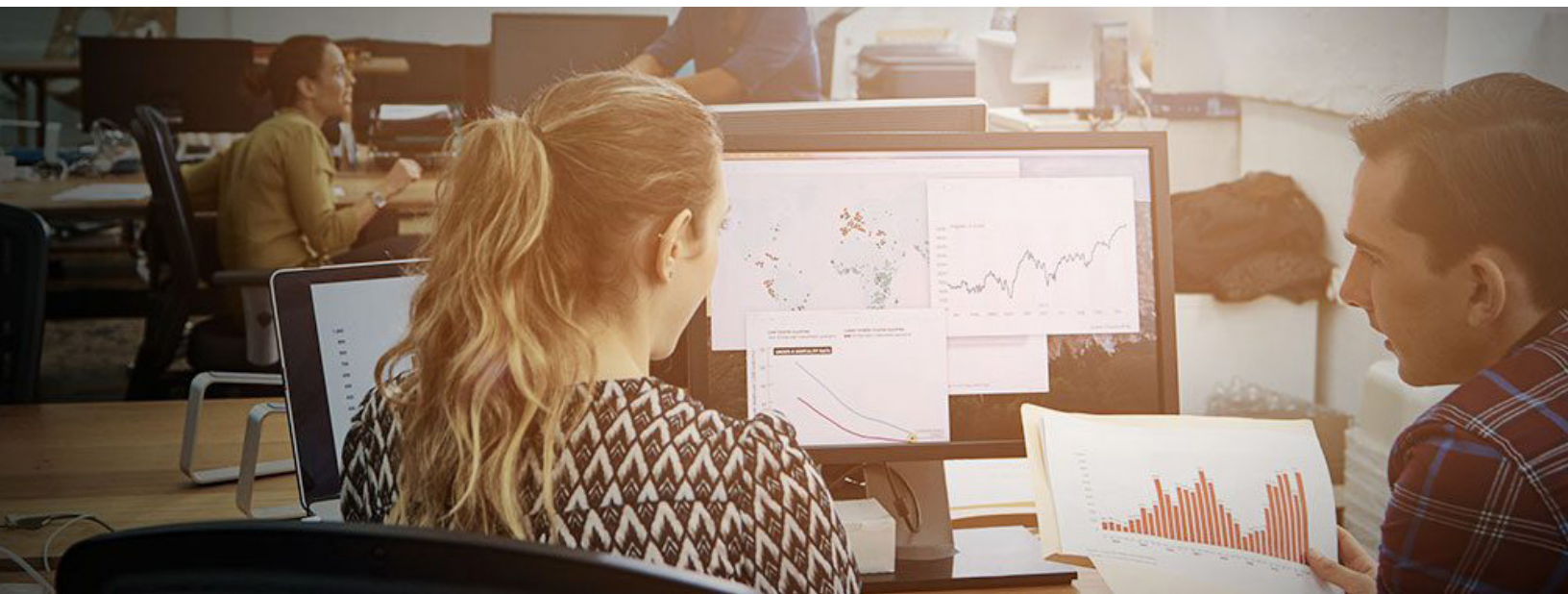**Vanguard Software**
C O R P O R A T I O N

7 Features You Need in Cash Flow
Forecasting Software

Understanding your organization's cash flow has always been important. In lean times, when it's not possible to operate with large cash balances, accurate cash flow forecasting becomes critical.

Forecasting software shows future and current cash flow, which helps organizations respond nimbly to change. Unlike spreadsheets, the best forecasting software is flexible with visibility into what changes were made, when, and why.

There are multiple forecasting software options on the market. Following are seven key features to look for:

1. **Provides always up-to-date forecasts:** You can't respond to change if you don't know when it occurs. Become an agile, smarter organization with a system that produces forecasts based on real-time information.

    Look for software that:
    *   Automatically analyzes data and assumptions as soon as they become available
    *   Instantly pushes changes throughout the system in real time, updating all forecasts

Executive Summary:
*   Accurate cash flow forecasting is critical to balancing capital investment plans with liquidity needs. Herein are 7 ways that is done.

Vanguard's Solution:
*   An enterprise planning tool that integrates workflow and data systems to deliver fast, accurate cash-flow forecasts.

Impact on Client's Business:
*   Real-time intelligence sharing for exceptional cash-flow transparency and up-to-the-minute planning.

- Shows users the impacts on all areas of the organization as changes happen

2. **Gives one version of the truth:** The best forecasts are actionable ones, but it becomes challenging to make decisions if there are multiple, competing forecasts with different underlying assumptions. Instead, have stakeholders contribute to a single forecast.

    Look for forecasting software that:
    - Is server or cloud-based for centralized forecasting
    - Lets multiple users work on the same forecast simultaneously without having to pass files around
    - Automatically loads the latest updates so you don't have to manually search for the newest datasets or worry about versions

3. **Enables complete transparency:** Transparency not only helps you get better buy-in, it means greater accountability. For every forecast, you and your stakeholders should be able to see what changes and assumptions were made, when, why, and who approved them. Transparency, however, doesn't mean you should let everyone access and change your information. A user management system that lets managers assign ownership of assumptions to certain people or groups will help you retain strong oversight.

    Look for forecasting software that:
    - Automatically tracks, documents, and time-stamps changes
    - Lets you review old versions of any assumptions
    - Can "roll back" and load forecasts from any previous date and time
    - Assigns ownership of assumptions to people or groups

4. **Lets you test what-if scenarios:** You and your organization's stakeholders must be able to quickly and easily test different what-if scenarios. What-if scenarios are a critical component to any planning process. They can represent decisions that you can make, such as potential investments, or deviations from your expectations, such as worst- or best-case outcomes.

    Look for forecasting software that:
    - Lets you visualize the impact of the what-if scenarios on your key metrics
    - Supports drillable reports to the line item level for a more detailed understanding
    - Can save scenarios, compare scenarios, and highlight differences in assumptions and results

5. **Automates time-consuming data management:** Let computers do what they do best: handle massive amounts of data. Don't waste time copying and pasting data.

    Look for forecasting software that:
    - Continually and automatically pulls data from your databases into the software
    - Easily exports forecasts to spreadsheets and ERP, financial, or other data systems
    - Customizes reports that match how you need to view information
    - Flags potential data errors so you don't have to worry about quality

6. **Uses advanced analytics to find important information:** Forecasting often involves tedious, manual sifting through huge datasets and a lot of guesswork. Instead, you should be focusing on the big picture: your cash flow.

   Look for forecasting software that:
   - Automates the detection of trends and patterns
   - Provides a library of forecasting methods and models
   - Has an option to automatically choose the best-fit forecasting method for your data
   - Lets you add or link to other models your organization has already developed
   - For project-based forecasting, allows the automatic application of spread curves to any new project with easy-to-change parameters like dates and durations

7. **Balances analytics with insight:** Your forecasting algorithms might be perfect, but your forecasts will be inaccurate and fail to gain buy-in if you don't include the insights of your stakeholders. You get more accurate forecasts and improved communication when stakeholders are directly involved in the process.

   Look for forecasting software that:
   - Lets stakeholders easily contribute their insights regarding upcoming events, established patterns, and other assumptions
   - Facilitates communication between stakeholders, such as proposing changes or passing messages to others
   - Immediately shows stakeholders the impacts of their contributions to all forecasts so they understand how critical they are to the process

Vanguard has over 20-years' experience building the most precise forecasting and supply chain optimization solutions available. Learn more at vanguardsw.com.