



How to Move from Static Financial
Reporting to Dynamic Storytelling

Today's Presenter



Dan Phillips
VP, Sales
insightsoftware

About insightsoftware



insightsoftware is on a mission to help companies turn their financial and operational data into better business outcomes that drive growth and ROI.



-  **60+** Years Combined Business History
-  **10** Offices around the World
-  **6,500** Customers
-  **160,000** Users Worldwide
-  **#1** Top Provider of Reporting Solutions



Today's Agenda



01

Introduction to digital reporting advantages

02

Pitfalls of traditional reporting

03

Telling the story of integrated performance

04

Use case examples

05

Q&A session

What EPM system do you currently use?

- Oracle Hyperion
- SAP BPC
- OneStream
- IBM
- Other
- We don't have an EPM system

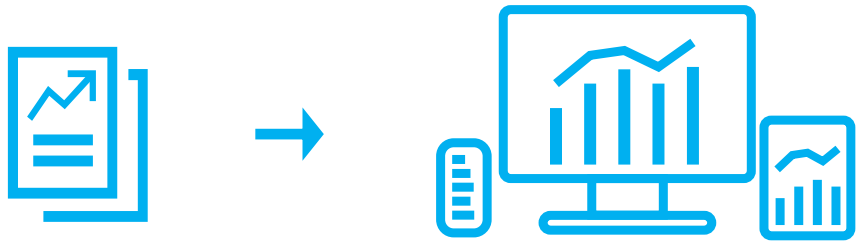
The Advantages of a Digital Age



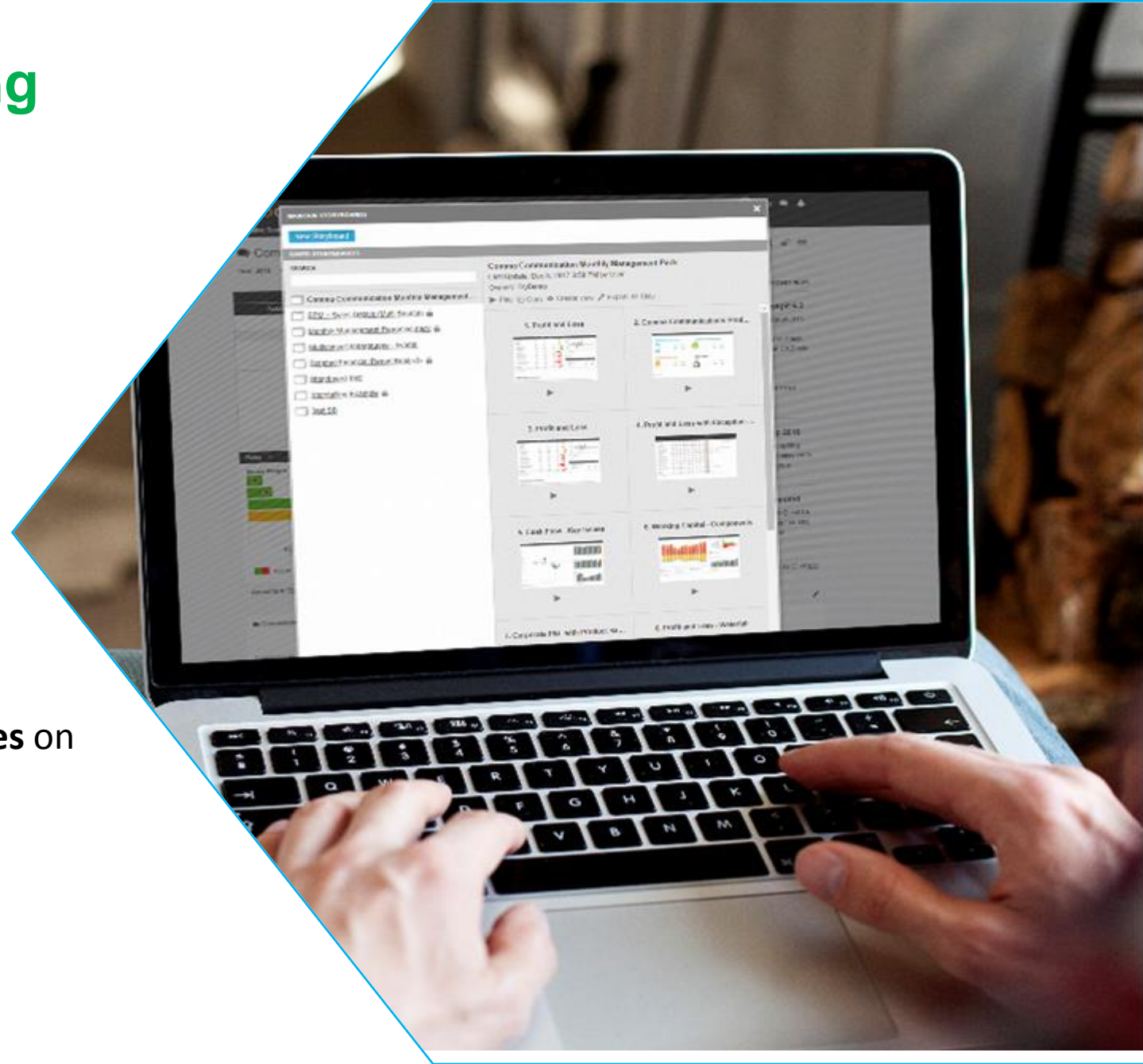
Today we can **Control** the music we are listening to on any **Mobile** device, **Sharing** our favourite songs and **Connecting** to all every artist and album world-wide.



Digital Advantages in Reporting



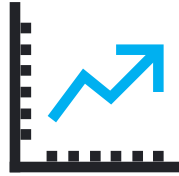
Digital Performance Reporting enables finance to **Collaborate** by sharing their **Analysis** and **Narratives** on a **Secure** Platform that Connects directly to the EPM/CPM data sources.



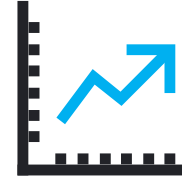
Benefit From Digital Growth



9% more revenue



26% more profitable



12% higher market valuation

Research by MIT Sloan management and CAP Gemini shows that digital leaders outperform their peers in any industry.



