Beyond Number Crunching:
Six Best Practices of Top Controllers

Adaptive
Insights

Be Forward-Thinking

If you're a financial controller today, you know that your role has moved way beyond number crunching, and you're increasingly taking on the role of financial operating officer. You've become the CFO's "right-hand" person, ensuring that finance runs smoothly and there are no surprises at quarter end, or on audit day.

But what does "running smoothly" really mean? Does it mean simply overseeing the day-to-day management and ensuring an efficient, accurate close? In today's fast-paced, constantly changing economic environment, it means much more. Today's controllers are also looking for ways to scale processes to handle high growth.

A finance department that's running smoothly is a given. It's table stakes. Today's financial controllers must do more. They must be forward-looking. They must always be searching for ways to improve productivity, reduce costs, and streamline processes—including consolidation, the month-end close, management, and financial reporting.

Navigating the financial obstacle course

But controllers today face some big challenges. Those added responsibilities you've assumed? Chances are, they didn't come with added resources. And your outdated, disparate financial systems can't provide you with the real-time information your organization needs to adapt quickly to market changes.

Your reporting systems also need to evolve. It's not enough to provide pages of numbers. In addition to accurately stating your consolidated results, your reports must tell a story.

The good news is that many controllers have successfully met these challenges, and in the process, have made themselves strategic business partners to the rest of the organization. Let's look at the six best practices that today's best-in-class controllers follow.
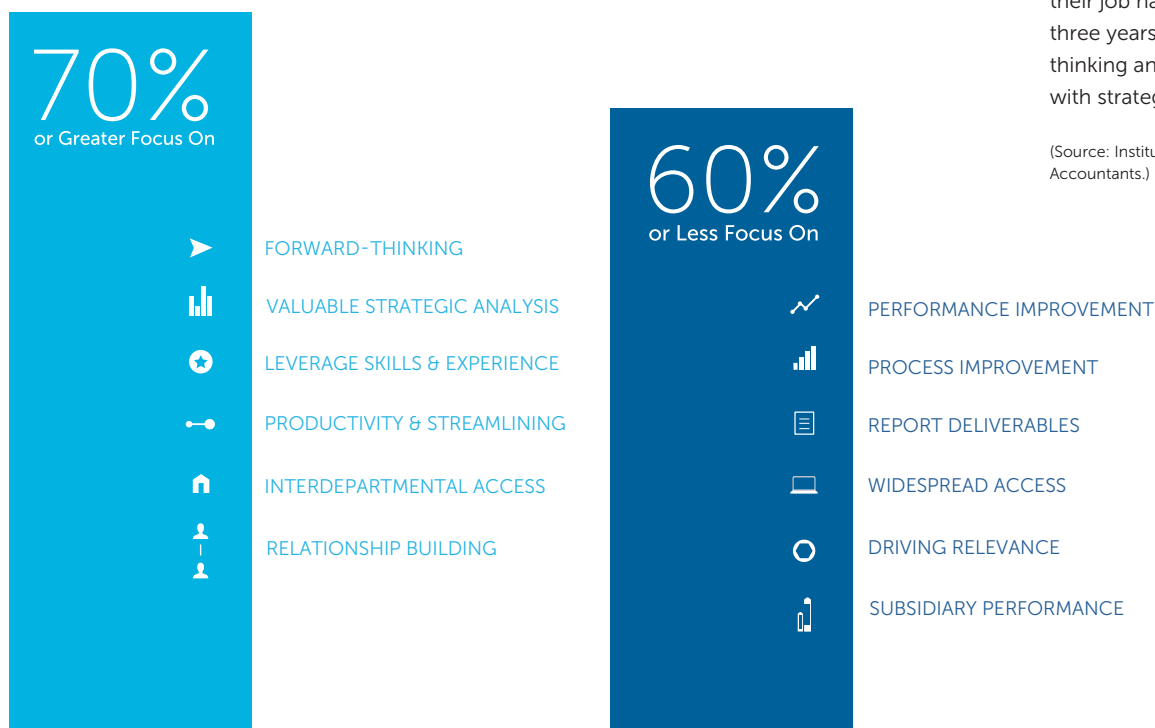
FIGURE 1
Nearly 80% of controllers say that their job has changed over the past three years to be more forward-thinking and to add more value with strategic analysis of reports.

