



## WHITE PAPER

# How Enterprising Companies Are Moving Business Reporting to the Cloud

Sponsored by: Workiva

Melissa Webster  
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## EXECUTIVE SUMMARY

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Public and private companies alike must generate a wide array of business reports and presentations on a recurring basis. Examples include external financial reports and compliance certifications, internal monthly management and board reports, reports that respond to regulatory requirements around risk management, and corporate sustainability reports.

Many companies still rely on a combination of desktop authoring tools, email, shared drives, general-purpose collaboration tools, and external printing services to produce these reports. The result is increased cost and time, lower staff productivity, greater risk of errors, and reduced business agility.

IDC believes business reporting is best addressed with a purpose-built solution. This White Paper explores how the Workiva cloud-based solution, Wdesk, is transforming business reporting in large companies by providing an end-to-end solution that enables teams to:

- Collect and manage all of the structured and unstructured information they need for their reports, linking information together for a "change once, change many" strategy
- Collaboratively author reports with notifications, security, and a complete audit trail, significantly improving staff productivity and overall control
- Leverage a common solution across *all* enterprise business reporting needs – breaking down silos and improving cross-departmental teamwork

We recommend that companies that have not yet implemented a purpose-built business reporting solution evaluate the Wdesk solution by Workiva.

## INTRODUCTION

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Over the past three decades, companies of all sizes have invested heavily in enterprise applications such as enterprise resource planning (ERP), human capital management (HCM), customer relationship management (CRM), and supply chain management (SCM). These systems automate

mission-critical business processes and manage the organization's transactional data – the *structured* information that fits neatly into the rows and columns of a relational database.

These systems of record were never designed, however, to capture and manage the *unstructured* information that the company must create, manage, and publish to run the business. This leaves significant technology gaps – gaps that are increasingly apparent with the explosion of unstructured data in the enterprise.

## Business Reporting Gap

One of these gaps lies in business reporting. Although enterprise applications offer reporting tools, these are limited to the information that is captured by the particular application. Business reporting, on the other hand, requires gathering and synthesizing information – both structured and unstructured – from *multiple* sources and combining that information with narrative.

Without a purpose-built solution, companies are forced to rely on a disparate set of tools including Microsoft Word, Excel, and PowerPoint for authoring; shared drives, content repositories, and three-ring binders to manage source documents and drafts; and email for collaboration.

This file-based approach quickly results in multiple revisions as collaborators mark up separate copies to provide input or make changes. It takes additional effort to reconcile these, and there is no coherent audit trail.

The file-based approach also results in documents that have significant duplication of information. This is particularly problematic in financial and risk reporting where the same information is presented in multiple sections of a report or needs to be published in multiple formats. Because there is no single place where information is captured, there is no single place where information can be changed. Every time there's a change, the change must be made in multiple places in the document – or in multiple documents/presentations – dramatically increasing the amount of time spent on revisions and on quality assurance.

The overall process is not only labor intensive and error prone but significantly reduces business agility and creates business risk.

## Business Reporting Use Cases Abound

There are many use cases in the enterprise where data and narrative combine in complex reporting documents.

### SEC Reporting

The quarterly and annual SEC reports that public companies must file every year can run to hundreds of pages each and incorporate thousands of data points. (Privately held companies and nonprofits must prepare similar audit reports for their owners and investors on a quarterly and annual basis.)

Some – but by no means all – of the data for these reports comes from the company's ERP system, either directly or indirectly via the enterprise performance management (EPM) system. The rest of the data – and all of the text – must be sourced from other systems and/or created by the finance team, business unit leaders, or other departments.

These are just two of the dozens of SEC forms that public companies must file on a recurring basis. All follow a prescribed format, and much of the structured and unstructured information in these reports is repeated in multiple places. Any changes must be propagated to all of those references. Further, many of these reports show comparative information (i.e., they restate prior quarterly or annual results).

Lacking an enterprise business reporting solution, reporting teams must make changes by hand. The "roll forward" process is an entirely manual (and painstaking) effort that devolves into hours spent copying/pasting and formatting data.

### ***Performance Management Reporting***

The financial performance and analysis (FP&A) team within the finance department must undertake a comparable effort each month to prepare business performance reports for upper management. Here again, staff must collect thousands of data points from various systems and analytical spreadsheets in accounting, finance, and business units, and then they must combine all of this with narrative.

Without an enterprise business reporting system, staff winds up expending significant time and effort manually gathering and consolidating all of the data required. This time and effort could instead be devoted to analyzing variance and trends, generating deeper business insight, and improving decision making.

### ***Sustainability Reporting***

Companies need to assess their level of compliance with a growing list of sustainability mandates/standards – whether economic, environmental, social, or governance related – and communicate their progress and status to internal and external stakeholders. Although sustainability reporting is a relatively new reporting requirement, many companies create and deliver an annual sustainability report today.

An enterprise business reporting solution provides the solution companies need to address current and future sustainability reporting needs.

