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IRB adopts business intelligence reporting

SHALINI NAIR

IRB Infrastructure Developers Ltd, the Mumbai-based company which undertakes infrastructure projects in the road sector through special purpose vehicles, has adopted a business intelligence reporting and analysis software suite called '1KEY Agile BI' developed by MAIA Intelligence. "The system is being implemented and once we go live for 1KEY financial consolidation management, we will get answers to many questions," Madhav H. Kale, Chief Finance Officer, IRB Infrastructure, said.

According to Kale, the business intelligence reporting and analysis software will benefit his company's projects in many ways. It will provide easy access to a host of information, such as, how the balance sheets of different subsidiaries compare; what is the variance of assets, liabilities and equity between two selected time periods; the net working capital of the company; which business unit has caused cash drain in a particular period; the breakdown of shareholders equity in a certain period; the leverage and liquidity of the company; profit margin of each business unit and/or geo-

graphic region; how the margins have changed month-to-month over the past year; which business units are hitting their margin targets; which business units are more than 10 per cent above/below their contribution targets; which units or regions are over budget by more than 5 per cent; which departments have the highest contribution per employee; and trends underlying any revenue or expense categories that need immediate attention.

Commenting on the hurdles faced by the company earlier (which have since smoothed out), Kale explained, "The financial consolidation of accounts for statutory and internal MIS was always a challenge due to time pressures. IRB requirements were higher standards of accountability than ever before. IRB businesses were growing more complex and IRB wanted to give stakeholders faster access to accurate financial results. The accountants and chief

financial officers are facing increasing pressure with regard to financial consolidation of accounting based on companies, business areas, profit centres, divisions or branches, or the SBUs of internal cost accounting. Now that the statutory consolidation reporting, which requires that the reported data to be aggregated into consolidated financial statements is needed to be submitted on a quarterly basis is becoming a challenge."

Further, the requirements of a financial regulatory statement are significantly high. On one hand the timeline for delivery of the regulatory statement is decreasing and on the other manpower expense required for its timely completion and submission is increasing. "The reconcili-

ation of a company's financial accounting system requires skilled manpower and experience to complete the task. MAIA Intelligence's 1KEY FCM (Financial Consolidation Management) Model solves all the challenges mentioned," Kale noted.

The 1KEY FCM Model eliminates the potential errors and reduces time spent on repetitive manual processes with its multi-currency capabilities, automated calculations and adjustments, and other features that address accounting and regulatory issues. 1KEY FCM Model combines the power to unify all legal and management financial reporting needs with the agility to blend corporate control with local flexibility.

Sanjay Melita, CEO, MAIA Intelligence, said, "The system is similar to a normal infrastructure development project. On IT technology front it may be possible that our customer company might be using multiple ERP or accounting system for each project. IRB is in the business of construction as well as construction and operation of major road projects. These not only include funded projects for major bodies like NHAI, MSRDC, PWD and various municipal corporations, but

their own BOT projects also." So far, IRB has constructed and maintained over 1,200 km of road projects (including EPC, O&M and BOT). Each project is a different entity company; subsequently, the financial consolidation is done by merging the financials of each entity.

IRB has adopted 1KEY FCM software for all its projects and subsidiary companies. On parallel, they are also implementing 1KEY Agile BI suite for the following benefits - providing the visibility required to coordinate multiple projects, sites, and business lines; suppliers and subcontractors and their own labour and equipment; to manage and control operational and financial risk and reporting; suppliers and subcontractors performance measures over a period of time; project progress and status monitoring; and stock movement analysis.

The 1KEY BI tool can help analyse cost distributions, balancing and adjustment of priced item rates, and viewing the impact of discounts and adjustments on the final contract price. Running a successful construction enterprise requires the ability to track, manage, analyse and report on an enormously complex mix of operational data. ■



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