

Digital Transformation for F&A– **A Well Worn Path for Driving Adoption**

Dominick Fatibene

Jessica McKeon

September 20, 2023



The Association of
Accountants and
Financial Professionals
in Business



Featured Presenters



Dominick Fatibene
Senior Manager of Solutions
Strategy & Marketing
BlackLine



Jessica McKeon
Senior Manager of Solutions
Strategy & Marketing
BlackLine

About Presenter's Organization



BLACKLINE

Learning Objectives

- Identify the technological and other skills finance and accounting professionals need today to ensure growth for tomorrow.
- Recognize the biggest barriers for recruiting and retaining finance and accounting's future leaders.
- Describe what makes companies attractive for talented finance and accounting candidates.

POLLING QUESTION

What is the most pressing concern for your accounting and finance organization over the next year?



Talent & Skills Trends

Gartner: A Unique Triple Squeeze

Compounding pressures as recession threatens



Persistent High Inflation

Executives believe inflation and non-labor costs will continue to be major factors.



Scarce Expensive Talent

47% of CFOs reported it difficult to find and hire talent, and 49% of candidates who accepted new jobs last year had at least 3 offers.



Global Supply Constraints

Nearly half of CFOs believe supply chain volatility and shortages will continue to challenge the economy

14%

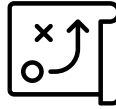
of finance executives are confident they currently
have the skills they need within the function

Top 3 skills gaps within the finance function



Leadership Skills

More than a third (38%) of overall respondents said that not everyone in their finance team has the broad business leadership knowledge or skills required today.



Strategic Thinking

35% said that not everyone in their finance team has the skills to help with more strategic work (like analysis and planning).



Technology Skills

34% said that, as a whole, F&A is failing to keep up with other areas of the business in digital transformation.

POLLING QUESTION

When it comes to skills needed today, what is most important in your organization?

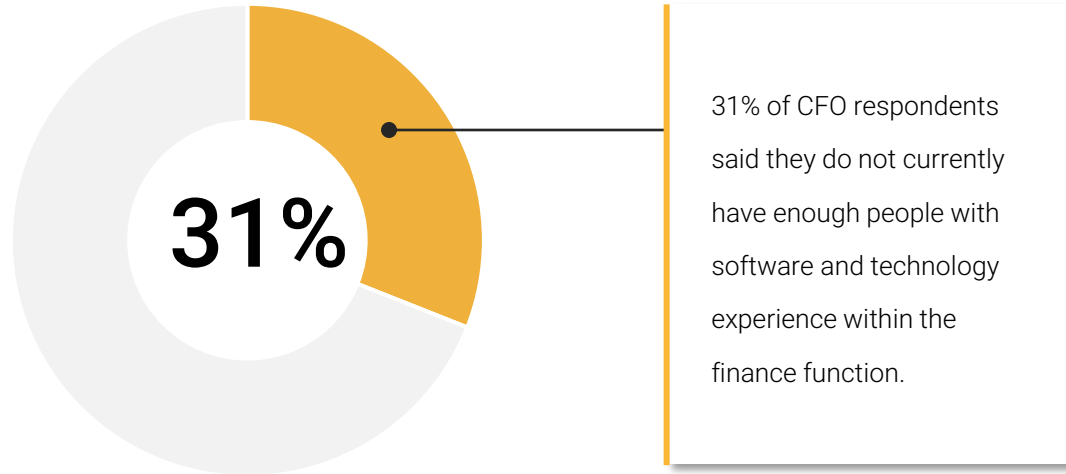


“Technology is changing the landscape of what Finance and Accounting used to be traditionally, to what it’s going to be in the future. Investments in technology in Finance and Accounting will lower the cost of doing business.”

- University Lecturer

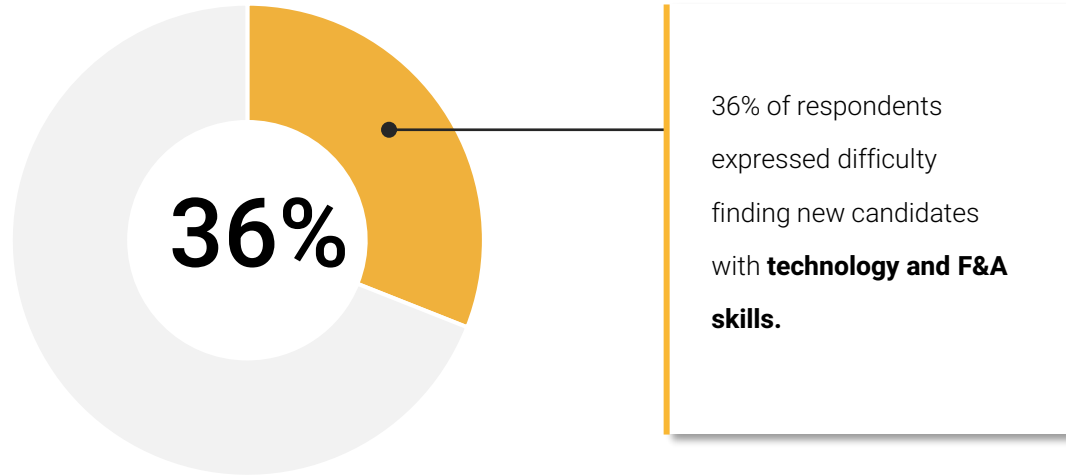
Technology skills gaps are the heart of the issue.

More than a quarter (27%) of global respondents said they do not currently have enough people with software and technology experience within the finance function. This rose to nearly a third (31%) among CFOs.