### ***Other Governance, Compliance, and Risk Reporting***

In addition to SEC reporting, companies must demonstrate compliance with a long and ever-growing list of government-mandated and industry-specific regulations such as SOX, Dodd-Frank, ORSA, and Solvency II.

Risk management teams need to generate monthly and quarterly reports for the enterprise risk committee and its sub-committees (along with the executive team and the board of directors) and key risk indicator (KRI) dashboards. Teams also must synthesize reports that plan for, and respond to,

market conduct exams. Finally, treasury departments must create business reports on capital management and spending.

Much of the business reporting for governance, risk, and compliance (GRC) requires collaboration across several groups including FP&A, the office of the treasurer, and the chief risk officer's organization. Enterprise risk reporting, for example, includes an assessment of the risk in the financial plan, factoring in capital requirements and spending data, as well as financial performance against plan. Similarly, merger and acquisition (M&A) reporting requires cross-domain collaboration and information sharing. An enterprise business reporting solution can connect teams – and business reporting functions – that are all too often disconnected.

### *Other Use Cases*

Organizations typically start with financial reporting and then expand use within other groups in the finance department including risk management, FP&A, and treasury. There are many other opportunities, however, to put business reporting solutions to work in the enterprise to streamline the collaborative authoring process, for example:

- Investor relations (CFO commentary and talking papers, earnings presentations)
- Board reporting
- Audit committee (financial review materials)
- Finance committee (review packages and presentations)
- Corporate social responsibility reporting
- Corporate development
- Forecasting and budgeting, and strategic planning (including analysis of results; variance and trend analysis; and plan review, approval, and presentation)
- Construction planning
- Leasing (reporting of lease commitments)
- Asset management

In addition, there is a long list of industry-specific use cases. Examples include:

- Country Exposure Report (FFIEC 009) in banking
- Joint Application for M&A approval in energy
- R-1 report for railroads
- Rate Case Application for utilities

As cloud-based business reporting solutions see broader adoption, new use cases will continue to emerge.

## DISADVANTAGES OF CURRENT APPROACHES

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As noted previously, business reporting today is primarily accomplished using Microsoft Word, Excel, and PowerPoint, with email relied on for collaboration. Reports progress from draft to final form in what is, at best, a fraught process.

Let's start with the challenges around authoring and collaboration. Unless the team that is working on a particular report commits to a round-robin review, authors and contributors all wind up working from different versions. It's left to the document "owner" to consolidate and reconcile the separate sets of changes. As new drafts are created, it becomes more difficult to keep track of them. (No wonder users often speak of "revision hell.")

Because it's up to the document owner to consolidate everyone's edits, there is no audit trail: There is no way to know who made what change unless the document owner takes the time to manually add comments to the current revision. In addition, because collaboration takes place via email, important context is entirely lost. Invariably, there are contradictory edits and these require additional review cycles to resolve. (The round-robin approach isn't ideal either. It creates extra delay because it serializes all of the individual work efforts; the larger and more diverse the team, the greater the delay. And "track changes" isn't available in Excel or PowerPoint.)

Worse, there is no way to keep track of all of the information that needs to be incorporated into the report. It's impossible to know which spreadsheet versions belong to what word processing documents unless the document owner creates separate folders for each revision or imposes a naming convention to relate them. There are typically hundreds if not thousands of pieces of information that serve as input to a major financial report. Without a system to collect this information electronically, organizations wind up filling three-ring binders with paper printouts, creating an even greater information management challenge. It becomes impossible to understand the relationships among all of these components.

Finally, business reports often require collaboration from across teams, functional organizations, and geographical areas. There can be a dozen or more different people who need to contribute information to a particular report. The file-based process, however, entirely lacks security controls. Circulating draft report documents to contributors who should not have access to the full report is not an option, so their contributions, too, wind up as paper printouts in the binders, making it even more difficult to tie a particular version of the report to the right source information.

In many business reports – in external financial reports and especially in risk reports, which often extend to hundreds and even thousands of pages – the same data and text appear in several places. Document authors who rely on Word, Excel, and PowerPoint must manually make changes to all of these references. This takes more time and – as changes accumulate – translates to a substantial quality assurance effort that is expensive. Inevitably, there are small last-minute changes that require an inordinate amount of time to process.

Because there is no supporting "system" that notifies participants when their contributions are due or that provides visibility into status, success depends on contributors remembering due dates and assignments. The document owner must stay on top of the process and (manually) keep track of what has/has not been completed.

Once the content of the report is finalized, the document owner spends more valuable time fixing formatting problems, unless the company relies on a third party for publishing. At the end of the process, the organization is left with a Word document, one or more folders with supporting spreadsheets and other electronic files, and a three-ring binder full of paper printouts. When the time comes for the report to be reissued – whether that's a month later, the next quarter, or the following year – the process begins all over again. There is little that can be leveraged for the new report.

