



ACCELERATING TO A SMOOTH CLOSURE

Abstract

Period-end reconciliations are complex and often take an inordinate amount of time, especially for enterprises with massive global operations. In a bid to speed things up, Derek McCarthy, Accounting Director at a leading supply chain management companies wanted to transition his slow and manual record-to-report processes to a modern, cloud platform. He collaborated with Infosys BPM to standardise the company's reconciliation methodology and also accelerate his accounting close.

Delays in accounting

It was in the middle of quarter-end accounting close processes, and Derek McCarthy, Accounting Director at one of the world's leading supply chain management companies, knew that things needed fixing. As global owner for record-to-report (RTR) processes at the \$12 Bn company with a workforce of over 98k across in over 160 countries, Derek was responsible for the accounting of its massive logistics operations worldwide.

Derek's major problem was that he lacked a centralised repository for account reconciliations, because of which he frequently faced delays in closure of reconciliations. Even with the personnel working across 10 clusters, closure took

between 8 to 13 working days each cycle. Further, because the record-to-report (RTR) teams used manual tracking processes, the authorisations for reconciliations required a lot of back-and-forth email communications. As general ledger (GL) closing and consolidating the entities was taking up to seven days, Derek realised that he had to make some critical strategic decisions to change this sub-optimal situation.

Derek had an external service provider supporting his teams, but unsatisfied with their manual period close processes he wanted to transition their services to a modern cloud platform. This would give him better control and ownership,

and also ensure a reliable global close calendar. However, he did not want to lose the gleaned working knowledge of his processes and so the incoming platform vendor would need to factor in the necessary knowledge transfer mechanisms. So, Derek listed out these requirements and launched a global RFP to search for a suitable service provider.

After discussions with the many respondents to the RFP, he was most impressed by Infosys BPM's proposal which detailed how they would implement BlackLine, a market leading cloud SaaS platform which had specifically designed capabilities to make the close processes more effective and compliant.



Paving the platform

Infosys BPM's accounting transformation expert, Purva Khanna explained to Derek how BlackLine would greatly minimise the RTR team's manual efforts, build accuracy, control, and consistency into every process, and drive accountability through visibility. In July 2020, Derek transitioned ~450 roles

which were being handled by his erstwhile service provider to Infosys BPM. Apart from RTR, this included other processes such as order-to-cash and procure-to-pay as well. Purva allocated an additional 250 buffer resources to handle all this work as the earlier service provider was not willing

to hand over their process optimisation tools that they had developed during their engagement, and proceeded to implement the BlackLine platform for Derek's reconciliations processes as well as close management.

Approach summary



Purva allocated 150 of her resources specifically for RTR along with few buffers due to automations/ platform not transferred by the erstwhile service provider

Collaborating closely with Derek, Purva first planned the overall deployment, deciding on the timelines for transitioning processes across geographies from the erstwhile service provider. Her team then analysed the company's ERP master data to configure the right set of accounts in BlackLine, and worked on templates and structures to be fed into the platform. All the while closely coordinating with Derek and the RTR teams, Purva also set up the authorisations workflow with clearly defined roles for preparers, approvers, and reviewers.

Next, after analysing the company's close calendars across regions, the Infosys BPM team set up a global task list and developed system configurations based on their data gathering exercises. After loading the master data, the team then handheld the project through its phases of system integration testing, user acceptance testing, releasing user manuals, and carrying out trainings and communications to the end users.

To enable Derek's onshore and offshore teams to quickly adapt to the changes and the new platform, Purva used a 'train the trainer' approach to provide demos and awareness sessions to the users, before finally rolling out the platform globally. After the deployment too, Purva's teams remained engaged, providing hypercare

and making system amendments when needed. Thus, even though users were initially reluctant to adopt the platform, Purva's skillful utilisation of change management methodologies saw the teams shift over completely to BlackLine within just 2-3 months.



Tallying up the benefits

Infosys BPM's BlackLine implementation standardised the company's reconciliation methodology across all its regions and clusters. Also, Derek now has a centralised repository and authorisation workflows

for reconciliations which has helped to automate the reconciliations certifications. With minimised manual touch points, clear segregation of duties, and audit trails for all activities, he now also has better control

of closing processes. The overall close is now segregated into 14 critical closing elements which has strengthened tracking mechanisms across regions, reducing email traffic and close-related calls.

Key benefits



Further, with Purva's team delivering multiple tools and automation, there has been a consistent decline in buffer strength across towers by around 200 staff in just a year. Thus, the significant improvements across PTP, OTC, and RTR (specifically BlackLine implementation), have met all of

Derek's expectations. With near real-time monitoring of each close and root cause analysis, the platform is also enabling continued improvements and accelerated closures.

With the success of the project, Derek has

a long-term vision for BlackLine to be the core Digital lever for R2R transformation. Thus perhaps, it's needless to mention, along with the project's efficiency and effectiveness, Derek has gained significant accolades and visibility within the organisation.

**Names have been altered to preserve the identities of the people involved.*

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