



The path to modern planning:

achieving business agility with continuous, company-wide planning.





Introduction

Every day, the correlation between business agility and competitive success grows stronger. Especially now, in the aftermath of a global pandemic that's intensified more than a decade of compounding instability.

The gap separating today's top-performing businesses from those getting left behind is growing wider, as the enterprises that plan for change accelerate, and those that only react stall. But global outperformers understand that business agility is a result of better planning.

Planning has enormous strategic potential to help businesses accelerate into the lead.

Effective planning unlocks the ability to continually anticipate change and quickly operationalize a coordinated response at scale. It helps organizations stay ahead of the competition, despite radical instability and disruption.

But traditional planning in most organizations never reaches its full potential. Decisions take too long. Silos hinder visibility. Great ideas don't translate into impact. Within most organizations, the planning function simply can't keep pace with today's pace of change. And it keeps finance leaders from their role as a strategic part of the business.

In contrast, high-performance planning has evolved to become a strategic success lever, empowering the entire enterprise to anticipate and respond to a faster and more dynamic rate of change.



Today's planning is:

- **Continuous**, continually recalibrating to offer a dynamic and ever-improving source of predictive insight.
- **Company-wide**, with a unified, coherent, strategic capability across the business.
- **Cloud-first**, with a tech-forward, built-for-purpose foundation of planning intelligence, automation, and scalability.

Read on to learn why moving toward this modern planning model is much easier than you think, and get practical actions to take right now.



Section 1

Continuous planning.

Planning hasn't deviated far from the typical annual budgeting and forecasting cycle in 100 years.

The trouble with this basic model is that it's static, retrospective, and not built to scale with today's pace of change. Decision-making is often based on stale data.

Today, that's like driving down the highway looking out your rearview mirror. Without being able to anticipate what's ahead, you're stuck with rigid, inflexible plans that almost certainly don't provide the best path to achieve your goals.

The solution is to transform retrospective planning into a process of continuous recalibration by gaining insights in real time and acting on them.

Continuous planning is broad and multidimensional, facilitates coordinated acceleration across the organization. There are two key things finance teams can do today to start transforming planning into a major business success lever.



1. Rolling forecasts.

Forecasts are designed to put historical information about performance into informed predictions that guide future decision-making. But traditional forecasting is limited, riddled with data gaps and time-consuming.

Periodic forecasts seldom reflect your business reality—by the time you’ve created them, the forecasts are rarely worth the spreadsheets they’re written on. And yet the organization still uses them for high-level decision-making.

In contrast, rolling forecasts offer continuous performance insight where actuals are rolled forward monthly, quarterly, or at a regular cadence that makes sense for the business. So you can make faster decisions that align with unfolding events.

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Rolling forecasters outperform quarterly forecasters in every category, most markedly in terms of agility. In a period of great uncertainty and change, rolling forecasts are noteworthy for providing much-needed agility.

“Agility in Planning, Budgeting, and Forecasting”;
FSN Publishing, 2021, Gary Simon, Chief Executive, FSN





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When companies embrace a budgeting and forecasting model that includes continuous planning and recalibration based on real-time data and variance analysis, they can respond faster to market changes and quickly take advantage of new opportunities.

Chandana Gopal
Research Director, IDC

Getting started with rolling forecasts.

Although rolling forecasts are technically possible using spreadsheets, their inherent limitations make it extremely difficult to gather, reconcile, model, and act on data fast enough.

Conversely, built-for-purpose, cloud-based planning technology is much more able to support continuous forecasting.

It's dramatically easier to gather and process real-time data on demand, conduct insightful variance analysis, empower business partners to participate in analysis, and provide a data-driven framework for discussing opportunities or course corrections. Plus, you can easily make forecasts available to decision-makers across the business (especially among leaders who aren't as spreadsheet-fluent as finance).

When you do that, you can make decisions informed by insights for more accurate forecasting and business-wide empowerment to identify, prioritize, and seize opportunities faster.

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The adaptability of Workday Adaptive Planning in the midst of this crisis has been phenomenal. A couple of months after we went live with our annual budget process, we pivoted to month-to-month forecasting in just four days so we could better manage the COVID-19 impacts on our operations and patient care.

Director of Financial Planning and Operational Analysis
ChristianaCare

Watch our on-demand webinar to see how rolling forecasts are a major instrument in helping you recalibrate and adapt to change. [Watch now.](#)



2. What-if scenario planning.

Business agility is much easier when you reduce the unknowns lurking around the corner.

What-if scenarios are already incredibly powerful tools for today's strategic decision-makers. Organizations can model different versions of the future based on predictive analytics, weighing different courses of action before choosing the best path forward.

