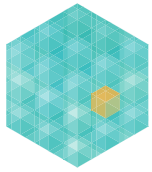# ROBOTIC REVENUE VALIDATION

MOVING TOWARDS CONTINUOUS CONTROL IN FINANCE, CONTROLLING & AUDIT

ACTUALS IO

Peter Engel

April 17, 201

World Wide trend of revenue digitization

- In the upcoming years businesses will transform from non-digital into digitally driven companies

- Control and audit of the revenue streams will become more IT- and data driven since they are influenced by digital.
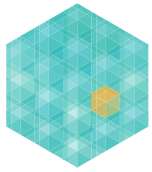
2015　　　**2020**　　　**2025**

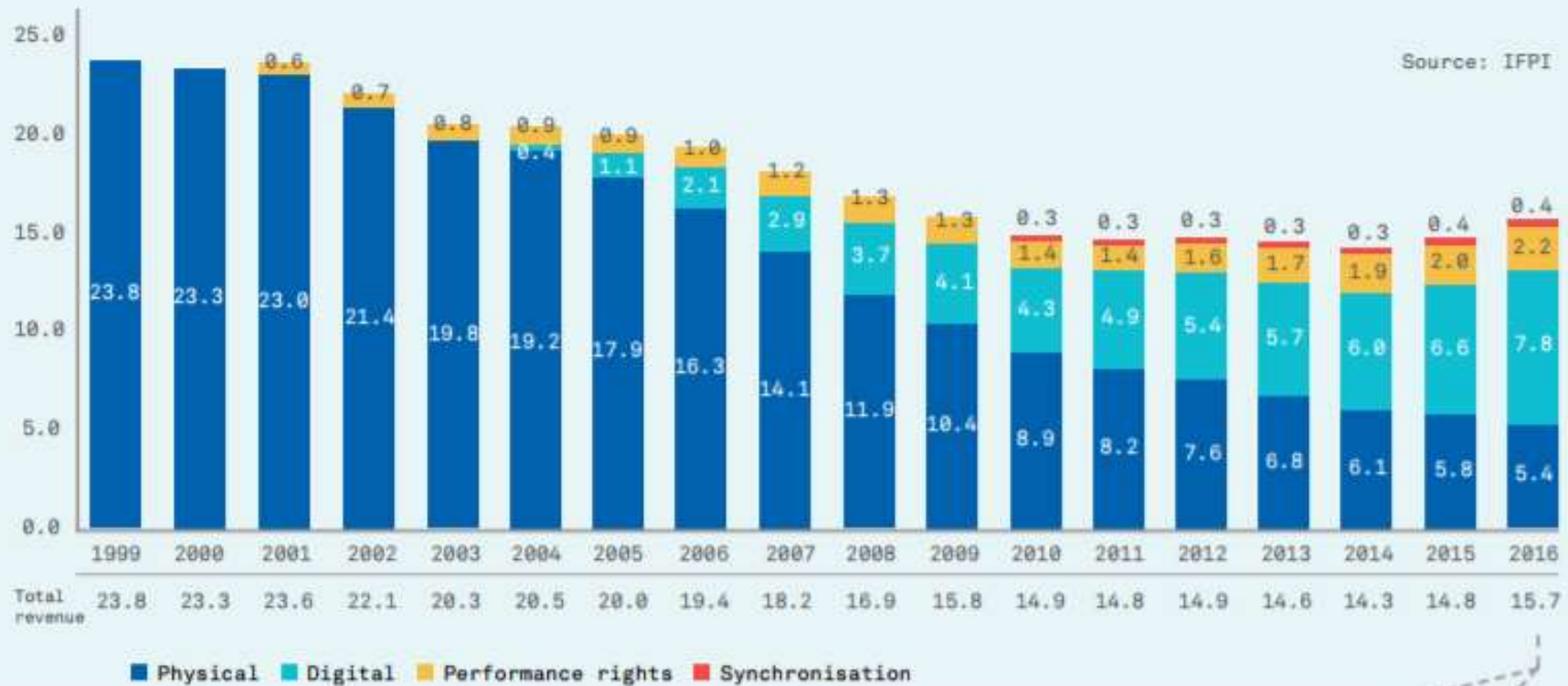47% of exec's Expect digital to influence more than 50% of sales by 2020
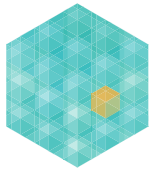
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Revenue drivers are digitizing

