Future of Finance: Simplify Statutory Reporting Through Automation, Scalability and Control

Pete Marzullo

Taylor Johns

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Q&A   Asking Questions

?   Help

CPE   CPE Credit

CPE Status — ☐

Criteria for Full Credit

○ Minutes to Watch: 50

○ Number of completed Poll(s) required: 3
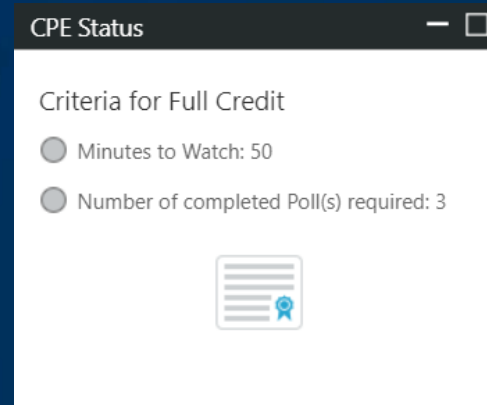
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Moderator

Steve Shannon
Director of Partnership Marketing,
Business Development
IMA

Featured Presenter

Pete Marzullo
Vice President, Solutions
Workiva

Pete Marzullo's Biography

- Pete Marzullo is the Vice President of Solution for Multi-Entity Reporting at Workiva where he is responsible for the commercial success of the Global Statutory Reporting solution. He has 18 years of experience in the tax and accounting market working in public accounting, industry, and tax technology.

- Prior to joining Workiva, Pete was at Thomson Reuters where he held multiple product leadership roles, including Vice President of Product Management for the ONESOURCE Platform. Throughout his career, Pete has led global commercial launches, positioned platform-based solutions for corporate clients and accounting firms, established partner programs to scale delivery, and designed and built solutions to enter new markets. He has always been close to the customer leading various product steering committees, advisory boards, and has been a frequent speaker at the Tax Executive Institute.

- He is a CPA (Inactive) and is a member of the AICPA. Pete lives in the Philadelphia area with his wife (Thao) and daughter (Amelie).

Featured Presenter

Taylor Johns
Manager of Solution Engineering
Workiva

Taylor Johns' Biography

- Taylor Johns is the Manager of Solution Engineering for Global Statutory Reporting at Workiva. She and her team work closely with multinational organizations of all sizes to understand their processes, challenges, and goals in order to devise a plan for success with the Workiva platform. Taylor has 5 years of experience in aligning technology to customer needs and is passionate about finding solutions to complex problems.

- Prior to Workiva, she was a part of KPMG's Advisory practice where she led audit and consulting engagements across various industries.

- Taylor lives in Phoenix, where she enjoys spending time hiking and getting outdoors with her dog, Jax.

Learning Objectives

1. Recognize how to gain confidence in your reporting through automation with connectivity to your source systems.

2. Evaluate software solutions and steps you can take for adopting these to increase efficiency and control over your entity reporting.

