



BlackLine Continuous Accounting

The Modern Approach to Finance & Accounting

Moving Towards Modern Finance through Continuous Accounting

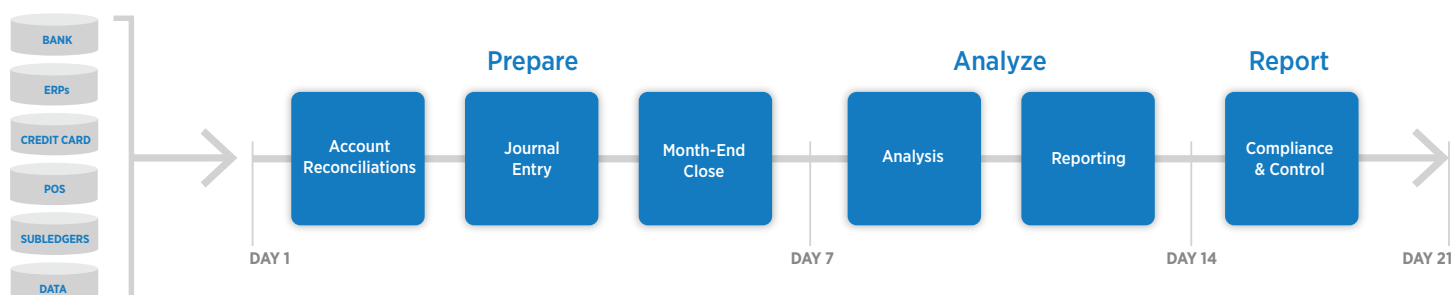
Traditional Record-to-Report

Antiquated period-end accounting processes are holding finance and accounting teams, and ultimately the business, back. The traditional record-to-report process was designed to simply map-out tasks and responsibilities that were required to be performed after the period-end, whether directly involved in the financial close process or part of after-close reconciliations and analysis. This model represents items to be completed upon the end of term, whether that be the quarter, fiscal year, calendar year, etc. With the growing complexities of today's 24/7 global businesses, there is an influx of transactions being created and processed around the clock, vastly increasing the total of unreconciled transaction amounts and causing a strain on employee productivity during period-end processes. Closing the books with such massive amounts of data is chaotic, leads to a higher error rate, and strains the effectiveness of finance and accounting teams.

BlackLine Continuous Accounting

New technology and process improvements combine to transform and modernize the way finance and accounting teams work. BlackLine's Finance Controls and Automation platform delivers a fresh approach that increases the quality, accuracy, and efficiency of the financial close and other period-end activity. This new approach is known as Continuous Accounting. Continuous Accounting embeds automation, control, and tasks typically not performed until the period-end, directly within day-to-day activities, allowing the rigid accounting calendar to more closely mirror the dynamic nature of the actual business cycles. The 'continuous' aspect of continuous accounting refers to the real-time or near real-time capability for transactions to be fully processed and financial information to be reconciled, checked, and verified. Practitioners, i.e. continuous accountants, can perform tasks in smaller chunks on a more frequent basis, smoothing out workloads. They can also evaluate the integrity of information at any given point in time, enabling continual monitoring for errors, fraud, and inefficiencies. Furthermore, they can look at the impact of changes like currency fluctuations with up-to-date financial data. In short, Continuous Accounting more evenly distributes the workload associated with the period-end close, while enabling constant reporting, verification, and analysis.

The Old Model: Linear Record-to-Report



Close activities and processes that were created and implemented twenty or more years ago were not built for the modern business economy. Record-to-report processes were built to accommodate rigid ERP systems that didn't integrate well with general ledgers and other data sources that didn't provide accurate visibility into the chart-of-accounts. This model supports a start-stop view of how accountants approach reconciliation and close activities, follows a paper-driven process, necessarily produces backward looking and out-of-date results, and increases exposure to risks, with little time for analysis or review. These problems manifest themselves as symptoms that can have a significant impact on the business.

