



A3 Modeling... the *(un)*CPM

WHITEPAPER

A3 embraces Excel in a new paradigm by coupling it with a powerful backend database. This reduces the time, frustration and errors in managing data, leaving you with the pure power of Excel. Quite simply, A3 Modeling is Faster, Better, Cheaper.

Faster

A3 Modeling provides an environment you know meaning you will be instantly productive. You can leverage your existing spreadsheets in your move to this new platform. Finally, A3 Modeling is built for Financial Analysts—no need for scarce IT or expensive Consultants.

Better

A3 Modeling leverages the best technology available today for spreadsheets (Excel) and its database (Microsoft SQL Server).

These enterprise class products allow for unparalleled modelling capabilities. With A3 Modeling there is no need for compromise.

Cheaper

By utilizing Microsoft products A3 dramatically reduces development costs which is reflected in our prices. As well, by using a familiar environment, training is reduced and user satisfaction increased.

“Our goal is to give financial management a natural, incremental option that builds on their skills and expertise, rather than a wholesale, gut wrenching change.”

— **Robert Lutt, CEO and Founder, A3 Solutions Inc.**

HISTORICAL PERSPECTIVE

Microsoft Excel is today's lingua franca of business analysis, currently in use at millions of organizations. Its popularity is understandable; Excel is ideally suited for creating financial documents in the form of sales forecasts, expense reports, profit and loss statements and a dizzying variety of proformas. As a robust spreadsheet application, it provides calculation tools, simple database functionality and its modeling capabilities are unrivaled. This all makes it an easy-to-use solution for collecting, consolidating, analyzing and otherwise managing financial and operational data.

However, Excel breaks down when pushed beyond standalone analysis tasks. It is a cumbersome tool for data storage and consolidation, and frustratingly tedious in a multi-user environment demanding live reporting. Excel has been pushed far beyond its originally intended purpose as the go-to financial-analysis platform for most businesses, from sole proprietorship to Global 1000 corporations. Although the power of Excel to enhance productivity, enforce uniformity and speed the delivery of information is undeniable, a variety of serious problems surround its daily use in enterprise environments.

For example, the challenge of consolidating data from hundreds or even thousands of spreadsheet files makes it impossible to enforce data integrity and consistency. As a result, financial managers find themselves continuously consolidating spreadsheet data into centralized financial information repositories. The result is that inconsistent, incomplete and otherwise questionable financials are relied upon for mission critical forecasting, budgeting, reporting and analysis.

Many companies have devised integral business models, processes and expertise around spreadsheets. Unfortunately, when spreadsheet processes become "enterprise processes", the administrative burden becomes untenable, and costs, inaccuracies and inefficiencies escalate.

"Viewing data in a spreadsheet makes a lot of sense. Storing the data there makes no sense at all."— **Large Grocery Retailer**

Ultimately these data integration and management issues create what we refer to as the "many versions of the truth" problem. The manual and time consuming practice of emailing Excel workbooks back and forth and replacing the original worksheets with newer ones creates enormous data duplication, in addition to file management and reconciliation issues. Companies waste valuable resources managing these "spreadmarts" and then attempting to deliver consolidated reports before the data becomes stale.

Predictably, managers struggle with a loss of visibility, a myriad of data integrity problems and compromised decision-making. Many executives are surprised to learn that the average organization depends on spreadsheets for twenty or more business-critical processes involving anywhere from ten to hundreds of users.

Despite the risks, an estimated 80 percent of companies still plan and manage their businesses using desktop spreadsheets—individual islands of data isolated on the desktops of analysts and managers.

To counter these problems, organizations often undertake customized data integration projects or deploy packaged budgeting applications—typically at great expense and effort. Another increasingly common strategy is to attempt to "tame" unmanageable "spreadmarts" with document management tools that track changes by user and enforce check-in/check-out security policies. Both approaches have merit but they fall short when models become even moderately complex, involve more than a handful of users, or require real-time consolidation, reporting and analysis.

