Southwest

Southwest Airlines Soars Through Simplifying Complex Data

Riley Drummond, Southwest Airlines' Supervisor of Financial Reporting, enjoys the complexities of working at a large organization, especially when the company appreciates its employees' full lives. Riley's been a large part of simplifying those complexities across the organization's operations, from his team in accounting to investor relations, FP&A, and treasury. Seeing the efficiences of connected data in action spread the word of Workiva through Southwest.

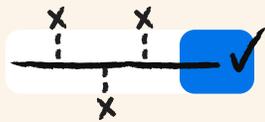Easy collaboration

Centralized, accurate data

Spreading Workiva platform usage to other teams

As a public company that operates internationally, Southwest Airlines is heavily reliant upon collaboration. When it comes to SEC reporting, individuals from legal, investor relations, accounting, and more team up to produce reports, so the easier and more clear the communication is, the better. That's why Southwest been a Workiva customer since 2013.

Riley Drummond, Southwest Airlines Supervisor of Financial Reporting, says he loves working at Southwest because it's a people-centric company. "It feels like a family. My team makes me want to come to work every day and do my best."

On top of that, Drummond says Southwest's spirit of adaptability and innovation make him appreciate working there. Prior to the pandemic, his team handled all 10-Qs, 10-Ks, and tie-outs on paper. He said, "It was all very old-school, but during COVID-19 we had to immediately ask ourselves, 'How do we deviate from what we've done in the past? How do we not just do what we did before remotely, but how do we make our processes more efficient?'"

Commitment to change and process improvement

Southwest is committed to process improvement. Riley said it's because in the finance world, they can't necessarily control the revenue side, but they're very cost conscious.

"We want to look at all of our processes and ask, 'why are we doing it this way?' There's got to be a more efficient way to do this, working smarter, not harder. And so I think the way we look at these issues, nothing is impossible." This mindset is especially important when Riley's team is creating new processes. "We don't just want to say, 'this is the way we've always done in the past.' There are so many possibilities when we're building out new processes. We always try to think outside the box."

Moving data from ERP entries to final reports in minutes

Southwest's previous ERP to final report process was inefficient and disconnected. They had their ERP system and a "data cube" that sat on top of the ERP system. This data cube contained all their financial data, but would only refresh once or twice a day.

"Whenever we'd have a late entry, for example, an adjustment to the tax rate—we would have to book the entry into our ERP and then the ERP would refresh the data in our data warehouse once a day," Riley reflected. "And so the financial reporting team would have to wait a whole day before we could restart our tie-outs again. It was just really inefficient."

They then realized they could use Workiva for more than SEC reporting.

Connecting the data directly into the ERP system means now the team has access to real-time updates. "Now, as soon as that entry is booked into our SAP® software, we can rerun our chains and data and spit out financial statements within minutes as opposed to waiting an entire day. And so just that alone, connecting data to our ERP system, we think is going to cut our quarterly close down by that day, which is incredible."

Replacing stressful emails with easy, visible dialogue

You can imagine with an organization as large as Southwest Airlines that clear communication can be difficult to maintain. In a regularly occurring project like 10-Qs and 10-Ks, people from investor relations, legal, and accounting need to collaborate on the document.

> If you can dream up something that would make your team's job easier, Workiva probably has a solution for that.
>
> **Riley Drummond**
> Supervisor of Financial Reporting
> Southwest Airlines

That's why Riley says his favorite Workiva feature is how the platform enables real-time dialogue within the project they're working on. "I love being able to collaborate in a document with all the different people involved. There's a lot of commentary back and forth. And if you think about if we didn't have Workiva, how would we do that? Would it all be in email? Would it all be in Microsoft Teams? I think it's just really easy to pinpoint exactly what you're talking about and the comment feature allows you to highlight whatever you're referring to and tag the people who need to see it." It's made collaboration easy and efficient.

Efficiency goes viral

Riley says that he and his team have become advocates of spreading the Workiva platform's usage across the company. "I think we realized that we should start using the Workiva platform for other groups besides just accounting when we realized how many efficiencies we had gained by using it."

The accounting group was mainly using the platform for SEC filings. Within this process, other groups like investor relations, FP&A, and treasury were exposed to Workiva. It wasn't long before they started asking for demos. Riley said, "We were happy to go out and give these other groups demos. We shared best practices and helped them put some of their own processes into the Workiva platform as well."

From there, the FP&A team added earnings presentations, and other groups added the employee benefit plan, and financial statements in the Workiva platform.

A real breakthrough moment was in 2018 when the accounting team used the Workiva platform to implement their quarterly analysis packet. This 100+ page document includes charts, graphs, financial statements, verbiage, and variance explanations. This packet is distributed to all finance leaders within Southwest, and before implementing it in Workiva, they had a completely paper process.

"We had this stack of 100 pages, and then any time there were changes, we'd have to reprint the packet and redistribute it—physically walk to someone's desk and have them review this big paper packet," said Riley. "So going all electronic and putting that in the Workiva platform was awesome. The product kind of sold itself. Some of our other finance groups would hear us raving about Workiva all the time. It's been amazing. Everybody loves it."

It wasn't just the functionality and ease of use for Riley's team. "It was important for Southwest to streamline its flow of data," commented Riley.

"With a group this large, you have to be especially conscientious of inconsistent data across different departments."

The Southwest account includes 10+ workplaces, including the SEC teams, FP&A teams, treasury groups, and the quarterly analysis packet. The goal of Riley's team is to do all of their work within the platform. "Our goal is to be able to have financial data come directly out of our ERP system and into the Workiva platform," he said. "Then the SEC team can do all of our vetting, write all of our rounding, all of our ticking and tying and making sure that the numbers are sound for external reporting. And then we'll push those final rounded numbers to other workspaces and reports."

With a single source of financial data, they'll avoid inconsistent data across the different finance groups. "It's going to lead to fewer questions and less confusion—we're really excited about just everyone working with the same information."

Collaboration with an audit trail reduces risk

Reducing complexity isn't just about increasing efficiency and making communication easier. It also reduces risk.

Riley said, "Having everybody in the same document is great. We have all different levels of accounting and finance groups. We have legal. We have external auditors and internal auditors. Just having the ability to see the collaboration between the different groups and watch it create an audit trail, I think is really helpful and reduces risk."

See what Workiva can do for you.
Visit **workiva.com/request-demo**.

> **If you want a tool that's easy to use and you can easily collaborate in a document with other finance groups and have a holistic view of everything that's going on with your 10-Qs, 10-Ks—I mean, you name it—whatever process you want to put in a desk, the Workiva platform is just a great tool.**
>
> **Riley Drummond**
> Supervisor of Financial Reporting
> Southwest Airlines

IN BRIEF

Disconnected challenges
- Pre-COVID, Southwest conducted all 10-Qs and 10-Ks on paper
- Difficulty tracking comments and conversations
- Disparate data across teams

Connected results
- Centralized data, centralized communications
- Increased efficiencies and on the road to fully electronic tie-outs
- Saved a day on their quarter close

Connected solutions
- **SEC reporting**
- **Internal controls management**
- **Financial statement automation**

Why they chose Workiva

Multiple teams can work together in a centralized cloud platform, including the SEC, legal, and FP&A groups.

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