Velixo

The Close Readiness Guide

How Controllers and Finance Managers
Know Their Close Is Under Control

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How to use this guide

This guide is designed to be practical

You do not need to read it cover to cover.

Most finance leaders will:

- Complete the assessment in about 10 minutes
- Identify their close risk profile quickly
- Focus on one or two sections that align with their results

Purpose of this guide

- Determine whether your close process is structurally sound or overly dependent on manual effort
- Identify changes that improve consistency, reduce rework, and lower risk

Who this is for

- Controllers, Finance Managers, and CFOs
- Leaders responsible for close and reporting
- Teams seeking a predictable, repeatable, and defensible process

What success looks like

- A close process that holds up under change
- Reliable numbers without additional reconciliation
- Confidence in results, not last-minute fixes

FOUNDATION

Why close pain feels normal

Goal to advance:

Shift from accepting close pain as inevitable to recognizing structural risk.

Month-end close often becomes a source of routine pressure.

When results are finalized by day five or six, when teams work late to resolve issues, or when reports require last-minute adjustments, that pattern can start to feel acceptable. Over time, many finance teams come to view this level of effort as unavoidable.

A structural problem

In most cases, the issue is not lack of discipline or capability. It is structural.

A close can meet deadlines while still depending on manual steps. It can produce accurate results while relying on temporary fixes. It can satisfy audit requirements while consuming more time and attention than necessary.

Where readiness fits

Close readiness addresses this gap by focusing on whether the process itself is reliable, repeatable, and able to absorb change without additional effort.

DEFINITION

What close readiness actually means

Goal to advance:

Move from equating readiness with speed to understanding it as structural resilience.

A close-ready finance team can regenerate financial results at any point in the close process without requiring manual rework.

This capability explains many common close challenges. When it is missing, small changes create outsized disruption.

Common close challenges

- When late journal entries require reports to be rebuilt, the process lacks resilience.

- When audit questions trigger the recreation of supporting schedules, the process is reactive.

- When critical reporting knowledge is concentrated in a single individual, the process is vulnerable.

How readiness is defined

Close readiness is not defined by speed alone.

It is defined by whether the close process is repeatable, traceable, and able to accommodate change without introducing additional risk or effort.

DIAGNOSIS

Goal to advance:

Diagnose structural risk in your close process.

The Close Readiness Assessment

A self-check for Controllers and Finance Managers.

Before talking about tools or process changes, it is worth diagnosing the operating model you already have.

This assessment is designed to surface structural risk, not assign blame. It focuses on how the close operates most months, not just during your best close.

How to score it

Score each statement based on how true it is most months. If the statement only holds true during your best close, score it lower.

Use this scale to score each statement:

0	**1**	**2**	**3**
Not true at all	Not true at all	Not true at all	Not true at all

How to use the results

This is not about effort or talent. It is about whether your close process is structurally sound.

The results provide a baseline for understanding where the close is resilient and where it depends on manual effort, workarounds, or individual knowledge.

What this section reveals

Low scores here usually mean the close is fragile. Any change creates rework, and confidence in the numbers depends on timing rather than process.

Data Flow and Source of Truth

Is your close driven by systems or by people?

1. Financial statements can be regenerated during close without manual rework.

0	1	2	3

2. All core close reports pull directly from the ERP, not static exports.

0	1	2	3

3. Late journal entries automatically flow into reports without manual updates.

0	1	2	3

4. There is a clear, agreed definition of "final numbers" and where they live.

0	1	2	3

5. Finance does not rely on saved CSVs or copied tabs as a data source.

0	1	2	3

Total: _____

What this section reveals

Low scores suggest a "hero close" model, where knowledge lives in individuals instead of in the process.

Excel Usage and Control

Excel is not the enemy. Uncontrolled Excel is.

1. Excel reports are driven by live data connections, not copy and paste.

| 0 | 1 | 2 | 3 |

2. Formulas and structures are reused month to month, not rebuilt.

| 0 | 1 | 2 | 3 |

3. Report owners are clearly defined and consistent.

| 0 | 1 | 2 | 3 |

4. Multiple versions of the same report are not circulating during close.

| 0 | 1 | 2 | 3 |

5. If a key report breaks, more than one person knows how to fix it.

| 0 | 1 | 2 | 3 |

Total: _____

What this section reveals

If speed comes only from overtime, the system is compensating for broken mechanics.

Close Speed and Repeatability

Seprating speed from stress.

1. The close timeline is predictable month to month.

   0   1   2   3

2. Management reporting does not delay close sign-off.

   0   1   2   3

3. Re-running reports after adjustments takes minutes, not hours.

   0   1   2   3

4. The team spends more time reviewing results than assembling them.

   0   1   2   3

5. Month-end close does not routinely require nights or weekends.

   0   1   2   3

Total: _____

What this section reveals

Low scores mean audit work is reactive. Evidence is manufactured after the request arrives.

Audit and Evidence Readiness

Where confidence often collapses under scrutiny.

