

# FINANCIAL MANAGEMENT IN PLANVIEW ENTERPRISE

## Maximize Performance and Achieve Financial Visibility

Most organizations manage their work with tools that are disconnected from those that plan, measure, and monitor financial costs. They can track what they spend in a department or cost center, but cannot easily connect the spend with the value delivered. When financial management, strategic management, project management, product development, and IT services occur as separate processes with limited integration, organizations cannot justify and explain their overall total costs and how those costs translate into value. The organization can neither track nor forecast the cost of a strategy, the total cost of development for a product, or the total cost of ownership for an asset or service.

The fundamental disconnect between processes focused on executing work and those measuring financial performance creates the chance for waste, redundancy, and a lack of understanding of the value provided by the organization – IT, Product Development, Marketing, or any other business unit. Without the ability to connect costs to value, organizations cannot explain internal costs and charges or justify headcount and burn rate.

The financial management capabilities in Planview Enterprise® provide a comprehensive, integrated system for performing portfolio management planning and execution with robust capabilities for budgeting, forecasting, and tracking costs and benefits. You attain dynamic, real-time visibility into the costs and benefits of strategies, products, projects, applications, assets, and services and are able to see:

- Who is doing the work
- The value or deliverable produced
- Who is paying for it

When financial management is an integral part of portfolio management, you are empowered to drive strategic alignment, measure performance in meaningful business terms, and promote overall accountability.

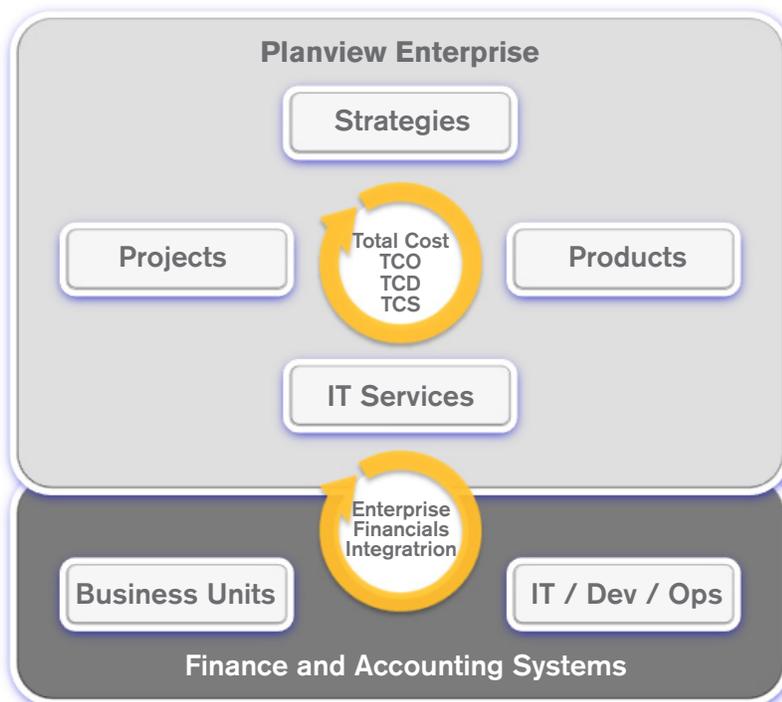


Figure 1. Planview Enterprise enables dynamic financial planning

### Planview Enterprise for Financial Management

The financial management capabilities in Planview Enterprise® provide a comprehensive, integrated system for performing portfolio management planning and execution with robust capabilities for budgeting, forecasting, and tracking costs and benefits.

This provides dynamic, real-time visibility into the costs and benefits of strategies, projects, applications, products, assets, and services. This gives business leadership the ability to drive strategic alignment, measure performance in meaningful terms, and promote enterprise-wide accountability.

Learn more at [www.planview.com/Financial](http://www.planview.com/Financial).

