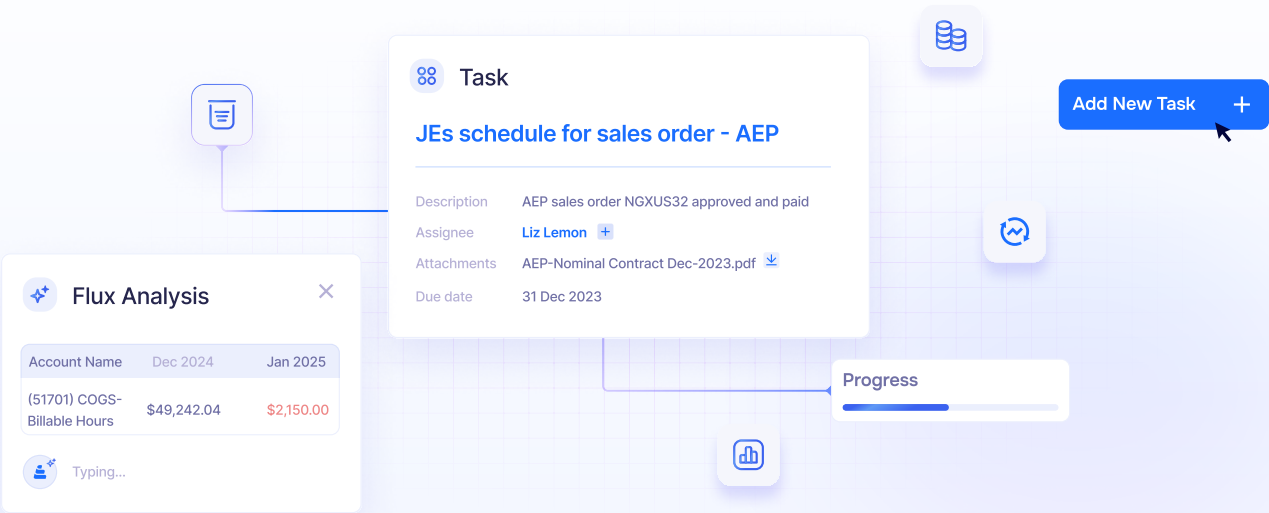# From Spreadsheets to AI: The Future of Financial Consolidation

Learn more

www.nominal.so

Summary

Financial consolidation is at a crossroads. Traditional spreadsheet-based methods, while familiar, are increasingly overwhelmed by the complexity of modern global operations. ERP systems combined with automation tools offer partial relief but still demand constant upkeep and technical oversight.

This e-book compares these approaches and introduces AI agents — a new generation of intelligent, adaptive tools that automate consolidations, handle exceptions, and deliver real-time insights without manual intervention. By examining process flows, limitations, and real-world advantages, you'll see why leading finance teams are embracing AI to reduce manual workloads, accelerate close cycles, and shift focus toward strategic impact.
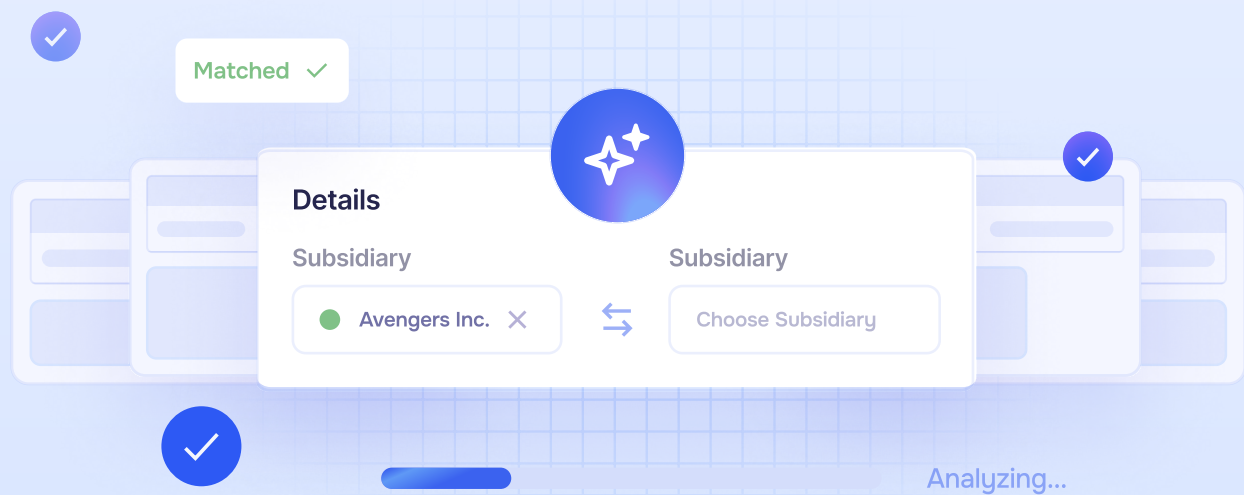
The Evolution of Financial Consolidation

Financial consolidation has always been central to the accounting function — bringing together data from multiple entities, currencies, and systems to deliver a single, accurate view of company performance. But over the past few decades, the scope and complexity of this process have expanded dramatically.

