

CCH Tagetik Smart NOW Cloud App | Driver Based Planning

June 2020



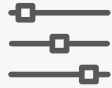
Wolters Kluwer | CCH® *Tagetik*

Agenda

- Challenges
- CCH Tagetik solution
- Key features and benefits
- Demo
- Wrap up

Typical pain points of a Planning Process

KEEPING UP WITH CHANGING REQUIREMENTS



- Market changes are happening fast and furious. Plans change. Business models shift.
- The parameters of planning are constantly in flux, especially in times of great uncertainty.

LENGTHY PLANNING IMPLEMENTATION TIMES



- In today's fast-paced world, lengthy implementations greatly impede the ability to plan.
- Plus implementations take high valued resources - business and IT away from key duties.

LACK OF VISIBILITY AND INSIGHTS



- Lack of granular data to plan sales and costs accurately
- Inflexible planning models and scenario planning don't connect numbers to insights
- KPI drivers remain hidden

CONTAINING COSTS, SAVE TIME, CONTROL RISK



- As always, Finance and Business are looking to contain costs and reduce process inefficiencies.
- Control is key for accuracy and confidence in the results.

CCH Tagetik Smart NOW | Driver Based Planning

Plan Scenarios. Simulate Changes. Take Action Confidently.

DETERMINE THE BEST PATH FORWARD DURING TIMES OF UNCERTAINTY

When you need to pivot in an economic environment that changes by the minute, our Driver-Based Planning App helps you plan, simulate, forecast, and reforecast operational drivers unique to your business. To streamline your implementation, pre-built functionality supports precise real-time decisions by laying out the chain-of-effect that operational drivers have on key business metrics.

Since planning can be a two-way street, we support both top-down or bottom-up approaches. This way, you can easily simulate how changes to sales, cost, and projects plans impact the bottom line, and vice versa. Direct your organization towards the most optimal course of action with our ready-to-deploy Driver-Based Planning App.

- Quickly plan accurate projections of sales, costs and projects on future financial statements
- Easy simulation capabilities that identify the impact of each driver on the key business metric (cause-effect relationships)
- Flexibility to steer the impact of each driver, both top-down and bottom-up, and to adjust the final figure or the driver value that lead to it
- Align finance, operations and executive with detail-level insights

CCH Tagetik Smart NOW | Driver Based Planning enables planning and analysis based on specific drivers



Driver Based Planning



Sales and Costs Planning



Project Planning



Earnings and Costs analysis



Driver effect analysis



FX simulation



Open multi-dimensional Data Model



Template approach



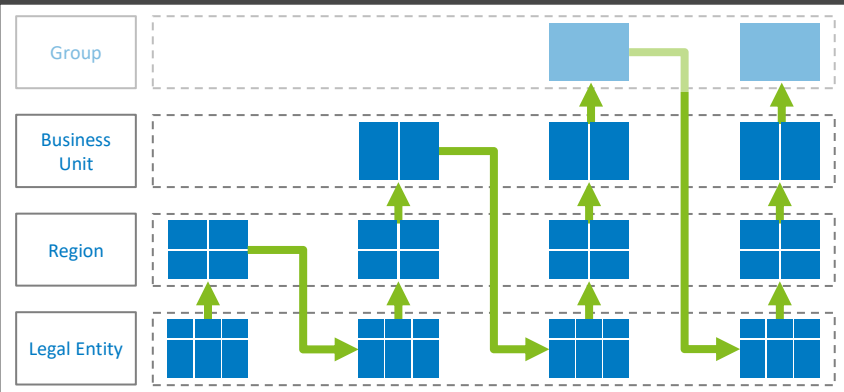
Collaborative Process Workflow Cockpit



Real-time calculations

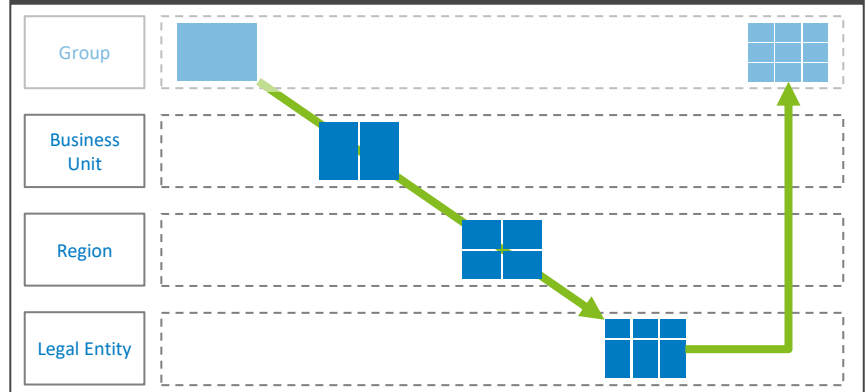
Plan Your Way: Top-Down or Bottom-Up

Bottom-up: Budget discussions prolong the planning phase and lead to budget gaming



