

# THE Planning Survey

Current developments, trends, and processes

14

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BARC Research Study

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This independent study was conducted by **BARC**, an independent market analyst, in cooperation with the **International Controller Association (ICV)**.

This study can be distributed free of charge thanks to sponsorship from arcplan, BOARD, CoPlanner, Corporate Planning, IBM, IDL, Infor, Jedox, pmOne/Tagetik and Prophix.



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## Background

Data and information management is increasingly being viewed as a strategic value driver and one of the most important responsibilities for CEOs, CFOs and CIOs. As management and control instruments, planning and budgeting play an essential role in driving business performance and laying the foundation for effective and efficient corporate management. Regular budget-actual comparisons keep decision-makers informed on both the success and effects of planned actions so that they can continually adjust their goals. Although reports and analyses that focus on the past still provide important information on influencing factors and developments, planning allows companies to align their resources and processes to strategies and objectives so that they can ensure their success in the future.

The importance, scope, and nature of planning as well as the software solutions that are used to conduct it, however, vary greatly from company to company. Some, for example, only plan their finances on aggregated levels (e.g. balance sheets or P&L) while others solely plan units sold and revenues as part of their sales planning. To attain sustainable business success in today's markets, however, companies can no longer simply plan parts of their business in isolation from the rest. Many have already recognized this and, therefore, are striving to better integrate their planning as a whole.

BARC has written the following study based on empirical research to help shed light on the status quo of planning in companies throughout Germany, Austria and Switzerland. We surveyed users on many different aspects of the process: What importance does the topic of planning have in companies? Which areas do they plan, and how are they integrated? Where is there room for improvement? Which software solutions do they use for planning, and how satisfied are the users? How quickly do planning processes change, and how long is a typical planning cycle?

This independent study was created in corporation with the International Controller Association (ICV). Thanks to sponsorship from arcplan, BOARD, CoPlanner, Corporate Planning, IBM, IDL, Infor, Jedox, pmOne/Tagetik and Prophix, it can be distributed free of charge.

We would like to take a moment to thank the people who have participated in this survey as well as those who will take part in future BARC surveys. Only with your support can we contribute to the discussion with insights backed by empirical data.

Würzburg, Germany. Feb. 10, 2014



Dr. Christian Fuchs



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## Management Summary

As management and control instruments, planning and budgeting play an essential role in driving business performance. The importance, scope, and nature of planning as well as the software solutions that are used to conduct it, however, vary greatly from company to company. That is reason enough to shed light on the development and current status of planning processes in companies.

With more than 400 participants from a wide range of industries across Germany, Austria, and Switzerland, The Planning Survey 14 is one of the largest empirical studies to date with a sole focus on planning and budgeting. The key findings of this study can be summarized into four hot spots:

### **Hot spot #1: The importance of planning continues to grow, but its nature and scope are in a state of transition.**

The sensibility for the topic of planning is increasing. Since the recent financial crisis, the significance of planning has continued to grow from a company view. Accordingly, 97 percent of the survey participants view the topic of planning as being very important or important. In two thirds of the companies its importance is becoming even greater. Consequently, the way that companies conduct planning is changing as well. In addition to planning in more detail (56 percent) and over longer periods (53 percent), companies are also improving the integration of planning with other performance management processes (46 percent), and running simulations more frequently (45 percent).

### **Hot spot #2: Companies do not conduct integrated planning on all levels.**

Although companies have recognized the advantages of integrated enterprise planning, they have not implemented this approach on all levels of the organization. While most do combine various sub-budgets and integrate them with their profit planning, many still have shortfalls in linking operational and strategic plans, or integrating planning to other performance management processes.

The traditional form of planning annual budgets still dominates in companies. In the sense of integrated enterprise planning on short, medium and long-term levels, however, strategic planning, medium-term planning and forecasting often do not receive the attention they deserve.

The integration of planning with other performance management processes tells a similar story. Although most companies have combined planning with reporting and analysis in a software platform (88 percent), many do not integrate planning at all with other performance management processes such as compliance, risk management or strategy management – and if they do, they only use Excel to integrate them.

### **Hot spot #3: Excel-based planning is everywhere, but it leads to major problems.**

Excel is omnipresent in the planning processes of the surveyed companies. This, however, inevitably leads to major problems on various fronts. With a distribution rate of 86 percent, Excel is by far the most widely used planning tool, whether alone or in combination with other tools. Yet only 17 percent of the respondents who exclusively use Excel – in contrast to 41 percent of those who exclusively used specialized planning tools – reported having no problems in the planning process.

In comparison to the exclusive users of specialized planning tools, exclusive Excel users frequently complain about the lack of flexibility (31 vs. 9 percent), missing planning functions such as simulation (41 vs. 15 percent), inadequate data quality (31 vs. 9 percent) as well as the immense amount of work involved in the planning process (45 vs. 15 percent). This discontent is not only attributed to the fact that Excel solutions often lack a consistent pool of data and consist, in parts, of numerous Excel spreadsheets. It primarily stems from the high risk of errors, the danger of inconsistencies due to numerous spreadsheet links, and the poor support of the planning process. These grievances also have a major effect on user satisfaction.

Using specialized planning tools, however, pays off. This is evident due to the significantly higher satisfaction rate among users of these tools as well as the smaller numbers of reported problems in general. Users of specialized planning tools also reported having better integrated enterprise planning and required considerably less time for the planning process.

### **Hot spot #4: Specialized and unified planning tools contribute to considerable time savings in the planning process.**

The implemented planning tool is a decisive factor in determining the amount of time required for the planning process. The tasks of preparing and processing data take twice as long in companies that exclusively use Excel as it takes in companies using specialized planning tools. Therefore, companies using specialized tools have a rela-



tively large amount of time to analyze the budget data and discuss the results. Another decisive factor that determines the length of the planning process is the number of software tools that are used. Also the amount of time needed to provide and process the data increases by almost 50 percent in companies that use more than one tool.

## 1. Methodology and demographics

The online survey was conducted among users in Germany, Austria, and Switzerland between September and November 2013. The survey was advertized by BARC through its own channels as well as through those of partners such as the International Controller Verein. Further participants were also recruited from social networks, Web sites dealing the topic of planning as well as various newsletters and conferences. Overall, **402 participants** from the region took part in this study. Since some of the questions were not mandatory, the total number of responses per question can vary.

The survey participants represent a wide range of industries (see Figure 1). Manufacturing (32 percent), IT (15 percent) and services (12 percent) were represented most frequently. The category “Others” includes industries such as construction, real estate and system catering.

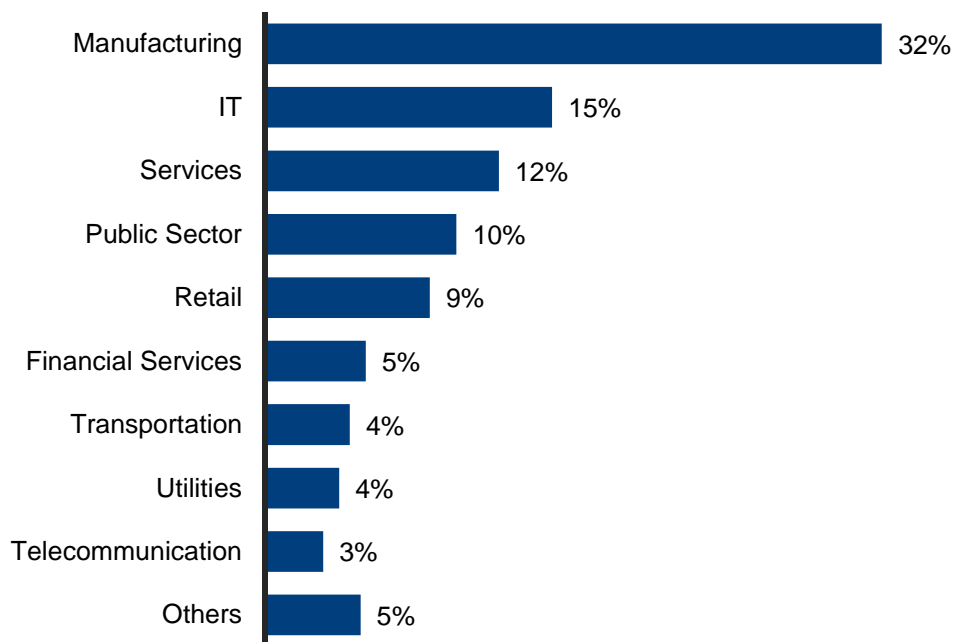


Figure 1: Industry distribution (n=359)

Figure 2 shows the company size by the number of employees. Companies with 250 to 5,000 employees (50 percent) are most commonly represented in this survey. The study, however, representatively covers companies of other sizes as well.

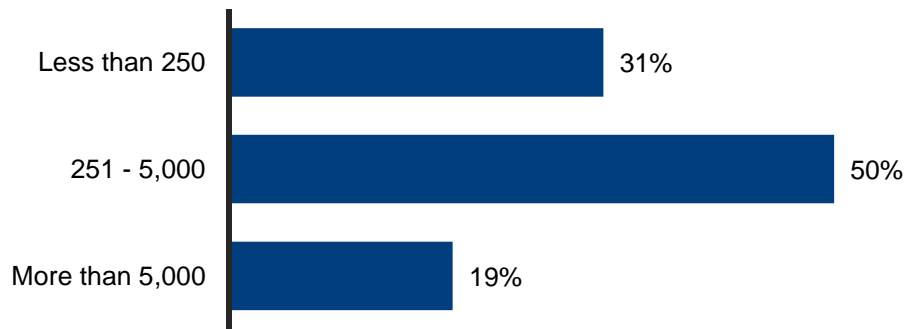


Figure 2: Company size (number of employees) (n=360)

Since the design and in particular the complexity of planning processes strongly depends on the type of company involved, we asked the participants to list in which type of company they work. 50 percent of participants work for parent companies, 29 percent for subsidiaries, and 22 percent for companies without subsidiaries.

As far as the job background of the participants is concerned, the study shows a dominance in the areas of finance and controlling (54 percent, see Figure 3). IT (21 percent) and management (13 percent) also have strong representation. Other departments comprise the remaining 12 percent of participants.

