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How to Accelerate the Month-End Close in SAP S/4HANA

Where the days actually go, which S/4HANA capabilities remove them, and how to change the process so the gain survives the next quarter.

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Dossier date

S/4HANA Finance Optimization
Practice area

CFOs · Controllers · Finance IT · PMs
Audience

01 Briefing

Most finance teams that moved to S/4HANA still close the way they closed in ECC. The platform removed several reasons the close used to be slow — reconciliation between modules, batch aggregation, waiting for extracts — but the calendar, the manual journals and the intercompany chase came along with the migration. Accelerating the close is therefore rarely a technical project: it is a **sequencing problem** with technical enablers.

One journal

The Universal Journal removes whole categories of reconciliation work from the close

Day -5

A fast close starts before period end, not on the first working day

Intercompany

Usually the single largest source of delay — and the most automatable

3 levers

Data model · orchestration · continuous accounting. Pulling only one rarely moves the date

Stop doing the work twice

If a task exists to reconcile two sets of numbers that S/4HANA now keeps in one place, it should be deleted, not automated.

Move work earlier

Accruals, allocations, intercompany matching and bank reconciliation can all run during the month instead of after it.

Manage by exception

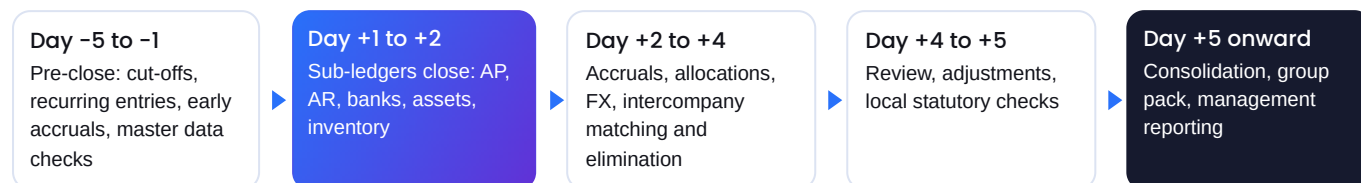
Review what breaks a rule, not everything. Materiality thresholds and validations turn review into a short list.

Key takeaway for finance leaders

Before buying anything or configuring anything, **measure the close at task level** for two cycles: who did what, when it started, when it finished and what it was waiting for. In almost every landscape, a handful of tasks — intercompany differences, GR/IR, manual journals awaiting approval, one late subsidiary — account for most of the elapsed time. That measurement is what turns "close faster" into a plan.

02 Where the days actually go

The close is a chain of dependencies, and its length is set by the longest path — not by how hard everyone works. Two or three tasks usually hold the rest hostage.



◀ The usual bottlenecks, and what actually causes them

Bottleneck	What it looks like	Root cause you will usually find
Intercompany differences	Two entities disagree, e-mails fly, an adjustment is posted late	No shared matching rules or tolerance, and no cut-off agreed between entities
GR/IR clearing	A long list of open items investigated every month	Process defects upstream: receipts without invoices, price differences, unreturned goods
Manual journals	Hundreds of entries, each needing preparation and approval	Recurring entries never automated; thresholds never agreed; approval queues without deadlines
Accruals and provisions	Spreadsheets collected from the business late in the cycle	Accruals treated as an estimate exercise instead of a repeatable posting rule
Inventory and costing	Material ledger and settlement runs sequenced at the end	Errors surface only at run time because nothing checks them during the month
One late entity	The group waits for a single subsidiary every month	No visibility of progress until the deadline passes, so nobody intervenes on day +2
Reporting	Numbers are final but the pack is not	Reports built on extracts and spreadsheets rather than on live data

◀ How to diagnose it properly

Measure the chain

Record start and end time per task for two cycles, per entity. Plot the critical path. The result is usually uncomfortable and immediately useful.

Separate waiting from working

Distinguish effort from elapsed time. Most close days are waiting: for data, for an approval, for another team's run.

Count the manual entries

Number, value and purpose of manual journals per entity. Recurring, low-value entries are the automation shortlist.

