

# Future of Finance: Connected Finance Shared Services

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Steve Soter

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The Association of  
Accountants and  
Financial Professionals  
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# Moderator



**Steve Shannon**  
**Director**  
**Partnership Marketing,**  
**Business Development**  
**IMA**

# Featured Presenter



**Conor O'Kelly, BComm, FCA, MSc.**  
Senior Director of Statutory Accounting  
Workiva

# Conor O'Kelly's Biography

- Conor O'Kelly has over 20 years of experience as a senior finance operations controller for multinational corporations including Workiva (NYSE:WK), Hewlett Packard (NYSE:HPE) and Ericsson (NASDAQ:ERIC) as well as international financial standards setters.
- He is a Fellow of the Institute of Chartered Accountants Ireland and past member of Council at the Institute of Chartered Accountants in Ireland. He has also served as vice chair of the Board of Directors of XBRL International Inc.

# Featured Presenter



**Steve Soter**

**Senior Director of Product Marketing and  
Accounting Industry Principal**

**Workiva**

**Executive Advisor**

**SEC Professionals Group**

# Steve Soter's Biography

- Steve Soter is Senior Director of Product Marketing and Accounting Industry Principal at Workiva. Previously, Steve served as an accounting leader in multiple roles including Vice President and Controller for Backcountry.com, a private equity owned, online retailer of outdoor products, and as the Director of SEC Reporting for Overstock.com (NASDAQ: OSTK), a \$2 billion revenue, online retailer of home goods and blockchain technology company.
- His experience includes multiple acquisitions, debt offerings, an IPO, and the world's first digital debt and equity offering (by Overstock). Steve is also a former member of the US XBRL Data Quality Committee.

# Learning Objectives

*Upon completing this webinar, you will be able to:*

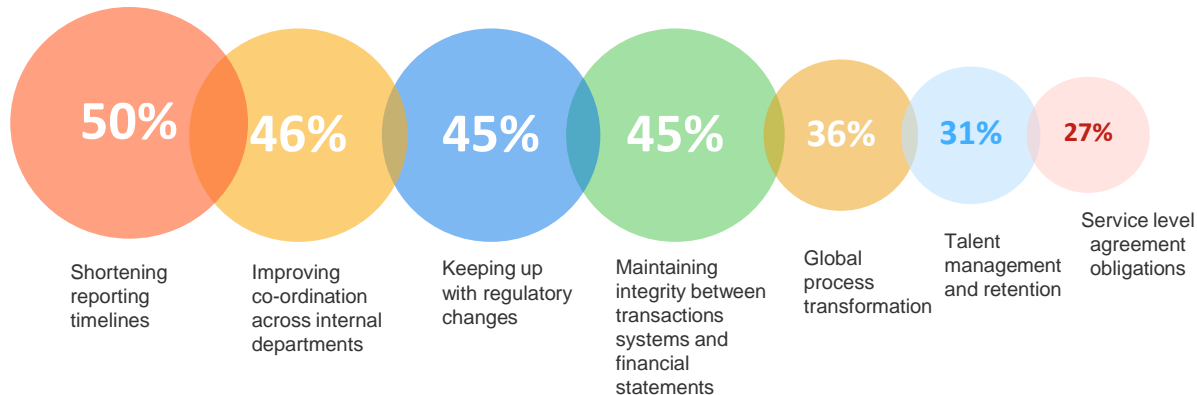
1. Recognize how good systems, alongside internal controls, combine so that your finance team can rely on data from multiple sources and locations, thereby helping to build trust into reporting processes.
2. Explain how joined-up systems and processes can ensure that your reporting provides a cohesive story, from the strategic report to disclosures in the statutory financial statements' notes.
3. Give examples of how adopting cloud-based reporting systems can deliver operational efficiencies and play a role in changing business models to achieve greater resilience and viability in the future at your organization.



