

Statement Reconciliation Automation:

The key to
increased profitability
and productivity.



The push and pull of financial transformation.

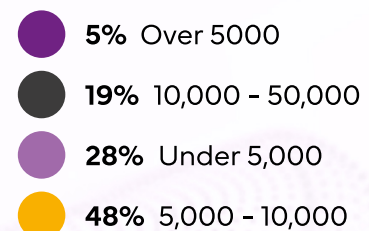
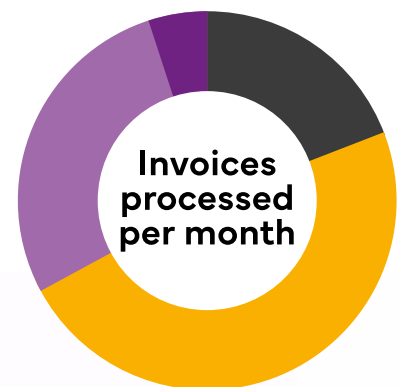
In the current climate, where finance teams are stretched thin by more invoices, suppliers, compliance hoops to jump through, CFOs and financial leaders are looking for new opportunities to improve how their finance departments operate. With digital technologies, you can protect working capital, boost operational efficiencies, improve ledger accuracy and enhance forecasting as a result.

In 2024, the Accounts Payable Association benchmarking survey said that 68.1% of teams have at least half of their accounts payable process automated, with 6.6% fully automated. With Gartner's 'Top 5 Priorities for CFOs in 2025' report named 'AI adoption in finance' and 'source and retain digital talent' as two major priorities, it's clear that utilising new technologies for higher levels of productivity is at the top of mind for CFOs.

As a financial leader, you know that change is not just an option but a necessity for survival and success. Embracing transformation is a strategic imperative, one that can cement yourself as an innovative leader and finance as a value-adding arm of the organisation.

In this guide, we'll examine how the often-overlooked area of automated reconciliation is the next logical step of your digital transformation journey. Soon, you'll harness the power to evolve the finance function for greater control, profitability and productivity.

The scale of the challenge.



Overcoming challenges on the path to profitability and productivity.



In a 2023 Oracle report, a top challenge identified for CFOs was how to achieve more frequent and accurate forecasting. While there are many complexities to deal with, the most important root cause is a lack of clean financial data.

Accounts Payable are vital when it comes to having accurate data on your outgoing commitments, and while much of that process has been optimised, one often overlooked area is statement reconciliation.

While not necessarily a terminal issue at first glance, manual statement reconciliation is better viewed as a 'slow puncture', quietly hindering accuracy and process efficiency.

Despite statement reconciliation being widely acknowledged as an important financial control by Accounts Payable, most companies typically only reconcile their top 10 suppliers monthly.

But why?

Time and cost vs meagre returns.

For manual reconciliation, 'the juice isn't worth the squeeze'. The time it takes to manually reconcile statements simply doesn't yield enough of a financial return to justify dedicating so much resource to it.

This is primarily due to the complexity and arduous nature of the task. Vast, tangled webs of parent companies, suppliers, and thousands of line items need to be manually unpicked in the hope that there's a discrepancy hidden there. This often leads to very few statements being reconciled regularly, if at all. Plus, the potential for human error during the process is significant.

When you are expected to provide accurate financial insights and facilitate data-driven decision-making, incomplete statement reconciliation isn't something you can afford. It can lead to a range of broader problems:



Cash flow management issues:

Accurate cash flow predictions are essential for decision-making and financial planning, and discrepancies disrupt this.



Delayed decision making:

The lack of accurate, up-to-date financial information creates liabilities, depriving you of the reliable data to make timely, strategic choices.



Resource drain and operational inefficiencies:

Manual reconciliation takes longer and it uses up valuable resources that could be deployed for strategic activities, such as decision making and analysis.



Reduced margins and financial losses:

Inefficient statement reconciliation means overpayments aren't recovered, reducing working capital and contributing to weaker overall financial performance.



