

10 Financial Close Rules You Should Be Breaking

When it comes to the financial close process, no matter what industry a company is in, the problems they run into are often similar. A general lack of visibility, bottlenecks in the workflow and a constant demand from executive management to close faster, all plague the typical close process.

And unfortunately, most companies are aware of these issues, but they get complacent. Change is scary, and it's easy to feel that there isn't enough time or resources to make it worth the effort to fix things.

Often the result is to adopt a "why fix what's not completely broken" attitude and throw their budget and efforts into handling the symptoms of a problem, instead of curing it at its source. The result? They have to deal with teams facing the same problems quarter after quarter, year after year, with the intensity of those problems increasing as the company grows in complexity. To help, we've made a list of 10 close rules that NEED to be broken to fix your financial close process.

1 Stick to the status quo

You get out what you put in—the same efforts will equal the same results today, tomorrow and beyond.

2 Conduct the close process with error-prone spreadsheets

The majority of spreadsheets, 88% to be more precise, have errors in them, **errors that can easily lead to a misstatement**.

3 Work within non-standardized systems and processes

A lack of standardization leads to unreliable results, inconsistent documentation, a lack of visibility, bottlenecks in the workflow, and more—all of which can easily lead to a costly misstatement.

4 Hire temporary staff to fix your problems

Plugging the hole or adding more gas to your engine only fixes the symptom, not the root cause of your lengthy, arduous financial close.

5 Put off change if you have other IT projects in progress—it is acceptable to continue a patchwork solution until some time is freed up

Let's be honest—it's hardly ever the right time to make a change. If you have a problem, you need to make it a priority to fix it.

6 Keep your information and applications on-premise to ensure the highest level of security and accessibility

Just because you hold your information on-premise, doesn't mean someone **can't break in** and steal it.

7 Publish results no matter what, even if you're not 100% confident with them

Being short on time isn't an excuse for erroneously closing your books—ever.

8 Choose between cost, quality and speed

There is no reason you have to decide between **those three** when it comes to your financial close—an investment in this area can quickly pay for itself.

9 Work late, it's a necessary component of the close process

Giving up your free time with friends and family is not necessary, and your time is too valuable to be given away so freely.

10 Remain content with a lack of visibility

If not knowing what the completion status of your workflow looks like doesn't scare you, it should. It's time to make a change.

Leung, S. (2014, September 15). Sorry, Your Spreadsheet Has Errors (Almost 90% Do). Retrieved July 24, 2018, from www.forbes.com

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