regoUniversity

SAN ANTONIO • 2026

Financial Mastery: Optimizing Budgets & Realizing Value

Your Guides:

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Agenda

Best Practice Topic Areas

- Overall Implementation
- System Configurations
- Budgeting and 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?

Introductions

- Take 5 Minutes
- Turn to a Person Near You
- Introduce Yourself
- Binge-Worthy Show

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

Implementation

- Involve the Finance team
  - Finance helps 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
- Document data and process definitions
- 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)
  - Vendor Management (e.g., Ariba)
  - Finance System (e.g., Oracle, SAP)
  - Others…

System Configurations

System Configuration Best Practices

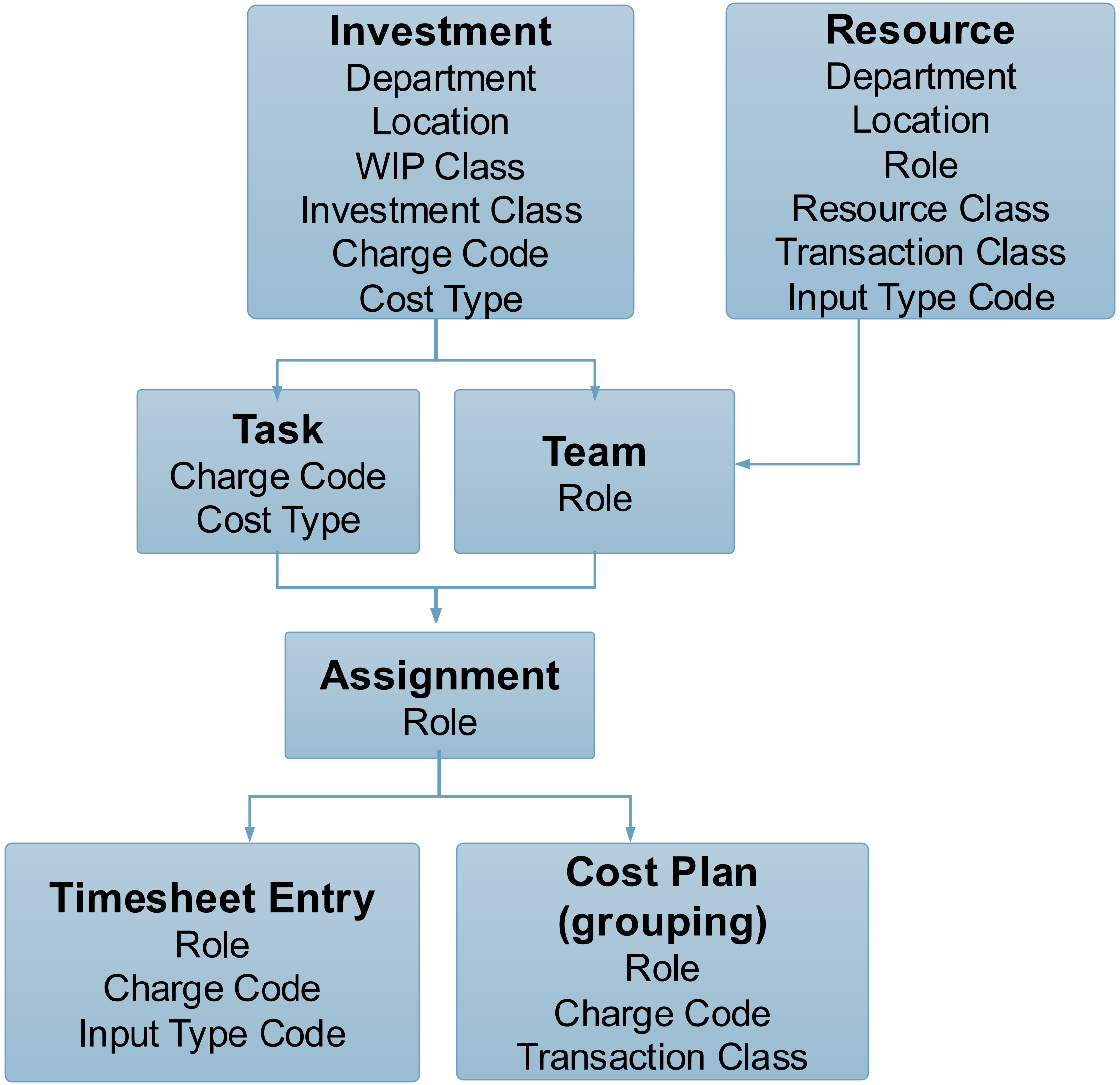
- Stay with one entity if possible; multi-currency requirements might be the **only** reason to deviate
- Only use Department and Location if needed for rates or reporting; use a default until use cases are identified. Same consideration for all financial classifications, in fact
- Monthly, Quarterly, 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 (Out of the box financial categories)

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*

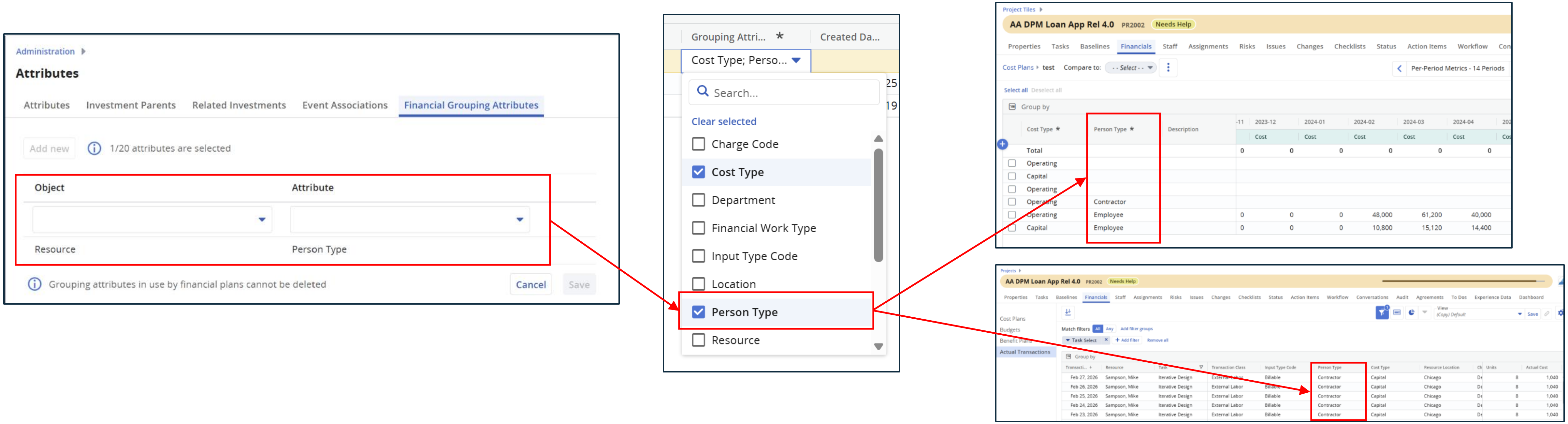
Field Architecture (Out of the box financial categories)



