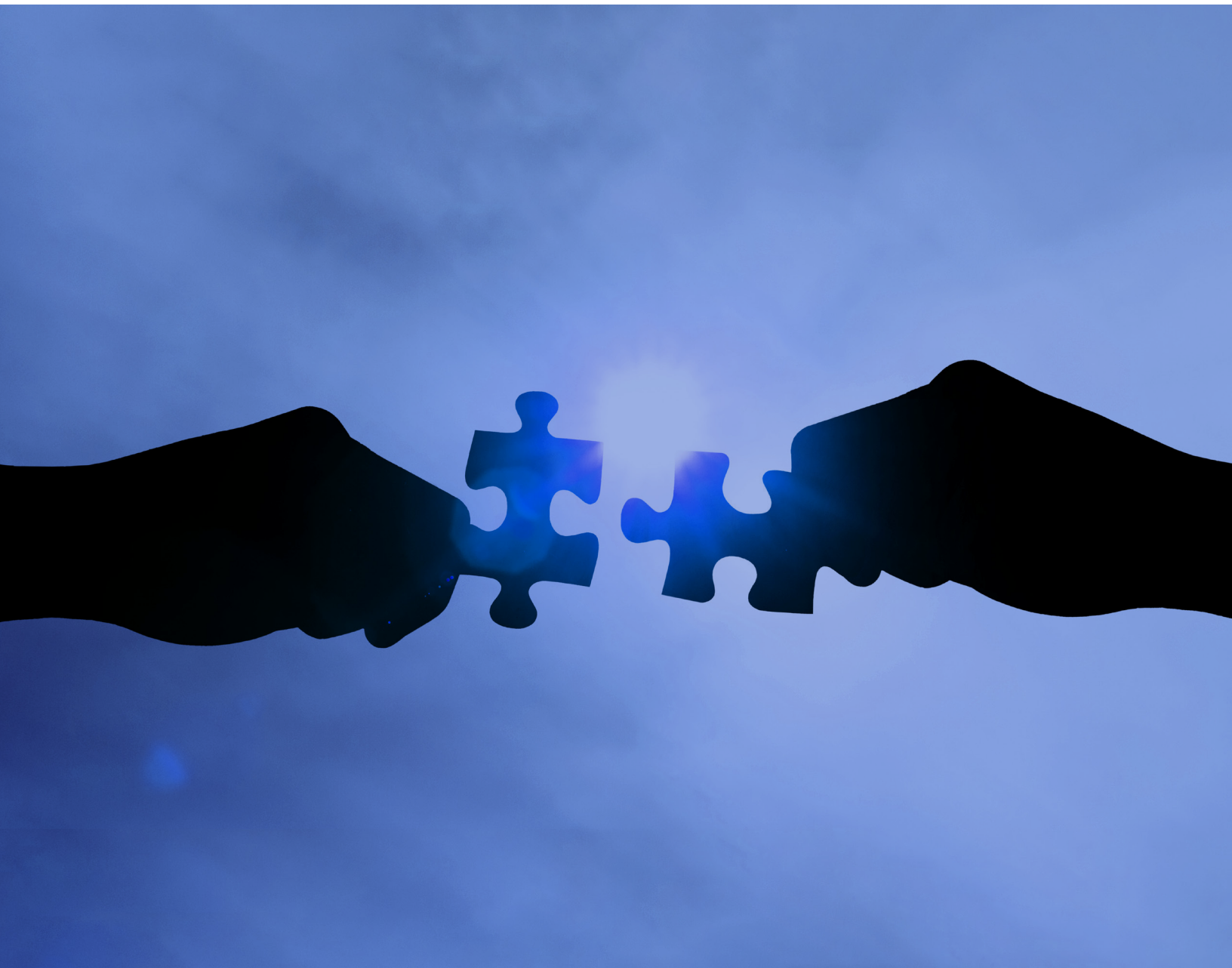


# Unify Connected Planning or Face the Hidden Costs



# Table of Contents

Introduction.....	3
Connected Planning at Scale?.....	3
Modeling Toolkit Chaos.....	5
The Hidden Costs of Modeling Toolkits.....	6
Unifying Connected Planning.....	10
Conclusion.....	12

# Introduction

## Are you Prepared to Execute the Vision of Connected Planning?

The concept of connecting all business planning processes into one seamless, integrated solution is on the mind of many Finance leaders who are seeking to improve organizational collaboration and decision-making.

