

→ Digital CFO

Tenet services:
enhancing economic
and financial performance
for agribusiness companies



tenet

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Introduction

The agricultural industry is facing fresh challenges: fluctuations in prices for agricultural products, seed stocks, and machinery due to changes in supply chains, economic sanctions, the complexity of cross-border payments, and climate change affecting the timing of crops and yields.

In an ever-changing world, it can be difficult to predict what the financial outcome of a job will be, even in the short term.

An individual approach to team formation is the key to effective interaction with you and a comprehensive solution to the challenges facing your business

However, well-structured economic and financial processes help companies flexibly plan their activities, respond quickly to changes and adapt their plans if necessary, as well as increase the speed of decision-making and confidence in them.

Tenet has extensive experience in working with companies in the agricultural sector and provides consulting services to the largest international companies.

The agricultural and industrial complex is a major economic driver

We help clients:

- elaborate a methodology for planning, budgeting, and management reporting
- improve the efficiency of planning and control processes, settlement and treasury management, management accounting and reporting, margin and investment management
- automate processes using optimal IT solutions

We deliver integrated projects where our specialists with unique expertise in digital finance and industry experts from our agribusiness practice work as a unified, cohesive, cross-functional team.

Our proven track record

We are experienced in implementing projects in all segments of the agro-industrial sector and provide our clients with the most up-to-date financial solutions.

-  Livestock, Poultry, and Processing
-  Crop Farming and Processing
-  Vertically Integrated Agricultural Companies
-  Fishing Industry

Building and re-engineering economic and financial processes



A large international agricultural holding

Optimising the financial function of a group of companies (accounting, budgeting, controlling, treasury)



A major vertical agricultural holding

Improving the efficiency of organisational structures in financial departments



A major producer of meat products

Elaborating a management accounting model and designing an Electronic Document Management (EDM) system.



A major producer of meat products

Diagnostics of the business processes of the finance function



A large international agricultural holding

Enhancing and regulating investment management processes



One of the largest vertical agricultural holdings

Establishing settlement processes using current means of payment

Our proven track record

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-  Livestock, Poultry, and Processing
-  Crop Farming and Processing
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-  Fishing Industry

Methodology development and automation support

Planning and budgeting



One of the world's largest producers of meat products

Elaborating a planning and budgeting methodology for automation purposes



A large holding company in the fishing industry

Creating a budgeting methodology, budget controls, and related analysis



A major vegetable producer

Elaborating methodology and automation of budgeting and management accounting

Cost and marginality



A large holding company in the fishing industry

Elaborating a methodology for managing cost accounting and calculating actual management costs



A major vertical agricultural holding

Elaborating a cost accounting methodology and calculating production costs for ERP automation



A large holding company in the fishing industry

Elaborating approaches to calculating the cost of production

Management reporting



A large international agricultural holding

Creating a data model for corporate reporting and reports on "incubation" and "meat production" blocks for automation purposes



A major oil producer

Establishing the management reporting system, creating reporting packages for management



One of the largest vertical agricultural holdings

Elaborating a data model for a management reporting system

Planning and budgeting

Budgeting is a critical component of the finance and economics function. It not only allows a company to plan its financial results for the short term, but also allocates responsibility for achieving these results among all budgeting process participants.

We assist in developing and automating methodologies that involve all participants and integrating related planning processes. This approach ensures the most transparent and efficient solution for planning tasks, with minimal input from the company's specialists.



Our services



Processes and organisation

- Diagnosing and identifying bottlenecks affecting the speed and labour intensity of the plan and budget preparation processes.
- Allocating Centres of Financial Responsibility across assets, functions, segments, and stages of the agro-industrial production chain.
- Designing budget planning and control processes; elaborating standards and regulations.



Automation

- Prototyping and creating industrial budget and forecasting models in MS Excel.
- Supporting the automation of planning and budgeting based on specialised IT systems (Oracle, SAP, IBM, etc.).



