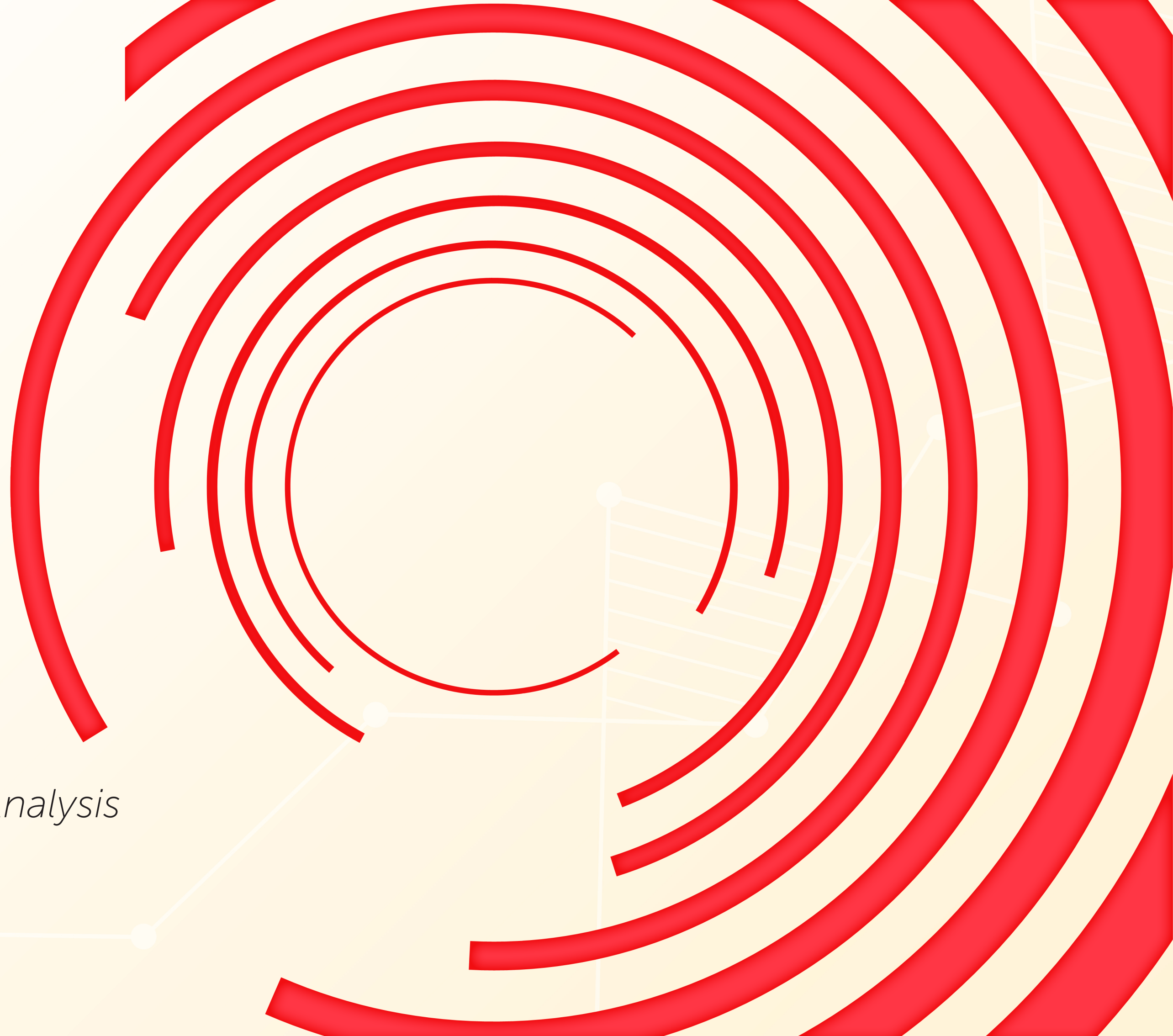




# The Nine Circles of Excel Hell

*Why Financial Planning & Analysis  
Belongs in the Cloud*





“Adaptive Insights simplified and streamlined our process. We don’t have any more version issues or broken formulas, and our managers are more active and see the benefit of expense control with Adaptive Insights.”