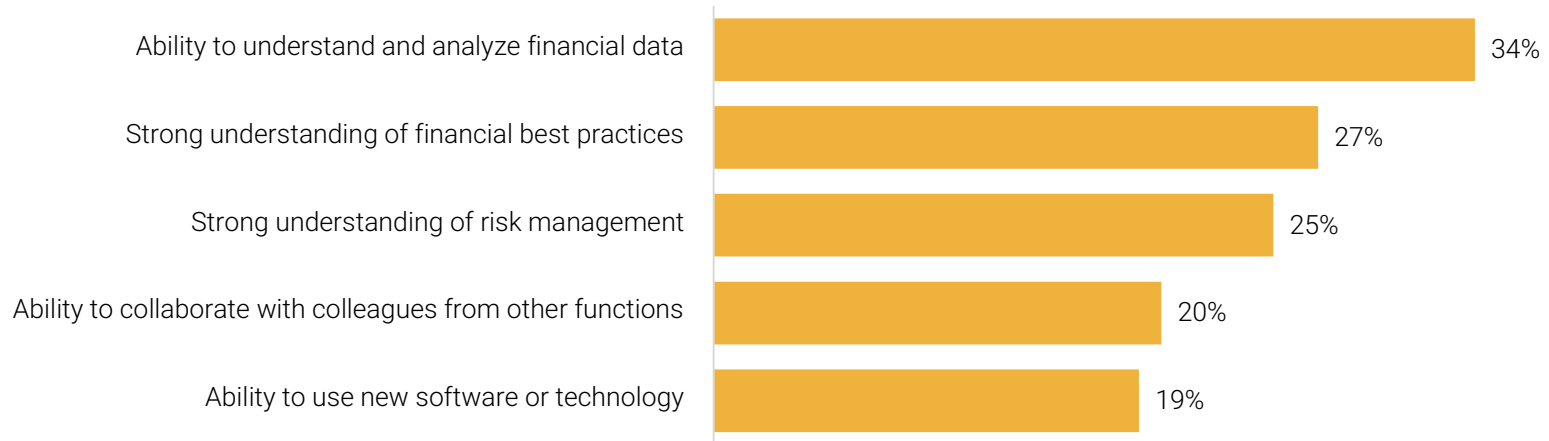
Ideal skills combinations are even more challenging to identify.

When asked what the biggest challenge is for recruiting future F&A talent, more than a third (36%) of overall respondents said it is difficult to find new candidates with both technology and F&A skills.



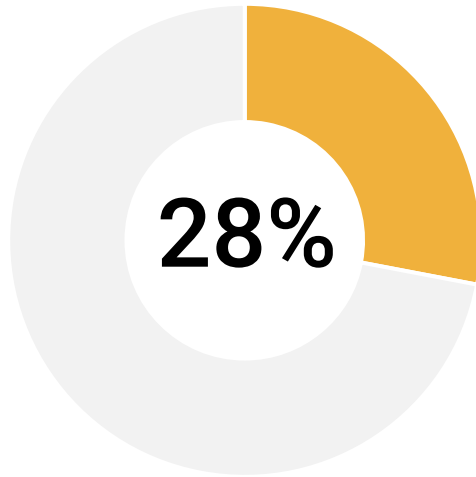
The must-have skills for F&A's future leaders.

When it comes to skills needed today, respondents are looking for candidates with experience or knowledge in:

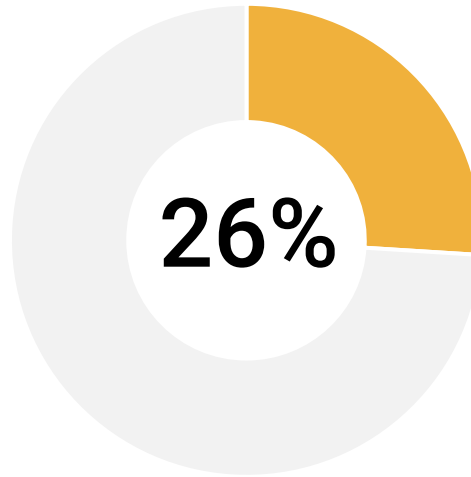


Traditional ways of work are impacting employee retention.

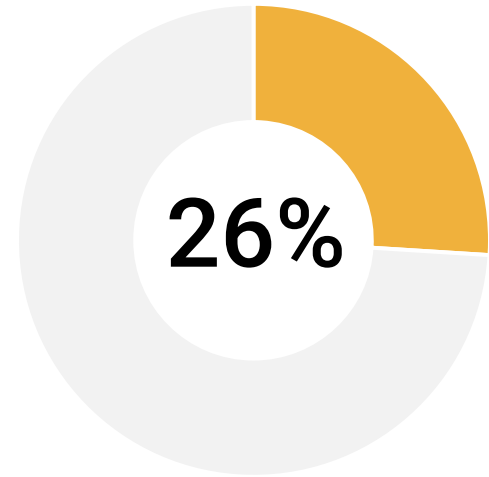
When respondents were asked about the biggest negative impact on employee retention for the finance function at their organization, the top three issues were:



No opportunities to learn new skills because transactional work takes up so much time.



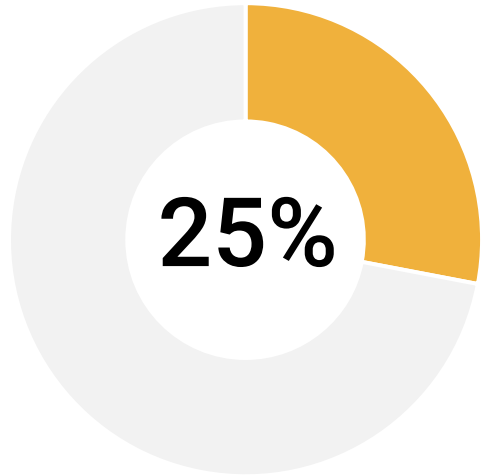
People don't have time to focus on future career development.



People become bored of the mundane, repetitive nature of the job.

They're also creating challenges around attracting the best talent.

Traditional perceptions of F&A and ways of working are creating challenges for organizations when it comes to attracting the best talent.



- 25% of respondents believe the perception of F&A roles as "boring" holds people back.
- 25% say legacy technology and processes make it difficult to attract talent.

Preventing burnout should also be a top priority

A 2022 Deloitte survey shows burnout and stress at alarming levels.

