

Adaptive Planning

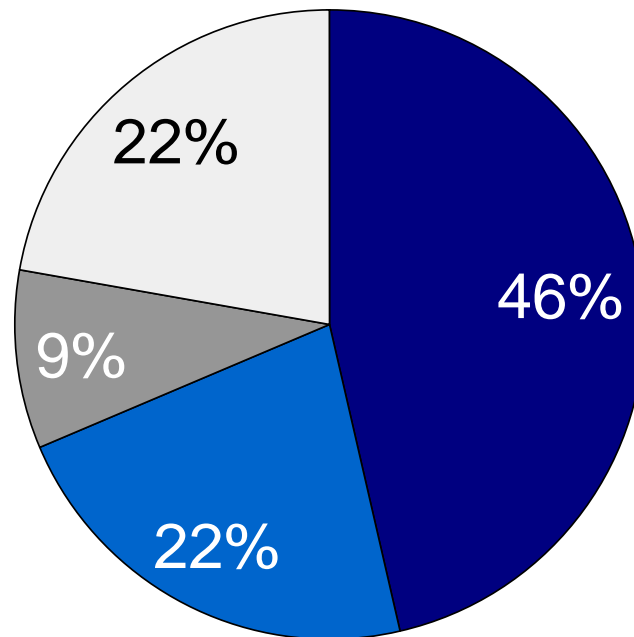
Business Volatility & Variables Survey Results



October, 2009

Survey Overview

- Business Volatility and Variables Poll is conducted quarterly
 - Current poll – September/October 2009
 - Prior poll – May 2009
- Managed by Adaptive Planning and the BPM Forum
- Gathers input on key economic indicators
- Solicits feedback on planning processes
- Participants are financial professionals from companies of all sizes in over 20 industries



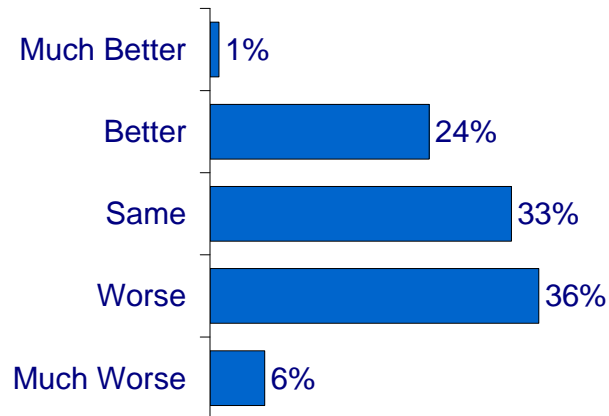
■ 1-99 ■ 100-999 ■ 1,000 - 2,499 ■ 2,500 or more

Number of Employees

Conditions Are Improving – Marginally

Current Conditions

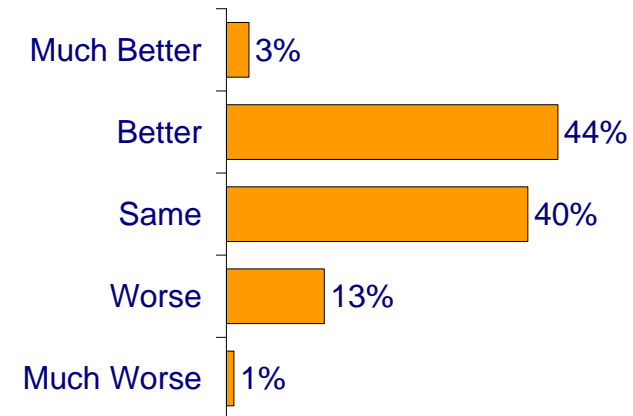
How would you describe the current economic conditions in your industry vs. 6 months ago?



- A total of 42% say conditions are worse now than 6 months ago – compared to 53% last quarter
- 25% say conditions are better – up from 15% last quarter

Future Expectations

Compared to today, how do you expect conditions in your industry will be in 6 months?

