

*Insights
from the
FSN Modern
Finance
Forum on
LinkedIn*

The Future of Planning Budgeting and Forecasting

Global Survey 2017

FSN[®]

The Modern Finance Forum

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Giovanni Grossi
CEO BOARD International

Dear Colleagues,

As CEO of BOARD International, the leading provider of the #1 Decision-Making platform for CFOs and the Office of Finance, I am extremely proud to sponsor the FSN 2017 Global Survey about the future of Planning, Budgeting and Forecasting. The detailed survey was completed by 850 senior finance members from across the globe, reporting the following useful and meaningful outcomes.

Increasing automation of BPF processes and achieving their standardization across the organization are still at the top of CFOs' priorities for the next three years, but spreadsheet use remains a substantial drag on process improvements. Almost half of the organizations surveyed use spreadsheet analysis tools only. Among the most important changes within the finance function, I would like to emphasize the widespread agreement on the need for leveraging non-financial data to improve the PBF process and outcomes. In particular, 78% of CFOs recognize it as the key to forecasting more accurately.

FSN's research also shows the value of moving FP&A to the cloud. Besides helping organizations to quickly standardize planning and analytics processes, a cloud solution allows businesses to gain more agility and scalability, easily adding new users/countries/operations, as well as growing or downsizing as required.

Here at BOARD, we fully agree with the findings of the report and I am very glad to find a strong validation of our efforts: our decision-making platform BOARD exactly matches the most important financial needs and trends the survey highlights. Given its unique all-in-one analysis, planning and simulation approach – delivered to our customers since the beginning over 20 years ago- BOARD proves to be the key ally to standardizing and automating analysis and planning processes across financial and non-financial sets of data, in the cloud or on-premise.

I would like to thank Gary Simon and FSN for this meaningful research, as well as all the respondents of the FSN Modern Finance Forum who shared their standpoints. I am very much looking forward to following the evolution of this important topic in the FSN Forum!

Giovanni Grossi

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CEO BOARD International

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Executive Summary

Executive Summary

The world of planning, budgeting and forecasting is changing rapidly as new technologies emerge, but the actual pace of change within the finance departments of most organizations is rather more sluggish. The progress companies have made in the year since *The Future of Planning, Budgeting and Forecasting 2016* has been incremental, with a little accuracy gained but very little change to the reliance on insight-limiting technologies like spreadsheets.

That said, CFOs and senior finance executives are beginning to recognize the factors that contribute to forecasting excellence, and there is a groundswell of support for change. They'll even make time to do it, and we all know how precious a CFO's time can be, especially when basic improvements like automation and standardization haven't yet been implemented.

The survey shows that most PBF functions are still using relatively basic tools, but it also highlights the positive difference more advanced technology like visualization techniques and charting can make to forecasting outcomes. For the early adopters of even more experimental technologies like machine learning and artificial intelligence, there is some benefit to being at the forefront of technological change. But the survey suggests that there is still some way to go before machines take over the planning, budgeting and forecasting function.

In the meantime, senior finance executives who are already delivering a respected, inclusive and strategic PBF service need to focus on becoming more insightful, which means using smart technologies in concert with non-financial data to deliver accurate, timely, long term forecasts that add real value to the business.



Making headway

CFOs are making incremental headway in improving their planning, budgeting and forecasting processes, reforecasting more frequently to improve accuracy. But spreadsheet use remains a substantial drag on process improvements, despite organizations increasingly looking towards new technologies to progress the PBF landscape.

That said, respondents seem open to change, recognizing the importance of financial planning and analysis as a separate discipline, which will help channel resources in that direction. At the moment, a slow and steady approach is enough to remain competitive, but as more companies make increasingly substantial changes to their PBF processes to generate better insight, those that fail to speed up will find they fall behind.



Leading the debate

FSN's insights gleaned from across the finance function shed light on the changes happening within the planning, budgeting and forecasting function, and identify the processes that make a real difference to outcomes. Senior finance executives are taking heed of these insights and making changes within the finance function. The most important one is the increasing inclusion of non-financial data into forecasting and planning processes. The Future of The Finance Function 2016 identified this as a game-changer, for the finance function as a whole, and for PBF in particular. It is starting to happen now. Companies are looking towards data from functions outside of finance, like customer relationship management systems and other non-financial data sources.

Senior executives are also finally recognizing the importance of automation and standardization as the key to building a strong PBF foundation. Last year it languished near the bottom of CFOs' priority lists, but now it is at the top. With the right foundation, PBF can start to take advantage of the new technology that will improve forecasting outcomes, particularly in the cloud.

There is increasing maturity in the recognition of cloud solution benefits, beyond just cost, towards agility and scalability. With recognition comes implementation, and it is hoped that uptake of these technologies will follow with greater momentum.



Man vs machine

Cloud computing has enabled the growth of machine learning and artificial intelligence solutions, and we see these being embedded into our daily lives, in our cars, personal digital assistants and home appliances. In the workplace, machine learning tools are being used for predictive maintenance, fraud detection, customer personalization and automating finance processes. In the planning, budgeting and forecasting function, machine learning tools can take data over time, apply parameters to the analysis, and then learn from the outcomes to improve forecasts.

On the face of it, machine learning appears to be a game changer, adding unbiased logic and immeasurable processing power to the forecasting process, but the survey doesn't show a substantial improvement in forecasting outcomes for organizations that use experimental technologies like these. And the CFOs and senior finance executives who responded to the survey believe there are substantial limitations to the effective of machine forecasts. As the technology matures, and finance functions become more integrated, machine learning will proliferate, but right now it remains the domain of early adopters.



Analytic tools

Many of the cloud solutions for planning, budgeting and forecasting involve advanced analytic tools, from visualization techniques to machine learning. Yet the majority of respondents still use basic spreadsheets, pivot tables and business intelligence tools to mine their data for forecasting insight. But they need to be upgrading their toolbox.

The survey identifies users of cutting edge visualization tools as the most effective forecasters. They are more likely to utilize specialist PBF systems, and have an arsenal of PBF technology they have prioritized for implementation in the next three years to improve their forecasts.

Even experimental organizations that aren't yet able to harness the full power of machine learning and AI are still generating better forecasts than the analytic novices.

The survey results are clear, advanced analytics must become the new baseline technology, it is no longer enough to rely on simple spreadsheets and pivot tables when your competitors are several steps ahead.



Insight – the top trump

But technology can't operate in isolation. Cutting edge tools alone won't provide the in-depth insight that is needed to properly compete against nimble start-ups. CFOs must ensure their PBF processes are inclusive, drawing input from outside the financial bubble to build a rounded view of the organization. This will engender respect for the PBF outcomes and align them with the strategic direction of the business.

Most importantly though, organizations need to promote an insightful planning, budgeting and forecasting function, by using advanced analytic techniques and tools, coupled with a broad data pool, to reveal unexpected insights and pathways that lead to better business performance.

IT'S TIME FOR DECISION-MAKING PLATFORMS TO SHINE

As the FSN survey highlights, many organizations (60%) fail to support management's decision-making with the insights they need to improve performance. Furthermore, 80% of CFOs agree that standardizing and automating planning, budgeting and forecasting process are the top technology priorities for their businesses over the next 3 years. It's clear that decision-making platforms are the right solution, both from a technological and business standpoint. BOARD provides the Office of Finance with a cutting-edge platform that combines analysis, planning, forecasting and simulation in a single environment, achieving an enterprise-wide view of company performance

Making Headway:

A year of incremental improvements

Boost technology-based opportunities to gain accuracy and speed in your Budgeting, Planning and Forecasting processes

Making Headway: A year of incremental improvements

As planning, budgeting and forecasting moves up the corporate agenda, its importance as a strategic contributor is becoming more apparent. Finance executives know the days of static budget preparations and a rigid finance plan for the year are waning, but the pace of change is slow. A few early adopters have embraced innovative and experimental technology through a complete overhaul of their systems and processes, but most will only commit to dipping their toe cautiously into the future of PBF.

Finance executives know the days of static budget preparations and a rigid finance plan for the year are waning, but the pace of change is slow

In the year since the first Future of Planning, Budgeting and Forecasting survey, there have been some incremental improvements to forecasting outcomes, and some more substantial changes in the processes, specifically the frequency or reforecasting. That said, there are still some very fundamental processes that remain wedged in the spreadsheet era, unable to evolve beyond this relatively limited tool towards new technology and the vastly improved insight it can offer.

The good news

In the year since PBF 2016, organizations have not made any real progress in the time it takes them to reforecast, however there were small improvements in forecasting accuracy. From a low base (3.6%), a further 0.5% of finance executives are now able to reforecast earnings to within +/- 1%, a percentage increase of 13%. Meanwhile an additional 3.5% are able to reforecast to within +/-5%, bringing that total up to 38% of the organizations surveyed, a percentage rise of 9%.

Compared with last year, revenue was a little easier to forecast and enjoyed a similar up-tick in forecasting accuracy in 2017. An additional 4.5% of organizations were able to forecast revenue to within +/-5% accuracy, reflecting an 11% year on year increase.

There was also a slight improvement in the number of organizations that are unable to forecast beyond six months, with exactly half finding 6-monthly forecasts difficult, compared with 56% last year. But the figure remains very high and indicative of the unstable economic and political climate that is limiting companies' longer-term view of the future.

But more substantially, there has been a large increase in the percentage of companies reforecasting more than twice a year as businesses try to manage volatile market conditions. 71% now reforecast more than twice a year, up from 56% last year.

