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**The Modern Finance Forum**

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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” 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 2020 “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. And for the first time this year, we have reviewed and commented on two case studies for each vendor, to illustrate some examples of innovation in practice.

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 eight 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. 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.

Last year’s FSN Innovation Showcase was read by more than 16,000 finance professionals and we received some fabulous feedback. We hope that you find the innovations set out in this year’s 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.

*Gary Simon*

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## THE ANAPLAN INNOVATION SHOWCASE

The phrase “failing to plan is planning to fail” has never rung as truly 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 by accurately predicting performance and making better business decisions.

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, unchanging, and requiring too much IT support. As a consequence, spreadsheets proliferated and surrounded the previous generation of software as organizations sought greater speed, agility, and insights. Organizations were and are finding it harder and harder to plan for the future and manage uncertainties.

It was this background that inspired the founders of Anaplan to develop a better, faster, technology specifically for the cloud, one that would enable Connected Planning across the entire enterprise, allow management to analyze performance, understand business drivers, collaborate on knowledge, and drive the organization to greater heights of performance.

In this showcase, we highlight three major Anaplan innovations that support these objectives, (1) enterprise-wide Connected Planning, (2) Hyperblock® technology, and (3) embedded predictive analytics, optimization, and machine learning (ML) capabilities.

## **Innovation 1: Enterprise-wide Connected Planning**

Organizations have long suffered from the silo effect, operating independent fiefdoms of sales, marketing, finance, HR, and supply chain, each focused on achieving excellence in their area, but less mindful of, and sometimes in conflict with, the other functions. Even when collaboration is encouraged, they can still fall afoul of disparate systems that affect information sharing and true participation.

In planning, in particular, understanding as many potential variables and their impact on scenarios enables companies to improve their insight and better prepare for the future. Anaplan has developed its planning solution with collaboration in mind. They recognize the necessity for information sharing so that all of the data sits in a central repository (the Anaplan Data Hub) where it can be accessed, manipulated, and, importantly, populated throughout the plans and models of different functions automatically, in real time. In a truly connected environment such as this, metadata (for example, account lines, cost centers, and divisions) are changed once and are available to all, saving countless hours of effort by hard-pressed finance functions.

Anaplan's solutions aren't limited to traditional financial planning and analysis. The software is equally used for operational planning, supporting sales, supply chain, human resources, IT, and marketing to name a few—all within the same connected environment and without specialist IT involvement.

With this enterprise-wide capability, the challenge of identifying the key drivers of a business are made that much easier. Strategic decisions can be based on long-range targets that reflect operational realities and a wide range of constraints. For example, a long-range strategic plan developed by the office of finance can be reviewed for its impact on operating expenses and implemented cost reductions can be fed back into the original long-range forecast and rolled out systematically. Workforce planning connected to the rest of the organization reflects real-time changes to hires and leavers across all business functions.

Connected Planning isn't just a technical endeavor. Truly Connected Planning joins people to the process as well as to each other. Since our last Innovation Showcase, Anaplan has created a new user experience (UX) that connects all these plans and models in a new interface that operates across all platforms, from desktop to tablet to native mobile applications on iOS and Android. Anaplan's new UX enables a large degree of personalization, allowing users to design their perfect dashboard and to drag-and-drop relevant functions into their own versions of the platform. The interface allows more users, especially non-finance users, to contribute and collaborate within the planning platform, and to plan on-the-go. In a true collaborative spirit, the UX allows sharing so that colleagues can work closely on problems together. FSN's research (*The Future of Budgeting, Planning, and Forecasting 2018*) shows that this democratization of planning to the very fringes of the enterprise ultimately makes the process more agile, enables richer insights, and encourages greater buy-in and trust in the plans.



Anaplan has also recognized that many people remain wedded to spreadsheet systems in certain circumstances and still want to be able to use these and other widely used tools in the ecosystem. The company has built add-ins into its extensible platform that allow bidirectional communication between the Anaplan environment, spreadsheets, and PowerPoint presentations, passing data bidirectionally among them, such as to update a board pack.

## **Innovation 2: Hyperblock® in the cloud**

Hyperblock® is truly an innovation in the marketplace for planning solutions. Developed by one of Anaplan's founders, Michael Gould, the Hyperblock® is the powerful analytical engine and database environment 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. Anaplan's 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 drives up complexity, modeling dimensions, data volumes, and 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 that modern companies generate, right down to the transactional level (product SKU, stores, employees, etc.), (ii) support real-time impactful business decisions, (iii) connect operational and financial business drivers across functions, (iv) connect high volumes of users to a single unified planning environment, and (v) 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 could impair performance. 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 and without obvious impairment.

When cascading cells changes from one model to another, the Hyperblock® analyzes the most efficient path to ensure that the other data nodes are updated only if they are impacted, so as not to waste performance.

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 the Hyperblock® innovation is that it is designed with extensibility in mind, i.e., to draw data from any number of sources, which is crucially important as organizations leverage non-financial data and other novel sources of data for competitive advantage.

Anaplan's users can also leverage 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 3: Intelligent planning using predictive algorithms, Optimizer, and machine learning capabilities**

Anaplan has been building on its machine learning (ML) and artificial intelligence (AI) capabilities for several years, and the upshot of this preparation is an in-built optimizer, predictive algorithms, and smart connectors to leverage the ML and AI capabilities of companies that have already built their own smart systems.

Anaplan's Optimizer function is built into the core of its functionality to make sure that every decision is the best one. It is an algorithm-based analytical engine that determines the best path to any complex problem, with unlimited constraints. The Optimizer is designed to be a user-oriented tool so that finance professionals can leverage its capabilities without any specialist skills. Users enter the parameters of their problem in a straightforward dialogue box and the Optimizer considers trade-offs between options, consequences, and success factors. It runs billions of possible solutions and routes to solve a business issue and produces recommended options based on its findings. Users can run the Optimizer from any point and with any constraints they wish to specify, for example, capital or supply chain constraints. Where before finance might have modelled 10 different scenarios for a given event, the Optimizer can evaluate thousands of options and suggest the best outcome statistically.

In addition, Anaplan leverages the might of machine learning with its predictive analytics capabilities. Instead of reinventing the wheel, the company integrates with best-of-breed third-party machine learning platforms that have already built pre-trained models in their specialist sector, like sales or supply chain, to provide these capabilities to users. By integrating with these platforms, Anaplan users can benefit from this machine learning in their own models.

These artificial intelligence (AI) capabilities have been augmented by the acquisition, in August 2019, of Mintigo, a predictive insights solution for sales and marketing. Anaplan has integrated these insights into its own platform and is expanding its use cases to include other needs, such as supply chain and finance.

The integration of Mintigo and integration with best-of-breed platforms brings both AI and ML capabilities to all of Anaplan's users. They don't have to turn it on or opt in: It is always on and working.

### **The Future**

For many businesses, the COVID crisis has exposed the limitations of planning, budgeting, and forecasting processes and systems. One of the hard-won lessons of the last few months is the knowledge that Connected Planning is vital when so many parts of a business (supply chain, customers, employees, communications, inventory) are being adversely affected at the same time. There has never been a more compelling business case for Connected Planning.

## Case Study: ASK Automotive Industries Group

### INTRODUCTION: FSN'S VIEW

In common with many other companies, spreadsheet-bound planning processes, if left unchecked, tend to grow in an uncoordinated fashion, typically along functional or business lines. Although this approach may work for a limited period of time, businesses quickly realize that it adversely impacts planning agility, because in reality, the planning process is connected and transcends functional silos. For example, in this case study, the planning around the Request for Quotation process was central to organizational success and had many moving parts and stakeholders that could only be resolved by a connected approach.

### INNOVATION IN ACTION

There are two stand-out innovations in this case study. Firstly, the ability to provide enterprise-wide Connected Planning that could coalesce ASK's different, but inter-dependant planning processes into one uniform model and, secondly, the availability of patented Hyperblock® in-the-cloud technology that could handle the very large and granular business models that are the true underpinnings of a Connected Planning environment.

### ENTERPRISE-WIDE CONNECTED PLANNING

In 2018, ASK's key financial planning processes followed business and market lines, leaving little time for analysis. They were siloed, and teams often had to start each planning cycle from scratch. Anaplan allowed these disparate processes to be resolved in four Connected Planning environments so that the impact of change in one planning domain was reflected automatically in all of the related models, irrespective of organizational structure and constraints. This was particularly important for the Request for Quotation (RFQ) process because every function of the business, from R&D to manufacturing to finance, contributed to the process. In ASK's case, Connected Planning meant the difference between building a quote that's financially viable and one that's not.

### HYPERBLOCK® IN THE CLOUD

Hyperblock® is the powerful analytical engine and database environment behind Anaplan's detailed and scalable cloud-based modeling capabilities and, in this case study, is the enabler of the dynamic responsiveness that ASK needed to connect plans across the RFQ process, sales budget, inter-company cashflows, P&L, balance sheet, and medium- and long-range planning. With 15-year time horizons for fixed-cost structures and the extent of data requirements of ASK's Connected Planning environment, this is something that could not have been countenanced in the spreadsheet environment that ASK is pleased have left behind.



## CUSTOMER STORY

# ASK Industries connects and fine-tunes sales and finance processes

Car audio OEM builds a Connected Planning environment that spans finance and sales processes across the globe.

**SOLUTION:**  
Finance, Sales

**INDUSTRY:**  
Manufacturing

**PARTNER:**  
 **accenture**

ASK Industries, an OEM of car audio systems, wanted consistent finance and sales processes across its global businesses, including its request for quotation (RFQ) process. By building and connecting four Anaplan models, supported by Accenture, ASK improved collaboration, sped up “what-if” analysis, and improved finance’s ability to support a growing, increasingly complex business without adding personnel.

**10 seconds**  
for “what-if” analysis that formerly took all day

### A car audio system shows the value of connection.

All components must be connected and fine-tuned for optimum performance.

The same goes for finance and sales processes at ASK Industries, a global original equipment manufacturer (OEM) of automotive audio. ASK's financial processes weren't harmonious in 2018: Teams in business lines (antennas, amplifiers, cables, and loudspeakers) and markets (Europe, Asia, and America) crunched and copied data in isolated spreadsheets, leaving little time for analysis. Key processes (such as investment and sales budgets and P&L and balance sheet creation) were siloed, and teams often had to start each planning cycle from scratch. "We wanted to avoid duplication and rework, shorten our timelines, and balance our need for data accuracy with the effort required to obtain it," explains Enrico Righini, Group Controller.

Guided by an Accenture team and leveraging the Anaplan platform, multiple processes at ASK were reimaged as four connected Anaplan models:

- Request for Quotation (RFQ) and CapEx Planning (the investment budget).
- The Sales Budget.
- Income Statement Forecasting (P&L) and Balance Sheet & Cash Flow.
- Medium- and Long-Range Planning (called PMT at the company).

RFQ, the process used to manage complex bids and evaluate their financial impacts, saw the greatest change. Every function of the business, from R&D to manufacturing to finance, contributes to as many as 100 RFQs every six months. Getting the hundreds of variables in each RFQ right minimizes risk. Righini says: "Having accurate numbers means the difference between building a quote that's financially viable and one that's not."

Variables include where to build a component and what currency to use in the RFQ. "We have operations, suppliers, and customers around the globe, so exploring currency options in Anaplan is central to a successful RFQ," Righini says. "What-if" analyses of exchange rates, commodity trends, volume prices, and alternative solutions that used to take a day are now done in seconds with Anaplan, with zero risk of mistakes."

Each process that ASK runs in Anaplan drives the others. RFQ numbers feed into the sales budget, and that, in turn, generates inter-company cashflows and feeds them into the P&L and balance sheet. One-, two-, and three-year figures from P&L then flow into the PMT model. The PMT model generates



ASK Industries uses Anaplan to connect plans in **Finance** and **Sales** with the Request for Quotation process to shorten timelines, reduce errors and manual tasks, and continuously improve quotation accuracy.

15-year horizons for fixed-cost structures and feeds that data into the RFQ model where it's used to evaluate profitability of future RFQs. The entire integrated system was built and deployed in less than a year, resulting in rapid time to value.

Marco Limito, Accenture's Global Anaplan Practice Lead, attributes the success of ASK's project to company leadership. "The CEO of the company is a user of the system, approving RFQs in Anaplan," he notes. Executive sponsorship has been strong, and managers at all levels are gaining greater oversight into plans and expenditures.

Additionally, Limito says the transformation has benefitted from Enrico Righini's change management skills. Righini says the benefits of Anaplan are shorter planning cycle times, the elimination of manual processes for number-crunching and consolidation (and associated time lags), and the ability to do "what-if" analysis in real time. But true transformation has come from the processes that have been reinvented on Anaplan, and there is more to come. "With Anaplan's flexibility and scalability, we are already planning to connect more processes to the existing ones," Righini says. He expects end-user buy-in to grow as people see the full benefits of the solution.

"Plan assumptions, approvals, and outcomes are all available directly within Anaplan," Righini explains. "We've increased and improved financial analysis even as the business has become more complex, but we haven't had to add resources."



## Case Study: BT

### INTRODUCTION: FSN'S VIEW

One of the profound changes in planning capabilities over the last few years has been the ability to hold, churn, and analyze vast amounts of data in a single model. It has been a game-changer in Connected Planning because it has provided the technical foundation needed to support the vast data requirements of enterprise-wide Connected Planning. But more unusually in this case study, it has enabled BT to respond to a regulatory reporting requirement (IFRS15) with vast data that probably couldn't be readily and quickly achieved in any other way—especially in spreadsheets.

### INNOVATION IN ACTION

There are two stand-out innovations in this case study. First the availability of patented Hyperblock® in-the-cloud technology that could handle the very large and granular data requirements that BT needed to analyze revenue from 32 million customer accounts and second, the integrity and auditability of the data that provided the crucial confidence needed to satisfy a very exacting accounting standard.

### HYPERBLOCK® IN THE CLOUD

Anaplan's innovative and patented Hyperblock® technology was designed from its inception to analyze the ever-growing volume of data that modern companies generate. Historically, highly granular models with complex and uneven dimensionality could impair performance. But in this case study, Anaplan's Hyperblock® technology—imbued with multi-core, 64-bit and in-memory processing—was able to hold and process more than 30 million lines of customer revenue data (and growing) without obvious impairment. Furthermore, its self-service and intuitive modeling interface allowed the BT team to build an IFRS 15 specific model in just 16 weeks.

Hyperblock returned very impressive performance. The monthly task to calculate revenue to the new accounting standard with spreadsheets used to take four accountants between four and six hours each. In BT's Anaplan model, monthly revenue figures are now calculated by one person in less than an hour—a time savings greater than 93%.

### AUDITABILITY AND INTEGRITY

Anaplan's platform innovation around application lifecycle management (ALM) on the cloud enables the rollout of an Anaplan model to be managed in a secured and trusted way with the ability to roll back to previous versions, if needed. Unlike the BT spreadsheets it replaced, Anaplan provides an audit log for user activity, access and workflow and, in this case study, BT says its new solution is auditable for Sarbanes-Oxley compliance.





## CUSTOMER STORY

# Fast, standards-based revenue calculation—with a measure of fun—at BT

BT uses Anaplan to calculate revenue from 32 million customers to strict IFRS 15 standards



**Anaplan**

### **SOLUTION:**

Finance

### **INDUSTRY:**

Media &  
Communications

BT Group—the UK's largest mobile carrier, with 32 million customers—needed a better way to report revenue in a way that met IFRS 15 standards. By using Anaplan as a scalable platform for financial reporting, they cut process time dramatically, improved data retention for analysis—and had some fun doing it.

**93%**

faster monthly revenue calculations

**1**

person calculates monthly revenue in less than an hour

**30 million**

lines of data (and counting) available for analysis



## Reporting revenue at telecom giant BT Group changed fundamentally when IFRS 15 kicked in on January 1, 2018.

The new accounting standard revamped how companies account for income from customer contracts, and with 32 million mobile customers—more than any other UK mobile carrier—BT has a *lot* of contracts.

“None of our financial systems were able to manage this,” recalls James Mash, BT’s Accounting and Financial Control Manager. Mash’s team tried to calculate revenue to the new standard with spreadsheets, but the monthly task took four accountants between four and six hours. The company wanted to release figures the morning after month’s end, but Mash couldn’t reliably meet that deadline.

“We needed an all-in-one solution,” Mash recalled—not a dozen cumbersome spreadsheets built on fragile macros. People from BT’s “Making Finance Brilliant” finance innovation program suggested he try Anaplan.

Mash and his colleagues created an IFRS 15 reporting solution in 16 weeks. “Building something useful within that space of time is incredibly valuable for a business like BT, where IT projects can take two to three years,” he says.

The Anaplan solution is much faster and more reliable than what it replaced. Monthly revenue figures are now calculated by one person in less than an hour—a time saving greater than 93%.

The benefits go beyond speed. The new solution is auditable for Sarbanes-Oxley compliance, and handles BT’s voluminous point-of-sale data with ease. To keep the old system running, some 800,000 lines of data had to

be filtered down to 250,000 each month, so a lot of detail was lost. The Anaplan solution holds more than 30 million lines of data (and growing) with no performance issues. “Anaplan has been key to building efficiencies and allowing us to get numbers that we weren’t able to before,” Mash notes.

IFRS 15 revenue calculation is an unusual Anaplan use case, Mash admits, but it illustrates the platform’s flexibility. “Anaplan is like a big modular calculator that’s capable of crunching vast volumes of data,” he says. “It fills a gap that none of the other tools I’ve used before does.”

Not only that; it’s a joy to work with. “Anaplan is fun for me, as a model builder and data analyst, to use,” he says. His enthusiasm is shared across BT, where teams including call center planning, OpEx planning, forecasting, and the fibre broadband business all use Anaplan and are exploring ways to connect plans to deliver even greater value.

“Anaplan has been key to building efficiencies and allowing us to get numbers that we weren’t able to before.”

*James Mash, Accounting and Financial Control Manager*



## 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 unifying and automating 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; how it supports the modern finance function by closing the gaps in the close process; its uniquely experiential approach to implementation, and, finally, its end-to-end automation.

### **Innovation 1: Modern accounting 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 work flow, 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. But these traditional methods of accounting are unsustainable. For example, 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 unifying 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 a continuous 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: Collaborative Accounting Experience**

The history of major systems implementations is littered with overdrawn, overrun and sometimes entirely abandoned projects. CFOs focused on streamlining and improving the finance function through new finance systems are especially mindful of the disruption that can be caused by something intended to improve the workload. To limit implementation risk, organisations need the right guidance, a supportive community, and a way to access leading practices.

BlackLine's innovation is to be guided and collaborative in their implementation process, through domain knowledge, a wide base of available and supportive experts, and a growing community that share their best practices. It's what they call a "Collaborative Accounting Experience", designed to work in partnership with their customers, reduce implementation risk and drive best practice outcomes.

Domain knowledge is enhanced for best of breed software solutions such as BlackLine, because that's all they do. Companies that are focused on addressing a particular need within the finance function build up an unrivalled depth of knowledge about leading practices within that domain, and iterative experience from delivering similar solutions to thousands of clients.

In practice, BlackLine's guided implementation process means they endeavour to understand the problem a company is trying to address, and how they will measure a successful project. These are informed by the leading practices they have already provided, like speeding up account reconciliation, automated bank regulatory requirements or ensuring consistency in the close process. They've done it before and refined and improved their implementation each time.

So the implementation comes with a substantial human element. This is sometimes lost within the scramble for digital transformation, but it is essential for effective implementation. While other vendor's implementations might engage an account manager and specialist(s) in the early stages, this capability doesn't always remain with the project or take into account how the project changes and how the process needs to be adapted to take account of these changes.

To add to this support, BlackLine customers can engage with each other as well. Digital communities have become an integral part of everyday social interaction, and the idea of drawing support from people in the same situation is no less important for finance systems. Blackline's community platform allows its 250,000 users to interact directly with each other. They can ask questions of the user base or share their own experiences with the broader community. They can also take part in online training through BlackLine U.

BlackLine's collaborative approach is innovative because it encompasses all angles of interaction. Organisations looking to implement new technology and use it effectively will benefit from guided best practice and a wider community to share ideas with.

### **Innovation 3:End-to-end Automation**

Automation is at the very top of CFOs agenda. So much of the accounting process is routine and iterative, and there are patterns of data manipulation that all lend themselves to automation. This in turn frees up finance professionals to focus on generating value-added insight and providing strategic support.

Until now, automation has been predominantly process-based. A task needs doing, it can be automated, implement the technology to automate it. The next phase in finance automation is to join up these processes so each automated outcome generates the next automatic process, building up into end-to-end automation, which improves efficiency even further. You are not just dumping data in and getting it processed. Instead users can automatically and immediately do things with that data, whether that be automatic reconciliation of accounts, automatically creating a correcting journal entry and sending it back to the ERP, or even using financial data to inform operational processes.

For example, 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. 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.

## Case Study: LV= (Liverpool Victoria)

### INTRODUCTION – FSN’S VIEW

This case study highlights the innovative way that BlackLine fills in the gaps in the financial close process left by more traditional ERP and CPM (Corporate Performance Management) applications. In this case study, end-to-end process automation sweeps away a highly manual and spreadsheet-bound process.

