

# Future of Data in the Finance Function

Global Survey 2022

**FSN**<sup>®</sup>  
The Modern Finance Forum

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In Collaboration With





**Gary Simon**  
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Dear Colleague,

I am delighted to bring you the results of FSN's "Future of Data in the Finance Function" survey 2022. It highlights the immense data problems that weave their way through every finance function, sapping productivity, distracting resources from more important tasks, undermining business partnering and eroding confidence in decision-making. Astonishingly, 44% of finance professionals lose a day or more to data downtime every month. In addition, 75% of finance functions have to contend with material accounting errors every single month.

The report conservatively estimates that the cost of idle time amounts to at least £600,000 to £1,500,000 for a mid-sized global accounting team to which must be added the cost of material accounting errors which have forced 20% of finance functions to re-issue their board pack in the last year.

The immensity of the problem illustrates that there is an urgent need to professionalize data management within the finance function, focusing preemptively on data health to eradicate problems before they become a burden. An 'eighties style' approach to the control environment based on simple audit trails and manual controls is no match for the complexity of present-day cloud and on-premise systems architectures. However, at this juncture, data health, is not well understood by finance functions, it is not regularly monitored, and finance professionals do not have the diagnostic tools to support closer oversight. Finance needs to take a leaf out of the data engineer's playbook and considerably up-skill its capabilities in this area.

Data platforms (CPM, ERP, Financial Management and Business Intelligence) are an important part of the decision-making landscape and provide part of the solution to the data challenge. The report identifies that organizations which leverage a modern data platform are 14 times less likely to experience data downtime, and where data errors do arise, they are six times more likely to be discovered and fixed quickly (compared to legacy solutions).

The report identifies that organizational issues are crucial to the management of data health. Implementing clear lines of ownership and accountability has a profound impact on data health. For instance, data is always valid, complete and accurate for 91% of organizations that have clear data ownership compared to just 8% where responsibilities are ambiguous and there is no clear leadership.

Looking to the future, the highest priority in the collective minds of finance functions is the need to change the organizational culture, to make data a key part of the fabric of the organization, rather than an afterthought. Once these foundations are in place, the finance function is prioritizing a shift to real-time data as a marker of finance excellence by the end of the decade.

We trust that you find the survey's findings set out in this report thought-provoking and interesting. But above all, we hope that the contents of this report will inspire you to explore and discuss with your colleagues, how you can leverage data health to propel your business to new heights.

Regards,

*Gary Simon*

Gary Simon  
CEO FSN & Leader of the Modern Finance Forum

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# Executive Summary

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**44%** of finance professionals say they regularly experience a day of data downtime each month.

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## Executive summary

FSN's research over the last 5 years consistently points to data quality problems that weave their way through all core financial processes and applications, undermining the trustworthiness of data and eroding confidence in decision-making. But traditional ways of managing data quality haven't changed for 40 years, even though the complexity, variety and volume of data has.

Historic methods of managing the controls environment look backwards, finding errors late in the day, rather than focusing on preventative measures that can trap errors before they become a problem. The current emphasis is on data quality, rather than data health. But as priorities change to the end of the decade, and organizations become more data driven, they will need to place more emphasis on data health and on the extensibility and agility of their data platforms.

## Material accounting errors

This year's study finds that data health is sorely neglected. A staggering 75% of finance organizations experience a "material accounting error" every month and, regrettably, the evidence suggests that finance departments continue to prioritize (perhaps unwittingly) speed of reporting and analytics over data integrity and accuracy.

Finance functions seem to be losing their grip on data health. Changes in data storage, an important aspect of data health are ignored and unexplained and only 41% of finance functions in this survey claim to have a complete understanding of the relationship and interdependencies for all of their financial and non-financial data. Furthermore, only 44% say they can quickly track the upstream and downstream consequences of data errors.

Worst of all, only 42% of finance organizations claim that there are clear lines of ownership and accountability over the data that they use. Despite these failings, 62% say they can deliver their data on time. However, the gap between data delivery and data health is profound, leading to material accounting errors, lost productivity and confidence.

## Data downtime

"Data downtime", which represents the unproductive time simply waiting for data to be corrected or missing data to be supplied and resubmitted, is a significant but less obvious consequence of poor data health. According to this survey a whopping 44% of finance professionals say that they regularly experience downtime of a day or more every month. But the financial implications, of this downtime and the consequences for productivity seem to go unrecorded, uncommented, and unresolved.

## Accounting errors

In addition to data downtime (idle time), accounting errors are too frequent, costly and unquantified. This survey identifies that a whopping 75% of organizations cannot get past a month-end, without a material accounting error. (A material accounting error requires the accounts for the period to be re-stated). Worse still, 11% of finance functions are bumping up against a material accounting error as frequently as every week.

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**75%** of organizations experience a material accounting error each month.

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The impact of these errors is profound. For example, 20% of finance functions admit that they have had to re-issue a board pack in the last year because of a material accounting error. 38% say that they have under or over reported profit in a material way in the last 12 months and 36% have under or over reported balance sheet items. Worryingly, 18% concede that material accounting errors in the last 12 months have led to incorrect management decisions.

## Errors caught too late

In many instances, (but not always) the length of time that a data error goes undiscovered contributes enormously to the eventual cost. This research finds that 90% of the time, material accounting errors are eventually picked up and corrected by the finance function, but very often it is too late. Finance functions rely very heavily on budget variances to spot errors, but this may only become obvious once a month or once a quarter when budget variance reports are widely available and reviewed.

Unfortunately, automated accounting controls are underutilized and ineffective. They play little part in trapping accounting errors. Automated controls highlight accounting errors just 33% of the time.

The regularity and frequency of accounting errors greatly undermines the reputation and standing of the finance function within the organization. Indeed, 76% of finance professionals acknowledge that material accounting errors have damaged their relationship with internal stakeholders and 36% of finance functions concede that material accounting errors have caused reputational damage with employees.

## Legacy data platforms lack agility

The quality of the data platform on which decision-making depends can also have a profound impact on the ability of an organization to respond to change. Although many organizations have invested in data platforms, such as ERP, Financial Management and Corporate Performance Management (CPM) solutions, there is a long way to go in terms of agility.

Only 39% consider their data platform to be agile enough to support rapidly changing reporting requirements in the boardroom and just 44% say their data platform is responsive and responds well to ad hoc information requests.

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**Only 39%** of senior finance professionals responding to this survey say their data platform is capable of delivering good forward-looking insights.

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Furthermore, only 39% of senior finance professionals responding to this survey say their data platform is capable of delivering good forward-looking insights to management, as opposed to just historic performance.

### **Data untapped and underexploited**

Data health and the agility of an organization's data is crucial for the quality and timeliness of decision-making, but at this juncture only 14% of finance organizations are completely data driven, and have mastered their operational, market oriented and customer data for competitive edge.

