



Strengthens Controls for Critical Close Processes

Discovery, Inc.

INDUSTRY

Media and
Entertainment

REGION

US

ADOPTION DATE

2016-17

ERP

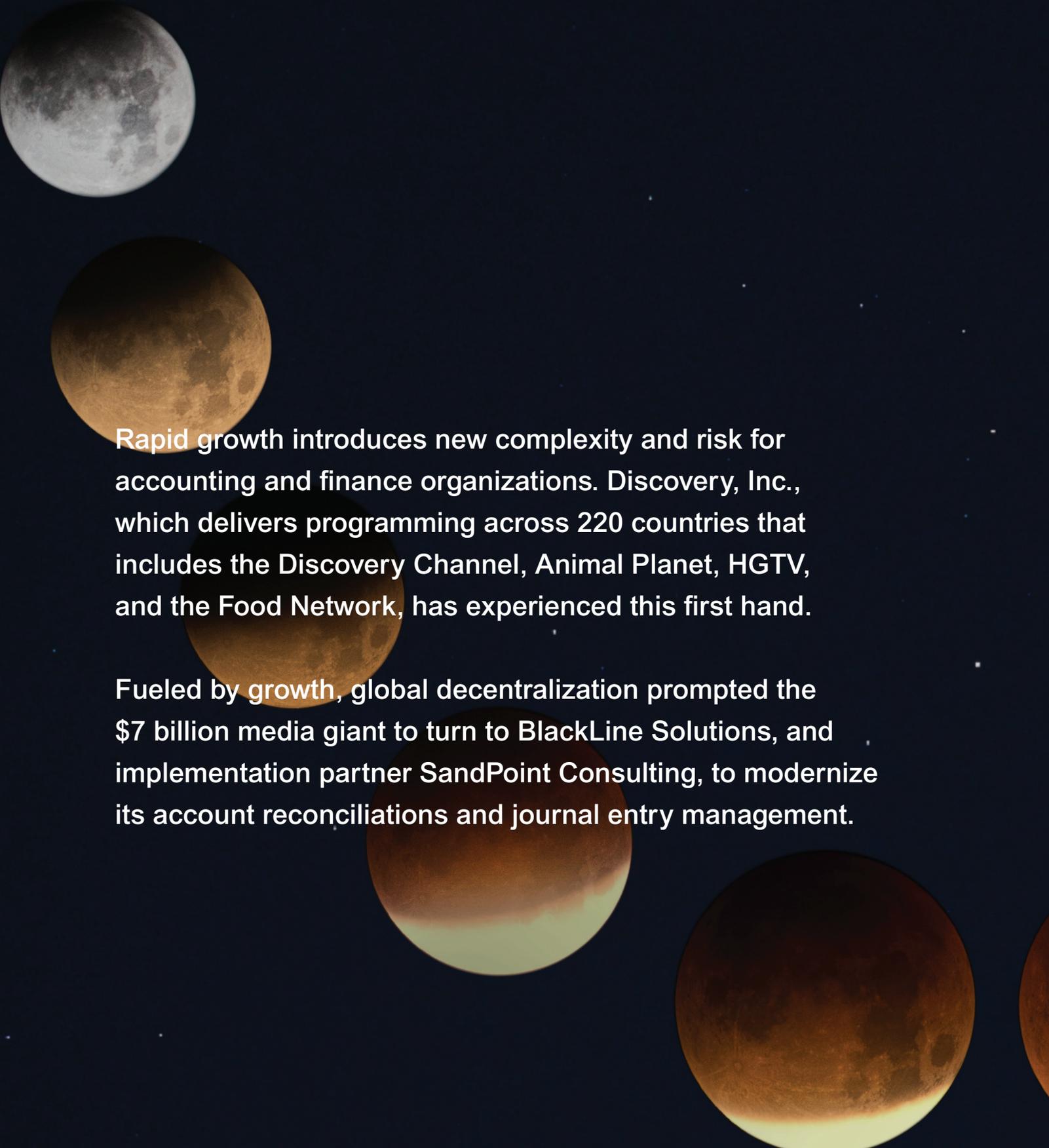
SAP R/3

NUMBER OF USERS

300

PRODUCTS

Account
Reconciliations,
Journal Entry



Rapid growth introduces new complexity and risk for accounting and finance organizations. Discovery, Inc., which delivers programming across 220 countries that includes the Discovery Channel, Animal Planet, HGTV, and the Food Network, has experienced this first hand.

Fueled by growth, global decentralization prompted the \$7 billion media giant to turn to BlackLine Solutions, and implementation partner SandPoint Consulting, to modernize its account reconciliations and journal entry management.



