July 17, 2025

How CFOs can realize value from an ERP implementation

Enterprise resource planning systems (ERPs) allow organizations the ability to integrate and monitor business processes, aligning a host of cross-functional areas. But the day-to-day task of implementing an ERP can expose—and even exacerbate—the disconnect between the leaders of finance and IT.

A lack of clear communication surrounding each function's priorities helps explain why, according to a survey of 185 finance leaders, 70% report that their finance transformations are either "less impactful" or "moving slower than expected."[1] CFO priorities, which typically revolve around improving analytics capabilities, as well as boosting automation, standardization and data quality, can get crowded out by budgetary and time constraints.

Goals such as enhanced decision-making or reduced manual activity may not align within the IT function's top aims, which can be focused on supporting core operations, often sacrificing automation of smaller volume activity that drives manual work in finance. How can CFOs best address this misalignment, helping IT prioritize the appropriate investments in finance?

To gain a deeper understanding of why CFOs were not always realizing their expected value on tech-enabled transformations, Deloitte Global conducted 26 interviews with CFOs and finance transformation project teams who had recently gone live with an ERP system in support of a broader finance transformation (not simply a technical upgrade). These interviews included probing questions regarding the details of their transformations, including how they measured value and any lessons learned.

The findings confirmed an initial hypothesis: CFOs' tendencies to set more abstract improvement goals, such as increasing time on analytics or improving business partnering, made it easier for their objectives to remain either undefined or ineffectively measured. Even if such objectives were defined and measured, they were often deprioritized for the sake of meeting a planned go-live date. In those cases, the system go-live deadline became the measurable event, rather than the full realization of finance-specific improvement goals.

In this edition of *CFO Insights*, we'll draw on Deloitte Global's findings to share the transformation goals that finance leaders can establish to achieve measurable and meaningful results, which could help them track the value they sought to achieve.

Measuring up

The main driver for acquiring a next-generation ERP may stem from many factors, including company growth, regulatory changes, or new leadership. The accumulation of pain points surrounding a legacy system may reach a level where it's apparent that additional modules or improved training aren't sufficient to meet changing business needs. Perhaps the existing ERP limits scalability, contributes to inefficiency—or seems ill-equipped for enhancements such as AI.

All of the CFOs who were interviewed had started the effort by conducting a listening tour. Reaching out to stakeholders, they examined the ERP-related challenges within each workflow. Some of them drew up business cases in an effort to assess needs and analyze tradeoffs. Even at that early stage, however, finance leaders did not typically collect baseline data.

While they may have counted the inefficiencies, they did not calculate how they would measure whether they were being addressed. It's insufficient to know that the finance organization relies on too many manual workarounds; a key is conducting an analysis to track progress with a metric. Success may be defined, for instance, by reducing manual processes by a certain percentage.

Without such quantifiable objectives, CFOs may find themselves facing an all-too-familiar set of pain points in the aftermath of an ERP implementation.

Maintaining priorities

In theory, the decision to commit to a certain type of ERP could be made by a team, a formal collaboration between finance and IT—and, at some point, users who could help shape requirements. Members of the tax function, for example, could offer input as to the needed data, analytics capabilities, and desired outputs.

Organizations initiate an ERP implementation programs for several reasons including enhancing internal efficiencies, streamlining the execution and integration of M&A deals, or achieving a specific capability like unit profitability— with clear priorities around reaching that goal. Given that such projects can sometimes go over budget and take longer than expected—among other pitfalls—less measurable objectives like improved analytics can be lost in the rush. How does that happen? Here's what the CFOs who were interviewed said:

- **Focusing on other priorities.** For 13 CFOs and their teams, the scale of the core ERP functionality, associated process change, and technology adoption overwhelmed any "nice-to-have" finance function improvement opportunities. As a result, finance opportunities were generally deprioritized for the sake of going live on time and within budget. Eight CFOs and teams mentioned that they went live just to meet the go-live imperative, despite concerns about the implications for finance. One CFO identified finance-improvement requirements at the start of the transformation only to see them ultimately viewed as non-critical.
- **Encountering unanticipated challenges.** Four CFOs and teams, who limited their technology-enabled transformation solely to financial systems, could not automate as much as they would have liked due to upstream process and system limitations in sales, supply chain, and other functions. A CFO of a large retail organization clearly defined a business objective to shift to retail accounting methodology, and the company achieved that goal. However, they underestimated the importance of data flows and interconnected processes from upstream teams, hindering their broader improvement goals.
- **Underinvesting in change management.** Four CFOs and teams wished they had invested more in change management and adoption. One CFO worried about workforce change fatigue if attempting to transform beyond the technical implementation, so the organization did not enforce a culture of change. Lack of change management resulted in underwhelming process change, systems not being leveraged to capacity, and users reverting to offline processes.
- **Using a limited definition of value.** CFOs and their teams frequently reported relying on qualitative or benchmark targets for improvements rather than on quantitative key performance indicators (KPIs) tied to a baseline. A CFO of a large technology organization undertook an ERP implementation that originated as an IT initiative. The organization's business case aligned to efficiencies and value-generation through the lens of technology,

