RECORD TO REPORT

REDWOOD

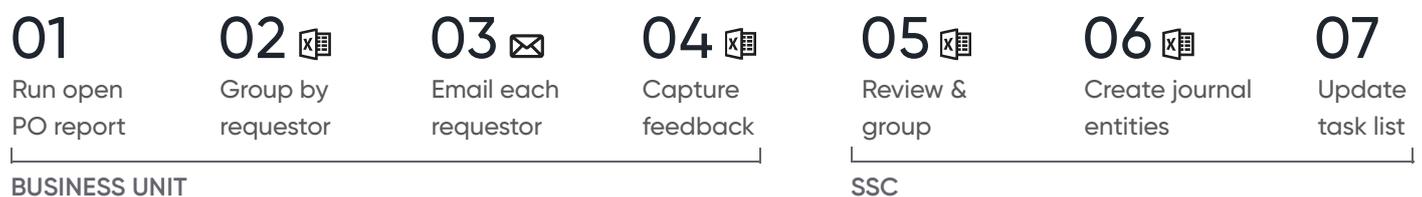## AUTOMATION FOR THE ENTIRE RECORD TO REPORT PROCESS

For the last two decades, most companies have rationalized and achieved substantial efficiency within their group function, specifically around group consolidation and disclosure management. However, most organizations still employ substantial numbers of employees within their global business services (GBS) and shared service center (SSC) teams to manually manage the financial close process.

That's because the financial close is repetitive and complex. It often spans multiple geographies and departments and requires multiple levels of approvals and controls. The close can include as many as 70 separate processes with hundreds of sub-processes embedded in each. The chart below shows an example of the complexity and control required.

ROBOTICS - REQUIRED COMPONENTS

- **DESKTOP AUTOMATION**
- **ERP INTEGRATION** e.g. SAP®, Oracle®, PeopleSoft, JD Edwards etc
- **CLOUD-BASED INTEGRATION** e.g. Salesforce®, Workday, ServiceNow etc
- **EXTERNAL WEBSITES** e.g. www.supplierblacklist.com, www.barclays.com etc
- **ORCHESTRATION, SLA & WORKFLOW**
- **PRE-CONFIGURED COMPONENTS** e.g. Excel, email, SAP, UI, Oracle, SOAP, browser
- **GLOBAL MANAGEMENT & ROLL OUT** e.g. Scalability, staged deployment, built in lifecycle management

MANUAL PROCESS

■ **MANUAL TASKS** ■ **ROBOTIC TASKS**

01	02	03	04	05	06	07
Run open PO report	Group by requestor	Email each requestor	Capture feedback	Review & group	Create journal entities	Update task list

BUSINESS UNIT   SSC

Redwood can automate 90% of the process outlined above by using our catalog of ready-to-use robotics task processes. See the new outline below.

ROBOTIC PROCESS

01	02	03	04	05	06	07
Run open PO report	Create workflow per requestor	Email each requestor	Manager approval	Validate & group	Post defined journals	Update task list

Key control points with segregation of duties. Such control points can be implemented as required for each individual process.

THE RECORD TO REPORT (R2R) PROCESS

Representative activities and resources assigned to various stages of the R2R process in a multi-billion dollar corporation

AUDIT / REPORTING

Audit Trail Process Documentation	Process Analytics Consolidation System	Financial Reporting Profitability Reporting	Projects Services

FINANCIAL CLOSE TASKS	RECONCILIATIONS	G/L PROCESSING	CONSOLIDATION	DISCLOSURE
AP Close AR Close Unbiled Revenue Assets Depreciation Asset Capitalization Intercompany Deferred Revenue Expense Analysis R&D Capitalization Reconciliation Accurals Allocations Pre-Payments Provisions Payroll-Stock Comp	Sub-Ledger Cash & Bank Inventory & Materials Inter & Intra- Company Fixed Assets to GL Payroll to GL Pre-Payments Balance Sheet accounts FI to CO GL to Consolidation	Open New Period Close Current Period Cost Allocations Run Depreciation Work In Progress (WIP) GR/IR Accruals and Clearing Inter-Company accruals & Clearing AR close AP close FX Valuation Revaluations and Costing Recurring Journals Adjustments Journals Accruals Posting & Reversal Manual Journal Posting Entity Close	Extract to Consolidation System Verification Perform Consolidation CONSOLIDATION TOOLS	 DISCLOSURE TOOLS

