

## How Integrated Planning Plays a Key Role in Digital Transformation

How a proactive strategy of 'think big, start small, and deliver quickly' combined with integrated planning is the right approach to help the Office of the CFO successfully navigate Digital Transformation



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## I. Addressing the challenge of Digital Transformation

While Digital Transformation continues to have a major impact on Finance, it is also opening up a significant opportunity to increase influence across the rest of the business and become a more strategic partner. At the same time, Digital Transformation is also challenging CFOs and their teams to optimize their key transactional processes, such as improving reporting, building out key analytical processes, and capitalizing on changing technology that facilitates this process.

However, to achieve this, finance need to recognize that their responsibilities are changing. In addition to traditional functions such as accounting, controlling and closing the books, M&A activity and risk & compliance, today's Office of the CFO is increasingly expected to deliver insights and decision support to help manage volatility and enterprise complexity.

If the Office of the CFO is to take full advantage of the opportunities presented by Digital Transformation, it needs to ensure that its current finance systems are sufficiently agile to cope with the inevitable disruption and challenges. Is the finance team in a position to reforecast quickly when the business changes? What progress has been made towards the automation of core planning, budgeting and forecasting processes? Are you in a position to enable faster group-wide consolidation and reporting? Can you trust your figures for real-time decision-making?

Resolving these questions requires an ability to embrace the latest advancements in technology for business planning, forecasting and analytics while still taking advantage of finance's historical expertise: Excel. In this whitepaper we're addressing these challenges and detailing how integrated planning plays a key role in Digital Transformation and how the Office of the CFO can support this by making planning, budgeting, forecasting and consolidation seamless across the organization with the Jedox solution.

## II. Agility is key to successfully navigating Digital Transformation

According to KPMG's 2019 Global CEO Outlook, "Two-thirds of CEOs say that agility is the new currency of business and that if they don't adapt, their business will become irrelevant." So, while Digital Transformation is seen as increasingly critical for long-term business success, it brings with it a pressing requirement for greater agility, improved visibility and much more efficient end-to-end processes across the business.

Clearly the digital business model requires new skills and processes, and the classic finance model will have to adapt quickly if it is to support the kind of digital business activities that will enable organizations to either disrupt their own markets or protect themselves against competitive disruption. Achieving this will require what Gartner refers to as "a reimagining of the use of financial and non-financial data."

That's likely to prove challenging for organizations that still rely on cumbersome, inconsistent, spreadsheet-based processes for their planning and decision-making. Coupled with a lack of data quality and IT systems integration, this 'old school approach' invariably proves inflexible and difficult for both finance and business users. It can also result in significant productivity issues around budgeting, planning, forecasting, analytics, reporting and consolidation.



### The Problem with Spreadsheets for Planning

Spreadsheets are easy to use, but create problems:

- Poor visibility across the planning cycle
- Everyone works in isolation
- Increase the risk of errors
- Require manual consolidation
- Changes are hard to track and auditing is nearly impossible

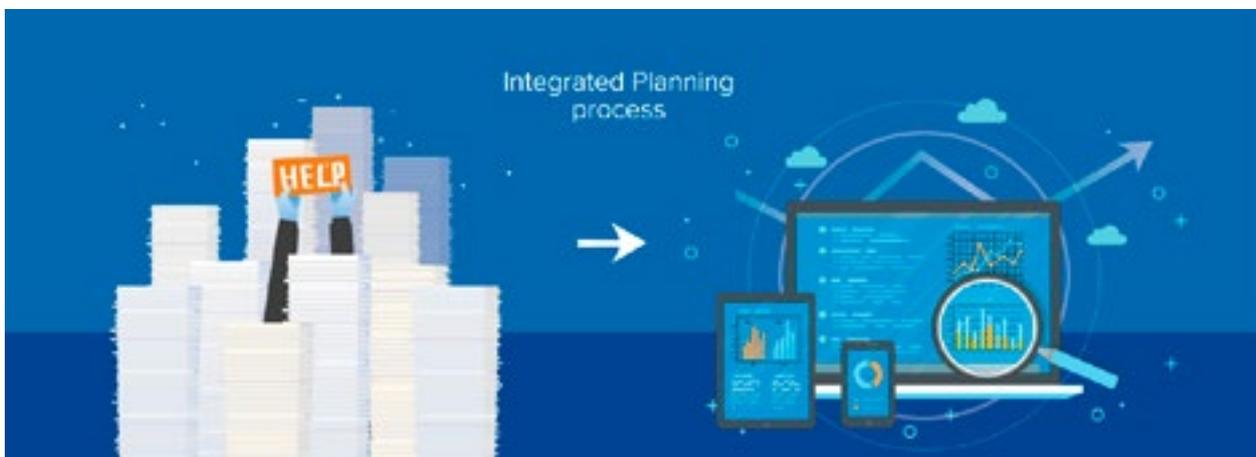


Figure 1: Planning processes in Excel can lead to spreadsheet chaos.

