

Platinum Sponsor

**ValueOps**  
by Broadcom

**Rally** **Clarity**  
by Broadcom by Broadcom



**rego**University

SAN DIEGO • 2023

# Best Practice Use of Clarity for Financial Management

**Your Guides:**

Karen Lifsey and Wes McCoubrie

# Introductions

- Take 5 Minutes
- Turn to a Person Near You
- Introduce Yourself
- Business Cards



# Agenda

## Best Practice Topic Areas

- Overall Implementation
- System Configurations
- Budgeting & Forecasting
- Value Management
- Actuals Management
- Reporting



## Discussion Topics

- Discussion #1: What does success look like?
- Discussion #2: Financial management roles and responsibilities?
- Discussion #3: How is capitalization managed?



# Discussion #1

---

- What does a successful financial management implementation look like?
- What are some obstacles to success?
- In what Clarity capabilities or process areas are you particularly interested in discussing?

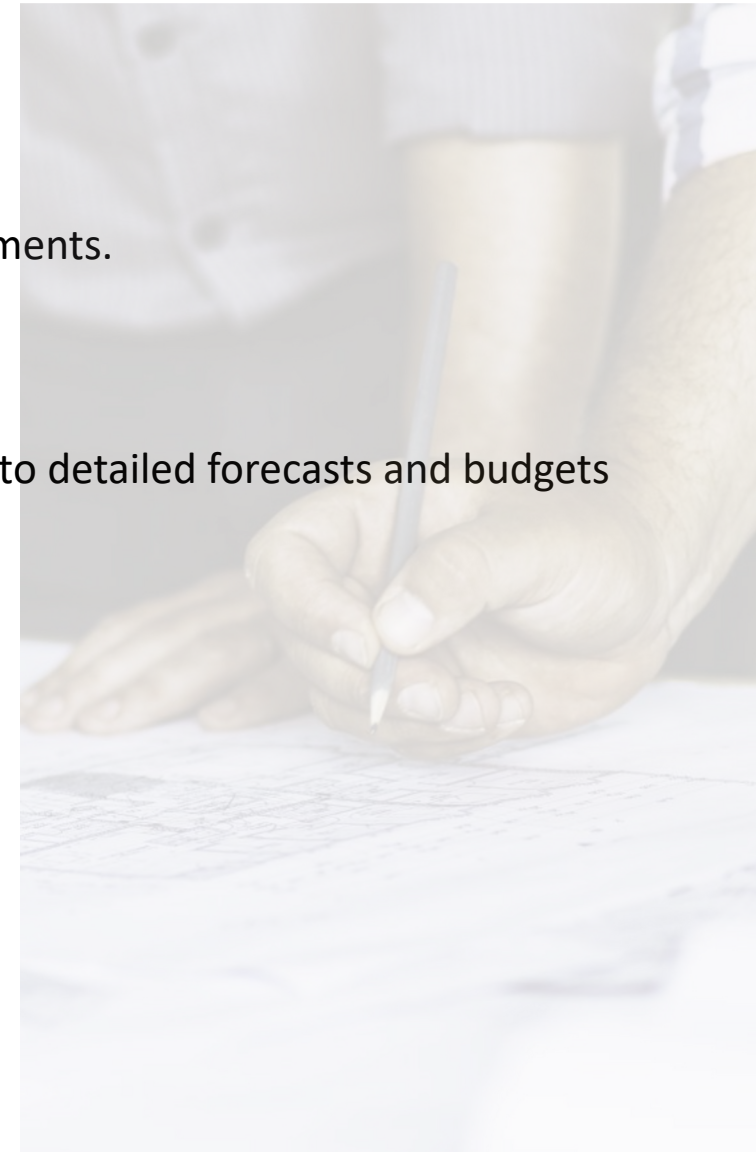


# Implementation

Let Rego be your guide.

# Implementation

- Involve the Finance Team
  - Finance will help drive granularity, classification, and output decisions.
  - However, be sure to balance finance requirements with project management requirements.
- Start simple and allow for evolution
  - Streamline financial classifications.
  - Spend time on the full architecture, including current and future state.
  - Operating model can include a progression from simple budgeting to ROM cost plans to detailed forecasts and budgets
- Think carefully about decisions to deviate from stock solution
- Remember that Clarity is not the organization's financial system of record
- Start with required outputs and work backwards
- Identify Key Integration Points
  - TBM (e.g., Apptio)
  - Finance System (e.g., Oracle, SAP)
  - Vendor Management (e.g., Ariba)
  - Others...

