



Forecast Accuracy
Feature Guide
Winter 19



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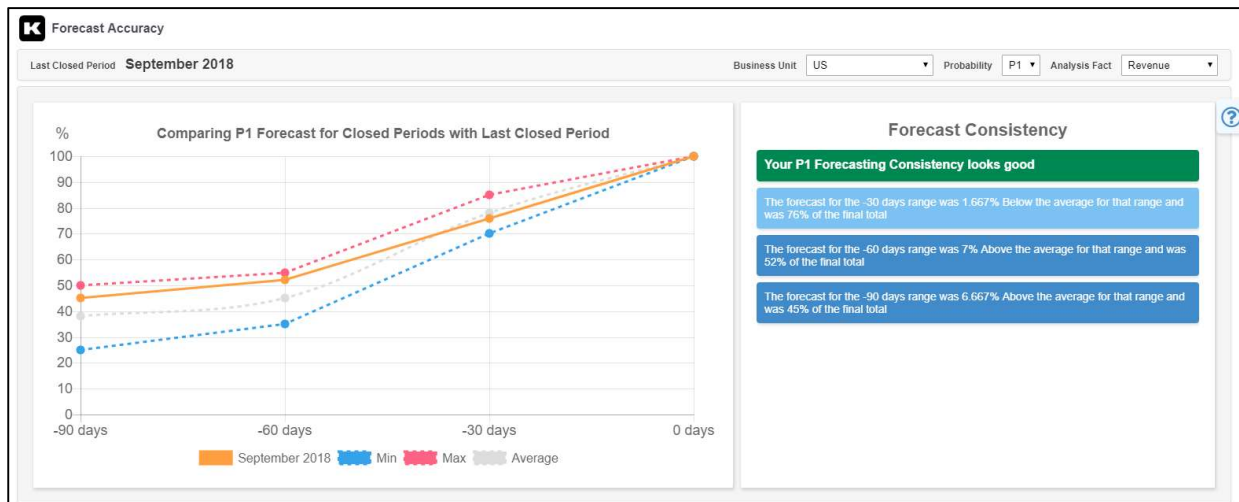
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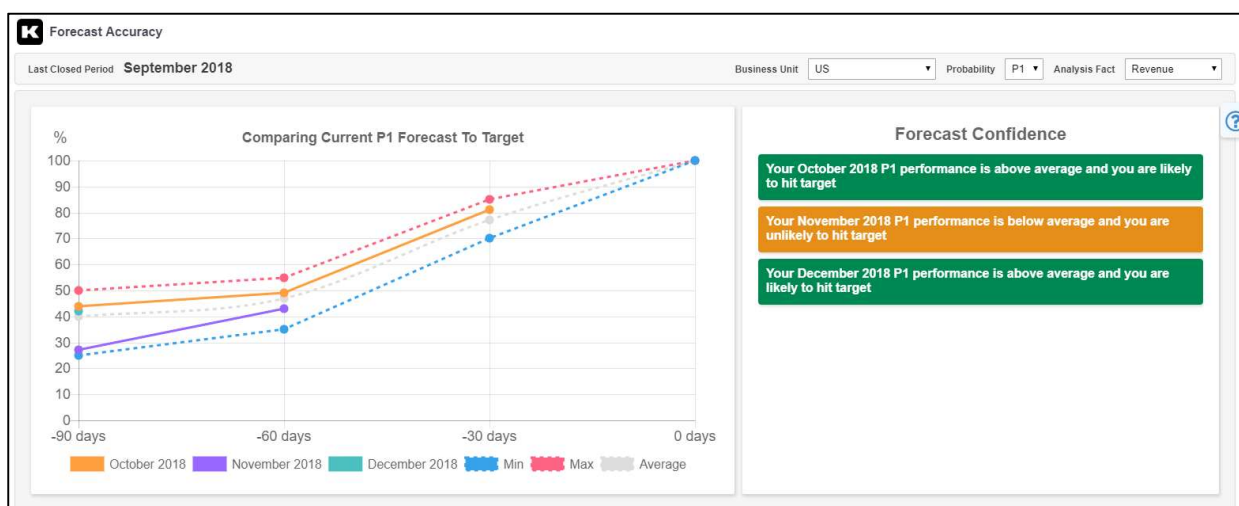
Introduction

In Kimble's Winter 19 Release, Kimble has introduced new diagnostic capabilities which provide insight into your forecasting accuracy. New Dashboards detail your Forecast Consistency and Forecast Confidence.

- The Forecast Consistency Dashboard shows how consistent your forecasting has been by comparing forecasts for the last closed Forecasting Period with a configurable number of previously closed Forecasting Periods. It provides a retrospective look at the performance (maximum, minimum, average) of Revenue Forecasts or Average Margin at ranges leading up to the close of Forecasting Periods.



- The Forecast Confidence Dashboard assesses the likelihood of hitting your Targets in a configurable number of upcoming Forecasting Periods. It analyses your progress towards Targets against your forecasting performance in a configurable number of previous Forecasting Periods.



Essential Concepts

Revenue Forecasting

In Kimble, Revenue is forecast automatically based on the Revenue Recognition model of delivery items associated with Delivery Elements. The Revenue Forecast for a period tends to get more accurate as the period gets closer to completion – first as work progresses from possible to probable to firm, and then as Time and Expenses are booked and delivery items are completed.

Margin Amount

Margin is the sum of all Engagement Revenues (milestones, period revenues, resources, and expenses) less sum of all direct costs of delivery for the Engagement (from milestones, period costs, resources, and expenses).

