

May 11.....

# Inside Outsourcing™



INTERVIEWED BY LARRY JANIS

Inside with:

## Therese Tucker, CEO, BlackLine Systems

Founded in 2001, BlackLine Systems was the first to develop and offer a commercially available Balance Sheet Account Reconciliation solution. An experienced provider of software to companies from the Fortune 100 to beyond the Fortune 1,000, BlackLine provides quick-to-implement, scalable and easy-to-use applications that automate the entire financial close process to help improve financial controls for companies of all sizes. BlackLine software applications complement existing Enterprise Performance Management (EPM), Governance Risk and Compliance (GRC) and Enterprise Resource Planning (ERP) systems.

BlackLine offers clients its enterprise-class software in a simple and secure OnDemand/SaaS platform. With a proven track record and a commitment to customer success, BlackLine seeks to reduce the burden the financial close places on accounting and finance professionals.



### ***LJ: As the CEO of BlackLine, what are your responsibilities?***

**TT:** My responsibilities in a broad sense are to safely grow the company without losing the focus on client satisfaction. One of the reasons that BlackLine has been so successful is our willingness to listen to our clients and implement what they need to make their financial close process better.

BlackLine is growing very rapidly and part of my job is to make sure that we have talented, experienced, committed managers for every functional area. I still like to be involved—I'm passionate about how we go about developing, implementing and supporting our applications; however, at the same time, we have terrific people that I can trust to carry out their responsibilities with integrity.

A fast growing company also presents challenges in terms of handling growth and putting infrastructure in place to scale in the midst of rapid growth. The communication channels needed for an office with three people are very different when you have almost 100 employees scattered across the United States and around the world. You have to make sure that communication is happening in order for things to run smoothly.

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### FROM THE EDITOR

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Inside Outsourcing's goal is to provide you with articles of interest and with a forum for the exchange of information in this rapidly evolving industry.



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Finally, no one wants to purchase software from a company that may not be around. Rapid growth is wonderful but only if sustained by safety in the numbers. We keep a careful eye on our models to make sure that any expansion plans are balanced against actual revenue streams. The foundation of a strong reliable product; committed, satisfied employees with little turnover; and a passion for client satisfaction, provides a solid platform for BlackLine's longevity.

**LJ:** *Given the current economic environment, do you see companies approaching software and services any differently? Please elaborate.*

**TT:** The current economic environment has eliminated any corporate appetite for risk in a software implementation. If a company purchases software that is never used (i.e. shelf ware) then the sponsors of that decision may find themselves looking for new positions. Software projects that do move forward are those that produce greater efficiencies and high ROI.

This environment has been ideal for BlackLine Systems. Because we offer our software as a service (SaaS), a company can begin utilizing BlackLine with very little investment upfront. There's no hardware to purchase, very little IT involvement required and additional users may be purchased over time as they are needed. With a fast implementation cycle, a company can rapidly ascertain the value that BlackLine brings to the organization.

BlackLine's service approach eliminates any risk of a large software implementation gone awry and money wasted. It allows companies to pay for only what they're using and, if BlackLine does a great job for them, add more users and modules over time.

From an ROI perspective, BlackLine has a proven track record as well. Because virtually all software vendors make wild claims about ROI, BlackLine utilizes Nucleus Research, an analyst firm that specializes in evaluating and calculating ROI on software implementations, to evaluate various BlackLine implementations. Clear-cut examples of larger companies saving millions and smaller companies saving on headcount provide strong justification for a BlackLine project.

From BlackLine's perspective, the SaaS approach aligns perfectly with our focus on client satisfaction. Because the software is offered as a service, and not a one-time sale, we are continually motivated to make sure that our software and services are the best available.

**LJ:** *Are there industry sectors that seem to be moving forward faster than others?*

**TT:** Virtually all companies, big or small, can benefit from an automated, controlled financial close process. BlackLine alleviates the pain and hassle of managing thousands of disparate Excel spreadsheets, while reducing manual entry errors and allowing accountants to analyze data instead of spending time on data entry and photocopying.

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BlackLine has been very successful in highly regulated industries because financial executives in those industries recognize the inherent weaknesses in a spreadsheet-driven close process. Some examples include insurance, financial services, telecommunications, defense contractors and healthcare.

Any sector experiencing high growth, such as technology, also finds BlackLine appealing because the automation allows growth without adding to headcount; in other words, do more with what you have! We've also had strong growth in sectors that have been hard hit over the last few years and required strong efficiency gains in order to remain profitable (e.g. transportation and manufacturing).

### ***LJ: How would you define BlackLine's competitive advantage in the marketplace?***

**TT:** SaaS delivery takes the risk out of a software acquisition. That's a huge competitive advantage. It's also an advantage when companies have limited access to IT resources, want a quick implementation and don't want to worry about upgrades, backups or security.

The second competitive advantage that BlackLine has is our approach to security. Because we host confidential financial information for companies, we have an obligation to ensure that the data is secure and will never be breached in any way. To that end, BlackLine successfully completed its first SAS70 Type II audit in 2009 without any exceptions. This comprehensive audit confirms for our clients "that the service provider has adequate controls and safeguards in place to host or process data belonging to its customers." BlackLine Systems is the **only** software vendor for financial close and account reconciliations with a SAS70 Type II report.

BlackLine has established strong partnerships and working relationships with a number of other companies. For example, BlackLine also is the **only** account reconciliation software certified for integration with SAP Business Software Suite/SAP Financials. BlackLine provides a "BlackLine Implementation Certification" course for consulting partners so that they are able to provide quality implementation services around BlackLine to their clients. This four-day course has had attendees from Deloitte, E&Y, KPMG, Resources Global, Jefferson Wells, Protiviti, UHY Advisors and many others. This is an advantage for BlackLine, its partners and their clients because they ultimately are able to extract more value from the system by working with expert consultants.

Our best competitive advantage, however, is our happy clients. The accounting community is not that large, and a reputation, good or bad, will stay with you. Because our focus has consistently been on making our clients happy, we've built a tremendous reputation within the community for integrity and service that often precedes us.

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**LJ: What has enabled you to be successful?**

**TT:** I have a wonderful life! My family is incredibly supportive of me every step of the way. BlackLine employees are smart and passionate and fun. They make going to work every day a joy. I have been privileged to have clients from some of the best companies in the world. Many client contacts have become my personal friends. And over the years, I've had great mentors who have both advised me and even loaned me money when I needed it to make payroll in the early days!

Success, of course, requires hard work and perseverance, but achieving happiness too is the real blessing!



### Integrated Search Solutions Group

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