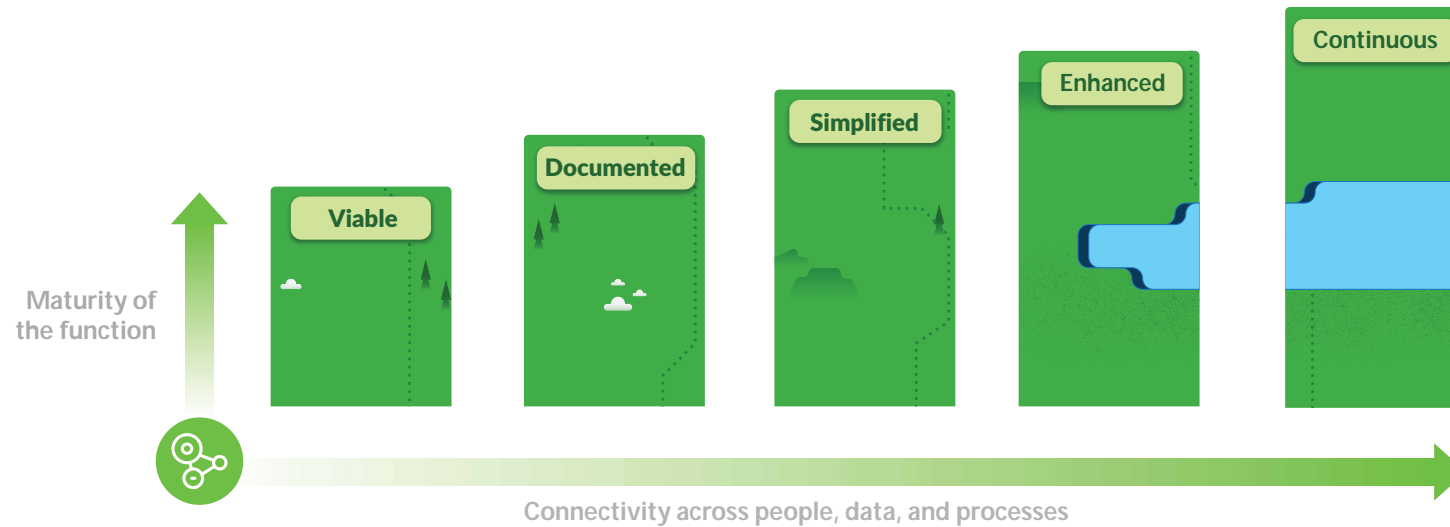




Your Road Map for Achieving a Connected Financial Close

A Maturity Model for Financial Close





Achieving a connected financial close: small steps, big results

Technology comes with the promise of shifting teams to more high-value work. Over the last several years, organizations have invested in sophisticated systems to efficiently and accurately record, close, and consolidate financial data, yet the increased speed, accuracy, and data integrity that come with those systems fall away when teams need to extract the data for analysis and reporting.

That's changing. With today's cloud platforms, teams can now connect the people, processes, data, and technology involved in the analysis and reporting at the end of each close cycle.

A connected financial close gives teams the ability to connect people via a single platform, automatically connect data from multiple sources

to reports, and link data from a single source of truth across multiple instances efficiently, consistently, and accurately.

By not wasting unnecessary time gathering, preparing, updating, and correcting data, finance teams have more time to hit their goals, contribute to the organization's strategic goals, and advance their careers.

The changes won't happen overnight, but you can start your journey here.

The maturity model in this e-book can help you assess where your financial reporting process is today, envision where you want to go, and provide a road map of the five stages along the path to achieving a more connected financial close.

Stage 1 | Viable

Teams using legacy systems to keep up with the demands of today's reporting requirements may struggle to deliver timely reports with confidence that the information is accurate. They don't have enough hours in the day to review their work or complete certain tasks.

In this stage, you might rely on a key, longtime team member to help everyone navigate a complicated, undocumented reporting process rife with manual tasks, duplicative work, and unchecked errors. There can be bottlenecks and critical gaps if the one team member with a monopoly on knowledge of the process is sick or leaves the company.



