

AN INTRODUCTION TO ENTERPRISE FINANCE ARCHITECTURE (EFA)

DESIGNING THE FINANCIAL BACKBONE

The financial foundation for ERP and AI.

THE GAP ERP LEAVES BEHIND

YOUR ERP WENT LIVE. FINANCE DID NOT.

ERP programs are measured by go-live. Transactions post, screens work and the system is technically live. Yet Finance can still discover that reconciliations do not close, reports do not provide the information needed, and month-end depends on spreadsheets and workarounds outside the system.

ERP is live, but the Finance model behind it does not yet work as one coherent whole.

A system going live is not the same as Finance going live.



01 – THE STARTING POINT

FINANCE STARTS WITH THE BUSINESS



Everything Finance does starts with something that happens in the business.

Customers buy. Products are sold and delivered. People work. Inventory moves. Investments are made. Contracts are signed. Services are performed. Payments are made.

These events create financial consequences. Finance records what happened and turns it into information the organization can use: to account for the past, report performance, plan ahead and help the business steer.

The better Finance is connected to the business, the better that information can support the organization.



The business is the starting point. Finance connects to it.

RELIABLE AND RELEVANT

Financial information has value when people can trust it and use it.

RELIABLE

CORRECT

COMPLETE

ACCURATE

RELEVANT

PRECISE

TIMELY

UNDERSTANDABLE

THE FINANCIAL BACKBONE

The Financial Backbone connects Finance with the business.

It defines how Finance processes what happens in the business and ensures that reliable and relevant financial information is available to account, report, plan and steer.

It brings together the Finance choices that make this possible: accounting principles, business events, financial structures, data, posting logic, reporting, controls and governance.

A business event, the way Finance interprets it, the data that is recorded and the information that is reported are designed as parts of one connected Finance model.

The Financial Backbone is the financial foundation for ERP and AI.

04 – THREE WAYS OF SEEING ONE REALITY

ONE BUSINESS REALITY, THREE LENSES

One business reality needs to support different information needs.

Financial Accounting

Provides the basis for statutory accountability and financial reporting in line with applicable accounting principles.

Management Accounting

Structures financial information so boards and managers can understand performance and make decisions.

Data Accounting

Connects Finance data with the wider business data landscape, so it can relate to ESG and other non-financial information at the right level.

Financial Accounting. Management Accounting. Data Accounting. One Financial Backbone.

DESIGN FIRST. CONFIGURE WHAT HAS BEEN DESIGNED.

An ERP workshop asks which accounts, which dimensions, which posting rules, which fields are mandatory. EFA takes those questions back to the Finance design: what happens in the business, what does it mean for Finance, and which data does that require?

When that Finance decision is made before configuration, ERP can be built around one coherent Finance model, and that is what connects ERP go-live with Finance go-live.

Finance defines what is needed. The Finance Architect connects the decisions into one design. The ERP specialist translates it into the system.

AI BUILDS ON IT TOO

AI needs financial context to understand Finance.

A well-designed Financial Backbone gives financial data structure, meaning and lineage, so AI can work with Finance logic that is already designed and governed.

ERP needs the Financial Backbone to make Finance work. AI needs it to understand Finance.

HOW EFA DESIGNS THE FINANCIAL BACKBONE

EFA starts with the organization itself, then follows economic events through ERP capture, financial interpretation, data design and reporting.



Start with the business. Make the Finance meaning explicit. Then configure.

FROM EVENT TO INFORMATION

Four design steps carry every business event to reliable, traceable financial information.

1

Start with events

A sale, delivery, payment or contract is mapped as an event with a common meaning, not as an account. The business reality defines the event; ERP provides the way it is captured.

2

Give each event financial meaning

Finance determines what the event means for recognition, measurement, tax treatment and internal reporting, and makes that rule explicit and traceable.

3

Design the data you need

The chart of accounts, dimensions and entities follow from the information required, including compatible data for ESG and other non-financial measures.

4

Follow the information

Data lineage keeps every number traceable back to the business event, through statutory reports, management reports, KPIs and dashboards.

From business event to financial meaning, to data, to KPI, dashboard and report, and back again.

KEEP THE BACKBONE WORKING

The Financial Backbone develops with the organization.

Business models, accounting requirements, products, entities and information needs change, and ERP configuration develops over time.

Controls help ensure that events and financial information are processed as intended. Governance makes responsibilities, Finance decisions and changes explicit.

EFA treats the Financial Backbone as a living architecture, before and after go-live, whether it runs ahead of an ERP program or as a Finance Design Track inside one. Important interpretation rules and design decisions remain documented, traceable and governed, helping Finance keep information reliable and relevant.

Design it. Implement it. Govern it.

WHEN ERP OR AI IS ON THE AGENDA

That is the moment to think about the Financial Backbone.

For CFOs and Finance leadership, ERP and AI are not only technology choices. They are opportunities to make explicit how Finance connects with the business and which information the organization needs.

Hudifine helps Finance design or validate that foundation before the relevant choices are built into ERP, and before AI starts relying on the financial context and data it provides. This can be preparation for an ERP program, a Finance Design Track during the design phase, or a review of an existing Finance and ERP model.

ERP or AI for Finance? Build on a well-designed Financial Backbone.

WHAT HUDIFINE BRINGS

Hudifine designs and validates the Financial Backbone.

We work with Finance and the business to understand the events, information needs and Finance principles that matter, and structure the design decisions into a coherent Financial Backbone that the ERP implementation partner can build.

During implementation, Hudifine can validate whether ERP design and configuration continue to reflect Finance intent.

The result is a Finance foundation designed for reliable and relevant information, and ready for ERP, reporting and AI.

Hudifine. Designing the Financial Backbone.

BUILD ON A WELL-DESIGNED FINANCIAL BACKBONE

ERP AND AI CREATE NEW POSSIBILITIES FOR FINANCE.

The Financial Backbone gives them a financial foundation to build on. It starts with the business, connects business events with Finance meaning, and creates reliable and relevant financial information for accounting, reporting, planning and steering.

It gives ERP a deliberate Finance design to implement and AI the financial context it needs to understand Finance.

ERP or AI for Finance? Build on a well-designed Financial Backbone.

ERP or AI on your Finance agenda? Talk to Hudifine about your Financial Backbone.

hudifine

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The financial foundation for ERP and AI.

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