

The Data-Enabled Finance Function

What to know when moving beyond ERP.



Finance is the bedrock of modern business, government, education, and much more. Unfortunately, many finance operations remain tied to legacy enterprise resource planning (ERP) systems that were designed for the data velocity, volume, and veracity of 20 years ago.

This leaves today's finance leaders with daunting questions:

- How can we create insights from the data deluge finance is dealing with today?
- How can we leverage best-of-breed and niche solutions specific to the industry without ending up with a complex, resource-draining software stack?
- How can we meet our obligation to be a strategic asset and contributor to the larger business?
- How can we prepare for a future in finance that nobody can predict?

The increasing volume and breadth of data has challenged finance for decades. It has accelerated exponentially as companies measure broader metrics with more factors such as employee satisfaction, operational data, and environmental, social, and governance (ESG) data from across the business.

Meanwhile, finance operations are also being asked to generate strategic business insights and make them available to cross-functional stakeholders. In other words, the office of finance is expected to not only track value but also create it.

Companies have already recognized the benefits of industry-specific financial operations software as compared to their previous monolithic systems, but they typically lack a core system that brings everything together and makes it work. Furthermore, finance and IT are under constant pressure to adopt new systems quickly as technology improves.

Workday goes beyond traditional ERP and provides the digital backbone needed to unite an organization's ecosystem and bring data, people, and processes together. With its adaptable architecture, Workday helps organizations compose the right mix of systems and unite financial, worker, and third-party data in an intelligent data core and streamline processes for greater interoperability across the ecosystem.

This ushers in a new era for finance and IT, where finance is empowered to configure, report, and adapt—resulting in greater productivity, effectiveness, and real-time insights. IT remains a critical and strategic partner that gains a trusted, easily supported technology foundation in Workday—enabling continuous innovation and more time to focus on other strategic front-office initiatives with confidence.

Above all, Workday empowers finance to become a nimble, highly strategic player in any organizational ecosystem.

This report explores:

- The intelligent data core and how it surfaces deeper insights for finance teams
- What Workday finance solutions do and how they integrate
- How several companies have deployed Workday and revolutionized their finance operations

Workday solutions for finance:

- Workday Financial Management
- Workday Accounting Center
- Workday Prism Analytics
- Workday Adaptive Planning
- Workday Spend Management

What to know when moving beyond ERP.

In the words of mindfulness expert Jon Kabat-Zinn,

“

You can't stop the waves,
but you can learn to surf.



Built on an adaptable platform.

Workday Financial Management is a best-in-class application built on an adaptable platform that enables finance leaders to create a composable technology strategy designed to easily integrate with other business applications and extend the platform by building new business capabilities.

This approach enables finance teams to compose the right mix of systems that:

- Streamline business processes and creates greater interoperability between systems
- Unite third-party, financial, and people data
- Empower finance to analyze critical business data and surface deeper insights

With an adaptable and configurable platform, IT can take the lead on enabling cross-system integration, while finance can configure business processes, finance structures, unique views of data, or new experiences.

And when a need extends outside the bounds of what the current systems can support, low-code application development empowers finance and IT to easily and securely collaborate to develop new capabilities on the Workday system.

Securely uniting data from across the ecosystem in an intelligent data core.

Crucially, Workday provides a company's intelligent data core that unites financial, people, planning, and third-party data, as well as their analytics processes. What makes it "intelligent?" Workday securely unites this data from across a company's ecosystem, providing greater control over data management, reducing data redundancy, and delivering a complete and multidimensional view of the business. It applies machine learning to make transaction processing touchless, intelligently ingest invoices, route for reviewing and approval, and detect anomalies and risks.

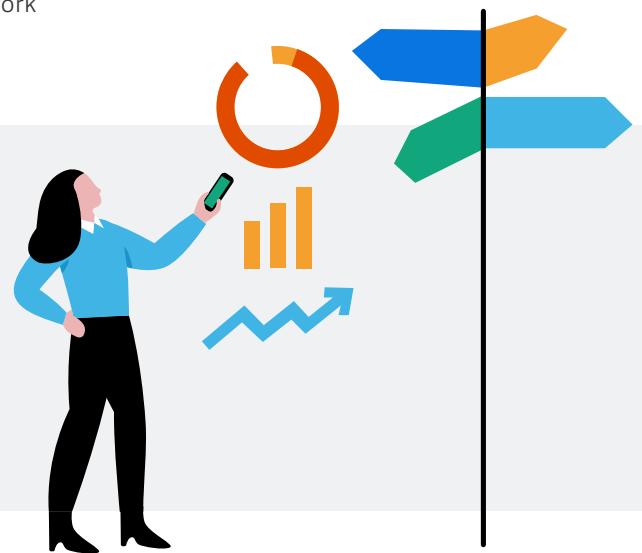
In other words, customers gain a single finance-owned data hub to ingest, transform, and—when needed—create accounting from any source. With the most critical finance, workforce, operational, and external data connected by the same object data model, finance can give executives and decision-makers a richer view of their business, streamline core accounting processes by reducing reconciliations, and respond quickly when new questions are asked—all while maintaining consistent security and data integrity.