Pitfalls of Traditional Reporting



DISCONNECTED

- Data Duplication
- Semantic Layers
- Distributed Data



STATIC

- Office tools
- Paper Print
- Disconnected



INEFFICIENT

- Manual
- Repetitive
- Errors



ERROR PRONE

- Decentralized
- Email & Excel distribution
- Manual Manipulation



IT CENTRIC

- Data Duplication
- Semantic Layers
- Distributed Data



NON COMPLIANT

- Data Duplication
- Semantic Layers
- Distributed Data

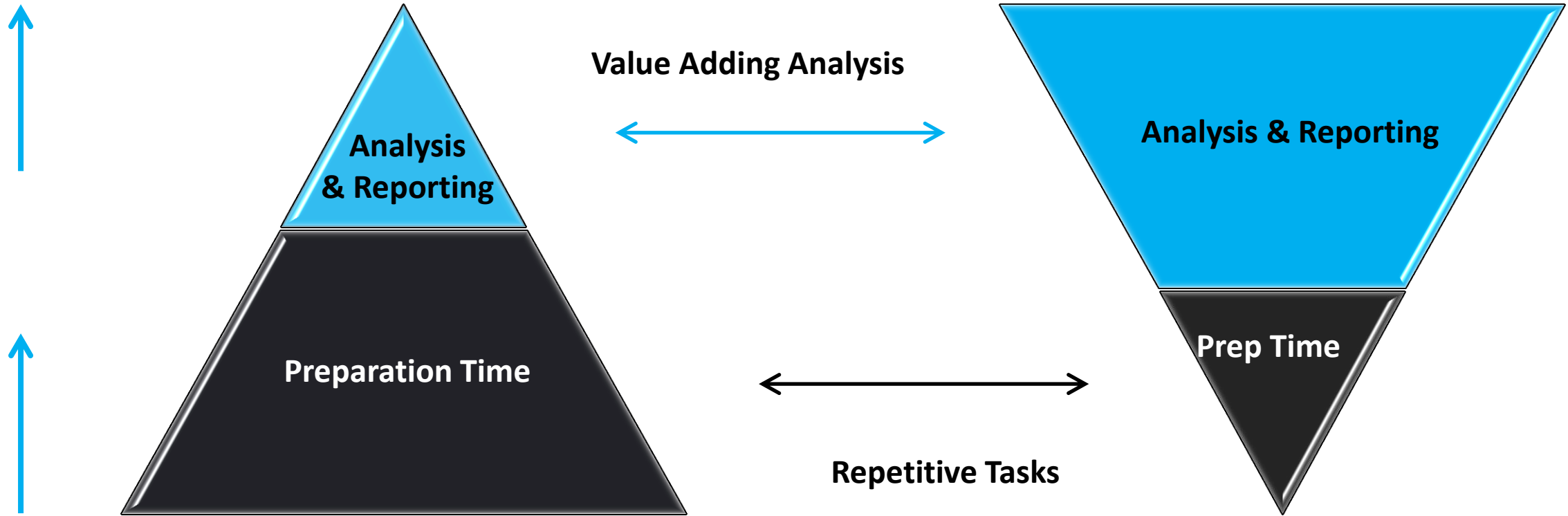
Of your total time spent on reporting, what percentage of your time is spent on analysis and recommendations?

- Less than 10%
- 10-25%
- 25-50%
- 50-75%
- Greater than 65%

Strong Wish for Digital Reporting

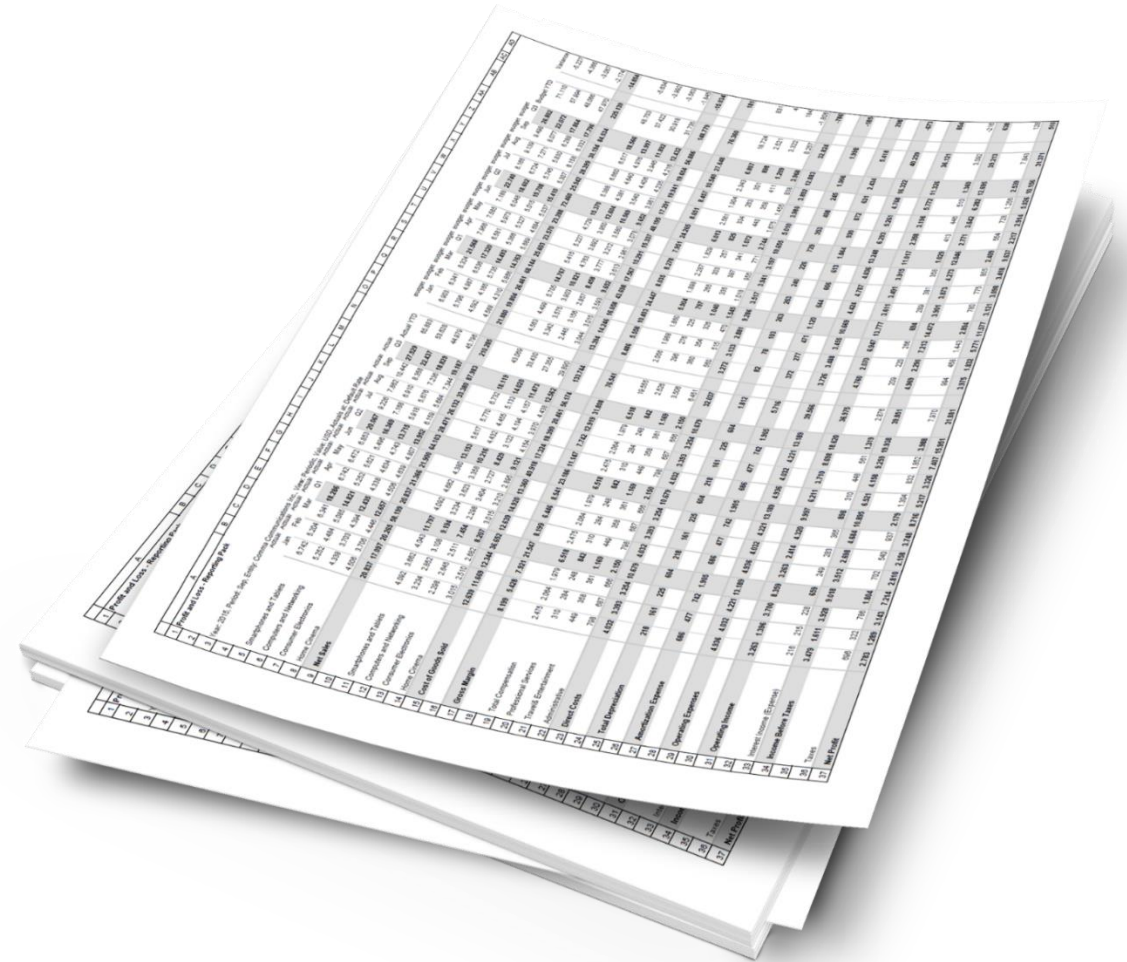
Traditional

Desired Situation



Telling vs. Storytelling

- No Context
- No Analysis
- No Action
- Unguided data presentations



Profit and Loss - Comma Communications Inc.
2017, Sep in USD

What Products are best selling?

	Actual												Budget													
	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	YTD	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	YTD
Smartphones and Tablets	6,742	5,204	6,341	18,286	6,742	6,472	6,853	20,067	9,228	7,852	10,442	27,529	65,883	6,903	6,341	6,324	21,568	7,966	7,585	7,168	22,740	8,165	9,139	9,498	26,802	71,110
Computers and Networking	5,262	4,484	5,085	14,821	5,262	5,621	5,496	16,369	7,168	6,910	8,358	22,437	53,628	5,798	4,957	6,536	17,320	6,581	5,973	6,048	18,602	6,724	7,271	8,077	22,072	57,994
Consumer Electronics	4,338	3,703	4,394	12,435	4,338	4,634	4,743	13,715	5,918	5,676	7,236	18,829	44,978	4,592	4,165	5,735	14,493	5,366	5,327	5,015	15,708	5,745	5,830	6,288	17,864	48,066
Home Cinema	4,506	3,706	4,448	12,657	4,506	4,639	4,807	13,952	6,159	5,684	7,344	19,187	45,796	4,588	4,310	5,866	14,763	5,689	4,684	5,037	15,411	5,307	6,158	6,332	17,796	47,970
Net Sales	20,837	17,097	20,265	58,199	20,837	21,366	21,900	64,103	28,471	26,132	33,380	87,383	210,283	21,880	19,804	26,461	68,144	25,603	23,570	23,288	72,420	25,942	28,399	30,194	84,534	225,139

Does anyone recognize this?

How is the gross margin trend developing?

