swap support

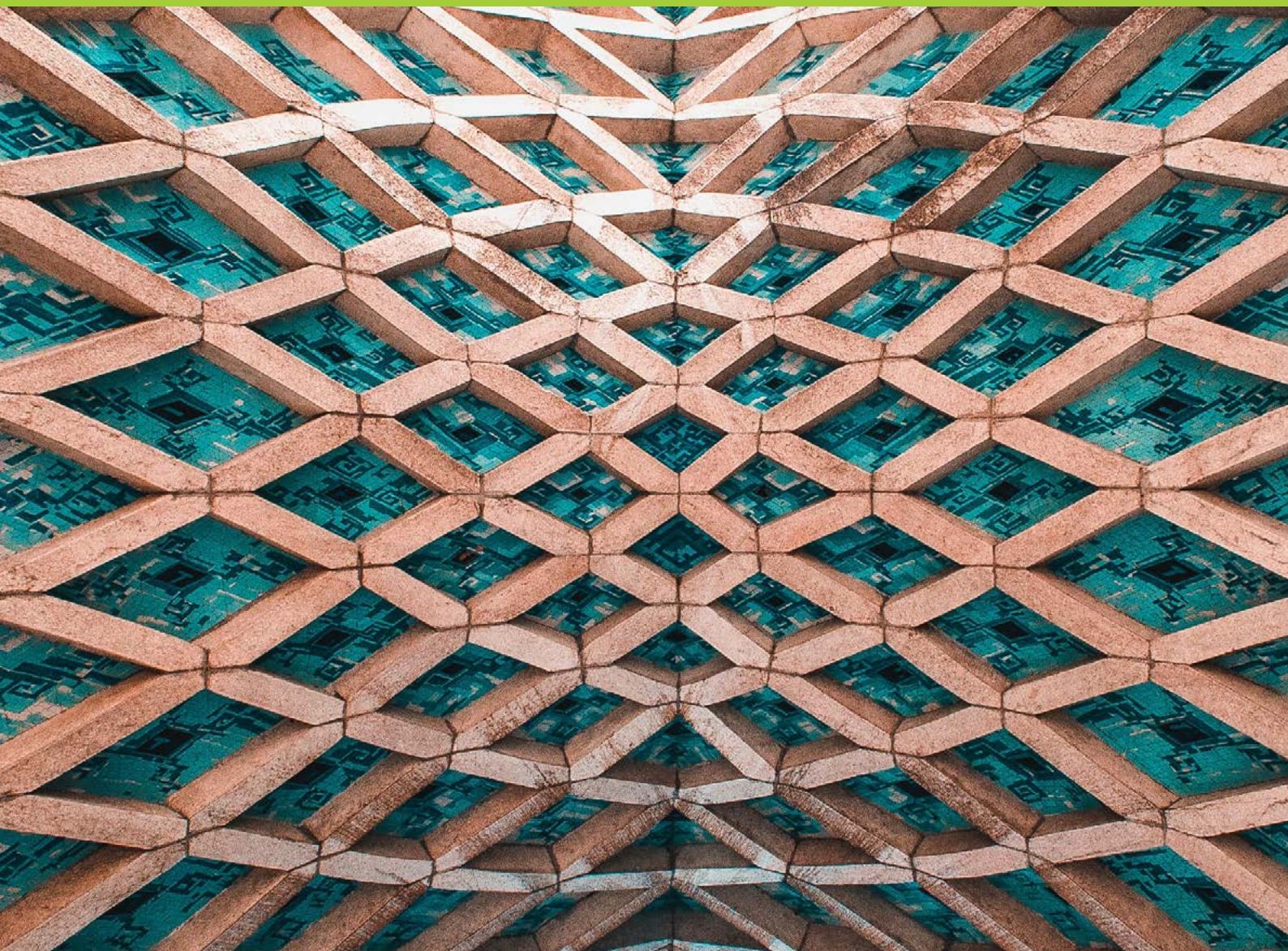# HOW TO GET THE MOST OUT OF YOUR FINANCIAL APPLICATION

WHITE PAPER

> Fast, reliable insights
> Smart reports for changing information needs
> Work more efficiently, leaving time for analyses

IN THIS WHITE PAPER

swap support

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ARE YOU GETTING THE MOST OUT OF YOUR FINANCIAL SYSTEM?

