

Managerial and Regulatory Accounting

Manage your profitability

Managerial Accounting is essential tool for managing the costs and profitability of products, processes, customer segments or business units. Regulatory Accounting focuses on impact of and compliance with regulatory requirements within given industry.

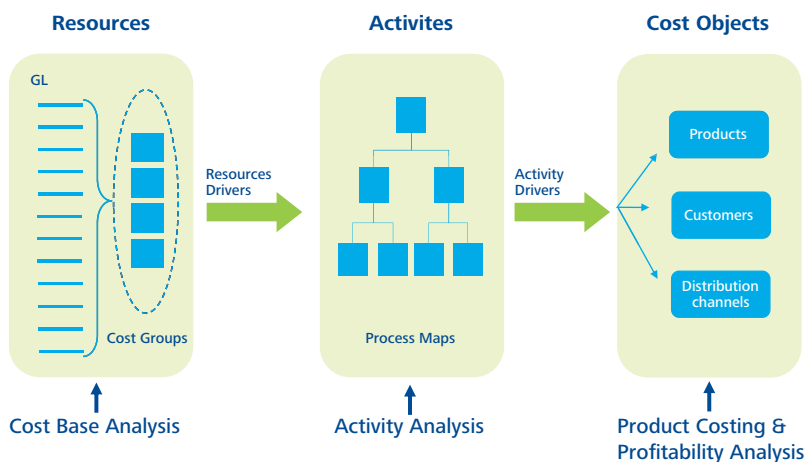
When to consider Managerial and Regulatory Accounting?

- Overall profitability of the business is declining and management needs to understand causes.
- Information about profitability of business units, product, customer segments or distribution channels is not reliable or not available.
- Increased requirements and pressure from regulatory bodies on accounting methods and reporting of results (e.g. accounting separation of regulated and deregulated services, ability to prove compliance with EC rules on fair competition).
- Need to accurately measure performance results of organizational units as a base for calculating variable pay of management.
- Lack of transparent data for pricing negotiations with customers or regulatory bodies.
- Problems with indirect costs and revenue allocation to relevant cost objects.

Our approach to Managerial and Regulatory Accounting

Design and implementation of costing models calculating profitability of products, customers (or customer segments), processes, projects, distribution channels or models for accounting separation for regulatory purposes. Our services include also results analysis and related recommendations, and selection and implementation of appropriate IT platform.

Designed models are often based on Activity Based Costing (ABC) methodology, under which the cost allocation flow consists of at least two steps resulting in greater accuracy of final results. Typical design of the ABC costing model is as following:



Contacts

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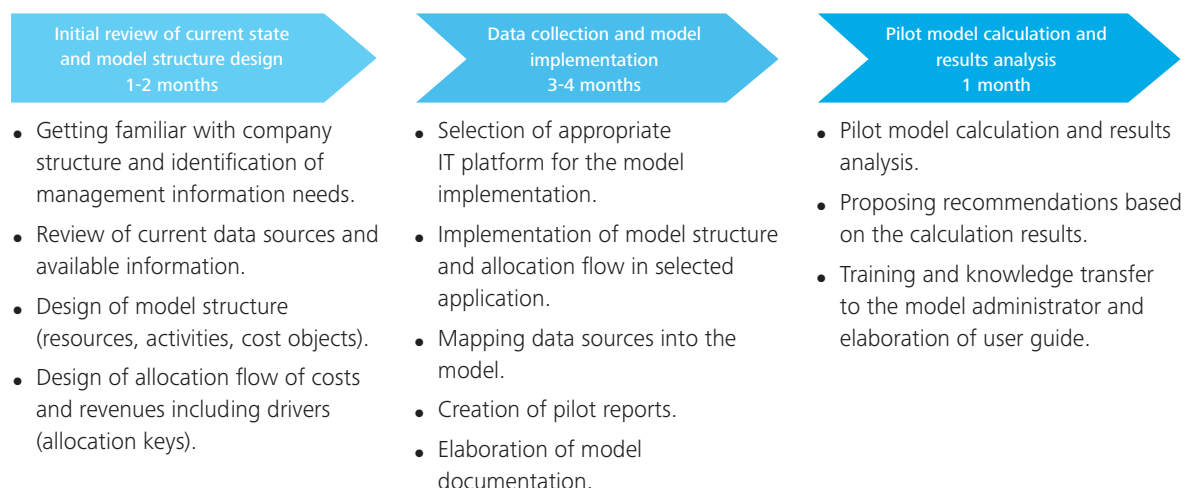
Benefits of Managerial and Regulatory Accounting

Managerial and Regulatory Accounting provide transparent and accurate information about costs and profitability of products/services, customers customer segments, distribution channels, business units or other cost objects (dimensions). Thus, it provides essential information for the following types of decisions or tasks:

- Strategic decision making and management;
- Setting of internal prices (transfer prices);
- Pricing and price negotiations;
- Regulatory reporting and negotiating with regulatory bodies;
- Managing of customer segments and product portfolio;
- Ad hoc calculations and simulations;
- Remuneration and motivation of managers.

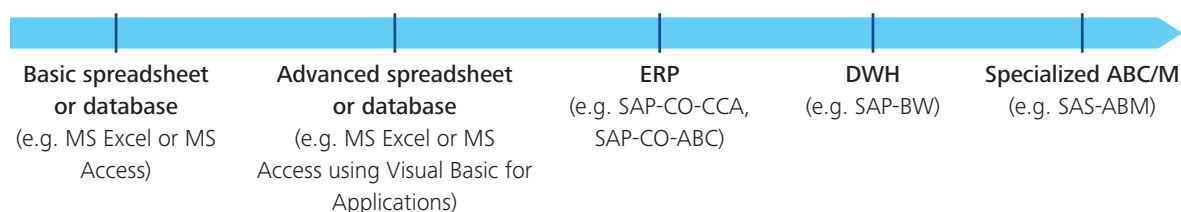
Implementation plan and Timetable

For better understanding of our services, we present a general realization scheme of typical Managerial/Regulatory Accounting project below (i.e. design and implementation of a calculation model). However, it is necessary to remark that the duration of individual implementation steps presented below is only illustrative. In reality, the specific complexity of the project and time needed for its realization is significantly influenced by industry type, data availability, structure and detail of calculated dimensions (cost objects) and also by selected type of IT solution.



IT platform options for Managerial/Regulatory Accounting

Managerial/Regulatory Accounting model (i.e. model for cost and revenue allocation and related reporting) can be realized on various IT applications (from the very basic ones to the sophisticated ones). We are ready to help you with qualified selection of suitable application in which we also implement the costing model and related reporting.



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