

# Winning ENTRY

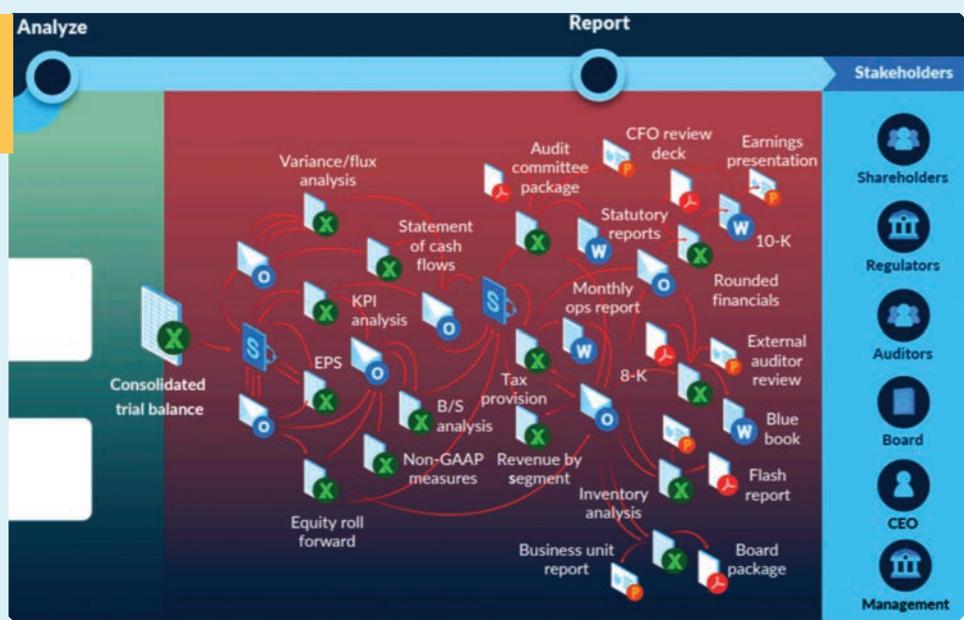
A look at the first FinNext Tech Challenge champion

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**B**efore joining Workiva, I worked for General Electric, where I had roles across finance, accounting and internal audit. Most notably, in my last role, I was the corporate FP&A manager responsible for working capital cash flow planning, analysis and reporting across the company. I had to manage competing priorities, analysis, reports, contributors, internal and external stakeholders, and so much more across my organization. Today, my job is to put that experience to work for other companies by identifying opportunities to simplify finance and accounting processes using the Workiva platform.

At FinNext, we had the opportunity to put these capabilities on display in the FinNext Tech Challenge. Our approach demonstrates why so many accounting and finance organizations have evolved to connected reporting.

Image: Today's analysis and reporting is complex, inefficient, and risky.



## Trends and Performance (2016-18) (\$Millions)



Source: Workiva.

Note: The green lines underlined and green boxes indicate information that is linked directly to analysis.

### Trending Commentary

#### Summary

Revenue and Cost rose dramatically since 2016 driven by Northeast, Canada and South regions.

- Gross Margin decreased (63)bps to 49.4% from 2017 to 2018

#### Revenue

Revenue of 24.90M grew in all segments, up 36% in 2017 and up 27% in 2018, driven primarily by Canada, Northeast and Central regions.

- Revenue growth rate in 2018 decreased (24)%, with decreases in all regions except Canada
- Canada revenue growth driven by unit sales increases

#### Cost

Cost of 12.61M grew in all segments, up 33% in 2017 and up 29% in 2018, driven primarily by Canada, Northeast and Central regions.

- Cost growth rate in 2018 increased 19%, with increases in every region.

### The challenge

The FinNext Tech Challenge presented contestants a hypothetical company, Beyond Books, with fictional operations in eight sub-regions across the United States and Canada. It had three years of detailed financial data by item and sub-region.

Beyond Books' "management" was looking for vendors that could improve process efficiency, accuracy, and confidence in their everyday FP&A processes, specifically around preparing performance assessments and developing forecasts. Competitors were asked to accomplish the following.

- Gather, collect, and import data from Excel or directly from systems
- Prepare and cleanse data, such as calculating revenue and gross margin
- Perform analysis, including variance and driver analysis
- Prepare and collaborate on simple forecasts with contributors across the organization, and
- Create and present clean and organized reports that are linked directly to analysis.

In my prior life in FP&A, these were real challenges. When we introduced Workiva to GE, I saw exactly how technology addressed these challenges by automating routine processes, streamlining steps and connecting data throughout it all. This allowed us to focus our time and effort on more insightful analysis that drove business decisions.

For the FinNext Tech Challenge, software vendors were asked to solve Beyond Books' challenges, with FinNext attendees voting for the winner.

### The approach

Let's take a look at what we presented to Beyond Books' management.

Beyond Books' first question to competitors was: "What areas show strength and weakness of sales and gross margin over the past three years?"

This is a typical FP&A question during close cycles. The period just ended for Beyond Books, and they needed to understand what actually happened. Most of our analysis is likely routine and repetitive of the same analysis we performed last period. Some analysis is probably new and performed based on our need to understand unique business circumstances. Either way, we needed to:

- Collect and gather the data
- Review and prepare that data for our analysis
- Perform analysis that drives insights, based on the events of the last three years
- Create and present a summary of our findings.

