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Financial Management | OOTB Introduction

Your Guide: Sara Garvey

Introductions

- Take 5 Minutes
- Turn to a Person Near You
- Introduce Yourself
- Business Cards

Agenda

- Introduction
- Financial Planning
- Financial Organization Structure
- Actual Costs – Labor and Non-Labor
- Financial Plans
- Financial Management in the Modern UX

Part I: Introduction

Discuss Rego Base Configuration

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Rego Base Configuration

- This demo environment has Rego's OOTB Base Configuration applied
- The base configuration is composed of 3 main activities:
  - Base setup of items – entity, fiscal periods, financial class fields with 1 value, datamart and other jobs, etc. without this, most of the OOTB views and jobs will not work.
  - Simplify the UI – Based on what we have seen with hundreds of implementations, we "hide" not delete certain OOTB fields and leave the most common fields. For example, Risk has about 50 fields, but most clients use only about 10. Another example is that project has 6 subpages with hundreds of fields, and most clients simplify to 2 subpages and about 50 fields. This is just for the initial sessions, after which, if the client needs them, we can unhide other OOTB fields. Status report is another example where there are about 20 fields and we hide 6 of them that 95% of our clients do not use.
  - Install several Rego accelerators for security groups, workflows, and portlets. We adjust the menu to include them – views that are most commonly used.

Part II:
Financial Planning

Financial Planning Overview

Financial Management Benefits

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What is Detailed CA PPM Financial Planning?

Detailed financial planning allows for the estimation of costs and/or funding of investments (ideas, projects, applications) using cost plans. These plans can then be submitted and approval for funding using budget plans

- Detailed Financial Plans also help to:
  - Model, in detail, where costs for an investment occur
  - Compare estimates to actuals in time-sliced views, such as monthly or quarterly
  - Breakdown costs by different grouping attributes or criteria for reporting purposes
  - Create the budget most suitable for the investment or business needs

- Financial Planning is the primary metric used in Portfolio and Idea evaluation

- Financial Plans demonstrate how accurate estimating is at different stages of the investments

Financial Management Benefits

- Financial Health is a Critical Aspect of Project Management
  - Evaluation of Forecast vs Budget is a key metric
- One Stop Shop
  - Provides one stop shopping for project status including financial information – on time, on budget, on schedule
  - Can get full view of project financials including forecast
  - Allows for Robust Strategic Planning
- Consolidation
  - Provides consolidated financials for global projects
  - Provides consolidated view of financial data from multiple countries
  - Flexibility to view financials in US Dollars or other currency
- Standardization and Saving Time
  - Provides financials that are calculated and reported in standardized fashion, and traceable back to source system
  - Eliminates very time consuming manual process Project Managers had to follow in order to create financial reports
  - Financial Reporting has "Gravitas" (e.g. We were 200 hours under estimate vs. We were $25,000 under estimate)

Part III: Financial Organization Structure

Major Financial Components

Core Financial Setup

The Rate Matrix

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Major Financial Management Components

- Financial Setup - Field Architecture, Entities, Departments, Locations
- Calculating Rates with the Rate Matrix
- Financial Plans – Benefit, Cost, Budget
- Portfolio Financial Analysis
- Financial Integrations