### With Planview Enterprise Financial Management you:

- Promote alignment between strategic planning, Finance, and operating groups through an integrated, closed loop process for financial planning, capacity planning and strategic planning
- Achieve more accurate budgeting and forecasting
- Understand total costs of delivery to balance cost with value and return
- Drive innovation through strategic and product financial planning
- Perform financial planning and reporting and easily access analytics

## Budget and Forecast Costs and Benefits with Dynamic Financial Planning

Dynamic financial planning helps you achieve more accurate budgeting and forecasting and enables you to:

- Build financial plans on projects, strategies, products, services, and assets/applications
- Capture the right level of financial information for the right process, allowing for high-level costs and benefits on strategies and products with more detailed financial data on execution-level work, assets, and services
- Increase revenue and drive accountability with improved revenue forecasting
- Manage specific projects, strategies, products, services, and assets in multiple currencies simultaneously
- Mitigate risk through financial transparency between financial planning, reforecasting, and project execution

## Drive Innovation through Strategic Financial Planning

Alongside a strategic financial management approach, Planview Enterprise can help you drive innovation and achieve higher performance with your financial management systems by defining processes that prompt higher accountability and better decisions. Strategic financial planning:

- Combines the disciplines of portfolio management, strategic planning, and financial management to plan and manage resources based on your strategic plan
- Provides a baseline for operational planning by instantiating the strategic plan as the basis for defining work, products, and services
- Complements organizational financial management, overcoming its limitations by improving strategic alignment and financial transparency to achieve the strategic plan
- Converges top-down strategic planning targets and bottom-up strategic planning plans, as shown below, at multiple stages of planning and when actuals are collected. Execution-level variances are monitored and validated against organizational and strategic plans to ensure alignment, and adjustments are made when necessary.

## REAL-WORLD BENEFITS

A company assisting financial service organizations obtain a single view of fraud activity across the enterprise required a solution to help track, measure, and report on IT financials. This solution would help the company incorporate IT planning into its annual planning process to contribute to increased revenue, lower costs, competitive advantage, security, increased shared services, and information for employees and customers.

## CHALLENGES

- Recognition of the impact of IT investment on company profits, including integrating IT investment planning with the annual business planning
- Desire to demonstrate the value of and to manage IT investments
- Benefits of higher ROI, better IT investment decision making, forward planning of IT investments, and synchronization with strategic direction

## SOLUTION

The company implemented Planview Enterprise to:

- Ensure that IT investments complement and enhance company strategies
- Appraise strategic objectives, level of IT infrastructure, and project goals for each program, project, and activity
- Review company strategies annually to make sure that IT has initiatives in place to support the strategies

## VALUE

Planview Enterprise helps the company with:

- Metrics such as project status, percent complete, resource utilization percentage, financial metrics, and resource roles
- Reporting like resource utilization, project status, strategic alignment, and financial analysis and status
- Communications with project teams and content management
- Demonstration of IT's value to the business through project views and allocated incremental costs

Planview Enterprise and its embedded financial management capabilities help this company make the right investment decisions, stay on track with projects, and generate and demonstrate business value from IT.

