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Whitepaper

Four hidden costs of closing and consolidation with legacy systems

From automated processes to intelligent financial management: why standing still remains the most expensive decision.



Automation was the right first step. But it is no longer enough.

The close and consolidation process is currently at the center of a profound transformation of the finance function. In recent years, many finance organizations have invested significant resources in automating their close processes, with noticeable success.

However, it is becoming increasingly clear that automation alone cannot deliver the speed, transparency, and decision intelligence that CFOs are now expected to provide.

Outdated consolidation systems continue to generate substantial costs that often remain hidden. These costs do not only manifest in longer close cycles or higher resource requirements, but above all in reduced strategic agility, growing compliance risks, and declining trust in the underlying financial data.

This whitepaper identifies four specific cost drivers that arise when close and consolidation are not understood as an integrated, future-ready platform capability. It explains why holding on to legacy approaches remains one of the most expensive decisions finance organizations can make today.

The paper is aimed at CFOs, Heads of Finance, and Transformation Leads who are preparing the transition from a process-optimized to a strategically effective finance function.

At CCH® Tagetik, we see a clear shift: leading organizations are moving from isolated consolidation tools to unified, finance-owned platforms that bring together close, planning, ESG, and analytics in a single, trusted environment.

The new reality of finance organizations

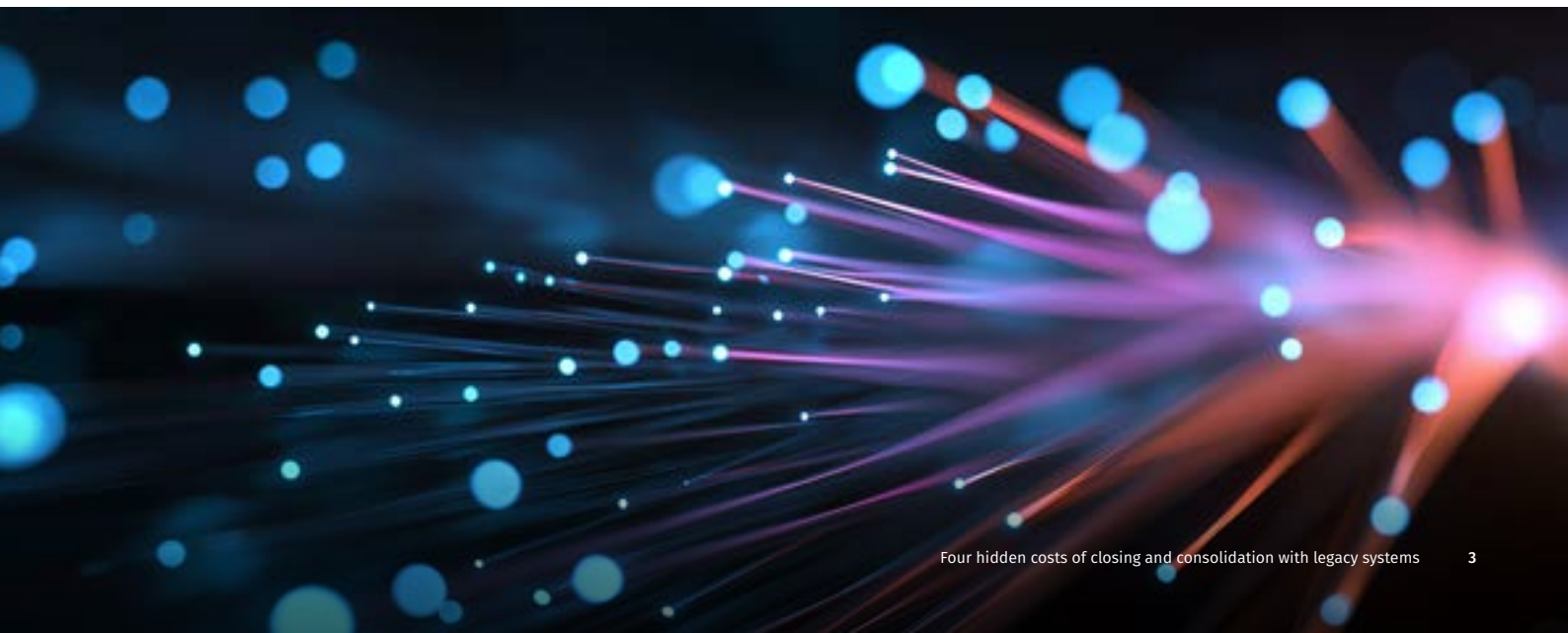
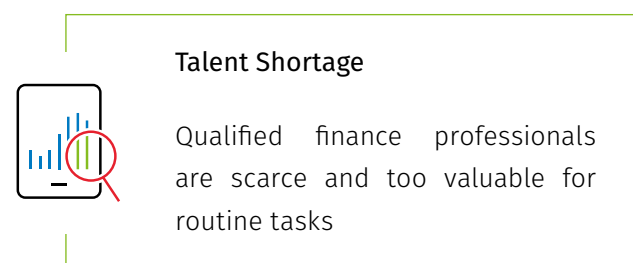
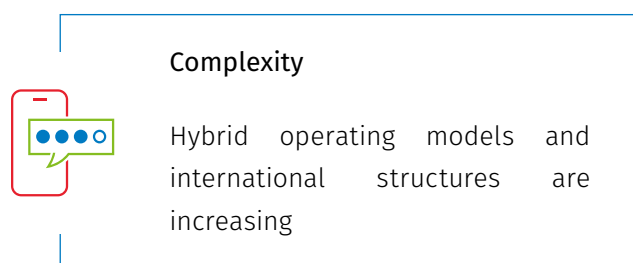
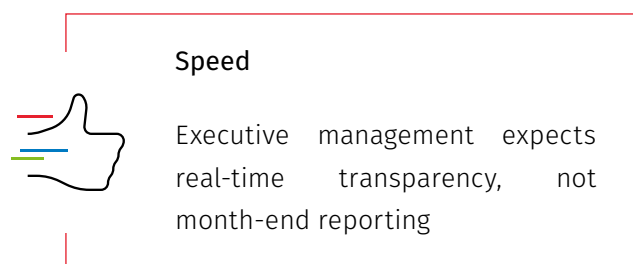
Today's finance departments operate under a combination of regulatory pressure, speed expectations, and structural complexity that is unprecedented.

