

Cloud-Based Finance & Accounting Solutions Meet the Challenges of Today and Tomorrow

Michael Shultz
Zach Deming

March 24, 2022



The Association of
Accountants and
Financial Professionals
in Business



Webinar Features and CPE Credit

Q&A

Asking Questions



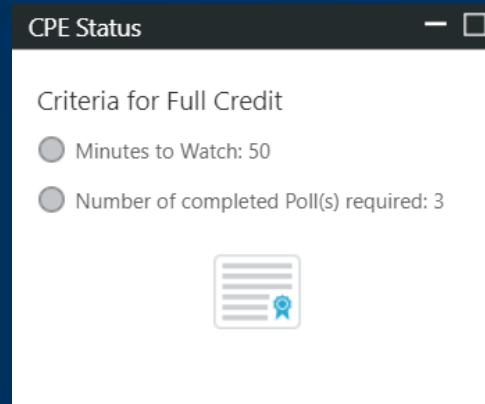
Closed Captioning



Help



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Moderator

Adam Larson, DES
Senior Manager of
Educational Technology Enablement
IMA



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Featured Presenter

Michael Shultz
Director, Strategic Accounting
BlackLine



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in Business



Michael Shultz's Biography

- Michael is an accounting leader. As BlackLine's Director of Strategic Accounting, he combines nearly 20 years of accounting experience in auditing (Big 4), consulting, and financial reporting management to guide companies on their path to modern finance.
- Michael earned his Bachelor's degree in Accounting with a Finance Minor from the Krannert School of Management at Purdue University in 1997. Today, when not writing bios in third person, Michael travels the world sharing his experience and presenting innovative approaches to increase productivity and optimize the close.

Featured Presenter

Zach Deming
Vice President of Product Marketing
BlackLine



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in Business



Zach Deming's Biography

- Zach is the vice president of product marketing at BlackLine. In this role, he partners with accounting and finance leaders to help them realize how traditional manual accounting processes are not sustainable. After a decade in the industry, he believes cloud software technologies can help Accounting automate the ordinary, so accountants can shift their focus to the extra-ordinary.
- BlackLine is an organization that drives digital transformation for finance and accounting teams, in part by encouraging a mindset of continuous improvement. Zach firmly believes that this is a concept every part of the business must embrace. While change management is hard, he believes if you don't adapt and evolve, then you put you and your organization at a competitive disadvantage.

Learning Objectives

1. Recognize how a cloud-based system can improve availability of information and resiliency.
2. Demonstrate ways to speed up business processes.
3. Describe keys to improving efficiency and accuracy with automation.



Sample

Field Work	June 11, 2021 - June 23, 2021
Current Respondent Target	250 qualified respondents <ul style="list-style-type: none">• 125 employed in Executive/Finance/Accounting management• 125 employed in IT Management
Margin of Error	+/-6.2 percentage points at the 95% confidence level

Methods and Objectives

Data collection Online questionnaire
Length 20 questions (including screeners and profiling questions)

Audience: Respondents are qualified as follows:

- Executive management, Senior Finance/Accounting management (Senior manager and above) and Senior IT management (Director and above)
- Involved in the purchase of business/financial applications that support the accounting and financial close process
- Employed at enterprises with revenue of \$750M or more
- SAP customer
- Mix of vertical industries represented

Survey Objective

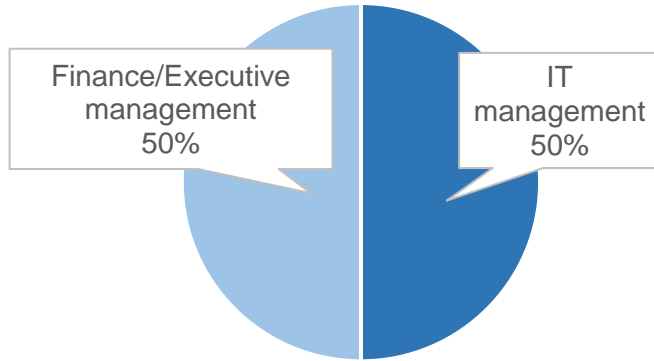
Finance & accounting have historically been slower to embrace technology and change, but recent disruption and work from home requirements proved that they are capable of pivoting successfully.

In this survey, we aim to understand existing pain points with respect to the accounting and financial close process, experiences conducting and supporting accounting and financial close-related tasks remotely during the past year, and the extent to which these experiences have accelerated technology modernization plans in this area.

We examine technology priorities for accounting leadership over the next 12 months, cloud deployment levels for accounting and finance applications, as well as perceived cloud migration barriers and advantages.

Respondent Profile

Job Function



Involvement in the Purchase of Business/Financial Applications that Support the Accounting and Financial Close Process



Job Title

Executive Management (CEO, President, Owner, Partner, etc.)	19%
CFO	7%
Controller	1%
Chief Accounting Officer (CAO)	6%
CIO	4%
CTO	6%
CISO/CSO	2%
Executive VP, Senior VP IT	7%
VP Accounting	4%
VP IT	3%
IT Architect	3%
Assistant Controller	3%
Director/Sr. Director of Accounting	6%
Director/Head of Shared Services	2%
IT Director	24%
Director of Financial Systems	0.4%
Senior Accounting Manager	2%
Finance/IT Business Partner	0.4%

Poll Question 1:

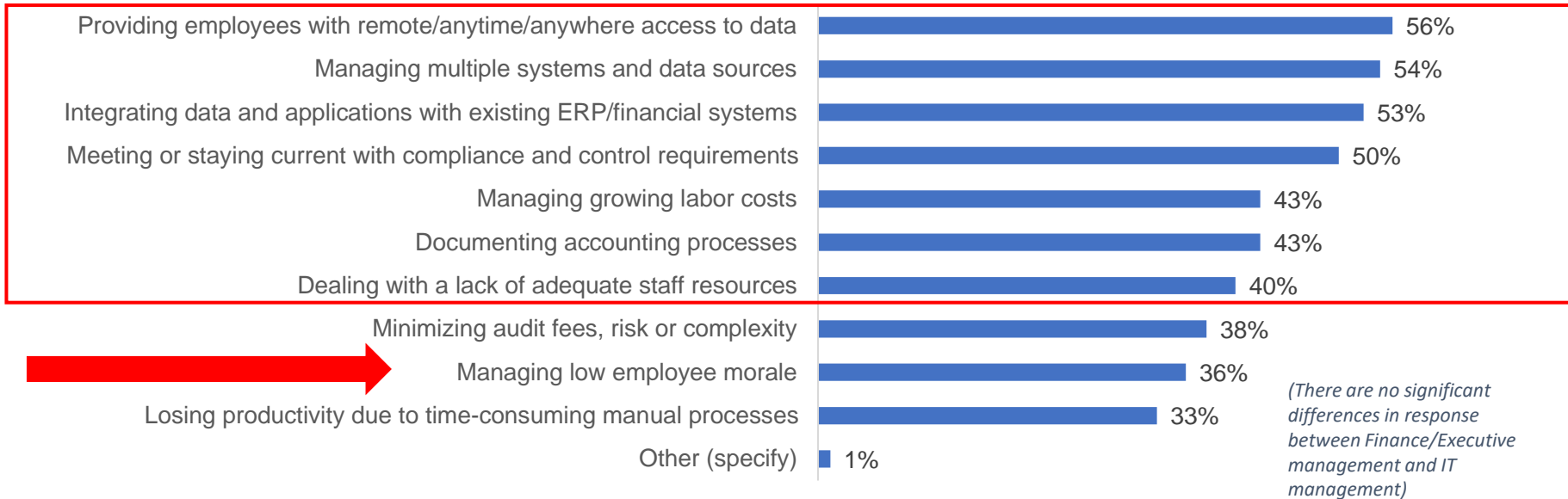
What were your pain points when moving to a remote close?
(select all that apply)

- a. Providing employees with remote access to data
- b. Managing multiple systems / data sources
- c. Integrating data and applications with existing ERP / systems
- d. Meeting or staying current with compliance and control requirements
- e. Managing growing labor costs
- f. Documenting accounting processes

Poll Question 1 Results: (Placeholder)

Remote data access, juggling multiple systems, integrating data with ERP, and staying compliant are top challenges of financial close.

