Adaptive Insights

The Path to Reporting Nirvana:
Four Steps to Enlightenment

> "There are two kinds of suffering: the kind that leads to more suffering and the kind that brings an end to suffering."
>
> Buddha

Reporting Should Be Blissful

During Buddha's quest for enlightenment, he wandered for years before finally finding his path to achieve Nirvana. He found him self trapped in cycles of earthly suffering and bad Karma.

For businesses, feeling trapped in an endless cycle of so much data and not enough knowledge about that data can also be a kind of hell on Earth. Endless spreadsheets to update, multiple users working on countless versions which are often out-of-date can amount to the same thing: manual, error-prone, time intensive reporting.

Unshackle Your Team to Do More

While spreadsheets are low-cost and easy to use, the time your staff spends building reports to track revenue, headcount, cash flow, and produce financial statements is costing your business, and leaving money on the table.

"There are only two mistakes one can make along the road to truth; not going all the way, and not starting."

Buddha

About two-thirds of companies rely on spreadsheets as a key tool in their financial and management reporting processes, yet 90% of spreadsheets contain errors.

Here's what causes the bad karma...

The Data Burden

Data gathering for reports is painful. Manually retrieving financial data out of systems like Microsoft Dynamics, Sage ERP or Oracle eBusiness Suite can often be tough. Companies frequently use more than one data collection system. A call to IT to run reports to retrieve data needed takes the data out of the hands of the business owners.

Businesses that put reporting and analytics at the center of their operations are "more productive and more profitable than their peers".[1]

"Ten IT-enabled business trends for the decade ahead." McKinsey.

The Endless Wait

Manually integrating and reconciling data, creating and error-checking formulas, updating charts and formatting are time sucks and a distraction. Instead of focusing on analyzing emerging trends that inform decisions.

It all adds up: For a typical $100M revenue company that only produces financial reporting — not including management reporting — in spreadsheets, employee hours can add up to $60,000 or more in labor costs. A $1BN company can spend more than half a million dollars in reporting costs.[2]

Mary Driscoll. "Fortifying the Close-to-Disclose Process." American Productivity & Quality Center (APQC).

The E-Mail Wheel of Suffering

Emailing the monthly report book, or weekly revenue report, and then waiting for the inevitable questions and change requests to start rolling in is its own karmic wheel of suffering. The next step is to drill into the data and make even more changes—because the managers aren't equipped to add new data or customize the reports themselves. Each change means more time that should be spent on analysis.

Tips for Enlightenment

Enlightened

Use the Cloud to Restore Balance

Make all the latest financial data your team needs available in the cloud, not buried in separate reports and spreadsheets. That way, Excel reports and web reports are always up to date with the latest information, and your team can focus on the decisions, not spinning cycles hunting for the data to make them. Better yet, using the cloud will mean you won't spend a ton of money making the switch.

"By automating our reporting the time savings have been huge. We've saved significant time across a range of functions because we no longer have to manually transfer data and manipulate data to create reports."

– Tyler Tracy, Manager FP&A, Quidel (NASDAQ: QDEL)

Free Your Team to Run Faster, Even as you Grow

More systems, more people, more data can all slow you down. Reporting that once took a few days suddenly takes a few weeks, and instead of two business analysts, it's now four. Data reincarnation is just not cool.

According to a study by Accenture, "The Challenges of Corporate Financial Reporting," about 88% of enterprises have experienced delays in the last 12 months when executing their financial reporting processes, mostly due to data-related issues.[4]

"Just as a snake sheds its skin, we must shed our past over and over again."
Buddha

"Fortifying the Financial Close-to-Disclose Process," a $10-$50M company typically has two to three core transactional systems, while nearly half of $1BN companies have 11 or more systems.[5]

Mary Driscoll. "Fortifying the Financial Close-to-Disclose Process." American Productivity & Quality Center (APQC).

Two major factors contribute to this problem:

Multiplicity = Complexity

Multiple systems such as Enterprise Resource Planning (ERP), procurement applications, and inventory systems, for example, are not usually integrated. According to the American Productivity & Quality Center (APQC), IT gets tapped out from multiple requests requiring data from varying systems, and the time to get data to the spreadsheet slows.

