

Manufacturing Industry User Group

The Annual budget is broken – why Manufacturing FP&A has to move to continuous planning



Your Speakers



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Agenda

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- 2 Prophix One Use Cases**
- 3 Prophix Demo**
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- 5 Wrap-up & Next Steps**

Housekeeping



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Q&A

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The Annual Budget is Broken

- Annual budgets built for stable conditions — but manufacturing no longer operates in a stable world
- Tariffs and policy shifts can upend cost structures overnight; forecasts lag by 45+ days
- **Result:** plans locked in November are obsolete by February, leaving teams explaining variances instead of managing performance
- Leading finance teams use predictive FP&A and scenario planning to anticipate disruption, not just react to it
- The shift: from the annual budget as the central artifact → rolling forecasts, driver-based models, and continuous scenario planning

Why is this important?

- The new standard: 12–18 month rolling forecasts, updated monthly or weekly with driver-based models
- Scenario planning is now a permanent fixture of monthly reviews — not a crisis response
- The gap between leaders and laggards is widening fast
- Teams on annual budgets describe what already happened — continuous planning teams tell leadership what to do next
- Every manufacturing CFO is dealing with inflation, tariff volatility, and geopolitical uncertainty — bad data and disconnected systems make it worse

Three things in Prophix One built for this moment

You already own these capabilities. Here's how leading manufacturing orgs are putting them to work.

01

Rolling 12-Month Forecast With Driver-Based Assumptions

Replace the once-a-year budget exercise with a rolling forecast model where key revenue and cost driver are updated continuously as actuals and market data change.

"How does your team currently forecast revenue?"

02

Scenario Planning as a standing capability

Maintain a library of pre-built scenarios that can be run and shared with leadership on-demand Run high/base/low demand scenarios simultaneously. Flip one input the scenario all update instantly. This is the 'board-ready' moment.

"Can your board see a range of outcomes, not just one number?"

03

Budget vs. Latest Estimate vs. Prior Year Reporting

Track performance against your original budget, latest rolling forecast, and prior year simultaneously — so leadership can tell the difference between an operational problem and a forecasting problem before drawing the wrong conclusion.

"How long does it take to explain a miss to your board?"

Live discussion & breakout groups

Now we want to hear from you.

In breakout groups, discuss how you handle these challenges today in Prophix One, or discuss other use cases you have implemented in Prophix One.

Three things worth doing before your next board meeting.

01 If your forecast is still a once-a-year budget exercise

Work with your CSM to replace your annual budget with a rolling 12-month forecast — revenue and cost drivers updated continuously as actuals and market data change. → Your team stops chasing the past and starts managing forward with a number leadership can trust.

02 If scenario planning is still a one-off exercise before board meetings

Book a session with your CSM to build a standing library of pre-built scenarios — high, base, and low demand — that run simultaneously and update the moment you flip one input. → When leadership asks "what if?", your team answers in minutes, not weeks.

03 If your board still can't tell the difference between an operational miss and a forecasting miss

Move to Budget vs. Latest Estimate vs. Prior Year reporting in Prophix — variance by driver, in-platform commentary, and reforecast in one workflow. → Leadership always has a live picture and Finance stops explaining the past.

Thank you!



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