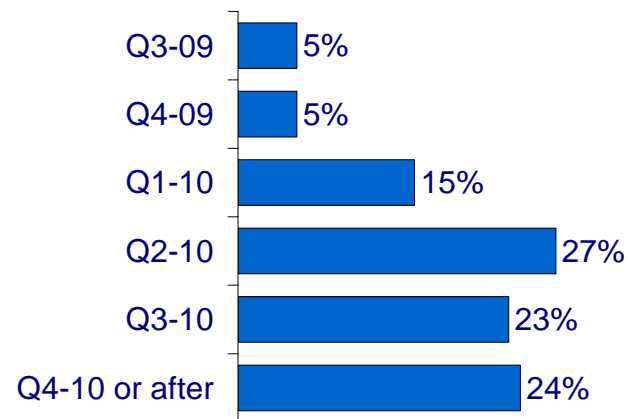


- 47% expect conditions to improve in next 6 months – unchanged from last quarter
- There were few differences on either question across different company sizes

Expected Recovery Pushed into 2H 2010

Expected Recovery

When do you expect the US economy to begin to recover?

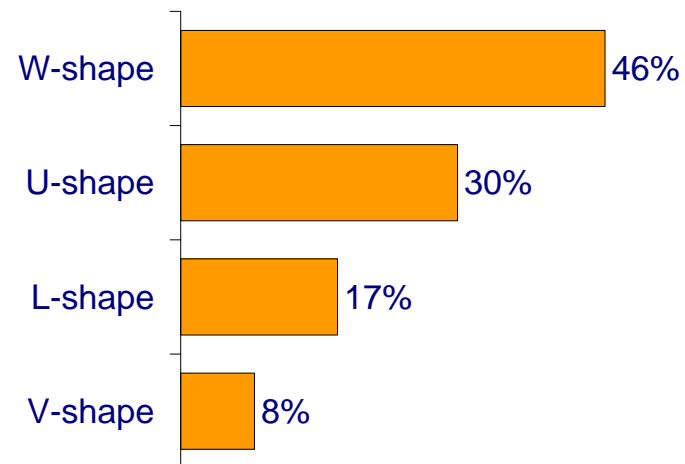


- 10% expect recovery to begin in 2009 (vs. 37% last quarter)
- 42% expect it in 1H 2010 (vs. 44%)
- 47% expect it in 2H 2010 or beyond (vs. 18%)

And a “Double Dip” Recession Expected

Shape of Recovery

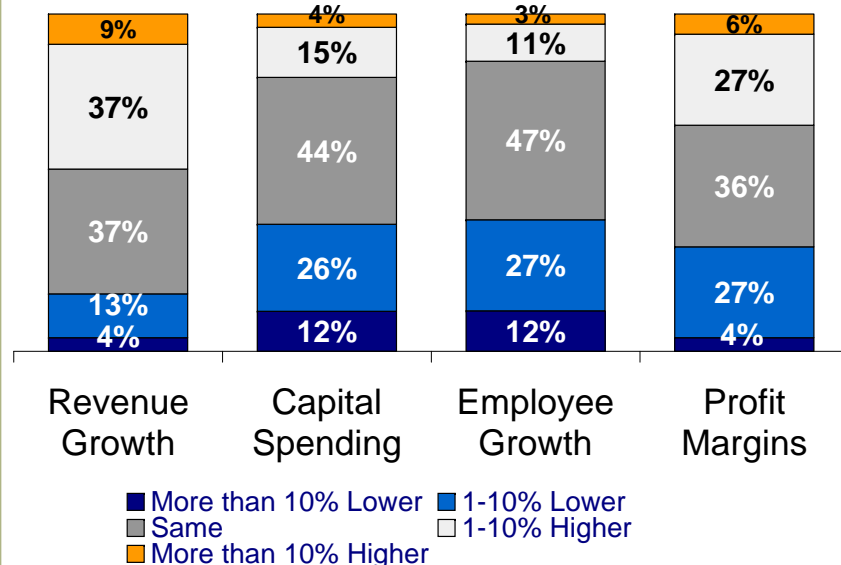
What letter do you believe will describe the shape of the recovery?



