

FINANCE AUTOMATION FOR GREATER PROCESS EFFICIENCY TO ENABLE MORE VALUE-ADD ACTIVITIES

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About Officeworks

- Officeworks offers customers a wide range of office supplies, technology, furniture, art supplies, education resources and helpful services like Print & Create and on-site and remote tech support through Geeks2U – delivering an experience that is easy and engaging, no matter how customers choose to shop.
- Officeworks employs approximately 9,000 team members across 166 stores and other sites nationwide and has a major eCommerce presence, with more than 40,000 products available online.
- Of more than \$3bn in total sales last FY, over \$1bn in sales were generated online last FY.

Major project transformation involvement

- S4HANA implementation (from ECC6) at Medibank;
- Workday, Expense Reimbursement module implementation at Bunnings;
- Robotics Process Automation (RPA) implementation at Bunnings; and
- Blackline Implementation at Officeworks.

Transformation Journey at Officeworks

- Identified the activities that require too much manual intervention which has room for transformation opportunities for greater efficiency;
- Mapped and documented identified key activities fully;
- Prioritised the key activities that have high impact on efficiency and time savings; and
- Explored the most appropriate software tool to reduce manual intervention.

Criteria to identify key activities

- Volume;
- Time taken to complete;
- Impact to external customers;
- Impact to internal customers;
- Compliance risk;
- Impact to P&L and BS; and
- Number of issues arising

Key activities identified

- Accounts receivable payment allocation of B2B customers
- Banking matching with POS transactions
- Supply chain costs matching with landed costs
- Balance sheet Reconciliation

Software solutions explored

- Robotics Process Automation (RPA)
- Access data base
- Matching tools
- Workflow tools

Blackline – software solution selected

- Blackline is a leading provider of cloud software that automates and controls financial close and accounting processes.
- Blackline is a SAP solution extension.
- Three modules implemented for Officeworks:
 - 1) Reconciliation
 - 2) Task Management
 - 3) Transaction matching

Benefits realised by implementing three modules of Blackline

- Task Management
 - Systematise and centralised task management
- Reconciliation
 - Better reconciliation controls. System certified.
 - Less reliance on excel.
 - Reduce human errors (e.g. Prepayment)
- Transaction matching
 - Bulk of transaction are matched automatically and very few exceptions.
 - Scalable – as volume increase we don't need to add headcount.
 - Eliminated human error (e.g. applying moneys to the wrong Customers account).
 - Greater visibility on landed costs (supply chain costs) and all costs properly accounted for.
 - Enabled to perform daily bank reconciliation with ease giving us more control on cash flow position and management.

Learnings from Blackline implementation process

- Recognise potential delays and allow in project plan
 - Project was implemented in 16 weeks but what planned for 12 weeks.
 - Cause of delay was planned outages and outdated test data
- Ensure test data is up to date.
 - Test data was outdated and was not able to expose wide range of issues prior to go live.
- Involve key users in the development of the system to ensure early assimilation and familiarity of the tool.
- Ensure inputs to Blackline are also automated.
 - Remittance advise from email where cut and pasted by a team member on excel
 - Automated this 3 weeks after go live (should have done earlier!)
- Lastly, one thing I learnt is that there is always a solution! Be persistent.

Advantages of using an implementation Partner – we used Deloitte

- Focus
- Accountability
- Adherence to timeline
- Benefit of experience
- Best practice

Conclusion

- Biggest hurdle was to convince management to invest
 - Impact: Money, organisational structure, change & retraining personnel.
- Well prepared business case was essential
 - Worked with Blackline & Deloitte to be able to justify the return on investment.
- Scalable
 - We can add more use cases as we learn more about the system.
- Cost avoidance as business grows
 - As the business grows, volume also increases and there is no need for additional headcount.
- Post implementation support
 - Very well supported post go-live with a Customer Success manager.

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