Practical steps for business agility

An essential guide to active planning

Introducing
An essential guide to active planning

It's never been easier to define the main driver of business success. It comes down to how fast your business can identify and proactively respond to change.

But if your business is mired in static planning—characterized by long planning cycles, immediately obsolete plans, siloed efforts, and hard-to-find errors—it won't be operating with maximum speed or agility.

This is doubly true in today's fast-paced, data-driven world. Businesses hampered by outdated planning processes are often left scrambling to react to changes while more agile competitors outpace, outperform, and outmaneuver them.

On the other hand, businesses that embrace active planning—planning that's collaborative, comprehensive, and continuous—consistently minimize risk, maximize performance, and create competitive advantage because their planning empowers greater business agility.

These businesses can better anticipate events and operationalize a response before peers even spot a problem (much less an opportunity).

Reaching that point isn't easy, but it's a critical ingredient for success.

This guide offers a structured approach to build a better planning mechanism—to help business and finance leaders navigate with confidence.

Disrupting the static planning status quo is hard. The whole business needs to unlearn old habits, forge new strategies, collaborate more closely, and adopt new practices and technologies.

But it's worth every ounce of effort. And this book will help you get there.

This guide is split into two parts.

Pages 4 to 12 break your journey to active planning into three sequential steps.

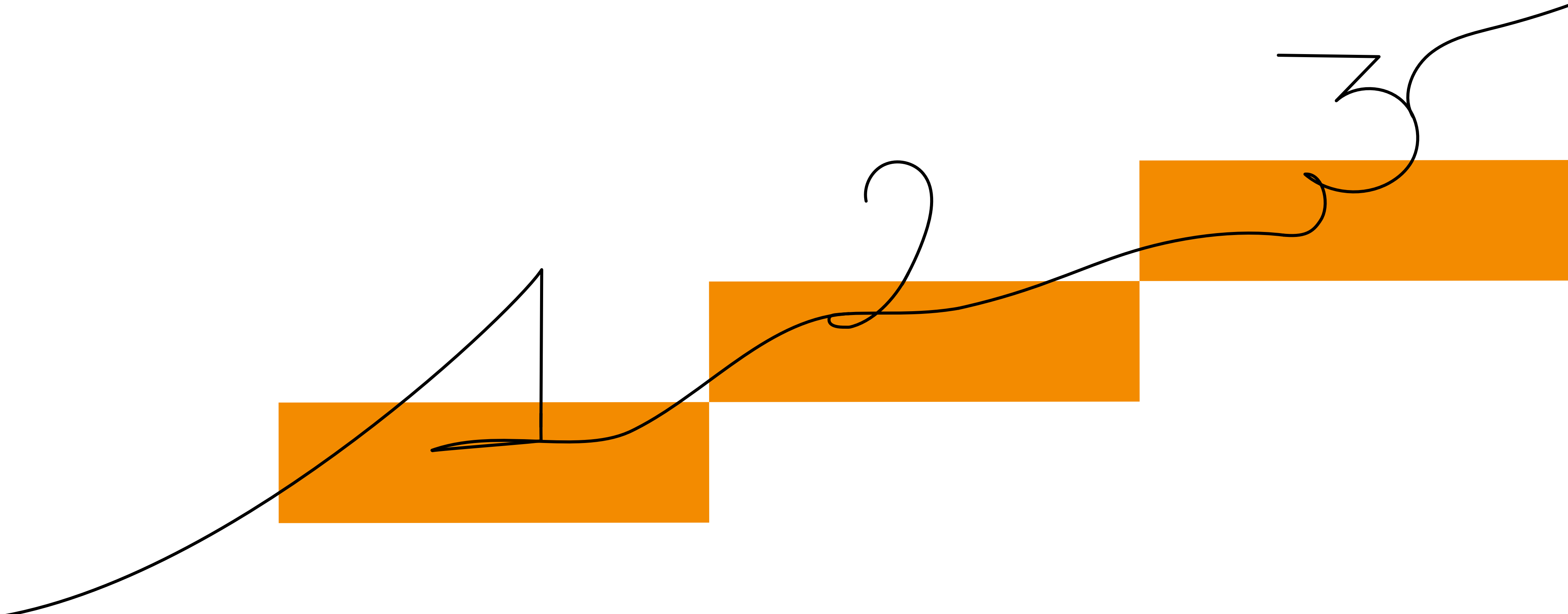
Pages 13 to 23 show you the five levers you need to pull—in parallel—to build pace.

By the end, you'll know how to form tactical partnerships, pick the right battles, track your successes, and develop an agile, iterative approach to planning.

Let's get started.

Inside

The three steps of active planning



Task one
Assess the status quo

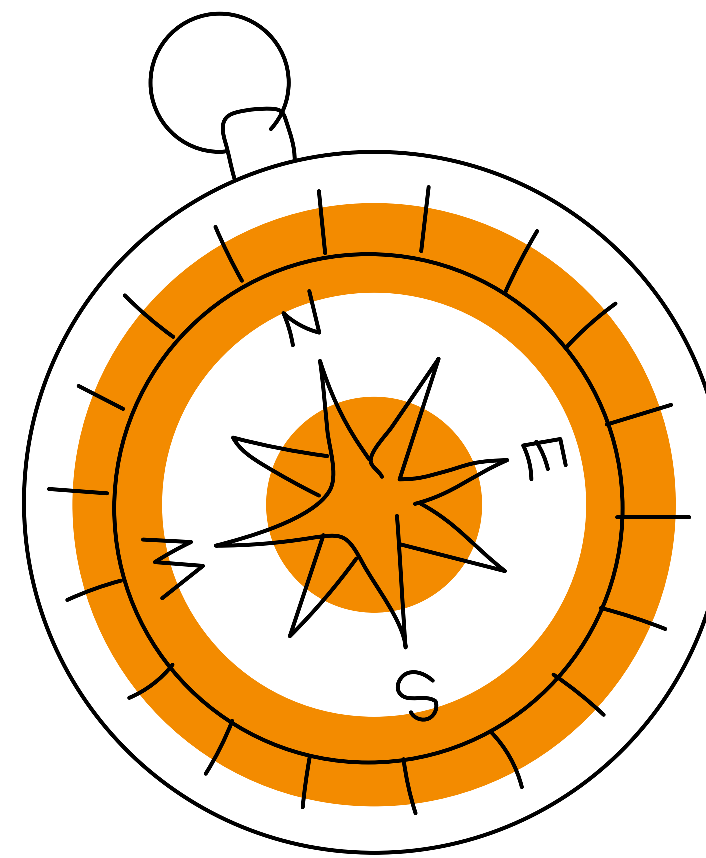
To chart a path forward, you first need to know where you're coming from. That is, the obstacles holding you back from (and the improvement opportunities leading to) more frequent, better-quality planning and forecasting.