3. Describe how cloud-based reporting systems deliver operational efficiencies and change business models to achieve greater resilience and viability in the future.
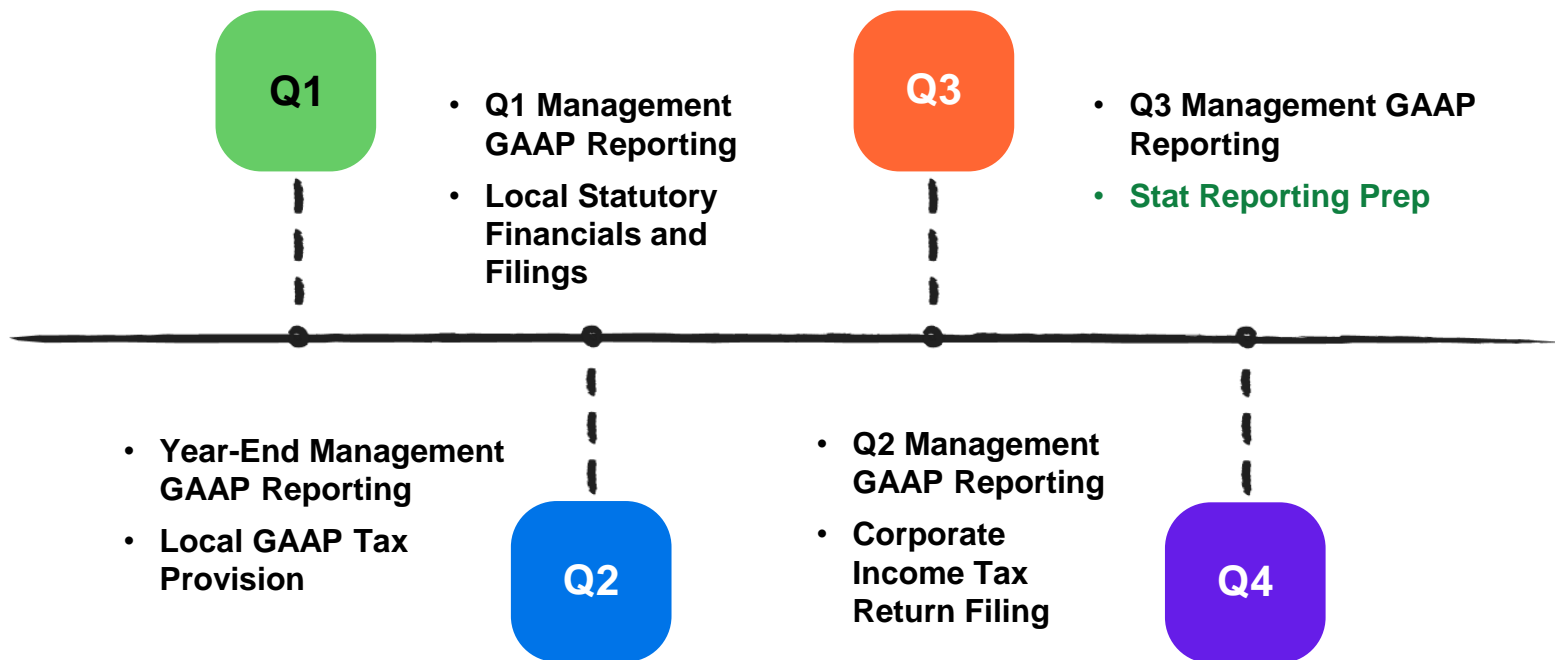
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Agenda

- Year-end reporting—What is top of mind?

- Current market trends

- Complexity and risk

- Areas of opportunity

Statutory Reporting – Annual Calendar

Q1
- Q1 Management GAAP Reporting
- Local Statutory Financials and Filings

Q2
- Year-End Management GAAP Reporting
- Local GAAP Tax Provision

Q3
- Q3 Management GAAP Reporting
- Stat Reporting Prep

Q4
- Q2 Management GAAP Reporting
- Corporate Income Tax Return Filing

Year-End Reporting

What is top of mind?

