

“Close the Books” Survey

Does your close make the grade?

sage Intacct

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Executive Summary

Does your close make the grade?

When we asked small to mid-size businesses what they would change about their close, the most common themes were to make it faster and easier. Recurring suggestions included more automation, integration, and better reporting.

How well does your close stack up against your peers? Read on to find out how your close compares on important factors across people, process, and technology. You can grade your close and identify potential actions to improve it.

Skip to the [“Close the Books” Report Card](#)

Key Takeaways from the Survey



People

26% close the books in less than **1 week**

70% close the books with between **2 and 5 people**



Process

35% added **1 or more entities** last year

48% close the books with **5 or less imports and exports**



Technology

47% on cloud vs. **40%** on-premise

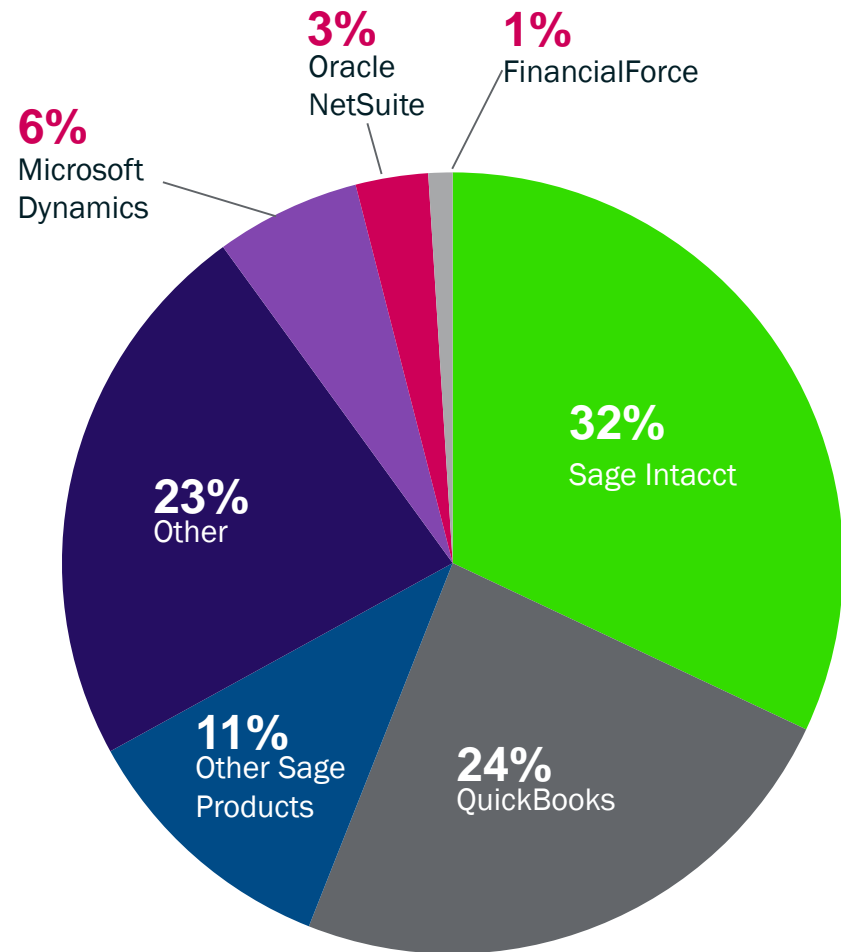
Survey Overview

Methodology

This online survey was conducted in January 2018 with participants from small to mid-size businesses solicited via email, social media, and website banner advertising.

