



EDCS PROFIT™ Executive Decision and Control Service

Top benefits to be considered by the CEO, CFO, the Board and investors

- For a typical mid-size North American corporation, *EDCS PROFIT™ PROJECT OFFERING* has potential to support strategic, consistent and quantifiable profit improvement or expound the acquisition value of an undervalued company.
- For money strapped corporations, a modest investment in *EDCS PROFIT™* might result in the substantial improvements in the corporate bottom line, obtaining banking credits or preparing the company for M&A.
- Our service is often able to *pay for itself within 6-9 months of the project completion*; and helps to achieve *strategic, consistent and quantifiable profit improvements (typically 5-10%)* after that*.
- Many companies '*leave much money on the table*' due to the challenges of their financial reporting. Research shows that inefficient accounting and financial reporting system is among the major barriers for corporate growth, lower taxes or obtaining investments. *EDCS PROFIT™* helps corporate executives and the Board address profitability and sustainability issues in the long-term and consistent way and to attain acquisition premium if your company is being sold.
- *EDCS PROFIT™* comprehensive methodology is based on the sophisticated Chart of Accounts (COA)-centric reengineering process, individually optimized for each corporation with its unique business requirements, income history, future plans, changing opportunities and the evolving business patterns of the company's growth. This new analytical service for the mid-size corporations has been introduced in the North America for the first time. Previously, such a comprehensive specialized service was only available to large multinationals.
- *EDCS PROFIT™* helps to ensure full accountability of the corporate financial reporting to the executives and the Board. The underlining original executive decision and control methodology radically improves work effectiveness. Resulting continuous and measurable advancements in the corporate finances help the corporates to achieve strategic goals of rapid business growth and the '*Best in Class*' status.
- *EDCS PROFIT™* customized analytical service could be set up precisely for client's individual needs. It is powerful but simple to use by the executives. You can use your existing accounting system, whether on the corporate network or in the cloud, and there is no need to install additional complex technology.
- *EDCS PROFIT™ Executive Dashboard* provides numeric granular accountability and transparency. The Dashboard information have been presented as succinct as possible, graphically optimized for management decision making by particular non-financial executive users and highly customized to explore only specific action-focused issues. Data that are not directly relevant to the company's individual situation or are not of much critical value to its executive recipients are being excluded.

EDCS PROFIT™ Sales Channels

EDCS PROFIT™ is typically offered in partnerships with the accounting firms that support mid-size corporations, as well as with the banks, VCs, M&A brokers and corporate reengineering experts that prepare companies for profitability improvements, help to attract investments and IPOs, conduct M&A Supply Chain Finance and factoring.

Take advantage of our offer – email or call us today inquiring about your individualized project's implementation steps

See the dramatic difference in the profitability of your global operations!

*Note that exact results might vary depending on the implementation. Please inquire.



EDCS PROFIT™ Executive Decision and Control Service

ARRAY DEVELOPMENT introduces EDCS PROFIT™ – a customized Executive Decision and Control Service for mid-size corporations that enables their profitable growth

Many executives are frustrated with the lack of transparency and relevancy in their corporate results or don't trust their financial information. They could not operate effective planning and profitability analysis without first obtaining relevant data that describe corporate financial health in plain business terms. According to recent studies, less than a quarter of executives could rely on internal accounting data when making critical decisions.

For CFOs, data concerns hamper their ability to confidently answer key strategic questions. Many companies 'leave much money on the table' due to the inadequate financial data and analysis. Research shows that ineffective accounting and financial reporting is among the major barriers for corporate growth, lower taxes or obtaining investments. Yet, CFOs are well-positioned to lead the resolving of this strategic problem.

ARRAY DEVELOPMENT'S *EDCS PROFIT™* is an executive decision and control service. Simple yet powerful, the service enhances corporate accounting and financial reporting systems in support of rapid and profitable business growth.

EDCS PROFIT™ service ensures full accountability of financial reporting to the executives, the Board and investors. *EDCS PROFIT™ Executive Dashboard extracts critical decision-making information from the corporate financial and management data, thus improving work effectiveness and guiding innovation and performance growth.* Resulting continuous and measurable advancements in corporate finances help the corporates to achieve strategic goals and the 'Best in Class' status.

Target community and executive drive

Our new service typically targets mid-size North American corporations with the annual revenues of \$5 to \$200M or with 10 to 200 employees, that commonly deploy QuickBooks as their principal accounting system (a modified version of the service is also available to the users of other prevalent accounting packages and online services).

In introducing *EDCS PROFIT™ PROJECT*, it is especially critical that the client CEO/top decision maker has been strongly committed or externally compelled to urgent change in the business model, thus signifying corporate commitment to strategic improvements. The project's motivation on the part of the CEO, the Board and investors might be due to:

- Turning around a stagnating company
- Obtaining credit line from a financial institution, vendor or client – i.e., in support of the global expansion
- Negotiating an investment from a VC, private equity fund or preparing for an IPO
- Selling the company, i.e., due to the principal's close retirement
- Fighting government agencies to reduce taxes
- Facing new fierce competition from the non-traditional, well financed Internet competitors
- Need to compare key corporate performance indicators with the leading competitors

Our project typically helps to position CFO as a proactive driver of profitable corporate growth. However, it is not about us conducting accounting or installing additional complex technology.

Principal benefits

EDCS PROFIT™ advanced methodology is based on the solid foundation of general and tax accounting, complemented by our special expertise and extensive experience. *It is intended to realize substantial cash benefits for the clients.*



The new service comes with a highly unusual corporate guaranty – if proactive implementation of **EDCS PROFIT™** analytical service would not save the client the equivalent of the project's cost within the next 18 months from its completion, we will refund the difference back to the client*. Such a tough guaranty is unprecedented in the financial management consulting business.