At the European level, CSRD, ESRS, ESEF, and Pillar II do not simply require new data, they demand a fundamentally different information architecture. Executive boards and capital markets expect figures that are explainable, consistent, and available in near real time, not only at the end of the quarter.

At the same time, the operating model of the finance function is changing. The close is no longer a periodic activity, it is becoming a continuous, connected process that directly feeds planning, forecasting, ESG reporting, and strategic decision-making.

Legacy systems, built for a different era, are becoming a brake on this transformation.

Drivers of change



Four hidden costs of legacy systems

Cost factor 1:

Error risks and lack of trust in the numbers



When the data foundation becomes a weakness.

Legacy consolidation systems and historically grown tool landscapes significantly increase the risk of inconsistent data states and hard-to-trace adjustments. Manual interventions, isolated Excel files, and a lack of end-to-end transparency are not exceptions in legacy environments, they are the norm.

Intercompany reconciliations, currency translations, and consolidation entries become systematically more error prone as a result. The real issue: errors are often detected late, then corrected with considerable effort, creating additional explanation requirements for auditors and supervisory bodies.

Capital markets, auditors, and regulators now expect full traceability, complete documentation of data lineage, automated controls, and explainable variances. Systems without integrated data models and AI-driven anomaly detection are structurally unable to meet these expectations.

Trust in the finance function suffers and with it, its internal authority.



Visible signals:

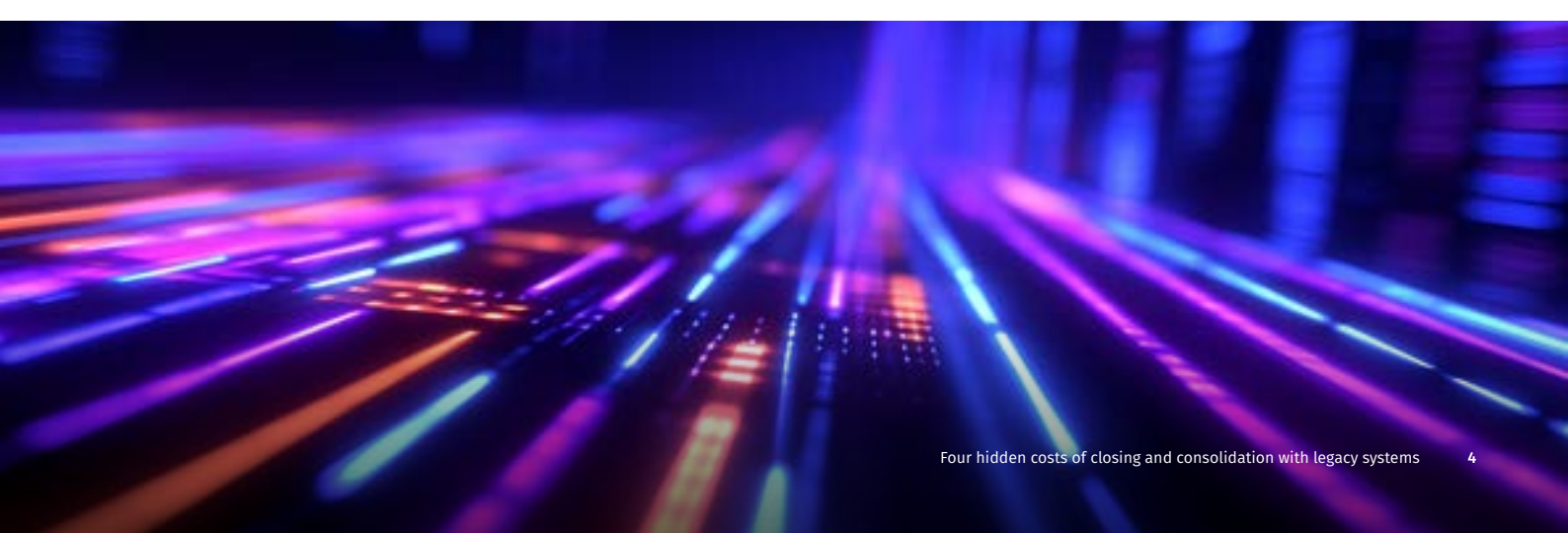
Rising audit effort and rework toward the end of the close

