IMPERO

Month-End Closing

Strengthening your month-end closing process to close *with confidence*

Introduction

Month-end closing has increasingly become a source of stress among many organizations. Closing processes help to ensure that all reports are accurate and up to date, and having it done on time and correctly is a necessity for a variety of businesses and their finance teams.

With increasing rules and regulations, nailing the closing processes has become a top priority for compliance teams and organizations.

However, with documents, spreadsheets and emails scattered all over the place compliance teams still seem to struggle each month. The importance of a smooth closing process has become more evident, but it still becomes a race against the clock each month to get everything in order.

But why exactly?

With this whitepaper we want to help answer that question and outline the reasons why the time is now to invest in a digital tool to help with your closing processes, and give you tips and tricks to **help you close with confidence.**

Next year is now

We all know what it's like to be in a situation where we start to do something, but it's already too late, and you begin to stress about not having started earlier? But what if it was the same for businesses and more specifically financial closing processes?

As compliance budgets are getting tighter and tighter, there is more focus and pressure on compliance teams. So much so, that **73% of CCOs surveyed in KPMGs most recent [survey](#) agree that they are feeling the pressure with the increase on regulatory expectations and scrutiny.**

Rules and regulations are not going anywhere, and if anything, focusing on the regulations for 2023 now is already too late. If you want to nail your closing processes for 2023 then you must look to the year ahead and start investing in your compliance and reporting now.

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But why are so many organizations struggling with this?

Next year is now

Deloitte found in a recent survey, that **87% percent of compliance teams are feeling stretched because they have no additional capacity due to be understaffed or only adequately staffed.**

Businesses are doing everything to cut down costs, and next year will be no different. The best way to get ahead next year is to start thinking about it as if it's already here.

So, if regulations, budgets and teams are getting tighter but management is pressuring you to keep up with the changes, **what can be done?**

With a digital platform, you can have all the information regarding your month-end closing readily available month after month and accessible to everyone.

Compliance is costly and will continue to be so, but organizations who have implemented technology or a digital platform have on average saved $1.45

million in compliance costs. Organizations are doing everything to cut down costs and must start thinking about next year now even when the current year is not even over.

The things that organizations do now will help **prepare the process for next year.**

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Audit recommendations

We've talked about how rules and regulations, and budgets have changed the way compliance teams are thinking about their month-end closing process, but what about the pressure that comes from elsewhere?

Not only is there pressure from internal stakeholders, but boards and regulatory examiners are also bringing the pressure. So much so, that **53% of CCO's are feeling pressure from their board and 49% are feeling pressure from their regulatory examiners to make a change.**

Auditors are asking for more and compliance teams are expected to deliver. If not, the consequences can be hefty and have a lasting effect on your organization's reputation, and all eyes will be on the compliance team.

Why should you be listening to your auditors?

Auditors, in essence, just want to make closing processes easier for you, so implementing a digital tool allows not only them to get the job done faster, but also organizations to have a streamlined process for the future.

When your auditor recommends using a digital platform for managing your compliance, the payoff for them and the organization is almost immediate. You and your auditors are able to see everything in real-time so you can easily fix errors and be **confident that you're nailing your audit.**

Likewise, every time you have your auditors by the process will be the same, so not only do your auditors know what to expect, but you as well will know what to expect. With regular compliance audits, organizations can **save an average of $2.86 million which is less than what organizations spend on investing for a digital tool.**

Audit
recommendations

And with a digital tool, you are in essence prepared for regular compliance audits with everything stored in the platform that can be accessed again and again overtime.

So, next time your auditors recommend a digital tool to help with your closing process, think about **how much time and effort you can save.**

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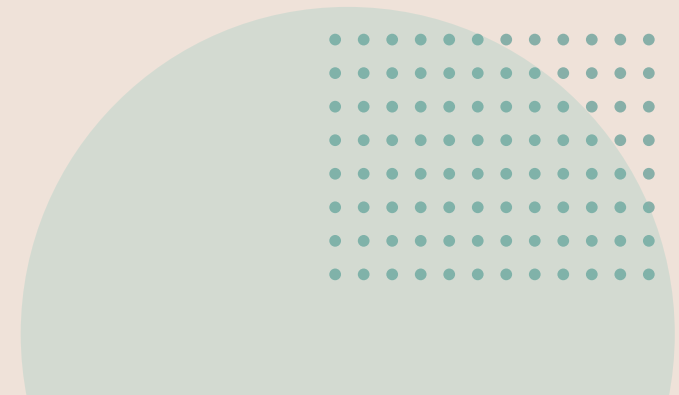
Optimization
(more with less)

Doing less with more. This is how all compliance teams wish they could go about their closing processes, but the reality is it is a lot harder said than done.

In a recent survey, **75% of CFO's surveyed will turn to automation to reduce costs and increase efficiency.**

There are many compliance teams who are turning to automation to help with their closing processes, but unfortunately **due to ineffective processes and technology 51% of CFO's are still challenged with meeting deadlines and time pressures.**

With multiple tasks needing to be performed by different individuals, and the reliance on spreadsheets still present in organizations, the task of automating all of this can sound very daunting. But it doesn't need to be.