not finance-oriented efficiencies and process improvements. Ultimately, the CFO lacked a measurable way to determine if the finance function achieved its goals as well as quantifiable metrics to communicate to leadership the finance-oriented value gained from the project.

- **Creating inadequate metrics.** Participating CFOs and teams who developed KPIs often created only technical ones. Other CFOs admitted that KPIs were ignored after creating and approving the business case. And yet, three in four finance leaders report the inability to define exact impacts or metrics as the most common challenge. This seems to leave many leaders with the same question we originally intended to answer: What value did they achieve with their transformation projects? In the end, the substance of the interviews seemed to generally support the notion that CFOs and their teams frequently did not define, measure, or track transformation business objectives related to finance function improvement. As a result, they could not tell if they realized the benefits of the technology investment.

Furthermore, they often failed to dive deep to understand the root causes driving manual processes and lacked negotiating power to force upstream process changes to enable automation. This frequently resulted in frustration at the money spent relative to business objectives achieved in finance. Such difficulties are hardly new in technology-enabled finance transformations (see Figure 1).

Figure 1. Regardless of the various methods used in tech-cetered finance transformations, CFOs consistently encountered challenges.

Approaches to Technology-enabled FT	CFO Priority	What Was Fixed	Still Not Fixed
Narrow the scope or implement 'best in breed' to address specific concerns	Solve for unique and customized finance capabilities	Solves problems specific to certain finance capabilities (e.g., planning, tax, statutory reporting, etc.)	• Data discrepancies often remain outside of specific area; • May increase tech debt; • Creates winners and losers among the finance organization
Bring in all the data using 'thick ledger' or a finance data warehouse	Automate / enable more granular analytics on finance and operational data	Can more closely align finance data with operational data; Lessen requirement for reconciliations; Allow for more granular variance analysis	• Not all data is accessible • Tend to be large projects that can be difficult to manage; • Can impact close timelines by overloading ledger; • Reconciliations between data warehouse and ledger
Map every process and data inefficiency through bottom-up process and data rationalization	Fix the processes	Optimized processes across all finance capabilities (i.e., no stone left unturned)	• Many dependencies between processes and data quickly become overwhelming to understand and address; • Requires high time and capital commitment; • Upstream processes and systems often not addressed
Use native ERP capabilities to force standardization	Use ERP "out of the box" as a forcing mechanism to standardize and automate processes without detailed process mapping and redesign	Decreased technology debt; Quicker implementation cycle(s); "Future-proof"	• Risk of "over-standardization," causing capabilities to implement offline tasks; • Upstream processes and systems often not addressed; • Underlying data may limit effectiveness of "standard"

Source: "Meeting Business Objectives in a Finance Transformation," Deloitte Global, 2025.

Taking action

When it comes to relying primarily on technology as a catalyst for transformation, finance leaders and their teams often face three distinct challenges.

First, there's the sheer breadth of finance tech. Nearly every action in a company eventually flows into finance, but solutions may only encompass segmented areas, such as accounting data—disregarding tax, treasury, or financial planning and analysis (FP&A).

Then there's the fact that finance systems do not inherently fix data created or maintained outside of finance. Automation of processes and data granularity often depends on teams like sales, procurement, operations, or product teams. Data acquisition can become a manual process, taking finance teams out of their core system.

The third challenge is in the administrative realm. Implementations of fundamental technology like ERP systems should force teams to examine and change processes and policies to ensure they match the risk, rigor, and effort required to meet new business objectives.

By not focusing on such issues, technology-enabled transformations may result in frustration, missed expectations, or lost opportunities, where another tool, policy, process, or upstream change could potentially have addressed the problem. Ultimately, that can leave CFOs trying to understand why they spent the money.

