



INTELLIGENT FINANCE

Put Your Bank's Data to Work

Six best practices to deliver a future-ready data strategy.

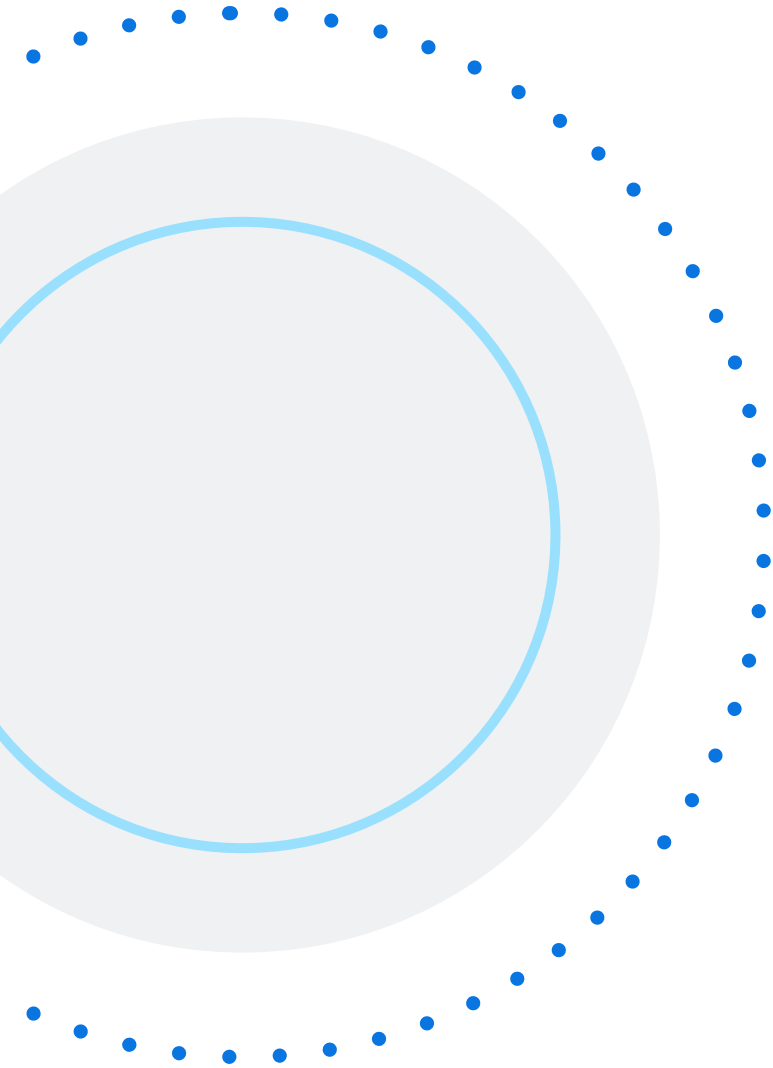


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Introduction.

Data is the lifeblood of any modern financial institution. A company's ability to unlock the true value of data is crucial for gaining—and sustaining—competitive advantage, especially as banking leaders navigate a near-constant barrage of disruptive market forces, swift regulatory changes, and industry consolidation.

Taking nimble, surefooted action in this rapidly evolving landscape requires leaders to have accurate, accessible, decision-ready data at their fingertips. However, many banks find this out of reach because they are burdened with complex data architectures and data siloed across multiple legacy systems and best-of-breed applications, often in inconsistent formats and with varying levels of transaction detail.

As CFOs increasingly step into a broader, more strategic role at banking institutions, finance—positioned at the intersection of strategy, operations, and financial data—is uniquely equipped to help banks leverage data at scale and reap its many benefits. Indeed, finance is under more pressure than ever to serve as the data steward for the organization, and the rapid advancements and mind-boggling potential of AI only add to this urgency.

Accounting and FP&A teams within the banking industry are already developing AI and machine learning (ML) use cases to assist with everything from due diligence and compliance checks to touchless invoice processing and journal anomaly detection. AI-empowered accounting processes can also expedite the close process, identify emerging trends, and enhance strategic decision-making, ultimately empowering finance to drive even more value across the organization.