As businesses grow internationally, each new entity often comes with its own ERP, chart of accounts, and compliance requirements. What once involved a handful of Excel workbooks has now ballooned into hundreds of interconnected spreadsheets, manually tracking intercompany transactions, currency conversions, eliminations, and reconciliations.

This traditional spreadsheet-based approach, while familiar, is increasingly unsustainable. Finance teams face mounting challenges, including:
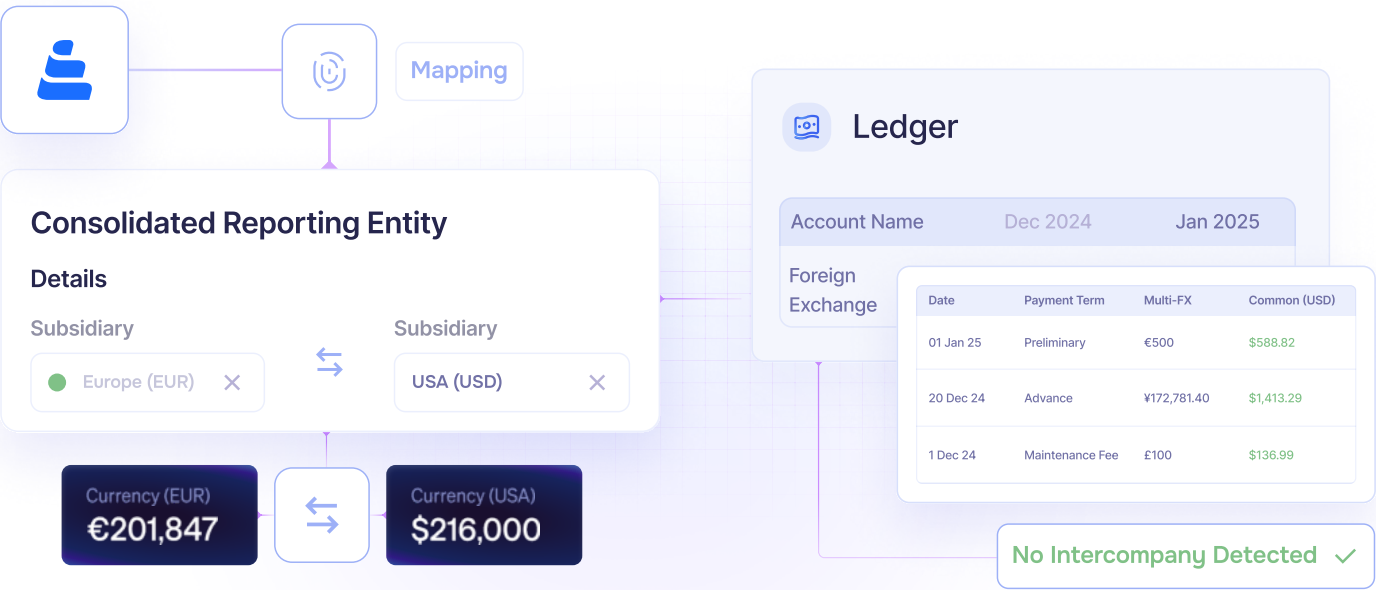
- **Currency conversions** across multiple regions and fluctuating exchange rates
- **Cross-border eliminations** and intercompany transaction reconciliations
- **Entity-specific reporting** for subsidiaries with unique compliance needs
- **Tight close deadlines** that demand speed without sacrificing accuracy

Every new entity added to the business compounds these challenges, creating longer close cycles, higher error risk, and more time spent on manual tasks rather than strategic analysis.

The Shift to AI-Powered Consolidation

In response, finance leaders are seeking solutions that go beyond incremental improvements. The evolution from spreadsheets to **ERP systems with automation** provided partial relief — but maintaining scripts, handling exceptions, and scaling processes remain major pain points.

Now, **AI-powered finance solutions** represent the next leap forward. By leveraging intelligent agents that learn, adapt, and execute workflows autonomously, organizations can reduce manual effort, improve accuracy, and transform consolidation from a bottleneck into a strategic advantage.

