workday.

GETTING THE BASICS RIGHT

Financial Reporting and Analytics

Ten steps to smarter financial reporting and analytics.

Introduction

As businesses adapt to changing market conditions, it has never been more important for finance to make decisions based on the most comprehensive and accurate data set—which includes more than just financial data alone. To truly capture what is happening within the business, financial and operational data needs to be blended together for full visibility. Not only does this inform today, but it also helps finance teams project where the business can go in the future. And in the face of market volatility, remaining resilient requires immediate insight into where and how to course correct.

So, how can finance help bring the right data together that the business can easily understand and leverage for better decision-making? The pressure on finance has grown, as tailored reports now extend out of the C-suite and into all levels of the organization. The proliferation of data, functional silos, and complex technology restricts many finance organizations from efficiently meeting the basic requests of their business partners, let alone achieving their data aspirations.

However, the right foundation can help finance and the rest of the business get the basics right when it comes to comprehensive and higher-quality data and reporting. This starts with delivering meaningful insights that tell the full financial story of your organization.

Why business intelligence may not be the answer.

One path to a more data-driven finance function is through third-party business intelligence (BI) tools that sit on top or outside of your core transactional systems—an initially attractive solution. They have dynamic visualizations, appealing drag-and-drop user experiences, and an agnostic approach to data sources. Exporting data from your core systems to a separate tool for analysis feels like a quick win.

In a recent CFO Indicator study, research found that more than half of CFOs (51%) say they are increasingly reliant on nonfinancial data to make financial decisions, including environmental, social, and governance (ESG); operational; and customer information. Yet only 52% of CIOs say their organization has a single unified view of all financial, operational, and people data, which is essential in order for finance to exploit insights from both inside and outside of the business.[1]

Any time you move data from its source you lose context and introduce risk, requiring more reconciliation—just the kind of work you want to avoid. Exporting more data isn't the answer. BI tools tend to exacerbate the most fundamental hurdles in building useful financial analytics for the business, such as:

Reconciliation from systems of record

Snapshot, point-in-time view of data

Limited drill-back to transactions

Time spent learning a new tool for business users

Gaps between analysis and the point of decision or action

According to a recent article from the *Harvard Business Review,* only 26.5% of organizations report having established a data-driven organization.[2]

Here are 10 key steps to getting the basics right when it comes to financial reporting and analytics.

STEPS	HOW TO GET IT RIGHT	SUCCESS STORIES
	Set a foundation for data accuracy and integrity.	
1 Build a single source of truth you can rely on.	**Shuffling data among accounting, operational, HR, and reporting systems causes errors and results in stale reports.** A single system for transacting and reporting eliminates the need to move data, allows for standardized controls, and gives you one real-time data source to tell the story of your business. Preparing reports in one place means you know your stakeholders have the same up-to-date numbers, resulting in more accurate and real-time reporting.	"We rely on Workday as both our ERP and accounting repository. Knowing that the data is complete, accurate, and timely is vital to do my job efficiently and effectively while easily delivering reports our executives need for good decision-making." —Controller, ABC Fitness Solutions, LLC
2 Set proactive controls up front.	**Your data is only as useful as your confidence in it.** Setting the correct controls and approvals up front helps reduce the risk of misstated numbers and erroneous KPIs. A modern enterprise management cloud system provides approval workflow, transaction validation controls, and security at the foundation, which drastically reduces the risk of inaccurate data. You can be more confident in your numbers and drill back to transactions for proof. And because you haven't moved the data, you're looking directly at the source.	"As the complexity of the retail space increases, having a nimble system that can provide rich, multidimensional data is absolutely critical to making informed and timely business decisions." —VP of Accounting, RaceTrac

STEPS	HOW TO GET IT RIGHT	SUCCESS STORIES

Make the basics easy.

3 Consolidate, close, and report in real time.	**The faster you deliver statutory reporting, the more time you can spend elevating your role.** Working in a single system that supports in-memory accounting, consolidation, and multidimensional reporting can drastically reduce time spent producing reports. You don't have to wait for batch processes, you need fewer reconciliations, and you can see a view of consolidated results at any point within the period—in seconds, not hours.	"Doing a financial close in 10 or 15 different systems would have been a real challenge. We were very lucky to have a single platform with Workday that we could use across most of our revenue portfolio." —Chief Financial Officer, Asia, Aon
4 Establish core metrics to use as indicators of being on track.	**Connecting key performance metrics to financial results is the first step to becoming more analytically minded.** Establish thresholds for core numbers such as payroll per month and P&L lines, and look at data relationships to establish their drivers, such as fixed-asset acquisitions causing depreciation to increase. This helps you find issues before month end and gets your team thinking about data in the context of cause and effect, not just reporting on the past.	"We've been able to drive better decision-making now we've got a single, simplified source of truth throughout the business. It helps to be able to look at all the various metrics together. That's so useful from a project planning perspective, helping us drive greater efficiency." —CFO, Aurecon Australasia Pty Ltd

Think beyond accounting data.