The process is...

Complex, highly manual, time-consuming, reliant on institutional knowledge to execute tasks properly, and defined by legacy tools versus the team's needs



The technology is...

Reliant on desktop-based programs that lack basic capabilities such as an audit trail, real-time collaboration, and connectivity while requiring manual data entry, with drafts printed out for reviewers to edit and provide feedback



You and your team are...

Frustrated, overwhelmed, and unable to fully use skill sets to add value due to limits of the process and technology, with constant fire drills sabotaging due dates and timelines



Telltale signs

- + Siloed teams
- + The process is defined by the capabilities of the tools
- + Dependence on veteran employees' knowledge of undocumented processes
- + Highly skilled employees performing low-value manual tasks, limiting teams' impact and contributions
- + Multiple versions of documents
- + Low accountability since responsibilities are undefined and unclear
- + Long nights and weekends and skipping dinner with loved ones to get things done
- + Managers feel they are fighting employee burnout
- + Low productivity, glory, and reward for working long hours
- + "We've always done it this way" mindset
- + High likelihood of errors due to siloed processes and disconnected reports

Stage 1 | Viable

The risk of standing still

Highly manual processes can expose organizations to the risk of errors, inaccurate internal reports, material weaknesses, restatements, and employee turnover. [One study](#) of publicly announced restatements found that in 30% of cases, the CEO or CFO exited the organization in the six months before or after the restatement.

How to advance

- + **Create a process flowchart**, so your team can understand the process flow, data sources, contributors, and end reports, as well as identify areas of risk and opportunities for improvement
- + **Maintain a list of process and report owners** to increase accountability
- + **Identify tools that enable secure, real-time collaboration**, so contributors can work together more efficiently
- + **Create a process and structure to manage version control**
- + **Set up a process to review reports that include the same data and commentary**, so you can eliminate duplicative work across your team and ensure consistency
- + **Look for ways to increase transparency and visibility into data across multiple teams** for streamlined reviews



Stage 2 | Documented

The steps for getting through a financial close cycle are now defined and measurable, making it easier to scale.

Team members still rely on institutional knowledge but have a greater understanding of their roles and responsibilities, leading to greater accountability. However, it is still tough to wrangle all the right data for analysis and deliver error-free reports within the required timeline.



The process is...

Defined, measurable, and easier to scale though still complex, highly manual, and time-consuming



The technology is...

Based on multiple applications that don't necessarily integrate well with each other, so data aggregation across a collection of disconnected files stored on shared drives is cumbersome, and numbers are unreliable



You and your team are...

Able to feel more ownership over your part of the process but still spending too much time gathering and preparing data, formatting reports, and incorporating feedback from multiple reviewers



Telltale signs

- + Documented procedures with complex step-by-step instructions for manually preparing data, analysis, and reports
- + Heavy reliance on desktop-based tools
- + Version control via file naming
- + Data, files, and project updates often shared through emails, shared drives, face-to-face meetings, hard copies, or phone calls
- + Reliance on IT to collect data
- + Long hours spent preparing and organizing data
- + Limited time to perform value-add analysis
- + Errors due to manual nature of process

