



# ACCOUNTING AND RECONCILIATION ON CLOUD (ARC) AS A SERVICE WITH ORACLE REVENUE MANAGEMENT AND BILLING

## Abstract

In a digital-native and cloud-first marketplace, organizations must discover better ways to operate smoothly and keep pace with market demands. This can be challenging considering the rapid pace of innovation coupled with the need to secure the bottom line and meet stringent regulatory needs. This paper looks at how Oracle Revenue Management and Billing (ORMB) assists retail, Fintech, and financial services organizations in enabling accounting and reconciliation on cloud as-a-service for agile transaction reporting, improved auditing, and enhanced compliance.

## Introduction

The rise of FinTech services and innovative product offerings are helping industries like banking, money transfer, and retail gain market differentiation. Innovations such as payment processors, microlending, blockchain transactions, and crowd funding platforms are driving rapid changes in service delivery. But even as companies race to adopt these innovations, they also struggle to balance service profitability and adhere to dynamic regulatory needs.

The scenario presents unforeseen challenges for CXOs who are caught between wanting to innovate their service offerings and ensuring transparency in accounting and auditing. The key hurdle is that most traditional transaction accounting systems cannot keep pace with new market and customer demands.



## Accounting and Reconciliation on Cloud as a Service

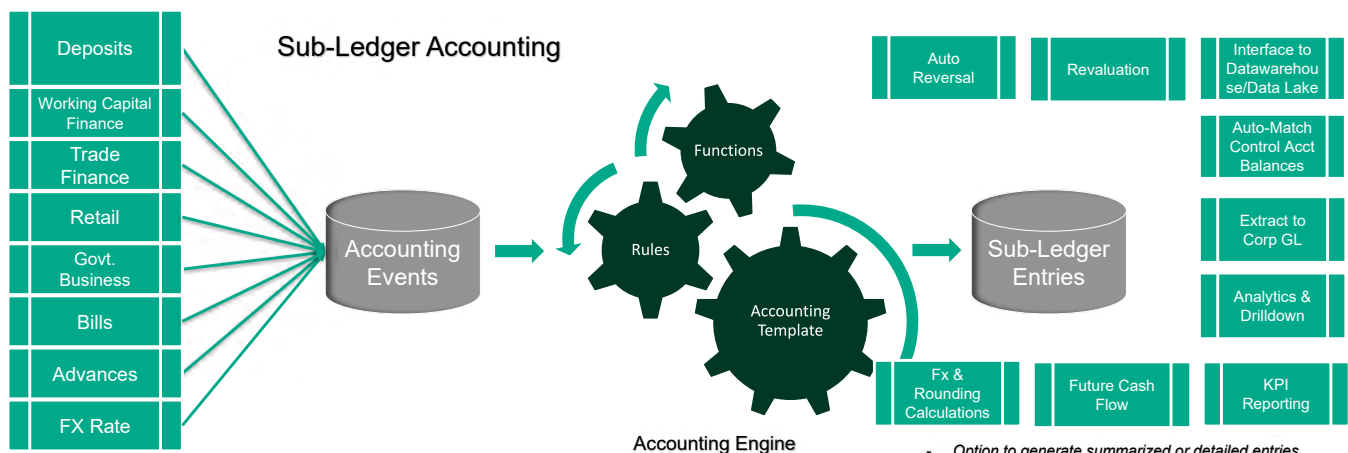
Organizations should consider using a cloud-first approach to transaction reporting by adopting 'accounting as a service'. In this model, transactional events are uploaded to cloud. The standalone subledger accounting can create simulations, generate reports, provide reviews, reconcile, and load transactions back to the enterprise general ledger (GL).

Oracle Revenue Management and Billing (ORMB) can be extended to provide this service. The above diagram depicts a standalone subledger accounting solution that consume every business event

related to Accounts Payable (AP) and Accounts Receivable (AR). It supports high volumes of accounting events, which are normal in the financial services and retail industries.

