

Introduction to
Company Consolidations
with
DataWise Pro-active
Report Writer



Introduction

There are a number of different types of company consolidation scenarios that our customers are challenged with. All these situations can be easily resolved using DataWise Pro-Active Report Writer.

Scenario One: The Head office and several similar branches.

The Head office and several similar branches. The Head office is a separate data file with its own unique set of accounts. Each of the branches is run as a separate company with its own management and bank account. A common chart of accounts is used by all the branches.

The Challenge is to have a consolidated report where each branch's income is represented on a single line and each branch's Cost of Goods Sold on its own line. Head office income and expenses are all represented as other income and expenses respectively.

Intercompany transactions must be netted out.

Budgeting and forecasting is required for each branch and must be simple enough to be managed by the branch manager who is not a financial person.

Branches must be able to be compared against each other so that managers have a benchmark to aspire to.

Scenario Two: Consolidating diverse company types.

Company consolidations are a critical aspect of reporting where the companies are very different so that the consolidated chart is again unique with individual files each having its own mapping.

Here there is the added complication in that some companies have a common manager. Consolidations by manager's companies must also easily done.

The Solution

MYOB accounting and DataWise Pro-Active Report Writer is deployed at each of the branches by means of a centrally managed Terminal Server. This ensures high speed access at the branch without there being the need for IT support to be replicated at each location. Each branch manager is able to enter data, and the Head office area manager is able to review the branch situations instantly. Each month the historic data from MYOB is seamlessly updated into DataWise and reports generated.

DataWise Pro-Active Report Writer is able to print a *Standardised* Profit & Loss report for each Branch. *Standardised* reporting is where all income and expenditure is expressed as a percentage of total income. This way each branch's total income equals 100% and each sales group and expense account is a percentage of sales totals and thus expenses such as rent, salaries packaging etc can be compared as if they were the same size. Also monthly trends are also easily identified. Eg: Packaging should always be a similar percentage of sales provided the average invoice \$ amount or mix, remains similar. Thus changes in trends are easily spotted.

The branch company files are easily consolidated into the Head Office accounts by mapping the sales from Branch 1..2..3.. to Sales Income Branch 1..2..3.. etc. In a number of cases only the Gross Profit is reflected in the Income and Branch expenses in Cost of sales. DataWise Pro-Active Report Writer allows accounts to be mapped across account types to allow this.

Allocation of Head office expenses can be shown separately or split between branches by creating a customised script.

Intercompany transactions are netted out in several ways. Intercompany loans and inventory each have corresponding Balance Sheet account numbers, and thus merge together. Sales, if not handled as stock transfers, are adjusted by a journal each month.

Multiple consolidation scenarios can be done to achieve combinations by manager or areas.

Budgets and Forecasts are normally very critical to these types of business situations. With DataWise Pro-Active Report Writer they can be rolled up and then the Standard, Cash Flow, Annual and variance reports printed. DataWise caters for 5 years of budgeting and forecasting.

How DataWise Pro-Active Report Writer Works

DataWise Pro-Active Report Writer seamlessly attaches to your MYOB file using the ODBC (Open Database Connectivity) driver. It then extracts the data and rearranges it in different ways to produce reports.

DataWise Pro-Active Report Writer also has its own data storage that allows additional budget information to be stored.

Setup allows the user to create 60 periods covering any required date range. (Weeks, months or years or a mixture). Company and sales tax rates are entered with the appropriate linked accounts. Contra accounts, auto journals and other settings are then reviewed. This process will normally take 2 to 5 hours depending on the complexity of the company, number of branches etc.

Budget data can then be entered manually or imported directly from spreadsheets. The DataWise calculation engine will then process this information and produce a number of reports. All these reports are self generating and have auditable integrity.

Balance sheet and P & Loss reports

- 12 Months per page per year

- 5 Years on single portrait page

- Monthly variance comparisons with

 - Current month, Year to date, Actual and Forecast Full Year, Last Year

- Print for actuals, budgets or variances only

- Standardised P& Loss report (All amounts shown as a % of sales)

Cash Flow reports

- Per individual bank account or all accounts combined.

- Summarised by account, description or showing full detail.

Company 3 page Summary Report

- Page 1 . B/S/Sheet and P&Loss showing EBIT, EBITDA and EAIT.

- Page 2 . Monthly Ratio analysis showing 19 common ratios.

- Page 3 . 4 KPI graphs (user defined from list).

Customised reporting

- Additional reports and report customisation, including exporting to Excel, Word and PDF are available to the user and also as an additional service by DataWise and its approved consultants.



Conclusion

DataWise Pro-Active Report Writer can resolve the problems associated with traditional consolidation methods.

Consolidations can be done with either the DataWise Pro-Active Report Writer Standard or Plus versions.

Consolidations are traditionally time consuming and expensive. They are usually done via spreadsheets with complex formulae or lookup tables to handle the mapping. Changes to the accounts structure can cause major reworking of spreadsheets.

DataWise resolves these issues by maintaining a single application which is easy to use and automatically highlights changes and allows for easy mapping of accounts in a single marching grid.

This White Paper deals with the issues around doing consolidations. For the step by step instructions on doing consolidations, please look at the help file. Also available at www.datawise.co.nz/downloads/ as a PDF format.

Where to next?

Visit our website at: www.datawise.co.nz for more information and a list of contacts in your area that can help you get started with DataWise right away.

Contact us on New Zealand - 09 478 0530
From overseas on - (0064) 9 478-0530

The website has information on:
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