



FSN[®]
The Modern Finance Forum

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Gary Simon
CEO FSN & Leader of the
Modern Finance Forum
[LinkedIn](#)

Dear Colleague,

Innovation is central to the success of the modern finance function and the businesses in which they operate. Yet, earlier FSN research, “The Future of the Finance Function 2017” highlighted that only 6% of CFOs understand the technologies available to them, only 37% know what solutions are available in the market and only 25% of CFOs have the time to investigate opportunities for technology innovation.

With this in mind, I am delighted to bring you FSN’s “Innovation Showcase”, an opportunity to bring to the attention of hard-pressed finance professionals what we consider to be leading innovations in core finance processes that could materially improve the way you work both now and in the future.

All the products which have been showcased by FSN are extremely complex and sophisticated and in all cases have taken many man-years of development effort. But innovation is very much in the ‘eye of the beholder’ and every finance organization is at a different stage of maturity. Some of the innovations assembled in this Showcase are at the leading edge of technological developments, others are around the architecture of the products or the way that vendors seek to reduce implementation risk. But if you’ve always relied on spreadsheets then even the simplest ideas, such as a unified transaction environment or a specialized budgeting tool can be innovative and game-changing.

In this Showcase, we have then identified independently for each of the ten global software vendors featured, three areas that we consider to be differentiating and interesting innovations to bring to the attention of modern finance leaders striving to understand and leverage the latest capabilities. As such, this document is not a product review, and neither is it an exhaustive list of all the innovative ideas available. It simply represents what we consider, in our experience of the market, to be great examples of innovation in finance processes.

We hope that you find the innovations set out in this document thought-provoking and interesting. But above all we hope that the contents will inspire you to explore innovation in your own organization and discuss with colleagues and the featured vendors, how you can leverage these developments to take your finance processes to the next level.

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THE ANAPLAN INNOVATION SHOWCASE

The phrase ‘failing to plan is planning to fail’ has never rung as true as it does in the volatile economic and political climate facing organizations today. It’s no longer enough to rely on hard won budgets that quickly become obsolete when the consumer environment changes or the supply chain is interrupted unexpectedly. To effectively compete with nimble start-ups and industry disruptors, businesses must have clear visibility of historic and forecast performance across the enterprise and be able to drive consensus around the initiatives necessary to achieve their targets. So called, ‘connected’ organizations collaborate easily across business functions and from the head office to the shop floor. These connected organizations steer business performance dynamically by linking operational causes with financial effects in near real-time, collaboratively with all the right people from the head office to the front lines of the business, and intelligently by spotting and addressing trends, performing what-if analysis and creating more reliable forecasts.

But previous generations of planning software have fallen short of this vision. Historically, collaboration has been difficult to achieve, crucial data has been scattered across multiple data sources, and planning models have proved inflexible to change, and required too much IT support. As a consequence, spreadsheets proliferate and surround the previous generation of software as organizations seek greater speed, agility and insights. Organizations are finding it harder and harder to plan for the future and manage the uncertainties.

It was this background that inspired the founders of Anaplan to develop a better technology that would enable Connected Planning across the entire enterprise, allow management to analyze performance, understand business drivers, collaborate on knowledge and assess different courses of action which could inspire initiatives that drive the organization to greater heights of performance.

In this Showcase we highlight three major innovations that support these objectives, Anaplan’s Hyperblock® technology, the App Hub, and Anaplan’s latest developments in machine learning and artificial intelligence.

Innovation 1: Hyperblock® in the cloud driving the connected organization

Hyperblock® is truly an innovation in the marketplace for planning solutions. Developed by one of Anaplan's founders, Michael Gould, Hyperblock® is the powerful analytical engine behind Anaplan's detailed and scalable cloud-based modeling capabilities—and is an enabler of the dynamic responsiveness required in connecting plans across finance and operations.

Collaboration has been at the forefront of planning professionals' minds for more than a decade but its implications are more far-reaching than the number of concurrent users that need to be accommodated. Connected Planning, in which different functional areas work together to provide a single and consistent view of the business, requires different strands of data to be brought together as well. This in turn drives up complexity, modeling dimensions, data volumes, and, most likely, the size of the underlying business model(s).

Anaplan's innovative and patented Hyperblock® technology was designed from its inception to (i) analyze the ever-growing volume of data modern companies generate, right down to the transactional level (product SKU, stores, employees, etc.) (ii) to support real-time impactful business decisions (ii) to connect operational and financial business drivers across functions, (iii) to connect high volumes of users to a single unified planning environment, and (iv) to be accessible through a business self-service and intuitive modeling interface. The focus here has been in providing a flexible environment that can generate and monitor plans at a very granular level.

Historically, highly granular models with complex and uneven dimensionality gave rise to 'data sparsity' or empty (unused) cells at the intersection of dimensions which could impair performance. But Anaplan's Hyperblock® technology—imbued with multi-core, 64 bit and in-memory processing—can handle the most demanding of models, i.e. with billions of cells, dynamic hierarchies, and real-time model changes at a very detailed level of granularity without obvious impairment.

FSN's research highlights why this is so important. A 2016 study, "The Future of Budgeting, Planning and Forecasting" documented the profound advantages of large and granular data models for forecast accuracy and the ability to look further out on the time horizon. For example, 40% more organizations that have built larger models say they are able to forecast revenue to within plus or minus 5 percent, and 25% say they are able to forecast beyond 12 months.

Anaplan is also notable for the ease with which planning models can be changed by finance professionals and accommodate multifaceted requirements without complex language scripts. And being resident in the cloud means that changes can be unveiled to all users at the same time and deployed quickly rather than being gradually rolled out as was the case with older technologies or spreadsheet-based systems. Additionally, platform innovation around application lifecycle management (ALM) on the cloud enables this rollout process to be managed in a secured and trusted way with the ability to roll back to previous versions, if needed.

A further advantage of Hyperblock® is that it is designed to draw data from any number of sources, which is becoming crucially important as organizations begin to leverage non-financial data and other novel sources of data for competitive advantage. We've found that 78% of CFOs say that the key to forecasting more accurately lies in the greater use of non-financial data (The Future of Budgeting, Planning and Forecasting (PBF) 2017). The same research showed that organizations that have been able to harness non-financial data are more than twice as likely to be able to forecast beyond the 12 month time horizon.

A further development is that Anaplan is beginning to see organizations leverage large models to share information in the cloud beyond their traditional boundaries. For example, Anaplan users are able to link their planning models with their supplier's data, using a single model to refine their supply chain, spot potential problems, and generate more reliable forecasts.

Innovation 2: the App Hub

Anaplan's solutions aren't limited to traditional financial planning and analysis, the software is equally used for operational planning as well, supporting sales, supply chain, human resources, IT and marketing to name a few. The breadth of its functionality increases the already wide remit of requirements for each individual business or business unit, and Anaplan provides specialized, customisable solutions through its application marketplace, or App Hub—a digital ecosystem for connected planning.

Launched in 2014, the App Hub is thought to be the broadest and deepest collection of specialist capability in the market and now hosts over 250 applications designed to solve complex, or more esoteric planning problems facing organizations in almost any sector or department. It can provide easy access to expansions across the Anaplan platform with pre-built applications. This can trigger better organic growth across an organization and can more easily enable a truly connected planning approach.

The key to the success of the App Hub is the ease with which an app can be created and customized, by Anaplan, its partners or customers. This not only increases the number of applications available but casts a spotlight on the 'art of the possible', highlighting the potential of the Anaplan platform to provide the best solution for all planning requirements. Even if that solution isn't available, it may be customizable from existing applications, reducing the design cycle and building on best practice. Anaplanners (as Anaplan users are sometimes called) can build applications for themselves or simply lift concepts and features found in the App Hub.

Anaplan-built apps are free to use and can quickly be downloaded for subscribers, while partner-built apps may require some engagement with the implementation business partner. Anaplan's finance apps range from a feature film distribution planning solution to restaurant workforce planning, taking in more traditional sector-specific budgeting, planning and forecasting along the way. Customers can choose to manage their entire supply chain planning requirements or their human resourcing needs from customizable apps, as well as ensuring that major IT projects run on time and on budget using their planning resources.

But Anaplan's App Hub is also indicative of a shifting tide in the vendor-customer relationship. While there is still substantial reliance on external consultancies for major finance transformation projects (65% of senior finance executives consider them a viable option in tech decisions according to the Future of the Finance Function 2017 survey), 55% are also happy to go directly to the vendor for assistance. Anaplan's App Hub showcases the practical application of their technology, across a very wide range of use cases, and allows prospective customers to see the potential of Anaplan's solution for themselves before deciding whether to partner with a consultancy or directly with the vendor.

Innovation 3: Machine learning and advanced analytics

Anaplan already provides predictive algorithms, linear regression techniques, and optimization techniques that assist in developing reliable forecasts based on historical data. But in an era of rampant change, more needs to be done to respond to risk and uncertainty. Which is why Anaplan is turning to machine learning to support the modern finance function.

At Anaplan's annual product showcase and annual conference, Hub, machine learning (ML) and advanced analytics provided the vision for the company's Connected Planning future. Not satisfied with enabling customers to build large, detailed models and plans across departments and business units, Anaplan is seeking to provide machine learning capability to planning and performance management processes that will unlock new insight and intelligence from a range of data types and variables.

Anaplan is working with a number of ML techniques, including TensorFlow, an open source library of software used for machine learning computation. Anaplan is currently working to produce pilot studies and proof of concepts (POC) for several Fortune 50 customers by understanding the true application of ML in the planning use cases. These POCs are designed to improve planning for specific areas like revenue forecasting, sales predictions, workforce optimization and demand planning. These POCs are able to draw in internal data, such as transaction records or promotions information and connect that with a range of external data sources, such as weather or demographic information to provide insights and inform planning models. ML algorithms will iterate multiple times through this data set with the goal of improving accuracy of predicted outcomes.

Initially these pilot studies will take the form of 'supervised' machine learning through human intervention in the machine learning process, providing context, identifying business drivers or signals and suggesting hypotheses. But over time, with more insights produced automatically by better trained data, the process will become more machine led. For example in the future, Anaplan's Connected Planning platform will 'know' that an Anaplan user is building a budget for the following year, and ML algorithms running behind the scene will automatically suggest the next steps, proffer the supporting information that may be needed, and propose the benchmarks against which to measure quality. This would be reinforced through the customers' actions and feedback, building on the data from which the machine can continuously refine its learning, relevance and reliability. This is how Anaplan plans to achieve its ultimate goal to democratize planning for all use cases and users.

In the fullness of time, Anaplan expects to be able to improve the planning process straight out of the box, from the point of implementation, but then also to go further with customization and specific use cases that connect the organization across functions, departments and from the home office to the front lines— wherever they are required or helpful.

It's pioneering work but one of the most valuable aspects of it is the ability to help organizations develop a compelling ROI (Return on Investment) – something that this year's innovation research shows that organizations struggle to achieve. In a sort of 'virtuous cycle', in the not too distant future, machine learning will not only help drive performance but show the explicit link between that performance and superior returns.

