



WHITE PAPER

# The FP&A Platform Buyer's Guide



# How to select an FP&A Platform and Transform Finance

## TABLE OF CONTENTS

- 3 Upgrading Your FP&A Platform
- 4 Assess Your FP&A Platform Current State
  - Level 1: Unaware
  - Level 2: Opportunistic
  - Level 3: Enterprise
  - Level 4: Transformative
- 7 Select FP&A Platforms the Right Way
  - 1. Define Roles and Responsibilities
  - 2. Get Alignment on Requirements
  - 3. Get a Visible Executive Sponsor
  - 4. Involve IT and Vendors the Right Way
  - 5. Make the Business Case
- 10 What to Look for in FP&A Platforms
  - Invest In a Complete, Scalable FP&A Platform
  - Ensure Reporting is Flexible and Comprehensive
  - Look for Full Modeling
  - Assess Integration Capabilities
  - Align FP&A Platform with Excel
  - Size Up Vendor Maturity and Support
- 13 Take the Next Step

**UPGRADING YOUR FP&A PLATFORM**

A complete FP&A platform covers all the areas of planning, consolidation and reporting.

If you're considering a new financial planning and analysis (FP&A) platform, you've already taken a big step towards transforming your financial and operational performance.

Maybe you want to upgrade from spreadsheet-based processes. Or you might be looking to replace an existing financial planning, consolidation, or reporting solution that isn't the right fit for your organization anymore.

Either way, selecting an FP&A platform the right way will make your project a success.

The most important thing in selecting the

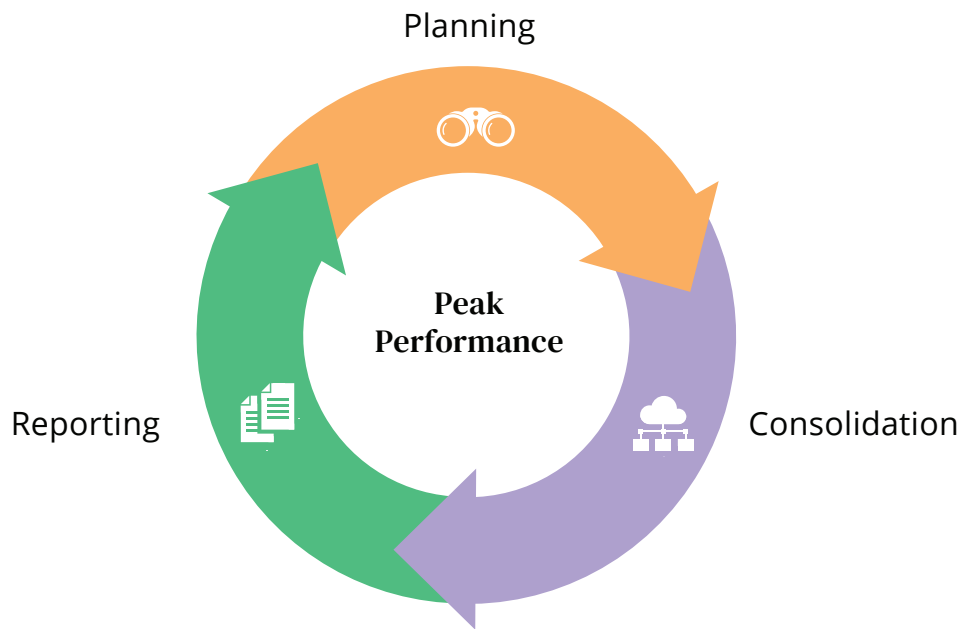
right FP&A platform is to have a plan. Sound planning will help you set clear goals, get buy-in across the organization, select the best solution, and ensure a smooth transition. Once you've made the transition, the organization will enjoy the many benefits FP&A platforms deliver:

- Automate financial planning, reporting, and consolidation, eliminating labor-intensive and error-prone work
- Accelerate execution, creating time for value-added strategic work and analysis
- Align the organization, both finance and operations, on a single plan

This FP&A platform buyer's guide is to help you plan your FP&A platform purchase and offers practical guidance in three areas:

- Assess your Continuous Planning current

**FIGURE 1: WHAT IS CONTINUOUS PLANNING?**



state and chart next steps

- Select an FP&A platform the right way
- What to look for in an FP&A platform

**ASSESS YOUR CONTINUOUS PLANNING CURRENT STATE**

Understanding where you stand on a Continuous Planning maturity map is a critical first step as you undertake your FP&A platform evaluation and selection. Where are you today, and where do you want to be? Benchmarking where you are in an industry-standard framework helps you understand the possibilities of Continuous Planning and plot the best course from A to B.

