

A man in a light blue shirt and tie is sitting at a desk, looking at a computer monitor. A woman in a dark patterned top is leaning over his shoulder, pointing at the screen. They are both smiling and appear to be in a collaborative work environment. The background shows a bright office with large windows.

Generate Buy-In:

Making the Case for an Automated
Budgeting and Forecasting Solution



Your financial institution already possesses a wealth of information ready to be transformed into actionable insights. Many organizations, however, are still relying on outdated legacy solutions that prevent them from making this transformation a reality. Choosing the right budgeting, forecasting and analytics tools can position organizations for success.

Your competitors are already beginning to make use of data visualization and advanced analytics to improve their ability to manage risks and better plan for the future. According to a Hackett Group survey, [CFO Agenda: Finance's Four Imperatives to Accelerate Business Value](#), 82 percent of financial executives have already begun adopting advanced analytics or plan to within the next two to three years, and 77 percent have already begun adopting central data management technologies or plan to within the next two to three years.

They're doing so for good reason: Today's financial services landscape is marked by increased competition, fewer opportunities for growth and more rigorous regulatory requirements. In this climate, leaders are looking for new solutions that will set them apart from the crowd and help them rise above challenges.

An automated budgeting and forecasting solution will improve the transparency and efficiency of your financial planning processes. With less reliance on spreadsheets, you'll see fewer data entry errors and your team will be freed from the need to perform repetitive tasks. With more accurate budgets and more flexible forecasts, you'll give team members across the business the ability to make better decisions. You'll also give regulators, investors and other stakeholders a more accurate view of your financial institution's performance.

But getting buy-in for organizational change isn't always easy. Here are the five key steps you can take to build the business case for implementing a comprehensive automated budgeting and forecasting solution.

01

Step One: Find Your Roadblocks

Although a majority of financial industry leaders recognize their need for technology solutions that will boost agility and enable innovation, transformation is not without its challenges. Like individuals, organizations develop habits over time and not all of them benefit their overall health and well-being.

Common stumbling blocks that can prevent financial institutions from moving forward with implementing integrated budgeting and planning solutions include:



Reliance on outdated manual budgeting processes

Traditionally, budgeting has been performed on an annual or quarterly basis, with static targets set by central offices and handed down to branches. Many financial institutions continue to rely on Excel spreadsheets for this process, though they're error-prone, time-consuming to update and lack auditing capabilities.

Siloed information centers

Branch and portfolio managers perform better when they're given more autonomy to course-correct in response to economic change and to maximize revenue and profit rather than narrowly focusing on meeting targets. But it's impossible for them to engage in strategic decision making without access to centralized, institution-wide data repositories.

Skills gaps

[A Capgemini survey](#), [The Digital Talent Gap: Are Companies Doing Enough?](#), reveals that 54 percent of executives felt their organizations have lost a competitive advantage because of a dearth of digital talent. Both "soft" and "hard" digital skills were lacking. In many institutions, it's possible that employees need technical training to take full advantage of an automated budgeting and forecasting solution's advanced analytic capabilities.

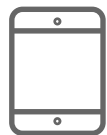
Stakeholders may feel comfortable with the systems that are in place, but that doesn't mean that this is the safest course. A financial institution's long-term survival depends on its ability to find new revenue streams and opportunities for growth, and accuracy and efficiency in budgeting and forecasting is a must.

02

Step Two: Determine Your Implementation Gaps

Having the right skills, knowledge, processes and technologies in place is the key to success in implementing a new budgeting solution.

First, take a close look at your employees' current practices to see which areas need to be strengthened to improve process efficiencies and prepare you to embrace innovation.



For example, despite its inefficiencies, Excel spreadsheet usage remains commonplace. In the 2018 Financial Executives Research Foundation/Robert Half Benchmarking Survey, 63 percent of U.S. firms surveyed were still relying on Excel spreadsheets as their primary tool for budgeting and financial planning. In many cases, current employees lack the technical skills or training they need to leverage a more up-to-date solution.