A3 VISION

A3 Imagined a financial management solution that does it all: centrally administered with security, auditability and workflow, yet also supporting the flexible financial modeling practices that you take for granted in your spreadsheets. Imagine also, that this system enables instantaneous consolidations, executive dashboards, management-reporting and ad-hoc slice-and-dice analysis. Finally, this platform would unify multiple corporate performance management processes under a single application architecture, such as enterprise budgeting, compensation and human resource planning, capital budgeting, revenue forecasting, and product & customer profitability forecasting.

A3 MODELING

A3 Modeling realizes that vision by moving planning data into a separate financial modeling database or "cube", and delivering it live to Excel on a user's desktop along with an array of planning, analysis and reporting tools such as dashboards, workflow and "what if" analysis tools. Once installed and configured, A3 Modeling instantly reduces the time and labor associated with complex planning processes and delivers the following:

Data Management & Security:

A3 Modeling gives you enterprise financial data at your fingertips by consolidating corporate data from your GL and other sources with planning data previously kept in spreadsheet files. With A3, there is no data kept in spreadsheets so now there is only "One Version of the Truth".

Workflow: A3 Modeling lets you define your business process, initiate it and monitor it until completion. No more email, phone calls or difficult confrontations.

Cohesive Budgeting and Forecasting: Keep doing budgeting and forecasting your way, not according to somebody else's "best practices." Don't be constrained by the limitations of a pre-packaged application. A3 leverages your existing business rules and formulas to create a custom environment that reflects the uniqueness of your business.

Leverage Existing Spreadsheet Models and Processes: Your spreadsheets represent significant intellectual capital. A3 Modeling leverages the value in your existing assets, losing the administrative hassles of consolidating spreadsheets.

Comprehensive Reporting: A3 modeling supplies a complete spectrum of CPM functionality in a unified environment that includes ad hoc, variance and "What If" reporting.

Dashboards: A3 provides executive dashboards able to continuously monitor a company's vital signs.

Minimal Training & Low Overhead: A3 has created a series of interactive training sessions and hands-on workshops to launch customers toward full production and self-sufficiency. No need for extended service contracts, dependence on high-priced consultants or the high training costs inherent in working with proprietary technologies.

FOUNDATION TECHNOLOGY

A3 Modeling relies on two industry standards in providing the most comprehensive planning platform available today. These products are enterprise class which in turn means that A3 Modeling users will always find the capabilities, the flexibility and the power they need.

Excel: is the user interface—easy, familiar, intuitive. This is where data retrieval, entry and modeling take place, as well as, reporting and ad-hoc analytics. The choice of Excel is obvious. It is ubiquitous with over 750M users worldwide and it has the greatest number and depth of features in the industry.

A3 also provides an Excel add-in that makes templates designed for A3 Modeling "come alive" with sophisticated navigation, writeback, workflow, and what-if tools at your end-users' fingertips. As well, the ad-in provides powerful tools for data entry and manipulation.

Microsoft SQL Server/Analysis Services: is the Data Management and Security component of the A3 Modeling Platform. A3 moves your data out of spreadsheets and into centralized financial modeling "cubes". These cubes link and refresh directly to your general ledger so your data is never stale, and they support complex real-time aggregations and comprehensive user security. The choice of Microsoft SQL Server/Analysis Services (SQL/AS) as our modeling and consolidation "cube" technology was also obvious. This can best be demonstrated by looking to industry experts Gartner, who named SQL/AS the #1 Operational Database worldwide.

HOW IT WORKS

Get Started

Here are your first steps to get started with A3 modeling.

1. The customer will determine whether A3 is to be deployed as a pure SaaS solution in the A3 Cloud or in the customer's private cloud. Advantages of going with the A3 Cloud are:
 - Instant "on"
 - Zero interruption
 - Labor efficiencies & reduced travel
 - Award-winning data center services
2. Based on your general ledger data and your existing spreadsheet models, A3 collaborates with you to design your "Cube". This is an important step in laying the foundation for intuitive end-user access to data and low cost of maintenance.
3. Start automating your spreadsheets. We'll work closely with you starting either with your existing spreadsheets or preconfigured models supplied by A3 for advanced processes such as Capital Budgeting and Employee/Workforce Planning. We will tailor your templates to precisely match your business rules and processes. The combination of Excel and SQL Server cubes enables extraordinary flexibility to precisely meet your modeling and visual needs. Flexibility is the hallmark of A3 Modeling.

