FINANCE & ACCOUNTING OUTSOURCING · PHILIPPINES

The close standard: the executive economics of finance and accounting outsourcing to the Philippines.

An analysis of why transactions processed is a throughput vanity metric, how the reliability of the month-end close — never volume — decides the true value of a finance function, and the vendor-selection discipline that delivers a close a controller can sign.

AUTHORS

John Maczynski — Chief Executive Officer
Ralf Ellspermann — Chief Strategy Officer

JUNE 2026
MANILA · ESTABLISHED 2001

Contents

ABOUT THIS SERIES — VOLUME 16

Every finance-and-accounting proposal leads with a transaction volume and a headcount saving, because both are easy to quote. This volume is about the number a CFO actually loses sleep over: whether the month-end close lands on time, ties out, and survives the audit. The gap between processing transactions and delivering a signable close is where the value of the whole function lives. The full series lives at piton-global.com.

THE PITON-GLOBAL LEADERSHIP TEAM

About the authors

John Maczynski

Chief Executive Officer

John has bought finance-and-accounting capacity from the client chair for three decades, and learned that a low cost-per-transaction means nothing if the controller cannot trust the close it produces. His standing question skips the headcount math: when you close the month, does it tie out the first time, and would it survive the auditors? Applied at PITON-Global, that question is what clients get on every F&A sourcing decision — personally, with no account layer in between.

j.maczynski@piton-global.com
+1 402-598-8740

Ralf Ellspermann

Chief Strategy Officer

Ralf has spent twenty-five years running Philippine record-to-report floors, and he judges an F&A operation by the close calendar and the reconciliation file, not the invoice count: does the maker-checker control actually run, and can every number be traced to its source? The close contract in Section 3 codifies what he learned rebuilding operations that processed fast and closed late. He now reads F&A providers the way he once ran them — from the audit trail backward.

r.ellspermann@piton-global.com
Manila, Philippines

PITON | Global

ABOUT PITON-GLOBAL

PITON-Global is a buyer-side advisory practice, Manila-based since 2001, that has never operated a delivery floor or taken a placement commission. Its stock-in-trade is knowing the Philippine provider market at the operating level — 1,000+ mapped operations, re-verified continuously, including each F&A operation's real close-cycle and reconciliation performance rather than its transaction-volume headline — and converting that knowledge into a shortlist of six to ten genuinely qualified partners per engagement. Buyers from Tripadvisor, Garmin, TSYS, HealthPartners, Yetipay, Workrise, and Norman Disney & Young have run their searches through the practice.

SECTION 01

Executive summary

-60%	5 days	98%+	6.0×
Fully-loaded cost per transaction vs. US onshore	Month-end close on vetted operations, down from 9–12	First-pass reconciliation accuracy, maker-checker verified	First-year ROI, reconstructed case (Section 6)

A finance-and-accounting operation is bought on the transactions it processes and judged on the close it produces. The vendor reports a hundred thousand invoices keyed at a fraction of the onshore rate; the controller reports a month-end that lands three days late, reconciliations carrying unexplained variances, and an audit that surfaces adjustments nobody can trace. The operation hit its throughput number and the finance function lost the one thing it exists to provide — numbers leadership can trust, on time. The gap between processing transactions and delivering a signable close is where the real cost of cheap F&A hides.

The Philippines is where record-to-report is built with the most control discipline, because a deep, credentialed, US-GAAP-fluent accounting talent pool can run the maker-checker controls and reconciliation rigor a trustworthy close demands. Five findings:

1. **Transactions processed is the industry's most flattering number.** Any operation can key invoices cheaply. Vetted operations are measured on the close: days-to-close, first-pass reconciliation accuracy, and unexplained variance. Weak operations quote a low cost-per-transaction that the controller pays back in a late, shaky close. Section 2 shows the gap.

2. **The maker-checker control is the product.** Accuracy is engineered by a second qualified reviewer on every material entry — not inspected in afterward. Operations that run maker-checker on 100% of the close hold their numbers; operations that sample after the fact discover the error in the audit, at ten times the cost.

3. **A slow close is an expensive close.** Every extra day to close is a day leadership steers on stale numbers and the finance team spends firefighting instead of analyzing. Vetted operations compress the close from nine-to-twelve days to five, and that reclaimed time is worth more than the wage arbitrage that funded it.

