



# IBM Planning Analytics for cashflow forecasting

Covid-19 has had a huge impact on businesses around the world, not least bringing the importance of cashflow planning sharply into focus. IBM Planning Analytics is a powerful modelling platform to help you forecast your cashflows in a wide variety of scenarios. Draw on iOCO's expertise of IBM Planning Analytics and enterprise finance to accelerate your journey towards robust, detailed cashflow forecasts.

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## The criticality of cashflow

Like many businesses, your finance department probably has robust, well-established methods for profit forecasting. Knowing whether (and when) your organisation is going to be profitable is important – but so is your liquidity position at any time.

Cashflow forecasting is therefore another crucial capability for modern organisations, particularly given the economic upheaval wrought by Covid-19. It's absolutely key that you have a handle on when funds are coming into and going out of the organisation. Moreover, as illustrated by the uncertainty the pandemic brought, the ability to forecast for a variety of situations, from best-case to worst-case, is also extremely valuable.

## The complexity of cashflow forecasting

The challenge of cashflow forecasting is that it's exceptionally complex, with a huge variety of factors to consider.

These include:

- What are your forecasted revenues and costs?
- When and how much stock must you order to fulfil forecasted sales?
- What are your current stock levels?
- When must you pay your workers?
- When must you pay your creditors, including suppliers and tax authorities?
- When are loan repayments due? What if interest rates change? Is this likely to happen?
- How will exchange rate fluctuations impact you?
- When will your debtors pay? How likely is each individual or organisation to pay, and to pay on time?
- What capital expenditure are you planning, and when?



## The risks of spreadsheets

Many organisations use spreadsheets for their financial planning. While spreadsheets have their place in businesses, their use for highly complex financial planning carries significant risks.

According to an [analysis of several studies](#), 88% of spreadsheets contain some kind of error. These range from typing mistakes and the inappropriate use of formulae and algorithms, to complete omission of significant components from the models being used.

In addition, there's the challenge of maintaining a single version of the truth across an organisation, with most users working on their own copies of a spreadsheet. Moreover, the level of modelling complexity required for financial forecasting – particularly cashflow forecasting – can be challenging, if not impossible, to implement in a spreadsheet.

When you add these factors together, it quickly becomes clear you need software that's more powerful and robust, if you're to do cashflow forecasting in a meaningful way.

## The perfect cashflow forecasting software: IBM Planning Analytics

IBM Planning Analytics is a powerful budgeting, forecasting and financial reporting package, used by thousands of organisations worldwide. You may already be using it for some of these purposes.

It's also ideal for cashflow planning, given its ability to implement exceptionally sophisticated models and handle enormous volumes of data.



## Built from the ground up to reflect your organisation

IBM Planning Analytics is a modelling platform that provides organisations a blank canvas to create cashflow models. This approach gives you the freedom and flexibility to produce forecasts that very precisely reflect the unique characteristics of your organisational finances. Consequently, IBM Planning Analytics is suitable for cashflow forecasting by any organisation in any vertical.



## Integrate with your existing enterprise systems

The software can integrate with virtually any other enterprise tooling, enabling you to bring in financial and non-financial data from your ERP, payroll and banking systems, as well as from spreadsheets and databases.



## Centralised data and models

IBM Planning Analytics maintains centralised control of both the data people work with and the underlying modelling logic. This enables everyone to access the same information, creating a single version of the truth across the organisation and protecting against human errors.



## Powerful scenario-planning capabilities

When you update any parameter in IBM Planning Analytics, the associated cashflow forecasts update automatically, based on your underlying model. This empowers you to plan for a range of scenarios, altering variables and immediately seeing the impact they'll have on your liquidity.



## Intuitive user interfaces

IBM Planning Analytics integrates seamlessly with Microsoft Excel, enabling your financial users to work in a familiar interface, thereby facilitating easier adoption.

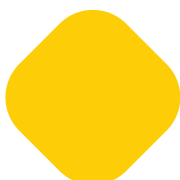
In addition, IBM Planning Analytics has a web portal, giving access to rich, interactive dashboards.



## Cashflow forecasting and much more

IBM Planning Analytics is an incredibly powerful cashflow forecasting tool. In addition, it enables budgeting, other financial forecasting, reporting and more.

As part of your cashflow forecasting implementation – or afterwards – you can leverage these other capabilities as well, to gain further value from your investment in the platform.



## How to get started with cashflow forecasting in IBM Planning Analytics

To start using IBM Planning Analytics for cashflow forecasting, you need to create the underlying models that reflect your unique circumstances. Getting these models right demands expertise in IBM Planning Analytics. It also requires deep knowledge of the many facets of enterprise finance – including sector-specific considerations – and how these apply to your organisation.

iOCO will take you on this journey. We'll understand your organisation, implement the right models in line with IBM Planning Analytics best practices, and train your users. We'll then be there to support you as you upskill internally, and potentially take forward your use of the platform in other areas.

## iOCO's IBM Planning Analytics services: At a glance

### Discovery

Our discoveries are carried out by consultants with deep experience of enterprise finance and of the art of the possible in IBM Planning Analytics.

The business discovery will enable us to understand how your organisation works, and the level of detail you require in your cashflow forecasts for these to be valuable.

Our technical discovery will assess what data you have available to feed into your forecasts, where it's stored and how we can bring it into IBM Planning Analytics.

### Implementation

Based on our findings from the discovery, we'll craft your IBM Planning Analytics solution. This includes creating the financial models and building the integrations with your other enterprise systems.

### Training

Our IBM Planning Analytics training experts then ensure your teams know how to use the software for cashflow forecasting, thereby driving adoption and value.

### Operational and strategic support

As with any sophisticated enterprise software, your people will have questions when they start using IBM Planning Analytics. Our experts will be on-hand to answer them.

In addition, there will be areas of your solution you wish to expand or refine over the coming months and years. We'll provide the strategic support to help you identify and implement these improvements, thereby securing even greater value from your investment in IBM Planning Analytics.



## Why iOCO?

Implementing meaningful and realistic cashflow forecasting in IBM Planning Analytics requires exceptional levels of expertise in enterprise finance and IBM Planning Analytics. At iOCO, you'll find both.

We've been in business for more than 40 years and are the biggest IBM Planning Analytics consultancy and implementation provider in South Africa, with a strong nationwide presence.

Within our Analytics division, we have a large team of financial modelling specialists, who do this all day, every day. Between them, they've designed and implemented more than 55 IBM Planning Analytics systems for customers across numerous sectors, including Retail, Manufacturing, Pharmaceutical and Finance.

Working with iOCO, you'll benefit from their collective knowledge and experience of how to implement successful forecasting systems in IBM Planning Analytics. This has many advantages, including minimising risk and accelerating your time-to-value.



## Get started with IBM Planning Analytics cashflow forecasting today

Contact your local iOCO Analytics team today to start your journey to enterprise-grade cashflow forecasting with IBM Planning Analytics.

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