

Driving Standardization, Improved Controls and Increased Productivity



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—Eamonn Matthews, Business Process Lead – Accounting & Reporting, The Coca-Cola Company

Founded in 1886, The Coca-Cola Company is the world’s largest beverage company with more than 500 sparkling and still brands. The company’s portfolio also features 20 billion-dollar brands, distributed in more than 200 countries and enjoyed by consumers at the rate of 1.9 billion servings a day.

The Challenge

The Global Finance Operations Division (GFO) of The Coca-Cola Company manages more than 50,000 GL accounts. Yet multiple systems and approaches to the reconciliation process created serious challenges for the global company. “For reconciliations, each region was allowed to determine what type of supporting documentation and technology they would use, from hard copies to Lotus Notes to the SAP ERP. Additionally, regions determined the frequency of reconciliations, who was involved, and training materials,” said Eamonn Matthews, business process lead – accounting & reporting, The Coca-Cola Company.

This regional approach to the financial close ensured there was little to no standardization—and zero access to “big picture” analytics throughout the close. The process was also time consuming, with more than 800 associates spending 14,000 hours a month on reconciliations alone. “Every region created and collected its own metrics and maintained the administration and change management of its particular part of the technology,” said Eamonn.

INDUSTRY

Food and Beverage

REGION

Global

ADOPTION DATE

2014

ERP

SAP

NUMBER OF USERS

360

PRODUCTS

Account Reconciliations

BUSINESS IMPACT

Reduced the number of employees involved in manual and routine reconciliation by 55%, increased productivity by reassigning workforce to focus on discrepancies and analysis, saved \$0.6 million per year, improved controls and standardized reconciliation, increased client satisfaction, gained global transparency of the entire reconciliation process.

Why BlackLine

In late 2013, the company began reviewing its existing balance sheet reconciliation process and tools. According to Eamonn, “We found major audit concerns. Timely completion, inadequate explanations, lack of follow-up on aged items, and lack of overall visibility all needed to be addressed.”

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During the same time period, The Coca-Cola Company was instituting 2020 Vision, a plan designed to double revenue within the decade. For GFO, supporting the company’s plan meant ensuring all processes were “standardized, global, accessible, and easy to use”—including balance sheet reconciliations. “In order to meet the Global Business Services (GBS) promise to the 2020 Vision, we needed to analyse all accounting processes and drive improvements and business value,” said Eamonn. “Improving our balance sheet reconciliations was our pilot program.”

The company began its search for a cloud-based, globally accessible reconciliation solution by stipulating certain non-negotiable features for any new system: auto-certification, administration rules and auto alerts, enhanced reporting and analytics, and real-time dashboards. While Eamonn and his team reviewed numerous vendors, they partnered with BlackLine. “One of the most important factors in assisting us in making our decision was the customer reference calls with BlackLine customers, in companies of a similar size,” said Eamonn. “These candid interviews formed a key part of our justification to partner with BlackLine.”

According to Eamonn, implementation of BlackLine was seamless. “It shows how good the implementation team was that we didn’t even need consultants to help decipher what exactly we were supposed to be doing. I have a lot of respect for the implementation team at BlackLine. They were absolutely brilliant.”

Prior to rolling out the BlackLine platform, the company created a global business process lead role. “Historically, we would have allowed each region to customize the technology to its local needs,” said Eamonn. “With a global lead, we used the introduction of BlackLine to drive standardization and improve controls. Some people suggest that you should fix a process before you introduce new technology. In our case, BlackLine’s technology drove us to fix and standardize our process.”

The Results

Reduced number of employees involved in reconciliation by 55%. Previously, the monthly financial close process required the help of 800 employees across shared services, manufacturing plants, and business units. By using BlackLine, The Coca-Cola Company has reduced the number of employees who were involved in manual and routine reconciliations to 360, a 55% reduction. By 2016, the team intends to reduce that number to 300. The company increased its productivity by reassigning and allowing employees to focus on analysis. “With BlackLine, we were able to reassign 40% of our balance sheet reconciliations to a central team in our Manila hub. They look after all metrics, reporting, IT controls, and change governance,” said Eamonn.

Saved \$0.6 million per year through increased productivity. By providing employees with a reconciliation tool that automates much of the reconciliation process, The Coca-Cola Company has seen an increase in productivity. Employees spend less time on routine tasks, which not only saves money but enables accountants to focus on discrepancies and analysis—instead of manual data entry and aggregation. “We’re seeing a savings of \$0.6 million per annum,” said Eamonn.

Improved controls and standardized reconciliation process across the world. With BlackLine, The Coca-Cola Company now has a consistent methodology for the preparation and management of all reconciliations, regardless of region. “We now have a prescribed approach to preparing and documenting reconciliations. Frequency, type of supporting documentation, and critical fields are consistent irrespective of location,” said Eamonn. “When I think about BlackLine, seamless, transparent, greater visibility, and increased control are all words that come to mind.”

Increased client satisfaction. Prior to BlackLine, aggregating data for multiple stakeholders required pulling multiple reports from different users in each geographical unit—a time-consuming process that also had the potential for errors. “We have critical stakeholders that are interested in the legal entity view and others that are interested in the business unit view. BlackLine accommodates business unit and legal entity reporting in one file. They can get the overall picture of the balance sheet, instead of having to combine multiple reports from different users in each geography.”

Gained global transparency of the entire reconciliation process in less time. Previously, the company’s reconciliations were handled regionally, which severely hindered visibility. With BlackLine, Eamonn and his team now have true transparency at a global level, in real time. “BlackLine’s reporting functionality has made critical data very transparent and accessible, including number of legal entities, absolute value of balance sheet, percentage of quarterly and auto-certified recs, the number of accounts, and the age of items,” said Eamonn. “I can look at all 272 legal entities in one dashboard, and we can make decisions on that versus having to talk to 15-20 GL managers.”