### INNOVATION IN ACTION

There are two stand-out innovations in this case study. Automation that eliminates the ‘spreadsheet-spiral’ and innovation that releases time to improve reporting and control.

### ELIMINATING THE SPREADSHEET-SPIRAL

FSN’s research reveals that organizations frequently succumb to a spreadsheet-spiral (ever increasing numbers of spreadsheets) when applications are impervious to change, there is an over-reliance on IT and important gaps exist in the process. Finance professionals impatient for change typically ‘pave over the cracks’ in the process with spreadsheets but in this case, the introduction of highly automated and specialized account reconciliation software enabled auto-reconciliation of thousands of items and eliminated a plethora of spreadsheets.

### TRANSFORMING REPORTING & CONTROL

The introduction of advanced automation yielded significant productivity gains in its wake, allowing management to focus on “problems rather than process” while improving reporting quality and internal control. And that transformation happened in impressively quick timescales, fueled by BlackLine’s innovative reconciliation software delivered off the shelf. The case study reminds us that innovation is a virtuous circle, i.e. that organizations need to innovate in order to release time to innovate even more.



# Strengthening internal controls and freeing managers to focus on problems, not processes



“BlackLine enables us to spend more time looking at problems instead of processing data. And managers are so pleased to have their evenings back.”

—Andy Young, Head of Finance, Liverpool Victoria

Liverpool Victoria (LV) serves more than 5.8 million customers with a range of financial products. The company was recently recognised for the second year running as Moneywise Customer Services Awards 2017 Most Trusted Insurer.

## The Challenge

As a result of continued expansion, LV has become one of the United Kingdom's largest insurance companies. Yet with that expansion came challenges, especially for the accounting and finance organisation.

The company's existing reconciliation process was dependent on the use of spreadsheets—a system that not only couldn't keep up with the increasing amount of data but provided few internal controls. The process was also highly manual, and lacked the real-time visibility so crucial to a rapidly growing global company.

## INDUSTRY

Insurance

## REGION

EMEA

## ADOPTION DATE

2016

## ERP

Oracle

## USERS

50

## PRODUCTS

Account Reconciliations

## BUSINESS IMPACT

Saved time with auto-reconciliation; freed managers to focus on problems, not processes; strengthened internal controls; streamlined audit process

“We were highly reliant on Excel, and all of our reconciliations were done in separate spreadsheets. With paper reconciliations, there’s no guarantee that queries are resolved, and there’s always the risk of lost or missing data,” said Andy Young, head of finance at LV. “We were reconciling 3,000 items, and the reporting of those reconciliations and their aging was a lengthy and cumbersome process. Plus, we couldn’t always find supporting documentation.”

## Why BlackLine

To reduce the organisation’s reliance on spreadsheets for the close, LV developed an in-house software solution. Yet the new system soon created additional challenges.

“It couldn’t cope with daily reconciliations, and reporting was clunky and time consuming,” said Young. “It also had very slow response times. Our managers would take work home and sit there, press the button, watch Coronation Street, then press the next button. That’s how slow the system was.”

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“With BlackLine, there’s one version of the truth, which aligns with the GL.”

—Andy Young, Head of Finance, Liverpool Victoria

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When the in-house system crashed in late 2015, the company stepped up the search for a new reconciliation solution, one that would not only strengthen internal controls but also save staff time through automation. Because of the recent collapse of the old system, the new solution also had to be implemented quickly.

“BlackLine was our preferred option. We could attach all the documents we wanted, we could store them, we could have different people check in and review alongside reconciliations,” said Young. “BlackLine gave us the control framework we needed to make sure everything was working properly, and we weren’t getting any issues coming through in our balance sheet reconciliations that would cause problems later. And, we were able to go from implementation to go-live in only five weeks.”

## The Results

**Saved time with auto-reconciliation.** Young and his team rely on BlackLine to auto-reconcile thousands of items. “Our investment system and Oracle ERP are reconciled automatically in BlackLine, which has given us a huge benefit in terms of the amount of reconciliations we have to actively do each month. Plus, all non-moving balance sheet reconciliations can be pushed to ‘reconciled’ to save more time.”

**Freed managers to focus on problems, not processes.** BlackLine’s auto-reconciliation capabilities and real-time visibility have reduced the number of late nights required from managers during the close. Managers also now have time to focus on the value-added work of accounting, such as strategy and analysis. “BlackLine enables us to spend more time looking at problems, instead of processing data,” said Young. “And managers are so pleased to have their evenings back.”

**Strengthened internal controls.** LV’s previous spreadsheet-based close process exposed the company to ever-increasing risk. Today, with BlackLine, the company has full end-to-end control of every process, with complete visibility into individual responsibilities. Standardised templates ensure processes are consistent across all business units. “With BlackLine, there’s one version of the truth, which aligns with the GL,” said Young.

**Streamlined audit process.** With BlackLine, LV staff no longer need to spend days aggregating paper files and spreadsheets prior to audits. Instead, auditors are granted instant access to the records they need, when they need them. Supporting documentation is attached within BlackLine, as well. “Our auditors love BlackLine,” said Young. “They’ve been very positive in their reports to the Audit Committee.”

## Case Study: : Saint-Gobain

### INTRODUCTION – FSN’S VIEW

This case study provides an exemplary illustration of how innovation managed in a step-wise fashion can yield impressive change. FSN’s research consistently reveals that successful innovation happens in two distinct phases, namely; process standardization and process automation coupled with innovative technology.

### INNOVATION IN ACTION

There are two stand-out innovations in this case study. Firstly, the use of innovative reconciliation software to enable process standardization across Saint-Gobain and secondly, the deployment of a cloud SaaS based solution as an accelerant.

### INNOVATIVE SOFTWARE ENABLING STANDARDIZATION

FSN’s experience shows that many organizations introduce advanced technology without firstly refining the underlying process. The results are inevitably disappointing, but this case study illustrates how a dedicated focus on standardization as a precursor to advanced automation pays dividends. Blackline’s innovative reconciliation software enabled this organization to streamline and simplify key aspects of its close cycle, as well as realizing a commensurate improvement in control.

### CLOUD AS AN ACCELERANT

Historically, process standardization has proved elusive for many organizations as they grapple with the practical obstacles of the on-premises world. But this case study shows how the advent of the cloud allows organizations to deploy a standardized (streamlined) approach quickly across multiple time-zones and geographies without the delays and burden of rolling out complex hardware and infrastructure. In a matter of months, advanced reconciliation capability in the cloud was deployed across 25 countries and 629 legal entities.

# Automated accounting processes and increased efficiency with BlackLine



The world leader in sustainable housing has deployed BlackLine's Finance Controls & Automation platform among 25 of its shared service centers to automate, enhance reliability and harmonize its reconciliation and accounting control processes.

A leader in the housing market, Saint-Gobain designs, manufactures, and distributes high-performance construction materials that address the challenges of sustainability, resource efficiency, and climate change.

The company has a rich, 350-year history, and has grown to more than 170,000 employees in 66 countries and approximately €40 billion in annual revenue.

## The Challenge

The Saint-Gobain Group is comprised of nearly 900 subsidiaries and three business divisions: Innovative Materials, Products for Construction, and Building Distribution.

In 2008, the company created Shared Services Centers (SSC) to centralize, standardize, and simplify the accounting processes globally. These SSC's span 25 countries and 629 legal entities.

## INDUSTRY

Construction

## REGION

Europe

## ADOPTION DATE

2011

## ERP

SAP

## PRODUCTS

Account Reconciliations, Task Management, Journal Entry, Transaction Matching, Enhanced Reporting

## BENEFITS

Digitalization and automation of the accounting close; centralization, standardization, and reconciliation of accounts; increased accuracy and efficiency; reinforcement of internal controls; and enhancement of SSC and client relationship.

Previously, each SSC prepared account reconciliations in its own way and then submitted them for review. This process, largely manual and still paper-based, was very time-consuming. It also hampered the traceability and accuracy requirements of the internal accounting teams, and both the internal and external auditors.

“After setting up our shared service network in 2010, we shifted our focus to improving and maximizing efficiency. Several parts were identified, including streamlining and consolidating accounts payables and automating customer and general accounting. Overall, we wanted to improve and standardize all our reconciliations and internal control operations,” says Pascal Perrier-Gustin, Director of Shared Service Centers and Financial Organization Projects at Saint-Gobain Group.

“In other words, our goals were to standardize our accounting processes through automation, strengthen internal controls, accelerate the monthly close, and ultimately, improve the relationship between the SSC’s and our customers.”

## Why BlackLine

The search for a solution that would allow the SSCs to achieve these goals continued.

“Finally, our U.S. SSC chose BlackLine’s Finance Controls & Automation platform to achieve its initial streamlining and automation goals. After considerable research, it soon became clear to us that BlackLine could help our entire SSC network to achieve a flawless level of internal controls. After analyzing the other options on the market, we validated the U.S. entity’s choice. BlackLine’s functional coverage, modularity, and cloud/SaaS deployment met all of our needs, and we adopted it in our SSCs worldwide,” explains Perrier-Gustin.

Today, nearly 2,000 company employees are using the BlackLine platform—accountants, CFOs, and entity controllers—as well as external auditors. GL balances are automatically loaded into BlackLine monthly, increasing automation. Users can prepare and approve reconciliations more efficiently, and leadership and auditors have the visibility they need.

“The implementation of BlackLine was very fast. In about fifteen days, we deployed BlackLine to the first SSC (approximately fifteen users) via two WebEx training sessions. Our users can also do online training courses, conveniently accessible through BlackLine University, or if necessary, we contact our customer success manager directly.

“On average, the full deployment of a SSC network took about six months,” says Perrier-Gustin.

## The Results

Perrier-Gustin continues, “BlackLine not only makes it possible to standardize and automate accounting process, but also provides a level of full traceability that helps us meet the demands of internal and external audits. BlackLine offers quick access to information, allowing you to follow the reconciliation process and evaluate its progress.”

At the same time, BlackLine helps auditors work faster and more efficiently, which has a definitive impact on managing accounting costs.

“Even if, at the onset of the project, our objective was not necessarily to reduce costs, but this naturally happened with BlackLine. Paper printing and information storage costs have also decreased.

“But overall, BlackLine’s main contribution has been to help us adopt a “lean” attitude to our general accounting. Additionally, we can ensure that the processes carried out by each of our SSC’s are as fluid as possible, with minimal associated tasks, and in a timely manner,” says Perrier-Gustin.

It’s difficult for Perrier-Gustin to quantify the gains generated by BlackLine’s fast implementation, but he is pleased with the positive return on investment.

“The SSC directors are satisfied because they are now able to standardize the methods of account reconciliation and better prepare their financial close. In the same way, client CFO’s appreciate the solution because it helps them carry out their task of monitoring and controlling account reconciliations while also facilitating balance sheet review.

“Additionally, both internal and external auditors benefit from the homogenization of processes. A BlackLine-equipped SSC network means easier audits and improved process quality.”

Finally, our other main objectives, to attain better accuracy and increased efficiency for the financial close, were achieved.

“That’s what matters most to us. Account reconciliation is a primary exercise in accounting processes, and should be done with the utmost care. Thanks to BlackLine, we have been able to automate and streamline the reconciliation of our accounts, and we have a clear view of the progress of our close process at all times,” concludes Perrier-Gustin.



## THE BOARD 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 and integrated planning 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 and the need to drive deeper insights in even quicker timescales, Board continues to offer disruptive new features in response. In 2020, top CFO concerns include the need to master operational and financial data, the need to automate processes to accelerate time-to-insight and reduce error, and finally, to place agile information at the fingertips of the Board of management. So in this showcase, we have chosen to focus on three innovations directly related to these concerns, namely; Integrated Business Planning, Automation and the Digital Boardroom.



### **Innovation 1: Board Integrated Business Planning**

The finance function is undergoing a seismic shift, from a number crunching cost centre to a strategic business partner. This means finance is now expected to deliver insight that spans the entire business, drawing information from financial, operational and external sources to do so. The process of planning, forecasting and strategizing, once a static backward looking process, has evolved to incorporate many more variables and influences which give a much more focused view of the business.

A decade ago, FP&A processes involved many disconnected decision-makers planning in their own functional silos. This disjointed approach was difficult and time-consuming to amalgamate and lacked the holistic understanding of corporate goals and what other departments were planning. Earlier attempts often failed because of a lack of unified operational and financial data as well as insufficient processing power to drive enterprise-wide business models. In fact a 2019 FSN survey into business partnering revealed that 78% of organizations are hampered by data constraints.

Board's innovation, is to offer a platform for modern integrated business planning which connects financial data to operational data so that management can resolve the implications for resourcing, align costings and reconcile workforce plans to ensure delivery of strategic goals.

For example, in the retail sector, where Board has notable strength, financial plans can be evaluated alongside merchandise plans and financial merchandise plans. In capital intensive industries such as automotive, operational and resourcing plans can be integrated with strategic scenario planning to secure long range resource planning.

However, integrated business planning also has significant implications for performance. Large planning models, incorporating vast amounts of financial and operational data imposes formidable demands on processing power, size of model and number of concurrent users. A major advantage of Board's platform, is that it draws on a single data repository. Centralized data means the information within the system is validated, the workflow is managed efficiently, and the data is secure throughout the planning process. Changes can be tracked, processes audited, and a single version of the plan preserved with confidence. FSN's research confirms that those organizations building larger planning models are two and a half times more likely to be able to react more quickly to market change.

At the same time, Board's in-memory technology keeps up to speed with both the scope and pace of analysis, expanding with the requirements of the data, and running calculations on large data sets with complex business models and thousands of users. A large data store allows users the flexibility to drill down from summary key performance metrics to transactional data.

With clear visibility across all functional areas within a unified planning environment, integrated business planning encourages accountability and transparency, breaking down the traditional silos that have long been a corporate hindrance. As finance takes a leading role in the strategic direction of the business, integrated business planning is a key pillar of the new order.

## **Innovation 2: Automation in the office of finance**

Despite the progress made within the finance function to meet the new expectations as strategic decision-makers, there remains a fundamental hurdle to enable finance professionals to take on their role. A large proportion of time and manpower is still being spent on tasks that these days can readily be automated. While the office of finance is called on to build complex plans that embrace multiple data sources from around the organization, many are doing so using a muddle of spreadsheets and disparate data systems, relying on email transfers for workflow and falling short on data integrity and security.

In FSN's 2019 research, "The Future of Finance Systems", 88% of respondents said the main driver for replacing their current systems would be opportunities for process standardization and automation. To enable finance to become an efficient strategic business partner, it's imperative that processes are automated. Board's innovation is to have recognized this need and to have built it directly into their centralized platform. Their tools automatically validate, notify, consolidate and support all the phases of financial planning, consolidation and disclosure.

In practice this means that the Board system will automatically collect financial data from multiple general ledgers across the organization. The system will also automatically link the data as it flows from transaction processing, to planning and analytics. This eliminates the error prone and time-consuming process of moving and collating data in spreadsheets to connect the different applications.

A single Board platform enables automation from the planning phase to the financial consolidation and reporting phase and into the reconciliation phase. Any analysis is done in the same environment which substantially reduces the workload, and many processes can be integrated and automated to reduce human intervention in data preparation- prepare it once, and use it across all applications.

In addition to the depth of data integration, corporate users are able to use the same physical system to represent multiple logical environments. This means that a single environment can support, for example, internal reporting as well as IFRS reporting, while being able to drill down by operational metrics as well as financial metrics to provide breadth of insight.

### **Innovation 3: The digital Boardroom**

The executive and managerial Boards of an organization are at the apex of strategic oversight. Their effectiveness in steering the business forward is directly related to the quality of information they are provided with when making the decisions that affect the business. For many years, corporate Boards were limited to static financial data reflecting the outcomes of the previous period. Using single immovable figures from the past, it was up to the directors or managers to plot the path forward. And the information presented to the Board was invariably a series of high-level metrics with little or no visibility behind the numbers.

Today, as the volume, velocity and variety of corporate information expands, an almost infinite trove of new information is becoming available. Technology is now able to take that data, both financial and operational, and analyse it to generate new insights. And the Board needs this insight to remain competitive in a market filled with start-ups and disruptors.

Board's digital Boardroom capabilities allow senior leadership and Board directors to view and delve into this rich analysis in real time. Instead of a physical book or immovable spreadsheet, CFOs and CEOs can present and consider the results of their planning and analysis in a dedicated application, navigate and explore the relevant metrics, and drill down into the numbers by operational measure or from other directions.

This dynamic process means directors can choose the most relevant metrics to view and can generate assumptions and consider different scenarios at the point of discussion, rather than having to wait for several days for a new scenario analysis to be produced.

The benefit to directors in Board meetings or managers in operational meetings is the clearest picture of the business in its current state, as well as an immediate view of the potential outcomes if different operational or financial levers are pulled. Their questions can be answered in real time, in depth, and with up-to-date data. Board's innovation could not come soon enough. A 2018 FSN research study "Innovation in Financial Reporting", found that 56% of finance professionals say that their Boardroom reporting is not "responsive" to ad-hoc queries in the Board room and a similar number (58%) say that Board reporting is simply not "insightful" enough and does not deliver good forward-looking insights to the Board.

The digital Boardroom is vital for decision-makers to stay ahead of their competition in an increasingly fast-paced market.

## Case Study: Coca-Cola European Partners

### INTRODUCTION – FSN'S VIEW

This landmark case-study exemplifies digital transformation of a finance function on a very large scale, replacing a disparate set of finance processes with a unified environment for applications, processes, workflow and data, culminating in a fast and malleable decision- making platform.

### INNOVATION IN ACTION

There are two stand-out innovations in this case study. A holistic approach to decision-making and enhanced collaboration.

### HOLISTIC APPROACH TO DECISION-MAKING

The ability to combine vast amounts of granular operational and financial data from 48 production plants and 85 warehouses, standardized and automated in a single unified planning and analytical environment (replacing Access Databases and Excel) is a pivotal innovation. With visibility across the entire supply chain supporting driver-based budgeting and forecasting, finance and operational staff can at last be on the same page. With all data quickly at their fingertips, 'gut feeling' is eliminated and informed decisions can be made about various scenarios including, for example, the financial and operational impact of changes to production crews and work schedules.

### COLLABORATION

Strikingly, the unified environment accessible from any point in the organization, allows different teams and managers to collaborate with each other to ensure strategic alignment. Visibility of the process status at any point in time eliminates the need for the CFO, Head of SCM, Plant Managers and others to call each other just to find out what is going on. Now, everyone knows when the forecasting process is complete, and the numbers are finalized.



Case Study

# Board Integrated Corporate Planning at Coca-Cola European Partners



# Brief Profile of the Customer

## Industry

Fast-Moving Consumer Goods (FMCG)

## Consumers

300 million

## Countries

13

## Employees

25,000

## Revenue

€11.1 billion

## Liters of branded product sold every year

14.2 billion

## Unit cases sold annually

2.5 billion

# Board Integrated Corporate Planning at Coca-Cola European Partners

## The Company

Coca-Cola European Partners is the world's largest independent Coca-Cola bottler. Built on almost 100 years of European heritage, the company is the market leader in one of the biggest Fast-Moving Consumer Goods (FMCG) sectors, worth over €100 billion. The business provides an extensive range of leading drinks brands to over 300 million consumers across 13 European countries.





**“Board allows us to consolidate in a split second! Yes, consolidation can happen with a single button! Yes, consolidation can happen for 48 manufacturing plants and for 85 warehouses! At the beginning I was very skeptical, but I can guarantee you that it works!”**

Ivan Evstatiev – Senior Manager, Planning & Performance, Coca-Cola European Partners

## Board Project Overview

**Division:** Supply Chain Finance

**Implemented Solution:** Integrated Corporate Planning - Driver Based Supply Chain Planning and Forecasting

**Project Scope:** Manufacturing (48 plants), Warehousing (85 sites), Cold Drinks Operations & Logistics

**User types:** CFO, Head of SCM, Controllers, Department and Plant Managers

### How to spotlight the “gray world” of Supply Chain

To understand the challenge of Coca-Cola and the consequent Board solution, we start with the company's desire to transform its Supply Chain Finance according to three guidelines: leaner finance, automated planning and optimized reporting.

As Ivan Evstatiev, Senior Manager, Planning & Performance Management at Coca-Cola European partners, states, “This is a true story of a business case of complex corporate finance made simple (or at least greatly simplified).”

As enablers of this transformation, **the Group identified three connected intervention areas:**

- The evolution of planning methodology from the “classic” finance approach to the adoption of Driver-Based Planning

- Digital innovation; moving away from Excel and Access to implement a modern solution to achieve integrated corporate planning and analysis
- Enhancement of the organization's mindset and communication among the different teams

In a nutshell, the Group aimed to combine a new software solution with a new way of doing planning, underpinned by comprehensive communication across the company.

Furthermore, the Group chose Board to transform their Supply Chain Finance adopting driver-based planning process.

## Transformation “at work”: Driver-Based Planning

The concept of Driver-Based Planning can be simplified in one sentence: financial planning explained through operational data and business drivers (or business metrics, KBI – Key Business Indicators). Unifying BI and Corporate Performance Management, Board could fulfil one of the most important requirements of the driver-based planning approach, i.e., “picking only those variables – which indeed we call drivers - that are tangible in terms of the control of the management. In this way the driver-based planning can be “digestible” and – finally – bridge finance teams with their operational business partners” - explained Evstatiev.