**Why?** Because finance must cope with the fallout of a global pandemic, nationwide staffing shortages, endless supply chain disruptions and unforeseen geo-political pressures thousands of miles away. To stay ahead of these disruptions, leaders must extend planning beyond the traditional financial planning & analysis (FP&A) group and partner with Sales, Supply Chain, HR and other functions to quickly re-plan and re-forecast without adding complexity or overhead.

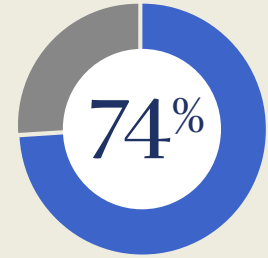
In response to ever-changing market dynamics, many Finance leaders and business partners have turned to the concept of connected planning to alleviate organizational pressure and increase agility. And it's easy to see why: Connected Planning promises that, by "connecting" people with data, management reporting and plans, "connected Finance teams" can move forward with speed and agility to help align the entire organization with company goals and deliver new transformative value.

# Connected Planning at Scale?

Despite technological advances and increased data accessibility, Finance is still struggling to synthesize all planning across the enterprise into one cohesive and ongoing process. In fact, according to a 2021 report from the American Productivity and Quality Center (APQC), only 23% of CFOs surveyed say their respective company's approach to annual budgeting is valuable, and even the CFOs themselves admit that improvements are needed.

To maintain board, investor and stakeholder confidence while providing actionable insight to line-of-business managers, CFOs and finance managers must, now more than ever, deliver fast, accurate and valuable financial and operational information that can be trusted.

Finance leaders now have the opportunity to leverage modern technology to rid themselves of legacy systems and processes while embracing the new trends that are prevalent in today's market.



## Did You Know?

74% of corporate leaders expect connected enterprise planning to improve collaboration and decision-making.

## MARKET DYNAMICS

- ✓ **Pace of change** keeps accelerating, with new consumer and market dynamics
- ✓ Expanded **control and compliance** expectations
- ✓ **Velocity and volume of data** requires different strategies
- ✓ Need to **align strategies with plans** and execution
- ✓ Ensure alignment between **finance and operations** across the enterprise
- ✓ Improve **organizational agility**

## Key Trends Shaping Modern Finance

Spurred by technology advances, the speed of analytical disruption in organizations is already perpetually fast and only getting faster. As Finance groups prepare for the transformation ahead, three key trends are re-shaping the future of how organizations will generate value from reporting and analytics initiatives:

1

### KEY TREND #1: The Rise of eXtended Planning & Analysis (xP&A)

As Finance teams respond to a rapidly changing business environment, FP&A is extending their reach to include and collaborate with Sales, Marketing, Supply Chain, Talent Management and IT to accelerate enterprise agility. This unifying framework – known as eXtended Planning and Analysis (xP&A) – enables continuous collaboration and performance management by using a single, composable platform and architecture.

2

### KEY TREND #2: More Targeted Analytics

Financial analysts and decision-makers are drowning in complex data. To better process that data, organizations are increasingly enhancing traditional dashboards with dynamic data-driven insights, powered by artificial intelligence (AI) and machine learning (ML). The resulting dynamic data stories generate insights as narratives, highlighting the most meaningful changes in the business for each user – with root causes, predictions and prescriptions for their roles and contexts. In turn, the enhanced data-driven insights reduce the risk that financial and operational analysis will be misinterpreted.

3

### KEY TREND #3: AI-Enabled FP&A

The way Finance teams manage the data behind dashboards and visualizations is changing. Finance can use modern technologies to deploy a host of new models and tools to provide actionable financial and operational data that drives effective decision-making. More specifically, technologies such as ML and AI are leveraged to automate various tasks required during the analytics process – and to discover, visualize and narrate important findings in vast data sets. AI and ML enable Finance to reduce the time it takes to perform the day-to-day input and output-focused activities that consume analysts' time – without requiring full-time support of data scientists.

Additionally, Gartner<sup>1</sup> states that, by 2023, augmented data management will reduce the reliance on finance analysts for repetitive and routine data management tasks, freeing up to 20% of analysts' time for collaboration, training and high-value analytics tasks.

 50%

By 2023, **50% of large finance organizations** will use AI to create short-term forecasts.