Your challenges will likely fall into three camps: people, process, or technology. Often, all three.

Quantifying them will prove they're not insurmountable—and that true business agility is closer than it might seem. Get specific, and find real examples where challenges cross over.

Perhaps operational leaders are on the same page with the company's agreed targets, but as soon as the annual budget spotlight moves off they strike out on their own, led by gut instinct.

Or maybe there's appetite across the business for better planning to drive data-led decision-making. But because you rely on spreadsheets, you can't deliver insights fast enough to add value. And finance becomes a bottleneck, while operational leaders queue for insights that become redundant as they wait. Another three-part challenge.



The practical step

Analyze your current business planning capabilities and troubleshoot your main pain points.

Evaluate your current skills matrix. Is everyone equipped to contribute effectively? Where do you need to upskill? Take our **business agility assessment** to dig into your practices, capabilities, and business partnerships—to discover your current agility credentials and unearth improvement opportunities. Then recreate the table opposite with your own insights.

Note your planning stakeholders. How much visibility do you have into their planning, and vice versa? Do you meet regularly enough for effective alignment? How close to real time can you collaborate and react?

List the systems and data sources involved with planning. Which data silos need addressing? Does your technology align the business or create bottlenecks? Is data quality undermining or accelerating progress?

List your main planning (process) obstacles. What are your bottlenecks? What takes longer than it should? What's manual that shouldn't be? How often do you actually get beyond collecting and consolidating to analyzing and recommending?

Example skills matrix:

CAPABILITY	PROFICIENCY (0-5)	IMPROVEMENT OPPORTUNITIES
Business and finance strategy	3	– Encourage "so what?" thinking – Upskill internally (or hire externally) – Improve data quality
Leadership; managing a diverse team	2	– In-house training – Schedule monthly one-on-ones
Stakeholder communications	3	– Mentor scheme to spread skills – Increase lateral involvement
Understanding of data science	0	– Off-site or consultant-led training – Annual conference – Assess new tech options – External partnership
Cross-functional collaboration	4	– Schedule weekly face-to-face – Cross-functional monthly email
Operational finance	5	– Schedule biannual tech review

Task two
Get organizational alignment

Now that you know what you're pushing against, your next task is to galvanize the organization behind the move to active planning.

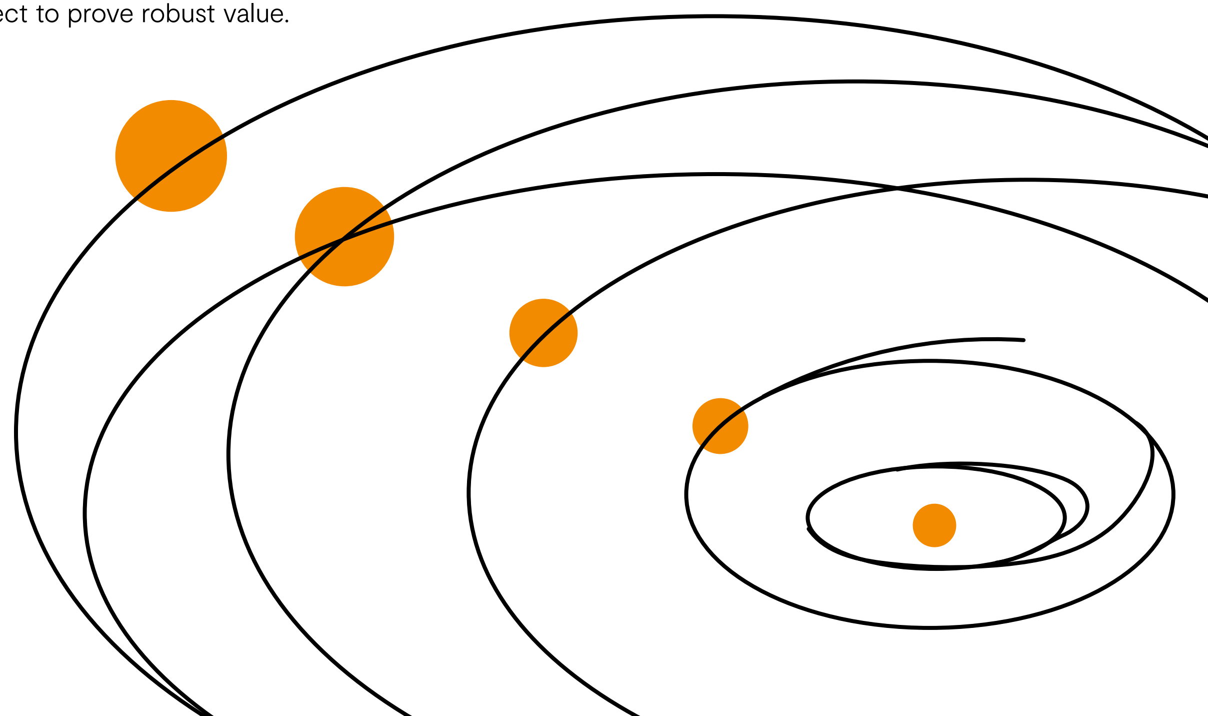
Planning is fastest and most effective when it's company-wide. You need to drive wholesale change across culture and technology. And that means two things:

One, you need buy-in from the top, guidance and evangelism from senior leaders who're invested and steering the process with a steady hand.

Two, you need to carefully cultivate frontline support. There's an inevitable level of disruption involved in displacing established ways of thinking, working, and collaborating. Be explicit about what you're changing and why it will lead to better outcomes. Brute force won't change hearts and minds.

A great place to start is the annual budget. It's a mainstay of planning that the whole company is already engaged with at some level, but which is often mired in politics and bad habits. It's easy for a finance team to shift into the gatekeeping and number-crunching aspects of their role, making it more difficult to take advantage of strategic opportunities.

