

Future of Planning, Budgeting, Forecasting and Reporting

Global Survey 2022

Insights from the FSN Modern Finance Forum on LinkedIn

FSN[®]
The Modern Finance Forum



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Predictive analytics
expected to be the
norm by 2030

 Wolters Kluwer



Ralf Gärtner
SVP & General Manager, TAA
Corporate Performance Solutions

After two years of disruption and uncertainty, finance leaders finally have some good news. As you'll see in the coming pages, FSN's survey paints a hopeful picture: many organizations emerged strongly from the pandemic's all-consuming grip.

As you'll learn, 40% of organizations reported that they have managed to make substantial improvements to their planning, budgeting and forecasting (PBF) processes. Many have made significant improvements to their reporting processes as well. I can't say I'm surprised: the pandemic forced many into a pivot or peril, change or be changed state of action.

But not everyone made forward strides. FSN found 60% of organizations still need to accelerate their transformation efforts if they are to remain agile and competitive. And these companies should prioritize taking the leap — there is more disruption on the horizon than ever before.

As we move into post-pandemic life, it's tempting to become lulled into planning and reporting complacency, but you only have to look to the news to see that the need for transformation is as urgent as ever.

Over the last months, we've been collectively mystified as a war ignited in Europe. We've seen devastating climate events — from floods to forest fires — internationally. And both professionally and personally, we're feeling the effects of inflation and breaks in the supply chain. The cost of doing business is soaring. Global access to goods is plummeting. Charged with leading organizations through a tempestuous global marketplace, finance is heads down at their desks trying to plan, respond, and report on it all.

My caution to organizations: Don't let renewed optimism allow you to become comfortable with bandaged processes. Risks and uncertainty abound, and it's only a matter of time before one of them becomes realized.

As FSN reveals, transformation leaders are showing the way forward — but they are in the minority, hamstrung by time, skills, spreadsheets and buy-in, as you'll see in this report's discussion. The good news for finance teams who've fallen behind? Transforming planning and reporting processes is easier, more fruitful, and more attainable than you'd ever think.

At the end of each chapter, we'll describe how CCH Tagetik's unified corporate performance management solutions can balm finance teams' wounds by extending integrated planning and analysis, reporting, and leading-edge technology to the entire organization.

We hope you find this report illuminating and, despite the doom and gloom, optimistic that the technology and motivation exists to make the transformation of finance available to all.

Regards,

Ralf Gärtner

Ralf Gärtner
SVP & General Manager, TAA Corporate Performance Solutions

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Executive Summary

01

The need for speed

The pandemic recovery is neither speedy nor even. Each country, city, community or organization has had to face different challenges in order to return to a position of stability and growth. While it's clearly not possible to prepare for an unprecedented event, those organizations that had invested in modern efficiencies in their finance function fared better during, and now after, the most pressing crisis of a generation.

33% of finance functions have made significant changes to their PBF process in the last 3 years.

As the world changed, companies were forced to change with it, and this meant near-constant re-forecasting to provide vital insight to underpin strategic decisions. Under this extreme duress, it became clear that PBF and reporting are both vital and underinvested. So now, senior finance executives are urgently trying to speed up and simplify the process in order to survive in a rapidly changing landscape.

At first glance, FSN's Budgeting, Planning, Forecasting and Reporting 2022 appears to show little progress in the number of organizations taking their PBF transformation seriously, but in fact there is a returning momentum amongst previously paused projects. While the number of companies making significant changes to their PBF processes remains at around 33%, those that have completely transformed them in the last year has almost doubled from 5% to 9%.

This is an encouraging sign of progress, but there remains a large proportion of organizations that have so far failed to make substantial inroads into the transformation of budgeting, planning and forecasting. And unfortunately, the lag between PBF and reporting is causing bottlenecks in the analysis and adjustments, which is delaying decision-making.

Making time for transformation

Most companies looking to catch up to their transformed competitors are as yet unable to commit the requisite time to carry out the changes. Three quarters of organizations have less than three months available to effect transformation, most of those far less than even that. But perhaps more worrying is the lack of focus on data accuracy. Only 65% of finance executives think data accuracy will need substantial improvement before the end of the decade, far less than the 85% who want it to be speedier. This belies the results of the Agility in Planning, Budgeting and Forecasting survey 2021 which found that less than half of organizations could forecast within a reasonable range of accuracy.

75% of finance functions are unable to dedicate more than 3 months to transformation.

At least some of that inaccuracy is a result of inefficient processes, and there are substantial inefficiencies in the use of standalone spreadsheets for complex PBF functions. Thankfully the trend continues to be towards more effective methods of budgeting, planning and forecasting, with a groundswell of interest in corporate performance management (CPM) systems, Best of Breed (BoB) solutions and spreadsheets connected to a centralized database.

The picture is similar in relation to consolidation, with a steady flow towards more efficient and effective methods of financial reporting as the decade progresses, especially ERP systems. However, these shifts are not likely the final nail in the spreadsheet coffin. The pace of change and the ubiquity of this method will continue to have its place, but this gradual shift is an important part of the transformation of PBF and reporting systems.

AI predicted to be the norm by 2030

As organizations make the change to more efficient and effective systems, they will incorporate a far more advanced selection of tools including predictive analytics, artificial intelligence and machine learning. The desire and vision is definitely there (three quarters believe predictive analytics will be the norm for organizations by 2030), but considering the low penetration of some modern accounting techniques like rolling forecasts and scenario planning, substantial uptake in predictive analytics will require a major effort of will and resources.

If, and when, they take up the predictive analytics mantle, finance professionals are adamant that it must not be a 'black box' of indecipherable algorithms understood only by systems analysts and data scientists. They want ownership of the systems that they will use for PBF and be able to change and flex them within the function itself.

Right now, the majority of finance executives don't believe software vendors have a compelling enough business case for machine learning and AI. But if they consider the needs of the finance function of the future, then there may be accelerated uptake as the decade progresses.

With these new technology resources, finance functions can become faster and better at forecasting and planning, but these technologies won't be taking over the finance office on their own. There remains an intense demand for skilled PBF professionals, with the emphasis on skills rather than headcount. 73% of finance executives say they will be unable to meet their objectives without significant specialization and upskilling. Half recognize that automation of finance processes alone will not liberate enough time to meet their objectives and 45% say that a shortage of finance talent will hold them back.

The wave of AI and machine learning technology has created new opportunities to add value within the finance function without losing headcount, if they can acquire the necessary skills to draw out the best and most competitive insights.

Transformation leaders extend their lead

For those companies that have already put in the time and resources to transform their PBF processes ("Transformation Leaders"), the rewards are clear. More than half have also transformed their reporting processes, thereby minimizing the insight bottleneck, and they are more likely to consider Corporate Performance Management systems to deliver their PBF process.

Transformation leaders are four times more likely to be using advanced PBF techniques like scenario planning, zero-based budgeting and rolling forecasts than their laggard counterparts. And speed or ease of use is no longer at the top of their improvement list because these demands have been largely satisfied.

However, transformation leaders have the same issue with accuracy of data as those organizations that have yet to start their transformation journey. It seems the data torrent is a double-edged sword, adding depth of insight but frequently at the cost of manageability.

This year has been another one of transition for many organizations as the post-COVID clean-up continues and proactive strategies replace reactive ones. Planning, budgeting, forecasting, and reporting proved their worth during the crisis, but finance professionals shouldn't be complacent as the threats recede. This essential part of the finance function is ripe for transformation, and companies need to accelerate their efforts if they are to achieve their ambitions by the end of the decade.

