

Modern Financial Planning and Budgeting

Revenue, Expense and Financial Statement Planning

Using Oracle EPM



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Partner**



About BISP



BISP is an industry leading professional services firm focused on helping clients successfully delivering Enterprise Planning and Budgeting, Financial Consolidation and Analytics Solutions. Our primary objective is to use our expertise to offer the best EPM/BI/Data Visualization solutions cost-effectively.

- Financial Consolidation with Statutory Reporting
- Planning/Budgeting Solution
- Managed Services
- BI Reporting, Dashboard and Analytics

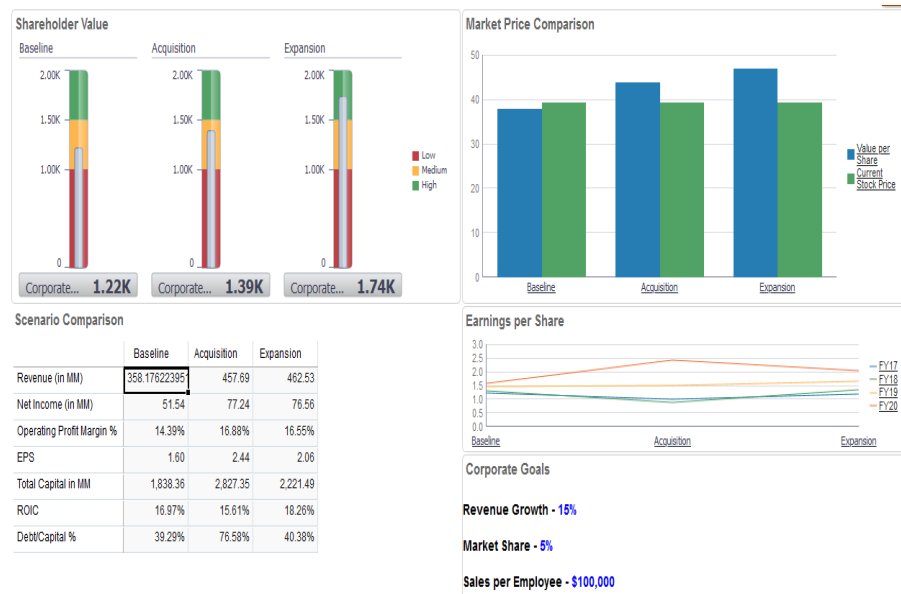
For past many years, we helped global organization to gain deeper financial insights with Oracle EPM Solutions. Our best practices enables business decisions more accurate that drive profit and efficiency.



Modern Financial Planning for Modern Business

There's too much data, too many reports, too many systems, and too much complexity. At the end of the day, no confidence in the data, in the reports, and ultimately causing failure in decision making.

Modern Oracle EPM drivers based planning solution let you play around during the revenue and expense planning process to see how the changes you might make could affect your bottom line. A modern, cloud-based EPM solution can help you move from strategic plans to exceptional results. As the demand for better insight and more accurate information explodes, finance groups are facing the uncomfortable reality that legacy system is not designed to difficulties.



Successful organizations are transforming their business and embracing the benefits of a flexible, modern EPM solution.

The Demise of Traditional Planning/Budgeting Process

Key Features of Oracle Enterprise Planning-Financial Planning

Easy Integration with ERP System : When paired with enterprise resource planning (ERP) systems, Oracle EPM helps your organization manage around planned—and unplanned—changes in your business environment.

Smart Move from Spreadsheets to Driver-based Forecasting : Implementing driver-based forecasting can be setup in spreadsheet environment using Smartview Add-in with no prior experience with tool.

Enterprise View as Appose to Departmental View: Getting an enterprise view of an Organization not just a departmental view, informed decision-making to every area of your business—from sales and marketing to IT, HR, operations and beyond.

Driver Based Planning : Driver based planning let you define drivers in order to simulate multiple business scenarios-key factors that influence performance of the business. Drivers can also be changed depending on both internal and external factors like competition, business conditions.

Perfect Agile and Forward-Looking Planning : Forward-looking strategies for the business, the right EPM solution with experienced consultants give you the ability to drive accurate and agile plans, optimize the financial close, and focus on the innovation that distinguishes your business.