Still, AI can only deliver outputs as good as the data it's provided. And without a future-ready data strategy, it will be impossible for finance teams within financial institutions to harness the full transformative potential of AI—or even tap the true value of their existing data.



It's clear that financial institutions must evolve to thrive, and many have already started this journey. According to recent KPMG research, the majority of top-performing organizations are not only focused on operationalizing internal data but also on integrating external data to enable real-time insights and drive finance transformation. Moreover, they're spending two to three times more on data analytics and decision support than the industry average.

To continue progressing, leaders need to ditch ad hoc fixes and "lift and shift" solutions in favor of a clear data strategy and a flexible platform that can operationalize data, ensure easy access for all relevant stakeholders, and maintain security and privacy. They also need to move beyond cumbersome fixed accounting keys that hinder insight and fail to adapt as business evolves.

Read on to learn how finance leaders within banking can lead the charge toward becoming a true data-driven financial institution.

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The banking world is facing more change than ever amid issues of bank failures and liquidity concerns, persistently high interest rates, a sustained focus on M&A, and more. To manage it all—to anticipate consumer behavior and support growth while continuing to protect their business—finance leaders need a multidimensional view of their business and data-driven insights that help them remain agile.

Jim Gahagan

Senior Industry Director, Financial Services Solution Marketing, Workday

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Today's volume and variety of data creates a pressing need to build a strong culture of data in financial services. Sorting through the data problem creates a significant and long-lasting stream of benefits.

Karim Haji

Global Head of Financial Services, KPMG UK



45%
**of financial services
executives cite data
quality and availability
as their biggest
challenge ¹**

Unify and contextualize data for a single source of rich, real-time truth.

Why it matters.

The more detailed the data, the better you understand what's happening in your business, allowing for deeper insights. However, legacy systems, which were designed to automate and simplify financial reporting, tend to summarize transactional data, leaving out much of the original transaction information. As the accounting process unfolds, the data is stripped of its transactional details, leaving only the balances to be stored by an accounting key.

At the same time, pulling data together is no trivial task. Banks often have multiple operational systems that use different data formats and structures; for example, the system designed to handle car loans might be different from the one that handles mortgages. Mergers and acquisitions—a common growth driver in financial services—along with business unit or geographic preferences, can add even more operational systems to the mix. And when accounting teams augment these rigid, linear systems with data warehouses, business intelligence solutions, and reporting tools, the dizzying complexity of the bank's data architecture only increases.

This complex patchwork requires considerable effort for data reconciliation, slows down decision-making, and exposes the business to risks associated with data duplication. What's more, since only balances are stored by the accounting key, the data often lacks the level of detail or dimensions that accounting teams need for comprehensive and timely analytics.

Get it done.

Banks need an enterprise management cloud that unifies all their finance and operational data while maintaining the data's full dimensionality. Transactions made in one area should be immediately reflected in other areas, eliminating the need for data reconciliation.

Look for a solution that ingests and enriches data from business transactions, and transforms it into accounting. With a single data hub that includes all actuals with rich dimensionality and blended operational details, banks can easily drill down to source data, resolve variances, and make corrections. Instead of toggling among the general ledger, spreadsheets, and business intelligence tools, leaders can analyze their business from the core accounting system.

To enable real-time analysis, banks need a platform that eliminates the need for a fixed accounting key. That's because a static key—requiring manual data movement and summarization—fundamentally erodes the data and dimensionality needed to plan predictively. To move forward, banks need a flexible and dynamic approach that keeps data intact and in the hands of accounting, delivering unmatched granular insight into the system of record that's powered by a single analytical engine.

When it comes to generating real-time insights into profitability, spend, liquidity, and more, banks need data that is unified and multidimensional. The right approach means less reconciliation, redundancy, and system maintenance, while providing secure access to high-quality data that can help banks minimize risk and promote better decision-making.