Growth Still Mixed; Jobs Outlook Deteriorates

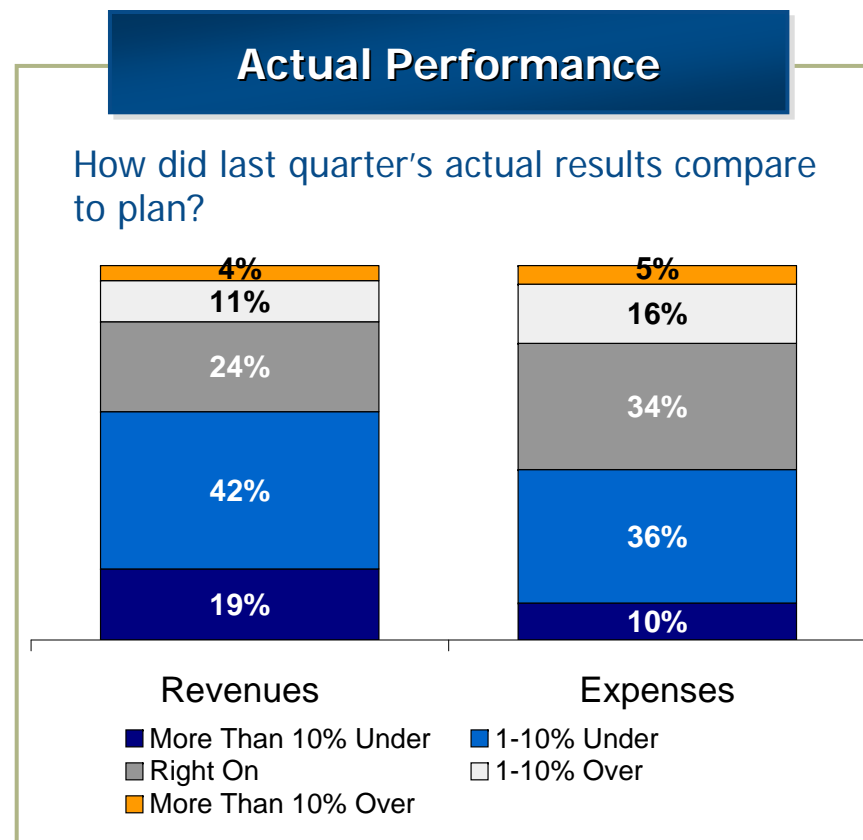
Growth Expectations

What do you expect for your company in 6 months versus now?



- Improvements expected for revenues and profits:
 - 46% expect revenue growth over next 6 months
 - 33% expect growth in profit margins
 - Same as last quarter
- 19% expecting capital spending increases and 38% expecting decreases – similar to last quarter
- Employment picture has deteriorated:
 - Hiring plans decreased from last survey (14% vs. 21% last quarter)
 - And expectations for further reductions increased (39% vs. 32% last quarter)
 - 47% of larger companies (100+ employees) expect reductions

