Carlson Management Consulting

The Carlson Guide to Implementing Adaptive Insights

Adaptive Insights

Platinum Partner

Adaptive Insights 6 TIME **TOP PARTNER** AWARD WINNER

Adaptive Insights **PARTNER OF THE REGION** AMERICAS **FY18**

Dear Reader,

Welcome to the *Carlson Guide to Implementing Adaptive Insights*. You are likely reading this guide because you are either evaluating Adaptive Insights or are getting ready to begin your implementation. In either case, congratulations on taking an important step in transforming financial planning and analysis in your organization! This guide is based on the cumulative experience of Carlson Management Consulting's team having performed more than 300 implementations and optimizations of Adaptive Insights with clients internationally and in a broad range of industries. Furthermore, we have built a reputation for taking on the most challenging and complex projects, which informs the content in this guide. The goal of this guide is to share these lessons learned and best practices so that your organization makes the necessary preparations to ensure a successful project. We wish you the best with your project!

Sincerely,

Ethan Carlson

CEO and Founder

Carlson Management Consulting

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Preparing for an Implementation

Implementing any new enterprise software solution requires considerable investment in time, money and resources. It also requires executive stewardship and buy-in from the staff that will be using the solution on a regular basis. In addition to the software subscription fees for Adaptive Insights, you should be prepared, and have budgeted, adequate financial resources for implementing the solution. The implementation cost is dependent on a number of variables including which modules are going to be used, your Adaptive instance strategy, the scope of business process redesign, the number of connectors for integration, the training approach, as well as the general complexity of your organization.

Develop a Request for Proposal

The Request for Proposal (RFP) is not only a means to convey your goals and expectations for an implementation, it's a means to ensure that you are well-organized and have fully thought through your requirements. It also levels the playing field for vendor responses and gives a good indication as to the varying implementation approaches, costs and differentiating factors that those vendors can bring to your organization. It can also help determine how realistic your expectations are and uncover any gaps in your project planning. The RFP should be comprehensive yet concise. It should include the following:

- Summary of your project, timelines, milestones and expectations.
- Description of the current state of your FP&A processes (articulating challenges and goals) with supporting documentation.
- Description of project scope and goals– locations, departments, phases (if any) and business process redesign expectations
- Organization chart that includes executive sponsor, project manager, and supporting team
- Chart of accounts, sample reports
- List of source systems that will provide data into Adaptive (including which ones with which you wish to automate data integration)
- Training requirements (Administrator, End user, etc.)
- Documentation and compliance requirements
- Instructions on the format of vendor proposal including scoring criteria, policy considerations, (e.g. travel, lodging and other expenses), and payment terms (time & materials, fixed bid)
- Any other important requirements and consideration

Sharing Information

In preparation for an evaluation or implementation, you should be prepared to sign a non-disclosure agreement (NDA) and provide access to your existing models, financial information, current and future requirements and key staff so that vendors understand exactly what your challenges and goals are. Your vendor's project manager should be able to share examples of best practices that may pertain to your particular Adaptive implementation.

However, this requires an open conversation about your current processes and the direction the organization is looking to take your FP&A function. If you are very guarded, it's difficult for vendors to facilitate a thorough consultation. You should consider the implementation as the beginning of a long-term relationship, so a NDA that ensures a bi-directional flow of information is necessary.

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With the NDA in place, you need to be upfront and honest about both the challenges you have faced in budgeting, planning and reporting and what your eventual goals may be. Every company has models that are imperfect and perhaps your team doesn't perform all the analyses that they should. Be honest with the vendor about your shortcomings and let them know that you are looking to accomplish something you have never done before. By sharing your current status, warts and all, the vendor can provide insights into best practices and can guide you through business process redesign. By doing that, you should have a more impactful and successful project.

Implementation Options

Adaptive Insights is a user-friendly system that can be implemented more quickly and at less cost than legacy corporate performance management systems. However, careful planning in identifying the human capital required to implement is very important. The two main approaches, along with the benefits and risks associated with each, are as follows:

External Assistance

Adaptive Insights has an ecosystem of highly qualified partners that specialize in implementations and optimizations of their software solutions. Partners are tiered at Platinum, Gold and Silver levels based on their track record and number of implementations. Some partners are regional while others services clients nationwide. A benefit of working with a partner is that they often have highly trained and experienced staff that have worked on many implementations and bring these experiences to bear. Most partners offer the flexibility for fixed-price or time and material projects. Some considerations for evaluating Adaptive partners include the following:

- How long have they been an Adaptive partner?
- How many implementations and optimizations have they performed?
- What partner tier level are they?
- Have they won any awards or other recognition from Adaptive?
- Are their staff Adaptive Certified?
- How many staff do they have that are focused on Adaptive implementations?
- Does the staff have an extensive background in corporate finance?
- Do they offer onsite as well as remote services?
- Does the partner use internal staff or outsource to contractors?
- Do they have customers in your market?
- Has the partner integrated with other systems (e.g. ERP) that you have?
- Will the partner provide customer references?
- Do they offer post-implementation support services?

