ENTER THE NEXT PLANNING EVOLUTION

RESPOND TO CHANGE. ANTICIPATE THE FUTURE. TRANSFORM YOUR REACTIVE PLANNING PROCESS INTO A PROACTIVE BUSINESS INITIATIVE.

To thrive in today’s fast-moving economic environment, your budgeting and planning process can’t be limited to basic revenue and expense planning. Members of the Office of Finance have to embrace their new role as analysts. Indeed, finance should be able to set the course for the future using forward-looking analytics to steer the business towards the most successful outcome. This is why competitive organizations need a variety of in-depth plans that are more dynamic, proactive, and predictive than ever before. To help you keep pace, modernized planning software is rising to the challenge.

In this guide, we’ll walk you through what today’s modern planners need to transform the planning process into a strategic, future-focused activity that you can use to drive your business forward.
Big data is only getting bigger. Buried deep within the unstructured data scattered around your enterprise is a treasure trove of insights. And yet, traditional planning systems can’t handle the depth of analysis today’s planners need to explore these large data models. What’s more, traditional planning systems have no way to align operational information with financial information. In other words: planners can’t see the cause and effect of operational decisions and financial outcomes.

So, what’s the solution?

To improve data intelligence, today’s planners need to:

**GET POWERFUL PLANNING: EXPAND AND STREAMLINE DATA MANAGEMENT**

Not only financials. Operational data and external information can deeply influence your decision-making process. It is necessary to expand the volume of data under consideration in order to improve the quality of your planning process. But planners who don’t have access in one location to all the data they find themselves hunting for numbers across their organization. The latency they experience between crunching data, transforming it into information and then leveraging for planning is not only frustrating on a human-level, but it costs organizations in terms of insights and timely analysis.

By placing all kinds of data in the hands of finance and connecting all data, plans and models in a single solution, you can improve your planning performance by automating — and therefore expediting — the entire process. More data, controlled and managed by Finance: That’s the secret ingredient for powerful planning that can boost your business insight.
GET COMPREHENSIVE PLANNING: SEE FINANCIAL AND OPERATIONAL INFORMATION IN CONTEXT

Does the left hand know what the right hand is doing? Operational plans drive financial plans. Change one and it has a direct impact on the other. Since they are so interconnected, entering information about both in one system is essential for informed decision making. But here’s the thing: this information is typically scattered across organizations and systems. Lacking access, many planners make operational decisions without considering the full picture of financial impacts.

By enabling you to explore operational performance and financial profitability in depth, modern planning tools help finance to support business operations, anticipate risks and identify opportunities. Think how your life could change if you could build detailed plans — using diverse data sets — and adjust them instantly to reflect current conditions. When all plans and forecasts use real-time financial and operational data, you can see how financial decisions impact operations — and vice versa — and act as change occurs.

GET INSTANT PLANNING: MAKE CHANGES IN A FLASH

Modern planning solutions are built to get you the information you need in real time. That’s their major differentiating factor: they offer real-time data access by centralizing all kinds of financial, operational and external data in a single arena. PLUS, they are able to transform and manipulate huge volumes of data at the speed of thought, enabling timely reaction. And all this without offline input, scripting or any IT intervention, and without the nightmare of Excel spreadsheets or proliferation of cubes.

A modern planning process requires native in-memory computing technology, quick and self-service visualization, advanced dashboards and the power of predictive functionalities provided with the same level of control, financial intelligence and trust as the underlying data that can boost the speed of analysis. Why? So that you can understand performance, generate more accurate plans, analyze a much more granular set of information and decipher future-focused insights, faster.

GET INTEGRATED PLANNING

Cash Flow Planning, HR Planning & Analytics at the employee/position level; Compensation Planning and incentive modeling, Payroll Planning by employee, Revenue & Expanse Planning (revenue, costs, COGS & Opex by product/customer/cost center/order), Capacity Planning, Driver Based Detailed planning (any cost/revenue driver at any level i.e. SKU /VIN; Product Profitability Analysis by customer/product/product line/cost center/division; Production Planning Costing allocations and forecasting by product/customer level/cost center...some of the planning functions that modern planners must be accountable for.

Do you think that a siloed approach can be effective? And overall, can a legacy system give you confidence considering the volume of data that these planning functions could generate?