Compiling and reporting financial data is often very time-consuming. You have large amounts of data available from various sources, which form the basis for your financial processes and reports. You use this data for your monthly and year-end closing, but perhaps also for your weekly cash flow overview or your project administration. Many finance teams spend valuable time entering data, preparing reports, and maintaining systems. However, you'd prefer to use this time for other activities, such as analyzes and business cases.

In addition, the demand from the business is changing rapidly. Not surprising, because the world around us is also constantly evolving. More than ever, you want to get the most out of your EPM system. To be able to do so, your financial application must be entirely up to date. You also want the system to be flexible and easy to adapt to changing demands. This prevents your users from switching to Excel to meet the ever-changing needs of management and the business.

But how to do so efficiently and without too many manual actions? And how do you ensure that your application continues to run optimally, both in terms of performance and stability?

The key to getting the most out of your financial system often lies in the sum of different support aspects. We call this proactive, preventive, and reactive support. Compare it to a home. Over time, your wishes change, which means you are going to make renovation plans. For a home, it is also wise to do preventive maintenance. However, sometimes something unexpectedly goes wrong, such as a leak. Then you want the plumber to fix this right away. By cleverly combining proactive, preventive, and reactive support, you get the most return on your investment in the EPM system.

Would you like to get your financial insights sooner and of higher quality??

1 THE TOP-4 CHALLENGES TO KEEP YOUR APPLICATION IN TOP FORM

All the figures your organization needs readily available in your financial application. Fast, reliable, and accurate. This may sound like a dream. However, it is undoubtedly possible with the current techniques.

Still, in many organizations, the application becomes increasingly slower and more complex over time. This means you'll be getting less and less return on the investment in your financial system.

TOP-4 MOST COMMON EPM ISSUES

1 The application doesn't relate to changing demands

2 Reduced user-friendliness of the application

3 Unfamiliarity of end-users with the capabilities of the application

4 Accumulation of historical data

THE RISK OF WORKAROUNDS

Sometimes these factors make the application so cumbersome and complex that users switch to a workaround, often in Excel. Such a workaround involves all kinds of risks. Think of error sensitivity and traceability. It also makes it more difficult to assume one version of the truth.

However, the most considerable risk of a workaround is that your users will get used to the detour. The longer this continues, the more difficult it is to guide these users to the right way of working. Even once the problems have been solved, and the new way of working is much more efficient. So, either prevent workarounds or solve them as quickly as possible.

1.1
The application doesn't relate to changing demands

The environment of your organization is constantly evolving. Stakeholders – both internal and external – rely on quick insights based on current figures. They want to be able to build, manage and make decisions based on accurate and reliable reports.

Due to the changing environment, the information needs of the management team and the business are constantly changing. Many questions arise ad hoc. In addition, people often do not take the time to process

calculations for these recurring questions structurally in the application. During the peak pressure of financial deadlines, it simply takes too much time to create new functionalities. As a result, obtaining correct insights is becoming increasingly slow and error-prone, with all the frustrations involved. Moreover, this leaves less time for analyzing the data.

In practice, we often see that the original functional design matched the wishes well at the time of design but no longer fits today's information needs. By mapping out the new questions, you can structurally replace the old reports with the new requirements. In addition, thoughtful planning ensures that you can implement these changes when there is no peak in the financial calendar, saving you and your team a lot of stress.

INTELLIGENT IT SOLUTIONS ARE CRUCIAL

Only through the use of intelligent IT solutions will future organizations efficiently organize business processes and serve customers directly, says Hays in an article about the jobs of the future (in Dutch).

1.2
Reduced user-friendliness of the application

Often, the time component is also an essential factor for the user-friendliness of your financial application. As described in the paragraph above, the system usually fully meets expectations when it goes live. The functionalities are correct, and the system is functioning as it should. However, over time things are added. In addition, the old reports and calculations continue to exist so that the system is burdened twice.

Also, you have to keep updating all variants to keep the results consistent and usable. We encountered an example with no fewer than 15 different applications, while only 2 were used substantively. At some point in the past, the applications were linked together, causing a need to update most applications constantly.

In addition, the design of the security has a significant impact on manageability. Often a specific security setup is initially chosen.

Over time, this is increasingly deviated from. This deviation can be due to exceptions but also because extra security measures are added.

Finally, it often happens that knowledge about the security system setup is lost, for example, due to a changing of the guard. If a new employee mistakenly adds people to a team for whom a profile already exists, the application becomes increasingly slower. The more profiles that need to be scanned, the worse the performance. The required maintenance time also increases every time someone gets a different entity. For example, you have to find out which rights this employee has in which profile.