GLOBAL RECORDED MUSIC INDUSTRY REVENUES 1999–2016 (US$ BILLIONS)

Source: IFPI

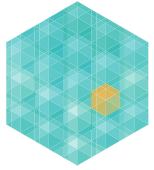|	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Synchronisation												0.3	0.3	0.3	0.3	0.3	0.4	0.4
Performance rights			0.6	0.7	0.8	0.9	0.9	1.0	1.2	1.3	1.3	1.4	1.4	1.6	1.7	1.9	2.0	2.2
Digital						0.4	1.1	2.1	2.9	3.7	4.1	4.3	4.9	5.4	5.7	6.0	6.6	7.8
Physical	23.8	23.3	23.0	21.4	19.8	19.2	17.9	16.3	14.1	11.9	10.4	8.9	8.2	7.6	6.8	6.1	5.8	5.4
Total revenue	23.8	23.3	23.6	22.1	20.3	20.5	20.0	19.4	18.2	16.9	15.8	14.9	14.8	14.9	14.6	14.3	14.8	15.7

Physical | Digital | Performance rights | Synchronisation

Pictures taken from the IFPI GMR of 2017, page 11

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Digital transformation of revenue
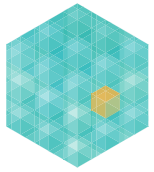
Risks are digitizing

Case example

Tidal Accused of Faking Streams to Boost Beyonce and Kanye West

Newspaper investigation claims Jay-Z's music streaming service manipulated streaming data for false payouts
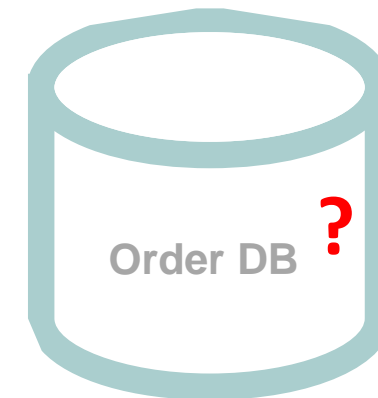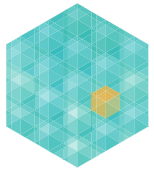
Challenges in managing online transactions

It's "in" *the* database / system

1. Physical flows of cash and goods can not be detected

2. There are no independent data sources to compare company originated data with

3. Reconciling different data points by (finance) professionals is increasingly difficult and time consuming

4. Clients and stakeholders demand more transparency

5. Audit firms have to design IT based work-arounds to sign off on Financial Statements
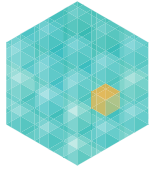
Order DB **?**

