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eBook

The ultimate buyer's guide to financial planning and analysis software

Looking to support finance teams with FP&A software? From essential capabilities to building your business case, here's everything you need to know.

The state of FP&A

FP&A is in a bind. As stewards of performance data, FP&A teams are increasingly relied on to guide strategy. But while demands on their time grow, they often lack the digital tools needed to thrive in this advisory role.

At the heart of this problem are fragmented systems overloaded with data, the consequences of which become glaring when leadership needs data to support urgent business decisions.

Fragmented planning results in:

- **Slow planning cycles:** Gathering data and running scenarios takes too long, reducing responsiveness.
- **Limited responsiveness:** Time spent prepping data cuts into time for analysis.
- **Lack of cohesion:** Aligning revenue, expense, cash flow, and profit projections is manual and short-sighted.
- **Shallow analysis:** Root cause discovery is slow and incomplete.
- **Oversimplified models:** Mathematical models often can't capture the full business picture.
- **Eroded trust:** Forecast errors undermine confidence, and errors take time to fix.

The solution?
Modern enterprise FP&A software unifies data, processes, and departments around a shared financial reality, while automating the budgeting, planning, and forecasting tasks that slow teams down.

Gartner finds that 85% of FP&A teams struggle to sustainably support complex business decision-making and planning needs stemming from economic turbulence.

Source: Gartner

If you're finding plans are difficult to prepare, hard to justify, and challenging to improve, it's time to consider new FP&A software.

This FP&A buyer's guide will help you:

- Evaluate your current system
- Identify red flags
- Build your buying committee
- Define your software requirements
- Understand what's new in FP&A software
- Make a business case
- Research vendors
- Build your RFP

STEP 1 | Evaluate your current system

Your first step should be to take a good look at your current system.

Interview power users or FP&A staff in the trenches of planning to get a gauge of what's working — and what's not.

If you have a CPM or FP&A system:

- How long have you had it, and when was the last major update?
- Is your system nearing end-of-life or have support dates been announced?
- How many spreadsheets do you manage outside the system?
- Does your system integrate with tools like Microsoft Office or Teams?

If you don't have a CPM or FP&A system:

- What is your budgeting and planning workflow?
- What tools do you use for FP&A tasks?
- How many spreadsheets do you manage, and do you collaborate via email or text with attached reports?

General questions:

- How much time do you spend on critical FP&A tasks (e.g., budgeting, P&L analysis)?
- How many data sources do you manage, and do you have real-time access?
- Do you have a single planning system for reports and analysis?
- Are your auditing processes reliable, and is your planning workflow transparent?
- Where do you face resource constraints or security issues?
- Are you working with a recognized leading vendor in automation and AI?

Download the essential FP&A software checklist to identify must-have capabilities.

Download →

STEP 2 | Identify red flags

As FP&A tools age, they can become less agile and reliable, leading to rework in the plans, forecasts, and budgets. Use this list of red flags to identify issues that signal the need for a software upgrade.

Budgeting and planning

- Difficulty connecting financial plans with operational drivers
- Manual, siloed processes that are time-consuming and slow to adapt
- Inability to quickly react or replan when strategy or market changes occur
- Challenges running 'what-if' scenarios and predictive models in real-time
- Misalignment between regional/division planning and corporate strategy
- Managing too many Excel spreadsheets with unclear accuracy
- Blind spots in data analytics and lack of real-time access to reports
- Inability to adopt new tools like machine learning

Software usage

- Expensive upgrades and frequent maintenance required
- Employees find the system complex, requiring lengthy training
- Budget allocated for patching, training, and system fixes
- Workarounds used for basic FP&A tasks
- Frequent system crashes, slow performance, and limited remote accessibility

Information technology

- Finance teams depend on IT for system administration and updates
- Software struggles to scale during seasonal peaks, stressing IT infrastructure
- Custom scripts are needed to maintain planning systems
- Difficulty integrating with ERP, CRM, and consolidation systems
- Missing essential features like data visualization, predictive analytics, and machine learning

What about FP&A software green flags? Learn how CCH Tagetik enables TUI Musement create precise, predictive, and powerful forecasts.