Built as a modular solution, it is completely configurable with an accounting rules engine. Users can define business events by providing the horizontal and vertical levers in terms of chart of accounts as well as the accounting line to be triggered based on business conditions.

## Infosys Accounting Solution based on Configurable Template



- Domain systems feed accounting events real-time or through batch processes
- Sub-Ledger Accounting Engine can be easily decoupled and placed in a cloud architecture

- Option to generate summarized or detailed entries
- Detailed Error reporting for unaccounted events and automatic reprocessing upon issue resolution
- Excellent diagnostics capability to trace back on accounting for events (including failed ones) and transactional references

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## Key Solution Features

Accounting & Reconciliation on Cloud (ARC) provides several features that assist organizations in adopting accounting as a service. These are:

- **Accounting traceability, analytics, and drilldown** – The subledger solution stores transaction references while creating detailed accounting entries. These support the bi-directional flow of information, allowing users to drill down from transactions to the detailed accounting record and vice versa. The source of transactions can also be traced, thereby facilitating deep analytics
- **Robust reporting** – The trial balance can be directly generated from the tool, thereby providing visibility and operational insights to business users
- **Reconciliation UI** – This allows users to view the reconciliation results. Business users can perform granular analysis on the matched, unmatched, and mismatched data using the detailed transaction reference
- **Ease of integration** – The solution accepts feeds from any transaction system and derives the business event and accounting details related to it. It also integrates with the corporate GL, sending data seamlessly by transforming transactions using the accounting rules to produce detailed accounting entries
- **Enhanced compliance** – The solution accommodates complex intercompany, transfer pricing, cost sharing agreements, and regulatory and reporting needs of banks, insurance and Fintech companies

## An Accounting-as-a-Service Case Study

**About the client** – A leading FinTech company wanted to improve operational efficiencies and get insights to create an analytics-based culture while supporting faster launches of products and services in new geographies. Their existing system operated on multiple sources of data and relied on manual effort to consolidate accounting, leading to severe process inefficiencies.

**Infosys solution** – Infosys used ORMB to transform the legacy Settlement and Billing system. Infosys Accounting and Reconciliation Cloud solution was plugged in to ORMB and it delivered Accounting Solution as a service. As part of the engagement, Infosys transformed settlement, accounting, bank reconciliation, and reporting processes. Key highlights are:

- Used batch processing to process over 27 million accounting events within 2 hours
- Deployed a configurable and modular solution to support business growth
- Generated predictable cash flows for treasury hedging using accounting events



- **Delivered analytics-** based reports based on product, customer, location, department, and revenue levels

**Benefits** – Implementing the Infosys Accounting & Reconciliation Cloud solution helped the client achieve benefits such as:

- Scalable and faster product release cycles to support launches in new geographies
- **Meet ever-** changing regulatory and compliance requirements
- Assist the CFO in data-driven decision-making
- Reduced manual effort, resulting in cost savings and productivity improvements

## Conclusion

Transaction reporting is often a cumbersome and time-consuming process that does not keep pace with the rapid pace of change in current markets. As enterprises adopt new service offerings and launch new products, they need visibility into their accounts to track profitability and make informed decisions for business growth. Infosys has designed a solution that delivers accounting and reconciliation as a service, giving organizations access to automated and nimble transaction reporting. Delivered through ORMB, the tool integrates easily with the enterprise GL, provides reporting and analytics capabilities, and scales easily to meet business needs. It ensures complete traceability of data, thereby helping organizations improve auditing and meet compliance requirements with ease.

## About the Author



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Ramesh is a Chartered Accountant, has over 17 years of experience in IT consulting and delivery. He has steered cloud-enablement journeys as well as complex digital transformation programs for organizations across financial services industries. He has experience in leading Finance Transformation, Digital Transformation, Billing and Reporting Transformation, Implementing ERP and Reporting solutions, and Implementing Finance and Accounting processes.

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For more information, contact [askus@infosys.com](mailto:askus@infosys.com)



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