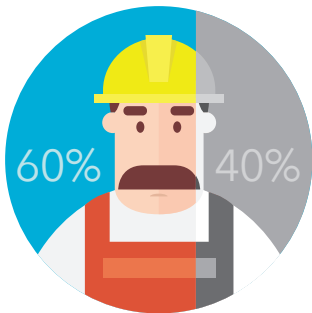


# Bringing *balance* to the books *with automation*

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**Account reconciliation is a crucial business activity**, and one that is becoming increasingly complex. Fast-shifting legal reporting requirements sit alongside the business' need for accurate, timely information about its financial state, and the compliance environment will only get tougher. Research suggests more than 95%\* of finance executives expect compliance burdens will increase – or at the very least stay constant – in the coming years.



And yet more than 60% of companies still use manual systems for accounts reconciliation\*. With this approach, the process can involve what seems an almost random regime of email, phone and face-to-face conversations and result in a frustratingly unclear audit trail. For organisations having many arms to their business and operating in numerous markets, the inefficiencies can multiply quickly indeed.

Organisations are now automating reconciliation to overcome many of these problems. Automated processes have a very clear audit trail, resulting in greater transparency and accuracy. This added level of rigour makes it much easier to keep track of what is going on, and speeds up the close exercise by significant margins. Automation also helps improve data security as sensitive information is no longer being passed around unguarded during the reconciliation workflow.

For instance, Amazon recently automated 16,000 monthly reconciliations, having previously used an entirely manual spreadsheet-based system. The company implemented an automated system across the board, from analytics during the close process to certified financial reports to master data management. Today, 80% of Amazon's reconciliation is automated and it can complete its close in just one hour.

Forum Energy Technologies, an international oilfields products company, has 104 disparate general ledgers and 4,200 reconcilable accounts to manage with each close. The company previously did this over email, asking teams to manually confirm that each account had been reconciled with a "yes/no" reply. Since automating reconciliation for just half of its books, the company has managed to shave two days off its close.





Automating accounts reconciliation also results in a more up-to-date view of management data. When using their previous manual systems, managers at Amazon received two status reports on the reconciliation process per month – each of which took days to prepare. Now that the process is automated, managers can get live status reports whenever they need them. For its part, the accounts team no longer needs to spend days working through spreadsheets to deliver these updates.

This visibility also makes it easier for decision-makers to identify which parts of the business are most (or least) efficient and address the issue more quickly. It also allows them to spot workflow bottlenecks and manage these issues more efficiently, which in turn speeds up the close process.



The next step in the evolution of accounts reconciliation is a move to the cloud, which allows finance teams to be even more flexible in their approach and to focus on the accounts that really matter. Integrating the process with back office systems extends the flexibility of cloud reconciliation for both ERP and EPM systems and helps finance teams better manage workflows across the entire business.

There's no escaping the need for transparent accounting processes that meet ever-tighter legal requirements, and as mentioned most finance operatives are keenly aware that the burden continues to rise. Keeping up with this pace of change requires a more modern and accurate approach to financial close, one that ensures the business can perform at its best without being slowed down by outdated processes.

