

# 5 Use Cases of Automated Financial Close



# Executive Summary

The journey to a seamless and efficient financial close is transforming how organizations approach their most critical financial operations. Traditional processes, reliant on manual workflows, spreadsheets, and siloed data, pose significant challenges; delays, inaccuracies, and strained resources. This ebook explores five key use cases where automation is driving a paradigm shift in financial close processes.

From streamlining reconciliation to simplifying intercompany management, financial consolidation, bank reconciliation, and variance analysis, financial close automation addresses these challenges head-on. By integrating advanced technologies, automated financial close ensures real-time accuracy, reduces manual effort, and accelerates the close process.

# TABLE OF CONTENTS

- ▶ Chapter 01 04  
**From Challenges to Solution: How Automation is Redefining Financial Close**
- ▶ Chapter 02 05  
**Use Case 1: Making Reconciliation Effortless: GL and Balance Sheet Accuracy**
- ▶ Chapter 03 07  
**Use Case 2: Simplifying the Complex: Intercompany Management**
- ▶ Chapter 04 09  
**Use Case 3: Unified Insights: Financial Consolidation and Reporting Simplified**
- ▶ Chapter 05 11  
**Use Case 4: Closing the Loop: Automated Bank Reconciliation in Action**
- ▶ Chapter 06 13  
**Use Case 5: Anomalies Uncovered: Variance Analysis Made Effortless**

# From Challenges to Solution:

## How Automation is Redefining Financial Close



**Gartner survey** shows that 55% of finance professionals are aiming for a touchless close by 2025

- a vision that signals a shift in how organizations handle one of the most critical aspects of their financial operations. But achieving this goal requires more than just ambition; it demands a fundamental rethinking of existing processes and tools. Traditional financial close processes often demand long hours, reliance on spreadsheets, and repeated back-and-forth communication, leaving teams stretched thin and prone to mistakes.

The path to the touchless close lies in embracing automation, a transformative approach that offers innovative ways to tackle challenges and optimize the financial close processes. But **what does it take to achieve this transformation?**

The journey starts with identifying and addressing the bottlenecks in your current processes. From managing complex reconciliations and intercompany transactions to consolidating data from multiple systems, each stage of the close process presents unique challenges. Financial close automation goes beyond simplifying these tasks; it redefines the way finance teams operate, enabling faster, more accurate, and insight-driven closes. By addressing long-standing challenges with innovative solutions, automation paves the way for a streamlined, efficient financial close process. In the following chapters, we'll explore the key use cases where automation is driving this transformation, showcasing how organizations can turn these possibilities into tangible results.



## Use Case 1:

# Making Reconciliation Effortless: GL and Balance Sheet Accuracy

General ledger (GL) and balance sheet reconciliation are critical for ensuring the accuracy of financial statements, yet these tasks are often among the most time-consuming and error-prone in the financial close process.

## The Challenge: Time-Consuming and Error-Prone Reconciliations

Traditional reconciliation processes require finance professionals to sift through thousands of transactions, match data across multiple accounts, and identify discrepancies manually. This process is complicated further by:

### 01 Disparate data sources:

Transactions originate from various systems, including ERP software, bank statements, and sub-ledgers, making it difficult to consolidate data efficiently.

### 02 High volume of transactions:

Businesses often handle a massive number of daily transactions, stretching manual workflows to their limits.

### 03 Manual matching and error risks:

Relying on spreadsheets and manual checks increases the likelihood of errors, such as missed discrepancies or incorrect matches.

### 04 Bottlenecks during month-end:

Teams scramble to complete reconciliations before deadlines, often compromising the quality of reviews.

These challenges can lead to delayed financial close cycles, inaccurate reporting, and compliance risks, all of which undermine the organization's financial credibility and decision-making capabilities.



## The Solution: Transition to Financial Close Automation

Automation offers a transformative solution to the inefficiencies and risks associated with traditional reconciliation processes. By integrating advanced technology into financial close operations, organizations can drastically improve the speed, accuracy, and transparency of GL and balance sheet reconciliations.