— **Justin Saltzman**  
*Accounting Manager*

## INTRODUCTION

# EXCEL CAN BE HEAVEN... FOR SOME TASKS

It’s not that Excel isn’t a great spreadsheet program — it is. But, let’s face it, Excel breaks down if you’re trying to gather data from across the organization, roll up departmental plans, or do complex, collaborative planning.

A volatile economy demands a smarter approach to financial planning and analysis (FP&A), and more and more finance professionals are discovering that manual Excel-based planning just doesn’t let you go there.

Trying to force it to do so is like trying to use a hammer to build an entire house. It’s useful, but you’re going to need some other, stronger tools as well.

This eBook is about transforming the Nine Circles of Excel Hell into something more powerful — FP&A in the cloud. It’s based on our experience of helping over 3,000 mid-size and enterprise companies escape the chaos of infinitely interlocking spreadsheets, cascading scenarios, formula clash and unseen errors.

## INTRODUCTION

# THE EXCEL PENALTY

Around the world, CFOs and business managers use Excel to handle the annual planning cycle, manage budget allocation, forecast income and expenditures, and produce reports. But using disconnected spreadsheets for forecasting, budgeting, planning, and reporting creates all kinds of issues:

- You waste weeks every year manually consolidating a mass of individual spreadsheets
- You can't easily model potential future scenarios or answer "what-if...?" questions
- Measuring actual spend against plan is a major chore
- Your talented finance staff spends too much time on low-level, non-value-add activities
- You may never catch the errors that plague your plans, forecasts, and budgets

The bottom line: you're spending huge amounts of time, energy, and resources fighting against a tool that simply wasn't designed to do what you need it to do.

### FP&A in the Cloud: The Next Step After Excel

If you're still using manual Excel spreadsheets and processes for FP&A, it's probably not because you think these are the best tools for the job. It's more likely that your business has grown and you need something more powerful. Until now, the only option was selling your firstborn to pay for Oracle, SAP, or another big app. If you pushed Excel hard enough, you could forestall that day.

But now there is an alternative, and thousands of companies and non-profit organizations have already made the move. It's called FP&A in the cloud, and — as you might have guessed — it's an accessible, affordable, cloud-based version of the kind of FP&A apps you might have thought were out of your reach.

To really understand the benefits of FP&A in the cloud, it helps to start with a quick tour of the pain caused by using Excel as an FP&A tool.





### Individual Excel spreadsheets are great for:

- Personal plans and “what-if” analyses
- Rough-and-ready reports
- Checking the integrity of raw data
- Analyzing static datasets



### Individual Excel spreadsheets are inadequate for:

- Collaborative planning and reporting
- Management information
- Managing financial processes
- Multidimensional performance analysis

# THE NINE CIRCLES OF EXCEL HELL

Excel is one of the world’s greatest desktop tools. If you, personally, want to analyze a load of numbers, or do some complex modeling on a static dataset, it’s hard to beat. But running a company involves collaborative, multi-department processes like planning, budgeting, forecasting, and reporting. And that’s where individual, disconnected Excel spreadsheets fall short.

We call these limitations the Nine Circles of Excel Hell. Those of us at Adaptive Insights who are former finance professionals (and that’s quite a lot of us) have been caught up in its infernal machinations more times than we care to remember. We’ll bet you have too.





# CIRCLE #1 OOPS

Excel is fragile. In a shared ecosystem of individual, manual spreadsheets, it's all too easy for people to delete rows and cells and break formulas and links. Individual Excel spreadsheets just aren't made for sharing, and accidental deletions are behind some of the worst Excel-related disasters (see page 14).