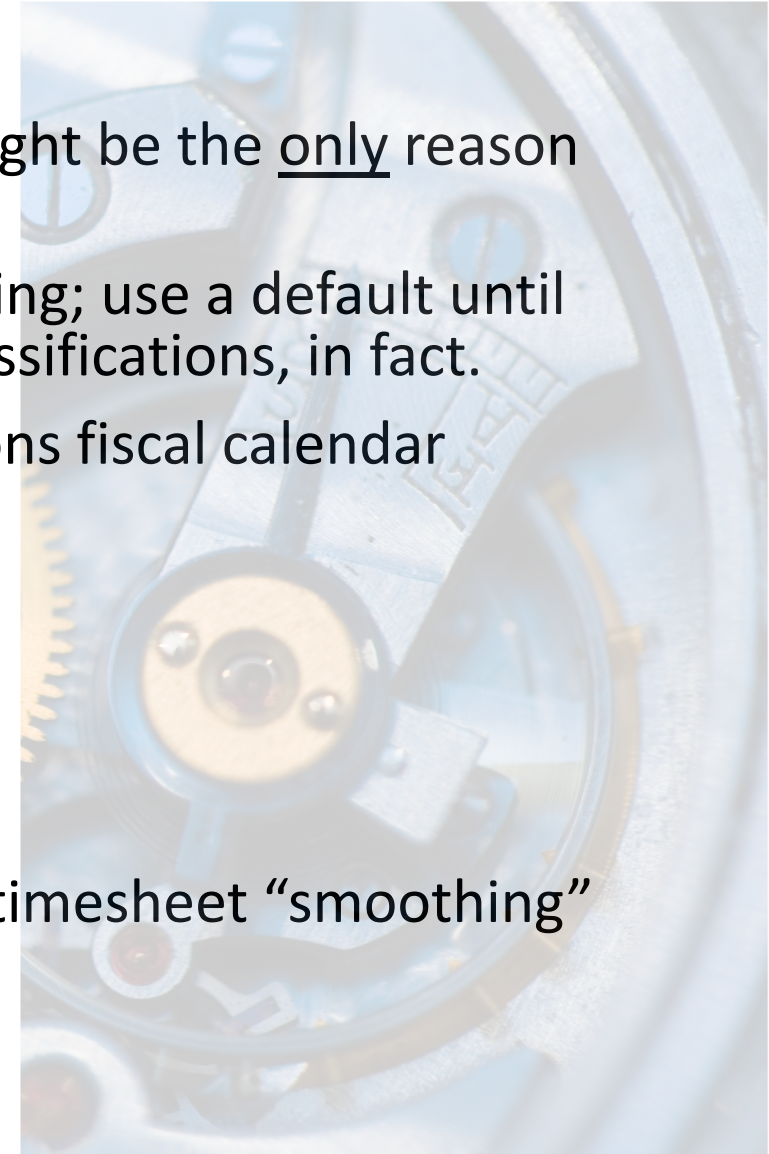


# System Configurations

Let Rego be your guide.

# System Configurations

- Stay with one entity if possible; multi-currency requirements might be the only reason to deviate.
- Only use Department and Location if needed for rates or reporting; use a default until use cases are identified. Same consideration for all financial classifications, in fact.
- Monthly, Quarterly, and Annual fiscal periods tied to organizations fiscal calendar
- Keep rates simple. Best practice options:
  - Rate card for vendors or exact rates
  - Blended rates for internal resources by role or salary grade
  - \$0 overtime rate for internal resources
- Leverage Staff OBS to provide rate flexibility and normalization
- Factor overtime into the rate if possible; otherwise introduce a timesheet “smoothing” process (RegoXchange!)

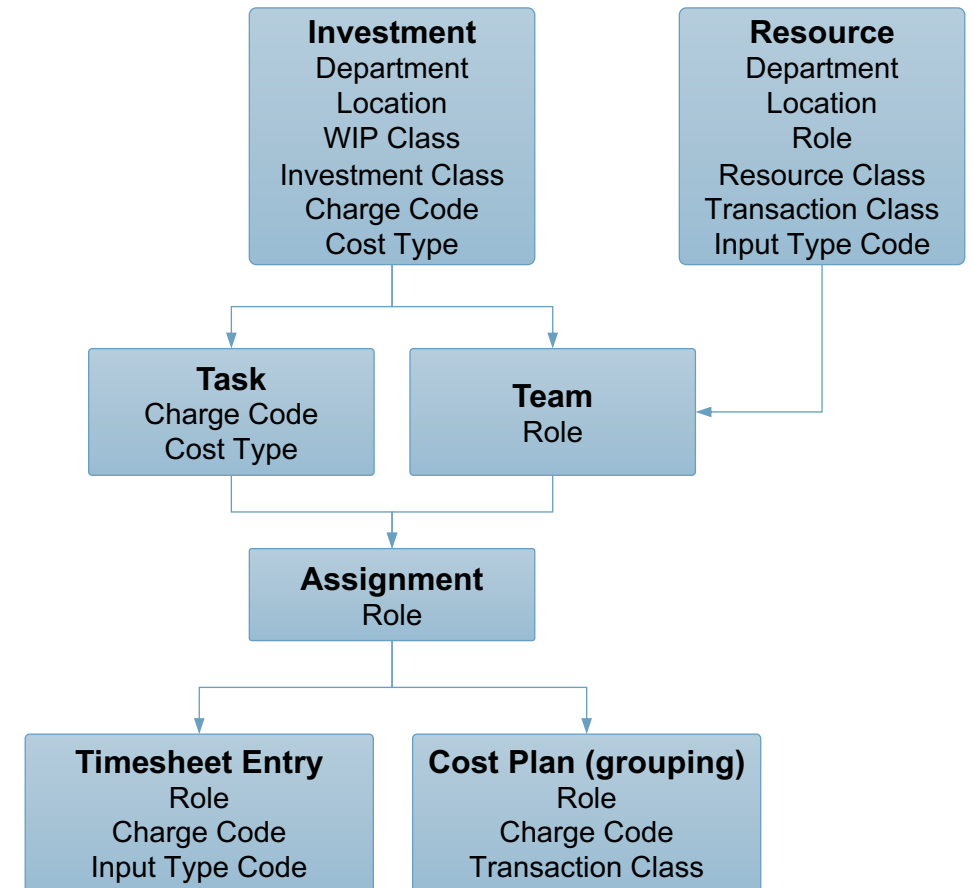




# Field Architecture

Field	Common Uses	Common Use Area
Location	Country/Region	Rates
Department	Cost Center or Business Unit	Rates, Financial Plan Grouping
WIP Class	Rarely Used	Rates
Investment Class	Rarely Used   On/Off Rate Card	Rates
Charge Code*	Billable/Non-Billable or Project Phase	Rates
Cost Type*	Capital/Operating	Financial Plan Grouping
Role	Resource Planning Roles	Rates, Financial Plan Grouping
Resource Class	Salary Grade	Rates
Transaction Class	GL Account (HW / SW / Internal Labor / Pro Services)	Financial Plan Grouping
Input Type Code	Overtime/Regular Time	Rates

\*Hierarchical



# Budgeting & Forecasting

Let Rego be your guide.

