

Nonprofit Organizations' 5 Biggest Reporting Challenges



THE STAKES

The importance of modernized reporting for insurance companies

Juggling resource constraints in the face of your cause's mounting demands. Driving transparency and accountability to preserve the trust of donors and the board. Extensive requirements associated with restricted and unrestricted funds, grants, and programs.

Welcome to the complex world of nonprofit organizations, where dynamic environments place high demands on the finance function to provide timely, accurate reporting.

Unfortunately, many organizations are not properly equipped to meet these challenges. According to a recent CFO survey,

85% of CFOs said that while they have direct access to the data they need, they are spending too much time gathering that data, confirming its accuracy, and formatting reports.

This eBook examines how top-performing finance teams at associations, foundations, and museums, as well as cultural, faith-based, health and human services, education, and other nonprofit organizations have set up automated, self-service reporting to empower stakeholders with the data they need to make decisions.



Challenge 1

Eliminating slow, manual processes

CUSTOMER STORY



PLAYWORKS

“Our mission depends on a large community of folks who support our work. The less time we spend in the office trying to understand our financials, the more time we can spend out in the community building those relationships.”

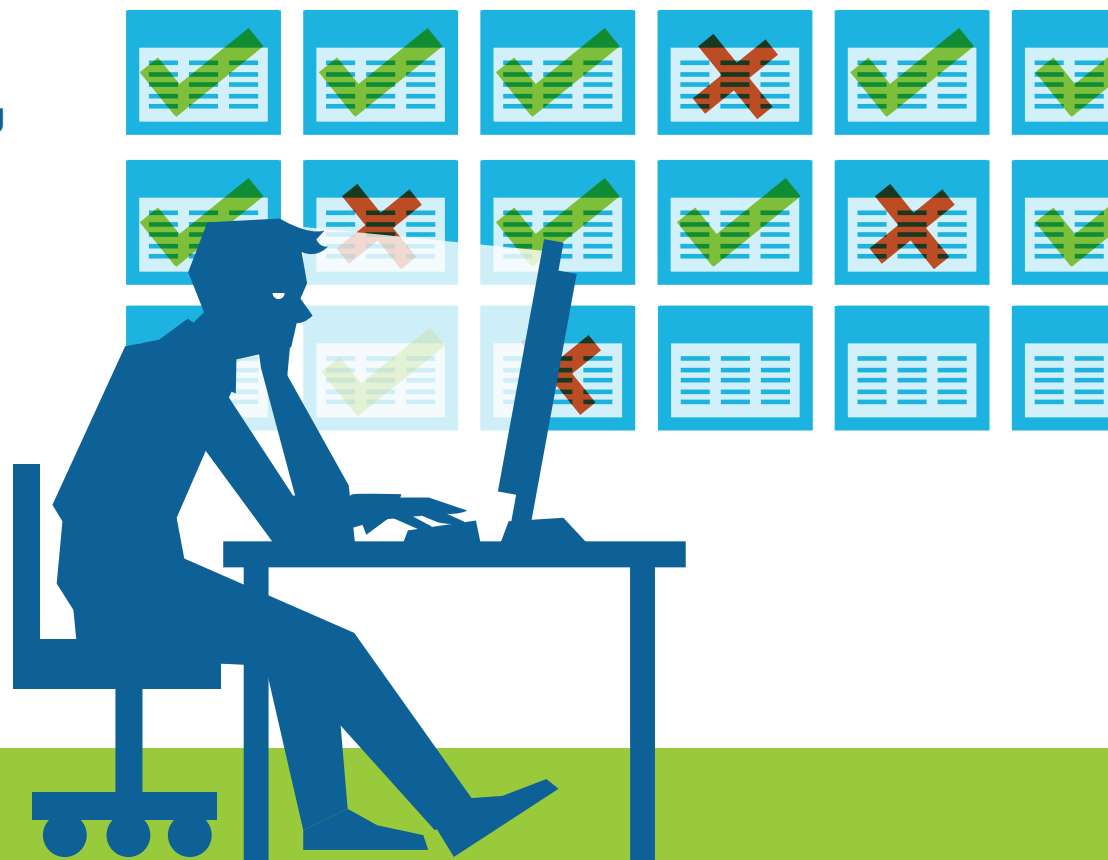
—President, Playworks

Excel is a great personal tool. But it’s not a platform upon which you can build a scalable reporting process. The manual and disconnected nature of spreadsheets makes producing and updating financial and operational reports both error-prone and time-consuming.