- In the bottom-up planning process the planned values are discussed and bargained on each level - the demanded budget reductions are anticipated from the bottom-up and therefore causes an extension of the planning and discussion phase

Top down: Stepwise budget target agreement with accumulating precision



- Approved target values are at the beginning of the (operative) planning process
- At each level the target values are adjusted and getting more precise but within the defined boundaries

Sales Planning

Current Year

January
February
March
....
November
December

Next Year

1st Quarter
2nd Quarter
3rd Quarter
4th Quarter

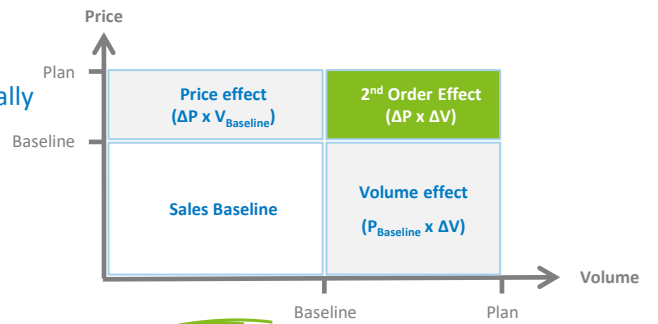
Year +2

1st Half
2nd Half

CUSTOM PLANNING HORIZON

Each year planned figures becomes the baseline for following years

2nd Order Effect
Final Sales are automatically adjusted including the 2nd order effect



Input Form

		Product			Total effect
		Prod 1	Prod 2	Prod 3	
Region	Region 1	8,5%	5%	1,5%	5%
	Region 2	8,5%	5%	1,5%	5%
	Region 3	34%	20%	6%	10%
		17%	10%	3%	10%

PLAN AT ANY LEVEL
Adjust absolute values or percentages, total years or monthly values, at any level of detail.

Accuracy and Consistency with the flexibility to plan at any level

Cost Planning

P&L



Account Structure
(Only primary costs)



Driver Set

			Product Price	Volume	FX	Productivity	Hourly rate	Man hrs	...
Revenue		Acc.: Revenue	1 (+)	2 (+)	3 (+)				
CoGS	Material Costs	Acc.: Raw materials		1 (+)		3 (-)	2 (+)		
	Production costs	Acc.: Supplies				2 (+)	1 (+)	3 (+)	
	Project Gross Margin	Acc.: Personnel costs R&D		1 (+)	2 (+)				
	Other costs of sales	Acc.: Personnel costs Prod.		1 (+)	2 (+)				
		Acc.: Other productions costs		1 (+)	2 (+)				
Gross Margin		Acc.: Inventory		1 (+)				2 (-)	
Period costs	Sales								
	Logistics								
	R&D								
	G&A								
EBIT									

Example			Driver 1	Driver 2	Driver 3	Driver 4
Account	Baseline	Volume +10%	Hourly Rate +5%	Productivity -2%	Total	
Raw materials	100	$(100 * 0,1) = 10$	$(110 * 0,05) = 5,5$	$-(115,5 * 0,02) = -2,3$	113,2	
Account	Baseline	Hourly Rate +5%	Productivity +2%	Man hrs +10%	Total	
Supplies	100	$(100 * 0,05) = 5$	$-(105 * 0,02) = -2,1$	$(102,9 * 0,1) = 10,3$	113,2	