Manual Excel Process — The OG Approach

Manual Excel Process — The OG Approach

The familiar Excel-based consolidation process remains popular and most-used but comes with significant challenges as organizations grow:

Key Challenges

- **Time-intensive manual investigation** of data discrepancies
- **Multi-day or multi-week processes** for code and chart-of-account remapping
- **Constant updates** to interconnected spreadsheet formulas
- **High risk of errors** during manual updates
- **Limited scalability** as the organization grows

Core Process Steps in Traditional Consolidation

- Download individual entity-level reports from various systems
- Manually import different source data into consolidation templates
- Apply and maintain currency conversion formulas
- Identify and eliminate intercompany transactions
- Create and document elimination entries
- Review and adjust for errors
- Generate consolidated financial statements
- Prepare supporting schedules and documentation

ERP + Automation: A Partial Solution

As we move into the next generation of accounting operations, combining Excel with ERPs and automation tools brings some improvements but also introduces its own set of limitations.

Core Process Steps

- Set up automation scripts or connections to download entity-level reports
- Configure data transformation rules for each entity's format
- Program currency conversion calculations
- Create matching rules for intercompany detection
- Build automated elimination entry templates
- Set up error checking and validation rules
- Schedule automated report generation

Limitations

Data Structure Dependencies

- Automation scripts break when source data or formats change
- Need to maintain both Excel templates and automation codes
- Limited ability to handle exceptions or unusual scenarios
- Requires technical expertise for ongoing maintenance
- Scripts and codes need updating with each new entity or currency added

Process Inflexibility

- Fixed workflows that struggle to adapt to changes
- Requires reprogramming for new processes or requirements
- Limited scalability for growing organizations
- Demands constant monitoring and adjustment
- Each new requirement may need technical implementation

Implementation Hurdles

- Complex setup involving both Excel templates and automation rules
- High maintenance overhead and cost
- Reliance on data engineers for setup and maintenance

Regular Maintenance Requirements

- Update scripts when ERPs or data sources change
- Modify automation rules for new accounting requirements
- Debug failed automation
- Maintain version control across scripts and templates
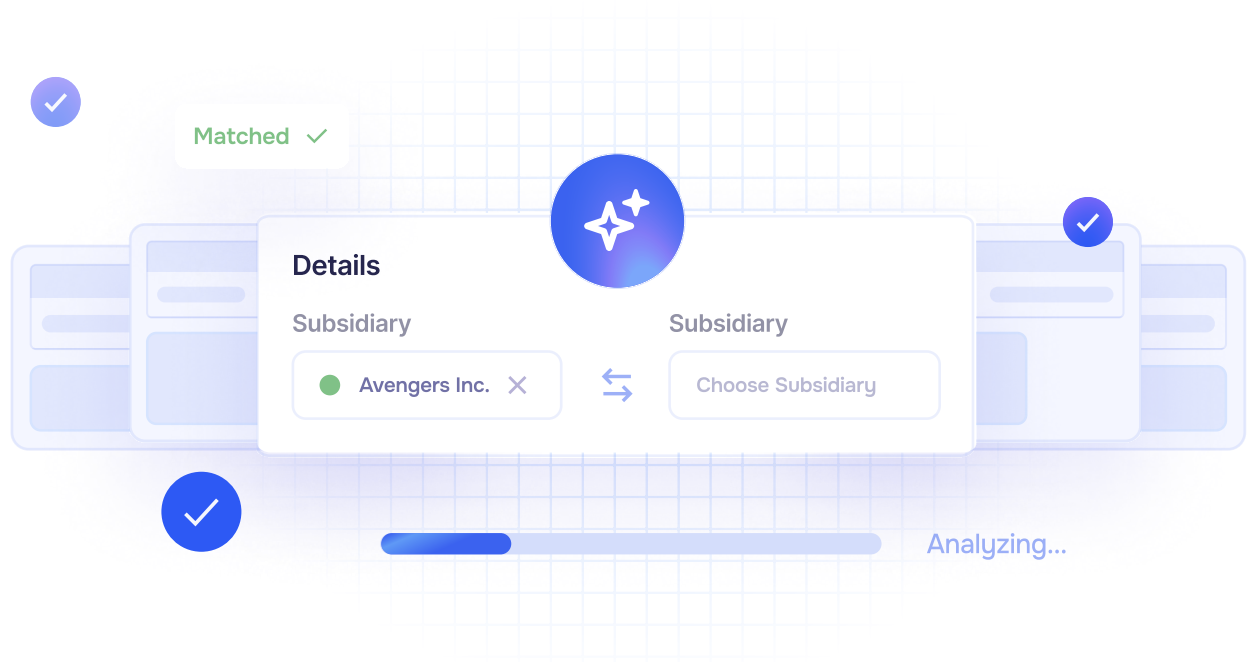
AI Agents: The Next-Gen of Financial Consolidation

The introduction of AI agents represents an innovative shift in financial consolidation. AI-powered platforms like Nominal offer a more intelligent and adaptable approach, transforming consolidation processes from static, rule-based tasks into dynamic, learning-driven workflows.

