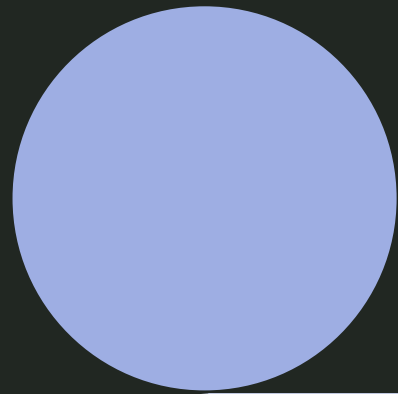


Excel to AI-Powered Software: Your Guide to Making the Shift



Introduction

Many organizations, from the world's largest enterprises to small and medium sized businesses, use a spreadsheet solution such as Microsoft Excel to handle all – or a part of – their leases. While Excel will continue to play a critical role in any accounting team's basket of tools, there are some functions for which Excel just isn't enough.

Using Excel to account for leases was relatively manageable in the past. However recent accounting standard updates have meant that lease accounting has changed dramatically, and with that change has come a focus on the tools required to stay compliant with new lease accounting requirements.

Operating leases, for example, used to be straightforward; straight line basis, expenses through the income statement, case closed. Today however, there are major balance sheet implications such as a right-of-use asset and a corresponding lease liability, there has been a definition change and so the question of embedded leases has become more complex, disclosure requirements are more onerous, and lease modifications can have far-reaching implications.

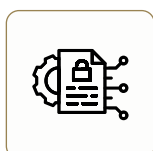
Amid these changes, it's asking too much of Excel to keep accounting teams ahead in this race. AI-powered accounting software has emerged as the way to comply with updated lease accounting requirements, and in this Guide we'll go through the best way to transition from Excel to AI-powered lease accounting software.

Why AI-Powered Accounting Software

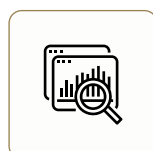
Accounting for leases manually – and we include using Excel as manual work in this case – is fraught with risk. The risks of a calculation error, of pulling data from an incorrect cell, of a corruption of a data source, of mistakes when modifying one element of a sheet, complications in linking sheets, and so on.

Not to mention the risks in taking Excel data and then creating journal entries and disclosure from Excel sheets. Finally, there is the risk around ongoing compliance as accounting standards are continuously updated. AI-powered lease accounting software on the other hand automates this entire process, reducing the risks previously listed.

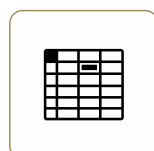
How? With the right AI-powered lease accounting solution, you can use the latest AI-enhanced technology to automatically extract data from source documents such as Excel files and PDFs. The software enables you to perform lease analysis, simplifies journal entries, and creates a clear audit trail that's accessible to both your internal team and external auditors – live and in real-time.



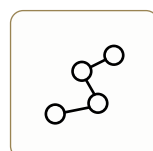
Automatically extract data
from source documents



Perform lease
analysis



Simplify journal
entries



Create a clear
audit trail



Connect internal team
with external auditor

Additional benefits offered by the top providers of AI-powered software solutions include:

- ✓ Seamlessly meet the latest lease standard compliance requirements
- ✓ Accelerate your adoption timeline for updated lease accounting requirements
- ✓ Produce accurate and consolidated lease analysis reports in minutes
- ✓ Effortlessly trace your balances back to the source data
- ✓ Access simple reports and clear financial obligation schedules

And when it comes to lease modifications, the process is just as simple. With automated Bulk Upload and Modification Detection, you can upload any Excel file, and the software can detect new, changed and modified leases – and generate the journal entries, reports, and audit trail required.

By now, you should be firmly convinced that AI-powered accounting software is the way to go when it comes to lease accounting in the modern era. The question is, how do you get started?

Shifting from Excel to AI-Powered Accounting Software

Making the shift from Excel to AI-powered accounting software is much easier than many people imagine. What follows are key milestones to track when making the switch.

Speak to an onboarding expert

AI-powered lease accounting software providers – the leading ones for sure – have onboarding experts that help you with all of your questions, and guide you through the entire process. Your first port of call should be a meeting with such an expert to explain your organization's needs, what you currently have in place, and together come up with a plan to switch over.

Set up a checklist

As part of this process, you'll set up a checklist to ensure that nothing gets forgotten, and that each element is done in its entirety and in the correct order. Not that the process requires too much effort – but this can help you in providing an overall picture of what the process entails.