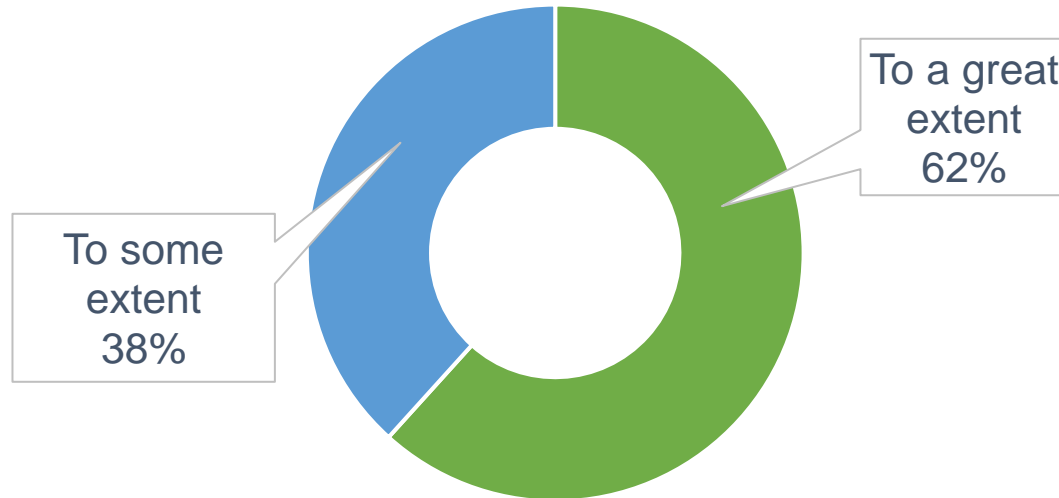
Pain Points During the Financial Close Process



Q2: What pain points or challenges has your organization experienced with the accounting and financial close process over the past 12 months? (Base=250)

A majority (62%) of those on finance/exec teams report that leadership frequently makes ad-hoc requests for financial information.

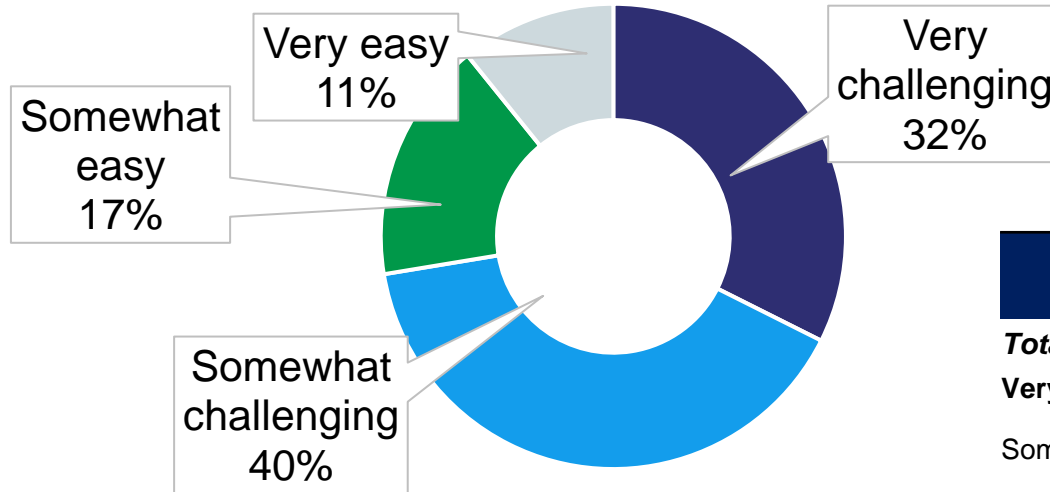
**Extent to Which Leadership is Making
Real-time requests for Financial information**
(asked of Finance/Executive management)



Q3: To what extent is leadership at your organization requesting that accounting & finance teams produce information in real-time/on an ad-hoc basis (versus waiting until the end of a reporting period)? (Base= 125 employed in Executive/Finance management)

Nearly three-quarters (72%) indicate it's challenging for IT and accounting teams to collaborate effectively regarding technology needs.

How challenging is it for your organization's IT and accounting teams to collaborate and communicate effectively regarding technology needs and capabilities?

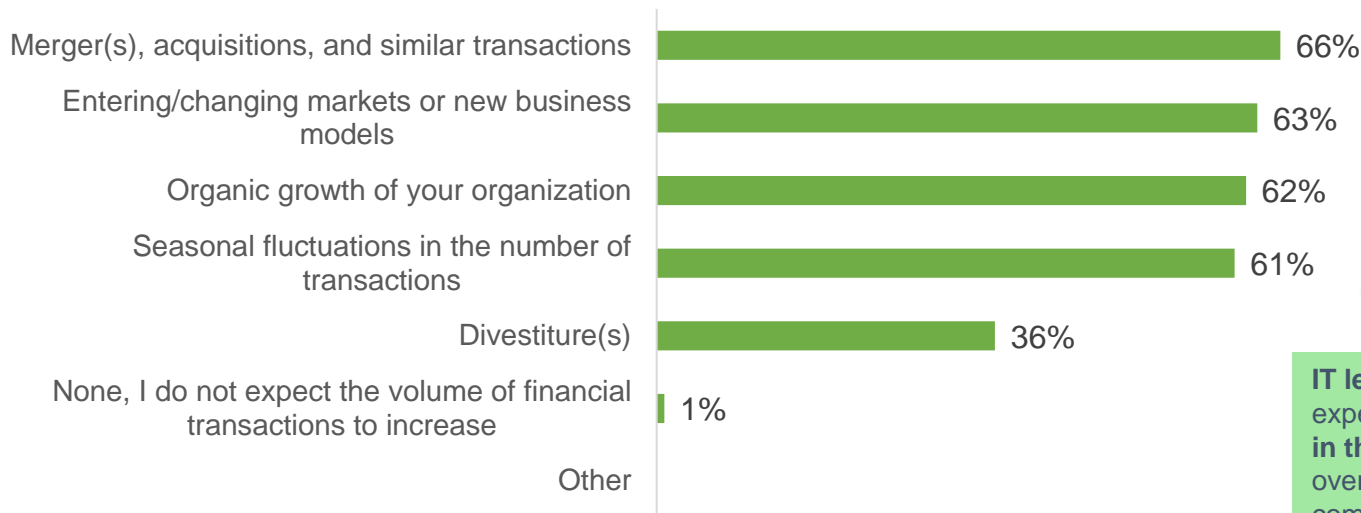


	IT Management	Non-IT Management
Total	N=125	N=125
Very challenging	39%	26%
Somewhat challenging	39%	41%
Somewhat easy	14%	20%
Very easy	8%	14%

Q5: How challenging is it for your organization's IT and accounting teams to collaborate and communicate effectively regarding technology needs and capabilities? (Base: 250)

Over the next year, respondents expect several factors to increase the volume and complexity of financial transactions.

Events that May Contribute to an Increase in Volume or Complexity of Financial Transactions – Next 12 Months

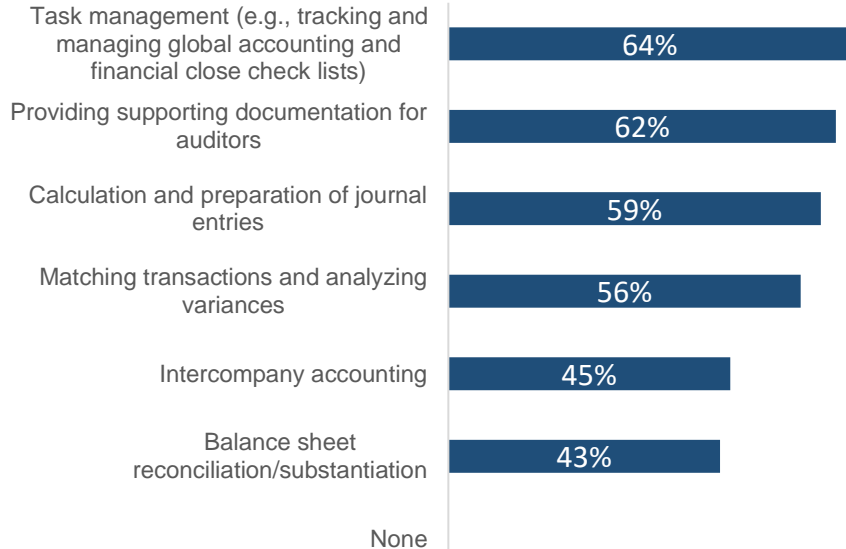


IT leaders are more likely to expect **seasonal fluctuations in the number of transactions** over the next 12 months (69% compared to 53% of non-IT leaders).

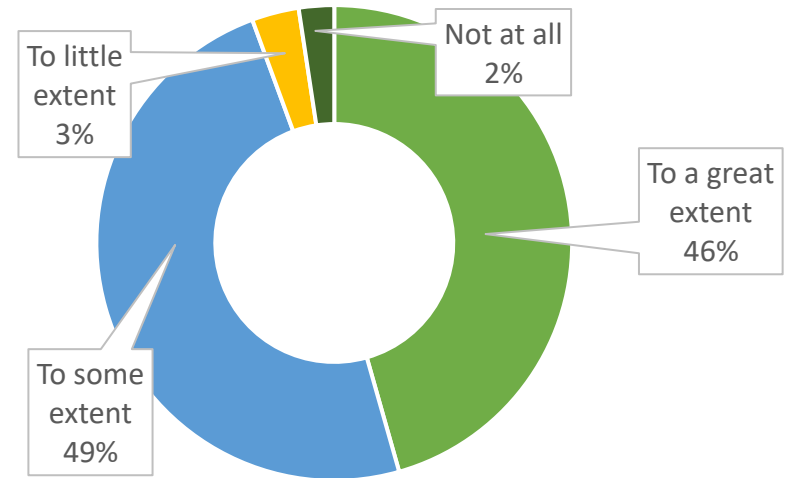
Q6: Which of the following events may contribute to an increase in the volume or complexity of financial transactions at your organization over the next 12 months? (Base: 250)

Multiple accounting and financial close tasks are taking place outside the ERP, which creates challenges for IT.

