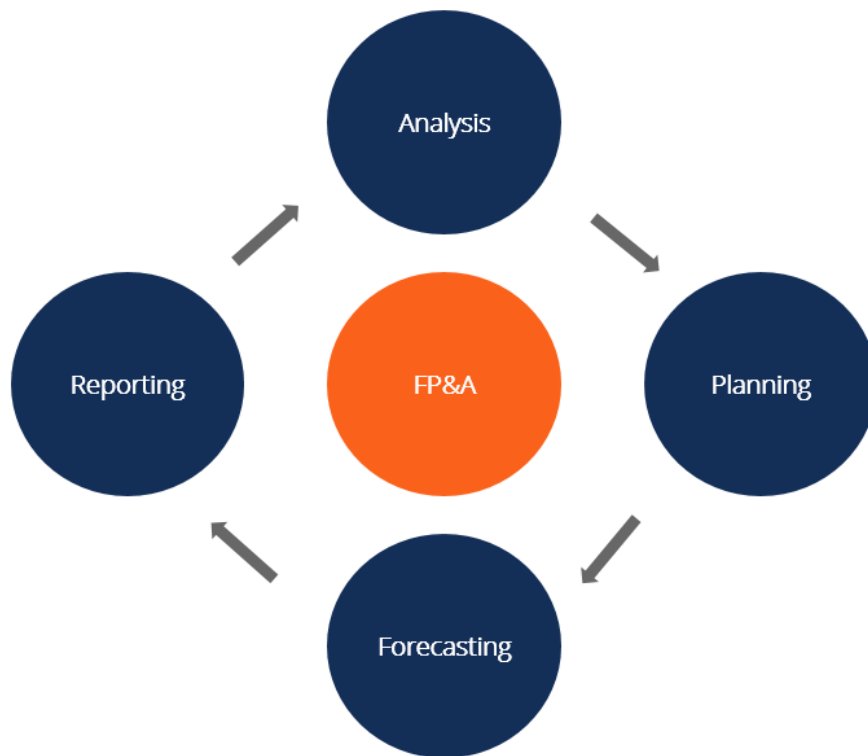


Financial Planning/Budget Tools – August 6, 2019 – Michael Salmon, Director of Finance and Accounting



Financial Planning and Analysis (FP&A) is the common term for the above areas of finance cycles of businesses. FP&A covers most all things financial, other than the core accounting / GAAP financial statements/information.

In the above FP&A elements graphic, the “Planning” circle is what TDA calls “Budget”. The tools currently used for FP&A are primarily Excel, with numerous hooks to financial accounting system, Point of Sale systems, and other databases. Resources are generally the Director of Finance, with support in certain areas from Controller, Senior Accountant, and IT staff.

Tahoe Donner currently utilizes a comprehensive set of budget planning tools consisting primarily of

- a. The Numbers – Microsoft Excel
- b. Presentations – Microsoft PowerPoint
- c. Reserve Study – Hughes Reserve Study

Excel has been utilized for decades here at TD and is the most common and predominate tool of choice, particularly for small and medium sized business entities. Excel’s features are flexible and robust. The current suite of Excel budgeted templates and models work and work well. Most all are customized to the specific department’s needs. The detail budgeting for Revenue and NonExempt Payroll is budgeted ‘by day’ to enable Daily Flash reporting. However, the models are large and complex, with many links and inter-model exchanges of data. The model files are not in one place, such as a data-cube OLAP that can be readily queried by top-level reviewers.

The budget model tools can be categorized as follows:

- A. Strategic Planning Guidance (SPG) - PowerPoint
- B. Driver Based Target Planning Budget Model (RBM) - Excel

- C. Department Budget Model (DBM) – Excel
- D. Payroll Exempt Master (SBM) - Excel
- E. Payroll Master – Excel
- F. Department Master – Excel
- G. DBMDetail Data Pull – Excel
- H. Reserve Study - Hughes

The RBM (B) is one large file and the core budget development tool. This tool works through each department, has historical and calcs 3yr average, adjust for anomalies, then applies Budget year Drivers based primarily on SPG(A). The RBM also compiles the by department target data in summary and by P&L component (revenue, payroll, expense).

The DBM(C) is a by Department File, so 25 of these. This file details revenue, payroll and operating expenses by the 50+ accounts for each respective department.

After reviewing numerous articles and research, I have narrowed potential financial planning software to three service providers:

1. Planning Maestro (Centage)
2. Host Analytics
3. Adaptive Insights (WorkDay owns)

These are robust planning tools. Intuitive to use, user-friendly, allow for multiple scenarios, integrate with most accounting softwares, cloud-based solutions, yet with easy exporting to Excel as need, and incorporate Dashboards

Next a starting list of Pros/Cons of FP&A software:

PROS –

1. Purpose built cloud software.
2. Few to no formula errors or data integrity
3. Dashboard ability with View ability at Senior Team/Board level, with drill down abilities
4. Solves the C-G excel complexity woes
5. Ease of use for collaborative managers use – excel feel, but cannot break

CONS –

1. No by Day planning ability – the new tools only do by month, so will have to export to Excel to spread 'by day' for all departments – Revenue and NonExempt Payroll
2. Cost of the software – difficult to measure the ROI
3. Knowledge of the software – year 1 may be lighter, refined each year
4. Still need the RBM(B) file – manageable
5. Extraction to Excel for further analysis commonly required.