The Demise of Traditional Planning/Budgeting Process

Driver and Trend Based and Revenue Planning

Modern business forward looking strategy needs highly robust revenue planning. Revenue planning is vital to most companies when conducting budgeting, forecasting and reporting. Revenue planning let you simulate various scenarios that may integrates costs and revenue with sales unit volumes, or projection of leads with target revenue. By changing drivers and assumptions, revenue summary can be projected across product line or source of revenue.

Revenue Overview | [Income Statement](#)

[Entity View](#)

International Sales



Revenue Info

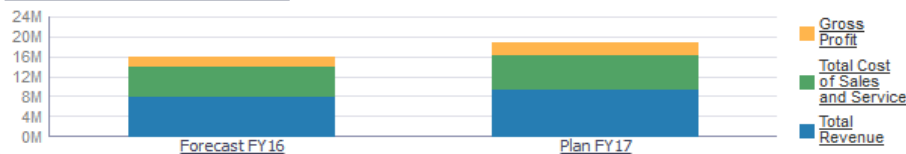
Total Revenue
36,351,396

Total Cost of Sales and Service
22,228,214

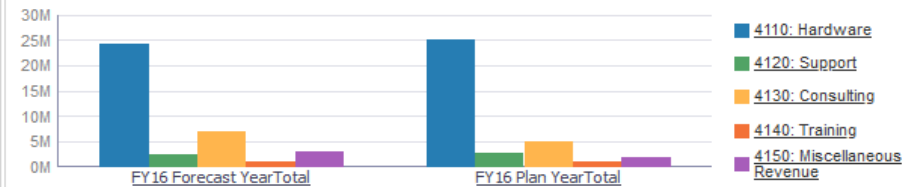
Gross Profit
14,123,181

Revenue Summary

Computer Equipment

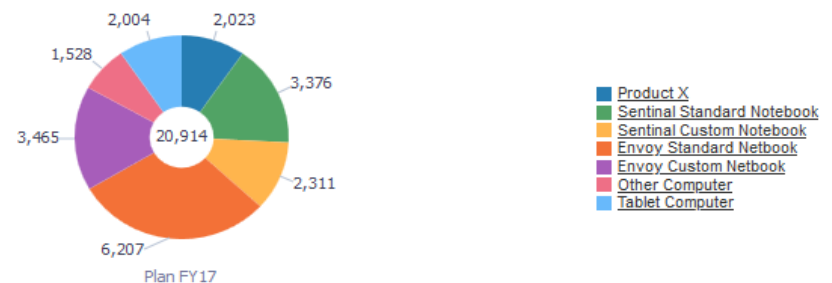
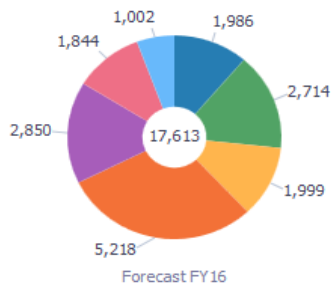


