

## Critical Capabilities for Financial Close and Consolidation Solutions

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Initiatives: [Digital Technology in Finance](#); [ERP](#)

The accounting function has a critical need for a compliant, efficient and collaborative way to manage its close and consolidation processes. Corporate controllers can use this research to shortlist vendors of financial close and consolidation solutions by assessing their key capabilities.

**This Critical Capabilities is related to other research:**

[Magic Quadrant for Financial Close and Consolidation Solutions](#)

[View All Magic Quadrants and Critical Capabilities](#)

## Overview

### Key Findings

- Only one-third of financial close and consolidation solution vendors use AI in their current offerings, predominantly within anomaly detection and analytics. However, all vendors have AI on their 2024 roadmap, with a particular focus on narrative generation and conversational support.
- Although corporate controllers identify ease of close, configurable consolidation rules and prebuilt reporting as key features when evaluating applications, capabilities within these areas are the least differentiated among vendors. The greatest differentiation is in capabilities such as data integration with existing ERPs, vendor implementations and support models.
- User experience and collaboration are key requirements in this market. Customers want user-friendly tools that enable faster, more efficient collaboration with diverse and global teams. Vendors are responding by investing in areas such as workflows, virtual chatbots and collaboration tools, visual dashboards, and cockpit management.
- Sixty percent of the vendors evaluated offer financial reporting risk management, or disclosure and regulatory reporting capabilities, within their product. The remaining 40% are focused around investing in automation within the close and consolidation capabilities, rather than branching into adjacent capabilities.

### Recommendations

Corporate controllers aiming to select the financial close and consolidation system that is best aligned to the organization's needs should:

- Avoid starting with vendor capabilities. Instead, identify your organization's current and future financial close and consolidation needs, and focus the selection process on the most important and relevant of Gartner's three use cases.
- Use the Critical Capabilities customization feature to fine-tune the most pertinent Gartner use case by adjusting the weighting percentages to match your organization's priorities and expectations.
- Use Gartner BuySmart™ to develop a shortlist of vendors based on technical fit, business fit and usability.

- Require finalist vendors to demonstrate their solution offering to ensure that they can support current and future business needs.

## What You Need to Know

All vendors profiled in this Critical Capabilities report offer products that support group close management, financial consolidation and financial reporting, journal entry management, data integration, and collaboration. However, financial close and consolidation vendors vary in terms of capabilities, such as their financial reporting risk management, disclosure management, financial statement reconciliation and advanced analytics. This is driving variability within each use case assessed in this Critical Capabilities report.

This research differentiates each vendor's product based on three use cases that represent the primary buyer segments of the financial close and consolidation solutions market. The three use cases are:

- **Efficiency:** This use case focuses on an organization's goal to drive efficiency and productivity within their close and consolidation processes.
- **Complex business environment:** This use case focuses on organizations whose operations may be in multiple geographic regions across multiple ERPs that need ease of integration, consolidation and elimination across multiple LEs.
- **Regulatory and compliance:** This use case focuses on organizations with complex legal entity structures that require adherence to multiple global and local regulations and/or are in industries that are heavily regulated.

The ratings for each Critical Capability are based on evaluations by Gartner analysts, vendor demonstrations, responses to vendor questionnaires, and insights from client inquiry interactions, as well as Gartner's Peer Insights platform.

For this research, the scoring ranges used are:

Score 0 to 1.4: Poor

Score 1.5 to 2.4: Fair

Score 2.5 to 3.4: Good

Score 3.5 to 4.4: Excellent

Score 4.5 – 5: Outstanding

Corporate controllers should use this Critical Capabilities research together with the [Magic Quadrant for Financial Close and Consolidation Solutions](#). The Magic Quadrant assesses vendors that offer the financial close and consolidation solutions evaluated in this Critical Capabilities report. Utilizing both reports will enable corporate controllers to find vendors that match specific organizational needs by balancing vendors' completeness of vision and ability to execute with the capabilities of their products.

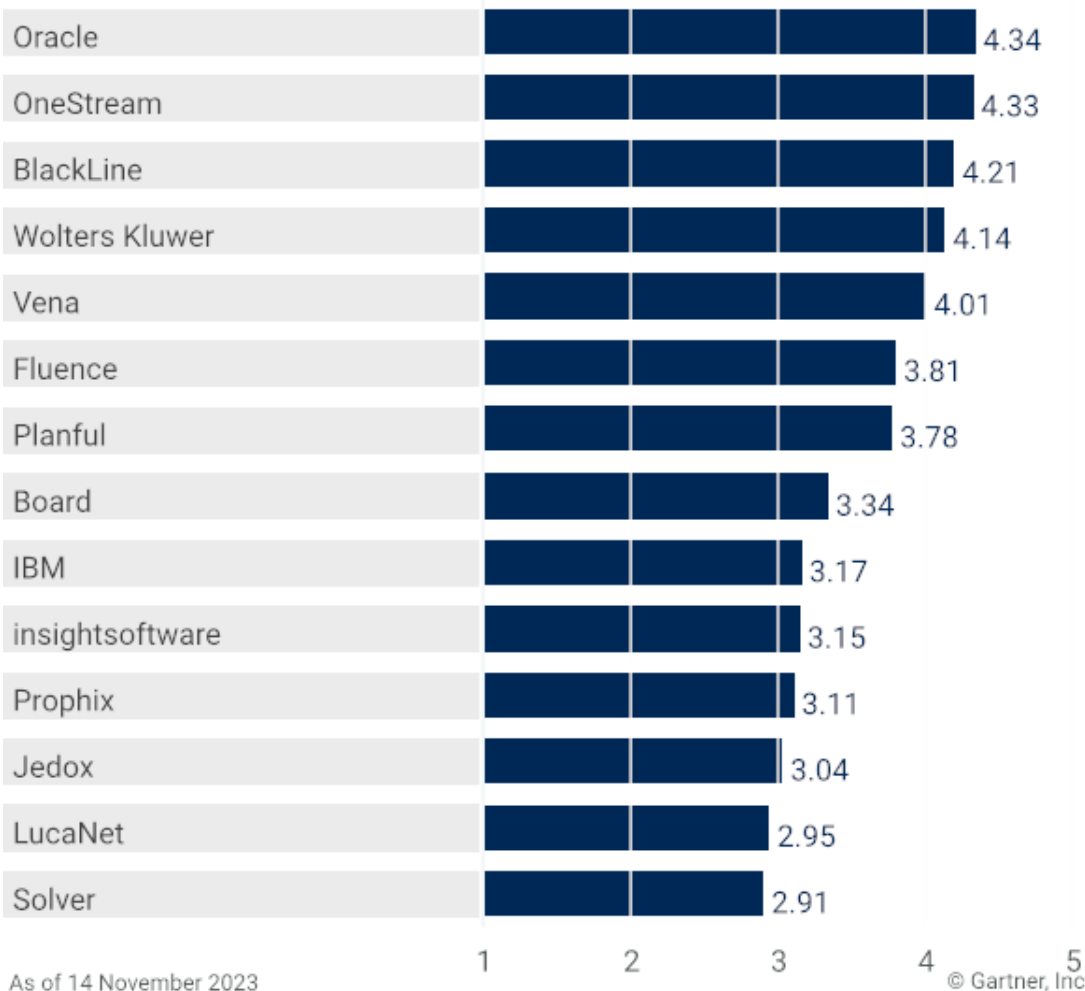
Note that vendors identified as Leaders in the Magic Quadrant do not necessarily have the highest-scoring capabilities for every use case in this Critical Capabilities report. Niche Players, for example, may score higher for a specific use case because they focus on certain capabilities, rather than on the needs of the wider market. It is also important to understand that this research represents a "snapshot in time."

