

R2R Benchmark Report: Challenges Reported by Industry

From the 2020 Global Record to Report Benchmark Report

Despite the rising popularity of Robotic Process Automation (RPA) over the past decade, there has been little research into what the future of automation in the office of finance looks like. In order to understand both this and the current issues being faced by F&A teams, Trintech conducted a survey of almost 200 enterprise companies across 31 countries to create our 2020 Global Record to Report Benchmark Report.

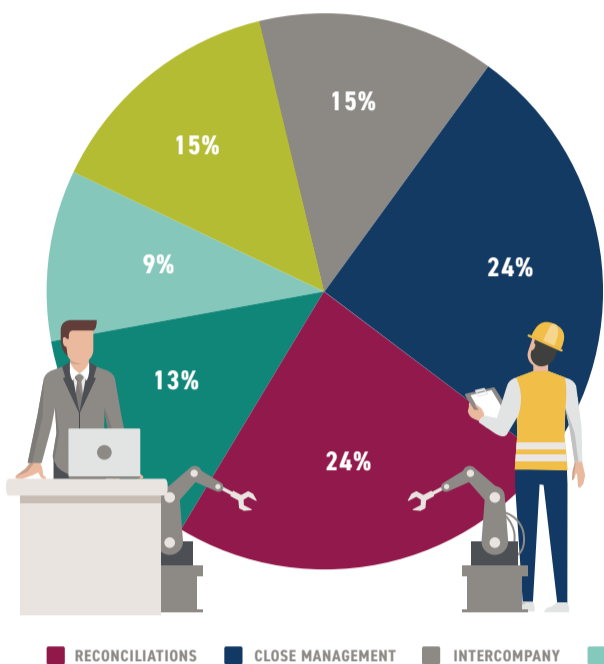
To begin understanding where the office of finance stood with their Record to Report (R2R) process we asked these global organizations: Where do you see the biggest challenge during the month-end process? Below you'll find the respondents' answers broken down by their industry verticals.

THE BIGGEST CHALLENGES BY INDUSTRY

For most industries, their greatest challenges are similar. However, the respondents' outliers can be analyzed in order to identify key challenges that are faced by individual verticals. These outliers can identify where industry peers are likely to see the greatest ROI when beginning to automate their financial processes.

MANUFACTURING

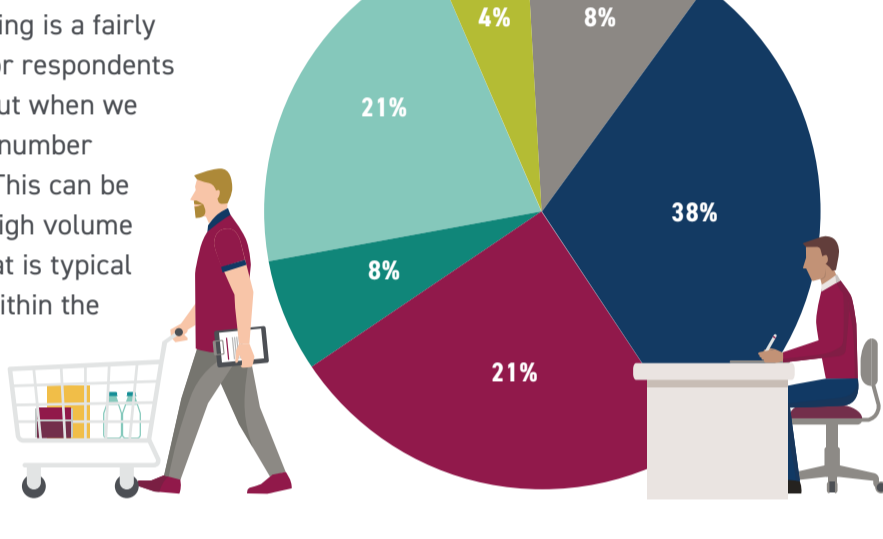
The manufacturing respondents had a higher percentage than the other industry verticals report that their compliance processes were their biggest issue. This is expected due to the aggressive enforcement of laws governing extraterritorial conduct (such as the Foreign Corrupt Practices Act (FCPA)) and economic sanctions administered by the Office of Foreign Assets Control (OFAC).



RECONCILIATIONS CLOSE MANAGEMENT INTERCOMPANY TRANSACTION MATCHING JOURNAL ENTRY COMPLIANCE

RETAIL

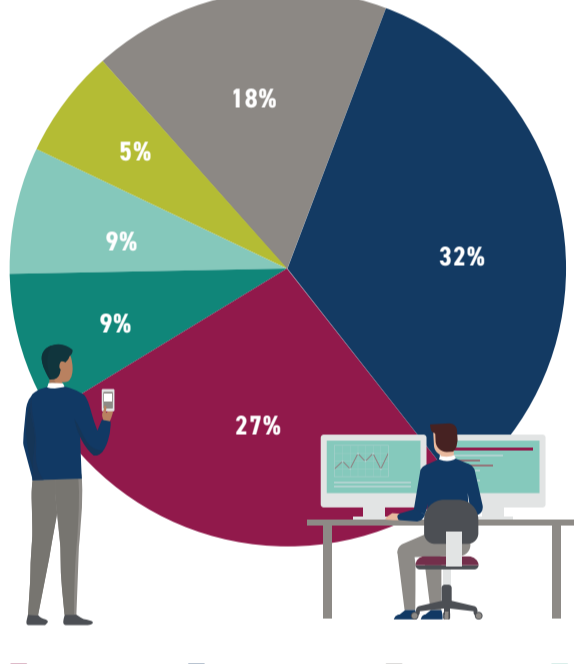
For the majority of industries, transaction matching is a fairly consistent issue for respondents (between 9-11%) but when we look at retail, this number doubles (at 21%). This can be attributed to the high volume of transactions that is typical of organizations within the retail industry.



