



WHITEPAPER

R2R Excellence:

Aligning process, people, and technology

Executive Summary

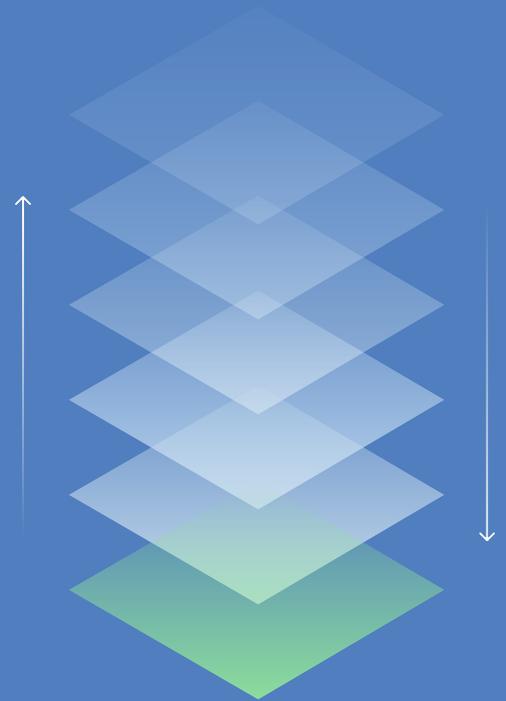
Despite all the talk of automation and analytics, many finance teams still spend a disproportionate amount of time buried in the familiar grind of closing books, chasing down reconciliations, and prepping for audits. This limits their ability to deliver real-time insights and strategic value.

To meet growing expectations from boards, investors, and regulators—and to navigate rapid market changes, shifting economic conditions, and increasing uncertainty—finance must evolve from a transaction-driven function into an insight-driven partner.

This transformation starts with the Record-to-Report (R2R) process—the core of financial integrity and informed decision-making. This whitepaper, jointly developed by CFGI and FloQast, outlines how finance teams can modernize R2R through intelligent automation, connected data, and improved collaboration. It provides a practical path toward digital finance maturity, covering:

- Key challenges facing the modern finance function
- The stages of R2R maturity from manual to automated to insight-driven operations
- Proven strategies for process standardization, automation, and optimization
- The role of FloQast as a unified platform to connect people, processes, and technology
- How CFGI accelerates transformation through strategy, implementation, and sustained value realization

Together, CFGI's transformation expertise and FloQast's automation platform enable organizations to shorten close cycles, strengthen compliance, and free capacity for higher-value work—creating a finance function that not only reports the past but helps shape the future.



The Bigger Picture

Finance leaders today operate at a crossroads of cost pressure, regulatory scrutiny, and growing demand for real-time insight. Boards and investors expect the finance function not only to report results, but also to anticipate change, model future scenarios, and guide the business through uncertainty—all without increasing headcount or compromising control.

To meet this expectation, the office of the CFO must fundamentally rethink its mandate:

- ◆ Shift focus from reconciliation to insight, ensuring complete balance sheet integrity while creating capacity for forward-looking analysis.
- ◆ Balance efficiency and control, leveraging automation to strengthen governance rather than dilute it.
- ◆ Create a connected finance ecosystem where data, automation, and talent converge to deliver insight at speed.

However, traditional month-end processes are ill-suited to this vision. Reliance on spreadsheets, email-based workflows, and manual reconciliations continues to slow down the close and expose organizations to risk. The result is a finance team constrained by operational inefficiency, spending more time gathering data than interpreting it.

Leading organizations are breaking this cycle by reimagining their finance operating model through intelligent automation and connected data. By centralizing R2R activities on modern platforms like FloQast, they orchestrate, automate, and monitor every step of the close—reducing manual workload, increasing accuracy, and providing a real-time view of financial performance.

This shift transforms the close from a reactive reporting exercise into a strategic control and insight engine, enabling finance leaders to steer their organizations with confidence and agility in an increasingly dynamic business environment.

Reimagining the Record-to-Report Process

The Record-to-Report (R2R) cycle is the heartbeat of financial integrity. It ensures that business performance is accurately reflected, risks are managed, and stakeholders can trust the numbers they see. Yet despite its importance, R2R remains one of the most fragmented, manually driven, and error-prone processes within the finance function.