63%

of finance leaders
acknowledge that their
company's data is
somewhat or
completely siloed ²



77%

of financial services
executives feel that
reconciling data
issues requires
significant effort ³



1 in 5

banking institutions
still require more than
1 week to complete
their financial close
each month ⁴



KPMG insight.

Because banks operate multiple systems for different lines of business, an accounting center solution acts as a centralized platform that integrates these disparate systems, ensuring data consistency and accuracy across the bank. This integration is crucial for providing a unified view of financial operations, simplifying internal processes, and enhancing the reliability of financial reports.

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With Workday, we were able to consolidate five general ledgers into one single ledger and reduce three data warehouses into one. Centralizing has been key to helping us manage and see data quickly. We now send exhaustive expense reporting for our executive leadership team on a daily basis—whereas before it was a two-week process.

Chief Accounting Officer, SiriusPoint

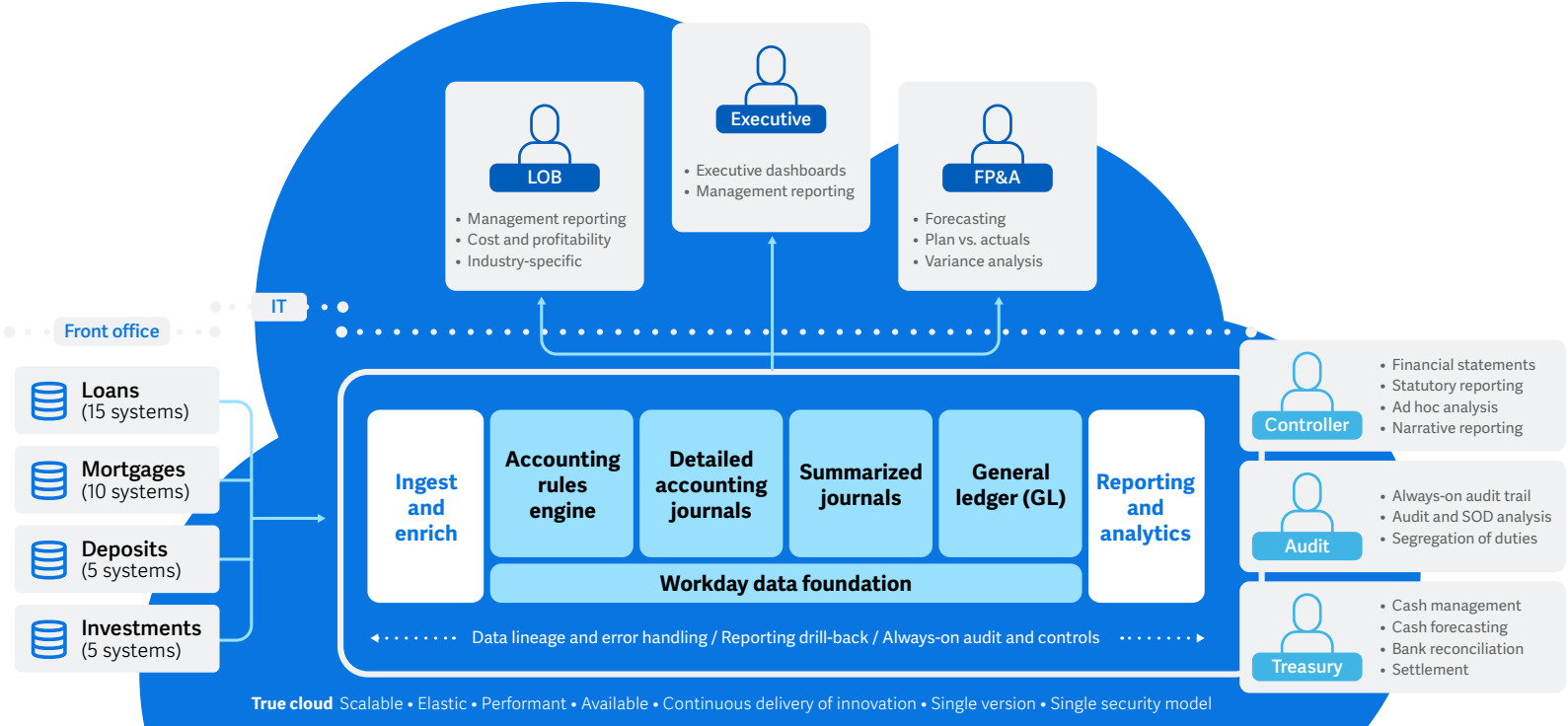
How Workday can help.

