

Introduction to Flex Budgeter

DashingInfo Corporation Limited

- **Challenges in budgeting**
Solutions of Flex Budgeter
Case Study

Challenges in budgeting

Managing an enterprise budget is an effective way to ensure a corporation makes profits. It enables enterprises to control costs and expenses accurately, and evaluate business productivity based on actual historical data, so as to realize profit growth effectively.

However, a complete enterprise budgeting involves whole staff, whole business, and whole processes. Planning for a practical and effective enterprise budget usually takes management team a lot of time. The process of preparing an annual budget, you encounter these problems:

- When trying to prepare the detailed budget plan, workload is growing exponentially.
- Logic of budgeting is changing every year such as cost elements changing, organizational structure changing, budget assumptions changing, allocation rules changing, budgeting methods changing, calculation logic continuously optimized
- Time consuming due to lack of effective communication and coordination.
- Budgeting plan analysis and its execution is not complete on time.
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Solutions of Flex Budgeter

Flex Budgeter is a complete budget solution designed for planning, tracking, and evaluating large enterprises and

governments, which support budget full lifecycle management, and it has been implemented in a number of multinational companies.



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- ◆ **Focus on business data forecasting. The system calculates the business data forecasted into the financial data automatically.**

Financial data like primary costs and secondary costs are important from financial perspective, but they are time consuming for cost center owners. The cost center owners prefer to focus on business data such travel times, employee number change, and program planning. Flex Budgeter supports to calculate business data into financial data automatically by user-defined functions, and it enables the cost center owners to focus on business forecasting.

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Benefits:

- Improve budgeting productivity and make a complete budget planning easy.

◆ **Support multidimensional organizational structure**

Both hierarchical and matrix organizational structures can be configured easily through multidimensional organizational structure.

Benefits:

- Flexible to reduce total cost ownership.

◆ **Support budget assumptions definition, Rate Table definition, business logic definition**

Flex Budgeter supports budget assumptions definition. Through simple forecast logic settings, you can complete a variety of budget forecasting calculations. For example, users can set the Social Insurance Base as a simple variable, and set traveling costs as rate tables. Then, these simple variables or rate tables can be used for budget forecasting calculation logic.

Benefits:

- Improve budgeting productivity
- Flexible to reduce total cost ownership.

◆ **Supports dedicated budgeting plan templates for each cost center.**

In Flex Budgeter, you can setup budgeting templates for each cost center by a simple set up configuration. The templates contain not only automatically calculations from business data to cost elements, but historical data comparison, threshold value warning, and so on.

◆ Coordinated budget planning process

In Flex Budgeter, budget controlling team and the cost center owners efficiently collaborate through the budgeting state control and comments features; greatly improving communications.

Benefits:

- Improve collaboration and communication effectiveness.

◆ Others

- ◇ Cost allocation rules: supports user-defined allocation key, internal and external (charge to other legal entities) allocations.
- ◇ Multi-language: Supports Chinese, English
- ◇ Built a variety of reports and budget analysis
- ◇ Web technology, easy to deploy
- ◇ Flexible access control.

Case Study

Company B is one of the most well-known Fortune 500 companies in the world, which is Germany's largest industrial group and has a history of 150 years or so. Chinese holding company of B is B's sub-group, managing about 20 subsidiaries in China.

In January 2014, DashingInfo Corporation Limited won in bidding with the world's largest software giant, starting to provide budget management solutions for B's Chinese holding company. The IT department of Company B is a global IT support platform in China, which is responsible for supporting IT services to all subsidiaries in China. Company B uses global vertical management, crossing in the Chinese local management