The Word document can easily be turned into a PDF for distribution or HTML for the Web. If it's a 10K or 10Q, however, it will require additional processing steps to convert it to XBRL for SEC submission and format it for mobile devices.

All of this adds up to a significant loss in individual productivity for a large group of relatively highly paid employees. Where deadlines are firm, employees wind up working weekends to make up time. It is also a very costly process, and because it is prone to error, it opens the door to business risk – particularly in the case of external financial reporting.

Some companies try to use a general-purpose content management or collaboration system such as Microsoft SharePoint to improve the business reporting process. These systems offer configurable workflows and can help organize some of the information related to business reporting (and may serve as a source for some of it). These systems do not, however, address the needs of business reporting teams. They manage files, so they leave users struggling with all of the issues inherent in a file-based process.

## NEED FOR AN ENTERPRISE BUSINESS REPORTING SOLUTION

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Companies need an end-to-end enterprise business reporting solution that enables business analysts in accounting, FP&A, treasury, risk, and other departments that contribute to key management reports to collaboratively author and publish complex business reports. Enterprise business reporting solutions enable teams to:

- **Collect and combine structured and unstructured information from many sources.** Up to 70-80% of the information required to produce business reports may be unstructured information that comes from sources outside of the organization's transactional systems.
- **Ensure accuracy, timeliness, and consistency.** Business reporting is a mission-critical business process. Organizations must ensure reports are accurate, timely, and consistent.
- **Orchestrate the efforts of multiple people, often from multiple departments, in a managed, auditable, secure, and productive collaborative process that includes external collaborators (such as auditors, etc.).** Robust, configurable workflows are essential for coordinating the many contributors who need to provide input and review drafts – and for managing all of the structured and unstructured information required.

## EPM and Business Reporting

Enterprise performance management systems pull data from enterprise resource management systems and provide the analytical applications that enable companies to define strategy and analyze performance against that strategy; plan, budget and forecast; and manage profitability and cost.

EPM systems are, to be sure, an important component of the business reporting workflow. They are a key source of information for business reports. EPM systems, however, don't contain *all* of the information required for enterprise business reporting; there are many other sources of information – both structured and unstructured.

IDC believes EPM systems and enterprise business reporting solutions are highly complementary. Without an enterprise business reporting solution, organizations are forced to rely on general-purpose authoring tools and file-based collaboration – with all of the attendant problems described previously.

## Capabilities of an Enterprise Business Reporting Solution

Companies need a business reporting solution that is as easy to use as the tools their users already know and use today – one that makes users instantly productive without significant investment in training or IT. The sections that follow briefly summarize the capabilities that an end-to-end enterprise solution for business reporting needs to provide.

### *Tightly Linked Word Processing and Spreadsheet Capabilities*

Business analysts are already trained on Word, Excel, and PowerPoint. What they need is a solution that combines a familiar word processing, spreadsheet, and presentation authoring interface with the ability to manage structured and unstructured information.

The solution must have the notion of "source" – that is, there is one place to change information, and changes flow through to all of the other places in the report where that information appears ("change once, revise many"). Conversely, authors must be able to quickly see all of the places where specific information is used within the report. Finally, organizations must be able to apply standards for rounding, currency, and so forth to ensure consistency in their business reporting.

### *Collaborative Authoring*

An enterprise business reporting solution must provide real-time collaborative authoring so that multiple authors and contributors can work on different parts of a particular report at the same time. This not only saves time but ensures all contributors share a single view of the report in its current state and can see each other's changes and comments.

The solution also needs to provide a means of soliciting and gathering the information required for the report from contributors who don't need (or shouldn't have) full access to the report.

Finally, the solution should support collaborative authoring by a mix of both internal and external collaborators (the company's auditors, for example).

### ***Flexible, Configurable Workflows***

The solution must enable teams to orchestrate the business reporting process using task assignments, reminders, and notifications.

### ***Controls to Ensure the Integrity of Business Reports***

The solution must maintain a full audit trail of all changes for traceability and compliance.

### ***Ability to Leverage Existing Sources of Information***

An enterprise business reporting solution must enable users to bring in and incorporate data and content – both structured and unstructured – from any source, including databases and transactional systems; existing spreadsheets, word processing documents, and presentations; contracts; text and data from existing reports; and snippets and boilerplate content.

### ***Ability to Publish to Any Format and Device***

The solution must let organizations publish their business reports in any format required, whether paper or electronic. (The solution should also provide support for XBRL, a standard for SEC filings.) The solution should provide mobile apps for popular smartphones and tablets so that executives and board members can view and interact with the reports on their mobile devices.

### ***Comprehensive Security***

The solution must provide enterprise-grade controls for user authentication and access (including role-based security and directory integration). In addition, cloud solutions must demonstrate the highest standards of data protection.