Workday brings together your financial and operational data in an intelligent data core, leveraging the power of Workday Prism Analytics. This enables banks to ingest, transform, and—when needed—create accounting from any source while providing greater control over data management.

With the third-party revenue and expense system data integrated, Workday Accounting Center automatically transforms it into detailed accounting, then summarizes and posts it to the general ledger. This helps speed up the accounting creation process and provides a complete and multidimensional view of the business.

With all of this happening in the intelligent data core, Workday greatly reduces the number of feeds and reconciliations necessary for reporting and analytics. Banks can easily ingest high volumes of operational data, add simple or complex calculations to enrich that data in the system of record, create associated accounting, and provide rich analytics and visualizations—all while remaining connected to the general ledger.

Accounting and reporting are performed in-memory, which reduces the time spent waiting for batch processes or running reconciliations, providing you with a view of consolidated results at any point in the period.



Build a robust, extended data ecosystem.

Why it matters.

Data volumes are growing exponentially, driven by rising business complexity, new regulations, and the relentless pursuit of more granular analysis to gain a competitive edge. Within this shifting landscape, banking leaders are expected to take a more expansive view of their risk variables and manage a growing number of topics, including environmental, social, and governance (ESG) concerns.

But this expanded mandate adds even more information to banks' mountains of disparate data. What's more, these new data sources can be unstructured and uncodified, making them difficult to transform and integrate, exacerbating the dilemma for finance teams trying to glean valuable insights.

As they confront these overwhelming data volumes, many businesses convert only 18 months or fewer of historical data when they move from their on-premise system to the cloud. And frequently, the data that is converted maintains only summary-level information in the general ledger, limiting users' ability to fully report and analyze historical trends.



Get it done.

To get the most from their data, banks need to securely bring it all together—this means integrating all historical and new data. A modern finance platform should blend internal and external data to deliver a multidimensional view of the business. It should seamlessly integrate real-time financial transactions and historical data from legacy systems, as well as operational data from industry-specific or homegrown solutions. Additionally, the platform should go beyond data integration to enrich both internal and external data and transform it into accounting within the system of record—owned and managed by the accounting team.

Equipped with this data hub, banks' finance teams can offer executives and decision-makers a richer, multidimensional view of the business; centralize relevant information to reduce reconciliations and streamline core accounting processes; and respond quickly to new business needs and questions, all while maintaining consistent security and data integrity.

The right data strategy also allows banks to deliver huge volumes of data signals to AI-enabled systems that can reduce friction, speed up accounting processes, detect anomalies, and deliver recommendations.



KPMG insight.

An accounting center solution helps ensure that financial data across all bank operations is processed and reported accurately and in compliance with financial reporting standards. The solution centralizes financial operations, making it easier to adapt to and comply with regulatory changes and audits.

How Workday can help.

Workday Prism Analytics is a data hub built directly into the system of record that lets banks seamlessly and securely blend any data source—including external and third-party data—with their trusted data already within Workday. Bringing together data from their entire data ecosystem helps banks surface insights from disparate data sources to make better decisions and drive optimal performance.

For example, finance teams at banking institutions can:

- Slice and dice loan portfolios by external collection risk scores, loan origination details by each individual branch, loan portfolio holdings by state, and consumer loan payments by each and every loan portfolio
- Blend financial data with external investment accounting information and external foreign exchange hedging details in a single treasury dashboard for timely visibility into all prior-day and current-day cash positions across financial institutions
- Tap historical data to develop a trended P&L report to run variance analysis, meet regulatory requirements, and identify correlations and trends



Customer success: transforming automation at loanDepot.

