

# Focus on Manufacturing

Adaptive Insights provides manufacturing companies with a performance management system that facilitates coordinated planning and reporting for production and sales, automatically driving integrated P&L, balance sheet, and cash flow statements.

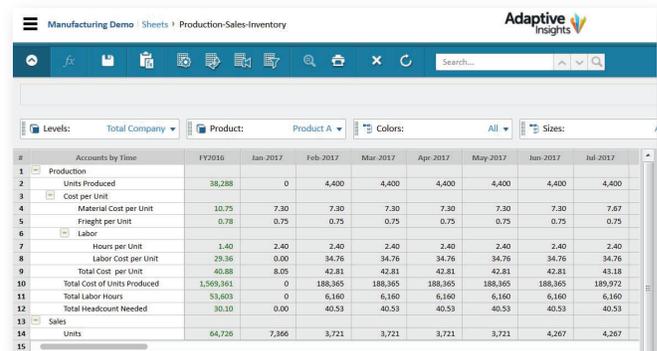
## Planning & Reporting Challenges

Budgeting and forecasting in the manufacturing industry can be challenging, as companies must balance how they plan for corporate growth with supply and demand fluctuations. Companies must match supply (from the production group) with demand (from sales and marketing.) Production and sales planning must be coordinated, but the nature of their planning can be inherently dissimilar.

Production planning typically involves detailed unit/volume projections (product volumes, labor hours, etc.) This unit planning may be done in detail for specific products and for specific types of labor (e.g., plant shifts, overtime, and direct and indirect labor.) The product volume forecast must be tied to the required labor and inventory forecasts. KPIs for production include labor rates, inventory turns, capital spending, costs per unit, and cost variances.

Sales planning may also involve units, though at a higher and different level than production planning. For example, sales units may be planned by brand/product family rather than by specific product. Other dimensions may include customers, channels, geography, and sales reps.

Spreadsheet-based systems are error-prone and fundamentally unsuited for the complex, dynamic planning and reporting required by manufacturing organizations.



#	Accounts by Time	FY2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017
1	Production								
2	Units Produced	38,288	0	4,400	4,400	4,400	4,400	4,400	4,400
3	Cost per Unit								
4	Material Cost per Unit	10.75	7.30	7.30	7.30	7.30	7.30	7.30	7.67
5	Freight per Unit	0.78	0.75	0.75	0.75	0.75	0.75	0.75	0.75
6	Labor								
7	Hours per Unit	1.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
8	Labor Cost per Unit	29.36	0.00	34.76	34.76	34.76	34.76	34.76	34.76
9	Total Cost per Unit	40.88	8.05	42.81	42.81	42.81	42.81	42.81	43.18
10	Total Cost of Units Produced	1,569,361	0	188,365	188,365	188,365	188,365	188,365	189,972
11	Total Labor Hours	53,603	0	6,160	6,160	6,160	6,160	6,160	6,160
12	Total Headcount Needed	30,10	0.00	40.53	40.53	40.53	40.53	40.53	40.53
13	Sales								
14	Units	64,726	7,866	3,721	3,721	3,721	3,721	4,267	4,267
15									

Manufacturing Planning Sheet Example

The Adaptive Suite allows us to be a lot more accurate in our planning because it is so much easier to update information as needed. We now have the flexibility to immediately react to keep information relevant and up-to-date.

— Manager of FP&A, Quidel

## The Adaptive Insights Solution

Adaptive Insights has been successful in helping hundreds of manufacturing companies streamline their planning and analysis. With easy, powerful, and fast software that automates collaborative planning, reporting, analytics, and financial consolidation, you get a best-practice, active planning process to drive manufacturing success.

### Budgeting, Planning, and Forecasting

- Coordinate planning for production and sales unit volumes, matching supply and demand and automatically driving integrated costs and revenues
- Plan with a 4-4-5 calendar or create your own custom fiscal calendar to match your unique planning needs
- Plan at the appropriate level of granularity including daily, weekly, monthly, and quarterly
- Integrate inventory and capital planning with production and sales planning
- Plan multiple categories of employee expenses, such as direct and indirect labor, union and non-union pay grades, etc.
- Streamline complex consolidation of data from multiple worldwide plants, divisions, and functions

### Reporting and Analytics

- Report on and analyze cost variances and other key metrics, such as inventory turns, COGS, and average prices
- Analyze profit margins by product, geography, channel, and other dimensions
- Run what-if scenarios related to changes in metrics like new products, labor, or shifting markets
- Use reports to perform variance analysis and drill down into underlying transaction detail
- Improve accuracy and turnaround time in the planning and reporting process, and conduct frequent reforecasting

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