Intelligent Automation

- Natural language commands for configuration and operation — set your commands in English
- Automatic account mapping and currency conversion
- Smart detection and elimination of intercompany transactions
- Real-time consolidated reporting with audit trails
- AI-powered variance and flux analysis
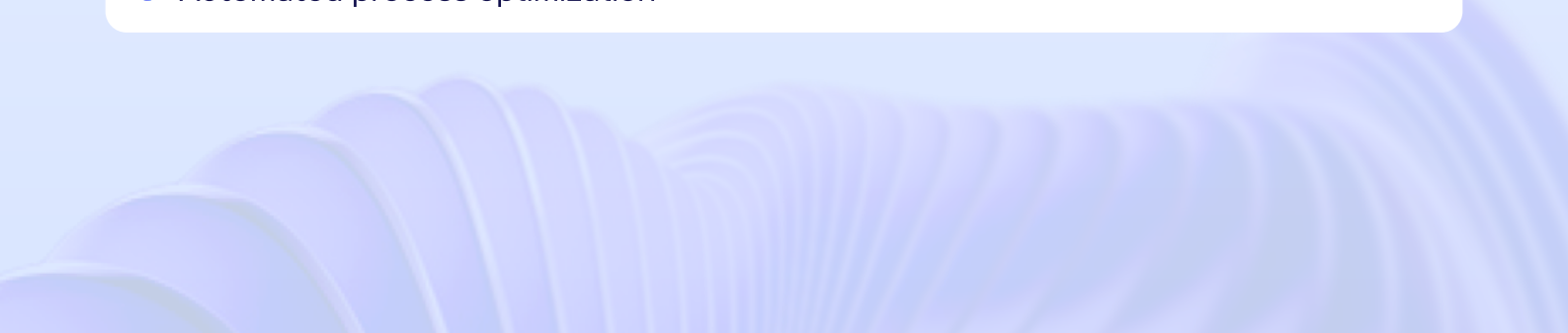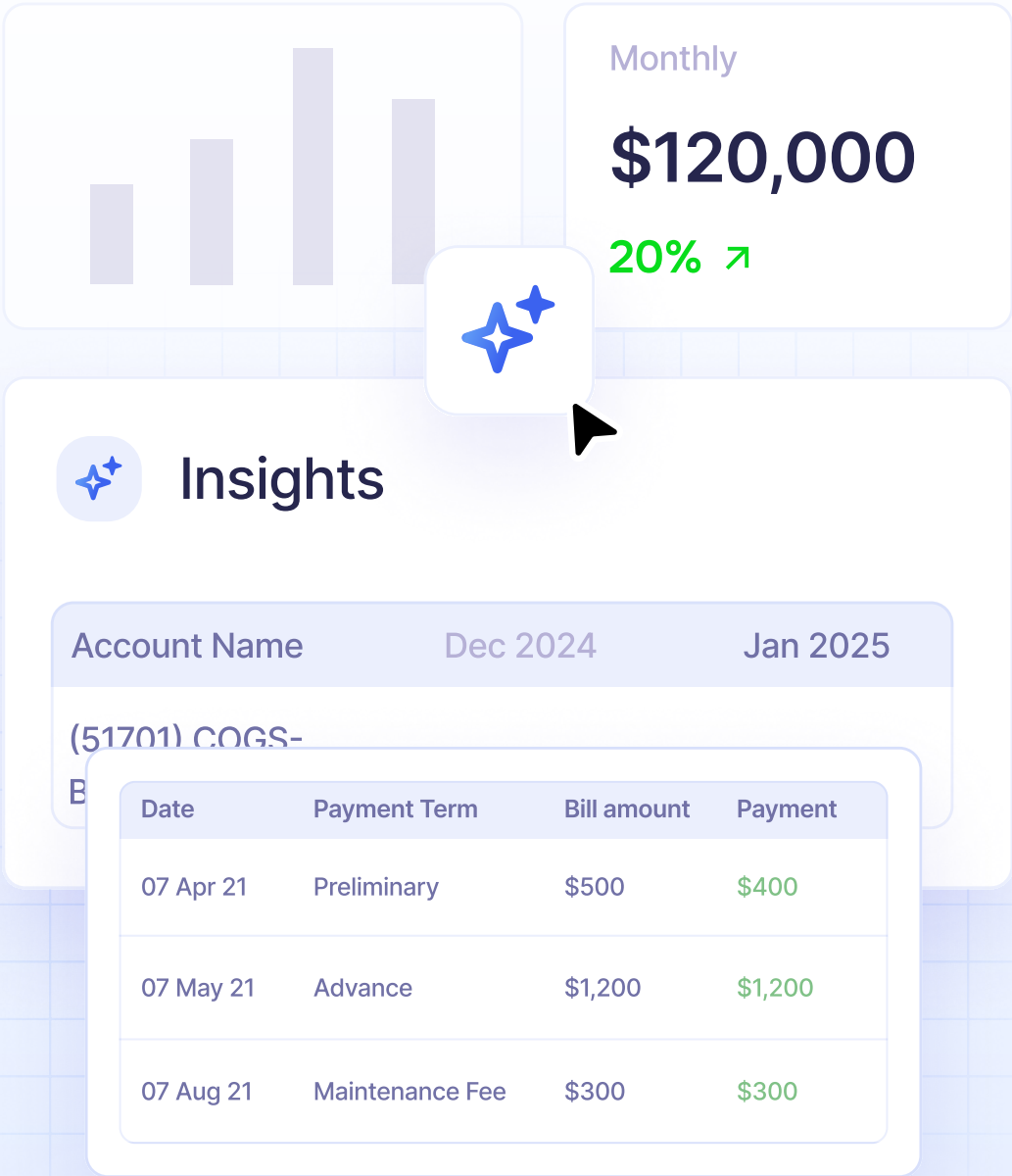
Key Advantages

