

CONNECTED
REPORTING:
Taming The Finance
Transformation Beast





MEET THE BEAST

Finance transformation. It's the phrase on every CFO's mind. It's in the headlines of every trade publication. And it's probably being scrawled on some digital whiteboard during a planning session right now.

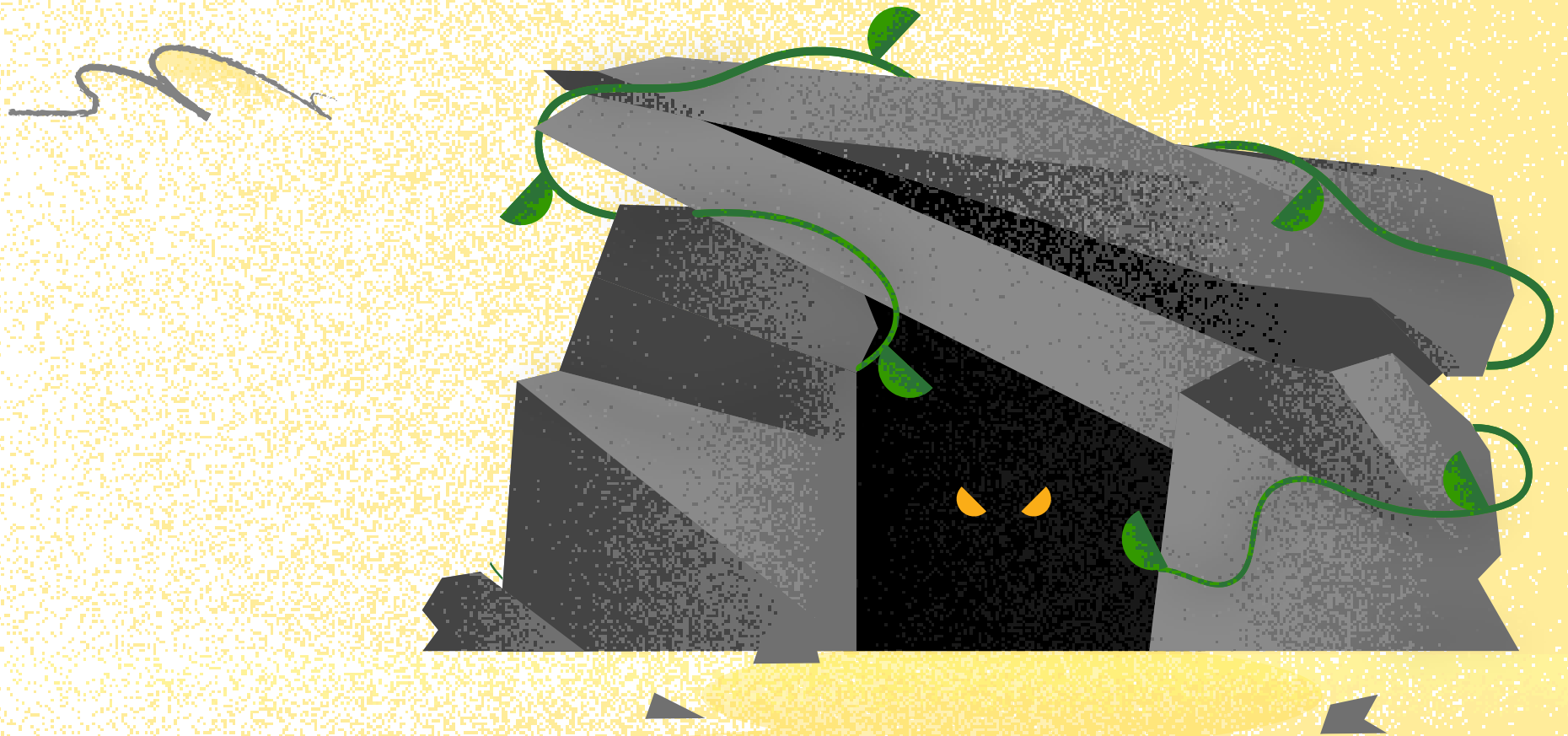
But what is finance transformation? How is finance transformation any different than every buzzword that came before it? More importantly, how can finance transformation shed its shroud of mystery and be put into action?

Big questions with few answers. And that's what's led "finance transformation" to sound less like a cure and more like a curse to many.

Maybe you hear finance transformation and picture a grueling journey across a wasteland of training, onboarding, implementation, testing, and on and on. Or, perhaps finance transformation strikes up a vision of consultants coming in hordes, invading the office, upsetting your once peaceful environment, and asking where they should send their invoices.

These kinds of epic undertakings are the reasons why [1 out of 4 executives believe their transformation will never be completed](#).

Then came the COVID-19 pandemic of 2020. Organizations that were “getting by” with old-school systems and patchwork processes quickly discovered those were no longer an option. Finance transformation, and all that it entails, is now more important than ever. But how companies approach transformation and make decisions about it has changed. Roadmaps have gotten shorter. And ROI remains a constant.