But the good news is that a sizeable percentage of finance functions are catching up. 50% say they are partially data driven, i.e., acknowledge that there are significant gaps in their capability and have plans and resources in place to close the gap within the next three years. However, lack of a co-ordinated approach to data governance and incomplete knowledge of the data universe available to them is holding some finance functions back. Just 31% of finance organizations say that they have access to all available data sources and understand what insights they can provide and 16% complain that other functions are reluctant to share their data with them

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**50%** of finance functions are looking to close the gap in their ability to handle data over the next 3 years .

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By any measure, the analytic challenges facing an organization are immense and acting as a real brake on progress. Yet, finance functions are 'grasping the nettle' and setting priorities that will enable more advanced analytics by the end of the decade.

The highest priority in the collective minds of finance functions is the need to change the organizational culture to make data a key part of the fabric of the organization, rather than an afterthought. This needs to start with data governance and a shift from data quality to proactive management of data health, together with investment in the data platform to make it extensible, and insightful. Once these foundations are in place, the finance function is prioritizing a shift to real-time data as a marker of finance excellence by the end of the decade.

### **Repairing data health**

This study finds that there are three crucial aspects to repairing the data health of an organization. The first is to establish clear lines of ownership and accountability for data. The second is to leverage the strength of the data platform itself to reduce the incidence of material data errors and data downtime. Finally, there is a need to take a more data engineering inspired approach to professionalize the management of data health.

Over the years, no clear model for data ownership has emerged but this research shows compellingly that the finance function has a lot to gain from taking ownership of data. For instance 95% of those with ownership and accountability say data is delivered on time, compared to just 15% of organizations who have no recognized data owners.



Although clear lines of data ownership can have a profound impact on data health, the research identifies that a modern extensible data platform confers significant advantages in terms of finance function agility. For example, 79% using an extensible platform say their data is delivered on time, compared to 24% using legacy applications, added to which data errors are six times more likely to be discovered and fixed quickly.

Finally, the historic approach to financial controls has not kept pace with the massive changes to information systems and data architectures and much of the complexity, lies below the 'waterline' out of sight of day-to-day finance operations. The time has come to recognize the need for more professionalism over data management and to introduce data engineering competencies into the finance function to provide the necessary oversight and control.

# Introduction

02

## Introduction

For many years, data quality issues have peppered almost every FSN research project. CFOs consistently highlight a worrying level of data quality issues, that undermine management confidence in analytics, reporting, forecasting, and business partnering. The trouble is, that by the time finance functions have identified data quality issues, they are already, more time consuming and costly to rectify than they need to be. This survey explores the extent to which finance functions have embraced the more modern concept of 'data health', which seeks to trap and repair data issues much earlier in the reporting cycle, when they are easier, less costly and less time consuming to remedy.

### The data quality problem

FSN's 2021 research entitled "Agility in Consolidation and Reporting" confirms the view that the management of financial data is backward looking. For example, 81% of finance functions focus on improving financial reporting, at the end of the process, with just 48% giving data capture sufficient priority and only 46% focusing on controls at the beginning of the process. No wonder then, that 72% of finance functions say that the agility of the financial close process is affected or greatly affected by data errors.

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**72%** of finance functions say that the agility of the financial close process is affected or greatly affected by data errors.

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The way in which finance functions design and manage their internal controls environment has not changed for more than four decades. It is grounded in controls over the completeness, accuracy, and authorization of data entry rather than a more proactive, robust and holistic data engineering approach which seeks to ensure overall data health.

**What is data health?** (Figure 1)

This study considers data health in six dimensions as follows:

**CONFORMANCE**

*tends to be the focus of most organizations. However, to really monitor data health all 6 attributes need to be considered.*

**Conformance:** is similar to traditional measures of data quality (complete, accurate and authorized)

**Data volume:** seeks to record, understand and explain significant changes in data volumes.

**Data lineage:** records data pathways and allows organizations to quickly track the upstream and downstream consequences of data errors.

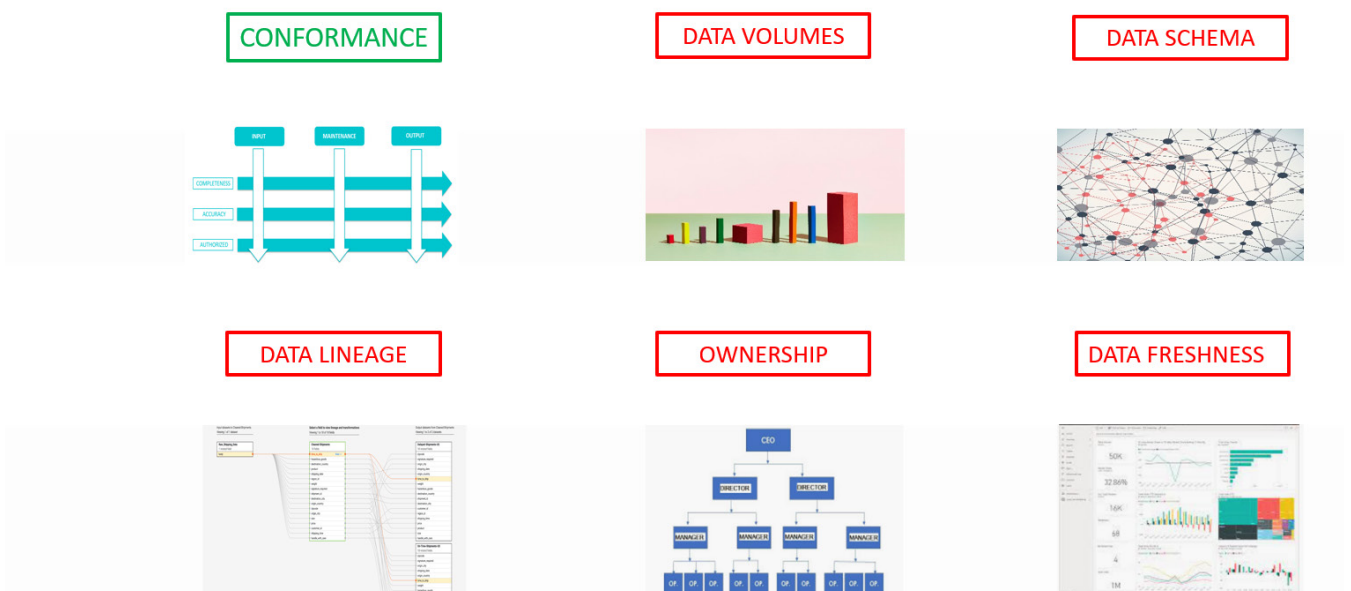
**Data schema:** documents the relationships and interdependencies for all financial and non-financial data in an organization's reporting environment.

**Ownership:** is an aspect of data governance which ensures that there are clear lines of responsibility and accountability for all of the data used by the finance function.

**Data freshness:** ensures that the finance function is working on the most recent data available and it is delivered on time.

Together, these six perspectives ensure the data health of the data that the finance function leverages in its day-to-day activities.

