Switching to BlackLine from a Competitor Reduces Monthly Close to Five Days

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— Mike Sullivan, Principal Reporting Accountant, Cameron LNG

The Challenge

Headquartered in Houston, Texas, Cameron LNG operates a liquefied natural gas (LNG) terminal near the Gulf of Mexico.

For Cameron LNG, an already time-consuming monthly close process was made even more difficult with an outdated task management / reconciliation software (a BlackLine competitor). “Our existing solution at the time didn’t require individual account reconciliations. Essentially, one global reconciliation was performed for the entire balance sheet,” said Michael Sullivan, Principal Reporting Accountant at Cameron. As a result, there was little to no visibility into the quality of post-month-end close reconciliations and accounting journal entry support was not accessible in a user friendly manner. Sullivan notes further that “While transitioning primary accounting responsibility from our majority owner to the newly formed joint venture, during month-end close, we wanted real time line of sight to where we stood in the process. However, using our old solution, when we attempted to use our legacy task management solution, we often found it wasn’t updated by the former accounting team.

INDUSTRY
Energy and Raw Materials

REGION
United States

ADOPTION DATE
2014

ERP
SAP

PRODUCTS
Task Management,
Account Reconciliation

BUSINESS IMPACT
Streamlined the month-end close process, reduced potential for errors, improved accountability, increased transparency, enabled visibility/tracking of assets, and seamlessly enabled reconciliation continuity between legacy general ledger and recently deployed SAP.
Complicating matters as noted previously, Cameron LNG was in the midst of a transfer of accounting responsibility from the majority owner of the Joint Venture to a standalone entity. The ability to maintain accuracy while taking over accounting functions from a different group was a significant concern. “We needed to ensure that we could guarantee the integrity of the financial statements, as well as take ownership of month-end close cycle and hold ourselves accountable.”

Why BlackLine

While Sullivan was familiar with BlackLine’s financial close and reconciliation suite from usage at a prior employer, “I knew from experience that BlackLine delivered deeper insight during the month-end close,” he still performed due diligence by checking numerous third-party references. According to Sullivan, “The people I called took the reference checking process very seriously. I was surprised: clients were so impressed with BlackLine that they were willing to take an hour out of their busy day to speak with me about their experience.”

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Cameron LNG moved from their existing software solution—the BlackLine competitor—to BlackLine in early 2015. “The switch to BlackLine was unavoidable. We saw it as a lifetime replacement and a long-term solution for the company we wanted to build,” said Sullivan. Implementation was completed in a mere three weeks with only three people—Sullivan, his direct report, and their BlackLine implementation specialist. “Everyone at BlackLine we came in contact with, along every step of the implementation, could not have been more supportive and focused on helping us achieve go-live ahead of schedule.”

To ensure a smooth rollout and maximize user adoption, Cameron provided extensive training to accountants early on. “People are generally resistant to change—broad adoption by users has always presented significant challenges to the successful deployment of a business solution. Knowing this, we spent a lot of time demonstrating ways in which BlackLine would make the monthly close process easier and more accurate. We also continued to offer training with an eye toward continuous process improvement,” said Sullivan. “People quickly realized it was a solid platform, and the accountants we worked with view it as a critical tool during the close.”
The Results

Streamlined the month-end close. Cameron LNG’s previous software partner was a significant contributing factor to a financial reconciliation process that was not only labor intensive, but also much longer than it needed to be. Post-BlackLine implementation, Cameron has shortened its month-end close process to five days—and expects to further reduce it to a mere three days in the near term. “BlackLine is helping us close in the most practical and efficient manner possible,” said Sullivan. “It also offers tremendous visibility into a tightly integrated workflow. We can easily identify the root cause when close-related deliverables are late or incomplete.”

Reduced potential for errors. “As scoped to Accounting, we are now in an era earmarked by increased regulatory scrutiny. In this environment, companies must maintain a high degree of visibility and transparency in their financial reporting processes. The implementation of BlackLine allowed Cameron LNG to quickly and effectively respond to this challenge. BlackLine is intuitive. It’s intelligent enough to detect a change in our prior period trial balances. It’s robust enough to allow visibility into reconciliations performed on our legacy general ledger even with our newer implementation of SAP. I like knowing that the solution is looking out for us.”

Achieved continuity between legacy and new general ledgers. With BlackLine, Cameron LNG has been able to integrate the legacy account reconciliations during the upgrade to SAP. “BlackLine allowed us to achieve continuity between the old reconciliations and the new. Prior general ledger account balances and reconciliations are all viewable,” said Sullivan. “The only thing that’s changed is SAP general ledger account number.”

Improved accountability. Cameron LNG can now track task progress and assign accountability down to the individual level. “BlackLine allows us hold resources accountable for delivering on time. We’re exceeding our objectives in that area,” said Sullivan.

Increased transparency. All of Cameron’s financial close and reconciliation data are stored in a single location in the BlackLine cloud. As a result, internal auditors and the executive team can quickly access information without requesting files or reports from Sullivan’s team. “Our partners are asking for more internal audits. With BlackLine, all our information is actively tracked and easily accessible.”

Enabled visibility of assets. BlackLine has enabled Cameron LNG to better manage its assets. “We have a material amount of Assets Under Construction at the moment. BlackLine provides us a clear line of sight, especially with the billions of dollars of Capital Expenditure we are incurring,” said Sullivan.