Related Workday solutions built on this architecture include Workday Prism Analytics and Workday Accounting Center, both of which meet common needs and facilitate the shift to an adaptable ERP by taking disparate operational data and automatically turning it into accounting transactions/journal entries—an otherwise labor-intensive process.

These solutions automate the ingestion, processing, and reporting of data within Workday Financial Management while delivering a comprehensive audit trail for every transaction, along with related drill-down paths. Because they are native to the Workday environment, they are fully integrated and work seamlessly to deliver a unified, intelligent data core.



With the most critical finance, workforce, operational, and external data connected by the same object data model, finance can give executives and decision-makers a richer view of their business.



A new standard for insights.

The intelligent data core also maintains all the rich details around business events and transactions through financial statements and management reports. Nothing is stripped or summarized away, providing the full context associated with balances in all reporting, which goes beyond traditional accounting keys and charts of accounts.

Nothing is stripped or summarized away, providing the full context.

Finance can then analyze the business across virtually any dimension—legal entity, cost center, account, campaign, location, team, supplier, customer, product, and more. This sets a new standard for insights and controls by blending Workday and non-Workday data together, and providing superior data management capabilities where finance can manage data ingestion, apply additional calculations for different reporting, and configure accounting rules while also documenting change as it happens for easy audit reporting.

This empowers finance with deeper insights and control, and frees IT from being a report-writing help desk. IT, like finance, gains precious time back to focus on innovation, agility, and other expected business outcomes.

This empowers finance with deeper insights and control, and frees IT from being a report-writing help desk.

Fuel frictionless processes.

Embedded within the intelligent data core are machine learning algorithms and configurable frameworks that securely activate and intelligently automate business processes. Finance and IT can easily configure and adapt workflows across systems to provide the highest level of efficiency. Embedded machine learning in the data core makes transaction processing touchless, where invoices, for example, are ingested, intelligently routed and categorized, and flagged for review should anomalies or exceptions exist. This fundamentally shifts the way finance and IT work, by providing both groups with time back to focus on configuration, exceptions, and analysis.

Case study: Driving better decisions: Transportation company example

[Read the full case study.](#)

A provider of local, long distance, and international moving services created a new dashboard that combines data from [Workday Financial Management](#) with additional data sources, including Coleman's operations, move management, and billing system; its fleet maintenance system; and customer satisfaction surveys.

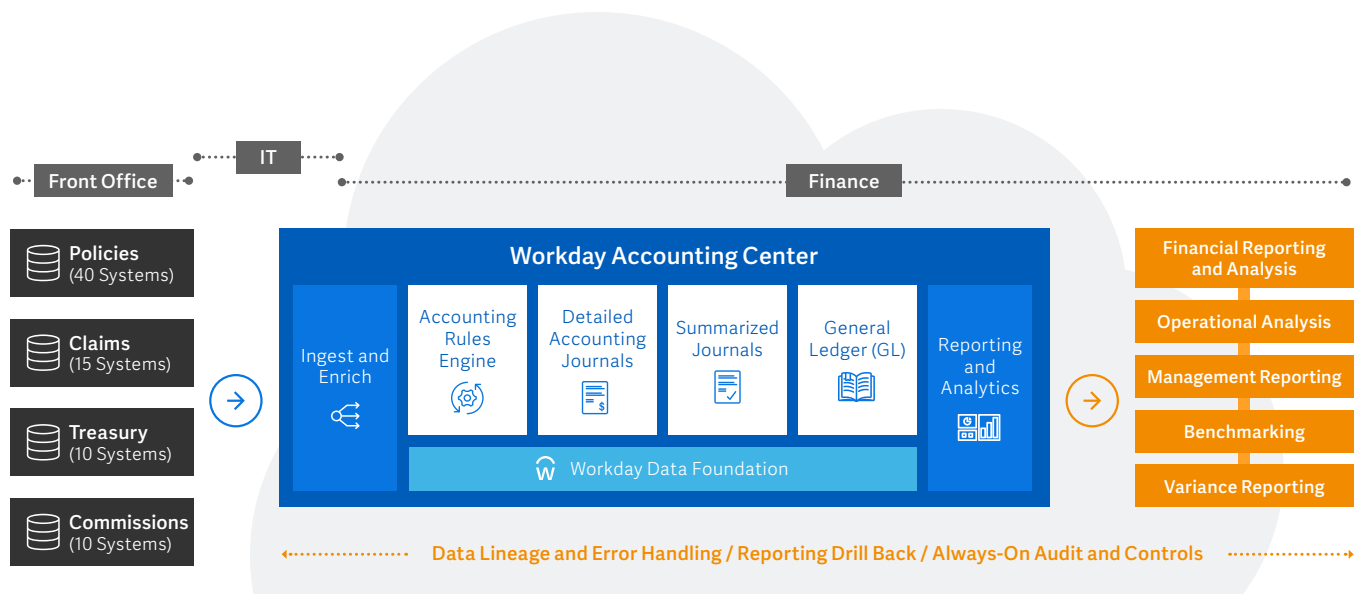
By integrating the siloed data into Workday, the company is able to provide blended reporting and analytics to users. Managers are able to gather metrics using the data without relying on spreadsheets, resulting in less time spent compiling data and more time putting insights to work.