Financial and management planning alone are not enough: modern planners should avoid resorting to a proliferation of systems and fragmentation across the entire planning process.
GET INTELLIGENT PLANNING

Your ability to play out the impacts of various business scenarios supports a stronger business decision-making process. The mark of a modern planning strategy is the ability to create models based on factors like macroeconomic variables, exchange rate fluctuations, or M&A activity. With the ability to run simulations frequently and at a granular level of detail, you can compare outcomes and advise executives accordingly before taking action. In short, modern planning solutions enable you to make decisions with the end result already in mind.

To create realistic simulations, you have to be able to measure two things. First, the cause and effect of the variables at play. Second, the probability that a given scenario will occur. For example, if you were toying with the idea of offering a 10% price discount, simulations would test the likelihood that sales will go up 10%, 20% or 30%. Once you’ve played out these scenarios and determined their likelihood, you can choose the best course of action. Simulations effectively enable you to produce more accurate, realistic plans and forecasts based on results. This analysis is robust, to say the least. You can’t simulate risks, what-ifs, or the effects of a particular business initiative manually or in Excel. Modern planning solutions aggregate, calculate and connect massive data sets so you can see a scenario from all angles.
Big Data in the Financial Services Industry - From data to insights

09 September 2019

1. Introduction

Just as "Cloud", "IoT" (Internet of Things), "Open Banking" and "Machine Learning", "Big Data" is one of the most written buzzwords in the financial services industry today, but just like the other mentioned terms a clear definition is not so easy to provide. Especially as 'Big Data' is often used as a synonym for customer analytics, real-time analytics or predictive analytics.

The general consensus is that "Big Data" is the collective term used for the contemporary methodologies and technologies used to collect, organize, process and analyse large, diverse (structured and unstructured) and complex sets of data, while "customer / real-time / predictive analytics" mainly refers to specific types of analyses done on these data sets to find

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Winning with a data-driven strategy

Making decisions based on hard evidence requires a major shift in culture, technology, and mind-set.

by Pawan Kumar, Ramy Sedra, and Javier Barañoi Casanova

A version of this article appeared in the Autumn 2019 issue of strategy+business.

The entire ethos of the Spanish hotel chain Ilunion is built on innovation, and its most powerful tool for solving problems is now data. In January 2017, Ilunion started giving detailed information about the company’s bookings and revenue to managers and staff so that they could make smarter decisions. The company’s system consolidates more than 12 million data points from different sources and presents it via user-friendly dashboards. For example, a pricing analytics tool
PLANNING IS NOW BOTH PROACTIVE - AND RESPONSIVE

MODERN PLANNERS NEED TO ACCELERATE THEIR SPEED OF THOUGHT WITH A MODERN PLANNING SOLUTION THAT'S QUICK AND EASY TO USE.

The planning function has always been future-focused – it still is. Plans, forecasts, and budgets have counted on recent historical information to predict the near future. But in today’s business climate, the only predictable certainty is uncertainty. The future you project can change at any given moment due to unanticipated market twists, unexpected innovations, changing customer attitudes and beneficial, but disruptive, tech developments. Today planning isn’t just proactive — it’s responsive. Your plans — and therefore, your direction — must ebb and flow with all the external forces that impact the numbers. But how?

To become responsive and proactive, today’s planners need to:

GET CONTROLLED PLANNING: BE CONFIDENT ON PROCESSES AND DATA

If you’re not confident in the accuracy of your data, can you be confident about any decision, any budget item, or any project kick-off? Excel-based planning systems and many legacy systems don’t track the life cycle of data through the entire planning process. This is problematic when multiple people need to cooperate in tweaking a single report; problematic when the auditors come knocking; and problematic when planners are using data from numerous departments.

Modern planning software alleviates these problems in several ways. First, through workflow and a full audit trail of all changes. If your plan results in an unexpected outcome that you wish to investigate, simply reference your planning software’s audit log. It’s where you’ll find a record of every change from start to end of the planning process.
GET PERVERSIVE PLANNING: ELIMINATE DEPARTMENTS, LOBS, AND GEOGRAPHICAL BORDERS

The responsiveness that today’s businesses require isn’t limited to planners in the office of finance. The need extends to production, marketing, sales, operations, the C-suite and the shop floor. Likewise, the best enterprise planning strategies rope in collaboration from multiple users using a variety of data types and sources. At every level, planning is collaborative.

