Adaptive Planning

Application Overview

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Last Updated January, 2009

Adaptive Planning, Inc.
Application Overview

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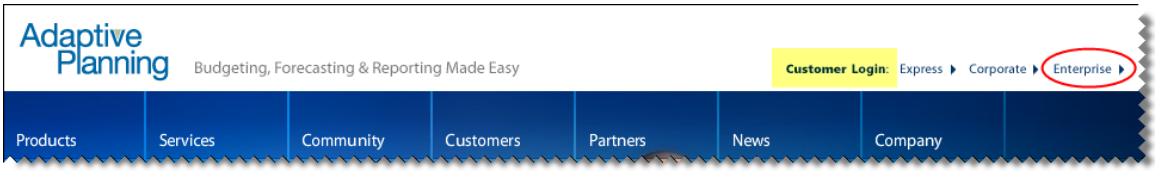
1. Introduction and Overview

This application overview provides a brief review of the features and functionality of Adaptive Planning. For a more comprehensive look at the software, a live demonstration can be scheduled, or the online product demonstration can be viewed at the company's website: www.adaptiveplanning.com/demo_launch.php.

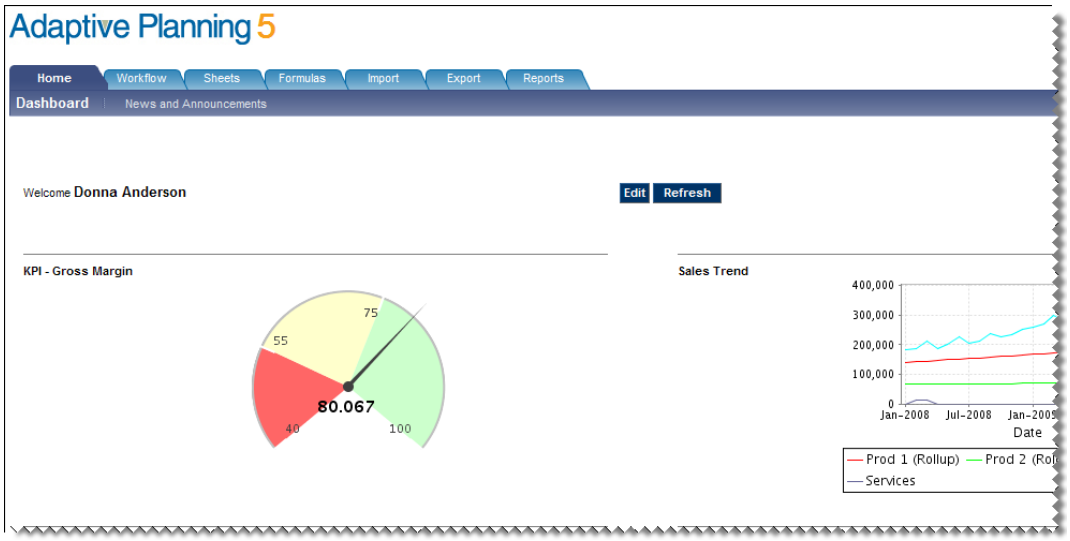
2. Logging In

Adaptive Planning is a hosted, on-demand software solution that is available instantly via a web browser. (Adaptive Planning also offers an on-premise version for companies that prefer to deploy a solution behind their firewall.)

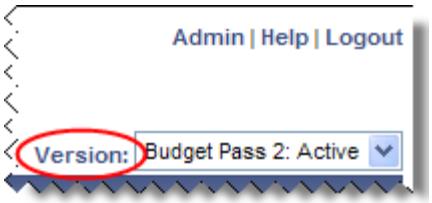
To login to a plan, users go to www.adaptiveplanning.com, and select Customer Login, Enterprise.



Users can specify which page of the Adaptive Planning application is displayed upon login. A popular choice is the dashboard page, which can include multiple graphs. The dashboard can be customized by each user, to include graphical depictions of frequently viewed data such as key performance indicators.



On the right side of each page, the name of the current version is displayed (e.g. "Budget Pass 2".) There is also an **Admin** link, which is seen by users with administrative authority.



The application functionality is divided into key segments, represented by tabs. The tabs that all users will see are Home and Sheets. There are additional tabs that may be seen by some or all users, depending on their level of access.

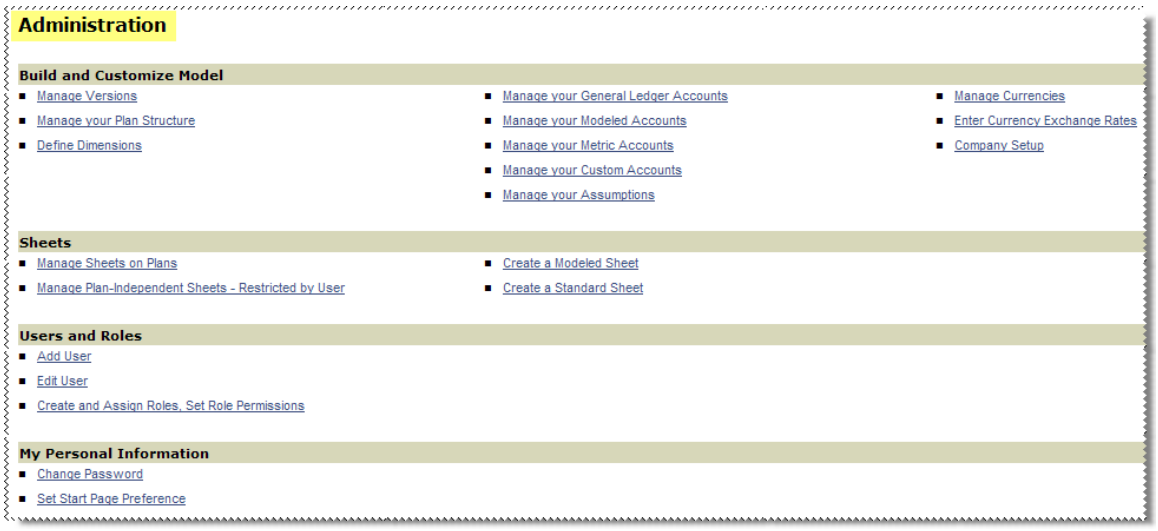
3. The Administration Section of the Application

Only administrators have access to the administration section of the application. The administration functionality is used to configure, modify and administer the corporate plan and all of its sub-plans.

Plan management will usually include the following tasks:

1. Adding plans and subplans to the corporate structure, or otherwise modifying the structure of the overall plan.
2. Modifying the account structure as necessary.
3. Creating and modifying custom dimensions.
4. Creating formulas for accounts where appropriate.
5. Creating and modifying sheets, including customizing sheets for subplans.
6. Creating and modifying assumptions to be used by other planners.
7. Creating new versions of the plan for different planning purposes.
8. Creating and modifying users, their roles, permissions, and their access.
9. Importing actual data and/or exporting plan data

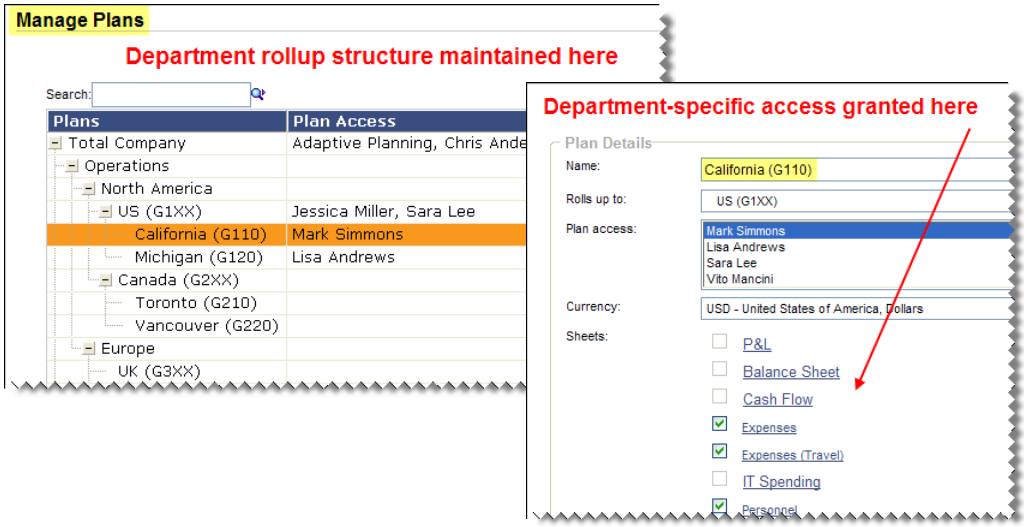
Clicking on the Admin link in the upper right corner of any screen takes the administrative user to a task-based administration screen:



