

CFO *Agenda*
Aarhus

Planning, budgeting and forecasting
**Reduce complexity and get closer to
business**

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Old stories

Many challenges...

- ✓ **Excessively detailed...**
- ✓ **Manual and inflexible processes...**
- ✓ **Resource intensive...**

...Planning, Budgeting and Forecasting is still relevant but focus has moved away from traditional budgeting

Need for steering to support decision making

**Actual
reporting**



**Planning is
often...**



**...but should
be**



**Are your budget
dimensions
similar to your
Chart of
Account?**

Need to get closer to business to understand actual value drivers...

CoA

Profit and Loss (m€)	2008	Inc.%	2009	Inc.%	Ch.	Ch.%
Sales	3,716.3		4,204.2		+487.9	+13.1%
Change in Stock	2.6	0.1%	(1.9)	0.0%	(4.5)	(172.8%)
Other operating revenues	73.1	2.0%	82.8	2.0%	+9.7	+13.3%
Raw material	(2,421.4)	(65.2%)	(2,774.9)	(66.0%)	+353.5	+14.6%
Services costs	(716.0)	(19.3%)	(633.4)	(13.1%)	(82.6)	(11.5%)
Other operating expenses	(43.7)	(1.2%)	(37.4)	(0.9%)	(6.3)	(14.4%)
Personnel costs	(331.1)	(8.9%)	(352.0)	(8.4%)	+20.9	+6.3%
Capitalisations	248.5	6.7%	80.0	1.9%	(168.5)	(67.8%)
EBITDA	528.3	14.2%	567.3	13.5%	+39.0	+7.4%
Depreciation and provisions	(247.6)	(6.7%)	(276.0)	(6.6%)	+28.4	(11.5%)
EBIT	280.7	7.6%	291.3	6.9%	+10.6	+3.8%
Financial inc./(exp.)	(91.9)	(2.5%)	(113.4)	(2.7%)	+21.5	(23.4%)
Other non operating costs	-	0.0%	(15.3)	(0.4%)	+15.3	0.0%
Pre tax Profit	188.9	5.1%	162.6	3.9%	(26.3)	(13.9%)
Tax	(78.6)	(2.1%)	(77.6)	(1.8%)	(1.0)	(1.3%)
Net Profit	110.3	3.0%	85.0	2.0%	(25.3)	(22.9%)
<i>Attributable to:</i>						
Shareholders of Parent Company	94.8	2.5%	71.1	1.7%	(23.7)	(25.0%)
Minority shareholders	15.5	0.4%	13.9	0.3%	(1.6)	(10.2%)

Balance Sheet (m€)	31/12/2008	Inc.%	31/12/2009	Inc.%	Ch.	Ch.%
Net fixed assets	3,594.5	114.1%	3,985.8	110.9%	+391.3	+10.9%
Inventories	60.7	1.9%	47.1	1.3%	(13.7)	(22.5%)
Trade receivables	1,161.3	36.9%	1,137.1	31.7%	(24.2)	(2.1%)
Other current assets	455.7	14.5%	249.0	6.9%	(206.7)	(45.4%)
Trade payables	(1,084.4)	(34.4%)	(1,048.2)	(29.2%)	+36.2	(3.3%)
Other current liabilities	(616.2)	(19.6%)	(358.2)	(10.0%)	+258.0	(41.9%)
Working capital	(22.9)	(0.7%)	26.8	0.7%	+49.7	(217.2%)
(Provisions)	(421.0)	(13.4%)	(420.0)	(11.7%)	+1.0	(0.2%)
Net invested capital	3,150.6	100.0%	3,592.5	100.0%	+441.9	+14.0%
Net Equity	1,579.1	50.1%	1,700.7	47.3%	+121.6	+7.7%
Long term net financial debts	1,563.2	49.6%	2,143.7	59.7%	+580.5	+37.1%
Short term net financial debts	8.3	0.3%	(251.9)	(7.0%)	(260.2)	(3,148.2%)
Net Financial Debts	1,571.5	49.9%	1,891.8	52.7%	+320.3	+20.4%
Net invested capital	3,150.6	100.0%	3,592.5	100.0%	+441.9	+14.0%



products?



Pricing?



Capacity?