Accounting and Financial Close Tasks that Take Place Outside the ERP System
(asked among Finance/Executive management)



Extent to Which Manual Accounting and Financial Close-Related Processes Create Challenges for IT
(asked among IT management)

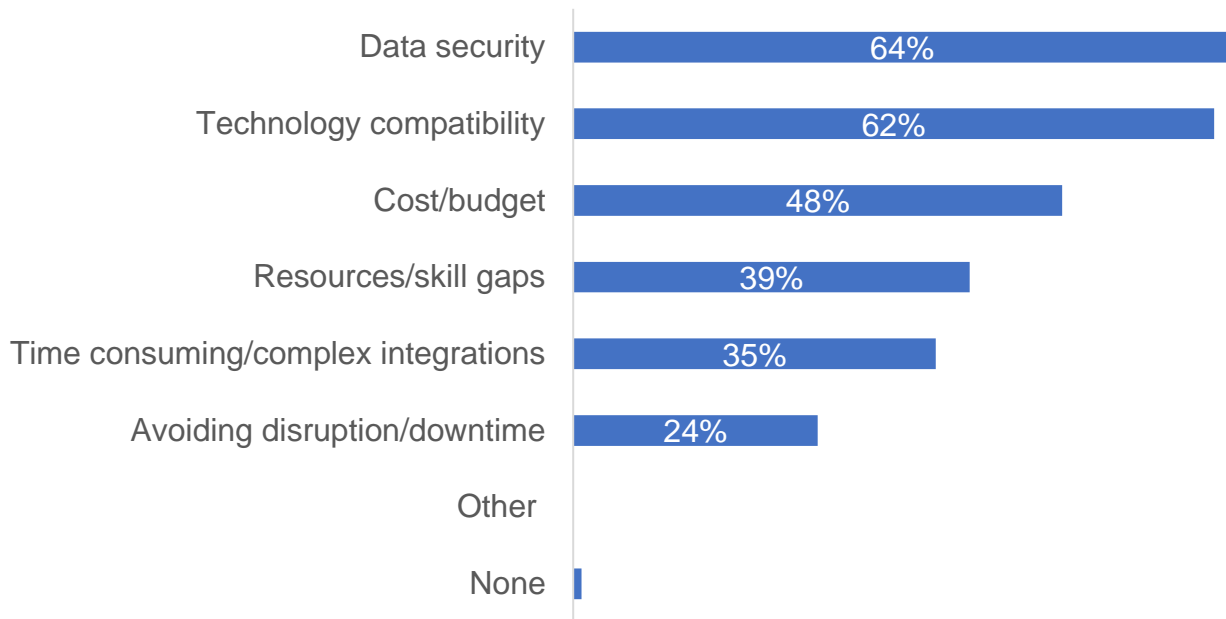


Q7a: Which tasks associated with accounting & financial close currently take place outside of your organization's ERP system(s) (for example, in spreadsheets)? (Base: 125 employed in Finance/Executive management)

Q7b: To what extent are manual accounting and financial close-related processes (e.g., tasks completed outside of an ERP system, using spreadsheets or other non-financial applications) creating challenges for your IT organization? (Base: 125 employed in IT management)

IT cites data security and technology complexity as top challenges when managing and integrating data from outside the ERP system.

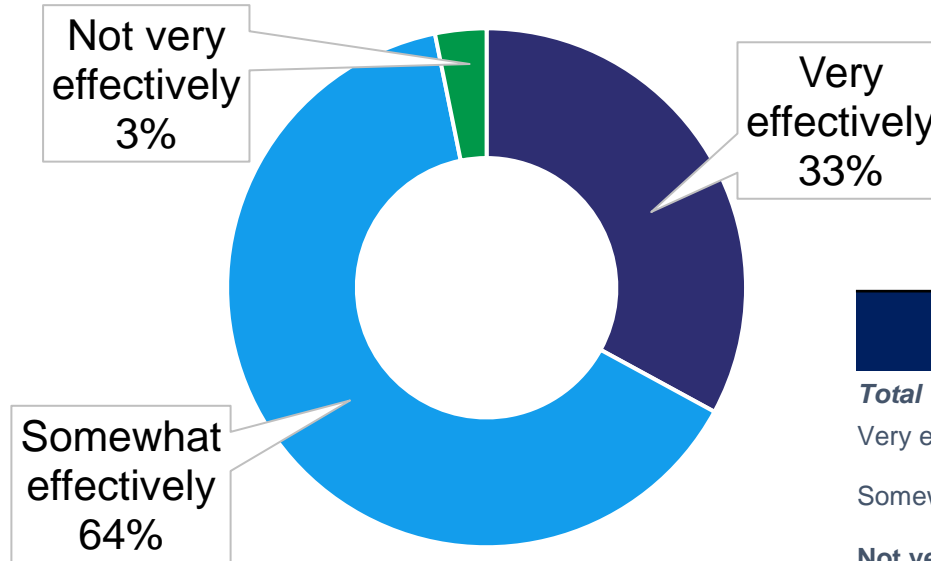
Top Challenges Managing and Integrating Data from Outside the ERP (asked among IT management) (select three)



Q7c: What are your IT organization's top challenges with respect to managing and integrating data from outside of your ERP system? (Base: 125 employed in IT management)

Just one-third (33%) report their organization has been very effective in automating accounting and financial workflows.

To-date, how effectively has your organization automated accounting and financial workflows?

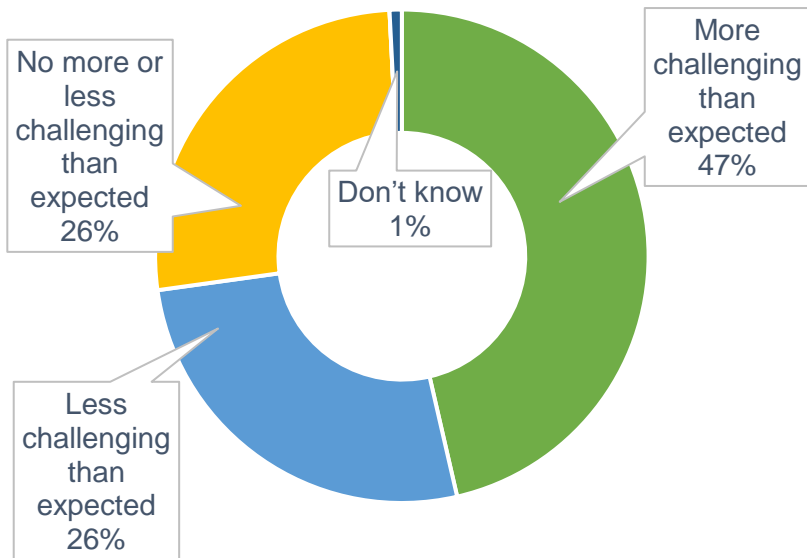


	IT Management	Non-IT Management
<i>Total</i>	<i>N=125</i>	<i>N=125</i>
Very effectively	34%	30%
Somewhat effectively	60%	68%
Not very effectively	6%	1%
Not at all	0%	1%

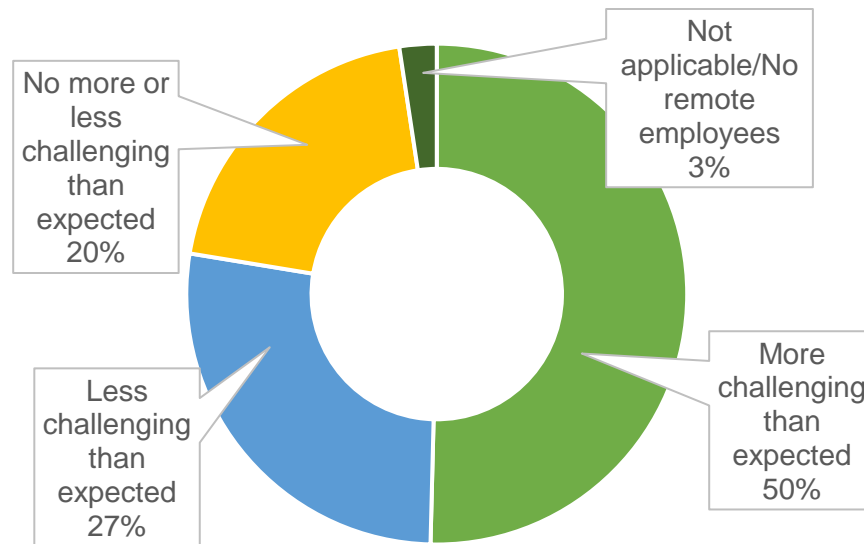
Q8: To-date, how effectively has your organization automated accounting & financial close activities and workflows? (Base: 250)

About half of all respondents found the experience of completing or supporting financial close remotely over the past year to be more challenging than expected.