Methodology

- Defining the set of budget forms and indicators (master budgets, as well as functional budgets, both standard for all agro-industrial segments and specific to each industry: mass and poultry farming, crop production, the fishing industry, processing, etc.)

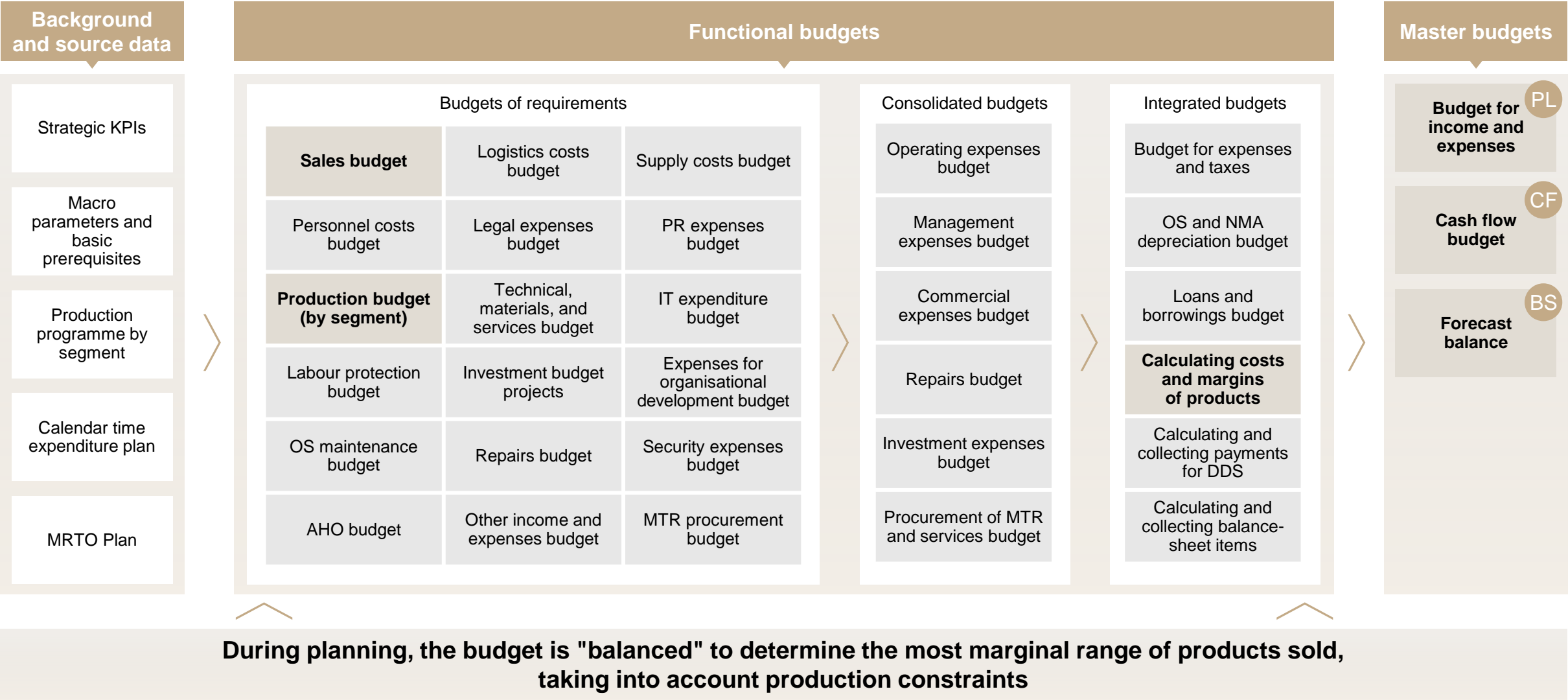


Integration

- Identifying data source systems, including production planning systems, accounting, and actual data collection systems.
- Formulating data transfer requirements in terms of metrics and dimensions, as well as requirements for modifying source systems.
- Designing and creating tables and data transformation algorithms (marts).