4. **The unexplained variance, not the keying error, is what costs.** A single unreconciled variance can stall a close, trigger an audit adjustment, or force a restatement. Operations that hold reconciliation discipline

drive unexplained variance under 0.3%, and that avoided disruption — not the offshore rate alone — is where the case study's return is built.

5 **Contract on the close, not the transaction.** The contracting failure of F&A is paying per transaction and hoping the close follows. Vetted deals set close-cycle SLAs, reconciliation-accuracy floors, and variance ceilings, making the trustworthiness of the close the operation's problem, which is where it belongs.

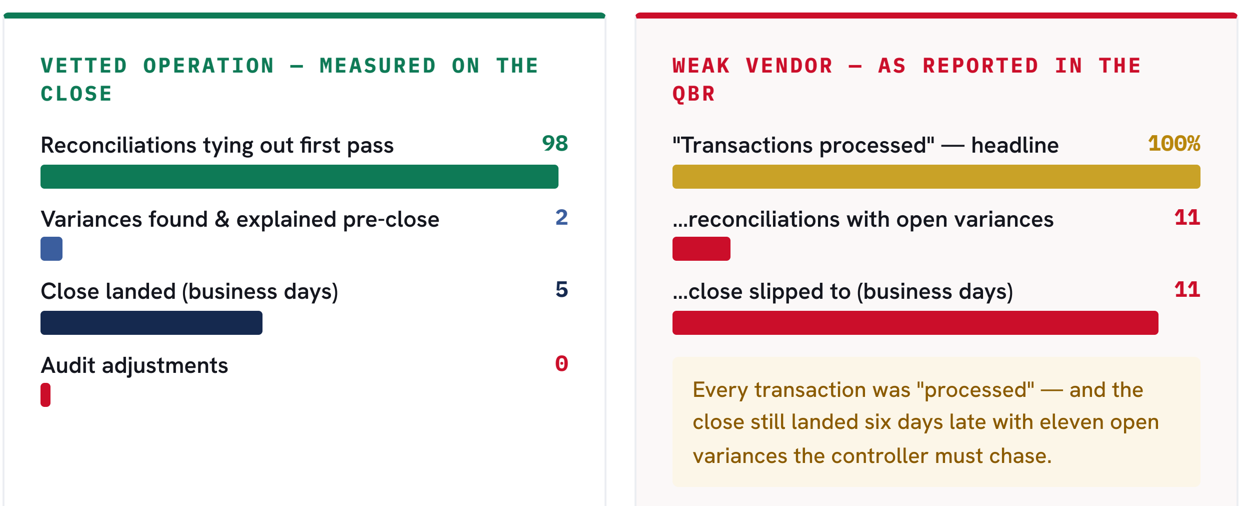
The intended reader is a CFO, controller, or shared-services leader buying F&A on cost-per-transaction and paying for it in the close. Sections 2–4 separate the operations that deliver a signable close from the operations that deliver cheap transactions; Sections 5–7, the method and the proof.

SECTION 02

The throughput mirage: transactions processed versus a close you can sign

Figure 1 shows one month-end two ways: as the transaction-volume report a weak vendor leads with, and as the close-quality reality a controller lives with. The transaction count is identical in spirit to a chatbot's containment rate — a number engineered to look like performance while the risk sits one level down, in the reconciliations.

FIG. 1 — THE MONTH-END CLOSE: SIGNABLE-CLOSE QUALITY VS. REPORTED THROUGHPUT



Left: PITON-Global engagement instrumentation, 2025–26, close-cycle audited. Right: composite of pre-engagement vendor reporting reviewed in diligence.

The economics follow the left column. A five-day close on numbers that tie out the first time gives leadership current information and gives the finance team three weeks to analyze rather than reconcile; the right column gives a cheap transaction cost and an eleven-day scramble that ends in audit adjustments. A low cost-per-transaction that produces a late, variance-laden close is not a saving — it is a liability booked as a discount. The close-cycle reconciliation — days-to-close, first-pass accuracy, and open variances by account — is the cheapest due-diligence instrument in this paper.

