

### Interview with Vicente Torrea Urbelz

Controller at Jofemar Corporation and member of the transfer pricing commission at ASSET, Spain



*Vicente Torrea Urbelz*

“Vicente is a finance professional who knows in detail the ins and outs of the financial function. He worked both for medium-sized companies and for important Spanish business groups. His career started “at the bottom”, until he reached a position with high responsibility in the company he currently works for: Jofemar Corporation.

I met Vicente one year ago and perceived really quickly his observant and prudent character: key qualities for a financial manager who has to keep track of the solidity of the group and protect the company from possible financial risks.”

*Juan Ignacio Gastañaga, Business Development Iberia of Sigma Conso  
Interview from January 2019*

Vicente, what has been your career path in the financial business world?

I started in the financial administration and that made me see a company from below. It allowed me to assess the importance of introducing the data correctly, since it is the basis to have good information later in the process. It makes you better understand the work of your colleagues and be able to manage a team better. I started to work in a small company, which also helped to understand the different processes of a company and not only to focus on the financial department (there are so many aspects influencing finance!).

Within financial consolidation, which aspects of the process are usually the most complex to deal with in your experience?

To produce a good financial consolidation, it is necessary to validate the input data and criteria, for example to see if the subsidiaries make invoices with cash criteria to charge clients and adjust the income, if the sales of the parent company are equal to the purchases of the subsidiary when shipments are done, ... For example, we sell to the USA and it is important to control the shipments that are in transit so that we have an accurate value of the stock that has left but has not yet reached the subsidiary. Because we did not implement our ERP system in all the companies and are using different accounting systems for the foreign companies, there are some adjustments that we have to perform monthly to reconcile the information. It is important to document these adjustments perfectly so that anyone who sees the information knows where the data comes from. That task is done very well at the end of the year, but is often less documented during the intermediate reports.

**“It is important to document these adjustments perfectly so that anyone who sees the information knows exactly where the data comes from.”**

In your experience, which impact does the implementation of technological tools have on the consolidation and reporting at the financial department?

The implementation of new technologies helps the financial department tremendously regarding the traceability of data, so that you are able to look into errors more easily and at any time without having to search for documents. With regard to transfer prices, having each transaction with its traceability allows us to perfectly adjust intercompany operations without making manual adjustments.

In the reporting area, the implementation of Business Intelligence programs makes it much easier to present the results and monitor the key indicators. This is only the case when all the reports come from a common data source that is not subject to errors due to misinterpretations when making presentations in Excel.

**What are the keys to making a proper financial reporting? What is the most interesting data for the shareholders and board of directors?**

The most important criteria for an optimized reporting is data reliability. When you have many indicators, the consistency of the information can be put at risk. In a family business like mine, the stakeholders are strongly implied in the business and know much more than you do about the company. They compare information from the commercial department, purchases, engineering and it is really important for them to have consistent data. There is nothing more frustrating than two different data sources! Using a Business Intelligence tool that gathers information from one common database to report the information to the board of directors can help and avoid that many Excel files of different origins with different criteria exist. In our case, the data is converted every night to one single database, from which the program to present the reporting is fed.

**“The most important criteria for an optimized reporting is data reliability.”**

**How do you see the future of the financial function in Spanish multinationals?**

Because of the fact that large multinationals in general already have robust systems, I think that the smaller companies that are growing will have to go the extra mile to inform and present their data correctly. Companies that bill between 10 and 50 million euros are those that I think can suffer the most from consolidation and reporting systems, due to a lack of technical and personal resources. With the increasingly cheaper transport costs, those smaller companies will be able to internationalize more and they will have to adapt their information systems accordingly with an application at an affordable cost that has a lot of reporting potential.

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