“What we cover with Board is pretty much the whole myriad of activities that supply chain touches today,” stated Ivan Evstatiev. “This means 48 plants, 85 warehouses, everything that you can imagine around distribution, from trade to branch local delivery division, and so on. Everything is integrated into the Board platform: every site, plant and any aspect of logistics.”

By means of Board, the business can automatically perform full country consolidation, ensuring data consistency and providing deep insight into financial and operational results. Within Board, Coca-Cola’s teams find a red button saying “approve all”: “We call it that little red button, ‘the mother of all buttons’, just because it allows us to consolidate in a split second!” - exclaimed Evstatiev.



## Time efficiency in data transfer: breaking the “status quo” from 24 hours to 15 minutes

Alongside time efficiency from a financial standpoint, Board has enabled Coca-Cola to increase efficiency from a data transfer perspective. Before implementing Board the company was stuck in a “culture” of overnight data loads and transfers due to system performance. As today’s organizations deal with a huge amount of data, it is essential to have updated, relevant information in (nearly) real-time; allowing employees to quickly gain the most recent meaningful insights to boost planning cycles and decision-making processes.

As Ivan Evstatiev highlights, “Now we have a data transfer every 15 minutes from our ERP system to the cloud and from the cloud to Board, and we can effectively monitor how our data transfer is evolving at any given time per country. We can prepare complete financial statements from a profit and loss perspective. So, compared to the 24 hour-cycle we were committed to do before, **15 minutes is definitely a great revolution and the breaking of status quo, as well as out-of-the-box thinking.**”

## Case Study: KPMG

### INTRODUCTION – FSN'S VIEW

This case-study illustrates how a unified planning and forecasting environment played a vital role in the digital transformation of the finance function of this very large and sophisticated professional services organization by providing a single point of contact for all finance related planning processes.

### INNOVATION IN ACTION

The case-study illustrates two major innovations. Firstly, the transformational opportunity of shifting to a unified environment from a disparate set of non-standardized processes and secondly, the value of a POC (Proof of Concept) in evaluating the capabilities of a system before finalizing the decision.

### SUPPORTING FINANCE TRANSFORMATION

An integrated environment linking all planning processes into a standardized and highly automated in a single unified planning and analytical environment completely transformed KPMG's technically obsolete technology landscape that had previously relied heavily on Excel and PowerPoint. Now, with a completely joined up approach that provided a multi-dimensional view of products, markets and production units, KPMG was able to accelerate decision-relevant discussions whether that related to budgeting, forecasting or planning processes.

### PROOF OF CONCEPT

A two-day Proof of Concept (POC) workshop in collaboration with BOAD consultants enabled KPMG to rapidly map and prototype its processes, design and planning requirements to Board's unified model in advance. This innovative approach helped pin down the financial risk and assisted the evaluation team to more easily calculate and justify the costs of the project before finally committing. The innovation of a POC enabled KPMG to have a high level of confidence in the system and the people behind it.





Case Study

# Reinventing the planning process

# Brief Profile of the Customer

## **KPMG Germany**

### **Industry**

Auditing and Consulting

### **Locations**

20+

### **Employees**

10,000+

### **Annual Revenue**

€1.6 billion

# **“Board is an integral part of our digitisation strategy”**

## **The Company**

KPMG is a corporate network with a headcount of more than 207,000 across 154 countries. KPMG is also one of the leading auditing and consulting companies in Germany, with around 10,700 employees based at over 20 locations. Its services include the divisions of Audit, Tax, Law, Consulting and Deal Advisory.

Audit focuses on auditing the annual financial statements of organisations, Tax covers the tax advisory activities of the business, Law combines legal expertise and specialist knowledge in a global, full-service law firm, and the Consulting and Deal Advisory areas provide high-level technical expertise on business, regulatory and transaction-based topics.

KPMG specialises in cross-divisional topics for key sectors of the economy – combining the experiences of experts from around the world in order to further enhance the quality of their advice.





**“We needed a planning system which integrates all planning processes. We needed a future-oriented planning system. We needed Board.”**

Michaela Peisger, CFO - KPMG Germany



## The Challenge

Digitisation and the workplace of the future are today's shape-shifters for every sector and division. They come with some extreme challenges and risks, but they also offer enormous opportunities for companies and employees.

In 2016, KPMG's Finance team launched the Finance 2020 program to address future requirements and shape the role of Finance in the company. The scheme deals with increased process automation, radical process optimisation and a repositioning of the division's role, which is shifting towards a skilled, engaged, professional and objective Finance Business Partner.

Accepting the new landscape in 2016, it became clear which **obstacles needed to be overcome** in the planning process to implement these ambitious plans:

- **High procedural costs:** Employees considered previous planning processes to be over-technical and complex. There was a feeling of constantly being stuck in the planning process.
- **Lengthy approval processes:** Planning processes always required strong personal exchanges and numerous rounds of discussions. Due to the level of detail and process dependencies, steering-relevant information always seemed to come too late.
- **Top-down or bottom-up planning:** There

was a need for flexibility in planning. It was not possible to combine top-down and bottom-up planning.

- **Obsolete technological islands:** Many of the planning documents were created in stand-alone programs such as Excel and PowerPoint, preventing any rapid exchange of information. The opportunities for new technologies in the field of planning were not fully exploited and the existing systems landscape had met its functional and capacity limits.
- **Individual calculations:** Different departments often had a different planning focus, which again made it difficult to standardise and unify plans across the business. The wide-spread planning landscape created a lot of work in terms of testing interfaces and migrations.

Throughout the planning process there was too much focus on the detailed recording of financial figures. For example, any budget deviations could only be analysed after comprehensive gathering of facts in intensive exchanges with the specialist departments. As a result, decision-relevant discussions would often come too late. This was also the case for the forecast process, which focused on the detailed collection of quantitative information twice a year. A number of resources were involved in the collection, coordination and evaluation and this lengthy process meant that there was little scope for control options until the discussion of content and clarification.

To design a solution that would overcome these shortcomings and act as a reliable platform for

the future, the Corporate Controlling (Planning) team started looking at what they wanted from a planning landscape. The result was a list of key points on which the future-oriented system architecture should be based, which helped to form the **requirements for the new solution:**

- **Top-down and bottom-up planning:** Flexible and agile planning and planning strategies require a combination of top-down and bottom-up planning approaches.
- **Simulation:** By integrating value driver models and supporting predictive models, different scenarios can be played out as early as the planning phase.
- **Automatic approvals:** The future solution had to support and guide the coordination processes in the best possible technical way.
- **Full integration:** By fully integrating the planning tools into the existing system landscape all the planning processes can be interlinked in the most effective way.
- **Ad-hoc reporting:** A high level of instant data availability was needed for flexible, modern and agile reporting, so reporting data could be consolidated without delay.

## The Board Solution

To meet the requirements described in the target situation, KPMG began a structured selection process to evaluate a variety of providers. In addition to the above requirements, it was important to also map out **the redesign of the overarching processes:**

- **One-touch planning:** The future system had to enable the existing process structure to be streamlined and standardised. A coordinated process chain was to be implemented, which involves a one-off planning stage for each decision level, from strategic corporate planning, through to market-processing strategy and detailed cost planning.
- **Early warning process:** An early warning process had to replace the current forecast process. This would significantly reduce the planning workload and increase the control capabilities of management levels.

This is where topic-based planning comes in; based on the year end result this would identify problem areas more quickly so countermeasures could be developed in a timely manner. By cutting the number of KPIs in line with target values, workload could be reduced significantly while workrate could be increased, embedding the process into the company's monthly reporting.

In terms of technology, KPMG wanted to set up a single point of content that bundled all financially relevant planning processes together, based on a standard solution. The purpose of the Finance team's ownership of the project was to unite design and system development into one in addition to bundling specialist and technical expertise. This concept would make it easier and faster to implement new system requirements with a more specialist foundation.

In a successful POC (Proof of Concept), Board managed to model all of KPMG's process, design and planning requirements in a compacted form within 2 days. The moderate project costs meant KPMG could easily predict and justify the project risk. Board had also already been successfully implemented within the KPMG global network in Switzerland and the Netherlands, which made the decision to go with Board easier.

The project team rolled out Board to 100 users as a pilot project from December 2016 to September 2017. The planning modules were designed, developed and built to customer specifications, with the functions for migrating between the system landscapes and the backup system specially developed for KPMG. KPMG Germany also had access to internal teams of experts who were able to support every aspect of the Board design and implementation.

## The Benefits

The Board solution reflects KPMG's target planning landscape and was a significant factor in the Corporate Controlling (Planning) team meeting its operational goals. The system is used primarily for performance management (budgeting, planning & forecasting, profitability analysis) and business intelligence (reporting – planning processes).

The system-based collection of qualitative data and digital control for transparent approval processes has significantly increased the speed of planning activities. The option to comment on plans and forward them to other people and departments, in line with the agreed processes, increases employee productivity and frees up time for staff to get more involved in content analyses and grow into a Finance Business Partner for all the divisions.

**The simplicity of the Board application and the easy setup of new planning templates and reports, without any in-depth IT knowledge, brings the planning tools closer to the specialist departments and allows the experts to quickly and qualitatively analyse the data.** Its extensive planning functionality (with flexibility for top-down and bottom-up planning), simple consolidation and ad-hoc progress reporting also improve the quality of planning as a whole. In summary, this means that employees spend less time on administrative duties. Due to the standardised, streamlined and integrated processes, KPMG can make relevant information available at a much faster rate.

As a result, KPMG has come closer to its goal of creating a planning system landscape that is perceived at all levels as an enrichment rather than an obligation, and is now exploiting all of Board's interactivity and data prognosis capabilities. **A largely automatic planning system has emerged, which guides the user on a clear and simple path through the planning processes, minimising the workload and allowing only vital tweaks to be made where necessary.** Employees can also use predictive approaches and modern forms of data prognosis.

As one of the leading consultancy firms, KPMG has these tips for other companies implementing similar projects:

- Consider a POC (Proof of Concept) solution. This is the best way to formulate your core requirements in detail and to try out the system for your individual requirements.
- Define a clear target image and set precise project goals! It's the only way to successfully implement ambitious projects.
- Focus heavily on your project team and use the expertise and experience of external colleagues. This will contribute significantly to sustainable and long-term project success.

Ralph Schatten, Head of Controlling, KPMG AG Auditing Firm:

**“With the help of Board, KPMG has achieved its goal of creating a planning system landscape that is perceived at all levels as an enrichment rather than an obligation, and we are now exploiting all of its interactivity and data prognosis capabilities.”**

## 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 has 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.

But having laid the foundation for the Modern Finance journey, CCH Tagetik is now adding capabilities that support these changing needs. In a year of continued momentum, the company has added functionality to its finance transformation platform, expanded its partner application program and is building practical use cases for AI and machine learning.

This year 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 innovative (i) Finance Transformation Platform, powered by the Analytic Information Hub (ii) enhanced analytics through integration with SAP HANA and Microsoft Power BI and finally it's (iii) use cases for artificial intelligence and machine learning through predictive analytics.

### **Innovation 1: A modern Finance Transformation Platform empowered by an Analytic Information Hub**

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 can also represent a major step forward in helping to elevate the modern finance function to strategic advisor.

CCH Tagetik's Analytic Information Hub is at the heart of this modern Finance Transformation. The Analytic Information Hub underpins the performance management applications and processes for which CCH Tagetik is well known, but it also allows users to go beyond traditional corporate performance management to create what CCH Tagetik calls its Finance Transformation Platform.

This novel approach inverts the normally accepted architecture of CPM by bringing the applications to the data, rather than the traditional process of copying the data to multiple applications. Establishing a single data source in this way, avoids duplication, increases speed to insight, and enables user to leverage data at all levels of granularity, from detailed line items to summary level data to generate insight and drive the business forward.

High volumes of granular financial and operational data are easily turned into information and information into actionable insight enabling Finance to support business operations by anticipating risks and opportunities. A unified platform for data and processes, which is owned by Finance, shortens the close cycle, streamlines budgeting and planning, and optimizes profitability analysis while providing the data and process governance that Finance requires. The Analytic Information Hub also provides the flexibility of virtually unlimited dimensionality, the ability to incorporate structured and unstructured data from internal and external sources, a powerful processor, with financial intelligence and modeling tools that can be configured, not programmed, by Finance. Most importantly, the Finance Transformation Platform is owned and maintained by Finance, reducing its dependency on IT and the same full functionality solution is available on the cloud and on premise without any apparent compromise.

FSN's recent research on the Future of Financial Systems highlighted the importance of integrated analytics, with 63% of respondents choosing built in analytical tools as the most important characteristic of their finance system. They also are demanding the ability to expand their data set, and flex the speed and capacity of applications in response to demand.

CCH Tagetik's rich data and all in one unified environment enables Finance & Operations to 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 and with more confidence. The platform allows for rapid development of new applications. This new capability is used for

purpose-built solutions such as CCH Tagetik's Lease Accounting solution (for IFRS 16 & ASC 842) and IFRS 17 for insurance contracts. As well, CCH Tagetik has been able to develop starter kits for fast implementations of Workforce Planning, CAPEX Planning and upgraded the Production Cost Planning and Control to use the Analytic Information Hub.

To accelerate the use of the platform, CCH Tagetik are encouraging their partners to create their own applications to meet their specific needs, which can then be utilized by other CCH Tagetik customers. The partner program, CCH Tagetik Accelerate, educates and enables partners to build and market operational and industry-specific applications using CCH Tagetik. Country-specific consolidation, tax applications, government performance management tools and other applications are available on the CCH Tagetik Application Marketplace.

Data governance and process control with integration to source systems, workflow and audit trail provides confidence in the data, totally owned by Finance. This combined with deeply granular analysis and modeling in one platform, elevates the scope and value of what the Office of Finance can deliver to the organization.

Furthermore, with both financial and non-financial data pre-validated and governed by Finance, users of the CCH Tagetik Finance Transformation Platform can complete the so-called 'last mile' with CCH Tagetik's 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.

By accessing a single source of data with workflow and collaboration tools, Operations and Finance are aligned, processes are streamlined and resources can be optimized. With a complete view of the data, and the ability to easily get any answers, finance can now gain more insights for accurate and better decision making to drive business. Finance can now be elevated within the organization, partner with business and provide the strategic guidance to the c-suite and CEO.

## **Innovation 2: SAP HANA Certified, Microsoft Power BI ready**

For SAP users, the platform concept, incorporating the Analytic Information Hub, has been taken one step further by running CCH Tagetik on the SAP HANA platform (it can also work with Oracle and MS SQL Server).

CCH Tagetik provides seamless integration to SAP source systems (SAP S/4 HANA, SAP ECC) and reporting and analytics on SAP BW and SAP Analytics Cloud providing near real-time results. These capabilities have been used to shorten close and planning cycles, optimize processes and increase analytic capabilities. High volume capabilities and in-memory processing, combined with the flexible data structures of SAP HANA provide a powerful combination to process all the financial and operational data now and for growing data volumes in the future. The innovative SAP HANA capabilities also provide a foundation and performance platform for moving to AI, machine learning and predictive analytics in the future.

CCH Tagetik has also added Microsoft Power BI to its arsenal of integrated solutions. The data visualization tool allows CCH Tagetik customers to use the analytics hub to produce detailed insight and effectively share it with its stakeholders. The addition is a prescient move. FSN's 2020 Future of Analytics survey reiterated the importance of data visualization to deliver the strategic force of intelligent analytics. Building detailed plans, forecasts and models can be rendered wholly ineffective without the means to present them cogently in a strategic setting.

CCH Tagetik 's innovation, is to combine the single data source of financial and operational data, powerful data engine, built-in financial intelligence and enterprise security to empower the self-service BI tools (SAP Analytics Cloud and Microsoft PowerBI) to enable a comprehensive analytics experience for users.



### **Innovation 3: Enabling an era of AI and machine learning**

Artificial Intelligence (AI) and Machine Learning are broad terms bandied about in sometimes ill-defined ways. Everyone wants to use it but not everyone knows exactly how or where. CCH Tagetik has been 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 involves machine learning and artificial intelligence.

The company's machine learning development is focused on creating actionable predictive forecasting and analytics to show 'what is likely to happen' with the insights and data-driven approach to then answer 'how can I adjust to optimize the result'.

. For example, used in times series sales forecasting, CCH Tagetik's predictive analytics helps recognise patterns, remove the effect of non-recurring events, takes into account demand drivers like seasonality, and tests and retests forecast models to produce the optimal models with the most pertinent parameters.

The company is also using predictive analytics for driver-based forecasting, allowing the customer to move parameters to discover patterns and generate options that specifically benefit the business. They have the ability to take a key performance indicator and drill down into the underlying transaction environment to see what levers are influencing the KPI.

CCH Tagetik already has the underlying environment to store the vast data pool needed for machine learning, and the ability to structure, verify and codify it. But the platform also allows finance to take control, to govern and ensure the "veracity of the data" with confidence – a key requirement as modern finance professionals start modeling with AI and machine learning. AI based on inaccurate data is worse than not having AI at all.

The predictive analytic tools run through CCH Tagetik's Finance Transformation Platform leveraging the Analytic Information Hub. By bringing in more granular data, like customer information, industry markers and seasonal business drivers, users are able to predict demand around specific events, to understand how sales might close at the end of the year and adjust pricing or costs accordingly to maximize profit or allocate capital with efficiency and effectiveness. CCH Tagetik is incorporating machine learning capability into their platform to take advantage of the quantity and quality of the data on their platform to determine cause and effect relationship, to support prediction and advanced business modeling.

Running a wide range of statistical models in parallel, then ranking the sensitivity of each variable, CCH Tagetik highlights the most impactful drivers of the data in user-friendly dashboards and reports. Planners can jump to the value-added analysis step of adjusting the key drivers, run simulation what-if analysis, and compare scenarios to select the best final version, instead of preparing the entire plan themselves. Planning and forecasting becomes more efficient, more accurate and results in better decisions as business operations have a map of the key adjustments to make for the best future growth.

Ultimately CCH Tagetik wants to empower finance executives to perform the analytics themselves, in an intuitive and easy to use solution that doesn't require dedicated data analysts – what it calls “citizen analysts”. FSN's research has repeatedly shown that Finance wants the independence to carry out its value added activities without the need for repeated IT support, and to manipulate data within its core systems without relying on data scientists for every model or forecast. All of this means that finance can control its operations, automate processes to free up time, and then spend that time adding value by generating real actionable insight.

## Case Study: Swarovski

### INTRODUCTION – FSN'S VIEW

Swarovski is a global enterprise with annual sales of approximately Euro 3.5 billion, 34,500 employees and 200 reporting entities spread over stores in 170 countries. While best known for its crystalline products its operations extend into optical instruments and grinding tools. Complexity at this level drives an insatiable appetite for business intelligence that straddles operational and financial data, often at a very granular level.

### INNOVATION IN ACTION

Historic approaches to financial reporting and consolidations tend to drive a wedge between operational data and financial data, whereas the modern finance function needs this data to be unified in one environment. What is notable and innovative about the Swarovski case study, is that the CCH Tagetik consolidation engine is subsumed in an architecture that prizes the 'single version of the truth' above all else. CCH Tagetik Finance Transformation Platform, powered by the Analytic Information Hub, unifies granular financial and operational data together with consolidation, planning and regulatory solutions. This novel approach inverts the normally accepted architecture of CPM by bringing the applications to the data, rather than the traditional process of copying the data to multiple applications. The second innovation is to leverage the power of SAP HANA to provide a comprehensive data store underpinning all corporate performance and business intelligence processes.

### SINGLE VERSION OF THE TRUTH

Rather than having separate data stores for financial consolidation and business intelligence, Swarovski wove its consolidation processes into the business intelligence landscape. Here, business intelligence with its attendant data platform could function as a "Single Version of the Truth" for all data used in reporting, avoiding the classic problems of having financial data in one place and operational data in yet another.

### SAP HANA

The CCH Tagetik on SAP HANA platform, certified by SAP to be 'powered by SAP HANA', provides seamless integration to SAP source systems. High volume capabilities and in-memory processing combined with the flexible data structures of SAP HANA provide a powerful combination to process Swarovski's financial and operational data now and for growing data volumes in the future. Indeed, one of Swarovski's most important criteria was to seek a consolidation solution that could run on the SAP HANA data platform and merge seamlessly with the existing business intelligence infrastructure.

The innovative systems architecture, based on SAP HANA, provided Swarovski with a leaner, simplified and unified data environment in which it was easier to secure data accuracy and consistency for the near term and Swarovski's future.

# Swarovski Crystal-clear Consolidation



## CASE STUDY

« CCH Tagetik's consolidation engine was one of the clear benefits over the competitors.»

Thomas Bode

Global Head of Enterprise Data & Analytics, Swarovski

### Company

Swarovski

### Industry

Crystals, optical precision instruments, grinding tool

### Key Facts

- Around 34,500 employees
- Annual sales: approx. EUR 3.5 billion
- Around 3,000 stores in 170 countries
- Corporate group with 200 companies

### Uses of CCH Tagetik

Consolidation and Planning on SAP HANA

### Requirements

- Implementation of a new consolidation solution using SAP HANA
- Tight integration into the existing business intelligence landscape
- Modelling of the complex consolidation requirements for a corporate group

### Overview of the solution

The Swarovski Group's goal was to integrate consolidation much more tightly into the business intelligence landscape. At the same time, the rise of SAP HANA as a back-end for ERP and data warehouse applications increased the likelihood of achieving the "one single point of truth" for all finance data. After evaluating various providers in detail, the world-renowned corporate group decided to select CCH Tagetik. Users benefit from much faster data delivery, improved data quality and the basis for the optimal integration of consolidation was established at the same time.