## CIRCLE #2

# CRUSH

Individual Excel spreadsheets are a huge pain to consolidate. Pulling data from multiple sources is time-consuming and fraught with error. How many finance professionals relish the prospect of spending weeks consolidating 50 or more departmental plans into a single master plan? And as for trying to produce a rolling forecast with anything like the frequency the business needs, well...





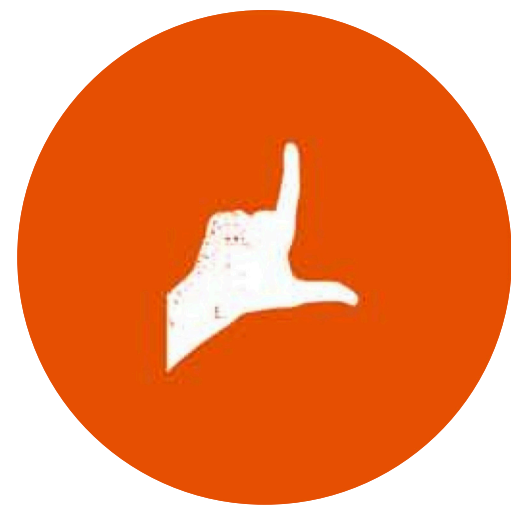


CIRCLE #3

# BRAIN DRAIN

Doing anything in disconnected Excel spreadsheets, especially when there's more than one person involved, wastes time. Your team didn't spend years earning accountancy degrees, MBAs and honing their strategic analytical skills to spend half their professional lives collecting and consolidating spreadsheets. It's soul-destroying (and business-inhibiting).





## CIRCLE #4

# FINGER IN THE AIR

Disconnected Excel spreadsheets can't give you real-time data. They can only provide a historical snapshot of the numbers at a single point in time. Result — you're always chasing after "the latest number" for anyone who needs to know the current position against the plan, budget, or forecast.







## CIRCLE #5

# IMPORT DUTIES

It's hard to get non-Excel data into Excel. If you spend hours laboriously exporting operational data from your GL, payroll, purchasing, or other systems and manually configuring it in Excel, you'll know there has to be an easier way.





## CIRCLE #6

# GROUP GROPE

Excel is many things, but it's not a management information system. It may be serviceable for analytics, as long as they're just for you. But if you want senior executives and departmental managers to have management dashboards and run their own reports (e.g., to compare actual performance with forecast performance, or to run "what-if" analyses), manual Excel processes fall short.



## CIRCLE #7

# FLATLAND

Excel is two-dimensional. If you want to model something like profitability by product line, then an individual Excel spreadsheet works great. But if you want everyone to be able to model something like the impact of a 5% pay raise to a single department — and understand how it will impact every department as well as the P&L, cash flow, and balance sheets — manual Excel processes won't work. The more dimensions your data has, the less you want to wrestle with it in an individual Excel spreadsheet.





## CIRCLE #8

# WHODUNIT

When you have a lot of people updating a disconnected Excel spreadsheet, it becomes difficult to tell where changes have been made, who made them, and when. The audit trail goes cold fast — and that's not good for governance, efficiency, or investigating the source of mistakes and inaccuracies.





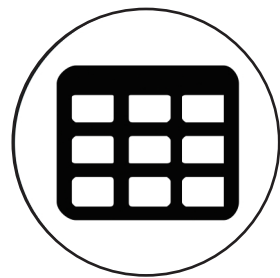
## CIRCLE #9

# GLOBAL CHALLENGE

Excel is hard enough when you're only dealing in one currency and one fiscal regime. If you have to take into account multiple currencies, exchange rate fluctuations, and the vagaries of national and international taxation, your consolidation, forecasting, budgeting, and reporting activities enter a whole new dimension of complexity. One for which you need a more powerful solution than an individual Excel spreadsheet.



