

# Five signs you've outgrown email and checklists to close the books

Time to move to modern workflows



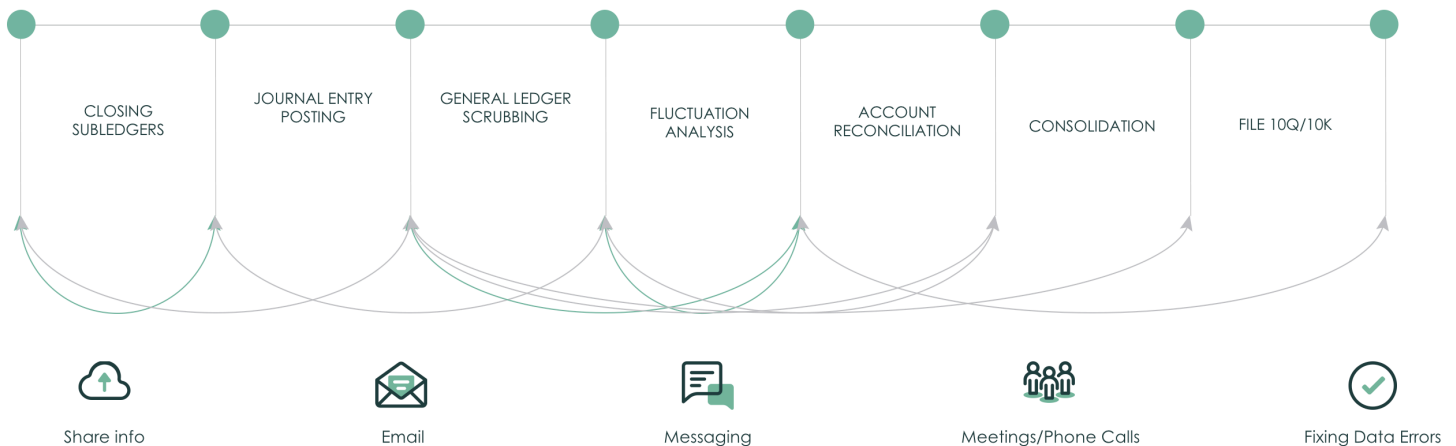
### Am I getting my numbers today?

That's a common question asked by chief financial officers (CFOs). They want real-time information to manage the business and are not satisfied with the status quo.

Based on a 2018 survey of CFOs by PwC, 67% are not getting access to financials fast enough. CFOs are questioning their current operating practices and need their teams to improve the way they work and be smarter about how they use their time.

As a controller at month-end, you know the drill and how much work goes into closing the books. Your team can have up to 2,000 tasks and involve hundreds of people contributing to ensure that financial results are accurate. While your team relies on ERP systems as much as possible for automation, they also use other tools such as email and checklists, as well as manual processes to ensure all the work gets done. If your company is growing, how can you tell whether your close process will scale and support the business?

There are five signs you've outgrown email and checklists to close the books, which this white paper will examine. At ServiceNow, we've helped the largest companies in the world transform old, manual ways of working into modern workflows. If you'd like to imagine a faster close without the manual effort and heavy workload that you have now, keep reading.



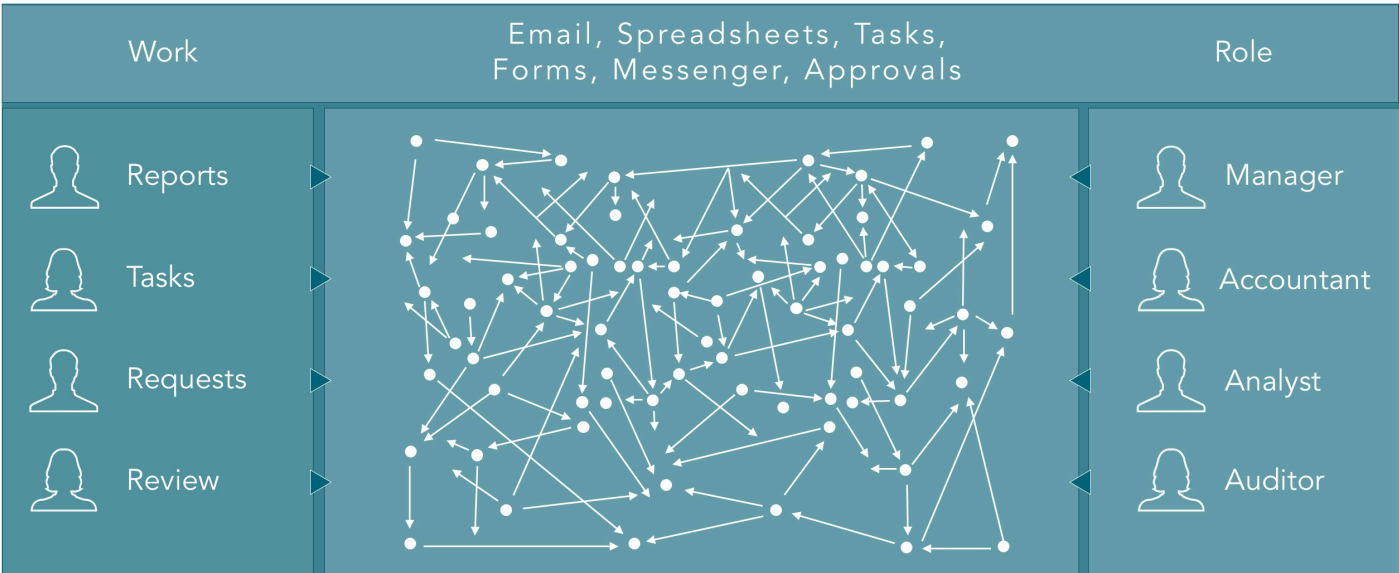
**The financial close happens in silos with manual processes**

**Sign #1: What's the status of our financial close right now?**

Checklists are fairly straightforward for keeping track of close-related tasks. But they're difficult to use when driving a faster close. If your team uses daily status meetings to keep apprised of progress, as things change throughout the day you won't know which areas require your immediate attention. Waiting until the next meeting could be too late if something critical happens.