A next-generation approach reimagines R2R as a connected digital ecosystem, not a linear sequence of isolated tasks. Instead of closing the books through spreadsheets and email-driven checklists, leading finance teams orchestrate the process through integrated automation, standardized workflows, and real-time collaboration.

The journey begins with clarity—identifying where the most manual effort, control risk, and process variation occur. Typical starting points include account reconciliations, journal entry management, and task tracking. From there, organizations can prioritize quick wins that create visibility and capacity, laying the foundation for broader transformation.

A platform like FloQast accelerates this evolution by unifying people, processes, and data across the close. It connects to existing ERP and reporting systems, automates repetitive tasks, and provides transparency into progress and exceptions. The result is a faster, more reliable close.

Record-to-Report

General Ledger	Closing	Consolidation	Reporting
<ul style="list-style-type: none"> • Unified chart of accounts across the organisations • Consistent and aligned period-end closing checklist • Live integration of feeder systems, bank accounts, payables, invoices, etc. • Controlled, traceable, and audit-ready data flows • One consolidated and reliable data foundation 	<ul style="list-style-type: none"> • Aligned accounting guidelines and embedded internal control framework • Clearly defined and uniform materiality limits • Regular, risk-based reconciliation of accounts • Standardized reconciliation approach including templates, timelines, and balance sheet ownership 	<ul style="list-style-type: none"> • Automated transfer of general ledger data into the consolidation system • Automated intercompany processing including accruals and auto-reversals • Transparency via dashboards for submission progress and consolidation status 	<ul style="list-style-type: none"> • Direct and integrated connection to the disclosure management solution • Flexible self-service reporting for end users • Variance analysis with linkage to planning and forecasting processes

To enable this connected R2R digital ecosystem, three core design principles need to be considered simultaneously:



Your Process

Standardize and document your process while removing unnecessary variation or redundant tasks and unlocking knowledge silos. Define interdependencies within the accounting team and across departments.



Your Technology

Integrate FloQast with your ERP, data warehouse, and other relevant finance systems to bring your processes, people and data into one place. Break up complexities through an intuitive interface that ensures technology options.



Your People

Bring everything into one place, creating one hub for your teams to complete tasks, communicate, and document for audit. Empower teams to resolve bottlenecks swiftly and shift their focus from manual preparation to review through automation.

The FloQast & CFGI implementation approach has been designed to bring together these dimensions to ensure optimal ROI.



Fast Time to Market



Intelligent Automation



High User Adoption

By addressing all three dimensions, organizations unlock both efficiency and confidence in reported results. Efficiency gains can be achieved both through better orchestration and visibility, as well as targeted automation. Addressing the R2R process from both angles has proven to be a key enabler of efficiency and a driver of new value creation.

Bringing these three dimensions together requires the right process expertise and technology to truly create value for the team and ensure the right tools are adopted. The truth is, even the best technology can only deliver its promised value if it is adopted properly.

Assessing Your Finance Maturity Journey

Every finance transformation begins with clarity on where you are today and where you want to go.

01 Rudimentary

- High-level close process mapped out in excel
- Process is people dependent
- Interdependencies not defined
- Decentralised process documentation

02 Standardized

- Close process detailed out and standardized across entities
- Process documentation standardized & centralised
- Local process governance established
- Disparate ERP and finance system landscape

03 Harmonized

- Global process governance & ownership
- ERP systems harmonized across entities
- Resources pooled and teams centralized (SSC or CoE structures)
- Policies & internal controls harmonized
- Initial fast-close initiatives completed
- Automation maturity largely dependant on ERP

04 Automated

- Fast-Close revamp by automating individual tasks and isolated workflows
- Teams spend majority of time on review vs preparation
- AI use cases implemented for operational efficiency

05 Intelligent

- End-to-end automation within R2R process
- Fully integrated compliance
- Real-time process insights and performance management
- AI use cases implemented for strategic insights and analysis
- Audit-ready finance function throughout the year
- Continuous Close

Understanding your current position allows you to focus investment and design the right sequence of change. All too often, companies decide to leverage Shared Services to optimize costs and achieve efficiency gains. Yet, lifting a bad process and shifting it into a different location is connected to its own set of problems and thus leads to further issues down the road.

Each stage demands a different balance of technology enablement, process design, and talent investment. CFGI helps clients pinpoint their current maturity and define the road forward. Leveraging a platform like FloQast not only helps build the foundation to progress through each stage but also provides the relevant tools and technologies to accelerate the journey and achieve measurable outcomes from shorter closing times to better reporting along the way.