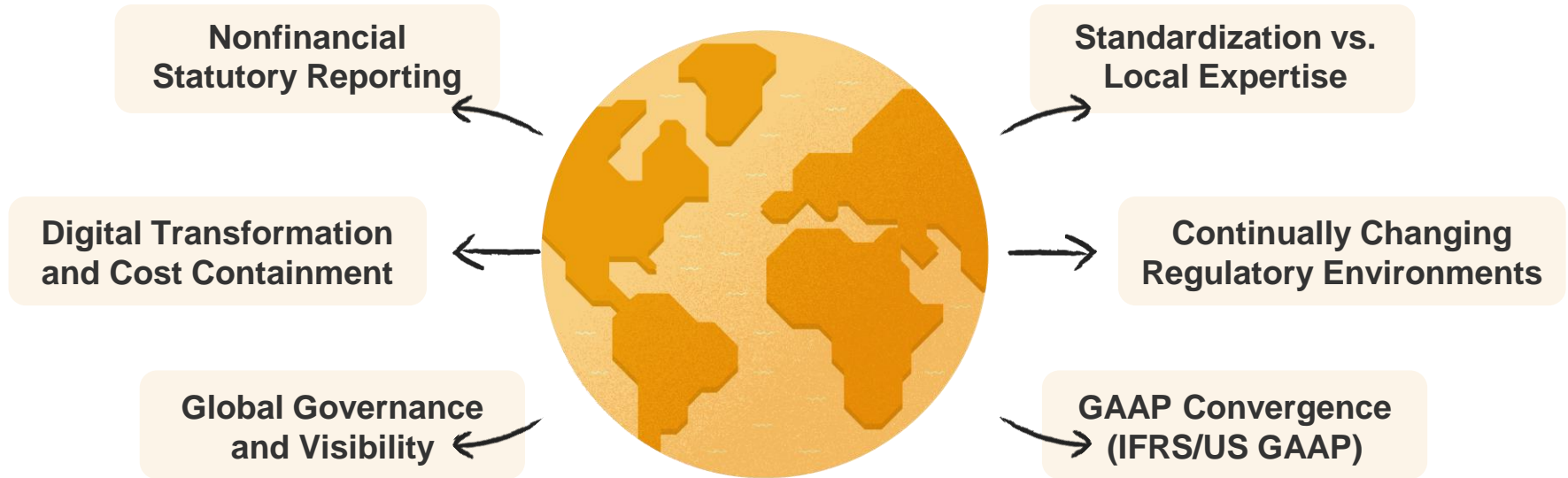| **Accuracy**	**Scale**	**Governance**	**Collaboration**
How do we ensure obligations are accurate and filed on time?	How do we evolve and adapt our operating models?	How are we enforcing stringent controls and mitigating risk?	How do we keep our teams engaged and focused?

Poll Question 1:

What is top of mind for you?
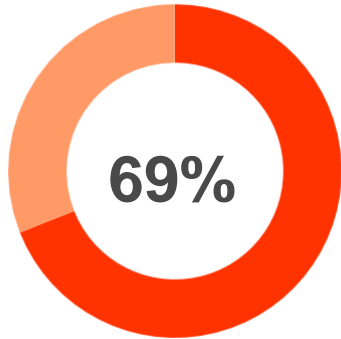
a. Accuracy and timeliness of filings
b. Ability to scale with resource constraints
c. Compliance with internal controls and process governance
d. Collaboration among distributed teams
e. Not applicable

Poll Question 1 Results: (Placeholder)

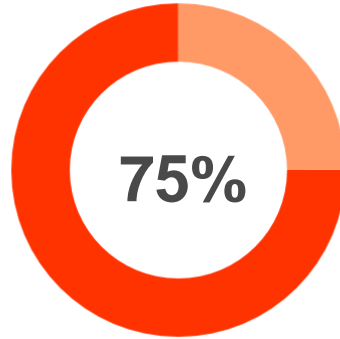# Trends in Global Reporting

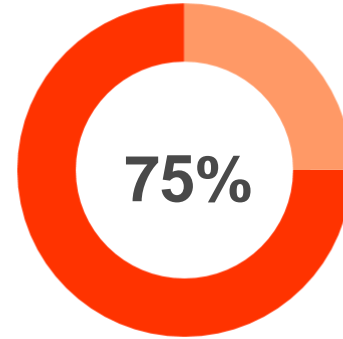
Nonfinancial Statutory Reporting

Standardization vs. Local Expertise

Digital Transformation and Cost Containment

Continually Changing Regulatory Environments

Global Governance and Visibility

GAAP Convergence (IFRS/US GAAP)

Status Quo Risks

69%

of organizations have made a significant decision based on inaccurate data[1]

75%

of CFOs are worried about their exposure to error and related risk[2]

75%

of practitioners believe their current tools are ineffective[3]

1. The Potential Global Scale of Financial Data Inaccuracies, BlackLine 2. The Future of Financial Reporting Survey 2017, FSN 3. Institute of Internal Auditors

External Factors and Public Opinion

- Increased **exposure** to company valuations and **enforcement** under Companies Acts/Civil Codes

- **Reputational** damage arising from public expectations and transparency

- Breaches of contractual covenants from **climate risk** and demands for **transparent reporting on social responsibility**

