

F&A FIRST

How to Deliver **'No Regret'** Transformation



 **BLACKLINE**

Business leaders are facing an increasingly complex and rapidly changing operating environment. As disruption persists, companies are focusing on digitizing to increase agility and resilience by embracing technology and innovation to optimize processes, enhance efficiency, and focus valuable resources on more analysis and strategic business partnership.

Finance and accounting leaders are becoming more involved in critical decision-making by partnering with other business leaders to evaluate strategy and provide data and insights. Yet, even as they embrace their expanding roles, F&A leaders face challenges that make it difficult to manage it all. As a result, transforming finance and accounting processes is top of mind.

F&A leaders have a once-in-a-generation opportunity to provide unique value to their organization by driving a 'no regret' transformation with an F&A-first approach.

Unlike traditional transformation agendas that prioritize front-office functions, an F&A-first approach puts Finance and Accounting at the forefront. This approach is 'no-regret' as it enables reliable, efficient data as a foundation, which reduces risk in a broader transformation, such as moving to a new ERP. It also provides quick wins and frees F&A resources to focus on delivering strategic value.



FOCUS on Digital Transformation

In an ever-changing business environment, innovation is necessary for survival. Corporate lifespans have reduced, and the S&P 500 has seen steady churn, predominately driven by digital disruption.¹ New, digitally focused entrants are creating value at a rapid pace, and more digitally integrated organizations are measurably outperforming industry competitors on their strategic objectives, capacity to change, and ability to win.²

Companies that successfully leverage technology to harness data faster and more effectively are best positioned for success. Enterprise technology solutions, commonly used in digital strategies, are often at the forefront of digital transformation efforts, regardless of the specific ERP system utilized.

Leading companies are making the move to digital transformation.

87% of senior business leaders say digitalization is a company priority.³

¹2021 Corporate Longevity Forecast. Innosight. https://www.innosight.com/wp-content/uploads/2021/05/Innosight_2021-Corporate-Longevity-Forecast.pdf.

²The Exponential Enterprise. Deloitte. <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/deloitte-analytics/us-consulting-exponential-enterprise.pdf>

³Digitalization strategy for Business Transformation. Gartner. <https://www.gartner.co.uk/en/information-technology/insights/digitalization>

The Expanding Role of Finance & Accounting

Business leaders are increasingly looking to Finance and Accounting to play a broader role in supporting strategic initiatives. F&A expertise is needed to not only close the books, manage compliance and controls, and report to stakeholders, among other responsibilities, but also help

organizations understand the impacts of business activities and drive insights that inform strategy.

Limiting F&A's ability to fully embrace expanding roles are several challenges, including traditional manual processes that take too long,

cost too much, introduce unnecessary risk, and negatively impact employee morale. F&A leaders must address these processes to create capacity for their teams to focus on more strategic activities.

3 TOP CHALLENGES FOR FINANCE & ACCOUNTING

✗ Decentralized data across numerous sources.

Financial data is housed and transacted across a growing number of sources, including ERPs, third-party sources like banks, inventory management systems, and HR systems. Without a centralized place to efficiently aggregate, validate, and analyze data, it's difficult to construct timely, complete, and accurate business insights.

✗ Complex, non-standard processes.

Evolving business models are driving complexity for F&A teams, making it difficult to adopt leading practices. For global organizations with decentralized accounting teams, leaders struggle to ensure consistency across functions, entities, and regions. Non-standardized and disaggregated practices can undermine accuracy and introduce unnecessary risk.

✗ Repetitive, manual work.

Despite advancements in other business functions, many F&A activities are still heavily manual. Spreadsheet, e-mail, and meeting-heavy work still dominates many record-to-report processes, draining capacity, limiting the availability of valuable internal resources, and negatively impacting talent retention.

F&A teams are best suited to deliver meaningful business insights, yet they're held back by doing work the way it's always been done. Amidst continued disruption and heavy competition, these traditional ways of working are no longer sustainable.

