



Financial model optimization

(Environmental asset management & compliance services company)

Optimized the existing excel based financial model for ease of reporting & viewing

Environmental commodities company needs to cleanup its financial model

Picture this...

You're looking for streamlining the process of data accumulation and eliminate risk of errors in the forecasted financial statements. The existing financial model is cumbersome owing to inputs coming in from six different business units and lacks streamlined mechanism to segregate the actual inputs from the projected forecasts.

You turn to Accordion.

We partner with your team to optimize the existing excel based financial model for ease of reporting & viewing, including:

- 1) Optimizing the financial model by making it user friendly, both in terms of data input process and data visualization
- 2) Enhancing the current outputs of Income Statement, Balance Sheet & Cash Flow statement by making the model dynamic with appropriate date selection ability
- 3) Creating ready to use charts and graphs that can be leveraged for any leadership/review meetings
- 4) Adding an automated QC (Quality Check) layer for easy reconciliation and formulated a process to standardize quarterly refreshes of the model

Your value is enhanced.

You have improved the financial model by providing a reliable and structured view of business performance. You have segregated the manual data input, assumptions and dynamic selection parameters, eliminated the risk of unintentional manual/user errors. The time series analysis made the model dynamic and reduced manhours spent in quarterly refreshes.

FINANCIAL MODEL OPTIMIZATION

KEY RESULT

- 75% of manhours reduced

VALUE LEVERS PULLED

- Optimized financial model
- Excel charts

Situation

- The existing financial model of the client was cumbersome owing to inputs coming in from six different business units and lacked streamlined mechanism to segregate the actual inputs from the projected forecasts, and there was an opportunity to enhance the model
- Merilytics partnered with the client to streamline the process of data accumulation and eliminate risk of errors in the forecasted financial statements

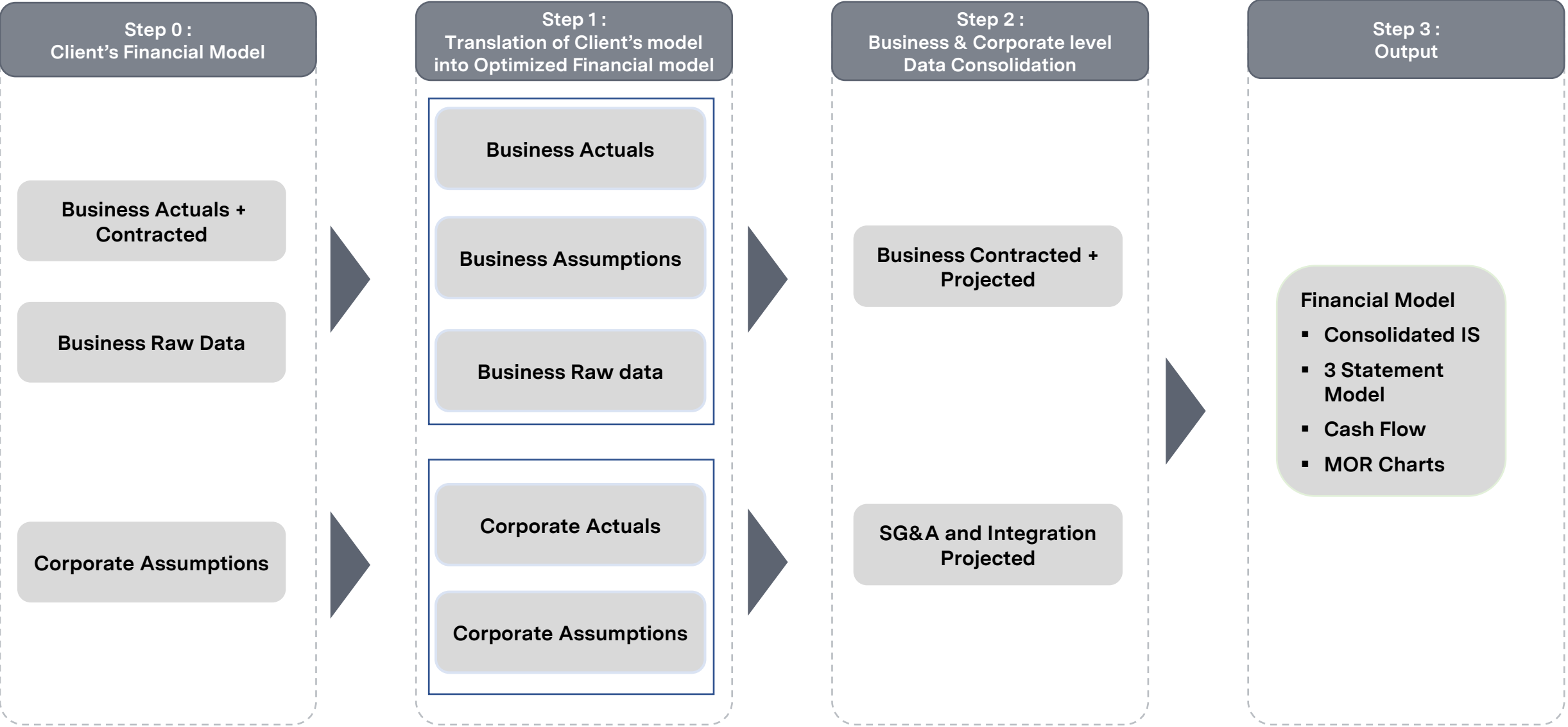
Accordion Value Add

- Optimized the financial model by making it user friendly, both in terms of data input process and data visualization
- Enhanced the current outputs of Income Statement, Balance Sheet & Cash Flow statement by making the model dynamic with appropriate date selection ability
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- Added an automated QC (Quality Check) layer for easy reconciliation and formulated a process to standardize quarterly refreshes of the model

