

# The Role of F&A Professionals in Responding to Instability

Barbara Hsieh

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The Association of  
Accountants and  
Financial Professionals  
in Business



# Featured Presenter

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# Agenda

1. What the impact of instability and volatility means for F&A
2. How F&A can steer their companies through tough economic times
3. The role of technology
4. How technology assist F&A



TOPICS

# The economy and F&A.

## Poll Question 1:

Are you confident with the current state of the economy?

Yes, very

Yes, but hesitant

No, but trying to be optimistic

No, not at all

I am not sure

# Poll Question 1 Results: (Placeholder)

# Gloomy Economic Outlook

61%

It will take up to a year to feel confident about the economy

38%

It will take at least six months for confidence to return

# Recession fears, globally.

The 'R-word' is also on the front of people's minds

63%

within 1 year

23%

within 6 months

18%

within 3 months

Survey was completed between July 29<sup>th</sup> and August 18, 2022



# Under the Spotlight: Financial Data

- 62% think their financial reporting will be under increased scrutiny
- That same number believe it is a “must have” to view financial data in “real time”

# Who is responsible?

CFO's vs Everyone else...

41%

CFOs – It is their responsibility

30%

CFOs – It is on the CEO

**Everyone Else:**

The majority believe that the CEO and CFO share the responsibility.

A close-up, low-angle shot of a car's front end, showing the headlight and grille. The car is a bright orange color, and the lighting is dramatic, highlighting the metallic and plastic textures. The car is positioned on the left side of the frame, with the rest of the image being white.

“Company leaders across the world will be carefully considering how their organization can respond and remain competitive, agile, and resilient... those who are using robust and comprehensive data to make rapid, intelligent decisions will be in a stronger position to adapt.”

- Marc Huffman, CEO, BlackLine



**Reporting  
matters...**

**What about  
cash?**

TOPICS

**Cash is (still) king.**

# 95%

of survey respondents expect rising interest rates to have an impact on the way their business operates.

# Cash Concerns:

- Rising interest rates will result in more late payments from customers
- Prospects and customers will have less income to spend – impacting sales/revenue
- High costs to their companies
- Lack a visibility into and confidence of cash flow is a great concern
- Again, the need for “real time” reporting is a must
  - Out of date decision making
  - Inability to react to changing markets

TOPICS

# What can F&A do?

## Poll Question 2:

What are the biggest challenges facing your F&A department? (select all that apply)