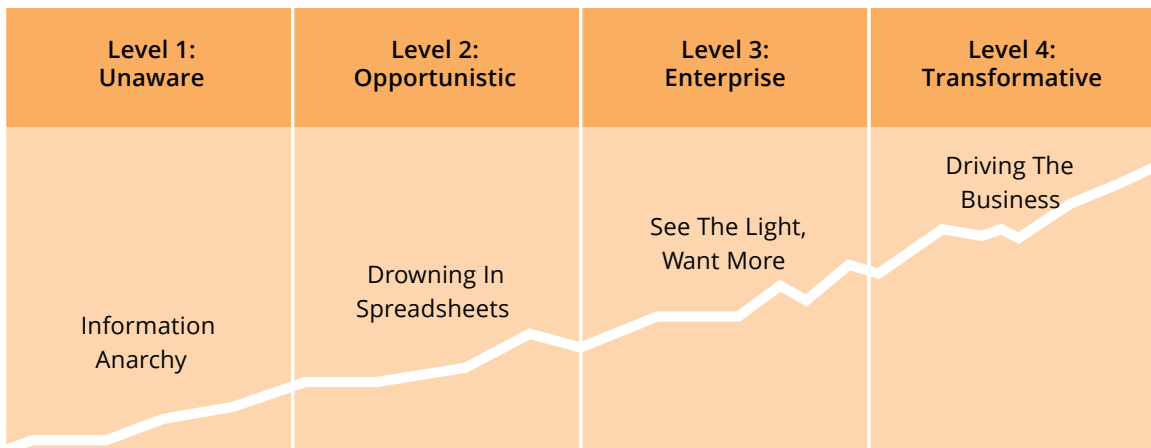
Many prospective FP&A platform buyers are aware of the pain they are experiencing in planning, consolidation, and reporting, that they’re drowning in spreadsheets, or making up budgets with educated guesses. Identifying pain points is essential, but it’s also important to understand the full evolution that can be achieved with Continuous Planning.

Based on maturity models that Gartner creates for various categories, this model identifies four phases of EPM as Unaware, Opportunistic, Enterprise, and Transformative:

**LEVEL 1: UNAWARE | INFORMATION ANARCHY**

With siloed systems and information, finance in this level is trying to get to the right numbers. They spend valuable meeting time trying to figure out whose numbers are accurate, rather than

**FIGURE 2: THE FOUR PHASES OF CONTINUOUS PLANNING**



making data-driven business decisions.

### CHARACTERISTICS

- Heavy use of Excel or standalone point solutions
- Little collaboration between finance and business units
- Slow and manual processes
- Lack of performance management, accuracy, and controls
- Excel used for tasks that need a more sophisticated solution

### ACTION ITEMS

Appoint a Continuous Planning leader. A single individual to head your Continuous Planning transition is critical to move forward. This person is responsible for coordinating the effort and driving results.

#### **Benchmark pains and business impact.**

Benchmark your pain points and quantify the real and soft costs to the business in time, personnel, accuracy, and other metrics.

**Identify quick wins and goals.** Focus first on a “quick win” to demonstrate benefits. Then, use that success as the foundation for goal-setting in the near term and beyond.

### LEVEL 2: OPPORTUNISTIC | DROWNING IN SPREADSHEETS

Focus first on a “quick win” to demonstrate benefits. Then, use that success as the foundation for goal-setting in the near term and beyond.

Some automation has been achieved with an FP&A platform or point solution in this level, but in limited pockets and generally within finance. Data accuracy remains questionable and spreadsheet usage remains high.

### CHARACTERISTICS

Some automation achieved with an FP&A platform or point solutions, but many business issues remain unaddressed.

- Planning, consolidation, and reporting still primarily a finance-driven exercise
- Incremental improvements made in business collaboration and efficiency
- Manual data management, limited performance management, and quality control
- Excel filling gaps not covered by automation, but still used for tasks that require a more sophisticated solution

### ACTION ITEMS

**Document benefits.** Quantify the impact of the initial benefits gained and lessons learned from initial automation and collaboration.

**Identify priority focus area.** Map out your next, larger initiatives to address opportunities and pressing challenges.

**Engage an executive sponsor.** Up-level your initiative with the backing of an executive sponsor and look to expand continuous planning beyond finance.

### LEVEL 3: ENTERPRISE SEE THE LIGHT, WANT MORE

Continuous Planning has expanded beyond

finance in this level to include operational areas like sales, marketing, or manufacturing, but more remains to be done for Continuous Planning to be truly transformative.

