



March 23–25, 2021

The New Normal: **Scenario Planning as a Core Part of Your Financial Management Process**

Mitch Max

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Mitch Max

- Founder, BetterVu
- Associate Director, Lionpoint Group
- CPA, CA
- 25+ years FP&A
- Member *Emeritus*, FP&A Advisory Council
- Early leader, Beyond Budgeting Round Table
- Former partner, Arthur Andersen
- Certified Anaplan Solution Architect and Master Anaplanner

Betsy Maclean

- **Founder, Financial Insights & Analytics practice [TwoDegrees – Phoenix]**
- **Audit Committee Chair, mCloud Technologies [TSX-V: MCLD]**
- **MBA in Global Finance [Stanford GSB]**
- **25+ years FP&A**
- **Member, FP&A Advisory Council**
- **Early career: Finance leader in manufacturing, corporate [Honeywell]**
- **Since 2016: CFO and Financial Analytics advisor to smaller businesses**
- **Certified Anaplan Level 1 Model Builder**

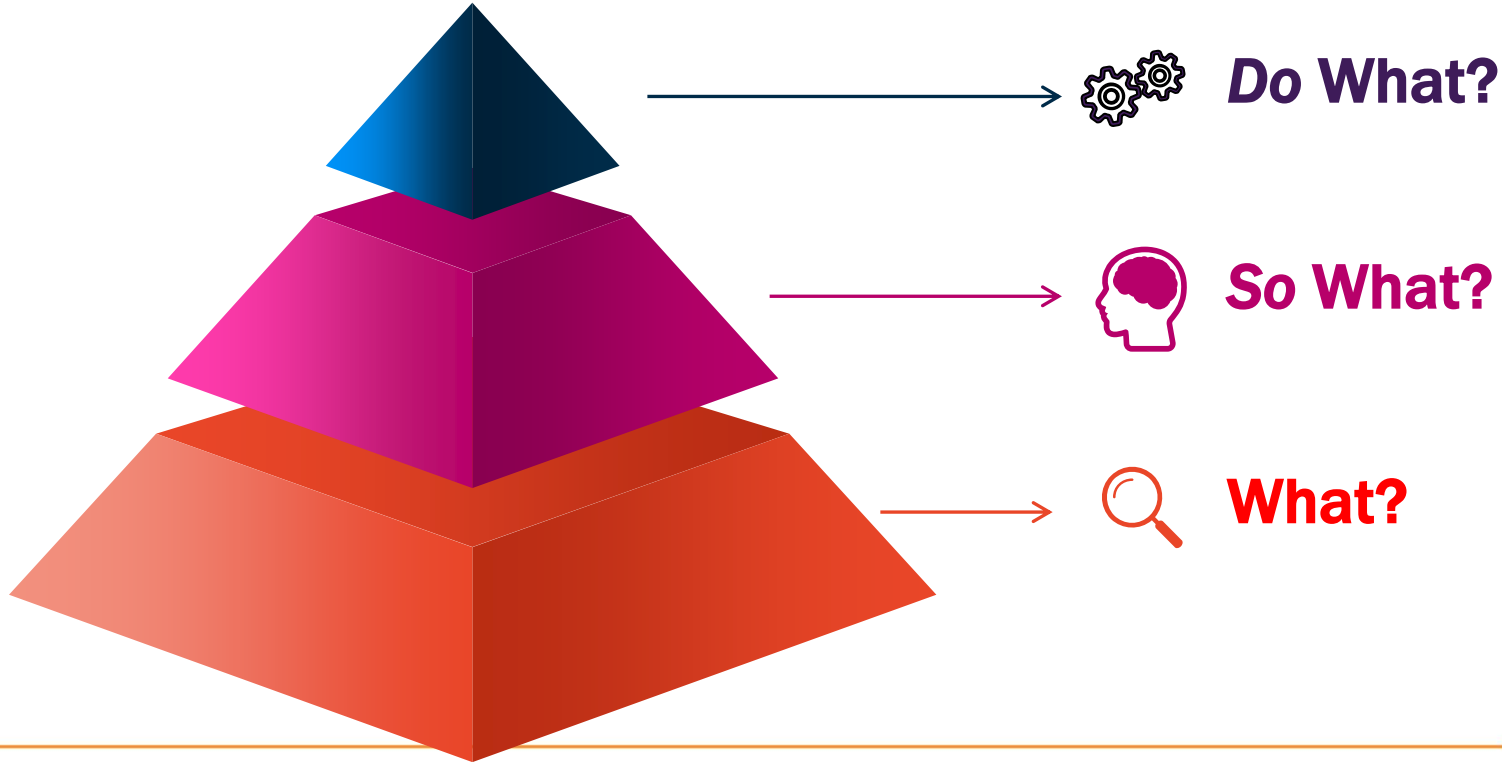
Objectives for this session

- Learn how your organization can build effective scenario plans and action playbooks
- Understand the role of scenario planning in the planning cycle, which includes
 - 1 Financial Analysis
 - 2 Budgeting
 - 3 Forecasting

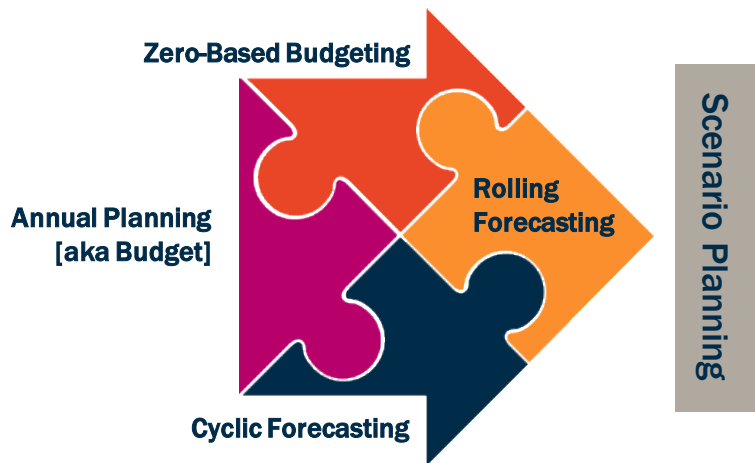
Agenda

- **Why Scenario Planning?**
- **Driver-Based Forecasting Best Practices**
- **Scenario Selection and Management**
- **Playbooks and Actions**
- **Incorporation into Regular Planning Cadence**

The 3 W's



