

Spreadsheets

work but

not for

BP&A

*Future-proof your operations with a
business planning and analytics (BP&A) platform*

Phocas.

Table of contents.

Introduction	3
<hr/>	
A business planning and analytics platform	
Reason 1: Efficiency and productivity	5
<hr/>	
Reason 2 : Collaboration and accountability	7
<hr/>	
Reason 3 : One single source of truth	9
<hr/>	
Reason 4 : Data interrogation - summary to transactional level	11
<hr/>	
Reason 5 : Robust, reliable data security	14
<hr/>	
Reason 6 : Visualize performance and find trends	15
<hr/>	
It's time to act	17
<hr/>	
Get in touch	18

Introduction.

In today's ever-evolving business landscape, there is increasing demand on finance to deliver real-time insights that will empower the wider business to make vital decisions about the future.

While the shift to hybrid working arrangements has many positives, it also hinders in-person collaboration, compelling teams to find more innovative ways of working together. To address this, companies are increasingly turning to cloud-based financial software and reimagining their workplace models to ensure seamless cross-functional collaboration.

A business planning and analytics platform is designed to solve common challenges such as siloed data, building accurate companywide budgets faster, and producing daily financial reports. This technology has emerged to address the expanding role of the CFO and finance team and the increasing demands for financial information from other parts of the company.



Spreadsheets have traditionally been the go-to tool for most finance teams because they are flexible and make it quick and easy to create what you need.

While spreadsheets will always have their place, they're not a standalone solution to enable your team to plan well for the future. In a fast-paced business environment, financial reporting, budgets and forecasts, as well as cash forecasting and demand planning are all more effective when they are created and updated within the one platform.

If the goal is to prepare reports more regularly and to consolidate data from across the business (finance, sales, operations, HR), then it's essential for a company to have a single source of truth. This ensures all stakeholders are interacting with the same data, with everyone aiming towards the same targets. People need a solution that will allow them to quickly find out what's causing an anomaly or determine the company's liquidity.

Finance teams are stretched and are being asked to take on more work, so they're turning to technology to get things done and to address the changing needs of both colleagues and customers.



Regional profit and loss statement

Code ▲	Name	USA		Europe	
		Current	Budget	Current	Budget
-	Sales				
	+ Branch Sales				
	+ Online Sales				
	+ Repairs & Maint.				
+	Cost of Sales				
	Gross Profit				
-	Expenses				
	+ Salaries & Wages				
	+ Rent				
	+ Utilities				

Reason 1: Efficiency and productivity

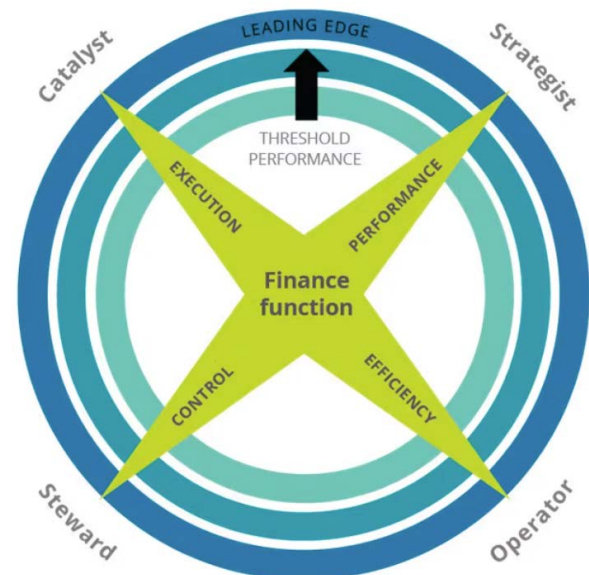


“Time is money” – no one knows this better than the finance department, yet we’re seeing the finance team working harder and longer than most. There are various reasons cited for this – one being disparate or poor data and the specific input required from finance to help other departments cut costs or manage cashflow.

Deloitte has mapped the four faces of the CFO: steward, operator, strategist and catalyst to highlight the depth of responsibility of a CFO, making the job more complex than ever.

Along with playing the traditional role of steward, today’s CFOs wear many hats including preserving the assets of the organization by minimizing risk and getting the books right. The operator role enables them to run a tight finance operation that is efficient and effective. However, it’s increasingly important for CFOs to be strategists; helping to shape overall strategy and direction, and catalysts; instilling a financial approach and mind set throughout the organization to help other parts of the business perform better.