Your challenge here is to spearhead and build the case for a new definition of planning—one that's a powerful source of business agility. Start with a tightly scoped initial phase project to prove robust value.



The practical step

Help business leaders understand that active planning isn't the same old planning process happening more often. This is a sea change, where planning becomes more strategic and actively propels better business outcomes. There are phenomenal gains on the table.

Quantify the cost of the status quo (and the ROI of change). This builds your business case for active planning. Once you understand your current points of friction and capability gaps, quantify the cost of lost productivity, increased errors, increased risk, obstructed vision, and lost opportunity. Then, consider the inverse—the explosive ROI of action—in the same terms (pictured right).

Practical benefits like these are easy to quantify. But some of the most powerful ROI comes from more nuanced outcomes—harder to quantify, but with far-reaching impact.

What do reduced cycle times mean for costs, productivity, and agility? What does faster decision-making really enable? What is a secure environment worth? What future costs will you avoid? Even indicative calculations here strengthen the business case for active planning by exploring the art of the possible.

5 people Orchestrating planning data per cycle	**2 weeks** Average time spent manually reconciling data per planning cycle
$65,000 Average salary	**$1,250** Average weekly salary
$2,500 Average cost of manual reconciliation per person per cycle	**$12,500** Average cost of manual reconciliation across team per cycle

Find a senior sponsor. Align yourself to an early champion who believes in the benefits of active planning. Choose someone as senior as possible who has the power, authority, and influence to get things done. They'll also need the robust communication and presentation skills to persuade and engage even the busiest, most skeptical people across the business.

Pick your project team. Finance should lead the charge, but you need cross-functional representation, including IT. Get IT's perspective on integration capabilities, security issues, and software needs. Define roles and responsibilities clearly, so everyone knows what they're accountable for.

> **"We're better able to manage expenses with active planning, and improve our margins. In the first year, we saved $8M simply by fixing freight issues."**
>
> Director of FP&A, Zagg Inc.

The practical step

Finance department

Pain:

Too much wasted time in low-value data-wrangling, no single version of the truth, decisions guided by guts and guesswork, planning is slow, infrequent, disconnected, and stuck in reactive mode.

Consequence:

Finance is stuck acting as a backward-looking system of record instead of a proactive source of strategic guidance. Finance can't see what's working so they can't make smarter decisions to optimize effectiveness. They're left making instinct-based assumptions or relying on imperfect indicators that create unintended consequences.

Gain:

A clear understanding of the factors truly driving business performance (and the levers to pull in order to change the outcome), earlier risk identification (and better mitigation), shorter lead times on operationalizing change, better return on spend, more accurate models of the future.

Plan your initial project. Start with the lowest-effort, highest-value opportunity for change—typically you'll start within finance. Keep things simple and measurable, and stick to a tightly phased project plan. For example, phase one might tackle income statements, phase two balance sheets, and so on.

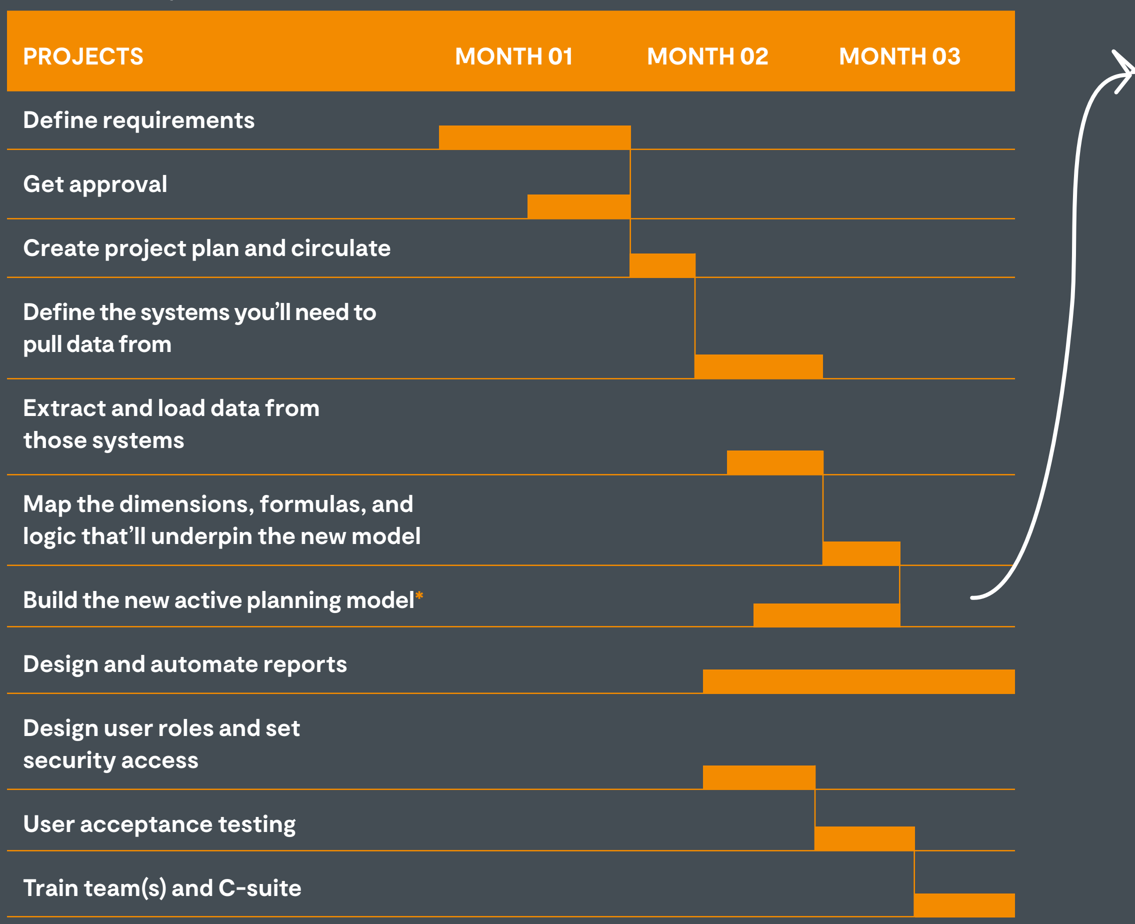
In the next step, you'll introduce active planning across the organization but for now, focus on one problem area. Set clear goal posts that define success, to control scope creep, keep focus, and deliver wins you can celebrate.