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Follow the data

simplified online transaction flow
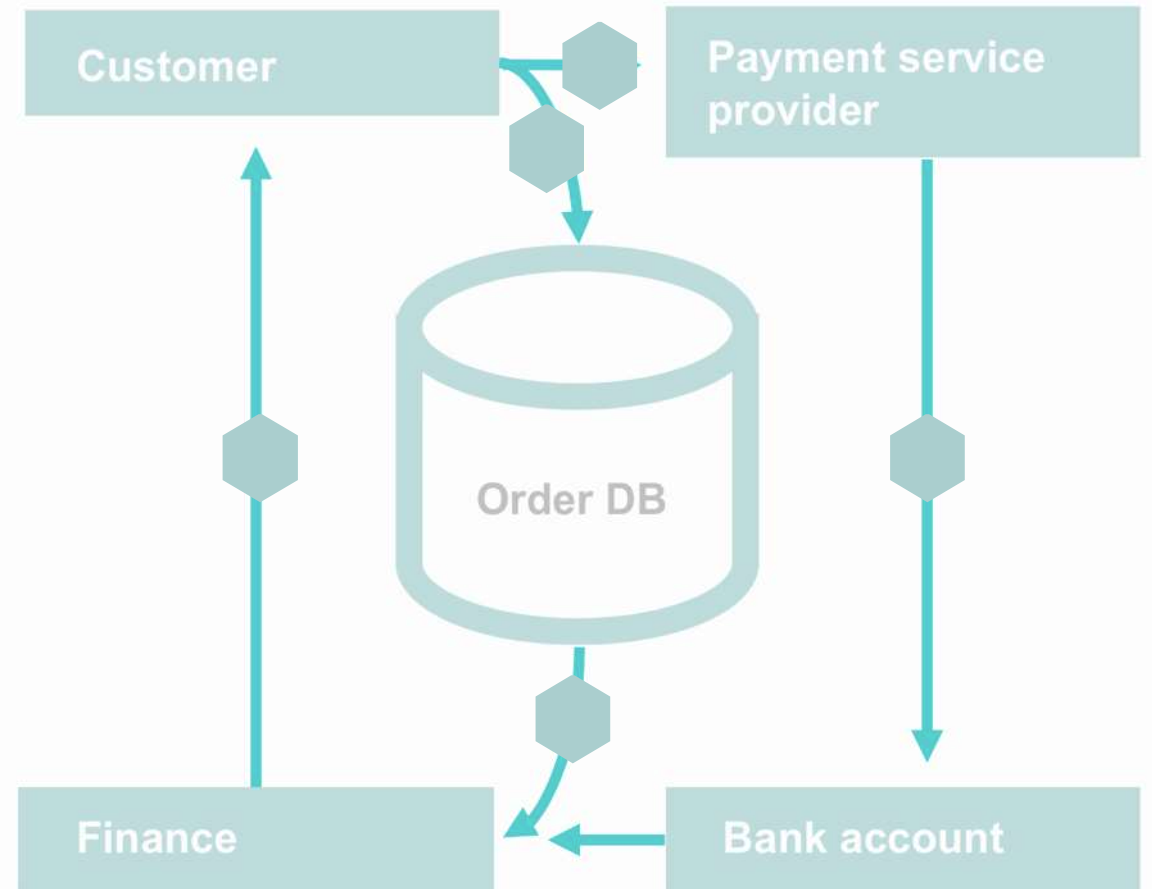