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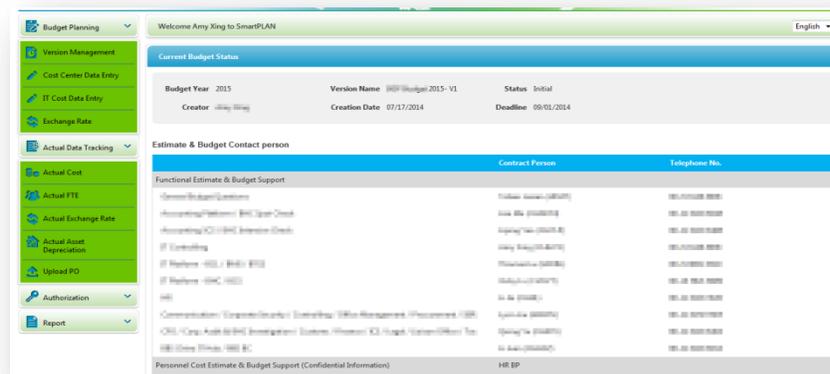
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processes. The resulting challenge is one budget plan is not only supporting two different budgeting methods, but also combined with secondary cost. Flex Budgeter uses its own flexible user-defined functions and solid underlying architecture to meet the complex business needs.

After B's Chinese holding company deployed Flex Budgeter, budget planning cycle was substantially reduced. efficiency has been significantly improved: Before using Flex Budgeter system, B's Chinese holding company just had 80 cost centers, but budgeting plan would took 3 months to complete; With Flex Budgeter, Cost centers of B's Chinese holding company increased to 230, but budgeting only took 1 month.

◆ **Budget system main user interface**



The screenshot displays the main user interface of the Flex Budgeter system. On the left is a sidebar menu with categories like 'Budget Planning', 'Actual Data Tracking', and 'Report'. The main content area shows a 'Current Budget Status' section with fields for Budget Year (2015), Version Name (BGP Budget 2015- V1), Status (Initial), Creator (Amy Xing), Creation Date (07/17/2014), and Deadline (09/02/2014). Below this is a table titled 'Estimate & Budget Contact person' with columns for 'Contract Person' and 'Telephone No.'. The table lists various departments and their contact information.

	Contract Person	Telephone No.
Functional Estimate & Budget Support		
General Manager/Secretary	Yiwei Wang (01020)	001-01000-8800
Accounting/Network/BMC Support Desk	Yiwei Wang (01020)	001-01000-8800
Accounting/ICD/HRM/Extension Desk	Yiwei Wang (01020)	001-01000-8800
IT/Controlling	Yiwei Wang (01020)	001-01000-8800
IT Platform (MSL/BMC) RTO	Yiwei Wang (01020)	001-01000-8800
IT Platform (HRM) RTO	Yiwei Wang (01020)	001-01000-8800
HR	Yiwei Wang (01020)	001-01000-8800
Communication/Corporate Secretary/Controlling/Office Management/Personnel/HR	Yiwei Wang (01020)	001-01000-8800
CRM/Comp. Audit/BMC Investigation/Customs/Finance/ICD/Logistics/Market/Sec	Yiwei Wang (01020)	001-01000-8800
HR/Office Admin/HRM/EC	Yiwei Wang (01020)	001-01000-8800
Personal Cost Estimate & Budget Support (Confidential Information)	HR BP	

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◆ **Budget system business forecasting interface**

The screenshot shows a 'Budget' window with the following data:

Personnel Cost	Actual 2013	Budget 2014	Actual H1 2014	Estimate H2 2014	Run Rate 2014	Estimate 2014	Budget 2015
Permanent FTE	0.00	0.00	.00	.00	.00	.00	0.00
Total Cost	6,16,999.96	6,16,110.70	1,21,000.00	1,54,400.15	647,000.00	6,71,400.15	2,81,999.85

Summary statistics:

- In CNY: MI Cost of Existing FTE: 25,637
- Personnel Cost of Existing FTE before MI: 14,000.00
- Personnel Cost of Existing FTE after MI: 12,269.6
- FTE Increase Cost-Estimate H2: 0.00
- FTE Decrease Cost-Estimate H2: 0.00
- FTE Increase Cost-Budget: 0.00
- FTE Decrease Cost-Budget: 47,071.1
- Promotion Cost: 4,673.31
- Personnel Cost FY Budget: 1,91,999.86
- Other Personnel Cost Adjustment: 1,84,480.00

Buttons: Save, Return

Tables for FTE Increase and FTE Decrease with columns: Position/Title, Employee Type, Individual Grade, Effective Month, Basic Monthly Salary, Quantity, Comments.