Forms of Planning



Approaches:

- Top-down
- Bottom-up
- Driver-based
- Consensus estimates

Driver-Based Models

- **Variability**
 - By Expense Type
 - By Department
 - By Activity
- **Business Drivers vs. Volume Drivers**
- **Productivity >> Headcount**

Features of Scenario Planning

- Identify a potential range of scenarios
 - Likely plus “Bear/Bull”
 - Specific situations
 - “Disaster”
 - Randomized



Source: Brett Francis, Anaplan Blog, Feb 2021

- Simulate outcomes and driver levels
- Provide a platform to test strategies / actions
- Identify positioning actions to take in advance to
 - Mitigate risk or
 - Exploit potential opportunity

Building Scenarios

- Identify key input variables
- Identify range of related variables
- Probe / simulate relationships
- Establish likelihood and weight outcomes

Using Drivers in Scenarios



Scenario Planning - Manage Drivers

Year over Year Default Driver Growth Rates

	Base					Bull					Bear				
	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	
Revenue	-	5.0%	4.0%	3.0%	3.0%	-	7.0%	8.0%	5.0%	5.0%	-	(2.0%)	(1.0%)	-	
Cost of Sales	-	5.0%	4.0%	3.0%	3.0%	-	4.0%	3.0%	2.0%	2.0%	-	3.0%	4.0%	4.0%	
Orders	-	5.0%	4.0%	3.0%	3.0%	-	7.0%	8.0%	6.0%	6.0%	-	(2.0%)	(1.0%)	-	
Sales Calls	-	5.0%	4.0%	3.0%	3.0%	-	7.0%	8.0%	8.0%	8.0%	-	(2.0%)	(1.0%)	-	
Dr.Calls	-	5.0%	4.0%	3.0%	3.0%	-	7.0%	8.0%	8.0%	8.0%	-	(2.0%)	(1.0%)	-	
Cases Packed	-	5.0%	4.0%	3.0%	3.0%	-	7.0%	8.0%	8.0%	8.0%	-	(2.0%)	(1.0%)	-	