It's also common for managers and employees to persist in using familiar data-handling methods even after they've become repetitive and outlived their maximum usefulness. Understandably, they may prefer well-understood ways of working to taking on new challenges. Unfortunately, this has the end result of impeding business progress and profitability.

Examine how you're storing your data and be prepared to centralize. Many financial institutions store their data in complex ecosystems comprised of hundreds of discrete silos. Large volumes of unstructured data, such as text documents, might reside in cloud object storage systems, or repositories of high-quality, structured data might be accessible only to a few stakeholders within the business. Excel files can be cluttered, inconsistently formatted and impossible for multiple users to access simultaneously.

Financial leaders are sometimes hindered by a focus on the short term. It's important to weigh the long-term benefits of adopting a new solution against its upfront costs. Automated budgeting and forecasting enables branches and lines of business across the organization to maximize individual profitability. It improves decision making and saves time, reducing labor costs and increasing efficiency. Making the case for this may require you to adopt a data-driven and future-focused perspective.



03

Step Three: Identify the Solution

Once you've figured out what's standing in your way, you're ready to identify the solution that will best meet your financial institution's unique needs.

Seek out tools that can readily be integrated with the workflows, data formats and employee competencies that you already have in place.



Consider whether the following features are offered in the tool you select:

- Interfaces with Excel to offer users familiar data entry and calculation methods
- Lends itself to the creation of a centralized data repository
- Gives stakeholders across the business insight into potential risks and opportunities by enabling them to create and compare forecasts and what-if scenarios based on real-world data
- Offers advanced reporting capabilities, as well as charting, graphing and visualization tools
- Offers stress testing, risk analysis and value calculations
- Includes vendor-provided implementation and training services to get you up and running quickly
- Incorporates practical machine learning and augmented intelligence capabilities

Larger institutions or those planning acquisitions should look for a solution that can automatically input data obtained through organizational changes, mergers and restructuring. They'll also want detailed workforce budgeting capabilities.

Find a provider that not only has the software you need, but also has expertise in serving financial institutions and offers consultative services to help improve your budgeting and forecasting practices holistically. An ideal provider will grasp the landscape in which you operate and appreciate the role that budgeting and forecasting play in your overall business strategy.

04

Step Four: Communicate the Benefits

Gaining buy-in across your organization means more than just selling your ideas. It's about discussion and dialogue. In light of your institution's future goals and present challenges, why is implementing a new budgeting and forecasting solution worth the investment?



The right tool can give you the ability to discern patterns across the financial institution and to see which departments, branches or lines of business have the greatest impact on overall profitability. It'll also help you uncover the reasons why.

When branch managers have more responsibility for developing their own budgets, experience tells us that they're more likely to adhere to them. They'll also be better able to track their own performance in relation to forecasts and course-correct as needed. Empower your most valuable assets – people – by giving them self-service capabilities.

Overall, an automated budgeting and forecasting solution can give your financial institution enhanced maneuverability in today's uncertain markets. Yearly budgets aren't flexible enough to account for rapidly shifting economies and are rarely accurate. Financial institutions need to be able to adjust for changes and rectify incorrect assumptions today, not a year from now.

It's a winning combination: Dispersing responsibility throughout the organization while centralizing your data allows for better strategic decision making everywhere.

05

Step Five: Take the First Steps to Implementation

It won't always be easy to get your financial institution's top leadership on board with the decision to implement a new automated budgeting and forecasting solution, but once you do, the benefits will be far-reaching.



The right tools will help you to manage risks with greater confidence, enable innovation and give the entire institution the capability to make more robust, better-informed decisions. Your budgeting tool should include the features identified in Step Three that give you automated centralized financial planning, presentation-quality custom reports, unlimited storage capacity for historical data, integration with Excel and other widely used solutions, and advanced analytics and flexible configurations for profitability planning.

Your vendor partner should make implementation easier by including professional onsite and virtual support, a dedicated project manager to oversee your project's launch and access to a comprehensive training library.



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Fiserv, Inc.
255 Fiserv Drive
Brookfield, WI 53045

800-872-7882
262-879-5322
getsolutions@fiserv.com
www.fiserv.com

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