1.3
Unfamiliarity of end-users with the capabilities of the application

We often see that there is still a lot to be gained by increasing the end users' knowledge. Two factors play a role in this. The first factor is knowledge about the possibilities of the EPM system. By increasing the usage of the functionalities, you can improve your application one step at a time. This is an iterative process, where simple adjustments can save a lot of work. Think, for example, of low-hanging fruit such as replacing input schedules with an import or adding automatic calculation rules. You can fine-tune even the best-designed applications, often saving the team a lot of manual input.

> *"Previously, we had to check the standard report layouts integrally to confirm that all the figures were correct. This took us two to three days every quarter. Swap Support has fully automated this process, which saves us a lot of time."*
>
> **Heijmans**

The second factor is knowledge about how the system has been developed over time. Sometimes we see that a process is suddenly done manually again, even though this has already been automated. This occurs, for example, with processes that employees are not entirely familiar with, such as an automatic Equity Pick-Up. Also, if an automatic process failed once, people sometimes resort to manual actions, even though the issue may have been a one-off incident. This increases the number of manual activities.

However, by far the most common cause is that employees are not aware of previous improvements to the system. They simply do not know what the enhanced capabilities of the application are. An example is an organization where changing information requirements led to the request to add several accounts. However, there was already an entry schedule for this from years ago. Now that this information requirement turned out to be relevant again, the previously built scheme could serve as the basis for the new request.

This knowledge gap often occurs around themes that change with the economic situation, such as cash flow. When things don't go so well, there is a focus on cash flow. But often, cash flow takes a lot of work to keep track of, so cash flow reporting quickly shifts to the background as soon as the financial situation improves. Once there is a need for these reports again, they can be switched on with the push of a button, as long as someone knows that they exist.

Does anyone know what has been built in the past?

1.4
Accumulation of historical data

When historical data accumulates, many people immediately think of actuals. However, that's usually not where the main problem lies. Much more often, the accumulation of historical data is due to budget and forecast versions. Suppose in year x, an extra copy of the budget was made, which was subsequently adjusted, after which 3 forecasts were made, which are copied the following year again. This often involves gigantic data blocks, which are usually not relevant for very long.

Also, historical data accumulates in applications you no longer use. Here, the solution is to clean the data in these solutions. After all, you no longer need to see this data.

Recently, we were able to clean no less than half of the data at an organization. Cleaning historical data yields a lot in terms of performance and flexibility of support. In addition, there is less pressure on your hardware; all your parameters stay within the bandwidth much easier.

2 WHAT ARE THE CURRENT DEVELOPMENTS FOR FINANCIAL APPLICATIONS?

Not only is the organization constantly changing, but the financial applications themselves are also developing. These developments respond to new technical possibilities, new functional wishes, and changing social questions. The latest trends offer interesting opportunities to get even more out of your systems. However, it is essential to consider which developments add value to your organization carefully. What does the optimal roadmap for your landscape look like?

DEVELOPMENTS TO OPTIMIZE YOUR APPLICATION

1   **New ways of getting data into the system**

2   **Forecasts as replacement of the budget**

3   **Adding non-financial data, such as sustainability or HR information**

2.1
Various new ways of getting data into the system

We see a distinct technical development focusing on new data entry methods, leading to a reduction of users having to switch between screens. A significant advantage because switching screens takes time. The fifth annual survey into digitization and finance by Executive Finance and CM: ControllersMagazine (in Dutch) also shows that finance is increasingly focused on collecting data.

A significant trend is that you no longer have to retrieve a file from a source system manually but can link systems directly. This way of connecting data is less time-consuming and less prone to errors. Moreover, if desired, you can achieve a much higher level of detail. Take, for example, the consolidation layer that you can now link 1-to-1 to the ERP layer so that the consolidation is calculated in one go. As soon as you open the report, the result is already there. A big step forward.

In addition, we see the emergence of dynamic schedules, which allows you to reduce the number of schedules required. This means you don't have to switch schedules as often. Moreover, this provides clarity for the end-users; they don't have to choose or search for the proper schedule. Dynamic schedules also provide a significant advantage in maintenance. You only have to make the change in one place, instead of in all schedules.

2.2
Forecasts as replacement of the budget

An important functional development focuses on the budget. For a long time, people have been talking about replacing the budget with the forecast. Now the first steps are becoming noticeable. An interesting move because it reduces the annual budget peak and the political game around it.

However, be aware that such optimization of your financial process demands a lot from your employees, the application, reporting, and support. For example, the forecast process requires different details than the budget process does.

