

# 5 THINGS EVERY CONSOLIDATION SYSTEM SHOULD DO .....BUT DOESN'T.



# ARE YOU USING WORKAROUNDS TO MAKE YOUR CONSOLIDATION PROCESS... WORK?

You can take an “if it ain’t broke, don’t fix it” approach to household appliances. But when it comes to your financial consolidation process, a legacy system riddled with band-aids and workarounds could spell disaster for your understanding of performance and, not to mention, the business decisions you make based on consolidated information.

## 5 RED FLAGS THAT YOU’RE USING CONSOLIDATION WORKAROUNDS:



1

Your consolidation system lacks the capabilities required by a modern finance office.



2

Your consolidation between entities is fragmented and the processes requires undue manual effort from finance to complete.



3

Your legacy consolidation system can’t accommodate new or evolving standards, currencies, or corporate activities.



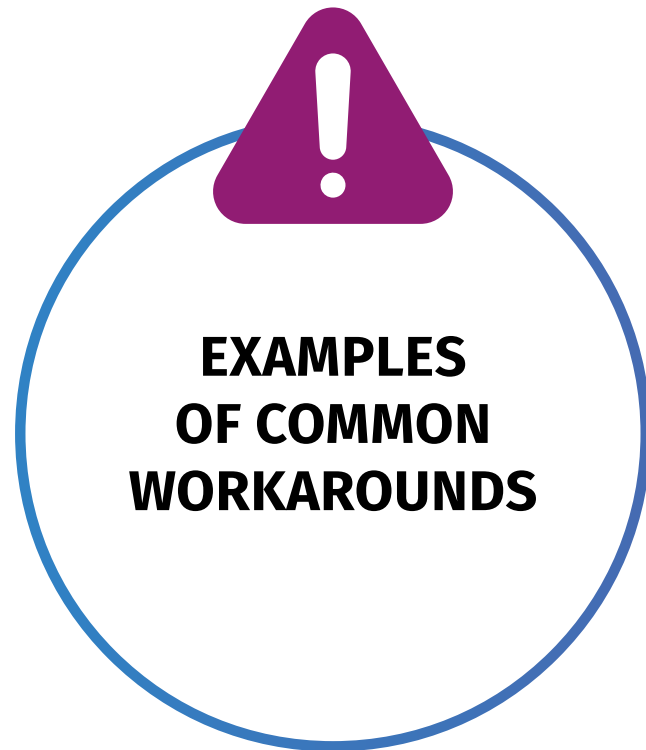
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Your consolidation process is siloed from reporting and disclosure processes.



5

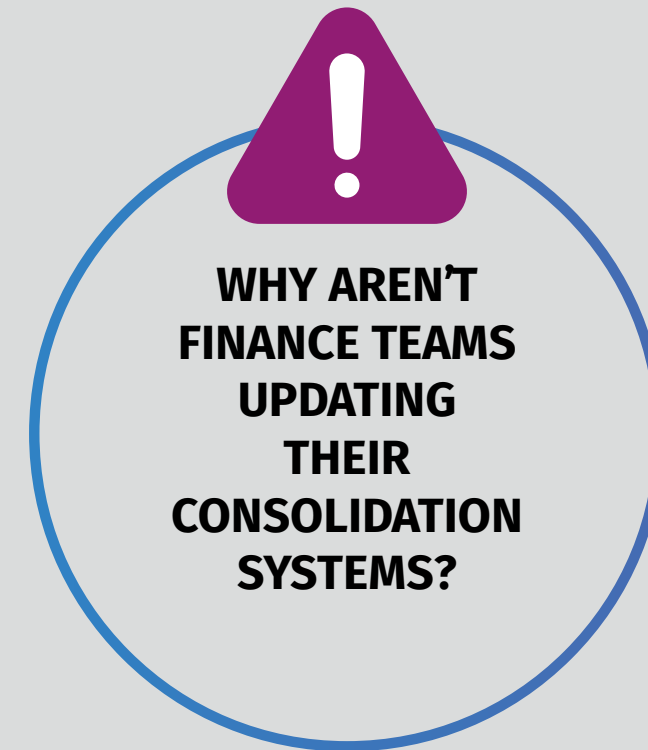
Your finance team depends on IT to administer and update the system.