**FIGURE 1: WHAT DO WE MEAN BY "DATA HEALTH" AS OPPOSED TO "DATA QUALITY"**



DATA HEALTH  
MISUNDERSTOOD AND  
NEGLECTED

03

## Data health misunderstood and neglected

There is a gaping hole of around 30% between the speed at which data is delivered and its trustworthiness.

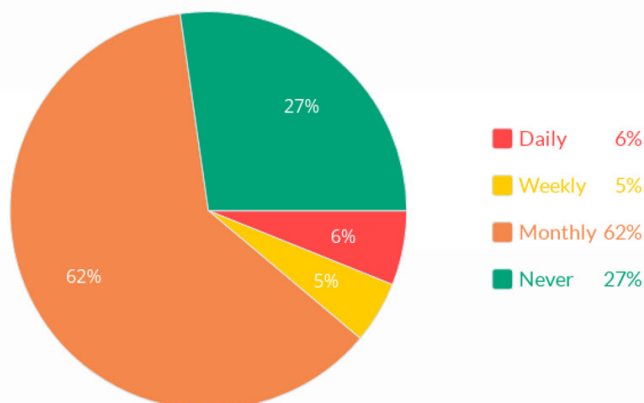
In common with FSN’s earlier research, the modern finance function seems to be concentrating on speed of delivery at the expense of data management. When CFOs are asked to rate the data health of their organization, 62% say that the data is delivered on time, (data freshness) but only 29% say that their data is always valid, complete, and accurate. That’s a gaping hole of around 30% between the speed at which data is delivered and its trustworthiness.

This notable gap feeds through to material accounting errors. The study finds that a staggering 75% of finance functions experience a “material accounting error” every month (figure 2). The underlying reasons are patently obvious. For example, the research reveals that data health is neglected in almost every dimension. Only 34% regularly report on data health and review it and only 39% say they have appropriate KPIs in place. However, nearly half (48%) say they have no way of measuring or monitoring data health.

Furthermore, finance functions appear to be at a complete loss to explain why data volumes are growing or shrinking. In an age when almost infinite data storage is available instantaneously in the cloud, finance functions appear to have lost interest in the data volumes that they manage. Only 36% are able to explain away changes in data volume. But why is this important? Significant unexplained changes in data volume could indicate a problem with data sources. For example, shrinkage could indicate that an important data feed or interface may have been dropped inadvertently and conversely, unexplained growth in data volumes could indicate duplicated data or the storage of redundant and obsolete data. Finally, although, data storage is rarely a constraint, it does come at a cost. Lack of attention to unexpected changes in data volumes could end up being very costly.

**FIGURE 2: ALMOST THREE QUARTERS OF FINANCE FUNCTIONS EXPERIENCE A “MATERIAL ACCOUNTING ERROR” EVERY MONTH**

**HOW OFTEN DOES YOUR FINANCE FUNCTION DISCOVER A MATERIAL ACCOUNTING ERROR ?**



Only 41% of finance functions in this survey claim to have a complete understanding of their data schema, i.e., the relationship and interdependencies for all of their financial and non-financial data. But it is crucial, that finance functions have this understanding at their fingertips. It is vital for the design and use of financial reporting, business intelligence and forecasting and it also sets the foundations for the future of machine learning and artificial intelligence in the finance function. Self-service reporting is also highly dependent on a keen appreciation of underlying data structures and relationships.

Data lineage also appears to be a challenge for many finance functions. Only 44% say they can quickly track the upstream and downstream consequences of data errors. Without an understanding of how data travels through core finance processes, finance organizations will struggle to quickly assess the repercussions of a data error, leading to higher costs of maintenance.

Surprisingly, only 42% of finance organizations claim that there are clear lines of ownership and accountability over the data that they use. The challenge of data ownership remains a thorny and contentious issue, (reflected in several of FSN's earlier research studies), but until this is resolved, data ownership will remain a tussle between different functional areas, with nobody taking responsibility.

So, finance organizations tend to deliver on time despite neglecting the fundamentals of data health. This gap in capability, revealed by the research, inevitably leads to material accounting errors and lost productivity – time that could be spent on more value-added activities. All sizes of organization are affected, but the struggle is even more pronounced in medium and large size organizations. The findings seem to suggest that finance functions need to switch their attention from managing and complaining about data quality, to more proactively and holistically managing data health.

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**Only 42%** of finance organizations claim that there are clear lines of ownership and accountability over the data that they use.

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44% OF FINANCE  
PROFESSIONALS LOSE A  
DAY EVERY MONTH TO  
DATA DOWNTIME

04



## 44% of finance professionals lose a day a month to data downtime

“Data downtime”, i.e., idle periods simply waiting for data to be corrected or missing data to be supplied and resubmitted, acts as a significant drag on the productivity of the finance function. On average a whopping 44% of finance professionals say that they regularly experience downtime of a day or more every month and this climbs to 53% of medium sized organizations and 48% of large size organizations. However, 33% say that data downtime lasts no more than a few hours and 11% are completely unaffected.

Nevertheless, for 44% of finance professionals these findings illustrate a high level of susceptibility to error and delay. But the true monetary cost of delays, as well as the reputational damage it can cause with employees, regulators and other stakeholders is not revealed or measured. Indeed, in this survey, 33% of finance functions concede that they do not know the cost of data downtime.

The costs can be very significant indeed (figure 3). If one FTE (Full Time Equivalent) in a finance function, with a salary of £60,000 per annum experiences 12 days of downtime a year (assuming a 250-day working year), that amounts to almost 5% of their salary or £3,000. For the 44% that experience 2 – 5 days downtime the costs can therefore range from approximately £6,000 to £15,000 per annum for each affected employee and in a mid-sized global finance function with more than 100 employees, each experiencing a single day’s downtime per month, the annual costs start to look formidable at between £600,000 and £1,500,000.

But the costs of data downtime are obviously not confined to raw salary cost. That would be a gross oversimplification. The true cost is different for every organization but could comprise the cost of additional technical or application support and of course the cost of delays to users, compliance fines, as well as the unquantifiable cost of reputational damage both within the business and beyond it.

**FIGURE 3: DATA DOWNTIME CAN BE COSTLY!**



**MATERIAL ACCOUNTING  
ERRORS ARE TOO  
FREQUENT AND  
REPUTATIONALLY  
DAMAGING**

**05**

## **Material accounting errors are too frequent and reputationally damaging**

Data downtime relates to delays, pure and simple. For example, a .csv file extract from an underlying system hasn't been run on time, a report hasn't been produced or the payroll run cannot be invoked because salary and grade amendments are missing.

Accounting errors are in a different category. This is typically where accounting entries are incorrect, for example, using the wrong period's data, entering the wrong signage, incorrect rounding, incorrect amounts, mis-postings to the wrong accounts, or figures calculated on reports are wrong. The list is endless, added to which spreadsheets are legendary for errors because data cells or formula have been overwritten or macros are not working.

