

Manual journal entries

Solution overview

Manual journal entry process

Entering manual journals is one of the most common and most time-consuming processes in accounting, affecting just about every finance department's workflow. Most of the manual journal entries are created in just a few days during monthly closing. This makes the work of accountants and controllers stressful – overtime work is required too often and feeling of rush makes companies to cut corners with auditability, control, and approvals of the entries.

In small companies, these challenges are manageable because only few people are involved. The bigger the number of involved people grows and the more legal companies there are in several locations, the more complicated things get, and the number of journal entries starts to increase. The most complex scenario is when a company also operates in multiple ERP systems.

Aico Journals solution

Who would benefit from it?

Large and medium-sized companies with:

- At least 300 manual journal entries per month
- Multiple ERP systems in use or multiple instances of an ERP system
- Email used to manage journal entry process
- Lack of process compliance and real-time visibility

What does it provide?

- Templates for journal entries
- Flexible process workflow without emails
- Journal process compliance and real-time dashboard reports
- Automation of recurring journal entries, reversals, and accruals
- Audit trail and archiving
- Real-time integration to multiple ERP and RPA systems

What are the returns?

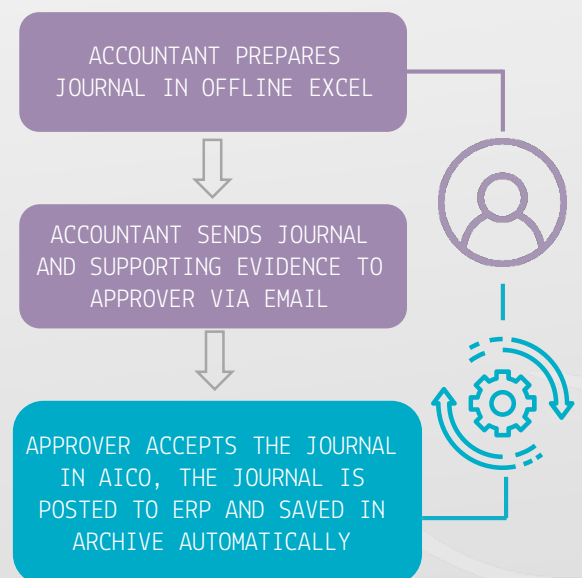
- Up to 50% increase in journal entry process speed
- Reduced amount of manual work
- Guaranteed regulatory and internal company process compliance
- Email-free and paperless process with full audit trail

Aico Journals solution in action

Fully manual journal entry process



Manual journal entry process with Aico



Aico Journals solution speeds up the process by up to 50%. Efficiency comes through

- reduction of manual work
- smart workflow in one environment
- elimination of mistakes with real-time data validation against ERP

Aico Journals returns

Speed



34,000
manual
journal entries

60 accountants at a leading healthcare company Attendo Sweden process 34,000 manual journal entries yearly.

Fully manual journal entry process

~70,000
AVERAGE NUMBER OF
EMAILS SENT

5 MINUTES
AVERAGE AMOUNT OF
TIME SPENT ON 1 JOURNAL

354 WORKING DAYS
TOTAL AMOUNT OF TIME
SPENT



**Journal entry process
with Aico**

0
NUMBER OF EMAILS SENT

1 MINUTE
AVERAGE AMOUNT OF
TIME SPENT ON 1 JOURNAL

71 WORKING DAYS
TOTAL AMOUNT OF TIME
SPENT

Quality

REAL-TIME VISIBILITY AND REGULATORY COMPLIANCE

Aico makes journal entries fully digital, thus ensuring real-time dashboard visibility into the process as well as guaranteed compliance. Cases when journal entries are posted without approval or supporting evidence are eliminated.

The action log tracks all events that have occurred in journals, allowing viewing a history of the changes made to each journal and tracking the document workflow and other actions performed by users.