Firm, Probable, and Possible (P1, P2, and P3)

Kimble uses the following Probability codes to help you filter reports and dashboards to the opportunities that meet a certain level of probability.

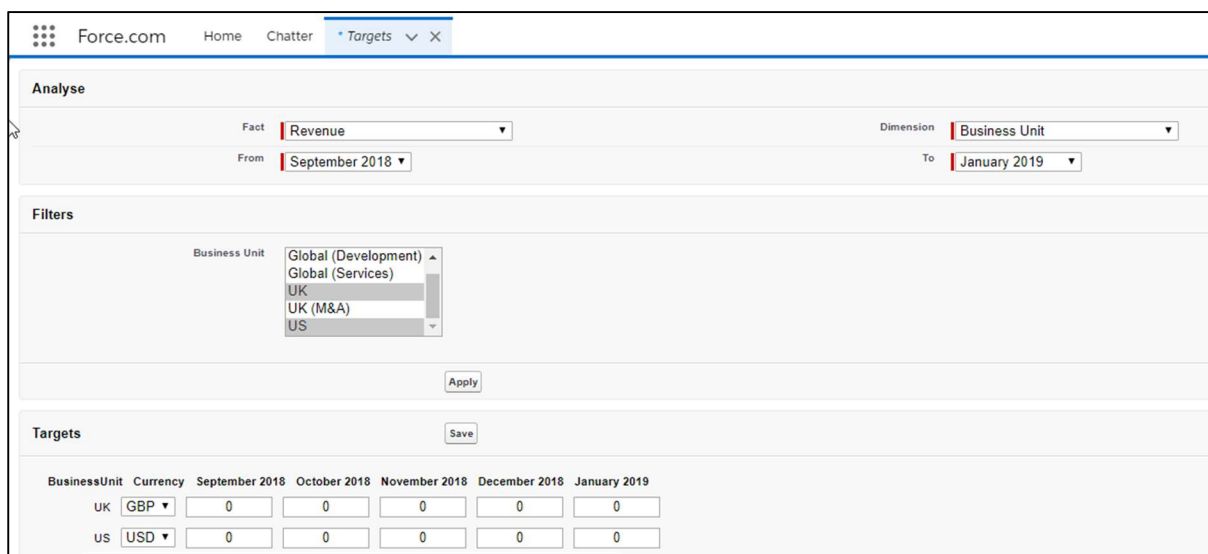
- P1 – This includes only those opportunities which have been set to a status of Firm.
- P2 – This includes only those opportunities which have reached a status of Probable, including those which are set to Firm.
- P3 – This includes all opportunities in the pipeline – from Possible to Probable to Firm.

Period Close

When you close a Forecasting Period, you either actualize or remove all unrecognized revenue. This means that, once Kimble allows you to close the Forecasting Period (once there is no more unrecognized revenue), the forecast for that Period matches the actuals. At that point, your forecasts are 100% accurate to what was recognized.

Targets

Kimble allows you to set Targets for each month. Targets can be set for various important measures, including Revenue and Margin Amount. The setting of Targets can be filtered by dimension – for example, Targets can be set for certain Business Units.



The screenshot shows the 'Targets' screen in the Kimble application. The top navigation bar includes 'Force.com', 'Home', 'Chatter', and 'Targets'. The main section is titled 'Analyse' and contains dropdowns for 'Fact' (Revenue), 'Dimension' (Business Unit), 'From' (September 2018), and 'To' (January 2019). Below this is a 'Filters' section with a 'Business Unit' dropdown menu showing options: Global (Development), Global (Services), UK, UK (M&A), and US. An 'Apply' button is located below the filters. The 'Targets' section at the bottom features a 'Save' button and a grid for setting targets. The grid has columns for 'BusinessUnit', 'Currency', and months from 'September 2018' to 'January 2019'. The rows show 'UK' with 'GBP' currency and 'US' with 'USD' currency, with all target values currently set to '0'.

BusinessUnit	Currency	September 2018	October 2018	November 2018	December 2018	January 2019
UK	GBP	0	0	0	0	0
US	USD	0	0	0	0	0

The user interface for the Targets screen has been enhanced in Kimble Winter 19 Release, presenting a grid view of selected months and selected dimension filters and allowing you to enter Target numbers in the cells.

Configuring Forecast Accuracy

Once configured, Forecast Accuracy will begin to take the snapshots that will allow you to view your Forecast Consistency and Forecast Confidence.



It will be some months after you configure Forecast Accuracy before you receive useful outputs. At first, the Dashboards will be blank.

To enable Forecast Accuracy and manage Forecast Accuracy settings:

1. Navigate to *Reference Data*.
2. Click *Kimble Config*.

Forecast Accuracy, Consistency and Confidence

Enable Analysis of Business Unit Forecast Accuracy *

☒

Cards Displayed on the Forecast Accuracy Dashboard ⓘ *

Forecast Consistency and Confidence ▼

Number of previous periods to assess in Analysis of Business Unit Forecast Consistency and Confidence *

6

Number of future periods to assess in Analysis of Business Unit Forecast Confidence *

3

Percentage Tolerance when comparing Business Unit Forecast Consistency and Confidence to Average Performance *

20

Default Probability Code for Business Unit Forecast Accuracy Summary *

P1 ▼

Default Business Unit for Business Unit Forecast Accuracy Summary *

Resource ▼

Default Fact for Business Unit Forecast Accuracy Summary *

Revenue ▼

3. Toggle *Enable Analysis of Business Unit Forecast Accuracy* to On.
4. Use the *Cards Displayed on the Forecast Accuracy Dashboard* dropdown to determine which cards will appear on the home page component: both Forecast Consistency and Forecast Confidence, Forecast Consistency only, or Forecast Confidence only.

