Increasing Accounting Efficiency Using Excel in Your Month-End Close
Improving the close process: Stick it out or step it up?

It seems ironic that in our high-tech world of the cloud, IoT and artificial intelligence, that many of us still rely on manual processes to close the books. Even given the limitations and cumbersome realities of these labor-intensive chores, some organizations have chosen to defend and refine them, to try make them as effective as possible. But let’s assume you’ve made the fundamental (and wise) decision to replace manual close tasks with a more contemporary solution, something that’s more efficient, accurate and collaborative. What’s next?

Stop making sense—are there really new ways to streamline the close process?

Yes, you should be optimistic, hopeful, even enthusiastic there are now indeed innovative ways to dramatically improve your pesky and disjointed close activities. Close Management Software is the emerging paradigm in automating and expediting the close process. But not so fast. There are still some key decisions to be made in selecting your approach, which is no doubt the reason you are reading this. Let’s break it down, and get started with an informed evaluation.

To Excel or not to Excel?

Shakespeare aside, this really becomes the crux of the decision-making process for your organization: whether to leverage familiar tools such as Excel, or forge new ground. The decision is yours, even though at FloQast we feel once you consider your options and understand the corresponding business benefits, the path will become self-evident.

That said, there are two dominant architectural approaches emerging for a close management software solution:

• Those leveraging integration with familiar Excel and the close management application
• Those leveraging an application that requires using less standardized web form templates as the reconciliation vehicle within the close management application

Let’s take a look at both, their pros and cons, and hopefully answer your questions.

Close Management Software is the emerging paradigm in automating and expediting the close process.

Should close management software be integrated with my old pal, Excel?

Facing facts, Excel is a de facto tool of choice, within which virtually every finance department is comfortable completing a myriad of tasks. It’s familiar, tried and true, and as the saying goes, if it ain’t broke, don’t fix it. Excel has universal functionality across departments and business units, and is the ubiquitous application every accounting and finance department uses in one form or another. It delivers a common baseline for communication and file sharing between accounting departments, auditors, tax advisors and consultants. It facilitates successful file upload and download between applications such as ERPs and other supporting subsidiary systems, such as asset management, and delivers validating data in a format typically demanded by auditors.

Excel delivers powerful functionality for its users, and is particularly adept at completing reconciliations. Its familiar capabilities eliminate the need for team members to learn new processes and close methodologies, some of which may not yet be considered industry standard or viewed as accepted
best practices. Expertise in Excel can enhance an individual’s financial career path, using an acknowledged skillset that is valued by employers of all types and stripes. Excel is backed by years of development effort by Microsoft, and certainly will continue to be enhanced and supported for the foreseeable future.

And are there some less stellar realities about Excel?

Not every application can rise to the status of the “killer app,” one that is everything to every user. For all of its great features, Excel is not specifically designed to facilitate team collaboration, and requires a more centralized, single person approach to completing a successful reconciliation and close, both for data consolidation and ERP tie back. Manual intervention with Excel can take extra effort and time and when reduced to data entry tasks, can be error prone and may not eliminate the barriers created by siloed team efforts.

Does the good outweigh the negative? Let’s push on. While each has its merits, the most popular and generally adopted as a best practice are those structures with a monthly categorization. Here the document hierarchy flow provides a logical and intuitive top down approach starting with business unit, then drilling down by year, month and account.

Web form vendor claims center on greater controls, less room for error and reduced risk over more commonly used approaches.

What about close management software using web forms?

Close management software solutions come in other permutations as well, most typically those that eschew the use of Excel and instead extol the benefits of “more modern” ways to automate close activities through the use of web forms vs. Excel files. The goals of improved accuracy, visibility and efficiency of the solution remain the same, but the goal here is to accomplish them without some of the manual tasks Excel requires, such as data entry and double checking, and the emailing, saving and filing of spreadsheets. Vendor claims center on greater controls, less room for error and reduced risk over more commonly used approaches.

What could be negative about using web forms?

While the use of web forms could be considered a new and innovative approach to a close management system, let’s take a minute to look at some of the limitations and realities this new tactic can introduce.

