

Infosys Blackline to Account Reconciliation Cloud Service Migration Framework



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Industry and Products Overview

Account Reconciliation is a process of validating account balances where the process can involve comparison of 'balances' for two sets of records ensuring that the amounts match (Balance Comparison) and process that requires a balance explanation for accounts where there is no sub-ledger side (Account Analysis).

When it comes to accounting tools to automate account reconciliation process Blackline and ARCS are two of the best product offerings in this space. Both these products are still fighting daunting tasks in replacing Excel as the premiere tool of reconciliation choice. More than 60% of companies are still completing reconciliations manually.

Blackline

- ✓ BlackLine Account Reconciliations automates and standardizes the reconciliation process by driving accuracy in the financial close while guiding accountants with a streamlined method to verify the correctness and appropriateness of the balance sheets
- ✓ It provides accountants with an intuitive interface for performing reconciliations that includes standardized templates, workflows for preparation, approval and review, linkage to policies and procedures, and integrated storage of supporting documentation
- ✓ It maintains proper segregation of duties, creates post-certification view-only records, automatically adds new ERP accounts, and gains visibility into accounting processes

Oracle ARCS

- ✓ Oracle ARCS is a purpose-built solution in the Cloud designed to manage the global reconciliation process and account balance analysis
- ✓ It provides real-time visibility into the performance of reconciliations, ensuring that all reconciliations prepared are properly qualified
- ✓ Its sub module "**Transaction Matching**" automates performance of transaction intensive reconciliations, supporting multiple source reconciliations processes like intercompany, bank reconciliations, payment gateways as well as single source reconciliations like high volume accrual and suspense accounts
- ✓ When comparing to Blackline, it's preferred because of its consistent reconciliation formats, cost effectiveness, low maintenance, improved compliance and greater automated reconciliation process.

Infosys Blackline to ARCS Migration Framework

Infosys' framework for Blackline to ARCS migration helps client in effective planning of their migration and provides considerations and solutions for mitigating any risks that could impact the implementation timelines and present any compliance risk.

The framework is built around conversion of the following key components:

- Blackline Accounts to ARCS profiles
- Source and Sub System Mappings
- User Setup Migration
- Historical reconciliations

The framework will make use of following templates and tools:

1. **Profiles Template:** All blackline profiles will be created using profiles template. This would create profiles in ARCS as needed and the template can be used to modify ERP segments, preparers, reviewers, due dates etc. as needed. Multiple levels of review if needed, can also be introduced in a very simplified manner.
2. **History Reconciliations – Data:** All blackline profiles created above will be used to create history period reconciliations and then balances will be imported using attached template to import balances into them so that all history reconciliations have the balances and if needed be reconciled or auto-reconciled as needed. < Import_PreMapped_Balances.csv >
3. **History Reconciliations – Transactions:** Blackline transactions from various reconciliations would be created in attached format and imported into the said period as needed. This would enable all prior transactions to be visible as is in the reconciliation. This can be done for all three types.
 1. Balance Explanations
 2. Adjustment to Source
 3. Adjustment to Subsystem
4. **Mappings:** Data load mappings for data management locations will be created quickly using attached template based on the requirements. User has to simply refer to the profiles, source account and create mappings using attached template.
<Mappings_Template.csv>

Pre-migration Consideration

Factors	Blackline	ARCS
Functionality and Modules	To get full reconciliation management solution, must purchase all reconciliation products: a) Account Reconciliations; b) Transaction Matching (TM); c) Variance Analysis and d) Consolidation Integrity Manager. TM being separate module in Blackline complicating the licensing/cost issue	Rather than having to purchase a separate product for transaction matching, variance analysis and consolidation integrity manager, you already have everything built in to ARCS. Therefore ARCS is better as an integrated tool (single module)
Rules	Blackline does not allow writing of rules within the workflow, rules to enforce attachments, send email alert, etc.	ARCS allows writing of rules within the workflow, to enforce attachments, to send email alerts
Custom/Calculated Attributes	No capability to create calculated attributes	ARCS allows creation of custom/calculated attributes to capture information specific to any business to enable automated reconciliations
Risk Ratings	Blackline allows risk ratings for account profiles only as part of the system setup.	Setting up dynamic risk ratings is possible in ARCS and there is flexibility to assign due dates based on risk ratings as well
Source Data Integration	Blackline has pre-build connectors for ERP integration.	ARCS is capable of drilling into source and subsystems using FDMEE whereas, such capability does not exist in Blackline. Its integration capabilities with Oracle systems is unparalleled
User Experience	Blackline gives real-time configurable reports and dashboards.	ARCS provides enhanced data analytics and improved monitoring. Data load and usability of the application can go simultaneously, ensuring continuous process. Additionally, ARCS has a role-based, intuitive user interface as well as interactive dashboards and role-based tasks.
Reporting	Blackline reporting functionality does not have similar depth though dashboard capabilities do exist for visibility purposes	ARCS comes with several built-in reporting templates in HTML, PDF, Excel formats with pre-delivered dashboards. Moreover, these reports can further be customized
Report Binders	Report Binder feature is not available in Blackline	Report Binders feature is available in ARCS and can be used for audit purposes