Different Ways to Define “Travel Time” Depending on Your View

- **Air-Traffic Control Definition**: Air Time: 5 hours
- **Supply Chain Definition**: Scheduled Takeoff to Scheduled Landing: 5.5 hours
- **Ground Traffic Control Definition**: Taxi to Taxi: 6 hours
- **Customer Service Definition**: Scheduled Takeoff to Actual Landing: 7.5 hours
- **Pilot Definition**: Door Close to Door Open: 8 hours
Management Reporting State of the Union

Average Number of Reports per Quarter

- **101.7** Standard Reports
- **65.7** Ad Hoc Reports

Average Number of Metrics per Report

- **27.5** Metrics

Percentage of Financial Versus Nonfinancial Metrics in Reports

- **19%** Nonfinancial
- **81%** Financial

Prevalence of Self-Service Reporting

- **32%** Self-Service Reporting
- **68%** Traditional Reporting

n = 382
Source: 2018 Gartner Management Reporting Benchmark

n = 389
Source: 2018 Gartner Management Reporting Benchmark

n = 77
Source: 2018 Gartner Management Reporting Benchmark

n = 299
Source: 2018 Gartner Management Reporting Benchmark

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Struggling to Get to Integrated Reporting

Distribution of Finance Organizations by Maturity in Management Reporting

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Basic, Calendar-Based Reporting</td>
<td>5%</td>
</tr>
<tr>
<td>Level 2</td>
<td>Calendar- and Need-Based Reporting</td>
<td>46%</td>
</tr>
<tr>
<td>Level 3</td>
<td>Interactive Reporting</td>
<td>38%</td>
</tr>
<tr>
<td>Level 4</td>
<td>Integrated Reporting</td>
<td>10%</td>
</tr>
<tr>
<td>Level 5</td>
<td>Integrated, On-Demand Reporting</td>
<td>0%</td>
</tr>
</tbody>
</table>

- **Level 1 Basic, Calendar-Based Reporting**
  - Produce reports on a calendar-based cadence
  - Compile basic performance data
  - Standardize report formats

- **Level 2 Calendar- and Need-Based Reporting**
  - Match frequency of provision with need
  - Determine tradeoff of speed and accuracy
  - Use simple charts and tables to display data in reports
  - Include basic trends in reports

- **Level 3 Interactive Reporting**
  - Create interactive reports with multiple views of data
  - Limit ad hoc reports to non-standard data
  - Call out variances and anomalies
  - Eliminate underutilized reports

- **Level 4 Integrated Reporting**
  - Supplement internal financial data with operational and macro data
  - Provide real-time access to financial data on request
  - Address only critical nonstandard requests

- **Level 5 Integrated, On-Demand Reporting**
  - Provide real-time access to data through self-service channels
  - Use advanced visualization tools and techniques
  - Embed advanced analytics into reports
  - Adopt AI and machine learning functionalities for enhanced support

n = 39
Source: 2018 Gartner Finance Score Diagnostic
Today’s Roadmap

Level 1
Basic, Calendar-Based Reporting

Level 2
Calendar- and Need-Based Reporting

Level 3
Interactive Reporting

Level 4
Integrated Reporting

Level 5
Integrated, On-Demand Reporting

Moving to Integrated Reporting
How do we ensure decision quality as reporting expands to integrate financial and nonfinancial data?

Source: Gartner
Big Shifts in Data Volume, Variety and Velocity

Dimensions That Characterize the Proliferation of Data That the Organization Uses

Illustrative

Data Velocity
Bandwidth is cheaper and faster

Real Time
Near Real Time
Periodic
Batch
Table

Data Volume
Dramatic improvement in storage technologies and costs

Dramatic improvement in storage technologies and costs

Data Variety
Significant increase in data sources and formats

Photo, Audio and Video
Text Data
Web and IoT Data
Mobile and App
Relational Databases
Semi-Structured Data
Excel Database
OLAP Cubes

Source: https://www.datasciencecentral.com/forum/topics/the-3vs-that-define-big-data; Gartner
Built for Accuracy, Not Decisions

Finance’s Performance on Reporting Accuracy

1. Accuracy of data produced throughout the process  > 99.4%

2. Number of postclose adjustments each month  2

3. Number of corrections each quarter  2

4. Number of significant deficiencies in the past two years  0

Finance Leaders’ View on Decision Readiness of Reported Data

- Supply Chain Report
- HR Report
- Tax Report
- Financial Report

“These reports are incompatible with each other — I’m not sure what conclusion to draw.”

