

Ebook

Are you 7 metrics away from future-ready financial operations?

Find out with this industry benchmark guide...



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Sure, our financial close is a little chaotic and people are working late but our process works and we issue our financials on time, so we're not focused on it.

Sound familiar? You're not alone.

Many feel that the effort of measuring, benchmarking, and improving their financial operations isn't a high-value task because they've got bigger things to worry about (and no time to change things).

But when you talk about **business stability, cost optimization, and scalability**, it's a different story...

How can financial close processes increase business resilience?

Right now, businesses are under extraordinary pressure. When tough times hit or you're scaling your business, you need fast, efficient and accurate insights from your financial close operations. This can be the key difference between being destabilized by change, or successfully adapting to it.

For example, understanding your working capital dictates your ability to spend resources effectively. And a clear handle on gross profit margin will help you make strategic scaling decisions.

But if your financial close operations make it harder to build trusted metrics that make the business better (because of slow, manual processes and fragmented data), then they're impeding competitive advantage instead of enabling it.

It's never been more important to get your financial operations future-ready.

How do you know if your financial operations are future-ready?

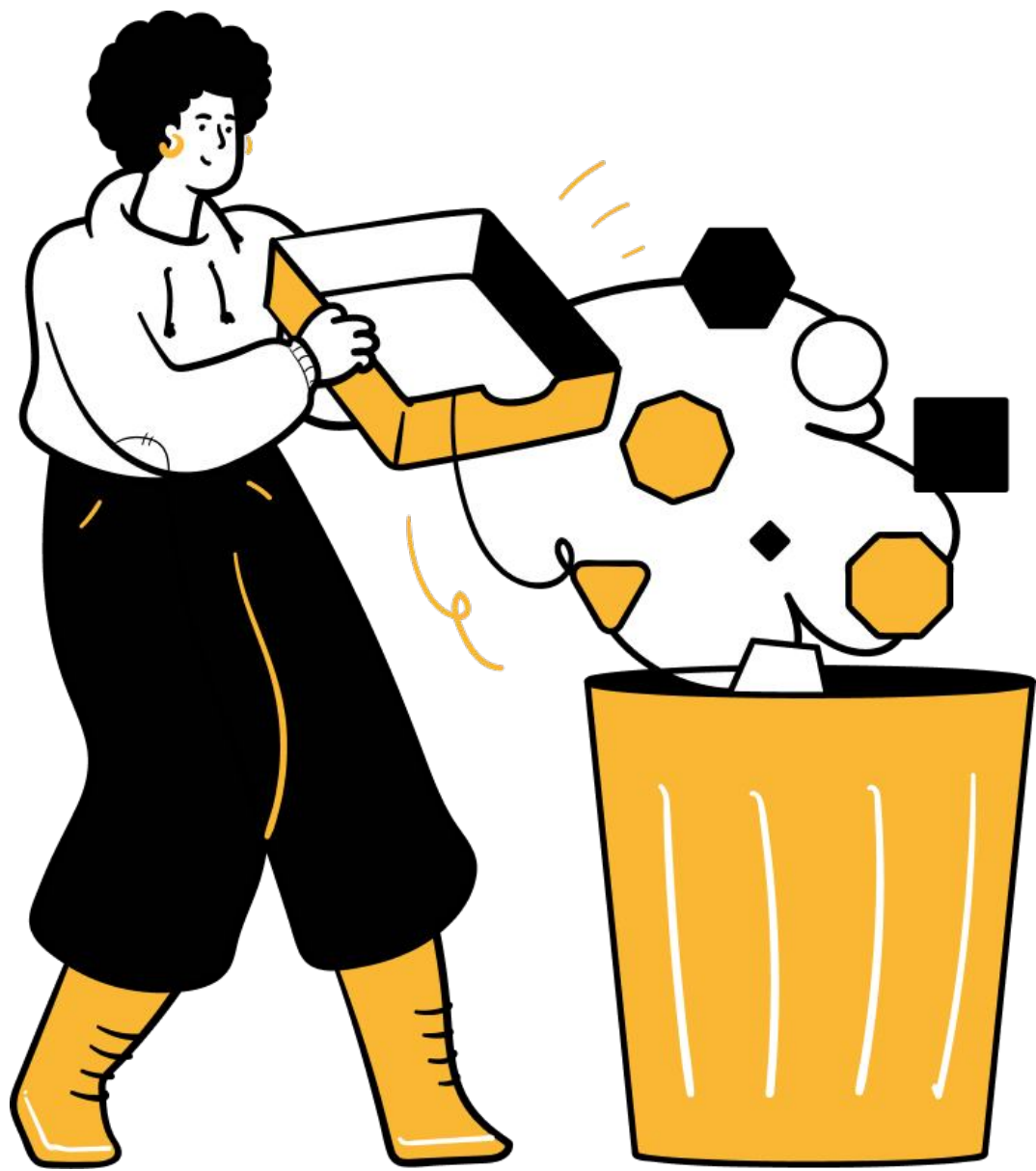
Simple. Explore the seven metrics in this eBook and see how your business stacks up against them.

