

A photograph of three business professionals in a modern office setting. On the left, a man with a beard and a blue blazer is smiling. In the center, a woman with blonde hair, wearing a white top and a dark blue blazer, is smiling and looking towards the right. On the right, a woman with dark hair, wearing a dark blue blazer, is also smiling and looking towards the center. The background is a bright, modern office with large windows and indoor plants.

ORACLE

The CFO's Guide to Connected Enterprise Planning

Five ways to align financial, operational,
and line-of-business planning



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The need for connected enterprise planning

Gone are the days of the “grow at all costs” mindset. Today’s focus is on long-term, sustainable growth, with CFOs and their teams expected to guide the organization in a way that better balances growth and profit. They’re asked to identify strategic investments while also helping the company reduce costs and allocate limited resources as effectively as possible.

For CFOs, the pressure on profitable growth means they’re equal parts finance leader and operations executive. Setting both short- and long-term goals requires alignment between financial and line-of-business planning. The CFO’s team is still leading budget planning and managing day-to-day financials, but they’re also using their data and insights to help operating teams throughout the company chart their plans and make the right decisions. Finance helps pull all those plans together. Yet too many companies are still planning in silos or relying on disconnected software systems.

Siloed line-of-business planning might have sufficed before. Departments could send fixed templates to finance to periodically consolidate for a corporate plan and then focus on executing their individual plans. However, the discipline and responsiveness needed to achieve profitable growth has highlighted the shortcomings in traditional budgeting, planning, and forecasting processes.

Companies want to toggle easily between cost-saving and investment tactics.

Companies want to toggle easily between cost-saving and investment tactics—and the choice can vary significantly based on rapidly evolving external factors such as interest rates, inflation, and consumer confidence. Finance teams are also eager to apply emerging artificial intelligence capabilities to their work around forecasting, analysis, and operations.

Leading organizations are constantly running scenarios and planning for contingencies while testing new models and rethinking analytical strategies and data sources. They’re relying on more inputs from operations and lines of business to help guide them toward the optimal allocation of resources and capital. In this business landscape, connected and continuous enterprise planning isn’t just a best practice—it’s a necessity.

How finance enables connected enterprise planning

The role of finance has long since evolved from bookkeeping to helping guide the strategy and roadmap for the company. This role requires collaborating with line-of-business teams on tactical steps to achieve the long-term vision. As such, finance requires more data and inputs from sales and operations, human resources, supply chain, and other lines of business. Finance has the analytical skill sets and business knowledge to provide these teams with key insights and help them with planning and strategic decisions. As AI takes a greater role in supporting this kind of analysis, it only becomes more critical that finance teams access accurate and complete data and be able to share data and insights easily throughout the company.

Decisions must be data-driven—and that's not limited to just finance data.

In today's environment, making plans and decisions on a hunch doesn't suffice. Decisions must be data-driven—and that's not limited to just finance data. Organizations need to consider all operational and financial data, as well as data from external sources. Relevant external data can be as diverse as consumer sentiment, weather data, and brand trends.

In the past, asking for plans to include all this data in a timely, usable report may have been a challenging—even impossible—task. However, advancements in technology have put it within reach. AI and machine learning can help reduce the amount of time needed to produce forecasts and help improve their accuracy. For instance, AI can automate elements of data analysis, enabling finance professionals to focus on strategic decision-making and action, rather than running reports. Predictive planning leverages AI models to generate forecasts, to which analysts can then add their human context and adjust based on their knowledge and experience. Machine learning can continuously scan forecasts for anomalies or issues, quickly presenting its findings to users. This kind of capability is increasingly being built into planning applications, so people can tap AI-supported analysis without interrupting their normal workflow.

Embracing advanced technology can move finance closer to a continuous forecasting process and help them be true change agents in the business. Finance can partner with operations and line-of-business stakeholders, taking more time to engage with them in making decisions using complete, accurate, and timely information.

5 ways to align the enterprise

As illustrated by the five scenarios highlighted throughout this ebook, many traditional corporate financial planning and analysis processes are evolving to embrace extended planning and analysis, also known as xP&A. The xP&A practice, or what we're calling connected enterprise planning, breaks down the silos between financial and operational planning processes. It ideally combines them on one consistent planning platform, connecting financial forecasting and planning with areas including:

1. Scenario modeling
2. Sales and marketing planning
3. Workforce planning
4. Project financial planning
5. Integrated Business Planning and Execution (IBPX)

A connected planning process helps align each operating unit with company goals. Despite variations in industry, size, and objective, each initiative described below explores significant gains from connecting these areas of the planning processes. With more data consolidated on one platform, companies can increase efficiency and accuracy since teams are no longer bogged down with compiling and verifying data manually—ultimately helping them react more swiftly to market changes. They also benefit from more actionable insights, standardized processes across the business, lower costs, and a better foundation for growth.