Typically, the standard checklist consists of 4 stages:

1

Uploading files, training on the system, setting policies, setting up users, and configuring reports

2

Understanding more advanced requirements and features

3

Reviewing JE reports and Disclosure reports

4

Q&A and hand-off

Set a timeline

To ensure clarity for yourself and your team, as well as with other stakeholders, it's important to have a timeline in place that lets everyone know the length of time the changeover is expected to take, and to measure progress in this regard.

In most cases, you'll be up and running on your AI-powered software system in under 30 days (and very often much less).

Consolidate your leases

This is a great opportunity to gather all leases in one place (physical contracts, PDFs, and any other form of lease) in preparation for stepping into the new world of automation. It's also the perfect time to look out for any embedded leases that might have been missed – that is, contracts who have elements within them that meet the updated definition of a lease.

Sometimes this involves discussions with other departments, such as Product or IT, to explain that any contract could contain a lease element, and to explore if any such contracts were missed.

Then comes the fun part. The leading AI-powered lease accounting systems use advanced Optical Character Recognition (OCR) technology to “read” leases automatically, for example, from a PDF document. The technology thus does the heavy lifting for you; scanning leases for relevant details such as amounts and dates. It also means that all journal entries for example can be easily traced back to the source documentation.

Mini Case Study

Taboola is a public advertising company with headquarters in New York and 18 offices around the globe. The company's AI-powered platform powers content recommendations for the open web and is used by websites, devices, and mobile apps to drive monetization and user engagement.

The company's lease accounting portfolio consists of approximately 25 leases, including real estate, data centers and other assets.

Prior to working with Trullion, the Taboola finance team was reporting on leases with Excel.

According to Taboola's VP Finance, Yaron Kaneti, the process was nothing short of a "nightmare". Kaneti describes it as "endless Excel sheets with great manual work. A lot of reviews, going back and forth, checking the numbers, and fine-tuning them. It was a risky process, as well as time-consuming."

The lack of efficiency and the high risk of error was a major pain point for the team, and it was clear that implementing an automated solution was of high importance.

Kaneti shares his and his team's enthusiasm for automating reporting. "The system calculates everything automatically and I very much like the ability to read the contract and to scan it in a way that a lot of information can be identified and flow into the methodology and the formulas in the system. It saves a lot of time... It's efficient as well. So the whole experience from the paperwork that is scanned to the end output, it's a great experience."

Trullion is giving Kaneti and the Taboola team peace of mind knowing that their numbers are accurate. "Once you have this type of system, your auditors are relaxed. I'm relaxed. Everyone is relaxed. The risk is low. The analyzing process is very smooth and easy without deficiency. So it's not just a matter of days. It's also in how let's say risk concerns stay in the company and other areas in which maybe time will be – can be consumed more and we save that."

Since implementing Trullion, the Taboola team has seen a significant improvement in efficiency. According to Kaneti, automating lease accounting with Trullion has saved the company three full working days per person per quarter. With three team members using the platform, Trullion is saving Taboola 36 full days of work per year.

Modifications? No problem!

As mentioned, leases can also be bulk uploaded, and any changes can be bulk uploaded again, with modifications picked up and accounted for correctly by the system.

With lease modifications being a complex area of lease accounting, this takes away a lot of the headache associated with ensuring compliance with the latest lease standards.

Last checks

Automated AI-powered lease accounting software has been designed from the ground up to be super easy to add to your system, and maintain. There are no complex and time-consuming migrations, no custom coding needed, and no “expert” that needs to sit in your office for days programming your system. AI-powered leasing software is SaaS-based which means it’s easily added, automatically updated, and leverages the latest technologies to make your life easier.



You’re almost done

What’s the next step, you may ask? Well, it could be starting to think about what you’re going to do with all the time that you’ve saved. Bahamas? Finish that book? It’s up to you.

The main thing to take away is that AI-powered lease accounting software was built to make your life easier, and ensure compliance with the latest accounting standards. As such, making the shift from Excel has been designed to be super easy, smooth, and seamless.

About Trullion

Trullion is the world-leading AI-powered accounting software that minimizes risk, enhances compliance, and increases efficiency. Backed by leading investors and used by many of the world’s best known companies, Trullion endeavors to constantly innovate and push boundaries, to help build a better future for the accounting industry. Trullion is creating business transparency by using AI and machine learning to power real-time visibility into company financials and form a single source of truth.