Cards Displayed on the Forecast Accuracy Dashboard ⓘ *

Forecast Consistency and Confidence ▼
Forecast Consistency and Confidence
Forecast Consistency Only
Forecast Confidence Only

Number of previous periods to assess in Analysis of Business Unit Forecast Consistency and Confidence *

5. Use the *Number of previous periods to assess in Analysis of Business Unit Forecast Consistency and Forecast Confidence* setting to determine how many closed Forecasting Periods will be used to determine the Maximum, Minimum and Average data points used for comparison on the Forecast Accuracy Dashboards. The default number of closed Forecasting Periods Kimble uses is 6.
6. Use the *Number of future periods to assess in Analysis of Business Unit Forecast Confidence* setting to determine how many open Forecasting Periods will be analyzed against their Targets on the Forecast Confidence. The default number of open Forecasting Periods Kimble uses is 3.

7. Use the *Percentage Tolerance when comparing Business Unit Forecast Consistency and Confidence to Average Performance* setting to determine the tolerance – when compared to previously Closed Periods – outside which the latest forecast will trigger and “outside tolerance” narrative in Kimble. The default percentage tolerance is 20%.
8. Determine which information will be analyzed and displayed by default:
 - a. Set a default Probability Code – *All, P1, P2, or P3* – using the *Default Probability Code for Business Unit Forecast Accuracy Summary* dropdown.
 - i. *All* – Displays a separate chart for each Probability Code.
 - ii. *P1* – Displays a chart for P1 Forecasts only.
 - iii. *P2* – Displays a chart for P2 Forecasts only. (Note: This calculation includes all P1 Forecasts.)
 - iv. *P3* – Displays a chart for P3 Forecasts only. (Note: This calculation includes all P1 and P2 Forecasts.)
 - b. Set a default Business Unit preference – *All or Resource* – using the *Default Probability Code for Business Unit Forecast Accuracy Summary* dropdown.
 - i. *All* – Displays a chart covering all Business Units.
 - ii. *Resource* – Displays a chart that only reflects the Resource's Business Unit.
 - c. Set a default fact to analyze using the *Default Fact for Business Unit Forecast Accuracy Summary* dropdown.
 - i. *Revenue* – Displays a chart analyzing forecast accuracy of revenue.
 - ii. *Margin Amount* – Displays a chart analyzing forecast accuracy of margin.



To change the Offset Ranges used in Forecast Accuracy Dashboards (the ranges determined by the number of days before the close of a Forecasting Period, e.g. -20), please have your System Administrator contact Kimble.

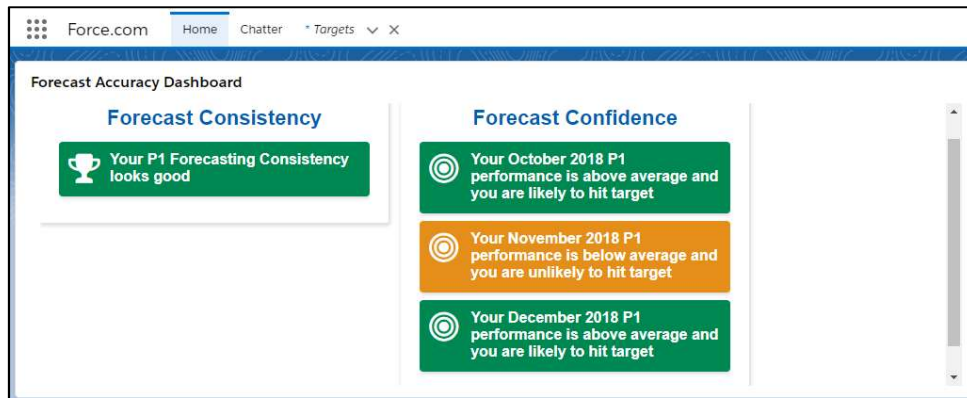
Using Forecast Accuracy Dashboards

Navigation

Kimble’s new Forecast Accuracy dashboards are available from a new Forecast Accuracy Dashboard component on the home screen, or from the header of the Business Unit screen.

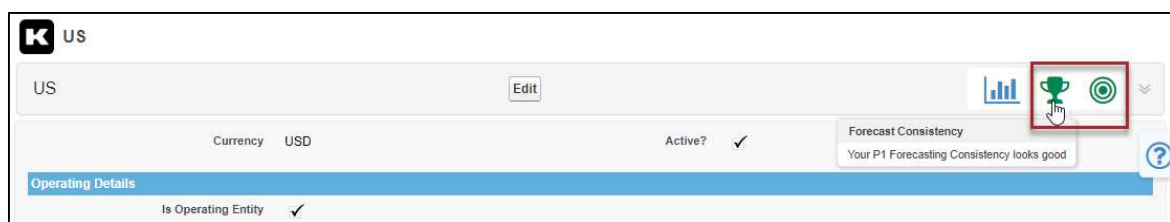
On the Home screen:

- Kimble surfaces important narrative information about your Forecast Consistency and your Forecast Confidence through Intelligent Insights on the Forecast Accuracy Dashboard component.
- Click *Forecast Consistency*, or on the Intelligent Insight(s) below it to drill down to the Forecast Consistency dashboard.
- Click *Forecast Confidence*, or on the Intelligent Insight(s) below it to drill down to the Forecast Confidence dashboard.



