



Solver Rises Up to the Challenges of Re-Forecasting in Uncertain Economic Times

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The onset of the COVID-19 pandemic has completely altered the entire world as we knew it. Changes have impacted every area of life—how businesses operate, how we educate, how health care is managed, and so on. These unexpected changes have left many businesses struggling to adjust to ensure their operations continue. In most cases, sales are trending downward, while expenses remain the same. The 2020 business goals and previously-made forecasts no longer apply. Long-term business viability is called into question as too many unknown factors plague the future.

Through it all, governments and other agencies are offering financial support in an attempt to prevent the collapse of our economic system. Combining these extraordinary factors creates extreme challenges for companies, and Solver rises to the challenge. Learn how Solver uses Solver Corporate Performance Management tools to factor elements of our new reality into their adjusted 2020 and near-future business strategies and goals.

Solver, Inc. is a Los Angeles-based technology and professional services company that produces Solver, formerly known as BI360, a complete Corporate Performance Management (CPM) suite, as a response to market demands for improved corporate performance management solutions. Solver is headquartered in Los Angeles, with offices around the globe, serving such markets as Asia Pacific, Africa, Mexico, Europe and Middle East, Central America, India, and more, in addition to North America. The Solver family stretches wide and is comprised of some serious road warriors to better serve customers and partners alike.

Before the Crisis

Prior to the pandemic, Solver leveraged their Microsoft Dynamics accounting system, and created live dashboards and reports using expanded analytics that pulled in data from multiple sources, like General Ledger Summary and Detail, Capital Expenditures, ADP Payroll and Benefits, and Replicon for

professional services billing and travel expenses, Professional Services scheduling and reporting, in addition to Kayako for helpdesk metrics, Customer Service Satisfaction, Consulting project estimates, Commissions, Allocations, Project Management, Revenue, Strategy and Initiatives, and so on. All of this data was then stored in one central repository, the Solver Data Warehouse.

The solution used Microsoft SQL Server, Microsoft Excel and a web portal for end users, making it business user-friendly, flexible, and powerful in terms of truly embodying self-service business intelligence. This structure allowed staff to access key information to help them better understand the organization's overall financial and operational health for future planning. Solver staff used multiple forecast forms that enabled managers to enter forecasted values. One form centered on workforce changes including any changes to current employees, promotions, commissions,



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Company Profile

Solver, Inc. is redefining the category of cloud-based reporting and planning. The Solver solution is built to enable faster and better business decisions across the entire organization. Solver combines financial and other key data into a single tool, powered by the most flexible report and planning form designer on the market. Organizations use this solution to automate and streamline financial and operational reports, consolidations, and budgeting and forecasting processes. Solver empowers users with complete insight that drives intelligent decisions and competitive advantages. Based in the United States, Solver Inc. has more than a dozen offices and hundreds of partners globally that provide local and industry expertise.

Industry

Technology, Professional Services

Country

United States, Globally

ERP System

Microsoft Dynamics GP

benefits, and new hires. The additional form was a model for revenue, cost of sales, and expenses other than workforce related expenses that allowed summary input or with details below the natural account. If there were no changes, then managers would just keep the budget values in their departmental forecast.

After Uncertainty Hits

Like all businesses facing today's economic downward spiral, Solver had to quickly respond to the new business landscape and rethink their goals and strategies. "We could immediately see changes in the corporate performance management (CPM) market for both domestic and international locations," stated Corey Barak, Chief Operating Officer for Solver. "Many deals that were closing prior to *safe distancing* and *stay at home* orders were delayed, while some Professional Service projects were put on hold."

Solver realized that CPM projects, with the exception of forecasting models, just were not a spending priority for most companies, even though a CPM product would be a tremendous asset to have in a downturn. With a CPM solution in place, organizations could better make smart and quick decisions based on accurate, current data from all relevant sources.

For Solver, the impact of these changes caused cash flow to fluctuate more than normal, traditional sales activity to decrease, as well as, many sales conferences to cancel, further contributing to a challenging sales environment. Since Solver already had their own CPM tools in use, they leveraged it to make quick and necessary decisions to meet the evolving economic crisis and ensure its future. Referring back to Payroll, GL Summary, and GL Detail modules, Solver created multiple what-if scenarios related to the types of budget changes in consideration and to determine projected outcomes.

Inconsistency, however, offered Solver some challenges in the forecast process since there was no clear procedure in place to forecast one way versus another. "We have always budgeted and forecasted according to US GAAP, but now we wanted to focus more on cash impact," says Barak.

The data already existed in the Solver Data Warehouse, so in order to accomplish their goals, they changed the templates to pull cash data rather than GAAP data. They then trained the managers on how to forecast according to cash rather than GAAP. As part of the change, the template was modified to also show the prior year actual based on cash-basis accounting for comparison, which helped with trends and margins.

For the first time in their forecasting process, Solver also included an advanced payroll form. This enabled them to work through the options of reducing new hires, as well as, completely freezing hires altogether to see what kind of impact it could have on their earnings short-term (i.e. during the months of the pandemic), and then for a year afterwards. These different scenarios gave Solver clearer insight into their future earnings before making any strategic decisions. In addition, Solver converted their forecasts to cash-based versus accrual-based numbers. "Changing to cash-based allowed us to better follow the real cash impact of any decisions we made. Having both options for forecasting enabled us to report on both, which is a very powerful option to have," stated Barak.

Solver also incorporated a top-down template called BreakBack into their process, which allowed as little as one data entry to drive an entire forecast or budget. One could enter in the desired profit for the year and all values would adjust. "This new template enabled us to determine where to focus our concentration in revenue strategy, and review where we needed to adjust spending. Overall, it allowed Solver to compare a top-down forecast to a bottom up and then review the differences," explains Barak.

Result

Based on the scenarios they created, Solver was able to make thoughtful changes that adjusted personnel, adapted to cancelled conference production and attendance, office rental expenses, travel, and more. Solver expects these changes, as well as, the modifications made to their forecasting process, to have a positive impact on any upcoming initiatives.

Resources

To get a glimpse into how Solver originally used their own product to help them better manage their accounting, budgeting and forecasting strategies, check out the case study: [Solver Relies on the Solver Data Warehouse Internally to Produce Rich Reports and Dashboards for Smarter Decision-making.](#)

[Blog: Is Forecasting Becoming More Important than Budgeting?](#)

[Blog: How to Forecast Cash Flow in Uncertain Times](#)

[Blog: How to Implement Workforce Forecasting for Your Business](#)

[Solver Dashboard Showcase Page](#)

[Solver Planning Product Page](#)