

# BLACKLINE Magazine

Menu

September 06, 2021

## The Impact of Robotic Process Automation in Accounting



David Brightman

Intelligent Automation

Make the move to modern accounting with BlackLine  
BeyondTheBlack 2020 | The Modern Accounting Virtual Experience  
Account Reconciliation  
SEE WHY CFOS TRUST BLACKLINE  
Accounts Receivable Automation



### What Is Robotic Process Automation in Accounting?

**Robotic process automation** (RPA) is a general set of automation tools for replicating any manual, repetitive process at scale, often by automating manual processes performed on spreadsheets, homegrown, order applications, or other systems.

RPA developers typically use a low-code or no-code workflow builder to create a set of steps that constitute automating an otherwise manual task. They also use a screen recorder to record keyboard strokes and mouse movements and can write or edit detailed step-by-step scripts (like coding) that manage the automation logic.

The recorded actions are then played back against existing systems and spreadsheets—for example, typing, selecting fields, copying and pasting—by what’s called a Bot, that performs the task in place of a human. Organizations develop RPA robots that can then be scaled up to automate repetitive work that may have otherwise consumed significant amounts of human resources.

By clicking "Accept All Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. More information is available by clicking "Cookies Settings" and in our [Cookie Policy](#).

Cookies Settings

Accept All Cookies

RPA strengthens Accounting by completing unskilled tasks. It fosters continuous improvement by enabling accountants to use their knowledge to continually enhance the capability of the robots while freeing themselves to be more analytical and forward-looking. It enables skilled individuals to provide strategic services to both their department and the entire organization.

RPA shines when running discrete, simple, high-volume tasks that would usually require little human supervision, such as invoice processing, entering sales orders, processing refunds, and automating customer service responses.

These tasks might require scraping customer details from a document or simulating typing customer information into a legacy application, and might include conditional business logic that defines what to do if there is an exception or other decision required.

## Benefits & Use Cases of RPA in Accounting

### Unifying Policies, Procedures & Systems

It's essential to have unified policies, procedures, and systems in place before utilizing the power of RPA in your Finance department. Otherwise, it will accelerate the production of waste alongside the automation of valuable activities.

But the hidden value of RPA is that it extends across the entire R2R process and automates those manual, error-prone procedures in the last mile of finance, which drastically reduces risk while delivering dependable data.

During the financial close, balances need to be validated, records must be consolidated, journal entries need to be adjusted, financial data is gathered to be disclosed, and financial statements must be prepared. There's a lot of risk for error in these activities, and that's where the hidden value of RPA comes in.

### Reducing Cost & Increasing Efficiency

[Gartner](#) states, "The last mile of Finance is ripe for cost reduction and efficiencies. While costs and resource consumption can be reduced by automating these processes, the bigger financial impact is in preventing the fallout from penalties, fines, lawsuits and valuation that result from inaccurate filing of financial statements."

With RPA, vast volumes of data can be processed in a fraction of the time while ensuring accuracy and granting visibility into even the smallest of details, regardless of region or division. While there is unquestionably great value in the reduction of the close timeline which grants time for analytics, RPA also delivers unparalleled accuracy, visibility, and reduction of risk.

While RPA delivers ROI across the entire R2R process, some ROIs are easier to measure than others.

It's easy to compare ROI on the reduction of FTE hours on mundane activities and increases in close efficiency, but perhaps the bigger impact of RPA is in its reduction of negative financial impacts, such as in its ability to stop mistakes before they are made or automatically attach documentation to proactively avoid audit fees.

### Intercompany Reconciliations

Instead, accounting effort is inverted to explain open items and flush out the intercompany plug (imbalances) continuously during the month and not at the end, which can delay downstream consolidation, forecasting, and financial reporting processes.

If these kinds of transactions are improperly accounted for, any out-of-balance accounts can seriously impact financial statements, creating compliance issues, risk of restatement, SEC imposed fines, and shareholder lawsuits.

The Intercompany Hub embeds configurable matching rules to perform intercompany reconciliations based on tolerance levels, identifying exceptions automatically, which is ideal for managing growing intercompany transaction volumes. It also enables companies to centralize documentation, transactional details, intercompany agreements, and pricing while acting as an ERP-agnostic connective tissue between different entities.

### Financial Planning & Forecasting

Planning could not be legitimate without accurate data. Your actuals are the blueprint for your business—you compare these against budget, and this is also where you derive your forecast.

By clicking "Accept All Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. More information is available by clicking "Cookies Settings" and in our [Cookie Policy](#).

[Cookies Settings](#)

[Accept All Cookies](#)

itself, which means the business has to wait until after the period-end for information.

By contrast, a modern accounting practice helps shift the nature of Finance’s work from canned after-the-fact reports to answering questions the business has with better, faster insights.

RPA is a powerful value driver for data analytics initiatives in an ever-growing digital landscape, working in tandem with APIs to unify the technology ecosystem and putting data or results into downstream systems. By connecting systems and data in this way, the efficiency gains unlock more time for Accounting to analyze results and look deeper at trends to better support agile forecasting and scenario planning.

This strategic focus becomes an energizing fuel for accountants to own the information ecosystem and function purely as trusted business advisors. Their role is to explain the financial health of the business to their peers in other departments and to advise on the financial impact of their decisions.

For example, suppose product sales and margins are off at the mid-month. The business no longer has to wait for month-end for the numbers—Finance can respond to the business with interim reports and analysis that will allow it to adjust its course more quickly.

## How RPA Can Help Your Organization Continuously Improve

Robotic process automation also sustains another effort that can yield a more strategic role for finance: continuous improvement. Even companies that have frequent process reviews will find that the fixes they make don’t always stay fixed.

Process automation establishes and sustains consistency in execution, which translates into fewer process issues to deal with. Moreover, well-designed RPA systems make it straightforward to make adjustments to processes and how they are performed.

By applying automation and analytics, robotic process automation frees individuals to turn to value-adding activities that take advantage of their professional skills, training, and experience. It also enables finance executives to use the gains in efficiency to concentrate on filling a more strategic role in their company by providing more timely and insightful information to the broader business.

[Read this guide](#) to better navigate today’s fast-changing tech landscape and advance your finance transformation initiatives.

## RECOMMENDED FOR YOU



### BlackLine Solutions for SAP

BlackLine is a proud SAP partner since 2009 and serves over 700 customers running SAP software as part of an end-to-end offering for modern accounting.



### BeyondTheBlack 2021 | Modern Accounting Virt

InTheBlack is now BeyondTheBlack. part of this global community o go beyond reconciliations, beyo books, and beyond legacy traditi accounting processes

By clicking “Accept All Cookies”, you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. More information is available by clicking “Cookies Settings” and in our [Cookie Policy](#).

[Cookies Settings](#)

[Accept All Cookies](#)