



MORE THAN A MILLION DOLLARS BETWEEN THE LINES

Abstract

Jessica Winters, the Head of Accounting Operations at a global paints company, had been facing potential financial risks due to their unreconciled balance sheet. Realising she was skating on thin ice, Jessica collaborated with Infosys BPM, whose systematic approach helped reconcile over 1800 accounts and resulted in \$1.8 Mn worth of business benefits.

Skating on thin ice

Jessica Winters is the Head of Accounting Operations at a global paints company – leaders in providing cutting-edge painting and coatings solutions to a variety of industries in over 150 countries. With such a vast global presence and multiple clients, Jessica had the complex task of ensuring risk free day-to-day accounting and reporting of the business.

However, with a leadership review meeting around the corner, Jessica was worried about some of the accounts. She had found inexplicable gaps in the balance sheets in a few of them. Post discussions with her team, she realised that although the reconciliations had been completed and

gaps identified, the associated financial risks were not called out. With the review meeting coming up soon, Jessica felt an urgency to remedy it.

Over the course of the next few days, Jessica found out they did not have any defined system for balance sheet reconciliations. There were open items lying for over a decade, in more than 1800 accounts. They lacked supporting documents to accurately complete reconciliations within agreed timelines. With no minimum acceptance criteria for the gaps in the balances, they didn't have a way of calling out the associated financial risks. Jessica also checked if there was a

reviewer in place for the balance sheet account reconciliation (BSAR) activities, only to find out that no checks were being done on the generated reports. She also approached the team on the floor, and the more she enquired, the more she noticed the lack of clarity around the roles and responsibilities. Additionally, there wasn't an effective framework for tracking, reporting, or escalating the reconciliation of the open items.

By then it had become critical for Jessica to take experienced support. She knew they did not have the right expertise to work through the concern, and she knew the right person to get the job done.

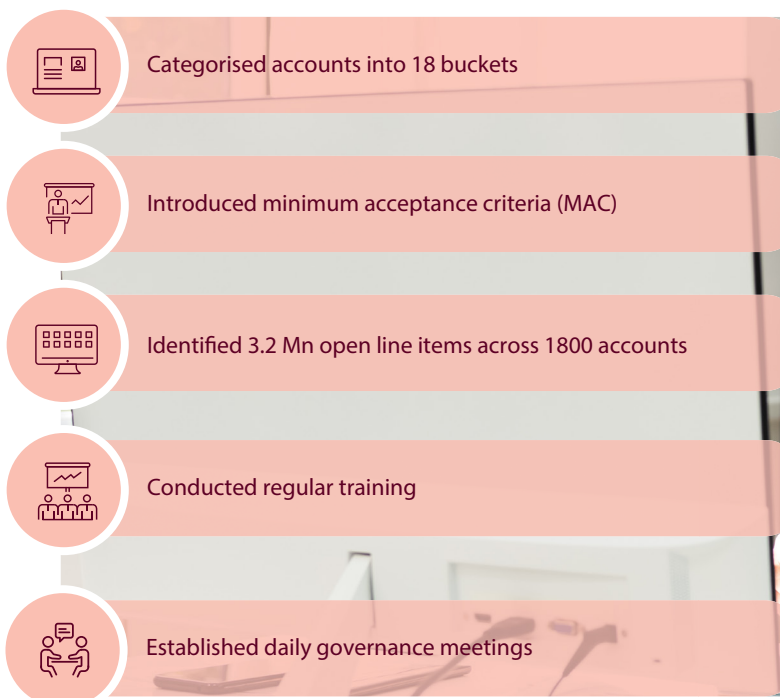
On firmer grounds

Jessica decided to connect with Mike Simpson, her point of contact at Infosys BPM. They knew each other through a long-standing partnership between

her organisation and Infosys BPM. Mike headed the Finance & Accounting unit and was keen to extend his expertise. Given her previous experience of working with

Infosys BPM, Jessica was certain that Mike will come up with the right solution.

Approach summary



Mike quickly had a face-to-face meeting with Jessica to understand her pain points. His first line of action was to set up a 'BSAR' team, dedicated to Jessica's challenges. The team collaborated with people from different functions, went through the general ledgers, and proceeded to analyse them to gain insights.

Being thoroughly aware of the problem they were solving while ensuring the BSARs explicitly explain the financial risks, Mike reviewed the reconciliation policies and recommended key improvements to help set up a framework. First, they categorised the account general ledgers (GLs) under 18 buckets based on the nature of transactions, and prioritised the categories that needed to be picked

up first for revamping. They introduced a minimum acceptance criteria (MAC) and provided guidelines to implement them on the accounts. MAC enabled the team to identify 3.2 Mn open line items in over 1800 unreconciled accounts.

To make the solution more effective and sustainable, Mike time-boxed the team and kept incorporating the feedback he was receiving through the process to arrive at a robust framework. Jessica and Mike also conducted regular trainings to familiarise the larger team with the new reconciliation system and templates.

From his experience, Mike was clear that it was critical to conduct daily governance meetings to discuss the challenges and

appropriate solutions. It was during these governance calls Mike had called out on a few of the missing pieces required to get the new system in place. There were instances where the historical data was presented with no sufficient backup. Many of the stakeholders in the process had an understanding gap and lacked clarity on their roles & responsibilities. However, the team left no straw unturned to fill the gaps in data and sought to create SOPs to define process steps and lay down responsibilities.

Jessica and Mike continued their efforts for over 9 months before they could see a visible impact of the solution they were implementing.

The last mile

After a patient wait, Jessica and Mike finally met for discussing the impact they had created. As they greeted each other, it was visible they were elated to be in the meeting. Together with the BSAR

team, they successfully established an effective framework for reconciliation. They were also able to successfully close the 3.2 Mn open line items, which were worth \$1 Bn. As a result, Jessica's firm was

able to achieve business benefits of \$1.8 Mn, which otherwise could have gone unrealised.

Key benefits



-  Business benefits of \$1.8 Mn
-  Line items worth \$1 Bn reconciled
-  A defined framework for reconciliation
-  Cleaned items dating back up to a decade

Additionally, during their daily governance meetings, they had identified the owners for each account, ensured supporting documents were available for explaining any gaps, and agreed upon the frequency at which the reconciliations would be

delivered. This further helped with a long term and sustainable solution for Jessica.

The entire team was recognised by both organisations for having emerged victorious after their consistent efforts

over these 9 months. Jessica saw how far the partnership with Infosys BPM had come. Her parting thoughts towards the end of the meeting were filled with a lot of gratitude and renewed confidence.



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

For more information, contact infosysbpm@infosys.com

Infosys[®]
Navigate your next

© 2023 Infosys Limited, Bengaluru, India. All Rights Reserved. Infosys believes the information in this document is accurate as of its publication date; such information is subject to change without notice. Infosys acknowledges the proprietary rights of other companies to the trademarks, product names and such other intellectual property rights mentioned in this document. Except as expressly permitted, neither this documentation nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, printing, photocopying, recording or otherwise, without the prior permission of Infosys Limited and/ or any named intellectual property rights holders under this document.

Infosysbpm.com

Stay Connected

