



# BLACKLINE RETURNS \$2.67 FOR EVERY DOLLAR SPENT

ANALYST

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## THE BOTTOM LINE

**On average, BlackLine customers have received \$2.67 for every dollar invested, with a nine-month payback period and low total cost of ownership (TCO).** Nucleus analyzed case studies from eight BlackLine deployments to identify key financial metric averages. Project data shows consistent returns across several markets for BlackLine's financial close and consolidation software, and customers lauded their customer service as a compelling differentiator.

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## OVERVIEW

BlackLine, founded in 2001, offers specialized financial close software that automates most or all of the account reconciliation and close processes. Nucleus analyzed a number of BlackLine case studies to identify key areas where customers realized benefits and achieved a positive return on investment (ROI).

Overall, BlackLine's cost to benefit ratio ranged from 1.43 to 5.2, with an average of 2.67. Payback period similarly ranged from 7 weeks to just over 2 years, with an average of 9 months. BlackLine projects tended to be implemented quickly, even for larger companies, and usually had modest upfront costs; the average initial cost for deployment—including software, training, personnel, consulting—was only \$130,308. In most cases, BlackLine was designed to be a streamlined point solution rather than a full application suite for these case study customers.

The result was consistent success for customers with a need for BlackLine's financial close expertise. The larger and more complicated a business's ledger activity, the more it saved from automated processes, reduced audit costs, and error elimination.

## BENEFITS

Nucleus looked carefully at BlackLine ROI case studies to determine how certain customers achieved higher than average returns. BlackLine offers its product as a Software-as-a-Service (SaaS) deployment, lowering TCO and eliminating the need for hardware investment or IT resources.

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Although not quantified in the case studies, BlackLine customers reported consistently strong customer service and issue resolution. The studies did, however, quantify three areas where BlackLine provided the highest value: centralization, automation, and audit simplification.

### CENTRALIZATION

Especially for larger companies, centralizing accounting processes across multiple sites—in some cases as many as 2,500—allowed customers to utilize more accounting templates and assure consistency in reports. By bringing accounting processes to a central hub, customers could better define internal employee roles, reallocating accounting staff who were not primarily in charge of financial close.

### AUTOMATION

Every customer achieved the highest benefits from automating manual close processes, which were previously handled through Excel spreadsheets and printouts. With the switch to a completely electronic system, employee productivity increased in all cases, and often companies were able to avoid additional hires altogether. Because only a limited number of accounting staff needed to use BlackLine, training was minimal.

Customers also benefited from reduced errors. Manually checking binders of spreadsheets is not only slow and boring, but also mistake-prone. In some cases, paper, printing, and storage reductions had measurable cost savings.

### AUDIT SIMPLIFICATION

Customers also reduced audit costs in several ways. Audit preparations can be time consuming and can require third-party consulting. By interacting with the Blackline

software, auditors could collect necessary documentation much more quickly without coming on-site.

## STRATEGY FOR SUCCESS

Customers who found the greatest returns on their BlackLine deployment had two things in common.

- **Size.** Large-scale businesses have large-scale accounting and a resulting high level of complexity. Nucleus's case studies showed that bigger companies save more from automating more tasks and improving the productivity of more employees than smaller companies. In the same vein, companies that already had tight control over their financial close, even if they used manual processes, benefited less from aspects like error reduction or avoided hires.
- **Business needs.** BlackLine excels at financial close, but has limited functionality in other areas of corporate performance management. While BlackLine is currently expanding its product portfolio, some customers with diverse needs have used additional point solutions in certain areas, such as financial analytics, to supplement their deployments. As a result, customers focused more closely on financial close derived the biggest benefits.

## CONCLUSION

Through eight case studies, Nucleus has been able to identify common trends of BlackLine's deployments and lay out best practices for companies exploring BlackLine's products, as well as identify key metrics for building a business case. While projects yielded strong ROI and a short payback period across the board, bigger and more widespread business derived the greatest benefits by centralizing, automating, and simplifying accounting processes.