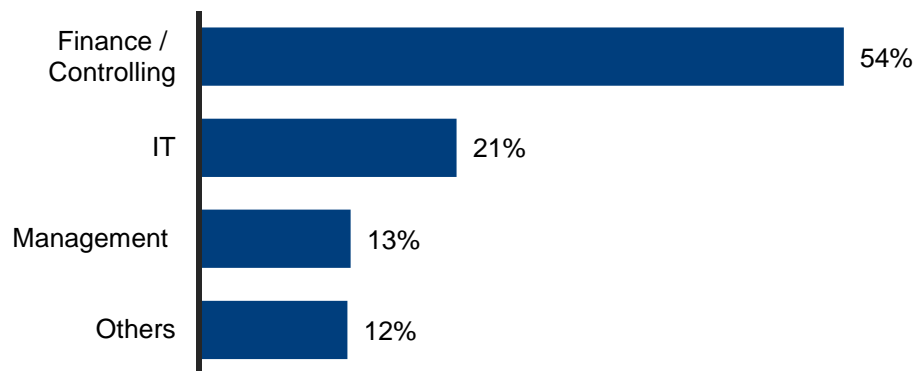
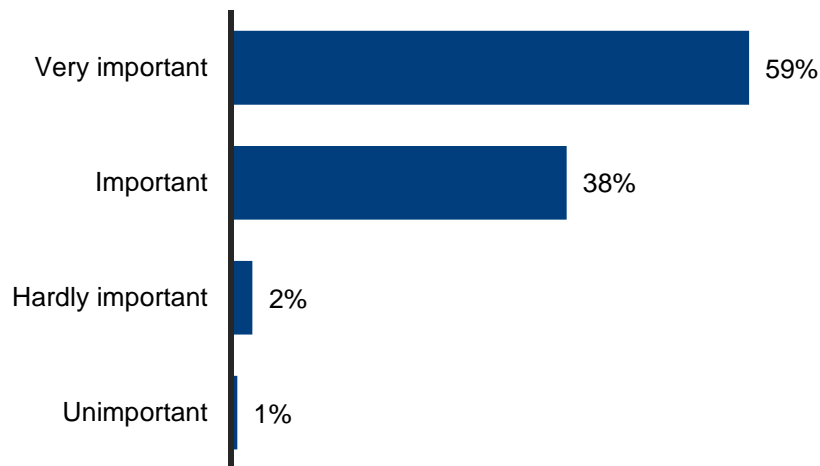


Figure 3: Study participants by department (n=364)

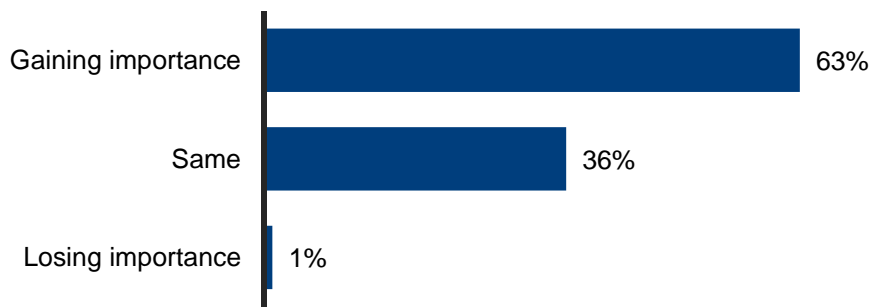
## 2. Planning becomes more important in unstable economic times

Reporting and analysis are widespread, and companies invest a great deal of time and effort analyzing historical data to identify the factors that influence their financial situation and profitability. As many BARC projects show, the alignment of corporate resources and processes to strategies and targets is rarely professionally managed and supported in the framework of the planning process. Especially in unstable economic times, however, many companies have nonetheless recognized both the importance of knowing what is happening within the company and its surroundings as well as having flexible planning and forecasting capabilities for the future. Yet planning, in contrast to reporting and analysis, can serve as an important instrument to successfully differentiate companies from the competition.



**Figure 4: How important is the topic of planning and budgeting for your company? (n=397)**

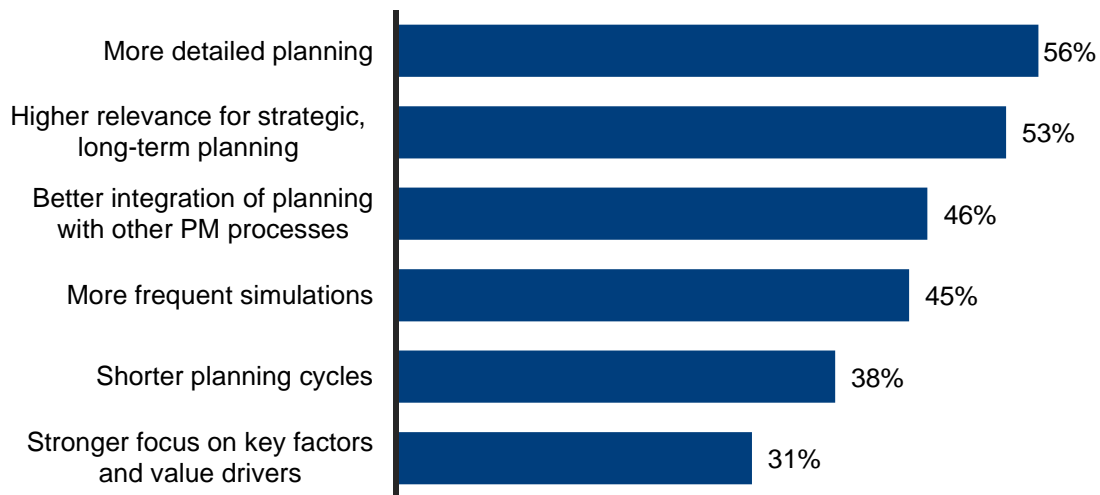
Previous BARC studies such as [“Performance Management Following the Financial Crisis” from 2011](#), have already clearly shown that companies are changing their ways of thinking and that the role of planning is gaining importance. Figure 4 and Figure 5 show that the sensibility for the topic of planning has risen even further. Almost all participants rate the topic of planning as important or very important (97 percent), and its importance continues to grow in almost two thirds of the companies surveyed.



**Figure 5: How has the importance of planning and budgeting developed in your company? (n=395)**

Companies have recognized that having well thought-out planning processes is essential to efficiently manage their performance and that preparing for the future is becoming more and more important – especially in times of economic uncertainty. It is not surprising, therefore, that companies are currently changing both their planning content and processes (see Figure 6). Based on the responses of the participants, one can conclude that transparency and flexibility as well more forward-looking views were the companies' objectives. Planning in more detail (56 percent) or fostering a tighter integration of various performance management processes (53 percent) should help increase the transparency of events both within the company and its surroundings.

At the same time, companies are aspiring to the most flexible planning and forecasting capabilities for the future. The means of attaining this goal are more frequent simulations (45 percent) as well as shorter planning cycles (38 percent). In all of this, however, companies should not lose sight of their long-term perspective. Approximately half of the companies surveyed want to strengthen their strategic, long-term planning, which usually happens over a time frame of 3 to 10 years on a highly aggregated level.



**Figure 6: How exactly is the planning and budgeting process in your company changing? (multiple answers allowed, n=249)**

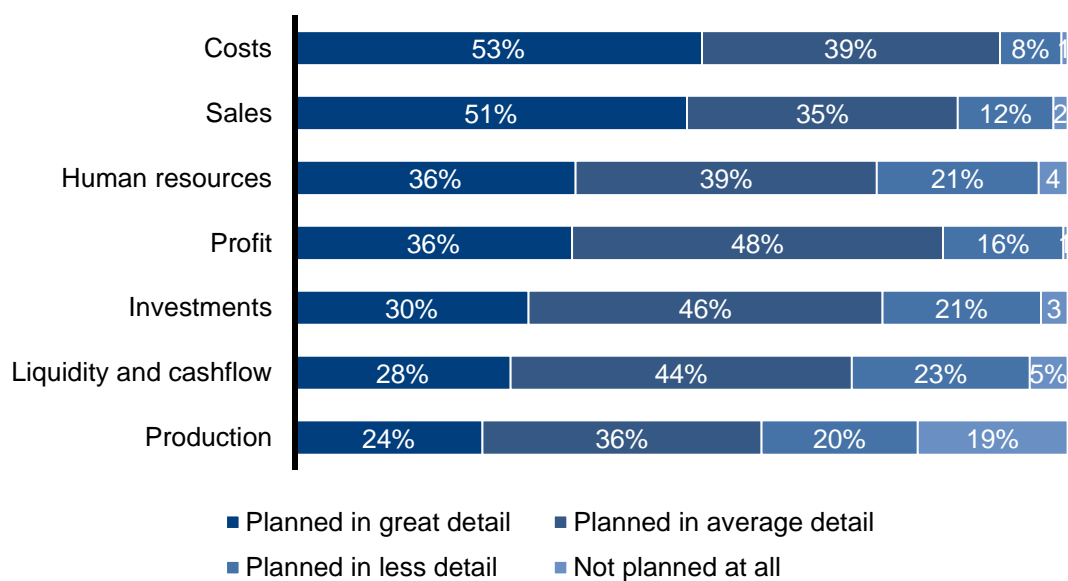
A further analysis of approaches to planning by company size and type reveals many interesting findings:

While smaller companies primarily aim for more detailed planning and shorter planning cycles, larger ones aspire to improve the integration of planning with other performance management processes, run more frequent simulations, and strengthen their orientation towards key factors and value drivers. This can be explained by the fact that larger companies often deploy more software tools to cover different performance management processes and typically restrict functions such as simulations to select power users due to security issues.

With regards to the company type, corporate groups (i.e. parent companies with subsidiaries) primarily strive to improve the integration of planning with further performance management processes whereas shorter planning cycles play no role at all. Companies without subsidiaries, in contrast, aim to increase the detail of their planning as well as decrease their planning cycles.

### 3. Companies have identified the need to integrate sub-budgets

Based on the experience in BARC projects, profit (e.g. P&L and balance sheets) and sales (e.g. units sold and revenues) have dominated planning to date. Hardly any of the companies surveyed did not plan in these areas. Today, most companies conduct planning for almost all parts of the business – even if only in a low level of detail (see Figure 7). Most companies carry out highly granular planning for costs (53 percent) and sales (51 percent).

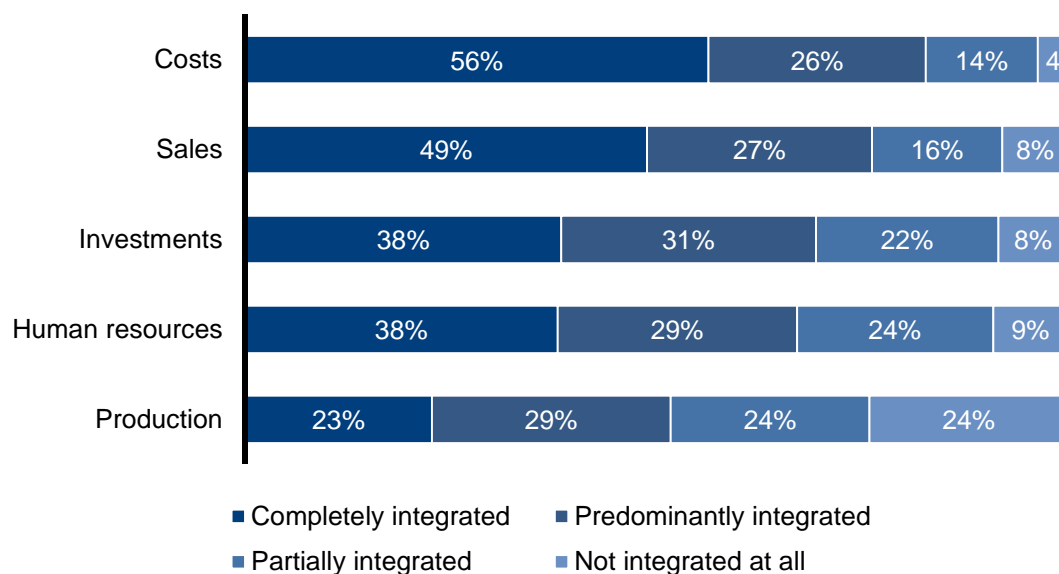


**Figure 7: Which topics do you plan to what level of detail in your company?**  
(n=395)

Since it no longer suffices today to plan different sub-budgets in isolation, many companies are striving to improve the integration of their planning. Integration, however, encompasses a multitude of dimensions and has to be executed on many different levels. Combining different sub-budgets and integrating them with profit planning (e.g. balance sheet, P&L) is only one level of integration. Profit planning, in particular, is only meaningful when it accounts for and fully integrates the dependencies between the individual sub-budgets – and the results of these individual sub-budgets flow back into the profit planning. The findings of this study clearly show that the majority of companies have recognized this and have comprehensively incorporated these sub-budgets into their profit planning (see Figure 8). Hardly any participants reported that their sub-budgets do not flow into profit planning at all. Almost all of the

companies surveyed include costs, sales, investments, human resources and even production – at least in part – in their planning. The areas with the largest need for improvement in terms of integration are investments (only 38 percent reported them being completely integrated), human resources (38 percent) and production (23 percent). The results of this study also show that larger organizations are further along the line, planning in more detail and in a more integrated way than smaller companies. Similarly, companies that use specialized planning tools conduct more detailed, integrated planning than those that use Microsoft Excel.

