

INTERCOMPANY MANAGEMENT



Identify and match intercompany balances, approvals and documentation to drive collaboration and accelerate the financial close.

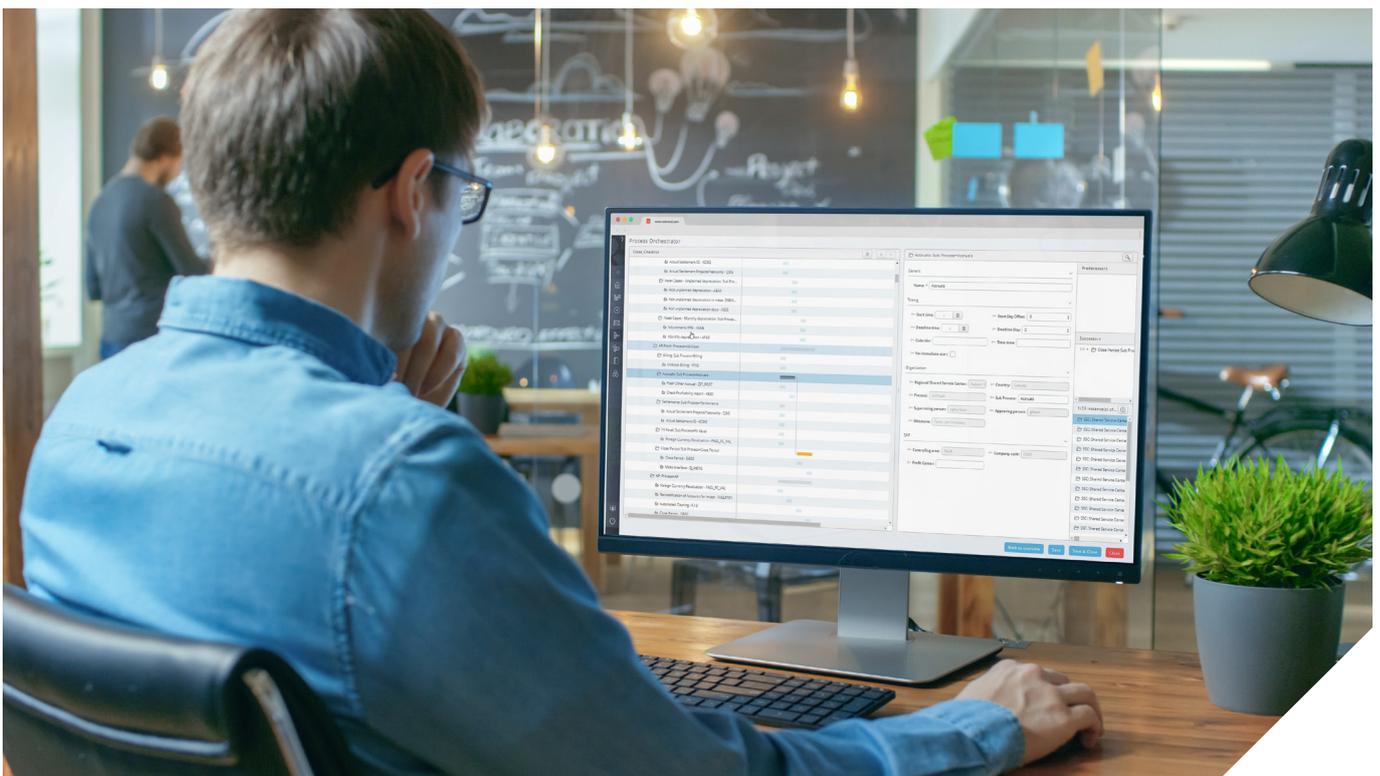
RETHINK THE MANUAL MADNESS OF INTERCOMPANY

Redwood can free your teams from 70-100% of all manual effort from your intercompany operations. This means faster resolution and timely and accurate elimination of intercompany transactions.

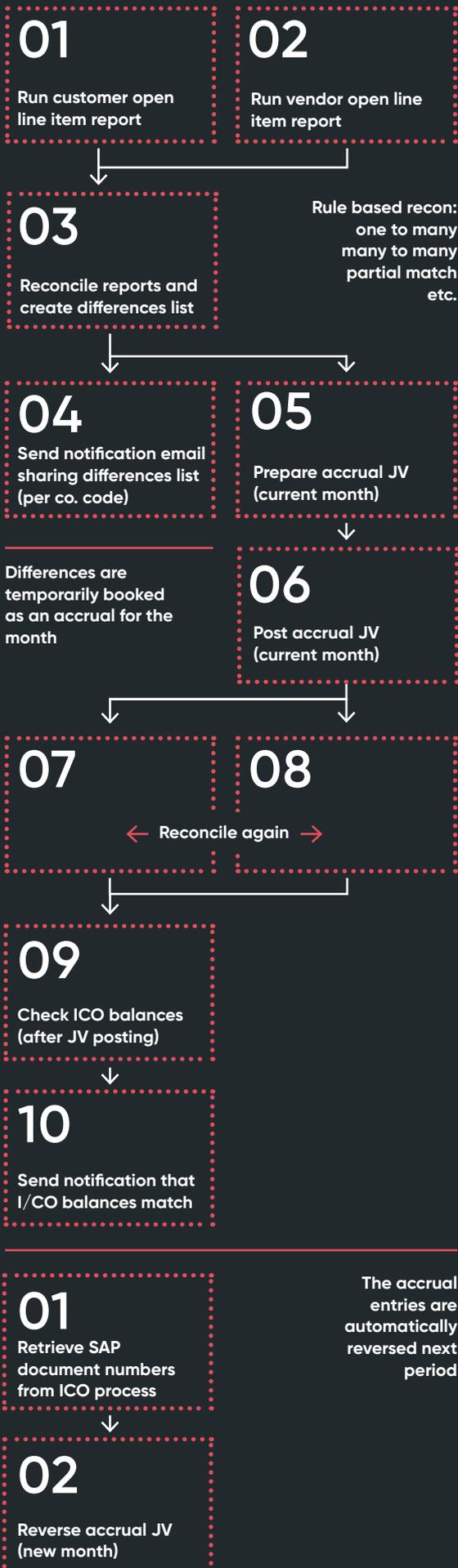
An important part of the consolidation process is the elimination of intercompany transactions. It is a collaborative process which requires the counterparties to have full visibility of their respective balances, the difference between them and the underlying transactions. Counterparties in an intra-group trade also need shared access to a common view of their intercompany positions. Resolving intercompany differences is extremely complex and time consuming. In the absence of suitable systems support, many companies resort to email exchanges, telephone calls and other manual workarounds.