So what can you do to make finance transformation more than a fantasy?

You can begin by instituting technologies that are a reality right now and transform the areas where you experience the greatest interruption—and that will have the greatest impact.

Finance transformation involves:

- Process improvement in the office of finance
- Bringing finance up to date with the greater environment within which you operate
- Shifting roles from completing manual tasks to creating value
- Instituting modern technology to tackle classic accounting and finance functions

TALES FROM THE TRANSFORMATION JOURNEY

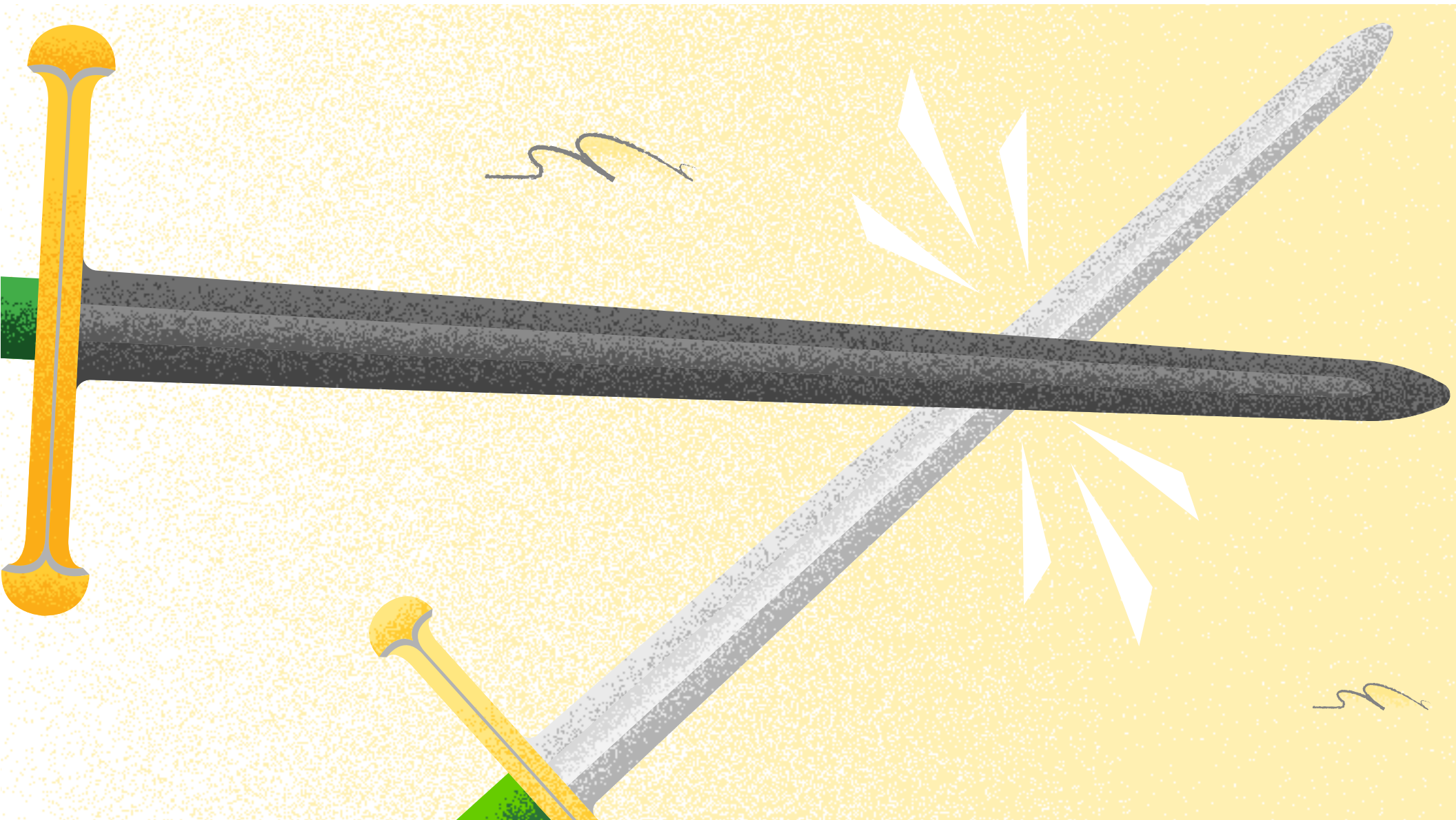


As with any finance transformation, finding the right place [to start] is absolutely critical. We started with account reconciliations, looking through the entire balance sheet, breaking that balance sheet down, and ultimately attacking specific areas. We went after cash first, then inventory. We just kept working through to make sure that we were gaining efficiency across the balance sheet, and that started to lead into other other opportunities within the transformation journey.

JOHN ZIMMERMAN, Director, Financial Data Services, The Hershey Company

FINANCE TRANSFORMATION MYTHS VS. REALITIES

The battle for organizational approvals is as old as time itself. And it's no different with pitches for process improvement initiatives. Even if you don't have a trusty Chief Transformation Officer by your side, you can still build a business case that can help you turn the tide. Here are a few of the common misconceptions surrounding finance transformation—and how you can vanquish them for good.