Experience Completing Accounting and Financial Close Remotely (asked among Finance/Executive management)



IT's Experience Supporting Accounting Processes and Requests Remotely (asked among IT management)

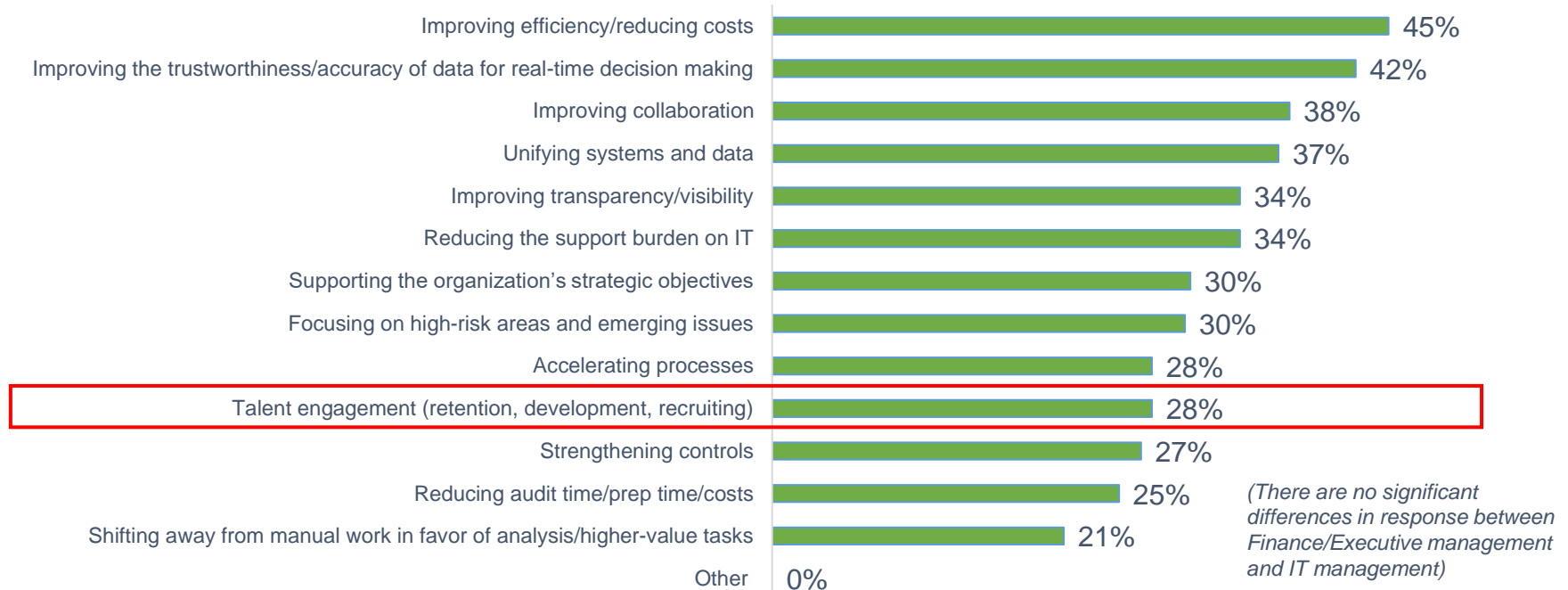


Q9a: How would you describe your organization's experiences completing accounting & financial close over the past 12 months amidst disruption with some or all employees working remotely? (Base: 125 employed in Finance/Executive management)

Q9b: How would you describe your IT organization's experiences supporting accounting processes and requests over the past 12 months with some or all IT employees working remotely?(Base: 125 employed in IT management)

The top technology priorities for accounting leadership are improving efficiency and improving the quality of data available for decision-making.

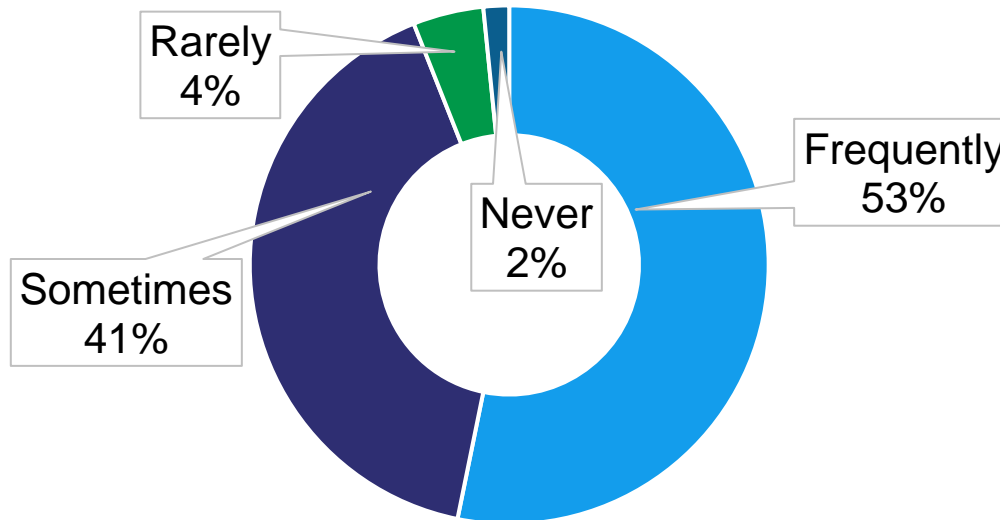
Top Technology Strategy Priorities for Accounting Leadership – Next 12 Months (select five)



Q11: From a technology strategy standpoint, what are the top priorities for accounting leadership over the next 12 months? (Base: 250)

IT and finance teams agree that time spent on accounting, compliance and financial close frequently gets in the way of other strategic work.

How often does time spent on accounting, compliance and financial close inhibit your team's ability to work on other strategic projects?



(There are no significant differences in response between Finance/Executive management and IT management)

Q4: From your perspective, how often does time spent on accounting, compliance & financial close inhibit your team's ability to work on other strategic projects and initiatives? (Base: 250)

Poll Question 2:

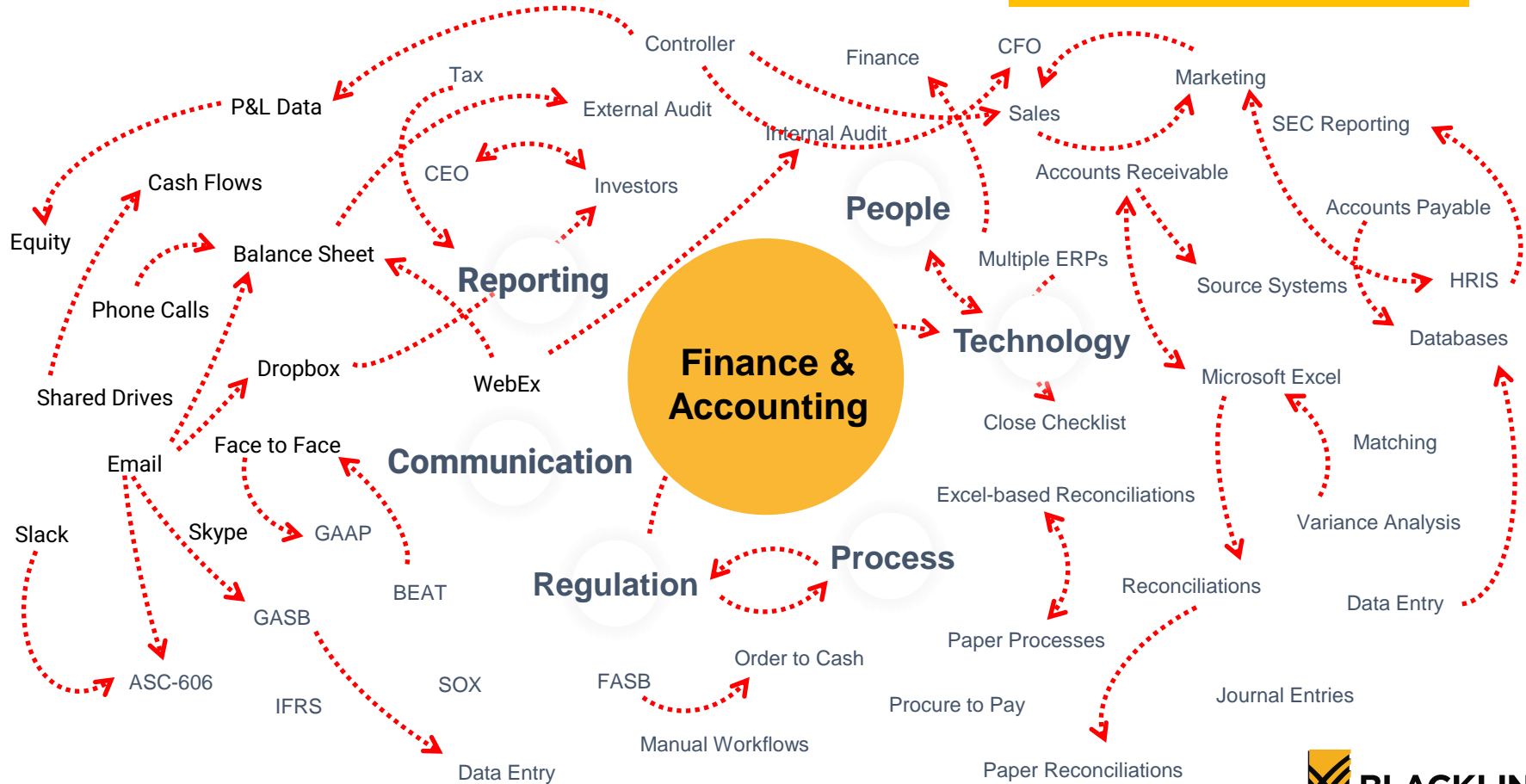
What accounting and close tasks take place outside of your ERP? (select all that apply)

- a. Task management / checklists
- b. Audit support
- c. Calculation and preparation of journal entries
- d. Matching transactions and analyzing variances
- e. Intercompany accounting
- f. Account reconciliations

Poll Question 2 Results: (Placeholder)

Traditional manual accounting processes
are not sustainable.

