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CONNECT. ALIGN. OUTPERFORM.

# Five ways to connect and improve planning across your enterprise



# The need for connected enterprise planning

We are living in a world of constant innovation and change. The COVID-19 pandemic caused disruption in just about every business, across every sector, and accelerated the pace at which companies must make decisions.

The future of business has arrived sooner than expected, setting new challenges and altering business priorities. Health and safety concerns have dictated how we now work and interact with customers; the ability to work from anywhere has changed the labor market; a clear focus on revenue-generating initiatives has cut superfluous costs to conserve cash; and supply chain disruptions have redoubled our emphasis on resiliency and agility.

Approaches to enterprise planning have changed as well. Siloed, line of business planning might have sufficed before, but today the focus is about connected and continuous planning across the enterprise.

In a recent [CFO study](#), 56% of CFOs emphasized the need to aggressively pursue operational agility and flexibility. The pandemic highlighted the vulnerabilities in traditional planning, budgeting, and forecasting processes and inputs, and surfaced many new challenges. Earlier forecasting models, inputs, and data became irrelevant and, in many cases, unusable.

When the business environment was stable in times past, many organizations could get by with a siloed planning approach. Departments could send fixed templates to finance to consolidate periodically (quarterly or monthly) for a corporate plan and then focus on executing their individual plans.

However, disruption has become a constant, and plans are now made to be changed, refined, and adjusted continuously. It's less about creating the perfect plan, and more about refinement and reforecasting. We see organizations constantly running multiple scenarios and planning for contingencies, as well as creating new models and rethinking strategies and data sources, relying on more input from operations and lines of business to help guide them through uncertainty. In this new world, connected enterprise planning is not just a best practice—it is a necessity.



# How finance enables connected enterprise planning

The role of finance has evolved from bookkeeping to helping guide the strategy and roadmap for the company. This includes collaborating with line of business teams on tactical steps to achieve the long-term vision. As such, finance requires more data and inputs from sales and operations, human resources, supply chain, and other lines of business. Finance often has the analytical skill sets and business knowledge to provide these teams with key insights and help them with planning and strategic decisions.

In today's environment, making plans and decisions on a hunch does not suffice. Decisions must be data-driven—and that's not limited to just finance data, which can sometimes be backward-looking or lack context. Finance organizations need to consider all operational and financial data, as well as data from internal and external sources—for example, customer sentiment, weather data, and consumer trends. Plans that incorporate data science can help finance organizations improve the accuracy of plans and forecasts, and ultimately, make better decisions.

AI and machine learning decrease the time needed to produce forecasts; this is because users only need to add human context to the seeded predictions and adjust them based on their knowledge. Machine learning can also continuously scan forecasts for anomalies or issues, and present them to users faster than humans could when analyzing data.

Embracing advanced technology can move finance closer to a continuous, touchless forecasting process and allow them to be true change agents in the business. Finance is able to partner with operations and lines of business stakeholders, taking more time to engage with them in making decisions using connected, accurate, and timely information.



## Five ways to align the enterprise

By 2024, [Gartner®](#) expects traditional corporate finance-led financial planning and analysis to evolve to extended planning and analysis (xP&A). Gartner describes xP&A as an enterprise planning strategy that combines and extends financial and operational planning by using the same composite vendor platform and architecture.

xP&A, or what we're referring to as connected enterprise planning, breaks down the silos between financial and operational planning processes, combining them on one consistent planning platform. This aligns the entire organization with company goals and delivers new transformative value.

Next, we'll highlight five processes we consider to be key elements of connected enterprise planning.



## 1 Scenario Modeling

In a continually changing environment, scenario modeling has become more critical than ever. Your finance team can use this tool to effectively capture a range of possible outcomes and translate these scenarios into credible decisions involving all key lines of business. This requires finance and operational strategy teams to collaborate closely in order to model a range of scenarios that ensure agility, business continuity, and growth.

