Don’t Just Plan It, OWN It... with Oracle Enterprise Planning Cloud

Summary

CEOs continue to want to cut costs in some areas while increasing them in other, more strategic ones, in order to compete in today’s fast-paced digital world. The importance of an accurate enterprise plan has never been more critical. Yet, spreadsheets continue to dominate the planning process. Organizations can ill afford to be slowed by cumbersome and manual planning processes. Oracle Enterprise Planning Cloud gives business owners access to their own plans that talk to Finance, all with the ease and simplicity of the cloud and without heavy reliance on IT.
CFOs Are Frustrated with Return on Their FP&A Investments

According to a recent study by CEB (the corporate research and advisory firm), with investments in F&A rising as more data becomes available and companies seek to unlock its value with analysis, continuing quality issues are prompting doubt as to whether the investments are wise. One of the top reasons for this is that decision-makers still don’t trust the underlying data that is powering analytical applications.

Why is planning and forecasting so challenging? Processes are fragmented; most organizations take an annual approach; there is no direct input from operational areas; and slow planning practices are not keeping pace with changing business conditions. And, most significantly, spreadsheets are still the most commonly used tool, especially with planners outside of finance. Whereas the Finance department usually has a planning system, operational planners still rely on spreadsheets.

Spreadsheet usage has not changed much over the past several years either, despite new technology advancements, as the adjacent chart shows.

Spreadsheets Still Rule Planning


Planning Beyond Finance Challenges

In today’s corporate environment, 64 percent of CFOs plan to make cost reductions\(^2\), but they are looking to increase headcount. Capital needs to be deployed more effectively in order to reduce spending. The average cost overrun for IT projects is 27 percent.\(^3\) And 44 percent of CFOs find sales and marketing most difficult to align with.\(^4\) But consider how the typical planning process works in organizations.

Corporate FP&A relies on the operations and lines of business around the enterprise to submit the plan/budget/forecast. However, corporate FP&A, of necessity, must impose rigid standards to ensure that it can aggregate the plan in a meaningful way across heterogeneous business lines. Meanwhile, the different lines of business must plan at a more granular level of detail than corporate FP&A requires. The lines of business must plan and forecast in a manner that helps them “run their business” (e.g. HR cares about skills and employees; Marketing cares about campaigns and markets; IT cares about projects; Operations cares about optimizing resources, etc)—and this is often at odds with the methodology required by corporate FP&A (e.g. segment reporting).

Until the advent of cloud technologies, operational users in the line of business could not afford on-premises enterprise planning technology for themselves, nor did they want to be dependent on “corporate” system administrators to run a planning process unique to their business. So they typically relied on very detailed spreadsheets to support their granular planning processes. It gave them independence, and they would plan at a level of detail with which they were comfortable. Then, once complete in the spreadsheet, they would simply rekey the numbers into the corporate FP&A planning system, or even “game the corporate FP&A formulas” to achieve the results that they developed offline in spreadsheets. Spreadsheet use remained rife—but there is a better way.

\(^2\) PwC 17th Annual Global CEO Survey: Transforming talent strategy.
\(^3\) Harvard Business Review: Why Your IT Project May Be Riskier Than You Think Survey of 1,471 IT projects
\(^4\) CFO Alliance
Integrated Planning Improves Performance

According to Ventana Research, companies that have integrated planning processes have more accurate plans. 77 percent of planning processes depend to some degree on having access to accurate and timely data from other parts of the organization. This is why integrating the various planning processes provides business benefits. In Ventana’s research, 66 percent of companies in which plans are directly linked said that their planning process works well or very well. This compares favorably to 40 percent in those that copy planning data from individual plans to an integrated plan (such as the company budget) and just 25 percent of those that have little or no connection between plans.

But integrating plans from various parts of the organization is challenging, especially if you are dealing with multiple disconnected spreadsheets. Such manual processes become quite unwieldy and do not scale. There is a better way.