You'll need to work closely with relevant stakeholders to set targets, choose critical metrics that align, and automate regular reports. You'll also need to create a self-service dashboard and deliver comprehensive training, to empower teams to react faster to hone (and own) their outcomes.

Get executive approval. Pull the pieces you've gathered so far together—that is, your current agility credentials, the benefits and ROI of change, and your plan—to share with the leadership team. Your phased approach leaves plenty of scope to refine—and should build confidence. Lean heavily on your executive sponsor to galvanize support.

The practical step

A sample project plan:



*This is arguably the most important step in the whole active planning process. Active planning is ultimately a framework—for more automation and data analysis, for more joined-up communication, and for better, faster decision-making.

But it's your financial model that forms the content of that framework. The quality of your thinking upfront materially impacts the quality of the outcome.

Crucially, there's no one-size-fits-all approach—businesses are driven by unique factors, and models reflect that. However, there are fundamental components common to most models, such as:

- Key assumptions and drivers
- Income statement
- Balance sheet
- Cash flow
- Personnel expenses
- CAPEX revenue
- Operational KPIs

This is an iterative process—start by connecting the things you do know, and focus on building an understanding of their variance and sensitivity year-to-year. As active planning increases your visibility into performance across the business, you'll be in a position to refine the model over time.

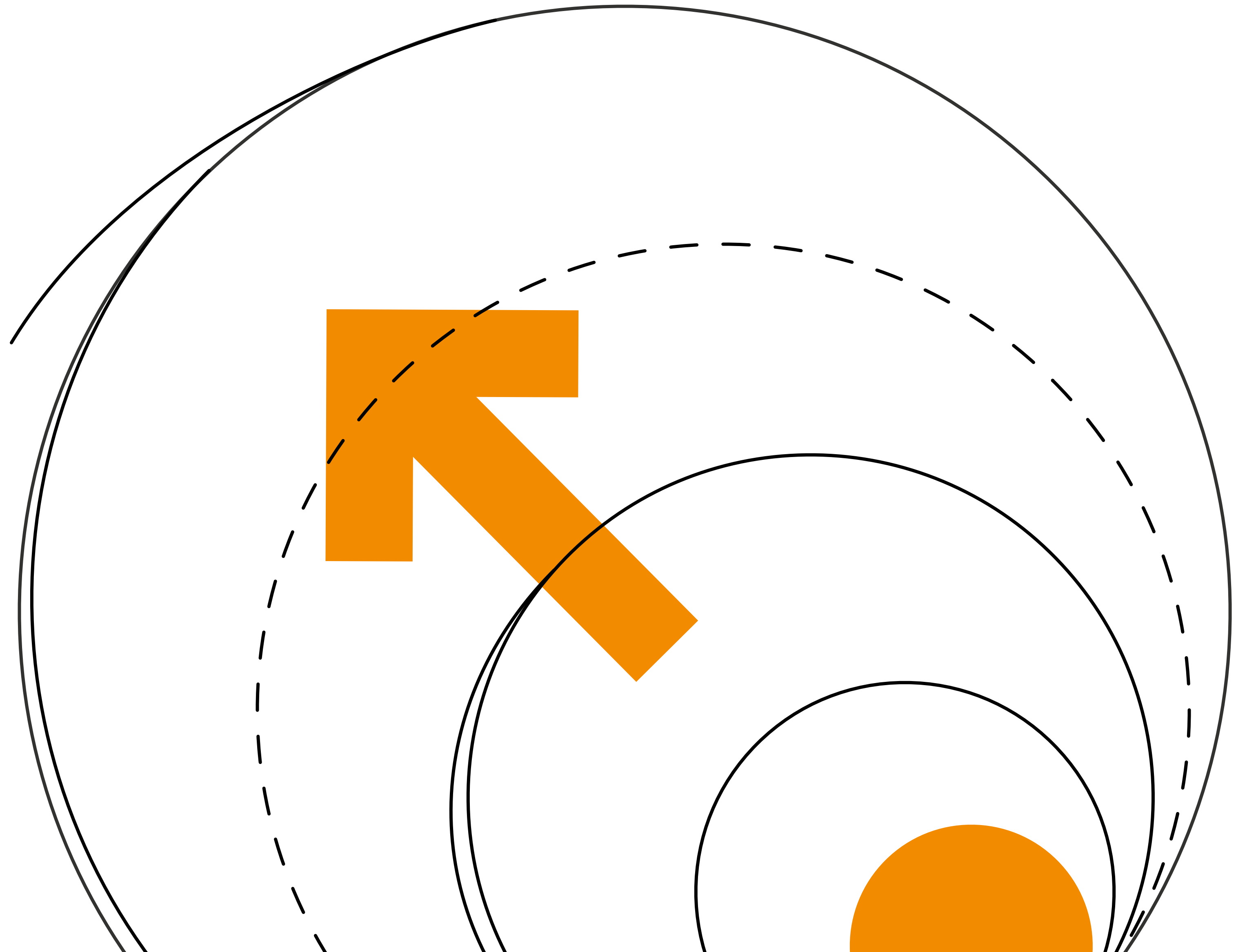
Task three
Expand across the business

As your initial project gains momentum, phase in active planning across the business. Now you're tackling different challenges across new functional areas like sales, HR, or marketing, following the same approach as the initial project.

You're defining your next lowest-hanging fruit, building a committed project team, mapping thoughtful goals, measuring progress constantly, and empowering confident self-service. Roll over lessons learned as you go, so every phase is faster and more effective than the last.

Ultimately active planning will completely dissolve silos. As you roll out business-wide, visibility becomes embedded into every department, every team, and every decision. Every stakeholder gains 20/20 vision, to understand how granular decisions impact the big picture.

The result is that all plans (and actions) are tightly informed by the organization's financial and strategic goals. And when the business context (internal or external) changes, the business as a whole can react faster and more effectively. That's what you're aiming for—little steps that connect quickly to represent a giant leap forward.



The practical step

Increasing cross-functional visibility, collaboration, and alignment is about face-to-face time as much as new technologies and standardized workflows. Strengthen communication channels as you roll out across the business and you'll start to position yourself as a trusted cross-functional strategic advisor—not a record-keeper.

