BlackLine Smart Close

Vaillant Closes with BlackLine.

"With these tools, you simply schedule an activity and it's executed successfully, without errors. This gives you the optimal closing structure template in SAP. Upper management and operational people can monitor progress while closing the books, anytime and in real time. It's all very clear and transparent."

—KAL HENNIG, HEAD OF INTERNATIONAL ACCOUNTING, VAILLANT GROUP

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Vaillant

It's Time for a Smarter Financial Close

The financial close continues to weigh heavily on accounting organizations. According to a recent survey by FSN Modern Finance Forum, 97% of CFOs say their biggest concern is that finance and accounting won't meet reporting deadlines.

Today's finance organization is more complex than ever. Globalization is creating a complex intercompany accounting environment. A rapidly changing regulatory and reporting environment, from auditing standards to revenue recognition and international tax reporting, is adding another layer of sophistication and risk to the close.

The bulk of accounting functions have long since moved to a shared services model, but organizations typically struggle to realize the full benefits because they are buried by stubborn close processes, little standardization between subsidiary and corporate procedures, and opaque local BU processes.

If you're like most accounting organizations, activities and controls checklists, closing tasks and approvals are in spreadsheets, shared by word of mouth, in email trails, or remain buried in rarely updated or reviewed best practice documents.

Breaking through it all is the secret to a fast, clean close. Smart and clear financial close orchestration and automation is more important than ever to make the close more efficient, predictable, and less error-prone.

Introducing BlackLine Smart Close

Global brands run BlackLine Smart Close within their SAP landscape to bring embedded Robotic Process Automation to their financial close processes.

Smart Close runs transparently and natively inside your SAP deployment. It's designed to be easy for accounting to create new close workflows, schedules, and approval flows. This way, everyone from subsidiary accounting teams to corporate shared service centers knows their responsibilities, next steps, and exceptions, and can free themselves from onerous, repetitive, detailed, and error-prone tasks.

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"Regardless of company size or complexity, all successful financial close processes require continuous communication, comprehensive documentation, and a flexible, responsive organization. However, omitting one or two of these building blocks may result in some type of failure during a month-end close."
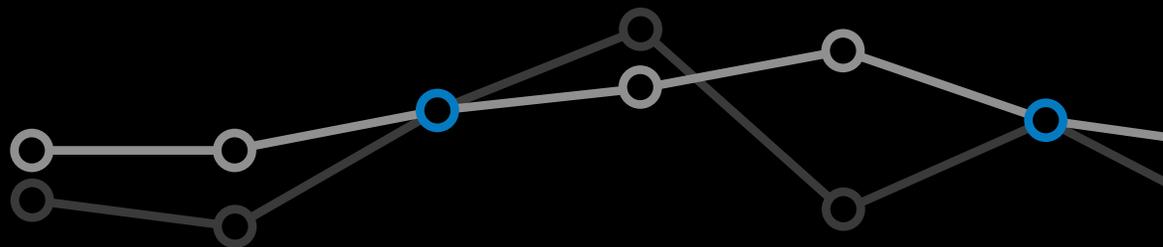
—BUILDING BLOCKS OF A SUCCESSFUL FINANCIAL CLOSE PROCESS, JOURNAL OF ACCOUNTANCY

Advancing the Financial Close for SAP Customers

Close to 2,000 companies around the world trust BlackLine, including 500 running SAP. BlackLine Smart Close, our native solution for SAP, is part of our complete range of financial close and automation solutions that complement and extend SAP.

We enhance SAP by streamlining and automating key aspects of the financial close, including task management, reconciliations, clearing, consolidation integrity, and more. We're proud to have helped SAP customers achieve incredible results: 70% faster close cycles, doubled accounting efficiency, and a more satisfied and engaged finance and accounting organization. And for finance leaders, finally, a real-time picture of the current state of the company's financials.
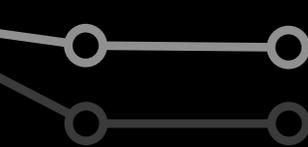
The Three Keys to a Better Financial Close

1. Expand & Automate the Details

A corporate global close for many enterprises running SAP typically holds more than 300,000 activities monthly—on average, 500+ finance-related activities per reporting entity/company code. These activities typically contain many detailed sub-activities and checks which all have numerous interdependencies, resulting in wasted time and creating non-value added activities. Throughout the month, numerous manual checks, clearing, and open item management activities typically place a further burden on teams.