Since its launch in 2010, loanDepot has revolutionized the mortgage industry with a digital-first approach that makes it easier, faster, and less stressful to purchase or refinance a home.

As loanDepot pursues a zero-day close, the finance team has automated processes for the 10,000+ loans it manages each month. And that progress has already paid off: loanDepot reduced loan-level financial reporting time by 50%, and the recovery rate on related loan receivables jumped by at least 40%. While the finance team used to spend 6 to 8 hours daily uploading standard mortgage-related entries, it is now able to handle the task in about 30 minutes with Workday Accounting Center.

By implementing Workday solutions, loanDepot can:

- Ingest, enrich, and calculate data from multiple systems
- Manage hundreds of thousands of data points per loan
- Reduce reporting time by over 50%
- Achieve goals and drive partnership with business leaders

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With Workday Accounting Center and Workday Prism Analytics, our fair valuation process went from about 45 to 50 hours down to about 12 hours. We see Workday Accounting Center as the path forward for our automation.

SVP Accounting Systems, loanDepot

Democratize in-the-moment insights without compromising data integrity.

Why it matters.

Many finance teams are stuck working in legacy systems that separate data and BI tools, requiring users to constantly port data back and forth. This slows analysis, creates opportunities for error, and prevents anyone who's not an IT expert or data scientist from generating high-value insights on their own.

A unified source of truth democratizes data analytics and empowers the entire workforce by putting intuitive tools at their fingertips. With the right solution, finance teams and business unit users alike have easy access to the right information, enabling them to anticipate change and act quickly to seize opportunity.

But democratizing data must be executed within a sophisticated security model, ensuring that data is accessible only to the right people and is fully auditable. Every transaction needs to be tracked, and every action logged to preserve unimpeachable audit trails—all without slowing system performance or creating more work.

Get it done.

To grant people the right level of permission, banks need a solution with a configurable security model based on each individual user and applied to every field of every detail record. Tools such as roles, security groups, and business process configurations should be available to enforce security protocols, while a detailed audit trail should record every system movement with user identities and time stamps.

The right platform should also use the same access model across user interfaces, APIs, and integrations to eliminate “backdoor” access that causes significant security risks in legacy systems.

With individualized permissions and secure access points, everyone within a bank can access insights in a way that makes the most sense for their needs, while significantly reducing the risk of security breaches and data leaks.

Customer success: putting insights at users' fingertips at Coventry Building Society.

With Workday security protocols firmly in place, Coventry Building Society, the UK's second-largest building society, created instant access to its data, empowering employee self-sufficiency.

With Workday, Coventry Building Society:

- Eliminated 23 manual processes on day one
- Increased standardized and self-service reporting by 16x
- Established instant access to real-time data



You used to have to trawl back to the core banking system and try to extract reports from it directly. Now we can interface with the core system via Workday Accounting Center to drill down straightaway at a transactional level.

Director, Finance Operations, Coventry Building Society

How Workday can help.



