

BTP Chicago Summit

Move... Run! Forecasting and Planning

Eric Wojcik

INNOVATE. TRANSFORM. SUCCEED.

Adapt to the new business reality.

protiviti[®]
Global Business Consulting

SAP LEADERS IN FINANCE TRANSFORMATION AND ANALYTICS

succeed

Customers, SAP and Analysts Continue to Select Protiviti as the End-to-End Partner

As a 7-Time Partner of the Year and Gold Partner, Protiviti's expertise in SAP Finance Transformation focused leadership is unmatched in the industry. Our award-winning solutions help clients around the world maximize their SAP investment by delivering results that provide real value to the business.



- SAP Full Services Implementations
- SAP Planning and Assessment Services
- SAP Managed Services
- SAP Licensed Reseller



19+ Year
SAP Gold Partnership



7-Time SAP
Gold Partner



One of a Kind
Staffing Solution Provider



SAP® HANA
Center of Excellence



600+
SAP Clients



2.5 million
Contractors Available for Use



15+ SAP Delivery
Centers Globally



2.5 million
Contractors Available for Use

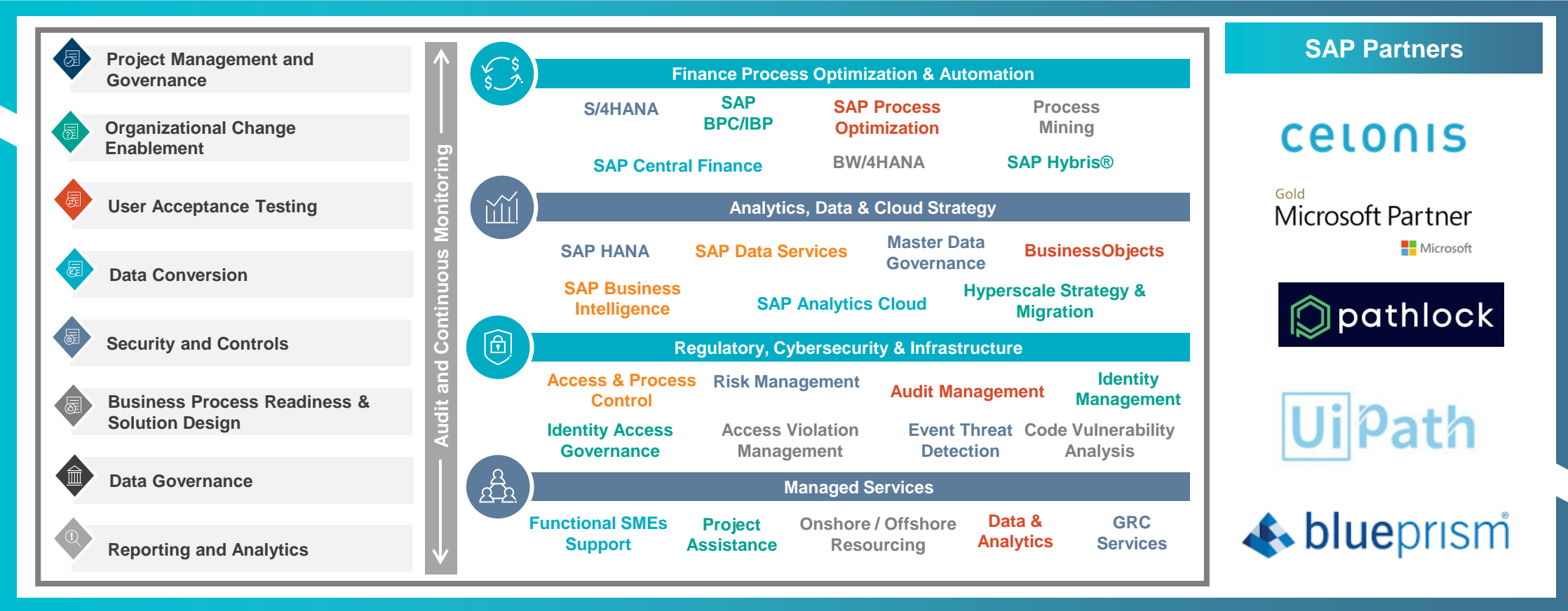
SAP Industry Thought Leader



SAP SUPPORTED CONSULTING AREAS

ERP and S/4 Digital Core Implementation Product Areas

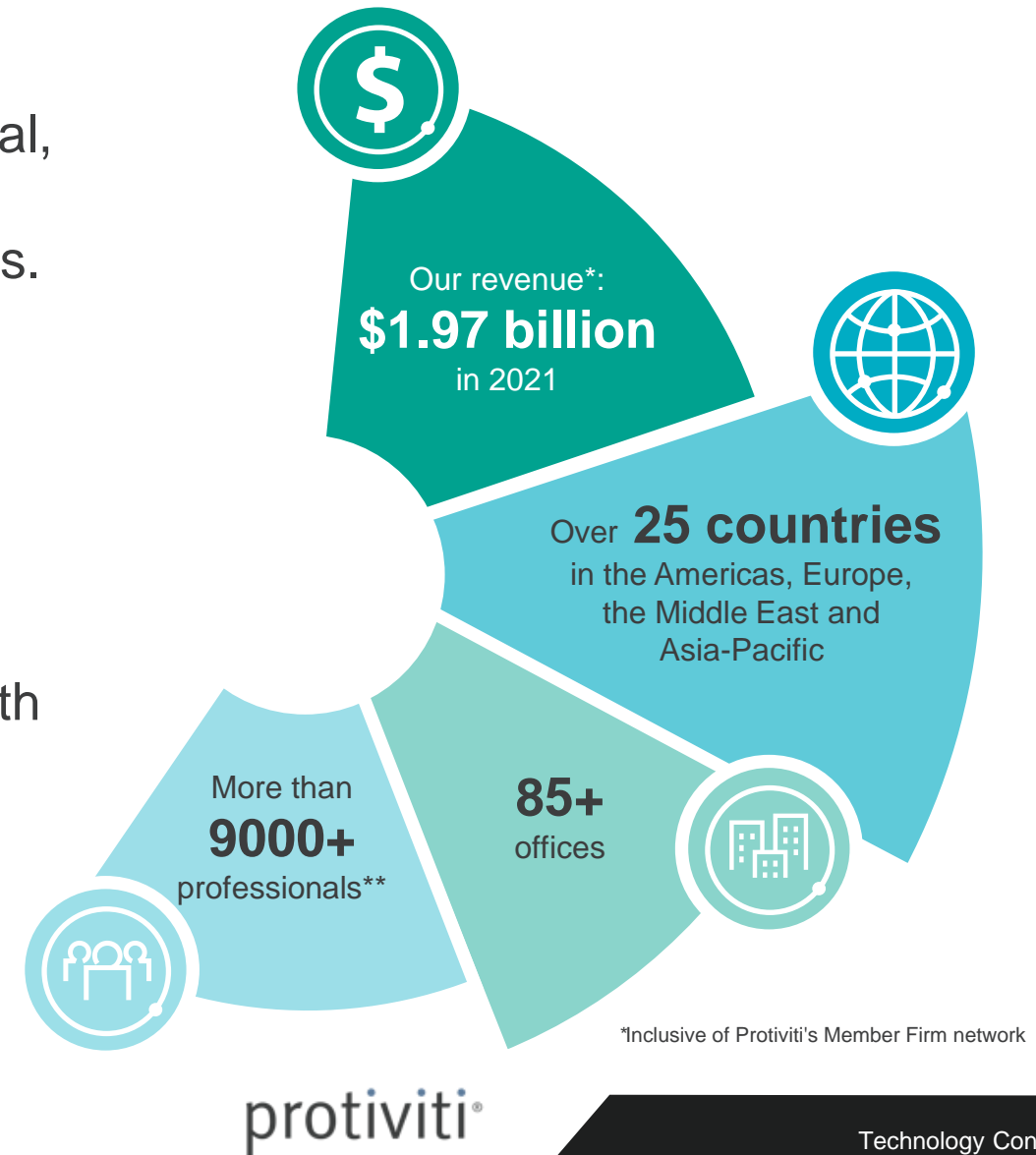
Protiviti offers leadership and capabilities across the broad spectrum of SAP products. This breadth of capabilities helps us to assist companies on their journey to S/4HANA. The table provides an overview of sample products Protiviti focuses on and how we help clients with SAP implementations and support.



Protiviti provides consulting solutions

