Integrated Planning, Forecasting, and Budgeting for Organizational Success

PLF4/26/V1

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Disclaimer:

- This product is intended to serve solely as an aid in continuing professional education. Due to the constantly changing nature of the subject of the materials, this product is not appropriate to serve as the sole resource for any tax and accounting opinion or return position, and must be supplemented for such purposes with other current authoritative materials. The information in this manual has been carefully compiled from sources believed to be reliable, but its accuracy is not guaranteed. In addition, Surgent McCoy CPE, LLC, its authors, and instructors are not engaged in rendering legal, accounting, or other professional services and will not be held liable for any actions or suits based on this manual or comments made during any presentation. If legal advice or other expert assistance is required, seek the services of a competent professional.

- Revised April 2026

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Course Outline

1. Key to Profitability Is Proper Planning
2. The Business Plan
3. Strategic Planning
4. Revenue Plan
5. People
6. Marketing Plan
7. Technology Plan
8. Capital Plan
9. Short-Term Planning

Chapter 1

Key to Profitability Is Proper Planning

Learning Objectives

1. Recognize the need for proper planning
2. See the dysfunctional qualities of traditional budgeting
3. Understand the difference between planning and budgeting
4. Describe the qualities of a good plan

Why Do We Budget?

- To control spending?

Traditional Budgeting

- Suits do the planning, staff does the budgeting
- Use it or lose it syndrome
- Can’t spend the money
- No one likes the process

Get Rid of the Budget!

- Instead, install integrated planning

Qualities of a Good Plan

- Process not an event;
- Enjoyable process;
- Creates alignment; and
- Creates a culture of accountability

The Integrated Planning Process

- Review and reflect
- The business plan
- The strategic plan
- The marketing plan
- The five-year operating plan
- The technology plan
- The capital plan
- The people plan
- The income plan
- Intermediate planning
- Short-term planning
- The cash plan

The Role of the Finance Department

- Managers and teams build the plan
- Teams have the ability to move money
- Teams can save unspent money

Chapter 2

The Business Plan

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Learning Objectives

1. Understand the risks of the business plan
2. Use two important models in formulating different plans
3. Identify some of the things that are changing business plans

Traditional Business Plans

- Purposes:
  - Raise money;
  - Get partners; or
  - Satisfy banks

Integrated-Planning Business Plan

- Part of the planning process:
  - Understand the business model
    - Could it be under attack
      - Examples
        - Education – on-line classes
        - Dental labs – 3D printing
        - Banking Crypto currencies
  - Integrated with the rest of the plan
- Several business plans:
  - One for each product or service
    - Explain the business model

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

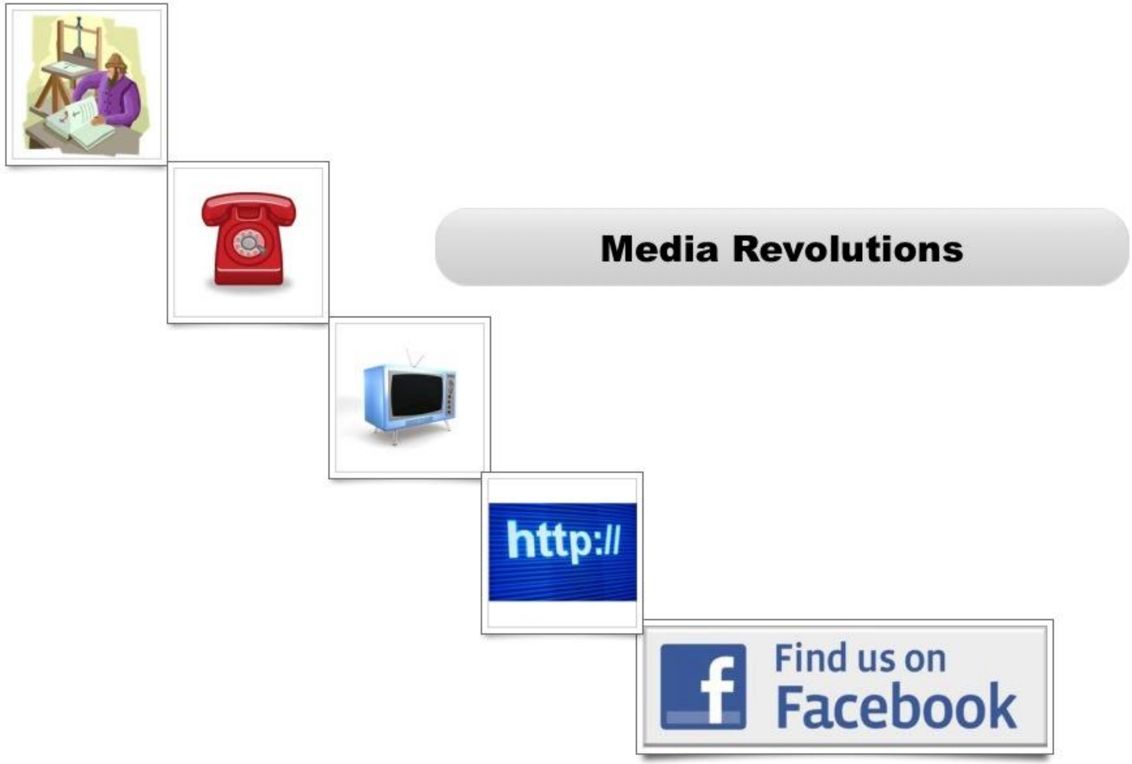
Uses of Modern Business Plans

- Financing
- Recruiting
- Alignment:
  - Probably the most important reason for the plan
  - Everyone on the same page
  - Every employee should understand the business plan and his/her place in the process

Some Key Business Changes

- From hierarchical to crowd and team driven
- Knowledge has moved
- Hyper-competition
- Commoditization of knowledge
- Demands for social accountability
- Shift to outcome-based business models
- Remote work is no longer experimental, it is being optimized
- Supply chain resilience over efficiency
- Organizations becoming more digital, data-driven, automated, and globally connected

Media Revolution



SURGENT
ACCOUNTING & FINANCIAL EDUCATION

AI Everywhere

- AI has moved from “nice to have” to required
    - Tools for easier and faster work
    - Tools for better decision making

SURGENT ACCOUNTING & FINANCIAL EDUCATION

The Risks of Business Models

- Book distribution
- Education

Changes in the Business Model

- *"A revolution is coming to U.S. higher education, one that will sweep away an archaic business model, erase the value of many venerable brands, and enhance the brands of new entrants and nimble incumbents. It will be a tough time for many U.S. colleges and universities but great news for the rest of the world"*
- Source: "The real Winners of the Coming Revolution in Higher Education," by Bruce Guile and David Teece, *Forbes Magazine*, 3/12/13

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Business Model Innovation

- What about your business model?
- Is it under attack?

Where Are We Now?

- What is our business?
- Who are our customers?
- How do those customers determine value?

Where Will We Be?

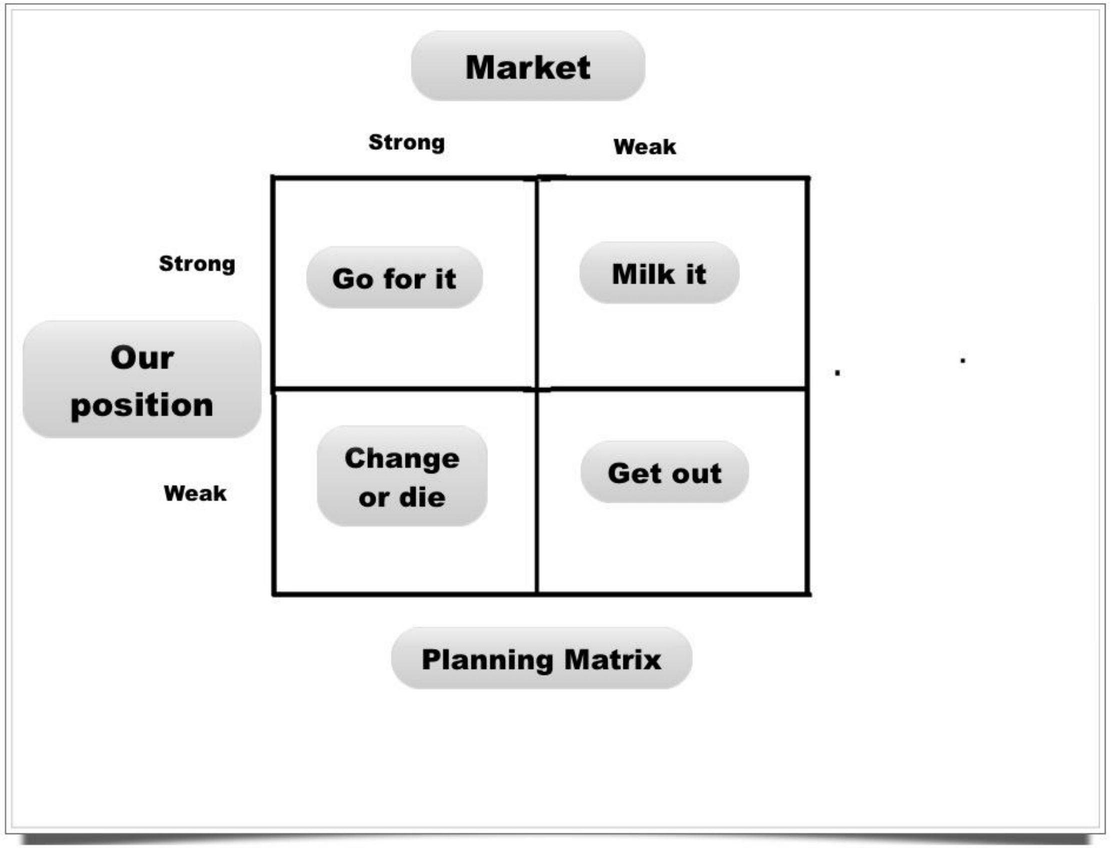
- What will our business be?
- Who will our customers be?
- How will those customers determine value?

