MAGIC**ORANGE**

PROFITABILITY & COST TRANSPARENCY

Transforming the way businesses see their costs

ABOUT

For many enterprises, understanding the true cost and profitability of products and services is not easy. Frequently the costs related to creating products and services are complex and involve long value chains of activities and shared services such as IT. Few enterprises get this right. Executives' inability to obtain accurate insight into their cost drivers and structures means they struggle to:

- Understand their true profit margins
- Measure financial efficiency
- Defend the costs of shared services
- Make informed decisions about their business

Magic Orange Cost Transparency unlocks cost optimisation opportunities for businesses by producing targeted, actionable information relating to business costs.

> Unlock cost optimisation opportunities in your business and save

> Empower business units to make smarter decisions concerning shared services usage

> Increase profitability through more efficient use of shared service resources

> Quick return on investment with fast and easy deployment process

WHO WE HELP

Shared Services

Struggles to defend the true cost of shared services and measure asset utilisation effectively

- Understand your shared services spend
- Predict future shared services spend
- Find opportunities to run shared service departments more effectively

Finance

Experiences difficulty in allocating complex shared service costs

- Understand and manage the total cost of ownership (TCO) of your shared products and services
- Create accurate budgets which can be explained
- Be empowered to show shared service spend and future requirements

Business Units

Has an incomplete view of the shared services costs related to services and products being sold

- Be empowered to make smart decisions concerning the use of shared services
- Understand and address inefficient usage of shared services
- Receive a true profit margin for delivering services and products to market

"Today, one of the most challenging parts of functionally mastering and executing a costing methodology is the allocation of shared services costs across the organization."

Source: Thompson Reuters, "The Secrets of Costing Shared Services"

BENEFITS

UNDERSTAND PROFITABILITY & COSTS

- Get a complete picture of the true costs and profitability of complex shared service divisons
- Identify problems and investigate why they exist
- Trace costs back to their drivers

CHANGE BUSINESS BEHAVIOUR

- Implement smarter usage of shared service resources
- Increase shared services credibility via increased transparency
- Convert the conversation from cost to value

UTILISE ASSETS EFFICIENTLY

- Understand how shared service assets are being utilised
- Spot opportunities to use existing assets more efficiently
- Decide whether to invest or divest assets based on their life cycle position.

GET ACCURATE PROFIT MARGINS

- Calculate the true cost of delivering a service or product by accounting accurately for all shared service costs
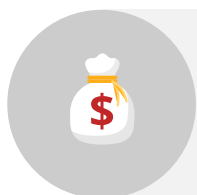- Feed accurate data into your budgeting cycle

MAKE DATA DRIVEN DECISIONS

- Improve decision making quality within business through accurate insight into the cost of running your business
- Seize otherwise hidden opportunities to optimise costs, increase efficiency and increase competitiveness

REDUCE MANUAL EFFORT

- Eliminate reliance on high maintenance manual spreadsheets and processes
- Dramatically decrease turnaround time on costing questions
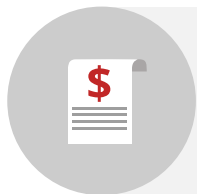- Spend more time analysing and less time managing data

COST TRANSPARENCY MODULES

Magic Orange consists of multiple modules containing views with insight into costs, catering for Shared Service, Finance and Business areas.
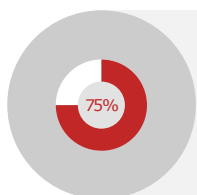
Total Cost of Ownership

Setup cost allocation rules according to how your organisation works and understand what specific shared service costs are linked to delivering products & services
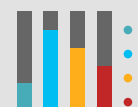
Bill of Shared Service

Automatically generate a granular Bill for shared services showing how their costs should be allocated to the business units they support

Shared Service Asset Utilisation

75%

Review how well utilised or under utilised your existing investments in shared services are and get insight into which areas need attention

Reporting & Insights

Analyse cost information to make informed decisions

CAPABILITIES

Magic Orange Cost Transparency is powerful software that provides insights into your spending, which will assist with decisions that enable you to drive down your costs and improve efficiency. Using our proprietary patent pending pricing engine you will be able to calculate an accurate price and TCO for your Product and Service portfolio.

> ### RAPID TOTAL COST OF OWNERSHIP
>
> The challenge with most Cost Transparency initiatives is that they are extremely complicated and time consuming to implement and seldom arrive at a repeatable and accurate Total Cost of Ownership (TCO) of products and services. Other initiatives rely on a multitude of complex spreadsheets to calculate a TCO. Magic Orange Cost Transparency will integrate data from disparate data sets and then create a repeatable, robust and accurate TCO solution.

> ### ACTIONABLE REPORTING & INSIGHTS
>
> Magic Orange allows you to understand each constituent element of the TCO, and its contribution to cost, so that it is possible to identify the impacts of specific changes on these costs. Instead of being overwhelmed by data, you end up being empowered.