Analysis

Critical Capabilities Use-Case Graphics

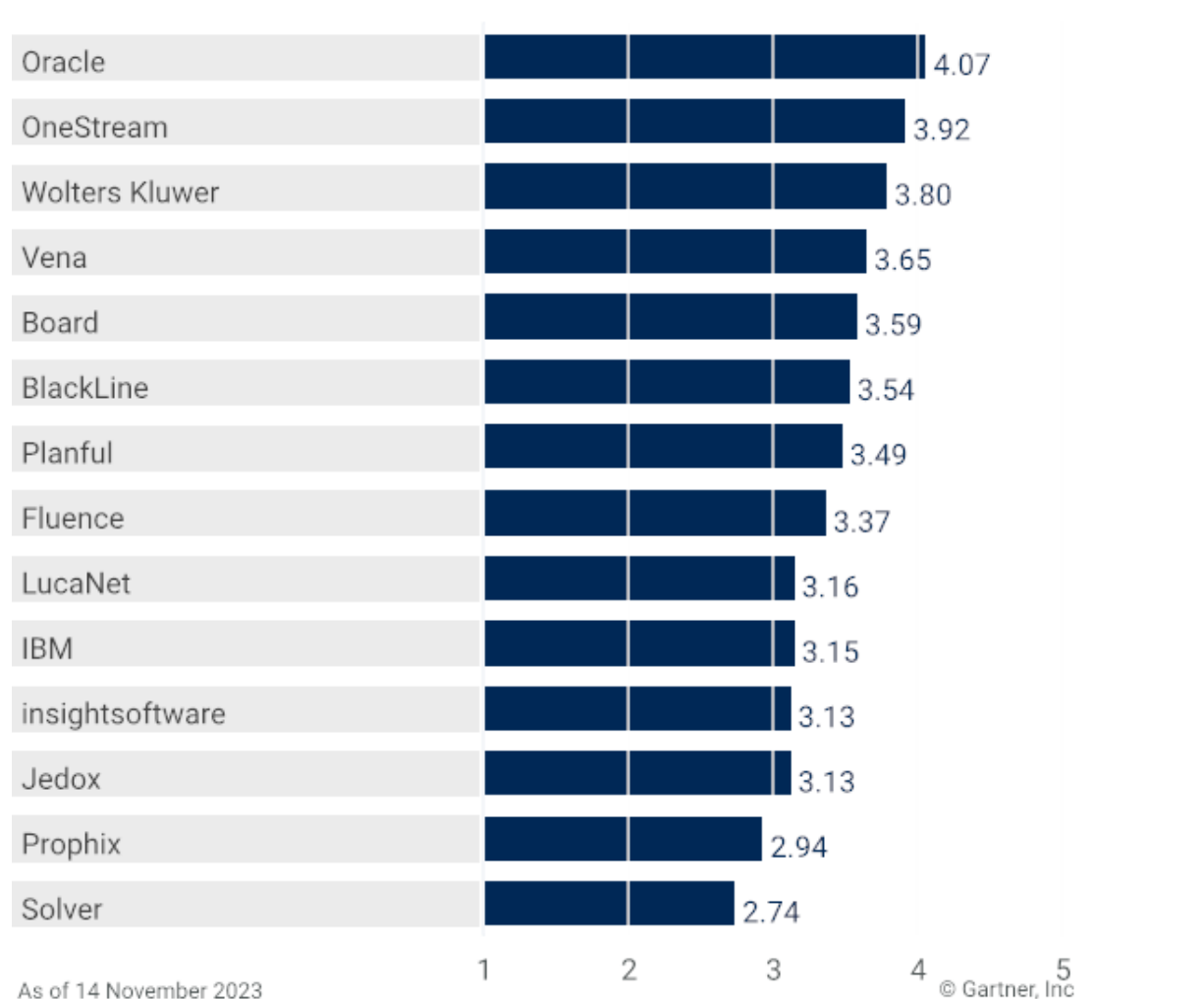
Vendors' Product Scores for Efficiency Use Case