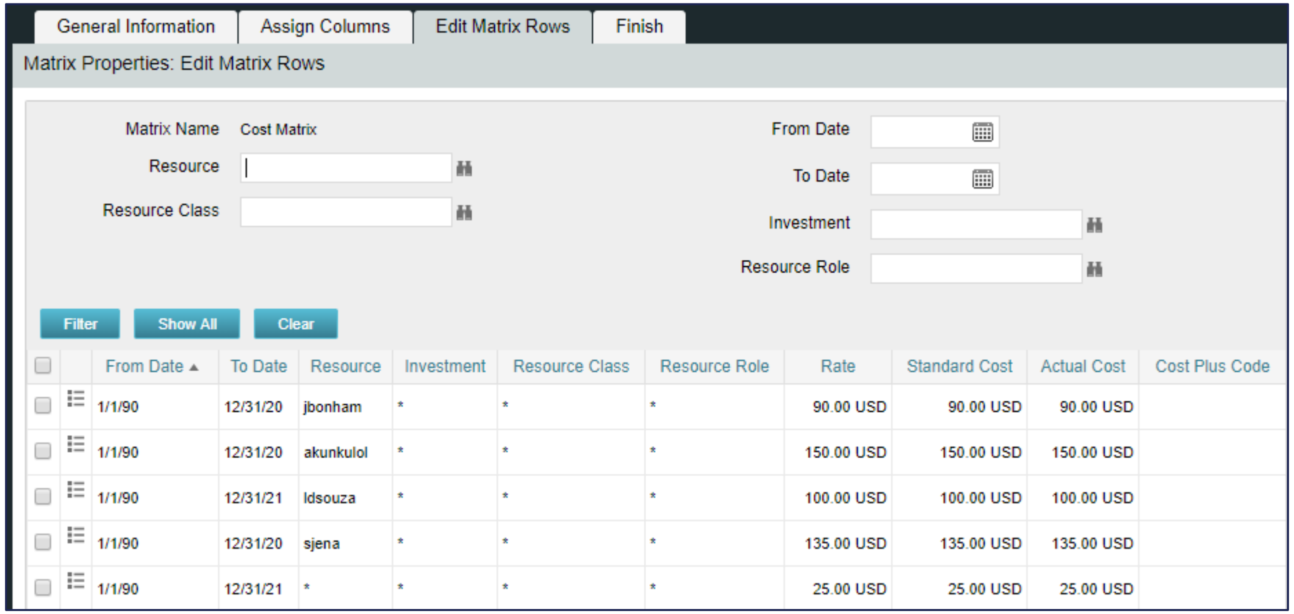
Core Financial Setup

- Financial OBS
  - Department (Object and OBS)
  - Location (Object and OBS) – Linked to a Department
- Fiscal Periods
  - Used within datamart jobs
  - Used on Financial Plans-Cost Plans and Budgets
  - Be Aware – Not in Resource Planning / Portfolios
- Currencies
  - Home & Billing Currency
  - Exchange Rates

- Other Financial Attributes
  - Input Type Code on Resource Record (required for processing)
    - Billable
    - Non-Billable
  - Cost Type on Project Object
    - Capital
    - Operating
  - Charge Code on Investments (required for processing)
    - Capital
    - Expense
  - Roles on Resource Record
    - Available to Rate Matrix

The Rate Matrix

- Rate Matrix
  - Define a Cost/Rate matrix used during financial transaction processing to determine costs and billing or charge rates. You can create cost and rate matrices for labor, materials, equipment, and expense resource types