According to our CFO survey, almost 80% of CFOs admit that major business decisions have been delayed because stakeholders didn’t have access to data in a timely manner.

In a high-stakes environment, where you need to be fast and nimble, the last thing you want is a “CTRL+C” and “CTRL+V heavy process slowing you down or having finance teams waste valuable time verifying data.

Best practice: Use Excel, Word, or PowerPoint plug-ins to automate the “last mile” to the deck. Or, better yet, get rid of the deck entirely and replace it with a dashboard that’s connected to the underlying data.



Challenge 2

Getting to a 'single source of truth'

CUSTOMER STORY



ASSOCIATION FOR
FINANCIAL
PROFESSIONALS

"After using Adaptive Insights, I can't imagine ever going back to modeling and reporting with linked spreadsheets. We have saved over twenty weeks of time spent by the finance team on the budgeting, forecasting, and reporting process by moving to Adaptive Insights."

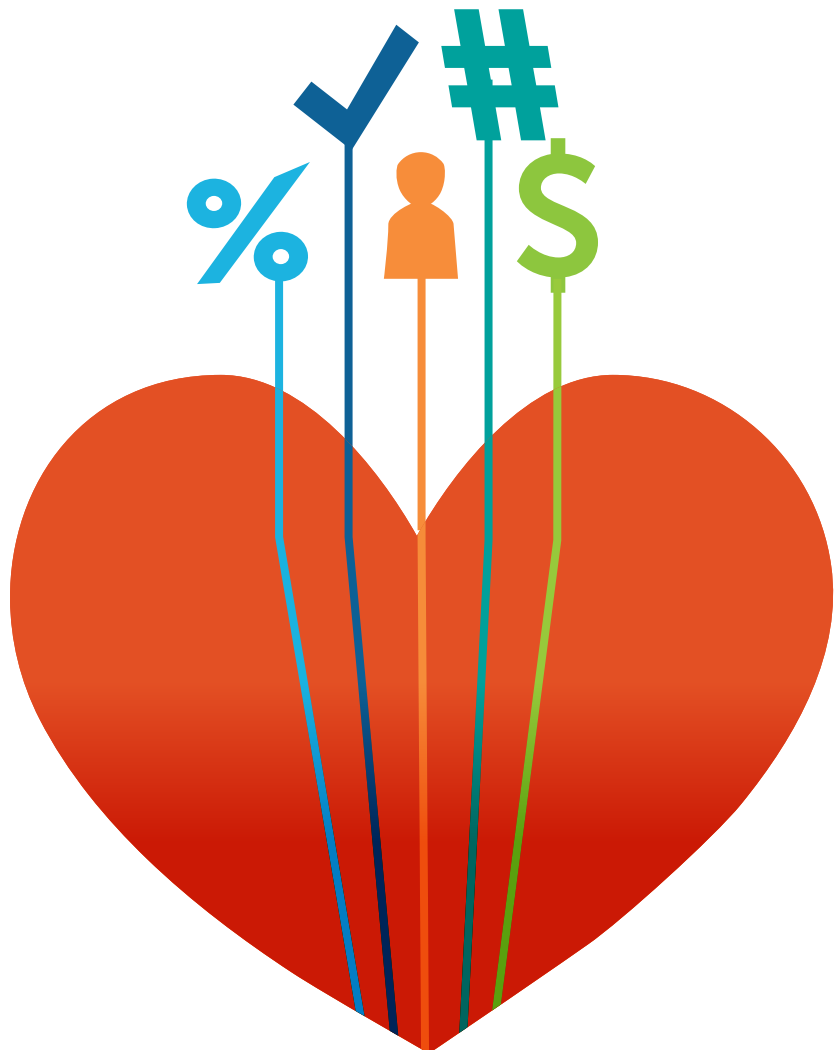
–CFO, Association for Financial Professionals

"Can you email me the latest version of the model? Was it 'v15_final' that we shared with the board?" Sound familiar?

Single-user spreadsheets create version-control nightmares as they're passed around for input and review, compromising efficiency and security.