2.3
Adding non-financial data, such as sustainability or HR information

A broad societal trend is that stakeholders are increasingly asking for non-financial information, such as sustainability reports. This trend has consequences for your financial system and requires the addition of non-financial data to your current reporting, such as data on sustainability and HR.

Also, we see an increasing demand for customer-related applications. Companies want to let their (potential) customers know how they are doing in the field of CSR, for example. There is a stronger focus on the laws that the government must adhere to, but to which the business community is also increasingly committed. For example, think of more diversity in the labor pool.

If you want to register on government tenders, then you must demonstrably comply with these requirements. Or take the construction sector, where information about nitrogen reduction is a mandatory requirement. These data have nothing to do with financial data but are still added to the EPM systems.

Finally, these additional information requirements often refer to the financial data. Questions that arise are, for example, 'how do you divide the costs' and 'how do you set up the cost centers'.

THE 6 MEGATRENDS FOR 2021, ACCORDING TO THE IMA

The American IMA (Institute of Management Accountants) recognizes the increasing interest in non-financial data as well, according to this article on FM.nl (in Dutch) about the 6 megatrends for 2021:

1. More and more automation
2. Remote working becomes the norm for finance teams
3. ESG (Environmental, Social, and Governance) reporting is becoming increasingly important
4. Financial professionals become responsible for risk management
5. Diversity, equity, and inclusion are becoming more of a competitive differentiator, aside from the right thing to do
6. Increasing demand for upskilling and continuing education for professionals

3 WHY THE COMBINATION OF PROACTIVE AND PREVENTIVE SUPPORT BENEFITS YOUR APPLICATION

If you want to get started with optimizing your financial application, you can do this at various layers. In practice, we see that the combination of proactive, preventive, and reactive support is the most effective approach to improve your application.

PROACTIVE SUPPORT

Compare it to a home. At the time of purchase, the house fully meets your wishes. But the arrival of children requires more space and perhaps a renovation. New norms also require adjustments, such as double glazing, to make your home more sustainable. In addition, you may want additional features over time, such as a fireplace or swimming pool. In addition to the construction drawings and construction, new requirements also include new safety measures, such as having the chimney swept. Moreover, these new requirements require additional knowledge, for example, about the amount of chlorine in the swimming pool. Only then can you take full advantage of the new functionalities.

PREVENTIVE SUPPORT

At the same time, you must maintain your home well, for example, by painting regularly and cleaning the gutter annually. This preventive maintenance reduces the chance that you will have to incur higher costs later, for instance, due to wood rot or leaks.

REACTIVE SUPPORT

By adequately performing proactive and preventive support, the amount of reactive support decreases. However, reactive support remains necessary. For example, you probably have a maintenance contract for the heating. Despite the annual maintenance, sometimes something is wrong. And if the smart thermostat suddenly doesn't work, you'd want to have that solved immediately.

"Due to growing finance requirements, we've increasingly expanded our system into a complete platform in recent years. A system that, together with Swap Support, we've adapted to the wishes of the users. Consider, for example, the addition of a cash flow forecasting module. It has been quite a journey; we would not have been able to achieve this without Swap Support."

Paul Schurgers - Boskalis

4 OPTIMIZE YOUR EPM ENVIRONMENT IN 3 STEPS

By using the different types of support, you'll quickly get more value out of your existing EPM environment. It is important to use the right kind of support at the right time. In this way, you get an optimization approach that takes care of the low-hanging fruit but also looks at the current wishes and the long-term requirements.