See transformative FP&A software in action →

STEP 3 | Define software requirements

The goal of FP&A software is to enable enterprise finance teams to create budgets, plans, and forecasts that lead the business towards profitability and growth that is sustainable, both financially and operationally.
FP&A software should support the following tasks:

Budgeting

- Data collection
- Goal & objective setting
- Past performance analysis
- Top-down/bottom up budgeting
- Setting financial targets
- Cost allocation
- Multi-dimensional modelling

Forecasting

- Sales & revenue
- Capital and Operational expenses
- Cash flow management
- Profitability
- Monthly, quarterly, and annually
- Rolling forecasts
- Scenario planning
- Multi-dimensional modelling

Monitoring & analysis

- Variance analysis
- Profitability analysis
- Budget & forecast adjustment
- Stakeholder communication
- Data analytics
- KPI tracking
- Financial reporting
- Root cause analysis
- M&A support

Long range planning

- Strategic goals alignment
- Cash reserve and debt planning
- Investment and return projections
- Scenario planning
- Flexible modeling

Risk management

- Risk identification
- Contingency planning
- Probabilistic planning
- Scenario planning

Also consider

- Seamless integration with consolidation and reporting processes
- A platform that facilitates a central source of enterprise data

STEP 4 | Build your buying committee

Finance isn't the only department that needs to be involved in the FP&A software buying process.

Your buying committee should span all business units in order to cover a whole range of needs. Determine internal stakeholders whose perspectives will be critical to finding a system that fits your needs.

Stakeholders can include:

- C-suite
- Supply chain
- The board
- Sales and marketing
- Finance team
- IT
- Operations
- HR

Questions for each stakeholder:

- What are your department's goals and objectives for the next 3-5 years?
- What are your needs from FP&A?
- How do these goals tie into the overall mission and goals of the organization?
- What business opportunities do you and leadership want to capitalize on?
- What obstacles do you run into when accessing planning data and financial reports?
- What are your biggest challenges with the current budgeting, planning, and forecasting system?

STEP 5 | Understand what's new in FP&A software

It's likely been a while since you've been in the FP&A software market. A lot has changed! Here are new capabilities to look for in a solution that will set you up for long-term success:

Unified financial processes

Financial processes are inherently interconnected. Enterprise reports, plans, and budgets are built from consolidated data. Therefore, it makes sense to streamline their data flow by using a single software platform as the control center for these interrelated tasks.

Predictive planning and forecasting

Predictive planning and forecasting software uses AI to analyze historical and market data, producing more accurate plans, forecasts, and budgets. It can uncover trends humans might miss and quickly model scenarios or make real-time adjustments, giving finance teams greater agility in responding to market changes.

Real-time reporting

A modern FP&A solution should enable the creation of live, ad-hoc reports that integrate seamlessly with your most-used Microsoft 365 applications, including PowerPoint, Word, Excel, and Co-Pilot. It should provide real-time data access, allow drill-downs into unique metrics, and help answer leadership's questions quickly.

Group-level control and business unit flexibility

Many finance teams need to balance control at the group level with flexibility at the business unit level to ensure accurate, aligned and data driven plans. FP&A software should enable planners to strike the perfect balance of centralized structured workflows and processes at the group level while enabling flexible, independent scenario planning for business units.

Foundation for integrated and extended business planning

Enterprise planning goes beyond finance. It spans departments, functions, products, and entities. That's why FP&A solutions should lay the foundation for:

- **Integrated business planning**: where financial planning connects with supply, demand, workforce, and S&OP to optimize resources
- **Extended planning**: where planning capabilities are expanded to HR, sales, and operations for organization-wide alignment and analysis

Extend even more benefits to FP&A by prioritizing an AI-based platform

In an era of enormous volumes of data, sprawling enterprises, siloed plans, and market uncertainty, what FP&A needs more than anything is control. Control of their time, control over what happens next, control over responses, and control over outcomes. By providing access to deeper data insights and the automation required to create budgets, plans, and forecasts faster, AI provides FP&A with the perfect balance of control and agility needed to make swift data-based decisions — confidently.

Want to eliminate grunt work, expand analysis, and elevate Finance's impact?

The CCH Tagetik Intelligent Platform is an AI-based CPM solution that expedites tasks and unearths insights in every financial process from data mapping to disclosure.

Learn more →

Why choose an AI-based platform?

- **Digital excellence**: Every minute finance spends managing enterprise planning data detracts from executing the plan. AI builds digital excellence across the business, helping analysts manage and explore data at scale and at speed.
- **Faster time to value**: AIs jumpstart productivity in areas that typically consume time, energy, and attention, like data management, reconciliation, and variance analysis. With AI, finance can focus on executing plans, rather than the steps it takes to create them.
- **On-the-fly foresight**: When the best laid plans are derailed by unstable market conditions, finance needs to replan fast to prevent the whole train from going off the tracks. AI augments the planning processes key to agility — like modeling, scenario planning, and forecasting — imbuing these processes with precise, comprehensive predictions.

STEP 6 | Make the business case internally

A persuasive business case will measure the impact of investing in a new solution by quantifying the total ROI and cost of ownership over three years. Your business case should weigh the potential cost of transforming your FP&A solution against the cost of inaction.