Adaptive Intelligence

- Automatically learns and adapts to operational changes — no additional setup or coding needed
- Handles exceptions intelligently without reprogramming
- Scales seamlessly with growth
- Provides proactive AI insights and recommendations

Natural Language Interface

- Configure complex processes using plain English
- No programming or technical expertise required
- Easy modifications and updates
- Accessible to accounting professionals at all levels and across teams

Dynamic Processing

- Real-time adjustments to changing conditions
- Intelligent error detection and handling
- Automated process optimization

Monthly

$120,000

20% ↗

Insights

Account Name	Dec 2024	Jan 2025
(51701) COGS-B		

Date	Payment Term	Bill amount	Payment
07 Apr 21	Preliminary	$500	$400
07 May 21	Advance	$1,200	$1,200
07 Aug 21	Maintenance Fee	$300	$300

Why It Matters Now

As organizations grow, the next generation of financial consolidation needs intelligent, adaptive solutions that evolve alongside the business. While Excel served well in the past and automation tools brought incremental improvements, **AI agents represent a leap forward in capability, efficiency, and scalability.**

Nominal's AI-powered platform embodies this next era: faster, more accurate, and fundamentally more intelligent. By combining AI with deep financial expertise, Nominal enables finance teams to move beyond manual processes and focus on **strategic analysis and decision-making.**

AI won't replace your job — but someone using AI will.

Conclusion: The New Standard for Financial Consolidation

Financial consolidation has undergone a profound transformation. What began with manual spreadsheets, manageable but prone to errors, evolved into ERP-driven automation that alleviated some challenges but introduced complexity, rigidity, and heavy maintenance requirements.

Today, finance leaders face unprecedented demands: faster close cycles, seamless global reporting, and the ability to handle growing volumes of data without expanding headcount. Traditional tools can no longer keep up with the scale and speed required.

AI agents mark the next leap forward. By combining natural language configuration, adaptive learning, and real-time automation, these solutions enable finance teams to automate entire workflows, handle exceptions intelligently, and deliver consolidated insights in hours instead of days.

Nominal's AI-powered platform is built for this new era. It eliminates manual reconciliations, streamlines intercompany eliminations, and adapts effortlessly as organizations grow. More importantly, it frees finance teams from repetitive tasks, allowing them to focus on analysis and strategic decision-making.

The choice is clear: continue patching manual processes and rigid scripts or embrace AI agents and redefine what your finance function can achieve.

See AI-Powered Consolidation in Action

Nominal's AI Agents help finance teams close faster, eliminate manual reconciliations, and deliver real-time insights without adding headcount. Discover how your team can shift from manual work to strategic impact.

Get to Know Nominal ›