



# Improving Performance through Automation

## R2R Insights for Shared Services

TRINTECH INTEGRATED **R2R** SOFTWARE





# Introduction

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Typically, Shared Services Center (SSCs) automation initiatives have been undertaken to reduce costs and improve efficiency.

These goals are achieved relatively easily within the first few years, most immediately through reduced labor costs and centralized activities.

In fact, standardization and centralization deliver up to 50% savings. During subsequent phases, technology automation and outsourcing cut costs further. But, if cost reduction is the only clearly defined goal, organizations will reach a point of diminishing returns.

So how can SSCs continue to reap the benefits of continuous improvement and ROI through technological investment?

This eBook will demonstrate strategies for maximizing the full potential through continued automation of Finance within SSCs.

# Shared Services Key Trends and Business Challenges

It is no surprise that Shared Services have become a great success story. When you weigh up the potential benefits: Lower costs, greater transparency, higher efficiency and effectiveness, standardization, real-time access to accurate data, improved service, and improved governance—all leading to continuous improvement, both for the SSC and their supported companies.

These potential benefits, if realized, offer another dimension as well: As the shift to incremental savings begins to occur, the business should and will, look to the SSC for a different type of value - how can it make their business better?

On the right, you can see some of the key trends and challenges that are driving this focus to maintain efficiency while shifting the focus to increasing strategic effectiveness.

For more information read:  
**FIVE KEY RECORD TO REPORT TRENDS**

**DOWNLOAD  
HERE**

## TRENDS

### Dynamic Environment

Growing competition, new products, globalization, more mergers and acquisitions

### Data-driven Intelligence

Ability to identify areas for improvement, better spend, and more profitable areas

### Digital Automation

Technology that enables end-to-end process flows, consolidating ERPs to facilitate integration

### New Skill Sets

Value-added roles leveraging technology and the expertise of employees

## CHALLENGES

### Stakeholder Value

Timeliness, business viability and reputation are ongoing priorities

### Financial Pressure

Non-stop focus on cost reduction, especially while companies are growing and expanding

### Business Agility

Operational scalability and flexibility of management information

### Risk Mitigation

Regulatory compliance, business continuity, data security and privacy

# Financial Transformation: Before and After

But what does this look like and what is the goal in relation to financial transformation?

**Before:** Many companies have multiple point solutions and are, by-and-large, still using disconnected desktop applications to try and manage the process (Excel, email, etc.).

