



CCH® Tagetik Guide

Three steps to an xP&A transformation

Moving from traditional finance data analysis to xP&A involves considering not just your technical capabilities, but also your processes – and the culture that shapes them

It was the global technology research specialist, Gartner, that first started using the term extended planning and analysis around 2021. It defined it as *“a transformation of financial planning and analysis via a single platform with the integration and services needed for finance and business teams to collaborate.”*

Through its *‘Market Guide for Cloud, Extended Planning and Analysis’*, (xP&A), Gartner also signposts the handful of solutions with the capabilities to help deliver this transformation, CCH Tagetik among them.

That said, xP&A is not something enterprises can simply install, switch on and start using. It is an approach rather than a product. Certain advanced capabilities — predictive analytics being a notable example — play a central role. But as always, technology is an enabler rather than an end goal. To successfully pivot towards xP&A, organisations need to examine and, where necessary, adapt their planning culture.

In embarking upon that transformation, these are the areas finance leaders should focus on:

1. Blending xP&A into your broader finance transformation strategy
2. Secure buy-in from stakeholders at an early stage
3. Data and technology finesse.

1 | Blending xP&A into your broader finance transformation strategy

There is a defined broad business case for xP&A: namely, the opportunity to break down planning silos, gain a holistic view of the organisation, and foster organisational agility and informed decision-making – with a stronger handle on cause and effect.

But more specifically, what about the finance case for it?

That phrase, ‘finance transformation’ is, by now, ubiquitous. It involves an element of soul searching (asking what the finance function is for and how it can deliver real value to the organisation in the long term). On a more practical level for most companies, it usually involves adopting various technologies to streamline or completely automate critical processes and workflows.

Finance transformation by numbers



69%

The pandemic and subsequent shocks led some **69% of businesses to step up their transformation efforts**. Despite (or perhaps, because of) more recent economic shocks, this transformation has continued apace.



84%

In its 2022 Tax and Finance Operations Survey, [EY](#) found that **84% of organisations are actively transforming their tax and finance operating model**.



94%

Additionally, **94% are reallocating their budget away from routine activities** (tax compliance, for example) and towards more strategic ones, including policy, planning, and controversy management.

In the current climate, however, there is no such thing as a blank cheque to cover transformation. If xP&A adoption is to be added to the transformation 'to-do' list, finance leaders need to carefully consider the case for it. This will, of course, depend on a business's specific goals and priorities.

As part of this, alongside the broad business case for it, one key potential benefit of xP&A is the fact that it goes hand-in-hand with business partnering. This is (or ought to be) a vital aim of any finance transformation strategy – the idea that rather than just issuing reports from on high, finance should be actively putting its expertise to use in solving broader business problems. Analysis, risk management, governance, a fresh perspective: true business partnering requires these core finance competencies to be deployed, where needed, at ground level. Above all, it is collaborative.

Key takeaway

xP&A provides the ideal framework for this business partnering to occur. Using the same familiar platform they use for topline strategic plans, finance professionals can seamlessly drill into the detail of operational plans from various departments, offer suggestions for change, and help generate solutions to operational problems.



2 | Secure buy-in from stakeholders at an early stage

Any shift towards xP&A will only be successful if individuals within the business understand and buy into the approach.

Finance leaders should consider highlighting to team members the potential benefits of xP&A in terms of personal and professional development. Namely, this approach actively encourages finance professionals to drill into the details of operational plans and data to gain a clearer understanding of what makes the business tick and expand their knowledge base through closer cross-functional collaboration.

In its most recent *'Skills Advantage Report'*, LinkedIn highlighted the workplace factors most likely to prevent the churn of in-demand, talented employees. Top of the list came the scope for real career advancement, along with the reassurance that what they do day-to-day adds real value to the business. By adopting xP&A and encouraging wide uptake, finance leaders can speak directly to these ambitions.

