

5 THINGS EVERY CONSOLIDATION SYSTEM SHOULD DOBUT DOESN'T.



Is your
**“IF IT AIN’T BROKE
DON’T FIX IT”**
approach breaking
your financial
processes?

You can take an, “If it ain’t broke, don’t fix it” approach to household electronics or furniture, but when it comes to your consolidation, an incomplete system riddled with band-aids and workarounds could spell disaster for your understanding of performance. Not to mention, the business decisions you make based on that information.

FIVE REASONS LEGACY CONSOLIDATION SYSTEMS REQUIRE WORKAROUNDS:



1 They lack the automation needed by modern finance offices.



2 Consolidation between entities is fragmented, causing undo manual effort for finance teams.



3 Consolidation systems must be overhauled every time the company grows to include new standards, currencies, and activities.



4 Consolidation is siloed from financial reporting.



5 Finance teams must depend on IT to administer and update the system.



HOW WORKAROUNDS WILL FAIL YOU

Many inventive members of the Office-of-Finance have implemented fixes to make up for the shortcomings of their legacy systems. For example:

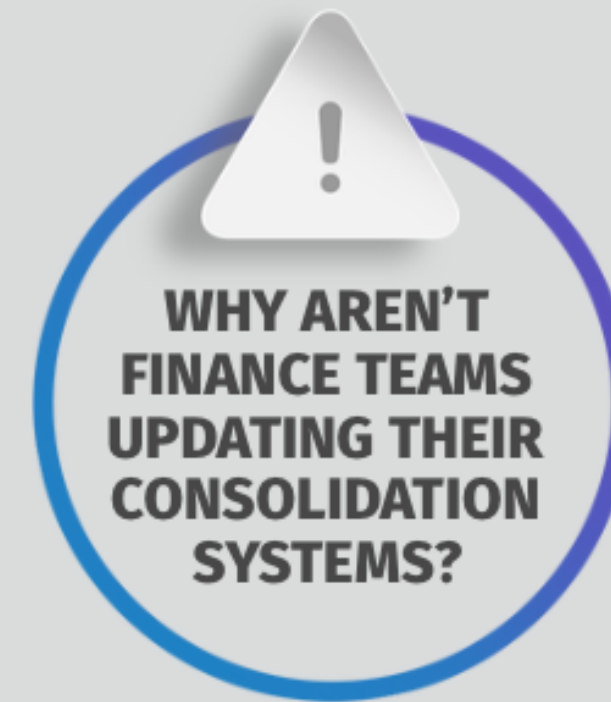
Manual intercompany eliminations

We know, you cannot manage the technical language that's why we also know that you face the nagging task of asking IT to create various consolidation rules to adapt to changing regulatory requirements.

Custom scripting

If you are dealing with old legacy solutions, you usually decide to take intercompany eliminations upon yourself to reconcile intercompany figures in spreadsheets outside the consolidation system.

EXPOSES ORGANIZATIONS TO A HUGE AMOUNT OF RISK!



WHY AREN'T FINANCE TEAMS UPDATING THEIR CONSOLIDATION SYSTEMS?

- **Overburdened finance teams don't know an alternative exists.**
- **They're too bogged down handling the day-to-day.**
- **It's easy to accept inefficiencies as "just the way things are."**

YOUR ORGANIZATION MISSES OUT ON A WORLD OF POSSIBILITY.

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Here are the top five things your consolidation system should do... but likely doesn't.

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Use Built-in Financial Intelligence

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Create a Global, Enterprise-Wide Consolidation Environment

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Adapt to Growth and Change with You

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Streamline The Last Mile of Finance and Break Reporting Boundaries

5



Give the Office-of-Finance Ownership



In order to reduce redundancy in your processes, your consolidation system should be an extension of your ERP and general ledger. Unfortunately, many consolidation systems lack the acumen of these accounting systems. If one-sided entries make their way into the system or if you can't determine your true cash position confidently, there's a greater



Modern day consolidation solutions have the same accounting intelligence as your ERP and general ledger.