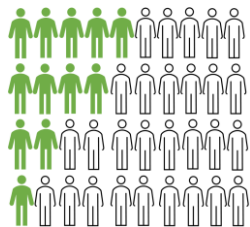
# The current state of multinational global statutory reporting

Shortened timelines & improved collaboration emerge as key priorities for shared services owners

Statutory accounting priorities for shared services owners



## Current service delivery approach for statutory reporting



**48%** We use local/country teams for whole process

**23%** SSC for preparation, in-country teams for review

**19%** We use SSC for the whole process

**10%** We outsource to a 3rd party

## Most significant areas of change for your SSC in the near future



**66%** Increased use of automation

**46%** Increased use of data analytics

**41%** Expansion of processes covered

**41%** Shift from transactional to knowledge based

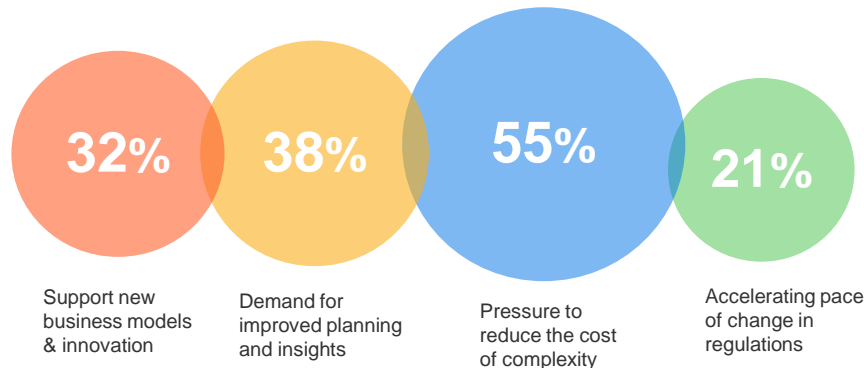
**23%** Expansion of geographic coverage

**18%** We don't currently have an SSC

# How the drivers for finance and accounting have changed in 2021

Number one driver for teams implementing enterprise ERP is to reduce cost and complexity

Top drivers for finance & accounting teams implementing enterprise ERP



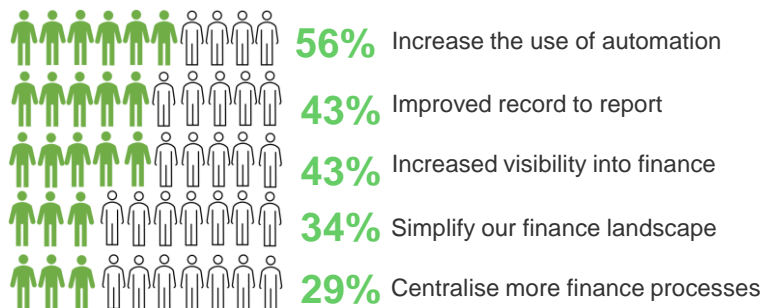
Support new business models & innovation

Demand for improved planning and insights

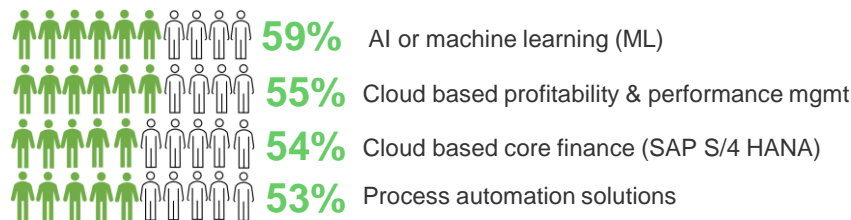
Pressure to reduce the cost of complexity

Accelerating pace of change in regulations

## Top strategies to address the top drivers



## Top technologies that are being evaluated by ERP users



Source: SAPInsider SAP S/4 Finance and Central Finance state of the Market (May 2021)