The bad news

CFOs are driving small improvements in forecasting processes, but to enjoy a far bigger step-change in accuracy and speed, companies need to make a step-change in processes and technology

Incremental improvements are the result of incremental process and technology changes, but spreadsheets, the most limiting of technologies, remain embedded in many organizations' core PBF function. 70% of businesses say they rely heavily on spreadsheet reporting across all their business units, only 16% are using on premise specialist software, and just 10% have implemented specialist cloud software across all their business units. All of these numbers have hardly changed since last year.

It seems that while the processes remain unchanged, an increase in the frequency of reforecasting is having some impact on the accuracy of the forecasts. The benefits of increased reforecasting are not to be dismissed, but in isolation these incremental improvements will quickly plateau. To enjoy a far bigger step-change in accuracy and rapidness, companies need to make a step-change in processes and technology.

Recognizing the benefits

The strategic benefit of trustworthy, accurate insight cannot be underestimated, which is why Financial Planning and Analysis (FP&A) professionals are carving out a very effective niche within the wider strategic foundation of many organizations. The evidence of this is the expectation that 71% of organizations intend to separate their FP&A function at some point. This compares to the 65% of finance executives who last year agreed that FP&A will increasingly become a separate discipline from the accounting function.

This year's survey sheds some light on what characterizes good planning, budgeting and forecasting. Companies that view their processes as insightful lead the pack in terms of accuracy, speed and forecast horizon, and the common characteristics of those companies are an understanding of the importance of non-financial data and the use of cutting edge technologies to take their analysis to the next level. CFOs who aren't there yet have something to aim for and they seem minded to make the changes. Whereas time has been a constraint on change for other areas of finance, only one fifth of respondents said it would be too difficult to change their PBF processes, and just 23% said they didn't have time to look into other budgeting processes.

It will inevitably take time for PBF trends to improve to the degree possible with innovative technology. Uptake of new technology, especially dedicated cloud solutions that can vastly improve the efficacy of the PBF process, remains slow, but, importantly, steady. Over the next year, as mounting evidence of the effectiveness of accurate insight impels organizations to seek out new solutions, there will hopefully be a more marked change in the fortunes of Planning, Budgeting and Forecasting.

RESHAPING FINANCIAL PLANNING AND ANALYSIS THROUGH TECHNOLOGY INNOVATION

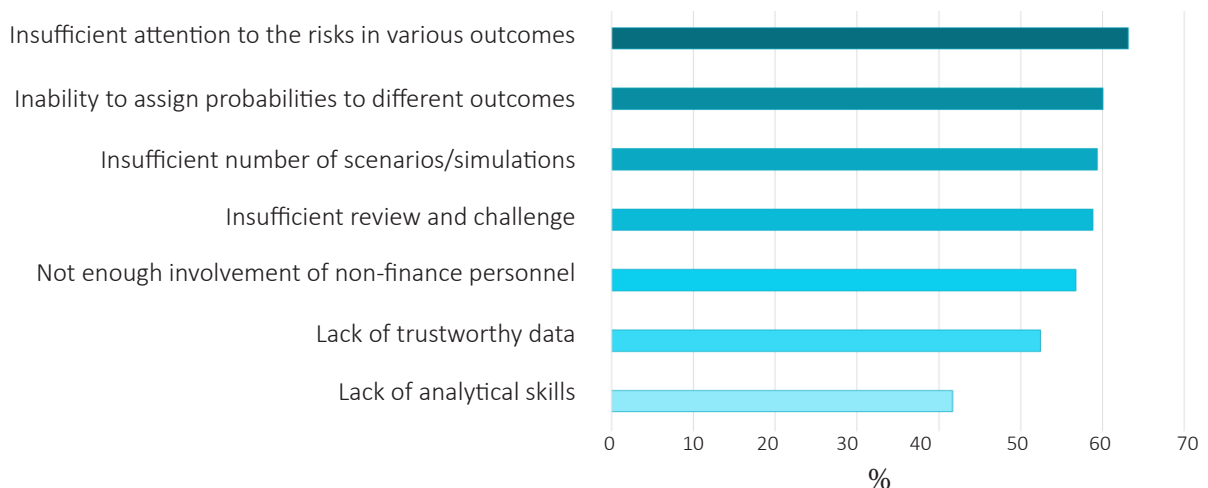
Across any organization, the FP&A process is becoming crucial not only for the Office of Finance, but also for strategic and operational processes. Indeed, FSN research highlights that FP&A is increasingly becoming a separate discipline from the accounting function. In doing so, the technological transformation of planning and analysis is the keystone to achieving:

- a real and effective connection between strategic, financial and operational plans and insights
- a seamless combination of analysis, reporting, planning and simulation

In a nutshell: an end-to-end decision-making process.

Appendix 1:

Apart from time what are the biggest barriers to forecasting accuracy?



CASE STUDY 1: Emaar Hospitality Group implements BOARD for worldwide Corporate Performance Management

The company - EMAAR: providing premier lifestyles from the Emirates to the rest of the world, Emaar Properties is one of the world's most valuable and admired real estate development companies. Established in 1997, Emaar Properties is a Public Joint Stock Company listed on the Dubai Financial Market.

The challenge - Plan and monitor hotel and hospitality assets' profitability and financial performance at worldwide level.

"Our plan and strategy was to create a strong and structured budgeting process, moving more than 30 independent business units onto a single platform for budgeting, forecasting, profitability analysis and reporting. This would allow us to free our people from their Excel nightmares and allow our management to achieve better control of the organization's performance."

We identified the requirements for a fully integrated planning cycle, capable of providing a detailed perspective of profitability through the whole organization, from the S&OP of any single business unit, to the Group P&L," says Mr Lijo Mathew Kankapadan, IT Director of Emaar Hospitality Group LLC.

"We wanted our budget and actuals to be as detailed as possible, collecting the data from various systems and consolidating them in a central shared repository to make it easier to access and use the information. Throughout this process we kept in mind a simple but essential objective: make our business better."

The main points to be taken into consideration were:

- Fragmented data from different systems to be consolidated, normalized and made consistent throughout the organization
- Different business units to be consolidated in a single chart of accounts
- Capability to link S&OP with financial planning
- Need to ensure consistency, completeness, validity, timeliness and accuracy of data
- Possibility to manage multicurrency
- Ability to offer cross-company visibility and data consolidation

The project – From S&OP to Consolidated Finance Planning and Reporting "All in One"

From a functional standpoint, the BOARD application allows each business unit, such as the Armani Hotel or Dubai Marina Yacht club, to run its specific S&OP budgeting process and to create a P&L account that is consolidated in the group P&L projection through a world-wide multi-currency and multi-company process.

This means that each business unit is involved in the same holistic planning process even if they can run the diverse budgeting phases in different moments and with their own timeline. The bottom-up budgeting cycle is complemented by a top-down rolling forecast process aimed at monitoring and anticipating key performance drivers.

The whole planning process is conducted in 5 main phases:

Primary revenues

In this phase each business unit plans its core business revenue. Once primary revenues are confirmed, through several approval levels, all the correlated revenues and the associated costs are automatically recalculated. For example, the revenues generated by the restaurants are automatically updated if you change the number of guests per day, or the electricity costs are recomputed if you modify the number of “room nights”.

The activities in this phase are supported by a variety of BOARD’s capabilities:

- Data multidimensionality
- Advanced data entry capabilities (cells lock and spread)
- Automatic allocation procedures (i.e. allocation of a value from month to day (and vice versa) or subscription management)
- The possibility to constantly compare and analyze historical data, not only make planning users extremely productive in all their activities but dramatically increasing the overall accuracy and timeliness of the whole process

Secondary revenues

After planning the primary revenues, each business unit starts a second planning phase aimed at determining the Secondary Revenues (all those groups of items that do not have primary impact on the overall revenues, for example food and beverage, minor operating departments, etc.)

As with the primary revenues, the associated costs and revenues are automatically calculated.

Operating cost reassessment and final calculation

In this phase, the process lead switches from the business units to the departments (HR, Finance, Marketing), which reassess and review the costs automatically calculated during the previous planning phases.

Non-operating costs/expenses

Once all the primary and secondary revenues and associated costs are planned, the next logical step is the calculation of all the other costs and expenses such as Tax, Interests and Intercompany fees.

Group P&L

Even though the BOARD application makes it possible to run a P&L consolidation anytime, from a logical and process perspective, the consolidation phase is the final step of the whole planning cycle.

The result is a provisional P&L that can be visualized and navigated by business units, divisions departments and at a group level.

Furthermore, any single P&L line can be navigated down to the lowest operational detail, allowing analysis of how this has contributed to building up the consolidated number (i.e. room revenue can be broken down by market segment or room rate).

The application does not only manage the annual budget but, at any time during the year, makes it possible to create a “To Go” version of the plans, that essentially represent the difference between actual and planned figures transposed to the year end.

“EMAAR’s project is very wide and pervasive as we are not only running hotels with rooms, attendees and spas as major drivers, but are also running many more departments: golf clubs, fitness clubs, yacht clubs, polo clubs, membership programs and so on. And all departments are based on different and independent logics and processes.

The first thing we did was to build applications around each business independently. We collected all the revenues together and divided them into primary revenues, secondary revenues and management calibration, all in one standard platform.

Even if we have different business units following different kinds of budget processes – for example, the logic between a golf club and hotel is totally different – we managed to work on a common platform and bring the data into one single standard budget. In fact, all the business units consolidate back to the corporate office so that the board can look at the budget across all the businesses. The entire logic is very complex I must say, but we are very happy with the final result.