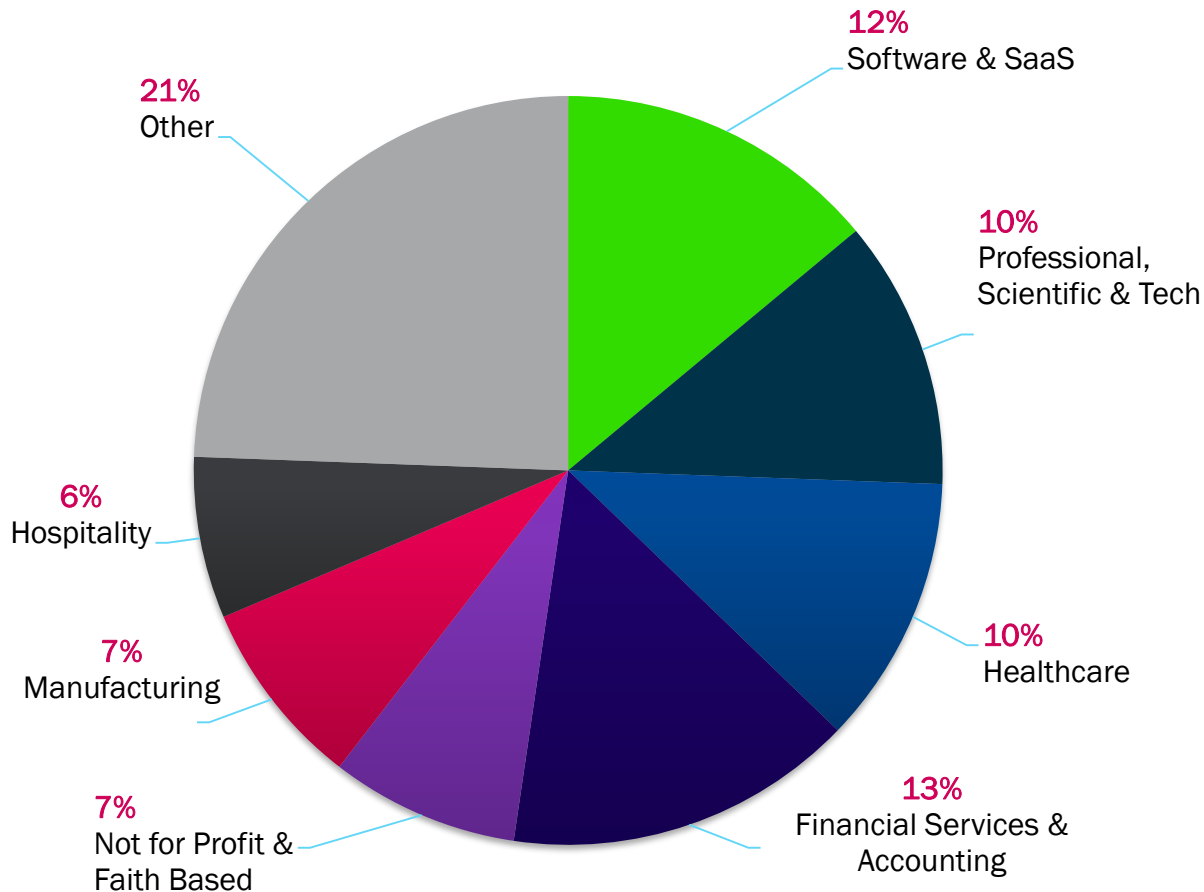
The survey had 762 participants who are on a variety of general ledger solutions. Not every participant answered all questions. The number of respondents for each question are included at the bottom of each page.

General Ledger Solution



Survey Overview

Industry Representation



Not only did the 2018 edition of the Close the Books Barometer Survey grow participation from 2017 by 10x, but the diversity of industry participation also grew.

The increase in participation provides deeper insights about the close process.

Survey Overview

Fiscal Year vs. Calendar Year

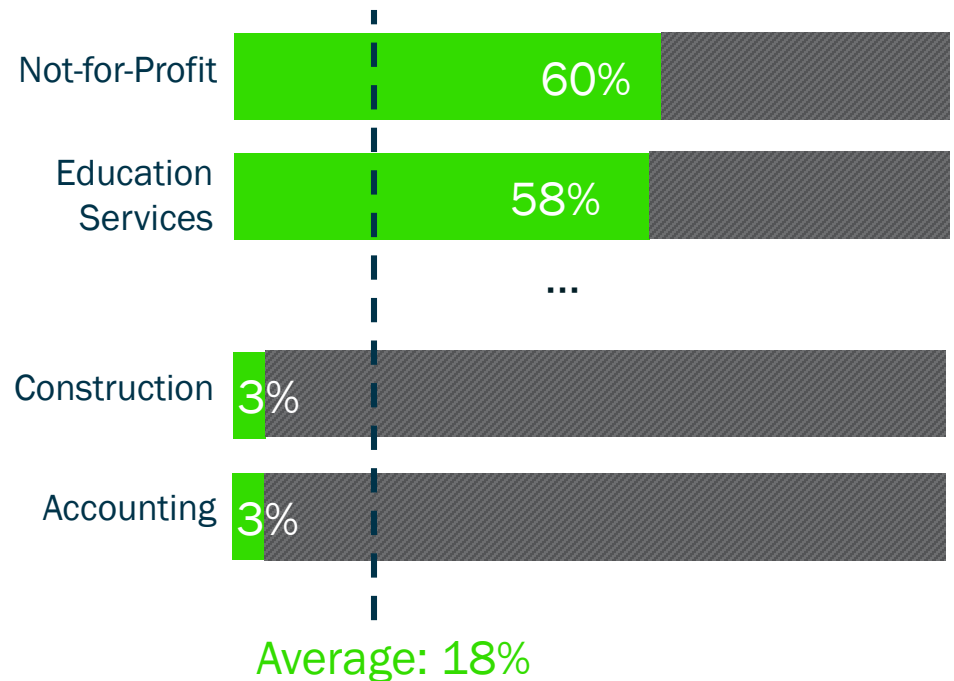
While 77% of the respondents close their books on a calendar year, some industries are less likely to align their fiscal year with the calendar year.