Revenue by Category



Product Revenue Analysis

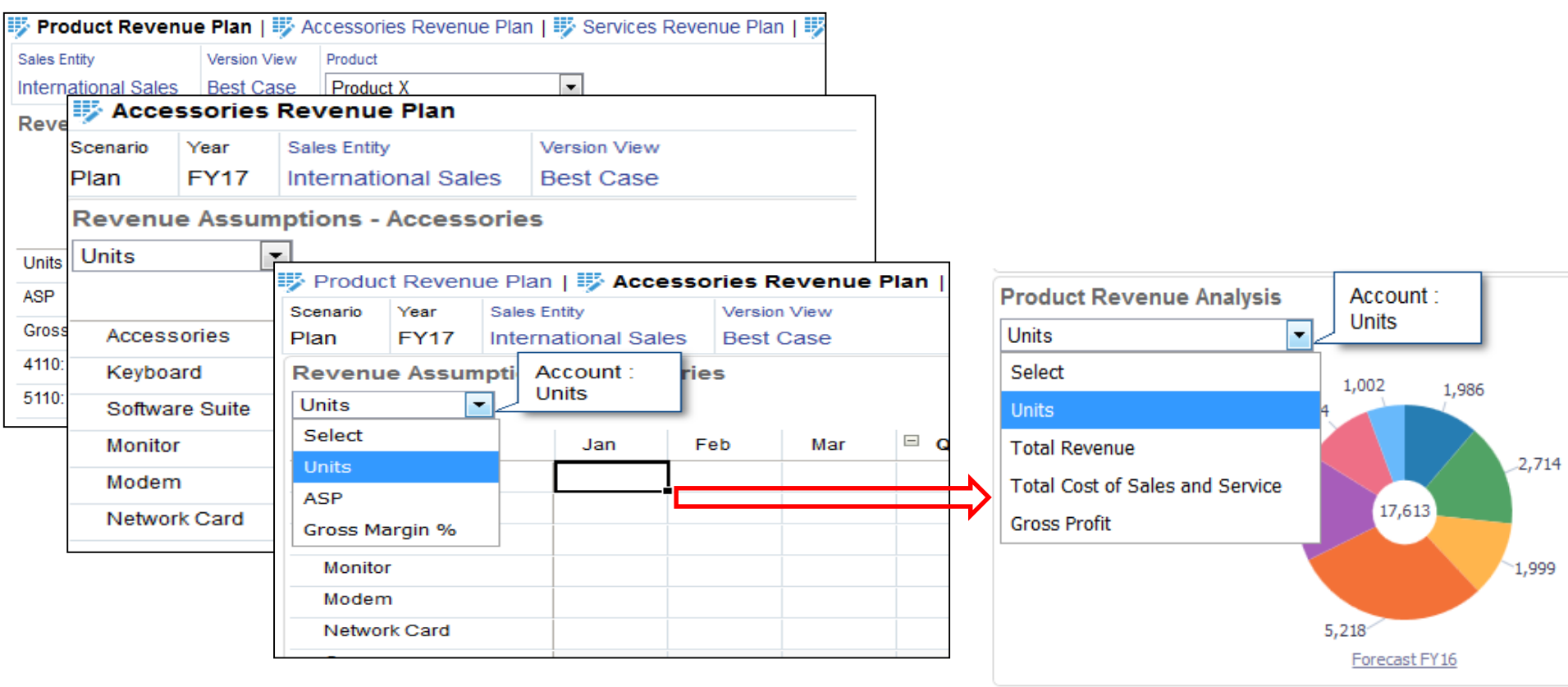
Units



Linking Revenue Assumptions with Revenue Analysis

Planner can change driver and assumption values and formulate various cases. These cases can be compared across products, channels, customers or entities in order to reach some actionable information.

Conduct what-if analysis based on different revenue scenarios and assumptions.



Expense Planning (Controlled through Drivers and Assumptions)

Expense planning helps organization to control expenses which do not contribute to revenue directly, finding several gaps to low down expenses.

Driver-based—Enter global rate assumptions and other assumption.

Trend-based—Enter trend-based assumptions that let you plan and forecast based on trends.

Direct Entry—Directly enter data, for example if your planning and forecasting does not have historic trends or specific business drivers.

Year FY17	Scenario Plan	
	Driver	Method
7110: Advertising	% of Revenue	1%
7120: Public Relations	% of Revenue	0.5%
7410: Utilities	Square Feet	
7420: Rent Expense	Square Feet	
7430: Property Tax and Insurance	Square Feet	
7440: Cleaning and Maintenance	Square Feet	
7450: Telephone Expenses	FTE Hours	
7510: Postage	FTE Hours	
7530: Equipment Expense	FTE Hours	
7610: Accounting and Tax Services	None	
7615: Secretarial Services	None	
7620: Legal Services	None	
7625: Technical Services	None	

Entries	
Search	7110: Advertising
Name	7120: Public Relations
FTE Hours	7410: Utilities
Sales Calls	7420: Rent Expense
Trips	7440: Cleaning and Maintenance
Square Feet	7450: Telephone Expenses
None	7510: Postage
	7530: Equipment Expense
	Total Office Expenses
	7610: Accounting and Tax Services
	7615: Secretarial Services
	7620: Legal Services
	7625: Technical Services
	Total Facility Services Expenses