(Source: Institute for Management Accountants.)

70%
or Greater Focus On

- FORWARD-THINKING
- VALUABLE STRATEGIC ANALYSIS
- LEVERAGE SKILLS & EXPERIENCE
- PRODUCTIVITY & STREAMLINING
- INTERDEPARTMENTAL ACCESS
- RELATIONSHIP BUILDING

60%
or Less Focus On

- PERFORMANCE IMPROVEMENT
- PROCESS IMPROVEMENT
- REPORT DELIVERABLES
- WIDESPREAD ACCESS
- DRIVING RELEVANCE
- SUBSIDIARY PERFORMANCE

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BEST PRACTICE #1:
Automate

The DayMen Group is a worldwide distributor of digital and film photography supplies, including the Lowepro, Acme Made, and Joby product lines. The company has more than 20 subsidiaries in 11 countries. Prior to Adaptive Insights, DayMen spent several days each month consolidating more than 100 spreadsheets to perform complex intercompany eliminations, which it now can do with a press of a button. Adaptive Insights has helped DayMen reduce the overall financial close process by four days, largely by automating elimination entries, cumulative translation adjustments, and currency translations.

"Choosing Adaptive Insights has accelerated our financial consolidation close and eliminated days of work, which has freed up our finance team to focus on more strategic initiatives to further our growth.

— Paul Crawley, CFO, DayMen Security Inc.

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Top controllers cut risk by cutting spreadsheets from their close

According to an IMA survey, controllers see their two biggest challenges as the sheer number of disparate systems that exist across their organization and, not surprisingly, the lack of integration between these systems. Nearly 70% of these organizations attempt to integrate their data through spreadsheets. But this leads to time-consuming manual effort, multiple versions of the truth, lack of timeliness, and serious errors.[1]

The most effective controllers know spreadsheets are the wrong choice for managing consolidation and the close, so they move beyond Excel. They're automating allocations, intercompany eliminations, data import from multiple ERP systems, and reclassifications. They're minimizing errors due to manual work, creating standard, repeatable processes, and reducing risk.

More than 90% of spreadsheets contain serious errors, while more than 90% of spreadsheet users are convinced that their models are error-free.

—*ACCA*

With the time they save by automating formerly spreadsheet-based processes, controllers have more time for the strategic analysis they're now expected to provide.

[1] Raef Lawson, *Rising to the Challenge: Achieving Real-Time Visibility Across the Organization*. Institute of Management Accountants (AMA), 2013.

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BEST PRACTICE #2:
Streamline

With more than $5 billion in annual revenue and approximately 19,000 employees, Bemis is a leading multinational supplier of packaging products and pressure-sensitive materials. The company deployed Adaptive Insights across 67 locations, 10 divisions, and its corporate headquarters. With Adaptive Insights, Bemis has made its data dynamic: Changes are consolidated in seconds and no longer take a full day. Bemis is also performing various "what-if" analyses for tax, exchange rates, and more in a fraction of the time previously required.

Top controllers use automation to close faster

Close the books faster and more accurately. Stay on top of regulatory changes. Consolidate multiple entities across currencies. Thanks to mandates like these, your financial close isn't getting any easier or less complex—and you're not getting any help from an increase in staff, either. That's one of the reasons why, despite the general expectation that companies should be able to close their books within a week, **only 38% achieve that goal for their quarterly or semiannual close.**[2]

> *Companies with more than $500 million in revenue generally consolidate at least 11 entities.*
>
> —*APQC*

The top controllers in today's best-run companies overcome these challenges by transforming processes altogether, using technology to help their teams maximize efficiency. They streamline and automate key close tasks like consolidation and reporting with cloud-based applications, enabling integrated real-time financial statements.