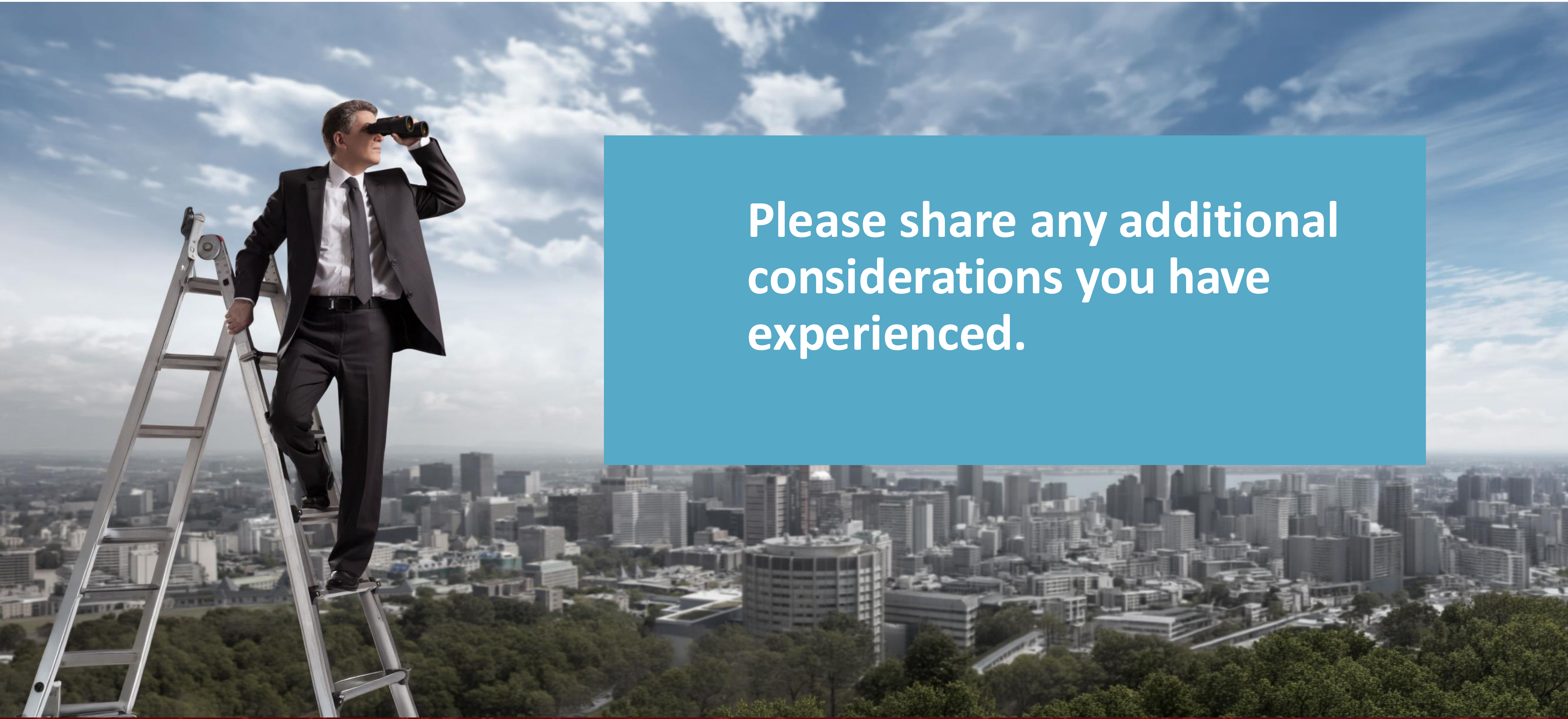
Enhancement: Expanded Grouping Attributes

Within the MUX Administration -> Attributes, additional grouping attributes (lookups) can be selected across various objects. (Assignment, Investment, Resource, Staff, and Task)

- Up to 20 additional attributes can be added for selection in the grouping attributes
- Provides additional flexibility but still keep it simple!



Open mic



Please share any additional considerations you have experienced.

Budgeting and Forecasting

Discussion #2

What financial management roles and responsibilities have you defined?

- PM?
- Financial Analysts?
- Finance Team?

What cost-plan structure has worked best for your organization, and what would you change if you were starting over?

Budgeting and 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

- Align costs with how actuals are captured to enable a sensible integration

Budgeting and Forecasting

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
- Decide on practices for forecasting external/contract labor
  - Fixed Price as a non-labor expense
  - Time and Materials, including non-labor expense if contractors are not set up to enter time

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)

Enhancement: Compare Financial Plans

Compare budget and forecast side-by-side

Cost Plans › Initial Cost Plan | Per-Period Metrics - 12 Periods | View: *Cost Plan Detail with Actuals* | Save

Select all Deselect all

Group By

Cost Type *	Transaction Class *	Totals: Budget to Forecast Variance	Totals: Forecast Variance	Totals: Budget	Totals: Actual Cost	Totals: Budget to Actual Variance	Totals: Budget to Cost Variance	2023-01: Budget to Forecast Variance	2023-01: Foreca…	Totals: Pla...
Total		854,059	426,317	902,443	48,384	854,059	427,742	53,624		474,7...
Operating	Travel	(1,680)	(1,680)	0	1,680	(1,680)	0	0		0
Operating	Software	183	(77)	323	140	183	260	24		63
Capital	External Labor	(140)	(140)	0	140	(140)	0	0		0
Operating	Internal Labor	861,520	407,028	902,120	40,600	861,520	454,492	53,600		447,6...
Capital	Internal Labor	(5,824)	5,827	0	5,824	(5,824)	(11,650)	0		11,650
Operating		0	15,360	0		0	(15,360)	0		15,360

Compare cost plan versions

eCommerce Portal PR2007 Needs Help

Properties | Tasks | Baselines | Financials | Staff | Assignments | Risks | Issues | Changes | Checklists | Status | Action Items | Workflow | Conversations | Audit | Agreements | To Dos | Experience Data | Dashboard | Related Investments

Cost Plans › Initial Cost Plan | Compare to: Revised for CR456 | Per-Period Metrics - 3 Periods | View: *(Copy) Planned to Actuals* | Save