The order of the individual steps from creating individual sub-budgets to profit planning in the sense of integrated enterprise planning is, for the most part, predefined by logical principles. Nevertheless, each company must decide for itself in which level of detail it wants to plan individual topics. The more granular the planning is (see Figure 7), the more resources are needed. As a general rule, companies should focus their efforts on what is most important.

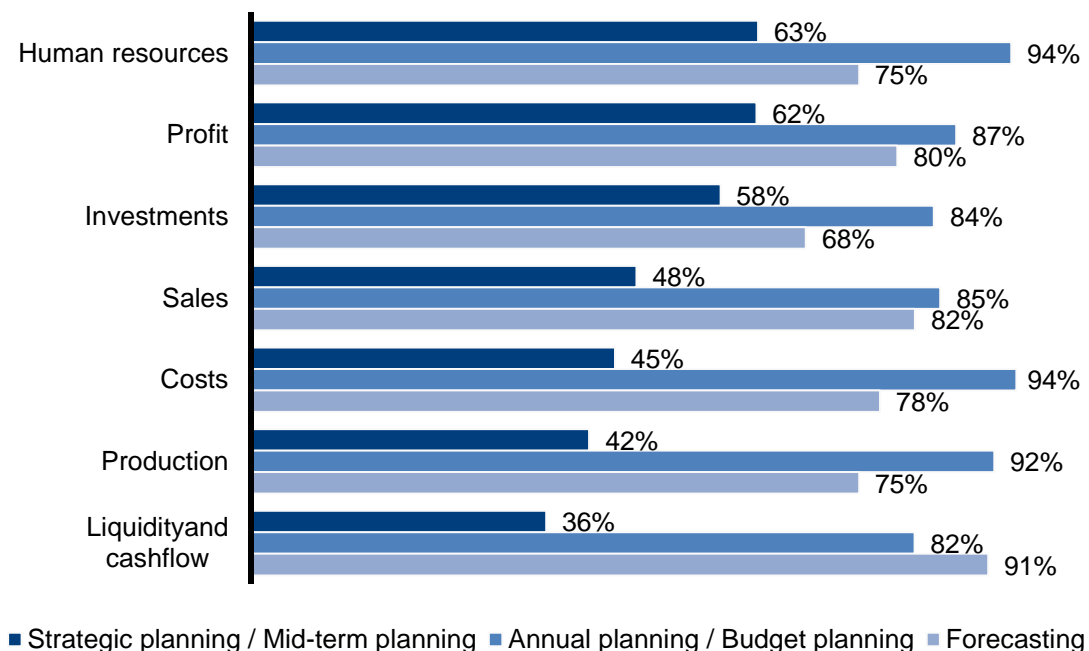


**Figure 8: How strongly do the different sub-budgets that are planned in your company flow into your profit planning? (n=380)**



#### 4. Limited long-term planning and integration of planning with other performance management processes

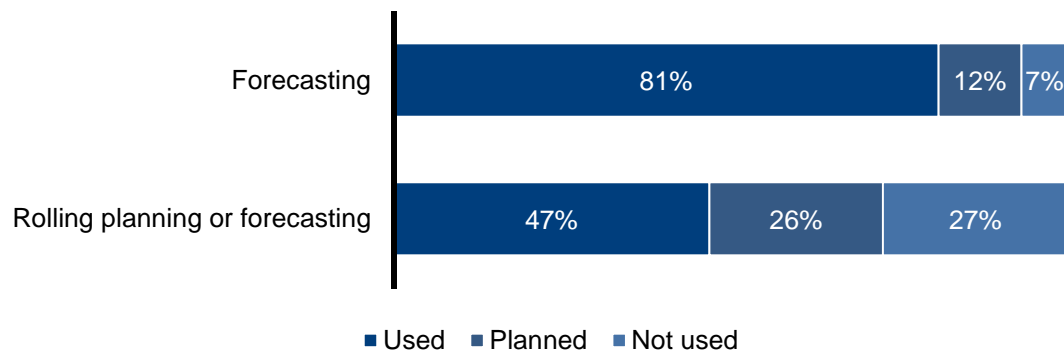
Integrated enterprise planning does not just cover the integration of various sub-budgets on operational levels or the integration of different sub-budgets into profit planning (e.g. P&L, balance sheet). It also involves deriving operational plans from strategic ones. Strategic planning typically focuses on a few KPIs at an abstract level over a three-to-five year time frame. In terms of integration, the goal is to transfer the strategic target figures for each year into the detailed data of the annual operational planning (i.e. classical budget planning). Since the budget data generated on annual levels is almost already outdated by the time the annual planning cycle has been completed, most companies need to update their budget data throughout the course of the year in monthly or quarterly intervals (i.e. forecasting). Due to the massive amount of work required to generate the budget data, companies will need to make a compromise between the lowest acceptable level of data quality and the minimum amount of work. Without the support of specialized planning tools, however, this task is made even more difficult.



**Figure 9: Which type of planning do you conduct for your selected sub-budget?**  
(multiple answers allowed, n=394)

The classical form of annual budget planning is still dominant in almost all areas of a company – with the exception of liquidity and cash flow (see Figure 9). Strategic planning, medium-term planning and forecasting in the sense of integrated enterprise planning often still fall by the wayside.

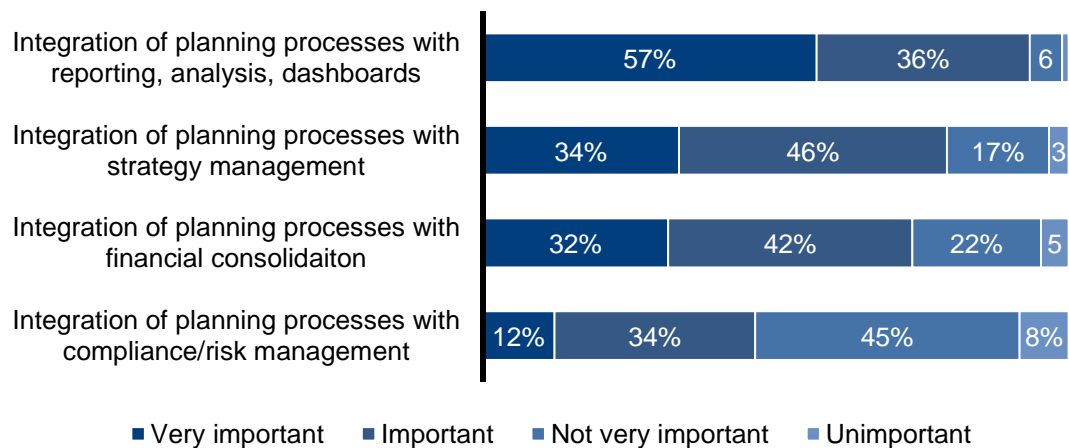
Companies can do their forecasting using either a year-end or a rolling approach. In the case of a year-end forecast, the generated budget data is successively replaced by the accrued actuals and adjusted to reflect new information and estimates until the end of the year. In the case of a rolling forecast, new information and estimates continually flow into the planning so the budget data is adjusted over a set period of time (e.g. 12 months). 81 percent of the companies surveyed currently conduct year-end forecasting while 47 percent use the rolling forecast method (see Figure 10).



**Figure 10: Which of the following approaches do you use for your selected sub-budget and which do plan to use in the future (n=387)**

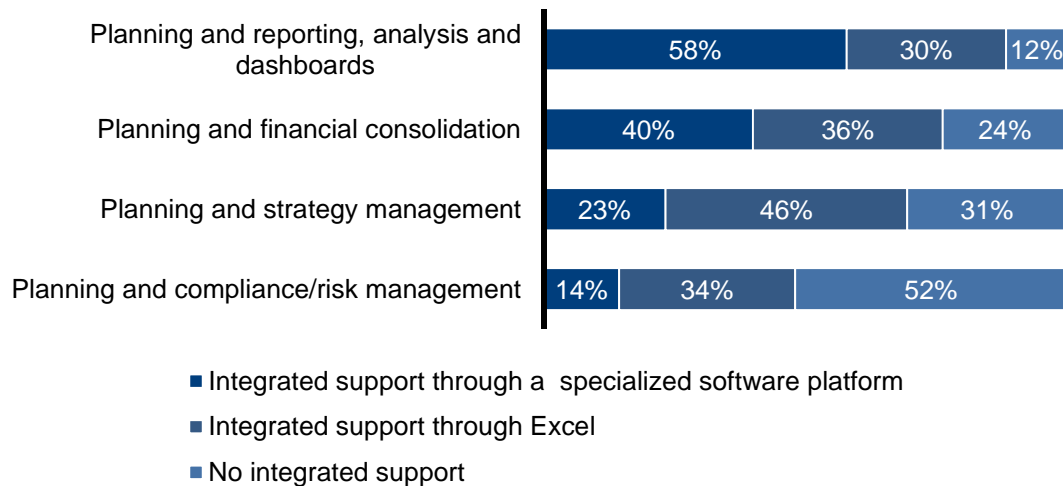
Aside from the integration of various sub-budgets and planning types, systematically linking and aligning various performance management processes is another central aspect of integrated enterprise planning. Figure 11 illustrates that companies have recognized that integrating planning processes with other key business processes is an important part of managing their business performance. More than three quarters of the companies surveyed said that the integration of planning with reporting, analysis and dashboards as well as strategic management and financial consolidation is important or very important. In order to be correct from a business point of view, however, profit planning on a group level (e.g. group balance sheets, P&L, cash flow, liquidity) requires the consolidation of data from the individual group companies. Functionality for financial consolidation, therefore, is important for planning – if nothing else for this reason. Since planning is almost impossible without the respective capabilities for reporting and analyzing the (sub-) results, the integration of planning

with reporting, analysis and dashboards as performance management processes is essential.



**Figure 11: How important is it to integrate your planning with other performance management processes in a software platform? (n=364)**

Although companies are well aware of the importance of integrated performance management processes, they have only implemented them to a limited extent (see Figure 12). Whereas considerable progress has been made in integrating planning with reporting and analysis in a software platform (i.e. only 12 percent of the companies have not integrated these areas), the results show greater shortcomings in the integration of other performance management processes. Over half of companies, for example, do not integrate planning with compliance and risk management in a single software platform, and approximately the same percentage uses Excel to integrate planning and strategy management. The lack of integration as well as the choice not to use specialized software platforms are also the reasons behind many problems and a dissatisfaction with planning processes in companies as Chapter 5 will illustrate.