Where Should We Be Going?

- What should our business be?
- Who should our customers be?
- How will those customers determine value?

- Did the answers to these questions change as a result of the recent pandemic?

Planning Matrix



The Entrepreneur

- **An entrepreneur is a person who sees a problem and puts together a group of people to solve that problem in an economic fashion**

Steps to the Business Plan

- Executive summary
- Company description:
  - Legal establishment?
  - History?
  - Start-up plans?
- Product or service
- Market analysis
- Management team
- Strategy and implementation
- Financial analysis

Chapter 3

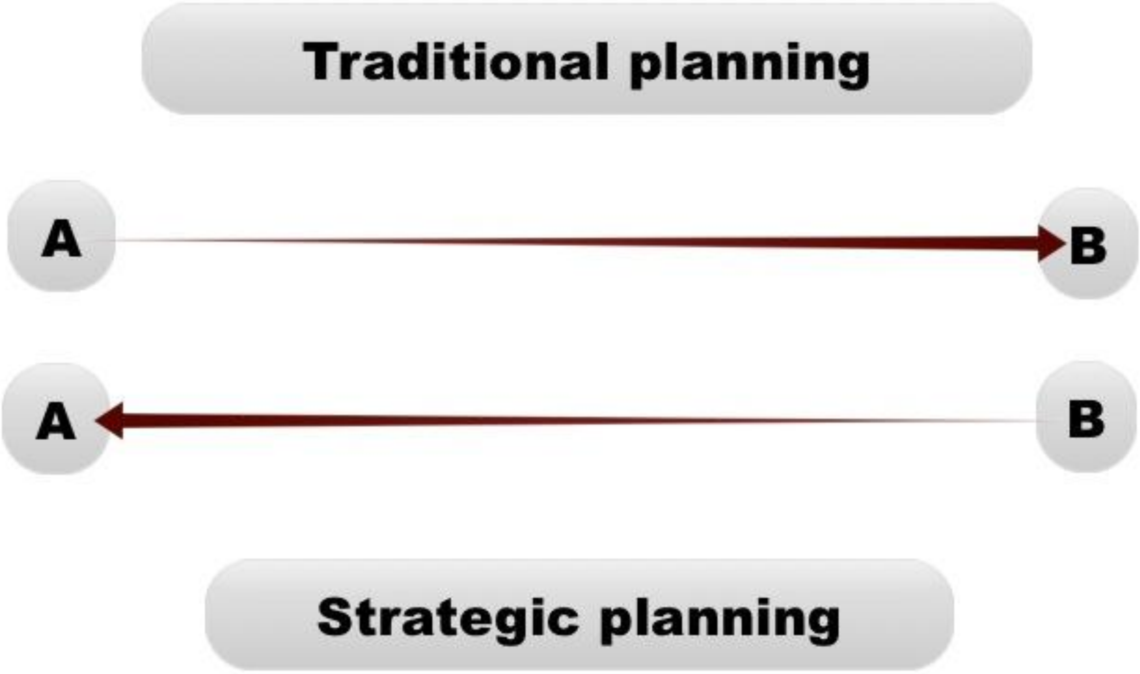
Strategic Planning

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Learning Objectives

1. Understand the difference between strategic and incremental planning
2. Know the new style of strategic planning
3. Recognize the importance of departmental strategic planning

Different Types of Planning



Old-Style Strategic Planning vs. Budgeting

- Strategic planning was the responsibility of senior management
- Budgeting was the responsibility of the troops, approved by senior management

How to Know We Need Strategic Planning

- Shrinking margins
- Slowing growth
- Declining asset productivity
- Eroding market share
- Higher customer churn rates
- Proliferation of new and unorthodox business models
- Falling P/E ratio
- Increasing ratio of marketing costs to revenue

What Is Our Vision?

- Answers the question:
  - Where do we want to be in five years?
- Based on what we determined from the business plan
- Needs to have a way to define success
  - Don’t forget surveys
  - Surveys don’t need to be statistically accurate
    - If used over time

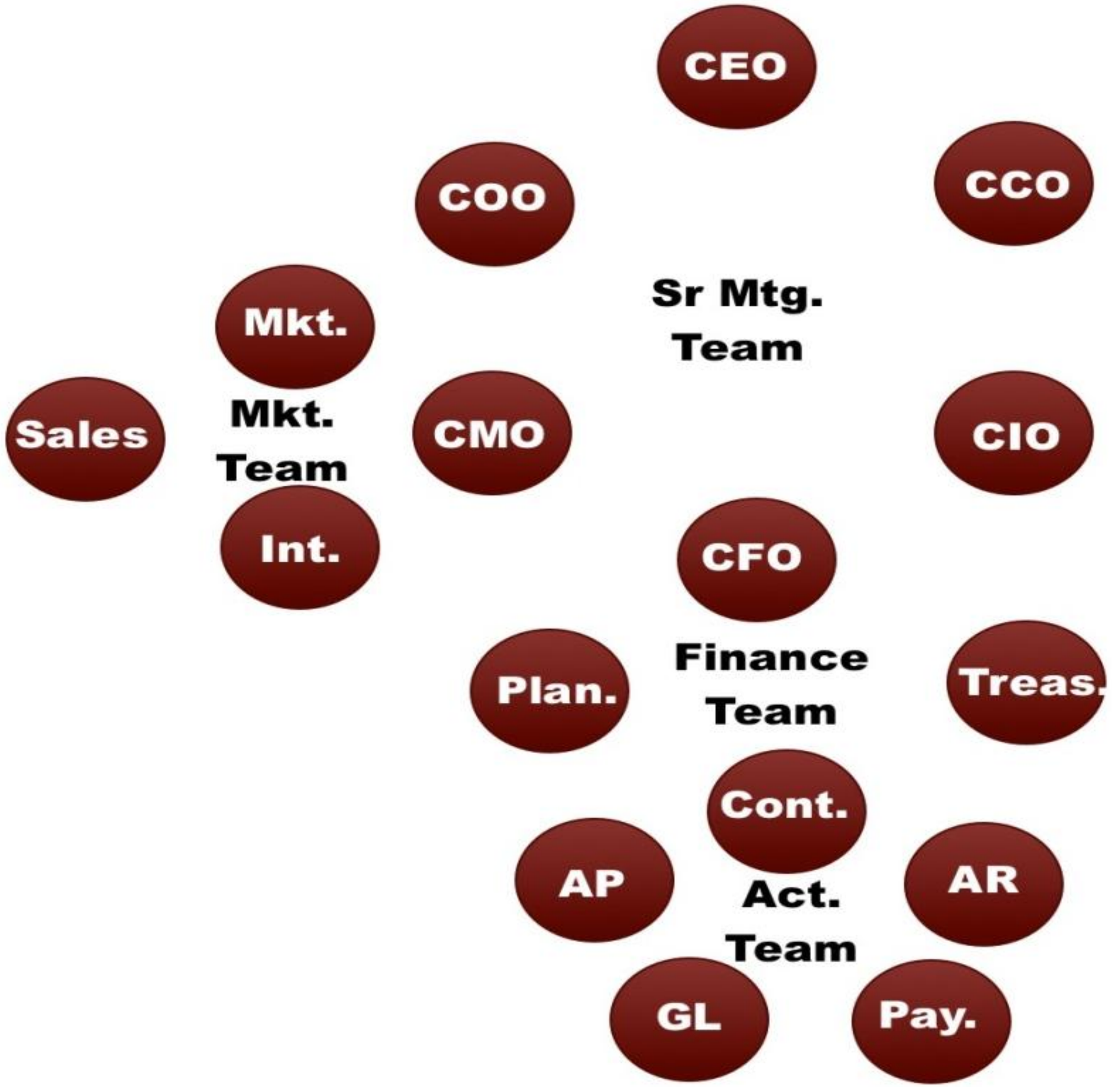
What Is Our Mission?

