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## ACCOUNTING & AUDIT

# 90% of Responding Organizations Experience Challenges with Financial Close Process

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Sep. 24, 2020

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A commissioned study conducted by Forrester Consulting surveyed 336 finance and IT leaders globally on challenges experienced in digital transformation efforts. Respondents reported their organizations' processes and strategies are rife with challenges due to data accuracy and lack of collaboration. However, there are opportunities for organizations to pinpoint their problem areas and utilize modern technology and strategic approaches to help propel themselves toward long-term success. The survey was conducted on behalf of integrated Record to Report software solution provider [Trintech](#), a leading global provider of for the office of finance,

### Key findings include:

- **Complex environments cause challenges with executive collaboration and financial close technology.** Organizations operate in complex ERP environments

and use an average of nine different vendors and 18 instances across the enterprise globally which leads to disconnects in collaboration and communication among the C-Suite and other leadership stakeholders and trouble with data availability and accuracy. This increases the risk of financial misstatements and potentially incorrect insights. 44% of respondents cited errors due to manual processes as one of the biggest challenges during financial closes.

- **Adopting advanced technologies can benefit the entire organization.** Many organizations can benefit from supplemental financial close applications that work across this complex and disparate ERP environment while also introducing advanced technological capabilities such as AI that benefit the entire organization. Currently, CFOs spend almost 17% of their work week analyzing financial information and only 12% on business strategy-related activities. Advanced technologies can free up time and help CFOs spend more time on strategy.
- **The financial close process will be overhauled in the age of AI.** Eighty percent of respondents said AI will play a large or central role in their organization's next wave of financial management technology. Organizations must take advantage of and invest in technologies like AI, robotics, automation, and risk management so the finance office can overcome its own challenges while leading the way in the organization for the ROI on these advanced technologies.

“Prior to the pandemic, we heard many business leaders say digital transformation is a priority, but too many overlook finance as a crucial and foundational element of this transformation. Investing in the right technology to maintain business continuity in a remote environment and beyond is no longer a “want”, it’s a critical need,” said [Teresa Mackintosh](#), CEO at Trintech. “This survey revealed that complex ERP environments hinder the ability to produce necessary financial statements and track key metrics to get a true view of the business. Looking to supplemental solutions that integrate across these complex ERP environments to ensure data accuracy, automation, and collaboration in the C-Suite are paramount to ensuring long-term success for your organization.”

According to the study, “Finance teams are notorious for lagging behind their enterprises’ digital transformation efforts, though not for lack of trying. While many large enterprises focus on their technology teams, they overlook the transformational necessity of the finance teams, leaving them with outdated systems and frustrated employees and lacking skill sets. To effectively position themselves for long-term success, organizations must deliver on these increasingly challenging demands in the short run and find a way to manage the complexities that come with being an enterprise-level organization.”

## Key Recommendations:

Growing pressures due to rising customer expectations, fast pace of change, and the ongoing impacts of the pandemic will force organizations to invest in modern finance solutions or face perilous consequences. This in-depth survey yielded several important recommendations:

- **Organizations need to make bold investments in finance for business survival and growth.** Decision makers must overhaul their current thinking and recognize that great finance systems — including clear visibility and controls — can make or break the business. Leaders need accurate, real-time financial information through streamlined financial close software to make important decisions about business health and investments.
- **The right technology will bring consistency and automation to critical financial processes.** Respondents said they prioritize integration, breadth, and automation when selecting financial software. These characteristics are critical to solving issues around fragmented data, inconsistent processes, and out-of-date information that can drag down business success.
- **Make sure to invest in governance and CFO-CIO collaboration for best results.** Leading organizations must combine people, processes, and technology for best results in modern finance systems. The technology is a starting point, but real success can only happen when key stakeholders are aligned and clear on roles and responsibilities.
- **Push the limits of AI in core finance processes.** All financial software aims to automate and reduce manual effort, but leading solutions are changing the game with real learning and intelligence. Go beyond the buzzwords and ask your supplier for real examples and references from customers who can speak to the power of real AI.

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