Accuracy and Consistency with the flexibility to plan at any level

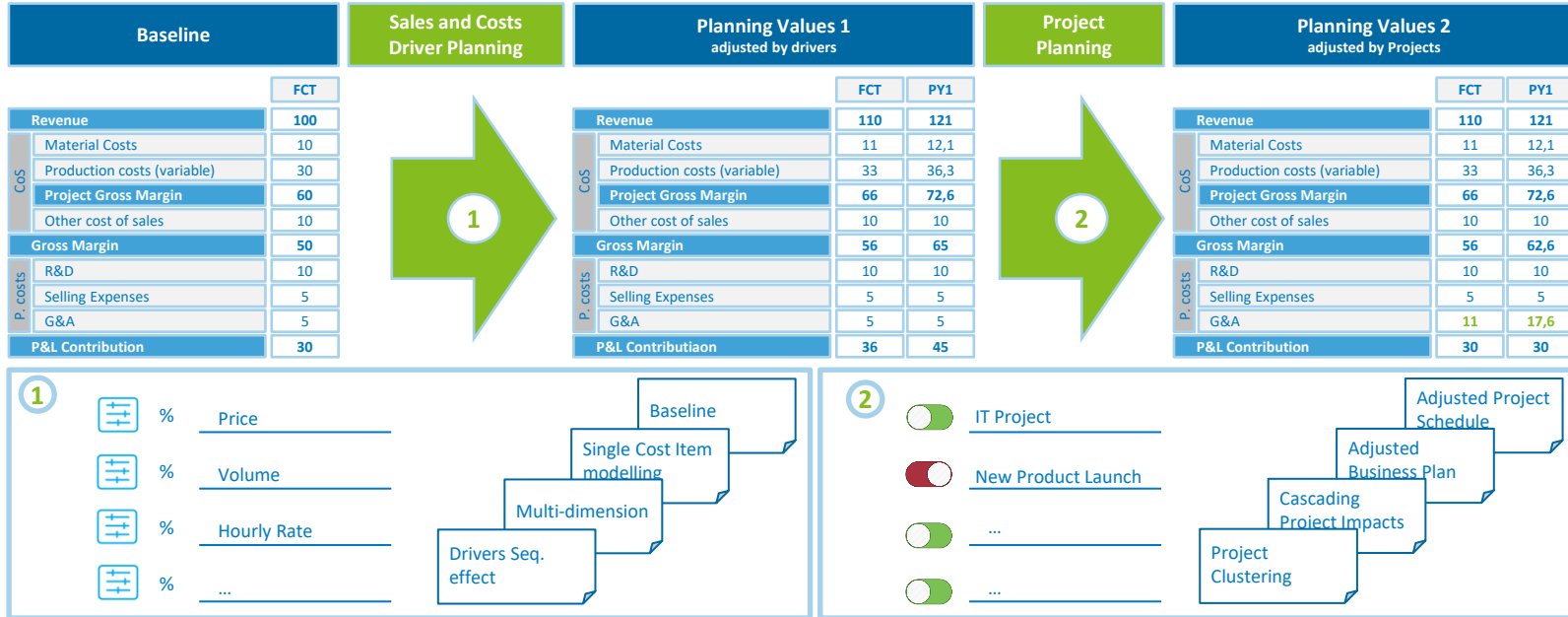
Project Planning

-  Launch of a new product
-  Sale of a sector
-  New Infrastructure
-  Mergers & acquisitions
-  Marketing initiative
-  Restructuring
-  Efficiency enhancement
-  IT-Projects
-  ...

Name			Start & End	From: ... To: ...																																																																																	
	Responsibility			Type	Operative <input checked="" type="checkbox"/> Strategic <input type="checkbox"/>																																																																																
Description				Target	Sales push <input type="checkbox"/> Cost reduction <input checked="" type="checkbox"/>																																																																																
	Level of impact			Actions	Delay (months): ... On hold <input type="checkbox"/>																																																																																
<table border="1"> <thead> <tr> <th>Division</th> <th>Subdivision</th> <th>Planning Entity</th> </tr> </thead> <tbody> <tr> <td>Division 1</td> <td>Subdivision 1</td> <td>Planning Entity 1</td> </tr> <tr> <td></td> <td>Subdivision 2</td> <td>Planning Entity 2</td> </tr> <tr> <td></td> <td></td> <td>Planning Entity 3</td> </tr> <tr> <td></td> <td></td> <td>Planning Entity 4</td> </tr> </tbody> </table>			Division	Subdivision	Planning Entity	Division 1	Subdivision 1	Planning Entity 1		Subdivision 2	Planning Entity 2			Planning Entity 3			Planning Entity 4	<table border="1"> <thead> <tr> <th></th> <th>FCT</th> <th>PY1</th> <th>PY2</th> <th>PY3</th> <th>PY4</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Material Costs</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Production costs</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Project Gross Margin</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other cost of sales</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Gross Margin</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>R&D</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Selling Expenses</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>G&A</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>P&L Contribution</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				FCT	PY1	PY2	PY3	PY4	Revenue						Material Costs						Production costs						Project Gross Margin						Other cost of sales						Gross Margin						R&D						Selling Expenses						G&A						P&L Contribution					
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Accuracy and Consistency with the flexibility to plan at any level

