

Deltek  
**INSIGHT**  
2014

**Hola! Ready to go  
International with Costpoint?  
Mais Oui!  
GC-62**

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# Introductions



Susan is a partner and co-founder of Lexell Blue, LLC, which was formed in May 2013. She specializes in legacy data migrations to Deltek Costpoint and Deltek GCS to Costpoint conversions, as well as with restructuring and merging Costpoint databases. Susan previously worked for Deltek, Inc. for twenty-two years in a number of different roles, including as a lead data consultant and Director of the data consulting team, Director of Integration, and as a Managing Director responsible for the successful implementation of Deltek's product suite. Susan graduated Summa Cum Laude from Georgetown University with a Bachelor of Science in French, which she recently put to use leading a large Costpoint implementation in France.

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Cindy specializes in providing expertise with Costpoint system design, configuration, training, testing and overall Costpoint deployment best practices, as well as implementation project management. She most recently supported the international implementation of Costpoint version 7.1 at a global professional services firm. As WiJiT's Costpoint Practice Director, Cindy directs consulting programs which focus on software implementation services and system redesign, and ensures that her clients fully leverage the capabilities of CP. Cindy has previously served as Deltek's Managing Director of Professional Services, Costpoint Product Director, Costpoint Practice Director, and Director of European Consulting Services.

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# Agenda

- Primer on Costpoint multicurrency functionality
- International business challenges and Costpoint solutions
  - Designing Costpoint Companies and Orgs to meet complex reporting needs
  - Revaluing Large Volume of Balance Sheet Accounts
  - Foreign Currency Billing
  - Field Accounting
  - Global Electronic Cash Disbursements
- Considerations for an international implementation
  - Communication, Culture, Time Zones and more
- Questions

# Primer on Multicurrency Functionality

- 3 currencies: functional, transaction and pay
- GL detail tracks functional and transaction currencies
- All transactions entry screens allow multicurrency
  - JE, A/P, Disbursements, Cash Receipts, PO, Timesheets

Voucher Totals	Transaction	Pay	Functional
Currency	CLP	USD	EUR
Cost Amount	9,022,000.00	15,788.24	11,792.66
Sales/VAT Tax Amount	0.00	0.00	0.00
Recovery Amount	0.00	0.00	0.00
Total Before Discount	9,022,000.00	15,788.24	11,792.66
Discount Amount	0.00	0.00	0.00
Total Amount	9,022,000.00	15,788.24	11,792.66
Amount Paid	0.00	0.00	0.00
Discount Taken Amount	0.00	0.00	0.00
Use/Reverse Tax Amount	0.00	0.00	0.00

  

Exchange Rates		
Trans to Functional	0.0013071	Functional to Pay
		1.3388193

Ok



# Primer on Multicurrency Functionality

- Two types of rates:
  - Daily, Period End (Average, historical, End)
- Balance sheet revaluation process
- Master File screens allow multicurrency
  - Vendor, Employee, Fixed Assets, Customer, Billing
- Revenue is Not multicurrency enabled: on Deltek's roadmap.

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# International Business Challenges and Deltek Solutions

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# Business Challenges and Solutions

- Designing Costpoint Companies and Orgs to meet complex reporting needs
- Revaluing Large Volume of Balance Sheet Accounts
- Foreign Currency Billing
- Field Cash Accounting
- Global Electronic Cash Disbursements



# Structuring CP Companies and Orgs

- Business Needs:
  - Multiple legal entities/in-country presence
  - Multiple accounting rules: GAAP, IFRS and country specific
  - Multiple functional and reporting currencies
  - Multiple fiscal years
  - Reporting by transaction currency
  
- Costpoint Constraints
  - Only 1 functional currency per Costpoint Company
  - Only 1 fiscal calendar per database
  - GL reports are in functional currency, not transaction currency





# Structuring CP Companies and Orgs

- Solutions:
  - Multiple legal entities and accounting rules
    - ✓ use combination of Costpoint Company and Org
  - Multiple fiscal years
    - ✓ use new CP 7.1 **Alt Fiscal Year** with Cognos
  - Multiple functional currencies
    - ✓ use combination of CP Company, **Alt Fiscal Year** and Cognos
  - GL detail reporting by transaction currency
    - ✓ use new CP 7.1 **Multicurrency Beginning Balance** screen with Cognos



# Options for Multiple Companies in Costpoint

- 1) Use Multiple organizations in a single database
  - Top level of org is for consolidation
  - One functional currency
  - One fiscal calendar per database
  
- 2) Use Multicompany feature (aka Sys Admin company)
  - Each company has a different Costpoint Log In code
  - One functional currency per Costpoint Company
  - One fiscal calendar per database
  