Decision Maker

“We’ve solved for financial reporting accuracy, and our performance data is pretty clean, but it doesn’t help anybody make a decision.”

CFO

Controller

n = 90 heads of accounting
Source: 2017 Gartner Record to Report Benchmarks

Source: Gartner
The Importance of Decision Ready Data

Likelihood of Attaining Key Outcomes
By Decision Readiness of Performance Data (Assessed on 7-Point Agreement Scale)

1. Quickly Terminating Poorly Performing Projects
   - < 6 on Decision Readiness Scale
   - ≥ 6 on Decision Readiness Scale
   - 4.8x

2. On-Time Project Completion
   - < 6 on Decision Readiness Scale
   - ≥ 6 on Decision Readiness Scale
   - 2.4x

3. Quickly Investing in New Opportunities
   - < 6 on Decision Readiness Scale
   - ≥ 6 on Decision Readiness Scale
   - 5.3x

4. Taking Out Unnecessary Costs
   - < 6 on Decision Readiness Scale
   - ≥ 6 on Decision Readiness Scale
   - 3.6x

5. Financially Sound Everyday Decisions
   - < 6 on Decision Readiness Scale
   - ≥ 6 on Decision Readiness Scale
   - 2.8x

Decision Readiness Indicators
- Up-to-date data
- Data explains financials
- Completeness of data
- Consistency in different views of data
- Availability of new forms of data
- Low effort in organizing data for analysis
- Data truly reflects performance

n = 299 decision makers
Source: 2019 Gartner Data Management Model

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The Data We Report Is Not Decision-Ready

Percentage of Finance Leaders and Decision Makers Agreeing That Performance Data Reported by Finance Meets the Following Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Finance Leaders</th>
<th>Decision Makers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Is Up-to-Date</td>
<td>32%</td>
<td>26%</td>
</tr>
<tr>
<td>Data Explains Key Financial Outcomes</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>Data Is Complete</td>
<td>28%</td>
<td>21%</td>
</tr>
<tr>
<td>Consistency in Different Views of the Data</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>Availability of New Forms of Data</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>Low Effort in Organizing Data for Analysis</td>
<td>14%</td>
<td>9%</td>
</tr>
<tr>
<td>Data Truly Reflects Performance</td>
<td>12%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Decision makers use performance data that is ...
1. Multidimensional (Financial + Operational + External Data)
2. A combination of raw data, reports and analysis
3. Always-on, accessible with varying frequency
4. Drawn from sources with varying levels of data quality

The misalignment between finance reported data and performance data used by decision makers increases likelihood of different interpretations and introduces inconsistency in decision making.

n = 120 finance leaders; 299 decision makers
Source: 2019 Gartner Data Management Model
Single Source of Truth

Definition and Overview of Single Source of Truth

Single Source of Truth:
Promote greater use of performance data from a centralized, finance-governed source.

1. Sample Source Systems
   Central repository for performance data

2. Data Repository
   Finance-led governance of performance data

3. Reports and Internal Tools
   Finance-approved numbers loaded into reports and internal tools

n = 299 decision makers
Source: 2019 Gartner Data Management Model
Single Source of Truth Can’t Keep Pace

Decision Readiness of Performance Data Over Time

Under Single Source of Truth

Decision Readiness Increases When:
- Organizations are unable to aggregate data across silos.
- Organizations cannot compare data and prioritize across silos.

Decision Readiness Decreases When:
- The level of data granularity required for everyday decisions increases beyond what Single Source of Truth can provide.
- The volume of data and number of decision makers grows beyond what a Single Source of Truth repository can serve without compromising security or relevance.
An Alternative: “Sufficient Versions” of Truth

Definition and Overview of Sufficient Versions of Truth

“Sufficient Versions” of Truth:

Make informed trade-offs between the cost of bad data and the effort of additional data governance to enable ownership to reside with distributed data owners.

1. Sample Source Systems
   Finance supports distributed data owners, providing guidance on which data to govern and the extent of governance.

2. Data Repository
   Multiple data repositories with universal data catalogues and clarification of acceptable inconsistencies across datasets.

3. Reports and Internal Tools
   Curation of existing and new forms of performance data according to value driver map into reports and internal tools.