The challenge for most finance teams is finding the balance between traditional roles (steward and operator) and more strategic roles. If they move away from tactical duties, they don’t want to expose the company to any risk or weaken assurance. Likewise, if they don’t prioritize future planning, they will be less efficient and ultimately less competitive.



Credit: Deloitte: four faces of the CFO framework

To be more strategic finance teams need more time. This can be achieved by using more bespoke technology that will enable them to run more agile operations.

The majority have adopted cloud platforms, with the end goal being the integration of specific systems, the automation of manual tasks, improved productivity across the business, and the ability to access key numbers from anywhere.

Leaders are turning to more data-driven processes to create business strategies that address operational and financial issues.

Business planning and analytics platforms save valuable time by making it easy for everyone to perform data analysis. This helps more people within a company to understand the key financials and business ramifications, while also providing certainty in the numbers.



“

It's very rewarding to be able to give staff and teams access to data that they can understand and drill themselves. To come up with their own findings for their own job roles.”

Tim Barr, CFO, Woodberry Furniture

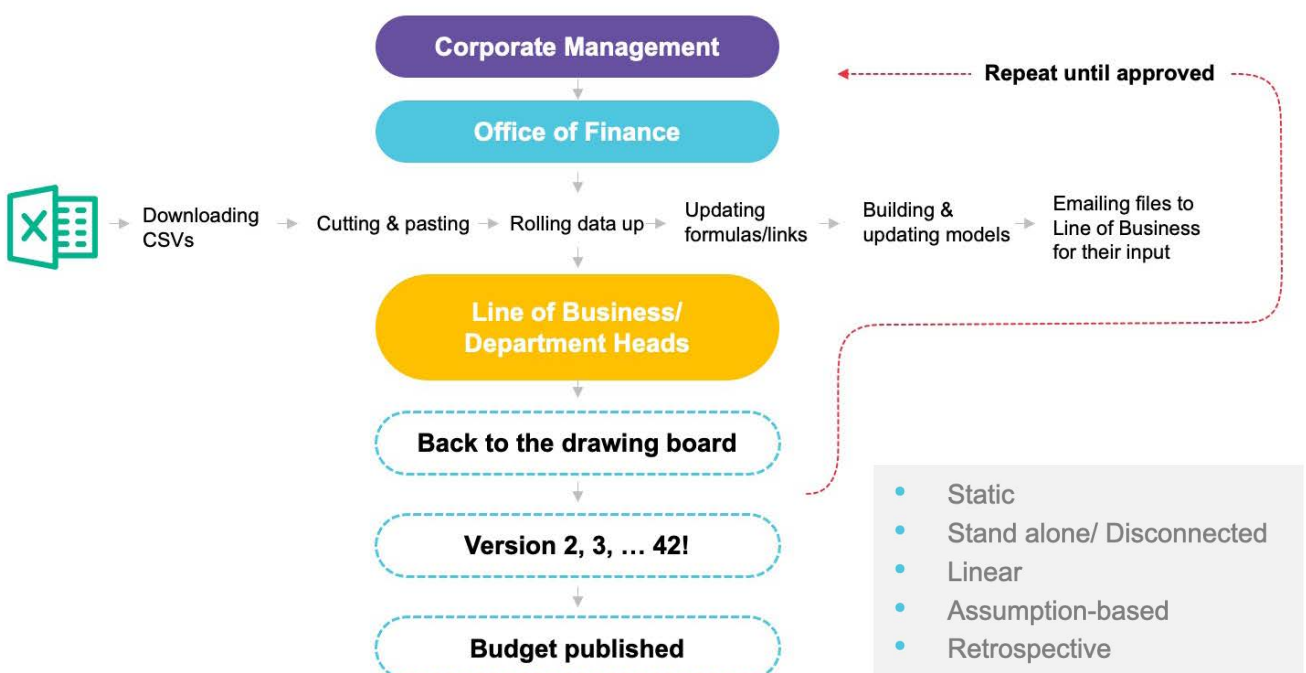
Reason 2: Collaboration and accountability

Breaking down data silos in companies is difficult because ownership of processes and information is fragmented and protected.

Yet dynamic business environments are making cross-functional teams and automated processes a necessity to enable businesses to remain competitive in volatile markets.

Take for instance, the budgeting process and sales forecasting. While it's the finance team's role to oversee a budget, the company budget belongs to all business areas. In most companies, only a small percentage of employees are consulted about the budget. This is usually because it is created using spreadsheets, which makes version control hard to manage. There is also added pressure to then check and cross-check all the assumptions and calculations presented within a set timeframe, and then stitch them all together into a massive master spreadsheet.