53%

say their stress levels are higher
than they were a year ago

46%

feel burned out

33%

have taken time off work due to
mental health challenges



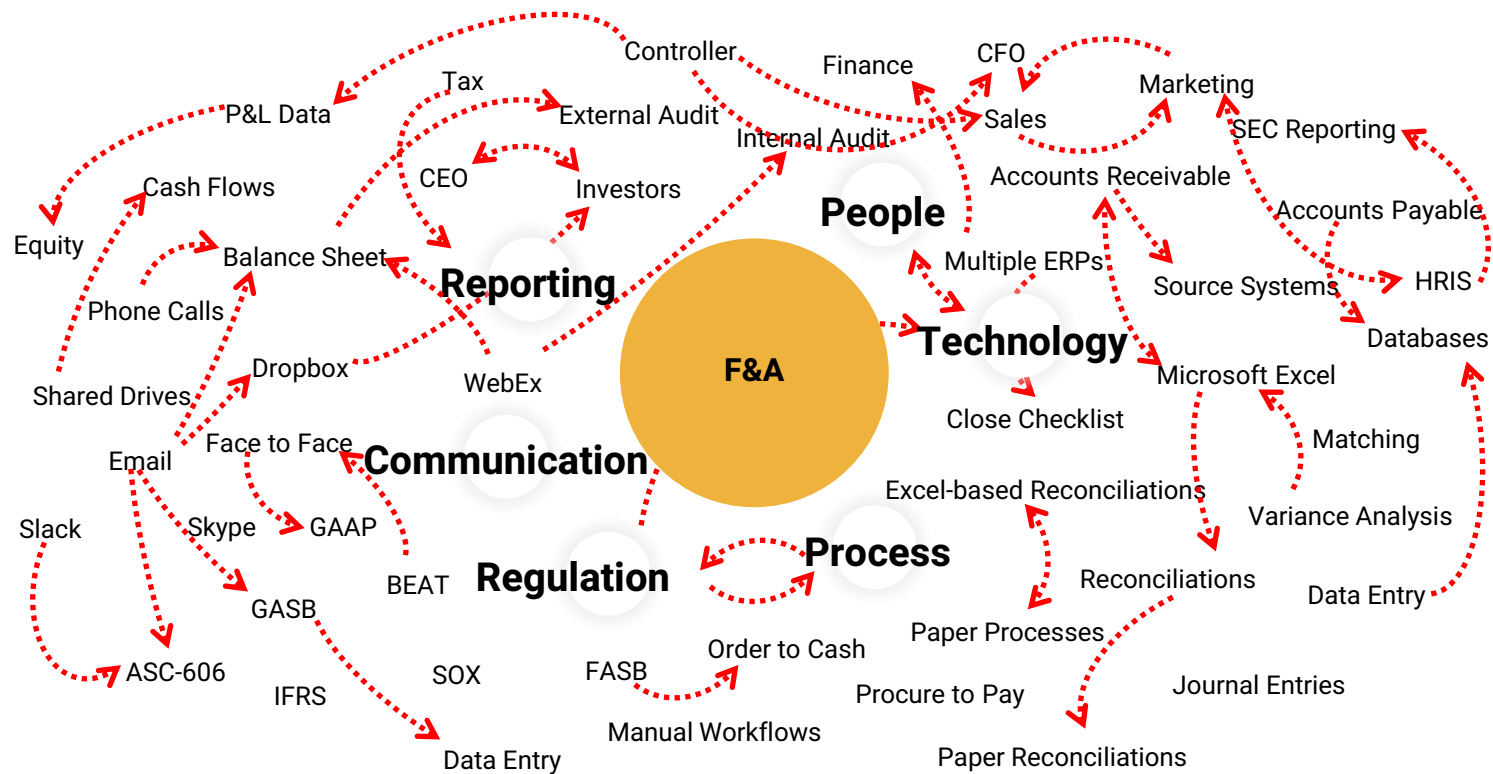
The Cost of Manual Accounting

POLLING QUESTION

Are you happy with your current accounting processes?

Traditional manual accounting
processes **are not sustainable.**

Traditional manual accounting is chaos. **On a deadline.**

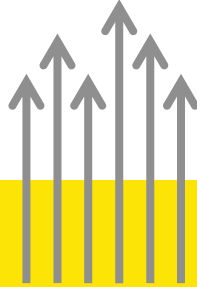


There's more work, and **it's taking longer.**



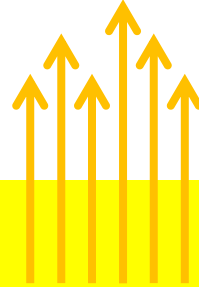
66%

66% Increase in work on documents and spreadsheets



40B

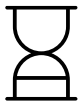
40 billion more emails



30%

30% growth in average meeting times

Why is manual accounting **not sustainable**?



It takes too long.

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



It's risky.

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



It's expensive.

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



It hurts morale.

34% of productivity is lost for actively disengaged employees.

F&A leaders need to align **capacity** to meet the demands of their expanding roles.
To do this, you need to be **extraordinary**.