## **THE WDESK SOLUTION BY WORKIVA**

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Privately held Workiva was founded in 2008 and is based in Los Altos, California, and Ames, Iowa, with offices in the United States, Canada, and the Netherlands. The company has grown very quickly and claims more than 2,100 corporate customers today – including 60% of the Fortune 500. Its customers – a mix of public and private companies – come from a broad array of industries including business services, energy and utilities, media and entertainment, financial services, manufacturing, life sciences, consumer goods and retail, travel and transportation, technology, and telecommunications.

Wdesk, the company's flagship offering, is a cloud-based business reporting solution that gives business reporting teams an effective way to:

- Collect and manage all of the structured and unstructured information required in a central place so it can easily be reused in multiple reports
- Collaboratively author, review, and comment in real time, with notifications and granular security controls



- Maintain a full audit trail that ensures information sources, owners, and changes are fully tracked

As a SaaS solution, Wdesk is up and running quickly – without significant training or IT involvement.

Customers use Wdesk to collaboratively prepare a wide range of compliance, risk, management, and sustainability reports and presentations for regulators, auditors, investors, senior management, boards, and other stakeholders.

## Key Capabilities of the Wdesk Solution

Wdesk combines intuitive word processing, spreadsheet, and presentation capabilities in a single solution that links information together. Because Wdesk stores information as "single source," business users only need to change information in *one* place; changes are automatically reflected everywhere the information is used. This saves significant time and effort and dramatically reduces the risk of errors.

Wdesk gives business reporting teams a central place to pull all of their structured and unstructured information together – whether from the ERP system, the EPM system, or other sources – and tie it directly to their business reports, ensuring the correct information is captured and the source of the data is always clear.

The Wdesk platform includes prebuilt modules and templates and addresses four key areas of enterprise business reporting needs:

- **Compliance reporting.** Wdesk offers out-of-the-box support for more than 70 SEC forms; Wdesk XBRL support enables companies to file with the SEC and SEDAR with the click of a button. Customers can easily leverage SEC workbooks to create investor relations materials including press releases and earnings call scripts, supplements, presentations, and FAQ books. Wdesk Section 16 lets users complete Section 16 filings in minutes using past filings and a wizard-driven UI. Wdesk Certification manages certifications and sub-certifications for SOX, IT security policies, corporate policies, and sales management in a single application. Wdesk SOX enables companies to author and manage process narratives, risk control matrices, control documents, test control matrices, test documents, and project dashboards – in addition to automating review and sign-off. Wdesk Mutual Funds streamlines reporting for mutual fund companies.
- **Risk reporting.** Key to risk reporting is collaboration and the ability to leverage information across teams. Wdesk Risk enables teams to maintain information privacy and security, with full auditability. Companies use Wdesk Risk for both external "regulated" risk reporting (e.g., ORSA, recovery and resolution planning, and stress test reporting in conjunction with Dodd-Frank and CCAR) and internal "enterprise" risk reporting (e.g., KRI dashboards, monthly and quarterly risk reports, and board reports).
- **Management reporting.** Wdesk enables companies to transfer SEC data into management reports and – conversely – use their monthly management reports to reduce the effort required to create quarterly SEC filings. Similarly, Wdesk makes it easy to create board books and publish them to tablets for online and offline viewing. Private companies leverage Wdesk for annual audit reports, month-end close and financial analysis, review and approval, and presentations to stakeholders.

- **Sustainability Reporting.** Wdesk streamlines internal operations, external CSR reports, and report submissions for the Carbon Disclosure Project (CDP), Dow Jones Sustainability Indices (DJSI), and Global Reporting Initiative (GRI).

## **Wdesk Benefits**

As a SaaS offering, Wdesk is easy to implement: Customers can be up and running in a few hours without the help of IT. Because Wdesk is cloud based, team members can collaborate from anywhere. This serves the needs of large geographically distributed organizations and today's mobile workforce and improves work/life balance.

Wdesk requires minimal user training. The user interface will be familiar to anyone who has used Microsoft Office. The customer support organization at Workiva offers training and support via Webinars and helps customers with initial report setup. Workiva also assigns a Customer Success Manager to each account to ensure prompt response.

### ***Single Source of Data***

By providing a "single source of data," Wdesk entirely eliminates copy/paste effort and error and promotes collaboration across organizational boundaries. Teams can easily leverage each other's work and information. This, in turn, frees highly paid knowledge workers for more important activities.

### ***Control Over Confidential Information***

Moving collaboration into Wdesk and out of email and alternatives such as thumb drives and consumer-style file sync and share services substantially improves the organization's control over confidential information. As IDC research has shown, about a quarter of organizations suffer some kind of information leak each year. Companies are justifiably concerned about user self-adoption of cloud file sharing services: It's easy for users to inadvertently expose confidential information through public links, and the prerelease of financial information, or accidental release of internal reports, can have very severe consequences.

Wdesk's security controls are multifaceted: Report owners can assign users different levels of access, they can selectively grant access to sections of a report, and they have complete visibility into user activity. Data is encrypted at rest and in motion (Wdesk also distributes data across multiple locations within the United States, utilizing Google and Amazon datacenters), and adherence to stringent security standards such as SSAE 16 further ensures the protection of sensitive and confidential information in the cloud.

