Preliminary Requirements Gathering and Scoping Questionnaire
[Business Cost Control System/Planning Automation]

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1 Introduction

The idea of this documentation is to make people familiarize the building blocks of Hyperion Planning, Budgeting and Consolidation process. The document points some important consideration about the first steps towards building a Hyperion Planning process. Understanding the requirement clearly is the first process towards successful business application. The success lies in how better we understand the business needs and maps the needs to the software tool. The document could be considered as a starting point which can be used in the initial phases of requirement gathering.

This document contains questions that can help you understand the processes that have to be addressed when you implement Hyperion Planning process to manage and control costs system. By answering these questions, you can determine many of the factors that are critical for the success of your project. In addition, you can use the information that you gather to create a strong foundation for an effective Business Requirements Document.

Requirement Flow
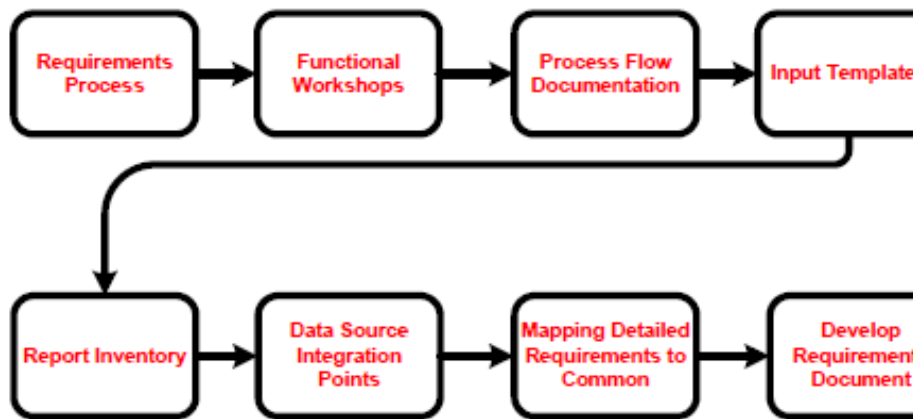
The questions in this document request information in the following areas:

A. Organizational Set-up

B. Chart of Accounts and Hierarchies

C. Data Integration and Warehousing

D. Performance Management Process

E. Planning, Budgeting, and Forecasting (PBF)

F. Consolidation Issues

G. Financial, Management Reporting and Analytics

Organizational Set-up

Please answer the following questions.

1. Describe your organization (corporate, divisions, entities). Include an Organization Chart.

2. At what level of granularity do you view the data in your financial models? Is it at a lower level of than the corporate level?

   - If yes, at which level of granularity do you view your data? Divisions? Functions? Entities?

   - How are those specificities reconciled to the core business models?

   - If relevant, could you describe the maintenance flow between those business models?

3. Do you manage specific dimensions at some level of your organization?

4. Do you manage different levels of granularity and details for dimensions depending on the level of the organization (division, entity …)?

5. Describe a typical data flow, such as internal reporting data flow, from the source of the data to the corporate level.

6. Number of entities, and describe the entities.

7. Does the legal structure reflect the management reporting structure (Y/N)?

   If no – could you describe the differences and the relationships between the management and legal units?

8. Are all entities fully owned (Y/N)?

9. How often …

   - Do acquisitions take place?

   - Are new entities established?

   - Are entities sold off?

10. Do certain entities have specific "roles", such as purchasing, sales, inventory, manufacturing

11. Number of reporting units?

12. Number of divisions/"consolidation" points?

13. Identify management hierarchy.

14. Number of budget-responsible managers?

15. Number of report recipients?

16. Number of people responsible for management reports and budgets?

17. What groups is the expected solution going to serve?

18. Who are the audiences within those groups (Executive, Manager, and Analyst)?

B – Chart of Accounts (COA) and Hierarchies

Please answer the following questions:

1. Is the COA the same across all entities (Y/N)? If no – identify the main differences

2. Do you change the predefined rollups (groupings) from your system?

3. Do you manage area-specific COAs at some level of the organization?

   If yes, describe how those COAs are mapped to the core group COA?

4. What is the mechanism to submit and control the submission of data?

5. Is there a consolidation/reporting COA in place (Y/N)?

   - If yes - is it reflected in the Enterprise Resource Planning (ERP) systems?

   - If no – where does the consolidation COA appear? How are reporting lines identified (for example, in spreadsheets?)

