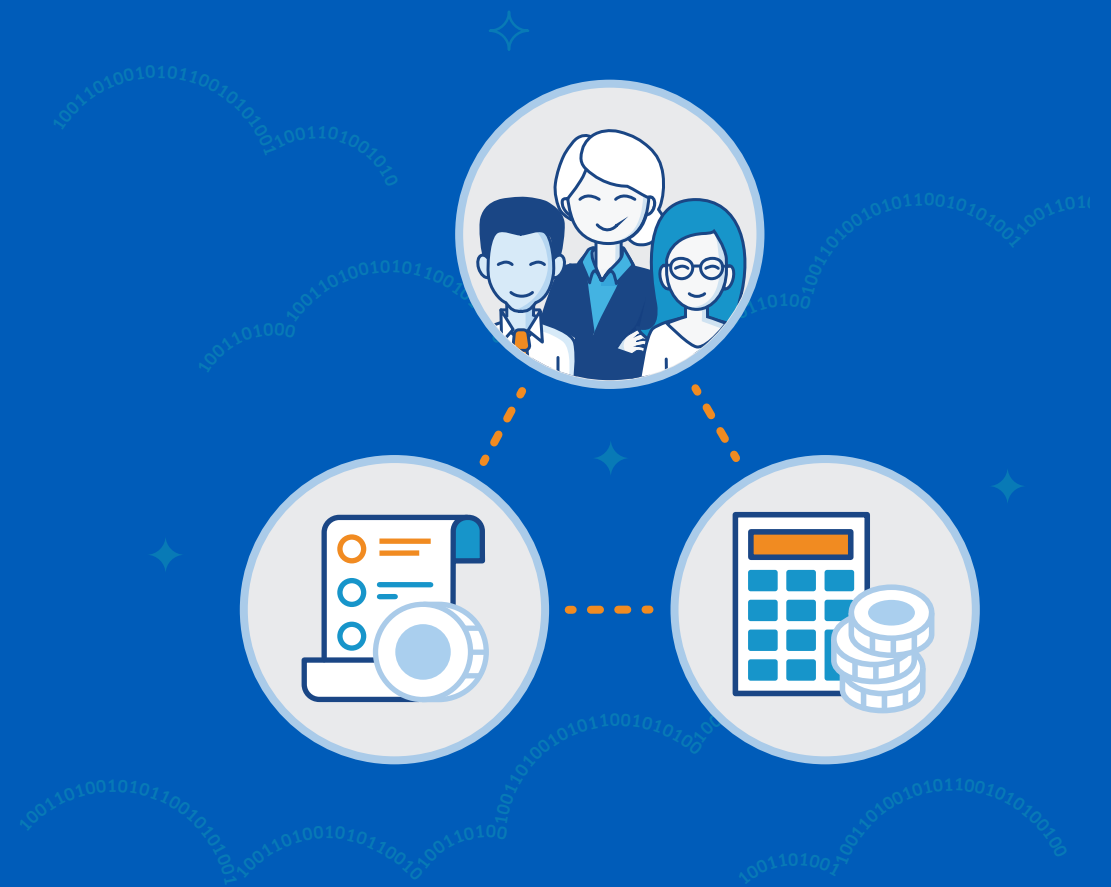


Getting the Basics Right

It's All About the Data



Introduction

Growth is a key measure of success for most organizations. But without the right solution, the dynamics of company growth can actually slow your progress. The goal is to find a way to remain nimble, efficient, and productive as you grow. But how can you achieve this when your team is stuck in the perpetual cycle of data aggregation and reporting?

What if you had a system that streamlined your key processes, such as consolidate and close or plan to hire? What if you could reduce redundancies and eliminate unnecessary reconciliation? What if you could plan financials and head count; execute all finance, HR, and payroll processes; and continuously analyze as you grow? A single system gives you the power of interconnected data to answer all the what-ifs.



Data working against you.

Without a single operating model, your data is disconnected and technology can create unnecessary complexity that works against you. According to the Accenture research report¹ "Automation and Other Challenges Facing CFOs," 53 percent of the CFOs interviewed were concerned that data and information-sharing processes weren't streamlined, and that the finance function was reactive. In addition, 46 percent expected to feel this way within two years. Capturing crucial data was also reported as a challenge. Of the finance leaders surveyed, less than half felt they were benefiting from comprehensive data analysis that included increased connectivity with other areas of the enterprise.

If your data is disparate and uncorrelated, it's hard to work effectively or answer strategic questions. And the lack of timeliness and security, plus the duplication of disconnected data, can tax an already overburdened workforce.



The value of data interdependencies.

How can you make your data work for you as you plan, analyze, and execute across your organization? You need a single solution that delivers depth and flexibility, and configures processes to work with—not against—one another. A system from Workday dramatically reduces data duplication and reconciliation and informs planning cycles.

What will this mean for you?

When your system recognizes data interdependencies, you can go beyond analyzing and answering simple questions such as, “What’s my current revenue booked for this quarter?” to asking more strategic questions such as, “What’s my current revenue booked, who is the talent most responsible for it, and when can we compensate them appropriately for it?”



Data interdependencies for finance, HR, and payroll.

At a fundamental level, we think of financial management systems capturing debits and credits, revenue and expenses, assets and liabilities; human capital management systems capturing personnel-, demographic-, and benefits-related data; and payroll systems capturing data related to salary, bonus, and stock.