	Actual												Budget													
	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	YTD	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	YTD
Smartphones and Tablets	4,092	3,652	4,043	11,797	4,092	4,682	4,360	13,153	5,617	5,770	6,732	18,119	43,069	4,563	4,499	5,705	14,767	5,415	5,227	4,729	15,370	5,388	6,650	6,517	18,566	48,703
Computers and Networking	3,234	2,852	3,108	9,194	3,234	3,623	3,358	10,216	4,432	4,455	5,133	14,020	33,430	3,342	3,575	3,903	10,821	4,763	3,892	3,950	12,504	4,381	4,940	4,976	13,997	37,422
Consumer Electronics	3,015	2,510	2,682	8,207	3,015	3,210	2,895	9,121	4,154	3,970	4,438	12,562	29,890	2,445	3,156	2,867	8,458	3,777	2,971	3,089	10,889	3,569	3,906	3,750	11,624	30,344
Home Cinema	3,015	2,510	2,682	8,207	3,015	3,210	2,895	9,121	4,154	3,970	4,438	12,562	29,890	3,044	3,015	3,593	9,652	3,613	2,961	3,078	6,652	3,981	4,235	4,216	12,432	31,733
Cost of Goods Sold	12,639	11,689	12,344	36,652	12,639	14,920	13,360	40,918	17,324	18,390	20,461	56,174	133,744	13,394	14,246	16,058	43,698	17,567	15,291	15,337	48,195	17,291	19,941	19,654	56,886	148,779
Gross Margin	8,199	5,428	7,921	21,547	8,199	6,446	8,541	23,186	11,147	7,742	12,919	31,808	76,541	8,486	5,558	10,403	24,447	8,035	8,278	7,951	24,265	8,651	8,457	10,540	27,648	76,360

Are the COGS of the individual product lines still as budgeted?

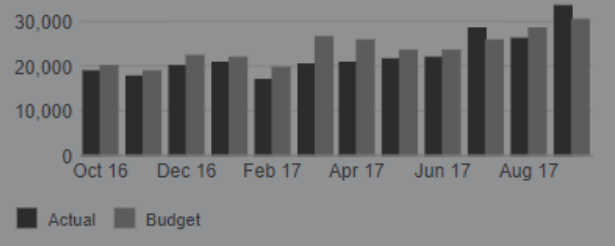
	Actual												Budget													
	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	YTD	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	YTD
Smartphones and Tablets	6,742	5,204	6,341	18,286	6,742	6,472	6,853	20,067	9,228	7,852	10,442	27,529	65,883	6,903	6,341	6,324	21,568	7,966	7,585	7,168	22,740	8,165	9,139	9,498	26,802	71,110
Computers and Networking	5,262	4,484	5,085	14,821	5,262	5,621	5,496	16,369	7,168	6,910	8,358	22,437	53,628	5,798	4,957	6,536	17,320	6,581	5,973	6,048	18,602	6,724	7,271	8,077	22,072	57,994
Consumer Electronics	4,338	3,703	4,394	12,435	4,338	4,634	4,743	13,715	5,918	5,676	7,236	18,829	44,978	4,592	4,165	5,735	14,493	5,366	5,327	5,015	15,708	5,745	5,830	6,288	17,864	48,066
Home Cinema	4,506	3,706	4,448	12,657	4,506	4,639	4,807	13,952	6,159	5,684	7,344	19,187	45,796	4,588	4,310	5,866	14,763	5,689	4,684	5,037	15,411	5,307	6,158	6,332	17,796	47,970
Net Sales	20,837	17,097	20,265	58,199	20,837	21,366	21,900	64,103	28,471	26,132	33,380	87,383	210,283	21,880	19,804	26,461	68,144	25,603	23,570	23,288	72,420	25,942	28,399	30,194	84,534	225,139

Tell The Integrated Story of Performance

Enrich Your Data with Operational Detail and Analyst Insight

Group Profit and Loss

Year: 2017 Period: Sep Entity: Comma Communications Inc. View: YTD

	Actual	Budget	Variance %		Periodic																												
+ Gross Sales	210,285	225,139	-6.6%	<div style="width: 100%; height: 10px; background-color: red;"></div>	Gross Sales 																												
- Discount Returns																																	
+ Net Sales	210,285	225,139	-6.6%	<div style="width: 100%; height: 10px; background-color: red;"></div>	Gross Sales, Sep 17 PRODUCT <table border="1"> <thead> <tr> <th></th> <th>Actual</th> <th>Budget</th> <th></th> </tr> </thead> <tbody> <tr> <td>+ Smartphones and Tablets</td> <td>10,442</td> <td>9,498</td> <td>↑</td> </tr> <tr> <td>- Computers and Networking</td> <td>8,358</td> <td>8,077</td> <td>↑</td> </tr> <tr> <td> Routers and Modems</td> <td>4,182</td> <td>4,000</td> <td>↑</td> </tr> <tr> <td> Lan Cards</td> <td>4,177</td> <td>4,077</td> <td>↑</td> </tr> <tr> <td>+ Consumer Electronics</td> <td>7,236</td> <td>6,288</td> <td>↑</td> </tr> <tr> <td>+ Home Cinema</td> <td>7,344</td> <td>6,332</td> <td>↑</td> </tr> </tbody> </table>		Actual	Budget		+ Smartphones and Tablets	10,442	9,498	↑	- Computers and Networking	8,358	8,077	↑	Routers and Modems	4,182	4,000	↑	Lan Cards	4,177	4,077	↑	+ Consumer Electronics	7,236	6,288	↑	+ Home Cinema	7,344	6,332	↑
	Actual	Budget																															
+ Smartphones and Tablets	10,442	9,498	↑																														
- Computers and Networking	8,358	8,077	↑																														
Routers and Modems	4,182	4,000	↑																														
Lan Cards	4,177	4,077	↑																														
+ Consumer Electronics	7,236	6,288	↑																														
+ Home Cinema	7,344	6,332	↑																														
+ Cost of Goods Sold	133,744	148,779	-10.1%	<div style="width: 100%; height: 10px; background-color: green;"></div>																													
+ Gross Margin	76,541	76,360	0.2%	<div style="width: 100%; height: 10px; background-color: green;"></div>																													
Gross Margin %	36.40%	33.92%	7.3%	<div style="width: 100%; height: 10px; background-color: green;"></div>																													
+ Direct Costs	32,037	32,824	-2.4%	<div style="width: 100%; height: 10px; background-color: green;"></div>																													
+ Total Depreciation	1,812	1,998	-9.3%	<div style="width: 100%; height: 10px; background-color: green;"></div>																													
+ Amortization Expense	5,716	5,418	5.5%	<div style="width: 100%; height: 10px; background-color: red;"></div>																													
Operating Expenses	39,566	40,239	-1.7%	<div style="width: 100%; height: 10px; background-color: green;"></div>																													
Operating Income	36,975	36,121	2.4%	<div style="width: 100%; height: 10px; background-color: green;"></div>																													
Interest Income (Expense)	2,876	3,092	-7.0%	<div style="width: 100%; height: 10px; background-color: red;"></div>																													
Income Before Taxes	39,851	39,213	1.6%	<div style="width: 100%; height: 10px; background-color: green;"></div>																													
Taxes	7,970	7,843	1.6%	<div style="width: 100%; height: 10px; background-color: red;"></div>																													
Net Profit	31,881	31,371	1.6%	<div style="width: 100%; height: 10px; background-color: green;"></div>																													

Amounts in Thousands

POV Comments Subsidiary Comments (4)

America

Overall sales performance is not good for this month, but we have our problems (strikes) under control and we expect to outperform again in Q4.

South America is for the **9th** month in a row exceeding the sales targets. An outstanding performance from the entire team. We are very pleased to see all our new product lines doing so well in every single one of our underlying countries.

