

## BLACKLINE PRODUCT

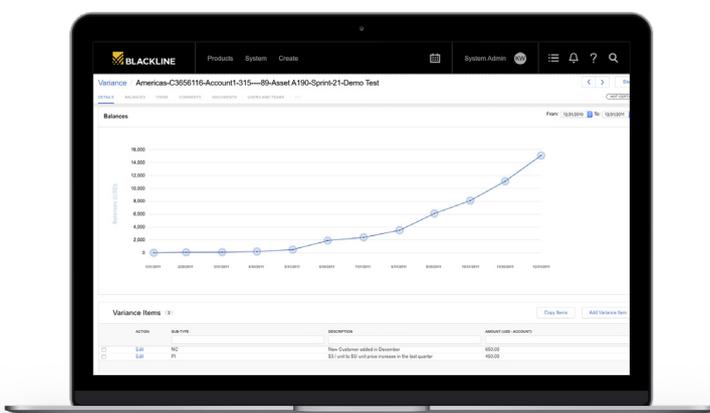
# Variance Analysis

In an environment where the pace of change is showing no signs of slowing down and data continues to inundate organisations at increasing velocity, it is critical for Accounting and Finance teams to manage and process information faster than ever before.

By automating the calculation and identification of account balance and activity fluctuations, BlackLine Variance Analysis enables continuous monitoring for risk to ensure the effective and timely execution of critical management review controls.

Standardisation of data and processes, along with configurable business rules, help to accurately identify and electronically route unusual fluctuations to appropriate control owners. This enables teams to manage by exception, rather than waste time and effort on non-value adding tasks.

And because BlackLine provides one view into your most current business information, teams are armed with the right information at the right time, speeding up decision making and improving their ability to affect organisational change.



## Benefits

### ENSURE DATA INTEGRITY

Automatically import GL balances from multiple source systems on a scheduled basis to eliminate error-ridden spreadsheets, and ensure the accuracy and reliability of your decision support data.

### IMPROVE CONTROLS

Ensure the appropriate execution of your internal controls. Standardised templates and configurable, rules-based workflows are designed to effectively identify unusual activity and route variance analysis to control owners for further investigation.

### SIMPLIFY PROCESSES

BlackLine automates the calculation and identification of account balance and activity fluctuations based on user-defined materiality thresholds, so your teams can focus on the underlying issues, rather than non-value adding tasks that are inefficient and costly.

### ACCELERATE DECISION-MAKING

Rather than performing flux analysis at period end, automate the process to continuously monitor account and activity balance changes, and support timely decision analysis. And because decision data is current, you can identify the business levers that have the greatest impact on organisational performance.

### INCREASE VISIBILITY

Real-time dashboards and reports provide a complete view into the status of every variance analysis. And with the policy, purpose, and procedure displayed on the face of each identified variance, responsible owners have a common understanding of the purpose of each review, the risks they are intended to detect, and the supporting documentation required to execute each control.

## Period Comparisons

BlackLine Variance Analysis delivers more than 15 different types of period comparisons to enable the monitoring of:

- Budget vs. actual costs
- Material fluctuations
- Relational accounts (e.g., fixed assets to depreciation, sales to receivables, prepaid and amortisation expenses)
- Period and seasonal changes
- And many more

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“With the old system, if our company controller called at the end of the day asking about a balance sheet change on a European account, we would have to call people in Europe and wake them up. Now, we can take one look and tell the controller precisely what is happening with that account.”



—PAT WITHROW, ACCOUNTING DIRECTOR,  
THE DOW CHEMICAL COMPANY

## Features & Capabilities

### Variance Rules

Create variance rules based on standards that are reasonable for your organisation. Rules can be applied to all account types and run ad hoc or automatically upon import to detect fluctuations outside of your pre-defined materiality thresholds.

### Activity-Based Variance

BlackLine automatically calculates and stores variance activity upon import to enable the comparison of cumulative balance and individual account activity fluctuations between periods. A balances chart provides a means for users to quickly assess whether activity is trending negatively over time.

### Variance Groups

Create variance groups to proactively track period-to-period account and activity balance fluctuations for specific regions, product lines, business units, or any segments you wish to monitor. Drill down to the individual account level details to pinpoint where an issue is occurring.

### Workflow Approval

Once certified by a user, a completed variance analysis template can be electronically routed to other users or management for review and approval. The certification history is automatically recorded and displayed on the face of every variance analysis, providing complete auditability.

### Automatic Balance Imports

Load GL account balances, both balance sheet and P&L, into the application on a scheduled frequency. BlackLine integrates with your ERP and multiple source systems to automatically calculate fluctuations and identify issues requiring investigation, so your teams can dedicate their time to researching root causes.

### Users & Teams

User and team assignments listed on every variance analysis provide control owners with a clear escalation path. And with comments, variance items, and supporting documentation stored in a single space, teams can easily follow up and collaborate on open issues.