spotlight
reporting

Consolidation in the Cloud

Consolidated Reporting for Business
Owners, CFOs and Multi-Entities

By Richard Francis CA
CEO at Spotlight Reporting

As businesses grow, it is often inevitable that additional entities will be needed. Typically these will arise from international expansion into new markets or for legal and risk mitigation.

Accounting for multi-entity operations requires a lot of stitching together of the various entities' Profit and Loss and Balance Sheet information. This can be especially tricky if multiple currencies are involved.

Consolidation can be a full-time job or a nasty recurring chore for someone in Finance, possibly handled in an Excel Circle of Hell replete with manual transposition risk and outdated reporting options. The usability of the outputs can be less relevant with this approach than the sheer effort to piece together the data each and every month.

Consolidation should be:

- **Regular** – stakeholders should see regular, up to date and accurate information for decision-making.

- **Achievable** – if consolidated accounting was less time intensive, it would be both cost effective and a win-win for preparer and consumer.

- **Scalable** – as entities or currencies are added, they should be able to be easily folded into the existing Reporting framework.

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Richard Francis CA – CEO, Spotlight Reporting

Section 1: Fast Creation Of Advanced Consolidated Reports

Spotlight Reporting was developed to not only provide faster creation of advanced management reports – great for the CFO, CEO Board and/or Advisor – but to present beautiful, understandable outputs. For those needing consolidation functionality, Spotlight Reporting offers ease of use, speed and clarity.

Spotlight Reporting allows you to consolidate any number of related entities – unparalleled functionality in the small and medium-sized business sector. Our seamless imports from Xero, MYOB and QuickBooks products (both cloud and desktop) allow you to get entity data quickly and effectively. With over 50 currencies available in Spotlight, most international operations are covered.

Spotlight Reporting also facilitates:

1. Eliminations of intercompany transactions
2. Categorisation of organisations in a group
3. Filtered reports by group organisation

Eliminations of intercompany transactions are a necessary step in many consolidated reporting processes. Spotlight Reporting can handle these too, automatically eliminating but also allowing you to create additional elimination debits and credits transparently and easily.

Use Case: Consolidation of multi-currency transactions

Crimson is a global organisation that provides university admissions consulting, leadership development, and career mentorship services to students, entrepreneurs, and young professionals from all over the world.

They use Spotlight Reporting for the monthly consolidation of their multi-currency business units. This allows Crimson to create consolidated reports by adding all of their different Xero accounts into Spotlight, and then reporting in one currency.

❝ We've been saving so much time since we've set up Spotlight for our multi-currency consolidation! It's much easier now to monitor the performance of our global business.

Harry Rillstone,
Accounts Coordinator,
Crimson Education

❝ We take all of our Xero data across into Spotlight Reporting. Now we spend less time manipulating the data and more time analysing.
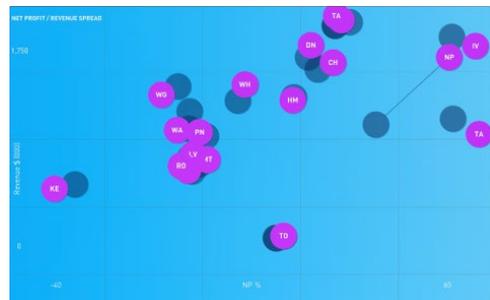
Jacqui Loveridge,
CFO, San Churro

Section 2: Aggregation and benchmarking

Aggregation and benchmarking does not have to be a costly, slow and manual process. It should be useful, efficient and transparent.

We have a specialist product called Spotlight Multi that can handle aggregation and benchmarking for up to five hundred entities. Spotlight Multi facilitates:

1. Effective, clear reporting at head office, franchisor or accountant/CFO level

2. Shareable, understandable reports for franchisees, branches or individual entities

3. Specific, actionable benchmarking, exception reporting and rankings across various KPI's

4. Cross-border multi-currency conversion

5. Narrative observations, highlights and recommendations for open dialogue on performance improvement.

Visual Scorecard

Anonymised Rankings

Rank	Revenue		% of Revenue	
		YTD		%
1	ORG017	1,382,086	ORG017	5.8%
2	ORG009	1,348,963	ORG009	5.6%
3	ORG019	1,310,696	ORG019	5.5%
4	ORG012	1,299,147	ORG012	5.4%
5	ORG003	1,289,941	ORG003	5.4%
6	ORG014	1,252,523	ORG014	5.2%
7	ORG007	1,222,399	ORG007	5.1%

Exceptions

Branch	Rev v Budget	Profit v Budget	GP % v Target
19 - Newport	1,310,696	263,657	69.6%
16 - Bangor	1,060,778	21,942	62.6%
1 - Aberdeen	1,147,747	112,744	64.7%
14 - Manchester	1,252,523	220,267	68.1%
13 - Liverpool	1,151,544	126,794	65.3%
6 - Alnwick	1,098,568	31,025	63.9%
11 - Blackpool	1,140,922	130,606	65.4%

Use case: Aggregation and benchmarking for related entities

If aggregation and benchmarking are needed, typically the use case will be where related entities have different ownership or a non-subsidiary relationship such as:

- Franchisors. A head office master franchisor wants the franchise group view.

- Industry clusters or specialisations. Multi is particularly useful for accountants or advisors who want to offer clients a Spotlight Report with anonymised rankings and benchmarks across that peer group.

- Not for profits or member organisations with a multiplicity of branches. Head office wants the complete picture, the Board wants transparency and each branch wants to evaluate performance.

For example, The Cheesecake Shop is a large franchise organisation with over 200 shops across Australia and New Zealand. They needed a group consolidation tool that could benchmark and rank their shops across the entire network. They found Spotlight Multi as the only solution that could cope with such amount of data. Seamlessly importing data from Xero, Spotlight Multi has made reporting and benchmarking for them effortless and faster.

View case study.

❝❝ Nothing on the market could cope with importing and benchmarking 200 franchisee data, until we discovered Spotlight Multi. It gives us a terrific performance overview of the entire network and makes Board reporting easier.

Ken Rosebery
Executive Director,
The Cheesecake Shop

Conclusion

For too long, preparing useful
and comprehensive reports for groups or
multi-entity organisations has been laborious,
costly and lacking in timeliness. That is no
longer the case, particularly if the latest cloud
reporting software is used.

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Reporting, dashboards, forecasts and multi-entity reporting
that create insights for better business outcomes.

*Transform your business today
by signing up for a free 14-day trial
at spotlightreporting.com*