Viable

Documented

3

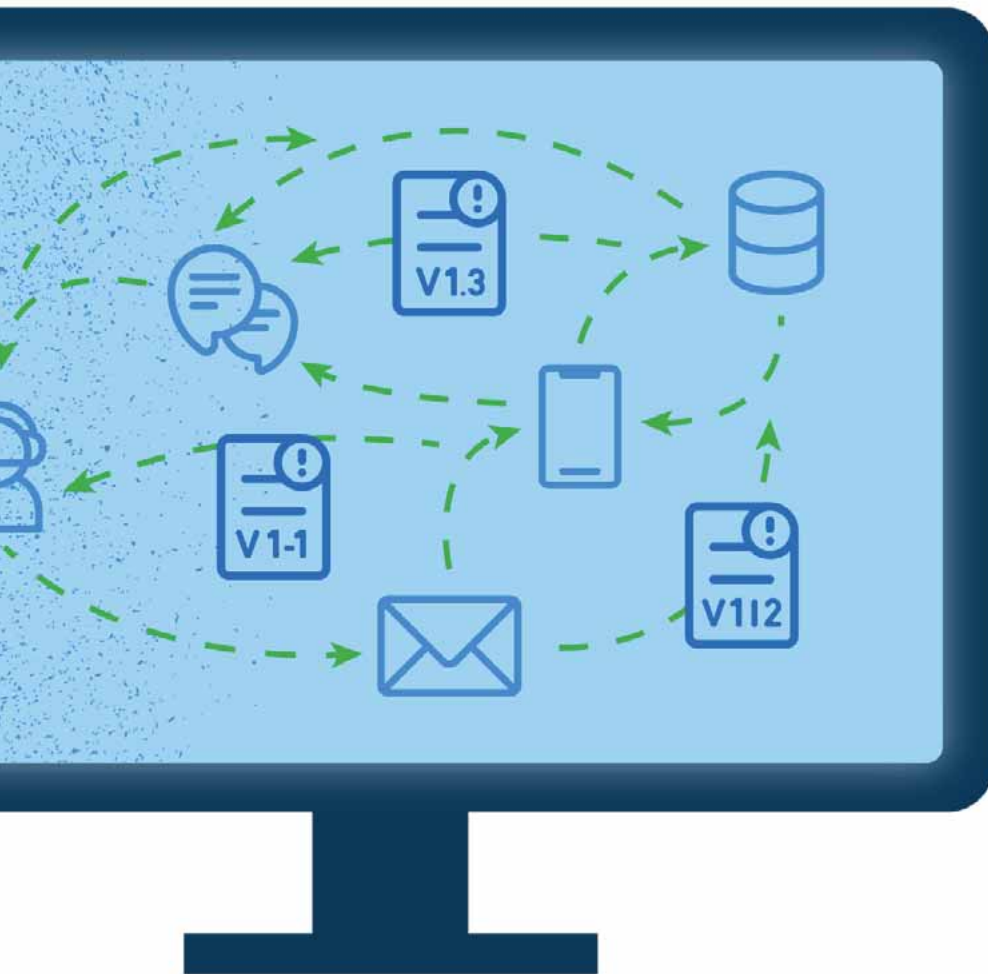
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Stage 2 | Documented

The risk of standing still

Disconnected processes leave finance organizations spending 80% of their time [chasing, updating, and correcting data](#) rather than focusing on providing forward-looking insights. That opens organizations to the risk of falling behind competitors.



How to advance

- + Consider moving away from desktop-based applications to cloud platforms that offer real-time collaboration and the flexibility to scale to handle large volumes of data
- + Identify manual steps that could be automated to save time
- + Explore how technology can help you automatically manage versions, prepare data, and organize files
- + Centralize file sharing within a single platform
- + Use the time saved from automating low-value tasks to spend more time on high-value analysis

Stage 3 | Simplified

A core team is using technology to begin automating and streamlining what was once a disjointed series of tasks for completing the financial close.

The team is leveraging technology to improve basic reporting processes by connecting analysis to reports and team members throughout the process. Employees feel they are taking control of their process rather than the other way around.



The process is...

Faster and less prone to error, with time to start addressing ad hoc requests and analysis—at least within one core team



The technology is...

Driving collaboration, control, efficiency, data access, and transparency across the team while making it easier for team members to organize and execute responsibilities



You and your team are...