in finance, technology, operations, data, digital, legal, governance, risk and internal audit through our network of more than 85 offices in over 25 countries.

- We serve **80% of Fortune 100**
- We serve **80% of Fortune Global 500**
- We also work with smaller, growing companies, including those looking to go public, as well as with government agencies.
- Protiviti is a subsidiary of Robert Half International.



AGILITY IS ESSENTIAL TO NAVIGATING MARKET CHALLENGES

Recent market trends and developments have meant that organizations must become more agile by leveraging meaningful insights through analytics that lead to greater resilience. Business Planning & Analysis is a critical component enabling companies to navigate this challenging environment and drive business results.



Multiple market factors suggest a **potential impending recession**, including the S&P 500 entering a bear market in 2022 and the federal reserve aggressively raising interest rates



Inflation, rising fuel costs, wage increases, and supply chain challenges are all contributing to increasing operational expenses and limiting investment in growth opportunities



The pandemic has led to an **acceleration in automation and digitization** of traditional workflows to tackle new norms for strategic planning activities and reporting



Fast **rising labor costs and labor shortages** are challenging companies' profitability and ability to fill positions with qualified individuals



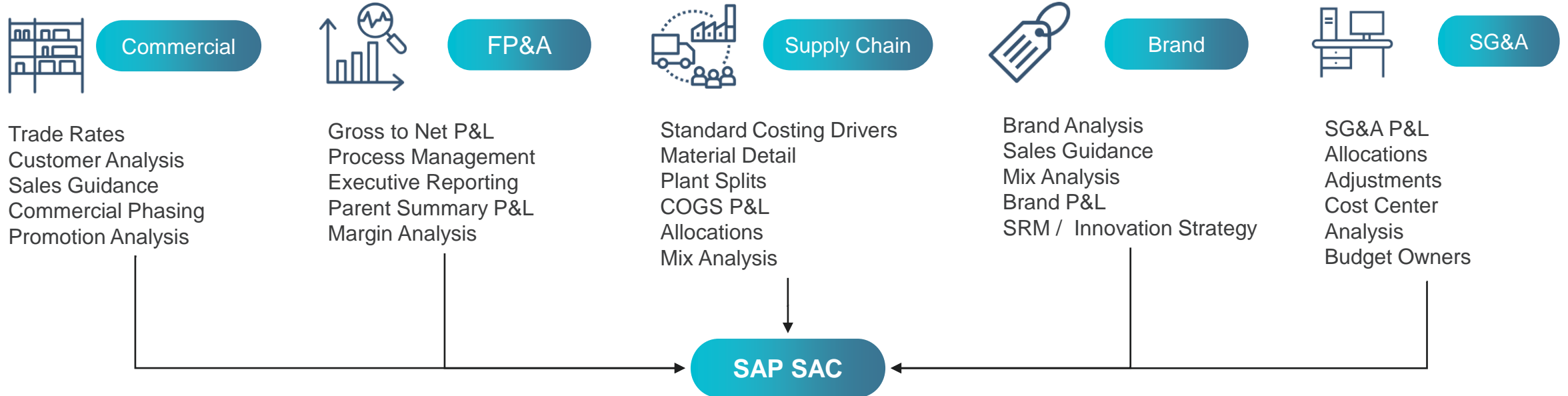
Organizations are feeling pressure from consumers and competitors to allocate resources to **more sustainable practices**