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Plan Management

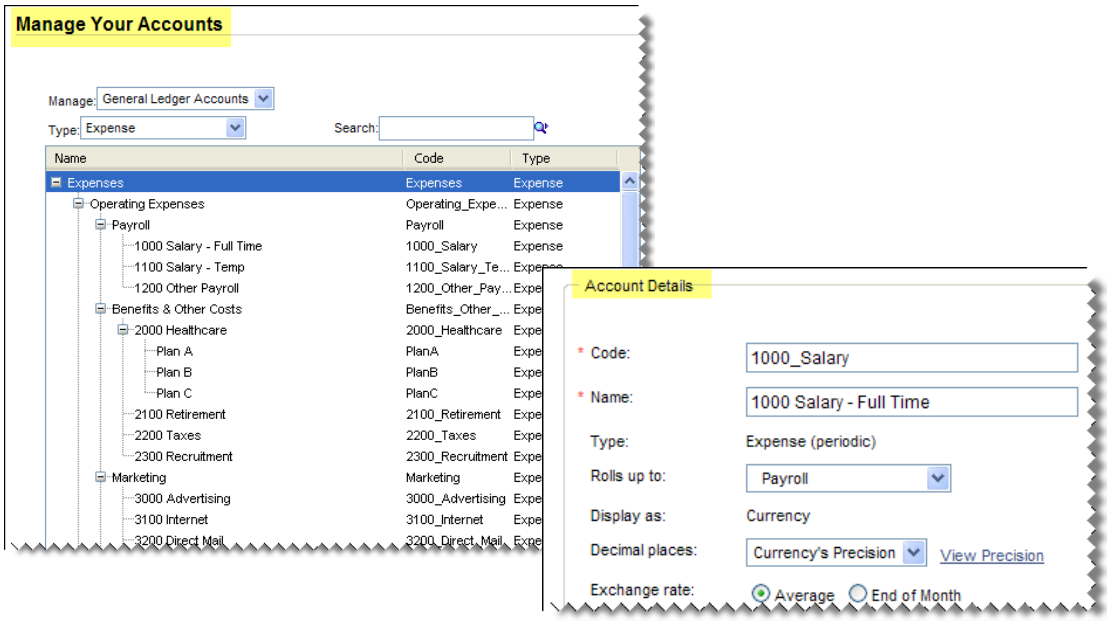
Here the company's department list and rollup structure are configured during implementation, then easily maintained by the administrator. Here also department-specific access is granted to different planning areas, e.g. expenses, capital, sales. If multiple currencies are used during planning, this is where a department's currency is specfiied (more on this, below, in the section called Planning in Multiple Currencies.)



Account Management

The company's account list and rollup structure is maintained here. Typically, a short subset of the entire GL chart of accounts is set up in Adaptive Planning. This account tree drives the way that data in accounts is automatically rolled up on sheets and reports.

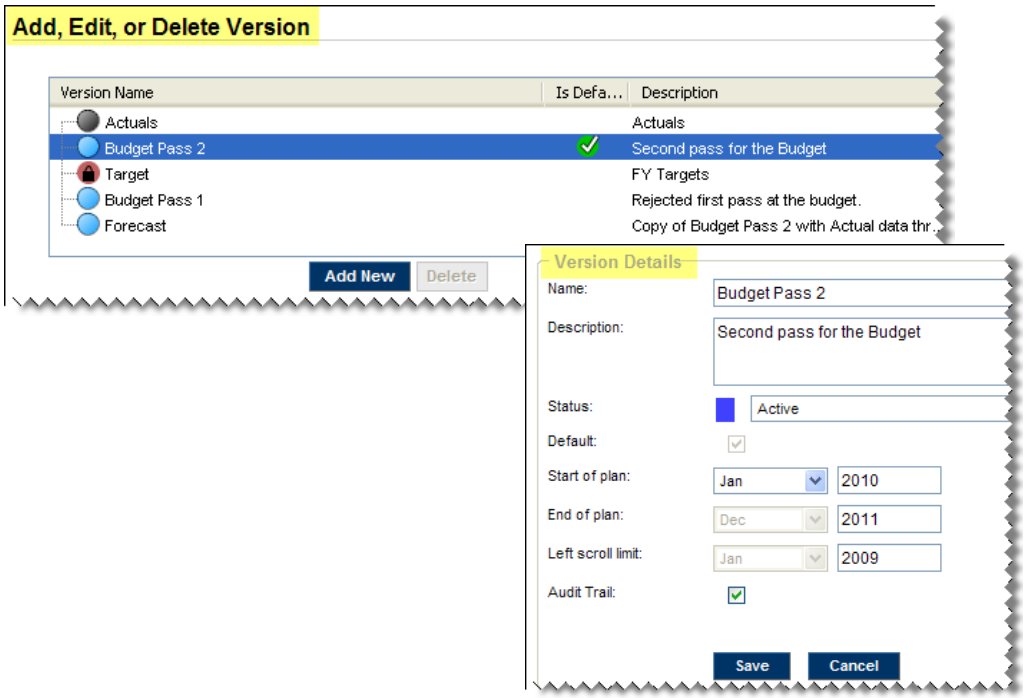
Account types include all those necessary for fully integrated P&L, Balance Sheet, and Cash Flow statements. Accounts can also be used to hold calculated key metrics such as ROCE, EPS, or DSO.



Version Management

Different versions of a plan can be created for different purposes. A plan version represents a particular planning scenario, such as the 2008 three-year plan, or a what-if plan for evaluating the effects of a business transaction. Versions are unlimited in number.

The administrator can create a new version by copying an existing version. Changes can be made to planning assumptions in the new version, and it can then be compared to the previous (or other) versions with variance reports.



Once a version is complete, e.g. when it becomes the plan of record, its status can be changed from Active to Locked, so that it can no longer be modified. It will still be available for comparative reporting.

The administrator can activate **Audit Trail** functionality for each version. Audit Trail features provide users with the opportunity to see the history of user-entered changes for a specific cell. This information is designed to answer "what-happened" questions, such as, “Who was the last person to change this cell, and when was it changed?” Users can also use Search to explore system changes that affected the value of a particular cell.

4. Reports



The Reports tab is available to all planners who have been granted the appropriate permission by the administrator. Reports provide useful analysis, because they can bring together data from many different areas of the company, and that data can be sorted and subtotaled and viewed in several different ways. Reports also provide a useful place for drill-down analysis. Many reports are created for planners by the administrator, but planners have the ability to create their own reports as well.

The Reports page has three tabs, which serve to organize reports. Folders can be created, and folders and reports can be moved around with drag-and-drop.

Personal Reports

These reports, once built and saved by a user, can be seen or run only by that user.

Shared Reports

These reports can be shared with other users. The creator can select a group of users with whom to share the report.

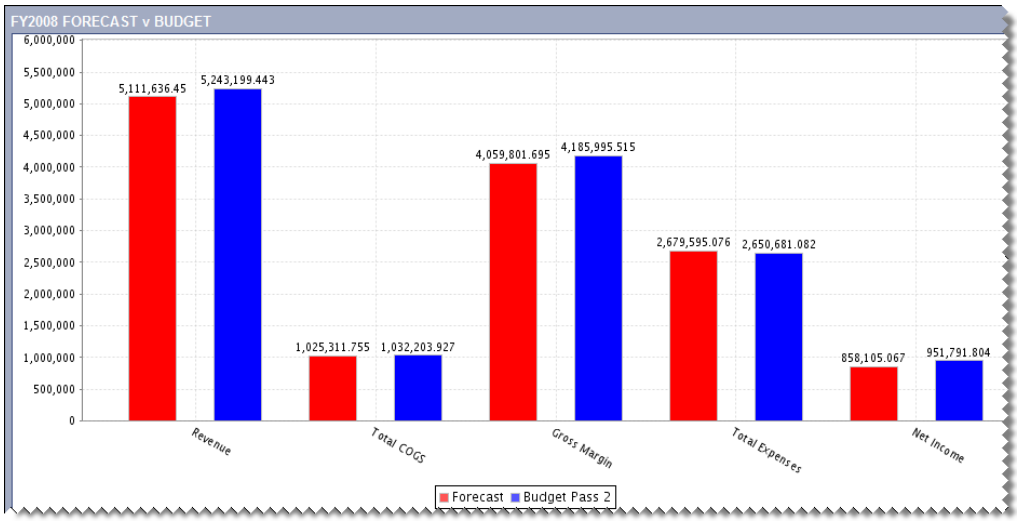
Plan owners can create reports to share their data with other non-plan owners. This means that a user can share data with other users, who normally would not have access to see this data. This type of shared report is called a **global report**. Users of global reports are not able to drill down or navigate through these reports.

Favorites

The purpose of Favorites is to provide shortcut links to commonly used reports.

Using Reports for Analysis

Reports such as the one shown here, "Forecast v Budget," can be useful for analysis. A graphically depicted report can provide an immediate snapshot of a financial picture. In this example, the graph is designed to answer the question "how do different versions of the budget compare to one another?"



Any report can be displayed in tabular and/or graphical form. Graphic choices include Chart (Bar, Line, or Pie), or Gauge.