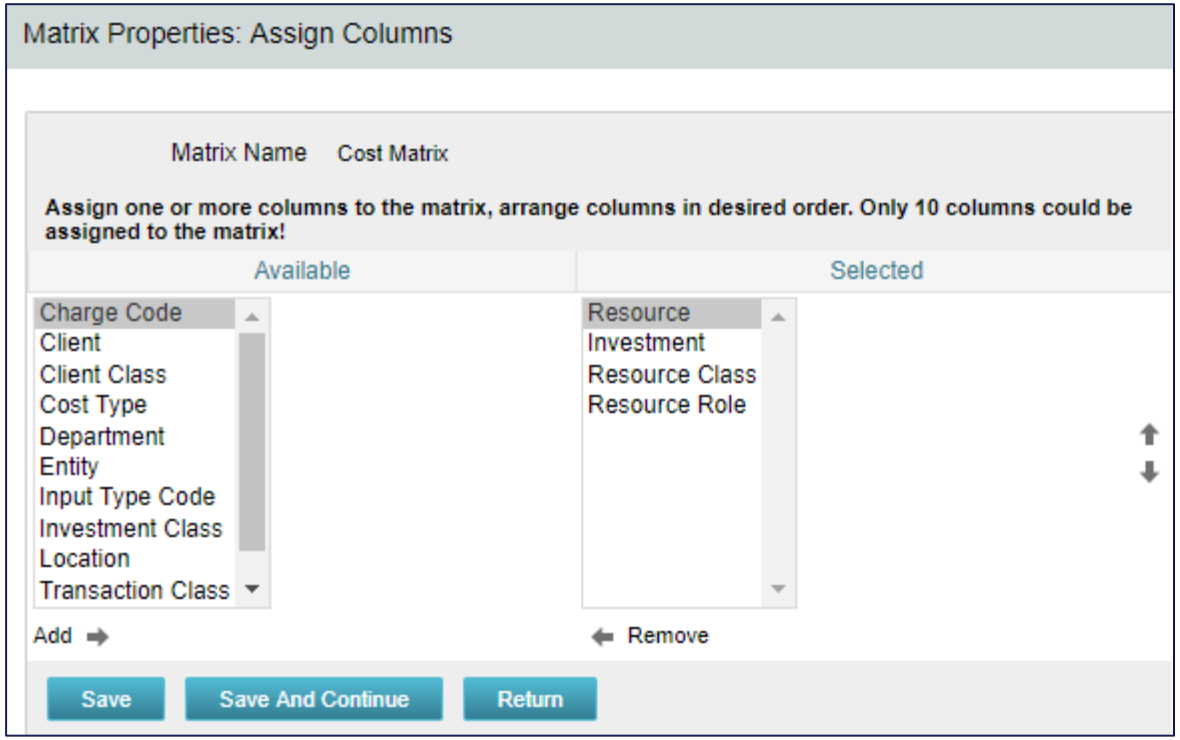


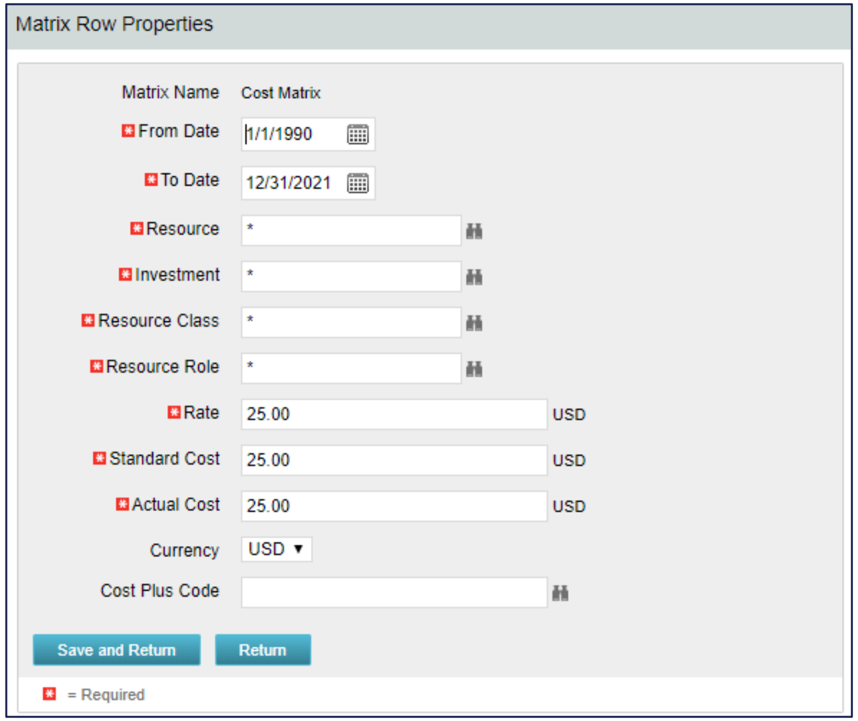
From Date	To Date	Resource	Investment	Resource Class	Resource Role	Rate	Standard Cost	Actual Cost	Cost Plus Code
1/1/90	12/31/20	jbonham	*	*	*	90.00 USD	90.00 USD	90.00 USD	
1/1/90	12/31/20	akunkulol	*	*	*	150.00 USD	150.00 USD	150.00 USD	
1/1/90	12/31/21	ldsouza	*	*	*	100.00 USD	100.00 USD	100.00 USD	
1/1/90	12/31/20	sjena	*	*	*	135.00 USD	135.00 USD	135.00 USD	
1/1/90	12/31/21	*	*	*	*	25.00 USD	25.00 USD	25.00 USD	

- Define Columns to Derive Rates
  - Exact Rates
  - Aggregate Rates
- Non-Labor
  - $1 Defaults
- End Dating
- Rate matrix logic
  - Set a rate for a date range, a person can have multiple rates over time
  - Matches in the leftmost columns are higher weighting – determines best match
  - Matches to exact values vs. a “*” are higher value

The Rate Matrix

- Available Fields:
  - Investment Fields: Charge Code, Client, Client Class, Investment, Inv. Class, WIP Class, Entity
  - Resource Fields: Role, Input Type Code, Resource, Resource Class, Transaction Class
  - Investment and Resource Fields: Location, Department, etc.





Part IV: Actual Costs

Actual Costs – Labor

Actual Costs – Non Labor

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Actual Labor Costs – Timesheets

Resource Actual Cost is calculated daily by project using the rate matrix and hours entry from the timesheet.

Base Setup

- Create a rate matrix and associate to the investments
- Financially enable resources and investments
- Determine Posting Cadence
- Adjustment Postings?

Approval Policy

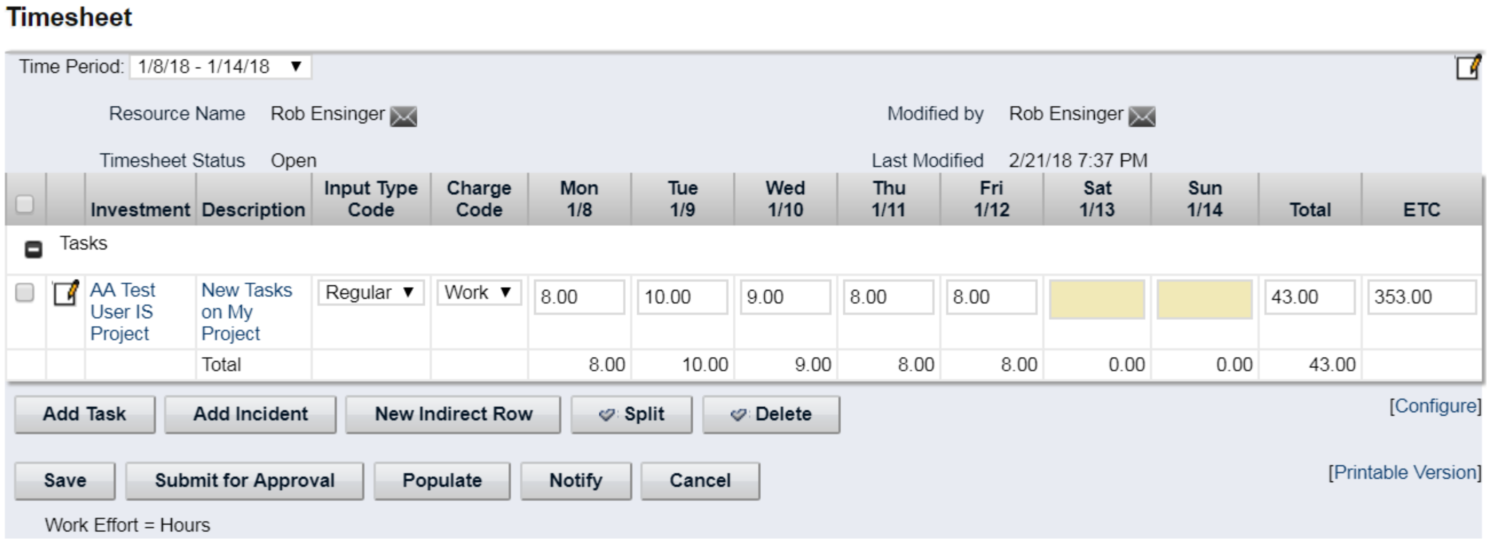
- Auto-approval? RM? PM?