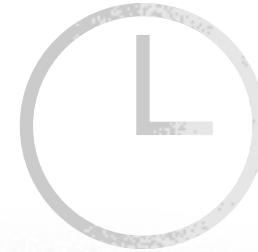


MYTH #1: NOW IS NOT THE RIGHT TIME

Reality: Transforming now keeps you ahead of what's next

Yes, the world is still reeling from the pandemic that demolished the idea of business as usual. But if anything, workplace shutdowns proved that transformation is more important than ever. If you were caught off guard, still relying on common software and disconnected systems from the dark ages, it was likely an uphill climb to meet deadlines, keep everyone on the same page, or even complete some basic tasks. If that's not a signal for change, what is?

Times like these should kick-start transformation so you don't get stuck again. And most CFOs seem to agree that the coronavirus pandemic of 2020 is actually serving as a catalyst for transformation, [according to PwC's COVID-19 CFO Pulse Survey](#). Close to half of those surveyed plan to make remote work a permanent option. And, more than 40% plan to accelerate automation and new ways of working.



MYTH #2: IT'S TOO EXPENSIVE

Reality: Long-term benefits far outweigh short-term budget concerns

While cost is always a consideration, analysts at Gartner counter that [successful finance transformations identify future business needs](#) and the corresponding services finance will be able to deliver. It's the unsuccessful efforts that base their transformation on hitting a cost target instead.

Newfound efficiencies within those finance services will also bear fruit, in the form of more time for improved analysis and strategic thinking. You might be paying your analysts—the wizards of the finance department—a lot of money, only to have them drilling into data and spinning up pivot tables. Let them work their wonders on value-added activities instead.

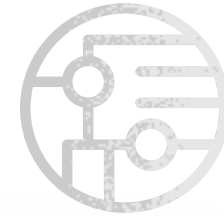


MYTH #3: WE DON'T WANT ANOTHER GIANT CAPITAL EXPENDITURE

Reality: Technologies are more affordable and accessible than ever

ERPs gave the tools of transformation a bad name. But technology continues to change rapidly and is a big reason transformation is so ubiquitous. Before the global shutdown in 2020, 96% of finance organizations were planning a major transformation effort in the next 12–24 months, [according to a Hackett Group study](#). The reason why? Newly available and affordable technologies—89% say that the introduction of smart automation technologies is either a highly important or critical motivating factor.

CapEx might have been associated with transformation at one time, but cloud advancements have come to rival the power once only held by those on-premises behemoths—and at a fraction of the cost. Plus, the increasing number of APIs and integrations have broken down the barriers between systems of record and systems of work. That means the same data and powerful applications are more accessible to larger numbers of people, regardless of location. Imagine accounting, finance, tax, treasury—your entire kingdom in the cloud.