A $1BN company can allocate more than 10 fulltime employees to financial reporting alone, according to the APQC, and many more resources on management reporting.[6]

"Shared Services Centers Do It Better: Processing General Accounting and Reporting." American Productivity & Quality Center (APQC).

Redundancy

As an organization increases in size, data gathering slows even further. Effort is doubled, tripled, or quadrupled as different users in the organization repeat the same data-gathering tasks simply because they can't find the desired Excel reports that were created in the past.

Tips for Enlightenment

Enlightened

Levitate Beyond Complexity with Self-Service. Set your business users free with self-service, so they can get the reports they need themselves, and not rely on others – no matter how big your company gets. Make it a no-brainer for everyone to access and share reports – from granular to consolidated, and drill down into what they need, when they need it. Your team will be freed from the burden of manually producing reports every month, and your business users will be free to access the data they need on their own terms. Your reporting cycles will speed up, and your company will find harmony.

NorthStar Financial Services, a company managing over $200BN in assets, optimized their reporting process by moving to self-service. The result? They cut their monthly reporting cycle time from 10 days to three.

NorthStar

Find Financial Serenity with Fewer Reporting Errors

Even small reporting errors can cause big problems, and the more your business depends on manual spreadsheet-based reporting, the more your company exposes itself to risk. A recent report by Accenture found that 84% of organizations find it difficult to control the quality of financial data and other supporting information.[7] The result is that on average 35% of spreadsheets contain data errors, 26% contain formula errors, and 19% have formatting errors.[8]

"When you dig a well, there's no sign of water until you reach it, only rocks and dirt to move out of the way. You have removed enough; soon the pure water will flow."

Buddha

✖☹✖ Whoops

Manual spreadsheet reporting has also been called "the quiet villain of global finance" in the media, and in 2013, JP Morgan fell victim.[9] Spreadsheet errors stemming from a combination of copy-paste mistakes and a faulty equation resulted in the bank declaring $6 billion in losses, a $920 million settlement, and $100 million in fines.[10]

Tips for Enlightenment

Use the Power of One to Purify Errors. Errors creep in when you have multiple versions of the truth. With so many people changing calculations, and so many different versions, it's no wonder errors are common. Move all of your hierarches, calculations, data, and security to one place for everyone. It means if there's an error, there's only one place to change it. Then give your business users the power to explore the data — drill down, pivot and analyze results, annotate and share insights. Everyone has the same view, and everyone is checking the same data for quality. Goodbye, errors.

Enlightened

"We were finding miscalculations in reports and forecasts that we had just created. Even worse than errors, some people had incorrect or outdated data. By expelling unmanaged spreadsheets, we can meld our financial and non-financial data together to create a unified view which we couldn't do before."

– Director of Finance and Accounting, UCF College of Medicine

UNIVERSITY OF CENTRAL FLORIDA
College of Medicine

STEP FOUR:
Achieve Nirvana

Discover a clear picture of your business, with more time and money to focus on strategy. Once you're free of those endless cycles, you can begin to act and react in real time. Acting strategically means combining effective reporting and analysis with planning and forecasting – to see the past, present, and future clearly and accurately.