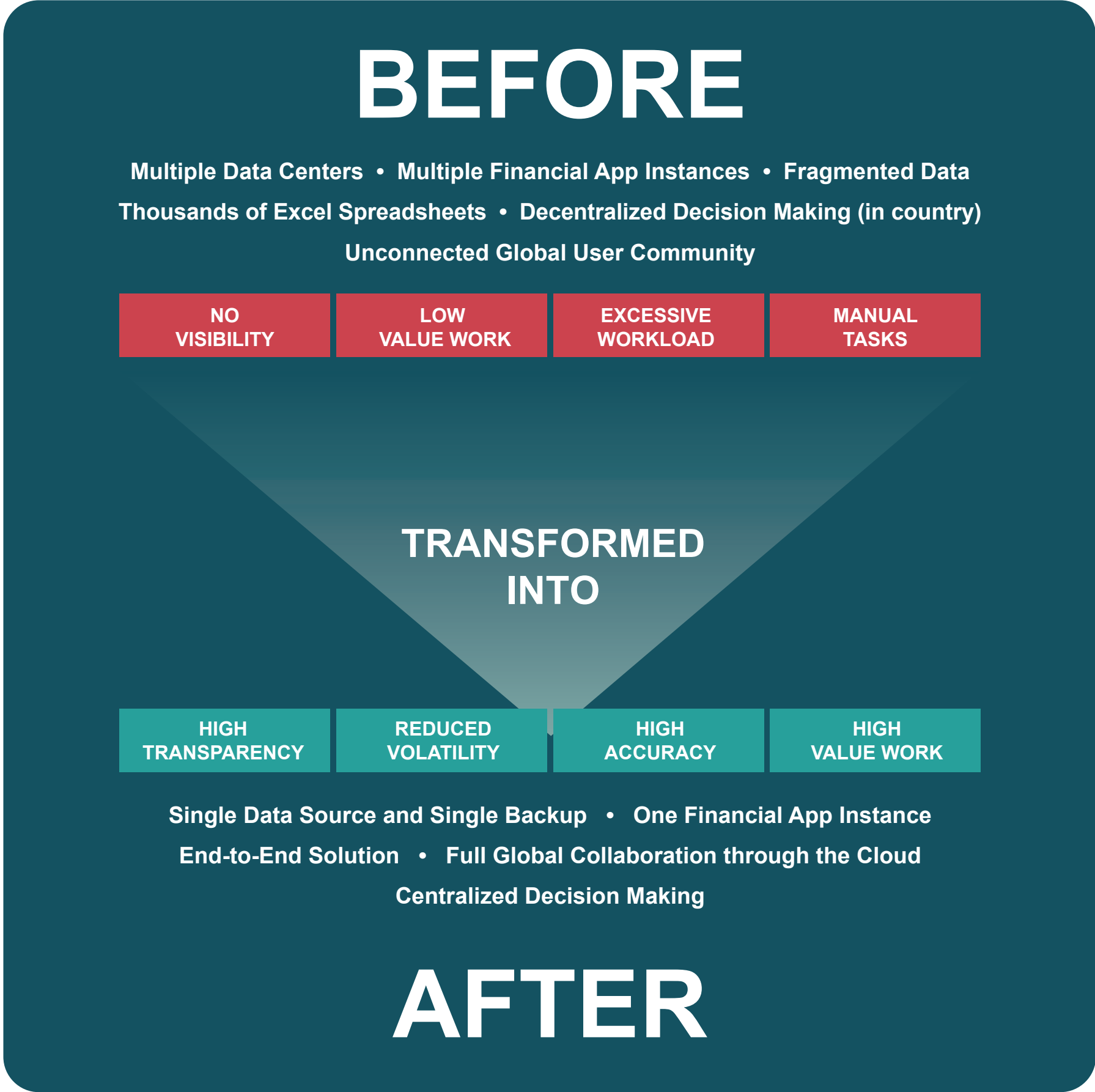
They rely on highly-fragmented, manual Record to Report (R2R) processes and lack automation and collaboration across the R2R cycle. They are often still using high volumes of low cost labor, resulting in issues of scalability, turnover & recruitment costs, and transfer of knowledge.

**After:** The nirvana can be seen on the right (based on an actual company example). While Nirvana is difficult due to the nature of constant change in business, the key here is to remember process improvement is the objective and to identify what can be done to achieve this.

For example, if you have multiple ERPs, look to see how you can use integration to enable process improvement without the need to move everything into a single instance.

For more information read:  
**How to Transform Your Office of Finance in 4 Steps**

**DOWNLOAD  
HERE**



# Technology as an Enabler

The key to achieving the dream of doing more with less is to focus on process and technology improvements that remove waste, reduce risk, and continue to improve efficiencies.

Often, the issues behind manual activities and lack of visibility stem from the number of disparate systems deployed.

Even when there is a single ERP system in place, multiple feeds and lack of workflows create inconsistencies and hence, additional work and risk. SSCs require platform thinking with enterprise tools to enable visibility and workflows.

This enables you to deliver maximum value through an approach that is risk-based, automated, transparent, consistent, segregated, auditable, platform agnostic, and timely and efficient.

## SIGNS THAT YOUR TECHNOLOGY IS **NOT** UP TO SCRATCH

  
• **Bottlenecks**

  
• **Deficiencies**


  
• **Delayed Close**

  
• **No Consistency**

  
• **Duplicated Effort**

  
• **Long Hours**

  
• **Manual Errors**

  
• **Inadequate Systems**

For more information read:  
**5 Reasons Spreadsheets Are a Problem**

**DOWNLOAD  
HERE**

# Underpinning with Systems

Many Shared Services will have already automated their Order to Cash (O2C) and Procure to Pay (P2P) processes. In some cases, they will have taken steps to automate matching and reconciliations of daily transactions, as well. While this achieves some immediate time and cost savings, there is more to be realized with even greater impact.

## Order to Cash

- Produce Quotes
- Sales Orders
- Billing
- Payment & Processing
- Securities & Risk
- Performance

## Procure to Pay

- Accounts Payable
- Purchasing
- Master Data Maintenance
- Travel & Expenses reimbursement
- Vendor

## Record to Report

- General Ledger Accounting
- Reconciliations
- Close Activities
- Journal Entries
- Compliance
- Reporting & Analysis

Specifically, Record to Report (R2R) processes that take place outside the ERP and daily processing applications will, more often than not, be handled in Excel and other desktop applications. We will look at the complete R2R process in detail over the rest of the eBook, starting with an analysis of where you are today with automation.

