Case Study

Deferred Revenue Solution Automation

Case Summary

SLK's Client, a US-based Manufacturing Company using Oracle applications, sought an automated solution to recognize advance payments made throughout the month. With SLK's proficiency, we crafted a flexible and error-free automated solution to meet their needs.

The Challenge

Accurate recording of deferred revenue requires several key details to ensure the transaction reflects its specific terms and conditions. These include the transaction date, payment amount, subscription period, subscription terms, revenue recognition method, customer information, accounting entries, adjustments, supporting documentation, and compliance with relevant accounting standards. By capturing these details, companies can maintain proper records, track performance obligations, and ensure regulatory compliance.

Due to the complexities in capturing deferred revenue, business users face a challenging task during month-end. They must extract information from various Business Intelligence (BI) reports, perform manual calculations, and post entries in the General Ledger (GL). This activity is prone to errors due to the significant effort involved and the rush to complete tasks with tight deadlines.

The Solution

SLK collaborated with business users across various units to develop a unified report capable of consolidating data from different modules. This report serves as a reusable tool for verifying the accuracy of data and calculations. Once validated, users can seamlessly post the verified entries to the General Ledger (GL) during month-end with a single step.

SLK's proficiency in Oracle Applications expedited the development of a robust report, ensuring it's not only easy to comprehend but also highly adaptable to meet various requirements.

Business Impact

The implementation of our automated deferred revenue solution significantly reduced manual efforts by streamlining the processes of data generation, validation, and consolidation across spreadsheets, and manual entries in the General Ledger (GL):

- By utilizing the preview mode report for validations, we achieved a remarkable zero percent error rate in calculations, ensuring accuracy and reliability for users.
- Reduced manual efforts required to gather and consolidate data across spreadsheets, enhancing productivity and accuracy.
- Ensured complete availability, allowed users to run the programs at any time based on order shipment schedules. Additionally, users can switch between preview mode throughout the month for ongoing checks and final mode during month-end once all validations are completed satisfactorily.

SLK's Efforts Showed Quick Results:

100%	100%	0%
Efficiency in reducing manual efforts	Availability enabled users to run programs anytime according to order shipment schedules.	Error rate

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