CCH Tagetik: A Solution for Wherever You Are in Your Transformation Journey

Whether you're leading, lagging, or just staying afloat after consecutive years of disruption, CCH Tagetik is a complete corporate performance management solution built to make transformation leaders. Through leading-edge technology that's easy to implement and intuitive to use, we'll meet you where you are with our solutions for:

Planning: CCH Tagetik Budgeting, Planning, and Forecasting unifies plans, processes, and data in a single solution that aligns finance and operations while enabling you to plan more often and in more depth.

Reporting: CCH Tagetik Collaborative Reporting produces dynamic reports optimized for accuracy, collaboration, and compliance requirements.

Predictive analytics: CCH Tagetik Predictive Intelligence is an AI-based predictive planning solution that's built into our planning platform. It goes beyond basic planning with explainable predictions that foretell future performance while giving you the roadmap to improve it.

Integrated, extended business planning: For years, we've extended FP&A capabilities to workforce, HR, sales, production, capital, and industry-specific planners. With our newest solutions, CCH Tagetik Supply Chain Planning and CCH Tagetik ESG and Sustainability Performance Management, we've succeeded in extending planning and analysis tools to the entire organization.

[Start your finance transformation today. Learn more about CCH Tagetik corporate performance software solutions.](#)

Speed is of
the Essence as
Transformation
Recovers

02

Speed is of the Essence as Transformation Recovers

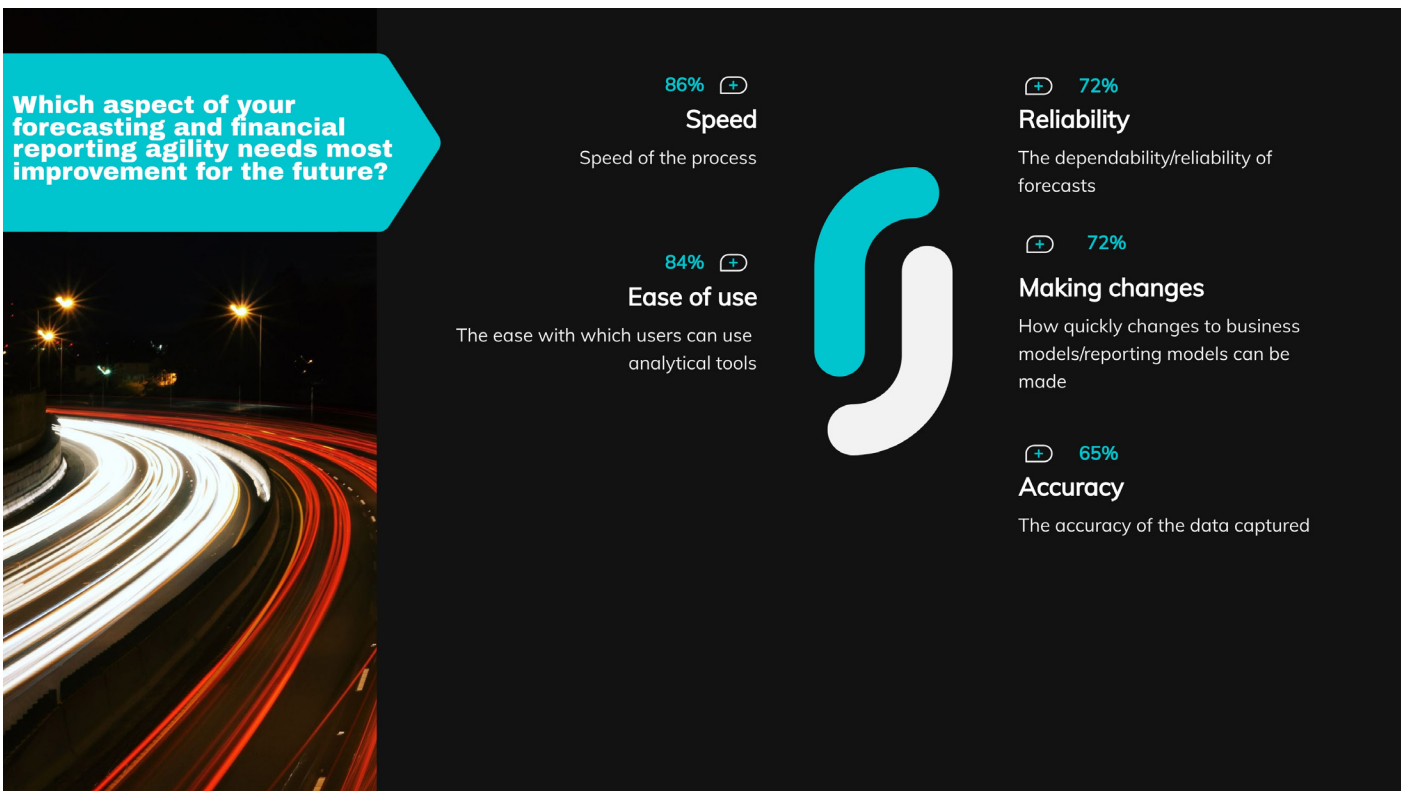
Two years on from the start of the COVID-19 pandemic, and the corporate backdrop has changed irrevocably. Remote working is embedded in almost every organization; consumer behavior has adapted to accommodate pandemic lockdowns, job market upheaval and rampant inflation; and companies have had to pivot at short notice to keep up with the changing environment. The pressure is on planning, budgeting and forecasting as organizations seek to maintain their grip on a rapidly changing business landscape, and so there is a renewed urgency to speed up reporting and planning processes. There are signs that transformation initiatives held up by the pandemic are recovering, but there is now greater urgency as organizations seek to make up for lost time and power ahead.

Urgently seeking speed

FSN’s Budgeting, Planning, Forecasting and Reporting 2022 survey found that the part of forecasting and financial agility most urgently in need of improvement is speed and ease of use. 86% of senior finance executives urgently need to speed up the process, followed closely by 84% who require ‘easy to use’ analytical tools.

This urgency has come about because organizations can’t plan or execute strategic initiatives without the insight that planning, budgeting and forecasting provides. But the external environment has been changing so rapidly over the last two years that the parameters need to be adjusted frequently, hence the need for speed and agility. Without it, organizations will be depending on out-of-date intelligence and lose any competitive advantage they may have had.

FIGURE 1: THE NEED FOR SPEED TAKES PRIORITY



But while finance executives are scrambling to accelerate the PBF process, financial reporting is holding up decision-making. FSN's 2021 Agility in Financial Reporting & Consolidation survey found that financial reporting was slower and less agile than forecasting, leading to bottlenecks in analysis and adjustments, which delays decision-making.

