7

reasons to swap out spreadsheets for *your compliance*

IMPERO

Introduction

As organizations approach an ever-increasing raft of new regulations and as new pieces of legislation take effect, it's perhaps more challenging than ever to live up to the expectations of the market and regulators.

So, how is the C-Suite looking to respond and **shore-up compliance activities to protect the organization's reputation,** amid an uncertain global economy, a possible recession and the ever-changing expectations set by the market and regulators?

For **78% of CFOs surveyed by Gartner**, **the answer is automation, even as inflation persists.** Of the 300 companies surveyed, **70% of CFOs credited the use of digital tools** and technologies as a factor that can **"improve efficiency, effectiveness and the stakeholder experience"** as they sought to live up to the compliance promises made by the organization.

But what about non-tool alternatives?

While automation and increased investment in digital tools are top-of-mind for CFOs in the Gartner sample, **manual processes are common for many organizations,** with estimates that **more than half** use spreadsheets and other manual formats for compliance activities.

While spreadsheets are **said to account** for more than 1 billion users worldwide, and are famed for flexibility, the idea that regulatory burdens limit spreadsheets' effectiveness and test the bounds of that flexibility, has been **around for almost 20 years.**

And that's why companies' investment in digital tools is increasing. This is to help **keep pace with regulatory change and the added scrutiny of a market attuned to holding organizations to account** for the promises they make.

Aren't large corporations the focus?

Increasingly, the market's demand for organizations to deliver what they promise is going beyond the traditional big players and industries.

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As a result, businesses of varying sizes are aware of the organizational and reputational risk a compliance breach can cause.

For instance, **40% of large institutions in a Deloitte survey** said they were extremely or very **concerned about the ability of their technology to respond to new regulatory requirements,** as did 44% of mid-size institutions and 12% of small institutions.

Once you add to this the number of organizations that are alive to the challenges of poor data quality, version control and auditing, **Deloitte's survey** finds that – including all enterprise, large, medium and small organizations – **85% were convinced that they would benefit from integrating the use of technology** for their compliance activities. So why are so many organizations swapping out spreadsheets?

There are a few key take-outs from these statistics.

- **First,** the pace of regulation and scrutiny – both from authorities and the market – continues to gather pace, and is undeterred by macroeconomic factors like inflation and the looming possibility of a global economic crisis.

- **Second,** the applicability of technologies to help in the face of the above challenges covers businesses of many sizes. Irrespective of size or industry the benefits of technology not only eliminate errors but also boost the efficiency of undertaking compliance tasks, thereby increasing confidence in an organization's compliance processes.

- **Third,** that despite the economic headwinds faced by organizations the world over, the combination of the above means the case for increased investment in compliance activities and technologies to improve compliance processes is clear.

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But what if your organization understands the above take-outs, but constraints of a challenging economy and tighter budgets mean that upscaling to a new tool is difficult right now? And that – as a temporary measure at least – your organization should try and make use of manual processes, spreadsheets and the current way of doing things?

This is a common thought from organizations large and small right now. **So you are not alone!**

Here is a **comprehensive guide for why it's time to say goodbye to spreadsheets.**

The following 7 Reasons to Swap Out Your Spreadsheets are drawn from the practical, day-to-day activities of compliance teams, leaders and the C-Suite.

But they simply scratch the surface of the practical applications of an easy-to-use compliance management platform.

For a full and personalized understanding of how Impero can help you, your team and your organization live up to the promises you make, **book a demo** at a time that suits you with one of our compliance specialists.

Let's get started.

1.

Spend too long chasing information for your reports? Store it in one central hub.

Let's say you're closing out the month, or it's approaching Annual Report season. It's a busy and stressful time for any organization.

How often do you or your team spend hours, maybe even days, chasing information for your finance processes? The documentation? The emails? The phone calls?

But if you are an organization with spreadsheets, emails and PDFs all over the place, you are likely in the majority. **Estimates are that around 80% of organizations use "unstructured data"** – that is, data that's stored in multiple places, without a

streamlined place or policy for saving the data – **according to a 2019 Deloitte study.** While this data is technically searchable, the correct information can be very difficult to gather for colleagues, internal stakeholders and auditors. And it takes a long time to find the actual information you are after.

But it doesn't need to be this hard. A digital compliance platform such as Impero allows you to have the required documentation stored and archived in one central hub. Here are a few key benefits.

- Documentation can be archived in an easily-accessible, structured form

- Historical and current documentation can be easily traced

- Meta-data and a clear data hierarchy make it possible to navigate through your documentation quickly and in a user-friendly manner

You can then share documented compliance with internal or external auditors and other stakeholders, quickly and easily.

