



THE FINANCE AUTOMATION JOURNEY

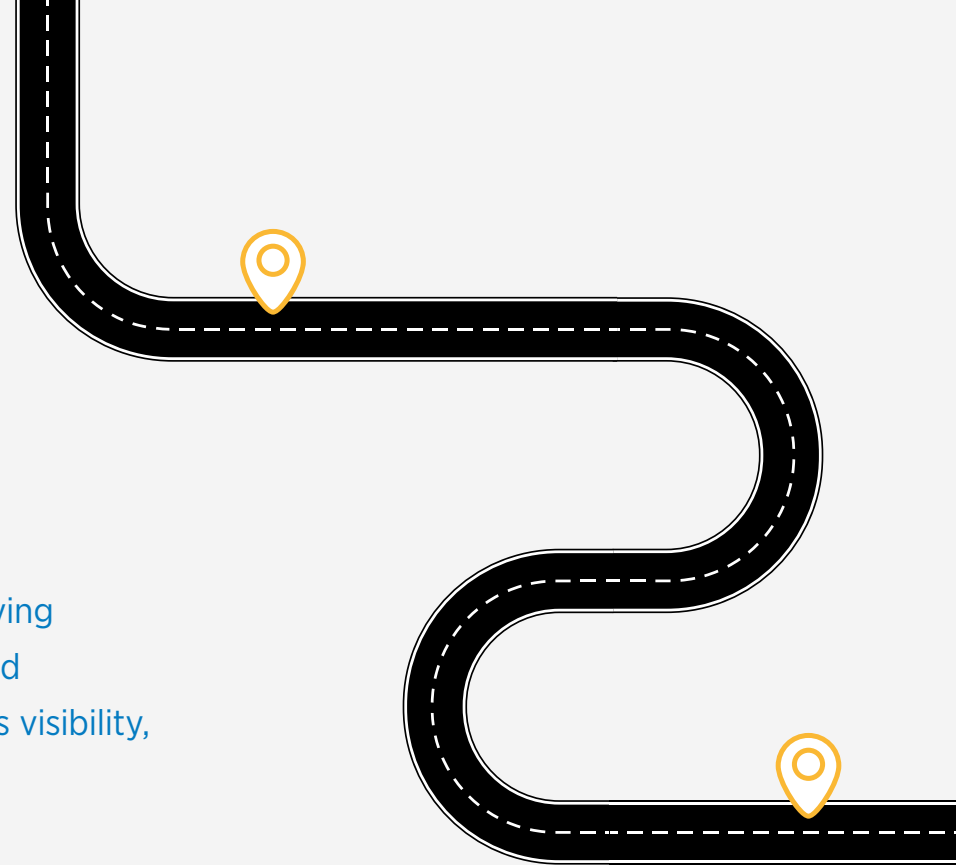
How to Fuel Your Finance Transformation

In today's modern, highly-complex business environment, even the most competent organizations can and do make mistakes. These are often due to an out-of-date, manual, and spreadsheet-driven approach to back office accounting and finance operations.

Each line on the balance sheet is made up of thousands of underlying transactions, often manually compiled and adjusted by overworked accountants facing pressing deadlines. This is a process that stifles visibility, scalability, and productivity, and it is fraught with risk.

Meanwhile, CFOs at companies of all sizes will tell you that they are constantly expected to do more with less. This is the result of increased regulatory scrutiny, rising business complexity, and heightened expectations for accurate and real-time financial intelligence. Many know this but are left wondering, where to even begin?

Why are some organizations accelerating while you seem stuck in city traffic? This is a guide to getting in the fast lane.



GO FARTHER. GO FASTER.

To make your Finance Automation Journey most effective, start with a holistic approach and look at four key areas:



What are you doing today?
What's working, and more importantly, what isn't? How would you characterize the controls in your processes?
Are you at risk?

Is your current technology sufficient? What are the gaps?
Do you have the technology to complement new processes and meet the needs of a growing business?

How are your employees?
Are they overworked?
How can you get more out of your team while avoiding burnout and increasing engagement?

Do you have the information you need, when you need it? What could you do with real-time intelligence?