A list of Adaptive partners can be found at the following link. Adaptive Insights also maintains a Professional Services group. More information about their services can be found here.

Internally Staffed

Internal implementations are the "go-it-alone" approach that utilizes a company's internal resources to manage and deliver the solution to users. Larger organizations with skilled teams and resource availability sometimes take this course. The main perceived benefit is that it reduces cost while cultivating skills and experience in the solution. In some cases, this may indeed be the case; particularly if any team members have previous experience with Adaptive Insights. Typically, these companies will seek application training before the beginning a project. The downside to this approach is that organizations do not benefit from the "lessons learned" and knowledge of specialists who have already performed many implementations in a variety of organizations. The timeframe for implementing may need to be extended due to unanticipated challenges that arise during the project. The risk of project failure is therefore somewhat higher than engaging external consultants. Indeed, we have found that companies that implement internally have a higher rate of seeking external assistance at a later date to re-implement. As such, this is the least common approach to implementing Adaptive Insights. Some considerations for evaluating the "go-it-alone" approach include:

- Do any team members have recent experience implementing and using Adaptive Insights?
- Can your team allocate the time outside of their day-to-day responsibilities to successfully implement the solution?
- Does your team have adequate understanding of Adaptive Insights features to make full use of its capabilities?
- Do you have an aggressive timeline for completing the implementation?
- Do you have a fallback plan in case the implementation does not progress smoothly?
- Do you have a methodology that is well suited to Adaptive Insights implementations?
- Have you considered engaging an Adaptive Insights partner to develop a hybrid implementation approach?
- Does your team have adequate technical knowledge to design the systems integration and data flows?

Resourcing Your Team

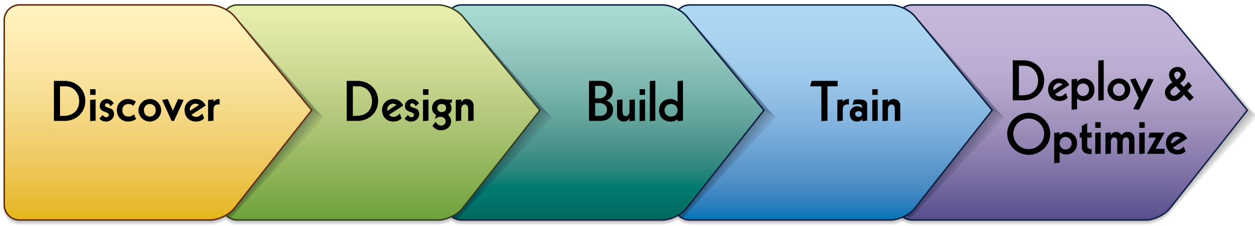
Identifying and selecting the appropriate internal resources for your project is critical to overall success. While not necessary for day-to-day management of a project, it is important to have executive sponsorship and stewardship of the project. Typically, this would include the CFO, Vice President of Finance, or Finance Director, depending on the size of your organization. Typically, the implementation team includes 2 or 3 (sometimes more depending on the scope of implementation) FP&A resources from your company with one being the primary point of contact. You will also want an IT resource that can assist with systems integration, although his or her involvement should be minimal. When working with an implementation partner, your team will be responsible for providing data as requested, participating in design discussions, system reviews and testing, and data population of the model. Failure to follow through on these responsibilities could delay the project implementation. Typically, total customer required effort is 5 to 10 hours per week spread across the entire team. Depending on scope and complexity, an implementation partner may have a project manager and consultant dedicated to your project.

Implementation Methodology

As a firm with a significant number of Adaptive Insights implementations in place, we are often asked about the key steps that ensure successful projects. While many organizations have differing priorities, here is a short list of project objectives that we've developed with our customers to ensure they derive maximum benefits from their Adaptive investment:

- Eliminate the use of error-prone spreadsheets where possible
- Standardize and optimize finance practices across the organization
- Ensure that budgets are aligned with strategy
- Streamline data flow through application integration
- Empower budget stakeholders and other constituents in the process
- Identify Key Performance Indicators (KPIs) for driver-based budgeting
- Implement rolling forecasts and other finance best practices
- Enable self-service reporting, dashboards, and balanced scorecards

Once the overarching objectives have been defined and agreed upon, it is then time to move into the implementation phase. The Carlson process comprises the following phases:



The phases are broken down below with more detail:

Discovery

- Assemble team and hold kick-off meetings.
- Develop an understanding of Company's strategic vision.
- Establish critical success factors for the project.
- Assess existing business processes, reporting requirements, technical infrastructure, and resources.
- Define optimal business processes/workflows.

Design

- Onsite design sessions.
- Review all requirements, structure and modules in detail.
- Develop and document the processes, information workflows, reports, user roles, and models.
- Incorporating finance and systems "best practices", provide a detailed project plan for the project.