Layering down each adjustment to the Full P&L



Track the impact of each Driver and Project

Demo



CCH Tagetik Smart NOW | Driver Based Planning

Plan Scenarios. Simulate Changes. Take Action Confidently.

3 REASONS WHY CCH TAGETIK SMART NOW DRIVER BASED PLANNING

LET'S YOU FOCUS ON YOUR BUSINESS

RAPID DEPLOYMENT

Get your team up-and-running with self-service driver-based planning – fast.

Ready-to-use and built for easy implementation, this app seamlessly deploys into your planning ecosystem. There's no need to model specific business processes. Simply identify the metrics and drivers you wish to monitor.

PRE-BUILT SOLUTION

This pre-configured solution comes complete with a suite of standard sales, cost, and project plans that enable you to quickly simulate scenarios, highlight cause-and-effect relationships, explore the impact of drivers across a multitude of dimensions.

IMPLEMENT BEST PRACTICES

Save time with pre-built logic using consistent standards developed from over 10 years of implementing planning projects. Use top-down or bottom-up approaches to preview the path towards a desired outcome or play out the potential outcomes of an evolving scenario.

CCH Tagetik Smart NOW

Reforecast your business. Connect your team. Accelerate your planning.



AVAILABLE ON THE
CCH Tagetik
App Marketplace

ASSESS BUSINESS IMPACT AND PIVOT YOUR PLANS QUICKLY



Need to improve your decision-making process...yesterday? Accelerate your planning processes today with cloud solutions that are fast to deploy and easy to use.

CCH Tagetik Smart NOW apps are designed to help you assess business impacts, play out alternate scenarios, and choose the best way forward in today's fast-paced and rapidly changing world. Choose to deploy one or all of the Smart NOW Planning Apps today!

CCH Tagetik Smart NOW Cloud Apps include:

- Capital Expenses Planning
- Cash Flow Planning
- Driver Based Planning**
- Risk Adjusted Planning
- Workforce Planning

THANK YOU



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Driver Setup

☰ CCH® *Tagetik* 🏠
👁 User ▼ 📄 Smart NOW! Driver Based Planning ▼

30.12 - Driver Setup (Data entry)

[Home](#)
[Analysis](#)
[Utility](#)
[Spreading](#)

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👁 Filters panel

Driver Setup

Scenario 2020 - Forecast
Run by Tagetik

	Current Year	Next Year	Year +2	Year +3
Sales volume effect [%]	-10.00%	-3.00%	5.00%	10.00%
Sales price effect [%]	-5.00%	-1.00%	3.00%	5.00%
Salary development [%]	-10.00%	-5.00%	2.00%	4.00%

+

Cost Center	System Account	Drivers	Sequence	Factor	Action
200 Marketing & Sales	PL040 Marketing expenses	Sales volume effect [%]	1	100.00%	Add
200 Marketing & Sales	PL040 Marketing expenses	Sales price effect [%]	2	100.00%	Add
ALL All Cost Centers	PL045 Personnel expenses	Salary development [%]	1	100.00%	Add

+

Sales Planning – Top Down

CCH® Tagetik

User Smart NOW! Driver Based Planning Environment type None

20.01 - Top-Down Sales Planning (Data entry)

Home Analysis Utility Spreading

Filters panel

S33 =S21/S27

Top-Down Sales Planning

Scenario: Entity: Entity by Region [Details >>](#)