THE BLACKLINE INNOVATION SHOWCASE

BlackLine has been an innovator from its very inception when it set out to solve the common but highly specific problem of the complex financial close process. The fact that BlackLine's solutions do not fit neatly into any major software category, for example, ERP, Corporate Performance Management (CPM) or Business Intelligence (BI), speaks volumes. The software was developed to meet the specialist but not uncommon requirements of the financial close process which had simply been overlooked by other software vendors. BlackLine is an innovator because it set out to eliminate these inefficient process gaps within the financial close by automating the accounting processes and enabling them to function continuously, thereby improving the integrity of financial reporting and providing companies with greater visibility into their operations.

In this Showcase we highlight three major BlackLine innovations, namely; finance modernization, benchmarking and machine learning and, finally, robotic process automation.

Innovation 1: Finance modernization through plugging the gaps in the close process

Despite the maturity of ERP solutions and the apparent breadth of CPM suites, there remain significant functionality gaps in core financial processes. Many of these gaps are still being plugged by spreadsheets and manual controls, and one can find them peppered throughout the financial close, account reconciliation, intercompany accounting and controls assurance processes.

In this era of constant technology innovation, many companies remain mired in multiple spreadsheets and manual reconciliations for their accounting and finance processes. Notwithstanding the obvious time and efficiency issues that come with a labor-intensive and difficult to manage workflow, the effect on performance is equally detrimental.

FSN's survey on the Future of Financial Reporting showed that the majority of companies still use manual methods of reporting and data collection. The report also identified a spiral of spreadsheet use compounded by 'unforgiving' ERP and CPM systems unreceptive to change, an over-reliance on the IT function for even the simplest changes and the necessity to plug the functionality gaps with even more spreadsheets.

But spreadsheets are not only being used for recording and managing transactions, they are also misguidedly being used to control the process itself. Task lists to control the process or guide the steps of a reconciliation are relatively commonplace, but do not support collaborative working across functions and processes.

BlackLine's aim is to close these gaps in the financial close process by automating and organizing the finance and accounting process so that each link in the chain is visible and data integrity is maintained. This means month or year-end close periods no longer need to be a disorganized scramble of process tasks, controlled in spreadsheets, that are prone to errors and delays.

The BlackLine platform supports a variety of close tasks including high volume account reconciliation, balance sheet substantiation, task management, transaction reconciliations, journal entry and variance analysis. Its innovative software enables companies to manage their processes and exert an automated level of control over their financial information that can accelerate the process and help to eliminate human error and fraud.

The decision to move BlackLine into the cloud, taken many years before the mass market trend towards cloud based computing, was both innovative in its day and transformative. It provided the platform that forms the basis of collaboration, an uninterrupted process (Continuous Accounting), and real-time insight into the status of the close process together with the financial impact of outstanding work.

Innovation 2: From benchmarks to machine learning

A bi-product of BlackLine's presence in the cloud is that it generates a ready-made repository of systems performance and usage data showing exactly how end users interact with the application during the close process. The company has used this aggregated and anonymized data innovatively to identify key benchmarks for the close process and refine its offerings through the smart use of data science and machine learning. The breadth of sectors and regions from which the anonymized data is drawn allows BlackLine to generate real time, actionable benchmarking, intelligence, and analysis of accounting and finance operations.

Customers can benchmark internally, or against their sector and regional peers, empowering the finance function to continuously improve efficiencies as they strive to exceed their benchmarks. The data provides statistics like average number of completed tasks, on-time completion percentage, average reconciliation rejection rate and auto-reconciliation rate, providing unprecedented visibility into accounting operations.

This insight isn't typical of publicly available sources of benchmark data. These tend to focus on performance ratios and high-level comparisons between finance functions, such as number of finance professionals to revenue and overall time to close the books. On the other hand, BlackLine's innovation brings a completely different perspective to benchmarking process data, taking it to a whole new level of granularity based on dissecting, for example, the day-to-day activities of the financial close process in fine detail. This reveals information about productivity and process bottlenecks, for example between different regional accounting teams or outsourced providers, but importantly it also informs how these issues can be fixed.

All of this is done without delving into commercially sensitive transaction data since the benchmarking is confined to the process rather than transactions. But these operational benchmarks can also usefully form the basis of internal benchmarks that can be used as the foundation of continuous process improvement.

However, benchmarking is just the tip of the data science iceberg. BlackLine are using their wealth of data to improve processes for its customers. Machine learning is the process of giving computers the ability to learn without being explicitly programmed. It requires enough iterative data for the machine to recognize patterns and learn from them, and in BlackLine's case this data is derived from almost 2000 anonymized customers over the last 10+ years. The technology employed is based on Apache Spark, supplemented by a library of algorithms, and resident data scientists who use the Python high level programming language.

BlackLine's data scientists have begun to identify instances where their customers could benefit from even more automation, but that fall outside of the core product offering. For example, there is substantial value to be derived from the transaction matching process. Before BlackLine, most of their customers would reconcile manually, but graduated to automated matching when they chose BlackLine's solutions.

In many instances, up to 95% of matches could be reconciled automatically, leaving around 5% to be checked manually. But BlackLine has also collected more than ten years of records of how these exceptions were fixed, and so can teach their machine learning algorithms to discover patterns within the exceptions, raising the automatic matching rate closer to the 100% mark. Of course, the final one percent of exceptions are so idiosyncratic that it is probably not cost-effective to resolve them via machine learning techniques, but in high volume environments with millions of transactions to reconcile, taking the reconciliation rate from 95% to 99% yields enormous savings in processing time, human endeavor and cost. Furthermore, automated reconciliation, augmented by machine learning, is substantially more accurate than with human intervention.

The potential for other use cases for machine learning is largely being driven by customer need. As iterative processes are identified, BlackLine's data scientists are training algorithms to speed up and improve even more of the accounting process. And this also makes BlackLine's approach innovative. While other vendors' interest is at the level of integrating their applications with machine learning engines, BlackLine is going a stage further, getting its 'hands dirty' by embracing the tools and developing use cases with inhouse data scientists.

Innovation 3: Purpose Built Robotic Process Automation (RPA)

Robotic Process Automation is the use of software, or accounting robots, to perform high volume, rules-based, repeatable tasks. It automates processes that would have been carried out by a person, eliminating repetitive processes and freeing up employees to work on more value-added tasks. The idea is broad and can be applied in many simple situations, but it isn't always suited to the accounting problems that BlackLine's customers are trying to solve.

Instead BlackLine is innovating through purpose-built RPA, specific toolsets designed for specific use cases that build on the innovation of their core product, extending automation and further simplifying the close process.

BlackLine already has customers using these toolsets for data cleansing and some instances of system administration, for example automatically reassigning tasks in the close process when, for example, an HR application reports that an employee has left the organization. Other customer use cases that can benefit from bespoke RPA include journal entry, bank reconciliations, high volume reconciliations or any formula-driven data entry.

BlackLine's Smart Close application is their most widely-used purpose built toolset, which embeds process automation into record-to-report activities in SAP. Instead of manually following the often repetitive and sometimes error-prone click tasks of the SAP close process, accounting professionals can automate task and job scheduling, execution, and monitoring, as well as verifying the outcome and identifying anomalies. This allows BlackLine's Smart Close customers to manage the close and work directly inside the SAP environment itself, from capturing invoices and master data management to reporting and analytics.

Like machine learning, BlackLine is developing its purpose built toolset to match customer needs. This level of bespoke development enables BlackLine to innovate in partnership with its customers, to ensure their solutions continuously add value. Having already plugged the largest gaps in the finance and accounting process, BlackLine's purpose built RPA is plugging the smaller gaps too.

THE BOARD SOFTWARE INNOVATION SHOWCASE

BOARD's entry into the global corporate performance management (CPM) and business intelligence software market almost 25 years ago heralded a new and innovative approach to business software – something that may even have been described as 'disruptive' if that term had been popularized in 1994. But it hasn't stopped there. Even today, BOARD continues to be at the forefront of disruptive technologies such as predictive analytics, search based analytics, self-service and next-generation collaboration.

At a time when global software providers were assembling CPM offerings through a frenzy of company and product acquisitions, BOARD brought a fresh approach to the sector. Rather than acquire a series of products from different stables that were destined never to work seamlessly together, BOARD developed a unified product from the ground up which would meet the corporate reporting, budgeting, planning and forecasting needs of large multinational organizations.

It's an approach that has stood the test of time. In an ever more complex world marked by exponential growth in data volumes, BOARD continues to offer disruptive new features in response, and smart CFOs appreciate a single product environment which unifies business intelligence, performance management, analytics and data discovery in one place.

In this Showcase we highlight three major BOARD innovations, namely; its holistic design, machine learning for predictive forecasting and analysis, and finally, a leading approach to embedded communications.

Innovation 1: A holistic approach to decision-making

Almost three decades after the first CPM solutions appeared in the market many finance functions are still struggling with the basics of reporting. For more than 85% of finance professionals, finance process standardization and automation remain a very high priority (FSN Future of the Finance Function Research 2016).

There are two major fault lines in the financial reporting process. Firstly, the process itself is fractured, and secondly, the data which is supposed to support the process is fragmented and siloed in different functional areas.

It's a view supported by several FSN studies. The Future of Financial Reporting survey identified that 40% of finance functions say their data is not always trustworthy and accurate, and 69% of CFOs rely on spreadsheets to plaster over gaps in their reporting process. Two thirds admit they are struggling to master the variety and volume of new business data and 58% concede that valuable data is scattered across the organization. Finally, almost half (48%) say other functions are not good at sharing data with finance.

BOARD's innovation is relatively uncontested in the market as few software vendors offer a holistic approach to performance management. At the core of BOARD's decision-making platform is a single unified environment in which all the performance management applications share the same data and metadata (structural information such as account codes, organizational hierarchy, cost centers). This is not only essential for preventing wasteful duplication of data, but it also ensures the integrity of the underlying data, i.e. consistency of information across business processes and in all reporting dimensions.

Workflows also span the entire process, and unlike much of the corporate reporting landscape, BOARD users can dip into their reporting processes and underlying data in real-time. Nobody has to wait until month end to get visibility of performance, which is crucial in fast moving markets.

The unified platform ensures easier reporting and greater staff productivity, providing a sound foundation for decision making by linking strategic, operational and financial plans and metrics. Of course, navigating such large volumes of data requires user-oriented tools that allow data to be explored and sifted by finance professionals, and data visualization techniques that readily lend themselves to discovery of issues and trends. Using BOARD's navigation tools, the finance function can follow information uninterrupted from an enterprise-wide view of operational performance at the top, right down to individual reporting units and functions in any part of the organization in real-time.