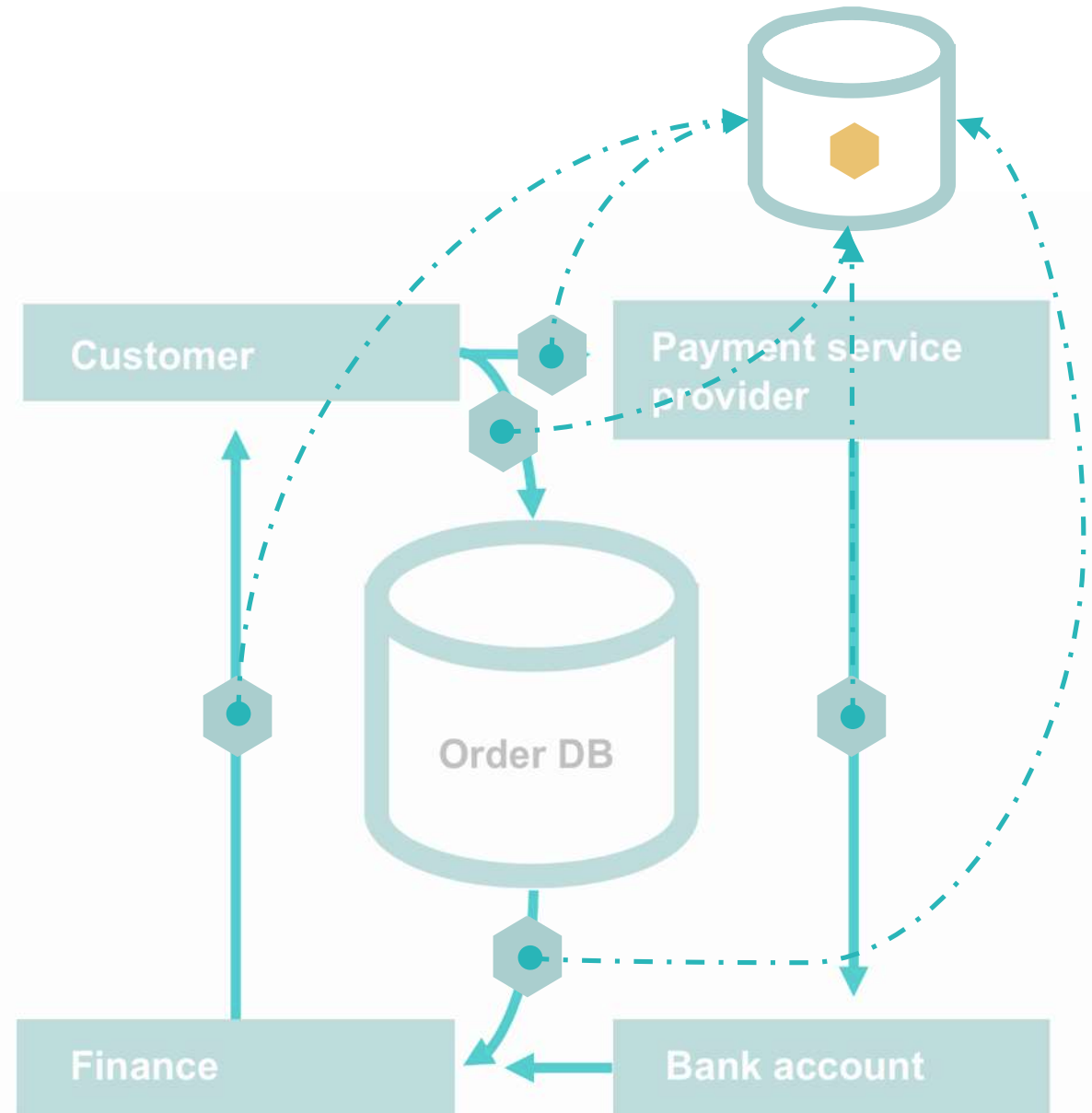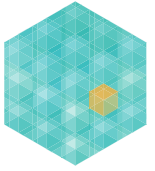
From reactive to proactive