Planning and budgeting

EXAMPLE



Cost accounting and profitability analysis

Detailed, as opposed to "lump-sum" cost accounting, enables the collection of necessary data for management reporting, as well as the most accurate cost calculation and margin analysis by product SKU. This allows the sales and production plan to be balanced.

To implement detailed accounting, cost objects are identified at each production stage, with cost items defined for direct assignment and algorithms for indirect cost allocation.

Our services



Cost accounting and recording

- Designing the structure of cost centres, production stages, and sections, as well as the agro-industrial product structure for cost calculation purposes.
- Developing approaches to cost classification, creating the structures of elements and items for recording primary and secondary costs.
- Calculating requirements for materials, services, and other resources by cost centre to enhance data transparency and conduct quantitative analysis of resource consumption.



Cost allocation and product cost calculation

- Establishing standardisation drivers and cost allocation bases.
- Designing and creating closing procedures and allocation rules, algorithms for allocating costs among cost centres, production stages, and agro-industrial products.
- Calculating specific efficiency indicators by sectors and production stages; assessing the profitability of agro-industrial products.



Prototyping and automating cost calculation

- Prototyping in MS Excel to verify the most complex cost allocation algorithms and cost calculation methods.
- Automating the cost allocation and cost calculation model in the agro-industrial sector, based on IT platforms.
- Formulating requirements for modifying related systems and processes (production accounting, statutory accounting, etc.)



Cost and margin reporting

- Designing and creating templates for analytical cost and margin reporting.
- Identifying source systems and data transformation rules.
- Establishing specifications with calculation algorithms.

Cost accounting and profitability analysis

EXAMPLE

Crop Farming

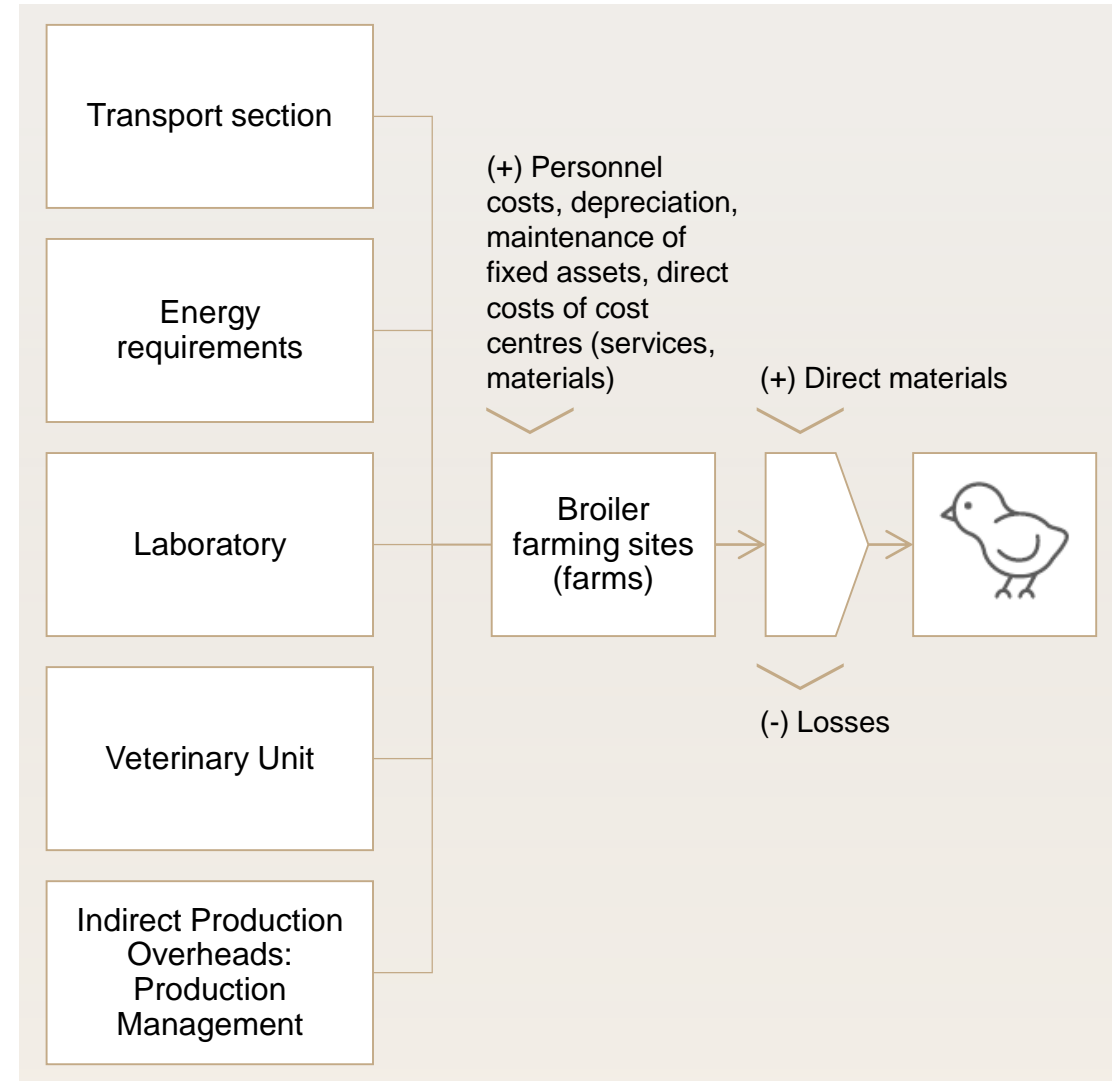
Land preparation and sowing > Cultivation/ growing > Harvesting > Receiving and storage