Inaccurate financial reporting:

Missing invoices creates inaccurate ledgers, which creates unpredictability and affects your ability to communicate financial health to stakeholders, investors and regulatory authorities.



Supplier management issues:

Lack of reconciliations can lead to disruptions and emergency resolutions, which is distracting and costly.

Why automated statement reconciliation is the solution you need.

Rather than let a slow puncture limit the value you can create, you can instead turn to automation.

Many companies have already used the power of automation to increase the efficiency of their invoice processing. But despite the productivity gains, errors and duplicates can slip through, credits can be missed and potential value could be lost. Statement reconciliation is therefore an essential control to double check transaction accuracy.

Whilst often overlooked, statement reconciliation is a prime candidate to automate due to the huge benefits it can bring. Automating this function allows teams to **massively increase the scale of reconciliations** while significantly cutting the time spent on the task.



The benefits of automated statement reconciliation.

Using software creates far greater accuracy, and the speed at which it performs the task provides a real opportunity to scale this part of your operation.

Reconciling more statements increases the accuracy of your ledger, while also flagging discrepancies, duplicates, rebates and more. These can be recovered to protect working capital that would otherwise be written off or go unnoticed.

This remarkable efficiency also translates into substantial time savings, allowing you and your teams to redirect your focus towards strategic initiatives, rather than being bogged down in the quagmire of manual data entry and verification.

While the most immediate and obvious efficiency and accuracy improvements will be felt by your AP team, automated statement reconciliation is a potent catalyst for change that can positively impact your wider decision-making, financial visibility, cash flow management, forecasting accuracy, and cost savings.

Benefits at a glance

- Rapidly batch process all types of supplier statements.
- Discover credit notes, rebates, duplicate invoices, and previous overpayments.
- Recover unclaimed credits.
- Increase statement reconciliation coverage to more of your supplier base and find more discrepancies.



Increase your recoveries:

Identify discrepancies and unclaimed credits, rebates and recoup overpayments, increasing working capital.



Save on costs and time:

More streamlined, accurate financial processes remove the cost associated with statement reconciliation, and increase staff time to work on value-added tasks.



Better supplier relationships:

Accurate and efficient reconciliation fosters better relationships with suppliers, with timely and accurate payments leading to stronger partnerships.



Missing invoice discovery and audit preparedness:

Better control your liabilities and improve audit preparedness with accurate transaction records.

Positive ripple effects.

With automated statement reconciliation in place, you can trust that your financial data is accurate, reliable, and up-to-date – creating a strong foundation for financial transparency and accountability. The integrity, visibility and speed of data creates a sound basis for reliable and consistent forecasts.



By automating reconciliation processes, you can eliminate human errors and ensure the integrity of financial records. And when you can trust that financial data is accurate, reliable, and up-to-date, you'll have a solid platform for further investment in building a modern finance function.



Enhanced visibility into financial positions:

Gaining a clear and complete picture of the organisation's financial position is invaluable for strategic planning and to ensure better overall financial health.



Increased margins and cost savings:

Recovering the financial losses associated with inefficient manual reconciliation and making better use of employee time all positively impact on the company's bottom line.



Improved cash flow management:

Efficient reconciliation processes lead to more reliable cash flow management, enabling you to optimise your cash reserves and respond effectively to financial fluctuations.



More accurate and faster decision-making:

With more accurate financial data available sooner, informed decisions can be made without delay and uncertainty, allowing for a more agile response to opportunities and risks.



Finance team recognition and elevation:

Increased productivity and time savings allow the team time to analyse, improve process and add value, increasing their standing in the organisation.

