



## QAD DYNASYS FINANCIAL PLANNING

Manufacturing companies today are operating within a constantly disruptive landscape. Geopolitical and environmental events constantly invalidate long term plans. Consequently, tactical decision making, such as that for material sourcing and production decisions, must be agile and occur within an operational horizon. This creates a divide between financial and operational objectives.

Supply chain technology must adapt, and support operations with the insights and tools to rapidly make informed and fact-based decisions that are best for the business, not just best for the operational metrics. QAD DynaSys embeds financial drivers into all supply chain planning decision making, both operational and tactical. These allow a planner to understand the impact a material sourcing decision has on profitability, budget adherence, and cash flow. Easily compare two seemingly identical planning scenarios to understand the working capital requirements or expedited freight costs. You may find them vastly different.

### FINANCIAL PLANNING SOLUTION

QAD DynaSys customers are increasingly incorporating financial viewpoints into supply chain planning. This enables them to be more agile and resilient when things change. QAD DynaSys DSCP (Digital Supply Chain Planning) provides a common framework for Finance and Supply Chain to co-exist within a single planning model. This framework includes the following:

#### ONE NUMBER PLANNING

QAD DynaSys DSCP gets finance and operations planning working from a single planning model. This model incorporates all cost incurring or revenue-producing supply chain events, including costs from supplier procurement, production, and freight activities as well as revenue from customer level sales activity. Ultimately, customers benefit from a single set of comprehensive planning numbers to enable cross-functional collaboration effectively.

#### ALIGNED PLANNING EXPERIENCE

Financial analysts work in fiscal periods. Supply chain planners use more granular planning horizons. QAD DynaSys DSCP uses a planner-specific flexible calendar to provide a rich and meaningful experience to each planner regardless of the horizon. Imagine a demand planner reviewing weekly promotional values while a finance analyst is reviewing the fiscal monthly budget adherence. Both are viewing the same underlying data albeit in different KPIs and horizons to make a consensus decision.

## ALIGNING THE METRICS

QAD DynaSys provides a comprehensive library of metrics that can be used to support financial analysts when comparing plan profitability. This list is not exhaustive but includes:

- **Planned Sales Revenue:** This is derived from the satisfied demand of the constrained plan using a customer-specific unit sell-price
- **Revenue At Risk:** This is the value of the forecasted demand that cannot be satisfied on time due to material or operating constraints. The value uses the customer's sell price.
- **Budget Adherence:** This can be expressed in value or as a percentage. It is the ratio of the value of planned sales revenue to the value of the budgeted demand.
- **Service level:** This is the ratio of planned sales revenue to forecasted demand. It may be expressed in value or as a percentage.
- **Working Capital Requirements:** This is the value of the required inventory to provide sufficient cycle stock and safety stock to meet the forecasted demand.
- **Cost of Goods Sold (COGS):** The total COGS can be derived using two different methods depending upon the nature of the business. For customers using only QAD DynaSys Demand Planning solution, it is derived from the SKU. For customers using Demand and Supply Planning the costs are accumulated from the sources of procurement, production, and distribution. This delivers value to manufacturers and distributors alike.
- **Inventory Days:** This is the closing inventory on hand expressed as Days of Sales.
- **Gross Profit:** This shows whether the plan is within profitability expectations. This may be expressed as a percentage or absolute value.
- **Financial Outlook:** This describes the business trajectory, based on a current plan, and the expectations for meeting budget commitments.
- **EBITDA Impact:** Learn how the profitability of the plan impacts the Profit & Loss statement. This is measured in currency values.

## VALUE AND BENEFITS

**Improve Business Alignment:** No more budget surprises. More informed and coordinated supply chain decisions better align with the organization's business plan. When "gut-feel" decision making is replaced with consensus and fact-based decisions, all parties sleep easier.

**Improve Decision Buy-in:** Financial analysts may now review supply chain plans in their metrics, and their language, against a fiscal calendar. This improves both the level and the quality of cross-functional participation.

**Reduce Unplanned Costs:** QAD DynaSys solutions provide visibility of exceptional future events such as product launches or scheduled downtime for production. This reduces the surprise of unforeseen events and the subsequent costs in overtime or expedited freight and additional handling.

**Reduce Supply Chain Risk:** QAD DynaSys DSCP provides a comprehensive framework for risk identification, assessment, and mitigation. The same process is used to identify and measure assumptions. It removes the element of surprise and allows companies to create mitigation strategies to reduce the impacts of risk.

## KEY CAPABILITIES

It is imperative to have a strong underlying financial framework bridge finance and supply chain planning. QAD DynaSys leverages this framework to deliver key features that optimise the financial analysis experience.

