

Time for CFOs to say goodbye to Excel?

Augmented by complementary technology, Excel has an exciting role to play in the digital transformation of finance departments

The accelerating digital transformation of the finance function has prompted many chief financial officers (CFOs) and their teams to ask whether Excel is still relevant. Why continue to use the package with its interconnected spreadsheets featuring complex formulas when there are so many specialised finance software packages available?

"Excel remains popular with finance teams because it helps them to achieve their aim within their timescales and it's an excellent solution for presentation," says Mark Scanlon, chief executive at XLCubed, a specialist vendor which has been providing software to mitigate the risks of Excel for reporting and analytics for nearly 20 years and whose clients range from Global 500 corporates to the small and medium-sized enterprise (SME) sector.

"Primarily, problems arise when Excel is misused as a database and for hosting complex business logic. It simply doesn't have the structure, security or change management that most organisations require. Neither does its scale, and it's limited in terms of collaboration and shared access."

However, Excel can be used effectively alongside other tools, while integrating with world-class software using modern,

internationally recognised standards, Scanlon argues. A growing number of CFOs are now using XLCubed technology to connect Excel directly to a wide range of data sources and to add significant capability in reporting, analysis and interactive data visualisation to provide the flexible self-serve environment their finance teams need.

"CFOs tell us that with XLCubed connecting Excel directly to modern finance platforms, many of the concerns with Excel's use in reporting have been removed," explains Scanlon. "They can share formal reports or publish them to a web portal for widespread, governed access. They can also deliver best-practice reporting using corporate or industry standards and they have the agility to action requests for new analysis quickly."

XLCubed is used across 50 countries by more than a thousand customers in many different industries, but it's most popular among finance teams. Companies are using XLCubed to provide the extended analytics capability required to complement their finance software. Companies in Scandinavia have been benefitting from linking their Excel systems to AFC, a cloud-based digital finance platform, which connects to a wide range of finance and



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enterprise resource planning packages to provide comprehensive, detailed financial reporting and analytics.

At its heart is a powerful and customisable legal consolidation module. This is well proven to handle the most complex organisational and ownership structures thanks to its data-driven approach, which can be tailored to fit any organisation. Planning and budgeting, and machine-learning modules can help further reduce manual processes.

XLCubed is now working with Solitwork, a leading software-as-a-service digital finance company, to bring the AFC platform to the UK market. "We want forward-thinking finance teams in the UK to enjoy the same benefits that have driven some of the best-known companies in Scandinavia, ranging from billion-dollar businesses to SMEs," says Esben Duedahl, chief executive of Solitwork.

One of the strengths of the combination is the ability, facilitated by XLCubed, to adopt a common corporate standard for reporting notation, such as the International Business Communication Standards (IBCS), which are a notational framework that helps companies to deliver clear and consistent reporting.

At the Accounting and Finance Virtual Summit, a joint IBCS and XLCubed session attracted 4,000 registrants, with 98 per cent of respondents saying a consistent notation would increase the effectiveness of their reports and dashboards. Best-practice techniques ensure reports and charts are unambiguous and communicate information effectively. Consistency is also key; what looks the same means the same.

Finance teams appreciate its visual clarity. For example, actual data is

always displayed in charts with a solid fill, plan as outline and forecast as hatched. In variance reporting, green means good and red means bad, so a year-on-year decrease in sales would be shown as red, while a decrease in costs would be shown as green.

Consistency is particularly valuable in group organisations where a shared reporting notation helps cross-entity analysis, making the entire reporting suite faster to assimilate. The notation framework allows a business message to be delivered alongside the data, something that is of particular interest for board-level reporting.

"We believe that now is not the time to ditch Excel," says Scanlon. "However, forward-looking CFOs should be using it with software like XLCubed to power their digital transformation and deliver for their organisations."

For more information please visit www.xlcubed.com/future-cfo



Q&A

Full transparency commercially, financially and operationally

Michael Krabbe, chief financial officer at Bunker Holding, one of the world's leading providers of bunker trading, supplying fuel for ships, shares insights into digitalisation and automation

Q What drove you to automate key finance processes?

A We are an ambitious team and wanted to use our data and the insights it can provide as a driver for the business and as a strategic advantage. We saw increased digitalisation and automation as a clear way to help achieve that.

Q What benefits has the AFC platform brought to your finance team?

A We now have 24/7 transparency across all our companies commercially, financially and operationally. Business-critical data is brought together and users can see where the company is performing and where it is not. The legal consolidation module has not only saved us significant time and effort, but given us confidence in our consolidated reporting and removed

our dependence on key staff being fully available during the close process. XLCubed gives our finance team the flexibility they need to turn around reporting changes and requests quickly; we're self-sufficient in both reporting and data discovery, and we're spending more time on value-add analysis. AFC gives us a consolidated, consistent data store, which we can trust across the entire organisation.

Q What opportunities do you see for further improvement?

A We are interested in the potential of the machine-learning capabilities in the platform to give us faster and deeper insights. The International Business Communication Standards approach resonates, as it mirrors our drive for consistency and is something we will certainly be exploring further.

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Q Does Excel have a role to play for the modern CFO?

A With XLCubed and AFC, absolutely. From a self-serve perspective for finance, I haven't seen anything to rival it.