Comparison by Scenario

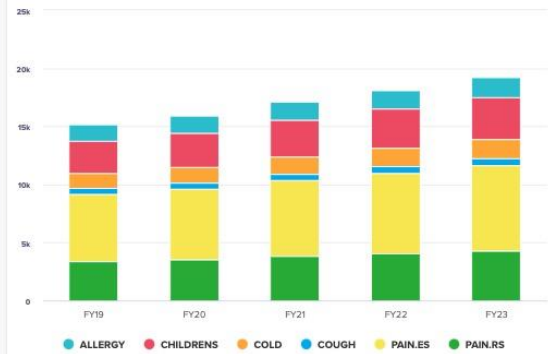


All Products Retail Orders Projected Volume

Driver Overrides by Product / Customer Segment

			Base					Bull				
			FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23
ALLERGY	Retail	Override by Prod/Cust?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Override Value	-	-	-	-	-	-	-	-	-	2.0%
	Wholesale	Final Rates	-	5.0%	4.0%	3.0%	3.0%	-	7.0%	8.0%	8.0%	2.0%
		Override by Prod/Cust?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Buyers Drug	Final Rates	-	5.0%	4.0%	3.0%	3.0%	-	7.0%	8.0%	8.0%	6.0%
		Override Value	-	-	-	-	-	-	-	-	-	2.0%
CHILDRENS	Retail	Override by Prod/Cust?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Final Rates	-	5.0%	4.0%	3.0%	3.0%	-	7.0%	8.0%	8.0%	6.0%
	Wholesale	Final Rates	-	5.0%	4.0%	3.0%	3.0%	-	7.0%	8.0%	8.0%	6.0%
		Override by Prod/Cust?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Projected Volumes



Retail Bull Orders Projected Volume

Driver Cost Variability

BETTERVU Scenario Planning - Rates and Results

Select primary driver for Cost Co:

Account Variability Settings

Account	FTE Related	Fixed	Var Item
REVENUE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost of Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SALARIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BENEFITS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OFFSHORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMISSION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AWARDS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TRAINING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UNIFORMS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Buff Costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OFFICE SUPPL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O.S.MANT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PROFESSR	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TELEPHONE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEPR.F.C.S	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Office	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ELECTRICITY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GAS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEPR.BUILDG	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEPR.EQUIP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PROPERTY TAX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Fixed Cost % Growth Rates

	FY20	FY21	FY22	FY23
O.S.MANT	2%	2%	2%	2%
PROFESSR	4%	4%	4%	4%
GRONDS	2%	2%	2%	2%
ELECTRICITY	2%	2%	2%	2%
GAS	2%	2%	2%	2%
DEPR.BUILDG	2%	2%	2%	2%
DEPR.EQUIP	2%	2%	2%	2%
LEASING	2%	2%	2%	2%
TRAVEL/PANTS	4%	4%	4%	4%
MICE/CONT	4%	4%	4%	4%

Projected Headcount by CC

	FY19	FY20	FY21	FY22	FY23
Finance & Admin.	132	138	148	158	168
Payroll	36	36	36	36	36
Systems	132	132	132	132	132
Personnel	72	72	72	72	72
Administration	412	408	409	408	409
Materials Mgmt.	100	114	124	130	138
Shipping	102	108	117	122	127
Packaging	342	358	367	409	433
Building Services	100	100	100	100	100
Operations	675	701	747	792	823
Research	132	132	132	132	132
R&D Division	132	132	132	132	132
Sales Mgmt.	81	86	89	92	95
Field Sales	414	423	468	481	515
Customer Service	69	72	79	82	87
Medical Sales	412	409	403	400	392
Marketing	172	180	194	204	214
Recs & Marketing	1,233	1,176	1,208	1,246	1,429
Total Company	2,642	2,811	2,956	2,989	2,790

