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Clarity PPM Financials “Made Easy”



Clarity PPM Financials, Made Easy

Many organizations who have not previously used the powerful financial capabilities of Clarity PPM are finding it advantageous to see **planned and actual financial status of their projects**. Too often companies hesitate taking that first step due to the perceived complexity of setting up and maintaining financial data in Clarity PPM.

This presentation, **Clarity PPM Financials Made Easy**, will address:

- ▶ How to set up Clarity PPM Financials at a low cost and high-value structure
- ▶ Taking advantage of default settings to reduce complexity and maintenance
- ▶ Advantages of seeing all the relevant data in one place
- ▶ Use of simple models to get started or use as a Proof of Concept
- ▶ Optional Clarity PPM Features to enhance the model
- ▶ The CA Clarity PPM Financials module enables users to see the **financial impact of plans** and **measure performance** results against the expectations of those plans. As changes to the plan are made, users can see how those changes will affect the financial outcomes.



Overview Section

Financial Management Benefits

- ▶ Provides the ability to see Planned and Actual financial status of projects.
- ▶ Budgets and Forecasts are created and reviewed on a regular basis to be certain Investments or Services are on target and proceeding as expected.
- ▶ Budgets also provide the business with information needed to make critical decisions as to which projects are most profitable for the business.
- ▶ Rate and cost matrix updates to allow for market changes.

