

GETTING THE BASICS RIGHT

# Accounting Code Block Guide



## Same old systems. Same old challenges.

Does this scenario sound familiar? If so, you're not alone. Despite this stubborn status quo, the pressure on accounting to ably support the business continues.

A recent [KPMG chief accounting officer \(CAO\) survey](#) shows that more than 6 in 10 executives agree that the most insightful and impactful data CAOs and their teams can provide to drive value-added strategic decisions includes real-time financial information, dynamic dashboard reporting and quantitative impacts of finance and accounting on corporate strategy.<sup>1</sup> That's why many C-level executives surveyed plan to boost their transformation project investments in the future.<sup>2</sup> And more than 75% agree the effective use of enterprise data can radically change the business model.<sup>3</sup> Spanning the entire value ecosystem, finance is uniquely positioned to be a strategic partner for strategic insights.

But achieving this objective can be challenging with a traditional accounting key at the heart of your ERP systems that serves as the basis of your reporting strategy. The accounting key structure was designed to produce financial reporting and summary-level reports. Transactional data was stripped away, limiting reporting to a fixed key; for example, Company-Department-Natural Account, but written in code only accounting can decipher. Any changes made to this fixed structure were both time-consuming and expensive, and in some cases could require a full reimplementation. Instead of making things easier, the rigid accounting key led to the rise of business intelligence (BI) tools and data warehouses to derive the insights that companies demanded. But BI tools also created problems: data latency, potential security breaches and different structures residing in separate systems, which led to reconciliation nightmares. In short, more time and effort had to be expended to deal with "multiple versions of the truth" so that finance could report effectively.

<sup>1,2,3</sup>KPMG, "CAO Spotlight: Illuminating the Value of the Strategic Chief Accounting Officer", 2022.

## Accounting gets an update

What if you had an accounting key that wasn't rigid, but instead enriched data rather than stripping it away? What if that accounting data could be combined in the same system with operational data for greater analysis – and what if that transactional data could feed planning? This would require a cloud ERP system designed to simplify and add depth to its data model, and replace rigidity to enable new ways for finance to work. In addition, it would provide an accounting key that empowers finance to continuously transact, analyse and plan all in one place. When considering a new enterprise management cloud system to achieve these goals, the following eight best practices will help you rethink how finance can transform your business. The first step is getting the basics right to gain greater insights across the entire organisation.



## STEPS

## HOW TO GET IT RIGHT

## WORKDAY CUSTOMER SUCCESS STORIES

### 1 Start from the outside in

This is an opportunity to rethink your data strategy instead of lifting and shifting what you have always done. Let your business be your guide. Assess its broader reporting needs – the outputs it needs to see. Review the questions your business partners have and questions you, as a finance team, haven't been able to answer previously. The most effective financial data model will not only support financial reporting, but also management and line of business reporting as well.

"Workday puts the client or the project in the centre of our business, capturing all the data we need to achieve better outcomes for our clients. We've always had plenty of data, especially now that we're getting more involved with digital engineering. Now we can use that data to support quality, fact-based decisions."

—Chief Financial Officer, Aurecon Australasia Pty Ltd.

### 2 Add insight, not complexity

Capture and retain all necessary accounting information. Look for a solution that enriches journals with data independent of the accounting key, such as worker, campaign, location, team, supplier, customer and more – right from the transaction. The ideal solution should maintain transactional attributes, not strip them away, to truly reflect your business. With more context associated with each transaction, you can easily locate information, perform focused searches and complete analysis across many business dimensions.

"The next thing is now that we're on Workday Human Capital Management (HCM), how do we couple Workday HCM data with the financial data to make better decisions? We are in the people recruiting and enhancing business. People are what drive the value that Brown & Brown delivers for our customers. And so we need to get a lot better at analysing that data and driving correlations between the activity our teammates participate in and the results that we get from it."

—Chief Accounting Officer & Corporate Controller, Brown & Brown Insurance

"Workday Financial Management allows my team to capture and code data that is useful for decision-making. Specifically, worktags are a big differentiator because they allow us to label transactions, group them and discover trends. And that data is leveraged in many different reports used across the company from our delivery team, to our executive team, to finance."