This all-consuming process means the finance team is seen to be taking on the role of ‘the budget police’, inadvertently fostering an ‘us versus them’ dynamic that runs counter to the spirit of companywide collaboration. Leading to inefficient and inadequate budget building that fails to motivate or inform business decisions.

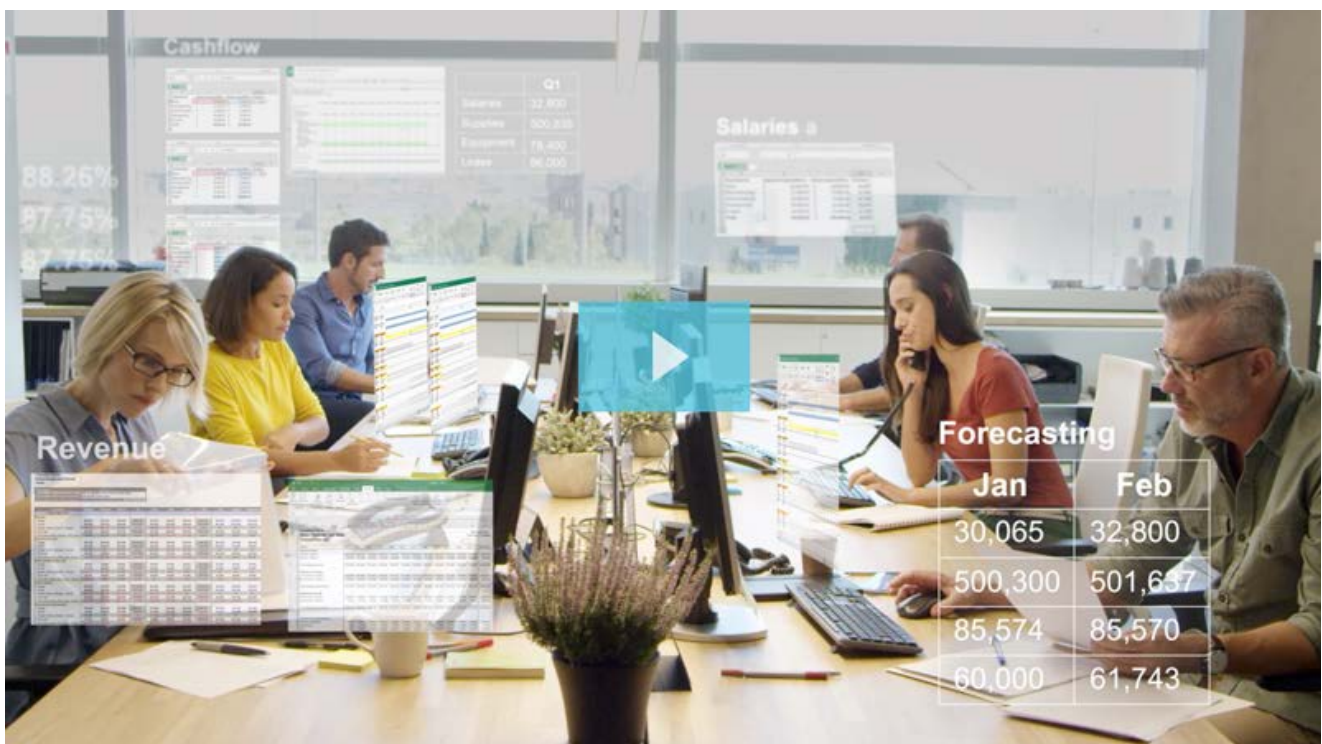


Collaboration is the key

Companies are turning to collaborative solutions that have built-in mechanisms like workflows that enable a smoother co-ordination of the whole process. The budget owner can assign tasks to other people, that are logged and tracked. There is an audit trail for tasks, so the budget owner can see when the other person responds and the rationale behind specific figures. The workflows allow multiple people to work in the same worksheet, updating it in real-time, with everyone viewing the most recent data and working on the same version.

When budgeting is done using bespoke software, it allows companies the option to build budgets in many different ways; historical, zero-based, activity, driver-based, sales-driven, rolling forecasts. Many people find this approach more collaborative and easier to understand compared to a traditional master spreadsheet model or top-down approach.

A business planning and analytics platform enables companies to connect the sales database to the budget model, so people can benefit from incorporating more in-depth sales information. Sales teams can view the budget against customer and/or product rather than against a general ledger code.