Technologies like the cloud make it easier to get away from spreadsheets and drive the planning process beyond Finance to the broader community of line managers. Gaining the input and intelligence of line of business managers becomes much more feasible with a cloud-based model that can be easily and flexibly rolled out across the organization.

<table>
<thead>
<tr>
<th>Planning Practices Work Well or Very Well</th>
<th></th>
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<tbody>
<tr>
<td>66% of information is directly linked</td>
<td></td>
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<tr>
<td>40% of information is copied from plans</td>
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<tr>
<td>25% plans have little or no connection</td>
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Don’t Just Plan It, Own It... with Oracle Enterprise Planning Cloud

Oracle Enterprise Planning Cloud gives business owners access to their own plans that talk with Finance, all with the ease and simplicity of the cloud and without heavy reliance on IT. The solution fits the needs of both corporate finance as well as operational planners around the enterprise (e.g. sales, marketing, HR, IT, and the lines of business).

Ventana Research, Next Generation Business Planning, 2015
It empowers operational planners with flexibility, scalability, and the ownership to plan the way they want, while still offering the transparency and control required for corporate finance. The solution strikes an ideal balance between providing best-practice planning while maintaining the ability to be highly configured for planning processes that are unique.

It’s important to emphasize the connected nature of an enterprise planning process. Planning in both Finance and operational scenarios are addressed.

Align the Enterprise

As we have indicated above, planning should not be limited to corporate finance. The organizations that are most successful at enterprise planning connect operational planners to the corporate finance plans in a manner that provides synergy to both sets of stakeholders. Oracle Enterprise Planning Cloud helps organizations accomplish this through a unique “federated” architecture. The architecture allows you to connect and align related planning processes across the enterprise while still maintaining independence for the individual planners.
Best Practice Planning... Out-of-the-Box

Simple to Use
With prebuilt business-process logic and reports, Oracle Enterprise Planning Cloud provides faster time to value. Simple-to-use business wizards make it easy to get up and running in no time. Instead of needing to have deep understanding of the product, users simply answer business questions in the step-by-step wizards. This allows even a technology novice to design complex planning processes.

As with all the other Oracle Enterprise Performance Management (EPM) solutions, this one also includes Smart View, so that users can continue to work with their familiar Excel interface.

Unmatched Modeling and Scalability
Oracle Enterprise Planning Cloud leverages unique technology that allows users to plan at the speed of business. Powered by Oracle Essbase technology, planning large data models is effortless. The solution is much more scalable than other cloud planning tools. Multiple what-if scenarios can be worked through in seconds. Powerful predictive planning algorithms can be leveraged to bring more precision to key business drivers. And, finally, slice-and-dice variance analysis is easy with just a few clicks of a mouse. Furthermore, users can access and interact with their plans the way they like. They can use any one of three options: web-based planning, tablet-enabled planning, or plan in Smart View (the industry-leading Excel add-in).

Enterprise Performance Management (EPM) in the Cloud
Oracle has the broadest cloud portfolio in the industry, delivering a complete range of production-level, cross-functional business applications for each part of your organization. Oracle applications support 23 languages and multiple industries and geographies. Business users have the latest innovations at their fingertips across finance, sales and marketing, customer service, supply chain management, human
Key Features and Benefits

- The best practices come out-of-the-box to get up and running in no time
- A configurable, upgradable planning framework that allows users to tailor the planning solution to your specific requirements
- Easy to Use. Easy to Maintain.
- Scalability to address both operational and finance planning processes
- Intuitive business wizards allows users to evolve the planning process as the business changes
- Powerful analytics, dashboards, what-if, and predictive capabilities provide unparalleled insight into the business
- Since it’s a cloud solution, there are no capex infrastructure investments required

Oracle Enterprise Planning Cloud uniquely provides flexibility and ownership to line of business stakeholders, but still meets the needs of the corporate FP&A planning process. Our customers will benefit from best-practice planning processes specific to their needs and be able to get up and running quickly and easily.

Neil Sellers, Qubix

For more information on Oracle Enterprise Planning Cloud, go to

https://cloud.oracle.com