



GENERATING CONSUMER FINANCE IMPACT

Reducing reconciliation cycle time by 35% in less than six months with Systems of Engagement



Client

A leading consumer finance company

Business need addressed

- Reconciliation operations lacked end-to-end process and policy documentation, an escalation matrix, and organizational structure
- The high volume of unreconciled accounts heightened the risk of revenue loss, reputational damage, and erosion of shareholder value
- Record to report (R2R) processes were inefficient and lacked standardization

Genpact solution

Genpact deployed its Systems of Engagement™ Financial Controllership Suite to manage the end-to-end reconciliation processes

Business impact

Reduced reconciliation cycle time by 35% and significantly improved the finance team's productivity in less than six months

After undergoing a large merger and organizational restructure, this leading consumer finance provider faced long reconciliation cycle time due to inaccurate and manual reconciliation processes that varied significantly across entities and geographies. The company could only reconcile 65% of its accounts on time. The finance team relied on an Excel-based tracking mechanism, which often led to process failures during the critical quarter-close period.

Genpact implemented its Financial Controllershship Suite, a software-as-a-service platform, to standardize and automate the end-to-end reconciliation process. The solution helped eliminate delays in accurately reconciling accounts through its auto-upload and auto-certify features. As a result, the company reduced the time it took to process reconciliations by 35% within six months.

Business challenge

The record to report function faced a number of challenges:

- Manual and non-standardized processes led to inefficiencies and controllership issues, including delays in reconciliation submission and unreconciled accounts
- Senior finance and accounting staff used Excel-based worksheets for intercompany reconciliations, which led to errors and lost productivity
- Due to a significant backlog of unreconciled accounts, the staff and controllers had little time to focus on root-cause analysis, resolving open items, or other value-added activities
- Localized processes and multiple legacy systems resulted in inaccuracies when compiling accounts, which delayed financial reporting
- Sub-optimal use of existing reconciliations technology resulted in longer and inefficient

close cycles, and an inability to reconcile more than 70% of open items on time

The company wanted to reimagine its end-to-end reconciliation process with seamless built-in workflows and reporting, and the implementation of a best-in-class reconciliation tool.

Genpact solution

The client adopted the Financial Controllershship Suite, which is part of Genpact's Systems of Engagement™ portfolio that overlays cloud-based technology on top of organizations' existing systems to transform operations. Genpact's solution is built on its Lean DigitalSM approach that harnesses design-thinking methods, Lean principles, advanced digital technologies, and domain knowledge. To deliver the company's objectives, Genpact:

- Assessed the back-office environment and requirements against industry best practices, such as auto approval and auto-certify for "no movement" zero-balance accounts
- Implemented standard templates across the company's operations
- Prioritized the business' accounts by level of risk, and defined the level of detail and frequency with which it would conduct reconciliations for each account

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- Designed decision-support systems with customized real-time reports, such as balance analysis, open items, and others to support faster and more responsive decision making
- Aligned teams through a reporting center of excellence to enable the cross-pollination of ideas and best practices, and reduce manual interventions
- Enabled an audit trail of account reconciliation for internal and external auditing requirements
- Established a more knowledgeable finance and accounting team, with a greater focus on value-added strategic activities

Business impact

By adopting the technology, the financial services firm streamlined its end-to-end reconciliation and journal-entry processes, improved internal controls

and audit trails, enabled faster decision making, and reduced training costs. In addition, the company used the solution to standardize processes, foster more accurate compliance, and improve the financial integrity of its reports.

The client is on course to achieve best-in-class reconciliation processes across its balance-sheet categories. The client succeeded in:

- Reducing reconciliation cycle time by 35%
- Giving controllers more time to review, provide feedback, and resolve open items on month-end reports
- Enabling faster, more informed decision making and increased agility
- Improving governance and tracking to complete reconciliations within established timeframes

About Genpact

Genpact (NYSE: G) stands for “**generating business impact.**” We are a global leader in digitally-powered business process management and services. Our **Lean DigitalSM** approach and patented Smart Enterprise ProcessesSM framework reimagine our clients’ operating models end-to-end, including the middle and back offices – to deliver growth, efficiency, and business agility. First as a part of GE and later as an independent company, we have been passionately serving strategic client relationships including approximately one-fifth of the Fortune Global 500, and have grown to over 75,000 people. The resulting domain expertise and experience running complex operations are unique and help us drive choices across technology, analytics, and organizational design.

For additional information, contact, cfo.services@genpact.com and visit, www.genpact.com/what-we-do/business-services/finance-accounting/record-to-report

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