

Research report

# Fast close. Faster insights.

Amplify your impact through automation



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# Foreword:

## The future of the financial close



**Jonathan Howell**  
Chief Financial Officer at Sage

Today's finance leaders face a host of unique business challenges, from economic uncertainty to compliance, cybersecurity risks, and the ever-changing expectations of their role.

These factors directly impact the time it takes to close the books each month, with most teams spending **nearly 3 months** a year on month-close activities alone, according to our research.

More and more finance leaders are embracing the challenge of closing the books faster. They want to unchain their teams from repetitive clerical tasks and empower them to focus on higher-value, high-impact strategic activities.

That's where our 6th annual Close the Books survey comes in. We conducted a worldwide survey involving over 1,000 finance professionals to uncover trends and insights on achieving faster and more accurate financial closing—a coveted prize for any finance department.

We reached out to finance professionals, leaders, and CFOs to get their honest insights on the people, processes, and technology behind month- and year-end—with intriguing results.

### **But here are the burning questions:**

Can you meet the challenge of closing the books faster?

How do your processes measure up against your peers?

How can you make a bigger impact in your role?

It's time to uncover the truth, see where you stand, and unravel the secrets that can help you up your game when it's closing time.



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# Research overview and methodology

How do you close the books? For the 6th consecutive year, that's the question we asked more than 1,000 finance professionals—CFOs, CAOs, VPs, directors, controllers, and more—from across the globe and different industries to share their experiences and insights.

## Our Approach

- 10-minute online questionnaire.
- Surveyed 1,031 respondents in total.

**46%**

of companies are SMBs with employee sizes between 1-49

**43%**

have employee sizes between 50-499

**11%**

have employee sizes of 500+

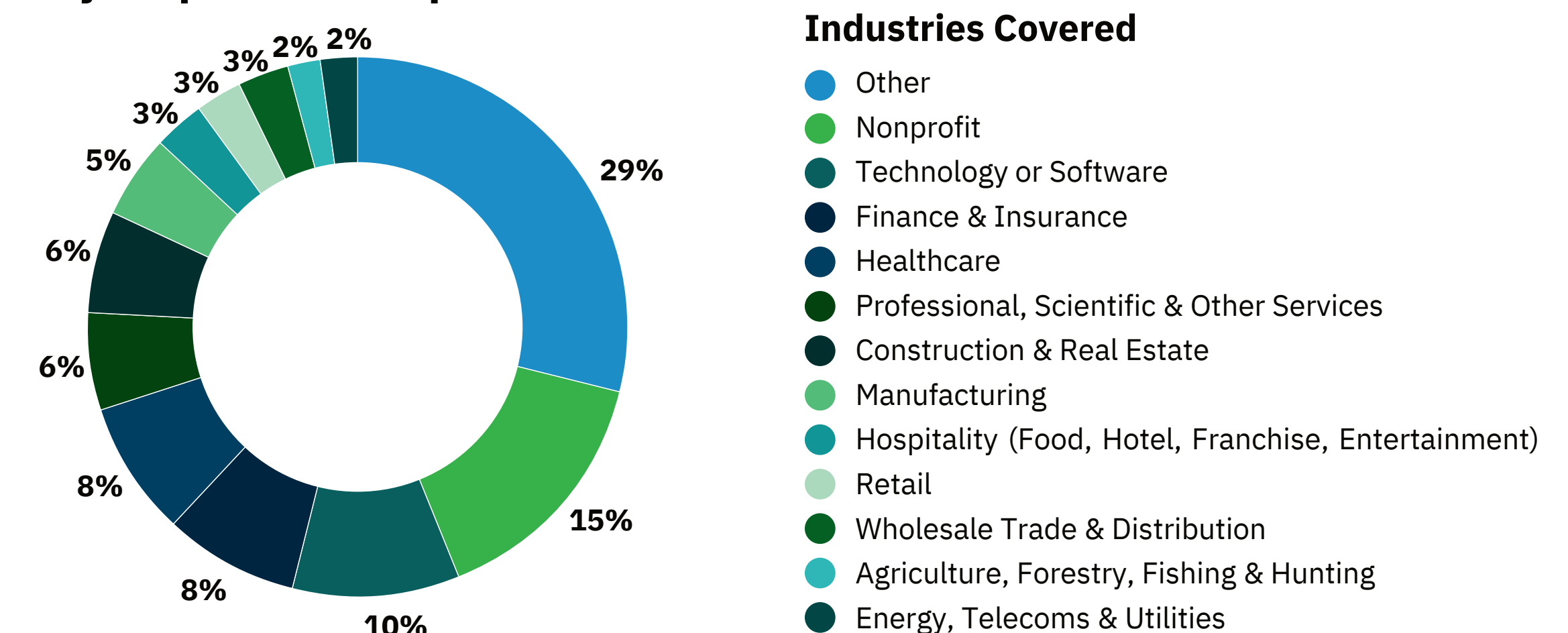
They told us all about the practices they rely on and aspire to in the name of a faster, more accurate close.