### CHARACTERISTICS

- Most financial processes are automated with FP&A platforms, accelerating planning and close cycles
- Operational areas engaged, but finance continues to invest the most effort
- Performance management processes and standards start to emerge; more end-users involved
- More (but not all) data sources incorporated; data management and quality controls in place
- Excel used in conjunction with the FP&A platform to meet business requirements

### ACTION ITEMS

- **Quantify business gains and ROI.** By now, you can track overall business gains vs. initial baselines and quantify the ROI you're seeing from your FP&A platform.
- **Refine and optimize.** Target stubborn bottlenecks that remain and continue optimizing processes to heighten visibility and efficiency.
- **Broaden business engagement.** Scale continuous planning to operational processes like sales and inventory, linking them to finance.

## LEVEL 4: TRANSFORMATIVE DRIVING THE BUSINESS

Finance has time for value-added work and is

deeply involved in driving the business forward with comprehensive real-time analytics; process automation is pervasive across the enterprise.

### CHARACTERISTICS

- Financial and operational Continuous Planning process automation provides speed and agility
- Complete cross-enterprise engagement drives alignment; finance is instrumental in business strategy and goal-setting, a hub and a partner to the business
- Performance management processes and standards are well defined; business partners fully engaged
- Virtually all data sources incorporated; data management and quality controls in place
- Excel used sparingly in the Continuous Planning processes

### ACTION ITEMS

- **Sharpen analytic insights.** Finance now has more time and resources for real-time reporting and analytics, elevating its role in strategic growth.
- **Continually optimize.** With all relevant processes automated, it's a matter of ongoing optimization through continuous review and feedback with operational areas.

**Adapt quickly to change.** Whether entering a new global market or acquiring a competitor, you have agility to make informed, data-driven forecasts and decisions.

## SELECT YOUR FP&A PLATFORM THE RIGHT WAY

A decade ago, finance would engage IT to evaluate solutions... The cloud has upended that model. Today, business units have more autonomy in selecting and deploying software.

A key step in selecting an FP&A platform is recognizing the challenges that await a finance team in decision-making. A decade ago, finance would engage IT to evaluate solutions, and the purchasing team for the large capital investment needed for on-premise software and systems.

The cloud has upended that model. Today, business units have more autonomy in selecting and deploying software. Cloud subscription models obviate the need for huge upfront expenditures. Whether it's FP&A, CRM, marketing, or customer service, business teams are making software decisions, in many cases with little IT involvement.

It's a double-edged sword. The new model means that business teams have to do the hard work of evaluating software — often an unfamiliar exercise for business users. They have to navigate an overload of information across vendor websites, analyst reports, user reviews, reference calls, social media, and more.

Without a sound process, decision-making by committee can drag on for months and ultimately miss the mark. To streamline your FP&A platform selection, consider these five best practices:

## 1. DEFINE ROLES AND RESPONSIBILITIES

A selection team typically has five to eight members, with the core from finance and potentially several from operational areas. Clearly define their roles and responsibilities up front. A DACI model works well. It consists of:

- **Driver.** The one person who will lead research of the options, assess implications and make recommendations. There can be two drivers, but it's best to identify just one.
- **Approver.** Ideally it's an executive, and potentially the executive sponsor. Ensure this person has final purchasing authority. Otherwise, your team's agreed-to decision could be routed to an executive outside the team, derailing your efforts.
- **Consulted.** Often business users who provide feedback on pain points and what they need, and can make recommendations.
- **Informed.** Though IT may not be directly involved, keep IT informed of your process. You can also leverage IT's insights for purchasing and architectural considerations.

## 2. GET ALIGNMENT ON REQUIREMENTS

With your team in place, it's time to roll up your sleeves and hammer out key requirements for continuous planning.

These requirements should be diligently documented from the start in a shareable grid format. A living document helps you guard against unexpected scope creep. And it's easier to accommodate revisions as deliberation proceeds.

Another technique to consider is weighting your requirements. For instance, intuitive reporting may be much more important for you than multi-currency conversions. Weighting provides valuable context, and is also useful to help your prospective vendors devise demos and RFP replies.

Requirements vary by organization, but some common considerations are reflected in the table.

### 3. GET A VISIBLE EXECUTIVE SPONSOR

Few factors can have greater impact on FP&A platform selection and subsequent implementation than a visible executive sponsor who serves as a high-level coordinator and vocal champion of FP&A platforms to others across the organization.

