



Financial reporting capability in the AVATAR publishing management system

1. General comments on the financial reporting and Business Intelligence capabilities of the AVATAR system and Littlejohn's credentials as an independent firm of chartered accountants

The AVATAR system provides fully functional, integrated, multi-currency, multi-company purchase, sales and nominal financial ledgers, including a project costing / job costing ledger, which enables companies to record lifetime income and expenditure by product as well as detailed origination costs by product.

AVATAR provides a large number of standard reports for balance sheet, P&L, management account purposes and all of those standard reports have an in-built flexibility for range of periods, level of detail and so on. The quality and range of reporting and business intelligence capability within the AVATAR system reflects three key things:

- a) The integrated functionality of the AVATAR system
- b) Littlejohn's chartered accountancy pedigree and our detailed understanding of the financial reporting process
- c) The amount of time we spend delivering 'standard reporting functionality' to meet each client's different needs and provide them with exactly what they want with powerful reporting capability 'out of the box' – in clear contrast to most other systems/software providers who tend to provide open access to a database and leave clients to find the time, inclination and expertise to devise ways of translating their data into meaningful information.

An indicative list of the standard reports available within the Nominal, Sales and Purchase ledger modules is provided below in section 2.

The AVATAR nominal ledger allows for almost any coding analysis required, which means you are not limited in the way you want to structure or design your chart of accounts. You can have a different chart of accounts for each year and any number of budget / forecasts in a year to report against both on paper and on screen. We also supply an inbuilt, easy-to-use report writer for the nominal ledger where users can create their own reports using nominal ledger data, aggregating any accounts together as required, using your own language to describe the rows and columns and including actual, budget/forecast and variance values for any current or prior periods. These simple-to-use tools for accountants are all part of the integrated AVATAR system, as illustrated in the Harcourt case study.

As long as your chart of accounts is structured appropriately, you can produce your monthly management pack automatically from within AVATAR using standard reports and our inbuilt report writer avoiding the need for any processing in Excel.

Because AVATAR has at its core a properly integrated financial management system with the nominal ledger on one side and fully integrated sales statistics on the other, a company accountant / financial controller has access to all relevant data within one

system with sales statistics providing all the sales analysis and the nominal ledger providing all the management accounts information.

Our standard reports will automatically take account of your chart of accounts structure thanks to AVATAR's inbuilt hierarchy so that the reports you produce from AVATAR, whilst they are in a standard format, are in fact interpreting your specific chart of accounts structure automatically without your having to export from the nominal ledger to Excel or other products.

For us to customise reports for different user requirements is a relatively trivial task precisely because of the integrated nature of the AVATAR system. Any changes we may need to make to existing reporting programs within AVATAR to accommodate your particular requirements are effectively low-risk tweaks which we undertake during the project implementation process.

In addition to this standard AVATAR reporting functionality, the inbuilt Business Intelligence (BI) tools within the AVATAR system offer senior managers a smart and very powerful additional capability – literally 'out of the box' – with which to drill down quickly into the AVATAR ledgers to obtain, present and analyse essential information at just the right level of detail.

These multi-dimensional models, known as BI cubes, have been specifically developed by Littlejohn for the publishing industry. Additional BI cubes can be easily created to suit individual users' needs.

A typical accountant spends at least 80% of their time collating data and the rest of the time analysing and commenting on the resulting information. With a properly structured AVATAR system these percentages reverse.

In short, we deal with the range of clients' likely reporting requirements in three complementary ways:

- AVATAR provides a whole host of standard reports and we would usually ensure that clients' regular reporting requirements were made available as a standard report from within the AVATAR application. This is part of our normal implementation process and ongoing support provision.
- AVATAR uses Oracle as the database engine which we present as an open, SQL-compliant database to the user. This means that any tool which can read SQL-type tables (which effectively is almost all query and reporting products including Excel) can connect to the AVATAR database and read the data for reporting and/or exporting purposes that are additional to any requirements that might otherwise be met by the core system. You can either utilise any tool with which you are familiar (Crystal Reports, Proclarity etc) or we can supply the Cognos tool, Impromptu, which is separate to the core AVATAR system.
- We incorporate BI facilities providing an OLAP "slice-and-dice" capability using the Powerplay product from Cognos. This is an integral part of the AVATAR system, not an optional bolt-on. This enables multi-layer drill-down and analysis in a true Windows environment with the ability to save any views into Excel as required.

We discuss clients' standard and ad hoc reporting requirements with them in advance of implementation, then ensure that the former are documented in our agreed project plan and delivered as part of the implementation process and the latter made available through one or more 3rd-party tools.

It is generally accepted that the design rationale behind some typical financial management products is based on an implementation and support model that assumes little or no ongoing interaction with the software supplier. This is a perfectly valid model if the end-user is able to fulfil all their requirements on an ongoing basis from within the package's functionality, with the appropriate level of in-house expertise (and the time) to develop the reporting required. AVATAR offers a very different proposition: we assume, and indeed encourage, a continual interaction with our clients to enhance both AVATAR and the user experience.