When departmental data is housed in applications that can’t communicate with one another, planning across departments becomes disjointed, which either results in 1. Individual strategies that beat to the sound of their own drum — without considering the top-line melody; or 2. A frazzled planner scrambling around their organization to gather in scattered planning information. These planners constantly need to vet the accuracy of data, which disrupts their workflow and makes audits overly complicated.

The remedy? A modernized planning software centralizes all enterprise data, processes and plans in a single source. This way — whether you’re performing calculations or creating plans based on data from other departments or LoBs — you can be sure you’re using the most accurate figures.

And all while remaining autonomous…yes, you read it right. Connected, aligned, but overall autonomous because every department will maintain control of its own entire chain of planning. So that you can plan at all levels with complete flexibility, accountability, control and alignment through a single planning system.

GET ACTIONABLE PLANNING: FINE-TUNE KPIs

Information isn’t insight unless it can be acted upon. And actionable information doesn’t come in a one-size-fits-all package.

The key to a modern planning is to actively monitor a diverse set of business metrics, and adjust those metrics as necessary. Yes, this looks like real-time graphical dashboards. These, of course, are invaluable to KPI management because they beautifully present information relevant to the users’ needs, enabling them to respond. But this also means democratizing information across organizations (within reason, of course.) Cross-functional groups — like the shop floor, marketing, and sales — should have access to the information they need to serve their purposes. The planning software you choose should enable you to define KPIs at the department or division level, and roll-up results into corporate KPIs. This way, everyone is working toward the same goals.
Reading recommendations for the modern planner

The Future of Business Partnering
Global Survey 2019

Business Partnering

The concept of finance providing business support to operational divisions is not new. For some time, progressive companies have encouraged the finance function to exert its influence and spread its insight beyond the four accounting walls. But it is only recently that business partnering really gone mainstream. In the technologically supercharged business environment, business partnering is essential to staying competitive.

But the pervasiveness of business partnering doesn’t translate into universal effectiveness. There are widely different definitions of the process, various levels of engagement, contrasting approaches to partnerships and an as yet undecided view on measuring its success.

Read more

Improving FP&A accuracy

Expanding financial modelling capabilities, using more rolling forecasts, and finding top-notch talent are steps companies can take to sharpen FP&A.

By Tim Cooper
1 April 2019

In uncertain economic times, companies are relying on finance to improve the accuracy of financial planning and analysis (FP&A) efforts to help them ward off threats and seize opportunities.

As organisations harness business intelligence and data analysis technologies, a broadening range

Many companies are also looking to improve accuracy by integrating FP&A processes with business units. However, they face a wide range of barriers to increasing precision, with one of the most pressing being a dearth of available skills and talent to run new FP&A-related initiatives.

Read more
The Office of Finance is entering the next phase of digital innovation: machine learning and artificial intelligence. The key to successful machine learning is providing machines with enough data to learn. To be effective, machine learning and AI technologies require organizations to increase the quantity of data they’re collecting. This is a contentious issue for planners. If these technologies are fed inaccurate data, erroneous information will seep into the resulting plans and the business decisions that those plans guide.

What’s more, machine learning and AI technologies are still in their infancy for the Office of Finance. The task for today’s CFO is to begin setting a foundation by:
- improving data management
- using historical information
- incorporating market data into planning and forecasting
- choosing technology that leverages predictive and prescriptive analytics

While not at the AI, machine learning level yet, modernized planning software can help you set a foundation for these burgeoning technologies.

To prepare for a machine-driven future, modern planners need to:

**GET LEVEL-SET PLANNING**

Your historical data is the key to unlocking the power of predictive technologies. Take, for example, how level-set planning tools use historical data. Level-set planning technology enables planners to forecast in real-time using historical data. One of level-set planning technology’s most significant benefits is that it eliminates bias and substantiates your forecast. It works by breaking down operating costs into fixed costs (i.e., rent), annually adjusted costs (i.e., insurance) and foreseeable costs (i.e., taxes.) Then, it uses the historical costs breakdown to derive a new budget or forecast. This predictive automation represents a fundamental foundation on which to adopt more advanced machine learning and AI functionalities.
GET OPTIMIZED PLANNING

To plan accurately, planners straddle the gap of what they want to occur, what they think they need to do to execute, what happened in the past, and — of course — reality as it occurs. This is why planners often struggle to determine the best way to balance resource allocation and competing KPIs. Let’s take inventory, for example. Planners want to make sure they have enough inventory to meet customer demand, but at the same time, they don’t want excessive inventory just sitting on the shelf. The quest to balance ratios is like a see-saw continuously teetering from one side to the other. This is where a maximization algorithm comes in. A maximization algorithm run on intelligence optimization technology shows you the best way to achieve specific and overall goals. To continue our example, if planners ran a maximization algorithm on their inventory, they’d always have the right inventory at the right time.

