

10 Questions on planning, budgeting & forecasting



Burning questions to help your organization get the most from your planning, budgeting, and forecasting processes and systems.

If you want to grow your business quickly and sustainably, you need to underpin your ambitions with solid processes and systems for planning, budgeting and forecasting (PB&F). Focusing on these 10 questions and your answers to them could help you to find the perfect solution.

1

Are you focusing on processes or programs?

Obsessing about the quality of the software you are using is not enough – though the software and its supplier both have a significant role to play. Before you even start thinking about which software solution will best meet your planning, budgeting and forecasting (PB&F) needs, you should think about your PB&F processes.

2

Does your organization have holistic or siloed PB&F processes?

A silo focus can be very efficient within its own structure, but decisions in one silo may have implications for other silos or the entire organization. With a holistic view that integrates key information from across the company you can reveal correlations between key business drivers and highlight how, why, where and when financial risks and growth opportunities are emerging.

3

Are your PB&F processes linked to your organization's vision and strategy?

If they aren't, they should be. Strategy begins with a plan, shapes budgets and informs forecasts. Reliable and robust PB&F processes give credibility to resource use by management and provide a strong foundation for and connections with their overarching strategy and vision across multiple cycles and in response to changing conditions and demands.

4

Are PB&F high on your company's list of management priorities?

All businesses have numerous and ever-changing priorities to manage, but growth tends to top the list of those on boards and in the C-suite. Successful business growth and operational excellence demand effective and efficient PB&F processes and systems. So they should always be high on the company priority list.

5

Are you relying on spreadsheets?

Spreadsheets are free and easy, but they are also error-prone, hard to consolidate and maintain, and unfit for collaborative processes. State-of-the-art systems for PB&F enable you to make faster, smarter, data-driven decisions and deal with the complexities of growing businesses, expanding supply chains and dynamic markets.

6

Can you see into the future?

A spreadsheet is a rear view mirror. Integrated PB&F solutions with predictive analytics can support the creation of multiple 'What if?' scenarios and numerous qualitative and quantitative models, and make it easier for you to explore how they interact, helping you to identify key metrics that impact on and can inform your business decisions today and in the future.

7

Is it clear where ownership and responsibility reside?

With disconnected and fragmented PB&F processes, line managers can end up being held accountable to the output from processes they had little input to, making operational buy-in difficult to attain. Collaborate and integrated PB&F processes can clarify accountability and increase operational management involvement and buy-in.

8

Are you burdened with multiple versions of the truth?

A single set of facts can support multiple scenarios and provide a foundation of truth on which to share assumptions and expectations about a company's mission and goals. Multiple versions of the truth create unnecessary complexity and make it more difficult to reach well-informed strategic decisions and work towards converging business objectives.

9

Do you have a common business vocabulary and framework for data, key metrics and standardized processes?

No term of reference is so basic that it can be left to assumption. You don't want a discussion about revenue to be complicated by differences between up-to-the minute flash numbers and 'what we recognize' numbers. Common core data definitions are vital if you want to get the most from your PB&F data and maximize performance.

10

Is your finance department reactive or proactive?

Finance departments can no longer afford to be inward-looking and insular. Modern organizations want finance professionals to be good business partners; with open communication and rolling forecasts and updates; looking forward rather than backwards; and this demands agile, collaborative and integrated PB&F processes and systems.