On the Business Unit screen:

- Kimble surfaces important narrative information about your Forecast Consistency and your Forecast Confidence through Intelligent Insights on the Business Unit header. These new Insights appear to the right of the Business Unit Diagnostics Insight that was added in Kimble's Summer 18 Release.
- Hover over the trophy Insight to see narrative information about your Forecast Consistency; click the trophy Insight to drill down to the Forecast Consistency dashboard.
- Hover over the target Insight to see narrative information about your Forecast Confidence; click the target Insight to drill down to the Forecast Confidence dashboard.



Using Forecast Consistency Dashboard

The Forecast Consistency Dashboard displays the Forecast Accuracy of the last closed Forecasting Period as it relates to the Forecast Accuracy of previous Forecasting Periods. You should use this dashboard to help you understand how consistent your forecasting behaviors have been for Periods.

- A graph shows how the last closed Period performed against the average, maximum, and minimum Forecast at set ranges. The closer the four lines are to each other, the more consistent your forecasting behaviors have been. Lines that are further apart indicate that your forecasts are unpredictable and inconsistent.
- A panel to the right surfaces narrative insights on how consistent the last closed Period was.
- A set of filters in the dashboard header allow you to refine what data you are analyzing.



All lines on the Forecast Confidence graph will always converge at 100% – that is because at Period Close (represented on the x-axis by 0 days), Forecasts match Actuals and are therefore 100% accurate.

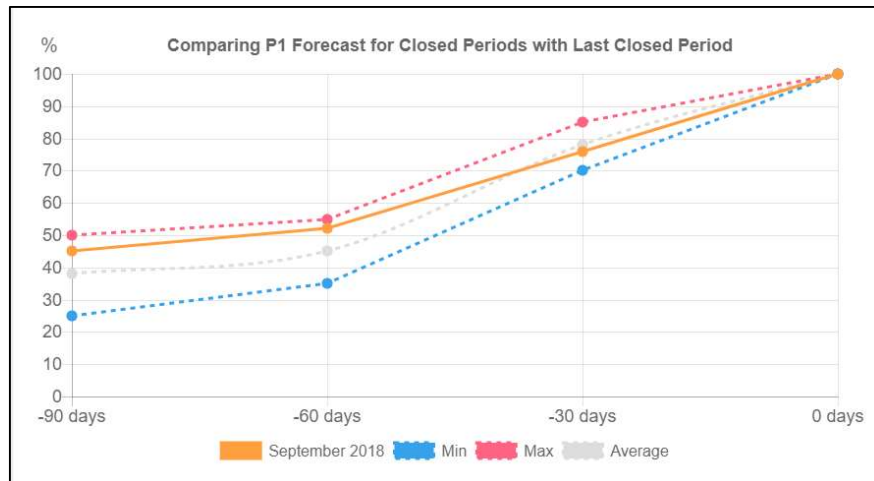
The data in this graph is based on snapshots of Forecast data taken the specified number of days before the close of the Forecasting Period. Each data point is based on the percentage of the final Forecast number that was reflected in Kimble at the time of the snapshot.

The table below shows an example of snapshots of Revenue Forecast for a period of six months prior to the last closed Period, with ranges set for every 30 days before period close. Cells that contain the maximum forecast percentage for that range are highlighted in pink; cells that contain the minimum forecast percentage for that range are highlighted in blue.

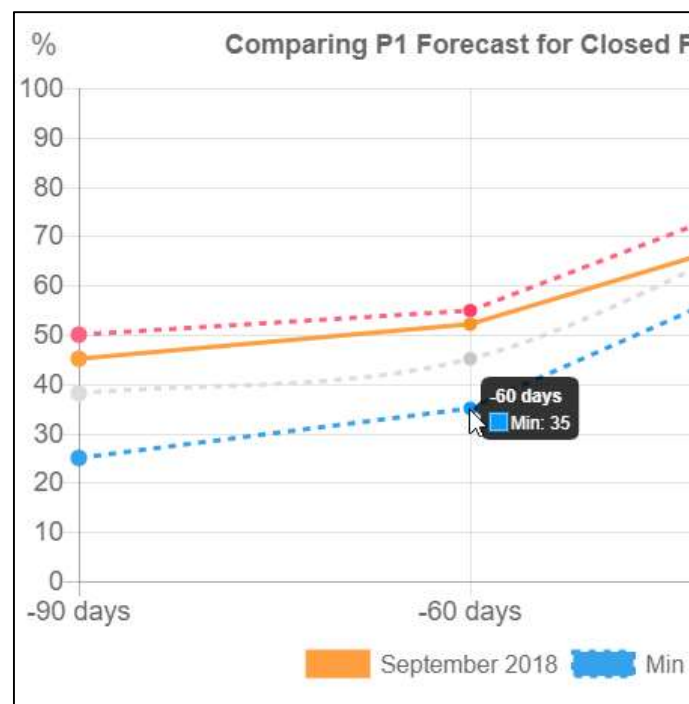
Period	Revenue at -90 days	Revenue at -60 days	Revenue at -30 days	Revenue at Period Close
Sept 2018 (Last Closed Period)	\$450,000 on Jul 7 th 45%	\$520,000 on Aug 6 th 52%	\$760,000 on Sept 5 th 76%	\$1,000,000 on Oct 5 th 100%
Aug 2018	\$368,000 on Jun 7 th 40%	\$460,000 on Jul 7 th 50%	\$736,000 on Aug 6 th 80%	\$920,000 on Sept 5 th 100%
Jul 2018	\$237,500 on May 11 th 25%	\$380,000 on Jun 10 th 40%	\$750,500 on Jul 10 th 79%	\$950,000 on Aug 9 th 100%
Jun 2018	\$288,000 on Apr 9 th 30%	\$336,000 on May 9 th 35%	\$672,000 on Jun 8 th 70%	\$960,000 on Jul 8 th 100%
May 2018	\$440,000 on Mar 10 th 40%	\$506,000 on Apr 9 th 46%	\$869,000 on May 9 th 79%	\$1,100,000 on Jun 8 th 100%
Apr 2018	\$600,000 on Feb 8 th 50%	\$660,000 on Mar 10 th 55%	\$1,020,000 on Apr 9 th 85%	\$1,200,000 on May 9 th 100%
Mar 2018	\$460,000 on Jan 9 th 40%	\$506,000 on Feb 8 th 44%	\$908,500 on Mar 10 th 79%	\$1,150,000 on Apr 9 th 100%

