

Accounting Momentum Optimization

Summary

Accounting teams often spend significant time managing manual posting, reconciliation cleanup, and delayed financial visibility.

The Accounting Momentum Optimization engagement helps organizations streamline accounting workflows, strengthen financial control, and accelerate month-end close through structured diagnostics and operational improvements.

Program Objectives

- Reduce month-end close cycle time
- Improve accuracy of automatic GL postings
- Reduce manual AR posting through AR Payment Import
- Increase visibility into outstanding liabilities (Parts Posting References, MPOs, Sublet Inventory)

Engagement Structure & Deliverables

Tier 1 – Momentum Optimization Assessment (2–3 Weeks)

Phase 1 – Diagnostic & Opportunity Analysis

- Review month-end close metrics
- Review AR Posting Process
- Review parts receiving to AP posting process and AP reference visibility

Client receives: Executive Findings Report, Risk Assessment.

Phase 2 – Process & Setup Assessment

- Evaluate Accounting Setup and GL posting rules
- Setup AR Payment Import and accompanying FRW Reports
- Walk through Month-End Close Reports and Reconciling items
- Ensure that posting references are getting to AP in a timely manner

Client receives: Process Map + Exception & Setup Assessment

Tier 2 – Momentum Optimization Engagement (2–3 Weeks)

Phase 3 – Implementation (1-2 Weeks)

- Correct accounting setup where needed for accurate posting
- Enable automated AR Posting
- Apply workflow improvements
- Schedule key reports so users have them when needed

Client receives: Go-Live Support, Training Materials

Phase 4 – Validation

- Measure improvements in close cycle time
- Verify reduction in correcting journal entries
- Verify AR posting time saved through automated posting

Core Engagement Duration

- 3-6 weeks
- Includes Go-Live support in implementing new processes

ROI/Financial Impact

Assumptions

- 4 accounting staff
- 4 hours/week lost per person to manual posting + reconciliation cleanup
- Fully loaded cost = \$65/hour

Annual Time Recovered: ~830 hours/year

Productivity Value: ≈ \$54,000 annually

Additional Financial Gains

- Faster close cycle
- Reduced posting errors
- Improved cash application speed
- Stronger liability control and fewer surprises
- Reduced month-end cleanup work and more predictable financial reporting

KPIs

1. Month End Close Performance

Measures how efficiently and consistently the accounting team completes the month-end close process.

- **Days to Close** - Number of calendar days required to complete month-end close from period end to final financials.
- **Unreconciled GL Accounts** - Total number (or %) of balance sheet accounts not reconciled at close.
- **Open Posting References** - Count and aging of unresolved posting references (Parts, Service, etc.) preventing accurate financial completion.

2. GL Automation Accuracy

Evaluates how effectively transactions are automatically and correctly posted to the General Ledger.

- **Posting Error Rate** - Percentage of transactions requiring correction due to incorrect or failed automatic posting.
- **Manual Journal Adjustments**
Volume of manual journal entries required to correct or reclass transactions after posting.
- **Reclass Frequency** - Frequency of reclassification entries due to incorrect account mapping or process gaps.

3. AR Efficiency

Measures the level of automation and timeliness in applying customer payments.

- **% Payments Auto-Posted** - Percentage of total AR payments processed through automated methods (AR Payment Import vs manual entry).
- **Manual Payment Entries** - Volume of payments entered manually by accounting staff.
- **Cash Application Lag** - Time between payment receipt and application to invoices.

4. Liability Visibility

Measures the organization's ability to track and manage outstanding liabilities accurately and timely.

- **MPO Flow Exceptions** - Instances where MPOs do not properly flow into Open Orders or AP invoices.
- **Unposted Parts Posting References** - Count and aging of Parts-related posting references not yet processed to the GL.

- **Sublet Inventory Exposure** - Dollar value and aging of sublet inventory or other controlled accounts not reconciled or cleared.

Qualification Questions

- How long does your month-end close typically take?
- How often do you reconcile GL accounts outside of month-end?
- What percentage of AR payments are posted automatically vs manually?
- How often do posting references remain unresolved?
- How confident are you in the accuracy of automatic GL postings?
- How often do you adjust for competitor shifts?

Why it Matters

Positions Professional Services as the financial efficiency engine at Karmak. Creates a repeatable, data-backed engagement that proves ROI. Strengthens the link between Fusion usage and customer profitability.

These improvements create accounting momentum — where reconciliations stay current, automation works reliably, and financial reporting becomes faster and more predictable.