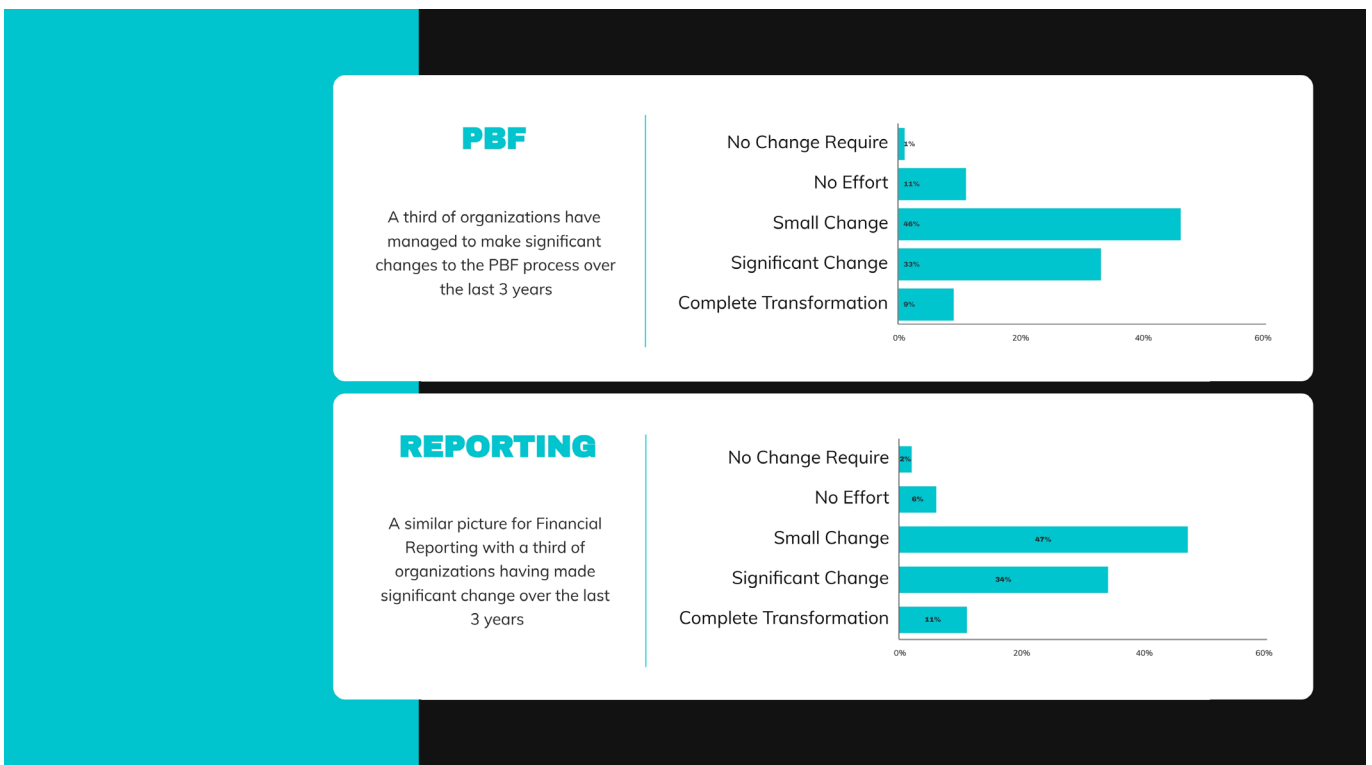
This is not being addressed with any sense of urgency. The current survey found that finance executives expect forecasting to require the most investment between now and 2030, while statutory reporting languishes at the back of the investment queue.

Transformation is recovering

Just 9% of finance functions have completely transformed their PBF process over the last 3 years.

Across the PBF and reporting processes, there has been little change in transformation momentum since last year. The current survey finds that 33% of finance functions have made significant changes to their PBF process in the last three years and a further 9% have undertaken a complete transformation, reflecting only a slight uptick in transformation numbers from last year. A very similar picture emerges for financial reporting, with 34% making substantial changes, 11% effecting complete transformation and the remainder falling behind even as competitors surge ahead.

FIGURE 2: TRANSFORMATION IS RECOVERING



However, the figures are not as discouraging as they might first appear. FSN's 2020 research looking at automation in the finance function found that 41% of projects already underway at the beginning of the pandemic were delayed between one and two years. The current research suggests that the recovery of these projects is well underway and that new projects that were about to commence when COVID struck, are also being resurrected and slowly picking up speed.

Indeed, those that have completely transformed their PBF process in the last year has almost doubled from 5% to 9%. It seems that the few companies that have been fortunate enough to devote resources to transformation have pressed ahead.

The renewed urgency in the post-pandemic environment to speed up and simplify the process of planning, budgeting and forecasting is driven by the need to forecast more frequently to keep up with the social and economic upheaval of an uneven recovery. This is behind the need to accelerate reporting processes. But financial reporting can't keep up, and this is affecting decision-making which is critical to business stability and growth. However, the overall picture shows two thirds of organizations languishing behind. If companies want to achieve their 2030 ambitions, they will have some catching up to do.

If companies want to achieve their 2030 ambitions, they will have some catching up to do.

How CCH Tagetik Satisfies the Need for Speed in BPF and Reporting

So, you want a finance-friendly way to remain agile in the face of disruption? Look no further.

CCH Tagetik Budgeting, Planning, and Forecasting comes complete with everything you need to make informed decisions faster. CCH Tagetik centralizes planning data from the furthest corners of an organization and equips planners with automation to expedite decision-making. The result?

You'll know what's happening now: Dynamic plans and forecasts update in real-time.

You'll be confident in the steps to take later: Produce instant variance analysis, what-if simulations, and illustrative reports with just the click of a button.

When the world changes, your organization will have the agility to change with it.

[Learn how CCH Tagetik Budgeting, Planning, and Forecasting goes beyond basic planning.](#)

“CCH Tagetik definitely improved the production speed of weekly and month-end reporting as well as the budgeting process. Now, we press a button to create a report instead of pulling Excel spreadsheets from five different systems, manipulating them with a hundred different manipulations, and creating the ultimate report a week later.”

— Petia Rodewald, Vice President of Systems, Green Courte Partners

From Weeks to Minutes: How Green Courte Partners Expedited Budgeting and Reporting with CCH Tagetik

Green Courte Partners is a private equity fund. As a business that acquires other businesses, Green Courte has to manage each company’s differing systems. This means matching Excel reports from five systems in order to consolidate results. It also means using 30 employees to create budgets for 120 properties. No wonder their finance team found consolidation and budgeting complex, burdensome, and time-consuming to compete.

When Green Courte started using CCH Tagetik, everything changed. Now, budgeting takes minutes, not days or weeks. Creating reports is a matter of pushing a button, not parsing through spreadsheets, making hundreds of manipulations. Green Courte has now established weekly reporting processes and uses budgeting templates across its many businesses. Budgeting and reporting have never been faster thanks to CCH Tagetik.

[Watch Green Courte Partners’ story.](#)