### The Promise of Connected Planning Is Creating a Sense of Urgency for Change

At its core, the concept of connected planning promises to bring together people, data and plans for better business outcomes across specific functions. Here are some of the benefits of connected planning in key functions:

- ✓ **Sales Planning:** Optimize resources and profits based on expected sales; align sales strategy and Finance goals
- ✓ **Demand Planning:** Cross-functionally plan market demand while minimizing excess inventory; avoid supply chain disruptions
- ✓ **Workforce Planning:** Analyze and plan workforce supply and demand for successful alignment and execution of business strategies and operations
- ✓ **Supply Chain Planning:** Gain visibility in supply chain disruptions and continuous adjustments to production schedules and logistics while aligning Finance and Operations plans
- ✓ **Financial Planning:** Extend FP&A functionality across the organization to drive continuous collaboration, empower Finance leaders with strategic clarity and accelerate business performance

Unfortunately, despite the clear benefits above, many organizations still struggle to unify connected planning processes even alongside significant investments in “connected” corporate performance management (CPM) technologies. **Why?**

While organizations recognize the importance of integrated CPM data, many **fail** to break down the silos created from on-premises and cloud modeling toolkits. Those silos then often result in a **disconnected** experience for Finance and Operations teams. Further, modeling toolkits might look like a sensible and economical option for sharing and collaborating on key plans and/or managing processes.

But organizations must also consider any hidden costs and risks — **if the goal is to unify connected planning** across the enterprise.

## Modeling Toolkit Chaos

Although many CPM modeling and planning toolkits, such as Anaplan, Board or Oracle Essbase tout flexibility and speed for departmental planning needs, **these toolkits are not designed to unify connected planning processes** across the enterprise. **Why?** Because rather than leveraging a unified, extensible architecture, modeling toolkits instead rely on a series of individual planning models that must be **“connected”** together. Having disparate models creates data latency, risk and chaos and makes the planning process maintenance-intensive, difficult to access, slow to consolidate and inconsistent. Not to mention, such chaos is prone to user errors and comes with a high cost for data movement.

Consider the extent of enterprise planning processes that are built around a myriad of disconnected models and forms. **Why do these processes exist? They exist for three simple reasons:**

- ① To help FP&A teams ensure consistent data collection.
- ② To aggregate disconnected data.
- ③ To input the data into yet another planning model for analysis.

The reality is that far too much time is spent creating and maintaining these models — and they are often misused. That misuse then ultimately results in even more time spent fixing and compiling data (see figure 1).