The lack of a centralized reporting system introduces inconsistencies in metrics, data, and calculations—leaving finance teams to dig through emails and shared servers to piece together variances.

Best practice: Use a central repository to provide real-time access to a set of shared KPIs to keep the organization aligned on a plan and let everyone know how they are performing against it.



Challenge 3

Integrating data from multiple systems

CUSTOMER STORY



“We can quickly create reports, make changes on the fly, and even drill into account details at the transactional level. We can also group reports by specific locations and compare their performance. That’s key to understanding how to operate more efficiently.”

—CFO, Goodwill Industries of Denver

To effectively report on the health of a nonprofit organization, you need to monitor data from a diverse set of sources—grants, donations, ticket sales, events, programs in your ERP, donor and volunteer data in your CRM, and personnel rosters from your HR or payroll tools.

Many finance teams rely on Excel to manually aggregate data from disparate systems to create a single source of truth for reporting. While this approach technically “works” in terms of getting data from point A to point B, it is slow, error-prone, and difficult to scale.

In our recent survey, 77% of CFOs saw the lack of integrated operational and financial data as the single biggest technology hurdle standing in the way of getting actionable information for reporting.

Best practice: Connect planning and reporting tools directly to the underlying transactional systems so budget versus actuals variance reports can be refreshed automatically, and users can drill down to get the answers they need.



Challenge 4

Creating a collaborative culture

CUSTOMER STORY



“Staff [400 employees across 64 chapters] need an easy-to-access tool that provides the right information when it is needed. It allows people to get their jobs done efficiently and have confidence behind the numbers.”

—Vice President, FP&A,
Leukemia & Lymphoma Society

All too often program managers don't have sufficient access to the KPI data they need. This can create a lack of ownership or accountability for the results, as it becomes “finance's number” as opposed to their own.

In many organizations, chapter or program-level P&Ls can only be generated by a select few financial analysts as a one-off exercise. This creates huge bottlenecks—the capacity of these analysts to process requests—preventing data from being easily accessed by decision-makers around the organization who need it.

No surprise, then, that nearly three-quarters of CFOs identified collaboration as a top initiative.

Best practice: Empower program managers in local chapters with a dashboard that provides real-time, self-service access to data so they can measure the impact they are having on their mission without having to put requests into finance.



