

# 4 common financial consolidation challenges companies face

Effective financial consolidation is a rigorous process requiring accurate data, expert project management across all entities, and compliance with global accounting standards. Below are the four most common challenges companies face.

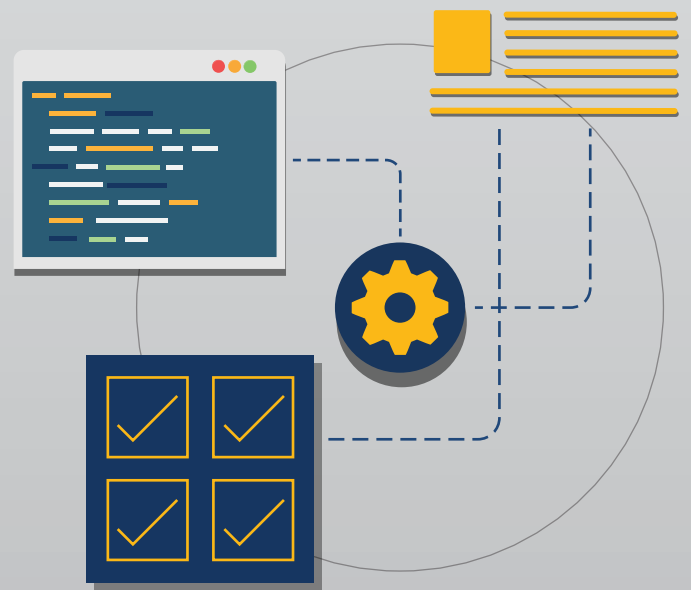


## 1 Low quality or inaccurate data

Unreliable data is one of the most common hurdles companies face. Often this is a result of manually inputting data across numerous locations and separate databases, a cumbersome task that results in human error. You need to introduce processes that ensure the accuracy and reliability of all data from input to normalization.

## 2 Failure to automate labour-intensive processes

Financial consolidation can be an incredibly time-consuming process, requiring hours of labour across multiple departments and entities. The cost can quickly add up! Investing in appropriate automation of these processes can quickly solve this challenge.

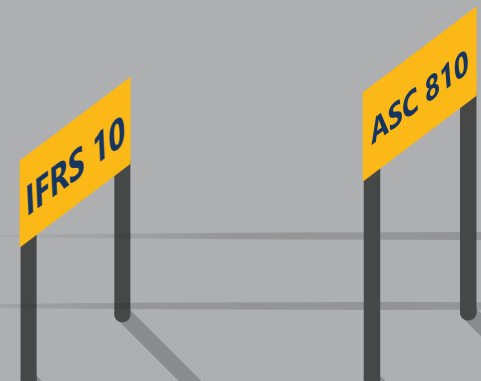


## 3 Mistakes arising from entities using different reporting tools and systems

Companies struggle to consolidate reports from various entities, which vary significantly, whether this results from different naming conventions or incompatible systems that make transferring data between entities almost impossible. To solve this, invest in a single centralized system that creates a chart of accounts adhered to by all entities.

## 4 Changing regulations and guidelines

Complying with global accounting standards like ASC 810 and IFRS 10 can be tricky for companies, particularly as they scale. As compliance will present an ongoing obstacle, it's best to look for an accounting solution that makes financial consolidation a core feature.



If you want to learn more about the challenges companies face when it comes to financial consolidation, check out our blog.

[Learn more](#)