



The reports you need from the software you already have

Push a Button & Go:
9 Steps for Getting the Reports You
Need from Your Enterprise Accounting
Software

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BETTER REPORTS FACILITATE BETTER BUSINESS DECISIONS

Bad financial data means bad decisions.

Late financial data means bad decisions.

Inconsistent and incomplete financial data means bad decisions.

Despite having invested millions of dollars in powerful enterprise accounting systems, too many CFOs and senior managers are plagued by bad data in their financial reports – or dashboards or websites or whatever – meaning they have late, inconsistent, incomplete or just plain wrong information upon which to make business decisions. That’s not a good way to run a business.

Here at Red Three Consulting we create a lot of technical solutions to combat bad data. But before we recommend a specific solution, we make sure that the problem a company is experiencing requires a technical answer – and we do this by asking a lot of questions, the way your doctor does before beginning a physical examination. In general, we like to know:

What are you seeing that makes you think there’s a problem? One client of ours, for example, replied to this question this way: “I keep seeing the same two people pulling their hair out every month trying to get data out of our system. They are driving themselves – and me – crazy.”

How do you know you have inefficiency? Another client wanted to tie out his company’s sales reports with the general ledger – even though the report given to him by the financial system would never achieve this task. So he spent considerable sums of money trying to get the company who developed the software to make it work. (It never did.)

What are you not happy with? Some companies are using legacy systems, such as Excel spreadsheets, and want to automate the reporting process or integrate the legacy system into another system. For others, the robust software they purchased doesn’t work the way they do – i.e. it requires them to fill out 37 screens just to enter a new project.

All of this is why we don't immediately give you a technology pill, pat your head, tell you to go back to work and call us again if the problem persists. Instead, we like to ensure each problem really does require a technical solution. So before we put our hands on a keyboard, we go through the following diagnostic steps to scope out the situation – steps you can use, too.

9 STEPS FOR GETTING THE REPORTS YOU NEED

Step #1. Start by checking your process.

Not your computer process – your people's process. We're not talking about any complex reengineering effort or study. Simply ask people what they do to get certain data to you. We've found that data is late because it starts late.

For example, one of our clients acquired a mid-sized wholesale distributor. Financial statements were routinely issued the twentieth business day of the month. The client blamed their software.

We met with the controller for about two hours and discovered that he didn't start closing until about the tenth business day as he waited for some final invoices to come in. We suggested some small changes in his process – including calls to various freight forwarders and downloads from American Express – which allowed him to start closing immediately, saving ten days from the close process with no change in staff or software.

Step #2. Stop rekeying information.

Back in the Middle Ages scribes copied books by writing them out by hand. You'd think that in the computer age we'd be past that. Too often we're not. For whatever reason, people often spend hours getting needed data out of systems and then spend hours more rekeying that data into Excel spreadsheets.

If your company is in New York like ours is, that's a big expense wasted duplicating existing information. But even for companies in small towns across America, the cost of that redundant work can be significant.

On top of that, rekeying information is the single best way to get bad data due to inaccurate data entry.

There's absolutely no reason for rekeying information when tools such as Datawatch's Monarch Professional allow you to convert almost any computer output into a nice, clean spreadsheet. It's fast, it's easy – and we use it ourselves as do our clients.

Rekeying ended right there.

Step #3. Know what you already have.

When frustrated with their current system, busy business people often go running to buy more software – when they really have no idea what capabilities their software already has or what it can do for them. This is why we'll ask, "When was the last time anyone in your organization attended a software training course?" Yes, we know that your people know how to get their jobs done, but if they're like many users we know they're missing at least 50% of the good stuff in their existing software.

One of our clients was chronically late filing their mandatory state reporting – by up to six months. The late reports delayed reimbursement and cost the company thousands of dollars in penalties and hundreds of thousands in missed revenue. The problems continued even after the company purchased and implemented an expensive new accounting system.

The solution: The employees simply need to be trained on how to use their existing software to deliver the reports they needed to get all that reporting done with a push of a button. Once training was complete, the company was able to get reports out in six weeks – and they're now working to shorten the process even more. In addition, they saved thousands of dollars in penalties and missed revenues.

Step #4. Make sure your people have the right kind of knowledge.

Reporting is a specific skill set that requires a combination of knowledge of the database and knowledge of the business. Whether your IT people work for you or for an outside consulting firm, make sure they have the right knowledge to do the job.