- **Automated matching at scale:** Automation tools use predefined rules and AI algorithms to match transactions across accounts in real-time. This eliminates the need for manual cross-checking, allowing teams to process even high volumes of transactions quickly and with precision.
- **Continuous reconciliations:** Rather than waiting until month-end, automated systems perform reconciliations continuously, keeping accounts up to date and reducing the workload during critical periods.
- **Integrated data sources:** Automation seamlessly pulls data from ERPs, banks, and other financial systems into a centralized platform, ensuring consistency and eliminating the silos that slow manual processes.

### Case Study

Large hotel chain achieves 97% automated reconciliation across 1700+ entries with AI.

HighRadius' Account Reconciliation Software helped them get granular visibility into their accounting process so they could take complete control from transaction data gathering to data processing to reconciliation. They reduced the person-hours involved by ~60%.

## Use Case 2:

# Simplifying the Complex: Intercompany Management

Managing intercompany transactions is one of the most intricate challenges finance teams face during the financial close process. Large organizations with multiple subsidiaries, business units, or entities often struggle to reconcile intercompany accounts due to the complexity of cross-entity operations. Discrepancies in reporting, misaligned processes, and manual reconciliation efforts can delay the close, create compliance risks, and obscure financial visibility. According to [Deloitte's Survey](#), **54% of companies still rely on manual accounting processes**. This finding highlights how traditional, disconnected processes leave finance teams grappling with inefficiencies, delays, and compliance risks, hindering a smooth and timely financial close.

### The Challenge: A Fragmented and Error-Prone Process

The root of the problem lies in fragmented processes and disconnected systems. Finance teams often grapple with:

#### 01 Manual matching and adjustments:

Intercompany invoices, payments, and allocations are manually matched, increasing the likelihood of discrepancies and errors.

#### 02 Data silos and visibility gaps:

Disparate ERP systems and inconsistent reporting structures make it difficult to gain real-time visibility into intercompany activities.

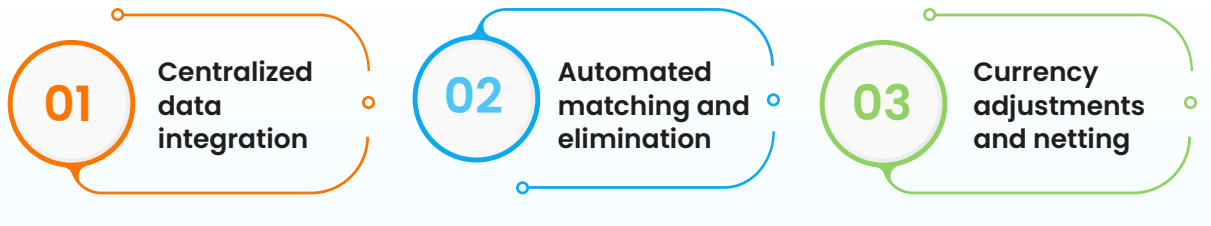
#### 03 Out-of-balance accounts:

Misaligned processes and delayed reconciliation lead to unresolved balances, forcing teams to make temporary adjustments or post corrections after the fact.

These challenges create significant bottlenecks in the financial close process, leading to delays, errors, and strained resources.

## The Solution: Automation to Standardize and Streamline Intercompany Management

Automating intercompany management removes the chaos caused by manual workflows, standardizing processes and enabling a seamless reconciliation and elimination process across all entities. By leveraging automation tools, organizations can address common intercompany pain points and accelerate the close.



- **Centralized data integration:** Automation connects data from multiple ERP systems, subsidiaries, and business units into a single, centralized platform. This eliminates data silos and ensures every entity operates using consistent, standardized information, reducing misalignments.
- **Automated matching and elimination:** Advanced automation tools apply predefined rules to automatically match intercompany invoices, payments, and cost allocations. Discrepancies are flagged instantly, allowing teams to focus only on exceptions rather than spending hours manually matching transactions.
- **Currency adjustments and netting:** Automated systems handle multi-currency transactions effortlessly, adjusting for exchange rate variances and simplifying cross-border reconciliations. Additionally, automated netting capabilities streamline settlement, reducing the number of transactions and improving cash flow efficiency.