5 Workforce data.	**For many organizations, their workforce is their largest expense.** Having the full details behind payroll and employee expenses enables organizations to make smarter decisions about how to best reallocate resources.	"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 & Capital Planning, N26
6 Operational data.	**GAAP reporting isn't designed to tell the whole story.** Blending financial results and workforce data with data typically not found in a financial system of record—for example, point-of-sale for a retailer, claims details for an insurance provider—means you can provide a full story of the business, secured and distributed along with your financial results.	"Workday brought together our various finance functions and put them on the same platform as our HR processes—a giant leap forward for Scripps. With Workday applications fully integrated and operational, the finance team could start investing more time into developing analytics along with reporting and forecasting dashboards." —Vice President for People Services and Insights, The E.W. Scripps Company

STEPS	HOW TO GET IT RIGHT	SUCCESS STORIES

Be customer-centric.

7 Enable self-service analytics.	**Empower your organization** by investing in self-service reporting, dashboards, and analytics. Building central reports—and providing managers with the information securely and in one system—helps reduce ad hoc requests to create and reformat reports and data. Spending less time managing data during the close means you can spend more time analyzing and discussing results with the business.	"Workday has enabled secure self-service reporting across the board, which increased flexibility, productivity, and accessibility of the reports. In addition, this provided real-time data insights to end users, which is a huge value-add." —Director of Financial Technology Programs, Healthfirst
8 Provide a story, not numbers.	With the business monitoring its own results, you can start providing a story and advising on the future. Begin by understanding the connection between your financial results and your KPIs, and meeting with your business partners to understand their priorities.	"The number one issue from a business impact standpoint is the ability to drill into detail. In our old legacy ledger system, we had a limited ability to do this." —VP, Shared Services Center, Ryder

Inform the strategy.

9 Plan with the same data you report on.	**To make the best decisions and maintain credibility, FP&A and accounting need to be reading from the same playbook.** Having a tightly connected planning and transactional system means everyone sees the same thing, and FP&A and accounting can present a unified front. Identifying and understanding anomalies becomes table stakes. FP&A can start focusing on more continuous forecasting and scenario modeling with confidence in actuals that are up to date and accurate. Accounting can spend less time explaining variances.	"With Workday, we found a platform that wasn't just an ERP, planning, and HCM system, but was also a platform for us to apply analytics and drive everything from planning all the way through to reporting." —Senior Vice President of Finance, Analytics, and Supply Chain, Team Car Care
10 Help your team become data-literate.	**As we know, business needs are always changing.** Whether that means new market requirements, M&A, or different business models, it's up to finance to identify opportunities and drive that change with the organization's most valuable data. Streamlining your day-to-day operations means you'll be helping your team become more strategic, data-literate advisors to the business. Bring a learning routine into your regular accounting calendar.	"The fact that our teams, both our business support teams and our hotel teams, can now see the financial data every time they go into our system, means they have the information at their fingertips to change an outcome going forward. We're now able to be more forward-looking." —Chief Financial Officer, Drury Hotels

The Workday difference for financial reporting and analytics.

Workday takes a different approach to report creation than traditional ERP and BI vendors. By using a multidimensional model and real-time accounting and reporting enriched with operational data, reports can be created more efficiently and deliver deeper analysis.

> "
> The role of finance is evolving from being just a business partner that supports the reporting needs of the business to becoming a value-creating partner.
>
> **Barbara Larson,**
> Chief Financial Officer, Workday

One system.

The power of reporting in Workday lies within a single system for transactions, consolidated financial reporting, workforce and management analytics, and planning. Not only can you consolidate data, pull meaningful context from reports, and drive timely planning all from a single data source, you also benefit from a single security model, native auditability, and not having to maintain any integrations.

One source for complete visibility.

The object data model in Workday maintains all the rich details around business events from transactions through financial statements and management reports. You can analyze the business across virtually every dimension: legal entity, cost center, account, campaign, location, team, supplier, customer, and more. This data model is extended with the ability to ingest high-volume operational data that is blended together with financial information, giving both finance and the business a richer and more comprehensive data set to drive better decision-making.

Fresh insights.

By combining operational data with financial information and highly intuitive reporting capabilities, Workday allows you to perform drag-and-drop ad hoc analysis, and uncover new insights from blended analysis. All data is secured through the same security model as native Workday data, and can be presented to the business on the dashboards where they already work—providing a single source of data across the business.

To explore how Workday Financial Management can help your organization, please visit: workday.com/cfo.