The New Corporate Productivity Tool

Automating Composite Reports and Regulatory Documents

VENTANA RESEARCH

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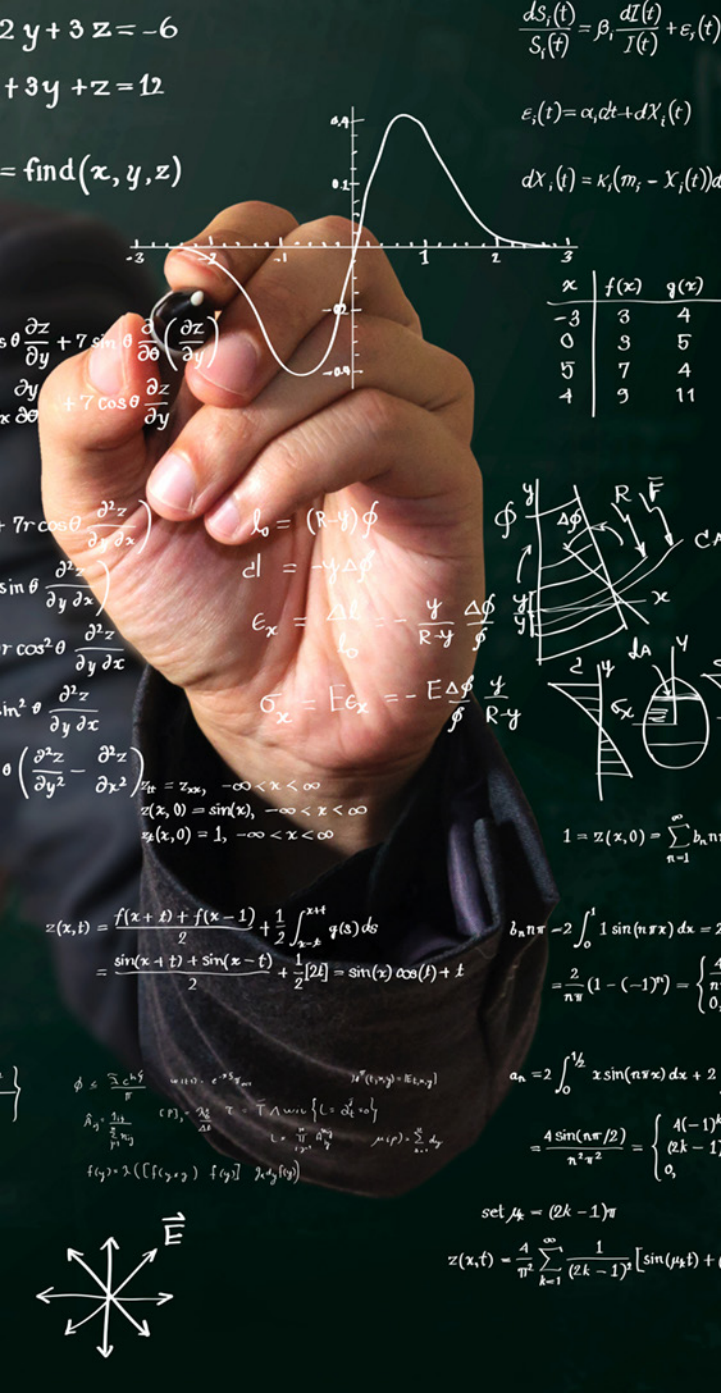

Composite Reports Are Complex

Companies routinely collaborate in creating, editing, updating, proofreading and approving composite documents. These documents have common characteristics: They

- Combine text and numerical data
- Present numerical data in tables and reference it within the text
- Source data from multiple enterprise systems and spreadsheets
- Have multiple authors, editors and reviewers
- Are highly formatted.

Such documents must conform to regulatory requirements specifying content, form and format. In most instances they are updated on regular schedules.

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Composite Reports Are Common

Almost every department and business unit creates formal, composite documents for a range of purposes. They include

- **Regulatory reporting** by finance, operations, compliance, safety and human resources groups
- **Status and progress reports** to clients, especially to governmental bodies
- **Financial statements** to lenders, lien holders or shareholders
- **Internal reports** to executives or the board of directors
- **External financial statements.**

Companies often find it difficult to create these reports. Only half **(52%)** of research participants said they are effective in automating compliance functions.

Takeaway: Recognize that many departments create composite reports.

The Process Is Difficult

Composite reports can consist of text, tables, graphs and images in a wide range of formats and layouts. In form they can range from a cover letter that references data in attached tables to a set of slides, tables and commentary for a board book. But whatever the specific form, the report development process involves many functions and people.

