



# Next Generation Financial Compliance Management Costco Wholesale's BlackLine Implementation

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Costco Wholesale Corporation operates an international chain of over 500 membership warehouses, providing quality, brand name merchandise at a low price to over 50 million cardholders. In FY07, Costco's annual revenues were \$64.4 billion, and Costco employs over 136,000 people worldwide.

Stephanie Delrow is the Financial Reporting Systems Administrator for Costco Wholesale, where she has led various financial reporting and compliance initiatives. From 2003 to 2006 she was a key figure in establishing and leading their Sarbanes-Oxley compliance program. Stephanie has recently served in the role of project manager for a number of enterprise-level system implementations within the Costco accounting division.



## GLCM: An Implementation Case Study

- Costco metrics
- Implementation project
- Implementation challenges
- Next steps



## In The Beginning

- Over 33,000(?) reconciliations performed each period throughout the company
  - Manual processes
  - Multiple systems
  - Lack of visibility
  - Time-consuming audit process





## Gathering Information

- 189,000+ balance sheet accounts
- 77,000+ reconciliations performed each period
- 215 users
- Homegrown G/L system
- 4 disparate subledger systems



Stephanie Delrow - System Admin  
Period End Date - P5 2008

Home

Accounts

Tasks

Variance

Users

Imports

Alerts

Reports

Settings

Help

Log Out

#### Account Assignment Status

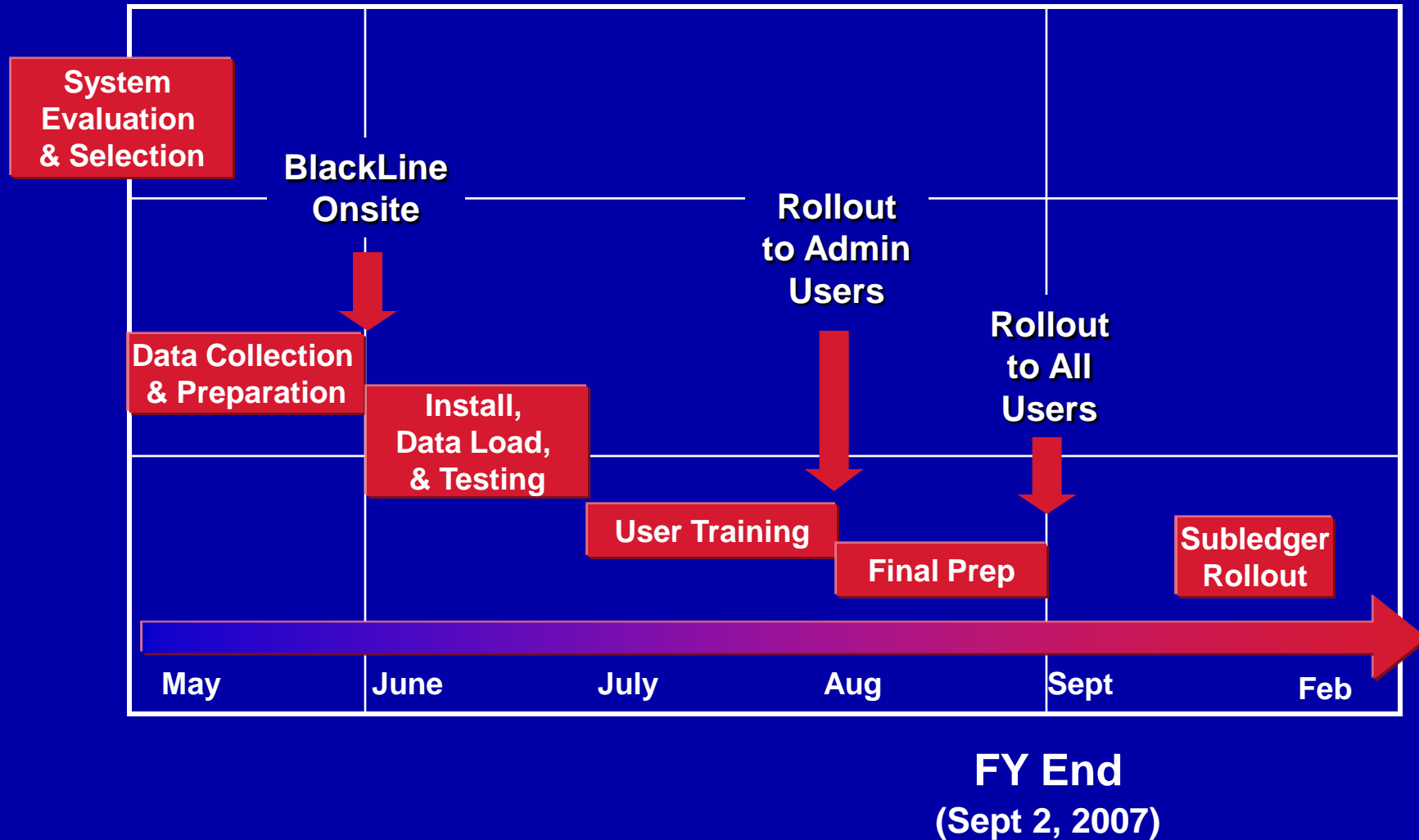
	Preparer	Approver	Reviewer
Assigned	<u>255598</u>	<u>255598</u>	<u>208314</u>
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>255598</u>	<u>255598</u>	<u>255598</u>

#### Tasks Assignment Status

	Preparer	Approver	Reviewer
Assigned	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>



# Implementation Timeline





# Project Team

- Accounting Core Team
  - Accounting Project Manager
  - Accounting Directors
  - Training Coordinator
- IS Team
  - IS Project Manager
  - IS Developers & Programmers
  - Server Specialists
- BlackLine Team



## Initial Data Load

- Initial query of G/L to draw all relevant accounts
- Distributed by director in spreadsheet questionnaires
- Collected completed questionnaires and cleansed data
- Worked with Blackline team to develop upload templates
- Created upload formats using Access/Crystal Reports



# Implementation Challenges

- Size
- Groupings
- Non-standard timing
- Alerts & go-live cutoff
- User adoption



# Where Do We Go Next?

## Lessons Learned

- Know your data
- Full-time project manager

## Next Steps

- Tasks
- Custom reports
- Integration with external reporting package – leveraging strategic partnerships
- International?