These industries may be more inclined to use a fiscal calendar to match to the cyclical nature of their business.

18%

Close on fiscal years across industries

Fiscal Year Usage by Industry – Highest and Lowest



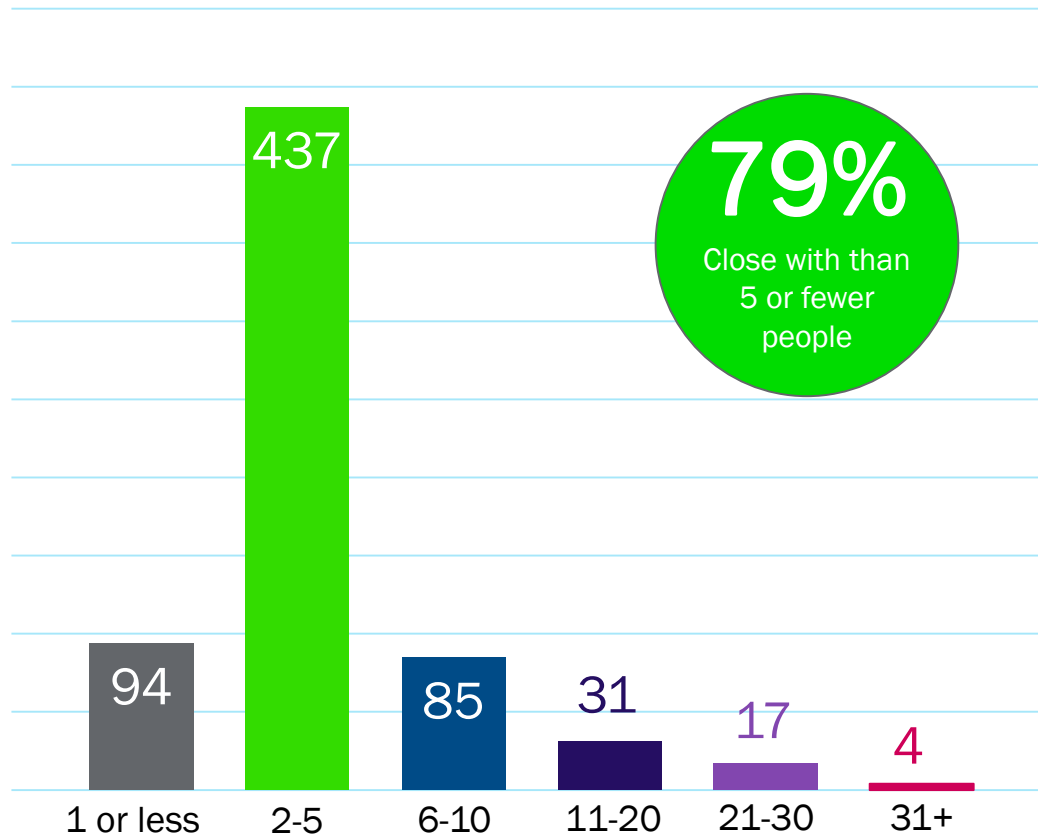
Results: People

What people resources are
needed to close?

People

Small close teams are typical

Number of People Involved in the Close



While some respondents wish for more resources, the team size across the teams surveyed are fairly standard.