We expect very good results again next month due to the recovering Brazilian Consumer Confidence Index

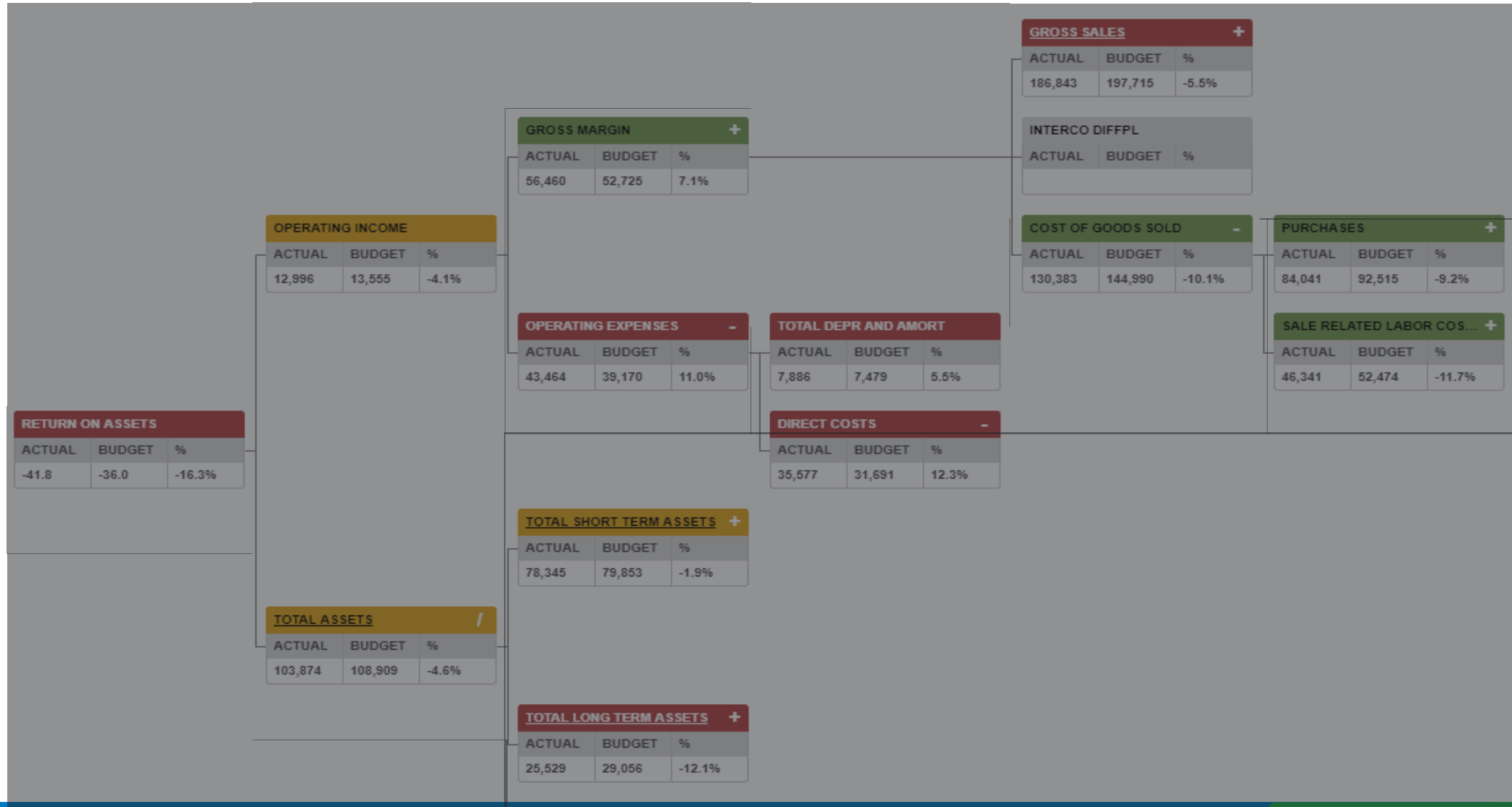
Europe

During the nine eight months of this year we lost one third of our sales force to a new player in the market. We have managed to stop this trend by actively coaching our remaining sales people and recruiting new and fresh sales people in all our major European regions. We expect to be back on track within 2 months from now.

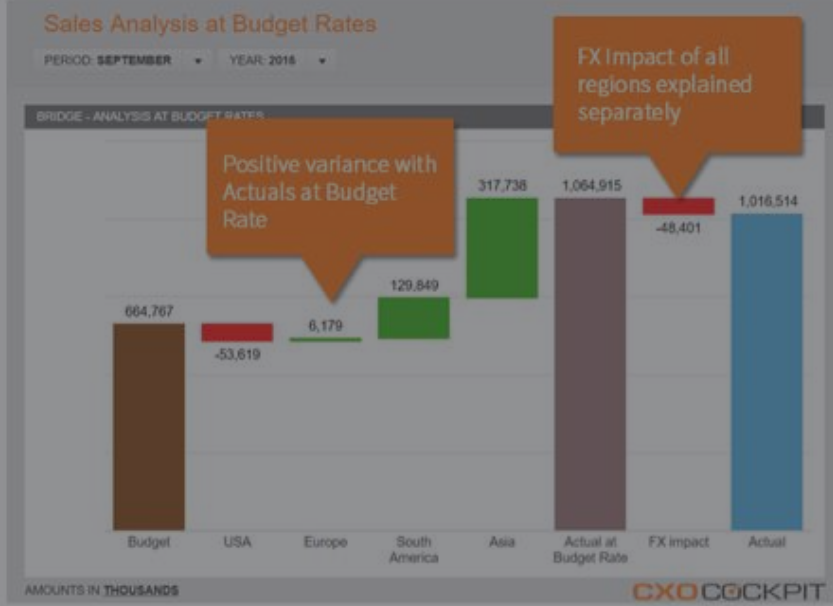


Communicate Performance to the Business

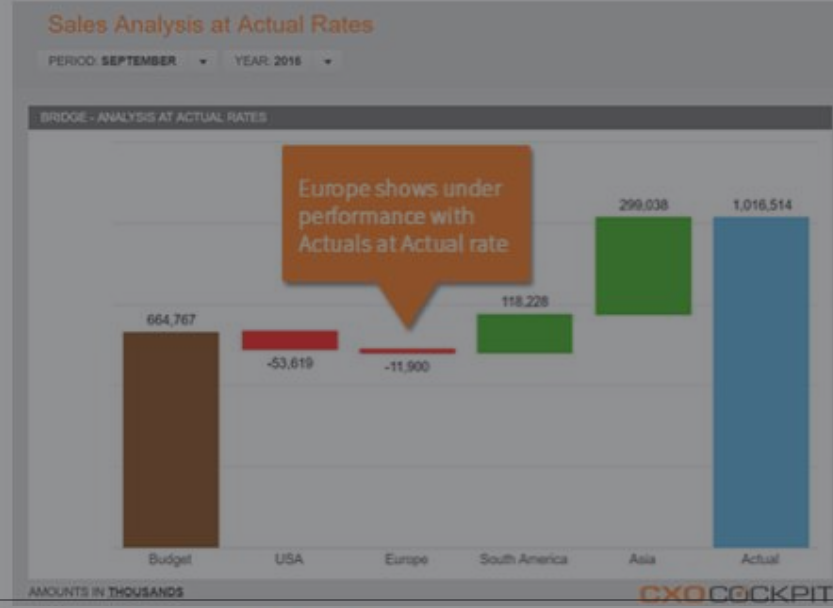
In a Way Business Users Would Understand