When using spreadsheets, often only a single line of sales information (sales general ledger code) is used. This does not provide enough detail to generate accurate sales projections for the budgeting process and to stimulate meaningful outcomes.

When collaboration permeates the entire company, it becomes possible to reshape budgets and redefine other finance processes. This fosters a deeper understanding of the challenges faced across the organization and increases individual accountability for financial outcomes.

Reason 3: One single source of truth

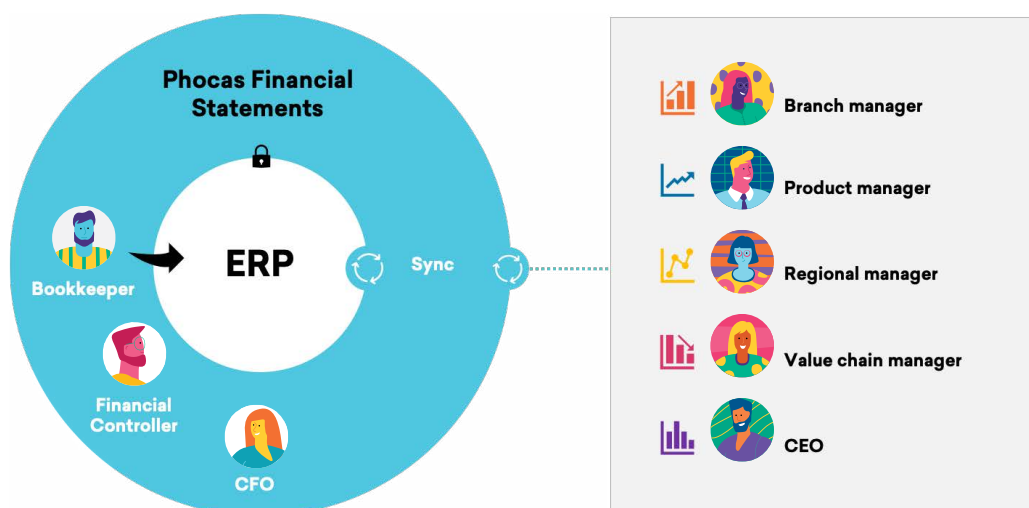
All businesses need a central source of information because it drives accurate decision-making.

Many companies run multiple systems like ERP, CRM and HRMS, making it necessary to download multiple data sets, often in different formats. These datasets are then transferred into spreadsheets for consolidation, wasting valuable hours every week.

People are exhausted and overwhelmed with manual processes, which also leaves very little time to report or analyze information. When using spreadsheets to facilitate reporting there is often a key person associated with the large, complex formulas and models within organizations. Relying on one person to update and maintain key spreadsheets is a risk to the organization. What happens if that person moves on from the company or is unwell for more than a few days?

An all-in-one platform with a BI foundation will enable your business to automate the syncing of financial and non-financial data from your ERP along with multiple other data sources. It also has the capability to ingest and comprehend large data volumes without sacrificing loading times (generating reports, deploying scenarios).

This single source of data truth connects everyone to the information they need. Democratizing and digitizing data reduces the lengthy process of gathering data and reformatting it in spreadsheets. It aims to empower teams to work in unison with the ability to act quickly to rapidly changing market conditions.



A business planning and analytics platform worth its salt will recognize that spreadsheets will always have their place. A user-friendly interface that incorporates a familiar Excel format will empower people across your business to build and customize their own reports (and save them as favourites) without hitting a bottleneck when relying on IT or data analysts. Reports are connected to the source data so whenever changes occur, the reports (income statements/P+L and balance sheets) are automatically updated - keeping them relevant and useful.

Business people are expected to act with agility and speed; this can only happen with access to accurate, up-to-date data.

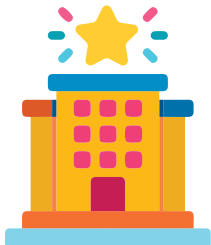
Reason 4: Transactional-level data drilling

To help manage business goals effectively, more companies are wanting an efficient reporting process that includes more integrated data streams into the company's financial statements and budgets and forecasts

These comprehensive data sets create a more robust and sophisticated way to measure business performance with more telling metrics.

Financial products that provide automated reporting and budgeting and forecasting, consolidate large volumes of financial and operational data. Updates are fed directly into financial reports (like income statements and balance sheets) and can be further analyzed so companies have a real-time view of complete metrics (and cashflow) for the current operating environment.

