IMPLEMENTING CONTROLS AND STANDARDIZATION IN BUSINESSES ACROSS 14 COUNTRIES

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Hubbell Incorporated is an international manufacturer of quality electrical and electronic products for a broad range of non-residential and residential construction, industrial, and utility applications. With 2015 revenues of $3.4 billion, Hubbell Incorporated operates manufacturing facilities in the United States, Canada, Switzerland, Puerto Rico, Mexico, China, Italy, the United Kingdom, Brazil, Australia and Ireland. Hubbell also participates in joint ventures in Taiwan and Hong Kong, and maintains sales offices in Singapore, China, India, Mexico, South Korea, and countries in the Middle East.

The Challenge
Effectively and efficiently managing manufacturing facilities, joint ventures, and sales offices in approximately 14 countries requires real-time access to all financial metrics, including intercompany activity, reconciliation completion status, and quality ratings.

Hubbell’s month-end close process and day-to-day balance sheet reconciliations weren’t standardized across the company’s business units,

INDUSTRY
Manufacturing

REGION
Global

ADOPTION DATE
2014

ERP
SAP

NUMBER OF USERS
215

PRODUCTS
Intercompany Hub, Account Reconciliations, Task Management

BUSINESS IMPACT
Implemented strong controls and process standardization, increased visibility, reduced risk, ensured accountants performed tasks correctly and on time.
making real-time visibility and tracking nearly impossible. Downstream, upstream, and lateral trade and non-trade intercompany transactions were not centralized across legal entities, causing duplication and manual work efforts, lack of enforcement of cross-company transactions, and foreign exchange rates confusion.

“We didn’t have full visibility,” says Mark Koolis, power segment assistant controller at Hubbell. “If corporate finance wanted to see a reconciliation or the composition of an account balance, they would have to reach out to a local finance group. It was made even more difficult by the time differences associated with being a global finance organization.”

The lack of real-time information also made the compilation of data difficult to ensure the entire company was in compliance with corporate policies and procedures. “Our executives were being forced to sign off on public filings without having real-time visibility into key areas of finance and accounting,” said Koolis. “We knew we had a gap. BlackLine helped us close the gap and start focusing on more value-add activities.”

**Why BlackLine**

Koolis and his team searched for a software solution that would enable them to standardize, automate, and simplify the close process while simultaneously increasing global intercompany transaction visibility. The decision came down to two vendors, BlackLine and a competitor.

“While the competitor said they could tweak things for us, customize this and that because our users wanted to retain that ability, we knew that was exactly what we were trying to avoid. We wanted our people in the United States, China, and other countries to [work] in the same way. We didn’t want them to be able to change the process to fit their preferences,” says Koolis. “BlackLine offered us both control and standardization, which was critical to ensuring a squeaky clean balance sheet.”

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The decision to partner with BlackLine was also influenced by BlackLine's commitment to both customer service and continuous innovation. “The BlackLine Community is a perfect example of how BlackLine is focused on meeting customers’ wants and needs. With BlackLine, we knew that we weren’t simply buying a product. We were partnering with a company that was invested in improving our overall financial close process from beginning to end.”

The Results

**Implemented strong controls and process standardization.** Before BlackLine, there was no enforcement of cross-company intercompany transactions or approvals. Today, with BlackLine, Koolis and his team know that the close is standardized across all business units, regardless of location, language, or currency.

Hubbell's local offices performed reconciliations in vastly different ways. “BlackLine has strengthened our internal control environment. It's really about standardization and simplification. With BlackLine, we can do it the same way everywhere across the globe,” said Koolis. Intercompany transaction types, relationships between entities, and the ability to approve or reject transactions before posting are set up within the Intercompany Hub. “We don’t just talk about SAP or HFM anymore. We talk about BlackLine, too. It’s become part of our culture.”

**Increased visibility.** With BlackLine, Koolis and his team can now instantly see where they are in the close process, without waiting hours for a report from a business unit in a different time zone or country. “We have real-time visibility now,” says Koolis.

**Reduced risk.** By implementing BlackLine in over 40 businesses, 100 entities, 5,000 GL accounts, and 200 users, Hubbell increased not only consistency of process but accuracy overall. “Previously, we were exporting from our local ledger and uploading into HFM. There was always the risk that numbers could be manipulated,” said Koolis. “With BlackLine, we’ve automated much of the process and enhanced our reconciliation quality and supporting documentation. It’s made our audit team very happy.” Intercompany journal entries, booking both sides of the transaction automatically in the correct currency, provide real-time posting and validation in SAP.

**Ensured accuracy.** Hubbell’s highly localized close processes meant that Koolis and his team had little visibility into accountant performance. “Before BlackLine, I didn’t know if everyone was doing what they were supposed to be doing. I wasn’t impressed with the reconciliations or with the support provided to clarify account balances. There was more work upfront because everyone was doing the same thing a different way and most of the time, didn’t have the supporting documentation readily available. With BlackLine, we’ve strengthened our internal control environment.” Now, their accountants perform tasks correctly and on time.