However, innovation through new software presents its own set of risks, including project failure. BOARD seeks to reduce this risk with fast prototyping using a Proof of Concept (POC) approach. It reduces the risk of a 'bad fit' by assisting purchasers to understand and assess the value of a potential solution and the organization behind it. A POC is a form of prototyping a trial application – a close approximation to the final deliverable, but without the finishing touches. It helps to ensure that what is discussed in a pre-sales environment ends up being delivered in the final product.

The POC style of development is most powerful when it is combined with a product that can be rapidly modeled, developed and changed as the requirements develop. BOARD's innovative toolkit approach to application development means that solutions can be built very quickly without having to call on IT specialists.

Not all Proof of Concept systems are transformed into the final application. The Proof of Concept is of course conceptual- a journey of discovery and almost by definition iterative in design. But well executed, a POC is an innovative way of delivering a high level of confidence in the development of a CPM system without taking unnecessary risks.

Like all the best innovations and ideas, the simplest is often the best. Even today, only 61% of CFOs say that the BOARD always has a complete view of business performance, and only 50% say that ad-hoc questions about performance can usually be answered immediately in a BOARD meeting (FSN Future of Financial Reporting 2017 research). The productive effect of a unified environment that enables complete visibility and confident decision-making across the organization is a powerful business tool. It is as innovative today as it was all those years ago.

Innovation 2: Automated machine learning for predictive forecasting and analysis

Capturing more business insight is top of mind for CFOs and interest in predictive analytics as a way to improve the speed and quality of business forecasts is at an all-time high. FSN's research "Innovation in the Finance Function" 2018 identifies that globally, the number one priority for CFOs is to deliver more business insight.

But in this rapidly developing field many finance professionals have struggled to find suitable solutions and others have been concerned that finance functions need to engage data scientists or advanced statisticians to take analytics to the next level.

Recognizing these twin concerns, BOARD has developed "BOARD BEAM" which seamlessly integrates and embeds advanced and predictive analytics into its core business intelligence and performance management applications. However, BOARD has done this without having to depend on an army of experts which is often necessary with traditional data-mining and analytics products.

BOARD BEAM has been designed with finance and business users in mind, effectively incorporating all the power of predictive analytics into daily business operations and the decision-making process. It automatically analyses any historical series and defines the best algorithm to predict it (and identifies seasonality and outliers) based on what has happened in the past. The machine (BOARD) periodically re-instructs itself based on the results achieved by its predictions, continuously improving the outcome.

All of this happens in what BOARD describes as a "Grey" box. This conveys the idea that even though the results are automated it also fully engages human beings. For example, business users can use it by simply configuring some basic parameters, such as 'period to forecast' (how much time ahead) and 'period to use' (how much time behind) – a knowledgeable user can have full visibility on the choices made by the machine and to some extent address the process.

For finance this means a more scientific approach to planning and forecasting combined with a holistic planning approach that can bring great benefits not only in terms of forecast accuracy, but also in terms of addressing decision making based on more intelligent insights, impacting deeply on the company's performance.

BOARD's innovative BEAM technology provides a solution that covers many analytical areas through three different modules: Predictive Analytics, Clustering and Analytical Functions.

Predictive Analytics offers advanced forecasting capabilities through the use of autoregressive linear models. It can automatically evaluate the characteristics of each time series, consequently producing a suitable model, and run forecasts thousands of times faster than traditional methods. The foresight achieved can be refined by adding further information to the scenario to reflect the impact of external variables (covariates) on the forecast. Forecast results are immediately available as measures in the BOARD environment, making it easy to embed predictive analytics into analytical, planning and simulation applications.

Clustering allows finance users to automatically define clusters of similar objects. Business users choose the number of groups and the observation sets (e.g. profitability and turnover) and instantaneously BOARD creates clusters and makes them available as dimensions for analysis in the standard business intelligence and performance management environment. The seamless integration between the clustering capability and the BOARD environment not only enables the immediate creation of reports, graphs, and self-service analyses based on clusters, but also the use of clusters as forecasting or planning units. Furthermore, the capability to manage scenarios allows users to create several clustering options and to always use the best-fit based on the type of analysis or business process they are handling.

Finally, BOARD BEAM offers a set of out of the box statistical functions, from the traditional min/max, average, standard deviation, to algorithms specifically designed for business analysis such as frequency, recency, dormancy and nascency. With this seamless integration into the BOARD platform, business users can instantly use these functions to build any analysis, dashboard or report.

Innovation 3: Next-generation contextual collaboration

Human beings are gregarious by nature, but many core financial processes fail to play to this obvious strength. In an era in which digital communications have shifted from computers to smart phones and Instant Messenger-style applications, the finance function can sometimes seem worryingly out of step. Communication has become central to the way that business is carried out with customers on the 'outside', but this is rarely matched by collaborative tools and communications on the 'inside.

BOARD aims to change that with embedded informal, Instant Messenger-style communications within the body of their performance management applications. This innovation is making a marked difference to the functionality and productivity of their systems.

In common with many other business processes, the typical finance organization relies on a hodgepodge of informal communication methods, such as email, walking the corridors, impromptu meetings, even fax and telephone calls, to prop up the reporting process. Unreconciled items, misclassifications, performance commentaries, inter-company balances, posting errors and queries over variances are often resolved by lengthy telephone calls and email exchanges.

Unfortunately, commonplace productivity tools sit outside of the formal CPM process, placing the finance function at a disadvantage. For example, a policy change may be communicated by an email or conference call, an approval of an account change may be made on a manual form, a problem with a variance may be buried in a Word document, a new deadline may be noted in an Outlook calendar and a commentary on a performance measure confined to a PowerPoint presentation. Individual finance professionals may have to launch five different applications and trawl through several manual systems to keep their finger on the pulse.

But BOARD's innovation allows these tasks to be combined into a single cohesive environment with instant communications at its center. This means that individuals don't have to waste time searching for information, or opening and closing different applications with different access rights and passwords.

When an item is complex or disputed and requires human intervention, individuals in the organization can review it, get a complete history of what has happened and quickly move things along. Furthermore, instant communications that are embedded within the process allow contextually relevant conversations and decisions to be tracked alongside transactions, accounts, reports or other items. All parties involved in a particular matter can have shared visibility of, say, a report on screen while exchanging ideas and views through embedded communications.

This embedded capability provides a far superior capability over email communications whose context may be 'lost' in a variety of email threads that have been fired-off in different directions and may have been started at different times. Instant Messenger capability brings cross-functional communications together in one area, deliverable over a number of different devices, like web browsers, tablets or smartphones. The ability to communicate instantly with colleagues at the same time as sharing a screen not only saves time but provides a more fulfilling and enjoyable user experience.

It means that with the innovation of instant and embedded communications in BOARD software, finance professionals are more attached to the process, and just as importantly, to each other and the business itself.

THE CCH® TAGETIK INNOVATION SHOWCASE

Corporate performance management (CPM) applications are a vital resource for any business, providing the competitive insight and foresight that can mean the difference between success and obsolescence. Having the right technology plays a crucial role in improving the quality of business planning and decision making. But moving to a more data-rich planning environment which straddles operational and financial data, as well as structured and unstructured data, requires powerful solutions to process, churn and synthesize large and varied quantities of data.

Non-financial data is the new game-changer in generating strategic insight, but incorporating new data sources into plans and models brings with it concomitant difficulties, like data integrity and compatibility, not to mention how to handle the sheer volume of data being generated. This has increased the complexity of CPM to the point where it is no longer enough to rely on disparate spreadsheets, unmonitored workflows and unlinked data sources. CCH Tagetik have been at the forefront of innovation in corporate performance management since 1986, striving to deliver a seamless, integrated CPM journey.

The company offers a broad scope of CPM that doesn't only focus on strategic, financial and operational budgeting, planning and modeling, but also provides cutting edge capability around financial consolidation and close, analytics, financial and management reporting, regulatory reporting and disclosure management.

In this Innovation Showcase we focus on three areas that help to support finance functions in an increasingly changeable and demanding world. We demonstrate how CCH Tagetik is laying the groundwork for the future through its (i) Modern Finance Transformation Platform® (ii) its preparations for an era of machine learning and finally (iii) aligning finance and operations with collaboration tools and sophisticated reporting to support a broader spectrum of internal and external reporting needs.

Innovation 1: The Modern Finance Transformation Platform™

Planning, budgeting and forecasting requirements have evolved exponentially, and continue to change and expand in tandem with technological advancements. The key difference between the plans and models of yesteryear and today is the need for ever greater depth and granularity. Finance teams need to be able to build models on the basis of highly detailed data, from a single SKU to a small component part, and planners can no longer be content with average or high-level data to give them the complete picture.

As well, CFO's face increased demands for regulatory reporting, integrated reporting, more forward-looking plans and the desire for self-service modeling & analytics across the organization. All of these require more detailed granular data to be harnessed by the CFO, effectively becoming the data steward for financial and operational information used across the organization.

CCH Tagetik recently announced its newest innovation which is the addition of powerful new data management capabilities to handle the complexity and variety of data that the modern finance team needs. This combined with the performance management applications and processes for which CCH Tagetik is well known creates what CCH Tagetik calls its Finance Transformation Platform.

Now finance and business users can harness massive amounts of granular data, uncover the hidden value within it and deliver business insights that drive more informed and confident planning profitability analysis and decision-making. In the current release this capability is limited to planning and profitability processes. In the second half of 2018 a new module will be launched which extends this capability for incorporating any type of granular data or any purpose into the Finance Transformation Platform.

Now Finance & Operations can perform planning or profitability analysis at sku level, produce detailed KPI's, HR planning at the individual position level and more. With a more detailed view of their data, the CFO can provide more transparency, be more agile and make decisions quicker with more confidence and provide more predictable results and ultimately greater confidence to their stakeholders. CCH Tagetik also leverages this new capability for purpose-built solutions such as its Lease Accounting solution (for IFRS 16 & ASC 842).

For SAP users, the concept has been taken one step further with the announcement that CCH Tagetik runs on the SAP HANA platform (in addition to Oracle and MS SQL Server) which combines CCH Tagetik's high volume capabilities, together with the in-memory processing and flexible data structures of SAP HANA.

Innovation 1: The Modern Finance Transformation Platform™

The profound importance of bigger and more granular data models was supported by FSN's 2017 research (The Future of Planning, Budgeting and Forecasting). CFOs who reported that they had built more granular models in the last 3 years were two and a half times more likely to be able to react more quickly to market change and 40% of them were able to forecast revenue more accurately, i.e. within plus or minus 5%.

With this innovation CFO's now have –the ability to combine comprehensive and robust management and control of financial processes with granular analysis and modeling in one platform. The combination greatly expands the scope and value of what the Office of Finance can deliver to the organization, with automation that frees up resources to perform more value-added tasks.

Innovation 2: Preparing for an era of machine learning

Innovation is not specific to a technology or process, it is also the act of preparing for the next phase of innovation. CCH Tagetik is preparing for the era of machine learning by not only ensuring its CPM environment has the capacity to manage and support the quantity of data needed to enable machines to learn, but also ensuring the quality of that data by codifying, normalizing and verifying both financial and non-financial information

This, combined with the broader capabilities of CCH Tagetik's Finance Transformation Platform provides not only the scope and capacity to deliver the granularity demanded by businesses who need to keep up with changing markets now, but also the next phase of digital innovation, which is machine learning and artificial intelligence.