We needed to do all of this while working with multiple collaborators to put the assessment together. Fortunately we were able to perform all of this in the Workiva platform. We had the ability to import structured and unstructured data from multiple sources, perform analysis, prepare reports, and work across the organization—all in one place while being able to present and share reports with internal and external stakeholders directly from the platform.

Finally, we created a sustainable and repeatable process that allowed the FP&A team at Beyond Books to instantly update future summaries and commentary with a few simple clicks, thanks to the data linking within the platform.

One of the features that attendees found most interesting was the ability to integrate commentary with analysis. In the world of FP&A, we play a continuous game of ordering drivers based on the level of impact they have on the organization. For example, if France had revenue of 100 and Germany had revenue of 120 we would prepare a sentence that said “primarily driven by Germany 120 and France 100.” We showed attendees that our platform could be set up to rank drivers by impact and then reorder those drivers in the commentary in our presentation automatically.

Management’s next question to competitors: “Can you develop and present a simple 2019 forecast?”

Here’s what we needed to prepare this forecast:

- Historical data (which we can take from our first challenge question)
- A space to prepare and organize our forecast by region
- Ability to share our forecast with regional FP&A managers and securely make adjustments based on their input
- A way to create and present a summary of our forecast.

Again, we created a simple, corporate-owned forecast. We created one spreadsheet with a tab for each region and granted limited permission to the relevant regional FP&A managers to access specific tabs. Each FP&A manager could also change only the cells they had permission to edit. We tracked all updates made across our forecast to ensure we had context into the changes. Finally, we prepared our own analysis within the same spreadsheet, only accessible

to our corporate team. Similar to the first question, we created and linked a presentation directly to our analysis and presented from the Workiva platform.

Management’s final question to us: “What products should the company be focused on selling more and less of?”

The difference between this assessment and our first assessment was that we needed to evaluate individual products to identify items that were influencing business performance. So we repeated the assessment we did for the initial question and identified high and poor-performing products.

**Streamlined process**

Workiva helped streamline Beyond Books' process, improved efficiency and accuracy, and gave confidence in what was reported to management. By connecting data, people, and processes, we were able to provide timely insights to the decision-makers.

I hope our presentation from the FinNext Tech Challenge encourages you to think differently about your own process. Every workplace has inefficiencies, but the right software coupled with the right questions and analysis can help both you and your organization efficiently and confidently reach your objectives.

*Dominick Fatibene, Senior Product Marketing Manager at Workiva, works exclusively with controllership and financial planning and analysis teams.*

					2019 Budget				
					2019 Budget - Price				
					2019 Unit Price	Inflation adjustment	Other adjustments	2019 Final Unit Price Budget	2019 Unit Price
351	Music	Rock	White Zombie	Astro Creep	\$ 29.40	\$ 0.88		\$ 30.29	\$
352	Music	Soul / R&B	98 Degrees	98 Degrees & Rising	\$ 25.82	\$ 0.77		\$ 26.59	\$
353	Music	Soul / R&B	AI Green	AI Green's Greatest Hits	\$ 25.43	\$ 0.76		\$ 26.19	\$
354	Music	Soul / R&B	Aretha Franklin	Aretha Franklin's 30 Greatest Hits	\$ 41.33	\$ 1.24		\$ 42.57	\$
355	Music	Soul / R&B	Barry White	Barry White's All-Time Greatest Hits	\$ 24.89	\$ 0.75		\$ 25.64	\$
356	Music	Soul / R&B	Brandy	Never Say Never	\$ 28.70	\$ 0.86		\$ 29.57	\$
357	Music	Soul / R&B	Erykah Badu	Live	\$ 24.28	\$ 0.73		\$ 25.01	\$
358	Music	Soul / R&B	Jamiroquai	Synkronized	\$ 25.59	\$ 0.77		\$ 26.35	\$
359	Music	Soul / R&B	Janet Jackson	The Velvet Rope	\$ 28.76	\$ 0.86		\$ 29.62	\$
360	Music	Soul / R&B	Kelly Price	Soul Of A Woman	\$ 25.49	\$ 0.76		\$ 26.25	\$
361	Music	Soul / R&B	Maxwell	Embrya	\$ 23.59	\$ 0.71		\$ 24.30	\$
362	Music	Soul / R&B	Monica	The Boy Is Mine	\$ 25.50	\$ 0.76		\$ 26.26	\$
363	Music	Soul / R&B	Stevie Wonder	Original Musicquarium	\$ 50.77	\$ 1.52		\$ 52.29	\$
364	Music	Soul / R&B	Tina Turner	Simply The Best	\$ 31.56	\$ 0.95		\$ 32.51	\$
365	Music	Soul / R&B	Whitney Houston	My Love Is Your Love	\$ 24.69	\$ 0.74		\$ 25.43	\$
366	Music	Soul / R&B	Will Smith	Big Willie Style	\$ 29.34	\$ 0.88		\$ 30.22	\$

Source: Workiva.