Compliance risks and inefficiencies of fully manual journal entry process

FULLY MANUAL JOURNAL ENTRY PROCESS

MANUAL JOURNAL ENTRY PROCESS WITH AICO

NOT SUFFICIENT OR ENTIRELY MISSING SUPPORTING EVIDENCE	⇒	AICO CAN BE CONFIGURED FOR MANDATORY SUPPORTING EVIDENCE
DUE TO ERP ACCESS LIMITATIONS, JOURNAL REQUESTS ARE LIMITED ONLY TO FINANCE DEPT.	⇒	AICO CAN BE USED BY PEOPLE OUTSIDE FINANCE DEPT WITHOUT ACCESS TO ERP
JOURNAL EMAILING AND APPROVAL PROCESS TAKES LOT OF TIME	⇒	AICO SENDS INSTANT NOTIFICATIONS TO APPROVER ABOUT NEW JOURNALS
MISTAKES IN JOURNAL DATA ARE REVEALED ONLY AT THE MOMENT OF POSTING TO ERP	⇒	AICO VALIDATES ALL JOURNAL DATA AGAINST ERP IN REAL-TIME BEFORE THE JOURNAL GOES FOR APPROVAL
JOURNALS BEING POSTED WITHOUT APPROVAL	⇒	AICO CAN BE CONFIGURED TO HAVE 1 TO 3 MANDATORY APPROVALS
AS A RESULT OF JOURNAL APPROVAL DELAY, JOURNALS CAN BE POSTED AFTER THE PERIOD IS CLOSED	⇒	AICO VALIDATES JOURNAL DATA AGAINST ERP IN REAL-TIME AT EVERY STEP OF THE PROCESS PREVENTING FROM POSTING IN WRONG PERIOD
MANUAL PROCESS CAN BE STANDARDISED, BUT HAS LITTLE OR NO MEANS OF CONTROL AND VISIBILITY	⇒	AICO ENSURES PROCESS COMPLIANCE AND REAL-TIME MONITORING CAPABILITY WITH DASHBOARD STYLE REPORTS



“With Aico all our journals are now online, which saves our time and effort.”

Judith Pettersson, Financial Manager at Attendo Sweden

About Attendo Sweden

Attendo Sweden is one of the leading private care and health care providers in the Nordics. The company is the leader of quality development and new methods in their sector. Attendo is active in care for older people, care for people with disabilities, individual and family care and health care. Over the last ten years the company has expanded its operations to new markets, reaching 20,000 employees in over 500 units.

Net sales in 2017:
SEK 11,157 million

Markets:
Sweden, Finland, Norway, Denmark

Number of employees:
10,000+

ERP system:
Visma



Challenge

Challenged by rapid business growth, healthcare company Attendo Sweden was looking for a more efficient process to manage accounting journals.

Previously, every journal document was printed and stored in a physical archive, but with a growing number of transactions and journals, this approach was no longer an option.

The rapid business growth as well as company's high focus on quality in every step of business operations demanded modernisation and efficiency of finance processes. "We needed proper tools to be able to manage the flow of incoming companies to our group", says Judith Pettersson, responsible for undertaking the task of modernising finance in the company.

"Having 60 people in the company processing around 34,000 journals per year in three markets, one of our aims was to have an easy system where we do not print any journals." With this level of work scale, manual journals can be very time-consuming and the process is prone to errors.

"We were looking for a more efficient way to manage accounting journals"

Solution

"We started saving time right after implementing Aico solution"

"We were looking for a modern solution on the market and decided to go for a tool which had proven impact and real value. We saw the benefits that Aico's solution for journal entries brought to our subsidiary company in Finland. There our colleagues started to save time managing journals right after implementing the Aico system."

"We were able to implement Aico on time and seamlessly integrate it with our ERP system Visma. Despite some English language adoption challenges in the Swedish-speaking team, we transformed our journal process in the company and now we save a lot of time by not having to print our journals. Instead we save all our journals electronically."

"We absolutely recommend Aico. It has saved us a lot of time."



“Aico saves our time and reduces the amount of duplicate work.”

Merja Törmikoski-Kiljala,
Project Manager

About ABB

ABB is a pioneering technology leader in power grids, electrification products, industrial automation and robotics and motion, serving customers in utilities, industry and transport & infrastructure globally.

Revenue in 2018:
USD 27,662 million

Markets:
more than 100 countries

Number of employees:
147,000

ERP system:
SAP



Challenge

ABB Oy wanted to streamline the workflow of journals across its offices. The previous system did not support an efficient way of working but required unnecessary manual work both from the person creating the document and from the person posting it. Additionally, the journals had to be printed and archived on paper.

The company wanted a tool that would bring efficiency, among other things, by being paperless and directly integrated with SAP, and one that would eliminate duplicate work.

One of the key reasons why the company chose to implement Aico solution for journal entries was that it delivered smart task management and streamlined workflows with real-time integration to ABB's ERP system SAP. For example, the solution allows assigning tasks and responsibilities within the team, eliminating the need to investigate who did what, where and when.

ABB's primary goal was to create a smooth and efficient process for processing journal entries.

Solution

Expectations were met when ABB started using the solution for journal entries in the autumn of 2016.

