**Basic economic documentation of BOARD**

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# Connected systems and databases

So far, data in BOARD is retrieved from several source systems:

1. Ventas
2. Foxxpro
3. Solomon
4. Hkg\_Orders.mdb

## Ventas

Hamburg is the main procurement center location consisting of one legal entity “Rieckermann GmbH”. Ventas is the combined system for order registration and accounting in Hamburg. All orders procured via Hamburg are taken from Ventas.

Precalculation stage:

Order values and DB2 (Order value minus prec. Cost) are directly taken from the order registration part from Ventas. No accounting figures. In BOARD such orders are displayed as “Order Intake” (OI) and “Order Backlog” (OB). The determination of the “Order Intake” date is based on the registration date of the order in Ventas. **From that date onwards the order will always be “Order Intake”**. The order will be in OB until shipment stage.

The estimated delivery date in Ventas is only a reference to determine upcoming shipments.

Shipment stage:

Upon shipment the order appears as “Turnover” (TO) and no longer as OB. As there is no reliable shipment date available in Ventas, shipment is deemed to have occurred on the day of revenue recognition, in this case minimum invoice date. Hence, the accounting part from Ventas is taken into consideration only for defining the shipment date. Order values and DB2 are still taken from the order registration part. Consequently both figures are still precalculated. A clear distinction between pre- and postcalculation with no automatic, intermediate extrapolation is the underlying rationale. It shall easily be reproducible for report recipients where the figures come from.

The Turnover In this context does not refer the turnover in any P&L, i.e. to of official accounting standards.

Post calculation stage:

After shipment revenue and cost may not have yet occurred fully. Once all revenue and cost have been booked in the accounting, the accounting closes the order in Ventas “order closure”. From that point on BOARD retrieves the order value and DB2 directly from Ventas Accounting. The orders still appear in TO, but figures are post calculated, i.e. actuals.

Apart from this logic, there is one exception for “commission” orders. **For commission orders the order value is always taken from Ventas Order Processing, as for this figure no actual accounting revenue exists.**

Short term target is to enable a reporting with pre- and postcalculation. A report recipient shall be able to clearly distinguish which figures he or she is confronted with.

## Foxxpro

Next to Hamburg Hong Kong is another procurement center location. One major difference to Hamburg is that in Hong Kong several legal entities are listed and these entities have a double function. An entity might be procurement center and Business Unit at the same time. Another difference is the existence of two separate systems for order processing and accounting.

Whereby, Foxxpro is the order registration system in Hong Kong. Although the system does not allow the distinction of legal entities, all entities register their orders in this system by using some kind of internal coding. As the legal entities may have a double function, all orders, even when procured via Hamburg, are registered in Foxxpro.

Precalculation stage:

There is a “Hamburg involved” field in Foxxpro which means procured via Hamburg YES or NO to determine the procurement center.

SQL logic:

All orders with Hamburg involved = YES are loaded into BOARD but retrieved from Ventas

All orders with Hamburg involved = NO are retrieved from Foxxpro and loaded into BOARD

The orders with Hamburg involved = NO appear as Order Intake and Order Backlog in BOARD based on the registration date in Foxxpro. From that date onwards the order will always be “Order Intake”. The order will be in OB until shipment stage. The order value and DB2 are directly taken from Foxxpro and are precalculated. Figures are provided in EUR by Foxxpro.

The estimated delivery date in Foxxpro is only a reference to determine upcoming shipments.

*Industry:* in many cases the division code can be mapped to an Industry. Otherwise, the 4 digit Industry code has to be recorded under “remarks” in Foxxpro. Division codes 00, 11, 12, 13, 14,15 and 1S are left out of consideration. Those are not imported into BOARD as they belong to Steeltech, which is being liquidated.

*Business unit:* in some cases the business unit is directly available in the “province” field. Otherwise, the “province” is mapped to a country and the country is mapped to an industry (Country + Industry=Business Unit)

*Merchandise:* the merchandise is derived via the product group, i.e. the product group is mapped to a merchandise. Product groups 14 (training equipment) and 99 (onward charges – no product revenue) are left out of consideration. Those are not imported into BOARD.