We started operating only in the United Arab Emirates, where the currency is AED. But we are looking at multicurrency in the near future. For example, when we started to expand to other regions – one of them being Milan, Italy – we knew we would have to report in multicurrency.

All the financials – which are the main features for a budgeting process – will work in their own currency, but the consolidation will work on a reporting tool with currency onversion into AED.”

By implementing BOARD, Emaar has been able to bridge the gap between financial planning and operational planning, linking high level plans with day-to-day operations and company profitability analysis, while delivering one shared, accepted output. Furthermore, the extreme flexibility achieved in managing scenarios and new initiatives allows the whole organization to stay nimble and adapt more quickly to market challenges.

The customer's benefits- Making better decisions, faster

In the hospitality business unit, BOARD is the corporate reporting, budgeting and planning tool.

A single source of truth

"One of the main benefits in the organization is that we now have a very pervasive planning and budgeting process running on a unique data repository, the DWH, where we connect to independent applications and have one single vision of company performance with a single source of information."

BOARD not only makes this possible, it also enables the use of all the details collected from different applications to be used as drivers for our budgeting and reporting processes."

Decisions "on the fly"

"Our strategy was to stabilize all the independent applications at the lower level of the pyramid. Then we rolled them up to the DWH and then to the corporate reporting tool: BOARD. Details – available at executive level – are collected from individual applications via the DWH to BOARD. This way, in looking at financials and non-financials, we are able to understand right away why the revenues are lower or higher. This links statistical information with the financials which allows the executive management and the board of directors to make decisions "on the fly". At the same time, we are also feeding future data (bookings) to show future plans, cash flows and potential business, allowing us to focus more on the right department and plan future actions even better."

Within an increasingly fast-paced marketplace, management is able to make quick decisions based on past experience and future data. All in all, the benefit of the tool is to move the organization from a gut feel decision to a fact based decision-making process."

Full pervasiveness

"The whole organization is involved in the budgeting process, which is currently 300/400 users. Each department, division and business unit produces their own budget, rolls it up to the higher level and then to the management company above them. It reaches all of the organizational levels."

“The executive management and Board of Directors can navigate historical information and future plans on the fly, from a top view of the group’s financial perspective down to the lowest level of operational detail. All in all, the benefit of the tool is moving the organization from gut feel decisions to a fact based decision-making process.”

Lijo Mathew Kankapadan,
Director of IT Emaar
Hospitality Group LLC

Increased collaboration

“The level of details and collaboration in the budgeting process has increased a lot within the organization. Accuracy has improved as well. All of this results in a strong improvement in the entire budgeting process.”

Why BOARD? Comprehensive, Easy, Fast: a perfect fit for our needs

Over the last three short listed products – Cognos, Infor and Prophix – we decided that BOARD was the most suitable solution. There are some key factors that make BOARD different from the competitors:

- **BI & CPM integrated solution:** it is not a product but a platform where you can develop complex solutions. It is not just focused on Performance Management alone, but is integrated with Business Intelligence, providing a great analytic environment.
- **Development free environment:** the platform is really easy to manage. Once you deliver an application, the power users can easily create their own reports without requiring any assistance from the IT department. Clearly the fundamental design has to be done with a consultant and the division manager of the business, but after that, should we need more development, it can easily be achieved by a power user.

REQUEST A DEMO

Leading the debate:

According to the FSN survey's main findings, a modern and more effective finance function should focus on:

- Inclusion of non-financial data in decision-making processes
- Automation and Standardization of BPF across the entire organization
- Moving planning and analytics to the Cloud

Leading the debate

At the heart of all change is informed discussion. As the PBF landscape changes, FSN's surveys delve into the successes and frustrations of executives at the helm of this evolution, and they are taking heed of our insight.

Recognition for non-financial data



78% of organizations agree the key to forecasting more accurately is in the greater use of non-financial data

Last year's survey identified non-financial data as a game changer for PBF, but it was languishing at the bottom of CFOs' priority lists. Now CFOs recognize it as the key to forecasting more accurately, with 78% of senior finance executives in agreement that greater use of non-financial data is the best way to improve the PBF process and outcomes. Underscoring this view, 76% of respondents recognized the importance of connecting with more stakeholders from outside of the finance function to improve the accuracy of forecasts.

Yet despite now recognizing the obvious benefits of leveraging non-financial data to provide a more well-rounded corporate view of the future, senior finance executives are still struggling to understand it fully and extract its true value.

While they recognize that there is considerable insight to be gained from non-financial data, 74% of CFOs and senior finance executives are still struggling to identify all relevant non-financial data sources. A quarter say their senior managers do not appreciate the value of non-financial data and 23% delegate non-financial data tasks to more junior staff, despite 43% of respondents ranking it in their top 3 sources of 'most insightful data'. Meanwhile 41% of CFOs are concerned about the integrity of non-financial data and believe it is less reliable than financial sources.



43% of CFOs rank non financial data in their top 3 sources of 'most insightful data'

Finance executives are taking on board the evidence FSN presented that non-financial data has a substantially positive effect on PBF outcomes, but need to focus on identifying its sources, ensuring these are trustworthy and robust, and convincing senior leadership of its efficacy.

Automation and standardization

FSN's Future of the Finance Function survey last year identified standardization and automation as the fundamental cornerstones on which to build a modern finance function. Standardizing and automating frees up well qualified personnel for retraining into higher value roles, and allows senior finance executives to carve out time to improve their PBF processes and insights.

At the time of the 2016 survey, these two processes were also stuck, mid-table, under a growing pile of CFO priorities. But this survey points to a shift in perspective as FSN's insight gains traction. Automation tops the list of technology priorities for senior finance executives followed closely by standardization (82% and 79% respectively). There is growing recognition of the value of laying strong foundations on which to access new technology and redirect intellectual resources towards higher strategic goals.

Similarly, linking front and back-office functions was low on the priority list last year despite the data demonstrating that it improved forecasting accuracy and freed up time for executives to focus on strategic imperatives. This year, there is a growing interest in data sources direct from the front-line of customer engagement. A quarter of respondents ranked data from customer relationship management (CRM) systems top of their list of insightful data over the next three years. General ledger was understandably ahead, ranking first for 34% of finance executives, but the trend does show a keen interest linking up with the front office to reinforce the insights in planning, budgeting and forecasting.

Standardization and Automation are at the top of CFO's priorities

Head in the cloud

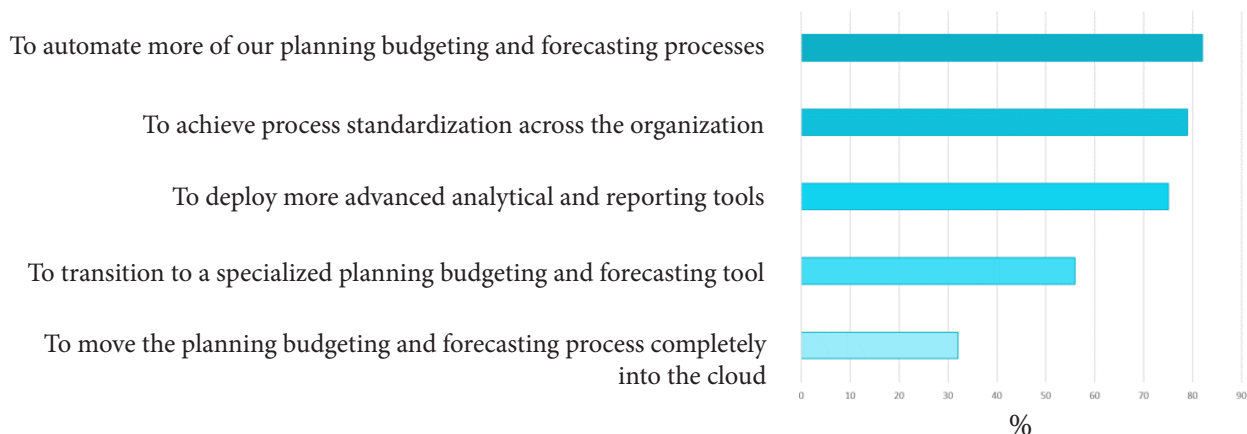
FSN's research into the finance function, PBF and financial reporting all present strong evidence of the beneficial effects of cloud solutions, and we have not been shy to hammer this point home. It hasn't been a total epiphany but senior finance executives' understanding of cloud benefits are maturing, from a straight cost decision to one that includes agility and scalability.

Only 4% of respondents disagreed that scalability is a key benefit of moving PBF to the cloud, while three quarters agreed it was. Agility also scored highly, with just 6% unable to extol the benefits, but 76% wide open to this advantage of cloud technology.

Senior finance executives are beginning to recognize the benefits of preparing their finance function through standardization and automation, so they can utilize cloud technology to bring in more balanced data from non-financial sources. For example, where organizations have introduced the cloud, the survey shows that uptake from marketing has been high. This promotes better integration and the opportunity to capture rich CRM data within finance, improving planning, budgeting and forecasting outcomes.

Appendix 2:

What are your technology priorities for implementing changes to planning, budgeting and forecasting in your business over the next 3 years?