# TOP THREE SPREADSHEET DISASTERS\*



\* The Schadenfreude-inclined can read plenty more spreadsheet horror stories. Each of these issues on its own would make life difficult for finance professionals and budget holders. Together, they create an entire web of frustration that turns a supposedly strategic set of activities into a mass of wasted time, inaccuracies and substandard results.

That's why more and more companies are augmenting Excel by moving to a cloud-based solution for FP&A. In the next section, we look at what FP&A in the cloud can do that manual, disconnected Excel spreadsheets can't.

## #1 West Baraboo, WI

The municipality of West Baraboo found it would have to pay about \$400,000 more interest on a borrowing plan than it had originally thought. "Operator error" resulted in a spreadsheet underestimating the total cost of the 10-year bond. "When we re-looked at the numbers we discovered a cell was not across the line being added correctly," said West Baraboo's financial advisor. "So it understated the impact"

## #2 2012 Olympic Synchronized Swimming

A spreadsheet error by the London Organizing Committee (Locog) for the 2012 Olympic Games led to four synchronized swimming events being massively oversold. An employee accidentally keyed in "20,000" rather than 10,000 available tickets. Locog employees spent the Christmas period contacting disappointed ticket holders to offer alternatives.

## #3 AstraZeneca

AstraZeneca had to reiterate its 2011 and mid-term financial forecasts after accidentally releasing confidential information to analysts. "Confidential company information was inadvertently embedded in a spreadsheet template sent to the sell-side analyst community that follows the company," it said in a statement.

Sources: West Baraboo News Republic, Wall Street Journal MarketWatch, Daily Telegraph, GAO, Reuters (all via EuSpRiG)

# ESCAPE TO THE CLOUD

With FP&A in the cloud, you can escape the Nine Circles of Excel Hell and make your next planning cycle fast, accurate and utterly pain-free. You could think of FP&A in the cloud as having seven silver linings:



## 1. Consolidate data automatically. Really.

Picture this: all line-of-business heads enter their budget, planning, and forecast data into web-based sheets using the familiar Excel interface, and it consolidates them automatically. You instantly cut out the weeks of work you spend manually consolidating hundreds of different disconnected spreadsheets.

**"With Adaptive Insights, we've liberated a staggering 80 weeks of time across the team that used to be spent on gathering and preparing data. Now the team can focus on more strategic activities, like meeting with customers and improving operational performance."**

**— Franco Chamorro**  
*Finance & Administrative  
Director, Compañía Cervecería  
de Nicaragua*

## 2. Streamline analytics and reporting.

When your FP&A is in the cloud, you use intuitive dashboards and configurable reporting to monitor the data and run the reports you need. Better still, you always know you're seeing the latest version of the data. Some solutions even integrate with Microsoft Office, so you can take advantage of Excel, PowerPoint and Word for your reporting.

**"We spend a lot less time creating reports and more time analyzing the data. We do full P/L reporting, bring in all actuals from Oracle into Adaptive Insights and combine this with our forecast going forward. And it's a one-click refresh for executive and board reporting."**

**— Jonas Hallman**  
*Senior FP&A Finance  
Manager, Infoblox*



CONTINUED

# ESCAPE TO THE CLOUD



## 3. Integrate FP&A with your other systems.

The best cloud-based FP&A solutions have pre-built connectors to the most popular general ledger and payroll systems, whether they're on-premise or in the cloud. Built-in APIs should let you automatically pull data from almost any other system of your choice, on a daily, weekly, or monthly basis—so it's always as up to date as you need it to be.

**"We're pulling our weighted pipeline in Salesforce.com directly into our forecasts in Adaptive Insights so we can better analyze probability of order conversions. This informs plans and forecasts in other areas, like hiring. So our business is completely reflected in other areas, like hiring, so our business is completely reflected in Adaptive Insights."**

— **Steven Priscott**  
*CFO, Sift*

## 4. Share with everyone.

The beauty of a cloud-based system is that everyone can access and update it from anywhere at any time. No more sending out spreadsheets for budget-holders to fill in, waiting for them all to come back, and then consolidating them in into a single master forecast. Now users can download templates, enter data offline, and upload their plans when done.

