

# Australian Unity Reconciles Its Account Balances with BlackLine



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— KON PAPAKONSTANTINOU, HEAD OF OPERATIONAL FINANCE SYSTEMS

Australian Unity is one of the nation’s oldest mutual companies owned by its members.

Its heritage goes back more than 175 years, and the organisation now employs more than 7,500 people spread over 100 companies and legal entities.

Australian Unity provides around one million Australians with health, wealth, and living services, including private health insurance, dental care, home care services, and disability services.

## The Challenge

Until November 2017, Australian Unity did not have a centralised financial control function. Instead, the function was fragmented between its legal entities, each performing financial reconciliation processes independently of the other.

Australian Unity’s Chief Financial Officer Darren Mann was ultimately responsible for the mutual’s statutory accounts, but had

### INDUSTRY

Insurance

### REGION

Australia

### ADOPTION DATE

2017

### ERP

Multiple

### NUMBER OF USERS

116

### PRODUCTS

Account Reconciliations

### BENEFITS

Centralised financial control function, 3,100 completed monthly reconciliations, improved governance and reporting, and enabled the ability to provide financial reports.



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limited visibility into where a business or entity was with its reconciliations, including how frequently they were being completed, their timeliness, and quality.

“We’ve got a statutory obligation to complete financial accounts, and those numbers are backed by account reconciliations,” says Head of Operational Finance Systems, Kon Papakonstantinou.

“When an auditor comes in, that reconciliation needs to be completed, the artefacts attached to that reconciliation; and the explanations for those reconciliations substantiated and backed up—hence why it’s important those reconciliations are performed consistently, and on a timely basis, across the business.”

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Reconciliations were being done in either Excel or Word and weren’t stored in a central place. Reconciliations were also completed in an inconsistent manner.

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“We don’t want someone printing out a piece of paper and putting it into a folder or populating a spreadsheet to complete a reconciliation that has no benefit, because nothing has changed within the movement of that particular account. We didn’t know how much time we were wasting on this,” Papakonstantinou says.

Australian Unity didn’t know just how many reconciliations were being performed across its operations, or how many were being improperly completed because people ran out of time.

“Just from the sheer volume of reconciliations, it may be at year end when we’d say, ‘This reconciliation really needs this type of backing, but because it’s last minute it’ll suffice, it’s fine’. This project really highlighted how much we could improve our reconciliation process and documentation.”

### Why BlackLine

The company decided to centralise its financial control function and define standard processes for its 100-plus businesses and legal entities for accounting and financial reconciliations.

The standard processes are defined and implemented through BlackLine Account Reconciliations.

“The centralisation of the financial control function commenced in November 2017, in line with when we first went live with BlackLine,” Papakonstantinou says.

Australian Unity engaged Forpoint Solutions to assist in their BlackLine implementation. This choice was based on Forpoint’s experience of working with various ERP procurement and planning systems, and many years of successfully integrating complex cloud-based ERP data into BlackLine across a diverse range of organisations.

Additionally, most of the company’s specialists are accountants by trade, so Forpoint Solutions was able to bring these specialist skills to the table in complex finance deployments.

Forpoint Solutions had also previously upgraded Australian Unity’s SunSystems ERP system, which is the single source of truth for all the company’s financial information.

“It was an extra benefit that we were familiar with Australian Unity’s ERP platform and could deploy our own ETL tool developed especially for BlackLine to speed up implementation time,” says David Shahinian, director at Forpoint Solutions.

This allowed the Forpoint team to automate and transfer data from Australian Unity’s ERP platform to BlackLine, and because its consultants had done this on so many occasions with other companies, it enabled them to reduce BlackLine’s implementation time.

“However, we didn’t treat Australian Unity as a standard implementation. Every customer has a different approach. Some have skilled people in-house and others rely on their partner for help with implementation and training,” says Shahinian.

BlackLine was implemented in three phases, between November 2017 and May 2018. The phased-approach working across Australian Unity’s hundreds of entities was based on the readiness of different parts of the business to automate and bring reconciliations from their manual systems into BlackLine.

“When we were building the interface between BlackLine and SunSystems, it was highly beneficial that Forpoint understood the construct of our company, how these reconciliations needed to be put together from a BlackLine perspective, and why we were constructing reconciliations the way we were. Forpoint’s help was invaluable,” Papakonstantinou says.

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All reconciliations across Australian Unity now run out of BlackLine.

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## The Results

Papakonstantinou says that the company-wide transformational change of creating a centralised financial control function underpinned by BlackLine has absolutely realised efficiencies. “With over 64 users in BlackLine, 3,100 reconciliations completed monthly in excess of 9,700 general ledger account string combinations, even a small saving of between two and four hours per month per user translates into substantial cost savings with improved visibility and consistency.”

Indeed, the business case for centralisation and BlackLine was predicated by the efficiencies that Australian Unity would gain.

“We expected BlackLine to provide us better governance, better due diligence, better reporting, and the ability for us to produce financial reports where we could depend on the integrity of those numbers to a greater extent,” Papakonstantinou says.

“BlackLine gives us the ability to determine which reconciliations are required to be done on a monthly, quarterly, half-yearly, or yearly basis. We’re able to determine that from the outset. We can clearly identify those accounts and mark their frequency because we now have that visibility.”

Australian Unity is also able to proactively manage its monthly reconciliations, because they are auto-certified by BlackLine.

Now that their teams are aware of just how many reconciliations are required and on what frequency, Australian Unity is actively working to reduce the number it is required to perform.

“BlackLine has helped us rationalise the number of accounts in our chart of accounts. That should cascade down to BlackLine with the number of reconciliations we need to complete. The need to do that has been really transparent to us in the last four months,” says Papakonstantinou. “Using BlackLine has also highlighted how much we can improve our reconciliation process,” he adds.

“One of the tasks that one of our financial control managers is undertaking at the moment is the ability to reject reconciliations because the substantiation of those numbers isn’t up to scratch. Documentation of our reconciliations has improved tenfold in the last quarter. We’re very confident that the cost savings with BlackLine will increase over time as new efficiencies are recognised,” adds Papakonstantinou.