THE ENGINE THAT POWERS FINANCE TRANSFORMATION

Technology is changing the way business is done all around us – from agile product development to digital marketing – and it is time for accounting and finance to get on board. Failing to automate your financial close leaves your company at a competitive disadvantage.

New process automation tools free up time for analytics, enabling finance teams to transition from performing manual and spreadsheet-driven processes to strategic, value-adding operations. By 2020, Accenture predicts that Finance productivity will increase by two to three times, and organizational costs will decline by 40%. They also foresee a dramatic shift in time spent on analysis, from a mere 25% today to 75% in the future.

The results of using automation are already dramatic, with organizations seeing faster close cycles, increased accounting efficiency and transparency, and more satisfied and engaged finance and accounting teams.



It's the new paradigm.

It is the way modern business is done.

Automation is not an option.

ROAD RAGE: CONSTRUCTION ZONES, DETOURS & SPEED BUMPS

According to 69% of Finance and Accounting leaders in a recent survey by The Hackett Group, the top inhibitor of the financial close remains manual processes like spreadsheets, re-keying, reconciling, and hunting for data and errors. More than half of finance executives report being frustrated with spending too much time on non-strategic work. They are awash in transactional activity and two-thirds say they don't have time for process improvement.

This is a bit of a chicken or the egg scenario. How could you ever have time to improve process if you are too focused on doing things the way they've always been done? Isn't the old way of doing things the reason you don't have time for improvement?²

Left unchecked, manual processes, together with expanding data volumes, are preventing Finance from making the shift from accountant to strategic business partner. Rote, human-driven, and error-prone manual procedures expose companies to the undue risk of inaccuracy, or worse, restatement.



“The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency. The second is that automation applied to an inefficient operation will magnify the inefficiency.”

- BILL GATES, FOUNDER & CHAIRMAN OF MICROSOFT

PUT IT IN YOUR REARVIEW

The first step to embarking on your Finance Automation Journey is to look at all of your internal processes and begin making a wish list of improvements.

Still not sure where to start? Ask your staff accountants. Those deepest in the weeds of manual effort are often the ones with the best ideas about how to streamline existing processes. In fact, many of the procedures best suited for the first steps of your journey are often the most manual and risky, and the easiest to improve and automate.

Process improvement is not an all or nothing proposition. Take a stepwise approach to realize incremental results and benefits at every stop on your journey.



Standardization embeds process control to prevent inaccuracies at every level of accounting and finance.

Control, born out of standardizations, means decreased risk of error, higher quality financial reporting, and results you can trust.

Efficiency from improved process has a compound effect as the time saved can be reallocated to further optimization.

Continuous Improvement keeps companies on the Finance Automation Journey continually honing processes and improving outcomes to meet the dynamic needs of the organization, now and into the future.

FOUR BENEFITS OF

PROCESS OPTIMIZATION

STEAM-POWERED TECH IN A HYBRID WORLD

More than two-thirds of organizations see their current IT processes as inadequate for easily managing controls and reducing risk, found the [IBM Institute for Business Value](#). This, in turn, causes spiraling resources to mitigate it. Some of the prime factors creating risk are aging infrastructure, old ERP systems, multiple systems of record, spreadsheets, manual processes outside of systems of record, and systems that just don't work together and require rekeying.

ERPs do a lot, but they simply weren't built to do everything. They are systems of record and push accountants to extract data and perform many critical functions within spreadsheets. This manual labor is repetitive and error-prone, making it difficult to guarantee the accuracy of a company's financials. Moreover, spreadsheets make it almost impossible to have any visibility into the quality of financial processes.

According to the Association of Chartered Certified Accountants, [90% of spreadsheets contain serious errors](#). Even for spreadsheets that undergo meticulous testing and validation, 1% or more of cells often still contain errors, and as a result, any process that is mostly dependent on spreadsheets will likely yield inaccurate results.

However, along any Finance Automation Journey, understanding when to use spreadsheets and when to mitigate their use is essential. Despite their risks, spreadsheets aren't going away. They're just too useful and flexible. It's important to know where spreadsheets are appropriate, and where they aren't.



The question is, does the specific business process to which spreadsheets are being applied create a material risk if there is an error?

POWER THE FINANCIAL CLOSE

Answering this question provides the reason why organizations typically eliminate spreadsheets from financial close processes first: the risk of exposure and embarrassment from a defect is too great.