This report aims to better understand the people, processes, and technology that finance leaders use to close their books each month, quarter, and year. Together, we invite you to explore new ways to spend less time closing the books, chart a course for the future of finance, and invest more time on what really matters

Respondents were part of organizations of less than 1,000 employees.



## Survey respondents representation



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# Key findings

**90**  
days

Finance teams take on average 7 working days to close the books each month, which amounts to 3 months, an average of 90 working days, each year.

**3x**  
more  
time

On average, automating your financial close frees up 3x more time to focus on value-added activities.

**24**  
days

You can save 24 working days each year by automating the financial close.

**82%**

82% of finance leaders are saving on headcount costs through automation.

**50%**

Over 50% of finance leaders have not yet automated processes around their top pain points.

**18%**

Those with the least automation spend only 18% of their time on value-added tasks, while those with the most automation spend almost 58% on the same activities.

**25%**

Companies on the cloud enjoy 25% more automation than their counterparts.

**73%**

Of those not fully on the cloud, 73% are looking to move to the cloud in the next 2 years.



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# The stubborn 7-day close

Our research found that the average company takes 7 working days to close its books—a figure that has largely held steady for the past few years.

That 7 working days to close your books translate to 1/3 of your working time each month. That's **nearly 3 months a year—an average of 720 hours** spent on work that can be automated, instead of working on more impactful initiatives.

According to our report, the bigger the company, the greater the complexities, leading to longer closing times:



More than half (**52%**) of respondents in the US worked for larger companies (50-499 employees), with only **33%** employing 1-49 people.