A solution with built-in financial intelligence will give you these capabilities



DOUBLE ENTRY LOGIC

ERP entries have two sides and your consolidation system should too – as accounting dictates. Double entry logic eliminates the risks to your financial statements down the line.



TRUE CASH POSITION

Your consolidation system should show your cash flow position as part of the generation of financial statements. You shouldn't have to do a post-close analysis to sleuth out where the cash is.



DETAILED BREAKDOWNS

Your consolidation system should give you a detailed breakdown of data collected from different systems with no redundancy and no duplication. Through a modern consolidation solution, a bank, for instance, with \$100 million in mortgages on the balance sheet, can easily show details like the number of single-family and multi-unit mortgages and identify which are delinquent.

FROM ORACLE HYPERION HFM TO CCH TAGETIK, EUROPASSISTANCE ACCELERATES GROUP CONSOLIDATION



LEGACY SYSTEMS

One piece of data at a time

Aggregating data in a legacy system is a time-consuming, patience-testing process.



Additional module

Most legacy systems don't come complete with an intercompany transaction feature built-in. Most require that users purchase a separate module with limited capabilities.



Nope

No legacy systems works natively with SAP HANA.



CCH TAGETIK

Don't blink!

In CCH Tagetik, you aggregate large volumes of data for reports on-the-fly using our in-memory functionality.



A built-in cockpit

Intercompany transaction management is a standard function. CCH Tagetik has an intercompany cockpit, a command center within the system that allows you to manage and keep track of intercompany transactions including foreign currencies and exchange rates effects.



Yes

Thanks to CCH Tagetik natively integrated on SAP HANA, finance can make sense of growing volumes of performance data



MODERN CONSOLIDATION SOLUTIONS IN ACTION

"The implementation of CCH Tagetik has helped us to work faster, deliver better quality data, and comply with all requirements. My CFO is really happy because we now deliver consolidated figures on time."

Nathalie Cremades - Head of the Consolidation Department

Learn how replacing while simplifying group consolidation with CCH Tagetik, **EuropAssistance** can now handle all complex requirements.





We've seen companies face unprecedented global expansion, which is great! We've also seen those growing companies in a mad dash to patch up their consolidation processes. Often, those processes were over-extended in order to meet new requirements.

Many legacy consolidation environments aren't built for such quick scaling, causing those inventive finance teams to create workarounds, which inevitably bog down processes and expose the company to error.



Modern day consolidation solutions are created with expansion in mind.

A solution that creates a global, enterprise-wide consolidation environment will give you these capabilities

PROCESS WORKFLOW AND CONTROL MECHANISMS

Modern consolidation system should:

- * expand usage to multiple divisions and many users
- * provide a workflow with the ability to track submissions, verify changes and see where contributors are at the task level
- * have auditable control mechanisms so errors and unapproved changes won't migrate up the chain.



COLLABORATION TOOLS

Modern systems allow multiple contributors to work simultaneously on the same document using a single set of consolidated and vetted data. Managers complete all comments, reviews, and approvals within their system, so everything is traced in an audit trail and no update goes unanswered. Multiple contributors can work simultaneously on the same document or presentation with full security and governance. No more long chain of emails and offline notes. No more time wasted reviewing "old version" sets of data.



ENTERPRISE-WIDE CHECKS AND BALANCES

Today's modernized consolidation systems eliminate errors by enabling you to:

- Perform diagnostic checks and validation balances automatically during data entry and consolidation.
- Automatically process adjustments and eliminate external spreadsheets. Lock in the final, validated version of data, so it cannot be changed later in the process.
- Capture where changes were made, by whom, and when in an audit trail.



INTERCOMPANY MATCHING, RECONCILIATION AND ELIMINATION

Intercompany matching is a must-have, not a nice-to-have for global companies. Modern systems have real-time intercompany matching, reconciliation and elimination built directly in the consolidation solution. CCH Tagetik's intercompany cockpit provides a dashboard with real-time elimination status and the ability to easily modify, drilldown to invoice or transaction level, and add comments and attachments.