Timesheet Adjustment Policy

- Number of Open Time Periods

Capitalize More Than 40 Hours?

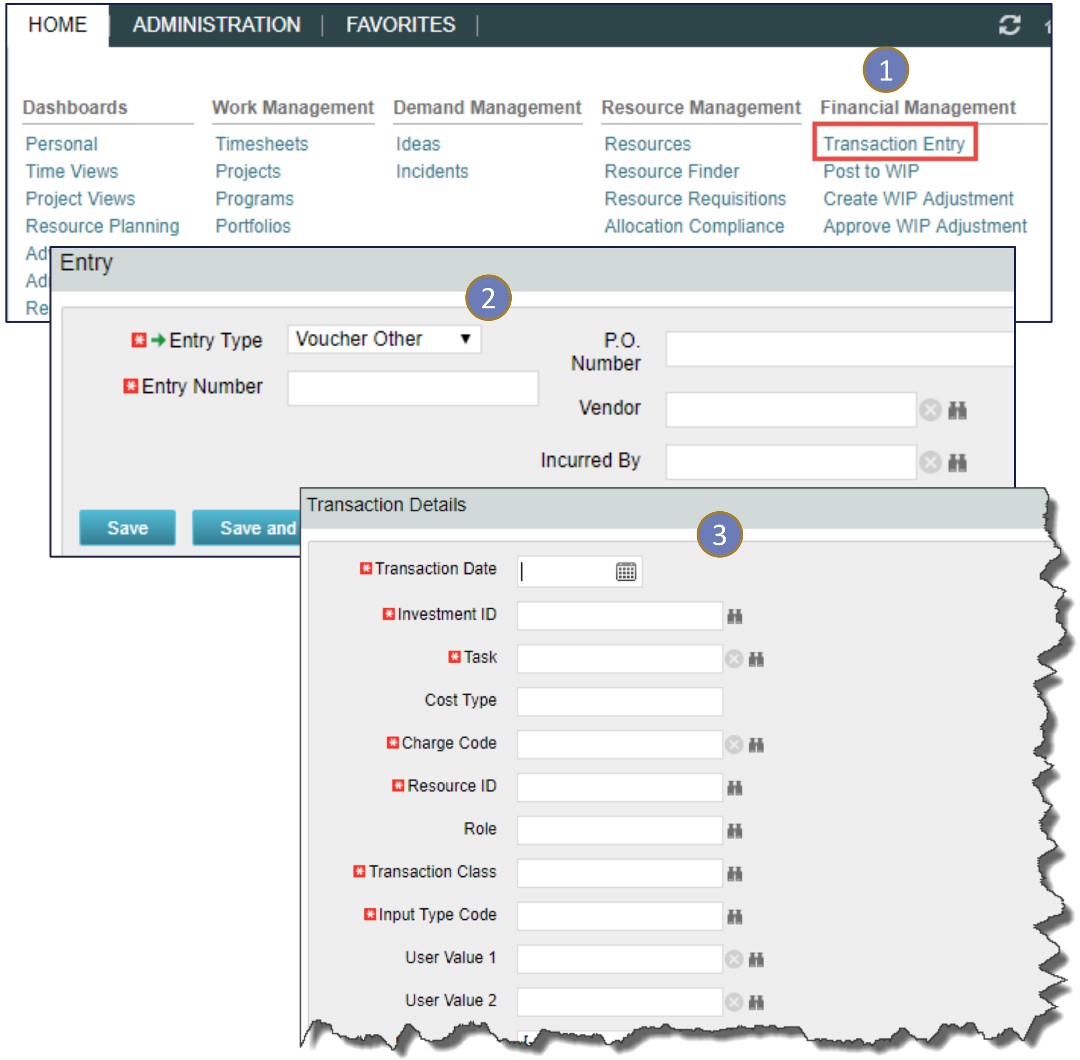
- Timesheet smoothing



Actual Non-Labor Costs – Transactions

- 1 From the Home menu, select Transaction Entry under Financial Management
- In the create entry section on the application side, you:
  - 2 Create a voucher – “expense” or “other”
    - Within the voucher, you can create multiple transactions
  - 3 Create the transaction with date, amounts, and various financial fields

- Run the Jobs (Security access dependent)
    - Run Post Transactions to Financial, Post to WIP, and Import Financial Actuals
    - Check for invalid transactions, then fix
  - Run the investment allocation job



Part V: Financial Plans

Cost Plans

Budget Plans

Benefit Plans

Overview of Financial Plans

- Cost Plans:
  - Are the first step in utilizing CA PPM financial plans
  - Time scaled view of the forecasted cost of the investment, but it will also show the actual costs as they are incurred. Forecast can be grouped by financial fields like resource class, cost type, transaction class, etc.
- Budget Plans:
  - A cost plan becomes a budget plan when approved - the “baseline” for financials
  - Approved budget plans are READ-ONLY ‘snapshots’ of the submitted cost plan
- Benefit Plans:
  - Time scaled view of the forecasted and realized benefits of the investment. Benefits are listed individually, but categorized into type