Product or Service Scores for Efficiency



## Vendors' Product Scores for Complex Business Environment Use Case

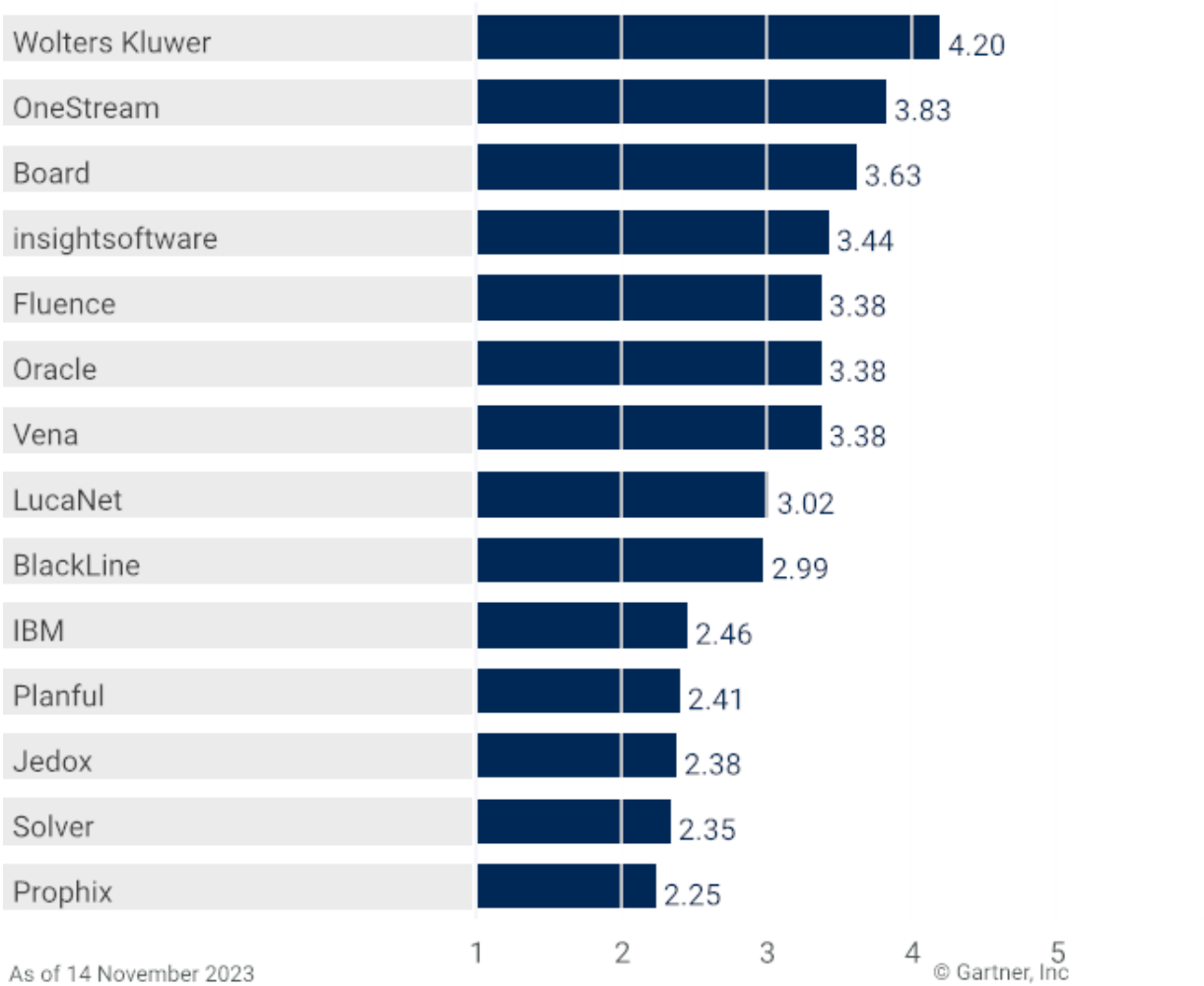
Product or Service Scores for Complex Business Environment



Gartner.

Vendors' Product Scores for Regulatory and Compliance Use Case

Product or Service Scores for Regulatory and Compliance



## Vendors

### **BlackLine**

BlackLine's product consists of multiple solutions, including Financial Close Management, Intercompany Financial Management, Modern Accounting Playbook and SAP Solution Extension, and is known for automated journal entry with multitier workflow and advanced financial statement reconciliation capabilities. To prioritize product development, BlackLine uses customer input, an online users' community forum, subject matter experts, partners and product teams. In 2023, BlackLine increased security via a new single sign-on solution and increased use of its OAuth 2.0 for authentication, adding to its portfolio of security compliance certifications. Within the next year, BlackLine plans to introduce its BlackLine Accounting Studio to provide visualization and automation across BlackLine's solutions.

BlackLine received its highest Critical Capabilities score for financial statement reconciliation, scoring Outstanding across vendors evaluated in this research. BlackLine provides prebuilt templates with rule-based administration in this capability, allowing for dynamic risk ratings and autocertification, supported by editable workflow.

It received its lowest Critical Capabilities score for advanced analytics, scoring Fair compared to other vendors. BlackLine supports financial analytics through Variance Analysis and Financial Reporting Analytics, with more features planned on its 2024 roadmap.

BlackLine achieved its highest use-case rating, Excellent, for efficiency. This reflects the product's proficient ability to streamline the close process for companies with a high volume of transactional workload. Meanwhile, BlackLine's lowest use-case rating was Good for regulatory and compliance.

### **Board**

Board's product consists of a single solution, Board Group Consolidation and Reporting, and is known for its ability to manage large data and user volumes, and its no-code interface. To prioritize product development, Board leverages feedback from its customer base, services teams, partner ecosystem and cloud technology. In 2023, Board enhanced its end-to-end workflow and automatic reclassification rules for journal entries. Within the next year, Board plans to introduce risk modules and explore integrating generative AI and chatbots as standard offerings.



Board received its highest Critical Capabilities score for user experience, scoring Excellent across vendors evaluated in this research. To enhance user experience, Board uses voice interaction that allows users to interact with digital assistants through voice commands, enabling hands-free operation.

It received its lowest Critical Capabilities score for financial statement reconciliation, scoring Good compared to other vendors. Although it offers intercompany reconciliation, Board does not provide capabilities such as autocertification and real-time reporting of aged items, though some of these items are included in their 2024 roadmap.

Board achieved its highest use-case rating, Excellent, for regulatory and compliance. This reflects the product's ability to streamline the disclosure and regulatory reporting process through data integration, compliance support and data validation capabilities, including iXBRL tagging. Meanwhile, Board's lowest use-case rating was Good for efficiency.

## **Fluence**

Fluence's product consists of multiple solutions, including Consolidation, Account Reconciliation, Disclosure Management and FluenceXL, and is known for its no-code interface and standard out-of-the-box functionality for consolidation rules and reports. To prioritize product development, Fluence uses a market analysis, stakeholder priorities, strategic objectives, and input from customers, advisory boards and the product management team. In 2023, Fluence released a matching application for account and intercompany reconciliation as part of its close management functionality. Within the next year, Fluence plans to support the Japanese market by adding another data center in Japan through its reseller partnership.

Fluence received its highest Critical Capabilities score for financial reporting, scoring Excellent across vendors evaluated in this research. Fluence's platform supports all accounting standards, including generally accepted accounting principles (GAAP), international financial reporting standards (IFRS) and accounting standards for private enterprise (ASPE), with standard, preconfigured rules and drillback features. Its reporting and analytics tool connects Microsoft Excel to its platform in real time.

It received its lowest Critical Capabilities score for financial reporting risk management, scoring Fair compared to other vendors. Even though Fluence brings some automation to risk control matrix completion requirements, it does not offer a comprehensive risk management solution as part of its product.

Fluence achieved its highest use-case rating, Excellent, for efficiency. This reflects the product's ability to have an embedded workflow across all solutions. Some of its close management features include varied forms of documentation, hierarchical status reporting and comprehensive workflow actions. Meanwhile, Fluence's lowest use-case rating was Good for a complex business environment.

