



## 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.

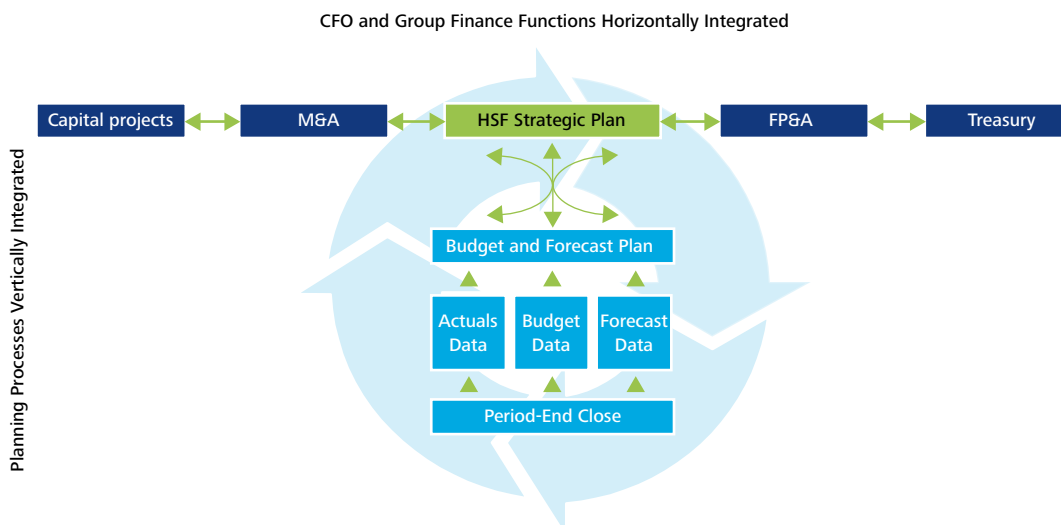
The **Hyperion Strategic Finance (HSF)** solution aligns the **strategic planning process** with greater vertical integration in the **budgeting process** and **horizontal integration among group finance functions**.

*“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



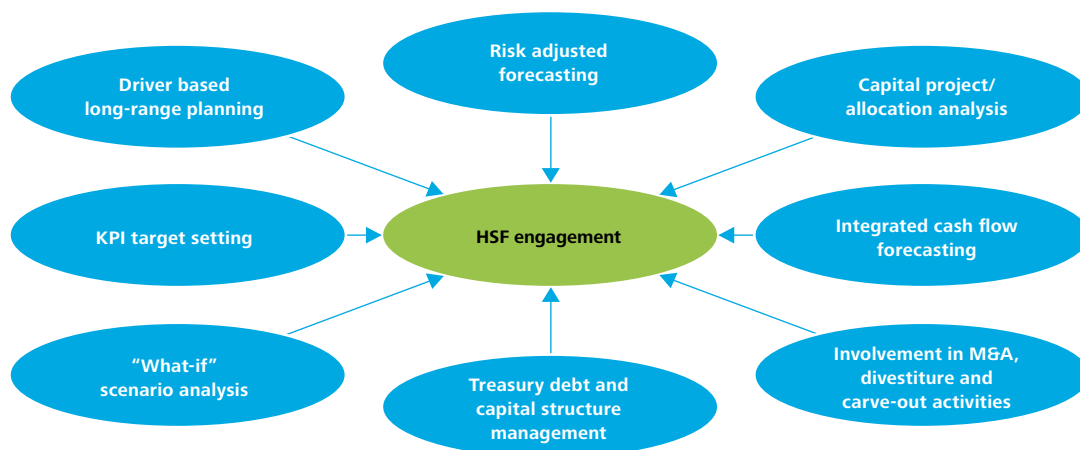
HSF creates a seamless iterative and collaborative process that builds a **common understanding** of how short-term targets relate to the achievement of strategic objectives.

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

### 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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