But these systems also share common data structures, such as cost center hierarchies and supervisory organizations. Unfortunately, these structures are too often duplicated in disparate systems, leading to data inconsistencies. For example, what happens when a cost center is changed in one system and that change isn't reflected in the other? In addition, data can often mean different things in different systems. Take the term *location*, for example. In HR this could denote a physical office or a training facility; in finance, it could reference an inventory location (for example, a bin or shelf) or a geographic sales region; in payroll, it could differentiate between a state of residence and a state of work. It's one term spoken in different organizational languages, and these multiple meanings create disconnects and inhibit true insights.

The benefit of having a single system is that these separate departments are more likely to share in the ownership of data and data structures. Subject matter experts across the organization are at the same table during design to uncover and understand data interdependencies. Questions can be addressed, such as, "How can HR use data normally housed in finance and payroll to gain insight into employee productivity?" and "How can finance use data normally housed in HR to drive allocations?"

The power to fully exploit data interdependencies starts with the right foundation: a single core system of record for finance, HR, and payroll.

Let's look at some scenarios that highlight the importance of data interdependencies.



1. How finance benefits from HR and payroll data.

Without interconnected data: Finance has limited visibility into the makeup of one of its major costs: salary. There isn't a line of sight into salary discrepancies or visibility into the supporting details. There also isn't any understanding of what made up the pay components down to the department, manager, or employee level.

Travel and expense costs lack supporting detail in the general ledger regarding the employee/manager, analytics on spend, or in-policy/out-of-policy amounts.

Head count is a static number often updated once a quarter. HR has one version and finance has another. As a result, the allocation of IT costs, which are based on head count, are often wrong due to the inability to reconcile the differences between the static number and real-time state.

In addition, there isn't a way to track assets to employees. Laptops assigned during onboarding cannot be accounted for nor collected during off-boarding.

With interconnected data: In Workday, there's one system and one version of the truth. Your costs and assets are tied to employees. Salary information is available and accessible at an employee/manager level. You can view salary by pay component, by department, and through other lenses, then view fluctuations and trends over time. You can use outside data to compare with your peers for further analysis. You can also view that data in real time to get ahead of the curve, which is especially helpful when looking at overtime.

Travel and expense data is tied directly to the employee/manager, and real-time analytics can detect out-of-policy violations. There is no need to replicate cost center or supervisory structures.

Head count in Workday represents an actual person. There is no longer a need to reconcile between two versions. The value is automatically updated based on hirings and terminations, thereby streamlining the allocation process.

While viewing the employee record, you can also view any assigned assets and their respective lifecycles, such as when the asset was purchased or the depreciation method assigned. When the employee leaves, the asset can be accounted for and collected as part of the off-boarding business process.

“Finance operated its own silo, HR its own, operations its own. There was a lack of consistency in terms of how we viewed the business...numbers were always challenged, no one could agree on metrics, and people couldn't agree on what actions to take going forward. Workday has been transformational because everyone now speaks the same language. Everyone looks at the same numbers, everyone agrees to the same metrics, everyone prioritizes the same way.”

– Allied Global



2. How HR benefits from finance and payroll data.

Without interconnected data: HR typically determines top talent within the organization based on performance and potential. Disconnected data makes it impossible to view their generated revenue and its impact on the financials, or to view top performers by line of business. Therefore, there's a risk of making uninformed decisions and not rewarding or recognizing talent, which leads to turnover and low employee morale.

With interconnected data: With a single system for finance, HR, and payroll from Workday, you have the ability to view revenue generated by employee, line of business, and sales campaign, to name a few. There is no need to use a multidimensional database to slice and dice the information. Drill into revenue on a financial statement to see the underlying details. Who is your top performer? Are they properly compensated? Would you like to award a one-time bonus or send feedback? You can do all of that and more in Workday.

“I’m looking for how we’re performing in each country—our revenues, our profitability, our contribution margins, employee turnover rates, hiring rates, hiring times—with Workday, I can trust that information. I make sure that I go over the reports with the team that’s creating them so that we’re all in agreement. Then when I run those reports, I do not have to worry about anything having changed in the formulas or any questions about the integrity of the data.”

— Bill Gosling Outsourcing



3. How payroll benefits from finance and HR data.

Without interconnected data: When changes to cost centers occur in the financial system, whether due to reorganizations or restructuring, they're not reflected in the payroll system. If employees are promoted in the HR system, tying the new cost center allocations to payroll is a manual effort. Paychecks are often incorrectly allocated because they don't reflect up-to-date data, and reconciliation is arduous, causing frustration across the business.

With interconnected data: With Workday, cost center structures are shared across the functional domains. If a change is made in one area, it is automatically reflected in the others. This reduces the time you need for manual reconciliation and auditing.

The all-in-one system that's altogether better. When finance, HR, and payroll no longer operate in a vacuum, you can bring data together to drive better business processes and make more strategic decisions. You also benefit from a single system that understands data interdependencies and allows you to plan head count and financials so you are prepared for what's next, can execute your business processes in a way that works for you, and are able to analyze your performance as you go. Freed from the complexity of disconnected data, your technology is no longer a hindrance to growth. Your company can keep a pulse on the business with the confidence of real-time data—and set its sights on a brighter future.

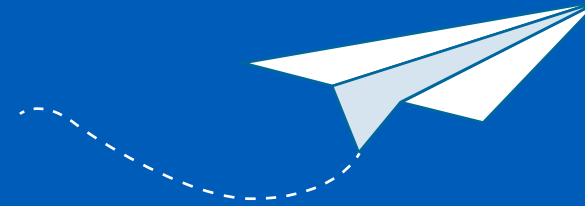
“Having a unified system—being 100% Workday, including financials—is a huge win. From a payroll standpoint, it's allowed us to automate all of our journal entries and come to a one-day close.”

– Netflix



Endnotes

¹Accenture: Automation and Other Challenges Facing CFOs
September 11, 2018



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