These interviews helped uncover common activities that can help CFOs keep their priorities at the forefront:

- **Develop a vision for your role and function.** CFOs should develop a detailed vision for the role, function, and required capabilities to help deliver value relative to the broader organization (i.e., how finance should and should not serve). They can then formulate an integrated view of the skills, resources, policies, information, processes, and tools needed to deliver on this vision. A detailed vision can also become a catalyst for support and funding.
- **Specify KPIs and measure them continually.** Develop measurable KPIs to monitor performance of each sub-function in finance aligned to their outside role and function. Establish a governance process to help monitor shifts in these baseline KPIs based on process, technology, policy, and other changes. KPIs can be both macro (e.g., number of employees to process payroll or total cost to operate) and micro (e.g., days to close, invoice processing time, or hours to report creation). Use these KPIs and the baseline to support the business case for investments.
- **Look beyond technology functionality to policies, processes, controls, and data.** Early technology had data storage, processing power, and limitations that generally forced functional separation or restricted business capability. Modern enterprise-grade systems can store vast amounts of data, and facilitate autoscaling of processing power. Limitations today can include data quality and availability, policies, and processes.
- **Look outside finance.** Improving KPI performance can involve understanding and negotiating with functions outside finance to help change dependent processes, systems, and data from other departments.

  After going live with an ERP system, one CFO observed that procurement and supply chain finance teams were overwhelmed with manual materials tracking. To address this, the CFO needed to work with the head of supply chain and suppliers to automate ordering and receiving data.
- **Enable high performers to participate in the transformation.** Establish a critical skills program that includes training and job rotation opportunities.

A job rotation program can allow experienced team members to expand their skills, support project teams, and participate in continual improvement initiatives. This may enable experienced professionals to bring their knowledge to the challenges and then rotate back to the line to encourage adoption.

- In the interviews, one participating team described how they enabled this as part of their leadership rotational program. Individuals spent time in other finance functions or the process improvement team. The CFO credited the program with improving morale, reducing staff turnover, and encouraging measurement of team performance. Another CFO pointed to a skills assessment that revealed the need for the team to develop coding skills.
- **Commit to continual transformation.** Embrace the notion of ongoing transformation. Support the above recommendations with dedicated resources that can regularly work toward process and technology improvements. Look at each significant systems investment as a step in the process.

  One chief accounting officer (CAO) evaluated the process improvements and capabilities finance hoped to achieve with the company's ERP-led transformation and weighed them against the possibility of delaying those priorities until after going live. The CAO said the company could reach the most value with the least resistance by beginning true finance transformation in a second phase, after go-live. The CAO established a team, roadmap, and measurable business objectives to continue the transformation.

ERP systems can play a pivotal role in enabling organizations to adapt to a dynamic business environment while improving the finance function's cost efficiency. Of course, technology alone is not a cure-all for a CFO's many challenges and objectives. But it can and should spark thinking about the people, process, policy, and data changes that are necessary for transformation. Having a mindset that improving the finance function is a never-ending job can be an ideal place to start.

Good questions:

What CFOs should ask finance teams at the start of an ERP Implementation

1. Can they define their goals in measurable ways?
2. Do they understand how dependencies among distinct functions create manual work?
3. Do they understand the data they need and the analytics they seek?
4. Are they prepared to evaluate policy and end-to-end processes as improvement levers?
5. Are the most appropriate people going to be assigned to the project?
6. Do you know what work will be left to be done at go-live?

End notes

1. 70% of Finance Transformations Have Slow, Underwhelming Impact *CFO.com*, January 31, 2024.

Contacts

Miles Ewing
Principal, Finance Strategy & Transformation
Deloitte Consulting LLP
miewing@deloitte.com

Wendy Huang
Principal, Finance Strategy & Transformation
Financial Services industry leader
Deloitte Consulting LLP
wendyhuang@deloitte.com

About Deloitte's CFO Program

The CFO Program brings together a multidisciplinary team of Deloitte leaders and subject-matter specialists to help CFOs stay ahead in the face of growing challenges and demands. The program harnesses our organization's broad capabilities to deliver forward thinking and fresh insights for every stage of a CFO's career—helping CFOs manage the complexities of their roles, tackle their company's most compelling challenges, and adapt to strategic shifts in the market.

LEARN MORE

Deloitte CFO Insights are developed by Josh Hyatt, Editor, CFO Insights, CFO Program; and John Goff, Senior Manager, CFO Program, both Deloitte LLP.