Actual	Plan	Act vs Plan	Commentary
108,736	136,186	27,451	
50,167	45,565	-4,602	Changed PR firms
107,625	86,568	-21,058	Higher utility rates
140,910	148,698	7,787	
76,808	100,349	23,540	
63,753	50,518	-13,235	Direct marketing campaign
26,699	21,195	-5,504	Mailed brochure to existing customers
12,171	21,009	8,838	
586,869	610,088	23,219	
0	0	0	
0	0	0	
92,000	134,487	42,487	
0	0	0	
92,000	134,487	42,487	

Financial Statement Planning

Forecasting the income statement is a lays the foundation of 3-statement model because it drives much of the balance sheet and cash flow statement forecasts. One can setup and adjust drivers that will result in calculated balance sheet accounts.

Income Statement | Balance Sheet | Cash Flow

Income Statement - Plan

Scenario	Entity
Revised Plan	Total Department
+ Total Revenue	
+ Total Cost of Sales and Serv	
Gross Profit	
+ Total Employee Expenses	
+ Total Operating Expenses	
+ Total Depreciation & Amortiz	
OpEx before Allocations	
Operating Expenses	
+ Total Pretax Income	
Net Income	

Balance Sheet

Balance Sheet - Plan

Scenario	Entity
Revised Plan	Total Department
+ Current Assets	
+ Fixed Assets	
+ Other Assets Total	
Total Assets	
+ Current Liabilities	
+ Long Term Liabiities	
Total Owners Equity	
Total Liabilities and Owners E	

Cash Flow

Cash Flow - Plan

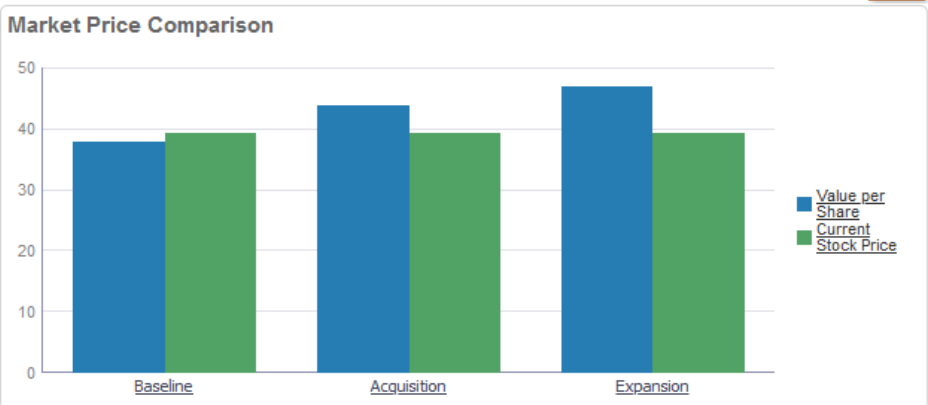
Scenario	Entity	Year			
Revised Plan	Total Department	FY17			
			+ Q1	+ Q2	+ Q3
Net Income			7,668,553.13127	16,788,425	25,536,776
Total Depreciation & Amortization			4,157,556	4,283,863	4,273,076
Cash from Current Operations			11,826,109	21,072,288	29,809,852
Change in Accounts Receivable			2,311,966	(995,202)	(1,098,045)
Change in Inventory			220,681	(654,998)	(722,020)
Change in Prepaid			(625,731)	282,561	226,223
Change in Accounts Payable			(378,310)	1,122,854	1,237,748
Change in Other Accrued Liabilities			(88)	3,632	(3,573)
Changes in Assets and Liabilities			1,528,518	(241,153)	(359,666)
Net Cash from Operations			13,354,627	20,831,135	29,450,186
Capital Equipment Purchases			0	0	0
Changes in Other Assets			0	0	0
Net Cash Used in Investing			0	0	0

Corporate Outlook : Strategies to Plans and Execution.

Align planning across the enterprise, so that you can develop agile forecasts for all lines of business and provide more accurate corporate outlook. Actionable information be formulated by changing assumption, changes and making required adjustments.