◀ What to capture per task in the diagnostic

Field	Why it matters	Typical finding
Planned vs actual start	Shows whether the task waits or the plan is wrong	Tasks start late because the predecessor finished late, not because of effort
Effort vs elapsed	Separates real work from waiting	A two-hour task occupying a full day of the calendar
Predecessor	Builds the critical path	Dependencies that are habit rather than necessity
Automation status	Sets the target mix	Jobs run manually because "someone has always launched them"
Exceptions handled	Points at upstream defects	The same five error types every month, in every entity

A useful rule of thumb: if a task cannot be explained in terms of a real accounting judgement, it is a candidate for elimination or automation. Reconciling S/4HANA against itself, re-keying data that exists in a sub-ledger, and rebuilding the same spreadsheet every month all fail that test.

03 The S/4HANA foundation: what you no longer have to do

The Universal Journal is the reason a faster close is possible at all. General ledger, controlling, asset accounting and material ledger postings live in **one line-item table**, with the same document, the same currencies and the same period. Several classic close tasks simply have no object any more.

Classic close task	Why it existed	Status in S/4HANA
FI-CO reconciliation	Separate tables and periodic transfer between modules	Gone — one journal, postings are simultaneous
Reconciliation ledger run	Cross-company and cross-area reconciliation postings	Gone — replaced by the single data model
Profitability analysis alignment	Account-based and costing-based results to reconcile	Simplified — margin analysis is part of the journal
Rebuilding totals and indexes	Aggregate tables kept in step with line items	Gone — totals are calculated on the fly
Waiting for extracts to report	Reporting needed data moved to another store	Gone — operational reporting runs on live data
Depreciation posted only at period end	Batch-oriented asset accounting	Changed — asset postings are journal postings; runs can be executed and reviewed earlier
Separate closes per accounting principle	Parallel valuation handled by separate processes	Improving — with parallel accounting, ledger-specific processes run in one framework

The migration trap

Many organisations carried their ECC close calendar into S/4HANA unchanged, including tasks whose only purpose was to reconcile things that are now the same record. **Deleting obsolete tasks is the cheapest acceleration available** — and it usually takes a review of the task list rather than a project.

Capabilities that change the shape of the close

Real time instead of period end

- ▶ **Event-based revenue recognition** recognises revenue as costs and billing are posted, rather than in a period-end run — decisive for services and project businesses.
- ▶ **Continuous intercompany matching** compares postings as they happen instead of after the fact.
- ▶ **Predictive and commitment data** gives a view of the result before actuals are complete.

One framework instead of many

- ▶ **Universal allocations** replace separate allocation tools with one run, traceable to the journal.
- ▶ **Accrual management** turns accrual calculation and reversal into rule-driven postings.
- ▶ **Group reporting** consolidates on the same data, removing a collection step.

Availability of individual capabilities depends on your release and deployment. Confirm scope against your system before committing a design — the pattern holds, the details move between releases.

Five questions about your own system

- ▶ Which **release** are we on, and which close-relevant capabilities did we skip at migration?
- ▶ Are allocations still built in an **older framework** nobody wants to touch?
- ▶ How many **ledgers and valuations** do we run, and who actually reads each one?
- ▶ Do our close reports read **live data**, or an extract taken at an unknown moment?
- ▶ Is revenue recognised **as events happen** or in a period-end run?

04 Automating the work itself

Task by task, this is where the hours sit and what removes them. The order matters: fix the data and the rule first, then automate the run, then move it earlier in the calendar.

Close task	What to do in S/4HANA	Effect on the close
Recurring journals	Convert repeated manual entries into recurring postings with fixed rules and owners	Removes preparation and approval effort from every cycle
Accruals	Use accrual management and purchase-order accruals so calculation and reversal follow a rule	Moves work from day +3 to a monitored rule; fewer spreadsheets from the business
Allocations	Rebuild cost and overhead allocations as universal allocations with traceable results	One run, one framework, and errors visible immediately
Foreign currency valuation	Schedule valuation runs as automated jobs with pre-checks on open items	Removes a late, sequential step
Depreciation and asset close	Run depreciation earlier in the cycle, with exceptions reviewed rather than full lists	Frees the critical path for judgement work
GR/IR	Monitor and clear during the month; attack the upstream causes with procurement	Turns a monthly investigation into a small exception list
Bank reconciliation	Automate statement import and matching daily	Day +1 becomes a confirmation, not an exercise
Inventory and costing	Run costing and settlement checks during the month; validate before the close window	Stops errors appearing on the critical path
Manual journal control	Validations, substitutions and approval rules with thresholds and deadlines	Fewer entries, faster approval, cleaner audit trail

◀ Where judgement should stay manual

Provisions and estimates

Litigation, restructuring, bad debt beyond the policy rule — automate the data collection and the posting, not the judgement.