And, to help you benchmark the "future-readiness" of your financial operations against the competition, we've also included results that BlackLine customers have achieved.

We hope this gives you all the information and business context you need to see what's possible with the right platform.



Hours spent “cleaning” and downloading data



Industry benchmark:

2-8 Hour Setup

The best-performing organizations are letting automated software replace this heavily manual work with a one-time setup of two to eight hours, depending on the complexity of the data.

Why it's important:

Many businesses don't realize just how much time is squandered downloading, importing, and analyzing financial close data so that it's ready to process.

Consider your bank reconciliations: downloading statements into a spreadsheet, adding some filtering, some conditional formatting, maybe lookup tables—each step takes valuable time.

This aggregation of marginal losses is often a huge—unseen—competitive impediment that slows the business down and makes streamlining operations feel impossible. Plus, consider the increased risk that's introduced with each added manual handling step.

What's possible:

Using a platform like BlackLine, you'll have access to connectors that allow you to grab data (in a BAI file for example) and pull that directly into the platform. All that data processing will only ever need to be done once to set it up. From that point on, when you import your data, it'll be automatically processed for you based on your preferences.

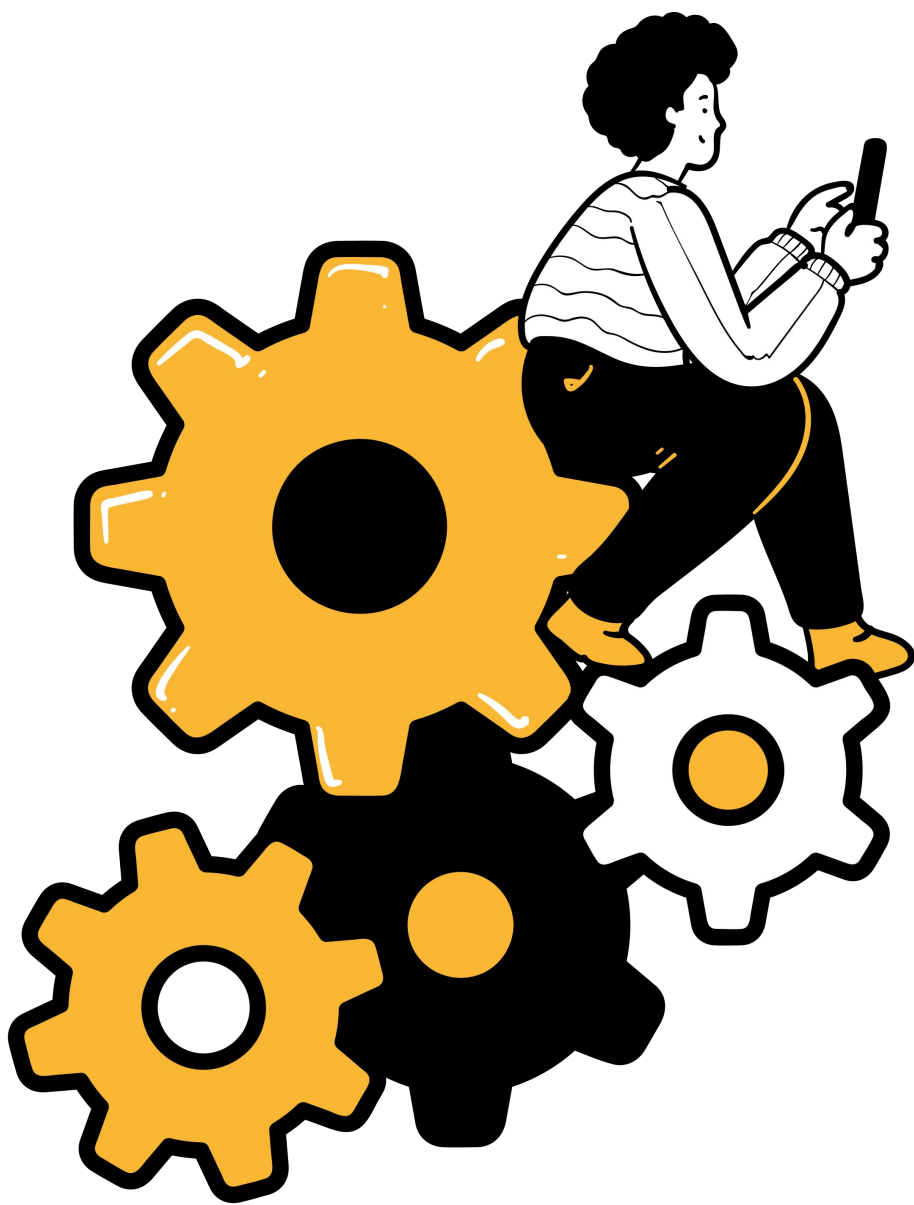
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BlackLine has opened up a whole new world for us. It's so much easier for accounting to put data into a format that finance can easily use. It also enables us to give our CFO more up-to-date information, which in turn helps him make better decisions for BCU.

Accounting Manager

bcu

Percentage of transactions automatically reconciled



Industry benchmark:

99%
Auto-Reconciled

