

WORKFLOW MANAGEMENT SPECIAL

CIOReview

The Navigator for Enterprise Solutions

JUNE 12, 2015

CIOREVIEW.COM

SkyStem Manifesting the ART of the Close

Shagun Malhotra,
Founder

SkyStem Manifesting the ART of the Close

By Arun Kant

It's been decades since Albert Einstein uttered the now famous line: "In the middle of difficulty lies opportunity." But for finance and systems professionals, it couldn't be a more contemporary statement. The last global financial crisis has prompted renewed interest within the business world on the importance of sound financial processes and strong underlying technology infrastructure. Executives have learned that they can no longer take the validation and preparation of financial statements as an afterthought, as one missing brick can result in the collapse of the entire organization infrastructure. Auditors and management alike have started to focus heavily on the control processes that govern the month end close – the last line of defense before statements are officially published.

For instance, in 2007, a publicly-traded global financial services firm faced serious compliance concerns from the auditors when it was discovered that their balance sheet was off by over four billion dollars. Overhauling this disjointed process consumed millions of consulting dollars over a period of 12 months. In a similar event in December of last year, even the Vatican was found in a tight spot when it was discovered that millions of Euros were omitted from their balance sheet, which brought the transparency and accountability of the Vatican into question.

The good thing that has come out of a myriad of such events is that now organizations have started to become more vigilant. Now begins the hunt for eminent tools that can reduce

the complexity of their financial close processes and account reconciliations into a simple yet beautiful piece of work, just like an artist.

Headquartered in New York City, SkyStem is bringing this notion into a thriving reality through their month end close and reconciliation workflow automation software, ART. This flagship product of SkyStem is built with a mission to subjugate the persisting redundancies in close and account reconciliations, and spur enhanced collaboration, insights, and built-in controls. "The automation virtue of ART has allowed our customers to leverage the benefits of analytics for assessing their financial close proactively," says Shagun Malhotra, Founder and CEO.

A New Page in the Evolution of Close and Reconciliation Workflow

Due to the nature of the processes that require automation, most workflow tools in the market fall short of meeting customers' demands. The reason is that not only do customers need workflow technology to enhance their throughput; they also need it to meet stringent standards around security, compliance, auditing, and reporting requirements. Keeping these aspects in mind, the experts at SkyStem created a better way to perform month end close activities by building ART – software that was envisioned by a CPA and former auditor. "ART combines the power of workflow technology with data



Shagun Malhotra,
Founder

security, segregation of duties controls, document repository, electronic signatures and easy auditability,” says Shagun. ART also has distinguished traits of high flexibility that allows it to work with any accounting system. Customers can perform download and upload functions to refresh their balance sheets, and/or select to feed account information automatically into ART, thus eliminating manual intervention. This requires minimal to no IT resources, therefore making ART’s set up very attractive to organizations. The entire underlying coding of ART depicts the modern amenities of this tool, which has opened a new page in the evolution of the close.

ART is doing a commendable job of replacing the traditional “enhancing role” of the currently used month end close mechanisms which consist of binders or a homemade hodgepodge of systems. It not only helps accountants validate the financial statements, but also provides value-added services, such as reporting modules, optimizing reconciliations, and advising management on the state of the monthly close.

ART for Everything

“ART is ERP agnostic and can work with any accounting ecosystem,” exclaims Shagun. It works as an add-on to a company’s existing ERP to facilitate functionalities like extracting data to make the month end balances available for all accounting and finance personnel. With the information they are provided with, the staff can reconcile and validate these balances to establish its authenticity. At the same time, SkyStem also offers the Task Master, a module that guides users on assigning different tasks to the respective team members. It

“**Once you are on ART where you can automate reconciliations and task management, the reporting can be groundbreaking as executives can now get insightful reports on their balance sheet exposure and the state of their tasks in under a minute**

links task activity and documents with balance sheet accounts to enhance the reconciliation process. The workflow module of the Task Master has renowned flexibility that also allows it to work with specific accounts, which needs close collaboration between the people handling the financial close process. “Once you get on ART, where companies automate their reconciliation and task management, the reporting can be groundbreaking as executives can now get the insightful reports on their balance sheet exposure and state of their tasks in under a minute,” says Shagun. Although Task Master was created as a catalyst to boost

