

FINANCIAL CLOSE EBOOK

Five steps to building a growth-ready financial data foundation

CAOs, accountants, and controllers are under more pressure than ever to squeeze everything they can from their record-to-report activities. In rising to this challenge, teams in and around the office of the CFO are quick to reach for predictive analytics or intelligent forecasting as the areas of focus for transformation. There are a bunch of vendors out there that promise these features.

But here's the thing...



How you change
is as important as
what you change.



Don't win the battle while you lose the war.

You can't get to planning and forecasting if you don't have timely, frequent, and trusted actuals. Your actuals are the basis for (and inputs to) downstream financial operations activities. So if you aren't following best practice and don't have your actuals right, that ultra-modern forecasting or analytics tool is only giving you unreliable data faster.

The answer? A connected, stepwise (and often, guided) approach to digital change. One that helps you get a fast time to value, while creating lasting and meaningful impact.

The benefits are real:



“We can now run a single report that pulls data across reconciliations with reports. No more manual intervention is needed.”

– Fresenius Medical Care

[Read the case study](#)



“We’ve shortened our close time from seven days to three and a half. By next year, we’ll have reduced it to three days.”

– Finning

[Read the case study](#)



“We were able to test the improved approach with a block of our reconciliations. We had an 85% auto-certification result with the sample we ran that first month. That blew us away.”

– Aetna

[Read the case study](#)



Ready to do this?

Here we go.

