



Navigating the unknown Unlocking hidden business value in the strategic planning process

The key issues

- **Uncertainty makes strategic planning complex.** Confronting strategic uncertainty with frequent scenario analysis enhances situational awareness and encourages leadership to explore emerging strategies, as opposed to looking backwards at point-in-time plans. However, most companies lack the strategic infrastructure to navigate the unknown.
- The **planning process is often unstructured**, based on spreadsheets that lack transparency, integrity and the ability to support robust scenario modelling and forecasting. The lack of a formal planning process **creates a disconnect between strategy planning and financial budgeting** and ultimately between long-term financial planning and operational execution.
- In a period of rapidly changing business environment, **smart companies** must be able to model different outcomes and to **quickly adapt their strategy to different scenarios**. In doing so, they **benefit from technology as an enabler**.

A strategy platform – fit for purpose

CFOs and Group Finance functions, such as FP&A, Treasury, M&A and Capital Projects, require a **strategic planning process supported by analytical applications**:

- To overcome the lack of integrity and transparency of current spreadsheet based models.
- To link strategic planning and budgeting, so as to identify short-term financial budget targets based on the high-level financial plan.
- To provide a single version of the truth integrating corporate strategy with the finance functions and integrating the processes across the department.

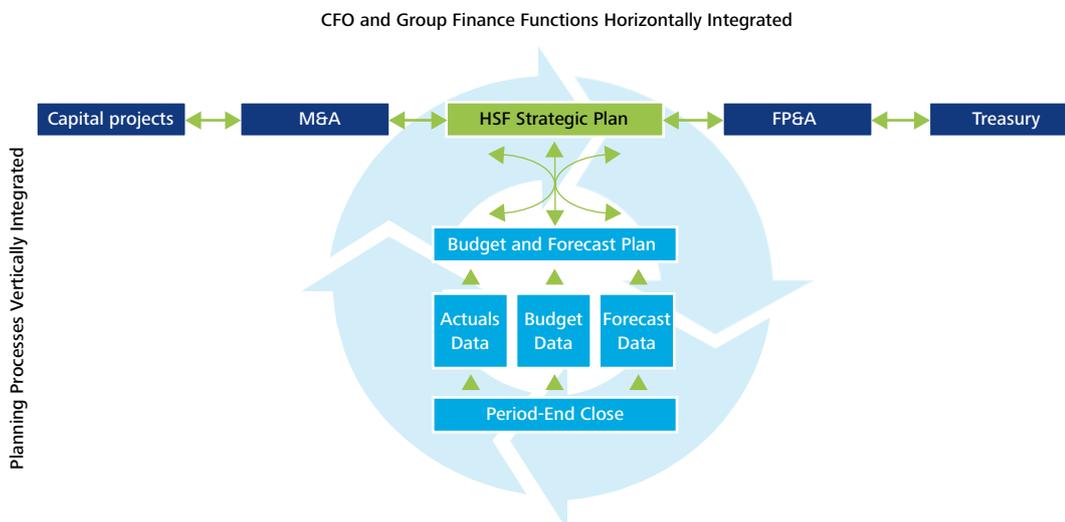
The **Hyperion Strategic Finance (HSF)** solution aligns the **strategic planning process** with greater vertical integration in the **budgeting process** and **horizontal integration among group finance functions**.

“With a functioning strategic planning process, users can visualise the entire range of possible outcomes, plan for the unexpected, and maximise success in making decisions.”

An Oracle White Paper

“Plans for all form of corporate spending – hiring, capital spending and discretionary spending – are at new three-and-a-half year highs. A record 95% of CFOs expect merger and acquisition activity to rise over the next year.”

The Deloitte CFO Survey, Q1 2014



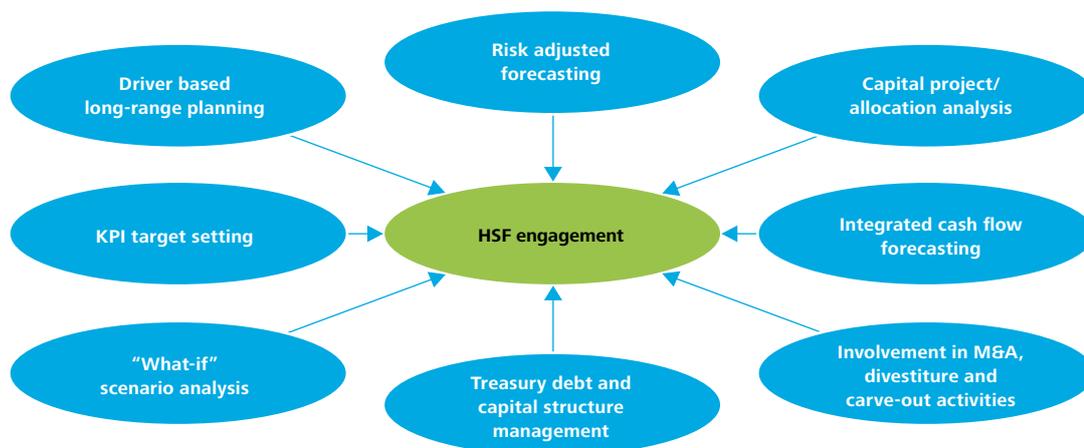
HSF creates a seamless iterative and collaborative process that builds a **common understanding** of how short-term targets relate to the achievement of strategic objectives.

Hyperion Strategic Finance – key benefits and features

HSF is a **feature-rich** financial forecasting and modelling tool with a powerful **scenario modelling engine** to create, manage and update scenarios on-the-fly. Some of its key enablers are listed below.

Integrated Financial Statements	Scenario Manager	Consolidator	Funding Options	Security and Integrity
<ul style="list-style-type: none"> Built-in, integrated financial statement logic. P&L and Balance-Sheet drive the Cash Flow. Customise the HSF account structure with unique business drivers and create spot-light reports. 	<ul style="list-style-type: none"> Create bespoke scenarios on-the-fly. Combine scenarios for additive impact analysis. Unlimited scenarios contained in a single model. Use scenarios to shock the financials with key macro-economic drivers. 	<ul style="list-style-type: none"> Build customised consolidation structures. Mix and match consolidating scenarios. Set consolidation method and % ownerships. Quickly model acquisitions and divestitures. Turn on/off models. 	<ul style="list-style-type: none"> Prioritise sources and uses of funding. Quickly add new tranches of debt into the capital structure. Set covenant-based interest rate changes. Avoid circular cash references so that the model is always balanced. 	<ul style="list-style-type: none"> Configure unique access rights to specific models. Accounting integrity ensures no common modelling errors. Give read-only access to end-consumers. Audit trail of user activity.

The triggers: Business scenarios tailored for HSF



“Identifying events that aren’t likely, but would be very impactful to our business, is certainly a part of our scenario planning and discussions with the board.”

Frank Friedman,
CFO and Managing Partner of Deloitte LLP

Deloitte – strategic planning eminence

Deloitte has a dedicated team of professionals sharing experience gathered across global strategy and planning engagements. Following is a small sample of Deloitte publications and eminence in this field:

- Risk-adjusted forecasting and planning: Navigating the ‘new normal’ of increased volatility.
- How CFOs can use scenario planning as a strategic tool in an uncertain economy.
- Consumer products M&A survey.
- 2014 Financial Services M&A predictions.

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Designed and produced by The Creative Studio at Deloitte, London. 34126A

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