

FOOD AND BEVERAGE

More Ketchup Please

Kraft Heinz Bottles Up Million\$ With BlackLine

“The number of intercompany discrepancies has plummeted to near zero with BlackLine”

Paul Dubbelman, Finance Lead,
Global Business Services, Kraft Heinz



About Kraft Heinz

The Kraft Heinz Company is the fifth largest food and beverage company in the world, with 2022 revenues of \$26 billion. Created by a merger in 2015, the 38,000-person company sells iconic brands such as Kraft, Heinz, Oscar Mayer, Cracker Barrel, Planters, and Miracle Whip and has facilities in more than 40 countries.

Why Change

The 2015 merger between H.J. Heinz Company and Kraft Foods Group brought additional complexity for the newly combined accounting and finance function.

Dozens of new entities made reconciling millions of non-product invoices—transactions not directly related to operations or production—especially challenging: Post merger, the company had to navigate \$20 million to \$30 million in intercompany discrepancies between payables and receivables across multiple entities.

Reconciling these intercompany transactions required staff to aggregate data from multiple ERPs—SAP, Oracle, JD Edwards, and Epicor—into Oracle Hyperion Financial Management.

KraftHeinz

INDUSTRY

Food and Beverage

REGION

Global

ADOPTION DATE

2018 (IFM)

ERP

SAP

NUMBER OF USERS

250 (IFM)

SOLUTION

Intercompany Financial Management

PRODUCT

BlackLine Intercompany Non Trade

BENEFITS

- Reduced intercompany discrepancies of up to \$30 million a month
- Strengthened control and compliance
- Increased visibility into status and follow-up issues
- Improved efficiency across global user base

According to Paul Dubbelman, finance lead, Global Business Services, the process was “uncoordinated, uncontrolled, extremely manual, and very complex.”

As Hyperion reports could only provide an overview of discrepancies, it fell to local accounting teams to manually identify and report on the differences. “They’d have to break down the data by going back to the ERP and drilling into it. It was a struggle,” says Dubbelman. “We really needed a much better solution to bring those millions of dollars in discrepancies down to a manageable number.”

Why BlackLine

BlackLine Financial Close Management has been in use at Kraft since 2010. For Dubbelman, BlackLine Intercompany Financial Management was the next logical step to better automate non-product intercompany accounting, improve visibility, and standardize global practices on a common platform.

“Intercompany Financial Management was the obvious go-to. We already had a good working relationship with the BlackLine team on account reconciliations, and we’ve now built a very strong relationship with the team on our intercompany journey as well.”

Spearheaded by its Chicago co-headquarters, Kraft Heinz brought together people, process, and technology to ensure a successful Intercompany Financial Management implementation. BlackLine’s support was instrumental in rearchitecting processes and solving unique challenges, such as accounting for 300 VAT codes across 18 European countries.

“VAT was probably one of the hardest to solve in terms of complexity, because every country in Europe has their own VAT rules,” says Dubbelman. “We were able to bring together all the parts of what was needed to make this system and BlackLine work well from the beginning.

“To anyone out there struggling with intercompany transactions in terms of discrepancies, discipline, or other complexities, I can’t recommend BlackLine Intercompany highly enough.”

PAUL DUBBELMAN

FINANCE LEAD, GLOBAL BUSINESS SERVICES, KRAFT HEINZ

The Results



Reduced intercompany discrepancies by 20x to 30x.

With BlackLine, Kraft Heinz has cut intercompany discrepancies in non-product invoices ranging from \$20 million to \$30 million a month. Automation and increased transparency have given the intercompany team additional time to quickly resolve discrepancies.



Strengthened control and compliance.

BlackLine Intercompany Financial Management provides rigorously defined workflows, embedded controls, and validation for intercompany transactions that help drive compliance with company policy.



Minimized risk.

With BlackLine, Kraft Heinz has dramatically reduced the risks inherent in intercompany accounting, including those due to human error.



Heightened visibility.

BlackLine has improved visibility across non-product transactions so personnel can quickly identify, examine, and resolve exceptions. This has resulted in increased confidence in financial data while simultaneously freeing staff to focus on value-added work.



Increased efficiency.

A central intercompany accounting platform, BlackLine works across various localities, currencies, and regulations.



Achieved 93 percent transaction matching.

Building on its success with Intercompany Financial Management, Kraft Heinz is now using BlackLine Transaction Matching to cover invoices and balances between affiliate companies, such as a U.K. selling company and the supply chain hub, within the two major SAP instances in Europe and the U.S.

To find out how to take your intercompany beyond zero, visit us at blackline.com/intercompany

