

## Transform Your Spreadsheets to Deliver Smarter Planning, Budgeting, and Forecasting



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**Sherri Liao**  
**Performance Management &  
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Practice Lead**  
**The Hackett Group**



## Trending in Enterprise Performance Management (EPM)

Sherri Liao  
Performance Management & Business Intelligence Advisory Practice Lead  
The Hackett Group

August 2016

## 2016 Hackett Key Issues Study

Finance is focused on enterprise information, cost structure, and focus on strategy

### Focus Areas for Finance



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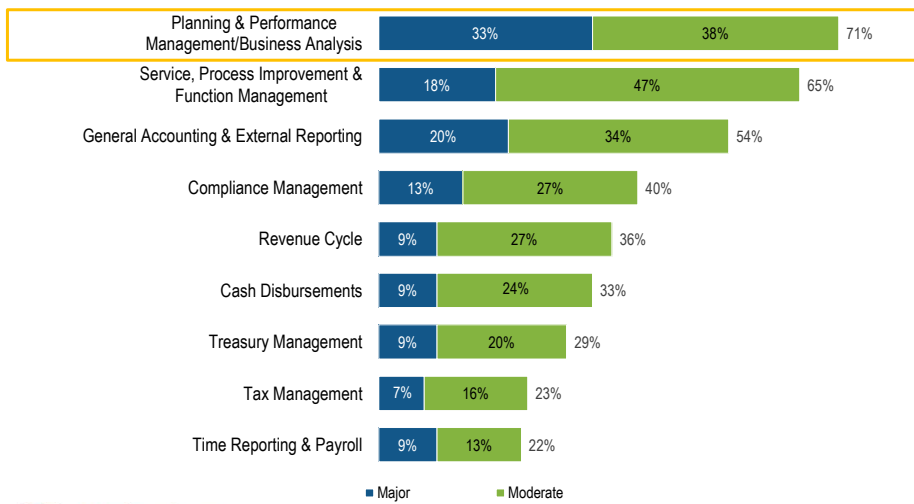
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Source: 2016 Hackett Key Issues Study

## 2016 Hackett Key Issues Study

Transformation targeted on planning & performance management / business analysis continues to be the #1 area of transformation investment

### Level of transformation activity planned in 2016



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Source: 2016 Hackett Key Issues Study

## Top Performance in EPM

**30%**

Less costly EPM function and service delivery

**<8 days**

Average days to complete a financial forecast post month end close

**1.6x**

Average performance gap between forecast accuracy (sales, earnings, cash) of Top Performers and Peers

**58%**

Percent of Planning / Controlling time spent analyzing data to provide business insight

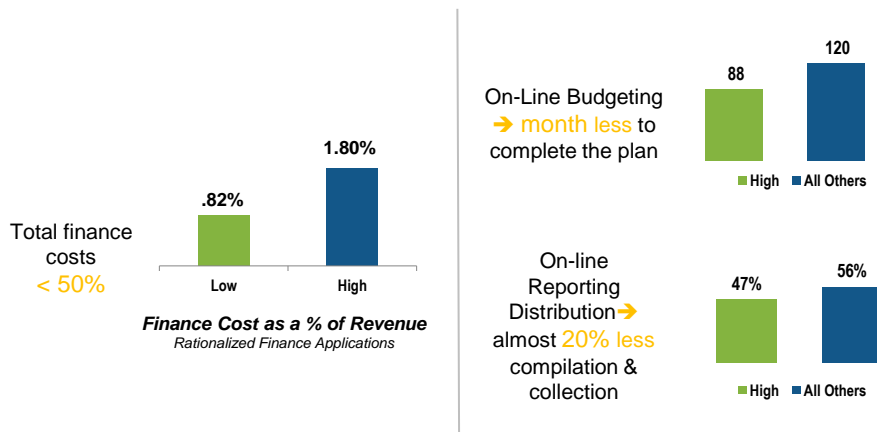
Source: Hackett EPM Top Performance Study

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## Companies that are highly automated or have rationalized their applications yield higher benefits and return