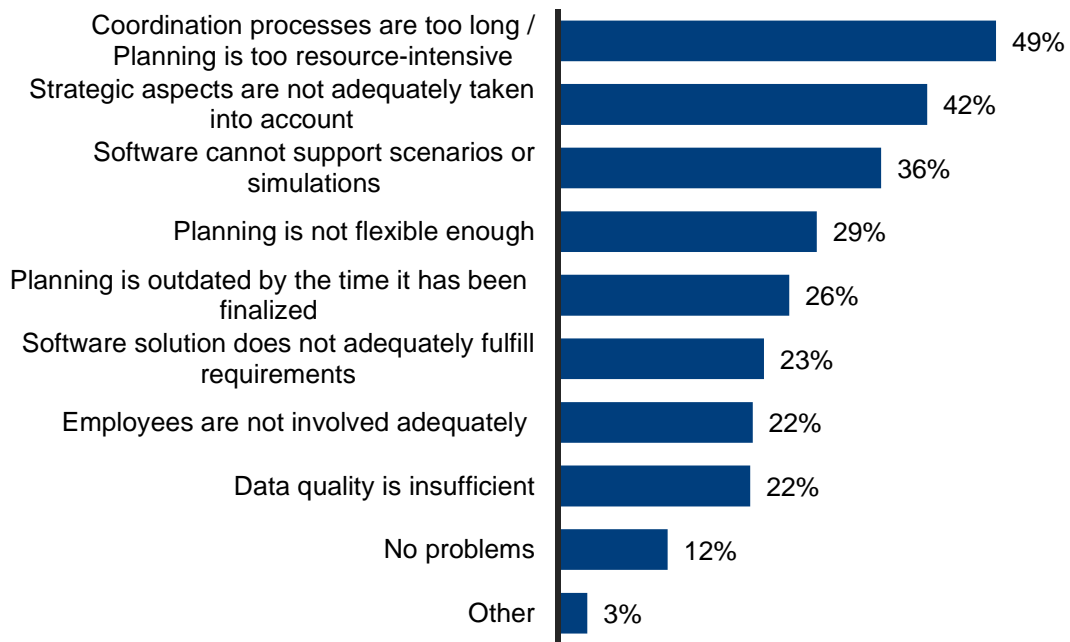


**Figure 12: Which performance management processes do you currently support in an integrated software platform? (n=365)**

Planning processes in companies rarely run to everyone's satisfaction. Only 12 percent of survey participants reported having no problems at all (see Figure 13). The largest problems can be summarized into five categories:

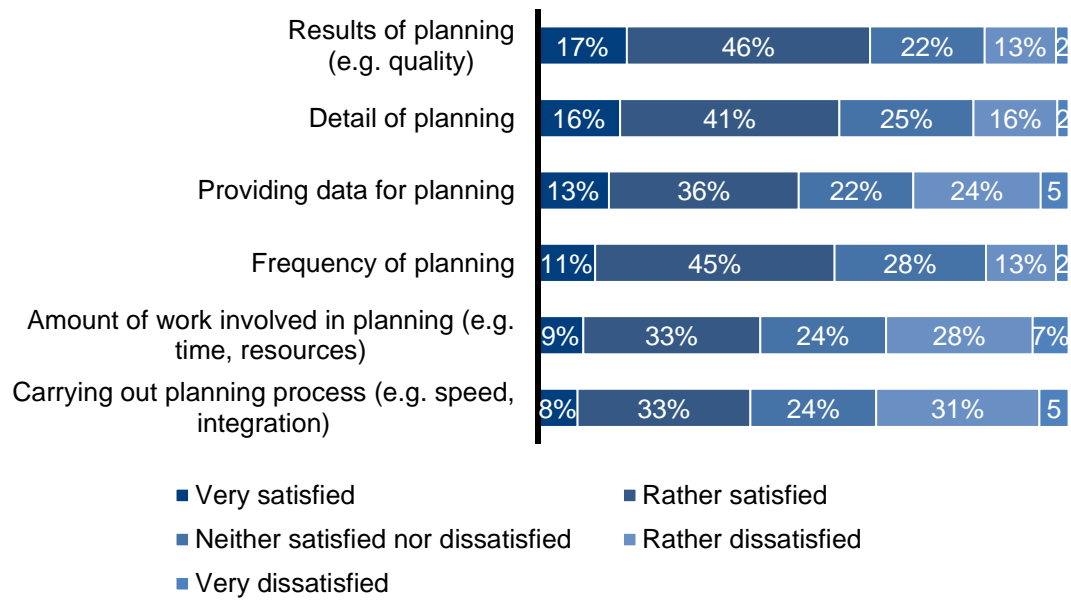
- Time: Coordination processes are too long (49 percent). Planning is outdated by the time it has been finalized (26 percent).
- Integration: Strategic aspects are not adequately taken into account (42 percent).
- Missing functionality: Software cannot support scenarios or simulations (36 percent). Planning is not flexible enough (29 percent). Software solution does not adequately fulfill requirements (23 percent).
- Organization: Employees are not involved enough (22 percent).
- Quality: Data quality is insufficient (22 percent).

Many existing problems are amplified by the combined usage of multiple planning tools and the widespread use of Excel in the planning process (see Chapter 5).



**Figure 13: Which are the largest problems that you typically face in your company's planning process? (multiple answers allowed, n=387)**

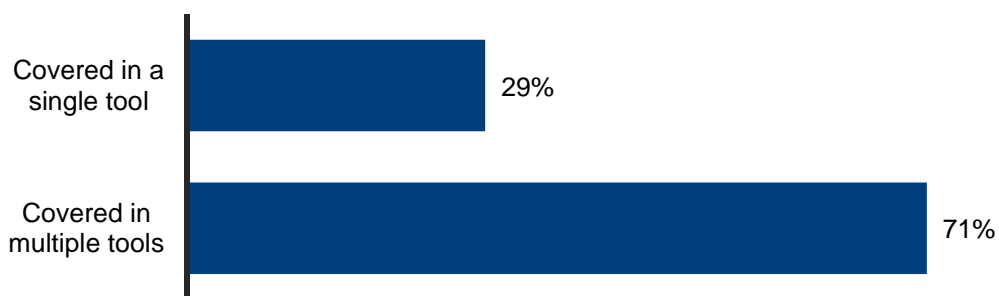
Due to the number of problems, it is not surprising that the dissatisfaction with today's existing planning processes is relatively high in the companies surveyed (see Figure 14). The highest level of discontent is attributed to the management of the planning process (36 percent of respondents were dissatisfied), the amount of work involved in planning (35 percent), and providing the necessary data for planning (29 percent). One unusual finding, however, is that the quality of planning only suffers minimally despite these many problems. Only 15 percent of participants, for example, were not satisfied with their planning results.



**Figure 14: How satisfied are you generally in your company with these aspects of planning? (n=385)**

## 5. Excel remains the most widely used planning tool although planning with Excel brings problems and challenges

The factors that drive complexity in planning processes are very heterogeneous. Generally speaking, one can differentiate between a predefined framework which companies must follow (e.g. type of enterprise) and a framework which they can define themselves (e.g. which software solution or solutions they use). Two thirds of the companies surveyed use a combination of planning tools while only a third conduct the entire planning process with just one single software solution (see Figure 15). Closer examination reveals that the larger a company is, the more likely it is to use more than one planning tool. 42 percent of the surveyed companies with less than 250 employees, for example, support their planning process with one software solution while 82 percent of companies with more than 5,000 employees use multiple tools.



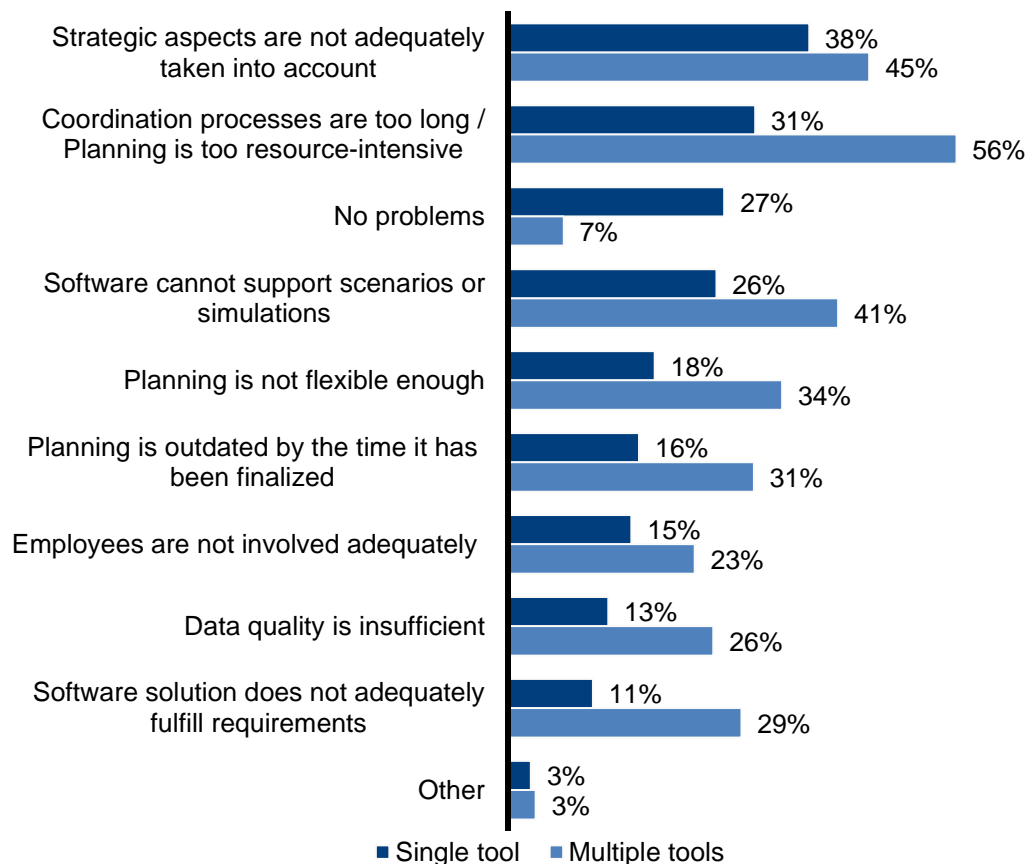
**Figure 15: Is your planning process supported by a single tool or multiple?**  
(n=362)

The results of the survey clearly show that the combined use of multiple planning tools negatively affects user satisfaction and significantly increases the number of problems. Figure 16 illustrates this well. The following problems are especially common among respondents from companies that use more than one planning tool:

- Coordination processes are too long. Planning is too resource-intensive.
- Data quality is inadequate. Issues regarding data quality dramatically rise when companies use more than one planning tool – especially due to the lack of a common pool of data.
- Planning is outdated by the time it has been finalized. Planning processes clearly take longer when they incorporate more than one planning tool. This

lowers the reaction speed and companies cannot react flexibly enough to short-term changes in the framework.

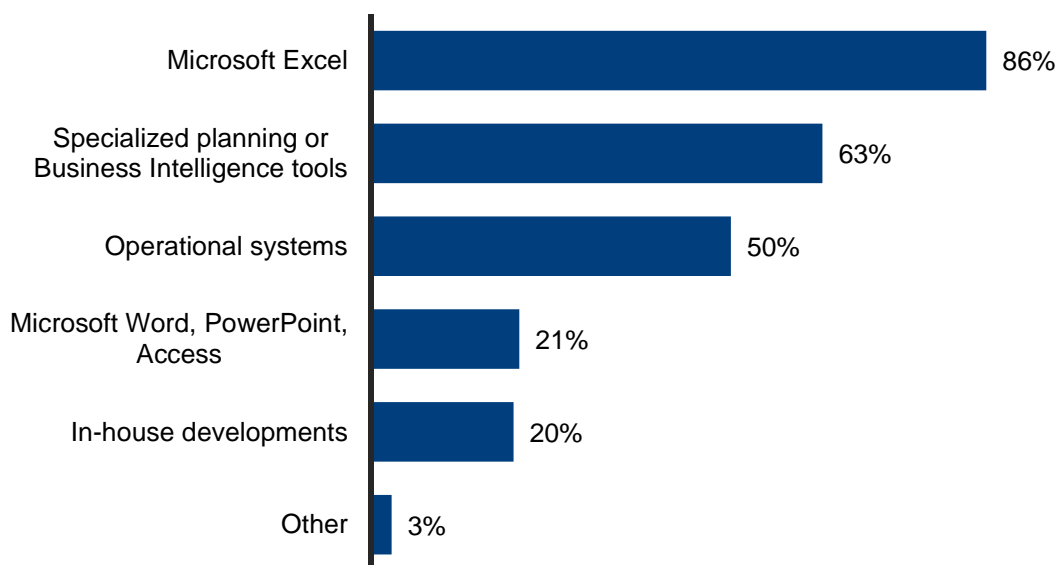
As problems occur more frequently in companies that use more than one planning tool, user dissatisfaction in these companies is more commonplace. The greatest discontent stems from the amount of work that is involved in planning (21 percent if planning is supported in a single tool vs. 39 percent if different tools are used), the management of the planning process (15 vs. 45 percent) and providing the necessary data (19 vs. 33 percent).