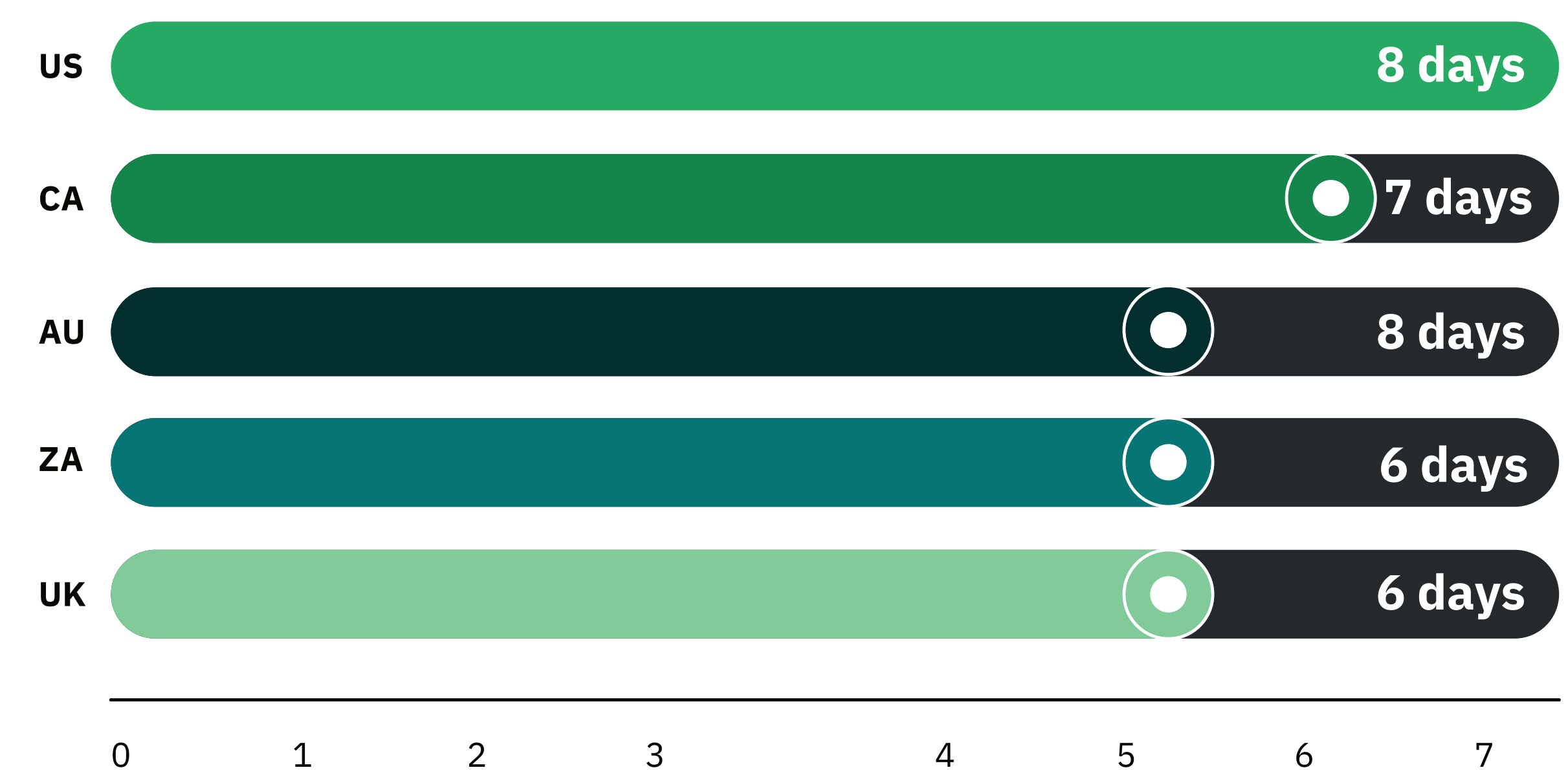


US companies reported an average of **18** separate entities, followed by South Africa at **10**, the UK at **6**, Australia at **5**, and Canada at **3** entities.



US companies with larger headcounts, more entities, and more complexities reported a longer close time of **8** days.

## Close days by region



This lengthy process gets in the way of a finance team's ability to access the information they need to chart the best course for the wider company.

So, how to cut that time down to size?

**The answer is automation.**



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# Quicker close, bigger impact

“Through automation, finance leaders and their teams are empowered to lead a more balanced and fulfilling life. It’s about prioritizing what truly matters to create a bigger impact—whether you’re building a team, developing your career, or taking better care of yourself.

**Sara Arthrell**

Head of Industry Solutions Marketing at Sage

”

## 58%

Finance teams with high levels of automation spend well over half their time **(58%)** on value added strategic activity.

## 18%

Teams with lowest level of automation spend only **18%** of their time on value added tasks.

Finance leaders who embrace automation cut their closing time by 29%, which translates to 2 days every month—a staggering **24 days a year**.

That’s valuable time you could be spending on what really matters, including:

- Data analysis
- Training and personal development
- Strategic planning
- Team building
- Personal wellbeing

Finance teams embracing the highest levels of automation have **3x more time** to spend on impact-driven value-added activities. This is because they can close the books an average of 2 days faster than those with the lowest levels of automation.

**“The potential to reclaim 2 full days each month through automation is a remarkable opportunity for CFOs and their finance teams,”** says Sandi Main, Senior Director of Product Marketing at Sage. “By leveraging automation tools and technologies, finance departments can streamline manual tasks, improve efficiency, and accelerate the closing process. This newfound time can then be redirected towards activities that drive value for the company, such as financial analysis, forecasting, and proactive decision-making.”

And the data is there to back that statement up. Our research shows just how significant a role automation plays in freeing up that time. Respondents with the lowest level of automation available spend only 18% of their time on value added tasks, while those with high levels of automation at their disposal spend almost 58% on these activities.



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# What's slowing you down?

Our survey asked finance professionals to identify the most time consuming activities during their close.