From this dataset, Kimble will display the following information on the Forecast Consistency graph.

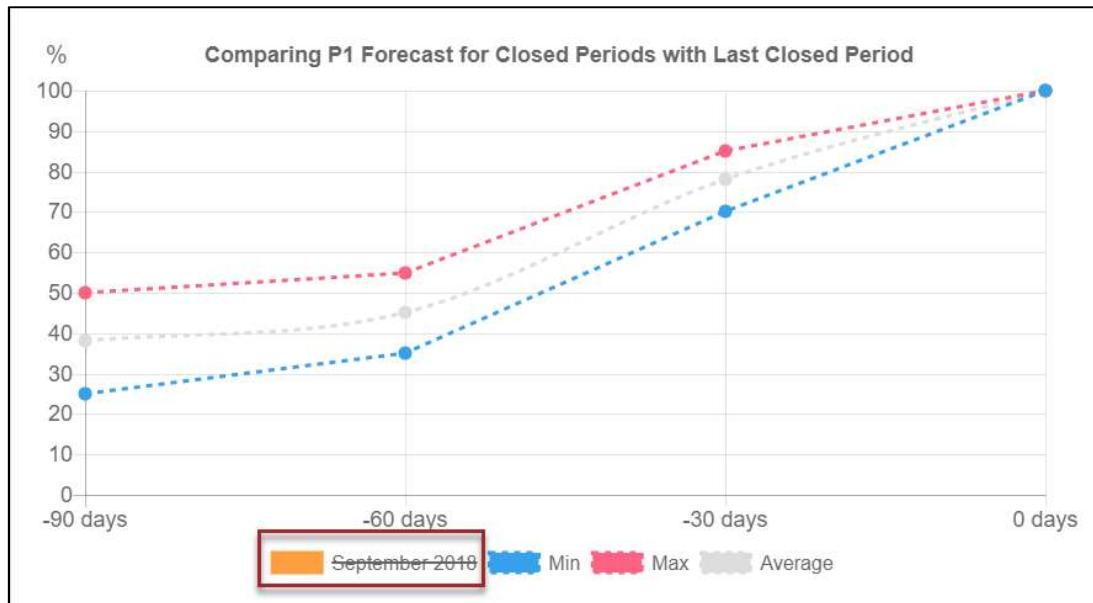
Period	Revenue at -90 days	Revenue at -60 days	Revenue at -30 days	Revenue at Period Close
Sept 2018 (Last Closed Period)	45%	52%	76%	100%
Average %	38%	45%	78%	100%
Maximum %	50% (Apr 2018)	55% (Apr 2018)	85% (Apr 2018)	100%
Minimum %	25% (Jul 2018)	35% (Jun 2018)	70% (Jun 2018)	100%



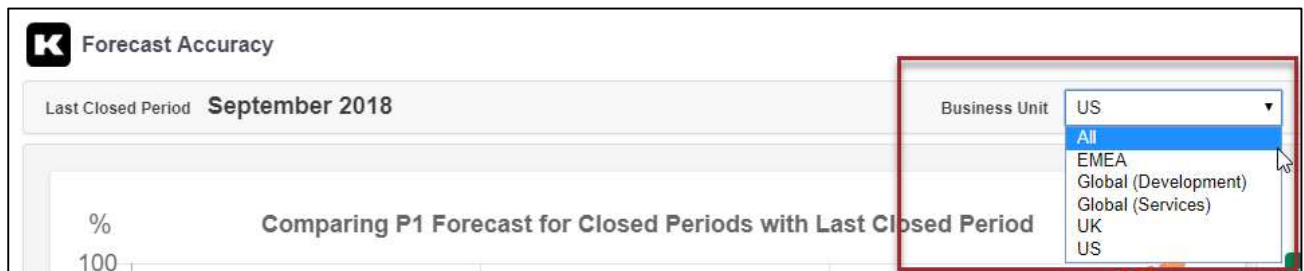
Hover over a point on the graph to see the percentage.