Building a Foundation for Automation and Insight

Some of those measurable outcomes can be achieved through intelligent automation. Yet, automation is most powerful when it rests on a disciplined foundation. Automating a bad process has never yielded the desired effects. Whether it is manual reconciliations you aim to automate or processes like preparing journal entries, calculating accruals etc. But then the question emerges: How should we go about automation, and which processes should we start with?

Lacking visibility into your processes and team is like flying a plane in total darkness and trying to land it with no air traffic control—you might get there, but it's mostly luck, not control. Implementing a platform like FloQast creates the necessary visibility into people and processes to focus on the right areas. Using its various automation capabilities from reconciliation automation to bespoke accounting process automation, teams are getting the interplay between people, processes, and technology right.

4.1 Optimize Across the Operating Model

Bringing your workflows, documentation, and data into one place is the foundation for identifying bottlenecks. True R2R excellence emerges when complexities can be managed effectively, and automation is embedded across interconnected processes:



Task Management:

Replace manual close checklists with workflow-driven calendars, automated reminders, and information requests. Gain visibility into bottlenecks and interdependencies.



Documentation:

Make audit preparation part of the normal workflow and store relevant documentation centrally in FloQast. Make internal and external audits seamless and avoid any extra effort during audit season.



Standardization and Simplification:

Harmonize global processes to enable continuous improvement. Allow teams to adjust processes based on local requirements while adhering to global standards.



Risk-based Prioritization:

Align review effort to materiality and control risk. Focus attention onto what matters most and gain visibility into all high-risk items in real time.

4.2 Expanding Value Through Automation

Depending on the identified focus areas and processes, the solution can be pointed at the right problems. After your workflows have been upgraded, finance functions can target complementary levers:



Bespoke Process Automation:

Automate cumbersome processes (e.g. accruals etc.) or activities the team does not have time for (e.g. delivering more frequent Revenue Recognition results) via FloQast's AI Agents. Use this technology to address your most pressing manual processes.



Automate Reconciliations:

Configure business-specific rules in natural language to match different data sets and ensure your balances are tied out at the end of the month.



Embedded Controls:

Directly integrate your controls into your accounting processes and bring together all three lines of defense.



Upskilling

Equip teams to interpret automated outputs and provide strategic commentary.

This is what an exemplary journey can look like, where process expertise and technology combined can accelerate teams on their maturity journey.



CFGI

#FloQast

Process Definition & Optimization

Digital Workflow Orchestration

- ✓ End-to-end assessment of Record-to-Record processes
- ✓ Identification of inefficiencies, control gaps, and root causes
- ✓ Definition of target-state processes, governance, and dependencies

- ✓ Visibility through dashboards and closing calendars
- ✓ Analytics into bottlenecks and task allocation
- ✓ Mapping of process interdependencies

Document Centralization

- ✓ Centralised document repository for internal and external audit
- ✓ Centralized communication and collaboration

Efficiency & Automation Potential Analysis

AI Agents

- ✓ Assessment of standardization & autom. e.g potential
- ✓ Quantification of efficiency and cost opportunities
- ✓ Definition of a prioritised transformation roadmap

- ✓ Automation of bespoke processes (e.g. accruals, revenue recognition etc.)
- ✓ Accounting acting as process automators

Reconciliation Optimization

Reconciliation Automation

- ✓ Review of rec frameworks against leading practices
- ✓ Standardization of rec policies and ownership
- ✓ Identification of high-risk balance sheet accounts

- ✓ Matching of high-volume transactions using AI
- ✓ Automation of bespoke reconciliations through AI

Compliance Management

Connected Risk & Control Management

- ✓ Design and enhance of Risk & Control Matrices
- ✓ Advisory on financial reporting & compliance requ.
- ✓ Integration of control into finance processes

- ✓ Digitized Risk & Control Matrix
- ✓ Integrated controls in your finance processes
- ✓ Automated control testing