For the financial close, the value is in the details. Research shows a strong relationship between the number of activities in scope and the maturity level of the month-end close process. The more activities in scope, the more stringent and rigorous the process. Typically, organizations that have a summary checklist with around 100 activities per entity to manage their close process are managing at too high of a level, and require a more detailed checklist to be in full control. Best-in-class companies operate their close process on a much more detailed level with more than 500+ activities per entity.

Yet, establishing checklists and ensuring they're adhered to at this level of detail is often a substantial challenge, and can come at a heavy resource price. This is why automation tools that schedule and execute the details automatically—running actuals, open items processes, settlements, depreciations jobs, and other activities based on robotic workflows—is so valuable. It's all done sustainably, without overwhelming accounting with tasks. This also enables accounting to get to the activity detail level they need, reducing compliance risk.

2. Upgrade Shared Services Processes

The most effective finance and accounting Shared Service Centers (SSCs) run over 40 percent more efficiently than their peers (Source: Hackett).

For most SSCs, there are significant issues around trust, people, process, and controls. For example, processes are often still duplicated within business units and subsidiaries, and the performance of process and controls is reliant on key staff—and is not documented.

Usually, there is very limited process standardization within SSCs and in BUs. Controls are based on spreadsheets and emails between the two, with relatively weak visibility into process and performance at each level of the organization.

A survey by Deloitte of 300 service centers found that improving productivity was the number one technology investment area for SSCs. And the best way to improve productivity is through automation, which reduces the time accounting spends on repetitive, transactional workloads. This is especially essential for SSCs that are working with a diverse operating platform of multiple ERPs, billing, invoicing, and reporting systems.

By using financial close technology, SSCs and BUs can operate on a common close platform, so checklists are adhered to and standardized while providing local flexibility and a degree of autonomy on a shared, transparent, and manageable foundation.

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3. Continuous Improvement

On average, best-in-class organizations close approximately twice as fast as their peers, integrating efficiencies throughout the close: from the BU close to pre-consolidation and consolidation processes, to financial and management reporting. These organizations have typically been on a multi-year journey, continually identifying bottlenecks, making changes to checklists, and automating specific tasks based on rigorous feedback and review.

Traditionally, achieving a best-in-class close can take years and add up to millions in ongoing consulting investment, IT changes to ERP configurations, and complex homegrown and proprietary apps that still remain poorly integrated with their core accounting systems.

With the new class of Robotic Process Automation (RPA) applications designed for finance and accounting, the bar to applying continuous improvement is lower than ever. The secret is to gain clear reporting visibility into close bottlenecks, long running or error-prone tasks, and make real-time corrections to the process.

Making changes to the process doesn't require IT or coding in scripting languages, which often creates a barrier to iteratively upgrading workflows. By putting accounting in control with click-not-code tools—to create and adjust workflows, add new items to checklists, set up new automatic schedules, and assign roles and responsibilities themselves—continuous improvement can finally be an agile, efficient, and cost-effective process.

Signs you're ready to upgrade your financial close

CHECK IF APPLICABLE TO YOUR ORGANIZATION

|		
PROCESS	Lack transparency into the status of close tasks in entities/subsidiaries.	☐
	Activities around the financial close are summary level and not detailed.	☐
	Close checklists are in spreadsheets/documents.	☐
	Very limited process standardization within SSC and in BUs.	☐
PEOPLE	Lack of clarity around roles, responsibilities, and approvals.	☐
	Varying levels of documentation to support audits.	☐
	Transactions lack evidence such as invoices.	☐
	Team is too focused on transactional activities.	☐
CONTROLS	Weak visibility into process and performance.	☐
	Lack of collaboration between shared services team and subsidiaries.	☐
	Controls are based on spreadsheets and email.	☐
TECH	Manually run many ERP-specific processes that are essential for close.	☐
	Time spent ensuring correct transactions are used for ERP processes.	☐
	Time consuming to add documents and comments to tasks/activities.	☐
	Inability to easily adjust workflows, schedules, and process.	☐

Sanoma Closes with BlackLine.

