BlackLine Solutions for SAP Consumer Products Customers

Industry Solution Brief

BLACKLINE
The modern consumer has access to unlimited choices and an abundance of information. As a result, buyers expect a convenient experience with products that align with their values.

It takes more than getting product on a shelf at a store to win in the marketplace. To drive revenues and profitability, companies in the consumer products industry must shift their strategic priorities to not only meet buyer expectations, but to **transform the consumer experience**.

Consumer products companies are prioritizing initiatives like establishing new product categories or channels and understanding consumer insights through web traffic, mobile apps, and beyond. Technology that enables agility and innovation is key to transforming the consumer experience.

Companies that adopt these leading technologies are deploying smart, sophisticated ecosystems that help them deliver a simple, seamless commerce experience.

These changes have a profound impact on the way companies operate. With faster and more agile models in place, business leaders need to be able to make decisions quickly with complete and accurate data.
Reality for Consumer Products Accounting Organizations

To support the evolving strategic priorities of their companies, accounting teams must also adapt. They must empower business leaders with more real-time insights without compromising compliance or introducing undue risk. This means moving away from the way they’ve always done it.

Traditional manual processes take too long, introduce unnecessary risk, are 3.5x more costly, and they negatively impact morale. Simply put, they are not sustainable.

These issues, when not prevented or identified in a timely manner, result in more than just financial statement errors. Inaccurate or incomplete information can drive poor or uninformed business decisions.

Consumer products accounting leaders need to reimagine the traditional, spreadsheet-heavy process their teams are using by moving to modern accounting.

Challenges that accounting organizations in the consumer products industry face include:

- Manual manipulation and reconciliation of data across multiple sources (SAP and third-party data)
- Incorrect or lack of timely data from Order Management Systems (“OMS”) that leads to underpayment from customers
- Inaccurate inventory management leads to write-offs
- Time-consuming reconciliation of third-party data (e.g., purchase orders to inventory receipts or customer purchase orders to shipments) leads to difficulty in timely identification and remediation of errors
- Shared service centers and disparate workforces make process and data standardization difficult
- Difficulty identifying demand patterns due to lack of timely access to standardized data
- Audits are time consuming and yield unexpected findings and control deficiencies
- Top accounting talent spends too much time on repetitive work, impacting development and retention
Modern Consumer Products Accounting

F&A technology is not new to the consumer products industry. In fact, companies already have many source systems—from their ERPs like SAP ECC or SAP S/4HANA, to inventory management platforms, to OMS and others.

These systems of record capture business transactions as they occur. Likewise, SAP consumer products customers often use solutions like SAP Group Reporting or SAP BPC to streamline consolidation and reporting processes.

The consumer products accounting technology whitespace rests in the “middle” of the record-to-report process where source data is manipulated in spreadsheets, workflows, and validations, key controls are manual, and information is stored in shared drives or email.

Leading automation solutions are transforming these processes and changing how accounting works. Cloud technology can be deployed rapidly, allowing accounting teams to shift their focus away from data manipulation and exception management, provide consistency and control, and navigate new challenges.

Solutions like SAP’s cloud solution extensions by BlackLine help accounting teams save time, reduce risk, and create capacity to support their organizations’ strategic objectives. SAP consumer products customers are leveraging BlackLine’s solutions in the financial close for activities like ensuring completeness and accuracy of sales and inventory data and to minimize write-offs.
Successful applications of SAP’s solution extensions by BlackLine for consumer products companies include:

- Three-way match of data between purchase order, order fulfillment, and cash receipt
- Reconciliation of revenue recorded to OMS
- Reconciliation of inventory recorded to inventory management system
- Calculation and reconciliation of rebates earned to sales rebate data
- Centralization and automation of journal entry processes
- Proactive analysis of account balance and transaction trends
- Standardization and monitoring of distributed and global close tasks
- Centralization and workflow standardization of shared service center tasks
- Governance and automation of intercompany transactions, including trade and non-trade
- Management of audit PBCs and self-service approach to testing and supporting documents

**Data Sources**
- Automated General Ledger Feeds
- Automated OMS Feed
- Subledgers
- Other Third Party Data Feeds

**Automated Matching Engine**
- Pre-Set Flexible Matching Rules
- Ability to handle exception analysis

**Matched Items**
- Identify reconciling differences
- Monthly Account Reconciliations
- Add comments and documents
- Complete Checklist

**Unmatched Items**
- Automated ERP Open Items Clearing
- Automated Journal Entry

**Certify**
Advancing Accounting in an SAP Environment

BlackLine Solutions for SAP consumer products customers provide multiple fully integrated functionalities that connect directly to your SAP and non-SAP sources to maximize data integrity and automation and strengthen controls.