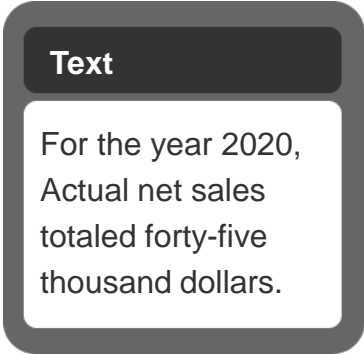
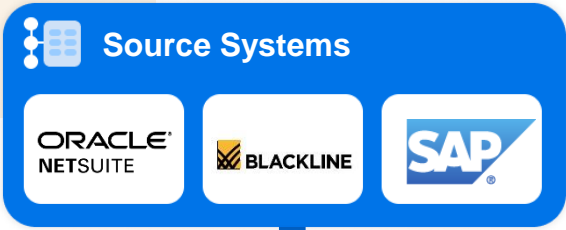
# Polling Question 1

What is your current service delivery approach for shared services?

- a. We use local country teams for the whole process
- b. SSC for preparation, local country teams for review
- c. We use SSC team for the entire process
- d. We don't operate a shared services centre

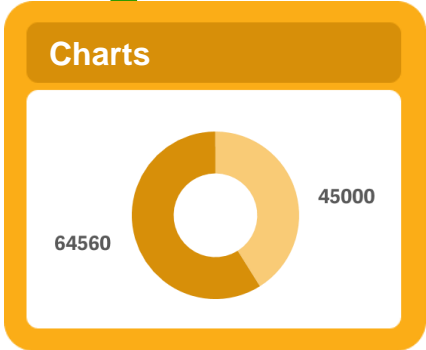
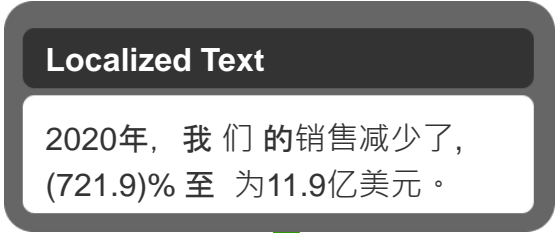
# Polling Question 1 Results (Placeholder)