Starting to collaborate in real time, gaining management's attention, enjoying higher morale, and feeling like you can use the skills and degrees you worked so hard to earn



Telltale signs

- + **New technology helping to manage manual tasks, centralize work**
- + **Increased process efficiency and the ability to make incremental improvements each cycle**
- + **Real-time collaboration within the core team, but collaboration with other contributors may be limited**
- + **Few if any issues with version control**
- + **Sense of ownership and pride in your process**
- + **Long hours required during crunch time but less frequently than in past cycles**
- + **Culture shift, beginning to focus on continuous improvement**

Viability

Documented

Simplified

4

5

Stage 3 | Simplified

The risk of standing still

[Poor data quality costs the U.S. an estimated \\$3 trillion annually.](#) To ensure data quality confidence, connect numbers from systems of record to the system of work, all the way to final reports, so employees can focus on their areas of expertise instead of the process.

How to advance

- + Explore the full capabilities of your technology solution to make the most of your investment:
 - Integrate your technology with systems of record to directly connect data to spreadsheets, documents, and presentations
 - Use workflow tools that allow you to create and track tasks, so you can standardize informal procedures and gain visibility into progress
 - Add commentary directly in your work in real time, and use a full audit trail and history of revisions to help reviewers track changes
 - Create small teams that can help execute on simplification to reduce complexity



Stage 4 | Enhanced

More teams are using technology to automate low-value work, collaborate, streamline processes, drive access to data, and improve insightful analysis in both ad hoc and routine reports.

Employees now have the time to perform value-add analysis that drives a deeper understanding of business performance—and more time to advise the organization on business decisions.



The process is...

More transparent, collaborative, and efficient, with little duplicative work



The technology is...

Integrated with core systems (like ERPs) and ancillary technologies to provide reporting teams with self-service access to data



You and your team are...

Using the full scope of your expertise, leading to higher morale, lower turnover, greater productivity, and more opportunity for career advancement



Telltale signs

- + Days' worth of time-savings from implementing process improvements
- + Technology-driven culture focused on the need for continuous improvement
- + Connected teams across the organization
- + Confidence in numbers and narrative in reports
- + Engaged and happier employees
- + Visibility into data lineage, with automated revision histories or audit trails of changes
- + Ability to drill into data to understand business impacts and drivers
- + Automatic flow of data from disparate source systems to reporting teams
- + Consistency in financial data across budgets and performance reports, board reports, and regulatory filings

Viability

Documented

Simplified

Enhanced

5

Stage 4 | Enhanced

The risk of standing still

Don't let the gains you've achieved in data integrity, morale, and time for high-value analysis stop at your team. The opportunities for career advancement as trusted business advisors to your entire company or organization are within reach.



How to advance

- + Create a strategy to implement process improvement across your organization
- + Expand use of your technology solutions to contributors outside your team for greater collaboration and transparency
- + Find ways to speed up insightful and ad hoc analysis and connect this analysis to your reporting process
- + Add contributors and collaborators across your organization including segments, regions, and functions

Stage 5 | Continuous

Connected data, analysis, and reporting are ingrained in the culture of the entire organization, with technology as the backbone. Ad hoc analysis is not on the wish list as a “nice to have” but a part of the team’s core competencies.

Teams can answer questions and find an answer quickly and efficiently without a heavy lift. With answers to what happened during a reporting period, why, and what lies ahead, accounting and finance teams become a necessary business partner driving the entire organization with insights that leaders come to depend on.



The process is...

Technology-driven, streamlined, and connected to optimize for delivering valuable business intelligence with speed and a limited risk of error



The technology is...

Integrated with systems across the enterprise, enabling teams to centralize their processes from data to report



You and your team are...

Developing critical business skills to advance your careers and powering individual, team, and company growth via analysis and reports that steer your organization



Telltale signs

- + Reports update instantly with system refreshes
- + Accelerated execution of work, enabled by greater transparency and control
- + Finance team is a strategic business partner
- + Focus is on the end result of financial reporting, not executing the process, to deliver strategic forward-looking insights
- + Natural, continuous collaboration across the financial close
- + Connected reporting and compliance

