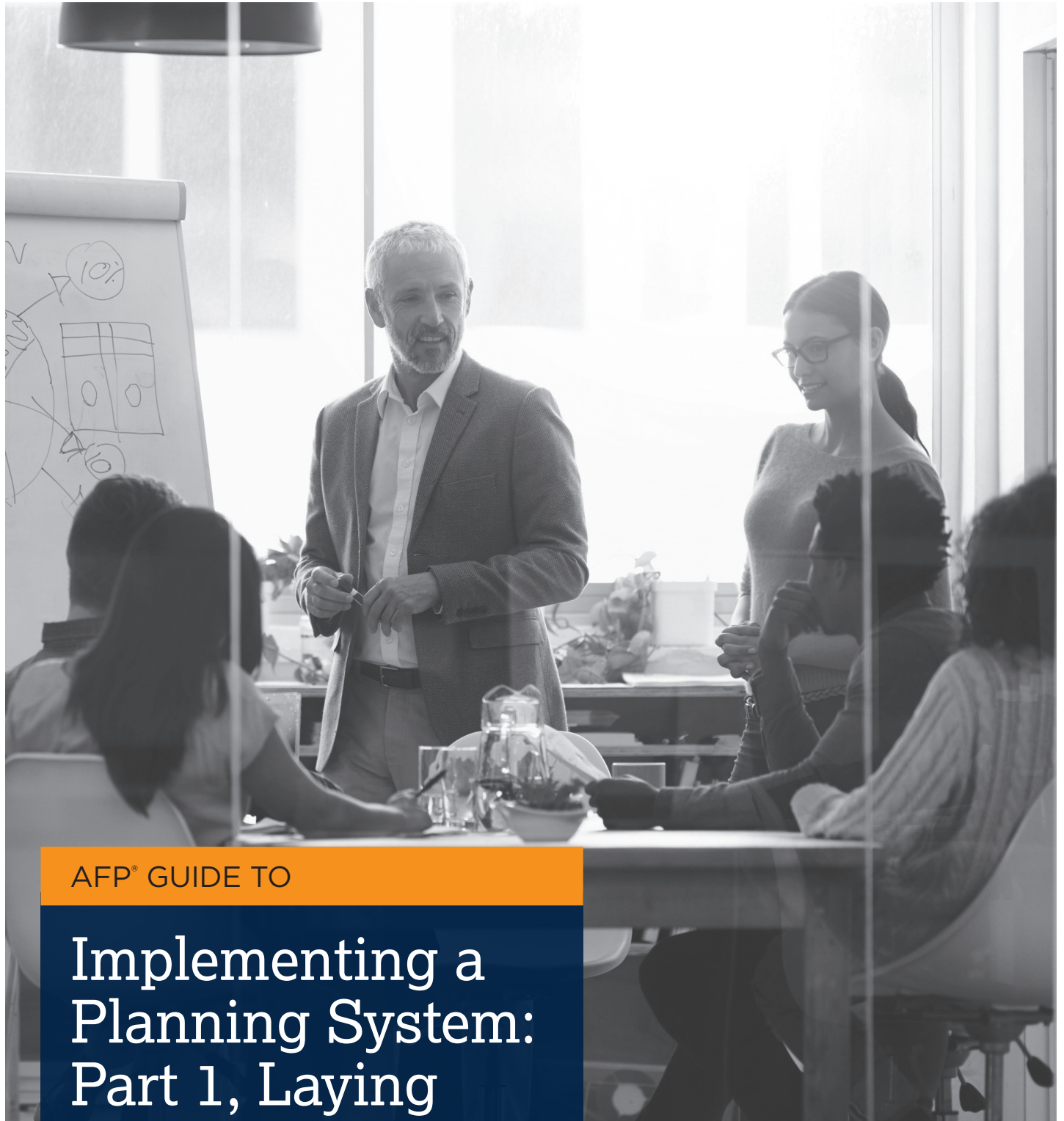# ΛFP® ASSOCIATION FOR FINANCIAL PROFESSIONALS®

AFP® GUIDE TO

Implementing a Planning System: Part 1, Laying the Groundwork

FP&A GUIDE SERIES

AFP® GUIDE TO

Implementing a Planning System: Part 1, Laying the Groundwork

CONTENTS

INTRODUCTION

The landscape of IT projects is littered with failed implementations: multiple estimates put the failure rate between 30 and 60 percent as measured by unmet goals, spend over budget, significant delays, or just outright giving up on the project.[1] If you consider IT implementations as part of a larger organizational transformation effort, the statistics get more dire—McKinsey research estimates a 70 percent failure rate on change management efforts.[2]

But we need to change. Constantly. The accelerating rate of technology leads to accelerated competition, and an accelerated lifecycle for companies.