RECONCILIATIONS CLOSE MANAGEMENT INTERCOMPANY TRANSACTION MATCHING JOURNAL ENTRY COMPLIANCE

ENERGY, UTILITIES & TELECOMS

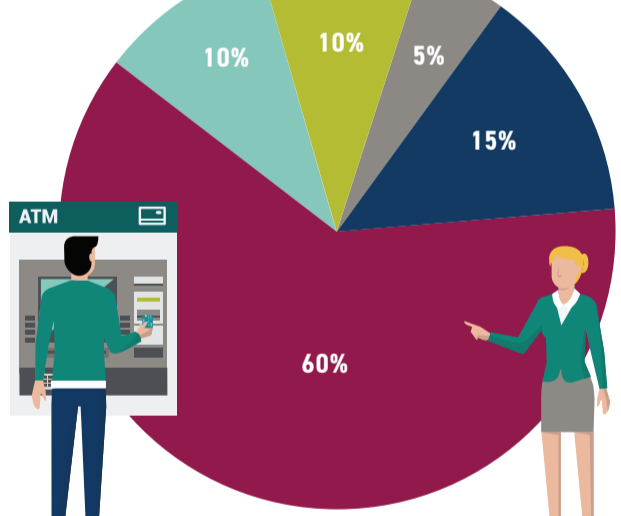
This category was the only one without any outliers compared to the other verticals. We typically suggest that organizations start with the reconciliation process when beginning their automation journey. Primarily this is due to the high ROI and the amount of organizations that struggle with this process. However, these respondents are likely to see similar benefits as they automate the entirety of the R2R process.



RECONCILIATIONS CLOSE MANAGEMENT INTERCOMPANY TRANSACTION MATCHING JOURNAL ENTRY COMPLIANCE

BANKING & INSURANCE

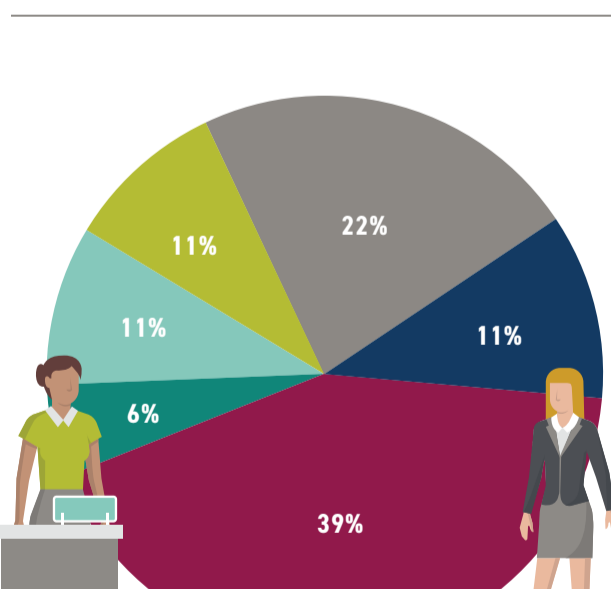
A staggering 60% of respondents from the banking and insurance industry indicated reconciliation is their greatest challenge during the financial close process. While this may seem unusual at first, banks are not only responsible for their own GL balances, but their clients' funds as well. Because of this, reconciliations are more of a business-critical requirement rather than an internal control.



RECONCILIATIONS CLOSE MANAGEMENT INTERCOMPANY TRANSACTION MATCHING JOURNAL ENTRY COMPLIANCE

PROFESSIONAL & BUSINESS SERVICES

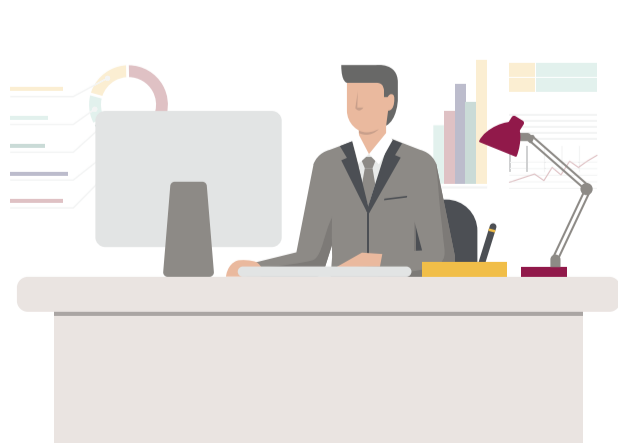
The Professional and Business Services category had the highest number of respondents (by percentage) in the Intercompany category. Due to the vast amount of services that are covered under this classification (advertising, staffing, logistics etc.) the logic follows that many organizations under an overarching corporate umbrella would struggle to complete the intercompany process.



RECONCILIATIONS CLOSE MANAGEMENT INTERCOMPANY TRANSACTION MATCHING JOURNAL ENTRY COMPLIANCE

DISCOVER MORE

As more organizations begin to automate their R2R process, they will discover the significant amount of growth and ROI to be leveraged by introducing automation into the office of finance.



To learn more about the benefits of automation and how organizations are approaching automation within their office of finance, read Trintech's 2020 Global Record to Report Benchmark Report.

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