Protiviti believes navigating this challenging environment to drive business results is a **continuous journey, identifying ongoing risks and opportunities through the power of planning & analytics.**

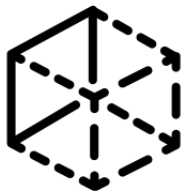
There are **no one-size-fits-all solutions**, as each company requires an individualized approach aligned with their industry and company strategy.

Protiviti's **BP&A practice offers end-to-end customized solutions** for our clients to help understand and address their most challenging planning and analytics issues. Protiviti combines the strategic approach of consulting with the power of practice experience to deliver results.

CLIENT EXAMPLE: PLANNING AND FORECASTING ACROSS THE ORGANIZATION



Dimensions



1. Account: P&L > GL
2. Customer: Channel > Geo
3. Material: Brand > Category > Species
4. Entity: Region > FX
5. Cost Center: Functional Area
6. Internal Orders
7. Plant: Internal > External
8. Warehouse: > DC
9. Time > Year > Qtr > Period (544 Cal)



Security
Data Integration
Master Data
COPA Models
Life Cycle Management

BUSINESS PLANNING & ANALYSIS MATURITY MATRIX

		Basic	Developing	Defined	Advanced	Optimized
Operating Layers	Service delivery model	Locally aligned reporting and planning functions. Service level measures do not exist.	Decentralized structure with some direction from corporate. Basic service level measures exist but inconsistently applied.	Some centralized administration but little mandate to drive change. Basic service level scorecard.	CoE aligned with business units to drive standards, continuous improvement. Comprehensive service level scorecard.	CoEs with advanced skills applied globally across planning function. Driver-based service level scorecard.
	People & Organization	Transactional, tactical and short-term focused team. Disjointed or non-existent business partnering. Limited soft skills.	Short-term focus with strategic elements. Consolidator role. Basic business partnership at business units.	Developing strategic vision. Business partnership in a reporting role capacity. Developing analytical skill set and business acumen.	Long-term focus with strategic vision. Strategic business partnership. Representation at Board level. Solid business acumen, analytical and soft skills.	Long-term strategic focus. Multi-disciplined team. Highly-collaborative cross-functional teams. Change agent. Storytelling, persuasiveness, EQ fully developed.
	Functional Processes	No formal processes. Undefined, siloed processes. Lack of common vision and standardization	Inconsistent, manual processes. Traditional budgeting/ forecasting methods.	Defined processes. Low level of automation and integration. Traditional and rolling forecast methods.	Simplified, automated processes. Business unit focus with centralized guidance. Integration across functions.	Agile processes. Fully integrated. Alignment across strategic, business, operational and financial plans.
	Systems & Technology	Heavy reliance on spreadsheets. Lack of planning, BI tools. Limited integration or collaboration among tools.	Basic planning tools. Multiple source tools and systems. Low levels of integration and minimal collaboration.	Defined planning and consolidation tool linked to ERP. Some elements of collaboration. Heavy reliance on IT.	Integrated planning and collaboration tools. Driver-based planning models built into systems. Advanced BI tools.	Integrated, flexible self-service tools. Automated systems. Real-time collaboration. Digital on-demand planning.
	Data, Reporting & Analytics	Manual data entry. Lack of data standardization. Undefined business drivers. Basic financial reporting.	Some automation. Basic business drivers defined; may not be aligned with enterprise standards. Descriptive analytics.	Driver-based P&L modeling. Standard global data model. Diagnostic analytics. Enhanced financial reporting.	Multi-dimensional analytical drivers. Predictive analytics. Scenario analysis. Automated reporting.	Integrated 3-statement driver-based model. Prescriptive analytics. Self service reporting across mobile reporting platforms.
	Governance & Controls	Weak process governance, methodology and outputs. Ad hoc validation.	Standards exist at business unit level but not uniformly applied or enforced.	Some enterprise application of common methods, processes, KPIs, reporting. Limited continuous improvement mindset.	Global standards consistently applied; continuously challenged and improved.	Fully integrated global standards and processes.

WHAT IS XP&A?

Extended planning and analysis (xP&A) goes beyond the boundaries of traditional financial planning and analysis (FP&A).

“x” is not a variable that stands for any one department, like sales, supply chain, or HR. Rather, it denotes the breaking down of silos between finance and every other department.

The ability to connect and synchronize plans across the entire organization.