## What is Record to Report?

All of the activities that ensure the integrity of your balance sheet including: Management of the month end close and journal entries, account reconciliations, key controls and disclosure management.

**NEARLY 60% OF R2R COSTS COMPRISE TRANSACTION-INTENSIVE PROCESSES.**

The challenge is to manage these in the most efficient and effective manner possible. Deloitte simply summed up the perfect Record to Report process as being:

- Risk-Based
- Automated
- Transparent
- Consistent
- Segregated
- Auditable
- Platform Agnostic
- Timely and Efficient





# Underpinning with Systems

So, where are you today in relation to your Record to Report automation?

|  | AD-HOC  | REACTIVE  | WORLD CLASS  |
|--|---|---|--|
| R2R EXECUTIVE DASHBOARDS                             | No tool. Spreadsheet, document and email-based approach. CFO uncertain as to overall status | Fragmented approach utilizing multiple tools with little integration and no global view                     | One global dashboard of status and activity. CFO has full visibility or areas of risk  |
| HIGH VOLUME RECONCILIATIONS/ TRANSACTION MATCHING    | No tool. Manual spreadsheet approach. Time consuming  | Mix of spreadsheets and point solutions. Lack of automated matching   | Global integrated tool providing automated matching and exception management   |
| ACCOUNT RECONCILIATIONS                              | No tool. Manual spreadsheet approach. Lack of visibility & increased risk                   | Spreadsheet and point solutions. Lacking global visibility & risk if incomplete recs.                       | Global integrated tool providing automated GL Account risk ratings and P&L at risk   |
| JOURNAL ENTRY  | Summary level input directly to ERP system with no review/approvals. Spreadsheet backup     | Summary level input directly to ERP system with some review/approvals. Spreadsheet backup                   | Global integrated tool with ERPs with 100% workflow approvals  |
| FINANCIAL CLOSE                                      | No tool. Manual spreadsheet approach. Lack of task management & overview                    | Spreadsheet/point solution. Fragmented tasks with limited global task management                            | Global integrated tool providing global task management & visibility progress  |
| COMPLIANCE FRAMEWORK/ GOVERNANCE (INTERNAL CONTROLS) | Controls are designated but managed in Excel, emails and Word                               | Controls are designed and adequately documented and there is a drive towards standardization and automation | Controls are integrated, standardized and monitored continuously in real time across the organization as part of a wider R2R framework |
| SUB-LEDGER INTERFACE TO GL                           | Little or no integration with GL. Extensive manual procedures to reconcile                  | Some integration with GL & manual procedures to interface & reconcile                                       | Fully integrated with GL   |
| INTERCOMPANY AUTOMATION                              | No use of ERP intercompany functionality  | Some use of ERP intercompany functionality  | Full use of ERP intercompany functionality   |
| CLOUD VS ON-PREMISE R2R SYSTEMS                      | No R2R systems. Spreadsheet approach  | Mixture of spreadsheets & Cloud/On-premise  | Moving to one global cloud solution across all regions and geographies   |

# The Journey to Automation

Once you know where your gaps are, you can then start the journey to underpinning your processes by implementing an R2R platform.

Chances are that this will be the first implementation of this kind you or your company have undertaken.

Research also suggests that projects can fail, but the least common reason is the technology itself.

It is far more likely that the scope of the project, the people challenges over training and support, and communication breakdowns will be the causes of issues.

The key is to use the experience of others, including your software vendor, to ensure your project is a success.

## Best Practice Approaches

While each implementation will be different in its precise nature, there are general best practice approaches you can follow. One such high level approach can be seen below:

### Analyze

Establish the working team, identify current process across locations, and review technology options

### Standardize

Agree definitions, select software platform vendor, release guidelines and plan, and prepare kick off

### Automate

Kick off project, identify pilot, agree configuration, establish global platform, and roll out to all locations

For more information read: **WHY TRANSFORMATION PROJECTS FAIL (AND WHAT YOU CAN DO TO MAKE YOURS A SUCCESS)**

[DOWNLOAD  
HERE](#)



# Real World Benefits

Once you have assessed your level of maturity and key areas of focus for improvement, you can start looking at metrics to show improved efficiency and effectiveness. Whichever way you look at it, the journey is worth doing.

