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**Jeff Nataupsky**, Vice president of financial reporting & controls, John Hancock

## Company

**John Hancock/Manulife**

## Industry

**Financial services**

## Corporate Performance Management

- Financial Reporting and Consolidation

## Key facts

- Offers range of products for insurance, estate planning, investment and banking
- Operates as Manulife Financial in Canada; John Hancock in the United States
- Corporate headquarters in Toronto, Ontario
- Global workforce of more than 28,000 employees
- Customers in 22 countries and territories worldwide

## Requirements

- Simplify financial reporting processes
- Align processes between United States and Canada
- Reduce manual work and reliance on spreadsheets involved in reporting processes
- Create central repository for financial statement data

## The Challenge

Manulife, a leading financial services group based in Canada, acquired U.S. insurance leader John Hancock in 2004 to become one of the largest insurance companies in the world. According to Jeff Nataupsky, vice president of financial reporting and controls for John Hancock, in 2011 the organization began to focus on how to improve financial reporting processes across entities. "With different processes and regulations in the U.S. and Canada, it was increasingly difficult to manage all of our reporting," said Nataupsky. "But we shared many of the same pain points."

Challenges included multiple reporting requirements and a reliance on manual processes. For example, data provided by decentralized business units for the same footnote needed to be consolidated manually. To add to the complexity, finance teams in each country were using different processes. For example, the Canada team used embedded Excel files and the U.S. team manually updated all numbers and text, resulting in a lack of consistency in the financial statements reporting process.

Another problem was that only one user at a time could update a document. "When you get down to crunch time and there are numerous disclosures you're trying to update, you need a system that can support multiple users," said Nataupsky. "Plus, with no central repository for all of our financial statement data, we couldn't effectively cross-check information or deal with rounding issues without manual processes. And updating comparable text so it was consistent in each document was very time-consuming."

## The Objectives

In September 2011, the company formed a project team to identify a set of goals and begin the search for an automated reporting solution. The plan was to implement a solution in 2012 for the John Hancock unit in the United States and roll out to parent company Manulife in 2013.

The team's overarching objective was to simplify the financial reporting process. A critical goal was to create one source of the truth for producing all financial statements. The reporting solution also had to integrate with Lawson's general ledger system. In addition, the project team wanted to ensure consistency and standardization across all financial reports without error-prone and time-consuming manual work.

"Our U.S. finance group is responsible for reporting over numerous insurance and non-insurance entities," said Nataupsky. "We wanted every set of financial statements to look consistent, but our GL system was not structured to use standardized formats

- Allow for multiple users to update documents simultaneously

### Results

- One source of truth for reporting and disclosure
- Significant reduction in manual processes (only 5-10% manual data entry now needed)
- Streamlined data collection from multiple business areas
- Standardized quarterly reporting for audit committee and board of directors
- Faster reporting
- Improved management review process
- Consistency across financial statements

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### Jeff Nataupsky

Vice president of financial reporting & controls, John Hancock

given the various accounting bases and reporting requirements. We needed to step back and look at our reporting and disclosure process and find a way to streamline and bring standardization and consistency across the organization.”

The project team identified five CPM software providers based on research and ratings from Gartner. Over the rest of the year, the team attended vendor webinars and invited two vendors to present onsite demonstrations of their products. In January 2012, the company selected Tagetik’s Collaborative Disclosure Management (CDM) solution. According to Nataupsky, the decision was based on the advanced functionality of the software as well as Tagetik’s willingness to be a valued and trusted business partner.

### The Solution

In March 2012, the team documented and reviewed business requirements and implemented Tagetik CDM in a test environment. Next, the team began testing, building reports and training. The company also established a working group of super users, including IT and financial reporting personnel.

In May 2012, Tagetik CDM software was officially implemented. Leveraging the existing Lawson general ledger system and Essbase database management system, the team created a second data mart so that all financial information could be uploaded into a central repository. Over the following months the project team focused on generating nine reports, which included multiple sets of audited U.S. GAAP statements (two of which are filed with the SEC), audited statutory reports which are filed with insurance regulators and National Association of Insurance Commissioner (NAIC), and unaudited footnotes included in regulatory filings with insurance regulators and NAIC.

“We set pretty ambitious goals to get all nine of these reports up and running, but we wanted to quickly take advantage of using all Tagetik CDM functionality that we could,” said Nataupsky. “Within six months, we had trained staff, created all requirements and started generating financial statements.”

In early 2013, the organization began using Tagetik CDM for additional John Hancock reports, including multiple sets of management discussion and analysis (MD&A) required by the NAIC and insurance regulators as well as internal quarterly management reporting for the audit committees and board of directors. By the end of 2013, 96 people at John Hancock were accessing the Tagetik software and the finance team was producing reports involving three different basis of accounting methods and 15 legal entities.

In addition, Manulife began using Tagetik CDM to produce its annual and quarterly interim financial statements. By early 2014, Manulife was also using Tagetik CDM for the MD&A in its quarterly reports to shareholders and for its press releases.

### Benefits

Today, John Hancock/Manulife has a central repository for all financial reporting information. “The data collection process is much simpler,” said Nataupsky. “We have a more controlled environment where users know exactly where to go. Tagetik CDM also allows us to continuously monitor the data with built-in checks to make sure it balances before we upload anything from the general ledger.”

In addition, use of Tagetik CDM has eliminated most of the manual work previously required. For example, users can pull general ledger information directly into financial statements and footnotes. “We used to type every single number into all of our state-

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ments, but now we have significantly reduced the amount of manual entry to about five to ten percent," said Nataupsky.

Processes are also much more streamlined and standardized. For example, business areas have standard templates that allow them to update their data during the quarterly or annual close process, resulting in greater consistency across financial statements.

Nataupsky added that the organization has developed a very strong group of expert users on the U.S. and Canada finance teams. The team's efficiency has helped expedite the management review process and has significantly reduced reporting time. For example, the team was able to issue John Hancock's 2013 financial statements four days earlier than issued in 2012.

Going forward, the project roadmap includes leveraging Tagetik CDM's linking functionality between various Manulife reports and utilizing the software's XBRL capabilities. Nataupsky's team also is implementing new job scheduling functionality. "We have so many reports running back-to-back and these can take 15 to 30 minutes each to run. Tagetik CDM helped create a scheduling function that actually will allow us to run jobs overnight. When the team arrives in the morning, financial statements will be updated and ready for management to review."

The company also is exploring using Tagetik CDM for financial reporting in other business units including Manulife's legal entities in Asia.

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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](http://www.tagetik.com). We get Finance. You get results.



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