The impact of an accounting error can be embarrassing and costly, but this survey identifies that 75% of organizations cannot get past a month-end, without encountering a material accounting error. Worse than that, 11% of finance functions are bumping up against a material accounting error as frequently as every week.

The impact of these errors is profound. For example, 20% of finance functions admit that they have needed to re-issue a board pack in the last year because of a material accounting error. 38% say that they have under or over reported profit in a material way in the last 12 months and 36% have under or over reported balance sheet items. 18% concede that material accounting errors in the last 12 months have led to incorrect management decisions.

But when it comes to placing a value on the cost of material accounting errors, 32% of finance functions say that they simply do not know and this issue is exacerbated by the size of the organization, with almost half of organizations with more than 10,000 employees unable to quantify the true cost of errors.

### **Errors caught too late**

Data engineers talk about TTD (Time to Discovery). This is the time that elapses between a data error occurring and its discovery. In the finance function this can be days or even weeks and is frequently only discovered when a data consumer, often remote from the origin, picks up a problem. For example, think about the length of time it takes for an error in a reporting unit or subsidiary to surface at the corporate center.

In many cases, (but not always) the length of time that a data error goes undiscovered contributes enormously to the eventual cost. Think about exchange rate movements, unrealized profits, investments or indeed how many costly business decisions are based on bad data. So how are data errors discovered?

The research finds that 90% of the time, material accounting errors (90%) are picked up and corrected by the finance function, but very often it is too late (figure 4). Budget variances are the most common means of identifying something has gone wrong, but this may only become obvious once a month, or once a quarter, when budget variance reports are widely available and reviewed. In the meantime, the consequences of the error could be significantly magnified.

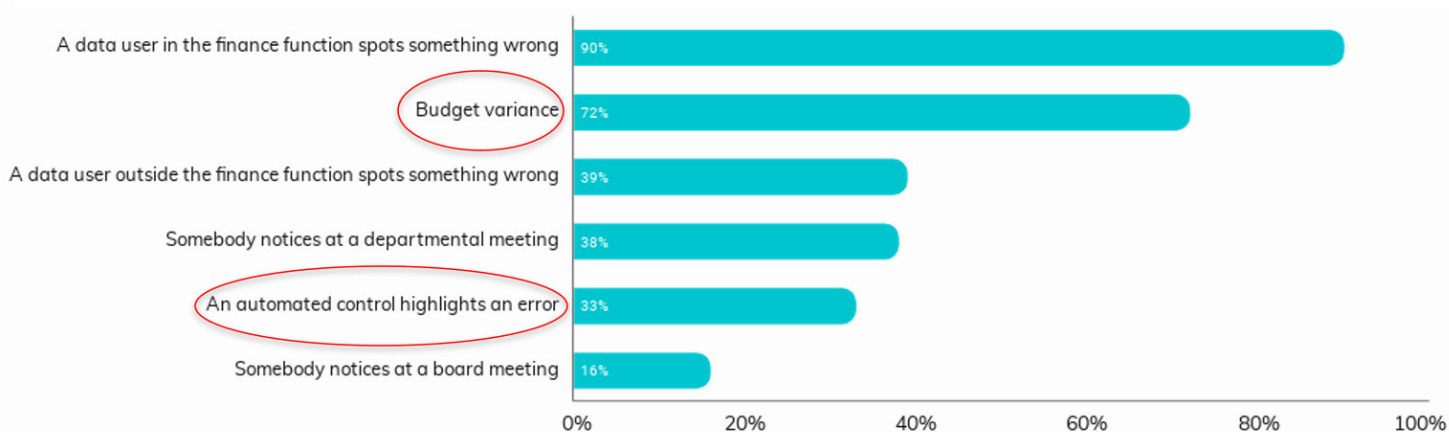
Unfortunately, 40% of the time finance errors are spotted by users outside of the finance function, including 16% in the boardroom.

Automated accounting controls appear underutilized and do not play an effective part in trapping material accounting errors. Automated controls highlight accounting errors just 33% of the time, yet automated controls should be capable of identifying error conditions and anomalies much earlier in the reporting cycle.

All of this can greatly undermines the reputation and standing of the finance function within the organization. Indeed, 76% of finance professionals acknowledge that material accounting errors have damaged the relationship with internal stakeholders and 36% of finance functions concede that material accounting errors have caused reputational damage with employees. Thankfully, it is relatively rare (10%) for errors to affect investors, customers, suppliers, sub-contractors, or other external stakeholders.

However, the time taken to discover an error is just one factor that contributes to the overall cost of a material accounting error. Once discovered there is the time taken to 'triage' the problem and work out the implications and priorities for fixing it. This is a challenge which grows increasingly complex as the size of the organization increases. Finally, there is the costly professional time squandered in fixing the error. For example, a complex inter-company reconciliation difference may take hours, days or even weeks to resolve. In fact, a third of finance professionals say that it is not unusual for errors to remain unresolved and just get carried forward to the next accounting period.

**FIGURE 4: WHAT ARE THE MOST COMMON WAYS OF SPOTTING A MATERIAL ACCOUNTING ERROR?**



\* error picked up outside of the finance function

# LEGACY DATA PLATFORMS LACK AGILITY

06

## Legacy data platforms lack agility

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### **Only 39%**

*consider their data platform to be agile enough to support rapidly changing reporting requirements in the boardroom.*

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The quality of the data platform on which decision-making depends can also have a profound impact on the ability of an organization to respond to change. Although many organizations have invested in data platforms, such as ERP, Financial Management and Corporate Performance Management (CPM) solutions, there is a long way to go in terms of agility.

Only 39% consider their data platform to be agile enough to support rapidly changing reporting requirements in the boardroom and just 44% say the data platform is responsive and responds well to ad hoc information requests.

In a climate of rapidly growing data volumes and complex sources of structured and unstructured data, the extensibility of the data platform, i.e., its ability to expand and change on demand, is crucial for maintaining a data driven approach to decision-making. Yet only 40% of finance organizations say that their data platform expands easily to accommodate new information requirements requested by the board and other stakeholders. This falls to around a third for medium to large size organizations.

Furthermore, only 39% of senior finance professionals responding to this survey say their data platform is capable of delivering forward-looking insights to management and mid sized organizations struggle even more with just 28% able to deliver the level of insight required.



## The CFO and Controller's Guide to Data

*Make better decisions and drive stronger business outcomes by getting the most from your data*

### Adaptability starts with data.

In today's changing world, it has never been more important for finance to make decisions based on the most comprehensive and accurate data. But the increasing volume and breadth of data have long been challenges for finance—and have only accelerated as companies measure broader metrics with more factors, such as employee satisfaction, operational data, and environmental, social, and governance (ESG) data.