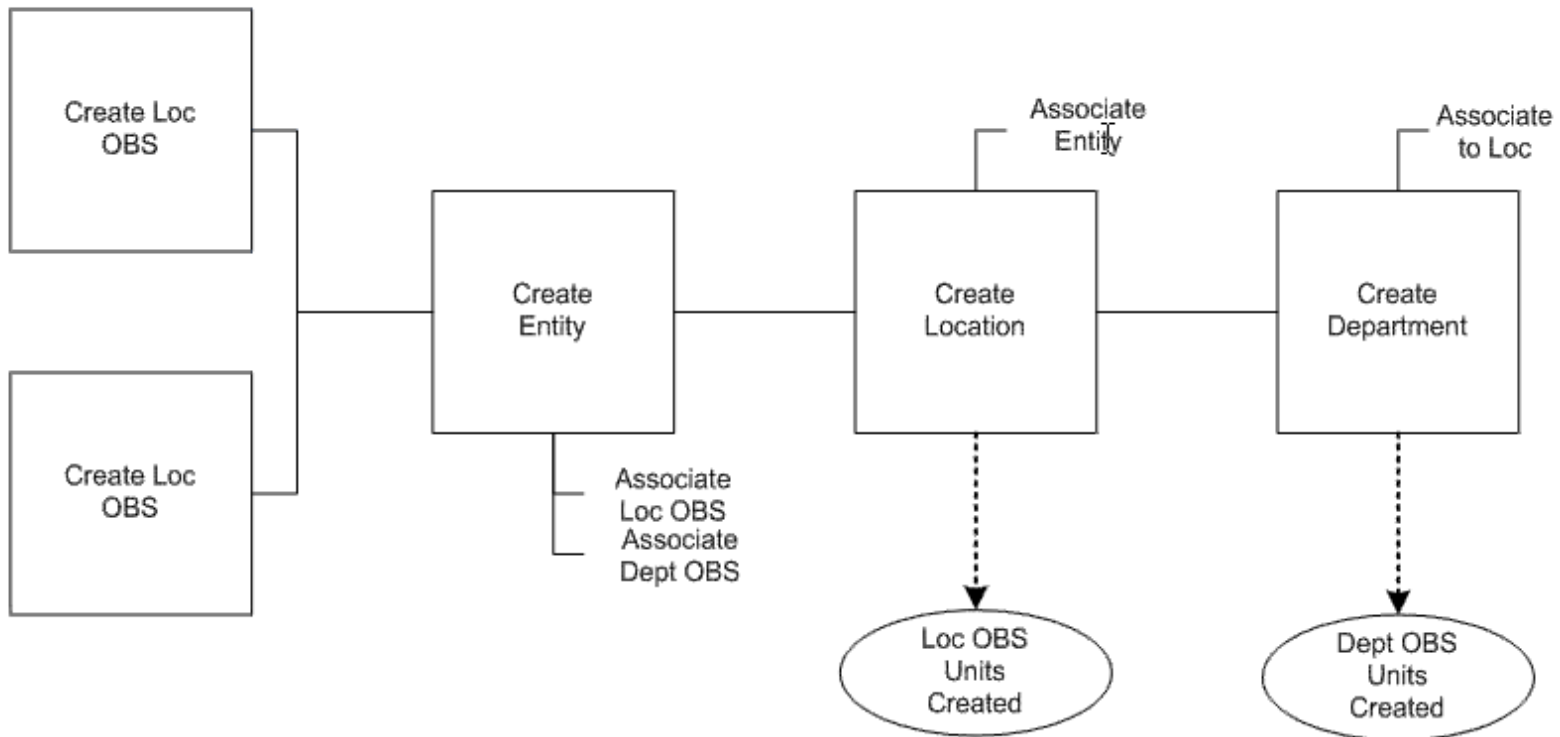
Financial Management Benefits continued

- ▶ Individual projects can be examined to determine:
 - ▶ The cost of the project – is it on target, over or under budget?
 - ▶ Billable projects – is the revenue on target?

Financial Setup

Financial Organizational Structure (FOS)

FOS SETUP FLOW DIAGRAM



Administrative Setup

- ▶ Financial Administrative setup is accomplished using the Clarity Administration Tool.
- ▶ First step is to create the Department and Location OBS's.
 - ▶ A department OBS typically represents your company's organization chart.
 - ▶ A location OBS typically represents the geographical location of a company's department.
- ▶ Create the Entity and associate the Department and Location OBS's to the entity.

Administrative Setup continued

Administration Tool

Entity Properties (Entity: Corporate)

Properties | Fiscal Time Periods | Plan Defaults

Save | Submit | Cancel

General	
* Entity	Corporate
* Description	Corporate Entity
* Short Description	CORP
* Fiscal Period Type	Monthly
* Home Currency	USD
Default Billing Currency	USD
* Reporting Currency	USD
Defaults	
Investment Class	<input type="text"/>
WIP Class	<input type="text"/>
Company Class	<input type="text"/>
Batch Cycle	<input type="text"/>
Remit To Location	<input type="text"/>

Save | Submit | Cancel

* = Required + = Enter Once

Labor Rate and Cost Defaults	
Rate Source	<input type="text"/>
Cost Source	<input type="text"/>
Source Location	Project
Exchange Rate Type	Average
Material Rate Defaults	
Rate Source	<input type="text"/>
Exchange Rate Type	Average
Equipment Rate Defaults	
Rate Source	<input type="text"/>
Exchange Rate Type	Average
Expense Rate Defaults	
Rate Source	<input type="text"/>
Exchange Rate Type	Average
Organizational Breakdown Structures	
* Location OBS	Corporate Location
* Department OBS	Corporate Department

Location – Only Need 1

- ▶ A location typically represents the geographical location where a company conducts its business.
- ▶ A location can be associated with many departments.
- ▶ A Location is selected on the Financial Subpage of the project.

Administration Tool

Create New Location

Save Submit Cancel

General

* Location Name	<input type="text"/>	Parent Location	<input type="text"/>
* Location ID	<input type="text"/>	Description	<input type="text"/>
* Entity	<input type="text"/>		

Department – Only Need 1

- ▶ A department typically represents a unit in the organizational structure of your company.
- ▶ A department is associated to projects using the Department OBS link at the bottom of the project page.

Create Department

Save Submit Cancel

General

* Department Name

* + * Department ID

* + Entity

Parent Department

* Description

Save Submit Cancel

* = Required + = Enter Once * = Unique

▶ Fiscal Time Periods

- ▶ Fiscal time periods are the dates you specify as a unit for reporting and financial processing. Before you can perform financial planning tasks, fiscal time periods must be defined and activated for an entity.
- ▶ When creating time periods, the type of period (monthly, annually, etc.), the year, and date range you select automatically creates a series of time periods. For example, if the time period is monthly, enter January 1, 2009 as the start date and December 31, 2009 as the finish date to create time periods for each month.

► Fiscal Time Periods continued

Administration Tool

Entity Fiscal Time Period

Properties Fiscal Time Periods Plan Defaults

Save Submit Cancel

General

* Period Type	[--Select--]	* Start Date	<input type="text"/>
* Fiscal Year	<input type="text"/>	* Finish Date	<input type="text"/>
Time Period Description	<input type="text"/>		

Save Submit Cancel

* = Required + = Enter Once

▶ Resource Class – Only Need 1

- ▶ Resource Class is a method to classify Resource information for reporting and for calculation of costs and rates in the Rate Matrix.
- ▶ Resource Class is a required field when financially enabling resources. A resource can be associated with only one resource class at a time.