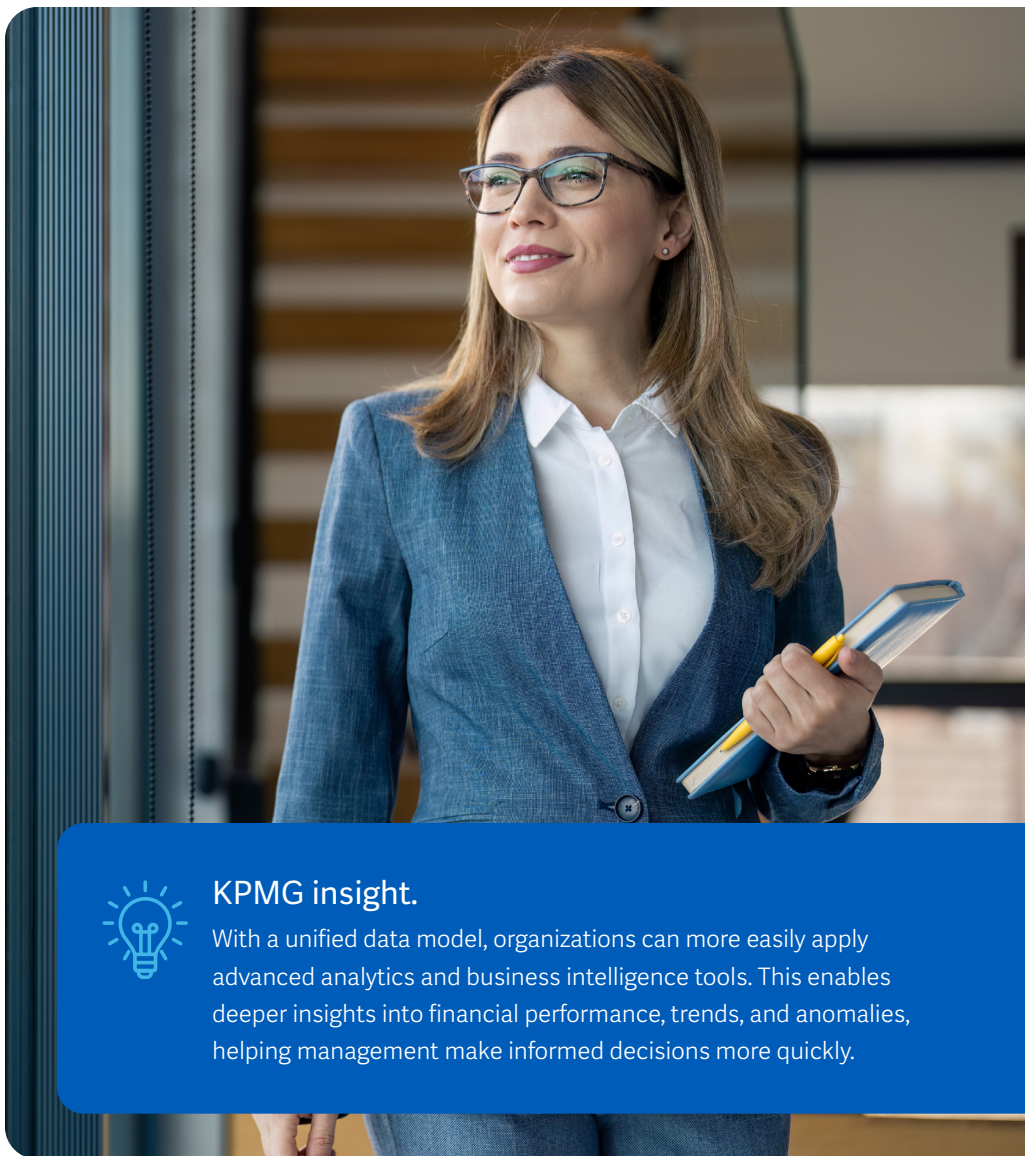
Consistent security model: The Workday security model enables users to see only what they're supposed to see. As organizational and data structures change, Workday automatically updates reports to reflect the changes, helping you to move fast while keeping your stakeholders informed and your data secure.



OfficeConnect Microsoft Excel add-in: With Workday, you can create, share, and maintain live and secured general ledger reports in a desktop spreadsheet experience with the OfficeConnect Microsoft Excel add-in. This helps you quickly analyze financial data and use Workday business logic, such as consolidation and translation, in finance's most natural workspace. OfficeConnect uses a drag-and-drop experience that allows you to perform multidimensional financial analysis with minimal training while ensuring data integrity.



Contextual analytics: By connecting reporting and analytics directly with transactions, Workday provides analytics within the context of workflows to help users make more informed decisions. For example, notifications about customer invoices include an aging analysis for the account, and expense reports include analytics about the employee's prior reports.



KPMG insight.

With a unified data model, organizations can more easily apply advanced analytics and business intelligence tools. This enables deeper insights into financial performance, trends, and anomalies, helping management make informed decisions more quickly.