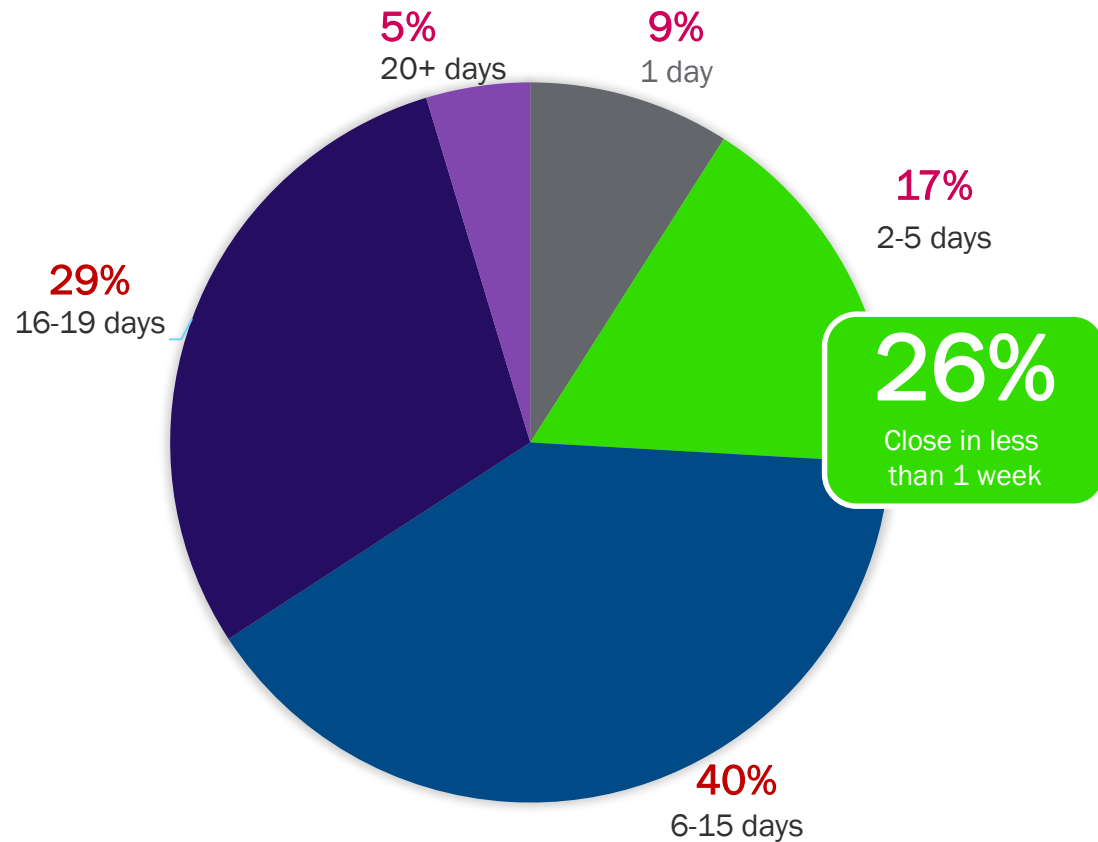
Nearly 80% of accounting teams close the books with less than 5 people.

People

Best practice: Closing in a week or less

While many respondents wanted a faster close, many others expressed a desire for more time to complete their tasks and a concern over deadlines and pressure.

The greatest influence to length of close was the solution that was used. While it would seem logical that more complex businesses would be on more sophisticated solutions, that correlation wasn't demonstrated in the responses.