Many inventive members of the Office-of-Finance have implemented fixes to make up for the shortcomings of their legacy systems. Here are just a few:

- Manual intercompany eliminations
- Consolidation rules custom scripted by IT
- Purchasing multiple products to manage – what should be – standard tasks

**EXPOSES ORGANIZATIONS TO A HUGE AMOUNT OF RISK!**



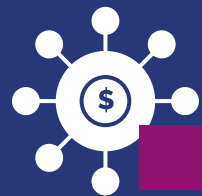
Most often, overburdened finance teams don't have the time, capacity, or executive buy-in to update the consolidation system.

- They don't know an alternative exists
- They're too bogged down handling day-to-day tasks
- They're forced to accept inefficiencies as *"the way things are."*

**MANY ORGANIZATIONS MISS OUT ON A WORLD OF POSSIBILITY.**

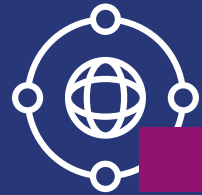
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4

**Streamline Reporting and Disclosure**



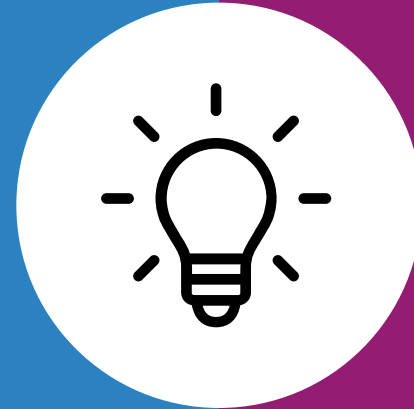
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**Empower the Office of Finance with Process Ownership**



# USE BUILT-IN FINANCIAL INTELLIGENCE

To reduce redundancy in your processes, your consolidation system should be an extension of your ERP and general ledger. Unfortunately, many financial consolidation systems lack the intelligence of these accounting systems.



**Consolidation solutions should have the same accounting features as your ERP and general ledger.**

## Your consolidation solution should include:

### DOUBLE ENTRY LOGIC

ERP entries have two sides. Your consolidation system should too. One-sided entries increase the potential of errors making it into financial statements. Double entry logic eliminates this risk.

### AUTOMATIC CASH FLOW POSITION

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

### DETAILED BREAKDOWNS

Your consolidation system should give you a detailed breakdown of the balance sheet, P&L, and cash flow data allowing you to drill-down to any detail across financial and management hierarchies, including geo, product or customer.

# FINANCIAL INTELLIGENCE IN ACTION: EUROP ASSISTANCE

	LEGACY SYSTEMS	CCH TAGETIK
Double Entry Logic	✗	✓
Automated Cash Flow Position	✗	✓
Detailed Break Downs	✗	✓

## 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

A mere two years into using CCH Tagetik’s modern solution for consolidation, Europ Assistance now views its previous legacy system as “old.” Today, its finance team can configure the product independent of IT. The traceability of data between accounting and consolidation led to a change in relationships within financial service. All in all, CCH Tagetik’s built-in experience has allowed Europ Assistance’s business units to move from mass data processing to analysis. Learn how Europ Assistance uses CCH Tagetik’s pre-built intelligence to simplify its complex consolidation requirements and better communicate with its parent company, Generali.

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



# SUPPORT A GLOBAL, ENTERPRISE-WIDE CONSOLIDATION ENVIRONMENT

Large global enterprises that span geographies, currencies, and accounting standards have complex group consolidation and sub-consolidation needs that legacy systems further divide.

Plus, when a company expands globally, whether by M&A or demand, there's often a mad dash to cobble together financial processes to ready the numbers for group consolidation. Legacy consolidation environments aren't built for such quick scaling, causing inventive finance teams to create workarounds, which inevitably bog down processes and expose the company to error.