The key to successful machine learning is to provide machines with enough data to learn, and that means exponentially increasing the quantity of data being analyzed. CCH Tagetik already has the underlying environment to store this vast data pool, and the ability to structure, verify and codify it. But the platform also allows finance to take control and to govern and ensure the "veracity of the data" with confidence – a key requirement as modern finance professionals start modeling with artificial intelligence (AI) and machine learning. AI based on inaccurate data is worse than not having AI at all.

In order to embrace AI, the CFO will need to have supreme confidence in the accuracy and auditability of the data that AI is using. Machine learning is in its infancy, and CCH Tagetik is working with its customers, partners and thought-leaders to fully understand how these new technologies can best be put to use, running focus groups and encouraging discussions about use cases. But even before they are fully deployed, CCH Tagetik is ensuring that their customers are prepared for the advent of machine learning capabilities by making sure their environment can support the opportunity.

Ultimately CCH Tagetik's road map is to incorporate machine learning capability into their platform to take advantage of that data. Meanwhile, their unified environment and integrity of data means their customers will be ready to take advantage of it when it comes.

Innovation 3: Aligning finance and operations

Most Corporate Performance Management solutions limit themselves to processes that manage the performance of a business, specifically planning, budgeting and forecasting, consolidation, reporting and analysis.

In the main, CPM systems draw heavily on underlying general ledgers, but increasingly sophisticated users need to assimilate and merge detailed transactional and other financial and non-financial data to fully understand performance and aid consistency in decision-making across finance and operations. Linking all of these moving parts in one unified environment is an intricate process but also represents a major step forward. In a unified environment, it doesn't make sense to compartmentalize information along traditional statutory and management reporting lines. The massive growth in data and its diversity represents a rich source of information that can be re-purposed for a wide range of financial and operational reporting needs. In other words, a single unified source can serve a multitude of purposes at the same time.

Where once disclosure was limited to statutory accounts, the insatiable appetite of ordinary investors, regulators and other stakeholders (internal and external) for more transparency have vastly increased the quantity and depth of information organizations must report. Rather than just reporting numbers, disclosure has become about putting together documents that conform to exacting and complex standards in order to provide both figures and narrative detail.

With both financial and non-financial data pre-validated and governed by Finance, CCH Tagetik customers can complete the so-called 'last mile' with CCH Tagetik Collaborative Office, bringing together the processes, tasks and activities which stretch from the period close in reporting entities through to the electronic filing of results with regulators. Finance and Operations work from the same set of comprehensive data, with workflow and audit trail; and collaborate simultaneously in the development of board books, budget books etc. in MS PowerPoint, Excel or Word.

The same disclosure management tools that marshal a variety of information sources and documents for regulatory reporting are used to satisfy increasingly demanding internal reporting needs whilst preserving a high level of control, data integrity and consistency across all outputs ranging from ad-hoc analysis to executive management or earnings PowerPoint presentations.

The efficiencies achieved by creating the data once, validating it once, and then using it for multiple purposes is a key innovation within CCH Tagetik's suite of solutions. For them the 'last mile' is not seen as a separate activity or afterthought but as a part of a continuum from financial close reporting and all the steps in-between; in which numbers and narrative are inextricably linked.

THE CXO Software INNOVATION SHOWCASE

Financial reporting, whether for internal stakeholders or public consumption, forms the bedrock of the finance function and is often the primary and most visible measure of the finance function's professional competence and standing. But for many organizations the financial and management reporting process is teetering under the strain of new business models, the clamor for deeper business insights, an over-reliance on spreadsheets that are spiraling out of control as well as financial and non-financial data sources that are scattered throughout the enterprise.

For most finance professionals the ERP system or their financial management system is historically the undisputed center of their 'universe'. But while the general ERP remains the most trusted source of financial information, modern finance functions need to contend with a variety of Enterprise Performance Management (EPM) and Business Intelligence (BI) systems as well as an increasingly diverse range of data sources visited on them by regulation, compliance and the machinations of the digital economy.

It is no wonder that over half of the respondents to FSN's 2017 survey, "The Future of Financial Reporting" said that reporting involves huge amounts of manual checking every time a change is made, and 60% believe they spend too much time cleaning and manipulating data. Their willingness to burn the 'midnight oil' to ensure the financial reports are delivered accurately and on time is admirable, but it isn't sustainable. It leaves very little spare time for modern finance professionals to fulfill their wider role as business partners and advisors.

It's a familiar tale to CXO Solutions BV, an innovative organization founded in 2007 by EPM and finance professionals frustrated with the lack of financial reporting functionality of historic Excel and BI based approaches to performance reporting. The founders set about creating CXO Software to provide pre-built and configurable Enterprise Performance Management (EPM) adapters that connect intelligently to multi-dimensional financial data, inherit its hierarchies, structures and metadata, without having to rely on the IT function or incur excessive cost.

Their solution, which focuses exclusively on the needs of finance professionals is innovative and unique. In this Showcase we highlight just three innovations in CXO Software, namely, its ability to coalesce multiple sets of data into a single trustworthy environment for reporting; its embedded ability to provide an engaging environment for 'conversation' and collaboration and, finally, its ability to support business partnering with 'out-of-the-box' reporting and intelligent data visualization.

Innovation 1: Connecting the dots for the Modern Finance Function

Having trustworthy financial information at one's fingertips is a constant challenge for complex businesses in a constantly evolving financial landscape. Effective decision-making demands accurate, complete, consistent, reliable and timely data. But this is difficult to achieve if numerous applications are 'loosely coupled' together and the underlying data and metadata (such as accounts, currencies, and periods) are scattered across multiple data repositories and applications (BI systems, EPM systems and spreadsheets) in the cloud and on-premise.

But lifting data from enterprise performance management systems is challenging. Traditional business intelligence or pure reporting tools are unable to leverage the data held in performance management systems because they lack 'financial intelligence', i.e. the ability to recognize and understand the intrinsic accounting value in the underlying data.

CXO Software was designed from the start with financial intelligence in mind. It understands debits and credits, the signage on transactions and, for example, where income and expense line items should be placed in a profit and loss report and which side of the balance sheet to place assets and liabilities. It also understands the difference between month-to-date and year-to-date data as well as variances and routine accounting calculations.

Furthermore, CXO Software's pre-built "connectors" to popular EPM systems understand the structure of the underlying multidimensional models in performance management systems. Hierarchies (metadata such as accounts, cost-centers, time periods) can be imported directly into CXO Software's without compromising the integrity of the structure. It means that the hierarchies and accompanying data can be surfaced rapidly in the CXO Reporting Engine with complete control and without losing context or meaning. Importing the data this way provides a high level of control and it is easier to verify that data has been captured completely and accurately. It is this consistency between CXO Software and the original data source that makes the CXO environment trustworthy, the "Single Version of the Truth" that seems to elude so many organizations.

The concept of financial intelligence in CXO Software also enables the generation of 'Out-of-the-box' dashboards and reports. The reports commonly used by most finance functions can be populated immediately (and automatically) with the relevant data and hierarchies so that users can be productive almost right away with negligible manual intervention. But crucially, the connector also captures calculations embedded in the original EPM database. These calculations can be codified and added to a library, where only report builders have access to, removing manual data manipulations and ensuring consistency across the CXO environment.

All of this compares very favorably with common business intelligence and other specialized reporting tools for which the data is often imported via CSV files and has no intrinsic meaning. As a result, these traditional tools require considerable set-up effort and the underlying data has to be 'mapped' to the relevant target dimensions before it is usable.

The key distinction for CXO Solution's innovation is that CXO Software has been designed by finance professionals to be used exclusively by other finance professionals, whereas BI and other reporting tools are generic tools designed to work company-wide in all departments.

Innovation 2: Telling the Story – Conversation and social collaboration

In an age in which automation, AI, machine learning and even accounting robots are front of mind it is worthwhile reflecting that financial reporting is a collaborative venture that requires professional judgment, experience and expertise. While transaction flows can be replaced by machines the automatic generation of meaningful narrative and interpretation seems a long way off into the future, if it happens at all.

“Narrative” or explaining financial results and making decisions is a mixture of art and science but very few financial reporting systems are good at collecting narrative. Yet the narrative imbues the organization with knowledge and understanding. And reaching that understanding is a collaborative affair. For decades, the focus for finance systems has been on the numbers and not the narrative. As a result, there is frequently a profound disconnect between the reported numbers and the narrative which can easily lead to loss of understanding.

The problems of communication are compounded within large multinational organizations with finance functions operating in different locations and even time zones. When issues arise in reporting it is often difficult to get matters resolved without resorting to long email exchanges with spreadsheet attachments or lengthy conference calls in which one party cannot see exactly what the other is referring to.

CXO Software innovatively provides a platform for narrative and numbers in a single dependable environment. Narrative (a complete commentary) can be captured at any level or node in the organizational hierarchy and rolled up to provide a complete perspective. Narrative captured this way provides a basis for discussion, but it is the way CXO Software ‘invites’ collaboration that is advanced and innovative.

Discussions captured as narrative are attached to the report providing a permanent record of the matter under discussion and how it was resolved. And all of this without recourse to email exchanges. The whole ‘conversation’ is captured within CXO Software.

Innovation 3: Data visualization and story board

Recent FSN research, highlights the importance of data visualization for driving business insight. Spreadsheets and pivot tables, the staple solution for the majority of finance departments are static and provide very little in the way of insight.

Insight is driven by graphics and charts and therefore CXO Software's out of the box reporting is an especially welcome innovation that reduces 'time to insight' and provides for real-time access to financial data and KPIs with the ability to drill down into the detail in real-time as well – something that is difficult to achieve in a spreadsheet-bound environment.

For example, CXO's 'Home Page Template', the starting point when opening CXO Software is specially designed to give end-users an immediate view of the performance of the company by showing the most important KPIs in the middle of the screen as well as specified news items.

A multiple scenario analysis template, as the name suggests, combine several scenario-trends in one axis-frame so that it is possible to show the Actuals until the current period and the Forecast for the rest of the year.

In an era in which many finance functions are seeking to support business partnering, a Value Tree template gives insight into the build-up of an account (or any other dimension) and can be used to explain performance to non-financial users. Finally, a Waterfall Graph or Cascade Graph can be used to analyze the difference between actual and budget (or any other reference category) or to analyze movements from prior year to actual date.

Most importantly, the insights gained can through CXO's impressive collection of out of the box dashboards and reports can be very easily shared. CXO's "Story Board" functionality can be used to assemble reports into miniature board packs of reports relevant to a specific individual or group of individuals, (perhaps by role) and shared across the organization. It comes in play to substitute hard copy reporting packs, where it allows authorized users to capture screens, reports, charts and graphs in one workspace that can be shared with others (that have security permission) so that they have shared visibility at the same time of the report or other item under review.

