



## Transformation from Historian to Strategist

Michael Baker  
Practice Development Manager  
Sage Intacct

# Historian vs. Strategist

- A **Historian** is a person who researches and writes about the past, and is regarded as an authority on the past.
- A **Strategist** is a person with responsibility for the formulation and implementation of a strategy. Strategy generally involves setting goals, determining actions to achieve the goals, and mobilizing resources to execute the actions.

Source: Wikipedia

# We Are Living in a Time of Constant Change and Innovation

**Technology is reshaping how we work**

Demographics and innovations are  
reshaping the workforce of the future

**Needs of stakeholders are changing**

**Historic data is out, predictive data is in**

*“Predictive analytics, automated workflow technologies... driving more real-time and forward-looking insight”*

*“Robotics may be used to automate manual tasks like invoice processing”*

*“Accountants have been around for just about every technology change that’s ever happened -- starting with clay tokens thousands of years ago...but the coming changes are unlike any in recent memory, comprising what is described as “the fusion revolution - the fusion of work and technology and biology.”*

*Source: Cathy Engelbert, CEO of Deloitte*

*“How and where and what of work is changing.....need to adapt quickly”*

*“Proliferation of advance technology is changing how we conduct accounting and financial reporting”*

*An organization needs to transition from the “bean-counting” historian to a strategist engaged in leading an organization’s growth, using data and analytics to improve performance.*

*“The Office of Finance research, found that almost all (90%) organizations say it is important or very important for finance departments to take a more strategic role in the management of their organization.”*

*Source: Ventana Research*

# Challenges Facing Nonprofits Today

**Lean Budgets**

**Timely Reporting**

**Competition for Funding**

**Services Demands**

**Stakeholder Scrutiny**

**Regulatory Compliance**

Inherent complexities keep getting more complex as the organization grows

*And it does not get any easier if the financial system is out of date*

# Bringing Finance and Accounting Management in the Cloud and Into the Future

To ensure the long-term success we will still depend on people

Employees

Volunteers

Donors

Administration

*to keep the organization in motion*



## What Matters Most to Nonprofit Organizations



# Sage Intacct Nonprofit Finance Survey

- Small to large nonprofits
- Single and multi-entity nonprofits
- Nonprofits providing a wide range of services