- Answers the question:
  - How will we get to our vision?
  - Need to define success

What Are Our Core Values?

- What are the most important values that make us who we are?
- J&J’s credo

Organizational Alignment



VMV Throughout the Organization

- Bold statement:
  - Every division, region, department, and team needs to have for itself, VMV
- Department VMV will not be the same as the one above:
  - Will be more specific; but
  - Will not conflict

AI and Strategic Planning

- Help in the number crunching
- Gives us data from existing operating systems
- Gives us a new tool for determining what is occurring around the world

Chapter 4

Revenue Plan

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Learning Objectives

1. Understand the benefits of bottom-up sales forecasting
2. Know how to use various analytical tools for sales forecasting
3. Understand some new tools like crowdsourcing

Difficulties of the Revenue Plan

- Economic factors
  - Things changing so quickly
- Market factors
- Internal politics
- External politics
- Competition

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Case Study

- Ajax Manufacturing Company just completed its best year ever. Sales were up a record 5 percent, gross margin was up, and expenses were down. The company's profit had increased on a year-to-year basis by 15 percent.
- Jim Smith, owner and CEO of the company, came to a special sales meeting of the company to address the sales team. They had just seen the results of the last year and were pretty excited that they had done so well. As a group they had exceeded the sales goals and thus were in line to receive a nice bonus. Consequently, they were looking forward to Jim's address and what they expected to be some nice congratulatory remarks.

Case Study (cont.)

- When Jim stepped up to the podium, this was part of his speech.
- "Ladies and gentlemen, I know that you are pretty proud of the way you have done, but I'm sorry that I am not. While the company did well last year, the fact is that we could have done much better. The economy flourished causing the demand for our products. That helped, but it really made it easier for you.
- In this coming year, I expect much more from you. Our economy is doing well, and the demand for our products is increasing. Due to the demand, we will be raising prices by 10 percent across the board. I know that you will have no problem maintaining the unit sales, although you will have to work harder. Good luck and I look forward to a great coming year."
- At that, Jim walked off stage and the group was stunned. Expecting a celebration, they came away feeling chastised by the boss.

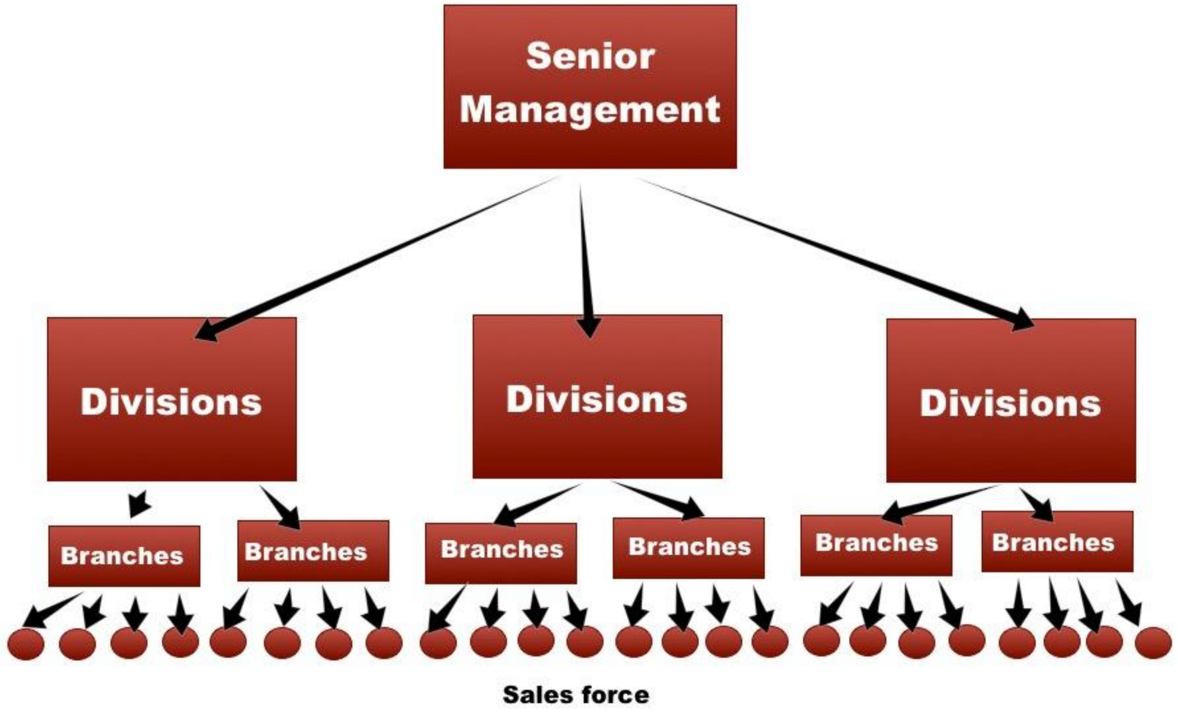
Case Study (cont.)

- Could this happen in your organization?
- Why did Jim talk this way?
- What do you think it will do to the production of the sales department?

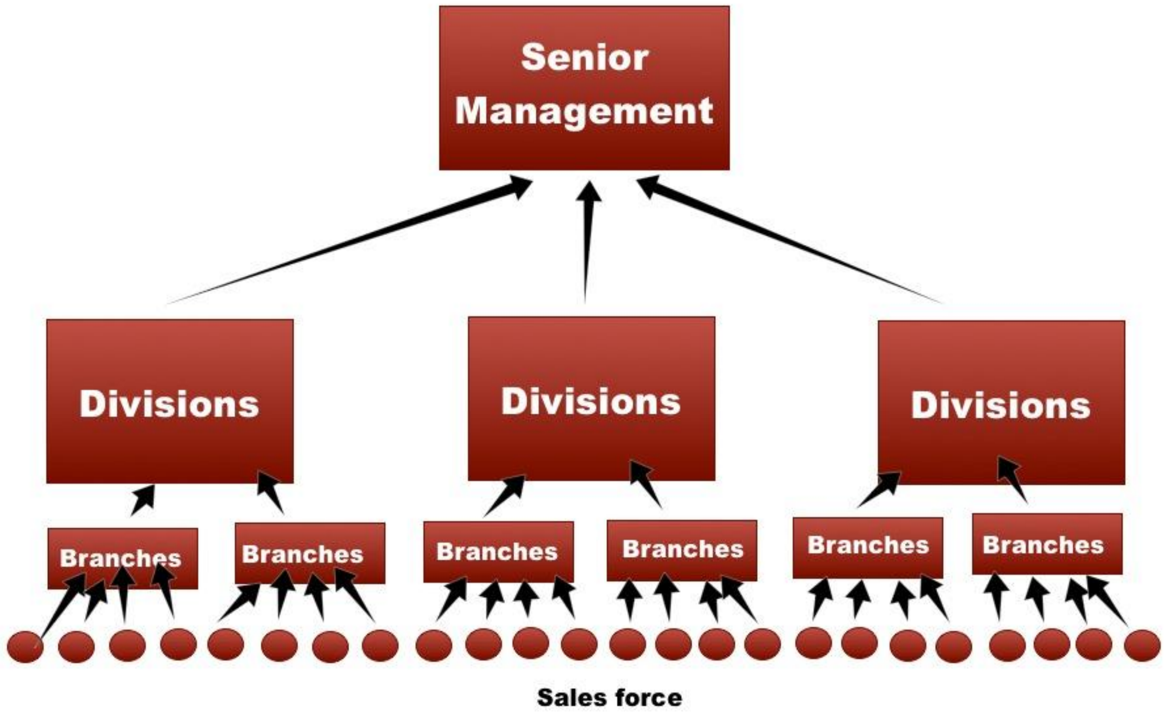
Cardinal Rule in Sales Motivation

- Never tie your sales bonus system to the plan, budget, forecast, or anything like it
- It encourages people to give you bad numbers
- Motivate based on profit, not budget
- Sales, gross profit, collected sales, less T&E