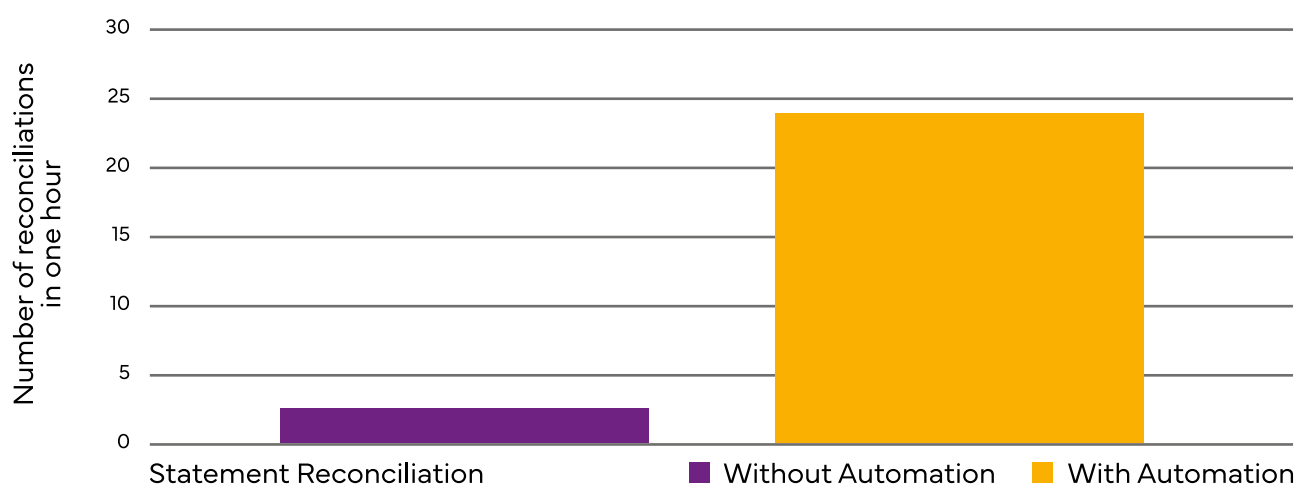
Improvements in efficiency and profitability: A deep dive.

According to data directly from FISCAL's platform, we have found that automated statement reconciliation can make the process up to 12 times faster.

Where previously an organisation might have only had time for their top 20 suppliers (by spend amount) each month, their productivity can see a dramatic increase, potentially to all suppliers.

Statement reconciliation productivity:

A comparison of manual versus automated statement reconciliation. Based on average figures for manual reconciliations.



Getting the most value from your statement reconciliations.

In terms of profitability, statement reconciliation can make a dramatic difference. We have found that 1 in 3 supplier statements contain errors and missed credits, so the potential for greater accuracy and recovery is huge.

In our example, we're using companies with an average active supplier file size of 3500. If arranged by spend, in top 250 suppliers more transactions take place than those beyond the top 250, and they all feature higher invoice amounts. There is also a trend of more errors and duplicates, and more potential for recovery as a result.

Typically, we find that the top 250 suppliers account for around 80% of organisational spend. From those suppliers, 65% of recovery value was found. While it's true that you deal with smaller statement amounts and fewer transactions, and so see fewer errors, there's still value to be found when you expand statement reconciliation to more suppliers. In our own reconciliations, a further 15% of recovery value is found when reconciling 550 suppliers.

While the graph below indicates a diminishing return after 250 suppliers, the peak between 450 and 550 suppliers equates to just over £120,000 in total. This is around 70% of the first peak's value.

