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How to Build the Ultimate GL in Dynamics GP

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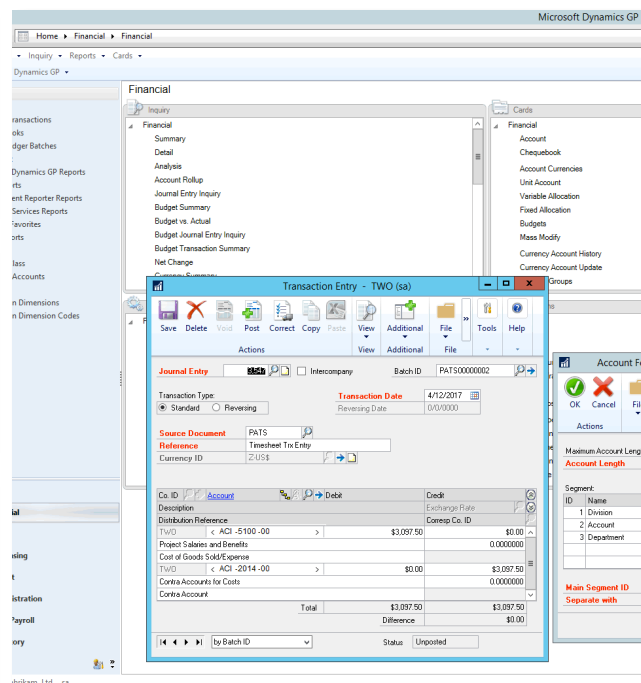
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Where Does a Problematic COA Appear?

Financial & management reporting (too much Excel)

No consistency across multiple entities (manual consolidation)

Errors and reclass entries



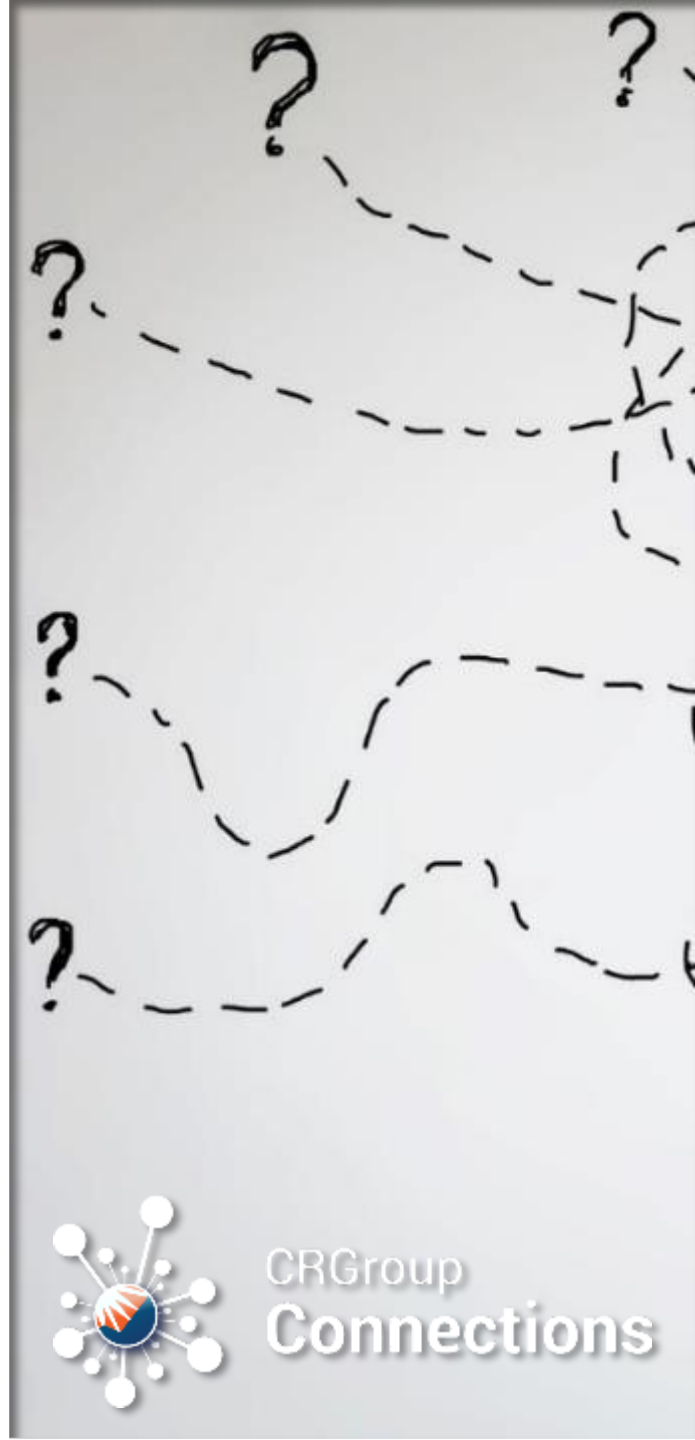
Budgeting & planning (never loaded to system)