Unusual transactions

Acquisitions, disposals, contract changes. The goal is that they are the only thing on the reviewer's desk.

Analysis and commentary

The point of closing faster: more time explaining the result, less time producing it.

◀ Choosing what to automate first

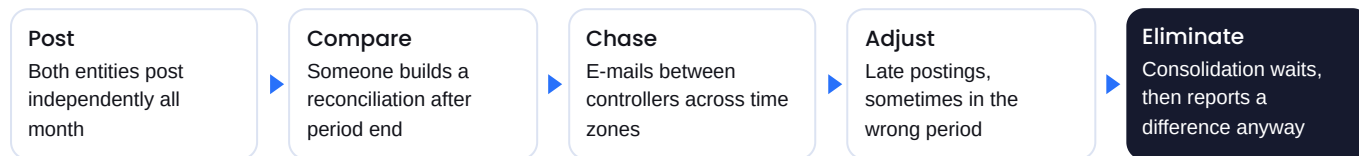
Screen each task on...	Ask	Prioritise when
Frequency	Does it happen every cycle, in every entity?	High — the payback multiplies across entities
Position on the critical path	Does anything wait for it?	On the path — off-path savings do not change the date
Judgement content	Is there a real accounting decision inside?	Low judgement, clear rule
Data reliability	Would automation run on trustworthy data today?	Reliable — otherwise fix the source first
Control impact	Does it carry a key control?	Automate with the control redesigned, and tell your auditors early

Sequence matters more than tooling. Automating a task that runs on bad data moves the failure, it does not remove it. Each item above should pass three tests before automation: the data is reliable, the rule is written down, and someone owns the exceptions.

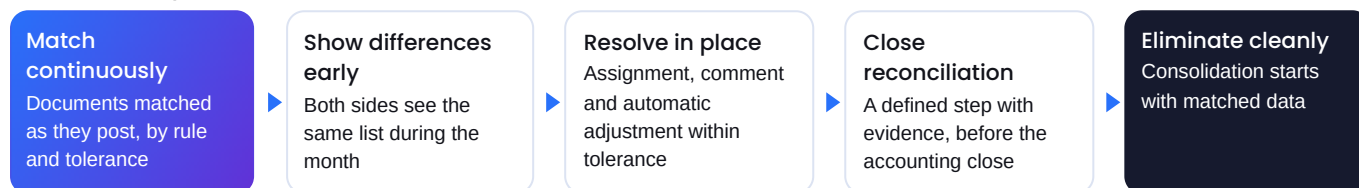
05 Intercompany: the biggest single win

In most groups, intercompany is the reason the close cannot finish on day +3. Both sides post independently, differences appear only when someone compares them, and the comparison happens after period end — which is exactly the wrong time.

The traditional pattern



The S/4HANA pattern



What makes it work

Design decisions

- ▶ **Matching rules** per document type — invoices, recharges, loans, dividends behave differently.
- ▶ **Tolerances** agreed with group accounting, with automatic adjustment below the threshold.
- ▶ **A shared calendar**: an intercompany cut-off earlier than the accounting cut-off.
- ▶ **Ownership**: one named person per entity pair, not "the team".

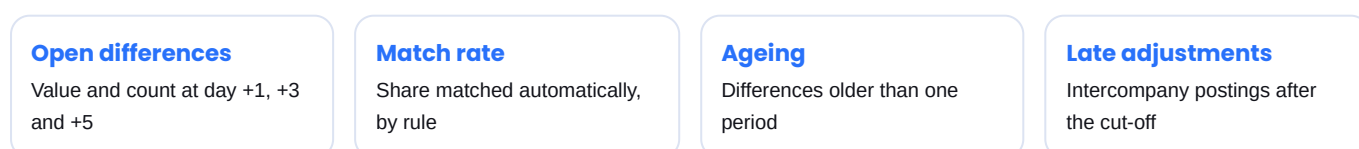
Upstream fixes that pay twice

- ▶ **Standardise intercompany pricing and document flow** so both sides post the same amounts automatically.
- ▶ **Use group-wide master data** for trading partners — most differences start as a wrong partner assignment.
- ▶ **Automate recharges** on a schedule rather than at period end.
- ▶ **Net settlements** so treasury and accounting see the same balances.