Projected P&L

	FY19	FY20	FY21	FY22	FY23
Revenue	1,078,830,977	1,127,424,200	1,217,279,286	1,279,248,267	1,242,162,786
Cost of Sales	86,300,088	102,961,881	102,200,521	107,480,481	108,200,813
Gross Margin	982,486,889	1,024,462,319	1,115,078,765	1,171,767,786	1,233,961,973
Operating Expenses			10,085,302	10,080,181	11,153,290
Materials Mgmt.	8,883,042	9,361,058	10,085,302	10,080,181	11,153,290
Packaging and Shipping	59,228,535	62,346,295	68,124,029	68,709,841	71,586,273
Sales & Marketing	363,770,716	393,802,277	388,558,795	390,071,240	401,869,209
Research	26,490,002	26,480,911	29,871,283	29,871,283	29,871,283
Building and Equipment	27,528,464	28,372,295	40,190,878	40,190,878	40,190,878
Administration	81,302,372	84,820,423	80,208,786	80,208,786	80,208,786
Total Expenses	565,766,892	581,875,000	595,106,762	604,428,278	614,268,860
Net Margin	413,664,027	442,571,188	519,971,003	567,339,508	619,693,113

Scenario Comparison

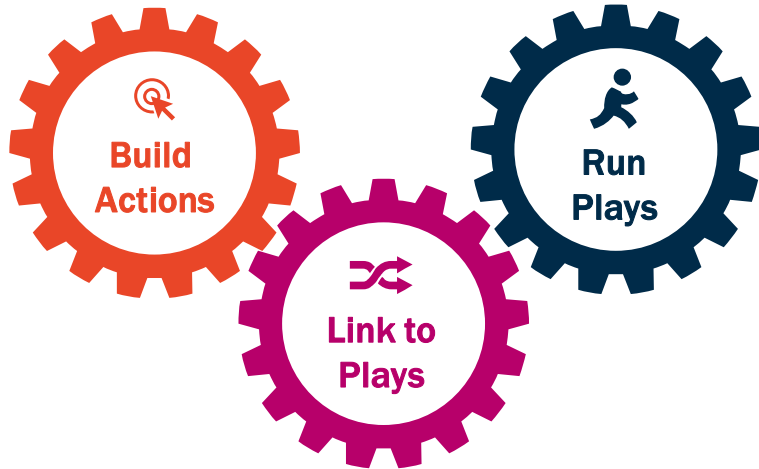
Calculated Variable Cost per Driver

	Finance & Admin.	Payroll	Systems	Personnel	Administrative	Materials Mgmt.	Shipping	Packaging	Building Services	Operations	Research	R&D Division	Sales Mgmt.	Field Sales	Customer Service	Medical Sales	Marketing	Market COOH	Market ALL/PROP	Market COL/D	Market COL/D	Market COL/D	Sales & Marketing	Total Company				
SALARIES	\$ 84,802	\$ 30,708	\$ 11,029	\$ 62,011	\$ 68,373	\$ 48,861	\$ 30,708	\$ 44,940	\$ 20,736	\$ 42,805	\$ 105,728	\$ 105,728	\$ 66,372	\$ 61,019	\$ 57,089	\$ 33,429	\$ 73,793	-	-	-	-	-	-	\$ 10,287	\$ 50,285			
BENEFITS	\$ 12,762	\$ 9,182	\$ 10,202	\$ 11,902	\$ 13,534	\$ 11,813	\$ 10,202	\$ 11,202	\$ 9,182	\$ 10,812	\$ 18,549	\$ 18,549	\$ 14,282	\$ 11,902	\$ 8,801	\$ 6,518	\$ 14,282	-	-	-	-	-	-	\$ 10,206	\$ 11,214			
COMMISSION	-	-	-	-	-	\$ 3,148	\$ 1,700	\$ 4,831	-	\$ 2,817	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 807.2			
AWARDS	\$ 5,101	-	-	-	\$ 2,287	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 2,001.00			
TRAINING	\$ 1,181	-	\$ 2,780	\$ 3,241	\$ 2,287	\$ 1,611	\$ 1,100	\$ 918.2	\$ 1,081	\$ 3,710	\$ 3,710	\$ 1,081	\$ 600.1	\$ 880.7	\$ 2,287	\$ 2,721	-	-	-	-	-	-	-	\$ 1,566	\$ 1,716			
UNIFORMS	-	-	-	-	-	-	-	\$ 11,282	\$ 2,287	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 401.7			
Buff Costs	-	-	-	-	-	\$ 47.88	\$ 9.40	\$ 9,948.9	\$ 6,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 300.00	\$ 937.98		
OFFICE SUPPL	-	\$ 9,274	-	\$ 2,834	\$ 3,759	-	-	-	\$ 6,804	\$ 3,432	\$ 3,432	-	\$ 1,020	\$ 1,402	\$ 890.7	\$ 1,200	-	-	-	-	-	-	-	-	\$ 864.1	\$ 1,278		
TELEPHONE	-	\$ 44,817	-	\$ 13,802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 2,406		
DEPR.F.C.S	-	\$ 18,346	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 1,000.00		
Office	-	-	-	-	\$ 5,013	-	\$ 0.2092	\$ 0.0028	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.0000991	\$ 0.00214		
Building & Equipment	-	-	-	-	\$ 4,733	\$ 1,282	\$ 0.2291	\$ 0.6802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.001042	\$ 0.00207	