Organizations that have optimized their closing processes have happier stakeholders. According to Deloitte **over 80% of organizations with an efficient financial close process reported improved decision-making and strategic planning.**

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Optimization (more with less)

Once the tasks have been automated, each recurring closing process that is done becomes simpler, and **you can rest assured that your team is increasing accuracy and that financial statements are correct.**

Likewise, because information is oftentimes scattered around different departments within the organization automating and optimizing processes becomes necessary.

Once you have everything in a digital tool, you can significantly reduce the time and effort on tedious tasks, and running around the office chasing after information, enabling your organization to **have more transparency, and leave time for other important tasks on the CFO's agenda** (which we know are already here).

With well-defined processes, organizations all around the globe have faster closing processes which in turn **leads to more trust and transparency between stakeholders and management and allows you to do more with less.**
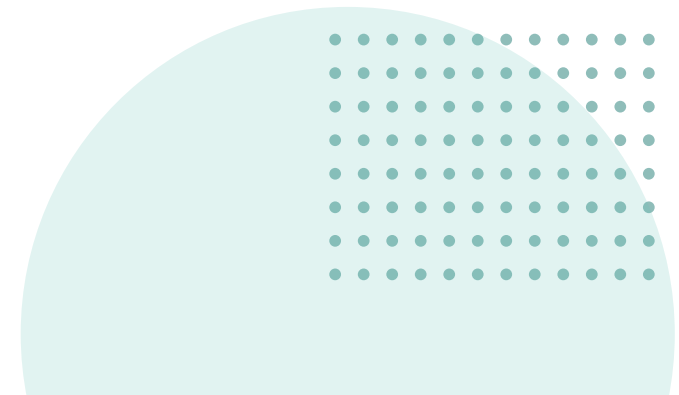
Continuous improvement

We all know that practice makes perfect, and the more we do something the easier it gets. The same applies for your closing processes and implementing a digital tool to simplify your tasks.

Compliance is top of mind for compliance teams **with 91% of companies planning to implement continuous compliance in the next five years.**

Continuous compliance and continuous improvement of your processes, go hand in hand. Once the process has been established, and it has been successful the first time it becomes simpler to keep tweaking and adjusting to perfection and mimic what you have done in the previous months.

While there are many new focus areas for finance teams in 2023 such as CSRD, a recent survey conducted by Basico in Denmark found that **process efficiency is the number one priority.**

91%

Of companies are planning to **implement continuous compliance** in the next five years.

As this is top of mind for many finance teams, **with the help of technology finance teams can increase the quality and efficiency of what they are reporting on,** leading to more positive results for the organization.

Continuous improvement

With digital tools leaders can continuously see which tasks are adding value or when bottlenecks appear and need to be eliminated or corrected.

According to a recent **KPMG survey**, **senior leadership should be prioritizing investment in, and transformation of, their compliance programs, and view it as value adding.**

Using technology and automation to help with closing processes and letting them work with you and not against you, allows you to be more consistent, and these value adding processes can be used again and again each month.

What does a solution look like

Introducing a digital solution.

With regulations, budgets, auditors, and much more not going anywhere anytime soon, it is clear that having a system in place will become more important than ever when it comes to closing processes.

But how exactly should this look?

With Impero you can easily create tasks and controls with specific instructions to guide your team through a secure standardized execution.

The process can easily be automated and clear deadlines and assigned responsibility makes it easy to have a full overview of your closing processes.

Furthermore, **reports can be seen in real-time so action can be taken right away.**

What does a
solution look like

No more searching through spreadsheets, email threads and attachments or asking colleagues for information.

Your reports can be sent automatically, and everything will be logged and stored in Impero.

Sounds nice right? Well, Impero can do more.

While spreadsheets are typically error prone, and mistakes are difficult to find when conducting closing processes, implementing Impero allows you to store all your documentation safely and securely.

Not only will your stakeholders be happy, but you can grant access to your auditors, significantly reducing the time and effort required to provide them with the requested documentation and data.

Not convinced?

Impero customer, **European Energy**, who are on a mission to become a global force in the fight against climate change turned to Impero when its operations were quickly expanding, and the quarterly close process needed simplifying.

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This means we can focus on the controls that give us the most value, as well as find more ways to make the process simpler in the future." - Jonny Jonasson, CFO, European Energy.

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Conclusion

Closing processes are fundamental to all organizations, but with spreadsheets, documentation, emails scattered all over the place the process has become overwhelming for finance teams.

The time is now to invest in a digital compliance tool to help you stay on top of rules and regulations and satisfy stakeholders throughout the organization. The compliance world is constantly changing, but making the change and **automating your processes and closing processes will have lasting positive effects on your organization.**

Are you ready to tackle your month-end closing in a smarter, more efficient way?

Get started today