But it's a myth that what-if scenario planning needs to be complex in order to be effective. It can be as simple as tweaking a few performance projections to see how changed expectations impact other business outcomes.

For example, how would decreased sales in EMEA impact operating cash flow? Insights like that help decision-makers identify problems and prioritize solutions, to move the needle against important outcomes.

That said, more advanced scenario planning can also become richer and broader, incorporating any combination of financial and non-financial inputs to continuously guide decision-making in real time.

Then you can start to answer more nuanced questions to better understand and prepare for the many possible futures ahead. For example, how would increased customer churn in EMEA impact employee retention? And how would declining retention impact our net promoter score? Does increasing support head count solve the churn problem? Or would a loyalty program prove more profitable?



Evolving your what-if scenario planning.

The enterprises that model the richest versions of the future accelerate fastest toward it. But, like rolling forecasts, traditional what-if scenario planning is held back by legacy planning tools and spreadsheets.

To start building richer and broader modeling capabilities, you need a specially engineered platform that can bring together all your financial, transactional and operational data into a unified, dynamic data core.

Traditional scenario planning is also limited by the humans driving the creative process—the right people asking the right questions about the right data.

The next evolution for what-if modeling is beginning to see global outperformers leverage AI and machine learning to ingest vast amounts of financial and non-financial data from across the business, to automate high-volume, high-complexity modeling at scale.

As this practice starts to become mainstream, the enterprises that are acting now to prepare their data and evolve will shift into a whole new gear.

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Scenario modelling based on a range of assumptions is a best practice that has been a boardroom-level topic during the COVID crisis. By envisioning and preparing for what's ahead, organizations can be far more agile, proactive, and successful.

Doug Henschen, VP & Principal Analyst

“Modern Planning Platforms Drive Business Agility and Better Outcomes”; Constellation Research, January 2021.



Learn how Vera Whole Health uses flexible what-if scenario planning to drive continuous planning and power business agility. [Watch the on-demand webinar now.](#)



Company-wide planning.

Traditional planning usually happens in two disconnected streams.

- **At the top**, finance owns the big picture, making strategic calls without the cross-functional visibility to understand the holistic business reality.
- **At the bottom**, discrete business unit managers use siloed datasets stored in siloed systems to make siloed decisions about their short- to mid-term goal.

The main shortcoming of this model is that it can't produce a unified picture of business drivers, activities, and performance. And it's that unified picture that unlocks real business agility.

That's why the enterprises accelerating fastest recognize FP&A as just one flavor of planning. In modern planning, FP&A has evolved to become extended planning and analysis (xP&A), seeing every department across the company realize value.

To guide this evolution, enterprises must empower departments across the business to participate in a single collaborative, fluid planning process.

xP&A leverages the wealth of rich planning data already flowing throughout the business. Not just financial data but operational data, transactional data, workforce data and project data, which feeds better decision-making and outcomes across the enterprise.

Let's look at how this extended company-wide planning works, and why it's so powerful.



By 2024, 70% of all new financial planning and analysis projects will become extended planning and analysis (xP&A) projects, extending their scope beyond the finance domain into other areas of enterprise planning and analysis.

Gartner Magic Quadrant for Cloud Financial Planning and Analysis Solutions, Greg Leiter, Robert Anderson, John Van Decker, 6 October 2020

Workforce planning.

Your people are the execution engine for every business operation in the company—they're fundamental to your ability to navigate disruption. That means modern workforce planning lays the groundwork for company-wide planning, and by extension, business agility.

That's not only about reconciling the definitions of "head count" planning finance does and "workforce" planning HR does. And this isn't just a case of upskilling in certain areas and downsizing in others.

True agility means being empowered to change the identity and culture of the company if that's what's needed.

When HR and finance form a close strategic partnership, you can combine granular workforce data with the wider business perspective in real time. Workforce planning becomes dynamically aligned with your evolving business reality to build the workforce that's best placed to meet your strategic goals and react faster to change.



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Our team works closely with department leaders and HR to consistently analyze the cost of our workforce and plan for the future. With strategic workforce planning from [Workday Adaptive Planning], we now have the opportunity to do advanced skills-based planning, ensuring our workforce is continually aligned with the transformation of our business.

Director
FP&A, Airlines Reporting Corporation (ARC)

Learn how Workday Adaptive Planning for the workforce gives you the flexibility and power to take your workforce planning to the next level. [Read now.](#)

Operational planning.

Planning already happens in every operational area. Every business unit leader makes decisions daily in service of better performance.