FIVE “MUST-HAVES” FOR A CLOUD FP&A SOLUTION

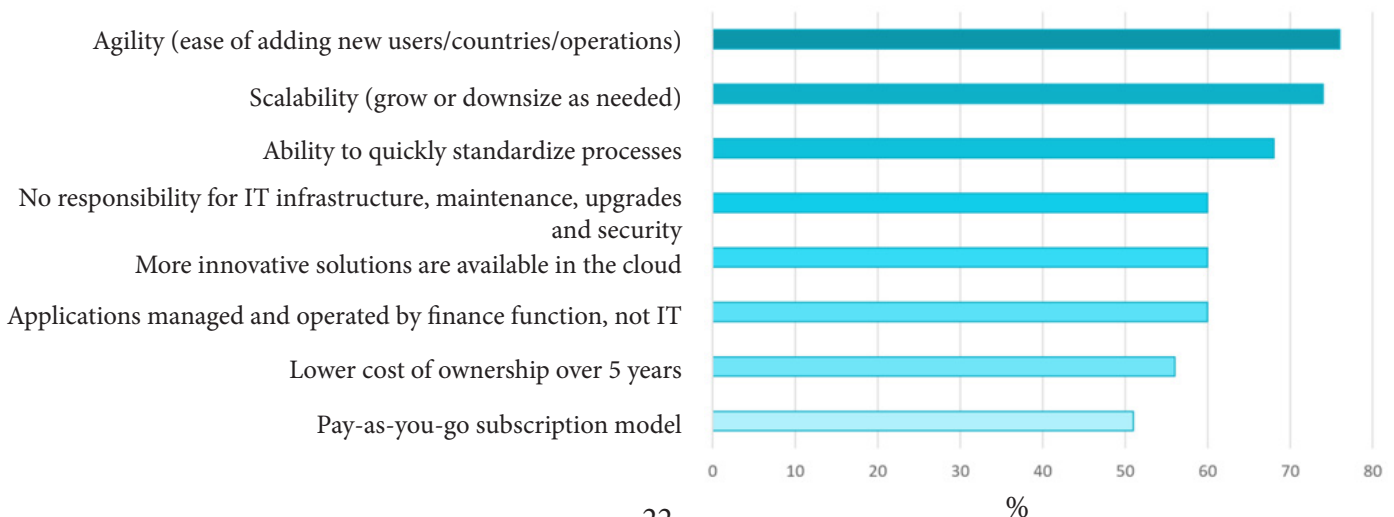
“Moving to the cloud” and “cloud benefits” are no longer pipe-dreams or buzzwords – even for FP&A applications. But to ensure a successful Cloud implementation of analytics, planning and reporting solutions, it’s imperative that organizations perform a comprehensive review of all the critical features they need:

- **Cost-effective scalability and flexibility:** will the system scale to meet organizations’ needs now and five or ten years from now? And can it handle the required granularity and volumes of data?
- **Efficient integration and consolidation of data from a wide variety of disparate sources:** does the solution have the tools necessary to provide a unified view of high quality data for the business? Can the system easily connect to every type of internal and external data source?
- **Empowering business users to implement and manage their own solutions for faster time to value:** can business users own the solution? Can it handle the company’s or department’s custom models?
- **Improved access to information and collaboration:** can analysis and applications be easily created and shared across teams without geographic, language or technical boundaries?
- **Best-in-class security and compliance certifications:** Does security meet or exceed global IT standards? Are the Data Centres hosting the solution fully certified?

Backed by Microsoft Azure, BOARD Cloud has been designed to meet all of these requirements. BOARD Cloud gets Financial Planning and reporting and Business Intelligence applications up and running faster, while providing world-class security, reliability, scalability and performance. The Azure data centers where BOARD Cloud is hosted offer the highest security levels, with the most comprehensive set of compliance certifications and attestations (such as ISO 27001, HIPAA, FedRAMP, SOC 1 and SOC 2, as well as country specific standards like Australia IRAP, UK G-Cloud, and Singapore MTCS). The BOARD Cloud platform is certified ISO 27001.

Appendix 3:

From your experience what would you now regard as the benefits of moving to the cloud?



CASE STUDY 2: WaterAid implements BOARD to provide Financial Planning and Reporting across 27 countries

The company:

WaterAid is an international organisation whose mission is to transform the lives of the poorest and most marginalised people by improving access to safe water, sanitation and hygiene.

Through a network of partners, WaterAid reached 2 million people with safe water and 3 million people with sanitation in 2016.

The challenge:

WaterAid required a scalable and flexible financial reporting, budgeting and planning solution that could supplement their core finance system, allowing for reporting and budgeting across 27 countries; including not only top down strategic planning, but also bottom up planning at an individual project level.

The solution:

Through the use of BOARD's financial budgeting, planning and reporting solution, WaterAid's finance and leadership teams in the UK and overseas now have an accurate and comprehensive solution that supports the growth and vision of its business into the future as it utilizes the features of BOARD to make better business decisions.

“WaterAid UK has reached a stage in its development where our global accounting system needs to be complemented by a dedicated financial planning and reporting tool. We were looking for a user-friendly, flexible solution that could accommodate multi-currency, multi-country and multi-level planning and reporting, and we believe that BOARD is the right choice for us.”

Paula Laird, Director of Finance and Information Services

REQUEST A DEMO

‘Man versus Machine’:

Early adopters unconvinced by AI and Machine Learning

Full exploitation of digital requires a much more integrated approach to Financial Planning, Reporting and Analysis, based on an all-in-one Business Intelligence & Performance Management interactive platform

Man vs Machine

At the heart of all change is informed discussion. As the PBF landscape changes, FSN's surveys delve into the successes and frustrations of executives at the helm of this evolution, and they are taking heed of our insight.

People have been using machines to take the drudgery out of repetitious finance tasks for decades, but as those machines have become more powerful, their role in the process is increasing. Automation is the most basic of machine processes, and its proliferation has made it a necessity just to survive in today's business environment. But to thrive, companies must make sense of the growing volume of data being generated in every corner of a business. And to manage that level of analytical complexity within the planning, budgeting and forecasting function now requires a far more complex machine.

Artificial intelligence (AI) is no longer a pipe-dream, or a buzzword. It has become a reality in many situations, from Siri to Alexa to Nest smart thermostats. They all use behavioral algorithms to get smarter and improve the accuracy of predicting what we want, when we'll want it. Machine learning allows computers to find hidden insights in vast data stores, without specifically being asked where to look.

Its application within planning, budgeting and forecasting is still relatively nascent. Only 14% of respondents said their approach to analytics included machine learning and AI. The number of dedicated machine learning technologies that substantially enhance PBF is growing, but uptake is still in its infancy, perhaps held back by a wider delay in the transition to cloud applications.

Uptake may be low but there is keen awareness of the latent potential for these more experimental technologies. 56% of CFOs and their senior finance executives agree or strongly agree that we will become more dependent on machine learning to drive more accurate forecasts. They know that humans bring innate preference and partiality to their decision-making, and half the respondents believe that we are introducing too much of that bias into forecasting.



Artificial intelligence (AI) is no longer a pipe-dream, or a buzzword. It has become a reality in many situations. But its application within planning, budgeting and forecasting is still relatively nascent. Only 14% of respondents said their approach to analytics included machine learning and AI.



56% of CFOs agree or strongly agree that we will become more dependent on machine learning to drive more accurate forecasts.

We accept that machine learning is the future but do we have the skills to leverage it?

But despite the foresight to see a future with machine learning in it, 64% believe that humans will always play a greater role than machines in forecasting. They see global uncertainty as a hindrance to computational prediction, with 56% citing this as a limit to the usefulness of machine prediction. Therefore only 29% think we should rely more on machine generated forecasts.

At the moment, they might be right. Those small number of CFOs that already use AI and machine learning in their PBF process are no more likely to be able to forecast beyond one year than those who use less advanced technology like spreadsheets, pivot tables and advanced visualization programs (17% vs 18%).

There is some impact on the time it takes to reforecast, with 61% able to reforecast in under a week compared with 55% who don't use AI or machine learning, and there is also a modest improvement in accuracy. 45% of organizations that use AI and machine learning can forecast earnings to within +/-0-5% accuracy, compared with 40% using less advanced technology.

Considering the fanfare with which machine learning and AI are presented in the press, the fact that there wasn't a hugely significant difference in forecasting outcomes could be taken as a victory for naysayers. But there are many possible reasons for the lack of substantial impact.

The most powerful effect of machine learning will come when it is integrated fully into an organization's wider systems, incorporating financial and non-financial data to be able to learn from scenarios and events with the richest source of information. This will only come in time. Basic standardization is not even effected across all business units, whereas AI and machine learning require richly linked data repositories. Until the right foundations are in place, the effects of machine learning will be limited by the quality and quantity of data from which it learns.

ALGORITHMS IN THE SERVICE OF BUSINESS

Through an innovative algorithmic engine, specifically designed for business, BOARD offers users all the power of the most advanced statistical techniques without the need to physically develop, test and select the analytical models. Indeed, a standard business user with a basic knowledge of common statistical concepts will be able to produce state-of-the-art forecasts, create clusters and use analytical functions, without depending on a data scientist. BOARD empowers decision-makers and top executives with data-driven outcomes, simulation and predictive modelling, rather than indiscriminately replacing their business intuitions.

CASE STUDY 3: Harry & David selected the BOARD Decision-Making platform as a functional and overall best solution to meet their combined reporting and forecasting needs.

The Company:

Since its founding more than 80 years ago, Harry & David has grown to become America's premier choice for gourmet gifts. From handpicked fresh fruit to hand-packed gift baskets filled with delicious treats, the company is committed to providing premium quality and excellence in every way. A history rich in agriculture and family values, the Harry & David story started with Samuel Rosenberg, a successful hotel owner in Seattle, Washington, who in 1910 traded his prized Hotel Sorrento for 240 prime acres of pears in Southern Oregon's Rogue River Valley. The Orchards were later taken over by his two sons, Harry and David Rosenberg, who launched their eponymous mail-order (now Web-order) gift basket business in 1934.