And it was a lengthy list, with the top 3 culprits making up more than **50%** of all obstacles identified:

**18%**

Journal entries

**17%**

Bank reconciliation

**15%**

Reviewing transactions for anomalies

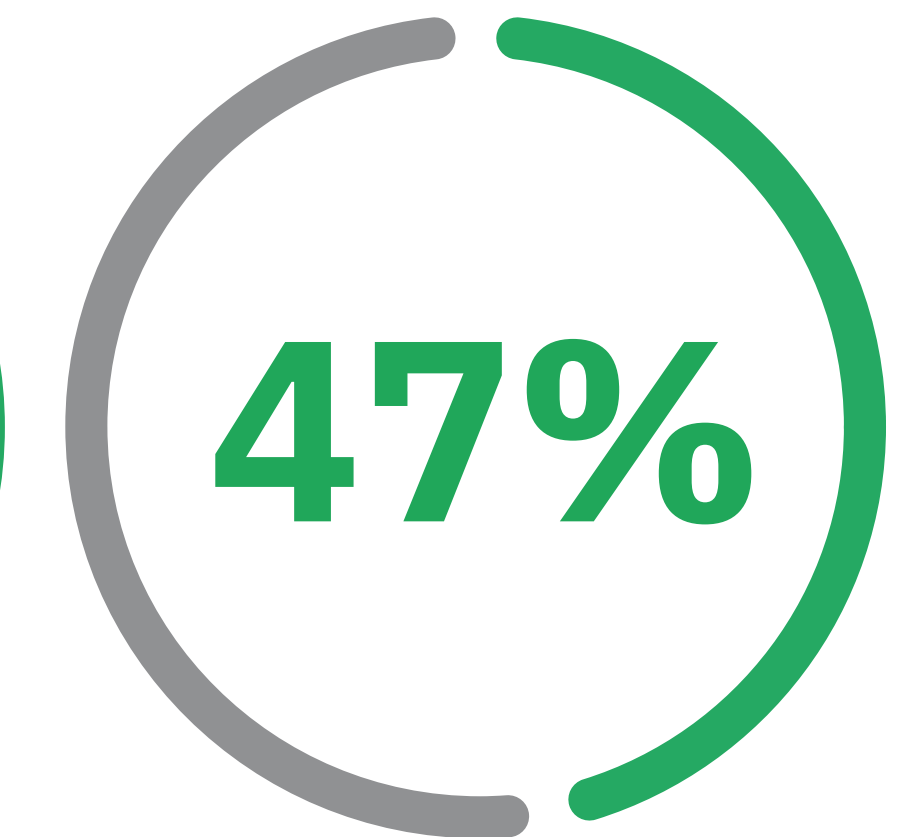
Unsurprisingly, these areas also tend to be completed through manual processes. But automation can ease those pain points—we found that:



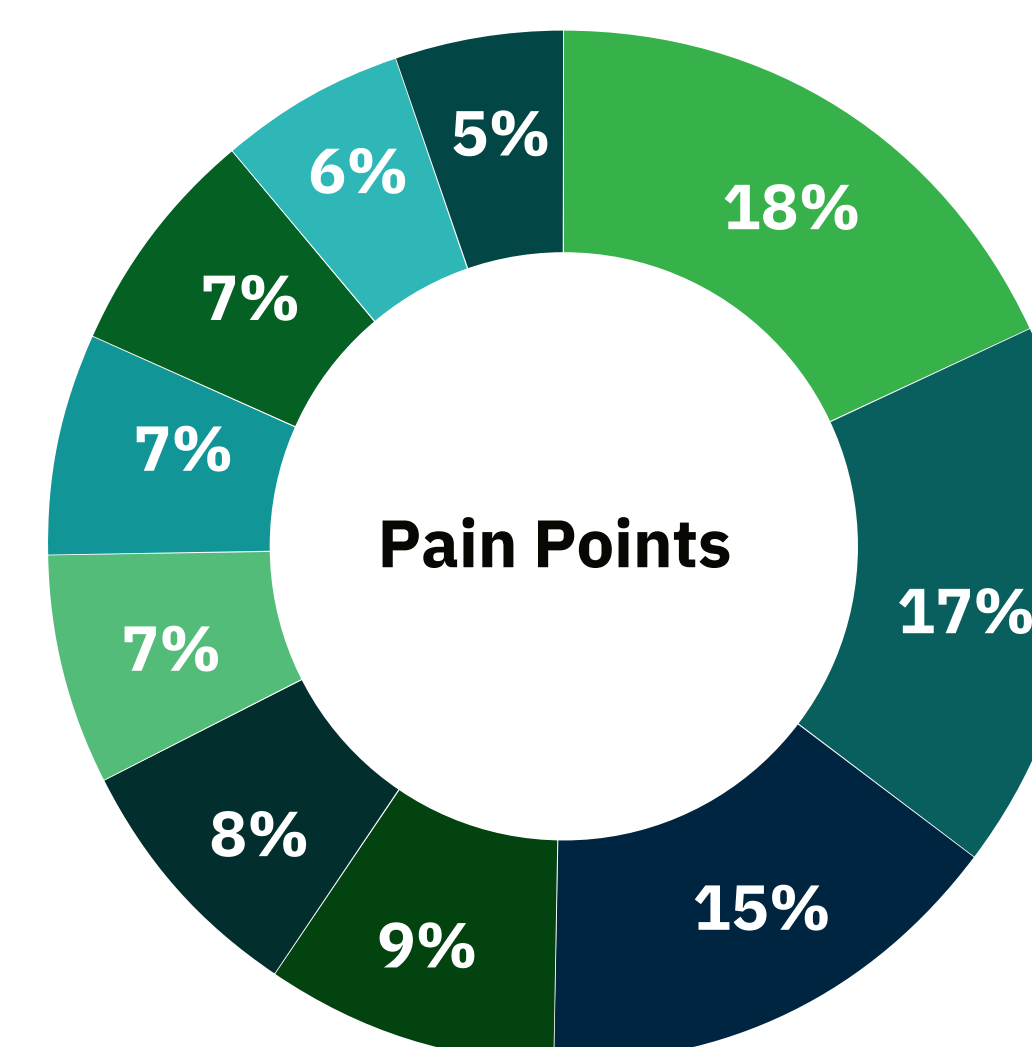
More than half (**56%**) of respondents use manual processes to review transactions for anomalies or inaccuracies.



Similarly, **51%** of respondents lack automation for journal entries, while only **9%** consider themselves 'very automated.'



Nearly half (**47%**) of finance teams lack the automation required to accelerate bank reconciliations.



## Pain Point Type

- Journal entries
- Bank reconciliation
- Reviewing transactions for accuracy and anomalies
- Financial reporting
- Capturing data from external documents
- Capturing data from external systems
- Managerial reporting
- Month end allocation
- Inter-entity transaction
- Accruals



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# Headcount headaches

**A significant 82% of finance leaders say that they've looked into technology and automation to help achieve a quicker close highlighting the growing appreciation of technology- driven solutions and what they bring to the table.**

When it comes to streamlining the closing process, 18% of respondents said they were planning to increase their headcount to meet the challenge. This suggests that finance leaders recognize the complexities and are willing to invest in additional staff to ensure efficiency.

## **So, what do those numbers mean for finance leaders?**

According to our data, the minority of respondents are hiring more staff to handle complexities, while the majority are turning to the efficiency of automation.

By finding the right balance of investment in tech and headcount, finance leaders can create a more comprehensive strategy for optimizing the month-end process.

Technology and automation reduce manual efforts and improve accuracy, and in some cases, your team only requires a little training to onboard the required software.

That said, the clear focus on technology emphasizes the growing role of automation in finance operations.

**By tapping into the right technology, finance leaders can become champions of operational efficiency, cut costs, and improve the overall effectiveness of the closing process. Automation also bridges the talent gap where hiring the right people proves difficult for businesses in today's competitive landscape.**

Ultimately, future-focused leaders recognize that automation can streamline repetitive tasks, minimize errors, and free up skilled employees for more impactful activities. It's worth remembering that if you're not making the most out of automation, your competitors probably are.



of respondents said they were planning to increase their headcount to meet the challenge.



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# Moving to the cloud

**Our survey revealed that cloud adoption is a significant factor in your path to being fully automated. Those that have adopted a cloud solution are on average 25% more automated than those that have not adopted a cloud solution.**

Currently, just a shade over half of CFOs have fully migrated to the cloud. However, brace yourself for a seismic shift, as this statistic is set to catapult to **73%** within the next 2 years.