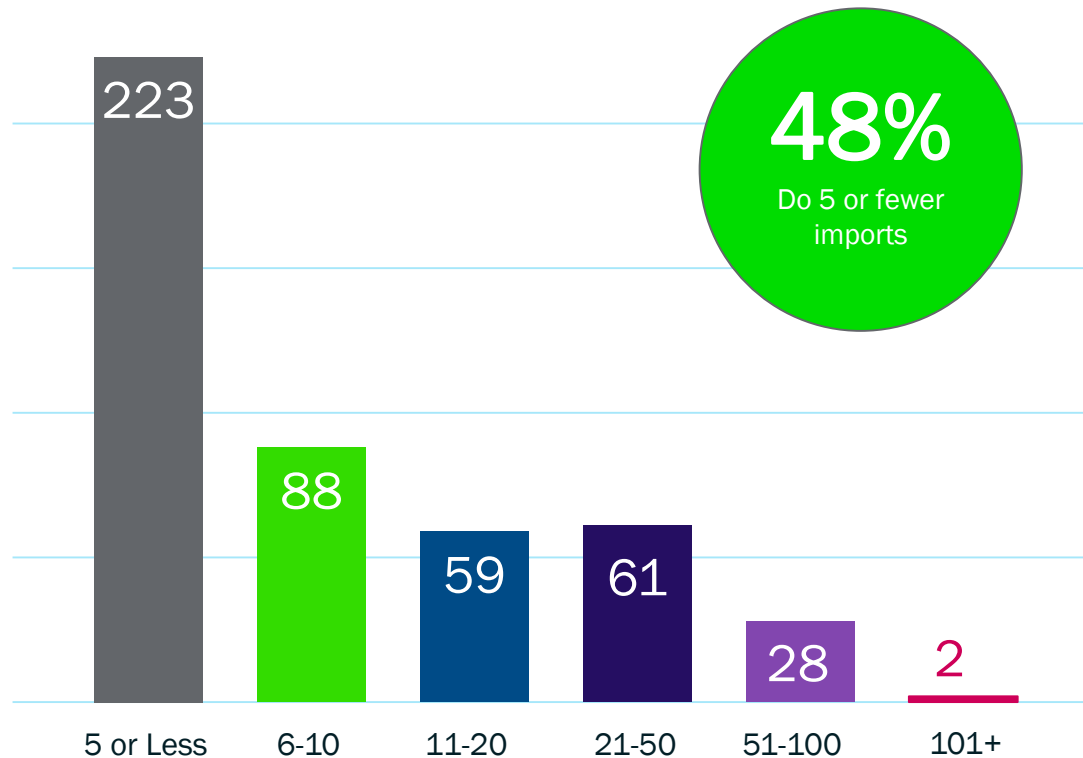
Results: Process

How complex is the close?

Process

Manual imports & exports are still common

Number of Manual Imports & Exports Used to Close



Two-thirds of respondents use 10 or fewer imports and exports to close the books.

However, it's surprising to see that a large number of respondents use between 10 and 100 imports and exports to achieve their close.

While there doesn't seem to be a correlation to close time, manual imports often introduce errors.

Process

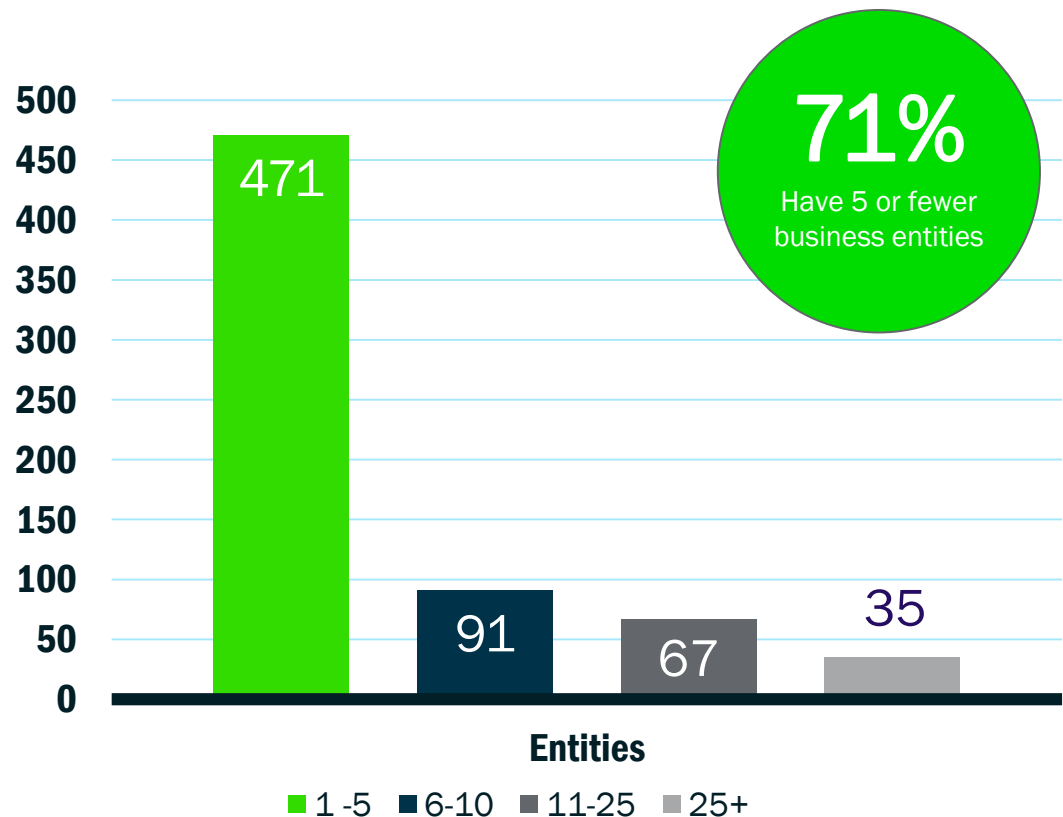
Most have a small number of business entities

A significant number of respondents still have less than 5 business entities.

With some accounting solutions there is a strong correlation between number of entities and time spent on the close.