- Corporate **governance** breaches becoming more public

- **Public intolerance** for accounting restatements

- Increased **tax controversy** for global companies

Poll Question 2:

How is your company currently completing statutory reporting filings?

a. In-house using desk-top solution(s)

b. In-house using cloud-based solution(s)

c. Shared Service Center or Center of Excellence

d. Outsourced

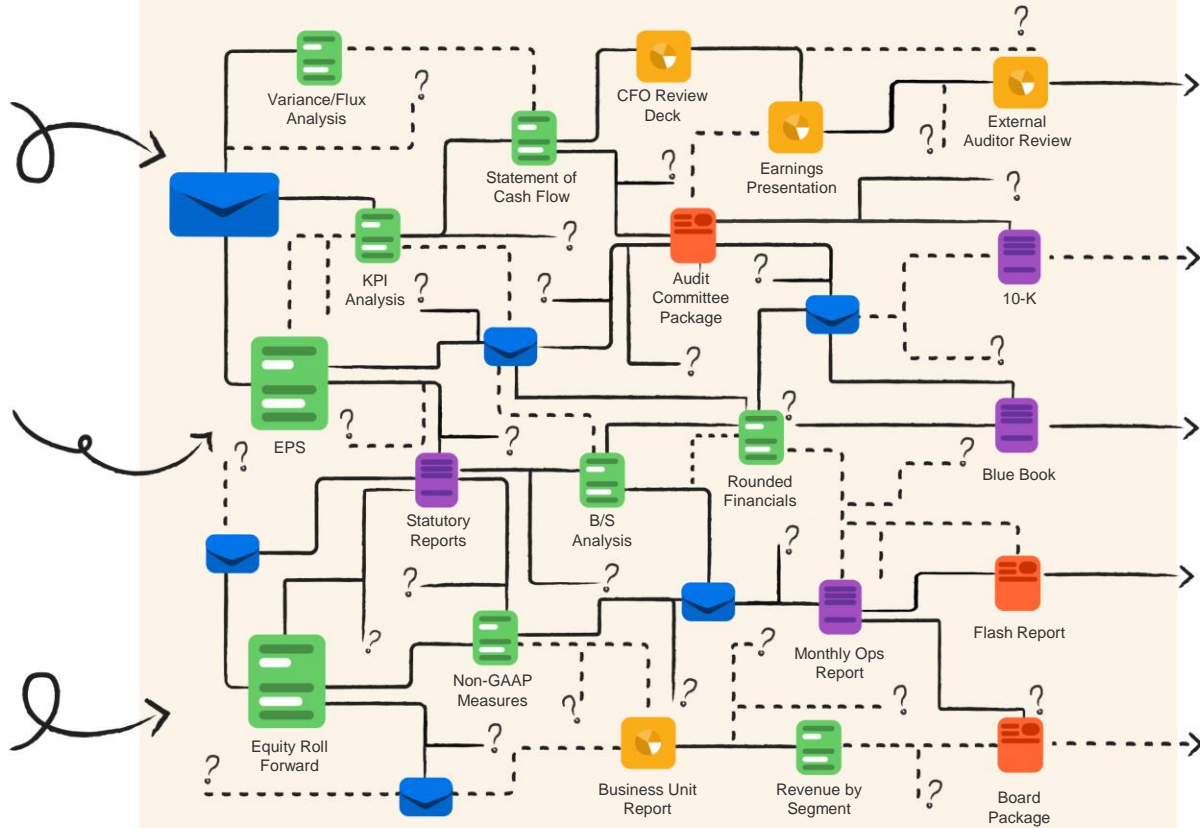e. Not applicable

Poll Question 2 Results: (Placeholder)