For example, customer profitability scores can be further interrogated to:



Focus on more profitable companies



Set prices for products and services

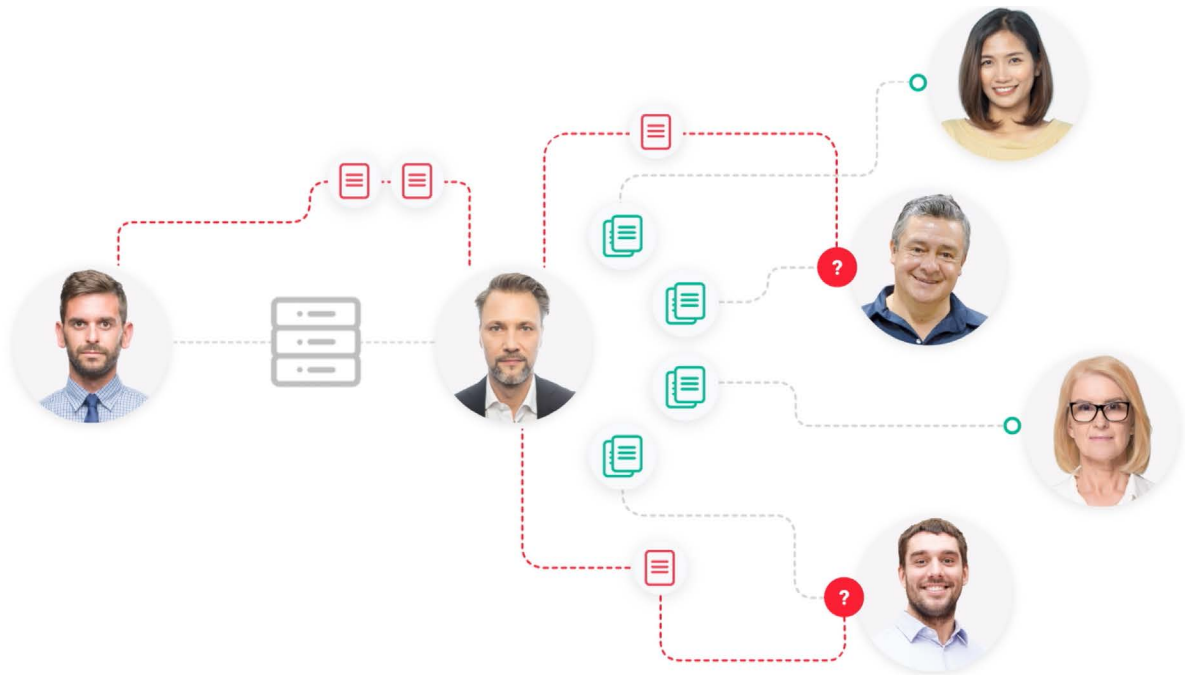


Set sales compensation rates and reward program entitlements

Drill into transactional data on a BI foundation

For most organizations, the monthly reporting process is arduous, especially if it's performed manually.

It relies mostly on transferring data from your ERP into spreadsheets and switching back and forth. The process is slow because every adjustment to the numbers makes spreadsheet-based reports instantly out of date, forcing the regular creation of new reports.



When people have questions about the numbers, they must go back to the finance team who will need to investigate further and generate more static reports. Given the amount of time that this takes, the report will often be standardized and will only suit a particular audience, simply because finance doesn't have time to prepare reports for all different levels of management. The delays in the feedback loop results in a level of complacency where it's often easier not to ask the questions – which in turn becomes the real problem.

By using a business planning and analytics platform that includes purpose-built financial software, it is quick and easy to create dynamic, flexible financial reports. The ability to drill into the structured data, from summary to transactional level, means people can gain a deeper understanding of the results and can feel confident in the data. When a spreadsheet is used, data interrogation is not possible so there is less chance of identifying trends, spotting outliers or uncovering opportunities.



User-friendly financial software allows you to easily slice and dice years of data (related to customers, profits, divisions) without needing to export this from your ERP to inform decision-making. The inherent memory issues in spreadsheets do not allow this level of information to be stored and interrogated on demand.

Sharing information has a significant impact on a team's morale, the way people work and ultimately their performance. Multiple sales teams in a region, with a clear view of customers across all sales reps, can negotiate deals collaboratively across a range of products. When people have the right tools, they are often more confident and can focus on their strengths and deliver stronger outcomes.

“

“We’re coming from an Excel spreadsheet base, we’re trying to make the financial information more readily available, and we’re trying to move our finance team from the transactional to the analytical, which is where it needs to be. Based on the time Financial Statement software has saved us, and even the simple sales analytical reviews it has enabled us to do, it has already paid for itself.”