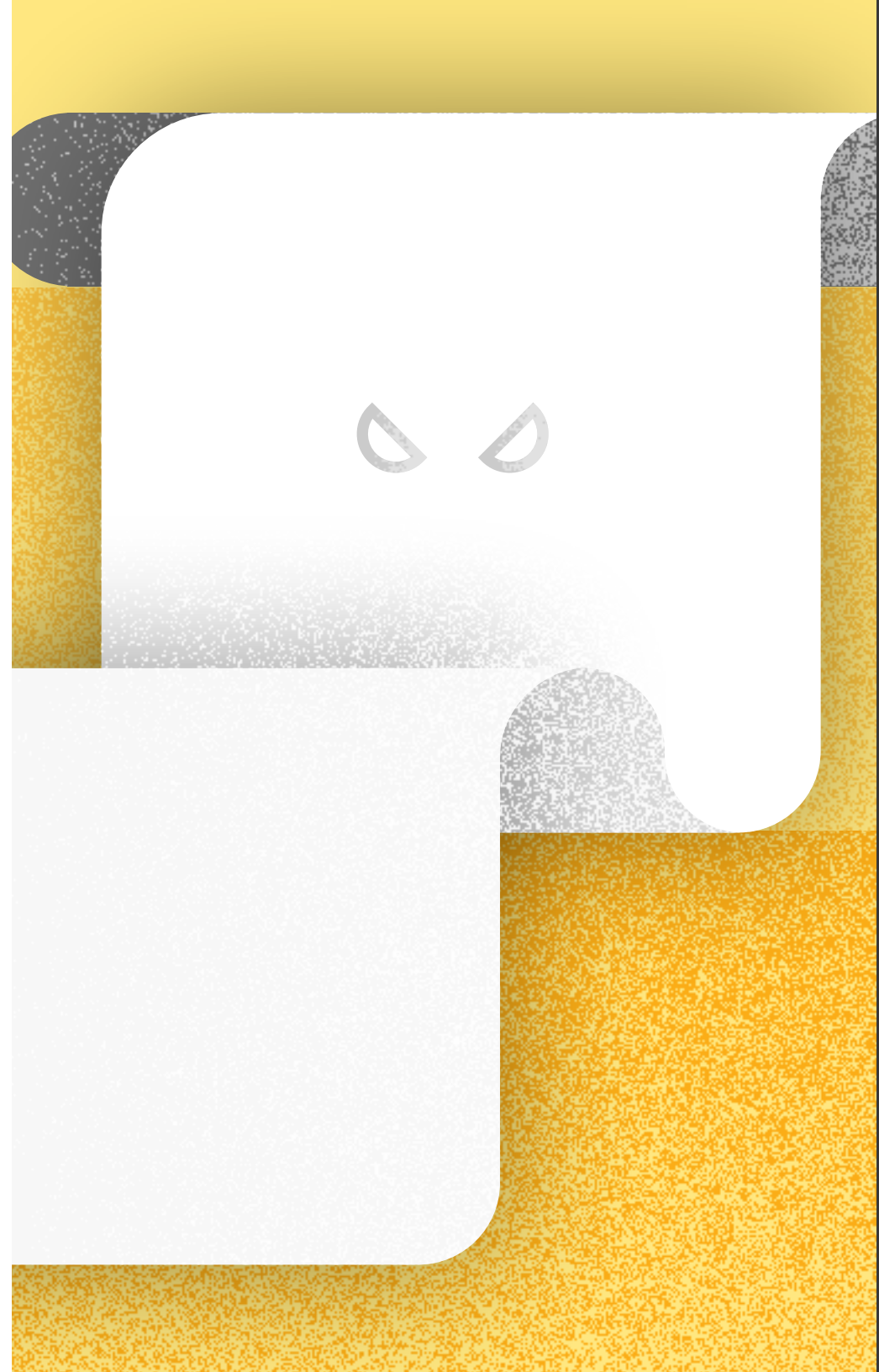


MYTH #4: TRANSFORMATION SOUNDS BIG AND SCARY

Reality: You can start small and still make huge impact

If you were to try and conquer everything at once, sure, finance transformation does seem intimidating. But iterative steps and point solution implementations can help you cover a lot of ground quickly, without significant disruption to your workflow. Remember those roaring ERP system implementations that cast a shadow over the entire organization? Those could be a thing of the past.

As the old saying goes, every great journey starts with a single step. Focus on fixable areas first, watch the benefits unfold, and move on to the next great adventure. For example, in an [interview with FM Magazine](#), Sandy Cockrell, CPA, managing partner for Deloitte's CFO program, cited a company seeking to improve its monthly financial close process: "It's a one-time effort, but the benefits would repeat year after year. That one-time effort may require people or technology that is unique or new. And to get it done, it could require someone that you rent for a month or two that has specialized skills that can help you get it done."





BEHOLD! THE AGE OF CONNECTED REPORTING

Finance transformation doesn't have to be the monstrous undertaking it's made out to be. Here's how you can tame the transformation beast.

Finance transformation can and should begin in the most visible area of the organization—reporting of all types. This is also the prime starting point because it's one of the most at-risk areas, due to the limitations of the tools commonly used to generate the reports. Reporting is where people turn for answers, insight, and ultimately, the truth—which today might be harder than ever to find. But those answers may be only half the story. The insight may be short-sighted. And the truth is, the report is filled with *just* enough data pasted from *just* enough spreadsheets to get the job done *just* in time.

So farewell, office software—the reporting tools of old. Long live connected reporting, the catalyst of transformation!

[According to an EY report](#), connected reporting “enables organizations to communicate their financial and nonfinancial information, using consistent data, simplified IT structures and methods, in order to reduce complexity in the reporting process.”

Connected reporting unites your teams, unifies your data, and unleashes your abilities. The advances of connectivity—which enable anywhere accessibility, increased data analytics, automation, and collaboration—can lay the groundwork to make true transformation achievable.



TALES FROM THE TRANSFORMATION JOURNEY



Given the current environment, investing in technology can also be an investment in your people. It's just not an efficient use of resources to have highly skilled, highly educated individuals repeating mundane tasks. Accountants should be focused on high-priority analysis and high-risk accounts instead of building lookup tables or loading data from one system into another. You know, efficiency and agility just can't be solved by throwing more bodies at the problem. So even if it might seem like transformation is occurring in the back office, the results are really being felt across the entire business.

JULIEN BASSAN, Director, Technology Partnerships and Alliances, BlackLine



THE MANY QUESTS OF FINANCE TRANSFORMATION

Let's get back to the Herculean task of defining *what is finance transformation*?

Finance transformation is process improvement, pure and simple, specifically in the office of finance. It's bringing finance up to date with the greater environment within which you operate, keeping pace with everyone from competitors to coworkers. That could involve everything from a shift in the CFO's role to instituting modern technology to tackle classic accounting and finance functions.