Well that sounds great, you might say. But even more significant is that modern planners can do this with the click of a mouse, without IT intervention, with real-time data. Simply by leveraging a modern solution optimized for complex allocations on a granular data sets. And that’s exactly the basic requirement to be ready to apply ML and AI technology extensively while continuing to trust your data.

GET AUTOMATED STRATEGIC PLANNING

Executive management is known for its big ideas, its drive for innovation, its excitement about the next company-wide initiative. And yet, that hunger can quickly morph into a pie-in-the-sky strategy that is unrealistic on a lower execution level. This is where strategic fulfillment planning comes in. Strategic fulfillment automation ensures that all levels — from executive management to the store level — can feasibly work to achieve top-line goals. Without automation, there are too many factors at play to know whether lower levels can meet the grand ideas set by management. Automated strategic fulfillment planning runs scenarios to translate top-line, managerial desires into feasible plans for lower business levels. The result is a middle ground where top-down strategy and bottom-line implementation intersect.
Reading recommendations for the modern planner

**Artificial intelligence in financial services**

By Oxford Analytica, CTO at Teligent

At the leading edge of the financial services industry, artificial intelligence (AI) is transforming the way that businesses operate. As that wave crashes over the industry at large, we might expect to see the legacy IT systems – mainframes, in-house, and bespoke – become a thing of the past as banks prepare for the reality of data-led operations. With new technologies helping to streamline and optimize processes ranging from quantitative trading to risk management, bringing the benefits to bear for customers will mean analyzing vast datasets and making them actionable and transparent.

Consumers, meanwhile, are already having their expectations conditioned by this new reality across other sectors, particularly in terms of self-managing their purchasing. Whether you want to transfer money, apply for a mortgage, order food, hail a taxi, or just speak to friends, apps are now the go-to tool. Faced with tough challenges around security and trust, the financial sector is still catching up – and will continue to do so as AI-powered offerings become endemic. Those legacy IT systems, meanwhile, are failing to deliver the flexibility and stability that customers need in order to fully manage their own finances.

The evolution of legacy systems

Financial services have been a data-heavy proposition for a long time, but as banks and insurers open up this kind of functionality to their customers – and attempt to do so in a way which offers ease of use – the additional data flows created cause problems which can affect every part of the IT estate, impacting speed and reliability. For many, this pressure is accentuated by cloud-native start-up competitors built expressly to deliver the digitally-native experiences customers now expect.

Today, many companies are positioning themselves as convenience providers by offering a seamless transaction experience. For instance, Rocket Mortgage’s slogan “push a button, get a mortgage” promotes a quick 

online mortgage application. This customer-friendly tech, not only captures the attention of the customer but also offers them convenience, security, security, several others. All of these, of course, have to come with...
THE MODERN PLANNER ULTIMATE CHECK LIST:

- Support for all planning processes
- Built-in financial intelligence
- Automated workflow and controlled collaboration
- A single database for all planning to ensure accuracy, consistency
- A means to transform financial and operational data
- Unlimited dimensions and detailed drivers
- Business unit, corporate, and operational plans all in one system
- Visual dashboards, ad hoc pivoting and advanced analytics
- Integrated statistic libraries
- Numbers and narrative that update automatically
- Real-time analysis and self-service reporting
- A powerful allocation engine
- Quick and easy drill down and through
- Historical, competitive and market data management
- In-memory data processing
- Scenario modelling and simulations
- A foundation for predictive analytics

CONCLUSION

Data is growing. Technology is advancing. And the market is moving, no matter how fast you can adapt. In essence, modernized planning solutions help you improve data insights, give you real-time performance analysis and, best of all, they do it quickly and easily. By unifying all your plans, processes and data in a modern planning solution, you'll align financial and operational activities company wide. The result? Actionable insights, improved operational efficiency and better decision making.

Usher in the next evolution of planning in your organization. CCH Tagetik's budgeting and planning solution enables you to anticipate change, get deeper insights, and better predict the future. Click here to learn more.