Many big business decisions involve modeling operational changes. Depending on circumstances, you may want to model a cost-cutting strategy, for example, by making headcount reductions, exiting certain markets, making supply chain changes, and divesting non-performing assets or businesses. Another more opportunistic approach would be to embark on a growth strategy through mergers and acquisitions, or radical business model transformations like adopting new sales channels or investing in new products and services.

No matter what strategy you choose, traditional financial forecasting is not sufficient. To get true alignment across the organization, all stakeholders must be able to model the scenarios they foresee based on knowledge of their specific business function.

Once all possible outcomes have been modeled, these scenarios can be blended into one company strategy, and tested with Monte Carlo simulations to understand probabilities and gain an amount of certainty. Then the overall strategy can be incorporated into more granular plans with shared visibility on one platform. This allows for a continuous feedback loop and visibility on achievements across finance, operations, and lines of business.

**Being prepared with specific responses to these possible scenarios will substantially improve business agility and enable the organization to manage through the crisis with minimal adverse impact. The strategic scenario modeling solution within Oracle Fusion Cloud EPM is ideally suited for such contingency and business continuity planning efforts.**



### How lululemon improves its financial fitness

lululemon, a Canadian fitness apparel brand, uses Oracle Cloud EPM to perform its annual strategic plan, looking out 12, 24, and 36 months. During the pandemic, lululemon had to close stores due to regional lockdowns. As a result, it pivoted its online business to offer customers a similar experience to what they would have in the stores, where they could learn, discuss, and celebrate the physical aspects of healthy living. Oracle Cloud EPM helped the company model different scenarios rapidly to adopt new channels for interacting with its customers during the pandemic.

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## 2 Sales and Marketing Planning

With consumer expectations and spending behavior changing radically, and businesses postponing capital spend or delaying large projects, it is more critical than ever to align planning across sales, marketing, and finance.

The sales forecast is the most important input to the financial forecast, especially in B2B organizations, and can be the primary driver of strategy. When pushing down revenue targets from the corporate plan, it is key to align territories, model optimum quotas, and decide what products and markets to focus on. Having siloed sales models, typically in spreadsheets, is a recipe for failure. It makes it challenging to get a full picture of sales performance versus sales targets, or get a good idea of how sales performance is affecting the financial forecast.

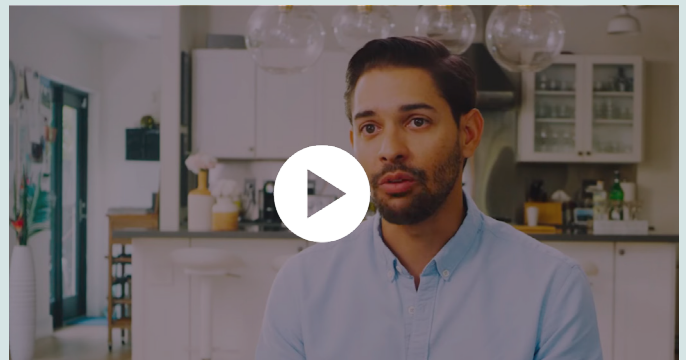
For B2C companies, marketing spend is often the largest line item in the financial plan. Having disconnected planning systems across marketing, sales, and finance hampers an organization's ability to get a full line of sight, leading to missed revenue opportunities. An increase in marketing spend, when viewed in isolation, might appear to be a bad decision, but when teams have visibility across sales, marketing, and finance, they can see that the overspend in marketing could result in increased revenue.

When finance, sales, and marketing planning are on the same technology platform, it gives all teams a continuous view of performance. Sales volumes and corresponding revenue forecasts across customer segments, product groups, or channels become

easily visible and available. Consequently, incremental adjustments can be made for factors—such as price, product, or placement—that could affect sales or revenue.