# Rethink Connected



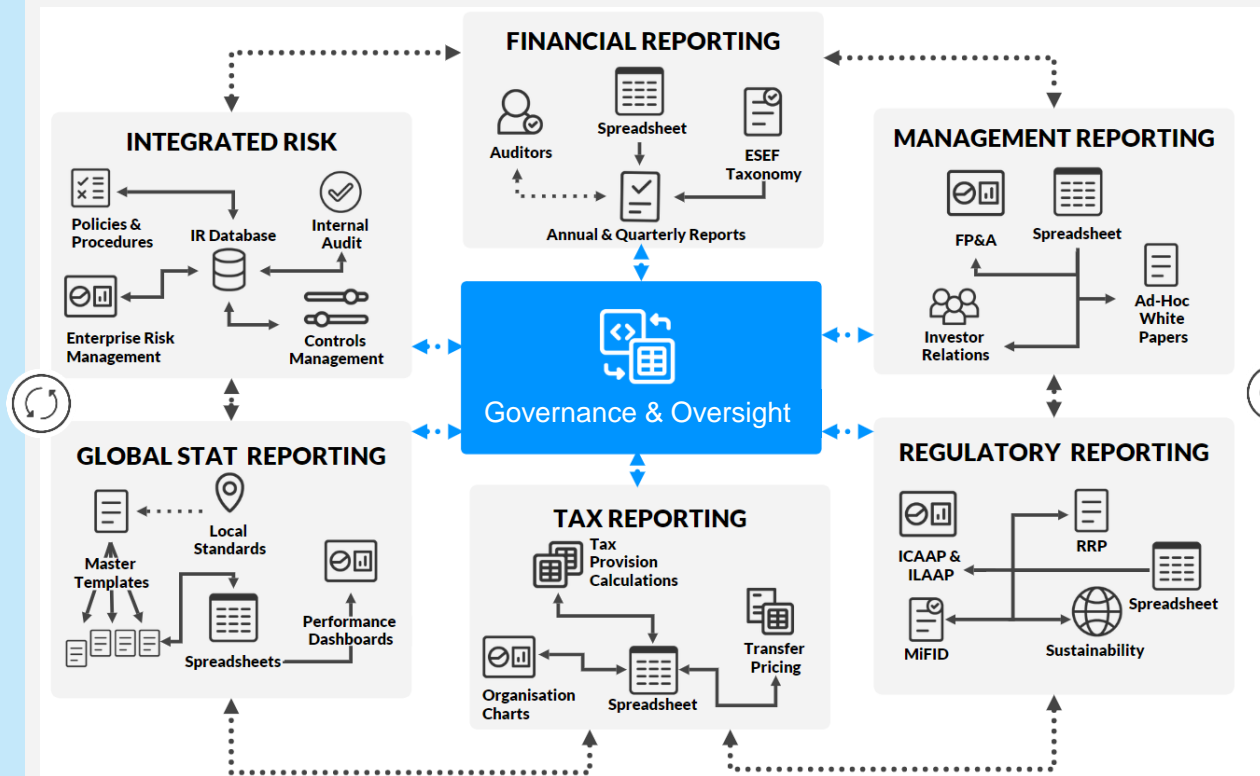
**Spreadsheet**

	Actual	Plan
Net Sales	45,000	97,000
Costs of Goods Sold	64,500	69,500
Discounts	64,560	71,000



## Tables

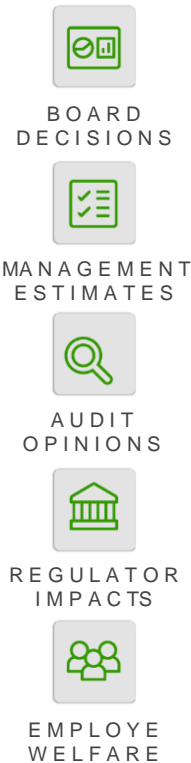
	YTD	YTD	%	Decreased
Net Sales	11,000	45.00	(81.7%)	(81.7%)



- Trial Balance/GL/Finance MDM
- Enterprise Risk Register (ERM)
- Furlough staff /Working from Home
- Physical workspace/ Real Estate

- GAAP to STAT walk
- Supporting documentation
- Group & subsidiary entity disclosure
- 100% remote finance close & audit

- Management estimates
- Expected credit losses
- Impairment estimates
- Post Balance Sheet Events