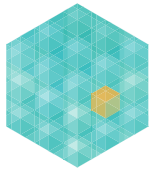Continuous

Automated

Independent

Logging

&

Accounting

Use case

Use Case

Continuous Monitoring

Invoicing module
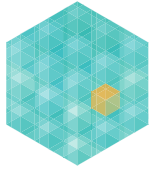
MultiTankcard.
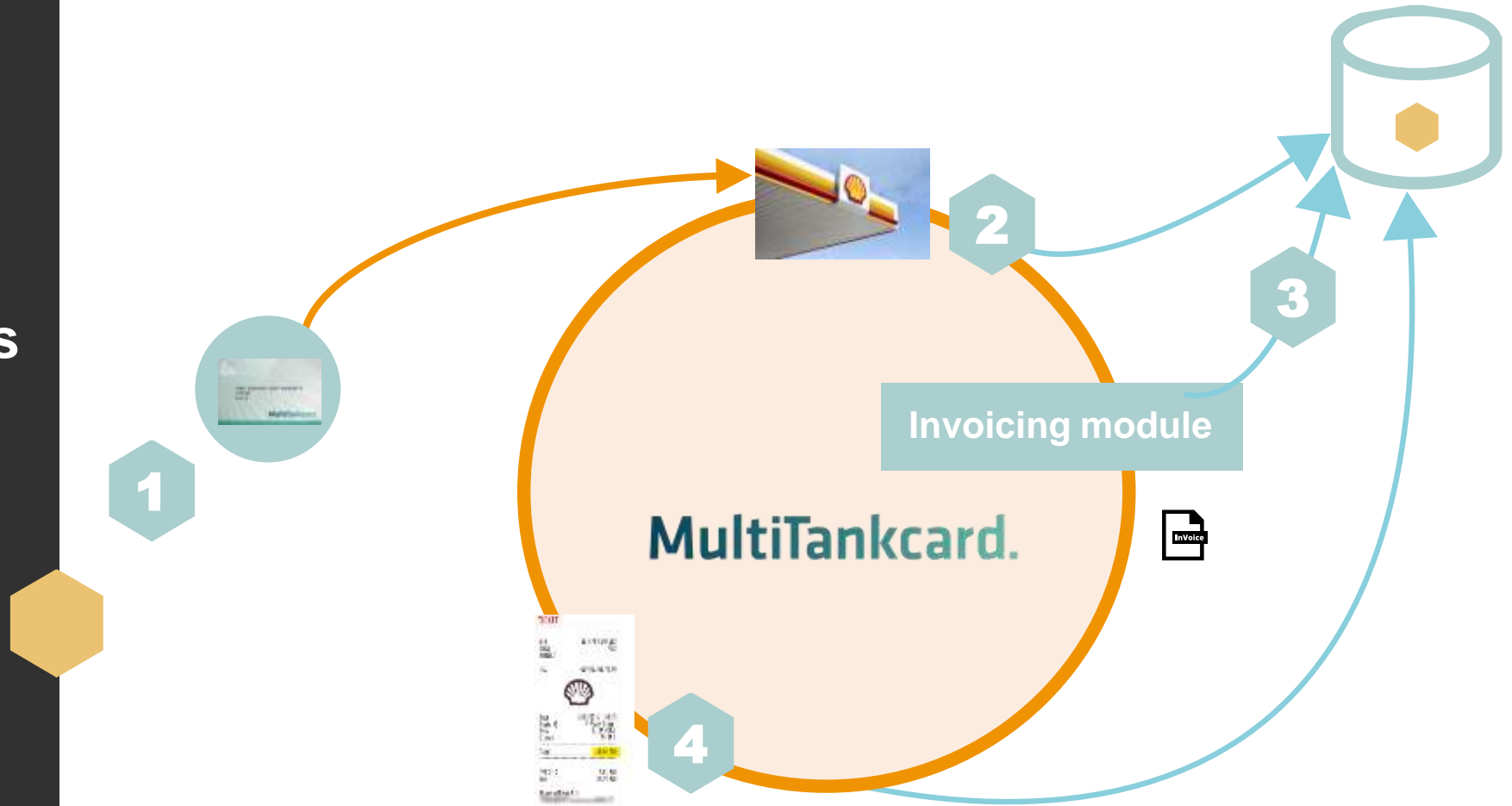
| 1	2	3	4
Use Card	**Capture Revenue Trigger**	**Capture Sales Invoice Trigger**	**Capture Incoming Supplier invoice**

The result: independent order and revenue validation

1. **Automated daily reconciliation of gross revenue, net revenue, costs of sales and VAT**

2. **Automated monthly close of revenue on the First of the month**

3. **Automated close of year-end on Jan 2**

4. **The results determine directly the effectiveness of the IT system (and that you're not losing money)**
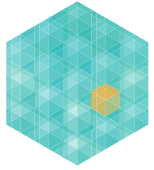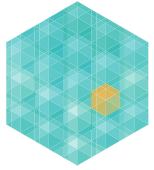
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We call it Robotic

- **Reduces time significantly for everyone involved**

- **Automating boring and time-consuming work**

- **Managing high volume data flows everyday**

- **Continuous validated data**

- **Providing revenue intelligence**

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Call us, we are real ☺

Stefan de Kraker
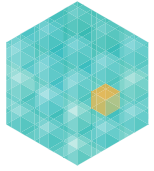+31 6 20493 431
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(Check our website for more use cases)

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AND CONTROL

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