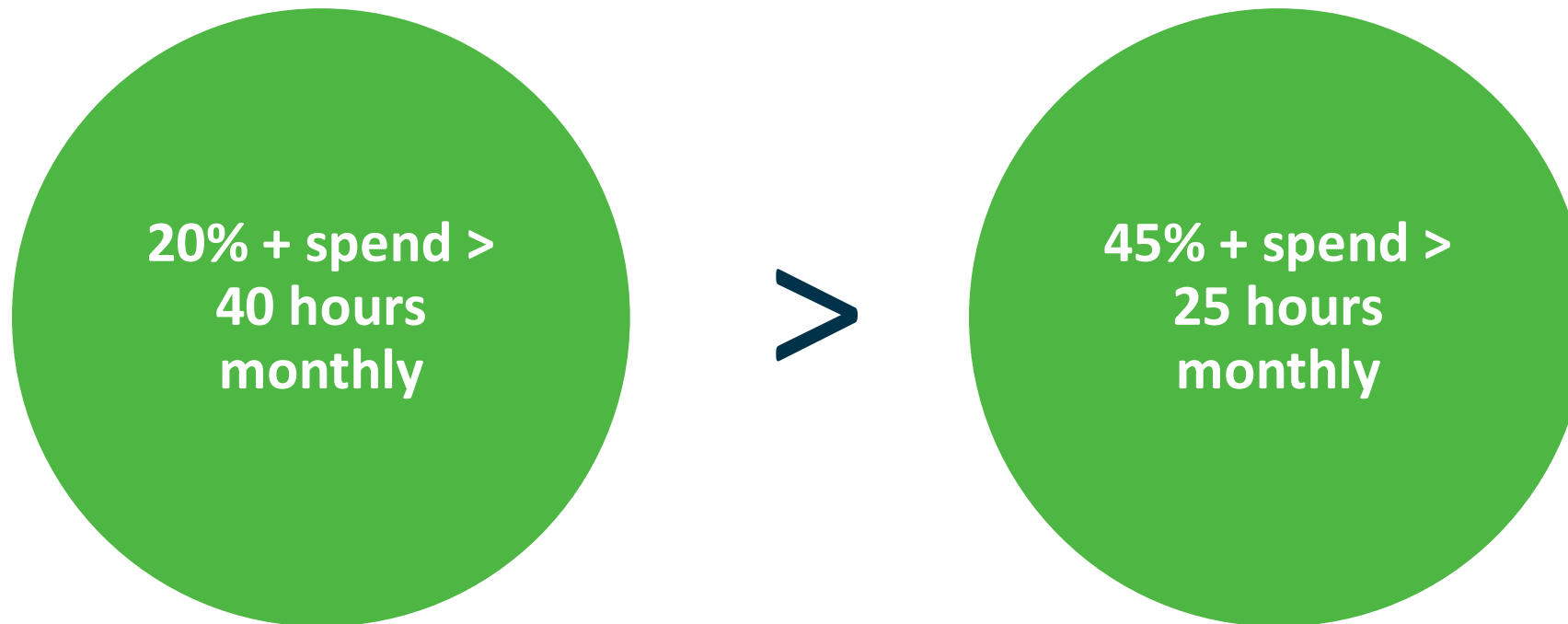


# Greatest Pains for Nonprofit Finance Teams

**#1: Manual, time  
consuming  
reporting  
(64%)**

- Delayed reporting
- Error prone spreadsheets
- Time consuming
- Inefficient

## How Many Hours Every Month in Excel

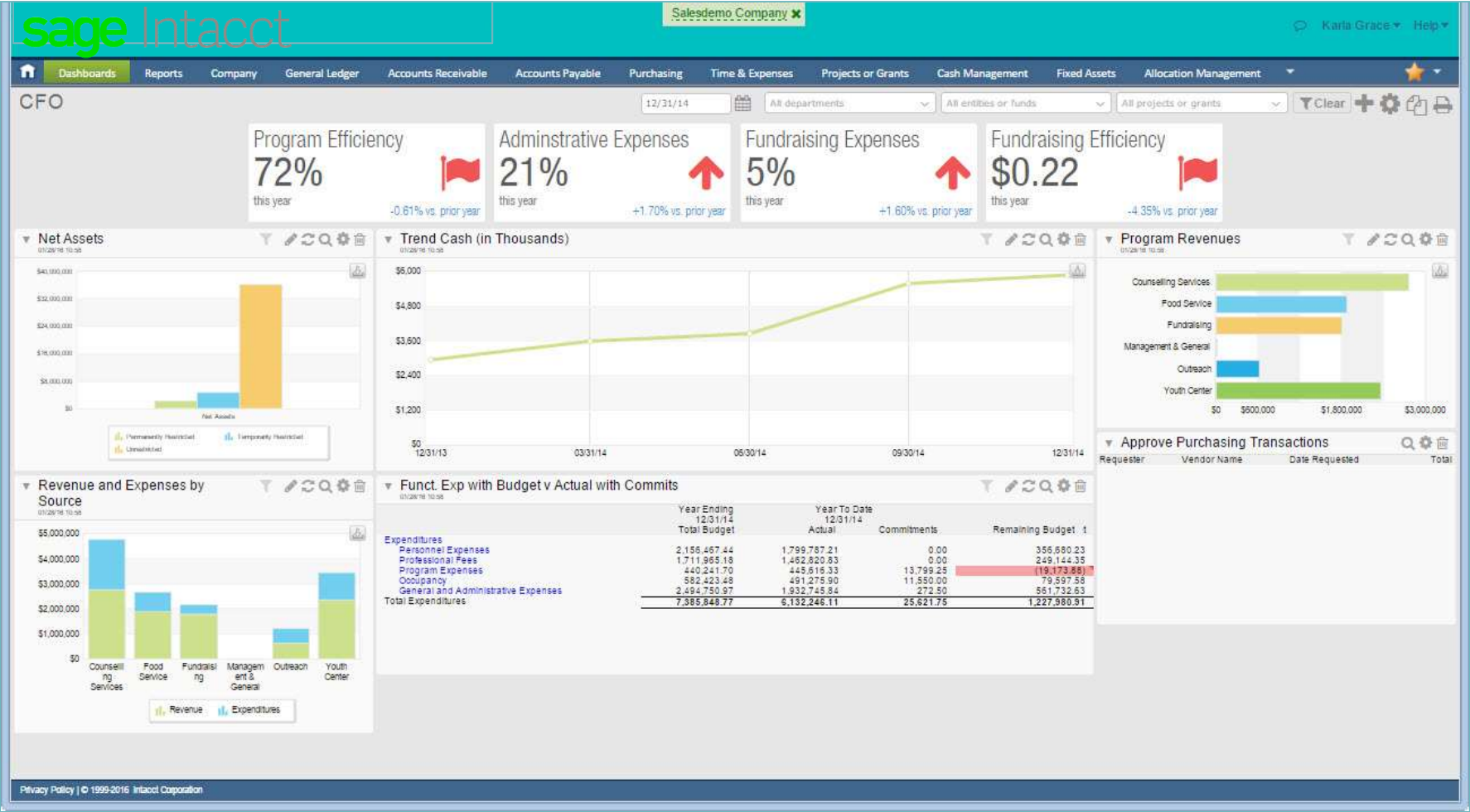


# Greatest Pains for Nonprofit Finance Teams

**#2: Lack of real time  
visibility into key  
outcomes and  
performance metrics  
(57%)**

- Delayed decision making
- Reactive vs. proactive
- Manual, error prone tracking
- Missed opportunities

# Real Time Visibility



# Greatest Pains for Nonprofit Finance Teams

**#3: Inefficiencies due  
to multiple  
disconnected systems  
(57%)**

- Lack of visibility across key data sources
- Delayed reporting
- Growth is painful

## Other Pain Points for Nonprofit Finance Teams

**Lack of connectivity  
and collaboration**

- Program areas
- Locations
- Departments
- Grants
- Entities

# Gaining Value Through Collaboration

[Dashboard](#)
[Reports](#)
[Company](#)
[General Ledger](#)
[Purchasing](#)
[Accounts Payable](#)
[Time & Expenses](#)
[Accounts Receivable](#)
[Order Entry](#)

Compliance (Audit & Tax Prep)

FAS 117 - Statement of Financial Position

12/31/14

	Primary	Primary	Primary	
	Year Ending 12/31/14	Year Ending 12/31/14	Year Ending 12/31/14	
	Current Year Balance	Prior Year	Difference	
<b>Assets</b>				