THE ORACLE NETSUITE INNOVATION SHOWCASE

In a world awash with cloud solutions, Oracle NetSuite can confidently claim to be a visionary innovator because 20 years ago it became the first cloud ERP software company. Since its inception as a purely financial ERP (enterprise resource planning) system, Oracle NetSuite has expanded from its suite of back office financial management applications to include operational functions and customer relationship management (CRM). The incorporation of operational data into the core financial system gives its users a panoramic view of performance across the company, at a strategic, operational or even single customer level.

The decision to provide the full breadth of ERP capability alongside core financial management minimizes the number of software solutions (and vendors) their customers need, whilst enabling organizations to link back-office functionality with customer-facing operations. At the forefront of this connection are Oracle NetSuite's innovative Ecommerce and CRM platforms that help give an end-to-end view of the customer journey. But even before that can happen, Oracle NetSuite is innovating the way its entire product range is implemented, to speed up and smooth out the transition to Oracle NetSuite's ERP in the cloud.

In this Showcase we highlight three major innovations that support these objectives, Oracle NetSuite's unique approach to implementation, called "SuiteSuccess" and the end-to-end visibility afforded by Oracle NetSuite's in-built Ecommerce and CRM applications.

Innovation 1: SuiteSuccess

Traditional software implementations and technology upgrades often involve a long, arduous journey where the core software is configured and customized to fit the diverse requirements of each organization's individual needs. But it can take many months to configure the 'perfect' system for each company, and frequently process knowledge is lost at the handover between the pre-sales consultants and the implementation team. As a result the product delivered on the first day is frequently a far cry from what was promised during the sales process.

Oracle NetSuite has sought to eliminate this disconnect between expectation and delivery by building preconfigured versions of their products for different sectors or markets, drawing on the leading practices of their customers within that sector, to provide a relevant configured version of their software from the very start.

The key to "SuiteSuccess", as Oracle NetSuite's new sales and implementation methodology is called, is the refinement of the application at the point of sale, so that discussions with the customer about their requirements are happening in tandem with the configuration of their software. A 'Proof of Concept' is no longer an abstract exercise to be discarded when the real implementation gets underway, but a working prototype that can be pressed into action as soon as the implementation commences.

Starting with a store of preconfigured processes, roles, dashboards, KPIs and reports means organizations already benefit from the leading practices used in companies within their sector and enjoy significant business transformation 'out of the box' by implementing improvements in their processes when NetSuite goes live.

This innovative approach eliminates the expectation gap between promise and execution. What is discussed, and demonstrated during the initial pre-sales discussions is what is delivered to the customer, significantly reducing project risk and ensuring that the customer organization has the opportunity to exploit fully the transformational potential of revising its processes.

Indeed, FSN's research in 2017 showed that only around half of all organizations take advantage fully of their migration to the cloud to modify their processes. Oracle NetSuite says that its statistics show that SuiteSuccess has been transformational for them as a business as well. It has not only been shown to substantially lower implementation risk and improve the speed of delivery but it also bolsters customer satisfaction rates significantly.

Innovation 1: Mid-market CPM beyond the finance function

SuiteSuccess is enabled by virtue of NetSuite's true multi-tenanted cloud proposition. As a cloud vendor, Oracle NetSuite can readily observe exactly how its applications are being used in the field across its entire customer base. For example, it has access to the summarized data, processes, reports and functions that work best for organizations within the same sector. Furthermore, the cloud enables Oracle NetSuite to build and customize its proof of concept throughout the sales consultation period, without delay and disruption- something which wouldn't be possible if the software needed to be configured on premise or in a privately hosted environment.

Currently Oracle NetSuite has around 18 preconfigured solutions for different types of organizations in the US, and almost all US migrations to the NetSuite platform leverage the SuiteSuccess approach. As best practices can be specific to country reporting requirements, Oracle NetSuite is rapidly developing these solutions across its regions, with a number already available in the UK and across EMEA and more to follow as the innovation is ramped up across the world.

Innovation 2: Ecommerce, a flag-bearer in the ERP world

Organizational silos have traditionally separated departments and functions, limiting communication and cooperation, invariably to the detriment of the company. This 'us and them' mentality is disappearing as technology and organizational roles have changed – ultimately companies must collaborate to fend off the growing threat of competition from more agile businesses.

While the need for collaboration between the finance function and the operational and customer-facing parts of the business is well known, traditional software solutions have, to some extent, hindered this natural coalescence. ERP systems to oil the wheels of financial and back office functions operate separately from the front-office sales channels, requiring substantial technical support to enable data to flow, even intermittently, between them.

But as an FSN research study "The Future of the Finance Function 2017" identified, the advantages of linking front and back office functions is immense. Those that have already automated and standardized their processes to enable the free-flow of information across the organization make quicker more informed decisions, have time for value-added initiatives, and have a better view of organizational performance.

Importantly, if the front and back offices aren't linked effectively, the company risks losing out from unidentified revenue earning opportunities as well as potentially unsatisfied customers.

Oracle NetSuite's SuiteCommerce platform allows their customers to create a connected web, mobile and in-store experience whatever their product or end user. The integrated commerce solution seamlessly connects ecommerce and in-store point of sale with order management, inventory, merchandising, marketing, financials and customer service. It applies not only in B2C environments but also for B2B suppliers, where e-Commerce is growing rapidly as vendors are able to deliver a better, more efficient services by giving buyers online access for procurement, receiving, invoicing etc.

Oracle NetSuite's uniqueness within the ERP space is the ability to see the entire customer lifecycle, from start to finish, increasing the likelihood of retention and improving engagement, personalization and management decision-making.

The SuiteCommerce platform includes several preconfigured versions designed for different organizations, with specialist areas in retail and fashion. Customers create their own 'skin' to layer over the backbone of the ecommerce platform, add their branding, look and feel, while all the time retaining the direct link between the retail end, inventory and the financial processes behind them. With all the data in a unified NetSuite environment, customers can monitor the process from demand to sales, manufacture to distribution and inventory, and troubleshoot issues throughout the process before they impact the business further up the chain.

Innovation 3: End-to-End visibility of the customer journey

CFOs and senior finance executives are increasingly recognizing the need to utilize non-financial data to augment their insights into the performance of their business. In FSN's most recent survey on Planning, Budgeting and Forecasting, 26% of senior finance executives ranked customer relationship management (CRM) data as their most insightful source of data, second only to the general ledger. Smart CFOs know that they need to look beyond the financials to remain relevant and competitive in their market.

Oracle NetSuite recognized the benefits of operational and customer data early on and integrated NetSuite CRM into its offering from soon after its inception. This enables companies to organize, automate and synchronize sales, marketing, customer service, and technical support.

Oracle NetSuite's innovation lies in the connection between CRM and ERP, to provide a single customer record within the ERP environment with all of the benefits this implies for ease of maintenance and reduction of errors. Even if a company has integrated its ERP with a third-party CRM product, that generally results in separate customer records within each system, which invariably fractures the visibility of that customer. In NetSuite, a customer record holds all the data on their journey, from marketing to sales, to delivery, to payment, which can help users integrate their marketing plans based on payment method and speed, offer special products and promotions, and address customer issues to improve satisfaction. For added impact, NetSuite customers can also harness the power of Oracle to expand their marketing capabilities by using the extended capabilities of the Oracle marketing cloud.

What of the future?

NetSuite's enhanced visibility of operational and financial processes, and the data this generates, is allowing the company to explore the opportunities provided by machine learning and artificial intelligence. While still in the early stages of investigating where these new technologies will add the most value, Oracle NetSuite is already seeing obvious advantages in the process of exception management and the potential for blockchain technology.

THE ONESTREAM SOFTWARE INNOVATION SHOWCASE

Innovation has been at the core of OneStream's approach since the very beginning, driven by its founders who have a long history of financial software innovation. Before co-founding OneStream, Tom Shea, a veteran of the financial reporting software industry, founded UpStream which was acquired by Hyperion and became the Hyperion Financial Data Quality Management (FDQM) product. OneStream co-founder Bob Powers, invented, architected, implemented, and led the development organization for Hyperion Financial Management (HFM) in addition to leading development for all financial applications at Hyperion.

It is this deep background in financial system engineering combined with a chance to do it all over again that spurred the development of OneStream. Having learnt what worked and didn't quite work the first time around, the founders sought to overcome many of the commonplace barriers to smooth financial reporting and planning in sophisticated organizations by using their formidable domain knowledge to create a completely fresh approach.

In this Showcase we highlight three major innovations, namely; Extensible Dimensionality®, the XF MarketPlace, and what OneStream calls "Smart CPM™" (corporate performance management).

Innovation 1: Extensible Dimensionality®

From the very start, OneStream's founders wanted to solve a widespread problem within the CPM market – the issue of the divergent requirements for business units and the corporate center. In earlier generations of CPM software, disparate business units that needed to budget or plan at their unique and relevant levels of detail would often be forced to manage this in separate products and applications in order to preserve local reporting requirements without jeopardizing the overall budgeting or consolidation requirements at the center. Inevitably, compromises meant that local reporting entities often lost out to the more pressing needs of the corporate center.

OneStream has eliminated the historic tension between the corporate center and reporting units by removing the need to build and maintain separate applications to accommodate specific business unit reporting requirements. Its Extensible Dimensionality® allows business units to develop their own budgets and financial reporting to suit the level of granularity they need, within a single instance of the OneStream environment, while also rolling this data up into the standard central information required at the center.

The premise of Extensible Dimensionality is flexibility. Complex organizations are in a constant state of flux and their CPM system must be able to change as the company changes, for example, adding new accounts, cost centers or products as the need arises. OneStream currently has a market-leading 18 dimensions, 10 of which are predefined and 8 of which are custom dimensions. Integrated financial data quality management tools enable direct integration with any open ERP/GL system or any other internal or external source, and specialized migration tools allow meta data to be drawn in quickly from older generations of CPM solutions.

Extensible Dimensionality is innovative because it allows organizations with complex structures to satisfy local and central information requirements without compromise and to change sympathetically with the business as the organization changes shape or grows. It also provides corporate Finance and other executives complete visibility into business unit detail as they analyze summarized financial results- with drill down capabilities into the operational details, and through to transactional systems.

Innovation 2: The XF MarketPlace

All businesses are inherently different which is why a single piece of software can never be all things to all people. Progressive vendors know they must continually update and improve their service to meet the diverse needs of their customers. Sometimes though, universal upgrades aren't enough and specialized solutions are required for specific situations. Recognizing that these specialized solutions may benefit a number of customer organizations OneStream has opened up the availability of these unique solutions and made them available for download by customers and partners via their innovative XF MarketPlace.

Modeled on an app-store, customers can select the solutions they need, quickly download them onto their existing OneStream CPM system, configure and deploy them to address new requirements, without having to resort to in-house development, spreadsheet workarounds or integrating third-party software.