Catchup Looks Challenging

03

Catchup Looks Challenging

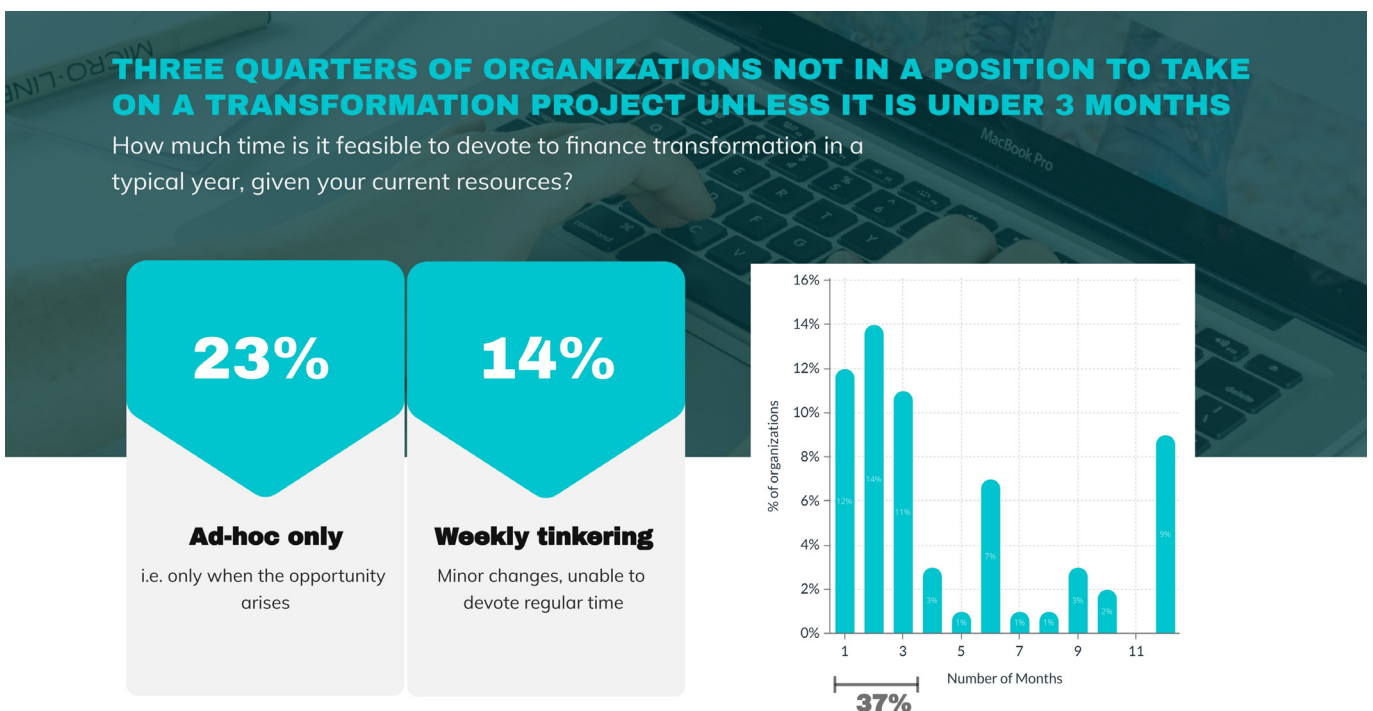
75% of organizations unable to take on a transformation project unless it can be completed in under 3 months.

If organizations are really determined to improve their PBF process, reporting speed and agility, they aren't showing it. 75% of organizations say they are not in a position to take on a transformation project unless it can be accomplished in under three months.

Given their current resources, 37% of organizations say they can spare less than three months to effect a transformation of the PBF or reporting processes. In addition, 23% admitted to only being able to make ad-hoc changes when the opportunity arises, and 14% can only commit to weekly tinkering with their PBF or reporting processes but only to make minor changes and are unable to devote regular time to overhauling their systems or processes. This doesn't bode well for transformation projects that typically require a longer time frame and more intensive transformation actions.

Perhaps more concerning than this lack of time is the lack of regard for accuracy. Only 65% of senior finance executives say the accuracy of data captured requires the most improvement over the next decade, well behind speed and ease of use. FSN's survey last year showed that this is not an aspect of PBF they can be complacent about. The Agility in Planning, Budgeting and Forecasting survey 2021 showed that only 43% of organizations could forecast revenue to with +/-5% accuracy, and only 39% could achieve similar levels of forecasting accuracy for earnings.

FIGURE 3: ORGANIZATIONS STRUGGLE TO MAKE TIME FOR TRANSFORMATION



To tackle the concerning problem of data quality and accuracy, many finance executives seem intent on passing the buck to machines or IT owners. 79% wanted to increase automation, and 78% are looking to invest in closer links with the IT function to improve data quality management and skills. Three quarters also want to put in place clearly identified 'process owners' across the enterprise. At the bottom of data quality shopping list is a dedicated role/team for data quality in finance, or even an enterprise-wide team focused on data quality.

If transformation is going to happen in across planning, budgeting, forecasting and reporting processes, organizations will need to commit time for it rather than rely on short-term solutions that make no real lasting change. Importantly this needs to include data accuracy, which can't be neglected as it affects every aspect of the insight and decision-making process. Whereas the trend for finance functions has previously been towards independence of data ownership and management, it seems finance executives are increasingly leaning on IT for answers and to ensure their data is accurate and trustworthy.

78% of organizations are looking to invest in closer links with the IT function to improve data quality management and skills.

How CCH Tagetik Makes Catching Up a Breeze

No time for financial transformation, but recognize the importance of quick, accurate planning and reporting? At CCH Tagetik, we do the heavy lifting so you can reap the rewards.

CCH Tagetik partners with highly-skilled implementors across the world. Our non-disruptive approach to implementation seamlessly transitions spreadsheet or legacy planning systems to an automated process that's built to be easy on your team and specific to your needs.

For plans and reports that are accurate from the get-go, CCH Tagetik integrates with all existing applications and data sources, and contains baked in mechanisms for data normalization and validation.

When starting a finance transformation, the best time was yesterday, the second-best time is today.

[Learn how CCH Tagetik can bring your BPF processes to the leading-edge.](#)

"It seemed like in a matter of a couple of hours and we were up and running in production." — Aldo Basha, Associate Finance Manager, Medline

[Hear what other customers have to say about their implementations.](#)

From Laggard to Leader: Ropes & Gray's Planning Takes Weeks not Months

Ropes & Gray is a global law firm specializing in corporate law and intellectual property litigation. Before CCH Tagetik, the legacy system the company used for overhead planning was completely rigid. Report building was inflexible and the finance team couldn't drill into results. For revenue and cost of service planning, Ropes & Gray used Excel models. It was a very time-intensive manual process that took a full-time employee (FTE) to just build and maintain every year.

When Ropes & Gray signed on with CCH Tagetik, their processes went from lagging to leading. The planning that took an FTE months, now takes weeks — and it's only getting shorter. The biggest impact of all? Ropes & Gray has a streamlined, automated, flexible revenue model and the finance team is confident in its outputs.

[Watch Ropes & Gray's journey from planning laggard to leader.](#)

Is This the Watershed for Disconnected Spreadsheets?

04

Is This the Watershed for Disconnected Spreadsheets?

Spreadsheets have dominated the planning, budgeting, forecasting and reporting landscape for decades, but there are palpable signs that the spreadsheet monopoly is at last coming to an end.

The survey shows that their usage by the end of the decade is forecast to go through a sharp decline, with a commensurate increase in the popularity of best of breed planning, budgeting and forecasting tools, CPM systems and applications that allow spreadsheets to be connected to a centralized database.

CPM use is expected to double by the end of the decade

The pandemic highlighted the limitations of spreadsheets while working under duress. According to previous research, they are simply not agile enough to cope with the pace of change, and in many cases existing legacy applications prove to be too slow. Instead, the cloud and the solutions in it are being recognized more and more for their agility. Cloud-based solutions for planning, budgeting and forecasting are becoming the natural choice because of ease of access, speed of deployment and suitability for a hybrid working environment.

The aspiration is there. A year ago, 10% to 12% of organizations used specialist software in the majority or all of their business units. The current research shows the possibility of a threefold increase in the application of specialized planning, budgeting and forecasting systems by the end of the decade.

Corporate Performance Management (CPM) systems, Best of Breed (BoB) solutions and spreadsheets connected to a centralized database seem set to benefit from the decreasing popularity of the standalone spreadsheet (with a slight weighting overall in favor of CPM). Specifically, CPM system use is set to double by the end of the decade and Best of Breed software for budgeting, planning and forecasting will grow by a similar amount. Spreadsheets connected to a centralized database will grow a more modest 50%, while standalone spreadsheet use will shrink to around 10%.

When viewing this trend through the lens of company size (number of employees) a more nuanced picture emerges. Large organizations, with more than 1000 employees prefer CPM, followed by Best of Breed and a centralized database approach. Mid-sized organizations are largely indifferent between these three technologies, while small organizations reflect more varied distribution across the key PBF choices.