Financial Plans - Cost

- How to Create a Cost Plan
  - Manual
  - New From Investment Team
  - New from Task Assignments
- Can Choose the Classes Used For Grouping
- Actual costs will display in the cost plan

Cost Type	Transaction Class	Planned	Actual	Variance		Jan 1, 2014-Jan 31, 2014	Feb 1, 2014-Feb 28, 2014
Capital	Hardware	40,000.00		40,000.00	Planned	0	40,000
					Actual		
					Variance	0	40,000
Capital	Labor	473,600.00	4,000.00	469,600.00	Planned	2,400	92,700
					Actual	0	4,000
					Variance	2,400	88,700
Capital	Software	60,000.00		60,000.00	Planned	0	60,000
					Actual		
					Variance	0	60,000
Operating	Hardware	38,000.00	28,000.00	10,000.00	Planned	0	38,000
					Actual	0	28,000
					Variance	0	10,000
Operating	Labor	2,485,600.00		2,485,600.00	Planned	9,600	204,309
					Actual		
					Variance	9,600	204,309
Operating	Software	12,000.00		12,000.00	Planned	0	12,000
					Actual		
					Variance	0	12,000
Planned		**3,109,200.00**				**12,000**	**447,009**
Actual			**32,000.00**			**0**	**32,000**
Variance				**3,077,200.00**		**12,000**	**415,009**

Using Cost Plans-Grouping

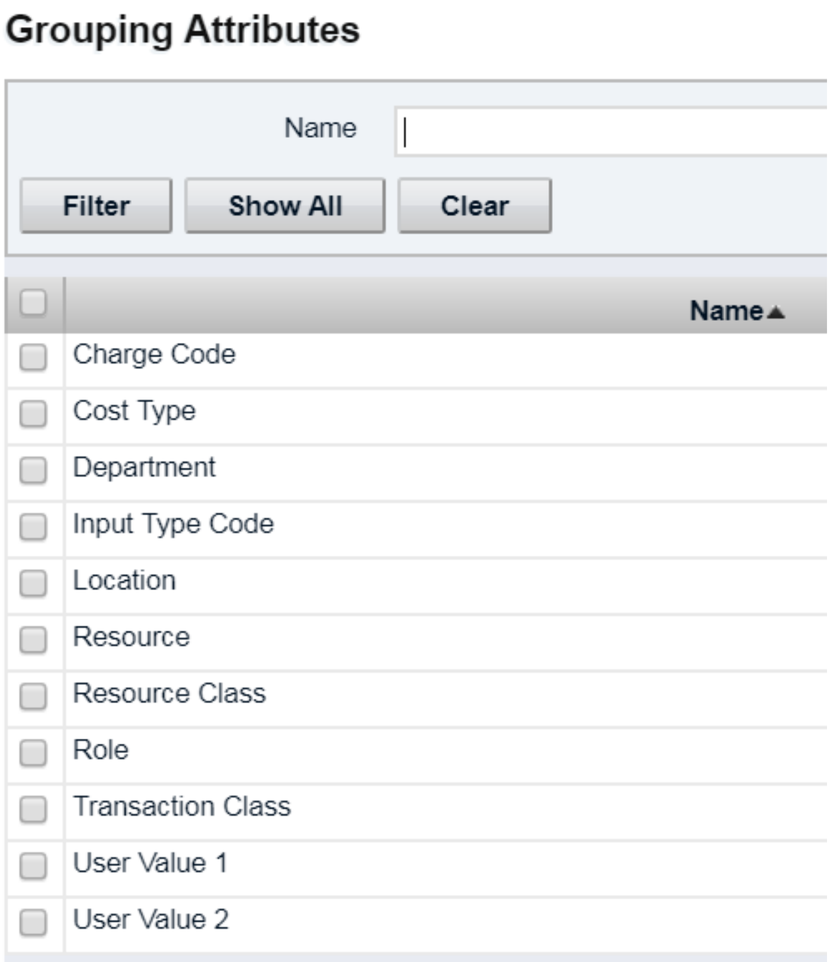
You can create default Cost Plan grouping in the entity setup.

Most Common defaults:

Transaction Class

Resource Class

Cost Type



Using Cost Plans

Cost Plans are working forecasts-these are usually updated on a stated cadence.

Best Practice: Create a new cost plan for each forecast. This will provide an historical record for each forecasting period.

Project: AA Test User IS Project - *Financial Plans - Cost Plans*

Filter: System Default

		Plan Name	Set as Plan of Record	Plan of Record	Period Type	Start Period	Finish Period	Planned Cost
		March Forecast		✓	Monthly	Jan 1, 2018-Jan 31, 2018	Dec 1, 2018-Dec 31, 2018	390,000.00
		February Forecast			Monthly	Jan 1, 2018-Jan 31, 2018	Dec 1, 2018-Dec 31, 2018	400,000.00
		January Forecast			Monthly	Jan 1, 2018-Jan 31, 2018	Dec 1, 2018-Dec 31, 2018	33,000.00