**Overall, high automation led to more time on business strategy; nearly 3X that of peers**

Source: Hackett Finance Benchmark Database

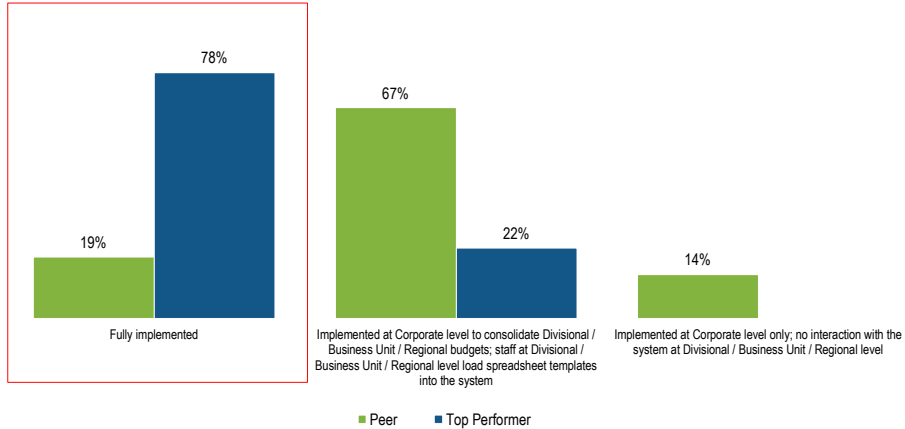
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## Top Performers are 4x more likely to have fully implemented their primary platform fully for Financial Planning & Forecasting

### Primary Technology Platform: Financial Planning And Forecasting

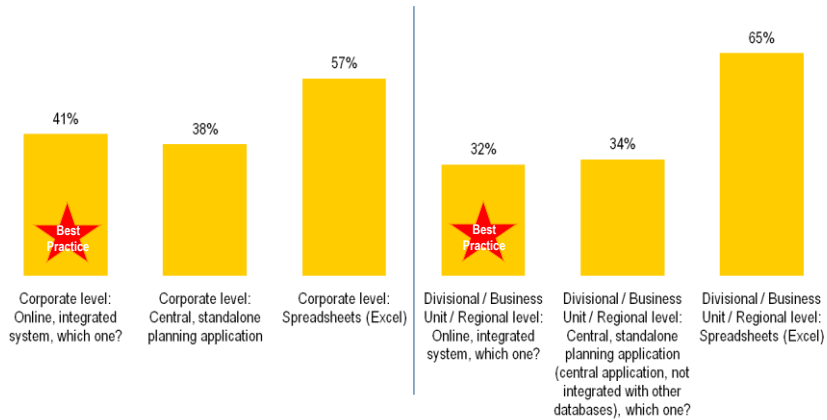


Q2.13 To what degree does each part of your finance organization involved in financial planning and forecasting use the primary technology platform?

Source: Hackett EPM Top Performance Study

## Excel spreadsheets remain the most important tool used in annual planning / budgeting

### Systems / Tools Used for Annual Planning / Budgeting



Source: Hackett EPM Top Performance Study

## Where is World Class Moving Towards?

- 1 Moving Beyond Finance
- 2 Focusing on Master Data Management
- 3 Mobile / Cloud Based Information Sharing
- 4 Embracing a Rolling Forecast

## Moving Beyond Finance

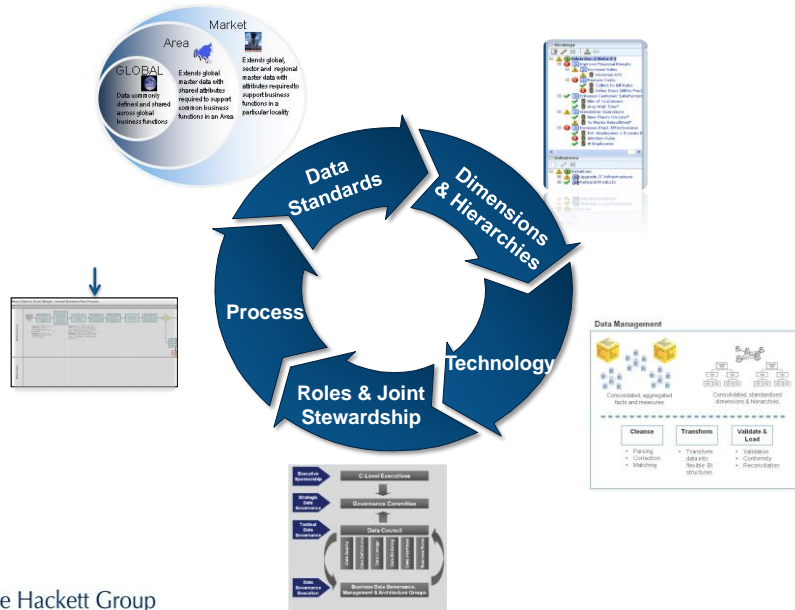
*Emerging Views of Performance Reporting*