Picture this: your team fully empowered by the capability to wrap up the financial close at an unprecedented pace, leaving competitors trailing behind.

The alternative? Your rivals racing ahead, driven by the momentum automation provides, while your team grapples with manual processes.

This isn't just a race; it's a high-stakes dash toward financial and strategic excellence. The window of advantage is narrowing, and the time to act is now.





# Mythbusting the cloud

**We asked our customers for their insights on what might get in the way of cloud adoption. Their observations reveal concerns around complexity, data security, and a fear of change.**

So, let's take a closer look at some of these barriers, and how you can overcome them as a high-impact finance leader.

## **Resistance to change**

Some employees may feel apprehensive about **new technologies**, fearing job displacement or a lack of control.

It's important to address these concerns through effective communication and change management strategies, highlighting the benefits of automation in enhancing productivity, reducing errors, and enabling employees to focus on higher-value tasks, personal development, and their overall wellbeing.

## **Limited awareness**

Some decision-makers might not have a full picture of what automation can do for them, or may lack the knowledge to roll these solutions out effectively and sustainably. In these cases, education is crucial. Finance leaders are uniquely positioned to show their organization the potential of automation, and provide guidance around the kind of training and support needed to ensure successful implementation.

## **Cost vs. Return on Investment (ROI)**

Implementing **automation solutions** often requires an initial investment of resources, both in terms of software and infrastructure. Key decision-makers might hesitate, citing concerns about the upfront costs and uncertainty around the ROI they can expect, and when they'll start to see it.

Demonstrating the long-term cost savings, increased efficiency, and improved accuracy that automation can bring will help soothe these concerns and highlight the financial benefits.

## **Legacy systems and broken processes**

Legacy systems and fragmented processes can present challenges when integrating automation solutions. Companies may need to invest in system upgrades or redesign existing processes to fully leverage automation capabilities.

Overcoming these obstacles requires a careful assessment of the existing infrastructure and a well-planned implementation strategy that ensures seamless integration and minimal disruption.

## **Security concerns**

Companies dealing with sensitive financial data may have concerns about the security and privacy implications of automation.

It is crucial to address these concerns by implementing robust **security measures**, such as encryption, access controls, and regular audits, to protect data integrity and confidentiality.

Demonstrating compliance with industry regulations and certifications can help alleviate these concerns and build trust. By addressing these challenges head-on, providing comprehensive support, and showcasing the tangible benefits of automation, companies can overcome the barriers and unlock the full potential of automation in their finance and accounting processes.

“We used to spend two days a week manually generating statements and attaching to individual emails; now it's less than an hour thanks to Sage's automation.”

### **James Proctor**

Director of Professional and Managed Services at Phase 3



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# Conclusion

This year's global Close the Books survey reveals an exciting truth: the accelerated growth of finance teams all over the world are harnessing the power of automation to amplify their impact and reclaim their most valuable resource—time.

