

Deloitte.



Unlocking Potential

How Workiva Enhances an ERP Migration



Potential impacts of excluding finance and accounting from the last mile of reporting

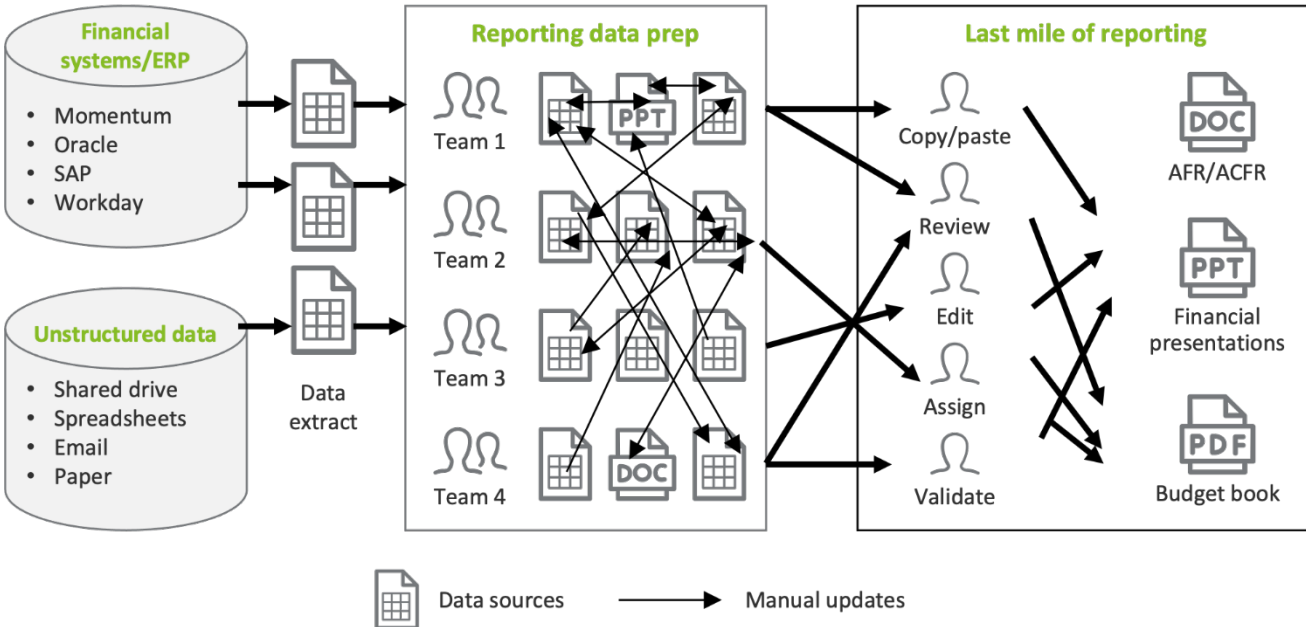
Finance and accounting are often an afterthought when government organizations migrate their legacy Enterprise Resource Planning (ERP) system to a new ERP system. Post ERP implementation, organizations continue to rely on manual methods to compile their financial reports despite an overarching goal to automate antiquated processes. Staff often continue to export data manually from various source systems (such as their ERP or other databases), complete manual or semi-manual data aggregation to clean up the data to what is needed, and then prepare the reports in required templates or presentations. These processes involve significant time and effort, are difficult to control, and can introduce a high risk of unintentional error. These types of manual reporting activities can become exacerbated over time. As an organization continues to evolve, more teams and auditors request different views of similar data—and manual reporting efforts lack the benefits of quick and accurate self-service reporting. At an organizational level, having many teams exporting the same data to build various reports can lead to inconsistency across business units, create unnecessary processes, and a lack of reporting consistency.

Potential impacts at a glance

- **Limited automation:** “last mile” reporting remains a manual effort despite new ERP
- **Additional costs and time post-ERP:** to resolve and adjust finance and accounting issues
- **Risk and information silos:** lack of connected data and process owners can perpetuate reporting risk and communication

Even more concerning are the lingering risks that remain because of manual and ineffective finance and accounting processes and the resulting downstream issues from not considering finance and accounting during the ERP system design phase. Did the organization consider the system controls that guidance such as the Office of Management and Budget (OMB) A-136, OMB A-123, and the Government Accounting Standards Board require and that the auditor will scrutinize? Or, how about how the financial information from the ERP that will be mapped to the quarterly and annual financial statements and reports? Organizations scramble to rectify these downstream issues post ERP implementation spending more time and money.