Consolidation

A similar picture emerges concerning the displacement of spreadsheets for consolidation by the end of the decade.

A year ago, around 12% of organizations used a standalone consolidation tool in the cloud or on premise, and just 3% used a CPM system for consolidation. The current research shows that where there is a CPM system in place, it is primarily used for planning, budgeting and forecasting. The most popular solution for consolidation is ERP (32%), and a similar percentage use standalone spreadsheets.

For heterogeneous organizations with relatively straightforward organizational structures and standardized charts of accounts using a single instance of an ERP system, then the ERP approach to consolidation seems the obvious way to go. Indeed, by the end of the decade the use of ERP system for consolidation in larger enterprises will grow to 45%, and across the other techniques up to 20% will use CPM, Best of Breed, or connected spreadsheets. This proportion is roughly the same in mid-sized organizations while smaller organizations will focus on spreadsheets connected to centralized databases.

It is interesting to note that where an organization has invested in a CPM system, it is by no means the case that it is used for all of their PBF and reporting needs. There is a substantial proportion of organizations that use CPM for either PBF or consolidation but not both. Although, this runs contrary to the initial vision for CPM it is likely that historically, organizations have either invested in a piecemeal way or have just not been able to commit resources to a comprehensive CPM solution.

Does this spell the death knell of the spreadsheet? It seems unlikely given the slow pace of change within the finance function, and the stranglehold that spreadsheets have within the finance function which has withstood many years of technology evolution. But there is a clear direction of travel for organizations keen to improve their PBF and reporting processes, and spreadsheets are slowly being left behind.

Souped-up Spreadsheets: CCH Tagetik Empowers the Tech You Know With Automation

Why expose data to errors, misalignment, and siloes when a better (and easier!) way to plan and report exists? CCH Tagetik's end-to-end corporate performance management solution automates all processes from consolidation to BPF, reporting, and analysis, and aligns all outputs with a centralized source of validated data.

That's not to say we're anti-spreadsheet — we've just made them better. The CCH Tagetik Collaborative Office enhances Microsoft Office tools, like Excel and Word, with real-time dynamic data, best practice templates, automation, permissions, audit trails, and an in-software collaboration suite. Your plans and reports benefit from added transparency and surefire accuracy.

No report is an island. [Learn more about the CCH Tagetik Financial Reporting & Collaborative Office.](#)

“I would recommend CCH Tagetik to other corporations that are looking for a solution that is able to customize their platform to their specific requirements.”

— Eugene Band, FP&A
Manager, Sumitomo
Rubber

From Excel-hell to Automation-Heaven: How Sumitomo Solved Planning Pains with CCH Tagetik

Sumitomo was in the epitome of Excel-hell: Excel-based models, no data validation, manual human errors, data trust issues, slow information updates, and a two-month long budgeting cycle. Budgeting, planning, and forecasting was a painstaking process — until Sumitomo found CCH Tagetik.

Using CCH Tagetik Budgeting, Planning, and Forecasting, Sumitomo has eliminated manual processes. CCH Tagetik automatically collects operating and capital expense information, defines workflows, emails deadlines to contributors, and provides permissions so the right contributors have control over changes to the data.

[Watch how Sumitomo’s BPF transformation journey unfolded.](#)

Will Predictive Analytics be the Norm by 2030?

05

WILL PREDICTIVE ANALYTICS BE THE NORM BY 2030?

65% believe AI and machine learning will mature over the

The explosion of corporate data over the last decade has opened up new channels of insight and foresight. Supply chain management, sales, inventory, search history, and customer relationship data are just a few of the vast caches of granular data that can help focus and refine budgets, forecasts and plans. But at those volumes, manual manipulation is just not feasible, instead cutting-edge tools, machine learning and artificial intelligence are driving predictive analytics.

But considering the low penetration of some modern accounting techniques like rolling forecasts and scenario planning, is substantial uptake in predictive analytics feasible?

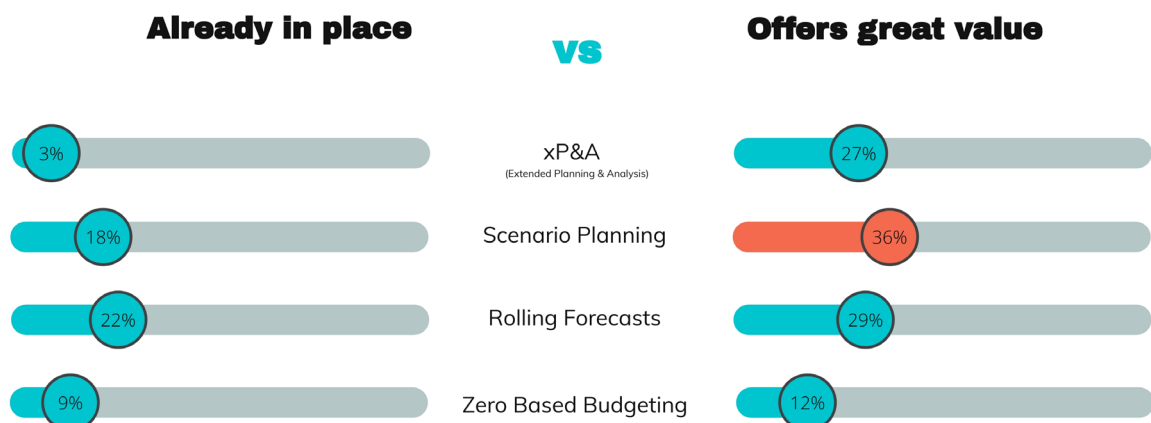
More than half of organizations expected to have implemented scenario planning over the next decade

FSN’s 2021 research found that only 19% of organizations have moved to rolling forecasts, 13% use zero-based budgeting in all areas of the business and 13% use scenario planning to improve their PBF process. Graduating to predictive analysis would largely be conditional on leveraging the system and process requirements for these modern accounting techniques (standardized, automated and verified data, effective PBF systems). If so few are even at that stage, it seems challenging for three quarters of finance executives in the survey to expect to be using predictive analytics, AI and machine learning before 2030.

That said, there is clearly intent and interest in the techniques that aid planning, budgeting and forecasting. Where 18% of organizations already scenario plan, a further 36% believe this will add most value to the agility of budgeting and forecasting in the future, which suggests more than half will have implemented scenario planning over the next decade. The interest is lower for zero-based budgeting (9% already use it and 12% think it will offer great value), and rolling forecasts (22% use it and 29% see value in its future use).

FIGURE 4: SCENARIO PLANNING IS GROWING IN POPULARITY

Which accounting technique do you consider will add most value to the agility of your budgeting & forecasting in the future?



The most notable surge in interest is in xP&A, or extended planning and analysis, which is only currently practiced by 3% of organizations but a further 27% see it as offering great value to PBF in the future. While xP&A is not an entirely new concept, connecting all functional areas together in one environment enriches the planning and forecasting insight a company can generate. This is challenging from an organizational point of view but beneficial when done effectively.

Finance executives ambitiously expect that predictive analytics will be the norm for 75% of organizations by 2030, although that does leave a quarter who don't feel they'll need it or don't think it is achievable by then. But they also come to the table with a shopping list of preconditions that need to be satisfied if predictive analytics is to be used successfully in the PBF process. Chief among these is the requirement to understand the inner workings of the solutions they use.

Complex algorithms can easily end up inside a 'black box' of knowledge that can only be flexed by the software developers. Finance functions looking to incorporate predictive analytics in their planning, budgeting and forecasting processes want explainable algorithms that can be changed and flexed within the function itself.