Optimize your processes

Automate your processes

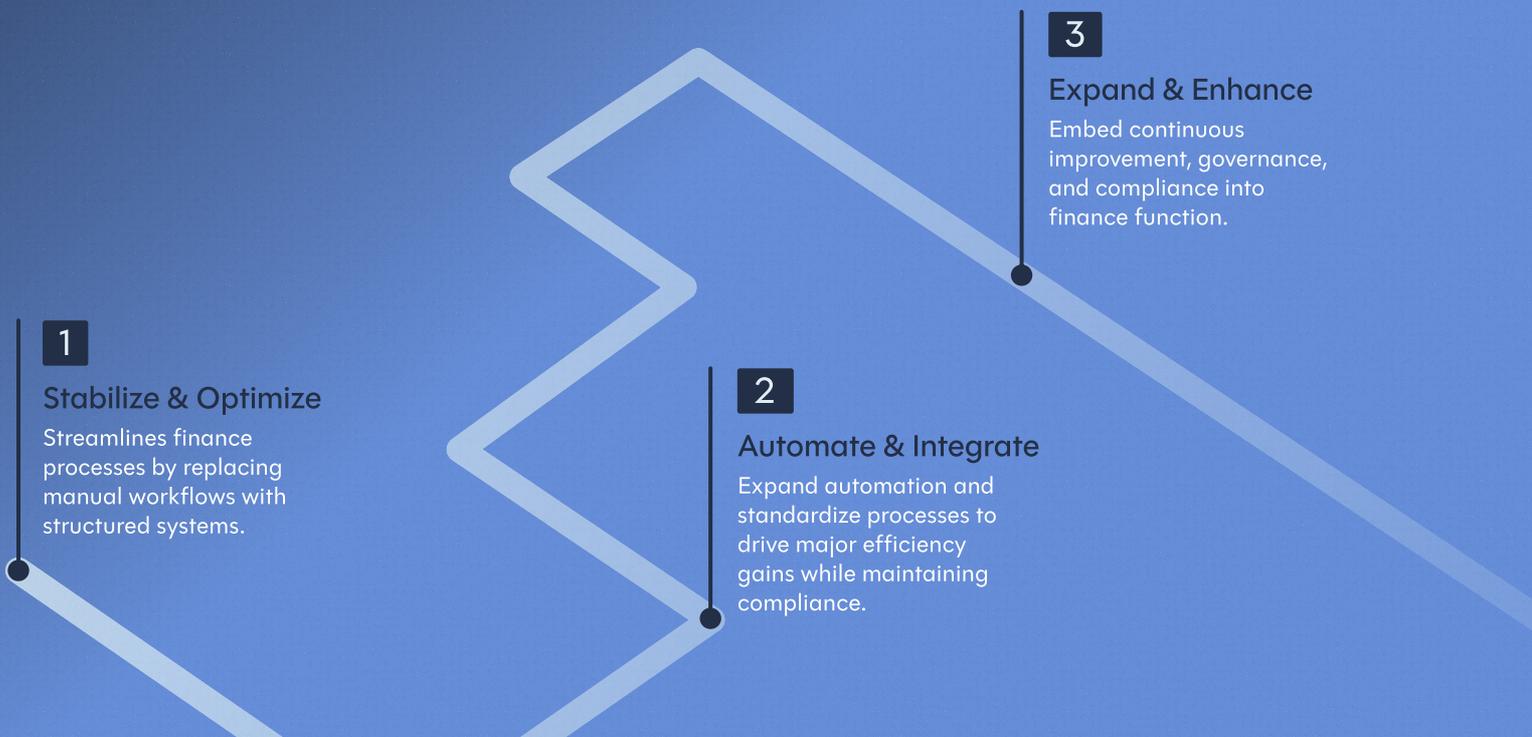
Integrate Compliance

When automation, process excellence, and professional insight converge, the accounting function evolves into a strategic driver of the business.

Designing and Sequencing a Successful Transformation

A successful finance transformation balances quick wins that show immediate value with a sustainable roadmap that delivers long-term impact. Rather than treating Record-to-Report (R2R) as a one-time initiative, leading organizations approach it as a continuous journey — sequencing people, process and technology in the right order to maximize outcomes.

Although every organization starts from a different point, the transformation typically progresses through three maturity stages, each building on the previous to maintain momentum while minimizing disruption:



Across the market, we're seeing finance teams under pressure to do more with less. By combining automation with process expertise, we're helping teams not only meet these demands but exceed them - delivering faster closes, stronger compliance, and more strategic value to their organizations.

Timo Theobald, Senior Manager at CFGI Germany



5.1 Stabilize & Optimize

Most finance teams begin their transformation journey by bringing structure and visibility to the close. At this stage, the focus is on replacing fragmented, manual workflows with orchestrated processes that can be consistently executed and monitored.