Some challenges of a non-parallel implementation



Intensive manual processing to extract, prepare and generate reporting and financial statements, resulting in inefficiencies and increased risk of inaccuracies in financial reporting:

Common challenges

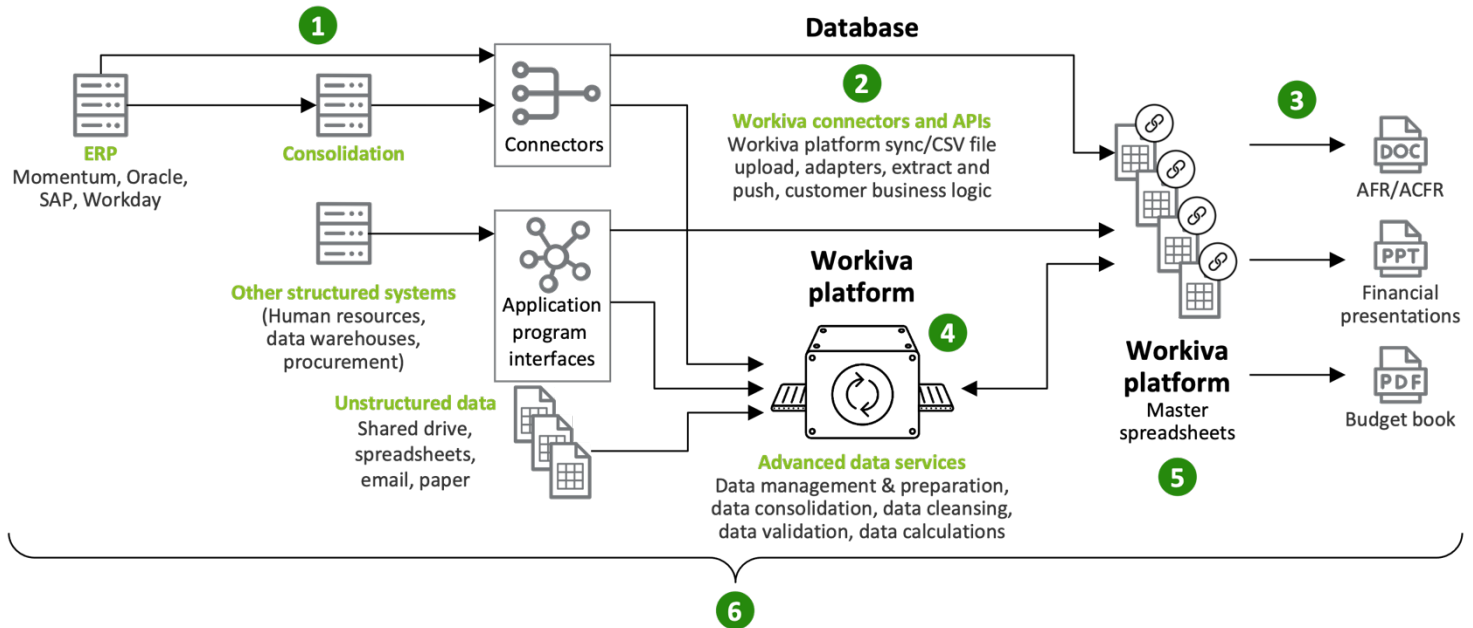
- **No data linkage** to presentations and reports
- **Manual preparation** and compilation
- **Manual data extraction** of data from various sources
- **Low level of confidence** over accuracy and completeness of data
- **Multiple disparate systems** used to create the financial reports, resulting in a lack of transparency around data and inefficiency
- **Manual manipulation** of data around rounding and adjustments directly in the Annual Financial Report (AFR)/ Annual Comprehensive Financial Report (ACFR) are epitome to error
- **Lack of documentation** around policies, processes, roles and responsibilities
- **Lack of coordination** between teams
- **Lack of version control** due to multiple versions aggregating from multiple teams
- **Lack of visibility** into the status of report preparation, review and sign-off
- **Time consumed** to roll-forward data and prepare the AFR/ ACFR takes time away from key central activities
- **Manual reporting processes** provide limited insight into data to management

Why a parallel implementation can make sense

Implementing a reporting automation platform, such as Workiva, in parallel with an ERP system can help alleviate some of the above-mentioned risks and challenges while also enabling organizations to realize more benefits from a digital transformation. ERP migrations can take multiple years to complete, while implementing a reporting automation solution, like Workiva, can take considerably less time and effort. This allows organizations to begin to realize the benefits of their digital transformation investment sooner during a parallel implementation. In other words, instead of an organization completing a long painstaking ERP implementation, only to start the “last mile” of reporting with a manual data extract and manual compilation, an organization can sooner realize the benefits of a linked and automated reporting capability. Additionally, a parallel implementation requires finance and accounting to be involved up-front in the ERP migration strategy, helping organizations think through things like chart of account mapping to the financial reports. Involving accounting and finance during ERP system design may also help organizations avoid common ERP migration pitfalls such as not considering risk and designing controls to mitigate those risks. Often organizations that lack these considerations up front, end up with brand new ERP systems, with the need for multiple manual workarounds and customized processes to achieve desired end-state reporting—which is similar to what they migrated from.