The quality of reporting and analytical capability built into the AVATAR system reflects the fact that AVATAR is developed and supported by an independent firm of chartered accountants, and draws on the financial management expertise and experience that the firm represents. Established in 1875, Littlejohn is one of the UK's top 30 chartered accountants with a reputation for developing strong relationships with clients. The AVATAR development and support team at Littlejohn uniquely combines this wider business expertise with IT consulting and project management skills and specific experience of working with both large and small scale book and journal publishers.

2. Standard reports available within the Nominal, Sales and Purchase ledger modules.

Nominal Ledger

The Nominal Ledger provides a large number of standard reports including:

- Audit Reports
- Trial Balance
- Balance Sheet and Management Reports
- Ledger Reports
- Project Reports
- Journal Reports
- Reports across financial years
- User definable Report Writer
- P11D Reports

Purchase Ledger

The AVATAR Purchase Ledger provides a large number of standard reports and is designed for integration with Business Intelligence (BI) tools for user-specific reporting. Standard reports include:

- Aged Creditors report by supplier
- Summary Balances
- Overdue Invoices

- Outstanding Items
- Batch Reconciliation
- Full posting audit trails
- Currency Analyses
- Turnover Analyses
- Vat Report
- User-definable remittance advice
- Monthly Cheque List
- Balances across companies

Sales Ledger

The AVATAR Sales Ledger provides a large number of standard reports and is designed for integration with BI tools for user-specific reporting. Standard reports include:

- Aged debtors report by customer
- Ranked aged debtors
- EC Sales List
- Unallocated cash or credits
- User-definable statement format
- Diary entries to be actioned
- Analysis of credit control actions and customer queries
- Overdue diary actions
- Credit card schedule
- Full posting audit trails
- Overdue items
- Outstanding items
- Rep Reports
- Turnover Analyses
- Direct Debit including
 - Full audit trail of all amendments
 - Automatic generation of DD letters

Business Intelligence tools

The AVATAR system utilises the Cognos range of high quality Business Intelligence (BI) tools to enable publishers to obtain and analyse essential information from the AVATAR ledgers.

A range of multi-dimensional models, known as BI cubes including those for sales management and financial ledgers have been specifically developed by Littlejohn for the publishing industry. Additional BI cubes can be easily created to suit individual users' needs.

BI cubes offer accountants and other senior managers smart and easy-to-use tools which they can use to drill down quickly into AVATAR for the information they need. For instance, such information might include regional sales figures and margins for the month, by sales person, product and customer. As the figures are presented in charts or spreadsheets, no additional formatting is required.

Access to information like this can greatly shape management decisions and help turn unstructured data into invaluable business information.

3. Publishing / Financial Management System Requirements re Report Writing

Extract from client RFP

a. Two types of report generation facility are required. Firstly, a genuine user driven financial report generator that allows finance team users to:
i. Select any data by range
ii. Design simple report layouts using drag and drop tools
iii. Insert or remove fields
iv. Group and sort data
v. Total and sub-total data
vi. Save the reports they have designed so that they can be called up again from their menu
b. Secondly, a more comprehensive report generator that can be used by non-technical staff with a few days training that:
i. Can access all data files across all modules within the same report
ii. Provides for mathematical calculations
iii. Formats reports with headers, footers, page breaks, sub-totals and totals
iv. Can produce graphical or charted output
v. Provides facilities to copy and amend reports
vi. Provides security facilities so as to prevent unauthorised modification of reports, and to provide an audit trail for authorised modifications
vii. Stores reports into menus so that users can run them routinely
viii. Provides screen preview facilities, of a quality which discourages requests for hard copies and which includes drill-down enquiries on the screen
ix. Includes report spooling facilities
c. The system should have a report manager/scheduler for the management of standard reports to be produced at frequencies to be defined by the user including every period end.
d. It should also be possible to define a 'report pack' consisting of a number of individual reports that can be run periodically or on demand.
e. Where new accounts or dimensions (GL code, division, cost category, sales person, etc) are added, existing reports should automatically include these reports when next run. It should not be necessary to modify the structure of the reports to include new accounts or dimensions. Please explain any limitations in this area.
f. It should be possible to create "user defined" analysis and dimension groupings within the reporting tool so that the report author can analyse on dimensions that are not in the finance system, For example, they may wish to group a number of ISBNs into a dimension, which doesn't exist in the pre-defined dimensions, but which they wish to report on.
g. Please indicate whether the proposed system is capable of being used with the following proprietary report generators:
i. Crystal Reports (including a data dictionary for your database)
ii. FRx
iii. Vision
h. The ability to create and monitor Key Performance Indicators (KPIs) via a "dashboard" console is desirable.

AVATAR response

The functionality requested against each of the above recent customer requirements is available as part of the standard AVATAR software and in use as a production release at client sites, and demonstrable within the software, with the exception of item b vi.

NB There may be additional licence costs depending on the precise requirements for scorecarding. AVATAR can be accessed by any SQL compliant reporting tool.