There's also greater pressure on finance to deliver data to stakeholders at all levels of the business. Yet the proliferation of data, functional silos, and complex technology restrict many finance organizations from efficiently meeting the basic requests of their business partners, let alone meeting their own goals. With the right foundation, finance can uncover meaningful insights that tell the full story of the organization and more easily adapt to a changing business environment.

Read on to learn how Workday can help answer some of the top business questions related to your finances and your people—going beyond the capabilities of a traditional ERP system.

### The intelligent data core.

To get the most from your data, you first have to bring it all together. Workday securely connects financial, people, planning, and third-party data from across the business within the financial system of record. This gives finance ownership over its data while reducing data redundancy and delivering a complete and multidimensional view of the business.

In other words, customers gain a single finance-owned data hub to integrate, prepare, and—when necessary—create accounting from data originating in any source. With the most critical data connected by the same data model, finance can give executives and decision-makers a trusted, richer view of their business across reports and reporting tools; streamline core accounting processes by centralizing relevant information and reducing reconciliations; and respond quickly when new questions are asked—all while maintaining consistent security and data integrity.



#### Key features:

##### Data preparation.

- Data pipelines are fundamentally different in Workday. Business users can efficiently prepare data for consumption with clicks (not code), full auditability, and drill-to-detail at any step along the way. Apply joins, unions, group-by, and filter functions; build computed fields; and govern data using the Workday security framework.

##### Accounting engine.

- Workday Accounting Center takes ingested data, then enriches it with calculations and transforms it into accounting in the system of record—owned and managed by the accounting team. Workday Accounting Center creates a virtual subledger, then summarizes and posts it in Workday. Designed for accounting and finance, Workday provides oversight into data transformation so you can monitor data as it moves from ingestion through reporting, modify accounting rules, and continuously track change with always-on audit trails.

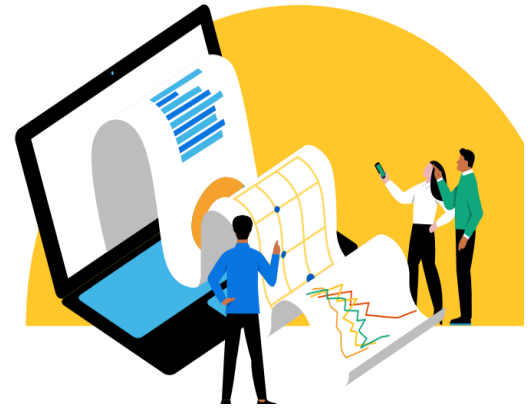
##### Machine learning.

- Embedded within the intelligent data core are machine learning algorithms and configurable frameworks that securely activate and intelligently automate business processes. These capabilities make transaction processing touchless and help prioritize exceptions. For example, invoices are ingested, intelligently routed and categorized, and flagged for review should anomalies or exceptions exist.

## How can I streamline accounting processes?

By blending data from non-Workday finance systems within Workday, you can get a complete view of your most important finance and accounting processes. From there, it's not hard to find answers to questions such as:

- What are my total available funds including investments and FX hedging positions?
- What is the status of our fixed asset serviceability, remaining life, and economic value?
- Which suppliers should we prioritize based on third-party risk or sustainability information?



## How can I identify long-term trends?

The intelligent data core makes it easier to access all of your historical financial data. Not only can this help you eliminate legacy storage costs, meet regulatory requirements, and influence strategic decisions, but you can also get more comprehensive answers to questions about long-term trends:

- How are income and expenses trending over the last 5, 7, or 10 years by business unit, location, or cost center?
- In what way have my labor costs increased or decreased over the last 10 years?
- How is revenue trending by division, business unit, or region?

## Multidimensional financial reporting.

The more detailed the data, the deeper the insights you can surface. The intelligent data core maintains all the rich details around business events and transactions through financial statements and management reports, and provides the ability to blend high volumes of operational detail with summarized financial results. Nothing is stripped or summarized away, providing the full context associated with balances and going beyond traditional accounting keys or charts of accounts.

This means finance can then analyze profitability and ROI across virtually any dimension, such as legal entity, cost center, account, campaign, location, team, supplier, customer, product, and more.

### Key features:

#### **Formatted financial statements.**

- With the ability to build complex reports that combine data sources and support tables, visualizations, and advanced formatting, Workday enables you to create financial statements with budget versus actual and trending data connected directly to source transactions and operational detail.

#### **In-memory close and consolidation.**

- Workday performs accounting and reporting in-memory, including consolidating tasks such as intercompany eliminations and currency translation. This reduces the time spent waiting for batch processes or running reconciliations, and gives you a view of consolidated results at any point in the period.

#### **OfficeConnect Microsoft® Excel add-in.**

- With Workday, you can create, share, and maintain live and secured general ledger reports in a desktop spreadsheet experience with the OfficeConnect Microsoft Excel add-in. This helps you quickly analyze financial data and use Workday business logic, such as consolidation and translation, in finance's most natural workspace. OfficeConnect uses a drag-and-drop experience that allows you to perform multidimensional financial analysis with minimal training while ensuring data integrity.



## Management and line of business reporting.

Adapting to change depends on delivering the right data to the people best equipped to make decisions about the future. Workday delivers one source for your most critical data in the most natural system for distribution, enabling any user to access self-service dashboards, reports, and ad hoc analysis tools. Users have access to reporting and analytics experiences that make the most sense for their needs, connected and secured by the same data model and within the finance and HR system of record. Everyone has access to actionable information without you having to worry about data assembly or adoption of additional reporting tools.



### Key features:

#### Dashboards.

- Workday lets you create and view dashboards with a canvas of reports, visualizations, tabs, and announcements. The business can monitor the results and financial processes and take direct action by drilling for deeper understanding, initiating new tasks, or launching related reports.

#### Consistent security model.

- The Workday security model gives you the ability to create reports and analytics once and enable users to see only what they're supposed to see. As organizational and data structures change, Workday automatically updates reports to reflect the changes, helping you to move fast while keeping your stakeholders informed and your data secure.

#### Contextual analytics.

- By connecting reporting and analytics directly with transactions, Workday provides analytics within the context of workflows to help users make more informed decisions. For example, notifications about customer invoices include an aging analysis for the account, and expense reports include analytics about the employee's prior reports.

## Planning and variance analysis.

To make the best decisions and maintain credibility, FP&A and accounting need to be reading from the same playbook. Having a tightly connected planning and transactional system means everyone sees the same thing, and FP&A and accounting can present a unified front. With Workday, identifying and understanding anomalies becomes table stakes. Accounting can spend less time explaining variances while FP&A can start focusing on more continuous forecasting and scenario modeling with confidence in the up-to-date and accurate actuals.

### Key features:

#### Budgeting and forecasting.

- Workday supports an active planning process with access to live actuals for less friction and faster execution. The result is an enterprise-wide planning process that keeps participants across the organization aligned as the business evolves by collaborating on a powerful, easy-to-use modeling engine.

