

Corporate performance management

How we've helped others

Improving budgeting and forecasting

Global pharmaceutical company

Issues

Financial planning processes (budgeting and forecasting) were complex and inconsistent; each business unit had its own tools, processes and timeline. Finance resources had difficulty providing highly detailed plans and rarely had time to provide valuable analysis.

Value provided

- Introduced driver-based methods that highlight the "whys" and "what's" behind the prospective numbers to eliminate gaming and improve communication between finance, management and operations.
- Shifted the focus from data aggregation and reconciliation to informational analysis with effective automation and the elimination of unnecessary detail.
- Reduced the number of tools (from a dozen to one) and processes (from hundreds to a handful) in place for delivering budgets and forecasts.

Establishing actionable management information

Global energy company

Issues

Performance management processes lacked both a consistent set of universally defined measurements and a review process to drive improvement. In addition, these processes did not use leading indicators and were not consistently deployed throughout the organization. Further, management information required excessively manual and duplicative efforts, was not timely, and was hindered by a proliferation of systems and databases.

Value provided

- The implementation of a tool that allows for real-time access to and improved transparency of management information to support proactive decision making.
- A process to ensure data integrity.
- A performance management process in-line with site organizational accountabilities to drive action.

Increasing visibility into customer profitability

Global financial services company

Issues

The Company needed to replace the existing time consuming spreadsheet driven customer profitability process with an efficient approach that leveraged automated source data collection and distributed multi-dimensional reporting functionality.

Value provided

- The automated data collection process allows the organization to create timely and accurate customer and channel Profit & Loss statements, reducing cycle time from several weeks to a day.
- Timely customer profitability statements coupled with an education process that increased company understanding of allocations, allowed the company to become more selective with its book of business and focus greater attention on profitable accounts.

Accurately predicting customer demand

Global telecom company

Issues

Outdated and inaccurate sales forecasting models led to unexpected demand upon institution of a new pricing policy. The company's capacity was unable to support the demand in many markets leading to dissatisfied customers and lost revenue.

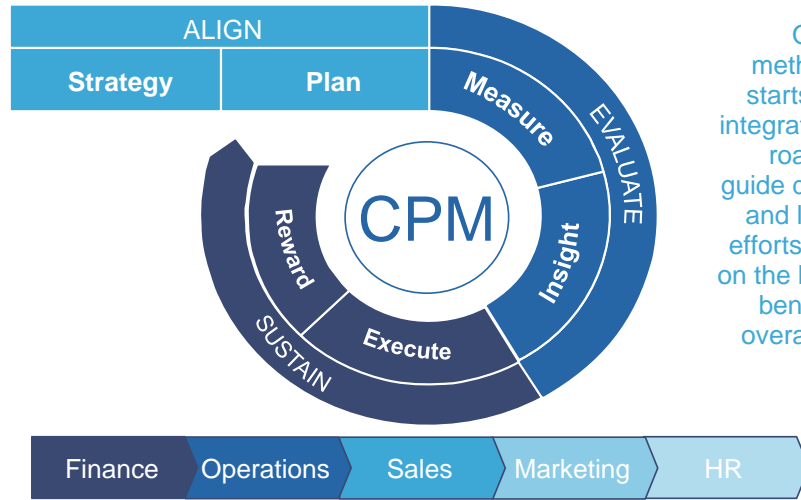
Value provided

- Corrections were made to the existing sales forecasting model taking into account the magnitude of change that can accompany significant changes in pricing structure.
- A proof of concept for a new model accurately accounting for the complexities of a rapidly changing competitive environment and better aligning demand-related decision making within the organization was presented.
- The revised sales forecasting model more effectively predicts capital allocation and capacity constraint problems.

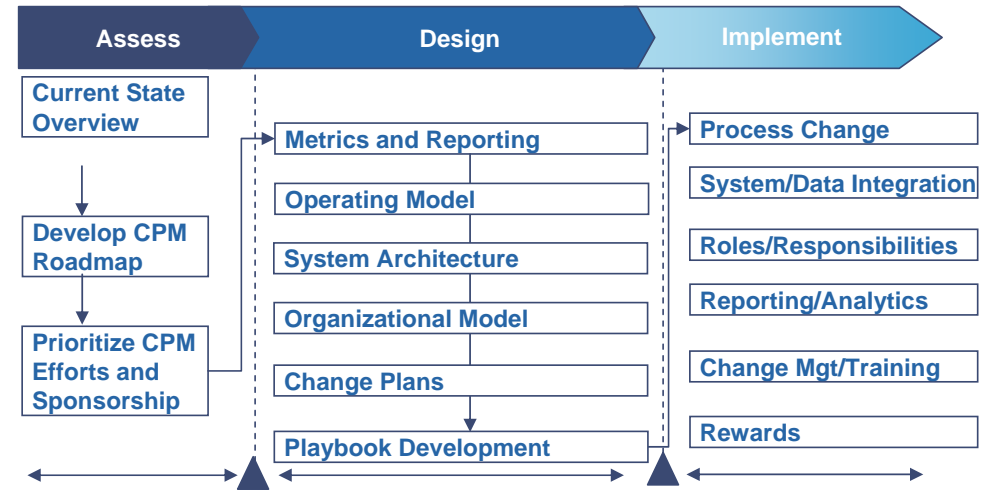
How to translate strategy into sustainable performance*

Managing business performance

PwC's Corporate Performance Management (CPM) framework helps companies develop an integrated CPM approach that supports the design and implementation of management processes and systems that drive accountabilities, decision support and operational execution. Recognizing that CPM efforts typically start as targeted improvement efforts, we help align CPM efforts to link strategies, metrics and financial planning with ongoing operational reporting and execution.



Our CPM methodology starts with an integrated CPM roadmap to guide decisions and link CPM efforts to focus on the business benefits and overall return.



How PwC can help

How we help

Our professionals combine deep financial, operational, and analytical expertise to help organizations optimize planning, align metrics, and leverage existing CPM tools. We have experience with all of the leading tools including Hyperion/Oracle, SAP, and Cognos and apply our best practice thinking, CPM accelerators and industry knowledge to help in all phases of CPM deployment.

What we do

CPM Assessments and Roadmaps
Measures and Metrics Alignment
Operating Model Development
Management and Operational Reporting
Budgeting and Forecasting Improvement
Driver-based and Rolling Forecasts
Dashboards and Scorecards
Business Analytics and Business Intelligence
CPM Best Practices and Benchmarks
CPM System Selection and Rollout
Data Architecture and Management
Change Management
Reward and Compensation

CPM best practice concepts

- Establish clear CPM goals and business sponsorship upfront
- Identify key business drivers to set a foundation for future planning, reporting and analysis
- Develop quick wins with tactical deployment - keeping longer term vision in mind
- Plan for business changes- Flexibility is the number one requirement
- Engage business and functional expertise in operating model development – this is not just a finance exercise
- Address data, quality and integration issues upfront
- Standardize and leverage leading CPM tools for financial planning, consolidation, reporting and analytics
- Utilize prototype driven approach for deployment