Speed decision-making by allowing those closest to the business to govern data.

Why it matters.

In siloed legacy systems, every tool handles only a small portion of the overall process. As a result, banks often use clunky integrations to extract data and post it to the general ledger.

This disparate technology creates a complicated technical landscape filled with multiple ERP systems, ETL tools, BI solutions, and middleware—all owned by IT. Accounting and finance leaders, therefore, are significantly dependent on IT service requests to integrate data and deploy logic changes and system updates. Data extraction also creates a ledger that lacks source data, preventing finance leaders from drilling back to efficiently resolve variances, determine risk, or explore drivers that impact results.

This needlessly increases complexity, complicating overall financial reporting while delaying insight. By the time information is accessed, reconciled, and formatted, it's already outdated and unusable.



Get it done.

To create an accessible, efficient, and scalable data pipeline, banks need cloud-based solutions that can be easily adopted and configured by business leaders—no coding required.

Workday Accounting Center streamlines organizational data by providing a single point of maintenance for accounting rules across all operational activity, whether data is sourced from Workday or external systems. It also shifts ownership away from IT, giving finance responsibility for implementing and maintaining critical components such as the financial data model, accounting rules, mappings, calculations, and metrics.

Moreover, Workday provides finance with the ability to configure and control the data, with APIs that connect to middleware and external applications. This allows bank executives to prepare and process data for reporting, analytics, and planning without coding.

With Workday, finance teams gain more control over critical business processes, while IT teams can shift attention from time-consuming updates to higher-value activities. The result? Deeper analysis, faster planning, and better decision-making across the organization.



KPMG insight.

By providing access to real-time data from various sources while eliminating the need for manual consolidation, a unified data hub accelerates analytics and reporting processes, enables more accurate and timely decisions, and frees up valuable resources for other strategic initiatives.

How Workday can help.

Designed for accounting and finance, Workday provides oversight into data transformation so you can monitor data as it moves from ingestion through reporting, modify accounting rules, and continuously track changes with always-on audit trails.

Workday Prism Analytics empowers business users by making it easy to:

- Create and maintain data transformation pipelines with an intuitive interface
- Apply join, union, group-by, and filter functions to datasets
- Build computed fields by leveraging a rich function library
- Preview data transformations to ensure data is as expected
- Get a visual profile of fields in the dataset to understand statistics

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Workday Accounting Center enables finance organizations to connect financial and operational data in an easy-to-use way, providing more value and insights to the businesses they support.

Mike Bambo

Director, Advisory Enterprise Solutions, KPMG US



Maintain a future-ready posture with embedded AI and advanced analytics.

Why it matters.

To maximize context for decision-makers while minimizing time-to-action, data needs to be embedded into the core of the platform in which transactions and analysis take place.

This becomes even more important as AI technology expands. When data exists in silos, AI has no single source of truth to learn from, leading to questionable results and reduced user confidence.

By leveraging a platform with embedded AI and ML that continuously learn from all available data, banks can rapidly deploy new automation capabilities at scale. And because AI improves with usage, this approach allows the technology to get better faster, driving even more innovation and time-saving opportunities.

Organizations that leverage AI and advanced analytics can eliminate the manual work of transforming data into accounting; enable automated predictive analysis around revenue, expenses, and other variables; and easily compare automated forecasts against finance teams' forecasts to detect variances and problems—all while saving time and staying future-focused.

61%
of banking technology
leaders believe gen AI and
AI and ML will be critical
to enabling the business
to achieve its short-term
ambitions ⁵

Get it done.

Banks should ensure AI is built on a high-quality data foundation by looking for a platform with a unified intelligent data core combined with comprehensive reporting and analytics tools. Organizations should also establish clear AI use cases, ethical boundaries, and a strategy to move quickly.

