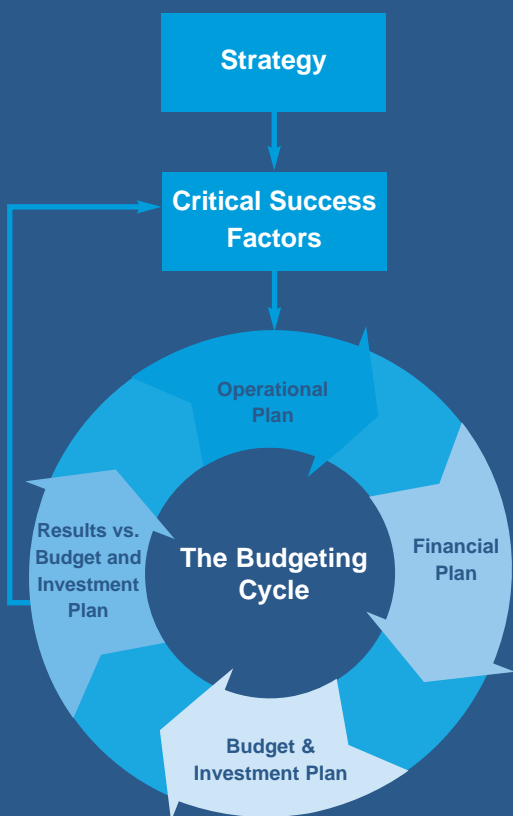
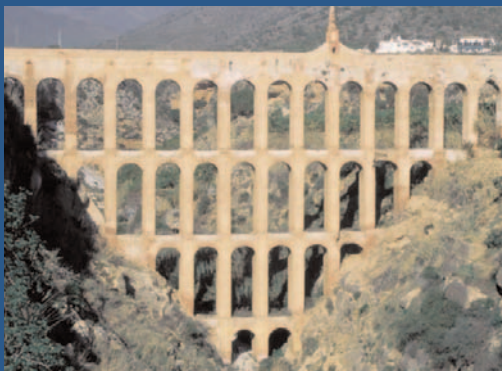


Corporate Budgeting

Supporting strategy & financial management



The purpose of budgeting

Company and business unit budgets give financial expression to strategy, motivate managers to achieve commonly understood targets and provide a coherent framework for the analysis of results. However, many companies suffer from poorly conceived or inefficient budgeting processes which do not stimulate achievement of targets and are of little value for operational management.

Common shortcomings in the budgeting process

Among the most frequently encountered issues in the corporate budgeting process are:

- ✗ Diverging interpretation of budget categories among various group companies, subsidiaries and business units, makes consolidation iterative and error-prone
- ✗ Excessive use of top-down or bottom-up budgeting processes, irrelevant to grass-roots requirements or not aligned with company strategy
- ✗ Lack of clarity and consistency in budgeting procedures, responsibilities and timelines
- ✗ Failure to follow-up and analyze variances
- ✗ Definitions of revenue, cost and balance sheet items which do not reconcile to financial or management reporting definitions and requirements
- ✗ Inability to deal transparently with intra-period changes to budget assumptions
- ✗ Excessive manual processes that create an administrative burden.

What are the benefits of effective budgeting and how can you realize them?

PwC can help you to address the issues by analyzing and redesigning the budgeting process in line with company strategy and reporting needs, giving the following results:

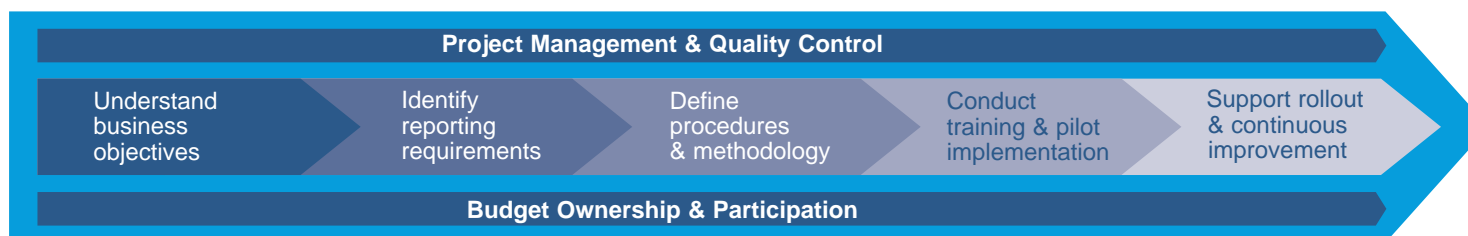
- ✓ Reduced budgeting cycle time, including streamlined consolidation procedures
- ✓ Increased detail and relevance of budget categories
- ✓ Definition of strategic success factors and organizational performance indicators
- ✓ A methodological basis for implementing budgeting software
- ✓ More efficient use of Finance resources.

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Our Project Methodology



- | | | | | |
|----------------------------|------------------------------|--|--|--------------------------|
| ▶ Strategic objectives | ▶ Management reports | ▶ Document & data flow | ▶ Transition plan | ▶ User help desk |
| ▶ Critical success factors | ▶ Reporting items | ▶ Calculation methodologies & standard adjustments | ▶ Communication and training workshops | ▶ Methodological updates |
| ▶ Organisation chart | ▶ Key performance indicators | ▶ Consolidation principles | ▶ Issue identification | ▶ Compliance monitoring |
| ▶ Responsibility centers | ▶ Budget timeline and roles | | | ▶ Follow-up training |

Software Solutions

Historically, spreadsheets have been used as the main budgeting tool. However, they have a number of weaknesses when used for budgeting, including reconciliation problems arising from complex links across many sheets and workbooks, and inflexibility of reporting structures.

A number of software applications are available today to counter these problems. Not all are highly expensive yet they are designed to be flexible and to take the hard work out of data capture, calculation, consolidation and reconciliation, thereby allowing more time for the value-added functions of analysis, review and control.

PwC is familiar with a number of local providers of such software and can assist in system selection and specification. We always choose vendors and software with a proven track record and comprehensive local support and training for the application.

Our credentials

With each new project we successfully complete we are constantly updating our credentials. Please contact us for up to date details of our recent Corporate Budgeting experience.

Who to contact?

PwC's Corporate Budgeting solutions are created by an established team with experience in financial and management reporting solution delivery and with comprehensive experience of working in Ukraine

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