Cost Plan Advanced Functions

New From Investment Team

- Generates Time Scaled Cost Plan from Allocation of Team members

New From Task Assignments

- Generates time scaled cost plan from ETC assignments on Tasks

Set as Plan of Record

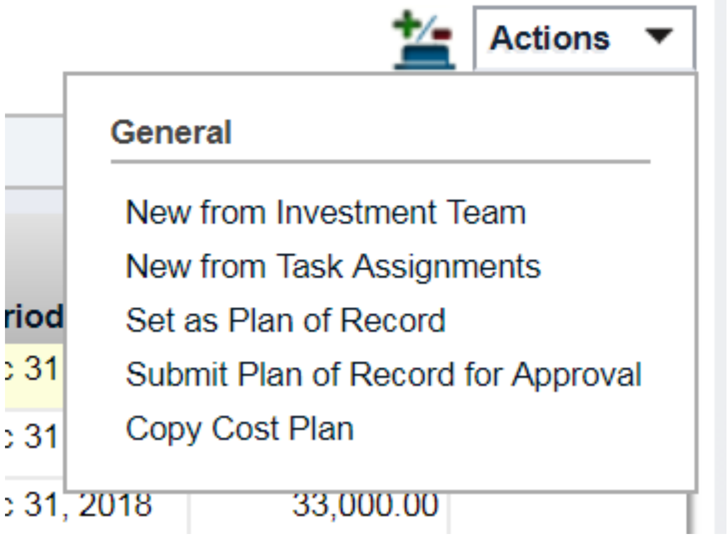
- Sets Selected Cost Plan as plan of record – this version will be used in all portlets and views for PLANNED COST

Submit Plan of Record for Approval

- This function copies cost plan data to budget screen

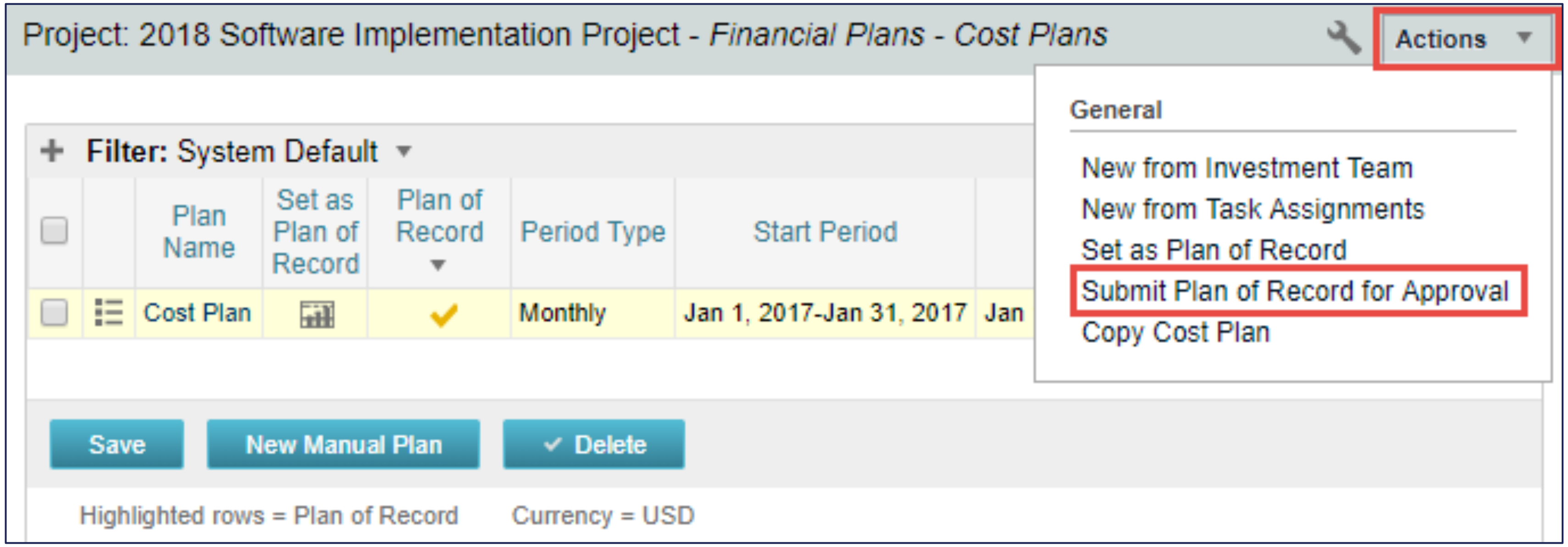
Copy Cost Plan

- Very useful function for manually created plans



Financial Plans - Budget

- How to Create a Budget Plan
  - Submit a Cost Plan for Approval, then Approve
- Same structure and view as a cost plan – a saved/static version = "Financial Baseline" that is not editable after approval.



Using Budgets

Project: AA Test User IS Project - *Financial Plans - Budget Plans*

Filter: System Default

	Budget Name	Current	Status	Revision	Period Type	Start Period	Finish Period	Budget Cost
	Design Budget (Final)	✔	Approved	1	Monthly	Jan 1, 2018-Jan 31, 2018	Dec 1, 2018-Dec 31, 2018	400,000.00
	Initiation Budget		Approved	0	Monthly	Jan 1, 2018-Jan 31, 2018	Dec 1, 2018-Dec 31, 2018	33,000.00

- Budget Approval is usually managed by a governance group. PM's usually do not approve themselves.
- Budgets are created much less frequently than cost plans. Usually approved at Stage Gates or approved change Requests.