Nominate key stakeholders within each business unit and schedule regular in-person one-on-ones.

Learn about their existing systems, processes, and challenges. Leave assumptions at the door.

Co-create insights that make a difference in their corner of the business. Add value as soon as possible.

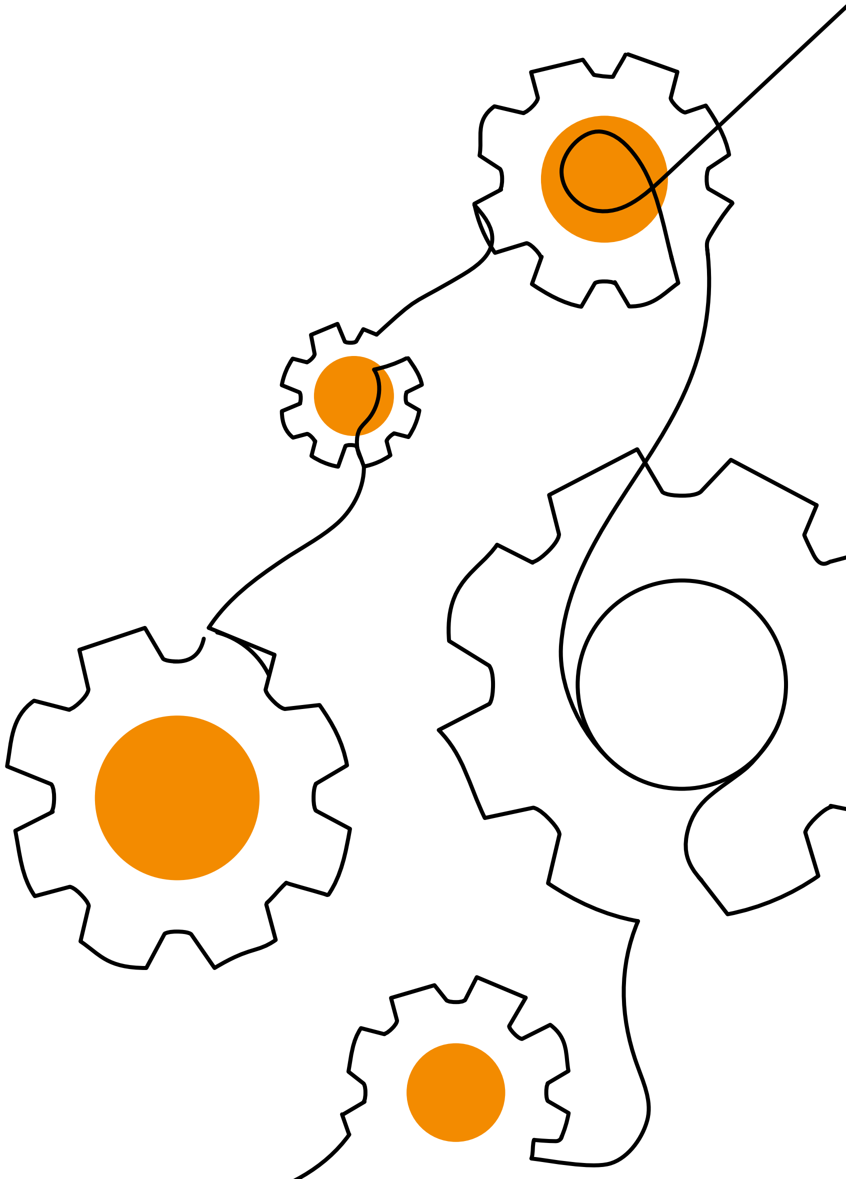
Broadcast the lessons you learn—positive and negative—to fuel continued conversation around planning.

Scale up and connect findings from other business functions, until planning becomes interconnected across the business.

Those are the foundational cogs of active planning—but they don't stand alone. While you're working through these three tasks, you also need to pull five levers, to breathe life into the planning mechanism and help your initiative build pace.

The five levers over the next 11 pages aren't sequential, so dive in wherever feels best. But to reach full acceleration, you'll need to harness all five.

The five success levers of active planning



Success lever one
Interrogate and illuminate KPIs

It's easy to get lost in the weeds when you're measuring everything. But the truth is only a few factors truly drive business success.

As you're building your active planning mechanism, you need to bring these factors to the surface—so the business can make decisions informed by the most critical drivers.

That involves reconciling how different parts of the business measure success—not only to build a holistic model of models, but to define the metrics that truly drive performance. Then you can establish reporting processes that illuminate progress in a more meaningful way, shining a light on the factors that really matter.

Once you've coalesced around a single source of truth, it's easier for every business unit to drive toward the positive business outcomes that matter most.

Think about it—the business generates hundreds of KPIs, but the CEO and leadership team only look at a handful. The same is true at macro and micro scale.

The practical step

Speak to operational leaders to uncover their mission-critical KPIs. Find out how they define, model, and track those KPIs, and compile a complete list of the systems and data sources each stakeholder relies on.

Move toward simplicity. It's important these KPIs are an accurate reflection of the truth—but it's equally important they're quickly and easily measurable, so action doesn't stall. Broad alignment in the right direction is better than super-prescriptive definitions you don't have the infrastructure to interrogate.

For example, the most precise definition of customer count might involve reconciling separate purchasing entities to standardize across the business. But right now, you can't easily track that, so don't try. Stick with the simpler, if imperfect, definition. Don't let spurious precision distract from getting started.

Set up reporting. Once you've refined your KPIs you need to set up reporting functionality and processes that help the relevant leaders measure progress, at C-suite and operational levels. Reports must be accessible to relevant decision-makers without finance or IT involvement to avoid bottlenecks, and engaging, concise, and powerful enough to empower true insight (and avoid data snow blindness).

Department: Finance

1. Working capital
2. Pipeline →
3. Cash flow
4. Debt-to-equity
5. Customer lifetime value →

Watch for false prophets. Some metrics seem important but aren't a reliable indicator of performance until you dig deeper (say into whether you've got enough cash to cover your operating costs while you realize the value in your pipeline).

Many metrics hide relationships with other departments, which you need to untangle before taking effective action. For example, CLV also touches sales (average deal value), product (gross margins), and customer success (retention).