[2] Ventana Research, *Fast-Tracking the Financial Close*, 2014.

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It's important to note that today's best controllers don't see consolidation and reporting applications as a way to eliminate headcount. Instead, they see them as a tool to help allocate their personnel to more value-added activities. More than 55% believe that training existing staff is the investment that has the greatest potential for increasing productivity.

1.7

Average days saved in monthly close by moving away from spreadsheets.

—*Ventana Research*
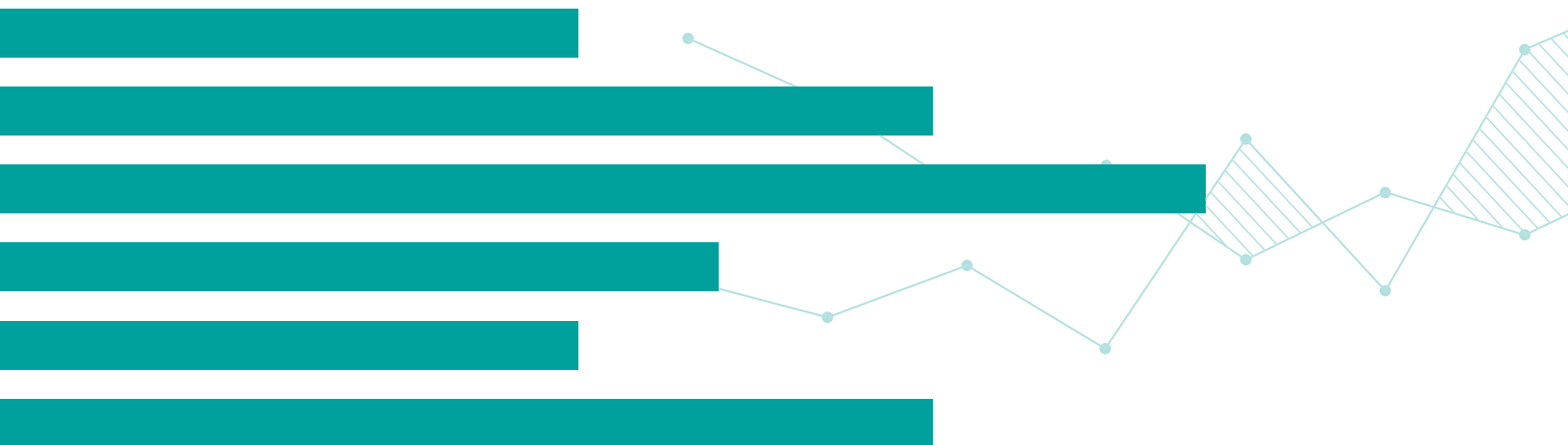
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Turn Data Into Insight

Engine Yard, a fast-growing cloud management platform company with thousands of customers in 58 countries, leverages Adaptive Insights for all executive and department dashboards. Adaptive Insights is the central data source for financial and operational metrics from systems such as Zuora, Salesforce, and Amazon Web Services. The finance team has saved over 3,000 hours per year by moving to a single platform and uncovered insights into customer, product, and geographic metrics.

"Adaptive Insights has completely revolutionized the way we support our customers and run our business. Now I'm a more strategic contributor to the business, not just a number cruncher.

— Rick Smith, FP&A Manager, Engine Yard

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Top controllers lead with data and analysis to elevate their function beyond closing the books

The top controller's role doesn't begin and end with the financial close. As noted by the IMA:

> *Controllers increasingly participate in the analysis and formulation of solutions to more strategically oriented issues ... The increased involvement in strategic support is raising the financial controller's profile within the organization.*

Today's controllers do more than simply compile packages of reports— they interpret the data and contribute to decision-making. Best-in-class controllers automate their reporting processes with self-service tools so they can analyze data without needing a programming degree. They're leveraging visual analytics and scorecards to identify patterns in prior period trends and providing relevant key performance indicators (KPIs) and interactive dashboards that can be consumed across the entire organization.

