This concerns chapter UN 3.2 “Unify scenarios” of the IBCS® Standards

Some ideas concerning the semantic notation of scenarios to be released in the next version of IBCS®

Consistent use of fills and labels when comparing to previous periods

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Agenda

• Introduction (10’)
  • Discovering the problem
  • What does IBCS V1.1 say & inconsistencies on the SUCCESS poster
• Proposals for an improved standard (10’)
  • Time Series vs. Scenario Comparison Analysis
  • Absolute vs. relative time labels
• Discussion of Table Header Alternatives (15’)
  • What’s the issue?
  • Group Work
• Summary (5’)
Discovering the Problem

• Gather in groups of three and get paper and a pencil.
• **Please draw a simple report containing the following elements:**
  • Title area
  • Column chart
  • Table
• Table: we want to compare revenue figures of 2016 and 2017.
• Chart: we want to compare the revenue figures of 2012..2017
What does IBCS V1.1 say?

It’s pretty simple, isn’t it?

https://www.hichert.com/standards/#ids%5B%5D=18710
The problem: There is some understanding in the IBCS community, that previous year periods are to be colored «in general» in a lighter version of the color used for the actual period. But as the following examples show:
- There is no consistent application of light coloring for previous periods in the various sample pictures.
- Titles for previous periods are not consistent.

[Images and links to images are provided for visual context.]
Proposals for an improved standard
As a work group we suggest that the IBCS are enhanced with one or more statements of how to handle the coloring and labeling of previous periods.

But first of all, we need to better grasp the problem.

1. We need to clarify that there are two major types of analysis we can apply:

1. **Time Series Analysis**
2. **Scenario Comparison** (or Variance) Analysis

   In this workshop we focus on the comparison of AC to PY values!

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**Time Series Analysis**

- Electronic Inc.
- Net sales in mEUR
- 2010–2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Austria</th>
<th>Belgium</th>
<th>France</th>
<th>Germany</th>
<th>Italy</th>
<th>Sweden</th>
<th>Denmark</th>
<th>Rest of EU</th>
<th>EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>550</td>
<td>56</td>
<td>140</td>
<td>345</td>
<td>78</td>
<td>77</td>
<td>61</td>
<td>502</td>
<td>1,819</td>
</tr>
<tr>
<td>2011</td>
<td>590</td>
<td>72</td>
<td>149</td>
<td>279</td>
<td>91</td>
<td>81</td>
<td>70</td>
<td>498</td>
<td>1,830</td>
</tr>
<tr>
<td>2012</td>
<td>546</td>
<td>56</td>
<td>134</td>
<td>260</td>
<td>86</td>
<td>86</td>
<td>66</td>
<td>545</td>
<td>1,781</td>
</tr>
<tr>
<td>2013</td>
<td>548</td>
<td>59</td>
<td>137</td>
<td>234</td>
<td>69</td>
<td>85</td>
<td>70</td>
<td>601</td>
<td>1,811</td>
</tr>
<tr>
<td>2014</td>
<td>556</td>
<td>59</td>
<td>165</td>
<td>288</td>
<td>69</td>
<td>95</td>
<td>78</td>
<td>688</td>
<td>2,013</td>
</tr>
<tr>
<td>2015</td>
<td>509</td>
<td>77</td>
<td>155</td>
<td>287</td>
<td>59</td>
<td>93</td>
<td>79</td>
<td>782</td>
<td>2,055</td>
</tr>
<tr>
<td>2016</td>
<td>456</td>
<td>88</td>
<td>178</td>
<td>266</td>
<td>71</td>
<td>98</td>
<td>93</td>
<td>665</td>
<td>1,907</td>
</tr>
</tbody>
</table>

**Scenario Comparison**

1. We need to clarify that there are two major types of analysis we can apply (cont.):

3. **Especially in charts you can also combine these two analysis types in the same chart:**
   The «Scenario Comparison» then shows a past period usually on a higher level of the time hierarchy compared to the time series analysis, e.g. one year in the past for comparison with the current period.
Let’s have a look at time related labels!