**Oracle Cloud Sales Planning is a data-driven planning solution that allows sales teams, customer managers (key account managers), and finance teams to collaboratively simulate: 1) different plans through a structured baseline plan; and 2) promotions and customer profit and loss to determine the overall sales plan and ROI. The solution covers best-practice planning methodologies, such as top-down, bottom-up planning, baseline planning, and uplifts from promotions, all built in out of the box and configurable.**

### KraftHeinz



#### How Kraft Heinz masters big market shifts

The finance team at Kraft Heinz, a \$26 billion a year FMCG company, needed better and faster insights into marketing spend, but struggled with 10 different, decentralized tools that performed the same tasks. By standardizing on Oracle Cloud EPM, the company got insights into the effectiveness of its trade promotions and marketing spend, which provided visibility into what products it should sell and which products are a draw to customers.

[Watch video \(1:58\)](#)



### 3 Workforce Planning

Working, as we know it, has changed. Many companies are now exploring the benefits of remote working and looking to hire talent in remote areas at better costs. However, in times of change, disruption, and focus on cost control, it is key to have the right skills at the right place at the right time.



HR is the custodian of attracting, sourcing, and retaining the most valuable asset of many organizations: talent. It's a challenge to understand how each potential workforce choice affects the business today, tomorrow, and further into the future. In recent times, HR has been challenged to help drive strategic decisions to support short-, medium- and long-term company strategies.

- Would reducing headcount or cutting benefits produce an outcome that ensures growth?
- Is it feasible to shift talent across roles and locations?
- Given changes mandated by social distancing, how do we evaluate skill sets to redirect talent to open office space?
- What is the complete cost of rapid incremental hiring, furloughs, and sick leave?

Strategic workforce planning, which focuses on creating and managing strategic talent plans by cross-functional teams in collaboration with HR, is therefore a vital element of the enterprise planning process. Having your end-to-end strategic workforce planning process totally integrated across HCM and finance allows you to perform effective talent demand and supply matching, retention analysis, and attrition analysis with visibility to the bottom-line impact.

**Oracle Cloud solutions for Workforce Planning enable organizations to effectively manage and forecast workforce costs and provide important visibility for connecting strategic workforce plans with financial plans. The solutions tightly align HR and finance to be able to hire for the right skills and talent at the right costs. They incorporate multiple workforce and cost data points, integrate seamlessly with common or third-party systems, and provide forward-looking scenarios to control workforce expenses.**



### How Dropbox accelerates workforce hiring

Dropbox had to quickly staff new development and support functions as part of its rapid growth in the fast-moving technology industry. Moving to Oracle Cloud, Dropbox eliminated its legacy system and spreadsheet-based workforce planning processes, integrated tightly into Oracle Cloud ERP, and reduced data aggregation from two weeks to seconds. Dropbox was also able to model its talent needs and hire the right people to meet its requirements for growth.

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## 4 Project Financial Planning

While many companies have become more cost conscious, some have also introduced new business models and made significant investments in projects to execute on those plans. But according to [McKinsey & Company](#), completing large capital investment projects on schedule and within budget is more the exception than the rule, often because decisions are made on bad data. This highlights the impact of having disconnected, siloed systems when doing project financial planning.

**Michael Baker**

INTERNATIONAL

### How Michael Baker engineers its project financial planning vision



Michael Baker was struggling to get timely visibility into the financial performance of projects. The engineering consulting firm needed to improve its siloed manual planning processes and reduce the time it took for forecasting. Moving to Oracle Cloud EPM, Michael Baker eliminated manual processes and integrated fully with the company's other enterprise software systems, which provided end-to-end visibility into the many variables that go into project budgets. Not only did this cut budget cycles from six weeks to one, but the company also reduced the number of employees involved in the process. This freed up staff to focus on the business and allow Michael Baker to embark on more innovative projects.

**Watch video (2:05)**

A more effective approach involves planning for headcount (workforce planning), as well as capital spend or capital expenses related to the projects. Teams must also understand the overall impact of a project on the financial plan and have constant visibility into a project's financial performance. A complete view across a project's expenses, resource needs, and potential ROI requires a project financial planning platform that is integrated and on the same platform as your workforce plan, capital expense plan, and financial plan; this ensures each plan reflects the latest changes across all of them and you can get a clear picture on the potential projects to invest in.