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

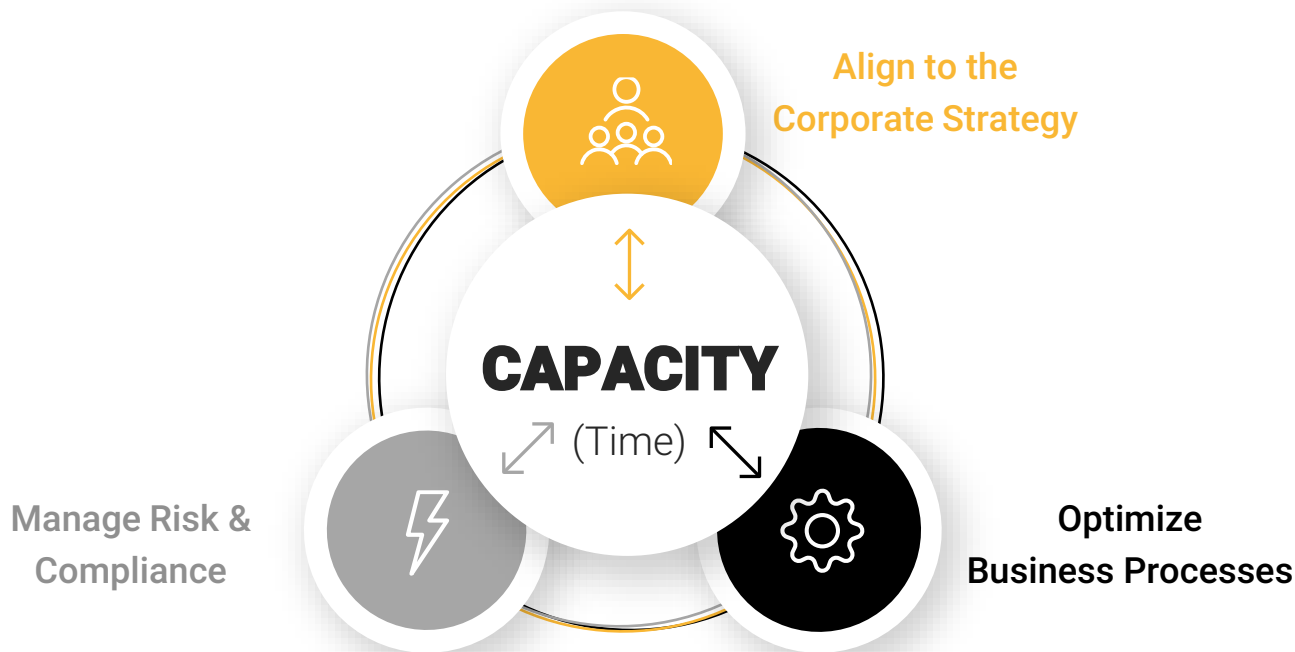
Environmental, Social & Governance

IPO Readiness

Automated Insights & Reporting

F&A Expertise is Needed to Support Strategic Initiatives

Roles are evolving and leaders must align capacity to meet the demands





Modern Accounting

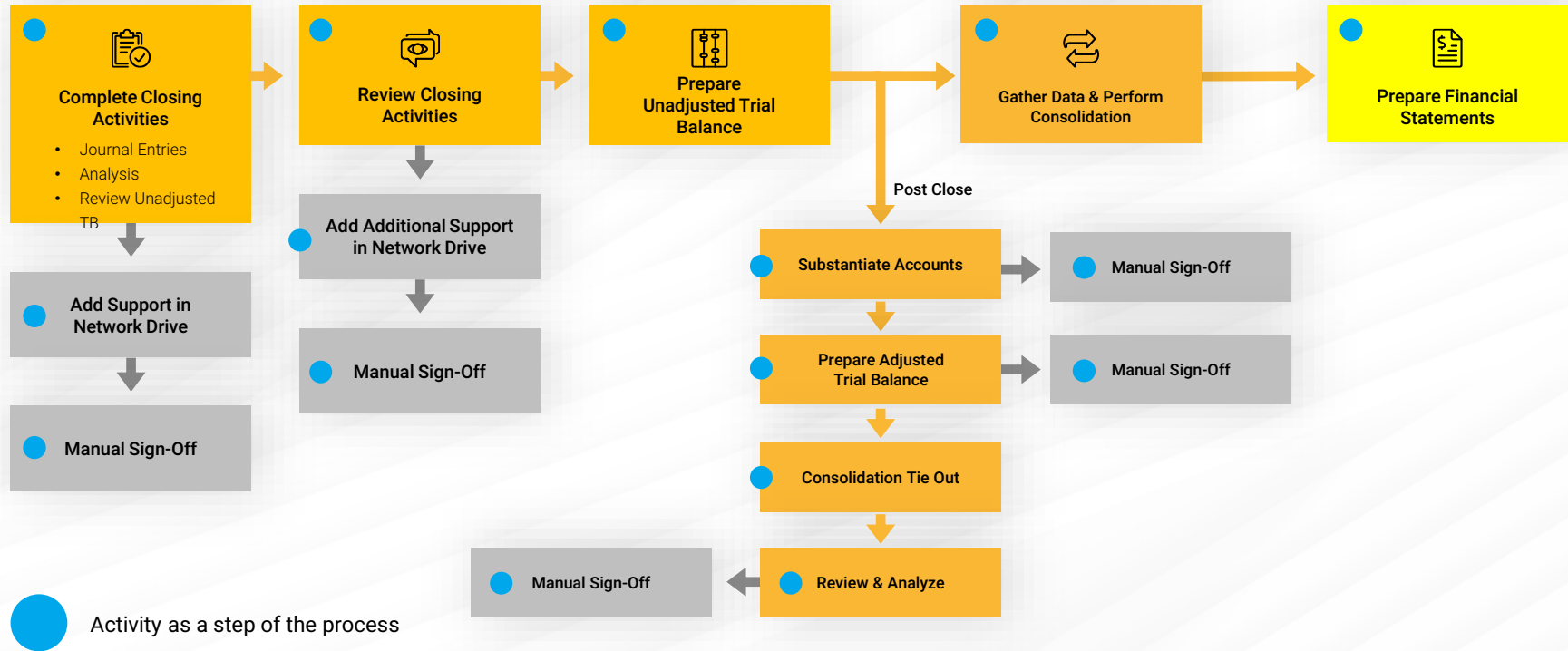


“The overarching differentiator of high performers who are driving breakout value is the advantage they hold over their peers on the **technology** front.”

Source: Accenture, “Breakout Speed for Breakout Value”

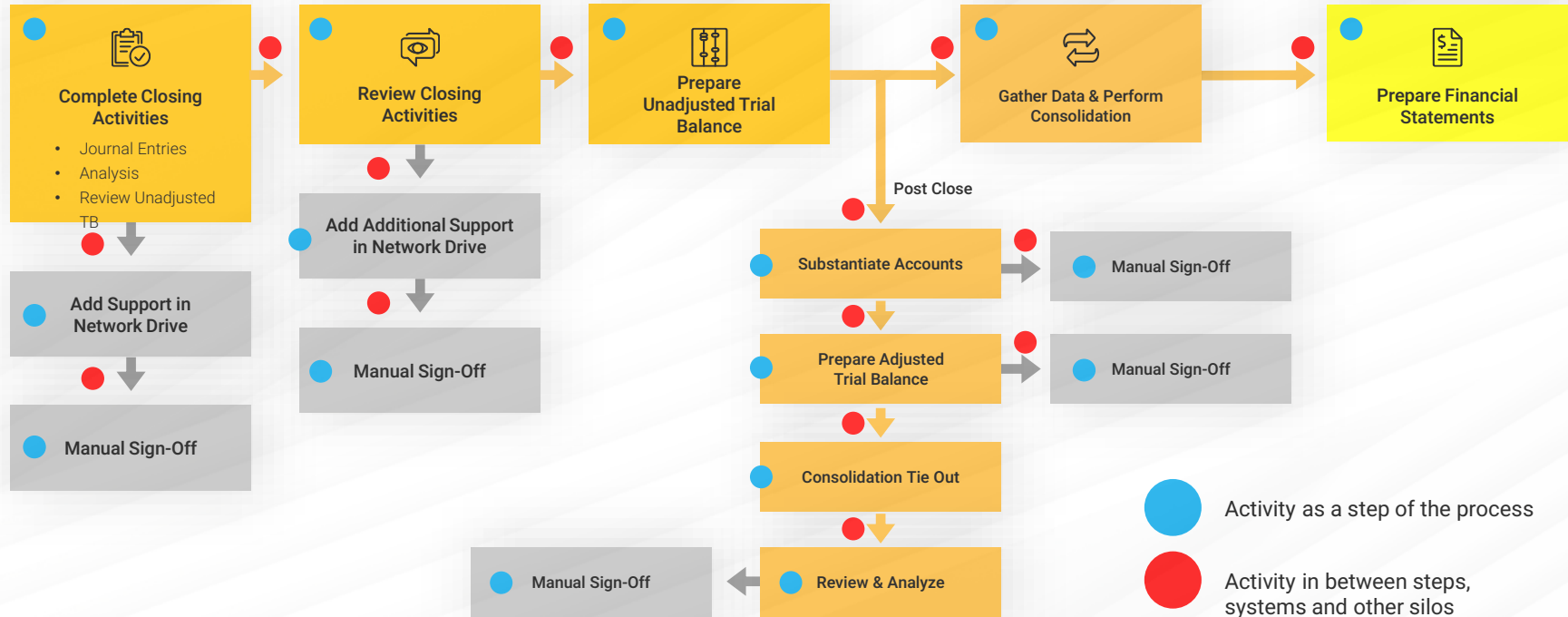
Make Sense of the Chaos

This looks like a comprehensive process map...

