

# Management and accounting financial consolidation with detailed information and data traceability

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Megalabs is a multinational pharmaceutical company, headquartered in Parque das Ciências in Uruguay, with operations in 18 countries in Latin America, including Brazil, where it has operated since 2016.

The company's businesses are so large that, according to estimates, at least 25% of physicians in Latin America prescribe medications produced by Megalabs.



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## The challenge

With its expansion to other countries, the company's business became increasingly complex, as each country has its own legal and accounting particularities, not to mention currency differences, dollar exchange rates, and local charges and taxes. Besides dealing with issues involved in starting new businesses, Megalabs had to consolidate its financial data from a managerial perspective that would be perfectly aligned with the accounting approach in order to strategically analyze its operation.

Spreadsheets could no longer process the huge amount of data generated by all its subsidiaries, so CTI was selected to design a data consolidation solution.

## The solution

Transforming accounting data into management information

Megalabs realized it needed more detailed financial consolidation so that it could visualize its operation in the 18 countries in a more strategic way, by area and by management units. Besides, our solution had to present these data at several levels.

For this reason, CTI used the IBM platform, integrating the solutions of IBM Planning Analytics (for management consolidation) and IBM Cognos Controller (for corporate and legal consolidation).

## Process optimization

Our solution allowed faster tasks and processes, such as integration of chart of accounts, loading of detailed data from source systems allowing financial BI, mapping of cost centers and accounts for a single chart of accounts, calculation of equity equivalence in complex structures, management and disclosure of balance sheets, allocation of costs and expenses, processing of complex apportionment for management analysis, control of intercompany transactions, reconciliation of management data and detailed information released by the accounting department, management and accounting adjustments and reclassifications, possibility of using different versions, such as realized information, realized version with inflationary effects (countries with hyperinflation), budgeting, forecast, among others.

## Many offices, one solution

Megalabs resolved its problems of operating in different countries – considering different local taxation systems, currency differences, among other issues. After the tools were implemented, data were validated in the same way for all countries, including the conversion of different currencies to dollar.

## Data traceability

One of the benefits of the solutions proposed by CTI was the possibility to deeply understand data. Now, the company is able to understand its results by channel, management, cost center, therapeutic area, and many other options. It provided the company with a better idea of its costs and origins. With this detailed report, the company had a better understanding of its operation in the previous month and could generate forecasts and make better strategic decisions for the future.

## Data safety and integrity

As the apportionment rules were already included in our tool, the company was sure the results received from the other units were correct, allowing more accurate analyses of the operation and reducing the operational effort to identify inconsistencies in the spreadsheets

## Convenient and safe management and corporate consolidation

With the solution in operation, now the company has a more adequate view of its business, understanding the information coming from each country. Megalabs started to consolidate its financial statements in a safe and structured system.

All these characteristics are offered in an easy-to-use tool that allowed know-how transfer from the CTI team to the Megalabs staff.

Since the solution was implemented, the company has operated in compliance with IFRS standards and will start releasing its consolidated data on a quarterly basis – rather than annually, as it used to do.

“The whole project was developed during the COVID-19 pandemic; that is, remotely. It was never an obstacle for the CTI team, as they successfully handled this issue and deployed the solution that changed the company’s financial routine.”



Marcos Beltrán  
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Platinum  
Business  
Partner



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