Financial planning & analysis

Digital media & broadcasting company

Built various FP&A tools/models to enable seamless execution of the forecasting and actuals tracking process

Analytics support for a digital media company

Situation

- There was a lack of real-time and consistent information on the status of current revenues and comparisons with the budget. Also, the company faced challenges in validating the market level forecast inputs from the Regional Heads.
- We partnered with the client to develop robust tools (Revenue model, P&L reports, Budget consolidation tools, Pacing reports etc.) and streamline the FP&A processes

Accordion Value Add

- Worked closely with client's Senior Management Team to identify the key problem areas and built various FP&A tools to improve efficiency of the forecasting and budgeting processes
  - Developed a user-friendly budgeting/forecasting template and shared it with all the Regional Heads to ensure consistent formats and clear inputs
  - Developed a revenue model that allocates the unrealized revenues across the year, with a flexibility to override assumptions such as project duration, conversion probabilities etc.
  - Developed and automated an FP&A tool to track the variance with Budget/forecast at the most granular level by P&L line item
- For the creative agency business, we developed an automated Utilization model, that is centrally located and shared with the Senior Management daily

Impact

- The effort for the quarterly forecasting process reduced by 50%
- Company is able to develop accurate revenue projections and is able to quickly identify the markets that are on track to miss the budgeted numbers
- The creative agency business has a clear visibility into the resource Utilization on a real-time basis, helping the team in staffing and payment processing.

Summary of FP&A tools to streamline forecasting process

01 — **Budget consolidation**

- Consolidated all market level budget files and automated the entire process

02 — **P&L model**

- Developed a P&L model to compare the Actuals vs. Budgeted at a granular level, with the flexibility to filter data by region and product
- Automated the 'actuals' updating process
- Created "Feed Out" tabs in a structure that flows the "actuals" data directly into the Forecast templates for the forecasting process

Revenue model — **03**

- Developed a Revenue model that captures the expected revenue from the Sales pipeline from Salesforce
- Extracted the "Actuals" from NetSuite and mapped to corresponding expected revenues from Salesforce for reconciliation purposes
- Created "Feed Out" tabs in a structure that flows the unrealized revenues directly into the Forecast templates for the forecasting process

04 — **Forecast templates**

- Created a user-friendly template for the forecasting process (for 3+9, 6+6, 9+3)
- Automated the flow-through of Actuals from the P&L model & unrealized revenues from the Revenue model, with manual override flexibility
- Created a "KPI Summary" tab to quickly summarize the forecasted data and make any adjustments if required
- Created "Feed Out" tabs in a structure which flows back to the FP&A tool as the raw data for the consolidated forecast

05 — **Forecast consolidation**

- Consolidated all the market level forecast templates and automated the process using the "Feed Out" tabs
- Incorporated the consolidated forecast back into P&L model to provide the Actuals vs. Budget/forecast comparison at the most granular level (P&L line item level by market, region, legal entity etc.)

P&L model

Flexibility to select Budget (from the consolidated Budget output) or Forecast or Actuals

Flexibility to expand to view the information at a more granular line item level

Displaying the Budget vs. Actuals variance by month, followed by Quarters, QTD and YTD

					ACTUALS				BUDGET VS. ACTUALS VARIANCE ($, ppt for GM %)			
Currency in $USD	January	February	March	---	January	February	March	---	January	February	March	---
	Budget	Budget	Budget	Budget	Actuals	Actuals	Actuals	Actuals	January	February	March	---
Revenue	4,587,527	2,203,703	3,918,303	---	4,372,012	5,383,912	7,108,716	---	215,515	(3,180,209)	(3,190,413)	---
Revenue_IC	138,761	74,276	109,266	---	62,603	414,692	(363,347)	---	76,158	(340,416)	472,612	---
Total Gross Revenue	4,726,288	2,277,979	4,027,568	---	4,434,614	5,798,605	6,745,370	---	291,673	(3,520,625)	(2,717,801)	---
Net COGS	2,492,587	3,610,532	8,195,389	---	2,573,718	1,883,868	4,606,807	---	(81,131)	1,726,664	3,588,582	---
COGS_IC	61,625	72,541	161,125	---	13,033	(388,972)	(609,638)	---	48,592	461,513	770,763	---
Gross COGS	2,554,212	3,683,073	8,356,514	---	2,586,751	1,494,895	3,997,169	---	(32,539)	2,188,177	4,359,345	---
Gross Margin (Gross) ($)	2,172,076	(1,405,093)	(4,328,945)	---	1,847,863	4,303,709	2,748,201	---	324,212	(5,708,803)	(7,077,146)	---
Gross Margin (Gross) (%)	46%	-62%	-107%	---	42%	74%	41%	---	4%	-136%	-148%	---
SG&A	430,539	415,539	432,039	---	270,105	1,439,143	1,052,940	---	160,435	(1,023,603)	(620,901)	---
SG&A by Department												
SG&A	430,539	415,539	432,039	---	270,105	1,439,143	1,052,940	---	160,435	(1,023,603)	(620,901)	---

