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Rationalizing where to start when approaching reporting automation use cases

March 2, 2021

1: Creating a reporting modernization strategy overview

2: Rationalizing use cases for reporting automation

3: Example reporting automation use cases

4: Getting started

5: Q&A

Agenda

The importance of modernizing reporting in 2021

Now more than ever, organizations should re-consider their use of cloud technologies, automation, and collaboration platforms for long-term virtual work environments

Improve auditability and transparency of metrics utilized for reporting

Ensure effective collaboration in both the US and globally to help streamline document hand-off, checklists, signoffs, and accounting workflow

Reinforce the underlying data architecture and source systems utilized to ensure quality of data

Reduce time spent collecting and validating data; as well as cross report validations for common metrics and measures.
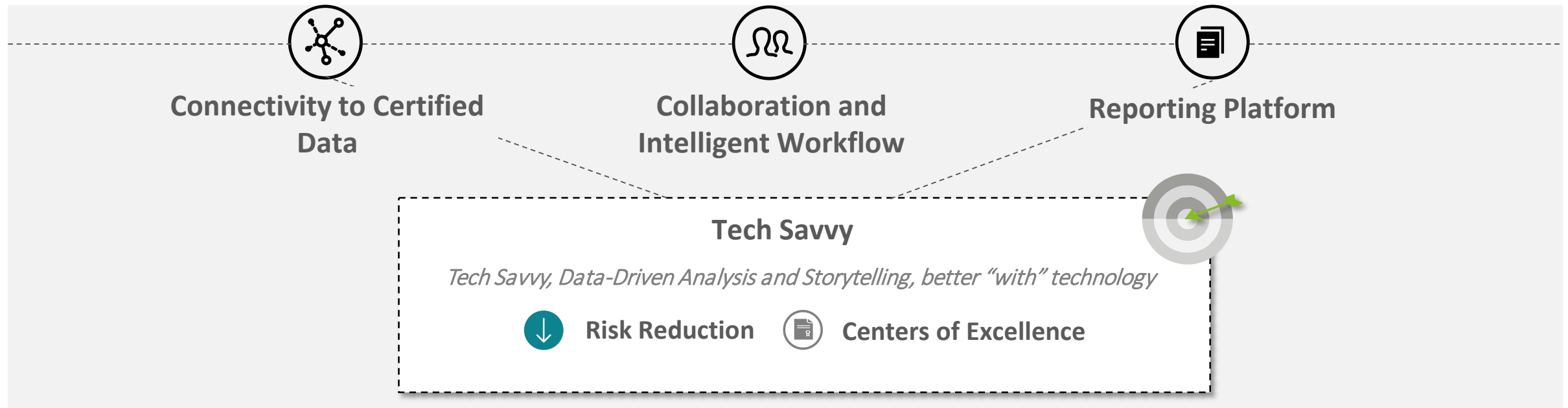
Create efficiencies through centralized reporting development and change management
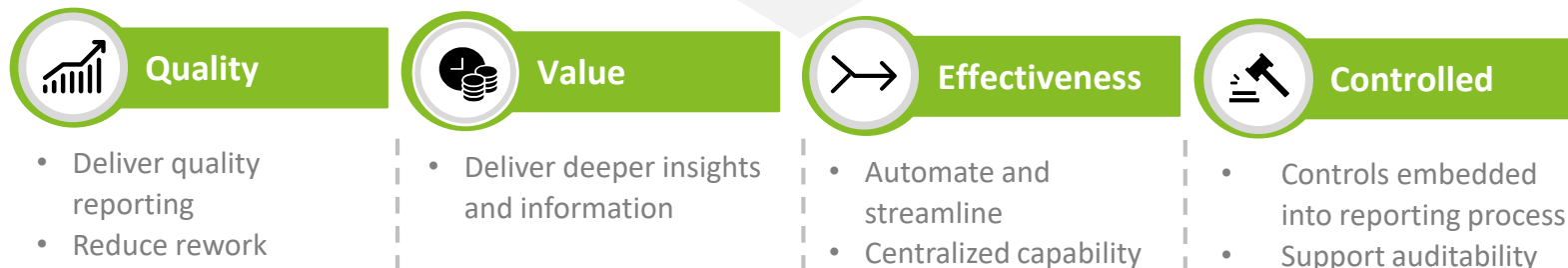
Reporting modernization – the basics

Our approach extends far beyond cutting-edge tools and technology. It's about the professionals, the way they think and culture of constant improvement.