Data governance is also enhanced through a parallel implementation, as data is governed from the ERP system to the final financial report. Imagine a reporting automation platform as a centralized hub for all reporting needs—automatically sourcing upstream data from an ERP system, automatically linking that data to wherever it is needed, and most importantly, automatically updating and refreshing that data in the reports when the underlying ERP system data changes. In this state—staff are allowed to derive their reports within the platform by taking the relevant data elements that have been sourced from a common dataset, aggregating that data, and linking them directly through report templates, presentations, or final reports that requires that data. If reviewers are required to check preparers’ work, they can do so within the Workiva platform. They can also directly follow the data within the report and easily navigate to the underlying source data. This level of control and assurance provides those who prepare, review, and receive reports additional confidence in the accuracy of the report. Further, improved automation allows the reports to be received timelier allowing internal and external stakeholders more time to interpret and act on the information.

Potential value of a connected reporting platform



Some key benefits

1

Enhanced data integration

- Seamlessly integrated with ERP systems
- Reduce risks, manual efforts and information technology involvement
- Complete audit trail of data changes and ownerships, which is lost in manual efforts

2

Automated and efficient

- Update cells and ranges in spreadsheets automatically
- Produce manual process for extract/copy/paste
- Reduce efforts required to refresh data and reduce associated risks of human errors

3

Adaptable and flexible configuration

- Reduce cost and risks of modernizing applications by eliminating need for recreating, re-validating, re-reviewing reports
- Changes in reports (e.g., new processes) does not require changes in ERP or legacy general ledger system and reporting process

4

Compliant processes and risks mitigated

- Increase data reusability and governance for reporting
- Aggregate data from multiple sources (e.g., ERP's, spreadsheets, and other relevant applications)
- Reduce impacts of accounting integration risks and financial changes

5

Real time reporting and visibility

- Reduce risks from data mapping (e.g., charter account changes) with complete audit trail
- Provides a single source of truth where data is automatically updated and linked

6

Assured integrated reporting

- Assured integrated reporting across internal controls, audit management, and financial reporting enabling stakeholders across the organization to collaborate in a controlled environment

Some considerations

When building a reporting automation strategy, there are a few considerations that organizations can take to support their initiative. These include but are not limited to:



Utilizing a reporting platform for centralization and control: Assess reporting platforms for their ability to support robust report authoring, data management, controls, and collaboration. Work cross-functionally to determine which teams (e.g., finance, supply chain, business units) may be interested in working together on a joint platform.



Building intelligent workflow and collaboration cross functionally: Functionally—when setting up a reporting platform—it is important to spend the upfront time to design the platform to your report specifications, automation goals, and cross-functional teaming objectives. This includes prioritizing key use cases, considering what type of workflow automation within the platform can be achieved to minimize need for report preparers/reviewers across teams to leave the platform during their processes. Types of automation to consider could include automatic notifications to approve reports, automated surveys or data calls for those sharing data not automatically integrated into the tool, as well as automated status updates to process owners and teams.



Developing connectivity to certified data: When building a reporting platform, the data inputs are only as good as the upstream systems and related integrations. It is important when designing a reporting platform to consider where the data is coming from and if it is accurate to be utilized for reporting within the platform.



Leveraging a system integrator: Choosing a Workiva system integrator, such as Deloitte, is not just a smart decision; it is a strategic move towards success. Navigating the complexities of ERP integration and changing organizational dynamics demands expertise and precision, and a system integrator to support you on that journey. With a dedicated Workiva system integrator by your side, you gain a collaborative ally committed to maximizing the value of your investment in the platform and unlocking potential.

Deloitte's Workiva experience



Questions?



Valeriy Dokshukin

Partner
Deloitte & Touche LLP
+1 303 305 4858
vdokshukin@deloitte.com



Brooke Cecchini Rouse

Senior Manager
Deloitte & Touche LLP
+1 571 814 6746
bcecchini@deloitte.com



Chase Causseaux

Senior Manager
Deloitte & Touche LLP
+1 571 882 5166
ccausseaux@deloitte.com



This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

As used in this document, "Deloitte" means Deloitte & Touche LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2024 Deloitte Development LLC. All rights reserved.