—VP and Corporate Controller, Collaborative Solutions

### 3 Remove the hassle of connecting your industry systems with the financial system of record

If you're trying to get a handle on accounting created from your revenue and expense systems, look for a solution that can do it all to save time and reduce errors. By identifying a system that can easily integrate revenue and expense system data with the ERP system, you can dramatically simplify and automate accounting creation – even expedite the close – giving accounting teams time to focus on analysis and action.

"With our legacy system, we were unable to bring in detailed information, so we used spreadsheets and tools outside of the general ledger to manipulate and analyse financial data. With Workday Accounting Centre, the calculations and journal entries happen automatically, saving days of work each month and providing real-time information to everyone who needs it."

—VP, Revenue Cycle Management and ERP Systems, Sharp HealthCare

"With Workday Accounting Centre, we were able to pool all loss and loss expenses and do our own reporting based on accident year and line of business. In the past, this required an elaborate reconciliation with and reliance on the actuarial department. We still reconcile back with the actuaries, but can now create our own accurate reporting – something not possible prior to Workday."

—Director, Financial and Regulatory Reporting, Shelter Insurance

STEPS	HOW TO GET IT RIGHT	WORKDAY CUSTOMER SUCCESS STORIES
<p><b>4</b> Drill down into the details – your way</p>	<p>There isn't just one way to look at your business. Avoid having a limited or linear drill-down path to find what you're looking for. A solution with an object data model will allow you to drill down from any value and surface fresh insights easily and efficiently. For example, if revenue is down in one location, you can drill into the data to determine why. In this case, let's say your top account executive left the organisation and took along a key customer. This contextual information would be challenging to find if you could only go from an amount to a journal, and if it was a string of numbers instead of captured in natural language.</p>	<p>"Workday is super flexible about allowing us to slice information by geography, practice and account. The visibility helps us make intentional decisions about profitability." —Chief Financial Officer, CapTech</p>
<p><b>5</b> Overcome paralysis with stronger analysis</p>	<p>Analyse your business from your core accounting system instead of switching among your GL, Excel and BI tools. This means less reconciliation, redundancy and system maintenance. With one system, you gain one source of truth for faster and more secure access to high-quality data, minimising risk and promoting better decision-making.</p>	<p>"We're getting the information out to business units a lot quicker, and we don't spend time debating whether the numbers are accurate anymore. With Workday, we're able to focus on strategic challenges and solving problems." —Chief Financial Officer, John Muir Health</p>
<p><b>6</b> Adapt easily to change</p>	<p>Look for a solution that offers a dynamic and flexible account key structure that makes it easy to add new dimensions both on a transactional and an organisational level. This allows finance to adapt your system to fit your changing needs, such as adding a new acquisition or product line, without undergoing an extensive IT project. As you add dimensions, you can see them immediately reflected in your reports and analysis, giving you an up-to-the-minute understanding of your business.</p>	<p>"With Workday, we consolidated multiple systems into one simple-to-use solution across finance, HR and planning. Having one system is really the key to the agility and innovation we need, and we are seeing tremendous gains already in accessing real-time financial data, employee productivity and user satisfaction." —Director, Finance Reporting and Capital Planning, N26</p>



## STEPS

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## WORKDAY CUSTOMER SUCCESS STORIES

### 7 Engage your workforce with a powerful, intuitive experience

Simplify your reporting experience with one system for accounting and multidimensional analysis. With a modern object data model and real-time reporting capabilities, transactions are never separated from reporting and analytics. This advantage keeps finance as well as the line of business on the same page, continuously. It removes latency in how information is distributed, and redundancy of information so that your teams are making decisions in concert with one another and based on the most accurate information available. It should also provide an experience that enables you to analyse and take action directly from reports and dashboards.

“With Workday, our finance department is in a better position than ever to empower our managers to get the information they need out of the system.”

—Director of Finance, City of Akron, Ohio

### 8 Secure, role-based access to data

Different reporting and analysis tools often require separate security models. Identify a solution that consolidates your system landscape and brings greater control through a single security model. With one model, your workers only access what they have permission to see, ensuring the confidentiality of both HR and financial data.

“We had 30+ businesses all coming together at different stages, with different financial systems, unique remuneration structures and learning and development requirements. It all had to be transitioned and combined into one system that could function across three distinct international geographies, without losing control of people and financial information.”