Top-Down Forecasting



Bottom-Up Forecasting



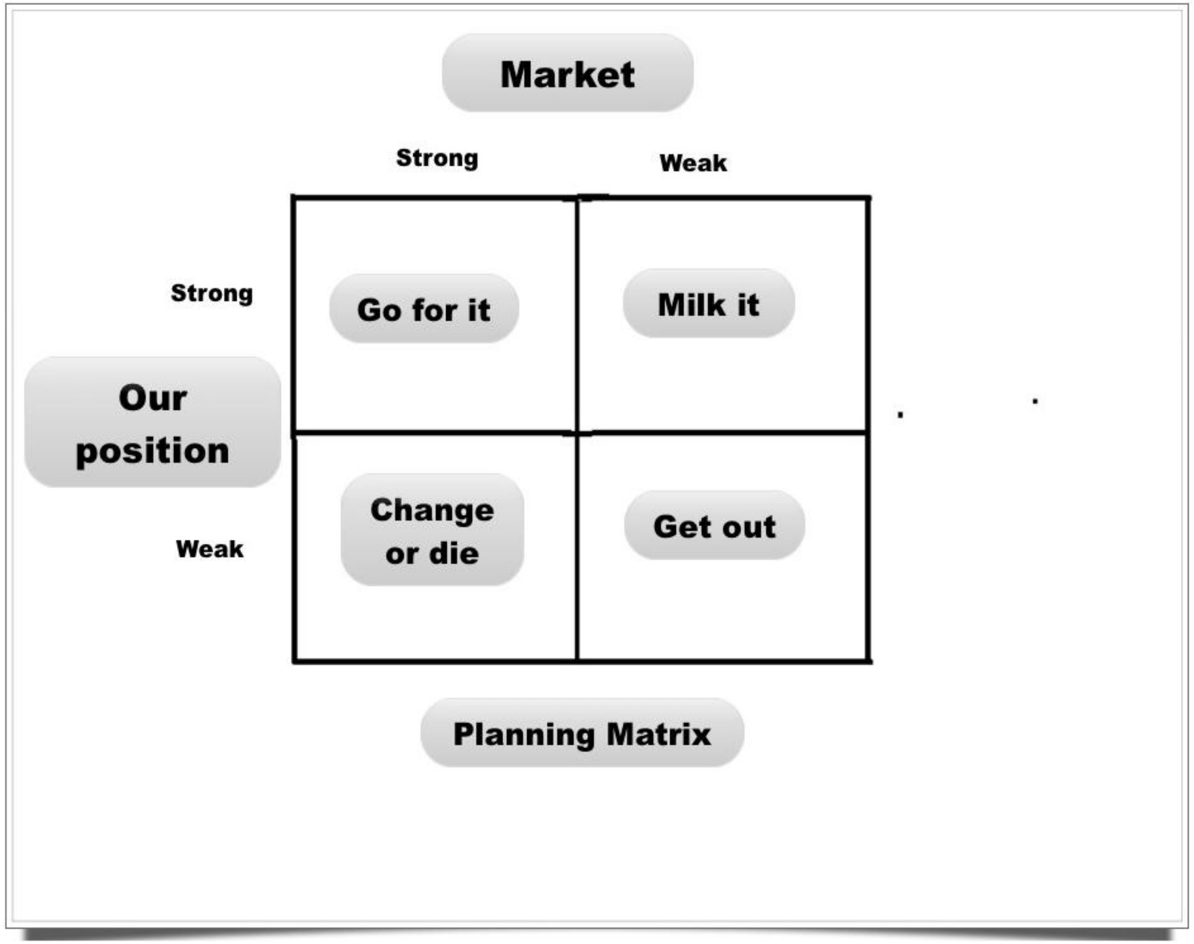
Suggested Method

- Analytics from the systems:
  - Systems like SalesForce.com have great forecasting analytics
- Concentration on what customers are doing
- Collaboration is the key

Steps to the Process

- Analyze the past
- Study the market
- Competitive analysis
- Check capabilities
- Evaluate the product mix

Evaluate the Product Mix



Revenue Forecasting Tools

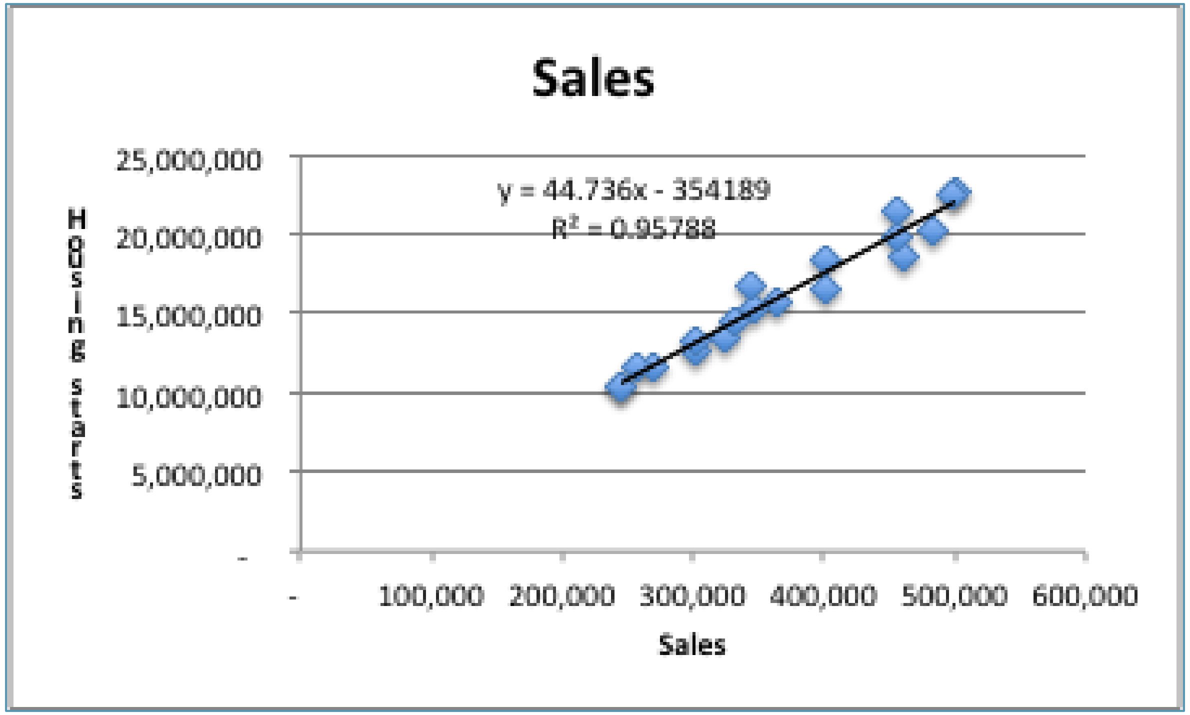
- Crowdsourcing
- Regression analysis

Relation Between Sales and Housing Starts

Year	Housing starts	Sales
1	245,657	10,456,874
2	245,544	10,466,485
3	270,244	11,582,133
4	256,877	11,566,877
5	301,244	12,657,844
6	301,566	13,256,544
7	325,655	13,456,875
8	331,455	14,566,877
9	345,688	15,245,655
10	364,568	15,687,544
11	344,788	16,789,546
12	400,566	16,458,788
13	400,455	18,423,544
14	459,888	18,655,455
15	482,882	20,279,844
16	455,688	19,788,544
17	500,122	22,568,400
18	498,788	22,468,755
19	455,214	21,456,878

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Projected Sales



Data Table

Number of items sold	1,235,488
Price per item	8.45
Shipping per item	0.55
Cost of sales percentage	0.34
Sales	10,439,874
Cost of sales	3,549,557
Shipping	679,518
Net profit	6,210,798

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Data Table (Cont.)