With assigned reading rights, they can seamlessly trace the controls carried out and the **documentation**.

This will not only make your life easier, but also your auditors'!

Learn more

"One of the benefits of a system like Impero is the possibility of **granting external auditors view access of everything, along with audit trails.** It also makes in-house monitoring of the controls easier."

Pétur Bjornsson
Director of Internal Controls & SOX Compliance

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2.

Spreadsheets are good. Until you need an overview. Digital compliance platforms deliver it.

There are upsides to using a spreadsheet – which is why **estimates show 1.1 billion**, or one in eight people on Earth, are users of Microsoft Excel. **However, just 6% of those people self-identify as an 'expert'.**

Timely, accurate and detailed reports are a key strength that spreadsheets really can't deliver. Whether it's functionality that helps facilitate **real-time, data-driven decision-making** or push reports sent directly to the stakeholders who need it, either as a one-off or on a recurring basis, getting an accurate and intuitive understanding

is limited in clunky spreadsheets, which can be littered with incorrect data. But by having a full and customizable overview – with automated reports – you can get a **real-time status of risk and compliance processes.** It is easy to get an overview, including completion statuses for entities, controls, and assignees.

Plus, a Heat Map helps you determine the way you and your team will respond to risks and take action. **Visualize the before and after** and use historical data for comparison so you stay ahead of risks and challenges to your organization.

Learn more

"Because we now have all our RCM in one place along with the control evidence, we **finally have the *visibility* and overview we wanted.**"

Pétur Bjornsson

Director of Internal Controls & SOX Compliance – Alvotech

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3.

Is your data saved in too many places? Streamline the information you need, so you can find what you're looking for faster.

Have you ever opened a spreadsheet with the information you need for something like an upcoming report and wondered, where am I going to start? **You're not alone.**

As well as the challenges of unstructured data mentioned before, data that's either misformatted, or just incorrect, is part of the reason **Salesforce estimates 88% of spreadsheets contain errors.**

These mistakes can be costly for organizations, both in terms of business decisions made based on incorrect data in a spreadsheet, but also in the time it takes to – manually – correct it. For as many as **71% of companies**, **it is a significant struggle to manage unstructured data, and to protect it.**

Yet for many companies, spreadsheets remain the preferred means of data capture and storage, despite the challenges outlined here.

By **integrating datasheets into controls** in a digital compliance platform, you can do things that your spreadsheet simply can't – such as precise scheduling and assignment to different employees, as well as extensive reporting.

The best part? Most teams don't even realize that they are using it.

Learn more

"We now have time to analyze the data we have. That gives us time to come up with a solution on an issue. So instead of just gathering data, **we now *use* data."**

Simon Lang
CFO – Greenland Ruby

GREENLAND RUBY

4.

Ever sent an email but forgotten the attachment? Digital compliance platforms won't.

Honestly, we've all done it.

You really need someone to complete a control, look at a report or overview. The message is word-perfect. You press the magic button and then it dawns on you: **you forgot to attach the spreadsheet.** Or someone needs you to approve/ review a report, you click the attachment and it's the wrong one.

This is where digital tools – and a simple and intuitive online compliance platform – have you covered. **By automating the manual and**

repetitive tasks, approvals and reminders not only will the information be sent (and not forgotten in an unattached spreadsheet) but it will always be up to date.

Gone are the many emails and messages back and forth, with an automatic notification or reminder sent out to the right person.

Learn more

"Our system was Excel-based and might not be as clear to outsiders. You had to have a lot of internal knowledge to even get an overview of this Excel-based tax compliance. **Now, with Impero, we can represent that *better*.**"

Lukas Spanke
Tax Advisor & Tax Compliance Manager – Volkswagen

VOLKSWAGEN
AKTIENGESELLSCHAFT

5.

Is someone on holiday? Sick? Long-term leave? Reassign their controls simply.

How often are your compliance tasks delayed, left waiting for someone to complete a control or a review, and they are on leave? Or they're away sick, or perhaps even changed roles or left the company?

What if you can't complete the process without that person's input? **You're not alone.**

This is something all organizations face. The cost of delays varies from organization to organization but – depending on how long the person is away for, and the dependencies you have in place – it can really add up for your business. For example, the cost of either not realizing the person is absent, or

chasing other people in their team for information, or if they are traveling and are unable to perform the controls on time. **It really adds up.**

But by using a compliance management platform, **you can easily reassign the control to the right person.** No more hours lost to phone calls, emails and messages chasing the right person. Just a **notification to the right person to get the job done.** Plus, once you have effectively implemented your control management framework, all activities such as controls, approvals or reminders are triggered via email – **eliminating manual assignments altogether.**

Then the results of the implementation of controls can be shared with your team to gain insights and continuously improve.
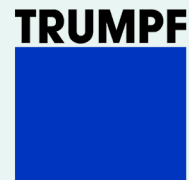
Learn more

"Impero is an *easy, smart,* and simple tool, which everybody can work with. From the person who sets up the control to the person who completes the control, it's an easy way to work."