Current State

Record · Close · Consolidate · Analyze · Report · Stakeholders

Statutory Record to Report Process Maturity
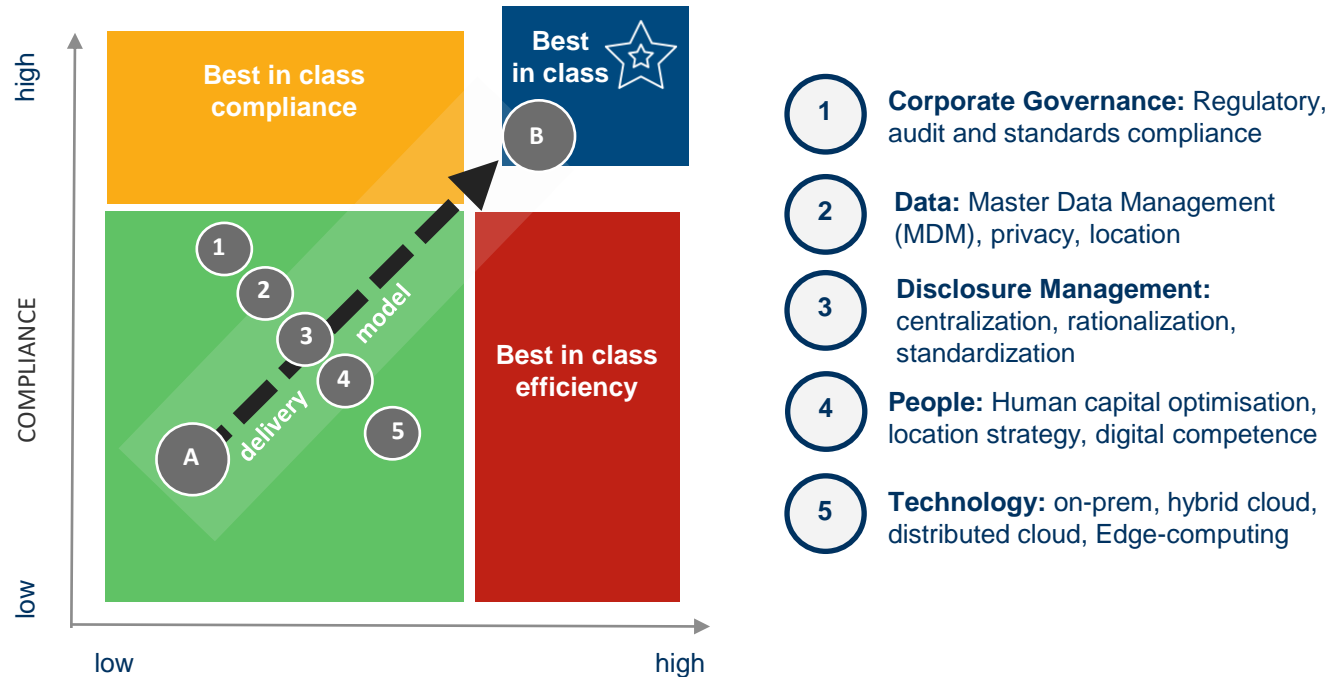
Mapping where finance delivery capabilities are currently on the maturity curve:

R2R maturity model stages

Value Driver	Attribute	Viable	Documented	Simplified	Enhanced	Continuous
Corporate Governance	Ownership and Sponsorship Accountability / KPI			**Best in class compliance**		☆ **Best in class**
GAAP Standards	GAAP to Stat adjustments standardized		◯			
Disclosure Management	Consistent disclosure between parent and subsidiaries	◯				
Key Performance Indicators	Defined processes Status tracking capability	◯				**Best in class efficiency**
Geography	Service providers across geographies		◯			
Staff Digital Knowledge	Highly skilled staff Digital Competency			◯		
Centralization	Centralized processes Single unified provider		◯			
Technology Enablement	Leveraged use of enterprise IT		◯			

Cloud Impact

COMPLIANCE — high / low

EFFICIENCY — low / high

Statutory Record to Report Process Maturity

Challenges implementing the statutory R2R maturity model:

1	**Corporate Governance:** Regulatory, audit and standards compliance
2	**Data:** Master Data Management (MDM), privacy, location
3	**Disclosure Management:** centralization, rationalization, standardization
4	**People:** Human capital optimisation, location strategy, digital competence
5	**Technology:** on-prem, hybrid cloud, distributed cloud, Edge-computing

