Curating Reality

January 17, 2026

Reporting Data Is Not Objective. It Is Curated.

A persistent assumption in organizations, particularly among users of financial reports, is that reporting data is objective. That numbers reflect reality, and that systems simply record what happens in the business. In practice, financial reporting does not describe reality; it constructs and curates it. The moment economic activity is translated into accounts, cost objects, and subtotals, interpretation enters the picture. Not as an error, but by design.

A telling example comes from a large project organization implementing a new ERP system. During the implementation, responsibility for both system design and accounting configuration was placed locally. Confronted with the volatility and uncertainty inherent in large projects, a seemingly sensible reporting construct was introduced: *project result* as a structural line in the face of the P&L. The intent was straightforward. Management wanted a clear indicator answering a simple question: do projects, on the whole generate positive returns?

To achieve this, G&A items, including salaries of non-project staff, office buildings, IT, and other cost, were partially allocated to projects through predefined allocation keys embedded in the system. What appeared as clean, positive project performance was in fact the outcome of allocation logic. It presented itself as a meaningful metric for assessing whether projects, in aggregate, performed well, while in reality it largely reflected overhead redistributed rather than how value had been created.

At the level of an individual project, this logic is very reasonable. A project manager wants to know whether a specific project delivers a positive return for the company, so it should take into account attributable overhead costs. But what worked locally did not scale. Once aggregated at company or group level, the construct lost coherence. Overhead and G&A did not disappear economically. They were just redistributed into projects, leaving behind residuals that no longer functioned as meaningful management signals. Fixed costs, structural efficiency, and operating leverage became impossible to assess independently. In some cases, allocation mechanics even produced the illusion of profitable overhead.

From a technical accounting perspective, nothing was wrong. Costs were booked. Revenues were recognized. The ledger balanced. But from a reporting perspective, the economic meaning of the numbers had shifted fundamentally. Overhead discipline did not improve. It was obscured.

This is the danger of treating reporting as a neutral, technical activity. Systems do not enforce economic truth. They enforce consistency with the model that has been designed. If that model embeds assumptions about which costs should be visible and which should be spread, the system will reproduce those assumptions with perfect discipline, month after month.

This is the core argument of *Curating Reality*. Finance does not merely measure the business. It decides which economic tensions are made visible, which are redistributed into mechanics, and which questions management is no longer invited to ask.