They also want the solutions to be as easy to use and build as business intelligence solutions are today. And they want to be able to link the predictive models to financial data and external market data. Importantly they want all this built into forecasting software rather than as an add-on or afterthought.

The pandemic has hastened the acceptance of many new technologies including AI and machine learning. FSN's survey found that 65% believe AI and machine learning will mature over the remainder of the decade and become more commonplace. But they also complain about its transparency, with 60% believing finance needs to be able to understand how the results of the forecasts are produced and be able to amend them as needed. Right now, 57% don't believe software vendors have a compelling enough business case for machine learning and AI. If they take heed of the finance functions requirements for success, this can change.

Perhaps tellingly, despite the pervasion of technology in all aspects of life, our confidence in machines has waned somewhat. In 2017, 24% of finance executives said they thought machines will always be better at predicting the future than humans. Today that figure is 19%. Time will tell if trust in machines has plateaued or if this lack of confidence will be further eroded.

CCH Tagetik Predictive Intelligence: The Predictive Analytics Solution Built to Bring Finance Up to Speed

CCH Tagetik Predictive Intelligence is our ready-to-go predictive planning solution, built to empower planners to make better decisions — faster. Its embedded machine learning unearths underlying data trends to show you what the future holds.

What sets this solution apart? It's a glass box, not a black box. Where other predictive analytics software produces predictions and predictions only, CCH Tagetik provides you with the reasons why. Our explainable predictions identify the business drivers responsible for the predicted result. Armed with this information, you can use CCH Tagetik's scenario planning and what-if analysis to improve predicted results and determine the best path forward.

No data scientist required, CCH Tagetik Predictive Intelligence is ready-to-implement and easy for finance to use.

Predict the future, then improve it. [Learn more about CCH Tagetik Predictive Intelligence.](#)

Learn why [Aggreko](#) chose CCH Tagetik as a key enabler to meet their complex financial landscape.

An Ideal Planning World is Predictive: How CCH Tagetik Predictive Intelligence Changed One Bank's Planning Process Future

One CCH Tagetik Predictive Intelligence customer is an independent multi-channel direct bank and brokerage leader in Europe. In an ideal world, the bank wanted a P&L that was fully explainable, a flexible forecasting process, and the ability to be reactive to regulator inquiries. CCH Tagetik Predictive Intelligence made the ideal possible.

The bank choose CCH Tagetik Predictive Intelligence for its ability to automatically determine the impact of changing internal operational and financial drivers, including number of CCs, number of customers, customer satisfaction, working capital, and assets managed. The bank's finance team can also incorporate external variables, like interest rates and macroeconomics variables, into its P&L analysis.

CCH Tagetik Predictive Intelligence gives the bank the power to change any assumption in the planning process and immediately see the financial impact. What's more, the bank's P&L is fully explainable, meaning its finance team can confidently simulate market stresses per regulator requests or for their own planning purposes.

Get a deeper look at CCH Tagetik Predictive Intelligence. [Watch the demo.](#)

Skills Not Headcount

06

Skills Not Headcount

For the finance function to achieve any of its long-term ambitions for forecasting and planning improvement, it needs the right tools and the right skills. The survey showed that data scientists, business partners and systems accountants are all being prioritized over FP&A professionals, and specialists in statutory reporting are least in demand, languishing a long way behind all the other functions in the investment queue, despite new statutory reporting requirements.

73% of finance executives say they will be unable to meet their objectives without significant specialization and upskilling.

Notwithstanding the current skills shortage that many industries are facing, the finance function gap is a very real issue and has been for some time. Research conducted in 2019 showed that even then, 42% of finance executives were concerned that their lack of digital skills would prevent them from introducing new technology over the next three years. Now, three years later, 73% of finance executives say they will be unable to meet their objectives without significant specialization and upskilling. Half recognize that automation of finance processes alone will not liberate enough time to meet their objectives and 45% say that a shortage of finance talent will hold them back.

However, it's not a headcount issue for most people. Only 30% of survey respondents said they wouldn't achieve their objectives without a significant increase in headcount. Most are not blaming the growth in volume and variety of data, and only a quarter believe the post-pandemic uncertainty will hold them back until the end of the decade.

Finance recognizes that it's not just about processes or tools, it's not even a shortage of finance talent. Instead, to keep up with the next generation of technology, they need the right skills to remain competitive.

Elevate Your Business, Team, and Job with CCH Tagetik

CCH Tagetik is the quintessential enablement tool for the office of finance — and the entire organization. For every demand on the finance function, we create automated, intuitive software that enhances our users' skills, while optimizing how they use their time.

Recently, we released AI-based solutions for supply chain planning, direct tax, and ESG and sustainability reporting. By doing so, we've become the most comprehensive strategic intelligence tool built to help you elevate your business. When you become a CCH Tagetik user, we understand that elevating your business means elevating you.

You:

- The CFO who bears the weight of delivering make-or-break guidance to your C-suite peers.
- The planner tasked with foreseeing breaks in the supply chain, operations, and sales.
- The compliance officer charged with overhauling processes to satisfy regulators.
- The operational leader who must satisfy shareholders, communicate performance, and ensure the long-term future of your organization.

This year and every year, we're focused on making your job easier, making you more successful, and supporting you with the technology you need.

Elevate your business. [Learn more about CCH Tagetik's most recent product innovations.](#)

Transformation Today and Tomorrow: Danone Sees a Long Future with CCH Tagetik

Danone's business transformation team chose CCH Tagetik as the best solution to support finance — and the business. Before CCH Tagetik, Danone was using multiple ERPs with lots of customized processes and limited self-service BI. But they wanted a single solution that would help them transform finance, support the business, simplify processes, and enable self-service insights.

They got it all with CCH Tagetik. In addition to facilitating strong budgeting, planning, and forecasting processes, Danone saw CCH Tagetik as a long-term support system for its teams. CCH Tagetik enabled Danone's finance teams to focus on business priorities — not tech logistics — in a simple interface with easy-to-manage applications.

[Learn why Danone chose CCH Tagetik for their global finance transformation.](#)

"I would say that CCH Tagetik is a very user-friendly solution for Finance, and today I can meet my objective to provide a solution to the Finance team to help them focus on business priorities and not on technical priorities."

*- Marcin Lobejko,
IS Process Leader &
Program Manager,
Analytics and
Enterprise Performance
Management, Danone*

Transformation Leaders Will Lead the Next Wave

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Transformation Leaders Will Lead the Next Wave