83%
Time Savings
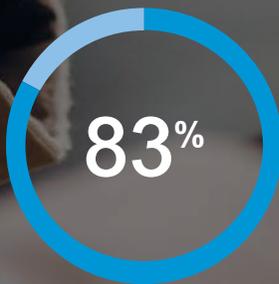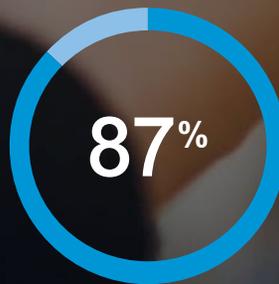
87%
Accounts Automated
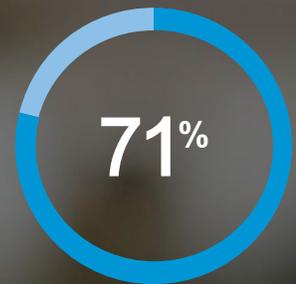
71%
SAP Activities Automated

BlackLine Smart Close: Robotics at the Core

Robotic Process Automation (RPA) is not just the technology of the future, it is the technology of today. RPA applies the combination of intelligence workflows, business rules, triggered operations, and process scheduling to shift repetitive tasks from people to technology. It's especially applicable to high-volume processes that benefit from consistency, such as account or transactional reconciliations.

Large enterprises have already outlined and set up their closing processes through checklists, and are now migrating financial close-centric RPA to automate those activities more effectively and consistently.

BlackLine Smart Close builds on an RPA foundation to bring specific conditional workflow, robotic triggered workflow, and automatic scheduling designed to address the financial close. RPA is an enabler for continuous processing and Continuous Accounting. For finance and accounting, automation means the removal of repetitive tasks that are not only a poor use of highly skilled resources, but also reduce morale in the long term.

"Robotic Process Automation is a promising new development in business automation that offers a potential ROI of 30–200 percent—in the first year. Employees may like it too."

—MCKINSEY, DECEMBER 2016

How BlackLine Smart Close Can Help

By combining the latest in Robotic Process Automation and financial close intelligence, deeply embedded within SAP and with complete self-service control for accounting, Smart Close provides powerful efficiency gains and improves trust in the financial close.

With Smart Close, accounting organizations can drive global standardization while maintaining a degree of local flexibility. They can upgrade their shared service centers to improve orchestration between entities and corporate, and centralize and assign tasks between accounting centers. Accounting teams can get to a greater level of detail in accounting activities, and manage close tasks by exception while achieving better overall transparency.

BlackLine Smart Close for SAP

SAP-Embedded Financial Close Automation

• Task Scheduling	• Internal Controls	• Closing Tasks	• Status Alerts
• Escalation	• Multi-entity	• Reporting	• Process Templates
• Completion Notification	• Pre-close Checklists	• Global Visibility	• Workflow Mapping

SAP   SAP ERP 4.7   SAP ECC 5.0   SAP ECC 6.0   SAP BS 7.0   SAP S/4HANA

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BlackLine Smart Close Features

✓ Easily import closing tasks from spreadsheets.

✓ Define and control corporate and local closing tasks.

✓ Periodic checklists, pre-close activities, closing tasks, internal controls, report verifications, milestones, and notifications.

✓ Trigger, monitor, and document tasks through a central, SAP-embedded platform.

✓ Exception-based close management.

✓ Robotic workflow triggering and documentation.

✓ Automatically and analyze verify report output and sign off in case of positive verification.

✓ Highlight items outside tolerance limits.

✓ 250+ best practice templates, checklists, and workflows out of the box.

"By digitizing their shared services, organizations can achieve significant savings in both time and money—for example, up to 50-percent increases in efficiency in some back-office functions."

—HOW SHARED-SERVICES ORGANIZATIONS CAN PREPARE
FOR A DIGITAL FUTURE, MCKINSEY, FEBRUARY 2016

Robotic Process Automation for the Close: From Scheduling to Escalation

With a built-in automation engine, Smart Close automates task and job scheduling, execution, and monitoring of close tasks, as well as outcome verification and escalation. Powerful job scheduling even works with your organization's own internal scheduling tools. Built-in scheduling process templates for tasks, like suspense account monitoring and open item analysis, help finance organizations put time-consuming tasks on autopilot.

Smart Close even automatically verifies the correctness of closing transactions and takes next steps, like raising alerts, making corrections, or immediately pushing the closing process to the next step.

Automation includes a wide range of activities, including:

- Currency revaluations and translations
- Bad debt provision
- Opening/closing of periods
- Asset month-end close processes
- Regrouping of AR and AP
- Profit Center Accounting assessment cycles
- Product Costing order settlements
- Actual Costing

Empowers Accounting to Update Activities & Workflows—No IT Required

Smart Close is designed for accounting to own and manage with a click-not-code environment. Whether adding and assigning detailed activities, changing balance, checking workflows or approval chains, accounting remains independent from IT.