SECTION 03

The close contract: maker-checker control, reconciliation discipline, and the audit trail

Figure 2 lays out the three clauses of a working close contract — the machinery a floor read verifies before any transaction-cost number is believed.

FIG. 2 — THE CLOSE CONTRACT, AS OPERATED ON VETTED OPERATIONS

CONTROL AT SOURCE

Maker-checker runs on 100% of material entries and reconciliations — a second qualified reviewer signs before anything posts. Accuracy is built at entry, not sampled at the end, so the error is caught while it is a correction rather than a restatement.

RECONCILE TO SOURCE

Every balance ties to its source with a documented explanation for any variance — no unexplained differences carried into the close. Reconciliations run on a fixed calendar against the close date, so a variance is found on day two, not discovered by the auditor in month three.

LEAVE A TRAIL

Every entry is traceable to its support, approver, and timestamp — an audit-ready trail standing at all times, not assembled under deadline. The close is documented as it happens, so the audit is a review of an existing record rather than an archaeology project.

↓ yields ↓

THE SIGNABLE CLOSE

5-DAY CLOSE | 98%+ FIRST-PASS RECONCILIATION | <0.3% UNEXPLAINED VARIANCE

The close lands on time, ties out the first time, and stands up to the audit — while the finance team spends its month analyzing rather than reconciling. The operation gets cheaper per transaction and more trustworthy at the same time, which is the entire promise of outsourcing record-to-report to people who measure the close.

Operating parameters from PITON-Global F&A engagements, 2025–26.

In diligence, the contract is tested from the auditor's side: pull a recent close for a current client and trace a sample of entries to support, approver, and timestamp; check that maker-checker actually ran; review the reconciliation file for open variances. Perhaps one operation in ten survives it cleanly. Steps 3 and 5 of the framework exist to find that one before the contract does — because everything in Table 3 of Section 6 depends on the quality of the close, not the cost of the transaction.

SECTION 04

Cost and performance: cost-per-transaction economics and close benchmarks

TABLE 1 — COST PER 1,000 TRANSACTIONS: THREE OPERATING MODELS (US$, 2026)

OPERATING MODEL	COST / 1,000 TXNS	VS. US BASELINE
US onshore in-house F&A team	$9,400	baseline
Low-cost offshore F&A mill (per-transaction)	$5,900	−37%
Vetted Manila operation — maker-checker, close-managed	$3,760	−60%

Basis: PITON-Global engagement pricing 2025–26; transaction = a processed AP/AR/GL item through maker-checker; the F&A mill looks cheap per transaction but its late, variance-laden close costs far more than the gap; US comparator fully-loaded in-house cost.

TABLE 2 — F&A CLOSE BENCHMARKS, VETTED VS. BASELINE (2025–26)

METRIC	VETTED TOP TIER	BASELINE	EXECUTIVE READING
Days-to-close (month-end)	**5**	9–12	The only F&A number the board feels
First-pass reconciliation accuracy	**98%+**	88–93%	Ties out clean, or chased in the close
Unexplained variance at close	**<0.3%**	2–5%	Every point is an audit adjustment waiting
Maker-checker coverage on material entries	**100%**	partial	"Control at source" — run or skipped
Audit adjustments per year	**~0**	several	The close held, or it didn't

Source: PITON-Global F&A engagement data 2025–26; baseline = typical pre-engagement operations billed on transaction volume.

The strategic read: the F&A mill's –37% per transaction is a false economy — a late close, open variances, and audit adjustments cost the finance function far more than the transaction gap saves. The vetted Manila operation's –60% is real because it is measured where the value is: a close leadership can act on and auditors can sign. Buy on transaction price and you buy the right column of Figure 1; buy on the close and you buy a finance function you can trust — the same discipline every volume in this series keeps arriving at from a different door.

SECTION 05

Sourcing discipline: the 7-Step Vendor Vetting Framework, applied to F&A operations

F&A diligence adds one hard requirement to every step: a cost-per-transaction number is real only when the close behind it survives a trace to source. The funnel below is representative of a 25–60-seat F&A search.