**Effective reporting is moving beyond just Finance and becoming of cross-functional importance within organizations**

Human Resources	Sales	Service & Contact Center	Marketing	Order Mgmt & Fulfillment	Supply Chain	Financials
Employee Productivity	Pipeline Analysis	Churn Propensity	Campaign Scorecard	Order Linearity	Supplier Performance	A/R & A/P Analysis
Compensation Analysis	Triangulated Forecasting	Customer Satisfaction	Response Rates	Orders vs. Available Inventory	Spend Analysis	GL / Balance Sheet Analysis
HR Compliance Reporting	Sales Team Effectiveness	Resolution Rates	Product Propensity	Cycle Time Analysis	Procurement Cycle Times	Customer & Product Profitability
Workforce Profile	Up-sell / Cross-sell	Service Rep Effectiveness	Loyalty and Attrition	Backlog Analysis	Inventory Availability	P&L Analysis
Turnover Trends	Cycle Time Analysis	Service Cost Analysis	Market Basket Analysis	Fulfillment Status	Employee Expenses	Expense Management
Return on Human Capital	Lead Conversion	Service Trends	Campaign ROI	Customer Receivables	BOM Analysis	Cash Flow Analysis

## Focusing on Master Data Management

Addressing foundational building blocks for information strategy



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## Mobile / Cloud Based Information Sharing

Delivering decision support faster, real-time

SECURE MOBILE ANALYTICS

TABLET BASED DASHBOARDING

CLOUD BASED DEPLOYMENT

REAL-TIME DATA REFRESH

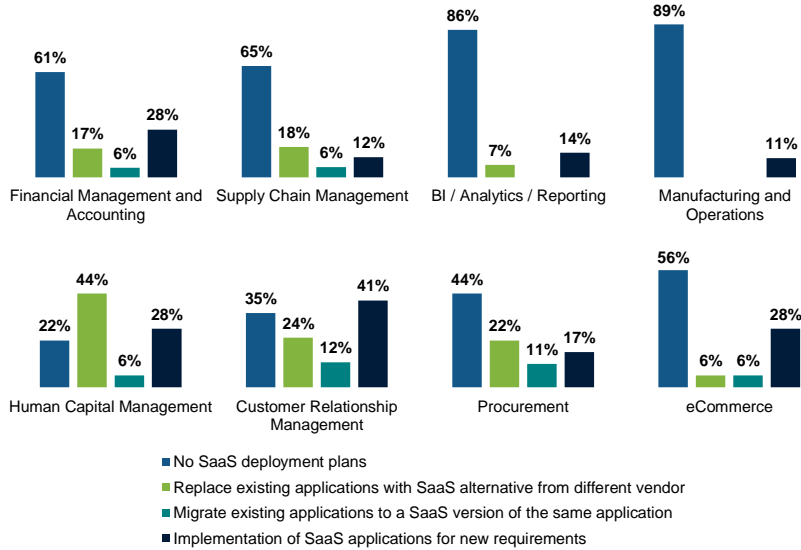


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## Software as a Service Deployment Plans (next 2-3 years):



## Embracing a Rolling Forecast

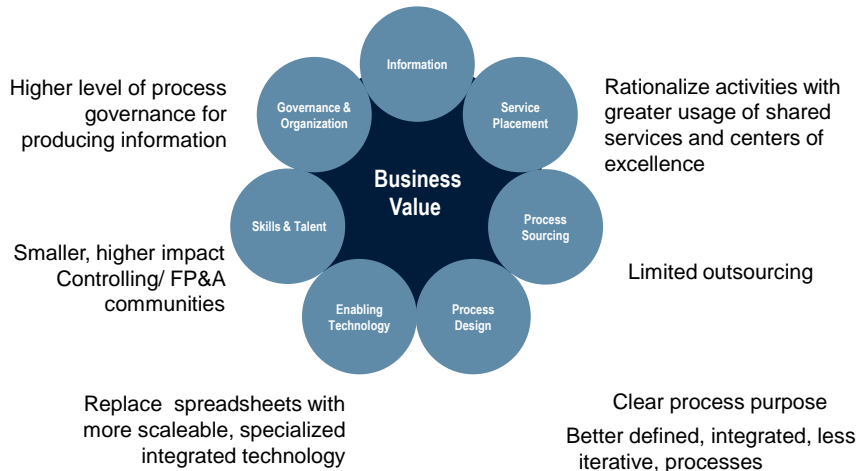
Abandoning the "old way" of planning

**Abandoning traditional budgeting:** At the core of most organizations' planning process is the budget – an annual and fixed target that's typically irrelevant by the time it's approved. As a result, more organizations are moving toward a continuous rolling process and abandoning the annual budget.



