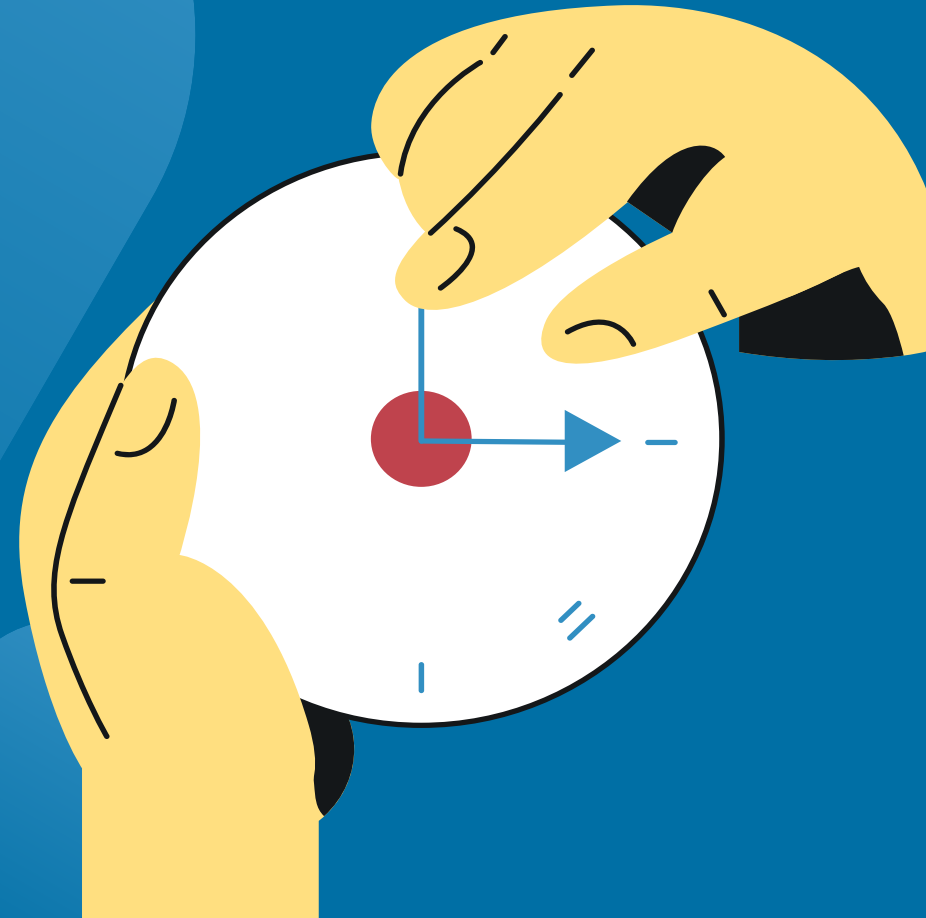


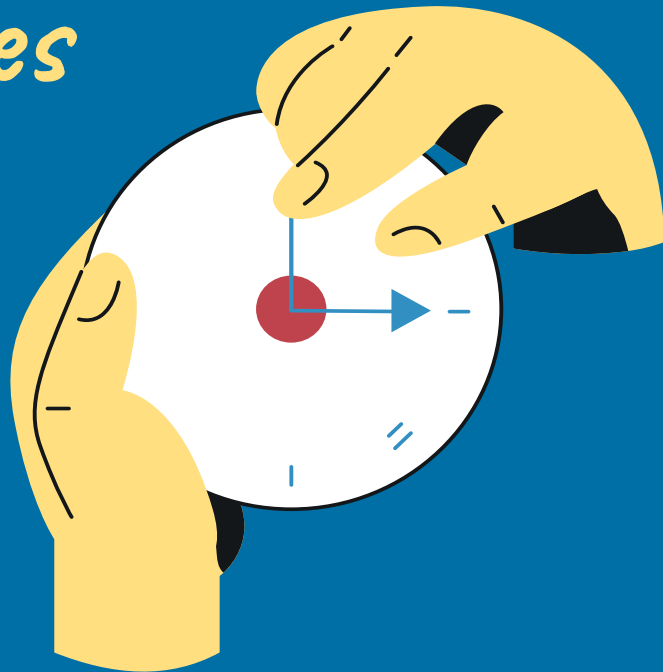
Guide

Discover How to Master Reforecasting in Less Than 5 Minutes

•--• Abacum



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There is no doubt that forecasting is one of the most valuable practices in all businesses today. It helps reduce uncertainty and allows you to identify new opportunities that you might have otherwise missed. **But what happens when your annual results miss the mark of your initial forecast, and you're not sure how to react?**

You have probably heard a lot of buzzwords over the last few years, particularly on predictive analytics. For some time now, companies have realized how important it is to not just forecast, but to **regularly reforecast to spot performance shifts before a business starts to decline.**

Reforecasting is not letting your coffee get cold. **It's taking action early on to prevent change, reduce negative outcomes and achieve your strategic finance goals.**

Although reforecasting is key, choosing the right frequency and tools is not always easy. To help you navigate the unknown, we've put together a quick guide on how to optimize your company's financial planning and analysis with precision.