## Finance Processes and Systems are Often Fragmented

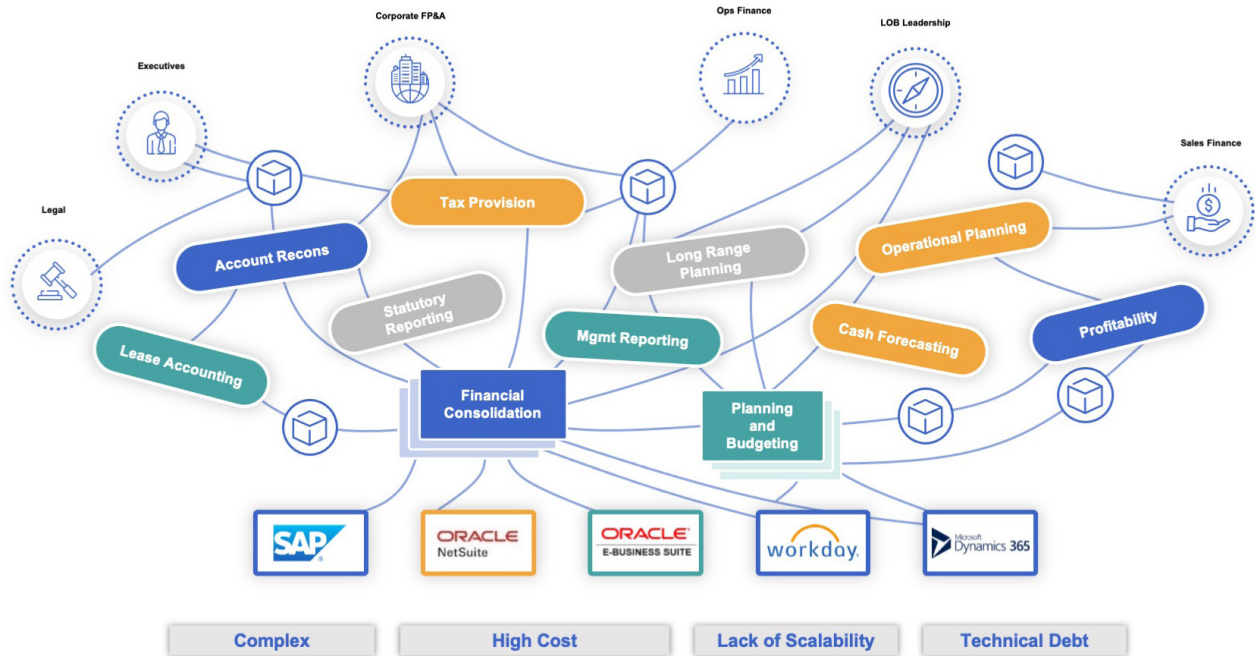


Figure 1: Modeling Toolkit Chaos

# The Hidden Costs of Modeling Toolkits

Today's Finance leaders have more organizational influence than ever before. And with an abundance of technological innovations at their fingertips, Finance can begin to shift their focus from static, back-office activities to delivering timely, accurate financial and operational insights across the enterprise.

When evaluating technology investments to unify connected planning, business-oriented CFOs and Finance leaders must consider **the common attributes and hidden costs of modeling toolkits:**

- ✔ Data hubs are created due to a **lack of a unified platform**.
- ✔ **Endless design possibilities** and flexibility appear attractive but usually lead to ongoing **endless costs and "fixes."**
- ✔ **Data inconsistencies** and constant data validation are required across "connected" data models.
- ✔ **Extensive money is spent** to have FTEs monitor and **repair** the connections.
- ✔ **Significant effort and IT expenses** are both required when trying to extract / transform / load (ETL), synchronized models and data repositories due to **technical deficiencies that do not adhere to enterprise standards**.
- ✔ Multiple environments and data movements are necessary, which increases **the cost of third-party apps and data integrations**.

While effective for departmental needs, the pervasive use of modeling toolkits across the enterprise planning processes therefore creates hidden costs that must be considered.

For organizations seeking to unify connected planning processes with modeling toolkits, here are four areas of hidden costs to consider (see figure 2):

## 4 Key Areas of Hidden Costs



### TECHNICAL DEBT

The difference between current state costs and future state costs.



### EFFICIENCY

The first area of improvement for any organization — typically FTE-related. Benefits associated with making costly mistakes that could harm the company.



### EFFECTIVENESS

The benefit associated with making correct decisions that drive faster performance. Benefits associated with making costly mistakes that could harm the company.



### RISK MITIGATION

Benefits associated with making costly mistakes that could harm the company.

Figure 2: 4 Key Hidden Cost of Modeling Toolkits at Scale

1

### HIDDEN COST #1: Technical Debt Is *MORE* Than Total Cost of Ownership

When scaling connected planning with modeling toolkits, one of the biggest oversights is only focusing on return on investment (ROI) and dismissing fully burdened technical debt. Many Finance teams use total cost of ownership (TCO), ROI and other performance measurements to assess whether a solution is a good investment for the organization. But organizations rarely dive deeper to include opportunities to reduce implementation and maintenance waste — in effect failing to account for hidden complexities and costs associated with modeling toolkits (see figure 3).

#### Initial Perception of TCO...

- ✓ Current License and Support Cost
- ✓ Solution Investment
- ≠ Total Cost of Ownership

#### Doesn't Account for...

- ✓ Integration Cost (FTE)
- ✓ Upgrade Costs
- ✓ Data Center Cost
- ✓ Hardware Cost
- ✓ Other Third-Party Software
- ✓ Other Third-Party Integrations (FTE)
- ✓ Disaster Recovery

#### Total Cost of Ownership is...

The benefit of experiencing lower technical debt by investing in a single, unified platform to replace multiple applications to achieve the same ends.

A single, extensible platform eliminates costs associated with hardware infrastructure integrations, and other third-party application support.

#### Technical Debt Is...

Difference between current state costs and future state costs if a company continued business as usual to support its connected planning environment.