An easy question to ask of your IT consultant is: “What’s the difference between a debit and a credit?” If he doesn’t know, then he’s not going to be able to help you solve your financial reporting problems.

Step #5. Get control of your reports.

The only thing worse than no reports is inconsistent reports. Ever looked at four different numbers for gross margin and wondered which one to choose? Not fun.

If you have reports, you need to get them under control. This means two things:

- First, keep all your reports in a central location. While we love simple tools, their downside is that anyone can make a new spreadsheet pretty easily. Make sure the reports you use are not easily modified.
- Second, ensure everyone is on the same page with regard to reporting and the data needed. Do you know what every report you have does? Does the sales report tie out to your ledger? Is it supposed to?

Step #6: Ensure everyone speaks the same language.

To arrive at consistent reporting, you and your team must agree on the language of business and how you’ll calculate data to arrive at the same conclusions.

For example, what are your monthly sales? Are sales the same as revenue reported in your financial statements or does accounting make special adjustments? What about gross margin? How much of employee salaries count as cost of goods sold and how much counts as overhead?

These are the types of questions that really challenge people and that lead to the bad data you see in reports.

We're not accountants, so we won't advise you on how you should make these calculations. We will insist, however, that everyone understands the data and the calculations you use, and that they're used consistently and applied in every report you need.

Step #7. Use the simplest tools possible.

You don't need a sledgehammer to crack an egg. And you don't buy a five-year-old boy a 42 regular suit that he'll grow into. Before you make a major investment in additional reporting software, dashboards, or Business Intelligence tools, start with the software you already have – including Microsoft® Office, which comes complete with the drivers you need to retrieve data from Excel spreadsheets (as well as your existing financial software).

Another handy, low-cost tool is Crystal Reports. Currently owned by SAP, Crystal Reports was originally developed by Crystal Services, Inc. in the early 1990s. Why? Because they couldn't find a suitable report writer for their accounting software. The irony is not lost on us.

Crystal Reports lets you graphically design reports and link to data in many third-party applications, including Excel, Lawson and Oracle databases. We really like Crystal and use it a lot.

Even when you need a more powerful tool than the two mentioned here, remember that simpler is better. For example, you have thousands of employees but how many of them use a given report? How often is that report needed by any given department? If the need is only occasional, an inexpensive workaround may be the best solution.

Sometimes, however, you need more information than what Excel or Crystal Reports provides – you need to make sense of transactional data.

Step #8: When you need a more powerful tool, get only what you need.

When it comes to powerful tools for extracting data, bigger is not always better. In fact, bigger is often a whole lot more dangerous. Ditto for report-writing tools.

It's at this juncture you might be swayed to purchase expensive Business Intelligence (BI) software or dashboard systems. Can't you just hear that power tool revving up? Stop right there.

QlikView is one of our favorite BI tools due to its low price point and ease of development. It also lets you see results much sooner than those "robust" (i.e.: expensive) BI tools that can take months to implement and still leave you scratching your head. With QlikView you can create those needed dashboards that allow everyone to see the same report and the same numbers in one place.

Step #9: Call Red Three Consulting.

Want a faster and easier way to get the reporting you need to make better business decisions than working through these eight steps? Or did you go through all eight and you're still experiencing problems with getting data out of your financial system? Either way, consider putting Red Three Consulting to work solving your reporting problems. We bridge the gap between IT and finance and help you get the data you need from the financial software you already own. So instead of searching and keying and searching and keying, or getting different reports on the same data that gives you different results, you just push a button and get what you need.

Red Three Consulting specializes in financial, inventory and human resource reporting. We have detailed knowledge of many common systems such as Oracle Financials and Lawson, as well as years of experience working with a wide variety of ERP systems and custom financial software.

Most importantly, we pride ourselves on using the tools you already have. Our customers are often shocked – or at least pleasantly surprised – when we show them what they can do with the software they already own.

Whether you have a small IT project – such as a currency restructuring project – or you need to do a complete financial system upgrade, we can help you get the job done correctly, quickly, and cost effectively, and without the hassle of do-it-yourself approaches.

To learn more about how we can help you:

Give us a call at **646.736.0060** to **request your free consultation**. One of our financial software experts will show you how to solve your financial reporting problems -- sometimes in as little as a few hours.

Send an email to info@redthree.com to **request your free case studies**. Learn how other organizations reduced IT project costs and increased confidence in their financial data without having to purchase expensive software.