Build

- Create core system structure.
- Build integrated financials with historical and test data.
- Develop models, calculations, and assumptions. Create, test, and populate key supporting schedules. Create reports, dashboards, and scorecards.
- Develop and assign user roles/permissions of the solution based on the design phase.
- Create integration touch points with other systems to ensure automated/efficient data flows.
- Perform integrated end-to-end system testing.

Train

- Develop and provide user and administrator documentation.
- Deliver power user/admin training sessions.
- Train end users on solution features and processes.
- Provide "best practices" instruction and guidance on driver-based budgeting, rolling forecasts, balanced scorecard, and "what if" scenario planning.

Deploy & Optimize

- Roll out solution to end users.
- Go-Live Support.
- Fine tune solution based on end user feedback.
- Provide ongoing optimization support as business and processes evolve.

While the Carlson implementation methodology has been proven to deliver implementation success, there are other approaches that may also work well. Should you take the route of working with an Adaptive Insights partner, make sure they have a proven repeatable process that is validated by reference clients. A comprehensive implementation process creates the conditions for highly successful projects that can be scaled across even the largest organizations.

Training

Vital to end user adoption is training on the Adaptive system. The implementation partner should provide a training curriculum as well as documentation. Typically, training will be organized for administrators as well as end users. Administrator training is for "super users" who are tasked with new model development or modifications to existing models. They are often the "go to" people for questions from the end users. Sometimes, companies will opt for a "train the trainer" approach where their administrators will train end users. Training can be offered onsite as well as remotely. For remote training, ask your implementation partner to record the sessions so they can be reviewed later or by new staff. As part of a support agreement, you may be entitled to periodic training for new releases or modules that you wish to implement. You should also consider attending Adaptive Live, the user conference that Adaptive Insights hosts annually. This event features workshops, training on new functionality, as well as networking with peer users from other organizations.

Adaptive Live is a great opportunity to meet users, partners and the Adaptive team.

Documentation

Documentation of the project is important and serves to capture the new processes and steps necessary to ensure end users are using the system correctly. Documentation should be a "living" resource, not to be filed away and never reviewed. As updates are made to your evolving solution, these changes should be recorded in the documentation. Documentation is also helpful for new staff to gain an understanding of features and processes. Documentation typically comprises the following:

Project Plan – this detailed document includes all the stakeholders, activities, required resources, and timelines for your project. The plan is typically formulated during the discovery and design phases of the project after thorough scoping has been completed.

Design Document – this document outlines the overall structure (levels, dimensions and accounts) and the supporting schedules that will populate the budget model with data. Additionally, this document specifies the reports that will be built and the overall data flows within the system (including from external data sources). It is often updated through the build process to reflect the actual design of the system as it matures.

Administrator Document – this document is provided to super users who will be able to make changes within your Adaptive system. Contents would include, for example, creating new levels, adding GL accounts, adding dimensions, creating formulas, and managing versions.

Import Document – this document provides instructions on how to import various types of data into your Adaptive system.

User Document – this document provides an overview and instructions for end users working with your configured Adaptive system. In addition to basic information about logging in and navigation, it provides detailed instructions on how best to work with your system and its features.

If you are working with an implementation partner, they should maintain up-to-date documentation and make changes as necessary for you. Ideally, they should have a support portal which enables your team to access the latest versions of documentation on demand.

Integrating with Other Systems

A key objective in implementing Adaptive Insights is automating the transfer of data between core and peripheral systems. By integrating Adaptive with other systems, your organization will reduce the amount of time manually copying and pasting data from spreadsheets and other applications into your Adaptive System. Furthermore, you will eliminate errors while ensuring people are working with the latest data and can more effectively and rapidly make business management decisions.

The Adaptive Connectors are highly configurable and customizable. With Connectors, customers can automate data import, with a fast and simple approach to synchronizing system data with their Adaptive products. Connectors can be run on-demand, or as a scheduled task on a routine basis. For integrating with hosted source systems, the Connector is hosted from the Adaptive servers. For on-premises source systems, the Connector is installed in the customer's environment as a Windows application on a desktop or virtual machine and initiated locally. Whether hosted or on-premises, the Connectors use the same approach to automated data connection and integration: Extract, Transform and Load.

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Extract: The first step takes data directly from the underlying GL or other enterprise system database, or through APIs.

Transform: The next step changes, or transforms the data extracted (accounts, plans, dimensions) to match the customer format used in the Adaptive application.