... Many companies recognises the importance of Planning, Budgeting and Forecasting

But struggle to make it work

Reduce complexity

37%

Failure to align PBF effectively with corporate strategy

Get closer to business

34%

Agreed that the culture of their organisations drives inefficiency and reduces PBF effectiveness

Finance systems

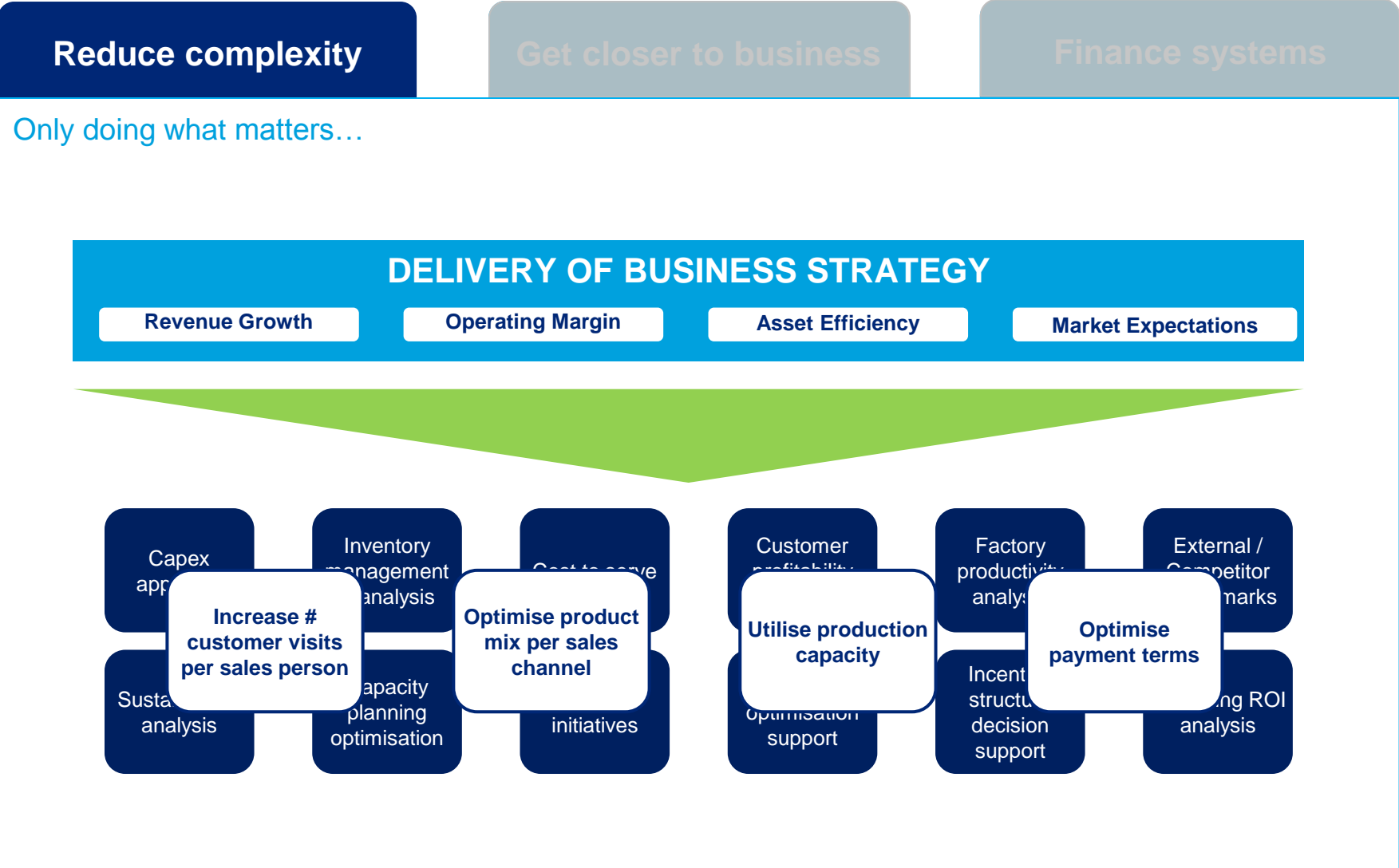
Over 1/3

of organisations still use spreadsheets as their main budgeting and forecasting tool*



...if behaviours are wrong, particularly the behaviour of leaders, then PBF effectiveness will remain low...