THE 3 TYPES OF SUPPORT

PROACTIVE

1

PREVENTIVE

2

REACTIVE

3
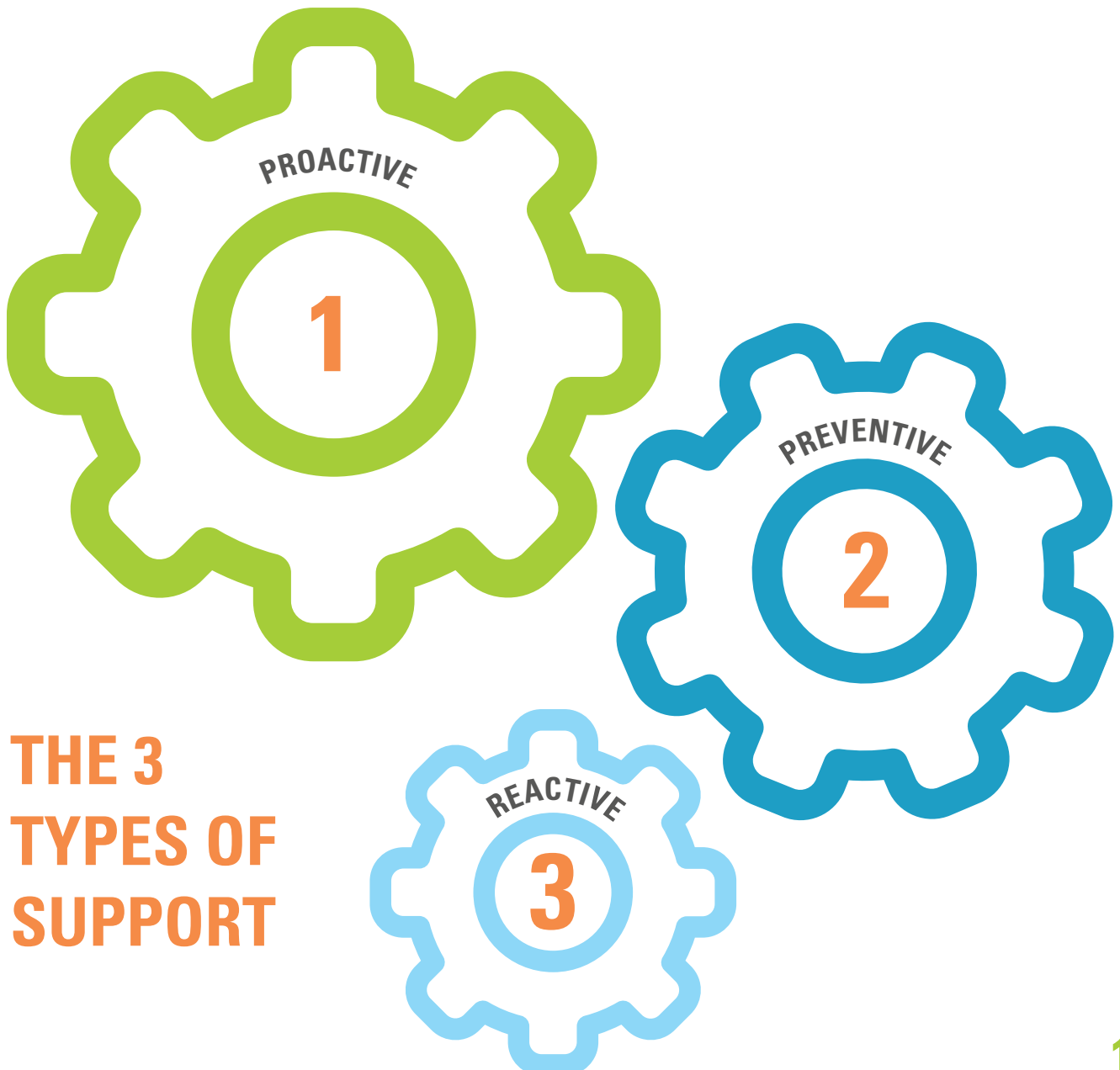
4.1
Proactive support

This type of support looks at the information needs of the business, management, and end-users. The information needs are constantly changing and should therefore be checked regularly. After all, it would be a shame to optimize reports that are no longer used. And even worse if workarounds arise because the current reports do not match the users' needs. Often, it's best to retrieve these functional wishes before you start to optimize.

Elements of proactive support include, for example:

- **FUNCTIONAL HEALTH CHECK**
  The application's design is influenced by the processes and the various wishes and requirements that arise during use. As a result, the layout and function may eventually deviate from what was initially intended.

  That is why it is good to speak to the business and clarify whether the application's current design is still a good reflection of the processes. The result of these discussions can then be compared with the original functional design to see whether it needs to be adapted to the current situation.

- **TRAIN USERS**
  By giving users more knowledge about the possibilities of the EPM system, the entire organization can make better use of the financial application. By sharing knowledge about useful functionalities and the reasoning behind choices made in the past, the system can be used as it is intended. Often training also

provides a positive feedback loop for possible improvements to the system. It is essential to ensure that the knowledge is also accessible to new employees.

- **LONG-TERM ROADMAP**
  By looking proactively at the entire IT landscape, you can make choices that add long-term value. During the creation of the roadmap, issues such as the IT strategy, life cycle management of the current application, and technical developments are discussed.

PROACTIVE

4.2
Preventive support

The next step is preventive support. Regularly assessing the technical aspects of the application prevents reaching the limits of the application. This improves performance and prevents many issues during peak times in the annual financial calendar.