RUN MULTIPLE CONSOLIDATIONS SIMULTANEOUSLY

Today's consolidation and close time can be reduced from days to hours with solutions that allow you to run multiple consolidations simultaneously. Thanks to a built-in in-memory technology you can drill through data, run calculations on vast amounts of information and automatically process consolidation adjustments. Sub-consolidation scenarios become doable allowing you to run multiple sub-consolidation scenarios before submitting them for corporate or group consolidation



SMART CALCULATION ENGINE AND COMPLEX RULES

Modern Consolidation solutions allow you to define multiple scenarios and different rules for holding and sub-holding consolidation, no matter how complex the underlying logic is. But there's much more: they can help you speed up the consolidation process by performing calculations on the variance rather than on the full set of data.





LEGACY SYSTEMS

Process Control Mechanisms



Intercompany Matching, Reconciliation and Elimination



Multiple consolidations simultaneously



Collaboration Tools



Enterprise-wide checks and balances



Smart Calculation Engine and Complex Rules



CCH TAGETIK

Process Control Mechanisms



Intercompany Matching, Reconciliation and Elimination



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Collaboration Tools



Enterprise-wide checks and balances



Smart Calculation Engine and Complex Rules



MODERN CONSOLIDATION SOLUTIONS IN ACTION

Metro Group's legacy consolidation couldn't keep up with the global nature and complexity of the company's vast operations. With three sales lines, in 30 countries around the world, 220,000 employees and 170 nations diversified by language, currency and reporting standards, their consolidation needs were anything but simple. Only one solution was fit to **harmonize the 20 different ERP systems running in 480 reporting units.**

Find out how CCH Tagetik modernized and simplified Metro Group's global consolidation process.





What is the one thing that banking, insurance, law, telco, automotive, fashion, construction and engineering, CPG, oil and gas, retail, media and entertainment, and power and utilities industries have in common? *The promise of change.* Sometimes this means mergers and acquisitions. Other times this means more competition from a global market. More often than not, it means revitalizing business models to meet new consumer demands.



Modern day consolidation solutions are created with changes in mind.

A solution that supports the evolution of your business includes the following capabilities:



PERFORMANCE ANALYSIS FOR M&A AND STRUCTURAL CHANGES

Legacy consolidation systems leave users with blind spots in M&A activity and the performance of other structural business changes. Modern consolidation systems anticipate that your company will face growth and change by giving you the ability to value investments at any stage, see the net equity impact, roll over into any dividend, investment eliminations or equity pick up.



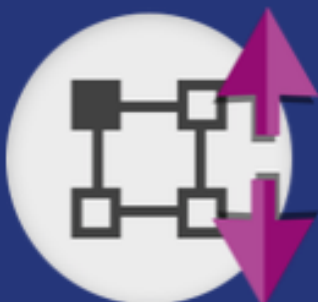
VARIANCE ANALYSIS

True performance in the face of change should be tracked and analyzed from the beginning. In legacy systems, this post close analysis occurs in a separate system, often manually performed on spreadsheets. Modern solutions make this process automatic. You can see how the business is performing in real-time, regardless of currency fluctuations between budgets and actuals.



BUILT-IN LOGIC FOR CURRENCY CONVERSION

Modern consolidation systems are fluent in currency adjustments. They can process currency conversions in the local currency and automatically calculate the exchange rate difference. The logic should accommodate historical exchange rates for retained earnings and apply it by period. This automation prevents misnomers from making their way into the final reports.



ALLOCATIONS

Executive and managerial decisions cannot be made with an apples to chocolate bars view of direct, indirect and activity based costs. Yet, this is essentially what occurs when multiple currencies come into play. Modern consolidation solutions allow you to get a detailed picture of operations by applying cost allocations' rules after being converted to a common currency.



MULTI-GAAP AND REGULATORY REPORTING SUPPORT

When it comes to regulatory requirements, today's consolidation systems should have support for built-in multi-GAAP (IAS, IFRS, US GAAP, etc) and consolidation adjustments. They should be the single source of data for local regulatory reporting and promote consistency throughout the full reporting chain.