#### Scenario modeling and what-if analysis.

- Flexible modeling lets you adjust dimensions as business conditions change for what-if scenario modeling on the fly. Workday enables planning and what-if analysis by any number of critical business dimensions and by day, week, or other time periods.

#### Variance analysis.

- With a single data hub that includes all actuals with rich dimensionality and blended operational details, you can report at the same level of detail with which you plan. This means you can dissect the "why" behind the "what" without exposing the organization to the waste and risk associated with duplicating data. You can also drill through to source data and easily resolve variances and make corrections, as well as identify the drivers needed for driver-based planning.

## Ad hoc analysis.

To keep up with both pace of change and demand for data, you need more than just preconfigured, formatted reports and dashboards. Answering new business questions from a larger group of stakeholders requires you to provide self-service, on-the-fly access to business data. Workday offers tailored experiences for ad hoc analysis of Workday and non-Workday data, helping you surface key insights while offloading the work of responding to ad hoc requests from the business.

## Workday analytics for every stakeholder.

Workday customers use a comprehensive set of reporting and analytics tools that meet the needs of all users across accounting, FP&A, and lines of business—all connected with and secured by the same object data model. So you can empower everyone with insights, presented in a form that makes the most sense for each user's needs without having to worry about the integrity or assembly of your data.

## Bringing it all together.

CFOs are under more pressure than ever to serve as data stewards for their organization. But this is easier said than done when the type, volume, dimensionality, and breadth of data keep getting bigger. That's why it's essential to bring all your data—finance, people, operational, external, and more—together in a unified data foundation that goes beyond the capabilities of traditional ERP. With the intelligent data core from Workday, you can get the insights you need to make strategic, timely decisions that move your organization forward and turn finance into an even stronger partner to the business.

To explore how Workday can help your organization, please visit [workday.com/cfo](https://workday.com/cfo).

### Key features:

#### Discovery boards.

- Workday supports ad hoc, drag-and-drop reporting and analysis for quick data discovery, easy report creation, and hassle-free sharing and exporting of analytics embedded in the financial system of record. This means you can quickly answer new questions about Workday and non-Workday data—while drilling down to source transactions—and then export the results for sharing or dashboards.

#### Worksheets and slides.

- Ad hoc analysis of live data within Workday is easy in worksheets, which offers a spreadsheet-like experience with the ability to share and collaborate across the organization. Combined with our embedded presentation tool called slides, you can create, present, and collaborate on a narrative of live data without leaving the secure environment.



**DATA UNDEREXPLOITED  
FOR NOW, BUT CULTURE  
CHANGE IS ON THE WAY**

07

## Data underexploited for now, but culture change is on the way

**Only 14%** of finance functions are completely data driven.

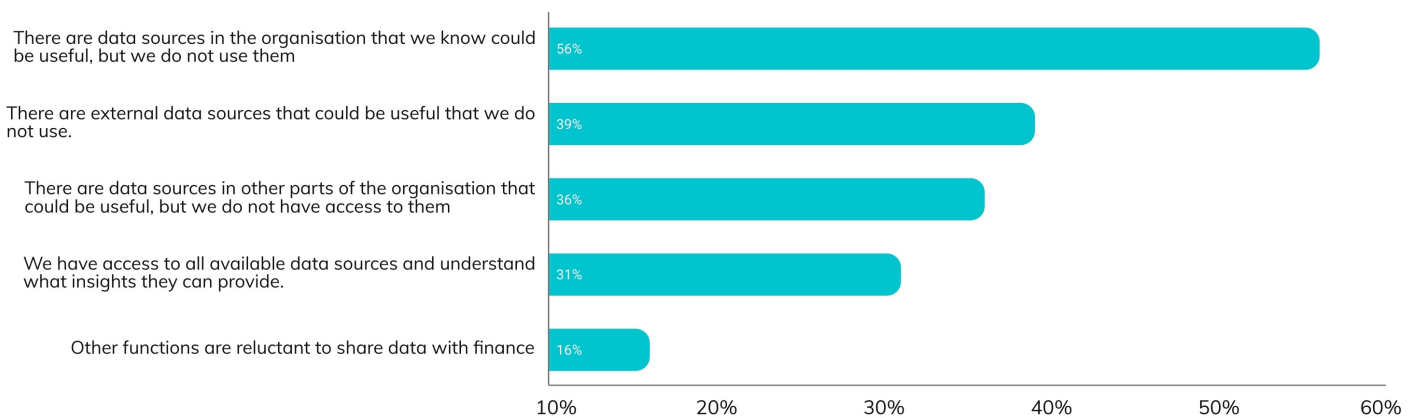
In the pursuit of greater competitive edge, organizations have been expanding the pool of data from which to draw insight. But the health and agility of an organization's data is crucial for the quality and timeliness of decision-making. This is especially important when set against the background that finance functions are seeking to make their organizations more data driven.

At this juncture only 14% of finance functions are completely data driven, i.e., they have mastered their operational, market oriented and customer data for competitive edge, although mid sized organizations are slightly behind the curve with just 9%. But most importantly, a sizeable percentage are catching up. On average 50% say they are partially data driven, i.e., acknowledge that there are significant gaps in their capability, but crucially this group has the plans and resources to close the gap within the next three years.

This leaves 35% of organizations that are only partially data driven and have no plans to fill the gaps in their capability and a further 10% admit they are not data driven at all, but guided by 'gut-feel'.

However, lack of a co-ordinated approach to data governance and incomplete knowledge of their data universe is holding some finance functions back. Just 31% of finance organizations say that they have access to all available data sources and understand what insights they can provide and 16% complain that other functions are reluctant to share their data with them. 36% consider that there are data sources in other parts of the organization that could be useful, but the finance function simply does not have access to them.

**FIGURE 5: DATA DISCOVERY IS THE PROCESS OF COLLECTING, CURATING AND UNDERSTANDING DATA DERIVED FROM MULTIPLE DIFFERENT DATA SOURCES. HOW WELL HAVE YOU MASTERED DATA DISCOVERY?**



Surprisingly, 56% of finance functions know there are other data sources in the organization that could be useful, but they are currently untapped, and 39% say that there are also external data sources that could be useful but are beyond their reach.

### **Changing the 'data culture'**

By any measure, the data challenges facing an organization are immense and act as a real brake on progress. Yet finance functions are 'grasping the nettle' and setting priorities that will enable more advanced analytics by the end of the decade.

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*Improving data culture remains a top priority for finance functions.*

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The highest priority in the collective minds of finance functions by the end of the decade, is the need to change the organizational culture, to make data a key part of the fabric of the organization, rather than an afterthought. This needs to start with data governance and a shift from data quality to proactive management of data health more holistically, together with investment in the data platform to make it extensible and insightful.

Once these foundations are in place, over the next decade, the finance function is prioritizing a shift to real-time data as a marker of finance excellence. Respondents to this survey say that the third highest priority for the finance function is democratizing data, i.e., reducing cultural obstacles to data sharing between business functions, closely followed by the parallel requirement to eliminate physical data silos.