**Consolidation solutions should be built for expansion with the expectation that your organization will grow, change, and be subject to new requirements.**

## Your consolidation solution should include:

### CONFIGURABLE RULES AND HIERARCHIES

Hierarchies and models should be so simple to adjust that they can be easily managed by finance — not IT. No matter how complex the underlying consolidation logic, you — as a non-techy finance user — should be able to define multiple scenarios and set different rules for holding and sub-holding consolidation.

### PROCESS WORKFLOW AND AUTOMATED CONTROLS

Your solution should allow you to track contributors' submissions, verify changes, and identify progress at the task-level. What's more, your solution should have control mechanisms — like automatic approvals and data locks — to prevent unapproved or outdated data from migrating up the chain.

### COLLABORATION TOOLS

Find yourself stuck scouring through long emails chain of feedback or wading through pages of offline notes? That's decentralized legacy systems for you. Instead, your consolidation solution should allow contributors to work on the same document simultaneously while leaving all comments and reviews inside the system.

### VALIDATION AND AUDIT TRAIL AT EVERY STEP

Your consolidation solution should be built to automatically eliminate errors by enabling you to perform diagnostic checks and validate balances during data entry and consolidation. Critical to data integrity, your solution should include a comprehensive audit trail that captures where changes were made, by whom, and when.

### BUILT-IN INTERCOMPANY TRANSACTIONS

You shouldn't need a separate product for intercompany matching. Nor should IT have to script that functionality. Your solution should come complete with intercompany matching, reconciliation and elimination built in.

### RUN MULTIPLE SUB-CONSOLIDATIONS SIMULTANEOUSLY

Shorten consolidation from days to hours by running multiple sub-consolidations simultaneously. The only way to do this? In-memory technology. In-memory processing is the mechanism that gives you to access to real-time information. It allows you to run calculations on large volumes of information and process adjustments quickly.

# A COMPLEX GLOBAL CONSOLIDATION ENVIRONMENT IN ACTION: METRO GROUP

	LEGACY SYSTEMS	CCH TAGETIK
Configurable Rules and Hierarchies	✗	✓
Automated Controls	✗	✓
Data Validation	✗	✓
Intercompany Transactions, Reconciliation, Matching	✗	✓
Run Multiple Sub-Consolidations Simultaneously	✗	✓

## MODERN CONSOLIDATION SOLUTIONS IN ACTION

With three sales lines in 30 countries around the world, 220,000 employees and 170 nations diversified by language, currency and reporting standards, Metro Group's consolidation needs were anything but simple. Only one solution was fit to harmonize the 20 different ERP systems running in 480 reporting units: CCH Tagetik.

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

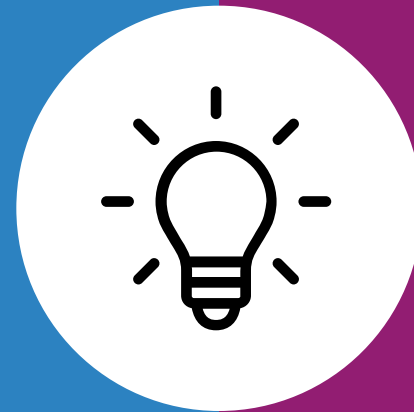




# ADAPT TO CHANGE WITH YOU

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 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.



**Consolidation solutions should be agile when your business changes and help your business change when the environment changes.**

## Your consolidation solution should include:

### PERFORMANCE ANALYSIS FOR M&A AND STRUCTURAL CHANGES

In the wake of M&A or structural changes, legacy systems leave you with blind spots. Your consolidation solution should give 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

In legacy systems, post close analysis occurs outside the system in spreadsheets. Bring it back in the system with a solution that offers automatic ad hoc reports that provide you with immediate insights. Your consolidation solution should display fluctuations between budgets and actuals in real-time without forcing you to leave the platform.