Solutions already exist in the XF MarketPlace for 'Account Reconciliations', 'Close Management', 'Reporting Compliance' (IFRS 16/ASC 842), 'People Planning', 'Capex Planning', 'Cash Planning' and 'Thing Planning', the latter being a pre-built component for detailed driver-based planning on anything, like project planning or SKU level planning. Users of the MarketPlace simply choose the most relevant applications to add to their OneStream platform. And because these solutions are written to the same design and development standards as the core CPM platform, the approach greatly reduces the risks and timescales associated with adding specialized functionality.

Currently all the solutions in the XF MarketPlace have been built by OneStream, but partners are also now adding to the collection of solutions. These partner developed solutions must conform to development guidelines and a certification program. This promises to bring even more choice for customers in the future.

The XF MarketPlace solutions already available include a combination of productivity tools, specialty planning tools, financial close tools and compliance solutions. Often, they draw on datasets outside of the core CPM remit, and this could provide a helpful boost to the availability and advantages of non-financial data within CPM processes.

FSN's surveys on the future of the finance function and on planning, budgeting and forecasting have all highlighted the substantial advantages of including a wide range of non-financial data to improve insight when generating forecasts, plans and budgets. But the obstacle has often been the integrity of data derived outside of the strict finance processes, as well as its traceability.

The range of financial and non-financial data being delivered into the system is growing as the number of solutions grow. For example, information about lease contracts and people management can now be drawn into planning models and reporting scenarios and used to uncover more accurate insight across the business.

Innovation 3: SmartCPM™

Central to the concept of SmartCPM is the ability to handle multiple requirements in a single application, extend and grow as companies add business units and new data dimensions, and draw on and analyze multiple dimensions without constraint. Deployable on-premise or in the cloud with full interoperability, OneStream's unified environment provides the platform for these capabilities through data blending, scalability, interchangeability and machine learning.

Relational Data Blending:

The flexibility of the unified environment extends to its core analytical processes, which can seamlessly blend data at varying levels of granularity, without overloading the analytical engine (the 'cube') with detail.

It allows companies to bring very detailed transactional data (frequently held in a relational database environment) into this analytical 'cube', offering up granular insights that are frequently lost when CPM systems only focus on the central corporate financial requirements. But crucially, the relationship between granularity and overview is bi-directional so that finance professionals can drill back to relational source data within OneStream, then back to source systems or forwards to consolidated numbers as needed. This relational data blending capability is leveraged in some of OneStream's XF MarketPlace solutions such as People Planning and Lease Accounting.

Smart Scalability:

When an organization scales up, extra business units or operational dimensions can be easily added into the unified environment. For organizations that deploy via the cloud, OneStream XF Cloud leverages the Smart Cloud platform of Microsoft Azure, enabling user organizations the flexibility to 'scale with the burst', or draw more capacity during times of greater demand.

This is especially important because financial consolidation, budgeting and forecasting are particularly prone to peaks and troughs of demand at month-end, quarter-ends and year-ends. Now, these demand changes are managed as they occur, but machine learning techniques are being introduced by OneStream which, based on usage data, will anticipate these peaks and troughs, and automatically adjust processing capacity to suit each organization's needs for truly autonomous CPM scalability.

Interchangeability:

The cloud may appear to already be ubiquitous for all software applications, but many companies still want the option of an on-premise solution. OneStream's vision of a SmartCPM platform enables their customers the choice of either, by offering full interoperability of on-premise and cloud deployment. Its customers can choose to switch from one to the other, in most cases in just a matter of hours.

Experimenting with Machine Learning:

Machine learning is on everybody's lips but many instances and examples in the finance function are experimental. Vendors will play a leading role in developing the full potential of machine learning and OneStream is at the forefront of Machine Learning innovation. Presently, it is capitalizing on its stage engine data integration capabilities by pulling in new data sources at low levels of granularity, integrating it with a machine learning engine and then bringing it back into the CPM environment to leverage its analytic capabilities to inform predictive models and forecasts and compare them to actuals and traditional forecasts.

THE PROPHIX INNOVATION SHOWCASE

The modern finance function is increasingly called upon to provide predictive and proactive insight. But without collaborative business partnering and a cohesive technology platform to support it, finance and FP&A professionals will be stuck looking backwards instead of realizing their full potential as strategic business partners.

Many organizations have invested large sums of money in infrastructure, yet despite very rich operational systems, they are frequently fragmented and used by each department independently. The big challenge for finance is how to bring an organization's disparate systems together to collate the data that will build up a comprehensive picture of corporate health and strategic direction. Organizations may have marketing automation tools, sales automation tools, ERP and CRM systems, and business intelligence tools, but very often these do not communicate with each other. The key to business partnering is to weave all this together to tell a story of where the business is heading.

Historically, mid-sized companies and rapidly growing businesses have been at a significant disadvantage. They find themselves mired in spreadsheets and disparate operational systems without access to affordable Corporate Performance Management (CPM) systems that are sympathetic to the needs of the mid-market. Traditional CPM suites tend to be large, unwieldy and poorly integrated and frequently require the support of specialist IT and dedicated application resources that are beyond the reach of smaller enterprises.

Prophix's crowning innovation was to bring CPM to the mid-market, making it accessible and affordable. And that tradition of innovation in the mid-market has continued to evolve. In this Showcase we highlight just three areas, namely, how Prophix extends the reach of CPM beyond the finance function; how it uses natural language processing, AI and Machine Learning to 'humanize' the user experience and, finally, its approach to enabling successful finance transformation.

Innovation 1: Mid-market CPM beyond the finance function

Traditionally, organizations have built up their budgets, plans and forecasts along functional lines – simply because that is the way that people are usually organized. But business processes do not respect functional boundaries. For example, the ‘Quote to Cash’ cycle embraces Inventory Management, Sales, Logistics and Finance. Furthermore, the true costs of sourcing a product, delivering it to a customer and getting paid are driven by the process – not by functions. Plans in one area need to be consistent with projections in another to achieve cross-functional collaboration and allocate resources efficiently, and if satisfying a performance objective in one place is not to have unforeseen consequences in another.

But collaboration in business planning is far more than the sum of the parts. FP&A professionals know that the true value of collaboration comes from harvesting the different perspectives, ideas, experience and know-how of functional experts from across the business. This process of challenge and negotiation adds considerably to the quality of the plans, since it represents the combined wisdom of all the participants.

Although the idea is conceptually straightforward, it has proved to be elusive because of over-reliance on spreadsheet-bound processes, a lack of control over data quality, limited use of advanced planning tools and the cultural impediments that afflict many planning processes.

So, how does FP&A meld, for example, people planning, sales planning, project planning, working capital and CAPEX planning in one environment? Central to Prophix’s innovative approach is a unified CPM platform that allows these diverse planning needs to be managed in a single environment that is subject to consistent audit, governance and workflow.

A unified environment liberates the functions from repetitive processes using spreadsheets and proprietary systems and in so doing, allows FP&A professionals to extend their reach and transform their role as business partners and finance leaders.

Prophix’s CPM solution is available on-premise or in the cloud allowing customers a choice of deployments depending on what works best for their organizational requirements. The cloud lends itself to a collaborative process, such as forecasting, by enabling virtually limitless reach so that different functions have shared visibility of business models and plans. Similarly, modern cloud technology provides the ‘elasticity’ that enables the construction of large and granular models on-demand.

Innovation 1: Mid-market CPM beyond the finance function

But it is the breadth of technology solutions sitting in the Amazon cloud platform (which Prophix uses) that is truly transformational, allowing Prophix to leverage web services such as data-visualization, dashboards and even natural language processors that take the user experience to the next level.

Prophix's innovation is that it has extended the reach of mid-market FP&A professionals and gifted them the same analytical capabilities that in earlier years were only available to much larger enterprises.

Innovation 2: Support for 'natural language' interaction

Extending the reach of financial forecasts and plans outside of the finance function requires a fundamental shift away from grid-based spreadsheets to something that is more accessible and natural for non-finance professionals to work with.

As part of the wider 'consumerisation' of business information Prophix has been re-designing the user-experience to make it more interactive, with touch and visualization that gives it the 'look and feel' of familiar consumer applications. In effect Prophix has applied elements often taken for granted in the consumer world into its CPM applications.

Importantly, data visualization, graphing and charting is at the core of Prophix's offering, and FSN's research (The Future of Planning, Budgeting & Forecasting 2017) highlighted the pivotal role of these technologies in driving forecasting performance and insight. The research identified that insightful organizations make far greater use of visualization technologies.

But Prophix, is also driving insight by enabling a more conversational approach to interrogating corporate data without having to understand the underlying data structures. This is especially important as FP&A professionals extend their reach beyond the finance function to operational areas that are uncomfortable with spreadsheet-style reporting.

For this reason, natural language processing is an area of intense focus for Prophix as it seeks to leverage tools available on cloud platforms to help non-financial users obtain answers to their most pressing questions. For example, users should be able pose natural language questions in a 'Siri-like' fashion, such as, "What were my last 12-month sales in the North America region?", "Why did sales go up during that period?", "Who were my most profitable customers during that time?"

Natural language processing (NLP) has progressed through the proof of concept stage and Prophix says it hopes to release its initial capability in late 2018. The company is also investing in Artificial Intelligence to humanize the user experience alongside natural language processing so that users could, for example, use a NLP request to generate a one-off report and have it delivered by email to a specified list of recipients. And in parallel, Prophix is looking at how its solution can automatically generate commentary from its data by leveraging specialist cloud-services for natural language generation.

Although at an early stage, machine learning is being actively explored to augment the productivity and skill sets of FP&A professionals. Looking for trends and patterns is limited using present day toolsets and FP&A is not well equipped to deal with very large data volumes that emanate from other business functions, such as marketing, sales and operations. Machine learning is being used to create 'trained' business models from data that has been collected and these are improved with yet more data over time. The aim is then to use the output of trained models in Prophix to drive up confidence in forecasting.

Innovation 3: Collaborative transformation

It takes more than a set of applications to transform the capabilities of financial and operational forecasting. Regrettably, few organizations fully seize the opportunity to change the way they work, especially their underlying processes, when migrating to a new CPM environment. For instance, FSN's Future of Planning, Budgeting and Forecasting 2017, highlighted that just 11% of companies moving to the cloud changed their processes. While they benefited from some of the basic advantages of cloud migration, many missed out on the transformational potential of such a move because they simply resorted to replicating their on-premise processes, in the cloud instead.

Many of these projects fail to realize their potential because of lack of adequate challenge, the tools to help visualize how processes can be transformed and a vendor relationship that is too remote.

By contrast, Prophix's ethos of continuous, rapid transformation runs through the veins of the organization and the level of partnership that it seeks with its clients. From initial implementation to operation and support, Prophix works closely alongside FP&A professionals to make effective changes that provide a strategic advantage for their organizations.