| Exceptions by FS caption | | | |
|--------------------------|----------------|--------------|--------------|
| FS Caption ↑ | Write Off / On | Unexp Var | Total Var |
| Accounts Payable | 70.00 | 61,461.51 | 61,531.51 |
| Accounts Receivable | 10,000.00 | 1,913,900.00 | 1,923,900.00 |
| Accruals | - | 548,300.00 | 548,300.00 |
| Cash | 2.09 | 3,931,605.00 | 3,931,607.09 |
| Inventory | - | 1,062,030.00 | 1,062,030.00 |
| Other Payables | - | 204,516.00 | 204,516.00 |
| Prepaid | - | 171,800.00 | 171,800.00 |

the close and reconciliation development, SkyStem’s customers are also using it for various checklists and collaboration activities.

Reporting of financial insights and oversights is a key part for companies using ART. To help facilitate management activities, SkyStem has introduced “Review Note” that allows supervisors to provide feedbacks and comments on their staff’s work. “The best part of the review note is that it is commendably dynamic,” says Shagun. Therefore, as soon as the review is completed, ART sends an email alert along with the review note to the preparer and reviewer of the account. It also serves as evidence of review when auditors are evaluating internal controls.

Easy Breezy Security

IT security around the month end close is important for determining whether an information system and its maintainers meet both the legal expectations of customer data protection and the company’s standards against various security threats. Keeping up with the market’s demand of having a safe working infrastructure, SkyStem has taken serious steps in providing its customers with the assurance of security around their assets and data. SkyStem hosts its service in a HIPAA compliant environment where all the information of the client is kept at their fingertips in a secure fashion.

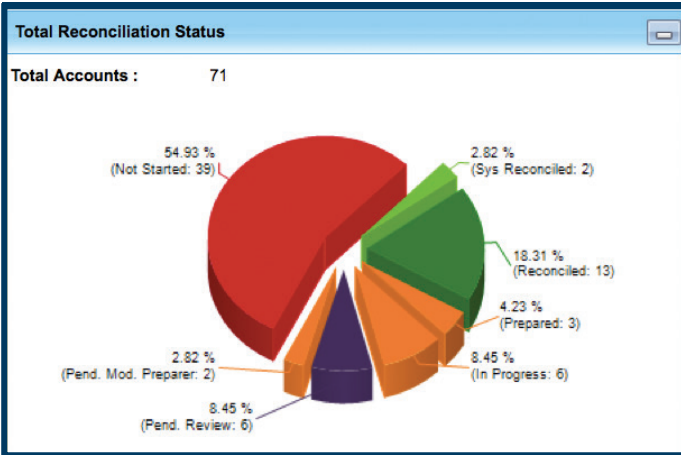
A Commitment to Help Organizations Reach Excellence

Compared to most of the players in the monthly close vertical, implementation speed of the SkyStem solution is arguably one of the quickest in the industry and sometimes available for free for qualifying companies. The company is further sharpening its competitive edge from the competition they are facing. “If you think your competitors are your enemies, think again,” states Shagun. “ Having competitors keeps us on our toes and motivates us to keep getting better and to continue innovating.” This attitude has empowered SkyStem to scale its product offerings to a whole new level, which has helped its customers in a big way.

A number of organizations have chosen SkyStem for streamlining their month end close processes which includes

account reconciliations, tasks and certifications. “Each customer has achieved something different with ART,” says Shagun. For instance, one of their customers, Rhino Resource Partners, a publicly traded energy company was able to truncate their work time in half after they implemented ART. In a similar fashion, Gateway Bank of Southwest Florida, a regional community bank leveraged ART to upsurge their efficiency, and simultaneously gain the ability to have profound visibility and insight into a process that was invisible before. “We have helped various customers resolve the issues of unorganized heap of accounting documents,” says Shagun. “It was overall an exciting experience to assist our customers manage their workflow superlatively.”

What SkyStem was able to achieve in the business world is the reflection of how the company harnesses innovation inside its walls. “We have a vision to create enterprise software that closely resembles consumer software,” exclaims Shagun. The product team is inspired to use their innovative skills to provide a better user experience for the customers. By emphasizing this, SkyStem rolls-out user friendly products that are fun to use and easy to implement.