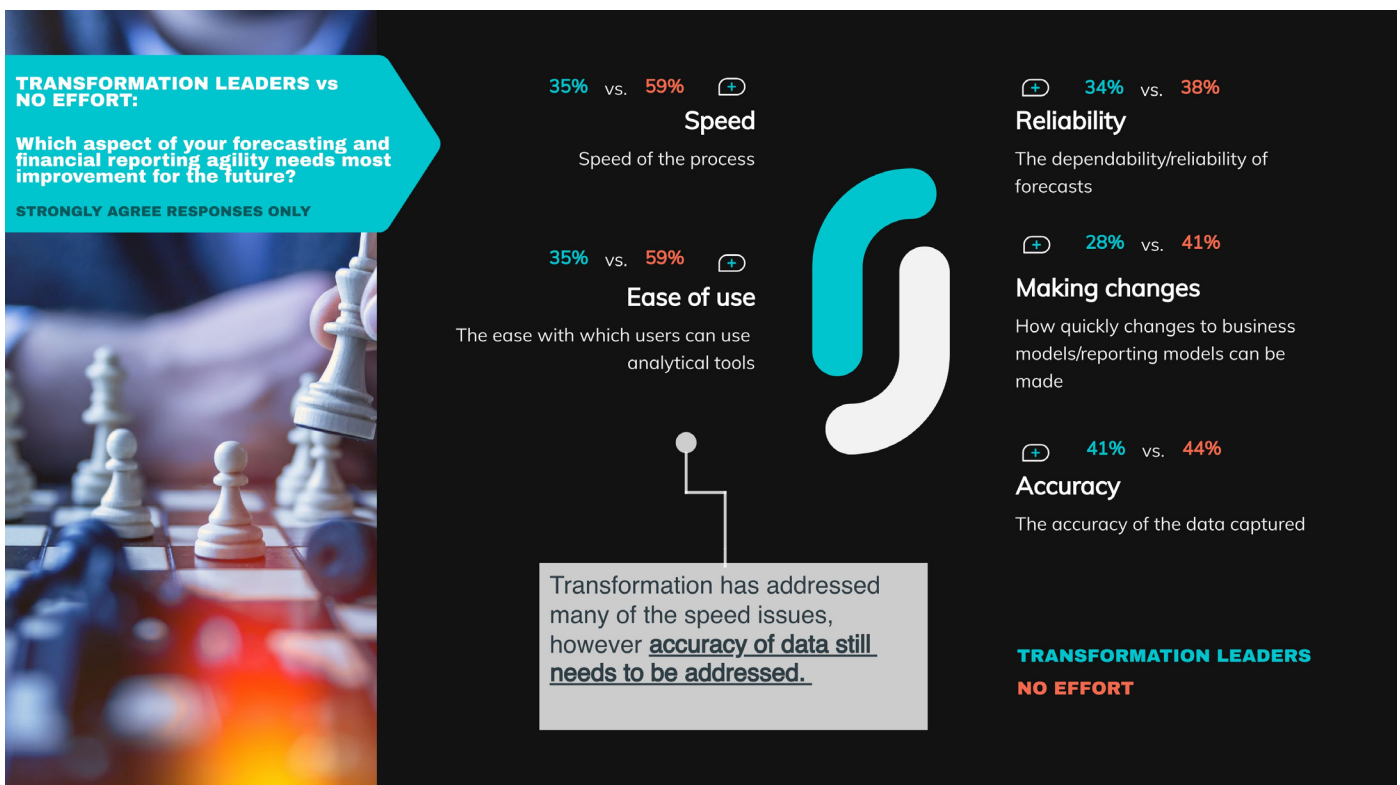
Some organizations have already completely transformed their PBF and reporting processes. They are reaping the benefits of the time and resource investment. Transformation leaders typically take a more holistic approach to process improvement. 58% of them transform their financial reporting process in tandem with their PBF capabilities. They actively look for platform solutions and are more likely to consider Corporate Performance Management systems to deliver their PBF solutions.

Transformation leaders are also preparing the groundwork for more advanced PBF techniques and, for example, are four times more likely to use scenario planning, zero-based budgeting and rolling forecasts. All this takes time, and they have more of it to dedicate to transformation. Half are able to devote between 1 to 6 months, twice as much as those who have yet to make any change and can only dedicate up to 3 months for new PBF projects.

Having made the transformation, far fewer of these leaders need to improve their process speed, ease of use or forecast reliability. However, the accuracy of data still needs to be addressed. A similar percentage of both transformation leaders and laggards said accuracy of data needed the most improvement in the future. The data issues that have dogged finance functions for years continue to prove difficult to surmount, even for those at the pinnacle of transformation.

That said, the next step for those that have completely transformed their PBF process is to utilize predictive analytics if they are not already doing so. Whereas for a quarter of those that have yet to begin their transformation journey, this objective is unattainable for the time being.

FIGURE 5: TRANSFORMATION LEADERS WILL LEAD THE NEXT WAVE



Transformation leaders poised to take advantage of AI & Machine learning.

14% of transformation leaders already utilize predictive analytics, AI or machine learning, while their laggard competitors haven't even got off the starting bloc. And 76% of those leaders who don't yet have it expect to have it by 2030, compared with 56% of those organizations that have yet to make an effort to transform.

There is a substantial competitive advantage to transforming planning, budgeting, forecasting with predictive analytics, and the current crop of transformation leaders appear well placed to leverage this capability.

Let CCH Tagetik Be Your Strategic Control Room

100% of CCH Tagetik customers are transformation leaders. We're creating the next generation of finance transformation with truly extended and integrated business planning solutions that give FP&A capabilities to planners around the entire organization.

In addition to CCH Tagetik Budgeting, Planning, and Forecasting and CCH Tagetik Predictive Intelligence, we're continuing to lead innovation in xP&A and finance transformation with our two newest solutions:

CCH Tagetik Supply Chain Planning

Our new, finance-forward AI-based solution integrates demand, supply, production, and sales and operational planning to give you a 360-degree view of your supply chain. CCH Tagetik Supply Chain Planning enables demand planners to see the impacts on production, sales to see impacts on operations, and CFOs to keep a finger to the pulse of it all.

CCH Tagetik ESG and Sustainably Performance Management

CCH Tagetik ESG and Sustainably Performance Management is a pre-packaged solution that makes it possible for you to automatically address evolving regulations, produce compliant disclosures, and create attractive reports.

But ESG is so much more than reporting. Which is why the true power of this solution is that it shows you how ESG initiatives and financial performance converge.

Our grand vision is to extend predictive planning and analysis capabilities to the entire enterprise, giving structure to vast volumes of financial, operational, and external data. With CCH Tagetik, finance and business leaders can respond to disruption of any kind, quickly, efficiently, and with confidence. [Learn more on our website.](#)

From Mayday to Mission Control: KWH Chose CCH Tagetik to be its CPM Command Center

KWH is a multinational group with 50 reporting units in 20 countries and 20 currencies. As you can imagine, reporting this diverse was as hectic as it was siloed.

When KWH started using CCH Tagetik, they brought everything together in one platform. Workflows, fast implementation, and a single source of data: the company now uses CCH Tagetik as its process control room. What's more? This is just phase one of the partnership — KWH plans on expanding its use of CCH Tagetik in the near-future.

[Watch how KWH uses CCH Tagetik to centralize its complex, global financial management processes.](#)

“We can all really see that we’ve reached the one database, one truth. And that CCH Tagetik is a really good platform to be building a future with. I would recommend CCH Tagetik to anyone who wants a good, flexible, modern solution for their consolidation process.”

- Eija Savela, Group Controller, KWH Group

Methodology

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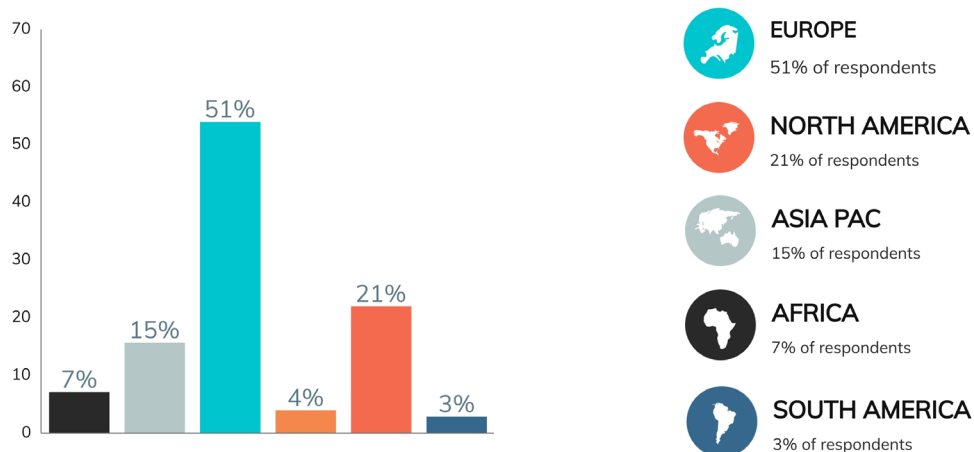
Methodology

The survey drew responses from 444 international senior finance professionals from the FSN [Modern Finance Forum on LinkedIn](#).