"Our approach has been to architect a platform based on industry leading technology for Data Management & Security, as well as, Spreadsheets. This leaves A3 to focus on planning functionality that delivers added value and ease of use for our customers."

– **Robert Lutt, CEO and Founder, A3 Solutions Inc.**

GET GOING

At this point, users access their familiar spreadsheet models and enjoy powerful new capabilities like:

- Interactive writeback
- Instant consolidations
- Automated version and scenario management
- Interactive slice and dice analysis
- Comprehensive security
- Multi-approval workflow, and
- KPI dashboards.

Executives who rely on cross-functional spreadsheet processes will receive accurate information quickly. The result is a high value, easy-to-deploy solution that offers:

Ease of Use applies to the familiar Excel interface and to A3 Modeling in the cloud that can be administered by non-technical personnel.

Greater efficiency via fast, accurate, automated consolidations

Higher data integrity, productivity and communications

Quicker business decisions, and clear visibility into issues through real-time analysis

Collaboration and communications features make administrators more efficient and more effective.

Better Accuracy means managers can include line item detail directly in generated workbooks, eliminating the need to cut-and-paste from Excel.

Speed, personalization and profile management allows managers to generate commonly used reports with a single click.

“What-if” analysis allows managers to use A3 while connected or disconnected from the network.

SELF-SUFFICIENCY

A3 Modeling was designed by Excel users for Excel users, to make life easier for and reduce or eliminate their dependence on IT. Nearly every aspect of the platform encourages self-sufficiency. For example, posting content to the A3 Modeling requires only basic word processing skills. The messaging interface allows administrators to quickly customize content for different groups. Users with basic knowledge of Excel can build spreadsheet applications efficiently. Creating customized financial models no longer requires large consulting contracts and months of work. A3 lets you leverage your existing spreadsheet assets and business domain knowledge to build these applications directly.

A3 easily supports the monthly consolidation processes of the most demanding enterprise. With A3 Modeling, you enjoy fully customized and highly sophisticated allocations processing, inter-company eliminations, currency conversion, and journal entries that are GAAP compliant. Unlike many traditional packaged offerings, our consolidations capability is an integral part of A3 Modeling. This means

reporting, analysis, budgeting and dashboard capabilities are configured and managed as a single integrated technology platform.

AN EXAMPLE

The Chief Marketing Officer of a major consumer products company identifies new revenue opportunities by studying recent sales forecasts. She decides to change the six-month product-mix forecast. Rather than emailing iterations of spreadsheet models to other managers, she simply opens A3 Modeling in her browser, selects the pertinent users and then chooses the model she wishes to update. She composes a brief message and sends it to the managers, along with a link that opens a live, personalized model containing just the data relevant to each user’s work. A minute later, users are updating their forecasts and the marketing officer has instant visibility into consolidated results in addition to the status of each user’s submission.

The entire collaboration process occurs quickly and efficiently, compressing an otherwise unwieldy decision-making process into a real-time event. Business interruption is minimized. Furthermore, as actuals data becomes available and variances are reported, the marketing officer can review the program and make corrections, optimizing financial budgeting, forecasting and management reporting.

About A3 Solutions

A3 Solutions Inc. is the developer of A3 Modeling, the **(un)CPM**, for budgeting, forecasting and financial consolidations and reporting. Designed by Excel users, for Excel users, A3 Modeling is faster, better and cheaper than conventional CPMs. Fast-growing, independent and private, A3 Solutions has customers across North America, including world-class companies like Honda, Sunlife Insurance, Williams Sonoma, and more.

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