# Discussion #2

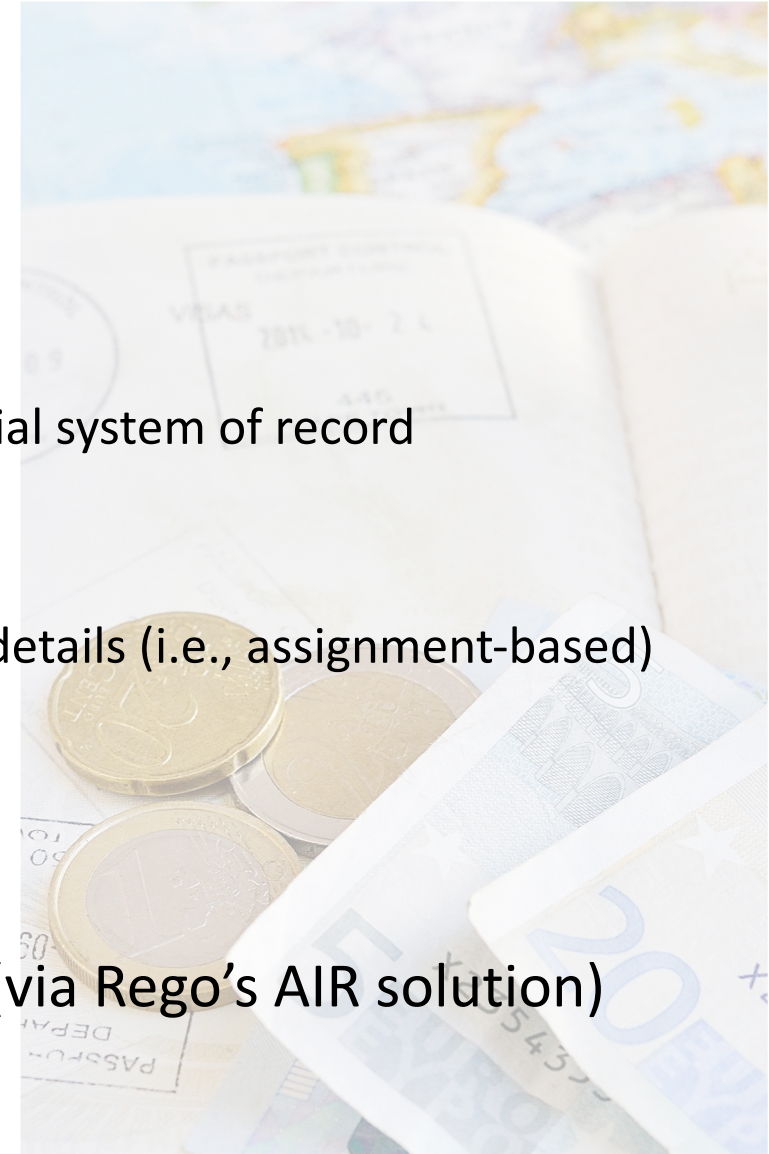
---

- What financial management roles and responsibilities have you defined?
  - PM?
  - Financial Analysts?
  - Finance Team?



# Budgeting & Forecasting

- Define an operating model for forecast updates
  - Monthly or quarterly cadence is typical
  - Governance via reports and notifications to ensure data quality
- Capture only material project costs
  - Perfect is the enemy of good
  - Clarity is a portfolio management solution, not the organization's financial system of record
- Common cost plan grouping: Cost Type | Transaction Class
- Provide consistent guidance for forecast population
  - Allocation-based models tend to hit the sweet spot between too much details (i.e., assignment-based) and too much manual administration
  - Evaluate an Excel import; high value and low cost
- Align budget and schedule baseline processes
- Define a threshold for requiring budget revisions
- Control budget approval rights or introduce approval workflow (via Rego's AIR solution)