**Figure 16: The greatest problems in the planning process when a single tool is used (multiple answers allowed, n=362)**

The survey asked more detailed questions about the systems that are used for planning. The responses show that Excel is still the most widely used software tool for planning in companies (see Figure 17). Virtually all organizations, regardless of their size or industry, use Excel in some capacity for planning purposes. A look at past BARC studies shows, however, that the usage of specialized planning tools is continually growing. Today, 63 percent of the companies surveyed use a specialized planning tool compared to only 42 percent in 2011 and 38 percent in 2009.



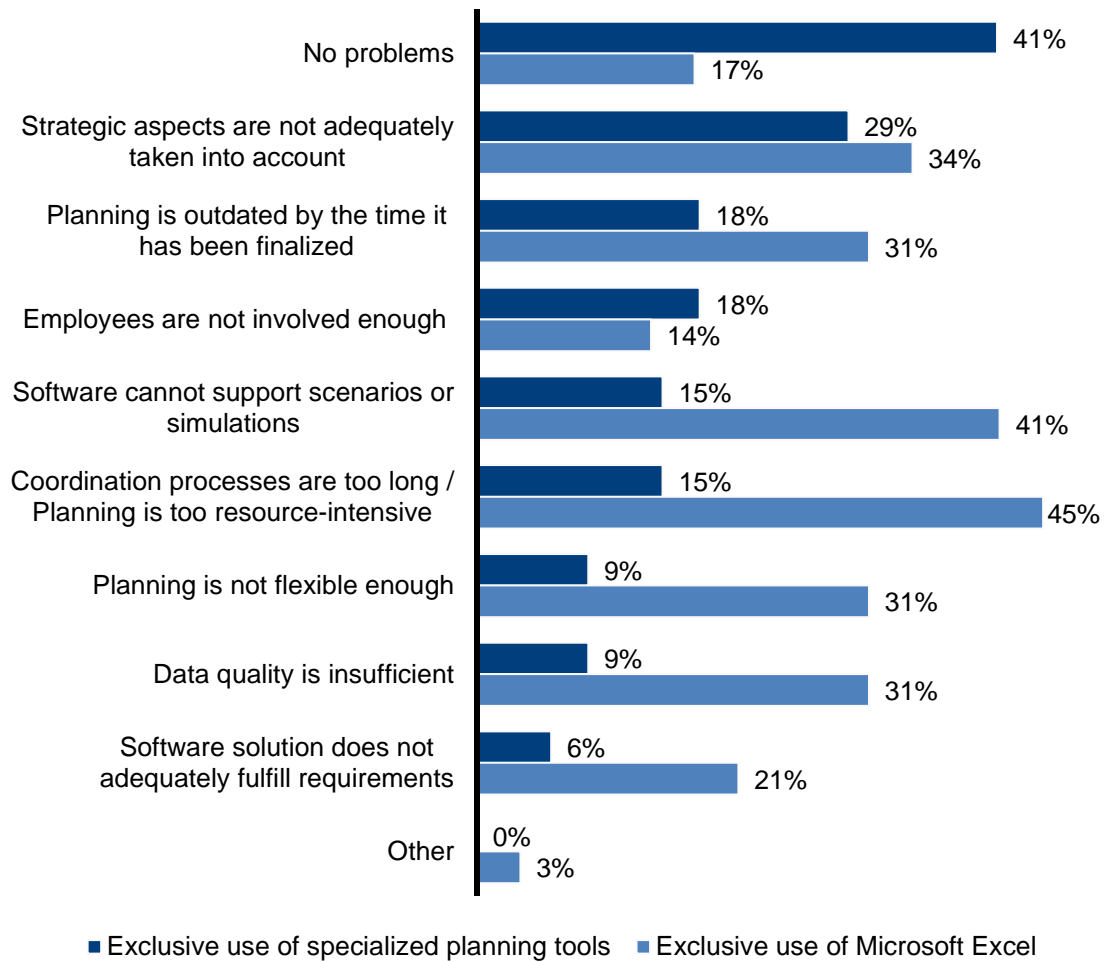


**Figure 17: Which solutions do you use for planning and budgeting in your company? (multiple answers allowed, n=376)**

Using Excel for planning without any additional planning functionality or database connection, however, is a risky endeavor. Some of the key disadvantages in comparison to specialized planning tools are the lack of a consistent pool of data, which often involves countless Excel spreadsheets, the high risk of errors and inconsistencies due to numerous links, and the overall poor support of the planning process.

Unlike spreadsheets from Microsoft, specialized planning tools separate data storage from the planning models and templates. Budget and actual data is transferred from operational source systems and centrally stored in a common database. Specialized planning tools also offer specialized functions for core planning tasks such as comprehensive data input capabilities, workflow support as well as the ability to add comments on the entered budget data and run simulations and scenarios.

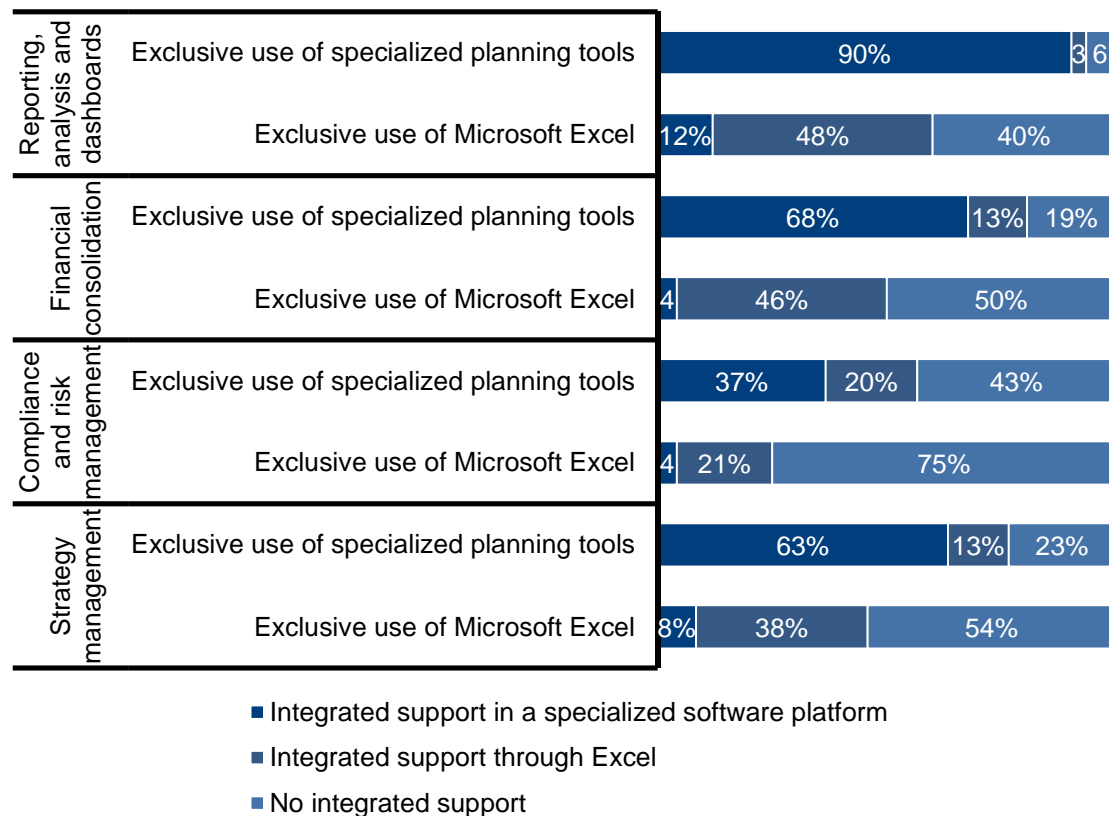
The vendors of specialized planning tools have responded to the dominance of Excel by integrating their own functionality into the Excel interface so that the spreadsheet serves a front end to the central database. With these Excel add-ins, companies can gain the functionality of a planning solution, continue to plan in Excel, and still eliminate many of the weaknesses described above.



**Figure 18: Biggest problems by exclusive tool usage**  
(multiple answers allowed, n=63)

Figure 18 and Figure 20 illustrate the immense advantages of a specialized planning tool as well as using one exclusively. Generally, the planning process in companies that exclusively use one planning tool is much more likely to run without any problems (41 percent reported having no problems) than in those that exclusively use Excel (only 17 percent reported having no problems). In comparison to the surveyed companies that use a specialized planning tool, those that exclusively use Excel are more likely to complain about:

- Missing functionality (Software cannot support scenarios or simulations. Software solution does not adequately fulfill requirements.)
- Time issues (Coordination processes are too long. Planning is outdated by the time it has been finalized.)
- Quality issues (Data quality is insufficient.)
- Rigid planning

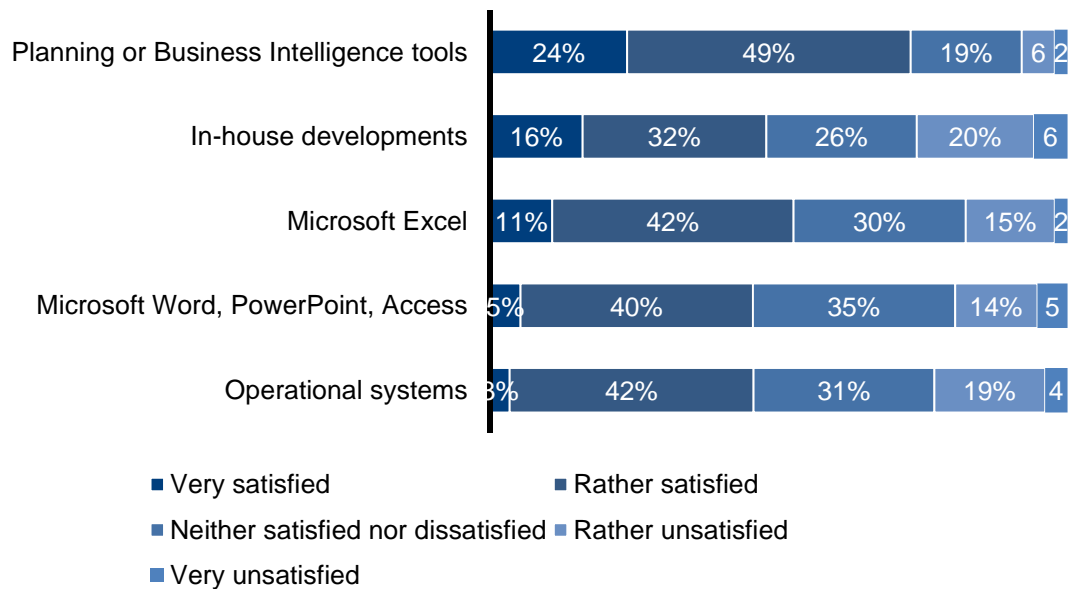


**Figure 19: Integration of planning with other performance management processes by exclusive tool usage (n=58)**

An in-depth analysis of the results also shows a relationship between the exclusive usage of Excel or a specialized planning tool and the integration of planning. Generally speaking, sub-budgets are more likely to be integrated poorly or not at all with profit planning when a company exclusively uses Excel (see Figure 19). Furthermore, specialized planning tools facilitate the integration of planning with other performance management processes. This is due, in part, to the fact that software vendors have recognized the added value of integrated performance management processes and have integrated this functionality into their solutions. Companies, therefore, can find a software platform that has functionalities for reporting, analysis, planning, financial consolidation or even strategic and risk management and, therefore, conduct these processes in an integrated manner.

If companies wish to use Excel exclusively as a planning tool, they need to address and solve the challenges of using spreadsheets in this process. There are companies that apparently do this well – to a certain degree. It is not surprising that users of specialized planning tools complain much less about problems than those

who solely use Excel. As Figure 20 shows, around two thirds of users of specialized planning tools are satisfied with their product in comparison to approximately half of the users of other systems.

