



Tips to Manage the Remote Month-End Close in Today's Business Climate

A Controller's Perspective

By Imran Lodhi, TruQua

As companies shift to a remote working environment learn how to ensure a successful month-end close

As businesses navigate the current environment and make the shift towards a remote way of working, the month-end financial close can become even more challenging.

TruQua's Imran Lodhi, a former Financial Controller, shares his advice on the key areas in order to adapt.



LEADERSHIP



PEOPLE



PROCESSES



COMMUNICATION



Tip #1: Control the Controllables

As almost every conceivable variable seems like it's changing in the world around us, knowing what might happen next, in the context of the close, becomes daunting. To make things more palatable, focus energy and resources on the most impactful levers that lie within your power. An example of this might be to focus on how to execute on your function's close list instead of thinking about how other teams will manage their lists which feed into yours. This will enable more concentrated execution and create a cultural mindset separating outside dynamics from what the team can impact. A side effect should be increased nimbleness, facilitating quicker reactions to future unexpected events.

“Focus energy and resources on the most impactful levers that lie within your power.”

Tip #2: Manage your Expectations

Things won't work quite the same as they usually do in a largely remote close, but that's not necessarily a bad thing. Embracing the adversity will allow you to channel energy to your advantage. The more inflexible your approach, the more likely your frustration is to surface. In tough times, your team will look for leadership. Your demeanor purveys your attitude, so exude optimism and you will get the more from your team.





Tip #3: Reset Expectations for Others

Some of the team's apprehension going into the close may be based on how and where they will be able to execute – will the information they need be available from other teams or will all the systems they get data from be functioning? Early conversations will allow people to verbalize anxieties, helping them manage stress. The team may be concerned about what they will be expected to get done and by when. Here, trust is built by expressing realism, an understanding of challenges and commitment to represent the team's interests with senior stakeholders. Extra team efforts will be required – get buy-in by reinforcing unity and a sense of belonging.

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Tip #4: Managing Outcomes and Activities

Managing an entire function from afar is likely new for everyone and this will create some stretch on functional leadership. Focusing your management team on outcomes, and not activities, should ensure that tactical issues do not distract from a strategic focus on the end game. Pressure can catalyze innovation and a results-focus is more likely to promote creativity. To ensure departmental success, remind supervisors that team members with less experience might not feel ready for high levels of autonomy, and an team-based approach might be more effective for those individuals. Handle those expectations one on one.



PEOPLE

Tip #5: People First Always

It's important to remember, throughout this unprecedented period, that your team will be working through significant stresses and worries from their personal life. At times this will distract employees from their work role. Embracing this reality is important. Your people will always be your most important asset; work with people individually and create team mechanisms to support them. Helping people to be successful professionally will be impactful in all walks of their lives. Be thoughtful about checking in daily with a few team members personally about how they and their families are doing.

Tip #6: Environmental Empathy

The normality of the office environment will have been taken away from your teams and the impact of this should be recognized. Socially, employees might feel a perceived lack of access to colleagues and pressure from working with family-at-close-proximity. Physical considerations are easy to overlook - don't assume that everyone has access to basic workstation needs, such as an appropriate chair or a desk. These are all factors which impact performance and should be purposefully addressed.

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PEOPLE

Tip #7: Development Opportunities

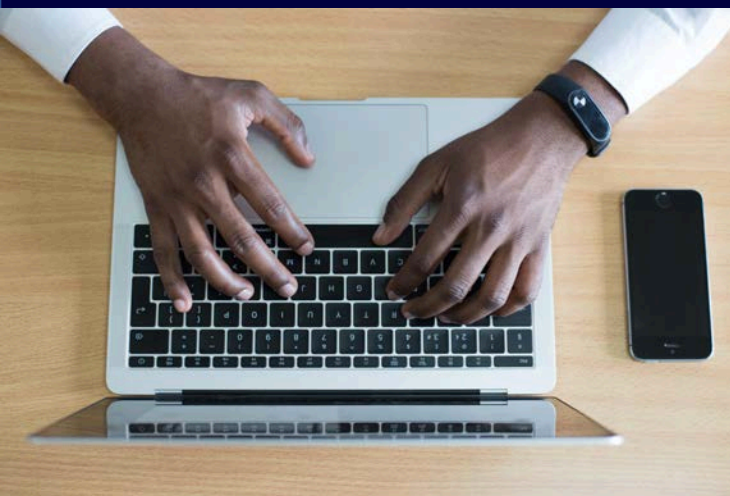
Think about how these unique circumstances might facilitate employee growth. Chances may arise for high achievers to take on more responsibility, creating management capacity. For less experienced employees, examples might be tasks such as post-process reporting and analysis which will won't need extensive cross-training.

