

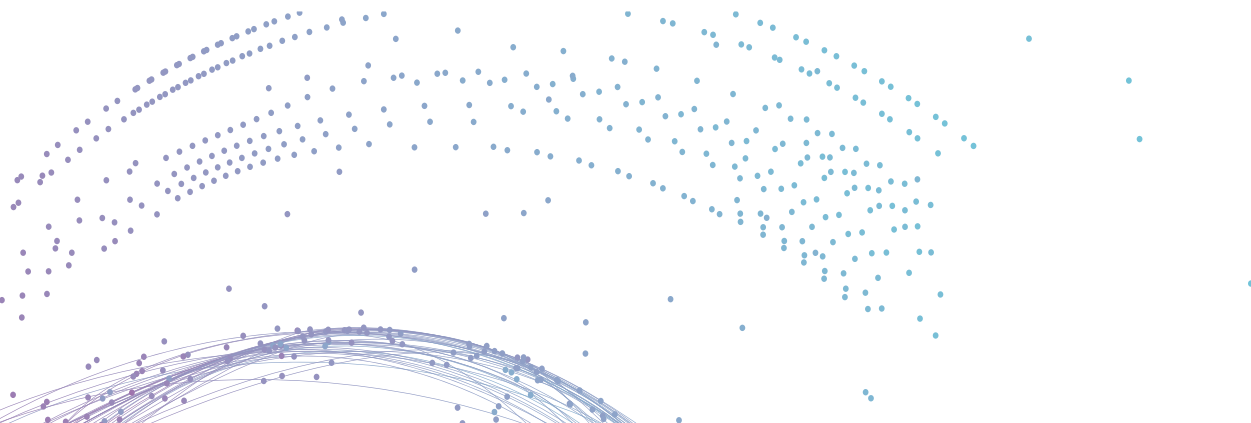


# FOUR TIPS FOR MEANINGFUL FINANCIAL PLANNING

How the right financial planning software  
will help you guide your company through uncertain times

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# 1 WHY YOU NEED FINANCIAL PLANNING THAT OFFERS REAL INSIGHTS

The world is always getting more complex, and so are the demands being placed on companies. Having to incorporate more and more subsidiaries and investments into quarterly and annual financial statements – all while ensuring an increasing level of detail on tighter deadlines – is just one of the challenging aspects involved. Along with the usual questions regarding company financing and profit or loss statements,

financial departments are now being asked to provide information on their company's development, financial strategy, and risk management as a basis for operative and strategic business decisions.

Combine all this with the volatility of the market, the trend in internationalization, the occasional financial crisis, and unforeseeable events like the coronavirus pandemic, and you can quickly find yourself in a difficult position. This is why it's important for every

company to regularly check whether it's still on the right track.

If you want to keep a sure hand on the helm as you steer your organization through choppy seas, you'll need the right tool for the job. Informative financial planning will give you a means of actively guiding your company where you want it to go instead of just being blown by the wind. When used in the right ways, it can form the foundation of your business management and analysis and enable you to turn insights into the right conclusions for the future. You'll then be planning investments, distributions, and external financing based on the data available rather than pure intuition.

Increasing demands from stakeholders

Rising company complexity

Financial/economic crises

Volatile markets

Internationalization



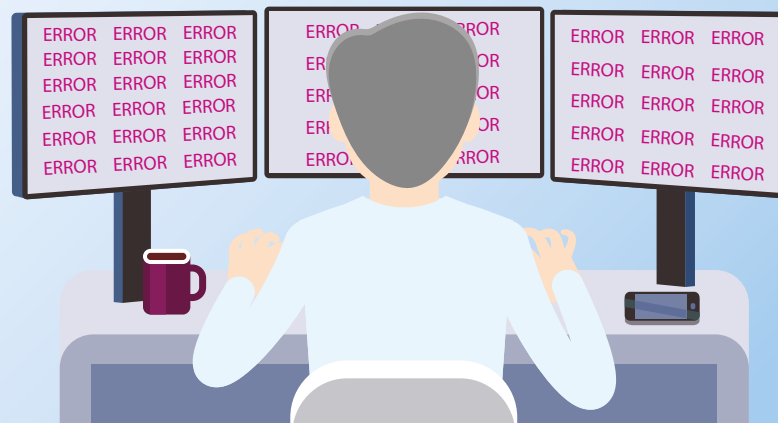
## 2 HOW TO SET UP SOLID FINANCIAL PLANNING

These days, it's more important than ever for companies to keep a constant eye on their figures, analyze them, and identify risk factors in good time. As we touched on above, such activities require financial planning that offers insights you can depend on.

