Increasing Efficiency, Reducing Duplication & Strengthening Controls

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Senior Manager
Technical Accounting, Controls and Policies, Apparel Retailer

The Challenge
In business for more than 125 years, a leading retailer and manufacturer of apparel and accessories continues to respond to changing customer expectations by growing the brand and expanding its retail footprint. Yet while store inventory, supply chain, and other key operations used modern technology and automation to meet the demands of a global enterprise, the company’s financial close was still a highly manual, time-consuming process.

The company’s reliance on a homegrown SharePoint-type solution hindered visibility, and because multiple versions were in use, compromised consistency and standardization.

“The system gave us less than optimal internal controls,” says the retailer’s senior manager of technical accounting, controls, and policies. “There were global inconsistencies in documentation and the preparation of reconciliations. It was difficult to monitor activity or understand errors teams had identified. We were also seeing significant duplication from teams supporting statutory filings.”

INDUSTRY
Retail

REGION
Global

ADOPTION DATE
2015

ERP
Oracle

NUMBER OF USERS
113

PRODUCTS USED
Account Reconciliations

BUSINESS IMPACT
Increased efficiency by auto-reconciling 20% of accounts, reduced duplication of effort, increased visibility and transparency, improved quality by strengthening internal controls, and reduced time spent on gathering data for auditors.
Why BlackLine

Accounting and finance leaders knew that it was time to improve the efficiency, control, and accuracy of the close process. That meant automating rote tasks and strengthening internal controls.

“Our goals were to improve the effectiveness of our reconciliation process at the preparer, approver, and secondary review levels, as well as provide management with greater visibility into the completion of critical close processes,” says the finance manager. The retailer also needed to eliminate the duplication of effort around statutory reconciliations so that staff could focus on more value-added work.

Finance leaders looked for a solution with robust automation and data import functionality, ease of use for high user adoption, and a proven track record of rapidly driving business impact.

“We considered multiple vendors,” recalls the finance manager. “The final decision was between Hyperion’s close management tool and BlackLine. BlackLine stood out from its competitors based on the user interface and the ability to quickly implement with little IT development. The finance team felt comfortable being able to fully configure and administer BlackLine.”

During the BlackLine implementation, the finance team took the opportunity to revisit and revamp outdated processes. “Implementation was fairly easy from a technical standpoint. However, the configuration and structure of BlackLine required thoughtful considerations, as there are a number of downstream impacts,” says the finance official.

“The BlackLine team was very helpful in educating us on the impacts of each of the key system configurations. They provided us with a platform to address some of our inherent risks, which allowed us to refocus the team on the critical aspects of our reconciliation and journal processes. And they were very responsive when questions arose.”
The Results

Increased efficiency by auto-reconciling 20% of accounts.
The team uses BlackLine to auto-reconcile accounts, streamline preparer-to-approver workflows, and automate journal creation, validation, and posting. “BlackLine has enabled the team to be more effective and efficient in our reconciliation and more effective in our journal entry process. We immediately auto-reconciled 20% of our reconciliations.”

Reduced duplication of effort.
With BlackLine, the finance team has increased the efficiency of statutory reconciliation processes. “We’ve decreased our statutory reconciliations by over 90%, eliminating significant duplication. We’ve accelerated the statutory close process to coincide with the consolidated books and records. BlackLine has also assisted in the identification of GAAP to STAT errors on a timely basis.”

Increased visibility and transparency.
Spreadsheets no longer must be scanned, emailed, printed, or filed. Instead, every team has access to the same data, from anywhere in the world, at any time. This also enables leadership to monitor the progress of the close.

“BlackLine gives us the ability to identify areas where teams have not been timely in their tasks. Management also has greater visibility into the completion of critical close processes,” says the finance manager. “When trends are identified, we can inquire to understand the root causes and identify solutions to ensure we can continue to meet our close deadlines.”

Improved quality by strengthening internal controls.
The company’s previous manual close process not only increased the risk of human error but also made it difficult to enforce how things should be done. By automating key accounting processes in BlackLine, the team has standardized processes across all locations.

“Ultimately, gains in efficiency have translated to an increase in quality,” says the finance official. “There’s been an overall increase in the effectiveness of our internal controls.”

Reduced time spent on gathering data for auditors.
Instead of allocating staff time to aggregate auditing data, the retailer can simply give auditors controlled access to BlackLine. “BlackLine is a centralized repository,” the finance manager says. “We give auditors access to reduce the burden on the team.”