



Bringing Financial Reports Alive in Excel with Visualisation

EXPLORING THE JOURNEY FROM RAW DATA TO ACTIONABLE INSIGHTS.

Lunch and Learn series

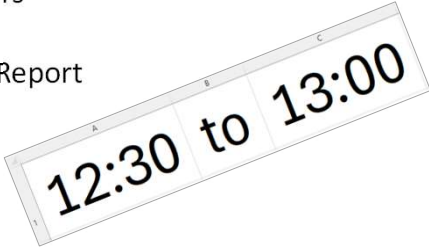
John Tennent

Lunch & Learn – The Series



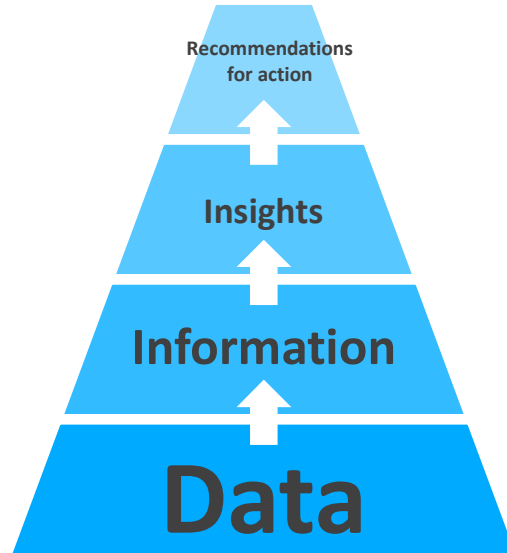
- 12 Sep
- 11 Oct
- 14 Nov
- 12 Dec
- 9 Jan

- Introduction
- Charting Monthly Results
- Waterfall Charts
- Speedometers
- Building the Report



What should a board pack contain?

Is a Trail Balance sufficient?



The report – Provide the numbers, add the value

The Care Team
Management Accounts for April 202X

	April					Year to Date					Full Year			
	Budget	Actual	Last Year	Variance Plan	Variance Last Year	Budget	Actual	Last Year	Variance Plan	Variance Last Year	Budget	Forecast *	Last Year	Variance Forecast
Income Statement														
Income	125,000	91,576	140,167	(33,424)	(48,591)	420,000	440,723	426,995	20,723	13,728	1,405,000	1,425,723	1,469,879	20,723
Care Staff	(50,000)	(27,581)	(56,487)	22,415	28,906	(168,000)	(182,323)	(172,666)	(14,323)	(9,657)	(562,000)	(576,323)	(598,145)	(14,323)
Gross Contribution	75,000	63,995	83,680	(11,005)	(19,685)	252,000	258,400	254,329	6,400	4,071	843,000	849,400	871,734	6,400
Office Staff	(44,000)	(31,942)	(49,740)	12,058	17,798	(148,000)	(131,827)	(159,052)	16,173	27,225	(488,000)	(471,827)	(543,680)	16,173
Rent	(3,438)	(3,438)	(3,438)	0	0	(13,750)	(13,750)	(13,750)	0	0	(41,250)	(41,250)	(41,250)	0
Utilities	(3,000)	(3,239)	(4,268)	(239)	1,029	(12,000)	(12,486)	(17,665)	(486)	5,179	(36,000)	(36,486)	(47,852)	(486)
Other	(2,500)	(2,206)	(2,473)	294	267	(10,000)	(11,817)	(9,805)	(1,817)	(2,012)	(30,000)	(31,817)	(27,417)	(1,817)
Depreciation	(4,125)	(4,404)	(4,225)	(279)	(179)	(16,500)	(18,014)	(16,700)	(1,514)	(1,314)	(49,500)	(51,014)	(49,270)	(1,514)
Net Surplus	17,938	18,767	19,537	829	(770)	51,750	70,506	37,357	18,756	33,149	198,250	217,006	162,265	18,756
KPIs														
Contribution Margir	60%	70%	60%			60%	59%	60%			60%	60%	59%	
Net Surplus	14%	20%	14%			12%	16%	9%			14%	15%	11%	
Variations														
Top 5 adverse % variances - Actual v Budget						Top 5 adverse % variances - Actual v Budget					Legend			
1 Revenue				-27%		1 Other				-18%	More than 10% better than budget	●		
2 Gross Profit				-15%		2 Depreciation				-9%	Within 10% of budget both +/-	●		
3 Utilities				-8%		3 Cost of sales				-9%	More than 10% worse than budget	●		
4 Depreciation				-7%		4 Utilities				-4%				
5 Rent				0%		5 Rent				0%				

Excel:

- Traffic lights to guide focus
- Top 5 variances

The Report – Provide Commentary



Excel:

- Quick Charts
- Two chart types (line and column)
- Overlapping columns
- Axis Bounds to focus on area of interest
- Text boxes for commentary

Monthly budget report

Variations because.....

