Consumer preferences and expectations continue to disrupt the retail industry—and the scale of disruption was further amplified by the COVID-19 pandemic. Retailers are being challenged to recalibrate their strategies and invest in innovative business models to drive transformation quickly, profitably, and at scale.

Retailers have deployed various solutions, such as personalized omnichannel experiences to meet unique consumer preferences, or supply chain enhancements to enable agile responses to changes in supply and demand.

Amidst continued disruption, there is a common theme among leading retailers: digital transformation and innovation. Having the right digital ecosystem allows companies to maintain resilience, deploy new strategies, show up to their consumer in relevant ways, and drive sustainable, profitable growth.
Reality for Retail Accounting Organizations

Despite the industry embracing the shift to digital, many retail accounting organizations continue to rely heavily on traditional manual processes. High volumes of transaction-level data from a rapidly increasing number of sources, new payment types and distribution platforms, and seasonality are just some of the industry-specific challenges facing retail accounting teams.

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. Retail accounting leaders need to reimagine the traditional, spreadsheet-heavy ways their teams work by moving to modern accounting.

Challenges that accounting organizations in retail face include:

- Manual manipulation and reconciliation of data across sources (SAP and third-party data)
- Incorrect or lack of timely data from Point of Sales (“POS”) or Order Management Systems leads to underpayment from providers
- Unidentified cash over/short leading to write-offs
- Time consuming reconciliation of payments (e.g., online payment services and credit card processors) to cash receipts
- The risk of fraud in operations (stores, warehouses, cash operations) going undetected due to a high volume of transactions across disparate sources
- Multi-channel, multi-location, and seasonal work force makes process and data standardization difficult
- 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 Retail Accounting

F&A technology is not new to the retail industry. In fact, retailers already have many source systems—from their ERPs like SAP ECC or SAP S/4HANA, to POS systems and e-commerce platforms, to banks and others.

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

The retail 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. SAP retail customers are saving time, reducing risk, and elevating their accounting talent by leveraging technology like SAP’s cloud solution extensions by BlackLine.

Cloud technology can be deployed rapidly, allowing accounting teams to shift their focus from data manipulation to exception management, navigate new challenges, provide consistency and control, and work together from anywhere.
Successful applications of SAP’s solution extensions by BlackLine in the retail industry include:

- Three-way match of data between POS, SAP Customer Activity Repository ("CAR"), and payment service providers or other sources
- Reconciliation of credit card transactions to bank and GL data
- Reconciliation of gift card sales to redemptions
- Centralization and automation of journal entry processes
- Proactive analysis of account balance and transaction trends
- Standardization and monitoring of distributed and global close 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 POS Feed
- Subledgers
- Other Third Party Data Feeds

Automated Matching Engine
- Pre-Set Flexible Matching Rules

Matched Items
- Identify reconciling differences
- Monthly Account Reconciliations

Unmatched Items
- Ability to handle exception analysis
- Add comments and documents
- Complete Checklist

Automated ERP Open Items Clearing
Automated Journal Entry
Certify
Advancing Accounting in an SAP Environment

BlackLine Solutions for SAP retail 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.

By harnessing the power of technology, you can:

- 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

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, PBC requests, and collaborate from anywhere, reducing time spent on audits and improving transparency between clients and auditors.
SAP & BlackLine
Better Together at eBay

eBay is a global commerce leader that connects millions of buyers and sellers in 190 markets around the world, driving transactions of roughly $100 billion a year.

COMPANY SIZE:
$10.2 BILLION REVENUE

“As far as reconciliations and accounting functions were concerned, BlackLine took care of that in one stop. It was palpable.”

—Tom Hoover, Senior Manager of Finance Systems

**Results achieved with our leading solutions include:**

**Online Retailer**

99% of transactions matched automatically

**Brick & Mortar**

99.7% process automation

**E-Commerce Platform**

85% reduced time spent on reconciliations

**SAP Solution Extension**

**Success for SAP Retailers**

SAP’s solution extensions by BlackLine have helped retailers 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.

**Business Challenges**

• 100+ global legal entities = complexity
• Thousands of manual recs and JEs
• Unsustainable, lengthy close process
• Weak global visibility and standardization

**Benefits with BlackLine**

• Cut monthly close from 10 to 3 days
• Standardize on single global platform
• Improved visibility and controls
• Streamlined workflow and audits
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 part of an end-to-end offering for Finance.
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.

**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.

For more information visit blackline.com/SAP