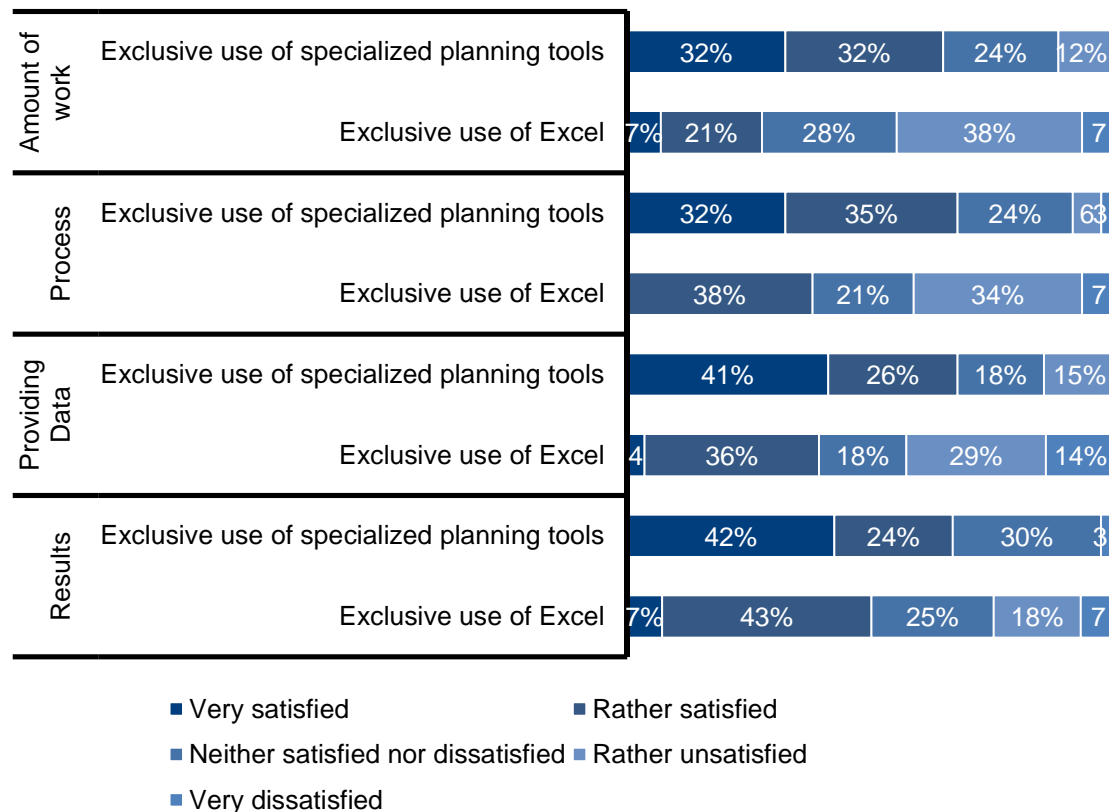


**Figure 20: How satisfied are you with your deployed planning tools or in-house developments? (n=370)**

Closer analysis reveals the areas where dissatisfaction especially dominates when companies opt against using specialized planning tools and use Excel exclusively (see Figure 21). The main points of criticism include:

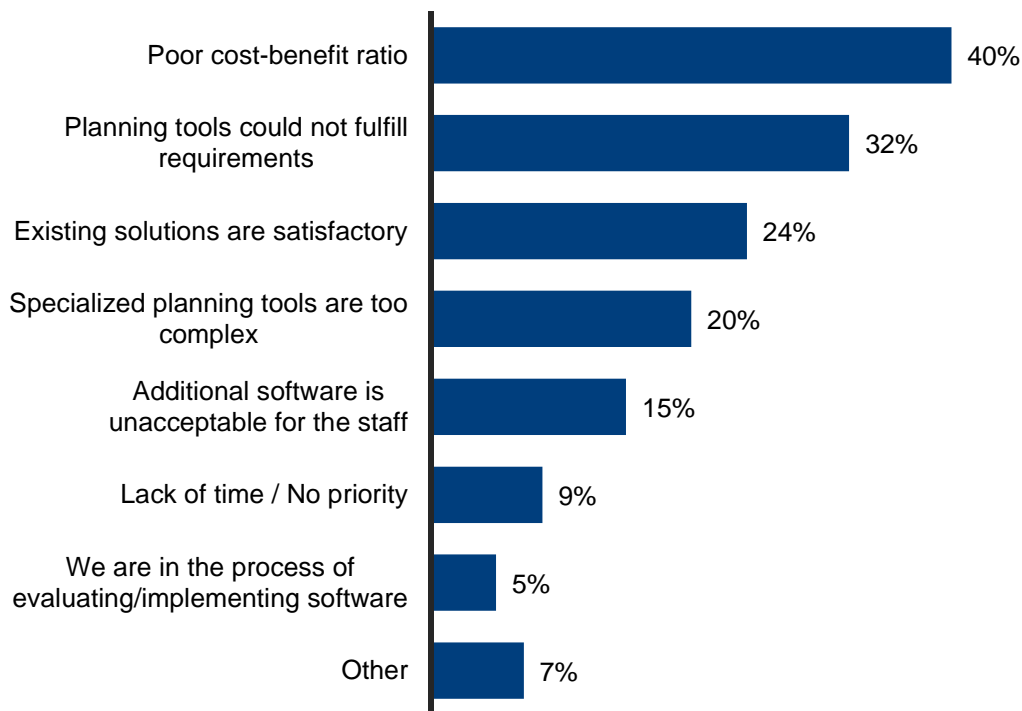
- The amount of work involved in planning
- How the planning process is carried out
- Providing data for planning
- The results of planning (albeit to a lesser extent)

The difference between the very satisfied respondents from the groups that exclusively use special planning tools and those who exclusively use Excel is striking. While 32 to 42 percent of those who exclusively use specialized planning tools are satisfied with these aspects, only between 0 and 7 percent of the users who exclusively use Excel felt the same.



**Figure 21: Satisfaction with various aspects of planning by exclusive tool usage (n=63)**

As the results of this study show, specialized planning tools play a decisive role in helping to avoid problems in the planning process and increasing satisfaction with the planning tool. Nevertheless, approximately one third of companies still opt against using this type of solution (see Figure 17). Figure 22 reveals the reasons why. In the view of the companies surveyed, specialized planning tools deliver a poor cost-benefit ratio (40 percent) as well as insufficient support in fulfilling individual requirements (32 percent). An in-depth analysis of these results also reveals that smaller companies in particular feel that specialized planning tools are too expensive and complex. In larger companies, however, the response that specialized planning tools could not fulfill their requirements was disproportionately common.



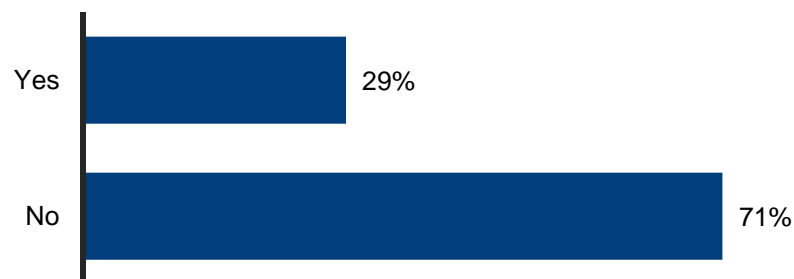
**Figure 22: Why doesn't your company use a specialized planning tool? (multiple answers allowed, n=140)**

In the opinion of BARC analysts, however, the two main reasons stated above are only valid to a certain point:

- These studies have clearly shown the benefits of using specialized planning tools – especially with regard to the major problems reported by companies which exclusively use Excel (see Figure 18). As far as the criticism regarding a poor cost-benefit ratio is concerned, it is now primarily up to the software vendors to better communicate and demonstrate the added value and benefits of their solutions.
- The criticism that planning tools could not fulfill the requirements to date is again only valid to an extent. The market for planning tools in Germany, Austria and Switzerland covers more than 50 solutions. BARC projects also show that companies commonly think that they have highly unique requirements that no planning tool can fulfill. The reality, however, is that the solutions available are so flexible and feature-rich that companies can almost always find a suitable product that meets their requirements.

Predefined planning content can be beneficial when using specialized planning tools. In many cases, either the vendors of specialized planning tools or their partners offer complementary, predefined planning content such as models, rules or templates. Predefined content is also sometimes available for specific industries or usage sce-

narios such as finance, human resources, etc. When using predefined planning content, companies should ensure that it is possible to customize it to their particular requirements. In the case of financial planning, a company can profit from an existing, standardized model for integrated P&L, balance sheet and liquidity planning to minimize the amount of time and work involved in the implementation. Approximately one third of the companies that use specialized planning tools take advantage of these offers (see Figure 23). Predefined planning content is especially interesting for smaller companies, which also use them more frequently than average. Larger companies, by contrast, are much less likely to use predefined planning content. The underlying reasons can be attributed to the limited resources in smaller companies as well as the highly individual requirements of larger ones.



**Figure 23: Do you use predefined planning content (models, rules, templates from a specialized vendor) that you have adapted to your company? (n=192)**

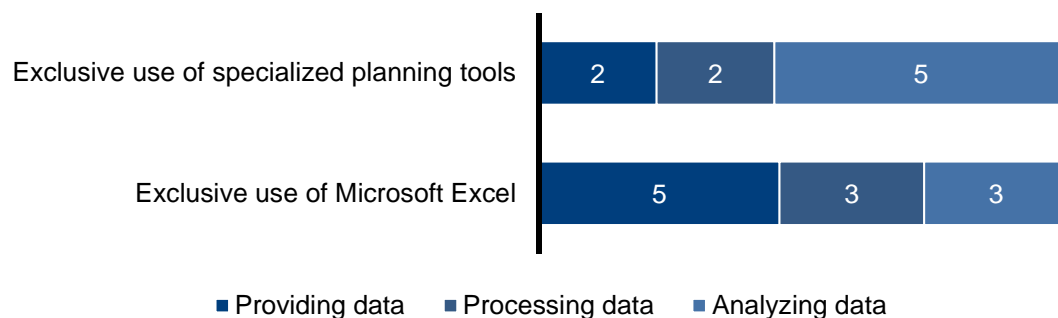
## 6. Specialized planning tools save a considerable amount of time in the planning process

Aside from the greater user satisfaction and fewer problems in the planning process in general, one can prove that using specialized planning tools or a single tool for the entire planning process adds value simply based on the time required to complete the planning cycle.

The planning process typically can be broken down into three phases:

- **Providing data:** To include all types of relevant information into planning, companies must first collect the data from various departments in order to create a centralized view of the company. This step includes supplying actual data as well as inputting budget data.
- **Processing data:** This step covers all the tasks required to consolidate the information that has been provided into a common pool of data and to generate budget data based on automated methods.
- **Analyzing data:** In this phase, various stakeholders in the process assess the content of the delivered or generated budget data. Statistical or general business methods to measure the current and future performance of the company as part of the defined planning methods can be used to support this process.

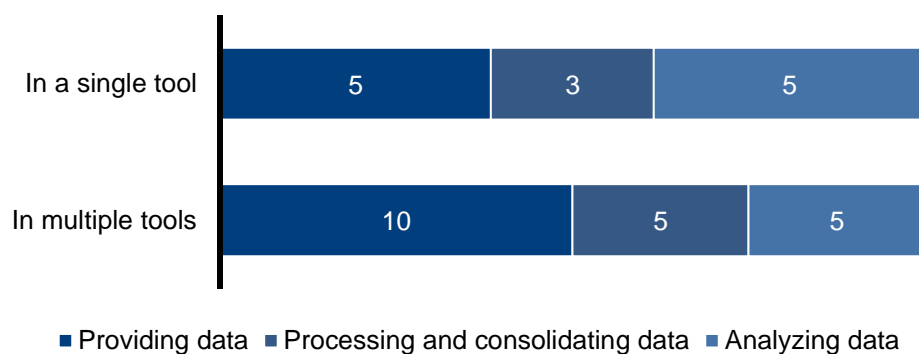
In order to find out how much time and effort companies spend on their planning process, the survey asked how many man-days are required to complete the three phases as categorized above for the selected sub-planning process. On average, the companies surveyed require 10 days to provide the data and 5 days respectively to process and analyze it.