1 Scenario modeling

Scenario modeling has become more critical than ever given the speed at which customers, suppliers, and investors expect a company to respond to any shock that hits a business. The finance team can use scenario modeling to effectively capture a range of possible outcomes and translate these scenarios into credible decisions involving all key lines of business. Creating an accurate range of possible outcomes requires finance and operational strategy teams to collaborate closely, as does deciding on the right response in each scenario.

Many important business decisions involve modeling operational changes. For example, companies could model out when they would need to embrace a cost-cutting strategy and in what conditions that would require making head count reductions, exiting certain geographies, making supply chain changes, or divesting under-performing assets or businesses. On a more positive note, a company could map out how to embark on a growth strategy by making acquisitions, adopting new sales channels, or investing in new products.

No matter what strategy you choose, traditional financial forecasting is not sufficient. To get true alignment across the organization, analysts in any business team must be able to model the scenarios they foresee based on knowledge of their specific business area, along with the relevant insights from other functions or operating units. If marketing's planning a big campaign to drive sales, the company's manufacturing, supply chain, and staffing must be capable of delivering on it.

Once all possible outcomes have been modeled, these scenarios can be blended into one company strategy and tested with Monte Carlo simulations to understand probabilities of each possibility. Then the overall strategy can be incorporated into more granular plans with shared visibility on one platform. This allows for a continuous feedback loop and visibility on achievements across finance, operations, and lines of business.

With Oracle Cloud EPM Planning, businesses can expect the unexpected with advanced scenario modeling capabilities.

[Learn more](#)

2 Sales and marketing planning

With businesses carefully scrutinizing budgets and capital allocations, it is more critical than ever to align planning across sales, marketing, and finance. The sales forecast is the most important input to the financial forecast and can be the primary driver of strategy. Predictive planning strategies increasingly leverage AI and machine learning models to help generate forecasts that support and inform human forecasts, hopefully improving accuracy. Having finance, sales, and marketing planning all running on one technology platform, with those kind of AI capabilities built in, makes it more practical to apply these data science tools.

The alternative is usually having siloed sales models—typically crafted in spreadsheets and rolled up to, well, a bigger spreadsheet. Such an approach makes it challenging to get a full picture of sales performance versus sales targets or get a good idea of how sales performance is affecting the financial forecast. That approach also makes it more difficult to apply AI-supported analytics.

For B2C companies, marketing spend is often among the largest line items in the financial plan. Having disconnected planning systems across marketing, sales, and finance hampers an organization's ability to get a full line of sight, leading to missed revenue opportunities. An increase in marketing spend, when viewed in isolation, might appear to be a risky decision, but when teams have visibility across finance, sales, and marketing they can tie that spending spike to the increased revenue opportunity.

When finance, sales, and marketing planning are on the same technology platform, it gives those teams a comprehensive view of performance. Sales volumes and corresponding revenue forecasts across customer segments, product groups, or channels become easily visible and available. Consequently, incremental adjustments can be made for factors—such as price, product, or placement—that could affect sales or revenue.

Oracle Cloud EPM Sales Planning empowers companies through data-driven quota and account plans, as well as advanced sales forecasting powered by AI.

[Learn more](#)

3 Workforce planning

A continuing labor shortage in conjunction with wage and salary growth hasn't just pushed talent to the top of HR's agenda. It's high on the CFO's priority list too.

When it comes to balancing profit and growth, the approach to talent also treads a fine line. Overstaffing or inefficient use of the workforce can quickly erode profit margins. But cutting labor costs through layoffs, outsourcing, or reducing the number and cost of promotions can leave you without the talent needed to seize growth opportunities.

Trying to solve those issues in an HR or finance silo isn't addressing the full equation. Workforce planning must be linked with strategic and financial objectives. AI is creating new opportunities for HR to spot gaps in the workforce skills a company has and those it needs to hit its strategic goals. Because AI can continually detect and catalog changes in an organization's collective skill set, it can help give HR greater visibility than it has traditionally had. But HR teams will need to collaborate with finance teams, as well as business unit leaders, to address those gaps through training, hiring, growth assignments, or other strategies.

Employing connected enterprise planning aligns a company's people strategy with its business strategy, improving collaboration between finance and HR and enabling the two functions to:

1. Conduct "what-if" scenario analysis around head count planning.
2. Drill down into the skills needed to hit company goals.
3. Predict the costs and effectiveness of organizational changes.

Oracle Cloud EPM enables finance to collaborate closely with HR through a prebuilt integration into Oracle Fusion Cloud Human Capital Management (HCM) as well as integration with third-party human capital management solutions.

[Learn more](#)

4 Project financial planning

With companies threading the needle between cost consciousness and investing in promising growth opportunities, the need to complete capital-intensive investment projects on schedule and within budget is more critical than ever. Unfortunately, an in-budget, on-time project tends to be more the exception than the norm, often because decisions are made on bad or incomplete data. This highlights the risk of doing project financial planning with disconnected systems.

