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advances in rapid close / financial close software.

Brian Tankersley • Randy Johnston • Sep. 28, 2023

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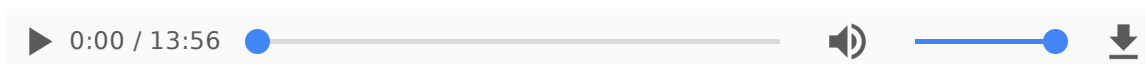
Featuring
Randy Johnston & Brian Tankersley

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Technologists Randy Johnston and Brian Tankersley, CPA, talk about the latest advances in rapid close / financial close software.

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SPEAKERS

Randy Johnston, Brian F. Tankersley, CPA.CITP, CGMA.

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in check law lists and checked off once they're completed. So these tools often have individual progress and deadlines for each period that they assign out to the accounting team. Now, that methodology is repeated over and over again. And it turns out a lot of accounting software platforms just don't do a very good job of tracking that internally. So if you're doing CAS in your practice, you may well need a rapid close tool to get that done. Now, there's only a few tools in the marketplace that are what I would call continuous close that are popular for accountants. One example of that might be sage intact. But the fact of matter is almost all accounting software really didn't have clothes in it today. Now we've recorded other technology lab sessions on closing the books, and I'm going to throw a whole bunch of names out at once and then asked Brian to maybe give us better color, but tools like black line or flow cast, as well as Trin, tech ADRA. And ones you might not have heard as much of the net tracker or Zin, it or numeric or scrutinize and so forth. So Brian, what would you like our listeners to know about these?

Brian F. Tankersley, CPA.CITP, CGMA 02:11

You know, I think that just like we've seen a lot of technology automation that's come out for tax people. And for audit people, I think we could agree that the technology available in Management Accounting has made a big step up as well. So if we're thinking about this, these tools do things like they'll match up the transactions between the bank statement and general ledger and show you the exception. So almost an automated reconciliation, they'll go back and validate the postings that you've made against the bank statements, they'll go back in and help you track and kind of auto nag people, when you need certain reports, or you need certain processes to be run or other things to happen. They, they just kind of generally give you kind of an overview of the whole process. They also generate for people that are in a more regulated environment or a public company type environment, they give you really more GRC coverage of the of the processes. You know, we just had one of the auto

parts companies, I can't remember who it was Advanced Auto Parts or auto. So in

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reporting process is actually a requirement, you can't just do the completion of the tasks, and you can set up these auto automatically renewing and auto nagging and auto tracking setups, so that you're always focusing on the stuff that's on fire as opposed to having to focus on just what should we do?

Randy Johnston 04:29

Yeah, so thank you for that background. And, you know, I've tracked these rapid close tools since the inception on many of them, but I can tell you that I'm not near as deep as I would like to be. Why because there's around 77, zero of the we're aware of in the marketplace. Now I've named a few earlier in this session. But you know, other ones that I respected a great deal, like Workday or one star Am I'm probably less impressed with. And you know, if you are looking for a place to track these, we keep track of these on my accounting software world website at k two, under the budgeting and forecasting tools down at the bottom of the page. Obviously, other providers like GE to track these and I believe right now G two is listing over 60 different products. Now one little trick is a whole lot of these vendors have tried to add rapid close into their platform. So there's a little bit of confusion around this. But if I take, you know, my top favorites, and I'll just name those flow cast Blackline and Trintech, ADRA. And then I look at where other tools that I liked very much like Workday have gone, you know, I kind of scratch my head on this. We also have tools like planful, and others. But just be aware that there's a number of the platforms that have said, Oh, yeah, we're losing market share, or these other competitors are sneaking into our space, we're going to erect a little bit more of a walled garden around that. So Brian, do you have some other tools that you might call out? Now remember, this session is about the category of tools. If you in fact want to learn about these, you might see if we've recorded a session on any of these other

Brian F. Tankersley, CPA.CITP, CGMA 06:31

products. And in fact, in in 2022, we recorded episodes on net tracker and Senate auto

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different tiers. And they're actually five tiers in that pyramid on the homepage of accounting software, world.com. And, you know, again, that enterprise tier, the tier one, tier two, those tools aren't going to fit in a cast practice. But as we get further down the food chain, some of the others like like a scrutinize IO or again, some of the some of the others out there may actually work. But again, these will typically help you do things like create prepaid, prepaids, and approvals. So when you book a prepaid or accrual, you'll actually booked the amortization entries in, it'll automatically handle those, they will help you with your reconciliations, they will go through and identify unusual transactions and help you classify those and even kick off workflows. When things happen, like, you know, a debit shows up in a fixed asset account. And then the, then the tool will actually kick off a workflow for somebody to set up that asset, depreciation software and then update the tables and so forth. So, you know, the way of thinking about these is these are really workflow slash process automation tools for your accounting department, so that you can manage it, you've seen the Enterprise Architecture type things that have been done with, with these process management tools, and operations in many of your companies. And this is really one that is really designed to help you manage the operations associated with closing the books.

Randy Johnston 08:54

So long along that line, Brian, again, we've named several products so you do have to be caution, cautious on tier one tier two close products, you know, so if we take a high end product like Workiva that competes against the likes of black line and flow cast that may not fit well or let's pick on another one that you know, won't fit well the SAP S for HANA Cloud close tool, obviously not the right deal. But some other products that are interesting enough to look at, like live flow or keeper or one that you may know the name of profits, which has been you know, we've talked about for years as a reporting tool or other good Go ahead.

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know that. But I was thinking about other ones that I knew I've seen in KAS practices like planful, and vinna. And so that tells us that practitioner or looking at, that tells us practitioners are having trouble managing these workflows. And we know that CAS workflow continues to be an issue as people try to solve that problem with tools like jetpack workflow and some of the other practice management products. But staying on the topic of financial close, just recognize that I think you'll have to figure out what is needed for you, we recognize the key benefits are automating the closed process, to get the statements out to consolidate data across multiple sources, and then analyzing that accounting data and generating the the key financial statements. But issues like consolidation, reconciliation, workflow, records, management, review, financial insights, and integration are all key to these platforms. So we do know a lot of names that have that you would recognize also that have joined these significant companies. And, you know, maybe we'll just drop one name, Teresa McIntosh, who's been over it at the edge ADRA Trintech, for quite some time. And she has also gathered many people around her. And she has always managed good operations wherever she's landed. So, again, we suspect that some of you in your cast practices have this need, we suspect some of your clients in industry businesses have this need. And you need to have at least a little bit of awareness on this. Brand. Closing thoughts for our listeners.

Brian F. Tankersley, CPA.CITP, CGMA 12:09

You know, I think just like we've automated a lot of things, as we move towards use more use of offshore labor and remote workers and automation, it is critical that you get a way of managing that whole process. Because you know, automation works until it does. And when it doesn't, you got to be ready to stand in and stand in the gap for it and be ready to handle it. You know, again, this is a tool really, we think about the way, the way our profession has changed. We're really more digital plumbers today, especially in industry, then we were we were 2030 years ago. And so this digital plumbing and this managing the plumbing and knowing what's what what's

gone off the rails is the operations of your accounting department. That's really what

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