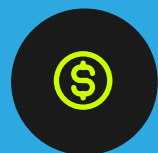


HOW A LEADING MOLECULAR DIAGNOSTICS COMPANY IMPROVED MONTH-END CLOSE EFFICIENCY & STREAMLINED AP OPERATIONS THROUGH TEAM OPTIMIZATION

QUANTIFIABLE OUTCOMES



10-Day Close

Month-End Timeline Met



Reduced Time

Faster Accrual Completion



Enhanced Accuracy

Improved Financial Reporting

CLIENT

A Leading Molecular
Diagnostics Company

ROLE FILLED

Interim AP Manager

EXPERT OPERATOR

Amber Hunt

PROJECT OUTCOMES

Improved ME Close Efficiency

Implemented structured process and team segregation to meet month-end close deadlines

Reduced Financial Reporting Errors

Increased accuracy in capturing estimated/actual accrual data, decreasing over/under statements of AP expenses

Enhanced Invoice Processing

Maintained ongoing invoice processing during month-end close to reduce payment delays

Team Optimization

Improved team morale and efficiency by aligning tasks with individual accountant strengths

ABOUT THE CLIENT

Industry: Genomic Testing / Medical Services

Scope: The client is a publicly traded molecular diagnostics company providing specialized testing and genetic services. The client operates within a multi-state region with a mission to provide affordable and flexible patient care through technology-based testing in areas including oncology, reproductive health, and infectious disease.

CLIENT'S CHALLENGES

- AP team was not meeting month-end close deadlines for accruals and had issues with capturing significant expenses, causing under/over statement of expenses on a monthly basis
- During month-end close, because everyone was working on accruals, there were no team members designated to continue entering invoices, causing a lag in invoice processing and resulting in past due issues in an already high-volume environment
- These challenges contributed to the accounting team not meeting their ideal 10-day close deadline
- The lack of efficiency caused inaccuracy in financial data due to under or over accruing expenses within a given month
- Invoice processing delays caused past due issues to increase, impacting the operation of client lab sites due to threatening vendors on service shutdowns

PROJECT OBJECTIVES & BUSINESS NEEDS

Solution Outline

The project implemented process automation for forecasting, budgeting, variance analysis, long-term planning, and monthly reporting:

1. **Financial Workflow Automation:** This greatly reduced the need for manual intervention, minimized the risk of data errors, and improved the overall efficiency of financial operations
2. **Comprehensive Financial Models:** Development of comprehensive models for long-term financial planning including P&L, cash flow, and balance sheet forecasts
3. **DCF Model:** Built a DCF model to assess future cash flow potential and company valuation
4. **Adaptive Insights Implementation:** Improved budget reporting and executive dashboards

SOLUTION IMPLEMENTATION

Solution Outline

The project implemented several key process improvements:

1. **Segregation of duties within AP team:** Assessed strengths of team members and designated month-end close tasks to more skilled accountants to improve efficiency, accuracy, and focus. Additionally, designated specific staff to continue processing invoices during close to reduce processing time and vendor issues.
2. **ME close Accrual Checklist:** Created a comprehensive month-end close accrual/JE checklist for the AP team to provide a record of recurring and non-recurring JEs, ensuring all necessary tasks were tracked each month rather than relying on memory.
3. **Team Task Allocation:** Emphasized that team members should ask management first when assistance was needed with accruals, reducing distractions for accountants focusing on their assigned tasks.

KEY PROJECT ELEMENTS & DELIVERABLES

Systems & Tools Used: NetSuite for ERP, Blackline for Reconciliations, and Excel for financial analysis

Timeline: 2 months on project as interim AP manager until the client hired/promoted someone internally

Project Scope/Deliverables:

- Serve as Interim AP Manager
- Review and approve all JEs and weekly payment runs
- Assist with process improvements and AP issue resolution
- Provide variance analysis for month-end
- Assist with audit request submissions
- Help transition responsibilities to newly appointed Manager

OUTCOMES

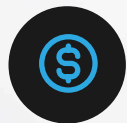
Milestones Achieved

- Completed all designated tasks as Manager
- Assisted team in becoming more efficient through changes to team dynamics and responsibilities
- Helped increase team morale by creating a collaborative environment and empowering staff
- Successfully transitioned responsibilities to newly appointed Manager

Outcome Details

- 1. Improved Efficiency:** Team began to work more efficiently with clear task assignments based on individual strengths
- 2. Reduced Turnaround Time:** Decreased time for completing accruals for review
- 3. Increased Accuracy:** Improved accuracy in capturing estimated/actual accrual data, reducing financial reporting errors of over or under statement of expected AP expenses
- 4. Enhanced Team Performance:** Improved team confidence and morale as accountants operated more in their strengths, growing in knowledge and experience, and receiving better feedback from upper management
- 5. Maintained Invoice Processing:** Continued processing invoices during month-end close to prevent payment delays and vendor issues

KEY BENEFITS & LESSONS LEARNED



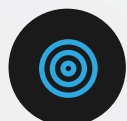
Team Strength Assessment is Critical

In a high-volume environment, it's easy to think an "all hands on deck" approach is best, but if not everyone is strong in certain areas, it can slow progress, efficiency, and accuracy of more challenging tasks.



Task Delegation Based on Skill

Designating tasks based on skill level helps improve efficiency and accuracy in complex accounting processes.



Resource Planning

Recognizing when additional help is needed is important. Given the high invoice volume, the client needed more staff accountants to help manage the workload.

Project Summary

The project delivered significant improvements in month-end close efficiency and ongoing invoice processing through better team organization and process structuring. By implementing a comprehensive accrual checklist and strategically assigning tasks based on individual strengths, the client achieved more accurate financial reporting, improved invoice processing timelines, and enhanced team morale. These changes helped the accounting team work toward meeting their 10-day close deadline while maintaining day-to-day operations effectively.

8020 CASE STUDY




Have Similar challenges?

Connect with us for a free systems assessment

GET A FREE FINANCIAL ASSESSMENT

8020consulting.com 

855.367.8020 

contact@8020consulting.com 