Success lever two
Broaden your planning data

As you interrogate and illuminate your KPIs, you'll notice areas of overlap and connection. Business drivers happen across functional lines as well as within functions —and financial data only offers a partial view of business performance.

Pulling this lever means you can deliver better strategic insight, by incorporating cross-functional operational and transactional data into your financial model. Empowering the true interconnected vision is the hallmark of active planning.

Let's say actual sales revenue is lower than planned for an important territory, putting the department off-track for Q4 growth targets. That data matters—but taken alone, it's myopic. Because you can't understand the root cause or the wider impact, it's impossible to make data-driven strategic recommendations to solve.

If you also incorporated, say, sales-qualified leads, you'd get a clearer picture. Go a step further and incorporate data like turnover and engagement, and you'd have even more insight at your fingertips.

So you don't just report that sales revenue is down. You can see sales revenue is down because sales isn't getting enough quality leads from marketing. Or sales revenue is down because the department has a turnover problem.

Then if you connect those insights to workforce planning—looking at data like revenue productivity per fee earner, headcount, attrition, and remuneration —you can see you need to hire five additional full-time salespeople to optimize productivity to meet Q4 targets.

So instead of workforce planners working from sterile finance-only headcount budgets, they have an integrated vision that empowers them to course-correct as on-the-ground needs change. To accelerate toward positive business outcomes.

Broadening your data to create an interconnected planning landscape empowers HR, finance, and operational leaders to maintain real-time alignment with one another (and external changes). This empowers collaborative, continuous planning to deliver better decisions faster.

The practical step

Active planners will ultimately achieve total one-to-one alignment between strategic vision and operational reality—but don't be intimidated if that feels a long way off. Start piecemeal and scale.

Ingest operational data into your planning model—starting with your highest-impact KPIs (sales operations, workforce planning, and project planning are good starting points).

Start adding contextual nonfinancial data into your regular reports to connect operational drivers to financial and strategic outcomes—push hard to reach your true "so what?" Then work collaboratively with the relevant functions to refine targets, keeping all stakeholders aligned in the pursuit of a fast solution.

Strategic objective:

Increase sales revenue across new product line by 15%.

Top-level finding:

Actual sales revenue is 24% lower than plan, costing the business up to $1.6 million in lost sales.

Supporting findings:

Sales rep turnover is 19% higher than average in southwest region. Fee earners account for an average 6% of total revenue productivity each. Product return rate is 4% higher across new line than average.

Implication:

We need to model possible causes of turnover to increase retention.

We should adjust sales-per-territory KPIs by 2.5% for other territories and hire five FTEs into southwest sales to cover the shortfall.

We should also reevaluate quality control across the new product line and model the impact of inaction on customer satisfaction to anticipate longer-term issues.

Success lever three

Increase automation of low-value activities

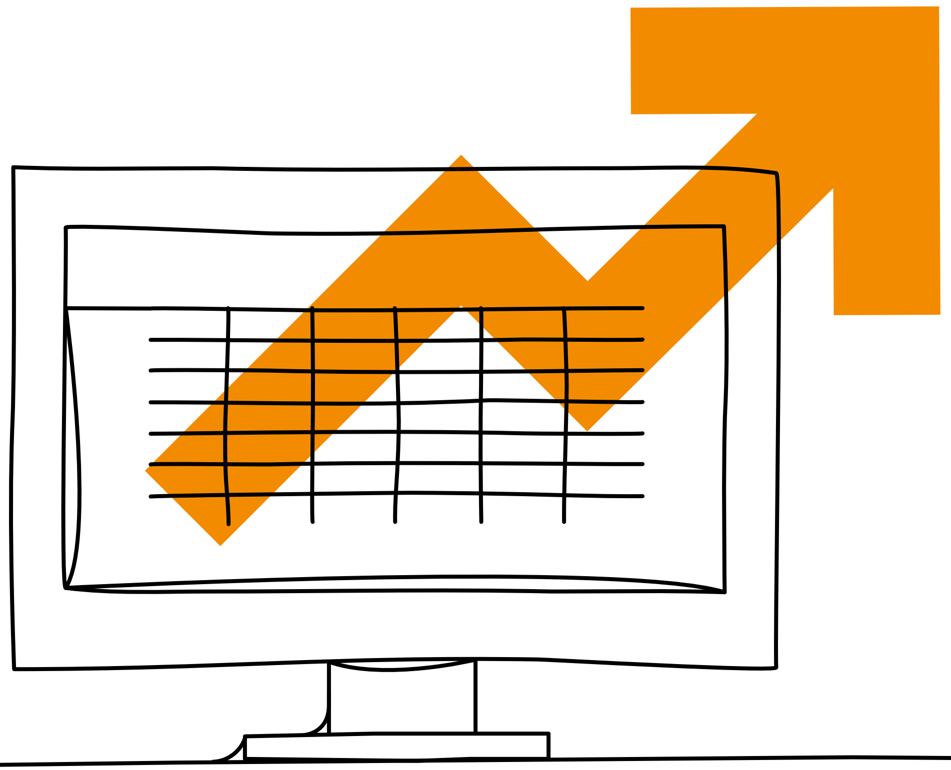
Finance has long been the guardian of the planning process. Active planning is a new approach where finance still plays a leading role but as conductor, not broadcaster.

It's much easier to focus on adding new kinds of value when you're not bogged down with manual, time-consuming, low-value work. This lever sees you increasing your bandwidth by transforming planning processes to be fast, efficient and, wherever possible, automated.

Reporting will likely be your first big focus, but think bigger too—we'll share some ideas on the next page.

Increasing automation means operational leaders are empowered to step forward, accessing the business-critical data they need to make better decisions faster.

And you're empowered to spend less time wrangling complex data and more time analyzing business-wide trends and drivers. Leverage your unique vantage point at the heart of the business to add more strategic value.



The practical step

List your automation opportunities. The first step toward active planning saw you identify manual number-crunching bottlenecks in your current planning processes. Come back to your list and highlight your main contenders for automation. Your list will probably look something like this:

Automation opportunities

Reports.
Allow decision-makers to generate incisive, relevant reports independently. Include budget versus actual reporting for operational leaders to analyze real-time progress.

Rolling forecasts.
Revisit and update forecasts continuously based on actual data and performance to allow on-the-go course-correction as conditions and context change.

