

# **FSN Executive Briefing**

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## **“Why spreadsheets are still filling the reporting gap”**

**by Gary Simon**

*Gary Simon is Group Publisher of FSN Publishing Limited and Managing Editor of FSN Newswire. He is a graduate of London University, a Fellow of the Institute of Chartered Accountants in England and Wales and a Fellow of the British Computer Society with more than 27 years' experience of implementing management and financial reporting systems. He is the author of four books, many product reviews and whitepapers and as a leading authority on the financial systems market is a popular and independent speaker on market developments. Formerly a partner in Deloitte for more than 16 years, he has led some of the most complex information management assignments for global enterprises in the private and public sector.*

### **Why spreadsheets are still filling the reporting gap**

Spreadsheets often suffer a bad press at the hands of the Business Intelligence software industry and other business stakeholders (auditors, regulators) who favour limiting their use or displacing them from core financial management applications. Yet despite the many alternative software products and applications on offer, the spreadsheet (mainly Microsoft Excel) remains the 'workhorse' of the finance function and the most successful personal productivity tool in history with more than 500 million users worldwide. And with Microsoft enabling spreadsheets to be shared in the Cloud and on mobile devices, the future of the spreadsheet seems more assured than ever. Clearly the spreadsheet is fulfilling an important need – even more so when it is coupled with popular finance systems. So what is driving the finance function's inexhaustible enthusiasm for spreadsheets?

On first inspection financial accounting and spreadsheets make uneasy bedfellows. After all, accounting is a precise, almost obsessively accurate discipline, yet badly crafted spreadsheets are widely acknowledged to be error prone. But in the eyes of finance users these potential limitations pale into insignificance when measured against the spreadsheet's advantages. Chief among these is the ability for finance professionals with only a modicum of Excel skills to create appealing operational and management reports to meet precise business needs that cannot be readily fulfilled by standard applications. It is this virtually limitless flexibility, coupled with the creativity of individuals which is behind the meteoric rise of spreadsheets of the last three decades.

### **ERP and BI systems are failing finance users**

But when it comes to interrogating ERP systems for reporting there are frequently serious limitations. ERP systems never really delivered on the promise of providing easy access to management information and widespread dissatisfaction with the quality and timeliness of information for decision making spawned two new classes of application, namely; Business Intelligence (BI) and Enterprise Performance Management (EPM).

These systems sought to fill the void by providing secure links to the underlying ERP information utilising ETL (Extract, Transform and Load) tools to pull data into a data-mart (small multi-dimensional warehouse). The problem with this approach is that it is frequently too technical for the

non-specialist. ETL tools are complicated to install, configure and maintain and finance professionals do not necessarily have the skills to decipher the complex data structures and relationships that reside in most ERP systems. A further complication is that organizations are rarely able to standardise on one BI system or even one ERP system. As a result the completion of, say, month-end reports could require the finance function to be conversant with a range of proprietary BI tools, each with a unique user interface and navigation method.. Pulling the information together in different tool sets can take so long that little time is left for business analysis and performance reporting. Many concluded that the work could be done more easily in familiar spreadsheets which had proven their worth over many years. Unsurprisingly, Business intelligence, analytics and performance management are the top priorities for enterprise technology initiatives amongst CFOs according to Gartner<sup>1</sup>.

### **Unaided, spreadsheets are too unwieldy**

In order to get around the complexity, lack of accessibility and ownership of BI and EPM systems finance professionals fell back in droves on their spreadsheets. But in many cases the techniques employed for drawing information into the spreadsheet were rather primitive, relying on manual data entry, semi-manual methods (cut and paste), of importing flat files (typically a static csv formatted file of a report) exported from the ERP system. And of course the whole cumbersome process had to be repeated on every occasion that data was needed.

According to PwC leading finance teams spend 17% less time on data gathering and 25% more time on analysis than typical functions<sup>2</sup>.

### **Is there a better way?**

It's a phenomenon which is very familiar to [Global Software, Inc.](#), the authors of a Microsoft Excel™ automation solution, "[Spreadsheet Server](#)" which elevates best practice around the use of spreadsheets for reporting and analysis, by securely leveraging live information stored in popular ERP systems and dynamically presenting it in a controlled, dependable and secure spreadsheet environment.

The cornerstone of Spreadsheet Server's approach is that pre-built 'connectors' expose the underlying structures of ODBC compliant ERP systems (e.g. SAP, Oracle, JD Edwards, Infor, Sage) to the user's spreadsheet so that the metadata is automatically discoverable and retrievable in the spreadsheet without recourse to complex lookups and macros. By leveraging these connectors users can be up and running with Spreadsheet Server in a matter of hours and without significant recourse to the IT function.

[Global Software, Inc.](#) have added capability but at the same time have been careful to preserve everything that finance folks like about spreadsheets, for example, simplicity, control and independence. At its core, Spreadsheet Server is an Excel 'add-in' which allows the user to dynamically connect to a general ledger (or indeed any other ERP module - AP, AR, Inventory etc ) and retrieve balances for display without having to contend with the complexities of ETL tools or underlying data structures. Furthermore a single workbook can straddle several ERP systems (each with their own data definitions, tables and file layouts) enabling accounting users to draw information together from a variety of source systems.

In broad terms information retrieved from ERP systems is held at an account balance level but once the link is achieved users can drill down through balances into the underlying transactions. At the other end of the scale once users have retrieved the information they require they can take

advantage of advanced presentation capabilities with Excel 2013 to present financial information in a way that rivals many of the more specialised BI and dashboard products.

It's a winning strategy. [Spreadsheet Server](#) has more than 5,000 customers and connects directly to over 45 ERP systems as well as some specialised vertical market products. Widely deployed in some of the world's best known companies such as, Isuzu (NA), Rasgas, Crocs, Coca-Cola Consolidated Bottling and Intuit inc. , Global Software has elevated the status of the Excel add-in from the provision of 'Quick and Dirty' reports to something more technically elegant, that can be relied upon to underpin dependable and repeatable operational reporting.

About Global Software:

Founded in 1973, with worldwide corporate headquarters in the Research Triangle region of North Carolina, USA and EMEA Headquarters in London, UK. Global Software, Inc., is the No.1 provider of Microsoft® Excel-based automation solutions in support of leading ERP platforms from vendors including SAP, Oracle®, JD Edwards®, Lawson®, Sage® and Infor™.

Global's Spreadsheet Automation tools, comprised of the flagship Spreadsheet Server, Powered by the QueryExchange™, and Enterprise Budgeting are the fulcrum of Global's applications suite. Global's products are used in 50 countries, by over 5,000 customers and 175,000+ users worldwide who are supported by Global's 24/7/365 services and support infrastructure. In addition, Global's worldwide partner channel is comprised of over 120 member companies. For more information, visit, [glbsoft.com](http://glbsoft.com)

## **Bibliography**

*Note<sup>1</sup> Top 10 Findings from Gartner's Financial Executives International CFO Technology Study; 16 May 2012 John E. Van Decker.*

*Note<sup>2</sup> "Putting your business on the front foot. Finance effectiveness benchmark study 2012"*

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