### Initial situation

Sparkling, cut crystal glass in the form of top-quality gems, accessories and sculptures: the Swarovski Group is mainly known to the public through its crystalline products. Swarovski has a worldwide presence with around 3,000 stores in some 170 countries. Beyond the crystal business, the corporate group is engaged in other business areas that are involved with optical precision instruments and grinding tools.

The Swarovski Group covers more than around 200 reporting subsidiaries that have to be included in the scope of consolidation. In order to streamline these comprehensive processes in the finance department as well as to increase the consistency of financial data, the Swarovski Group released its BI strategy. As consequence, the enterprise initiated the integration of their consolidation process into the business intelligence (BI) landscape. Here business intelligence with the data warehouse was meant to clearly function as the single source of truth for all data used in reporting. Within the scope of this objective, consolidation was to operate as an effective, optimally integrated engine rather than as a second database. Having the data for financial reporting in one place with operational data in another database was to be avoided.

Realizing this vision with the present system landscape was unthinkable. The existing consolidation solution did its job, but did not really fit into the BI infrastructure. An OLAP tool was additionally used for reporting, so that multiple solutions needed to be operated and maintained – with all the associated consequences regarding additional interfaces, the required expertise and the maintenance effort for the flow of data between the solutions. Therefore, the goal was to switch to a high-performance consolidation software designed for the complex requirements of a corporate group with around 200 companies enabling "one single source of truth".

## Benefits and Results

- Implementation of CCH Tagetik on SAP HANA after a detailed selection process
- Data warehouse and CCH Tagetik together form a single source of truth for data, consolidated data and reporting
- Leaner and simpler system and data landscape
- Improved data accuracy and consistency
- Flexible, expandable platform for future growth

“Today all financial available from company in CCH Tagetik within a consolidated view. It makes it”

**Thomas Bode**

Global Head of Enterprise Data

& Analytics, Swarovski

## CCH Tagetik's interplay with SAP HANA proved to be convincing

Important criteria was that the new solution had to run on the SAP HANA data platform and merge as seamlessly as possible with the existing BI infrastructure. Swarovski launched a very comprehensive selection process. Starting with 16 solutions, a short list was prepared with six providers whose systems were evaluated in the course of detailed workshops. Two solutions that also met the requirement of support for SAP HANA made it to the proof of concept phase.

“Several factors tipped the scales in favour of CCH Tagetik,” reports Thomas Bode, Global Head of Enterprise Data & Analytics at Swarovski. “We noted that the provider was very dedicated, even during the selection process. Detailed information was provided in response to enquiries, and that was a good sign. CCH Tagetik's consolidation engine, which is integrated into a clear consolidation framework, was also a clear advantage over the competitors. What's more, we got the impression that we were gaining a strong partner here for further development in respect to SAP HANA.”

Transferring the existing data proved especially complex in the course of implementing the new consolidation solution. For example, past consolidation data and data from the OLAP reporting solution had to be converged. In cooperation with CCH Tagetik's experts and the corporate performance specialists of the partner Satrion, the implementation of CCH Tagetik was successfully completed during the period March through October 2017.

Today CCH Tagetik is used for consolidation and planning processes on SAP HANA within the Swarovski Group. Local accountants & controllers submit their financial statements to the group through CCH Tagetik. A workflow guides them through the required steps, which has considerably simplified the process. The underlying data is requested directly from the data warehouse and quickly available in CCH Tagetik. Here it is important to note that changing the numbers in the consolidation solution itself is not permitted. If adjustments are required within the scope of the income statement for example, the changes can be made in the ERP system. This need to go “back” a step has had a big impact on data quality and consistency.

“It used to take 15 to 20 minutes per company to load the required data into the consolidation,” Bode says. “Delays soon occurred for multiple companies. Today all data is available for a review in CCH Tagetik in a very short time. Currently we are working on optimising the outbound process as well – the way back to the data warehouse allowing our users to explore finance data from the consolidated results to the line transaction.”

Swarovski intends to make planning considerably smarter in the future. Instead of complete records, central drivers will be mainly used in order to develop the forecasts – and ultimately to make even better decisions on this basis.

## About Wolters Kluwer | CCH Tagetik

Wolters Kluwer enables finance, legal, tax, and healthcare professionals to be more effective and efficient. We provide information, software, and services that deliver vital insights, intelligent tools, and the guidance of subject-matter experts. We understand the complex challenges that face the Office of the CFO and translate that knowledge into intuitive, enterprise-scale CCH® Tagetik performance management software solutions that drive business results. With over 180 years' experience in the markets we serve, Wolters Kluwer is lifting the standard in software, knowledge, tools and education.

For more information, visit [www.tagetik.com](http://www.tagetik.com), and [www.wolterskluwer.com](http://www.wolterskluwer.com).

## Case Study: Driscoll's

### INTRODUCTION – FSN'S VIEW

Driscoll's is a California based seller of fresh strawberries and other berries, controlling roughly one-third of the \$6 billion market for berries in the USA.

### INNOVATION IN ACTION

One of the most notable developments and innovations in financial reporting, consolidation and planning processes in the last couple of years is the introduction of large data stores that can open up new vistas of opportunity for modern finance functions seeking to leverage a wide variety of financial and non-financial data (both structured and unstructured) to drive insight and heightened levels of performance.

The standout innovation in this case study, is the way that Driscoll's has embraced the CCH Tagetik Finance Transformation Platform, powered by the Analytic Information Hub, in the cloud, to enable connectivity to an unlimited range of data sources, but most notably without the assistance of the IT function.

### ANALYTIC INFORMATION HUB

In general, 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, gain insights and aid consistency in decision-making across finance and operations. Linking all of these moving parts in one unified environment, one trusted source, represents a major step forward in helping to elevate the modern finance function to strategic advisor.

CCH Tagetik's Analytic Information Hub is at the heart of this modern finance transformation and will allow Driscoll's to go beyond traditional corporate performance management to establish the CCH Tagetik Finance Transformation Platform, powered by the Analytic Information Hub.

In this [video](#) below, Jessica Rocha, Driscoll's Financial Systems Manager talks enthusiastically about the benefits of deploying next generation data management and analytical capability.

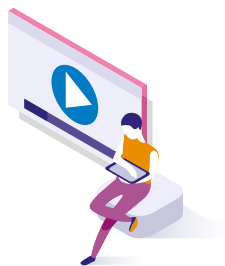


### Company Info

**Driscoll's** is a California-based seller of fresh strawberries and other berries. It is a fourth-generation family business that has been in the Reiter and Driscoll families since the late 1800s. In 2017, it controlled roughly one-third of the \$6 billion U.S. berry market.



**Driscoll's** uses CCH Tagetik for Consolidation, Financial and Fast Close, Collaborative Office, Analytic Information HUB



### Watch the video interview:

<https://www.tagetik.com/en/resources/videos/video?vid=driscolls-fast-close-aihub-cch-tagetik>

## HARNESS DATA AND GAIN INSIGHTS: HOW DRISCOLL'S DRIVES THEIR BUSINESS USING GRANULAR DATA

### How were you managing your budgeting and planning process before CCH Tagetik?

*"We used Hyperion Essbase. We weren't able to drill down or drill through our data, which meant it was hard to break down our costs. Now that we're using CCH Tagetik, **we've reduced the cost and time of the process by around 50%.**"*

### What set CCH Tagetik apart from other vendors?

*"CCH Tagetik understands the complexity of our reporting. Driscoll's has a very complex income statement, and CCH Tagetik's solution was able to accommodate our needs. In the beginning, we thought it would be complicated for the administrators to have the 100% control of the tool. But they do, and it's **really easy to use.**"*

### Now that you have implemented CCH Tagetik, how do you use it?

*"We first chose CCH Tagetik for reporting. We followed this by implementing the Collaborative Office and then the solution for cost center reporting. Finally, we just implemented the **Analytic Information Hub to help us process big data.** We opted for the cloud solution so we won't be dependent on IT."*

### How does CCH Tagetik benefit you and your team?

*"Now, **we use a tool that can manage large volumes of data** and house information from different ERP systems. All our information is in one place, and CCH Tagetik gives us the flexibility to create various reports. Our data refreshes hourly, which helps us complete analysis faster, especially during month-end close."*

*I'm a firm believer in the benefits of the tool. I'd definitely recommend CCH Tagetik to others."*

JESSICA ROCHA

Financial System Manager

*"Now, we use a tool that can manage large volumes of data and house information from different ERP systems. All our information is in one place, and CCH Tagetik gives us the flexibility to create various reports."*



## THE INSIGHTSOFTWARE INNOVATION SHOWCASE

The role of finance professionals is changing as they transition from traditionally focused governance and financial stewardship to a broader position incorporating business partnering, strategic support and innovation.

For most finance professionals the ERP system or their financial management system has historically been 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.

And this trove of information doesn't yield up its treasures very easily. Historically, businesses have had to contend with a variety of vendor applications and point solutions. Organizations that coast along producing just the most basic requisite financial reporting are finding that the minimum of effort is no longer enough. They need to understand new scenarios, analyze larger models to provide the most accurate forecasts, and move quickly when the markets turn. For this they need data and for that they need access to it, time to analyze it and time to make sense of the analysis.

The 'financially intelligent' finance function of the future needs a fresh approach which unifies core financial processes and data, enabling modern finance professionals to be masters of their own data and destiny. They need an environment in which they have unfettered access to real-time data, and finance-owned applications which are malleable and responsive to change.

insightsoftware is probably best known as an innovator in financial reporting software, catering for the needs of small, mid-market and large enterprises. But with the growing remit of the finance function, it has broadened its reach to provide capability in areas such as the close process, budgeting and planning, as well as tax. It's overarching innovation has been to bring a higher level of financial intelligence to the finance function, by combining its native connectivity with ERP and EPM systems for which it is already known, with a set of financial applications that helps the Office of the CFO connect to and make sense of its data. This gives modern finance professionals rapid access to real-time data and insight on their own terms, eliminating their dependence on specialist IT skills and resources.

In this showcase, we highlight three innovations in insightsoftware, namely, its self-service reporting ability, allowing finance professionals to access real-time data at their fingertips; its ability to drill into ERP and operational systems to support business partnering with 'out-of-the-box' reporting and intelligent data visualization; and finally, its latest innovations in cloud-connectivity that form the foundation of next generation financial reporting.

## **Innovation 1: Self-service reporting on real-time data**

Having trustworthy financial information at one's fingertips is a constant challenge for complex businesses in a constantly evolving financial landscape. Effective decision-making requires 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 ERP systems is challenging. Traditional business intelligence or pure reporting tools are unable to leverage the data held in performance management systems and ERP systems because the complexity of underlying systems can be difficult to exploit. In addition, the tools frequently lack the ability to recognize and understand the accounting structures in the underlying data.

insightsoftware's innovation has been to break the deadlock with a portfolio of user-oriented solutions that allow finance professionals to navigate operational systems, on a self-service basis, leveraging familiar interfaces like Excel or a Browser.

Despite its many detractors, Excel remains the analytical and reporting tool of choice in the finance function. Microsoft's continuing investment in Excel functionality has been critical to sustaining Excel's popularity in all core financial processes such as planning, budgeting, forecasting, close and consolidation, as well as financial reporting.

insightsoftware's virtually unrivaled armory of pre-built 'connectors' to ERP and EPM systems (e.g. SAP, Oracle, JD Edwards, Infor, Microsoft and Sage) allow end users to navigate intuitively to the information held in their finance systems and retrieve it in a spreadsheet without recourse to complex lookups or exports.

These pre-built "connectors" understand the structure of the underlying multidimensional models or relational tables in ERP systems. Hierarchies (metadata such as accounts, cost-centers, time periods) can be leveraged directly in a spreadsheet environment without compromising the integrity of the structure. It means that the hierarchies and accompanying data can be retrieved with complete control and without losing context or meaning. Accessing the data in real-time supports time critical accounting processes and provides a high level of control.

But leveraging these connectors goes beyond self-service reporting. insightsoftware's breadth of applications also provide the foundation for a more financially intelligent finance function in which data flows uninterrupted to and from operational ERP systems to support complete financial processes. For example, a budget holder can import prior year actuals and/or budgets from an underlying ERP and populate it completely and accurately in each budget holder's data entry template. Or a balance sheet accountant can populate spreadsheet templates and post validated journals back into underlying ERP systems as close adjustments. insightsoftware's workflow enables end-to-end process support, including the efficient sharing of reports with financial and non-financial users.

## **Innovation 2: Drill-down and data visualization to drive insight**

The link between finance function performance, 'financial intelligence' and data mastery is compelling. According to a FSN research report, *The Future of Financial Reporting*, the biggest challenge to collaboration in reporting for all groups is everyone working off different reports and the lack of 'one version of the truth'. Only 60% of organizations asserted that their data is always accurate and trustworthy, leaving 40% to base their reports on potentially inaccurate information. And only 44% said their spreadsheets used in the reporting process are well controlled and error-free.

However, data masters, or those that use and share trustworthy data as a corporate resource, were considerably less impacted by this. Data masters could spend more time than their counterparts on value-added activities like analysis, risk management and performance management. This adds more value where it's needed the most – in the boardroom.

insightsoftware's connectors provide an inextricable, dependable and secure link between report production and underlying operational systems. And with more organizations professing to be more data-driven than they were three years ago, the ability to access and leverage insights from the full gamut of financial and non-financial data is becoming crucial.

insightsoftware enables reports to be refreshed in real-time from underlying systems, and the same connectivity also allows dashboards, scorecards and KPIs to be updated in real-time. As organizations increasingly seek to merge operational and financial data, insightsoftware allows the finance function to drill down (and drill across the organizational hierarchy) into balances, journals, and subledger transactions to identify the root cause of integrity or reconciliation issues, to investigate variances, and to deliver critical insights for business partnering and performance. Importantly, dashboards and visualizations are drillable as well.

Deriving compelling insight has proved elusive for many organizations. For example, FSN research finds that while 70% of CFOs say their budgeting process is strategically aligned, inclusive and trustworthy, only 43% say it is insightful. Insight is partially driven by the right accounting techniques but also by leveraging data visualization. Non-financial managers especially appreciate seeing results not as a grid of numbers but as meaningful dials, charts and dashboards. The ability of insightsoftware to present and share information in graphical format, building directly on a trustworthy data environment, elevates mundane information into insight.

### **Innovation 3: Next generation cloud-connectivity**

Finance functions that have commenced their migration journey from legacy systems have found enormous benefit from cloud-based processing. FSN's 2019 survey into the Future of Finance Systems found that an astonishing 92% of finance functions will invest either completely or partially in cloud technology over the next 5 years. Only 17% of survey participants said the cloud did not deliver the benefits they were expecting. That is quite a turnaround from just a few years ago and, encouragingly, almost 60% will change and improve their processes as part of their migration to the cloud.

insightsoftware is also innovating to ensure that it matches the growing popularity of the cloud as ERP and EPM vendors migrate to the new environment, with its broadly-based data connectivity and process solutions. insightsoftware has already announced and implemented cloud connectors for Oracle NetSuite Software and more connectors are planned.

Cloud platforms solve several problems for organizations, such as shifting responsibility for maintenance, software upgrades, hardware capacity and operations to software vendors but, probably less well known, is that some have introduced a new set of challenges around access to data. The new generation of ERP's no longer allow direct access to data in the database and instead offer application interfaces (API) which serve specific data to the user. The API's remove some of the complexity from the table structure underneath but are often unable to serve the data in a performant way which meets the requirements of financial and operational reporting.

insightsoftware have innovated to create a hardware-free solution to re-empower the Finance team by removing the complex technical layer around the API's as well as mitigating the performance of the API's with its new Cloud Connectors which automatically mirrors the ERP database to provide a separate, secure and dependable data repository for reporting in the cloud. The advantage of this parallel, but frequently refreshed environment, is that it provides a near real-time reporting experience under the control of the finance function. Better still, it can be leveraged for insight, but with the performance that an agile finance function needs.

Whichever route finance functions take to cloud deployment, insightsoftware knows that reporting and analytic capability built into applications, and the opportunity for process automation, remain top of mind for CFOs.

## **SUMMARY**

The role of finance professionals is changing but many financial management and ERP systems are impervious to change. insightsoftware's innovation is to break the deadlock by combining its native connectivity with ERP systems with a set of financial applications that helps the Office of the CFO connect to and make sense of its data without relying on the IT function.

A plethora of solutions enables finance functions of all sizes to leverage the familiar Excel environment for self-service reporting on real-time data; use drill down and data visualization to help drive insight and cloud deployment to continue to support those organizations that have migrated their core finance systems to the cloud.

## Case Study: Pure Wafer

### INTRODUCTION – FSN'S VIEW

Pure Wafer is a leading vendor in virgin silicon wafers, yet its financial reporting lagged behind its innovative products. Despite having a reputable cloud-based ERP system (NetSuite), its standard reporting was too limited to support management reporting and the board reporting pack. The finance function had to resort to manually extracted ERP data and standalone spreadsheets to fill the reporting gap. This left very little time for analysis and data-driven insights. Spreadsheet Server, an insightsoftware solution, enabled a step-change in automation and month-end reporting, building on the existing spreadsheet skills of the finance function.

### INNOVATION IN ACTION

There are two notable innovations in this case study. Firstly, the ability to design relevant real time reporting within a well-controlled and familiar spreadsheet environment and secondly, the automation of month-end reporting that would serve as the foundation for deeper analytics in the future.

### SELF-SERVICE REPORTING IN REAL TIME

Standard ERP reports frequently fall short of the mark, but at the same time, business intelligence and specialised reporting tools can be too complex, expensive and cumbersome to use.

In this case study, insightsoftware's innovation was to enable the finance function to readily design its board and management reporting packs quickly and easily in a spreadsheet environment and link it to the underlying ERP. Using Spreadsheet Server's pre-built connector to NetSuite, Pure Wafer's finance function was able to intuitively navigate the information held in its ERP system and retrieve it in their pre-designed Excel reporting templates without recourse to complex lookups and macros or indeed any recourse to specific IT skills.

### TIME SAVING AUTOMATION

Using Spreadsheet Server, Pure Wafer's finance function could tap into the NetSuite ERP system and automatically extract the financial data it needed to populate its spreadsheet reports in real-time, whenever it needed to. The time savings were considerable, especially as the process was repeatable. It also reduced the possibility of error and, just as importantly, left more time for reporting and analysis. With the production of, for example, financial statements and bank covenant reporting standardised and automated, the Pure Wafer finance team could focus on business partnering and understanding performance.



## Spreadsheet Server Case Study:

### Pure Wafer



*Pure Wafer reduced financial reporting time by a day and a half within first month of new automated reporting process for NetSuite cloud-based ERP*

California-based **Pure Wafer** is the largest US-based supplier of virgin silicon wafers, wafer reclaim services, and specialty thin film deposition products. Founded in 2008, Pure Wafer has grown both organically and through **multiple acquisitions** to offer a comprehensive range of products to support its clients' semiconductor supply chains. With a new CFO on board, it was time to **enhance and improve its reporting capabilities**.

#### The Challenge

For a company on the leading edge of silicon wafer technology, Pure Wafer had been running a **surprisingly manual financial reporting process**. And if there's one thing that bothered CFO Scott Murcay, it was manual processes: "I just hate wasting my time manually updating things. **It's just not a value add for me.**"

New to Pure Wafer, Murcay focused on learning as much as he could about the company's **cloud-based ERP, NetSuite**, as fast as he could. "Previously, leadership simply relied on the finance and accounting team to make their way through reporting when they could," Murcay said. "From a NetSuite reporting perspective, there were a lot of canned reports, but they didn't have a standard monthly reporting package that you'd be able to publish on a regular basis in a timely manner." Murcay and his team ended up creating many reports—too many—from scratch.

While NetSuite excelled at capturing data, it was less helpful at sending it out in a usable format for finance and the senior management team. For Murcay, it all came down to flexibility.

"NetSuite was pretty **good for some standard reports**, but still fairly basic for our needs. **The flexibility wasn't always**

**where I wanted it to be** with regards to getting the data I wanted when and where I wanted it, and in a format conducive to presentation in management and board reporting packages." To get the information he needed in a presentation-ready fashion, Murcay had to resort to downloading copious amounts of data and then creating spreadsheets. "It took time: **eight to ten days to close the books**, including a day to download all the data from NetSuite, **another full day to put it in Excel**, change columns, update for the current period, and dump it into PowerPoint."

Pure Wafer needed a faster and more flexible reporting solution. Fortunately, Murcay's history included reporting work with **Spreadsheet Server**, an Excel-based ERP reporting solution from insightsoftware. "I knew Spreadsheet Server had the capability to get data out of my ERP system into Excel to create reports," Murcay said.