Elements of preventive support are, for example:

- **TECHNICAL HEALTH CHECK**
  During the Technical Health Check, Swap Support experts assess various aspects of the application. The advisory report of the Technical Health Check clearly shows whether action is needed and when. In addition, this check provides a broad insight into the status of the application, such as advice on technical maintenance or unexpected data growth.

  The Technical Health Check also looks at the relationship with the other systems in the landscape. This includes the life cycle of the applications involved and the support levels from the software supplier.

- **CLEAN DATA**
  Often, applications reach their data boundaries because many extra records are created during consolidation. Also, choices during the development phase, for example, forecast categories, can lead to a lot of data growth. By periodically cleaning the data, you prevent a decrease in performance.

- **ACTIVE MONITORING OF THE APPLICATION**
  Closely monitoring and setting the correct measurement values prevents many issues. Also, this helps to avoid possible future costs, for example, by using resources more intelligently.

PREVENTIVE

4.3
Reactive support

Proactively responding to the organization's wishes and preventively supporting the application helps you to reduce reactive support. However, reactive support will always be needed. After all, you'll want an immediate solution at peak times if an issue arises.

Elements of reactive support are, for example:

- **INCIDENT RESOLUTION**
  Acute help to solve an issue, where you always get an expert on the phone right away. Through Service Level Agreements, agreements are made about resolution times that align with the organization's financial calendar.

- **SUPPORT AND ADVICE FOR QUESTIONS AND ADJUSTMENTS**
  Solving issues, answering questions, and giving advice requires knowledge of both tooling technology and finance. Often, this knowledge can be hard to find. Our team of experts has this scarce expertise in-house.

"All specialists understand our business well and know what's going on. Support is good both during and outside office hours. There are not many parties that have such a service desk. That's great, especially during the month-end closing and at other critical times."

Erik Rooijackers - ASML

REACTIVE
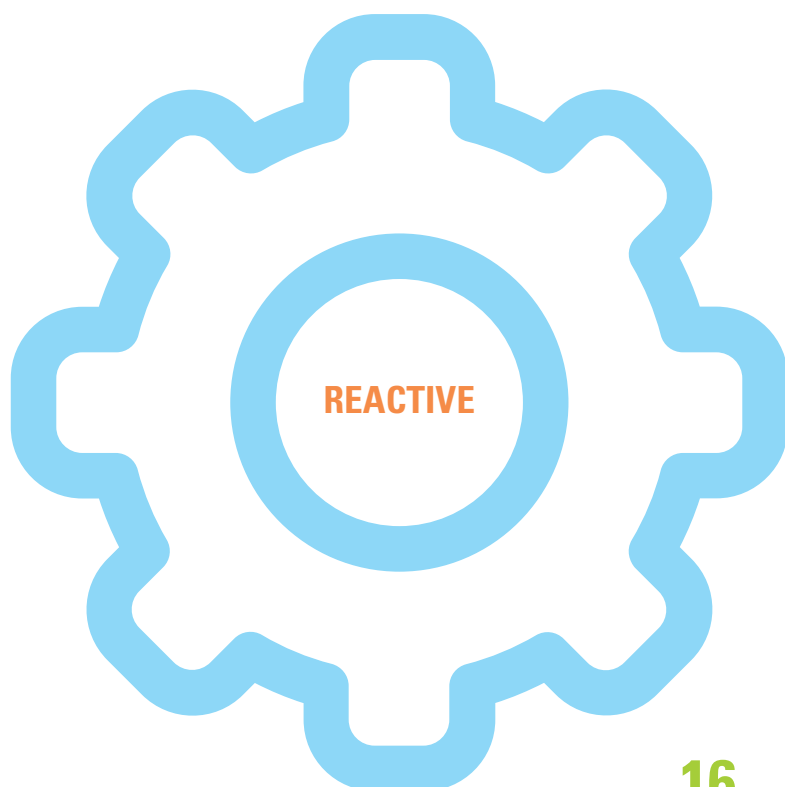
5 HOW TO START IMPROVING YOUR EPM ENVIRONMENT

The first step is the Functional Health Check. The purpose of the Functional Health Check is to map the current use of the application. Often the usage and the information needs have changed considerably compared to the initially conceived goal. It is therefore essential to have insight into these changes before you start optimizing.

