True ZBB is achievable in Anaplan’s flexible and scalable platform.

Deloitte’s Zero-Based Budgeting In a Box application addresses the common cost towers applicable to all organizations regardless of industry. Powered by Anaplan’s connected planning platform which enables fast implementation and rapid scaling across your company’s planning functions. The solution addresses industry agnostic G&A expenses with leading practices that help increase speed to value, including consistent approaches to department budget planning with a base of zero, techniques for reducing expenses, and the ability to perform roll-ups and reporting.

Overview of Key Capabilities

Workforce Planning
- New Employee Salary Band & Benefits Assumptions based on regional tiers
- Tech costs per employee
- New/Open Roles Planning
- Existing role planning
- Workforce Summary

Project Planning
- Construct cost of each project (new or existing) by department and activities. You also have the ability to add a project justification for each project

Travel Expense Planning
- Define cost assumption of each travel expense (Air/Train, Hotel, Rental, Ground Transport, Parking/Tolls, and Meals) for each travel expense
- Define each expected travel expense by department

Marketing/Events Planning
- Create marketing campaigns (Advertising, Promotions, Pricing, etc.) or Plan events and define costs for each.

Enterprise Technology
- Define expenses linked to ongoing operation of existing or future enterprise technology such as maintenance and licensing fees

Department Overhead
- Plan for Department expenses not associated with project, marketing campaign, events, or an enterprise technology

Areas where Deloitte has used elements of ZBB to drive spend prioritization

Elements of the planning process where Deloitte has deployed ZBB principals

Strategic Plan
- Capital Plan
  - Initiatives
- Financial Plan
  - Scenarios/Contingencies
- Detail Budget
- Rolling Forecast

Source: Deloitte
Zero-Based Budgeting Solution

End-to-end budgeting solution to account for every dollar spent

Zero-Based Budgeting (ZBB)

Zero-Based Budgeting (ZBB) is a budgeting process that allocates funding based on program efficiency and necessity rather than budget history. As opposed to traditional budgeting, no item is automatically included in the next budget. In ZBB, budgeters review every program and expenditure at the beginning of each budget cycle and must justify each line item in order to receive funding. When successful, ZBB produces radical savings and liberates organizations from entrenched departments and methodologies.

Figure 1. Explaining Zero-Based Budgeting (ZBB)

Disconnected budgets to prior year spending

- Prevents “embedding” of existing spend in the cost base
- Allows spending levels to be set based on necessary activities of a function, rather than historical trends
- Requires more work to understand activities and cost structure

Changes in budget spending either increases or cuts, not simply spread evenly

- Eliminates common “sandbagging” practices in the budgeting process
- Allows for more strategic allocation of planned spend
- Requires more work to analyze and prioritize activities and expenditures

Budgets are tied to specific activities

- Better aligns spending targets with required activities of a function
- Replaces “do more with less” with “do the right things with the right amount”
- Requires fairly detailed knowledge of departmental activities and willingness to do less or discontinue activities

Strategic Priority activity funding

- Allows for better alignment of expenditure with the overall strategy and departmental missions
- Can reduce incidences of “we have always done that”
- Prioritizing activities across various functions can be challenging

Anaplan’s connected planning solutions

Anaplan’s cloud-based platform is designed to connect you with data, people, plans, and your network to make better-informed decisions and drive faster, more responsive planning for organizations. Create enterprise value while maintaining profitability by collaborating in real time on plans across your extended networks. Integrate cost drivers to your financial, sales, and marketing plans so you can quickly adapt to changing priorities. Analyze and evaluate “what-if” scenarios to optimize your plans and create a value-driven relationship-based processes. Additionally, Anaplan’s robust calculation engine allows users to tailor their experience across the enterprise to address unique industry needs.

Start the conversation

Ron Dimon
Managing Director
Deloitte Consulting LLP
rdimon@deloitte.com

Ed Majors
Principal
Deloitte Consulting LLP
emajors@deloitte.com

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