## **IBM**

IBM's product consists of a single solution, IBM Cognos Controller, and is known for its built-in financial logic for currency translation and its full audit capability. To prioritize product development, IBM uses market research, stakeholder feedback, an online ideas portal, customer input, partner advisory board meetings and user experience experts. In 2023, IBM upgraded its import, text search and filtering for journals. Within the next year, IBM plans to enhance its sign-on identification and its integration with IBM Planning Analytics.

IBM received its highest Critical Capabilities score for close management, scoring Excellent across vendors evaluated in this research. IBM offers its customers advanced functions, such as drillable dashboard capabilities and close status checks, that can facilitate and support efficiency via collaboration during the closing cycle.

It received its lowest Critical Capabilities score for financial statement reconciliation, scoring Poor compared to other vendors. Higher-rated vendors offer functionalities to support reconciliation, such as automation on transaction-matching processes, dynamic risk rating and robust dashboards.

IBM achieved its highest use-case rating, Good, for efficiency. This reflects the product's data integration capability that supports data ingestion from multiple ERPs, and the standard rules and automation capabilities within its close and consolidation solutions. Meanwhile, IBM's lowest use-case rating was Fair for regulatory and compliance.

## **insightsoftware**

insightsoftware's product consists of multiple solutions, including Longview Close, Tax, and Transfer Pricing, IDL Konsis, Clausion Consolidation, CXO and Certent Disclosure Management, and is known for its common platform and prebuilt content packages (e.g., IFRS and GAAP). To prioritize product development, insightsoftware uses market trends, customer input, an innovations portal and its strategic roadmap initiatives. In 2023, insightsoftware launched a Pillar 2 solution leveraging tax reporting solutions for new and existing customers. Within the next year, insightsoftware plans to enhance its environmental, social and governance (ESG) reporting capabilities across its platform, from collection and consolidation to narrative generation and filing.

insightsoftware received its highest Critical Capabilities score for disclosure and regulatory reporting, scoring Excellent across vendors evaluated in this research. insightsoftware's solution provides a user-friendly iXBRL tagging functionality, in addition to comprehensive workflow options and notifications that can facilitate the stages of completion.

It received its lowest Critical Capabilities score for advanced analytics, scoring Fair compared to other vendors. insightsoftware currently does not offer AI or ML capabilities. Higher-rated vendors provide stronger AI functionality for narrative generation and pattern recognition.

insightsoftware achieved its highest use-case rating, Good, for regulatory and compliance. This reflects the product's ability to uphold compliance by offering simplified links of datasets to a variety of regulatory bodies. Meanwhile, insightsoftware's lowest use-case rating was Good for complex business environment.

## **Jedox**

Jedox's product is a single solution, Jedox Financial Consolidation model, and is known for its intercompany analysis and Microsoft Excel integration. To prioritize product development, Jedox uses customer input, an ideas portal, and an analysis of functions and capabilities relevant to its platform, market trends and customer needs. In 2023, Jedox attained IDW PS 880 certification, which is given by the German authority for auditing standards. Within the next year, Jedox plans to enhance its notes to accounts functionality and implement XBRL disclosure management reporting.

Jedox's solution received its highest Critical Capabilities score for user experience, scoring Excellent across vendors evaluated in this research. Jedox designed its solution as low-code for users, and offers prebuilt templates for agile deployment. It also offers a natural language processing (NLP) capability that understands questions posed by the user and returns instructions on how to accomplish tasks, such as "creating a dashboard."

It received its lowest Critical Capabilities score for financial statement reconciliation, scoring Poor compared to other vendors. Jedox's capability is limited to intercompany reconciliation between an entity and its trading partners. Higher-rated vendors provide prebuilt reconciliation templates with rule-based automated transaction matching processes, dynamic risk ratings and autocertification for low-risk balance sheet accounts.

Jedox achieved its highest use-case rating, Good, for complex business environment. This reflects the product's ability to provide a standard connection with multiple ERPs, and its reporting and analytical capability that supports visibility at a global level and drill-through to transactional details. Meanwhile, Jedox's lowest use-case rating was Fair for regulatory and compliance.

## **LucaNet**

LucaNet's product consists of multiple solutions, including LucaNet Financial consolidation and SmartNotes, and is known for automated currency translation and its presentation of accounting standards (e.g., IFRS and GAAP). To prioritize product development, LucaNet uses customer and partner input, stakeholder feedback, business opportunity and product functionality aligned with strategic goals. In 2023, LucaNet extended its reporting and visualization, including adding quick access to critical figures via a dashboard functionality. Within the next year, LucaNet plans to redesign its user interface to ensure it is harmonized across its solutions.

LucaNet received its highest Critical Capabilities score for financial reporting, scoring Excellent across vendors evaluated in this research. LucaNet's reporting solution provides preconfigured databases in accordance with IFRS, U.S. GAAP and local accounting standards, such as the German commercial code (HGB), French GAAP and Dutch GAAP.

It received its lowest Critical Capabilities score for financial statement reconciliation, scoring Poor compared to other vendors. LucaNet does not currently offer any financial statement reconciliation for its customers. Higher-rated vendors provide prebuilt templates with rule-based administration, dynamic risk ratings and autocertification, supported by editable workflow.

LucaNet achieved its highest use-case rating, Good, for complex business environment. This reflects the product's out-of-the-box business logic for currency conversion, its support for multi-GAAP consolidation and standard data connections to over 300 ERPs, and its support of financial reporting statements for multiple local and global accounting standards. Meanwhile, LucaNet's lowest use-case rating was Good for efficiency.

## **OneStream**

OneStream's product consists of multiple solutions, including its Intelligent Finance Platform, account reconciliations, transaction matching, ESG Blueprint, and Tax Provision solutions, which are all available for download from its Solution Exchange. It is known for a single, unified financial close solution and analytical capabilities that support daily insights into key trends. To prioritize product development, OneStream uses a product development and product management team, a community portal, customer feedback and partnerships. In 2023, OneStream enhanced its reconciliation capability by providing analysis at group and account level. Within the next year, OneStream plans to enable customization of its financial statement reconciliations grid display.

OneStream received its highest Critical Capabilities score for close management, scoring Outstanding across vendors evaluated in this research. OneStream has a guided workflow with Extensible Dimensionality and pre- and postload data quality checking. Its task manager provides the ability to define the critical path and set dependencies between tasks.

It received its lowest Critical Capabilities score for advanced analytics, scoring Good compared to other vendors. While OneStream offers ML capabilities to flag anomalies, higher-ranked vendors offer a broader range of AI features, such as automapping of charts of accounts (COAs), narrative generation, interactive chatbots and automatching of transactions.

OneStream achieved its highest use-case rating, Excellent, for efficiency. This reflects the product's ability to offer extensive capabilities in the close and consolidation process, including its connectivity to multiple ERPs, guided workflow and drillback features. Meanwhile, OneStream scored Excellent for the regulatory and compliance use case.