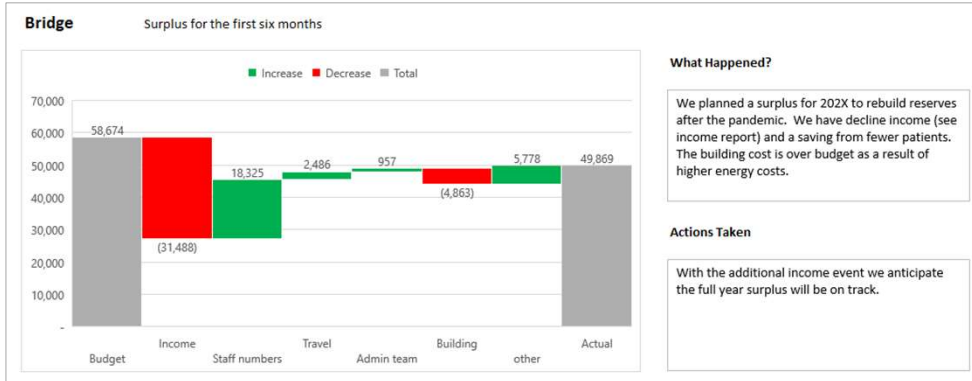
- “Reversal of accrual”
- “Prior period adjustment”
- “Phasing difference”
- “Write-off”
- “Balance sheet release”
- “Coding error on system”
- “Posted the wrong way around and reversed with double impact this month”

What does any of this mean?



How about the language of finance?

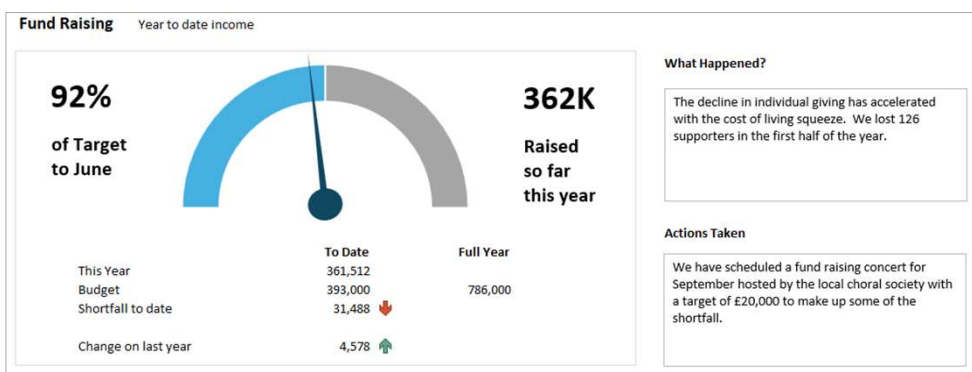
The report – Understand what changed



Excel:

- Waterfall chart options
- Setting the three types and selecting colours

The report – Add clarity and interest



Excel:

- Drawing a doughnut chart
- A speech bubble for a speed needle

ASC Ehrenberg's Theory of Data Reduction

1 2 significant digits

Compare 18.86% and 38.12% - difficult and unmemorable

How about 19% and 38% - one is half the other and as two digits it is more memorable.

You can hold around 12 two digit numbers in your head compared to around five four digit numbers.

ASC Ehrenberg's Theory of Data Reduction

- 2 For tables of data it can be much easier to read them if they are sorted into ascending or descending order of the most critical item such that the top few items of data convey the critical information

	2020	2021	2022	2023
Canada	578.1	553.2	654.2	765.4
France	177.9	241.4	472.9	632.8
Germany	384.1	429.4	556.1	642.9
India	185.4	278.3	335.6	432.8
Japan	165.4	145.2	185.4	176.4
Spain	0.0	0.0	25.2	64.1
UK	153.2	171.6	183.6	234.6
USA	1473.2	1321.5	1659.0	1854.3

	2020	2021	2022	2023
USA	1,500	1,300	1,700	1,900
Canada	580	550	650	770
Germany	380	430	560	640
France	180	240	470	630
India	190	280	340	430
UK	150	170	180	230
Japan	170	150	190	180
Spain	0	0	25	60

ASC Ehrenberg's Theory of Data Reduction

3 Columns are better than rows

It is usually easier to read down a column of numbers than across a row. This is because the leading digits in each number are then close to each other for direct comparison:

	Under 15	15 - 30	30 - 50	Over 50
Buyers	8%	23%	48%	21%

The superfluous percentage sign has been removed and added to the heading making the numbers clearer

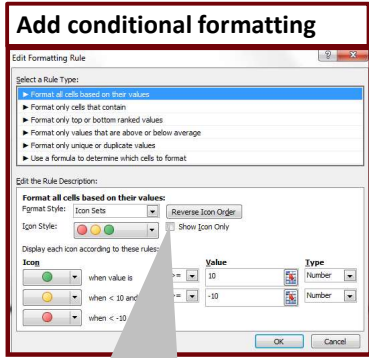
	% Buyers
Under 15	8
15 - 30	23
30 - 50	48
Over 50	21

Into Excel...

The screenshot shows an Excel spreadsheet titled 'The Care Team' with the following data:

	April				Year to Date				Full Year						
	Budget	Actual	Last Year	Variance Plan	Budget	Actual	Last Year	Variance Plan	Budget	Forecast	Last Year	Variance Forecast			
Income Statement															
Income	125,000	91,576	140,167	(33,424)	(48,591)	420,000	440,723	426,995	20,723	13,728	1,405,000	1,425,723	1,469,879	20,723	
Care Staff	(50,000)	(27,581)	(56,487)	22,419	28,906	(168,000)	(182,323)	(172,666)	(14,323)	(9,657)	(562,000)	(576,323)	(598,145)	(14,323)	
Gross Contribution	75,000	63,995	83,680	(11,005)	(13,685)	252,000	258,400	254,329	4,071	4,071	843,000	849,400	871,734	6,400	
Office Staff	(44,000)	(31,942)	(49,740)	12,058	17,798	(148,000)	(131,827)	(159,052)	16,173	27,225	(488,000)	(471,827)	(543,680)	16,173	
Rent	(3,438)	(3,438)	(3,438)	0	0	(13,750)	(13,750)	(13,750)	0	0	(41,250)	(41,250)	(41,250)	0	
Utilities	(3,000)	(3,239)	(4,288)	(239)	(239)	1,029	(12,000)	(12,486)	(17,665)	(486)	5,179	(36,000)	(36,486)	(47,852)	(486)
Other	(2,500)	(2,096)	(2,478)	294	297	(6,000)	(11,817)	(9,805)	(1,817)	(2,012)	(6,000)	(31,817)	(27,417)	(1,817)	
Depreciation	(4,125)	(4,404)	(4,225)	(279)	(179)	(16,500)	(18,014)	(16,700)	(1,514)	(1,314)	(49,500)	(51,014)	(69,270)	(1,514)	
Net Surplus	17,938	18,767	19,537	829	(770)	51,750	70,506	37,357	18,756	33,149	188,250	217,006	162,265	18,756	
KPIs															
Contribution Margin	60%	70%	60%			60%	99%	60%			60%	60%	99%		
Net Surplus	14%	20%	14%			12%	16%	9%			14%	15%	11%		
Variances															
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5 Rent				0%	5 Rent				0%						

Traffic Lights



Budget	Year to Date				Full Year				Run Rates	
	Actual	Last Year	Variance	Variance	Budget	Forecast	Last Year	Variance	Achieved	To Hit
395,000	249,147	286,828	54,147	62,119	1,405,000	1,459,147	1,488,879	54,147	150,242	124,526
18,000	(54,742)	(1,61,779)	(8,212)	(8,563)	(652,000)	(593,742)	(5,98,151)	(26,762)	(51,981)	(69,267)
377,000	294,405	170,649	17,405	23,756	843,000	860,405	871,734	17,405	64,802	75,259
(2,000)	(9,885)	(1,08,312)	4,115	9,427	(488,000)	(483,885)	(5,48,080)	4,115	(33,295)	(69,311)
	46,231	(59,319)	0	0	81,200	(43,295)	(42,261)	0	(3,498)	(9,498)
			(348)	41,49	(36,000)	(34,348)	(47,852)	(348)	(3,083)	(4,289)
				(2,279)	(90,000)	(82,111)	(77,647)	(4,111)	(3,204)	(6,978)
				(1,316)	(69,500)	(50,794)	(69,271)	(1,316)	(4,519)	(1,962)
	51,719	17,821	17,826	33,828	199,250	216,176	1,62,265	17,826	17,246	12,281
(300)	(202)	(978)	388	276	(1,200)	(1,002)	(1,844)	388	(84)	(156)
3,313	5,168	17,443	18,114	34,184	197,050	215,174	1,60,421	18,114	17,213	12,087

Show Icon Only to hide calculation

=O14/ABS(L14)*100

Questions





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