But how can you set up reliable financial planning with as little effort as possible? The answer is waiting for you in this e-book. By following our four tips, you can significantly improve your financial planning not only with regard to the process itself, but in terms of data quality and the time required, as well.

### YOU SHOULD READ THIS E-BOOK IF...

- ✓ ... your current system is too slow and prone to errors.
- ✓ ... you are facing increasing time pressure from various stakeholders.
- ✓ ... you want to make more people believe in your planning process.
- ✓ ...reliable real-time information is becoming more and more important to your company.
- ✓ ... you need accurate data in order to make sound decisions.



## TIP 1

## AUTOMATE YOUR PLANNING

Excel is still the number-one tool used for planning, budgeting, and reporting. After all, it's a solution that's familiar to many users and installed by default at many companies. When it comes to calculating time series and preparing data in graphical formats, Microsoft's spreadsheet program can definitely be a suitable choice. As more and more users are realizing, however, Excel doesn't always cut it as a standalone solution.

If you need to turn your profitability planning into a planned balance sheet and a liquidity forecast, for example, you'll find that it eventually reaches its limits. In many cases, people then start working with references and macros, which only makes their overall planning less transparent and more prone to mistakes. At that point, it's only a matter of time until they run aground.



Professional planning software, on the other hand, will help you implement an automated and transparent process in which errors just don't happen. You'll then be able to respond more quickly and flexibly to changes in your market environment. Your internal auditors and controllers will also prefer a system that ensures your data is correct and can display every relevant financial figure at the press of a button. Thanks to ready-to-use interfaces for importing your data from source systems and validating it at the same time, the mistakes that used to occur in transferring your figures manually will be a thing of the past. Meanwhile, planning logic and corresponding wizards will improve and accelerate your planning process. After all, they only need to be set up once and updated in future years, or simply modified as the situation demands.