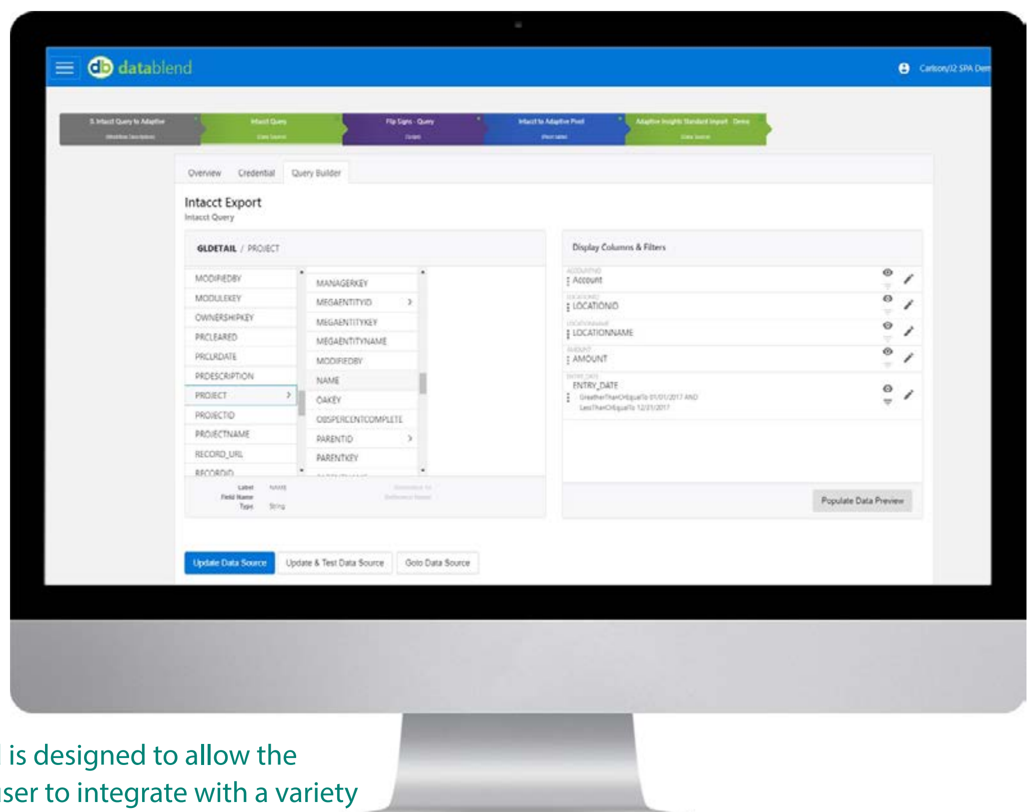
Load: Once data has been transformed it is packaged into an XML file and uploaded via a web service, using SFTP (Secure File Transfer Protocol). Credentials are automatically checked at both ends to ensure security. A log is generated, confirming successful upload, and noting any discrepancies (e.g. new or un-matched accounts).

Benefits of Connectors

- Time-savings from data import automation
- Streamlined and secure data integration

As part of your project, you will need to identify your source systems and the type of data that you wish to import. You may import data using a csv file or through a Connector. Importing data from a csv file is a manual process; whereas importing data with a Connector can be a scheduled process. The data import processes that you implement should be included in your Import Document.

If a Connector doesn't exist for one of your systems, either Adaptive Insights or your implementation partner can be contracted to develop one. Carlson offers its proprietary [DataBlend](), a cloud-based integration platform as a service (iPaaS) solution with pre-built connectors to many of the leading accounting and ERP applications and at less cost than Adaptive Connectors. Working seamlessly with Adaptive Insights, it also enables cross-instance sharing of data which significantly improves application performance.



DataBlend is designed to allow the business user to integrate with a variety of applications and data sources.

Implementing Finance Best Practices

Implementing Adaptive Insights is not only an opportunity to deploy a cutting-edge corporate performance management solution, it's also an opportunity to improve and streamline processes. When working with clients, we often focus on the key areas described below:

Aligning Budget to Strategy

As famously proclaimed by former General Electric CEO Jack Welch, "the budgeting process at most companies has to be the most ineffective practice in management." One of the key reasons for ineffective budgeting is the disconnect between the budget and the company's broader strategy. While it seems like an issue of common sense, most organizations' budgeting process is not truly aligned with its strategy and key participants are unable to clearly articulate the connections. Aside from the mechanics and technology involved in budgeting, there is a human factor behind this problem – mainly, most companies do not have a culture of inclusion. Strategy is often a discussion that takes place at the executive level but unfortunately the resulting insights and decisions made are not permeated through the rest of the organization. Without knowledge of company strategy, the stakeholders who create and manage budgets do not know how they can impact it and where to most effectively allocate their spending and investments.

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In order to better align budgets with strategy, here are some steps that we recommend:

1. Start every budget cycle with executive-level participation and insight into company strategy. Make sure it is clear how your strategy translates to business tactics and how every employee's action and role has a direct impact on the success of this strategy. While almost every company has executive offsite sessions and develops or modifies a strategic plan, often the strategic objectives are never translated into the tactics of the business, the annual budget or financial forecast. The problem is that the individuals responsible for strategy and vision are not always the same people involved in creating the budget. Even when they are, the exercises are often not connected. Every member of the company needs to know how their role and actions help the company achieve its goals. The discussion of budgeting should be viewed as the mechanism to allocate resources to achieve strategic results. The budget is the conclusion of the strategy process. It is validation that the tactics will drive success and should not be perceived merely as a compulsory exercise. Executive management needs to drive this connection from the top.