Rather than being technology-led, Prophix uses a more process-led approach from the start, utilizing its workflow manager to capture a visual model of the present "as-is" process, and collaborating with its users to explore what the "to-be" process could look like as well. This highly visual approach is more engaging and challenging. For example, when the processes are reduced to a series of workflows it is much easier for FP&A professionals and other stakeholders to see inefficiencies and overlaps as well as prioritize areas for change. In addition, an external organization such as Prophix can bring welcome challenge to process design especially where this is grounded in deep domain expertise and vertical market knowledge based on more than 3,000 mid-market implementations.

Following collaboration and agreement across the user community, the visualization can form the foundation of the Prophix application(s) to be built by the organization, whether it's people planning, sales planning, project based or intercompany reconciliations. FP&A professionals are encouraged to prioritize the process improvements that will provide the biggest impact across the organization, and ultimately show quick progress and better buy-in from across the company – something that is especially important in mid-market enterprises

Ultimately, Prophix's more collaborative style of working has been found to accelerate the implementation, achieve better user buy-in and achieve higher levels of project satisfaction, innovation and success.

THE SAP INNOVATION SHOWCASE

SAP has been the world's largest single provider of ERP systems by market share for many years, leading the on-premise market long before the advent of the cloud. In this new cloud era, SAP has maintained their dominance in the face of overwhelming and disruptive technological change through continuous innovation. The software giant has embraced the explosion of data by designing an in-memory database, SAP HANA, from which applications can quickly access and analyze real-time data, and building their Cloud ERP system SAP S/4 HANA Cloud to exploit the advantages of a cloud platform.

At SAP's digital core are the business transactions that form the bedrock of the finance function, and the intelligent insights that can be gleaned from the vast stores of data that flow through corporate systems every day. These systems aren't only finance focused. They include and connect marketing, supply chain, human resources or ecommerce data that provides the operational nuance finance executives need to make informed strategic decisions.

In this Innovation Showcase we highlight three areas of innovation. We show how SAP transforms Cloud ERP by bringing transactions, advanced analytics and planning together into a unified in-memory system for a single source of the truth. Around this digital core, SAP has embedded innovative new technologies that are making finance applications more, "intelligent" and insightful, from machine learning to natural language processing and chatbots, to robotic process automation. These new innovations are designed to make it easier for finance professionals to collaborate across the business in a familiarly social way, ultimately enabling real time interaction and cooperation to run better.

Innovation 1 - An "Uber Unified Environment."

A "Unified Environment" is a frequently over-used expression that means different things to different organizations. The term "Unified", can be applied to applications of very limited scope, say, a financial management system comprising no more than core financials; a best of breed planning, budgeting and forecasting system; or perhaps a corporate performance management (CPM) application replete with financial consolidation and reporting but separate from the system of record. But SAP's innovation is that it brings a breadth and depth of capability that is almost unique and unchallenged in the office of the CFO – a "Uber Unified Environment" that permeates every financial process that impinges on the modern finance function. At its epicenter is the tight integration between SAP's business transaction layer (digital business framework, the SAP S/4 HANA Cloud ERP suite) and its analytical layer dedicated to driving intelligent insight to action. Put bluntly, it's a one-stop-shop for CFOs – a financial management system for core financial functions that integrates seamlessly with SAP's analytical engine within SAP Analytics Cloud, ultimately providing the foundation for real-time execution, analysis, and planning from the boardroom to the shop-floor across the organization. And weaving its way throughout the entire offering is embedded intelligence and social collaboration capabilities (see below).

However, SAP's solution is not limited to integration in one plane. For example, analytics and transactions are unified vertically through the organization but, seated within this capability, is horizontal integration between predictive analytics, planning and business intelligence. And nested within, is integrated (collaborative) planning that unifies, for example, financial, human resources, and sales planning. It means that FP&A (Financial Planning & Analysis) professionals can plan, model, analyze and report all in one place using embedded predictive analytics and machine learning to enhance their results.

But there has been no compromise in assembling such pervasive capability in one environment. For example, SAP's planning and budgeting functionality would rival many best of breed applications available in the market today and the breadth of its applications covers off workforce management, supply chain, spend management, customer experience and risk management. In fact, SAP Analytics Cloud was designed to be a best-in-class planning and analysis application.

One of the biggest advantages of SAP's unified environment is being able to access and analyze data in real time. With integrated consolidation capabilities, users can generate a soft close at any point during the reporting cycle, breaking free from period-end limitations and providing valuable visibility.

But the environment doesn't end at the ERP and analytics system. As planning and forecasting incorporate more and more non-financial data, both SAP S/4 HANA and SAP Analytics Cloud can be portals to draw data from operational areas of the business to provide greater insights. The connectors that allow this free flow of information are optimized for seamless integration with SAP's own business applications, but are equally able to draw in non-SAP source data.

The speed and agility of such a comprehensive unified environment, coupled with the capabilities of SAP Analytics Cloud, provides the modern finance function (of all sizes, geographies and industries) with all the insight they need to make informed strategic decisions in real-time.

Innovation 2 - Embedded Intelligence

Artificial intelligence (AI) is proliferating faster than Amazon's Alexa can play your favorite song, but the majority of innovations have so far been confined to consumer products. The tide is turning though, and SAP is at the forefront of business-led AI, incorporating various types of artificial intelligence into many of their products to make applications more intelligent. The secret is that nobody needs to know.

Instead of making their customers find and select the smart solutions that AI enables, they are embedding these innovations directly into their financial management system. For example, existing features within SAP's planning application automatically generate predictive forecasts so FP&A professionals don't need to follow a repetitive process to generate them each period.

SAP's embedded predictive capabilities use machine learning for "smart discovery." This means the application will identify variances and then go on to identify the root causes of these variances, enabling finance professionals to elicit insights out of their data that may have gone undetected without the processing power of machine learning. It also enables predictive accounting by intuitively leveraging information already in the accounting system but not necessarily GAAP-relevant, (i.e., Sales Order Entry, inventory movements, PO entry, etc). The embedded intelligence automatically translates these type of transactions into predictive accounting and financial statement values, and language decisions makers can have confidence in.

Another application of artificial intelligence is natural language processing, which recognizes language, contextualizes spoken commands and carries out requests. It is the driving force behind digital personal assistants like Siri and Alexa, as well as SAP CoPilot, their conversational digital assistant. This ultra-smart chatbot is designed to simplify processes, but behind each conversation is a complex process of artificial intelligence, speech recognition, natural language processing, statistical analysis and machine learning. Starting with pre-defined business rules and gradually learning from behavioral data, it provides insights and recommends next best actions to use.

SAP CoPilot brings very welcome relief and productivity in an environment where many finance users spend over a quarter of their day simply looking for information. Indeed, FSN's Future of the Finance Function Survey 2016 found that 42% of finance professionals spend too much time on statutory reporting and 32% spent too much time on management reporting.

But time-poor finance professionals also find themselves mired in transaction processing with 52% saying it swallows up too much time. This is where embedded AI and machine learning can have such a profound effect. Take for example the cash allocation process for accounts receivable, a manually intensive process that can be transformed and accelerated by machine learning. SAP Cash Application intelligently learns how to automatically match cash to invoices based on previous account history and continuously refined matching criteria. It improves productivity and enables much faster clearing of unreconciled items, leaving finance personnel to focus on the more complex and esoteric situations.

Robotic process automation, chatbots, machine learning and the other applications of artificial intelligence are helping to automate the repetitive and time consuming tasks within finance, freeing up professionals to focus on the more fulfilling value added activities that drive the strategic imperative of the modern finance function.

Innovation 3 - Social Collaboration

The ubiquity of the mobile phone and the proliferation of social media has changed the way people communicate in social settings. Organizations are mindful of the ease with which people now expect to be able to communicate digitally and are transferring that into the business context. By their very nature, SAP's finance information management systems need to be collaborative, and the easier it is to discuss, converse and track collaborative decisions, the greater the outcome. To this end, SAP has embedded social collaboration into its key products, including the SAP Digital Boardroom and SAP Analytics Cloud.

Users can see, follow and comment on discussion threads, send messages, add attachments, include comments on data points, and even link to other stories, without leaving the application. People engaged in the conversation have shared visibility of screens while they collaborate and importantly, these discussions can be attached to 'objects' such as a project, a customer or a variance, providing a permanent record of discussion and decisions. This immediate and embedded social collaboration speeds up processes and improves efficiency and accountability across the finance function and operations.

SAP Digital Boardroom brings management meetings to life; interactive across devices and geographies, meetings can be remote or centralized, and all users can interact, on screen with the data and the participants. It is designed as a live interface for decision makers, not just a dashboard of stale data, and remote users can join in discussions through social media-type conversations.

The SAP Digital Boardroom draws on real time data and analysis to allow immediate interactive insights, so managers can simulate forward-looking scenarios change the drivers of the data and generate new forecasts or insight right on screen with a graphical value driver tree. This eliminates the 'I'll get back to you with that figure' conversation that typically slows down management decisions as well as removing disagreements over the integrity of the data being presented and discussed. The holy grail of "one version of the truth" is within everyone's grasp.

The SAP Digital Boardroom is a major innovation and significant step forward for the modern finance forum. Previous FSN research points to the importance of data visualization for driving insight and engendering better understanding when collaborating with personnel in other business functions. But the SAP Digital Boardroom also helps to overcome many of the historic difficulties that surround the traditional manual board pack. FSN's "Future of Financial Reporting 2017" research highlighted that 30 percent of boardrooms delayed decisions over concerns about data quality, 40% complained that they didn't have a complete view of business performance in board meetings and 50% of CFOs complained that ad-hoc questions about performance cannot usually be answered immediately in board meetings.

But the 'digital boardroom' is something of a misnomer, since the same technologies can be applied to all types of management meetings and, indeed, other business functions. It's a welcome innovation that can be shared across the entire enterprise.

The generation born into social media is already in the workplace, now they have the tools to work together.

THE WORKIVA INNOVATION SHOWCASE

The so called 'Final Mile' of the financial reporting supply chain is, as the name suggests, the last stage in the preparation of filing results and reporting to external and internal stakeholders. Compiling the complex web of figures, notes and disclosures required to maintain regulatory integrity, or even to assemble the internal board pack, is a necessary but time-consuming process for any company. In fact, a 2016 study, (the FSN Future of the Finance Function) highlighted that 42% of global finance professionals considered that they spent too much time on statutory reporting, and 32% complained that they spent too much time on regulatory reporting.

The creation, review and validation of these reports is often a risk-laden set of manual and disjointed processes within the corporate finance function, due to an over-dependency on personal productivity tools such as Microsoft Excel and e-mail.

Both are unsuited to an environment which requires collaboration, communication and control, especially when that environment spans the numerous financial reports and disclosures created across the modern finance function. As the finance function has evolved from its traditional role grounded in financial stewardship to a more strategic and advisory one, reports must be tracked, shared, analyzed and delivered across even more business functions and stakeholders. But finance functions accustomed to marshaling numbers through the reporting supply chain (from subsidiary and reporting entity to the corporate center) feel less at ease with documents and narrative.