### ***Support for Broad Array of User Levels, Configurable Workflows***

Wdesk subscriptions are flexibly priced by module and user tier (e.g., read-write, review only, and read only); this makes Wdesk cost effective for diverse teams and use cases. In particular, Wdesk Data Collection lets companies extend the use of Wdesk to the many content contributors who need to provide just a few data points, notifying users as to what's required of them and alerting report owners once submissions are completed.

Users can see at a glance what has changed from one revision to the next – whether text, data or presentation. Wdesk's blacklining capabilities help focus reviews on substantive changes.

Wdesk's configurable workflow capabilities are managed by business users, not IT. This dramatically improves collaboration and speeds time to completion.

## ***Publishing Flexibility***

Wdesk provides strong support for XBRL and enables companies to publish reports to Microsoft Word, Adobe InDesign, the Web, or iPad and Android devices, ensuring consistently high-quality results and providing a mechanism for real-time report publishing. For example, companies can leverage Wdesk to push updates in real time to executives' or board members' tablets. This is another example of how the end-to-end approach is changing the way companies think about business reporting.

## **CASE STUDIES: WORKIVA IN ACTION**

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We spoke with three Workiva customers to gain a deeper understanding of how Wdesk is enabling companies to meet their business reporting and compliance requirements in a timely and cost-effective way. All three companies initially adopted Wdesk for SEC reporting. All found implementation to be a quick and painless process, with rapid time to value. Finally, all have seen Wdesk usage proliferate within additional departments and use cases, yielding increased benefits.

### **Ventas: SEC and Internal Business Reporting**

Ventas, Inc. (NYSE: VTR), an S&P 500 company, is a leading real estate investment trust (REIT) with a diverse portfolio of nearly 1,500 senior housing and other healthcare properties throughout the United States, Canada, and the United Kingdom. Ventas generated over \$2.8 billion in revenue during 2013. We spoke with Jennifer Robison, Vice President of Financial Reporting.

Prior to using Workiva, Ventas outsourced the Edgarization and XBRL preparation of its Form 10Ks and 10Qs to the large financial printer companies. The inputs for the reports consisted of dozens of spreadsheets and electronic documents combined with innumerable paper documents and printouts. Gathering all of the structured and unstructured information for these reports was a very time-consuming task, and there was no good way to relate specific inputs to particular drafts of the reports.

Robison's team prepared drafts using Microsoft Word and Excel and then forwarded these files on to the financial printer for formatting. The revision process was tedious: Robison's team had to mark their changes by hand on paper printouts, and then, once the printer made the indicated changes, the team had to undertake a lengthy quality assurance process. This was costly and time consuming, and it didn't give Ventas the flexibility it needed. Comments Robison, "The '72-hour pencils down' approach just wasn't working."

### ***Implementation***

Ventas sought an alternative that would reduce costs, improve turnaround, and give it better control over the financial reporting process. Robison and her team were impressed with Wdesk's ability to link

structured and unstructured information, managing it in a way that would enable Ventas to make changes in one place and only once. Given the high costs of using a financial printer, Workiva was easily justified. Ventas purchased subscriptions to Wdesk in December 2012.

The initial plan was to transition to Wdesk beginning with the 1Q13 quarterly filing. After speaking with other Workiva customers, however, Robison's team realized it could accelerate its schedule and put Wdesk to work immediately for the 2012 Form 10K. As part of the initial setup fee, Workiva moved Ventas' prior Form 10K to Wdesk, extracting text, tables, and other information from the SEC Web site. This took about a week. According to Robison, training for the team was "quick and painless," accomplished via a Webinar. Robison and her team took it from there with help, as needed, from the Workiva customer support team.

## Results

Today, Ventas is doing all of its Form 10Ks and 10Qs – and other financial filings related to acquisitions – in-house, with just four staff members. According to Robison, Workiva is saving Ventas more than \$40,000 per year for the preparation of its Form 10Qs and 10Ks alone, and the financial team can turn around changes in minutes. Notes Robison, "The staff has a good work-life balance now – no more weekends in the office. With Workiva, we can do everything from home versus coming into the office on a Saturday or Sunday."

In addition to Form 10Qs and 10Ks, Ventas is using Wdesk to prepare a growing list of other public disclosures including earnings releases, supplemental packages, non-GAAP schedules for the corporate Web site, and audit committee schedules. The SEC legal team also brought the proxy process in-house for its 2014 filing and started utilizing the Section 16 module beginning in January 2014.

Ventas has rolled out Workiva Data Collection to about 15 content contributors to streamline the effort of gathering the many inputs for its financial reports. Notes Robison, "There are many people who need to provide half a dozen numbers for tables in our reports. With Workiva Data Collection, we can set up notifications and highlight what we need from them. Then, we receive alerts when they have completed their submission, which is automatically linked to the main workbook, thus automatically populating the applicable reports."