	1,000,000	1,100,000	1,200,000	1,300,000	1,400,000	1,500,000
7.5	4,400,000	4,840,000	5,280,000	5,720,000	6,160,000	6,600,000
7.8	4,565,000	5,021,500	5,478,000	5,934,500	6,391,000	6,847,500
8	4,730,000	5,203,000	5,676,000	6,149,000	6,622,000	7,095,000
8.3	4,895,000	5,384,500	5,874,000	6,363,500	6,853,000	7,342,500
8.5	5,060,000	5,566,000	6,072,000	6,578,000	7,084,000	7,590,000
8.8	5,225,000	5,747,500	6,270,000	6,792,500	7,315,000	7,837,500
9	5,390,000	5,929,000	6,468,000	7,007,000	7,546,000	8,085,000
9.3	5,555,000	6,110,500	6,666,000	7,221,500	7,777,000	8,332,500
9.5	5,720,000	6,292,000	6,864,000	7,436,000	8,008,000	8,580,000
9.8	5,885,000	6,473,500	7,062,000	7,650,500	8,239,000	8,827,500
10	6,050,000	6,655,000	7,260,000	7,865,000	8,470,000	9,075,000

AI and Revenue Forecasting

- AI-driven forecasting has become the norm
- Continuous forecasting
- Integration of external and unstructured data
- Scenario-based forecasting
- Alignment across finance, sales, and operations

Chapter 5

People Plan

AI and Capital Planning

- More accurate cash flow forecasting
- Advanced risk analysis
- Better capital allocation
- Real-time updating
- Reduction of human bias

Learning Objectives

1. See the difference between an old-style and new-style people plan
2. Understand how the people plan is about solutions and not people
3. See new ways of learning

The Old vs. the New Workplace

- Motivation and people
- The traditional people plan:
  - All about politics
- New-type people plan:
  - All about solutions to problems

Creative Solutions to People Problems

- Customer support
- Restaurant servers
- Libraries
- Where the technology plan and people plan come together

How to Get and Hold Creative People

- Make it a priority
- Hire for creativity
- Don’t micromanage
- Encourage people to make suggestions:
  - Weekly team meetings
  - Employee forums
  - Company blogs
  - Company social networking site
  - Company Facebook page

Creative People

- Encourage managers to learn new methods
- Encourage managers to learn the entire organization:
  - Starbucks example
- Talent mobility policy:
  - W.L. Gore example

People Plan for Efficiency

- Key promise to all employees
- **"If you come up with an idea for more efficiency that might decrease or eliminate your job, we absolutely guarantee that you will not lose your job, but you will be transferred with every attempt to move you into a higher paying job with more authority and enjoyment"**

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Pay People to Do Work, Not Put in Time

- ROWE
- Gain-share systems

Efficiency Case Study

- A large plumbing contracting company in the southwest had an interesting situation. The plumbers in the organization were paid on a piece-work basis as they did the “rough” plumbing in developments. They were paid an amount for each house on which they did the plumbing, and the average plumber could do about 3 houses per day.
- A new controller came into the organization and immediately noticed that one plumber was making significantly more than the others. In fact, where the average pay was $50,000, this particular plumber was consistently making over $ 100,000. His first reaction was that possibly the plumber was violating a policy and personally hiring one or more helpers off the books.
- An investigation found that the plumber was not violating any policy but had refined several techniques that caused him to be much more efficient. He memorized the plans, went to the truck one time to get and cut all of his materials, and set them all out ahead of time next to the trench. He then went in and did the plumbing. Using this method, he was able to do approximately twice as much as anyone else.

Efficiency (cont.)

- When asked to take a management position and teach the others how to do this, he refused knowing that he made more money doing the piecework.
- It is interesting to note that during the slow times in the construction industry, the company continued to get some work, and the plumber was able to stay busy and continued to make a six-figure salary. At the same time, many of the executives didn’t get their bonuses and found themselves making less than the plumber. If you were one of those executives, how would you feel?
- How would your company have handled his situation?

Restaurant Case Study

- What do we want?
  - Unique food
  - Exceptional service
  - Efficient operation
  - Dedicated workforce
- How will we get it?

AI and People Planning

- AI + human workforce integration
- Shift to skills-based planning
- Continuous reskilling as a core strategy

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Chapter 6

Marketing Plan

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Learning Objectives

1. Understand the old style and the new style of marketing
2. Develop a marketing plan with the new style of marketing
3. See how the new style of marketing can be more productive

Why Marketing Is Important to CFOs

- Involves a lot of money
- Needs to be responsible to efficiency
- One on the leadership team
  - Must understand all the primary plans

Three Approaches to the Organization

- Factory age
- Advertising age
- Connected age

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Key Questions for the Marketing Plan

- How are we different?
  - Better?
- How will we tell the public that we are different (better)?
- What are we trying to accomplish?
- Can it be measured?
- Will the program build trust?
- Can we control our message?

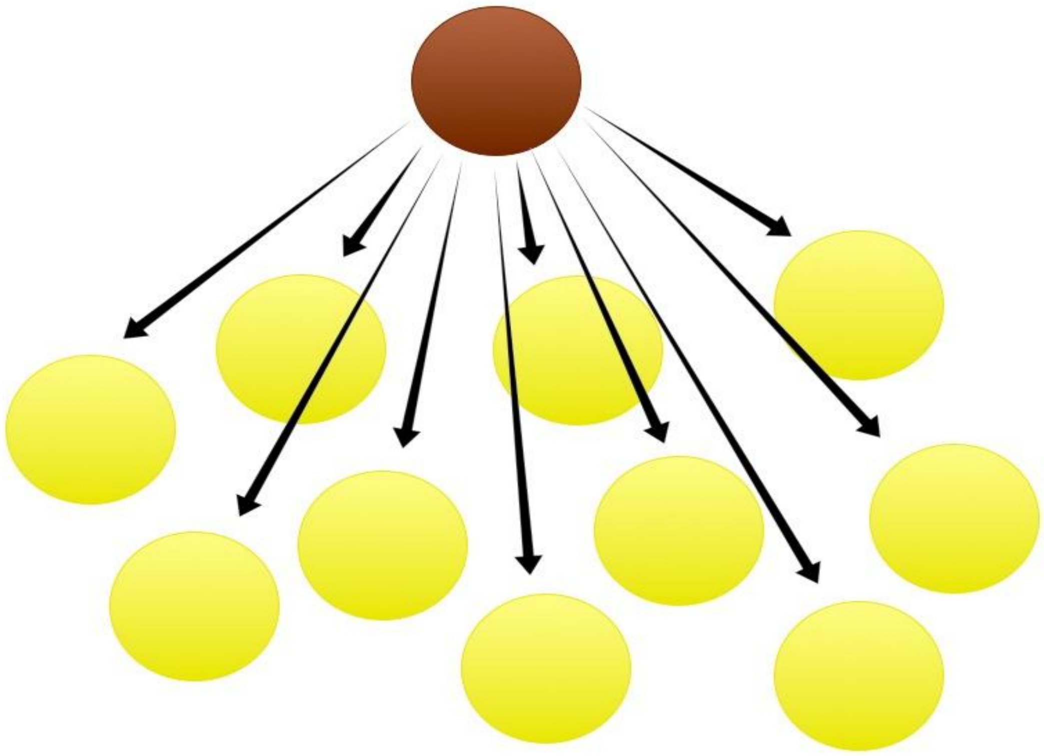
What Does the Customer Want?

- High tech, high touch

Two Keys to All Marketing

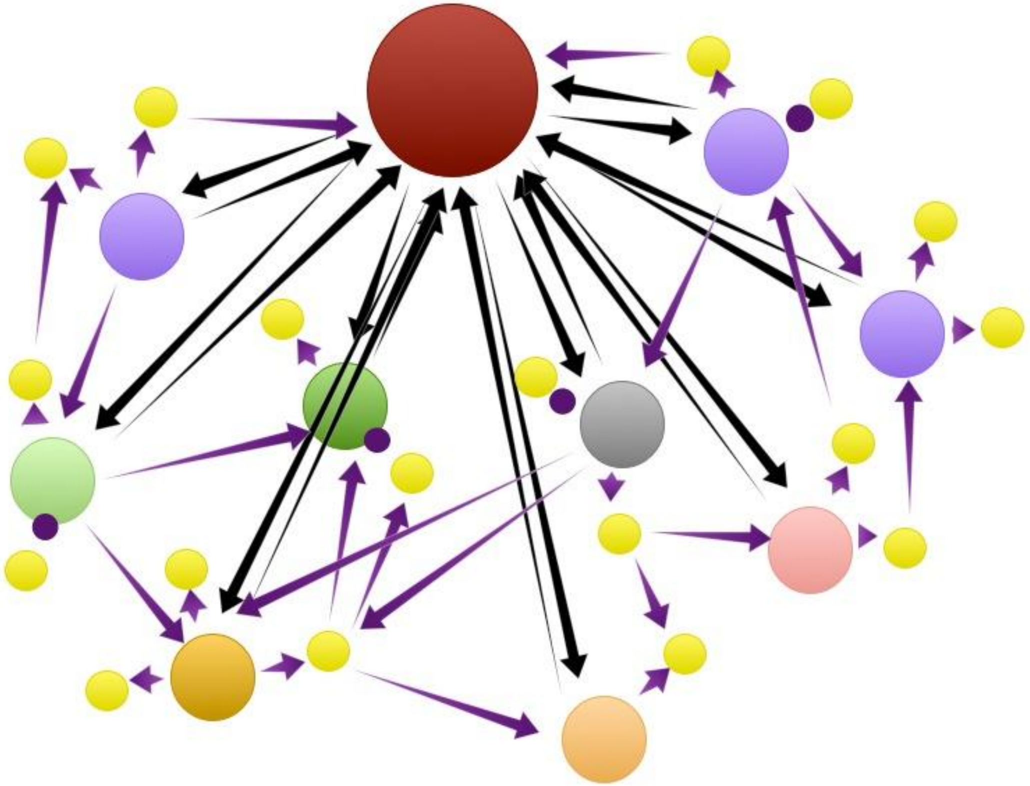
- Reach
- Frequency
- Both reach and frequency are traditionally expensive:
  - Most of the money is wasted