Engage an executive as high up the ladder as possible, with the authority and influence to get things done. The sponsor should be an effective communicator with a genuine belief in the value of an FP&A platform. The right sponsor is a catalyst who can:

**FIGURE 3: CREATE A LIST OF REQUIREMENTS**

	Brand A	Brand B	Brand C
<b>Planning</b>			
Intuitive modeling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bottoms-up and top-down forecasting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Reporting</b>			
Standard & ad hoc reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drill down functionality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Ease of Use</b>			
Finance-owned	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work off-line	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Vendor/Technology Considerations</b>			
Customer support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration with existing platforms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



- Keep the selection team on track and aligned with organizational goals
- Enlist the support of other leaders in the organization
- Ensure the FP&A platform selection team has the resources it needs
- Eliminate roadblocks involving delays and responsibilities

Blog post: Learn more about why a visible executive sponsor is pivotal for FP&A platform selection.

Don't overlook the value that IT can bring to FP&A platform selection. IT often has valuable techniques developed over many years of technology acquisition. It's a sound practice to get IT's perspective on a product's security, integration, and architecture.

#### 4. INVOLVE IT AND VENDORS THE RIGHT WAY

Some FP&A platform selection teams end up

with blinders on and don't properly engage with two parties instrumental to success — the internal IT team and prospective vendors.

Cloud-empowered business teams are increasingly bypassing involving IT in software deployments. Ease of deployment for a cloud-based solution is contributing to this trend as is availability of IT resources.

Don't overlook the value that IT can bring to FP&A platform selection. IT often has valuable techniques developed over many years of technology acquisition. It's a sound practice to get IT's perspective on a product's security, integration, and architecture.

With prospective vendors, take control of the process. Be open and detailed about your needs. Sharing your requirements documentation ensures vendors address your specific needs, and allows you to hold them accountable. It also helps vendors tailor proposals to your requirements, rather than providing a generic demo and off-base proposal.

#### 5. MAKE THE BUSINESS CASE

Ideally you've been benchmarking your pain points and inefficiencies with your spreadsheet or current FP&A based processes. That gives you a good baseline to estimate your ROI as part of a documented business case.

Calculate the software, implementation, and training costs of a dedicated FP&A platform, accounting for both hard and soft costs. Then outline your expected benefits. While these can be difficult to pinpoint in advance, focus on quantifying them as they are realized to highlight success and support future rollouts.



Here are a few examples realized by Planful customers:

### WHAT TO LOOK FOR IN AN FP&A PLATFORM

FP&A platforms come in different flavors. Some are better suited for small companies, some are stronger in certain areas. What’s important is to fully understand the ideal scope and functionality you need from your FP&A platform.

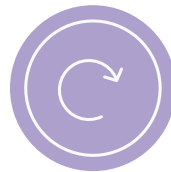
FP&A platforms are available in cloud and on-premise versions. Most new deployments of FP&A platforms and other business applications are cloud-based. Whether you lean towards an on-premise or cloud FP&A platform, carefully evaluate total cost of ownership in terms of infrastructure, implementation, and IT and finance staff required. Also consider how it will fit in your business model.



Reduce manual budget data collection by up to 75%



Streamline budget reviews and approvals by 50–80%



Accelerate management reporting by 50%



Cut manual data consolidation by up to 75%



Streamline adjustments and intercompany reconciliations by 50–80%

### INVEST IN A COMPLETE, SCALABLE FP&A PLATFORM

Give yourself room to grow. Your needs will evolve over time, so it’s important to ensure that your FP&A platform can accommodate them with a full range of functionality. Doing so will help you avoid the need to incorporate a third-party solution to fill the gap in a year or two – or worse, rip out and replace your outgrown implementation.

For instance, you might start off with an FP&A platform for budgeting and management reporting. Down the road, customers often expand usage to cover financial consolidation, external reporting, advanced analytics, and operational modeling. Investing in an FP&A platform that checks all the boxes pays off in the long run.

Performance also plays a key role in the value you derive from your FP&A platform. Even if you start small, your FP&A platform should be able to scale to high numbers of concurrent users, queries, and reports with minimal if any latency. Pin down your FP&A platform vendors on the performance you can expect.

### ENSURE REPORTING IS FLEXIBLE AND COMPREHENSIVE

Flexibility is vital in reporting. The ideal FP&A platform will feature both a transactional (relational) database and a multidimensional database. Also called OLAP (online analytic processing), a multidimensional database is purpose-built to slice and dice data by multiple dimensions such as time, product line, customers, and regions, giving you

deeper insights on demand. Relational databases are well suited for processing large datasets typically used in planning and consolidation. Other reporting flexibility considerations include the extent of report formatting, data visualization, and interactivity capabilities. Be sure your solution lets you easily produce visually compelling reports, and ensure that you can interactively drill into detail, without offloading data into another tool.