Source: Jedox

### III. New focus for finance teams

Spreadsheet limitations mean consolidated plans are often disconnected from detailed departmental plans. When top-level management requires a rapid adjustment, it's done at the summary level, with little buy-in from the bottom-up plan. The outcome? No clear visibility and no ownership by departments.

Faced with disparate systems and data that frequently prevents a consistent picture across finance and operations, it's easy to see why finance departments still spend up to half their time simply executing the operational activities they need to support the running of the business. Typically, this just leaves around one day a week free to concentrate on performance issues. With Digital Transformation, that traditional model is now flipping, with analysis, interacting with decision makers and other strategic initiatives now expected to account for half of finance's time.

“ Spreadsheet-based planning makes it hard to align strategic planning with operations. It takes so long and people have to make last minute adjustments. It's very difficult to manage complex enterprises process in spreadsheets. *David Upton, Director of Strategic Partnerships and Alliances at Jedox* ”

#### The Benefits of Integrated Planning

Integrated planning aligns departments. It improves compliance and controls around the planning process. Integrated planning links financial targets to operational drivers – the activities that each department actually does day-to-day. Users compare actuals with plan, and drill-down below the KPIs to understand ‘why’ it is happening. Combining performance monitoring with integrated planning means you can rapidly take action. Planning is not rigid. You need self-service modelling to customize planning rules and adjust to respond to growth and change. Every department has a small number of advanced Excel users; these are often perfect ‘power users’. You want to empower these people. Because departmental processes can change rapidly, your planning platform must allow business users to securely access their own data and define KPIs quickly and easily on their own. Centralized governance with local agility.

### IV. Setting a clear Finance agenda

If the Office of the CFO is to provide insight and future direction for decision support to the entire business, it's critical to improve collaboration and alignment with stakeholders across the business. This will require a focus on three key areas: automation, forecasting best practices and business partnering.



**Figure 2: Align top-down and bottom-up**  
Top-down sets strategic boundaries. Bottom-up creates ownership. Jedox empowers both.

Source: Jedox

## Automation – modernizing financial applications through automation

Despite the Digital Transformation imperative, the reality for many organizations is a finance operation that's focused on traditional practices with costly manual processes still in place. Automation is critical to addressing many key finance pain points, particularly if operations are serious about leveraging approaches such as AI to help power their digital business initiatives. That's why finance needs to drive its own automation agenda, not just across their core planning, budgeting and forecasting activities but also across their end-to-end FP&A activities including their complex consolidation processes.



## Forecasting Best Practices

In today's uncertain political and economic times, the requirement for looking forward with effective forecasting has never been more important. However, this demands that organizations work to adopt best practices. With the volatility of today's markets, the ability to forecast and reforecast more quickly, along with focused scenario modeling are essential for organizations to be able to act quickly when things change. The Office of the CFO can support this by actively considering best practices around six key forecasting foundations: scope, participation, modeling/scenarios, ensuring value from data/predictive activities, measurement and culture.



## Business Partnering – enabling improved decision-making through collaboration

According to Gartner, finance leaders cite managing financial information as their key task, with managing business performance a close second. However, CFOs particularly see a growing need to extend their FP&A capabilities out across the enterprise, so that budgeting, planning and forecasting activities can include key corporate functions such as sales, supply chain, HR and IT to enable a truly integrated reporting approach. Adopting this broader, more integrated approach means that both finance and business leaders can trust their figures to support real-time decision making.



## Journey to Transformation

"Think Big, Start Small, Deliver Quickly"

<b>Strategic Goal</b> <i>Agile, Future-Ready</i>	<ul style="list-style-type: none"> <li>• Optimization</li> <li>• Prescriptive</li> <li>• Risk Adjusted</li> </ul>
<b>Strategic Alignment</b> <i>(Top-down, Bottom-up)</i>	<ul style="list-style-type: none"> <li>• Strategy Management</li> <li>• Scorecards (Balanced)</li> <li>• Business Model Innovation</li> </ul>
<b>Business Partnering</b> <i>(outside Finance)</i>	<ul style="list-style-type: none"> <li>• Profitability</li> <li>• Predictive Analytics, Big Data</li> <li>• Operations, Marketing, HR</li> </ul>
<b>Best Practices</b>	<ul style="list-style-type: none"> <li>• Drivers, Scenario-modelling</li> <li>• Rolling Forecasts</li> <li>• Bench-marking, external data, mobile</li> </ul>
<b>Automation</b>	<ul style="list-style-type: none"> <li>• Planning, Analysis &amp; Forecasting</li> <li>• Reporting and Analysis</li> <li>• Headcount planning, workflow</li> </ul>
<b>Descriptive</b>	<ul style="list-style-type: none"> <li>• Multidimensional Information</li> <li>• Consolidation &amp; integration</li> <li>• Standardized definitions</li> </ul>

A step-by-step strategy helps Finance to accelerate the Digital Transformation Journey.