Points of focus are:

- **THE FINANCIAL, REPORTING AND PLANNING PROCESSES**
    - > The periodic close processes (duration, reliability, and validation)
    - > Accuracy and transparency of data and the integration with other (source) systems
    - > Simplicity and clarity in the structure of the data model

- **MAINTENANCE OF THE APPLICATION**
    - > Degree of flexibility
    - > Complexity of maintenance
    - > Relevance of the data

5.1
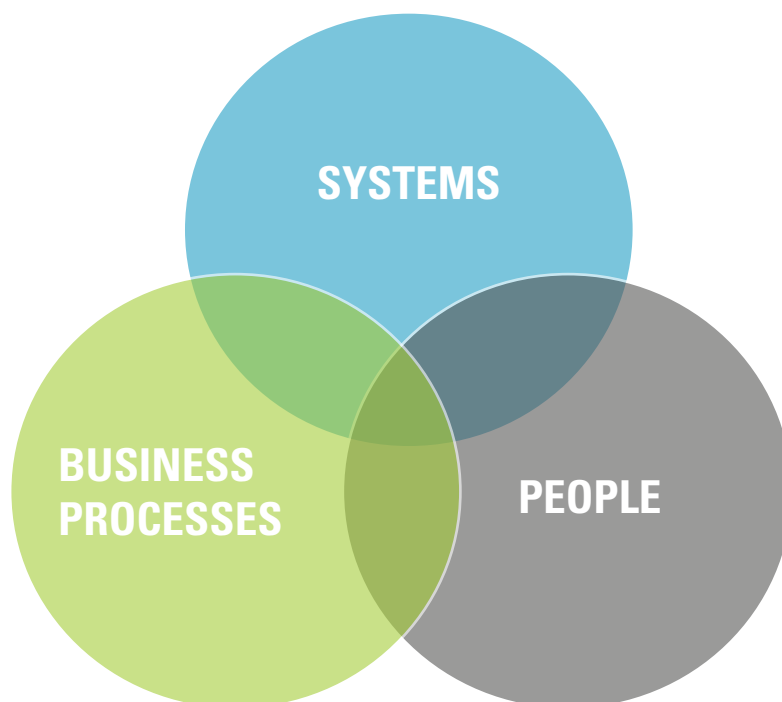# Functional Health Check Approach

Each Functional Health Check is developed based on the needs of the specific organization and is therefore tailor-made. Our methodology is based on recognizing the key role of the interaction between people, processes, and systems.

These elements are inextricably linked and play a vital role in any IT-supported process. For example, if your employees have insufficient knowledge of the application, this will lead to limitations in optimizing the business processes and, ultimately, the information provided.

BEST PRACTICES

During the Health Check we will compare the results with our best practices.
Also, we'll investigate the impact of the improvements and the cost/capacity of the recommended improvements.

Combined, this gives you valuable insight into the quick wins and the value of the improvements compared to the investment involved.

SYSTEMS

BUSINESS PROCESSES

PEOPLE

5.2
What does the Functional Health Check give you?

The current use is tested against the initial purpose and associated design of the applications. Key users are heard and share their experiences using the application with an expert. You will then receive a report with an analysis of the use of the application in its current form. The report also includes advice for possible improvements.

PHASE 1. ANALYSIS
This phase focuses on carefully retrieving current information needs and collecting the principles of the original design.
- Interview main user groups
- Overview of the processes in the as-is situation
- Collect original requirements regarding processes, use of the application, and data

PHASE 2. REPORTING
In this phase, you will receive a thorough report on:
- Use of the application in its current form
- The desired financial, reporting, and planning processes compared to the current setup
- Relevant advice if needed

PHASE 3. BROAD ANALYSIS AND BRAINSTORM
In this phase, you discuss the findings and challenges from the report with Swap Support's core team. What are best practices, and how do other organizations deal with them? Which adjustments bring you more value? This phase aims to choose those adjustments that will allow you to make even better use of your application.

PHASE 4. IMPROVEMENTS
The possible improvements and the associated approach to implementing them depend on the results of the Functional Health Check and are different for each organization.

For example:
- Drawing a roadmap for the organization
- Implement short-term improvements. Often, minor tweaks can go a long way, such as automating manual actions, smart uploads, and adding extra information.
- Check whether the changes are effective.

6 TAKING EPM TO THE NEXT LEVEL

Periodic critical examination of your application is crucial. In practice, information needs change during the use of the application, for example, if the organization's strategy changes. In addition, adjustments may have been made without keeping the impact on the overall design in mind.