Steven Aquilina, Chief Finance Officer, United Fasteners

Reason 5: Robust, reliable data security

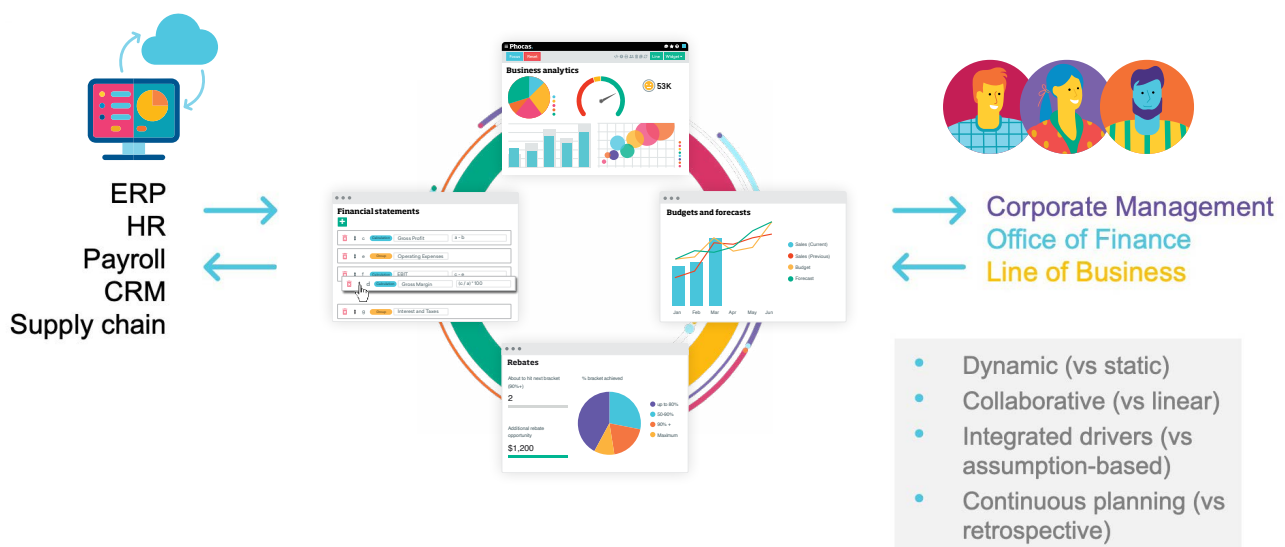
ERP data is usually tightly guarded, which is why finance teams have traditionally siloed it and restricted access.

A business planning and analytics platform has the functionality to open-up financial data to the rest of the business without the risk of affecting the general ledger. Users can view and drill into information that is only relevant to them, protecting sensitive financial information.

Data security and permissions should be integral to budgeting and forecasting tools. The budget owner should have the ability to control access to sensitive information like salaries and ensure different divisions only receive data relevant to their work.

Staff-related expenses are one of the highest and most complex costs in an organization. Purpose-built software for budgeting allows headcount planning to be integrated with the rest of the budget.

HR requires talent forecast information to plan future recruitment and forecast salaries. Finance needs the numbers to budget fixed and variable staff costs (salary, bonus, commission, payroll tax) plus the related benefit costs (superannuation drivers, healthcare). These forecasted expenses are the foundation of every business budget, so it is highly advantageous if HR and finance can collaborate and share this information in an encrypted, secure environment. This ensures they can budget and forecast down to a granular level for each staff member.



Reason 6: Visualize performance and find trends

Financial statements and budgets are heavy on the numbers.

Take for example the Profit and Loss Statement (Income Statement) that typically shows a month-to-date, quarter-to-date and year-to-date view of the data and compares actuals to budget.

By looking at these figures as numbers only, the finance team must then work hard to connect the patterns and find the outliers so they can report their findings to others in the business.

When statements and budgets are built using purpose-built software, financial insights can be presented back to the business visually using dashboards, charts and graphs, and trends can be instantly observed using sparklines. This makes it easy for people across your business to gain an at-a-glance view of business performance.