This guide is the first in a series that focuses on technology change. The planning and reporting system because it is foundational to FP&A's mission of supporting business decisions by deploying resources to the most efficient use. Getting it right frees up time for value-added insights, business partnering, and strategic work that supports customers. The right system enables the entire business to be more agile in responding to the market. Stepping back, however, the insights here are useful in other IT implementations as well. Subsequent research will discuss vendor selection and the ongoing maintenance of systems.

AFP approached this broad topic by asking the finance community about the key questions they wrestled with during the design and implementation of their planning tools. In this way it augments other research on this large and well-researched field. Let's start with the basic question:

WHY IS THIS SO HARD?

The many moving parts increase complexity: multiple stakeholders with different goals, needs, availability and capabilities; lack of an enterprise approach and intentional roadmap; an incomplete project vision; and poor change management skills. However, our research shows that IT implementations, such as adopting a new planning system, are not about technology; they are about integrating the people and data to facilitate integrated business planning.

THE PLANNING SYSTEM IN CONTEXT OF FINANCE TRANSFORMATION

For FP&A to interact and contribute to the company, its systems and data need to interact as well. Below are questions to ask relating a planning system to your digital strategy.

HOW DOES THE SYSTEM SUPPORT MY DIGITALLY ENABLED FINANCE AND FP&A FUNCTION?

This is the big picture question of creating a department where people think digitally, have advanced tools, and have processes designed to optimize both. Ideally, this starts with a motivating vision that turns into a roadmap, a high-level plan that identifies the goal of the organization aided by digital initiatives—when then get detailed plans.

For example, a sample digital vision may read like this: **to increase the velocity of business decision-making by increasing the speed of generating insightful questions, analysis, decisions and actions.**

The planning system is a digital initiative that on this roadmap. By sitting in the flow of business and data, experts around the company can input data, and transactional systems have necessary links to automatically enter/update. The antithesis of this is a planning system on an island.

Brian Mehr, FP&A, Assistant VP, FP&A, explained an encompassing roadmap for Southern New Hampshire University: "Our CTO had a whole vision of where we would be at Tier 1, Tier 2 and Tier 3 technology. It was an outward-in process, starting with what is the priority for the students/customers, then what is the priority internally to support them. That's how we got our spot in line."

The transformation to digital finance codifies many of the mental models and brings transparency to offline, "shadow" models and forecasting. Bringing these into the larger process flow can add velocity to the planning and decision processes.

▶ **Implications & Actions:** Create a long-term, wholistic view of digital finance to help you define what your finance organization delivers value, explain why the planning system supports that vision, and that constant upgrades and change are expected.

Sample of a finance department-wide roadmap

VISION
To increase the velocity of business decision-making by increasing the speed of generating insightful questions, analysis, decisions and actions.

PLAN
~12-week effort to assess current situation, define future state and develop a deployment approach

WORKSTREAMS

Organizational Design	Planning and Forecasting Process	Investment Optimization Process	Metrics and Reporting	Application and Technology Strategy	Data Strategy
• Which functions can be consolidated and centralized? • Which functions need to be more closely aligned to the business?	• Define a standard process for entire enterprise. • Reduce bespoke BU specific processes.	• Define a standard end-to-end process for entire enterprise. • Clear up role and responsibility confusion between Finance and other groups.	• Simplify the reporting and dashboarding. • Improve the dimensionality. • Standardize definitions across BU's.	• Select applications to support standard processes. • Determine the right analytics and dashboarding tools.	• Define a holistic view of the data required by Finance. • Leverage existing assets, if possible. • Design a single source of truth that all groups.

ADAPT & INNOVATE
Search for new ways apply digitization, while maintain lookout for the next change opportunity!

WHAT IF A PLANNING SYSTEM IS MY DIGITAL STRATEGY?

If the previous question presents the ideal of a vison and long-range plan, a sizeable portion of the membership views the deployment of the planning system as the strategy itself. Frank Chou, FP&A, CTP, voiced this approach; he joined H&T Nevada, a small company with the mandate to improve a broken planning process: "We needed something that was as cheap as possible and easy to implement as possible! We had a short timeline given our budgeting cycle, so this was a standalone project," he says. Even then, Chou still took the opportunity to peer ahead with his system design: "It would have been easy to just plan this system at our company level, but we asked, 'How are we going to use this going forward, not just this year?' We thought about future use cases, expanding this to the 20+ companies [in our parent company portfolio], and built the hierarchy for that."

This can be a critical first step in developing a strategy because the digital benefits can create the platform for further transformation. First, it forces you to consider your data strategy, including master **data management**—elements such as unified common customer definitions—**meta data management**—data structures like the account dimension, organization dimension, attributed, etc., and **data governance**—the process and people assigned to be the guardians of the data. Second, it elevates your entire team by learning to use more sophisticated tools and demonstrating what is possible.

