

BUSINESS GUIDE

Planning, Budgeting and Forecasting in the Cloud: Graduating from Spreadsheets





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Planning, Budgeting and Forecasting in the Cloud: Graduating from Spreadsheets

NetSuite is celebrating the superheroes of finance. CFOs, accounting departments and FP&A teams are all doing heroic work leading companies through difficult times and embracing new tools like cloud-based planning solutions. Learn more at NetSuite's superhero-inspired [website](#).





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CHAPTER 1

Spreadsheet-Based Planning: Proceed With Caution

When it comes to planning, budgeting and forecasting, many financial planning and analysis (FP&A) teams continue to rely on the same old desktop tools and manual processes: spreadsheets. While spreadsheets are easy to use, they are not built to gather data from across the organization, roll up departmental plans, or do complex, collaborative planning and multi-dimensional modeling. Whether an organization is experiencing fast development or faced with economic uncertainty, more and more FP&A professionals are discovering that manual spreadsheet-based planning falls short in providing the control, collaboration and visibility needed to aid in providing strategic guidance for the company.

When it comes to planning, budgeting and forecasting, spreadsheets fall short when it comes to:

- Collaborative planning
- Management of information
- Scenario modeling



The Challenges of Spreadsheet-Based Processes

If you're still using individual spreadsheets and manual processes for planning, it's probably not because you think these are the best tools for the job. It's more likely that it was the best solution at the time and you just have not had the chance to consider an alternative. But running a company involves collaboration, multi-departmental process like planning, budgeting, forecasting and reporting. That's where using disconnected spreadsheets as a FP&A tool creates challenges for organizations, including:

Stale, Fragmented, Error-prone Data

Spending hours exporting operational data from your general ledger (GL), payroll, purchasing, or other systems and manually adding it in spreadsheets is extremely time consuming and leaves room for data entry errors. Even after the data is collected and put into a spreadsheet, it only provides a historical snapshot of the numbers at a single point in time. So you're always chasing after "the latest number" for anyone who needs to know the current position against the plan, budget or forecast.

Consolidation

Your team didn't spend years getting accounting degrees and MBAs to master the art of collecting spreadsheets from all the departments in the company and consolidating them into a single master plan. In addition, this time-consuming process makes it difficult, if not impossible, to quickly respond to changing business conditions.

Collaboration

Passing spreadsheets back and forth makes it all too easy for people to delete rows and cells and break formulas and links. Not to mention the challenge of keeping track of the latest version. This process of collaboration is completely offline and leads to inefficiencies, errors and limited visibility into changes being made. Additionally, the lack of an audit trail creates problems with governance and investigating the source of mistakes and inaccuracies.

Modeling and What-if Analysis

With the limited flexibility to allow for multiple dimensions of data, what-if analysis is almost impossible to do well in spreadsheets. Finance and business users can't perform true multi-dimensional planning, incorporating dimensions such as product, location, customer, expense, currency and time all at once. These disconnected manual processes may support businesses with slow cycle times, but they are no match for the rapid changing business conditions.

The bottom line: You spend huge amounts of time, energy and resources fighting with a tool that wasn't designed to do what you need it to do.

Planning and Budgeting in the Cloud

Organizations are increasingly turning from desktop tools to a cloud-based solution to meet the planning, budgeting and forecasting demands of the business. In order to gain the visibility and agility, businesses need a suite of planning and budgeting tools based on centralized plans with a seamless connection to corporate financial data, providing a single version of the truth. With this in place, planning, budgeting and forecasting becomes much easier and faster, resulting in:

Greater Control

With a cloud-based planning and budgeting solution, all data is centralized. Integration with an ERP solution ensures automated ongoing access to up-to-date financial data. With reduced reliance on manual data input and reconciliations, control is improved. Robust workflows that leverage best practices

are built into the solution and processes are automated, reducing the need for human oversight and intervention. Workflows also ensure that the progress of tasks such as reviews and approval can be closely tracked. Everyone is entering data consistently and using the same processes.

Increased Collaboration

A cloud-based planning and budgeting solution makes data accessible in real time to anyone who needs to see such information. All stakeholders are connected in a single environment, streamlining data collection. Accessibility boosts participation and accountability, making it easier for FP&A to get meaningful input and engagement from operational managers. And increased collaboration promotes greater trust in the process across the business.



Improved Visibility

All budgeting, planning and forecasting data is entered into one centralized, cloud-based tool, creating a single source of truth. Any changes made to numbers in the system are automatically reflected in reports and dashboards, so the current business situation is always clear. Modeling based on multiple what-if scenarios can easily be performed on any dimensions of data. This visibility gives organizations more confidence in current performance and budget projections, greatly improves planning capabilities, and drives accountability on key performance targets across the company.

The bottom line: For organizations to make better decisions, they need their planning, budgeting and forecasting processes to be collaborative and less resource intensive. Integrating plans, budgets and forecasts across individual functions and business units creates close links between strategy and operations, enabling better and faster decisions to be made.

Your Checklist for Planning and Budgeting Tools

Implementing a cloud-based planning and budgeting solution can enable teams to spend more time understanding and analyzing business trends and drivers of performance. Make sure the planning and budgeting solution you are considering includes these capabilities.

- Flexible ‘what-if’ modelling capabilities. Model different business outcomes and evaluate different sets of forecast assumptions by defining scenarios.
- A powerful calculation engine which can accommodate a wide range of business logic with fast in-memory aggregation and instant analysis.
- Built-in commentary and annotation capabilities.
- Flexible workflow and plan management capabilities.
- Robust reporting and ad hoc analysis with formatting and charting support.
- Synchronization with an ERP system.
- Seamless integration with productivity tools for ad-hoc analysis and reporting.

CHAPTER 4

Make Better Decisions Faster

A cloud-based planning and budgeting solutions is not just a win for the FP&A team. It delivers fast, long-term benefits to the entire business. With less time spent on manual consolidation, troubleshooting, reporting and data loading, finance staff can concentrate on analyzing performance data, reforecasting frequently and making the right decisions to take the business forward.

NetSuite Planning and Budgeting facilitates both company-wide and departmental financial planning within one collaborative scalable solution.

Pre-built integration with NetSuite enables financial, payroll and headcount data to be used throughout the entire planning, budgeting and forecasting process.

“Using NetSuite Planning and Budgeting, we now have more time for high-value analysis, partnering and collaborating with stakeholders across the business.”

Aaron Hartwig, CFO, Edgewood Companies