By enabling accounting to easily make changes to the close process themselves, Smart Close fosters an environment of agile continuous improvement in the close, with organizations gaining value year after year as they continually adapt and refine their close tasks.

Detailed visibility into the close process and roadblocks

Standardized Closing Process Across Multiple Systems, Globally

Smart Close enables a standardized closing process across multiple systems. As one closing system, it empowers accounting functions to manage a single process across legal entities, countries, and different systems, reducing administration costs and monitoring time. Flexibility enables accounting organizations to choose which closing tasks and reports are run at each location and which are sent to corporate—so every organization can run the automated tasks and reports that they need, automatically.

Easily Incorporate & Manage Your Controls

It's simple to define periodic checklists, pre-close activities, closing tasks, internal controls, reports, manual processes, milestones, notifications, and more. By importing your internal controls framework, BlackLine Smart Close for SAP helps automate risk management and enables straightforward customization of internal control monitoring to gain the right level of management visibility and control.

Real-Time Financial Close Process Visibility: Summary to Detail

Customizable overviews of the close process and financial data make it simple for accountants to see issues and roadblocks in the close, in real time. A live overview on the status of each aspect of your close period process, with traffic light indicators, shows completion levels and takes any uncertainty and opacity out of the closing process.

Smart Close makes it easy for accounting to update workflows, activities, and checklists – no IT required
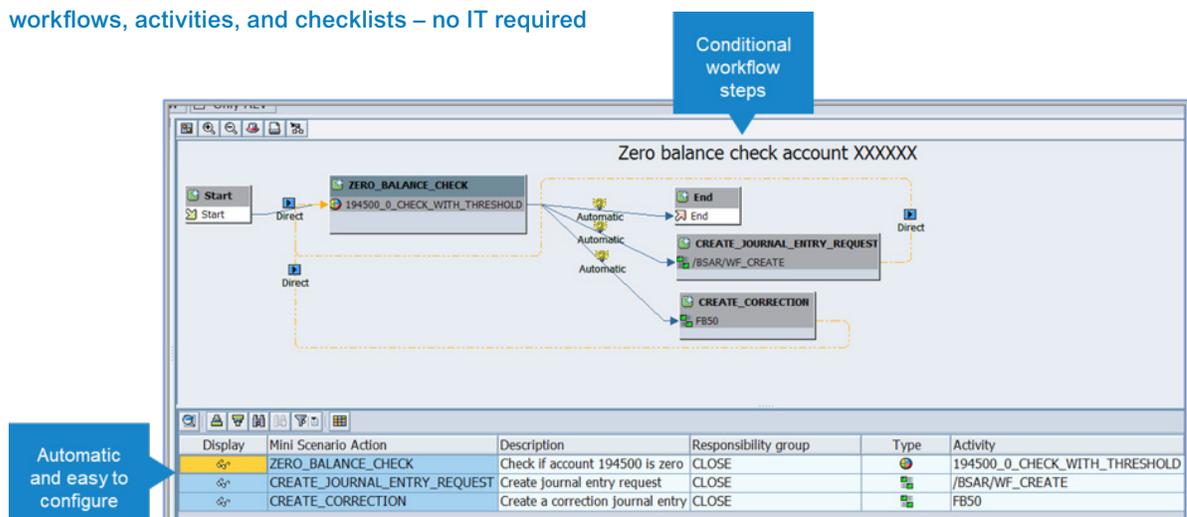
Built Into SAP

BlackLine Smart Close for SAP embeds into your SAP platform, from SAP ERP 4.7 through to S/4HANA. Using standard SAP user interfaces, accounting gains direct access to all data in SAP, including historical data, with no need to learn a different application. Within SAP, all closing tasks are available, including controlling and costs modules, asset history sheets, aging and risk assessment reports, and special ledgers.

- **Real-Time & Always Up-To-Date**

   BlackLine Smart Close for SAP runs embedded, so all data, including processed historical data, remains inside SAP. And by working with live SAP data, it's easy to create last-minute postings, see accounts with changes, and verify them, in real time.

- **Single Authorization & One-Click Sign On**

   Working directly with SAP security and permissions, BlackLine Smart Close for SAP automatically uses existing SAP user roles and authorizations, eliminating the need to log on to a separate app or maintain security definitions.

