



Strengthening Financial Processes by Managing Continuity and Process Risks for an IOT Manufacturing SMB

The client is an IoT Components is an SMB manufacturing business that designs and produces precision sensors and modules for the medical-devices market. With a lean finance function of just two professionals, the company relies on an outsourced finance associate to handle the bulk of day-to-day accounting. Ensuring continuity in accounts receivable, purchase-order management, and reconciliations—without introducing key-man risk—has been critical to maintaining cash flow, meeting compliance deadlines, and supporting strategic growth.

The Problem We Solved

Like many small manufacturing firms, the client faced:

Key-Man Dependency: One outsourced associate handled all AR, PO matching, and reconciliations. Any absence risked delaying month-end close and obscuring working-capital needs.

Fragmented Processes: Invoices, POs, and bank reconciliations lived in disparate spreadsheets, leading to inefficiencies and missed control points.

Extended Close Cycles: Without standardized procedures or documented checklists, the monthly close stretched to 12 days delaying management reporting.

Lack of Documentation: No formal SOPs or knowledge transfer meant the onshore finance manager had limited visibility into daily tasks.

What We Did

ValueXPA embedded a dedicated outsourced finance associate on a four-week sprint, focusing on rapid stabilization and building sustainable processes

- Quick Deployment & Assessment
- Onboarded within 48 hours to shadow existing workflows.
- Conducted process-mapping workshops to identify bottlenecks in AR billing, PO handling, and reconciliations.

Knowledge Transfer & Documentation

- Co-worked virtually with the onshore manager to capture step-by-step procedures for invoice issuance, PO validation, and ledger reconciliations.
- Developed a centralized SOP manual in a shared drive, complete with templates, screenshots, and escalation protocols.
- Process Standardization with Human-Centric Oversight

Accounts Receivable Workflow: The outsourced associate validated billing details against approved sales orders, issues e-mail reminders at 30/45/60 days past due, and maintained a live dispute log in a shared tracker. Each morning, aging items are flagged and summarized for the client finance head's review—eliminating verbal handoffs.

Purchase Order Management: Incoming POs are cross-checked line by line against master agreements and budget approvals. Discrepancies (quantity or price variances) are resolved via structured email threads with the onshore procurement lead. A daily-updated PO-aging spreadsheet highlights high-value or overdue orders for priority attention.

Reconciliation Rigor: Daily, the associate reconciles bank statements and subsidiary ledgers, clearing suspense accounts through standardized journal entries. Exception reports—with concise narrative explanations of timing differences or one-off items—are delivered in a consolidated deck to the controller ahead of month-end. During close week, the associate executes the documented checklist virtually with the controller to validate each balance-sheet account.



Fast Stabilization

Deployed in 48 hours to stabilize key finance workflows.



Standardized Processes

SOPs reduced dependency and ensured consistency.



Faster Outcomes

SOPs reduced dependency and ensured consistency.

Automation: Macros and standardized Excel templates streamline data handling while critical judgments and stakeholder communications remain firmly human-driven.

Performance Monitoring & Continuous Improvement

- Implemented weekly dashboards tracking days-sales-outstanding (DSO) and close-cycle duration.
- Held bi-weekly “close retrospectives” to refine checklist steps, address emerging issues, and drive incremental enhancements.

How We Created an Impact

Key-Man Risk Mitigation: SOPs and shared documentation allow the onshore team to cover critical tasks seamlessly during associate absences.

Improved Cash Conversion: DSO reduced by about 12 days within two months, unlocking working capital.

Faster Close: Month-end close cycle compressed from 12 days to 7 days—enabling quicker management reporting.

Conclusion

For US SMB manufacturers with small finance teams, proactively managing key-man risk in core accounting functions is essential. By deploying an outsourced finance associate to document, standardize, and oversee AR, PO management, and reconciliations the client ensured financial continuity,

improved cash-flow performance, and accelerated strategic decision-making. This approach not only resolved immediate process challenges but also established a scalable, resilient finance function ready to support future growth.

For more information on business partnering please connect with us!

Write to us at info@valuexpa.com