Integrating the planning process with project execution helps finance make the right investment decisions and constantly monitor actual costs versus forecasts, making project portfolio adjustments as needed.

**Oracle Cloud EPM aligns all key stakeholders in the project financial planning process. It has out-of-the-box capabilities that align finance and operations stakeholders with specific processes. This enables planning for all financial aspects of projects, whether it's equipment, contractors, or other financial-related project expenses.**



## 5 Integrated Business Planning and Execution (IBPX)

With disruptions to supply chains accelerating, companies are looking for ways to minimize the impact on costs and service. Truly agile companies can successfully connect financial, sales and operational planning, and supply chain planning with execution to give executives the right decision criteria at the right time, reducing decision latency and enhancing global visibility.

Sales and operations planning has long been a best practice of top supply chain practitioners trying to align the right information for timely decisions. It focuses on units and volumes and operational feasibility. Aligning feasible operational plans with finance is critical. Planning decisions require synchronized material, resource, financial, and workforce inputs for end-to-end plan coordination. At the same time, aggregate plans must be able to incorporate disruption at the execution level back into the plan. Planning agility, responsiveness, and resiliency rely on these key integrated business planning capabilities for alignment.

**Oracle Cloud EPM and SCM planning applications simplify collaboration between financial and supply chain planners to help drive consensus and react to business disruptions. What-if and scenario planning capabilities quickly drive top-down or bottoms-up changes through the end-to-end supply chain, ensuring truly integrated business plans.**

JUNIPER  
NETWORKS

### How Juniper achieved 3.5X ROI with integrated business planning

Juniper Network's vision was to implement a digital supply chain with integrated business planning (IBP). Extending the principles of sales & operations planning (S&OP) across the end to end supply chain delivers one seamless management system with connected business processes. Since moving to Oracle Cloud, Juniper grew its lead time attainment by 55%, while reducing its inventory cost by 15%, allowing the company to pay back 3.5X what it invested in the solution itself.

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# Key characteristics of a connected planning solution

A truly connected enterprise planning solution unifies all of the processes above, and is:

## Flexible

Since connected enterprise planning is about connecting finance and operations, it is key that you have the flexibility to address the requirements that serve operations as well as finance. It is critical to be able to model financial and operational use cases, which are very different in terms of granularity, subject, and data but still need to be connected across common drivers that affect one another. It is also vital that operations teams have independence from finance to focus on their specific needs without constraints, but still connect to reflect their assumptions at a finance level so the organization can focus on one overall plan to execute its strategy.

## Modular

Moving towards a true connected enterprise planning organization often happens in a phased approach. The journey can start by transforming your corporate financial plan, including long-term strategic forecasts, to period-based continuous forecasting. Then you would expand out towards the lines of business and operations. It is critical that your planning platform supports a modular approach that grows with your requirements. For example, consider how you could expand your planning deployment across the organization if you embark on mergers and acquisitions or enter new markets.

## Operationally Connected

Connected enterprise planning includes the ability to continuously correct course based on performance. As such, your planning platform needs to seamlessly connect to your core operational systems, not only at a data level, but arguably even more importantly, at a process level. This enables true continuous feedback

## Benefits of a connected solution

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 Cloud EPM Planning helps organizations accomplish this through a connected set of planning processes that connect and align planning processes across the enterprise while still maintaining independence for the individual planners.

A true connected enterprise planning platform should help you deliver these benefits:

- 1 Easier identification of opportunities
- 2 Alignment across the enterprise
- 3 Transparency across all lines of business performance
- 4 Greater accountability and collaboration
- 5 Ability to highlight anomalies and suggest actions across finance and operational plans



to monitor performance and make corrections early to remain on course. HR should have visibility into the available talent from the HCM system directly in workforce planning in order to plan for new talent requirements. Actual project cost data should be visible in your project financial plan to make continuous adjustments if needed, and financial data must be seamlessly available in your financial plan—for example, cash positions in your cash flow forecast—so you can make strategic investment decisions.