Traditional Marketing



Traditional Marketing

Connected Marketing



Connected Marketing

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Connected Marketing

- Organized chaos
- Message can't be controlled:
  - Multiple examples from all over the media

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

New Media in Connected Marketing

- Facebook
- Twitter
- LinkedIn
- YouTube
- Amazon
- eBay
- TikTok
- Instagram

Greatest Mistake in Connected Marketing

- Thinking that you can do this kind of marketing the same way you used to do the traditional marketing – sending people messages. The fact is, that doesn't work, but most companies do it!

Myths in Connected Marketing

- Site hits are a reliable metric to determine success
- If you build it, they will come
- If our website is pretty, people will see it
- We can sell stuff on our website if we spend enough money
- SEO is the way to success
- The Web is like TV

Concept of Tribes

Examples of Tribes

Starting and Marketing to the Tribe

- Start the tribe
  - Make it worth their while
  - Give away something useful
- Build the tribe
- Develop true friends in the tribe
  - Go out of their way to do business with you
  - Recommend you to other friends and networks
  - Willing to pay more
  - Are passionate about your product or service

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

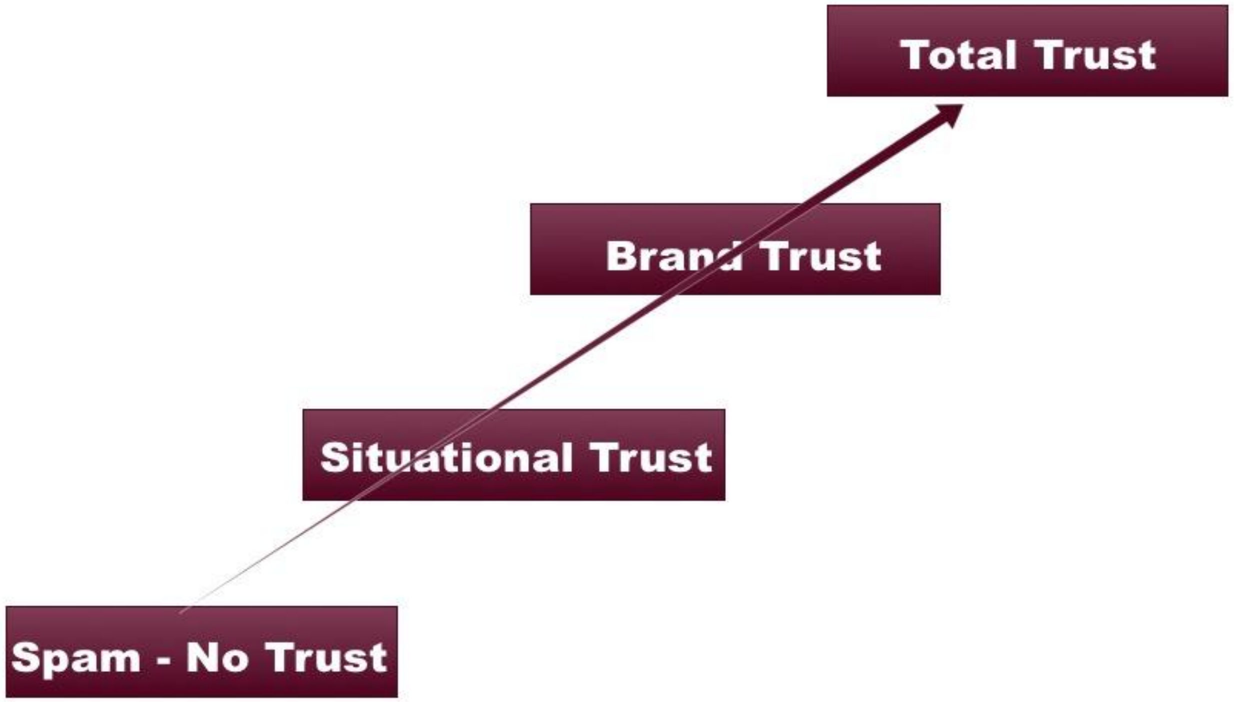
Permission Marketing

- Interruption marketing:
  - Traditional marketing – we interrupt people
- Permission marketing:
  - People give us permission to market to them

Why Will People Give Us Permission?

- Information
- Education
- Entertainment
- Cash

Trust – The Key to Permission Marketing



AI and the Marketing Plan

- Personalization at scale
- Predictive analytics and customer insights
- Automated contact creation
- Chatbots and conversational marketing

Chapter 7

Technology Plan

Learning Objectives

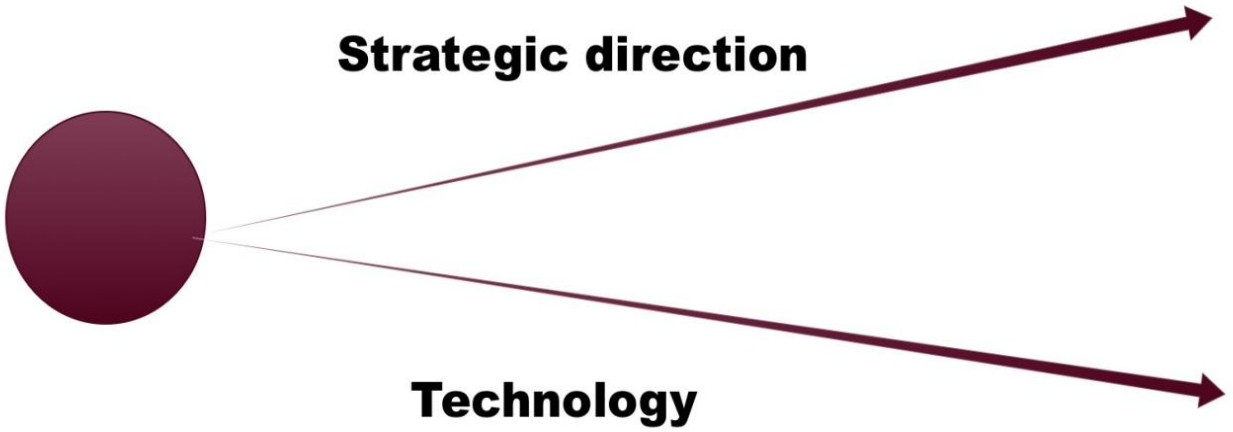
1. Understand the importance of a technology plan
2. Know the latest technology trends that will affect a plan
3. Know how to establish the plan

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Overall Philosophy

- Technology plan is about solutions to problems
- Not about hardware and software

Technology Is Tied to the Company's Vision



Without a technology plan

Why a Plan

- Avoid crisis management
- New equipment is purchased according to the plan
- Tied to the vision
- Purchase correct systems
- Save money with better planning
- Avoid crisis
- Better use of staff time
- Protect against staff turnover

Primary Need of the Plan

- Needs to be nimble
  - The cloud

Important Technology Trends

- Move to the cloud
- People want to drive their own choices
- Agile development
- Be small to be nimble
- Move to a user-driven environment
- Mobility
- An app for everything
- Internet of things
- Enterprise app stores
- Shift from teaching to learning
- Participatory culture
- Shift from institutions to networks
- AI

Implementing the Plan

- Establish leadership and support
- Designate a point person:
  - **Not the head of IT**
  - Future thinker
  - Reader and learner
  - Interest in but not expert in technology
  - Servant attitude to the operating departments

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Access the Resources

- Systems
- Hardware
- Software
- Skills and training

Implementing the Plan

- What are the needs?
- Explore the solutions:
  - Automatic replacement
  - In-house systems
  - Outsourced solutions
  - The cloud
- Break project into tasks
- Assign responsibilities
- Determine limitations

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Implementing the Plan

- Establish priorities
- Write the plan
- Be ready for change

Chapter 8

Capital Plan

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Learning Objectives

1. Understand the need for capital planning
2. Know how to be sure that the capital plan doesn't hurt innovation
3. Understand the different methods of capital return analysis

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Why a Capital Plan?