### CURRENCY CONVERSION

Your consolidation solution be able to process currency conversions in local currencies and automatically calculate the exchange rate differences. The solution should also accommodate historical exchange rates for retained earnings and apply it by period to prevent currency errors from entering 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 converting to a common currency.

### MULTI-GAAP AND REGULATORY REPORTING SUPPORT

Today's consolidation solutions should support multi-GAAP and IFRS requirements and consolidation adjustments, drawing from a single source of data to promote consistency across the reporting chain.

### UNIFIED SOLUTION

Is your close long and consumed by data entry? Look for data-driven consolidation solution that centralizes all corporate financial and non-financial data in one unified solution, and automatically serves that information out to all processes including account reconciliation, close and consolidation, and also reporting, planning and regulatory compliance.

# AN AGILE SOLUTION IN ACTION: MEDLINE

	LEGACY SYSTEMS	CCH TAGETIK
Analysis for M&A and Structural Changes	✗	✓
Variance Analysis	✗	✓
Currency Conversion	✗	✓
Allocations	✗	✓
Multi-GAAP and Regulatory Reporting	✗	✓
Unified Solution	✗	✓

## MODERN CONSOLIDATION SOLUTIONS IN ACTION

10 years ago, Medline had three entities. Over the next four years, growth struck with a gale-force and the company 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 transformed Medline's global consolidation process into one that's agile, accelerated, and accurate.



# INTEGRATE CONSOLIDATION WITH THE LAST MILE

Just as the thigh bone is connected to the knee bone, consolidation needs to be connected to reporting and disclosure. Most legacy systems tackle consolidation and consolidation alone, amputating the last mile of finance from its data foundation.



**Consolidation solutions should unify the last mile of finance — reporting, disclosure and iXBRL — to the first mile of finance, and automatically cascade consolidated financials into reports.**

## Your consolidation solution should include:

### FINANCIAL AND MANAGEMENT REPORTING

A consolidation solution that's all for one, one for all combines regulatory, management and financial reporting — promotes continuity and cohesion across disclosures, departments and decision making. A modern solution handles multiple sources, currencies, languages and global contributors, so your statutory and management reports match, adhere to local requirements and currencies and remain consistent globally.

### AD-HOC REPORTING AND ON-THE-FLY ANALYTICS

Today, you need to go beyond basic reporting. This means “why” behind recommendations and actionable guidance for better results. Your consolidation solution should provide the dynamic self-service reporting and analytics capabilities to quickly mine data for variances, trends, insights and ideas for future growth.

### AUTOMATED REPORT AND PRESENTATION BUILDING

Your consolidation solution should have the ability to automatically populate consolidated figures into familiar platforms and expedite the report creation process and reduce errors by powering word processing tools — like Microsoft Excel, PowerPoint, and Word — with financial intelligence, automation, and real-time numerical and narrative data.

### DISCLOSURE MANAGEMENT

Does your consolidation system enable you to meet multi-GAAP requirements, EBA reports, IFRS disclosures, integrated reporting goals? Your consolidation solution should offer support for disclosure calculations and formatting for every regulatory body you need to comply with. In other words, you shouldn't have to employ a third-party vendor to meet these needs.

### IXBRL FOR ESMA

You shouldn't have to add yet another software to your IT mix — or have to deal with the patches and data loading that go along with an integration. Your consolidation solution should expand to support iXBRL in ESEF format and include auto-tagging, validation, and roll over.

### END-TO-END SOLUTION

When all your data is centralized in a unified platform, the result is streamlined processes, increased accuracy and improved data governance. Your solution should cover every process including account reconciliation, consolidation, financial and management reporting, disclosure and iXBRL.