94%

OF ACCOUNTING AND IT TEAMS AGREE THAT TIME SPENT ON ACCOUNTING, COMPLIANCE, AND FINANCIAL CLOSE GETS IN THE WAY OF OTHER STRATEGIC WORK.⁴

83%

OF ORGANIZATIONS ARE FACED WITH HEAVY, DISPARATE ERP LANDSCAPES, INCREASING THE NEED FOR AUTOMATION.⁵

3 out of 4

CEOS BELIEVE THAT A LABOR AND SKILLS SHORTAGE WILL BE THE TOP EXTERNAL DISRUPTOR OF BUSINESS STRATEGY OVER THE NEXT 12 MONTHS.⁶

⁴Modernizing Key Financial Processes Through Accounting & IT Collaboration. IDG. <https://www.blackline.com/resources/whitepapers/modernizing-key-financial-processes-through-accounting/>

⁵The Reality of Intercompany. Dimensional Research. <https://www.blackline.com/resources/whitepapers/the-reality-of-intercompany-a-global-survey-of-intercompany-stakeholders/>

⁶From Great Resignation to Great Reimagination. Deloitte. <https://www.deloitte.com/global/en/services/consulting/collections/the-great-resignation.html>



F&A

Leadership Priorities

Efficiency

- Drive quick time to value
- Enable a cost-optimized F&A function

Effectiveness

- Deliver timely and accurate data and reporting
- Redeploy capacity to meet business partnership expectations

Experience

- Provide a platform for world-class F&A work
- Recruit and retain top talent

Enterprise Agility

- Align technology investments to operating model
- Enable continuous, predictive, data-driven insights

To help address these top challenges, **F&A transformation is critical.**



of CFOs feel they'll be at a disadvantage without financial transformation.

—EY

An **F&A-First** Approach to Transformation

While back-office functions have traditionally lagged customer-facing functions in innovation, leading organizations have proven that starting a transformation with F&A processes delivers superior results.



F&A first
means starting your
transformation with a
foundation of reliable data.



Finance data is essential to effective decision-making. Not only do leaders need fast, accurate insights, they also want support with more advanced modeling activities for high-level business decisions. Giving the wider business better access to financial data, as well as more timely finance support, is needed to help the business succeed.”

—Accenture

A ‘No Regret’ Transformation

Taking an F&A-first approach to your digital transformation is ‘no regret’. F&A leaders don’t have to wait for other functions in the business—rather, by transforming F&A processes first, they can establish a data foundation to ensure successful transformation for the rest of the enterprise.

- ✓ **Achieving quick wins is no regret.**
Address common challenges related to a broader transformation, rapidly and earlier on, to deliver measurable results, build momentum, and accelerate time to value.
- ✓ **Enabling migration to target model is no regret.**
Unify financial data across disparate sources without overburdening IT resources and existing architecture. Purpose-built F&A solutions complement ERP solutions and require little to no rework when implemented ahead of other enterprise solutions.
- ✓ **Enhancing F&A strategic value is no regret.**
Inform business decisions with accurate data and meaningful insights. An F&A-first approach frees resources to provide critical expertise and assistance in later phases of transformation.

Whether your organization is planning, in the process of implementing, or live on a modern ERP system, an F&A-first approach can help you optimize the value of your investments.



4 Components to a 'No Regret' Transformation

An ERP implementation is an enterprise-wide undertaking that often takes years to plan and execute. An F&A-first approach breaks broader transformation into manageable components, beginning with a unified financial data model.

1. Standardized & Unified Financial Data Model

To enable data as an enterprise asset, a standardized and unified financial data model must be defined. Organizations must consider internal and external reporting needs—what data is needed on revenues, profitability, working capital, pricing, and other components to support key decisions, M&A transactions, divestitures, audits, and other requirements. A target data model establishes sustainable, scalable standards and governance informed by cross-functional factors and input.

2. Optimized & Efficient Actual Results

With a standardized and unified financial data model established, leading transformation initiatives must then consider how to efficiently cleanse and prepare data to deliver insights. F&A leaders should optimize and automate financial close processes to deliver continuous, accurate actuals to their organization. [Continuous Accounting](#) moves activities out of the traditionally peak close window, providing the business with accurate data faster.