First consider the extra time, training and learning curve any new technology will add to your staff’s already busy schedules; then add to that the needed resources of your technology squad to install and support the net new system. It’s a big commitment. And just because the sales materials say “new and improved,” don’t minimize potential resistance from accounting team members who have cut their teeth on Excel and rely on it every day to do their jobs. It’s what they know, and it’s the industry standard, a reality that is not soon to change.

If less work (think data entry) and greater efficiency is the goal, consider the additional steps that will need to occur to successfully close with the all-in-one, web forms-based system. The reality is that data entry tasks will actually increase as your team won’t be able to reconcile all accounts in a web forms-based system. Just try reconciling deferred revenue or performing accrued liability reconciliations in a web form. It’s not going to happen. Instead it is back to Excel, but now in lieu of relying on derived balances, you have no choice but to resort to cutting and pasting numbers into the web forms themselves. Lots of extra work, but more importantly, the additional data transfer step can truly only multiply the opportunity for the potential for human errors, such as the inclusion of an incorrect file. The dirty little secret about relying on a web forms-based close management system is hardly anyone can perform 100% of their reconciliations in their web forms. Instead they must still do a number of reconciliations in Excel and then manually upload their workbooks. So much for web forms-based systems’ claims of increased controls and reduced chance of errors.
So, tried and true (Excel) or net new (web forms)?

Either path will bring you closer to a more automated and efficient close process, your ultimate goal in the search to find the most appropriate close management solution for your organization. But hold on, let’s not toss out the proverbial baby with the bath water. Is it possible to leverage familiar functionality, and still become more proficient while making the most of available computing and staff resources?

Additional considerations, both for the organization and the finance pro, come into play. Does your organization want to hire staff with existing Excel knowledge and skills, only to have to spend time and resources to retrain them on web forms? And what’s the incentive for the finance team member? Is there a benefit to learning new, perhaps less transferable skills, ones that potentially will not advance them in their own careers?

The fact remains Excel is one of the killer apps, enhanced and refined over decades with increasingly robust functionality and a user base that will not relinquish its capabilities and embedded position any time in any foreseeable future. Is there really a need to embrace novel approaches when accepted technology still runs not just the finance sector, but the business world at large?

Where exactly does FloQast fit?

In the past, the essential problem in completing an effective close has been connecting the dots between familiar Excel workbooks with the general ledger maintained in your existing ERP system. There has just not been a means to connect the cross-close capabilities and dynamic tie outs needed to make these systems work seamlessly together to mine the best from Excel, your particular ERP and your team’s strengths.

But now there’s FloQast, a simple way to continue to use Excel and seamlessly connect with your ERP system, leveraging often existing cloud-based storage in a way that securely houses your financial data and assists to more easily reconcile it with your general ledger. Sitting between cloud storage and your ERP, the FloQast close management solution employs a variety of cloud providers (i.e. Google Drive, Box, OneDrive and more) to safely store your financial information, from which APIs are used to access balance data and pull them into FloQast. With FloQast and your cloud storage provider, there’s no worry of your financial data being held hostage by a close management application. Here the FloQast close management software automates the tie out process via integration with your ERP system. This is how FloQast gains access to the necessary documents and enables you to continue to use Excel to assist you to simply, accurately and securely complete your close.

Additionally, FloQast has built in an array of features and capabilities to help make your team more efficient and effective. These include review notes to answer
questions or share thoughts to help the team better collaborate, progress and status tracking so you know where you stand during the close process at any given time, notification alerts for when reconciliations are complete (or out of balance) and much, much more. Of course all activity is audited and different access levels can be granted to enforce segregation of duties for managing internal controls to help address Sarbanes-Oxley (SOX) requirements.

Why did FloQast choose Excel as part of its close management solution?