XP&A SCREENSHOTS

Company Code (1)
Protiviti Demo

Plant (1)
North America

protiviti®

Extended

SMART
PLANNING
PACKAGE

JUMP START
YOUR CONNECTED
PLANNING PROCESS

SAP Analytics Cloud

protiviti1.us10.hanacloudservices.cloud.sap/sap/fpa/ui/tenants/bc588/app.html#/story&s/7B7CB700FA07F308768E86208B1852E6/?pageId=72eeb91c-d6b5-4656-96d2...

PRO_FINANCIAL_STATEMENT...

Profit & Loss

1 / 11

Controls Edit View

Company Code (1)
Protiviti Demo

Profit Center
(All)

Functional Area
(All)

Trading Partner
(All)

Version (2)
Actual, Plan

Financial Statement Reporting
View Profit and Loss Statement

Operating Income for Actual
in Billion | 1 Variance
4.05 Billion (+21.12%)
Operating Income (Actual - Plan)

Net Revenue for Actual
in Billion | 1 Variance
2.26 Billion (+18.76%)
Net Revenue (Actual - Plan)

COGS for Actual
in Billion | 1 Variance
1.43 Billion (+29.76%)
COGS (Actual - Plan)

Cash & Equivalents for Actual
in Million | 1 Variance
4.30 Million (-19.72%)
Cash & Equivalents (Actual - Plan)

Changing Amount per G/L Account, Time for Actual
in USD | 1 Filter | 1 Variance

Trend for Net Income
in USD | 1 Filter

Validat... Cash FL... xPSA ...

Validat... Cash FL... xPSA ...

Validat... Cash FL... xPSA ...

Validat... Cash FL... xPSA ...