Effective project financial planning requires accounting for the head count (workforce planning), capital expenses, and expected returns of a given project. Teams must understand the impact of a project on the company's overall financial plan and the risks it creates for the company. Having complete and constant visibility into a project's financial performance requires seeing a project's expenses, staffing needs, and potential ROI. It requires a complete project financial planning platform that is integrated and on the same platform as your workforce plan, capital expense plan, and financial plan; this helps ensure that each plan reflects the latest changes and that you can get a clear picture of the potential projects to invest in.

Integrating the planning process with project execution helps finance make the right investment decisions and constantly monitor actual costs versus forecasts, making project portfolio adjustments as needed.

Oracle Cloud EPM aligns all key stakeholders in the project financial planning process with out-of-the-box drivers to plan costs related to both short- and long-term projects.

[Learn more](#)

Alkhorayef Group drills down into project financial planning

A global company producing water pumps and equipment for agriculture, irrigation, and well drilling, Alkhorayef Group was struggling with fragmented planning processes. This resulted in inefficient operations and a lack of visibility and insights needed to guide decision-making for the entities within the group. The company achieved significant improvement in its planning and budgeting processes using Oracle Cloud EPM, which supported connected planning across departments for its workforce, CapEx, OpEx, and projects. The solution also cut the organization's annual budgeting process from three months to half that time.

[View the full story](#)



5 Integrated Business Planning and Execution (IBPX)

Supply chains continue to be a major business risk factor due to material shortages, extreme weather events, inflation, war, and other shocks that can raise costs and disrupt service. Truly agile companies can successfully connect financial, sales, operational planning, and supply chain planning with execution to give executives the right decision criteria at the right time, reducing decision latency and enhancing global visibility.

Sales and operations planning has long been a best practice of top supply chain practitioners trying to align the right information for timely decisions. Embedding AI in supply chain processes can support planners in this effort, with capabilities that help planners predict shipping lead times more accurately or help them lower order fulfillment time with warehouse management tools.

The benefit from these types of AI-powered analytics is even more powerful when the operational plans are closely aligned with finance. Planning decisions require synchronized material, resource, financial, and workforce inputs for end-to-end plan coordination. Consider, for example, a procurement capability that uses generative AI to recommend alternative supplier options and to suggest dynamic discounting options that help optimize working capital by incentivizing early payments. A tool like that is most valuable when supply chain and finance teams plan those choices together, using common data and platforms, so operational and financial needs are met. Planning agility, responsiveness, and resiliency rely on these key integrated business planning capabilities for alignment.

The integration between Oracle's cloud EPM and supply chain planning solutions simplifies collaboration between financial and supply chain planners to help drive consensus and react to business disruptions.

[Learn more](#)

How The Wonderful Company cultivated savings with integrated business planning

After a series of acquisitions, global food supplier The Wonderful Company adopted a suite of Oracle Cloud Applications to integrate finance, planning, and supply chain functions, as well as provide a sustainable foundation for growth. By integrating Oracle's cloud EPM, ERP, and supply chain management (SCM) solutions, the company cut its financial planning time by more than 35%, optimized its supply chain, and reduced total cost of ownership by millions of dollars.

[View the full story](#)



Key features of a connected planning solution

Flexible: It's critical that financial and operational teams can each model their specific use cases, which are very different in terms of granularity, subject, and data. The platform must also connect planning efforts across common drivers that affect one another so the organization can focus on one overall plan to execute its strategy.

Modular: You should be able to adopt the capabilities you need as you need them. A modular planning platform not only allows for a phased approach to implementation, it also lets you more easily meet your organization's new requirements, such as making acquisitions or entering new markets.

Operationally connected: Your planning platform should easily connect to your core operational systems at a data and process level to help teams proactively shift course when business conditions change.

Highly intelligent: Data science and AI tools should be at the heart of your forecasting, with analysts providing the context. Instead of being a bolt-on application, these capabilities should be directly embedded in your planning platform—taking data from operational or financial systems and automatically presenting planning recommendations without the need for Python or data science skills.

Packaged and configurable: Adopting a general platform and trying to customize it or bolt on added features to meet your needs is unlikely to meet the requirements of connected enterprise planning. Instead, look for packaged planning cloud applications for line-of-business functional areas that are updated frequently to keep users current with industry best practices.

How Oracle can help

Embracing a true connected enterprise planning solution helps the finance team guide and support the organization toward adopting new business models and initiatives faster. Finance teams can plan and forecast with greater accuracy and more actionable insight because they're connected across all of a company's business domains. The ability to immediately see the impact of changing operational drivers and data on the overall forecast across finance and other operational areas, all documented in one place, lets you make the right business decisions at critical moments and gain the agility to outperform.

Discover how Oracle Cloud EPM can help you connect and improve planning across your organization.

Learn more

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