



# CountingSense

Specialists in financial modelling, reporting and analytics.

## Our Services

Our services cover the entire spectrum of cost and management accounting. We specialise in providing financial modelling, reporting, analytics, and administrative automation to improve profitability, drive efficiency and support management with accurate data to make informed business decisions.

### Our detailed services based on your business's life stage



#### Incubation Stage

- Customised product costing template
- Product costings
- Cost-volume-profit analysis
- Determine the break-even point
- What-if analysis to determine the optimal sales price

#### Growth stage

- Management accounts
- Profitability analysis
- Setup of data infrastructure
- Set up budgets
- Report building
- Sales forecasting & production planning
- Internal controls
- Inventory management systems

#### Maturity

- Data analysis and reporting
- Review business expenses vs. budget
- Calculate capacity and capacity utilisation
- Calculate expenses allocated to production activities
- Activity based costings

#### Decline / Rejuvenation

- Efficiencies
- Cost reductions
- Product development costings
- Raw material cost review

# Our Tailored Services to Choose From



## Financial Modelling

*A financial model is used for decision-making and financial analysis by people inside and outside of companies. Some of the reasons a firm might create a financial model include the need to raise capital, grow the business organically, sell or divest business units, allocate capital, budget, forecast, or value a business.*

## Financial Forecasting

*Financial forecasting is predicting a company's financial future by examining historical performance data, such as revenue, cash flow, expenses, or sales.*

### What we can do for you:

-  Evaluate your past financial information and forecast for the future.
-  Supply forecasted statements, including income statement, balance sheet and cash flow statements.

## Company Valuations

*Valuation refers to the process of determining the present value of a company, investment or an asset. During the valuation process, all areas of a business are analysed to determine its worth and the worth of its departments or units. A company valuation can be used to determine the fair value of a business for a variety of reasons, including sale value, establishing partner ownership or taxation.*



### What we can do for you:

-  Calculate your company value by using of different valuation methods.

## Budget

*Budgets are set up to plan your income and expenses to determine in advance if you will have enough capital to operate. Setting up a budget assists you to allocate available resources to the most crucial activities. Your budget should be compared with your actual expenses in your management accounts.*

### What we can do for you:




-  Assist with setting up a budget for the business.
-  Analyse actual expenses versus budget.

# Profitability

## Product Profitability Analysis

*Product profitability analysis focuses on the profit achieved per product. This analysis is crucial to identify any loss-making or high profit products and make strategic decisions.*




 What we can do for you:

-  Calculate your average sales price, cost price and profit per product.
-  Rank the products from high profit to loss-making products.
-  Evaluate the findings and make recommendations for strategic decision making.

## Management Accounts

*Management accounts are similar to financial statements, but are produced for business owners and management for strategic decision making. Management accounts does not need to comply with regular accounting standards and is thus set up in a customised layout to suit business's needs. It is generally produced monthly or quarterly and is necessary if you want to ensure continuous profitability of your business.*

 What we can do for you:

-  Work with administration staff or provide full accounting services to ensure accurate and timely processing of financial transactions.
-  Review and analyse management accounts and report on key findings.
-  Supply additional dashboard reports for quick and easy review of business profitability to make informed business decisions.

## Cost-Volume-Profit Analysis

*The Cost-volume-profit (CVP) analysis is a planning process that management uses to predict the future volume of activity, costs incurred, sales made, and profits received. In other words, CVP calculates how changes in costs and sales will affect income. CVP is used to identify how many units need to be sold to cover costs and break even, or reach a certain minimum profit margin.*

 What we can do for you:



-  Determine the break-even point and recommend whether there is an economic feasibility for the product to be manufactured.

# Data, Report Building & Analytics

## Data infrastructure

*Data collection in the manufacturing industry is growing in importance and is crucial to remain competitive. Improving of business processes, finding operational efficiencies, and transforming business models all rely on accurate data collection.*




### What we can do for you:

-  Evaluate current data collection processes and identify improvements for easy and accurate collection of data.
-  Create a data infrastructure plan to prepare for future data collection.