Software Solution Considerations

Ease of Use

Intuitive user flows that promote adoption across your enterprise

Connectivity

System of record and subsystem integration providing data lineage from record to report

Automation

Capabilities to remove manual and orchestrate processes to maximize value

Scale

User experience that adapts to your size and volume, supporting your operating model of choice

Governance

Stringent permissioning and internal controls ensuring compliance with your internal policies

Poll Question 3:

How automated and standardized would you say your statutory reporting process is today?

a. Fully automated—we have direct links from source files to final outputs, and updates to source data flow through automatically

b. Partial automation—our source files are linked but any updates after the initial transfer are done manually

c. Limited automation—we use templates, but they're not linked and both source files and template updates are completed manually

d. No automation—gathering and adding source data to spreadsheets and subsequent updates to data and narrative in the reports are all done manually
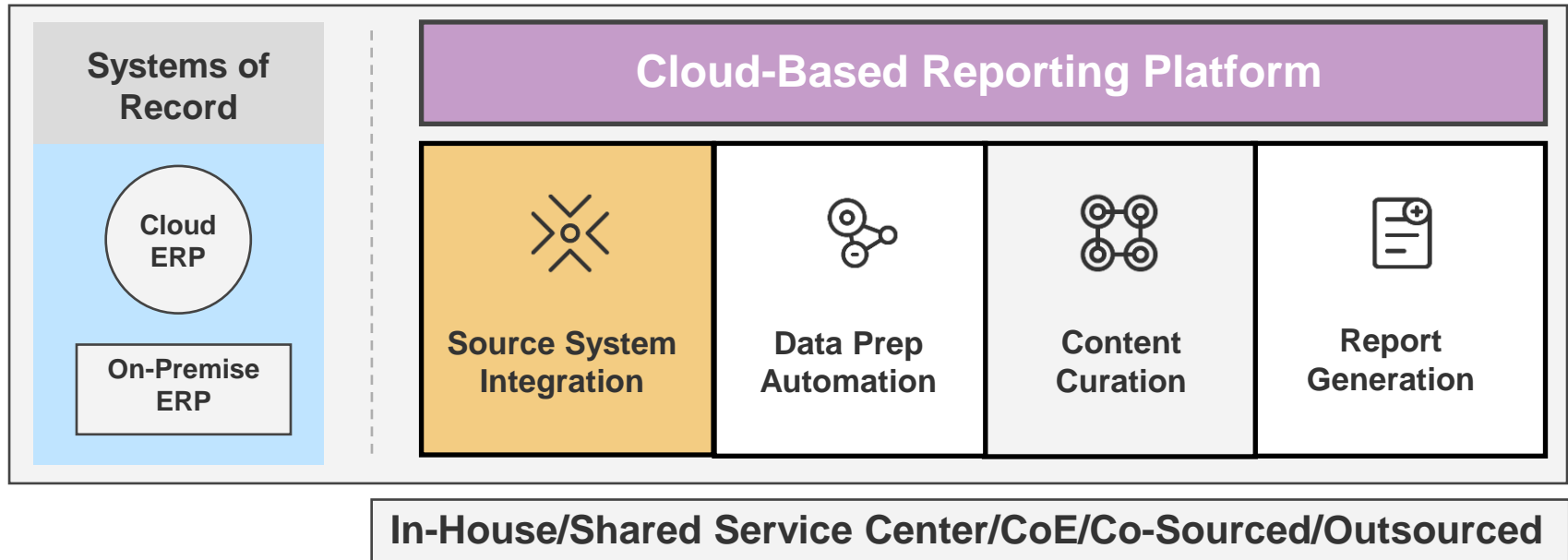
Poll Question 3 Results: (Placeholder)
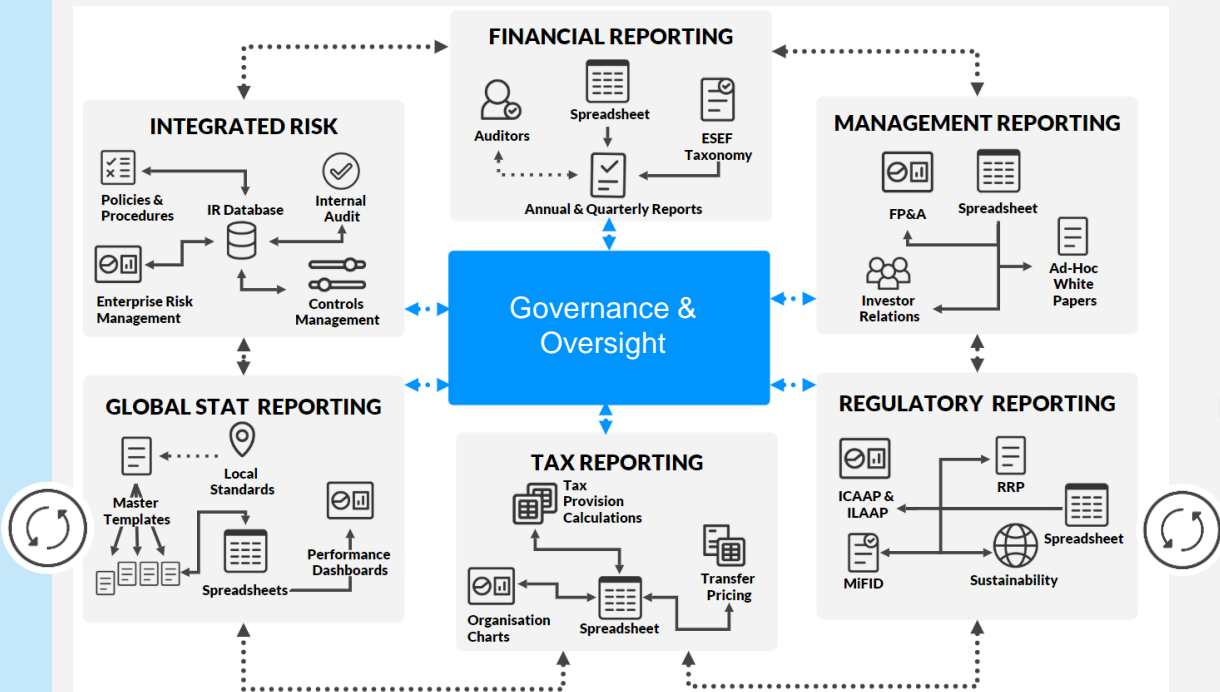
Future State