2. Include a long range plan early in the budget cycle. Budgets are typically for one year, which is an arbitrary range of time. Many business initiatives take longer than 12 months to deliver results and therefore the annual budget provides an incomplete picture. Make sure your annual plan is simply a subset of the long range (3-5 year) business plan. Inclusion of the long term plan ensures that the tactical elements of the budget align with the long term goals of the organization. An added benefit is that the longer term plan enables individuals to focus on strategy as the annual budget is often viewed as the mechanism for bonus compensation. An unfortunate consequence is that it then becomes subject to "sandbagging". Inclusion of the long term plan, and validating that the near term fits within it, is key to aligning the budget with company strategy.

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3. Measure and communicate metrics critical to success. Surprisingly, many companies perform a budget exercise but have not identified the performance indicators which measure the success (or failure) of their budget and strategy. These key performance indicators (KPIs) include both financial and non-financial criteria as often times the non-financial metrics are the early indicators of success.

These metrics should be well defined, clearly measurable and frequently published. Once you create these metrics, if you are intent on building a culture of inclusion, it is critical that this information flow unimpeded to key stakeholders. By frequently communicating the metrics that define success, employees are better able to determine whether they are on target and should then be empowered to make adjustments based on this real time information.

4. Validate goals against key metrics and market data. Are your goals attainable in light of the economic and competitive environment? If your market is flat and you are projecting 30% growth, what are you doing that makes this attainable? How your organization is positioned relative to your market and competition and how you are using your assets and allocating them in a manner to succeed should be clearly articulated. This type of exercise is typical within a marketing department but, similar to strategy, this information does not always find its way through the organization. It is critical not only for this assessment to occur but also that there is a mechanism in your process to have it shared throughout the organization to better inform business decisions.

Validate goals against key metrics and market data. How your organization is positioned relative to your market and competition and how you are using your assets and allocating them in a manner to succeed should be clearly articulated.

5. Revisit planning and strategy as necessary. It's not uncommon for companies to set unrealistic expectations based on previous performance. Oftentimes, market conditions change leaving past plans unrealistic. Make sure you have a mechanism for reviewing your plans and adjusting if necessary on at least a quarterly basis. By periodically reviewing plans and strategy, companies can course-correct before a problem becomes a crisis and insure that measuring results against your "plan" remain relevant and informative.

All of these elements are the basis for creating a culture of inclusion, visibility and empowerment that are essential to aligning budgeting with strategy. This is the foundation to creating business value within the finance function.

Rolling Forecasts

A study by Adaptive Insights shows that 64% of annual forecast targets are obsolete after 4 to 6 months. Indeed, in our experience with clients, we have found that most of their forecasts are already out of date by the time they are completed. This is a surprising finding that has serious implications for most businesses. At Carlson, one of our mantras is that your plans should **never** be out of date. Easier said than done, you may be thinking. Well, in our more than 100 years combined financial planning and analysis experience, this is achievable when you implement rolling forecasts. There are several reasons to implement rolling forecasts rather than relying solely on the traditional annual forecast.

A rolling forecast:

- identifies opportunities and risks in a dynamic business environment
- enables driver-based planning and "what if" scenario analysis
- provides the flexibility to redirect resources and priorities to better align with strategy
- facilitates a culture of inclusion and empowerment

The rolling forecast allows finance professionals to identify opportunities and risks that contribute to or imperil success. It allows you to better monitor the pulse of the company so that more timely decisions can be made to ensure the company is moving forward according to plan. When a variance is found, you can then drill down to determine the underlying cause and make the appropriate adjustments.