Sparklines in Phocas Income Statement

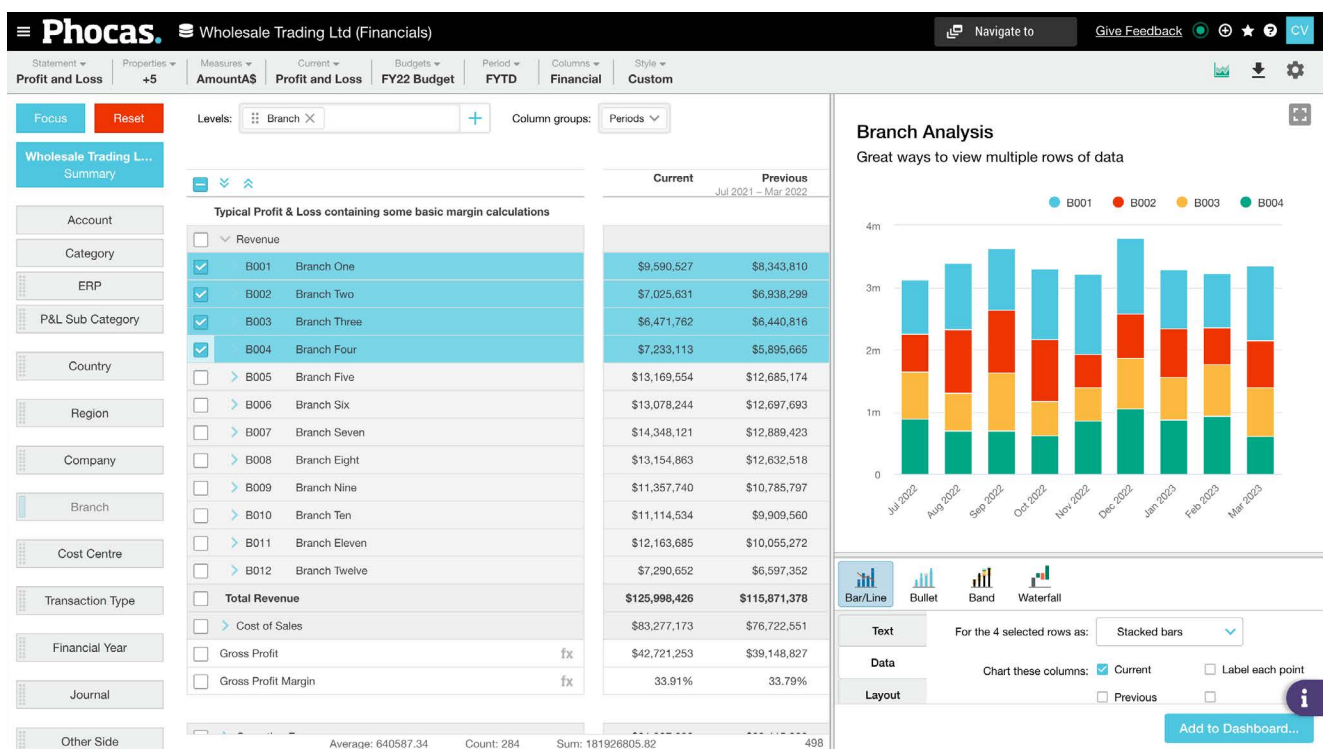
The screenshot displays a detailed budget table in Phocas. The table has columns for 'Total', 'Jan 2020', 'Feb 2020', 'Mar 2020', 'Apr 2020', 'May 2020', 'Jun 2020', 'Jul 2020', and 'Aug 2020'. The table is divided into two sections: 'Operations' and 'Sales'. The 'Operations' section includes rows for '1013 Cleaning Pro..' and '1015 Chemz/CRC'. The 'Sales' section includes rows for '1015-1 Chemz/ sub-p..', '1015-2 Chemz/ sub-p..', and 'Total sub & top Prod..'. Each row displays numerical values for the total and monthly periods, accompanied by small sparkline charts showing trends. A tooltip for 'Jul 2020' is visible over the '1015-1 Chemz/ sub-p..' row, showing a value of 100.

	Total	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020
Operations	240,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Sales									
1013 Cleaning Pro..	144,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
1015 Chemz/CRC	12,000	1,000	3,000	1,000	1,000	1,000	1,000	1,000	1,000
1015-1 Chemz/ sub-p..	0	0	100	0	0	0	0	0	0
1015-2 Chemz/ sub-p..	0	0	100	0	0	0	0	0	0
Total sub & top Prod..	0	0	3,200	0	0	0	0	0	0
1018 Packaging	12,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1020 Branches	12,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1000 Oil Products	12,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Sales	240,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000

Something as simple as a line graph or a bullet chart allows finance teams and the rest of the business to analyze the data more effectively.