FIG. 3 — THE 7-STEP FRAMEWORK AS AN F&A FUNNEL

	STEP	WHAT IT ELIMINATES IN AN F&A SEARCH	FIELD REMAINING
1	**Requirements definition**	Transaction-first scoping: fixes the close-cycle SLA, the reconciliation-accuracy floor, the variance ceiling, and the maker-checker and audit-trail standards the close must meet	1,000+
2	**Market mapping**	Transaction mills: operations that bill per item and treat the close as the client's problem, and giants whose senior accounting talent is reserved for their largest accounts	~42
3	**Capability screening**	Operations without the machinery: audited close-cycle history, maker-checker on 100% of material entries, reconciliation discipline in production, and a standing audit-ready trail	~11
4	**Compliance & security audit**	Weak financial controls: segregation of duties, SOX-readiness, financial-data protection, access controls on the ledger, SOC 1 / SOC 2 scope covering the record-to-report stack	~8
5	**Operational diligence**	The traced read: pull a recent close and trace entries to support, approver, and timestamp; watch maker-checker run; review the reconciliation file; interview the team on how they resolve a variance	4–6
6	**Competitive RFP & negotiation**	Per-transaction pricing: finalists bid against close-cycle SLAs, reconciliation-accuracy floors, and variance ceilings — all carrying credits for a close that lands late or fails to tie out	2–3
7	**Transition & launch governance**	Big-bang cutover: the operation runs parallel closes before it owns one, with maker-checker and reconciliation certified before the first solo close, PITON-Global embedded buyer-side to steady state	1

Field-remaining counts represent a 25–60-seat F&A search, PITON-Global engagements 2024–26.

The standing guarantees hold: **vendor neutrality** — PITON-Global operates no F&A floors, posts no entries, and takes no placement economics, so the shortlist reflects audited close quality, not inventory; **right-sizing** — operations for whom your close is a flagship account. Six to ten genuinely qualified providers, delivered within 48–72 hours, free to the buyer, competing through a fully transparent, fair, comprehensive, and highly competitive RFP.

SECTION 06 · ANONYMIZED CASE STUDY

Re-basing the operation on the close: a 40-seat F&A rebuild, reconstructed

Engagement FA-031 is a US mid-market company — roughly $600 million in revenue, multi-entity — that had moved AP, AR, and general ledger to a per-transaction vendor. The transaction cost looked excellent; the close did not: eleven business days, reconciliations carrying chronic variances, and two audit adjustments the prior year the controller could not fully explain. The CFO wanted the arbitrage and a close the board could rely on. Identifying details are anonymized under NDA.

SELECTION (WEEKS 0–8, TRACED READS)

Requirements fixed a five-day close SLA, a 98% first-pass reconciliation floor, and a <0.5% variance ceiling with 100% maker-checker. Mapping produced 40 claimants; the machinery screen — audited close-cycle history, maker-checker in production, standing audit trail — left 11; the financial-controls audit left 8. Traced reads on each finalist's reference close, plus maker-checker observation, shortlisted 5. A Manila operation won at a $13.10 blended rate priced against close-cycle SLAs, with a traced close reconciliation written into the reporting spec.

TRANSITION (MONTHS 2–8, PARALLEL CLOSES FIRST)

The operation ran two parallel closes before owning one; maker-checker and reconciliation discipline were certified in month 3 before the first solo close. The audit-ready trail went live from day one, and variances were root-caused monthly. By month 8 the close landed in five days, first-pass reconciliation held at 98.4%, unexplained variance was under 0.3%, and the year-end audit passed with zero adjustments. PITON-Global chaired the close-review board to steady state.

TABLE 3 — FA-031 FIRST-YEAR VALUE BUILD-UP (US$)		
VALUE COMPONENT	YEAR 1	BASIS
Labor arbitrage on the 40-seat F&A operation	$1.44M	75.0k productive hrs × ($32.30 – $13.10)
Close acceleration — finance-team time reclaimed (11 → 5 days)	$0.41M	Recovered controller/analyst hours at fully-loaded cost
Variance & audit-adjustment avoidance	$0.24M	Avoided rework, adjustment remediation, and external audit hours
Early-payment discount capture (disciplined AP)	$0.18M	Captured 2/10 terms previously missed to late processing, conservative basis
Gross value created	**$2.27M**	
Less: engagement & transition costs	($0.38M)	Parallel-close dual-running, control build, ERP integration; advisory fee $0 (provider-paid model)
Net value ÷ cost = first-year ROI	6.0×	$2.27M ÷ $0.38M

Figures rounded; close-cycle, reconciliation, and audit effects audit-verified. Method in Methodology & notes.