## Oracle

Oracle's product is a single solution, Oracle Fusion Cloud Enterprise Performance Management (Oracle Cloud EPM) and it is known for data flow and diagnosis of issues, entity and group level support for GAAP and IFRS, and account-level intercompany evaluation. To prioritize product development, Oracle uses market trends, competitive differentiation and customer needs and satisfaction. In 2023, Oracle launched Intelligent Performance Management (IPM), which enables identification of data issues, based on patterns like variance, bias or outliers, through AI. Within the next year, Oracle plans to apply generative AI for the creation of report commentary.

Oracle received its highest Critical Capabilities score for financial consolidation, scoring Outstanding across vendors evaluated in this research. Oracle provides a wide range of methods to ingest source data and also offers comprehensive rules around translation, elimination and consolidation.

It received its lowest Critical Capabilities score for disclosure and regulatory reporting, scoring Good compared to other vendors. While Oracle can support a variety of internal and external reporting requirements, it lacks iXBRL capability or the ability to automatically transfer information to regulators.

Oracle achieved its highest use-case rating, Excellent, for efficiency. This reflects the product's ability to drive automation across the financial close and consolidation process, and support ingestion of data across multiple types of ERPs and source systems. Meanwhile, Oracle's lowest use-case rating was Good for regulatory and compliance.

## Planful

Planful's product is a single solution, the Planful Financial Performance Management Platform, and is known for its support for system-agnostic extensibility with myriad prebuilt system connectors. To prioritize product development, Planful uses customer requirements, market needs and product vision. In 2023, Planful enhanced its visual legal entity organization chart and subconsolidations rules. Within the next year, Planful expects to add an ownership details upload feature, upgrade its consolidation cockpit and drive improvements in its user experience.

Planful received its highest Critical Capabilities score for financial reporting, scoring Excellent across vendors evaluated in this research. It supports GAAP and IFRS as standard capability, and has advanced user-friendly drag-and-drop functionality, helping its customers to easily create customizable reports, supported by drill-through capability to transaction-level details.

It received its lowest Critical Capabilities score for financial reporting risk management, scoring Poor compared to other vendors. Planful does provide support for basic controls; however, advanced risk management is only supported through a third-party partnership, not natively within the product.

Planful achieved its highest use case rating, Excellent, for efficiency. This reflects the product's ability to quickly implement its product across multiple source systems, while also providing its users with financial statement reconciliation options and standard reporting. Meanwhile, Planful's lowest use case rating was Fair for regulatory and compliance.

## **Prophix**

Prophix's product consists of multiple solutions, including financial consolidation and intercompany management, and is known for customization without coding and its full-visibility audit trail. To prioritize product development, Prophix uses customer feedback, customer support interactions, its online community, analysts and market research. In 2023, Prophix enhanced its journal entry approval and validation process in a new user-friendly page. Within the next year, Prophix plans to add more options to support import and export of data toward data warehouses and business intelligence (BI) tools.

Prophix received its highest Critical Capabilities score for financial reporting, scoring Excellent across vendors evaluated in this research. Prophix's report-building is fully configurable, and users can build reports that suit their needs. It is also possible to use Microsoft Excel add-ins to build reports that retrieve data directly from the application.

It received its lowest Critical Capabilities score for advanced analytics, scoring Poor compared to other vendors. Although Prophix has some AI-enabled analytical capabilities, it does not offer stronger functionalities for narrative generation and pattern recognition.

Prophix achieved its highest use-case rating, Good, for efficiency. This reflects the product's ability to offer standard connections with multiple ERPs, and offer standard dashboards and task lists to effectively manage the close and consolidation process. Meanwhile, Prophix's lowest use-case rating was Fair for regulatory and compliance.

## **Solver**

Solver's product is a single cloud suite solution for corporate performance management, and is known for its reporting process management and Microsoft Excel-based report designer that can dynamically expand across columns and rows. To prioritize product development, Solver uses a process for ranking and priorities based on market research, customer feedback, consultant feedback and sales team feedback. In 2023, Solver drove enhancements in its reporting and workflow capabilities. Within the next year, Solver plans to leverage ChatGPT to support product help and documentation through Microsoft Azure.

Solver received its highest Critical Capabilities score for financial reporting, scoring Excellent across vendors evaluated in this research. With Solver's report designer, customers can create simple or complex report designs with drill-through capability, leveraging spreadsheet formulas.

It received its lowest Critical Capabilities score for financial reporting risk management, scoring Poor compared to other vendors. Solver does not have any specific built-in risk control matrix (RCM) functionality, nor does it provide policy mapping or control multiple-tier users' access to the solution.

Solver achieved its highest use-case rating, Good, for efficiency. This reflects the product's ability to effectively handle close management tasks through its process manager and support financial reporting with its flexible report designer. Meanwhile, Solver's lowest use-case rating was Fair for regulatory and compliance.

## **Vena**

Vena's product consists of multiple solutions, including financial close management, financial consolidation, account reconciliation, financial reporting and tax planning, and is known for its audit trail and hybrid multidimensional online analytical processing (OLAP) and relational database. To prioritize product development, Vena uses customer feedback, community forums, its product management and customer success team, and market insight. In 2023, Vena built a native direct connection into Microsoft Dynamics 365 Business Central that supports automatic data transfer from the ERP into its product. Within the next year, Vena plans to launch Vena Copilot and a Microsoft Teams app.

Vena's solution received its highest Critical Capabilities score for close management, scoring Excellent across vendors evaluated in this research. This score reflects Vena's capabilities within its close workflow, which offers visuals for tracking status and sending automated emails, as well as validation rules to ensure completeness and accuracy of tasks.



It received its lowest Critical Capabilities score for disclosure and regulatory reporting, scoring Good compared to other vendors. This is mainly due to Vena's limited options to connect and transfer reports to global regulatory bodies, which is supported through their strategic partnerships.

Vena achieved its highest use-case rating, Excellent, for efficiency. This reflects the product's use of preconfigured templates and automations within its closing and reconciliation capabilities. Meanwhile, Vena's lowest use-case rating was Good for regulatory and compliance.

## **Wolters Kluwer**

Wolters Kluwer's product consists of multiple solutions, including CCH Tagetik financial close and consolidation, account reconciliation and transaction matching, financial and management reporting, disclosure management. It also offers CCH Tagetik ESG & Sustainability Performance Management, and is known for comprehensive consolidation function and its process-monitoring cockpits. To prioritize product development, Wolters Kluwer uses customer feedback, contextual design meetings, market trends and its strategy plan. In 2023, Wolters Kluwer enhanced its ESG solution with European Sustainability Reporting Standards (ESRS) compliance, which falls under the EU Corporate Sustainable Reporting Directive (CSRD). Within the next year, Wolters Kluwer plans to enhance its user experience and user interface features, including upgrading its homepage, navigation and landing pages.