The most significant improvements in efficiency were the elimination of duplicate work and the reduced number of checks. "Now we are able to process almost all journals paperlessly. When the tool and attachments are digital, it is easy to check the postings at a later date, for example, during auditing", explains Törmikoski-Kiljala.

Aico brought transparency to the process and facilitated audits and approval process.

“The period end closing process has become more efficient, as controllers can use a single system to see both requests and their SAP posting status.

“Postings are done and validated at once, both in the requests database and in SAP. Posting requests are now more complete and there is less uncertainty when preparing them, which has reduced the need for guidance. Recurring postings have been automated, which has reduced manual work”, said expert Christina Kuusinen.

“Our partnership with Aico has been a positive experience. Aico keeps its promises. Although the project had a tight schedule and the work was done quickly, Aico implemented the project within the requested timetable and on budget”, says Törmikoski-Kiljala.

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“Aico has speeded up our process considerably. We wouldn’t switch back to the old system anymore.”

Marjut Karsimus,
Accounting Manager at YIT

About YIT

YIT is the largest Finnish and significant North European construction company.

The company develops and builds apartments, business premises, and entire areas. YIT also specializes in demanding infrastructure construction and paving.

Annual combined revenue in 2017:
EUR 3.8 billion

Markets: Finland, Russia, Scandinavia, the Baltic States, Czech Republic

Number of employees:
10,000

ERP system: SAP



Challenge

Handling and archiving attachments were causes of concern in YIT Construction Ltd's financial management. "Our accounting is project-based, so we must continuously search for attachments from the early phases of the projects", says YIT Construction Ltd's controller Marjut Karsimus. All the manual work of printing and storing hard copies of every journal and supporting evidence into archives was inefficient and slow. It also raised concerns about transparency of project finance management.

The company needed a faster and more reliable way to handle and archive accounting journals. All the documents had to be archived digitally and they also had to be easy to access on demand for either daily accounting or auditors.

"It was one of the key criteria. We wanted browsing of vouchers and attachments of accounting journals to be easier. It used to cause a lot of manual work before", Karsimus concludes.

"We wanted browsing of vouchers and attachments of accounting journals to be easier"

Solution

Aico Journals solution was integrated into the SAP ERP system used by YIT in December 2014. It ensured efficient workflow of creating, handling, and archiving accounting journals in the company. The deployment of Aico journals didn't affect the financial management processes. Instead, it was replicated into the system so that it wouldn't distract work of finance.

"Aico Journals has speeded up our processes considerably. Earlier, all journals were in paper format, they were filed, and vouchers were attached to them as soon as we got them. Now all journals are in electronic format, always easily accessible and above all, attachments can be found in the same location. The possibility to browse electronic journals makes all the difference. We wouldn't switch back to the old system anymore."

“We have been very pleased. Creating journals from scratch or based on a template is extremely handy, and so is searching for old journals from the overall summary view. In fact, we haven’t even taken the in-built recurring journals feature into use because creating journals is so easy. From the end users’ point of view, the software was easy to learn and help was always quickly available. SAP uses an Excel-based journal template that resembles the Aico Journals version.”

“Aico Journals solution has speeded up our processes considerably. We wouldn’t switch back to the old system anymore”

At YIT, the deployment project for Aico Journals was carried out in approximately one month. Typically, deployment projects take 2–3 months. “The deployment went efficiently. We had strict schedule requirements and Aico was able to meet them”, says Hanne Simonen who ran the project at YIT. “The learning curve was steep and Aico Journals has been easy to use from the beginning. Those few times when we have needed Aico’s support, the help desk has responded quickly”, Karsimus says.

YIT has approximately 160 Aico Journals end users. Most of them have been aboard already since the testing phase, and the main users haven’t had to train them separately. Some new users have been added since then, but training them hasn’t been an issue.

“The system is so easy to use. Everyone has been able to learn the key functions without effort.”

About Aico, the Artificially Intelligent CO-worker

Aico brings disruptive digital transformation to finance departments in medium-sized and large companies around the world.

Our product is an intelligent financial close automation platform, purpose-built for key record-to-report (R2R) accounting processes – account reconciliation, close task management, journal entries, and financial requests such as manual invoices and manual payments.

Aico replaces slow, arduous, and complex manual work with fast and efficient processes to save time and deliver better control, quality, and integrity as well as visibility. Our mission is to enable companies for more meaningful and insightful work through intelligent finance automation and control.

Aico is trusted by tens of thousands of users in over 100+ countries around the world. Our customers span from global brands to local specialists in different industries, such as utilities, retail, healthcare, construction, manufacturing, and many more.

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