

Financial Planning Solutions: A Buyer's Guide

Five Steps for Selecting a Planning Solution



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INTRODUCTION

The need for agility is growing.

Organizations across industries are upgrading their financial planning solutions—and with good reason. Spreadsheets and legacy on-premise systems no longer cut it. To succeed in today's rapidly changing world, companies need full visibility into the business, strategic insights driven from real-time data, and the ability to take action fast. So they're moving planning to the cloud.

Choosing the right partner. When purchasing a planning solution, you want to find the right partner to support your needs and goals for many years to come.

Read on for guidance on recognizing the components of a successful partnership, understanding your organization's overall concerns and needs, and choosing a long-term, results-oriented partner who has the solution to solve your challenges.

Read this guide to:



Specify your goals



Consider important industry trends



Weigh key solution qualities



Identify a usable and functional solution



Get tips on how to run a successful buying process

STEP 1

Start with your goals.

Selecting the right solution begins with understanding what you really want from it. Do you have what it takes to cover your planning, tracking, and reporting challenges? Make a comprehensive list of your goals and what you need in order to achieve them today, keeping in mind the trends and technologies of tomorrow.

Determine what you want. Consider the following examples:

Process strategy

- A plan aligned to strategic goals
- Finance providing forward-looking guidance
- Finance models that guide business decisions

Data and systems

- Financial and operational data used to plan
- Cross-functional alignment on KPI data and analysis
- Dedicated cloud-based planning solution

Process frequency and speed

- Forecasts done monthly or on a rolling basis
- *Pro forma* statements update in a day or hours
- What-if scenarios ready to run across multiple dimensions and drivers

Collaboration

- Active guide and resource for leadership and budget owners
- Cross-business participation in planning
- Visibility and engagement across the process and organization

And remember—people play a critical role. When reviewing your goals, be sure to look at the people involved in financial planning, current and desired planning processes, and the technology needed to address all of it. While no list is perfect, focusing on people, process, and technology will help ensure you cover most of the bases.



As you work through this process, be sure to consider:

Reporting capabilities

Financial, managerial, board, ad hoc, self-service

User needs

Finance, business, management, C-level, operational planning

Data and integration

GL, HR, operational, transactional, nonfinancial with hooks into executional systems (creating reqs, budget targets, and more in those systems)

Modeling requirements

Unlimited versions and dimensions; built-in allocations and spread; driver-based, financial, what-if, top-down, and operational planning

Future proof

Already using AI, and so on

STEP 2

Recognize key planning trends.

Change is accelerating. The pace, scale, and breadth of technology change over the last few decades has been profound. Globalization, connectivity, digital transformation, and an explosion of data has made the way companies operate almost unrecognizable from only a generation ago.

Old ways of planning don't work in a rapidly changing world. Many businesses still struggle with old methodical and linear planning and execution processes despite the need for more intricate, agile, and scalable planning solutions.

Planning is about listening. Successful planning is about listening to what your data is telling you about your goals, performance, processes, resources, customers, competitors, and the wider market. If you listen to it correctly, your data will deliver the agility your organization needs to succeed in even the most turbulent business environment.



“Continuous planning is increasingly important in a volatile market.”¹



The major trends in planning.

Business and financial planning is evolving rapidly as cloud solutions become the standard platform organizations use to plan, budget, forecast, and report. An antidote to static, manual planning, these solutions are driving three key trends in planning today.

Trend #1: Continuous.

The cloud planning solution helps you anticipate market changes in real time using data-driven metrics and insights that matter. It responds quickly to fluctuations in customer buying patterns, regulations, supply chain, product development, and more.

Trend #2: Comprehensive.

The cloud solution provides data-driven, real-time insights and builds the framework for smarter decision-making from all corners of your organization. It enables data insights that inform just-in-time course corrections and adjustments that impact all levels of the business. It links to execution systems (CRM, HCM, and more) for a more complete dataset.

