

**SIMPLE STEPS FOR A SMOOTH
ANNUAL REPORT: MEET YOUR
DEADLINES AND AVOID ERRORS**





ABOUT US

At Konsolidator, we are experts in financial consolidation and reporting. Thus, we created consolidation software to solve finance professionals' shared challenges. Our team consists of state-authorized accountants, auditors, and former CFOs, who have many years of experience in the finance landscape. We have a strong passion for sharing our knowledge about the latest finance trends and, more importantly, how you can improve and optimize your finance department to live up to its full potential.

Konsolidator – Financial consolidation made simple

Konsolidator is a software solution created by CFOs for CFOs to surpass the challenges of financial consolidation.

Our mission was to build a simple tool, which could:

- **Cut time spent on financial consolidation**
- **Eliminate the risk of errors**
- **Ensure an automated and transparent reporting process**

Konsolidator helps people working in finance to become the best possible asset to their management and group.

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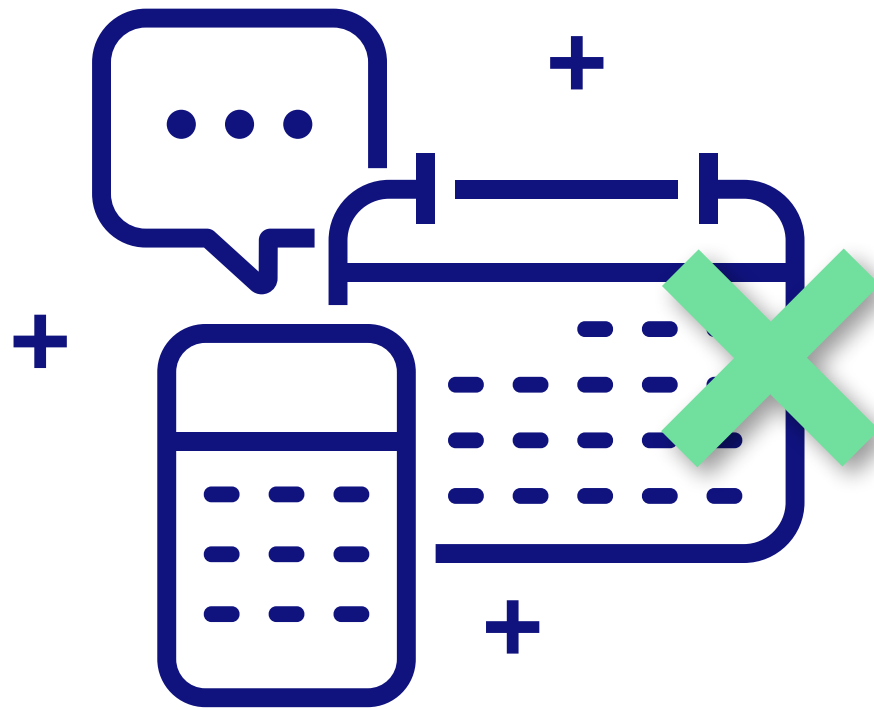
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Introduction

The annual report reoccurs every year. And every year, it takes up a lot of time at the end and beginning of the year. But if you, during this process, often feel the pressure of deadlines, you might want to review your annual reporting procedure. The reason is that when the annual report is stressed, you don't get the time you need to do what the annual report is about – diving deep into your data. Therefore, we have created this guide with three simple steps for smooth annual reporting.



In this guide, we will cover the following:

- **Expert advice.** All the insights from this guide come from our Finance Experts and Auditors, who know how to optimize your annual report working process.
- **3 simple steps.** Implement these simple steps for turning the annual report from a hassle to a joy.
- **Result of a new work process.** Hear the potential benefits and effects of changing your work process. It includes gaining time to highlight and present results for the management to act on.

The 3 steps in this guide are easy to implement. This means you can quickly change the existing processes in your finance team. Furthermore, you don't end up wishing that you had more time to provide your management and board with deep financial insight.