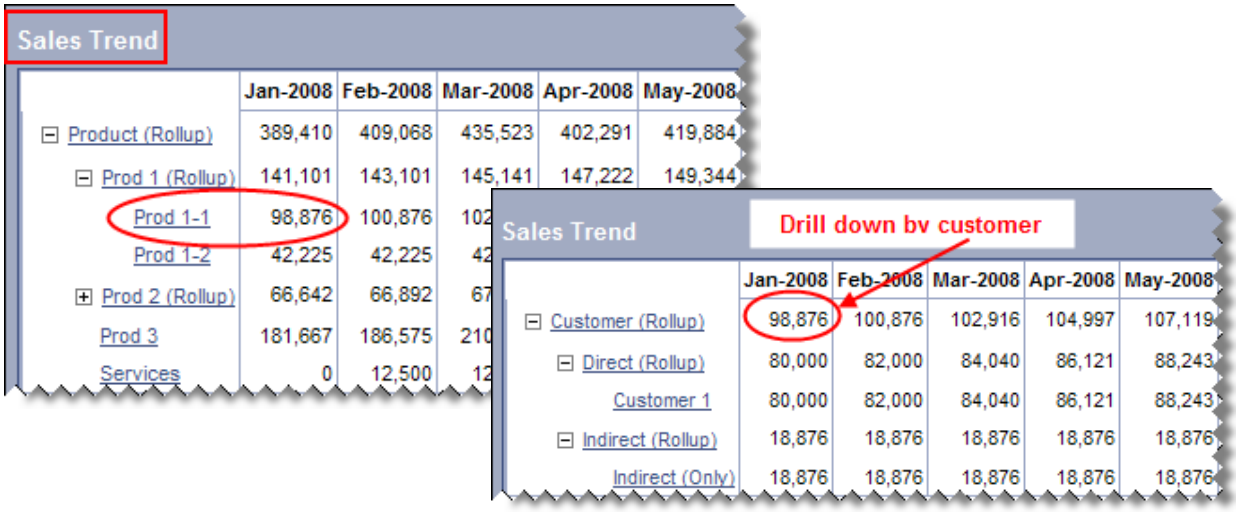
If a report is being viewed as a table, a click on the Show Chart button takes the user to its associated graph.



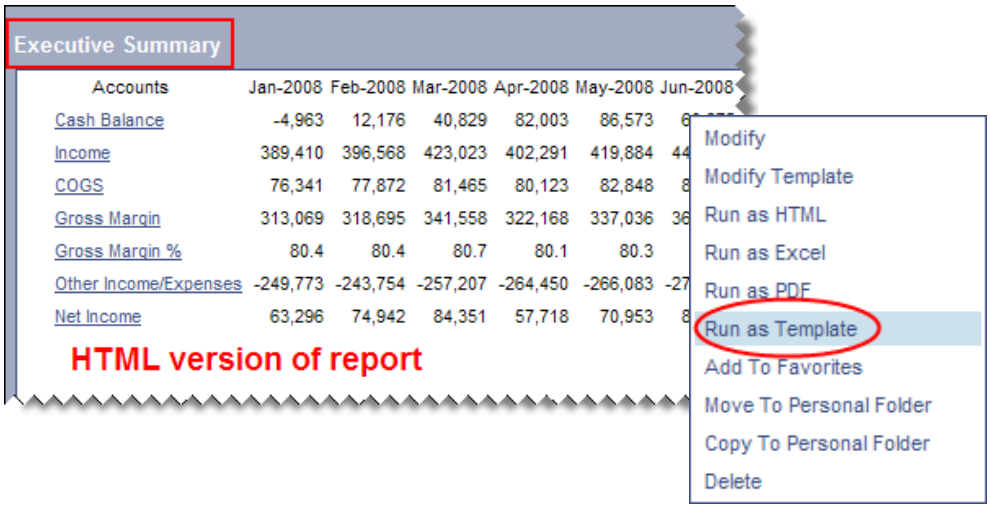
Clicking anywhere on a graph, or on the Show Table button, returns the user to the tabular view of the report.

The report shown below, "Sales Trend," is a tabular report of sales by product categories.

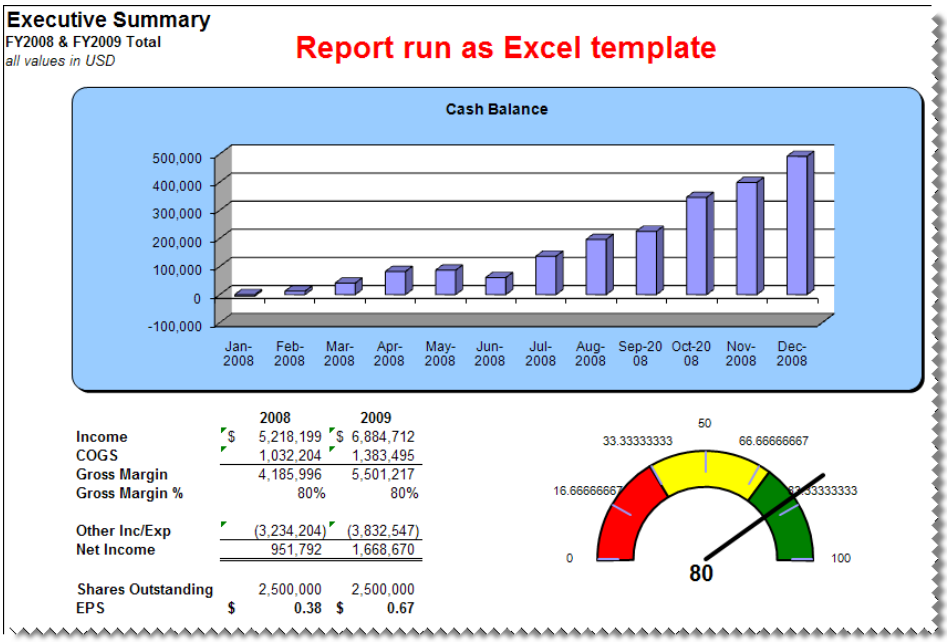
Clicking on any value in the report drills down into the underlying detail. Users can drill down into several layers (e.g. customer, region, account) and then drill back up.



Any report in Adaptive Planning, such as this high-level report that displays the key accounts requiring budget approval, can be sent to Excel when a highly formatted version is desired. The "Run as Template" choice is used for this.

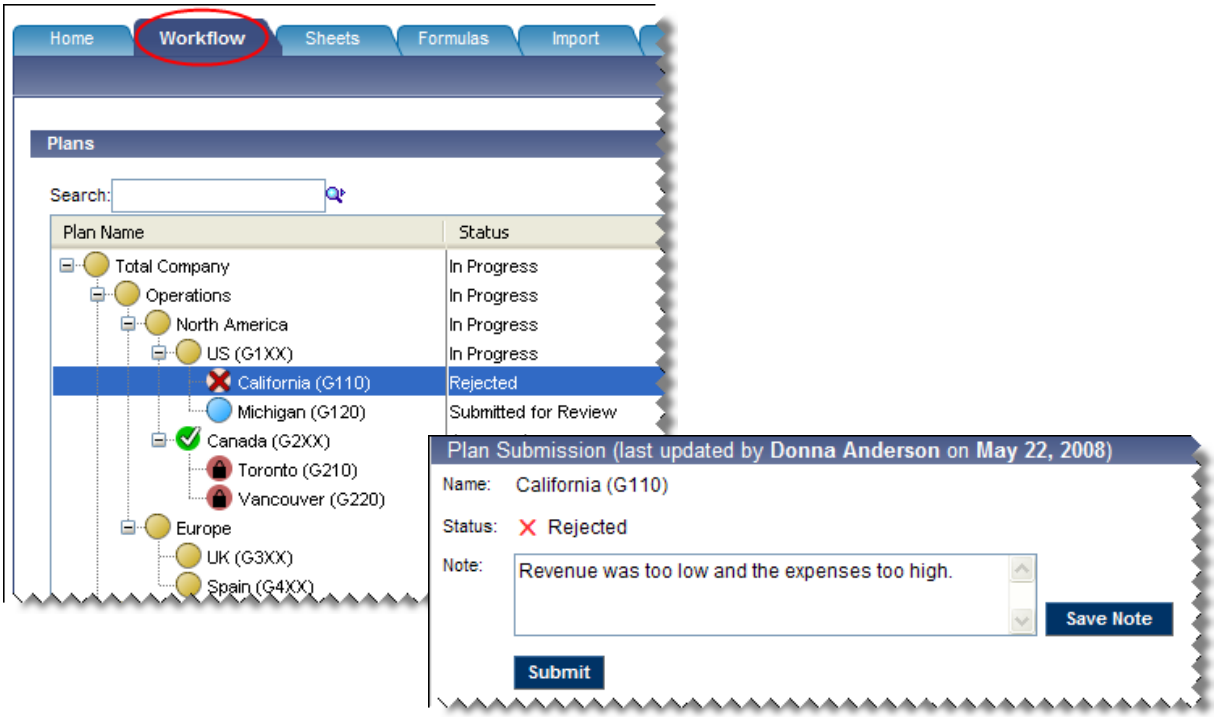


This formatted view in Excel is saved as a template, and attached to the report in Adaptive Planning, so that it is refreshed whenever the report is run.