This survey covered finance professionals across 23 different industries. 81% of these professionals were considered to have senior job titles and above.

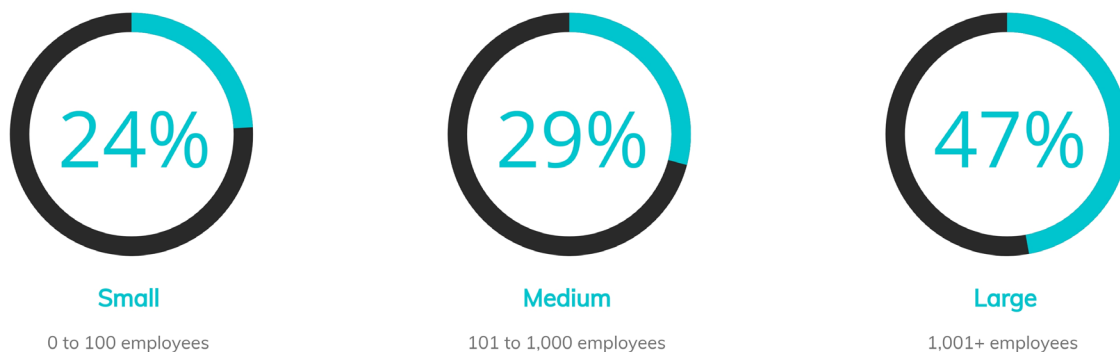
Response Demographics

444 SURVEY RESPONSES GLOBALLY*

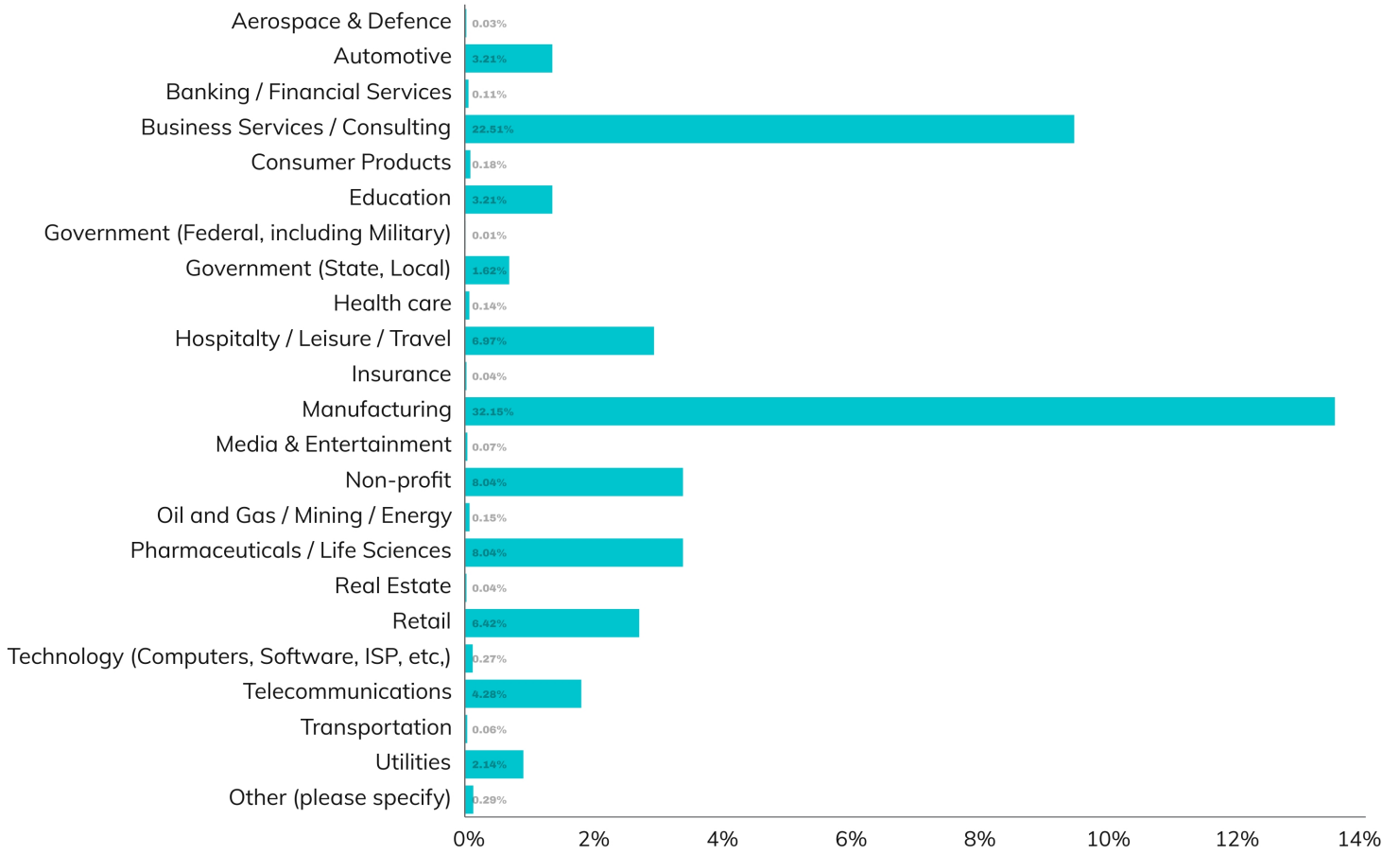


COMPANY SIZE

Based on employee numbers



Industry of respondents



About Wolters Kluwer (WKL)

Wolters Kluwer (WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services.

Wolters Kluwer, through its CCH® Tagetik expert solution, provides the strategic and financial intelligence platform that enables CFOs and their peers to propel their strategy with faster and better-informed decisions. The proven Corporate Performance Management (CPM) solution streamlines financial close & consolidation, integrated business planning, and regulatory compliance. Powered by the Analytic Information Hub, the CCH® Tagetik open and extendable platform easily connects financial and operational data with operational solutions to create enterprise-wide insights.

Wolters Kluwer reported 2020 annual revenues of €4.6 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 19,200 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

Wolters Kluwer shares are listed on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt (ADR) program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).

For more information about the CCH® Tagetik expert solution, visit the [CCH Tagetik website](#), follow us on [Twitter](#), [Facebook](#), [LinkedIn](#), and [YouTube](#).

Media Contacts:

Beatriz Santin
CCH® Tagetik
+1 339 229 2447 office
Beatriz.santin@wolterskluwer.com

Greta Bartoli
CCH® Tagetik
+39 058396811 office
greta.bartoli@wolterskluwer.com



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Contact:

Gary Simon, CEO: gary.simon@fsn.co.uk

Michelle Fabian: michelle.fabian@fsn.co.uk

HQ Office in United Kingdom
FSN Publishing Limited
Devonshire House
Manor Way
Borehamwood
Herts, WD6 1QQ

FSN[®]
The Modern Finance Forum

Switchboard: +44 (0)20 84452688

[The Modern Finance Forum LinkedIn](#)

<http://www.fsn.co.uk>

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