# AN INTEGRATED SOLUTION IN ACTION: ERSTE

	LEGACY SYSTEMS	CCH TAGETIK
Ad-hoc Reporting and Real-time Analytics	✗	✓
Native Microsoft Office Integration	✗	✓
Disclosure Management	✗	✓
iXBRL for ESMA	✗	✓
End to End Solution	✗	✓
Financial and Management Reporting	✗	✓

## MODERN CONSOLIDATION SOLUTIONS IN ACTION

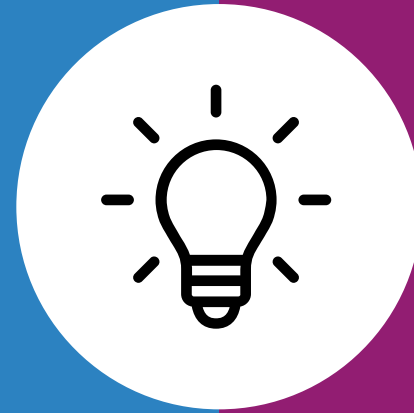
Erste uses CCH Tagetik to consolidate 400 entities. From A to Z, the company uses CCH Tagetik for data collection, consolidation, reporting, disclosure and iXBRL. The flexibility and improved response-time CCH Tagetik has given the organization has resulted in a greater ability to adapt and evolve the business and the group.

Learn how Erste integrated consolidation and the last mile of finance in CCH Tagetik.



# EMPOWER THE OFFICE OF FINANCE WITH PROCESS OWNERSHIP

When the Office of Finance depends on external departments, contributors and technical systems, financial processes take longer than they should. Either finance doesn't get exactly what they want or they end up hounding IT to get requests filled, pushing deadlines, or working overtime. No one enjoys a late night spend validating, vetting, or inputting data. And yet, because of their on-premises, one-size-fits-all nature, legacy systems inherently rely on IT departments to function and adapt.



**Consolidation solutions should be built with a finance front-end. This puts the power in the hands of finance so you can get work done the way you want to. No more submitting requests to an overburdened IT department. No more hounding down contributors.**

## Your consolidation solution should include:

### NO SCRIPTING

Legacy systems require IT to write consolidation rules and customize dimensions, calculations and scripts. Your solution should 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. No more depending on IT or 3rd parties for every change.

### CLOUD WITHOUT COMPROMISE

Cloud-based enterprise software is the only way forward for global organizations. Keep an eye out. Your cloud consolidation software should have the same capabilities as an on-premises solution, but many lack essential on-premises features. What's more? Best-in-class solutions migrate your processes without compromising functionality, security or making you reinvent the wheel.

### REDUCE CYCLE TIME

To reduce consolidation cycle time and free up finance to focus on value-driven tasks, your solution should work to eliminate the bottlenecks that result from delayed approvals and time-consuming data validations. A unified platform with automated data validations, account reconciliation, and workflow are critical to achieving this level of autonomy.

### A SINGLE VERSION OF THE TRUTH

Your consolidation solution should plug into existing data systems and centralize consolidated figures for use in other financial processes, like disclosure, planning, and analytics. All contributors work with a single — up-to-date — version of the truth to prevent inconsistent or incorrect information from entering the reporting chain.



# A FINANCE-OWNED SOLUTION IN ACTION: KWH GROUP

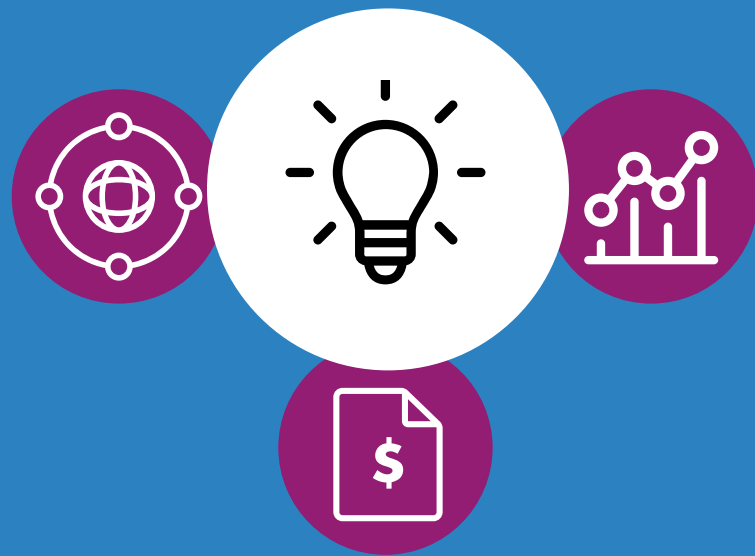
	LEGACY SYSTEMS	CCH TAGETIK
Finance-Friendly Configuration	✗	✓
Cloud Solution with No Compromise	✗	✓
Automated Intelligence	✗	✓
A Single Version of the Truth	✗	✓