Livestock Farming

Feed production > Young stock rearing > Rearing and fattening

Livestock Farming

Herd management and slaughter > Deboning and cutting > Further processing > Distribution and sales



Management reporting

For each level of management we establish a necessary and sufficient set of key performance indicators and create a reporting package in the most convenient format (dashboards with drill-down capabilities, "flexible" analytical reports, reports based on rigid templates).

Each report indicator is described in a specification document that defines data collection rules, calculation algorithms, and the required level of detail.

Our services



Assessing current reporting

- Analysing the existing management reporting package across sectors (crop farming, feed production, livestock farming, processing, and sales)
- Systematising user requirements and benchmarking against the practices of other companies
- Making recommendations for changes to the structure and composition of reports



Elaborating target reporting

- Defining the set of budget forms and indicators (master budgets, as well as functional budgets – both standard for all agro-industrial segments and specific to each industry: mass and poultry farming, crop production, the fishing industry, processing, etc.)



Prototyping and automation

- Preparing mock-ups of dashboards and reports (Excel, PPT, BI)
- Assisting in selecting target domestic and foreign IT tools (Data Warehousing and BI platforms)
- Configuring reports, visual presentations, and interactive dashboards in chosen IT solutions

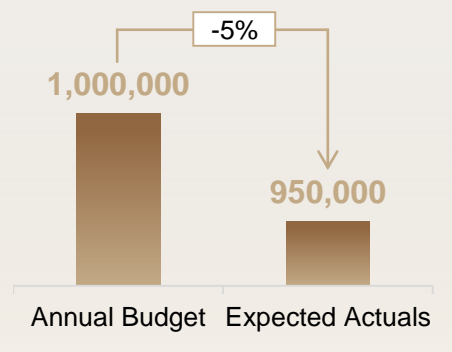
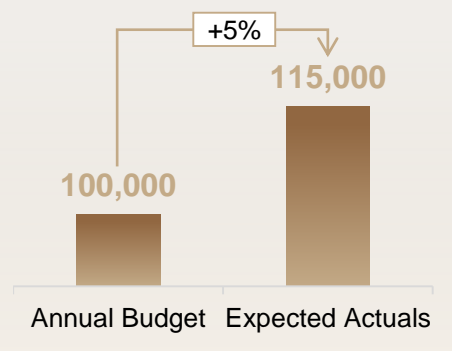
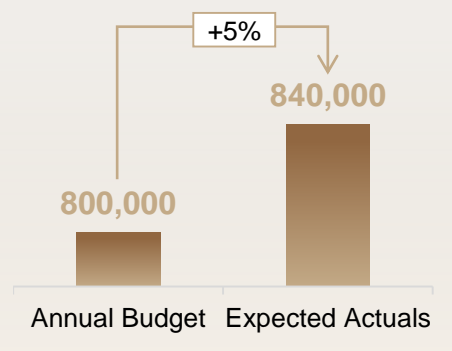
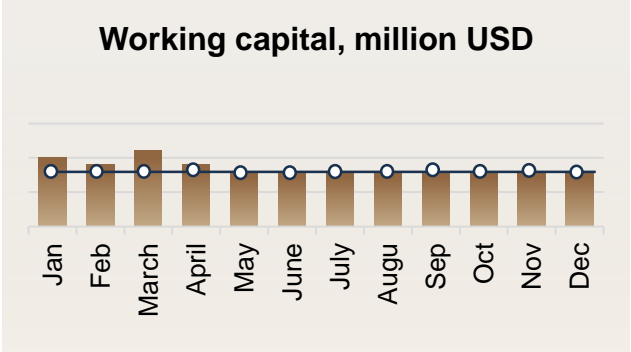
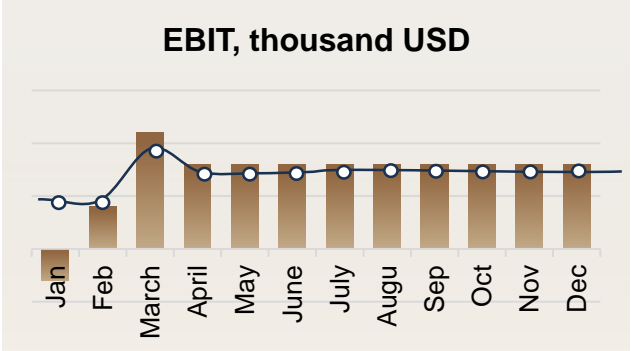
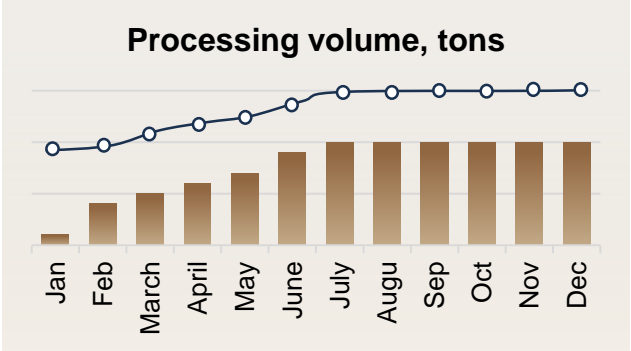
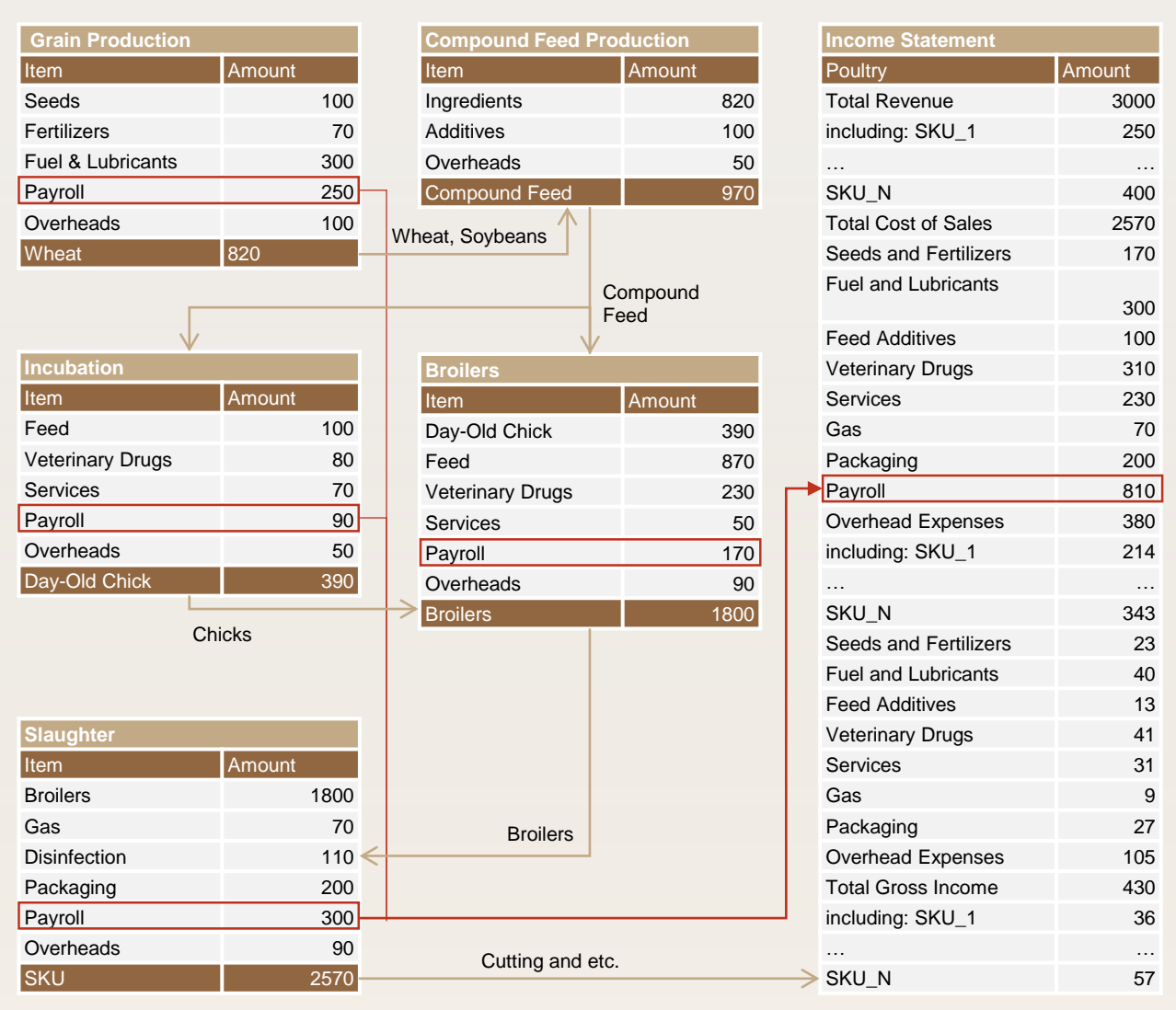