Administration	-	-	-	-	\$ 8,280	-	-	\$ 0.2478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.0001006	\$ 0.0001006
TRAVEL	-	-	-	-	\$ 9,176	\$ 8.38	-	\$ 0.0865	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.000279	\$ 0.000279	
CONFERENCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.000236	\$ 0.000236	
MISC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.000209	\$ 0.000209	
CREATIVE	-	-	-	-	\$ 1,877	-	\$ 0.00415	\$ 0.0148	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00084	\$ 0.00084	
MEDIA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00023	\$ 0.00023	
COLDF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00024	\$ 0.00024	
MARKETOR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00017	\$ 0.00017	
SAMPLES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00017	\$ 0.00017	
Travel & Marketing	-	-	-	-	\$ 2,305	\$ 1,047	\$ 0.000619	\$ 0.0215	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00017	\$ 0.00017	
DISCHARGES	-	-	-	-	-	\$ 91.47	-	\$ 0.2179	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00080	\$ 0.00080	
TRUCK CHARGES	-	-	-	-	-	-	\$ 17.6	\$ 1.378	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00019	\$ 0.00019	
Frugal	-	-	-	-	\$ 234.5	-	-	\$ 0.787	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00019	\$ 0.00019	
Operating Expenses	-	-	-	-	\$ 13.80	\$ 16.14	\$ 0.1484	\$ 0.3914	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00055	\$ 0.000479	
Net Margin	-	-	-	-	\$ 12.98	\$ 18.31	\$ 1.1394	\$ 2.3677	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0.00033	\$ 0.00033	



Insight to Action

- So What...
- Now What?...
- Do What?



Actions and Playbooks



Scenario Planning - Manage Playbooks and Actions

Manage Playbooks

	Active?
Productivity	<input type="checkbox"/>
Cust Focus	<input type="checkbox"/>
Product Focus	<input checked="" type="checkbox"/>

Add Playbook

Select Playbook and Add Action

Manage Actions in Playbooks

	Action	Active?
Productivity		
1 New ...	1 New Packaging Equip	<input checked="" type="checkbox"/>
2 Pack...	2 Packaging HC Reduction	<input checked="" type="checkbox"/>
Cust Focus		
3 Trim ...	3 Trim Low Profit Customers	<input type="checkbox"/>
4 Field ...	4 Field Sales HC Reduction	<input type="checkbox"/>
5 Add P...	5 Add Per Order Charge	<input type="checkbox"/>
8 Targe...	8 Targeted Sales Growth on Tier2	<input type="checkbox"/>
Product F...		
6 Exit C...	6 Exit Cough/Cold Products	<input checked="" type="checkbox"/>
7 Redu...	7 Reduce Cough/Cold Medical Sales HC	<input type="checkbox"/>

Add New Action

Manage Actions

	Notes
1 New Packaging Equip	add new Equipment in Packaging dept; CapEx, Depreciation
2 Packaging HC Reduction	Improvement in Productivity drives lower Packing Headcount
3 Trim Low Profit Customers	
4 Field Sales HC Reduction	
5 Add Per Order Charge	
6 Exit Cough/Cold Products	Elim Revenue; Elim product costs
7 Reduce Cough/Cold Med...	Elim Med Sales for Cough/Cold products
8 Targeted Sales Growth o...	