▶ **Implications & Actions:** The planning system can be an effective start to your digital finance organization if you envision a multi-stage deployment that will grow and add capabilities over time. Avoid the trap of implementing a band-aid solution that meets a short-term need only without an option for growth.

Sample of a tool-centric roadmap; the "Land and Expand" plan assumes enhancements after initial implementation

Start · Catalyst for Change · Exploration and Business Needs · Vendor Evaluation and Selection · Solution Implementation · Enhancements and Expanded Capabilities · Sustained Success and Continuous Improvement

HOW DO I INTEGRATE THE SYSTEM INTO MY CURRENT PROCESSES?

The admonition "don't pave the cow path" is a warning not to entrench in code an existing process just because it is there;[3] the new technology may create opportunities, change the way work gets done and open new, more direct paths—or even eliminate the paths entirely.

"Technology is necessary but not sufficient to make a planning implementation work—there is no plug-and-play!" says Philip Peck, VP of Peloton Consulting Group. To get the maximum benefit from the new system, Peck recommends business process redesign. "Processes should be fit to a purpose, and business process redesign (BPR) is a critical step to maximizing your investment in the technology."

This total process approach allows an organization to think about bigger questions of how to structure the work and the FP&A team. Many companies are moving FP&A members to be closer to the business or widening the span of support they give. Others (large companies) are setting up a third branch, the shared service center or center of excellence (COE) that works in tandem with the business partner, executing on reports, deep dives and analysis. Once the province of A/R or A/P, COEs are moving up the analytical chain to standardize reports, data definitions and provide technical research. They may partner with the front-line business partner to provide team support and own centralize ownership of data governance and tool maintenance.

Other practitioners let the technology guide their BPR. "An important consideration would be to determine which business processes need to change due to the improved functionality available in a new system," says Sarah Moriarty, Assistant Director of Financial Management Systems at Harvard University. "To simply replicate outdated and inefficient business processes negates the positive impact the new system could make."

The roadmap requires thinking through organizational changes, but how can you do that when the art of the possible is not even known? Fresenius Medical Care took a slightly different approach to BPR, as Finance Manager Marcus Gadson, CTP, explains. "In the phase 1 initial deployment [of the SaaS implementation,] we mimicked their spreadsheet-based process. From there, we got feedback from leadership and usership on how they wanted things, and then BPR occurred after the first rollout because we understood the needs of the stakeholders."

▶ **Implications & Actions:** Consider the services that finance delivers to the customer, and how new technology could change operating model and delivery of those services through organizational or process changes.

Can I do this on my own, without purchasing a system?

Maybe, but...to build the functionality requires uncommon inhouse skills, ownership of maintenance and updates, and perhaps even the purchase of other tools. Here is a description of how Khaled Chowdhury, FP&A, Global Finance, Data and Tech Leader, Cabot Microelectronics, built the system he needed with a variety of tools:

"When I took over the helm of forecasting at KMG Chemicals, a NYSE listed global~$500M chemical supplier, acquired in November 2018, it was spreadsheet madness. We took the path less traveled to build our own planning system because we couldn't find a system as flexible as Excel and at the same time that provided great automation, governance and agility.

The solution we built relies on SQL for storage, PowerBI for modeling and front end coupled with Acterys, a planning tool built on clean Microsoft technology, which granted us reliability, scalability, and fungibility. We coupled our strong PowerBI expertise with external consultants to validate and remove roadblocks and add functionality, like dynamic revenue recognition patterns for long-term contracts. It was easy to find talent due to a large talent pool, given it used very widely adopted technology.

We could unleash our imagination unhindered in Excel, augmented with great storage, visualization, governance and speed. We were able to achieve the functionality that you typically find in a commercial system, that actually worked, including real-time feedback and consolidation, row-level security and governance, with no capital investment. We got our annual budget done in the shortest time.

We launched our first model from initiation to go live in under one month, and annual cost including significant user licenses is under $100k per year. We have all capabilities of large players but disposable and flexible capabilities of Excel to tackle large/small or long-term/short-term problem indiscriminately.

This approach isn't for everyone, as our specialists and FP&A analysts are in business (not IT) with internalized knowledge of the business and systems. We are a curious, technical and enterprising bunch leading the charge on bleeding edge technology!"

▶ **Implications & Actions:** A motivated and technical team can build their own comparable planning system if it values flexibility and idiosyncratic models and has the resources to build and maintain such a system.

GAINING ORGANIZATIONAL SUPPORT

Even if the need for a planning system is known, the organization may be unwilling to support the investment. It helps that the cost of planning tools is significantly less than enterprise resource planning systems (ERPs); here are other ways to build support.