The leading F&A teams are using an automated software platform to automatically match 99% of transactions.

Why it's important:

Reconciliation at the transaction level often involves a lot of slow, manual handling. This drags efficiency, increases risk, and can seriously damage morale.

The finance and accounting experts you hire want to spend their time on the interesting stuff: the anomalies, exceptions, and opportunities that actually leverage their skills. If they're bogged down with manually matching all transactions, they're going to find their jobs much less enjoyable.

And there's nothing that tanks operational efficiency and squanders competitive potential quite like talented folks feeling disengaged with their work.

What's possible:

The right financial operations platform will allow your teams to leverage their skills and provide your business with more value. BlackLine customers achieve this with our Transaction Matching feature.

It works a little like this: BlackLine ingests detailed data from different sources and automatically matches these transactions in your account reconciliations, so all you need to do is focus on the anomalies and exceptions.

CASE STUDY | DOMINOS

"Today, we're at a 99.9% match rate. That means I get to go look at those really, really interesting transactions... That's where the real insight comes and the opportunity to provide better support and advice for the rest of the organization."

[Learn More](#)

Percentage of manual journal entries per month



Industry benchmark:

10% or fewer manual journal entries

The best-performing organizations manually process just 10% or fewer of their journal entry line items, according to [APQC's Open Standards Benchmarking data](#) on general accounting and reporting.

Why it's important:

A heavy reliance on manual journal entries is a big risk indicator and a definite sign that your financial operations aren't scalable. Getting a handle on the number of manual journal entries gives you a quantifiable metric to assess the efficiency of the financial close process.

