

The ROI of Automated Accounting



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Introduction

From paper ledgers to manual journals and now direct posting of general ledger entries to ERPs, accounting has come a long way. However, traditional accounting processes still rely on manual methods that present myriad challenges in terms of time, accuracy and compliance issues with ever-evolving accounting standards.

To navigate these issues, businesses should adopt and utilize automated accounting systems. This will not only help streamline and fast-track accounting workflows but also eliminate anomalies and compliance issues.

However, despite the manifold benefits of automated accounting solutions, many businesses are yet to realize its full potential. In fact, many accounting teams, despite having numerous software in place, begin their close process just **three days before month-end, which eventually spills over seven days into the new month?**

It's time for businesses to understand how implementing AI-powered, automated accounting software provides tremendous future gains by not only saving time but also minimizing costs in the long run which ultimately improves the bottom line.



Do you know?

70%

Accounting work is still done in Excel?

This often leads to hard close at the end of each month and errors and anomalies due to manual work.



Why Do Businesses Need Automated Accounting

Automated accounting systems have transformed financial management, streamlining processes and boosting productivity across businesses. By reducing manual tasks, these systems enhance data accuracy, expedite financial reporting, and cut costs. For example, solutions such as automated **Journal Entry Software** enabling faster close cycle with 40% enhanced efficiency and improved accuracy. Furthermore, automation frees up resources, allowing businesses to expand operations without the need for larger accounting teams, thus reducing operational costs.

Beyond time and cost savings, automation offers significant benefits in data security, analysis, and retrieval. With cloud-based storage and robust security protocols, automated accounting systems ensure data is safe and easily accessible. AI-powered accounting solutions also empower teams to generate comprehensive reports and insights, with self-service analytics and tools like transaction matching, which boasts a 90% auto-match rate. These capabilities not only improve decision-making but also allow businesses to stay agile and competitive, positioning them for long-term success.

Common Challenges With Manual Accounting Process

Difficulty in maintaining compliance

Manual systems struggle to keep up with evolving regulations, risking non-compliance.

Time-consuming processes

Manual transaction verification slows down the month-end close process.

Inefficient audit trails

Lack of clear logs complicates auditing and tracking changes.

Lack of real-time data

Delayed financial updates hinder timely decision-making.

High costs

Hidden inefficiencies and frequent errors make manual accounting more expensive.

Limited scalability

Growing transaction volumes overwhelm manual processes, increasing the likelihood of errors.



6 Key Accounting Processes Ripe for Automation

In today's fast-paced business world, manual accounting tasks are not only time-consuming but also prone to errors, impacting financial reporting timelines and decision-making. To stay competitive, businesses must automate key accounting processes. By automating repetitive tasks, companies can increase efficiency, reduce mistakes, and allow their finance teams to focus on more strategic activities. Here are six essential accounting tasks that you should know to streamline your operations and enhance productivity.

Six key accounting processes that are ready for automation

1

Payroll Processing

Automate payroll journal entries, tax calculations, and direct deposits to save time, reduce errors, and improve employee satisfaction.

4

Expense Management

Automate receipt collection, expense tracking, and data extraction to simplify expense reporting and streamline account closure.

2

Purchase Management

Automate purchase order creation, payment processing, and paperwork handling to streamline the procure-to-pay cycle and reduce errors.

5

Accounts Payable (AP) and Accounts Receivable (AR)

Automate invoice processing, payment reminders, and collections to improve cash flow management and reduce late payments.

3

Tax Compliance

Use automation to verify tax deductions, correct errors, retrieve missing invoices, and maintain compliance during tax season.

6

Cash Visibility and Forecasting

Use modern software to automate cash flow forecasting, track key financial metrics, and generate real-time financial reports for strategic decision-making.

Why AI-Powered Accounting Has a Higher ROI?

The return on investment (ROI) of automated accounting software is exceptionally high due to the transformative benefits it brings across several key dimensions in financial operations. Here are the key reasons how automation delivers substantial returns for businesses.

Is your accounting automation software paying off?

Find out the time and costs your organization can save with our Financial Close Management and Account Reconciliation solutions.