200 TO 300 PEOPLE	15 TO 30 PEOPLE	5 TO 10 PEOPLE

STREAMLINE THE R2R CYCLE

Redwood Robotics™ solutions delivers an effective record-to-report function to coordinate, process and produce accurate financial information in a timely manner. We handle the collaboration, orchestration and execution of hundreds of processes across your entire organization, leaving your finance team free to handle higher value work.

TASK MANAGEMENT

To keep track of the global close process within any given period, an organization must be able to define all close tasks, dependencies, predecessors and successors as well as manual alerts and completion feedback.

Redwood's closing task management component provides a configurable, web-based control center where all accounting and finance activities can be managed. Create a hierarchical task list, role-based workflow and real-time dashboards. With Redwood, process owners can track and control a variety of task types, including month-

end close checklists, tax filings and more. When linked to the closing management component, all such tasks are picked up by pre-defined robotic processes and executed automatically. A Kanban-style dashboard provides all process owners a way to monitor related processes as they progress from planned to monitored and, finally, completed. Activities that require attention alert team members automatically via email using a personalized inbox. The inbox delivers the information needed for the process owner to take required action without additional investigation.

CLOSE MANAGEMENT

Redwood Robotics solutions automatically detect any failures and errors and route them to the correct business unit to be resolved. Our technology keeps track of all related dependencies and keeps relevant process owners informed of any issues.

In a complex organization, just dealing with these kinds of errors can add up to dozens of activities all

needing manual execution and intervention. Redwood fully automates error handling with clear dashboards, relevant KPIs and a full audit trail.

Our robotic activities complete each system-related task including running of: Allocation, Depreciation, Forex Revaluation, Allocation Routines, Customized Transactions.

PROVISIONS AND ACCRUALS

Consider the example below of a typical accrual and provision process that normally involves accessing different applications and departments for relevant information. Many resources are needed to reconcile and re-format the data. More resources will be required to search for anything that may be missing. In addition to this, you'll also need to get approvals.

Once you have the necessary approvals, the journals must be prepared and sent to the business unit responsible to post them to your ERP.

Example of HR leave accrual, which includes the following processes:

- Extract salary information from payroll
- Reconcile with HR information to calculate holiday entitlement and required accrual
- Summarize data to protect privacy
- Create provision journal
- Mail to shared service/finance personnel for approval
- Post journal
- Collect posting evidence
- Update close task list and create necessary audit trail in an easy-to-investigate format

Ready-to-use process activities can also replicate and perform retained organization tasks, including:

01 HR leave accrual

02 Obsolete stock provisions

03 Payroll stock compensation

04 Doubt debt provisions

05 Pre-payments accrual

**06** Inter-company accruals
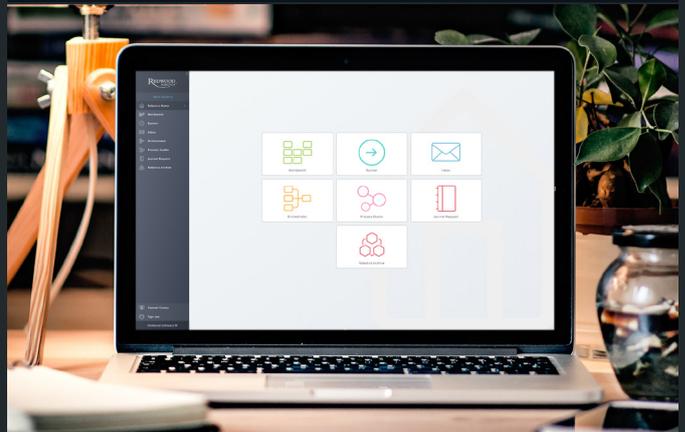
BALANCE SHEET RECONCILIATION

Our ready-to-use robotic process activities can do all the preparation and place the correct group of accounts information in the right template. They automatically route to the defined reviewers and approvers and document the evidence for later review and audit.