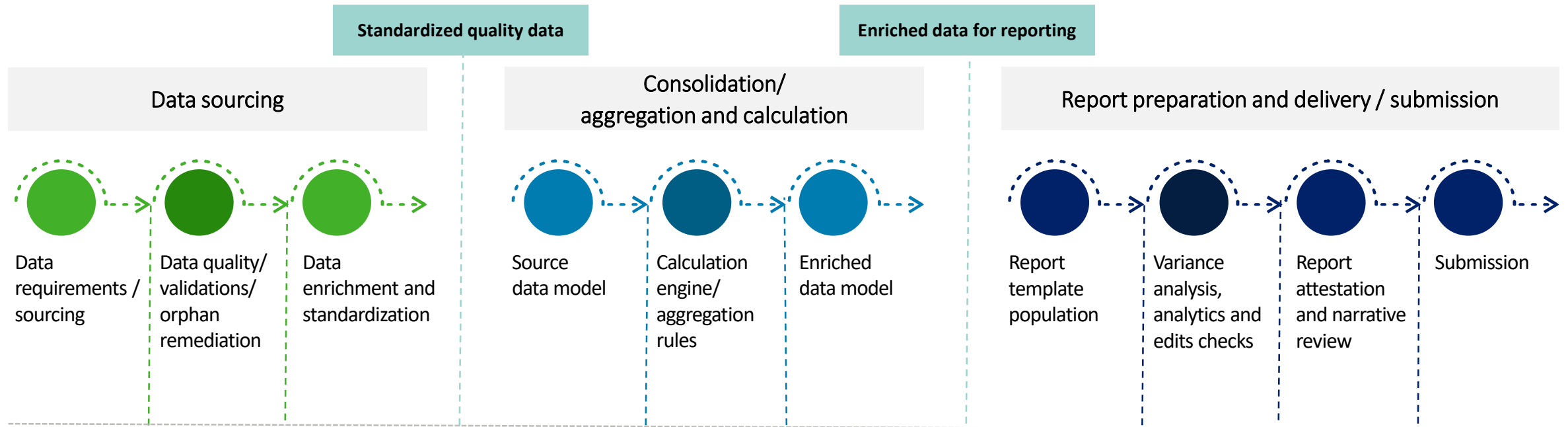**With all these elements working together**

Connectivity to Certified Data

Collaboration and Intelligent Workflow

Reporting Platform

Tech Savvy

Tech Savvy, Data-Driven Analysis and Storytelling, better "with" technology

↓ **Risk Reduction**   **Centers of Excellence**

Reporting Modernization

Quality	**Value**	**Effectiveness**	**Controlled**
• Deliver quality reporting • Reduce rework	• Deliver deeper insights and information	• Automate and streamline • Centralized capability	• Controls embedded into reporting process • Support auditability

Reporting modernization framework

Reporting automation requires capabilities across the reporting value chain and data management

Standardized quality data

Enriched data for reporting

Data sourcing

- Data requirements / sourcing
- Data quality/ validations/ orphan remediation
- Data enrichment and standardization

Consolidation/ aggregation and calculation

- Source data model
- Calculation engine/ aggregation rules
- Enriched data model

Report preparation and delivery / submission

- Report template population
- Variance analysis, analytics and edits checks
- Report attestation and narrative review
- Submission