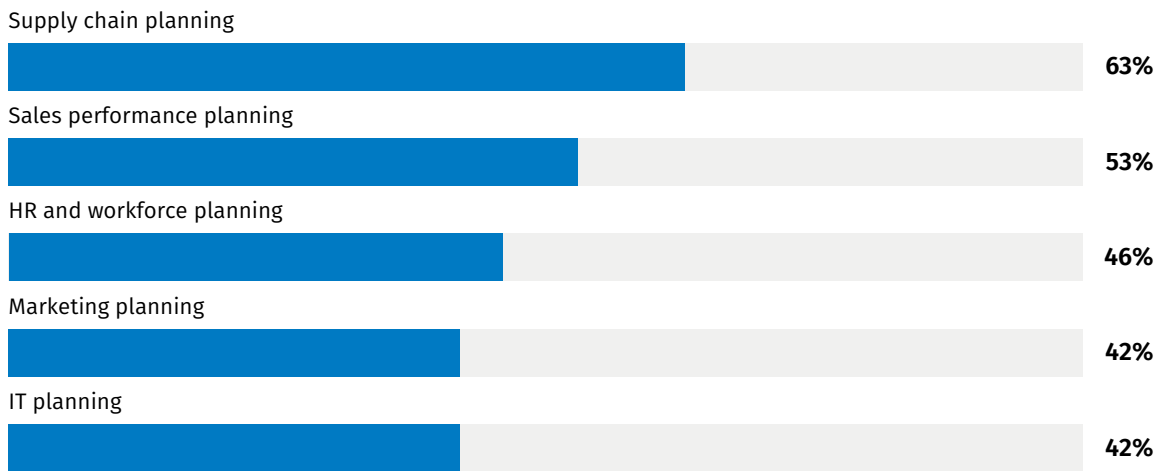
In other words, more integrated planning is good for business and good for people, which should bode well for shifting a company's culture towards it.

No single department should have a monopoly on planning. Likewise, xP&A adoption and usage should not be confined to finance. The benefits of it should be made clear to all internal stakeholders involved in planning, decision-making, and performance activities.

