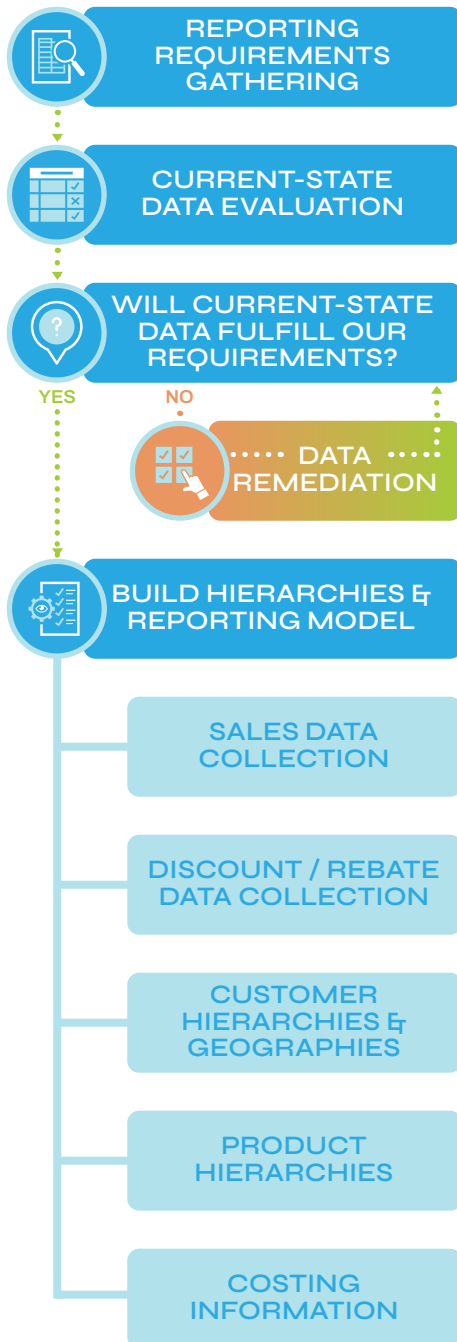


# INFOGRAPHIC FINANCIAL REPORTING PROCESS

Even the most well-conceived financial reporting packages can age, which leads many companies to look for easy ways to improve financial reporting. A formal project centered on revisiting and refreshing financial reporting can result in better insights and decreased turnaround times. We've created this process map and included key considerations to support your improvement process.



## REPORTING REQUIREMENT CONSIDERATIONS

- Reporting Frequency (e.g., weekly, monthly, quarterly, annually)
- Customer Levels (e.g., master, subsidiaries, customer ID)
  - Is the customer on a single price sheet, or on multiple price sheets and discount programs by customer ID and region?
- Product Levels (e.g., product group, product family, SKU)
- Geographic Levels (e.g., regions, state, county, city)
- Production Facility Level (e.g., consolidated, regional, individual)
  - Do product costs vary by manufacturing facility?
- Precision Level
  - How much variance is tolerable in revenue and cost of goods sold vs. actual income statement values?

## DATA EVALUATION AND HIERARCHY CONSIDERATIONS

### Sales Data

- What is the level of invoice information (e.g., SKU, Customer Number, Shipping Location)?
- Is data parsing or cleanup required?
- Are detailed current and historic sales reports available for download? If not, can we collaborate with the sales system admin to develop appropriate reports or queries?

### Discount/Rebate Data

- Are rebates and discounts recorded in a timely manner and in sufficient level of detail?
- Will recording frequency coincide with reporting frequency?
- Will the detail level support customer- and product-level reporting?
- Is customer rebate program documentation available?
- How does rebate program complexity compare to accounting records?

### Customer Hierarchies and Geographies

- What is our Customer ID numbering scheme?
  - Multiple customer numbers for the same customer?
- Separate customer IDs for various locations / regions?

### Product Hierarchies

- What is our product number numbering scheme?
  - Do product families and product groupings exist in addition to SKUs?

### Costing Information

- Do reasonable product cost estimates exist?
- Material, labor, and overhead by product?
- How are variances handled?
- Do raw material prices change frequently?

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