5. Workflow

As department managers complete their portions of the plan, they submit them for approval to their managers, who can then either send them back for revision, or approve them and submit them further up the hierarchy, until the entire version is approved by the appropriate planner. The plans can be In Progress, Approved, Rejected, or Locked (which means that a plan has been approved and sent up the hierarchy, so changes are no longer allowed.)



The Plan Submission area shows the **status** of the current plan, the date of and the user responsible for the most recent status change, and provides the user a place to enter notes.

6. Sheets

Sheets are the primary place where users interact with Adaptive Planning. Sheets are where users enter planning data. Sheets are similar to spreadsheets in look and feel, and they typically follow familiar formats such as revenues, expenses, and the balance sheet.

Administrators use setup wizards to create sheets, which can be customized to meet the planning needs of different users. Administrators specify which users have access to the sheets, which accounts are included in which sheets, which accounts can be edited or only viewed by different users, and so forth. Sheet creation is flexible and customizable, so that administrators can present data to users in the most appropriate and convenient ways.

The list of sheets available to a user is shown on the left side of the Sheets Overview page.



At the top right of every sheet, there is a Plan Selector.



Here, users can view their subset of the plan structure. Each user sees in the Plan Selector the departments, cost centers, business units, or other key corporate units that he is responsible for planning. The plan selector is used to access sheets for the different units.

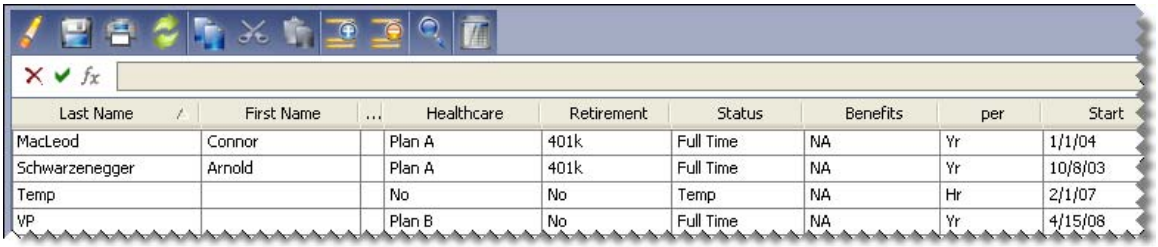
Each department is given access to the appropriate sheets. For example, a Sales departmental user would see this abbreviated list of sheets, with no need to see sheets such as Balance Sheet or Cash Flow.



Following are some examples of the most commonly used types of sheets:

Personnel Sheets

Personnel sheets are typically designed to plan headcount and future related events, such as hiring, end of employment, or changes in benefits. Existing personnel records can be imported from a company's HR tracking system. Planners can create new personnel records to plan for future employees, either by name or by position.



Last Name	First Name	...	Healthcare	Retirement	Status	Benefits	per	Start
MacLeod	Connor		Plan A	401k	Full Time	NA	Yr	1/1/04
Schwarzenegger	Arnold		Plan A	401k	Full Time	NA	Yr	10/8/03
Temp			No	No	Temp	NA	Hr	2/1/07
VP			Plan B	No	Full Time	NA	Yr	4/15/08

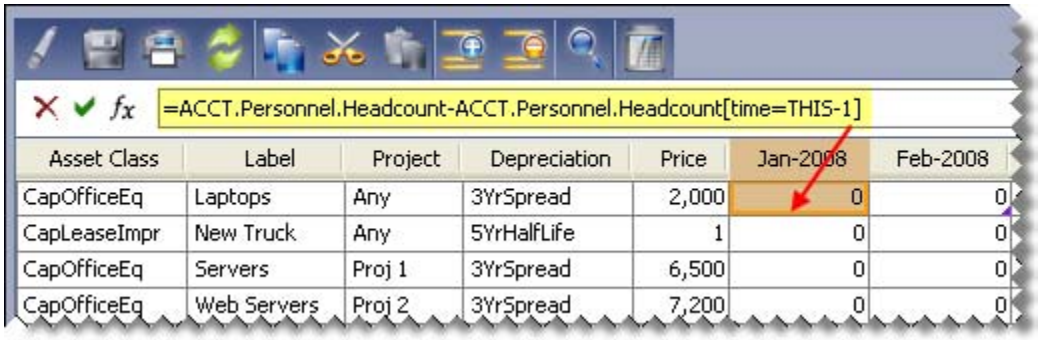
Headcount can be tagged with dimensions such as healthcare choice, retirement plan choice, job code, etc.

The personnel sheets gather headcount and related data. The sheets contain underlying logic that automatically calculates salary, benefits, and other related expenses, which can be seen on the expenses sheet with the department's other expenses. (More on this, below.)

Capital Sheets

Capital sheets can be designed as a place to enter or calculate planned capital expenditures, such as furniture or software purchases. Behind the scenes, the capital sheets model the financial events associated with capital purchases that depreciate over time.

A capital sheet is similar to a personnel sheet, in that both contain data and assumptions that are used to drive items that appear on the expenses sheet. Here, planned asset purchases are assigned a depreciation schedule, and the resulting impact is shown on the expenses sheet. The planned capital expenditures can be entered as values (e.g. a $35k vehicle in May); calculated as cost x units; or driven from other planned events, such as changes in headcount.

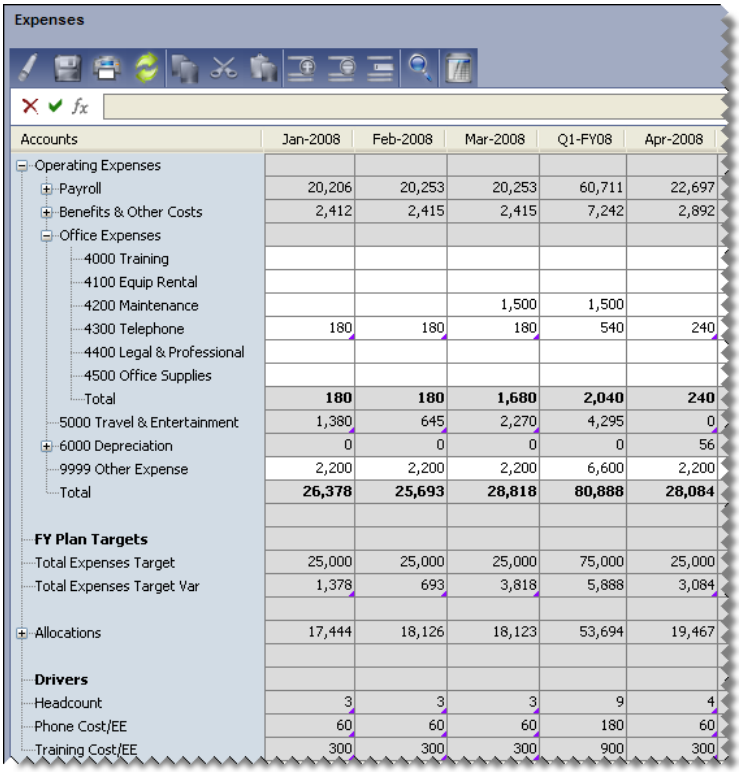


Asset Class	Label	Project	Depreciation	Price	Jan-2008	Feb-2008
CapOfficeEq	Laptops	Any	3YrSpread	2,000	0	0
CapLeaseImpr	New Truck	Any	5YrHalfLife	1	0	0
CapOfficeEq	Servers	Proj 1	3YrSpread	6,500	0	0
CapOfficeEq	Web Servers	Proj 2	3YrSpread	7,200	0	0

In this example, the row called Laptops contains a formula that looks to the personnel sheet for this department and finds the change in headcount from last month. This way, a laptop purchase is automatically planned for every new hire. The resulting depreciation will be correctly reflected along with this department's other expenses. The capital expenditures will be reflected on the balance sheet.

Expenses Sheets

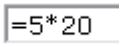
An Expenses sheet can be designed to display all of a department's expenses can be seen in one place. These sheets display a grid, showing accounts down the side and time periods across the top. The cells are used for entering numeric values or formulas into accounts.