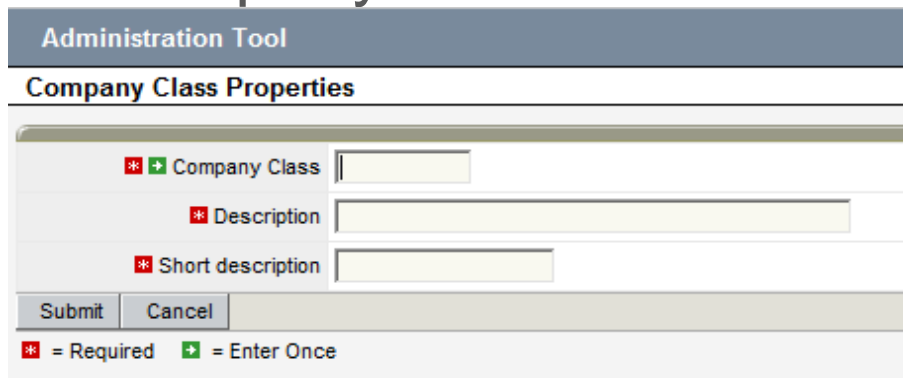
The screenshot displays a web-based form titled "Administration Tool" with a sub-section "Resource Class Properties". At the top of the form are "Submit" and "Cancel" buttons. Below this is a "General" tab. The form contains four fields, each with a red asterisk indicating it is required:

- Resource Class:** A text input field with a green plus sign icon to its left.
- Description:** A text input field.
- Resource Type:** A dropdown menu currently showing "--Select--".
- Active:** A dropdown menu currently showing "Yes".

At the bottom of the form are another "Submit" and "Cancel" buttons. A legend at the very bottom indicates that a red asterisk (*) means "Required" and a green plus sign (+) means "Enter Once".

▶ **Company Class – Only Need 1**

- ▶ Company class categorize clients or lines of business within your financial organization for reporting purposes and for calculation of costs and rates in the Rate Matrix.
- ▶ Company class is required when financially enabling a company and a company can belong to only one company class at a time.



The screenshot shows a web-based form titled "Administration Tool" with a sub-section "Company Class Properties". The form contains three input fields, each with a red asterisk indicating it is required. The first field is labeled "Company Class" and has a green plus sign icon next to the label. The second field is labeled "Description" and the third is labeled "Short description". Below the fields are "Submit" and "Cancel" buttons. A legend at the bottom indicates that a red asterisk (*) means "Required" and a green plus sign (+) means "Enter Once".

▶ Investment Class – Only Need 1

- ▶ Investment Class categorizes investment accounting information.
- ▶ Use investment classes to categorize work logically within an organization.
- ▶ Investment classes can be used for reporting purposes and for calculation of costs and rates in the Rate Matrix.

The screenshot displays a web-based form titled "Administration Tool" with a sub-section "Investment Class Properties". The form contains three input fields: "Class Name" (marked with a red asterisk and a green plus sign), "Description" (marked with a red asterisk), and "Short Description" (marked with a red asterisk). Below the fields are "Submit" and "Cancel" buttons. A legend at the bottom indicates that a red asterisk (*) means "Required" and a green plus sign (+) means "Enter Once".

▶ Work-in-Progress (WIP) Class – Only 1

- ▶ WIP class is primarily used for financial reporting of projects and for calculation of costs and rates in the Rate Matrix.
- ▶ Work-in-process (WIP) classes can also be used to categorize companies and investments or to indicate methods of revenue recognition for projects.