Visit our Website at www.reportsyouneed.com to **learn about the software we work with** as well as the tools we use to help you get the data you need from the software you already own.

APPENDIX ONE: DEFINITION OF TERMS

As we said earlier, we like to find the easiest possible solution. The way to keep things simple is to ensure everyone uses the correct language. Yet, the one problem associated with bad data is that people use terms incorrectly. You ask your report writer for a “transaction report” and scratch your head when you receive something altogether different. Or your IT consultant recommends that you “burst” reports and you have no idea what he means. Here, then, are a few of the terms we’ve come across that sometimes confuse people:

Analytic Reports – Reports that allow multiple slicing and dicing – and which allow you to quickly ask different questions without having to re-query the database. (These kinds of reports require the fanciest tools.)

Bursting – Breaking a report into multiple pieces based on some logic (like profit center) and sending it to the appropriate people.

Business Intelligence (BI) – All tools used to take transactional data and put it into a form for end user use.

Cubes – The intermediate set of stuff that an OLAP program builds. It then makes it easier to get to the data to Key Performance Indicators (KPI).

Dashboard – A place where multiple reports can be stored and/or a place where key executives can see the KPIs.

Key Performance Indicators (KPI) – Numbers that allow executives to understand the health of the business, such as Gross Margin, DSO (days sales outstanding), DPO (days payables outstanding), days inventory.

Online Analytic Processing (OLAP) – Technology that allows users to quickly ask different questions from a set of data. OLAP is technology which is imposed between Cubes.

Operational Report – A report providing a summary or a subset of data in the system; usually used by operational. Examples include financial statements, open payables, open orders, benefits enrollment. An operational report is generally static with a set of parameters.

Query – Asking data directly from a database. Most initial reports start as queries.

Transaction Report – A report which shows all of the detail on transactions entered into the system, such as a batch of AP invoices. Mostly used by data entry personnel to confirm what’s been entered.

APPENDIX TWO: RESOURCES

We use a variety of cost-effective tools to help clients get the data they need from existing software. Some of the tools we currently work with include:

Crystal Reports – A step up (in some ways) for writing reports that have to be sent to multiple people. Crystal Reports makes it easy to do formatting changes and other tasks without programming. Crystal is separate piece that's often oversold as an end user tool and is currently owned by SAP Business Objects.

<http://www.sap.com/solutions/sapbusinessobjects/sme/reporting-dashboarding/index.epx>

Microsoft Query/Access – We don't love working with Access, but the entire world has it so if you need to work with data, it's a good place to start. Also, Microsoft Query is included within Excel so you already have tools to start working directly with your data. Microsoft Query / Access allows you to build simple queries that function with supporting transactional or operational reports.

[<http://office.microsoft.com/en-us/excel/ha100996641033.aspx>]

Monarch Professional -- A Windows®-based BI and reporting tool that easily mines data from existing text-based, PDF, or XPS reports. It also lets you access and analyze data from database files, spreadsheets, ODBC sources, delimited text and HTML files.

[http://www.datawatch.com/products/monarch_pro.php]

SQL Server Reporting Services – A great place to find Microsoft SQL tools and resources.

<http://msdn.microsoft.com/en-us/library/ms159106.aspx>

DB2 Web Query for the AS400 – We always find good stuff on this industry forum.

<http://www.as400pro.com/index.php>

BURSTING TOOLS

PDF Explode – Turns paper and electronic documents – invoices, statements and other reports and correspondence – into secure e-mails that are sent to customers all at once.

<http://www.pdf-explode.com/learnmore.htm>

Visual Cut – Enables you to schedule periodic and exception reports for exporting, bursting, e-mailing, and printing. Email messages, export file names and folders, number of copies, and other options can incorporate dynamic content from fields/formulas in the report via a “drag & drop” user interface.

http://www.milletsoftware.com/Visual_CUT.htm

BUSINESS INTELLIGENCE TOOLS

QlikView – This is one of our favorite BI tools because of the low price point and ease of development.

Let's you see results sooner.

<http://www.qlikview.com/contents.aspx?id=10396>

About Red Three Consulting, Inc.

Since 2001, Red Three Consulting has prided itself on giving customers the knowledge and results they need without the overhead and attitude of the larger consulting firms. And we try to do it with a sense of humor.

Check out our blog for more details:

<http://redthree.wordpress.com/>

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