How does an intelligent data core benefit CFOs?

Modern finance operations depend on insights made using real-time data. CFOs can take advantage of these insights to:

- Improve shareholder value by gaining deeper insights into performance and drivers of results
- Free time for more strategic work by better automating core accounting processes, such as the close
- Adapt faster to changes such as M&A or new regulatory requirements



To put it another way, Workday brings together the data from a company's chosen set of best-in-class operations solutions (agnostic of vendor) to:

Create accounting (via Workday Accounting Center) for a holistic view of its business.

A glossary of ERP: demystifying key terms.

Gartner®, IDC, and Forrester all agree that the future of ERP is ecosystems of composite applications or composable business capabilities running in the cloud on a trusted core. IDC refers to this as the intelligent core, Forrester refers to it as the digital operations platform (DOP), and Gartner refers to it as composable ERP. We'll break down each of these industry terms and how they relate to finance.

STEPS	DEFINITION	FINANCE BENEFITS
Intelligent data core	<p>A unified source of truth that powers the adaptable enterprise management cloud. It allows for ingesting large-scale data and managing it through a single source—maintaining complete traceability, lineage, tagging, and visibility without having to extract data from siloed databases.</p> <p><i>(IDC refers to a similar concept as intelligent core or enterprise intelligence.)</i></p>	<ul style="list-style-type: none">• Securely unites data (structured and unstructured) from across the ecosystem• Transforms data into insights relevant across the business—without needing to extract from separate databases• Simplifies management and configuration, obtains deeper insights, reduces data reconciliation, and confidently reports on the state of the business
Composable ERP as described by Gartner	<p>“Composable ERP is an adaptive technology strategy that enables the foundational, administrative, and operational digital capabilities leveraged by enterprises to keep up with the pace of business change. This strategy delivers a core of composable applications and, as a service, software platforms that are highly configurable, interoperable and flexible to adapt to future modern technology.”</p> <p>Source: Gartner, “The Future of ERP Is Composable,” 2020</p>	<ul style="list-style-type: none">• Allows IT and finance to unite systems needed to optimally run their business• Combines finance with best-of-breed front-office solutions• Understands the strategic intersections of operational and finance data• Pivots rapidly and creates value for the business
Digital operations platform (DOP) as described by Forrester	<p>“The core enterprise applications that are necessary for digital business and which are the foundation for business operations and customer experiences—although often behind the scenes. Example categories in the DOP are operations, product configuration, supply chain, product engineering, logistics, and billing. The DOP can be comprised of individual solutions but is often based on a suite of solutions built to work together.”</p> <p>Source: Forrester Glossary</p>	<ul style="list-style-type: none">• Defines an architecture and approach that brings back, middle, and front office together through a platform approach• Discovers ways to extend this platform for unique business needs delivered through the ecosystem, accelerating innovation
Enterprise Management Cloud	<p>A unified solution built on an adaptable platform enabling organizations to plan, execute, and analyze in the cloud.</p>	<ul style="list-style-type: none">• Combines adaptability with secure, trusted data• Continuously recalibrates and makes the best decisions to drive the business forward• Builds on all three of the previous concepts and uses an intelligent data core, designed with composability in mind

Benefits of the composable strategy.

Workday enables a company to adopt a composable strategy and realize several crucial benefits:



Improved decision-making: Companies can generate value through improved decision-making because executives and managers have a more complete view of the business in one location, with insights delivered automatically and the data always in real time.



Greater efficiency: With a united ecosystem of data and processes, companies can configure highly automated business processes that enable them to work smarter and easily interoperate across systems. Embedded machine learning is paving the way for business processes to become touchless, enabling finance to focus on the exceptions, anomalies, and analysis.