Beyond risk mitigation, automating financial close and FP&A processes is critical for keeping pace with change and elevating the strategic role of finance. The results are substantial for those finance organizations that upgrade their performance through automation. According to PwC, best-in-class finance organizations run at a 40% lower cost than their peers, yet spend 20% more time on analysis versus data gathering.

FOUR BENEFITS OF

TECHNOLOGY AUTOMATION



Efficiency is enhanced as high-volume tasks from transaction matching to account reconciliations are automated and data aggregation and formatting are streamlined.

Risk is reduced as control increases and human error is removed from manual, transaction-level processes, including data extraction, recurring journal creation, and intercompany invoicing.

Accuracy and quality rise not only as automation executes error-prone tasks, but also as exceptions and anomalies can be better investigated by accountants freed from manual activities.

Visibility reaches new levels as disconnected spreadsheets are replaced with technology that automatically reports task progress, close status, and real-time financial results.

BAD PROCESS + OLD TECHNOLOGY = GRIDLOCK

An uneven workload, overtime hours, dissatisfaction with timeliness, and lack of faith in quality create escalating frustration for finance and accounting staff. Additionally, the fact that much of accounting – such as legacy record-to-report processes – is reactive, leaves employees little control over their daily work lives. As the old accounting joke goes, what do you call a trial balance that doesn't balance? A late night.

Spending every day putting out fires or hastily chasing exceptions during the month-end close is exasperating and draining. Couple this with legacy technology or spreadsheets and everything about accounting and finance can feel outmoded, leading to ever-increasing frustration. All the while employees will continue to disengage, as nothing about their job actually uses their well-honed skills in analysis; they are blocked from helping their business think more strategically.

All they can do, all they have time for, is the minimum of what is asked of them. Unsurprisingly, manual repetitive tasks drain satisfaction and motivation – and are a predictor of churn. To compete for and retain talent, automation is key.



97% of CEOs see attracting and retaining the best talent as key to improving the finance function, yet only one-third give CFOs a passing grade here. CEOS TO CFOS: WE NEED MORE FROM YOU

DRIVE EXCEPTIONAL ACCOUNTING

There appears to be widespread agreement that Accounting and Finance have the necessary skill sets to drive business strategy, but these skills are underutilized. To unlock this value, companies need to automate the tedious and manual accounting work that consumes so much of accountants' time and effort.

This is not about replacing accountants but engaging them. The emerging idea that automation will replace accountants fails to properly value the fact that higher level accounting is complex, and only strengthened by automation. Whether investigating accounting anomalies, evaluating financial reports or preparing corporate taxes, in-depth know-how and analysis require nuance.

Process automation helps by completing unskilled tasks and enabling skilled individuals to provide strategic services to both their department and the entire organization. Automation frees accountants to be more efficient and effective. It frees them to be exceptional.

FOUR BENEFITS OF

PEOPLE OPTIMIZATION



Close 70% faster by removing manual bottlenecks and freeing employees to investigate exceptions, not process transactions.

Increase productivity by up to 24% for each full-time employee in addition to the productivity gains realized from process automation.

Improved engagement so that employees feel more satisfied with their work, which leads to reduced turnover (and associated savings!).

Strategic redeployment opportunities that enable your most capable team members to focus on value-adding activities to better support the broader business.

TRAFFIC'S JAMMED & YOU'RE ALREADY LATE

The volume of data in accounting and finance are increasing as sources of information continue to expand across every business division. Organizations expect to use analytics to create competitive advantage, and they're looking to Finance to be in the driver's seat. In fact, according to a [recent survey](#) by FSN, 81% of senior finance professionals believe CFOs will be responsible for corporate data in the future.

As senior finance executives deal with an increasing amount of financial data, they are expected to deliver better intelligence and provide the big picture of their organization. Unfortunately, making sense of so much unstructured data is a huge challenge. Seeing through the fog is almost impossible amid disparate systems, databases, and spreadsheets.

Standalone analytics solutions rarely deliver their promised value, and more than half of these projects typically fail. Complex data extractions add overhead and fail to meet the need of real-time visibility into financial performance. Despite tools and technologies, financial reporting and analysis are still reserved until after the financial close.