## 5. Make scenario modeling and "what-if" analysis really easy.

"What-if" analysis is almost impossible to do well manually in Excel. With a cloud-based FP&A application, it's easy to enter assumptions and run "what-if" analyses, even for complex multidimensional questions like: "What's the impact on revenue, profit, and cash of increasing the size of the sales team by 10, 20, or 50% over the next year?"

CONTINUED

# ESCAPE TO THE CLOUD



## 6. Defend against breakage.

With secure algorithms performing all the necessary calculations on your data, there's no risk of users accidentally (or deliberately) breaking links or deleting vital formulas. Can't happen.

**"Adaptive Insights gives us more confidence in the data we present. We don't have to worry about spreadsheets not tying together or missing formulas. We make our assumptions, input the data, and are confident that the reports will be accurate. That eliminates one of the biggest worries for all financial analysts: Do my numbers tie together?"**

— **Michael Bright**  
*Former Director, FP&A,  
Teachscape*

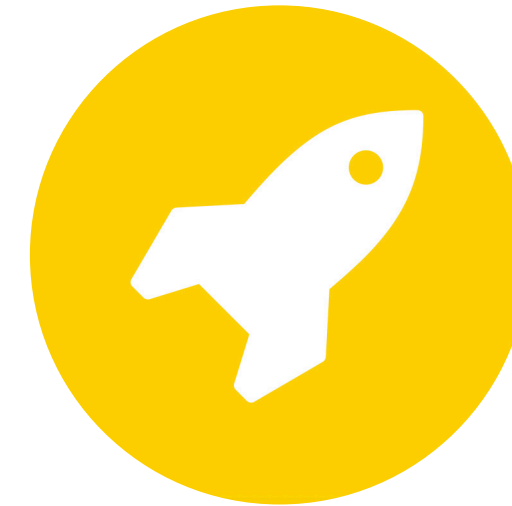
## 7. Do it without going broke.

With no server hardware, infrastructure software licenses or IT support implementation costs, FP&A in the cloud can cost as much as 77% less than on-premise FP&A software. You can get up and running quickly and easily, with no need to get IT involved. Plus you get to take advantage of software updates as soon as they're available, without waiting for your organization to schedule resources for a software upgrade project.

**"I use the software every day. Adaptive Insights is easy to implement and relatively inexpensive. There is no need to take on the costs of an on-premises solution from a company like SAP or Oracle."**

— **Colm Callan**  
*CFO, WageWorks*

# BETTER FOR YOU, BETTER FOR YOUR BUSINESS



**FP&A in the cloud isn't just a boon for finance pros fed up with Excel's idiosyncrasies. It delivers positive, rapid, and long-lasting benefits to the business:**

## Better Decisions:

When everyone with budgetary responsibility can track performance in real time, forecast as often as needed, and crank out precise "what-if" analyses, the business is in a much better position to hit its targets and slam-dunk the competition.

**"It has allowed us to drive decisions based on a single view of the entire business, giving us the historic picture that allows us to look forward based on real trends."**

**— Matt Buckley**

*Group Planning & Reporting  
Lead for Finance, Specsavers*

## Better Management:

With less time spent on manual consolidation, troubleshooting, reporting, and data loading, finance staff can concentrate on analyzing performance data, re-forecasting frequently, and making the right decisions to take the business forward.

**"Adaptive Insights has allowed us to become more analytical...We become financial storytellers...We tell them this is where you've come from and this is where you're headed...We provide them with information that is actionable now and they can take that action."**

**— Rob Scrimshaw**

*Financial Analyst, Mayo Clinic*

CONTINUED

# BETTER FOR YOU, BETTER FOR YOUR BUSINESS



## Tighter Control:

Spreadsheets roaming free in the wild invite cowboy behavior. Locking best practices into your cloud FP&A system keeps everyone doing the right things: conforming to policy, entering data consistently and using the same in-built processes for consolidation, currency conversion, modeling, forecasting, and planning.