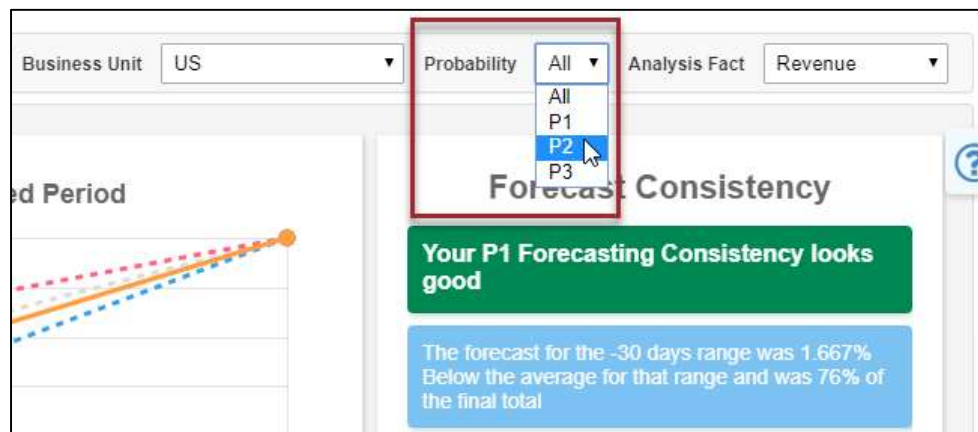
To hide a line from the graph, click the entry for that line on the key.



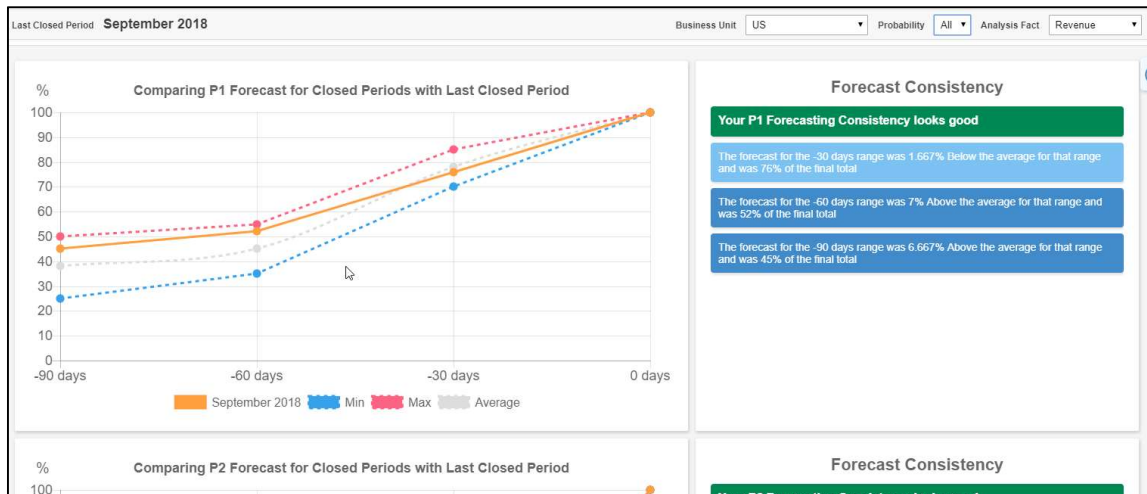
Use the *Business Unit* filter to analyze a different Business Unit, or to analyze all Business Units.



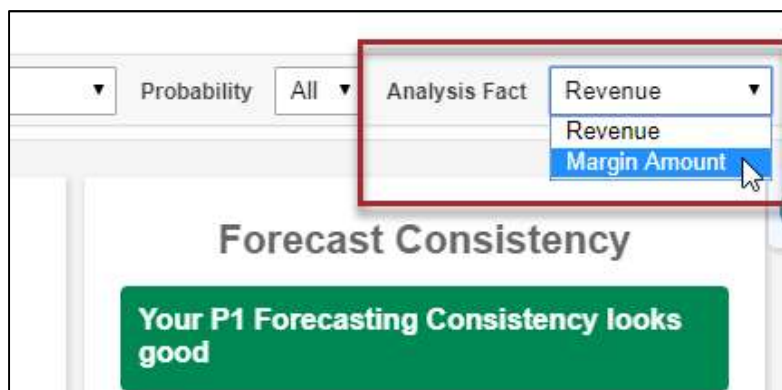
Use the *Probability* filter to set the level of Probability you would like to analyze.



- P1 shows a graph that analyzes only work which is set to a status of Firm.
- P2 shows a graph which analyzes work which is set to a status of Probable or Firm.
- P3 shows a graph which analyzes all work in the system.
- All shows three separate graphs, one that analyzes P1 data, another that analyzes P2 data, and a third that analyzes P3 data.



Use the Analysis Fact dropdown to determine whether the dashboard will analyze the Forecast Consistency of Revenue or Average Margin.



Using Forecast Confidence Dashboard

The Forecast Confidence Dashboard applies previous forecast percentages at set ranges for closed Forecasting Periods to your current Forecasting Periods to assess the likelihood of hitting Targets. If you are confident in the accuracy of your previous forecasts at similar ranges (based on the Forecast Confidence dashboard), you should use this dashboard to analyze whether the Target for an open Period is attainable.

- A graph shows how open Periods are performing against the Targets you have set, as well as the average, maximum, and minimum Forecast percentage of closed Periods at set ranges. A point below the average line is unlikely to hit the Target based on your past forecasting behavior; while it might defy the trends, your Forecasts would need to make a larger jump than usual to hit that target.
- A panel to the right surfaces narrative insights on the level of confidence of hitting the target.
- A set of filters in the dashboard header allow you to refine what data you are analyzing.



All lines for previously Closed Periods converge at 100% on the Forecast Confidence graph – that is because at Period Close (represented on the x-axis by 0 days), Forecasts match Actuals and are therefore 100% accurate.