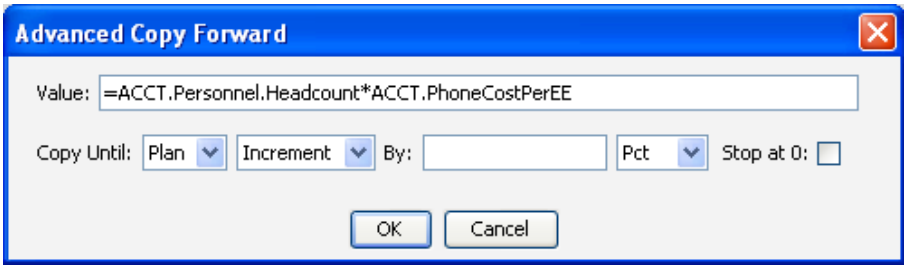
Accounts	Jan-2008	Feb-2008	Mar-2008	Q1-FY08	Apr-2008
Operating Expenses					
Payroll	20,206	20,253	20,253	60,711	22,697
Benefits & Other Costs	2,412	2,415	2,415	7,242	2,892
Office Expenses					
4000 Training					
4100 Equip Rental					
4200 Maintenance			1,500	1,500	
4300 Telephone	180	180	180	540	240
4400 Legal & Professional					
4500 Office Supplies					
Total	**180**	**180**	**1,680**	**2,040**	**240**
5000 Travel & Entertainment	1,380	645	2,270	4,295	0
6000 Depreciation	0	0	0	0	56
9999 Other Expense	2,200	2,200	2,200	6,600	2,200
Total	**26,378**	**25,693**	**28,818**	**80,888**	**28,084**
FY Plan Targets					
Total Expenses Target	25,000	25,000	25,000	75,000	25,000
Total Expenses Target Var	1,378	693	3,818	5,888	3,084
Allocations	17,444	18,126	18,123	53,694	19,467
Drivers					
Headcount	3	3	3	9	4
Phone Cost/EE	60	60	60	180	60
Training Cost/EE	300	300	300	900	300

Some of the values are calculated by the application as a result of data entered on the personnel and capital sheets (e.g. payroll, benefits, and depreciation.)

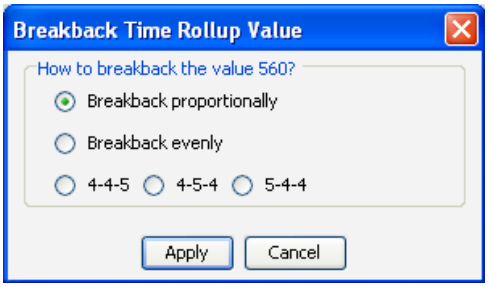
Other values are entered by the user. Data entry choices are varied, and include:

- Entering values or simple formulas in cells 

- Copying the contents of a cell forward into future periods of time, useful when accounts are expected to stay the same or to increase or decrease at a defined rate over time.

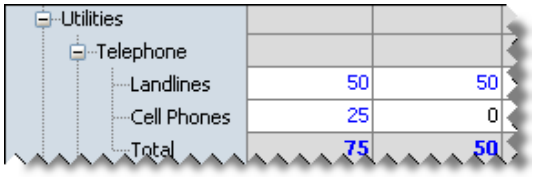


- Edit time period rollups (e.g. Q1), a quick way to update totals and redistribute the new total among time periods (e.g. Jan, Feb, Mar.)



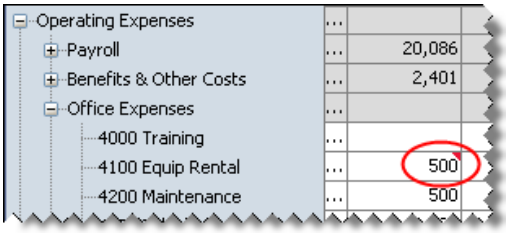
- Splitting an account into multiple rows, providing planners a way to enter additional detail or supporting calculations within accounts.

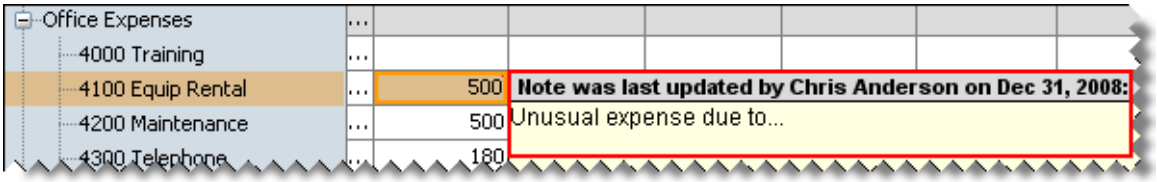
Split Example:



Some accounts can contain formulas set up ahead of time by the Administrator, using common assumptions such as spending per head. When appropriate, accounts can be designated Read-Only for some or all users, so the results of a calculation can be seen but not modified. This might be appropriate for expenses such as allocations. Users can also create their own formulas, to drive expenses from headcount, for example.

Cell notes can be added to individual cells on sheets, by right-clicking on a cell. A cell with a note will display a red triangle in the upper right corner. A note can be viewed and edited by any user with edit access to the cell, by right-clicking on the cell. Notes can also be viewed on reports.





Cell Explorer functionality can be used on sheets to determine the origin of a value on a sheet. It can be used to drill down to reveal, for example:



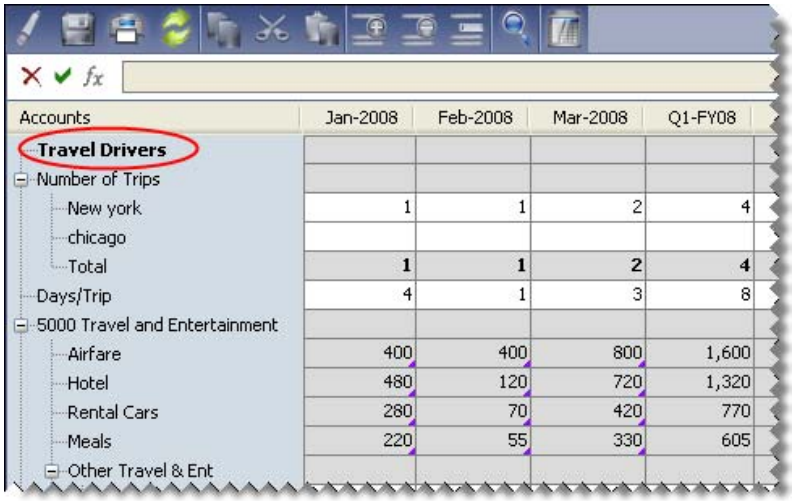
- Plans and accounts behind a rolled up number
- Headcount behind a salary number
- Value of each piece of a formula, and the numbers behind those pieces
- Account code associated with a number
- Note associated with a cell

Clicking on the Cell Explorer icon brings up a new browser window, showing detail behind the number. There are several further drill-down opportunities within the Cell Explorer window.



Other Expenses Sheets

Other sheets can also be created for specific purposes. For example, a Travel sheet can be created as a place for planners to enter key travel expense drivers, such as number of trips, days spent on a trip, and hotel, airfare, and car rental expenses per day.



Accounts	Jan-2008	Feb-2008	Mar-2008	Q1-FY08
Travel Drivers				
Number of Trips				
New york	1	1	2	4
chicago				
Total	**1**	**1**	**2**	**4**
Days/Trip	4	1	3	8
5000 Travel and Entertainment				
Airfare	400	400	800	1,600
Hotel	480	120	720	1,320
Rental Cars	280	70	420	770
Meals	220	55	330	605
Other Travel & Ent				

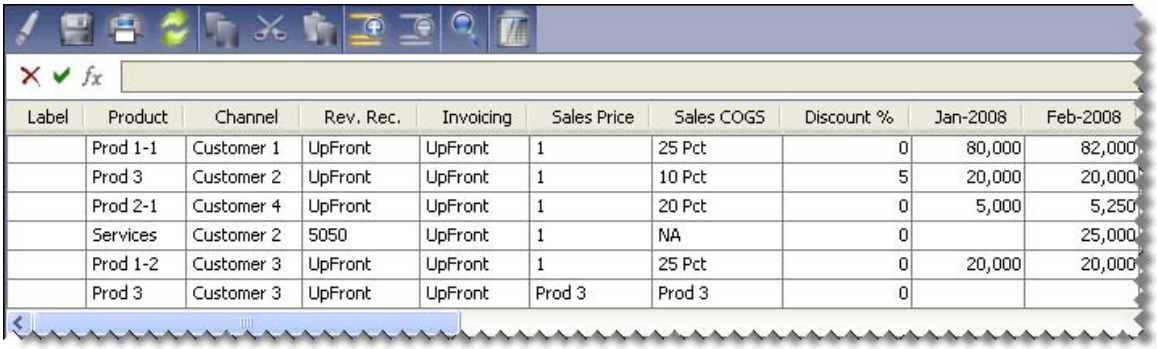
These assumptions are then used to calculate T&E expenses, which appear on the Expenses sheet, along with other departmental expenses.

This is just one example of how the application modeling flexibility allows for planning at whatever detailed (or summarized) level is required.

Sales Sheets

A sales sheet can be used to plan for the future sales of products and services. Like personnel and capital sheets, sales sheets can contain underlying logic that automatically calculates P&L and balance sheet values based on the sales entered into each month of the plan.

