



Fortune 500 energy company achieves

end-to-end R2R automation

Case Study



Region

Americas

Industry

Energy

Size

250 legal entities,
3 countries, 44 U.S. states

Solution

Finance Automation
by Redwood

ERP Integrations

SAP ERP

Results

Saved 45,000 hours annually

Reduced time spent on bank reconciliations by 88%

Company Overview

Energy Transfer is a U.S.-based midstream energy company with assets in 44 states and a growing international presence. Its core operations include transportation, storage and terminaling for hydrocarbon products, natural gas, crude oil, natural gas liquids and refined products.

Energy Transfer is one of the 50 largest corporations in the U.S., with an annual revenue of \$78 billion in 2023.

Business Challenge

The sheer size of the company makes Energy Transfer's finance function complex. Seven hundred accountants distributed across the U.S. manage 250 legal entities. For most, the close process takes between four and eight days.

Per month, the Accounting team handles:

- 4,000 journal entries
- 3,500 month-end close tasks
- Over 10,000 balance sheet certifications

Much of Energy Transfer's growth has been due to M&A.





We're a company of organic growth and acquisitions. With those acquisitions, you bring on a lot of manual processes and different ways of doing things, which you have to then integrate into your company's primary way of operating. There are a lot of automation opportunities to standardize when you're in an acquisitive environment.

— Jeff Bankert, Assistant Controller - Accounting Automation

After consolidating multiple SAP instances into one instance of SAP S/4HANA a few years ago, a lot of manual work still took place across the organization. Energy Transfer's leadership team knew they wanted to explore automation immediately.

Jeff explains that their accountants were spending about 80% of their time "wrestling with data" and 20% of their time analyzing and using that data. The vision was to reverse those percentages and transform the accountants from manual data processors into analysts.

Solution

When Jeff and his colleagues discovered Finance Automation by Redwood, they were optimistic about the potential fit, especially because of its strong relationship and integration with SAP. But they needed buy-in from their Controller and CFO. That required building a convincing business case for the platform's ability to automate processes rather than just tasks.

They embarked on a four-month proof-of-concept using three of Redwood Software's four pillars of finance automation: journal entry, task management and balance sheet certification. The team tested three processes in particular:

- **Bank reconciliation:** They would need to automate 150 reconciliations per month, which involved comparing two data sources.
- **Capital project settlements:** The company has many assets and needed to automate over 20 steps for each new asset.
- **SAP user access provisioning:** They received roughly 120 requests per month to provision SAP access based on certain conditions relative to non-SAP point solutions.

Finance Automation by Redwood passed with flying colors, demonstrating immense time savings right away. For example, user access provisioning, which used to take 20 minutes per instance, took just 10 seconds. Energy Transfer committed to Redwood without hesitation.

They succeeded in taking all three pillars from initial design and buildout through to deployment in an impressive 18 months — 12 months of building, testing and training development and six months of rollout.

Results

Jeff and the Energy Transfer team ensured success by aligning with six essential milestones in the finance automation process.

- 1. Develop a clear vision with senior leadership support.** Not only does this make it easier to vet platforms, but it can speed up adoption.
- 2. Document business requirements with key stakeholders engaged.** While this could be a challenge if you're reengineering processes, it's helpful for implementation.
- 3. Prioritize active project management.** Energy Transfer did this with in-person, recurring project read-outs spearheaded by Redwood deployments.
- 4. Engage in robust user acceptance testing.** Jeff recommends going beyond the "happy path," or your typical uses, to test out realistic and complex cases from heavy users.
- 5. Consider rollout strategy and training needs.** This is an area where it's vital not to short-change your team. Invest in both initial and secondary training.
- 6. Plan for post-deployment hypercare.** Your automation team should be available for immediate assistance for two to four months after deployment.

Reducing manual intervention across end-to-end processes at scale drove tangible outcomes for Energy Transfer's accounting function.

Hard savings	Soft savings
<ul style="list-style-type: none">Recovered 45,000 hoursAchieved end-to-end process automation — not just task automationReduced time spent on 150 bank reconciliations per month from one hour to seven minutesRetired two applications: Blackline and Winshuttle	<ul style="list-style-type: none">Standardized processes to improve readiness for audits and visibilityDramatically reduced user errorImproved ability to scale without a proportional increase in headcountDeveloped accountants' skills to turn them into analysts

Jeff explains that in addition to the cost savings, a major benefit of retiring Blackline and Winshuttle was the reduction in preparers' manual work that came with using a more intuitive solution.

"Redwood offers the ability to bring over open line item details instead of merely bringing over ending balance for the certification like Blackline," he says. "We can see what makes up the balance, including attachments in SAP, and a user can click to open them right from Redwood."

Wisdom for the automation journey

Energy Transfer's story proves the value of a careful and purposeful approach to finance automation. Jeff shares his top tips for other accounting professionals looking to increase efficiency and free up time to innovate.

- **Try to harmonize and standardize before automating.** "Automating a broken process isn't going to do anyone any good," he says.
- **Appreciate that an automated finance function eases M&A integration.** Rather than seeing it as a burden, know that automation is a gift for companies with complex needs.
- **Plan for the training required to upskill employees.** As they transition from mundane to analytical work, your team may need extra support.
- **Invest heavily in project management.** Your deployment timeline depends on tight organization and stakeholder involvement.



Our process automations are not unattended. There are opportunities for the accountants to interact with the automations as they're running, where analysis or review is required. That's the power and flexibility that Redwood automation provides.

— Jeff Bankert, Assistant Controller - Accounting Automation

Ready to streamline your entity close like Energy Transfer?

Find out what's possible with record-to-report automation.

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