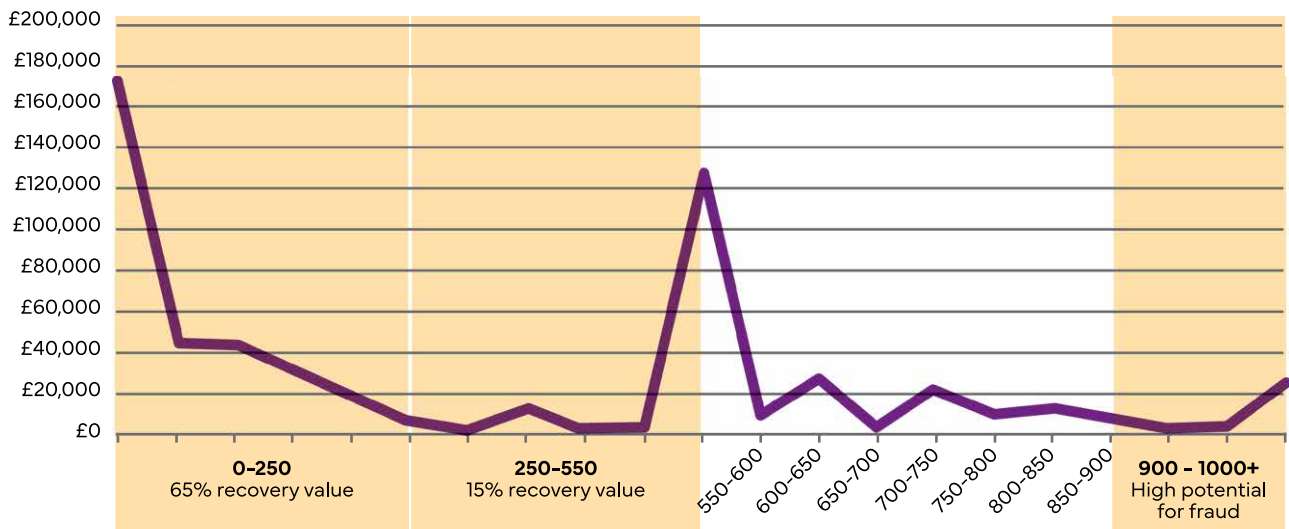


Therefore, we recommend reconciling at least 250 suppliers to realise profit from the process and increase working capital. If resource allows, expand to the first 550 to recover a potential 80% of overpayments and other lost value. If your file is vastly larger or smaller than in our example, we recommend reconciling 15% of your active suppliers. In an ideal world, you would be able to reconcile all your statements.

Most finance teams do not have the resource to manage manual statement reconciliation at this scale. Automating statement reconciliation allows this to be far more feasible, even for smaller teams.

Statement reconciliation:

Average recovered value by supplier spend (highest to lowest).



A note on fraud.

Although value might be lower at the tail of your suppliers, there are good reasons to reconcile as many as possible. It's more likely for fraud to occur here. Fraudsters target smaller, more infrequent suppliers, especially with invoices for inconsequential-looking lower amounts. Fraudsters know that many companies will cap their statement reconciliations and recovery audits at a certain number, deeming those transactions unimportant. This is the same issue that occurs with expense fraud, where some expenses are deemed too small to be of consequence. Unfortunately, these smaller amounts add up quickly. There we advise you to also ask for statements and reconcile these suppliers for added certainty and security.

Higher accuracy.

With the credit errors eradicated for these suppliers, your ledgers become far more accurate, with much smaller margins of error. This gives better control of your liabilities, and confidence in your financial reports and forecasts, allowing you to make more informed strategic decisions to drive business growth.



Improve profitability and productivity.

