

Turning client data into vital management information

Ask any auditor or operations manager within your organisation and they will tell you that management accounts can often be extremely difficult to obtain from clients, whether at take-on, audit or for periodic review.

There is always the risk that paper copies can be manipulated and some clients may prevaricate in providing the information until the numbers stack up.

I have listened to the very real concerns of lenders and I am pleased to be able to report that this position is about to change, through developing a real-time management accounts solution, designed to reflect a company's true position and not a sanitised view.

Management accounts should always be about the accuracy, integrity and timeliness of information, yielding a wealth of information to help business owners and their financiers make better decisions. The reality, all too frequently, is that this is not the case.

With the development of management accounts functionality, OSMO now gives lenders the ability to receive management accounts from their clients in real-time, based on the automatically

scheduled data feeds straight from the client's accounting package. No extra work is required by the lender or their client. For invoice finance companies and asset-based lenders, this means that they can see how their client is performing at any time, from due diligence at pre-sale right through the invoice finance lifecycle. Using OSMO as the basis of the reporting function also avoids reconciliation issues between the information posted on the client's accounts package and that contained in the management accounts.

Lenders no longer have to wait until receiving their returns from Companies House or have to accept the patchy information being presented to them by the owners of a distressed or ambitious business. Payroll and VAT, asset valuation and depreciation can now be viewed at a glance, together with daily sales outstanding allowing key financial ratios to be monitored.

Traffic light warning systems can be introduced to highlight areas of concern and applied to risk scores set at a lender's specific tolerances. The management accounts system can also be linked with CashCaster, enabling lenders to use recent information to predict future performance and cash shortfalls.

Conceptually, I used to think of this enhanced level of functionality as being "management accounts on demand". The reality is that, whilst what we do is technologically complex behind the scenes, it is actually far more straightforward than that from where the user is sitting.

The data is automatically sent at a scheduled time every day, or sent by the client at a time to suit them, so there is no need to physically demand the report. Once installed, the lender doesn't need to do anything in order to create future management accounts, saving time, money and unnecessary delays. By the same token, the client does not have to do any more than their customary book-keeping.

The ease of production of management accounts, the lack of double-key entry requirement and the nature of the data transfer, I believe will take my original concept of effortless transparency and integrity of data transfer to a heightened level of management information to confer real-time, real-life advantages to both lenders and their clients.

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