- + Reoccurring Annual Software Subscriptions
- + Reoccurring Cost to Support Solution

- + Integration Cost
- + Other Vendor Cost
- + Other Internal Cost

**Hidden Cost of Technical Debt**

Figure 3: Hidden Cost of Technical Debt

Consider a scenario where the organization acquired a new entity that requires tasking the Finance team with folding the new structure into the current Chart of Accounts (COA). Regardless of complexity, this daunting task will require modeling toolkits – such as Anaplan, Essbase, Oracle Analytics Cloud (OAC), and IBM TM1 cubes – to be either partially or entirely rebuilt. Doing so requires spending time to define and implement the new solution, which will include new data integrations, a new data hub or data warehouse, new COA, new calculations, and new reports.

The organization may gain some additional insights from implementing a connected planning solution using modeling toolkits, but there would be no reduction in technical debt. In fact, technical debt is more likely to increase and then get labeled as the cost of doing business.

2

### **HIDDEN COST #2: Short-Term Gains Erode Organizational Efficiencies**

Over the past few years, modeling toolkits have offered a way to evolve from manual processes. But for large, global organizations with dozens of diverse planning processes stitched together via modeling toolkits, the short-term gains typically lead to near-term losses due to lack of scale. And while many business leaders struggle with the duality of efficiency and effectiveness to maximize performance, being bound to modeling toolkits creates excessive uncertainty about the organization's ability to drive profit and growth — despite the perceived gains from short-term data-driven insights. Why?

Because modeling toolkit solutions are still siloed, fragmented systems no matter how much effort is applied to stitch them together into one cohesive ecosystem. And with no ability to scale, modeling toolkits will only amplify any drag on organizational performance.

#### **Key Efficiency Consideration:**

- ✓ **Fragmented Software & Processes** — Connected but non-unified Finance solutions require fragmented cubes, modules and sometimes software to support diverse planning processes (e.g., S&OP, sales planning, and long-range planning) and offer no solution for insights beyond Finance.

3

### **HIDDEN COST #3: Forfeiting Effectiveness Is Not an Option**

Modeling toolkits amplify the drag on organizational performance, something only further exasperated when decision-making insights are pointed at the wrong targets. Most business leaders, especially Finance leaders, will agree that effectively driving business value and staying aligned with organizational goals are paramount to accelerating performance.

Then why do so many leaders forfeit effectiveness to focus on increasing efficiencies? The concept of efficiency is more tangible than effectiveness – efficiency produces immediate results. Doing more with less to achieve the same result is ingrained in the DNA of business leaders and can be quickly realized via making staff reductions or streamlining established processes, but the resulting efficiency gains rarely increase effective outputs. All that “efficient work” may be pointed at inaccurate data, giving results that have little value to the business. Such results will ultimately increase costs across the organization as teams track down the correct information. Sounds familiar, doesn't it?



#3  
Continued

## Key Effectiveness Consideration:

- ✓ **More Data Management & Administration** — Non-unified “connected” planning solutions add technical complexity and administrative burdens on the Finance team – like moving and reconciling data, constantly managing meta-data, monitoring data latency, and managing security between fragmented applications and models. Collectively, these burdens dilute the ability of strategic Finance teams to focus on driving performance and supporting critical decision-making.

4

## HIDDEN COST #4: Poor Collaboration Increases Organizational Risks

Understanding the benefits associated with making costly mistakes is on the mind of every business leader, especially those responsible for the organization’s financial well-being. Simple breakdowns in collaboration related to diverse data sets are typically the root cause of such mistakes, and only a unified platform can truly break that cycle. Business leaders, especially Finance leaders, often struggle to create monthly, quarterly, and annual plans and forecasts. Why? Because every department and corporate application or model must be connected – adding risks, costs and complexity to an already taxed team.

### Key Risk Mitigation Consideration:

- ✓ **Lack of Financial Intelligence** – Most modeling toolkits provide no pre-built financial intelligence. What does that mean? It means all the core “financial logic” for monthly financial processes – such as debit / credit account types, hierarchies, dimensionality and current translation – must be built completely from scratch, which exposes the organization to risk and costs.