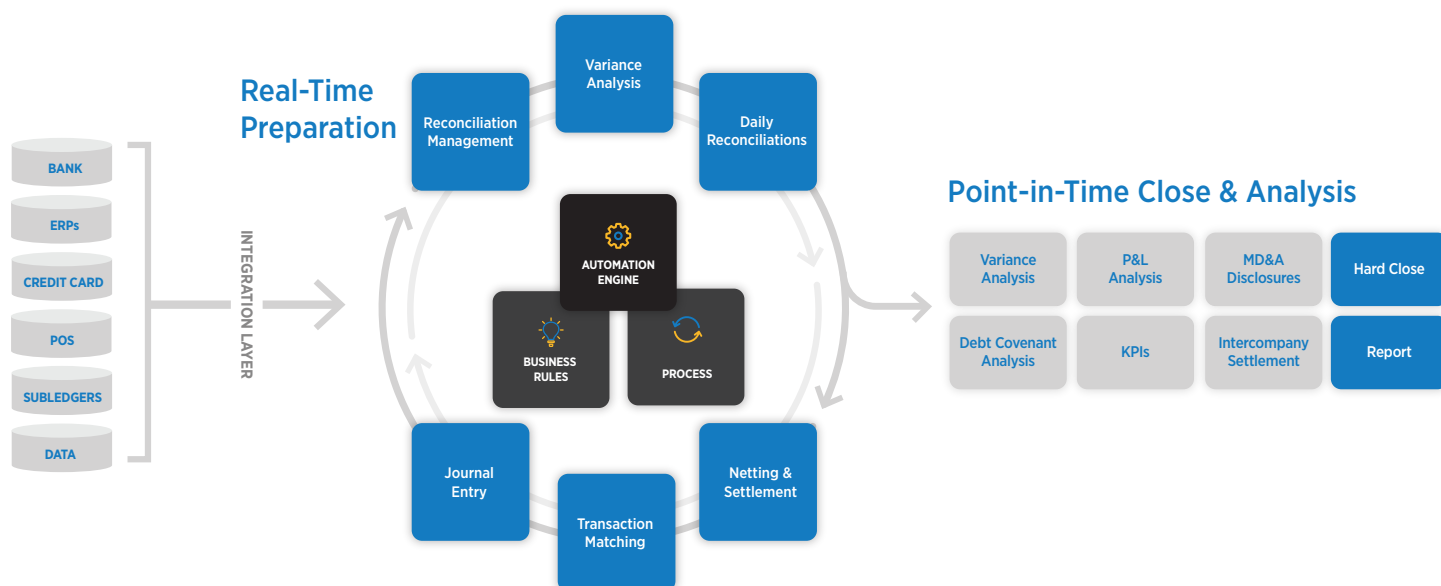
Symptoms of Period-end Batch Preparation:

- Long Hours/Overtime
- Excessive time spent on "Paper Chasing"
- Need for mass data dumps
- Time spent investigating transactions instead of analysis

Impact of Traditional Record-to-Report Process:

- Discrepancies discovered after reporting
- Little/no time for analysis
- Greater risk for errors
- Delayed or out-of-date results

The Modern Approach: BlackLine Continuous Accounting



Continuous Accounting

Continuous accounting embeds automation, control, and period-end tasks within day-to-day activities, allowing the rigid accounting calendar to more closely mirror the broader business. With the BlackLine platform, finance and accounting teams reduce business-process costs and optimize process effectiveness and efficiencies, all while improving the ability to continually capture, validate, and provide timely and accurate financial data necessary for reporting.

