

The Role of Modern Finance in a Culture of Thrift



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Are you a [finance executive](#) at a for-profit company thinking about making the leap to a nonprofit organization? As the [Wall Street Journal](#) reported, some readjustment may be in order.

Reporting requirements are much stricter, and you'll need to manage the expectations of major donors and your board. But the biggest difference between nonprofits and for-profits may be a lack of resources. Don't expect the luxury of a large staff. Employees at nonprofits end up wearing many hats and playing numerous roles because there simply aren't enough people.

[Watch the webcast, "Elevate the Role of Finance in Your Nonprofit Organization"](#)

Take [BUILD](#), for example. The nonprofit, which helps high school students in under-resourced communities, found its finance team strapped for staff when its geographic scope, headcount, and budget grew 50% from 2015 to 2016. The organization wanted to minimize the addition of general operations personnel—so it turned to a modern finance solution.

"If we hadn't implemented [Adaptive Planning](#), we'd need one more [FP&A](#) hire just to gather data and write reports," said Bill Souders, vice president of operations and data management at BUILD. "Our business is growing rapidly, both in size and complexity. Our ability to plan and [analyze](#) across the equivalent of 40 budget departments became untenable, and growth was one of the key drivers for putting Adaptive Planning in place. Already there's light at the end of the tunnel—I'm no longer trying to synchronize and version control 40 spreadsheets without breaking them."

User-friendly software eases burden of [finance team](#)

According to Souders, Adaptive Insights' [intuitive interface](#) takes some of the load off BUILD's finance team by allowing non-financial users to do many tasks themselves, like inputting data and creating reports, saving time and resources. "With a very small amount of administrative support, we're already able to let all of our budget managers [slice, dice](#), and drill down into the data," Souders said.

BUILD is just one of many [forward-looking nonprofits](#) that are turning to [modern finance tools](#). At Adaptive Insights, we've had the opportunity to work with more than 400 [nonprofits](#), spanning categories from healthcare to children's services and performing arts.

For instance, [United Here Health \(UHH\)](#), which provides healthcare benefits to union employees in the hospitality, food service, and gaming industries, has been using Adaptive Insights since 2014, when it migrated from its legacy enterprise resource planning (ERP) system.

"Before Adaptive, everything was coordinated by email," said Bryan Schmidt, UHH controller. "There was no interface between the ERP and our budgets, so we had to do updates manually. Final budget adjustments took up to four hours to complete. Then it took three weeks to upload them into the ERP system."

United Here Health eliminates 185+ spreadsheets

In short, it was tedious, time-consuming work for an organization with limited resources. But by [automating its financial processes](#), UHH was able to replace more than 185 spreadsheets and 400 workbooks—and avoid bringing on a new hire. “Now we can produce financial statements within an hour once the financials are closed,” said Schmidt. “It’s almost instantaneous. We have more time to spend on analysis, and thanks to Adaptive, more confidence in the results.”

Another challenge nonprofits face is how to sustain their missions and visions for years into the future. Nonprofit leaders need to be able to evaluate the potential impact of financial decisions on a much more frequent basis than once a year. The [Adaptive Suite](#) helps nonprofit finance teams build scenarios to model plans and contingencies, as well as conduct frequent re-forecasting and [scenario](#) planning.

“We’re very dependent on philanthropic revenue, and now more than ever we need to make rapid decisions and turn on a dime to implement contingency plans if we need to,” said BUILD’s Souders. “Adaptive Planning lets us drill down into the data, slice and dice it, and perform what-if scenarios.”

Fast reporting to many audiences

As mentioned above, nonprofits also differ from for-profits in that they need to [report results](#) to multiple audiences who are investing their money in the mission and vision of the organization. These audiences include boards, donors, and even the government.

“We use [Adaptive OfficeConnect](#) every day to create presentations for our board of directors,” Schmidt said. “It’s been a godsend because we don’t have to re-format every report if we change something.”

Adaptive Insights’ [reporting functionality](#) helps nonprofits generate balance sheets and annual financial statements and streamline other regulatory filings. With drag-and-drop reporting across multiple dimensions, nonprofit finance teams can track the performance of and get on-demand visibility into funds, projects, programs, departments, employees, and more.

Make smarter decisions, faster

“We can’t take a week just to gather and manipulate data into a form that everyone can understand,” Souders said. “Adaptive Insights lets us create [reports](#) a lot faster for any level of analysis we want. We can distribute data rapidly across the organization—not only for analysis but to help make final decisions about budgets and allocations.”

At the end of the day, [cloud-based FP&A](#) tools like the Adaptive Suite benefit not only the mission of the organization but the quality of life for its finance team.

“Because we didn’t have a [single source of truth](#), I used to find myself poring over spreadsheets at 5:30 pm on a Friday night, looking for errors,” Schmidt recalled. “It was time spent that I didn’t have to spend. Now I can close the books in an hour—and I know it’s done right. People have been telling us that it’s the best budget they’ve ever seen.”

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