The Challenge:

As the company digitized its operations over the past 30 years, the Harry & David Office of Finance had grown its financial accounting and reporting largely on Excel. It became apparent in recent years that a tremendous amount of time was dedicated to rationalizing and consolidating multiple spreadsheets from throughout the company into a suitable format for end of quarter and end of year consolidation and reporting.

Additionally, the company sought a means of streamlining forecasting for its separate departments. The Harry & David Finance team had transitioned to a new general ledger system, which did not have the reporting capabilities it needed. This shift allowed for the evaluation of other financial reporting systems.

Forecast cycles that had previously taken one to 1.5 weeks were now accomplished in two days or less, with less redundancy and higher degrees of accuracy.

The Solution:

After an extensive search in 2015 of available software solutions, Harry & David selected the BOARD International platform for Business Intelligence and performance management as a functional and overall best solution to meet their combined reporting and forecasting needs.

The BOARD unified Platform for analytics, reporting and forecasting enabled Harry & David to change and significantly expand its processes, by making the company more flexible and dynamic in discussions and explanations about their financial performance and potential future plans. Forecast cycles that had previously taken one to 1.5 weeks were now accomplished in two days or less, with less redundancy and higher degrees of accuracy.

Instead of having to build a new report to answer executive questions, Harry & David managers were able to simply call up an existing report and drill down to the granular details that answered that specific query. That ability allows Finance departmental managers as well as top executives to understand their business drivers and what's occurring with their market and specific departments.

The Results:

As a first step, Harry & David's finance department loaded its general ledger data into the BOARD Platform's unified database. From that single source of consistently accurate data, they were able to easily compile end-of-month reports with variances, and project out forecasts as well.

For example, the BOARD Platform allows them to quickly drill down into head-counts for a more holistic view of the company's operations, including what is performing well and what may need adjustments. By linking into their payroll system, they are also able to track vacancy rates and plan merit increases as well.

In addition to the Finance Department, Harry & David has rolled out applications on the BOARD platform for Sales, Marketing, and Inventory Control. "The implementation process for users is straightforward," explained Adam August, VP of Finance. "There was a week-long session where we worked with a training partner to review BOARD in detail regarding how to set up the databases, how the data relationships work, and so forth. After the initial training, we found it to be easy hands-on learning, particularly for the core, day-to-day user who is not directly maintaining the databases or the data relationships."

REQUEST A DEMO

Advanced analytics: Are your tools too basic?

Organizations that use “cutting edge” technology are more likely to be insightful

Unifying Reporting and Analysis with Budgeting, Planning and Forecasting in a single platform is the technological cornerstone to transforming insights into effective decisions

Only 50% of CFOs go above a spreadsheet-based analytics approach

Advanced analytics – Are your tools too basic?

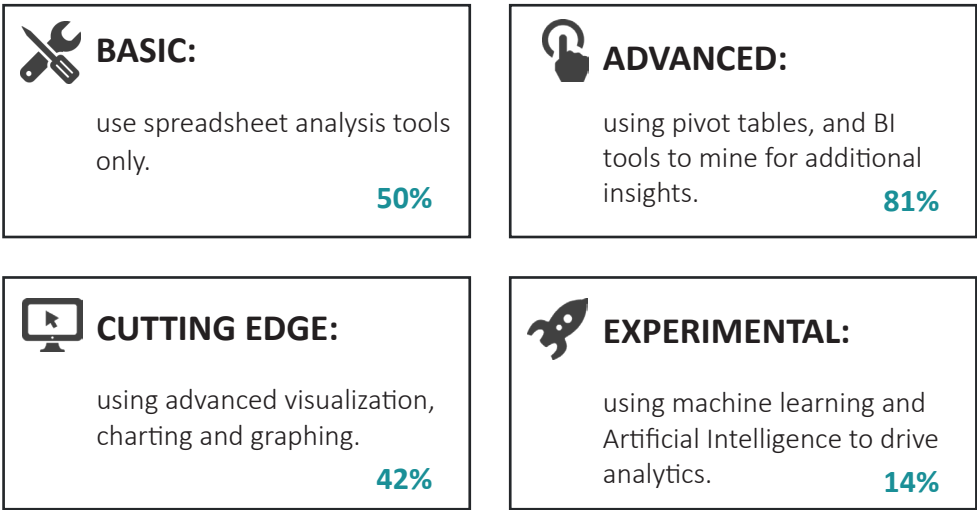
Most finance executives believe their analytic tools are a step up from the baseline spreadsheet analysis, but even ‘advanced’ tools like pivot tables and business intelligence lag well behind the cutting edge visualization techniques and experimental machine learning that make a real difference to forecasting accuracy.

In this year’s survey, CFOs and senior finance executives were asked which tools formed part of their PBF arsenal, and half said they used basic spreadsheet analysis in at least some of their processes. 81% described their analytics as advanced, incorporating pivot tables and business intelligence tools, while 42% said they used cutting edge tools like advanced visualization, charting and graphs. Only 14% described their tools as experimental, incorporating machine learning and artificial intelligence.

While these descriptors weren’t mutually exclusive, the responses show a trend towards advanced tools and a sharp drop off at the experimental end of the scale. This is to be expected, as new technology will always take time to mature and plateau. What is telling is how these companies performed in terms of forecasting accuracy, agility and forecast horizon.

Appendix 4:

CFOs were asked how they would describe their approach to analytics...



Making the cut

The expectation might be that using the newest and most advanced tools would elicit the best outcomes, but in two of the three key performance indicators, cutting edge companies came out ahead of their counterparts, while experimental companies performed better in one key KPI.

Companies with an experimental approach to PBF technology won out on speed, where 61% were able to reforecast within a week, compared with the 55% who did not describe their tools as experimental.

Cutting edge companies though were more accurate, with 47% able to forecast to within +/-5%, compared with 34% who were not cutting edge. And foresight, while marginal, still showed that cutting edge companies edged in front of experimental ones in their ability to forecast out beyond a year.

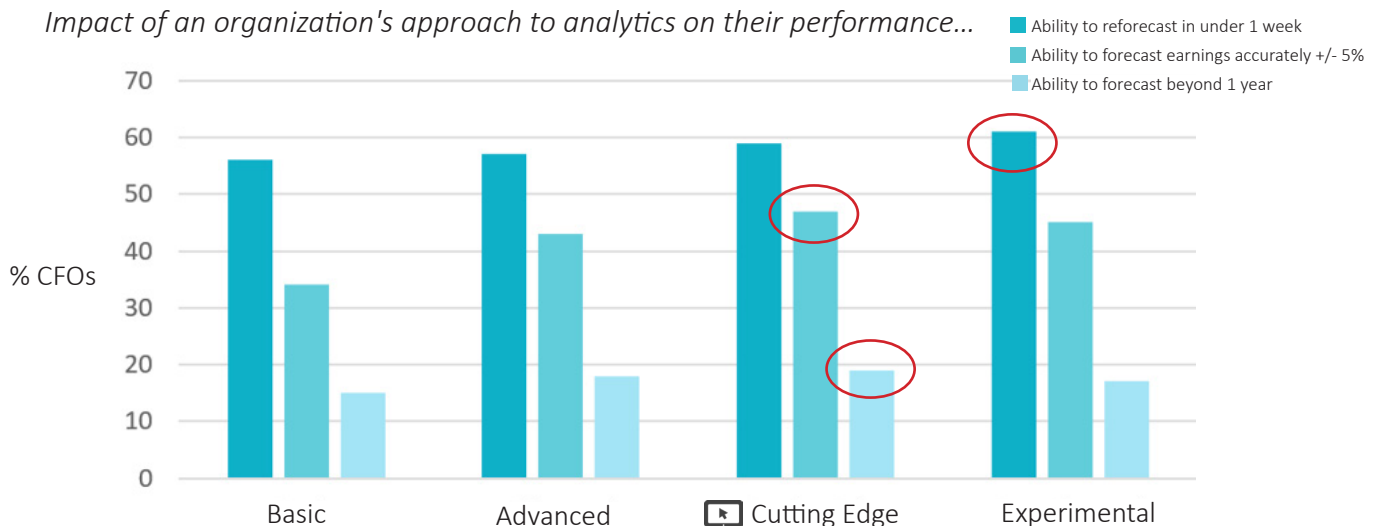
New developments in technology are an essential part of progress- the digital revolution has made this clear. But new technology is not always a panacea. In the case of machine learning and AI, there is clearly still some way to go before businesses are ready to take advantage of these powerful tools.

Meanwhile cutting edge companies are managing to extract the best value out of their PBF tools. Their profile is of a tech savvy organization that understands of the importance of the cloud and generates its cutting edge insight from specialist PBF systems. Cutting edge companies are more likely to prioritize specialist planning tools, deploy more advanced analytical tools and move the PBF processes into the cloud in the next three years than their less cutting edge competitors.

Some are already there. 40% use specialist PBF software in the cloud, compared with 27% of the remaining respondents, and are also more likely to use specialist PBF software on premise (13% vs 11%).

Appendix 5:

Impact of an organization's approach to analytics on their performance...



Mastering non-financial data is the key to being able to forecast accurately and further into the future

Aim for insight

Cutting edge technology is all very well, but it's not the final word on planning, budgeting and forecasting. In a straight showdown against companies that describe their PBF process as insightful, cutting edge fell short on all three key KPIs. The message is – it's better to be cutting edge in your PBF tools rather than relying on spreadsheets and pivot tables, but it's even better to be insightful, which incorporate elements of cutting edge technology, but also a recognition of the value of non-financial data.