EDCS PROFIT™ comprehensive methodology is the *Chart of Accounts (COA) centric reengineering process*, individually optimized for each corporation with its unique business requirements, income history, future plans and changing opportunities. Reengineering financial management reporting is impractical without first modifying COA. *Being the principal enabler for transforming financial statements into meaningful management information, a well designed COA* makes possible transporting, analyzing and displaying critical data for various stakeholders. It is the prerequisite for data integrity, and for more accurate, consistent, and better presented financial statements, that expose corporate strengths and address its weaknesses. Optimizing COA leads to tangible results, improvement in the corporate bottom line and ascertaining critical compliance.

Similar to other popular accounting packages, in QuickBooks it is relatively easy to introduce a new COA. However, for an ongoing business, a brand new COA might result in the alteration of historic financial statements critical for audits, taxation and forecasting. In contrast, modification of existing COA by meaningful reassignment of individual accounts is quite challenging, similar to changing car wheels on the road during the driving, and it requires a good deal of processes synchronization and accounting expertise.

Our original approach has been optimized for guiding corporate accountants through the essential COA modification process. COA changes are usually conducted in parallel with the data input to the accounting system, to ensure that a typical several-weeks project does not derail routine corporate operations; important historic data would not be lost; and the older financial statements wouldn't have to be restated. In addition, we would train corporate accountants to implement from time to time subsequent COA modifications, all but inevitable in this day and age with the ever-changing competitive business models and regulatory environment.

Customized multiphase project to implement **EDCS PROFIT™**

First, a best-fitting COA is being custom designed for the client corporation as an individualized hierarchical set with the standardized numeric accounts. At the *second phase* of this project, based on this 'ultimate COA', the existing QuickBooks COA is being modified and block coded to become more suitable for digital financial analytics, operation optimization and management, as well as for strategic executive decision making. As individual COA accounts cannot be deleted but have to be reassigned to the remaining active accounts, the modification process is by necessity somewhat convoluted and involves several iteration of changes and coding.

The resulting financial statements describe more accurately the evolving corporate business model and its potential for ongoing growth, improved profitability and long term sustainability. As COA always evolves, together, the newly defined COA template and instruction guidebook provide a sound foundation for the future COA modifications by the corporate accountants themselves, as might be necessitate by the business growth.

XXXX Services Inc.		10-18
Balance Sheet		2014-05-05
As of 2013-12-31		Accrual Basis
		Dec 31, 13
ASSET S		
Current Assets		
Checking/Savings		
101000 - Bank		
101100 - First Caribbean Bank - Checking (First Caribbea	8,288.87	
101200 - First Caribbean - Savings	29,734.46	
101300 - First Caribbean - CD	249,157.45	
101500 - VRIROB (Float at FSC)	344.40	
Total 101000 - Bank	<u>288,025.18</u>	
Total Checking/Savings		288,025.18
Accounts Receivable		
105000 - Accounts Receivable		
105100 - Accounts Receivable from Custom	502,305.14	
105200 - Annual Registered Agent/Office (To record cust	630,109.23	
105400 - Incorp and post	1,129.46	
Total 105000 - Accounts Receivable	<u>1,133,444.83</u>	
Total Accounts Receivable		1,133,444.83
Other Current Assets		
103000 - Other Current Assets		
103100 - Advances Receivable from Staff	44,968.03	
103200 - Security Deposit		
103310 - Security Deposit (Rent)	3,500.00	
103320 - Security Deposit (Telephone) (Rent)	500.00	

	43				10.
	44				10:
	45				10:
	46				10:
	47				
					Total 1



At the *third phase* of **EDCS PROFIT™**, by utilizing advanced business and financial expertise, the project concentrates on reengineering comprehensive financial management reporting. Optimized COA is used to improve and make credible standard financial statements, such as General Ledger, Cash Flow, Profit and Loss, and the Balance Sheet. The redesigned COA helps to extract information meaningful for decision making by non-financial executives, for competitive positioning of the corporate product lines, and to ensure profitability in the ever-changing business environment; a goal of every sustainable organization. With minimal manual interaction, all financial statements are presented as Excel spreadsheets, well laid out and ready to be printed.

At the *fourth phase*, based on the obtained more accurate corporate financial statements, it is now possible to produce consolidated financial statements, either GAAP or IFRS-compliant, that support monthly and annual historic comparison of financial results. As well, this phase includes the checklist tables for the essential complementary criteria, such as the integrity of banking statements, presence of payroll calculations, major procurement statements, lease or audit documentation, etc. Also included are business plan and profitability projections, i.e., based on the historic trends or the introduction of new product offerings.

EDCS PROFIT™ Executive Dashboard

The final *fifth phase* presents **EDCS PROFIT™ Executive Dashboard**. Its primary goal is to ascertain corporate financial health and performance. This is done by defining and exhibiting the metrics for managing and growing your business and providing numeric granular accountability and transparency in the graphic language that non-financial executives can easily understand and act upon. The Dashboard includes an Executive Decision and Control Scorecard with critical performance indicators and ratios, whose meaning is easy to comprehend. Graphic representation of historic financial statements, both monthly and annual, supports illustration of critical trends and state of the corporate regulatory compliance.

This top view covers improved product line projections, key performance indicators, cost/benefit and 'what if' profitability and risk analysis. Effective transactional analysis highly specific to your company might include comparison of ROI and profitability with the leading competitors; ensuring that your company does not overpay taxes, revealing the levels of over- or under-collateralization of individual loans, or facilitating risk management. Analytics can be used to identify spending patterns, evaluate the impact of entering a new market or to drop an unprofitable product line. For mid-size North American corporations, such comprehensive analysis is typically too difficult and too expensive to arrange.