3. Continuous Planning & Predictive Insights

Continuous planning and predictive insights are heavily dependent on reliable inputs. With modern accounting and financial close processes in place, organizations can shift their focus to transforming budgeting, planning, and analytics processes that further enhance strategic decision-making.

4. Advanced Enterprise Capabilities

With modern capabilities in place to deliver reliable results and insights at scale, organizations can confidently transform other business functions and adopt enterprise-wide solutions. A solid data foundation and efficient F&A processes equip decisionmakers with KPIs and internal resources to make critical decisions and drive the business forward.

Integrated & Continuous Financial Management

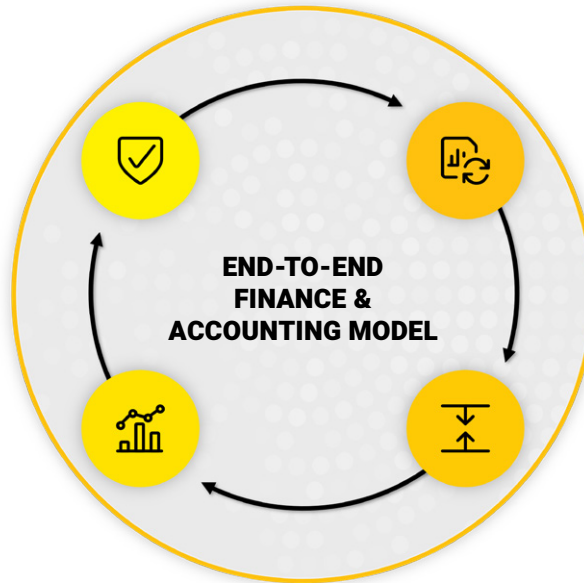
A future-proof and sustainable finance and accounting model

Continuous Compliant Accounting

Financial close and other accounting activities are unified and automated across ERPs, geographies, and business units, enabling stronger controls and more real-time actual results.

On-Demand Data & Analytics

A centralized data hub enables standardized and on-demand reporting of financial and operational information across ERPs and other data sources.



Consolidation & Reporting

Consolidation, and external reporting, including statutory and legal entity requirements, are streamlined with data sourced consistently from a unified hub.

Planning & Forecasting

Rolling and ad-hoc forecast and planning processes are integrated and linked to reliable actuals.

WEBINAR

Finance First: How F&A Can Enable Successful Transformation

Watch on-demand as experts explore leading practices and share firsthand experiences on delivering successful finance transformation.



Watch now



How BlackLine's End-To-End Solutions Enable F&A First

BlackLine's financial close solutions provide organizations with modern capabilities that address traditional manual processes that are typically performed outside the ERP and deliver enhanced data integrity and efficiency.



BlackLine streamlines and automates your financial close, integrating with your disparate financial systems every step of the way. Our solutions provide matching, reconciliation, and auto-certification using configurable business rules, process and workflow management for reconciliations organized around accounts and transactions, and individual close optimizations such as intercompany reconciliation, open item clearing, close management, and variance analysis.

WEBINAR

Driving Transformation with an F&A-First Approach

Discover how a finance-first approach ensures continuous and efficient results while setting the stage for successful enterprise transformation.

 [Watch now](#)



4 Reasons to Enable F&A-First with Financial Close Solutions by BlackLine



1

Build Momentum with Quick Time to Value

BlackLine's financial close solutions can be deployed quickly to free up valuable F&A resources to focus on what matters most. This is achieved by:

Enhancing visibility with centralized data and processes.

Unify information across disparate data sources in a single platform that integrates seamlessly with your legacy and/or new ERP and other third-party data sources.

Strengthening control and streamlining audits.

Standardize key tasks, workflows, supporting documents, and controls in the cloud with embedded leading practices and segregation of duties.