A Global Need for Reconciliations Governance

Despite Discovery's rapid growth organically and through acquisition, account reconciliations were done manually across five global operational hubs in Florida, Poland, the UK, Italy and Singapore. They were often printed and kept in binders around the world.

The corporate accounting team lacked central governance over the process, and because they were using spreadsheets, couldn't be sure that global teams had met expectations and followed internal standards.

"As we grew primarily internationally, the account reconciliations process started to break down," said Kara Hartnett, Director of Corporate Accounting at Discovery, headquartered in Silver Spring, Md. "There was rapid deterioration once we opened the gates to a much larger global footprint. Account recs are the backstop of our control environment, and we needed a better solution in an extremely tight timeframe."

Why Discovery Chose BlackLine

SandPoint Consulting, a BlackLine and SAP partner, was wrapping up an SAP Business Consolidations and Planning (BPC) project at Discovery. One SandPoint consultant had previously worked at BlackLine, and recommended that Discovery look at BlackLine Solutions.

The company also considered a competitor, but chose BlackLine after a demo and evaluation of features. And after a positive experience with SandPoint on the consolidation project, SandPoint was the natural selection for an implementation partner.

BlackLine's status as an SAP-endorsed software partner, BlackLine's SAP Connector to pull data from Discovery's SAP R/3 platform, and SandPoint's proven BlackLine expertise were key factors in the decision.

Greater Efficiency & Visibility

Going live in a phased implementation led by SandPoint, Discovery started by simply loading its account rec spreadsheets into BlackLine to get a "quick win" and better visibility. Six months later, they began leveraging additional functionalities including templates and auto-

certification. They also brought SAP subledgers into BlackLine directly to minimize risk and save additional time.

Early in the implementation, SandPoint and Discovery conducted intensive global training of over 300 users. Collaboration with the internal audit team also accelerated adoption and results, in addition to reducing audit-related travel costs as supporting documentation could be reviewed directly in BlackLine.

With a risk-based model, Discovery has significantly reduced total certifications by grouping accounts. The accounting team is saving a *tremendous amount* of effort through new efficiencies, while decertification has eliminated the risk of reconciling incorrect balances. BlackLine also automated the previously manual and time-consuming completeness checks.

BlackLine flexibility also allows users to reconcile accounts by any of the 13 management reporting dimensions used by Discovery.

"BlackLine Account Reconciliations dramatically improved our control environment," Hartnett said. "We're definitely seeing more time efficiency, we have much better visibility, and can identify things a lot faster."



Our users see the value in the efficiencies that BlackLine delivers by being able to have everything at their fingertips. Our internal audit team loves BlackLine, and external auditors do as well.

Kara Hartnett, Director of
Corporate Accounting, Discovery

Stronger Journal Entry Controls

With account reconciliations optimized in the cloud, Discovery moved on to its second pain point — manual journal entries. Discovery's inability to differentiate between manual and automated journal entries was flagged by external auditors as a control design deficiency, and required auditors to test a much larger volume of journal entries. Yet experience had shown that one potential solution, SAP park and post, was cumbersome and required IT teams to make ERP configuration changes.

BlackLine Journal Entry offered an elegant solution that could layer directly on top of SAP and be managed by the corporate accounting team. Today, Discovery has its thousands of journal entries reviewed and approved before the conclusion of each close, which wasn't possible with previous manual processes. It's able to avoid booking entries that are deemed immaterial, and auditors found that Discovery had eliminated the design flaws of its previous journal entry environment.

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Kara Hartnett, Director of Corporate Accounting, Discovery

“BlackLine gives us a much stronger control environment around journal entries with approvals happening prior to closing,” Hartnett said. “We’ve been able to implement threshold analysis where certain entries are no longer being done because it’s so much easier to see the data in BlackLine.”

With BlackLine in place for account recs and journal entries, an internal survey found “extremely positive” satisfaction with BlackLine across a total population of about 300 users.