Companies Continue to Under-perform Plan

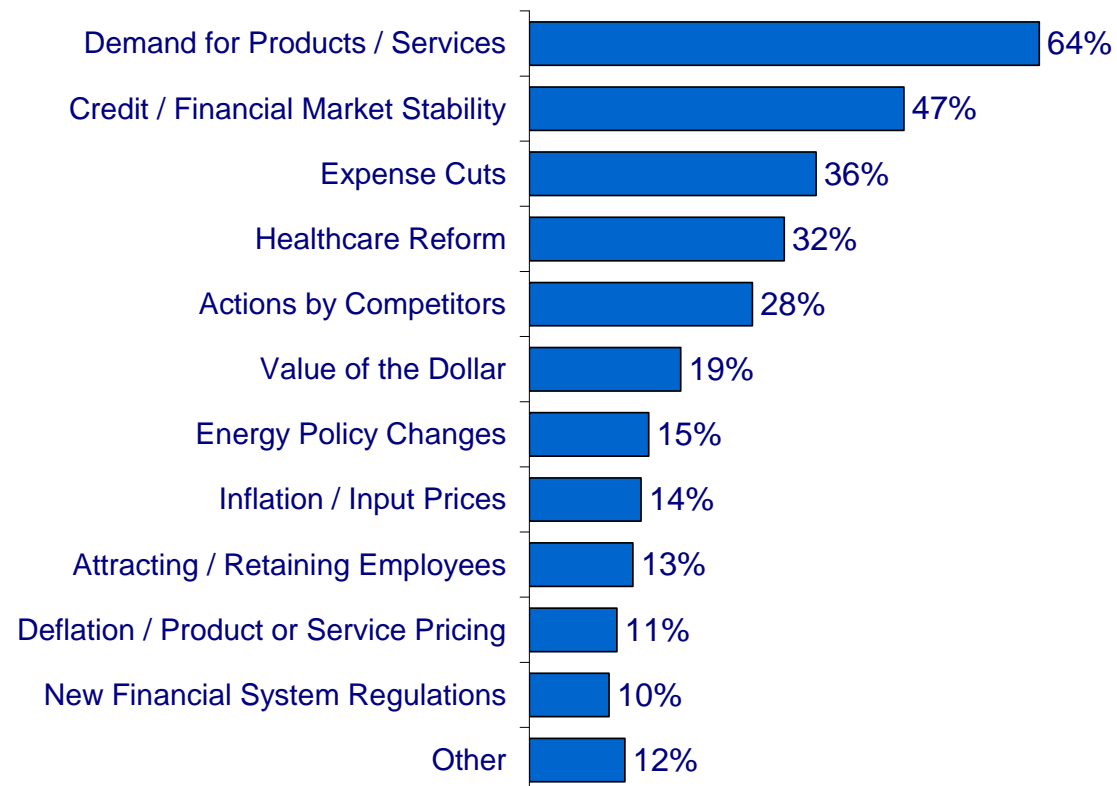


- 61% came in under revenue plan (vs. 56% last quarter)
- Somewhat offset by 46% coming in under expense targets
- Similar across company sizes

Top Concerns Remain Unchanged

Greatest Concerns

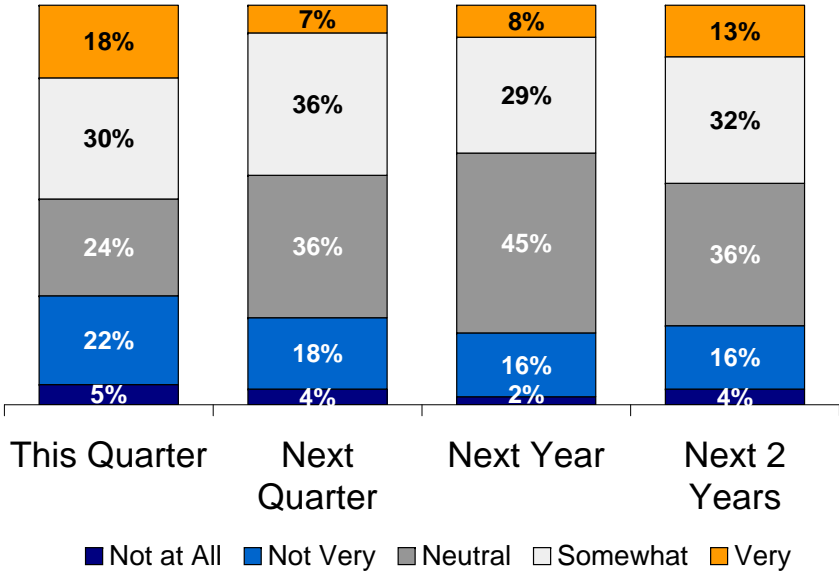
Over the next 6 months, which of the following are of greatest concern to you? (Please choose three.)