Patrick Kinzelmann
Risk & ISC Manager, TRUMPF

TRUMPF

6.

Looking for compliance at scale? Easily add business units and controls to get instant buy-in.

As regulations continue apace, it's possible you'll need to **add business units and controls to address new risks as they emerge.** But with a single spreadsheet, it's not simple to scale compliance processes to meet an organization's changing needs and expectations.

But there is a way to do this quickly – and to get organizational buy-in.

Using a **digital compliance platform such as Impero** means users may not even know they are using it, they'll just get an automated email asking

them to complete a control. This means you will get an instant and **intuitive overview of factors like control completion** – with data you can sort by region, country, process, period, status, subsidiary, and even more.

This not only helps you and your organization reach your compliance goals today, it helps you adapt and respond to risks as the company grows, scales and new risks – and new business units and users – emerge.

Learn more

"The Vorwerk Group is a family-owned business with subsidiaries and partners in more than **70 countries worldwide.** This poses exceptional challenges when setting up control processes and ensuring proper documentation. **We wanted to stay ahead of the game by** *digitizing* **this entire process."**

Carsten Bonnerup
Former Director of Transfer Pricing – Vorwerk Group

VORWERK

7.

Want to arm yourself against threats of a data breach? Encrypt your data – and protect your business' reputation.

The threat of a data breach – and the risk to business continuity and reputation – loom large in business executives' minds, and with heightened threats and increased scrutiny on organizations' data security and protection, it's never been more important to protect your data.

It happens more often than you think, with a **2022 UK Government survey** finding that **39% of businesses have identified a cyber-attack** in the last 12 months. At the same time, the **average cost of a data breach is now at a 17-year high**, topping $4 million USD, according to a 2022 IBM report.

Partnered with widespread media coverage of breaches, the cost to organizations – both in terms of your bottom line and your reputation – puts **enormous pressure on making good with your customers, regulators, the market and other stakeholders.** One of the key risks is **insecure data** – where files can be easily leaked make it all the more crucial to encrypt and protect the data as it's shared between stakeholders in an organization.

Much of this starts with unstructured data, where the estimate above has 80% of data scattered across spreadsheets, emails and PDFs. There can be **several means by which this can occur**, including accidentally sharing data via unprotected and risky formats such as email.

But by ensuring only the right people and approved devices can access company information, a **digital compliance platform can not only give you the efficiency benefit of data saved in one place, it will also protect and encrypt it.**

"After a detailed evaluation of possible systems, it was the unanimous decision of the team that **Impero _stood out_ from the crowd, and in our mind ticked all the boxes.**"

Pétur Bjornsson
Director of Internal Controls & SOX Compliance – Alvotech

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Conclusion

With more than one billion people using spreadsheets, it's clear there is value in them. But there are many limitations to their effectiveness for any organization's compliance processes, and that's before you consider that just **6% of those people self-identify as an 'expert' at using them.**

This piece has outlined 7 reasons to swap out your spreadsheets, from boosting **efficiency and accuracy in your compliance operations to data security and protection and ease-of-use.**

But with the pace of ever-increasing regulations, the challenges on your reputation with growing scrutiny and a market that is looking to compliance as a key benchmark for all organizations, **it's easy to see why C-Suites are looking to further invest in technology, even amid inflationary pressures.**

Irrespective of your organization's size or industry, an investment in a compliance management platform that's easy to use is also an investment in avoiding the **ever-increasing costs of non-compliance.**

Using a platform such as Impero to help simplify your compliance also allows for **effortless implementation through quick and easy onboarding with minimal training required.**

But that's not the end of it. You can find even more about the benefits of swapping out your spreadsheets **here**.

Thanks for reading along. We hope you found this piece helpful!

Ready to swap out your spreadsheets?

"We used Excel spreadsheets to track our compliance activities for all the tasks in our tax and finance offices, **but this was too big to manage in a spreadsheet.** That was when we knew we needed a control and compliance system." – Simon Lang, CFO, Greenland Ruby.

To understand more about how Impero can help you clear the common spreadsheet stumbling blocks, **book a personalized demo** at a time that suits you.

Try Impero