# Modern UX Enhancements

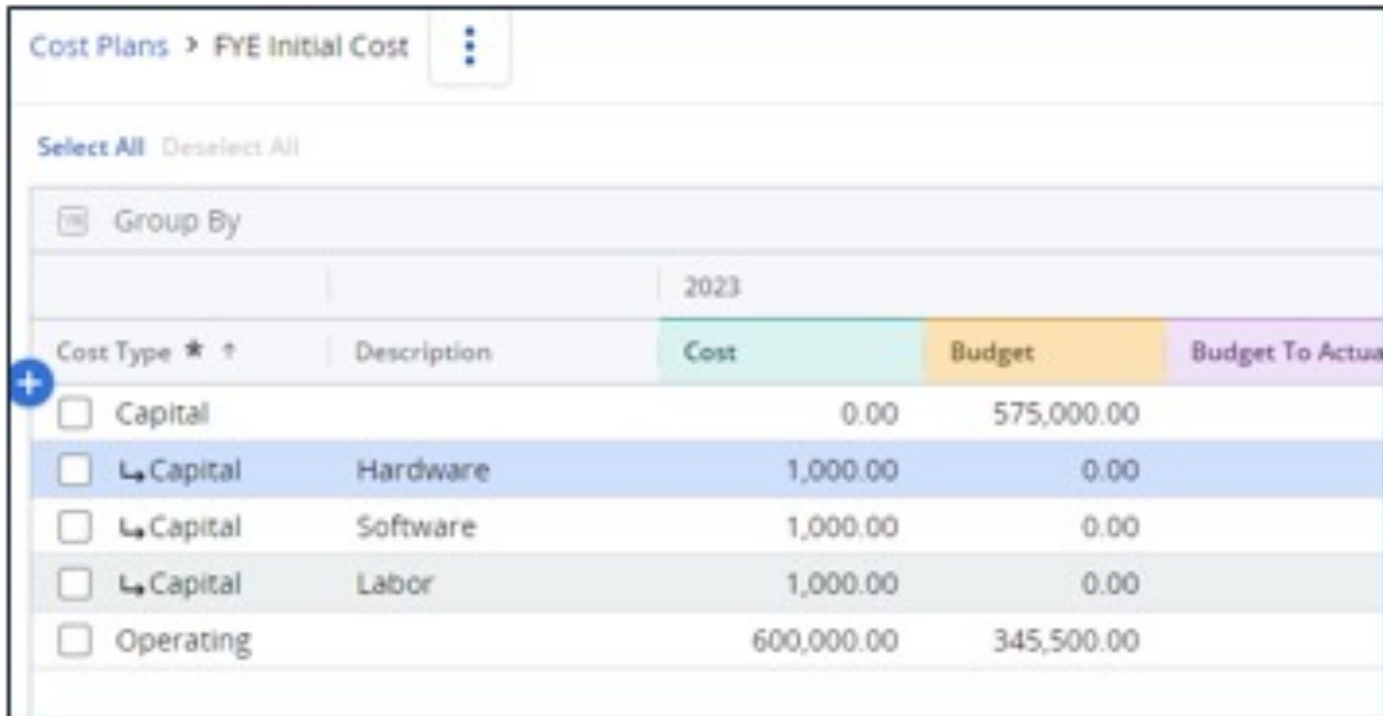
Compare budget and forecast side-by-side.

The screenshot displays the Clarity software interface for a project named 'CL - Old PPM Data Migration Phase 1'. The 'Financials' tab is active, showing a table with columns for 'Cost Type', 'Cost', 'Budget', and three variance metrics: 'Budget To Actual Variance', 'Budget To Cost Variance', and 'Budget To Forecast Variance'. The table is grouped by '2023' and includes a 'Grand Totals' section. The data is presented in a clean, modern layout with color-coded headers and a clear navigation bar.

Cost Type *	2023			Grand Totals		
	Cost	Budget	Budget To Actual Variance	Budget To Cost Variance	Budget To Forecast Variance	
<input type="checkbox"/> Capital	6,433,219.18	575,000.00	(3,195,243.75)	(5,858,219.18)	(3,628,462.93)	6,433,21...
<input type="checkbox"/> Operating	600,000.00	345,500.00	(2,270,587.50)	(254,500.00)	(2,722,642.29)	600,000.00

# Modern UX Enhancements

Create detailed cost plan rows. Used to simplify grouping to better align with actuals (e.g., Cost Type Only) or add planning detail (e.g., Vendors).



Cost Plans > FYE Initial Cost				
Select All Deselect All				
Group By				
2023				
Cost Type ★ ↑	Description	Cost	Budget	Budget To Actuals
<input type="checkbox"/>	Capital	0.00	575,000.00	
<input type="checkbox"/>	↳ Capital	1,000.00	0.00	
<input type="checkbox"/>	↳ Capital	1,000.00	0.00	
<input type="checkbox"/>	↳ Capital	1,000.00	0.00	
<input type="checkbox"/>	Operating	600,000.00	345,500.00	