**Figure 24: Time required to conduct the selected sub-budgeting process by the exclusive use of a single planning tool (in man-days) (n=49)**



One factor that plays a decisive role in the amount of time needed for the planning process is the planning tool that is used (see Figure 24). It is striking that the planning process for the selected sub-budget takes significantly longer when companies exclusively use Excel. Tasks that can be automated such as providing, processing and consolidating data take twice as long with Excel as they do with a specialized planning tool alone. In many cases, companies have or spend little time to analyze budget data. It is obvious that specialized planning tools support processes such as collecting data from many different departments, combining the data provided into a common pool of data, and generating budget data through automated methods. They accelerate the planning cycle through supporting capabilities such as workflow, task management, planning calendars with deadlines, or the integration of multiple performance management processes in one platform. Since specialized planning tools effectively support the process of providing the necessary data for planning – for example, through a Web client or easier access to actual data through an integrated pool of data or data model – significantly more time remains to discuss the content of the budget data.

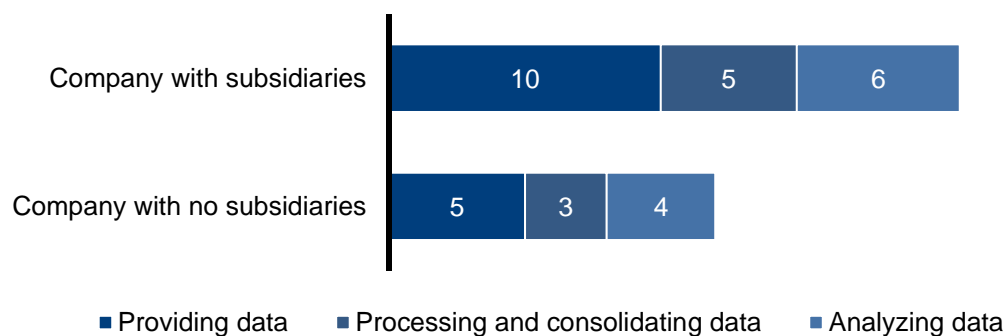


**Figure 25: Time needed for the selected sub-budgets by single/multiple tool(s) (in man-days) (n=306)**

Another important factor influencing the duration of the planning process is the number of software tools that are used for planning (see Figure 25). Here, too, the time required to complete the phases of providing and processing data increases by almost 50 percent when more than one tool is used. The underlying reason is probably the different environments for obtaining actual data and entering budget data. The entered budget data then needs to be consolidated from the various environments

into a common pool of data – which has proven to be a very work-intensive, time-consuming and error-prone process.

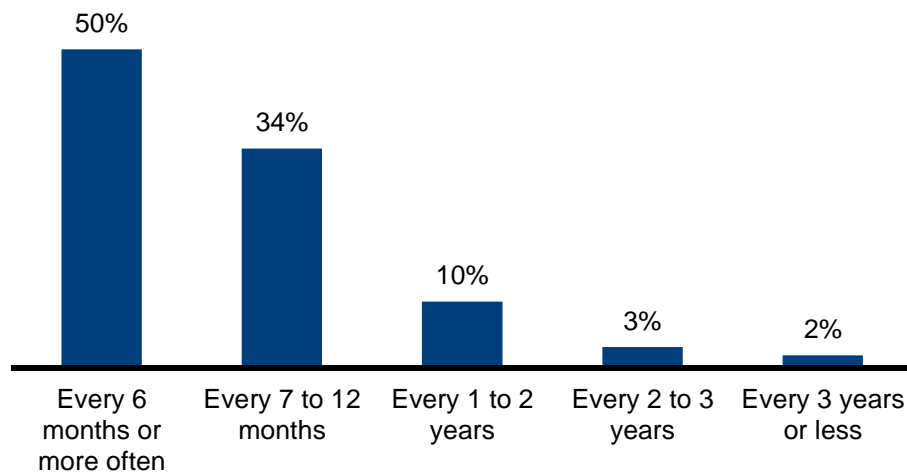
Aside from the planning tool(s) used, other parts of the planning framework are pre-defined and rigid such as the company type. This, too, plays a decisive role in the time needed for the different steps of the planning process. An analysis of the length of the planning process by different company types shows substantial differences in the work involved in the planning process (see Figure 26). Companies that have subsidiaries need almost twice as long as those without them. If one considers that parent companies also conduct enterprise planning at departmental level and subsidiary level, the total amount of time required increases further. Companies without subsidiaries, in contrast, require less time for each phase of the planning process and do not need to involve other entities as well.



**Figure 26: Time needed for selected sub-budgets by company type (in man-days, n=289)**

The responses regarding the frequency of changes in the planning process for the selected sub-budget show that short-term changes in the planning process are widespread. Half of all companies surveyed change the planning process within six months (see Figure 27) while 34 percent do so in a cycle from seven to 12 months. In other words, more than three quarters (84 percent) of the companies surveyed change their planning process for the selected sub-budget at least once a year. In comparison, change cycles that take longer than one year are relatively rare. Only 10 percent of companies make changes every one to two years. In the opinion of BARC analysts, this is primarily due to today's continually changing business environment in which companies need a certain amount of flexibility to adapt to new conditions. As one of the most important performance management processes,

planning also has to constantly evolve and, therefore, is rarely stable for more than a year.



**Figure 27: How frequently do you change your planning process for the selected sub-budget on average? (n=308)**

## 7. Summary and recommended actions

Overall, companies are well aware of the importance of planning, which is reflected in their actions. In addition to more detailed planning, many companies are striving to integrate their enterprise planning. This integration, however, has not been carried out consequently on all levels. Although most companies do combine their sub-budgets and integrate them into a comprehensive profit planning process, many do not align operational and strategic planning or integrate further performance management processes. The results of this study have also uncovered large-scale dissatisfaction on the part of software users as well as multiple problems in the planning processes of companies.

The findings of this study, however, also indicate a path to improvements and recommended actions. The following recommendations can be drawn from the results of this study:

- Use planning as a way to differentiate yourself from the competition. Leverage your resources to utilize this potential.
- Plan in an integrated manner and integrate your planning consequently on all necessary levels.
- Deploy the right software tools to increase user satisfaction and minimize lost time and other problems in the planning process.
- Evaluate specialized planning tools. The market offers a wide range of software products with vast functionality to suit most requirements.
- Conduct your planning process whenever possible in a single tool to avoid unnecessary, additional work in the planning process.

## The Business Application Research Center (BARC)

[www.barc-research.com](http://www.barc-research.com)

### Company profile

BARC (Business Application Research Center) has been advising companies on the selection of software solutions since 1994 and is now recognised as one of the world's leading suppliers of business software information.

In 2011 BARC merged with the leading French analyst Le Centre d'eXpertise des Progiciels (CXP), creating Europe's largest enterprise software analyst firm with offices in Great Britain, France, Germany, Austria and Switzerland. The 80 employees of the CXP-BARC group provide support for IT decisions in more than 1,500 companies worldwide.

We cover all areas of business software, in particular:

- Business Intelligence (BI) and Data Management (DM)
- Enterprise Content Management (ECM)
- Enterprise Resource Planning (ERP), including HR, Logistics and PPM Systems
- Customer Relationship Management (CRM)
- Business Process Management (BPM)
- IT Service Management (ITSM)

BARC is an independent company and guarantees neutrality towards all software vendors. There are no fees for inclusion in our reports, nor do we

receive commission for software recommendations. In our opinion, this allows us to offer the best possible software strategy advice to our customers.

BARC employees have been assisting companies and evaluating software since 1994. We combine our detailed knowledge of software markets, products and implementations to achieve the optimum results for our customers.

Continuous market analysis and the publication of software comparison reports provide the basis of our expertise. This in-depth research has given us a profound and detailed knowledge of the strengths and weaknesses of software vendors and products, and enables us to keep up-to-date with the latest market trends.

BARC Reports are focused on helping companies find the right software solutions to align with their business goals. Our reports feature insights into market developments and dispense proven best practice advice for businesses embarking on a software evaluation project.

We evaluate the leading vendors and products in detail using methodologies which enable our clients to easily make comparisons and reach a software selection decision with confidence.



## The International Controller Association e.V.

[www.icv.de](http://www.icv.de)



Internationaler  
Controller Verein

### Association profile

The International Controller Association (ICV) was founded by graduates of the Controller Academy in Gauting/Munich in 1975 as the first of its kind. With its honorary president, Dr. Dr. h. c. Albrecht Deyhle, the association has made a lasting impression on the controlling scene in German-speaking regions and set standards. In the meantime, the ICV numbers over 6,000 members in Germany, Austria, Switzerland, Poland and 12 other countries in Central and Eastern Europe. Today, the International Controller Association is the international address for controlling expertise.

The ICV is a non-profit organisation, dedicated solely to serving its members. The main priority is an exchange of ideas, communication between members and a focus on future-based

trends. The ICV brings together controllers, CFOs, managers and academics. It combines practical experience and the latest research findings and processes this knowledge for implementation in the field.

The guiding principle of the ICV's controlling philosophy is economically sustainable success. Under this perspective the ICV gives its members a point of reference in the flood of new controlling currents. At the same time the ICV addresses the main developments in daily business management and provide practical tools based on its findings. The ICV thus contributes to the personal success of its members and the sustainable value enhancement of companies.

## Company profiles of the sponsors

### arcplan

[www.arcplan.com](http://www.arcplan.com)



### Company profile

arcplan is a leader in innovative Business Intelligence, Dashboard, Corporate Performance and Planning software solutions for desktop and mobile use. Since 1993, arcplan has enabled more than 3,200 customers worldwide to leverage their existing infrastructure for better decision making. Empowering all users to connect and collaborate with relevant information is crucial for improving business performance. With arcplan – it simply works.

arcplan software solutions enable you to deploy business intelligence, analysis, and planning applications that meet all of your organizational needs.

Our open approach to data connectivity provides direct access to more than 20 data sources in their native environments. arcplan products connect directly to numerous relational and multidimensional data sources from vendors such as SAP, Oracle, IBM, Microsoft, Teradata and others.

arcplan's flagship product arcplan Enterprise was rated the #1 third party tool for the SAP NetWeaver Business Warehouse application, Oracle Essbase, and IBM Cognos TM1 in The BI Survey 13 (2013).

*With arcplan – it simply works.*

## BOARD

[www.board.com](http://www.board.com)



### Company profile

BOARD International is a leading global provider of software for improving business results through better decision making. By unifying Business Intelligence and Corporate Performance Management into a single product, the BOARD Management Intelligence solution enables companies to achieve a shared vision of their performance across the entire organization, and thus a single version of the truth. Since 1994, BOARD has helped over 2,500 organizations improve their business performance by making better decisions. BOARD provides seamless solutions for:

- Reporting & Analysis
- Budgeting, Planning & Forecasting
- Profitability Modelling & Optimization
- Simulation & What-if-Analysis
- Scorecarding & Strategy Management

- Financial Consolidation

Based on visual modelling, the BOARD toolkit has enabled global enterprises like Acer, DHL, GSK, Nike and Mitsubishi to deploy BI and CPM applications without a single line of code in a fraction of the time and cost associated with traditional solutions. BOARD recognizes that each enterprise is different and can adapt to the unique process of any enterprise due to its flexible business process modelling and support. Once developed, applications can be seamlessly deployed to the desktop, web or mobile devices.

Headquartered in Switzerland, BOARD International has branches in the USA, UK, Germany, Italy, Holland, Spain, UAE, Singapore, Australia, India, Japan, Hong Kong, Argentina, Mexico and a worldwide network of distributors and certified partners.



