



## Use Case Spotlight

# BlackLine for Retail

## **Modernising Traditional Order-To-Cash Accounting Processes**

Manual processes and controls around revenue have long been a challenge for accounting teams in the retail and consumer products space.

Validating the completeness and accuracy of sales (and related balance sheet impact) is of paramount importance, but often requires significant manual effort. As revenues grow, organisations are forced to devote additional resources to processes like sales audit and other detailed reconciliations or expose themselves to risk.

Retail sales audit is a series of steps that are typically the responsibility of accounting or retail operations teams, and performed to ensure point-of-sale data is correct prior to recording revenue to the general ledger.

This includes analysing all financial statement impact from gross revenue and related net downs—e.g. discounts, gift cards, returns—to credit card fees and cash over/shorts.

For the retail industry, having an adequate sales audit process is crucial to the integrity of financial statements. And innovations like new forms of consumer payments and omni-channel models only add to the complexity.

## Reality for Retailers

In today's world, the payment options for consumer goods seem endless. A consumer can pay with cash, credit or debit card, gift card, PayPal, wire transfer, or check, just to name a few.










For accounting organisations, more payment types mean more data sources, which equals more work. And more work translates into a significant amount of ongoing manual effort to reconcile transactional data.

Unlike other accounting activities, which are performed at month-end, revenue transactions and their related balance sheet impact need to be validated on a regular basis. This ensures that issues and errors are identified and corrected in a timely manner.

## Challenges to Address

With data coming from numerous disparate sources, many retail order-to-cash processes consist of multiple detailed matching or reconciliation exercises, which are often completed in spreadsheets.

However, time and effort aren't the only challenges presented by this process. Other challenges include:

-  Difficulty identifying and addressing errors
-  Missing or duplicate transactions leading to improper sales or inventory
-  Incorrect data leading to underpayment from providers
-  Lack of visibility into variances
-  Write-offs due to unidentified cash over/short
-  Disparate systems for supporting documents
-  Painful external audits
-  Limited ability to develop accounting talent
-  Trouble adapting accounting resources (holiday season, etc.)

In addition to posing financial statement risk, these challenges also cause ineffectiveness from an operational standpoint. When issues are not addressed in a timely manner, inaccurate information can drive uninformed business decisions or even allow fraud to go undetected.

## How Technology Helps

If you're in the business of selling consumer goods, you've probably experienced one or more of these common challenges. Most organisations have numerous systems and vendors involved in their O2C process, but there is a technology whitespace when it comes to validating the accuracy of the data between these systems.

Using a leading accounting automation solution like BlackLine, organisations have alleviated the manual effort and addressed the challenges associated with the traditional retail sales audit process.

Specifically, business-defined rules handle complex matching scenarios (one-to-many, many-to-many), allowing millions of transactions to be reconciled in minutes. These rules also free accounting resources to focus on exception handling and follow up.

### **Automating large volumes of previously manual work allows sales audit teams to:**

- Shift focus from reconciling to analysing exceptions (missing transactions, errors, in-transit items)
- Provide meaningful information to the business in a timely fashion
- Absorb additional month-end tasks or focus on more strategic initiatives
- Eliminate bottlenecks during peak close time

### **Successful applications of BlackLine Transaction Matching for retail include:**

- Sales to payment provider settlements
- POS to bank
- Credit card to bank and/or GL
- Daily reconciliation of till/POS data and related GL postings
- Bank to GL
- Gift card processes (issuance, redemption, etc.)
- Proactively identify polling issues

## Results for Retailers

99%

of transactions  
matched automatically

85%

reduced time spent  
on reconciliations

99.7%

process  
automation

40

hours per  
month saved

3-4

hours now takes  
30 minutes



### **BlackLine Transaction Matching**

BlackLine's Transaction Matching solution automates the most complex and manual processes plaguing retail accounting and finance teams.

The use cases are nearly endless. BlackLine's integrated platform imports transactional data from any source and applies intelligent, business-defined logic to automatically match millions of records in minutes.

For any unreconciled transactions, suggested matches and exceptions are identified for accounting to review.