- From politics to financial planning
- Big bucks
- Long time periods
- Loss of liquidity
- Capacity issues

Innovation and the Capital Plan

- Competition for resources
  - Difference between large and small projects
  - Status quo always has the advantage
  - Need to show the upside
  - Departments need to compete in the market
  - Set aside a share of funds for experimentation
  - Set multiple sources for funding new ideas
    - One person shouldn’t be able to kill an idea
  - Internal company incubator
  - Company venture capital fund
  - Managers have discretionary funds to experiment

Cautions With Capital Plans

- Long-term commitments
- Labor contracts
- Special purpose buildings
- High fixed costs

Exemptions to the System

- Size of project
- Replacement
- Compliance
- Emergency
- Caution:
  - **<u>People can manipulate replacement, compliance, and emergency</u>**

Limitations of Available Capital

(000s omitted)	Current ratio	Debt/worth
0	1.29	1.12
500	1.27	1.26
1,000	1.25	1.40
1,500	1.23	1.53
2,000	1.21	1.67
2,500	1.19	1.81
3,000	1.17	1.94
3,500	1.15	2.08
4,000	1.14	2.22
4,500	1.12	2.35

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

EVA Concept

Capital type	Amount	Rate	Interest
Short term	2,000,000	4%	80,000
Long term	3,000,000	6%	180,000
Preferred stock	2,000,000	8%	160,000
Equity	6,000,000	10%	600,000
Total	13,000,000		1,020,000
Weighted average cost o capital		7.85%	

Net Present Value

Year	Cash flow	PV at 10%
1	20,000	$18,181.82
2	30,000	$24,793.39
3	20,000	$15,026.30
4	30,000	$20,490.40
5	20,000	$12,418.43
		$90,910.33

Internal Rate of Return

Year		Cash flow
	0	-100,000
	1	20,000
	2	30,000
	3	20,000
	4	30,000
	5	20,000
IRR		6.39%

SURGENT ACCOUNTING & FINANCIAL EDUCATION

Modified IRR

- MIRR with 6 percent borrowing rate and 4 percent investment rate

Year	Cash flow	Year	Cash flow
0	(100,000)	0	(100,000)
1	30,000	1	30,000
2	40,000	2	40,000
3	30,000	3	30,000
4	40,000	4	40,000
5	30,000	5	30,000
IRR	20.67%	MIRR	12.99%

Assessing Priorities

Project	Amount	Cumulative	MIRR
14	484,877	484,877	19.55%
8	126,484	611,361	19.32%
16	2,458,455	3,069,816	19.04%
18	1,234,542	4,304,358	18.20%
9	365,123	4,669,481	17.44%
19	1,265,411	5,934,892	10.24%
15	126,545	6,061,437	10.07%
3	256,544	6,317,981	8.90%
2	2,548,455	8,866,436	8.50%
6	265,745	9,132,181	7.66%
5	654,877	9,787,058	6.96%
1	1,256,121	11,043,179	6.50%
17	1,265,488	12,308,667	5.74%
13	135,633	12,444,300	5.58%
4	458,744	12,903,044	3.18%
12	267,897	13,170,941	2.59%
7	265,899	13,436,840	2.44%
10	459,511	13,896,351	0.71%
11	235,433	14,131,784	0.68%

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Chapter 9

Short-Term Planning

Learning Objectives

1. Recognize the importance of bottom-up planning with respect to monthly accountability
2. See the steps to create a monthly cash-flow plan
3. Specify ways to increase accountability

Increasing Efficiency

- Metrics
- Transparency:
  - What do you think about the idea of posting everyone's reimbursement requests?
- Efficiency is a team business

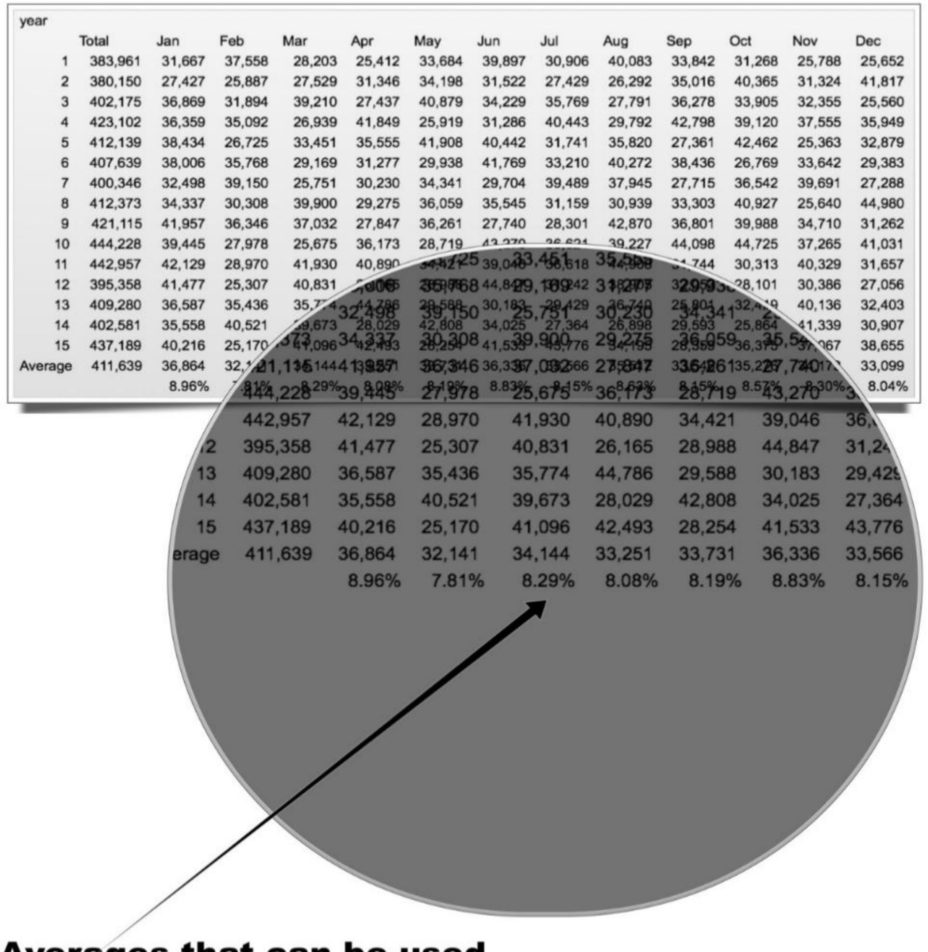
Increasing Accountability

- Leaders’ behaviors
- Rules and regulations vs. policies
- Training
- Customs and traditions
- Communications
- Reward systems
  - More people, larger dept = less efficient
  - Fewer people, smaller dept but same result = more efficient

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

The Monthly Plan

- No seasonal variation
- Seasonal variation



year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	383,961	31,667	37,558	28,203	25,412	33,684	39,897	30,906	40,083	33,842	31,268	25,788	25,652
2	380,150	27,427	25,887	27,529	31,346	34,198	31,522	27,429	26,292	35,016	40,365	31,324	41,817
3	402,175	36,869	31,894	39,210	27,437	40,879	34,229	35,769	27,791	36,278	33,905	32,355	25,560
4	423,102	36,359	35,092	26,939	41,849	25,919	31,286	40,443	29,792	42,798	39,120	37,555	35,949
5	412,139	38,434	26,725	33,451	35,555	41,908	40,442	31,741	35,820	27,361	42,462	25,363	32,879
6	407,639	38,006	35,768	29,169	31,277	29,938	41,769	33,210	40,272	38,436	26,769	33,642	29,383
7	400,346	32,498	39,150	25,751	30,230	34,341	29,704	39,489	37,945	27,715	36,542	39,691	27,288
8	412,373	34,337	30,308	39,900	29,275	36,059	35,545	31,159	30,939	33,303	40,927	25,640	44,980
9	421,115	41,957	36,346	37,032	27,847	36,261	27,740	28,301	42,870	36,801	39,988	34,710	31,262
10	444,228	39,445	27,978	25,675	36,173	28,719	43,270	[illegible]	39,227	44,098	44,725	37,265	41,031
11	442,957	42,129	28,970	41,930	40,890	34,421	39,046	[illegible]	[illegible]	[illegible]	30,313	40,329	31,657
12	395,358	41,477	25,307	40,831	26,165	28,988	44,847	[illegible]	[illegible]	[illegible]	28,101	30,386	27,056
13	409,280	36,587	35,436	35,774	44,786	29,588	30,183	29,429	36,740	25,801	[illegible]	40,136	32,403
14	402,581	35,558	40,521	39,673	28,029	42,808	34,025	27,364	26,898	29,593	25,864	41,339	30,907
15	437,189	40,216	25,170	41,096	42,493	28,254	41,533	43,776	[illegible]	[illegible]	[illegible]	[illegible]	38,655
Average	411,639	36,864	32,141	34,144	33,251	33,731	36,336	33,566	[illegible]	[illegible]	[illegible]	[illegible]	33,099
		8.96%	7.81%	8.29%	8.08%	8.19%	8.83%	8.15%	8.63%	8.15%	8.57%	8.30%	8.04%