## Use Case 3:

# Unified Insights: Financial Consolidation and Reporting Simplified

For many organizations, financial consolidation and reporting remain a complex, time-consuming challenge. Large enterprises, particularly those operating across multiple entities, regions, and currencies, often struggle to deliver timely and accurate consolidated financial statements. Disparate systems, manual processes, and inconsistent data formats only add to the complexity, causing significant delays in the financial close process.

### The challenge: Non-standardized inaccurate reporting

The challenges of financial consolidation and reporting stem from manual processes, fragmented systems, and limited visibility, making it difficult for organizations to deliver accurate and timely results. Key issues include:

- **Manual adjustments and corrections:** Consolidating financial data often involves a labor-intensive manual effort to eliminate duplicate entries, reconcile intercompany accounts, and adjust for currency fluctuations.
- **Inaccurate reporting:** Lack of standardization in processes can result in reporting errors, making it difficult to ensure compliance with global accounting standards like GAAP and IFRS.
- **Limited visibility:** Without real-time access to consolidated financials, leadership teams struggle to gain actionable insights to make strategic decisions.

This results in delayed reporting, inaccurate numbers, and exhausted finance teams working around the clock to manually stitch together financial statements. These inefficiencies not only slow down the close process but also limit the organization's ability to respond quickly to business opportunities or risks.

## The Solution: Automation for Unified, Accurate, and Timely Financial Reporting

Financial close automation provides a unified, standardized approach to financial consolidation and reporting. By centralizing data, automating manual tasks, and ensuring compliance, automation eliminates the bottlenecks that have traditionally slowed down the process.

- **Centralized data integration:** Automation integrates financial data from multiple ERP systems, spreadsheets, and reporting tools into a single, unified platform. This eliminates data silos, ensuring consistency across all business units and geographies.
- **Automated intercompany elimination and adjustments:** Complex tasks like intercompany eliminations, currency translations, and adjustments for partially owned entities are automated. Predefined rules ensure that duplications and discrepancies are identified and resolved without manual intervention.
- **Real-time consolidated insights:** Real-time dashboards provide leadership teams with instant access to consolidated financial reports, improving visibility into business performance. Finance teams can quickly generate balance sheets, income statements, and cash flow reports with confidence in the accuracy of the data.
- **Reduced cycle times and faster reporting:** With **financial close automation**, tasks that previously took weeks; such as data aggregation, reconciliations, and adjustments can now be completed in hours. This accelerates the financial close process, enabling finance teams to deliver timely insights that support better decision-making.

### Case Study

Large hotel chain achieves 95% automated financial reporting by reducing the close time by 75% across 1700+ entities.

HighRadius' Financial Close Software helped them get granular visibility into their accounting process so they could take full control from transaction recording to closing their books. They reduced the person-hours involved in the month-end close by ~75%.

## Use Case 4:

# Closing the Loop: Automated Bank Reconciliation in Action

For many organizations, bank reconciliation is one of the most repetitive yet critical tasks in the financial close process. Ensuring that bank transactions align perfectly with internal records is vital for detecting discrepancies, preventing fraud, and maintaining financial accuracy. However, traditional bank reconciliation processes are often riddled with challenges that create inefficiencies, delays, and errors.

## The Challenge: Manual Bank Reconciliation; a Time-Consuming Bottleneck

Bank reconciliation, while essential for financial accuracy, often becomes a bottleneck in the close process due to outdated methods and manual efforts. The key challenges include:

### 01 Time-consuming manual matching:

Finance teams often rely on spreadsheets to match bank statements with internal ledgers. This manual process requires hours of effort to identify missing entries, duplicated transactions, or timing mismatches.