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It's important to standardize reporting across the organization. According to CFO Research Services:

> *A common language for reporting across the enterprise provides greater control over the data, ensures data quality, and improves responsiveness. Moving beyond spreadsheets and automating the close process allows companies to tie internal management reporting more closely to external financial reporting.*[3]

Top controllers in companies that are subject to regulatory standards automate the entire close-to-disclose process, including XBRL filing, without sacrificing speed or accuracy.

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[3] *Accelerating the Financial Close: CFOs' Insights into the Benefits of a High-Quality Close,* CFO Research Services, June 2010.

Adaptive Insights

Self-Service for All

Stewart Title, a $1 billion provider of real estate services in more than 80 countries, uses Adaptive Insights to manage its global enterprise. With more than 550 users and multiple models, Stewart uses Adaptive Insights to manage allocations, profitability analysis, activity-based planning, project cost planning, and M&A activity planning. Stewart moved to a self-service model, with all users accessing the application and inputting their budgets and forecasts.

> *Adaptive Insights' self-service reporting feature is a tremendous benefit for us. We can take advantage of all of the data in Adaptive to answer important questions about our business.*
>
> *— Siemens*

Adaptive Insights

Top controllers pursue a culture of self-service

More efficient reporting doesn't eliminate the fact that controllers are becoming de facto information sources for both financial and nonfinancial managers. According to the IMA, more than 90% of controllers provide operational data, and more than 80% are being used to source business performance and customer data.[4]

The best controllers understand that pulling reports for everyone else takes them away from more value-added, strategic activities. So, to deal with the onslaught of information requests, these controllers are enabling key stakeholders and business users with self-service reporting and dashboards.

This puts the finance team in control, instead of having to wait for IT during the time-sensitive close, and without having to rely on non-intuitive on-premises applications. The information they need for good decision-making is seconds—not weeks—away.

FINANCIAL
82%

BUDGET
69%

OPERATIONAL
61%

KPIs & DASHBOARD
51%

CUSTOMER
40%

OTHER
4%

FIGURE 2
Business users are requesting information from controllers that extends beyond traditional finance and budget data to include operational data, KPIs, and customer data.

(Source: IMA.)
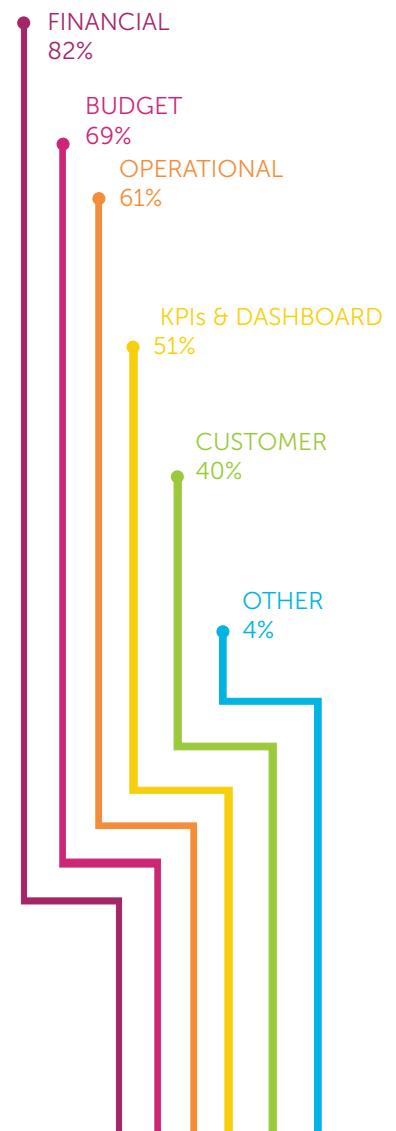
[4] Desroches and Lawson, *Rising to the Challenge: The Evolving Role of the Controller*, Institute of Management, 2014.

