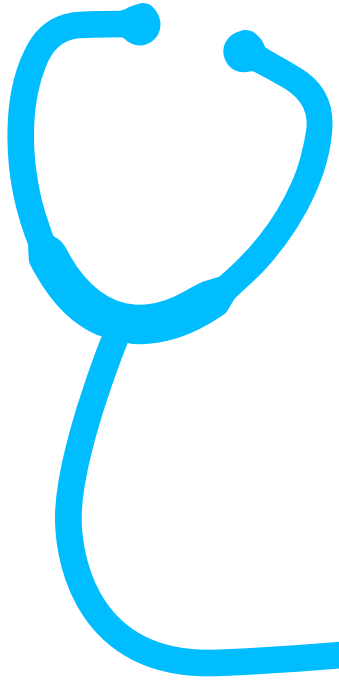


5

REASONS TO
TRANSFORM
FINANCE &
ACCOUNTING



LEECHES SUCK. SO DO SPREADSHEETS.

Back in the day, doctors relied heavily on leeches to treat everything from tuberculosis to tonsillitis—just as accountants of yore thought the abacus functioned as a perfectly fine calculator.

Yet while the tools of medicine have changed significantly over the centuries, **the tools of accounting have not**. This lack of modernization is particularly evident during the month-end financial close, when 21st-century accountants still suffer through a highly manual, error-prone process stuck in the 20th, if not the 19th, century.

Sure, accountants don't have to rely on the abacus anymore, and Excel is a great improvement over a leaky fountain pen and a ledger. But, like leeches, spreadsheets still suck the energy, the time, and even the spirit out of anyone involved in the close.

And just like leeches, **spreadsheets can't deliver consistent, reliable results**. Accountants work frantically during the condensed period of the close, using tools that make errors not just possible but probable, only to start the cycle over again a few weeks later. And because the process is so time-consuming (we're looking at you, spreadsheets), data is outdated before the close is even complete.

LEECHES



VS.



SPREADSHEETS

ROUND 1: Take too much time

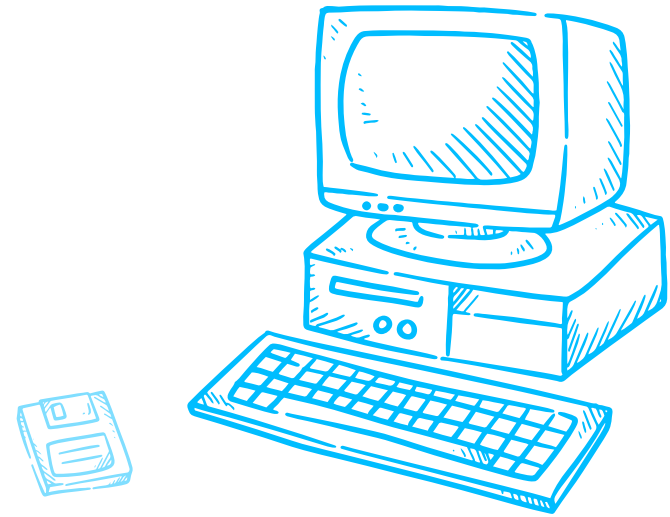
ROUND 2: Meet the Oxford dictionary definition of “gross,” i.e., “very unpleasant”

ROUND 3: Deliver inconsistent results

ROUND 4: Still in widespread use

LEECHES	SPREADSHEETS
YES	YES
YES	YES
YES	YES
NO	YES

R2R IS SO LAST CENTURY.



Spreadsheets are the tired instruments of Finance & Accounting departments, the paper over the cracks of legacy process. And this is especially true for record-to-report (R2R), the process that saves all the manual work of the close for the end of the period.

Yet thriving today in a 24/7/365 global marketplace requires ensuring that accounting moves, not at the behest of the close timeline, but at the speed of the business.

This demands an entirely different approach than the dated R2R process, one that ensures accounting processes are directly aligned with organizational processes, such as sales, marketing, production, and more.

This approach is called **Continuous Accounting**—and it doesn't depend on spreadsheets to do the dirty work.

Instead of the entire close being crammed into one week, Continuous Accounting ensures the process happens across the entire month, in smaller increments. It makes use of automation tools to reduce the need for repetitive manual tasks. As a result, accountants have more time to find and fix errors, analyze data, and function as strategic partners.

And because Continuous Accounting happens every day, it also enables real-time visibility. Accountants, CFOs, and decision-makers don't have to wait until the end of the month to see the numbers because the data is available on demand.

5

REASONS TO TRANSFORM FINANCE & ACCOUNTING

Vanguard organizations are already using Continuous Accounting to transform how they manage one of the most dreaded, error-prone accounting processes: the manual close.