- 3) Multiple databases
  - Each database can have its own functional currency and fiscal calendar



# Options for Multiple Companies at a Glance

	Multi Org	MultiCo	Multi DB's
Fiscal periods	One	One	Many
Functional currency	One	Many	Many
Transactional currency	Many	Many	Many
Taxable entities	Many	Many	Many
Co. "1" contains unique system controls	No	Yes	No
Shared Multi-Currency Info	Yes	Yes	No
System-Enforcement of shared COA	Yes	Yes	No
System-Enforced data structures (first segment of P/O/A)	Yes	Yes	No
Cross-charging between entities	Yes	IWOs required	IWOs required



# Multiple Fiscal Years and Functional Currencies: Use Alt Fiscal Year

Browse Applications Accounting > General Ledger > Company Calendar > Manage Alternate Fiscal Year Mapping

**Alternate Fiscal Year Header** (3 of 4 Existing)

Identification  
 Alternate Fiscal Year \* **FY2013** Description \* 2013 ALTERNATE FISCAL YEAR  
 Start Date \* **07/01/2013** End Date \* 06/30/2014 Number of Periods \* 12  
 Alternate Currency **EUR**  Include Adjustment Periods

Additional Alternate Fiscal Year Info  
 Label Value  
 Additional Field 1 France Localization  
 Additional Field 2  
 Additional Field 3

Beginning Balance Running Totals  
 Amount (Func Curr) 175,610.00  
 Hours 143,873.00  
 Amount (Alt Curr) 126,440.00

Alternate FY Beginning Balances

Alternate Period *	Alternate Subperiod *	Alternate Subperiod End Date	Actual Fiscal Year Start *	Actual Period Start *	Actual Subperiod Start *	Actual Fiscal Year End *	Actual Period End *	Actual Subperiod End *	Actual Subperiod End Date
1	1	01/31/2014	2013	7	1	2013	7	4	07/31/2013
2	1	02/28/2014	2013	8	1	2013	8	5	08/31/2013
3	1	03/31/2014	2013	9	1	2013	9	5	09/30/2013
4	1	04/30/2014	2013	10	1	2013	10	4	10/31/2013
5	1	05/31/2014	2013	11	1	2013	11	4	11/30/2013
6	1	06/30/2014	2013	12	1	2013	12	5	12/31/2013

Alternate Fiscal Year Header > Alternate FY Beginning Balances

Account *	Organization *	Project	Beginning Balance Amount (Func Curr)	Beginning Balance Hours *	Beginning Balance Amount (Alt Curr) *
05000-001	1.1	1003.001.10	74,689.00	0.00	53,776.00
05000-010	1.1	1003.001.10	65,423.00	45,331.00	47,105.00
20201	1.1.123		35,498.00	53,211.00	25559.00

Ok



# Multiple Fiscal Years and Functional Currencies: Alt Fiscal Year Reporting

Calendar		Statutory Reporting July to June Fiscal Year		Statutory Reporting January to December Fiscal Year	
		Balance sheet Fiscal PD In Functional Currency**		Balance sheet Alt Fiscal PD In Functional Currency**	
2014	July1 Beg bal	0	GL_Post_Sum PD 0**	YTD 6	GL_Post_Sum PD 0**
2014	July	1	GL_Post_Sum PD 1	7	GL_Post_Sum PD 1
2014	August	2	GL_Post_Sum PD 2	8	GL_Post_Sum PD 2
2014	September	3	GL_Post_Sum PD 3	9	GL_Post_Sum PD 3
2014	October	4	GL_Post_Sum PD 4	10	GL_Post_Sum PD 4
2014	November	5	GL_Post_Sum PD 5	11	GL_Post_Sum PD 5
2014	December	6	GL_Post_Sum PD 6	12	GL_Post_Sum PD 6
2014	End of FY bal		N/A		Sum above
2015	Beg of FY bal		N/A	0	ALT_FY_BEG_BALS
2015	January	7	GL_Post_Sum PD 7	1	GL_Post_Sum PD 7
2015	February	8	GL_Post_Sum PD 8	2	GL_Post_Sum PD 8
2015	March	9	GL_Post_Sum PD 9	3	GL_Post_Sum PD 9
2015	April	10	GL_Post_Sum PD 10	4	GL_Post_Sum PD 10
2015	May	11	GL_Post_Sum PD 11	5	GL_Post_Sum PD 11
2015	June	12	GL_Post_Sum PD 12	6	GL_Post_Sum PD 12

\*\* For a different reporting currency, use Alt FY Alt Currency beginning balances



# GL Detail Reporting By Transaction Currency: Use Multicurrency Beginning Balance

★ 1 Browse Applications Accounting > General Ledger > General Ledger Beginning Balances > Manage Non-Project Beginning Balance

**Fiscal Year/ORGANIZATION** New Copy Delete 1 of 15 Existing Table Query

Fiscal Year\* 2014 ORGANIZATION 1 SuperTech, Inc.

