

# Visual Financial Reporting Is 'Next Generation' Technology For Financial Professionals



[Visuals: 2 screenshots; caption text at the end of this document.]

## *Executive Summary*

*Users of OneWorld and WorldSoftware from J.D. Edwards now have the option of using "Visual Financial Reporting" (VFR) from FRx Software Corporation, of Denver. Visual financial reporting is considered to be the 'next generation' of reporting software for financial professionals because of two key advances: 1) a software architecture that eliminates many traditional obstacles to data access and analysis; and 2) a user interface that makes data manipulation highly interactive and responsive.*

*The VFR user interface relies on its highly integrated functionality and its easy-to-use visual tools to make financial reporting both simpler and more powerful. Users decide how they want to view data and then directly interact with the report design, using standard point-and-click or drag-and-drop operations. The resulting reports can reflect complex, multi-source information that is usually difficult or impossible to produce using traditional methods.*

*The FRx Enterprise Edition software is the first to bring the benefits of VFR to J.D. Edwards users. Comparable solutions from other vendors are thought to be several years off.*

## **Financial Reporting:**

### **The Measure of Corporate Performance**

Financial reporting is perhaps the single most essential tool for managing an organization. It provides feedback on overall performance and highlights specific areas of concern. It guides most management decision-making. It keeps the organization on course... So, if financial reporting is so important, why do we settle for so little when it comes to our financial reporting software... ?

You know the problem — most reporting software is inflexible and non-intuitive. Cumbersome and very often frustrating. It's as if someone has deliberately put obstacles in your path, to keep you from accessing the information you need or putting it in the format you want.

If our cars were designed like most financial reporting software, highways would be declared federal disaster areas!

Here's the key difference: Car makers have spent years refining the user interfaces on vehicles to make them highly visual, easy to use, and responsive. Alas, the same can't be said of most financial reporting systems... at least, not until the introduction of visual financial reporting.

### **What is Visual Financial Reporting?**

Visual financial reporting is a significant technological advance that is sometimes referred to as the "next generation" of financial reporting products. VFR is distinguished by two primary characteristics:

- 1) An underlying software architecture that eliminates the traditional barriers to data access and report generation; and
- 2) A highly visual interface that lets users interact with the onscreen data and restructure or format it in an almost unlimited number of ways.

The visual interface harnesses the power of the underlying software architecture and delivers several key benefits:

- *Interactivity.* Users view their onscreen information and directly interact with it by "reaching out" with the computer mouse and modifying it in the desired fashion. This "see-click-do" interaction is very intuitive and significantly reduces the abstract complexity of report generation and analysis.
- *Integration.* The advanced application architecture allows users to seamlessly integrate the various sources of their financial data: local general ledger systems, remote systems, desktop spreadsheet models, and more. The need to re-key or export data is eliminated or dramatically reduced.
- *Immediacy.* With VFR, reports can be in either electronic or hardcopy formats. Electronic reports can be distributed by e-mail ("push" technology) or posted on networks for review ("pull" technology). Either way, the recipient of electronic reports has immediate point-and-click access to the underlying general ledger information.

The benefits are similar for both designers and recipients of VFR reports: Easy and intuitive interaction with financial information. Broad flexibility in structuring and formatting the display of information. And greater access to relevant data, for more informed decision-making.

Let's examine how VFR can benefit users of OneWorld and WorldSoftware systems...

## **VFR in Action:**

### **FRx Enterprise Edition**

The easiest way to highlight the benefits of VFR is to compare and contrast the traditional versus the VFR approach to common financial reporting tasks:

#### *Integration of Corporate Financial Information*

Traditional Approach: Multiple systems are required to handle the full range of financial information. For example, "mainstream" financial reporting is traditionally defined as general ledger reporting, but this doesn't accommodate the need to consolidate across multiple accounting systems, or versions and locations of the same accounting system. This approach also doesn't account for the use of spreadsheets to maintain budgets or for storing statistical type of information (head counts, units sold, etc.). As a result, essential management information is spread over several systems, with significant problems in terms of data maintenance, access, and integration.

FRx's VFR approach: Reports can easily pull information from a multitude of sources: different accounting systems, different versions of the same accounting system, and multiple locations. All of these can maintain separate and distinct charts of accounts, account numbers, and calendars. Reports can also easily integrate information from desktop spreadsheets, to provide enhanced information reporting and analysis.

#### *Report Distribution and Clarification*

Traditional Approach: Getting information out of the system is a time-consuming process of creating multiple hardcopy reports to view different areas or levels within

the organization. Report distribution is typically achieved by printing out reports, collating them into report "books" and sending them out to individual recipients. Invariably, someone will ask, "What went into this number?" Answering this question usually involves generating and distributing a supplemental report, often after a delay of a day or more. Assistance from IS is usually required to generate "special" reports.

FRx's VFR Approach: Report distribution can be electronic as well as hardcopy. Electronic reports can be e-mailed to users or groups of users through a "push" method of attaching the report to email, or a "pull" method of sending a notification message with the location of the report attached.

When questions arise about something in an electronic VFR report, users can usually get answers on the spot by clicking on the number in question and "drilling-down" to the underlying detail, including transaction level detail, if desired. It's also easy for users to generate special reports, using simple drag-and-drop techniques.

### *Designing and Formatting Reports*

Traditional Approach: Users are limited to pre-defined report templates that cannot easily be modified without IS assistance. For printed reports, there are limitations on the fonts, row and column formats, and overall layout. Multiple reports may be needed to display all the relevant information.