BEST PRACTICE #5:
Unify

Embraer, a $6 billion defense company with 18,000 employees, uses the Adaptive Suite to unify its planning, consolidation, and analytics processes. The company has deployed Adaptive Insights across the enterprise with little training due to its intuitive interface, helping the company automate and make its accounting and financial processes more efficient. Embraer runs its business on four Adaptive models and continues to add more as the company deploys the application to Portugal, Brazil, and other countries.

"With a user experience that looks and feels like Excel, we anticipate it being easier than ever for our managers to budget, plan, and forecast.

—Paulo Castro, Manager of Accounting, Embraer Defense and Security Inc.

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Top controllers ensure a seamless handoff of consolidated financials to FP&A

Top controllers deploy business systems that integrate budgeting, planning, consolidation, reporting, and analytics into a single application that can be used by both accounting and FP&A. In a 2015 survey of global CFOs, 38% reported that their organizations had achieved a single source of truth, while another 45% of finance executives said they were working toward a central repository for financial performance data.[5] A single system makes it much easier to move from close to planning and analysis because everyone is using the same data.

An integrated consolidation and planning solution offers several other benefits:

- It drives more cross-functional communication and collaboration between finance and accounting functions—no more long email threads or "telephone tag."

- When you use actuals as the basis for your plans, budgets tend to be more accurate and forecasts more frequent.

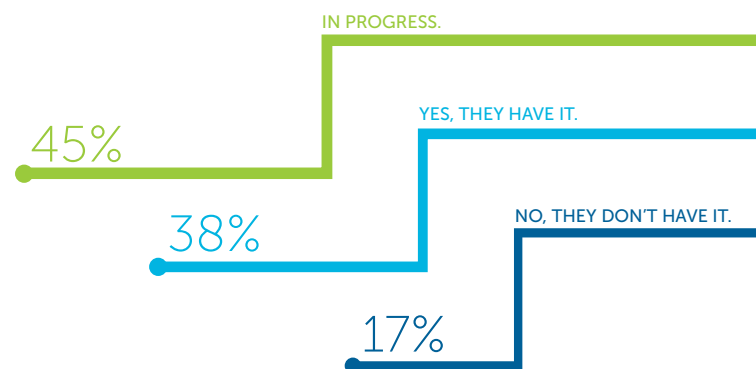- You eliminate the disconnect between your actuals and your plan.

FIGURE 3
CFOs signal the importance of driving toward a single source of truth.

(Source: CFO Indicator Report Q3 2015, October 2015.)

IN PROGRESS.

45%

YES, THEY HAVE IT.

38%

NO, THEY DON'T HAVE IT.

17%

[5] "CFO Indicator Report Q3 2015: Strategic CFOs Break Down Silos to Harness the Power of Data," Adaptive Insights, Oct. 2015.

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BEST PRACTICE #6:
Collaborate

GDF Suez North America is an $8 billion division of GDF Suez. With over 6,000 employees, it's among the largest industrial retail electricity suppliers in the United States. With more than 100 users across 50 locations, managers are collaborating in plants, entering information, and running reports, working together from a single source of data.

"Our managers and analysts already access Adaptive from 50+ locations across North and South America. Driving mobility and collaboration means that they can even more effectively plan and model from anywhere, and together we're tracking and collaborating around where we are in the cycle."

—Rodney Engel, Director – Performance Control, GDF Suez North America

17%   33%   50%   66%

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Top controllers enable collaboration among a decentralized team

Finance departments are more decentralized now than ever before—remote, offshore, at home, and mobile. Nonetheless, your accountants still need to collaborate around the close process. But centralized, hard-to-access systems stand in the way of collaboration, as do poorly defined schedules and weak commitments to deadlines.

Today's best controllers manage their distributed teams by carefully balancing leadership and project management skills. They create a consistent close schedule that reduces bottlenecks, minimizes surprises, and promotes a culture of unity. They distribute accountability and ownership among the other stakeholders so that everyone has some "skin in the game." Most importantly, a consistent close schedule allows the team to deliver information more quickly.