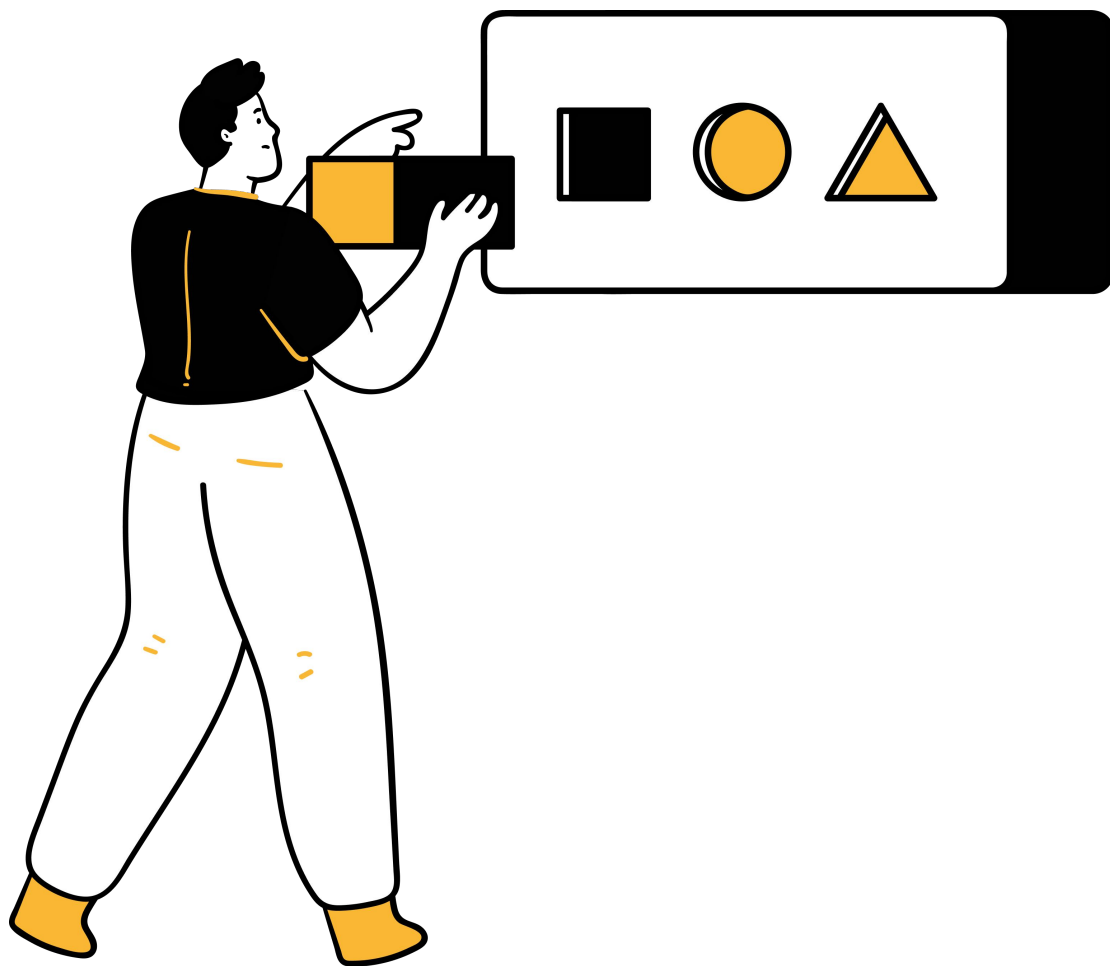
What's possible:

Businesses can use financial operations solutions to centralize and automate the creation, validation, review, and posting of most journal entries. They can even eradicate unnecessary journal entries.

For example, BlackLine's Journal Entry solution gives businesses direct integration with core systems like ERPs to pull information and post journal entries. It centralizes journal entry management, and offers an integrated control framework including thresholds and user roles.

The efficiency gains speak for themselves. Unconvinced? Read more about how we helped a customer achieve a [97% journal automation rate here](#).

Percentage of low-value journal entries added per month



Industry benchmark:

<5% Low-Value Journal Entries

Low-value journal entries account for less than 5% of journal entries at leading organizations that leverage automated software platforms.

Why it's important:

The cost of processing a journal entry includes the time your teams spend on all activities related to it (using software and other resources etc).