Communication from the outset is important for gaining buy-in, providing support mechanisms and underlining that the fastest learning comes from the most challenging situations.



Tip #8: It's Not All About Work

Working in an office serves more than just employers' needs. Offsite, employees may find themselves needing to fill a void in daily colleague interactions or feeling secluded from the world. Consider the psychological belonging and esteem needs of your team and promote virtual events like watercooler web channels, team building games and, even, happy hours. Engaging the team in the proposing of activities will help you with variety and will foster a sense of participation.



Tip #9: Create a New Normal

The reality is that - even if your usual close is slick - the offsite closes will likely not be the same. Avoid teams becoming demotivated through a perceived failure to replicate their routines. Find ways to create an alternative routine for the offsite close to create a mental interruption. Ensure employees understand that you are taking a pragmatic approach to reinforce your leadership and to boost morale. Make sure you learn what is working well for employees during pre-close and close management check ins and rollout real-time if the benefit outweighs the cost.

“Don’t rely on assumptions, if not certain; the key events change as technologies and processes evolve.”

Tip #10: Make the Close Measurable

Ensure you have enough information to be able to ascertain how the close is progressing. If a critical path to close has not been formally mapped, find out what managers consider to be key milestones, map these events together and ask to be kept informed of status. Don’t rely on assumptions, if not certain; the key events change as technologies and processes evolve. Holding people accountable will help in your role as orchestrator and firefighter, which is personified in times of heavy disruption.





Tip #11: Remember Controls

If circumstances dictate that processes need to be adjusted for an offsite close, remember to think about audit risk and the need for new, supplemental or compensating controls. Speak to your team early to get them into a proactive controls-mindset, helping you to identify areas of risk with potential mitigations and appropriate documentation for audits. Sarbanes Oxley doesn't have a force majeure clause, so it's important to be prepared. As a controller your role is to ensure stakeholders have trust in your numbers.

Tip #12: Review your Tools

Ensure you understand how the close management solutions which you have in place are being used by your teams. Over time, processes are sometimes adapted whilst still achieving the same result. For example, are checklists updated real-time? Are all process tasks caught and itemized? When unable to peak your head out of the door to get updates, it's sometime easier to check the tools yourself. To avoid interpretation gaps, consider reviewing tool usage with your team to realign your assumptions with the reality of operations.

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Tip #13: Lead by Example

Demonstrating what you view as great communication amongst your team is the quickest way to get buy-in from others. Confusion can be avoided, and desired behaviors exhibited by walking the talk. The likelihood is that communication frequency from leadership will increase because of uncertainty and de-centralization of resources, so ensure your tone, structure and confidence mirror what you want to see from your team. Striking the balance between communication for clarity and needless interruptions is important. Avoid the temptation to micromanage what you can't see – use your touchpoints to ensure traction. Positive role models can inspire people to kick start their own change initiatives, so aim to create momentum for your employees.

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Tip #14: Emphasize Expectations

Ensure everyone understands that success depends on how well people communicate with one another during this period. Open lines of communication and offsite accessibility through phone, email, messenger and text. This is key to continuing operations remotely – none more so than from the senior management team. Set guidelines for mandatory team touchpoints (including those in which you are not directly involved) to provide reassurance for those that need information. Remember to acknowledge that, with their entire families at home around your employees, background distractions are somewhat inevitable, and this should not generate stress. Now is the time to buckle down on good meeting preparation etiquette – make the best use of time with agendas or using a “round robin” format.



Tip #15: Direct How-to Connect

We have more communication solutions available to us than ever before and, given current circumstances, teams are likely experimenting with new tools. Providing guidance when to choose email/video conferences/chats/VoIP, for example, can avoid peer frustration and promote communication effectiveness. Some people still don't like video calls, but this mechanism might be considered mandatory for certain purposes due to its effectiveness in resolving matters quickly.



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Tip #16: Think Beyond your Function

Ahead of close, consider reaching out to other teams who impact the record-to-report cycle. Connecting with your leadership and cross-functional peers will start communication flowing and might uncover risks which impact your planning. Share your function's needs, wants and anticipated challenges to help others prepare. Remember that there will be elements of negotiation to your requests—always focus on overall organizational goals.



About the Author

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Imran Lodhi is the Vice President of TruQua's BlackLine Practice and an experienced FICO project leader. He is a financially disciplined, operationally-oriented and strategic leader with a track record of driving growth in complex, global organizations. Imran's experiences include leading finance transformation through simplification and innovation, delivering better results with fewer resources, and bridging accounting, finance, and operations to increase margins whilst creating scalable processes.