Changing / Increasing regulatory environment

Providing timely and accurate data

Attracting / retaining the right talent

Something else

We have no challenges

## Poll Question 2 Results: (Placeholder)

# Understand the **challenges?**



## Regulatory

Increasing regulation  
and scrutiny



## Real Time

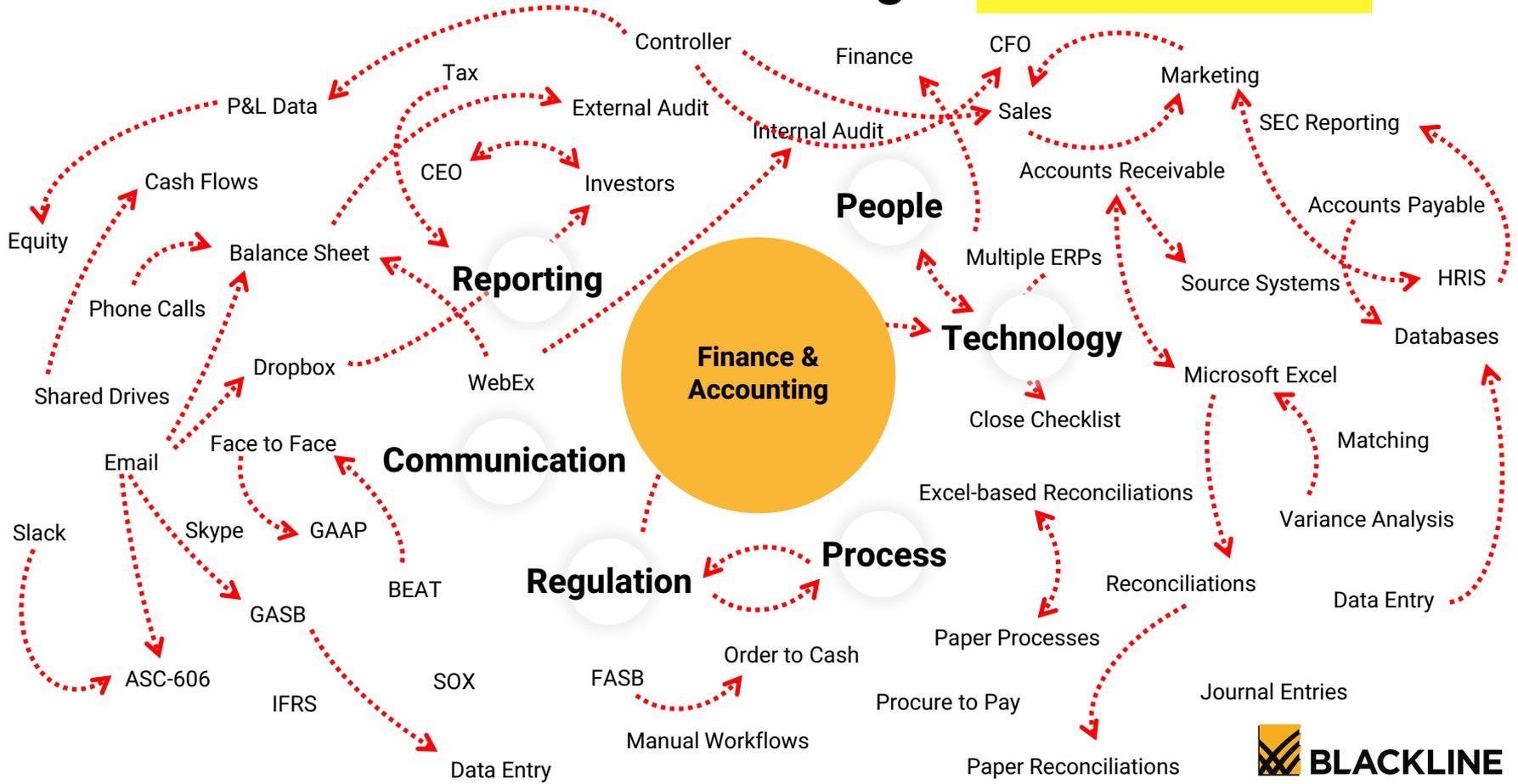
Provide quick and  
accurate data



## Talent

Attract and retain  
the “right” talent

# Traditional manual accounting is **not sustainable.**



# Don't Forget...

## Intercompany Transactions

Despite being “Inter”company –  
visibility and consistency are  
lacking here too!

# 98%

Value of respondents saying  
intercompany transactions  
outvalue their 3<sup>rd</sup> party  
transactions

# 6-10x

Transaction revenue of  
intercompany compared to 3<sup>rd</sup>  
party

“In today’s unpredictable business and economic landscape, one of the key ways multinational organization can improve operational efficiency...  
automate manual and error-prone intercompany processes.”

- Bill Marchionni, Account-to-Report Advisory Global Program Leader, The Hackett Group



TOPICS

# Trust matters.

## Poll Question 3:

Do you fully trust the accuracy of your company's financial data?

Yes, no questions

Yes, most of the time

Not 100%

Not at all

I do not know

## Poll Question 3 Results: (Placeholder)

# Trust is a Moving Target

Same survey, same population, different results.

1

**2018**

**71%** of C-suite completely trust the accuracy of financial data

**38%** of F&A professional said the same

2

**2020**

**56%** of C-suite completely trust the accuracy of financial data

**30%** of F&A professional said the same

3

**2022**

**58%** of C-suite completely trust the accuracy of financial data

**45%** of F&A professional said the same

TOPICS

# The role of automation.

# Automation Trends Continue

Trends compared to 2020 survey – months into Covid-19

80%

## Implementation Rate

Companies that said they would bring on automation...

Now Have!

76%

## FP&A Improvement

Overall respondents that have improved financial planning, analysis, budgeting & forecasting.

2x the number from 2020

75%

## Reporting & Filing

Number automating their reporting and filing.