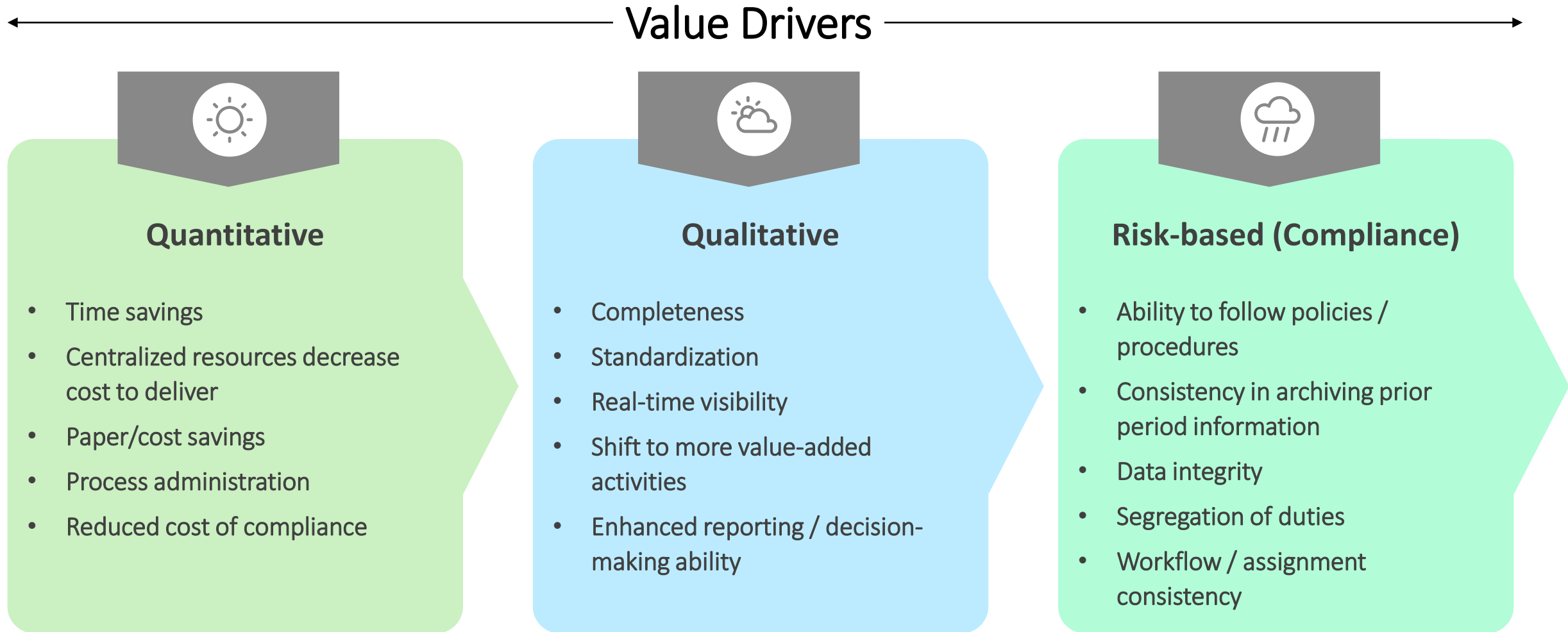**Capabilities required across the framework**

Three lines— embedded controls and audit support : completeness, disclosures, accuracy

Data remediation and exception handling

Orchestration and Intelligent workflow

Building a business case for reporting automation

When considering where to automate, it is important to consider quantitative, qualitative, and risk-based value drivers for improving reporting

Value Drivers

Quantitative

- Time savings
- Centralized resources decrease cost to deliver
- Paper/cost savings
- Process administration
- Reduced cost of compliance

Qualitative

- Completeness
- Standardization
- Real-time visibility
- Shift to more value-added activities
- Enhanced reporting / decision-making ability

Risk-based (Compliance)

- Ability to follow policies / procedures
- Consistency in archiving prior period information
- Data integrity
- Segregation of duties
- Workflow / assignment consistency

Creating a plan to source, pilot, and scale reporting automation

It is important to think in terms of a platform vs. point solution – potentially increasing value with scalable reporting automation.
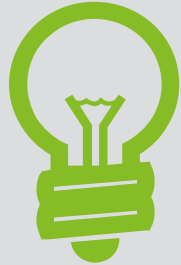
Source ideas, Identify use cases, and rationalize	Identify commonality & define value across ideas/use cases	Develop pilot projects	Scale quickly

Business and Technology Partnership

- Crowdsource pain points
- Focus on users
- Consider what takes too much time

- Utilize common data across use cases
- Consider common themes

- Prove pilot to build stronger business case

- Ecosystem – Build on foundation
- Increased usage increases value

Rationalizing use cases to automate

Crowdsource potential reporting automation use cases from your teams and utilize the key value drivers to prioritize each use case based on "value to automate" and "effort to automate".