Run by: Togetik Product Category: Product Category

	2020												2021					2022			2023		
	January	February	March	April	May	June	July	August	September	October	November	December	Tot. YR	March	June	September	December	Tot. YR	June	December	Tot. YR	December	Tot. YR
Total Sales	25,772	106,108	126,630	50,338	33,995	14,451	109,719	63,990	96,106	113,001	132,292	88,788	961,190	246,993	98,286	277,057	341,321	963,658	433,537	704,867	1,100,000	1,441,712	1,441,712
Volume ABS	0	0	0	0	-16,945	-7,987	-26,611	-7,987	-7,987	-7,987	-7,987	-7,987	-91,480	-7,755	-988	4,806	4,806	869	59,414	59,414	118,827	186,395	186,395
Price ABS	0	0	0	0	-3,082	-3,082	-3,082	-3,082	-33,424	-3,082	-3,082	-3,082	-55,000	-3,878	494	2,403	2,403	1,422	25,000	25,000	50,000	100,000	100,000
Delta Mix	0	0	0	0	985	1,004	591	329	1,970	199	172	247	5,497	116	-4	33	31	177	3,844	2,075	5,919	16,912	16,912
Baseline	25,772	106,108	126,630	50,338	53,038	24,516	138,822	74,730	135,548	123,872	143,190	99,610	1,102,174	258,510	98,784	269,815	334,081	961,190	345,280	618,379	963,658	1,138,405	1,138,405
Volume %	0.0%	0.0%	0.0%	0.0%	-31.9%	-32.6%	-19.2%	-10.7%	-5.3%	-6.4%	-5.6%	-8.0%	-8.3%	-3.0%	-1.0%	1.8%	1.4%	0.1%	17.2%	9.6%	12.3%	16.4%	16.4%
Price %	0.0%	0.0%	0.0%	0.0%	-5.8%	-12.6%	-2.2%	-4.1%	-24.7%	-2.5%	-2.2%	-3.1%	-5.0%	-1.5%	0.5%	0.9%	0.7%	0.1%	7.2%	4.0%	5.2%	8.8%	8.8%

Workflow

CCH Tagetik

Admin Smart NOW! Driver Based Planning Environment type None

Setup & Admin Process 2020FCT 2020FCT 12

Summary Detail summary Configuration and Loading Sales Costs Project CFP Performance Dashboard

Workflow Q20 - All Entities

Not Started Deadline: - Time left: -d -h

```
graph LR; PH[Planning Horizon] --> J(( )); CLD[Custom Quick Data Loader] --> J; LSF[Loading from standard Excel file] --> J; J --> CAL[Check accounts lookup tables]; CAL --> DE[Data Enrichment]; DE --> CAIV[Check and Adjust Imported Values]; CAIV --> S(( )); S --> SUB[Submission];
```

Actions

- ETL
- Quick data loader
- DTP
- Edit windows
- Form
- Cash Flow Planning
- Diagnostic
- Snapshot
- Entity data processing
- Submit
- Reject
- Utility
- System report
- Report bursting
- Calculation logics
- Income Tax

CCH Tagetik Smart NOW | Driver Based Planning

Plan Scenarios. Simulate Changes. Take Action Confidently.

Create plans for your unique business drivers. Simulate sales, cost, or project plans based on industry-specific drivers to determine the scenario with most desirable financial outcome. Easily model the impact on sales and costs of various scenarios to determine the best path forward in this period of uncertainty.

IDEAL FOR:

- CFO
- FP&A Dept
- Operations Planner



KEY BENEFITS

When the pressure to make flash decisions is on CCH Tagetik helps you gain insights and make decisions that will benefit your organization today and tomorrow.

- Quickly plan accurate projections of sales, costs and projects on future financial statements
- Easy simulation capabilities, clearly pointing out the impact of each driver on the final key business metric (cause-effect relationships)
- Flexibility to steer the impact of each driver, working both with a top/down and bottom/up approach, and to adjust the final figure or the driver value that lead to it
- Align finance, operations and executive with detail-level insights

KEY CAPABILITIES



Use CCH Tagetik to model and play out what-ifs for Sales, Cost and Project Planning.

- Sales planning: Top-Down and Bottom-up, driver based and absolute values over customizable multiple dimensions
- Cost planning: linked to the sales module enhances it with cost perspective, based on different drivers and highlighting cause-effect relationships
- Project planning: provides the opportunity to adjust planning values steering the impacts of Company strategic initiatives
- Simulations for Scenario planning comparisons
- Standard set of reports
- Collaboration Tools, Workflow and Audit trail