Where intercompany differences actually come from

Cause	Typical origin	Where to fix it
Timing	One side posts in the next period	A shared cut-off, enforced — not negotiated each month
Price or quantity	Manual recharges and transfer-price changes	Standardised pricing and automated document flow
Currency	Different rates or rate types	One group rate source and rate type policy
Wrong partner	Trading partner missing or mis-assigned	Master data rules and posting validations
Scope	Recharges nobody agreed to	Service-level agreements between entities, priced in advance

What to measure



The organisational part

Matching technology settles the arithmetic; it does not settle who concedes. Groups that succeed write down a **difference resolution policy** — who adjusts, within what tolerance, by when, and what happens when the two sides disagree — and give group accounting the casting vote before the deadline, not after it.

06 Orchestrating the close

A spreadsheet checklist tells you what should happen. An orchestration tool makes it happen: tasks with owners, dependencies and deadlines, jobs that trigger the next step automatically, and a live view of every entity's progress. In the SAP world this is **SAP Advanced Financial Closing**, the successor to the Financial Closing Cockpit.

What orchestration gives you

- ▶ **Templates** reused across entities and cycles, so the close is designed once and repeated.
- ▶ **Dependencies**: a task starts when its predecessor completes, rather than when someone notices.
- ▶ **Automation**: scheduled jobs run unattended and report their own success or failure.
- ▶ **Real-time status** across subsidiaries — the late entity is visible on day +2, not at the deadline.
- ▶ **Evidence**: who did what, when, with the result attached — the audit trail comes for free.

How to design the template

- ▶ Start from the **measured** close, not the documented one.
- ▶ Model the real dependencies, then challenge each one: many are habits, not constraints.
- ▶ Mark every task **automated**, **semi-automated** or **manual**, and set a target to shift the mix.
- ▶ Give each task an owner, a duration and a deadline expressed in working days.
- ▶ Separate **group-mandatory** tasks from local ones so entities can adapt without breaking the model.

◀ From checklist to orchestration

Maturity	What it looks like	What it costs you
Spreadsheet checklist	A file per entity, updated by e-mail	No visibility until it is too late to act
Shared task list	One list with owners and dates	Better transparency, still manual execution and chasing
Orchestrated close	Templates, dependencies, scheduled jobs, live status	Setup effort and template governance — repaid every cycle
Continuous close	Most tasks run during the period; the close confirms rather than produces	Requires process change, not just tooling

◀ What a task looks like in a good template

Task	Owner	Starts when	Mode
Bank statement import and matching	Treasury ops	Daily, scheduled	Automated, exceptions reviewed
Intercompany matching run	Entity controller	Continuous; hard cut-off day -1	Automated with tolerance
Accrual posting	GL accountant	After AP cut-off	Rule-based, reviewed
Depreciation run	Fixed assets	After asset cut-off	Automated job
Allocation cycle	Controlling	After cost postings complete	Automated, trial run mid-month
Trial balance review	Finance manager	After allocations	Manual, exception-based

A caution

Orchestration makes a good close faster and a bad close visible. If the template simply digitises today's checklist — including the tasks that exist to reconcile S/4HANA with itself — you get better reporting on the same duration. Redesign first, then automate.

Group and local

One template with local variants beats twenty independent calendars — and makes benchmarking between entities possible.

Cross-system

Closing steps in other systems can be modelled as tasks too, so the plan reflects reality rather than the ERP boundary.

Continuous improvement

Each cycle produces timing data. Use it to move one task earlier, automate one more, and delete one — every month.

07 Consolidation and reporting

For a group, the close is not finished when the entities are finished. Historically, consolidation added a week: collect data, validate it, chase corrections, eliminate, report. Most of that sequence can now overlap with the entity close instead of following it.

What changes with group reporting on the same data model

- ▶ **No collection step** for entities on the same system — the data is already there, at line-item level.
- ▶ **Continuous consolidation**: run eliminations during the month to see the group position early.
- ▶ **Validation rules** that reject bad data at the entity, before it becomes a group problem.
- ▶ **Drill-down to the journal**, so a group question does not become an e-mail to a controller.

What still needs design

- ▶ Entities on other systems: a defined interface and a data-quality contract.
- ▶ Currency translation, minority interests and equity method — accounting decisions, not settings.
- ▶ The boundary between **statutory** and **management** reporting, and which one drives the deadline.
- ▶ Group master data: one chart of accounts mapping, one trading-partner list, one calendar.