Wolters Kluwer received its highest Critical Capabilities score for close management, scoring Outstanding across vendors evaluated in this research. The product has full cockpit management from the close to disclosure of reports, with data validation on entry forms, integrated routines, submission and diagnostic checks.

It received its lowest Critical Capabilities score for data integration, scoring Excellent compared to other vendors. Though Wolters Kluwer offers prebuilt connectors for SAP S/4HANA and Microsoft Power BI, higher-rated vendors offer a larger number of prebuilt connectors for both on-premises and cloud ERPs.

Wolters Kluwer achieved its highest use-case rating, Excellent, for regulatory and compliance. This reflects the product's ability to support financial and nonfinancial disclosure management, iXBRL tagging, and ESG reporting, with integrated workflow features that support team collaboration. Meanwhile, Wolters Kluwer's lowest use-case rating was Excellent for complex business environment.

## Context

This research evaluates 14 vendors' products for 11 critical capabilities, ranging from core features, such as close management, financial consolidation, and financial reporting, to innovative features like advanced analytics and adjacencies, such as disclosure management.

When reviewing the suitability of a vendor's product for your organization, use the ratings given for each Critical Capability as a starting point for your selection process.

This research also evaluates the suitability of the vendors' products for three common use cases that represent the primary buyer segments of the financial close and consolidation solutions market. Although we have provided these use cases, organizations can adjust the weightings of our critical capabilities to conduct a custom analysis. If two or more of the use cases apply to your organization, focus on the dominant one. Use the "Customize" function in the interactive version to adjust the weighting of each critical capability to suit your needs. Adjust the weightings according to your business mandates, performance requirements and future ambitions.

## Product/Service Class Definition

Gartner defines financial close and consolidation solutions as applications that enable corporate controllers and their teams to manage the organization's group close, consolidation and reporting processes. This market equips organizations to:

- Manage and drive financial control across their close cycles through configurable workflows and dashboards that support collaboration and provide a centralized auditable view.
- Execute financial consolidation across multiple legal entities (LEs) and geographies.
- Meet accounting standards for currency translation, intercompany elimination and top-side adjustments.
- Generate reporting that adheres to generally accepted accounting principles (GAAP), international financial reporting standards (IFRS) and regional compliance.

The must-have capabilities of the financial close and consolidation solutions market include:

- Close management

- Financial consolidation
- Financial reporting

The standard capabilities for the market include:

- Financial statement reconciliation
- Journal entry processing

The optional capabilities for the market include:

- Financial reporting risk management
- Disclosure management

The financial close and consolidation solutions market is growing, with the newest offering entering the market as recently as November 2022. Internally, it is driven by pressures to increase efficiency and provide more valuable insights and lower costs. Externally, it is driven by macroinfluences such as increased regulation in accounting, additional compliance requirements and more-complicated global corporate structures. Vendors are responding to these challenges by providing solutions that have system-agnostic extensibility and are scalable and flexible, yet still provide robust capabilities for managing financial group close and consolidation.

The financial close and consolidation solutions market has shifted primarily from on-premises to cloud deployments. To reflect this shift, the capabilities of any on-premises offerings will not be evaluated in this research.

## Critical Capabilities Definition

### **Close Management**

This Critical Capability assesses the management of group financial close processes across all entities. It includes configuration of close tasks, tracking of entity completion status, configurable and auditable workflows, and dashboards or portals to monitor the close process status in real time.

## **Financial Consolidation**

This Critical Capability ensures the collection and aggregation of financial information from multiple general ledger sources, with the purpose of completing group financial consolidation.

It includes applying currency translation rules, executing intercompany eliminations and creating adjustments to provide an organization's consolidated financial results at the group and subgroup levels.

## **Financial Reporting**

This Critical Capability focuses on the provision of financial statements, such as balance sheets, income statements and cash flows that are compliant with accounting standards, including but not limited to IFRS and GAAP.

This capability also assesses financial statement analytics, including but not limited to financial statement drill-downs, line or segment view reporting, period-over-period change attributions, and balance sheet and cash flow analysis.

## **Disclosure and Regulatory Reporting**

This Critical Capability assesses the support for multiple regulatory requirements for disclosure, regulatory and statutory reporting requirements across the organization.

It includes both financial and nontabular financial disclosures, such as the management discussion and analysis (MD&A). It also involves assessing disclosure management workflows and eXtensible Business Reporting Language (XBRL) tagging.

## **Financial Statement Reconciliation**

This Critical Capability assesses the management of reconciliations for balance sheet accounts, including but not limited to cash-related accounts, intercompany, inventory and subledgers to ensure the group financial statements are accurate.

It includes the capability to assign account ownership to users, assign risk category and frequency of certification by account, and the ability to perform financial account balance certification.

## **Financial Reporting Risk Management**

This Critical Capability focuses on the management and monitoring of controls over financial and nonfinancial data to address compliance and reduce financial reporting risk. It includes capabilities such as audit trails, change logs, controls evidence and policy mapping.

## **Journal Entry Management**

This Critical Capability focuses on processing journal entries for all required close and consolidation activities.

It includes the ability to initiate, document, validate and approve journal entries throughout the closing process, such as manual, recurring and system-calculated journal entries, alongside top-side journal adjustments.

## **Advanced Analytics**

This Critical Capability focuses on the generation of data-driven insights, supported by AI and ML, to provide trends that trigger actions or decisions.

The insights can be used to remove effort in transactional elements such as financial reconciliations and transactional matching. This capability can also support commentary on financial reports.

## **Data Integration**

This Critical Capability assesses the connection to and ingestion of data from multiple ERPs and other source systems.

Integration can be from any system, whether cloud-based, on-premises or simply a spreadsheet. Data integration should be vendor-agnostic and provide multiple options to meet varying system connections.

## **Implementation and Support Strategy**

This Critical Capability assesses the ease and speed of making the solution available for use, including the time to train the buyer's staff through an established implementation approach or partner network.

This also includes quality and timeliness for responding to client issues, and releasing and communicating new solution updates in response to regulatory and accounting changes.

## **User Experience**

This Critical Capability assesses the delivery of a high-quality user experience, including a streamlined and intuitive approach to interactivity and collaboration among users.

It includes digital assistants, responsive UI design (i.e., UI adapted in real time to various screen sizes), visualization capabilities, differentiation between UI for personas, and multiple modes of interaction (e.g., voice recognition, mobile). It also includes a user-friendly experience for administrators to maintain the solution and make adjustments to rules as needed.