EXPANDING TO PLANNING AND REPORTING

Consolidation should never be separate from other financial processes. After all, consolidated figures appear in plans, regulatory reports and financial statements. Doesn't it make sense that these systems would cascade into other another? With legacy systems, they're stacked and patched on top of each other, one by one. Modern solutions unify consolidation with planning, budgeting and reporting processes to cut the work and increase the accuracy.



LEGACY SYSTEMS

Built-In logic for currency conversion



Variance Analysis



Performance analysis for M&A and structural changes



Allocations



Multi-GAAP and regulatory reporting support



Expanding to Planning and Reporting



CCH TAGETIK

Built-In logic for currency conversion



Variance Analysis



Performance analysis for M&A and structural changes



Allocations



Multi-GAAP and regulatory reporting support



Expanding to Planning and Reporting



MODERN CONSOLIDATION SOLUTIONS IN ACTION

10 years ago, Medline had three entities. Over the next four years, growth struck the company with a galeforce and they expanded to 70 entities. Medline chose CCH Tagetik due to its **ability to scale quickly, make a very complex consolidation environment simple** and roll out seamlessly internationally. Now Medline has reduced publishing time from months to weeks, performs monthly consolidations and can forecast regularly.

Find out how CCH Tagetik modernized Medline's global consolidation process.





Just as the leg bone's connected to the knee bone and the knee bone's connected to the thigh bone, consolidation needs to be connected to the rest of your corporate performance system. Most legacy CPM systems stop after consolidation before reaching the last mile. Yet, this cuts off financial processes at the head.



Modern CPM solutions don't just connect consolidation with budgeting, planning, modelling and forecasting. They unify the last mile of finance - reporting - by integrating consolidated financials into reports.

A solution that supports all the processes within the Office of the CFO gives you the following capabilities



CASCADING SINGLE SOURCE OF DATA

Is that the most recent figure? Now you can be sure. Modern complete consolidation solutions automatically pull financials from the ledger. They validate and manage data through the closing process, and streamline the production of financial statements in the last mile. When reporting contributors create their documents, consolidated data populates into reports automatically from a single source.



SELF-SERVICE REPORTING

If only spreadsheets were enough. While data visualizations and extractions were once dependant on IT, modern solutions empower finance to drill into data, visualize trends and easily create performance dashboards, financial reports, management reports, budget and board books. No longer does finance have to depend on others to get the data most meaningful to them.



SECURE WORKFLOW

Through a collaborative workflow in a controlled auditable process, modern Consolidation solution allow you to manage reviews and extract data for your reports. You don't have to work in five different desktop versions or worry about missed edits. You get secure data, secure information, all ready for your report books.



TIE NUMBERS WITH NARRATIVE

Modern systems connect numbers with narrative, providing the ability to easily tell the story and provide the information demanded by shareholders. Integration with MS Word and PowerPoint allows Finance to easily create the board books, regulatory reports and management presentations. Automatic refresh and roll forward into the next time period updates the numbers and narrative.

FROM ORACLE TO CCH TAGETIK, MERSEN NOW HAS A SCALABLE, FLEXIBLE AND ROBUST CPM SOLUTION.



LEGACY SYSTEMS

H.E.L.P

For any new rules or changes to the systems, financial users require IT assistance.



You break it, you buy it

Most legacy systems use visual, basic script for all calculations. This means users need extensive IT support. When updates occur, scripts can break and corrupt. In all cases, scripting is time and resource consuming.



Days

With outdated technology, consolidation, reporting and analysis takes days to process.



CCH TAGETIK

Complete autonomy

The system is user-friendly, financial users can create new rules and customizations on their own accord.



No scripting needed

You'll seldom have to complete any scripting. In CCH Tagetik, you get a suite of calculation out-of-the-box. Plus, you can build custom calculations easily and without scripting using a helpful wizard to guide you through the process.



Hours

Complete consolidation and close in hours, not days. CCH Tagetik expedites the close process with in-memory technology, a simple workflow, more effective validations, top notch intercompany matching, and advanced reporting and analysis capabilities.



MODERN CONSOLIDATION SOLUTIONS IN ACTION

"With CCH Tagetik, consolidation and management reporting are now at the core of our group's financial management, thanks to the software's greater flexibility and the improved response-time it allows our teams."