## V. Accelerating the Digital Transformation journey with the Jedox Solution

Jedox accelerates the transition of the Office of the CFO from its traditional role as 'Financial Controlling' unit to that of a more dynamic strategic partner.

The fully-integrated Jedox Enterprise Performance Management solution makes planning seamless, allowing both finance and business users to budget, plan, forecast and report on a single software platform that's accessible in the cloud, on premise and on any device. With Jedox, the Office of the CFO can establish a much more collaborative approach to budgeting, planning, forecasting, reporting and analysis across the organization. Add in Jedox's embedded AI engine, and both finance and business functions can support their activities with smart decision-support and automation, while the suite of pre-built application models - including a comprehensive consolidation application – helps kick-start projects across the business.

## Jedox provides finance and business users with the ability to:

### Re-forecast and re-plan in real-time

Jedox gives both finance and business users the control they need to transform their organization into a data-driven enterprise.



### Empower users through self-service financial planning

With flexible modeling and self-service planning in either Excel, web or mobile, Jedox users benefit from the unrivaled flexibility of the solution.



### Integrate planning, reporting and analysis across the business

Jedox unifies planning, reporting and analysis in a single, integrated environment that can be easily tailored to an organization's end-to-end planning requirements.



## Complete alignment of processes with Jedox Financial Consolidation

For organizations with multiple subsidiaries, joint ventures and associates, the Jedox Financial Consolidation Model significantly reduces the time and resources needed to consolidate separate financial statements into one consolidated financial statement for the purpose of statutory reporting. The pre-built Jedox Financial Consolidation Model integrates fully with financial planning and analysis to enable faster group-wide reporting for different reporting standards and customer management requirements.

## Empowering FP&A to make faster and better business decisions with AI-enabled predictive capabilities

The Jedox AI engine is fully integrated into its core Enterprise Performance Management platform, providing artificial intelligence and machine learning technologies as an accessible add-on service for users. Jedox AI is easy to deploy and use, requires no expert knowledge of advanced analytics or data science, and delivers rapid results. With a Jedox Assisted™ Planning solution in place, the finance function is ready to become the organization's analytics powerhouse – delivering strategic value and direction for the broader organization.



## Configurable Jedox models help fast-track FP&A operations

The continually expanding suite of pre-built Jedox model applications ensure that it's easy for the finance team to deploy solutions based on proven industry best practices. Featuring highly configurable software content, each Jedox model comes with integration logic that allows teams to pick and choose their planning applications and combine them when needed. In addition to models such as Balance Sheet, Projected Balance Sheet, Profit & Loss, Cash Flow, Sales, Human Resources, Cost Center and Financial Consolidation, an expanding portfolio of models from third party providers is also available from the Jedox Marketplace.

According to the 2018 Jedox & ACCA global survey, over half of those polled hadn't yet built a business case for deploying an integrated budgeting, planning, forecasting and analytics solution. One of the key reasons for this is that organizations often don't know how or where to start.

Jedox recognizes that it makes sense to leverage the undoubted Excel expertise that already sits within the Office of the CFO and provide a way for organizations to bring multiple and disjointed Excel sheets into a more controlled environment. However, it's important to do this in a way that allows finance teams to retain the familiarity and accessibility of their current spreadsheets. Keep the useful features of Excel, and move past the limitations.



## Conclusion – Maximizing Digital Transformation opportunities with Jedox

By thinking big and by focusing on the many different steps needed to achieve success, Jedox and its comprehensive Enterprise Performance Management solution is ideally placed to help finance teams embark on their digital transformation journey. With Jedox, users get to work – whether online, via mobile devices or in the familiar Excel environment – with an interface they're comfortable with, easy to use, and that provides finance operations with faster time-to-value.

And by integrating current Excel processes and all existing data sources into a Jedox multi-dimensional database, finance teams can pursue a staged approach towards transitioning their operations from Excel to a more seamless Enterprise Performance Management approach. Following a step by step strategy, the Office of the CFO can adopt a 'think big, start small and deliver quickly' methodology that allows them to systematically work to automate even the most complex processes.

# About Jedox



Jedox simplifies planning, analysis, and reporting with one unified and cloud-based software suite. Jedox empowers decision makers and business users across all departments and helps them work smarter, streamline business collaboration, and make insight-based decisions with confidence.

Over 2,500 organizations in 140 countries use Jedox for real-time planning on the web, in the cloud, and on any device. Jedox is a leading Enterprise Planning and Corporate Performance Management solution provider with offices on four continents and with over 250 certified business partners. Independent analysts recognize Jedox for its leading enterprise planning solutions.

Simplify planning with Jedox and start your free trial today:  
[www.jedox.com](http://www.jedox.com)

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