

IFRS 15 One Year On - What have we learnt?

It is now over a year since many firms went live with IFRS 15 solutions. In this article we want to review what has happened over this time, digest what we have learnt and take a look to the future.



Mark Miller
IFRS Global Lead

At Legerity we were able to help clients all over the world successfully implement IFRS 15 via our cloud based FastPost solution. We are now processing millions of transactions every day. The hard work and efficient implementation approach has seen our clients being able to run super-fast and highly automated month ends under IFRS 15. The contract level granularity that we process has given finance teams great details to explain and validate numbers. By engaging in a transparent way with auditors during implementation on accounting standards and interpretation we have had no issues in results sign off.

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On the other hand we have seen a number of companies, who chose tactical or spreadsheet options, are now struggling. It will be interesting to see how audit firms view these approaches during the year end audit and sign off process.

Our initial IFRS 15 implementations were a mixture of both on-premise and cloud based appointments. What we have seen over the last year is that many of our on-premise customers have since elected to migrate to our software as a service (SaaS) cloud offering. It seems the efficiency and scalability of the cloud is a no brainer. We have been able to manage all our migrations with minimal disruption to client operations.

For some of our clients the processing of contract level detail and the insight that brings has given rise to tangible business benefits. In one case the business was able to redesign to the product to deliver actual cash benefit to the company.

Of course businesses do not stay still and over the last year we have been involved in analysing a number of changes and the impact on our IFRS 15 accounting model. Without exception the model has kept pace with developments. Our methodology for capturing requirements and flexible design based on configurable parameters has meant all changes have been implemented without issues and in a timely manner.

In some cases the initial scope of our implementations meant some areas of the business were not targeted. We have now been able to migrate further areas for many of our clients and eliminate workarounds or decommission old spreadsheet-based models. For some this became a commercial imperative as rapid update of innovative new products meant such manual approaches would no longer work. Their IFRS 15 investment proved very valuable.

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Towards the end of the IFRS 15 implementation we were managing end to end implementations in less than 6 months, in some cases nearer 3. We are now seeing those businesses who elected for manual solutions in a prime position to take advantage of all these learnings for a cost effective and efficient new automated solution.

One area that was of particular difficulty for many was corporate products, which due to data issues, complexity and in some cases shear volumes in the contracts these areas were descoped. What we are seeing now is clients wishing to revisit these areas and take the time to ensure a fully automated solution is in place incorporating all business areas.

Finally as we look to the future we see clients looking to us to extend their solutions. On the grounds of time and cost many opted for straight through delta posting solutions. This was a good idea given data and time constraints. It also facilitated the period when comparatives were needed vs old reporting standards. Now we are seeing clients looking to use the full accounting sub-ledger capability to manage full posting solutions with the IFRS 15 engine becoming the prime revenue posting engine. This can bring fantastic transformational benefits to finance and the business in terms of insight and efficiency.

Please contact Legerity to see how we can help you meet IFRS 15 more efficiently.