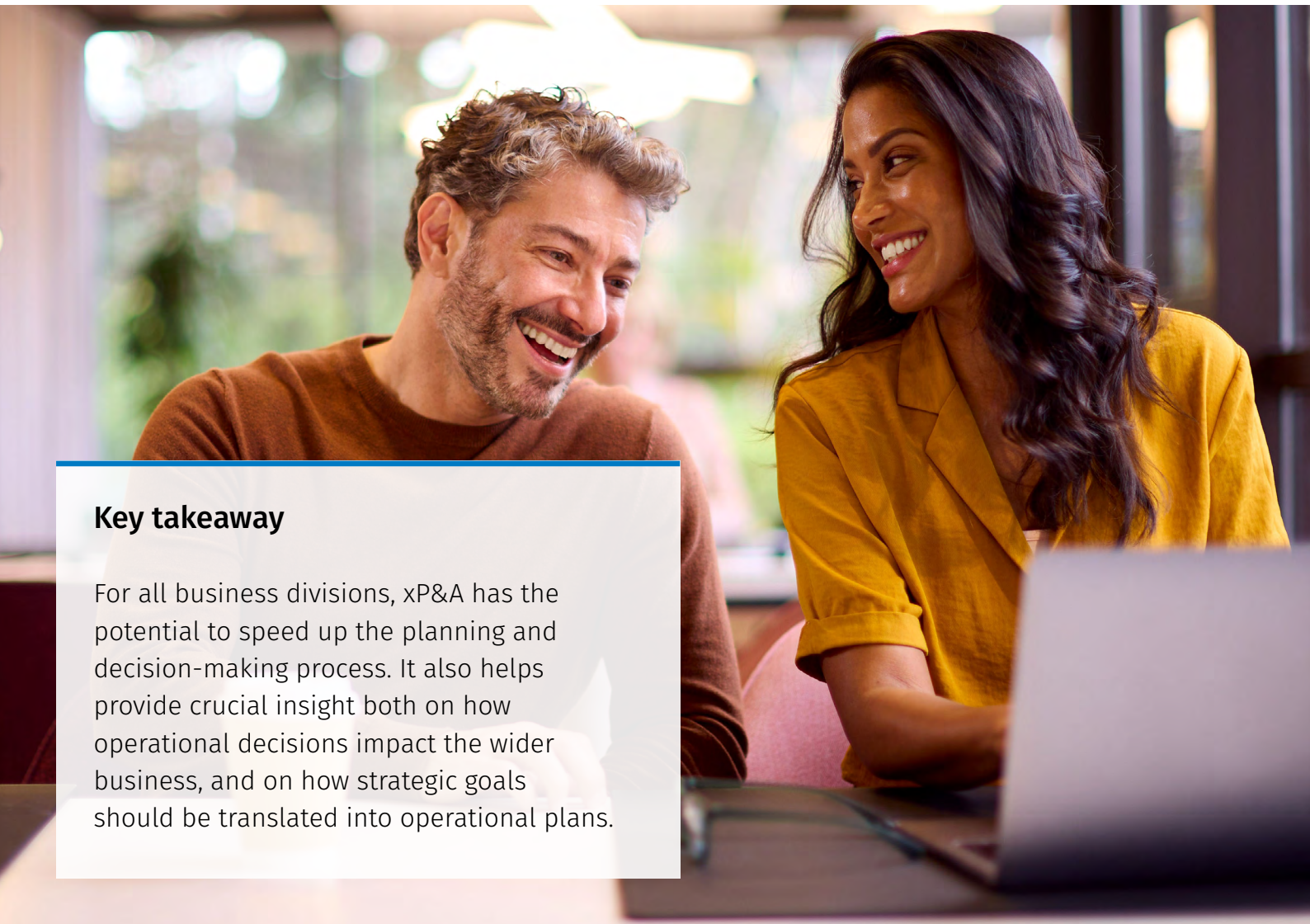


Wolters Kluwer asked business leaders to highlight those operational areas that would most benefit from integration with financial planning:

Operational areas that would most benefit from integration with financial planning



Wolters Kluwer, 2022



Key takeaway

For all business divisions, xP&A has the potential to speed up the planning and decision-making process. It also helps provide crucial insight both on how operational decisions impact the wider business, and on how strategic goals should be translated into operational plans.

3 | Data and technology considerations

Companies must ensure that source data is clean and accurate to realise the maximum benefit from xP&A.

On the data side, Mark Jenkins, chief finance officer at HR, payroll, and finance software company MHR International, explains the importance of exemplary data processes: “Companies also have to make sure the manual systems and business processes are robust enough to feed data into the system, or they are going to elicit bad decisions based on poor data.”

Jenkins has worked on implementing xP&A in many companies and warns of the need to resource the transition properly. “You could end up with a hybrid xP&A that is a little bit on the system and a little bit off it,” he says. “And then stakeholders complain that it isn’t giving them the benefits they expected. That might be because the management wanted it implemented in three months, but they only seconded two staff to the project when it needed eight staff across all the departments.”

Finance leaders with recent experience in software procurement will be aware that terms like ‘AI-driven’ and ‘smart’ are used liberally by vendors.




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Mark Jenkins
Chief Finance Officer
MHR International

When considering technology solutions to support an xP&A transformation, such claims are always worth interrogating closely by asking five key questions:

- 1 Regardless of any labels used, what actual functionality does this solution offer?
- 2 What difference will this functionality make to everyday users?
- 3 How exactly will it equip us to get a holistic view of the business?
- 4 Will it generate more agile, accurate plans?
- 5 How does it enable us to respond to unpredictable events with uncertain outcomes?



Key takeaway





Once finance leaders have established the business case for xP&A and where it sits in their wider finance transformation strategy, the right technology then acts as a gateway to successful implementation. It can provide precisely the right environment where collaboration and business-partnering become second nature, along with proactively creating responses to whatever challenges and opportunities the business may be faced with.

CCH Tagetik is a leader in xP&A technology

Despite the proliferation of feature-rich performance management products on the market, only a small handful have been assessed as meeting the full criteria of an xP&A leader.

One such platform is CCH Tagetik.

CCH Tagetik's multiple features and innovations are squared firmly on four simple business aims:

-  It enables companies to account for the obvious by automating and streamlining core financial processes, including financial close, disclosure management, and a host of regulatory requirements.
-  Businesses can plan for the probable, with financial, strategic, and operational plans fully integrated into a user-friendly analytical information hub.
-  It allows an organisation to strategise for the possible through extended plans in a robust governance framework supported by a powerful workflow engine.
-  Companies can plan for the unknown, supported by out-of-the-box machine learning algorithms. In real life, this means employees can test assumptions, play with ideas, and take risks in a safe environment, using both internal and external data. Alter any variable, and they can instantly measure the impact across the enterprise at any level of granularity.

Visibility. Resiliency. Agility.

Learn about CCH Tagetik's cross-functional planning platform that's powered by dynamic data, real-time automation, and AI-based predictions.

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