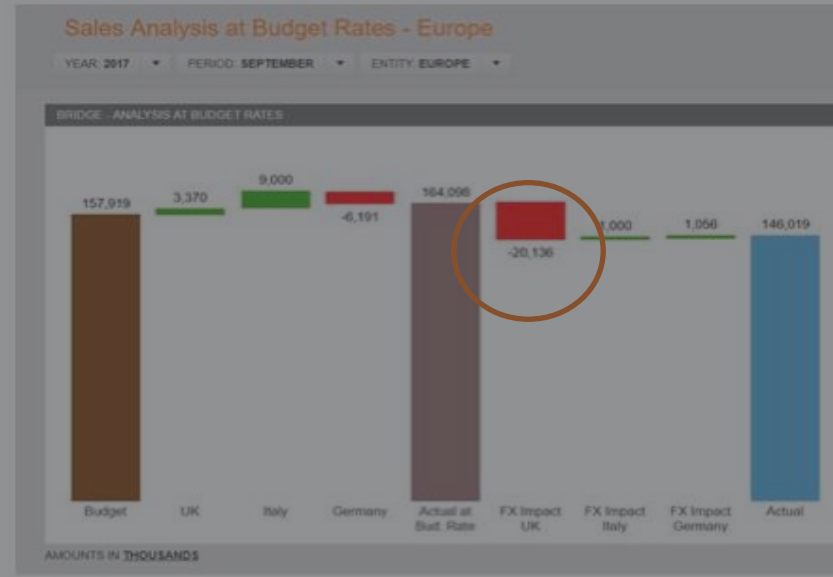
Create Meaningful Analysis and Build Up a Story



2. Exclude FX Impact to see real performance



1. Europe Behind PLAN



3. Zoom in to Europe and Explain the Brexit effect

Explain Variances

Don't just report variances, but provide a narrative

P&L - Flux Reporting

Year: 2017 Period: Sep View: Periodic

	Comma Communications Inc.				Variance Comments
	Sep 2017		Variance		
	Actual	Budget	Δ	%	
Gross Sales	33,380	30,194	3,186	10.6%	
Net Sales	33,380	30,194	3,186	10.6%	
Cost of Goods Sold	20,461	19,654	807	4.1%	
Gross Margin	12,919	10,540	2,379	22.6%	
Direct Costs	3,254	3,892	-638	-16.4%	Direct costs for overall Comma Communications lower per company wide initiative to cut costs.
Total Depreciation	225	245	-20	-8.3%	
Amortization Expense	742	631	111	17.7%	
Operating Expenses	4,221	4,768	-547	-11.5%	
Operating Income	8,698	5,772	2,926	50.7%	
Interest Income (Expense)	561	510	51	10.0%	
Income Before Taxes	9,259	6,282	2,977	47.4%	
Taxes	1,852	1,256	595	47.4%	
Net Profit	7,407	5,026	2,382	47.4%	

P&L - Flux Input

Year: 2017 Period: Sep View: Periodic Entity: United States Of America

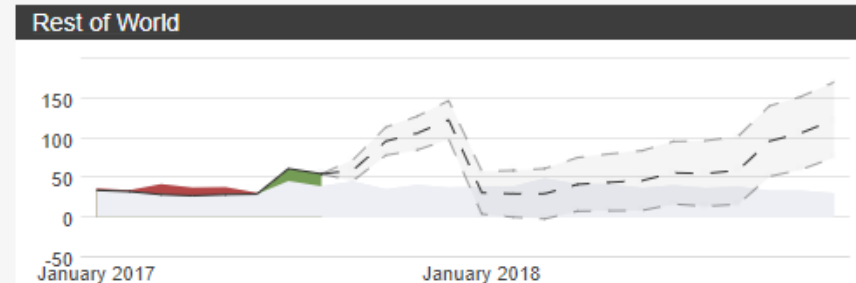
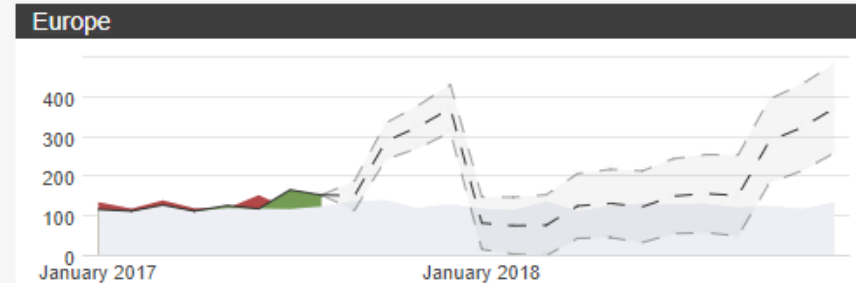
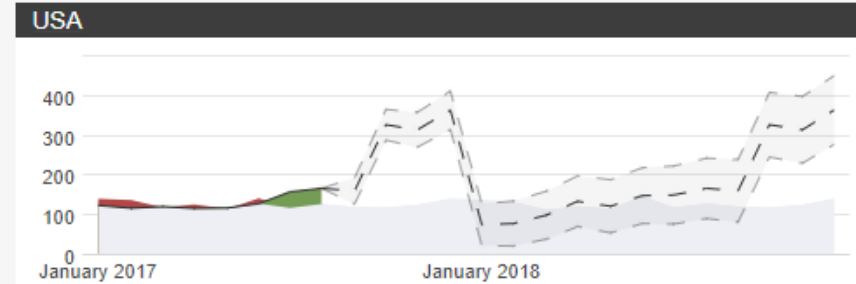
	United States of America				Variance Comments
	Sep 2017		Variance		
	Actual	Budget	Δ	%	
Telephone	11	1	10	1,567.4%	
Utilities	9	1	8	1,301.0%	
Office Supplies	3	1	2	284.8%	
Purchases	741	550	191	34.7%	
Cost of Goods Sold	1,494	1,109	385	34.7%	Cost of goods sold overall higher than Budget due to unexpected increase in materials. Mainly affecting USA.
Sale Related Labor Costs	752	559	194	34.7%	
Direct Costs	259	307	-48	-15.8%	Better than expected direct costs due to new program to help cut costs.
Janitorial	2	2	0	-16.6%	
Legal	5	6	-1	-16.6%	
Professional Services	22	27	-4	-16.6%	
Advertising	8	10	-2	-16.6%	
Software	8	9	-2	-16.6%	
Operating Expenses	298	372	-73	-19.8%	
Transporation Depreciation	6	8	-2	-23.5%	
Total Depreciation	20	26	-6	-23.5%	
Building Depreciation	14	18	-4	-23.5%	
Travel& Entertainment	30	39	-9	-24.0%	
Administrative	36	57	-21	-36.5%	
Meals	6	10	-4	-38.0%	
Total Depreciation and Amortization	39	64	-25	-38.8%	
Gross Margin	846	1,430	-585	-40.9%	Gross Margin affected by the significant increase in cost of goods sold. Outlook looks much better towards the end of year.
Entertainment	4	8	-4	-48.3%	
Operating Income	548	1,059	-511	-48.3%	
Amortization Expense	20	39	-19	-49.0%	
Amortization of Goodwill	20	39	-19	-49.0%	
Income Before Taxes	567	1,115	-548	-49.1%	See explanation for gross margin.
Taxes	113	223	-110	-49.1%	
Interest Income (Expense)	19	56	-37	-65.8%	
Maintenance	14	55	-41	-74.5%	

Report With Intelligence

Enrich your reports with predictions

	Actual	Budget	Variance	
+ Total Cloud Revenues	4,007	3,986	20	
- Total on-prem revenues	14,833	13,883	949	
New software licenses	2,372	2,350	22	
Software maintenance	12,461	11,534	927	
Hardware revenues	2,246	2,307	-61	
Services revenues	2,132	2,199	-68	
Total Revenues	23,218	22,376	842	
Sales and marketing	5,183	5,441	-259	
Cloud SAAS Expenses	3,387	3,313	74	
Cloud platform costs	399	434	-35	
Software and Support Expenses	12,461	11,534	927	
Hardware	738	761	-22	
Research and development	4,134	4,342	-208	
General and administrative	780	776	4	
Amortization of intangible assets	837	898	-62	
Acquisition related and other	90	101	-11	
Restructuring	230	258	-28	
Total Operating Expenses	15,927	16,678	-751	
Operating Income	7,291	5,698	1,593	
Interest expense	-1,351	-1,419	68	
Non-operating income, net	532	558	-26	
Income before taxes	6,473	4,838	1,635	
Provision for income taxes	962	970	-8	
Net Income	5,511	3,869	1,643	

