The Future of Financial Reporting
Leveraging Digital Technologies to Drive Insight
Digital Disruption

A handful of digital technologies are coming together to help reshape how organizations can do reporting. We’re seeing the early signs of all these technologies being adopted.

**RPA**
Robotic process automation (RPA) software shortens the time companies spend on data manipulation by automating routine tasks.

**Chatbots**
These dedicated virtual assistants enable users to interact directly with data using voice or text queries.

**Visualization**
These now familiar tools allow people to display and play with data dynamically, so it’s easier to understand and interact with.

**Artificial intelligence**
This collection of technologies includes natural language tools that can read and write, as well as machine learning.

**Predictive analytics**
This statistical technique uses algorithms to execute forward-looking analysis—especially routine financial forecasts.
Digital represents opportunities to quickly explore massive amounts of information and distribute knowledge wherever it needs to go. Digital shifts are driving operational improvements and changing expectations for adding insight.
The Current Predicament

Many organizations are spending too much time on reporting and not enough time communicating with their stakeholders.

- Creating and updating reports: 48% current, 3% preferred
- Analyzing and interpreting information: 32% current, 27% preferred
- Interacting and communicating with the business: 18% current, 69% preferred

(n=613) Source: Deloitte Analysis
If we **fast-forward** into the future, what will reporting likely look like in five years?

- **Finance staff will likely be insight generators, not report builders.**
- **The talent pool in Finance could expand to include business people with finance backgrounds, data scientists, and storytellers.**
- **Reporting will likely be intelligent, interactive, and real-time.**
Finance will likely use cognitive tools to help drive operational efficiency, deliver better insights, enhance decisions, and help consume and interpret larger volumes of structured and unstructured data.

**Robotics & Cognitive Automation**

Enabling smart applications to replicate human actions and judgement with robotics and cognitive technologies

**Cognitive Insights**

Identifying growth, diversification and efficiency opportunities via large-scale organization intelligence platforms with pattern detection and the ability to analyze multiple data sources

**Cognitive Engagement**

Use of intelligent agents and avatars to deliver mass personalization at scale and smarter, more relevant insights to amplify end user experience

- Natural language processing
- Reinforcement learning
- Handwriting recognition
- Augmented/virtual reality
- Robotic process automation
- Information retrieval
- Voice recognition
- Speech synthesis
- Image recognition
- Natural language generation
- Text analytics engine
- Virtual decision advising
- Semantic computing
- Probabilistic inference
- Machine learning
- Textual entailment
Reporting will be Intelligent – Cognitive Finance

Machine learning platforms have the potential deliver highly accurate, automated forecasts based on massive amounts of historical data through....

**Training**
Input historical data for the model to identify drivers via a correlation matrix and train the model

**Prediction**
Input current period information; using trained model, the tool will complete current period forecasts

**Visualizations**
Create current period forecasts in user-friendly outputs, as well as ability to understand key drivers of forecasts
PrecisionView™: Sample Visualizations
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Reporting will be Interactive – Cognitive Engagement

Finance will likely use tablets and phones to navigate information at their own pace and in any way they want. Chatbots will allow Finance to conduct an “intelligent” conversation with software using either text or speech or both.

**COGNITIVE TECHNOLOGIES**
- Expands Finance labor force with a 24x7 resource
- Provides a unique platform to engage internal and external users in the use of cognitive technologies like NLP and NLG.

**STAND OUT FEATURES**
- Pre-built library of connections for Enterprise & Financial Systems
- Provides integration with a range of AWS solutions and other cognitive technologies

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<th>Used for...</th>
<th>Quick answers to common questions</th>
<th>Access to data</th>
<th>Self-service first-call resolution, access to knowledge</th>
<th>Make every user a power user</th>
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<tr>
<td>Solution Type*</td>
<td>Simple chat bot</td>
<td>Intelligent chat bot</td>
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<td>Example &amp; Use Cases</td>
<td>FAQs on submitting expense reports</td>
<td>Look up the status of an expense report</td>
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<td></td>
<td>FAQs on how to install S/W (SmartView)</td>
<td>Look up the sales number and execute jobs</td>
<td>Provides insights into the details of the sales numbers</td>
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Reporting Today

CFO

Are we on track for the management review meeting next week?

Not quite. We’re having trouble getting a good set of numbers out of Europe. I know Project Radius for our German R&D Center is going live in a month’s time, but it looks like the data is a mess. I can’t seem to get a good sense of where we are against budget.

You

Sounds familiar. Do you know when we’ll have that data?
You know the CEO wants an update on Europe, right?

I think we should be done in a week. I have my most senior analysts working on it. We’re cutting it close but I want to make sure we have the right information.

You

Keep me posted. I’d like to review this information before I have to actually present it.

We’re doing our best.
Year-to-date actual spend is $7.2M and is tracking under budget by $300K. The under-spend is attributed to lower spend on computer and networking equipment.

Alfred, show me the computer and networking equipment budget for FY18 for Project Radius with comparisons to Project Jaguar for the same period.

Here are the charts you asked for. I’ve also emailed you a PDF file for future reference.

I gotta say. This guy Alfred is just about the coolest thing I’ve seen come out of Finance in forever. Good job getting him up and running. Can he deliver that Europe budget vs. actuals drill-down we talked about?

It’ll be in your inbox in five minutes.
Why Reporting will Evolve

**Cost**
The savings organizations can see as reporting evolves will be real and sustainable. Organizations will be reducing human labor significantly—and delivering reports more efficiently.

**Value**
The potential for value creation from improved reporting is even more promising. Finance is supposed to help the business uncover insights. That can’t happen when people are bogged down with spreadsheets, reconciling data between systems, or assembling massive binders.

**Customer Demand**
How many leaders served by Finance will stand up and say that Finance has had a significant and consistent impact on the quality of their decision-making? That’s hard to find today, but it’s much more likely tomorrow.
Tips for Getting Started

People lessons

- Focus on customers, especially the user experience
- Don’t over-promise
- Show, don’t tell
- Reassure your people

Technology lessons

- Breathe
- Take small steps
- Get your data house in order
Thank you.

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