The root of the problem with year-end time pressure and how you eliminate it

The annual report is often a stressful event. And it always seems like the finance department is pressed for time when completing this task. Therefore, let us look at the root of your problem and why it is often stressful, as the annual report project is a reoccurring event for finance professionals.

The project lead's key to success

Monthly reporting is similar to year-end reporting. So, as a project lead, your key to success is to use the systems and methods from your month-end close that works. However, there is one place where the two reporting procedures differ a lot, which is in the project handling - alone due to the sheer size of the annual report. Therefore, it is vital that you go through your plan and review it continuously.

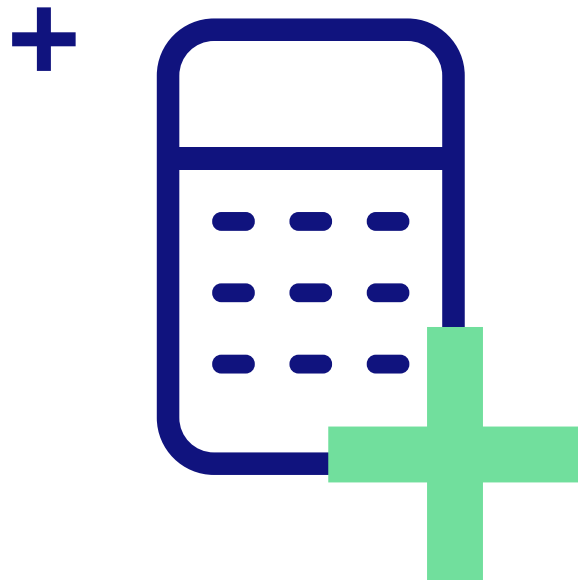
Ask yourself these questions:

- Is it realistic?
- Will the timeline help and not press the involved parties?
- Do we have enough time, or should we start before?



The annual report is a much bigger project with a much broader reach. So naturally, more stakeholders and parties will be involved in the process. Hence it is important to include in a project plan when to involve auditors, external consultants, or other stakeholders. Your key to success is to create a plan that everyone will be on board with.

On the very last page, you can download our version of a solid project plan for the annual report. In that one, we will go through what a project plan should contain, and the best part: You get it for free.



Prep what can be prepped

Stressing things equals errors, and errors in an annual report are not popular. Preparing is important to deliver an error-free year-end close on time. Therefore, we must start to rethink our workflows. Rebuilding our workflow is part of the solution to avoid a stressed process. Of course, you can only do certain things in advance. As a Financial Controller or Finance Manager, you can only begin your work once the Bookkeeper has done their part and all balances are ready. But you can do many tasks beforehand; for instance:

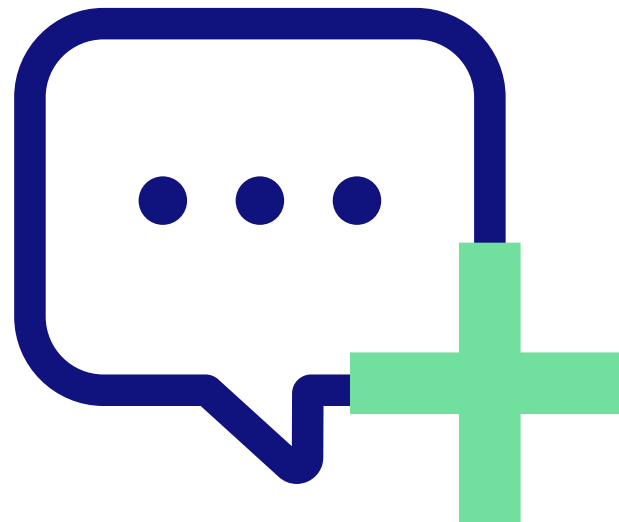


- **Prepare** all the text and design for the annual report.
- **Brief the auditor** and other external stakeholders, so they know what the plan is and how you are progressing.
- **Write to subsidiaries** and check up on data to ensure no significant last-minute change.
- **Update your tools** so technology will not cause any delays.
- **Check up on your non-controlling interests** for the year-end financial consolidation. If you are suddenly missing something redoing the consolidation can take a lot of time, and since it is the last thing, we do before handing in the numbers, it is an annoying part of the process to get stuck at.



