Toga Supports Rapid Growth with BlackLine Modern Finance

“We were impressed by the fact that BlackLine was an integrated product and it could achieve very high rates of auto reconciliation. It was simple to deploy and intuitive to use.”

—Michael Gowing, group financial controller, Toga Group

Established in 1963, the Toga Group is a leading developer of residential apartments and operator of hotels across Australia, New Zealand and Europe. The company is the name behind projects such as Jones Bay Wharf and Bondi Boheme in Sydney, and the Darwin Waterfront Precinct. Its hotel brands include Travelodge, Vibe, Adina and Rendezvous which, together, offer more than 9000 rooms.

The Challenge

About three years ago, Toga Group entered a rapid expansion phase. The number of concurrent development projects was increasing significantly and its hotel portfolio was also on the rise. Toga Group Financial Controller, Michael Gowing, says it was at this time the company realized some of the back-office systems which had been in place for years were no longer providing the level of support required.

“Toga was evolving from being a small firm into a large company,” says Gowing. “As we made this journey, it quickly became clear that many of the functions and processes within our finance department were struggling to cope with the rising workload.” A particular pain point was the company’s

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<thead>
<tr>
<th>INDUSTRY</th>
<th>Real Estate</th>
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<tr>
<td>REGION</td>
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<tr>
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<tr>
<td>ERP</td>
<td>J.D. Edwards</td>
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<tr>
<td>PRODUCTS</td>
<td>Account Reconciliations</td>
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<td>BUSINESS IMPACT</td>
<td>Auto-reconciled 58% of accounts and 95% bank statement transactions, introduced rules and relationships between accounts, increased customer satisfaction rates, eliminated manual reconciliations, embedded system alerts, provided remote access to auditors</td>
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reconciliation process. A team of three within the finance department was engaged full time in reconciling multiple accounts and bank statements, and were starting to drown under the weight of work.

“We were essentially running the reconciliation process using Excel spreadsheets and templates that had been devised years before,” he says. “This works when you are a small company but does not scale very well. We simply couldn’t deal with the volume of reconciliations that needed to be completed.”

Gowing says it reached the stage where he would have to take loads of documents home in the trunk of his car, undertake hours of manual reviews, and then return them to the office for actioning.

“When it came to things like bank reconciliations, we were getting to the stage of having millions of transactions that had to be reconciled. Our internal customer satisfaction rates were falling as the team was perceived as being slow and matching things incorrectly.”

**Why BlackLine**

In 2013, a decision was made to find a better approach to the growing reconciliation challenge. Toga Group retained consulting firm Deloitte to review the range of available software tools and make recommendations as to which would be the best fit.

A shortlist was created and comparative testing conducted using samples of account data. The testing showed the auto matching performance offered by BlackLine was the best on the market.

“BlackLine has become an important partner for us and an integral part of our financial processes,” he says. “We expect to continue to see more business benefits in the years ahead.”

—Michael Gowing, group financial controller, Toga Group

Once the decision was made, initial roll out of BlackLine's Reconciliation Management solution, a key component of the BlackLine Finance Controls & Automation Platform, was completed within three months. The BlackLine platform is a cloud-based solution that centralizes and streamlines financial close operations and other key Finance & Accounting processes for midsize and large organizations. The solution is designed to increase operational efficiency, real-time visibility, control and compliance to ensure end-to-end financial close management.

The project was undertaken by Toga’s internal IT team in close consultation with BlackLine.
“We didn’t need an external consultant because BlackLine has a very strong mix of both technical skills and business knowledge,” he says. “They understood how our company operates and what we were trying to achieve with the improvements.”

The Results

**Removed the need for manual reconciliations.** Once the BlackLine platform was deployed and configured with business rules, the reconciliation team took to it “like a duck to water.”

“Once they understood it would remove the need for manual reconciliations they were very happy indeed,” he says. “For them, it was like going from the stone age to the jet age in one step.”

**Auto-reconciled 58% of accounts.** During the three years since the deployment, the volume of accounting work has doubled, however the team dedicated to account reconciliation has remained at just three people. In 2016, 58 percent of accounts were auto reconciled as were more than 95 percent of bank statement transactions.

**Introduced rules and relationships between accounts.** Gowing says the finance team found it could achieve more with the software than had initially been hoped. They were able to introduce things such as rules about relationships between accounts, which support the internal integrity of the financials. This simply wasn’t possible in a manual environment.

**Increased internal customer satisfaction rates.** “Our internal customer satisfaction rates increased from low fives to high sevens, low eights,” he says. “This was helped by the fact that shifting from manual processes to automated processes meant the number of mistakes was dramatically reduced.”

**Embedded alerts within the system.** He says the finance team is now also able to spot issues before the business knows about them. For example, they can see if someone is sitting on cash and hasn’t banked it within the policy timeframe. “We can then alert their manager and quickly overcome the issue. We’re essentially using the system to generate alerts which is very useful.”

**Provided remote access to external auditors.** The company’s external auditors have also benefited from the change. They can access the BlackLine platform remotely and gain better insight into the state of all accounts and the reconciliation process.

Gowing says Toga Group plans to make further use of the BlackLine platform in coming years. An agreement has recently been signed to deploy BlackLine Intercompany Hub and there are plans to introduce Financial Close Management in the future, as well.