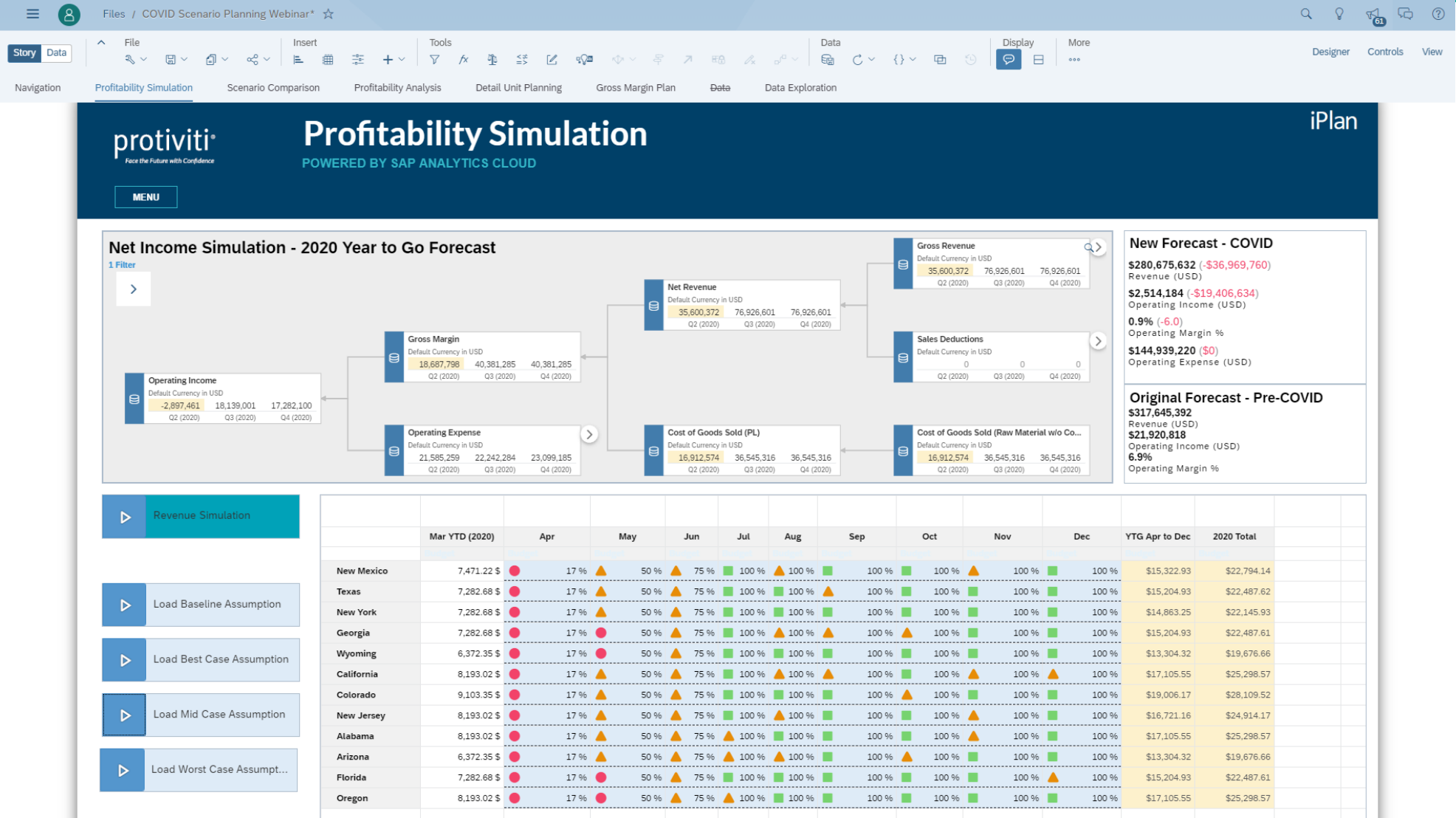
in USD | 1 Filter | 2

Time (all) 2022

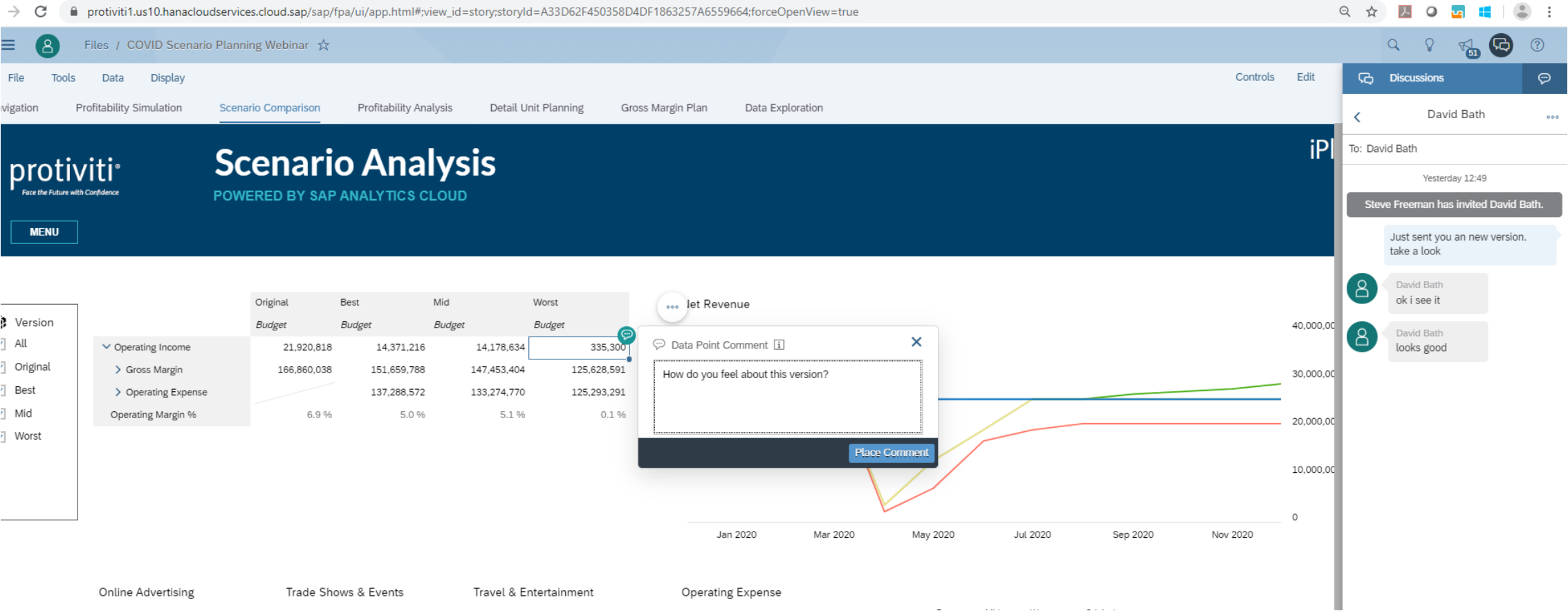
P01 (2022) P02 (2022)

Version	Actual	Plan	Var %	% Share	Actual	Plan	Var %	% Share	Actual	Plan	Var %	% Share	Actual	Plan
G/L Account														
Net Income	4,047,376,703	3,341,623,...	-17 %	121 %	4,047,376,...	3,325,962,...	-18 %	122 %	302,693,604	310,238,892	2 %	98 %	271,511,004	256,121,379
Operating Income	4,047,376,703	3,341,623,...	-17 %	121 %	4,047,376,...	3,325,962,...	-18 %	122 %	302,693,604	310,238,892	2 %	98 %	271,511,004	256,121,379
Gross Margin	3,690,517,402	3,005,302,...	-19 %	123 %	3,690,517,...	2,989,768,...	-19 %	123 %	274,339,712	281,470,419	3 %	97 %	245,835,038	230,271,804
Net Revenue	2,258,427,816	1,901,666,...	-16 %	119 %	2,258,427,...	1,892,042,...	-16 %	119 %	172,824,152	177,288,844	3 %	97 %	154,506,713	143,860,011
Cost of Goods Sold	1,432,089,586	1,103,636,...	-23 %	130 %	1,432,089,...	1,097,726,...	-23 %	130 %	101,515,560	104,181,575	3 %	97 %	91,328,325	86,411,793
Operating Expense	356,859,301	336,320,687	-6 %	106 %	356,859,301	336,194,262	-6 %	106 %	28,353,892	28,768,473	1 %	99 %	25,675,966	25,849,575
Employee Expense	2,997,618,128	9,534,459,...	218 %	31 %	2,997,618,...	9,530,875,...	218 %	31 %	238,172,690	815,566,335	242 %	29 %	215,678,114	732,817,597
Depreciation & Amortization	214,115,581	804,321,444	276 %	27 %	214,115,581	804,019,095	276 %	27 %	17,012,335	68,800,702	304 %	25 %	15,405,580	61,820,067
Material Expense	1,172,537,703	4,435,668,...	278 %	26 %	1,172,537,...	4,434,000,...	278 %	26 %	93,162,787	379,421,813	307 %	25 %	84,363,888	340,925,035
Change in Inventory	-4,027,412,111	-14,438,12,...	258 %	28 %	-4,027,412,...	-14,432,70,...	258 %	28 %	-319,993,921	-1,235,020,...	286 %	26 %	-289,771,616	-1,109,713,...

