

Reducing Time Spent on Cash Reconciliations by 85% while Increasing Visibility & Accountability

Groupon

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Established in 2008, Groupon (NASDAQ:GRPN) is a global leader in local commerce. By leveraging both the company’s global relationships and its scale, Groupon benefits small business owners and consumers: consumers gain access to deals all over the world, while local merchants increase business opportunities and revenue. The company went public in 2011.

The Challenge

For Groupon, going from a one-city operation to a company operating in 40 countries in a mere seven years caused significant challenges around visibility and accountability in the financial close process. “Due to our rapid growth, our global processes began to decentralize, and different regions began using different tools,” said Joseph Albrecht, financial systems manager, at Groupon. “In certain countries, the close process would fall behind schedule. Yet we didn’t have real visibility into who was behind. Additionally, as a public company, it was critical that we made it to a five-day close.”

Groupon’s reliance on Excel spreadsheets to manage reconciliations not only left the company vulnerable to human error, but also consumed three to four hours of valuable team member time each day. Accountants were stuck entering data and

INDUSTRY

Retail

REGION

Global

ADOPTION DATE

2012

ERP

Microsoft Great Plains, NetSuite

NUMBER OF USERS

261

PRODUCTS

Account Reconciliations,
Transaction Matching, Task Management

BUSINESS IMPACT

Increased visibility, country and individual accountability, streamlined end-of-year reporting and auditor requests, enabled ongoing scalability of accounting processes as the company continues to grow, reduced time spent on daily cash reconciliations by 85%.

coordinating spreadsheets, leaving little time to identify discrepancies or focus on analysis. According to Albrecht, “We really needed to find ways to make our processes more efficient and completely centralize our reconciliation process.”

Why BlackLine

After reviewing and testing several solutions, Groupon selected BlackLine’s Finance Controls and Automation platform. Because BlackLine is entirely cloud-based, finance and accounting team members all over the world can easily access financial close data without waiting for someone to aggregate, sign off/on, scan, and email spreadsheets. BlackLine also integrates with Groupon’s existing ERPs, Microsoft Great Plains and NetSuite.

“We saw that BlackLine would allow us the flexibility to roll out the new system and process to accounting teams across the world very rapidly,” said Albrecht. “Additionally, BlackLine has a suite of products we could gradually add, in the future, as we need them. It was definitely a plus that all of the products integrate seamlessly with each other.”

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Groupon rolled out BlackLine’s Account Reconciliation and Transaction Matching products to 80 business entities over seven months. “The implementation was fairly easy. BlackLine consultants walked us through the system configurations and provided many helpful recommendations and tips to ensure we didn’t run into problems. The system setup allowed us to build a strong foundation once we started rolling out to teams around the world,” said Albrecht. “The BlackLine solution is built out in a way that’s easy for end users to navigate, which in turn has increased our adoption rates.”

The Results

Increased visibility and accountability. Prior to implementing BlackLine, Groupon’s core accounting and finance teams had no real-time visibility of financial closing processes across more than 500 markets in 40 countries. Today, the team knows exactly where each business entity is in the close process. “BlackLine ensures countries and individuals are held accountable. We can instantly see who is completing their tasks and who is falling behind schedule,” said Albrecht. “Additionally, upper management has more insight into the month-end reconciliation process. BlackLine solved our lack of visibility problem.”

Streamlined end-of-year reporting and auditor requests. Because all of Groupon’s accounting data—for every business entity—is aggregated within BlackLine, preparing materials for internal and external audits is as simple as granting auditors secured access to the system. “It’s so much easier for our auditors to go to a central repository and pull the report they need, versus having to track down information in Groupon Russia or Groupon Austria,” said Albrecht. “It’s also formalized our end-of-year testing, as all the information we need is in one location, accessible from anywhere in the world.”

Enabled ongoing scalability of accounting processes as the company continues to grow. Groupon expanded rapidly from day one, going public after a mere three years in business. As the company continues to grow, their capability to process additional reconciliations is critical to maintaining clean public reporting and staying in compliance with regulations in more than 40 countries. “I recommend BlackLine to other companies facing challenges similar to what we were facing,” said Albrecht. “We had such rapid growth going from a private company to a public company. BlackLine allowed us to install processes with SOX controls in a quick timeframe.”

Reduced time spent on daily cash reconciliations by 85%. Previously, Groupon’s cash reconciliation was highly manual and time consuming, requiring three to four hours every day. With BlackLine, the company has reduced processing time by 85%. “With Account Reconciliations, we’ve saved a tremendous amount of time. It took three to four hours, daily, in Great Plains. In BlackLine, it takes us 30 minutes,” said Albrecht. “Without BlackLine, we would never be able to get everything closed and reconciled within the fifth or sixth day of the month. It’s freed up our accounting team to work on more value-add projects like analysis.”