Business case checklist

- Evaluate the longevity of your current system, including any potential end-of-support dates
- Determine the cost of your current system, including overtime, IT, training, and productivity
- Outline risks to the business if FP&A goals aren't met and risk of waiting to upgrade
- Estimate the potential ROI of a new solution, as well as cost of technology, staff, time, budget, etc.
- Share the results from your stakeholder interviews, including input, pain points, and priorities
- Report on how an upgraded FP&A system will help your organization achieve strategic goals for the next 3, 5, 10 years?

Real-world impacts of leading FP&A software

Understand how your peers in Finance transformed their business through FP&A software to build a winning business case for your own finance transformation.

Explore FP&A success stories →

Remind your peers:

There is a cost to doing *nothing*...

With the fevered pace of innovation, any of these challenges will only compound if you fail to modernize your FP&A solution:

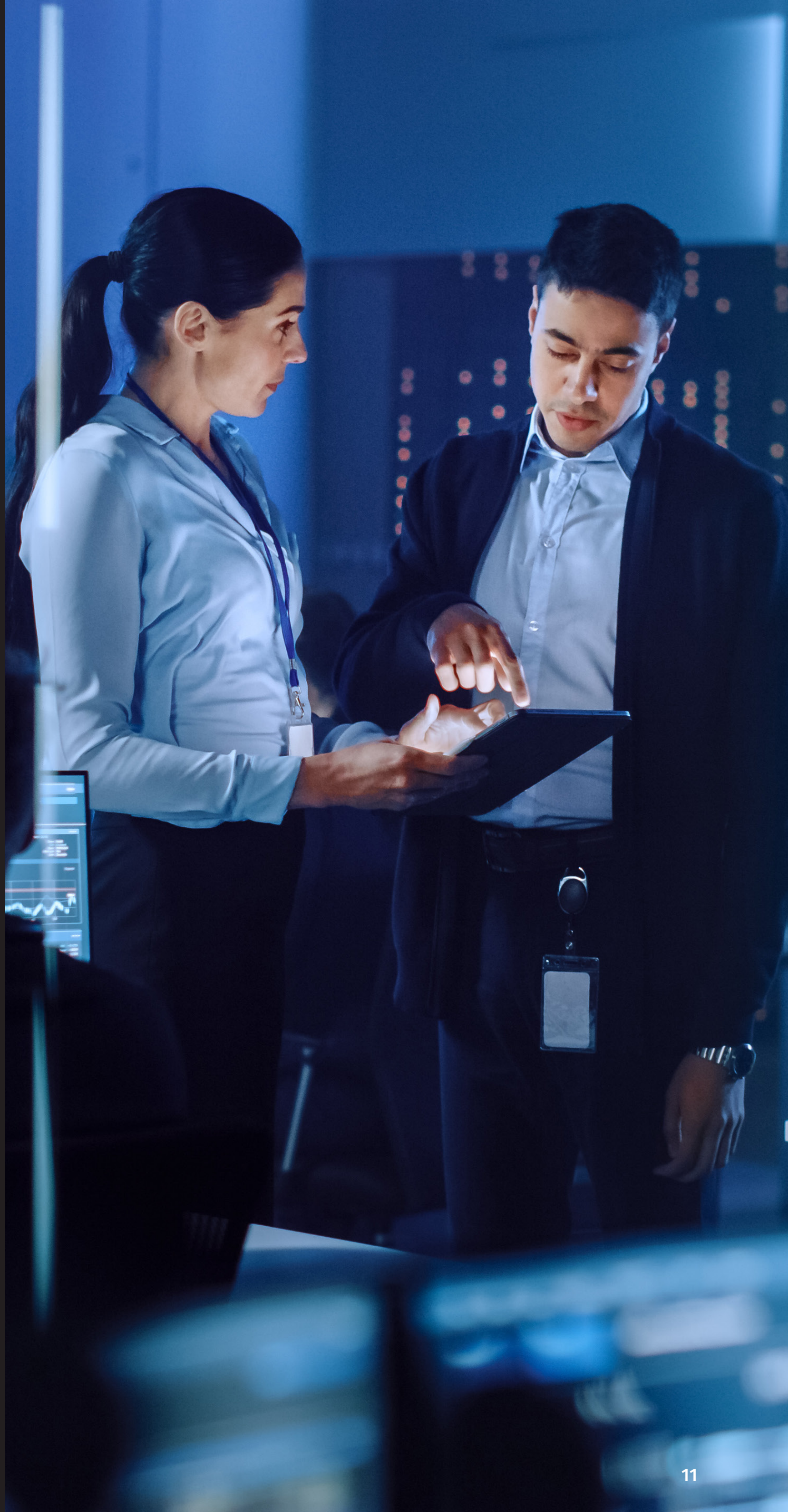
1. Falling behind the competition
2. Sinking deeper into technical debt
3. Stuck in first gear
4. Deterring top talent
5. Accuracy and security risks

... And there are financial benefits to doing *something*.