Continues Robison: "Before Workiva, our data collection process was manual and it was very difficult to keep track of all the inputs. The binder that supported the 10K was 3 inches thick – there were schedules from many people from across all departments in the company." Workiva streamlines the data collection process as Ventas can attach supporting documents directly to the draft. Ventas still uses a binder to capture sign-offs as part of its internal controls and as required by its auditors, but, says Robison, "We can probably get the binder down to 1/4 inch, and a couple of years from now, we may be able to do away with it entirely by scanning in signatures and leveraging eSignature capabilities." Ventas is enjoying similar savings in time and effort around data collection for its Form 10Qs: The binders for those were 1.5 inches thick and contributions again were coming from many different parties. Says Robison: "The hardest part of the process is coordination. Has everyone submitted? When? Did they submit the right thing?" Wdesk addresses this.

Finally, Workiva has improved the quality of the overall review process. Notes Robison, "It's a more focused review now. Before, we had to spend time making sure the numbers flowed through. Now, reviews are about reading and reviewing the content itself." She adds, "We love Workiva. Companies

that are filing public documents and that have two or more people on their finance team are crazy if they don't use it. There's so much benefit!"

### ***Additional Use Cases and Future Plans***

Ventas is in the process of rolling out Wdesk for internal reporting. Workiva will enable Ventas to publish monthly management reports to executives' iPads and notify them when information changes. Ventas is also using Wdesk for preparing some of its board reporting.

Using a common platform for both external and internal reporting will bring Ventas even greater benefits in the future. Notes Robison, "Linking directly to the workbooks used for monthly reporting will dramatically reduce the data collection effort for our Form 10Qs and 10Ks. We'll be able to roll forward month to month and quarter to quarter." Integration with the company's ERP system could help further streamline the reporting process.

All told, Ventas is just shy of 40 Wdesk users, now including the internal accounting staff (not counting read-only users). Robison sees additional potential to leverage Wdesk in the investor relations area. She also hopes to make more use of Wdesk Presentations.

### ***Advice for Other Customers***

Robison notes that Ventas is generally cautious about putting sensitive data in the cloud, but the company's IT department quickly became comfortable with Workiva. Workiva encrypts data both in motion and at rest, and its administration features are very comprehensive. Administrators can see exactly who has rights to what information, and they can grant partial access to documents. This gives Ventas a much higher level of security and control than it ever had when it was emailing revisions around to staff and external stakeholders.

Thinking back over the past year and a half using Workiva, Robison counsels, "It's a good idea to take it slow and do it in stages, to gain comfort." She also recommends customers tap the Workiva team for help. "They set up short training Webinars for us whenever we needed help or were struggling. We also had Workiva set up our initial filings for us and enlisted their help when we transitioned to XBRL. That let us put Wdesk in action much more quickly that we thought we could."

## **FirstMerit Bank: SEC Filings and Internal Reporting**

Founded in 1845, FirstMerit Bank has over 400 banking offices and ATM locations in Ohio, Michigan, Wisconsin, Illinois, and Pennsylvania. It is the principal subsidiary of FirstMerit Corporation (Nasdaq: FMER), a diversified financial services company with approximately \$24.5 billion in assets, headquartered in Akron, Ohio. We spoke with Stacy Gilbert, Senior Vice President and Assistant Controller, who is responsible for FirstMerit Bank's external SEC reporting and accounting policies.

### ***Implementation***

FirstMerit signed up with Workiva at the end of 2011. It took about a week for Workiva's professional services team to set up FirstMerit Bank's 10K in Wdesk – fully tagged for XBRL and with all information properly linked. Using brand-new technology, Gilbert's team was able to file the company's 10K.

Ease of use was a major success factor for FirstMerit. Wdesk training took just one hour via a Webinar. Notes Gilbert, "Wdesk is so intuitive! We were able to use it immediately. And Workiva customer support responds instantly to any questions."

Today, FirstMerit uses Wdesk for all of its routine SEC filings, as well as other public disclosures including press releases and investor presentations that accompany its quarterly earnings reports. FirstMerit also uses Wdesk for its proxy.

FirstMerit is also leveraging Wdesk Certification to streamline SOX certification. Notes Gilbert, "There are only about 20 people who need to certify our controls over financial reporting, but there are about 100 more who need to sub-certify."

## **Results**

Says Gilbert, "In year one, Workiva benefited us financially by enabling us to bring SEC filing in-house." In addition, Wdesk lets Gilbert's team quickly and easily make changes up until filing time – and filing is a click of a button.

Gilbert notes, "We have also seen a huge benefit in terms of reducing preparation and filing time. The ability to electronically review and comment really speeds collaboration. Chances are, if one person has a question, there are five others with the same question. With Wdesk, we can answer that question once."