Value drivers

Quantitative

Qualitative

Risk-based

Value to automate

Effort to automate

Frequency of report (monthly, quarterly, etc.)

Count of external / internal stakeholders who utilize the report

Time taken to run report (in hours/days, etc.)

Number of people involved in reporting process (in-country, global, etc.)

Inherent risk within current reporting process (ex. Lack of transparency, concern over one source of truth)

Number of data sources needed to complete reporting (internal ERPs, external third-party systems, etc.)

Existing and/or future systems utilized for report preparation (point solution vs. platform)

Additional considerations for building a business case for reporting automation

Beyond existing and desired use cases – consider what type of reporting may make sense to re-vamp or even stop. This will help focus on the highest value reporting (both needed and desired reporting).
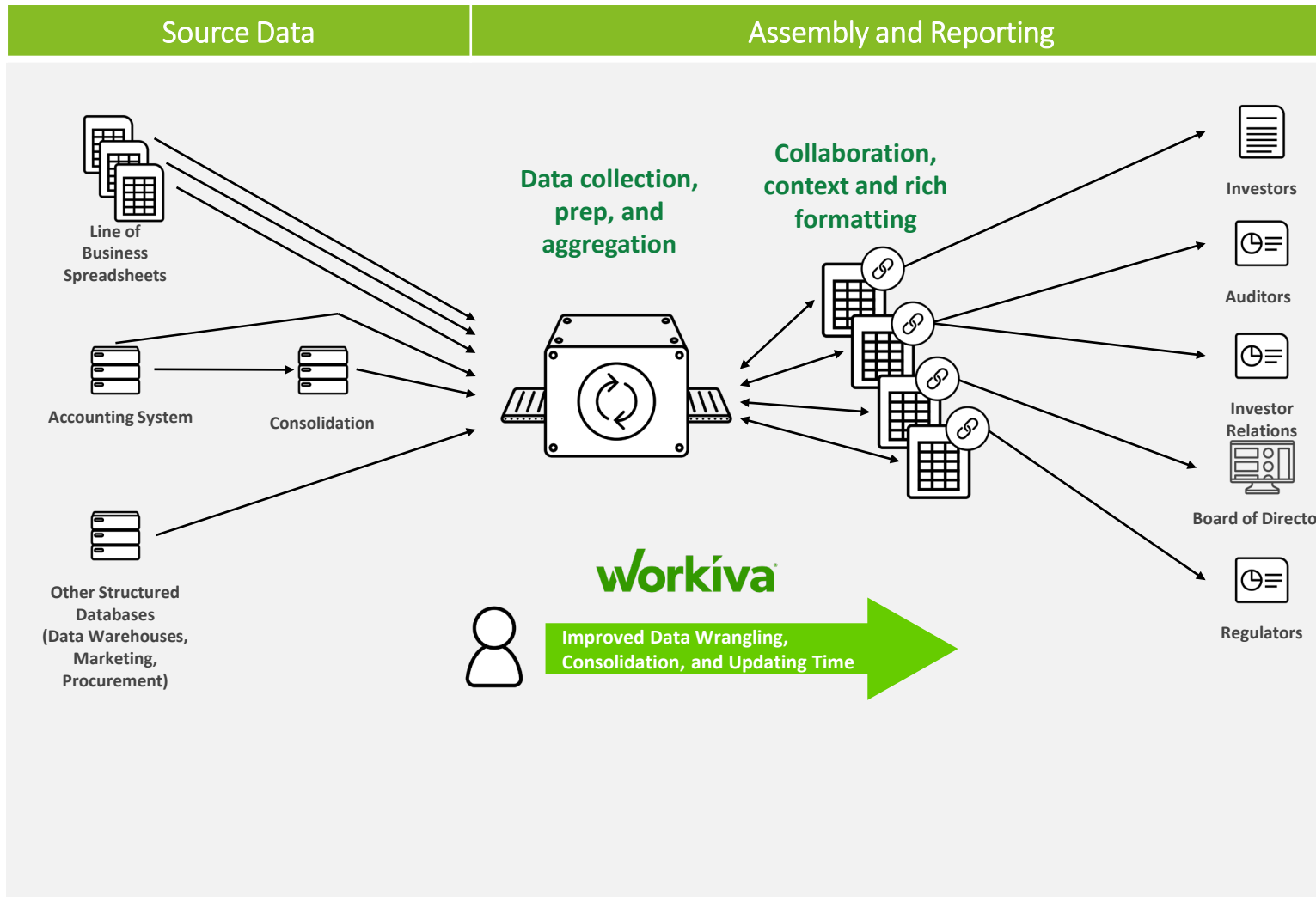
Who utilizes the report and for what purpose? Is it valued by the team?