Trend #3: Collaborative.

Generates buy-in across stakeholder groups and creates ownership outside of finance to help everybody plan. Supports access to reports, forecasts, and budgets across all business units and organizational functions.

With continuous planning, companies are:

1.5 times more likely to be able to reforecast within 1 week

4 times as likely to be able to respond quickly to market change

Almost twice as likely to be able to forecast earnings between +/- 0%-5%¹

STEP 3

Look for a scalable and adaptable technology platform.

Keeping up with data growth. Your planning solution's technology platform should be designed from the ground up to support the volume, variety, and velocity of your organization's available data—as well as be able to scale and adapt with rapid growth. Cloud-based applications are the most viable option to meet these challenges.

What to look for in a cloud-based planning solution. The technology platform should enable you to make changes without support from IT, and easily facilitate broad participation in the planning process. Cloud solutions shift the technical and infrastructure investments to the provider, leaving you with a scalable, flexible planning environment that's quick to deploy and easy to manage. Additionally, it should support multi-user collaboration with an intuitive and configurable user experience across the organization.

Look for a solution built for your data-driven future. Artificial intelligence (AI) and machine learning (ML) are reinventing planning tools and processes, so look for a solution that has or is adopting these innovative technologies. Predictive algorithms based on historical activity data to automatically highlight anomalies in a plan or dataset are on the horizon, along with capabilities such as automated updates and the optimization of business drivers and models based on dynamic market conditions and provided assumptions.



Your planning platform needs to support the **volume**, **variety**, and **velocity** of fast-growing planning data.



Doug Henschen, VP and principal analyst at Constellation Research, Inc., writes in his report “Trends: Why the Digital Era Demands Agile Planning” that the advent of cloud-based CPM suites is truly changing the game. The benefits of cloud-based performance management systems are many, including:

- Rapid deployment and customization through configuration settings rather than hard coding
- Pre-built operational applications for sales, marketing, HCM, and supply chain, and lower per-user costs that encourage broader deployment across the organization
- Continual software updates and avoidance of disruptive software-upgrade projects
- Lower initial deployment cost, freedom from investments in IT infrastructure, and reduced administrative overhead

Questions to ask every planning solution provider:

- Can you import data from the sources most important to my business today? How easy is it to add new data sources?
- Who typically maintains the application? How much time does it take?
- Does your platform handle unlimited dimensionality, versioning? Can this all be maintained by Finance and at no charge?
- Is the application flexible enough to meet changing business needs? Can it evolve to cover future business considerations and technologies, such as AI and ML?

STEP 4

Identify a solution that works for you.

Planning should be easy. Planning solutions need to be easy to use across the workforce—not just for Finance—at all levels for distributed planning, and in all organizations within the business for functional planning.

Planning should accelerate your business processes. Your solution needs to enable rapid planning and analysis cycles that are aligned with execution—such as frequent forecasts and rapid scenario development and analysis—all to support better, faster decision-making. It needs to combine usability, performance, collaboration, and near-real-time analytics all in one system.

Planning should be comprehensive. The solution needs to be able to model and analyze all aspects of the business and link them together into a holistic view. Tight integration with financial and operational systems ensures plans are robust, accurate, and aligned with your company's initiatives for smoother execution.



More questions to ask every solution provider:

- Who is the typical user of your product? What tasks are they completing with the application?
- How easy is it for Finance to generate reports? How are management reports forecasted, updated, and distributed?
- Can you provide common examples of self-service reporting from non-Finance users?
- What's needed to create a driver-based model and how easily can different models be linked?

STEP 5

Use a proven vendor selection process.

Every part of the vendor selection process is critical. Sticking to these tried-and-true steps makes it that much easier to find the planning solution that's right for you.

The key elements of vendor selection:



The selection team.

