

# FINANCIAL CLOSE MANAGEMENT

## CONTROL YOUR CLOSE ACROSS THE ENTIRE R2R PROCESS

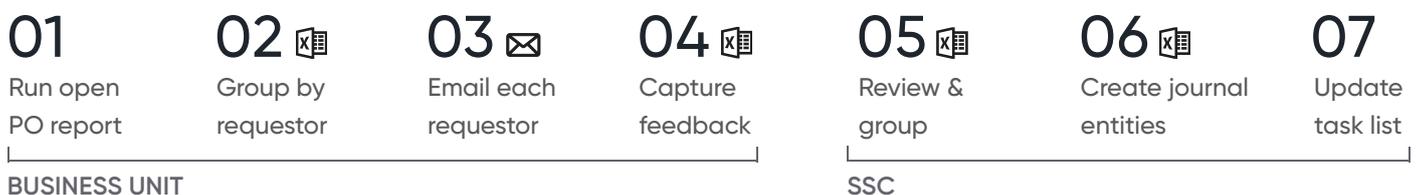
The majority of organizations still continue to deploy significant numbers of staff across their global business services (GBS) and shared service center (SSC) teams to manage the financial close process. The financial close is repetitive but complex, often spans multiple geographies and departments, and requires multiple levels of approvals and controls. A close can have hundreds of separate processes, with multiple sub-processes per entity.

## RUN OPEN PO ACCRUAL PROCESS EXAMPLE

- MANUAL TASKS
- ROBOTIC TASKS

The following example shows the level of complexity and number of controls:

### MANUAL PROCESS



**ROBOTIC PROCESS** - 90% automation achieved. Now the whole process is robotized, including the Business Unit.



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

Consider that this process started in the retained organization with an email to hundreds of cost center managers across the business. Responses and adjusted numbers must be chased and sent to the shared services department for processing.

This is laborious enough, but now imagine that hundreds of such

processes, with dependencies and variations, all need to be completed within a given timeframe and with a perfect audit trail.

Redwood can robotize all these activities as well as all other close items, allow the business complete control of the whole close process at all times.

Allow the business complete control of the whole close process at all times

# REQUIRED PROCESS 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

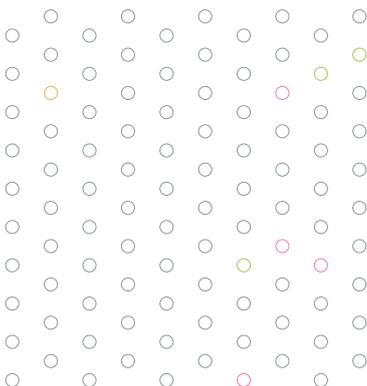


# THE ACCOUNT-TO-REPORT PROCESS

Here are some typical activities and resources assigned to various stages of the A2R process in a multi-billion dollar corporation:

## AUDIT/REPORTING

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



## FINANCIAL CLOSE TASKS

GR/IR, AP, AR, Sales-Revenue-Bank, Fixed Assets, Projects, Intangibles & Goodwill, Intercompany, Deferred Revenue, Expense Analysis, Research & Development, Accruals, Allocations, Pre-Paid, Provisions, Payroll-Stock Compensation

## G/L PROCESSING

Open New Period, Close Current Period, Cost Allocations, Run Depreciation, Work In Progress (WIP), GR/IR Accruals and Clearing, AR close to GL, AP close to GL, FX Valuation, Revaluations and Costing, Interest Rates, Recurring Journals, Adjustments Journals, Entity Close

## RECONCILIATIONS

Sales to AR, PO to AP, Cash and Bank, Fixed Assets, Balance Sheet Recon (BSR), Defined BSR templates, Flexible Recon Rules, Inventory and Materials, Inter-company, Intra-company, Fixed Assets to GL, Payroll to GL, Other Sub-Ledgers Profit Center to GL, FI to CO, GL to Consolidation

## CONSOLIDATION

Extract to Consolidation System, Verification, Perform Consolidation

## DISCLOSURE



## HR LEAVE ACCRUAL EXAMPLE

01

Extract salary information from payroll.

02

Reconcile with HR information to calculate holiday entitlement and required accrual.

03

Summarize data to protect privacy.

04

Create provision journal.

05

Mail to shared service/finance personnel for approval.

06

Post journal.

07

Collect posting evidence.

08

Update close task list and create audit trail in an easy-to-investigate format.

## PROVISIONS AND ACCRUALS

Redwood's solutions can also replicate and perform retained organization activities, including: HR leave accrual, obsolete stock provisions, payroll stock compensation, doubtful debt provisions, pre-payments accrual and inter-company accruals.

Consider the example (seen at right) of a typical accrual and provision process that normally involves accessing different applications and departments for the relevant information. Many resources are needed to reconcile and re-format the data and search for anything that may be missing. In addition, relevant approvals must be sought before the journals are then sent to the business unit responsible for posting into ERP.

This HR leave accrual example can be automated completely.

## INTER-COMPANY RECONCILIATION

Auto-reconcile counter party line items at transaction level and clear the matched items in the underlying application:

- Route unreconciled items to the person responsible for clearing.
- Create accruals for the unreconciled items.
- Create the opposite AP or AR transactions with required approvals and thresholds, or by specific rules.

## INTER-COMPANY HUB

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. Automatically 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

- Build easy-to-use journal templates.
- Define location for placement of journals, such as task list, existing SSC framework, files, SharePoint, web portal etc.
- Robots pick up templates, validate metadata directly with the underlying ERP and return errors directly to the owner for correction.
- Rules can be set to reject the whole journal or incorrect line item only.
- Where the underlying ERP contains limits on the number of lines, it can automatically split the incoming journals and keep track of the split items.
- Posting evidence can be sent to the owners automatically.
- The process owner's graphical dashboard allows them to keep track of all necessary KPIs in real time.

FOR MORE DETAILS, CONTACT YOUR REDWOOD REPRESENTATIVE OR VISIT  
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