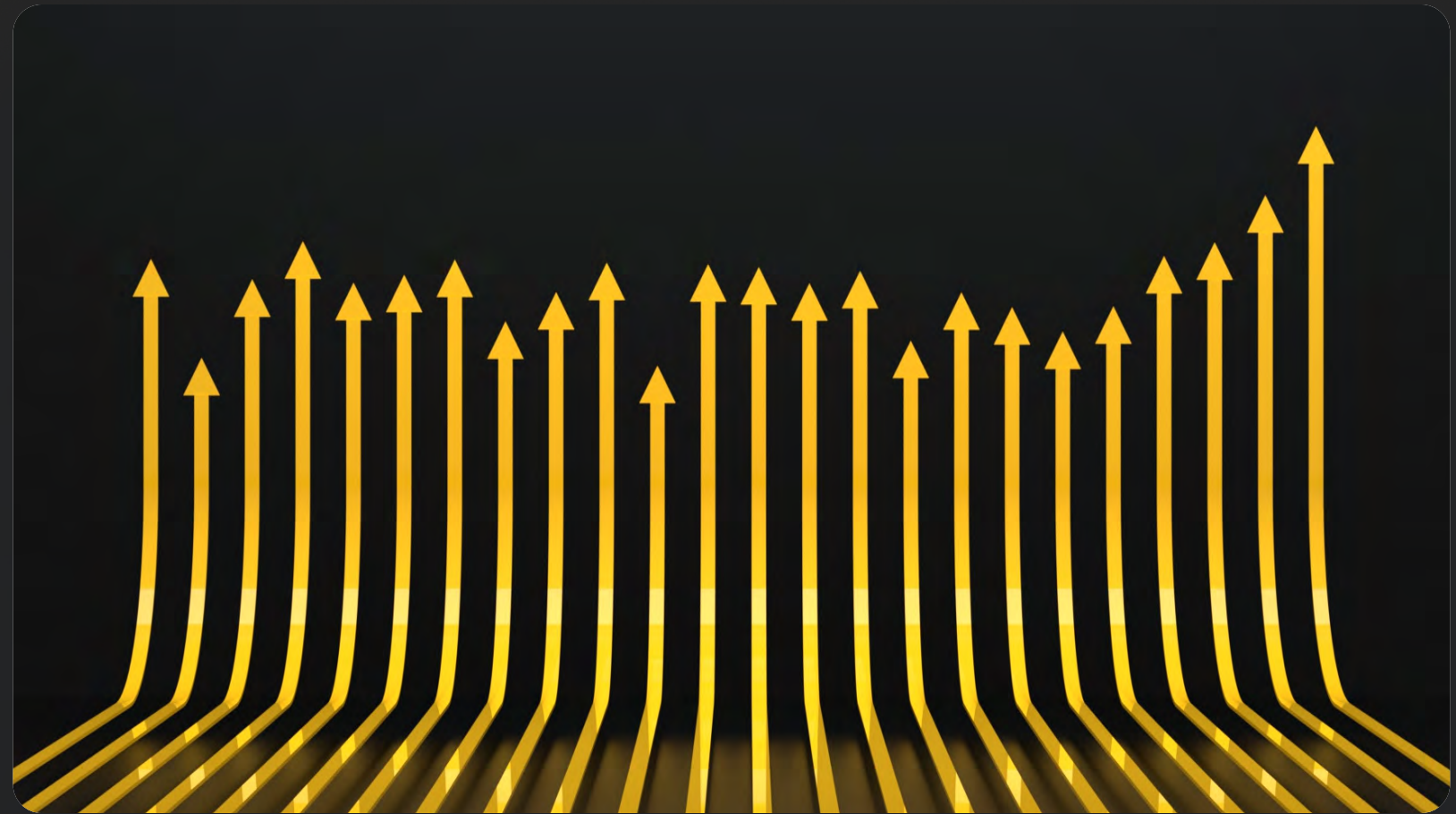
STEP ONE

Set your digital finance transformation goals

Think big, but start with what's achievable. Planning your transformation efforts in a clear and stepwise sequence is the best way to ensure success.

A good place to start is to map out all the upstream and downstream activities in your financial close operations and understand how they contribute to the overall strategy of your business. Although this might seem arduous, it's the vital groundwork that ensures the technology solutions you're going to employ are aligned with your long-term goals—as well as your immediate ones.

In this mapping exercise, don't forget to include your internal and external reporting needs, including your variance and financial review activities. What data is needed on revenues, profitability, working capital, and pricing to power your M&A transactions, divestitures, and other activities?



STEP TWO

Focus on mission-critical accuracy

If you don't sort out your data quality issues, you're just getting bad insight faster. Asking to pause operations or redo downstream forecasts because of a material misstatement or compliance issue won't go over well. So, you'll need to get very strategic about the moves you're making to maximize impact and minimize disruption. Below are the two steps we recommend you take first.

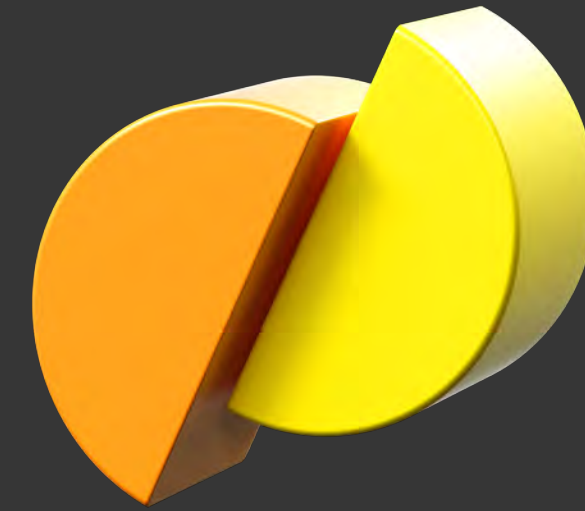


Journal entry management

There's no single 'right place' to start when creating the mission-critical accuracy that sets high-performing finance and accounting operations apart from the rest. But among other close activities, journal entries are a consistent source of errors and a drain on resources.

Not least because the act of creating, supporting, and certifying journal entries often lacks standardization and creates bottlenecks. This leaves you with a lot of downstream headaches when it comes to the audit. What can you do about it? Centralize and automate the creation, validation, reviewing, and posting of journal entries.

To maximize impact, it's vital that whatever solution you opt for offers you flexibility and control, and is able to integrate with your ERP. That's how you can make the journal entry process as seamless as possible.