HOW DO I SELL THE BUSINESS CASE?

FP&A knows how to build business cases—the document that helps all stakeholders understand what is being requested, what is required, what the benefits would be, and how the benefits would be measured. Marginal projects are weeded out. It provides clarity of thought, communication, and expectations.

The challenge for FP&A has been how to craft a winning business case for a non-revenue generating system when the work is getting done under current methods, even if not optimally. "In my experience, the ROI calculation [for planning tools] is perfunctory; it is not the sole gating measure when you are in competition among multiple projects that all have positive returns," says Mike Powers, Financial Controller at Abt Associates. Instead, "focus on the fact that this is for the common good, and then establish the prioritization versus other projects." Here are a few ways to set up your pitch for investments:

- **Economics:** The logical place to begin is with quantification. Explain the difference in cost versus upkeep of an old system (if you have an old system that needs care and feeding) versus the benefits of hours saved through operating efficiencies, system costs and other synergies. In many cases, system costs have come down to where they are not cost prohibitive.
- **Capability:** Improved ability to support and help the business be more agile: seize opportunities faster, and shut down bad decisions quickly.
  - Some members report engaging leaders from the other businesses to lobby the CFO for improved planning systems because they will receive enhanced service.
  - A use-case or "day in the life" story may be useful to illustrate the vision and potential benefit.
- **Risk:** Fragile systems with links, spreadsheet errors, and masters of the model who represent single points of failure because of their unique knowledge of the tools, lack of process controls, inability to retain or hire new talent, and competitors moving ahead of you.
  - "We understood that our number one competitor had switched over, and we were stuck in the dark ages. We hired someone from their finance team, and she told us so much of what we were missing," says Marcus Gadson, CTP, Finance Manager, Fresenius Medical Care.
- **Technology:** Stay on the technology roadmap, whether it belongs to finance or IT; IT may want to simplify the profile of company assets (move to cloud infrastructure) or stop supporting certain systems.

▶ **Implications & Actions:** Tie the investment to a larger technology and organizational roadmap that supports growth. Understand who your customers are, what your customers need from a planning system and identify gaps. Explain the metrics you would use to determine the efficacy of your planning process/system and how you will improve on those metrics.

WHAT DO I NEED FROM MY LEADERSHIP?

An executive sponsor is critical; several voices at the leadership level are better since a planning system touches multiple parts of organization. To implement a planning system, leadership can focus on the transformation journey in the following ways:

- **Strategic alignment:** Espouse the catalyst for change, present a compelling story about why the change is necessary: increased agility to act and react in the market. Comparisons to peer companies who have done this can be helpful.
- **Structural alignment:** Be willing to adjust the org chart, job descriptions, career paths, incentives (recognition or compensation) to incentivize acceptance of the change.
- **Behavioral model:** Through behavior, repetitive communication and discussing the tool through the existing channels, the leaders should integrate the system and change management process into the fabric of department operations. Celebrate wins along the way to maintain momentum.
- **Set big goals:** Do not dilute your target for fear of missing it—this type of project should yield a 10x improvement, not 10 percent; build goals around growth of capabilities and ability to capture (and reinvest) cost savings.

▶ **Implications & Actions**: The goal or destination is not the installation or "go live" date, which would put the focus on the technology; the success comes later, with the long-term utilization and benefits from the new capabilities. Set your goals for then.

HOW DO I WORK WITH OTHERS?

A new planning system is an interactive, integrative endeavor, so think about who should be involved and how to sign them up for this extra work. While every project and company is different, here are some common roles:

- Executive sponsor provides the leadership, funding, and political will that allows the team to succeed on the project.
- Steering committee of senior leaders to provide guidance, decisions, and commit resource
- Dedicated leader/manager who commits 80-90 percent of time to this effort.

- Business SMEs who represent their teams' interests and facilitate deployment of resources; they are also likely to become your power users. Their heavy time commitments can be expected when developing requirements and testing the software. The affected business units will be specific to your effort.
- Additional IT resources will be needed for building the architecture and connections across data sources.

There are different approaches to the relationship with IT. One CFO of a mid-sized company could not get consistent attention from his IT team that was focused on customer service; he implemented a cloud-based system where IT's role was to provide the connectivity...then get out of the way so that finance can own the configuration and daily usage. At the other extreme is the "two in a box" approach where both departments are jointly responsible—two names appear in one box on the org chart. A large multi-national espoused this view and the benefits: additional expertise, deeper ties to the source data, deeper penetration of the system into the organization, and additional executive support. The over-simplification of these opposing views is to go fast or to go far.

