

3 STEPS TO DRIVING AGILITY IN PLANNING, BUDGETING & FORECASTING FOR MANUFACTURING ORGANIZATIONS

Agile Finance for Manufacturing Organizations

Working in a fast-paced, sophisticated organization isn't easy. Especially if you want to respond quickly to new opportunities and risks. This is especially important in a manufacturing organization when juggling supply and demand and the intricacies of global markets, supply chains, and labor pools. As a finance leader and business partner, it's your responsibility to encourage and support innovation as well as sense and react to supply chain disruptions and shortages. You must find innovative ways to drive performance, innovate new products and find ways to disrupt the market. All of this is important to remaining competitive — but where do you find the time to do it?

To enable innovation and remain agile, a high-level of focus is required from a finance leader who appreciates the big picture. Someone who understands how financial risks are factored into supply and demand considerations. A finance leader who understands how to collaborate across supply chain, operations and finance teams can truly enable innovation and performance that ensures a healthy outlook in uncertain times.

Are you ready to unleash the true value of finance? Driving agility in financial planning, budgeting and forecasting is critical for today's forward-thinking organizations. Incorporating Sales and Operations Planning (S&OP) into the planning and forecasting cycle ensures that all the variables impacting their business are unified with financial goals. By generating sophisticated forecasts that include all these different insights besides just financial, your organization can focus on initiatives that drive meaningful innovation.

Business Agility in Manufacturing Requires Finance Transformation

Finance and line of business leaders must have **accurate information across the enterprise** to make fast, informative decisions that drive business performance. Planning must consider the impact of inventory and labor availability, obsolescence, and transportation issues as well as their financial impacts. But unfortunately, CFOs have spent billions on legacy corporate performance management systems (CPM) and fragmented planning tools that require users to manually transfer data between applications rather than enabling finance leaders to drive business performance. Modern Finance needs to conceptualize not only financial data, but also operational and supply chain data to generate better financial forecasts, improve collaboration and save time and duplication of efforts across the enterprise. **Isn't the role of technology to enable the business?**

Instead, legacy CPM tools, hinder finance teams from achieving their full potential by creating silos for manufacturing and financial planning processes — adding costs and complexity into critical processes. To assess your current level of agility, consider the following questions:

- **Does your finance function have the right resources** to effectively focus on strategic priorities across the entire organization? This includes not just financial priorities but also inputs from Supply Chain, Operations and Manufacturing to paint a complete picture of the financial health of the organization.
- **Can you plan at the customer level, volume, or unit price** and dynamically see the impact of demand and sales planning outputs through your financial statements?
- **Is your organization maximizing the time available** for analysis, scenario modeling, decision making and other value-added activities? Are reports easily available to people across the organization? Is the data quality good, and the data accurate and reliable?

3 Steps to Driving Agility



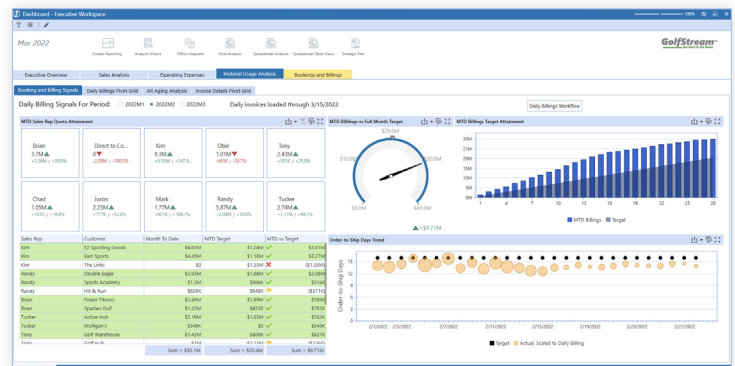
Implement a Rolling Forecast
Move beyond static annual budgets and continually plan to provide finance and operations leaders the ability to make forecast adjustments based on what's happening today. Execute to a single plan that incorporates key drivers and metrics from Supply Chain, Operations, and Finance.



Align Operations and Finance Goals
Unify operational data with financial results for improved scenario planning, operational strategies and better visibility enterprise-wide.



Leverage Business Drivers and KPIs
Understanding the key business drivers such as total sales, gross margin and working capital projections that affect the financial and operational aspects of your manufacturing business.



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Intelligent Finance Solutions Drive Business Agility

Building an agile finance team is about creating partnerships across the organization that drive business performance. For manufacturing, this means bringing together the operational and finance groups and ensuring collaborative planning processes and shared access to data. OneStream's Intelligent Finance platform supports multiple CPM processes and eliminates disconnected spreadsheets, point solutions and legacy CPM systems. OneStream enables finance leaders in manufacturing organizations to focus on key financial and operational business drivers while providing business partners with the visibility and flexibility to shift initiatives on a dime.

- **Implement Rolling Forecasts** — By continuously planning over a set time horizon, rolling forecasts provide a **timely vision beyond the current calendar or fiscal year** by enabling users to see trends or potential headwinds and adjust plans accordingly.
- **Align Operations with Finance Goals** — Create opportunities to **better engage your business partners** by putting more focus on the actual drivers that impact the business from the S&OP process across areas like Sales, Supply Chain, Operations and HR.
- **Focus on Business Drivers & KPIs** — Non-financial KPIs play a critical role in **guiding strategy and long-term decision-making**, and being able to synthesize this data is meaningful in understanding what moves the needle.
- **Unify S&OP Outputs into Financial Plan** — Ensure that Supply and Demand planning efforts are included in the financial planning process to **allow businesses to react faster and more efficiently** and make sure the organization is working to the same plan

Did You Know? The Dresner Advisory 2021 Wisdom of Crowds EPM Market Study showed that 62% of organizations are using rolling forecasts, and 14% of them replaced annual budgets with rolling forecasts. How does your organization compare to your competition?

Addressing the Challenges in Manufacturing

OneStream works with hundreds of global organizations to help drive agility across budgeting, planning and forecasting. Here are a few examples of these customer successes:

- **Frank's International** developed an 18-month rolling forecast with increased visibility into their internal supply chain activity and oil rig level gross margins.
- **Fruit of the Loom** improved visibility into financial and operating results by line of business, brand, product and geography by capturing and analyzing more than two billion data points from their source systems.
- **Henniges Automotive** analyzes and creates detailed customer, product, and part-level profitability analysis to drive business performance across the organization.
- **Cleaver Brooks** combined operational and financial planning into one solution to leverage a similar but different dimensional model with a single point of maintenance for all shared dimensions.



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By combining operational and financial plans, we can **accurately budget for our manufacturing needs** and **correctly match the required capacity** with our anticipated production and revenue targets. Plant Controllers are able to enter Labor and Production drivers, and **OneStream automatically calculates manufacturing absorption and labor variances for true capacity planning.**”

— *Michael Barfuss, Corporate Controller*
CLEAVER BROOKS