The need to be able to scale data sources, in preparation for an age of machine learning is surprisingly low down the list of priorities. Perhaps the finance function realizes that there are more fundamental issues at stake, such as data health and the extensibility of the data platform that need to be tackled first. Similar doubts underline the low priority given to enabling self-service reporting and no-code access to data. Until the finance function gets its house in order, there seems little point in extending data access to a wide range of other stakeholders and users. But it remains a medium priority and, clearly, self-service applications are very much on the finance agenda to the end of the decade.

# REPAIRING DATA HEALTH

08

## Repairing data health

The research finds that there are three aspects to repairing the data health of an organization. The first is to establish clear lines of ownership and accountability for data. The second is to leverage the strength of the data platform itself to reduce the incidence of material data errors and data downtime. Finally, there is a need to take a more data engineering inspired approach to professionalize the management of data health.

### Ownership

Over the years, no clear model for data ownership has emerged but this research shows compellingly that the finance function has a lot to gain from taking ownership of data.

In fact the improvement in data health is so pronounced that it is hard to understand why any finance function would not be willing to take on the ownership of data? For instance, 95% of those with clear ownership and accountability say data is delivered on time, compared to just 15% of organizations who have no recognized data owners. Similar variances arise in organizations' ability to track the upstream consequences of data errors (figure 6).

With such vast improvements in data health, we see significant increases in productivity, with just 33% experiencing “data downtime” of more than a few hours compared with 92% of those who have yet to establish ownership and accountability for their data. And if such improvements were not compelling enough, this further translates to a significant reduction in the likelihood of financial penalties (figure 6) from data errors and loss of reputation (figure 6).

The icing on the cake is that organizations that have established clear lines of ownership and accountability for their data, benefit from a more agile environment. For instance they are more responsive to new requirements and offer greater insight (figure 6), raising an organization's competitiveness. The prize is there for the taking, but finance needs to take the lead and take responsibility for the data it is so reliant on.

### Data platform

Although clear lines of data ownership can have a profound impact on data health, the research identifies that a modern extensible data platform confers significant advantages in terms of finance function agility. For example, 79% using an extensible platform say their data is delivered on time, compared to 24% using legacy applications, added to which data errors are six times more likely to be discovered and fixed quickly. Indeed, 40% less finance resources are typically tied up in resolving data errors and they are 70% less likely to be carried forward to the next accounting period.

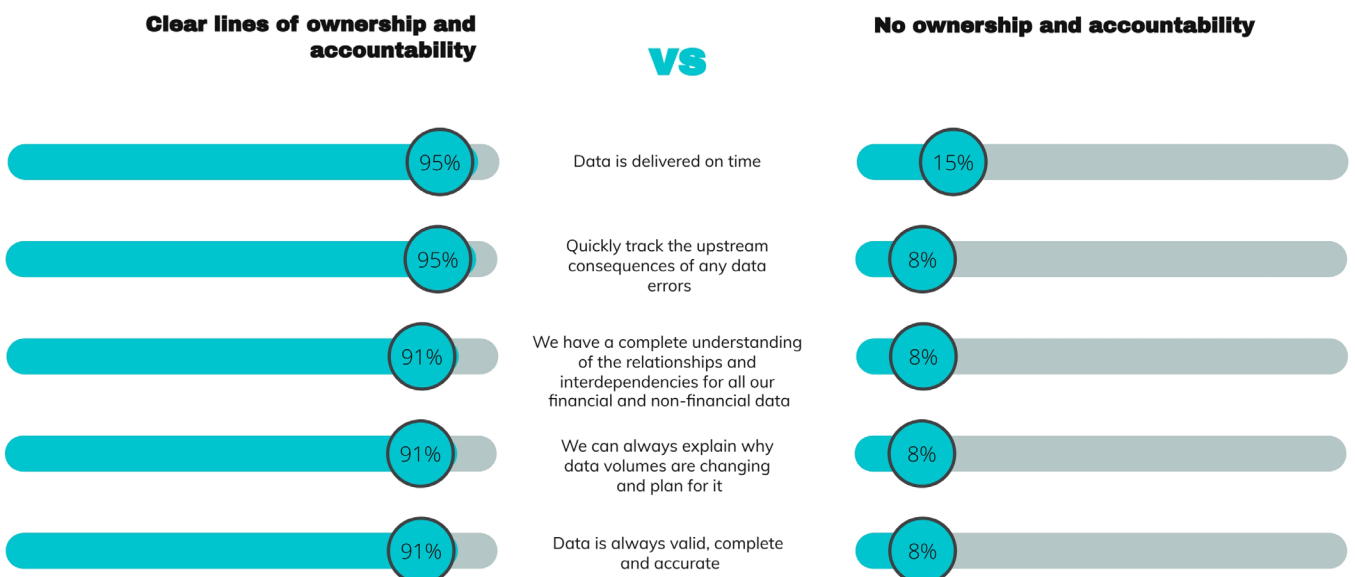
### Professionalizing data health

The historic approach to financial controls has not kept pace with the massive changes to information systems and data architectures. The modern finance function has to contend with vastly more distributed systems, mixed cloud and on-premise architectures, more complex data sources (lumpy, unstructured and uncodified), as well as more analytical coding, dimensions, interfaces and integrations. All of this inevitably adds to the scope for error and data downtime.

Much of the complexity, lies below the ‘waterline’ out of sight of day-to-day finance operations and so errors are frequently not trapped until late in the day. Added to which nearly half of all finance functions (47%) say that they do not have a mechanism for maintaining data health and 60% have no relevant KPIs at all.

There is patently a need to take a different approach to data management, raising its profile within the finance function, and adding tool sets, capabilities and skills that will allow automated monitoring of data health across the full breadth of modern data architectures. The time has come to recognize the need for more professionalism over data management and to introduce data engineering competencies into the finance function to provide the necessary oversight and control.

**FIGURE 6: RESEARCH SHOWS COMPELLINGLY THAT THE FINANCE FUNCTION HAS A LOT TO GAIN FROM TAKING OWNERSHIP OF DATA**





# Methodology

09

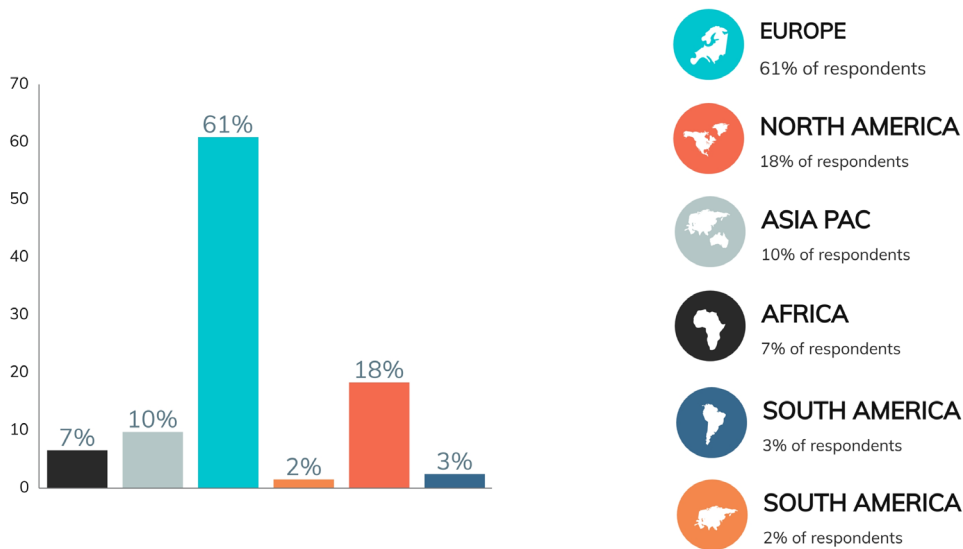
## Methodology

The survey drew responses from 444 international senior finance professionals from the FSN [Modern Finance Forum on LinkedIn](#).