KNOWLEDGE ABOUT THE CUTTING EDGE OF BUSINESS AND IT

Our EPM consultants continuously work at the intersection of business and IT. We distinguish ourselves through our many years of experience with projects and the support of financial systems.
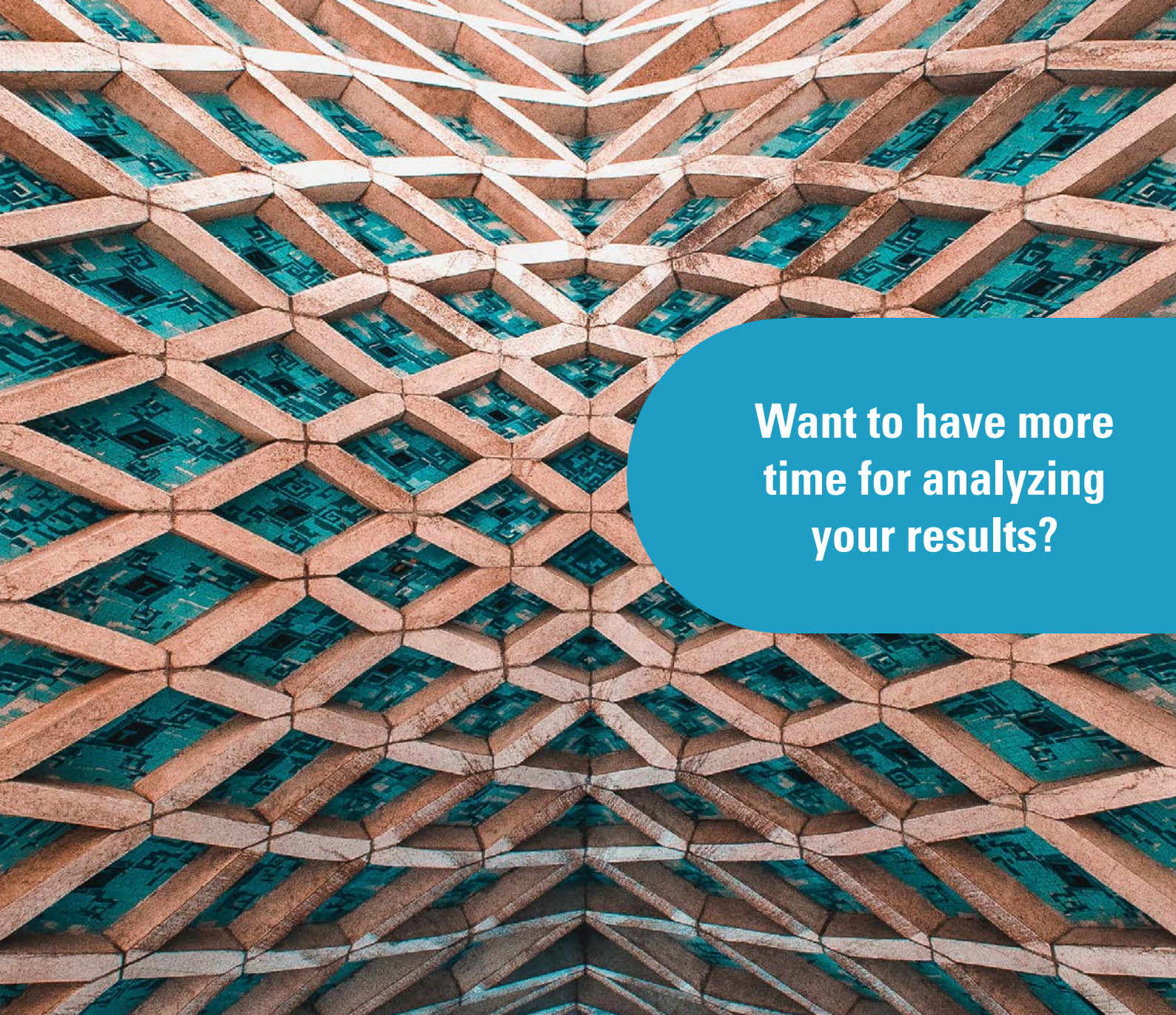
The unique combination of knowledge of business processes and EPM applications enables us to improve your application quickly.

We help you with all aspects of managing EPM systems: from proactive advice and preventive actions to immediate assistance with issues. Together, we build an optimal system for your organization.

Get the most out of your application

With the right combination of proactive, preventive, and reactive support, you'll get much more out of your application. Request the Functional Health Check now and start optimizing your EPM system.

Yes, I want that health check

Want to have more time for analyzing your results?

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