# Polling Question 2

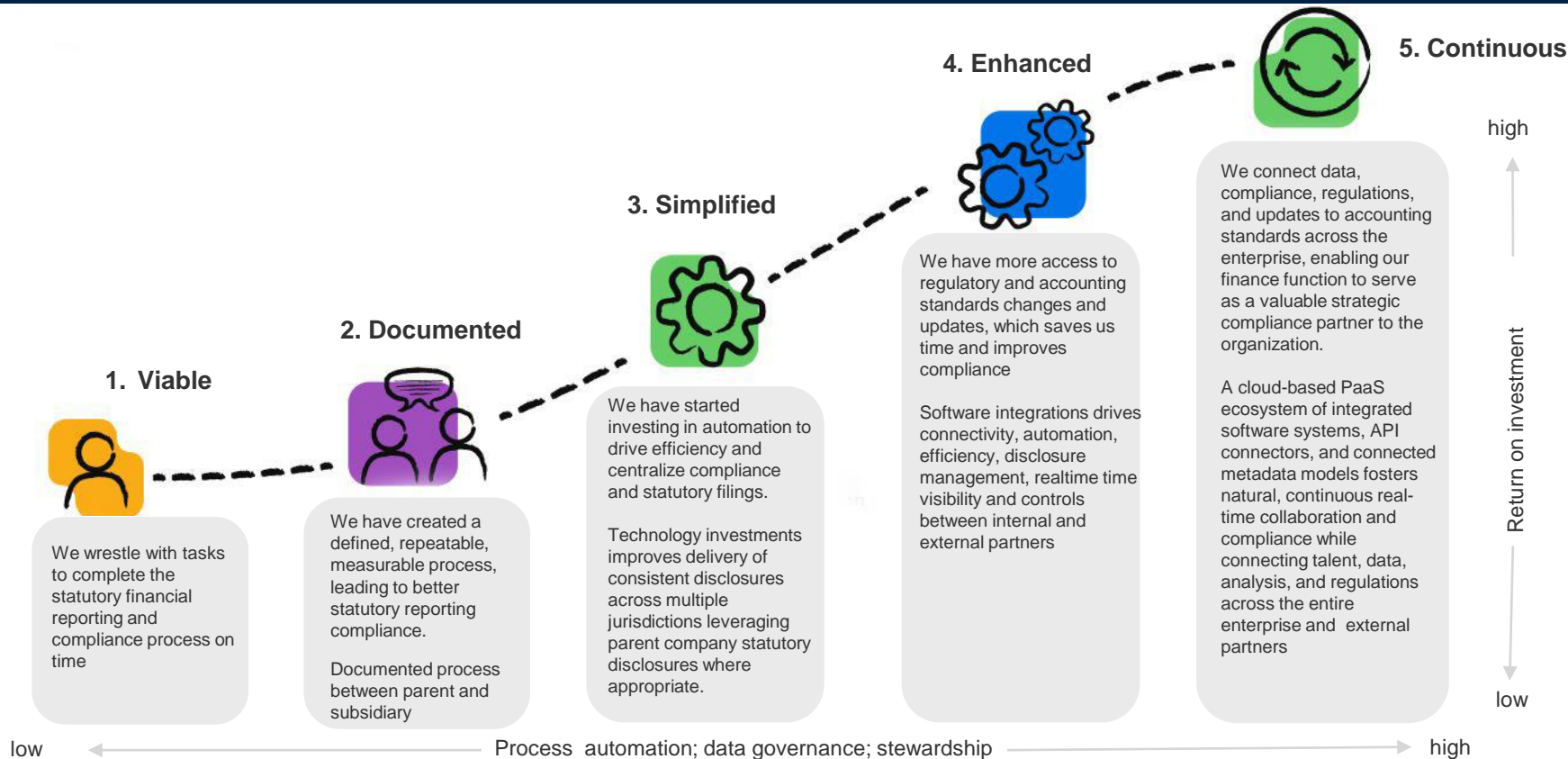
What are your delivery priorities for your shared service centre? (Please select all that apply)

- a. Shortening reporting timelines
- b. Improving coordination across different teams
- c. Maintaining integrity between transactions systems and financial statements
- d. Keeping up with regulatory changes