A decade ago, the founders of Workiva recognized this intrinsically complex problem and set about creating a software solution from which to manage the disclosure process. In 2010, they launched their solution in the cloud, choosing to innovate on a platform that was still relatively new, and often mistrusted and misunderstood. It turned out to be a prescient decision, as Wdesk, the core compliance reporting and management solution from Workiva is now used by 70% of the Fortune 500.

Their innovation is validated every time regulatory strictures are placed on organizations around the world. Not least of these is the reporting requirements of XBRL, the standardized method of organizing and tagging data that underlines the electronic filing of financial statements. The constant revision of regulatory requirements and the shrinking window between close and report publication has wedged disclosure management into a critical corner, one which Workiva is particularly adept at relieving.

Wdesk is designed to tackle the issue of document preparation by providing a secure environment in which multiple participants with different roles and responsibilities across many different functions can collaborate to assemble complex outputs and filings. Their centralized environment maintains the security of sensitive data and implicitly promotes accuracy by eliminating many of the error-prone processes of old.

In this Showcase, we highlight three major Workiva innovations, namely: how it leverages the cloud to support collaborative reporting; the way it enables a single reporting repository; and finally, how the Workiva environment can be used as a platform for wider finance transformation.

Innovation 1: Cloud to support collaborative reporting

Workiva was first into the cloud with a disclosure management and reporting solution, and this key innovation has been pivotal to the success of their application, most importantly because it encourages seamless collaboration. Wdesk allows “multiple-everything”: multiple people to work on multiple documents with multiple sources of data bringing together narrative reporting and financial information within the same environment.

This is critical for the ever-shrinking window between close and disclosure. Successive regulatory initiatives and reporting standards locally and globally have heaped enormous pressure on finance functions, which mean companies are always on tight deadlines to close the books and report numbers. Before the cloud, employees would remain office-bound late into the night to stay on deadline. The Workiva cloud platform allows users to access critical documents securely from anywhere, collaborating across vast geographies or just from a remote home-office.

The power of the cloud enables all users to be working on the same document at the same time wherever they happen to be. This eliminates the version control issues that arise when emails begin to circulate with different versions of the same document on them. In Wdesk, each person can work on their own section at the same time, utilizing different reporting formats, from graphs and tables to pictures and text.

The cloud platform also allows Workiva to roll out updates and improvements quickly and without interruption, so that its users can evolve as quickly and seamlessly as they have.

The process of compliance reporting, and indeed internal management reporting, can now be managed from the cloud, with instant access from any location, centralized to maintain data integrity while being used by multiple people. As a cloud-based system that provides the last mile for both regulatory disclosure and management reporting, Workiva solutions have become part of the wider transformation of the finance function.

Innovation 2: Creation of a reporting repository for all reporting needs.

Few management processes have received as much attention as the financial close process in recent years, but in earlier times the focus of activity was primarily on the speed of the close. Now, with ever-broadening quantitative and qualitative reporting requirements (such as risk exposures, SEC reporting, Sarbanes Oxley, executive compensation, CCAR, ORSA and environmental impact reporting to name just a few); the proliferation of electronic reporting formats such as XBRL; and accounting complexity, the emphasis in corporate reporting has shifted rapidly from its statutory origins to a much wider remit.

Historically, the 'Last Mile of Finance' referred to statutory reporting i.e., the management of disparate financial data and tables and its corresponding narrative required in most statutory and regulatory reports.

Although internal reporting is by definition not subject to the same external scrutiny as production of statutory reports and filings, it shares many of the same troublesome features. Chief amongst these is the need to simultaneously manage and marshal information from a variety of sources and stakeholders. Take, for example the monthly board pack or perhaps the annual budget and commentaries. In a large heterogeneous and geographically dispersed business, consolidating the information from the fringes of the organization in a consistent way is a major undertaking and often no less arduous than the annual statutory process. The unfortunate result is that the finance function often lurches from one accounting period to the next without having time to take a breath and analyze the information it has collected.

Also in common with regulatory reporting, internal report production still depends on a well-defined workflow that often requires oversight, approval and finalization to tightly defined internal deadlines. Other shared characteristics include the need for interoperability with multiple data sources: to be able to work simultaneously on document submissions with multiple file formats (Word, Excel and PowerPoint) and ultimately, present them in a professional final document suitable for internal publication.

Wdesk innovation is to enable a much more comprehensive approach to reporting. Whether companies are preparing monthly or quarterly board reports, or filing XBRL, Wdesk collects large amounts of disparate data from multiple sources, enables cloud collaboration for the analytical processes, and produces the required output, for internal or regulatory bodies. This multipurpose environment for reporting is a reliable source of narrative and data which covers a wide range of different reporting needs.

Innovation 3: A platform for finance transformation.

There is a tendency at the moment to presume that all technology is a silver bullet—implement an application and all the processing issues and production problems will disappear. But while it's true technology can substantially aid in the speed and automation of some processes, it doesn't negate the need for strategic management. This means recognizing the requirement for strong governance, the redesign of processes that were inefficient in the first place (rather than just replicating them within the technology), and human resource management through training and education.

Workiva innovative solutions are not just a technology plaster to cover the open wounds of the disclosure and reporting process. Used intelligently, and with foresight and forethought, they can be part of the finance transformation journey.

The diversity of reporting facing the modern public company has grown substantially to include investor reports, CSR reporting, environmental reporting, employee reporting, statutory, industry, regulatory and internal reporting. To this end, finance and enterprise leaders are facing growing operational requirements and increasing complexity, but not growing budgets.

Wdesk, although initially a solution for regulatory disclosure and the XBRL requirements of many regulatory bodies, has evolved to keep pace with the internal and external reporting demands of modern organizations. It is a collaborative work platform that draws data into the centralized data store from within the finance value chain, like transactional or ERP systems, CPM software and other necessary information sources. This allows reference data to be traced or linked back to source, providing visibility across the process.

Workiva applications are only limited by their users' imaginations. It has become a platform for finance transformation and can be expanded to fully empower the finance function to deliver its reporting and disclosures with full transparency, accuracy, data integrity and speed.



About Anaplan

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BlackLine's mission is to continuously improve the quality, accuracy and efficiency of Finance and Accounting by centralizing key functions within a single, unified cloud platform. Enabling customers to move beyond outdated processes and point solutions to a [Continuous Accounting](#) model, in which real-time automation, controls and period-end tasks are embedded within day-to-day activities, BlackLine helps companies modernize accounting operations with intelligent automation, ensuring more accurate and insightful financial statements and a more efficient financial close. More than 1,800 companies with users in over 130 countries around the world trust BlackLine to help ensure balance sheet integrity and confidence in their financial statements.

BlackLine is recognized by Gartner as a Leader in its 2017 Magic Quadrant for Cloud Financial Corporate Performance Management (FCPM) and as a pioneer in the cloud market for enhanced financial control and automation of FCPM.

To learn more, visit <http://www.blackline.com/>



About BOARD Software

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Contact:

CCH Tagetik HQs
Lucca, Italy
Via Roosevelt 103, 55100 Lucca, Italy
Phone +39 0583 96811
Stamford, North America
9 West Broad Street, Suite 400,
Stamford, CT 06902
Phone +1 203-391-7520

info@tagetik.com
www.tagetik.com

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At [CXO Software](#), it is our mission to make Finance more Business Intelligent and support financial professionals in becoming a strategic business partner for the entire organization. Our unique financial and performance reporting software, helps finance teams all over the world to make the transition from a report-generating cost center, to a value-added provider of strategic insight. Our dashboards offer an alternative to the lack of 'financial intelligence' of generic business intelligence tools and the outdated, error-prone Excel-driven reporting processes.

Contact

CXO Solutions B.V.
Herculesplein 48
NL 3584 AA Utrecht
The Netherlands
Phone: (+31) 85 043 2265
info@cxosoftware.com



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For more information, visit netsuite.com

Contact

Oracle NetSuite,
7th Floor
5 New Street Square
New Fetter Lane
London
EC4A 3BF
Phone: +44 (0)-1628-774400
URL: www.netsuite.co.uk

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About OneStream Software

[OneStream Software](#) provides a revolutionary corporate performance management (CPM) solution that unifies and simplifies financial consolidation, planning, reporting, analytics, and financial data quality for sophisticated organizations. Deployed in the cloud or on-premise, OneStream XF is the first and only solution that delivers corporate standards and controls, with the flexibility for business units to report and plan at additional levels of detail without impacting corporate standards – all through a single application.

The OneStream XF MarketPlace features downloadable solutions that allow customers to easily extend the value of their CPM platform to quickly meet the changing needs of finance and operations. We are driven by our mission statement that every customer must be a reference and success.

For more information, visit: [OneStream Software](#)

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About Prophix

[Prophix](#) develops innovative software that automates critical financial processes such as budgeting, planning, consolidation and reporting – improving a company's profitability and minimizing its risks. Thousands of forward-looking organizations in more than 90 countries use software from Prophix to gain increased visibility and insight into their business performance.

For more information, visit [prophix.com](https://www.prophix.com)

Contact

info@prophix.com

+44 (0) 118 900 1900

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About SAP

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Contact

info@workiva.com

1.888.275.3125

workiva.com

The logo for Workiva, featuring the word "workiva" in a bold, lowercase, sans-serif font. The letter "i" is stylized with a dot that is a small triangle pointing upwards and to the right. The entire logo is rendered in a vibrant green color.

Methodology

All of the products which have been showcased by FSN are extremely complex and sophisticated and in all cases have taken many man years of development effort. FSN has independently desk reviewed publicly available information (for example, websites, customer testimonials, videos, demonstrations, technical details and white papers) about the organization and its products. We have then identified independently three areas that we consider to be differentiating and interesting innovations to bring to the attention of the FSN Modern Finance Forum on LinkedIn and discussed their development history, the ideas behind their creation and their direction with senior members of the management team. As such, this document is not a product review, and neither is it an exhaustive list of all the innovative ideas in the product. It simply represents what we consider, in our experience of the market, to be great examples of innovation in finance processes.

About FSN

[FSN](#) is a global publisher of thought leadership, research and “must-have” content for CFOs and senior finance professionals around the world. FSN’s highly popular and active [Modern Finance Forum on LinkedIn](#) has a membership of more than 52,000 readers in more than 23 countries and across every major industry segment. It is also the publisher of the popular www.fsn.co.uk website and regularly holds networking dinners and events for its members.

Innovation Showcase 2019

If you would like to be considered for inclusion in the 2019 Innovation Showcase then please contact Michelle Fabian, research director, michelle.fabian@fsn.co.uk or Gary Simon, CEO, gary.simon@fsn.co.uk

Contact:

HQ Office in United Kingdom
Clarendon House
125, Shenley Road,
Borehamwood,
Herts, WD6 1AG
Switchboard: +44 (0)20 84452688
[The Modern Finance Forum LinkedIn](#)
<http://www.fsn.co.uk>

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