

Financial Consolidation & Reporting through IBM Planning Analytics and QueBIT's ControlWORQ

The Challenge:

A global manufacturer of high-tech equipment runs a complex business, operating across many geographies, currencies and several business models. Pulling together the financial consolidation requires coordinating the efforts of many people, with several sources of data in a variety of formats.

The Solution:

Implement a new Financial Consolidation and Reporting solution based on the IBM Planning Analytics platform, together with QueBIT ControlWORQ.

The Benefit:

Significant decrease in time to complete the global financial consolidation and deliver reports; increase in accuracy and analytics capabilities.





About the Customer

A global manufacturer of leading-edge satellite communication and media solutions.

The manufacturer had many challenges with their financial consolidation and reporting processes.

Although there was an existing system in place, it was not working well for the manufacturer, which led to Excel becoming the de-facto tool. The manufacturer's business is very complex, with diversity across geography, currencies and business model. There are well over 20 entities submitting detailed trial balance data in local (functional) currency, including detailed inter-company transaction data. Pulling together the financial consolidation involves coordinating the effort and contribution of many people, with many sources of data.

The scenario is a classic one for this type of business: there are multiple General Ledger (GL) systems running on different ERP (Enterprise Resource Planning) platforms, and with different local Charts of Accounts. Many entities do business in several

transactional currencies, which the local GL converts into the functional currency of the entity for reporting. The functional currency data needs to be mapped to a single Global Chart of Accounts, and then converted into the two reporting currencies - US Dollars (USD) and British Pounds (GBP) – for the financial consolidation.

Any Corporate Controllers can tell you that the problems described above do not even represent the entire picture. Once the trial balance data has been converted to functional currency and mapped to a standardized Global Chart of Accounts, the following still needs to happen:

- Calculation of the Cumulative Translation Adjustment (CTA) in each of the reporting currencies, for each entity
- Inter-company eliminations
- Other adjusting journal entries
- Data validation
- Reporting

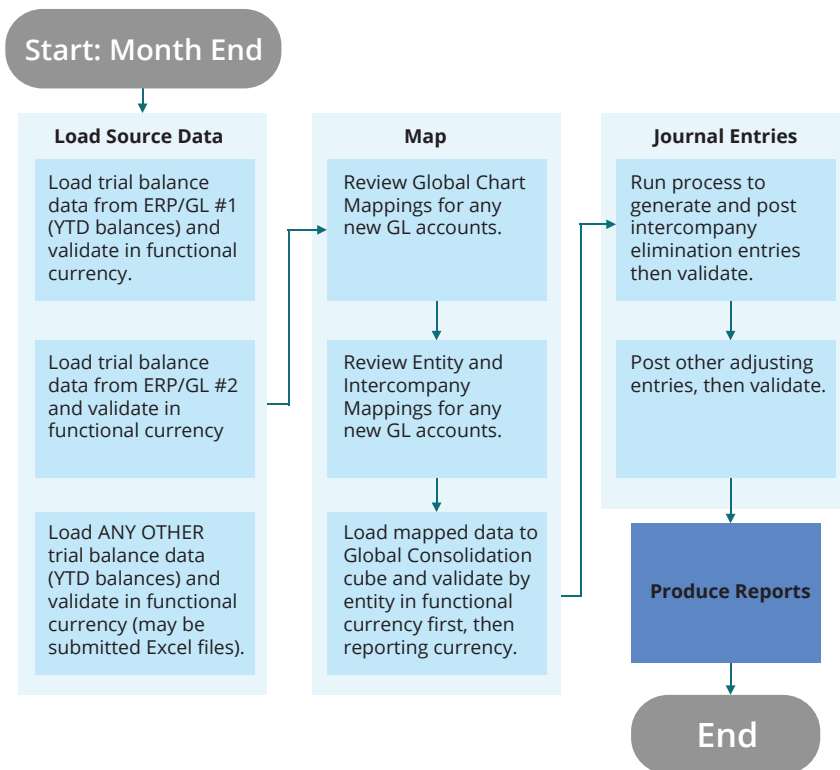
“I can't imagine not having ControlWORQ! It automatically posts all our intercompany eliminations, and conveniently lets us post adjusting entries directly from Excel.”

Senior Director, Financial Planning and Analysis

Before QueBIT was engaged, much of this work took place in Excel. Since there are many contributors to the process, a significant amount of time was spent on communication and managing the flow of data, to mitigate the risk of error. A late adjustment or correction within a single GL could derail the process and set it back several hours. Although Excel is an invaluable and irreplaceable tool for Accounting and Finance functions, its deficiencies in auditability and as a data management tool have been well documented. A financial consolidation that feeds financial management and statutory reporting is all about data, and needs to be accurate. The Excel-centered system could get the job done, but it was slow, error-prone and stressful. Furthermore, there was little time left over to perform additional analyses to drive quality business performance management.

QueBIT was engaged to help implement a new Financial Consolidation and Reporting solution based on the IBM Planning Analytics platform, together with QueBIT ControlWORQ.

IBM Planning Analytics is a powerful, in-memory, multi-dimensional database technology for financial applications, including financial consolidation, planning, forecasting and reporting. ControlWORQ provides a flexible web and Excel-based journal entry capability that augments and extends IBM Planning Analytics' features.



“By moving from an Excel-based consolidation to IBM Planning analytics, we’re seeing a significant time savings in our monthly closing process. As opposed to chasing down data and entries, we can now invest more time analyzing and interpreting our results. Having consistent and reliable financial data that is easy to access has improved our internal reporting by leaps and bounds!”

Manager of Accounting Systems

The implementation was done collaboratively with the Finance team, employing QueBIT's CARE (Collaborative Agile Rapid Enablement) Methodology with QueBIT contributing the following business and technical expertise:

- Best practice guidance on the extraction of trial balance data from the ERPs
- Advice on the structure of the Global Chart of Accounts and mapping practices
- Review of inter-company transaction data, and guidance on data capture to support inter-company eliminations at every level of the entity hierarchy
- Technical system architecture
- Software installation and configuration – both development and production environments
- Technical input to development of SQL queries from source ERP systems
- Design and Creation of IBM Planning Analytics cubes and dimensions
- Design and Creation of IBM Planning Analytics Turbo Integrator (TI) scripts to load and map data from the source systems, and support year-end processing
- Design and Creation of IBM Planning Analytics real-time calculation (Rules) development for currency translation, CTA and flexible Constant Currency / Variance Analysis
- Classroom Training for Finance team
- Supplementary knowledge transfer and support for Finance team through data validation, mapping and loading tasks, and Excel report building
- Configuration of ControlWORQ for journal entries and automated posting of inter-company eliminations
- Support for testing validation and documentation

Results/Benefits:

Data and model foundations have been laid to support the next phase: comprehensive integrated financial planning (Income Statement, Balance Sheet, Cash flow) and reporting on the same powerful IBM Planning Analytics platform.

Products Used:

- **IBM Planning Analytics 2.0**
- **QueBIT ControlWORQ 3.5**



About QueBIT

Trusted experts in analytics, QueBIT is dedicated to helping organizations leverage their data to make more intelligent decisions, that result in significantly improved business value. QueBIT has delivered analytics solutions for more than 450 organizations, including some of the largest and most successful companies in the world. QueBIT solutions span the entire spectrum of analytics, from data management, including Big Data strategy and implementation, Business Intelligence, Business Planning, Predictive Analytics and IoT Analytics. QueBIT's unique CARE methodology coaches customers to achieve independence in solution ownership, while delivering rapid time to value. QueBIT has been recognized with many industry awards. www.quebit.com