

GETTING THE BASICS RIGHT

Financial Reporting and Analytics in Financial Services



Smarter decision-making starts with a full view of the business.

Banks and financial institutions face challenges in leveraging all their data to gain new insights and make better business decisions. As financial services organizations adapt to changing market conditions, it has never been more important for the office of finance to make decisions based on the most comprehensive and accurate dataset that draws from more than financial data alone. To truly capture what is happening in the business, financial and operational data need to be blended together for full visibility.

So, how can finance bring the right data together so the business can more easily understand and leverage it for better decision-making? 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. But with the right foundation, finance can help itself and the rest of the business get the basics right when it comes to comprehensive and higher-quality data and reporting, and deliver meaningful insights that tell the full financial story of your firm.



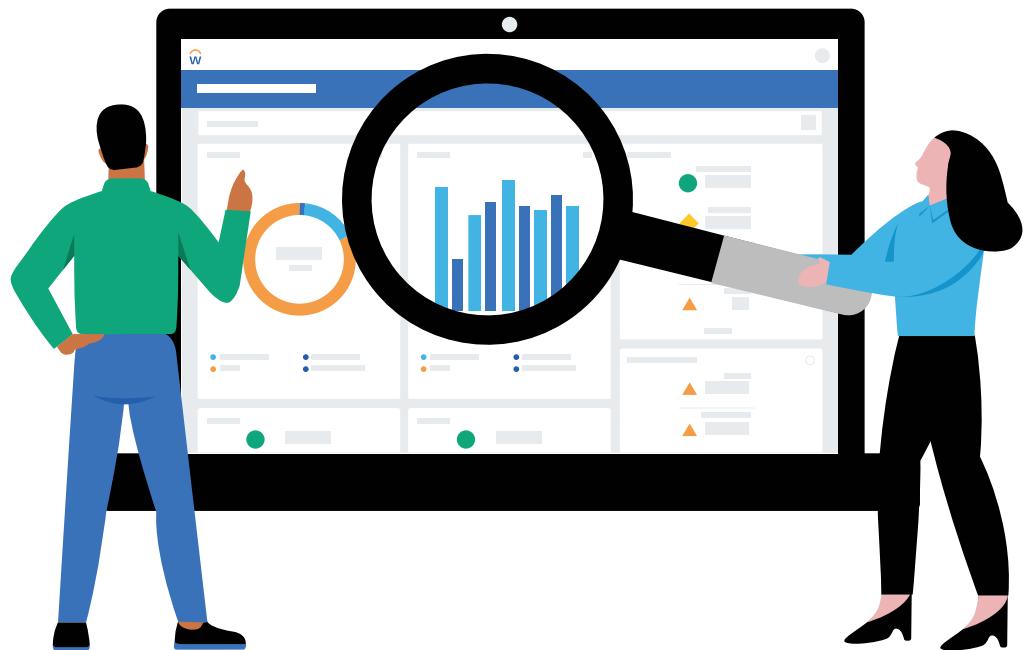
Business intelligence tools aren't always the right answer.

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. But while exporting data from your core systems to a separate tool for analysis feels like a quick win, KPMG warns, “Repositories of data must be better linked up, both within the risk function...and in other parts of the business, such as finance, with enhanced abilities to extract and analyze it.”

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. Moreover, 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

Given these challenges, following are 10 key steps to getting the basics right when it comes to financial reporting and analytics directly from your core financial systems.



| STEPS | HOW TO GET IT RIGHT | WORKDAY CUSTOMER SUCCESS STORIES |
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| Set a foundation for data accuracy and integrity. | | |
| 1 Create a single source of truth you can rely on. | Shuffling data back and forth among accounting, operational, HR, and reporting systems causes errors and makes for 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, so all stakeholders have up-to-date numbers. | "We had armies of accountants massaging things together. We never knew where we would actually end up at the end of the month or the year. With Workday, you know where you stand." Siobhán McFeeney, Chief Operating Officer, AAA Northern California, Nevada & Utah |
| 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. Modern cloud financial and HR systems provide approval workflow, transaction validation controls, and security at the foundation, which drastically reduces the chance for inaccurate data. | "Another challenge of fast global growth is keeping processes and controls consistent. Workday has enabled us to standardize processes worldwide." Jim Kendall, Vice President of Finance Solutions, Aon |
| 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. Once you're working in one transaction and reporting system, in-memory accounting, consolidation, and reporting can drastically reduce the time spent producing reports. | "If we hadn't had Workday when COVID-19 happened, we wouldn't have had the agility to give our executive team the data they needed to make rapid workforce decisions—or text people within five minutes to provide them with critical information." Belinda Marshall-Clayton, Head of Reward, Policy & HRIS, McMillan Shakespeare Limited |
| 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. | "Being on one unified system is huge for our business. It's allowed us to move from a transactional to a strategic focus, improve visibility throughout the business, simplify and access more effective reports, and drive a needed shift in company culture." Wayne Sisco, SVP and CFO, Redstone Federal Credit Union |