Understanding the number of low-value journal entries (e.g. those for under \$250 or below your company's materiality threshold) is going to help you throw the spotlight on a major source of operational inefficiency. Such journals are typically not required by a business's standard operational procedures, and often cost more to process than the journal entry's actual value.

What's possible:

The right financial operations software can help you implement a materiality threshold to minimize low-value entries. This helps you refocus your team's time on high-value activities, like strategic planning.

On the next page, we explore how BlackLine's AI-powered Journals Risk Analyser helps businesses get the mission-critical intelligence they need on their journal entries.

BlackLine: Journals Risk Analyser

Our customers are driving even more operational efficiency and rigor using our AI-powered Journal Risk Analyzer.

This solution enables our customers to evaluate all of their journal entries and view the results in one easy-to-use dashboard.

For example, they can **Analyze by Journal Entry Amount** to highlight those low-value journal highlights across all of their accounts. This gives them the information they need to actually make the most of their employees' time.

They can also **Analyze by Journal Entry Type**, affording visibility into risky transactions or those could be eliminated.

[Click here to get the full rundown of Journals Risk Analyser.](#)

Percentage of automated recurring journal entries



Industry benchmark:

35% Automation

Leading F&A teams are able to automate 35% of their recurring journal entries using an automated software platform.

Why it's important:

Monthly recurring manual journal entries (such as accruals, depreciation, amortization, and allocations) can be a particularly frustrating resource drain.

These entries often follow a regular schedule and are for consistent amounts. This makes these journal entries prime candidates for automation. Understanding how many of these journal entries you have shows the potential for operational efficiencies.

What's possible:

Because of their repetitive nature, recurring manual journal entries can be easily automated. With BlackLine, recurring manual journal entries are easy to set up, clone, and automate. And with our Account Reconciliations solution, users get access to templates that automatically calculate things like amortized amounts.

Hours spent responding to and providing audit requests



Industry benchmark:

<2 Hours

With an automated software platform, leading F&A teams are enabling self-service auditors with a simple one-time setup that takes less than two hours.

Why it's important:

Depending on the size of your organization and the efficiency of your financial close processes, responding to audit requests can add up to a matter of seconds or hundreds of hours every quarter.

If your systems are fragmented, you rely heavily on manual data entry, and you need to go searching through various file locations for supporting documents—you're going to chew up some serious time.

It's also going to increase the risk of errors. All of this is going to make it harder to ensure you have accurate supporting documentation for compliance.

What's possible:

Businesses using BlackLine can store and gain easy access to supporting documentation at the item or account level. This eradicates the need to trawl through multiple locations looking for the data they need.

BlackLine also ensures that the easy access to supporting documentation doesn't come with a security tradeoff. It logs the uploading user's name and the time and date of entry, so that no one else can edit information. Plus, BlackLine customers can also grant read-only access to auditors, which allows auditors to self-serve the information they need.

Number of solutions needed to execute financial close



Our Advice:

A Unified Approach

When you seek out a financial close solution to access the kinds of benefits we've spoken about here, make sure you map out how many of your financial close processes it can help you manage.

Why it's important:

An added inefficiency at the heart of chaotic financial close processes is the amount of time teams spend juggling apps, rather than putting their F&A skills to use. So finding a single solution that can cover all your financial close needs is going to have a serious impact on your operational efficiency, operational expenses, and your working capital.

The more your company has to move data from system to system and reconcile information across sources, the more you're going to increase your operational risk too. This is how errors go undetected or unintentional errors occur.

Start your journey to future-ready financial operations



So there you have it. We hope the metrics in this eBook have given you what you need to benchmark the future-readiness of your financial operations.

As we've covered throughout, BlackLine can help you turn your financial close operations into something that helps optimize cost and increase your scalability. In fact, 9 of the Fortune 10 made us their partner of choice for this.

To get the ball rolling, check out how BL has helped others with their financial close needs.



BlackLine Customer Lookbook

Explore the real-life success stories of those who have partnered with us. Explore how we can help you turn your financial close processes into an enabler of profitable growth.

[Ebook](#)