## TIP 2

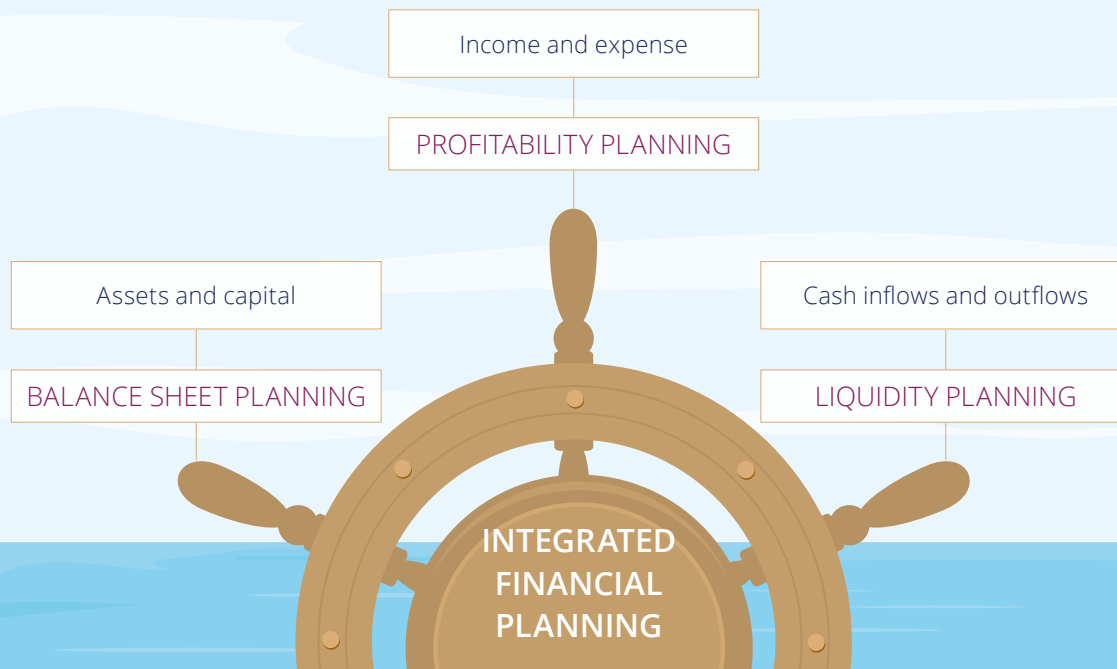
## INTEGRATE YOUR PLANNING

Liquidity is a key variable when it comes to the survival of an enterprise – and corresponding planning can be done much better than it usually is. That's because in spite of its significant relevance, liquidity is frequently considered on its own. Meanwhile, the secret of successful financial planning lies in **integrating your profit and loss statement, balance sheet, and cash flow statement.**

Only by combining these three elements can you properly assess how your business decisions will impact your profitability, solvency, and stability and put together a reliable overview of your company's economic situation.



With professional planning software, you'll be able to automatically determine how your budgetary planning will affect your P&L, balance sheet, and liquidity. Every planning value is constantly taken into account in every area: Proceeds become receivables and are planned as deposits in accordance with the payment periods defined in the system. Expenses are calculated from liabilities and then converted into payments. With fully transparent data across all three components of your financial statements, planning will be much easier for you and your finance team. Integrated financial planning will also enable you to recognize negative trends at an early stage and take specific measures to correct them.



**TIP 3****THINK IN TERMS OF SCENARIOS**

Today's markets are highly complex and change at a breakneck pace. Only those flexible enough to react rapidly to the latest developments are sure to stay on course. This is why planning for certain scenarios is an important tool in successful business management. To get a feel for scenarios your company is likely to face, you should explore a variety of planning premises and think your way through different corresponding variants.



Professional planning software will give you a means of simulating best- and worst-case scenarios as often as you wish. This means you'll already have a good idea of what will happen should certain conditions develop to the benefit or detriment of your company. You'll also know what to expect with regard to your assets, earnings, and financial position – and what measures to take to keep your company from becoming insolvent if things take a turn for the worse. The complete integration

of your profit and loss statement, balance sheet, and cash flow statement makes it possible to create scenarios at the press of a button without having to run through the entire planning process again. You'll be able to see the effects of related changes across all your structures, which will give you an immediate understanding of all the ramifications in terms of your balance sheet, liquidity, and earnings. You can then compare scenarios in your reporting to highlight the corresponding impacts.





## TIP 4

## GET FORECASTING

Compiling forecasts during an ongoing fiscal year represents another key instrument in company management. In many cases, the problem with traditional annual planning is that it's no longer current or relevant once the surrounding conditions pertaining to a given company or its market change. A rolling or periodical forecast, on the other hand, relies on actual figures and uses them to develop a preview of your operative business during the current year while adjusting the assumptions made in your operative planning. This approach improves your planning forecasts and enables you to react promptly to changes.



With professional planning software, you can use forecast wizards to develop planning time series with a high level of detail. Based on your existing planning and our software's ability to incorporate all your planning data into it automatically (which eliminates the usual errors), you'll be able to produce forecasts with ease and compare and evaluate them using flexible views. The effects of corresponding changes will be accounted for and made visible throughout all your company's structures thanks to the way LucaNet completely integrates profit and loss statements, balance sheets, and cash flow statements. It's also possible to create as many parallel P&L and balance sheet structures as you like in order to generate different reports from your planning (for different requirements and recipients, for example).

## HOW TO MAKE FORECASTING EVEN SIMPLER

Our app for **transfer of differences between actual and planning and data levels to a forecast data level** compares the values of an actual data level against those of a planning data level and transfers the differences to a forecast data level in line with a chosen logic. These differences can be distributed in a weighted or linear fashion, which enables you to visualize the variance between planning and actual figures on an individual basis.