With embedded AI and analytics, banks can render mundane tasks obsolete while processing higher-volume transactions faster and more precisely. Specifically, banks can effortlessly:

- Complete expanded variance analysis, including interest rates, bankruptcies, chargebacks, days past due, and FICO scores
- Conduct productivity and performance analysis of individual loan officers and associates
- Calculate client retention

The right advanced analytics capabilities should allow banks to blend and analyze data in various ways, generating high volumes of rich debt portfolio details that are often dropped when aggregating data for posting to the general ledger.



KPMG insight.

With real-time and historical data consolidated in a unified hub, organizations can leverage advanced analytics, AI, and machine learning to uncover deeper insights, predict trends, and optimize operations. This can lead to innovations in products and services, improved customer experiences, and more effective marketing strategies.



How Workday can help.

Workday embeds the latest generative AI advancements into its core, helping banks redefine their workplace dynamics while fostering increased productivity and amplifying human potential.



Data: Workday leverages vast amounts of your data within a uniform model, ensuring that the data feeding your AI use cases is always updated and reliable.



Platform: Since AI and ML are built into the core Workday architecture rather than bolted on after the fact, banks can enjoy increased agility, quick time to value, and proven strategies to stay a step ahead—all without a separate AI and ML stack or data integration.



Trust: Workday takes a responsible approach by transparently documenting each AI and ML model and keeping people at the center, ensuring no decision is ever fully controlled by Workday AI. Humans are kept in the loop at all the right places and remain the final decision-makers.

Partner for a smooth implementation.

Why it matters.

By now, it's clear that the evolving banking landscape requires the efficacy and agility of a cloud-based enterprise platform. Choosing the right solution is critical—but it's not just about technology for technology's sake. To truly leverage the benefits, banks need to use a cloud transition as an opportunity to redefine ways of working and build a future-ready data strategy to accelerate time to value.

An organization's cloud setup can depend on multiple factors, including business structure and number of employees—and choosing the right one is vital to sustainable, profitable growth. Banks need to select the option that's best for their specific needs while avoiding the temptation to simply “lift and shift” old processes into a new system.

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There's a tremendous amount of operational data outside of core financial systems that's required for reporting and regulatory compliance. Workday Accounting Center allows banks to tap into that operational data in a very organized and structured manner, get it into the general ledger and book of record, and allow it to power meaningful AI capabilities.

Jim Gahagan

Senior Industry Director, Financial Services Solution Marketing,
Workday

Get it done.

Banks looking to implement a true-cloud solution should embrace professional services advisory and consulting teams that have years of implementation experience. Choosing the right partner helps smooth the transition by providing access to people who work with the platform daily and have aggregated best practices to define the best possible solution for a bank's particular needs.

In addition to partnering with an experienced consultant, banks should also involve more senior team members in the day-to-day work of implementation, so decisions can be made more quickly without delaying the effort.

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It is crucial that banks meet the demands of regulatory compliance, operational efficiency, risk management, and strategic decision-making. Connected data ensures banks can navigate the complexities of the banking industry while improving accuracy, efficiency, and overall satisfaction.

Mike Bambo

Director, Advisory Enterprise Solutions, KPMG US

Conclusion.

To thrive in the future, banks need flexible, real-time accounting processes built around an intelligent data core. By embracing a true-cloud platform that automatically converts data into a single accounting system and integrates it with sophisticated self-service analytics and reporting capabilities, financial institutions can achieve frictionless finance and deliver real-time insights that drive the organization forward.

As this guide has detailed, Workday Accounting Center and Workday Prism Analytics deliver the flexibility, scalability, and agility required to unlock value and spur growth—even during tumultuous times.

Learn more about:

[Workday Accounting Center](#)

[Workday Intelligent Data Core for Banks](#)

[Workday Prism Analytics](#)

Ready to get in touch?

Visit workday.com/contact or call +1-877-967-5329.



Sources

¹ IDC and Workday, "[Enterprise Software Drives the IT and Finance Operations in the Banking Industry](#)"; 2023.

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⁴ IDC and Workday, "[Enterprise Software Drives the IT and Finance Operations in the Banking Industry](#)"; 2023.

⁵ KPMG, "Unleashing potential: Exploring generative AI's role in banking."; 2023.

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