Use Case Spotlight

BlackLine for Manufacturing

Proactively Manage Accounting Operations with Automation

Consumer behavior is changing and the pace of business in today’s global economy is faster than ever. For manufacturers, that means increased pressure to produce higher or the same quality products faster and cheaper.

As a result, efficiency is critical in every aspect of the business. The key to efficiency is data that helps manufacturers better understand costs and bottlenecks.

For organizations producing the goods they’ll sell, there are unique considerations and challenges. Often, numerous stakeholders across disparate functions and production facilities take part in tracking, analyzing, and reporting data. Yet a decentralized or siloed approach can result in inconsistencies and inaccuracies that yield poor business decisions.

What if decisions could be made using more standardized, complete, and accurate information provided by Accounting and Finance?

This approach is often too aspirational, because Finance resources are overburdened with compliance and a seemingly never-ending list of period-end tasks. Capacity to assist with strategy and operations is essentially non-existent.
Month-End Means More for Manufacturers

For manufacturers, closing the books is a unique and complex process. Unlike other industries, where the majority of close-related processes are performed at Corporate, manufacturers must rely on local plants or sites to complete critical closing steps. These activities often have heavy dependencies, as they must be performed in a specific sequence or at a specified time.

Calculating and validating inventory, analyzing and recording purchase price and budget variances, reconciling goods received to goods invoiced, and validating cost of goods sold are just some of those steps—and they are no easy feat.

On top of it all, manufacturers often engage in M&A activity. Whether it’s to break into a new market, drive revenue growth, or drive innovation, M&A is common in the industry—which means even more challenges for Accounting.

Inconsistent processes, limited corporate visibility and oversight, increased intercompany activity, and disparate systems all add additional risk to the already troublesome month-end close.

These challenges force accountants to spend additional hours aggregating data across divisions, integrating processes, and reporting back to Corporate. As a result, activities must be performed more frequently than monthly all while business goes on and real-time insights are needed.

These competing priorities make it difficult for manufacturing accounting teams to keep up.

Accounting Insights Create Competitive Advantage

When manual processes prevail, there’s little to no time to measure KPIs or identify bottlenecks, yet Accounting is asked to deliver these insights in order to maintain a competitive advantage.

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1 Mistrust in the Numbers, BlackLine, 2019
As a result, many Accounting teams are undertaking transformation initiatives with desired outcomes, including:

• Streamlining manual processes to prevent disruptions and delays
• Increasing visibility at both corporate and plant levels
• Providing accurate, real-time information to management
• Managing accounting operations proactively to better align with the business

This can also lead to a lack of confidence about how and where to access the most accurate, comprehensive data.

Integrated accounting solutions complement and enhance core ERP, inventory solutions, and other manufacturing systems to address the spreadsheet-filled gaps with a complete view of financial data and close-related activities.

A centralized, cloud-based platform gives manufacturers the ability to deliver financial results quicker and with greater accuracy and confidence. Embedded, business-defined rules make transactional activities and allocating manufacturing costs a seamless and automated process. This helps reduce risk and frees up accountants to focus on exceptions and analysis—ultimately becoming a strategic partner to the business.

Accounting teams have tremendous value to offer to the front of the organization, providing accurate and timely financial data to management allowing them to quickly respond to consumer demands and competition.

What if you could shift your focus from manual, repetitive tasks to providing more real-time insights and trends?

How Finance Automation Helps

When it comes to technology, manufacturers have a lot of it. An inherently decentralized and tiered operational structure brings disparate processes and systems—resulting in different accounting and reporting technologies across business units.
BlackLine’s integrated accounting automation platform automates and embeds controls through a historically manual and risky financial close process—freeing up manufacturing accounting teams to focus on more strategic activities. The integrated platform has a built-in matching engine that is designed to automate the most complex and repetitive processes that still plague accounting teams today. BlackLine’s integrated platform imports transactional data from any source and applies intelligent, business-defined logic to automatically match millions of records in minutes. The use cases are nearly endless.