Most teams have five to eight members from across Finance and Operations. To create the most effective team, use the DACI (Driver, Approver, Consulted, Informed) and RACI (Responsible, Accountable, Contributor, Informed) method so you can clearly define each member's roles and responsibilities:

- The **driver** is the team leader, **responsible** for researching, assessing, and recommending a preferred vendor.
- The **approver** is ultimately **accountable** for making the final decision. Ideally, this person is the executive sponsor with final purchasing authority.
- **Consulted** colleagues are often business users who serve as primary **contributors** to defining pain points and what's needed in a solution to solve them. They also participate in the research, assessment, and final recommendation.
- **Informed** team members include anyone who needs to be kept in the loop. For example, IT may not be directly involved but still needs to be updated on the process.



DACI and RACI

Proven project management frameworks, such as the DACI and RACI method, help in decision-making and make it easier to assemble your selection team:

- **DACI:** the types of roles a team member may play in the selection process
- **RACI:** the level of responsibility each team member has in the selection process



The executive sponsor.

Choose an executive as high up the ladder as possible—someone with the power, authority, and influence to get things done that might otherwise be met with resistance. As well, they should be an effective communicator and believe in the project so they maintain their focus and enthusiasm. Once you have the right candidate, have them give a presentation at the project kickoff that details the benefits, and invite them along the way to celebrate milestones and successes with your team.



IT.

Don't overlook the expertise that IT can bring to the selection process, as well as its valuable perspective on product security, integration capabilities, and cloud architecture.



The business case.

Benchmark the pain points and inefficiencies with your current planning process—knowing where you need to be the most nimble will give you a good baseline for estimating your ROI. Calculate the software, implementation, and training costs, and then outline your expected benefits. Focus on the tangible hard-cost gains, such as time savings and new capabilities, but don't forget the intangible soft-cost benefits as well. These improvements—such as increased accuracy, security, and participation; better cross-functional collaboration; and new ways Finance can add value while having more time for strategic initiatives—can be difficult to quantify but are equally as important.



Vendor shortlist.

Choosing a vendor can be an overwhelming task when there are too many to review. A great way to narrow the field is by relying on industry analyst research from companies, such as Gartner, that constantly monitor and analyze vendors. You can supplement this research with software review sites such as Gartner Peer Insights, TrustRadius, and G2. And always ask your peer network if they have experience with any of the vendors on your shortlist.



Own the process.

When dealing with prospective vendors, take control of the process. Detail your requirements in a document—it makes it easier for the prospective vendors to address them, and for you to hold them accountable. This also obligates the vendors to tailor proposals to your unique needs, rather than simply providing a generic demo and off-base proposal. If they don't cover an area you've documented, ask them to show you how their solution could work for those particular tasks.



Customer references.

Always get references from your shortlist vendors so you can ask them how they use the solution, what they like about it, and what could be improved. If a reference's use case isn't relevant to yours, request another reference from the vendor that better aligns to your needs. Be sure to evaluate the vendor's customer community and scale, and the number of active customers.

CONCLUSION

Planning with confidence as business rapidly evolves.

As change accelerates and business pressures intensify, planning has become a strategic advantage. Organizations worldwide rely on current cloud-based planning solutions to achieve the kind of data-driven agility necessary to think quickly, move first, and act with the confidence that comes from making decisions based on insight, not instinct.

Selecting the right financial planning solution shouldn't be an impulse buy. To equip your organization to succeed in the age of urgency, it's vital to approach the selection process with a clear head. A successful selection process requires that you:

1. Specify your goals
2. Consider important industry trends
3. Weigh key solution qualities
4. Identify a usable and functional solution
5. Explore how to run a successful buying process

[Learn more](#) about selecting the planning solution that's right for you.



About Workday

Workday is a leading provider of enterprise cloud applications for finance and human resources. Founded in 2005, Workday delivers financial management, human capital management, planning, and analytics applications designed for the world's largest companies, educational institutions, and government agencies. Organizations ranging from medium-sized businesses to *Fortune* 50 enterprises have selected Workday.

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