

Tips & Strategy for Automating Budgeting and Forecasting and System Selection

It's time to automate when:

1. The level of detail required for budgets, forecasts and reports has become increasingly difficult to achieve in a spreadsheet.
2. The pace of business requires frequent reforecasting, but the reforecasting process is incredibly time consuming.
3. The time spent on spreadsheet maintenance and creating reports is more than time spent analyzing financials.
4. There is little or no confidence in the reported numbers.
5. It's difficult or impossible to perform scenario analysis due to the limitations of the current forecasting model.
6. Reports must cross-reference an excessive number of data sources and departments potentially leading to inconsistent or inaccurate data.
7. Accurate and timely reporting is entirely dependent on 1 or 2 power Excel users.

When determining what automation is needed, ask:

1. Is the objective to automate just the budgeting and forecasting processes or is there a desire to have additional capabilities around business analytics, reporting or financial close and consolidation?

Benefits of Automation

- 1 Standardized processes and workflows
- 2 Time and efficiency savings
- 3 Version control – easy to save different budget and forecast scenarios
- 4 Elimination of errors
- 5 Widened user base – less dependence on Excel power users

2. Have we considered how long an implementation may take, the price, and the potential work time saved with the new system?
3. Is the new system integrating with existing systems? If so, how easy or difficult will it be to integrate? How will this affect the overall cost and timeline?
4. Will the system meet the company's needs right out of the box, or will extensive (and expensive) customization be required?
5. Does the system have the ability to add functionality down the line?
6. Is there a desire for a cloud-based system or on premise?

2 Tips for handling the transition:

1. Ensure the proper people and stake holders are managing the transition by:

- a. Identifying a high-level stake holder to sponsor the project. Without the support of upper management most implementations cannot succeed.
- b. Assigning a lead project manager and lead technical finance person to help oversee the project and coordinate with stakeholders.
- c. Allocating sufficient time for key stakeholders to contribute to the implementation even if it means reducing their regular duties.

2. Set up at least 3 sets of testing before going live, and be sure to:

- a. Validate data as many times as possible.
- b. Create scenarios to test the system in every possible way to identify and address unforeseen issues before going live.
- c. Involve all future users in the testing process.



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