Reconciliations

Automation of reconciliations goes a long way. In fact, according to one PwC study, 30% of your accounting team's time is spent on manual reconciliations.

But outside of the time-saving benefits, automating reconciliations also helps you drastically reduce the errors in your financial data. Most reconciliation workflows involve downloading data from multiple different source systems. Then aggregating the details in a spreadsheet. Then getting medieval with formulas, v-lookups, or even color coding to match and reconcile. This makes reconciliation workflows a hotspot for errors.

But by automating this process with the right solution, you're able to unify data in the cloud and apply business rules to automatically match transactions and flag exceptions. This saves time and reduces risk.

STEP THREE

Entrench a data quality culture within your team



“Demand the quick wins, but don’t let them make you forget your long-term goals.”

Let’s say you’ve followed the steps in step two and you’re working with a solution provider that understands how to orchestrate meaningful change...

If that’s the case, you’ll have gotten a few solid wins under your belt pretty quickly. For example, you may have automated some of your key accounting activities. It can be easy to let the satisfaction of these early wins distract you from the deeper, more holistic change opportunities available to you. But remember, this is all about tech that’s aligned to a bigger strategic goal. Not simply using tech to automate a single reconciliation workflow, or similar.

The best way to forge towards your long-term goals is to advocate internally for a “cleaning the river” approach. This is where you incrementally improve upstream data quality so that it flows through the system. In order to get this over the line, we recommend an approach founded on connected thinking...

SPOTLIGHT ON: CONNECTED THINKING

A lot of your record-to-report activities are intertwined. They depend on one another and are connected—it pays to treat them accordingly. So, rather than looking at your journal entries or account reconciliations in isolation, think about your end-to-end accounting processes and all of the manual activities that comprise them.

Monthly accruals process

Monthly accruals involve: journal entries, high-volume reconciliations, calculations, certifications, variance analyses, and even controls certifications. These activities are all connected. If you have a connected, single-platform approach to dealing with them, you’re able to reduce complexity and unlock a serious amount of insight in the process.

Bank reconciliations

Imagine your transformation strategy focused on finding a platform that could automatically reconcile your bank detail to your general ledger (GL) detail. It would leave only the reconciling items for your teams to review.

Now imagine that this same platform could identify your bank fees or interest income and automatically create and post the journals to adjust the GL accordingly.

But that’s not all. What if those steps were automated to ensure your reconciling items are transferred to your account reconciliation, so your balance is substantiated automatically?

This level of connected thinking when it comes to solution or platform choice, opens the door to meaningful change and serious gains.

STEP FOUR

Reallocate time to strategic initiatives

“BlackLine has given us the ability to automate many of our manual processes to give us time to look for new ways to innovate.”

– Al Leonardo, Director of Financial Accounting Services, Aetna



30%

of your accounting team's time is spent on manual reconciliations. – PwC

Time is the best currency in finance and accounting—but advantage comes from how you use it. As you achieve greater time savings—the next stage is the strategic reallocation of time as a resource. This will be different for each business—but focus your time on two things:

Exception and anomalies and Strategic initiatives and business partnerships.

This is where the quality culture evolves into an advantage culture. Get back to your overall strategic goals, and identify the best ways to reallocate your team's time so it's more aligned to the key objectives of your organization.

STEP FIVE

Scale your impact across a wider range of record-to-report activities

Once you're getting results in one area, the ultimate goal should be to replicate those wins across other functions in your record-to-report process. But because a lot of people start with the financial close, there's a crucial step first. Ask yourself if you've really addressed the entire record-to-report (R2R) process or if you're currently hovering around the report-to-nearly-there mark.

It's vital that you get into the weeds here. Are there hidden moments of heavy manual work behind the automation? For example: If your solution uses a template function to automate low-risk reconciliations, where do those templates live? If the answer is Excel you'll still have a bunch of manual handling to do. Are your various local and reporting teams on different pages when it comes to your variance and financial review processes? If so, you are still putting unnecessary strain on your team as they chase down explanations for fluxes.