*Others:*

*Calculated Forecast columns*

*Totals row*

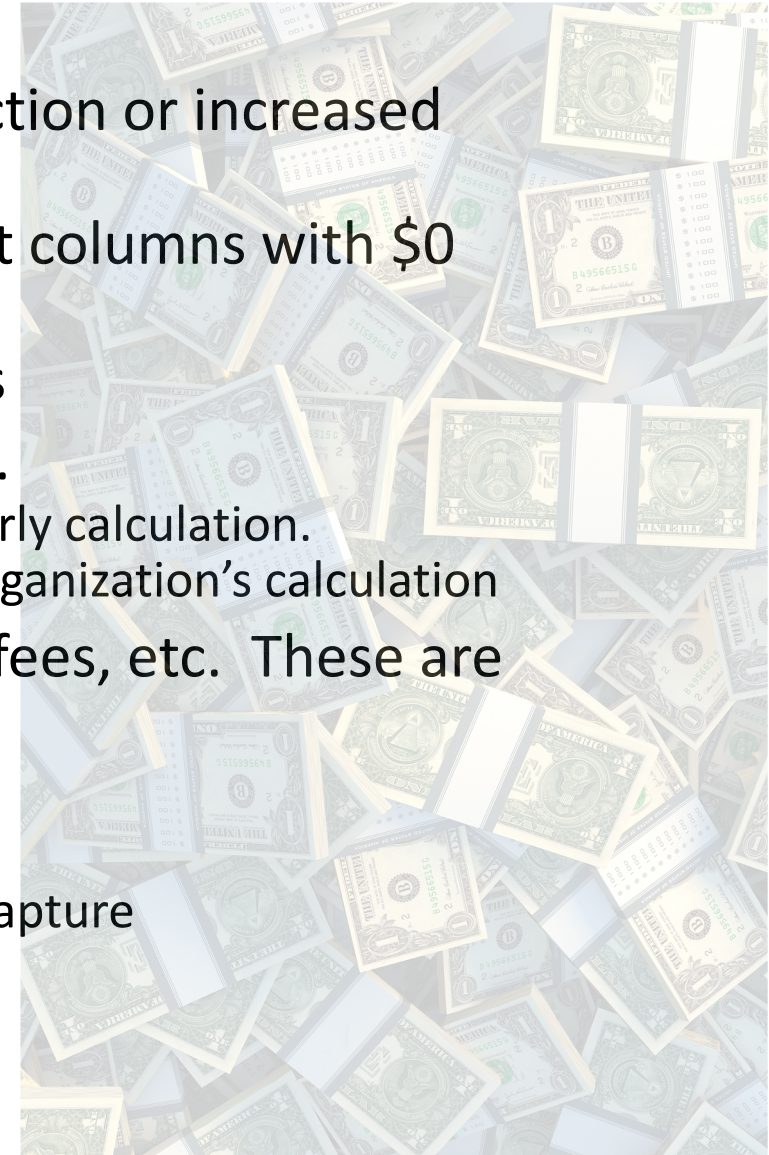
*Field-level security*

# Value Management

Let Rego be your guide.

# Value Management

- Benefit plan tailor made for monetized benefits (e.g., cost reduction or increased revenue).
- Soft benefits can be added in separate metric and measurement columns with \$0 impact.
- Consider transitioning to the tracking of business value via OKRs
- Beware of system calculated earned value fields (e.g., NPV, ROI).
  - IRR, for example is calculated monthly, but most organizations use a yearly calculation.
  - Consider attaching company business case document to capture your organization's calculation
- Enter negative benefit values for ongoing maintenance, license fees, etc. These are included in earned value calcs.
- Define benefits realization process
  - Model a Value Management Team
  - Use Portlets/Reporting and custom notifications to coordinate benefit capture
- Evaluate Rego's Value Management Accelerators





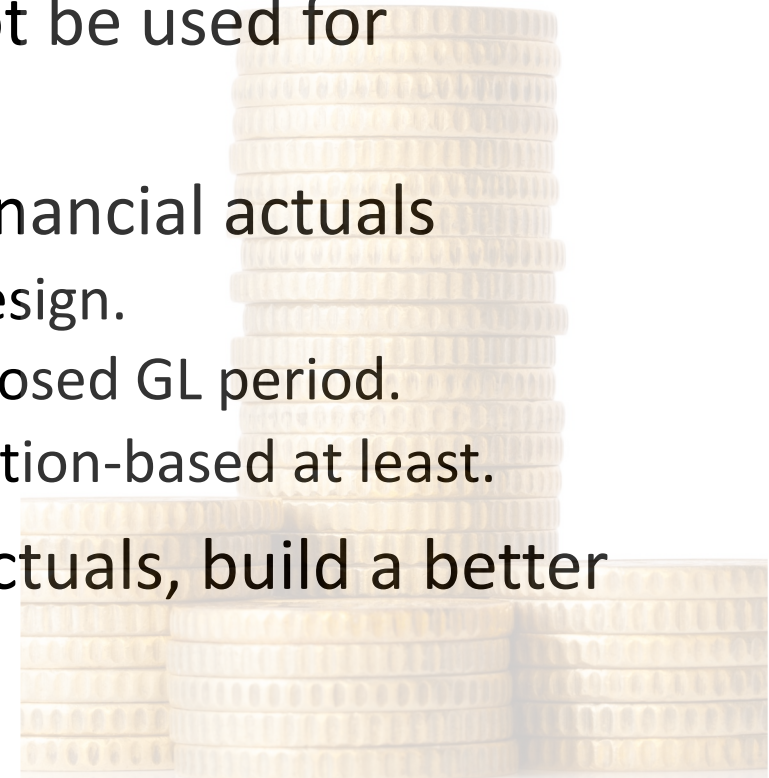
# Actuals Management

Let Rego be your guide.

# Actuals Management

---

- Include both labor and non-labor financials. Without both, project financial variances only tell part of the story and cannot be used for decision making.
- Integrate with an external financial system to import financial actuals
  - Make sure granularity / grouping is aligned with cost plan design.
  - Monthly import is most common, pulling actuals from the closed GL period.
  - Avoid a detailed review and approval process; make it exception-based at least.
- If you do not have an integration to pull in non-labor actuals, build a better user interface for entering these costs



