

# FOUR ANSWERS TO COMMON CLOSE QUESTIONS FROM THE BANKING AND FINANCE INDUSTRY

Solutions to four of the most frequently asked questions regarding the automation of the financial close.

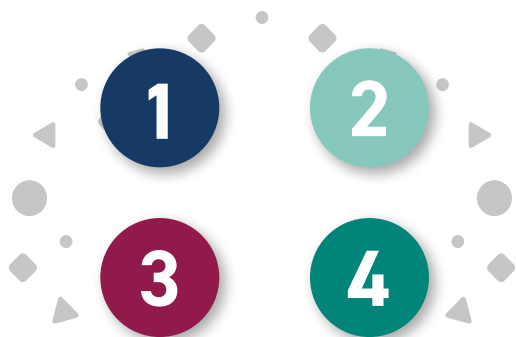
## THE CHALLENGES

In recent years, the banking and finance industry has seen a massive growth in both regulation and demands from upper management to complete their close in a more timely and effective manner.

Unfortunately, despite the modern age that we live in, it's still not uncommon for organizations to rely heavily on slow manual tasks. The reliance on outdated methods and a lack of a central viewpoint of the close process has left financial professionals within the banking and finance industry struggling to meet growing internal and external demands.

## THE GAME PLAN

To help combat this, we've created this FAQ to help you solve four common close problems within the banking and finance industry.



# FREQUENTLY ASKED QUESTIONS

1

Year after year, we're under a lot of pressure from management to complete the Close process quicker, despite an increase in workload and decrease in budget. How do we handle a growing amount of work and the general "do more with less" landscape that we currently find ourselves in?

Simply put, for many companies, the volume of reconciliations and tasks that must be completed during a successful close has become way too much to handle if you are using any type of manual method, and accurate results cannot be guaranteed. From manually reconciling accounts through spreadsheets to obtaining the wet signatures of key decision makers, close tasks take time – time that many companies can no longer afford to waste.

By centralizing, standardizing and automating these time-consuming tasks through a platform designed to handle the entire process, not just one piece, accounting teams can successfully complete their close process in a timely, compliant and cost-efficient manner.

2

Over the years, separate subsidiaries of our company have created their own home-grown solutions and best practices for their various problems. What do you do when the communication between these "systems" breaks down?

Banking organizations aren't flat; they're multi-layered, and this often leads to disconnected communication, disparate systems and variations in process between different internal banking partners. Overcoming this obstacle to create an accurate and timely close can only be achieved by standardizing your close process across the organization.

Standardizing the close process removes the barriers that are inherent when handling the close process and helps to cut down the amount of time to complete a close process. Again, if you're using manual methods, this standardization is very hard to ensure, so an automated solution that is used by all parties is the only guaranteed way to get this problem under control and gain additional visibility into any additional issues.



# FREQUENTLY ASKED QUESTIONS

3

**With a new company in the news every other week for a data breach, it sometimes feels like it's only a matter of time before we're next. As we constantly push to complete the close process in a timelier manner, what can we do to help maintain the security of our data?**

While there are numerous solutions to this issue, such as running your employees through best practice security training, it's usually best to use a cloud-based solution to handle your financial close. Though many people think that storing data on-premise is more secure, the truth is that on-premise hardware is not only a notable expense for your company and time-consuming for your IT team to maintain, it's also much more likely to be a data security risk than cloud-based solutions.<sup>1</sup>

In comparison, cloud-based software is far more likely to have well-configured and regularly patched IT infrastructure. Some applications will likely always be held in-house, but entrusting some of your more secure data to cloud professionals from reputable vendors whose approach to cloud security is well-defined and consistently updated based on industry-leading standards can help you avoid seeing your company's name on the front page, for the wrong reasons.

4

**I am not 100% confident, to say the least, about the regulatory compliance of our process, by the time we're compliant with one thing, a new regulation pops up. What's the easiest way to remain compliant through growing regulation?**

On average, a new regulatory alert is issued every seven minutes.<sup>2</sup> Remaining compliant with this level of red tape AND developing enough visibility to your controls to feel comfortable that your books have reached the appropriate levels of compliance can be difficult for even the most established companies. Many organizations claim that they are compliant while simultaneously still paying off the fines for previous regulatory violations.

The difficulty in this situation stems from the tools that many banking and finance F&A teams currently utilize to handle regulation. The process of manually searching through governmental databases and combing through spreadsheets leaves little room for simplicity, accuracy and any real assurance into the level of compliance. An automated risk management solution removes the time consuming and risky nature of verifying compliance with regulatory bodies and ultimately strengthens your controls across the entire financial close process.

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1 Linthicum, D. (January 14, 2014). Clouds are more secure than traditional IT systems – and here's why. (n.d.). Retrieved June 11, 2018, Search Cloud Computing.

2 Hammond, E. (2018) Cost of Compliance 2018. Retrieved June 11, 2018, Rueters.

## ADDITIONAL RESOURCES

Over the past decade, financial regulatory reform has increased dramatically, especially for banking and finance institutions.

To keep up with these changes and increasing expectations, adjustments to the day-to-day processes are inevitable.

Check out the resources below to learn how other banking and finance organizations have effectively achieved a compliant and cost-effective close.

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