

Seasons' Greetings!

If one were to fancy a debate on the growth story of India Inc, the best place to start would probably be now ie, middle of Q3 as the story seems solid with obvious signs of the Indian macros bottoming out and the government showing strong intention to revive growth. India is all set to emerge as a big Asian economic power riding first, on the news of Baa3 rating of Moody which is more than emerging – market averages and as if this was not good enough, US Investment Bank Goldman Sachs, on the very next day, gave Indian bourses a shot in the arm by upgrading its rating for the nation's stocks. These coupled with the decision of the Finance Ministers in Europe to reduce Greece's interest rates and give it more time to pay back loans sparked rally in most global markets and India too joined the party as the markets displayed bullish sentiments with 30-scrip Sensex surging well ahead of the 19300 mark and Nifty crossing 5800 rearing to create a new benchmark in the days to come.

Business enterprises today face myriads of challenges in all areas of its operations. The ever-changing market dynamics, increasing competitions, demanding customers, and new compliance regulations are creating the need of higher operational efficiencies in every aspect of organization management and corporate finance functions are not exempted from these changes. Modern ERP systems help organizations to establish, monitor, and optimize their key business processes. Like other business managers like operations managers, purchase managers, inventory managers, Finance Managers & CMAs can also use ERP to bring about efficiency, transparency, compliance, and predictability in their operations. The history of ERP is the history of sap (System Analyse und Programmentwicklung), a German software company that in the 1990s established an extraordinary dominance of the ERP market, sap was set up by three engineers in Mannheim in 1972. Their aim was to help companies link their different business processes by correlating information from various functions and using it to run the business more smoothly.

The uses of ERP are many and diverse. For instance, in regard to Revenue Management, ERP systems provide a option to book and realize revenue. Through ERP system the revenue generation activities like revenue recognition, invoicing, and tracking of account receivables can be automated and review and approval processes can be implemented in accordance with the company and compliance norms. This helps the Finance Managers to have necessary information about the relaxed revenue, AR, and out standings. In regard to Cash management, for instance, since AR and AP are integrated in a same system, which in turn connected with the Balance Sheet and treasury operations, it helps the finance managers to manage cash more effectively. Again ERP helps in Risk Management. As most aspects of financial risks are covered in an ERP system, this with a simple integration with a BI system can help finance managers to teak and automate risk management through fish dashboards and alerts. Most of the modern ERP systems today support basic risk management features.

Apart from these operations benefits, ERP systems bring other long term and strategic values to finance managers. Since ERP systems store information in digital form, companies with an ERP system can analyze past data more successfully and draw actionable insights from this data that helps them to define competitive strategy. In this way, the CMAs can help executive management to formulate corporate strategy. Being an automated system, ERP system ensures that CMAs can spend less time in operation related works and micro-level reviews. This enables CMAs to focus more on key strategic aspects of financial risk and compliance management.

There is no denying the fact that a proper utilization of ERP system fuels, growth for a financial professional as he / she can take more active part in strategic activities rather getting bogged down with mundane day to day operations. Some of the articles which have found a place here will, I am sure, enrich the dear readers with latest development in this field.

Happy reading!



Editorial