Repeated correction cycles due to inconsistent data

Delayed closes caused by manual escalations

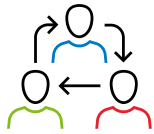
Compliance risks due to missing audit trail documentation

Modern platforms address this by providing a single source of truth, built-in controls, and AI-driven anomaly detection, ensuring full transparency and auditability.



Cost factor 2:

Highly skilled talent stuck in operational standstill



When finance professionals produce data instead of decisions.

Despite efficiency initiatives, many finance teams still spend the majority of their time on activities that deliver little strategic value. Studies show that in legacy environments, finance teams can spend up to 60% of their time on transactional or corrective activities.

In a market that demands analytical skills, business insight, and technological capability, this is doubly costly:

Potential remains unused, and frustration increases.

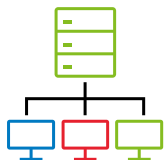
Modern consolidation platforms counter this with intelligent workflows, automated reconciliations, and AI-supported variance explanations. Forgoing these capabilities creates hidden personnel costs that no controlling function captures.

▶ Visible signals:

- High turnover in finance teams after close periods
- Difficulty attracting or retaining analytically strong profiles
- Low involvement of finance in strategic initiatives
- Overtime peaks at month- and quarter-end as a recurring pattern

Cost factor 3:

Strategic decisions based on fragmented data



When information arrives too late, or contradicts itself.

Management decisions today require the integration of financial, operational, and ESG-related information that is consistent, up to date, and comparable across actuals, plans, forecasts, and consolidation.

Legacy systems are structurally unsuited for this because they separate financial close from planning and operational data, preventing a consistent, real-time view of performance. They are isolated, difficult to integrate, and when connected with modern data platforms such as Snowflake or Databricks, create breaks in media, delays, and inconsistencies.

The cost does not appear as visible process inefficiency, but as reduced decision quality: overly conservative actions, missed growth opportunities, and misallocated resources. What is lacking is not willingness to decide, but a reliable, integrated foundation for doing so.

▶ Visible signals:

- Conflicting KPIs from different source systems ("Which number is correct?")
- Delays in ad-hoc analyses for executive decisions
- Insufficient integration of ESG and financial data in reporting
- No real-time linkage between plan, actuals, and forecasts

Cost factor 4:

Lack of future readiness in a continuous close world



When systems prevent innovation instead of enabling it.

Continuous close, predictive close, and rolling forecasts are no longer abstract concepts. Leading finance organizations are already using them to identify close risks early and set steering impulses much faster.

The prerequisite is a unified, cloud-native platform with a shared data model, where close, planning, and analytics operate on the same foundation and AI is embedded directly into finance processes. Legacy systems built on rigid process logic and individual customizations are not designed for these requirements. Every new regulatory or strategic demand increases implementation time, dependencies, and technical debt.

The result is a finance function that is permanently reactive. The opportunity costs of this inertia are substantial.

Visible signals:

- ⚠ Long implementation cycles for new regulatory requirements (CSRD, Pillar II)
- ⚠ No support for continuous or predictive close approaches
- ⚠ High maintenance costs due to heavily customized system structures
- ⚠ Difficulty integrating AI capabilities into existing processes



Conclusion:

Consolidation as a strategic decision

Financial close is non-negotiable. How it is delivered is not.