Data sources and integration

- Identifying data source systems, including production planning systems, accounting, and actual data collection systems
- Formulating requirements for data transfer in terms of metrics and dimensions, as well as requirements for modifying source systems
- Designing and creating tables and data transformation algorithms (mapping)

Management reporting

EXAMPLE



Building and re-engineering economic and financial processes

Selecting an optimal service model, organisational structure, and KPIs ensures maximum efficiency and efficacy within the finance function.

Implementing end-to-end processes facilitates this function's integration with production, sales, procurement, accounting, tax reporting, and other related areas.

Our services



Transforming the and finance function

- Analysing and benchmarking current processes and functions, identifying potential efficiency improvement points
- Designing end-to-end business processes at both methodology and automated systems levels
- Optimising the organisational structure, identifying non-core functions
- Designing the organisational service model for the function, centralisation (Management Reporting Centres, Payment Factories, Centres of Excellence)
- Support in selecting and configuring systems for the automation and digitalisation of the function



Treasury

- Elaborating options for cross-border settlements
- Designing liquidity forecasting processes, creating mathematical models
- Standardisation of payment terms, creating a counterparty rating scoring model
- Elaborating financial risk assessment policies and models

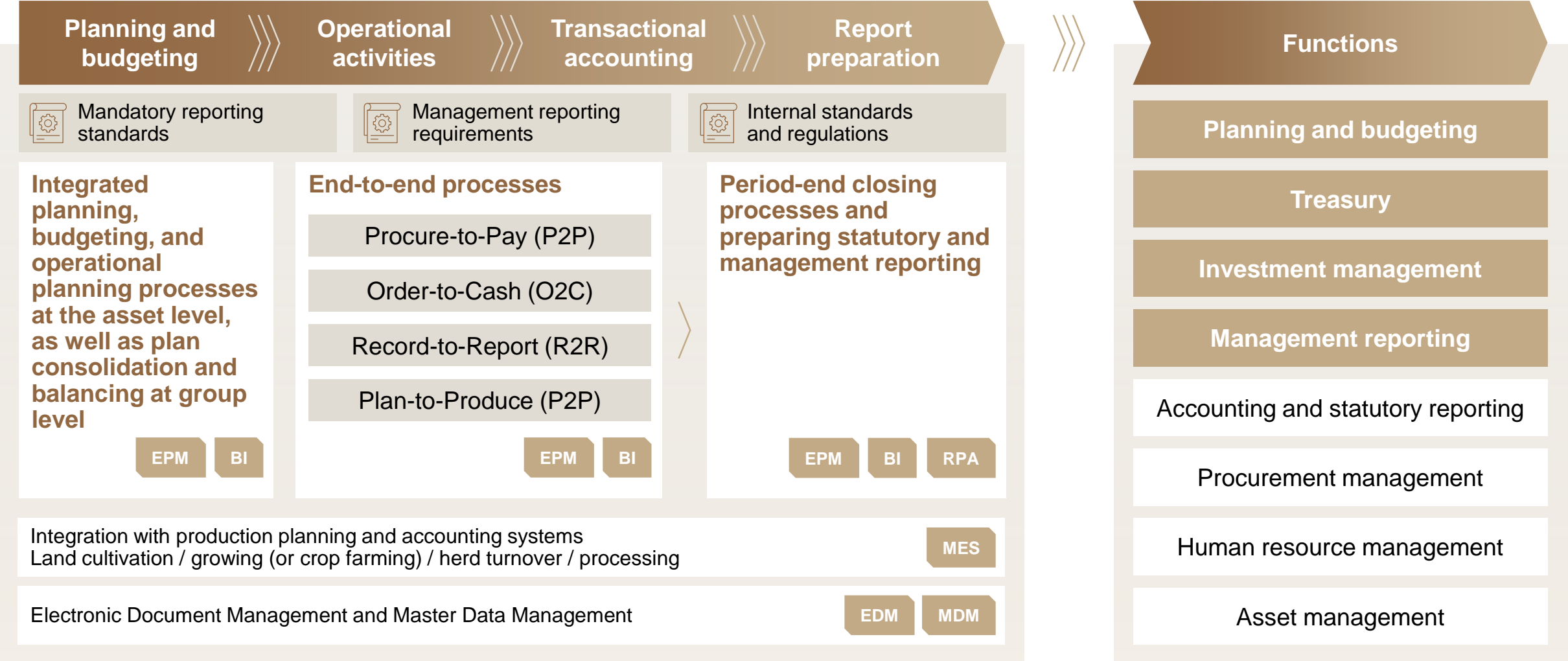


Investment Management

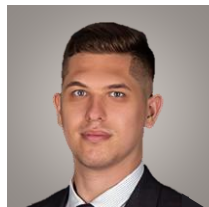
- Establishing principles for classifying projects and initiatives
- Elaborating mechanisms, rules, and procedures for ranking investment projects within a portfolio, defining risk appetite at the portfolio level
- Describing end-to-end decision-making and monitoring processes for investment projects involving construction departments, project offices, etc.

Building and re-engineering economic and financial processes

EXAMPLE



Contacts



Vladislav Mitin

Associate Director
Digital CFO, Consulting

T: +381 62 8905 666
E: vmitin@tenetoffice.com



Matvey Martynov

Associate Manager
Digital CFO, Consulting

T: +381 61 1880 229
E: matveymartynov@tenetoffice.com

www.tenetcons.com

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