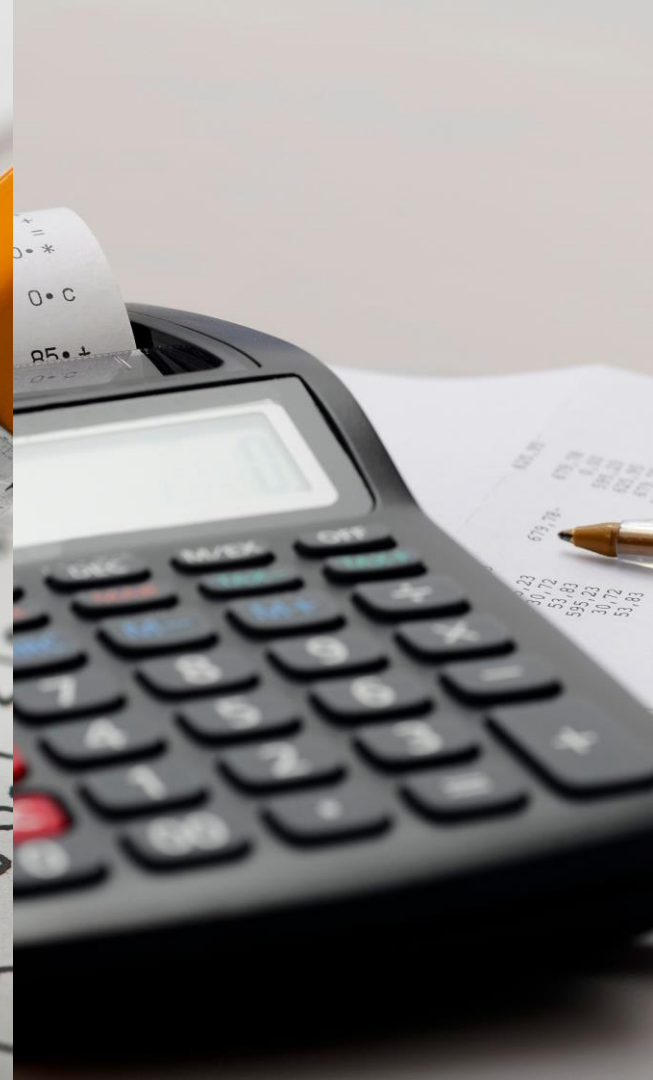
Traditional manual accounting is **not sustainable.**



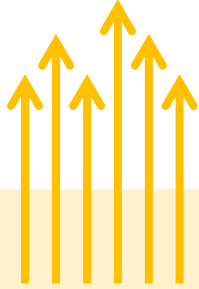


A close-up photograph of a white eraser attached to a yellow pencil, resting on a document. The document features a table with numerical data. The eraser is positioned over the bottom row of the table, which contains the values 225.06, 2264.04, and 2305.00. The background shows a blurred document with a table of numbers.

1	671.00	272.00
.92	1,423.75	210.62
59.06	228.58	2,829.85
757.89	1,006.15	790.19
2,569.18	1,655.89	3,433.47
135,888.82	1,913.69	475.84
157,045.11	923.98	3,829.4
75,825.37	1,093.28	1,42
89,719.38	227.60	4
.49	18,677.81	1,604.31
01.49	131,656.03	1,421.37
715.35	116,643.51	272.18
633.78	22,336.56	531.05
121.36	43,580.06	1,585
236.79	130,118.67	1,6
706.99	131,764.45	
715.94	21,574.49	
117.22	101,608.85	
52.09	5,839.0	

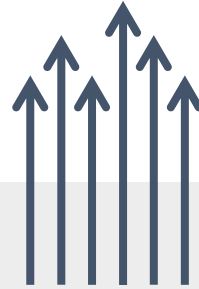


There's more work, and it's taking longer.



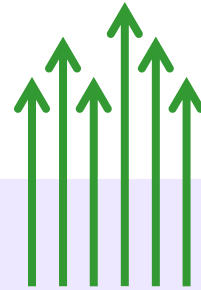
66%

66% Increase in work on documents and spreadsheets



40B

40 billion more emails



30%

30% growth in average meeting times

Accounting Staff Pain

Many
Systems



Limited
Visibility

Inconsistent
Process



Lack of Ownership
and Control

Detailed
Spreadsheets



Risk of
Inaccuracy

Manual
Effort



Poor Allocation
of Time

Disengaged
Work



Talent
Retention

Management Pains





Why is manual accounting **not sustainable?**



Time

69% say manual effort is #1 bottleneck in the financial close process.

It takes too long.



Risk

55% are not completely confident they can identify financial errors before reporting results.

It's risky.



Cost

350% More FTEs on general accounting/reporting at bottom performers.

It's expensive.



Morale

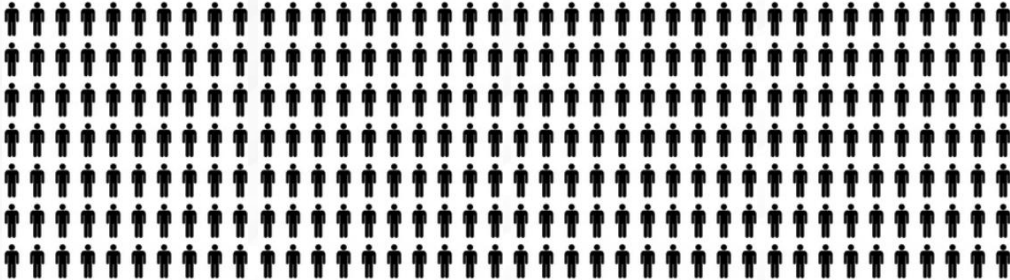
34% of productivity is lost for actively disengaged employees.

It hurts morale.



Output

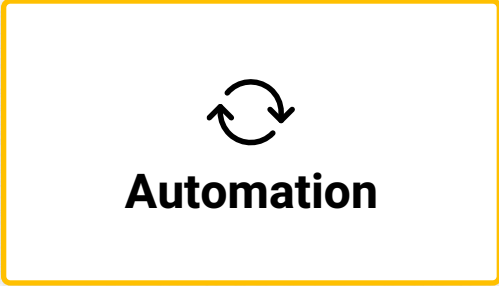
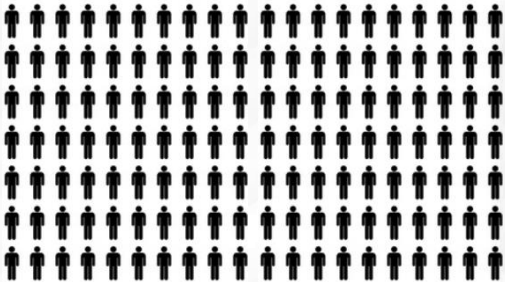
Strategic Value



People

Output

Strategic Value

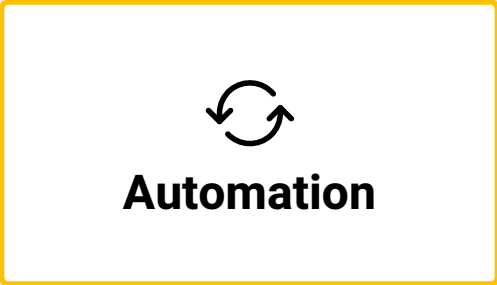
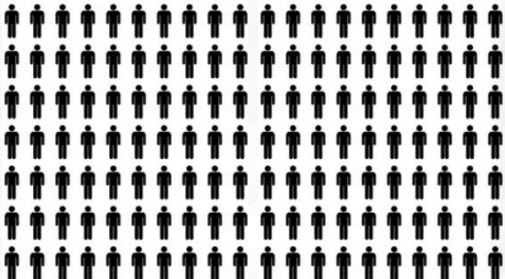