Is there any **extraneous reporting** that can be **decreased or stopped?**

What additional types of reporting could be provided if capacity was freed up through automation?

By automating this report, what will my team be able to do with the **additional time capacity saved?**

Could my **stakeholders benefit** from **additional information / reporting?**

Building a robust reporting platform that can be cross-utilized across many use cases can provide **long-term value to improved reporting quality and assurance**

Considering different types of reporting use cases to automate

Reporting automation requires capabilities across the reporting value chain and data management

Examples			
Financial	**Statutory / Regulatory**	**Managerial**	**Industry-specific**
• SEC • Statement of cash flows • Income statement • Balance sheet	• Global statutory • Insurance statutory (NAIC) • Environmental • Tax • SOX	• Flash reports • Sales / Operations • Board report • Monthly/Quarterly reporting • Other executive reporting packages	• Banking / Insurance • Oil & gas including FERC • Government / Public Sector • Pharmaceutical

Automating reporting with technology

Source Data

- Line of Business Spreadsheets
- Accounting System
- Consolidation
- Other Structured Databases (Data Warehouses, Marketing, Procurement)

Assembly and Reporting

Data collection, prep, and aggregation

Collaboration, context and rich formatting

workiva

Improved Data Wrangling, Consolidation, and Updating Time

- Investors
- Auditors
- Investor Relations
- Board of Directors
- Regulators

The Benefits of Modernization

Access anywhere: Cloud based reporting technology facilitates access anywhere, anytime.

Streamlined document management: Full collaboration with complete control and visibility of changes, reviews, tasks and handoffs for in-person or globally remote teams

Complete connectivity to source systems: Link your data directly to the source with automated refreshes.

Maintain data architecture: Even separate source systems can be unified through our data prep tool to ensure the same numbers are being used across the enterprise.

Financial reporting – Statement of Cash Flows (SCF)

Goal: Link upstream to data from ERP, third party systems, etc., to downstream presentations, reporting, and financials. This includes populating **roll-forwards** and relevant organizational information from prior periods.

Value drivers

Quantitative

⬆ Data inputs / sources

⬆ Time to pull report together

Qualitative

⬆ Highly valuable to executive stakeholders

⬆ Material from this report can be cross-utilized in other reports

Risk – based

⬆ High risk of potential error if prior period figures are not pre-populated

Client example

Issue : Significant issues pulling together SCF due to many data sources, many requests for the document, and heavy unstructured data.

Solution: Client utilized Workiva's WData and WDesk platforms to automate roll-forwards, population of relevant data points from ERP into SCF template and pull this info into other presentations/reports.

Result: Client saved significant time and freed up capacity to work on other value-added tasks.

Statutory reporting – Global statutory reporting

Goal: Create uniform global statutory reporting process that is **standardized across all legal entities** and provide **centralized transparency globally** to each entity's performance of the statutory reporting.

Value drivers

Quantitative

⬆ Difficult to coordinate given hundreds of data sources cross many countries / legal entities.

⬆ Significant amount of time to pull statutory reporting together

Qualitative / Risk-based

⬆ Lack of transparency into global process

⬆ Highly sensitive and important due to external stakeholders involved.

Client example

Issue : Lack of transparency around compilation of global statutory reports had leadership concerned about accuracy / standardization of the reporting process.