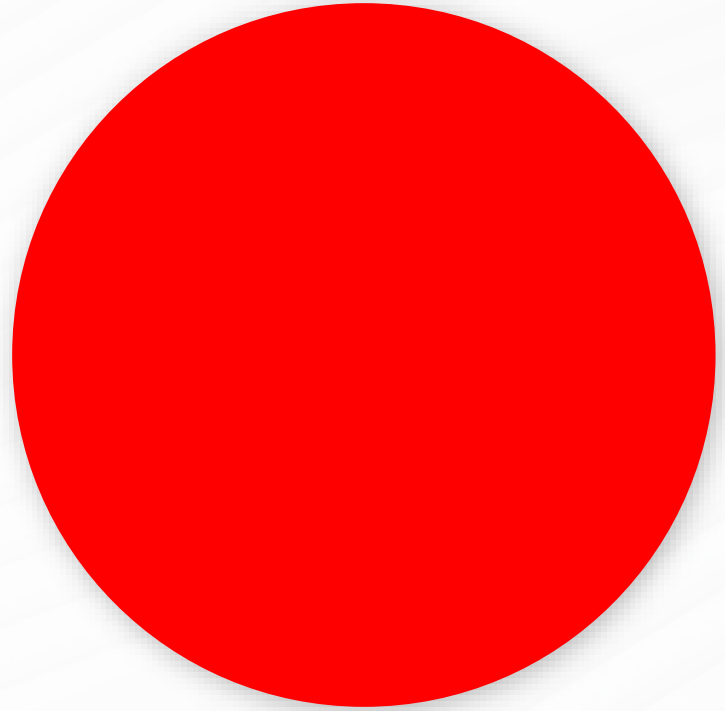


By Analyzing the Activity

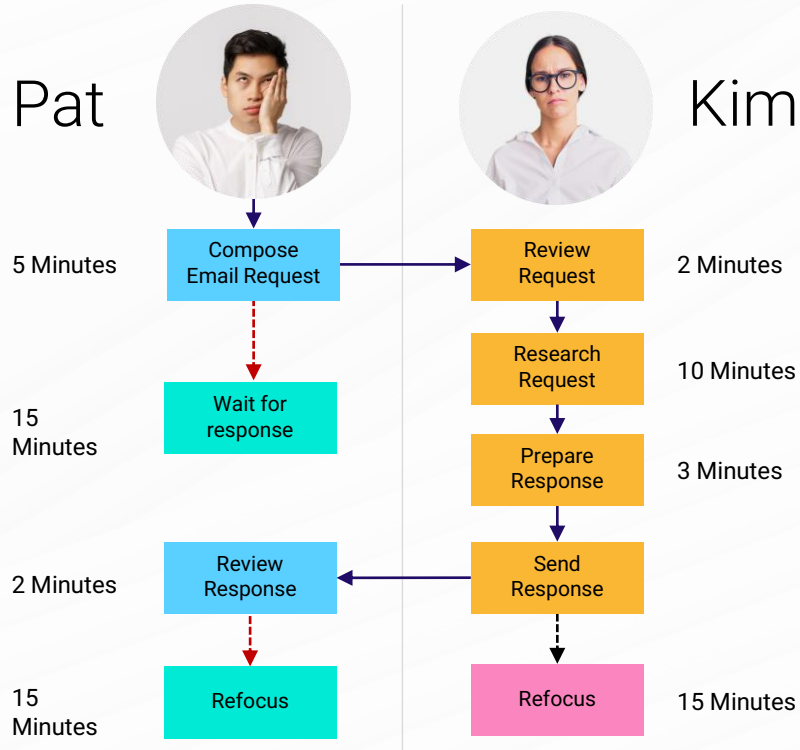
...but there are unseen black holes



The key here is to focus
on the **red dots...**

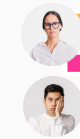


Let's look at an example.



Total Company Time Wasted

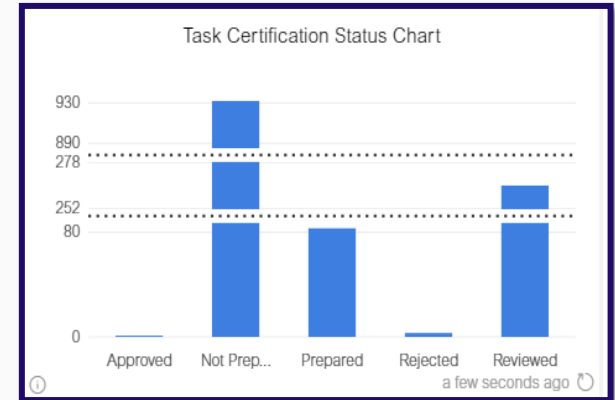
67
Minutes



Kim's wasted effort

Kim's time distracted

Pat's wasted effort



The activities will provide you with a visible path to ensure you know exactly where to **focus your efforts**.

Building A Transformation Foundation is 'No-Regrets'

Preparing & validating your financial data enables operational excellence

Advanced Capabilities

Continuous Planning & Predictive Insights

Optimized & Efficient Actual Results

Standardized & Unified
Financial Data Model

POLLING QUESTION

What aspect of Modern Accounting is most attractive to you?