#### Building Success with Spreadsheet Server

It wasn't difficult to bring Spreadsheet Server on board. Not only did Murcay have previous experience, but his Arizona-based finance director had used a similar tool with his financial systems before. "He'd had this whole set of financials and he lost it all when we converted him to

NetSuite,” Murcay recalled. “He was excited to get Spreadsheet Server and **no longer need to set everything up manually.**”

Pure Wafer is still in early days of its Spreadsheet Server usage, and already in their first month of full implementation have **shaved a full day off their reporting process.** In fact, more than 80 percent of surveyed insightsoftware users have seen measurable benefits from their solution within 2 – 4 weeks. “That first month, **I just hit a button and everything refreshed,**” Murcay recounted. “We were done closing the books, I was able to refresh the data, put it in PowerPoint, and get it to the management team.”

It’s not just the big time-savings that excited Murcay; it’s the little details as well. “Silly stuff like NetSuite reports coming out in exact numbers, down to the pennies. If I wanted to divide the numbers into thousands, I’d have to do it all manually. Spreadsheet Server **does that all automatically.**”

“I’m spending less time creating the reports now, and much more time actually analyzing the data with senior management to understand what it means.”

Even the bank reports can now be automated. “Previously, the company had created all these spreadsheets that required manually updating, such as a set of financial statements and a bank covenant calculation,” said Murcay. “Doing that manually took me **half a day** or so to do, and NetSuite had some reporting limitations that made automating bank covenant calculations difficult. I literally gave up knowing that I was going to have Spreadsheet Server within the next month. Sure enough, **I created the report in Spreadsheet Server in less than an hour.** Now all I have to do is click a few things to update, and I can send it to the bank right away.” For Murcay, this means a **half a day back** in his availability that can be spent analyzing and understanding the data instead.

## Navigating Success

The team at Pure Wafer has gotten its first taste at how easy NetSuite reporting with Spreadsheet Server can be, and with Murcay’s prior experience using the solution, he knows that even **more successes are on the horizon.** “Going forward, I’m hoping that as we roll Spreadsheet Server out in different ways, we’ll be able to use more functionality to dig down and get to detail even faster.”


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*“I’m spending less time creating the reports now, and much more time actually analyzing the data . . .”*

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Already in their short tenure with Spreadsheet Server, Pure Wafer has seen reporting improvements including:

- Reduced month-end report preparation by a full day
- Saved 4 hours by implementing automatic updates to bank covenant calculations
- Customized data output for instant report formatting
- Extra time freed up for data analysis
- Total savings of a day and a half per month on report production

With Spreadsheet Server, Murcay’s small team has become far more efficient, proving a greater value add to the business. “When you have a small group, anything you can do to make the group more efficient and effective when you’re growing is a value add, especially when you don’t have to add more people or more resources,” Murcay stated. **“Spreadsheet Server is a low-cost, high value proposition.”** 

## Case Study: Sage Group plc

### INTRODUCTION – FSN'S VIEW

Sage Group plc is a global ERP (enterprise resource planning) vendor with over 2 million customers worldwide and offices in 24 countries. This geographic spread, with different finance teams operating in different time zones presents profound communication and process challenges for month-end reporting. Although the group used a centralised consolidation system, Oracle Hyperion Financial Management (HFM), reporting was heavily reliant on standalone spreadsheets. However, the move to a “proper” management reporting tool from insightsoftware laid the groundwork for a unified reporting system, which met modern standards for management reporting and narrative.

### INNOVATION IN ACTION

There are two notable innovations in this case study. Firstly, the ability to coalesce Sage's global finance teams around a trustworthy 'single version of the truth' and, secondly, the ability to add narrative for improved understanding and collaboration.

### SINGLE VERSION OF THE TRUTH

In this case study, Sage leveraged insightsoftware's pre-built “connector” to HFM to import and rapidly build a management reporting pack that understood the structure of the underlying multidimensional models, (hierarchies and other metadata such as accounts, cost-centres and time periods) without losing control, context or meaning. With a direct window on consolidated data, all finance teams could share in the original HFM data source and deliver a “Single Version of the Truth” for reporting, whilst still using a familiar web reporting environment.

### NARRATIVE REPORTING

“Narrative”, or explaining financial results and making decisions. is a mixture of art and science. However, 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. The problems of communication are compounded within large multinational organizations such as Sage. 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.

insightsoftware 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 that insight 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 insightsoftware.

## CXO Software Case Study:

### Sage Group plc

*Sage Group plc rebuilds instantly refreshable report packs with new streamlined processes and single source of truth reporting across international teams*

Based in the UK, Sage Group plc is a market leader for integrated accounting, payroll, and payment systems. Sage stands as the world's third-largest on-premises and cloud-based enterprise resource planning (ERP) software supplier with over **2 million customers worldwide** and **offices in 24 countries**. This global spread provides customers all over the world with the ERP support they need, but creates unique challenges when it comes to its own internal reporting.

#### The Challenge

With teams spanning the globe—from Australia to South Africa to the UK and all the way to the west coast of the United States—Sage found its month-end close process to be particularly disjointed. **"All the reporting was done in Excel** and converted to PDF," recalled Finance Systems Manager Andrew Murphy, who is based in Sage's Newcastle head office. "The entire close process took twelve business days. We had a consolidation system, **Oracle Hyperion Financial Management (HFM)**, but we didn't have a uniform view. That led to a big disconnect on metrics."

Trying to get the data across multiple time zones was difficult enough. "Add to that, people were running their own reports and talking about their numbers in their own currency," Murphy said. **"There wasn't a consistent view of the world.** We had different numbers, different calculations, even different charts

of accounts." This all contributed to an incredibly difficult close process.

"That was our main driver for change: **We needed a proper management reporting tool.**"

Fortunately for Murphy and his team, several senior executives in finance had previously worked at a company that used a solution they knew would help. Based on their recommendation, Sage implemented CXO Software, an EPM reporting solution from insightsoftware.

#### Building Success with CXO Software

Bringing the new software on board was quick. A CXO Software specialist spent a week on site getting the software set up, providing knowledge transfer, and helping the team to write their new reports.



"The first report we tackled was replicating our 'city pack,' a 120-page deck we provide for the CFO when he makes announcements in London," said Murphy.

**"It was easy to recreate the reports effectively and accurately."**

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*"Having executive buy-in and an incredibly clear brief on what problems you're trying to solve will drive adoption."*

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However, the original city report was built in Excel using a data dump from HFM with no graphs and very little trend information. So the team saw an opportunity to **rebuild their report pack**, making their reports more interactive and enabling each region to add commentary to explain local variances and outliers. This allowed them to **tell their financial story in a more compelling way** that worked for their executives. "Once these were standardized, we rolled them out to each region. This helped us capture commentary against specific data sets in a consistent structure."

Adoption of the solution gained momentum thanks to C-level buy-in. "We still had people building Excel reports and talking performance to other data," Murphy admitted. "So our financial controller mandated use of CXO in monthly calls with local finance directors to discuss financial performance during which the CXO Software report structure was used in real time."

From that point on, Sage saw CXO Software engagement skyrocket, with usage rates up from 40 - 50 percent of the user base up to about 90 percent. Now the team uses CXO Software to do final review of


budget data as well as package up reports to distribute to functional leaders.

### Navigating Success

"Having executive buy-in and an incredibly clear brief on what problems you're trying to solve will drive adoption," Murphy said. "If you're just putting in a tool for 'better reports,' you won't succeed. Make sure you have a specific use case and an executive willing to drive it."

Sage has seen significant improvements from deepening CXO Software usage, including:

- Reduced 31-hour consolidation and re-sync process to 4 hours via the HFM adaptor
- Sub-second refresh for real-time reports
- Reliable, universally agreed single source of truth for financial reporting across the organization
- Adoption of new behaviors as users naturally drill-through to validate their numbers
- Increased understanding of how the whole organization is performing
- Region monthly management calls now occurring on working day 6

With CXO Software, Sage now has a streamlined monthly close process and a single source of truth for their management reporting. "I genuinely couldn't go back to reconciling people's spreadsheets. **CXO Software gives us so much control**," Murphy concluded. "I can't envisage a world where we didn't have CXO Software." 

## 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 Analytic Blend.

### **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', 'Capital 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.

As part of the continuing commitment to the XF MarketPlace, OneStream have announced further solutions, including Data Entry 123, Predictive Analytics 123, Diagnostics 123, Process Control Manager and a Tax Provision Solution. Data Entry 123 provides a simple to use 'wizard' to create standardized data forms for say, budget data capture and Diagnostics 123 gives users a dashboard view into the system's performance and status at any point in time. Tax Provision extends the established OneStream architecture to support tax provisioning so that users can leverage common accounting data to more readily reconcile their accounting profit to their taxable profit.

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 will also now be 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: Analytic Blend**

A new innovation brought to market by OneStream this year is “Analytic Blend”, which provides a relational data store that enables organisations to combine governed financial data with detailed operational data in a shared CPM environment.

As finance functions take on more strategic responsibility, one of the most essential components of any future finance system is to be able to deliver insight through analytics. This was the finding of FSN’s Future of Finance Systems research, in which 63% of senior finance executives surveyed said built-in analytics were top of their wish list for any finance technology they were considering investing in. It is becoming increasingly important for the office of finance to be able to understand key business drivers, not just the purely financial data, but the rich insight that can be drawn from the confluence of financial and operational business information.

The idea is that CFO’s can blend detailed operational and transactional data with the verified financial data already entrusted to OneStream’s SmartCPM™ platform, using the in-built analytic engine to deliver powerful business insights. The blending capability eliminates data latency by bringing the transactional and operational information into a single computing environment, rather than having to send the financial data out to a separate relational tool or utilise a standalone Business Intelligence (BI) tool. This also allows finance to retain control of data security, governance and workflow, and ensures that all the information within the OneStream system is verified and trusted.

A relational column-store index is able to hold vast amounts of highly granular, transaction level data, which can be exposed and used at will by drilling down or through summary level data held in the CPM system. Once the data is processed into the relational column-store index, then users can perform their analysis using visual dashboards and a pivot grid tool for slicing and dicing the data visually. The capacity for the inclusion of millions of transactions means customers can generate very detailed analyses and drill right down to the salient transactions or financials when viewing the analysis.

When financial and operational data are blended in one system, the margin of error inherent in data capture and manipulation (especially when the data is repeatedly moved around spreadsheets and other tools), is largely eliminated. This gives finance both control of the data and flexibility on how to analyze it. OneStream’s blended analytics is designed to support the complexity, diversity and pace of data needed for financial and operational decision-making.

To complement the integral analytics engine, users can add OneStream's newly released Predictive Analytics 123 solution to their application from OneStream's XF Marketplace. The solution extends customers' existing planning processes with predictive forecasting models. These help the finance team and its business partners develop, compare and contrast bottom-up plans and algorithm-based predictive forecasts. Predictive Analytics 123 uses historical forecast data to determine the most accurate forecast method. It can seed new forecasts with predictive models to improve strategic planning and rolling forecasts. And it can deploy and incorporate predictive models across the OneStream platform, including in workflows, planning processes, reports and dashboards.

When CFOs and senior finance executives have the tools to accumulate, analyze and present key business insights, the finance function becomes the strategic partner all businesses need.

## Case Study: Xylem

### **INTRODUCTION – FSN'S VIEW**

The ability to establish a single unified environment for Corporate Performance Management (CPM) has proved elusive for many corporates. Xylem is typical of many large corporations that almost unwittingly build up unwieldy application architectures over time, even if the applications are sourced from the same vendor. Previous generations of CPM have not coped well with the complexity and volume of data nor the variety of new data sources, but this case study illustrates how a single platform for all CPM needs drives substantial time and cost savings.

### **INNOVATION IN ACTION**

There are two stand-out innovations in this case study. The first is the streamlining and standardization afforded by a single, extensible CPM environment. After all, if a business has always used disparate point solutions for consolidation, reporting, planning, budgeting and forecasting then a single integrated environment is truly innovative. The second relates to OneStream's innovative, extensible dimensionality, that resolves the natural differences and tensions that frequently arise between corporate and local reporting needs.

### **HOLISTIC APPROACH TO FINANCIAL REPORTING AND PLANNING**

Xylem was using several different instances of Oracle Hyperion Financial Management (HFM), three Hyperion Planning applications, and instances of both Oracle Hyperion FDM and FDMEE. OneStream enabled Xylem to leverage a single unified CPM environment for all of its financial close, reporting and planning processes, something that would prove unattainable and prohibitively costly with previous generation of technology. Combining all data, processes and applications in a single environment provided Xylem with a solid foundation for reporting and analytics well into the future.

## **EXTENSIBLE DIMENSIONALITY**

OneStream XF's Extensible Dimensionality® is a unique feature that lets the corporate center maintain a standard chart of accounts and dimension structure while business units can extend these dimensions to fit their specific ways of managing and analyzing the business. Xylem took full advantage of this innovative way of managing the entity structure, eliminating the need to build and maintain separate applications for local cost center reporting as well as global functional reporting requirements.

OneStream's Extensible Dimensionality was heavily used to collect detailed data and provide management visibility into financial and operating results by product, branch, project and cost center. Extensible Dimensionality meant that the required details were reported at the entity level, but not consolidated to Global Xylem.



**Company:**

Xylem

**Industry:**

Manufacturer of  
Water Technology

**Implementation Partner:**

Finit Solutions

## Xylem Overview

Xylem (XYL) is a leading global water technology company committed to developing innovative technology solutions to the world's water challenges. The Company's products and services move, treat, analyze, monitor and return water to the environment in public utility, industrial, residential and commercial building services settings. Xylem also provides a leading portfolio of smart metering, network technologies and advanced infrastructure analytics solutions for water, electric and gas utilities. Xylem has over 17,000 employees, had 2018 revenue of \$5.2 billion, and does business in more than 150 countries. For more information, visit [xylem.com](http://xylem.com).

“The ability to collect more **granular data** in OneStream facilitates **better, faster** business decisions and the **confirmation rules** built into OneStream **ensure data integrity** ... With OneStream, we have **more time available** to spend analyzing data rather than updating data, and the **flexibility** of OneStream provides the **ability to respond quickly** to changing business needs.”

—Mark DiMatteo, Sr. Manager CPM Systems,  
**Xylem**

## The Challenge

Having been spun out of ITT in 2011, and as the result of several acquisitions, Xylem was using several Oracle Hyperion EPM applications to support their financial close, reporting and planning processes. This included three Oracle Hyperion Financial Management (HFM) applications, three Hyperion Planning applications, and instances of both Oracle Hyperion FDM and FDMEE.

Each of these systems contained different levels of detail required to support corporate vs. line of business reporting and planning requirements. With over 500 users across divisions and locations, it was a very fragmented and complex process to load, adjust, and report data with multiple applications and offline Excel models in the mix.

The Xylem team initially considered upgrading and re-designing their on-premise Hyperion applications, but the effort and expected price tag of over \$1M caused them to consider alternative solutions. Finit Solutions then introduced Xylem to OneStream.

After several demos, many positive reference calls, and a visit to OneStream's Splash user conference – the team was convinced that OneStream's unified CPM platform and XF MarketPlace solutions could meet their current and future needs. An ROI analysis projecting a lower cost of ownership for OneStream vs. the Hyperion suite also firmed up their decision to make the leap to OneStream.





### Corporate Performance Management Solutions Delivered

- ✓ Financial Consolidation & Reporting
- ✓ Financial Data Quality
- ✓ Budgeting, Planning and Forecasting
- ✓ OneStream XF Cloud



### Business Challenges

- ✓ Multiple instances of Oracle HFM, Hyperion Planning and FDM
- ✓ Collecting and consolidating actuals and budget data was a fragmented and complex process
- ✓ Upgrading their on-premise solution was going to be expensive reporting capabilities



### Key OneStream XF Benefits

- ✓ 9 months to go-live on OneStream for consolidation, reporting, and planning
- ✓ Improved visibility into line of business financial and operating results
- ✓ Data load times reduced from 6-8 hours to 15 minutes
- ✓ Elimination of a 10,000-line journal entry for allocations
- ✓ Lower total cost of ownership and decreased IT requirements by deploying in the XF Cloud

## The OneStream XF Solution

The initial phase of the OneStream implementation was focused on replacing all the Hyperion applications spanning financial consolidation, reporting, budgeting and planning for the entire organization – all in a 9-month timeframe and while undergoing an implementation of Oracle E-Business Suite (EBS).

Working with Finit, the Xylem team leveraged OneStream's Extensible Dimensionality® to support all their requirements in a single application – with a flexible model that supports local cost center reporting as well as global functional reporting requirements.

## Increasing Visibility into Financial and Line of Business Results

OneStream's Extensible Dimensionality was heavily used to collect detailed data and provide management visibility into financial and operating results by product, branch, project and cost center. The required details are reported at the entity level, but not consolidated to Global Xylem.

Xylem leveraged the power of OneStream to move from a 2D view of cash flow to a 3D view that allows for visibility into more granular detail. OneStream also supports the collection of supplemental data required for quarterly and annual SEC filings, as well as the detailed sales information required for each of Xylem's end-markets and account detail needed for quarterly/annual reporting.

## Benefits Achieved

Xylem has already achieved many benefits from their OneStream implementation. By integrating 100+ local general ledgers to streamline the submission process for actual data, data load times for some global users decreased from 6-8 hours to 15 minutes.

Prior to using OneStream, Xylem used a manually created 10,000-line journal entry to allocate 3 types of expense categories (GA, COS and Sales & Marketing) across business segments. With OneStream, the allocation process is now automated, and the 10,000-line journal entry was eliminated. The allocation is run for actual and budget scenarios and allows for more detailed and accurate reporting of operating results.

The new OneStream system also houses weekly flash data for sales and orders. This data had never been available globally in a system prior to OneStream. In addition, the system houses flux analysis for monthly & quarterly variance explanations. OneStream's out-of-the-box annotation members facilitate collection and reporting of this data.

"The ability to collect more granular data in OneStream facilitates better, faster business decisions and the confirmation rules built into OneStream ensure data integrity," said Mark DiMatteo, Sr. Manager CPM Systems at Xylem. "With OneStream we have more time available to spend analyzing



data rather than updating data and the flexibility of OneStream provides the ability to respond quickly to changing business needs.”

The Xylem team has also seen a decrease in technical support needs as a result of using OneStream’s unified platform and by deploying via the Microsoft Azure Cloud.

## About the Implementation Partner

At Finit we believe that creating value starts with aligning ourselves with your best interests. Our approach and methodologies are based on client advocacy – your goals are our goals, and we’ve crafted our project lifecycle around acting as an advisor and advocate throughout.

Finit’s full lifecycle implementation methodology centers on four sequential project phases with infrastructure, integration, and project management activities crossing all four phases.

Finit’s design methodology is a process of craftsmanship and collaboration. We act as your advocate by developing a clear, detailed, comprehensive understanding of your goals. For more information, visit [finit.com](https://finit.com).

## About OneStream Software

OneStream Software provides a market-leading CPM 2.0 solution, the OneStream XF SmartCPM™ platform. OneStream XF unifies and simplifies financial consolidation, planning, reporting, analytics and financial data quality for sophisticated organizations. Deployed via the cloud or on-premise, OneStream’s unified platform enables organizations to modernize Finance, replace multiple legacy applications, and reduce the total cost of ownership of financial systems. OneStream unleashes Finance teams to spend less time on data integration and system maintenance – and more time focusing on driving business performance.

The OneStream XF MarketPlace features more than 50 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, please visit OneStream Software [onestreamsoftware.com](https://onestreamsoftware.com) or on Twitter @OneStream\_Soft.

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Implementation Partner:



## Case Study: Dril-Quip, Inc.

### INTRODUCTION – FSN'S VIEW

Dril-Quip knew that deploying specialised planning, budgeting and forecasting software together with rolling forecasting techniques would help it drive forecast accuracy and enable it to look further out on the time horizon. But in this case study, Dril-Quip found additional innovative tools to help them build functionality quickly.

### INNOVATION IN ACTION

If FP&A is to become more agile and responsive it needs access to more agile and innovative tools to complement its work – ideally on-demand. This is the idea behind OneStream's innovative XF Marketplace which provides an App store-like environment in which Dril-Quip could leverage companion applications in the form of downloadable "Apps", which fitted snugly into the core of their existing applications. This innovative approach allowed Dril-Quip to extend and enhance the value of its business models without major disruption and delay. They could tap into the latest innovations, rather than inventing their own solutions, resorting to in-house development, spreadsheet work-arounds or untried and tested bolt-ons.

### XF MARKETPLACE

Dril-Quip, leveraged the XF Marketplace to choose the most relevant applications to add to its XF platform. Apps already existed in OneStream's XF Marketplace for 'People Planning', 'Capex Planning', and 'Sales Planning', which were quickly built into its OneStream environment. And because these Apps were written to the same design and development standards as Dril-Quip's CPM platform, the approach greatly reduced risks and timescales associated with adding or upgrading functionality. For example, using Sales Planning, Dril-Quip was able to analyze CRM and backlog data down to the customer level and address new revenue recognition guidelines.

Furthermore, with a community building up around the Apps, the XF Marketplace benefits from the "wisdom of crowds" ensuring that innovative ideas are captured from across the user base and that new Apps are released timeously to ensure that finance professionals always have access to the latest capabilities. Whereas other software vendors have developed separate modules for specialized requirements, often at significant extra cost, the XF Marketplace has allowed Dril-Quip to stay on trend and remain agile without compromising the integrity of its existing CPM models.