People

Output



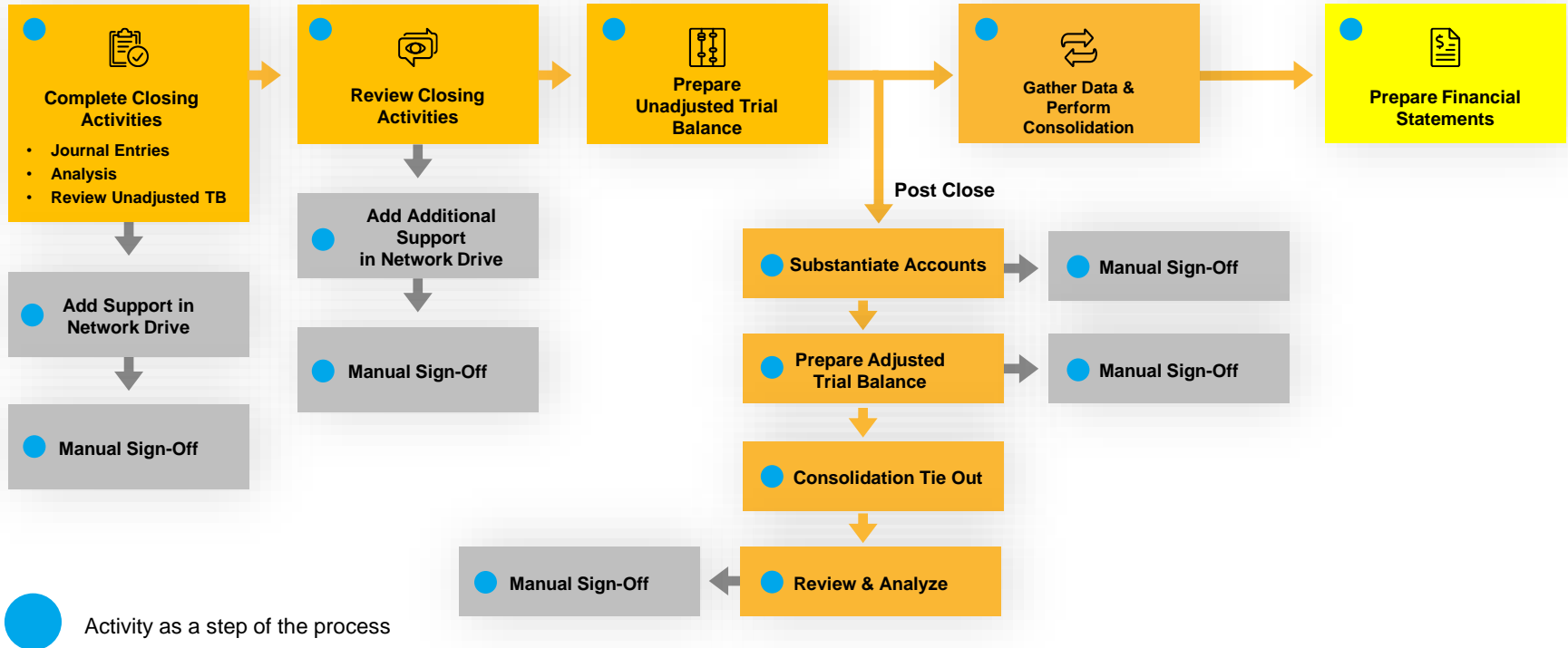
Strategic Value




People

Make Sense of the Chaos

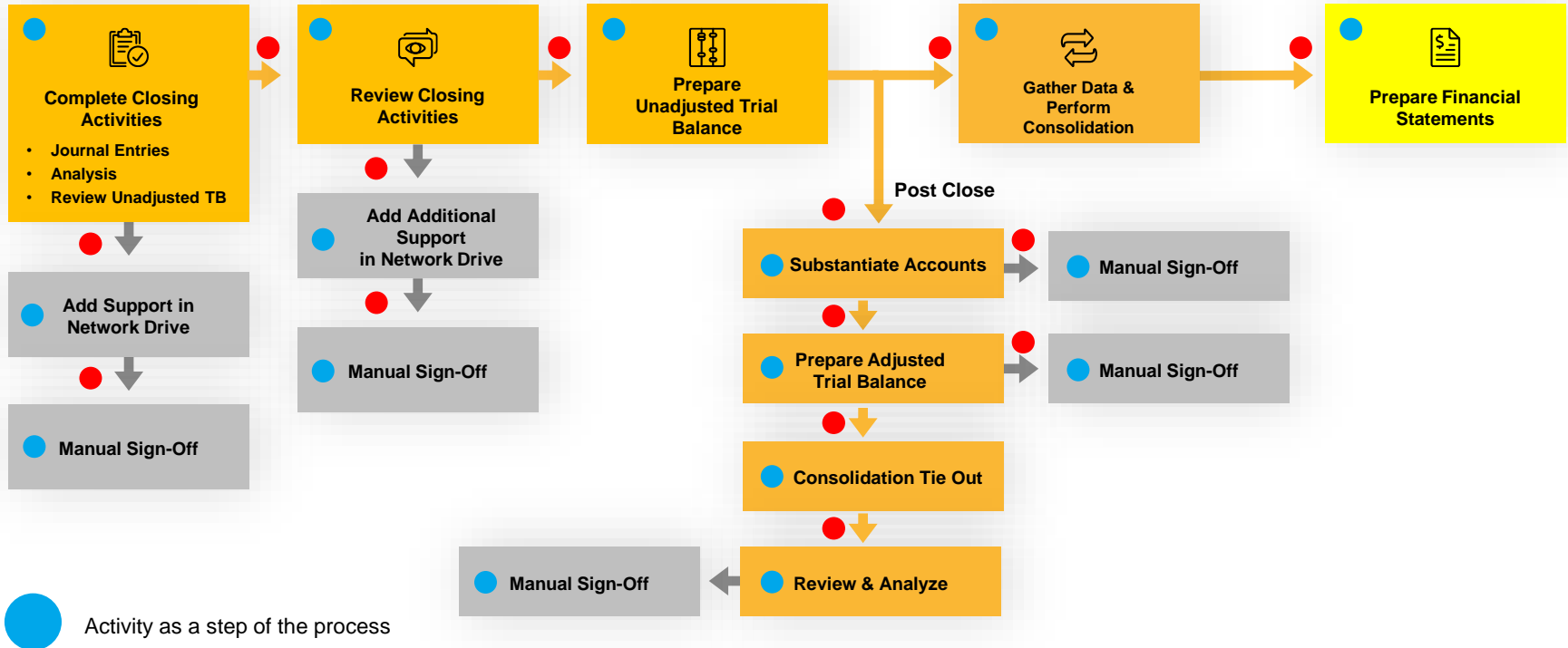
This looks like a comprehensive process map...



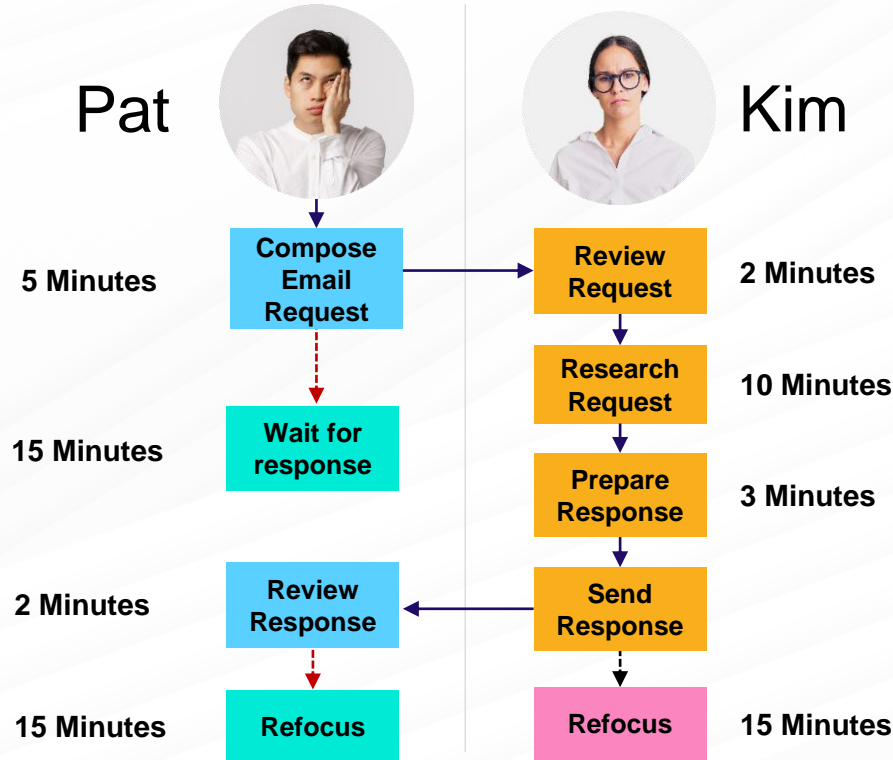
 Activity as a step of the process

By Analyzing the Activity

...but there are unseen black holes

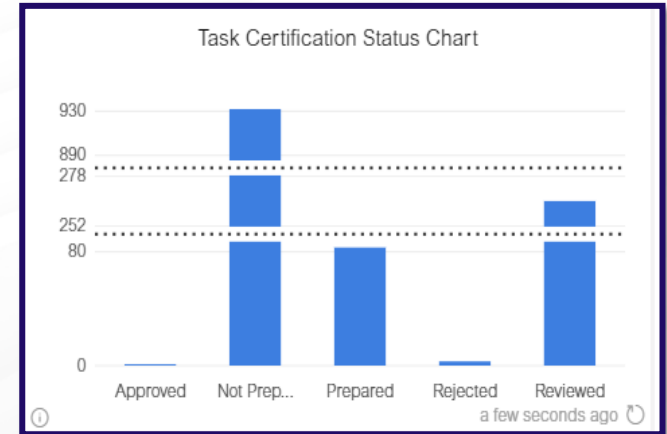
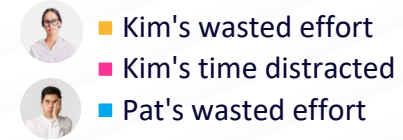


Let's look at an example.