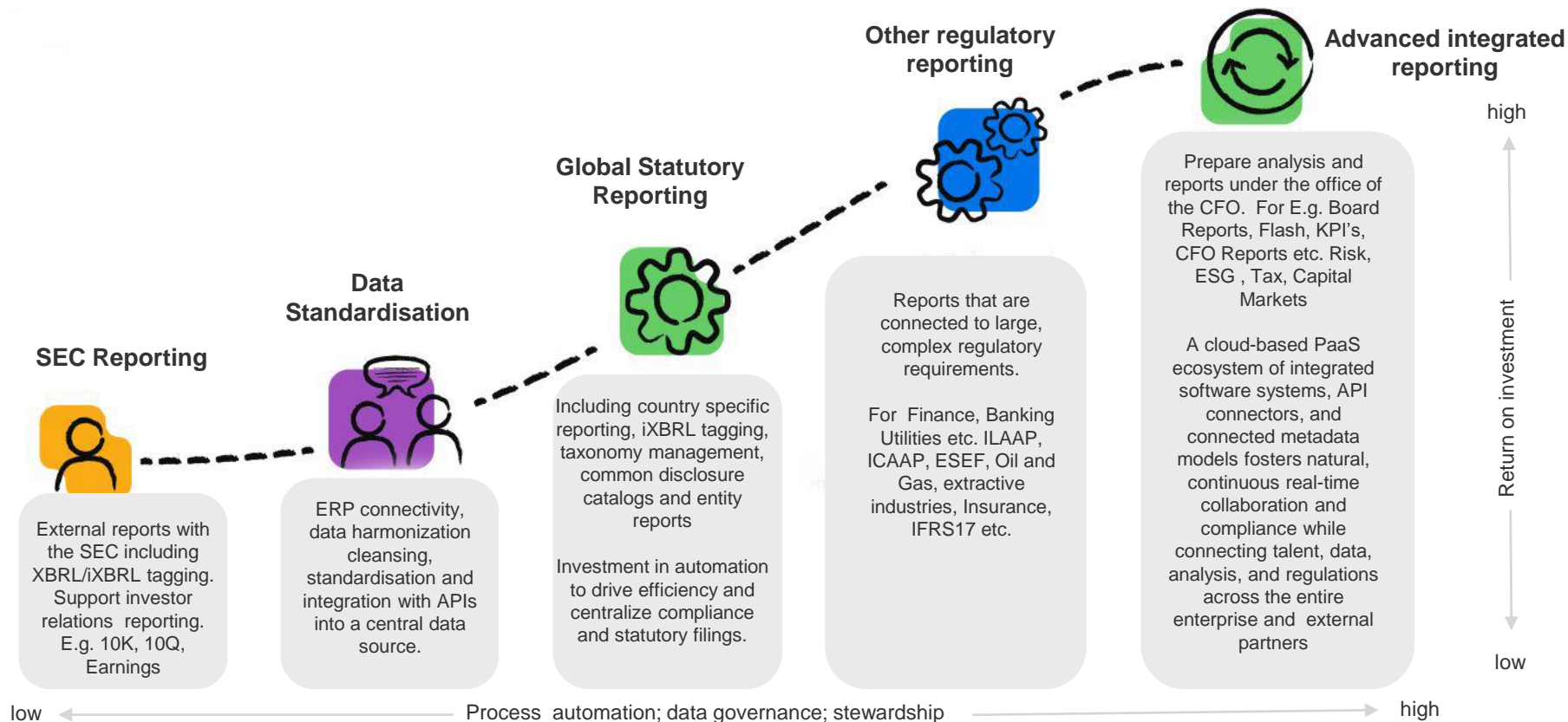
# Polling Question 2 Results (Placeholder)



# The statutory Record to Report (R2R) process maturity curve

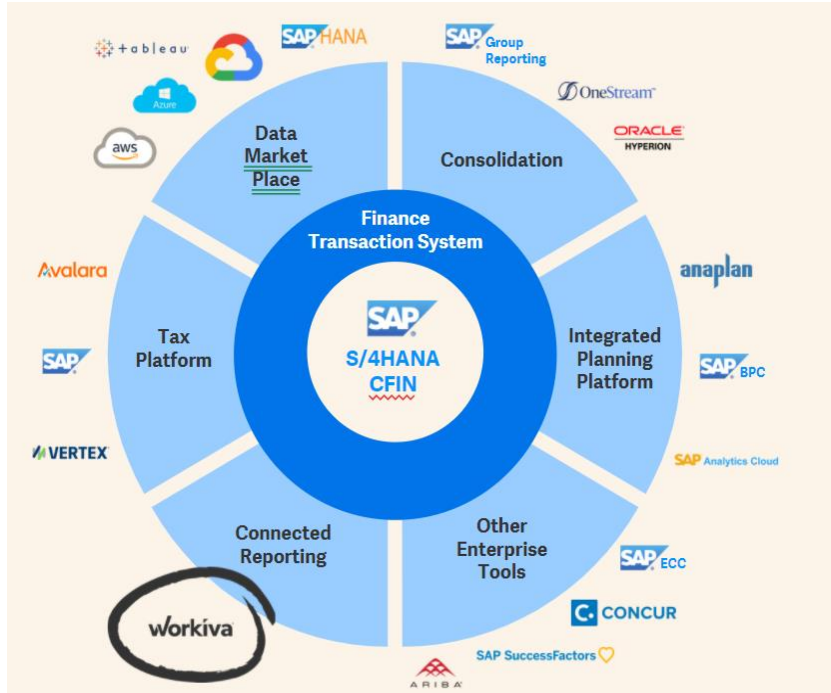


# Clients typically start with SEC reporting before extending across the enterprise



# Simplify the core, amplify your return.

The value of SAP technologies can be significantly amplified by scaling data and analytics capabilities. Data-volume explosion requires CFOs to have a point of view on the meaningful data sets to enable forward-looking insights and effective decision-making and where to source