6. How is a potential mapping defined and used?

7. Number of accounts in ERP:

8. Number of accounts in consolidation

9. Identify focus areas (dimensions):

   - Products (groups)

   - Customer (segments)

   - Geography

C – Data Integration and Warehousing

Please answer the following questions:

1. Is data sourced from ERP/LOB systems? Please list the main systems

2. Is data sourced from existing data marts? Please list:

   - Main data marts

   - RDBMS used

   - Subject area, such as HR

3. Is data sourced from flat files or XML sources?

4. Is data sourced from outside your company? (customers, vendors, 3rd party publishers)

5. How often will you need to see updated/refreshed data from the specific systems? What is the frequency of data loads (daily, hourly, etc) and what is the anticipated volume?

6. Are there other important data sources for reporting and analysis (e.g. unstructured data from web sites or email)

7. Is the data from the current systems clean?

8. Do you have a need for data profiling and cleansing tools? If Yes, for what type of data (e.g. Customer data)

9. Do you have a need to integrate data from two or more sources?

10. If yes, for what type of data (e.g. Customer data) and what data sources?

11. How much history (years) do you keep in your data warehouse?

12. What are the most critical reporting and analytics areas (Customer, Sales, Human Resources, and so on)?

13. What are the most critical dimensions & facts for each area (Time, Geography, Customer, and so on)

14. At what level (group, division, or company) are data warehousing solutions implemented?

15. At what level (group, division, or company) are reporting and analytics data models defined?

16. What is the current database platform?

17. What are the security needs of the data? How sensitive is it?
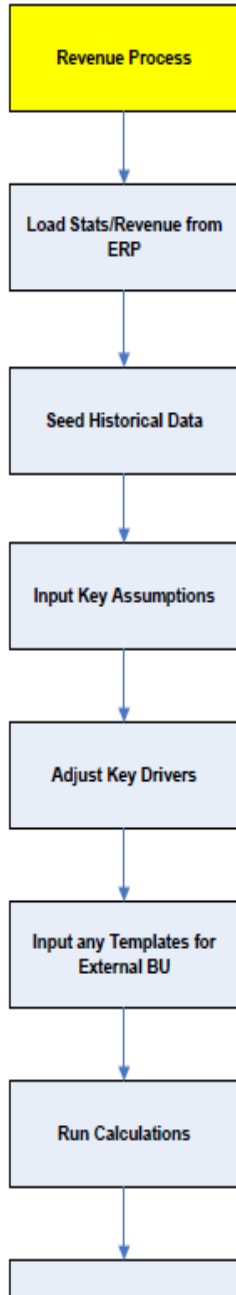
D-Performance Management Processes

Please complete the following table.

Reporting Cycle	External	Internal	Daily/ Weekly	Monthly	Trimester/ Quarterly/ Half year	Yearly
Formal financial reporting						
Budget	☐	☐	☐	☐	☐	☐
Estimate	☐	☐	☐	☐	☐	☐
Forecast	☐	☐	☐	☐	☐	☐
Actual	☐	☐	☐	☐	☐	☐
Flash reports	☐	☐	☐	☐	☐	☐
Other, please specify	☐	☐	☐	☐	☐	☐
Operational reporting						
Sales reports	☐	☐	☐	☐	☐	☐
Manufacturing	☐	☐	☐	☐	☐	☐
Other, please specify	☐	☐	☐	☐	☐	☐
Other, please specify	☐	☐	☐	☐	☐	☐
Other, please specify	☐	☐	☐	☐	☐	☐

1.1 D - Performance Management Processes, continued

Please answer the following questions

1. When are books closed for Actuals (Monthly/Quarterly/Yearly)?

2. Please describe the different submissions required for your reporting and consolidation process

   - For Balance sheet reports

   - For Income statements

   - For Disclosures

   - For Intercompany transactions

   Are they part of distinct submissions with different validations and deadlines?