# Modern UX Enhancements

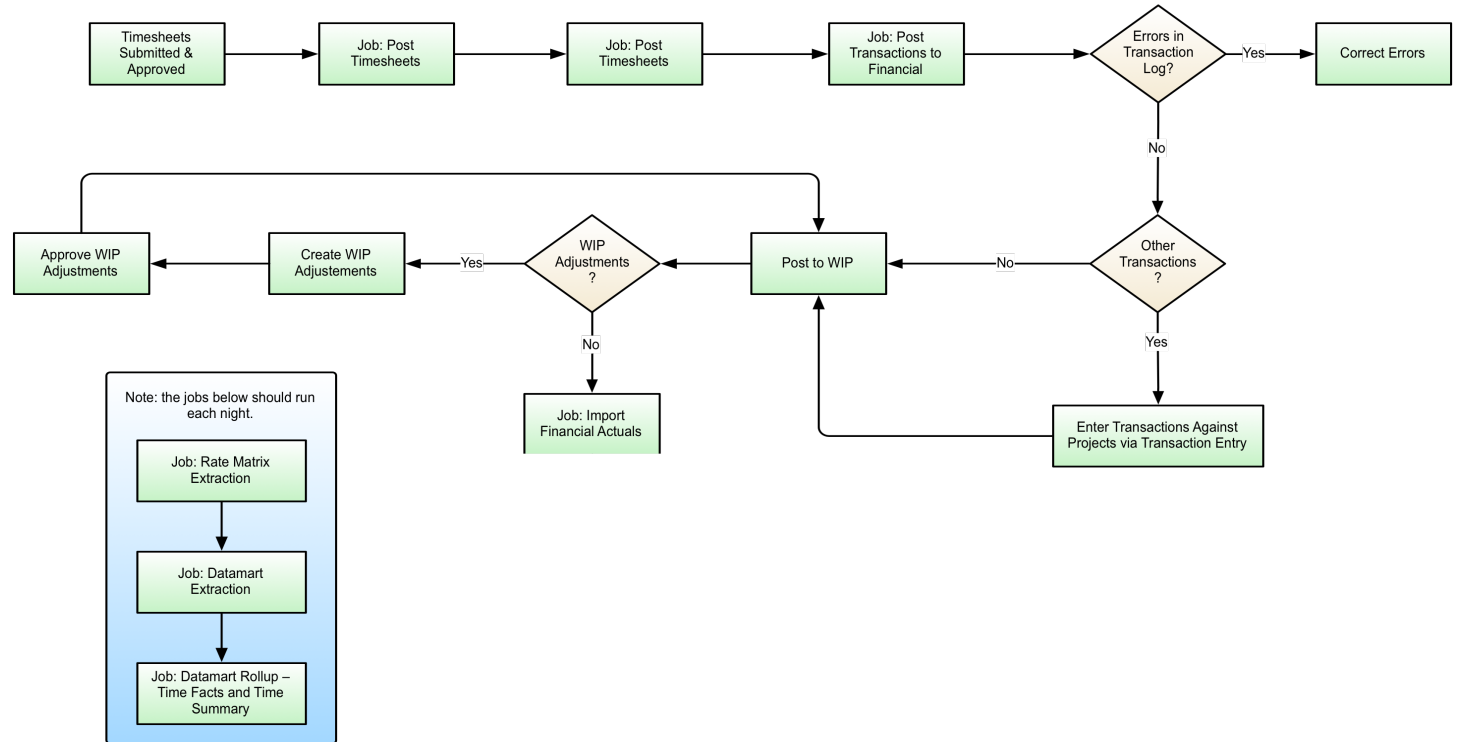
Transaction workspace with unposted transactions:

The screenshot shows the Clarity Transactions workspace. The top navigation bar includes the Clarity logo, the title "Transactions", a search bar, a "View" dropdown set to "Standard View", and a "Save" button. Below the navigation bar, there are two main sections. The left section is a list view with columns for "Entry Type", "Entry Num...", "P.O. Number", "Incurred By", and "Vendor". It shows two entries: "Voucher Other" and "Voucher Expe...". The right section is a "Details" view for a "Transaction Entry". It has a "Group By" section and a table with columns: "Investment", "Charge Code", "Resource", "Transaction C...", "Input Type Co...", "Quantity", "Cost", and "Rate". The table contains two rows: one for "CA PPM Resou..." with a cost of 10,000 and rate of 1.40, and another for "Airport Access..." with a cost of 8,500 and rate of 1.40.

The screenshot shows the Clarity Transactions workspace with a focus on "Unposted Transactions". The top navigation bar includes the Clarity logo, the title "Transactions", a search bar, a "View" dropdown set to "Standard View", and a "Save" button. Below the navigation bar, there are two tabs: "Vouchers" and "Unposted Transactions", with the latter being selected. The main area displays a table with columns: "Source Module", "Transaction Type", "External ID", "External Batch ID", "Voucher Entry N...", "Tran...", "Investment", "Task", "Cost Type", "Charge Code", "Resource", and "Role". The first row of the table is highlighted in yellow and has a red border around the "Tran...", "Investment", "Task", "Cost Type", "Charge Code", and "Resource" columns. A yellow warning icon is visible in the "Source Module" column of the first row.

# Financial Workflow Considerations

- Base Setup
  - Timesheet Submission Cadence
  - Non-Labor Posting Cadence
- Approval Policy
  - Auto-Approval
  - RM, PM
- Timesheet Adjustment Policy
  - Number of Open Time Periods
  - Finance vs. Project Requirements
- Compliance Considerations
  - Work Councils
  - Timesheet Smoothing
- Job Cadence
  - Labor and non-labor actuals update cost plan after Post to WIP is run
  - Create a process to string together all applicable financial jobs



# Reporting

Let Rego be your guide.

# Discussion #3

---

- What are your capitalization requirements?
- Do PMs understand cap guidelines?
- How has Agile development affected capitalization?