Think differently about your ERP implementation:

## 1. Simplify the core

- Refocus ERP to be the backbone of key business processes, and the primary source of key enterprise finance and operations data
- Ease data exposure for consumption by reporting apps

## 2. Extend and integrate with other platforms

- Leverage new technologies and applications to embrace the most advanced capabilities, data management, governance and infusion of the AI at scale

# Polling Question 3

Top technologies that we're evaluating currently are...  
(please select all that apply)

- a. AI or Machine Learning
- b. Cloud based profitability and performance management
- c. Cloud based core finance (e.g. SAP S/4 HANA/Oracle/ERP)
- d. Process automation solutions

# Polling Question 3 Results (Placeholder)

# Cloud-based finance shared services centres

Cloud based platforms are transforming SSC through global process ownership, operational efficiencies and supporting the next generation workforce

## Current shared services centres operations challenges

1. Fulfilling **governance structures** and service-level agreements (SLAs)
  - Increasingly complex SLAs drive productivity demands.
  - Provisions require continuous process improvement.
  - Performance expectations rising
  - Increasingly sophisticated processes to meet them.
  - Modernized governance and value measurement.
  - Shift from transaction-based to global process ownership
1. Controlling **where** processes are performed
  - Traditionally based on regional service delivery offerings.
  - Transactional work remains highly manual.
  - Difficult for organizations to achieve benefits from standardization.
1. **Global process delivery**
  - Rising labor costs across Europe and Asia have eroded the initial cost advantages of SSCs.
  - Evolving to global process ownership supported by artificial intelligence (AI), robotic process automation (RPA), or machine learning (ML)
  - Enables management and staff to shift attention to higher-value activities.
1. **Talent management**
  - Intensity of competition in local labor markets continues to put pressure on recruitment and talent management.
  - Traditional labor arbitrage cost advantages are eroding.

## Cloud-based finance shared services centres advantages

1. **Governance structures** and **expanded service offerings**
  - Increased data accuracy and diverse datasets.
  - Reconcile systems of record to final outputs, offering the level of insight internal clients increasingly demand.
1. Supports the move to **Global Process Ownership (GPO)**
  - Process rationalisation, standardization and simplification through APIs
  - Rules-based processing across the entire IT environment.
  - Process consistency and standardization of data, upstream finance systems,
  - Real time ERP connectivity and connected downstream reporting.
  - Increased economies of scale.
1. Transformation **efficiencies**
  - Greater automation and resulting application centralisation, rationalisation and downsizing resulting in cost elimination.
  - Real-time big data initiatives and more complex data-mining analysis
  - Single platform unites systems and their data means greater utilization, fewer inefficiencies, unnecessary operating steps, and minimized risks and mistakes.
1. **Workforce** of the Future
  - a. Attract and retain talented staff through:
    - Workforce is built for digital collaboration versus physical collaboration
    - Automating manual tasks, frees up staff to focus on strategic work and analysis
    - Provides opportunities for creating value and instilling a culture of continuous improvement
  - Attract and retain staff with strategic acumen and data sciences

