

FOCUS ON BUSINESS SERVICES

Adaptive Planning provides business services companies with a Corporate Performance Management system that includes multi-dimensional, detailed personnel planning and reporting, integrated P&L and cash flow statements, and reporting and analysis of key metrics.

Planning & Reporting Challenges

The business service industry faces challenges in the current economy, because during downturns, companies often eliminate outside services. In this environment, service companies need ways to improve utilization of their billable resources, their employees. Detailed personnel planning is the backbone of services budgeting and forecasting. These companies pay close attention to the fully-loaded cost of each employee, and often allocate personnel across multiple project, departments, or service offerings. It's important for these companies to be able to analyze key metrics, such as employee billability and service line profitability, and to use this information to carefully plan headcount utilization.

In addition, headcount drives the revenue plan. Revenue planning can involve drivers such as bill codes and bill rates, and important metrics focus on comparisons such as paid hours versus billable hours. These companies need to perform what-if analyses to compare various hiring scenarios and their impact on the bottom line, and re-forecast frequently, making adjustments based on different revenue assumptions.

Planning and reporting this way requires careful analysis of historical metrics, so integration of data from other systems

is critical for planning. And reporting requirements include comparison of key metrics – actual versus plan.

Spreadsheet-based systems are inefficient, error-prone, and fundamentally unsuited for the complex, dynamic planning and reporting required by business service organizations.

The Adaptive Planning Solution

Financial planning and analysis in the services environment, then, requires a flexible budgeting, forecasting, and reporting solution with the ability to:

- Provide integrated driver-based planning, so that headcount can drive both costs and revenue
- Integrate data from other systems
- Report on key metrics necessary for decision-making, and on variance detail for analysis
- Incorporate contingency planning or what-if scenarios

“Adaptive Planning has made our life a lot easier. Now, rather than spending weeks of our time trying to develop budgeting and forecasting reports in Excel for any given request, we can run reports in Adaptive Planning in a matter of minutes. In the past, delivering an accurate report on a large account with multiple projects was difficult and required IT involvement. Now it is just a click of the button.”

— Samuel Reed, Finance Manager, Michael Baker Corporation.

Accounts	Jan-2009	Feb-2009	Mar-2009	Apr-2009	May-2009	Jun-2009	Jul-2009	Aug-2009
Target Utilization	42.0%	42.0%	42.0%	47.0%	47.0%	42.0%	42.0%	42.0%
Partner	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Sr. Consultant	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Consultant	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%

Example of business service planning sheets.

Adaptive Planning has been successful helping over 70 business service companies streamline their planning and analysis, because it has allowed them to:

- Plan headcount in detail, including multiple dimensions, and assign calculations to groups of people, or to specific individuals
- Allocate personnel across multiple projects, departments, or service offerings
- Tie headcount to both costs and revenue, and perform billability and gap analyses
- Perform what-if analyses to compare various hiring scenarios and their impact on the bottom line
- Plan complex revenue recognition scenarios for various revenue streams
- Re-forecast frequently, and make adjustments based on different revenue assumptions
- Automatically integrate data from any other enterprise systems
- Model integrated P&L, balance sheet, and cash flow statements, including effects of sales on accounts receivable, deferred revenue, and cash
- Use dashboards to analyze key metrics, including sales per employee, billable and paid man hours, utilization of billable resources, etc.
- Use reports to perform variance analysis, including drill-down into underlying transaction detail from other systems
- Distribute report books via email for financial presentations such as board packages and executive reporting
- Improve accuracy and turnaround time in the planning and reporting process, and conduct frequent re-forecasting

“Adaptive Planning was one of the most successful roll-outs of software ever experienced at The NPD Group. After three months of using Adaptive Planning, the finance team received a standing ovation at the annual corporate meeting. Now that speaks to the adoption and the return on investment of Adaptive Planning.”

—Wendy Baum, EVP, Finance, The NPD Group

Furthermore, Adaptive Planning’s Software as a Service (SaaS) model is a natural fit for the services industry, for the following reasons:

- It provides exceptional value. Keeping spending down is important for any business service organization. Adaptive Planning’s SaaS solution provides a five-year ROI of up to 650% compared to using spreadsheets, and has a total cost of ownership that’s up to 77% less than on-premise alternatives. And it’s low-risk, with the options of free trials and phased implementations.
- There is no IT involvement required. As a SaaS solution, no new hardware, software, or IT support is required for initial implementation or ongoing maintenance.
- It’s intuitive and easy to use. Adaptive Planning’s SaaS infrastructure and CPM engine save time and effort with built-in intelligence. Customers can avoid the wasted time associated with spreadsheet-based systems. And its web-based, highly-customizable, Excel-like interface is easy for all types of employees throughout a company to learn and use.

SELECT BUSINESS SERVICES CUSTOMERS INCLUDE:

The Bridgespan Group	Identity Theft 911
Brown & Caldwell	Jones Lang LaSalle
Continuum, LLC	Knowledge Networks
CORT Business Services	MedRisk
Data-Mail	Mission Essential Personnel
Demandware	The NPD Group
The Dwyer Group	Schneider Downs
Expertus	Synovate Aztec
Forsythe Technology	Telerx
Greenwich Associates	TRC Solutions

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