

Deflytics: Don't let Excel slow your Financial Planning and Analysis process



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Defy Analytics

Mumbai, Maharashtra Aug 30, 2024 ([Issuewire.com](https://www.issuewire.com)) - Spreadsheets are the most common tool used by Finance professionals across industries - that's one thing Deflytics Consulting has observed in each of the 55+ [financial planning and analysis](#) projects it has executed. Whether it's budgeting & planning, doing variances, other analysis, forecasts, or scenarios, spreadsheets are the default, go-to tool for FP&A professionals.

But once organizations reach a certain scale in terms of their operations – products/services, territories, plants, functions, distributors, stores, customers, channels – that’s when spreadsheets become cumbersome and tiring to process and maintain. Some of the key limitations include:

- **No multi-dimensional analysis** - Spreadsheets are essentially 2 dimensional in nature; every time one needs to add a 3rd dimension, one ends up adding tabs to the sheet. There is no way for users to analyze multiple dimensions simultaneously.
- **Calculations and assumption set-up** - Creating macros, and formulas, and linking them across sheets is a tedious process. Plus, one needs to add different definitions, rules, formulae, or logic for different unit segments or functions in the organization. Any mistakes or inconsistencies can lead to inaccurate results.
- **Multiple versions** - As part of financial planning and analysis you always end up creating multiple versions of a particular process. For example, when you are doing your annual operating plan it's very common to see organizations going through 10+ revisions before the final plan is locked. The same is true in the case of forecasting. It's challenging to compare the different versions or track the changes. And there are chances that one may miss capturing some of the vital changes across revisions.
- **Tedious “What-if” Scenario Planning** - While one could do scenario analysis in spreadsheets, it becomes cumbersome to analyse multiple parameters together.
- **Predictive Analytics** - Machine learning-driven predictive analytics can help finance professionals improve the accuracy of their forecasts. Such capability is not currently available with spreadsheets.
- **Difficult to integrate source data** – ERP data is required for comparing actual versus budget and forecasts. Bringing in all this data, massaging it, and transforming it ends up taking more than 60% of a financial analyst’s time. This results in monthly close stretching to Week-2 or ad-hoc analysis taking more than a day.
- **Limited data security, access control, and Audit-trail** - Spreadsheets can be easily shared across teams, but there is no audit trail available and it is also difficult to handle access control within sheets.
- **Cannot have workflow and process Automation** - Most FP&A processes involve a timeline and cross-team collaboration. While spreadsheets are becoming better, one cannot embed processes, tasks, and timelines.
- **Person-dependency** - As we all have experienced some time in our careers, the moment a person who has created the macros and formulae departs, it's extremely challenging to recreate

and maintain the spreadsheets.

Modern, new-age [Financial Planning and Analysis software](#) addresses all of the above spreadsheet drawbacks while offering speed, collaboration, scalability, and robust analytical capabilities. [FP&A consulting firms](#) can help organizations leverage such software to improve - planning cycles, decision-making, and accuracy, with their Financial Planning & Analysis services.

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