Having the right technology is only part of the solution. Insightful organizations set themselves apart in terms of their ability to handle non-financial data. As we have seen from the Future of the Finance Function research, mastering non-financial data is the key to being able to forecast accurately and further into the future.

Technology is a vital part of the evolution of the planning, budgeting and forecasting function, but it cannot work in isolation. Organizations must strive to become insightful, using their cutting edge tools to get there.

DELIVERING MORE MEANINGFUL INSIGHTS THROUGHOUT THE FINANCIAL PLANNING AND ANALYTICS PROCESS

To fully leverage their information assets, companies need visibility across the entire organization, including different departments, hierarchical levels and information systems. In a nutshell: they need full visibility across financial and non-financial data. Building FP&A processes based on data transparency and backed by a comprehensive decision-making platform allows organizations to achieve more meaningful insights. Indeed, a decision-making platform encompasses the ability to integrate and manage all the relevant financial and non-financial data, metrics and objectives in a single, local repository, to properly share them across the organization and to use them for analysis, reporting, planning and forecasting, alongside simulation and predictive analytics capabilities

CASE STUDY 4: End-to-end financial and business reporting, analysis, planning and simulation at KOS Group

The Company

Leader in the healthcare sector and in advanced technology applied to medicine. KOS is a leading Italian healthcare group that operates in the area of social health, residential care for chronic illnesses, rehabilitation and mental health services, advanced technology applied to medicine and acute care medicine.

The KOS Group manages 77 facilities in Italy: 51 nursing homes, 10 rehabilitation centres, 11 psychiatric treatment communities, 3 mental health clinics and 2 hospitals. It also operates 22 outpatient rehabilitation and diagnosis clinics and 30 diagnosis and therapy service centres across the globe. Over 6,300 people work with the group.

Business Challenges and Selection Process

Operating in around 120 production sites distributed throughout many different geographic areas, KOS is a business with a very fragmented structure, whose growth is partly built on the acquisition of facilities that the management has had to integrate gradually into the group. Consequently, there was an overwhelming need to ensure stringent control of all processes for each facility within the group to maintain long-term compliance with the fundamental principles of KOS, both from the standpoints of efficiency and quality and with regards the fulfilment of customer needs and ethical principles.

Each production site was tied to its own system of reporting and management commentary, built on Excel spreadsheets with individual logic supported by databases and disparate management software such as ERPs and HR solutions. To more effectively guide value creation inside and outside the group and ensure the increasing quality of the supplied services, the management needed to make decisions with greater awareness and speed, based on reliable, validated information supplied in a timely manner. Within this context, planning and management control have proven increasingly key functions that support the management and directors in their strategic choices. In other words, it was necessary to collect a set of fragmented data from different sources into a single structured environment, to gain deep insights and carry out continuous benchmarking (both general and for each production site) that would steer the group's decision-making processes towards growth and efficiency.

"The deployment of BOARD has given all levels of the organization a better and more thorough knowledge of the market and the sectors in which we operate. The group's information assets have actually increased, becoming a valuable resource for everyone, including in terms of awareness of the business itself"

Giuseppe Motta, Director of Planning & Management

The choice of BOARD as the unified BI and CPM platform was, therefore, a logical consequence of the KOS Group's business needs. "In particular," says Giuseppe Motta, Director of Planning & Management Control, "the two main characteristics that led KOS to opt for BOARD were the autonomy that the software would offer us, especially regarding the planning and control department, together with the solution's tremendous flexibility. In fact, with regard to autonomy, the planning and management control staff were able to define the reporting structures in detail, aligning them across the entire group. BOARD's flexibility has enabled KOS to design tailored reports and workflows based precisely on the ideas of the management and directors, without needing to know specific programming languages." BOARD's platform allows applications to be created without having to write code.

The Solution:

BOARD helps the KOS Group to integrate displaced facilities and standardise diverse logics Through cooperation between BOARD Italia and its partner Bios Management, and with the support of the internal IT department of KOS, the project initially entailed balancing and aligning the approach methods of the various people involved, thus ensuring the rapid success of the project activities and their compliance with predefined objectives. The scalability of BOARD has permitted the solution to be extended easily over time, increasing the number of users from 10 to over 130.

"We started by evaluating the state of existing reporting activities. We then began to use BOARD in management and operational reports, gradually extending it to other reporting areas until it eventually covered all our reporting needs. We then moved on to building applications for budgeting, planning and forecasting, all on the same platform.

Finally, we were able to leverage BOARD's vast potential in simulating different scenarios. The solution has supported KOS throughout a period of growth that is still ongoing, fundamentally improving the activities of the Planning & Control department, as well as other critical business departments," says Mr Motta.

"We started out with a very diverse, fragmented situation consisting of facilities that were distant from one another, both geographically and in terms of the logic they used. BOARD has made everything much more orderly because it has allowed us to carry out analysis, planning and simulation within a single environment that has a single consistent logic, based on common algorithms. This lets us manage and compare data in the same way for the whole group. The weekly or monthly report that ends up on the Managing Director's desk is formulated with the same methods as the report used by the director of each health facility or hospital," added Giuseppe Motta.

The Benefits

Full awareness and shared information assets thanks to BOARD, *“Before using BOARD, we worked directly on the various operating systems and then aligned the information using Access and Excel. This procedure and other limitations made it increasingly difficult for us to integrate newly acquired facilities. With BOARD, however, we were able to take the complete set of reports that we had already defined for the group and apply it to the new acquisitions,”* affirmed Mr Motta.

This means both better accessibility of information, which is certified and structured according to unique algorithms, and the ability to share information assets with all of the group’s relevant personnel: from the operational heads of the facilities, to the departmental managers, right up to the Managing Director. *“The deployment of BOARD has given all levels of the organization a better and more thorough knowledge of the market and the sectors in which we operate. The group’s information assets have actually increased, becoming a valuable resource for everyone, including in terms of awareness of the business itself,”* underlined Mr Motta.

KOS currently has around 130 users working on BOARD, including around 50 in the areas of administration, finance and control, and the remainder in various departments, from marketing to internal auditing. In addition, budgeting is not limited to economic aspects, but also encompasses property and financial aspects: *“It’s an end-to-end budget that is also more versatile thanks to BOARD’s complete integration with the Microsoft Office environment (especially Excel),”* added Giuseppe Motta.

“In addition to formulating reports based on homogeneous workflows, the use of BOARD at full capacity has allowed us to benefit from increasingly advanced analytics, multi-scenario simulations and continuous cost benchmarking, giving us full control of both the big picture and each individual facility within the group,” finished Mr Motta.

REQUEST A DEMO

**“Insightful”
organizations drive
better all-round PBF
performance**

Respected, Insightful,
Inclusive, Strategic –
How does your PBF
process stack up?

Respected, Insightful, Inclusive, Strategic – How does your PBF process stack up?

When does a forecast gain the respect of the whole organization? When it is trusted by all levels of management? When it engages with many stakeholders to provide the most inclusive view? When it uses advanced analytical techniques to reveal unexpected insights? Or when it is closely aligned with strategy to underpin decisions at the heart of the business?

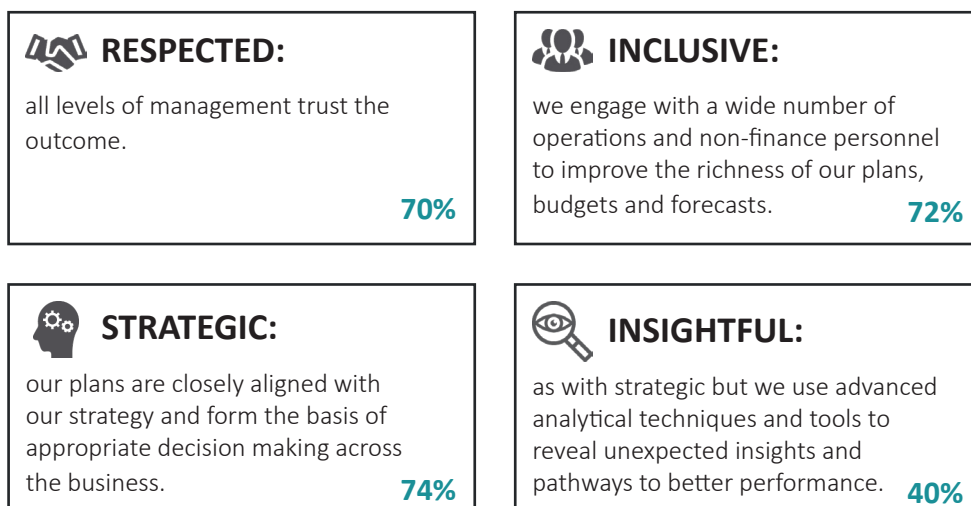
In a perfect world, planning, budgeting and forecasting would encompass all these traits. In reality, at least some of them are being realized. 70% of senior finance executives believe their PBF processes are respected, 72% believe they are inclusive and 74% believe they are strategically aligned. But, and it is an important but, only 40% characterized their PBF process as insightful, defined as the use of advanced analytical techniques and tools to reveal unexpected insights that lead to better performance.

Just 40% of organizations claim their PBF process is insightful.

That's not to diminish the achievements of the respected, inclusive and strategic CFOs. It remains vital to ensure organizational buy-in for plans and forecasts by including all stakeholders. This in turn leads to trust and respect in the process and helps to focus the outcomes on the organizations own strategy.