For example, Deloitte had these [8 predictions that will transform the finance function by 2025](#)—a majority of which **connected reporting** specifically can directly address:

1. Transactions will be touchless as **automation** and blockchain reach deeper into finance operations.
2. With **operations automated**, finance will double down on **business insights** and service.
3. Finance goes **real time**—periodic reporting will no longer drive operations and decisions.
- 4 **Self-service** will become the norm.
5. New service delivery models will emerge as robots and algorithms join a more diverse finance workforce.
6. Finance applications and microservices will **challenge traditional ERPs**.
7. The proliferation of **APIs will drive data standardization**, but many companies will still be struggling to clean up their data messes.
8. Employees will be **doing new things in new ways**.

As you can see, there is no one thing that makes up finance transformation, and each journey is unique. While transformation may take different forms, most industry pundits would agree that the *goals of transformation* should involve some mix of the following: data accessibility, automation, analytics, and strategic role/decision-making. These are the quests that connecting reporting can help conquer.

QUEST #1: ACCESSIBILITY

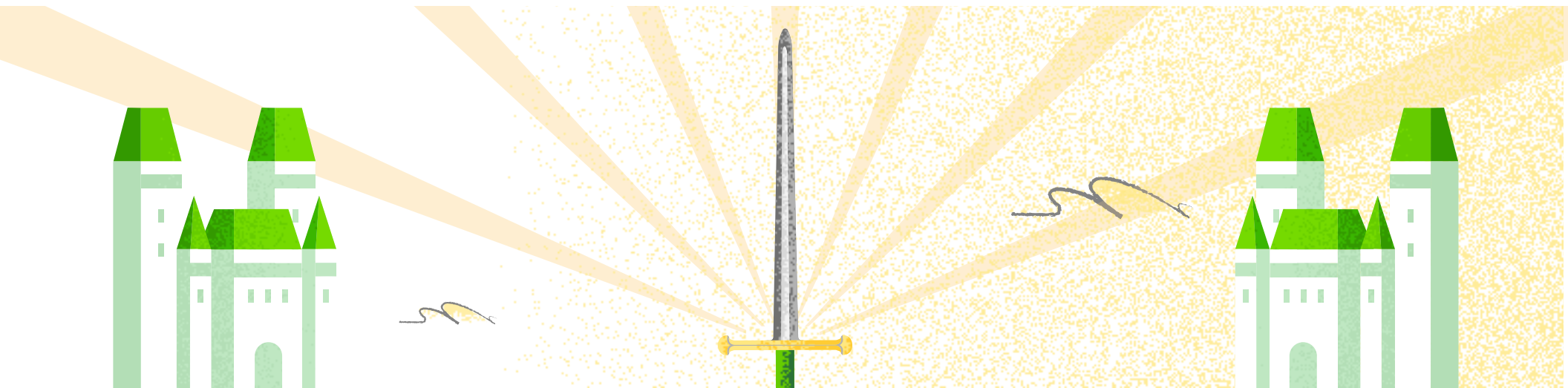
NOT ALL THOSE WHO WANDER ARE LOST

COVID-19 made remote work mandatory for, well, pretty much everyone. Suddenly, business buildings were locked down, and the office stalwarts within accounting and finance were forced to improvise. That's because the old-world weapon of choice—desktop spreadsheets—are a bit trickier to manage when you don't have desks. And it's difficult to retrieve data from on-premises systems when you're no longer allowed on the premises.

While it may have taken some adjustment, accounting and finance are quickly learning that they can easily operate outside office walls—which may prove as a long-term victory for the company. Seventy-four percent of CFOs and finance leaders said they will move a portion of their previously on-site workforce to permanently remote positions post-COVID 19, [according to a Gartner survey](#). The survey of 317 executives found that this measure may help organizations control costs.

Beyond that, it's time to move past the binary options of where work gets done. We've broken the taboo of accountants working from home and need to embrace a hybrid way of working. Workforces can be productive either in the office or at home (due to pandemics, parenting, or any other reason), all at the flip of a switch.

But this will only be possible if all the people working from home are **still connected to the business**—both in mission and in the systems they use. Build virtual roads and bridges that enable remote workers to access data securely. Grant them the power to operate as usual, but outside traditional walls and office hours. Give them the keys to the data castle, and watch what they can do.