Time is key. So, if you end your financial year at year's end, you should start preparing the first things already in October/November. This way, you ensure that rather than starting from scratch at the end of the financial year, you will only need to wrap up the annual report with the latest results once the year is closed. That will ensure you deliver your annual report on time.

If you have prepared what can be prepared before pulling the balances, you will do yourself a big favor and avoid time pressure.



3 steps toward a smooth annual report project

Preparing requires a clear project procedure for the annual report. Perhaps you already have a procedure today for planning ahead, but ask yourself: *Is it working the best way possible?*

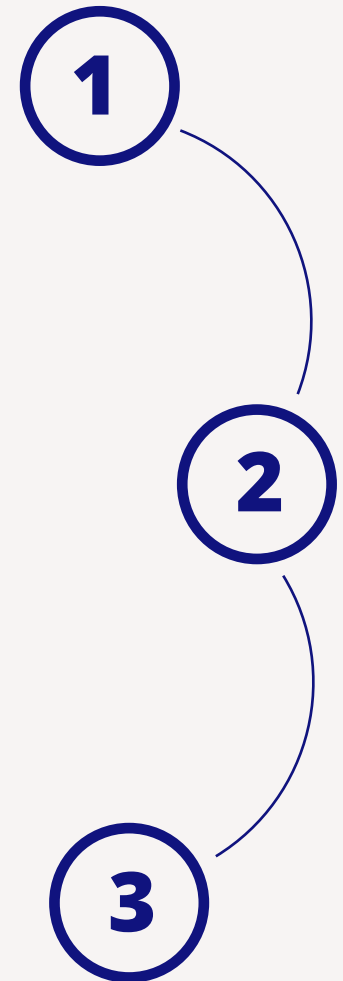
In the next few pages, we lay out 3 fundamental steps for building a new and improved procedure:

Step 1: Deadline – the common nominator

Step 2: Automate manual tasks

Step 3: Get the right skillset in place

If you take the steps above into account in your annual reporting, it will be a fun and less stressful task to fulfill.



1. Step: **Deadline – the common nominator**

Deadlines in the world of finance are often absolute, and time is a limited resource. Since an essential thing regarding any reporting procedure is making deadlines, make sure you have a plan so everyone within your team knows what their tasks and deadlines are. Creating a solid work plan is how you will avoid time pressure.

What a work plan should look like

To ensure everyone is on board with the plan for the year-end close, you should create a solid work plan that contains the following:

- A timeline that shows when tasks should begin, who oversees the tasks, and when to involve external parties.
- Time estimates for completion of each task.
- Deadlines and sub-deadlines for each task.

(Sub-)deadlines are crucial tools to avoid stress and time pressure since these are the framework for building a good workflow. Remember, a plan of who is doing what and when they do it will lay the foundation of a culture where preparation is just a natural element of the year-end workflow.



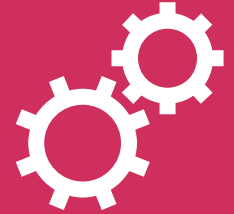
2. Step: Automate manual tasks

You will gain more time when automating manual processes. With additional time, you can dive into your data and find key results you would like to explain to management. Thereby, you can help management understand the business better and improve decision-making.

What we mean by “automating manual tasks”

When we talk about ‘automating manual tasks’, we mean removing repetitive, redundant tasks from your workflow. Basically, we talk about taking a task like manually discovering and retyping a broken formula and letting a computer do the job.