Harnessing the power of technology, you can:

- **Seamless Integration with SAP sources**
  Whether you’re running SAP ECC or SAP S/4HANA, BlackLine has secure and pre-configured connectors to ensure seamless and real-time data transfer between your ERP environment and cloud accounting platform.

- **Open Item Clearing Automation**
  Use business rules and logic to automatically match open items and post corresponding clearing documents to SAP. Clear millions of open items rapidly, reducing risk and saving hundreds of hours monthly.

- **Centralized Audit Trails & Support**
  Capture and automate certifications, time stamps, and other audit trails in the cloud. Store supporting documents and PBC requests and collaborate from anywhere, reducing time spent on audits and improving transparency between clients and auditors.

- Automatically import files (Excel, SCV, TXT, bank formats) to ensure completeness and accuracy

- Handle complex matching scenarios (three-way matching, one-to-many, and many-to-many) within minutes

- Identify exceptions as they occur, linking them to balance sheet reconciliations or correcting them with journal entries

- Report on close status, unsubstantiated balances, unrecorded adjustments, and other KPIs
Success for SAP Consumer Products

SAP’s solution extensions by BlackLine have helped consumer products companies unify data and processes to unlock global visibility, automate repetitive work so you can focus on what matters most, and deliver continuous insights and analysis.

SAP & BlackLine Better Together at Hershey

With over $8 billion in annual revenue, The Hershey Company is a global confectionery leader with 80 iconic brands such as Hershey’s, Reese’s, Kit Kat, and Twizzler.

“"We were looking for a holistic solution, because we knew we were going to SAP S/4HANA. The solution had to extend beyond account recs. We wanted to make sure the solution was something that Finance could own.”

—John Zimmerman, Director of Financial Data Systems

COMPANY SIZE:
16,000 EMPLOYEES

Results achieved with our leading solutions include:

66% process automation

50% less time spent on reconciliations

50% less time spent supporting audit requests

BUSINESS CHALLENGES

- Complexity with thousands of recs and JE's
- Widespread use of spreadsheets and email
- Limited visibility and little standardization
- Need to prepare for global transformation

BENEFITS WITH BLACKLINE

- Streamlined global monthly close
- Integrated and automated internal controls
- Seamlessly integrated with SAP solutions
- Improved audit transparency and collaboration
BlackLine is an SAP platinum partner offering cloud solution extensions for the financial close. Our solutions for SAP, SAP Account Substantiation and Automation by BlackLine, and SAP Intercompany Financial Hub by BlackLine complement other SAP software as a part of an end-to-end offering for Finance.

**SAP Central Finance**
- Reuse SAP S/4HANA data model
- Collect and validate data
- Use powerful consolidation tools and analytics

**SAP ECC**

**SAP S/4HANA**

**SAP Group Reporting**

**SAP Account Substantiation and Automation by BlackLine**
- Substantiate balance sheet accounts
- Match transactions and analyze variances
- Automate journal entries

**SAP Intercompany Financial Hub by BlackLine**

**SAP S/4HANA Advanced Financial Closing**
- Orchestrate closing tasks
- Execute automation jobs
- Manage intelligent RPA bots

**GROUP CLOSE**
Our financial close solutions for SAP consist of multiple integrated BlackLine functionalities, including:

- **Account Reconciliations**
  Automates and standardizes the substantiation process by providing accountants with embedded best practices to verify balance sheet completeness and accuracy, complementing your SAP ERP.

- **Task Management**
  Manages your close from end to end with centralized visibility and control for a variety of task types. Replaces spreadsheets and provides task dependencies, role-based workflows, and real-time dashboards that complement SAP Advanced Financial Closing.

- **Variance Analysis**
  Automates the calculation and identification of account balance and activity fluctuations. Flags unusual variances for follow-up.

- **Compliance**
  Organizes and streamlines control documentation, testing, and risk assessments, complementing your SAP Process Control and other SAP GRC solutions.

Visit [blackline.com/SAP](https://blackline.com/SAP) for more information.

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**PREMIER EDITION**

- **Transaction Matching**
  Streamlines and automates detailed reconciliations by matching any type of data from multiple sources and identifying unmatched transactions requiring follow up.

- **Journal Entry**
  Centralizes creation, review, and approval of journals and related supporting documentation across all SAP and non-SAP ERPs. Automates recurring and adjusting entries and posts transactions to SAP, including the Universal Journal.

- **Intercompany Financial Hub**
  Proactively governs and automates the entire lifecycle of an intercompany transaction across all systems, augmenting your SAP solutions, most notably in the areas of workflow, invoicing, substantiation, and auditability.