HR is an important partner on these projects, not simply as a business unit that might be impacted for labor planning, but as part of the change management process. You may need to work with HR to change existing job descriptions and craft new roles (see section 4, Getting Individuals On Board), as well as manage hesitant individuals who are resistant to the change.

A major question is the extent of the role of outside developers and consultants. They can offer best practices and intimate product knowledge, having gone through many implementations. Best practice is to "focus on empowering the customer by working alongside them throughout the lifecycle of the implementation. Partners that want to come in and build the entire tool by themselves and then just give the keys to their customer do not have their best interest in mind," according to Nick Blades, Director, Consulting Services, OneStream Software.

▶ **Implications & Actions:** If your roadmap calls for wide-spread adoption in the organization, build a broad base of support.

PROJECT PLANNING

The "go live" implementation date is not the most important major date, it is about the utilization of the software: when we get the budget done in half the time everyone uses the system, or when weekend work is not mandatory!

WHAT DOES AGILE PLANNING LOOK LIKE?

Agile software development is an approach to creating and implementing software through "collaboration between self-organizing, cross-functional teams utilizing the appropriate practices for their context."[4] With continuous rollouts and multiple phases, Agile planning requires both a short-term and long-term view, with iterations of develop-test-deploy-repeat. All technology FP&A planning to implementations researched for this guide included elements of agile techniques.

Marcus Gadson thought about scope this way: "This was a complete Agile project. [The project leads] knew 100 percent what phase one was going to be, and were 50 percent sure of what phase two would entail, and 25 percent sure of phase three. Then, as we went through phase one, we modified the inputs and assumptions of what would build better. During the time they showed us the roadmap, I was frustrated and wondering why we were implementing the system without knowing where we were going. However I was getting new ideas and understanding why we were not all the way sure on phases two and three. We got feedback as we went along, and even now we are still planning modifications."

Jamie Cousin, manager of FP&A for ServiceMaster, had a similar experience: "Initially, we replicated what we were originally doing, but in a more efficient manner, just to get the tool in place. As soon as you start doing that, you start seeing new windows of possibilities. Detailed planning for stage two or three too far in advance would have bogged us down. The Agile methodology was a new concept for the finance organization. It was annoying at first to have so many meetings, but honestly, I would not have done it any other way. It allows continuous movement in pushing to the end. It required the scrum master to keep everyone on plan with a clear line of responsibility."

Agile was designed for software development, and requires caution when applying it software implementation. "I strongly advocate a more hybrid approach that is heavily oriented towards Agile and incorporates key concepts from a waterfall methodology including milestones, checkpoints, and controls," says Philip Peck, Vice President, Transformation & Advisory Services at Peloton Consulting. "A pure agile approach can quickly get out of control, go way over budget, and not deliver against the stated goals and objectives. A 100 percent Agile approach is not even feasible for a planning solution implementation."

▶ **Implications & Actions:** The "big bang" deployment has given way to "land and expand" within the context of a roadmap, a preference to get an initial viable product out, react to it, and to improve incrementally.

The Project Management Triangle
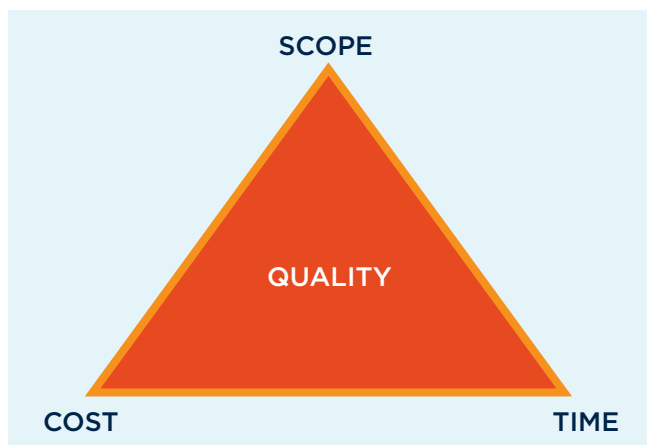
WHAT ARE KEY PROJECT DECISIONS THAT COMPANIES NEED TO MAKE?

Project management expertise says that the quality of a project is determined by timing, cost and scope.

Time: Many members try to fit an implementation in around compelling events such as budgeting or forecast cycles. The movement to multiple phased rollouts provides many opportunities for enhancements, lowering the risk for individual phases and moving to the idea of continuous delivery over a period of years.

Cost: This will be unique to each organization, from Chou's goal "we needed something as cheap as possible" to Mehr's "price was not a consideration for us; we needed to meet the needs of our users." Think about the number of users, how much of the work will be performed by in-house versus consultant teams, and software customization. If moving to a cloud system, remember to consider that costs grow in step with users, data and cloud tools.