Company:

Dril-Quip

Industry:

Manufacturer of Offshore

Drilling Equipment

Implementation Partner:

HollandParker

## About Dril-Quip

Dril-Quip, Inc. (the “company” or “Dril-Quip”) is one of the world’s leading manufacturers of offshore drilling and production equipment that is well suited primarily for use in deepwater applications. The Company designs and manufactures subsea, surface and offshore rig equipment for use by oil and gas companies and drilling contractors in offshore areas throughout the world. DrilQuip also provides technical advisory services, reconditioning services and running tools for use in connection with the installation and retrieval of its products. To learn more, visit [Dril-Quip.com](http://Dril-Quip.com).

“Dril-Quip’s new **driver-based forecasting process** within OneStream not only **simplifies the workflow** for each of our users by providing a guided step-by-step process, but it also **enhances our users’ experience** through the **automation of processes** that were previously manual in nature. As a result, Company management is able to make important operational and strategic decisions based on key trends identified by this **higher quality forecast**.”

—Trevor Ashurst, Manager for Financial Planning & Analysis and Investor Relations

**DRIL-QUIP**

## The Challenge

Dril-Quip previously used Microsoft Excel® spreadsheets as a consolidation and reporting tool for their month end close process. Inconsistencies in data collection via Excel spreadsheets created a lengthy and inefficient close process for Dril-Quip. Further, the visibility senior management had within geographic segments limited the ability to make strategic decisions.

Budgeting and forecasting were prepared in Excel® using a top-down approach. The regional controllers were responsible for taking the Excel spreadsheets from each entity and department within their responsibility and aggregating the data into income statement format using Excel formulas. Drivers and versioning were disjointed and not easily identified.

The company wanted a unified and streamlined solution for all their financial consolidations, internal and external reporting, forecasting, and analysis – that is easily maintained, with the ability to push down accountability to global regions and that delivers accurate reporting. The company also had a need to strengthen its internal controls over financial reporting.

## The OneStream XF Solution

Dril-Quip evaluated both OneStream XF and Oracle HFM as solutions to address the challenges faced. Both vendors presented demos to Financial Reporting, International Accounting, and Senior Management to ensure the application would address SEC filings, statutory



### Corporate Performance Management Solutions Delivered

- ✓ Financial Consolidation and Reporting
- ✓ Planning, Budgeting and Forecasting
- ✓ Sales Planning
- ✓ People Planning
- ✓ Capital Planning
- ✓ XF Cloud



### Business Challenges

- ✓ Needed to replace Excel spreadsheets for consolidation, reporting and planning
- ✓ Inefficient, manual processes for data loading, integration and mapping
- ✓ Management was lacking transparency into global regions
- ✓ Limited visibility into how financial data was derived



### Key OneStream XF Benefits

- ✓ Guided Workflow help improve the quality of financial results
- ✓ Improved internal controls and better audit trails
- ✓ Enhanced visibility into driver-based revenue and expense forecasts
- ✓ Intercompany eliminations reduced from days to minutes
- ✓ Reduced monthly close cycle by three days
- ✓ Sixty days saved annually in forecasting
- ✓ Moved to the cloud within hours

requirements, and growth initiatives. As such, a five-year total cost of ownership inclusive of consolidations, forecasting, account reconciliations, additional users, hardware, and upgrades for both applications was reviewed.

OneStream XF was ultimately selected as management wanted one solution to address all challenges versus multiple solutions that would need to be integrated with each other through additional software. OneStream was initially deployed as an on-premise solution that could run on existing servers, whereas Oracle required specific hardware that would need to be purchased.

Later, Drill-Quip leveraged the cloud support team at OneStream to seamlessly move to the Microsoft Azure® cloud within hours. Drill-Quip Management placed more than 10 reference calls and noted that upgrades took hours rather than months. Overall, OneStream was chosen because it was determined to be a lower cost provider with a better product and better customer service.

Drill-Quip initially implemented OneStream XF to deliver multiple solutions to meet all their financial reporting and planning requirements in one application. This included financial consolidation and reporting, global rolling 18-month forecast, sales planning, people planning and capital planning.

## Replacing Excel and Streamlining Financial Reporting

Drill-Quip replaced several spreadsheets and homegrown solutions with a singularly unified OneStream XF solution. OneStream provided confidence in the data that was being reported not only internally but also externally to the market.

OneStream XF delivered a simplified process by providing global regions the ability to load their own trial balance directly from the general ledger; providing timely and accurate reporting. Drill-Quip was able to capture inventory turnover in OneStream with the use of custom dimensions. This provided an accurate picture of their balance sheet metrics for days inventory outstanding (DIO).

With the pre-built functionality for automatic intercompany eliminations, OneStream makes it easier for business units to identify and quickly resolve any out of balance conditions with their intercompany accounts. OneStream has also made it easier for Drill-Quip to generate their financials for SEC reporting by leveraging the custom dimension to help organize costs based on the requirements for the 10-K and 10-Q.

Consolidations and intercompany eliminations historically took two days to complete. The Financial Reporting team would load consolidated trial balances by region into Epicor (ERP System) to convert data into USD. Eliminations also required manual journals posted to an elimination entity in the ERP system. OneStream XF streamlined this process to minutes versus days through out-of-the-box functionality.

Internal reporting for departmental spending used to take one day to prepare and distribute. In OneStream report books are created and distributed in minutes, enabling Drill-Quip to reduce its monthly close cycle by three days.



## Budgeting and Forecasting

Dril-Quip was looking to roll out a company-wide, 18-month rolling driver-based forecast, where every quarter each departmental manager could enter their various global drivers to help pre-populate revenue, salary, depreciation and expenses. OneStream was able to provide a unified platform to help implement financial, sales, capital and people planning. Pre-populating the forecast for users provides more time for departments to analyze their data, make any necessary adjustments, and provide variance comments.

Revenue recognition is a large part of Dril-Quip's business. With OneStream Sales Planning, global regions are now able to analyze CRM and backlog data down to the customer level and address the new revenue recognition guidelines.

People Planning provided Dril-Quip an easy-to-use tool to manage headcount by entity and department. Having this solution in place provides regional managers a better solution for planning workforce costs in the future.

Dril-Quip's fixed asset management tool was inconsistent globally. By implementing capital planning in OneStream, it provided a more consistent way for global regions to manage their fixed assets rather than in Excel in some cases. Additionally, Corporate is able to leverage OneStream Capital Planning to set global useful life drivers to ensure depreciation is consistently calculated in accordance with company policy.

The application leveraged Dril-Quip's detailed security matrix by creating workflow profiles specifically for forecast data based on responsibility down to the cost center level, providing confidence to the users that their information was confidential and secured, especially for salary planning.

With the ability to combine actuals through the rolling forecast, reporting out of OneStream became seamless. Transparency and ownership of the data was key to Dril-Quip's success.

On aggregation of monthly forecasts alone, Dril-Quip saved sixty days annually through the implementation of OneStream XF. Sales Planning tools are in use by senior management and require users to annotate any deviations from CRM and backlog data, thereby reducing follow up questions. Finally, the use of an 18-month rolling forecast enabled the company to move its annual budget process and Board of Directors approval into the 4th Quarter.



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For more information, please visit OneStream Software [onestreamsoftware.com](http://onestreamsoftware.com) or on Twitter @OneStream\_Soft.

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## About HollandParker

HollandParker is a CPM consulting firm specializing in OneStream software implementation. The firm is a Platinum OneStream Partner delivering OneStream XF software implementation support for Fortune 500 and global enterprise companies. HollandParker partners with each business to identify inefficiencies and implement technology-enabled solutions that automate and support mission-critical processes. The firm's team of consultants and managers have diverse backgrounds in accounting, finance, business, and information technology to support the complete software implementation process for each customer.

HollandParker is based in Houston, Texas. Consultants and managers are located throughout the United States and are deployed to each customer location to provide hands-on support through the duration of the implementation process. For more information, visit [hollandparker.com](http://hollandparker.com) or on LinkedIn at [Linkedin.com/company/holland-parker](https://www.linkedin.com/company/holland-parker).

Implementation Partner:  **hollandParker**



## THE ROOTSTOCK SOFTWARE INNOVATION SHOWCASE

Long before the development of the now ubiquitous Enterprise Resource Planning (ERP) system, manufacturing companies were using what was essentially its precursor- Materials Requirement Planning (MRP). Designed to plan the raw material requirements for manufacturing products, MRP evolved over time to encompass more and more of the manufacturing process. When it expanded across sectors and embraced the rest of the business processes required to keep a company running successfully it finally became the ERP we know today.

These days most ERP solutions are broadly-based systems with a breadth of coverage that extends well beyond the initial manufacturing focus and so many software solutions are regarded by the market as ERP even though they do not cover manufacturing processes.

Rootstock, on the other hand is differentiated in two main ways. Firstly, it is authentically an ERP solution, with manufacturing capability at its very core and, secondly, it is a true cloud product that is designed and built for the cloud from the very outset. It is this relatively rare combination which makes the Rootstock offering innovative, along with other notable features as well.

Although it is a fully fledged ERP solution, Rootstock Software chose not to be all things to all people. Instead they chose to concentrate on being the best cloud ERP system for the manufacturing, distribution and supply chain sector, taking the ERP idea back to its roots.

Founded in 2008 by software architect and engineer Pat Garrehy, Rootstock Software develops and implements Cloud ERP software that helps manufacturers and distributors deliver personalized customer experiences, build operations that scale and out-service their competition. It has been developed to run on the Salesforce platform, which brings with it further innovative capabilities.

In this innovation showcase we highlight three key Rootstock Software innovations, namely: (i) Authentic ERP with a manufacturing, distribution and supply chain focus; (ii) True multi-tenanted cloud ERP; (iii) Salesforce CRM integration with 360 degree visibility of customers.

### **Innovation 1: Authentic ERP with a manufacturing distribution and supply chain focus**

Modern ERP systems had their genesis in the manufacturing process. Material resource planning systems widened to include manufacturing processes, then widened further to connect company-wide systems including HR, finance, marketing and sales.

But in the process of expanding its remit, ERP has become a jack of all trades. One ERP system is designed and sold to service all manner of sectors and company requirements. As the technological revolution has forced companies to compete in an ever-changing market, traditional ERP systems have lagged behind, often forcing companies to shoe-horn ill-fitting systems into disparate businesses.

At its name implies, Rootstock Software has gone back to the roots of the ERP system, designing its system specifically for manufacturers, distribution and supply chain companies and catering specifically to their requirements. These requirements have also changed substantially in the last decade as the nature of manufacturing and supply chain have changed.

When MRP was first introduced in the early 1990s products were made in batches, usually distributed the same way, with long lead times and constrictive manufacturing processes. With the advances in technology over the last three decades, barriers to entry are falling away, smaller producers can nimbly develop and produce products on demand, forcing the whole sector to respond to competitive pressure with faster speed to market and better customer service.

So manufacturing systems these days have to accommodate extremely short product cycles, low production runs, 'everything as a service' and personalized production.

Rootstock's ERP system is designed specifically to address these needs. When a just in time order is received, Rootstock's ERP generates the ripples of process throughout the system to ensure timely and accurate delivery. It can respond to the changes in financial structuring that come from the evolution of production styles. When 3D printers enable manufacturers to offer personalization on an affordable scale, the costings change, and Rootstock ERP is configured to handle an array of costing types, as well as new and traditional methods of manufacturing from Build to Order, Build to Stock, Engineer to Order, Configure to Order, Project-based and Mixed Mode manufacturing.

But the key evolution of MRP to ERP, and the Rootstock premise, is integration across the business. While manufacturers concentrate on ensuring their products are made properly and on time, the surrounding processes must also tie together. Sales orders for products need to be integrated with the engineering and production process. And those same sales orders must be costed based on the type of production run, personalization, and underlying project costs.

Personalization and customer-centricity is at the root of the changes in business today, across all industries. In the manufacturing sector, agile competitors are forcing established companies to improve their own processes and adopt new business models.

And while the companies are adapting their manufacturing models, Rootstock is ensuring their processes are integrated across not only production and supply chain but also the front facing customer applications and the back office systems too. It's adaptive, fast and developed specifically for customers that build, distribute and design products. From sales to customer service, engineering to production, supply chain to inventory, Rootstock's innovation is that its ERP functionality is broad and deep.

## **Innovation 2: True multi-tenanted cloud ERP built on the Salesforce Cloud**

Rootstock's software is a true cloud ERP system, which can't be said for every 'cloud' software company in the market today. Some on-premise designed ERP companies have been putting their software into virtualized data centers and branding it as cloud, in order to tout the advantages of the cloud to potential customers. Known as 'cloud washing', the practice leaves users without the substantial benefits of true cloud solutions. These include automatic updates, multi-tenancy, and the scalability that enables applications to 'expand with the burst' to handle an increased load, allowing businesses to use only what they need of their systems at any given time.

One of the key tenets of true cloud systems is that many customers share a secure pool of configurable computing resources which can be easily or automatically adjusted depending on demand. The elasticity of the cloud allows true cloud vendors like Rootstock to manage these resources efficiently, flexing demand up or down depending on their customers' requirements. Upgrades and changes to the software are made in the cloud and automatically benefit the user, and the software can grow to include new applications and requirements as the industry changes along with their customers' needs.

Crucially, Rootstock's ERP system is built on the Salesforce cloud platform. Although well-known for its CRM solution, Salesforce also offers a cloud platform where companies can build their own applications to the same design and development standards as Rootstock and integrate them seamlessly with the rest of the Rootstock applications.

### **Innovation 3: Salesforce CRM integration with 360 degree visibility of customers**

The seamless cohesion of Rootstock's cloud ERP with Salesforce CRM is the indelible link that allows traceability and transparency of the customer journey through the manufacturing process. This integration is key to Rootstock's customer-centric approach to manufacturing ERP and is so seamless that Rootstock users don't know when they are moving from their ERP system into the Salesforce CRM system. The process flows smoothly, as does the data, and, crucially, it's visible to all users across the enterprise.

When a Rootstock user is in the sales application, they can also see whether deliveries have been made, or whether an order is being manufactured on the shop floor. And while this is a real boon when managing the business processes, the real beneficiary is the customer. The visibility across CRM and ERP provides a clear view of the entire customer journey. No matter what touch point, from receivables to shipping, call center to distribution, they all know what's going on with every customer. And the communication works both ways. Customers can be kept up to date on their orders and supply chains via the Salesforce Platform as well.

Having centralized ERP data on the same platform as Salesforce CRM customer data, Rootstock Cloud ERP can offer manufacturing, distribution, and supply chain organizations a single platform on which to grow and manage their businesses. They have a 360—degree view of the customer and the business, with all the data accessible from all contact points.

This customer-centric approach is essential to managing the changing nature of manufacturing. Customers are more agile, and need products faster or with more personalization. Rootstock is just as adaptive as its own customers, combining the speed of the cloud platform and the knowhow of manufacturing.

Their platform has in-built collaborative tools with embedded social media and portals called Communities for customers and suppliers to encourage interaction across all devices. The Salesforce Chatter social collaboration tool can drive productivity by allowing users to share knowledge, files and data internally and externally. This not only enables companies to stay in touch with customers and suppliers but also encourages internal collaboration. The availability of data and automatic updates enable departments to work together, communicate more effectively and build business partnerships that ultimately improve the bottom line. Rootstock's integrated platform goes beyond customer-centricity, it is organization-centric, encouraging collaboration within and outside the company.

Rootstock centralizes data in the true cloud, on a powerful platform that hosts customer data, and connects the people who run the business with each other, with their customers and with the very 'things' they are manufacturing.

## Case Study: Unionwear

### INTRODUCTION – FSN’S VIEW

FSN’s “Innovation in the Finance Function” Survey 2018 found that finance functions that are early adopters of technology, have a culture of innovation, make time for it and reward it, outperform their competitors in terms of the speed and accuracy of forecasting and the time taken to close the books. This case study exemplifies how a positive culture of innovation, coupled with investment in the cloud, enabled Unionwear to stand out in an industry otherwise in decline.

### INNOVATION IN ACTION

There are two notable innovations in this case study. Firstly, the “data-mastery” enabled by a unified ERP solution in the cloud and secondly, how innovation is its own reward, releasing time for even more innovation

### DATA MASTERY

The case study highlights how Rootstock’s ERP transformed Unionwear from an organization that was data constrained, into the pinnacle of data mastery where data is actively managed as a corporate asset. Whether it was tracking raw materials, managing inventory or improving stock-turn, the case study illustrates an abundance of examples of how data captured in the ERP, from shop floor to management, has been turned into insight and competitive advantage.

### INNOVATION BEGETS INNOVATION

The introduction of advanced automation and innovative manufacturing capability has enabled Unionwear to broaden its product offerings, open new markets and, crucially, ‘make to order’ as easily as it could ‘make to stock’. Innovation has released time for Unionwear to focus on even more innovation that can provide growth opportunities for the future. Moving data capture directly onto the shop floor via smartphones has set the scene for accelerating goods inwards, improved data accuracy and reducing time to market.





# The Unionwear Story: Lessons learned from an Early Adopter of Cloud ERP

## COMPANY

Unionwear

## HEADQUARTERS

Newark, NJ

## FOUNDED

1991

## INDUSTRY

Apparel manufacturing (Hats & caps, bags, and other promotional products and private label accessories)



This is not a typical case study, because Unionwear is not a typical case. By the standards of manufacturing in general, and the apparel industry specifically, the New Jersey-based maker of hats, caps, bags and other promotional products and private label accessories is an early adopter of cloud-based ERP.

The company first turned on Rootstock cloud ERP on January 1, 2014, in what CEO Mitch Cahn calls “a leap of faith. Back then, there was nobody you could point to in manufacturing – especially not a small manufacturer like us – and say ‘they’re doing well with cloud ERP.’ There was no example we could follow.”

But despite not having a roadmap, Cahn knew the company had to move forward. “I could see that cloud-based ERP was what everyone was going to be using in the future. I also realized it was going to make mobile ERP possible.”

Let’s take a look at what Unionwear has done with Rootstock ERP since 2014, how they are using cloud-based ERP to drive customer value, and what you can learn from their experience.

## A necessary response to an unforgiving market and limits on growth

Market conditions drove Unionwear to look at ERP. In 2014, the U.S. apparel industry was a shell of its former self. U.S. consumers were buying much less than they used to, and almost everything they bought was being made overseas. How bad were things? The Bureau of Labor Statistics reported that apparel industry employment had contracted from an average employment of 902,000 in 1960 to about 136,000 in 2014. Some wondered openly if the industry could survive at all in the U.S.

Despite the headwinds, Cahn believed Unionwear could not only survive, but grow. And he knew growth would not come from small changes. The situation called for something as substantial and strategic as a move to the cloud. “When everything else in the economy is trying to shut us down, being forward-thinking is the only way to succeed,” says Cahn.

There were internal, operational realities that were also working to keep Unionwear from achieving the growth they wanted. One of the biggest barriers was a fundamental problem with inventory. “We were badly limited by our inability to accurately or quickly track raw materials used as we made our products. We kept running out of material, no matter how much inventory we carried or how well we planned, because we simply could not track how much material we were using,” Cahn explains. “This was one of the issues that prompted us to look at a new ERP solution in the first place. To avoid stock outages and make the best use of our workers’ time, we were forced to overbuy and carry a lot of excess inventory. That’s not a sustainable practice.”

## Early successes, and unexpected challenges

Shortly after implementing Rootstock ERP, Unionwear loaded all of their existing inventory data into the system. Cahn notes that the results were immediate and eye-opening. “Just being able to track raw material usage accurately, we were able to improve work scheduling, produce more product, and double our sales in the first year after we went live.”

What about the “dead inventory” they were carrying? “It was tracked in our database now,” says Cahn, “so when a new job came in, we could scan what was already on hand to see if we could use existing inventory for the new order, instead of buying new stock.” Quickly, Unionwear was able to liquidate \$600-700k of inventory. “We turned dead stock into cash,” Cahn remarks. “That was made possible because we were using Rootstock.”

As with any major new software implementation, unexpected challenges arose. The first one centered on data. “We had only been keeping track of what we sold,” Cahn points out, “not job routings or bills of materials or any other details.” But to get intended value from Rootstock, Unionwear realized that needed to change.



**Just being able to track raw material usage accurately, we were able to improve work scheduling, produce more product, and double our sales in the first year after we went live.”**



“Now, we needed to track it all – the sum total of the labor and overhead and components that went into producing an order – and that was frustrating at first. We were capturing ten times as much information as we had before Rootstock, so the data entry was taking much longer. It was hard to see the big picture until we collected a critical mass of data. At that point, we could use it as a management tool. It took about a year to get over that hump, but we did.”

Another data challenge was discovered on the factory floor. “Collecting shop floor data meant relying on the math skills of sewing machine operators. We assumed – incorrectly, it turned out – that all our workers would understand percentages, estimates, fractions, and other basic math skills. And people are naturally reluctant to admit what they don’t know. They continued to give misinformation with the best of intentions. It took a long time to figure out where the misinformation was coming from and how it was gumming up the system.”

How did Unionwear meet the challenge? By being flexible, Cahn explains. “We learned to ask the right questions, ones that don’t involve math skills. For example, instead of asking ‘how many yards did you use on that job,’ we ask ‘how many table lengths of material did you unroll?’ That’s a basic counting question, and we know how long the table is. We maximized the skills we had on the floor.”