Running Balances Amount: -110,000,502,072.22 Hours: -8,143.80

**Account Details** New Copy Delete 4 of 130 Existing Table

Account\* 00112 ACCOUNTS RECEIVABLE  
PROJ Required N  
Beginning Amount 14385.41 Beginning Hours 0.00

**Transactional Currency Beginning Balances** New Delete 1 of 1 Existing

Account 00112 ACCOUNTS RECEIVABLE

Transactional Currency Code *	Transactional Currency Name	Beginning Balance Amount (Trans Curr) *	Beginning Balance Amount (Func Curr) *
EUR	EMU Euro	9,000.00	12,150.00
GBP	British Pound	1,000.00	1,652.70
USD	U. S. Dollar	582.71	582.71
Running Balance (USD)			14,385.41

Ok



# Reporting By Transaction Currency: Use Cognos

GL Detail by Transaction Currency Company 24								
FY: 2015			PD: 1					
ACCT_ID	ORG_ID	Type	Functional Currency Code	Functional Amount	Transaction Currency Code	Transaction Amount	Period	Journal Code
100-01-201	24.04.5	Beg Bal	EUR	48,481.91	CLP	36,444,335.06		
100-01-201	24.04.5	D	EUR	(6.64)	CLP	(5,000.00)	1	CD
100-01-201	24.04.5	D	EUR	(656.79)	CLP	(494,500.00)	1	CD
100-01-201	24.04.5	D	EUR	(119.54)	CLP	(90,000.00)	1	CD
100-01-201	24.04.5	D	EUR	(18.50)	CLP	(13,930.00)	1	CD
100-01-201	24.04.5	D	EUR	(2,713.28)	CLP	(2,042,823.00)	1	CD
100-01-201	24.04.5	D	EUR	(187.20)	CLP	(140,943.60)	1	CD
100-01-201	24.04.5	D	EUR	13,504.76	CLP	10,143,871.00	1	CR
100-01-201	24.04.5	D	EUR	(51.29)	CLP	(38,616.00)	1	CD
100-01-201	24.04.5	Total	EUR	58,233.43	CLP	43,762,393.46		

# Revaluing Balance Sheet Accounts

- Business Needs
  - Hundreds of cash and other accounts for month end revaluation to functional currency
  - Differing treatment of foreign exchange gain and loss
- Costpoint 6.1 Constraints
  - Capability to revalue, but cumbersome in volume
  - Excluded beginning balance – on FY only
  - Gain/loss general ledger account options limited
  - Too easy to revalue Open A/P and A/R twice





# Revaluing Balance Sheet Accounts

- Solution: New Costpoint 7.1 revaluation process
  1. Revalues with transaction currency beginning balance
  2. Prevents accidental revaluations

Accounting > General Ledger > Financial Statement Configuration > Exclude Accounts from Create Revaluation Entry

<input checked="" type="checkbox"/>	Account*	Account Name
	02003-005	ACCTS PAYABLE/GBP
	02003-007	ACCTS/PAYABLE/EUR

## 3. Have options for recording gain/loss

Accounting > General Ledger > Journal Entry Processing > Create Revaluation Entry

**Processing Options**

**Offset Account for Posting**

Other Comprehensive Income     Unrealized Gain/Loss     Realized Gain/Loss

**Posting Organization**

**Offset Account**

Balance Sheet Level Org     Source Org

**Balance Sheet Account to Revalue**

Balance Sheet Level Org     Source Org

# Foreign Currency Billing

- Business Needs
  - Bill costs in the same currency (and amount) as the transaction
  - Foreign currency billing in Units and Scheduled bills
  - Impose billing ceilings in foreign currency
- Costpoint 6.1 Constraints
  - Amount to bill converted from transaction to functional and back to billing currency – resulted in rounding and exchange rate differences
  - Foreign currency billing in Units and Scheduled bills not supported
  - Billing ceilings stored in functional currency

# Foreign Currency Billing

- New Features in CP 7.1:

1. Foreign currency transaction can “pass through”

Identification: Project 30110.01, TECH SERVICES - ITALY

Billing Details: Other Info

Currency Info: Billing Currency EUR, EMU Euro; Rate Group EUROPE, Europe & US Conversion Group;  Use Transactional Currency Billing