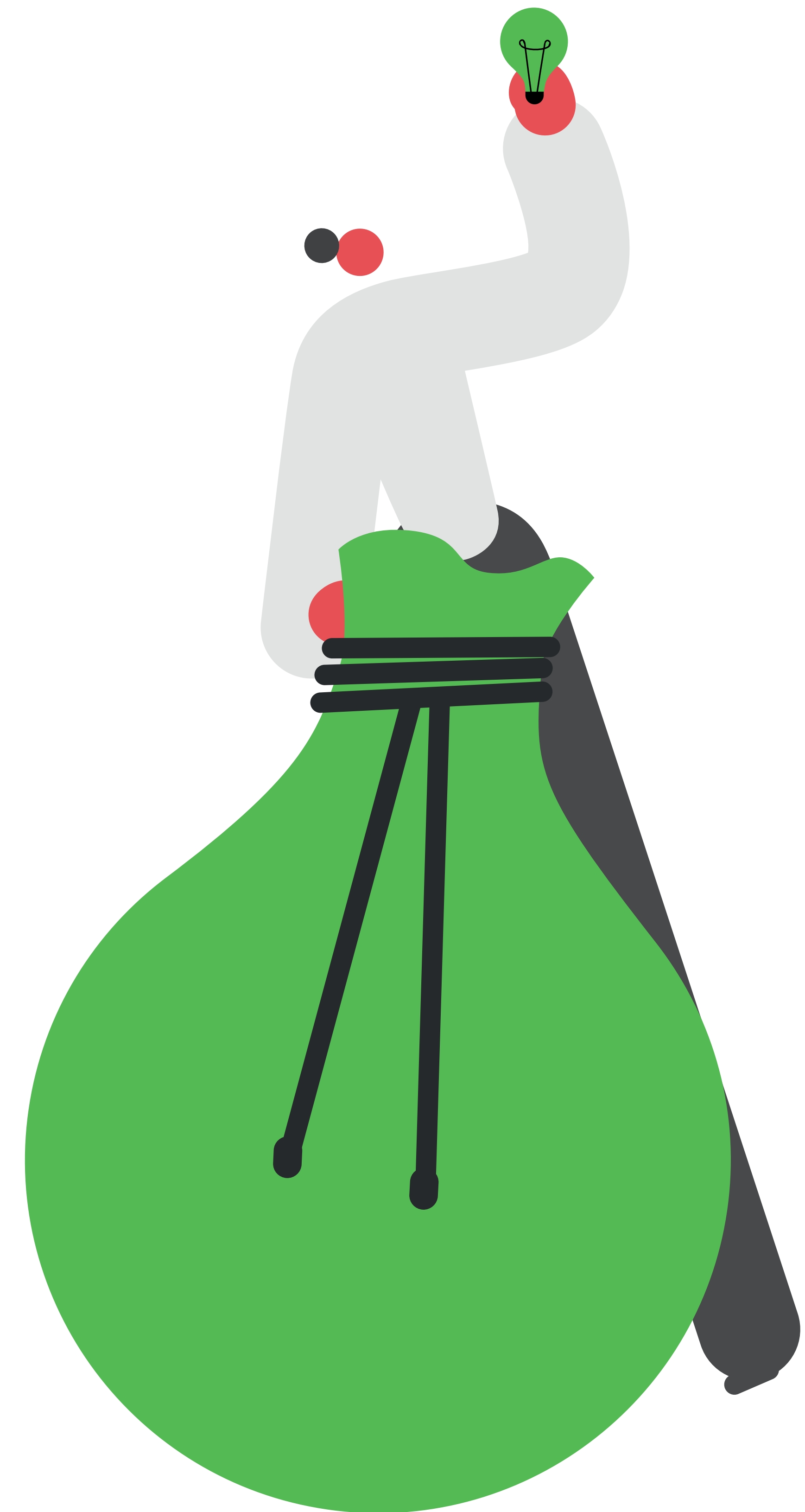
By automating their most tedious tasks associated with period-end closes, especially through cloud-based accounting software, finance leaders are unlocking their potential and increasing impact on their companies via greater productivity, efficiency, and reporting accuracy across their team.

**But here's the real gem:** it's not *just* about saving time. It's about freeing up resources and reclaiming what truly matters, and having the space to use your expertise on work only you could do.

With more time on your hands, you can get into the flow of more meaningful strategic work. Imagine building a stronger, more productive finance function, investing in your own professional development, and making an even greater impact not just in your organization, but in your industry and your career, too.

And let's not forget the personal side—those evenings and weekends are no longer held hostage by work. They can be spent with loved ones, nurturing new hobbies, or simply finding that elusive work-life balance.

Overall, the true value lies in transforming not only your work, but your life. It's time to seize the opportunities that technology and automation provide with both hands, and reclaim the time and energy you need to flourish.