AGILITY: DRIVER-BASED STORYTELLING AND SIMULATION



COLLABORATION: NARRATIVE, CONTEXT, RETROSPECTION



PROCESS-BASED COLLABORATION INTERACTIONS

Cost of Goods Sold and Distribution

Version: public.RF 04 | Forecast: April 2022 | YTD Actuals Through March 2022

IntroBU Level of DetailHistoricalFactor Review and Adj.Missing Costs\$ AdjDetail ReviewGross Profit ReviewCOS BreakdownAOC

Select region and run after importing: EMEA Process Import

Product Factors from Import

EMEA Save After Changes

			Apr (2022)	Apr (2022)	Apr (2022)	May (2022)	Jun (2022)	Jul (2022)	Aug (2022)	Sep (2022)	Oct (2022)
			▼ Total	STD Cost Adj.	STD Cost Load	> Total	> Total	> Total	> Total	> Total	> Total
3080_BALTIC_PER100	EMEA	50109999 COS STD	13.189	5.000	8.189	8.770	7.315	8.107	8.220	8.462	7.896
3080_BALTIC_PER100	EMEA	50109997 Non-product cost	48.477	—	48.477	57.071	43.812	46.171	48.640	51.022	46.256
3080_BALTIC_PER100	EMEA	50109999 COS STD	10.749	3.000	7.749	7.622	7.545	7.544	7.576	7.378	7.214
3080_BALTIC_PER100	EMEA	50109997 Non-product cost	57.790	—	57.790	51.879	56.069	53.908	55.076	52.713	52.816

Product Factors Converted to Product Codes

KCNA Enter Product SKU (ex: 10014961) Date Apr (2022) May (2022) Jun (2022) Jul (2022) Aug (2022)

Save After Changes Show Region Mapping Filter Table on SKU Input DIM_AUDITTRAIL

ERH	Product	PPL8	Lvl8PrdctNm	Account	▼ Total	STD Cost Adj.	STD Cost Load	> Total	> Total	> Total	> Total
3080_BALTIC_PER100	00014599			50109999 COS STD	13.189	5.000	8.189	8.770	7.315	8.107	
				50109997 Non-product cost	52.477	4.000	48.477	57.071	43.812	46.171	4

ERH (1)
3080_BALTIC_PER100

Product (1)
3080_BALTIC_PER100

Channel (1)
(Unassigned)

Year: 2022

Change Version

Push to Consolidation Model

FX Rates | Master Data

Applies to all

Applies to all except both tables on "Factor Review and Adj." tab

DETAILED ANALYSIS SCENARIOS

Analysis of Change

Version: public.RF 04 | Forecast: April 2022 | YTD Actuals Through March 2022

Intro

AOC Generator

Gross Sales Details

Gross Sales Chart

GTN Details

GTN Chart

COGS Details

COGS Chart

Distribution Details

Distribution Chart

AOC Generator

First, select which AOC Accounts you wish to calculate AOCs for. Then, select which AOC Types to calculate in the checkbox group. You may select as many as desired for each of these checkbox lists. Then, select the Version, Plan Year, Start Date, and End Date. Once all this is complete, click the "Generate AOC" button at the bottom to start the calculations.

AOC Accounts:

☐ Gross Sales AOC Accounts

☐ Gross to Net AOC Accounts

☐ COGS AOC Accounts

☐ Distribution AOC Accounts

☐ A&CP AOC Accounts

☐ RSG&A AOC Accounts

☐ Operating Profit AOC Accounts

☐ Gross Profit AOC Accounts

☐ Gross Margin AOC Accounts

AOC Types:

☐ AOC vs. Prior Year

☐ AOC vs. Prior Forecast

☐ AOC vs. Plan

☐ AOC vs. Prior Month Period

☐ AOC vs. Prior Quarter Period

☐ AOC vs. Previous Quarterly Forecast

☐ AOC vs. MQF

☐ AOC vs. JQF

☐ AOC vs. SQF

☐ AOC vs. DQF

ERH:

ERH

(All)

Version:

public.RF 01

Start Date (Month):

01

End Date (Month):

12

Generate AOC

Publish Data:

Once you have run the AOC Generator and are satisfied with your results, you can use these "Publish" buttons to publish the data. First, select the Version that you wish to publish. Then, select the correct button based on which model you are working with.