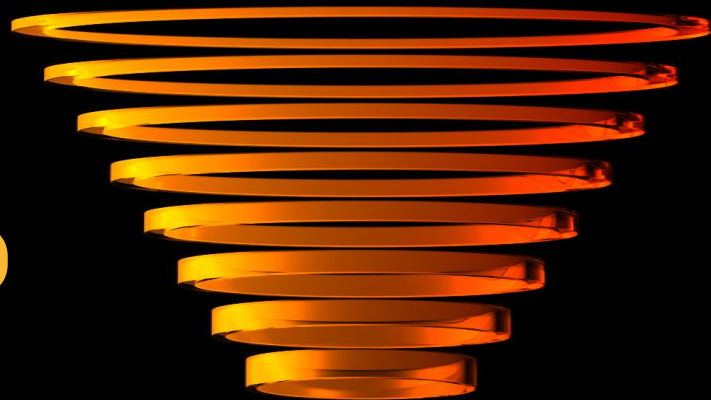
How to Get There



BLACKLINE

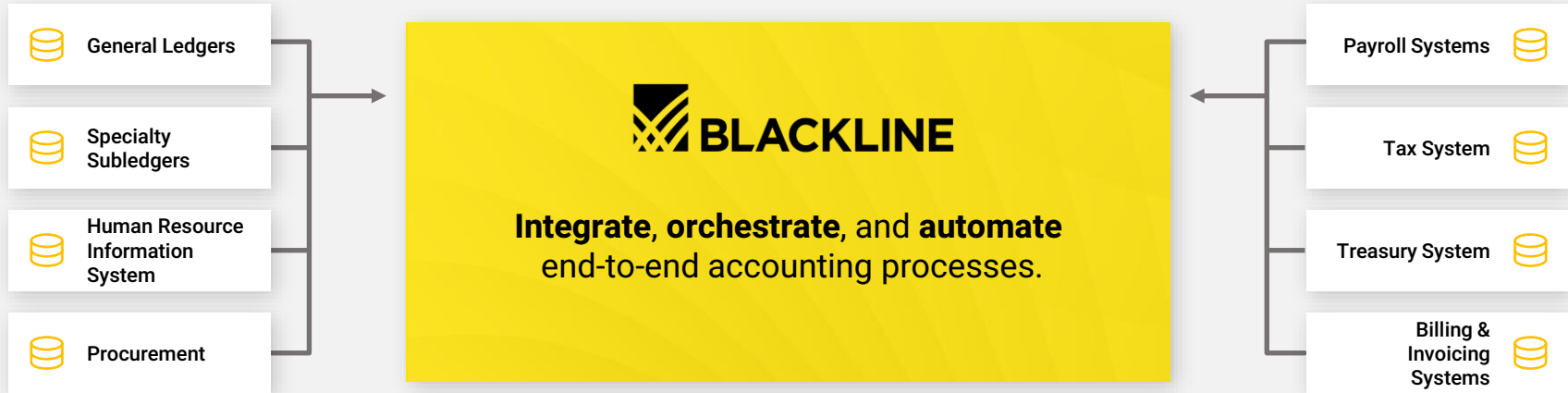
30-40%

of time can be reduced with finance automation



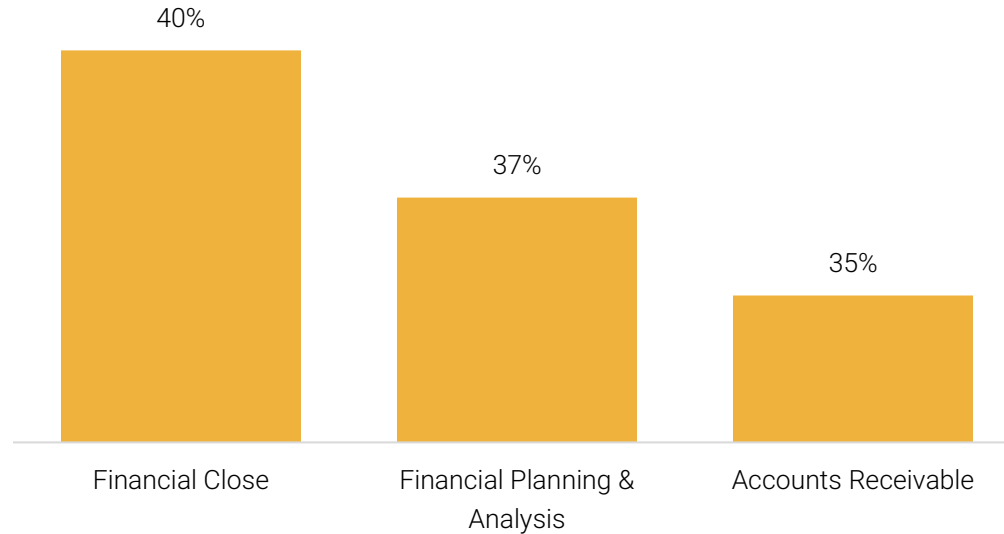
The Platform for Modern Finance & Accounting