Financial Plans - Benefit

- How to Create a Benefit Plan
  - Manual
  - Link to Cost Plan
- The Benefit Plan Has Type and Subtype
- The Benefit Plan Is Not an Aggregation – It Contains Detailed Lines
- The Benefit Plan Can Have Realized Benefits

Part VI: Financial Management in the Modern UX

Cost Plans

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Modern UX Overview

- The Modern UX provides a new way for PMs and Team Members to perform the majority of their Project Management-related activities
- Modern UX became available with version 15, and functionality has been added/improved with each release of 15.1 through 15.4. Notes on subsequent slides are related to release 15.4

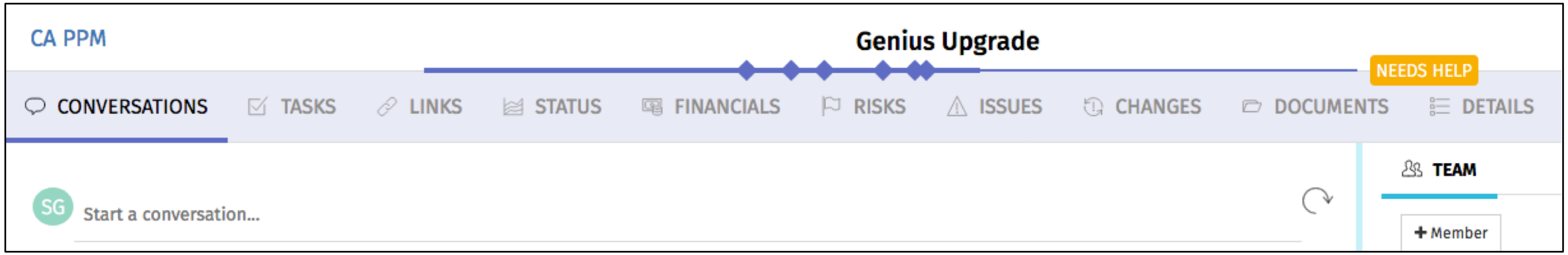
Modern UX Security Rights

- New security rights, related to the new UX, are available in 15.4:

Security Rights Related to the New UX		New in 15.4
General		
Classic PPM - Navigate	Allow access to Classic PPM from new PPM UI	
Blueprints		
Blueprint - Create Copy	Allows user to create a copy of an existing Blueprint. Includes Blueprint - View - All right.	
Blueprint - Delete - All	Allows user to delete all Blueprints except the Standard Blueprint. Includes Blueprint - View - All right.	
Blueprint - Edit - All	Allows user to edit all Blueprints except the Standard Blueprint. Includes Blueprint - View - All right.	
Blueprint - View - All	Allows user to view all Blueprints.	
Projects		
Project Management - Navigate	Allows user access to the project management pages in the new user experience. The user will only be able to view information for projects to which the user has access.	
Resource Management / Staffing		
Roadmap - Author - All	Allows the Roadmap Author to view, edit and delete the Roadmap and manage roadmap-specific picklists in the new user experience.	x
Roadmap - Create	Allows user to create Roadmaps in the new user experience. The creator of the Roadmap automatically becomes the Author and can edit or delete the Roadmap.	x
Roadmap - Delete - All	Allows user to view and delete all Roadmaps in the new user experience.	x
Roadmap - Edit - All	Allows user to view and edit all Roadmaps and manage roadmap-specific picklists in the new user experience.	x
Roadmap - Navigate	Allows user access to the Roadmap pages in the new user experience. The user will only be able to view information for Roadmaps to which the user has access.	x
Roadmap - View - All	Allows user to view all Roadmaps in the new user experience.	x
Resource Management / Staffing		
Staffing - Navigate	Allows user access to the resource staffing pages in the new user experience. The user will only be able to view staffing information for resources to which the user has access.	
Resource Forecast Rate - Edit	Allows user to view resource forecast column in Staffing grids and edit forecast rate in flyout in the new user experience. Includes Resource Forecast Rate - View right.	
Resource Forecast Rate - View	Allows user to view resource forecast column in Staffing grids and forecast rate in flyout in the new user experience.	