Reporting should also be flexible to the needs of various roles:

- **Finance power users:** Financial statements, ad hoc analysis, Excel integration
- **Finance executives:** Financial statements, interactive dashboards
- **LoB executives:** Dashboards, management books and reports
- **External stakeholders:** Board books, presentations

Some FP&A Platform vendors leave you to figure out integration on your own, which can mean costly custom-coding or deploying a third-party integration platform.

### LOOK FOR FULL MODELING

Modeling capabilities in FP&A platforms range from non-existent or limited to advanced. Look for modeling capabilities built right into the FP&A platform to avoid resorting to Excel. As a company grows in complexity, modeling becomes a pivotal capability that aligns operational plans and models with the financial

plan and forecasts. Be sure the solution covers your needs.

FP&A platforms with modeling allows you to supplement your plans with powerful financial models like head count, cash flow, foreign currency, profitability, and more. FP&A platforms should support operational models as well. Capabilities should include areas such as:

- Driver-based modeling and scenario analysis
- Integrated enterprise modeling that links



financial and operational models together

- Supports operational models such as, sales booking waterfall, marketing demand generation, professional services utilization, inventory depletion

### ASSESS INTEGRATION CAPABILITIES

It's essential that you can rapidly and reliably integrate your FP&A platform with financial/ ERP applications, as well as systems

supporting CRM, supply chain, ecommerce, and other operational areas. Some FP&A platform vendors leave you to figure out integration on your own, which can mean costly custom-coding or deploying a third-party integration platform.

Ideally, your FP&A platform features built-in cloud-based integration that can connect to both cloud and on-premise applications. Look for features such as prebuilt connectors to specific applications, real-time connectivity, and bi-directional data synchronization.

### **ALIGN YOUR FP&A PLATFORM WITH EXCEL**

To smooth your transition to an FP&A platform, your solution should provide the Excel integration and functionality required by the company. Some offerings include Excel-like functionality in the application, using familiar Excel formulas. That lets users leverage their existing skill sets to help accelerate adoption. Some FP&A platforms require proprietary formulas and language, which can be met with user resistance.

If you have existing Excel models that you want to migrate into your FP&A platform, be sure your solution can accommodate that goal. The same is true if you want to use an Excel add-in for reporting and analysis. Secure interoperability with Excel could also be important for planning or modeling requirements.

### **SIZE UP VENDOR MATURITY AND SUPPORT**

As with any software decision, conduct thorough due diligence on your short list of vendors. Evaluate both the vendor and its technology by checking rankings by analysts and real-world users. Speak with multiple customer references at the appropriate time, and be sure to ask about specific experiences with their FP&A platform.

Be sure to partner with a vendor that will support you post-implementation. Does the vendor offer 24/7 support? Is it staffed with finance-savvy professionals, or just engineers who troubleshoot technical issues? Assess the frequency and scope of upgrades and the vendor's training and services offerings. Take a risk-mitigation perspective in your due diligence to help ensure long-term success.

### **TAKE THE NEXT STEP**

FP&A platforms have transformed financial and operational performance for thousands of organizations. It can do the same for yours. Done right, an FP&A platform will dramatically improve your planning, budgeting, modeling, close, reporting, and analytics and eliminate the labor-intensive manual work that consumes finance teams. You can accelerate financial consolidation, fortify your audit capabilities, and make informed, data-driven decisions.

Position yourself to excel with a thorough strategic plan to guide your evaluation and selection process. Paying close attention to detail, involving the right stakeholders, and asking the right questions from the start will pay off in the long term with a sustainable solution that maximizes your payback.

# Host Analytics was named a leader in both 2017 Gartner Magic Quadrants for Cloud Financial and Strategic CPM

## ABOUT PLANFUL:

Planful (formerly Host Analytics) is a leading financial planning and analysis (FP&A) cloud platform. Planful helps over 800 customers including Bose, Boston Red Sox, and Del Monte achieve a vision of Continuous Planning by accelerating the end-to-end FP&A process. Learn more at [www.planful.com](http://www.planful.com)



2017 Gartner Magic Quadrant for  
Financial Corporate Performance  
Management Solutions

[View Now](#)



2017 Gartner Magic Quadrant for  
Financial Corporate Performance  
Management Solutions

[View Now](#)