Nearly two-thirds of CFOs believe that an inability to master the variety and volume of new business data is a serious threat to the future finance function.

THE FUTURE OF THE FINANCE FUNCTION - 2016 SURVEY

NAVIGATE WITH REAL-TIME INTELLIGENCE

Modern business requires every part of the organization to be forward-looking and strategic. The need for transparency and easy auditability is increasing, and ever more volatile markets are exposing the necessity of up-to-date financial data.

Automating the finance function not only improves the efficacy of back office activities, but creates time for reporting and analysis to be done at the point of need, and not when everything is already “done.”

Real-time access to financial data and full confidence in those numbers really is the only way forward, especially with the increasingly complex regulatory guidelines and ever growing amount of data companies are expected to analyze.

By automating finance and leveraging the power of data, organizations can unlock competitive advantages and distinct benefits for the finance function and the entire organization.



Enhanced Visibility

coupled with automated data aggregation, standardization, and integration, your organization gains instant access to data.

Better Decision-Making

Better data (and analysis) means business decisions are better informed, leading to superior choices and optimal outcomes.

Real-Time Intelligence

Executives and their companies benefit from having the information at hand when it is needed, and not days or weeks.

Agile Business Operations

With faster analysis and informed decision-making, leading businesses can be more agile and rapidly respond to changing pressures as they arise.

FOUR BENEFITS OF

INFORMATION OPTIMIZATION

PREPARING FOR YOUR FINANCE AUTOMATION JOURNEY



Many organizations fear finance transformation projects. Horror stories of failed attempts and the confusion of figuring out exactly where to start leave many quitting before they even begin. Indeed, the first step is the hardest.

A wise man once said, a journey of a thousand miles begins with a single step. The best performing finance teams embrace this journey and embark on it while building a culture of continuous improvement. They know that success means always adapting, innovating, and improving. With that in mind, here's a look at the journey from beginning to end.

SIX MILE MARKERS FOR

FINANCE AUTOMATION

01

ANALYZE YOUR CURRENT STATE

What are your biggest challenges? Don't forget to ask your staff for help with identifying the most painful, inefficient, and risky accounting processes.

04

FINANCE AUTOMATION

Monitor your process closely and ensure automated processes are more efficient and continue to yield expected results.

02

DESIGN YOUR FUTURE STATE

Play the "What If" game and design your ideal plan for the future. Then, start with the low-hanging fruit and areas with excess risk exposure.

05

REVIEW OUTCOMES & CONTROLS

On a quarterly or annual basis, review the outcomes of your Finance Automation Journey. What worked? What didn't?

03

OPTIMIZE & AUTOMATE PROCESS

First improve and standardize your processes, then automate wherever possible.