But more importantly, they don't need to extract all the information to find the right evidence. All reconciliation can be performed directly in the underlying application. Only the required line item details are presented in the templates.

Redwood reconciliation robots remove more than 90% of the preparer's activities, leaving the reviewers and approvers to focus on exceptions and any other high-risk items.

These templates can be refreshed in near real time without the need for full extraction. They also:

- Define account risk levels
- Define account groups to be reconciled
- Create preparer, reviewer and approver profiles with appropriate security. All preparation work is completed by the robots and automatically routed to the next action items
- Generate rules and templates
- Auto-certify based on the above rules
- Take actions such as 'set next review date' and 'activate correction journals' directly from the line item on the template
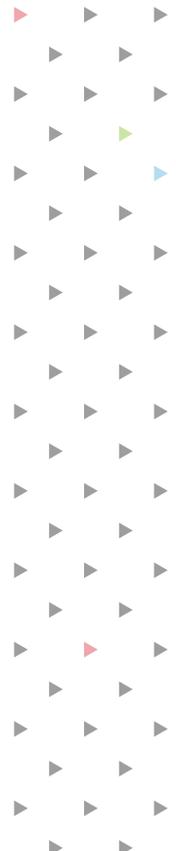
INTER-COMPANY RECONCILIATION

Redwood Robotics can also automate inter-company processes. These complex processes are fraught with risk from manual error, but with Redwood, you can automate tasks right out of the box. Auto-reconcile counter party line items at transaction level, clear the matched items in the underlying application.
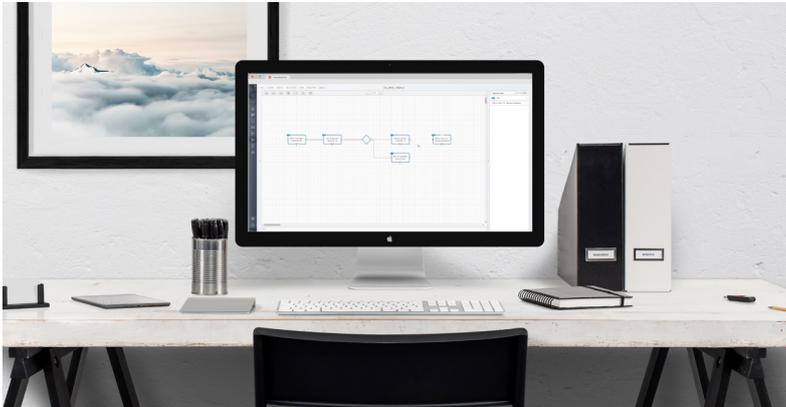
01 Route unreconciled items to the person responsible for clearing

02 Create accruals for the unreconciled items

03 Create the opposite AP or AR transactions with required approvals, threshold or by specific rules

INTER-COMPANY HUB

The Redwood Robotics solution enables you to create an inter-company hub so that you can automatically:

- Identify inter-company-related orders and invoices, pick up POs or invoices from one company and create sales orders or invoices directly into the counter party's books or as a parked item
- Reconcile the posted items at document currency (or by specific rules) and in case of foreign currency items automatically post the P&L on exchange where needed
- Clear these transactions within the underlying application
- Transfer the remaining differences such as 'goods in transit' or 'cash in transit' onto group consolidation with commentary where required

JOURNAL ENTRY MANAGEMENT

Redwood takes the pain out of managing journal entries, too. Our solution includes components that eliminate repetitive tasks and risk from manual effort. We include automation to:

- Build easy-to-use journal templates
- Define location for placement of journals, such as task lists, existing SSC framework, files, SharePoint, web portals and more
- Pick up templates, validate metadata directly with the underlying ERP, and return errors directly to the owner for correction
- Set rules to reject an entire journal or a single incorrect line item

- Split incoming journals and keep track of the split items when the underlying ERP has limits on the number of lines it can automatically split
- Send posting evidence to the owners automatically
- Keep track of all necessary KPIs in real time with the process owner's graphical dashboard
- Calculate and create journals with provisions and accrual components that feed journal entry management components