The average time to close per entity is a key performance indicator, particularly when you exceed 5 business entities

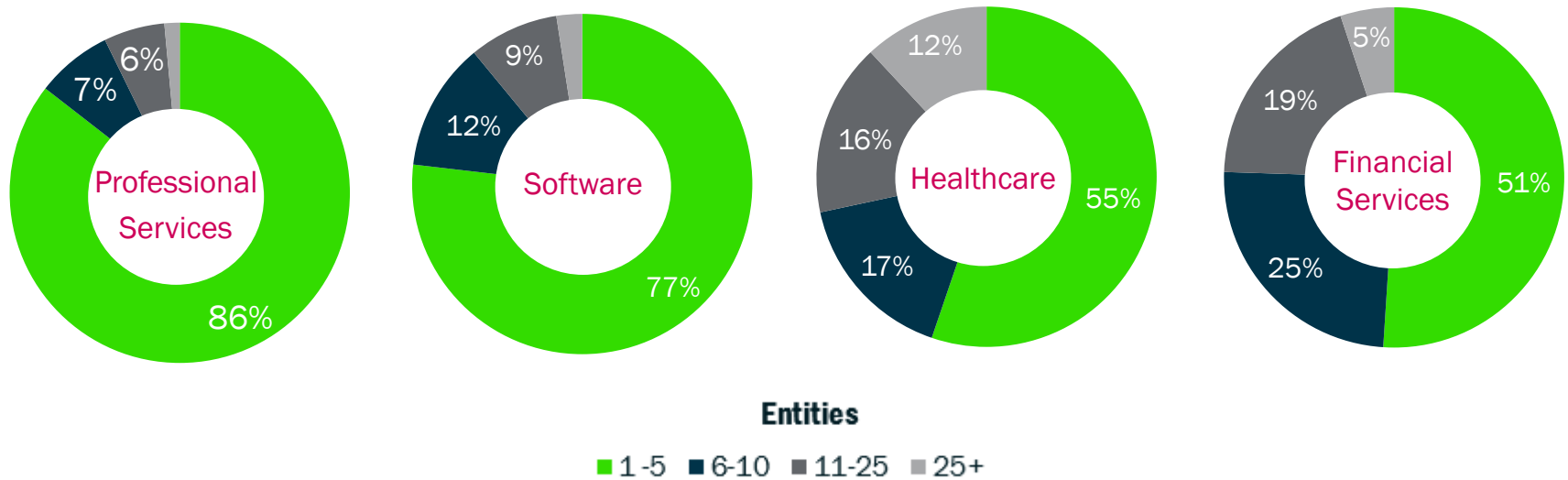
Number of Business Entities



Process

A higher number of entities are common in some industries

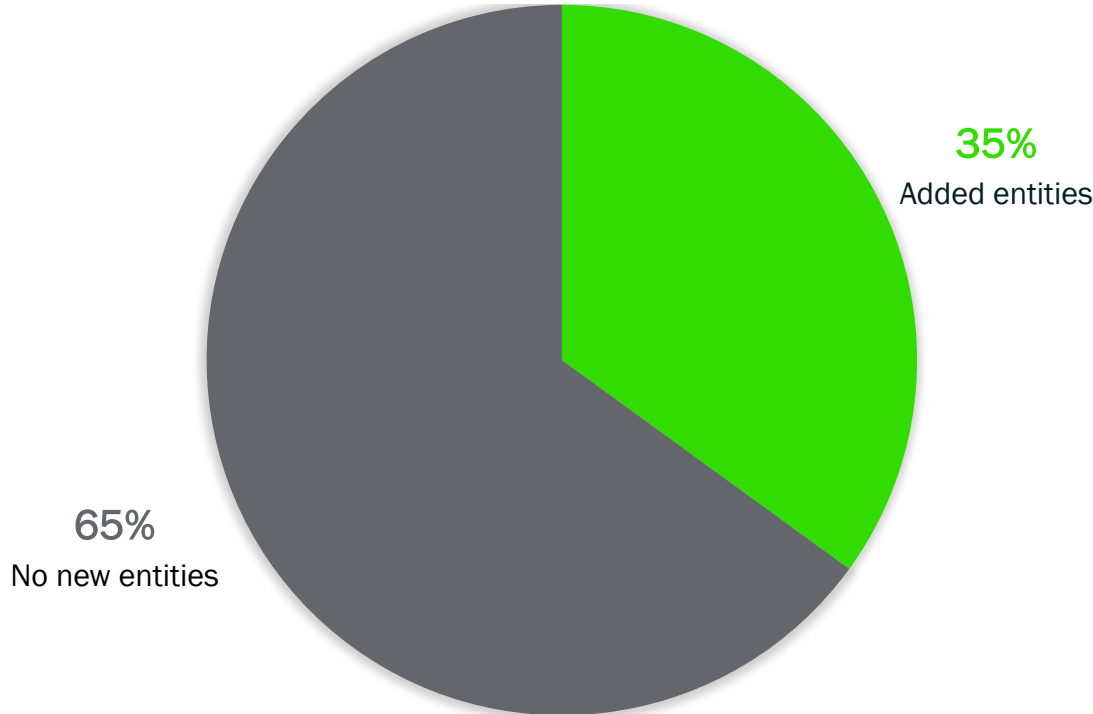
Entities by Top 4 Industries



The data suggests the more regulated the industry, or complex the accounting process, the more likely respondents were to adopt a multi-entity strategy.