Confidence Steady, But Uncertainty Increases

Confidence in Forecasts

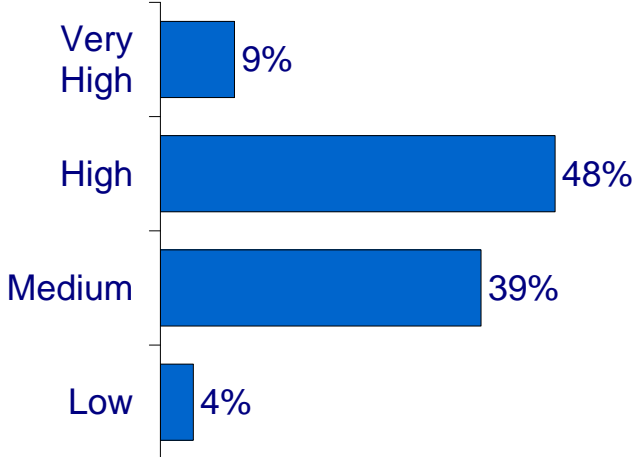
How confident are you that you will hit your current forecasts?



- On average, 43% are confident of hitting forecasts over all timeframes, similar to 45% last quarter

Degree of Uncertainty

How would you characterize the current level of economic uncertainty facing your business?

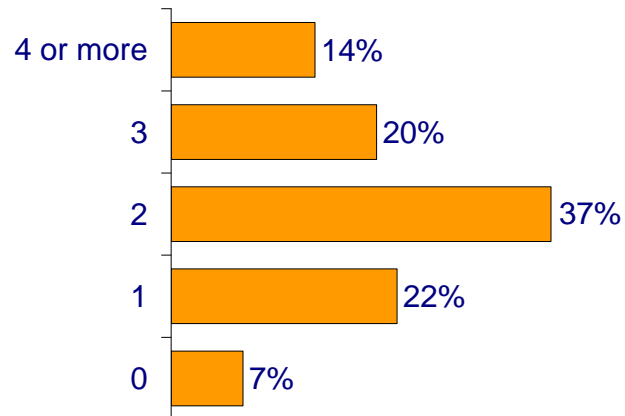


- 57% say “High” or “Very High” uncertainty, vs. 45% last quarter

Re-planning Activity Continues to Increase

Frequent Re-planning

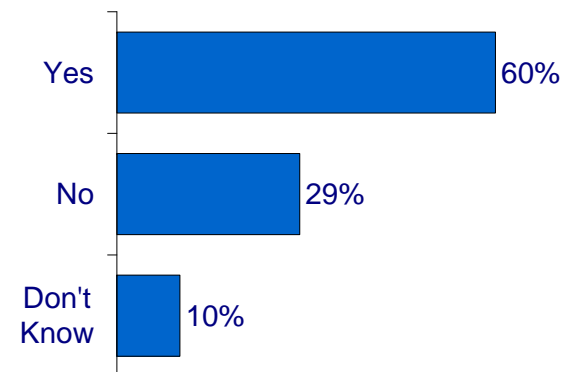
How many times did your company re-plan, re-forecast, or create what-if scenarios last quarter?



- 34% re-planned, re-forecast, or created what-if scenarios 3+ times last quarter
- Up from 28% last quarter, and over 2X the rate in Q4 08
- 38% of larger companies (>100 employees) re-planned 3+ times

More "What-Ifs" in Future

Will the uncertain economic environment cause you to re-plan, re-forecast, and perform what-if analyses more frequently in the next quarter?



- 60% expect to do even more re-planning going forward (vs. 50% last quarter)

Budgeting is Slow...

Duration of Budgeting

How long do you expect your 2010 budgeting process will take?