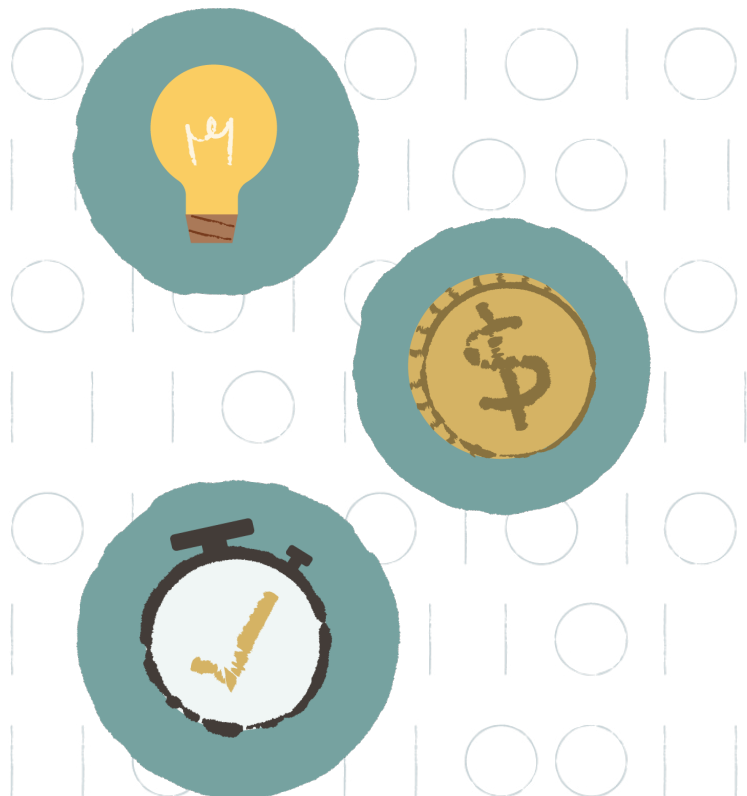
## Highly Intelligent

Moving from entering numbers on spreadsheets to entering numbers on a planning platform will not increase productivity, boost accuracy, nor improve business outcomes, no matter how connected they are. Planning has evolved from simply entering numbers or adjusting drivers, and is maturing towards predictive algorithms and machine learning. It is key that you seek these abilities and move away from plan creators to action takers.

Touchless forecasting is the practice you want to aim for. When actual data from operational or financial systems surfaces in your planning platform, you must automatically be presented with the most likely plan calculated by data science. This puts data science at the heart of forecasting, and the user can add context. It removes human bias, adds forecast accuracy, and significantly decreases time spent on forecasting. AI will constantly monitor your plan and immediately notify you to any anomalies, trends, or issues that need action immediately. Instead of spending time creating your plans or forecasts, you can spend time making key decisions and taking action.

## Packaged and Configurable

When organizations adopt a general platform and try to extend with customized solutions or bolt-ons, this leads to siloed applications, longer implementation times, and often a failed connected enterprise planning transformation. By contrast, adopting packaged planning applications for functional areas like strategic workforce and workforce planning, project financial planning, financial statement planning, sales and marketing planning, and integrated business planning enables faster implementation times, standard processes, and seamless connectivity between core financial and operational systems. True packaged cloud applications that are updated frequently allow users to stay current with leading best practices.

