



Five Must-Haves in a Cloud Financial Management System

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Is your finance organization ready to act as the strategic arm of your enterprise? We often hear that finance teams are hampered by the “details,” such as having to integrate daily enterprise-wide transactions from multiple systems into a centralized system. While the details are incredibly important, they are a huge distraction from the larger, more strategic goals of your finance team, especially when your organization is growing or changing.

Collaboration among all departments is critical in driving growth initiatives, and CEOs are turning to CFOs for greater strategic support. Because of this, there has never been a more opportune time for CFOs to move the needle for their organizations.

But before your finance organization takes on that task, it's important to ask yourself: Can my system support my goals today and into the future?

When evaluating a cloud-based financial management solution, you should strive to reach the following top five goals. Doing so can help you evolve from merely managing financial controls and transactions to providing true insight that can transform your business.

1. Guide Your Business with True Business Insight

Legacy solutions were designed to automate and simplify financial reporting. They summarize transactional data for financial reporting purposes, leaving little or no information from the original transaction. Traditionally rigid and linear, this process starts with capturing transaction data within the subledger and ends with posting to the general ledger, ultimately creating the data used to produce financial statements. But, as the accounting process summarizes the data, it strips away transactional details, leaving just the balances to be stored by an accounting key.

Systems based on this approach were only designed to support financial reporting. To provide rich business information and management reporting, organizations need data marts or warehouses, business intelligence solutions, and reporting tools in addition to these systems. While this approach has become commonplace and is considered an “acceptable” solution, it's a work-around at best. A solution with additional technical complexity is expensive to manage and maintain, requires more effort for data reconciliation, and potentially exposes businesses to unnecessary risks. And, depending on the number of general ledgers, this solution creates stagnant silos of disconnected data.

The Workday Difference

Workday took a truly innovative approach, centered around delivering complete business insight into your organization. Gone are the rigid processes that summarize the transactions required to generate financial reports. Instead, all transactions retain their rich business information and are immediately reflected in financial, management, and operational reporting once entered. By creating a single cloud-based system with an in-memory object data model that captures all transactions and supports core foundational processes, Workday empowers your finance team to access approved business information in real time.

All data in Workday resides in the same system so financial, management, and operational reports represent more than just numbers. You can interact with and drill into the data by any business dimensions to understand what's driving your business performance and run valuable analysis. Understand spend by supplier, campaign, or employee, as well as P&L by customer and product—all without the need for a separate data warehouse or additional reporting tools.

This rich business information is delivered through financial scorecards and dashboards, which are available from any mobile device. Executives get a snapshot of business in real time, so you can always have an eye on the most important metrics. Also, as your business changes, your underlying data and reports reflect those changes immediately. Never before has a single financial management system been able to tell you so much.



With Workday, Redstone achieved a 133 percent increase in time spent on analysis, as opposed to data gathering. As a result, it was able to:

- Shift the focus from manual and clerical work to strategic accounting activities
- Simplify accounting investigation
- Improve finance's ability to serve the business

2. Consolidate and Close with Confidence

The consolidation and close process summarizes data from across the enterprise in preparation for financial reporting. Though it sounds simple in theory, the reality is far from it. Traditional accounting systems require your team to aggregate, consolidate, map, translate, move, and reconcile all data into one environment to produce consolidated financial statements. The sheer number of resources—time, people, and systems—needed for this process is significant, and the cycle is repeated every month, quarter, and year-end. Adjustments from material changes require a restart of this entire process. With so many steps requiring human intervention, it's fair to assume errors will occur. The question is, how quickly and easily can you spot and resolve these errors?

While many companies are looking for ways to reduce the time it takes to consolidate and close, they're also looking for ways to do so with more accuracy and confidence. Undetected errors showing up in your financial statements have the potential to impact your bottom line and reputation. There are only so many ways you can simplify and improve such a complicated and rigid process within traditional accounting systems.

The Workday Difference

Workday leverages a cloud-based architecture and foundation to help finance move from a complex and time-consuming linear process to a faster, more agile, and more accurate approach. Instead of having to wait each month, quarter, or year-end for a consolidated view of your business, you have access to that information in real time, any time.

