

# Integrated Budgeting and Forecasting with Deltek Enterprise Planner

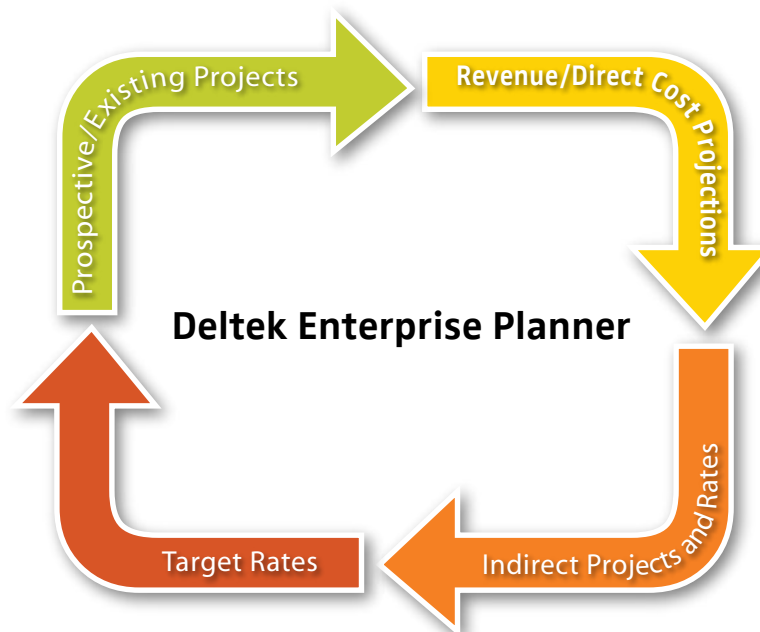
## Deltek Enterprise Planner Provides A Dynamic, Integrated System For Planning, Budgeting And Forecasting

### INTEGRATED BUDGETING AND FORECASTING WITH DELTEK ENTERPRISE PLANNER:

- Increase accuracy and timeliness
- Reduce manual effort
- Collect planning data from across the enterprise
- Adapt to changing business structures
- Perform “what-if” analysis
- Automate workflow approvals and version controls
- Execute top-down and bottom-up forecasting

Enterprise Planner offers the following advantages over spreadsheet-based forecasting systems:

- **Increase accuracy and timeliness** of budgets and forecasts at both the project and corporate level
- **Reduce manual effort** by minimizing reliance on spreadsheets and linking actual results directly from Deltek Costpoint
- **Collect planning data from across the enterprise** through an intuitive web interface
- **Adapt** to changing business structures and needs
- Perform “**What-if**” analysis and “Slice and Dice” reporting
- Automate **workflow** approvals and **version controls**
- Execute **top-down** and bottom-up forecasting



**Figure 1:** Deltek’s extensive experience with project-focused planning applies best practices in planning to your organization’s individual business practices.

Enterprise Planner provides unprecedented power and flexibility to create, compare, and evaluate business scenarios, conditions, and assumptions. Project-focused organizations use this to create consistent, interconnected business models incorporating plans for direct projects, prospective business, indirect projects and indirect rates. Deltek's extensive experience with project-focused planning applies best practices in planning to your organization's individual business practices. The result will be an integrated and reliable planning tool for your entire organization.

### DIRECT PROJECT PLANNING

Creating accurate budgets and forecasts at the project level is extremely important for a project-focused organization. Spreadsheets are an ineffective tool for this level of detailed planning. An efficient organization strives to automate and standardize formats across all program areas in order to focus more on the plan itself rather than the process. Ideally, actual data from Deltek Costpoint can be combined with corporate and project assumptions to create an accurate forecast, thus eliminating any duplicate data entry. You have then created a fully integrated planning process.

Project plans may be entered with as little or as much detail as desired. Labor plans, for instance, may be entered by employee or labor category and can include appropriate labor costs, overhead costs and billing rates. Project information, like revenue type and contract ceilings, are imported from Costpoint, and used as a basis for forecasting project revenue.

The result is a profit and loss view of your project, combining actual results with forecast. Potential problem areas can be spotted early to take corrective action.

Project forecasts can automatically be rolled up across departments, divisions and ultimately to the entire organization to give immediate visibility to all levels of management. Accountability is established across the organizations as targets are set for future months. Combining these results with prospective business plans gives a full picture of the potential revenue for the organization.

Maintaining a highly utilized staff is a challenge for any company. Enterprise Planner offers a solution by combining forecasts from all projects into a series of consolidated staffing reports by employee and/or labor category. This provides a view of utilization and availability across departments, operating units or the entire company.