## Top Performers are better Business Partners, use shared services, standardise and automate information production

Less effort in producing more valuable information  
for more strategic Business Partnering



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August 17, 2016

## Transform Your Spreadsheets to Deliver Smarter Planning, Budgeting, and Forecasting

**Christopher C. Stevenson**  
IBM Business Analytics

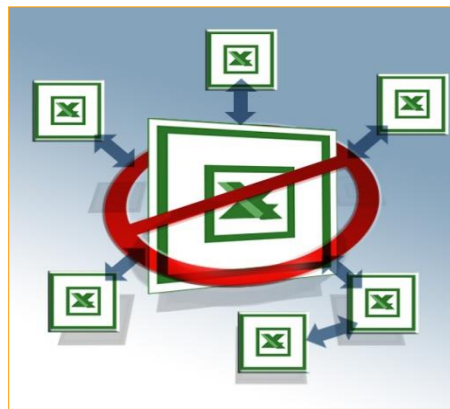


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### Replace the spreadsheet in the middle

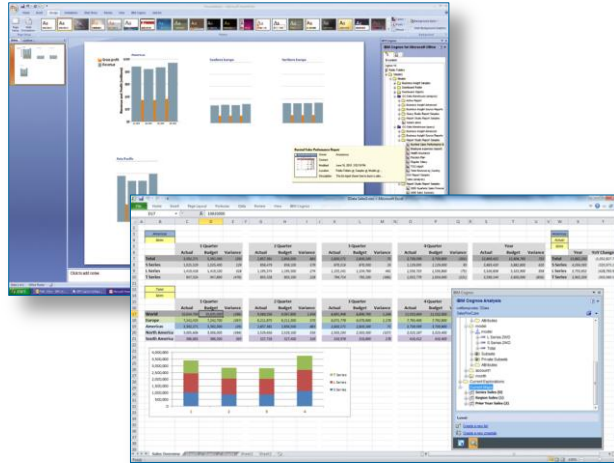
MarketWatch Nov. 9, 2005

**SAN FRANCISCO**  
(MarketWatch) - The hefty \$11 million severance error was traced to a faulty spreadsheet....



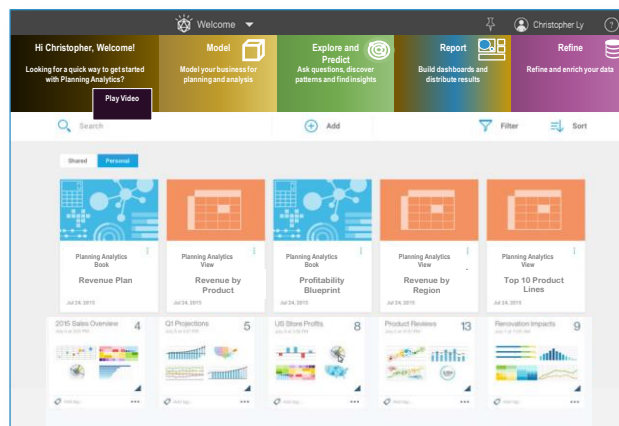
## Speed | Integrated Excel user interface

- Explore and analyze data from a variety of different sources—including ERP/GL, OLAP, and BI
- Perform flexible analysis and solve business problems using familiar spreadsheet tools and techniques



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## Speed | Cloud delivers instant, self-service workspace



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## Agility | Engage users, drive alignment and execution



## Agility | In-memory, multi-dimensional planning and analytic engine

Platform for managing volatility, providing real-time responses to complex questions.