With Workday, the complex orchestration typically required for this crucial process is gone. Consolidation, allocation, translation, and intercompany elimination results are available at any time, whether it's mid-period or during a traditional month, quarter, or year-end period. You can view a trial balance or perform a trial close at any time and make adjustments whenever necessary. You are then able to prove that the change was included and see its impact on your business in real time.

In addition, Workday empowers you to manage the close process with period-close checklists and dashboards. And, instead of having to wait for posting or closing procedures, Workday flags issues that need resolution, giving you greater control, oversight, and understanding of your business.

Now there is one system able to keep pace with your business and keep you in control. Workday eliminates the pressure of running the details so your finance team can focus on management, output, and analysis.



“Our overall time to close has dropped by 30%, and the level of effort involved in preparing for the close process has decreased significantly. In our old ERP system, we would go through three or four iterations of financial statements before they went final. With Workday, we can do that same process with two iterations. So we’ve cut back the level of effort to prepare by 50 percent.”

–Bill Gosling Outsourcing

3. Plan and Prepare for What's Next

Over the last 20 to 30 years, planning, transaction processing, and reporting functionalities have traditionally resided in different systems, which is inefficient and complex. Having information in multiple places requires mapping and reconciliation, and can make forecasting and variance analysis more difficult than it needs to be. Only once the data gymnastics are complete will you be ready to start the actual planning process—it's no wonder the concept of continuous planning never became a reality with these legacy systems.

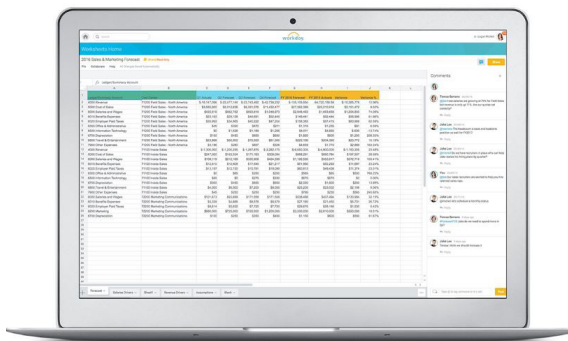
Consider how much time is spent getting you to this point. Whatever the number of days or weeks, it's too much—not to mention that planning begins with what is often obsolete or stale data. You're starting with a view from the past, when you're ultimately trying to look ahead. Despite your most valiant efforts to move data back and forth to get the latest transactional information, the amount of time needed to reconcile and bring multiple data sets together is an added cost to your organization. What if you had a single system for reporting, transaction processing, and planning? What if your team started the planning process with live data from the beginning? How much time could you reallocate to strategic planning versus data management?

The Workday Difference

Workday combines finance and HR transactions with reporting and planning, eliminating data movement and reconciliation and creating a more iterative and efficient planning process. Planning is based on actual transactional data that is updated and reflected in real time. That means your team—whether it’s looking at quarterly, annual, or continuous planning—is always using live data. This is unique to Workday and provides tremendous benefits in efficiency, time, and collaboration.

“While executing on plans, Workday customers can now leverage real-time financial and management reporting capabilities. They also have access to built-in analytics and visualizations to drill down in order to track progress and make adjustments to budgets and forecasts as needed. This is really where the plan becomes a living, breathing plan, allowing you to take full advantage of opportunities for growth and profits.”

—Mint Jutras LLC



4. Proactively and Effectively Reduce Your Risk

The financial crisis put the span of control into considerable perspective. Governance, risk, and compliance (GRC) became a key area of focus for companies to invest in to protect against market risk. But most legacy financial systems were designed well before Sarbanes-Oxley, Basel II, Solvency II, and other regulations became critical business requirements. As a result, companies have been forced to purchase expensive niche or point solutions to help them manage segregation of duties and monitor transactions, workflows, and configurations.