Based upon the collective data entered by Project Managers, a series of reports can be created for forecasted performance by organizational unit. Reports include factors such as revenue, labor utilization and non-labor costs, billing rates, profit and margins.

### PROSPECTIVE PROJECTS

An important component in projecting anticipated revenue and labor utilization is prospective, or proposed, business. Some organizations choose a macro approach to planning new

	TD-PY	ACT-YTD	TD	ETC	EAC	JAN/06	FEB/06	MAR/06	APR/06	MAY/06	JUN/06	JUL/06	AUG/06	SEPT/06
Total Revenue	109,363	495,984	688,967	218,201	811,168	68,984	63,839	61,456	61,243	61,366	68,993	61,676	62,463	54,323
Total Direct Labor Cost	45,873	177,359	222,432	78,214	298,646	22,780	23,981	21,994	28,169	23,194	21,177	21,857	22,207	19,919
Total Other Direct Cost	5,567	30,356	35,323	28,000	63,323	4,136	2,838	3,227	4,114	3,595	4,228	4,397	3,721	7,600
Total Overhead	21,635	88,735	118,370	38,455	148,824	11,499	11,457	10,774	10,373	11,487	10,853	11,215	11,676	10,605
SSA	8,580	37,545	46,044	16,795	62,829	4,518	4,501	4,664	4,836	4,625	4,899	4,856	4,796	4,344
Total Burden	30,135	126,279	156,414	55,233	211,653	16,817	15,958	15,438	15,209	16,162	15,562	16,071	15,872	14,349
Total Expenses	80,775	333,994	414,769	159,454	574,223	42,933	42,777	40,659	39,492	43,051	40,957	42,325	41,739	41,268
Profit	28,588	161,810	186,198	58,747	236,945	18,051	23,862	19,797	21,751	18,315	28,036	19,345	20,624	13,655
Profit %	23.77%	32.53%	30.96%	24.14%	29.21%	29.60%	35.83%	32.75%	35.52%	29.85%	32.85%	31.37%	33.07%	24.80%

Figure 2: P&L Analysis

	Employee	TD-PY	ACT-YTD	TD	EAC	2006 Plan	JAN/06	FEB/06	MAR/06	APR/06	MAY/06	JUN/06	JUL/06	AUG/06
EMPL 1	Adward,Steve 10020	130.00	139.05	329.85	588.65	458.65	27.00	10.00	32.00	23.00	26.45	24.15	26.25	30.00
EMPL 2	Barker,Robert 10051	129.00	0.00	129.80	129.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EMPL 3	Cohen,Josh 10027	60.00	129.47	189.47	389.17	249.17	0.00	22.27	18.00	16.80	16.40	16.80	17.00	21.00
EMPL 4	Fendme,Eneiso 10025	144.00	336.50	742.50	951.21	607.21	72.00	33.50	90.00	64.80	73.60	67.20	71.30	78.00
EMPL 5	Lighman,Robert 10031	88.00	448.00	534.80	779.54	601.54	52.00	74.00	56.00	48.00	55.20	50.40	58.00	53.00
EMPL 6	Quinz,Peter 10034	129.00	263.60	392.60	490.82	361.82	39.00	38.00	24.00	32.90	36.80	33.60	36.20	34.00
EMPL 7	Wilson,Vernine 10044	59.00	1,053.30	1,112.30	1,683.38	1,544.38	195.00	132.00	116.00	124.80	142.80	130.20	129.40	125.00
TOTAL		739.00	2,689.92	3,428.92	4,951.77	4,112.77	348.00	299.77	326.80	307.60	353.95	322.35	337.15	336.00
Open Empl		0.00	0.00	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Actual		739.00	2,689.92	3,428.92	2,689.92	348.00	299.77	326.80	307.60	353.95	322.35	337.15	336.00	0.00
Unidentified		0.00	0.00	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Figure 3: Employee Labor Input

business. They focus only on key drivers such as the expected size of the new contract, the probability of win, proposed start date and potential revenue per period. Others plan for prospective business in essentially the same detail as they do for contracts already in hand. Labor may be forecasted by employee and/or labor category, with salary and billing rates loaded from Costpoint or the Direct Project Model. This allows for a more complete consolidated view, with a forecast that includes detailed projections for both existing and proposed projects. If the contract is awarded the forecast is moved from the Prospective Business Model to the Direct Project Model.

**CORPORATE (INDIRECT PROJECT) PLANNING**

Corporate Planning models address the indirect costs of operating the business, which can be broken out by indirect projects that are set up in Deltek Costpoint. The planning of salaries, fixed asset purchases, fringe benefits, facilities costs and unallowable costs all make up this area of planning.