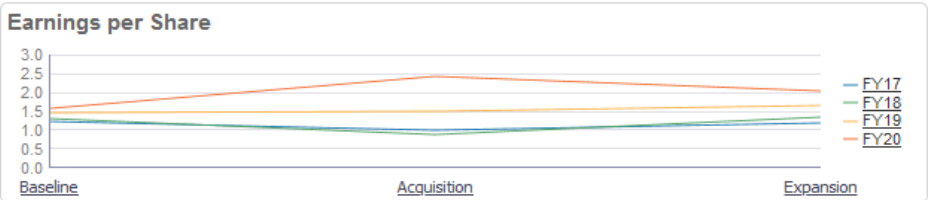
a) Shareholder Value b) Market Price Comparison c) Scenario Comparison and d) Earning Per Share.

Corporate Outlook | Strategic Targets | Target Variance



Scenario Comparison

	Baseline	Acquisition	Expansion
Revenue (in MM)	358.17622395	457.69	462.53
Net Income (in MM)	51.54	77.24	76.56
Operating Profit Margin %	14.39%	16.88%	16.55%
EPS	1.60	2.44	2.06
Total Capital in MM	1,838.36	2,827.35	2,221.49
ROIC	16.97%	15.61%	18.26%
Debt/Capital %	39.29%	76.58%	40.38%



Corporate Goals

Revenue Growth - 15%

Market Share - 5%

Sales per Employee - \$100,000

Corporate Outlook : Variance Analysis

Variance analysis looks shows difference between plan vs. actual, it assists organization to identify the gaps found during planning and budgeting phase. Management often looks at what that difference means to the business. BISP provides the plan vs. actual data as part of implementation planning, that owners and managers need to do that critical variance analysis.