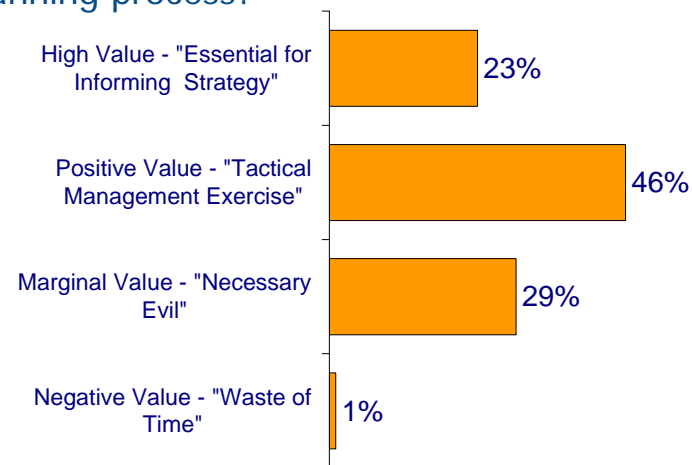


- Overall, 56% report 3+ months
- Larger companies take longer:
 - 69% of companies with 100+ employees take 3+ months
 - 78% with 1,000+ employees take 3+ months (and 38% take 4+ months)

... and Not Strategic

Value of Budgeting

Which of the below most accurately describes the business value created by your budgeting/ planning process?



- Fewer than 25% see budgeting as high value and strategic
- More see it as a “necessary evil” than “essential for strategy”
- Only 12% of companies >\$10M report it as high value

The Problems with Budgeting & Planning

Greatest Challenges

What challenges are associated with your budgeting and planning processes?

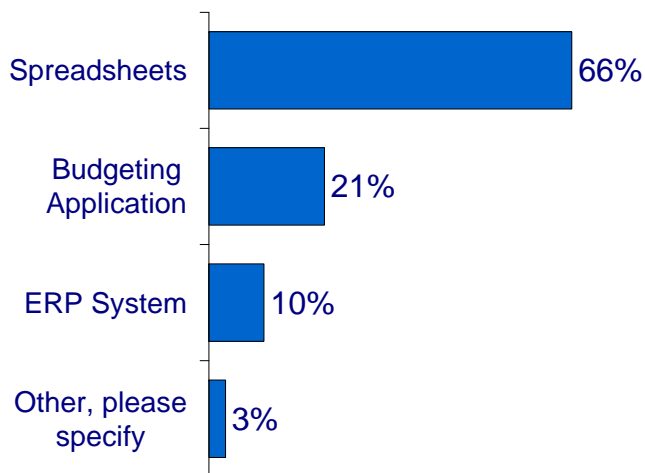


- Companies of all sizes report that not having enough time for analysis is their greatest challenge
- For midsized & large companies, 48% say they spend “Too much time on the processes vs. analysis,” while 41% say they “Take too long”

Spreadsheets Are Predominant & Problematic

Primary Technology

What primary technology do you use to manage your budgeting and planning processes?



- Spreadsheets are the primary planning technology for 66% of companies
- Usage is common for all company sizes, including 55% of those with 1,000+ employees
- Spreadsheet usage results in problems; for companies with 100+ employees:
 - 45% of spreadsheet users take 4+ months, vs. 29% using other software
 - 51% of spreadsheet users report processes “take too long,” vs. 26% of software users
 - 44% complain about lack of support for what-ifs, vs. 22% using software
 - 16% say budgeting is “high value” vs. 26% of software users

About the Sponsors

Adaptive Planning

Adaptive Planning is the worldwide leader in on-demand financial planning and reporting solutions that improve operational efficiency, strengthen companywide collaboration, and drive better business decisions in companies of all sizes. Adaptive Planning makes it easy to move beyond spreadsheets and automate budgeting, forecasting, reporting, and “what-if” analysis, without the cost and complexity associated with traditional business intelligence and BPM software. With free software, free trials, and both on-demand and on-premise deployment options, Adaptive Planning is the fastest and easiest way for finance organizations to enhance their agility and strategic value.

Learn more: [View a Demo](#) | [Attend a Seminar](#) | [Get a Free Trial](#)

BPM Forum

The Business Performance Management (BPM) Forum is dedicated to advancing performance accountability, process improvement, operational visibility and compliance in global organizations. It provides support to thousands of senior executives and practitioners representing enterprises with more than \$500 billion in combined annual revenues. The BPM Forum's C-level members engage in research, thought leadership, and knowledge exchange programs around a variety of strategic issues and challenges. More information is available at: www.BPMForum.org.