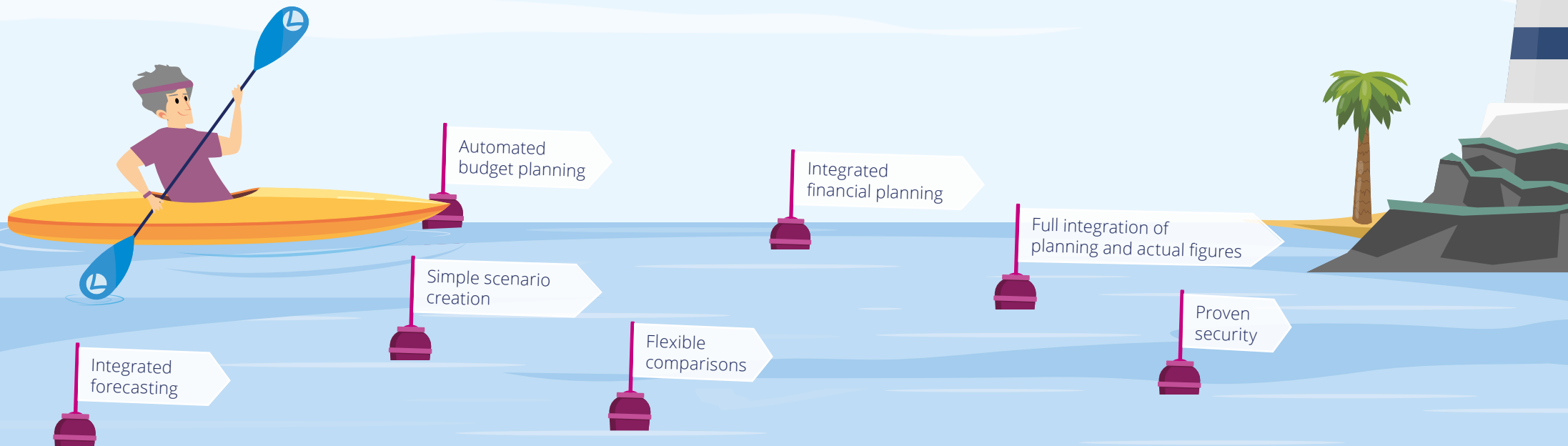


### 3 HOW LUCANET CAN SUPPORT YOU

Accurate financial planning is crucial to the future of your company. Without a realistic picture of your overall financial position, you run the risk of drifting off course – even in times of relative stability. The following questions should always be in the back of your mind: Is the company developing in the way we planned? Are the measures we're taking having the expected effect? What risks and opportunities are likely to arise when our business changes?

#### STAYING ON COURSE CAN BE EASY – WITH THE RIGHT SOFTWARE

We can help you set up financial planning capable of producing helpful insights that will aid you in managing your company. LucaNet was developed to meet the particular needs of finance teams. Whether it's integrated financial planning, forecasting, or scenario planning: Our software will give you a comprehensive view of your financial data, as well as the certainty that these are figures you can rely on. If you ever have technical questions, our team of experts will also be there to provide the answers and assistance you need.



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Reviews  
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Flyer

50%

less time required  
for planning  
process

Deutsche Werkstätten Hellerau GmbH

70%

70% fewer  
data errors

PFISTERER Holding AG

90%

90% increase in  
data  
transparency

TOSHIBA Electronics Europe GmbH

## TAKING THE COMPLEXITY OUT OF FINANCE

Every day, we prove that managing financial data doesn't have to be rocket science. Since 1999, our user-friendly software solutions for Corporate Performance Management for finance teams have been in a class of their own: automated processes that make your job a lot easier. A single tool that presents financial data in a transparent, easy-to-understand way. Robust figures to back up every one of your business-related decisions. And when you have questions, our consultants and software experts are here for you – always.

By financial experts, for financial experts. Always fostering the most intelligent solutions. After all: consolidation, planning, reporting, and data management know no limits – so why should we? We're constantly challenging ourselves, questioning the tried-and-true. And this is why we do more than just create powerful applications: we create user experiences, helping you to fully grasp and navigate the intricacies of your company's finances and pave the way for a strong future.

Berlin is our home, but you'll find us wherever reliable financial data is needed. With a growing national and international presence and a strong network of partners, every day we're that much closer to you. And we've come a long way with our approach to rethinking finance: more than 3,000 companies in over 50 countries trust in LucaNet, including names such as Data-Mail, edding, Leica and Toshiba. Find out what they already know – and let us make finance easier for you, too

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