Cash and Cash Equivalents	4,148,918.89	3,237,811.79	911,107.10	
Investments	22,947,440.33	21,885,402.87	1,062,037.46	
Accounts Receivable (Net)	6,984,188.58	5,826,498.47	1,157,690.11	
Inventory	177,288.87	83,841.88	94,446.99	
Fixed Assets (Net)	4,130,707.88	1,135,882.82	3,000,000.00	
Other Assets	3,707,767.37	148,346.89	3,559,420.48	
<b>Total Assets</b>	35,101,818.54	33,258,866.72	1,842,951.82	
<b>Liabilities and Net Assets</b>				
Liabilities				
Short-term Liabilities				
Accounts Payable	204,770.39	0.00	204,770.39	
Accounts Payable - Related Parties	2,476,147.88	819,888.23	1,656,259.65	
Accounts Payable - Other	1,218,881.00	874,845.32	344,035.68	
Deferred Revenue	9,170,552.82	802,385.14	8,368,167.68	
Other Short-term Liabilities	4,420,287.82	506,859.47	3,913,428.35	
<b>Total Short-term Liabilities</b>	23,486,589.91	2,193,033.13	21,293,556.78	
Long-Term Liabilities				
Total Payable Long Term	2,228,824.81	2,158,889.41	69,935.40	
<b>Total Long-Term Liabilities</b>	2,228,824.81	2,158,889.41	69,935.40	
<b>Total Liabilities</b>	25,715,414.72	3,351,922.54	22,363,492.18	
Net Assets				
Equity				
Contributed Capital	2,074,000.00	2,000,000.00	74,000.00	
Retained Earnings	4,584,148.88	3,984,888.88	599,260.00	
Unrestricted	31,987,189.89	27,739,121.17	4,248,068.72	
<b>Total Net Assets</b>	35,101,818.54	33,258,866.72	1,842,951.82	
<b>Total Liabilities and Net Assets</b>	35,101,818.54	33,258,866.72	1,842,951.82	