Key priorities include:

- ◆ Documenting existing R2R activities to identify redundancies and control gaps
- ◆ Introducing standardized templates and approval workflows
- ◆ Implementing FloQast Task Management to centralize calendars, checklists, and ownership
- ◆ Creating transparency across all entities and stakeholders

This foundation delivers early wins: improving accountability, shortening cycle times, and building the confidence needed to pursue broader automation. With these process controls in place, finance teams can begin shifting their focus from manual tracking to value-added analysis.

5.2 Automate & Integrate

Once the fundamentals of process orchestration are in place, the next phase focuses on expanding automation and driving standardization across the finance function. This involves integrating adjacent close activities and embedding technology deeper into the operating model.

Typical initiatives include:

- ◆ Automating manual and high-volume reconciliations
- ◆ Leveraging Journal Entry Automation to eliminate repetitive postings and approvals
- ◆ Applying risk-based materiality thresholds to focus review effort where it matters most
- ◆ Standardizing account structures and policies across business units and regions

Organizations that combine process optimization with targeted automation typically achieve 30–50% total effort reduction compared with manual baselines.

CFGFI supports clients during this phase by aligning automation design with policy frameworks, ensuring that efficiency gains are achieved without compromising control or compliance.

In the final stage, finance teams move from simply implementing changes to truly embedding them—making continuous improvement, governance, and compliance a natural and permanent part of the close process.

This includes:

- ◆ Establishing performance metrics and dashboards to monitor process health
- ◆ Embedding internal control systems (IKS) and SOX-compliant workflows directly within your accounting processes
- ◆ Providing ongoing training and knowledge sharing to sustain adoption
- ◆ Regularly reviewing automation rules and thresholds to reflect business evolution

By sustaining optimization through governance and culture, finance teams ensure that transformation outcomes endure long after implementation. The result is a resilient, insight-driven finance function: one that closes faster, controls risk effectively, and continuously delivers value to the organization.



Transformation 2.0: Embracing AI in Accounting

An increasingly critical component that can no longer be overlooked is AI. The perception of AI as merely a “nice-to-have” or a tool for incremental efficiency gains is rapidly shifting; it should now be viewed as a strategic necessity to remain competitive. Accordingly, high-impact and well-defined AI use cases within the R2R process must be rigorously evaluated and embedded throughout both the design and implementation phases of a finance transformation.

What can be seen in the market already is that accounting functions are moving to a model where AI Agents are incorporated into the team as they perform end-to-end processes. Looking at FloQast AI Agent capabilities for example shows how the accounting team is being elevated from manual preparers to reviewers.

The AI Agent Workforce: FloQast Transform

FloQast Transform is where AI does the work. Is an engine that enables organizations to build and train AI Agents tailored to their unique processes and policies. As opposed to a point solution, this technology can be pointed at the most manual, error-prone and time consuming processes in the close for the respective customer. With an ever-growing list of use cases, common examples include Accrual processes, Journal Entries, Revenue Recognition and Reporting tasks. For example, a Revenue Recognition Agent can manage complex revenue splits by reviewing individual invoices to determine split logic, a process that saved one enterprise customer 960 hours annually. Similarly, the Accrual Journal Entry Agent automates the end-to-end booking of accruals, with publicly traded customers reporting savings of 480 hours per year.



Real Results

Real ROI

<p style="margin: 0;">Accelerate the Close</p> <hr style="border: 0; border-top: 1px solid white; margin: 5px 0;"/> <p style="margin: 0; font-size: 0.9em;">Capital Area Food Bank used AI Transaction Matching to speed up bank recs.</p> <div style="background-color: #4a7ebb; color: white; padding: 10px; margin-top: 10px;"> <p style="font-size: 2em; margin: 0;">5 days</p> <p style="margin: 0; font-size: 0.8em;">shaved off rec process</p> </div>	<p style="margin: 0;">Reduce Manual Effort</p> <hr style="border: 0; border-top: 1px solid white; margin: 5px 0;"/> <p style="margin: 0; font-size: 0.9em;">A publicly-traded company uses an AI Agent to book accrual journal entries.</p> <div style="background-color: #4a7ebb; color: white; padding: 10px; margin-top: 10px;"> <p style="font-size: 2em; margin: 0;">900 hours</p> <p style="margin: 0; font-size: 0.8em;">shaved per year*</p> </div>	<p style="margin: 0;">Focus on Exceptions</p> <hr style="border: 0; border-top: 1px solid white; margin: 5px 0;"/> <p style="margin: 0; font-size: 0.9em;">A restaurant group uses AI to automate daily recs, enabling real-time investigation.</p> <div style="background-color: #4a7ebb; color: white; padding: 10px; margin-top: 10px;"> <p style="font-size: 2em; margin: 0;">98%</p> <p style="margin: 0; font-size: 0.8em;">of 50k transactions matched in seconds</p> </div>
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*Annualized hours quantified based on estimate of five (5) JEs posted via an Agent