Shipment stage:

Upon shipment the order appears as TO and no longer as OB. Important: Foxxpro is the leading system – if there are orders in Solomon which are not contained in Foxxpro, BOARD would not retrieve information of those orders out of Solomon! As there is no reliable shipment date available in Foxxpro, shipment is deemed to have occurred on the day of revenue recognition, in this case the minimum transaction date. Hence, Solomon, the accounting system is taken into consideration only for defining the shipment date. Order values and DB2 are still taken from the order registration part. Consequently both figures are still precalculated.

SQL logic:

Lookup the order number of the OI from Foxxpro in Solomon and determine as TO, when revenue booking is found.

The Turnover In this context does not reflect the turnover according to P&L.

As within Foxxpro neither legal entities, Business Units, Countries, Merchandises nor Industries are directly available a mapping is necessary to derive such information:

Steeltech is not considered as its activities have been phasing out!

## Solomon

Post calculation stage:

After shipment revenue and cost may not have yet occurred fully. Once all revenue and cost have been booked in the Solomon, the accounting closes the subaccount (order) in Solomon (set subaccount code to “inactive”). From that point on BOARD retrieves the order value and DB2 directly from Solomon. The orders still appear in TO, but figures are post calculated, i.e. actuals.

Apart from this logic, there is one exception for “commission” orders. For commission orders the order value is always taken from Foxxpro, as for this figure no actual accounting revenue exists.

Despite the exception, order values and DB2 are calculated only by taking DB2 relevant account codes into consideration. The reason again lies within the double function of the legal entities as procurement center and Business Unit. The accounting staff in Hong Kong pointed out the DB2 relevant accounts. Only these are connected to BOARD.

As most of the transaction in Hong Kong are not in EUR the DB2 relevant transaction are converted to EUR by taking the transaction date of every single transaction and retrieving the appropriate exchange rate from the exchange rate table available Solomon/Rieckermann Services Ltd.. The transaction date is the only date available for every single transaction. Moreover the month of the transaction date for revenue recognition should always equal to the posting month for the transaction to ensure equality to the P&L. The revenue transaction date should equal the sales invoice as well (same for credit notes).

## Hkg\_Orders.mdb

In addition to Ventas and Foxxpro there are a few local orders, neither procured via Hamburg nor via Hong Kong, which are recorded in a separate access file. This file is also hooked up to BOARD. **Although there is a distinction between OI, TO and OB all values are on precalculated basis.** This is due to avoid too large administrative effort. All figures can be taken directly from the source. No calculation in the dataware house is needed. Same for the distinction of OI, TO and OB.

**The only SQL query applied checks whether an order is already contained in Foxxpro to avoid double counting**. More precise, the Hkg\_orders.mdb is the last datasource where BOARD retrieves data as long as this data has not been found in other source systems.

# Changes of existing orders

The historical cubes trace every single change of a once registered order.

In the regular order intake Cube the order is displayed as it exists in the source system as long as the registration date and the change date occurred in the same year. In case the change occurs in a different year, the difference compared to the initial registration will be displayed as Order Intake (positive or negative) in the year the change occurred.

*Example:*

*Order Intake Oct 2013 with value = 100.000 and DB2 = 5.000*

*In Februar 2014 the value is decreased to 90.000 and the DB2 to 4.000.*

* *New Order Intake in Febuary 2014: Value = -10.000 and DB2 = -1.000*

Intention is to avoid changing figures of past years. Additionally, from an economic perspective changes should be considered in the year the occurred.

# Planning in BOARD

With BOARD a straight forward planning process has been implemented. After the controlling department has opened the planning mask, the BU manager is able to record his/her forecast. The BU manager is the only person who can change the forecasted figures. The industry managers and or the coordination board can only refuse to approve figures. Otherwise, the possibility of overwriting figures would lead to confusion and rejection of figures by all instances involved in the process.