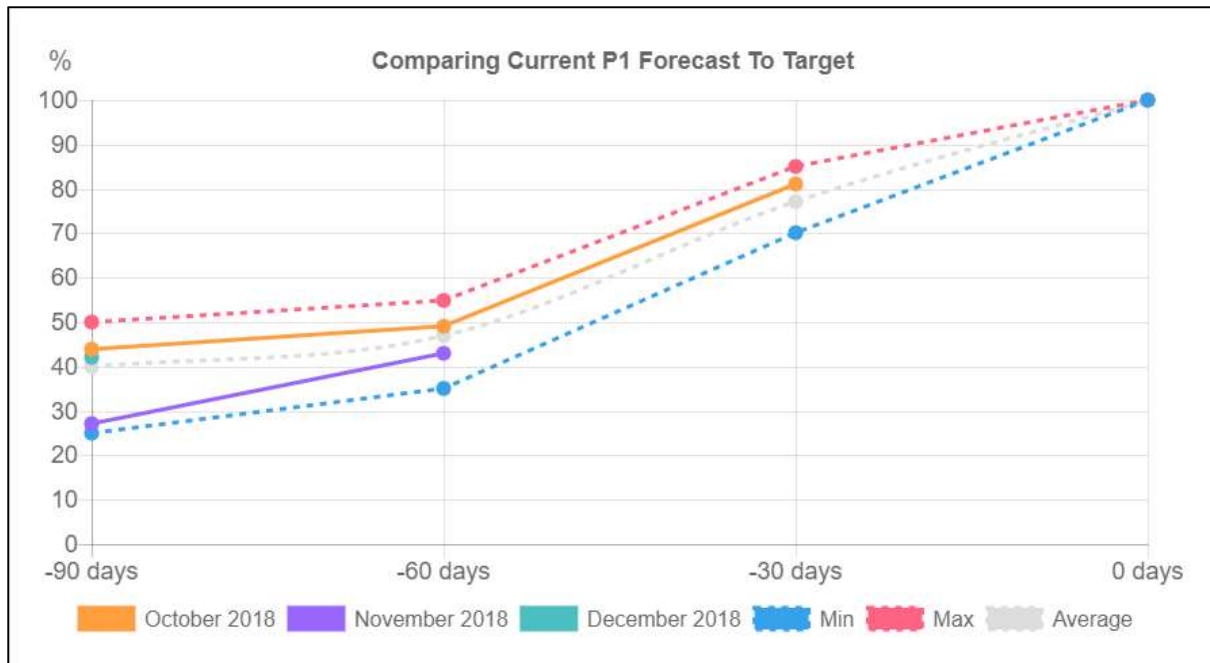
The data in this graph is based on snapshots of Forecast data taken the specified number of days before the close of the Forecasting Periods. Each data point is based on the percentage of the Forecast (at the time of the snapshot) compared to the Actual figure at Period Close. The percentage for open Forecasting Periods is determined by comparing the Forecast in Kimble at the snapshot date (the configured number of days before the end of a future Forecasting Period), to the Target that you've set.

The table below shows an example Revenue Forecast breakdown for a period of six months prior to the last closed Period, with ranges set for every 30 days before period close. Cells that contain the maximum forecast percentage for that range are highlighted in pink; cells that contain the minimum forecast percentage for that range are highlighted in blue.