Why? Because Continuous Accounting, in tandem with cloud accounting software that enables automation, centralization, and standardization, helps them:

-
- 1 **Close faster**

 - 2 **Ensure trust in the numbers**

 - 3 **Minimize risk & maximize compliance**

 - 4 **Make informed decisions with real-time data, not weeks-old reports**

 - 5 **Drive action & increase accountability**

1

CLOSE FASTER

The financial close takes a tremendous amount of time and effort every month, so speeding it up—without sacrificing accuracy—is every CFO’s dream.

But when accountants are stuck wrangling hundreds of thousands of spreadsheets during the close, “faster” remains pure fantasy. Hiring temps and authorizing overtime might speed it up a few hours, but even these stopgap tactics can’t significantly accelerate a [spreadsheet-heavy close](#).

That’s because the problem lies not in the amount of labor but in the nature of the tools. Spreadsheets depend on manual data entry. And manual data entry is simply time-consuming, no matter how many people are on the job.

Plus, using highly trained, skilled accountants to do manual, repetitive work doesn’t just waste time. It wastes value. Sure, the close gets done. But at what cost?

By the time the last rec is approved [accountants are burned out, burned up, and ready to consider a new career](#). And all the time they spent messing with spreadsheets kept them from doing the stuff they’re really good at doing, the value-adding and meaningful activities like data analysis and strategy creation.

1

BLACKLINE HELPS *organizations streamline the close*

CLOSE FASTER

With BlackLine, the dream of a faster, more efficient close becomes reality. Previously manual, labor-intensive, repetitive processes are automated. **Transaction matching** happens in minutes, and **journal entries** are automatically routed to the right person. The need for painstakingly slow manual data entry is reduced, while templates and workflows ensure ongoing standardization and increased controls.

But if CFOs get the dreamed-for faster close with BlackLine, accountants get a more meaningful one.

By replacing spreadsheets with a centralized location for all close tasks and automating repetitive, boring data-entry work, BlackLine enables accountants to do what they love to do—the real work of accounting.

Because all close tasks are performed and stored within BlackLine, accountants also no longer have to waste precious time and energy tracking down files for auditors, digging through binders to check on a reconciliation, or reserving the conference room for a week to herd and corral wayward spreadsheets.

All information—recs, matches, discrepancies—are available via one login, within BlackLine, and from anywhere in the world.

2

ENSURE TRUST IN THE NUMBERS

To err is human, as the saying goes. And it's true, "sheet" happens—even more so when people are tired, overworked, and stuck doing thousands of manual tasks under an impossible deadline (like during the close).

When it comes to mistakes, spreadsheets themselves aren't blameless, either. Different versions, weak protections, and funky formulas all conspire to make the use of spreadsheets a high-risk activity. Case in point, a [What We Know About Spreadsheet Errors](#) study by researchers at the University of Hawaii discovered that nearly 88% of the spreadsheets they audited contained mistakes.

In accounting, even a simple mistake—a transposed number, a bad link—can quickly create a hot financial mess.

Consider the case of the Knox County Trustee's Office. Auditors discovered a \$6-million-dollar mistake, one that cost the office a \$12,500 audit fee—and a considerable amount of embarrassment.

The culprit? One bad link in an Excel spreadsheet that led to a key account being omitted from reports.¹

¹<http://www.eusprig.org/horror-stories.htm>

2

BLACKLINE HELPS
*organizations
reduce errors &
increase accuracy*

**ENSURE TRUST
IN THE NUMBERS**

Integrity of the balance sheet is crucial. And in today's climate of increased regulation, scrutiny, and competition, companies can't afford errors, big or little.

But by automating highly labor-intensive tasks, like **manually ticking-and-tying transactions**, BlackLine ensures fatigue and boredom driven human errors are nearly eliminated. And by providing increased visibility into the entire close, any remaining mistakes are identified and corrected faster.

Based on internal rules specific to each company, BlackLine automatically highlights discrepancies and wonky items (which accountants then have time to investigate because they aren't stuck manually entering data...ahem).

3

MINIMIZE RISK & MAXIMIZE COMPLIANCE

As business goes increasing global, organizations must be able to standardize financial processes across all entities.

Of course, getting everybody to use the same process during the close is like herding cats. Not only do people have different ways of using Excel, but spreadsheet permissions, storage, and rules make it nigh impossible to get everyone on the same page—literally.

This lack of standardization is just the first domino in a cascade of unpleasanties. Little standardization results in weaker internal controls. When internal controls aren't as robust as they need to be, it's harder and more time-consuming to [maintain compliance](#). And weaknesses in compliance lead to all sorts of unwelcome things, such as an increase in audit fees and risk of material weakness, SEC scrutiny, or SOX non-compliance.

3

BLACKLINE HELPS
*organizations
increase
standardization
& strengthen
internal controls*

**MINIMIZE RISK &
MAXIMIZE COMPLIANCE**

Running a close simultaneously in Bangkok, Oslo, and New York? With BlackLine, accountants all over the world can simply log on and perform their assigned close tasks within one system. This centralization facilitates standardization by ensuring that each one of these accountants uses the same tool and the same process during the close.