1. Audit requests can be answered using existing reports.

| 0 | 1 | 2 | 3 |

2. Numbers in Excel can be traced back to ERP transactions without re-exporting data.

| 0 | 1 | 2 | 3 |

3. Supporting schedules refresh automatically when data changes.

| 0 | 1 | 2 | 3 |

4. The team does not recreate prior-period reports for audit purposes.

| 0 | 1 | 2 | 3 |

5. Auditors rarely question the reliability of finance-owned reports.

| 0 | 1 | 2 | 3 |

Total: _____

What your score is telling you

How to interpret your results   Final total: _____

BELOW 15

Close in Crisis Mode

This is a hero-driven close. Knowledge lives in individuals. Reports are rebuilt frequently. Audit work is reactive. Burnout risk is real. The issue is not competence. The process has outgrown the tools supporting it.

15-29

Close at Risk

At this level, the close is held together by manual effort. Changes trigger rework. Confidence depends on timing. Accuracy improves only after repeated validation. Teams here often say, "We just need more time." In reality, they need fewer handoffs and fewer points of failure.

30-44

Close Stable but Fragile

Common for mid-market finance teams. The close meets deadlines, but relies on experience and effort. Disruptions expose cracks.

Common signals include:
- Reports that can't be refreshed mid-close
- Reliance on saved exports
- Excel models only one person understands
- Audit support that requires rework

45-60

Close Ready

Your close is system-driven, not person dependent. Reports can be regenerated. Data flows from the ERP into Excel without manual handling. Audit requests are interruptions, not emergencies.

Common signals include:
- Increasing reporting frequency
- Shaving days off close without adding risk
- Expanding analysis without increasing workload

The four most common close failure patterns

1. The Export Economy

Data is extracted from the ERP using CSV files or manual reports. Once exported, it is no longer connected to the system of record. Any subsequent change requires additional exports, report updates, and validation. As a result, reports can appear accurate while gradually drifting out of sync with the underlying data.

2. The Spreadsheet Web

Over time, reporting workbooks become interconnected through links and implicit logic. As complexity increases, changes become risky and difficult to trace. Teams often avoid modifying reports during close to prevent unintended consequences. The structure remains in place because it has historically worked, not because it is well understood.

3. The Hero Close

Close and reporting processes depend heavily on one or two individuals with deep institutional knowledge. While this can enable speed in the short term, it creates operational risk. Absences, turnover, or shifting priorities can materially disrupt the close.

4. The Audit Panic Loop

Audit requests require finance teams to recreate reports or rebuild supporting schedules. Even when results are accurate, this reactive approach signals limited process maturity and increases audit effort and scrutiny.

Why auditors care about your close process

Auditors are not looking for perfect spreadsheets.
They are looking for confidence in the process.

> They want to see:
> - A clear source of truth
> - The ability to trace numbers back to transactions
> - Evidence that reports can be regenerated,
>   not econstructed

When audit support relies on offline spreadsheets and one-off workbooks, questions increase. Not because figures are wrong, but because the process is opaque. Close readiness reduces audit friction by design, not by effort.

What a close-ready operating model looks like

> Close-ready teams share a few traits, regardless of industry or ERP:
>
> - Data flows directly from the ERP into Excel
> - Reports refresh instead of being rebuilt
> - Excel is a governed interface, not a data store
> - Report logic is reusable and visible
> - Audit evidence already exists before it is requested

This model does not remove Excel. It makes Excel safer.

From Close Readiness Score to Action

What to fix first based on your results

Your score is not a judgment. It is a signal.

The goal is not to replace everything at once. It is to remove the points of failure that create rework, stress, and audit exposure.

Focus:

Containment and control.

If you scored below 15: **Close in Crisis Mode**

Fix first:
- Reduce report scope
- Establish clear ownership
- Eliminate manual re-entry

Good looks like:
A repeatable baseline close that the team can sustain.

Focus:

Stabilization before optimization.

If you scored 15–29: **Close at Risk**

Fix first:
- Identify 5–10 core close reports
- Make them system-driven and repeatable
- Reduce person-dependence

Good looks like:
Close confidence improves early, not at the end.

Focus:

Remove manual breakpoints.

If you scored 30–44: **Close Stable but Fragile**

Fix first:
Eliminate CSV exports and saved snapshots
Convert key reports into regenerable formats
Centralize report logic

> Good looks like:
> Reports refresh safely at any point during close.

Focus:

Increase leverage without increasing risk.

If you scored 45–60: **Close Ready**

Fix first:
Enable on-demand refresh of management & board reports
Reuse close logic for forecasting and scenarios
Reduce dependence on static period locks

> Good looks like:
> Finance operates continuously, not just monthly.

CONCLUSION

A note on tools and timing

The most successful close improvements:

Start with reporting, not process redesign
Preserve Excel workflows
Remove manual touchpoints one by one
Improve audit readiness as a byproduct

The right solution does not replace how finance works. It removes the parts that no longer scale.

Final thought

A close does not fail all at once. It degrades slowly.

Close readiness is about catching that degradation early and fixing it calmly, before it becomes a crisis.

When the close is resilient, finance leads with confidence instead of caution.

About Velixo

Bring Your ERP Data to Life with Excel

How Velixo Helps

Velixo integrates cloud ERP systems with Microsoft Excel, providing real-time access to ERP data and powerful tools for reporting, budgeting, planning, data management, and automation. Designed for finance teams, project managers, and operations leaders, Velixo eliminates manual processes, accelerates decision-making, and enhances business efficiency, all within a familiar spreadsheet environment.

Achieve Significant Outcomes with Velixo