   Define fiscal year, i.e. start- and end-date for fiscal year

3. Identify key employees in a given reporting process, their roles and which tasks they perform

4. Internal reporting deadlines

5. What is the high-level process that your organization performs during its reporting review cycle? How are scorecards and reports used during this process?
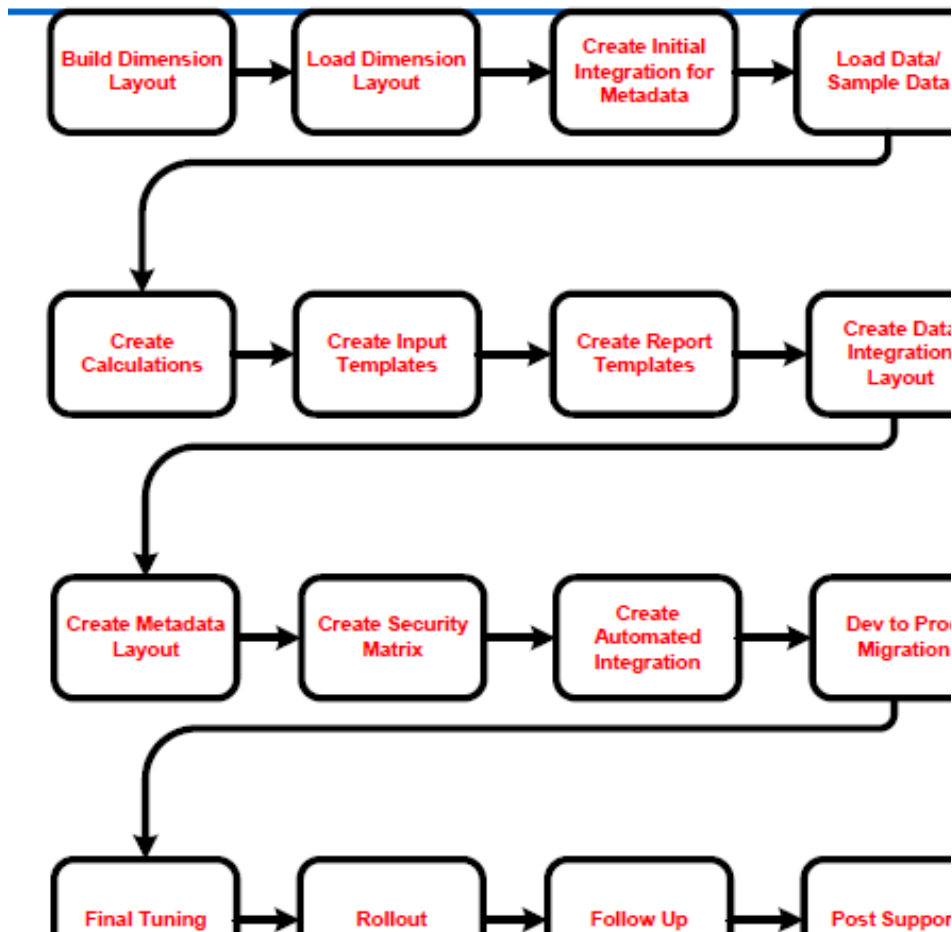
1.2 E – Planning, Budgeting, and Forecasting

Please answer the following questions.

1. Identify the subject areas that your company addresses in planning, budgeting, and forecasting (PBF):

   - Profit and Loss (P&L)

   - Balance Sheet

   - Cash Flow

   - Products

   - Customers

   - Projects

   - Regions/Locations/Geography

   - Others – detail

- Phase I:P&L Model
- Phase II: Balance Sheet, Cash Flo Autonomous Models
- Phase III: Operational Models and Reporting

2. Identify level of involvement in different areas of the organization:

   - Sales/marketing

   - Production

   - Human Resources

   - Cost center budgeting

   - Others

3. How is PBF data currently gathered for:

   - Spreadsheets

- Entry into ERP
- Web entry
- Other – detail

4. Describe the planning processes and differences between budgets, plans, estimates and forecasts. Include differences in level of details in these, and rolling forecasting methods used.

5. Describe the budget approval processes.

6. Identify the key business drivers used in a given budget preparation. For example:

   - Sales = units sold * pricing
   - Cost of Sales = Sales * COS%

7. Identify allocation issues. To what extent is costs/revenue allocated? Which items? How is it currently done?

8. Identify the reports produced and distributed for a PBF budget, and differences (if any) between plans, budgets, and forecasts

