

## Revolutionizing Costing & Profit Computation for Analysts

In today's competitive distribution landscape, financial teams and analysts face the daunting challenge of accurately calculating costs and understanding profitability at every level of the business. For many, the tools at hand are limited to spreadsheets, which can only provide rudimentary insights and leave many questions unanswered.

**WayPoint Analytics** is built to change that. WayPoint automates and perfects the process of cost distribution and profit analysis, allowing financial teams and analysts to move far beyond the limitations of manual data crunching. With WayPoint, what might take months or years to accomplish using spreadsheets is completed in minutes—offering the most granular and detailed costing available. It provides analysts with the power to explore, validate, and act on insights in real-time, giving them the ability to drive substantial value for their organizations.

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### Analysts: Unleashing the Power of True Analytics

**An Analyst without an analytical system is like an accountant without an accounting system.** This statement highlights a critical truth in today's business landscape. Too often, analysts are tasked with crunching raw numbers, trapped in spreadsheets that offer only surface-level insights. They can produce only basic results, limited by the data processing tools

at hand. This prevents analysts from bringing their full expertise to bear on the challenges the business faces.

With WayPoint Analytics, this limitation is completely removed. WayPoint does all the heavy lifting when it comes to integrating costs and profitability into the transaction data. Analysts are immediately freed to dive deep into the detailed results, focusing their time and expertise on understanding the underlying business dynamics, validating or refuting theories, and developing actionable strategies to drive improvements. Analysts equipped with WayPoint are empowered to:

- **Dig into problems in real time:** They have instant access to data at the invoice line level, enabling them to explore the root causes of profitability issues and pinpoint the most impactful areas for improvement.
- **Prioritize high-payoff areas:** WayPoint provides detailed insights, allowing analysts to focus their time and effort on the areas of the business that will yield the greatest financial returns.
- **Develop innovative solutions:** With WayPoint's comprehensive and detailed data, analysts can create effective solutions, backed by quantitative evidence, to drive true profit improvement and operational efficiency.

WayPoint enables analysts to leverage their knowledge, experience, and creativity fully. Instead of spending hours processing raw data, analysts can spend 100% of their time thinking strategically, developing and testing new approaches, and driving real value for the business.

## WayPoint's Comprehensive Costing System

At the heart of WayPoint Analytics is its unparalleled ability to integrate costs across multiple dimensions, providing an accurate, detailed picture of profitability. Here's how WayPoint's comprehensive costing system works:

### 1. Data Integration

- **Invoice Data:** Your company's invoice data is collected for a specific period, providing the foundation for all cost distributions.
- **G/L Data:** WayPoint integrates General Ledger (G/L) account values for the same period, mapping costs accurately to the right categories within the transaction data.
- **Supplemental Schedules:** Detailed cost breakdowns from additional schedules, such as vendor rebates, marketing expenses, credit card fees, and more, are integrated to further enhance the accuracy of the costing model.

### 2. Multi-Dimensional Cost Distribution

WayPoint excels at distributing costs across multiple dimensions, reflecting the complexities of real-world business operations. This flexibility allows costs to be allocated in a way that makes sense for each unique aspect of the business. Here are examples of how WayPoint assigns costs:

- **Warehouse Costs:** Space, labor, and utility expenses are distributed to the orders handled by each warehouse. For instance, if a product is shipped directly

from a supplier to a customer, it avoids the warehouse overhead costs that would typically be applied to orders processed through a company warehouse.

- **Sales Compensation:** Each sales representative's compensation—including base salary, bonuses, and car allowances—is allocated directly to the invoices related to their sales. This ensures that sales costs are accurately tied to the revenue they generate.
- **Carrier Costs:** Transportation costs (whether from UPS, FedEx, USPS, or internal fleets) are assigned to each invoice based on the carrier used. Costs can be distributed using metrics such as miles traveled, time spent in transit, or shipment weight, allowing for highly accurate transportation costing.
- **Granular Costing by Activity:** WayPoint allows costs to be distributed based on a variety of metrics, such as revenue, Cost of Goods Sold (CoGS), Gross Profit, item quantity, number of picks, invoice counts, shipments, weight, volume, and many more. This flexibility ensures that costs are distributed according to how they scale in real life.

### 3. Hierarchical Reporting and Cost Distribution

A standout feature of WayPoint Analytics is its ability to **understand and manage hierarchies** within the business. This enables costs and profits to be **reported at any level where hierarchies exist**, offering unprecedented flexibility and granularity in financial reporting. For example:

- **Organizational Hierarchies:** Costs and profits can be analyzed at any level within your company's structure—whether by company, division, region,

district, branch, or territory. Analysts can easily compare P&L statements across these segments to understand profitability at every level.

- **Product Hierarchies:** WayPoint allows you to report costs and profitability by product class, category, line, and item. This means you can aggregate data at the product level and compare performance across different product lines.
- **Supplier Hierarchies:** Costs and profits can be tracked by supplier, supplier group, product line, and individual product, offering deep insight into the profitability of your vendor relationships.
- **Logistics Hierarchies:** Analysts can track costs and profits by region, warehouse, or even down to specific zones within a warehouse, helping optimize logistics and pinpoint inefficiencies.