QUEST #2: COLLABORATION

IT'S DANGEROUS TO GO ALONE

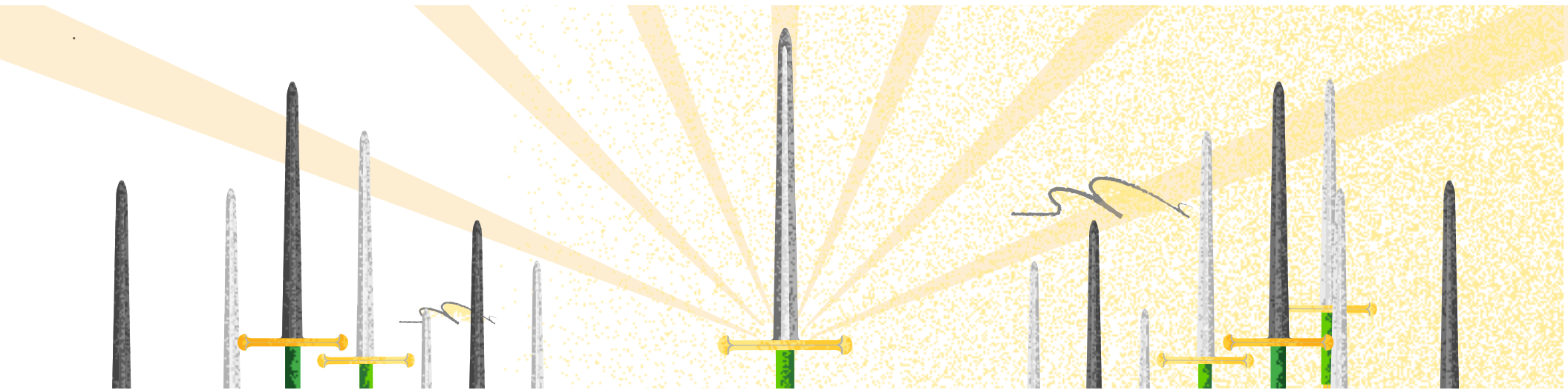
Trying to prepare complex, data-rich documents like a 10-K or board report is not an adventure for the faint of heart—and it's hardly something that can be done solo. It requires careful orchestration between keepers of critical information and the people who can understand it, unravel it, analyze it, and apply it to forecasting, planning, budgeting, and strategic recommendations.

The number of people you need to nimbly navigate each reporting cycle adds up. In a survey of 463 Workiva customers, 65% indicated they have *more than a dozen contributors outside of their core reporting team* involved in the financial reporting process.* And 25% reported 30 or more! That's a lot of handoffs, file shares, impromptu meetings, and instant messages, all of which could take place in channels without an audit trail.

Many hands make light work—and many minds make great decisions. But that takes working together, with data you can trust.

[According to McKinsey](#), “The more people or organizations that you add to a common solution space, in other words, the more quickly learning occurs—and the faster performance improves.” Implementing **connected reporting means you can bring everyone in the same virtual workspaces, at the same time, with the same data**. Analysts and accountants can work side by side, cell by cell. As soon as the trial balance is complete, financial statements can begin concurrently. Late journal entries aren't an issue, because connected reporting means real-time updates flow through all statements and analysis down the line—once rocky roads filled with delays are now paved and easier for everyone to travel.

*From a customer survey conducted by Workiva in December 2019



QUEST #3: ANALYTICS

UNLOCKING THE TREASURE CHEST OF DATA

Remember that monstrous ERP from earlier? Well, that's probably not the only source of data that's also a source of strife. [According to an EY study](#), 74% of the enterprises surveyed rely on more than five different reporting systems—such as ERP, SAP, and ledger systems—while 20% had more than 15 systems.

The strife comes from trying to retrieve that data. You may have to bribe IT to pull specific reports, a process which opens itself to new risks because it occurs offline and behind the scenes. It's no wonder so many just make do with the data they have while the real gold may still be locked away deep in the dungeon.

Forrester research shows that less than 0.5% of all data is ever analyzed and used. That unseen, underused data could be costing millions, [according to Richard Joyce, a senior analyst at Forrester](#). Joyce reported that a 10% increase in data accessibility would result in more than \$65 million in additional net income for a typical Fortune 1000 company.

And even if you could get your hands on that treasure trove of data? Often you're forced to try and perform alchemy from individual spreadsheet exports. And alchemy takes work. Unfortunately, your alchemists in accounting and finance are spending [75% of their time collecting and manipulating data and managing reviews instead of conducting analysis](#). In the event you find something wrong, that also leaves little time to react—which means someone else may find it first. At best, it's a reputational misstep. At worst, it's your stock price on the line.

Connected reporting brings all these systems and disparate sources of data together. Picture finance information from your general ledger alongside operational KPIs from your HRM and CRM alongside environmental and sustainability metrics from yet another system. All that valuable data, all in one place, that you can explore and drill down into as you see fit. That you can build narrative around. That you can turn into a map for the future and actually trust where it will take you—because you can trust where it's from.

The result is a rich view of data with the commentary, context, and color in a connected format that allows you to do everything from basic reconciliations to strategic recommendations. You can unleash the ability of your accounting and finance teams to help support decision-making, and eliminate the manual, low-value activities.