Too many GL accounts

Integrations keep breaking

How did This Problem Start?

- Lack of training on COA structures
- Inheriting a COA that someone else created
- New implementation uses and legacy COA structure
- No one thought about the reporting tool when creating the COA
- There is no guidebook or rules to follow about when to create a new account
- Our organization structure changes every time someone sneezes



6 Desired Outcomes



1. CONSISTENCY of reported information across business units, while ensuring **COMPATIBILITY**;



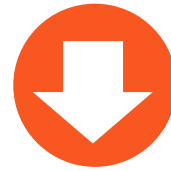
2. Ease of **CONSOLIDATION** to satisfy management requests;



3. Ability to **BENCHMARK** between different business units, areas, and/or entities;



4. Reduced **LEARNING CURVE** due to commonality;



5. Reduced time spent on **RECONCILIATION** procedures;



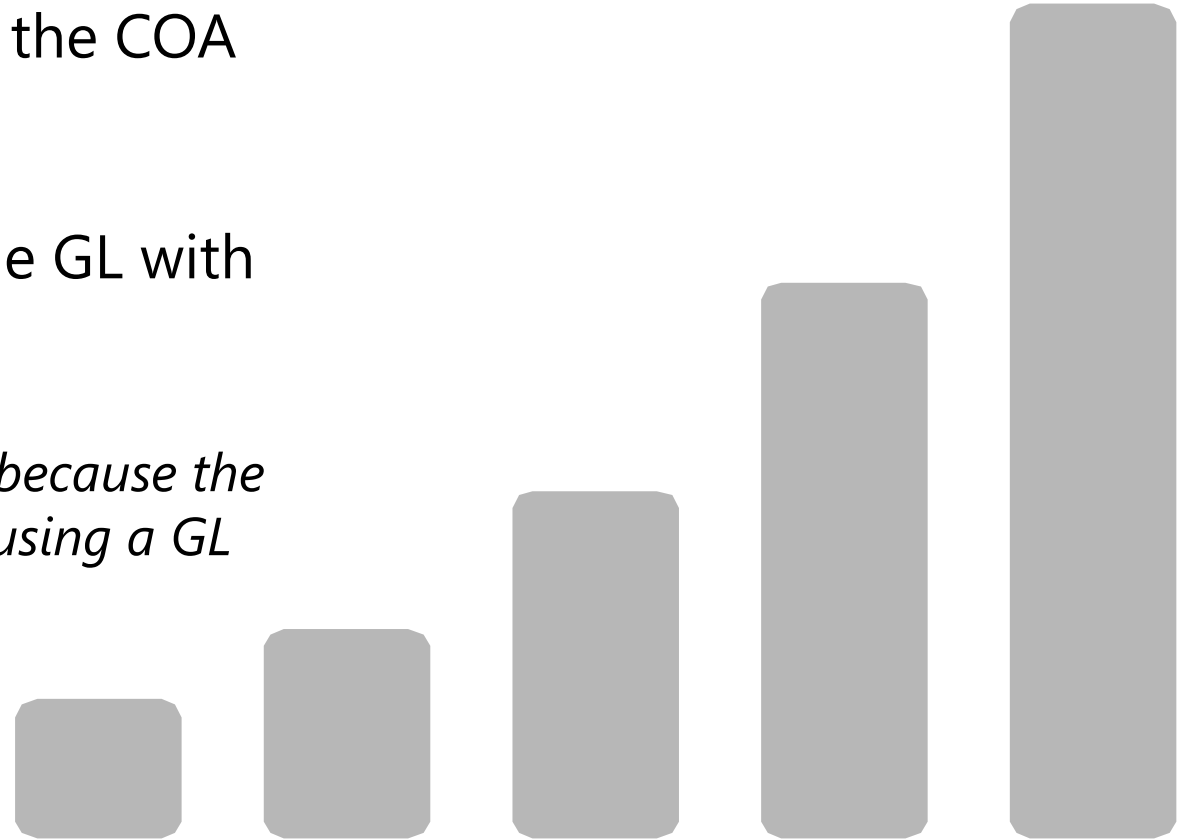
6. Built-in **FLEXIBILITY** to allow for growth without sacrificing current transaction efficiencies;