But those decisions happen in silos. Data is stored in disparate spreadsheets, isolated point solutions, and disconnected systems. The tools driving day-to-day operations can't reconcile operational data with the financial plan or with other related operational areas, let alone continuously recalibrate toward agility.

75% of business leaders say operational silos are a major hindrance to speed

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Marketing. Sales. Finance. Human resources. Run as distinct silos, these and other functions are too big, too slow, and too expensive to be effective. They can be barriers to speed, agility, and decisiveness as each area, in turn, weighs in on key decisions. It's something incumbents understand more and more each day: only 25% believe their company's operating model has evolved quickly enough to align to their strategy.

Accenture's *Breaking Through Functional Silos, Agility, Accenture Strategy*, 2019.

The result is that operational planning becomes totally disconnected from financial and strategic planning. Actions taken at the departmental level make sense in isolation, but are they the best actions for the business as a whole?

By integrating both financial and non-financial data from across the business into a centralized system, everyone gains visibility into how change happens across the organization. So operational decision-makers are always making decisions in service of holistic enterprise acceleration.

Sales and demand planning are two subsets of operational planning that have an especially huge impact on business agility.

Decentralize decision-making.

Battling a ferociously competitive landscape and breakneck pace of change, radio broadcasting leader Cumulus Media knew it needed to decentralize decision-making to give business managers more control and responsibility.

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Workday Adaptive Planning has singularly changed the culture and focus of our company. No other tool that we have ever rolled out, financial or otherwise, has ever received this level of universal adoption across our company.

CFO,
Cumulus Media

Workday Adaptive Planning empowered it to drive a cultural shift toward data-driven decision-making across 90 media markets. [Read more.](#)

Sales planning.

Sales operations are intrinsically connected to everything else across the business—the stakes are too high for sales planning to happen in a vacuum.

Imagine you're running sales operations for a SaaS provider and you need to increase bookings. With traditional, sales-isolated planning you run the numbers and settle on a logical territory plan.

But that model is blind to any business-wide interdependencies so you forfeit cross-functional help that might boost progress toward your targets. Or worse, sales and other departments actively hinder one another by working with limited insight and outdated data.

Integrating sales planning into a company-wide planning mechanism aligns the whole business around the best outcomes to power unified acceleration over isolated breakaways.

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Financial goals cannot be met if sales plans are not in sync with revenue expectations or if required human resources are not available to execute on the plan. Furthermore, financial modelling can benefit from the addition of operational data.

Doug Henschen, VP & Principal Analyst

“Modern Planning Platforms Drive Business Agility and Better Outcomes”; Constellation Research, January 2021.



Demand planning.

Accurate, agile demand planning is essential to maintaining supply chain efficiency, protecting customer satisfaction, and maximizing profitability. But demand is hard to predict and can change fast because it's vulnerable to so many factors outside your control.

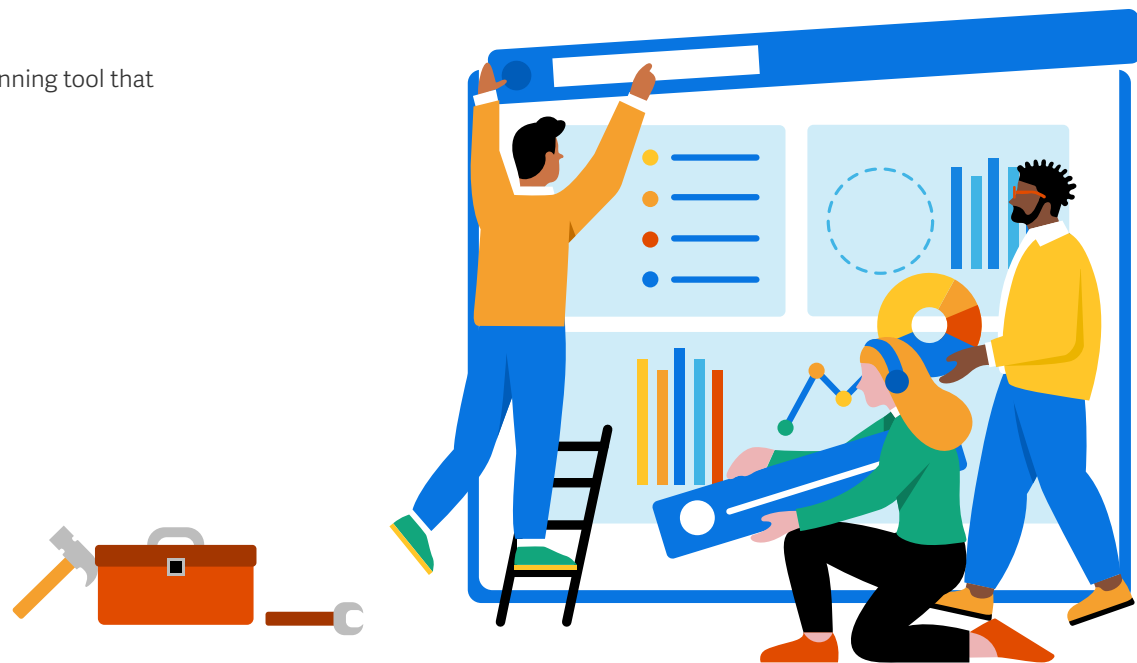
Improving demand planning—to power leaner inventory and lower costs while maintaining seamless customer service—demands better tools. Spreadsheet-based processes are far too unwieldy to be reliable, while traditional enterprise resource planning (ERP) software has little value as a predictive tool.