QUEST #4: AUTOMATION

TIME TO SLAY PRODUCTIVITY

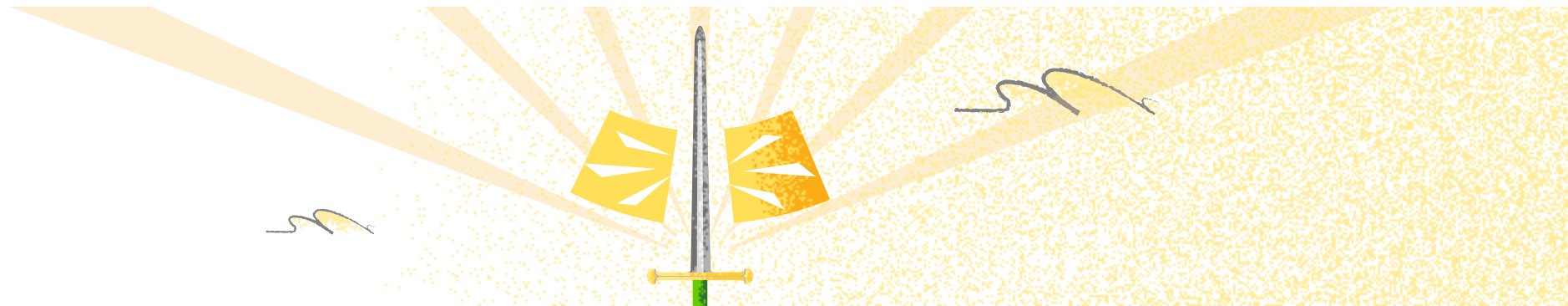
Automation can be a double-edged sword. But automation is not synonymous with cutting staff. Far from it.

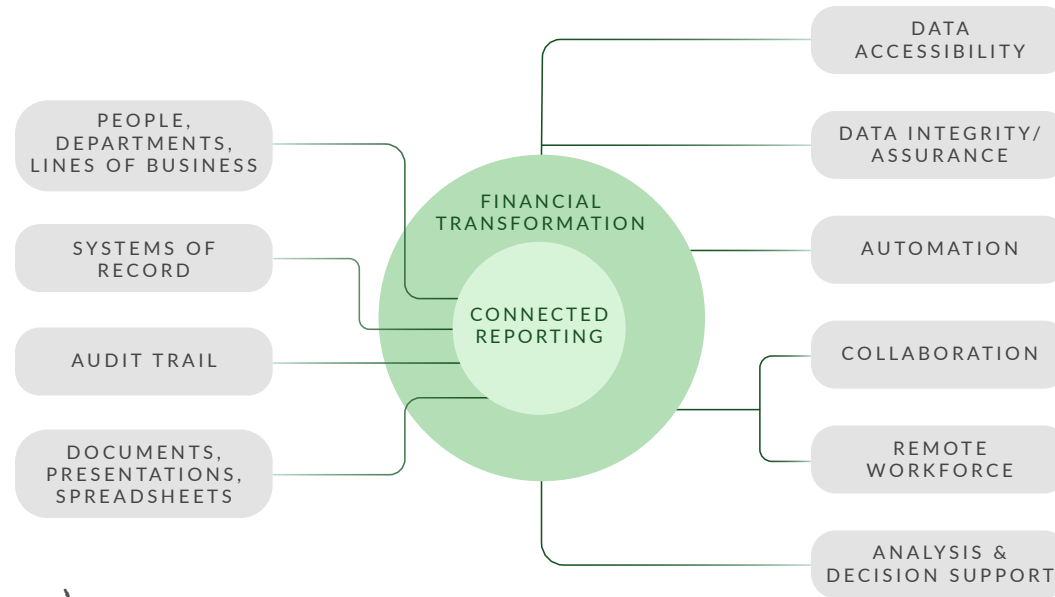
Sabby Gill, Managing Director UKI at Sage, [spoke to allay those fears](#): “Automation does not pose a threat to the workforce, but rather an opportunity to focus on the changing requirements of the business and core competencies. It’s clear that investment in data-centric tools and skillsets will help propel business finance forward. The intersection between emerging technology and human interaction has created an opportunity for leaders to reimagine business, upskill and offer a more strategic and visionary approach to their role.”

And Dan Fletcher, CFO of Planful (formerly Host Analytics), [says existing talent is toiling away with little reward](#). He notes that “professionals in the finance and accounting function are often some of the most highly educated, sophisticated, and intelligent and ambitious professionals in the organization. The less time I have my team bogged down in manual tasks and doing account recs in Excel, the better, because then I can turn those high-powered guns on to really value-additive activities, like decision support.”

Leaders overwhelmingly agree. [In a survey of 1,730 financial executives](#), only 3% of U.S. respondents said they expect to pare their finance and accounting teams as a result of digital transformation.

You can begin your quest for automation by **connecting reporting tools to your systems to schedule data pulls and refreshes**. You can start generating a record of all actions and activities with that data to lay the groundwork for robotic process automation (RPA). You can build templates that auto-populate with mapped data, so you never start from scratch again. Turn that time and talent into more important things: analysis, strategy building, and decision-making. Oh, logging out of work at a reasonable hour would be a welcome benefit, too. Your people will thank you.