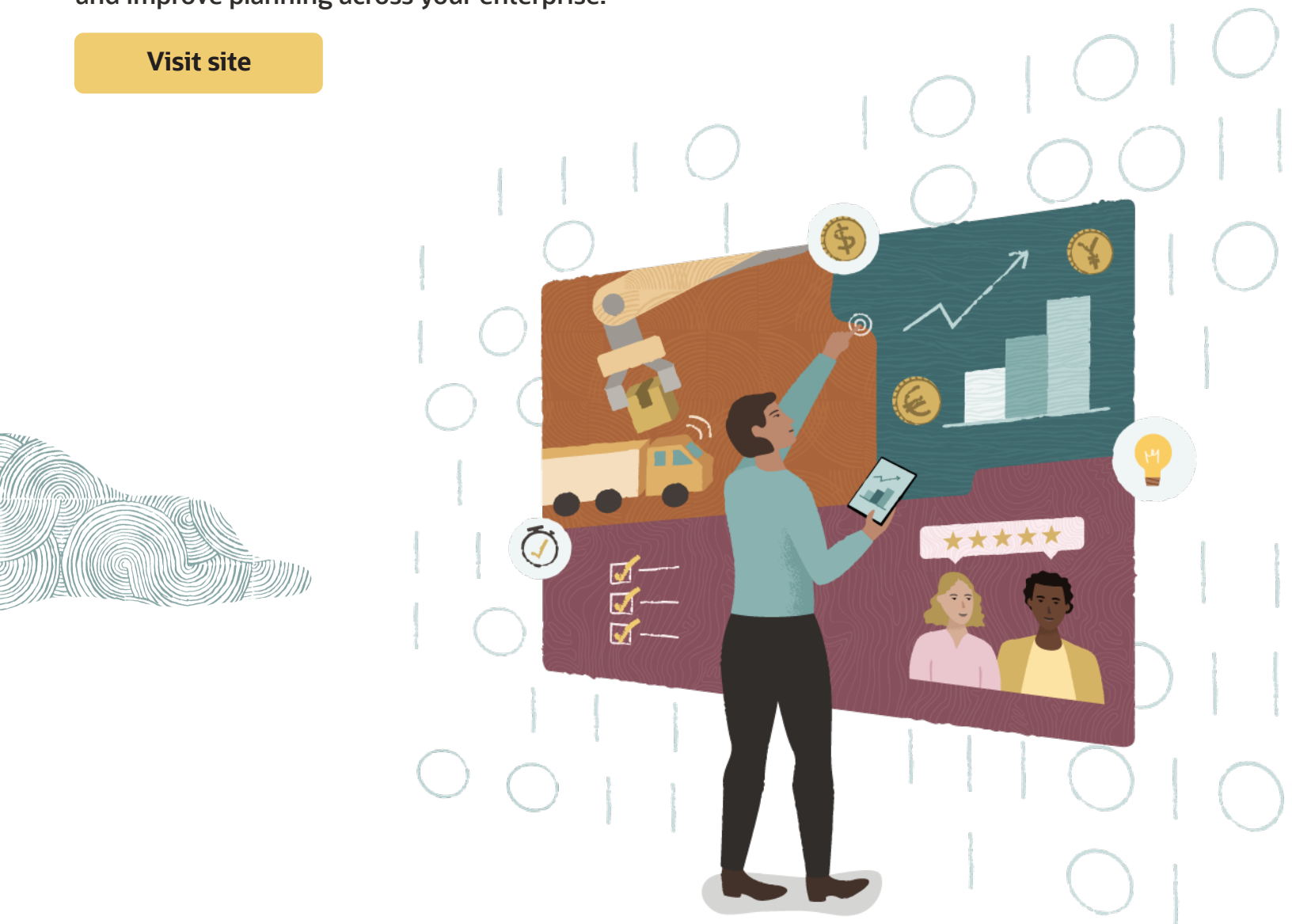


# Connect. Align. Outperform.

Adopting a true connected enterprise planning solution allows the office of finance to guide and support the business in new business models and initiatives faster, with greater accuracy and more actionable insight, given its connections to all other business domains. The ability to immediately see the impact of changing operational drivers and data on the overall forecast across finance and other operational areas, all documented in one place, allows a business to make faster critical decisions and gain the agility to outperform.

Get more resources on how you can connect and improve planning across your enterprise.

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