10 Best Practices for Efficient Reforecasting

1

Clearly Define Roles and Responsibilities

When reforecasting, the first step is to **determine who owns the overall process, who else needs to provide input, and what everyone's roles and responsibilities are.** Typically, Heads of departments across the organization would be contributors, and would report to the **finance leader, who is traditionally the one in charge of overseeing the financial alignment across functions.**

2

Focus on the Why, not the What

Companies no longer look for what is good for the business, but are increasingly analyzing the “why”, thanks to the plethora of data they now have access to. In strategic finance, asking what to expect on revenue only gives you a vague idea of where you stand. Instead, doing a granular analysis of historic data can surface invaluable insight and help you identify areas of growth, areas of unnecessary spend, and potential gaps in the business processes. **It can pinpoint exactly what you need to focus on.**

3

Identify Your Internal and External Drivers

To be successful at reforecasting, you must **identify the drivers of change.** These can be both internal and external factors that push the company in another direction.

As finance leaders know, **past financial trends will rarely predict the future.** Thus, it is crucial to detect the ongoing variables that can impact the pipeline, and identify those we can measure and correct.

4

Determine Your Frequency and Duration

Most companies **reforecast every quarter or even every month to avoid budget obsolescence.** How often your company can review its finances will **depend on the capacity of your teams,** and it relates to the stage of your company's growth, as well as the time and resources you would like to invest to anticipate the future.

The frequency you select will determine the length of your reforecast exercise. For example, if you want to reforecast monthly in order to have more agility, you need to be able to make sure your teams have the capacity to complete the process within a few days, rather than a couple of weeks.

5

Get More Stakeholders Involved

Adding people in the loop means having more accurate insights, but also managing a wider range of skills. Yet, it requires **greater guidance, standardized methods, and clear communication** to avoid confusion. Setting a common approach and putting training in place will make it easier for the Finance team to integrate all forecasts into the master file.

6

Check the Accuracy of all Your Data

Including as much information as possible in your reforecasting tool will give you a **more holistic understanding of your business**. Essentially, adding commercial data sources, or customer success data, will help you **improve your decision-making process, but the key is to make sure that all the data you collect is accurate**. It is the responsibility of data owners to ensure a high level of accuracy, although the Finance team is usually in charge of enforcing the best practices of data management.

7

Permission control

Your reforecasting system should scale with your business as it grows. As the popularity of remote work increases, it is critical to control who accesses which files. Therefore, you need to **guarantee that the correct team members have access to your reforecast report anytime, from anywhere**, but equally make sure that your files do not fall into the wrong hands.

8

Use a Unified Platform to Consolidate Data

It is recommended to use a centralized solution to consolidate data so that **collaboration across departments** is easy. In addition, it makes backing up data regularly easier, which helps **prevent data loss or corruption**.

If you are working with a large amount of information, you might want to consider storing your files in the cloud, so they are always available and backed up.

9

Security First

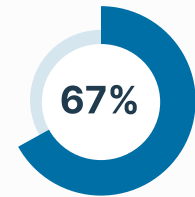
Make sure there is no chance of data manipulation and that your financial records are safe. **Your financial data's security and accuracy are crucial to the Finance team's ability to function**, therefore it's critical to implement security audits and policies to prevent hacking attempts. Don't lock everything down though, as **authorized users should be able to share information across teams to deliver reliable estimates**.

10

Keep it Simple and Automate the Process

The goal is not to create an overly complex system, but rather one that is **easy to use and maintain**. Simplify by **focusing on the critical workflows and automating** as much as possible.

Investing in dedicated FP&A software can significantly cut down the time needed for reforecasting, freeing up valuable time for other projects. Although not yet common practice, according to our latest survey, 67% of finance professionals would love to implement automation in their workflows to save time and money.



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Boost Your Performance With Reforecasting Tools



Reforecasting software can help you **plan for future events that may impact your bottom line**. They can lead to better performance through the analysis of current trends and historical data, and also **give insight into relationships between variables** for finance leaders to plan ahead.

Human decision-making is often based on biases and emotions instead of facts. This is why many companies use reforecasting automation tools to improve their forecasting accuracy.

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Abacum can Help you *Plan Ahead*

Once reforecasting key factors are clear, the next step is to reduce time-consuming tasks through financial automation.

Abacum is a financial planning and analysis platform that can help you focus on decision-making, by providing real-time data and enabling seamless collaboration. Abacum is supporting world-leading companies to enhance growth and alignment in the short, medium, and long term.

If you are trying to upgrade your reforecasting process, **request a consultation and talk to one of our FP&A professionals.**

Acme Corp Corporate Performance Default space

Corporate Performance Add status

Design Finance Marketing Product Tech Add page

Overview

After a debatable beginning of the year, figures are picking up and expected to improve towards the end of the year. New MRR is below budget (-\$158k), churn is consistently better than targeted (+\$23k) MRR figures are not as favorable based on a YTD view (\$1.3M) but we can preview a positive tendency when focusing on the second half of the year.

Please add your data until the end of the week

PL Consolidated - Anchor Budget - Feb 2022

	MTD AUG 2021				
	ACT	FCST	BDGT	ACT VS FCST	
> Design	46,514	44,617	37,035	(1,897)	-4%
> Finance	14,275	16,873	13,785	2,598	15%
> Marketing	162	2,769	7,857	2,607	94%
∨ Product	451,588	530,684	402,870	79,107	18%

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TIER

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SQUIRE

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LUNAR