### 02 High error rates:

Human errors are inevitable when manually handling large volumes of transactions. Inaccurate reconciliations can lead to misstated financials, compliance issues, and audit challenges.

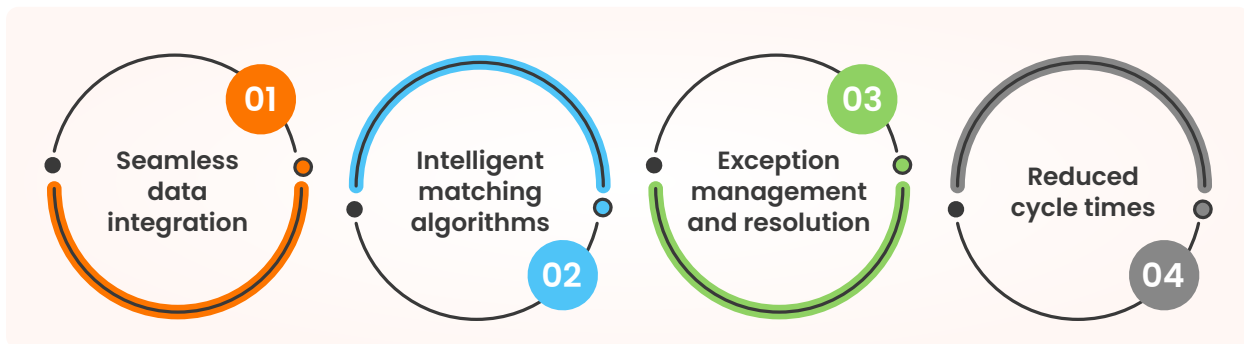
### 03 Data discrepancies across systems:

Differences between bank data and accounting records—due to delays, incomplete information, or timing issues further complicate reconciliation.

As a result, finance teams find themselves stuck in a loop of labor-intensive, error-prone processes that drain resources and slow down the financial close. This challenge not only impacts accuracy but also delays reporting, limiting an organization's ability to make informed financial decisions.

## The Solution: Transforming Bank Reconciliation with Intelligent Automation

Automated bank reconciliation is a game-changer in the financial close process. By replacing manual matching with intelligent automation, organizations can accelerate reconciliation timelines, improve accuracy, and ensure real-time visibility into cash positions.



- **Seamless data integration:** Automation tools pull bank statements and transaction data directly from banking systems and accounting platforms in real-time. This eliminates the need for manual uploads and ensures data consistency.
- **Intelligent matching algorithms:** Automation uses predefined rules and machine-learning algorithms to match transactions between bank statements and general ledger records. Suspicious items, unmatched entries, and discrepancies are automatically flagged for review.
- **Exception management and resolution:** Instead of sifting through endless transactions, finance teams can focus only on exceptions flagged by the system. Automation provides detailed insights into discrepancies, enabling faster identification and resolution of mismatches.
- **Reduced cycle times:** By eliminating manual effort, automated bank reconciliation accelerates the financial close process. What previously took days or weeks can now be accomplished in hours.

## Use Case 5:

# Anomalies Uncovered: Variance Analysis Made Effortless

Variance analysis helps organizations navigate financial performance, highlighting gaps between planned and actual outcomes. By uncovering budget overruns, unexpected expenses, and revenue shortfalls, it provides the insights needed to steer businesses toward smarter decisions and sustainable growth.

## The Challenge: Manual Processes and Hidden Anomalies Slow Progress

Many organizations struggle with performing timely and accurate variance analysis. The reliance on manual processes, fragmented data, and outdated tools makes it challenging for finance teams to detect anomalies and pinpoint root causes quickly.

- **Data fragmentation:** Financial data often resides across multiple systems, spreadsheets, and departments, making it difficult to consolidate and analyze. Finance teams spend more time gathering data than deriving insights.
- **Manual calculations and errors:** Performing variance analysis manually involves extensive data entry, formula management, and cross-referencing. This process is prone to errors, which can mask critical anomalies or misrepresent performance metrics.
- **Delayed detection of anomalies:** Without automation, identifying anomalies and deviations becomes reactive rather than proactive. By the time discrepancies are uncovered, the opportunity to address underlying issues may have already passed.