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| | Think beyond accounting data. | |
| 5 Put your workforce data to work. | <p>For many businesses, the workforce is their largest expense. Having the full details behind payroll and employee expenses means you can understand your expenses and make smarter decisions about how to reallocate resources.</p> | <p>"The advantage that Workday gives us in our growth agenda is the speed at which we can make decisions because we have better data. Bringing the HR and finance data together means that we have real-time understanding of our cost base, so we can plan much more accurately going forward. It helps us run a good ship, and we can plan for the future."</p> <p>Jo McConnell, Chief People Officer, Latitude Financial Services Australia Holdings Pty Ltd</p> |
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| 6 Get the full picture of your operations. | <p>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—think loan details for banks, claims details for an insurance provider—means you can provide a full story of the business, secured and distributed along with your financial results.</p> | <p>"Workday allows us to seamlessly and quickly take financial data or performance data and marry it up with operational data to really drive out trends and see what's moving the needle of the business."</p> <p>Patrick Neeley, EVP Operations, Simmons First National Corporation</p> |
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| | Be customer-centric. | |
| 7 Enable self-service analytics. | <p>Empower your firm by investing in self-service reporting, dashboards, and analytics. Building central reports and providing managers with the information that matters most, distributed securely in one system, helps reduce ad hoc requests to create and reformat reports and data, and gives you more time for strategic analysis.</p> | <p>"The old system really didn't have self-service functionality. We found [Workday] to be much more friendly to use for business partners."</p> <p>Tina Workman, VP of Accounting and Assistant Treasurer, Shelter Mutual Insurance Company</p> |
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| 8 Tell the story behind the numbers. | <p>With the business monitoring its own results, you can tell the whole story of where you've been, where you are, and where you can go. Start with understanding the connection between your financial results and your KPIs, and meet with your business partners to understand their priorities.</p> | <p>"The Workday system allows us to spend much more time with strategic, advice-based conversations versus doing transactions."</p> <p>Karen Collins, Chief Talent Officer, Bank of Montreal</p> |

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| | <p>Inform the strategy.</p> | |
| 9 Plan with the same data that you report on. | <p>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. FP&A can start focusing on more continuous forecasting and scenario modeling while accounting can spend less time explaining variances.</p> | <p>“From a financials perspective, Workday has given us new abilities that have greatly improved our access to data and analysis.”</p> <p>Matthew Petrillo, VP, Controller PMO, Nasdaq, Inc.</p> |
| 10 Build data-literate teams. | <p>Business needs are always changing. Whether through new market regulations, M&A, or different business models. Finance must identify opportunities and drive that change with the business’ most valuable data. Streamlining your day-to-day operations means you can focus more on learning and help your team become more strategic, data-literate advisors.</p> | <p>“In the old world, managers really didn’t have access to a lot of information. One of the beauties that our managers are now finding...they’re able to make better decisions because they’re able to see more historical information in an easier way.”</p> <p>Cindy Quintana, Talent Management Technology & Strategy Manager/VP, Commerce Bank</p> |

The Workday difference for financial reporting and analytics.

Workday takes a different approach. Unlike traditional ERP and BI vendors, our system enables you to create reports more efficiently and deliver deeper analysis. How do we do it?

One system.

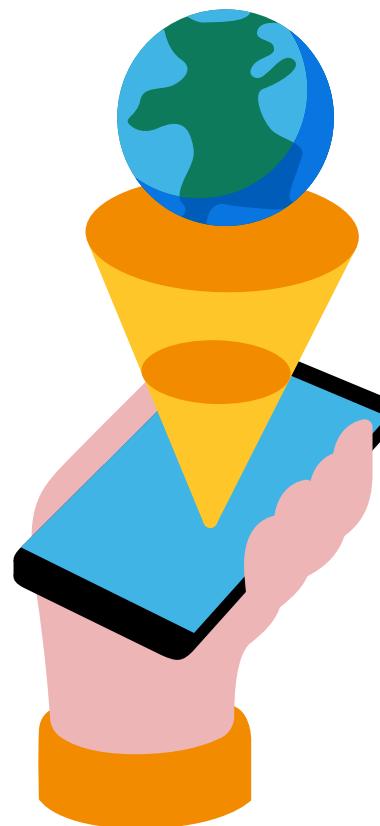
The power of reporting in Workday lies in a single system for transactions, consolidated financial reporting, workforce and management analytics, and planning. Not only can you consolidate data, pull meaningful context from reports, and drive timely planning all from one source for data, you also benefit from one security model, native auditability, and no integrations to maintain.

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. This enables analysis by configurable dimensions with strategic significance to the business beyond the accounting key. In other words, you can analyze the business across virtually every dimension: legal entity, cost center, account, location, branch, 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 finance and the business a richer and more comprehensive dataset to drive better decision-making.

Fresh insights.

By combining operational data together 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 firm on the dashboards where they already work—providing a single source for data across the entire business.



Tackle the changing world of financial services head-on.

Grappling with risk and uncertainty isn't a new phenomenon for financial services organizations—in fact, it's at the core of what you do. What is new, however, are the technology solutions that can help you anticipate and respond to change with even greater levels of confidence.

A single system for finance, HR, planning, and analytics helps organizations easily blend and analyze data from multiple sources, drill deep into the details of each and every loan portfolio, and deliver real-time insights for even smarter decision-making. Armed with unparalleled agility, insights, and efficiency from Workday, you can reach new heights of success now and into the future.

To learn more about how we can help you realize reporting and analytics success, contact us at workday.com/contact or +1-877-967-5329.





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