Increasing Visibility and Control while Saving up to 450 Hours per Month

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Tarmac, a CRH company, is the United Kingdom’s leading sustainable building materials and construction solutions business. The company has contributed to some of the UK’s biggest construction projects, including Wembley Stadium, Heathrow Terminal 5, The Shard, and London 2012. Tarmac has over 150 years of experience and directly employs around 7,000 people across a nationwide network of over 400 sites.

The Challenge

Recent mergers created new opportunities for Tarmac—and new challenges for the company’s shared services center (SSC). The center had not only inherited multiple ERPs, but multiple close processes from previous service centers. Combined with a reduction in staff, these factors lead to integration and stabilization challenges, especially during the month-end financial close.

According to Andrew Parris, Director of Shared Services at Tarmac, “All reconciliations were completed manually, and different business practices were used across the business. As a result, we had little control over
reconciliation quality, and there was considerable variability in the quality of evidence to support reconciliations and journals.”

A reliance on spreadsheets to track tasks and completions was also problematic, especially as the SSC operated across four business units in the United Kingdom. “We kept track of whether or not reconciliations had been done using a spreadsheet, so we had little to no visibility over the status of reconciliations except at the end of the month. This also meant we had no insight into risks or opportunities in the balance sheet.”

**Why BlackLine**

Prior to Tarmac’s acquisition by CRH in 2015, the business had been reviewing its approach to balance sheet reconciliations and month-end management. The acquisition prompted a delay whilst the new owners took over responsibility and it also prompted a plan for a migration to a single ERP and implementation of Sarbanes-Oxley compliance. The combination of these factors created the perfect opportunity to transform control and compliance issues with new technology. “We wanted technology that would create an accurate and controlled month-end process,” said Parris. “At a minimum, we wanted balance sheet reconciliations, journals, and month-end task management. Ideally, we would also have access to analytics, dashboards, and alerts.”

BlackLine’s financial controls and automation platform met all of Tarmac’s criteria, including the company’s need for a system that would integrate multiple ERPs and function solely in the cloud. To ensure a smooth rollout, the company named a part-time project manager and a full-time business lead to spearhead Project MERIT—Month End Reconciliation and Internal Control at Tarmac. With Project MERIT, BlackLine was rolled out over seven months, in three phases, to accommodate the company’s c6,800 GL accounts and five ERPs. Sponsored by Parris, the project has been highly successful, integrating best practice change and project management with best of breed technology.

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Project MERIT was designed to not only streamline implementation but to gain the early buy-in of users. Many organizations, when implementing new systems focus on the technology, with Tarmac's implementation of BlackLine, there was a clear focus on all three aspects of process, technology, and people. “We wanted to ensure this project focused on all three,” said Parris. “We impact assessed systems and people to ensure minimal disruption. We created a communication program and followed a standard change methodology to create the vision and sustain buy-in.”

The Results

**Standardized processes across all units.** Previously, different business units used different methods to process month-end tasks. Today, with BlackLine, the reconciliations are standardized across all business units. “We have one standard and one definition of what to do next in the process. It’s now all being done the same way, abiding by the balance sheet reconciliation policy. We feel like we have more control over our balance sheet,” said Parris. “We also have a journal policy in place, and journal controls are built into BlackLine. Non-routine journals are pre-approved before posting, and we are adding segregation of duty in journals.”

**Gained real-time control and visibility over tasks.** With Task Management, Parris and his team have eliminated the use of spreadsheets to track task completion. “We’ve increased visibility of the entire process, and we can monitor the status of critical month-end tasks in ‘real time.’ With BlackLine, information is at our fingertips.”

**Reduced risk of errors.** Because BlackLine automates repetitive, manual tasks, Tarmac has decreased the risk of human errors. “New technology like BlackLine removes the risk while increasing quality”, according to Parris.

**Saved between 150 and 450 hours per month while reducing end-of-month overtime.** With BlackLine, 60% of accounts are now auto-certified, which saves hours of time while still ensuring all key account reconciliations are finished by working day four. Automating the approval chain has also streamlined workflow. “By automating these repetitive processes, we’re saving between 150 and 450 hours per month, as well as reducing overtime at the end of the month” claimed Parris.

**Freed staff time for value-added tasks.** By streamlining workflow and reducing the use of spreadsheets to manage both reconciliations and month-end tasks, Tarmac will free staff to focus more on analysis. “The increase
in efficiency will allow us to redeploy resources to more value-added tasks, like analysis and addressing risk. We will no longer need spreadsheet jockeys,” said Parris. “We will go faster because we will have more control and visibility with BlackLine.”

**Set the stage for continuous accounting.** With BlackLine, Tarmac can now focus on moving away from the traditional financial close and toward the practice of continuous accounting. “It’s not just creating a hard close or a fast close,” said Parris. “BlackLine is enabling us to transition to a soft close and continuous accounting. We have instant insight, which allows for immediate decisions. We’ve improved management and control of our operations. BlackLine gives us improved control, benchmarking, analytics, and automation.”