> ### PATENT PENDING ALGORITHM
>
> Pricing shared products and services accurately is very difficult. The patent pending Magic Orange algorithm solves this problem and delivers an accurate and complete view of the internal pricing of shared services. Through this we remove the individual complexities of costing between finance, shared services and business and make transforming an admin nightmare into a profitable, time saving business asset.

> ### SCENARIO ANALYSIS
>
> Magic Orange Dashboards and Analysis tool set allow business users to benchmark their current cost environment against budgets, forecasts, historical data and any number of what-if scenarios. So business users can make meaningful decisions concerning tactical and strategic initiatives.
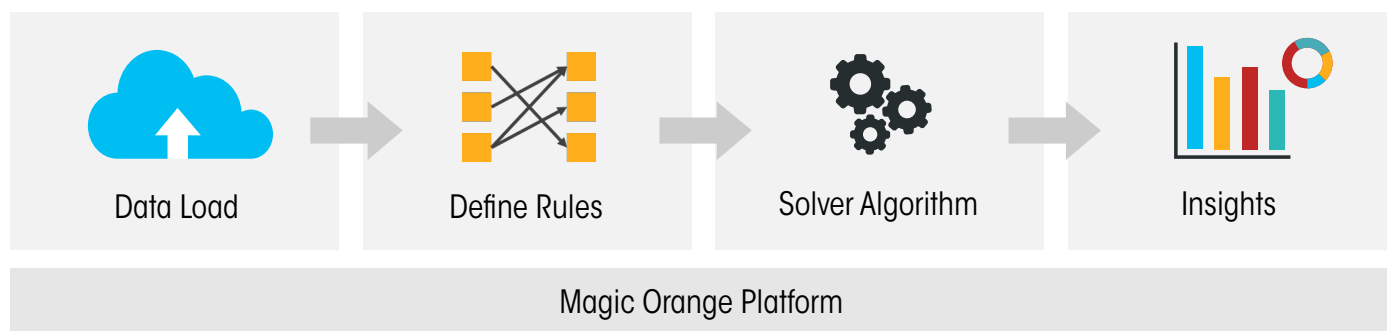
> ### SCALABLE AND TOP TIER ANALYTICAL TOOLS
>
> The Magic Orange solution is highly scalable, which means that it is suitable for use in any size organisation. It can easily handle vast volumes of data and process vast data sets in minutes. It also utilises Gartner best of class analytical tools to present data in a graphical and meaningful way to help companies make better decisions.

OVERVIEW

Magic Orange Cost Transparency processes financial and shared services data, allowing the creation of cost allocation models and KPIs resulting in high value insight into costs.

| Data Load | → | Define Rules | → | Solver Algorithm | → | Insights |

Magic Orange Platform

QUESTIONS ANSWERED

Magic Orange provides multiple views with insight into costs, each tailored towards Shared Services, Finance and Business areas.

Shared Services

- What is the true cost of delivering a service to the business?
- How much of our spend is on innovation versus operational?
- Are we utilising our existing investments efficiently?

Finance

- Across which products and services is our spend spread?
- How does our spending on specific shared service resources compare with what we budgeted?
- Which areas within shared services are we spending too much or too little on?

Business Units

- How does our usage of shared services within the business affect our profit margin?
- Are we using shared services efficiently?
- What is the true cost of each revenue generating business unit?

CHANNEL PARTNERS

Magic Orange has a network of large internationally distributed partners:

KARABINA

Karabina have a national footprint in South Africa and customers across Africa, the Middle East and Europe. Karabina helps to enable the modernisation of business strategies by bringing digital transformation and technology together.

Analytics8

An international consultancy with presence in Australia and United States. Analytics8 helps clients make smart, data-driven decisions by translating their data into meaningful actionable infromation.

KEYRUS

Keyrus is an international management and digital consultancy with offices in 15 countries and over 2,700 employees globally. Keyrus' experienced Cost Transparency team has helped clients solve costing challenges internationally.

GMC Glashoff Maughan Consulting

GMC or Glashoff Maughan Consulting specialise in the management of the business-end of IT. With offices located in Johannesburg, South Africa, GMC's services range across IT including strategy, IT financial management, IT service management and more.

adept advisory

Adept Advisory delivers flexible and personalised business-defining solutions through a highly experienced and globally aligned team. We have built a reputation expertise for providing our clients with sustainable value and an ongoing competitive advantage.

MAGIC ORANGE COMPANY OVERVIEW

Magic Orange is an energetic financial management solutions company with international presence. Within South Africa we have offices in Johannesburg and Durban and, via strategic partnerships we have international reach within the United States, United Kingdom and Australia.

Magic Orange has a dedicated and professional team consisting of Chartered Accountants and technology experts that have a strong track record in Finance and profitability and cost transparency in particular. They have been deeply involved in creating and implementing cost transparency solutions at large global financial, insurance and retail institutions.

Built Cost Transparency solutions at two of the worlds top 10 banks	10 years international experience in infrastructure Finance at Investment & Retail Banks	Over 40 years combined experience in Finance Management
Over 18 years combined experience in Cost Transparency solutions	Over 17 years software product management experience	Implemented Cost Transparency solutions at 3 of the 4 largest Banks in Africa