## **Use Cases**

### **Efficiency**

This use case focuses on an organization's goal to drive efficiency and productivity within their close and consolidation processes.

These organizations are often looking for solutions to automate and streamline the group close process by eliminating time-consuming and error-prone manual data-gathering processes. Here, organizations look for solutions that can integrate various data sources through prebuilt connectors and enable automation in high-effort tasks, such as consolidation and reconciliation. They also seek solutions that can facilitate collaboration between entities and corporate through real-time workflows that further increase the efficiency of the close.

### **Complex Business Environment**

This use case focuses on organizations whose operations may be in multiple geographic regions across multiple ERPs.

These organizations typically have a requirement to facilitate financial data integration across multiple accounting systems, including prebuilt connectors, financial modeling to support consolidation, financial reporting and eliminations across multiple LEs. They also require a user-friendly and collaborative application with enhanced analytics capabilities, to support analysis of large-volume financial transactions by their teams that are spread across different regions.

### **Regulatory and Compliance**

This use case focuses on organizations with complex legal entity structures that require adherence to global, local or industry-specific regulations.

These organizations are required to support local and group regulatory, reporting and accounting practices, as well as larger accounting mandates such as IFRS and U.S. GAAP. These organizations require the ability to have prepopulated and easily configurable templates, with compliance and reporting capabilities under various accounting standards. They also require the ability to respond to changes in the regulatory landscape quickly and efficiently.

## Vendors Added and Dropped

This is the first edition of the Critical Capabilities for Financial Close and Consolidation Solutions. All vendors included in this report are, therefore, being evaluated for the first time for these Critical Capabilities.

## Inclusion Criteria

To qualify for inclusion, providers had to fulfill the following criteria:

### Product Capabilities

The product must:

- Support all the must-have capabilities as defined in the Market Definition section, specifically with close management, financial consolidation and financial reporting. The must-have capabilities should be available within the native vendor solutions and not offered through partnerships with other vendors.
- Support customers with legal entities in at least two of the following regions: North America, Latin America, EMEA or Asia/Pacific.
- Be deployed as a cloud service. On-premises-only solutions will not be included within the assessment. If a vendor offers both on-premises and cloud options, the capabilities of the on-premises offerings and any hosted on-premises options will not be considered in the evaluation process.
- Actively market, sell and deploy the product on a stand-alone basis, devoid of any additional bundling with broader ERP suites or other solutions.

### Market Presence

The product must meet at least one of the following two financial criteria, for the calendar year ending 31 December 2022:

- Have at least 150 active customers
- Have at least 50 active customers, with a minimum 10% year-over-year customer count growth

**Table 1: Weighting for Critical Capabilities in Use Cases**

(Enlarged table in Appendix)

<b>Critical Capabilities</b> ↓	<b>Efficiency</b> ↓	<b>Complex Business Environment</b> ↓	<b>Regulatory and Compliance</b> ↓
Close Management	30%	0%	5%
Financial Consolidation	10%	25%	0%
Financial Reporting	0%	10%	20%
Disclosure and Regulatory Reporting	0%	0%	40%
Financial Statement Reconciliation	20%	0%	0%
Financial Reporting Risk Management	0%	10%	15%
Journal Entry Management	15%	0%	0%
Advanced Analytics	0%	10%	5%
Data Integration	20%	20%	0%
Implementation and Support Strategy	0%	15%	10%
User Experience	5%	10%	5%

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This methodology requires analysts to identify the critical capabilities for a class of products/services. Each capability is then weighted in terms of its relative importance for specific product/service use cases.

## Critical Capabilities Rating

Each of the products/services that meets our inclusion criteria has been evaluated on the critical capabilities on a scale from 1.0 to 5.0.



**Table 2: Product/Service Rating on Critical Capabilities**

(Enlarged table in Appendix)

<b>Critical Capabilities</b>	<b>BlackLine</b>	<b>Board</b>	<b>Fluence</b>	<b>IBM</b>	<b>insightsoftware</b>	<b>Jedox</b>	<b>LucaNet</b>	<b>OneStream</b>	<b>Oracle</b>	<b>Planful</b>	<b>Prophix</b>	<b>Solver</b>	<b>Vena</b>	<b>Wolters Kluwer</b>
Close Management	4.4	3.6	4.1	3.9	3.7	3.9	3.3	4.6	4.3	3.4	3.3	3.4	4.3	4.6
Financial Consolidation	3.9	3.6	3.9	3.9	3.7	3.7	3.7	4.2	4.5	3.9	3.3	3.2	3.9	4.1
Financial Reporting	4.2	4.0	4.2	3.8	4.0	3.6	4.0	4.3	4.1	4.3	3.9	3.5	4.2	4.3
Disclosure and Regulatory Reporting	1.9	3.5	3.6	1.8	4.1	1.4	3.2	3.5	2.8	1.4	1.5	1.9	3.0	4.5
Financial Statement Reconciliation	4.7	2.5	3.8	1.0	2.0	1.0	1.0	4.4	4.3	3.8	1.8	2.0	4.0	4.3
Financial Reporting Risk Management	3.6	3.9	1.5	1.6	1.6	1.9	1.4	4.2	3.0	1.0	1.2	1.3	3.1	4.0
Journal Entry Management	4.4	3.0	3.9	3.6	2.8	3.4	3.2	4.3	4.3	4.0	3.6	3.0	3.6	4.1
Advanced Analytics	1.5	2.5	3.0	1.3	1.5	2.0	1.3	2.5	3.5	3.0	1.0	1.3	3.0	3.7
Data Integration	3.5	3.7	3.2	3.5	3.3	2.9	3.7	4.0	4.4	4.1	3.5	2.8	3.9	3.5
Implementation and Support Strategy	3.6	3.3	3.2	3.1	3.1	3.1	3.3	3.8	3.8	3.3	2.9	3.0	3.0	3.5
User Experience	3.9	4.1	4.0	3.4	3.7	4.1	3.3	4.0	4.3	3.7	3.7	3.2	4.1	3.5

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To determine an overall score for each product/service in the use cases, multiply the ratings in Table 2 by the weightings shown in Table 1.