SEFA Detail Report

12/31/14

Actual Grants	Agency	Funded Program Name	CFDA	Other ID	Award Amount	Expenses Year Ending 12/31/14	Expenses Year Ending 12/31/14	CV Expenses	CV Expenses
Health Initiative - Grant	HRHS	Human Services Initiative Program	93.053	752-440-001	60,000.00	56,180.00	107,200.87		
Teen County Grant	HRHS	Public Health & Social Services Emergency Fund		751-150-241	180,000.00	43,000.00	56,553.77		
<b>Total Grants</b>					780,000.00	100,000.00	163,754.64		

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Tom Hayes

Joanna Drake (SFDC Only) Good Morning Joanna and your team know that are financials are now ready for your accounting firm. Let me know if there is anything you need from my self at this time. Any findings or adjustments you deem necessary please let me to contact me directly. Thanks and have a great day.

Comment Like 12/11/14

Joanna Drake (SFDC Only)

Thanks Tom, my team and I will getting started on the audit first thing tomorrow morning. Look forward to working with you again this year.

Like 12/11/14

Write a comment...

Karla Drake

Tom Hayes Tom I have completed my internal audit of the Best of Functional

FAS 117 - Statement of Activities

12/31/14

	Unrestricted	Temporarily Restricted	Permanently Restricted	All Revenues
	Year Ending 12/31/14	Year Ending 12/31/14	Year Ending 12/31/14	Year Ending 12/31/14
<b>Revenues</b>				
Operating Revenues	89,000.00	458,000.00	0.00	547,000.00
Grant Revenues	1,844,289.19	210,000.00	19,000.00	2,073,289.19
Tuition	1,856,289.19	0.00	0.00	1,856,289.19
Uniform Fees	280,488.00	0.00	0.00	280,488.00
Books	1,135,882.82	0.00	0.00	1,135,882.82
Service Fees	1,748,339.89	0.00	0.00	1,748,339.89
Insurance Savings	750,887.88	0.00	0.00	750,887.88
Other Revenues	90,000.00	0.00	0.00	90,000.00
<b>Total Operating Revenues</b>	8,269,754.13	668,000.00	19,000.00	8,956,754.13
<b>Expenses</b>				
Operating Services				

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@Joanna Drake (SFDC Only)

Good Morning Joanna. Just wanted to let you and your team know that are financials are now ready for our annual audit by your accounting firm. Let me know if there is anything you need from my staff at this time. Any findings or adjustments you deem necessary please feel free to contact me directly. Thanks and have a great day.

Comment · Like

on September 3, 2015

Joanna Drake (SFDC Only)

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Like

on September 3, 2015

Write a comment...

Karla Grace

@Tom Hayes

Tom I have completed my internal audit of the Stmt of Functional expenses and believe it is ready for the accountants. You can notify them that they can utilize this report to prepare the 990. Thanks, let me know if you need anything else.