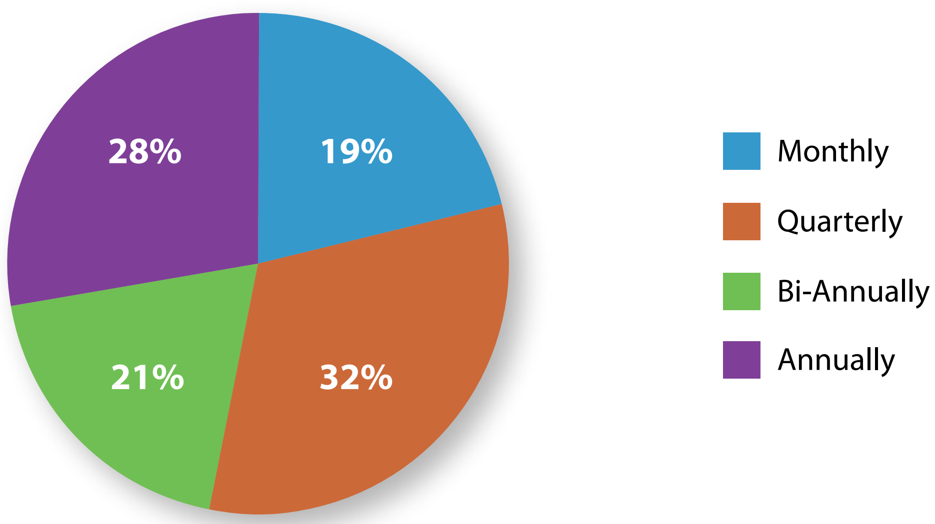
In order to develop an efficient rolling forecast process, you need to identify the key variables that drive your business and the timing of their impact on operations. If your highest revenue-generating product includes a raw material whose cost is sensitive to volatile commodity prices, you will want to include that material cost as a driver. You can then create "what if" scenarios projecting multiple cost points of that material to envision the future impact on COGS and margin. While there is a tendency to go into great detail with drivers, be sure to focus on the main drivers to make the rolling forecast manageable.

Another component of rolling forecasts is that you should frequently import actuals into your model for variance analysis and to ensure you are on track. This underscores the importance of having a budgeting and forecasting system that integrates with the repository of the actuals data (e.g., an ERP system). By integrating actuals with forecast, you will identify issues early on which will allow you to refocus your priorities and resources as necessary.

While it would seem that more frequent forecasts would consume additional time and resources, they actually save time in the overall planning process. A more efficient and automated rolling forecast enables the finance organization to focus on more value-added analysis and decision-making. The ability to course-correct as necessary allows your company to be more proactive and flexible in aligning operations to strategy.

Finally, an important consideration when implementing rolling forecasts is to engage more stakeholders in the process. Budget owners need to participate and provide the objective data that feeds the forecast. By being inclusive, you will cultivate a feeling of empowerment that individual budget owners can effect positive change. It is vital to then communicate the updated projections (and strategy) to the broader organization so that everyone is working from the same "sheet of music".

Another study by Adaptive Insight provides the following statistics when it comes to the frequency of forecasting:



The frequency of the forecast is defined primarily by the dynamism of your particular market, the drivers of your business, and your ability to readily incorporate actuals into the forecast. While all companies are different, if your company is doing bi-annual or annual forecasting, you should seriously consider the benefits of moving to a more frequent rolling forecast.

Implementing a rolling forecast process requires careful planning and execution and should not be approached casually. It should be phased into strategic areas of the business first and then deployed more broadly as the value of improved insight and decision-making is realized.

Managing the Important Numbers: KPIs

A question that invariably arises when implementing Adaptive Insights is – which metrics should we be tracking? We could list any number of perfectly valid metrics, but at that point, we steer the discussion to priorities and strategy. In our experience, key performance indicators (KPIs) are an excellent means for ensuring that budgets align with strategy. Specifically, what are the factors necessary for companies to improve competitiveness over both the shorter and longer term? Where should they be focusing their time, effort and investment? For example, a company may wish to prioritize cost efficiency, safety, compliance, quality, or delivery.

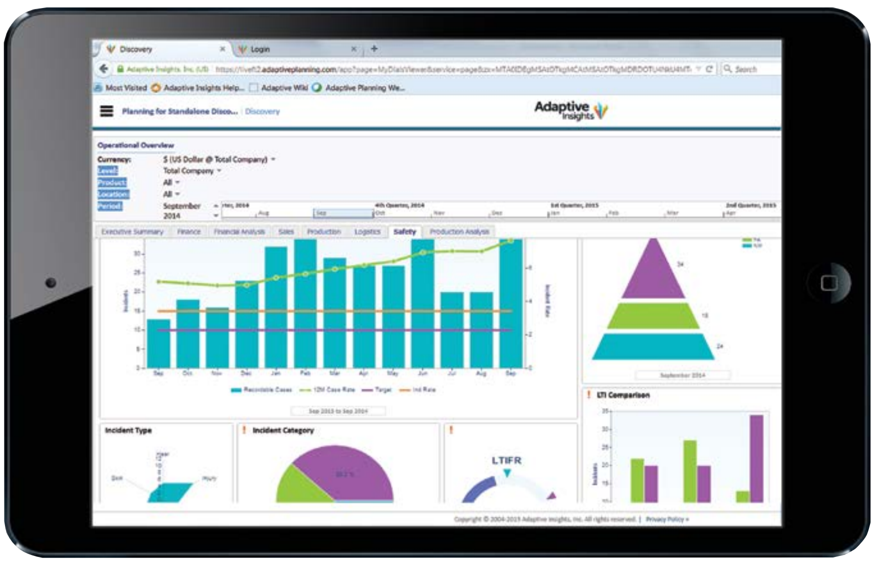
The discussion about KPIs can get overwhelming as it can often be varied based on the industry as a whole or the company in particular. There are several financial as well as non-financial metrics that can and should be closely managed. For the purposes of this post, let's focus on some of the financial KPIs that can be applied broadly across manufacturing. Not surprisingly, they involve measurements around units. For manufacturers, as an example, here is a shortlist of must-have KPIs:

1. Cost volume profit analysis: Also known as CVP, this analysis goes beyond break-even analysis, which is essential in its own right. CVP is particularly valuable for ascertaining short-term goals in profitability as production is planned or projected to scale. It does have limitations as it assumes there won't be changes to fixed and variable cost. It also assumes that all units will be sold, which as we all know doesn't always happen. However, it does provide guidance for aligning production with profit targets.

