

Case Study

A European Company Manufacturing Point-of-sales Display Units

Service(s) offered: Entity Set-up & Management

Sector/Industry: Manufacturing



Finance, Accounting, Payroll, Tax, and Regulatory Support for a French Manufacturing Company

Based in France, the client is a designer and manufacturer of point-of-sales displays primarily for cosmetics. They offer display, merchandising, and brand retail services through their subsidiaries and cater to customers worldwide. During the course of an ongoing assignment, we identified challenges related to maintenance of the books of accounts.

Challenge

- **Inventory:** The client maintains and manages their inventory manually. There were gaps in obtaining inputs and consumption details on a timely basis, due to which inventory reporting within the due date was a challenge.
- **Accounting:** Gaps in real-time accounting of vendor invoices due to interdepartmental coordination involved between the accounting and business teams.
- **Finance:** In addition to the points above, we identified that there was a lack of financial overview provided to the management.

Approach

As part of our approach, the Nexdigm team visited the factory, evaluated the 'as-is' process and had detailed discussions with the team. Due to our meticulous approach, we observed the following aspects:

Case Highlights

- Aided in preparation of workbooks to correctly identify the inventory consumption on a monthly basis.
- Designed an online portal to facilitate:
 - Inward of vendor invoices and employee claims
 - Supporting documentations
 - Query management
- Prepared a dashboard for the client to get an overview of the overall business position and financial aspects.

Inventory

Given the nature of the business, the inventory details could not be maintained with specifications due to customization, and also due to the fact that the consumption of the inventory took place over larger time periods, making it difficult to track accurately on a regular basis.

Accounting

A time gap between the transaction date and recording in the system due to lack of proper documentation, missing details, and involvement of various teams.

Finance

There was a lack of a comprehensive reporting framework for effective management decision-making.

Solution**Inventory**

We assisted with an automated workbook for the calculation of inventory consumption wherein the purchase details of raw materials were incorporated and cross-verified against the data in the accounting system.

A system of control checks were put in place to ensure that the consumption as per data provided by client were correct and the consumption in quantity and value is monitored for any discrepancy.

The inventory control workbook helps to check the monthly consumption as well as helps in maintaining proper project-wise books of accounts.

Accounting

Nexdigm designed an online portal to facilitate real-time inward submissions (vendor invoices, employee claims, and supporting documentation) and query management. This involved granting access to the client to upload the inwards as and when they receive it.

The operational model institutionalized through the portal helped minimize the lead time for both processing of documents and query resolution.

Finance

Nexdigm prepared a comprehensive dashboard to assist the client on the finance position and actionable in addition to the monthly reports.

The dashboard consists of the open points for which a timeline and the actionable is detailed along with the responsibilities. It consists of details of fund utilization towards various statutory dues, position of accounts receivables and payables, outstanding expense claims of employees, open expense provisions, purchase provisions, assessment details, and an analysis of the issues faced in routine business activities.

The dashboard is presented to the Finance Head on a monthly basis to take them through the business activities and financial aspects.

Impact**Inventory**

The inventory control workbook helped the client in arriving at the proper consumption and valuation of inventory.

Accounting

The inward and query portal ensured a smooth transfer of data from the client to Nexdigm for accounting which reduced the turnaround time and resolved queries faster.

Finance

The dashboard provided a comprehensive overview of the business position for quick and sound decision-making by the management team.

For more information on this case study, please write to us at:

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You can also visit our website to know how our services resulted in tangible business benefits:

www.nexdigm.com