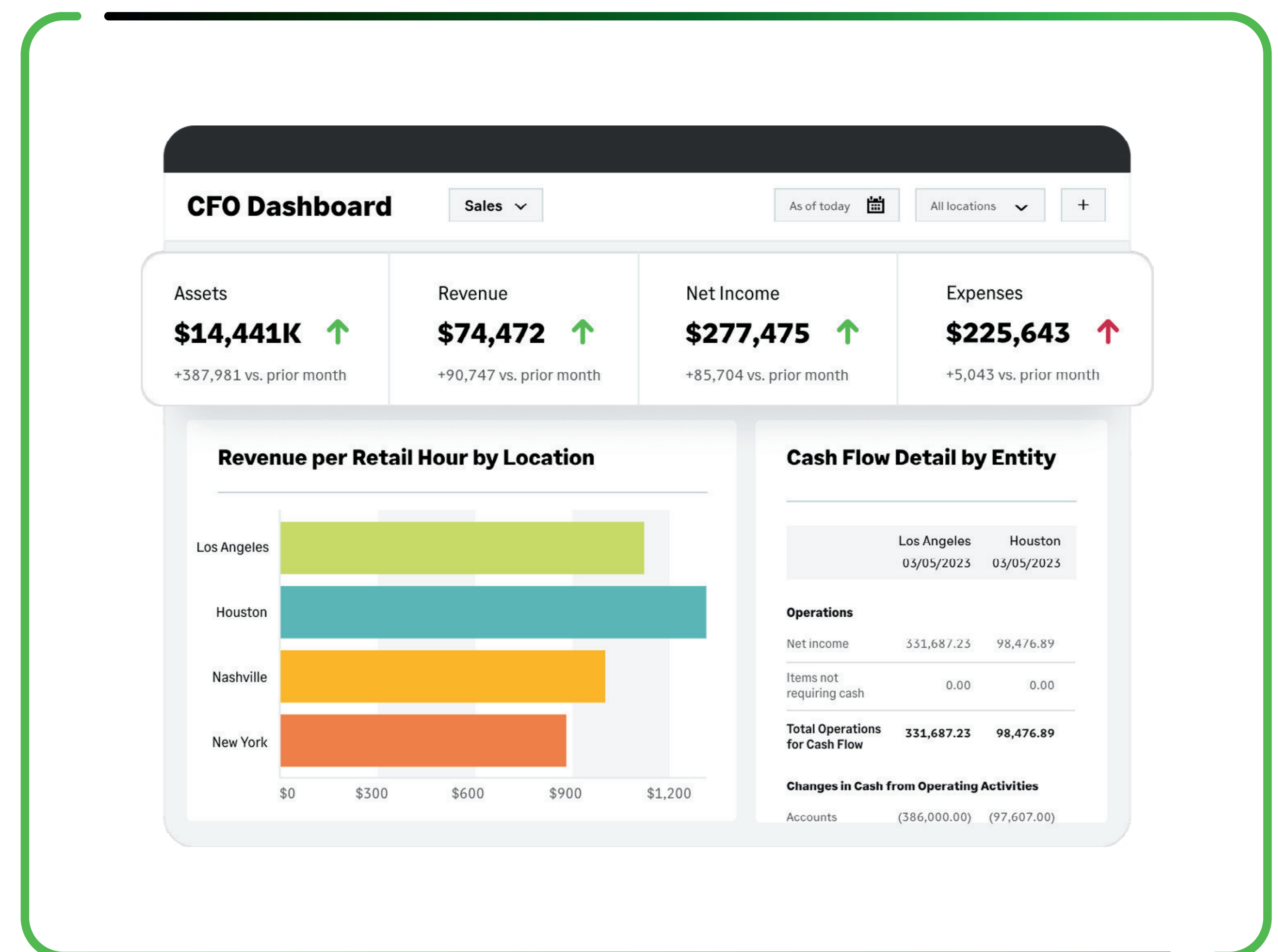




# Want to find out more?

Cut your close time with powerful automation from Sage.

Explore the key features of Sage at your own pace, from reporting to month-end close. See first-hand how our powerful functionality combined with the simplicity of a cloud-native application drive strong ROI.



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# About Sage

Sage exists to knock down barriers so everyone can thrive, starting with the millions of small- and mid-sized businesses served by us, our partners, and accountants.

Customers trust our finance, HR, and payroll software to make work and money flow. By digitizing business processes and relationships with customers, suppliers, employees, banks and governments, our digital network connects SMBs, removing friction and delivering insights.

Knocking down barriers also means we use our time, technology, and experience to tackle digital inequality, economic inequality, and the climate crisis.

[Learn more at sage.com](https://www.sage.com)



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# About BTerrell Group

We are a team of passionate CPAs, programmers, and business process experts located in North Texas. For over 30+ years, we have been working together to deliver game-changing solutions for every client. Our experienced consultants will work with your team every step of the way from implementation to training and services, ensuring that your business operations run smoothly. Contact us today to learn how our team can help your business reach its goals.

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