- High volume contribution
- What-if analysis
- Meta-data changes
- Data refresh

Fast Data Loading



Real Time



Forms Based Interface Design



Multi-Dimensional Analysis



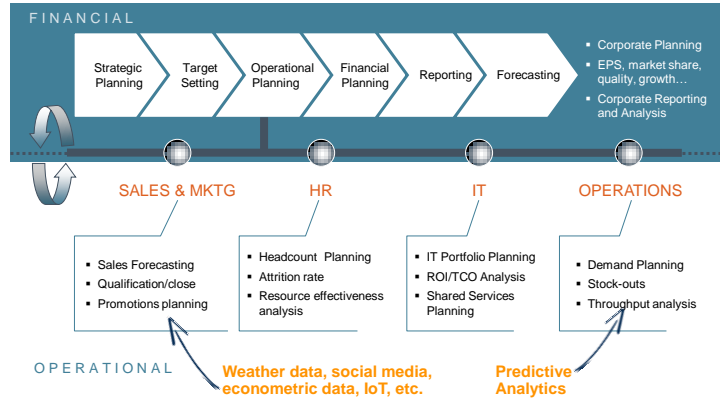
Flexible Model Definitions



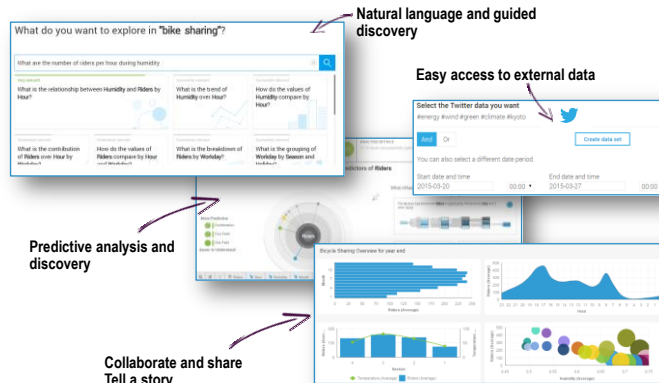
Performance



## Agility | Continuously align financial plans with corporate objectives linked to operating plans and market events

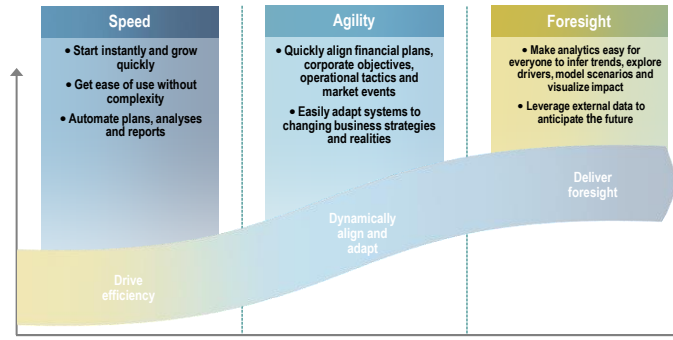


## Foresight | Predictive insights automatically from data



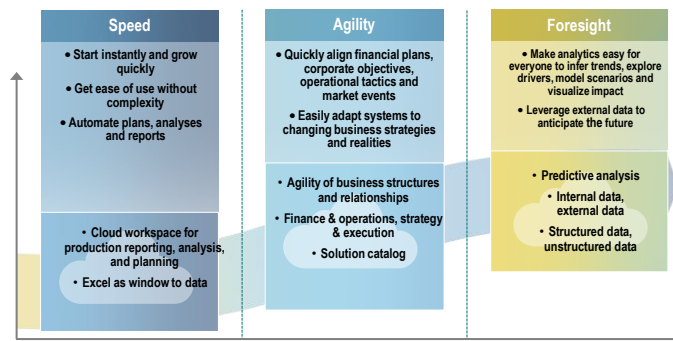
## IBM Planning Analytics

### Fast, easy, flexible and complete planning and analytics cloud solution

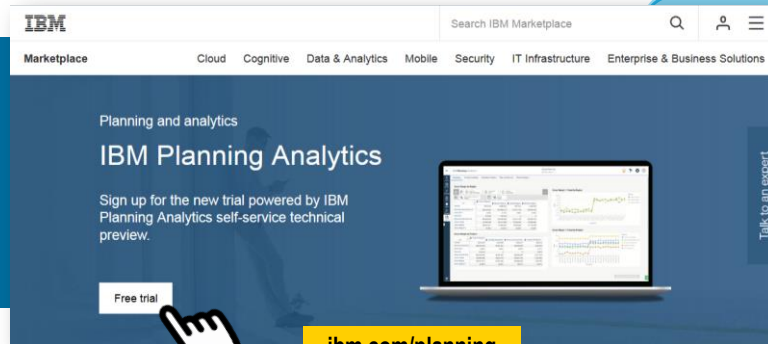


## IBM Planning Analytics

### Fast, easy, flexible and complete planning and analytics cloud solution



## Free Trial – Try it!



The screenshot shows the IBM Marketplace website for IBM Planning Analytics. The header includes the IBM logo, a search bar for the IBM Marketplace, and navigation links for Cloud, Cognitive, Data & Analytics, Mobile, Security, IT Infrastructure, and Enterprise & Business Solutions. The main content area features the text 'Planning and analytics' and 'IBM Planning Analytics'. Below this, it says 'Sign up for the new trial powered by IBM Planning Analytics self-service technical preview.' A 'Free trial' button is highlighted with a hand cursor, and a yellow box below it contains the URL 'ibm.com/planning'. On the right side, there is a vertical button that says 'Talk to an expert'.



A hand is shown pointing at a tablet. On the tablet, there are two large, 3D-style icons: a green one with a white question mark and a blue one with a white exclamation mark. The background is a light blue gradient.

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