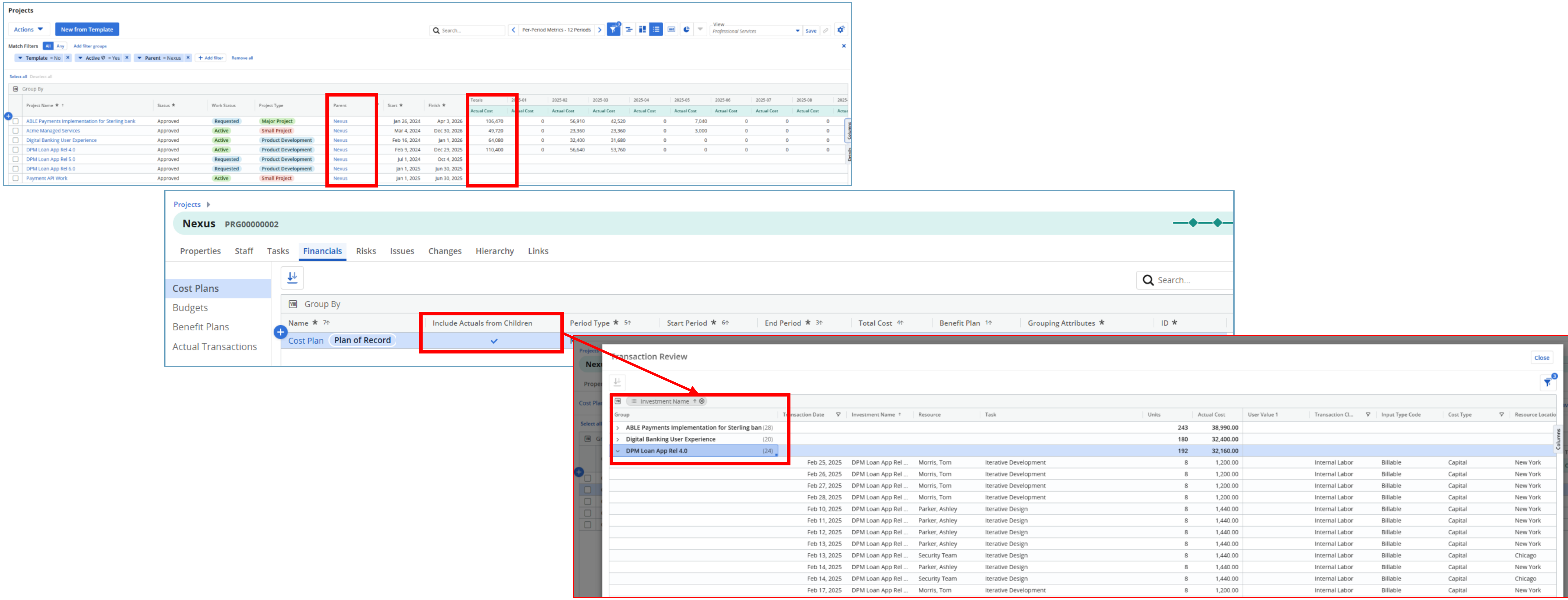
Select all Deselect all

Group by

Cost Type *	Transaction Class *	Totals Cost: Initial Cost Plan	Totals Cost: Revised for CR456	Totals Cost: Delta	Totals Forecast: Initial Cost Plan	Totals Forecast: Revised for CR456	Totals Forecast: Delta	2024-Q1 Cost: Initial Cost Plan	2024-Q1 Cost: Revised for CR456	2024-Q1 Cost: Delta	2024-Q1 Forecast: Initial Cost Plan	2024-Q1 Forecast: Revised for CR456
Operating	Internal Labor	94,400	65,000	*29,400*	16,000	65,000	*(49,000)*	80,000	65,000	*15,000*	16,000	65,000
Capital	Internal Labor	125,680	59,832	*65,848*	14,408	59,832	*(45,424)*	27,360	59,832	*(32,472)*	14,408	59,832

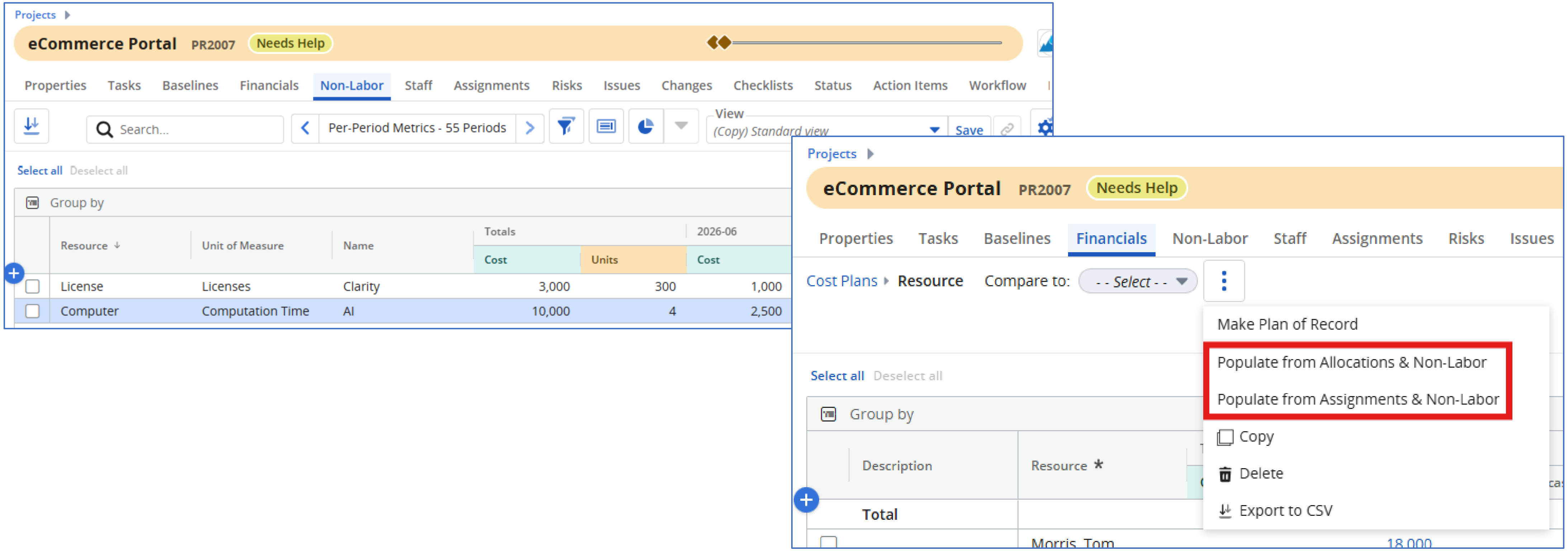
Enhancements: Rolled Up Actuals

By using the Parent field to establish hierarchical relationships, you can visualize all the child Investment actuals from the Parent Cost Plan. (Include Actuals from Children checkbox)