And centralization is not only an efficient way to establish a standardized close process, it's also key to creating stronger data trails for audit and compliance purposes. Instead of trying to track down spreadsheets, accountants, auditors, and CFOs can build, access, or distribute on-demand reports directly within BlackLine.

BlackLine also helps multi-entity organizations strengthen controls specific to complex intercompany accounting. Out-of-balance accounts can seriously impact financial statements, creating risk of restatement, SEC imposed fines, and shareholder lawsuits.

BlackLine's [Intercompany Hub](#) standardizes and streamlines time-consuming intercompany reconciliations, as well as inter-entity journal posting, netting, and settlement. It eliminates complex, disjointed accounting processes, provides unprecedented global visibility, and embeds integrity via increased visibility and standardization.

4

INFORM DECISIONS WITH REAL- TIME DATA NOT WEEKS-OLD REPORTS

Traditionally, the financial close is always at least a month behind the real work of the business. After all, it took (and for some, still takes) weeks to aggregate hundreds or thousands of spreadsheets, match transactions, track task completions via multiple back-and-forth emails, and scan, print out, and file reports.

While that glacial slog was acceptable a decade ago, today, any company relying on less than real-time financial data is going to be the proverbial day late and a dollar short.

In a hyper-paced business world, organizations must have the capability to respond immediately to changes in the marketplace. And that means knowing today's numbers today.

4

BLACKLINE DELIVERS

*real-time data
& real-time
transparency*

INFORM DECISIONS WITH
REAL-TIME DATA, NOT
WEEKS-OLD REPORTS

While spreadsheets can't deliver real-time, on-demand financial data, BlackLine can. With BlackLine, all close data is stored in a central location and accessible from anywhere in the world, enabling decision makers to pull reports whenever they please.

And as previously time-sucking tasks are automated, CFOs no longer need to wait weeks for key insight. Instead, as **millions of transactions are matched in minutes**, CFOs can march into last-minute meetings with data that's minutes, not months, old.

Real-time data also facilitates real-time transparency. Unlike the month-end, Medusa-like snarl of spreadsheets, BlackLine provides financial teams with increased transparency—and not just into the bottom line. Tasks, journal entries, reconciliations, and more can all be performed, tracked, and reported on from within BlackLine.

5

DRIVE ACTION & INCREASE ACCOUNTABILITY

The integrity of the close doesn't just depend on what gets done. It's also informed by how things get done—and by whom.

Sadly, task management during the close also suffers from [spreadsheet-itis](#). Close checklists, task monitoring, and task reporting are too often managed in multiple spreadsheets, in various locations.

There's little to no visibility into true accountability or even what needs to happen next and who is behind on the job.

5

BLACKLINE ENABLES

organizations to assign, monitor & report on tasks in real time

DRIVE ACTION & INCREASE ACCOUNTABILITY

BlackLine's Task Management

automates, tracks, and stores the activities attached to every task, creating a central repository of checklists that are compiled consistently, company-wide.

Real-time dashboards and reporting capabilities provide visibility into the status and accuracy of the tasks performed by each accountant, regardless of location and time zone, along with any outstanding items. Turnover has less of an impact because all task statuses, workflow, and components are documented and easily accessible in the software.

LETTING GO OF OUTDATED TRADITIONS.

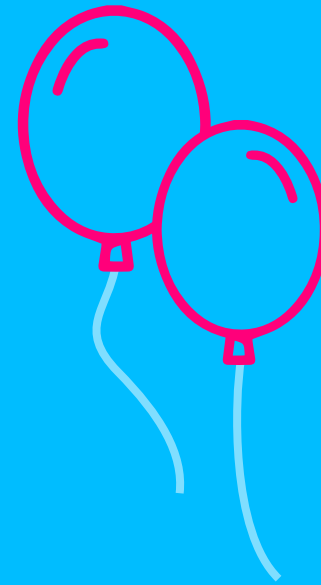
“I’m content to stand on tradition. I’m even more content to wipe my feet on it.” —AARON ALLSTON

Tradition has its place, and birthday celebrations, pre-game rituals, and even casual Fridays are worth keeping.

But some traditions are simply outdated. Like using leeches to treat tonsillitis, and [employing thousands of spreadsheets for the close](#).

Modern, fast-paced business demands a modern, fast-paced close, one that is both efficient and accurate, standardized and transparent.

Meanwhile, spreadsheets continue to drain modern accountants of time, energy, and the opportunity to do the work that really matters—investigating discrepancies, performing analysis, and functioning as strategic partners.



With the [leading end-to-end cloud platform](#) for the month-end close, BlackLine frees modern accountants from the terrible tools of the past by embedding automation, centralization, and standardization into the month-end close. Instead of cramming the close into a few weeks, the process is embedded into each day, in direct alignment with and at the pace of the business itself. Instead of struggling with the time-consuming record-to-report process, accountants can finally practice [Continuous Accounting](#), enabling a faster, more efficient close and access to real-time financial data for real-time decision-making.