Assigning Driver Values in Actions

Capital Expenditures				
	FY20	FY21	FY22	FY23
Materials Mgmt.	-	-	-	-
Shipping	-	-	-	-
Packaging	-	500,000	250,000	-
Operations	-	500,000	250,000	-
Sales Mgmt.	-	-	-	-
Field Sales	-	-	-	-
Customer Service	-	-	-	-
Medical Sales	-	-	-	-
Marketing	-	-	-	-
Sales & Marketing	-	-	-	-
Total Company	-	500,000	250,000	-

Assigning Driver Values in Actions

Capital Expenditures				
	FY20	FY21	FY22	FY23
Materials Mgmt.	-	-	-	-
Shipping	-	-	-	-
Packaging	-	500,000	250,000	-
Operations	-	500,000	-	-
Sales Mgmt.	-	-	-	-
Field Sales	-	-	-	-
Customer Service	-	-	-	-
Medical Sales	-	-	-	-
Marketing	-	-	-	-
Sales & Marketing	-	-	-	-
Total Company	-	500,000	-	-

Baseline Productivity Amounts						
	Calc Driver	Actual Avg HC	Actual Avg Monthly Vol	Baseline Productivity Vol/HC	Action Adjusted Productivity Vol/HC	
Materials Mgmt.	Orders	9	895	95	95	
Shipping	Orders	9	895	100	100	
Packaging	Orders	30	895	30	39	
Sales Mgmt.	Revenue	5	46,446,562	9,289,312	9,289,312	
Field Sales	Revenue	36	46,446,562	1,302,240	1,302,240	
Customer Service	Orders	6	895	151	151	
Medical Sales	Dr.Calls	36	1,252	35	35	
Marketing	Revenue	15	46,446,562	3,131,229	3,131,229	

Annual Productivity Change					
	FY20	FY21	FY22	FY23	
Operations					
Materials Mgmt.	-	-	-	-	
Shipping	-	-	-	-	
Packaging	-	30%	40%	50%	
Sales & Marketing					
Sales Mgmt.	-	-	-	-	
Field Sales	-	-	-	-	
Customer Service	-	-	-	-	
Medical Sales	-	-	-	-	
Marketing	-	-	-	-	

FY21

Assigning Driver Values in Actions

Capital Expenditures

Manage Action Assumptions 6 Exit Cough/Cold Products FY21 Reset

	Base				Bull				Bear			
	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23
Revenue	-	-18,287,408	-18,836,030	-19,401,111	-	-19,051,814	-20,004,405	-21,004,625	-	-17,212,354	-17,212,354	-17,556,601
Cost of Sales	-	-2,250,151	-2,317,656	-2,387,185	-	-2,224,949	-2,269,448	-2,314,837	-	-2,242,951	-2,332,669	-2,425,975
Orders	-	-363	-374	-385	-	-378	-401	-425	-	-341	-341	-348
Sales Calls	-	-1,325	-1,365	-1,406	-	-1,381	-1,491	-1,611	-	-1,247	-1,247	-1,272
Dr.Calls	-	-1,896	-1,953	-2,011	-	-1,975	-2,133	-2,304	-	-1,784	-1,784	-1,820
Cases Packed	-	-100,484	-103,498	-106,603	-	-104,684	-113,058	-122,103	-	-94,577	-94,577	-96,469

COUGH All Customers

% Changes in Volume Drivers

		FY20	FY21	FY22	FY23
ALLERGY	Retail	-	-	-	-
	Wholesale	-	-	-	-
	Buyers Drug	-	-	-	-
CHILDRENS	Retail	-	-	-	-
	Wholesale	-	-	-	-
	Buyers Drug	-	-	-	-
COLD	Retail	-	-100%	-100%	-100%
	Wholesale	-	-100%	-100%	-100%
	Buyers Drug	-	-100%	-100%	-100%
COUGH	Retail	-	-100%	-100%	-100%
	Wholesale	-	-100%	-100%	-100%
	Buyers Drug	-	-100%	-100%	-100%