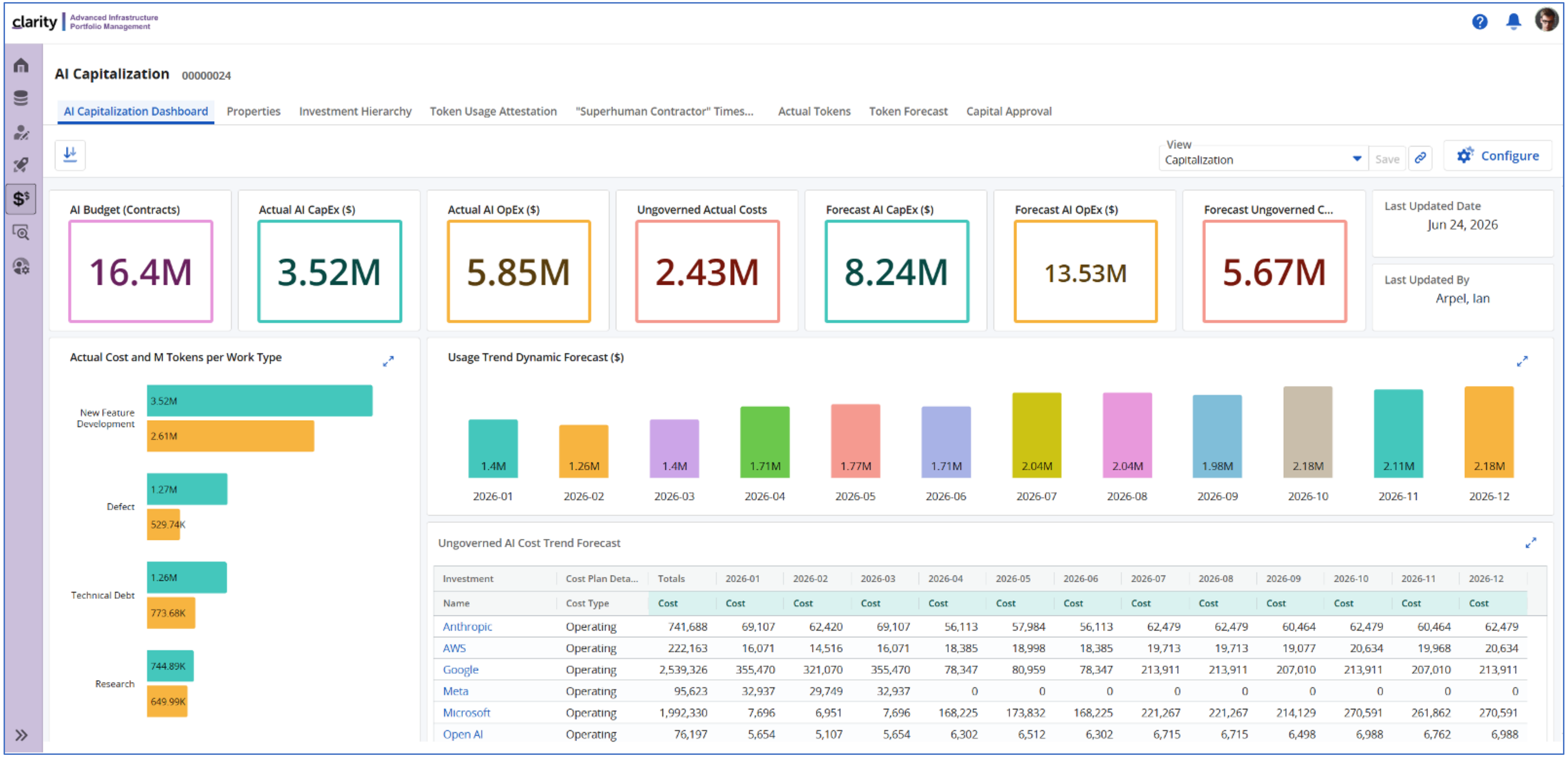


Enhancements: Non-Labor Transactions

Non-Labor Cost Module can be added to investments to make tracking and reconciling non-labor costs more simplistic. Cost Plans can be populated based on the Resource Allocations/Assignments and the Non-Labor allocations included in the new module.



Using Cost Plans for AI



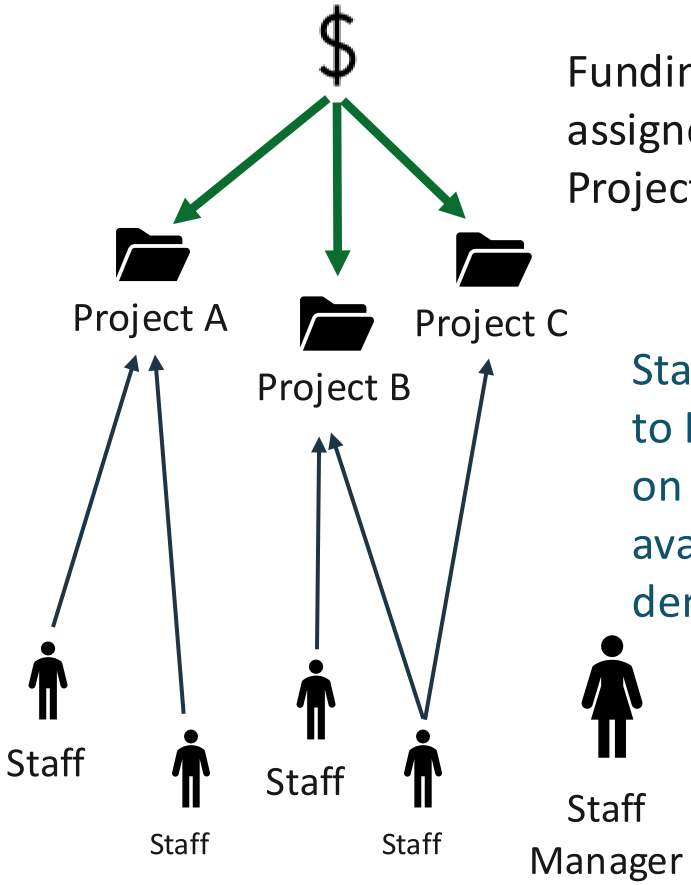
Investment	Cost Plan Deta...	Totals	2026-01	2026-02	2026-03	2026-04	2026-05	2026-06	2026-07	2026-08	2026-09	2026-10	2026-11	2026-12
Name	Cost Type	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost
Anthropic	Operating	741,688	69,107	62,420	69,107	56,113	57,984	56,113	62,479	62,479	60,464	62,479	60,464	62,479
AWS	Operating	222,163	16,071	14,516	16,071	18,385	18,998	18,385	19,713	19,713	19,077	20,634	19,968	20,634
Google	Operating	2,539,326	355,470	321,070	355,470	78,347	80,959	78,347	213,911	213,911	207,010	213,911	207,010	213,911
Meta	Operating	95,623	32,937	29,749	32,937	0	0	0	0	0	0	0	0	0
Microsoft	Operating	1,992,330	7,696	6,951	7,696	168,225	173,832	168,225	221,267	221,267	214,129	270,591	261,862	270,591
Open AI	Operating	76,197	5,654	5,107	5,654	6,302	6,512	6,302	6,715	6,715	6,498	6,988	6,762	6,988

