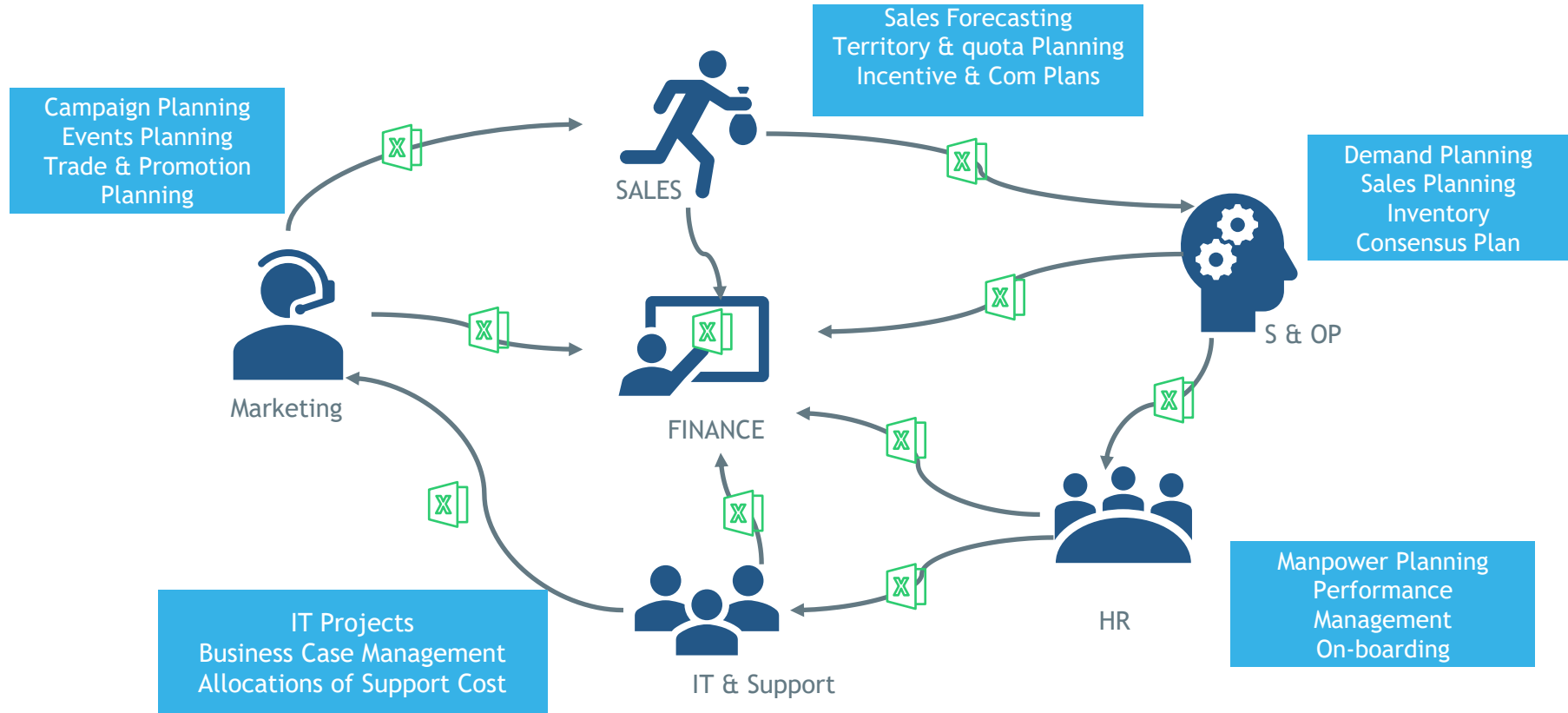


10

Secrets to Winning  
with Planning

# Organization Have Different Planning processes taking place at any time



# 1

## Set the right Expectations

Generally the planning is performed at the summarized level while the Actual performance is captured at the lowest level of detail

Adding lot of details to the plans, makes plan unrealistic

Identify the Planning Horizon - Current Year (n), n+1, n+2

Identify a Internal Champion to drive the Planning Processes

Remember to Keep it Simple but not Simpler!