### Opportunities for growth, the need for patience

What impact has Rootstock had on operations at Unionwear? Due in part to using Rootstock, the company has been able to grow even while the domestic apparel industry continues to shrink. According to the Bureau of Labor Statistics, employment numbers in the industry have fallen from 136,000 in 2014 to around 116,000 at the end of 2017. At Unionwear, however, the story is completely different: 120 people in 2014, 175 today.





And while Cahn can identify more opportunities for growth, he has preached patience.

“We’ve grown between 2016 and now, but it’s all been from existing clients. We’ve downplayed marketing and sales to new customers while we brought all our internal processes up to the standards we think will help us double sales in the next two years.” Cahn points to one long-term strategy in particular that has Unionwear poised for more success. “Since 2014, I’ve made it a priority to hire people with supply chain and information science degrees or experience. We had specific industry knowledge, but lacked that sort of training. Now, I have a team that can implement everything we want to do. We’ve been building this roadmap together for four years, and we’re finally ready to move ahead aggressively.”

### The power of Rootstock cloud ERP: Making custom orders feel like stock

Like other areas of manufacturing, the apparel industry has had to deal with the rise of personalization. At Unionwear, Cahn says they’ve used “the tools that exist in Rootstock” to turn this new customer requirement into a big competitive advantage.

“At first, we offered our customers an online configurator so they could easily customize whatever they wanted to order from us. But the people we sell to are almost all either designers or buyers. We quickly discovered a simple truth: these folks don’t want to spend time configuring anything. They want to place an order.”

In response, Unionwear began to use the configurator for product development. “It seemed like a simple idea, but it has been a real game-changer. We’ve looked at all the materials we have on hand and used the configurator to put those materials together in virtually every conceivable combination. We now can sell products we haven’t even made before as unique SKUs.”

Unionwear started by pre-configuring 1,000 SKUs for baseball hats. Once they confirmed that the results warranted the effort, they turned their attention to the bags they offered. “When we were done,” notes Cahn, “we had 40,000 SKUs to put online.”

And now? “If you go to our website to order a baseball cap or hat, you’ll find 200,000 options waiting for you, each fully configured and ready to be ordered. You can shop for a hat instead of having to configure it, because Rootstock enables us to predict virtually any hat someone could order, configure it ourselves, and show it, graphically, on our site. We can make to order as efficiently as make to stock. And for our customers, it’s as easy as ordering from Amazon.”







**“One of the first things we noticed when we started talking to Rootstock was that everyone seemed to have a manufacturing or ERP background. That domain knowledge was and is pretty unique among vendors. They ‘get it,’ and that’s incredibly helpful.”**

## **Unionwear realizes the benefits of having Rootstock as their cloud ERP partner**

“One of the first things we noticed when we started talking to Rootstock” Cahn recalls, “was that everyone seemed to have a manufacturing or ERP background. That domain knowledge was and is pretty unique among vendors. They ‘get it,’ and that’s incredibly helpful.”

Rootstock’s free upgrades – an “unexpected benefit,” says Cahn – have also proven helpful. “Every time Rootstock upgrades, it’s like getting a free gift. As the user base expands, and Rootstock turns their feedback into new features and enhancements, the system just continues to get better. We get useful upgrades all the time that we don’t have to pay for.”

## **Next steps in Unionwear’s continuing transformation**

One upgrade to Rootstock has Cahn and his team particularly excited: the mobile capabilities of RootScan Mobile. While they haven’t gone live yet, Cahn can already see the benefits. “Right now, we batch process packing slips for goods received. We might do that every other day, or even just once a week. If we’re waiting for material to arrive so we can start a new job, which happens often, that’s not fast enough. When we go live with RootScan, an arriving shipment will be entered into the system as its unloaded. We’ll know that material is here as soon as it comes off the truck.”

Cahn is also excited about mobile because it will help bring badly needed computing capabilities to the factory floor. “I have a lot of people who don’t use a laptop or tablet, and don’t really like computers. But they’re all very comfortable using a smartphone. Mobile will be the way we get computing into their hands. We’re looking forward to seeing how much that will boost efficiency and productivity, and employee morale.”






### **REQUEST A DEMO AT [ROOTSTOCK.COM](https://rootstock.com)**

Rootstock Software® is a worldwide provider of cloud ERP on the Salesforce Cloud Platform. When combined with Salesforce CRM, Rootstock Cloud ERP offers manufacturing, distribution, and supply chain organizations a single platform to grow and manage their businesses. Rootstock Cloud ERP is a flexible, modern, and digitally-connected system that transforms companies to deliver a more personalized customer experience, efficiently scale operations, and out-service the competition.

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## Case Study: Pacer Group

### INTRODUCTION – FSN'S VIEW

Authentic manufacturing ERP in the cloud is relatively rare even in 2019, but this case study highlights vividly how fully fledged ERP that supports several modes of production as well as distribution and supply chain capability within the same environment, provides an agile environment in which mid-sized organizations can take opportunities for growth and flourish without being concerned that their ERP cannot keep up.

### INNOVATION IN ACTION

The case study illustrates the power of ERP born in the cloud to support modern day manufacturing and secondly, the digital transformation enabled by a platform approach.

### ERP IN THE CLOUD

The case study highlights the formidable advantages of moving to manufacturing ERP in the cloud. Pacer Group was shackled to an expensive and inflexible on-premise system and was constantly updating hardware to meet the expanding needs of the business. By comparison modern ERP in the cloud conferred the advantages of handling diverse manufacturing requirements, automatic updates to functionality, and infinite scalability that enables applications to 'expand with the burst' while containing cost.

### DIGITAL TRANSFORMATION PLATFORM

Crucially cloud ERP on the Salesforce Platform set the scene for Pacer Group's broader digital transformation. Centralized ERP data on the same platform as Salesforce CRM enables Pacer Group to leverage all of the capability available in the Salesforce ecosystem confident in the knowledge that different applications and in-house customizations can operate together seamlessly. But technology aside, the real dividend in this case study is the sharpness of decision-making enabled by a 360 degree view of the customer and business operations, with all of the data at management's fingertips from anywhere in the organization.





# Pacer Group – Focused on the Future

**COMPANY**

Pacer Group

**HEADQUARTERS**

Sarasota, FL

**SIZE**

145 employees

**FOUNDED**

1979

**TYPE**

Private

**INDUSTRY**

Electrical product manufacturing

**REVENUE**

\$30 million

**Manufacturer's digital transformation began when the Pacer Group replaced their on-premise ERP with Rootstock Cloud ERP.**

John Swiatkowski, President of the [Pacer Group](#), cannot predict the future, but back in 2014, he saw the future of his company.

John was proud of his company's reputation in the wire, cable and electrical product industry, but the future called for the digital transformation of manufacturing, bringing with it reduced costs, connected employers and customers, streamlined operations, and emerging technologies like advanced analytics and the Internet of Things (IoT). Unfortunately, not only was his company's legacy on-premise ERP system unable to deliver these benefits, it was becoming prohibitively expensive to maintain.

Faced with this problem, John did what many small-to-medium sized companies have already done - he embraced the Cloud.





**Our former ERP system had become dated, too cumbersome and difficult to use, and didn't provide us with the depth of manufacturing that we needed."**

## Integrated Manufacturing, Engineering and Distribution

Founded in 1979, the Pacer Group has become a leading wire and electrical cable manufacturer that offers custom electrical products, value-added solutions, and parts distribution. Expanding beyond its traditional marine industry focus at its 42,000 square-foot manufacturing, assembly, and warehouse complex in Sarasota, FL, the company successfully integrated three major industrial functions:

- Electrical wire and cable manufacturing
- Electrical system design and manufacturing
- Electrical components distribution

The integration of these three functions now gives Pacer the flexibility to serve individuals, smaller companies and large-volume users with customer-focused solutions. The solutions include battery cable assembly, wire harness assembly, instrument and dash panel design, and complete electrical system integration.

Pacer's customers come from a wide range of manufacturers who require UL/CSA-approved wire, including makers of batteries, forklifts and golf carts, industrial equipment, alternative power, appliances and data storage. Pacer also offers a wide range of products that serve marine, automotive, truck, RV, and off-road vehicles.

## Two Manufacturing Modes + Distribution

The company manufactures products in two primary modes. One part of the business runs small-lot, complex jobs that involve many parts and changeovers. Another part of the business produces low-complexity, high-volume products such as wire and cable.

From an ERP perspective, Pacer produces lot-controlled products where the system processes a new work order, which then become finished goods. The final part of the business buys products for resale in a classic distribution scenario.

## The Problem - Stuck in an On-Premise Past

While Pacer's integrated industrial functions gave the company flexibility, their ERP system did not. John knew that the on-premise ERP system was holding the company back. According to John, "Our previous ERP system had become dated, too cumbersome and difficult to use, and didn't provide us with the depth of manufacturing that we needed. At the same time," he continued, "we were at a size where it is inefficient to host an on-premise system." John knew that Pacer needed the functionality and mobility that their on-premise ERP system lacked. As a company already using Salesforce, he wanted a solution that could easily leverage the advantages of the Salesforce Platform.



## Expensive Hardware and Difficult Upgrades

The Pacer Group's on-premise ERP system required new and more expensive hardware every year. This constant effort to keep up with the acquisition of hardware, operating system software, database management software and other infrastructure products not only cost money and labor, but they were also technically challenging. John knew that something had to change.

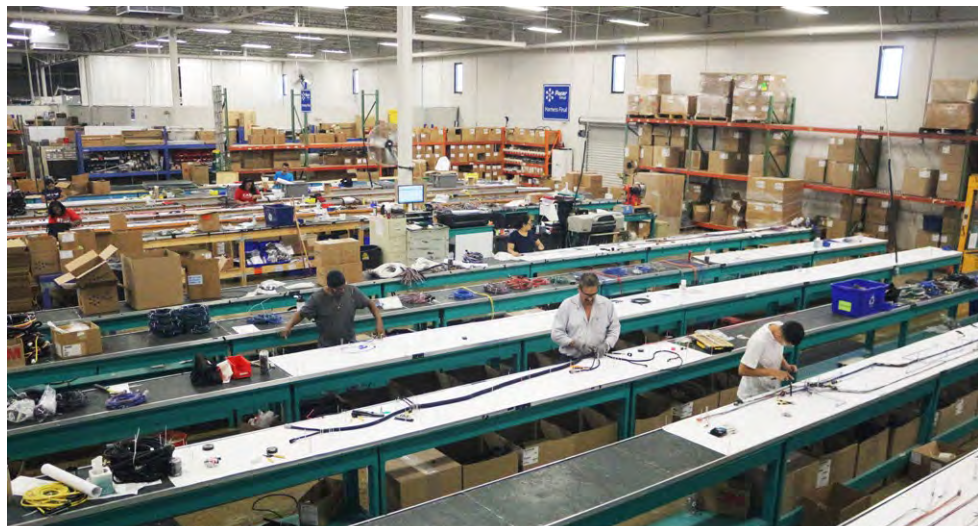
## Transactions, Transactions, and More Transactions

In addition to the technical and financial costs of maintaining their on-premise ERP system, the Pacer Group was processing a lot of transactions - hundreds of thousands of transactions per month, mostly in work orders and related functions in two of its divisions: Marine Manufacturing and Engineering.

The on-premise system was no longer capable of handling that many transactions, especially the operation-booking and labor-related transactions. This lack of efficiency was a real problem for the company.

## Digital Transformation is Mission Critical

Hardware problems and transaction issues were reasons enough to replace the company's on-premise ERP system, but John knew that the benefits of digital transformation would be the real drivers for his company's future growth and success. Benefits such as reduced costs, greater connectivity and mobility, and streamlined decision-making and production were all a part of the future John saw for the Pacer Group. The current on-premise system could not deliver these benefits.



## Transforming the Pacer Group

### Reduced Costs

Pacer needed to get out from under those excessive hardware costs. Digitization leverages technologies like the cloud, which requires lower up-front and hardware costs and delivers greater efficiencies across an enterprise. According to PWC, 86% of 2,000 manufacturers surveyed expect to see cost reductions and revenue gains from their digitization efforts over the next five years. John wanted those benefits for the Pacer Group.

### Connectivity and Mobility

The ability to connect data, employees, customers, and suppliers in real-time from any device was a goal of the Pacer Group. When employees connect to the information they need, most become empowered and more efficient. Modern technology includes data analytics and collaboration tools to make it easy for workers and management to address critical problems immediately from anywhere, using any device.

Collaboration tools and social networks allow customers and suppliers to connect to the company, while data analytics uncover the actionable insights about those customers and suppliers. Not only does the company benefit by being better informed, it opens new opportunities for improved customer service.

### Streamlined Decision-Making and Production

Digitization allows companies to automate workflows across their entire supply chains and provides visibility into the entire enterprise. The resulting streamlined decision-making and operations lead to greater efficiencies and increased productivity.

The Pacer Group wanted to streamline their operations to become more agile and get products to more customers faster. The company also wanted to streamline decision-making to solve problems more quickly and make more informed decisions about the products they engineer, manufacture and distribute.







**It quickly became evident to the team and me that cloud-based ERP was fast becoming a real alternative to traditional on-premise ERP systems.”**



*The Pacer Group uses OzLINK, which works with the shipping interfaces for the most popular carriers: UPS WorldShip, USPS Endicia and FedEx Ship Manager. Although OzLINK is not a Salesforce-specific application, the open flexibility of the Salesforce platform allowed Pacer to integrate with Rootstock and dramatically improve performance.*



## The Solution - Move to the Cloud

For John to move the company into a digitized future, he knew the Pacer Group had to move to the cloud.

“It quickly became evident to the team and me that cloud-based ERP was fast becoming a real alternative to traditional on-premise ERP systems,” John observed.

Based on the Software-as-a-Service (SaaS) model, the cloud requires no expensive onsite hardware to install and maintain; the software is hosted in the cloud and updated automatically by the cloud vendor.

As the availability of cloud-based software has exploded, the system of interdependent components that work together to enable cloud services has come to be called the “cloud ecosystem.” One of the most popular of these cloud ecosystems is Salesforce, and in 2014, Pacer had already been using Salesforce.

Pacer’s selection committee reviewed reports from Gartner and other analysts about ERP systems that cover the wide range of businesses that Pacer handles. John and his team ultimately selected Rootstock Software for their new manufacturing/distribution Cloud ERP running on the Salesforce cloud platform.

## The Salesforce Advantage

Pacer wanted a manufacturing ERP solution that would complement their current Salesforce software already in use by their sales and marketing departments.

As John observed, “We needed a flexible platform that would operate with our other Salesforce tools and most of the suites we reviewed were too limited.”

ERP implementations often require some customization and personalization to enhance the usability or functionality of the software. As a result, programming costs can be borne by either the software vendor or the customer. Until the customization is complete, productivity and efficiency gains may be delayed.

With all the software on the Salesforce Platform, many of these customization problems can be avoided.

Eva Wright, Pacer Group’s IT manager, is also a certified Salesforce Administrator. She notes, “By leveraging Salesforce, the new ERP software could let the IT department easily provide its customizations to the ERP software native to the Salesforce cloud.” Eva saw that a cloud-based ERP solution on Salesforce would offer a quicker payback and higher return on investment, especially when considering how future customization projects could be controlled by Pacer rather than the software provider.



**We appreciated how they (Rootstock) looked at our business processes and came up with solutions.”**



**We were processing a lot of transactions, and I think we were breaking some of the speed limits that Rootstock had, and they were very responsive in quickly fixing those things.”**



## Implementing Rootstock Cloud ERP

With three different aspects to their business, Pacer decided that the fastest ROI would come from installing Rootstock Cloud ERP on the manufacturing side, Pacer Marine, which produced higher volumes with more complexity than on the engineering side.

“We thought that we would implement Pacer Marine first because it would be the easier for us to learn and adapt and figure out the system rather than the engineering division, with its heavy manufacturing and complex BOMs,” said John. “So, we felt that if we got a little more familiar with some of the simpler manufacturing, work order processing and order entry for Marine, that would be an easier transition. When we did go to the engineering side, it actually did work that way.”

The initial installation for the Pacer Group for distribution and Pacer Marine manufacturing went live in December 2014 after ten months. Pacer Engineering went live a little over a year later in January 2016.

Throughout the implementation period, John and the Pacer Group were very pleased with Rootstock. “Rootstock committed early on to support the company’s needs,” said John, “including helping to make order entry more accessible.”

John appreciated how Rootstock looked at their business processes and came up with solutions that fit his business. “One of the things that they did was to commit very early on to help us improve our process. They installed apps like Quick Order which enabled us to access the sales order endpoint via an API, and they helped by just making order entry more accessible in multiple ways.”

“One of the things we learned in this process is the importance of the vendor team,” added Eva. “We wanted a group that was willing and eager to help us. We appreciated how they looked at our business processes and came up with solutions.”

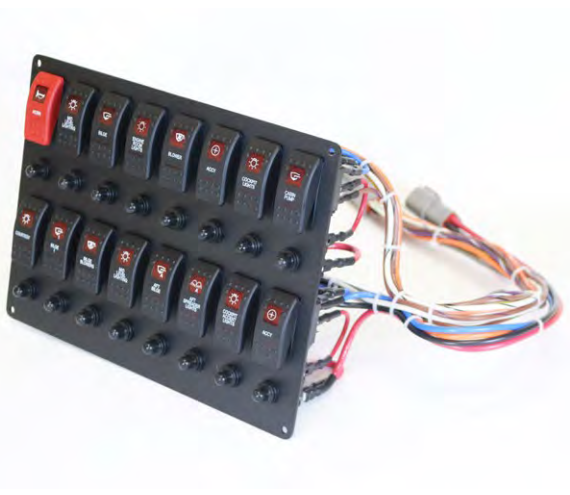
## Mastering the Unexpected

Like all ERP implementations, there were some unexpected challenges along the way. There were issues early on with transactions and database migration.

According to John, “We were processing a lot of transactions, and I think we were breaking some of the speed limits that Rootstock had, and they were very responsive in quickly fixing those things.”

The Pacer Group was pleased with the way Rootstock helped resolve these issues. For example, implementing the manufacturing functionality went smoothly. “One reason we selected Rootstock is





that the ERP can handle complex manufacturing,” said John. For their first installation, Pacer needed a distribution order entry solution. Pacer eventually coded their custom point of sale solution, which was a process made much easier by Rootstock’s dedication and support.

John admits that his team significantly underestimated the amount of data cleansing and maintenance that they needed to do. Pacer had to migrate a database of 15 CSV tables from their previous software to make sure that everything was cleaned out and manageable, that duplicate parts were removed, and that data was accurate and up to date. “It took us significantly longer than what we expected,” said John.

In addition to the early challenges of the order entry process and database migration, Pacer also re-evaluated some of their expected add-ins at launch and went in other directions.

## The Benefits - Focused on the Future

Thanks to their move to Rootstock Cloud ERP, the Pacer Group is well on their way to the digital future that John envisioned back in 2014. Pacer has seen several benefits since both implementations went live:

- Cost savings, especially from being able to start and complete the implementation project without significant up-front investments in perpetual license and maintenance fees.
- Customization is easier now than it was with the old on-premise system.
- Connectivity lets everyone see what’s going on in the business so that the appropriate people can take-action from any device.
- The ease of doing business has significantly improved.

The system is far more dynamic in fixing issues than the old on-premise system. Updates are easier and faster. As great as the business value of cloud-based ERP was to the Pacer Group, the actual cost of keeping their on-premise system was clearly prohibitive and became even more so when they went live. “The cost of keeping an on-premise service at a company right now has grown even more since 2014 when we decided to go to the cloud,” said John.

## Early Results

After just six months, Pacer realized significant benefits. They experienced a dramatic improvement in inventory management, which allowed them to serve their customers with more dependable, on-time deliveries. Users took to the new cloud-based system right away.





**Our people are enjoying working with the system. It is so highly customizable. As our people suggest new ideas – voila – we in IT can provide them.”**

Pacer’s old on-premise system required numerous non-native solutions to function sufficiently for their business. They were inefficient and required maintenance. This problem went away within months of going live.

After only six months, John was extremely pleased with this immediate benefit. “Versus the old on-premise system, we can now easily work with so many other solutions as Rootstock on Salesforce takes care of this,” he reported.

### **Results Today**

Since the first implementation went live four years ago, and the second two and a half years ago, the Pacer Group has 42 full users, including 15 shop floor users.

The company is enjoying improved efficiency, making it much easier to solve customer problems. “We haven’t had to increase man-hours in IT, Sales or Customer Service, even though the company is growing,” claims Eva. “We’re doing more with the same. Rootstock has been instrumental in that.”

One of the other things Pacer wanted to do was to change their website endpoint. They were overhauling their entire e-commerce strategy and needed a solution that was easier to integrate than their on-premise system. “The Salesforce cloud can integrate hundreds and hundreds of different apps, platforms and everything else,” said Eva. “So, you’re not limited to one or two solutions that work with on-premise systems.”

### **Unexpected Benefit - Finding Information Quickly**

Thanks to Rootstock’s universal search function, Pacer employees now find information much faster, which was a pleasant surprise as it enabled them to uncover business insights more quickly in response to customers’ and production inquiries.

