

## CASE STUDY

# Linfox Logistics

## Linfox Takes Control of Reconciliations and the Balance Sheet with Blackline



The name "Linfox Logistics" is instantly recognisable to anyone who travels the highways and roads of Australia. From its 1956 origins when a single truck used to deliver soft drinks in Melbourne, Linfox has grown to become the largest privately owned logistics company in Australia.

### Reconciling the balance sheet in a complex business

As might be expected of such a large company, the process of completing Linfox's financial month-end close is both complex and time-consuming. David Dalton, Financial Accounting Manager at Linfox Australia, explains, "We have around 15 teams that are responsible for different areas of the balance sheet. The teams include payroll, accounts receivable, accounts payable, all the different business units, head office and the various countries. There's quite a lot of segregation and detail involved."

Historically, these teams worked with spreadsheets to prepare and post journal entries prior to reconciling the balances. However, it was a slow, manual and error-prone process. "From a management perspective, it was very difficult. With Linfox being so large and decentralised, there was little visibility into the process. It was impossible to get a quick, accurate indication of the state of accounts or to get a feel for the balance sheet," Dalton notes.

### Creating a faster, more consistent process

In a bid to hasten the delivery of accurate balance sheet information and to gain greater control over the reconciliation process, Linfox management decided to deploy the BlackLine Financial Close Suite for SAP® Solutions, beginning with the Account Reconciliation module. The Software-as-a-Service solution offered a way to centralise reconciliation data, making it possible to track the progress of each team during the end-of-month period. An SAP-endorsed business solution that would integrate seamlessly with the company's existing SAP financial software, Linfox was confident BlackLine would reduce manual input and automate reconciliation-related workflows, thereby reducing labour costs in the end. It also offered to bring transparency to adjustments and support greater data accuracy.

"It was a way of bringing consistency to reconciliations across all teams," Dalton says. "BlackLine pools all the data in one place and facilitates a standardised approach. From that point of view, people could see it would be great for governance. It offered quicker access to information. It would allow us to quickly determine who had completed their reconciliations and who hadn't. Overall, it promised to facilitate a smooth process."



## Training makes for a straightforward implementation

Deployment began within Australia, followed by Linfox's Asian offices and then New Zealand. Dalton, who in addition to his financial accounting responsibilities has taken on the role of BlackLine administrator, says "Implementation of BlackLine is quite straightforward. Most people pick up the system and work with it fairly quickly. However training is important if users are to learn best practice use of the system."

Currently, Linfox has 120 staff using BlackLine across ANZ and Asia.

## One source of information

Dalton believes the software is an important tool for managers. "For someone such as myself, there's a huge benefit in being able to get into the system and look at the status of completion of reconciliations."

He points out that BlackLine has helped smooth the external audit process by drawing together reconciliation data and supporting documentation within a single system. "In a large organisation, you can imagine the benefit that this brings. Linfox spans many different regions and previously it could be difficult to quickly get reconciled information; but with BlackLine, all we need to do is log onto the Internet site and we can see everything we need. Our auditors have commented on the improvement in quality of information and the timeliness of information since the deployment," he notes.

The detailed data contained with the system has delivered two additional benefits to Linfox. First, is governance. Every entry, every adjustment, every action is recorded in an audit trail.

The second benefit is the capture of workflows. Dalton explains, "Accounting can be quite a repetitive process from month to month. The steps we need to perform can be quite similar. If someone goes on leave and questions arise, or if a new person joins, the audit trail shows them what has gone on in the past and how often. It helps them to learn what they need to do in that role."

When BlackLine's Account Reconciliation Module is deployed across all Linfox offices, Dalton hopes to investigate more solutions. "We'll probably adopt the Task Management module next. It allows users to log their critical tasks on a daily or monthly basis. It's a productivity and workflow type of tool but for us, it's all about having that documented electronic stamp to say a task has been completed," he concludes.



"We have a clear trail of responsibility for all reconciliations. In such a big business with such a large balance sheet, it's great to be able to identify who's responsible for any item at any point in time."

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