



CASE STUDY : PROCESS REDESIGN

Financial Close Process for a Financial Services Organization

“We value their focus, attention to detail and thoroughness – and they are much more nimble and flexible than other providers. It’s like Christmas morning when I get their final deliverable.”

CLIENT

Fortune 50 Financial Services Organization

CHALLENGE

To reduce the cycle time of the GAAP close process to allow for improved and expedited reporting and financial analysis

RESULTS

- Reduced the close cycle time from 16 days to 7 days (56%)
- Improved data accuracy and quality
- Eliminated 6,200 man hours a year from the close process

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Background

Our client needed to accelerate the soft monthly and quarterly GAAP close schedule. The approach was to improve existing business processes and automate accounting processes that were currently done manually. Major Oak served as a Program Manager for this project. The company was able to shorten their GAAP pre-tax close from sixteen business days to seven business days and improve data quality at the same time, an improvement of more than 56%.

Project Details

The Program contained ten projects, involving 60 people across 8 lines of business. Initially, the primary focus was the redesign of existing processes to compress the close cycle. The PMO worked with each area and line of business within the Financial Operations organization to find process efficiencies and to accelerate the timing of the administrative feeds. Systems were put in place in the General Ledger to reject late administrative feeds and to force any late GAAP manual journal entries after business day 1 to go through an approval process.

As the effort progressed, the project team worked to improve the internal controls around the financial close while consistently closing the books in seven business days. The Hyperion Financial Management system was upgraded and Financial Data Management (FDM) was implemented. FDM greatly improved master data management and was particularly useful as new international entities began sending their financial results. The team also implemented a PeopleSoft workflow solution in order to gain greater control and insight into late entries. Finally, the team focused on automating a number of the non-cash GAAP entries that were calculated manually.

The Major Oak Difference

Our experienced Program Manager ensured consistent and reliable information and open communication across all stakeholders during this large, complex effort. Major Oak fostered a team commitment to greatly reduce the number of days to close the books, from the individuals executing the projects to Senior Management. This helped keep the program on track and the team motivated, ultimately driving the team to achieve the program's goals.