◀ Reporting: stop rebuilding the pack

Symptom	Usual cause	Fix
The pack takes two days after the numbers are final	Spreadsheet assembly from exports	Report from live data; keep commentary, drop re-keying
Different numbers in different decks	Several extracts taken at different moments	One source, one definition per KPI, with owners
Analysts spend the close preparing, not analysing	Manual variance analysis	Automated variance and exception reporting on the journal
Management reporting waits for statutory	One deadline for both	Publish management figures earlier, with a clear "subject to close" status

◀ Validations worth building at the entity

- ▶ Trading partner present on every intercompany account posting.
- ▶ Balance sheet accounts reconciled and flagged, with ageing on open items.
- ▶ Intercompany differences below the agreed tolerance before submission.
- ▶ Mandatory dimensions filled: profit centre, segment, functional area.
- ▶ No postings in the period after the entity declares it closed.
- ▶ Local-to-group chart of accounts mapping complete for new accounts.

◀ Who does what, and when

Step	Entity	Group	Timing
Data readiness	Posts, reconciles and passes validations	Publishes rules and monitors progress	Continuous, hard stop at submission
Submission	Declares the period closed	Confirms completeness across entities	Day +2 to +3
Eliminations	Resolves flagged differences	Runs eliminations and currency translation	Day +3 to +4
Group review	Answers drill-down questions	Analyses, validates and signs off	Day +4 to +5

A practical target: a group flash view available on day +2 or +3 with known gaps, a complete management view by day +4, and the statutory pack when the statutory work genuinely requires — rather than forcing all three onto one date and making the earliest information as late as the latest.

08 Making it stick: continuous accounting

Technology shortens tasks. Only process change shortens the **calendar**. The principle is simple and hard: do the work when the transaction happens, not when the period ends.

◀ What moves before period end

Activity	Traditional timing	Continuous timing
Bank reconciliation	Day +1 to +2	Daily, automated; day +1 is a confirmation
Intercompany matching	Day +2 to +4	Continuous, with a cut-off before period end
Accruals	Day +2 to +3, from spreadsheets	Rule-based during the month, reviewed at period end
Fixed assets	Day +2	Acquisitions and retirements processed as they occur
Allocations	Day +3 to +4	Trial run mid-month; final run early in the close
Data quality checks	Discovered during the close	Validations at posting; a daily exception list

◀ The habits that hold the gain

Materiality

Agreed thresholds for adjustments and for what must be reviewed at all. Without them, everything is reviewed and nothing is faster.

Period discipline

Posting periods opened and closed on schedule, with a short, documented exception path. A soft period lock is worth days.

Exception-based review

Reviewers see what breaks a rule or a tolerance. The evidence that everything else passed is generated, not assembled.

◀ Soft close, hard close

Soft close

A fast, estimate-tolerant view for management: allocations and accruals on rules, materiality applied, published early with a clear status.

Hard close

The full statutory close with final valuations, provisions and disclosures — necessary, but not necessarily the deadline for every number.

Why separate them

Forcing both onto one date makes management information as late as the slowest statutory task, every single month.

◀ The KPI set worth tracking

Working days to close

To entity trial balance, to group pack — measured, not estimated

Automation share

Tasks automated / semi-automated / manual, by entity

Manual journals

Count and value per cycle, and how many were recurring

Post-close adjustments

Entries after the close and reopened periods — the quality check

Who owns the close

A faster close needs a single accountable owner with authority across entities — someone who can hold a cut-off, decide an intercompany difference and say no to a late adjustment. Where that role is unclear, the calendar drifts back within two quarters, whatever the system does.

09 How 30 Advisory can help

A founder-led boutique specialised in **S/4HANA Finance optimisation**, **SAP DRC & e-invoicing compliance** and **CFO/CIO strategic advisory**. On fast close we work on the process and the system together — because separating them is why most acceleration projects disappoint.

1 · Prepare

- ▶ **Close diagnostic:** task-level timing for two cycles, critical path, manual journal analysis, automation candidates.
- ▶ Baseline KPIs and a target calendar agreed with the CFO and the entities.

2 · Explore

- ▶ Design the target close: task list rebuilt, obsolete tasks removed, dependencies challenged, owners named.
- ▶ Capability fit-gap against your release: accruals, allocations, intercompany matching, revenue recognition, group reporting.