Project Funding vs Product Funding

Waterfall Projects

Funding is assigned to Projects

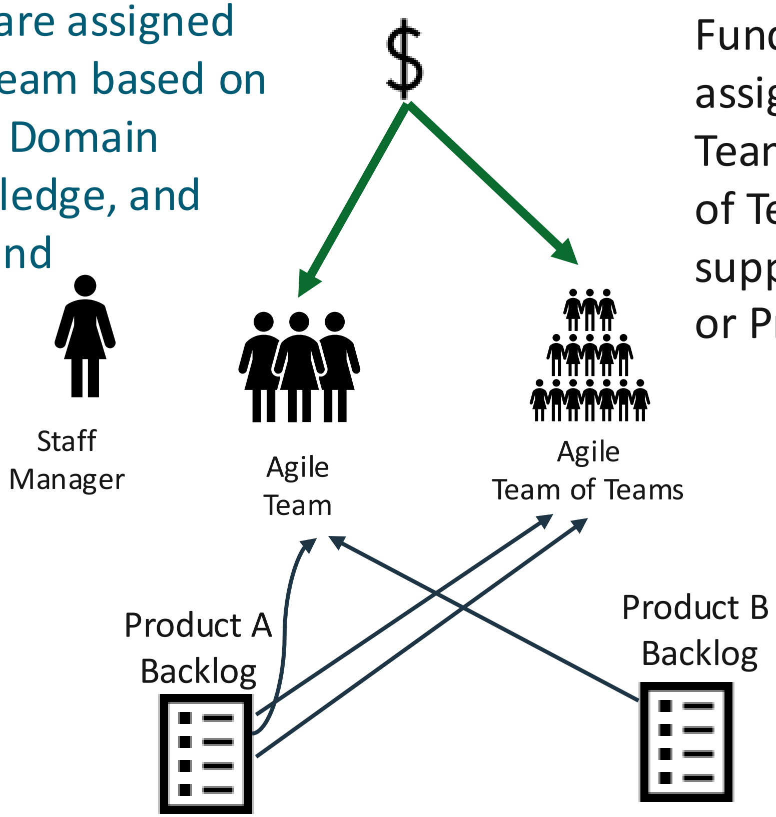
Staff is assigned to Projects based on funding, availability, and demand



Agile Products

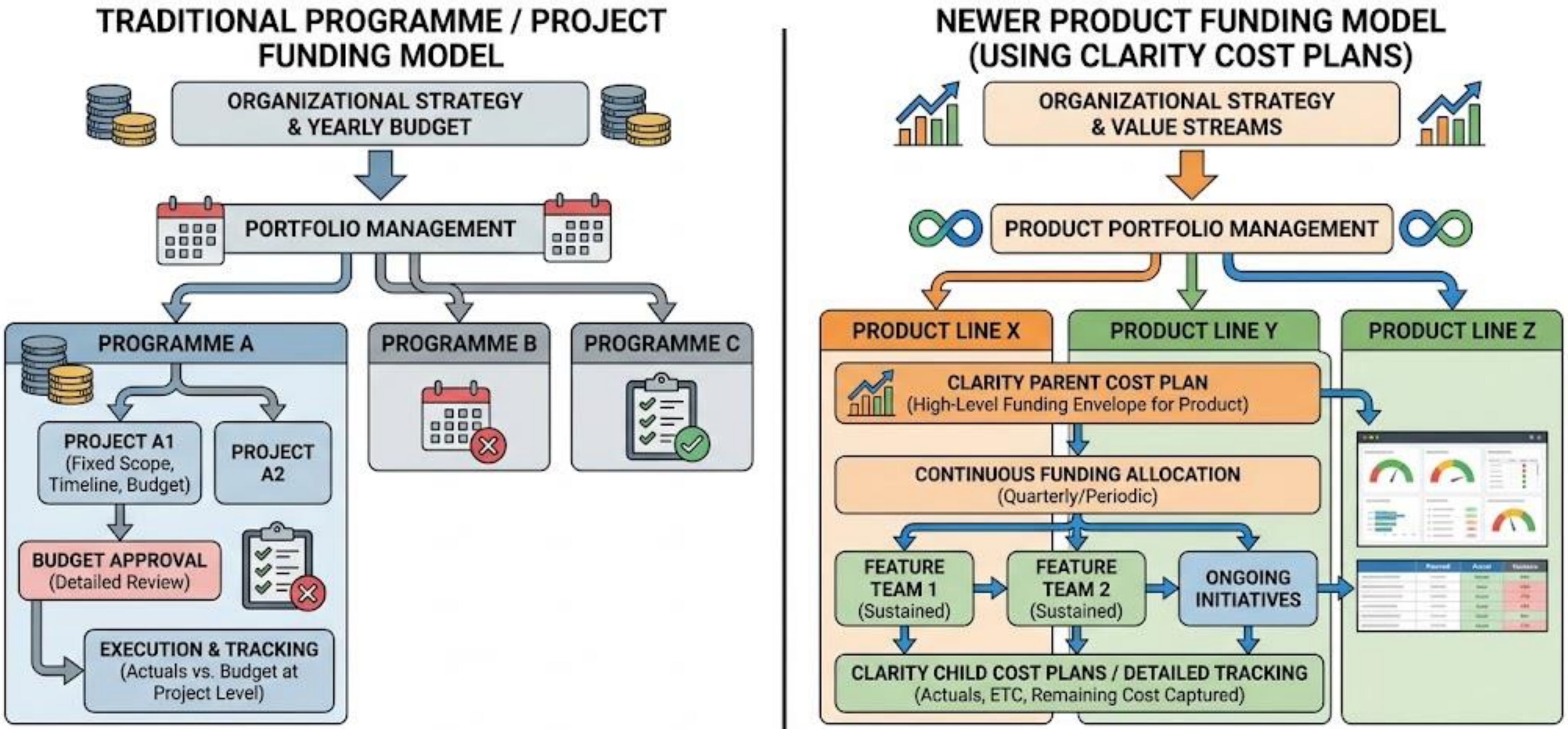
Staff are assigned to a team based on skills, Domain knowledge, and demand

Funding is assigned to Teams and Team of Teams that support a Product or Product Group



Brings Staff to the Work | **Brings Work to the Team**

Project Funding vs Product Funding



Funding tied to specific, time-bound projects.
Detailed budgets approved upfront.
Focus on project delivery and variance analysis.

Funding allocated to long-lived products/teams via high-level Clarity plans. No detailed budget approval at team level.
Focus on value delivery and continuous flow.
Costs tracked against high-level envelope.

Open Mic

Any unique funding models out there?