In reporting procedures, we still find many tasks that have to be done but do not benefit the organization in the bigger picture. For example, you must manually error-check your spreadsheet. Such tasks remove time and focus from more important and beneficial ones, like highlighting risks, ESG features, or pointing out a certain outlook. Instead of correcting everything manually, you could have software go through all your data. If you have software in place to relieve your workload when it comes to pulling the numbers and checking for errors. Then you will have plenty of time for the financial analysis and to dive deeper into your data results.

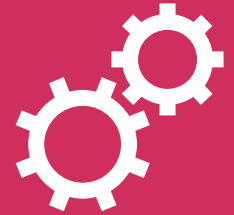


Examples of ways to automate tasks in finance

There are several ways to let a computer take care of repetitive, redundant tasks. We will cover some of them here. We will go through how you can use cloud software and robotics to automate parts of your workflow. But first, you will learn what types of tasks are suitable for automation.

Types of tasks to automate

Recurring, systematic, and data-heavy tasks are made for automation. The tasks that have big potential to be automated are the more tedious, repetitive ones like typing and checking all VAT codes, handling intercompany eliminations, or approving expenses. Suppose you have robotics for typing and checking your VAT codes, reporting software for handling intercompany eliminations, or invoice software for approving expenses; these will reduce the risk of errors, ease your workload, and give you more time. Time to focus on the more creative and cognitively demanding parts of financial reporting. For example, you will get more time to create data-driven proposals.



3. Step: **Get the right skillset in place**

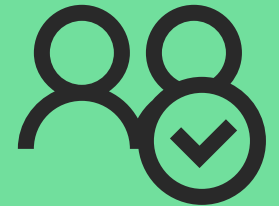
For a project like the annual report, it is important to put the right skills into the right places. Having a solid work plan for preparing the annual report and automating tasks doesn't help you if you don't have the right people to carry out the reporting.

Skills in-house

Make sure you have a team covering the different skills needed for the reporting procedure. Not everyone has to be tech-savvy, good at handling financial consolidation, or non-controlling interests. But everyone must contribute with their special strengths regarding reporting.

Make sure all are on the same page

As the project lead of the annual report, you should ensure the team knows the year-end procedure so that nobody is stalling or risking agendas colliding. To avoid this, communication is key!



Put into other words:

- **Don't just assume that your team understands the procedure.** This includes that you don't let anything be unspoken; that will create confusion. And confusion you don't have time for.
- **Communicate the work plan explicitly** so everyone is on the same page and knows who is doing what and when.
- **Underline focus points and management's goals:** Is there something specific your team should look for/be aware of when making the report? Have it on top of your mind. This year especially, risk management and an outlook on how to handle future risks such as pandemics and wars are a huge topic in the annual report, but also ESG is a big trend in the annual report of 2022.

These little tips will ensure that you and your team have a common goal of delivering good reporting in time for the deadline.

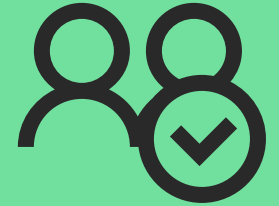
External consultancy for the annual report

It can be necessary to get external expert help. Perhaps you are a small or medium group's CFO or Finance Manager. Then you know that with only a few dedicated employees, the in-house skillset is limited to a certain extent. So, are you missing some skills in-house to complete the annual report? Then the way forward can be contacting experts outside your organization.

Perhaps you need:

- Help to lay out the design of your annual report.
- Help to do the financial consolidation, creating an audit trail or cash flow.
- Help in proofreading the content.

Whether it is on the more technical side you need support on or with the financial consolidation or something thirdly; it is up to you to discover. So, look closely at what you have internally and see if you are missing something.



How to get started with a free project plan template

If you are the project lead of the annual report at your finance function, we have gathered a complete project plan for you to download.

How you want to use the project plan template is up to you; find inspiration or use it directly. It is yours for free.

DOWNLOAD IT HERE



KONSOLIDATOR

RELIABLE DATA

- TIMELY AND AFFORDABLE