3 · Realize

- ▶ Configure and test the accelerators; build the orchestration template with automation where it is safe.
- ▶ Fix the upstream causes — master data, GR/IR, intercompany pricing — that generate close work.

4 · Deploy

- ▶ Run two closes side by side with the new calendar, measure, adjust, then cut over.
- ▶ Train reviewers on exception-based working and hand over the KPI pack.

5 · Run

- ▶ Post-close reviews each cycle: one task earlier, one more automated, one deleted.
- ▶ Keep the close design aligned with new releases, new entities and new compliance obligations.

Typical deliverables

Close diagnostic

Critical path, bottlenecks and a quantified opportunity per task.

Target close design

Task list, calendar, owners and the automation mix.

Configuration & template

Accelerators implemented and the orchestration model built.

KPI pack

Measurement that survives the project and shows drift early.

Why 30 Advisory

- ▶ **Founder-led:** direct work with founders and senior consultants.
- ▶ **Finance rigour + SAP depth** — ledger design, not just configuration.
- ▶ **Multi-country execution** across Europe (Italy, Türkiye, Spain).
- ▶ **Boutique agility:** clear timelines, honest feedback.

Engagement models

Time & Materials — transparent daily rates per senior profile.

Fixed Price / SoW — milestone-based delivery.

Partnering — independently or alongside your system integrator.

A focused start

A **four-week close diagnostic** covering two cycles gives you the critical path, the automation shortlist and a target calendar with an effort estimate — enough to decide what to fund.

Let's Build Together

Book a 1-hour diagnostic on your current close calendar.

WEB 30advisory.com

EMAIL kike.romero.lara@30advisory.com

EMAIL maricel.campos@30advisory.com

10 Roadmap, pitfalls and next steps

◀ A realistic roadmap

Horizon	What to do	What you should see
Weeks 1–4 Diagnose	Measure two cycles at task level; count manual journals; map the critical path; agree the target calendar	An evidence-based list of where the days go
Months 1–3 Quick wins	Delete obsolete tasks; automate recurring journals; daily bank reconciliation; intercompany cut-off before period end; period discipline	One to two days, usually without configuration projects
Months 3–9 Structural	Intercompany matching, accruals, allocations, revenue recognition, orchestration template, group reporting alignment	The close becomes repeatable and visible across entities
Continuous Sustain	Post-close review each cycle; KPI tracking; new entities onboarded onto the template	The calendar holds — and keeps improving slowly

◀ Pitfalls we see repeatedly

- ▶ **Automating the old close** instead of redesigning it — faster tasks, same calendar.
- ▶ **No single owner** with authority across entities, so cut-offs are negotiable.
- ▶ **Thresholds never agreed**, so everything is material and everything is reviewed.
- ▶ **Upstream causes ignored** — GR/IR and intercompany differences are made during the month.
- ▶ **Too many ledgers and valuations** added without asking who reads them.
- ▶ **Reporting left on spreadsheets**, so the numbers are ready before the pack is.
- ▶ **No measurement**, so the gain quietly erodes within two quarters.
- ▶ **Close and compliance planned separately**, then colliding in the same week.

The compliance overlap

Statutory reporting, e-invoicing statuses and audit files all land in the same calendar as the close. Designing the close without them — or designing them without the close — is how finance teams end up with two competing month-ends. The same data model, the same master data and the same monitoring discipline serve both.

◀ Next steps

- 1 Measure the next two closes** at task level, per entity.
- 2 Delete what the Universal Journal made obsolete.**
- 3 Set an intercompany cut-off** before period end and name owners.
- 4 Automate the recurring journals** and daily bank reconciliation.
- 5 Agree materiality thresholds** for adjustment and review.
- 6 Build the orchestration template** from the measured close, not the documented one.

Sources & disclaimer

Product capabilities: SAP documentation and community material on the Universal Journal, SAP Advanced Financial Closing, intercompany matching and reconciliation, accrual management, universal allocations and SAP S/4HANA Finance for group reporting. Availability and naming differ by release and deployment option — confirm scope for your landscape with SAP before committing a design.

Practice: the bottleneck patterns, sequencing advice and KPI set reflect 30 Advisory's delivery experience on S/4HANA Finance engagements; they are guidance, not a guarantee of a specific result.

Prepared by 30 Advisory, September 2026. Information only — not accounting, audit or tax advice. Any close redesign should be reviewed with your auditors before implementation, particularly where it changes controls, cut-offs or materiality.