defer and recognize revenue and support complex, multi-element arrangements manually—increasing the time and cost of performing these vital tasks.

How can you simplify revenue deferral and accelerate revenue recognition while improving finance productivity?

Decouple billing and revenue recognition and add automation.

"We spend almost as much time deferring and recognizing revenue as we do completing projects."

4

Intacct allows you to automate the recognition and deferral of project-based revenue, which saves time and improves accuracy. Billing rules can easily be decoupled from revenue recognition rules, so you can satisfy your clients' billing requirements. And you can recognize revenue based on project milestones for accurate compliance and reporting.

With Intacct automatically handling these complex tasks, finance staff can be more productive and finance organizations can delay or eliminate the need to add headcount, which can save up to $120,000/year.

Poor project performance and visibility leads to poor forecasting and lower profitability.

"Today's performance and budgeting **blind spots hurt tomorrow's** *bidding and profitability."*

5

CONFESSION

When a Services company lacks real-time visibility into project performance and status, stakeholders can't get the accurate information and analysis required to create realistic budgets, successfully bid on future projects and make strategically sound decisions. This, in turn, leads to delays, cost overruns, reduced profitability, lost revenue opportunities and lower client satisfaction.

And in the Services industry, nothing is more important than client satisfaction.

How can you get the real-time visibility into project performance and status you need to ensure on-time project delivery, maximize profitability and client satisfaction—and win more business?

Seamlessly link project activities with your financial management solution.

When project management and financial information aren't connected, stakeholders can't see the financial impact of their project management decisions.

5

Intacct gives you real-time visibility into every aspect of a project. What's more, those project details are linked to financial information, giving stakeholders "the big picture." It also features flexible budgeting, so you can track multiple scenarios and prepare for just about anything. And with its multi-dimensional project analysis, you can see the true revenue, cost and margins associated with projects and clients.

Ultimately, Intacct helps you make better project decisions in real time, deliver projects on time and on budget and improve client satisfaction. What's more, you can create more profitable and compelling bids, win more projects, grow your business and improve profit margins by up to 10%.

Operational inefficiencies caused by information silos.

6

CONFESSION

Traditional accounting applications don't have the robust project management and project accounting capabilities Services companies need. The typical workaround is to use a standalone application for project management, then manually enter and re-enter data between systems. In addition to increasing the likelihood of errors, this obvious operational inefficiency decreases productivity, project visibility and profitability.

How can you eliminate information silos, enable end-to-end visibility from orders to project delivery and realize productivity gains that reduce or eliminate the need for additional finance staff?

Seamlessly incorporate real-time project information with an award-winning, real-time financial management solution.

"Why do we have all these computers when we have to enter everything by hand?"
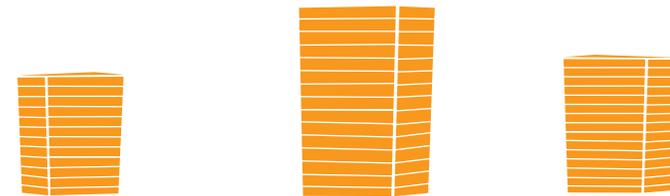
6

Intacct breaks down barriers between project management and financial information. Because all data related to your business, from project details to the general ledger, are seamlessly connected and accessed via the cloud, much less labor-intensive, error-prone manual data entry is required. You can easily automate workflows and improve operational efficiency. What's more, stakeholders have convenient, 24x7 access to the real-time business information and analysis they need.

So, by eliminating information silos with Intacct, finance staff can be more productive and finance organizations don't have to hire additional full-time employees.

KNOWING YOU'RE NOT ALONE IS COMFORTING. HERE'S WHAT TO DO TO REDUCE YOUR STRESS.

Be proactive! Take control of your project and financial management situation like many of your peers have already done.

Switch to Intacct and get the end-to-end project and financial visibility you and your business need.

Intacct for Services CFOs benefits summary:

1. Minimize revenue leakage—automate time and expense tracking via the cloud.

2. Accelerate billing cycles with flexible, automated billing processes.

3. Balance uneven cash inflows and outflows with real-time cash flow visibility.

4. Decouple billing and revenue recognition, streamline revenue deferral/recognition and eliminate a major productivity bottleneck.

5. Improve project performance and profitability by linking project and financial management information.

6. Get rid of information silos and improve operational efficiencies with real-time, end-to-end visibility.

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Learn more now at www.intacct.com or get immediate relief now at 1.877.968.0600.

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