After cementing its roots in the current landscape, SkyStem is now looking forward to releasing two large modules in 2015. These modules in the pipeline will also embody the concept of workflow and will be more focused around governance to create an optimized working environment for the accounting and finance staff. “Accountants work so hard and contribute so much to the success of the enterprise. I believe they should have the opportunity to participate in challenging and fulfilling work and leave the mundane to the machines,” expresses Shagun. “Our efforts in the future will be directed towards providing accountants with the kind of tools that will make them more effective and give them more insight into the data that they work with every day.” With SkyStem’s help, organizations that have learned from past financial crises can now rely on ART to help them achieve financial process and internal control excellence.

| Task# | Task Name | Task Status | Description | Task Docs | Assignee Due Date | Due Date | Recurrence Type | Task Owner | Approver | Comment | Completion Docs |
|---|---------------------|-------------|-------------|-----------|-------------------|-----------|------------------|------------|----------|---------|-----------------|
| Task List Name: JE - Residence Inn Clearwater | | | | | | | | | | | |
| 0414T61 | City Tax Accrual | Not Started | JE #660 | (0) | 5/13/2014 | 5/17/2014 | Every Rec Period | Jane 2 | RVP 2 | - | (0) |
| 0414T64 | Expense True Up | Not Started | JE #105 | (0) | 5/17/2014 | 5/20/2014 | Every Rec Period | Chico 3 | RVP 2 | - | (0) |
| 0414T65 | Pension Analysis | Not Started | JE #780 | (0) | 5/15/2014 | 5/20/2014 | Every Rec Period | Chico 3 | RVP 2 | - | (0) |
| 0414T66 | State Tax Accrual | Not Started | JE #350 | (0) | 5/15/2014 | 5/20/2014 | Every Rec Period | Chico 3 | RVP 2 | - | (0) |
| 0414T67 | Revenue Adjustment | Not Started | JE #900 | (0) | 5/15/2014 | 5/20/2014 | Every Rec Period | Chico 3 | RVP 2 | - | (0) |
| 0414T63 | Benefits Adjustment | Not Started | JE #770 | (0) | 5/17/2014 | 5/22/2014 | Every Rec Period | Jane 2 | RVP 2 | - | (0) |
| 0414T62 | Management Fee | Not Started | JE #100 | (0) | 5/17/2014 | 6/1/2014 | Every Rec Period | Jane 2 | RVP 2 | - | (0) |
| 0414T68 | Deferred Tax Entry | Not Started | JE 8800 | (0) | 6/11/2014 | 6/26/2014 | Every Rec Period | Chico 3 | RVP 2 | - | (0) |

CIOReview

The Navigator for Enterprise Solutions

WORKFLOW MANAGEMENT SPECIAL

JUNE 12 - 2015

CIOREVIEW.COM

20 Most Promising Workflow Management Solution Providers

Modern enterprises are trying to deal with the global competition by reducing overall cost to carry out the business, and at the same time delivering new products and services to the market. To achieve this, the enterprises must constantly optimize business processes to suite the evolving market needs. Workflow technology helps them reach these goals by providing methodologies to support business process modeling to capture various workflows, business process reengineering to optimize these workflows, and business process automation to incorporate changing workflow needs with ease.

Workflow technology brings many advantages to the enterprises. In document management, for instance, it helps reduce the volume of back-office paperwork. The workflow software digitizes the documents and routes them through the work processes to achieve end results. Hence, the benefits of using such a technology helps drastically reduce errors and prevents tasks from falling through the cracks. Also, if

the right processes are in place, every connected personnel know what they are accountable for. The supervisors are not required to micro manage the progress of process at each stage; instead get an overview of what is happening.

To help organizations find the workflow solution that suits their business needs, in this issue of CIO Review, we present the 20 Most Promising Workflow Technology Providers, featuring the best vendors offering technologies and service that aid in Workflow Management. The firms compiled in this issue have exhibited vast knowledge and in-depth expertise in delivering Workflow related solutions.

A distinguished panel comprising of CEOs, CIOs, analysts, and the CIO Review editorial board have selected the top players from the competitive field of Workflow Management Solutions. The listing provides a look into how these solutions work in the real world, so that you can gain a comprehensive understanding of what technologies are available, which are right for you, and how they shape up against the competition.



Company:
SkyStem

Description:

The company offers SaaS software that automates the month-end close and reconciliation process to provide greater efficiency, consistency, transparency and internal controls.

Key Person:
Shagun Malhotra,
Founder

Website:
skystem.com