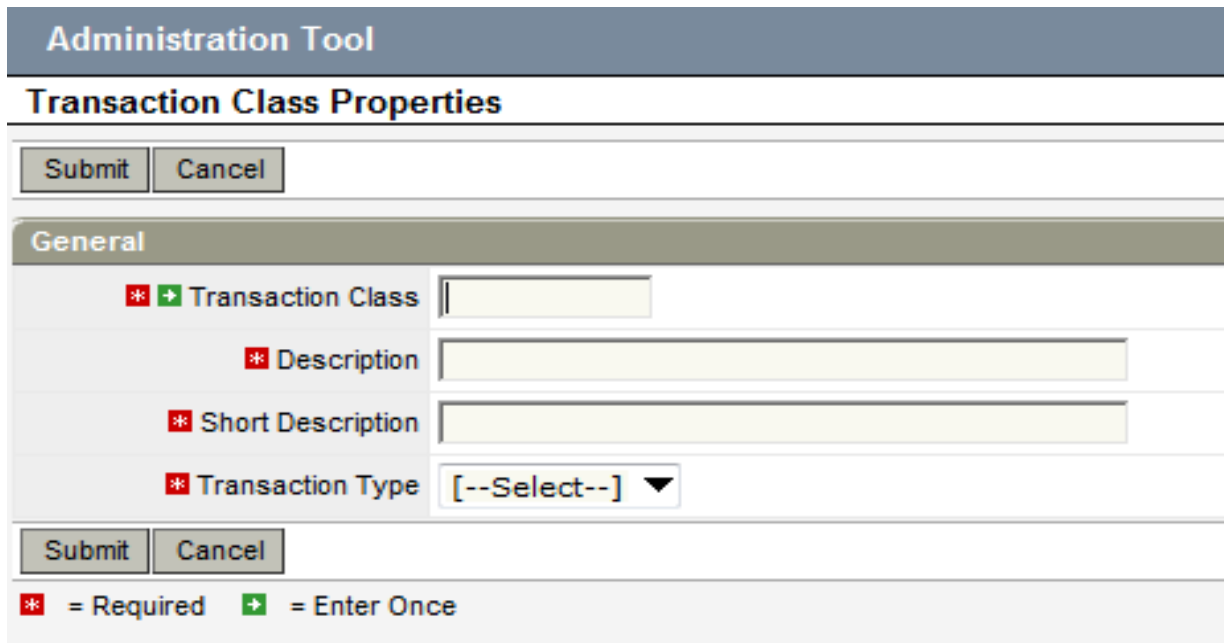
The screenshot displays a web-based form titled "Administration Tool" with a sub-section "WIP Class Properties". The form contains three input fields: "Work in Process Class" (marked with asterisk, plus, and hash icons), "Description" (marked with asterisk), and "Short Description" (marked with asterisk). Below the fields are "Submit" and "Cancel" buttons. A legend at the bottom explains the icons: asterisk for Required, plus for Enter Once, and hash for Unique.

▶ **Transaction Class - Only Need 1/Type**

- ▶ Transaction classes are user-defined values that group transaction types.
- ▶ Every transaction is associated with a transaction class and can be used for financial reporting of projects and for calculation of costs and rates in the Rate Matrix.
- ▶ You must define at least one transaction class for labor, material, equipment, and expense transaction types.
- ▶ There is no limit to the number of transaction classes you can add for a given transaction type.

▶ Transaction Class continued

- ▶ Most likely only use one for Labor but need one for each transaction type.



The screenshot shows a web-based form titled "Administration Tool" with a sub-section "Transaction Class Properties". At the top of the form are "Submit" and "Cancel" buttons. Below this is a "General" section containing four fields: "Transaction Class" (with a red asterisk and a green plus icon), "Description" (with a red asterisk), "Short Description" (with a red asterisk), and "Transaction Type" (with a red asterisk and a dropdown menu showing "--Select--"). At the bottom of the form are another "Submit" and "Cancel" buttons, and a legend indicating that a red asterisk (*) means "Required" and a green plus sign (+) means "Enter Once".

▶ Charge Codes – Only Need 1

- ▶ Charge Codes can represent any kind of breakdown of work associated with investments.
- ▶ Charge Codes can be used at various levels in a project. The charge code inserted at the project level applies to all aspects of the project, placed at a task level which supersedes the project level charge code and pertains to the specific task.

Administration Tool

Charge Code Properties

Save Submit Submit and Create New Cancel

General

* Charge Code Name

* + Charge Code ID

Open for Time Entry

Save Submit Submit and Create New Cancel

* = Required + = Unique

▶ Input Type Code – Only Need 1

- ▶ Input type code can be used to represent a breakdown of work for resources.
- ▶ Input type code represents the resource who is doing the work rather than the investment from which work was initiated.
- ▶ To financially enable a Resource, the Input Type Code must be set.