**Table 3: Product Score in Use Cases**

(Enlarged table in Appendix)

Use Cases	BlackLine	Board	Fluence	IBM	insightsoftware	Jedox	LucaNet	OneStream	Oracle	Planful	Prophix	Solver	Vena	Wolters Kluwer
Efficiency	4.21	3.34	3.81	3.17	3.15	3.04	2.95	4.33	4.34	3.78	3.11	2.91	4.01	4.14
Complex Business Environment	3.54	3.59	3.37	3.15	3.13	3.13	3.16	3.92	4.07	3.49	2.94	2.74	3.65	3.80
Regulatory and Compliance	2.99	3.63	3.38	2.46	3.44	2.38	3.02	3.83	3.38	2.41	2.25	2.35	3.38	4.20

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## Critical Capabilities Methodology

This methodology requires analysts to identify the critical capabilities for a class of products or services. Each capability is then weighted in terms of its relative importance for specific product or service use cases. Next, products/services are rated in terms of how well they achieve each of the critical capabilities. A score that summarizes how well they meet the critical capabilities for each use case is then calculated for each product/service.

"Critical capabilities" are attributes that differentiate products/services in a class in terms of their quality and performance. Gartner recommends that users consider the set of critical capabilities as some of the most important criteria for acquisition decisions.

In defining the product/service category for evaluation, the analyst first identifies the leading uses for the products/services in this market. What needs are end-users looking to fulfill, when considering products/services in this market? Use cases should match common client deployment scenarios. These distinct client scenarios define the Use Cases.

The analyst then identifies the critical capabilities. These capabilities are generalized groups of features commonly required by this class of products/services. Each capability is assigned a level of importance in fulfilling that particular need; some sets of features are more important than others, depending on the use case being evaluated.

Each vendor's product or service is evaluated in terms of how well it delivers each capability, on a five-point scale. These ratings are displayed side-by-side for all vendors, allowing easy comparisons between the different sets of features.

Ratings and summary scores range from 1.0 to 5.0:

1 = Poor or Absent: most or all defined requirements for a capability are not achieved

2 = Fair: some requirements are not achieved

3 = Good: meets requirements

4 = Excellent: meets or exceeds some requirements

5 = Outstanding: significantly exceeds requirements

To determine an overall score for each product in the use cases, the product ratings are multiplied by the weightings to come up with the product score in use cases.

The critical capabilities Gartner has selected do not represent all capabilities for any product; therefore, may not represent those most important for a specific use situation or business objective. Clients should use a critical capabilities analysis as one of several sources of input about a product before making a product/service decision.

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## Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[How Products and Services Are Evaluated in Gartner Critical Capabilities](#)

[Magic Quadrant for Financial Close and Consolidation Solutions](#)

[Market Guide for Financial Reconciliation Solutions](#)

[Technology Acceptance Is the Key to Reducing Accounting Errors](#)

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Table 1: Weighting for Critical Capabilities in Use Cases

<i>Critical Capabilities</i> ↓	<i>Efficiency</i> ↓	<i>Complex Business Environment</i>	↓ <i>Regulatory and Compliance</i> ↓
Close Management	30%	0%	5%
Financial Consolidation	10%	25%	0%
Financial Reporting	0%	10%	20%
Disclosure and Regulatory Reporting	0%	0%	40%
Financial Statement Reconciliation	20%	0%	0%
Financial Reporting Risk Management	0%	10%	15%
Journal Entry Management	15%	0%	0%
Advanced Analytics	0%	10%	5%
Data Integration	20%	20%	0%
Implementation and Support Strategy	0%	15%	10%
User Experience	5%	10%	5%

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Table 2: Product/Service Rating on Critical Capabilities

<i><b>Critical Capabilities</b></i>	<i><b>BlackLine</b></i>	<i><b>Board</b></i>	<i><b>Fluence</b></i>	<i><b>IBM</b></i>	<i><b>insightsoftware</b></i>	<i><b>Jedox</b></i>	<i><b>LucaNet</b></i>	<i><b>OneStream</b></i>	<i><b>Oracle</b></i>	<i><b>Planful</b></i>	<i><b>Prophix</b></i>	<i><b>Solver</b></i>	<i><b>Vena</b></i>	<i><b>Wolters Kluwer</b></i>
Close Management	4.4	3.6	4.1	3.9	3.7	3.9	3.3	4.6	4.3	3.4	3.3	3.4	4.3	4.6
Financial Consolidation	3.9	3.6	3.9	3.9	3.7	3.7	3.7	4.2	4.5	3.9	3.3	3.2	3.9	4.1
Financial Reporting	4.2	4.0	4.2	3.8	4.0	3.6	4.0	4.3	4.1	4.3	3.9	3.5	4.2	4.3
Disclosure and Regulatory Reporting	1.9	3.5	3.6	1.8	4.1	1.4	3.2	3.5	2.8	1.4	1.5	1.9	3.0	4.5
Financial Statement Reconciliation	4.7	2.5	3.8	1.0	2.0	1.0	1.0	4.4	4.3	3.8	1.8	2.0	4.0	4.3

<i><b>Critical Capabilities</b></i>	<i><b>BlackLine</b></i>	<i><b>Board</b></i>	<i><b>Fluence</b></i>	<i><b>IBM</b></i>	<i><b>insightsoftware</b></i>	<i><b>Jedox</b></i>	<i><b>LucaNet</b></i>	<i><b>OneStream</b></i>	<i><b>Oracle</b></i>	<i><b>Planful</b></i>	<i><b>Prophix</b></i>	<i><b>Solver</b></i>	<i><b>Vena</b></i>	<i><b>Wolters Kluwer</b></i>
Financial Reporting Risk Management	3.6	3.9	1.5	1.6	1.6	1.9	1.4	4.2	3.0	1.0	1.2	1.3	3.1	4.0
Journal Entry Management	4.4	3.0	3.9	3.6	2.8	3.4	3.2	4.3	4.3	4.0	3.6	3.0	3.6	4.1
Advanced Analytics	1.5	2.5	3.0	1.3	1.5	2.0	1.3	2.5	3.5	3.0	1.0	1.3	3.0	3.7
Data Integration	3.5	3.7	3.2	3.5	3.3	2.9	3.7	4.0	4.4	4.1	3.5	2.8	3.9	3.5
Implementation and Support Strategy	3.6	3.3	3.2	3.1	3.1	3.1	3.3	3.8	3.8	3.3	2.9	3.0	3.0	3.5
User Experience	3.9	4.1	4.0	3.4	3.7	4.1	3.3	4.0	4.3	3.7	3.7	3.2	4.1	3.5

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Table 3: Product Score in Use Cases

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Efficiency	4.21	3.34	3.81	3.17	3.15	3.04	2.95	4.33	4.34	3.78	3.11	2.91	4.01	4.14
Complex Business Environment	3.54	3.59	3.37	3.15	3.13	3.13	3.16	3.92	4.07	3.49	2.94	2.74	3.65	3.80
Regulatory and Compliance	2.99	3.63	3.38	2.46	3.44	2.38	3.02	3.83	3.38	2.41	2.25	2.35	3.38	4.20

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