Double from 2020

# With automation, why is trust not higher?

- WFH / Hybrid work environment
- Too many data sources
- Manual spreadsheets
- Overall: Lack of visibility



“Poor visibility over financial data represents an **unnecessary level of risk** for many large organizations... Greater transaction volumes, increasing regulatory scrutiny, and greater demand for business insights are **increasing the urgency for better application of process automation.**”

DARREN RYKERS

EY, Global BlackLine Alliance Leader



## Poll Question 4:

With respect to automation technology – is your company increasing, decreasing, pausing or maintaining plans despite uncertain economic times?

Increasing

Decreasing

Pausing

Maintaining

I do not know

## Poll Question 4 Results: (Placeholder)

TOPICS

# What does this all mean?

- Companies' financial data and the accuracy of this data is expected to come under more scrutiny.
- F&A departments are still struggling with manual, outdated processes—not meant for the hybrid workforce.
- We need to remember cash is king
- Do not overlook intercompany transactions



# Willing to invest.

- Companies are still investing despite economic concerns
- Only 12% will pause investment
- 20% plan to increase investment
- 21% prioritize technology with quick ROI

“Better performance relies on **greater visibility into processes and decisions.**

The right combination of technology, capabilities, and mindsets can make all the difference.”

-McKinsey

TOPICS

# What is automation?

# The Finance Automation in the 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

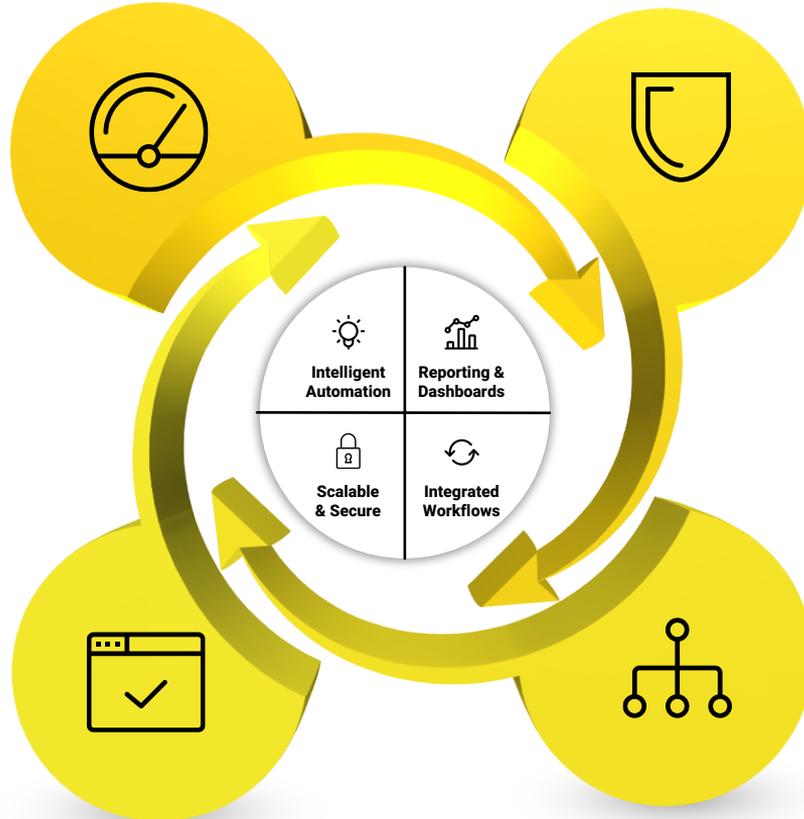
Financial Close Management | AR Automation | Intercompany Accounting

## 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

# BlackLine's Financial Operations Management Platform

Enables F&A to focus on what matters most.

**Financial Close  
Management**

**Accounts Receivable  
Automation**

**Intercompany  
Financial  
Management**

Data | Automation | Workflow | Reporting | User Experience

TOPICS

# Automation successes.



**RED WING  
SHOES®**

Saves over **3,500 hours**  
of work every month



“The result has been a **more productive and less stressful close** process as Quest’s accountants can work continuously on tasks that **support the company’s long-term objectives.**”

– Nucleus Research





**FINNING** **CAT**

**50% reduction** in time to close

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**Final Thoughts**

# Questions and Answers

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# Thank you!

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