## CoPlanner Software & Consulting GmbH

[www.coplanner.com](http://www.coplanner.com)



### Company profile

CoPlanner has been specialising in business intelligence and corporate performance management since 1991. We develop individual, innovative software solutions in partnership with our customers and perform consulting and training in controlling and information technology. Regardless of your company size and industry, our main goal is to help you sustainably reduce workloads through flexible, customized solutions while also ensuring professional support and optimum user friendliness. The CoPlanner software easily docks to source systems such as SAP, MS Dynamics NAV, BMD, ProAlpha, connect, etc. and is available in three different editions:

- CoPlanner™ SMART
- CoPlanner™ Enterprise
- CoPlanner™ Framework

The Smart Edition is a highly aggregated decision tool to be used either in addition to the existing CoPlanner Enterprise Edition for strategic planning processes or as a standalone BI software for fast, aggregate planning processes.

Applied as a standalone BI solution, the Smart Edition is especially suited

for medium-sized companies looking for an aggregate solution to combine all important key features. The possibility to apply three integrated DCF corporate valuation methods makes the Smart Edition an ideal solution for investors and lenders. Another perfect field of application are group companies that are required to base on the annual budget plans of their parent company and wish to integrate the actual profit and loss statements on a monthly basis.

The Enterprise Edition enables all-round controlling, especially for larger SMEs and large enterprises. The standard configuration includes unique planning elements, multi-dimensional ad-hoc analyses and an informative reporting system. Add-on modules, such as a management and a legal consolidation module, complete the range.

The Framework Edition provides the ideal package for individualists and docks seamlessly to the MS BI platform. This software solution contains configuration tools for modeling, structuring and creating individual BI solutions as well as for data warehouse projects.

## Corporate Planning

[www.corporate-planning.com](http://www.corporate-planning.com)

### Company profile

CP Corporate Planning AG from Hamburg has been setting standards for software for enterprise management in the medium-sized business sector with proven and innovative solutions for the past 25 years. True to its motto "corporate performance management can be so easy!" Corporate Planning develops simple and flexible solutions with built-in business administration know-how for operational management, financial planning and consolidation as well as strategic planning.

Today, Corporate Planning is one of the leading corporate performance management software vendors in Europe and, in the Corporate Planning Suite, offers versatile planning, reporting and analysis methods on an integrated technological platform with a uniform "look and feel". More than 4,000 SMEs of various sizes and different industry sectors rely on the solutions provided by the corporate performance management specialists from Hamburg.

Over 130 employees at twelve locations in Germany and abroad take care of consultancy, training, customer

support and the continuous development of the software.

Corporate Planning is represented by its own Competence Centres and qualified partner companies throughout Germany and around the world. Through this network, Corporate Planning is able to cover all areas with the provision of locally-based support, specialist industry know-how and comprehensive product knowledge. Corporate Planning cooperates with over 100 business partners around the world in the field of software distribution and consultancy. Partnerships with reputable ERP software vendors have led to convenient bidirectional integrations to many different pre-systems. Corporate Planning is a Microsoft Gold Partner Data Platform, Business Intelligence and Application Development, an SAP Software Solution Partner Business One, and a QlikView Solution Provider.

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Corporate  
Planning 

## IBM

[ibm.com/software/de/big-data/](http://ibm.com/software/de/big-data/)



### Company profile

#### IBM Facts:

IBM is a globally integrated technology and consulting company headquartered in Armonk, New York. With operations in more than 170 countries, IBM attracts and retains some of the world's most talented people to help solve problems and provide an edge for businesses, governments and non-profits. Innovation is at the core of IBM's strategy. The company develops and sells software and systems hardware and a broad range of infrastructure, cloud and consulting services.

Today, IBM is focused on four growth initiatives - business analytics, cloud computing, growth markets and Smarter Planet. IBMers are working with customers around the world to apply the company's business consulting, technology and R&D expertise to build systems that enable dynamic and efficient organizations, better transportation, safer food, cleaner water and healthier populations.

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## IDL

[www.idl.eu](http://www.idl.eu)

### Company profile



#### State-of-the-art solutions for finance and controlling

**IDL** bundles business expertise, powerful software and customer-oriented services to deliver complete BPM and BI solutions.

**>> The integrated planning solution from IDL is certified by the European Business School and has excelled in fulfilling the demands of modern-day budgeting. It stands out for its extreme user-friendliness and rich functionality. <<**

#### IDL solutions and competencies

Consolidation, planning, reporting and analysis

- Integrated planning
- Departmental planning
- Financial planning
- Cash flow planning
- Standard and ad hoc reporting
- Management reports
- Dashboards
- Group consolidation
- Financial reporting
- Annual reports
- Electronic balance sheets (e-Bilanz)
- Rich analytics
- Collaboration
- Mobile BI
- App and Cloud offerings

From business consulting and project management to implementation, technical and process support, **IDL** delivers a complete spectrum of services to help companies deploy and maintain sustainable solutions. **IDL**College also provides a wide selection of user and professional training courses.

The **IDL** software portfolio offers powerful products for building complete solutions that support various business requirements:

- **IDLCOCKPIT with BI app:** Operational planning, reporting, analysis and mobile BI
- **IDLFORECAST:** Enterprise financial planning
- **IDLKONSIS:** Consolidation and group accounting
- **IDL Consolidation Monitor:** Mobile management of consolidation processes
- **IDL Financial Reporting:** Ad hoc and Web-based reporting of financial data
- **IDL PUBLISHER:** Creation of annual reports
- **IDLIMPORTER:** ETL tool with an optional certified SAP interface

## Infor

[www.infor.com](http://www.infor.com)



### Company profile

Infor is fundamentally changing the way information is published and consumed in the enterprise, helping 70,000 customers in more than 200 countries and territories improve operations, drive growth, and quickly adapt to changes in business demands. Infor Infor company profile ENTions and

suites, engineered for speed, and with an innovative user experience design that is simple, transparent, and elegant. Infor provides flexible deployment options that give customers a choice to run their businesses in the cloud, on-site, or both.

## Jedox AG

[www.jedox.com](http://www.jedox.com)



### Company profile

Founded in Freiburg im Breisgau (Germany) in 2002, Jedox is one of the leading providers of Business Intelligence and Performance Management solutions in Europe.

#### Powerful BI & PM Solution Based on Excel

"Turn the most frequently used BI tool into the most efficient one" that is our vision. Based on the notion that Excel is the factual standard for planning and analysis in most companies, Jedox empowers specialists to use their Excel know-how to create complex planning and BI solutions – not just in Excel but also on the web and mobile devices.

#### One Single Product for Planning, Analysis, and Reporting

Planning without systematically analyzing the past is just as useless as reporting or analysis without drawing future-oriented conclusions or creating forecasts and budgets. This is why Jedox supports planning, analysis, and reporting processes with one single solution forming a uniform and integrated whole. Whether you analyze heterogeneous actual data, do custom reporting or plan your strategy and budget: Jedox grants specialists a panoramic view of the company processes in an easy-to-use, yet flexible integrated solution. Apart from benefits regarding the content, this approach also reduces system and administration complexity.

#### State-of-the-Art Architecture: In-Memory, Cloud, and Mobile

The technological foundation of the Jedox solution is the fully integrated, 100% web-compliant Jedox BI & PM platform. Its core is the massively parallel Jedox in-memory OLAP database, whose optional GPU accelerator was awarded the "Cool Vendor" award by the world's largest research and advisory company Gartner.

The integrated ETL component integrates data from almost any source system. The Jedox Excel add-in as well as Jedox Web and Jedox Mobile provide the appropriate front-end for any conceivable use case. The entire platform can be used as a stand-alone, client-server, or cloud-based solution.

Currently, over 1.200 companies – independent of industry sector, both in medium-sized companies and large corporations – have placed their trust in Jedox' software solutions.

Discover how Jedox Business Intelligence and Performance Management software can be easily, quickly and cost-effectively implemented across your organization: Join one of our webinars or download a free trial version on our website [www.jedox.com](http://www.jedox.com).

## pmOne AG/Tagetik

[www.pmone.com](http://www.pmone.com)



### Company profile

Founded in 2007, pmOne AG is a software vendor and consultancy specializing in solutions for Business Intelligence and Big Data. pmOne builds solutions using the technology platforms of Microsoft and SAP combined with its own software cMORE. cMORE helps business users quickly build and efficiently operate scalable reporting and analysis solutions that they can extend to meet their changing needs.. MindBusiness GmbH, a company specializing in SharePoint solutions and services for Office rollouts, is also a member of the pmOne Group. pmOne has 200 employees in 8 offices in Germany, Austria and Switzerland.

pmOne also sells and implements Tagetik, a leading global software solution for enterprise planning and consolidation.

### Tagetik for Planning and Consolidation

Tagetik 4 is innovative corporate performance management (CPM) software that unifies many Finance processes including budgeting, forecasting, financial consolidation, financial

close, reporting, and disclosure in a single solution. From strategic and operational planning to final disclosure reporting, Tagetik's innovative open architecture has only one database, one set of data, and one calculation engine, providing a truly unified CPM software solution.

With this state-of-the-art corporate performance management technology, Tagetik 4 simplifies the complex processes of CPM, making it easier than ever for companies to manage and control the complexities of financial processes - without separate products for budgeting, forecasting, consolidation and reporting. Tagetik 4 can address one or all of these processes in a single solution.

Tagetik has more than 600 customers all over the world – also some Fortune 500 companies. At Henkel Tagetik is been used as the technology platform to implement a driver-based planning concept which involves more than 1,000 contributors worldwide. Other reference customers are Erste Group in Austria und Kistler Group in Switzerland.



## Prophix

[www.prophix.com](http://www.prophix.com)

### Company profile

#### See inside the numbers

Prophix empowers financial professionals, automates routine tasks, and provides tremendous value across the financial and operational levels of its customers' businesses. Users enjoy a wealth of benefits, including the ability to: Eliminate spreadsheet frustration; Improve collaboration with non-financial employees; Reduce operating costs and speed up financial processes; Create a single source of financial truth; Create strategic benchmarks; Develop better strategies and improve execution.

#### Budgeting

Create more accurate budgets with far less labor and gain a deeper understanding of the factors that drive your profitability. Budget top-down, bottom-up, or a combination of both. Save each iteration. Easily analyze and review previous versions. Add collaborative comments and supporting details to budgets. Build forward-looking views that incorporate historical and plan data in order to model and evaluate unlimited scenarios. Manage, protect, and analyze those scenarios using tools that Prophix has prebuilt to automatically compare variances between budgeted figures and actuals.

#### Seamless Data integration

Prophix is built on industry standard Microsoft SQL Server technology, allowing 100% integration with Microsoft products like SharePoint and Excel. Open database connectivity allows easy integration with virtually any database. OLAP and ETL (Extract, Transform, Load) allow you to slice

and dice your data any way you need. Prophix integrates with a multitude of ERPs and G/Ls via ODBC, flat file connections, and data warehouse systems.

#### Eliminate spreadsheet frustration

Spreadsheets feature numerous problems. They're error prone. They have inconsistent data. Creating complicated formulas wastes time. Managing workflow for multiple users is tedious and inefficient. Roll ups and consolidations are a nightmare. Performing sophisticated analysis is virtually impossible. Prophix eliminates all of these problems.

#### Why Prophix

Prophix delivers a unified Corporate Performance Management software solution that empowers business users. Designed to deliver value, with minimal IT support, Prophix automates time consuming processes, improving accuracy, and the ability to react to changes. We don't sell Prophix piecemeal – we sell a complete CPM solution for budgeting, planning, forecasting, reporting and financial consolidation. You can use Prophix now and implement only the functionality you need, yet be assured that Prophix will continue to deliver value as your company and performance management requirements evolve.

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