



ACA INTERNATIONAL  
SPRING FORUM & EXPO

INNOVATION IN MOTION

#ACASpringForum20

# Business Intelligence

The Corporate Planning Process:  
A Strategic Game



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# Topics

1. Planning process
2. Putting a strategy together
3. Preparing a financial plan
4. Pragmatic approach
5. Recap

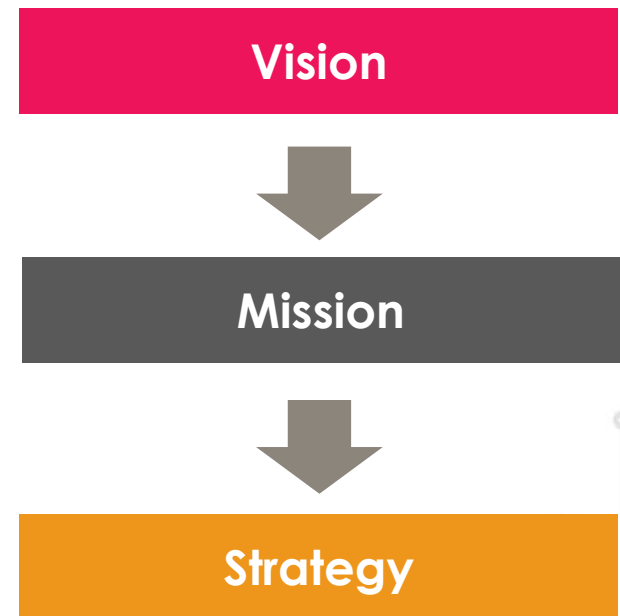


# Planning Process

Business planning is a process that has traditionally included the defining of a vision statement and mission statement.

**Pros:** Great for communicating to staff and market. Allows you to review direction and focus. Helps define what your strategy should be focused on.

**Cons:** You may not have the time and wonder how valuable are they really to my business?



# Planning Process

Planning with a “business as usual” approach is like having spaghetti every night for dinner.

**Pros:** I do like spaghetti.  
Safe & Easy– doesn’t take much time to prepare each day.

**Cons:** Routine  
Allows you to fall behind what the neighbors are making so your kids go elsewhere for dinner.



# Planning Process

- Challenge the status quo! **Innovate!**
- Organizations need to think strategically, not just tactically.
- **Tactical:** Doing things right. Are we executing our plan effectively?
- **Strategic:** Do the right things. Do we have the right plan?
- Ask yourself “What if...?” Your competition probably is.

# Planning Process

Think strategically when planning out your upcoming fiscal period.

**Collections**  
**Marketing**  
**Client Services**  
**Recruitment**  
**Litigation**  
**Technology**  
**Data Entry**

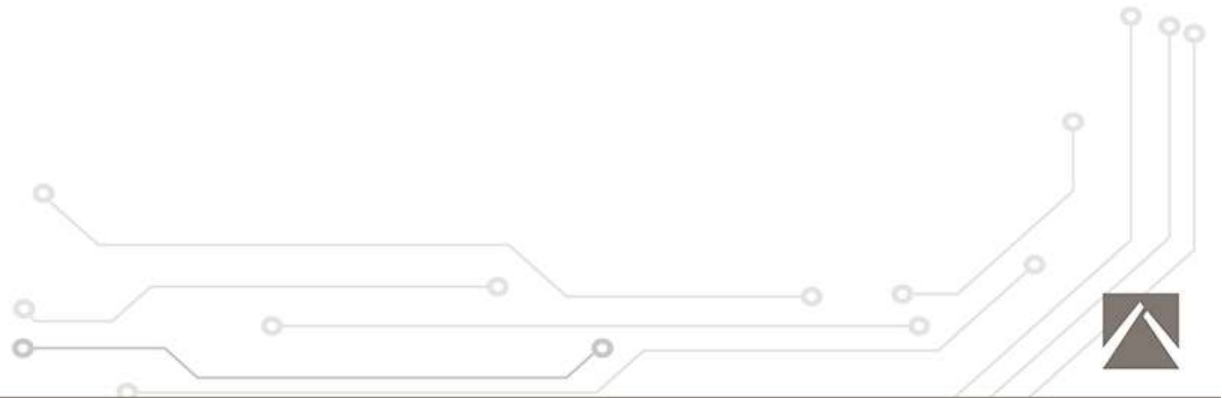
They all should be part of the plan and should consider

- How compliance affects this?
- What technology is available that we aren't currently using?
- How long have we been operating in this way?
- What do I know is working well for me?
- How long have I used had this technology?



# Planning Process

Ask your staff to make you a strategic business planning offer you can't refuse....





# Putting a Strategy Together

Ask questions of your staff

## IT

- Do we need new servers?
- What would we gain with the latest server technology (premise, hosted, etc.)?
- What is the ROI?
- How does having new technology protect us in the future?
- Where are we most vulnerable for malware attacks and options for mitigating?

## Collections

- What consumer contact methods are available compared to what we are using?
- What technology best fits your company culture (texting, emails, AI, etc.)?
- Should we purchase or subscribe?
- Premise or hosted?