Identified key value drivers linked to strategic directives



Reduce complexity and get closer to business for successful execution of strategic directives

Reduce complexity

Get closer to business

Finance systems

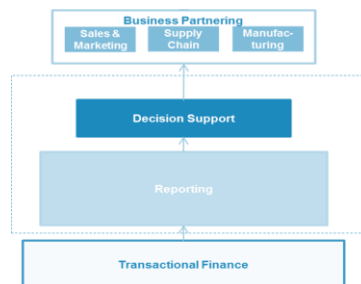
Reduce hand over points

"Pulling in the same direction"



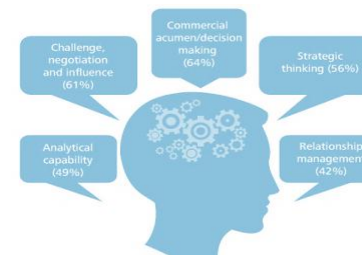
- **Targets** cascaded throughout the organisation

"Talking the same language"



- Finance and business management work together as **business partners**

"With everybody on board"



- Establish **performance incentives**
- **Deploy and develop** talent

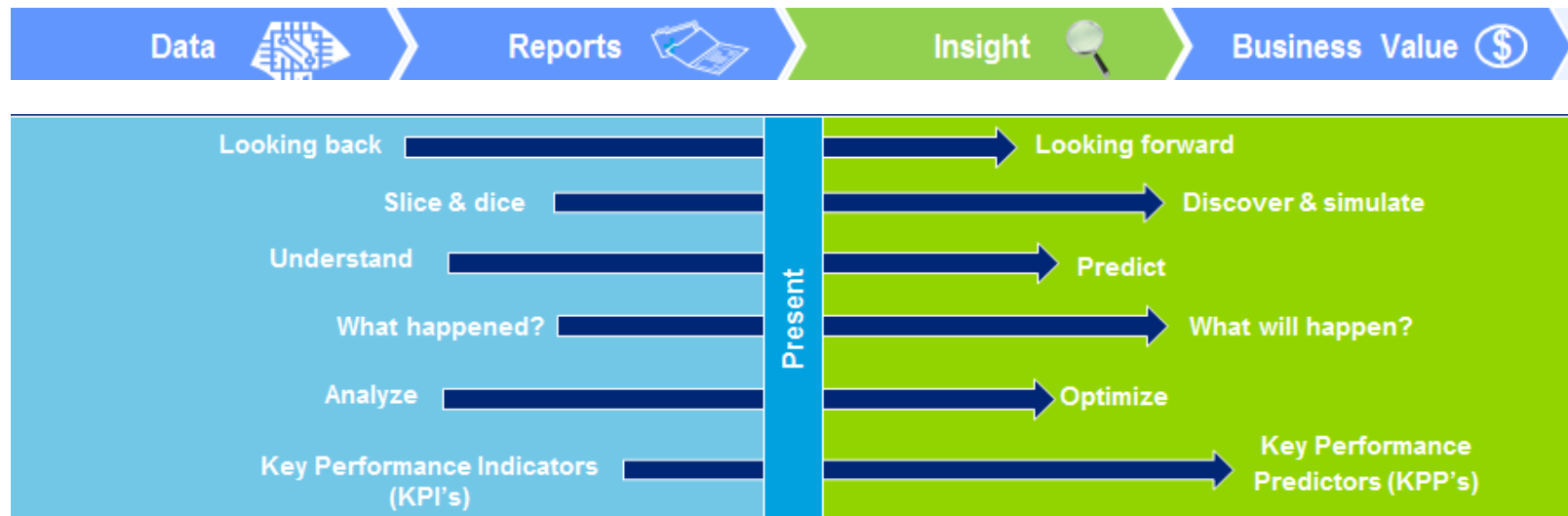
Tools turning data into actionable intelligence and developing capabilities to look forward and optimize decision making...

Reduce complexity

Get closer to business

Finance systems

Make qualified predictions about the future...



Ramp up



Align objectives with corporate strategy



Change culture



Establish clear ownership of budget process



Implement predictive tools

Questions?



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