And it works: Ventana Research found that companies who actually shortened their close were ones with a formal close process.[6]

Top controllers also put in place process management tools that allow them to quickly define, assign, and monitor deliverables. These systems automate and expedite the creation of repetitive processes and allow owners to see progress in real time.

[6] Ventana Research, *Keys to a Fast, Clean Close: Fixing the Lengthening Financial Close*, 2012.

Adaptive Insights

With the Adaptive Suite you can get breakthrough insights into your business with corporate performance management in the cloud

Adaptive Planning

Adaptive Planning provides comprehensive budgeting, planning, and forecasting capabilities that are proven to reduce cycle times by up to 90%. With its intuitive Excel-like interface, Adaptive Planning makes it easy to collaboratively plan and forecast revenue, expenses, and headcount, create rolling forecasts, and more.

Adaptive Discovery

Adaptive Discovery lets you visually uncover insights into financial, sales, and operational performance. Intuitive dashboards, interactive scorecards, and even what-if modeling make it easy for every business user to analyze results and trends without needing to get IT involved.

Adaptive Consolidation

Adaptive Consolidation helps you reduce the time and resources you spend closing and reporting. With a real-time consolidation engine at the core, it includes journal entry management, intercompany eliminations, account reclassifications, and even collaborative close-process management—all as an easy-to-deploy cloud service

Adaptive Reporting

Adaptive Reporting provides comprehensive financial, management, board, and transactional reporting, all available through an easy-to-use drag-and-drop report builder. Intelligent, dynamic connection to your Adaptive Insights data means reports are always based on the latest data, and completely self-service reporting is available for everyone. Additionally, Adaptive OfficeConnect makes it easy to create high-quality reports, board books and presentations with Microsoft Word, Excel and PowerPoint.

About Adaptive Insights

Our mission is to provide powerful, intuitive solutions that empower finance and business professionals to lead their organizations with insight. Companies of all sizes—across all industries—rely on Adaptive Insights cloud corporate performance management (CPM) to plan smarter, report faster, and analyze better to transform and accelerate business performance in ways never before imagined.
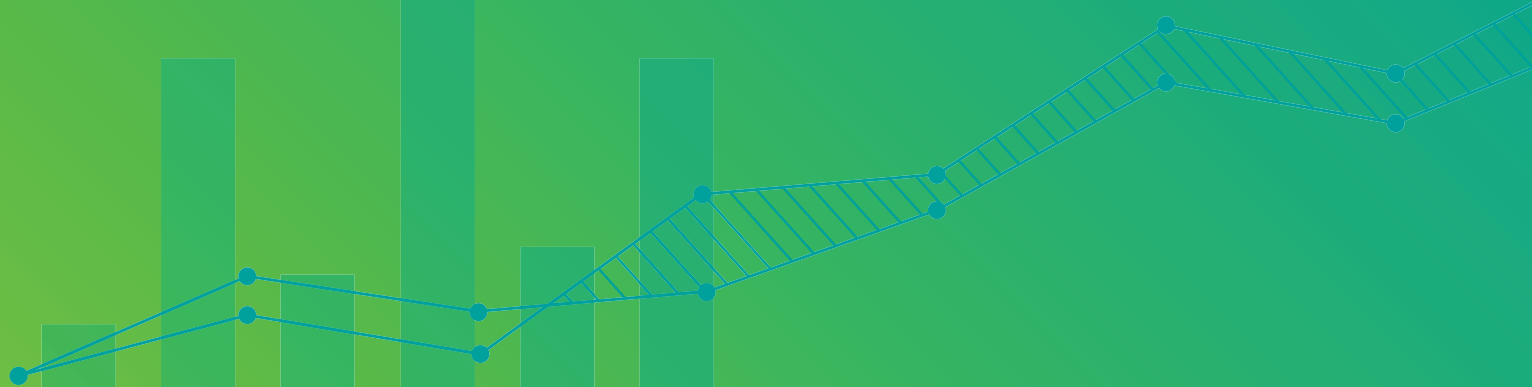
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