Enterprise Reporting & Analytics

Single most important component of the COA design

Must balance need for information in the GL with need for information in the sub-ledgers

Common mistake: *overburden the GL simply because the reporting tools being used are GL-focused. Ex: using a GL segment to identify salespeople*



Create a COA Handbook

- The handbook explains how and why accounts are used
- Used with new team members
- Supports reporting self-service and budgeting cycles
- Lets accounting say “NO” when people ask for new accounts



So where do we start?



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Analysis and Review

- Review all financial and management reports that are being created today
- Take stock of what is being measured today
 - How many reports
 - Manual versus automated
 - Frequency
- Clarify measurement going forward – what do we need to report and track?
- Prepare gap list – required vs available fields and dimensions



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Next, Consider the Structural Elements in GP

Dynamics GP has a multi-dimensional financial reporting structure built-in that includes:

- **GL Segment structure (maximum of 10 – Yikes)**
- **Account Category**
- **User Defined Fields 1,2,3,4 on the GL account card**
- **Analytical Accounting Dimensions**



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COA SETUP AND ACCOUNT CARD:

File Edit Tools Help sa Fabrikam, Ltd. 4/12/2017

Maximum Account Length: 66 Maximum Segments: 10
Account Length: [icon] **Segments**: 3

Segment:

ID	Name	Max. Length	Length	Display Width
1	Division	6	3	Standard
2	Account	6	4	Standard
3	Department	6	2	Standard

Main Segment ID: Account

Separate with: - [Sorting]

[OK] [Cancel]

Account Maintenance sa Fabrikam, Ltd. 4/12/2017

File Edit Tools Help

Save Clear Delete

Account: < 000 -4100 -00 [Inactive]

Description: Sales

Alias: S Allow Account Entry

Category: Sales

Posting Type: Balance Sheet Profit and Loss

Level of Posting from Series:

Sales:	Detail
Inventory Control:	Detail
Purchasing:	Detail
Payroll:	Detail

Typical Balance: Debit Credit

Include in Lookup:

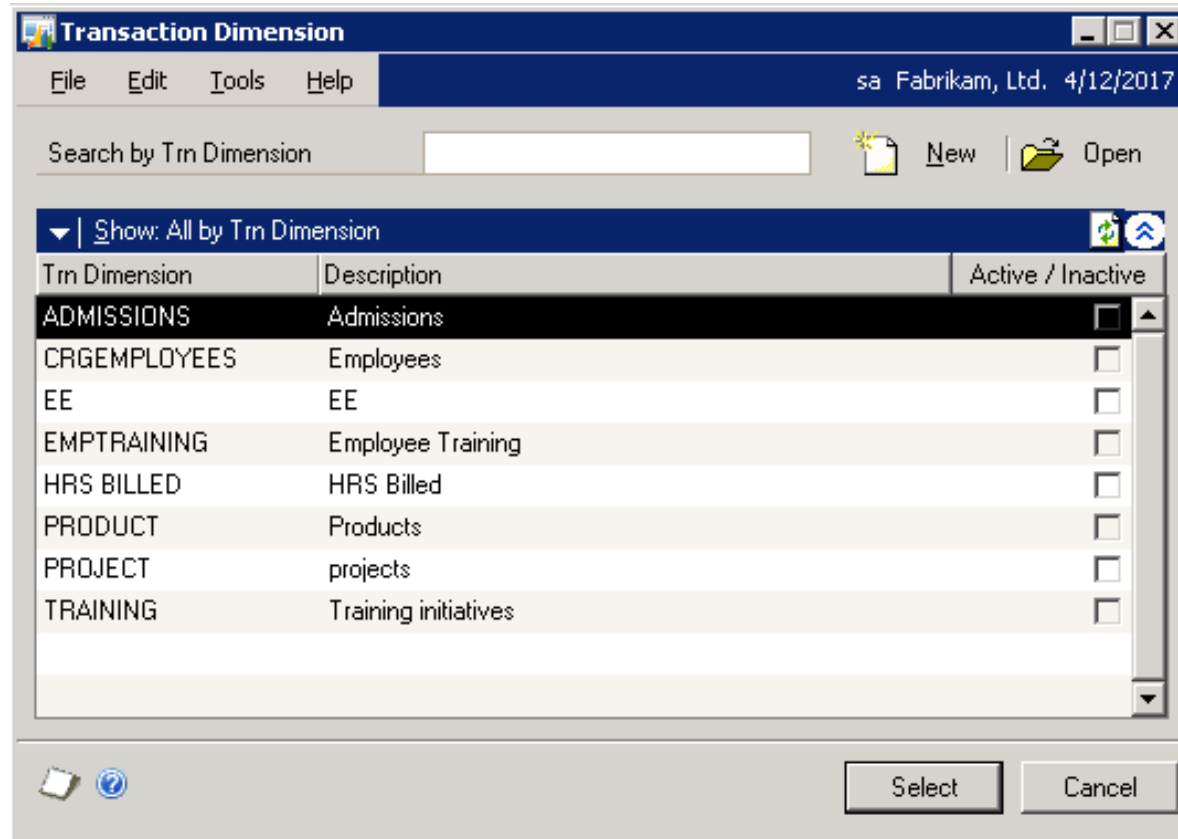
- Sales
- Inventory Control
- Purchasing
- Payroll

User-Defined 1-4

[Summary] [History] [Budget] [Analysis] [Currency]

by Account

ANALYTICAL ACCOUNTING:



MANAGEMENT REPORTER "FINANCIAL DIMENSIONS":

A	B	C	D	E	F	G	H	I	J
Row Code	Description	Format Code	Related Formulas / Rows / Units	Format Override	Normal Balance	Print Control	Column Restriction	Row Modifier	Link to Financial Dimensions
100									
130									
160									
190									
220									
250									
280									
310									
340									
370									
400									
430									
460									
490									
520									
550									
580									
610									
640									

Dimensions

(All)

Operator (+/-)	Class	Account	Sub-Account	Account Category	User-Defined 1	Consulting Revenue By Employee	XYZ
+							
+							
+							
+							
+							
+							
+							
+							

Core COA Segments **Other Financial Dimensions**

OK Cancel

What is the Right Blend?

Key Consideration: COA segment vs. AA Dimension

COA Segment:

- Think about Statutory Financial Reporting needs
- 5 maximum – more is cumbersome
- Enough digits to allow for growth
- Use for financial dimensions that are not short-term in nature
 - Natural (or Account) is always included
 - Department, Division, Business Unit, Product Line, Project



What is the Right Blend?

Key Consideration: COA segment vs. AA Dimension

AA Dimension:

- Think about Management Reporting needs
- Use for financial dimensions that are short-term in nature or subject to change



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Think About Logical Order

Naturals:

1000 series = assets

2000 series = liabilities

3000 series = equity

4000 series = revenue

5000 series = cost of good sold

6000 series = salaries and benefits

7000 series = operating expenses

8000 series = non-operating items

9000 series = unit accounts

Same logic is needed across ALL companies




Think About Grouping Within Each Segment

Divisions:

- 100 series = G&A
- 200 series = Sales & Marketing
- 300 series = R&D

Departments:

- 100 = Finance
 - 110 = HR
 - 120 = IT
 - 200 = Field Sales
 - 210 = Inside Sales
 - 220 = Marketing
- 
- G&A
- Sales & Marketing

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What does this look like in real life?

Let's review some before and after examples



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Questions?



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Thank You!

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