Appendix 6:

CFOs were asked how they would describe their planning, budgeting and forecasting process



Inside an insightful mind

But companies with insightful PBF processes do better on three key forecasting outcomes – the ability to reforecast in under a week, the ability to forecast earnings accurately within +/-5% and the ability to forecast beyond a year. Accuracy, agility and forecast horizon are key indicators of a robust PBF process yet less than half of respondents believe their own processes are insightful.

65% of insightful companies can turn their forecasts around in under a week, compared with 48% who did not consider their process insightful. Insightful companies are more accurate, with 55% reforecasting to within +/-5% compared with 31%, and 23% are able to forecast beyond a year, compared with 13% for non-insightful companies.

There are many indicators of insightful success. Insightful companies have a strong tendency to use rolling forecasts (43% vs 29%), they are more likely to depend on specialist software in all their business functions (29% vs 14%) and they are less likely to depend on spreadsheet modeling (67% vs 76%).

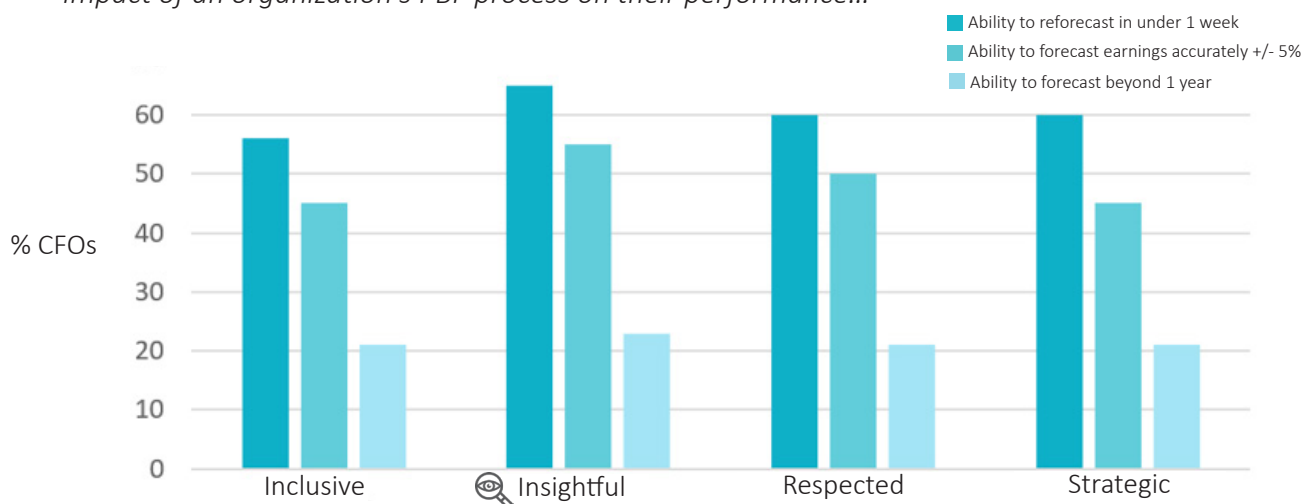
Insightful CFOs also put more emphasis on improving accuracy through the use of granular models, with 52% agreeing that deploying larger more granular forecast models would be the best way to improve the accuracy of forecasts, compared with 42% of non-insightful respondents.

Their approach to analytics was more cutting edge, with 59% using advanced visualization, charting and graphs compared with 26%. And 22% of insightful finance executives also said they used experimental technologies like machine learning and artificial intelligence, compared with just 5% of respondents who didn't identify as insightful.

Crucially, senior management are more likely to appreciate the importance of non-financial data, which the Future of the Finance Function has shown is critical to improving forecasting accuracy and agility.

Appendix 7:

Impact of an organization's PBF process on their performance...



Working together

It’s clear that the smart use of analytical techniques has a positive impact on forecast outcomes, and organizations should aspire to moving towards these goals. But it’s also clear they don’t work in isolation. Analytics requires the most relevant data, which demands inclusivity, and the outcomes need to be trusted and respected in order to underpin the group strategy. The survey suggests that senior finance executives are most often achieving their PBF goals in combination. 28% of respondents believed their PBF process were all these – respected, inclusive, insightful and strategic. A further 28% identified with three of these elements, and only 13% agreed with just one element.

The most common pairing was inclusive and strategic, with 60% of respondents choosing those two elements in tandem, which supports the idea that getting the right stakeholders to contribute to forecasts helps align the outcomes across the entire organization.

Equally revealing, the least common pairing was insightful and inclusive, with just 33% choosing these two elements together. This suggests that you can’t gain real insight unless you include information from outside the finance function, but equally that without advanced analytical techniques, inclusive information won’t reveal its hidden insights.

It’s unrealistic to expect organizations to be all things to all people. In planning, budgeting and forecasting there is a strong movement towards inclusivity which is having a positive impact on strategy and respect. And while this is laudable, more needs to be done to add insight into the mix to improve outcomes and find pathways to better performance.

GREATER AGILITY WITH MORE STAKEHOLDERS INVOLVED: THE PUZZLE OF MODERN PLANNING PROCESSES

Organizations increasingly struggle to keep pace with two seemingly divergent principles. On the one hand, they desperately seek greater agility, on the other, they genuinely want to include all the right stakeholders in their planning processes. But, almost paradoxically, greater organizational agility requires greater responsiveness and improved coordination. The more stakeholders involved, the more likely that decisions are delayed. BOARD 10.1, the last release of BOARD, can solve such a puzzle by combining structured and unstructured data control and management in a single environment. Thanks to the integrated and fully customizable workflow management capabilities of BOARD, planning steps can be easily created and correlated to approval cycles, accurately reflecting the logic behind the processes.

The possibility to flexibly define workgroups completes the picture with regard to unstructured data and information. Indeed, BOARD 10.1 strongly enhances collaboration across decision-making processes by introducing the ability to work together on a shared analysis while interacting in real time. Virtual teams can instantly discuss their findings (e.g. by means of an embedded chat), explore new insights and make super-quick collaborative decisions based on a validated, up-to-date and holistic view of enterprise data. For example, BOARD allows organizations to move from a “push” concept, i.e. reports are sent by email, to a “pull” concept, where reports are located centrally and can be retrieved when needed.

CASE STUDY 5: Volkswagen de Mexico chose BOARD to combine Analysis, Reporting, Performance Management and Predictive Analytics

Volkswagen Mexico's Office of Finance reports that the tremendous improvement in processes, accuracy and visibility in the finance strategy, combined with cost savings and improved accuracy of their premise data for planning, has reaped an increase in efficiencies from 57% to 91% since implemented in February 2015

The Company

One of six Volkswagen manufacturing plants around the world, Volkswagen de Mexico employs more than 65,000 people, including 49,000 supplier employees, at plants in Puebla and Silao for the production of the Volkswagen Jetta, Beetle, Beetle Cabriolet and Golf 7 models, as well as engines and components for a wide range of other vehicle brands owned by Volkswagen. The plants, now covering more than 3.6 million square meters, have been operational since 1964.

The Challenge

Until 2015, the finance department of Volkswagen Mexico relied on multiple applications running on Microsoft Office products to produce its annual plans and develop the key financial milestones for the company's operations.

Those applications, which had been created mostly in Microsoft Access Databases, flat files, Microsoft Excel spreadsheets and manual connections to other related systems, were judged to be inflexible, disconnected and unsecured, each requiring a great deal of very time-consuming and error-prone manual processing and integration. Each planning process cycle required many hours of work on those manual processes that often could contain deviations on numerical calculations. Such manual processes could introduce costly errors, subsequently leading to confusion and potentially inaccurate premises for the company's planning cycles and KPIs.

The Solution

To alleviate those technical and business pains, VW Mexico decided in 2015 to find a flexible FP&A software solution on which they could implement a Business Intelligence strategy that would allow their planning processes to run smoothly, automatically and more efficiently than their legacy processes had allowed.

After an extensive review of potential enterprise software vendors for Financial Planning and Analysis (FP&A) and BI reporting, including Oracle, IBM, SAP and Qlik, VW Mexico chose the BOARD platform, which combines FP&A, Financial and Strategic Corporate Performance Management, BI and predictive analytics on a single database with built-in ETL and no-coding application development for business users.

VW Mexico cited superior functionality within the BOARD platform, including its flexibility, data analysis capabilities and technical infrastructure for virtual hardware, as primary reasons behind its selection.

The BOARD platform's no-coding, toolkit approach allows VW Mexico business users to easily develop and reconfigure applications by dragging and dropping elements from platform menus. Its tight integration with Microsoft Office products provides those users with the same look and feel they are accustomed to working with in Excel.

The Results

In its first year of deploying the BOARD Platform, VW Mexico has successfully developed and launched financial planning applications around its Marginal Contribution Calculation program, Integration programs, Input Consolidation, Variation Analysis and Reporting.

Marginal Contribution Calculation is a cost accounting concept that allows VW to determine the relative profitability of each product and line of business of the plants in Mexico. The metric allows VW to evaluate different areas of the business to determine which parts to emphasize based on the highest margins or the differences compared with the last financial planning cycle for a given part. With the BOARD-based applications, the company can now accurately determine the composition of their income and cost integration for each product and business line.

VW Mexico's Integration Application collects and integrates the information coming from many end-users in Mexico, financial information from SAP FI (Finance Module) and information coming from the global systems in Germany in an automated manner to give the company and users a fully integrated repository from which to organize all of its data as a basis for analyses and simulations.

Also implemented on the BOARD Platform are applications for Input Consolidation, Variation Analysis and Reporting. Their Input Consolidation application allows each business owner of data to input their data and release it to other systems in the company through strong business rules and validation processes. Their Variation Analysis application gives business users a broad view of the data and calculations to fully understand conclusions and provides numerical explanations for differences between planned finances and the real results.