### FINGERTIP DECISION SUPPORT FOR EXECUTIVES

- QAD DynaSys provides management specific homepages with built-in interactive tiles that deliver “at a glance” information about planned business performance.
- Corporate Performance Management (CPM) alignment. Many companies adopt CPM solutions

for capital planning, budgeting, and treasury management. Such solutions work seamlessly alongside QAD DynaSys DSCP in a top-down architecture to share budgets and receive long term sales and supply plans.

### COLLABORATION & FUNCTIONAL ALIGNMENT

- The QAD DynaSys solution provides the Workflow and Process Support to execute a set of repeatable and auditable cross-functional tasks for each planning cycle. This ensures the finance team has a structured role, including prescribed tasks and approval points, in the planning processes.
- A single multi-year planning horizon providing fiscal year based metrics, alerts, and dashboards. A unique feature of QAD DynaSys DSCP is its ability to plan over an extended planning horizon (usually 18 months) while also providing a fiscal year view to the finance stakeholders. This is crucial to measure budget alignment.
- QAD DynaSys DSCP collaboration techniques provide a social media-like collaboration capability to comment and share details of the plans or raise risks, tasks, assumptions, and issues for stakeholder follow-up.
- Financial data is captured from the planned sales events of QAD DynaSys Demand Planning solution and planned supply events of QAD DynaSys Supply Planning including Production, Distribution and Procurement Planning. This eliminates the need for integration, double entry, or additional master data ownership. Consequently, the cost of ownership is reduced and the speed and quality of the implementation are improved.

### SCENARIO MANAGEMENT

- Scenario Management provides a true parallel end-to-end planning experience. This allows customers to determine the financial impact of disruptive events before they occur. The QAD DynaSys solution provides a comprehensive scenario analysis capability which compares multiple plans side-by-side and weights objectives to support the planners to make the most informed and fact-based decisions. Objectives include revenue, profitability, exceptional costs, and financial budget adherence.
- Provision for financial risk management. QAD DynaSys DSCP is fundamentally a decision support solution and most decision-making processes need to consider the risks and assumptions in achieving a financial outcome. DSCP allows the planner to identify, socialize, and collaboratively mitigate the financial risks in an auditable manner.

## THE TECHNOLOGY – FUTURE PROOF YOUR INVESTMENT

**QAD DynaSys cloud – safe, secure and available:** DSCP is available in the QAD Cloud. QAD Cloud services are ISO certified and carry SSAE15 SOC 1 Type II certification. Business continuity is assured with comprehensive disaster recovery planning.

**Mobility:** DSCP user experience supports web, mobile and touch screen user interfaces.

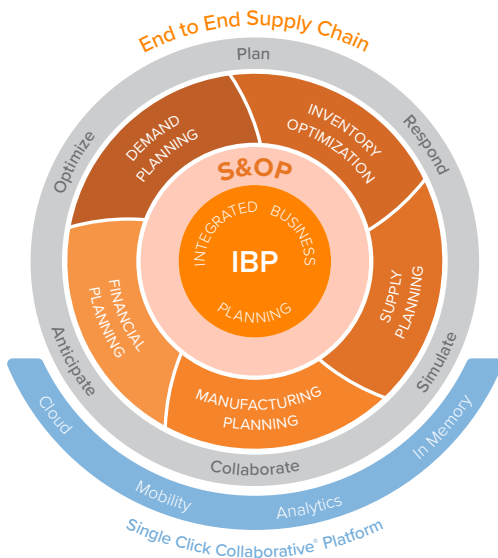
**Analytics:** As the IoT and machine learning deliver a greater number of data points, supply chain solutions must have a best-in-class capability to translate data into trends and decision grade analytics. DSCP seamlessly embeds leading business analytics across the solution. This provides a beautiful and pleasant to use data experience supporting responsive and accurate decision making.

**In-Memory:** DSCP uses a highly scalable, rapid in-memory data model enabling real time simulation planning and effective decision support.

**Integration:** QAD DynaSys supports integration with QAD, SAP, Sage, JDE, Oracle, Infor, Microsoft and many other ERP and enterprise applications. It uses a data hub approach to exchange supply chain information across the organization and includes tools for building custom integrations.

## QAD DYNASYS DSCP SUITE

QAD DynaSys DSCP empowers manufacturers to improve productivity and profitability through fact-based supply chain decision-making that transcends typical supply chain metrics. QAD DynaSys, a division of QAD, invests heavily in research and development to future proof our solutions. QAD DynaSys customers leverage the latest technology and planning methods to meet current and future supply chain challenges.



### QAD DYNASYS DSCP SUITE

Financial planning is part of the end-to-end DSCP solution.

#### Available Solutions

- Demand Planning
- Distribution Planning
- Production Planning
- Procurement Planning
- Network & Inventory Optimization
- S&OP
- DDMRP

At QAD DynaSys, we are helping our customers build the future of their supply chains.



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