Averages that can be used

Variance Analysis

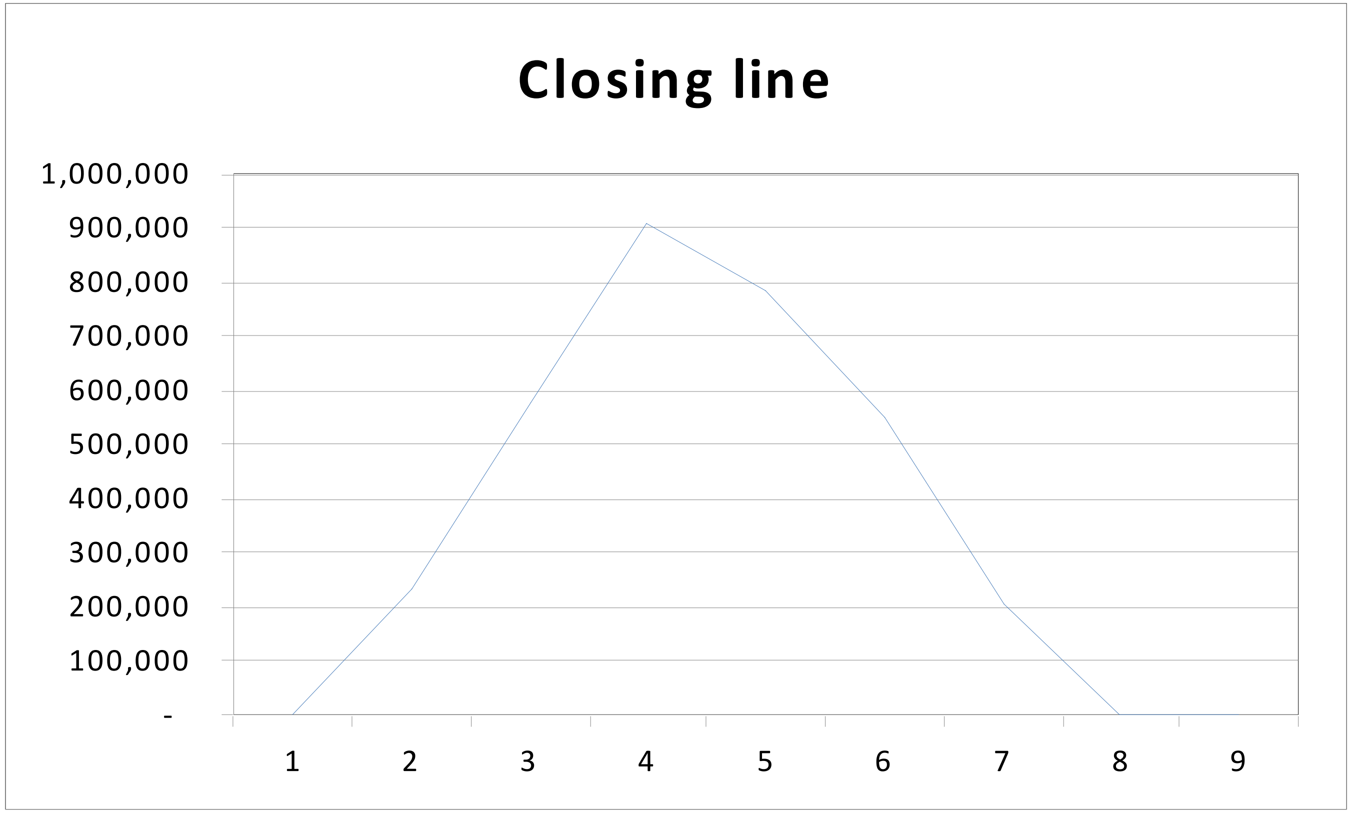
- Who is at fault?
- The plan?
- The manager?

The Cash Plan

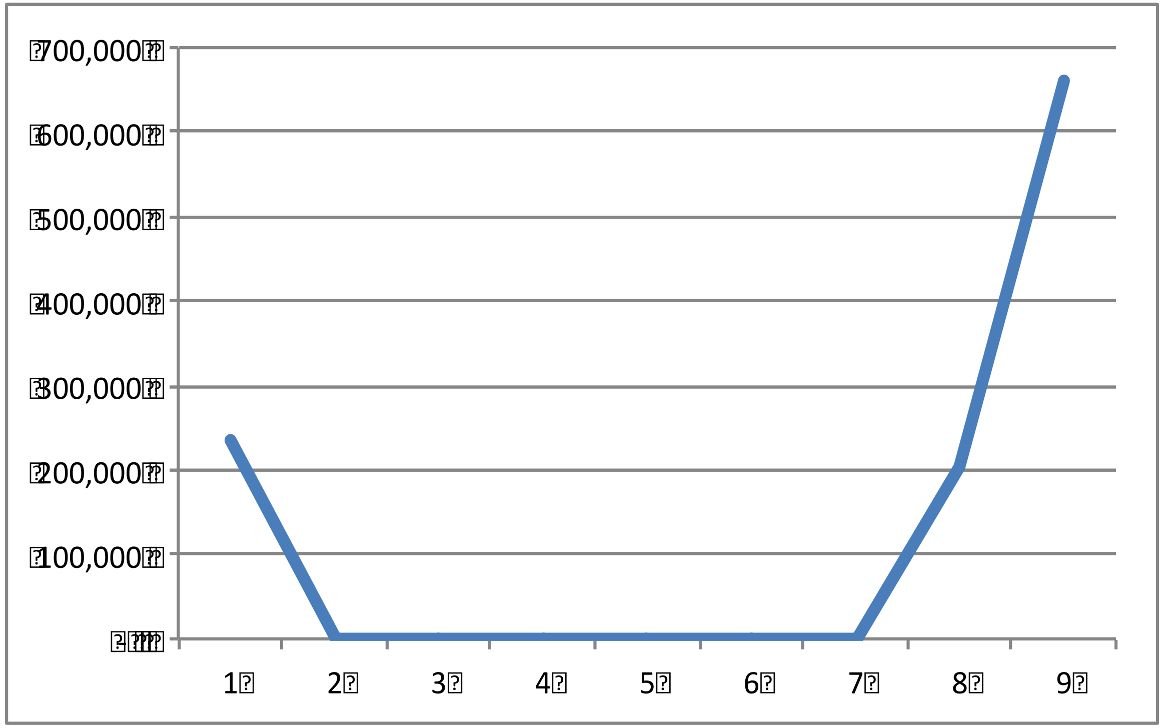
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Net cash flow	234,566	(465,744)	(345,678)	(564,877)	126,544	236,455	345,687	354,566	458,600
Opening line	-		231,178	345,678	910,555	784,011	547,556	201,869	-
Borrowing	-	231,178	345,678	564,877	-	-	-	-	-
Payback	-				126,544	236,455	345,687	152,697	-
Closing line	-	231,178	576,856	910,555	784,011	547,556	201,869	-	-
Opening investments	-	234,566	-	-	-	-	-	-	201,869
Addition to investments	234,566		-	-	-	-	-	201,869	458,600
Deduction from investments	-	(234,566)	-	-	-	-	-	-	-
Closing investments	234,566	-	-	-	-	-	-	201,869	660,469

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Closing Line



Graph of the Investment Account



Procedure

- Start with the monthly plan
- Analyze past numbers to determine receivable and payable times
- Adjust sales for collection times
- Adjust raw materials and other payments for timing
- Add in uneven payments
- Adjust for non-repetitive receipts and payments

AI and Short-term Planning

- Improved number-crunching skills
- Greater accountability
- Improved cash forecasting
- Faster and more accurate variance analysis
- Better seasonal estimations based on past data

SURGENT
ACCOUNTING & FINANCIAL EDUCATION

Thank you!