The three main takeaways from the first virtual close

By Andy Bottrill, VP EMEA, BlackLine
Without a shadow of a doubt, these past few months have been trying for most of us. Shifting the way we work in the space of a few weeks has tested everyone’s ingenuity, resilience and ability to work under pressure. While most businesses had to transfer their employees to remote working, CFOs, controllers, and their teams were still expected to deliver accurate and timely reports. Reports that are now under increased scrutiny as business leaders look towards finance teams to help them prepare for the new normal.

While restrictions in the UK have been easing for weeks, fear of the ‘second wave’ is likely to keep office buildings completely or partially empty for some time to come. With this in mind, I want to look back at some of the obstacles companies faced during their first virtual close, and highlight three key takeaways that could help remote F&A teams to work more efficiently, both now and in the future.

**Stay on top of the virtual close with better communication and collaboration**

A recent poll we conducted with over 780 F&A professionals showed that communication and collaboration was an obstacle to closing virtually for close to half (44%) of those surveyed. As businesses continue to work remotely, or gradually switch to a hybrid working model, ensuring that distributed teams can work together efficiently will be absolutely critical.

One of the biggest challenges for many of us has been getting used to multiple communication channels. Whether it be via email, video calls, or chat applications, virtual communication can sometimes feel overwhelming and distracting. That’s why it can be helpful to ensure any communications related to the close are tied to an action. Using a task management solution to assign a task to a team member for example, can be a good way of keeping everyone on track.
Another barrier to good collaboration is the ‘institutional knowledge problem’ – where vital knowledge is concentrated in the minds of too few people. This can become even more pronounced in a remote environment, where it may be harder to get a hold of the person who has complete ownership and visibility of the right data and documentation. If they haven’t done so already, F&A teams should take time to identify these knowledge siloes and think about implementing new processes or technology, to help improve visibility and access to information.

Technology has been by far the biggest enabler (or in some cases challenge) for businesses as they have moved to a virtual environment. But unfortunately, some companies were forced to navigate their first virtual close whilst relying on outdated systems and manual processes, such as Excel spreadsheets, which are now more than forty years old.

If this sounds familiar, then the most important take away from your first virtual close will likely be a strong business case for new software and resources. Closing virtually and performing remote audits are significantly more challenging when dependent on manual processes, which is why now is a good time to look at how automation and other solutions can help your organisation to close virtually with confidence.
As automation is implemented to accelerate financial close processes, companies can effectively move toward a continuous accounting model where automation, control, and period-end tasks are embedded within day-to-day activities. This more closely aligns the rigid accounting calendar with the broader business, and frees skilled accountants to spend more time on research and analysis, driving value for the entire business.

Accounting professionals are by their nature (and job description) familiar with the concept of accountability. They are responsible for producing work with utmost accuracy, work that may be examined and tested by everyone from reviewers and auditors, to CFOs, CEOs, and investors.

But the concept of accountability doesn’t fare so well when faced with the real-world pressures of business, where finance and accounting teams are frequently challenged by tight deadlines and ever-tightening budgets. This is another area where businesses that are still dependent on spreadsheet-based processes will struggle – particularly as accountability is further challenged by the new requirements of COVID-19.

If recent corporate failures have taught us anything, it’s that accountability matters. But the reality is that personal accountability can only go so far; the process needs to be accountable, from end to end, from preparation and review to reporting, and eventually, auditing. This is again where automation can help – in an automated system, every role in the process has access to the underlying
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Monday, 17 August 2020, 7:00

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BY JASDIP SENSI

Friday, 14 August 2020, 7:00

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Documentation, so questions can be answered on the spot and the data to back it up is consistent throughout.

With several virtual closes behind us, a lot of companies will have found ways to overcome key challenges associated with remote working – or will at least have found quick fixes to get the job done. However, it’s important to recognise where patching a problem, rather than modernising the underlying process, could lead to further problems down the line.

Companies that are still reliant on manual processes should consider how they represent the finance function, better able to support competitive work, and drive accountability. This will help to create a more agile and effective business through uncertain times.

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