Leading FP&A software supports the speed, accuracy and agility required for financial planners to support growing leadership roles. It provides insights into operational drivers and facilitates visibility, workflow, and collaboration across the organization to drive strategic initiatives that can put the Office of the CFO in a leadership position with peers.

Sample financial results from successful projects have delivered:

- 10-20% reduction in OPEX
- 5-15% reduction in CAPEX
- 25-29% improvements to gross margin
- 10-31% revenue growth
- 32-43% improvement in asset utilization
- 18-43% improvement to forecast accuracy
- 25-30% improvement in working capital
- 29-34% increase to order fill rate



STEP 7 | Research vendors

You want a vendor that will be in it with you for the long run. With so many vendors to choose from, how can you be sure you're selecting the right one?

Here's how to kick off the hunt for your FP&A software:

1. **Refer to analyst reports.**

   Analysts do the heavy lifting of interviewing customers, vetting vendors, and comparing software features so you don't have to. Every year, analysts rank vendors, making it easier for you to make an informed decision. For FP&A software vendor comparisons, refer to research by the following analysts:

   - Gartner Research Magic Quadrants
   - Nucleus Research Technology Value Matrix
   - Dresner Advisory Services

2. **Research the companies behind the software.**

   Once you've identified a few top contenders, start Are they easy to work with? Do they offer a global support? Can they provide the ongoing support and implementation help that you need? How invested are they in your ongoing success after the software has been implemented?

3. **Ask your network for recommendations.**

   What software does your competition use? What software does any of your staff or leadership team have any past experience with? Does anyone in your network have any recommendations?

4. **Schedule in-depth product demos with your top choices.**

   See the features and capabilities of each platform in action so you can get a feel for their strengths, weaknesses, as well as overall ease of use.

Get an expert's perspective

See how top FP&A software vendors stack up based on expert analyst research and rankings.

Access analyst reports →

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STEP 8 | Build your RFP

RFPs (Request for Proposals) are vendor "interviews" in a written format. You want each vendor to explain how their software functions and the features that can help your specific organization.
The RFP process should ultimately assist you in narrowing down your list of potential vendors to those that you will demo and prevents the selection process from becoming overwhelming.

Example RFP questions:

How long have you been providing solutions for the Office of Finance?
Look for a vendor with solid experience and leadership. You could also ask: How many implementations have you completed for companies of our size?

What is your company's financial position?
Assess the financial health and stability of your potential vendor. Will they be around in the future to support the solution?

Does your solution offer global support?
Ensure the vendor offers true global support, especially if your company operates internationally. Avoid solutions with limited regional support.

Will we experience disruptions to our workflows?
Choose a vendor that doesn't require major changes to your existing technology or processes, such as incompatible cloud services or browsers.

What's your roadmap for AI?
It's important to choose a vendor that can evolve with your needs and integrate new technology. AI plays a crucial role in FP&A by automating data processing, improving forecasting, and providing predictive analytics. Understanding the vendor's AI strategy shows how they'll meet future business needs and stay competitive.

Set FP&A up for success — today and ten years from now—with CCH Tagetik Budgeting, Planning, & Forecasting

CCH Tagetik Budgeting, Planning, and Forecasting is a unified solution that provides inundated FP&A teams with the functionality needed to confidently answer these questions — every time they're asked.

Equip FP&A teams with the controlled agility to plan at all levels

Our leading-edge software centralizes structured workflows at the group level, while offering flexible, independent scenario planning for business units. The result? Accurate data that integrates into the broader plan, driving smarter, faster decisions across the organization. Our leading-edge software centralizes structured workflows at the group level, while offering flexible, independent scenario planning for business units. The result? Accurate data that integrates into the broader plan, driving smarter, faster decisions across the organization.

Financial and operational agility: CCH Tagetik Budgeting, Planning & Forecasting enables digital excellence across the business. Analysts manage and explore data at scale via embedded GenAI and AI-driven workflows.

Faster time to value: Enterprises deploying CCH Tagetik Budgeting, Planning & Forecasting achieve a fast time to value. The software jumpstarts productivity by offering industry and domain templates and routines, such as transaction matching to reduce errors.

On-the-fly modeling: Planning and replanning in CCH Tagetik Budgeting, Planning & Forecasting is instant. The software offers both iterative and ad hoc modeling, scenario planning tools, templates, and pre-built calculations.

Take the first step towards a FP&A software transformation

Let us walk you through CCH Tagetik Budgeting, Planning & Forecasting today—so your financial plans can run toward a better tomorrow.

Book a demo →