

Spotlight - Consolidation

Preparation

1. Take the latest Standard ERP version and import the demo data for Consolidation. Ensure you use ONLY the demo data that has been provided to you from HansaWorld for this demonstration.

2. Login with

Standard ID: sample@hansaworld.com

Passworld: Sample99

When running this internally, you need to be aware of some special terminology and explain them:

- Drill down
- Key Financial Ratios
- Daughter Company
- Mother Company
- Tags/Objects
- Eliminations

Benefits:

*Allows to set up daughter companies in the same database and import information from other databases.

*Drill-down possibility is available in all the consolidated reports down to transaction level in daughter companies.

*Information in reports is live and real-time. As soon as transactions get added into the system it can be seen by recalculating reports.

*Additional reports can be added as easily as in Nominal Ledger.

*KFR report allows defining Profit and Loss and Balance Sheet reports, in columns for a different period of times (months, years).

*Ownership percentage of daughter companies can be changed, over a period of time.

*Accounts can be added up under one account in mother company in case daughter companies use different accounts.

*Accounts can be split in mother company when daughter companies use the same account for a different purpose.

*Automated eliminations can be set up so that running maintenance at the end of the month, is enough.

*Gives possibility to run consolidated Cash Flow reports and different Management reports (for example Result per departments in one report, just in different columns).

The main way how it saves time is that you don't have to run reports in all daughter companies separately and then sum them up. You can just run one report and make decisions based on live data and one report. KFR report allows seeing countries in the columns, so great feature that has been added to consolidation report. In addition to showing totals, you can see country by country. You can also add control lines to notice mistakes easily.

Script

ACTION: Show Navigation Center with Consolidation Module activated. Make sure you are in Mother Company: go to Companies > Mother Company.

Standard ERP's Consolidation module, allows you to produce consolidated reports and reduces the risk of data and reporting errors when working with parent companies and subsidiaries.

ACTION: Go to Companies > show the list of Companies.

The Consolidation module allows you to build a multi-level organizational structure according to your business requirements.

ACTION: Go to Companies > Daughter 1 > Consolidation > Registers > Main Owner Percentage > open.

Let's look at a daughter company to see the setup of subsidiaries.

Subsidiaries can be fully or partially owned, and the ownership percentage can be changed over time at various intervals.

To analyze consolidation data, we'll return to the Mother Company.

ACTION: Companies > Mother Company > Consolidation module > Navigation Centre.

First, we need to remove internal cost and income transactions from turnover figures in consolidated accounts, to ensure group numbers as a whole are accurate.

ACTION: Companies > Mother Company > Settings > Auto Eliminations > show just browse window.

An easy way to eliminate internal costs and income is to use the Auto Eliminations setting together with the 'Account Auto Elimination' Maintenance function.

In this Setting, specify the two Accounts whose balances have to be eliminated, in just a few quick steps:

ACTION: Companies > Mother Company > Settings > Auto Eliminations > open "2. Profit Loss elimination" > circle the accounts 135 and 235 with a cursor.

Then run the 'Account Auto Elimination' Maintenance. It will reverse the balances of the Accounts specified in the Auto Eliminations setting.

ACTION: Mother Company > Routines > Maintenance > Account Auto Elimination > open just for a second.

I will now show you the wide range of reporting possibilities available in Standard ERP's Consolidation module:

ACTION: Reports > Profit and Loss, report > Accounts "Used Only" > Comparison "Previous period".

Here, I am running a Consolidated Profit & Loss Report for the Mother Company, comparing this month's group numbers with the previous month.

I notice the cost of sales, for example, has significantly increased and would like to investigate this further.

ACTION: Drill down account 210 > go to Daughter 1 > account 210 > show transaction.

The powerful drill-down function allows me to view the original relevant records directly from the Profit & Loss Report.

For even more detailed information, I can easily access the initial transaction in a Daughter company, without having to switch between Companies.

This powerful tool eliminates the need to carry out multiple reports, ultimately saving valuable time and money.