Real-Time & Continuous Preparation:

- More balanced workloads throughout the period
- High-Volume and Auto Reconciliations
- Automated Bank, POS, General Ledger & ERP Data Feeds
- Intelligent Transaction Matching
- Multi-Currency Transactions & Processing

Impact of Continuous Accounting:

- Continuous Data Assurance
- Continuous Risk Monitoring
- Continuous Controls Monitoring
- Continuous Availability of Up-to-date Results
- Continuous Productivity from Accountants

Operational Benefits of BlackLine

Realizing the Benefits of Continuous Accounting

BlackLine's unified cloud platform empowers finance and accounting teams to automate period-end activities and to drive continuous accounting processes across their organization. Finally, technology is available that enables real-time reporting and analysis, and an efficient and accurate process. The BlackLine Enhanced Finance Controls and Automation platform:

- ✓ **Reflects a modern way of operating** – Rather than execute the majority of period-end accounting efforts in only a few days with little time for review, exposing the businesses to fraud and restatement risk, work can be performed as required in smaller batches, producing more accurate information whenever it is needed.
- ✓ **Enables faster analysis and real-time accuracy** – Analysis of the data may be performed continuously, hourly, daily, weekly, monthly, etc. depending on the nature of the underlying business cycle for a given assertion.
- ✓ **Embeds operational efficiency** – Consistent workload can be built-in to the process, reducing the peaks and valleys of accounting labor associated with the legacy record-to-report chaos.
- ✓ **Leverages the power and connectivity of cloud technology** – Secure, controlled, and continuous access for those working on globally dispersed teams, across multiple ERPs, or simply consolidating manual processes.

Client Spotlight: Nasdaq

Nasdaq Moves Towards a Monthly-close with BlackLine

With a massive global footprint, Nasdaq operates in 26 countries across six continents. While expansion is part of the company's strategy, the growth has added tremendous complexity to accounting and operations. Nasdaq needed a more modern approach to the close process where multiple business units around the world could continually work, just as the core business does. After selecting BlackLine, Nasdaq realized they could improve their close process by moving towards a monthly close model over their existing quarterly cycle.

Key Benefits from BlackLine Continuous Accounting

Improved financial accuracy by switching from quarterly to monthly close and reconciliations. The previous spreadsheet driven process was so onerous that reconciliations were only completed once per quarter. By automating the entire process, Nasdaq is now processing 5,000 account reconciliations every month. “With BlackLine, instead of four reviews a year, we’re getting 12,” said Michael Galus, Vice President of Finance for Nasdaq. “What we’ve seen is what wasn’t getting reviewed until the end of the quarter is now getting reviewed every month. As result, quarterly financials are prepared more quickly and accurately.”

Enhanced global visibility and transparency for staff and auditors, regardless of location. Staff—and internal and external auditors—can access BlackLine from anywhere in the world. “People aren’t tied to an office anymore. BlackLine makes it very convenient, as people can log in from anywhere and complete their tasks-no matter what time zone or office they sit in,” said Galus.

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-Mike Galus, Vice President, Finance and Accounting, Nasdaq

Freed staff to focus on analytics and discrepancies, instead of manual data entry. BlackLine automates and standardizes the reconciliations and other period-end processes, enabling the team to practice true modern finance. “For me, modern finance is taking mundane tasks and making them as automated as possible. With BlackLine, we have more time to look at why something is happening rather than simply documenting it,” said Daisy Pitre, Director of Consolidations for Nasdaq. “BlackLine allows us to add more analytics and creativity into what we’re doing on a day-to-day basis. It frees your time and your mind to see how you can provide more value to the company.”

BlackLine is the World's Most Trusted Platform for Finance and Controls

BlackLine's vision is to modernize the finance and accounting function to empower greater productivity and detect accounting errors before they blow up into a devastating financial restatement. BlackLine enables clients to move beyond outdated accounting processes and point solutions that help accountants and finance professionals work smarter and more efficiently. The finance and accounting departments of more than 1,200 worldwide clients currently leverage the unified BlackLine platform to perform mission-critical processes in near real-time — including financial close, reconciliation management, journal entry management, intercompany clearinghouse, and controls assurance.