FRx's VFR Approach: Users can easily create or modify reports, using drag-and-drop techniques. IS assistance is seldom needed. Extensive control over fonts, colors and overall layout is available both onscreen and for printout.

Reporting trees are used to summarize and group information by relevant categories — Consolidated, Division, Cost Center, Line Of Business and others, for example. This flexible and visually-oriented design process produces a single report that displays all key information, with drill-down access to the underlying detail.

Business units can be easily grouped in multiple ways, and a “cleaver” tool can further divide an existing chart of accounts to create “virtual” business units.

### *Analytical Tools*

Traditional Approach: Reports are limited to information from the general ledger and only reflect simple totals. More sophisticated analyses must be generated by the end user and generally require manual re-entry of data.

FRx's VFR Approach: Reports can contain complex calculations, including Boolean *if/then/else* analyses with embedded *and* and *or* statements. This allows a user to easily generate a variance report, for example, that isolates only those variances in excess of \$10,000. Such sophisticated calculations can also arbitrarily link sets of numbers in a report, with the ability to override display formats as-needed, on a row and column basis.

### *Reporting Midstream Changes*

Traditional Approach: All accounts are represented by individual line items in the report, and mid-month account additions are captured by separate range reports.

FRx's VFR Approach: Ranges and wildcards can be used to easily account for any mid-month account additions, and an exception report will alert users to any accounts that have been added but not included within the report.

This scenario can occur when the user adds an account number that is outside of any of the report ranges. The exception report will identify which account was missed so the user can produce accurate financials without time-consuming internal verification. Exception reports can also identify duplicate accounts, so users will be notified that the report contains an account listed within a range *and* listed separately on an individual line.

### *Scope of Report Data*

Traditional Approach: All reporting is limited to posted data.

FRx's VFR Approach: Reporting can also include unposted data, so the user can evaluate the effect of that information on the report, or perform pre-close work.

### *Integration With Desktop Systems*

Traditional Approach: If users want to graph or analyze general ledger data on their desktop system, they must manually re-enter that data into their spreadsheet.

FRx's VFR Approach: The user has the option of transferring reports to popular spreadsheet formats such as Excel or Lotus. This saves data re-entry time and facilitates management analysis of financial information.

### *Networked Performance*

Traditional Approach: Generating complex reports will often degrade the performance of the user's desktop system or the network, or both. This is due to the one- or two-tier software architectures used by most report generators.

FRx's VFR Approach: A three-tier architecture frees up both the client (desktop) machine *and* the network server, thus reducing or eliminating unproductive "wait" times.

### *Reflecting an Organizational Restructuring*

Traditional Approach: When moving a cost center from one division to another, this restructuring typically involves a very time-consuming process of reposting data from one account to another. Then, these changes must be reflected in all affected reports.

FRx's VFR Approach: Users can use drag-and-drop to visually restructure report formats onscreen, independent of the chart of accounts structure, and without modifying data maintained in the general ledger. These restructures can also be scheduled for automatic changeovers — for example, a user can create the new organization structure and specify that reports will use the original structure for the first three months of the year, then automatically switch to the new structure in month four.

### **VFR Now Available For JDE Systems**

FRx Software Corporation released FRx Enterprise Edition in April 1998 — a visual financial reporting solution specifically designed for users of OneWorld and WorldSoftware systems from J.D. Edwards.

FRx's VFR product line has been honed by years of testing and refinement. FRx has an installed base of some 60,000 sites worldwide and supports more than 25 accounting packages, making FRx the world leader in visual financial reporting.

How does J.D. Edwards view the availability of VFR for its platform?

"We think that many of our clients will welcome the flexibility and functionality of FRx Enterprise Edition," said Tom Matthews, product marketing manager for J.D. Edwards. "FRx has a very mature and intuitive product which allows managers to easily explore and report on the critical details of their financial data. We're very glad to add FRx to the J.D. Edwards' partners program."

J.D. Edwards customers can purchase FRx Enterprise Edition directly from FRx Software. Support for the J.D. Edwards platform was the result of months of joint engineering collaboration between the two companies.

### **About FRx Software Corp.**

Denver-based FRx Software Corporation is the world's leading developer of visual financial reporting software that interfaces with leading client/server accounting systems. FRx products feature automatic creation of complex financial reports, with rollups through multiple reporting hierarchies. The FRx DrillDown Viewer enables users to "drill-down" from summary level financial information into the underlying transaction level details.

Presentation quality reports may be printed, exported to worksheets, or e-mailed for remote viewing or printing. The FRx Enterprise Edition includes an advanced 32-bit application server for high-speed production of financial reports. Multi-company consolidations are easily accomplished — even when companies use different account structures, fiscal years, or accounting systems.

For more information, contact FRx at 4949 South Syracuse St., Denver, Colo., 80237; phone 303-741-8000 or 1-800-379-8733; fax 303-741-3335; e-mail info@frxsoft.com; website www.frxsoft.com.

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[Visual #1: File name = "ozdrill.jpg" Window title = "FRx DrillDown Viewer"]

[Caption text: ]

Here, the user has selected "Denver Retail Sales" (top left) to view the "Retail" report (top right), then drilled-down into the "Net Sales" amounts to display the underlying detail (bottom window).

[Visual #2: File name = "oztrees.jpg" Window title = "FRx"]

[Caption text: ]

These views of three different reporting trees show how VFR lets users create different rollups (multi-level summaries) for each report.

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