Viability

Documented

Simplified

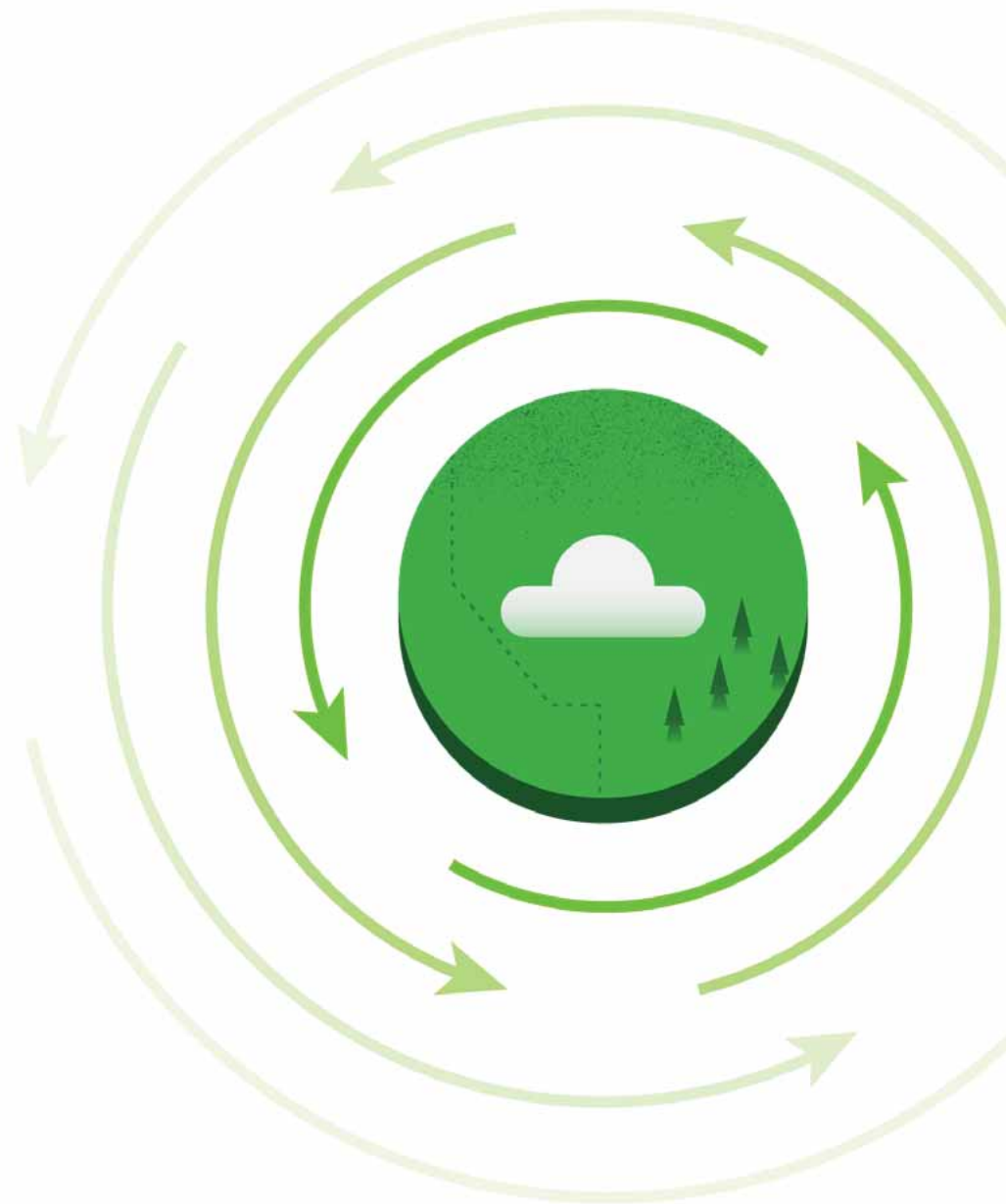
Advising

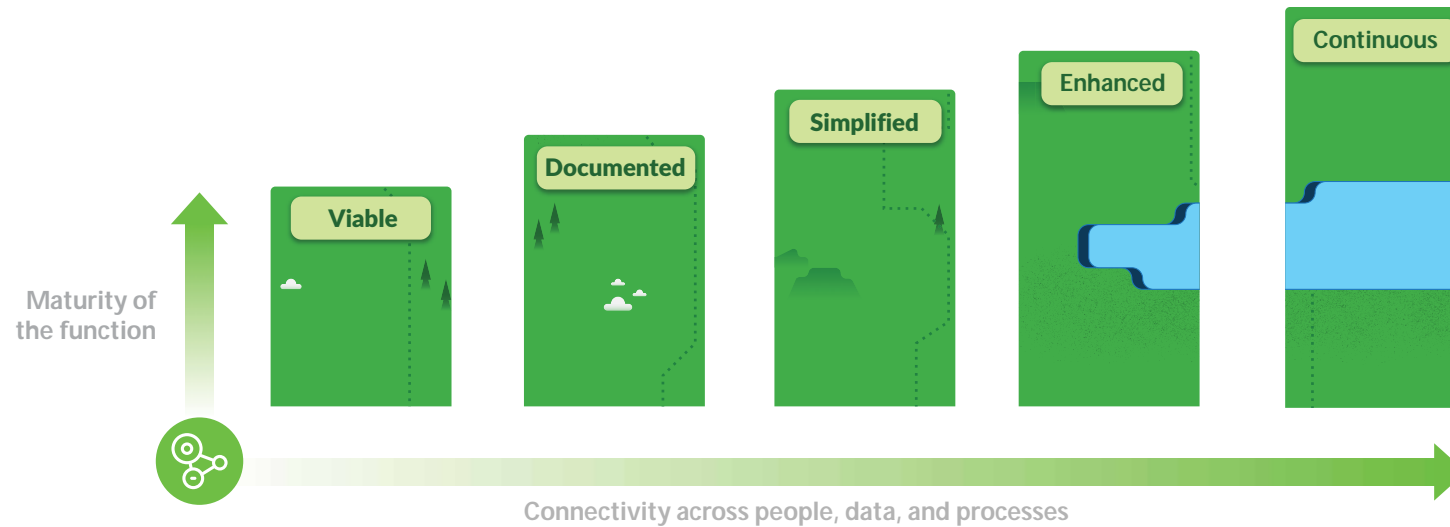
Continuous

Stage 5 | Continuous

What's next?

- + Leaders don't sit still or settle for what's good enough:
 - Take the leap and raise your hand to be an early adopter of emerging technology and new software releases, so you can influence—and benefit from—the latest advancements
 - Join [professional groups](#) and attend industry [events](#) to stay up to date on what peers are doing and what's on the horizon
 - Focus on [continuous improvement](#) by centralizing your process, technology, and teams into a connected reporting environment





Connected processes, mature organizations

Connected data is at the heart of building trust in financial reports.

Accounting and finance teams demand increased levels of digitization and automation, not only to make sense of a growing amount of data quickly but to report it accurately and efficiently. Maturing organizations see increased confidence, accuracy, and overall trust in their reporting.

By connecting data, it's easier to track the information from the source to a final report, with visibility into how text or a number has changed, who changed it, when, and why. As you connect data from a single source of record across multiple internal and external reports,

you ensure consistency in what you relay to managers, leaders, stakeholders, and regulators, even as numbers change.

When teams place connected data at the core, they can analyze and report across key functions—such as board reporting, management reporting, regulatory reporting, financial planning and analysis (FP&A)—with fresher data, less risk of manual error, and more confidence in the numbers.

Technology alone is not what will build trust, but you can use it to free your financial reporting, planning, and analysis teams to do what they do best.

About Workiva

Workiva, provider of the world's leading connected reporting and compliance platform, is used by thousands of enterprises across 180 countries, including 75 percent of Fortune 500® companies, and by government agencies. Our customers have linked over five billion data elements to trust their data, reduce risk, and save time. For more information about Workiva (NYSE:WK), please visit workiva.com.

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