2. Manufacturing cost per unit (without material): This KPI is very handy because it addresses costs that are generally under a manufacturer's control. In its most basic form, it is the cost of direct labor plus overheads divided by units. As material costs usually fluctuate, they are not included in this analysis. This is a great measure of manufacturing efficiency, as it allows companies to gauge the effects of any process improvements they put in place.

3. WIP inventory/turns: A frequent priority among manufacturers is inventory management; more specifically lean inventory. With improved, integrated technology in the areas of CRM, ERP, MRP, and Supply Chain Management, it is possible to have real-time insight into demand, production, and inventory. It's a goal of many world-class manufacturers to accelerate the velocity at which inventory turns; thereby, lowering carrying costs.

In order to make KPIs understandable to those who need to be in the know, we recommend making them available in self-service dashboards. Dashboards present a visual interpretation of the data and thus are more easily consumed and acted upon.



Sample Dashboard in Adaptive Insights

6 Tips for Successful Implementations

Clearly Defining Goals

If you don't know where you want to go, then how are you going to get there? While it sounds obvious, it's very important to establish a key set of objectives with your implementation. For these reason, it's a good idea to have at least a high level understanding of the features and capabilities of the Adaptive Insights modules that you will be implementing. This will help inform your list of attainable objectives. Also, you may wish to consider prioritizing certain goals and phasing in others after the initial implementation. Some goals, particular those that involve a cultural shift, may time considerably more time to establish. Make sure these goals are measurable in some form so that you can make adjustments as necessary.

Empowering Stakeholders

In addition to the core implementation team, you will want to involve, when and where appropriate, a broader range of stakeholders who will be using and benefiting from your Adaptive system. With their contribution to the project, you will also be ensuring greater buy-in prior to actual deployment. As you incorporate their feedback, you can also expect to resolve any unanticipated issues with processes that may arise.

Maintaining Momentum

A risk in any project is that the implementation loses steam as time progresses. People may have to focus on urgent business issues or even just their day-to-day responsibilities. Perhaps someone from the team leaves the organization. Whatever the reason, it's important to keep team members engaged and moving forward. Establishing a timeline for the project and sticking to it helps keep the project moving forward.

Proper Training

Training is already mentioned in this guide. However, it can't be emphasized how important proper training is to get the full value out of your Adaptive investment. Adaptive Insights is designed with the end user in mind and can generally be learned quite quickly. Super users should plan on a minimum of twelve hours of training. It's generally a good practice to include overview training in the discovery phase of a project to give team members an understanding of core functionality. Sufficient end user training can often be accomplished within a day. It's quite common for super users to contribute to testing, which is another opportunity to learn the system.

Think Outside the Box

Implementing Adaptive is an opportunity to redefine performance management within your organization. Finance isn't just about managing the numbers; it's also about leadership and being a partner to the rest of the organization. Part of this is being able to speak the language of stakeholders within your company and assist them on the path of improved performance within their operational areas. A key aspect of this is tracking the non-financial KPIs which assist other parts of the business in gauging areas such as customer turnover, product defects, and employee satisfaction. The ability to impact your organization with Adaptive is primarily limited by the creativity to apply its capabilities in non-traditional areas.

Track the Right Metrics

Many organizations have a tendency to track too many metrics. This is an issue because it adds time overheads for the finance team without delivering the value that would be expected. As a rule, if the metric does not allow you to gauge whether you are executing on your strategy, then you should consider eliminating it. As a general rule, we recommend limiting the number of metrics to no more than 12. Take a look at the illustration below for examples of metrics.

Track the Right Metrics for Success

Focus on 6-12 Key Drivers and Metrics…. Quality not Quantity

Finance	Customer
■ Sales/Margins ■ ARR/MRR ■ ROI on Customer Aquisition ■ ROI/ROE	■ Customer Retention Rates ■ Customer Satisfaction Scores ■ Lifetime Value of Customer
Employee	**Operational**
■ Employee Satisfaction ■ Turnover Rates ■ Training & Development Time	■ Product Defects ■ Utilization Rates ■ System Outages/Uptime

4 Implementation Hazards that should be avoided

Project Timing

The timing of your project is an important consideration. Make sure that your staff will be able to dedicate adequate time to the project. The project should be scheduled to avoid traditionally busy times such as the year-end financial close as well as holidays and times of the year when people frequently go on vacation. Also, if you are implementing any other systems that will integrate with Adaptive, make sure that you have enough time between projects to ensure you are ready to begin your Adaptive implementation. It is also important to do an internal assessment of the availability of the right people with the right technical and leadership skills. To satisfy the technical end, there is internal training which your implementation partner should provide and which Administrators should complete prior to the project kickoff. So while proper project staffing is critical, improperly timing the allocation of resources is a common project management mistake that can result in delays and cost overruns.