06

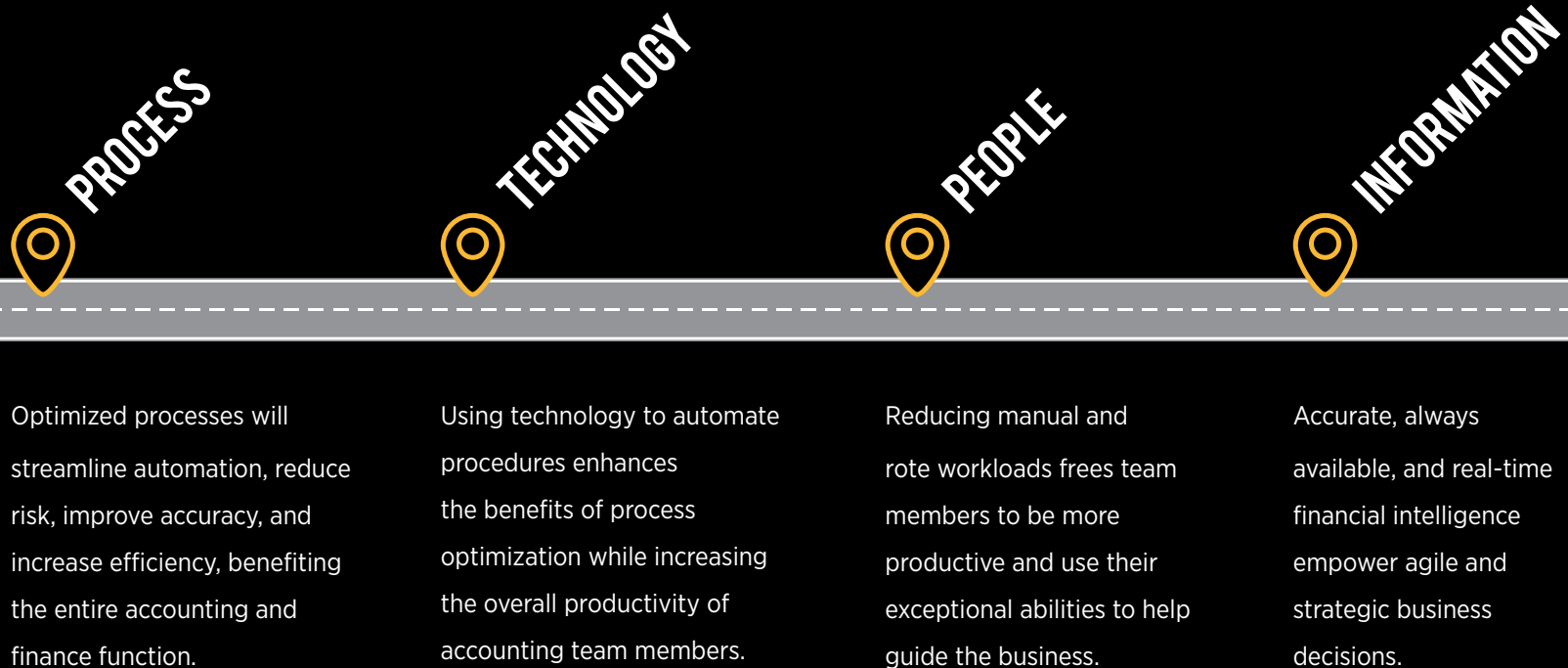
IMPROVE CONTINUOUSLY

Combining the knowledge gleaned from the Review stage, rinse and repeat. Return to Step 1 and focus on new risks and more challenging automation projects.

FINANCE AUTOMATION POWERS MODERN FINANCE

By embedding process standardization, technical automation, and constant analysis, the Office of Finance and its team members advance beyond transactional accounting execution to become a strategic partner to their business. This is Modern Finance. It is a journey yielding continuous improvement in the quality, accuracy, and efficiency of accounting operations.

Returning to our holistic approach, it's easy to see how finance automation benefits the four key areas of every improvement project:





**ARE YOU READY TO EMBARK ON YOUR
FINANCE AUTOMATION JOURNEY?**

IT'S TIME TO TEST DRIVE

If you use spreadsheets and emails to find discrepancies and investigate them, if you manually create the same journal entries every month, or if you just find yourself doing the same manual tasks over and over again every period, it's time to help your business grow by modernizing your processes. The risks associated with doing nothing are high and costly. Organizations that continue to operate using the traditional record-to-report model will fall further and further behind as other companies gain competitive advantage.

If you contrast an organization that is still using manual processes with another that is implementing finance automation, it's no longer an apples-to-apples comparison. One is bogged down by investigating errors, overwhelmed by the expensive and time-consuming financial close that is burning out their team and can have little confidence in the reporting outcomes. The other is running efficiently with a more satisfied and engaged finance and accounting department, and experiencing faster close cycles that allow time to focus on providing strategic insight and a greater level of analysis.

It's time to elevate finance and accounting and improve performance, efficiency, and engagement. It's time to gain confidence in your accounting processes and insight into your finance operations.



It's time for Modern Finance. Take a test drive.



ABOUT BLACKLINE

BlackLine provides cloud-based software that automates and manages complex, manual, and repetitive accounting processes for more than 1,500 customers. BlackLine enables customers to move beyond outdated processes and point solutions to a Continuous Accounting model, in which real-time automation, controls and period-end tasks are embedded within day-to-day activities.

As a result, customers achieve more accurate and insightful financial statements and a more efficient financial close. By improving the efficiency, accuracy, and control of accounting operations, we help enhance the office of Finance's strategic impact and better serve the broader organization.

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HELP YOU TRANSFORM
THE FINANCIAL CLOSE.
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