Scope: Several elements can distort project scope. "Too often we look only at how the 'system' is being used and do not consider all the Excel spreadsheets and side processes that are required to develop and manage a plan," says Harvard's Moriarty. Mitigate this by ensuring that the current process is well understood and documented. Similarly, decide which outside calculation engines (i.e., complex, hairy spreadsheets) should remain outside the core and simply export data to the new system.

The list of requirements can grow as people get excited about the new system. Several practitioners advise prioritizing the requirements by the number of people and amount of time saved; "Don't create an enterprise system for one person, and don't create a nuclear-powered mousetrap," as one person said.

To stay within scope, "It's important to map key objectives for the planning system to corporate objectives, have specific goals, and ways to measure goals," says Gerard Chiasson, EVP of Professional Services from Longview. "If/when looking at time savings, how long does your current process take and what is your goal? If accuracy is the key, what is your accuracy at a department/product/account level and what is your goal? If higher engagement is a goal, what is your current engagement in a planning process, and what is your goal?"

▶ **Implications & Actions:** Identify the constraints around the project.

WHAT ARE THE WORKSTREAMS IN THE PROJECT PLAN?

There are many ways to think about and breakdown the workstreams for a project; Harvard's Moriarty offered this straight-forward approach:

- **Architecture:** The "plumbing" includes the network, servers, interface methodologies, and latency/ overall data flows.
- **Data:** The integrity of the system internally, as well as between source and consumer systems. Includes building out and proving reconciliation processes.
- **Product:** The actual software, features and business processes. This can include sub-streams around the modules being implemented, such as core planning, workforce, allocation engine, etc.

"These elements build on each other—architecture first, with data on top of that and product at the highest level. Our philosophy is that we need to get the foundation and data in place before we can implement the product."

CAN WE TALK MORE ABOUT DATA?

According to Jim Robertson, CTP, member of AFP's FP&A Advisory Council, data management has several components:

1. How data is ingested
2. Where and how data is stored
3. How to ensure data quality
4. What operations are performed on the data
5. How to conduct these operations efficiently
6. How data is scaled up with increasing volume, variety, velocity, and access
7. How data is secured and made available to only authorized users.

Data management is not glamourous work, but this is the time to get it right so that you can implement for advanced tools later.

In the context of a new planning system, Blades from OneStream recommends considering these issues:

- How will data be validated and how much historical data are you planning on loading into the system? This is the number one area that companies underestimate in terms of timing for the overall project plan and timeline.
- From what system will consolidated actuals reporting be generated? What data sources are required to feed into that system? What are all the upstream and downstream systems that will impact the selected technology?

- What dimensions/metadata are required to gain the insights and reporting that you are looking to deliver? Generally speaking, the fewer members in a dimension, the better the performance.

▶ **Implications & Actions:** A chef would never make soup with dirty water, and you do not want to bake bad data into your forecasts.

WHAT ARE KEY DESIGN DECISIONS COMPANIES NEED TO MAKE?

With the centrality of data, Blades encourages implementers to "think about the level of detail at which you capture actual results. Are plans at a higher or lower level. How will you compare them? Also, how do you plan—by legal entity, cost center, etc.? And how does that align with how actuals are captured—which is generally by legal entity." That leads to a discussion of data dimensionality—the functional information around which to organize the data, including fiscal year, department, product, etc.

Chiasson from Longview reiterated the importance of data in the design decision: "The most challenging piece is usually data: which data sources, how they're linked and how clean the data is. Solving for this early in the design process will ensure the implementation is comprehensive and have a high degree of engagement from the whole organization."

Consider how users will interact with the system and secure access. Mike Powers of Abt Associates, a veteran of several planning implementations, encourages consideration of the individual users. Are they domestic or global, and what roles do they have in the system, and what views do they need to see? Which parts of the organization should be included, and how do you capture their input? Will this be hosted on premises, in the cloud, or in combination?

Other key decisions include the calculations and business rules. Many companies use this time to statistically test the robustness of their business drivers to ensure a high correlation between the drivers and actual performance. In addition, plan to have transparent discussions around the allocation of expenses, workflows, and what models should be included in the system itself versus existing outside the planning system and feed data into the model.

GETTING INDIVIDUALS ON BOARD

Change is hard, but there are ways to make it achievable. The same McKinsey studied that found that 70 percent of change programs fail also showed a 30 percent higher success rate when people are fully invested in the project.[1]

HOW DO I CONVERT INDIVIDUAL SKEPTICS?

In some cases, finance is so frustrated with the existing system that they are eager to participate in the redesigned FP&A; more often there are pockets of resistance. Without replicating or restating the rich trove of change management literature, this guide offers a few insights from our research and members.