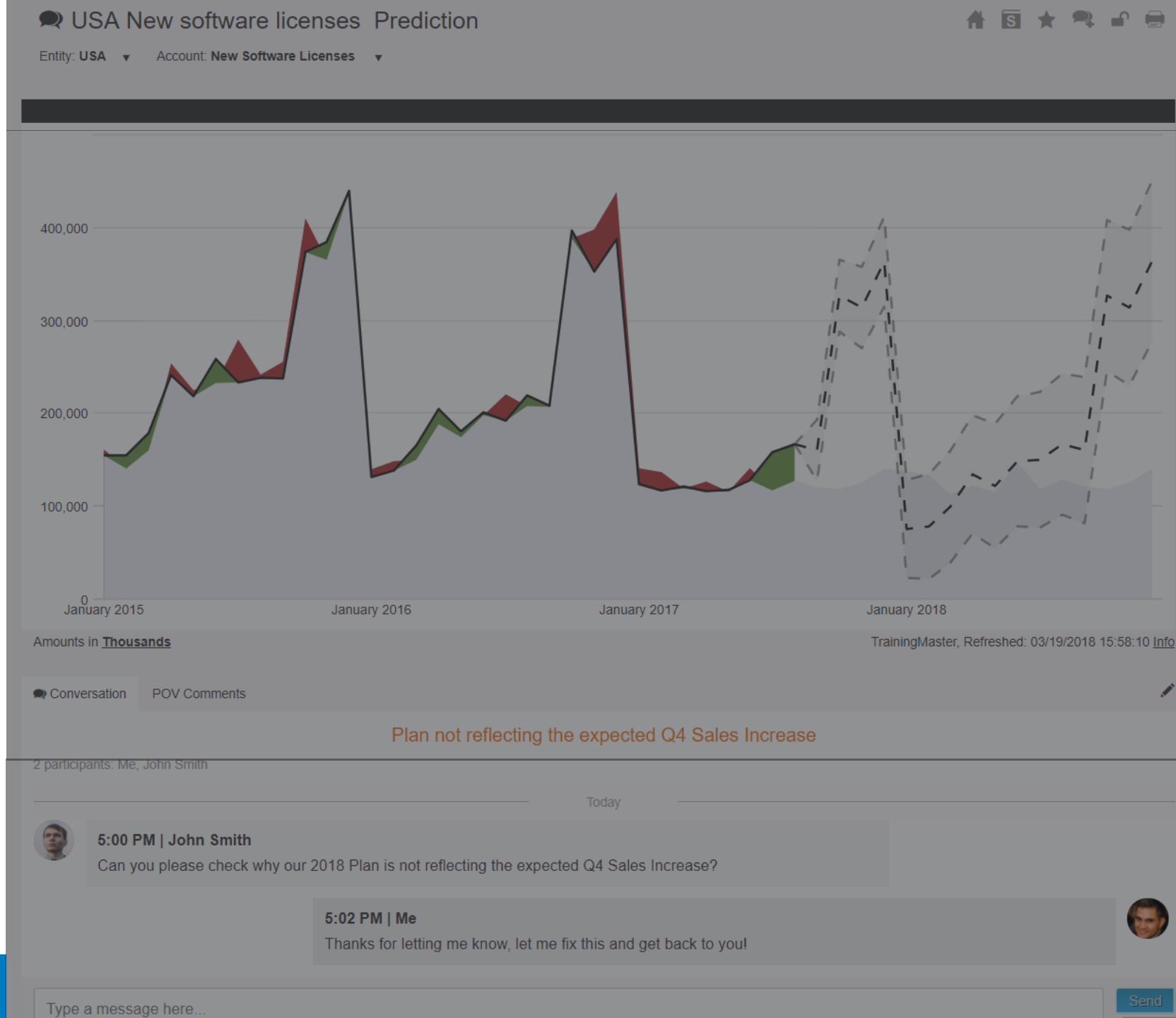
Amounts in Millions

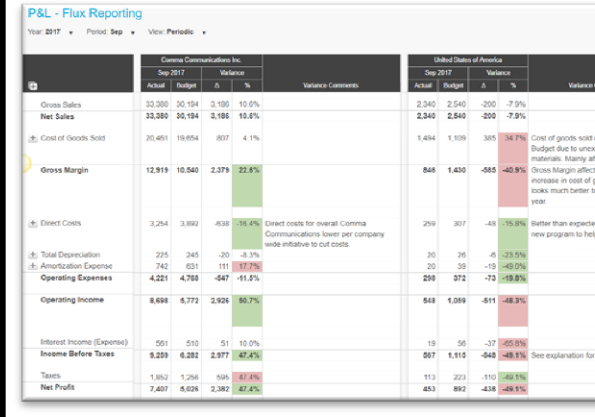
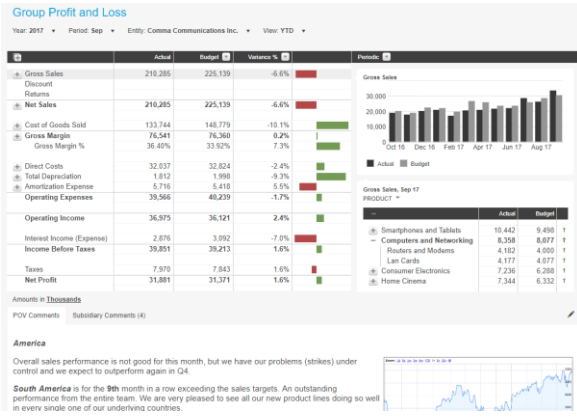


TrainingMaster, Refreshed: 03/19/2018 15:58:10 [Info](#)

Share Analysis

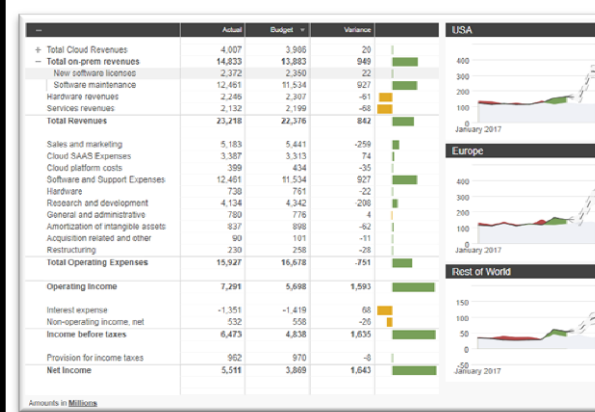
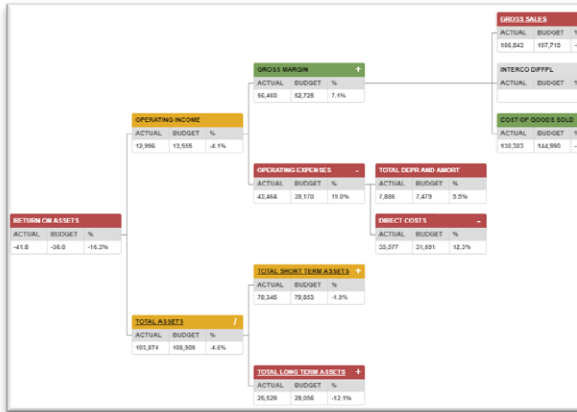
Have meaningful dialogues within or outside the FP&A team





Digital Storytelling

1. Do Proper Analysis
2. Enrich with Commentary
3. Build your Story of Corporate Performance by ordering your analysis to best tell the story



What ERP system do you use?