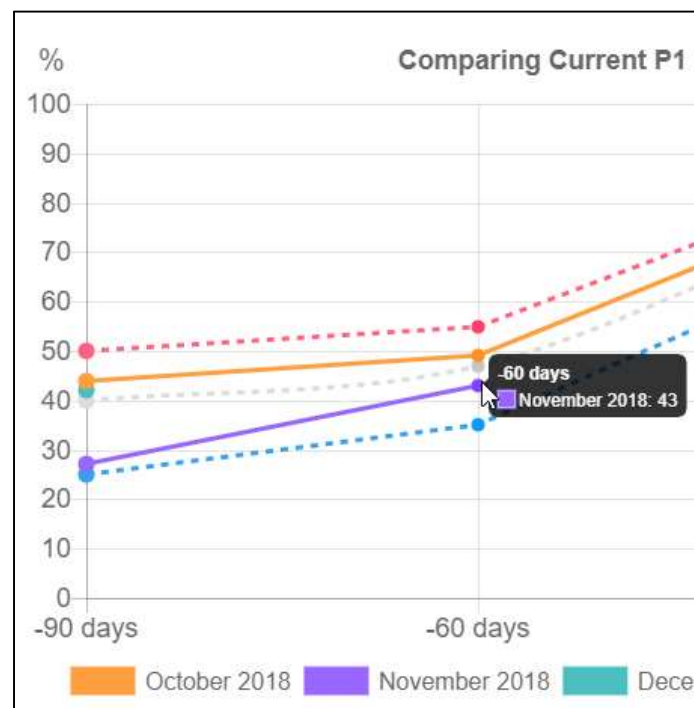
Period	Revenue at -90 days	Revenue at -60 days	Revenue at -30 days	Revenue at Period Close
Dec 2018	\$420,000 on Oct 2 nd 42% of Target	No data for November 1 st yet	No data for December 1 st yet	\$1,000,000 Target for December 31 st
Nov 2018	\$270,000 on Sept 1 st 27% of Target	\$430,000 on Oct 1 st 43% of Target	No data for October 31 st yet	\$1,000,000 Target for Nov 30 th 100%
Oct 2018 (First Open Period)	\$484,000 on Aug 2 nd 44% of Target	\$539,000 on Sept 1 th 49% of Target	\$891,000 on Oct 1 st 81% of Target	\$1,100,000 Target for Oct 31 st 100%
Sept 2018 (Last Closed Period)	\$450,000 on Jul 7 th 45%	\$520,000 on Aug 6 th 52%	\$760,000 on Sept 5 th 76%	\$1,000,000 on Oct 5 th 100%
Aug 2018	\$368,000 on Jun 7 th 40%	\$460,000 on Jul 7 th 50%	\$736,000 on Aug 6 th 80%	\$920,000 on Sept 5 th 100%
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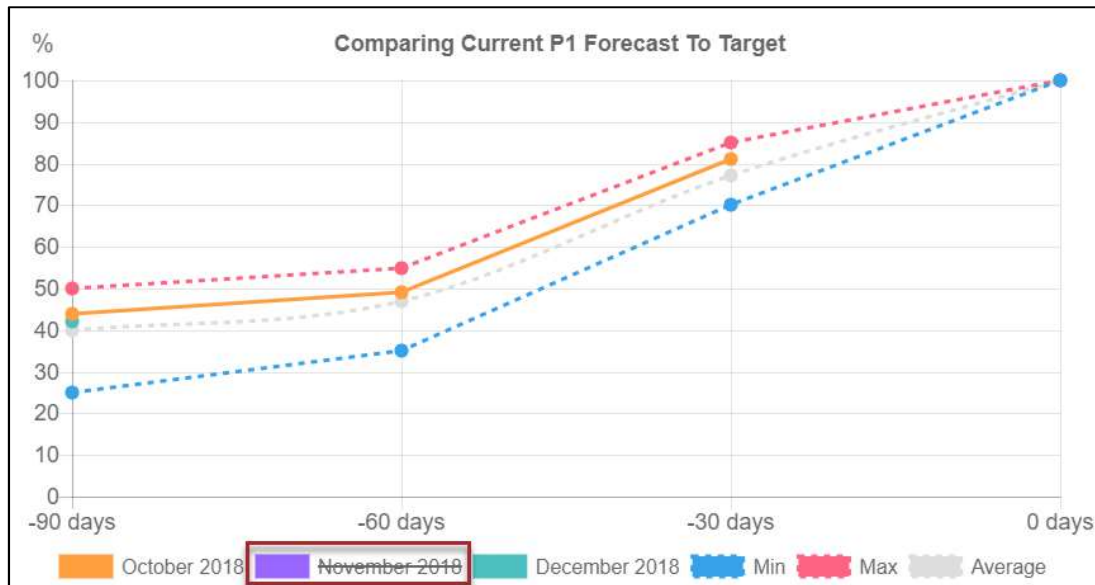
Period	Revenue at -90 days	Revenue at -60 days	Revenue at -30 days	Revenue at Period Close
Dec 2018	42%			
Nov 2018	27%	43%		
Oct 2018 (first Open Period)	44%	49%	81%	
Average %	38%	46%	78%	100%
Maximum %	50% (Apr 2018)	55% (Apr 2018)	85% (Apr 2018)	100%
Minimum %	25% (Jul 2018)	35% (Jun 2018)	70% (Jun 2018)	100%



Hover over a point on the graph to see the percentage.



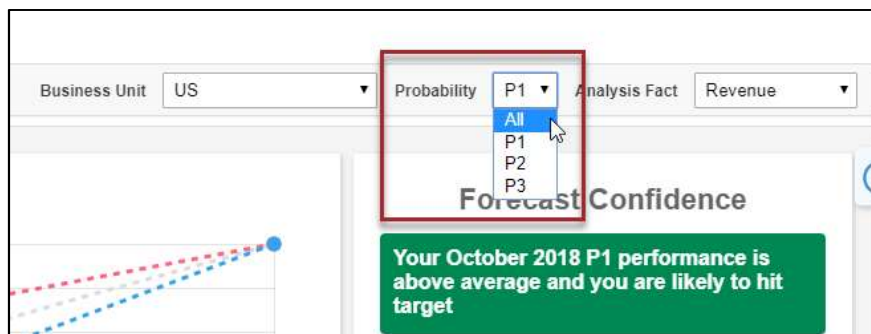
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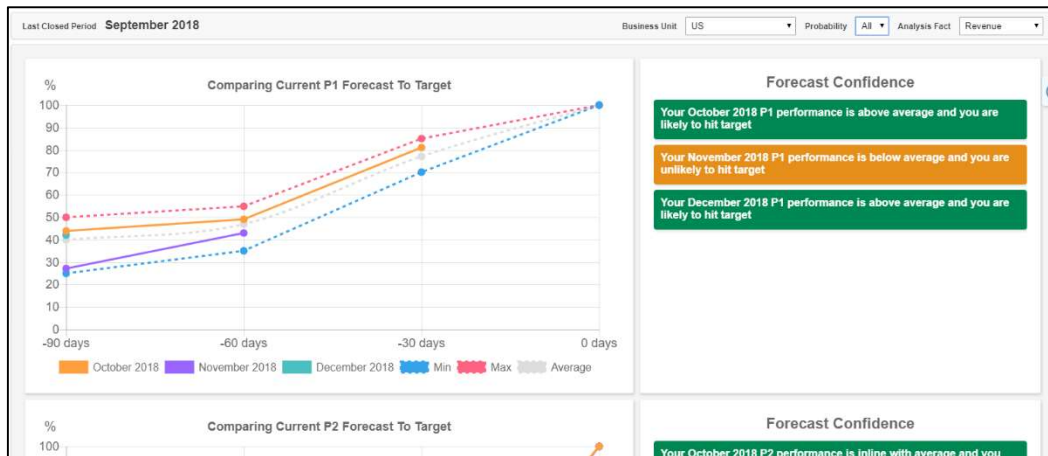
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