Version

RF 01

Use for Gross Sales, GTN, COGS

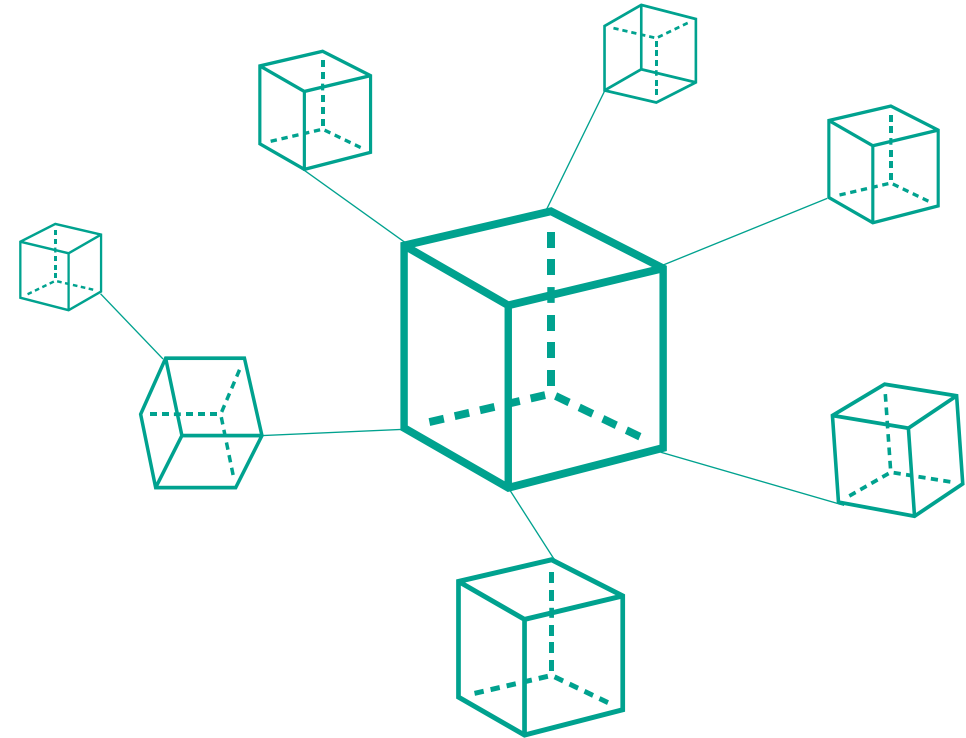
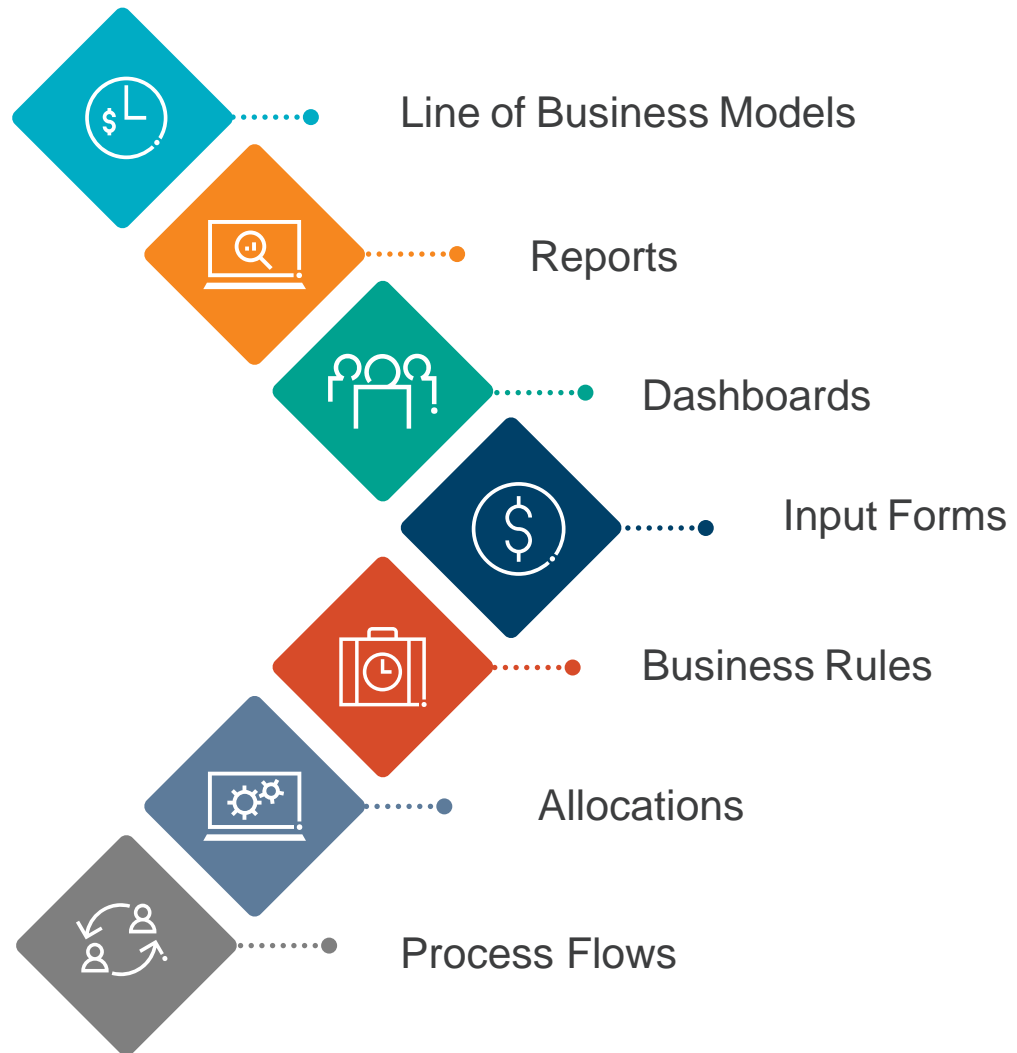
Publish Gross Profit Model

