highradius

Large Hotel Chain Achieves 97% Automated Reconciliation Across 1700+ Entries with AI

~80%	100%	100%
Automation of Data Loading	Automation in Schedule & Journal Entry Creation	Automation in Journal Entry Posting

Customer Digest

We faced significant challenges with time-consuming manual data entries and a complex reconciliation process, which slowed financial reporting and increased the risk of errors. Implementing HighRadius was a game-changer for us, automating these processes, significantly reducing errors, and cutting down on time-intensive tasks.

Problem Statement

A premier hospitality company is renowned for its expansive customer base and 40 distinctive properties across the U.S., delivering exceptional guest experiences. They are a top choice for travelers seeking quality accommodations. Effective cash flow management and timely reconciliation of payment books are crucial to prevent discrepancies. The company's accounting processes were labor-intensive, consuming sixty person-hours monthly for reconciliation activities across its 59 entities. This process required preparers to manually download and upload banking data into the ERP system, match these with journal entries, and verify daily credit card payment statements before updating them in the ERP.

Key Challenges

- **Limited Control Measures for Reconciliation:** A comprehensive controller view within the ERP system is necessary to effectively reconcile variance analysis, operational tracking, and proactive measures. Enhanced email and in-app communication features are needed to streamline these processes.

Key Challenges

- **Extensive Month-End Efforts:** Manual data entry and uploads to the ERP, along with daily verification of bank statements and prepaid journal entries, required significant time and effort. These data gathering and processing activities consumed about sixty person-hours across 59 entities due to labor-intensive reconciliation and verification processes.

- **Approval Bottlenecks:** The requirement for manual system logins for approvers to review and close ledger entries added complexity and delay to the financial closing process.

Solution

HighRadius' Accounting helped them get granular visibility into their accounting process so they could take full control from transaction data gathering to data processing to reconciliation. They reduced the person-hours involved by ~60%. We will deep-dive into the features offered by this solution later in the case study.

Read the full story ⌄

Customer Digest

Managing our financial operations was a constant struggle against time and error. Manually downloading and entering data across multiple systems and dealing with complex reconciliation processes was burdensome and prone to discrepancies. These challenges consumed extensive person-hours and increased the risk of financial misreporting, highlighting the urgent need for a more efficient and reliable system.

1 Manual Data Handling and Entry

Accountants manually downloaded transaction reports from multiple banking portals and uploaded them into their ERP systems for reconciliation, a process prone to human error and time consumption. Entering data for prepaid expenses and bank reconciliation manually was reactive and prone to inaccuracies, potentially leading to discrepancies in financial reporting.

2 Complexity in Reconciliation Processes

The bank reconciliation process involved cumbersome steps, including manual transaction matching and the application of reconciliation rules. These steps were time-consuming (approximately 6 hours monthly for auto-matching) and required meticulous attention to detail to ensure accuracy.

3 Dependence on Multiple Systems and Tools

Accountants had to navigate various systems for utility management and ERP systems for financial data, complicating operations and increasing the risk of data silos. The process required frequent switching between platforms for data extraction, analysis, and report generation, leading to inefficiencies and a fragmented view of financial data.

4 Inefficient Amortization and Accrual Calculations

Preparing and calculating amortization for prepaid expenses involved manual inputs and corrections, which were time-consuming (60 person-hours monthly) and susceptible to human error. Prepaid and other accrual calculations required detailed analysis of raw data files and manual adjustments based on varying criteria like service dates and amounts.

5 Limited Control Measures for Reconciliation

The lack of a comprehensive controller view in the ERP for all types of reconciliation hindered variance analysis, operational tracking, and proactive actions. Enhanced email and in-app communication features were needed to streamline these processes.

6 Time-Consuming Approvals and Reviews

The approval process for journal entries and other financial reports was manually intensive, requiring approvers to log in and review submissions, introducing delays and dependence on individual availability. The absence of a streamlined approval workflow often created bottlenecks at month-end, prolonging the closing process.

Customer Digest

Implementing HighRadius modules has fundamentally transformed how we approach our financial processes. The automation of data ingestion and enhanced analytics capabilities have not only streamlined our month-end closings but have also provided us with the precision needed to navigate our financial landscape more effectively

Account Reconciliation By HighRadius

1 Cash Clearing Reconciliation

- **Streamlined Data Processes:** Automated ingestion of GL Line Items and bank statement summaries drastically reduced the initial data handling time from 15 minutes to virtually none.

- **Advanced Transaction Matching using AI:** HighRadius enabled rule-based automation for matching transactions, reducing manual intervention and associated errors.

- **Journal Entry Integration:** The solution facilitated the creation and posting of bank entries directly to their Bank Clearing and GL accounts in the ERP System, reducing the journal rejection rate and enhancing the accuracy and timeliness of bank transaction posting to GL.

2 Bank Reconciliation

- **Automated Data Ingestion:** HighRadius implemented an automated system to ingest bank statements and GL line items directly from banking portals and their ERP at specified frequencies.

- **Enhanced Rule Configuration:** HighRadius provided a platform for them to dynamically configure and manage reconciliation rules, minimizing errors and ensuring consistency throughout the process.

- **Efficiency Gains:** The reconciliation process time was reduced by 60%, significantly reducing manual labor and time.

Customer Digest

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Account Reconciliation By HighRadius

3 Credit Card Reconciliation

- **Streamlined Data Processes:** Automated ingestion of GL Line Items and bank statement summaries drastically reduced the initial data handling time from 15 minutes to virtually none.
- **Advanced Transaction Matching using AI:** HighRadius enabled rule-based automation for matching transactions, reducing manual intervention and associated errors.

4 Intercompany Reconciliation

- **Custom Data Handling:** The solution automated the ingestion of custom data for subsidiary Due to From (DTF) and BAD DTF from the ERP, simplifying complex intercompany evaluations.
- **Advanced-Data Analytics:** Utilizing HighRadius' 'LiveCube,' a no-code tool with an Excel-like interface, they enhanced its ability to navigate and manipulate reconciliation tasks effectively, including real-time validations and adjustments.
- **Operational Efficiency:** Reduced overall effort by half by streamlining data loading and reconciliation setup.

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Record to Report Suite

Get granular visibility into your accounting process to take full control all the way from transaction recording to financial reporting.

Record to Report

- Financial Close Management
- Account Reconciliation
- Anomaly Management

	Financial Close	Account Reconciliation	Anomaly Management
Business Outcomes	**30%** Reduction in Days to Close	**30%** Reduction in Days to Reconcile	**30%** Reduction in Days to Close & Reconcile
	40% Increase in Productivity	**50%** Increase in Productivity	**20%** reduction in peak load
Operational KPIs	**50%** Automation of close tasks	**80%** Automation of close tasks	**80%** of Anomalies resolved
	95% Journal Entry Automation	**90%** Transaction Matching Rate	

About HighRadius:

HighRadius is the leading provider of the Autonomous Finance Platform for the office of the CFO. More than 850 of the world's leading companies have transformed their order to cash, treasury, and record-to-report processes with HighRadius. The HighRadius Record to Report Suite helps teams get granular visibility into your accounting process to take full control all the way from transaction recording to financial reporting.

Visit highradius.com/record-to-report and learn more about the HighRadius Treasury & Risk solution.

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