A system to produce such reports must automatically **import the latest data from enterprise systems** such as ERP, HR and CRM and make it possible to **collect and update information stored in informal or unstructured formats** such as spreadsheets or text documents. And the system must do so while meeting tight deadlines.

Takeaway: Creating accurate composite reports often requires effort.

Creating Them Is Demanding

Creating composite reports is repetitive and time-consuming. They involve these steps: **collecting and collating** narratives, **sourcing data, controlling structure** and format and **managing multiple cycles** of edits and approvals.

For all such reports, both the narrative and the data must be complete, accurate, up-to-date and consistent. **62%** of research participants said that the consistency and quality of data in company reports is a significant or very significant problem. As well, form and format must meet requirements.

Takeaway: Preparing accurate composite documents requires organization and discipline.

Automate the Process

Companies may find it worthwhile to automate the process of creating, editing and updating composite reports.

When it is done manually, highly trained, well-compensated people spend hours performing dull, repetitive tasks that require their skills. Many of these tasks can easily be automated.

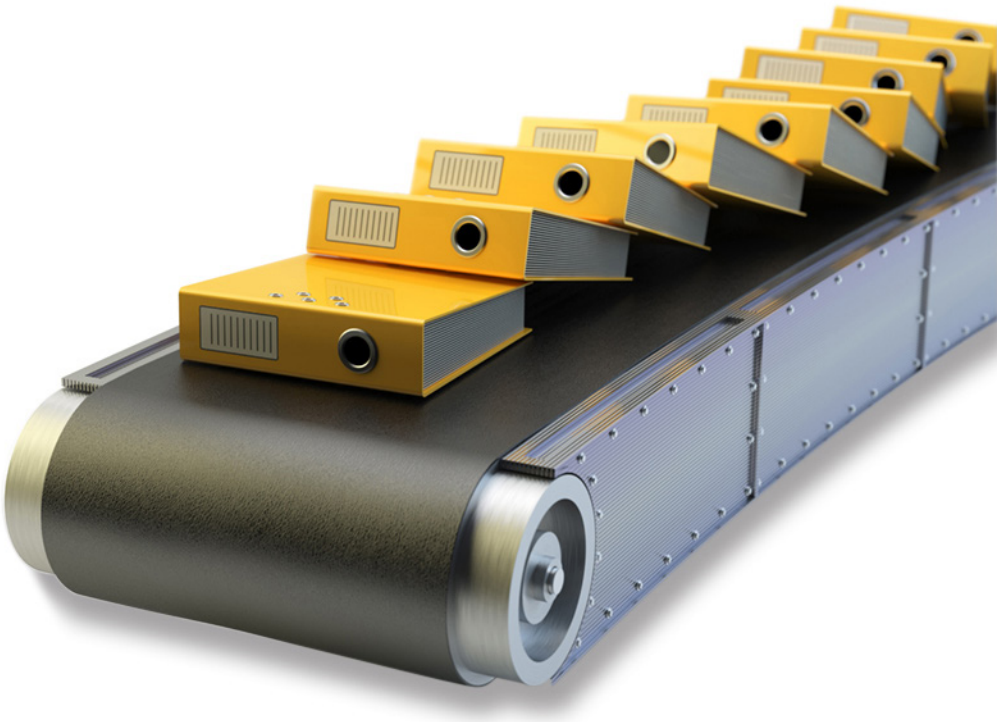
Automation leaves only the essential work to be done, allowing expert individuals to focus on what matters and have more time to concentrate on their real jobs. Automation can both cut the time it takes to create a document and promote accuracy.

Takeaway: Automating dull, repetitive work produces better results.