The screenshot shows a web-based form titled "Administration Tool" with the sub-heading "Input Type Code Properties". The form contains the following fields and controls:

- A required text field for "Name" (indicated by a red asterisk).
- A required and unique text field for "ID" (indicated by a red asterisk and a blue hash symbol).
- A checkbox for "Open for Time Entry" which is currently checked.
- A checkbox for "Chargeable" which is currently unchecked.
- At the bottom, there are three buttons: "Submit", "Submit and Create New", and "Cancel".
- Below the buttons, a legend indicates that a red asterisk (*) means "Required" and a blue hash symbol (#) means "Unique".

Rate Matrix

- ▶ Costs and rates can be captured in one matrix.
- ▶ The order of your columns is very important as the application reads from left to right, then top to bottom when looking for a match.
- ▶ Using an asterisk in a row indicates that all values for that field are acceptable. Only those fields that must contain specific values need to be entered.

Rate Matrix - continued

Matrix Properties: Rows

Matrix Name	JH Rate Matrix	From Date	<input type="text"/>
Resource Class	<input type="text"/>	To Date	<input type="text"/>
		Resource	<input type="text"/>

	From Date▲	To Date	Resource Class	Resource	Rate	Standard Cost	Actual Cost
<input type="checkbox"/>	1/1/90	12/31/12	LABOR	*	150.00 USD	100.00 USD	100.00 USD
<input type="checkbox"/>	1/1/90	12/31/12	EXP	*	1.00 USD	1.00 USD	1.00 USD
<input type="checkbox"/>	1/1/90	12/31/12	NON-LBR	*	1.00 USD	1.00 USD	1.00 USD

Total Results: 3

Default Columns

From Date
 To Date
 Rate
 Standard Cost
 Actual Cost
 Cost Plus Code

User-Defined Columns

WIP Class
 Transaction Class
 Resource Role
 Investment Class
 Entity
 Client
 Location
 Charge Code
 Resource
 Department
 Investment
 Resource Class
 Input Type Code

▶ Companies – Only Need 1

- ▶ Companies are created on the Application side.
- ▶ For many organizations, only one company is required, usually set as INTERNAL.
- ▶ Each company created must be financially enabled.

Create Company

Save Submit Cancel

General

* Company Name

* + # Company ID

* Company Type [--Select--] ▼

* Company Status [--Select--] ▼

Save Submit Cancel

* = Required + = Enter Once # = Unique

▶ Resources

- ▶ Resources are typically already setup in the Clarity system when Financial Management is established.
- ▶ Only Resources that are Financially Enabled are included in Financial Management.

Resource Properties: Financial (Resource-Labor: Cherie Fowler)

Properties Skills Allocations Document Manager Calendar

Main : Contact Information : **Financial** ←

Save Submit Cancel










































Supplemental

* Financial Location	SFO	🗑️
* Financial Department	Corp	🗑️
* Resource Class	LABOR	🗑️
* Transaction Class	INTLBR	🗑️
Vendor		🗑️
Financial Properties Active	<input checked="" type="checkbox"/>	

▶ Projects

- ▶ Projects are typically already setup in the Clarity system when Financial Management is established.
- ▶ For Financial Management to function, all Projects must be Financially Enabled.
- ▶ Select a Rate matrix and associate it to the project to enable costing of project transactions.
- ▶ Once the Financial Enablement is complete, the project **MUST** be Approved.

► Projects continued

General	
Company Name	Digital Celerity  
Project ID	PMO-0000042
Affiliated Project	<input type="text"/>  
Department	Consulting  
Location	Dallas / Fort Worth, TX  
Financial Status	Open 
Type	Standard 
WIP Class	NON-BILL  
Investment Class	NEWDEV  
Billing	
Billing Project	<input type="text"/>  
Send Bill To	<input type="text"/>  
Bill Expenses	<input checked="" type="checkbox"/>
Batch Cycle	<input type="text"/>  
Billing Currency	USD
Labor Transaction Rates	
Rate Source	JH Rate Matrix  
Cost Source	JH Rate Matrix  
Exchange Rate Type	Average 
Material Transaction Rates	
Rate Source	<input type="text"/>  
Cost Source	<input type="text"/>  
Exchange Rate Type	Average 
Equipment Transaction Rates	
Rate Source	<input type="text"/>  
Cost Source	<input type="text"/>  
Exchange Rate Type	Average 
Expense Transaction Rates	
Rate Source	<input type="text"/>  
Cost Source	<input type="text"/>  
Exchange Rate Type	Average 
<input type="button" value="Save"/> <input type="button" value="Submit"/> <input type="button" value="Cancel"/>	
 = Required	

Project Financial Planning

Financial Plan

- ▶ The Financial Plan process is very easy!!!
- ▶ A financial plan is used by project managers to estimate the cost of a project and predict potential future project cost requirements.