Modeling.
Empower operational leaders to easily create and analyze their own models and test what-if scenarios in real time—showing impact across functional lines and using cross-functional data.

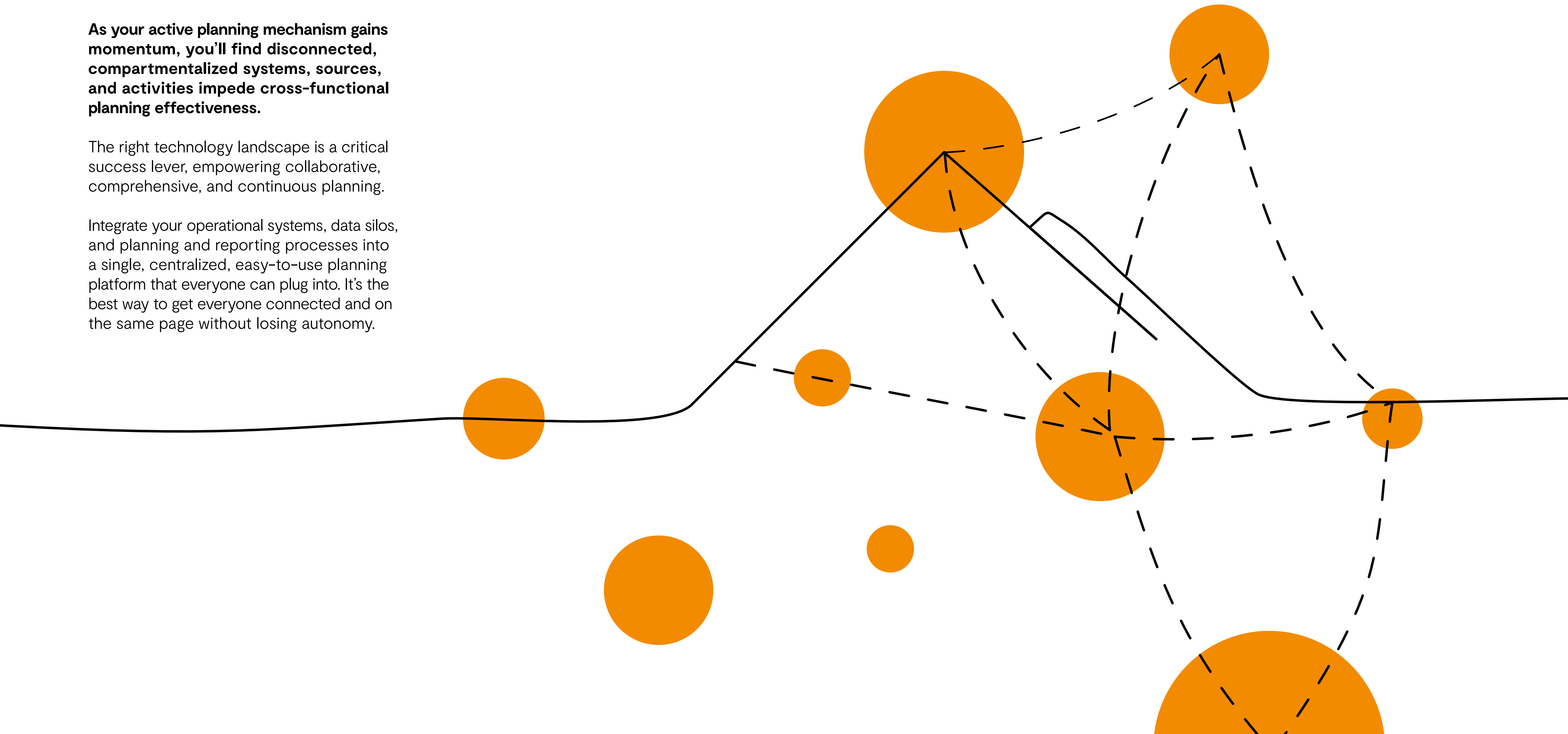
Data integration.
Ingest, consolidate, and verify data from every system and source as it's inputted to create a single source of truth that everyone works from.

Success lever four
Optimize your technology landscape

As your active planning mechanism gains momentum, you'll find disconnected, compartmentalized systems, sources, and activities impede cross-functional planning effectiveness.

The right technology landscape is a critical success lever, empowering collaborative, comprehensive, and continuous planning.

Integrate your operational systems, data silos, and planning and reporting processes into a single, centralized, easy-to-use planning platform that everyone can plug into. It's the best way to get everyone connected and on the same page without losing autonomy.



The practical step

You don't need to completely ditch spreadsheets or overhaul your entire tech stack to get everyone working together (and prescriptive culling of preferred planning practices is a sure way to fuel disengagement).

But you do need a centralized planning platform where everyone can collaborate easily, with real-time data integration from multiple sources. You need a single source of truth, instead of 30 Excel spreadsheets in a commingled version-control nightmare.

Draw up a list of requirements from prospective solutions, working with a cross-section of finance, IT, and business users. To increase automation, you need to collect, reconcile, and report on data as fast and accurately as possible. That's difficult without the right technology supporting you. What's "must-have" versus "nice-to-have"? What key questions should you ask providers? Our **Financial Planning Solutions: A Buyer's Guide** walks through this process.

Key requirements:

Scalable.

We need a partner who'll support us today and tomorrow. The likes of AI, machine learning, predictive algorithms, and dynamic modeling are on our radar—will our new technology cope?

Powerful.

We need a partner to accommodate the volume, variety, and velocity of data we use, from many sources and systems.

Easy to use.

We need a solution all business users can intuitively use without creating IT or finance bottlenecks, to democratize ownership over planning.

Easy to manage.

We need the burden of deployment and upkeep to be low. IT's already at capacity.

Affordable.

We need to deploy across the business not just centrally—so we need cost-per-user to be affordable.

Configurable.

We need a solution that can handle any level of uniqueness and complexity without IT's involvement.

Secure.

We need to trust our data is totally protected, to minimize exposure to risk.

Build an integration framework that can easily ingest data from myriad sources, with democratized access. Bring operational leaders into the conversation—what planning processes and systems do they need to keep? What integrations and sub-integrations must your framework include?

