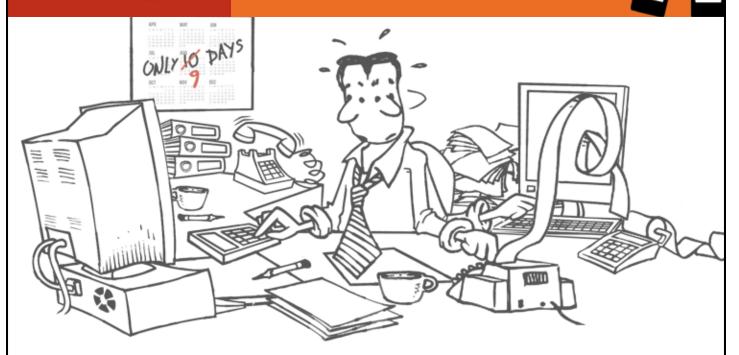


7 reasons it takes so long to close the books

FIND OUT HOW

7 reasons it takes so long to close the books





Manual Spreadsheet

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Process first. Technology second.

1 Spreadsheets are an obvious and important area of opportunity. They're also one of leading indicators of companies who are good candidates for improvement. Spreadsheets have evolved over the years but they have their limitations. Like all tools, it's important to use the right tool for the job. Many companies use them for (insert what people use them for). What they aren't particularly well suited for is handing off information, collecting data from disparate ERP systems. In short, it's not good for closing the books...to the tune of adding an average of 3-4 days to your close cycle. Plus, if you move off of Excel you avoid reason #3.



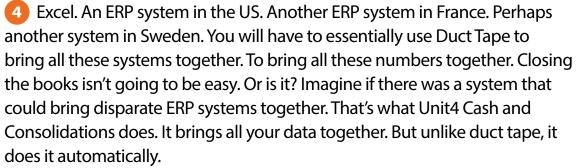
People

2 In Business Management one of the first things you learn is that many of your biggest challenges talk back. Which is to say that many of your problems involve people. In a process that is manual the speed is dictated by the pace of the slowest moving element. That means that you can't close the books until you get whatever you need from parts and people far and wide. So your speed will be dictated by the slowing moving individual. Did Victor get pulled into (some fire drill scenario that seems plausible) instead of closing the books. That means everyone is waiting for his data.

Errors

3 This is an offshoot of people and manual spreadsheets. People are human. Some are superhuman. But we are all fallible. That means errors happen. And when they're caught, you have to go back and figure out what happened exactly. More importantly, you need to recrunch the numbers. It's been said that there's never enough time to do the job. But there's always time to do it over. Imagine never having to do the job over because of a mistake. Yes, it's possible. It looks something like this (this is a hyperlink to the webinar).

Duct Tape





Vacations

Sven takes two weeks off and he's responsible for consolidations in Sweden. When Sven doesn't provide Sweden's numbers then the global books can't be closed. The solution is not to cancel vacations. And it's not to ask everyone to work harder when Sven's on vacation. It's to work smarter, not harder. Reason number five for why can't close the books and reason number five to attend a 30 minute webinar on How to Close the Books faster.



Fear

6 Closing the books early opens many opportunities. You can read our list of 9 Things You can Do if You Close 9 Days Early (hyperlink to blog post). But for some people involved in the closing process there are concerns that they won't have anything to do. Often this is a time of constant, frenetic movement. Will someone think we're not needed. Again, I think you'd be hard pressed to find a controller who couldn't be leverage in a more strategic way beyond the transactional nature of their old job.



No Close Process

Closing the books needs to be done one way or another. What most or let's just say, many companies don't do is have a process to close. A company with multiple currencies, multiple companies can benefit from a process grounded in project management best practices. For the uninitiated that's a systematic and strategic way to approach the close. The opposite of this is, "We'll, that's just the way we do it here."



These aren't just seven 7 reasons it takes so long to close the books. They're 7 reasons you should attend our How to close faster webinar.

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9 things you could do if you closed the books 9 days early

things you could do if you closed the books 9 days early

There are advantages of a fast close for many companies. But, in particular, companies with these business scenarios:

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9

Multiple currencies • Multiple countries • Using a manual spreadsheet • Disparate ERP Systems





When you're closing the books, data that is two weeks old is much more valuable than data that is four weeks old. Up to date data is crucial. Like new cars, as soon as new data is created it starts losing its value.

Fresh Data

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TAX

There's a simple way to find out if your data is fresh. Observe if people care about your data People stop caring about data when it gets old. They will not put stock in data that is three weeks old.

Side Room Accounting

There is also the dreaded "side room accounting" where groups track their onw invoices and financials leading to even more inefficiency.

Getting a Seat at the Table

Having accurate and relevant information gives finance a seat at the table. Additionally, having a bit of time to translate that data into business insights doesn't just you seat at the board table. It gives you valuable information that people who are not controllers can understand and use.

How two week data become four week data

Closing the books is an interesting process. You can read about here in our article, Seven Reasons it Takes so long to Close the Books. The primary variables are manual processes and combining data from disparate systems.

If you're closing over 18 days, have multiple currencies in multiple countries without one view of truth, attend our How to close faster webinar.



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