Empowers Finance & Accounting to deliver strategic business value



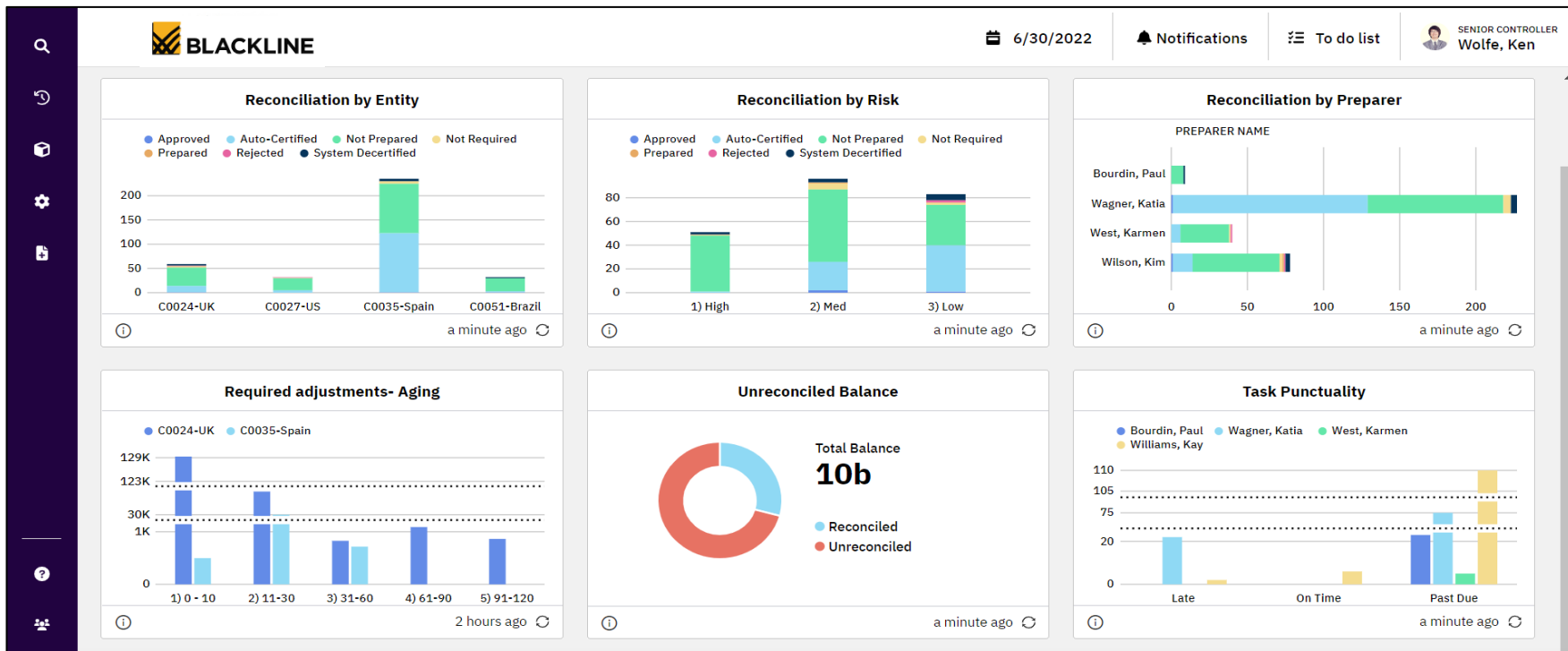
F&A automation priorities

Finance leaders agreed they would like to automate:



Modern and User-Friendly Technology

Better enable F&A teams with intuitive dashboards and workflows

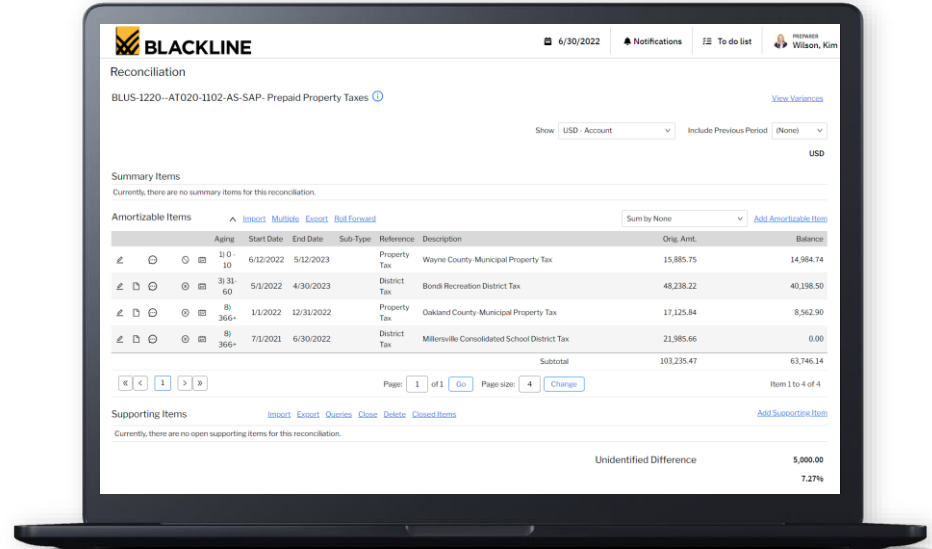


Balance Sheet Substantiation

Increase accuracy and efficiency across account reconciliations.



- ✓ Standardize reconciliation templates
- ✓ Import GL balances and data automatically
- ✓ Unify supporting documents and comments
- ✓ Embed controls, policies and procedures
- ✓ Ensure segregation of duties
- ✓ Apply risk rating and thresholds



Transaction Matching

Match and reconcile millions of transactions in minutes.

- ✓ Import transactional data automatically
- ✓ Manage transactions and open items by exception
- ✓ Configure business rules to maximize automation
- ✓ Route exceptions to appropriate individuals

Match Set Details

[Save](#) [Cancel](#) [Matching Engine](#) [Matched Transactions](#) [Unmatched Transactions](#) [Archive](#)

Match Set Name
(Daily Recs) Bank - EMEA

Description
Comparison of bank transactions to GL transactions for bank account 1010. Related to daily reconciliation definition.

Documents

Team
Entity
C0024-London
Account
C0024-London-1010--LN040---- Current Account

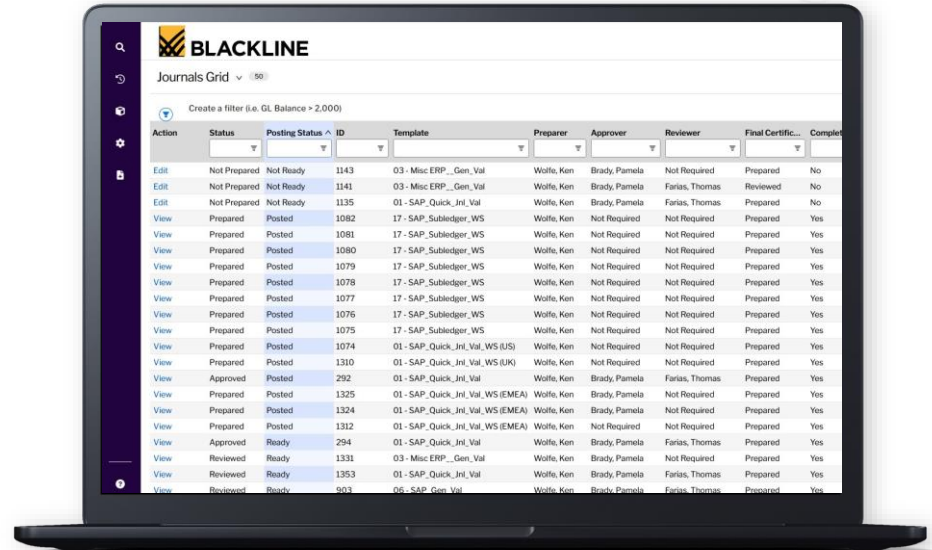
Data Sources

1	Daily_Recs_Bank	GL File	EMI	Display Fields Filter Fields Supporting Items GL Mapping Alternate Name
2	Daily_Recs_Bank	Bank File	EL	Display Fields Filter Fields Supporting Items GL Mapping Alternate Name

Journal Entry Management

Centralize, streamline, and automate journal entries.

