Philips Medical Systems develops innovative solutions by partnering with clinicians and their customers to improve patient outcomes, provide better value, and expand access to care. Their 37,000 employees are offering more than 450 products and services in 100 countries, and 8% of sales is invested back into research and development.

**The Challenge**

Before Smart Close, Philips had a well-defined closing process, but like many companies, they managed closing tasks with Excel spreadsheets that were distributed by email or network servers. It took many man-hours to rigorously monitor all the parts of the process to ensure that each item was completed on time and according to plan.

On average, Philips’ monthly closing process took more than a week to complete because of Excel inefficiencies. In addition, Excel was an
inadequate solution because it provided neither reliable evidence that process procedures were completed correctly nor the documentation that is essential for internal control tasks.

**Why Smart Close**

Realizing that their financial processes needed improvement, Philips chose to implement Smart Close. “Philips has a long history of leadership that has helped create its well-respected name. One of the responsibilities of being a global business leader is having a strong financial reporting system and for that, we rely on Smart Close,” says Segers.

Reflecting on their original Excel-based process, Segers cites a lack of global visibility, ownership, and accountability as the largest challenges they faced. “Our monthly balancing procedure involves a lot of functions such as finance, logistics, and our project office. Before Smart Close, only the controller kept track of information,” he explains. “Today, everyone can see for themselves what they need to deliver by what deadline and view the result when the task is complete. By including all the closing steps, end users have to complete tasks in the proper order. This new procedure has made it a lot easier to hold the right people accountable.”

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—Rob Segers, assistant controller of Philips Medical Systems’ Benelux Dutch branch

Implementing the user-driven, user-friendly Smart Close system has created a culture of ownership at Philips while greatly reducing task completion time and errors. It sets clear expectations and arms users with convenient tools to eliminate paperwork and needless end-of-month struggles. Their users are positively impacted by the automated financial software as well, and enjoying the benefits of fast reporting, clear processes, and reduced cost.
The Results

**Improved Process Efficiency.** When considering all the ROI after implementing Smart Close, the single largest impact the solution has had on Philips has been improving process efficiency. Data collection, task monitoring, and follow-up are now streamlined and accurate. Philips' switch to Smart Close has enabled Continuous Accounting and makes information available throughout the end-to-end process.

When asked about the impact on close monitoring and follow-up (Philips' largest sources of closing delays), Segers draws a sharp contrast between the ease of working with Smart Close and the earlier days of endless emails and phone calls. “Today the controller just monitors if everyone has done their part, and, if not, sends a message or makes a call to communicate quickly and efficiently with any workers who pose a risk to delaying the process.”

**ROI year over year after Implementation.** Having implemented Smart Close in less than three months, Philips is delighted with the fast implementation and quick ROI. Although using Smart Close for 12 years, Philips continues to be pleased with the benefits. “The great thing about Smart Close is that whenever an additional step is necessary, we can simply make the change ourselves,” explains Segers. “It cuts costs and gives us independence from IT.”

Philips' detailed closing tasks and a central process repository have also enabled continuous process improvements. With Smart Close, recurring bottlenecks can be detected and process improvements can easily be made centrally. When asked what advice he would offer future Smart Close users, Segers said, “It is more than automated financial software, it’s also a process enhancement tool. For new customers, my advice is that management endorsement is an absolute must. The initial months before implementation were a period of procedural optimization, and now Smart Close is performing to our high standards, to everyone's delight.” After taking Philips’ closing process from an error-filled weeks process to an almost and very close error-free days process, his feelings are understandable.

THE SMART CLOSE SOLUTION DISCUSSED IN THIS STUDY WAS ACQUIRED BY BLACKLINE IN 2016.