Improved business adaptability: By enabling a composable ERP strategy, Workday gives companies more agility and flexibility to choose best-of-breed cloud solutions to optimize their operations. This contrasts with using expensive customization in traditional one-size-fits-all legacy ERP solutions.



Reduced complexity, customization, and cost: Workday reduces complexity across the organization. For executives and managers, information is unified and actionable; for IT, the Workday prebuilt and vendor-managed integrations reduce the need for laborious and expensive API development and custom coding.



Simplified configuration and maintenance: The Workday “click to configure” model and finance-focused UI/UX make configuring and maintaining the system far less complex, time-intensive, and expensive compared to legacy ERPs. Workday also facilitates the integration between state-of-the-art, third-party operational systems with industry-tailored capabilities that most rigid legacy vendors are unable to match.



Workday plays well with others.

With the most critical finance, workforce, operational, and external data connected by the same object data model, finance can give executives and decision-makers a richer view of their business.



Bharat Shahdadpuri, VP of financial systems and operations governance at CNA, says major success came when CNA transitioned to Workday Accounting Center. The company already used a conceptually similar on-premise solution—but it was a collection of custom, difficult-to-manage systems that created a lot of work for IT whenever a change needed to be made.

Workday gave CNA more configuration-based management and has reduced the reliance on IT to make core changes. Now accountants and users don't have to go into several discrete systems to find information—they can stay in Workday Accounting Center, access the required journals, and drill down at will.



Case study: How CNA decreased cost and complexity.

Chicago-based CNA is one of the largest commercial property and casualty insurance organizations in the U.S., with \$60 billion in assets and 5,900 employees. It faced significant drawbacks with its existing ERP solution and switched to Workday with several key objectives:

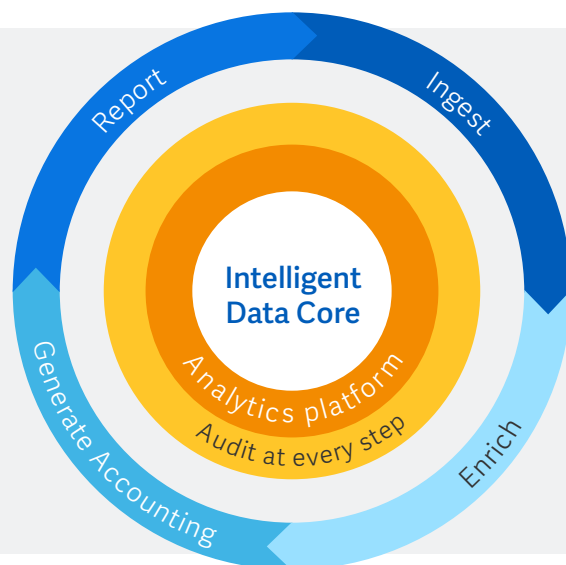
- Reduce IT spend
- Enable finance and HR reporting in real time
- Standardize systems and processes
- Reduce the legacy on-premise footprint

“

As a business support person, I can now drill down to see what process was run, when it ran, who ran it, and how many transactions took place. This kind of information was not possible with our legacy system, and if we needed such information, we had to create an IT request and wait.

Bharat Shahdadpuri

VP of Financial Systems and Operations Governance, CNA



Ready to deliver extraordinary value? Good, so is Workday.

Much like the move to the cloud has become a question of “when” and not “if,” the adoption of a composable ERP strategy will soon be assumed for most enterprises. The challenge these companies face right now is finding a solution that frees their teams to do their best work today and prepares them for an ever-changing future.

Workday delivers superior and simplified accounting, finance, reporting, and analytics capabilities, as well as improved outcomes for the business through better data-driven decisions. In one system, customers can capture all the upside of best-of-breed technologies while dramatically simplifying how various sources of data are consolidated and made actionable for managers and executives.

The Workday composable strategy also enables a company to be more agile in the future, so it can swap new systems in and out without having to completely reengineer its general ledger or its reporting and analytics capabilities.

In a future world of finance that is guaranteed to be fast moving, this kind of nimbleness may well be the difference between thriving and merely surviving.

“

When we went to Workday, we saw an opportunity. The Workday product is unified. We wanted a solution that offers flexibility, scalability, and agility. Workday was aligned to our cloud strategy, too, as we wanted to continuously reduce our on-premise footprint.

Bharat Shahdadpuri
VP of Financial Systems
and Operations
Governance, CNA



+1-925-951-9000 +1-877-WORKDAY (+1-877-967-5329) Fax: +1-925-951-9001 [workday.com](https://www.workday.com)

© 2022 Workday, Inc. All rights reserved. WORKDAY and the Workday logos are trademarks of Workday, Inc. registered in the United States and elsewhere. 20220616-composable-erp-report-enus