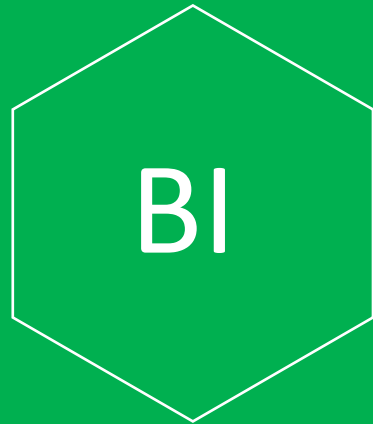
- SAP
- Oracle
- Infor / Lawson
- JD Edwards
- Microsoft Dynamics
- PeopleSoft
- Other

Use Case 1

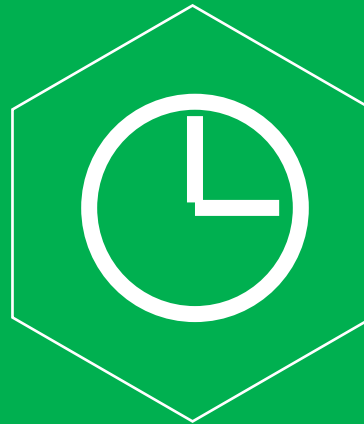
Cost center reporting with integrated narratives at Fortune 100 tech firm



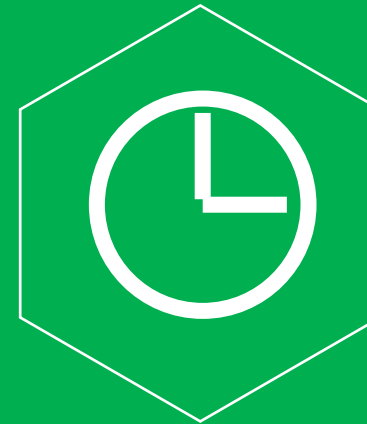
FP&A
Systems



Standard
Analytics
Software



It took **3 Months**
for the BI vendor
to deliver 1
report – result
was unacceptable



CXO delivered a
report with
finance data and
comments within
3 Hours



Result within **3
Months** a
complete
digitalization of
FP&A Reporting

Flux Reporting Example

P&L - Flux Reporting

Year: 2016 ▾ Period: Sep ▾ Company: Comma Communications Inc. ▾ View: Periodic ▾

—	Total				Variance Comments	Smartphones and Tablets				Variance Comments	Computers and Networking				Variance Comments
	Sep 2016		Variance			Sep 2016		Variance			Sep 2016		Variance		
	Actual	Budget	Δ	%		Actual	Budget	Δ	%		Actual	Budget	Δ	%	
Gross Sales	33,380	30,194	3,186	10.6%		10,442	9,498	944	9.9%		8,358	8,077	282	3.5%	
Net Sales	33,380	30,194	3,186	10.6%		10,442	9,498	944	9.9%		8,358	8,077	282	3.5%	
+ Cost of Goods Sold	20,461	19,654	807	4.1%	We continue to run at almost 4.2% over budget	6,732	6,517	215	3.3%	Slight increase in costs of goods sold versus last year (driven almost equally by purchases and labor costs)	5,133	4,976	157	3.2%	
Gross Margin	12,919	10,540	2,379	22.6%		3,710	2,981	729	24.5%	GM continues to exceed both Monthly and Rolling FY Forecast and Budget.	3,225	3,101	125	4.0%	
- Direct Costs	3,254	3,892	-638	-16.4%											
+ Total Compensation	1,979	2,343	-363	-15.5%											
+ Professional Services	248	301	-53	-17.6%	Professional services team impacted due to retirements										
- Travel & Entertainment	361	411	-50	-12.1%											
Travel	231	252	-21	-8.4%											
Meals	79	95	-17	-17.7%											
Entertainment	52	64	-12	-18.7%											
+ Administrative	666	838	-172	-20.6%											Lower HR meant lower admin costs
+ Total Depreciation	225	245	-20	-8.3%											
+ Amortization Expense	742	631	111	17.7%											
Operating Expenses	4,221	4,768	-547	-11.5%											
Operating Income	8,698	5,772	2,926	50.7%	Operating Income remains on track versus budget thanks to strict cost control and better than expected raw materials prices in the first months of the year.	3,710	2,981	729	24.5%	Achieved most of the expected positive effect from our corporate cost-control and reduction drive	3,225	3,101	125	4.0%	Computers & Networking operating income YTD is a bit worse than expected due to a temporary slowdown of sales.
Interest Income (Expense)	561	510	51	10.0%											
Income Before Taxes	9,259	6,282	2,977	47.4%		3,710	2,981	729	24.5%		3,225	3,101	125	4.0%	
Taxes	1,852	1,256	595	47.4%											
Net Profit	7,407	5,026	2,382	47.4%		3,710	2,981	729	24.5%		3,225	3,101	125	4.0%	