Empathy leadership. Where serious resistance exists, it helps to think about individuals passing through the various stages of grief and loss—denial, anger, bargaining, depression, and acceptance. Project leaders should assess where an individual may be at a given time, address those concerns and have messages that fit where an individual may be at that point.

Communication. Harvard's Moriarty used a dedicated change manager to manage communications to all departments, ensure clarity of the project, and project a consistent message. ServiceMaster's Cousin had daily scrum meetings to keep everyone on track, maintain focus and deliver progress.

The messages should focus on the outcomes to be delivered to the customer (internal or external); this is bigger than the immediate tasks and tick-boxes on the project plan. Creating day-in-the-life views or use cases that show WIIFM (What's in it for me) can help to keep project members focused on the outcome rather than the activities within their own silo.

Socialization. Often, a reason for resistance is the fear of being left behind; to combat this, many companies have crafted social groups to help push individuals forward. One large company rotates all of its finance staff through a training session where they work in teams to solve problems using new technologies. Then, individuals return to their home offices and need to find opportunities to deploy the new skills and report back to their teams.

Participation. Allow people to have a say in the development by creating a partnership interaction with them, not a directive relationship. Testing, gathering feedback, and incorporating the ideas along the way demonstrates the value of their expertise.

Vendors feel especially strongly about this. "Focus on empowering the customer by working alongside them throughout the lifecycle of the implementation," says Blades. "Maintain central control over the process but engage the wide reaches of the organization early," says Chiasson.

▶ **Implications & Actions:** To the degree someone wants to be a part of the transformation, a mix of incentives and support can help them.

WILL I NEED TO CHANGE JOB DESCRIPTIONS?

Likely, yes. Cousin described her experience at ServiceMaster that necessitated work with HR to change job titles and responsibilities:

"In finance, some job descriptions like mine took on the tone of accounting information systems, where before it was all about financial modeling and analyzing results. I have gone for SQL training and now can write basic scripts to pull data from servers. For example, if a number is not right, I need to go behind the number and figure out what is wrong. Is it picking up the wrong business unit, is the field null, or change the data type (integer to a string)?

"In new roles that we hire for, we ask what are your systems exposure and responsibilities. I would recommend any college graduate understand that the work is not building spreadsheets... the spreadsheets are doing the work. You are going to want to use the systems in the most efficient manner possible and knowing the code will help you do that."

▶ **Implications & Actions:** The skills and roles that got us to our current place will not be sufficient to get us to the next plateau, or the one after that.

HOW SHOULD I TREAT THE ENTHUSIASTS?

The opposite end of the "resisters" are the enthusiasts, ambassadors and evangelists who will get behind the new initiative with energy, may be been advocating for the new system already, and are pushing their own skills ahead on their accord. Cultivate these individuals as role models and valuable employees, give them extra training, and connect them to other tech enthusiasts around the company to further their skill-sharing. Members note that the project team members should be chosen for their enthusiasm and strong talent, and not simply whichever employees have availability.

Sometimes you may hire the enthusiast. Frank Chou had implemented planning systems at General Motors and Chewy.com prior to his implementation at H&T Nevada.

▶ **Implications & Actions:** Cultivate your leading-edge adopters in addition minding the technologically hesitant members of your team.

HOW DO I CREATE THE CULTURAL MINDSET THAT IS OPEN TO THE CHANGE?

This is not a technology project; it is an investment in the people who deliver services to the organization. New technology creates new capabilities and leads to new operating models for finance and the organization. This is where the big vision of the roadmap and organization delivery of services are helpful. In addition, we recommend having an overall vision statement for finance/FP&A. For example, FP&A helps to achieve strategic goals by improving decision-making and optimizing the deployment of capital and resources.

This new operating model includes the ongoing delivery of change. Where traditional projects have a defined beginning and end, the new model is a process of regular updates that is part of the everyday fabric of the organization. That is the only way to manage the accelerating pace of technology and systems that seem to roll onto the market before the current ones have time to get stale. The expectation is change.

Business are competing on the speed of learning, and so learning needs to become a mindset and continual activity. The tools of finance are changing and will continue to change, and you need to be able to constantly upgrade your team. Viewed that way, a planning system is a critical step on the journey that will be revisited often.

Louis Edwards, Assistant Treasurer at Novelis, provides a different approach to creating the cultural mindset of change and digitization. He is creating a mass of citizen data scientists or data engineers now, prior to implementing additional technology tools. "Rather than us telling them what software we should have and how to do things, we are going to train them up, and then have them tell us what we need." He puts cohorts through a curriculum, introduces them to new tools (python), and encourages them with team projects and friendly competitions. "We have a planning system that has serviced us for years, but may not be sufficient in years to come. By having people who understand core IT capabilities, we will let them define what we need."