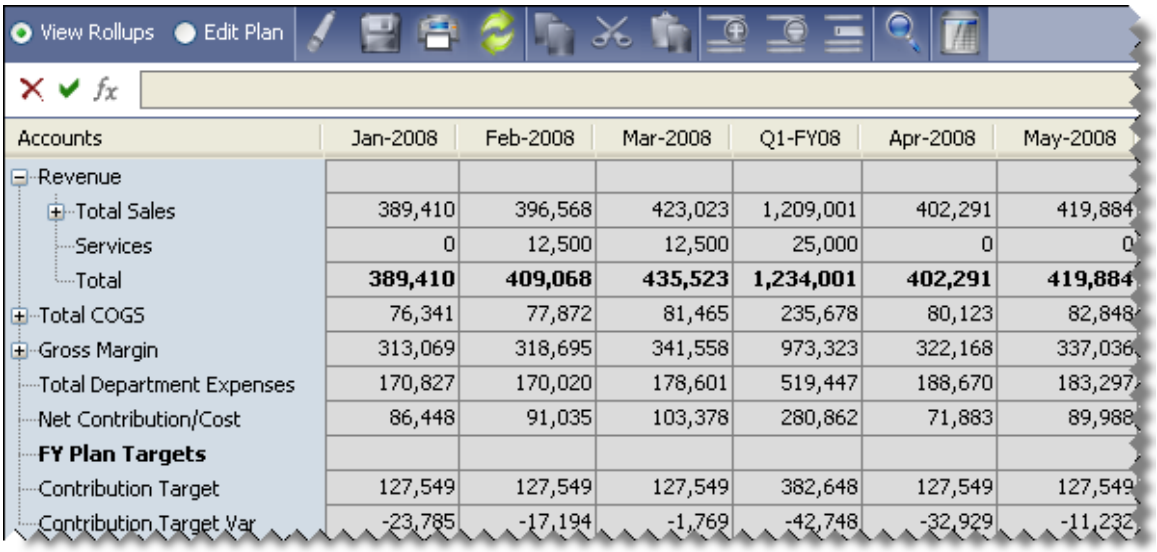
Each time a planner defines and saves a projected sale, the sales sheet gathers the values entered in each month (either units x price, or dollars) and calculates the bookings, accounts receivables, COGS, and revenue generated each month.



Label	Product	Channel	Rev. Rec.	Invoicing	Sales Price	Sales COGS	Discount %	Jan-2008	Feb-2008
	Prod 1-1	Customer 1	UpFront	UpFront	1	25 Pct	0	80,000	82,000
	Prod 3	Customer 2	UpFront	UpFront	1	10 Pct	5	20,000	20,000
	Prod 2-1	Customer 4	UpFront	UpFront	1	20 Pct	0	5,000	5,250
	Services	Customer 2	5050	UpFront	1	NA	0		25,000
	Prod 1-2	Customer 3	UpFront	UpFront	1	25 Pct	0	20,000	20,000
	Prod 3	Customer 3	UpFront	UpFront	Prod 3	Prod 3	0		

An unlimited number of dimensions can be defined and used to delineate sales line items, e.g. Product, Region, Sales Rep, etc.

The detailed sales data from the Sales sheet can be gathered and summarized for analysis. An Operations Summary sheet can display Revenue, COGS, Gross Margin, departmental expenses, etc., as well as plan targets and variances.



Accounts	Jan-2008	Feb-2008	Mar-2008	Q1-FY08	Apr-2008	May-2008
Revenue						
Total Sales	389,410	396,568	423,023	1,209,001	402,291	419,884
Services	0	12,500	12,500	25,000	0	0
Total	**389,410**	**409,068**	**435,523**	**1,234,001**	**402,291**	**419,884**
Total COGS	76,341	77,872	81,465	235,678	80,123	82,848
Gross Margin	313,069	318,695	341,558	973,323	322,168	337,036
Total Department Expenses	170,827	170,020	178,601	519,447	188,670	183,297
Net Contribution/Cost	86,448	91,035	103,378	280,862	71,883	89,988
FY Plan Targets						
Contribution Target	127,549	127,549	127,549	382,648	127,549	127,549
Contribution Target Var	-23,785	-17,194	-1,769	-42,748	-32,929	-11,232

Clicking on any cell in the summary sheet, and then on the Cell Explorer button, provides a departmental breakdown of the number.



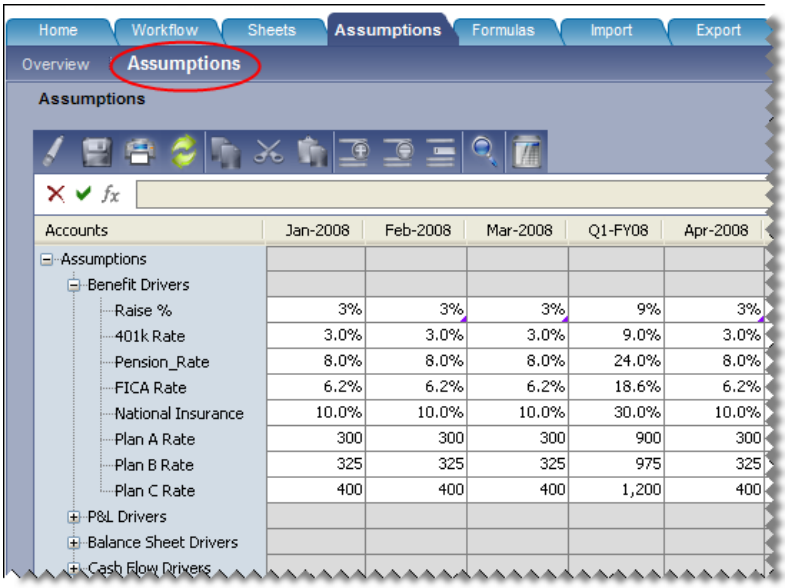
7. Assumptions

Assumptions are values or calculations that administrators (or others with the appropriate permission) create. These assumptions are global, in the sense that although they cannot be modified by users, they are available to planners to use in sheet calculations. A planner can create a formula including an assumption created by the administrator. Or, an administrator can create an assumption, and then create expense items driven by the assumption in departmental expense sheets. These cells might be read-only, so that the users cannot change the calculations.

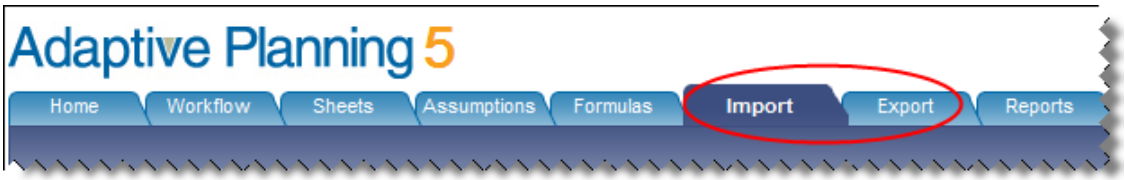
Assumptions can take many forms, including the following:

- As absolute values, e.g. T&E Expense per Employee = $25
- As calculations, pulling components from different accounts within different subplans

Although all users can access assumptions, users must be granted access to the Assumptions sheet in order to create assumptions that are available to other users. However, individual planners can also create their own assumptions, which are called **Locals**.

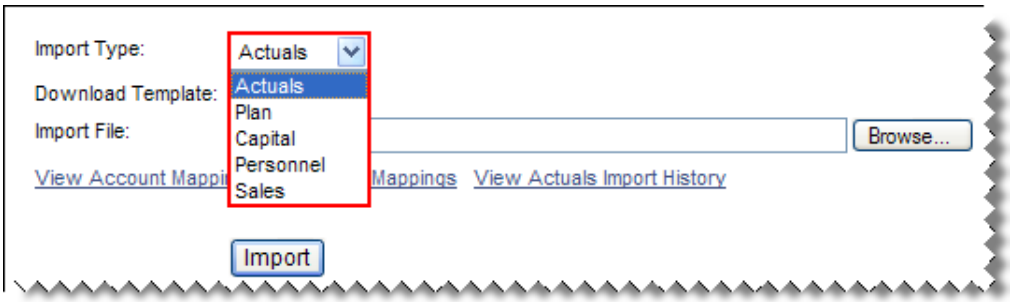


8. Importing and Exporting Data To/From Other Systems



Imported data can include:

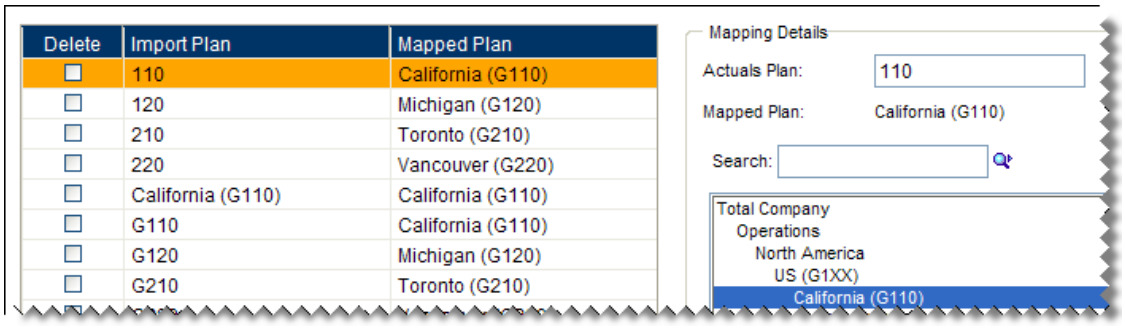
- Actuals from a general ledger
- Data for personnel, sales, or capital sheets
- Plan data from a spreadsheet or other system
- Model structure items during implementation (e.g. departments, accounts)



The import process is very flexible, in that the source data can be output from any general ledger or other system. The source data must be formatted in a specific fashion, but this often requires no more than a small amount of manipulation in Excel. The administrator should first obtain an output file from the general ledger, and then, using Excel, format it as directed in the template provided by Adaptive Planning. It is not difficult; the import templates provide explicit instructions.