Impact

- The improved financial model provided a reliable and structured view of business performance
- Segregation of manual data input, assumptions and dynamic selection parameters eliminated the risk of unintentional manual/user errors
- Time series analysis made the model dynamic and reduced manhours spent in quarterly refresh of the model by over 75%

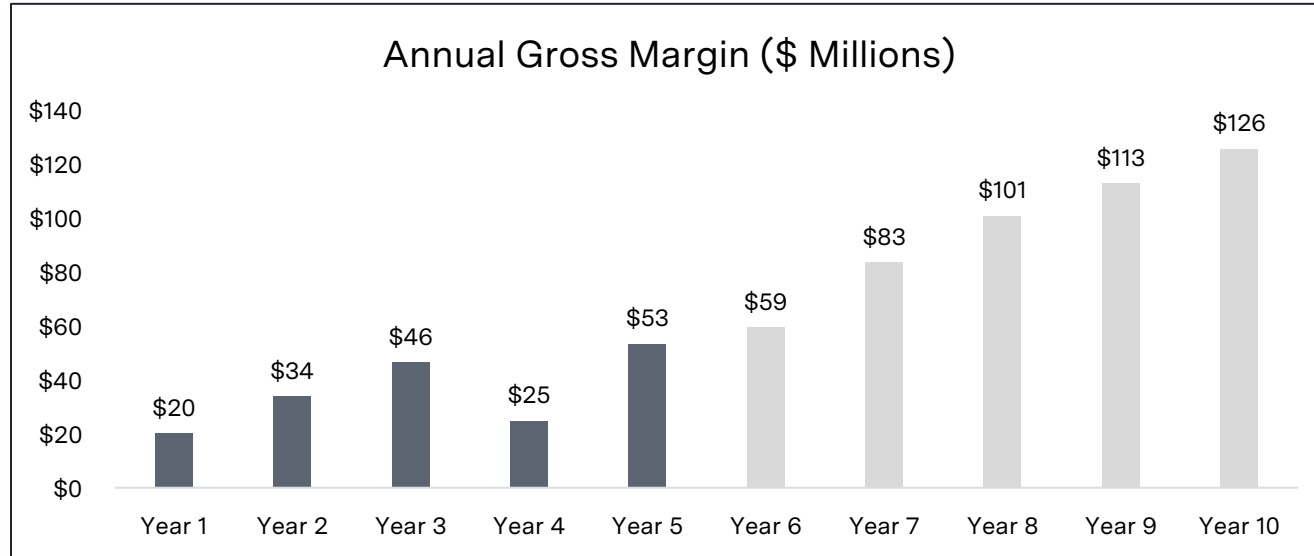
Methodology / Approach



Dynamic P&L as per selection month

Actuals							
Selected Month							
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6	Corporate
Revenue							
Asset Management	\$0	\$60,796	\$66,695	\$0	\$0	\$0	\$127,491
Sales Proceeds	\$16,354,572	\$8,906,317	\$518,829	\$2,210,564	\$2,601,000	\$0	\$30,591,282
Total Gross Revenue	\$16,354,572	\$8,967,112	\$585,524	\$2,210,564	\$2,601,000	\$0	\$30,718,773
Cost Of Sales							
Cost of Goods Sold	\$12,780,512	\$6,628,916	\$498,950	\$1,554,103	\$2,424,000	\$0	\$23,886,481
Cost of Sales - Other	\$43,428	\$13,153	(\$2,000)	\$1,964	\$0	\$0	\$56,545
Total Cost of Sales	\$12,823,940	\$6,642,069	\$496,950	\$1,556,067	\$2,424,000	\$0	\$23,943,026
Gross Margin	\$3,530,633	\$2,325,044	\$88,574	\$654,497	\$177,000	\$0	\$6,775,747
SG&A Expense							\$1,232,121
EBITDA	\$3,530,633	\$2,325,044	\$88,574	\$654,497	\$177,000	\$0	\$5,543,626
Other Income and Expenses	\$0	\$0	\$0	\$0		\$0	(\$18,347)
Net Income (Loss)	\$3,530,633	\$2,325,044	\$88,574	\$654,497	\$177,000	\$0	\$5,525,279
Profitability - (% of Total Revenue)							
Gross Margin	22%	26%	15%	30%	7%	0%	22%
Overhead Expenses	0%	0%	0%	0%	0%	0%	4%
EBITDA	22%	26%	15%	30%	7%	0%	18%
Net Income	22%	26%	15%	30%	7%	0%	18%

Financial indicators



All Values are in \$Millions

Blue bars represent historical years data

Grey bars represent forecasted years data

