

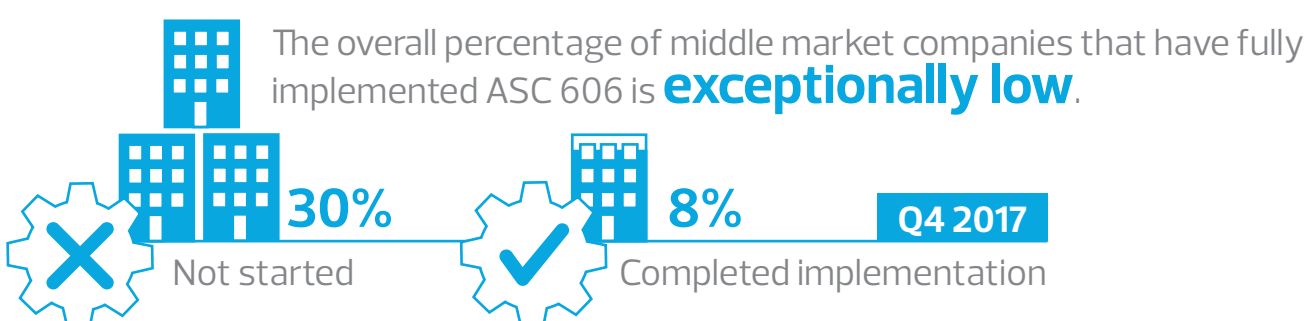
# REVENUE RECOGNITION ADOPTION

More effort than most companies anticipate

The new FASB standard for revenue recognition—also known as ASC 606—is effective in 2018 for most public companies and in 2019 for private companies.

Given the scope of this new standard, private companies should be well on their way to adoption. However, RSM's surveys of middle market business leaders indicate that many companies are still not prepared for the level of effort it takes to implement the changes.

## WHERE DO THEY STAND NOW?



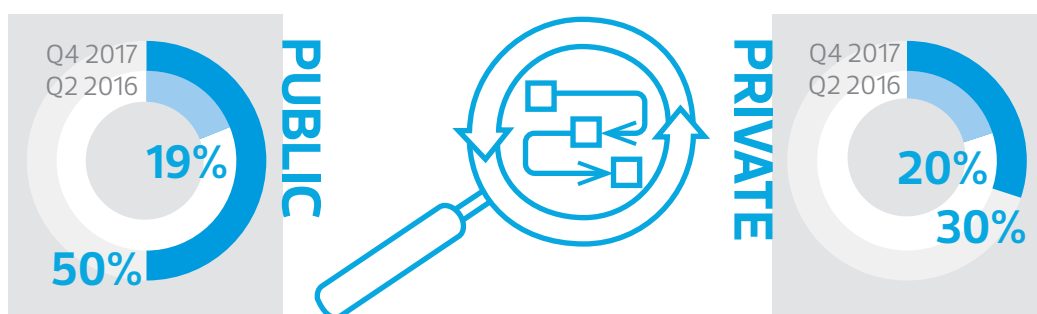
## PUBLIC VS. PRIVATE

Compliance deadlines pushed public companies to adopt the new standard for 2018. Yet **private companies are lagging behind**, few had fully implemented the required changes by the end of 2017.



## PLANS CHANGE

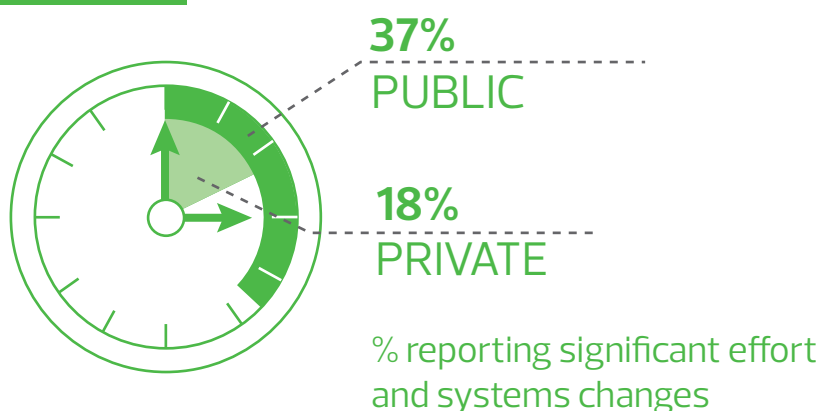
**More than twice** as many public companies used a full retrospective method to adopt the new standard than originally planned...



...a change in approach that many private companies may not be anticipating.

## READY OR NOT

Public companies found that ASC 606 took **significantly greater time and effort to implement** than many originally thought, a lesson private companies have yet to learn.



Source: The RSM Middle Market Leadership Council surveys were conducted between Oct. 10 and Nov. 3, 2017 for Q4 2017 and between March 30 and April 22, 2016 for Q2 2016.