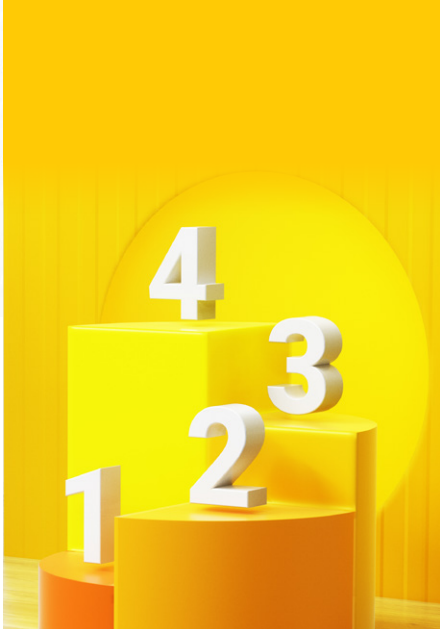
Automating repetitive tasks and enabling higher-value work.

Automate repetitive tasks and refocus time and capacity on valuable work.

2

Reduce Risk with Embedded Leading Practices

It pays to rethink automation in F&A, as innovation has advanced dramatically in recent years. BlackLine's purpose-built financial close solutions provide cloud-based intelligent automation with out-of-the box controls, segregation of duties, and automated workflows and alerts that streamline processes and replace error-prone spreadsheets.



3

Enhance Broader Transformation Success with Visibility & Control

Maintain visibility across systems and platforms.

BlackLine solutions enable the mapping of data from legacy systems to new structures, allowing organizations to maintain visibility to account balances and other important financial data—all in a consistent and unified platform—before, during, and after migration.

Strengthen control before cutover.

By efficiently clearing open items and substantiating account balances ahead of an ERP transformation, organizations can improve balance sheet integrity and control risk by ensuring data problems are not migrated from legacy to new systems.

4

Elevate F&A Strategic Value with End-to-End Automation

Excellence in F&A drives excellence across the organization. Putting Finance and Accounting atop the automation to-do list is a clear win-win for F&A and the organization as a whole.

BlackLine solutions automate repetitive activities and save time so F&A resources can focus on top priorities like M&A, ESG, and other key areas. Modern solutions put F&A leaders in a position to deploy resources to strategic initiatives and improve talent recruiting and retention.





The riskiest thing you can do is not change. In this modern world, digital transformation is a reality. Companies that don't embrace change will be left behind. We have to take advantage of the technology available and the automation that it offers. And I believe BlackLine delivers that."

Pablo Baez
Sr. Manager, Centralized Accounting
Quest Diagnostics



**Proven Results.
Measurable Value.**

SPEED

70%

reduction in days to close

AUTOMATION

50%

less time spent on manual work

SCALABILITY

2.6x

work performed without new headcount

ACCURACY

96%

reduction in intercompany imbalances

ROI

\$2.77

returned for every dollar invested

"We have great people at Big Ass Fans, but great people require technology and process to stay engaged. If they're stuck doing manual work, activities that aren't engaging or fulfilling, you'll run them into the ground. Once you invest in the right technology, you can really build momentum and begin to add value in other areas."



Eric Evans
CFO
Big Ass Fans





About BlackLine

Companies come to BlackLine (Nasdaq: BL) because their traditional manual accounting processes are not sustainable. Our cloud-based financial operations management platform and market-leading customer service help companies move to modern accounting by unifying their data and processes, automating repetitive work, and driving accountability through visibility.

BlackLine provides solutions to manage and automate financial close, accounts receivable, and intercompany accounting processes, helping large enterprises and midsize companies across all industries do accounting work better, faster, and with more control.

More than 4,200 customers trust BlackLine to help them close faster with complete and accurate results. The company is the pioneer of the cloud financial close market and recognized as the leader by customers at leading end-user review sites including G2 and TrustRadius.

BlackLine is a global company with operations in major business centers around the world including Los Angeles, New York, the San Francisco Bay area, London, Paris, Frankfurt, Tokyo, Singapore, and Sydney.

For more information, visit blackline.com.