Comment · Like

on January 28, 2015

Tom Hayes

Thanks Karla

Like

on January 28, 2015

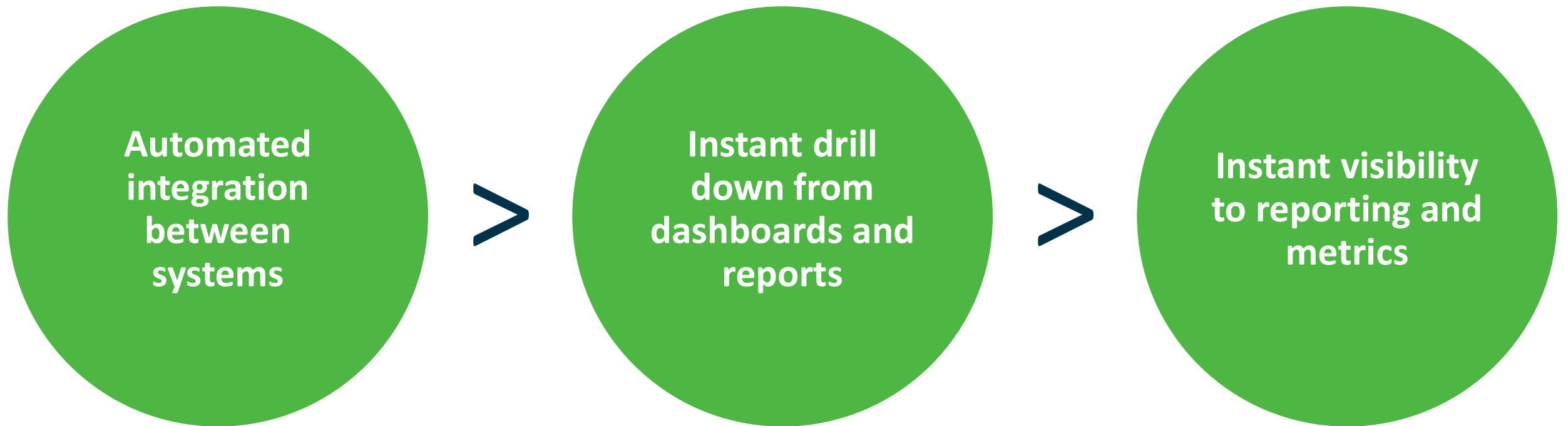


# Where Would Your Team Most Benefit from Automation?

More than 50% of the survey respondents replied.....



## Where Would Your Team Most Benefit from Automation?



At Sage Intacct, we help nonprofits  
strengthen stewardship, build  
influence, grow funding, and achieve  
mission success.



## Nonprofit Success Stories

# DonorsChoose.org Saves \$100K Annually and Scales Revenue 14x



- Online charity for anyone to help a public school classroom in need
- Raised over \$600 million and funded over 1 million classroom projects in US
- \$107 million annual revenues in 2016; 14x growth since 2006

Organization <u>Issues</u> Prior to Sage Intacct	
Limited understanding of grant receivables	No visibility into cash owed from dozens of partners
More projects to fund = More bills to pay	Weekly vendor invoices grew from 80 to 160 2 additional FTE needed

# DonorsChoose.org Saves \$100K Annually and Scales Revenue 14x

Results After Implementing Sage Intacct	
Faster collections by automating revenue recognition	Daily view of grant revenue and cash
Faster vendor payment processing using Check Delivery Service powered by American Express	\$100K cost savings
More bandwidth available to work on other accounting areas	No additional headcount

# Hopi Tribe Economic Development Corp. Turnaround Pulls in \$500K



- Economic development arm for Hopi Tribe [19,000 people] in Northern Arizona
- Multiple hospitality businesses serving travelers passing through Old Route 66
- Mission: fund local Hopi nonprofits and grassroots community groups

Organization <u>Issues</u> Prior to Sage Intacct	
Losing cash from diesel fuel and restaurant sales	More than 50% business unprofitable
Limited understanding of consolidated performance	No visibility into entity-level profitability
Untimely Board reporting	20 days time-to-close \$0 commercial development

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- Economic development arm for Hopi Tribe [19,000 people] in Northern Arizona
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## Results After Implementing Sage Intacct

Faster insight led to higher fuel sales price	20% increase in gross margin  \$500K more cash flow
Faster insight led to smaller menu and less spoilage	
Faster insight led to higher hotel rates during peak season	
Month-end close improved to 7 days	\$5M increase in real estate asset value



## Embrace a Forward Looking Solution and Vision

Nonprofit organizations prior to moving to a cloud-based financial solutions such as Sage Intacct had...