Source: 2019 Gartner Data Management Model

n = 299 decision makers
Why Sufficient Versions Work Better

Attributes of Sufficient Versions of Truth Relative to Single Source of Truth

**Single Source of Truth ...**

- Encourages users to go outside the data in management reports as decision makers are unable to meet their information needs with the lagging and incomplete data available via Single Source of Truth.

- Forces finance to govern all reported data to Single Source of Truth standards, even when that data is fundamentally unsuited for that level of treatment.

- Sustains an inherent focus on accuracy as the overriding objective for performance data, leading to low-ROI data quality initiatives.

**Sufficient Versions of Truth ...**

- Creates trust among all parties that internal reports will provide sufficient guidance for key decisions by creating space for more intuitive data to be incorporated alongside highly governed data.

- Allows for a sustainable governance infrastructure as distributed data ownership grows and important performance data resides in systems not easily accessed by finance.

- Focuses data quality improvement efforts on areas of highest ROI by incorporating data context in decision making as a fundamental consideration.

Source: 2019 Gartner Data Management Model
Today’s Roadmap

Preparing for the On-Demand Future

How will the role of finance change as users access data in self-service, on-demand fashion?

Level 1
Basic, Calendar-Based Reporting

Level 2
Calendar- and Need-Based Reporting

Level 3
Interactive Reporting

Level 4
Integrated Reporting

Level 5
Integrated, On-Demand Reporting

Source: Gartner
Big Demand for On-Demand Reporting

Percentage of Organizations Using Traditional and On-Demand Reporting, Current Versus Ideal

- **Current Reporting Approach**
  - Traditional Reporting: 67.6%
  - On-Demand Reporting: 32.4%

- **Ideal Reporting Approach**
  - Traditional Reporting: 21.0%
  - On-Demand Reporting: 79.0%

n = 299 decision makers
Source: 2019 Gartner Data Management Model
Reports Are Becoming On-Demand Dialogue

Comparison Between Current State and Future State Reporting

<table>
<thead>
<tr>
<th>Current State Reporting</th>
<th>Future State Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pulls Report</strong></td>
<td><strong>Pulls/Reconfigures Data</strong></td>
</tr>
<tr>
<td>• Requires training on organization/familiarity with terminal</td>
<td>• Requires data manipulation skills</td>
</tr>
<tr>
<td>• Time drain</td>
<td>• Additional time drain</td>
</tr>
<tr>
<td><strong>Submits Request for Report</strong></td>
<td><strong>Pulls/Reconfigures Data</strong></td>
</tr>
<tr>
<td>• Waits to be in finance’s queue</td>
<td>• Nonstandard, ad hoc reporting take additional time to complete</td>
</tr>
<tr>
<td>• Additional time waiting for a response</td>
<td><strong>Package/Deliver Response</strong></td>
</tr>
<tr>
<td></td>
<td>• Additional finance staff required to respond</td>
</tr>
</tbody>
</table>

Option 1

- Real-time access to response reduces wait time, increasing report timeliness
- Natural language interface provides access to non-technical users
- Continuous dialogue enables additional exploration by the decision maker
- Machine-generated insights and narratives highlight important data

Option 2

- Additional finance staff required to respond

Source: Gartner
Example: Enable Decision Makers to Query Data

Mobile Conversational Chatbot With Sisense

- User-friendly interface to access data
- Real-time response to user queries
- Specific, customized report based on user question
Example: Push Intelligence to Decision Makers

Virtual Personal Assistant With ClearStory

Source: Adapted from ClearStory

Nonstatic reports, easy access drill-down

Access to data without queries through data “pushes” to decision makers
Example: Create Stories, Not Data Dumps

Illustration of Natural Language Storytelling in Action

- Autopopulated, natural-language narrative of the data
- Highlights insights not explicit in charts/graphs
- Explains what the numbers mean

Source: Adapted from tableau

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To-Do Propositions

- Get **organizational buy-in for Sufficient Versions of Truth**. Share what you have learned about data management strategies with finance stakeholders.

- Socialize the concept that some data is adequate for certain decisions and contexts but not others, and that the organization has **principled frameworks for helping end users** navigate that distinction.

- Define the **competencies that your finance team will need to improve** on in order to provide meaningful partnership in an on-demand, self-service information environment. Assess whether you can adequately train for those competencies or if you will need to hire new skills to improve your team’s baseline.

Want to learn more?
Watch the [webinar on-demand](#) to dig deeper into this presentation.
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