As a result, finance teams spend countless hours on variance analysis, often producing incomplete or outdated reports that fail to uncover actionable insights. These inefficiencies prevent organizations from responding quickly to financial risks or opportunities.

## The Solution: Automating Variance Analysis for Faster, Accurate Insights

Financial close automation transforms variance analysis by centralizing data, automating calculations, and leveraging advanced analytics to detect anomalies in real-time. Automation empowers finance teams to focus on analyzing variances rather than gathering and reconciling data.

- **Centralized data integration:** Automation consolidates financial data from ERP systems, general ledgers, and budgeting tools into a unified platform. This eliminates the need for manual data collection, ensuring accuracy and consistency across all data points.
- **Automated variance detection:** Intelligent automation tools analyze financial data in real-time to identify anomalies, outliers, and deviations. Predefined thresholds and rules highlight significant variances, enabling finance teams to address discrepancies quickly.
- **Proactive anomaly identification:** Advanced analytics and machine learning algorithms uncover trends and patterns that manual processes might miss. Finance teams gain insights into the root causes of variances, allowing for proactive decision-making.
- **Improved visibility and reporting:** Automation provides real-time dashboards and variance reports with clear, visual insights. Leadership teams can quickly understand deviations and take corrective action without delays.

### Case Study

Steering Clear of \$5 Million in Revenue Leakages Across 1700+ Centers With HighRadius' Anomaly Management.

HighRadius' Anomaly Management system helped America's leading automotive company streamline its Accounts Payable processes by integrating with historical General Ledger (GL) data from Workday. The Anomaly Dashboard provided an overview of anomalies detected, resolved, and corrected. As a result, 95% of journal entries are now automatically input directly into the ERP system.



# Conclusion

Automation is reshaping the financial close, turning what once was a cumbersome process into a streamlined, accurate, and insight-driven operation. By eliminating inefficiencies and empowering finance teams with real-time data and actionable insights, organizations can close their books faster, reduce risk, and focus on strategic growth.

The path forward is clear: embrace automation to simplify complexity, enhance accuracy, and gain the confidence to meet tomorrow's financial challenges. The transformation is more than just a technological upgrade, it's a shift in how businesses work, making them faster and more adaptable. Companies that harness the power of automation today position themselves to thrive in an increasingly competitive and fast-paced business environment.

The journey to an automated financial close isn't merely about efficiency; it's about unlocking the full potential of your financial operations to drive innovation and growth. So, the question is no longer if you should automate but when you will start and how soon you're ready to experience the transformative benefits of automation.

## Don't Just Close, Close Smarter!

Unlock the full potential of your financial close process with HighRadius. See how automation makes accuracy and speed a reality.

[SCHEDULE A DEMO](#)





## About HighRadius

HighRadius offers cloud-based **Autonomous Software** for the Office of the CFO. More than 850 of the world's leading companies have transformed their Order to Cash, Treasury & Risk, Record to Report, B2B Payments and Accounts Payable processes with HighRadius. Our customers include 3M, Unilever, Anheuser-Busch InBev, Sanofi, Kellogg Company, Danone, Hershey's and many more.

Autonomous software is data-driven software that continuously morphs its behavior to the ever-changing underlying domain transactional data. It brings modern digital transformation capabilities like artificial intelligence, robotic process automation, natural language processing, and connected workspaces as out-of-the-box features for the finance & accounting domain.

Before the availability of autonomous software, finance stakeholders had to pick between a digital replacement of a paper-based solution or build & maintain custom RPA/AI-based tools in-house. In contrast, HighRadius' Autonomous platform combines the best of both worlds to deliver measurable business outcomes such as DSO reduction, working capital optimization, bad-debt reduction, reduced month-end close timelines, and improved productivity in under six months.

[Click here](#) to see Autonomous Software in action.

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