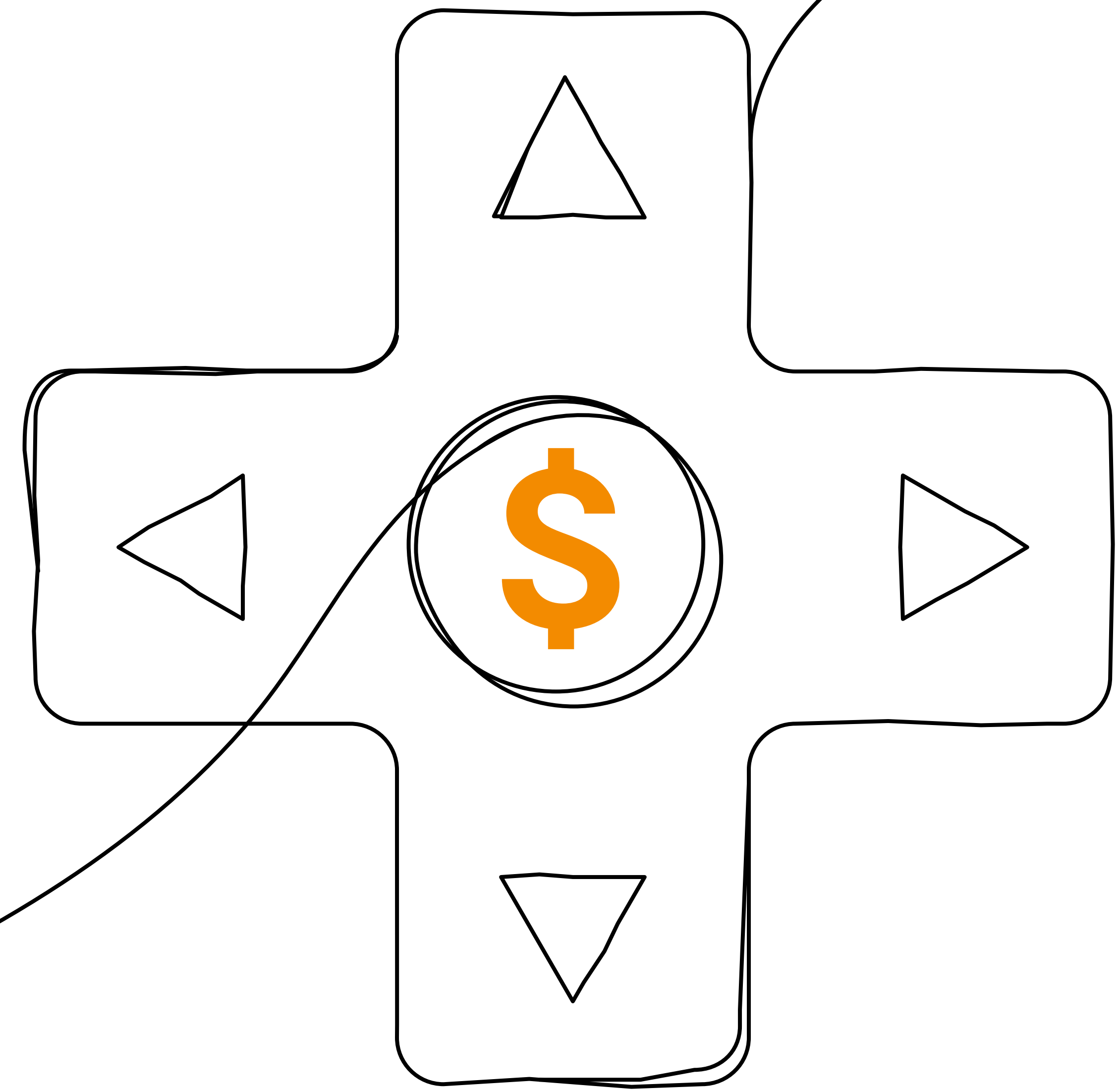
Success lever five
Deepen finance's strategic guidance

Finance's positioning is a critically important success lever.

Throughout this journey you're automating much of the low-value work that bogs finance's strategic potential down. And you're driving participation in and ownership of a connected planning process across each function.

In this new role, finance also becomes a linchpin for (and a steward of) cross-departmental performance. Aim to uncover the hidden synergies and dependencies between otherwise siloed activities and KPIs—how does marketing's performance against MQL targets impact sales performance, for instance?

The result is space for finance to become a unique source of proactive strategic guidance across the business. Step into that space, working closely with the C-suite and operational leaders to continuously manage (and report on) performance, add insight and suggest upstream solutions.



The practical step

You're moving toward an interconnected planning landscape with panoramic visibility at its core, from the edge of the business to its center. In that landscape, finance can start stepping into a new role, positioning as strategic leader and guide that brings nuanced insights to key business decisions.

Empower business-wide uptake. Schedule training to equip users with the skills and confidence to plan more effectively using your new tools and processes. Schedule cross-functional workshops to highlight opportunities for overlap and collaboration—champion an interconnected vision of the business.

Proactively find opportunities and maintain alignment. Schedule regular multi-directional performance conversations between finance and operational leaders to ensure active planning achieves its full potential. Get ahead of important business decisions and bring new insights and perspectives to the key players.

> **"We have sales talking with product teams and our CRM talking to our planning tools. In the end, we're coming up with better forecasts, better understanding, and better information around our revenue streams."**
>
> Director, FP&A, Airlines Reporting Corp.

Conclusion
Agile planning for better outcomes

Wherever you are on your planning maturity journey, the tasks here will help you expand and accelerate business agility by:

- Creating a new kind of planning mechanism that's distributed, inclusive, and optimized for your strategic objectives.
- Empowering finance to continuously deliver insights that help the business course-correct. To power better, faster decision-making in ever-shorter cycles based on rolling forecasts and real-time (and eventually, predictive) data.

The truth is, building a continuous one-to-one alignment between your strategic vision and your operational reality isn't easy. It's something very few businesses can claim. You won't get there overnight and you will face hurdles.

But it only takes a few small steps in the right direction before momentum starts to build. Before long, those steps will amount to a giant leap forward and significant competitive advantage as business agility accelerates exponentially.

We'd love to help you accelerate.

Let's set up a quick-fire call to brainstorm your challenges, bounce ideas around, and plot your course toward active planning. You'll come away with some tangible next steps and cool ideas to move forward, no strings attached.

Contact us:

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