2. Foreign currency billing values and ceilings

Identification: Project 30110.01, TECH SERVICES - ITALY

Billing Details: Billing Currency Contract Values

Billing Currency Values & Ceilings		
Funding Info		
	Ceil	Amount
Total	<input type="checkbox"/>	25,000.00
Cost	<input type="checkbox"/> N	23,750.00
Fee	<input type="checkbox"/> N	1,250.00

Value Info	
	Amount
Total	75,000.00
Cost	71,250.00
Fee	3,750.00



# Foreign Currency Billing

3. New CP 7.1 feature: Scheduled billing in foreign currency

The screenshot shows a 'Schedule' window with a table of billing entries. The table has the following columns: Date To Bill, Currency, Amt To Bill, Account, Account Name, Line Description, Posted, Invoice No, and Fiscal Year. The first row is highlighted in blue and circled in red, showing a date of 09/15/2013, a currency of EUR, and an amount of 1,000.00. The account name is 'Consultants-General' and the line description is 'Stipend agreement'. There is a calendar icon next to the date field.

Date To Bill *	Currency *	Amt To Bill *	Account *	Account Name	Line Description *	Posted	Invoice No	Fisc
09/15/2013	EUR	1,000.00	52-410-30	Consultants-General	Stipend agreement	<input type="checkbox"/>		

# Foreign Currency Billing

- Units billing in foreign currency: Useful for daily/monthly “T&M”

The screenshot displays the 'Manage CLIN Information' window. The 'Identification' section shows Project 30110.01.001 and TRAINING. The 'CLINs' table has one entry: Contract Line Item Number 00001A, Description Training Manuals, Currency EUR, and Country ITA. The 'Item Details' section shows Item ITMAN-ITALY, Description Italy IT Training Manuals, Currency EUR, and Country ITA. The 'Pricing Details' table has one entry: From Quantity 0.0001, To Quantity 9,999,999,999,999, Unit Price 35.000, Starting Date 09/01/2013, and Ending Date 12/31/2013. Red boxes highlight the 'Currency' field in the CLIN table and the 'Unit Price' field in the Pricing Details table, with a red arrow pointing from the CLIN table to the Pricing Details table.

Contract Line Item Number *	Contract Line Item Description *	Sales Abbrev	Inventory Abbrev	Currency	Country
00001A	Training Manuals			EUR	ITA

From Quantity	To Quantity	Unit Price	Starting Date *	Ending Date *
0.0001	9,999,999,999,999	35.000	09/01/2013	12/31/2013



# Field Accounting

- Business Needs
  - Record field accounting transactions into Costpoint
- Business Constraints
  - Field internet access issues
  - Field staff not trained accountants
  - Minimize number of GL accounts in Costpoint
- Costpoint 6.1 Constraints
  - JE preprocessor not multicurrency enabled



# Field Accounting

## ■ Solutions

1. Use other tracking tools in field such as Excel or Quickbooks
2. Leverage JE, AP, CR Preprocessors to bring in the data
  - New Multicurrency capability in JE preprocessor in CP7.1
3. Leverage Web Integration Console
4. Leverage Reference Numbers to minimize GL cash accounts
5. Leverage Cognos for cash account reporting



# Global Electronic Cash Disbursements

- Business Needs
  - Ability to send electronic payments to vendors and employees in various countries, currencies, and banking systems
- Costpoint 6.1 Constraints
  - Electronic File Transfer formatted for US banks only



# Global Electronic Cash Disbursements

- CP 7.1 Feature:
  - New Non-US Bank info screen on Vendor
- Cognos for bank-specific transfer file
- Ability to store Intermediary banking info

Address Code: PAY1

Non-US Bank ID: 30005

Non-US Bank Account: 99-12376-111009

Bank Reference: XYZ

Originator ID Code:

IBAN Code: FR9630002004400000434065E28

SWIFT Code: YRCCFRCPXXX

Intermediary Bank ID: 0000000000000001

EFT Active (Non-US Bank)    EFT Pmt Type: SEPA

Print EFT Advice    Password:

Note: Non-US Bank Accounts cannot be used for EFT file creation directly in Costpoint. EFT Files for Non-US Banks must be created using 3rd-party tools such as Cognos.