## Process Excellence

- Streamline processes, deliver results and high levels of confidence
- Ensure consistency in the organisation procedures and methods through standardisation and harmonization
- Finance Transformation
- Redesign structures/Optimise systems
- Retain visibility & control centrally while balancing a decentralised structure

## Risk

- Faster Close—knock day(s) off the process
- Ensure accuracy of data
- Ensure consistent processes across all business entities

## Regulatory Compliance

- Regulatory purpose—SOX, Solvency 2, PCI, CoBIT

## FTE and Labor Drivers

- Create SSC's—Labour Arbitrage and Cost Savings
- Find, attract and retain talent globally

## Audit

- Faster Close—knock day(s) off the process
- Ensure accuracy of data
- Ensure consistent processes across all business entities

## Technology Streamlining

- Integrate new mergers and acquisitions into process without need to transform immediately
- Automate the close now regardless of ERP projects
- Access data across all data sources, including different ERPs and different instances

For more information read:  
**RECORD TO REPORT METRICS THAT MATTER**

**DOWNLOAD  
HERE**

# Real World Benefits

## UBER

Uber develops, markets and operates the Uber car transportation and food delivery mobile apps and is currently operating in 570 cities worldwide.

**Industry:** Technology

**Headquarters:** San Francisco, CA

**Employees:** 15,000+

**Status:** Private

**Shared Services Center:** Accenture BPO located in India

**ERP is Use:** Oracle

**Trintech Solution in Use:** Cadency

**Number of Users:** 160+ across 4 regions (NA, EMEA, APAC, LATAM)

Prior to automation, Uber was struggling with the following month-end challenges:



Lack of scalability, consistency, and standardization of Accounting function



Lack of visibility between regional Accounting groups



Lack of internal control over reconciliations and close tasks related to financial reporting



Heavily manual process (used Google Docs)



Unable to track key performance metrics

Uber's high level initiatives for an automation project was to leverage technology to help complete month-end close in a timely and accurate manner, and to establish internal control to aid in its external audit. Key criteria in the solution included:

- Robust reporting
- Internal control features
- User interface with ease of use
- Ease of administration function



# Real World Benefits

Uber ultimately found the most value in Trintech's Record to Report solution, Cadency, and have managed to reach the utopia of doing more with less. Cadency's seamless integration into its Oracle ERP instance, it's intuitive user interface and administration functions, and customization options, led Uber to role out Cadency as a global standard. They have deployed phase 1 of their project and are in the process of implementing phase 2. Below is Uber's project timeline:



Since deploying Trintech's Cadency solution, Uber has achieved the following benefits:

- Completeness of account reconciliations
- Accuracy of reconciliations
- Visibility into what is being done at the regional levels
- Available data to analyze root cases of issues
- Reduced time spent working on month-end close tasks

UBER

For more information on how our customers are leveraging R2R technology to optimize their Shared Services Center, view our webinar recording:  
**How Uber & American Express Drive Shared Services Excellence through R2R Technology**

[VIEW  
RECORDING](#)

# Trintech Customers' ROI

In terms of the specific results of undertaking a financial transformation project, here's a few ROI statistics that our customers have achieved:

- 63% fewer FTEs required for processes
- 47% reduced cost as a % of revenue
- 57% efficiency savings
- 50% faster close
- Visibility into 8 regions, 37 countries, 2000 users, 29,000 GL accounts approximately 500 serving legal entities
- £2.5 million saved in first year
- 5 days per month increase in productivity
- Ability to manage one thousand month-end close tasks per country

## Additional Resources

To see the benefits our customers have gained from their software implementations, please click through the case studies below:

### Siemens

Global Shared Services Center increases control and transparency

[VIEW NOW](#)

### AstraZeneca

AstraZeneca discovers \$2.5 Million in savings by automating its financial close

[VIEW NOW](#)

### Western & Southern

Western & Southern standardizes to a world-class financial close

[VIEW NOW](#)



# About Trintech

Trintech, Inc. pioneered the development of Financial Corporate Performance Management (FCPM) software to optimize the Record to Report process.

From high volume transaction matching and streamlining daily operational reconciliations, to automating and managing balance sheet reconciliations, intercompany workflow and transactions, journal entries, disclosure and fiduciary reporting and bank fee analysis, to governance, risk and compliance - Trintech's portfolio of financial solutions, including Cadency®, Trintech Disclosure Management®, ReconNET™ and T-Recs®, help manage all aspects of the financial close process.

Over 3,100 clients worldwide - including the majority of the Fortune 100 - rely on our cloud-based software to increase efficiency, reduce costs, and improve governance and transparency across global financial organizations.

[REQUEST A DEMO](#)

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