Total Company Time Wasted

67
Minutes



Poll Question 3:

What are the top 3 technology priorities for your company's accounting leadership? (please select 3)

- a. Improving efficiency to access data
- b. Unification of systems and data
- c. Reducing the burden on IT support
- d. Support organization's strategic objectives
- e. Accelerating processes
- f. Talent engagement / recruit and retain top talent
- g. Other
- h. I don't know

Poll Question 3 Results: (Placeholder)

F&A leaders need to align **capacity**
to meet the demands of their
expanding roles.

Controllership Value Model

How Accounting leaders align capacity to strategic initiatives



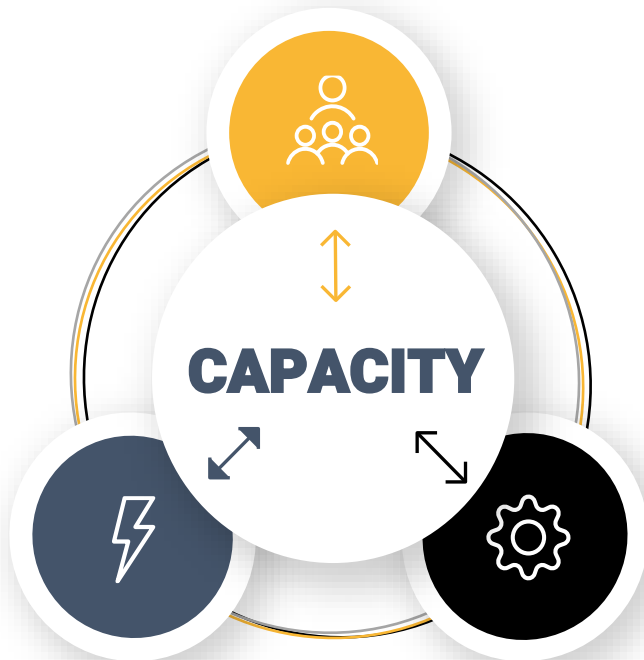
Align to the Strategic Needs of Your Organization

You cannot align as well to the CEO if you spend all your time mitigating risk, and/or, if your processes are heavily reliant on manual work.



Manage Risk

If you are too reliant on manual or disconnected work, you will require an enormous amount of effort to mitigate risk. This takes away from doing the work that aligns best to the CEO.



Optimize Business Processes

If your processes are not optimized, you cannot execute effectively nor efficiently. This makes it impossible to align to the CEO and mitigate risk.

Priorities for Finance & Accounting

Focus on what's important to you and your business.

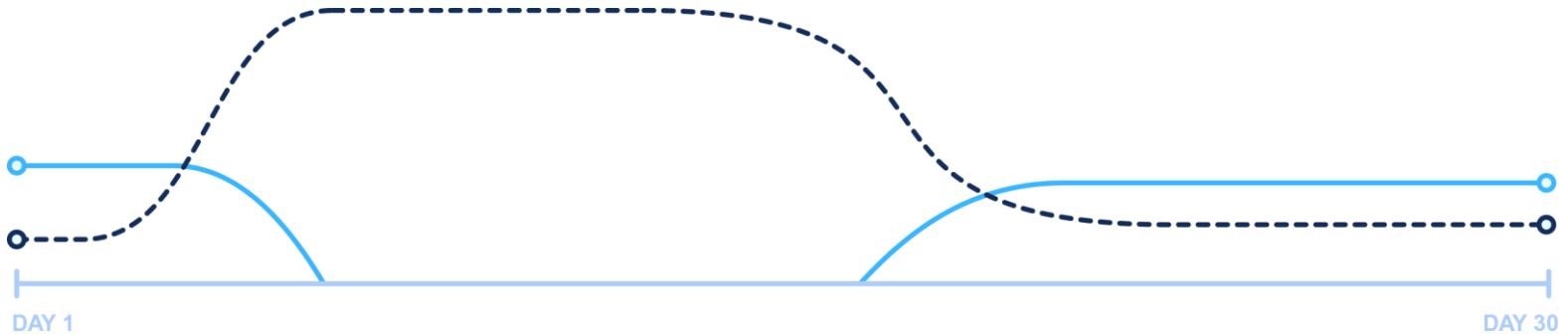
New Accounting Pronouncements	Remote Work Enablement	Headcount Control
Internal Controls & Compliance	Agile Financial Decision Making	GBS/SSO Optimization
Order-to-Cash Optimization	Working Capital & Liquidity Management	Intercompany Accounting
Recruit & Retain Top Talent	Support Transactions (M&A)	Data Analytics
Financial Integrity	ERP Upgrade	Process Efficiency
Environmental, Social & Governance	IPO Readiness	Automated Insights & Reporting

F&A teams lack capacity to support transformation

Manual, spreadsheet-based processes are a roadblock

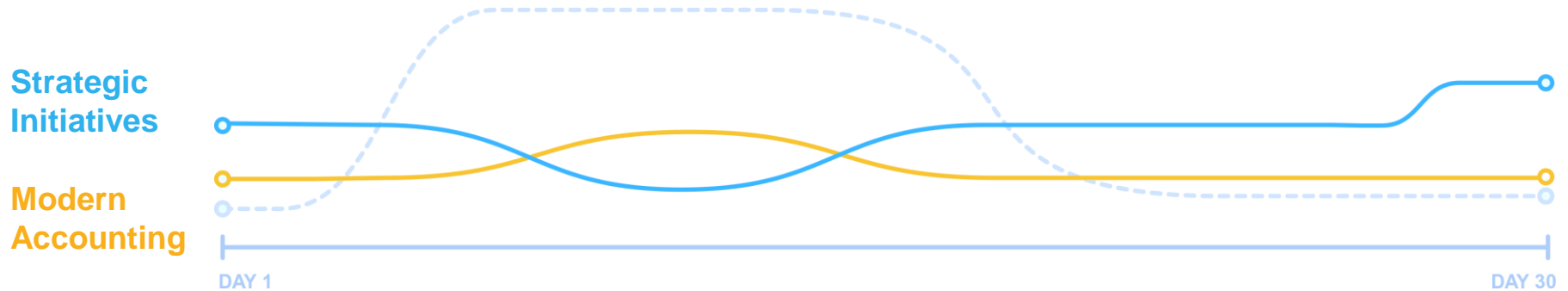
Strategic
Initiatives

Manual
Accounting



Modern F&A teams can support strategic initiatives

Automation and optimization enables redeployment of internal resources



Poll Question 4:

To-date, how effective has your organization automated accounting and financial workflows?

- a. Very effective
- b. Somewhat effective
- c. Not very effective

Poll Question 4 Results: (Placeholder)

Modern Accounting



Unified.

Integrate systems and data
Standardize your processes
Unlock global visibility



Automated.

Reduce busy work by automating the ordinary
Free accountants to analyze the extra-ordinary
Focus on what matters most to the business



Continuous.

Execute accounting as it happens
Deliver real-time information and analysis
Align with the needs of your business

The BlackLine Accounting Cloud

Enables unified, automated, and continuous accounting.

Focus your resources on what matters most. Analytics and exception-focused user experience.

USER EXPERIENCE

Drive accountability and collaboration through visibility. Accounting Intelligence, Reporting & Dashboards

REPORTING

Build accuracy, control, and consistency and optimize every process. Accounting Controls, Compliance & Auditability

WORKFLOW

Automate the repetitive to enable higher-value work. Purpose-Built & Intelligent Automation

AUTOMATION

Unify systems and data for a complete financial story. Secure integrations, ERP Connectors & APIs

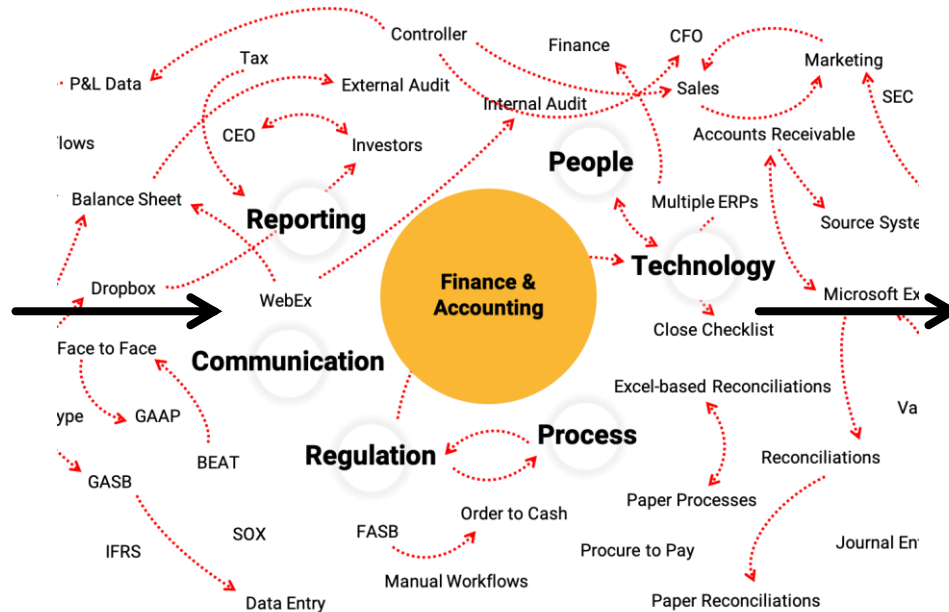
DATA

The BlackLine Accounting Cloud

Drives unified, automated, and continuous accounting.