50%

Actions and Playbooks - Outcomes



Scenario Planning - Manage Playbooks and Actions

	FY21				FY22				FY23			
	No Plays	With Plays	Chg \$	Chg %	No Plays	With Plays	Chg \$	Chg %	No Plays	With Plays	Chg \$	Chg %
Revenue	584,376,460	516,598,272	-67,778,188	-11.6%	601,907,754	532,096,220	-69,811,534	-11.6%	619,964,987	548,059,107	-71,905,880	-11.6%
Cost of Sales	53,273,456	44,750,933	-8,522,523	-16.0%	54,871,660	46,093,461	-8,778,199	-16.0%	56,517,810	47,476,265	-9,041,545	-16.0%
Gross Margin	531,103,004	471,847,339	-59,255,665	-11.2%	547,036,094	486,002,759	-61,033,335	-11.2%	563,447,177	500,582,842	-62,864,335	-11.2%
Materials Mgmt	9,742,381	8,771,168	-971,214	-10.0%	9,999,467	8,992,547	-1,006,920	-10.1%	10,263,695	9,221,068	-1,042,626	-10.2%
Packaging and Shipping	64,824,129	59,738,115	-5,086,014	-7.8%	66,169,335	60,913,039	-5,256,296	-7.9%	67,509,717	62,106,176	-5,403,541	-8.0%
Sales and Marketing	108,941,298	93,720,438	-15,220,861	-14.0%	112,104,780	96,452,393	-15,652,388	-14.0%	115,411,815	99,256,913	-16,154,902	-14.0%
Research	37,913,735	37,913,735	-	-	37,913,735	37,913,735	-	-	37,913,735	37,913,735	-	-
Building and Equipment	40,693,144	40,693,144	-	-	40,693,144	40,693,144	-	-	40,693,144	40,693,144	-	-
Administration	65,898,164	65,898,164	-	-	65,898,164	65,898,164	-	-	65,898,164	65,898,164	-	-
Total Expenses	328,012,851	306,734,763	-21,278,088	-6.5%	332,778,626	310,863,022	-21,915,604	-6.6%	337,690,270	315,089,200	-22,601,069	-6.7%
Net Margin	203,090,153	165,112,576	-37,977,577	-18.7%	214,257,468	175,139,737	-39,117,731	-18.3%	225,756,907	185,493,642	-40,263,266	-17.8%

Base ▾

Manage Playbooks

	Active?
Productivity	<input type="checkbox"/>
Cust Focus	<input type="checkbox"/>
Product Focus	<input checked="" type="checkbox"/>

Add Playbook

Select Playbook and Add Action

Manage Actions in Playbooks

	Action	Active?
Productivity		
1 New ...	1 New Packaging Equip	<input checked="" type="checkbox"/>
2 Pack...	2 Packaging HC Reduction	<input checked="" type="checkbox"/>
Cust Focus		
3 Trim ...	3 Trim Low Profit Customers	<input type="checkbox"/>
4 Field ...	4 Field Sales HC Reduction	<input type="checkbox"/>
5 Add P...	5 Add Per Order Charge	<input type="checkbox"/>
8 Targe...	8 Targeted Sales Growth on Tier2	<input type="checkbox"/>
Product F...		
6 Exit C...	6 Exit Cough/Cold Products	<input checked="" type="checkbox"/>
7 Redu...	7 Reduce Cough/Cold Medical Sales HC	<input type="checkbox"/>

Results Comparison by Scenario



Driver Comparison by Scenario



All Products ▾ All Customers ▾ Revenue
Action-Adjusted Volumes ▾

Add New Action

Manage Actions

	Notes
1 New Packaging Equip	add new Equipment in Packaging dept; CapEx, Depreciation
2 Packaging HC Reduction	Improvement in Productivity drives lower Packing Headcount
3 Trim Low Profit Customers	
4 Field Sales HC Reduction	
5 Add Per Order Charge	
6 Exit Cough/Cold Products	Elim Revenue; Elim product costs
7 Reduce Cough/Cold Med...	Elim Med Sales for Cough/Cold products
8 Targeted Sales Growth o...	

Best Practices

- Evaluate driver sensitivity
- Validate correlations and relationships
- Use ABC models
- Consider capacity
- Assess risk/probability; use statistical models

Where does this fit in?

- **Not a replacement for planning or forecasting**
- **Validate plans**
- **Ongoing activity**
- **Test against major investment/divestment decisions**

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