For reporting, the company now has more than 20 standard reports to deliver information to VW Headquarters. For custom reports the end users now have a strong multidimensional BOARD database to create ad hoc reports by intuitive dragging and dropping of elements, thus achieving huge time reductions and ensuring consistent quality and accuracy as they are drawn from a single data source in the BOARD platform. The platform's flexibility allows ad-hoc reports to be created easily with the same high degree of accuracy, and all reports provide powerful drill down capabilities into underlying data

REQUEST A DEMO

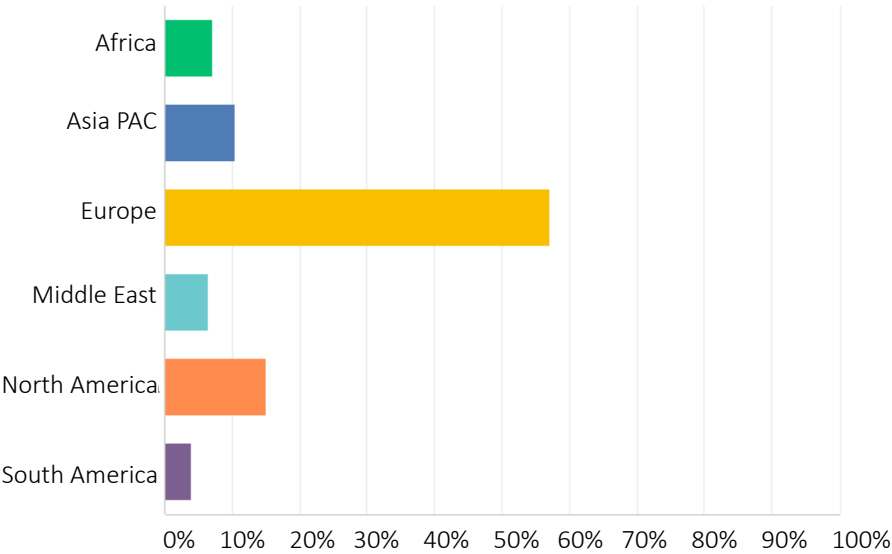
Methodology

METHODOLOGY

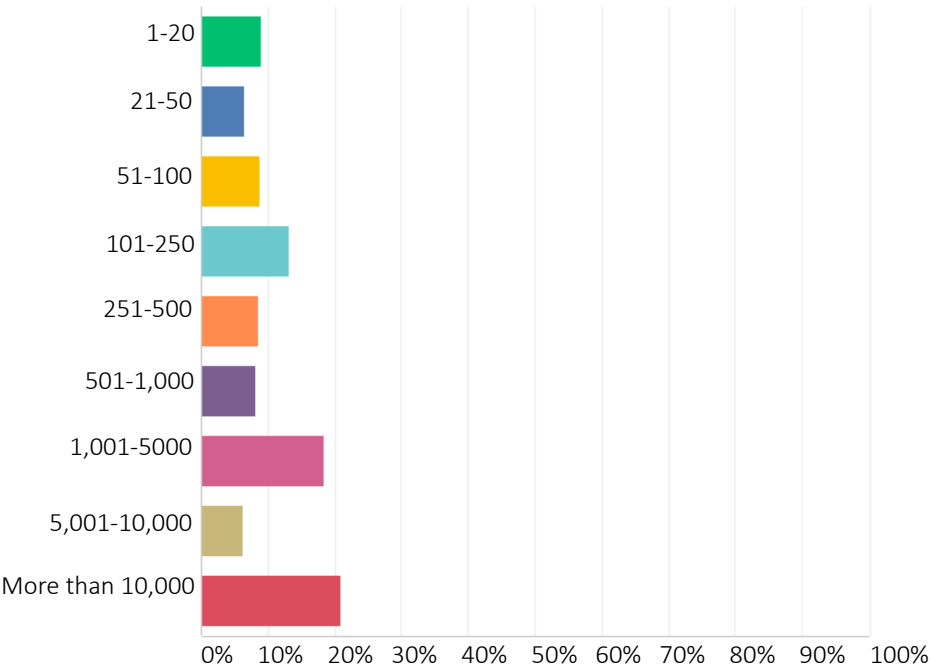
The survey drew responses from 849 international senior finance professionals from our 50,000 strong FSN Modern Finance Forum on LinkedIn.

This survey covered finance professionals across 23 different industries. 80% of these professionals were considered to have senior job titles and above.

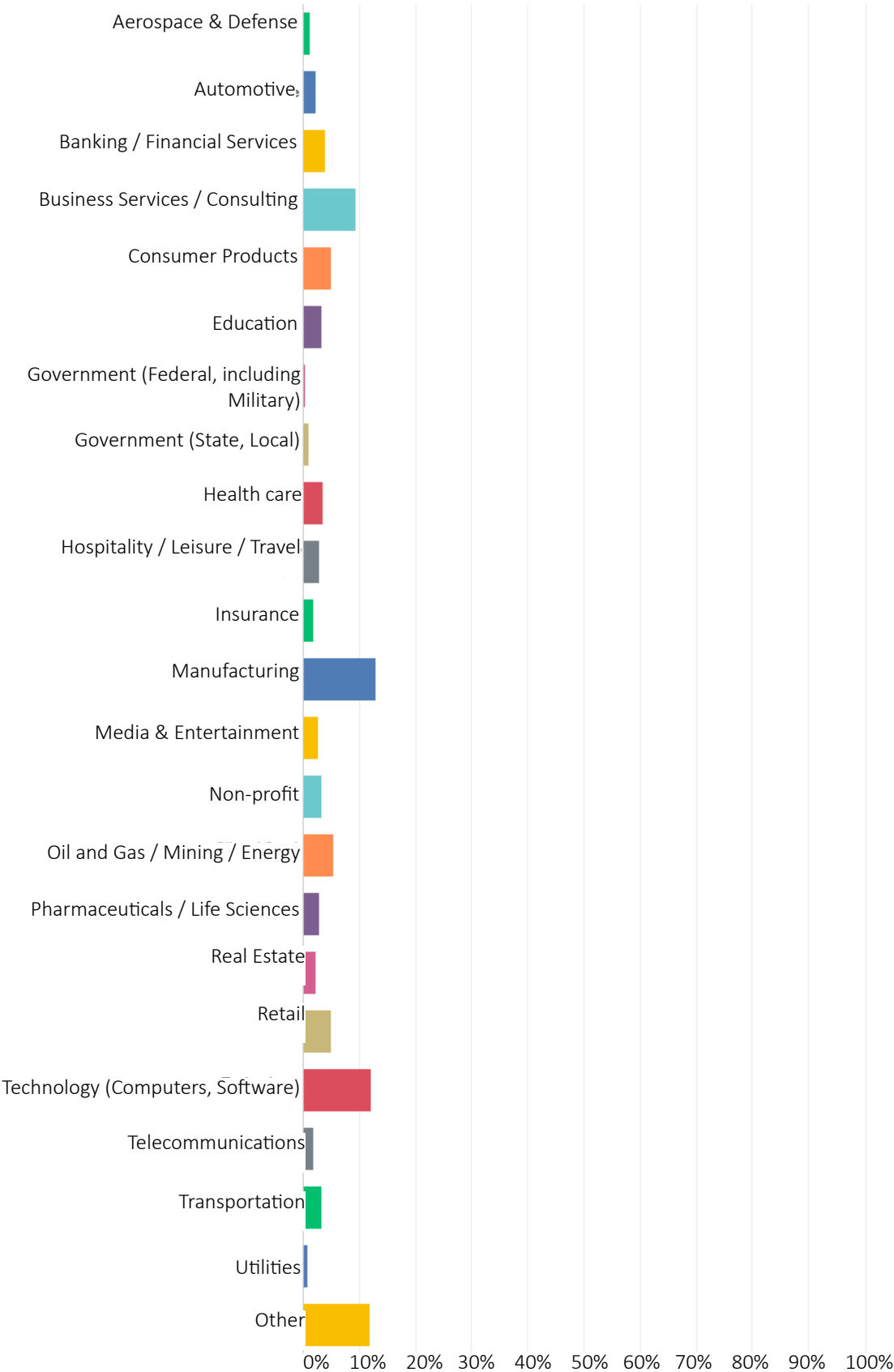
Geography of Respondents



Organizational Size- Number of employees



Industry of Respondents



ABOUT BOARD INTERNATIONAL

BOARD is the #1 decision-making platform for organizations of any size. Founded in 1994, BOARD International has enabled more than 3000 companies worldwide to rapidly deploy Business Intelligence, Corporate Performance Management and Predictive Analytics applications on a single unified and programming-free platform. Delivered on-cloud or on-premise, the BOARD platform allows companies to achieve a single, accurate and complete view of business information and a full control of performance across the entire organization, from strategic formulation down to operational execution. Thanks to its programming-free toolkit approach, global enterprises such as H&M, KPMG, DHL, Mitsubishi, NEC, Puma, Siemens and Toyota have rapidly deployed end-to end decision-making applications in a fraction of the time and cost associated with traditional solutions.

BOARD provides seamless solutions for:

- Reporting and Business Analytics
- Budgeting, Planning & Forecasting
- Profitability Modelling and Optimization
- Simulation and What-if Analysis
- Scorecarding and Strategy Management
- Financial Consolidation

Headquartered in Chiasso, Switzerland, and Boston, MA, BOARD International has 21 offices around the world and a global reseller network. BOARD has been implemented in over 100 countries.]

Contact:

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