	A	B	C	D	E
1	**Actuals Account**	**Actuals Plan**	**Jan-07**	**Feb-07**	**Mar-07**
2	2000 Healthcare	G110	600	600	600
3	2100 Retirement	G110	500	500	500
4	2200 Taxes	G110	1,137	1,137	1,137
5	4300 Telephone	G110	120	120	120

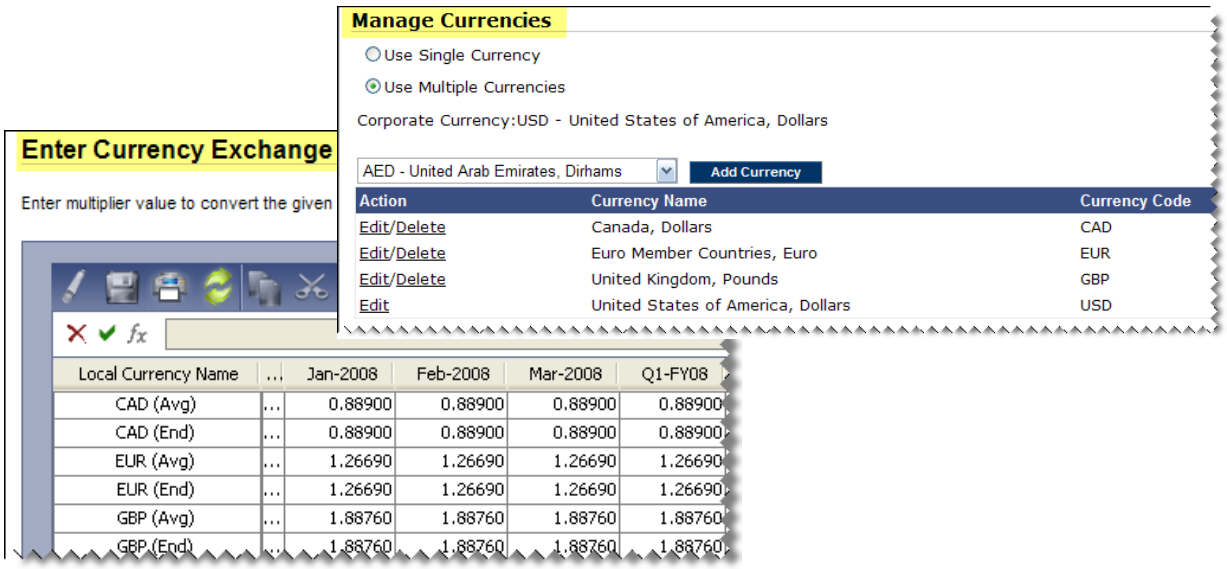
During implementation, accounts and plans (departments, cost centers, etc.) in the general ledger are automatically mapped to the accounts and plans used in Adaptive Planning. This mapping can be viewed and modified at any time. Any accounts or plans that are added after implementation can be automatically added to the mapping as part of the import process.

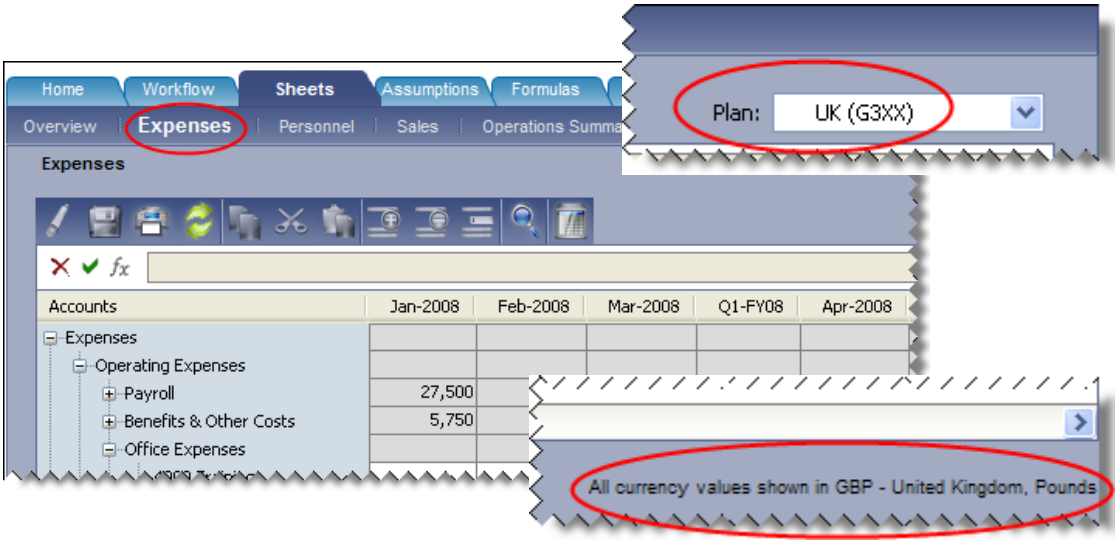


Export functionality allows users (Plan Administrators and others who have been granted the appropriate permission) to select data to export in CSV format. Using the same mapping described above, data can be exported either in the planning department/account format, or in the GL department/account format (which may be different.)

9. Planning in Multiple Currencies

Adaptive Planning easily accommodates planning in multiple currencies. The corporate plan is assigned a currency; ultimately, all planned values are expressed in this currency. Each department or entity has an assigned currency. Subplans automatically roll up into the currency of parent plans, in as many layers as necessary. All plans finally roll up automatically into the corporate currency. Actual values and actual exchange rates can be imported in the appropriate local currency for each plan, for variance analysis purposes.