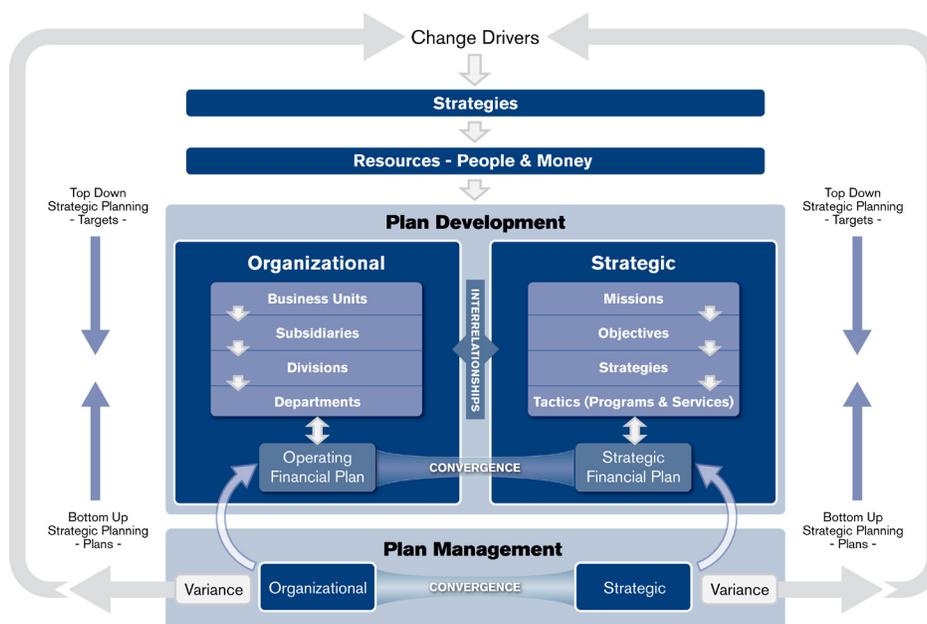


Figure 2. Convergence of top-down and bottom-up financial planning

# Understand Execution Costs and Forecasts to Balance Cost with Value

The financial management capabilities in Planview Enterprise provide an integrated financial platform for linking execution activities, costs, and organizations. This platform helps you:

- Products and product development efforts to understand Total Cost of Product Development (TCD)
- Applications and assets to understand Total Cost of Ownership (TCO)
- Services and asset costs to understand Total Cost of Services (TCS)
- Understand the relationship between internal organizational costs, the value provided, and the benefit received
- Integrate non-labor expenditures into project execution, ensuring the integrated planning and management of non labor costs within the context of the project schedule
- Define labor rates based upon the attributes your organization uses to cost labor, including role, location, resource type, vendor, department, project and cost center
- Calculate actual and planned labor costs with Enterprise Resource Costing based on organizational rates

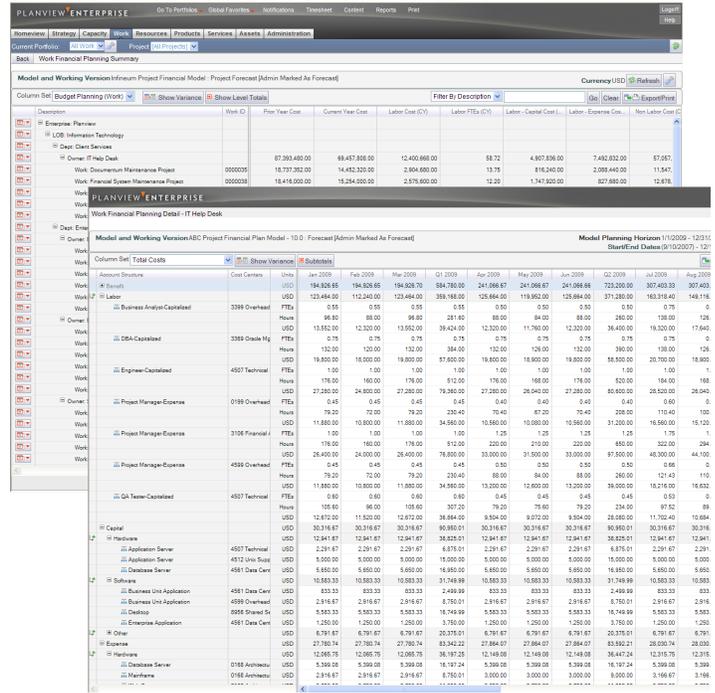


Figure 3. Planview Enterprise Financial Management User Experience

# Perform Financial Planning and Reporting and Easily Access Analytics within a Portfolio Management Framework

Planview Enterprise offers a robust experience for financial users, with meaningful processes and concepts. This delivers:

- The facility of working where you are comfortable – either in a rich, spreadsheet-like user experience as seen in Figure 3, or in Microsoft Excel via a powerful, bi-directional interface, as seen in Figure 4.
- Comprehensive analytics, which provide you with the financial information you need to make key decisions. Financial analysis is provided through a breadth of channels:
  - Embedded within Planview Enterprise portfolio management applications with integrated subtotals, dashboards, and charting
  - Via ad-hoc, custom, and distributed reporting through Scoreboards leveraging Business Objects XI R3
  - Analytics through Planview Enterprise Insight Analytics that uses the power of OLAP for portfolio analysis on every desktop (see Figure 5)
- A configurable and flexible financial approach, enabling financially oriented processes in support of portfolio management

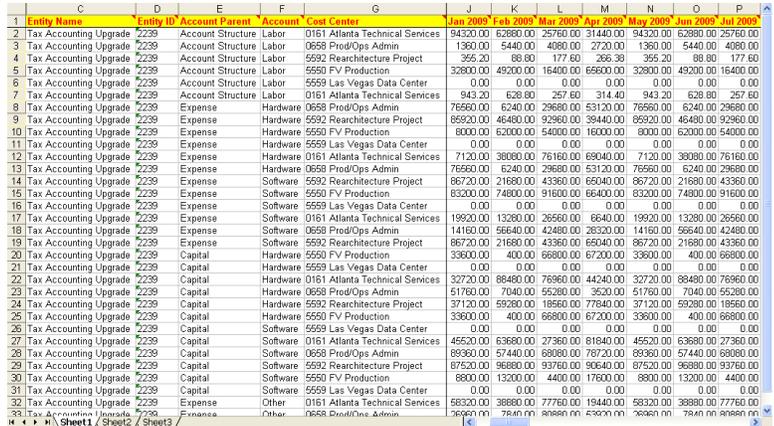


Figure 4. Planview Financial Management Integration with Microsoft Excel



Figure 5. Analyze Financials with Planview Enterprise Insight Analytics – Forecasted Cost by Providing Organization and Account

## CAN YOU ANSWER THESE QUESTIONS ABOUT YOUR COMPANY'S FINANCIAL PERFORMANCE?

- Can we align IT spending with enterprise strategies and objectives?
- How accurate is our budgeting and forecasting?
- Do we have visibility into the cost of developing an product, providing a service, and/or supporting an application?
- Can we measure TCO, TCD, and TCS?
- Can we justify or explain internal costs?
- Do we have clearly defined and documented revenue targets by product?
- Can we accurately manage chargebacks?
- Are we able to meet financial regulatory compliance?
- Do we have enough information to fund more innovation?

## Start Benefiting from the Integration of Financial Planning and Portfolio Management Today!

The financial management capabilities embedded in Planview Enterprise provide a comprehensive, integrated system for performing the planning and execution of functions necessary to budget, forecast, and track costs and benefits. You get a complete picture of who is doing the work, the value it produces, and who is paying for it.

Leveraging a powerful portfolio management solution with comprehensive financial planning capabilities drives accountability and allows reporting performance in meaningful business terms. You can overcome the limitations of a purely organizational, general ledger-driven approach to financial planning, and are able to focus financial planning on strategic execution, product development, and service management to ensure realization of the corporate vision.

The result is a complete portfolio management solution that provides a powerful, proven, and effective way to:

- Fully align strategies, resource capacities, and funding
- Maximize the performance of your product portfolio
- Gain better control of projects and resource assignments
- Capture and manage the total cost of delivering services, applications, and products

Learn more about the financial management capabilities of Planview Enterprise today at [www.planview.com/Financial](http://www.planview.com/Financial).



For more than 20 years, Planview has been advancing the discipline of portfolio management, helping our customers change the way they manage people and money to make better business decisions. With a singular focus on portfolio management, Planview is the only company that combines customer-driven software, unmatched domain expertise, and proven best practices to solve each customer's unique business problems. For more information, visit [www.planview.com](http://www.planview.com).

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