## Report Building

*The aim of a business report is to provide critical information of how the business is tracking in all areas of the organisation. Business reports are important tools to guide decision making and to allow business owners and senior managers the opportunity to investigate and solve any identified issues. Reports should not be limited to financial results. It is crucial to have reports implemented in all departments.*




### What we can do for you:

-  Identify the critical areas and departments to implement reporting.
-  Connect all data sources to create integrated reports for an overarching and detailed view per department.
-  Create customised and automated reports that can be regularly updated and readily available for decision making.

## Analytics

*Analysis of data and reports gives invaluable insights and identify trends. Analysing historic data help you understanding customer behaviour which help you plan for future strategies and to improve customer experience. Analysis of your production and operations data help identifying inefficiencies in your current processes.*

### What we can do for you:

-  Analyse reports and data to give insights for strategic decision making.
-  Identify trends in the data that will ensure informed planning for future activities.
-  Recommend efficiency and process improvement opportunities.




# Cost Calculation

## Bill of Material & Job Costings

*Bill of Material (BOM) costings are the calculation of the cost of your products by factoring in all the direct materials used. The Bill of Material can also include direct labour.*

*Job costings are for once-off or customised manufactured products. A job costing will be calculated per project and will typically consist of direct material and direct labour.*


### What we can do for you:

-  Assist with identifying all the raw materials to include in the BOM and create BOM costings.
-  Create and supply a customised and automated costing template that is easy to update when changes in the BOM or raw material costs occur.
-  Supply and update a BOM costings or job costings as needed.

## Manufacturing Overhead Costs

*Manufacturing overhead costs are all the indirect expenses incurred during the manufacturing process. These expenses include electricity, depreciation and maintenance of the machinery and labour costs that are not direct labour. It is crucial to know the full cost of your manufacturing process to ensure you do not under-price your products.*




### What we can do for you:

-  Calculate manufacturing overheads and allocate it to the relevant departments to ensure accurate profit analysis.

## Activity Based Costing

*Activity based costing (ABC) is an advanced costing technique where manufacturing overhead and shared overhead are included in the cost of the product. The overheads are allocated to the individual products using cost drivers to calculate the full cost of the products. This costing technique is crucial to ensure the correct selling prices are determined and to ensure long term profitability of your business.*

### What we can do for you:




-  Full ABC calculation to determine the full cost per unit for all manufactured products.
-  Create and supply a customised and automated ABC template.
-  Update and review the ABC costing on a regular basis and recalculate whenever changes in expenses or manufacturing processes occur.

# Cost Reduction & Cost Control

## Inventory Management Systems

*An inventory management system helps you track your inventory throughout the entire supply chain. It also helps maintain the optimal inventory levels, that reduces inventory holding costs and stockouts. A well implemented inventory management system can be used for good internal controls which is necessary for financial audits. There are many systems available, and choosing one that fits your budget and requirements can be challenging.*




### What we can do for you:

-  Evaluate the current processes and identify areas of improvement.
-  Discuss the inventory management system options available and make recommendations.
-  Create internal controls to prepare for a financial audit.

## Material Variance Analysis

*Material variance analysis includes both purchase price variances and manufacturing variances. Purchase price variance refers to the difference between the purchase price and the expected price, where manufacturing variance is the variance caused by wastage during the manufacturing process.*



### What we can do for you:

-  Identify increases in raw material which could lead to finding alternative suppliers.
-  Identify products where losses occur and identify ways to reduce waste.
-  Review product costings to include the cost of material variances that can't be eliminated.

## Overhead Expense Analysis

*Overhead expenses are those expenses that a business incur to run the business. These can be attributed to the manufacturing process, or it can be expenses that support the manufacturing of the products. It is crucial to keep these costs as low as possible while not negatively impacting productivity.*

### What we can do for you:

-  Analyse your existing overheads to identify any potential overspend.
-  Recommend where you can reduce expenses without negatively impacting productivity.

# Contact us

Contact us for more detailed information about our services

## Johan Degenaar - Owner

Johan is a qualified chartered management accountant that specialises in cost & management accounting in the manufacturing industry.

+27 (0) 83 719 1725

[johan@countingsense.co.za](mailto:johan@countingsense.co.za)

[www.countingsense.co.za](http://www.countingsense.co.za)

<http://Linkedin.com/company/countingsense>

<https://www.linkedin.com/in/johan-degenaar-acma-cgma/>