The fact that Wdesk captures a complete audit trail is another huge plus for FirstMerit. Says Gilbert, "We have control over those spreadsheets, and it is now easy to see the source of the data." She adds, "Wdesk lets us add comments to explain the change in numbers. It saves everyone time. If we were responding via email, it would just get lost."

Wdesk has also provided quality-of-life benefits. Says Gilbert, "We can set up the documents in advance and even out our workload. And you don't need to be in the office to work on a report."

## **Additional Use Cases**

In addition to Gilbert's team, many other groups at FirstMerit are using Wdesk. Notes Gilbert, "Wdesk gives us a single source for internal reports and lets us use information in multiple ways – and in different formats, whether reports or presentations."

The bank has also used Wdesk for acquisition reporting and documentation. FirstMerit acquired Citizens Republic Bancorp in the spring of 2013 and used Wdesk reporting and record retention. Notes Gilbert, "Wdesk facilitated collaboration with multiple people internally and externally, allowing them to review and comment."

FirstMerit purchased the Wdesk Risk module late last year and used the software for risk reporting purposes.

## *Advice for Other Customers*

Gilbert's team found the Workiva conference to be immensely helpful; they are also leveraging Workiva's online help and new community blog.

Notes Gilbert, "Workiva really listens to its customers and wants to provide solutions that solve real problems. And their Customer Success Managers respond quickly."

## **Tanger: SEC Reporting**

Founded in 1981, publicly held Tanger Factory Outlet Centers, Inc. (NYSE: SKT) pioneered the retail outlet shopping center concept that lets consumers buy brand-name products directly from manufacturers. Headquartered in Greensboro, North Carolina, Tanger owns and operates (or has an ownership interest in) 44 outlet shopping centers in 26 states across the United States and in Canada that attract more than 180 million shoppers each year. We spoke with several members of Tanger's finance team including Thomas Guerrieri, VP of Financial Reporting; Eric Richardson, Director of Financial Reporting; and Jennifer Pruitt, Director of Finance.

Tanger began to use Wdesk for its 2009 10K. Prior to Workiva, Tanger was suffering through a process similar to that of using a commercial printer. Says Guerrieri, "We had been outsourcing the XBRL work to a service provider. That meant we had to run all of our changes through them and changes took a tremendous amount of time. Once, changing just a single word at the end of the report preparation process took six hours to get through quality assurance!"

## *Implementation*

Tanger engaged Workiva's professional services team to set up its 10K in Wdesk and was up and running within two or three weeks. Says Guerrieri, "It was super easy to learn and very intuitive – just like working in Word or Excel." Tanger quickly progressed with additional core SEC documents including 10Qs and 8Ks. Guerrieri continues, "Wdesk was so much better than anything we'd ever used. XBRL isn't rocket science, but this was the first solution that made it easy."

Tanger also implemented its proxy in Wdesk. Notes Guerrieri, "We were one of the first Wdesk customers to do the proxy from day one. Actually, the proxy is almost easier to do than the other documents so there's no reason to wait."

## *Results*

Moving to Workiva not only enabled Tanger's financial reporting team to bring financial reporting back in-house, speeding turnaround, but lets them leverage the information they gather and manage for 10Qs and 10Ks to create all of the related documents required for external reporting. Notes Guerrieri, "The single source workbook is a huge time-saver for us. It populates the SEC documents, the press release, the script for the earnings call, the supplement, the investor relations package – everything!"

Adds Pruitt, "For investor relations, that's a huge benefit. We used to do the press release and earnings script in Word. There would be last-minute changes. It's so important that the script is updated automatically – it's what the CEO reads to the world!"

Wdesk also gives Tanger a place to capture all of the structured and unstructured information that goes into earnings releases and scripts. Notes Pruitt, "There are so many sources of information for these documents! Now we have one place to manage all of this information – including its history – quarter over quarter and year over year."

Tanger is very pleased with the quality of the reports. Comments Guerrieri, "Visually, it looks like a professional printer did them. Before we implemented XBRL, things didn't always render in Edgar the way they appeared in our drafts. Workiva has done a great job with this. You can tell who uses Wdesk and who doesn't."

### ***Additional Use Cases and Future Plans***

Tanger has continued to implement new documents in Wdesk and has added more users. Once the core SEC reports were up and running, Tanger implemented Section 16 reporting using the Workiva Section 16 module. Recently, it trained staff in the general counsel's office.

On the business reporting front, another potential use case for Wdesk is board books using the Presentations module. For financial reporting, the team sees advantages in uploading the myriad inputs to its SEC reports to Wdesk as attachments. Tanger's staff would ultimately like to put in place a mechanism so its chart of accounts can flow directly from the general ledger into Wdesk.

### ***Advice for Other Users***

Tanger's financial reporting team sees strong benefits from broadly leveraging Workiva across finance, investor relations, and legal. Counsels Pruitt, "If you're not already doing so, put Workiva to work in investor relations. It's a great benefit." Guerrieri notes cultural issues can sometimes impede broader adoption in some companies: "It helps to have buy-in at the top." Adds Richardson, "Many attorneys still prefer Word. Once they start to use Workiva, however, they see the value of linking and using data and other features in Wdesk."