Foreign exchange differences, timing delays and different company finance systems can lead to a messy and complicated back and forth at month-end. Disputes over pricing and incomplete documentation can result in time wasted to create accruals and balance journals to complete the consolidation process.

The bigger problem with intercompany processing is that material differences often only come to light very late in the record to report (R2R) process, when deadlines are looming and other matters need to be considered. In these circumstances the temptation is to simply accept any differences and postpone a full reconciliation for yet another period.



EXAMPLE INTERCOMPANY PROCESS



RETHINK INTERCOMPANY

Our catalog of pre-automated financial tasks mean you can quickly and easily get up to speed.

INTERCOMPANY RECONCILIATION

Automate the matching of uncleared transactions from respective counterparties. Our solution runs the counterparty transaction report and uses a flexible, configurable rules engine to:

- Reconcile and find unmatched items
- Split unmatched items by counter party and alert nominated individuals for resolution
- Create accruals (reversing journals) and auto-post journals with necessary approvals, attach and store evidence, and reverse the next period

INTERCOMPANY RESOLUTION

Free your teams from laborious work that can be reliably and accurately automated. Auto-reconcile, and for unmatched items, post opposite entries based on agreed intercompany posting rules. Often, large organizations have clearly defined rules (one customer has 80 different rules based on transaction type and entity). For example:

- Redwood's matching automation finds the unmatched items which can be in multiple systems/ERP, and applies the rules
- Automatically pick up the next task to create and post the necessary required (opposite) AP, AR or intercompany entry into the underlying applications (subject to the required approvals and controls)
- Use the existing 'clearing' options within the underlying ERP application to clear these transactions directly in the system and collect and store the necessary evidence

INTERCOMPANY HUB

With Redwood you can automate the creation of equal and opposite entries directly into the counterparty's order management or accounting applications. The automated process can pick up the intercompany-related documents and, subject to the right access, post directly into the counterparty books. This eliminates the timing delays as well as common rekeying of OCR/EDI translation issues. It ensures all entries are correctly accounted for and automatically reconciled and cleared – eliminating the need for reconciliation further downstream. The remaining items now make up true intercompany balances such as goods in transit, cash in transit etc., and are thus eliminated/reported as part of the group consolidation reporting.

INTERCOMPANY:* ~95% AUTOMATION

*Typical examples of intercompany processes

- Counter party reconciliation
- Related accrual creation and posting
- Counter party PO and SO creation
- Posting of AP and AR invoices
- Process Cross Company Journal
- Manage and reconcile services charges

ABOUT REDWOOD

Finally plug the 'automation gap' that leaves your people with lots of manual work, and liberate your teams from the day-to-day grind and stress of the financial close. Redwood orchestrates and performs the work, so you always achieve an accurate and timely close. Choose from our catalog of pre-automated financial tasks – across Journal Entry, Balance Sheet Certification, Intercompany and Close Checklist Automation – and benefit from our deep integration with SAP®, Oracle, other ERPs and business applications.

Our mission: unleash human potential. We free up the time and resources associated with repetitive manual tasks, so your people can help your company stay ahead. More than 3,000 enterprises trust Redwood to automate their business.

**FOR MORE DETAILS,
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REPRESENTATIVE OR VISIT WWW.
REDWOOD.COM**



REDWOOD'S INTERCOMPANY KEY FEATURES

Auto reconcile and manage exceptions

Run complex rule-based reconciliation

Search and identify missing counter party transactions

Execute 'clearing' transactions within ERP

Automatically pick up POs, invoices from source ERP, EDI, OCR etc.

Work within customizable approval workflows

Create and post the respective entries such as POs, sales orders, invoices etc. in the counterparty systems

Automatically trigger receipt flows on the buying side, based on delivery on the selling side

Execute payment on the buying side and collection processing on the selling side

Calculate currency related differences where applicable and automatically create and post the related currency exchange gain/loss journals

Collect and store all evidence and audit trail

Customizable analytics and dashboards

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