Solution: Client utilized Workiva's WData and WDesk platforms to create standardized templates that pre-populate relevant financial data by legal entity for the client and compile for overall reporting needs.

Result: Client leadership now comfortable with standardized process and accurate figures.

Managerial reporting – Board / Executive reporting

Goal: Provide valuable managerial related statistics to **inform executive leadership on data relevant to business decision making** on a reoccurring basis.

Value drivers

Quantitative

⬆ Difficult to validate one source of truth regarding reporting statistics relevant to senior leadership

Qualitative / Risk-based

⬆ Important statistics from this type of reporting are imperative to making key strategic business decisions

Client example

Issue : Heavy lift each month to prepare board reporting and related presentations for senior leadership

Solution: Client utilized Workiva's WData and WDesk platforms to flow down important reporting stats from templated reports into board presentations / CFO deck.

Result: Organization saved time preparing board / CFO deck and was confident all figures presented were aligned throughout the various reports/presentations.

Industry-specific reporting

Goal: Ensure **accurate and easily auditable reporting for external governing bodies** for specialized reporting needs

Types of industry reporting (illustrative)

Cross-industry (consumer, etc.)
- Environmental, Social, Governance (ESG)

Energy / Oil and gas
- FERC
- Rate cases

- **Financial Services / Insurance**
  - CCAR
  - BCBS 239 – Basel Committee on Banking Supervision Standard 239
  - Insurance statutory, Actuarial

- **Life Sciences / Health Care**

Client Example

Issue : Challenging to validate all relevant information from internal and external sources for ESG reporting.

Solution: Client utilized Workiva's WData and WDesk platforms to integrate many different data sources with a strong audit trail to support needed statistics around environmental needs.

Result: Organization was more confident in its ability to report confidently on environmental related statistics with ability to easily trace back to source information if needed.

Lessons learned when automating reporting

Time savings is not always the primary driver for reporting automation

Pilot projects can be an easy way to fail fast and find the most beneficial use cases for reporting automation

Don't focus myopically on quantitative ROI benefits – qualitative benefits can provide greater value

Consider how to cross-utilize existing reporting automation platforms for additional use cases not currently explored (cross-functional across Finance, Operations, Supply Chain, and more)

Remember to focus on desired end result and how reporting automation can support the end user.

Working together to transform reporting automation

The synergy of Deloitte / Workiva helps improve process and technology enablers in the reporting automation space.

Deloitte , Workiva, and our clients working in collaboration

Alliance

6+ years of Deloitte/Workiva marketplace relationship

2 year alliance relationship

Collaborative approach

Our close working relationship with Workiva enables us to effectively manage co-delivered outcomes

Global Access

Global teams across EMEA, APAC, LATAM, and North America

20+ countries

Involved in Deloitte – Workiva alliance

Flexible staffing

Enabling blended client and Deloitte team models

Offshore capability

to enable efficient service delivery, leveraging a global approach

100+

of Deloitte consultants who are certified implementers of Workiva modules

Point of view

Deloitte has a defined methodology and approach for implementing Workiva which leverages our backgrounds as advisors and accountants

Demonstrated methodology / ROI

Our Workiva specialists comprise the requisite blend of accounting, finance and technology expertise

Q&A
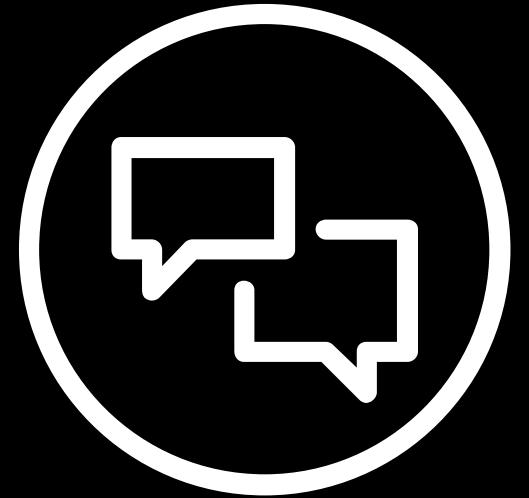
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