## IT Cost Savings

Cloud-based systems are far cheaper than on-premise software because there's no need to invest in hardware, licenses, internal support, or systems integrators to get the system up and running. So if anyone accuses you of investing in cloud FP&A because it's the latest shiny gadget, read them this list. These are pretty exceptional business benefits.

**"In one year, we have 110 business in 30 states collaboratively reviewing financial performance, in real-time, on a daily basis. Adaptive Insights has enabled accessibility with accountability, and saved us money."**

**— J.P. Hannan**

*Former Sr. VP, Treasurer, & CFO, Cumulus Media*

# THE COURAGE TO MAKE THE MOVE



As a finance executive, you probably feel in your gut that affordable, cloud-based FP&A solutions are the way to go.

But change is never easy, and inertia is a tough force to overcome.

You may worry that the implementation will take a long time, not work as planned, cost a lot of money or require a lot of effort on your part. And with any proposed switch away from existing processes, there's also an element of risk to consider: will the new system do everything I need it to do?

These are real concerns, and you're right to be wary. But the good news is that switching to FP&A in the cloud is actually a pretty quick and straightforward project. Here are just a few reasons why:

1. The software is already installed in the cloud, so there's no lengthy implementation process.
2. It's easy to configure it to match your organizational structure and ways of working.
3. You can import data automatically from your GL, payroll and other enterprise apps.
4. Cloud-based FP&A apps are easy and intuitive to use, giving users the choice of the familiar Excel interface or web-based planning.
5. It's designed to be set up and managed by you, with little or no input from IT.

With thousands of businesses already moving their planning, budgeting, and forecasting capabilities to the cloud, there's every reason to investigate what


it can do for your organization.

The next step is the easiest of all: find out more about FP&A in the cloud and talk to some people who have already made the leap.

**"Adaptive Insights has helped us become much more succinct in the way we use, present, and think about data. It's central to how we run our daily business."**

**— Glen Moore**

*VP of Finance, Standard Motor Products*



# YOU HAVE NOTHING TO LOSE BUT YOUR INTENSE HEADACHES

Companies of all sizes, in all industries, are benefiting from FP&A in the cloud today. As the market leader in cloud-based FP&A, we're proud to have helped more than 3,000 companies and non-profit organizations escape Excel Hell and start a new, ultra-effective life in the cloud. One day, you'll take the leap too. Maybe not today. Maybe not tomorrow. But soon. And you're going to love it. Here's a couple of quotes to tip you over the edge:

**"With Adaptive Insights, our summer isn't consumed with the budget. We're doing a lot more planning and value-added work for the organization versus spending time heads down at our desks working on Excel spreadsheets."**

**— Gwen Hendrickson**

*Director of Finance, Lunds & Byerlys*





To find out more about Adaptive Insights visit us  
[www.formulate.co.uk](http://www.formulate.co.uk) or -what the hell - call us at  
01793 888 704

### About Formulate

We are the leading European Partner for Adaptive Insights. We've integrated into more systems and built our own connectors into source systems including SAP – ERP, All In One and By Design, as well as Netsuite, Microsoft Dynamics, Navision and more. If you are looking for a proven software which will transform the way you plan, report and forecast along with a trusted partner with all the finance, commercial and technical knowhow to build models which work for your business, let's talk. Formulate

### See Adaptive Insights in Action

The best way to start your journey to FP&A in the cloud is to watch it in action. Our online demo will give you a great overview: <http://content.formulate.co.uk/adaptive-insights-in-action>

**"Our process with  
Adaptive Insights is  
100% better than it  
was with Excel alone."**

**Paolo Castro**  
*FP&A, Embraer Aircraft*