When talking about an AI-powered workforce, there is other AI functionality that helps accounting teams focus on the more relevant things while allowing them to scale operations without a proportional increase in headcount. Whether AI handles the matching of transactions or analyses transactional level data to produce Variance Analyses and management reports.

Automate as you go

Due to the flexibility of AI Agents, they are suitable process automation catalysts during a wider R2R transformation. As different subprocesses are evaluated and optimized, automation potential can be identified and agents can be trained in a matter of hours or days.

The prerequisite for deploying an agent is often only a sufficient process understanding in order for the agent to be trained by the respective person. During a transformation it can be advisable to either:

- ◆ Make the Agent your SOP – Train agents to execute processes exactly how they are done by a human to date and using the Agent as a catalyst for process standardization (evolving into your automated SOP)
- ◆ Automate your SOP – Standardize a process prior to training an agent to maximize usage from day 1

While benefits can be achieved through both approaches, the business context and use case complexity should dictate which is to be used.

A Pragmatic Framework for AI Maturity

To help teams adopt technology at a pace that aligns with their internal capabilities, AI implementation is categorized into three levels of maturity:

- ◆ AI Helps Start the Work: Foundational tools like chatbots and templates that require minimal operational changes.
- ◆ AI Helps Support the Work: Analytical tools used to review transactional data and produce initial explanations for flux analysis.
- ◆ AI Agents Do the Work: The highest level of maturity, where agents perform end-to-end tasks like creating and posting journal entries, delivering significant operational impact.

Trust and Compliance

In transitioning towards an integrated AI-powered workforce, it is critical to not just ensure compliance but also trust by the people using the AI. Here, FloQast's "human-in-the-loop" philosophy ensures that while AI does the heavy lifting, final judgment always rests with the team to mitigate audit risk. For AI Agents for instance - every step an agent performs is fully auditable, providing a clear and reliable trail for internal and external reviews. To build further trust, FloQast has led the industry by becoming ISO 42001 certified for AI management and ensures that customer data is never used to train models or repurposed for third-party gain.

Future of the Profession

The evolution of the accounting function into a strategic business driver requires a simultaneous advancement in professional development. To meet this demand, the FloQast Certified Accountant (FCA) program serves as a launchpad for the modern era, equipping practitioners to master AI and advanced reporting while positioning them for leadership in an increasingly automated landscape. Hosted on the FloQademy platform, this free educational initiative provides the framework for accountants to sharpen technical proficiencies, including the ability to architect custom AI Agents. This commitment is rooted in the principle that the most significant cost in digital transformation is underutilized technology; therefore, FloQast dedicates over \$1M in annual resources to ensure that software adoption is paired with high-level practitioner competency. By integrating technology with specialized education, FloQast provides a scalable investment in the global accounting community.



Constructing a Data-Driven Business Case

A compelling business case translates the transformation vision into measurable outcomes. It should connect efficiency, control, and insight improvements directly to financial impact.

Recommended approach:



Baseline analysis:

quantify time spent per activity and identify automation potential.



Cost-benefit modeling:

convert time savings and control improvements into financial ROI.



Implementation roadmap:

define quick wins and long-term milestones with KPIs to track realization.

7.1

Example: The FloQast Business Case

Teams typically achieve the following just by better orchestrating their financial processes, (re)allocating resources effectively, and documenting work as they go:

20–30%

faster financial close cycles

Up to

23%

reduction in time spent on the audit process

Reaching a

39%

increase in the accuracy of close data

Many benefits are straightforward to quantify, while others are not. Using FloQast's AI Agents as an example, customers have been able to calculate their exact ROI even prior to implementation. As teams are essentially onboarding an Agent to complete certain tasks end-to-end, ROI can be calculated as follows:

	Involved people	Hourly rate	Avg. time taken	Frequency	Annual Savings
Process X	3	€50	4h	monthly	€7,200
Process Y	1	€40	20h	monthly	€9,600
Process Z	8	€60	8h	bi-monthly	€23,040
					€39,840

This ROI calculation framework can be used to determine both potential cost savings and saved hours. For teams currently experiencing downsizing or shortages of talent, this could be a great indicator of potential benefit.