Since corporate management is responsible for setting strategy and for making decisions based on data analysis from business units, the corporate-level capabilities provide the tools to do just that. You will be able to establish company-wide allocations or assumptions, consolidate/compute budgets and forecasts from various operating units, review historical data at various company levels, and view financial statements across the organization. Revisions from the top down level are made simply and easily through a powerful “break-back” calculation feature. No longer do analysts need to revise spreadsheets to rebuild a new corporate consolidation.

Revenue and direct cost projections are automatically rolled up from the direct and prospective models to create a

departmental or enterprise-wide view of planned operating results. Comparisons may be made between the Direct Project and Corporate models to examine gaps in revenue, utilization and backlog expectations.

For reporting and analytical purposes it is crucial to have a consolidated view that combines projections from the Direct Project, Prospective Business and Indirect Project models. Reports may be generated using the Deltek Business Intelligence solutions in Cognos 8. Examples include consolidated reports or cubes for labor utilization, project revenue and profitability, backlog and corporate profit and loss.

**FORWARD RATE MODEL**

Once forecasts have been created for direct and indirect projects, which make up the pool costs and base, it is beneficial to forecast indirect rates. Rates may be calculated by pool, with metrics comparing target to actual rates by period or year-to-date. Such rates may then be loaded back into the Direct Project Model to more accurately burden direct costs and calculate project profitability.

Through Enterprise Planner’s web-based user interface, data may easily be collected from managers and staff across divisions and across geographies. Enterprise-wide planning information is stored in a single data repository, providing an on-demand, perpetually accurate pool of planning data. Users may also take advantage of:

- Configurable planning templates. Templates are both easy to deploy and easy to use. Users only enter data that is relevant to their functional areas.

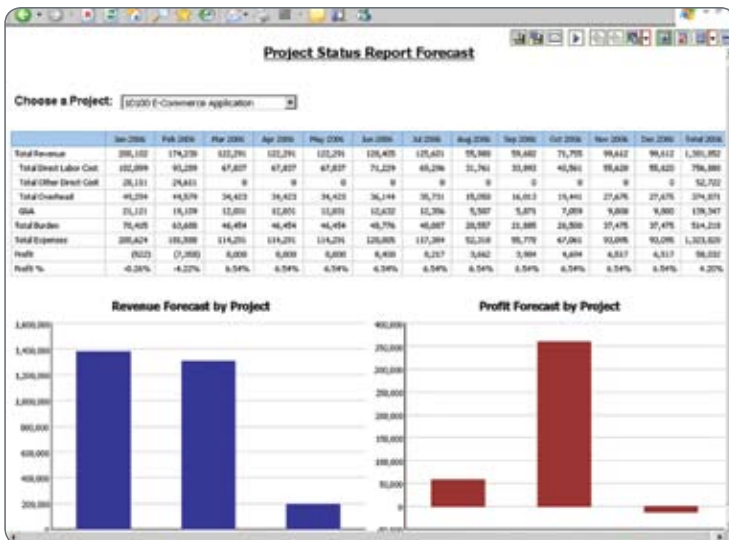


Figure 4: Project Status Report Forecast



## Contact Deltek

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Deltek® is a leading provider of enterprise applications software designed specifically for project-focused businesses. For more than two decades, our software applications have enabled organizations to automate mission-critical business processes around the engagement, execution and delivery of projects. More than 12,000 customers worldwide rely on Deltek to measure business results, optimize performance, streamline operations and win new business.

- Flexible data entry. Templates can easily be customized by reorienting columns and rows and displaying or hiding empty or zero-filled fields.
- Minimal training. Because Enterprise Planner is intuitive and browser-based, little or no training is required to take advantage of its robust functionality.
- Dynamic linking. Enterprise Planner can link individual plan components in real time, providing cross- organization consistency and accuracy.
- Streamlined workflow management. Users either save their work to return to later, or submit it for review. At any point, designated reviewers can quickly view workflow status — not started, in progress, or ready for review — with intuitive, color-coded icons. Reviewers can send e-mail to groups based on hierarchy or workflow status, making it easy for managers to communicate.

Rather than forcing organizations into a solution that may not fit their business model, Enterprise Planner is easily adaptable to suit the needs of Deltek's project-focused clients. Organizations can build business rules and structures, and then modify the model for added projects, new or discontinued program areas, or restructured departments. Enterprise Planner is designed for finance professionals, so the involvement of IT is minimal in implementation and administration. Its powerful modeling capabilities give clients unprecedented flexibility to devise, compare, and assess alternative business scenarios, conditions, cases, and assumptions.

Deltek Enterprise Planner is powered by Cognos Enterprise Planning, a market leading planning application used by thousands of companies to streamline their planning process. For more information about Deltek Enterprise Planner, please contact your Account Manager.