- **Familiar User Experience**

   An embedded experience, BlackLine Smart Close for SAP mirrors the SAP user experience, minimizing the need for end user training.

- **Complete SAP Compatibility**

   BlackLine works across your current and future SAP landscape including: SAP ERP 4.7, SAP ECC 5.0, SAP ECC 6.0, SAP BS 7.0, and SAP S/4HANA.

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The Smart Close Difference

We designed Smart Close to be different from traditional tools. Smart Close doesn't need scripting to create tasks, or require expensive and time-consuming IT and consulting teams to update and change processes.

Smart Close automation templates are standard global automation templates. They are best practices that only require slight configuration, so you start with proven processes out of the gate. Best practice templates enable fast knowledge exchange, allowing finance teams to not only optimize and harmonize the closing process in ways that have proven to be successful, but also to quickly automate them.

After setup, an automation template for one entity automatically robotizes this activity for all other entities. There's no need to create new instances or new deployments for each individual entity.

	BlackLine Smart Close	Legacy
ACCESS	Single sign on, embedded in SAP	Outside of SAP
MANAGEMENT	Click-not-code	Customer scripting
DATA	In place and real time	Reports and extracts required
TRAINING	Matches SAP experience	Different look and feel
PROCESS	Entire financial close process	Point tasks
GLOBAL	Multi-entity in one solution	One solution for each entity
TEMPLATES	250+ provided out of the box	Consultants required

BlackLine Smart Close provides powerful benefits for accounting organizations, including a dramatic increase in accounting productivity by automating and scheduling detailed tasks for both independent accounting teams and SSCs, which in turn, accelerates financial close cycle times.

50-80%

Financial processes automated

50%

Improvement in accounting productivity during the close

75%

Improvement in shared service center efficiency

Proven Benefits for Every Stakeholder

CFOs

CFOs need instant transparency into the status of the financial close, at any point in time—rather than relying on accounting operations alone. Smart Close provides a clear view of completed activities, items remaining, and overdue areas, as well as the data and detailed reporting to instill confidence that everything is on track, and the details have been handled.

Financial Controllers

Smart Close enables every detailed activity related to the close to be centralized, assigned, and tracked. With clearly distinguished responsibilities, status highlighting, and flagging of exceptions or problem processes, Smart Close provides controllers with the power to efficiently manage the detail that's vital for compliance by surrounding it in a governance, automation, and workflow framework.

Accountants

Smart Close allows accountants to use Robotic Process Automation to put time-consuming, low-value tasks like suspense account monitoring and open item analysis on autopilot, so they can focus on more satisfying and strategic work like analytics and reporting.