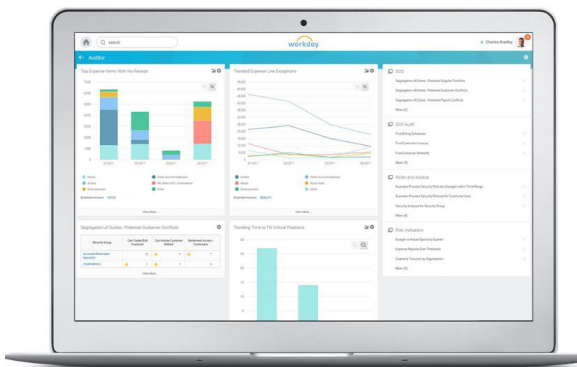
As well, many traditional legacy solutions were designed with an “audit trail” documenting everything that happens in the system. This ultimately gets turned off because of its impact on system performance, making tracking and monitoring optional. But, is protecting your company from fraud or inoperable business operations really optional? If you can’t track payments, approvals, and changes to those critical business elements, how will you protect your organization?

The Workday Difference

Workday was built post-Sarbanes-Oxley and goes beyond simply monitoring transactions by helping customers configure an environment that allows them to manage and control their business operations. Every piece of information that moves within Workday—the what, where, who, and when—is driven by our business process framework (BPF). This process is the underlying workflow engine, simultaneously creating a pervasive and undefeatable “always-on” auditing trail to capture all changes. You can manage, oversee, and configure the appropriate approval limits, and also proactively and continuously set thresholds and segregate duties.

Controllers and internal auditors have access to reports and dashboards to help track and monitor metrics that are important to your business, such as expenses without receipts, reconciled versus unreconciled bank accounts, supplier control for invoices, and customer controls. These reports and dashboards make operations instantly visible and easy to manage and audit. By producing electronic evidence that internal and external auditors need to complete an audit, the reports and dashboards save significant amounts of time and cost.

Now you can ensure approval, workflow, and routing processes are defined while preserving a complete auditing trail of approvals and changes. By providing these capabilities as part of the functional core, Workday helps organizations effectively reduce their risk.



“We really enjoy having the audit trails to drill down into and see the detail all the way to the invoice level. It’s been an incredible asset for our financial analysts.”

–Community Health Services of Georgia

5. Embrace Change

While we know that change is constant, there are downstream effects that can make it challenging for finance to respond to and manage change, and efficiently incorporate that change into business operations. An acquisition or introduction of new policies or guidelines often requires super-user or IT-type resources to handle the configuration and deployment across systems. Unfortunately for you and your team, that means there is a time lapse to make that change a reality—days, weeks, even months. Your business spends valuable time and resources focused on trying to keep up with change instead of taking advantage of new opportunities.

The Workday Difference

In Workday, changes and configurations can be made at any time, well beyond deployment. With segregation of roles and responsibilities, authorized personnel can change the way approvals are routed, organization hierarchies are structured, and reporting hierarchies are adjusted to incorporate different dimensions that control and measure the business. These changes are easily made in Workday without calls to IT or finance super-users. Changes are configured once and immediately apply to relevant organizations, transactions, and reports across finance, HR, and planning.

With Workday, you have a financial system that allows you to not only adjust to change, but to actually succeed and grow during change by enabling you to react proactively and strategically.

“As our organization undergoes significant change merging with another company, having an agile technology foundation is crucial to keeping our focus on clients and continued business growth.”

—Cushman & Wakefield



Conclusion

As technology evolved from mainframe to client-server to internet to cloud-based applications, most software providers didn't holistically rethink their approaches. They interpreted the cloud as simply a deployment methodology. As a result, most providers have replicated their legacy architecture and are merely hosting in the cloud with subscription service pricing. However, their solutions are still plagued with linear processing, data tables, and substantial integration.

Answer the following five “future-proof” questions to help you assess the long-term viability of your financial management system. Determine if your current financial management system will enable you to go beyond managing transactions and ensuring control.

1. Are you able to take action and provide information quickly and accurately beyond the number, to drill into how that number was derived and why?
2. How many times during a period-end do you need to restart the close and consolidation process, and how long does that take you?
3. How easily can you integrate plan and forecast data so decision-makers can quickly assess performance against actuals and assess where you are today, relative to where you want to be tomorrow?
4. Can you track, monitor, and control every transaction across your business and ensure the integrity of your data?
5. Are you able to empower your team to quickly make decisions and then drive the change needed to align your business around it?

Workday reimagined the approach to financial management by delivering a single cloud-based system for all financial processes. This truly innovative approach empowers decision-makers with financial and business insight that is actionable and available in real time.



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