



JLP Business Solutions

CRITICAL ISSUE: Revenue Recognition Compliance

BUSINESS CHALLENGE: Accounting for new revenue recognition standard accurately and timely – Developing an internal contract review and revenue recognition system with a short turnaround time.

Our client – a billion-dollar global manufacturing company had recently implemented ASC 606 (Revenue Recognition) but didn't have the systems to do the complex contract review as well as the accounting for a Point-in-time or Over-time contract. These contracts accounted for over \$1B in company revenue so it was imperative that the our team provide the client with a consultative and value added solution. They needed someone to lead an "agile/scrum" project to develop and implement the first ever "internally developed revenue recognition accounting system. With all the company initiatives and reductions in staffing, they lacked resources with the technical and software development expertise needed for this significant undertaking and this had become a challenge for the Global Controller.

Focused on JLP Business Solutions consultative approach and experience in the manufacturing industry, the client asked our team to lead their "Revenue Control System ("RCS") project in a "phased approach in less than two years. This project rollout and change management initiative would include over 80 manufacturing facilities and 150+ employees world-wide.

CUSTOM SOLUTION

Our project management and software development team took the lead in assessing the client's current situation by spending time gathering system specifications, itemizing the list of "wants" and "needs" and many, many meetings with the client to determine the best solution based on scope, cost and time.

Our focus was on providing the client with the most detailed "task" based project plan based on an agile/scrum approach with a very strong change management initiative to ensure buy-in. In addition, we wanted to ease some of the budget concerns the client had by creating a "holistic" plan that would supplement our team with some of the client's resources. Our innovative "consultative" approach to problem solving along with our "Golden Rule" approach enabled us to achieve the following results:

1. Eliminated Contract review FTE's by 70%
2. Error rate accounting for Point-in-time and Over-time revenue dropped 90%
3. Improved system efficiency which decreased the number of days to close by 1 day

IMPACTFUL RESULTS

Seamless and Effective – On time and Under Budget

- Client booked \$1B in Point-in-time and Over-time revenue without the use of manual processes and spreadsheets
- Improved business processes and efficiencies in booking revenue
- Addressed all controls and financial reporting issues with great training and desk documentation