Connected & Transparent

Collaborative, Consistent, & Continuous

Shareholders

Regulators
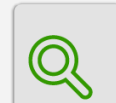
Board

Auditors

CEO

Management

Business Architecture

Systems of Record

Cloud ERP

On-Premise ERP

Cloud-Based Reporting Platform

| Source System Integration | Data Prep Automation | Content Curation | Report Generation |

In-House/Shared Service Center/CoE/Co-Sourced/Outsourced

In the Connected Company, the left hand knows what the right hand is doing

Operations

Inventory Obsolescence
Demand Forecasting
Lead Reporting
Logistics Optimization

Risk

Enterprise Risk Management
Audit
Controls Management
SOX Compliance
OMB A-123
Policies and Procedures

Accounting

SEC Reporting
Statement of Cashflow
CFO Deck
Board Reporting
Capital Markets
...and more

Service

Call Center Reports
Service Logs
Account Health
CSAT
NPS Scoring

IT

SOC2 Controls
Data Transformation
Automated Workflows
Source System Integration

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.
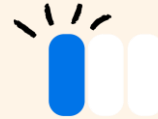
Focus pilots on processes using common datasets

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

Poll Question 4:

What drives your adoption of cloud-based technologies?

a. Ability to scale
b. Agility
c. Staff training & competency
d. Real time updates

Poll Question 4 Results: (Placeholder)

Questions and Answers

Taylor Johns
Manager of Solution Engineering
Workiva

Pete Marzullo
Vice President, Solutions
Workiva

Steve Shannon
Director, Partnership Marketing,
Business Development
IMA

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

  <u>or</u>

- 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.

Thank you!

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