Forecast → **Approval** → **Budget**

- ▶ The Forecast is built using a Cost Plan.
- ▶ The Cost Plan can be imported from the Resource Plan.
- ▶ An approved Cost Plan becomes the Budget.

Budgets

- ▶ Life Cycle of a Budget with Revisions
 - ▶ Create a Cost Plan.
 - ▶ Submit for Approval.
 - ▶ Approve.
 - ▶ Cost Plan is now the Current Budget.
 - ▶ Create a New/Amended Cost Plan.
 - ▶ Submit for Approval.
 - ▶ Approve.
 - ▶ New/Amended Cost Plan is now the Current Budget.

Financial Transactions

Financial Transactions

- ▶ All of the information in the transaction is gathered at the time the transaction is created.
- ▶ Once complete the transaction is ready for posting in Clarity. It's that simple!!!!

Clarity Financial Transaction Schematic

Project ID	Task ID	Resource ID	Date	Hours	Resource Financial Attributes	Cost From Rate Matrix	Project Financial Attributes	Charge Code from Task
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QUESTIONS?



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CA Clarity PPM User Group,
Southern California



**Sharing Knowledge,
Exchanging Ideas,
and Building Community**

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Clarity PPM User Group Topics

- ▶ **The Power of Xcelsius Reporting and Interactive Portlets in Clarity PPM v12.1:** An informative presentation for any organization considering the value of implementing Clarity PPM v12's Xcelsius Reporting capabilities.
- ▶ **Clarity PPM Portfolio Management:** This presentation offers a historical perspective highlighting capabilities, best practices and processes while providing low-complexity, high-value implementation paths for enabling CA Clarity Portfolio Management.
- ▶ **Clarity PPM v12 Upgrade Best Practice Considerations and Differences:** Though many of your members will have moved to Clarity 12 by now, they will find it includes new insights and best practices. Organizations that have yet to upgrade will no doubt find great value from this comprehensive and highly informative presentation.
- ▶ **Microsoft Project versus CA Open WorkBench:** This presentation includes a powerful Quick Reference Guide comparing the rich features of both project scheduling tools along with related tips, tricks and best practices for user group members.

Clarity PPM User Group Topics

- **Clarity PPM Financials Made Easy:** It's great to see the lights go on in recognition of how quick and easy it can be to implement Clarity PPM Financials when provided a best practices path to enablement - Clarity PPM Financials Made Easy offers PMOs a less complex path to providing the power of Clarity PPM Financials for their organizations.
- **Implementing Clarity PPM with Agile Project Management”, Case Study:** The Agile project management methodology was initially designed and optimized to support smaller scale, “quick hit” software development projects. Packaged Application implementations and Agile methodology are seldom seen together... and using traditional Agile project management on comprehensive, complex software such as Clarity PPM? Just isn't happening! However, this case study of a major retail company located in the Midwest that made the decision to use Agile to support a major Clarity PPM Implementation, along with other organizational strategic objectives, can serve as an illustration of how such projects can take advantage of leading edge methodologies such as Agile and use their strengths to drive the rapid realization of benefits.
- **Enabling Earned Value Management with Clarity PPM:** Earned Value Management (EVM) is a statistical operation for performance measurement that compares the project's present actuals against what was planned. For example, EVM may compare the length of time a task would take, according to a baseline budget plan, to the actual length of time it took, while capturing the metrics in Clarity PPM for performance measurement in a few key areas:
 - Schedule performance (current schedule vs baseline schedule)
 - Budget performance (current cost versus budgeted cost)This presentation is offered as a framework for preparation, and best practices, and provides guidance for setting up Clarity PPM in the browser/UI for Earned Value Management and Analysis. Attendees will receive Digital Celerity's whitepaper, “Enabling Earned Value Management with CA Clarity PPM” they may leverage as a step-by-step process guide for their initiative.





15 Day Trial Exclusive

- **Clarity PPM Computer Based Training**
 - Clarity PPM with Open WorkBench
 - Clarity PPM with Microsoft Project
 - Clarity PPM Project & Resource Management
 - Clarity PPM Projects Analysis

- <http://www.digitalcelerity.com/Pages.aspx/Knowledge-Share-Library>



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Thank You!



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