CALCULATE YOUR ROI



1. Time Efficiency and Faster Closures

Automated systems significantly reduce the time required to perform repetitive tasks, such as journal entry posting, reconciliation, and financial closing. For instance, by automating month-end close processes, businesses can cut close times by **days or even weeks**, moving from the traditional **1–24 days close** cycle to a **continuous close** model. This rapid turnaround time leads to more timely insights for decision-makers, improving business agility.

2. Improved Accuracy with AI-Driven Anomaly Detection

Automation powered by **AI and machine learning** can detect errors, omissions, and inconsistencies in financial data in real-time. By using sophisticated algorithms to flag anomalies (such as unexpected transactions or mismatches in accounts), the software minimizes human error, ensuring more accurate financial reporting. As a result, businesses reduce costly corrections and avoid potential regulatory fines, leading to substantial savings.

3. Reduction in Manual Labor and Excel Dependency

According to research, **70% of accounting tasks** still rely on manual processes like Excel sheets, contributing to inefficiency. Automated accounting software eliminates this dependency, automating complex tasks such as **transaction matching** and account reconciliation, thus reducing the need for large finance teams to work overtime, particularly during month-end close. This reduces operational costs, freeing up resources for higher-value tasks.

4. Scalability Without Increased Headcount

As businesses grow, their financial transactions increase, which traditionally requires hiring additional staff to handle the increasing workload. However, automated accounting software can scale effortlessly, processing higher volumes of transactions without the need for proportional increases in human resources. This means businesses can handle increased complexity efficiently while maintaining the same or even lower cost base.

5. Real-Time Data and Continuous Monitoring

With automation, businesses can achieve a **continuous close** where financial transactions are recorded in real-time, giving up-to-date financial insights. This eliminates delays in financial reporting, leading to more accurate forecasting and better strategic decision-making. Real-time visibility into financials also helps in monitoring anomalies promptly and adjusting strategies quickly, enhancing overall business performance.

6. Cost Savings from Automation

Automation drastically reduces the hidden costs associated with manual accounting, such as **long hours of overtime**, **error rectification costs**, and **audit penalties**. For example, **automated bank reconciliation** and **journal entry posting** lead to **50% faster processing times**, while also reducing the need for manual interventions. By automating tasks like accrual management and anomaly detection, companies also avoid costly revenue leakages and overpayments.

7. Compliance and Risk Management

Automated solutions help businesses maintain compliance by automatically incorporating changes in accounting standards, tax laws, and financial regulations. They also provide built-in audit trails and **AI-powered internal controls** to ensure data integrity and regulatory compliance, mitigating risks related to audits and financial errors. As a result, businesses avoid compliance penalties and reputational damage.

8. Operational and Productivity Gains

With automation, companies experience significant improvements in **staff productivity** and **resource allocation**. AI-based solutions, such as **transaction matching**, can process up to **45,000+ line items** per month, while also addressing anomalies in real time. For instance, the AI-powered **anomaly detection engine** can address **3,000+ anomalies** in a short period, drastically improving overall financial operations efficiency.



Do you know?

Businesses, with the help of automation, can reduce their total cost of finance functions by 16%?

Source: Infosys BPM

Case Study: Implementing Automated Accounting For Enhanced Financial Accuracy

A premier hotel chain, renowned for its expansive customer base and 40 unique properties across the US, was facing critical cash flow issues due to discrepancies in bookkeeping and manual data uploads into its ERP system. They realized that their reliance on manual accounting methods was a key problem area that required immediate attention. With an aim to transform their accounting processes, they leveraged HighRadius advanced **Record to Report Software**, which empowered them to streamline their accounting processes, significantly reducing errors, and minimizing the time spent on intensive tasks.

Using AI-powered, automated accounting software, a large hotel chain achieved **97% automated reconciliation across 1700+ entries with AI**

~80%

Automation of
Data Loading

100%

Automation in
schedule and journal
entry creation

100%

Automation in
journal entry posting

Source

Key Challenges

01 Manual data handling and entry

Accountants had to manually download banking data and upload it into the ERP system for reconciliation, increasing time spent and the risk of errors.