# Business Outcomes

	Global Auto Manufacturer	Multinational Beverage Company	International Financial Services Company	Global Consulting Company
<b>Project Scope</b>	Financial reporting modernisation supported by SAP S/4 HANA rollout across 50 countries (Turnover \$120bn)	Support finance organisation redesign with CoE, SSC supported by SAP S/4 HANA rollout across 140 sites (Turnover \$15bn)	Simplification of statutory reporting across \$120bn assets under management serving 6 million customers	Rollout Workiva solution across 59 countries in 2 years (Turnover \$44bn, 500k+ employees)
<b>Solution</b>	SOX & Audit, statutory reporting	ESEF, statutory reporting, Annual & interim reporting, ESG reporting	SEC reporting; Bank reporting, statutory reporting, Annual & interim reporting, ESG	Statutory reporting
<b>Key Benefits</b>	<ul style="list-style-type: none"> <li>Centralized setup and production of statutory documents for 169 legal entities across 50 countries</li> <li>Streamlined filing with industry, state regulators, and others with connected audit trail capabilities</li> <li>Integrated to SAP S/4 HANA global rollout.</li> <li>Redefined governance, operating model for CoE/SSC, deployment in 9 months</li> </ul>	<ul style="list-style-type: none"> <li>Projected 30-40% year 1 savings in financial statement production</li> <li>11-15% reduction in external third party finance transformation costs</li> <li>\$1m+ projected annual gross benefits across 122 legal entities.</li> <li>Finance org model migrated from 120 countries to 5 global shared services hubs</li> </ul>	<ul style="list-style-type: none"> <li>Simplification of 4,000 data points manually copied across 200 pages.</li> <li>Elimination of 50% of errors from manual processing.</li> <li>Halved number of audit points raised by external auditors</li> <li>Accounts production time reduced by 35%</li> </ul>	<ul style="list-style-type: none"> <li>Improved oversight and control of statutory reporting process</li> <li>Transparency, traceability, audit history within single platform</li> <li>Cost efficiencies through time savings and elimination of third-party costs</li> <li>Platform for standardizing processes and leveraging cost-effective locations</li> <li>Enhanced collaboration with external auditors</li> </ul>

# Where to next?



## Global Process

Work with your partners to understand what functionality may require change to deliver global process ownership.



## Connectivity

Educate yourselves on the host of cloud based solutions available.

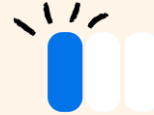
Focus pilots on processes using common datasets



## Simplification

Think of simplification on both the systems and process fronts.

Rethink processes, governance and people strategy end-to-end



## Workforce

Think beyond location and cost to reimagine your finance footprint and workplace of the future to support hybrid working.

Plan the move to knowledge based workforce



## Adoption

Adoption will happen in waves. Build a long term automation strategy that goes beyond individual sub processes and geographies.

Launch targeted rollouts with quick payback that deliver value throughout the roadmap



# workiva.com/contact



## Trust

Trust every number in every report for every reporting and compliance team.



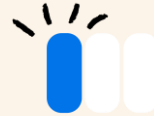
## Control

Keep work moving with amplified and distributed control that minimizes risk.



## Transparency

Create the transparency and visibility you need into even the most opaque reporting and compliance processes.



## Efficiency

Accelerate your team productivity with fit-for-purpose work management solutions.



## Transformation

Transform your data into information and improve your reporting and compliance practices.

# Polling Question 4

Are you considering purchasing new technology for your reporting and/or compliance needs?

- a. Yes, looking to purchase in the next 12 months
- b. Yes, but not looking to purchase for at least 12 months
- c. No, we are not looking to upgrade at this time

# Polling Question 4 Results (Placeholder)

# Questions & Answers

*Use the Q & A Panel to send your questions to our panelists.*



**Steve Soter**  
Senior Director of Product Marketing  
and Accounting Industry Principal  
Workiva  
Executive Advisor  
SEC Professionals Group



**Conor O'Kelly, BComm, FCA, MSc.**  
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# Thank You to Our Featured Presenters!



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SEC Professionals Group



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**Senior Director of Statutory Accounting**  
Workiva

# Final Reminders

- **Complete the Evaluation poll** – 2 options
  - On your screen
  - Evaluation Survey icon at the bottom of your console
- **Access to your CPE Certificate** – 2 options
  - Click the “CPE” icon at the bottom of your console  
or
  - Click the link in your post-event e-mail
- Please print a copy of the CPE certificate for your records.
- Your CPE credit will be automatically recorded in your transcript.



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