This survey covered finance professionals across 23 different industries. 81% of these professionals were considered to have senior job titles and above.

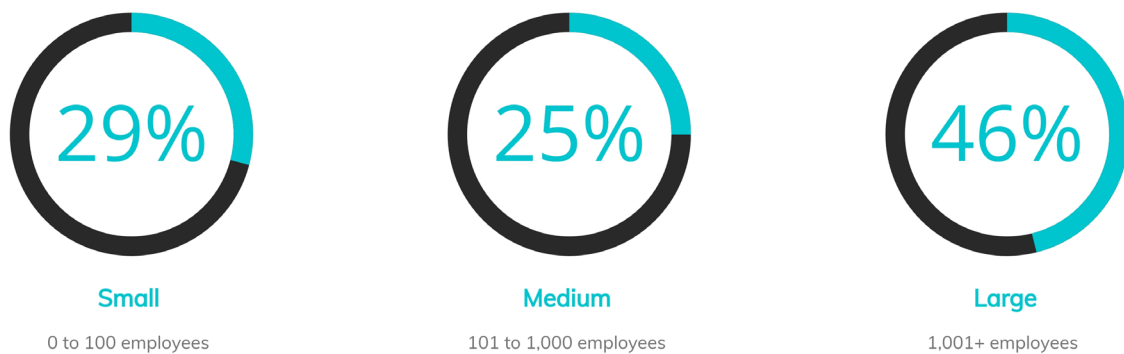
## Response Demographics

321 SURVEY RESPONSES GLOBALLY\*



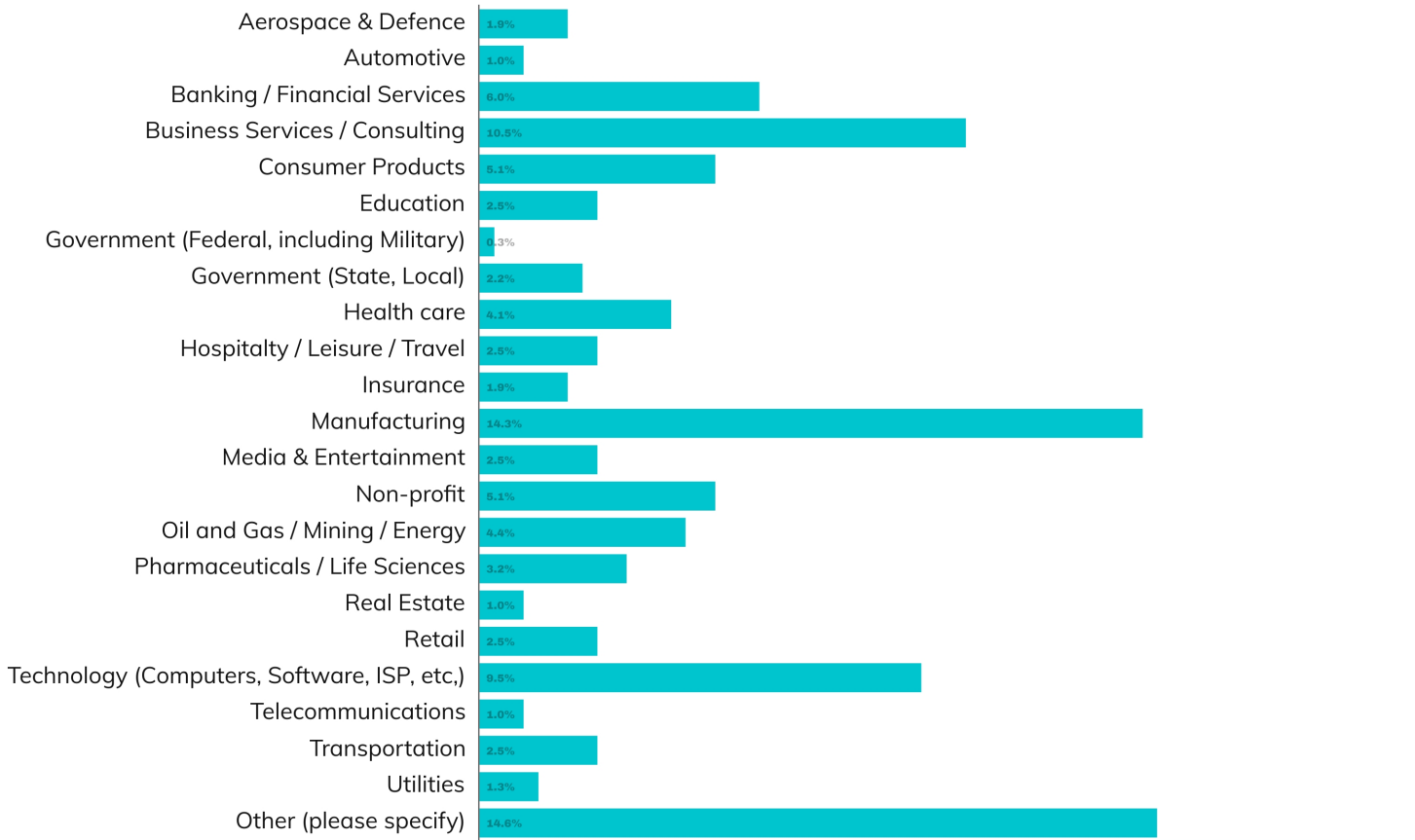
## COMPANY SIZE

Based on employee numbers



\*82% OF RESPONDENTS CONSIDERED TO BE SENIOR FINANCE PROFESSIONALS

### Industry of respondents



## About Workday

Workday is a leading provider of enterprise cloud applications for finance and human resources, helping customers adapt and thrive in a changing world. Workday applications for financial management, human resources, planning, spend management, and analytics have been adopted by thousands of organizations around the world and across industries – from medium-sized businesses to more than 50% of the Fortune 500.

[workday.com/cfo](https://workday.com/cfo)



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