



6 min read

# Tips to a Faster Monthly Close

Looking for ways to improve your month-end close? Here's a collection of 13 sound tips that will help you accomplish your objectives.

## 1. Increase Your Mid-Month Efforts

While it might feel good to procrastinate until the very end, you'll be much more productive if you complete your objectives early on. You can evaluate your reviews to decide what preemptive measures you can take to finish important activities. For instance, accrual rates can be calculated ahead of time and adjusted later on. Filing reconciliation more frequently can actually reduce the review time needed towards the end.

## 2. Standardize All Documentation

Standardizing your transactions, allocations, and reconciliations allows you to outline deliverables and expectations to your employees. It allows you to act with more predictability, which will help you and your employees draft their to-do lists better. Additionally, standardized procedures enable the company to report accurate figures.

Ensure that this information is communicated properly to everyone involved in these procedures. Non-finance employees are often guilty of not fully grasping the impact their contributions have on the company's closing stats, which is why it's important that the relevant information is disbursed quickly.

## 3. Obtain A Better Understanding of the Activities

Financial activities tend to either be rule-based and transactional or contextual. The latter requires comprehensive knowledge of your company's industry or market. Getting a better grip over the transactions you're dealing with will aid

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you in determining whether you should automate these transactions or simply let your finance team figure it out.

Delineating different types of activities lets you identify the factors connecting them all during the close. This will help you make better decisions as you develop your operating models and processes.

#### 4. Journal Entries Must Be Prioritized

Journal entry times may vary greatly. One way to simplify the process is by identifying larger entries, which need more time. Not only does this allow you to take care of them sooner, but it also helps you identify many ways that will make this process less cumbersome.

Journal entries can be targeted and organized quite easily, thanks to the number of different tools available to handle this issue. Network diagrams and project management timelines are a great place to start. While small, agile teams should probably start with Kanban boards, larger, robust teams are better off with Gantt charts.

#### 5. Incremental Improvements

Rome wasn't built in a day. Process improvement requires time and is constantly evolving.

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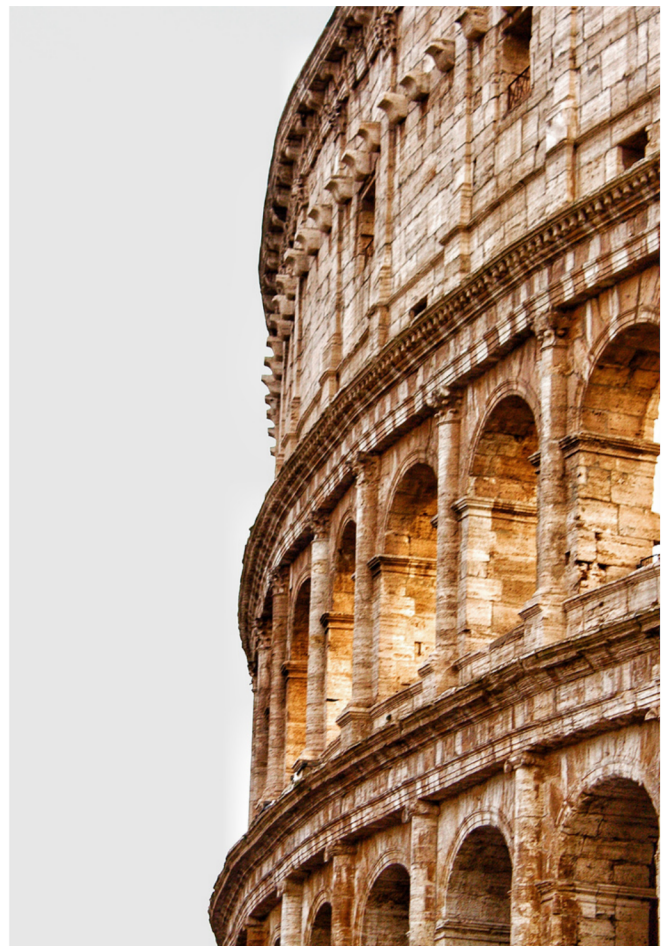
While each change you make won't lead to phenomenal results overnight, you will have the ability to evaluate steps as and when they're being implemented, allowing you to fix things quickly if anything goes wrong. This approach will benefit you immensely in the long run.

By tracking process improvements in small increments, you can isolate mistakes and fix them individually. For instance, you can start by updating certain close-related tasks like journal entries. Track the time that each task takes and record material shifts in this information.

#### 6. Integrate Reviews into The Process

There's no overstating the importance of regular reviews in the change management process. You'll need to determine success indicators first and the close timeline, after which reviews may be conducted both before and after the close.

Analyze how much time each task requires during the close. E.g. you can segment invoices based on review time vs monetary



value for determining whether excessive resources are being allocated towards lower-dollar invoices. You can establish benchmarks, review your wins and losses, and measure process on a continual basis.

### **7. Have Realistic Expectations**

Most management expect immediate benefits and faster close times after implementing process changes. However, don't get overwhelmed in the face of these expectations.

Communicate a realistic timeline to management. Provide information regarding your actions, the motivations behind them, and what expectations are reasonable. This prevents unnecessary stress and inaccuracies in your reports.

### **8. Encourage Employees to Make Adjustments on Their Own**

After establishing formal procedures, let employees know what's expected of them and give them the authority to modify their processes as they see fit. Doing so allows employees to properly optimize their workflow, thus promoting compliance and motivating employees to contribute more.

Every employee has their own set of duties and responsibilities. Push your employees to take independent decisions that can improve close procedures, thus strengthening the company.

### **9. Work Together as A Cohesive Unit**

Maintaining a team solely focused on process improvement and comprising of members from different arms of the organization allows for the sharing of diverse perspectives, ensuring the project remains on track.

If establishing permanent teams is out of the question, go for a rotating responsibilities model. Encourage employees to take turns in identifying various shortcomings with the company's close procedures and let them come up with solutions. Apart from promoting a collaborative approach, team members also get to have an active role in this process.

### **10. Pay Heed to New Talent**

Add more employees to the close team. Not only will this help you gain a fresh perspective and deep insights, but it will also help you

bring tech-savvy members on board with solving problems. As many processes get automated with new software solutions and tech-focused practices, such an approach could work wonders in improving your ability to handle the close process.

### **11. Cross-train Important Duties**

Many industries have adopted the practice of cross-training crucial responsibilities and tasks. Encouraging the entire finance team and members from different parts of the organization to develop their skill sets allows close activities to be completed seamlessly. This ensures that you won't have to rely on a small group for important tasks.

Cross-training can also foster a more flexible and collaborative working environment. Implementing standardized documentation processes will make the cross-training process a smooth affair.



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## **12. Connect the Accounting Department with Other Parts of The Organization**

The organization's month-close process isn't limited to its accounting department. Everyone should be made aware of their impact on this process. This requires you to develop and sustain relationships with people outside the accounting department.

Lacking important documentation and information can bog down the month-end close process to a great extent. Maintaining a dedicated contact point, explaining the information you require, and the reasons for needing it to your contacts can promote open communication between different departments, expediting the close process.

## **13. Encourage Automation**

Implementing automation can take care of several items listed here. Automated solutions offer speed, accuracy, and a high degree of customization, which allows employees to stay focused on objectives that require strategic thinking and detailed analysis.