## The Hard Numbers of Modeling Toolkits

Understanding the hidden costs of modeling toolkits is critical for FP&A leaders seeking to unify enterprise connected planning. The hidden costs range in amounts based on complexity. But all share same costly fate when attempting to define total impact to the organization. For Finance leaders who are innovating their planning processes for FP&A, here are three examples to consider:

EXAMPLES	HIDDEN COST (Low Complexity)	HIDDEN COST (High Complexity)
<p><b>Building from the ground up to support organizational agility</b> — New implementations of Essbase or other vendor custom cubes take enormous amounts of time to design, build and gain user adoption. The costs to spin up multiple custom Essbase cubes that include planning cubes, ASO reporting cubes and point solution cubes are painfully high.</p>	<p>Additional Annual Burden <b>\$200k – \$300k</b></p>	<p>Additional Annual Burden <b>\$750k – \$900k</b></p>
<p><b>Revising a legacy modeling toolkit</b> — Many experienced Finance leaders and analysts understand the effort required to fold in a new company to the existing corporate structure. All non-Finance intelligent components (i.e., Essbase, OAC, Oracle EPM cloud and TM1 custom cubes) must be either partially or entirely rebuilt to support the new planning and forecast requirements.</p>	<p>Additional Annual Burden <b>\$50k – \$100k</b></p>	<p>Additional Annual Burden <b>\$50k – \$100k</b></p>

EXAMPLES	HIDDEN COST (Low Complexity)	HIDDEN COST (High Complexity)
<p><b>Scaling modeling toolkits for FP&amp;A</b> — Few Finance teams have been successful at scaling modeling toolkit solutions into FP&amp;A, but for those teams who feel they have achieved their goals, that perceived success has come at extreme cost. Attempting to unify connected planning creates challenges for data management and administration and increases the reliance on vendors and third-party integrations — all coalescing into high perpetual costs.</p>	<p>Additional Annual Burden <b>\$150k – \$250k</b></p>	<p>Additional Annual Burden <b>\$750k – \$900k</b></p>

# Unify Connected Planning

OneStream’s AI-enabled Intelligent Finance Platform provides the flexibility and control required to **unify connected planning and reporting** at the world’s largest organizations. Powered with best-in-class financial intelligence, OneStream’s extensible design is purpose-built to enable FP&A teams to manage corporate and line-of-business plans. In the process, the platform provides unparalleled flexibility and operational relevance for eXtended planning and modeling across Sales, Operations, HR and Finance functions — **all living together in a single solution**.

- ✔ **OneStream unleashes the power of FP&A** across enterprise planning processes. How? By accelerating time to value for planning and forecasting for CPM processes at a fraction of the cost of disconnected modeling toolkits. Our unified platform is purpose-built for Finance and Operations teams to build, deploy and consume planning models.
- ✔ **OneStream empowers enterprise planning processes** with scalable purpose-built functionality for CPM:
  - ✔ Unify demand models with **driver-based plans** for workforce planning, inventory planning and purchasing, etc.
  - ✔ **Align and unify operational planning** and granular forecasting with divisional and corporate P&L, balance sheet and cash flow forecasts.
  - ✔ Create statistical and ML, **predictive models** for top-down financial planning and bottom-up operational planning.
  - ✔ Increase **transparency and trust** into forecast models with built-in **drill-back capabilities and model monitoring**.

## QUESTIONS BUSINESS LEADERS MUST ANSWER

- ✔ How do we manage finance and operational planning today?
- ✔ Does our technology fit our desire to unify planning across the organization?
- ✔ How quickly can I obtain data-driven insights across the enterprise to drive business performance?
- ✔ How much does our connected planning solution really cost annually?
- ✔ What are our perpetual third-party integration software? And how much does it cost to move data to sustain our connected planning solution?