Instead, modern demand planning hinges on comprehensive, real-time insights pulled from across the business and, as AI and machine learning evolve, from external factors such as your competitors, the market, and global events.

To get there, you need a dedicated built-for-purpose planning tool that ingests data continuously and in real time.

Rubrik, a global provider of cloud-based data management and protection solutions, found that spreadsheet version control issues were hurting its demand planning and muddying inventory visibility.

With Workday Adaptive Planning, its Operations team can monitor inventory levels and costs in real time with monthly, quarterly, and annual demand forecasts galvanizing executive support for decisions. [Read the case study.](#)





Section 3

Cloud-first planning.

To scale across large, complex, and vastly distributed organizations, modern planning must be supported by the right technology.

Spreadsheets were serviceable workhorses for traditional planning—they're simple, powerful, and in the right hands, can make stuff happen fast. For small ad hoc planning based on static datasets, spreadsheets are hard to beat.

But to support modern planning, they have fundamental shortcomings. They're fundamentally static so they're incapable of consolidating and distributing complex, fast-changing information around the business. They're not designed for continuous, company-wide collaboration.

And with spreadsheets, it's time-consuming to manually verify data and consolidate rogue versions into a single source of truth. And even then, you need to wrestle with poor version control due to human error.

Meanwhile, porting outdated ERP software to the cloud may lower costs, but because ERP systems offer little predictive capability, they're not effective future-facing tools.

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Today, most departments independently select their own BOB planning solutions or use Microsoft Excel spreadsheets, resulting in a siloed landscape without consistency of purpose. Although this approach encourages business units to improve their performance, it typically fails to consider the performance of the whole organization.

Gartner Innovation Insight for Extended Planning and Analysis (xP&A), Robert Anderson, John Van Decker, Tim Payne, Melissa Hilbert, David Pidsley, 28 October 2020



To accelerate towards modern planning you need a specifically engineered planning platform that:

- Keeps pace with the volume, variety, and velocity of planning data flying around today's enterprise, ingesting information from myriad systems and applications and recalibrating continuously.
- Scales with your needs, with rapid deployment and customization through configuration rather than time-intensive, costly hard coding—to empower business owners to rewire processes in days, without IT.
- Supports sophisticated AI and machine learning predictive planning processes such as multidimensional what-if scenario planning and Monte Carlo simulations—today and as those technologies evolve.
- Provides prebuilt integrations and applications with functions and systems across the business, to free finance from the unwanted gatekeeper role and break down silos.
- Is intuitive for users across the business, encouraging broad adoption and collaboration, and elevates human performance by building engaging experiences that make identifying right actions simpler.
- Is continually updated and maintained to best-in-class security and technology standards. Ideally as a managed service that alleviates technical headaches and doesn't eat internal bandwidth.

When your planning platform has those capabilities—which in practice, calls for a cloud-based, managed SaaS platform built for purpose—planning becomes easy, fast, and powerful.

Finance is equipped to lead the charge and galvanize momentum toward continuous, company-wide planning, and the enterprise can start operating at a higher metabolic rate.

How Workday helps.

Workday helps outperformers across a range of industries accelerate toward modern planning to achieve uncommon results in an uncertain world.

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In today's society, you don't have the time to turn a big ship slowly. You have to do it efficiently and effectively, and that's where we see Workday Adaptive Planning as a true driving force.

CFO

Bonneville International

Modern planning is a huge, fascinating, and deeply practical topic filled with opportunities to unlock business agility. This eBook is just the first step on the journey toward it—and there are a lot of places to go from here. You could:

[Watch this video](#) on planning and analytics for the agile enterprise
[Discover some real-world examples](#) of how today's highest-performing enterprises are leveraging modern planning to pull ahead

Or, talk to us! It's an exciting time to revolutionize your planning. We'd love to show you how to get started.

[Get in touch.](#)





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