SELECTING THE RIGHT SOFTWARE

WHAT TO LOOK FOR IN A BUDGETING & FORECASTING SOLUTION...

When an organization decides to invest in software, the hope is that the benefits and cost-savings will surpass the price tag. Here are several important aspects to consider during the software vetting process.

1. EASE-OF-USE

Industry studies over the past five years have shown that poor user adoption is one of the main reasons why software projects fail. Ease-of-use can have a significant impact on everything from the initial implementation and adoption process to reporting capabilities and long-term sustainability. **By selecting a system designed with ease-of-use and the end user in mind, adoption rates will be high, ensuring that the cost of the new solution was money well spent.** We have written an informative white paper on the topic of ease-of-use, with our clients and the CEO of BPM Partners, that examines the importance of usable and accessible systems that function well for all users: the department heads completing the budget, the managers running reports and approving budgets, and the core finance team maintaining the system.

> *"This is a real estate development company, so hardly anybody is in the office. The fact that they can log in from anywhere is very helpful. And when they are in the office it makes collaboration easier. Teams can spontaneously get together in a room and bring it up on the screen and just log in and get started."*
> **- Minden Dickson, Director of Financial Planning & Analysis, Hunt Companies**

2. A GUIDED APPROACH TO BUDGETING

The ultimate goal of purpose-built technology is to make a complex process simple and accessible for the end-user. Your marketing manager or director of operations were hired for their expertise in their field – not for their knowledge of financial processes. Software with a guided approach provides users with appropriate help in understandable language. A system should alert users to the consequences of their actions, such as budget impacts from a new hire or inputting dollar amounts in excess of last year's budget. The intent is to help users think critically about the numbers they are entering. In addition to walking the user step-by-step through the process, the system should allow them to easily and clearly document their reasons for each decision along the way. Ultimately you want a system that provides flexibility and transparency across a wide-range of users.

3. A PURPOSE-BUILT AND INTEGRATED BUDGETING, FORECASTING & REPORTING SOLUTION

Many BPM vendors offer budgeting, forecasting and management reporting solutions – but beware of the "upsell". Most vendors offer a suite of individual products that must be licensed separately. Beyond cost, full integration of the budgeting, forecasting and reporting features ensures smooth system updates and a holistic view for the finance team. And while spreadsheets and ERPs are great – they aren't designed to address the unique challenges of collaborative budgeting. Consider the look and feel of the budgeting software from your end-user's perspective. Does the system simply replicate Excel, but with more features for finance? Ease-of-use and a guided approach may require an interface that looks very different from Excel. However, these features are critical to ensuring your employees will be engaged in the process – ultimately delivering a more accurate final budget.

4. THE CAPABILITY TO BUDGET FOR STRATEGIC INITIATIVES

Strategic planning (i.e., evaluating the opportunities and challenges ahead, establishing key objectives, and engaging your organization's leadership in developing the right tactics to meet those objectives) is recognized as a critical initiative for the short- and long-term success of any business. Yet budgeting, (the allocation of the organization's most valuable resources) often remains a separate event – in many cases an annual "check-the-box" exercise. Look for budgeting software that can help organizations close the loop between planning and execution by engaging budget holders in the process of connecting numbers with strategic initiatives.

> *"Our new software includes a section for users to indicate which area of the strategic plan is being considered within their budget requests. The fact that we've been able to really tie the strategic initiatives to the annual budgeting process has improved communication, it's improved understanding of the budgeting process, and it's helped us to manage expectations so that everybody is on board with the same goals for moving the university forward."*
> **- Anne Ilcus, Budget Administrator and Investment Analyst, Palm Beach Atlantic University**

QUESTIONS TO ASK DURING YOUR SOFTWARE VETTING PROCESS

Once you've made the case for change, your next job is to find the best purpose-built budgeting software for your organization's unique needs. We recommend keeping the following criteria in mind:

	YES	NO
1. **Is it an easy-to-use cloud-based solution?**	☐	☐
2. **Does it provide users with a guided approach to budgeting?**	☐	☐
3. **Does it support budgeting for strategic initiatives?**	☐	☐
4. **Does it offer situational budgeting flexibility?**	☐	☐
5. **Does it include detailed headcount, salary, and benefit planning?**	☐	☐
6. **Does it include the ability to request assets?**	☐	☐
7. **Does it offer built-in, easily configurable reports?**	☐	☐
8. **Does it seamlessly integrate with your general ledger?**	☐	☐
9. **Does it include what ifs and scenario modeling?**	☐	☐
10. **Does it support forecasting, detailed forecasting (including headcount and line item details) and long range projections with predictive analytics?**	☐	☐
11. **Does it offer real-time integration with Excel for quick analysis, pivot tables, and specialized reporting?**	☐	☐
12. **Does the vendor offer an industry-tested implementation process that will get your software up and running in a matter of weeks?**	☐	☐
13. **Does the software come with excellent references and client support?**	☐	☐

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