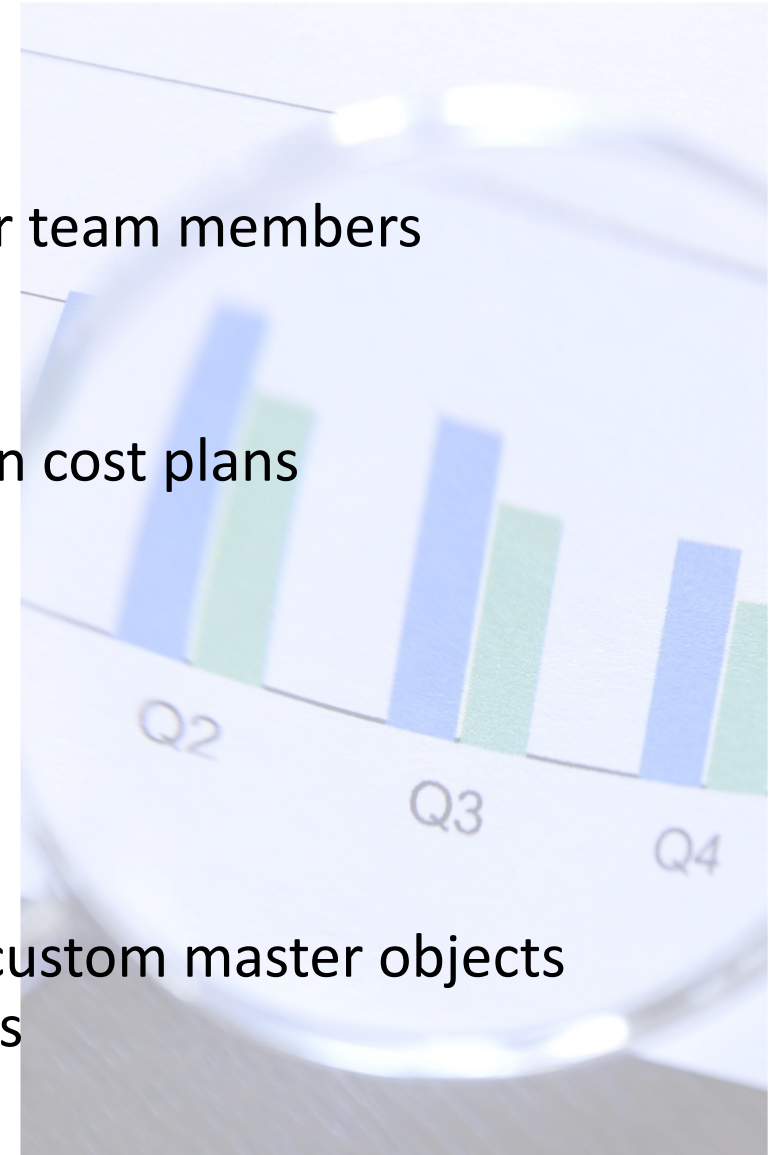
# Reporting

- Capitalization

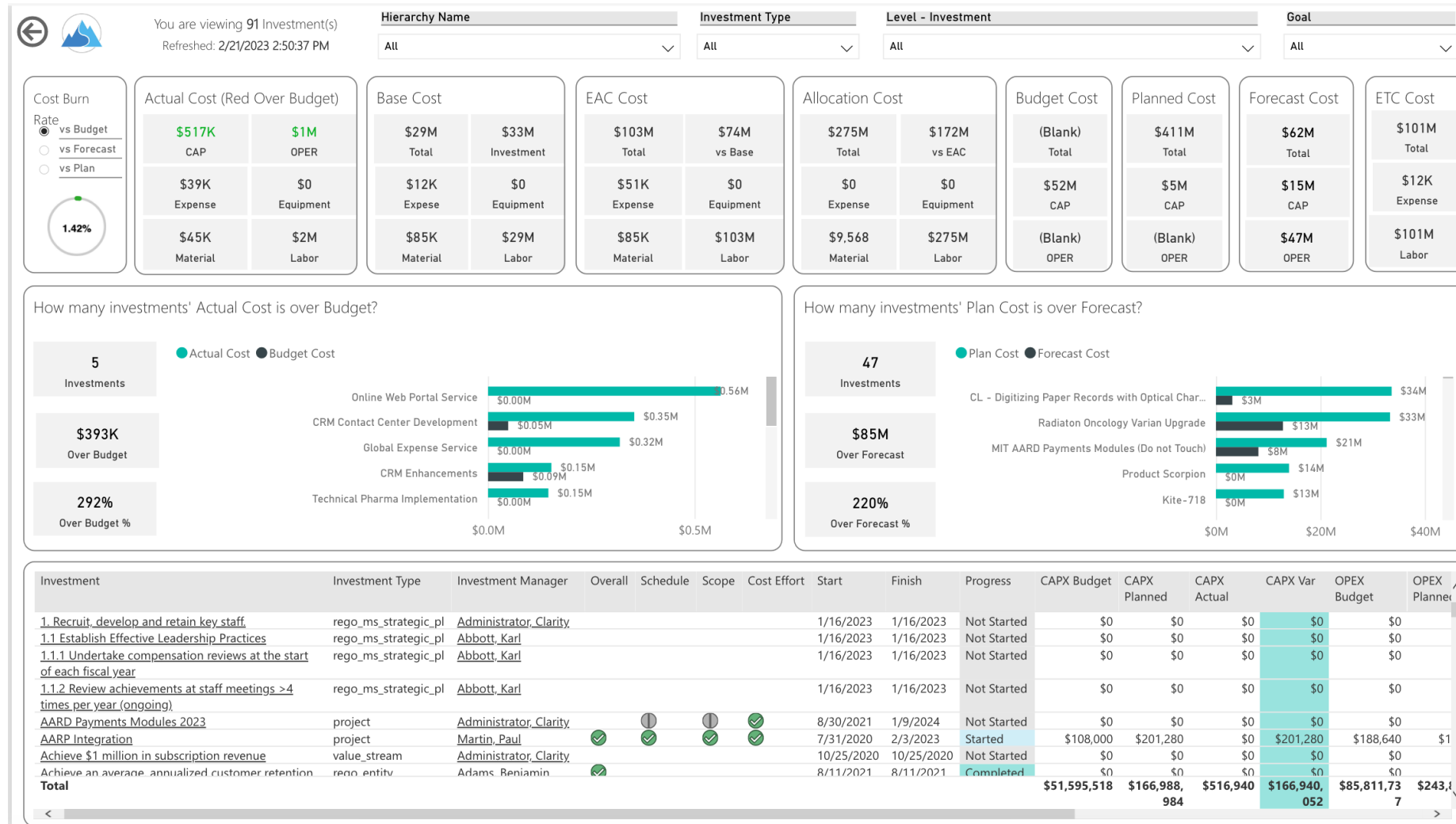
- Use templates to abstract capitalization logic, particularly for team members entering timesheets
- Leverage Cost Type, not Charge Code
- % Capitalization attribute on Team supports allocation-driven cost plans
- Explore Agile capitalization options with Finance Team
  - Story points by Feature / Capability
  - Team-based %