A great part of the answer to this spot on and logical question is that FloQast chose to develop close management software that works the way accountants already work and think. FloQast is designed to perform accounting tasks in the way they are normally executed, and not to introduce new tools or technology for their own sake; we know from experience and we’ve felt your pain. It delivers tight integration between Excel and all varieties of popular ERP/GL systems, and merges the secure and economical file sharing capabilities of cloud-based storage applications in which most organizations have already invested. Familiar, centralized, enhanced close processes rule the day. This is accomplished via a system developed by accountants for accountants via a single integrated interface, and not one created by technologists who have scant insight into accounting workflows and/or accepted best practices.

And the final point

FloQast delivers to users an intuitive, easy-to-use solution that is simple to implement and maintain, offers fast time to value, avoids the introduction of disruptive and repetitive processes that introduce risk, has minimal training requirements and realizes the economical use of familiar infrastructure. Oh, and by the way, on average your organization can be up and running for your next close in less than two weeks. It satisfies the need for bidirectional data flow between supporting subsidiary systems (i.e. asset management), while it responds to the broader goal of reducing monthly close times. It embraces team efficiencies, improves fiscal accuracy and ensures an audit-ready state. And your team can now effectively collaborate, regardless of their location, with heightened visibility and accountability throughout the entire reconciliation and close process. Close management software from FloQast will streamline, improve the accuracy and greatly simplify a manual, tedious process. While the month-end process remains a chore, its disruption, headaches and frustrations are minimized resulting in a more productive, happy accounting team.
FloQast/Excel team supplants inefficient web forms

**GlobalLogic: A digital service innovator**

GlobalLogic is an international, privately held digital product engineering company. GlobalLogic provides full lifecycle software product development services, including experience design, complex systems engineering, content engineering and self-contained engineering labs. It specializes in software development for cloud platforms, embedded software, the Internet of Things, mobile and security. GlobalLogic delivers solutions to product and services organizations in the communications, media, high-tech, automotive, medical and retail industries.

**No technology novice: GlobalLogic selects BlackLine to automate their financial close process**

Critical in the world of digital business, tech savvy organizations understand that their financial processes need to be as efficient as any other portion of their enterprise operations. To that end, GlobalLogic selected BlackLine Close Process Management Software, a web forms-based approach, to help them improve their close operations, facilitate the integration of existing close checklists, enhance world-wide team collaboration and streamline time-sensitive reconciliation activities.

**Two years invested: BlackLine results not tangible**

GlobalLogic spent two years working to integrate the BlackLine software into their regular close activities, without fully realizing the anticipated benefits. Internal users continued to return to their Excel-based methods for performing reconciliation tasks. Web form templates never completely delivered on the promise of added controls, and simply weren’t up to the challenge of complex undertakings such as accrued liabilities, which were easily accomplished using Excel.

**GlobalLogic spent two years working to integrate BlackLine software into their regular close activities, without fully realizing the anticipated benefits.**

**Reality bites: Manual uploading of documents to BlackLine took too long**

The reality remained that over 50% of reconciliations needed to be manually loaded to the BlackLine portal using the web form process. Load times took much longer than initially anticipated, and with stakeholders not willing to endure the latency factor to enable their reviews, the team simply reverted to Excel files as they normally would, to expedite close events.

**FloQast and Excel: This close management software duo shines**

FloQast close management software provided the processes, functionality and results that GlobalLogic needed to meet its original goals of closing more quickly, accurately and efficiently. Integrating familiar Excel practices with the cloud-based FloQast interface between the GlobalLogic ERP/GL and reconciliations with their Excel files, proved to be the intuitive and simplified answer to GlobalLogic’s close management needs. Net: Close results are delivered faster and the staff is happier and more productive, and able to spend more time on other initiatives.
About FloQast

FloQast is a leading developer of close management software, created by accountants for accountants to close faster and more accurately. Working with accounting teams’ existing checklists and Excel, FloQast provides a single place to manage the month-end close and gives everyone visibility. FloQast customers close on average three days faster. The award-winning solution is trusted by hundreds of accounting departments, including those at Twilio, Nutanix, Zillow and The Golden State Warriors.

To learn more, visit www.floqast.com and join the conversation on Twitter @floqast.

All third party brands, product names, logos or trademarks referenced are the property of and are used to identify the products or services of their respective owners. © Copyright FloQast 2017 All Rights Reserved