Employee Data
Headcount
Salary
Benefits

Employee

Products

Salary & Benefits
referenced by cost
center and account-no
add'l detail

Summary
Income
Statement Data
sent to Income
Statement Cube

P&L

Reporting
PandL Data
Departmental Reports
Income Statement
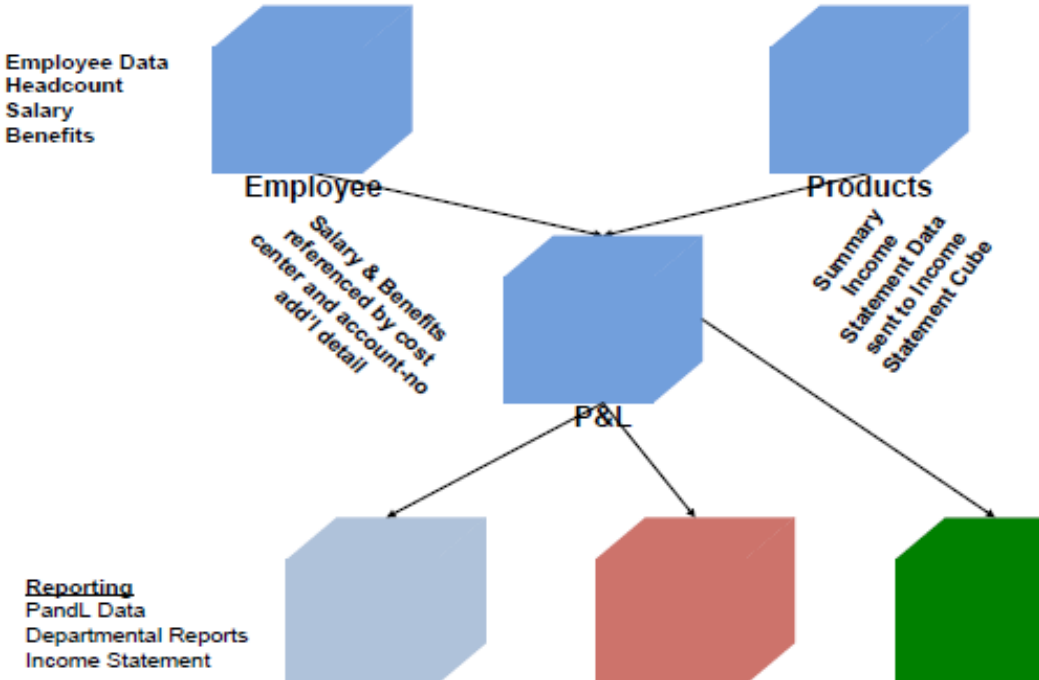
1.3 F – Consolidation issues

Please answer the following questions.

1. Which reporting cycles (refer to Performance Management Processes section) are being consolidated, and how often?

2. What is the volume of intercompany transactions?

3. Where are the inter company transaction elements?

   - Inventory?

   - Semi-manufactured items?

   - Finished goods?

   - Receivables/payables?

4. At which level are intercompany transactions declared (account, account/product…)?

5. Describe the intercompany reconciliation process (who is doing it, at which level, do you reconcile at the transaction level, where adjustments are made …?)

6. Are the intercompany transactions reconciled in the transaction currency?

7. Is the consolidation process performed in several currencies?

8. Is there a need for reporting in different target currencies?

9. Is there a need to report by using Generally Accepted Accounting Principles (GAAP)?

10. Are specific accruals/deferrals issues accounted for? Identify and describe.

11. Is the consolidation occurring only on a legal organization or also on a management structure?

12. Are there circular references?

13. What type of journal entries exist?

14. At which level of detail is the consolidation performed?

15. How are transactions tracked from the general ledger (drill through…)?

16. Describe the different steps of the consolidation process, from the collection of the information to the audit of the financial statements?

17. Where are adjustments performed?

18. Are adjustments written back into the general ledger?

19. Provide examples of what if scenarios that you run using the consolidation data such as pro-forma or constant/current rate…

20. How many users are performing journal entries?

21. Are journal entries prepared and entered by the subsidiaries or by corporate?

22. What is the approval process for a journal entry? (Submission, approval, sign off...)

23. Do you have automatic journal entries?

24. Are journal entries in both local currency and group currency?

25. Are journal entries processed after the consolidation process?

26. Are there top entries that need to be allocated down?

27. Are there journal entries in budgeting business models?

If yes, do they have specificities?

1.4 G – Financial, Management Reporting and Analytics

Please answer the following questions.

1. Identify which areas of the business that a P&L statements is prepared for

2. Identify which areas of the business that a Balance Sheet statement is prepared for

3. Identify which areas of the business that a Cash Flow statement is prepared for

4. Identify cost center budget follow-up reporting. Note how this budget is distributed to involved managers (ERP report, paper based)?

5. Identify any other profitability or cost centric report produced.

6. Identify the current management reports:

   - Types of reports

   - Recipients

7. Describe your internal reporting process:

   - -Frequency

   - -Main dimensions analysis

   - -Is it separate or in conjunction with the external reporting process …

   If they are distinct processes, what is the process to reconcile internal reporting with external GAAP reporting?

8. Describe management reporting processes

   - Who are the users?

   - Monthly/Weekly reports?

   - Others?

9. Is there a current Performance Management in place?

   If yes identify which, and deployment

10. What are the organizational, divisional, etc goals that are outlined for the coming year? If they have been defined, what are the Key Performance Indicators (KPI) that will align with those goals?

11. What are the KPIs in place? How do they relate to each other? Whom do they serve best (primary owner) within the organization?

12. How are KPI results qualified / explained during the review cycle and then on an ongoing basis to the leaders or general audience?

13. Is there an existing reporting solution in place? How is it being leveraged?

14. What are the distinct needs of the various audiences of the Business Intelligence solution? (functionality, granularity, etc) How much ad-hoc querying is expected, etc?

15. Security needs based on audiences, groups, etc?

16. Are there peak reporting times and down reporting times? What are they?

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