Corporate Outlook | Strategic Targets | Target Variance

Entity View

International Sales

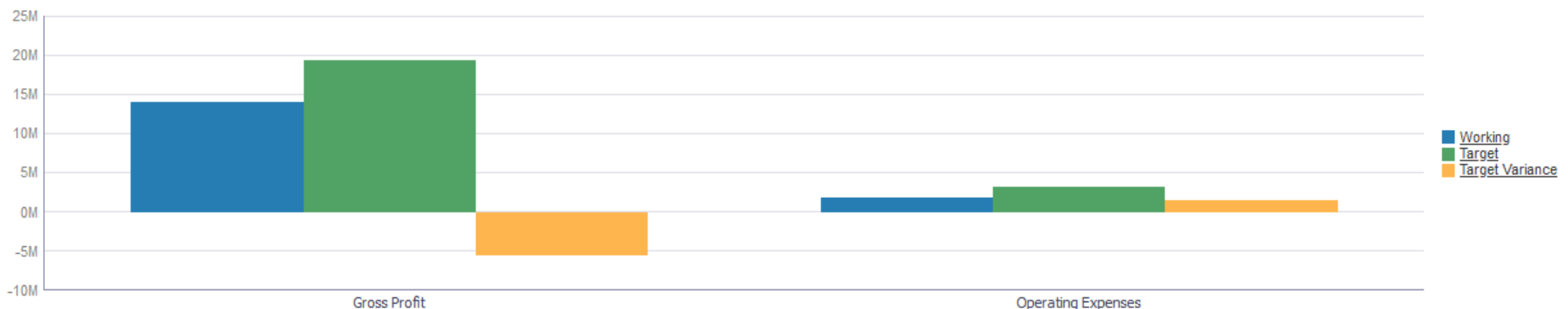


Plan vs Target



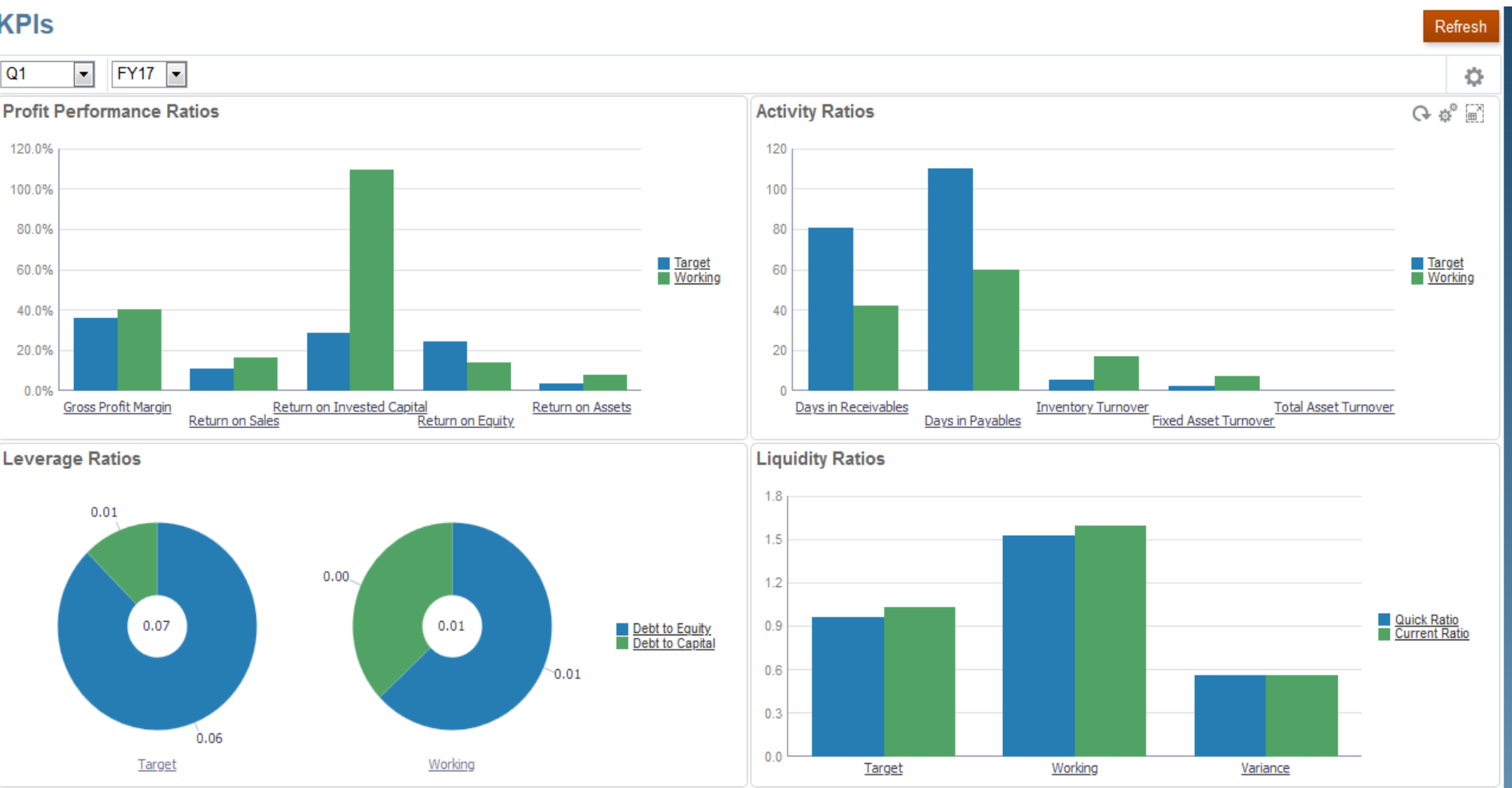
	Working	Target	Target Variance	Target Variance %
Total Revenue	36,647,358.06	49,041,081	(12,393,723)	(25.3)%
Total Cost of Sales and Service	22,635,152	29,578,745	6,943,593	23.5%
Gross Profit	14,012,206	19,462,336	(5,450,130)	(28.0)%
Operating Expenses	1,870,540	3,317,150	1,446,610	43.6%
Pretax Income from Operations	12,141,666	16,145,185	(4,003,520)	(24.8)%

Plan vs Target



Financial and Non-Financial KPIs

Once planning and budget cycles gets completed, CEOs, CFO and CXO willing to compare organization financial performance with its competitors, How well a company is doing regarding generating revenue and profits can be found in KPI, it is a measurable value. Monitoring KPIs shows whether a business is achieving its long-term goals.





Thank You

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