Auditors

With Smart Close, it's easy to access audit materials at the appropriate level. Equipped with special viewing access for auditors, Smart Close shows clear accounting trails with attached documentation—improving auditor and staff productivity, and reducing audit costs.
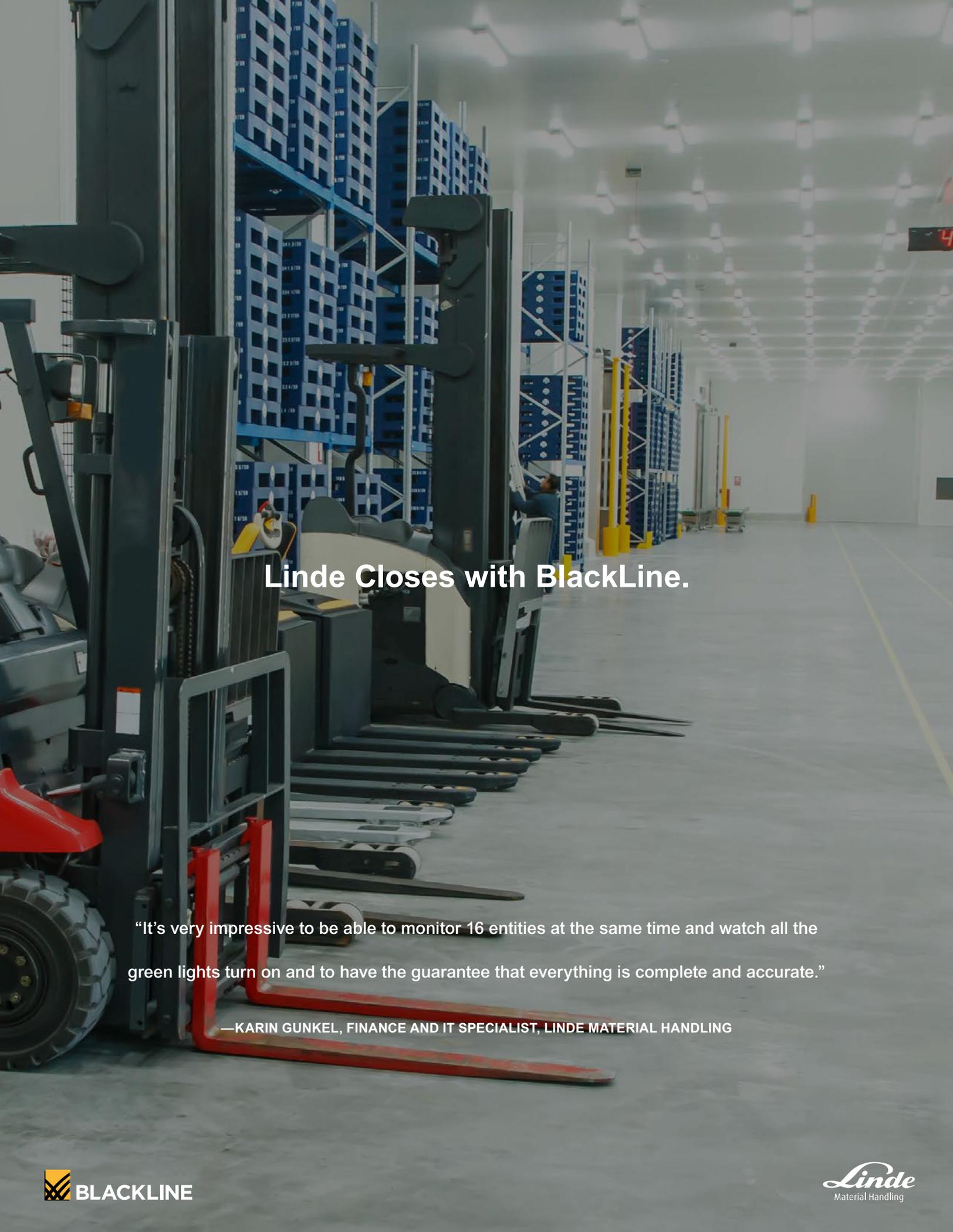
Linde Closes with BlackLine.

"It's very impressive to be able to monitor 16 entities at the same time and watch all the green lights turn on and to have the guarantee that everything is complete and accurate."

—KARIN GUNKEL, FINANCE AND IT SPECIALIST, LINDE MATERIAL HANDLING

BLACKLINE

Linde
Material Handling

Case Study: Linde Material Handling

Before Smart Close, Linde Material Handling had a well-defined closing process and everything was always completed on time, but the company never settles on the status quo. Linde is always striving to maintain their leadership status by simplifying and limiting the amount of time the closing process requires through automation. Never afraid of embracing change in the name of advancement, the company turned to BlackLine to provide valuable insights into the close process.

Benefits with Smart Close

- **Improved Process Efficiency.** There has been a drastic increase in the speed of the closing process since implementing Smart Close. The process is significantly less time-consuming, and therefore, less stressful.

- **Greater Control & Transparency.** Teams can now be certain that all the steps in the closing process are executed completely and in the correct sequence. Everyone knows who's responsible and when a task is complete.

- **Reliable Financials.** With Smart Close, Linde Material Handling can proactively monitor closing activities. If anything looks incorrect at any point in the process, issues are quickly identified and resolved in order to produce reliable financials that enable teams to act responsibly.

- **Valuable Insights.** The team now has a wealth of information—especially in regards to benchmarks. Smart Close reveals everything, from which entities are fastest to which areas do certain processes better, allowing them to improve their processes.

Upgrade to a Better, Smarter Financial Close

Modern finance organizations are moving to process standardization and financial automation to make the best use of resources and be more strategic. BlackLine Smart Close for SAP is proven to automate as much as 70% of financial close tasks by providing self-service and standardized financial close automation, embedded directly within SAP.

Powered by the latest Robotic Process Automation innovations, your organization will gain the confidence of improved balance sheet integrity and automated, audit-grade processes that improve productivity and controls. Join leaders like Linde Material Handling, Vaillant, Leiden University, and many more to simplify, standardize, and automate your financial close with BlackLine Smart Close.

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