## MODERN CONSOLIDATION SOLUTIONS IN ACTION

KWH Group used a legacy system with multiple disparate consolidation instances. Using CCH Tagetik's unified solution, the company now has one version of the truth and streamlined global consolidation of 50 entities across 20+ currencies. By automating the entire process on CCH Tagetik's unified platform, KWH Group's finance team has increased accuracy, accelerated the close and can now truly partner with business.

Find out how CCH Tagetik automated KWH Group's consolidation process.





## TODAY'S END-TO-END CONSOLIDATION SYSTEMS SOLVE YESTERDAY'S LEGACY PROBLEMS

You shouldn't have to create tedious workarounds to perform routine tasks. Finance has the potential to become a business partner to the organization and a strategic agent of change. You have the data. You have the talent. It's your technology that needs to catch up.

Accelerate your consolidation process with CCH Tagetik Close and Consolidation.

**WITH OUR AUTOMATED, CUTTING-  
EDGE PLATFORM, YOU'LL GET:**

**End-to-end close and consolidation in one unified solution**

**Built-in financial intelligence**

**A solution that finance can maintain**

**Comprehensive reporting and seamless**

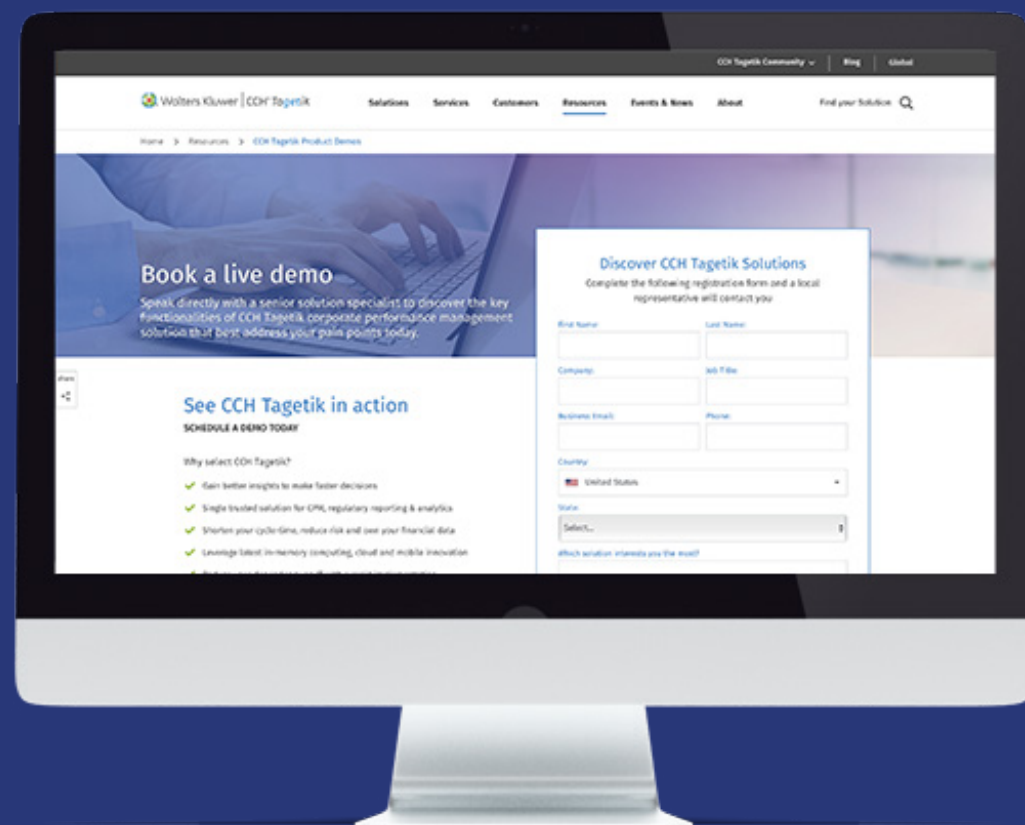
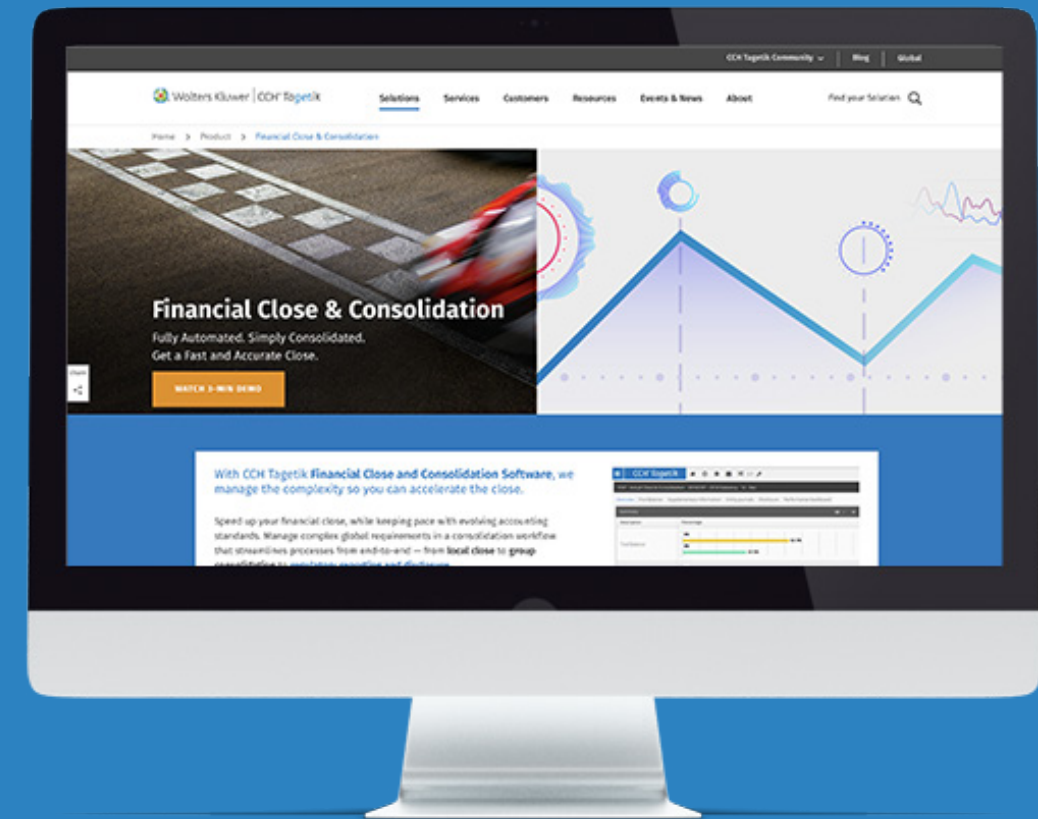
**Microsoft Office integration**

**Fast upgrades and a long-term product roadmap**

**Automation that frees finance to work on value-added analysis**

# WANT TO KNOW MORE?

Enter the CCH Tagetik Close & Consolidation Evolution here



# INTERESTED IN SEEING THE EVOLUTION IN ACTION?

Book a free demo here and evaluate how CCH Tagetik can accelerate your Close & Consolidation process.