Process

Over one-third of companies added new entities last year



Even if you don't have a lot of business entities today, you may grow that number in the future, due to increasing complexity from:

- Expansion
- Acquisitions
- Risk management
- Tax benefits
- Regulation

Over one-third of respondents added one or more business entities in the last year.

Results: Technology

Cloud vs. On Premise

Technology

Cloud is at the tipping point

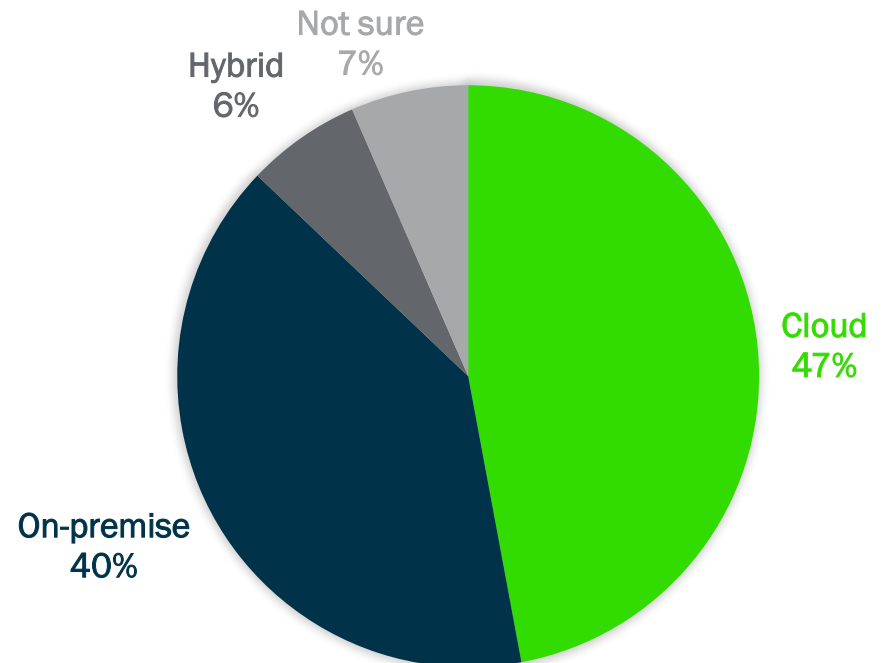
According to Gartner, “In 2018, we expect 40% to 50% of business users to have moved their core collaboration and communications systems to cloud platforms. By 2021, more than 70% of businesses will be substantially provisioned with cloud office capabilities.”*

*Gartner, Smarter With Gartner, Widespread Adoption of Cloud Office is Now Well Underway, June 2017

<https://www.gartner.com/smarterwithgartner/widespread-adoption-of-cloud-office-is-now-well-underway>

More respondents are on cloud solutions than on-premise. And, we expect this trend to continue per Gartner’s above prediction.

