

# Planning, Budgeting & Forecasting

In an environment where access to timely and accurate information is invaluable and organizations are moving toward real-time reporting, a well-focused budget and forecast cycle can significantly improve the flow of information and greatly aid organizations in their decision-making process.

## Symptoms of an incomplete planning, budgeting & forecasting process

### Processes

- Our budgeting process takes too long.
- We can't allocate resources to the best effect and manage capacity constraints.

### Systems/Technology

- We have too many Excel sheets in use, that have to be filled manually.
- We can't access information in a timely and efficient manner.

### Information

- We're overloaded with data.
- The budgets and forecasts don't link to the strategic plan.

### Organization & People

- The finance function is not seen as a key contributor in decision making.
- High administration costs as a result of unnecessary and costly data checking.

Creating a budgeting process is the most effective way to keep your business – and its finances – on track. Accurately forecasting your sales and building a sales plan can help you to avoid unforeseen cash-flow problems and manage your production, staff and finance needs more effectively.

The traditional budgeting and forecasting processes are still very much cornerstones of the corporate financial planning processes and are likely to stay that way for the foreseeable future. We can help you to change it.

## Who needs KPMG Czech Republic's Planning, Budgeting & Forecasting Service?

Planning, budgeting & forecasting services are appropriate for companies that:

- anticipate problems and need relevant information for decision making and further action,
- concentrate resources on improving profits, reducing costs and increasing returns on investment,
- are not satisfied with the predictability of their financial results,

- are consolidating budgeting and forecasting data from different entities within their organizations,
- have recently acquired a company or companies and are experiencing difficulty in assimilating them into their existing processes.

## Planning, Budgeting & Forecasting Approach

The key to an effective budgeting and forecasting process is to validate all possible assumptions and factors so that executive management can weigh the validity of each and determine which to include and which to omit.

Our Accounting Advisory Services team can help you uncover and analyze hidden factors, plan and set up a budget in a more efficient way and more effectively measure and control expenditure.

Our planning, budgeting & forecasting services comprise four components, which are designed to improve the flow of information and fundamentally support executives in their decision-making process:

**Four typical phases of the planning, budgeting & forecasting process**



**Potential Benefits**

The key benefit of business planning, budgeting & forecasting for your company is that it will give you the opportunity to stand back and review your business performance and the factors affecting your business.

**Our knowledge and methodology can deliver the following potential benefits.**

- **Reduced cycle times.** Our services can help you develop well-focused cycles that can significantly improve the flow of information and greatly aid the executive decision-making process.
- **Greater accountability.** Our in-depth review of process and organizational structures can help you ensure that budgeting and forecasting responsibilities are clearly defined.
- **Identification of problems before they occur.** You need to understand and build into your budget and forecast the full range of assumptions, risks and opportunities affecting your business.
- **Improved measurement processes.** We can help you develop and focus on the financial and non-financial KPIs most relevant to your business and measure your performance against that of your competitors and against other company objectives.
- **Optimal use of technology.** Many companies rush to automate their budgeting and forecasting processes, but usually succeed only in obtaining inadequate information more quickly.

We would be pleased to introduce you to our planning, budgeting & forecasting services in more detail, either in the form of a presentation or a personal meeting.

If you would like more information, please contact our professional Accounting Advisory services team.

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