According to John, “When we talk to the team members that use the program, they say finding information is dramatically improved. In the previous system, you’re diving down into a series of screens.” Rootstock’s search allowed users to find out what’s going on with parts, deliveries, and customers much faster than in the past, and for a transactional business-like Pacer, half of an employee’s day is finding information about a customer’s question or a product manager’s question about a particular product.



## Rootstock Cloud ERP - Functionality That Fits the Business

The Pacer Group makes use of many of the Rootstock modules. They make the most use of the purchasing, MRP/manufacturing, and engineering modules that they've added since they went live.

"We probably make the most use of the manufacturing modules," reports John. "I mean, we process hundreds of thousands of transactions a month, mostly on work orders and pulling them through the processing, the issuing out of components, and lot tracking."

### Critical Rootstock Modules for The Pacer Group

#### MRP-Driven Demand

MRP (Material Requirements Planning) uses information from Sales Order Management to drive top-level demands and allows forecast demands to be entered. For the Pacer Group, efficient MRP is critical.

"MRP keeps track of what we need," says Eva. "It's an excellent engine and lets us quickly find out everything on order and determine what we have."

#### Efficient Purchasing

Purchase Order Management provides for the entry and tracking of purchase orders for direct and indirect materials and services. Pacer has seen significant efficiencies in purchasing since going live with Rootstock.

"Our volume has dramatically increased," says John. "It was 40 hours a week for one person. Now one person manages the process in 12 hours a week, and that's in addition to solving problems with other issues."

#### Complex BOMs

Another critical area of functionality for Pacer is Bill of Materials (BOM) maintenance. "BOM Maintenance is a beautiful thing," says Eva. "We can copy, clone and maintain our BOMs much more efficiently than we could before Rootstock."





**Upgrading makes you think about your internal processes, and one of the things that made it most successful was when we learned to adapt that to being more future-focused.”**

## Conclusion

In 2014, John saw the future of the Pacer Group. Moving from its old on-premise ERP system to Rootstock Cloud ERP has made that future a reality, bringing with it reduced costs, connectivity and mobility, and improved efficiency from streamlined operations. The digital transformation of the Pacer Group has just begun; they are already working on expanding the solution.

One expansion underway is called RootScan, which is Rootstock’s mobile app for managing inventory, production, shipping, fulfillment and labor transactions.

“Right now, we’re into the testing and initial rollout of RootScan,” says John. “Another new addition is DRP (Distribution Requirements Planning). It’s more of a distribution thing and we’re using that right now to work better on inventory control for our larger OEM customers.”

Adds Eva, “Upgrading makes you think about your internal processes, and one of the things that made it most successful was when we learned to adapt that to being more future-focused.”

Thanks to Rootstock Cloud ERP, the Pacer Group has begun the digital transformation in John Swiatkowski’s original vision. Maybe he can predict the future after all.



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## THE WORKDAY INNOVATION SHOWCASE

Workday has been a leading innovator in the cloud native enterprise resource planning software market since its inception in 2005. Workday was founded by former PeopleSoft executives Aneel Bhusri and Dave Duffield. From the beginning, Workday designed a single solution with an in-memory, object data model for Finance and HR. It is this single data model “The Power of One”, that has stood the test of time and provided the foundation of Workday’s mission to transform the finance function through the power of data.

This approach conferred significant advantages over the outdated technique of integrating third-party datamarts, business intelligence and reporting tools. Workday’s architecture unifies the ‘transaction world’ and ‘information world’ in one indivisible solution. All the insights are generated from one source, serving all reporting needs, and the flexibility of the system allows Workday and its users to easily respond to, or instigate, changes within the data or the application with minimal effort, i.e. with clicks not code.

Last year’s Innovation Showcase focused on Workday’s core innovation, the single data model, which is as dynamic and impactful now as it was 15 years ago. We also looked at the acquisition and integration of more specialized planning, budgeting and forecasting capabilities. And finally, we examined Workday’s initiative to share anonymized operational data (Analytics and Data as a Service) so that customers could more readily benchmark their performance.

This year we examine three other innovative developments, namely, (i) Intelligent Automation; (ii) Intelligent Analytics and (iii) Intelligent Planning, as Workday seeks to leverage machine learning on the single data model to help the modern finance function, plan, execute and analyze in a continuous cycle.

**Innovation 1: Intelligent automation**

There is a lot of talk about the changing nature of the finance function, as it pivots towards a more strategic and insight-driven role. But if the office of finance is going to take the lead in digital efficiency and insight, it's going to need the time and tools to do it. Time has long been a hindrance to the many expectations of finance, because historically, finance processes have been excessively labor intensive and time-consuming, with most of the effort bunched around the month-end, quarter, half-year and year-end.

To alleviate some of this time and labor-intensity, finance has been slowly automating its processes for some years, at a basic level of digitization. This has certainly gone some way to improving efficiency in finance processes, but Workday's single data model, and real-time accounting offers an outstanding opportunity to deploy smarter automation. The outcome of this smarter automation is to smooth out the peaks and troughs of transaction processing and create a more frictionless finance process.

Workday's innovative approach to automation is to not only plan, execute and analyze on a continuous basis, but to imbue each financial process with pattern recognition and anomaly detection to enable straight through processing and generate insight automatically. Continuous exception management coupled with continuous process insight will enable common bottlenecks such as reconciliations and accounting anomalies to be resolved almost as they happen rather than waiting for month-end. And this will eventually bring the prospect of a zero-day close within the grasp of most finance functions.

For many businesses, the procure to pay (P2P) process is largely manual and highly labor intensive notwithstanding that optical character recognition (OCR) has made significant inroads into invoice processing. But fascinatingly, Workday has developed a way of optimizing the workload of processing purchase invoices using intelligent work queues. Through machine learning and pattern recognition, Workday's systems monitor invoice queries and automatically balance the workload across the payables function, by routing items according to each employee's workload and available capacity.

Workday's journal insights also uses machine learning to detect anomalies in accounting entries by comparing them to other entries for similar transactions. The system automatically flags these anomalies in real time, which allows users to correct the issue and avoid reconciliation problems at period end. The underlying core of machine learning capability recognizes when a specific anomaly is reconciled in a certain way and uses this learning to take action automatically the next time around. Thus, with each iteration Workday's machine learning engine becomes more effective.



Both of these use cases are all still in trial with early adopters, targeted for general availability in 2021. This saves time and enables finance functions to focus on the close process at month-end, without having to deal with a backlog of unresolved issues. In other words, the artificial barrier of the period end disappears. But it is also noteworthy, that with each new cycle, the process is generating valuable information and insight about core financial processes. Intelligent automation is transforming P2P and Quote to Cash (Q2C) from mere transaction systems into fully fledged information systems.

## **Innovation 2: Intelligent Analytics**

The volume and speed of the data explosion can be a daunting challenge for businesses at the start of their digital journey. Many organizations are data rich but insight poor. If finance is to take the lead in digitization, the most important thing is to recognize the opportunities it creates. Being able to analyze the data effectively and draw out the patterns that show trends and suggest improvements is the only way to compete in today's crowded market.

Workday's analytic innovation is its ability to explore all its data in-the-moment, automatically transforming vast amounts of data for analysis, and bringing new insights to the surface which can explain why patterns are occurring, not just exposing the pattern itself.

Workday's unified analytics and reporting means all data from all parts of the business are available for analysis, providing the most comprehensive insights at each stage of the process. The analysis is delivered visually through discovery boards, an embedded business intelligence system with a drag and drop experience accessible by casual and power-users alike. Discovery boards already understands the metadata in Workday's single data model (for example, transaction dimensions like supplier or campaign, as well as hierarchies, cost centers, accounts, time periods and more). These intuitive, user driven dashboards can be manipulated at a very granular level to see how changes or parameters in one area affect other parts of the business.

Workday's "Accounting Centre", currently being trialled and expected to be available widely within a year, allows organizations to automatically turn their business events (broadly non-codified and unstructured financial and non-financial data) into journal entries by transforming them with relevant accounting rules. This data can then be blended with other financial data to drive even deeper analysis and insight.

Workday's acquisition in 2018 of Stories.bi adds another level of innovation to its analytic capabilities. Augmented analytics intelligently and continuously searches for data patterns and outliers, identifying top line trends, issues, or opportunities in the organization, and then deliver personalized insights to users in a conversational, headline form. This combination of pattern detection, graph processing, machine learning and natural language generation means insights are delivered directly in natural language, without being prompted, and the analysis suggests why the patterns or outliers have occurred. For finance, we expect to see a glimpse of the first analytic application leveraging this game-changing technology in 2021.

### **Innovation 3 - Intelligent Planning**

In uncertain times FSN research finds that businesses typically forecast more often. But, as we have seen during the COVID disruption, continuous planning and forecasting needs to be supported by greater forecasting agility in order to address new circumstances, scenarios and demands as they arise. The insights that point to shortfalls or strengths allow companies to correct their course through effective planning and modeling to discover the most efficient and beneficial course of action.

For example, if a company has recently seen a healthy spike in sales of a software product, they should be planning for a spike in demand for training, online courses and support by ensuring their resources are focused in this area. Or if there is a downturn in demand for a product mid-quarter, they should be looking to model new marketing campaigns to revive demand.

Workday's planning innovation is the ability for companies to model the scenarios in real time using the voluminous data within their analytics engine, and drill across and down into the data all the way to the transactional level, to decide on a strategic course of action. Currently, Workday has made anomaly detection available to a limited set of customers, and will be making this available to all users with its next update in fall 2020. The company is also starting early trials of intelligent forecasting, which uses machine learning to identify key business drivers and then uses these drivers to automatically generate high fidelity plans as a starting point for FP&A teams. Workday believes this will help customers attain even more accurate forecasts with much less effort.

Workday recognizes that every finance organization is at a different stage of maturity and not every business will be able to take advantage of intelligent automation, analytics and planning at the same time. But the power of the single data model remains compelling, providing an architecture and capability that is well beyond the fractured systems architectures of yesteryear. It is enabling organizations to progress with their finance journey at their own pace safe in the knowledge that Workday continues to be a leading innovator in the market.

## Case Study: CNA

### INTRODUCTION – FSN'S VIEW

In common with many large enterprises CNA suffered from a costly and complex network of legacy systems that required expensive customization and relied heavily on IT support for process execution. But in this case study, CNA was able to rationalize its disparate legacy systems into one cloud-native solution and put the finance function in the driving seat.

### INNOVATION IN ACTION

CNA leveraged Workday's single data model to unify its transactions and reporting in one indivisible solution. All the insights are generated from one source, serving all reporting needs, and the flexibility of the system allows Workday and its users to easily respond to, or instigate, changes within the data or the application with minimal effort, for example, with configuration rather than customization, i.e. clicks not code.

### AGILE REPORTING

CNA simplified the systems landscape, streamlined financial processes, and delivered an enhanced user experience and interface. CNA redesigned its chart of accounts, simplified its reporting structure, and reduced the time to execute period-close tasks and prepare standard and ad-hoc financial reports. The company now delivers reportable dimensions that support internal requirements, such as reinsurance premiums reports, and uses built-in lease functionality to ensure compliance with new standards.



## ABOUT CNA FINANCIAL CORPORATION



- Headquartered in Chicago, Illinois
- Provides standard and specialized insurance products and services to businesses across the U.S., Canada, and Europe and is backed by 120 years of experience
- Approximately \$45 billion in assets
- More than 6,000 employees worldwide

## CHALLENGES

As one of the largest U.S. commercial property and casualty insurance companies in the U.S., CNA's rigid and complex network of legacy finance systems required significant customization. Finance depended on IT for process execution, burdening IT with a lengthy request queue and lagging capability set.

## WHY WORKDAY

CNA selected Workday to eliminate the need for customizations, become more agile, gain access to real-time data, and be able to accelerate the close process.

## WORKDAY APPLICATIONS

Financial Management | Human Capital Management | Expenses | Talent Management | Planning

## BENEFITS AND RESULTS



Previously, we had tons of customization. The cost to upgrade our prior system was 2x the cost of our Workday implementation.

—AVP, Workday Finance and Data Management



**Systems Consolidation:** CNA consolidated five legacy systems into one cloud-native solution and delivered a gateway to real-time financial insight. CNA evolved from time and labor intensive product customization to flexible and intuitive product configuration, in addition to replacing disruptive and low-value upgrades with continuous adoption of new features and functionality.



**30%** cost savings in Finance system annual spend



**Systems Flexibility:** Workday enabled CNA to redesign its systems support model. IT shifted ownership of tasks such as environment refreshes, system updates, EIBs, cost allocations, financial reporting, process changes, and ledger management to Finance, retaining ownership solely of integrations. Finance benefits from an expansive functionality set and accelerated turnaround times.

**27%** improvement in IT efficiency

Reduced time to turn around change requests from monthly deployment cycle to real-time configuration updates



**Financial Management:** CNA redesigned its chart of accounts, simplified its reporting structure, and reduced the time to execute period-close tasks and prepare standard and ad hoc financial reports. The company now delivers reportable dimensions that support internal requirements, such as reinsurance premiums reports, and uses built-in lease functionality to ensure compliance with new standards.

**59%** reduction in ledger accounts

**9** new reporting dimensions

Built-in lease accounting functionality; \$60K annual cost avoidance



**User Experience:** CNA simplified the systems landscape, streamlined financial processes, and delivered an enhanced user experience and interface. Finance is relieved of data lags during critical periods such as quarter close, equipped with intuitive search functionality, and empowered to design and impact the future state.



Significant reduction in time to train new hires

## Case Study: TMX

### INTRODUCTION – FSN'S VIEW

TMX, a multinational business with more than 1,200 employees, operated with disparate finance legacy systems that resulted in costly and time-consuming IT processes and required significant third-party support. But in this case study, TMX was able to rationalize its disparate legacy systems into a single cloud-native solution that liberated the IT function from security, updates, and maintenance and allowed finance to exert more control over its own destiny.

### INNOVATION IN ACTION

For an acquisitive company like TMX it is essential to on-board acquired businesses with minimum of disruption. Business process diagrams that foster collaboration and reduce planning time, streamline the integration of acquired companies. Features such as the configurable business process framework reduced time to onboard existing processes and the need to engage consultants. The time to integrate an acquisition fell from a typical 12 months before Workday, to 4.5 months after implementing Workday as the group standard.

### INTELLIGENT AUTOMATION

Workday's innovative approach to automation is to not only plan, execute and analyze on a continuous basis, but to imbue each financial process with pattern recognition and anomaly detection to enable straight through processing and generate insight automatically. Workday enabled self-service, reduced paperwork, and less time spent on accounting close and invoicing, boosting finance process efficiency. In turn, finance optimized costs by repurposing head count and redirecting time to high-value tasks.





## ABOUT TMX



- Over 1,200 employees as of December 31, 2018
- TMX operates global markets, and builds digital communities and analytics solutions that facilitate the funding, growth, and success of businesses, traders, and investors
- Head office is located in Toronto, Ontario, Canada, with offices also in Montréal, Calgary, Vancouver, New York, London, United Kingdom, and Singapore

## CHALLENGES

Prior to Workday, TMX operated with disparate finance legacy systems that resulted in costly and time-consuming IT processes, and required significant third-party support. It was difficult for TMX to quickly and easily integrate acquisitions and organizational management.

## WHY WORKDAY

TMX wanted a cloud-native solution that could support the organization as it evolved by future-proofing the cost of technology, promoting self-service, and serving as a business intelligence system.

## WORKDAY APPLICATIONS

Financial Management, Human Capital Management, Planning, Payroll for Canada, Learning, Expenses, Recruiting, Time Tracking, Procurement, Projects

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## BENEFITS AND RESULTS



### Systems Consolidation and Flexibility:

Vendor-managed security, updates, and maintenance for a single cloud-based system enables TMX to lower costs across the organization. Finance has more control over the system and IT can focus on more strategic projects.

**\$640K** reduction in annual maintenance and infrastructure costs

IT time spent on innovation vs. maintenance

**20% vs. 80%** → **80% vs. 20%**



### Process Automation and Insights:

Self-service, reduced paperwork, and less time spent on accounting close and invoicing boosts finance process efficiency. Finance optimized costs by repurposing head count and redirecting time to high-value tasks.

**\$553K** repurposed in annual finance labor costs

Decrease in ledger accounts

**1,859** → **231**



### Organizational Change:

Business process diagrams that foster collaboration and reduce planning time streamline the integration of acquired companies. Features such as the configurable business process framework reduce time to onboard existing processes and the need to engage consultants.

Time to integrate an acquisition

**12 months** → **4.5 months**

**\$600K** reduction in external consulting costs



### Audit and Controls:

Business processes are now paperless, and the embedded always-on audit governs every transaction. Audit teams can rely on automated system controls, reducing the extent of sample testing and driving audit efficiencies.

Auditor self-service → **50%** reduction in external audit requests

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## About Anaplan

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To learn more, visit [anaplan.com](https://anaplan.com)



## About BlackLine

Since being founded in 2001, [BlackLine](#) has become a leading provider of cloud software that automates and controls the entire financial close process, and has been recognized by Gartner as a Leader in Cloud Financial Close Solutions for the last four years, since the inception of the category.

Our vision is to modernize the finance and accounting function to enable greater operational effectiveness and agility, and we are committed to delivering innovative solutions and services to empower accounting and finance leaders around the world to achieve modern finance.

We believe that this passion and dedication to our customers is why BlackLine's Finance Controls and Automation platform is trusted by more than 236,800 users in over 150+ countries around the world, and why we've been named to the Forbes Cloud 100 list and the Inc. 500/5000 list for the ninth year in a row.

Headquartered in Los Angeles, California, with offices in Australia, the United Kingdom, Germany, and throughout the United States, our team of professionals and network of partners help transform the way accounting and finance teams work to drive more accurate financials and more effective organizations.

## Contact:

BlackLine has offices globally. To contact your nearest BlackLine team, go to

<https://www.blackline.com/contact>



## About Board

[Board](#) is the #1 decision-making platform. Founded in 1994, Board International has enabled people from more than 3,000 companies worldwide to have a transformative impact on their business by rapidly deploying Business Intelligence, Corporate Performance Management, and Predictive Analytics applications on a single unified platform.

Board allows companies to intuitively play and create with data to produce a single, accurate, and complete view of business information, gain actionable insights, and achieve full control of performance across the entire organization.

Thanks to the Board platform, global enterprises such as Coca-Cola, Ricoh, KPMG, Puma, Siemens, and ZF Group have deployed end-to-end decision-making applications at a fraction of the time and cost associated with traditional solutions.

Board International has 26 offices around the world and a global reseller network. Board has been implemented in over 100 countries.



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## About insightsoftware

[insightsoftware](https://www.insightsoftware.com) is a leading provider of financial reporting and enterprise performance management software. We enable the Office of the CFO to connect to and make sense of their enterprise data in real time so they can proactively drive greater financial intelligence across their organization, which is how best-in-class finance teams operate. Over 25,000 organizations worldwide rely on insightsoftware's portfolio of best-in-class reporting, analytics, budgeting, forecasting, consolidation, and tax solutions to provide them with increased productivity, visibility, accuracy, and compliance. Visit [insightsoftware.com](https://www.insightsoftware.com) for more information.



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## About OneStream Software

[OneStream Software](#) provides a market-leading CPM 2.0 solution, the OneStream XF SmartCPMTM platform. OneStream XF unifies and simplifies financial consolidation, planning, reporting, analytics and financial data quality for sophisticated organizations. Deployed via the cloud or on-premise, OneStream's unified platform enables organizations to modernize Finance, replace multiple legacy applications, and reduce the total cost of ownership of financial systems. OneStream unleashes Finance teams to spend less time on data integration and system maintenance – and more time focusing on driving business performance.

The OneStream XF platform can easily be extended with solutions from the XF MarketPlace. These downloadable solutions are fully battle-tested and optimized for the OneStream XF platform, allowing customers to easily extend the value of their CPM platform to meet the changing needs of Finance and Operations. More than 50 solutions are available on the OneStream XF MarketPlace and in use by customers including People Planning, Capital Planning, Cash Planning, Sales Planning, Tax Provisioning, and Account Reconciliations.

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

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## About Rootstock

[Rootstock Software](#) is a worldwide provider of cloud ERP on the Salesforce Platform. When combined with Salesforce CRM, Rootstock Cloud ERP offers manufacturing, distribution, and supply chain organizations a single platform to grow and manage their businesses. Rootstock Cloud ERP is a flexible, modern, and digitally connected system that transforms companies to deliver a more personalized customer experience, efficiently scale operations, and out-service the competition.

To learn more, please visit <https://www.rootstock.com>



## About Workday

[Workday](#) is a leading provider of enterprise cloud applications for finance and human resources. Founded in 2005, Workday delivers financial management, human capital management, planning, and analytics applications designed for the world's largest companies, educational institutions, and government agencies. Organizations ranging from medium-sized businesses to Fortune 50 enterprises have selected Workday.

### Contact:

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## 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 53,000 readers in more than 23 countries and across every major industry segment. It is also the publisher of the popular [www.fsn.co.uk](http://www.fsn.co.uk) website and regularly holds networking dinners and events for its members.

## Innovation Showcase 2021

If you would like to be considered for inclusion in the 2021 Innovation Showcase then please contact Michelle Fabian, research director, [michelle.fabian@fsn.co.uk](mailto:michelle.fabian@fsn.co.uk) or Gary Simon, CEO, [gary.simon@fsn.co.uk](mailto:gary.simon@fsn.co.uk)

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