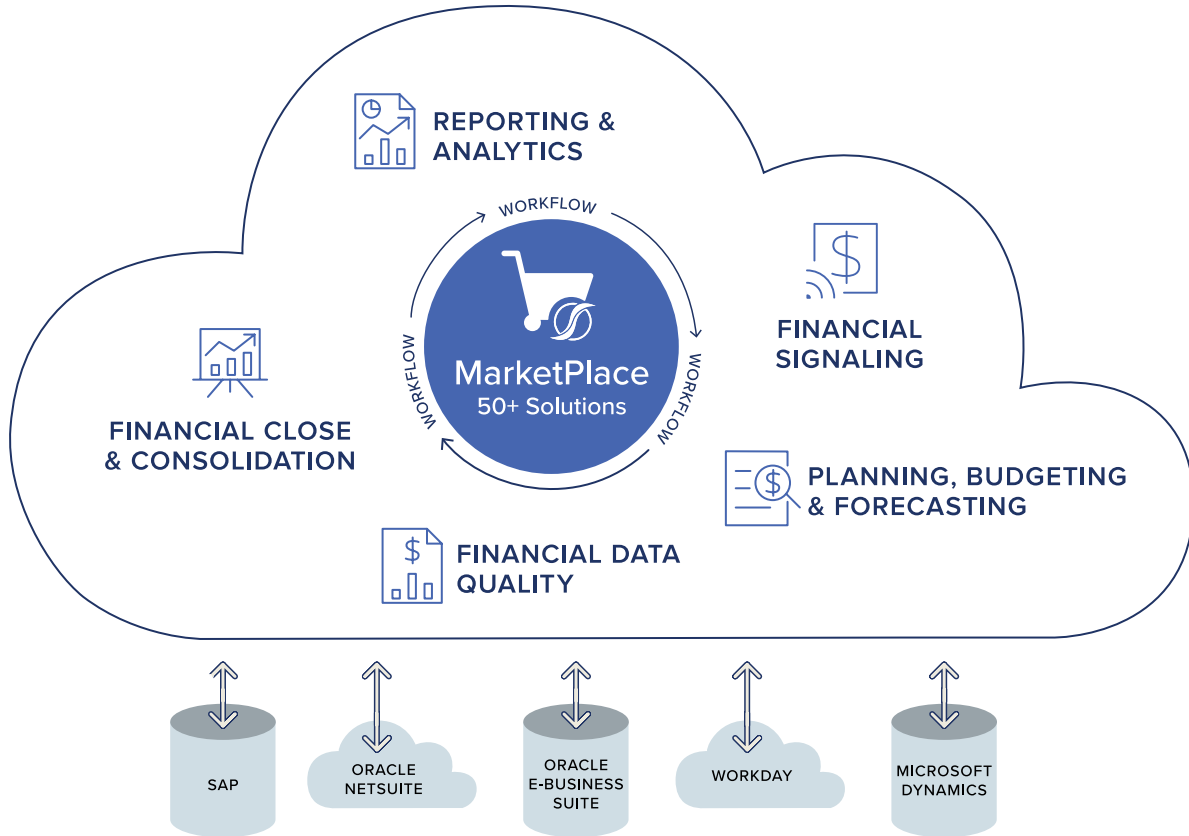


Figure 4: OneStream's Intelligent Finance Platform

✔ OneStream helps organizations **evolve** enterprise planning processes by making forecasts easy for FP&A and operational analysts. What happens when the barriers commonly felt by fragmented modeling toolkits are broken down? Here are a few of the benefits related to collaboration, complexity and consumption:

✔ **Collaboration** — Gives users the option to view the entire enterprise on a single platform, increasing organizational collaboration and enriching decision-making.

✔ **Complexity** — Pre-built processes/infrastructure conquer complexities in the disparate development tools that otherwise hinder planning at scale and time-to-deployment.

✔ **Consumption** — Lets users build, manage and deploy forecasts within one platform rather than forcing Finance teams into fragmented systems and processes to move and reconcile data.



# Conclusion

The aspiration of unifying connected plans is nothing new. But to remain competitive amidst the increasing pace of change and technology disruption, Finance leaders must think differently to finally conquer the complexities inherent in fragmented point solutions and disconnected modeling toolkits for enterprise planning.

Still, xP&A puts Finance in the driver's seat to inspire a digitally ready, data-driven and performance-focused culture across the entire organization to help realize the promise of true integrated business planning (IBP). It provides the operational relevance and flexibility required for line-of-business groups AND Finance. It enables the organization with controls and the governance required to evolve and scale and continue the endless journey of unleashing the true value and potential of the Finance team and beyond. All with the goal of driving performance and inspiring a new standard for corporate performance management.

**At OneStream, we call this [Intelligent Finance](#).**

# About OneStream Software

OneStream Software provides a market-leading intelligent finance platform that reduces the complexity of financial operations. OneStream unleashes the power of finance by unifying corporate performance management (CPM) processes such as planning, financial close & consolidation, reporting and analytics through a single, extensible solution. We empower the enterprise with financial and operational insights to support faster and more informed decision-making. All in a cloud platform designed to continually evolve and scale with your organization.

OneStream's Intelligent Finance platform can easily be extended with over 50 solutions from the OneStream MarketPlace. These downloadable solutions are fully battle-tested and optimized for the OneStream platform. They allow customers to easily extend the value of their investment to meet the changing needs of finance and operations.

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For more information, visit our website at [OneStreamSoftware.com](https://www.onestreamsoftware.com).

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