Sixty-three percent arbitrage, thirty-seven percent from the close, reclaimed time, and control — squarely in the series' two-thirds/one-third pattern, earned because the operation was re-based on the close it delivers rather than the transactions it keys. Every line traces to a diligence step: the close-cycle SLA to Step 1, the maker-checker to Step 3's contract, the traced audit trail to Step 5's read. The CFO's line at the year-one review: "The transaction cost barely moved. The fact that I trust the close, on day five, is the whole return."

SECTION 07

The executive playbook: governance for the first 180 days

An F&A transition succeeds when the operation is measured and paid on the close it delivers — client in command throughout.

DAYS 0–30

Define the close, contract on it

Set the close-cycle SLA, the reconciliation-accuracy floor, and the variance ceiling with the controller before launch, and require maker-checker on 100% of material entries. Contract against the close — never per transaction alone — with SLAs and accuracy floors carrying credits. Stand up the close-cycle reconciliation as the program's arbiter of truth.

DAYS 30–90

Run parallel closes, certify control

Run at least two parallel closes before the operation owns one; certify maker-checker and reconciliation discipline before the first solo close. Switch on the audit-ready trail from day one. Publish the monthly dashboard: days-to-close, first-pass reconciliation accuracy, unexplained variance, maker-checker coverage.

DAYS 90–180

Own the close, certify steady state

Hand the close to the operation only after it clears the SLA on a solo run. Review the close board monthly with the reconciliation file on the table. Certify steady state on two clean closes including one quarter-end and a clean external audit; hand over on documented criteria; keep the quarterly traced-close read standing.

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Paying per transaction while the close slips · maker-checker sampled instead of run on 100% · unexplained variances carried into the close · an audit trail assembled under deadline · owning the close before a parallel run proves it. All five are settled at selection and contract.

The finance-and-accounting argument, in one sentence: a processed transaction is activity and a signable close is trust, and a vetted Philippine operation delivers ~60% per transaction with a five-day close that ties out the first time — for buyers who trace the close to source instead of trusting the transaction price, and compete the finalists through a fully transparent, fair, comprehensive, and highly competitive RFP. Anyone can key an invoice. We make sure you buy the operation that closes the month.

METHODOLOGY & NOTES

How the numbers were built

Close-cycle and reconciliation figures (Fig. 1, Table 2) derive from engagement instrumentation in PITON-Global F&A engagements, 2025–26. Days-to-close counts business days to a signable month-end; first-pass reconciliation accuracy and unexplained variance are measured against the client's own account structure. The weak-vendor column is a composite of pre-engagement vendor reporting reviewed in diligence, shown for contrast.

Cost-per-transaction figures (Table 1) are fully loaded — wages, benefits and statutory charges, facilities, technology and ERP tooling, management and QA overhead including maker-checker reviewers, attrition-driven recruiting — net of shrinkage; US comparators reflect fully-loaded in-house F&A cost on the same basis. A transaction is a processed AP, AR, or GL item taken through maker-checker.

The case study (FA-031) is anonymized under NDA; volumes and dates are generalized, figures rounded. Close-cycle, reconciliation, and audit effects are audit-verified; the early-payment and reclaimed-time lines are conservative estimates, not booked savings. ROI = net first-year value ÷ all engagement-related client costs. PITON-Global's advisory fee is provider-paid and appears at $0 in the client cost base; neutrality safeguards are documented at piton-global.com.

Market context draws on IBPAP reporting and PITON-Global's proprietary provider mapping (1,000+ operations; F&A close-cycle performance re-verified May 2026). Estimates and projections are PITON-Global analysis and should be cited as such. The full series is available at piton-global.com.

Would your provider's cost-per-transaction survive a look at the close?

Forty-five minutes with John will tell you. Free to buyers, strictly vendor-neutral — a close-verified shortlist within two to three business days.

j.maczynski@piton-global.com
+1 402-598-8740