◆ **Budget system master data maintenance interface**

The screenshot shows the 'Cost Element List' interface with the following table:

Code	Name	Type	Group	Creation Date	Creator	Remarks
6010400	Other Bonus - Savings Plan	Primary	Personnel	09/03/2014	System	
6011000	Salaries	Primary	Personnel	09/03/2014	System	basic (local/...
6011500	Bonuses	Primary	Personnel	09/03/2014	System	Double pay, P...
6011540	Other Premium Salary	Primary	Personnel	09/03/2014	System	Transportation
6011700	Overtime Premium - salary	Primary	Personnel	09/03/2014	System	Overtime Pre...
6020100	Vacation Comp.	Primary	Personnel	09/03/2014	System	Accruals / pro...
6020220	Unemployment Fund	Primary	Personnel	09/03/2014	System	Unemployem...
6020340	Social security contribution - Housing Fund	Primary	Personnel	09/03/2014	System	Housing Fund
6020360	Pension	Primary	Personnel	09/03/2014	System	Employer con...
6020650	Pension insur. fund	Primary	Personnel	09/03/2014	Any Xing	

Navigation: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, Next, Last

Right sidebar menu: Cost Element, Master Data Setup, Cost Element, SRE, Cost Center, Cost Center Hierarchy, Task Hierarchy, Cost Element Hierarchy, IT - Cost Item, IT - Assign Caretaker, IT & Office - Asset Item, Assumption, Single, Multiple, Business Logic, Forecast Logic, Internal Allocation, Allocation Key Type, Charge Out, ChargeOut Key Type, ChargeOut Key.

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◆ **Budget system status control interface**

Budgeting Process

Cost Center: Cost Center Status: All Status Cost Center Owner: Task: All

Master Data Open Open All Close Close All Allocate

Task	Cost Center	Cost Center Name	Cost Center Owner	Status	Last Submission	Actual 2013	Estimate 2014	Budget 2015	Action
<input type="checkbox"/>	ACC. 09672610	BGP-BGP-ACC-COMB	Thur Shen	Submit	09/03/2014	1,150,000.00	1,062,300.00	669,999.85	Detail
<input type="checkbox"/>	ACC. 10252610	BTPU-BGP-ACC-COMB	Thur Shen	Submit	09/03/2014	918,000.00	1,179,400.00	1,100,000.00	Detail
<input type="checkbox"/>	ACC. 1120682417	BMV-M-BGP-ACC-COMB	Thur Shen	Submit	09/03/2014		150,000.00	150,000.00	Detail
<input type="checkbox"/>	ACC. 4A20680003	BMV-H-BGP-ACC-COMB	Thur Shen	Submit	09/03/2014	1,471,000.00	1,170,092.00	1,140,000.00	Detail
<input type="checkbox"/>	ACC. 9F20680001	BMV-L-BGP-ACC-COMB	Thur Shen	Submit	09/03/2014	600,000.00	2,110,000.00	1,610,010.66	Detail
<input type="checkbox"/>	ACC. 8820682417	BMV-H-BGP-ACC-CA GA	Thur Shen	Close	09/03/2014	1,421,100.00	1,418,000.00	1,418,000.00	Detail
<input type="checkbox"/>	ACC. 8820682610	BMV-L-BGP-ACC-BP	Yan Ma	Submit	09/03/2014	2,701,970.00	2,092,298.00	1,547,182.00	Detail
<input type="checkbox"/>	ACC. 8100682620	BMV-H-BGP-ACC-COMB	Thur Shen	Submit	09/03/2014	1,219,000.00	884,162.00	1,000,000.00	Detail
<input type="checkbox"/>	ACC. 8100002809	BGP-ACC-TAX OP.	Alexander Marcour	Submit	09/03/2014	1,116,226.00	0.00	0.00	Detail
<input type="checkbox"/>	ACC. 8100002821	BGP-ACC-CA TA COE	Yuanqing Yang	Submit	09/03/2014	1,113,073.00	6,117,409.00	9,841,554.00	Detail

◆ **Budget system budgeting analysis interface**