Close and consolidation form the foundation for trust in numbers, effective steering, and the strategic relevance of the finance function as a whole. The 4 cost factors outlined clearly show that legacy approaches create more than operational issues, they block transformation.

Organizations that move to a unified, finance-owned platform gain more than efficiency: they gain control, transparency, and the ability to turn finance into a true steering function.

What modern consolidation platforms enable



A single source of truth across close, planning, and ESG



Finance-owned platform reducing IT dependency



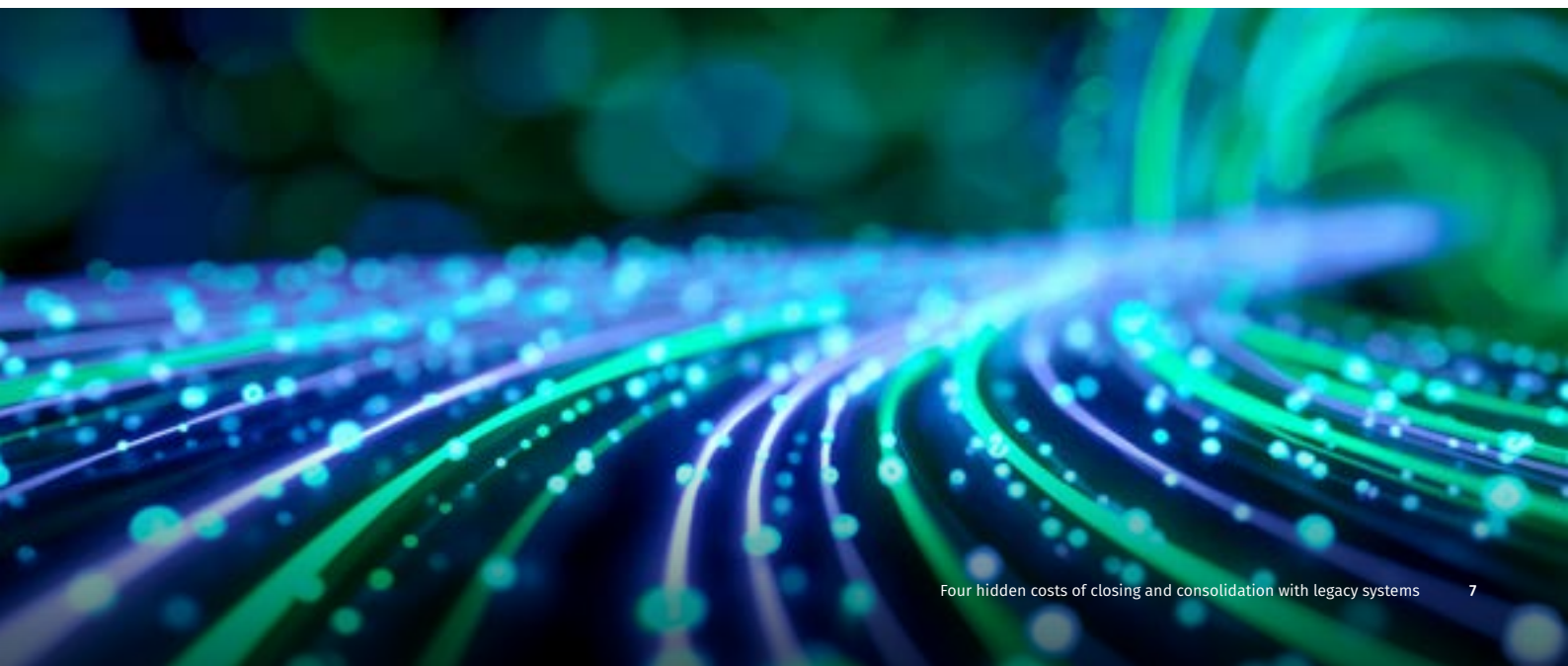
Embedded, explainable AI to improve forecast accuracy and anomaly detection



Continuous close and real-time performance visibility



Audit-ready data and full regulatory compliance



Not acting is the most expensive option.

[See how leading finance teams are transforming Financial Consolidation and Close on a single platform →](#)

Request a tailored demo to assess your current maturity and identify your next step.

This publication is part of a broader series on rethinking close and consolidation in the age of AI, data platforms, and regulatory change.

About Wolters Kluwer

Wolters Kluwer (EURONEXT: WKL) is a global leader in information, software solutions and services for professionals in healthcare; tax and accounting; financial and corporate compliance; legal and regulatory; corporate performance and ESG. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services.

Wolters Kluwer reported 2024 annual revenues of €5.9 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 21,600 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

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