Ok

# Quick Reference Card: New International Features CP 7.1

- Localization – Multilingual screens (French and Spanish)
- JE preprocessor - multicurrency support
- Intermediary banks/non-US banks. IBAN/SWIFT
- Pass thru billing
- Billing ceilings and contract funded value in billing currency
- Multicurrency units billing
- Multicurrency scheduled bills
- Multicurrency Cash receipts enhancement for bank recs
- Alternate Fiscal Year setup to support 3<sup>rd</sup>-party reporting
- GL transactional currency beginning balances
- New revaluation entry capabilities
- Foreign currency in Salary Info & History for labor/leave
- Foreign transaction currency for labor/leave stored in GL and timesheet/leave history

# General Challenges for international implementation – it's not just the software

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# We are the same... only different

INSEAD professor, Erin Meyer, in her book “The Culture Map” says:

“Leaders have always needed to understand human nature and personality differences – that’s nothing new. What’s new is the requirement for twenty-first century leaders to **be prepared to understand a wider, richer array of work styles** than ever before and to be able to determine **what aspects of an interaction are simply a result of personality and which are a result of differences in cultural perspective**... When we worked in offices surrounded by others from our own tribe, awareness of basic human psychological needs and motivations, as well as a sensitivity to individual differences was enough. But **as globalization transforms the way we work, we now need the ability to decode cultural differences in order to work effectively with clients, suppliers, and colleagues from around the world.**”



# Cultural Differences - Measures

- Communication: low-context vs. high-context
- Evaluation: direct vs. indirect negative feedback
- Persuasion: principles-first vs. applications-first
- Leadership Style: egalitarian vs. hierarchical
- Decision Making Process: consensual vs. top-down
- Earning Trust: task-based vs. relationship-based
- Disagreement: confrontational vs. non-confrontational
- Scheduling: linear-time vs. flexible-time



# Communication

- Low-context vs. high-context
  - Low context is explicit, dependent on what is said/written
  - High context assumes commonality of views and knowledge
- Language
  - English is a common denominator, but varied levels of fluency and accents
- Methods of communication
  - Detailed examples in documents/spreadsheets vs. verbal discussion
  - Holding meetings: Trade-off between difficulty of coordinating co-location vs. remote meetings
- General best practices are even more critical
  - Centralized tool for project communications
  - Meeting notes, issues log and action items are key



# Scheduling

- Linear time vs. Flexible time
  - Promptness and focus on schedule vs. adaptability
- Differing work schedules
  - Planning cutover schedule and minimizing down time during normal business hours
  - Religious holidays specific to country/nationality (Ramadan, e.g.)
  - August vacations in many European countries
  - Middle East and North Africa work week (Sun – Thu vs. Mon – Fri)
- Labor laws
  - Certain employee classes are not allowed to work over x hours a week, or on weekends, Sundays in particular

# Scheduling – Logistics and Time Zones

- Scheduling meetings
- Scheduling processes
  - importing timesheets
  - posting processes
  - month end
- Global IT support
  - System maintenance coordination
    - during implementation
    - ongoing in production





# Evaluation, Persuasion and Leadership

- Evaluation: direct vs. indirect negative feedback
  - Explicitly stating a criticism vs. subtlety or wrapping it in positives
  - Making sure your message is heard
- Persuasion: principles-first vs. applications-first
  - Focus on the “why” vs “how”
  - Principles first: Begin with theory and move to conclusion
  - Applications first: Begin with facts/executive summary and add concepts
- Leadership Style: egalitarian vs. hierarchical
  - Everyone seen as equal voice vs. deference to title/seniority
  - Boss as facilitator vs. boss as a strong director

# Decision Making, Trust and Disagreement

- Decision Making: consensual vs. top-down
  - Team vs. individual decision-maker
  - Consensual – decision may take a long time, but once it is made it is final
  - Top-down – decision made quickly, but may change with additional information
- Earning Trust: task-based vs. relationship-based
  - Based on accomplishments/skills vs. empathy/friendship
  - Built through business activities vs. slowly over time
  - With relationship-based, important to show “real” you in social settings
- Disagreement: confrontational vs. non-confrontational
  - Direct disagreement and debate vs saving face
  - Confrontation leads to creativity and excellence vs. confrontation as a lack of respect/disapproval

# Centralized/Decentralized

- Is your business changing models?
- Satellite entities
  - Moving from independent systems into consolidated Costpoint
  - Separate vs. common business processes,
  - Autonomy of making own decisions to tightly managed centralized operations with mandated schedule
- Quality control
  - Many systems use JEs where Costpoint has specific transactions
  - Initially centralized JE approvals



# Organizational Change Management

- OCM is always key, but even more so if moving from decentralized multi-national systems to centralized/common system
- Addressing cultural differences and way of working together
- Roles and responsibilities
- Involvement of remote teams in design and testing
- Training – in multiple locations, languages
  - Desk top procedures
  - Recorded training



# References

- RW3 Culture Wizard (online tool)
- The Culture Map: Breaking Through the Boundaries of Global Business, Erin Meyer

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Q&A

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