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Company

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Corporate Performance Management

Financial reporting and consolidation

Key facts

- Public company
- Headquarters in Bermuda with offices in New York and Chicago
- Comprised of six companies

Requirements

- Reduce usage of manual spreadsheets
- Minimize reliance on IT organization.
- Improve reporting efficiency
- Eliminate rounding and balancing errors
- Manage XBRL requirements inhouse

Results

- Automated reporting process
- Reduced spreadsheet complexity
- Significant time savings (for sixperson team, 40 hours saved per person per quarter)
- Easy to update reports and references
- Finance-driven versus IT-generated reporting
- Seamless XBRL tagging

Challenges

The Company is a leading provider of property, casualty and finite risk reinsurance offered through reinsurance brokers to clients worldwide. For the six-person finance reporting team, consolidation and quarterly reporting was a big challenge.

The team faced tight deadlines for internal management and board reporting and for external filings including the 10-Q/10-K, financial supplements and earning releases. In addition, the team was reliant on a manual, spreadsheet-driven process involving an average of 10 workbooks for the quarterly close. Links between workbooks were circular and difficult to follow, and there was a lack of consistency between them. For instance, different calculations and rounding conventions were often used.

The review process was particularly tedious, requiring finance team members to trace back spreadsheet formulas from tab to tab and workbook to workbook. "It was extremely difficult to figure out who changed what and when," said Laryssa Yuel, the Company's senior vice president of finance.

"Overall, our reporting process was inefficient and posed a high risk of human error," added Yuel. "We were spending a great deal of time updating spreadsheets from the general ledger and copying balances into workbooks. And the roll forward of workbooks was just as difficult and time-intensive as the whole quarter end close."

Objectives

In 2010, the Company's CFO decided that the finance organization needed to consider software to automate XBRL requirements. Yuel and Nathalie Barrezueta, vice president of finance, along with several senior IT managers, began a search for software to automate tagging. "Once we started to look at XBRL tools, we realized we didn't want just a point solution," said Yuel.

"We decided that we really needed to address the bigger issues of improving efficiency and reducing risk by automating our entire financial reporting processes."

So the search group widened its requirements beyond XBRL capabilities to include the ability to minimize the usage of manual spreadsheets and automate as many workbooks as possible. Also high on the list of requirements was that the software be user-friendly, preferably based on Excel and Word. In addition, the team wanted a finance-driven solution. "One of our top specifications was the ability for the finance team to manage the software and not have to involve IT in report changes, especially during crunch time," said Yuel.



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The group quickly honed in on three solution providers: Tagetik and two wellknown legacy providers. "In addition to capabilities, price was a big factor in narrowing the field," said Yuel. "There were several other solutions that could have met our needs, but they were so expensive it just didn't make sense for us."

The vendor review process included introductory phone calls, in-person meetings and demos. According to Yuel, the search group dedicated approximately six hours to discussions with each vendor finalist.

Solution

Tagetik emerged as the clear choice, with ease-of-use among the top differentiators. "Tagetik allows us to be finance-driven," said Yuel. "It's visually understandable and easy to follow. Anyone who knows Word and Excel can use it."

Other reasons for selection include Tagetik's built-in functionality (for example, the software automatically checks consistency of numbers between reports), spreadsheet controls, the ability to easily combine numbers and text, and XBRL capabilities.

"We could see that the software would be adaptable to our requirements," said Yuel. "And the Tagetik team understood and was very responsive to our needs."

In February 2011, the finance team, working with a Tagetik consultant, began implementation. First, the team determined the level of detail to be brought over from the Oracle general ledger into Tagetik. Once the data transfer was set up, the team started to build reports.

With one chart of accounts held in the general ledger for all six companies, the ETL (extract, transform, load) process was simple. The IT team, in conjunction with Tagetik consultants, created the necessary queries to extract several years' worth of data from the general ledger and bring it into Tagetik's SQL server database. By Q2 of 2011, the team was building more complex reports for external filing and internal management reporting, and historical data in the reports was matched to published reports and public filings.

The solution went live in Q3 of 2011. After a week of training with a Tagetik consultant, the finance team had the knowledge and comfort level with the reporting process to create new year-end reports. "The immediate impact was that we had significantly fewer last-minute report changes," said Yuel.

The team spent most of 2012 completing the automation of all reporting cycles. "Once that was complete, we started the XBRL tagging and, over time, the XBRL requirements got increasingly detailed," said Yuel. Today, other than a small third-party consulting contract for yearly review and update of new taxonomies, all tagging is handled in house and the process is now "pretty seamless," according to Yuel.

Benefits

Using Tagetik has significantly improved the Company's reporting process and has reduced closing time. The software ensures that all numbers and updates are consistent and flow between reports. There is minimal manual intervention in any reporting process and the finance team has controls over user rights for making report changes.

"Knowing where the numbers are coming from gives us a great deal of confidence," said Yuel. "We don't have to worry about manual spreadsheets and formulas and uncontrolled changes. We know that everything is going to work properly every cycle."



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"It's like night and day," added VP of finance Barrezueta. "We used to work a lot of late nights and weekends. Now, the reporting time for every quarterly cycle seems to get shorter and shorter." She estimates the six person finance team has saved at least 40 hours of work per person per quarter.

Yuel also pointed out that bringing XBRL tagging in house has saved in outsourcing consulting fees and has greatly simplified the tagging process.

"When you send off your Word documents to a third party, it's difficult to track what they've tagged and what has changed quarter to quarter and in between drafts," explained Yuel. "Now, we just roll the document forward and know that nothing is being touched unless we purposely change a tag. We have dramatically cut down our review time because we know exactly what we should be seeing and are confident that it's right."

Another significant benefit is that Tagetik solves the problem of rounding. "When the numbers were out of balance, we had to figure out where to put that one dollar so that it wouldn't affect the whole statement," said Yuel. "With Tagetik, you can easily build the rounding functionality into reports so they balance. We don't have to 'chase the dollar' anymore."

The Company is continually taking advantage of additional Tagetik functionality. Most recently, the finance team built a report for expense budgeting. Users at all locations input their budget numbers and the software creates a consolidated expense budget as well as the final budget journals that will be entered in the general ledger system.

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About Tagetik

Tagetik understands the complex challenges that face the Office of Finance and translates that knowledge into intuitive, enterprise-scale performance management software solutions that drive business results. With Tagetik, companies get the simplicity of the Cloud and the power to unify financial and operational planning; shorten the consolidation and close process; immediately analyze results, model and compare full financial statement impact of business scenarios; adjust strategic plans; seamlessly update rolling forecasts; produce formatted and auditable financial statements and management reports; collaborate on business reviews, and automate disclosure and board reporting. Tagetik has built-in financial intelligence so that CFOs, finance managers, and operations executives can orchestrate multiple or all processes in one software solution. More than 750 customers across 35 countries count on Tagetik to improve efficiency, reduce risk, save money and deliver results. For more information, visit www.tagetik.com. We get Finance. You get results.



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