Account

- Primary ERP
- Other ERPs
- Sub Ledgers
- Credit Card Data
- Point of Sale Data
- Open Items
- Bank Data



Report

- Financial Consolidation
- External / SEC
- Reporting
- Planning and Analysis
- Management Reporting

The BlackLine Accounting Cloud

Drives unified, automated, and continuous accounting.

Account

Primary ERP
Other ERPs
Sub Ledgers
Credit Card Data
Point of Sale Data
Open Items
Bank Data



- Substantiate balance sheet accounts
- Automate high-volume transaction reconciliations
- Standardize financial close processes
- Centralize journal entry management
- Monitor account balance fluctuations
- Connect control performance and testing
- Govern and automate intercompany transactions



Report

Financial Consolidation
External / SEC
Reporting
Planning and Analysis
Management Reporting

The Most Indispensable Platform for Controllership

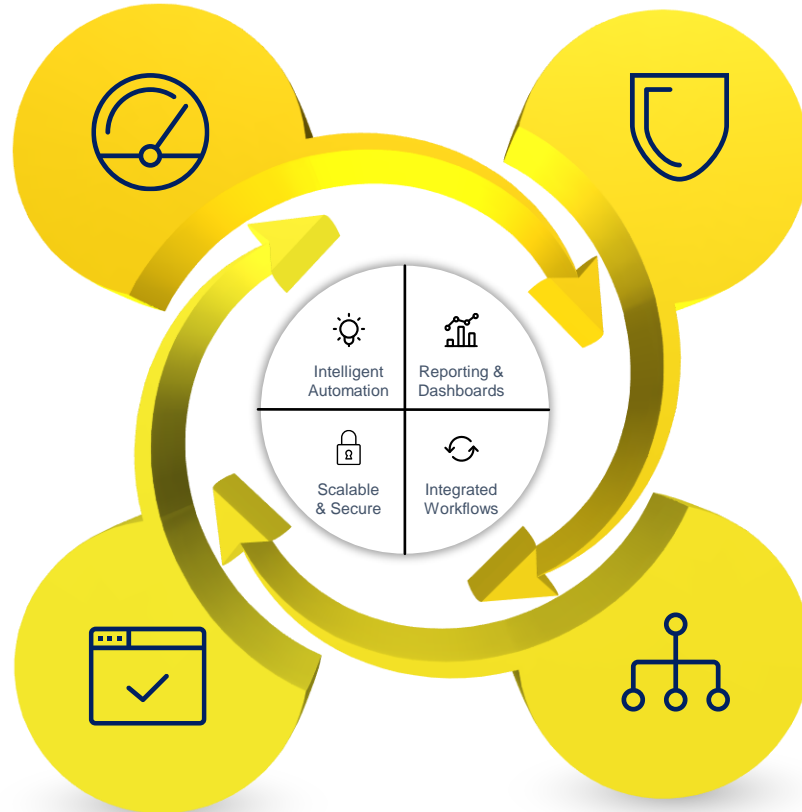
Financial Close Management | AR Automation | Intercompany Accounting

Accounting Operations

- Cash Application
- Transaction Analysis
- Journals Mgmt. & Automation
- Intercompany Transaction Mgmt.
- Customer Behavior Analysis
- Cash Flow Predictability
- Cash Collections Mgmt.

Balance Substantiation

- Account Analysis
- Period-End Reconciliation
- Cash Reconciliation
- Item Aging & Management
- Intercompany Reconciliation
- Auto-Certification
- Flux Analysis



Control & Compliance

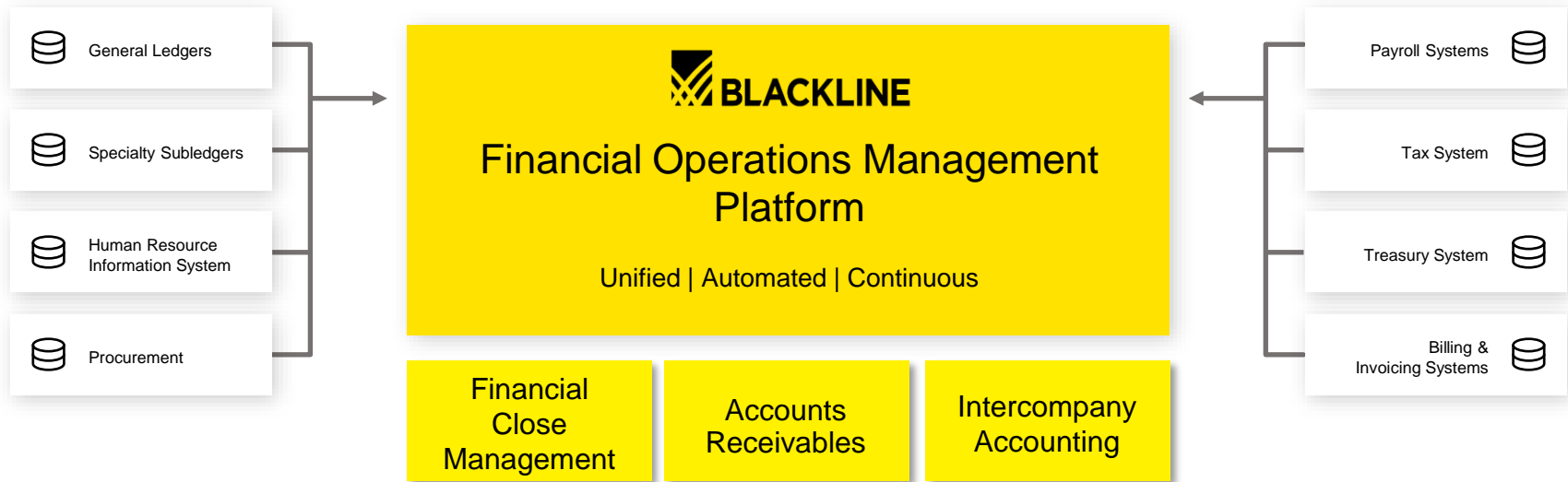
- Controls Documentation
- Risk Framework
- Control Testing
- Tax Compliance
- Attestation
- Audit Facilitation
- Debtor Risk Reporting

Process Optimization

- Process Standardization
- Activity Organization
- Task Dependencies
- Netting & Settlement
- Workflow Management
- Risk-Based Work Prioritization
- Supporting Documentation

The Most Indispensable Platform for Controllership

Financial Close Management | AR Automation | Intercompany Accounting



Modern Accounting is Achievable



TECHNOLOGY



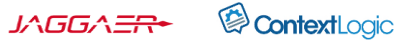
MANUFACTURING



RESTAURANTS & HOSPITALITY



FINANCIAL SERVICES





Reduced time to close by 33%

Quicker Results:

Reduce time spent on routine tasks to focus on exceptions and analysis.



Over 90% match rate for bank transactions

Financial Integrity:

Automate reconciliations to ensure complete and accurate results.



Increased reviews from 4 to 12

Strengthened Controls:

Identify risks and errors in real time and provide visibility into trends.



A Trusted Partner for Achieving Success



3,600+

Customers
in 130+ countries

\$BL

**Built for
Sustainability**

\$75M in R&D YoY



Gartner Leader
4 Years Running
Customers' Choice 2020
Gartner Peer Insights
2.77x Average ROI
Nucleus Research



75+

Strategic Partners



300,000+

Users

FORTUNE 500

46%

Fortune 500

FORTUNE 50

60%

Fortune 50



Los Angeles	London
Sydney	Singapore
Tokyo	Frankfurt
New York	Paris
Vancouver	Ede
Johannesburg	Hong Kong
Melbourne	Pleasanton

Final Thoughts



Questions and Answers



Zach Deming

Vice President of Product Marketing
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Michael Shultz

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Strategic Accounting
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Adam Larson, DES

Senior Manager of
Educational Technology Enablement
IMA

Thank You to Our Featured Presenters!



Michael Shultz
Director
Strategic Accounting
BlackLine



Zach Deming
Vice President of Product Marketing
BlackLine

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June 12-15, 2022 • JW Marriott, Austin, TX

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Final Reminders

- ▶ **Complete the Evaluation poll** – 2 options
 - On your screen
 - Evaluation Survey icon at the bottom of your console
- ▶ **Access to your CPE Certificate** – 2 options
 - Click the “CPE” icon at the bottom of your console
 - or
 - Click the link in your post-event e-mail
- ▶ Please print a copy of the CPE certificate for your records.
- ▶ Your CPE credit will be automatically recorded in your transcript.

Thank you!

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