"No one saves us but ourselves. No one can and no one may. We ourselves must walk the path."
Buddha
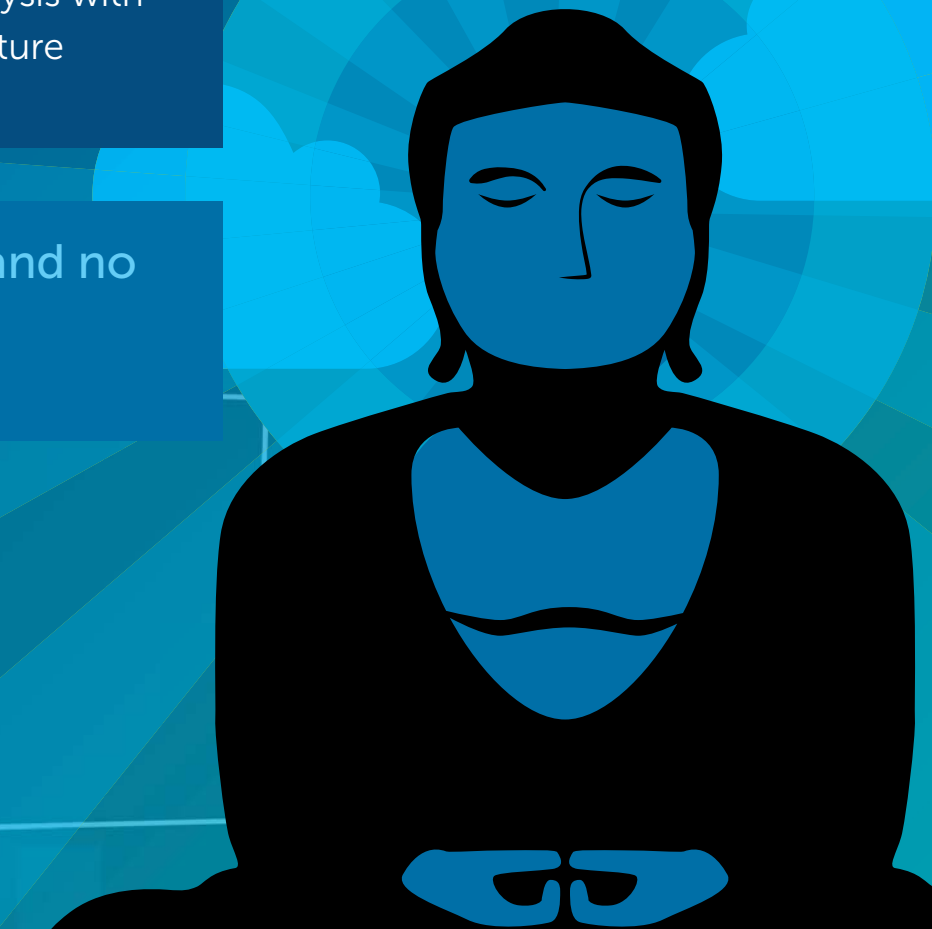
Stop staring off the back of the boat.

"Stop staring off the back of the boat," says Steve Player, former accounting executive and the Director of Beyond Budgeting Round Table. Financial data reporting needs to do a better job of connecting the dots between lines of business and informing operating executives on how to manage.

So how do you break the cycle of pain and achieve Data Nirvana?

Simplify your life.

Step back from having to constantly produce data, and get everyone to agree on the same KPIs, metrics, calculations, reports, and data. The more pieces of data you have to keep gathering, the less time you have to be an insight guru.

Elevate to a higher plane.

Move to a cloud-based system. Excel is a great productivity tool, but it inhibits collaboration. The cloud removes duplication, minimizes reporting errors by improving control and audit tracking, provides one system to update, saves time on design and maintenance, and gets everyone (literally) on the same page.

Your team must see in order to act.

Embrace dashboards and self-service reporting. Use dashboards and reports so that individual departments can see their leading and lagging business performance by delivering visibility into the data business leaders want and need.

Truth is neither good nor bad – it simply is. It's how you take action on the truth that often sets you apart. Even a seemingly negative revelation can become a powerful tool, one that can empower a business to change. The more you understand the story behind your numbers, the greater the chance you have to restore balance and transform into a data-driven organization.

"Three things cannot be long hidden: the sun, the moon, and the truth."
Buddha

Adaptive Insights Can Set You On the Right Path

Learn how companies like Coca-Cola, Toyota, and Siemens have found Reporting Nirvana by simplifying and elevating their data systems with Adaptive Insights' five-part reporting Suite, providing comprehensive support for management and finance teams from the planning stages to reporting.

STEP ONE:
Unshackle Your Team to Do More

STEP TWO:
Free Your Team to Run Faster, Even as you Grow

STEP THREE:
Find Financial Serenity with Fewer Reporting Errors

STEP FOUR:
Achieve Nirvana

If you need some help getting started on the path to Reporting Nirvana, visit our website for product demos of the Adaptive Suite. It's time to escape the suffering.

Adaptive Discovery   **Adaptive** Planning   **Adaptive** Consolidation

Adaptive Integration   **Adaptive** Reporting

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