- Chargebacks

- Avoid stock chargebacks module
- Instead, develop debit rules / credit rules as sub-objects or custom master objects and use portlet or dashboard to report out to funding groups

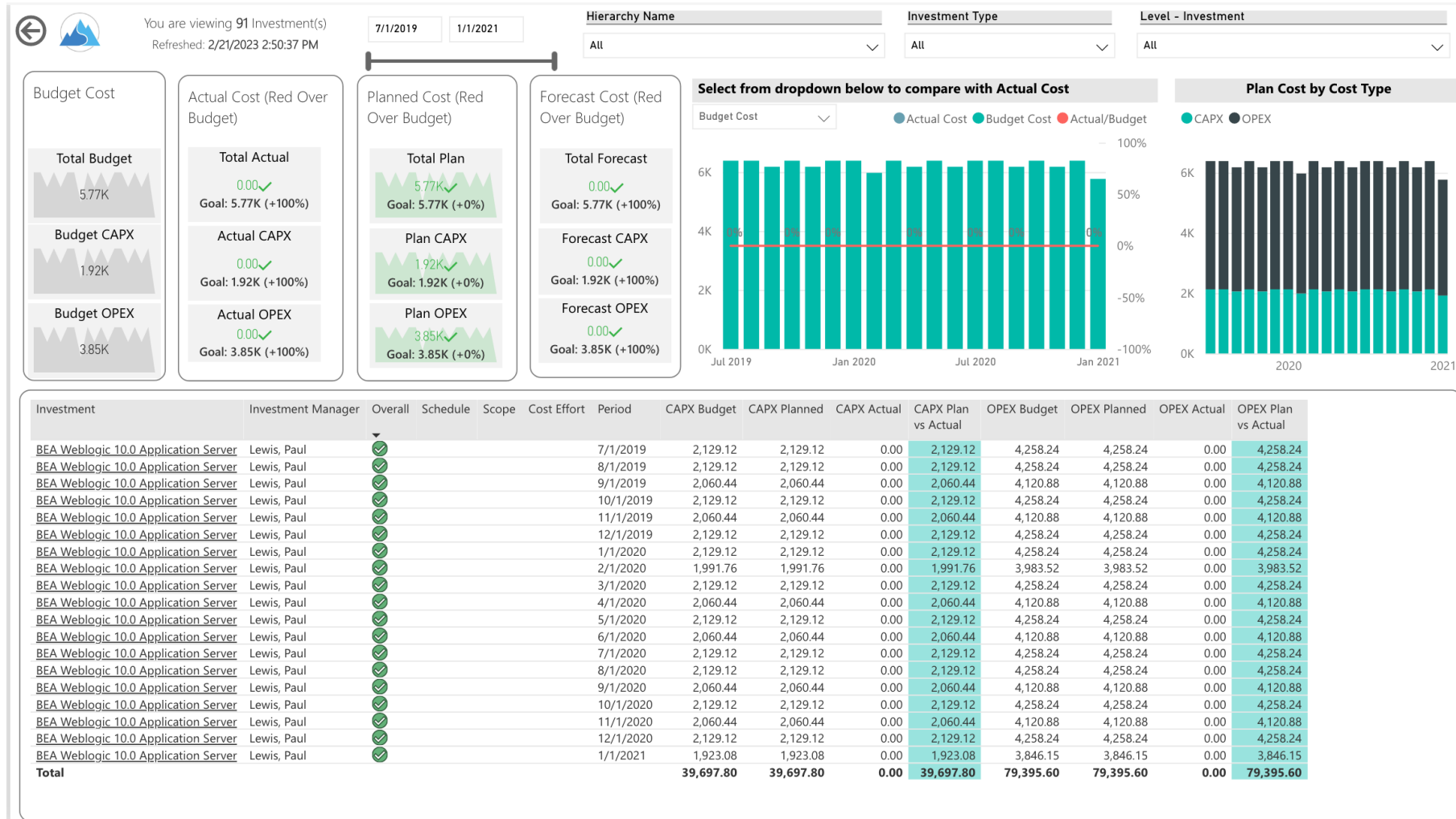


# Power BI Suite





# Power BI Suite



# Questions?



# Surveys

Please take a few moments to fill out the class survey.  
Your feedback is extremely important for future events.



# Thank You For Attending Rego University

## Instructions for PMI credits

- Access your account at [pmi.org](https://pmi.org)
- Click on **Certifications**
- Click on **Maintain My Certification**
- Click on **Visit CCR's** button under the **Report PDU's**
- Click on **Report PDU's**
- Click on **Course or Training**
- Class Provider = **Rego Consulting**
- Class Name = **regoUniversity**
- Course **Description**
- Date Started = **Today's Date**
- Date Completed = **Today's Date**
- Hours Completed = **1 PDU per hour of class time**
- Training classes = **Technical**
- Click on **I agree** and **Submit**



Let us know how we can improve!  
Don't forget to fill out the class survey.



### Phone

888.813.0444



### Email

[info@regoconsulting.com](mailto:info@regoconsulting.com)



### Website

[www.regouniversity.com](http://www.regouniversity.com)