Checklists are not actionable when you only receive updates periodically. As a result, tasks can be overlooked and potentially lead to reporting mistakes. Reporting mistakes are bad for business, damaging credibility with shareholders and investors. They can also be expensive, resulting in large penalties or fines.

Ideally, you want a system to tell you in real time where you are during the financial close. The system should understand the workflow and timing of all the tasks and help you understand which task is completed, pending, and overdue so that you can take action when necessary.



**There's no visibility into financial close status**

**Sign #2: Where's the journal entry support detail? I can't find it!**

Do your journal entries look like a package of things that your accountants manually bundle together for approvals? If journal entries are stored in one system (i.e. the ERP system) and supporting detail is stored in some other system (i.e. shared drive), it's natural to use email to request journal entry approvals. The issue arises when reviewers unnecessarily spend time looking for the supporting detail and reconciling information to the email and ERP system to verify the numbers.

Long review cycles always slow down the close. A review that should take several minutes to complete can take several hours or even days to complete when searching for information amongst email, the shared drive, and ERP system. Mistakes will also delay the close if there are multiple versions of supporting detail and the reviewer matches the wrong version with the journal entry.

Ideally, you want a system that can expedite review cycles by keeping journal entries organized in a single place. You want to receive approval requests in real time and see everything relevant to the journal entry from your fingertips. Also, this system should enable you and the preparer to resolve any questions as quickly as possible without holding up the close.

**Sign #3: I can't get my work done while auditors are asking questions**

Deadlines are unforgiving during the close, especially during audit busy season. After your team supplies auditors with their initial checklist of information and test samples, it's just a matter of time before auditors come looking for you with questions. While this time may be helping the auditors, it doesn't help your team close the books faster, especially when some of these questions could have been avoided with better audit planning.

While audits are mandatory, they are inefficient at the worst times. When auditors ask questions about test samples during the close, your accountants sacrifice precious time collecting evidence and explaining how to reconstruct transactions. Although this work is important, it's a distraction when you're trying to close the books faster.

You want a system that can optimize your time spent with auditors. The system should provide auditors with an organized view of what they want: journal entries, supporting detail, audit trail, as well as policies and procedures. Auditors should also have access to a system intuitive enough for them to perform testing at their own pace while your team focuses on closing the books faster—a win-win for both parties.

**Sign #4: I have no time for analysis**

Accountants have the skill to see the forest and the trees. But it's difficult for accountants to see the forest if they spend too much time entering information into ERP systems, storing supporting detail on shared drives, and emailing approval requests. The issue arises when your accountants do so much tactical work they miss the opportunity to understand what has happened to the business.

Too much tactical work is a liability when analysis is subpar. Your accountants, who are most familiar with the details of the business, should be the ones exercising curiosity and understanding trends. If your accountants aren't able to focus on identifying and raising important findings, you might overlook something important that can cost you later on.

You want your accountants to close the books without having to compromise their capacity to be analytical while they work. You want a system that can free up time to be analytical. It should understand your finance close calendar and can integrate with your ERP systems so that your accountants can save time and avoid mistakes from preparing journal entries, sharing supporting detail documents, and emailing approval requests.

**Sign #5: I have to drive to work during weekends just to approve journal entries.**

It's one thing to rely on email and checklists to close the books when your team is locally based and working similar hours. Yet, if you work with people across the globe who are submitting journal entries for review after office hours, approvals become a bottleneck and delay the close. And if your best people need to drive to work on weekends to approve journal entries, you don't know if you could potentially lose some key talent.



After your team supplies auditors with their initial checklist of information and test samples, it's just a matter of time before auditors come looking for you with questions.

When team morale suffers and your key people leave feeling the job has taken more than its fair share of time and energy, you face a critical talent shortage. Work/life balance matters. If your team is short-staffed, you feel the added pressure to close the books faster and continue doing quality work.

Ideally, you want a system that lets you work the way you want to work. You want a system that allows you to be mobile so that you can review and approve journal entries from anywhere without having to sacrifice too much personal time. Your global team can close the books faster without having to wait for approvals.

### Have you outgrown email and checklists to close the books?

If you're experiencing several of these signs, it's time to consider ServiceNow Finance Close Automation.

Our solution helps finance executives manage the financial close process by eliminating the risk and unproductive work caused by using email and checklists. You can:

- **Reduce close risk.** Centralize close tasks and automatically validate journal entries to know the real-time status of the close process
- **Improve employee experiences.** Eliminate unproductive emails and reduce switching between applications to finish your work quickly and easily
- **Accelerate financial close.** Connect to your ERP systems to perform end-to-end accounting work from one place and finish repetitive tasks faster

### Key measurable benefits include:\*

- **15-20% increase** in accounting labor efficiency due to task tracking automation and streamlined processing of disconnected checklists
- **3-5% increase** in cross-functional labor efficiency due to centralized workspace and intuitive user interface shared by everyone
- **1-2 day reduction** in time-to-close due to automated routing of journal entry review and approvals
- **15-20% reduction** in accounting errors due to ERP integration and journal entry validation
- **10-15% increase** in staff retention due to improved job conditions for work-life balance

### To learn more, visit the website:

<https://www.servicenow.com/products/finance-operations-management.html>

\*Now on Now, May 2019

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