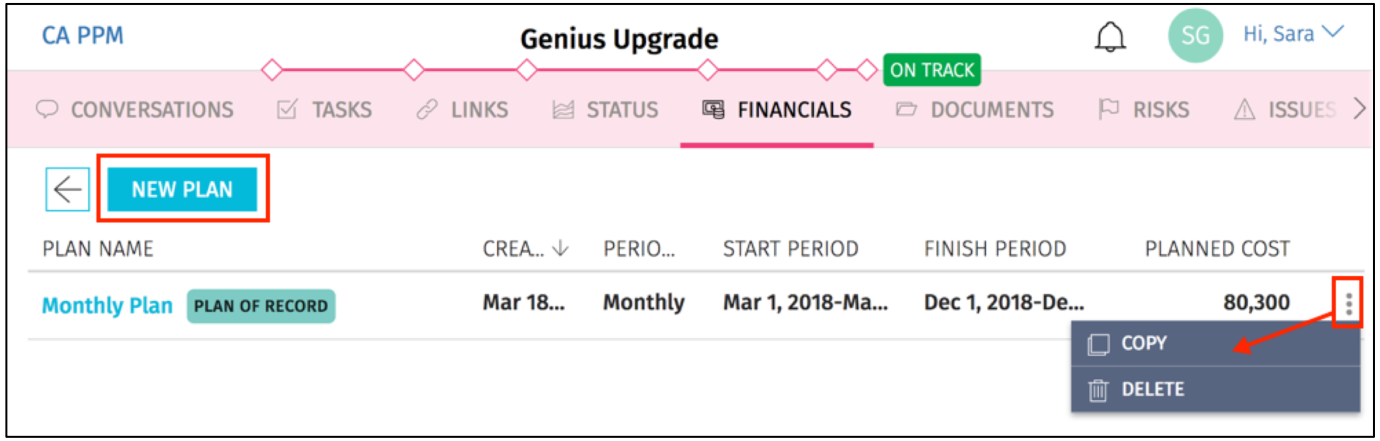
Project Tabs

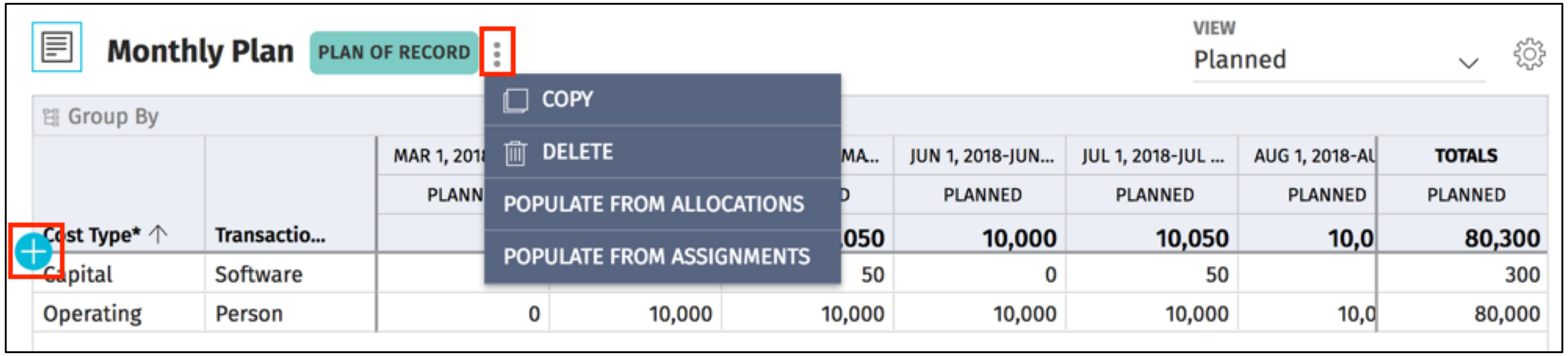
- Conversations: Threaded conversations, and Team tab equivalent
  - Can only add resources from the Project – No roles
  - No resource allocation details
- Tasks: Project WBS
  - Supports Only Two level WBS
  - Gantt or Task Board View
- Links: Create links to Classic, or to other locations as necessary
- Status: Status reports
- Financials: Create, Edit, Delete Cost Plans (15.4)
- Risks/Issues/Changes: Create and edit R/I/C
- Documents: Project Document Management
- Details: Project attributes, as customized via the blueprint



Financials (1)

- Can create, edit and delete Cost Plans
- Can create manually (manually add rows), or create/update from Task Assignments or Resource Allocations
- Sill no Budget or Benefit Plan view/edit
- No multi-currency support





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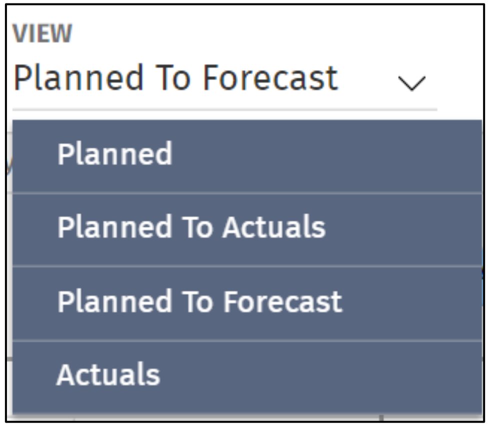
Financials (2)

- Several Additional Views Available.
  - Planned to Actuals
  - Planned to Forecast
  - Actuals
- Introduction of Actuals-to-Date and To Go Forecast
- Personalize View Settings
  - Column width, hide/show columns, pin columns
  - Filter data like excel: <,>, =, etc.
- Drill to Financial Transaction Review
  - By a single click on the actual cost, you can now review transactions of that particular actual cost within the cost plan.
  - Can view transactions only, but not entered in the new UX



Questions?

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- Access your account at pmi.org
- Click on **Certifications**
- Click on **Maintain My Certification**
- Click on **Visit CCR's** button under the **Report PDU's**
- Click on **Report PDU's**
- Click on **Course or Training**
- Class Name = **regoUniversity**
- Course Number = **Session Number**
- Date Started = **Today's Date**
- Date Completed = **Today's Date**
- Hours Completed = **1 PDU per hour of class time**
- Training classes = **Technical**
- Click on **I agree** and **Submit**

Let us know how we can improve!
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