—Chief Financial Officer, Opteon Property Group



## The big takeaway

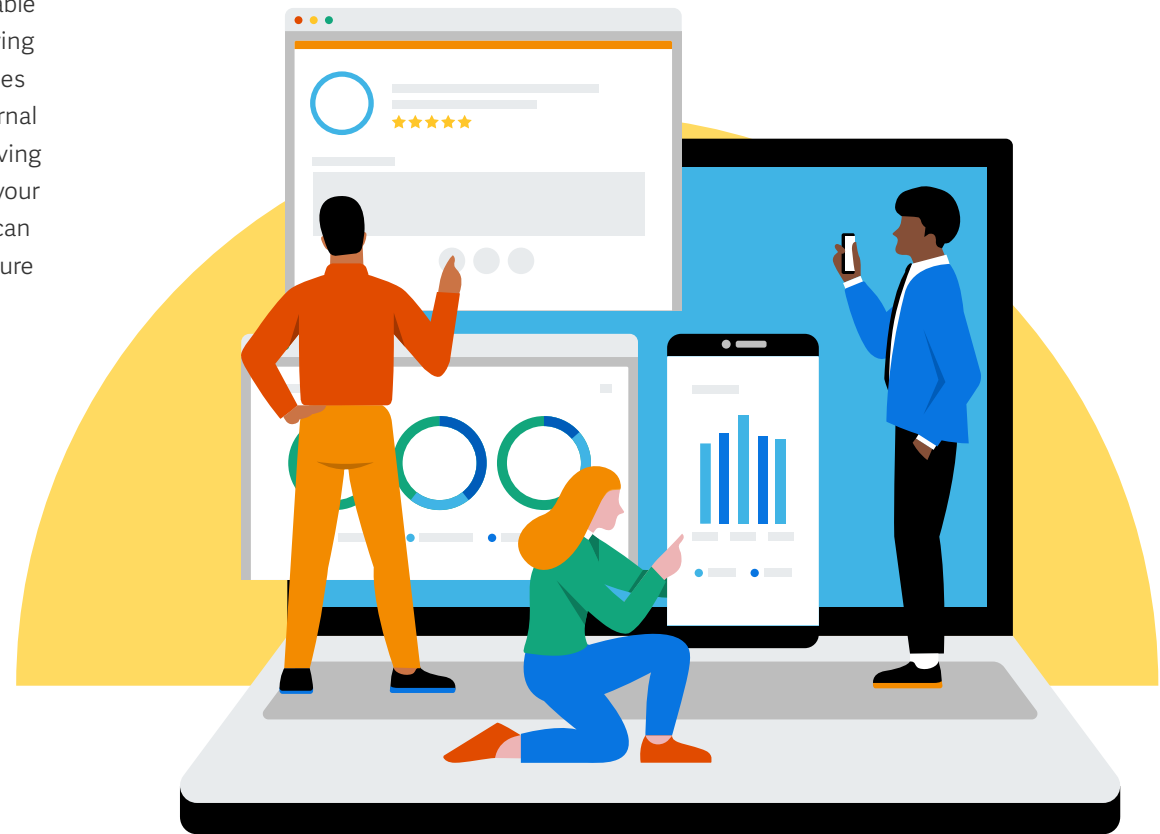
When considering your accounting key, don't settle for just lifting and shifting your current problems into a new system. It's likely you'll fall victim to an endless cycle of porting data into other tools for your reporting and analysis needs and reconciling data between fragmented systems.

Workday delivers a flexible and dynamic chart of accounts structure that provides valuable insights right from the system of record. A single source for data frees you from having to reconcile data between systems, and the resulting confidence in your data enables you to make faster and more strategic decisions. When your business faces both internal or external changes, you can easily create new dimensions and respond to the evolving demands of your business. It's no secret that a strong technology foundation can help your organisation achieve new heights. With the right financial management system, you can gain an unparalleled understanding of your business and help finance focus on big-picture strategy and value-adding initiatives. It's just a matter of getting the basics right.

### Learn more

How can you go beyond the boundaries of legacy ERP with Workday?

Visit: [workday.com/finance](https://workday.com/finance)





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