From a best practices perspective, companies need to think about how they will use single source workbooks. Guerrieri notes, "Some companies still use separate workbooks for quarterly and annual filings. It takes some planning to converge these and ensure documents roll forward properly."

The Tanger team advocates tapping Workiva for help getting started and notes that the company has great online help and videos. They also encourage users to provide feedback. Says Guerrieri, "That's what's great about them as a company. They're open, and they really listen to what their customers have to say. They've implemented all of our suggestions and more."

## **CHALLENGES/OPPORTUNITIES**

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Workiva has identified a very attractive market opportunity to help companies streamline their business reporting processes and save significant time and effort by bringing external financial reporting in-house. New software markets are born when innovative software vendors create purpose-built solutions for unmet needs, replacing custom services and manual effort with a software-based approach.



IDC believes this dynamic is playing out today in business reporting, which has heretofore been the province of the large financial printers in combination with desktop authoring tools, email, and fat three-ring binders.

From our interviews with Workiva customers, it's clear that the return on investment from insourcing business reporting is very compelling. They are realizing significant economic and business process efficiency gains and enjoy a much higher degree of control.

The Workiva customers we interviewed quickly found additional use cases for Wdesk, and this bodes well for the proliferation of Wdesk within its growing installed base. Over time, we believe Workiva will need to focus more attention and resources on helping customers connect Wdesk directly to their systems of record and potentially also their analytical applications for budgeting, forecasting, and analysis.

As a SaaS solution, Wdesk is already well positioned to attract both large and small organizations. Customers hope to see additional presentation and workflow capabilities. Workiva also needs to continue to execute well to capitalize on its market opportunity. In particular, we expect to see it build on its momentum in Europe and South America and expand its operations in Asia to address the broader needs of its multinational customers and appeal to companies around the globe.

## CONCLUSION

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Public and private companies alike must reliably and cost-effectively generate a wide variety of business reports. As our case studies show, a purpose-built solution such as Wdesk can transform the way teams work when it comes to complex business reporting. Wdesk gives companies of all sizes – both public and private – an enterprise platform for their broader compliance, risk, management, and sustainability reporting needs. Wdesk can dramatically improve staff productivity, reduce costs and errors, and improve control. Those benefits are compounded when customers leverage Wdesk across departments for multiple use cases.

As the regulatory environment continues to evolve and the sheer volume of structured and unstructured information continues to grow in the enterprise, companies will increasingly require solutions that streamline the processes of regulatory and internal reporting.

A cloud-based solution is by far the most attractive approach as it enables collaboration between internal and external stakeholders and is quick and cost effective to implement. Cloud-based solutions are especially appropriate whenever a relatively small percentage of the employee base needs access to the solution.

As we've noted previously, financial reporting teams in public companies are typically the initial adopters. Team members often serve as the evangelists within the company and – as power users – an important internal resource. Over time, we expect to see communities of practice take root in larger organizations with the goal of sharing knowledge and best practices.

Companies contemplating improvements to their business reporting processes should ask themselves the following questions:

- Are we struggling to deliver business reports on time? Are team members routinely working weekends to meet deadlines? Are last-minute changes expensive and time consuming? Are we spending more time proofreading than reviewing the content itself for clarity and meaning or providing analysis?
- Do we have a mechanism for gathering and managing all of the inputs for our reports? Can we easily associate these with different drafts of our documents? Do we have a full audit trail of changes?
- Does our current solution help us coordinate the efforts of multiple authors and reviewers? Can we easily see the status of individual contributions to keep the project on track? Are we relying on email for collaboration? Do our users find it challenging to locate the current revision of a report? Are team members spending time reconciling changes from multiple authors and reviewers, manually compiling new versions?
- Does our current solution enable us to leverage structured and unstructured information *across* the many reports where information is reused? Does it give us a single place to change information so all changes flow through to all documents where that information is used, automatically – in all of the formats we require, whether textual documents or presentations?
- Does our solution enable us to protect sensitive or confidential information and restrict access to sections within a document as needed? Are we at risk of accidental disclosure?
- Does our current solution let us roll forward data and information from quarter to quarter and year to year, eliminating repetitive tasks?
- Do we have a mechanism for obtaining the required certifications for compliance purposes? Or do we rely on email or some other mechanism?

IDC recommends that companies that are grappling with one or more of these challenges should evaluate the Wdesk solution by Workiva. Business reporting needs to be an organizational competency – and part of every company's technology stack.

## About IDC

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## Global Headquarters

5 Speen Street  
Framingham, MA 01701  
USA  
508.872.8200  
Twitter: @IDC  
[idc-insights-community.com](http://idc-insights-community.com)  
[www.idc.com](http://www.idc.com)

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