FP&A Reporting at DeLaval

Cost center reporting with integrated narratives at Fortune 100 tech firm



Sales Reporting

- Daily Sales
- Sales and Margin Development



Management Reporting

- Group Performance
- Performance by area of responsibility



Board Meetings

- Key KPI's
- Ad-hoc questions



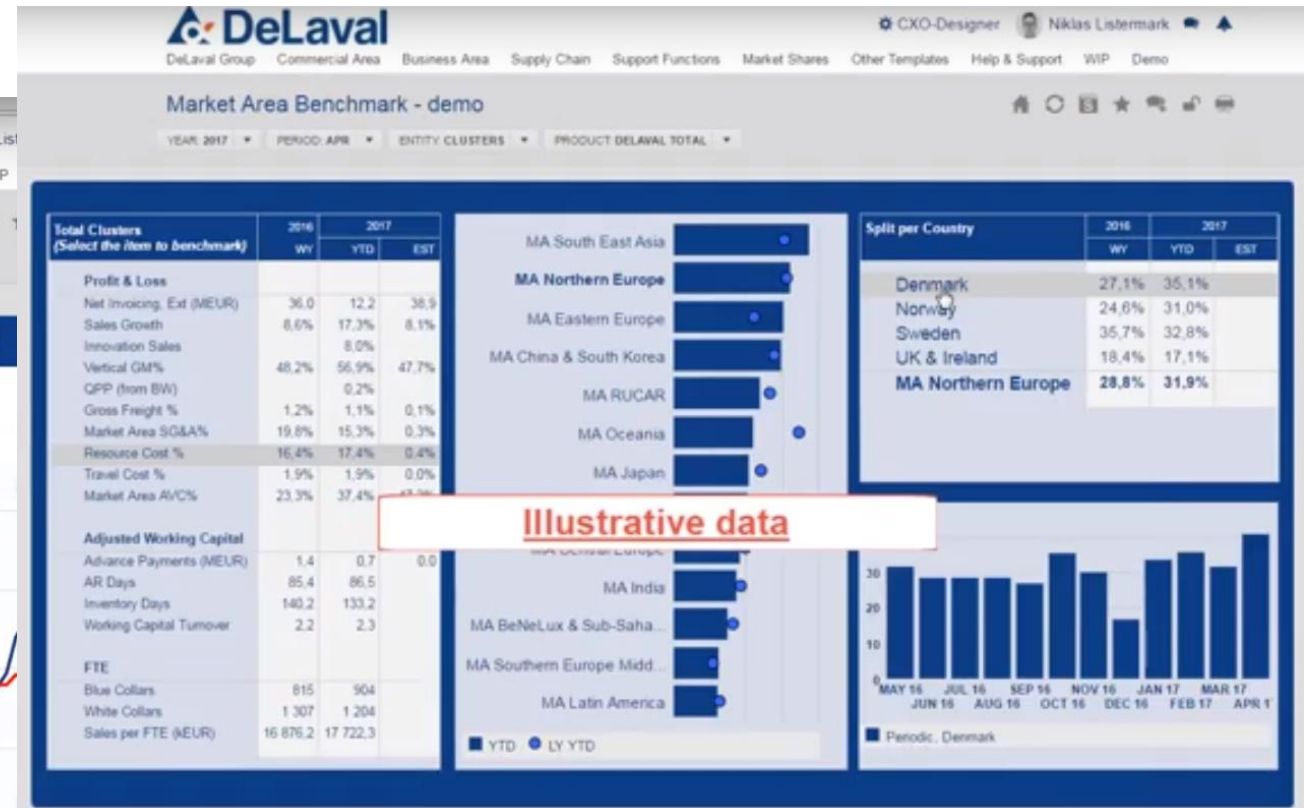
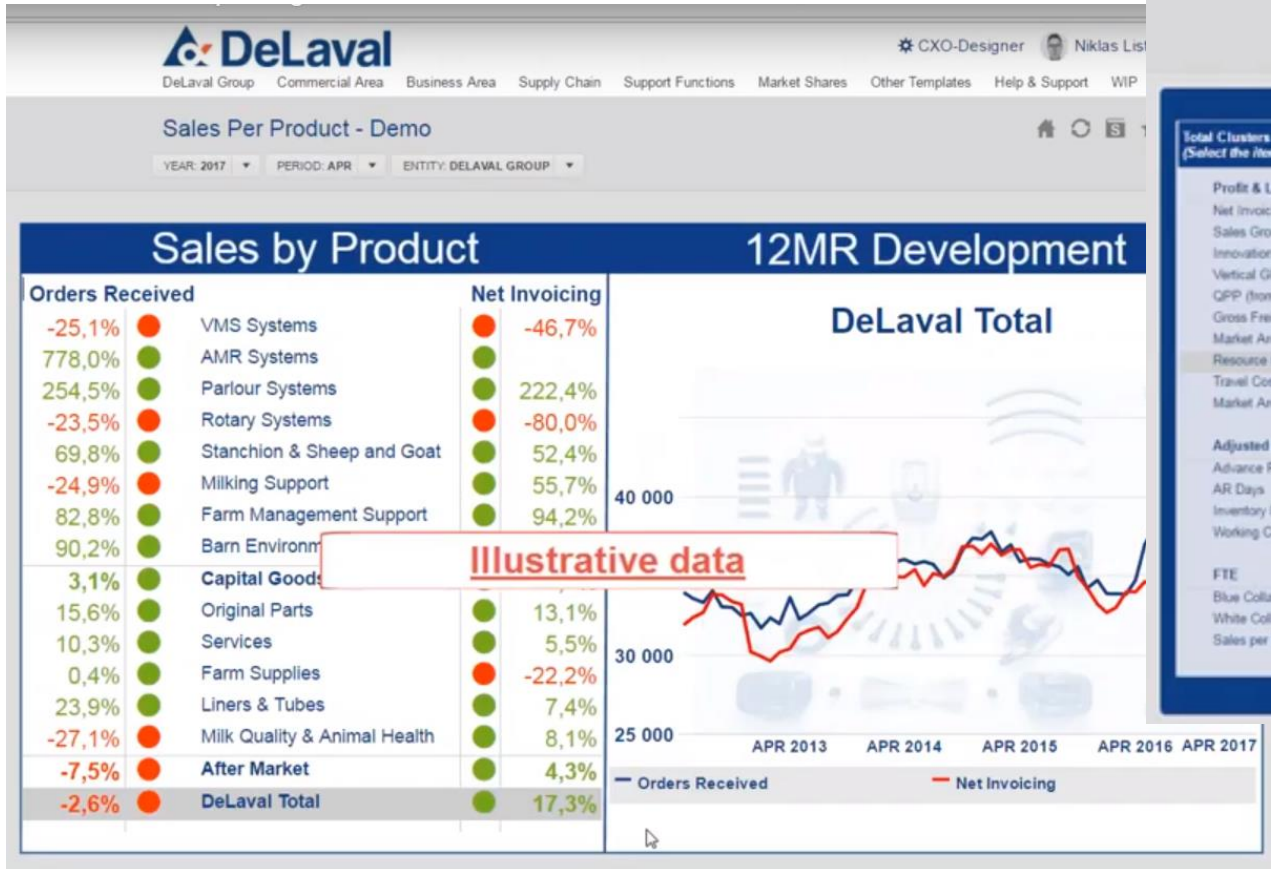
Areas of focus

- Transformation
- R&D projects
- Business Intelligence



Result within **7 Months** 300 – 500 business users reporting digitally

Storytelling Example: DeLaval



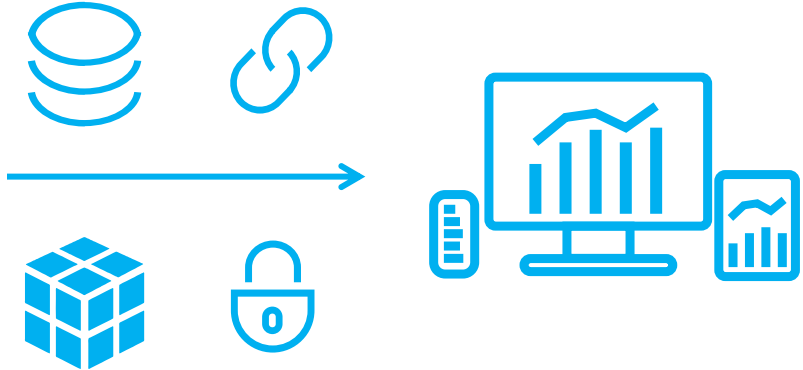
Key Benefits of Effective Storytelling

- Business insights ready for management decisions
- Faster, higher quality information specifically correlated to the performance of the business directly from those closest to the business
- The Foundation for a more agile enterprise!



Digital Performance Reporting with CXO

Simplified, Secure, Connected, Controlled



Value of CXO Software



Automate the Report Pack Creation



Mobile



Any Data Source Connectivity



Compliance & Governance



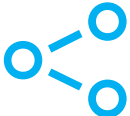
On-Premise Security



Drill Down Analysis



Commentary Collection Workflow



Internal Collaboration

Finance Insight: New York

- A roundtable to discuss financial and EPM reporting that accelerates businesses processes
- Topics include:
 - Accelerating period-end close processes
 - Improving data processing and use of data throughout your organization
 - How to drive better business outcomes
- June 20 – 8:00am-11:30am
- The Cornell Club New York
- Learn more/Register:
go.insightsoftware.com/NYC



Are you interested in learning more about how you can deliver more value from your financial reporting using technology?

- Yes, of course
- Yes, but in a few months or later in 2019
- No thank you, we are good

Additional Resources



Dan Phillips

VP, North America Sales
insightsoftware
Dan.Phillips@insightsoftware.com
404-915-8898

Ready to learn more?

Visit insightsoftware.com

CXO Product Tour:

cxo.insightsoftware.com/demo/

Follow us!

LinkedIn: [insightsoftware](https://www.linkedin.com/company/insightsoftware)

Twitter: [@insightsoftware](https://twitter.com/insightsoftware)