Reliance on spreadsheets to support financial processes and reporting – 65%

Limited access to reports and information to drive decision-making – 60%

Excessive manual data entry/re-entry – 55%

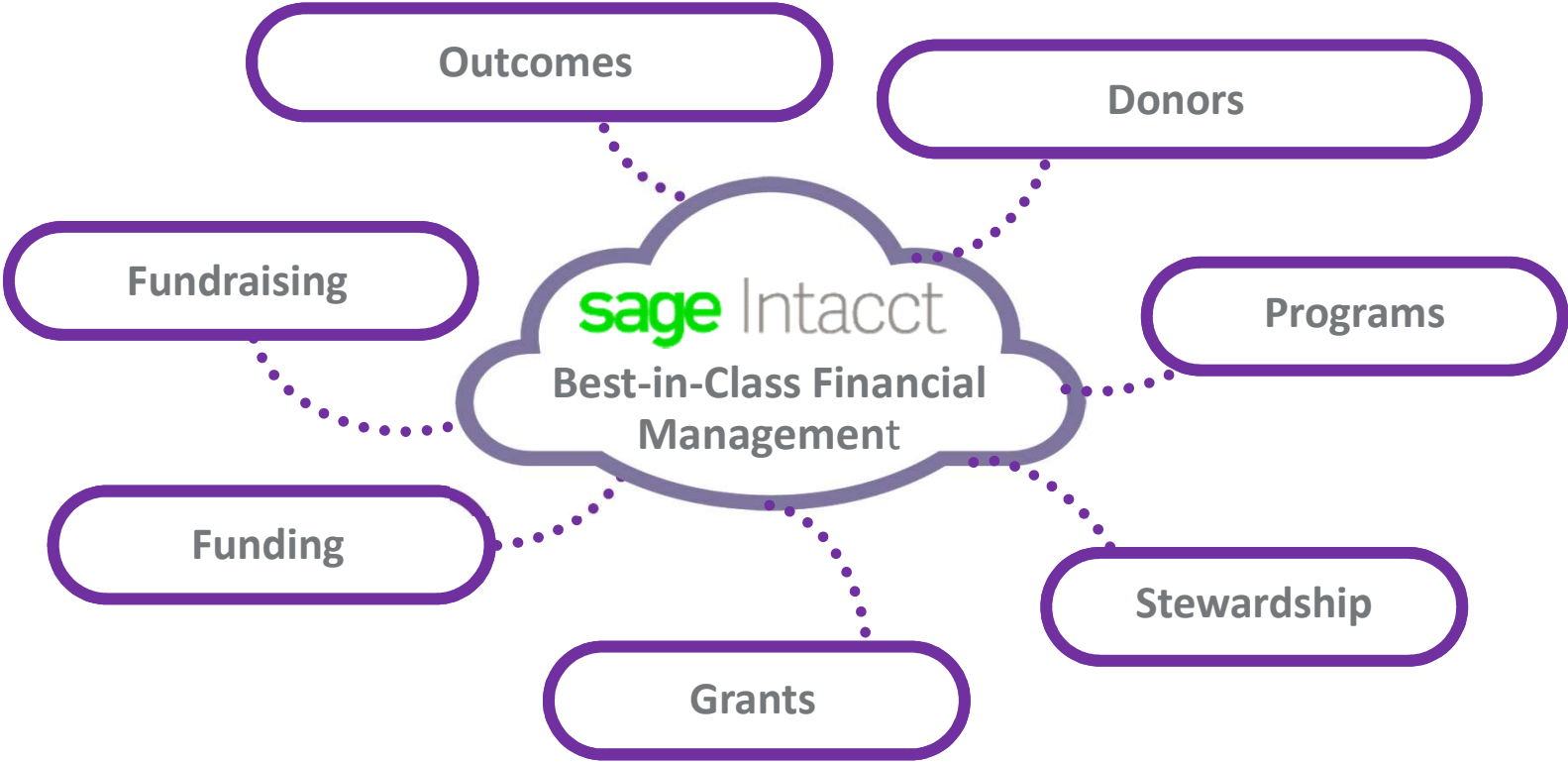
Difficulty in adapting existing software to new business requirements – 45%

*Source: TechValidate*

“75% of surveyed nonprofit organizations have freed up 20% or more of their finance team’s time to focus on more strategic activities since switching to Sage Intacct.”

*Source: Nonprofit Finance Fund*

Integration, Visibility, Impact → Mission Success



Questions?

Thank you!