**Reports can aggregate data at any level** within these hierarchies, providing comparative P&Ls for branches, regions, territories, product lines, and more. This level of detailed reporting allows financial teams to uncover trends, benchmark performance, and drive profitability improvements across the organization.

#### 4. Granular Invoice Line-Level Costing

Where most systems stop at the invoice or product level, **WayPoint takes costing all the way down to the invoice line level.** Each line on every invoice is assigned its own unique combination of costs, reflecting the exact resources consumed by that specific transaction. For example:

- The same product shipped from different warehouse locations will reflect different costs based on each warehouse's overhead, labor, and utility expenses.
- Sales rep compensation and transportation costs are precisely aligned to each invoice line, ensuring that costs are distributed exactly where they belong.

This level of granular data allows analysts to dive deep into profitability issues, understand the drivers behind them, and develop highly targeted strategies to resolve them.

#### 5. Dynamic Costing Rules Tailored to Business Models

WayPoint offers the flexibility to tailor costing rules based on the specific business model in place, whether your company operates in sales, service, rentals, or engineering. The system can adapt to the unique needs of each business, supporting multiple costing rules and distribution methods:

- **Flexible Costing Methods:** Costs can be allocated pro-rata on revenue, CoGS, Gross Profit, item quantity, number of invoices or shipments, or even specific weight or volume metrics. This ensures that costs are distributed in the way that most accurately reflects real business operations.
- **G/L Coding for Accuracy:** Costs are mapped from the G/L using divisions, locations, lines of business, or departments, providing maximum accuracy in cost assignment across the company.
- **Payroll and Supplemental Costs:** In addition to G/L data, WayPoint integrates payroll costs and supplemental schedules, such as marketing initiatives,

vendor/customer rebates, and credit card fees, ensuring comprehensive cost integration.

## 6. 100% Cost Integration

WayPoint ensures that 100% of your company's costs are distributed and accounted for within the transaction data. No expense is left out, and profitability is tracked at every level—whether it's by invoice, customer, product, sales territory, or any other relevant dimension. **This complete cost integration** provides the most accurate picture of profitability possible, allowing financial teams to make informed decisions and take action with confidence.

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## Unmatched Insight for Analysts: The Ultimate Analytical System

With WayPoint, analysts are no longer bogged down by the limitations of spreadsheets or manual data processing. Instead, they are equipped with **the ultimate set of numbers to work with**, allowing them to focus their energy on adding value where it matters most. Analysts with WayPoint can:

- **Dive deep into detailed data:** WayPoint provides analysts with instant access to detailed cost and profit data at every level—from the invoice line to the product line to the sales territory—empowering them to investigate problems and opportunities in real-time.
- **Validate and refute theories:** Analysts can test business assumptions against granular, real-world data, validating or refuting their theories with confidence.

- **Develop action plans:** With WayPoint's insights, analysts can develop targeted, data-backed action plans to solve problems or capitalize on new opportunities, backed by quantifiable evidence.
- **Track improvements:** Analysts can track the results of their recommendations in real-time, using WayPoint's detailed reporting tools to monitor improvements and make adjustments as needed.

Equipped with WayPoint, analysts become **substantially more effective**, contributing far more value to the business. Their time is spent thinking through challenges, exploring detailed data to **identify the dynamics driving the situation**, and quantifying those insights to make informed decisions. Analysts can prioritize areas that will yield the greatest financial returns, and they have the tools to develop **actionable strategies** that address problems or pursue opportunities. With WayPoint, they can track the effectiveness of these strategies, refining their approach based on real-time results.

WayPoint turns the role of the analyst into a truly strategic one. Instead of being bogged down by manual number-crunching, they can focus 100% of their time on solving high-impact problems, improving processes, and developing innovative solutions that drive the company forward. **Analysts armed with WayPoint create significantly more value for their companies**, and their work becomes far more engaging and rewarding.

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## Conclusion: The Ultimate Analytical System for Analysts

WayPoint Analytics offers a transformative solution for both financial teams and analysts, delivering **granular, real-time insights** that go far beyond the capabilities of traditional systems. It automates cost distribution down to the invoice line level and provides unparalleled flexibility in tracking costs and profitability across every relevant dimension—whether by customer, product, warehouse, sales rep, or region.

For analysts, WayPoint is a game changer. **"An Analyst without an analytical system is like an accountant without an accounting system."** WayPoint provides the analytical infrastructure that empowers analysts to fully utilize their knowledge and skills. Equipped with WayPoint, they can focus their time on **thinking through complex business challenges**, exploring **detailed cost and profit data** to identify opportunities, and **developing actionable strategies** that improve the company's bottom line.

With WayPoint, analysts are no longer limited to basic, surface-level analysis. Instead, they become key drivers of business success, playing a central role in identifying new opportunities, optimizing operations, and driving profitability. The result? **A more engaged, empowered, and effective analyst team**—one that delivers real, quantifiable value for the organization.

There is no other system on the market that even comes close to providing the same level of detailed financial insights and strategic support as WayPoint. With WayPoint, analysts have

the tools to create more value for their companies and take their careers to the next level.

### Learn More!

Find out at [www.WayPointAnalytics.net](http://www.WayPointAnalytics.net), or ask your questions at [sales@waypointanalytic.com](mailto:sales@waypointanalytic.com), or call us in Arizona at 480-426-9955. There's nothing that can boost profits more than the surprising insights you get from WayPoint.