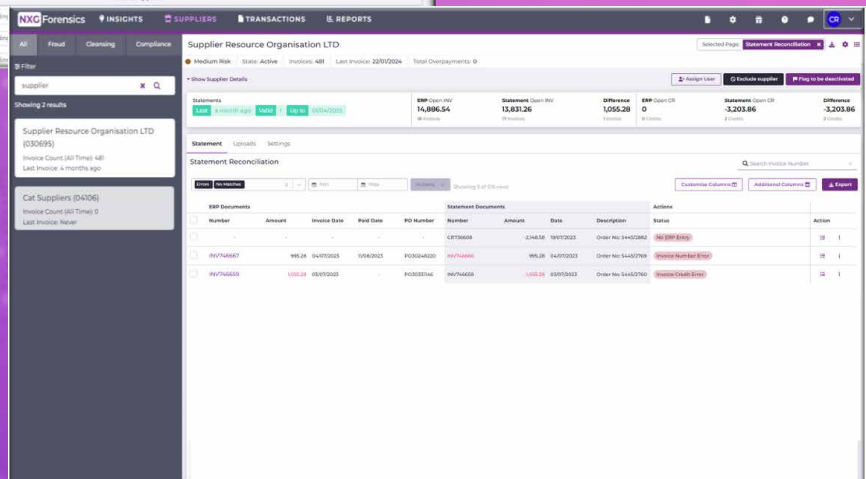
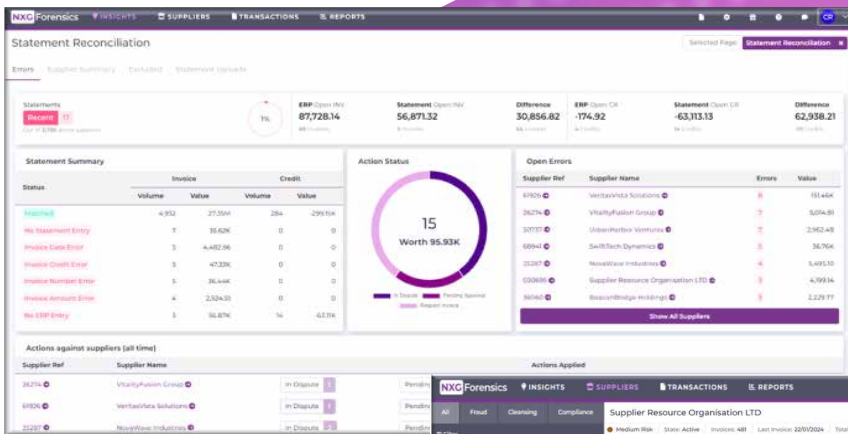
Automated statement reconciliation represents a powerful tool for creating greater productivity, profitability and accuracy in your accounts payable function. As a result, the finance function is creating more value for the organisation.

The solution to your problems: Automated statement reconciliation.

- Accurate financial reporting.
- Accurate cash flow predictions.
- Efficient decision-making.
- Higher operational efficiency.
- Use of human resource for strategic initiatives.
- Increased margins and recovered financial losses.

We have found the automated statement reconciliation module has eliminated the pain points in this process. AP resources have been freed up, supplier relationships have been improved, and supplier interactions have been reduced, highlighting errors before payments are made. This has improved Payment Practice Reporting and importantly, kept cash within the organisation.

Sarah Jinks
 Financial Assistant
 Mid-Cheshire Hospitals
 NHS Foundation Trust



We automate the discovery, so you can focus on recovery.

FISCAL Technologies' intuitive, easy-to-use software automates supplier statement reconciliation.

You provide the data:

Drag and drop multiple statements, or email them direct to our software.

We automate the process:

Our software processes the data in your statements, selects the right supplier and compares the transactions automatically.

You act on the discrepancies:

You have more time to focus on investigating errors, correcting inconsistencies, and recovering cash.

Benefits

- Save time with up to **12x faster** statement reconciliation.
- Save money: Discover unclaimed credit notes, rebates and overpayments.
- Identify missing or duplicate invoices and reduce liabilities.
- Reconcile supplier statements at scale, in real-time.
- Review and manage suppliers easily.

Features

- Upload files via email integration, email forwarding, or by drag and drop.
- Work at scale and process more statements with bulk actions.
- Understand problem suppliers and reduce future issues through real-time reports.
- Rapidly process all types of supplier statement.
- Seamless integration with any ERP and invoice management system.

This standalone solution complements our Transaction, Supplier and Custom Reporting modules for comprehensive financial oversight and control.

Ready to revolutionise your statement reconciliation process?

Join forward-thinking finance leaders automating this critical process and jump-start your journey to greater profitability, accuracy and productivity.

See how much you could save in just 30 minutes.

**BOOK A
SOFTWARE
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FISCAL Technologies provides technology and services that empower finance teams to protect their spend. We check every invoice, and every supplier, every day.

Our software is used to find duplicate payments, defend against fraud, automate statement reconciliation, optimise working capital and create bespoke reports.

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