Value Management

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

Value Management

- 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 and Power BI Reports

Actuals Management

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

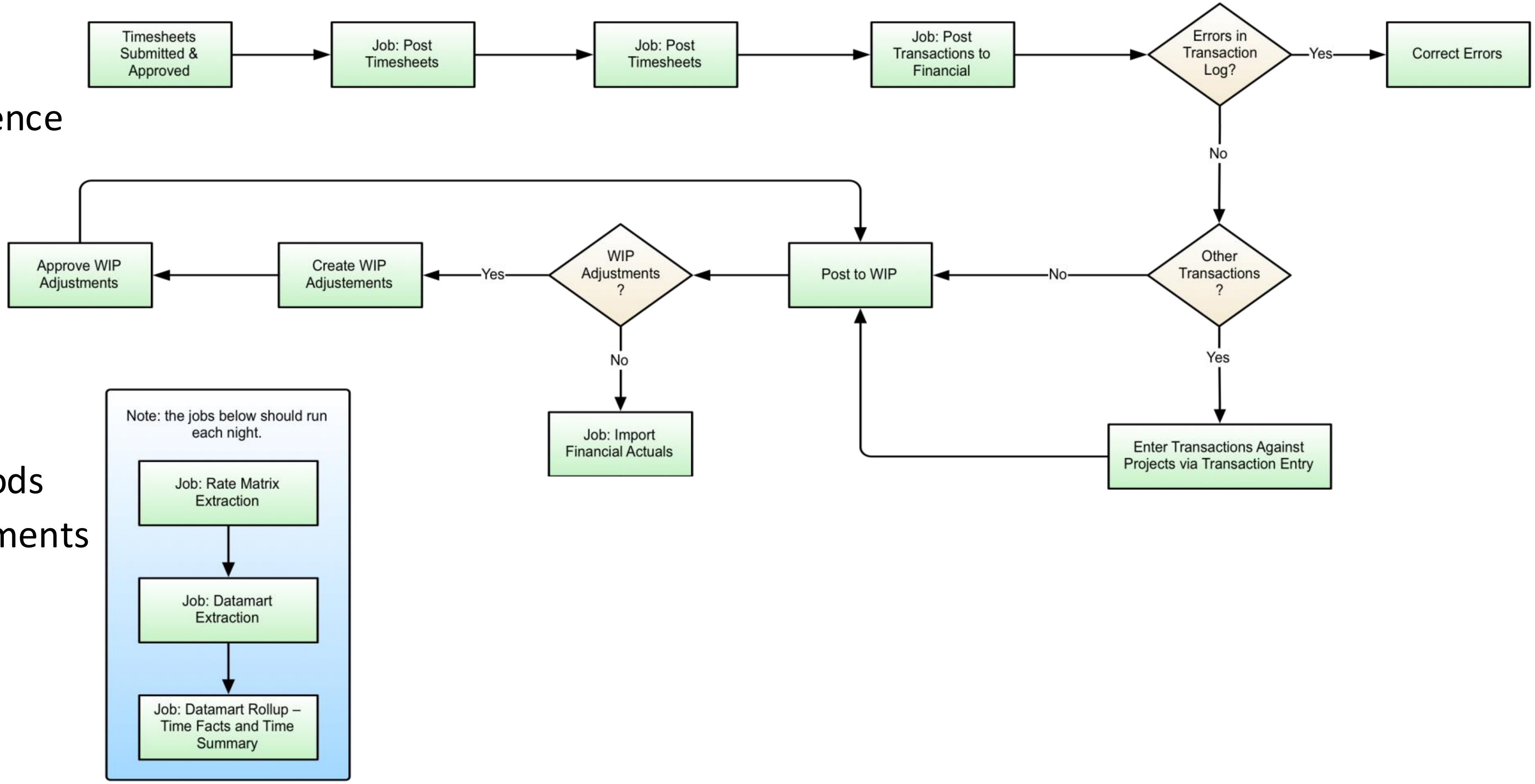
Integrate with an external financial system to import financial actuals

- 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

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



Open Mic

Are you doing Monthly actuals management? More frequent?

Reporting

Discussion #3

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

Reporting

Capitalization

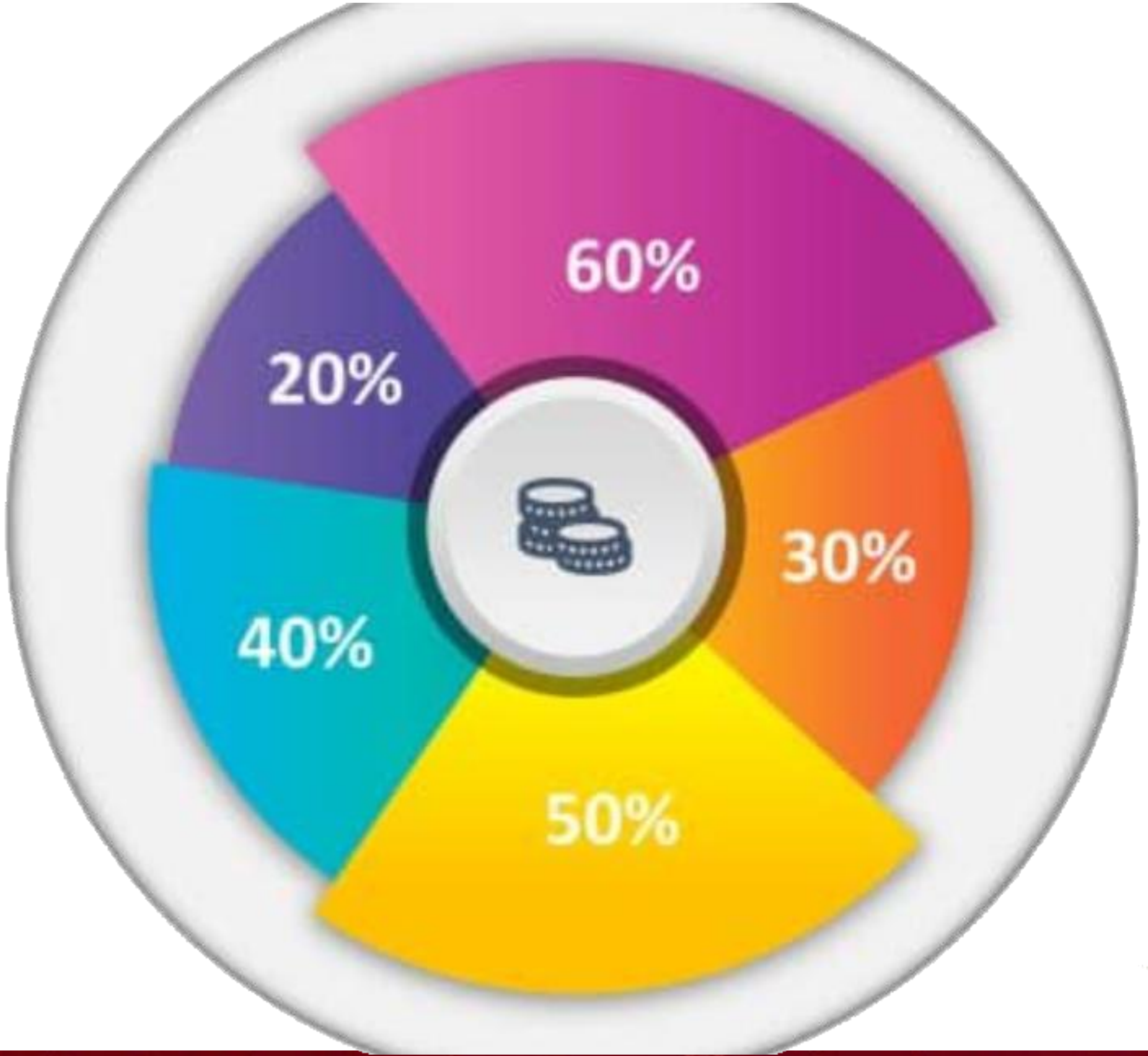
- Use templates to abstract capitalization logic, particularly for team members entering timesheets
- Leverage Cost Type, not Charge Code
- % Capitalization attribute on Team supports allocation-driven cost plans
- Explore Agile capitalization options with Finance Team
  - Story points by Feature / Capability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