These graphs can quickly show changes to values over time. Colours like red and green can immediately signal whether the headline figures are good or bad. This visual environment provides a clear and up-to-date snapshot of business performance and is a more intuitive way to uncover patterns, communicate insights and make data-driven decisions. Having improved visibility of financial performance makes it easier to understand financial statements and budgets, which ultimately leads to better conversations between teams.

Visualizations are also extremely beneficial during any budgeting cycle, particularly when demonstrating variance across the business. By using visuals, more people grasp the numbers, which improves the business acumen of non-financial people.



It's time to act

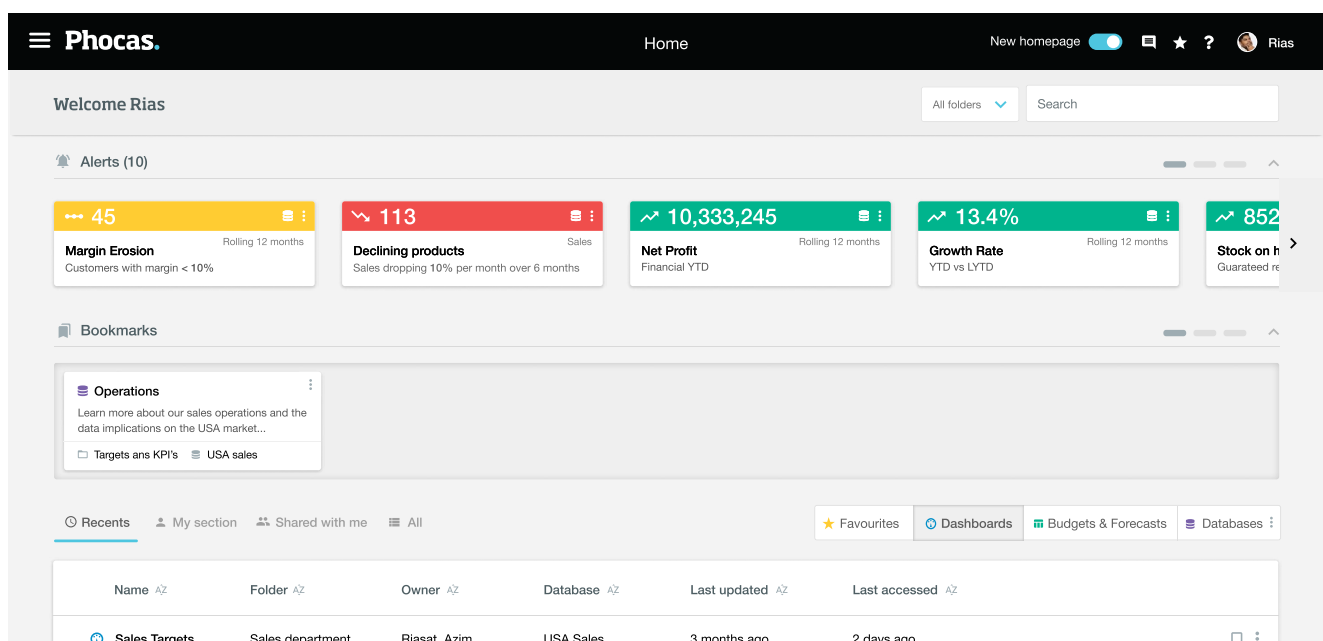
The one constant in life is change, and the same holds true in the business world. Organizations ingrained with a culture of change tend to thrive amidst uncertainty.

In disruption, operational challenges need solutions and cash management and liquidity need constant attention to align with shifting demand. Therefore, in this digital era, leadership must extend its reach into the digital world.

While technology selection and digital transformation have challenges, businesses must continue to evolve. This doesn't mean we should abandon traditional tools like spreadsheets; instead, we should embrace technology that complements and strengthens our existing processes.

Now is the time to invest in modern technology. Phocas' all-in-one platform includes Analytics, Financial Statements, Budgets and Forecasts, and Rebates. These products work smoothly together to make it easier for you to better plan your financial future and run your business day-to-day. Helping to foster a highly efficient finance team that bolsters the entire organization.

Leadership that prioritizes and understands the value of automating and enhancing processes in finance and operations will facilitate smoother and planned company growth.



Get in touch.

Learn how Phocas can help you achieve your business goals.

Give us a call:

UK/Europe: +44 1865 364 103

Asia/Pacific: +61 1300 746 227

North America: +1 877 387 4004

Or email us directly:

Email: hello@phocassoftware.com

Want to know more?

Visit Phocas website

Book a demo – <https://phoc.as/BookDemo>