Once you're confident that you've mapped the full R2R process (and you've unearthed any hidden manual work), you can start to expand your reach to other areas like invoice-to-cash and intercompany transactions.

Just don't rush it. It's all about a series of controlled, strategic moves towards your overall organizational goals. Jumping ahead to intercompany transactions before you've addressed your full R2R process is going to be hugely detrimental.



SPOTLIGHT ON: AVOIDING PITFALLS

Avoid these pitfalls when choosing finance and accounting solutions

SaaSifying your spreadsheets

Some organizations believe that adopting a cloud-based workflow automation solution will solve all their problems. But if you don't strategically map out and account for inefficiencies, bottlenecks, or interdependent steps, and make a plan to address them, all you're doing is moving your errors to the cloud.

Underplaying integration needs

The breadth of capabilities a solution can offer is vitally important. Equally important are the integrations it has. When you're choosing between providers, make sure the solution they offer can integrate seamlessly with your current ERP setup and your data sources.

Thinking too small

Adopting the first solution that offers you some exciting benefits is a recipe for the kind of fragmented digital change that adds complexity. Before you make a buying decision, make sure any new solution you are assessing can help you hit both your future goals as well as your immediate ones.

Don't confuse an ERP with a financial operations solution

ERPs are great, but they can't give you the agility of a focused solution unless they're heavily customized. And heavily customized ERPs are a huge headache when update time comes around.

Point-solution sprawl

Will the solution be able to grow with your business? Does the provider have a full suite of solutions that you can explore should your needs change? If the answer is no, be very wary. It's likely to put you in a spiral of complexity where you have a different vendor solution for each of the areas you want to create impact in.

Choosing partners who overpromise

When searching for a partner to help scale your impact, ask questions to determine who are the ones that front like they offer automation of operational processes across business-critical areas vs. ones that really offer it and can have the capacity to grow with your needs?

WHEN IT'S TIME TO DECIDE

The case for BlackLine

At BlackLine, we've helped over 4,400 businesses build future-ready financial data foundations. Here's a quick summary of the five steps we've outlined in this ebook; this is the work ahead of you:

- **Set your digital finance transformation goals**
- **Focus on mission-critical accuracy**
- **Entrench a data quality culture within your team**
- **Reallocate time to strategic initiatives**
- **Scale your impact across a wider range of accounting activities**

Not gonna lie, it's a lot. You're going to need the best partner in the business and BlackLine has consistently earned that distinction. Here are the top three reasons why customers choose BlackLine over the rest:





Proven history of product innovation and world-class security

Your financial operations platform should evolve ahead of the market, not in reaction to it. That's why we relentlessly uphold our position as technology pioneers in the industry. In our last budget we committed over \$100M to R&D.

Our security credentials are the most comprehensive of any of our direct competitors. BlackLine contracts with a CREST accredited Penetration Test vendor for annual penetration tests covering all products and services, including Vulnerability Scans.



Recommended and validated by top advisors to the Office of the CFOs

BlackLine is the partner of choice for 9 out of the Fortune 10 and we have formal alliance relationships with the world's most influential consulting brands: Deloitte, EY, KPMG, Accenture, Capgemini, and IBM to name just a few.

The benefit of these partnerships? You get access to a team of experts, dedicated to deploying and optimizing BlackLine to your needs...without adding a raft of customizations that make platform updates impractically slow.



Built to scale with your business

While we deliver ROI today (with implementations in as little as five days), we simultaneously lay the foundations for scalable, future-ready financial operations.

BlackLine gives you the support, guidance, and functionality you need to evolve beyond spreadsheet-based processes. This allows you to get the best results and the most value from automation as your business grows.



Don't take our word for it...

Explore our customer stories to get a real-world POV on how BlackLine transformed their F&A process. Or, explore our products and see for yourself how achievable real change can be.

[Explore Customer Stories](#)

[Explore Products](#)