Thierry de Taeye - VP, Group Accounting and Controlling

Learn how **Mersen** reduced IT dependency, reduced cost, reduced risk with CCH Tagetik Finance Transformation Platform.





When the Office-of-Finance is dependant on external departments, two things occur:

1. Either contributors and technical systems, financial processes take longer than they should
2. Finance doesn't get what the system they want or need.

No one enjoys a late night spend validating, vetting,



Modern systems are built with a finance front-end in mind, putting power in the hands of finance so they can get their work done the way they want to. No more submitting requests to a busy IT department. No more hounding contributors.

A solution that gives the Office-of-Finance ownership gives you the following capabilities



NO SCRIPTING

Many legacy solutions require IT to write consolidation rules, customize dimensions, calculations and scripts. Modern solutions provide built-in functionality and 'drag and drop' technology for administration, anticipating the needs of the modern finance office and providing finance-friendly tools to get the job done.



FLEXIBILITY

When your company grows, you shouldn't be bogged down in the logistics of getting your technology up-to-speed. Your consolidation system should grow with you, your needs, your team, your processes and your IT strategy.



FULL CLOUD FUNCTIONALITY

Changing your strategy from on-premises to the cloud with a modern solution should be a seamless process. Best-in-class modern solutions complete your migration without compromising functionality, security or having to reinvent the wheel. Modern cloud solutions have the same capabilities as on-premises solutions without forcing you which one to choose.



FINANCE ADMINISTERED

Unlike legacy systems which are managed and maintained by IT, modern systems have a finance friendly administration interface so that finance can be in the driver's seat. Finance can make updates and get the information they need, when they need it, without having to submit IT requests or wait on third parties to get to their ticket.



REDUCED CYCLE TIME

Financial intelligence and finance-controlled rules eliminate bottlenecks and redundancies associated with approvals and vetting. Since modern consolidation solutions automate validations, reconciliation and calculations, finance can use the time freed up by their new efficiency to focus on analysis, not logistics.



INCREASED ACCURACY

Modern consolidation solutions turns consolidated figures into a single version of the truth, even with multiple sources, currencies, languages and global contributors. This way, statutory and management reports match and adhere to local requirements and currencies, while remaining consistent globally.



MODERN CONSOLIDATION SOLUTIONS IN ACTION

LEGACY SYSTEMS

No scripting required



Flexibility



Full Cloud Functionality



Finance administration



Accuracy



CCH TAGETIK

No scripting required



Flexibility



Full Cloud Functionality



Finance administration



Accuracy



Nelnet used to spend hours of effort manually adjusting journal entries, vetting, ticking and tying data. Their close calendar was eight days long, with two days dedicated to building Excel-based journal entries alone. With CCH Tagetik, **everything is automated so their finance team is more efficient, their consolidation process is more accurate and they experience full version control.**

Find out how CCH Tagetik modernized Nelnet's consolidation and reporting process.





TODAY'S CONSOLIDATION SYSTEMS SOLVE YESTERDAY'S PROBLEMS.

No longer should finance have to create tedious workarounds or band-aid solutions. There's a way to reduce the manual and error-prone work, simplify the nitty gritty and otherwise free up the Office of Finance to become a source of strategic action. Indeed, finance has the power to become a performance, action driving department. They have the knowledge. They have the information. They have the accounting prowess. It's the technology that needs to get up to speed.

THE MODERN CONSOLIDATION SOLUTION CHECKLIST

- ✓ Built-in Consolidation Intelligence (Maintained by Finance)
- ✓ End-to-End Close in One Solution
- ✓ Comprehensive Reporting and seamless MS Office Integration
- ✓ Fast Upgrades with a Product Road Map
- ✓ And... Free Time to dedicate to Value-Added Analysis



IF YOU'D LIKE TO KNOW MORE ABOUT CCH TAGETIK FOR CONSOLIDATION, BOOK A DEMO WITH ONE OF OUR EXPERTS. FILL OUT THE FORM AND WE WILL GET BACK TO YOU ASAP.