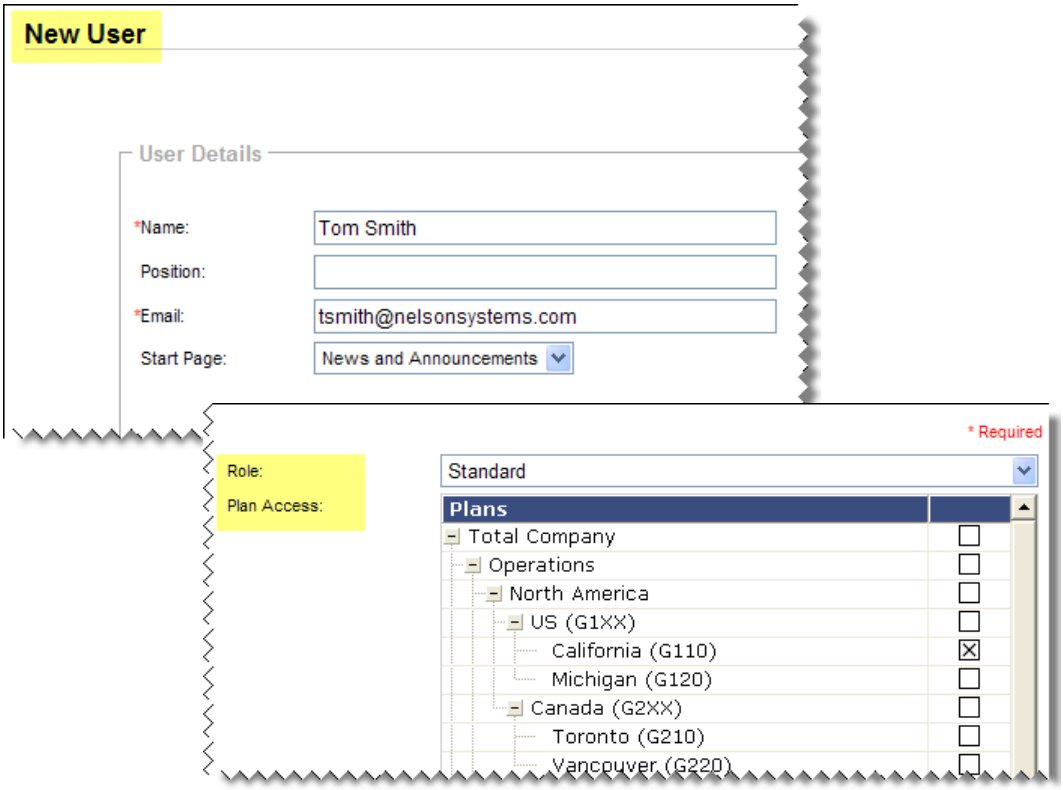




10. User Management

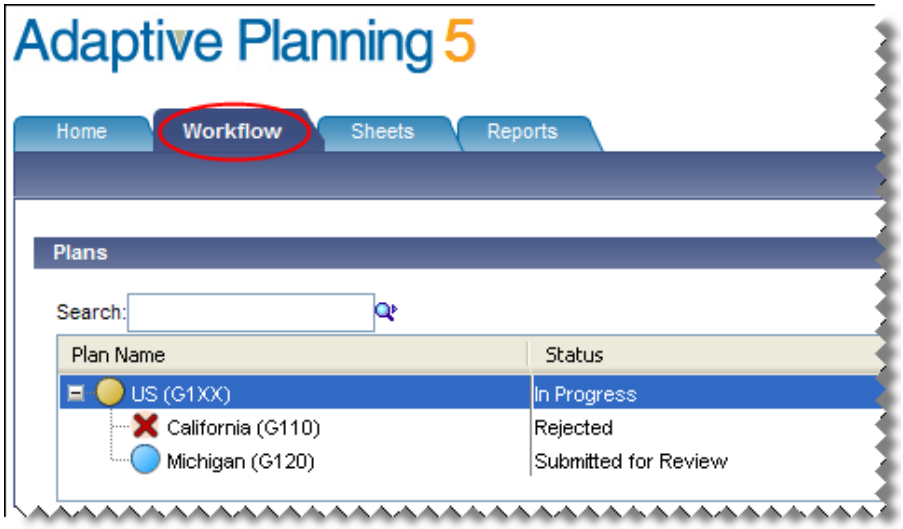
Users are people with budget-making authority who log in to Adaptive Planning to work with the plan. Each user requires a unique account. The possible number of users is unlimited. User setup can occur at any point during the implementation. Once the users are created, plans are to be assigned to users, and sheet access granted.

Roles and Permissions functionality requires that every user be assigned a role, and each role type is granted specific permissions. Permissions determine which actions a user can perform in the application. It is possible to have several people share Administrative responsibilities; or to prohibit users from seeing salary information; or to have users who can view reports even though they are not responsible for developing plans.

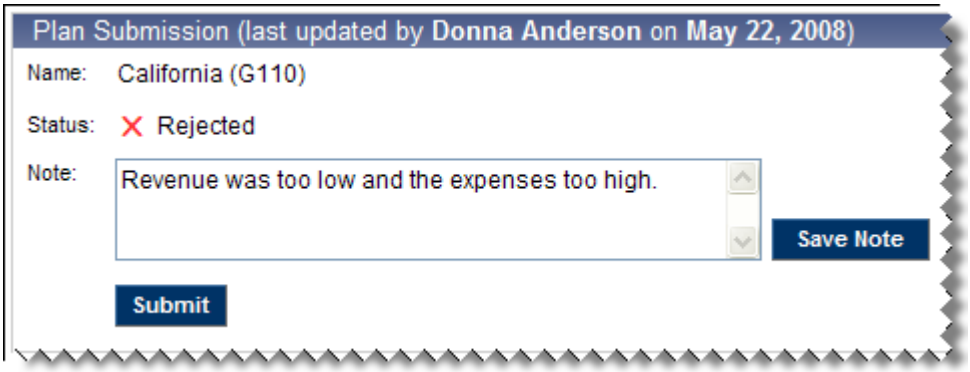


11. The End-User's Perspective

When budget managers log into Adaptive Planning, what they see is limited by the access they have been granted by the administrator. All users will see, at a minimum, the Home and Sheets tabs. Most users will also see the Reports tab, although the administrator has the ability to prevent users from accessing reports. The Workflow tab will be seen by users who are responsible for subplans that roll up under a parent plan. Other tabs may be seen depending on responsibilities that can be shared by the administrator, such as the ability to create Assumptions or import actuals from the General Ledger.



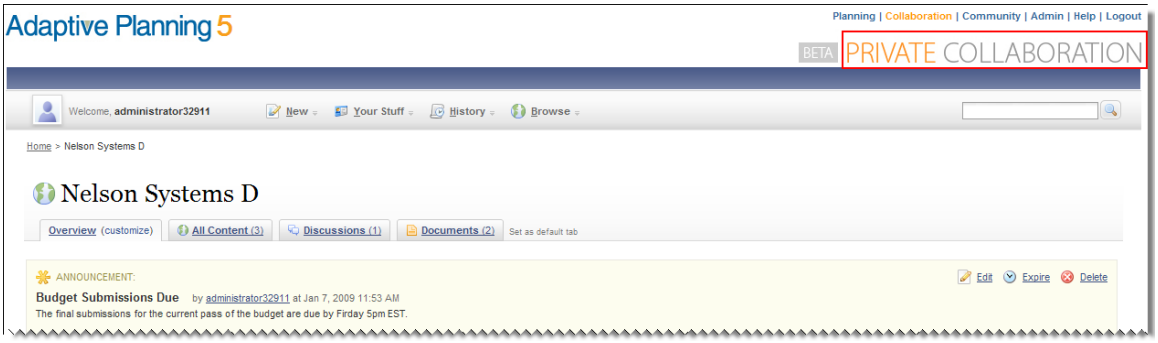
All tabs, sheets, and reports will display only the departments and accounts that the user has been granted access to by the administrator.



12. Collaboration & Communities

With Adaptive Planning collaboration functionality, the budgeting/forecasting process can be more than just collecting data. In addition to accessing the content in the Adaptive Planning public community, customers can create their own private collaboration space, populated with content unique to their organizations.

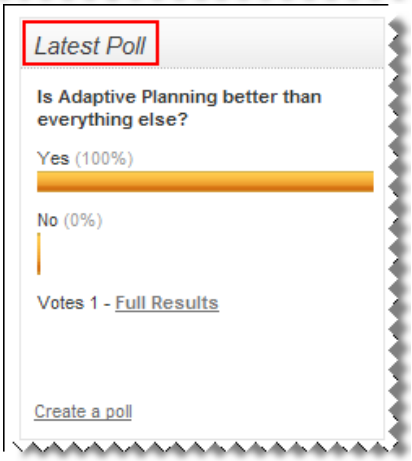
Users can click on the Collaboration link to enter to the private community set up by their administrator.



Administrators can define **announcements** to start and end at certain times, or to be open indefinitely.

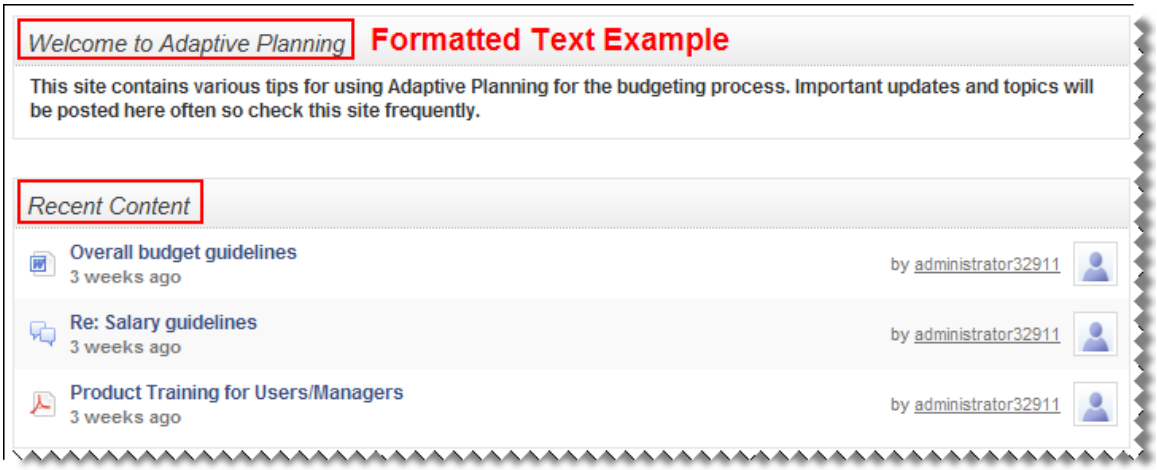


Polls can be created to ask community users multiple-choice questions, to gather user feedback and build consensus.



Formatted **text** areas can be used for static information to be displayed to users.

The **Recent Content** section provides a convenient location for users to see new or recently updated items.



In the **Actions** section, users can create new content, such as documents and discussion threads. Here, users can also subscribe to items and areas of the community of interest. Users can receive email notifications of changes to content, or addition of new content. All content can be tagged with index keywords, which allow users to quickly find all items related to a particular topic, e.g. Training.

