



Cloud Computing Intelligence

[www.cloudcomputingintelligence.com](http://www.cloudcomputingintelligence.com)

The background is a blue grid with a white circuit board pattern. On the left side, there are vertical columns of binary code (0s and 1s). The main title 'PREDICTIONS FOR 2016' is centered on the right side. 'PREDICTIONS' is in white, and 'FOR 2016' is in red.

# PREDICTIONS FOR 2016

# 2016 is all about flexibility and being agile

## Kevin Roberts

Kevin Roberts is the GM of Platform at FinancialForce. He has over 25 years of back-office systems integration experience across a variety of technical environments and is a key figure in the Salesforce, Force.com and FinancialForce ecosystems. He has been with FinancialForce.com since its inception in 2009 and has held roles at Cap Gemini, Lynx Financial Systems, CODA and UNIT4 in both the UK and the US.



**E**merging technologies such as the Internet of Things will force businesses to become more flexible and agile

2015 saw the rise of Internet of Things (IoT) and the potential it brings for both new and existing business models. IoT will make the old style distinction between front-office and back-office a thing of the past. Today support teams are often best placed to upsell and cross sell products and sales teams can leverage long term business relationships to become the most effective resource to resolve billing disputes. As a result, a system of customer engagement and your transaction processing systems become one shared system tracking every customer interaction. A single common database is needed to give companies

a 360 view of the customer, while at the same time providing a consistent way for them to engage with a company, no matter the inquiry (sales, service, delivery or finance). Increased access to analytics has also helped businesses better identify opportunities for process improvement. One area where we'll see growth in 2016 is within a company's ability to react.

When a business spots an opportunity, they shouldn't be held back by their systems, with developers needing 6-9 months before they can roll out a new process. With customers growing even more knowledgeable and influential, it's critical that businesses are able to react at customer speed. Fortunately, new tools, such as Salesforce Lightning Components, are making it possible for businesses to be

more flexible and agile.

Revenue from IoT services will only commence once those services are up and running and usage is being consumed by the customer. Management of the installation process needs to be closely monitored as any delays will directly impact the ability to bill customers and recognize revenue. As a result, Finance needs full visibility to implementation status and any project issues that could cause service delay or interruption needs to be swiftly communicated across the company and to the customer. Sales, Project and Finance tracking in separate siloed databases is likely to impair this required level of visibility.

**New revenue streams will create business complexity**

Revenue recognition, forecasting





and management will become even more important in 2016 as a result of new revenue streams driven by emerging trends such as IoT. Businesses are increasingly adding recurring subscription-based services – even businesses that used to focus on one-time sales are starting to sell ongoing services to stay competitive. Ultimately what's happening is more and more businesses who didn't think they were in the services industry before are now.

As business models shift from one-off sales and delivery to ongoing, long term customer relationships the 'product' you provide is a mix of traditional products, expert services, recurring and variable subscriptions plus support via traditional methods and online communities. The revenue recognition process for these multi-

element arrangements requires different rules for each line item of a contract and the revenue forecasting process for each customer needs to combines both inflight sales opportunities and existing contracts or sales agreements.

Because of this, those who haven't been exposed to more complex revenue recognition, forecasting and management are going to have to come to grips with it and will look for tools to help them manage the process.

#### **Businesses are going to start consolidating their cloud services**

Over the years, there has been a large proliferation of cloud services, which has resulted in what can be described as a 'FrankenCloud'– a monster of disconnected cloud silos that can deeply impact employee productivity,

an executive's ability to make strategic business decisions, the customer experience and ultimately, a company's bottom line.

Businesses need to consider a platform first strategy, to ensure that new apps introduced are able to integrate easily and talk to each other. Without this it will become increasingly difficult to draw all the information together on a customer account, and achieve that consistent 360 customer view that's essential for businesses to provide world class customer service and strengthen the customer relationship.

Fortunately, businesses are starting to realize the drawbacks of working across multiple cloud systems and are strategically re-thinking their approach to the cloud. As a result, in 2016 we'll see a consolidation of cloud services.