7 essential finance features for your digital operation

Finance qualities of Digital Operations Platforms



A Digital Operations Platform (DOP) is built by looking at the business from a big-picture perspective. The finance system serves as a cornerstone of the DOP design, managing a spectrum of financial functions from accounting procedures to profit tracking and reporting.

While the expectation is that your finance module covers essentials like accounts payable (AP) and general ledger (GL) requirements, modern solutions offer a diverse array of functionalities. Recognizing this, it's crucial to thoroughly assess and comprehend these capabilities to align with your specific functional needs.

A DOP combines technology, processes, data, and people to make operations run smoothly. By using technologies such as advanced analytics and automation, a DOP helps different parts of the business work together better. DOPs typically operate on a modular basis, allowing for component addition or removal within your configuration. While it's unlikely you'll remove financial features from your primary system, other components may be added, necessitating compatibility checks.

So, what exactly is a finance module (or App)? It's the nerve center of your business, collecting and transforming financial data into critical reports such as quarterly statements, ledgers, profit tracking, and balance sheets. It should facilitate transactions, invoicing, reporting, and revenue management across all departments and business functions, granting each access to pertinent data.

Let's delve into essential features for your DOP finance requirements:

1. The **General Ledger** feature within a finance app serves as the central repository for all financial transactions within an organization. It provides a comprehensive overview of financial activity, allowing for the recording, classification, and summarization of transactions into various accounts, such as assets, liabilities, revenues, and expenses.
2. **Accounts Receivable** functions handle incoming payments and revenue generation processes within an organization. It tracks customer invoices, manages billing cycles, and monitors outstanding payments. Accounts Receivable modules often include features for invoice creation, credit management, and collections to optimize cash flow and minimize outstanding receivables.
3. **Accounts Payable** functionality enables businesses to manage their outgoing payments and liabilities effectively. It facilitates the recording, tracking, and management of invoices, payments to vendors, and other financial obligations. Accounts Payable modules typically streamline the invoice approval process, manage vendor relationships, and ensure timely payment processing.
4. **Cash Management** functionality helps businesses optimize their cash flow and liquidity by monitoring and controlling cash inflows and outflows. It includes features for cash forecasting, bank reconciliation, and cash positioning to ensure adequate funds are available to meet financial obligations.

5. **Banking Management** features facilitate the integration and management of banking activities as part of the DOP. This includes features for electronic funds transfer, bank reconciliation, and cash management. Banking Management modules streamline financial transactions, improve accuracy, and enhance security in banking operations.
6. **Profit Tracking** functionality is needed to enable organizations to monitor and analyze their profitability across various business segments, products, or services. It provides insights into revenue, expenses, and margins, allowing for informed decision-making and performance evaluation.
7. **Reporting** features provide organizations with the tools to generate, customize, and analyze financial reports and statements. This includes balance sheets, income statements, cash flow statements, and other financial analysis reports. Reporting modules offer insights into financial performance, trends, and forecasts, supporting strategic decision-making and regulatory compliance.



The author admits that his affinity to the number 7 is part of the reason for the length of the list above. Depending on the nature, size, and scope of a business's operation, 2 more finance functions should be considered.

Asset Management features enable organizations to efficiently track and manage their tangible and intangible assets throughout their lifecycle. This includes acquisition, depreciation, maintenance, and disposal of assets. Asset Management modules provide visibility into asset utilization, valuation, and compliance with regulatory requirements.

Multi-currency Capabilities allow businesses to conduct transactions and report financial information in multiple currencies. It includes features for currency conversion, exchange rate management, and multi-currency reporting. Multi-currency Capabilities enable organizations to operate globally, manage foreign currency risks, and comply with international accounting standards.

Finally let us think about a key characteristic of any DOP solution – integration. Integrating finance data and processes with all enterprise functions is critical for achieving operational efficiency, financial transparency, and strategic decision-making across the organization. Here is what it provides:

- Holistic View of Financial Health
- Enhanced Decision-Making
- Efficient Resource Allocation
- Cost Reduction
- Streamlined Workflows
- Compliance and Risk Management
- Improved Accuracy and Consistency

Integrating finance data and processes with all enterprise functions is critical for fostering collaboration, efficiency, and agility across the organization. It enables organizations to leverage financial insights to drive strategic initiatives, mitigate risks, and achieve sustainable growth in today's dynamic business environment.

DiTRA helps you engineer, design, and build your Digital Operations Platform. Based on industry best practices, we collaborate with you to identify essential features of your tailored DOP solution. Your Digital Transformation will streamline operations, enhance collaboration, and deliver exceptional experiences for your customers.

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