Center	Region	Market	Hub	Entity
Global	APAC	APAC	APAC	APAC budget entity
LON	EMEA	APAC_Elim	DACH	Brazil budget entities

Notes:

Flexibility to filter by Center, Region, Market, Hub and Legal Entity

Revenue model

SF stage probability represents the stage in the Pipeline

Actuals till April

Built the model at Project level and provided flexibility to view by Region, Market, Client and Brand level

Projected revenue from projects in pipeline or existing projects based on unrealized revenues

PRJ ID	Product	Product Category	Customer Local Currency	SF Start Date	SF End Date	SF Stage Probablity (%)	January	February	March	April	May	June	July	August	September	----
PRJ ID – 1	Product – 1	Product Category – 1	USD	5/1/2019	7/31/2019	100%	-	-	-	-	-	-	87,756	90,681		
PRJ ID – 2	Product – 2	Product Category – 2	USD	7/22/2019	10/10/2019	10%	-	-	-	-	-	-	4,938	15,309	14,815	4,938
PRJ ID – 3	Product – 3	Product Category – 3	USD	7/22/2019	10/10/2019	10%	-	-	-	-	-	-	7,407	22,963	22,222	7,407
PRJ ID – 4	Product – 4	Product Category – 4	USD	4/1/2019	4/1/2019	100%	-	-	-	-	-	-				
PRJ ID – 5	Product – 5	Product Category – 5	USD	7/12/2019	9/26/2019	60%	-	-	-	-	-	-	38,961	60,390	50,649	
PRJ ID – 6	Product – 6	Product Category – 6	USD	4/1/2019	5/31/2019	100%	-	-	-	11,178	20,120					
PRJ ID – 7	Product – 7	Product Category – 7	USD	3/20/2019	4/12/2019	100%	-	-	-	57,140	-					
PRJ ID – 8	Product – 8	Product Category – 8	USD	4/2/2019	4/30/2019	100%	-	-	-	-	14,000					
PRJ ID – 9	Product – 9	Product Category – 9	USD	5/24/2019	6/14/2019	10%	-	-	-	-	-	5,000				
PRJ ID – 10	Product – 10	Product Category – 10	USD	6/21/2019	7/19/2019	90%	-	-	-	-	-	4,655	8,845			
PRJ ID – 11	Product – 11	Product Category – 11	USD	5/1/2019	9/30/2019	100%	-	-	-	37,218	22,079	25,255	26,097	26,097	25,255	
PRJ ID – 12	Product – 12	Product Category – 12	USD	4/1/2019	9/30/2019	100%	-	-	-	2,700	2,700	2,656	2,744	2,744	2,656	
PRJ ID – 13	Product – 13	Product Category – 13	USD	4/1/2019	9/30/2019	100%	-	-	-	66,091	66,091	65,007	67,174	67,174	65,007	
PRJ ID – 14	Product – 14	Product Category – 14	USD	4/1/2019	9/30/2019	100%	-	-	-	400	600	1,230	1,270	1,270	1,230	
PRJ ID – 15	Product – 15	Product Category – 15	USD	10/1/2019	3/31/2020	10%	-	-	-	-	-					2,744
PRJ ID – 16	Product – 16	Product Category – 16	USD	10/1/2019	3/31/2020	10%	-	-	-	-	-					274
PRJ ID – 17	Product – 17	Product Category – 17	USD	10/1/2019	3/31/2020	10%	-	-	-	-	-					508
PRJ ID – 18	Product – 18	Product Category – 18	USD	10/1/2019	3/31/2020	10%	-	-	-	-	-					6,776
PRJ ID – 19	Product – 19	Product Category – 19	USD	2/1/2019	3/31/2019	100%	2,700	2,700	2,700	-	-					
PRJ ID – 20	Product – 20	Product Category – 20	USD	11/1/2018	3/31/2019	100%	27,000	27,000	41,000	-	-					
PRJ ID – 21	Product – 21	Product Category – 21	USD	11/1/2018	3/31/2019	100%	66,780	66,780	66,780	-	-					
PRJ ID – 22	Product – 22	Product Category – 22	USD	3/29/2019	3/29/2019	100%	-	-	35,000	-	-					
PRJ ID – 23	Product – 23	Product Category – 23	USD	1/1/2019	1/31/2019	100%	31,530	-	-	-	-					
PRJ ID – 24	Product – 24	Product Category – 24	USD	1/31/2019	1/31/2019	100%	10,500	-	-	-	-					