

Optimizing Profitability

Business Success today depends on:

- Ability to *efficiently, speedily and accurately analyze current contribution margins*
- Ability to know *where to take corrective* action
- Ability to *assign usage of scarce resources to future scenario's* that promise optimal Return On Investment

Sales and Profit *assists analysis of the current contribution margins* and *taking corrective* action by:

Variable selection by Customer & Product Hierarchy



- Contribution margin analysis at Customer Level
- Contribution margin analysis at Product Level
- Contribution margin analysis at any defined Organizational Level
- Contribution margin analysis of any of grouping of customers/products/parts of the organization. Using groupings, hierarchies can be defined and analysis performed at any level.

- Reporting of any combinations of the various customer and product hierarchies
- Ability to forecast based on known changes (eg; new sales prices/purchased material prices/pricing conditions, exchange rates) - using updated data to forecast new profit and loss forecasts

Client: DEMO	Contribution Margin Variance Analysis	Date: 02.11.2005
User: MACS	Forecast /Budget	Time: 01:20
Report name: CM Variance Analysis	Apr 2006 - Sep 2006 in ZAR	Page: 1

Product Group		Local/Export						E Export			
		Quantity	Gross Sales	Sales Ded.	Net Sales	Var. Cost	CM 1	Quantity	CM Variance Price	MC	Mix
TO	Forecast	5,047,141	7,812,690	-1.39%	7,921,528	4,341,790	3,579,738	563,411	-1,244,807	1,444,090	0
Toiletries	Budget	4,205,948	7,533,658	-1.39%	7,638,607	4,821,563	2,817,044				
	Var. abs.	841,193	279,031		282,920	-479,773	762,694				
	Var. %	20.00%	3.70%	-0.00%	3.70%	-9.95%	27.07%				
TX	Forecast	5,259,117	7,171,425	-1.19%	7,256,765	6,027,293	1,229,472	500,614	-1,279,139	-495,073	0
Textiles	Budget	4,382,598	7,029,601	-1.19%	7,113,253	4,610,183	2,503,070				
	Var. abs.	876,519	141,823		143,511	1,417,109	-1,273,598				
	Var. %	20.00%	2.02%	-0.00%	2.02%	30.74%	-50.88%				
CO	Forecast	2,370,799	3,204,928	-2.10%	3,272,231	2,900,343	371,888	188,181	-519,757	-237,447	0
Cosmetics	Budget	1,975,667	3,094,997	-2.10%	3,159,992	2,219,081	940,911				
	Var. abs.	395,132	109,931		112,239	681,262	-569,023				
	Var. %	20.00%	3.55%	-0.00%	3.55%	30.70%	-60.48%				
CA	Forecast	3,034,616	2,955,716	-0.19%	2,961,332	1,892,112	1,069,220	151,307	-465,178	626,559	0
Canned Foods	Budget	2,528,846	2,850,009	-0.19%	2,855,424	2,098,892	756,533				
	Var. abs.	505,770	105,707		105,907	-206,780	312,687				
	Var. %	20.00%	3.71%	0.00%	3.71%	-9.85%	41.33%				
(32) Product-Manager FO/IN	Forecast	15,711,673	21,144,758	-1.26%	21,411,856	15,161,538	6,250,318	1,403,513	-3,508,881	1,338,128	0
	Budget	13,093,059	20,508,266	-1.26%	20,767,277	13,749,719	7,017,558				
	Var. abs.	2,618,614	636,492		644,578	1,411,818	-767,240				
	Var. %	20.00%	3.10%	-0.00%	3.10%	10.27%	-10.93%				

Sales and Profit *assists in indicating where scarce resources should be applied* by providing:

- **Integrated scenario planning and forecasting capability.** Building a sales plan, backflush bombs & routings, determine activity quantities on cost centers, calculate cost center rates split between fixed/variable, calculate product cost estimate by cost component split between fixed/variable and valuating for a planned profit and loss statement. This process can be repeated as many times as needed until optimum mix is found to provide desired planned level
- **Budget Cycle:** Planning process also performed during the budgeting cycle to arrive at planned standard costs for the organization. Planning cycle also used to arrive at budget costs for the organization.
- **Speed:** macs Technology is optimized to deliver optimal processing times – so **you** have the results available sooner. Traditional budgeting takes up to three months, with macs budgeting process can be completed in less than two weeks.
- Support of the **Various Planning Methods** including – Top Down Planning, Bottom Up Planning.
- **Comparison:** Ability to compare multiple planning versions for deciding which one provides optimal return on investment.
- Separation of costs in contribution margin reports between **fixed** and **variable** components through integration to the Product Costing and Cost and Overhead Accountings modules.
- **Optimized capacity utilization:** During planning cycle identify areas of over or under utilization.
- **“What if scenario’s”** made easy – should any circumstances change then the organization can very quickly and easily determine impact
- **Flexibility:** “Simulations” of different alternatives made possible
- **Ease of Use:** Easy to use and logical steps make it possible to step through the integrated planning cycle in short period of time

Top Down Planning Made Easy

Lid	Data element	Val system referred to	Year	Total	SK	Oct	Nov	Dec	Jan	Feb	Mar
0	Quantities	Budget	2006	42,234,040		3,705,112	3,705,112	3,191,109	3,533,778	3,705,114	3,533,781
1	Quantities	Actual	2006	17,099,208		2,964,090	2,964,090	2,552,888	2,827,023	2,964,092	2,827,025
2	Quantities	Forecast	2006	46,406,044		3,705,112	3,705,112	3,191,109	3,533,778	3,705,114	3,533,781
3	Gross Sales	Budget	2006	87,961,797.85		7,716,721.06	7,716,721.06	6,646,195.12	7,359,879.45	7,716,725.06	7,359,886.38
4	Gross Sales	Actual	2006	35,767,741.24		6,200,217.61	6,200,217.61	5,340,073.31	5,913,503.15	6,200,220.84	5,913,508.72
5	Gross Sales	Forecast	2006	86,229,050.63		7,717,319.88	7,717,319.88	6,646,710.96	7,360,450.58	7,717,323.88	7,360,457.51
6	CM 1	Budget	2006	26,207,176.55		2,299,105.63	2,299,105.63	1,980,155.02	2,192,788.67	2,299,106.70	2,192,791.08
7	CM 1	Actual	2006	10,885,463.91		1,863,963.06	1,863,963.06	1,605,378.24	1,821,283.76	1,909,589.41	1,821,286.38
8	CM 1	Forecast	2006	27,233,227		2,486,414	2,486,414	2,141,478	2,247,706	2,356,686	2,247,708

Flexible Configuration

- Configuration of the modules made easy by:
- Customizable windows interface
 - Standard delivered templates to accelerate and indicate best practice setup
 - Flexible calculation structures using an unlimited amount of freely definable data types including capability to cross reference
 - Configurable tables to facilitate entry of client specific requirements
 - Easy to use selection tables with pre-determined entries
 - Existing links to facilitate data extraction from various ERP systems
 - Regular feed of data from multiple source systems.
 - Export to various applications possible

Technical Requirements

- Server: Pentium Processor: > 2GHz, RAM 2GB
All relational DB's e.g. SQL Server, Oracle, Informix
Operating systems: Windows NT or Unix
- Client: Pentium Processor: >1GHz, RAM 1GB
Operating systems: Windows NT, Windows 200X, Windows XP



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