Insufficient Project Scoping

Project scoping, which contributes to a well-constructed RFP, is critical to ensuring a project is completed on time and within budget. Every stakeholder who will be impacted or involved in the project on the business side needs a high-level overview of the entire project, from design to rollout. It is well worth the time and effort to engage all internal stakeholders to assemble all of their requirements in your project scope, along with priorities. As you document your project scope, you should include a level of detail that enables your implementation partner to estimate the resources required to accomplish your goals within the established timeframe. If this is not done, scope creep may set it which can cause delays and cost overruns. It can also add acrimony and recriminations to the project if it doesn't proceed according to plan. It is also important to have control over other aspects that may be changing as well as potential short term and longer range changes. For example, if your organization is also undergoing a new ERP implementation, it is important to capture those potential

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changes to ensure your Adaptive implementation takes into account the new structure where possible. This will minimize the time and expense to rework your Adaptive instance.

Vague Chain of Command

It may seem obvious to have a project manager who is the main point of contact and accountability, but sometimes this leading role is distributed among several team members or not identified at all. The risk here is that project coordination can suffer; especially as projects often have overlapping activities taking place which require nimble, focused management. Furthermore, important decisions can be made in a silo without other team members being aware. It is also important to have an open dialogue with all stakeholders from accounting, finance, operations and IT about what is needed and what you plan to deliver. Finally, the implementation partne r needs to have a peer project manager that can sign off on deliverables as they are completed.

Failure to Prioritize

In the case of successful timely implementations, less is usually more. As part of your project planning document, it's important to identify what you need now and what can wait until later. This also applies to end users. During the implementation, while a broader group of stakeholders should have input on the project, only the members of the implementation team should have access to your Adaptive Insights development instance. Post implementation, it may be a good idea to limit users to first your core budget and finance managers then add other stakeholders at a later date. This will save a considerable amount of time in training and free up time for your Administrator after your critical go-live requirements are met. The broader team can then engage on the other project phases (e.g. additional Budget Reports/Models) and train additional end users.

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Post Implementation: Ongoing Support

Buying a new software system is in some ways similar to purchasing a new car. After you start using it, you need to maintain it to ensure optimal performance. The same holds true with Adaptive Insights. Business conditions may change, your company may (hopefully) expand, or you may implement a new ERP system. Whatever the reason, you should plan to have a support service in place to get the most value out of your Adaptive Insights investment. Some providers offer a variety of ongoing services including Adaptive skills development, quick responses to feature questions and yearly system optimizations. Furthermore, Adaptive typically has three update releases each year that include new functionality and feature enhancements. As part of a support agreement, you should receive training in these new updates as necessary. These services are often provided at much lower cost than hiring a full-time administrator.

The following services should be included in your support contract:

- Online Support Portal with Issue Tracking and Knowledgebase
- Service Level Agreement (e.g. 24 hour Turnaround on Questions)
- Dedicated Point of Contact
- A specified number of hours of Consulting Services
- Online Training Sessions
- Annual System Review and Optimization
- New Adaptive System Release Review and Management

Be sure to ask your implementation partner about support options. The company that performed your implementation is generally the best suited to provide you with ongoing support.

Conclusion

Implementing Adaptive Insights offers the opportunity to take financial planning and analysis to a new level. However, as described in this guide, it is not purely a technical solution you are deploying. It is an enabler for changing the culture of financial planning, empowering a broader group of stakeholders, and positioning the finance group as leaders within your organization. With careful planning, resourcing, and implementation execution, Adaptive can be one of the best investments your company makes. All of us at Carlson wish you the best as you embark upon your Adaptive journey!

More Information

Looking for more information to kick start your project? Feel free to contact us for sample documentation including the following:

- RFP Templates
- Project plans
- Design documentation
- Admin and end user training documentation
- Dashboard and report samples

About Carlson Management Consulting

Carlson Management Consulting is an award-winning Adaptive Insights Platinum Partner with a growing list of clients nationwide. With more than 300 Adaptive Insights implementations and optimizations, our highly experienced team employs a proven methodology to optimize key finance activities including forecasting, budgeting, planning, and "what if" scenario analysis. Our customers benefit from improved insight and decision-making by leveraging the value of quality, real-time data for business intelligence and forward-focused planning. As acknowledged thought leaders in finance and technology, we are frequent speakers at industry conferences, seminars and events.

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