02 Complex reconciliation processes

The bank reconciliation process involved cumbersome manual transaction matching and rule application, consuming 6 hours monthly and requiring high attention to detail.

03 Time-consuming journal entry creation

Prepaid and accrual calculations required manual data entry and updates, consuming 60 person-hours per month, leading to discrepancies in financial reports.

04 Multiple systems and lack of control

The hotel chain's financial operations were fragmented across multiple systems, creating inefficiencies and lack of real-time visibility into the data.

05 Approval bottlenecks

Manual approval workflows for journal entries added delays to month-end closing, creating bottlenecks and increased dependence on individual availability.

Solution and results with HighRadius

➤ Efficiency Gains

60% reduction in manual reconciliation effort, enabling quicker month-end closings.

➤ Improved Accuracy

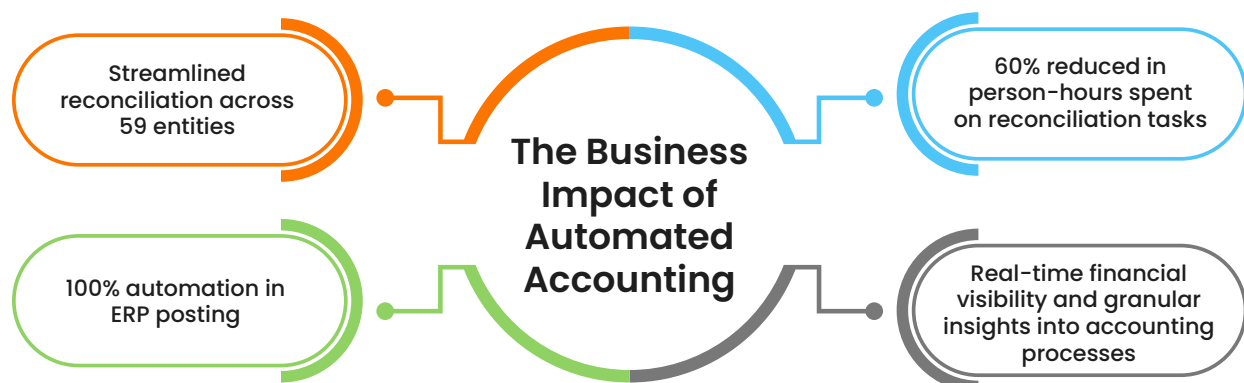
Automation of transaction matching and journal entries significantly minimized human errors.

➤ Faster Approvals

Streamlined approval workflows reduced bottlenecks, speeding up the financial closing process.

➤ Increased Control

With automated and real-time data access, the company gained complete control over their financial landscape.



Streamline Your Accounting Workflows with HighRadius Record to Report Solutions

HighRadius offers a cloud-based Record to Report Software that helps accounting professionals streamline and automate the financial close process for businesses. We have helped accounting teams from around the globe with month-end closing, reconciliations, journal entry management, intercompany accounting, and financial reporting.

Our Automated **Financial Close Software** is designed to create detailed month-end close plans with specific close tasks that can be assigned to various accounting professionals, reducing the month-end close time by 30%. The workspace is connected and allows users to assign and track tasks for each close task category for input, review, and approval with the stakeholders. It allows users to extract and ingest data automatically, and use formulas on the data to process and transform it.

Our Automated **Account Reconciliation Software** provides an out-of-the-box formula set that can configure matching rules and match line-level transactions from multiple data sources and create templates to automate various transaction processing required for month-end close. Our solution has the ability to prepare and post journal entries, which will be automatically posted into the ERP, automating 70% of your account reconciliation process.

Our Automated Financial Consolidation Software revolutionizes the financial close process by automating complex tasks such as intercompany reconciliations, multi-currency conversions, and group-level reporting. This solution minimizes manual errors, enhances accuracy, and significantly reduces the risk of fraud. By accelerating closing cycles by up to 60%, it empowers finance teams to achieve faster, more efficient collaboration across entities, ensuring compliance and delivering actionable insights. With a user-friendly interface and advanced analytics, it provides organizations with a seamless way to consolidate financial data and make informed decisions.

Unlock 80% reconciliation automation with HighRadius Record to Report Suite.

[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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