2. There are two kind of (time related) labels
   1. «Absolute time labels» like 2010, 2011, Jan, Feb etc.
   2. «Relative time labels» like AC and PY.

   The term relative indicates that the label can only be interpreted if you know the context which indicates the absolute time period.

   The coloring (solid or light) are «relative» in the same sense that they need an absolute context to be interpreted in the right way.
The following rules could be added to IBCS V1.2, e.g. in UN3.2 Unify scenarios:

3. Rules for the «Time Series Analysis»
   1. The overall title shows the beginning and the end of the time series with two dots in between.
   2. Columns and table headers representing a Time Series Analysis are drawn in solid dark color always (if they represent an AC figure). (Exception for tables showing only AC data; then no scenario indication is needed)
   3. The axis labels (below columns in charts, above column headers in tables) show the explicit name of the shown period (e.g. 2010, 2011, 2012 etc. or Jan, Feb, Mar etc.)

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4. Rules for the «Scenario Comparison»

1. The overall title shows the «main» period. This sets the context to interpret the colors (dark, light) as well as comparison labels (PY, AC) right.

2. Columns and table headers representing a Scenario Comparison Analysis (that means the comparison values, PY) are drawn in lighter color always.

3. Columns representing a Scenario Comparison Analysis in charts (that means the comparison values, PY) don’t need a dedicated label (e.g. 2010, 2011, 2012 etc. or Jan, Feb, Mar etc.) as these columns are relative to the «main» period. Optionally you can add a label «PY» to indicate the meaning of these columns.
Discussion of Table Header Alternatives for Scenario Comparisons
<table>
<thead>
<tr>
<th></th>
<th>Profit and loss statement in mUSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2018 AC, PY, ΔPY, ΔPY%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>2</td>
<td>2018 AC, PY, ΔPY, ΔPY%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>3</td>
<td>2018 AC, PY, ΔPY, ΔPY%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PY</td>
</tr>
<tr>
<td>4</td>
<td>2018 AC, PY, ΔPY, ΔPY%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PY (2017)</td>
</tr>
<tr>
<td>5</td>
<td>2018 AC, PY, ΔPY, ΔPY%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017 (PY)</td>
</tr>
<tr>
<td>6</td>
<td>2017, 2018, ΔPY, ΔPY%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>7</td>
<td>2018 AC, PY, ΔPY, ΔPY%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>8</td>
<td>2018 AC, PY, ΔPY, ΔPY%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PY</td>
</tr>
</tbody>
</table>
During the breakout session there was a clear vote for further discussing and refining the standards re this topic. The table header variants 3 & 8 (multi years) got most approval. Variants 1 & 2 were discussed controversially and got approval from a minority only.

There was a general agreement not to repeat relative labels in the overall title. There were the following additional ideas mentioned:

- Rename «Variance Table» into «Scenario Comparison Table» in order to unify naming between charts and tables
- Rename «AC» to «CY» (Actuals is a term valid for both, current year values as well as previous year values)
- Add a semantic color below delta column headers (similar to the semantic axis in variance charts) showing the comparison scenario.
- New variant 2 with ∆’18-’17 instead ∆2017
- If there is no need of the titles PY, AC if there are no variance shown.
- Find a Solution for the redundancy of black and grey with the Title PY and AC (example: 2017 {PY}, {PY:2017}..)
Based on the findings on the previous slide, we might refine parts of the IBCS standard as follows:

5. The example EX1.2.27 shows a «Scenario Comparison Analysis», not a Time Series Analysis. And it shows a combination of relative coloring, absolute time labels (2013, 2014) and relative time labels (ΔPY, ΔPY%). The overall title indicates a time series.
   1. We suggest that the overall title should only show the main period (given the fact that this is not a time series but a comparison with one single previous period)
   2. The column headers should show either only relative labels 
   3. or only absolute labels. 
   4. For multi period tables (e.g. 2014, 2015) a hierarchy of table headers is appropriate.

[Images and tables showing different formats for profit and loss statements]