



ONEVISION



CHOOSING  
TRUE  
INTEGRATION  
WITH HOST  
ANALYTICS



## INTRODUCTION

A successful, growing company relies on quality data to make fast, informed decisions. The integrity and timeliness of financial information is critical, creating businesses that thrive, as well as leaving behind those businesses that make decisions based on poor data.

Businesses relying on timely financial data have three basic choices in software tools. They can transfer data to a Microsoft Excel spreadsheet to create reports for analysis, implement an enterprise resource planning system (ERP), or integrate an enterprise performance management software (EPM), such as Host Analytics, with an existing ERP.

While many new or small companies rely on Excel for financial reporting and analysis, the needs of a growing or larger business often require the more robust and comprehensive functions of an ERP or a combined and integrated ERP with EPM.

Each of these three options is capable of providing users in the company with financial data for analysis and informed decision-making. However, integration of ERP with EPM stands out among the alternatives for its flexibility, advanced analytic capabilities and distribution of information to users. When EPM is integrated with an ERP, there are significant benefits to the company's operations.

## LIMITATIONS OF ERP

When ERPs were initially introduced, they were designed to meet all the software needs of a business. ERP systems included all aspects of business, from billing to inventory management and financial reporting. However, many of the promises made by designers of ERP have not materialized, and there are a number of drawbacks to choosing an ERP as a single, all-encompassing software solution over an integrated ERP and EPM solution.

### **Cost**

The cost of continuing to use an ERP alone for advanced reporting and other more complex functions lies heavily in its need for IT support. ERP systems require IT support for implementation and maintenance for healthy operation on an ongoing basis. IT must also be involved each time a new report is created for financial analysis because ERP systems can require a technological approach to report-writing. If

the ERP is not cloud-based, costs are also incurred in servers. Salaries for IT and funds for both software and hardware investments make ERP systems costly.

### **Customization**

ERPs are designed for credibility and reliability in financial reporting and in the event of an audit. As a result, they often lack the customization features that may be desirable for companies as they grow and expand. The ability to change processes as a company grows and alters their models is an important consideration.

### **Integrated Analytics**

ERP systems are designed to handle all aspects of the business, from accounts payable and receivable to inventory management and purchasing. However, each of these activities tends to occur in silos in an ERP, with little

perspective on the department's contribution to the overall health of the business. An ERP does not provide the advanced analytics that assess the status of the company based on integrated information from all aspects of financial, operational and sales segments.

### **Outgrowing ERP**

There are signs that a company has outgrown the use of its ERP system alone and needs a more comprehensive analytic tool. One sign is that a company's reporting functions are all being completed in Excel or an abnormally long update cycle. The system may not be able to provide the needed integration without an Excel spreadsheet or it may not be able to handle the growing volume of a company's transactions.

## **INTEGRATION OF EPM WITH ERP**

ERP systems play an important role in companies creating a reliable way to manage their business, but they may need a boost from an EPM solution. When EPM is integrated with ERP, companies enjoy an integrated financial reporting process, with the all-encompassing functions of an ERP and the analytics of an EPM.

ERPs integrated with EPM systems provide all of the integrated analysis that companies need, because EPMs are designed for the budgeting, cost analysis, forecasting and other detailed, in-depth processes necessary for informed decision-making.

John Soat of Forbes notes that a combined ERP and EPM solution is particularly attractive to companies that require a heavy-hitting reporting system. For companies that are rapidly expanding or that are looking for a system with a lot of flexibility, integration offers the space to grow.

An integrated ERP and EPM provides reliable financial information to the entire organization, not only the top executives and accountants. Whether an employee is the founder and CEO or a sales representative, financial information is accessible from a role-based dashboard. Key performance indicators can be highlighted across the company's users so that users see not only the data that is important for their position or department, but also focus on the agreed-upon metrics for the organization's health.

Another benefit of an integrated EPM and ERP is a single system for all processes. It is not necessary to produce data in



one system and then transfer it to another for reporting and analysis. Once the consolidation is in place, an EPM system provides enhanced analysis abilities with integrated financial reporting and management of key performance indicators. Presentation-style reports are produced in PDF and HTML formats for universal accessibility. Reporting can even be formatted for external requirements like XBRL and for financial statements filed with the SEC.

An EPM offers complex pre-built adjustments that meet internal controls as well as regulatory compliance. Some of the functions valued in the ERP and EPM integration include: post-ERP close journal adjustments, minority interest eliminations, the calculation of certain management ratios like Days Sales Outstanding (DSO), reconciliation and risk assessments. The options are in customizable formats that allow companies to choose functions for their specific needs and to support best practices.

For growing businesses, an EPM offers flexibility to nimbly analyze the factors involved with a new opportunity. Whether growing through a merger, a new division or other change, EPM systems allow decision-makers immediate access to real-time, relevant data.

Dean Sorenson of Tech Target cautions that what many EPM companies promise as integration may not be the level of integration that companies have in mind. It is important to discuss the goals for integrating ERP with EPM so that companies achieve the expected return on investment.

# ONE VISION'S SOLUTION: HOST ANALYTICS

Host Analytics is an integrated EPM that promotes operational and financial agility in an organization.

Host Analytics allows decision-makers to anticipate business outcomes, using modeling functions to inform business and financial strategies. Host Analytics' modeling can be used securely to collaborate with other programs like Excel, as well as online and mobile programs. The interactive query and analysis functions allow users to access multidimensional modeling activities, changing and pivoting the view for optimal perspectives. Advanced modeling incorporates "what if" scenarios that can later be implemented into the business plan.

Host Analytics' planning capabilities give decision-makers the ability to avoid manual work and have direct access to the information they need. From budgeting and planning to forecasting and reporting, all functions are accessible to the finance department, with no involvement from IT. Host Analytics features an Excel front end, providing a familiar interface for an easy transition.

Consolidation through Host Analytics means that companies automate financial consolidation and simplify the close process. Personalized dashboards and scorecards provide not only the finance department, but all users, with the information they need to optimize performance. Users also create interactive reports in a single drag-and-drop report writer, requiring no assistance from the IT department to access important information for decision-making and promote transparency. Financial reports are designed according to the latest FASB standards.

The most recent technology ensures Host Analytics provides the best tools without sacrificing cost-effectiveness. Cloud formats and mobile technology are two of the core improvements to software affordability and flexibility. Host Analytics utilizes these functions to provide up-to-date features that promote employee satisfaction and conserve resources.

## CONCLUSION

Companies often start out using Excel as a reliable way to create reports and analyze data for decision-making. However, as a business grows, they must choose an ERP, an EPM or an integrated solution to manage all aspects of the company. While cost concerns and limitations on flexibility often keep ERP systems from answering every need of a management team, the integration of ERP and EPM is accessible through Host Analytics.

One Vision uses a client-first approach to analyze the needs of each individual company before recommending a particular software solution. One Vision provides in-depth consultation to companies considering integrated ERP and EPM systems with the insight that comes with extensive business experience.

## ABOUT ONE VISION

One Vision, a leader in implementing end-to-end business systems, enterprise resource planning systems and role-based dashboards, offers solutions with decision-making tools so organizations can efficiently drive the operational and financial management of the business with real-time visibility. For more information on how One Vision's enterprise resource planning consulting services can take your business to the next level, visit [onevisionllc.com](http://onevisionllc.com).

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