# Putting a Strategy Together

Ask questions of your staff

## Marketing

How do we identify prospects?

- Tradeshows? How many leads are we getting? Are there other better attended shows that we aren't attending that we should?
- Could we perform in a new/different space?
- What value do our most recent clients bring to us?
- Are we strategic in our marketing approach?

## Recruitment

- Is there a more efficient way to identify candidates?
- How are candidates managed?
- Should we do phone interviews, purchase recruitment software, or attend training?

# Putting a Strategy Together

Maybe you're serving plain spaghetti each night,  
but your neighbor is putting meatballs on theirs.



Would we improve by also serving meatballs?  
How much do meatballs cost?  
Will our clients be interested in meatballs?

Do meatballs help us attract new clients?  
What technology do I need to make meatballs?  
How long before I realize my meatball ROI?

# Putting a Strategy Together

## Ask questions

- Question everyone and everything.
- Be strategic.
- Don't only think tactically. Stop making plain spaghetti and try some meatballs or chicken.





# Putting a Strategy Together

A company strategy should include short and long-term goals and should explain how those goals will be achieved.

Company strategies evolve and are updated over time to adjust for current factors such as local economic conditions and company needs.



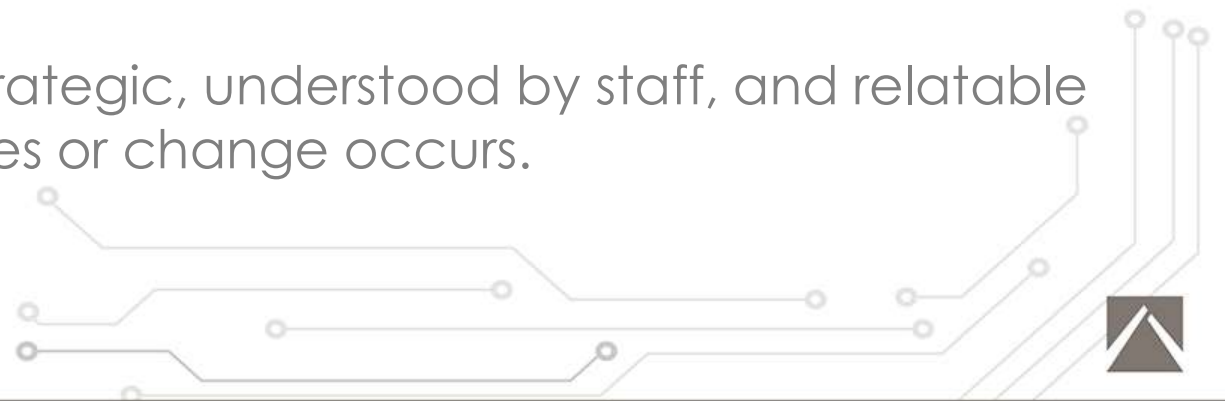


# Building a Business Plan

A business plan takes into account your strategy and marketing plans in order to achieve a specific goal(s).

Your plan should summarize what you're out to accomplish in the upcoming period.

Your plan should be strategic, understood by staff, and relatable when new opportunities or change occurs.



# Financial Projections

A crucial part of your plan is your projected revenues and expenses for the coming fiscal period and potentially next five years.

## Keys to successful projections:

- It's important to keep these projections realistic.
- Ensure all financial projections are based on concrete assumptions that you can support with data of some kind.



# Financial Budgeting Tips

Avoid financial budgeting based on pride or emotion...  
**be insights driven.**

There is a clear link between improved financial performance and the use of data to fuel decision making.

Understand the value of collecting, analyzing, and deriving insight from data.







# Financial Budgeting Tips

## Share ownership of the numbers

One of the biggest challenges in budgeting and planning is gaining acceptance of the proposal from operations and the business side as part of that process.

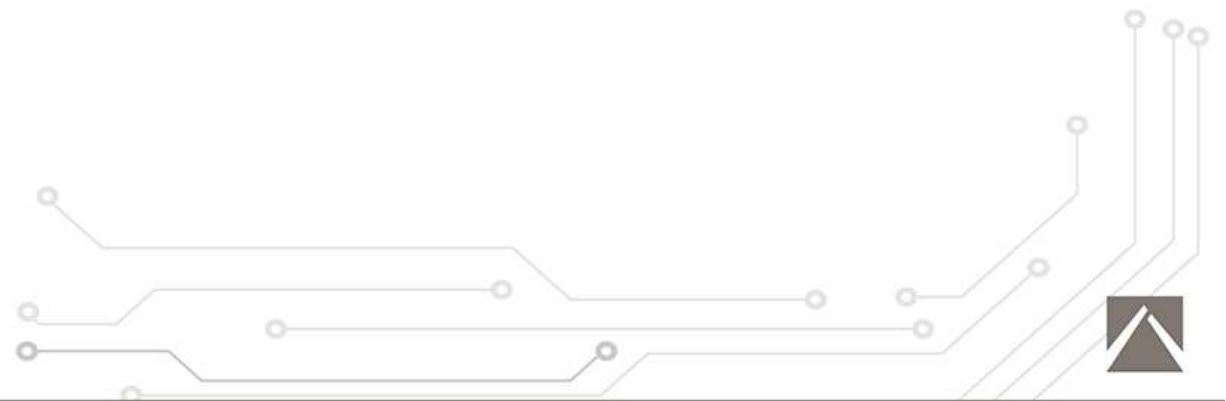




# Communication Plan

Communicating plan and alignment to staff and clients

Your staff can't/won't help you if they are not aware of and supportive of your plan.