Chargebacks

- Avoid stock chargebacks module (not available in MUX)
- Instead, develop debit rules / credit rules as sub-objects or custom master objects and use portlet or dashboard to report out to funding groups

The Mistreatment of Agile Development in Finance

- Some companies treat Agile as an operational expense and Waterfall as capital
- Misunderstandings have led to millions lost in improper taxation
- Poor capitalization rules make Agile companies appear poorly managed



Establishing an Agile Capitalization Process

Establish the Bright Line: Determine when your company starts capitalizing work. This is after the "Preliminary Project Phase," once committed to funding, and probable completion.

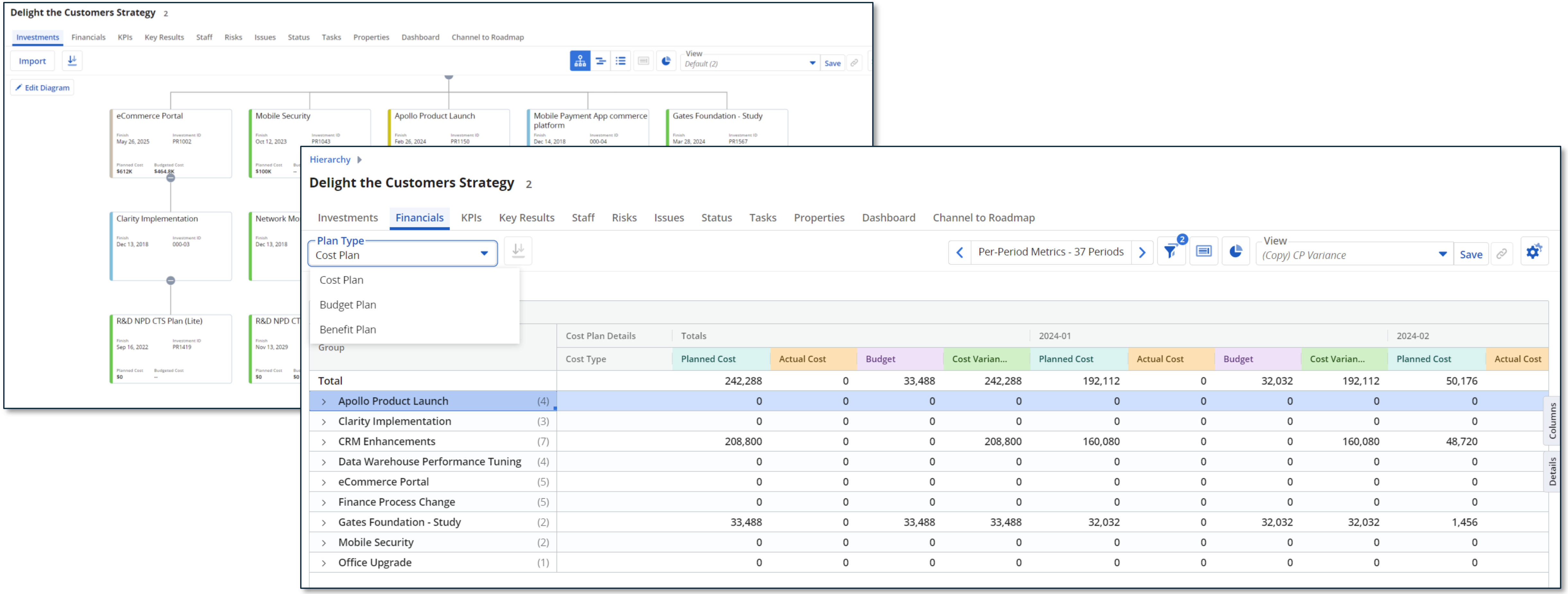
Start of Capitalization: Often begins with the first Sprint after completing initial market exploration and architectural design.

Feasibility Spike Sprint: Costs related to initial research are considered operational expenses.

Inclusion: Engineers, testers, designers, product and project management, and Scrum Masters can all be capitalized.

Hierarchies

Utilize Hierarchies module to see a consolidation of Cost Plans, Budget Plans, and Benefit Plans from multiple investments.