13

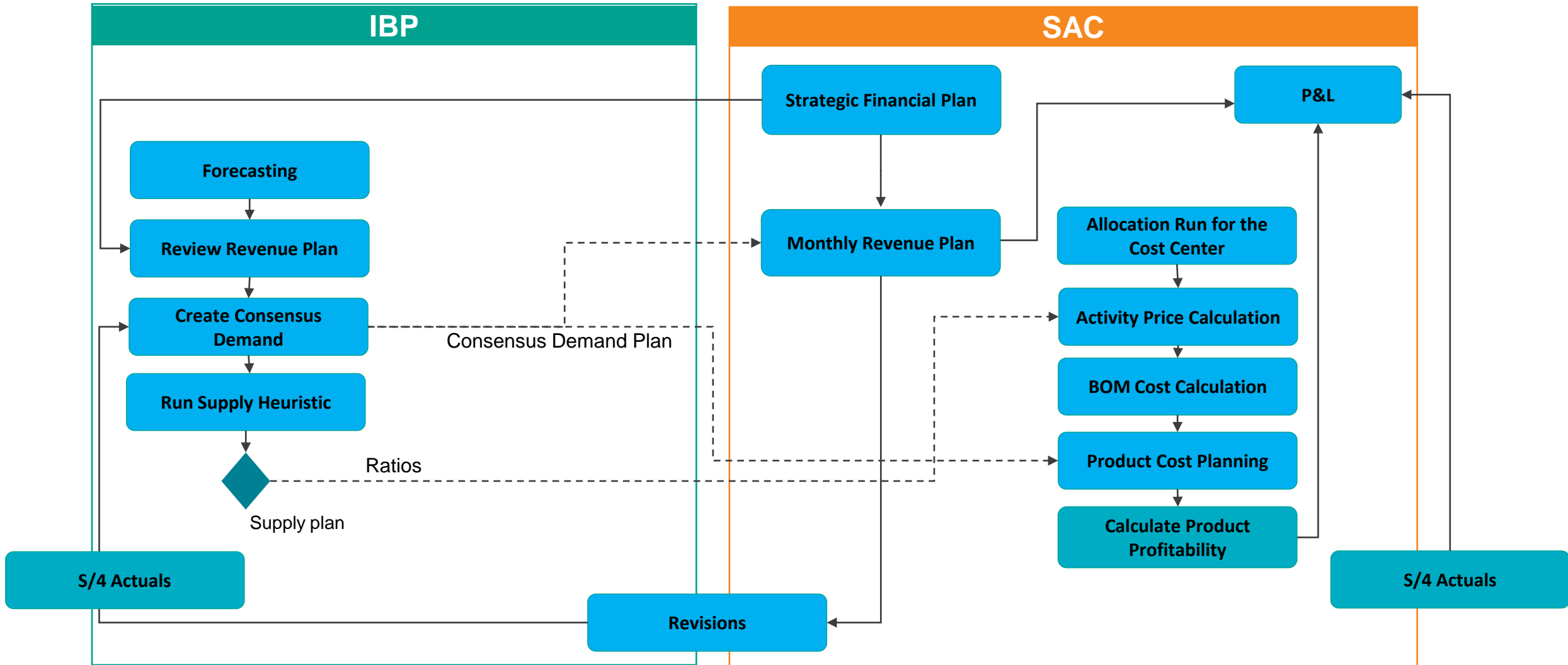
protiviti®

Technology Consulting

XP&A CONTENT



FINANCE AND S&OP PLANNING: PROCESS FLOW



An Authentic 21st Century Brand

Dedicated to Making Life Better for Pets

**Developed by
Pet Parents,
for Pet Parents**



**High-Quality,
Natural Ingredients**

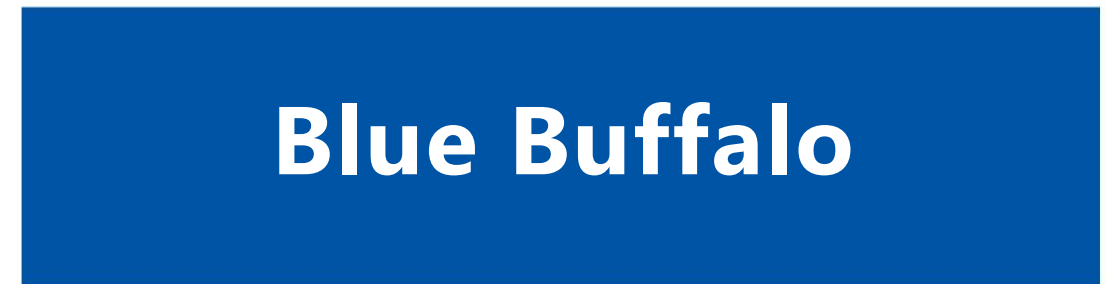


**Dedicated to Pet
Parent Education and
Interaction**



**Commitment to Pet
Cancer Research and
Awareness**





Blue Buffalo



~20 Brands



High-Quality Meat

BLUE LIFE PROTECTION FORMULA

~2,500 SKUs



Meat-Rich, High-Protein

BLUE WILDERNESS



Grain-Free Formulas

BLUE FREEDOM



Support Specific Health Needs

BLUE TRUE SOLUTIONS

amazon

Walmart

chewy

PETSMART

Kroger

RESULTS



**50%
FASTER
CLOSE**

3 days

F

**ONLINE
COLLABORATIVE
FORECASTING**

Personal Scenarios

P

**RICHER
FLEXIBLE
ANALYTICS**

Customer / SKU level

A

“The ability to now meet tight deadlines is a huge benefit that we’ve seen”

Stephanie Donovan,
VP Supply Chain/Capital Finance

“We expanded so drastically to thousands of SKUs, we could no longer do our forecasting and planning in spreadsheets”

John Gramesty, Finance Director

“Previously, when there was a question about favorability or why margins are off, we didn’t have the time to examine root cause prior to close”

Sharetta Ranaghan, FP&A Manager

Face the Future with Confidence®

© 2022 Protiviti – Confidential. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or offer attestation services. All registered trademarks are the property of their respective owners.

protiviti®