What Document Automation Does

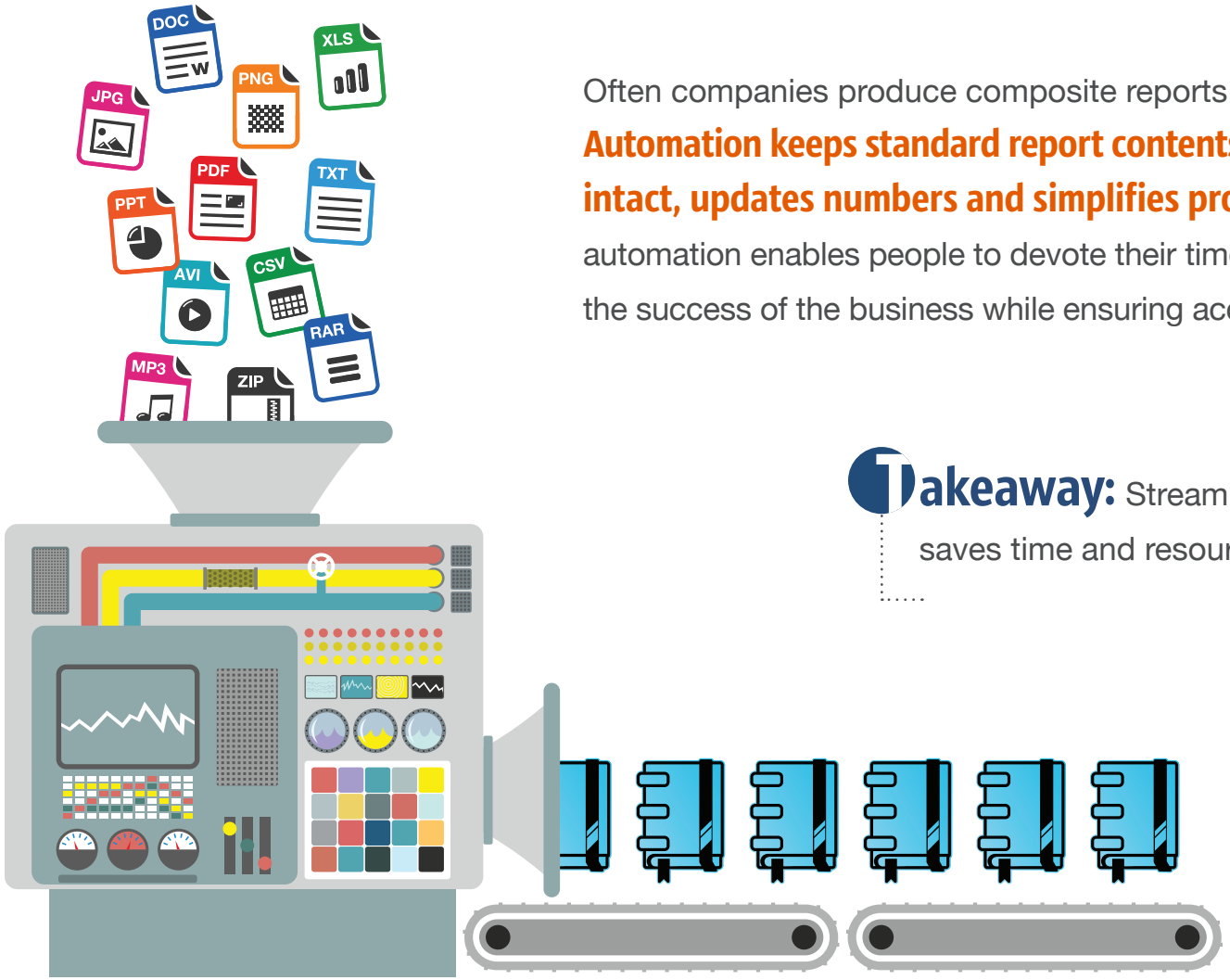
Document automation performs the following functions:

- **Enables multiple contributors** to collaborate in creating their parts of the narrative in the report at any given time.
- **Inserts data** from any enterprise system or controlled spreadsheet into the text, tables and graphs.
- **Updates data** in narratives, tables and graphs that may change during the document preparation process. For example, financial data can change during the accounting close.
- **Drives a workflow process** including review loops and approvals, including a final legal review if necessary.
- **Enforces version control** to ensure that individuals are always working with the latest iteration.



Takeaway: Automation eliminates the need for much manual effort.

Automation Simplifies and Shortens



Often companies produce composite reports on a regular schedule. **Automation keeps standard report contents, structure and formats intact, updates numbers and simplifies production.** Moreover, automation enables people to devote their time to what really matters for the success of the business while ensuring accuracy and consistency.

Takeaway: Streamlining report production saves time and resources.

Key Software Requirements

Software for automating the production of composite reports should have several important capabilities. It must

- **Facilitate authoring, editing and table creation**
- **Offer in-context collaborative capabilities**
- **Incorporate all types of data sources** into a central data repository
- **Provide full audit trails**
- **Automate validity checks** to ensure accuracy
- **Use of easily programmed workflows** to speed performance and enhance administrative visibility.
- **Include templates** and automated updating of linked data to streamline report production.

Takeaway: Be certain that the software meets all requirements.

Automation Is Valuable

Companies produce a variety of highly formatted composite reports that combine text and numbers. They are authored collaboratively and edited and reviewed before publishing.

Automation can enhance the accuracy and quality of reports while saving the time of highly compensated people by eliminating the need for them to do dull, repetitive work.

There are probably many more ways to use software automation in an organization. Be sure that the business case includes all of the external and internal composite reports that the company routinely produces.

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The benchmark research reports *Governance, Risk and Compliance* and *Trends in Developing the Fast, Clean Close* can be purchased from Ventana Research at **www.ventanaresearch.com**.

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