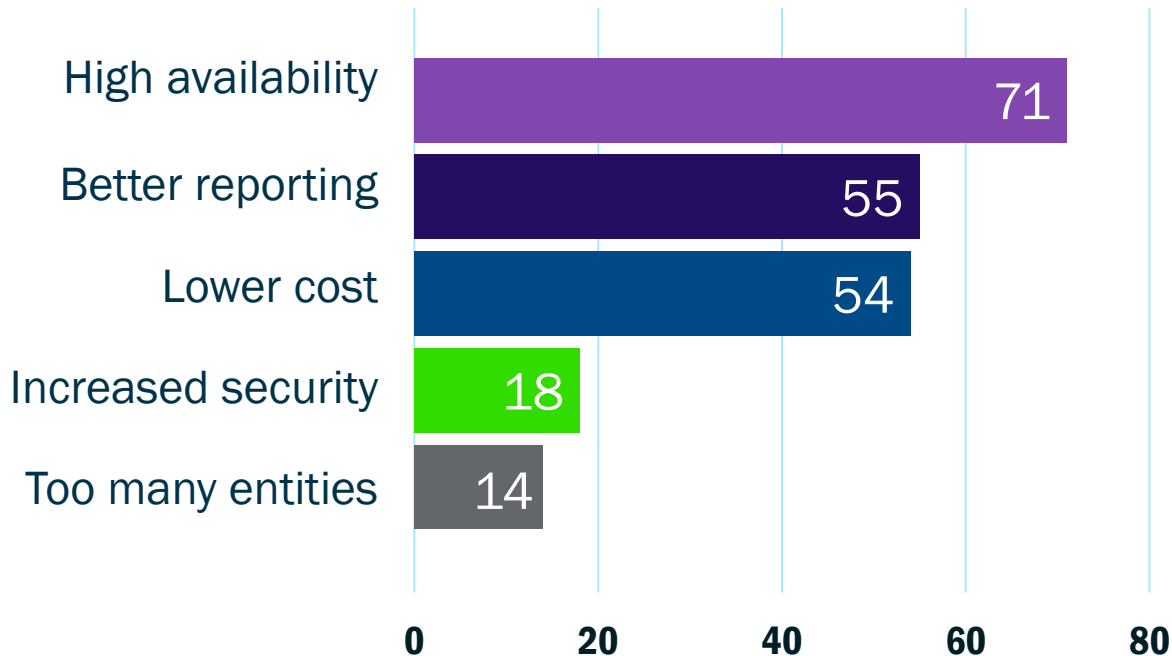
Solution Deployment Model



Technology

High availability and reporting are leading reasons to move to cloud

Reason for Moving to Cloud



Fifty-five percent of respondents started on the cloud.

For those that started on on-premise, better reporting and high availability were the leading reasons for moving to the cloud.

Respondents wanted an instant close that was highly automated to achieve visibility and insights sooner.

Technology

Sage Intacct cloud customers on availability and reporting

“The disaster recovery is a lot easier with the cloud....you don’t have the consistent upgrades and patches... which is a very expensive process. Not to mention the air conditioned room that you need with all the servers. But, then for your disaster recovery, you have to have a second room of servers...somewhere else to keep your information secure and safe if something should happen. Between 2004 and 2005... we had four or five storms, a couple of which were really bad. It put banks and businesses down for a long time. The cloud wasn’t what it is today, and the disaster recovery was quite dramatic for this area.”
– Jason Gabauer, Controller, Halstatt

“Rather than waiting weeks for month-end reports, the combination of Sage Intacct and Adaptive Insights gives each manager instant transparency into current profitability for their specific area, empowering them to make decisions such as adjusting personnel or cutting expenses before it’s too late.”
– Eric Williamson, CFO, Certus Energy Solutions

Report Card

Grade your close

Report Card

Is your close more satisfying or more frustrating?

Themes: Most Satisfying Part of Close

Reconciling & Balancing

“Reconciling out of balance accounts”

Efficiency

“Low stress, high efficiency”

Integration

“Shortening the time to close through better integration between our systems”

Real-time reports

“Works for our needs...track the right metrics... get answers in seconds”

Automated consolidations

“Global consolidation was a breeze”

Themes: Most Frustrating Part of Close

Effort and length to close

“Time consuming...manual processes”

Pressure

“Short turnaround time...no down time...late info”

Lack of integration

“Lack of integration of systems caused manual entries...uploading fails...time to troubleshoot”

Inadequate reporting

“Manually combining reporting...waiting for packages...doesn't align to our business,,,can't report by department...outside of accounting product”

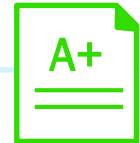
Entity consolidations

“Consolidating entities had to be manual”

Respondents on modern cloud solutions tended to be more satisfied with reporting and automation than those on legacy or on-premise solutions.

Report Card


Does your close make the grade?



"If you're making sure your entries are booked every day, you could argue that your books are closed every day, allowing you to have continuous, consolidated reports that are always live."
- Len Weedman, Triam Partners

There is a correlation between hours spent on closing the books and some accounting solutions used by the respondents.

If your close is taking too long or you're adding entities, it may be time to re-evaluate how you're using your current solution or investigate alternatives.

	A	B	C
Time	< 1 week	1-3 weeks	3+ weeks
Imports	1 - 5	6 - 10	11+
Entities	Automated consolidations so it doesn't matter	5 - 10 Manual consolidations	11+ Manual consolidations
Action	Ask for a raise. 	Look for opportunities to integrate or automate your current solution. Or evaluate alternatives.	Look for alternative solutions

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For more information, visit

[sage.com/uk/intacct](https://www.sage.com/uk/intacct)