

Portco Speed Rounds

The 10-day closing: People



Why does your 10-day close process take 20 days?

Three main factors are usually to blame:

1

People

2

Process

3

Technology

Not all challenges originating with your people - a decentralized process, burnout, and resource management - are equal. What organizations do to prioritize and address these factors can make or break your close timeline.

Key buyer perspectives

▶ Chief Financial Officer

How do you achieve a quality close while creating consistency, efficiently managing finance resources, and producing accurate, timely reporting?

▶ Chief Accounting Officer/Controller

How can you deliver accuracy and completeness from your team without compromising on quality?

▶ Vice President of Finance

How do you remain compliance-driven and cost-conscious? To close quickly with less burden placed on your team.

A top-down and bottom-up approach is needed for a successful 10-day close creating transparency across all three functions.

The Fund perspective

The quicker the closing process, the better the data will be. Visibility into this data offers greater insight across Portcos, thus arming better strategic decisions. As companies are moving in and out of the portfolio, a timely close creates immediate value, which can be augmented by a replicative process applied across a portfolio.

The Portco perspective

Many portfolio companies struggle with the financial close process. This may be because the process takes too long; too many people are involved causing duplicative efforts and creating confusion; the focus is placed on completing the close and not analyzing the data; and/or efforts are placed on completing a perfunctory process instead of proactively implementing an effective procedure. These delays can lead to repercussions with the fund or SEC, higher cost, ineffective resource management, and delayed reporting.

Takeaway

The 10-day closing is attainable, but only with a strong focus placed on people, process and technology. Optimizing the people component is the first step.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2024 Ernst & Young LLP.
All Rights Reserved.

US SCORE no. 22689-241US
2401-4419905
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com