▶ **Implications & Actions:** Start building the culture of change, responsiveness and digital thinking, whether you are implementing a tool or not.

CONCLUSION

So why is this so hard? There are many reasons, but primarily, we see challenges when the leaders let the tools drive and define the process. Talk with your customers, and redesign your planning process and tools to help them achieve the organization's strategic and financial objectives. Once you have a plan in place, remember that change management will make or break the success of your system. Find and train the right people to be on the team. Be an active participant in the design process and rapidly prototype your system to experiment and succeed or fail quickly. The tools of finance are changing and will continue to change, so a key capability is being able to constantly upgrade your team. Viewed that way, a planning system is a critical step on a journey that will be revisited often.

ADDITIONAL RESOURCES
- AFP has created a **GLOSSARY** of technical terms commonly used in Planning System Implementations.
- Samples of Digital **ROADMAPS** from the AFP Community.

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Many thanks to those who contributed to this guide, some who are quoted, and others whose input formed the background research:

- **Nick Blades**, Director, Consulting Services, OneStream
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- **Frank Chou, FP&A, CTP**, Senior FP&A Manager, H&T Nevada
- **Khaled Chowdhury, FP&A**, Global Finance, Data & Tech Leader, Cabot Microelectronics
- **Jamie Cousin**, Manager of FP&A, ServiceMaster
- **Louis Edwards**, Assistant Treasurer, Novelis
- **Marcus Gadson, CTP**, Finance Manager, Fresenius Medical Care
- **Ana Macias**, Director of Finance and Accounting, Chosen Foods
- **Brian Mehr, FP&A**, Assistant VP, FP&A, Southern New Hampshire University
- **Sarah Moriarty**, Associate Director of Finance Management Systems, Harvard University
- **Philip Peck,** VP Transformation & Advisory Services, Peloton Consulting Group
- **Mike Powers**, Financial Controller, Abt Associates
- **Jim Robertson, CTP**, Cloud Economics, Amazon Web Services
- American Express
- Host Analytics

CITATIONS

- [1]Why IT projects continue to fail at an alarming rate" quotes The Standish Group Chaos Report that found 29% of IT project implementations are successful, and 19 percent are consider utter failures.
  https://www.information-age.com/projects-continue-fail-alarming-rate-123470803/.

- "According to a 2017 report from the Project Management Institute (PMI), 14 percent of IT projects fail. However, that number only represents the total failures. Of the projects that didn't fail outright, 31 percent didn't meet their goals, 43 percent exceeded their initial budgets, and 49 percent were late."
  https://www.askspoke.com/blog/it/reasons-for-it-project-failure/

- "According to the most recent Innotas annual Project and Portfolio Management Survey, in fact, the numbers have increased: 55 percent of the 126 IT professionals surveyed between January and March 2015 reported they had a project fail, up from 32 percent in 2014."
  https://www.cio.com/article/3068502/more-than-half-of-it-projects-still-failing.html

- "Between 30% and 60% of IT related system projects fail. This doesn't consider partial successes or disappointments associated with system implementations."
  https://medium.com/terri-hanson-mead/failed-it-implementations-are-expensive-heres-how-to-avoid-them-593c61938e01

[2]McKinsey quotes 70 percent failure rates in several places.
  https://www.mckinsey.com/featured-insights/leadership/changing-change-management, and
  https://www.mckinsey.com/business-functions/transformation/our-insights/why-do-most-transformations-fail-a-conversation-with-harry-robinson

[3]The random wandering of a cow may not be the best place to build a road.

[4]**https://www.agilealliance.org/agile101/the-agile-manifesto**/.
  Note that Agile (capital A) is an iterative approach to software development; agile (lowercase) describes business operations, including flexibility, responsiveness, and speed. They are overlapping but not identical concepts.

ABOUT THE AUTHOR

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Bryan Lapidus has more than 20 years of experience in the corporate FP&A and treasury space working at organizations like American Express, Fannie Mae and private equity-owned companies. At AFP he is the staff subject matter expert on FP&A, which includes designing content to meet the needs of the profession and helping keep members current on developing topics. Bryan also manages the FP&A Advisory Council that acts as a voice to align AFP with the needs of the profession.

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The topics in this guide are intended for education and reflect the state of practice for corporate finance. While not intended as study materials for the Certified Corporate FP&A Professional exam, it does relate to exam knowledge domains.

Ties to the Certification

I.B.2: Knowledge of the attributes/limitations of systems (business intelligence, enterprise resource planning, general ledger, etc.) for storing and providing access to financial data, including routine data and large data sets

I.B.3: Knowledge of the ETL [extraction, transformation, and loading] process in data warehousing.

To see the full PDF of knowledge domains, view them **HERE**.