As mentioned, other benefits are more difficult to quantify. As the talent gap widens, retaining skilled accounting professionals will increasingly depend on making their work more engaging and rewarding. Modernizing processes and software—an often overlooked advantage of automation—can play a key role in achieving this.



Working with CFGI, we've seen how their deep expertise in finance transformation helps teams not just adopt automation but truly optimize their processes. Together, we're enabling finance teams to close faster, stay compliant, and deliver insights that drive real business impact.



Andjela Mireskovic, Solutions Consultant at FloQast

How CFGI Accelerates the Journey

CFOs leading digital finance transformation initiatives face a dual challenge: modernizing core processes while ensuring strong governance, compliance, and measurable business impact. Achieving this balance requires a partner that combines deep process expertise with hands-on technology fluency.

CFGI is known for recognizing that technology alone doesn't transform finance. True transformation comes from aligning people, processes, and disciplined execution. Their approach focuses on integrating strategy, data, and delivery to help organizations move from vision to sustained results.

The approach includes



Proven methodology:

Applying structured frameworks to assess R2R maturity, identify gaps, and design future-state operating models tailored to an organization's goals.



Implementation excellence:

Certified specialists in FloQast integration and ERP connectivity ensure seamless deployment, minimal disruption, and rapid value capture.



Sector insight:

Leveraging extensive industry experience, CFGI provides relevant benchmarks, regulatory perspectives, and practical use cases to accelerate adoption.



Business-value focus:

Each engagement is guided by measurable outcomes, such as reduced close times, improved controls, enhanced data transparency, and better decision support.



Collaborative culture:

CFGI works closely with finance teams, embedding knowledge and building capability to ensure sustainable, long-term success.

By partnering with CFGI, organizations can accelerate every stage of their R2R transformation. Together with FloQast, CFGI helps finance teams achieve their specific goals—whether it's closing faster, leveraging AI to drive efficiency, doing more with fewer resources, strengthening control, or unlocking deeper insights.

Conclusion – The Path to Finance Excellence

The finance organization of the future is not just faster—it is insight-driven, automated, and agile.

Getting there is not about “adding a tool.” It means redesigning how data, people, and policies work together to create value.

With FloQast as the automation backbone and a clear governance and talent strategy, CFOs can:

- ◆ Close the books faster and with greater confidence.
- ◆ Free up finance capacity for planning, forecasting, and decision support.
- ◆ Sharpen risk management and strengthen the control environment.
- ◆ Ultimately, deliver on your firm’s strategic ambitions.

At CFGI, we see transformation not as a project with an end date, but as a continuous evolution. A platform like FloQast doesn’t just support that evolution; it accelerates it, differentiating you from competitors and making you more resilient to market shocks and uncertainty.

The firms that modernize finance now won’t just keep up with tomorrow’s performance standards—they’ll be the ones setting them.

Ready to transform your R2R process?

Contact CFGI and FloQast today for a personalized maturity assessment.

Trusted by more than 3,000 global companies, including:



Personio

GET YOUR GUIDE

For further discussions on these topics please reach out to one of our experts and authors of this whitepaper:



JENIFER ECKERT
MANAGER, CFGI GERMANY
JECKERT@CFG.I.COM



TIMO THEOBALD
SENIOR MANAGER, CFGI GERMANY
TTHEOBALD@CFG.I.COM



CHRISTIAN PORTEN
AI CONSULTANT, FLOQAST
CHRISTIAN.PORTEN@FLOQAST.COM



ANDJELA MIRESKOVIC
SOLUTIONS CONSULTANT, FLOQAST
ANDJELA.MIRESKOVIC@FLOQAST.COM



FloQast has proven to be a game-changer for finance teams. Its ability to streamline the close process and connect workflows gives teams the tools they need to focus on strategy and insights, not just transactions.

Jenifer Eckert, Manager Finance Effectiveness at CFGI Germany