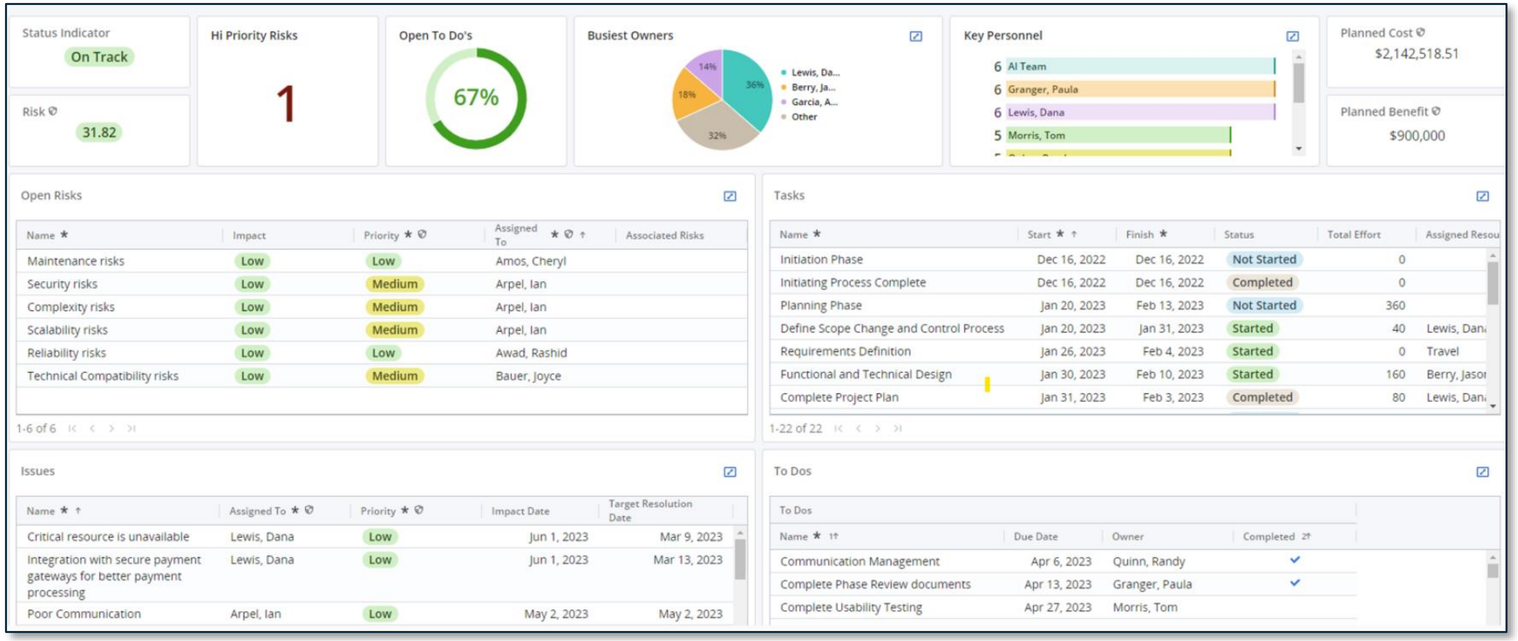


Canvas

Configure the chart widgets, table-type widgets, and object-specific attributes in the Canvas layout to view data across multiple sub-objects on a single page.

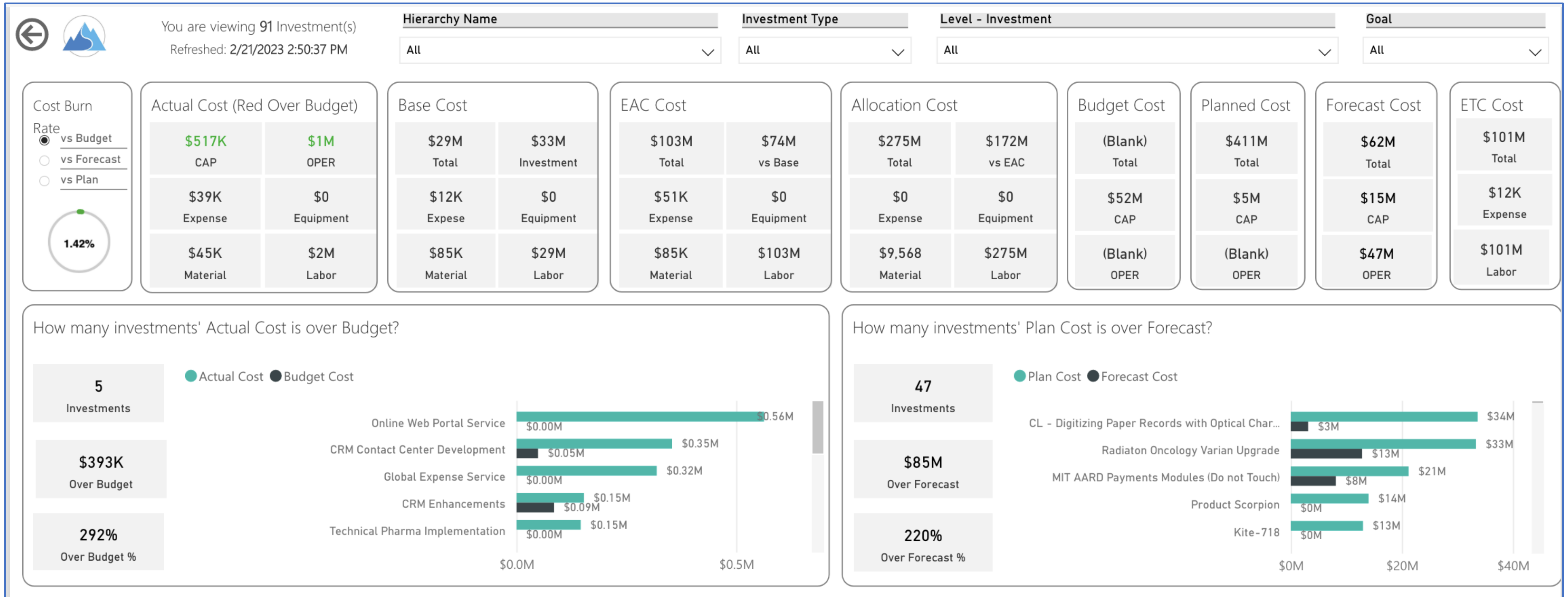
Configure widgets for the following objects and sub-objects in Canvas*:

- Tasks
- Risks
- Issues
- Changes
- To Dos
- Staff
- Financials - Cost Plans
- Financials - Budget Plans
- Financials - Benefit Plans
- Status [Reports Grid of Status]
- Custom Objects (second level only)



*As of v16.2.2

Power BI Suite



Investment	Investment Type	Investment Manager	Overall	Schedule	Scope	Cost Effort	Start	Finish	Progress	CAPX Budget	CAPX Planned	CAPX Actual	CAPX Var	OPEX Budget	OPEX Planned
1. Recruit, develop and retain key staff.	rego_ms_strategic_pl	Administrator, Clarity					1/16/2023	1/16/2023	Not Started	$0	$0	$0	$0	$0	
1.1 Establish Effective Leadership Practices	rego_ms_strategic_pl	Abbott, Karl					1/16/2023	1/16/2023	Not Started	$0	$0	$0	$0	$0	
1.1.1 Undertake compensation reviews at the start of each fiscal year	rego_ms_strategic_pl	Abbott, Karl					1/16/2023	1/16/2023	Not Started	$0	$0	$0	$0	$0	
1.1.2 Review achievements at staff meetings >4 times per year (ongoing)	rego_ms_strategic_pl	Abbott, Karl					1/16/2023	1/16/2023	Not Started	$0	$0	$0	$0	$0	
AARD Payments Modules 2023	project	Administrator, Clarity					8/30/2021	1/9/2024	Not Started	$0	$0	$0	$0	$0	
AARP Integration	project	Martin, Paul					7/31/2020	2/3/2023	Started	$108,000	$201,280	$0	$201,280	$188,640	$1
Achieve $1 million in subscription revenue	value_stream	Administrator, Clarity					10/25/2020	10/25/2020	Not Started	$0	$0	$0	$0	$0	
Achieve an average annualized customer retention	rego_entity	Adams, Benjamin					8/11/2021	8/11/2021	Completed	$0	$0	$0	$0	$0	
Total										$51,595,518	$166,988,984	$516,940	$166,940,052	$85,811,737	$243,[illegible]

RegoXchange: Financial Summary Dashboard (PowerBI)

Questions?

Survey

Please take a few moments to fill out the class survey.

Your feedback is extremely important for future events.

bitly

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Artificial Intelligence (AI)

Reporting & Analytics

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- Click on **Report PDU's**
- Click on **Course or Training**
- Class Provider = **Rego Consulting**
- Class Name = **Rego University**
- 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!
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