# 2

## Create the Plans which are Connected

Having a Finance Controller to consolidate the various plans is a good thing however you need to ensure that your Plans are connected

Sales, Revenue Targets, Costs, Demand, Supply's, Manpower, Project & Portfolio Plans are linked tightly to Financials Plans

Finance should work closely with rest of the departments as a True Business Partner to drive the Planning & Performance Management Process

# 3

## Use Statistical Methods to Forecast

Instead of Planning for every Single Line, It is recommended to Use Statistical Forecasting Techniques

Techniques such as Linear Regression, Moving Average, Monte Carlo Simulation has been found to be very Useful to arrive at the Proposed Plans

# 4

## Collaborative Plans

Statistical Forecast would need to be fine tuned by Collaborative Planning between all the stakeholders & owners of the Various Plans

There should be an ability to perform inputs at the level of details of your Customer / Product Hierarchies, using systems to make the breakdowns of these plans to the lowest of detail possible

For example a CPG company plans at Category/ Brand level , then uses latest actual performance to break down these plans at Sub-brand and SKU level

# 5

## Scenario Planning

Build a Scenario for the Planning processes, these scenarios can be Best Case, Most Optimal Case and worse Case.

Having scenario in your plans, will ensure that Plans are useful and can be amended easily during the execution period

Define Triggers, Action plans for each of the scenarios if there were to take place during the execution

# 6

## Add Drivers & Assumptions

Having Drivers & Assumptions will ensure that Plans can be formulated easily. These drivers will help to reduce the time it takes to formulate the plans and hence resulting into saving in \$

Examples of Drivers can be Forex Rates, Bonus & Salary Assumptions, Interest & Borrowing Rates etc



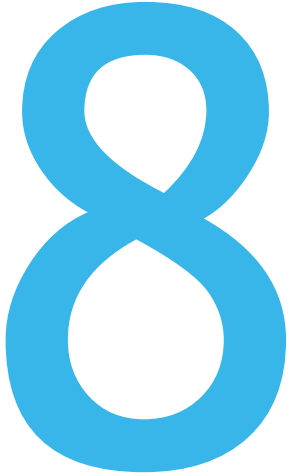
# 7

## Refine the Plans using Forecasting

Plans are often formulated for the next year. In order to keep the plans realistic, they need to be updated regularly via a Rolling Forecast / Year End project techniques

Adding Drivers & assumptions will ensure the time it takes to churn out the quarterly / Monthly Forecast is less than it took to formulate original plans

Forecast can be done at a higher level as compared to the original Plans



# Analytics is required every Day!

As the adage goes, “What is measured get’s managed”

Plans may be performed once in the year and forecasting may be performed every quarter or a month

Performance reports & Analytics are reviewed every single day, may be few times a day in certain Cases

Performance reports highlighting the correct measures in most easy to read manner is required. Additions of Colour coding, visuals with Up/Down arrow indicators is required to infer the reports

Having a Scorecard of the Performance will be useful, Current Performance, Required Run Rate and Projected Score (Bridge to Plan) for the Key Performance Indicators

# 9

## Use Modern Techniques

Once you have formulated the Basic Planning processes, then leverage on using techniques such as :

- Zero Based Budgeting
- Activity Based Costing
- Driver based Models

A Global CPG company Uses ZBB to become \$20B to \$25B in revenue company, ZBB is required to find cost saving which can then be reinvested as capital in the company for top line growth

# 10

## Keep Improving

Using the learnings from the various Stakeholders, collecting their feedback will help to improve the Planning & Tracking activities

Having a continuous feedback for Improvements will help to make the process effective, every stakeholder should be encouraged to provide the feedback

Measure your Forecast Accuracy to review and analyse your planning abilities

Having a champion internally to drive the best planning and performance driven Organization

# With Anaplan, Consider it Done

## Excited to know more?

Contact Scanomi now to know how Anaplan can be your one-stop solution for all connected planning, real-time data collaborating and decision making requirements.

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