# Reality Check

A pragmatic approach to financial planning

Unless a significant event occurs to alter the vision or mission, planning is normally completed every 12 months for the upcoming fiscal period.

The same business planning steps apply.

- Data gathering
- Develop financial budget
- Tie to Strategy
- Communicate



# Data Gathering

Data that is common to include in financial planning

- Prior 3-5 years of financials for trending and comparison.
- Each department to submit their anticipated expenses by quarter for upcoming fiscal period-  
**Think spaghetti & meatballs!**
- Sales to provide their growth, retention, and loss estimates.
- Profit margin target determined (monthly, quarterly, and annually).
- Confirm GL departments are appropriate and aligned with key financial data points (e.g. tracking costs by department).



# Develop a Financial Budget

- Compare expenses based on current rates (e.g wages, utilities, rent, fuel, etc.) and estimate a percentage for increases over the budget period.
  - At this point, such an expense comparison does not include new expenses.
- Review sales figures and determine inventory value compared to average liquidation to identify the revenue opportunity (by month, quarter, and annually).
- Incorporate profit margin target.

*This represents a financial budget based on opportunity and existing expenses only.*

# Develop a Financial Budget

Determine for each department those new expenses that are most critical for the upcoming fiscal period (e.g. increase in staff, new server, new compliance certification, attend new series of trade shows, etc.).

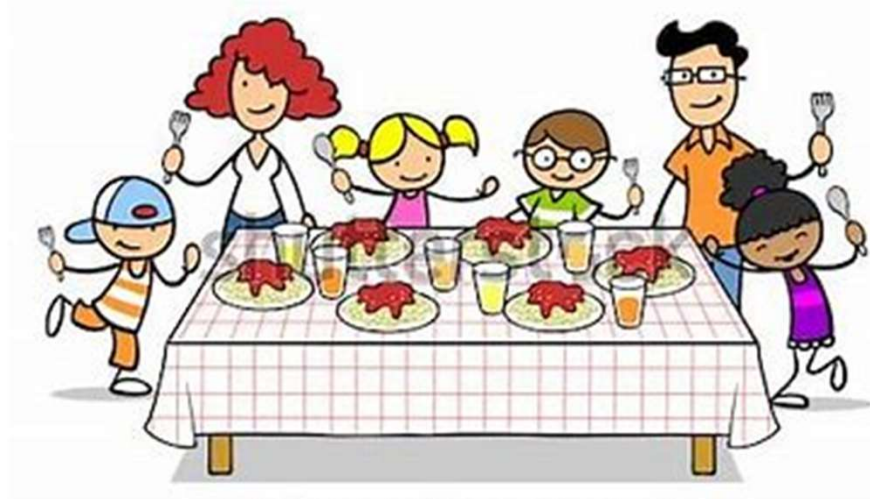
- Review with each department head what is and is not to be included. Allow the department head to be involved in the process and to defend their expense recommendations.
  - Don't allow yourself to ignore innovative ideas from your staff. Ask questions and learn!
- Work to determine which quarter each approved expense would be required.

# Develop a Financial Budget

- Add in new expenses for upcoming fiscal period
- Compare new totals to margin targets (monthly, quarterly, annually)
- If margin target is missed, then
  - Reduce new expenses.
    - Be aware of opportunities to reduce staff costs due to new technology being introduced to aid collection efforts (texting, emails, consumer portals, etc.).
  - Increase sales growth (new markets, new states or regions, new services).

# Tie to Strategy

Once the budget is completed, **communicate** your financial plan to your leadership team asking that each provide a plan for meeting budget goals. This begins the effort of tying your financial plan to your strategy.





# Communicate

Hold a meeting to allow an overview of the upcoming fiscal budget and each department head to present his/her plan for meeting goals.

Aids by openly identifying dependencies different departments will have on others in order to achieve success.

If collections requires so much of IT in order to achieve their collection goal, but puts IT at risk of reaching their goal, that conflict would need to be resolved prior to deploying the budget and strategy.

# Communicate

Each month end would involve a leadership meeting to review the prior month and compare to budget. Identify risk and react!

Prior to the end of the month, the projected totals should be determined and compared to budget. If behind, what are the impacts on the quarterly and annual targets?

Adjustments might be needed at any time, but made with a data-driven approach.

# Recap

1. Planning process
2. Putting a strategy together
3. Financial planning
4. Pragmatic approach



We're in one of the most challenging and exciting industries. Innovation is happening all around you each day. You're either involved with industry change or you're eating spaghetti again tonight.

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