Challenge 5

Creating a visual narrative

CUSTOMER STORY

Ballet

SAN FRANCISCO BALLET
HELGI TOMASSON, ARTISTIC DIRECTOR

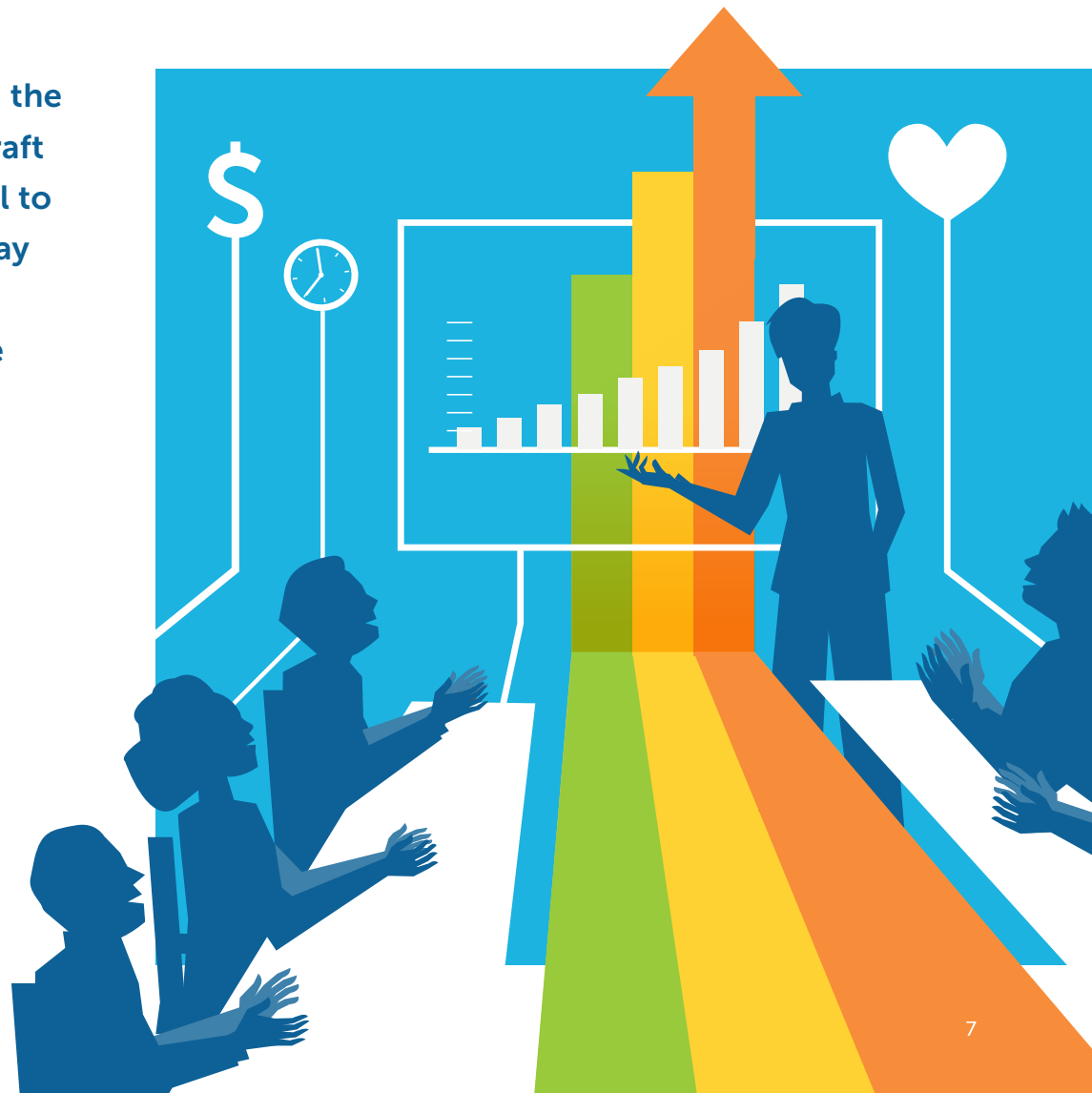
“Adaptive Insights has given me the data and the detail that I need to craft the story that I can tell to the artistic side in a way that they’ll hear, understand, and make actionable.”

—CFO, San Francisco Ballet

You’ve put together the financials and gathered all the operational data—research programs, fieldwork, grants, members, and revenue streams from ticket sales, the gift shop, donations, and education programs. Now you need to analyze it, explain variance, and identify where you may need to pivot.

Teams burning all their energy to merely compile results often have little time left for the value-added analysis needed to create a narrative for strategic decision-making.

Best practice: Looking at “walls of data” may work in *The Matrix*, but it won’t fly in a boardroom. Stick to charts, commentary, and a handful of critical numbers in a Word, PowerPoint, or dashboard format best suited for the occasion—so long as it updates when the underlying data changes.



BEST PRACTICES

Your path to better reporting

Modern cloud finance solutions like Adaptive Insights allow you to:

Provide a single source of truth. With a core set of operational and financial data that's common across your nonprofit organization, you can get everyone aligned on a plan and track how it is performing against that plan.

Eliminate manual data gathering. By centralizing reporting and automating data integration, you eliminate the need to hunt for and manually aggregate data, freeing you to focus on the analysis and providing stakeholders with the information required to make better, faster decisions.

Increase collaboration. Combine metrics and reporting with relevant commentary, making it easy to compare actual and expected performance and explain variances. When you can engage your business partners, everyone wins.

Tell a better story. Create and share customized reports and dashboards across your organization to provide an up-to-date, visually compelling narrative around results.

Ready to take action? We can help you and your team diagnose and treat your reporting challenges.

About Adaptive Insights

Adaptive Insights, a Workday company, is the global leader in cloud-based software for modern business planning.

Our Business Planning Cloud platform enables organizations of all sizes to respond to changing business conditions with confidence and agility. We transform the planning process into a strategic advantage for more than 4,000 organizations around the world with powerful modeling that's easy for everybody who plans. Adaptive Insights is headquartered in Palo Alto, CA.

To learn more, visit adaptiveinsights.com.