- ✓ Unify the entire journal entry process
- ✓ Automate recurring journal entries
- ✓ Create journal entries from reconciliations
- ✓ Harmonize supporting documentation
- ✓ Simplify and reduce auditor testing



BLACKLINE

Journals Grid ▾ 50

Create a filter (e.g. GL Balance > 2,000)

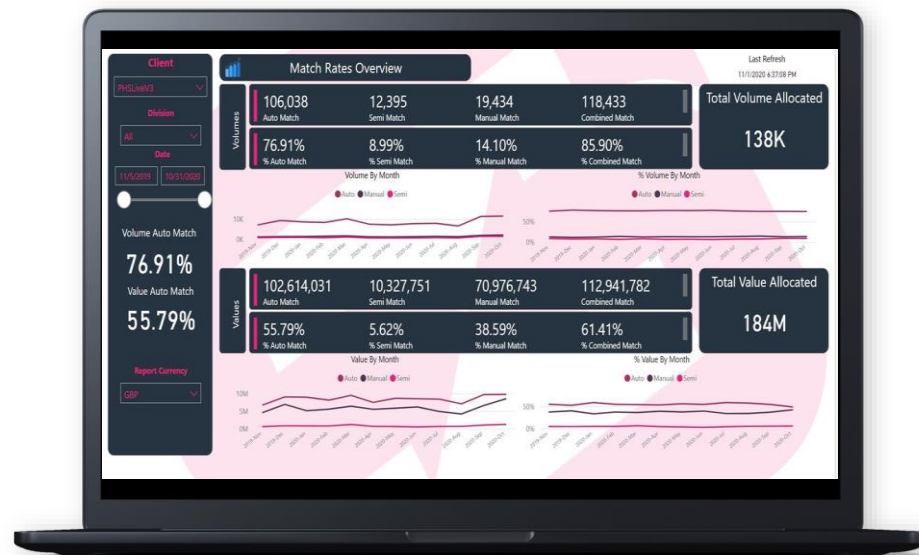
Action	Status	Posting Status	ID	Template	Preparer	Approver	Reviewer	Final Certificate	Complete
Edit	Not Prepared	Not Ready	1143	03 - Misc ERP_Gen_Val	Wolfe, Ken	Brady, Pamela	Not Required	Prepared	No
Edit	Not Prepared	Not Ready	1141	03 - Misc ERP_Gen_Val	Wolfe, Ken	Brady, Pamela	Farias, Thomas	Reviewed	No
Edit	Not Prepared	Not Ready	1135	01 - SAP_Quick_Inl_Val	Wolfe, Ken	Brady, Pamela	Farias, Thomas	Prepared	No
View	Prepared	Posted	1082	17 - SAP_Subledger_WS	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Prepared	Posted	1081	17 - SAP_Subledger_WS	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Prepared	Posted	1080	17 - SAP_Subledger_WS	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Prepared	Posted	1079	17 - SAP_Subledger_WS	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Prepared	Posted	1078	17 - SAP_Subledger_WS	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Prepared	Posted	1077	17 - SAP_Subledger_WS	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Prepared	Posted	1076	17 - SAP_Subledger_WS	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Prepared	Posted	1075	17 - SAP_Subledger_WS	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Prepared	Posted	1074	01 - SAP_Quick_Inl_Val_WS (US)	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Prepared	Posted	1310	01 - SAP_Quick_Inl_Val_WS (UK)	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Approved	Posted	292	01 - SAP_Quick_Inl_Val	Wolfe, Ken	Brady, Pamela	Farias, Thomas	Prepared	Yes
View	Prepared	Posted	1325	01 - SAP_Quick_Inl_Val_WS (EMEA)	Wolfe, Ken	Brady, Pamela	Not Required	Prepared	Yes
View	Prepared	Posted	1324	01 - SAP_Quick_Inl_Val_WS (EMEA)	Wolfe, Ken	Brady, Pamela	Not Required	Prepared	Yes
View	Prepared	Posted	1312	01 - SAP_Quick_Inl_Val_WS (EMEA)	Wolfe, Ken	Not Required	Not Required	Prepared	Yes
View	Approved	Ready	294	01 - SAP_Quick_Inl_Val	Wolfe, Ken	Brady, Pamela	Farias, Thomas	Prepared	Yes
View	Reviewed	Ready	1331	03 - Misc ERP_Gen_Val	Wolfe, Ken	Brady, Pamela	Not Required	Prepared	Yes
View	Reviewed	Ready	1353	01 - SAP_Quick_Inl_Val	Wolfe, Ken	Brady, Pamela	Farias, Thomas	Prepared	Yes
View	Reviewed	Ready	903	06 - SAP_Gen_Val	Wolfe, Ken	Brady, Pamela	Farias, Thomas	Prepared	Yes

Cash Application

Automate cash application and reduce unapplied cash by up to 99%



- ✓ Connect and interface with any ERP or bank using standard transport models
- ✓ Auto-match combinations (e.g. one to one, one to many, overpay/underpay, deductions, early settlement discount, small difference write-offs)
- ✓ Advanced machine learning makes suggested matches to the user, so even non-matched items are processed more quickly
- ✓ Image files and transactional data are stored for easy retrieval by users, including auditors, etc.





Customer Success



BlackLine is Your Trusted Partner for Assured Success



Solutions Across Finance & Accounting

Financial Close Management
Accounts Receivables Automation
Intercompany Management



Cloud Accounting Platform

Leading Practices for
Fast Results



4,200+

Customers
in 130+ countries



375,000+

Users



Highly Awarded

Top 50 A&F Products 2023
(G2)

Best of 2023
Trust Radius



2.77x

Average ROI

Nucleus Research

FORTUNE 50

>50%

Fortune 500



Built for Sustainability

\$108M+ R&D in 2022



BlackLine Returns \$2.77
for Every Dollar Spent



Top Accounting and Finance
Product 2023



Top Rated in Financial Close,
Accounts Receivable, and
Accounting Software 2022



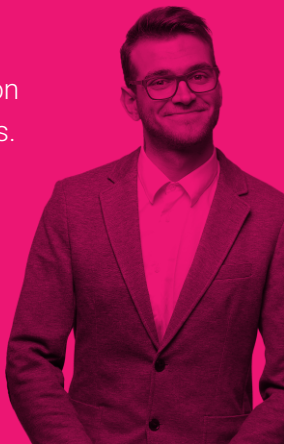
Partner of the Year:
Solution Extensions



**Reduced time to
close by 33%**

Quicker Results:

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



**Increased productivity
by 50%**

Financial Integrity:

Automate reconciliations to ensure complete and accurate results.



**Automated 40% of
account
reconciliations**

Strengthened Controls:

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



Questions and Answers



Dominick Fatibene
Senior Manager of Solutions
Strategy & Marketing
BlackLine



Jessica McKeon
Senior Manager of Solutions
Strategy & Marketing
BlackLine

Thank you!

Blackline

www.blackline.com



The Association of
Accountants and
Financial Professionals
in Business