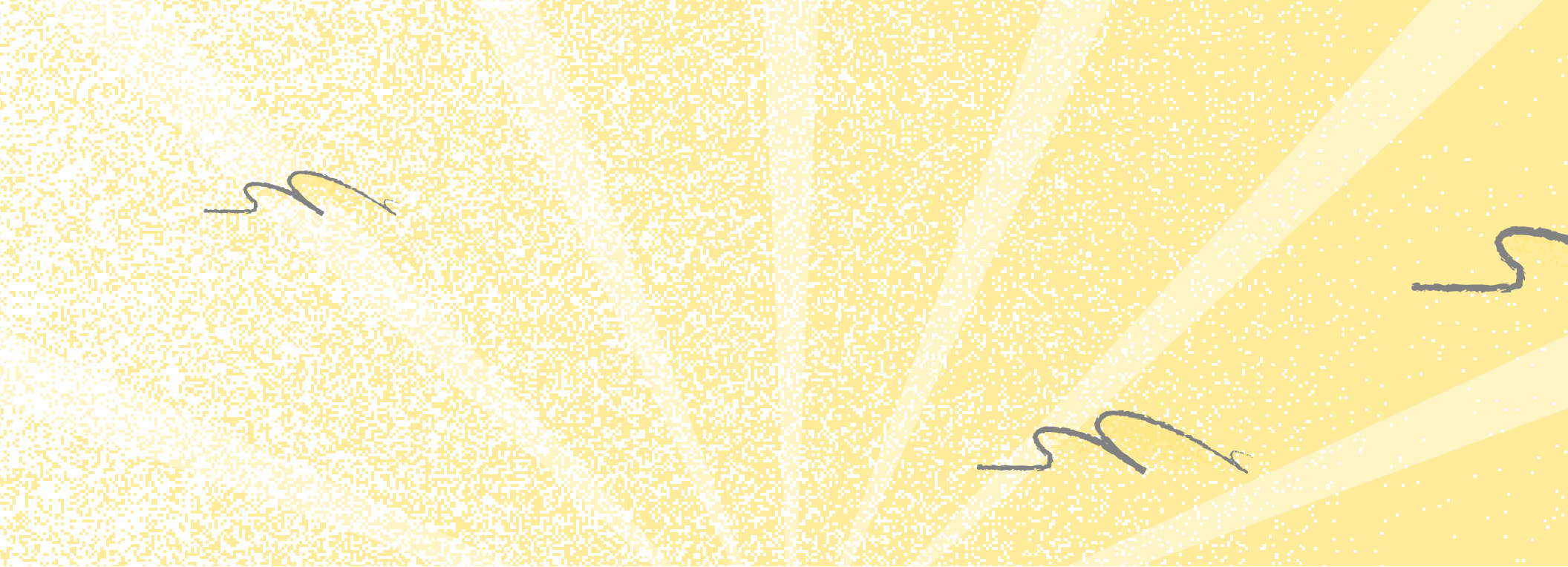
ONE PLATFORM TO RULE THEM ALL

Finance transformation is all about shedding the past and planning for the future. With connected reporting, you can tick the top three priorities other CFOs are doing now to improve the business in the long run, according to a [PwC survey](#):

- 73% want to enable work flexibility (e.g., hours, location)
- 72% are looking to instill better resiliency and agility
- 56% are committing to technology investments

The Workiva platform is one example of a technology investment that can put you further down the transformation path in a short period of time—it's a keystone of connected reporting, *and* a catalyst for larger finance transformation.

Reporting is one of the areas most at risk due to all its dependencies, but it's also one that's easy to fix...and then expand. The Workiva platform is a truly viable transformation solution that you can implement today, realize benefits immediately, and won't require you to change your systems of record or break down when you find new systems you want to connect to it.



Here's how Workiva can help you transform your work:

- Bring front office, back office, and everyone in between together with permissions to view, edit, and own files
- Improve accessibility to move data freely (yet securely) between departments, process owners, lines of business, and even external parties such as auditors
- Work from anywhere without disruption, with comments, reviews, and attachments that can all be managed in the same cloud platform
- Automate manual tasks, such as data pulls, updates that flow throughout all related reports and presentations when data changes at the source, and dependencies that adjust automatically with a shift in the data (such as profit vs. loss)
- Tell a complete company story with connected charts and graphs that update in real time
- Dig deeper into combined data sets with powerful data exploration tools and custom queries

Saying no to the status quo takes courage. But relying on desktop tools that are relics from the Dark Ages of accounting and finance—that lack the ability to connect people, data, and processes from anywhere—will leave you in the dark. 2020 should be all the evidence you need to make transformation a priority. As the world had to deal with the greatest disruption of work in modern times, “business as usual” policies were proven woefully unsustainable. Now is the time to take a stand.

Be brave in the face of change. Stop working manual tasks, so you can start working your magic instead. Tame the finance transformation beast, once and for all.

About Workiva

Workiva Inc. (NYSE: WK) simplifies complex work for thousands of organizations worldwide. Customers trust Workiva’s open, intelligent, and intuitive platform to connect data, documents, and teams. The results: improved efficiency, greater transparency, and less risk.

Related resources:

[Evaluating Your Finance Transformation Program During a Pandemic](#)

Gartner

[Change in the Office of Finance: Barriers to Digital Transformation](#)

Ventana Research

[How to Choose the Right Technology for Finance Transformation](#)

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