“Our internal audit team loves BlackLine, and external auditors do as well,” Hartnett said. “Both our account recs and journal entry projects with BlackLine are viewed as tremendous victories in a control environment and Discovery moving forward in general”

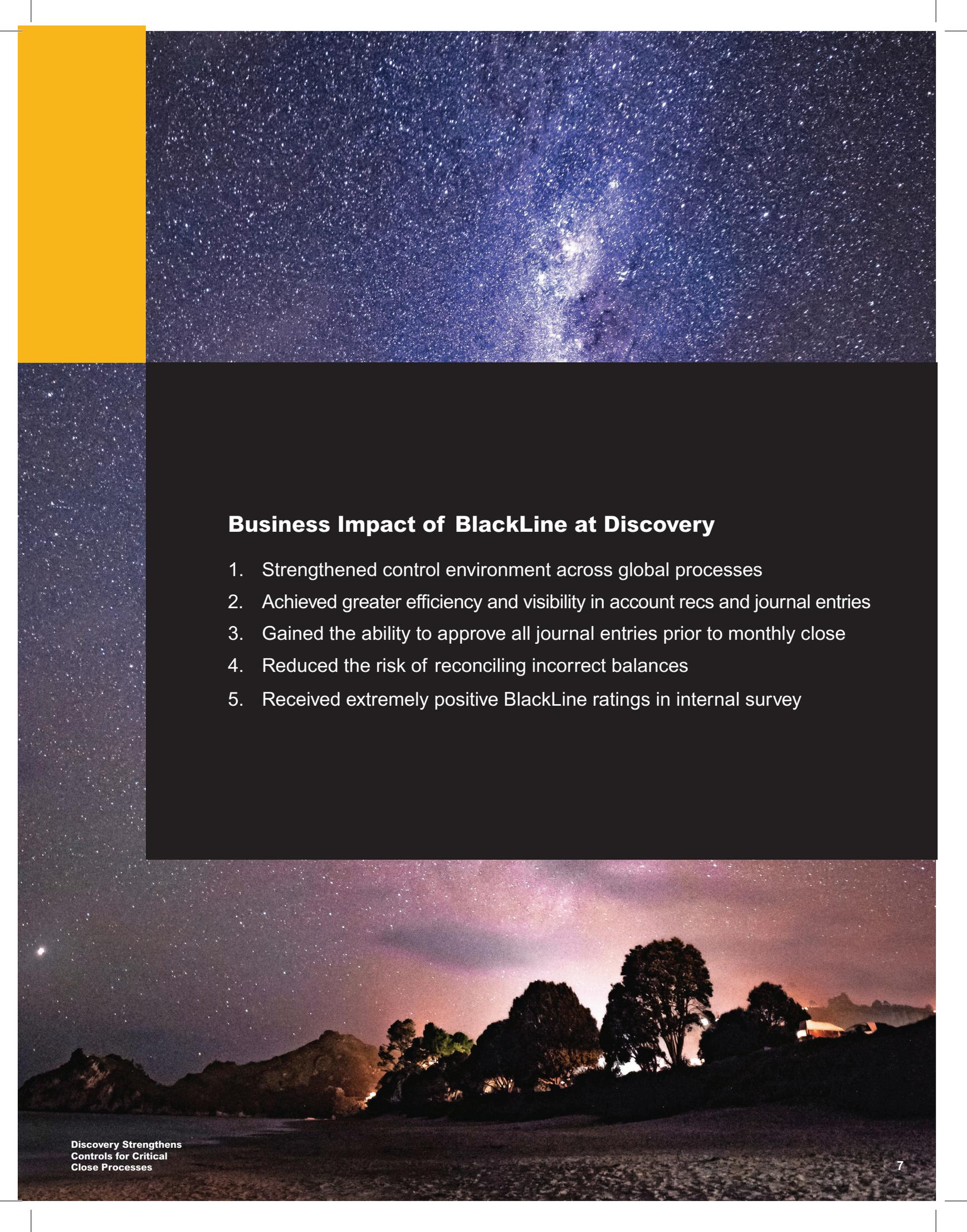
BlackLine & SandPoint Partnership

SandPoint, a BlackLine Gold Partner and SAP Silver Partner, was instrumental in an on-time, under-budget implementation. It delivered customizations to Discovery’s unique needs, and both effective training and change management to drive adoption across the user base.

Founded in 2001, SandPoint provides expertise in the financial close and across the suite of BlackLine products.

“SandPoint has been a great implementation partner,” Hartnett said. “Our lead SandPoint consultant is a CPA and has worked at BlackLine, and brought a lot of innovative ideas for how to optimize the system and tailor it to Discovery’s needs.”





Business Impact of BlackLine at Discovery

1. Strengthened control environment across global processes
2. Achieved greater efficiency and visibility in account recs and journal entries
3. Gained the ability to approve all journal entries prior to monthly close
4. Reduced the risk of reconciling incorrect balances
5. Received extremely positive BlackLine ratings in internal survey



About SandPoint Consulting

SandPoint is BlackLine-certified and has the expertise and process methodology to successfully design and implement all of BlackLine's modules. The firm's BlackLine experts are CPAs with deep understanding of complex close processes, and have worked with multinational firms to drive new efficiencies and visibility.

