



Why Decision-Making Platforms are Key to FP&A Transformation



Keeping pace with a new era of decision-making

With increasingly competitive markets and growing volumes of data, business decision-making has become faster and more complex than ever. As a result, CFOs are under pressure to transform their legacy FP&A activities to keep pace with modern planning and analysis requirements. The CFO has also evolved into a strategic business partner, responsible for delivering a constant flow of accurate financial and operational insights to support quick, effective strategic decisions.

In this scenario, Decision-Making Platforms (DMPs) are a powerful weapon in the CFO's arsenal. Unifying Business Intelligence, Planning, and Predictive Analytics in a single environment, DMPs create a best-practice, fully integrated approach to Financial Planning & Analysis (FP&A) and reporting. They help CFOs shine in their new role by creating a holistic view of the company that connects strategy, finance, and operations and provides the historical and forward-looking information required to make a sound decision. DMPs also address data reliability, a key concern for CFOs in today's multifaceted FP&A and reporting activities.

DMPs have become essential to gaining a competitive advantage and achieving organizational success. Read on to discover how, with the right one, you can digitally transform your finance team and empower users to meet modern decision-making needs.

Decision-Making Platforms are a powerful weapon in the CFO's arsenal



Overcoming obstacles to strategic leadership

One of the primary expectations for today's CFOs is that they should help to strategically guide the business and not just serve as the head of financial reporting. The CFO must provide the company's long-term economic vision and look beyond the numbers in financial reports, making the connection between the numbers and the operational activities themselves. But CFOs face many pitfalls along the way: siloed reporting by various business units; unsuitable, incomplete, or inaccurate data; and discrepancies between financial reporting & planning and operational reporting & planning.

Connecting financial planning with operational planning is not easy, as traditional finance systems were only designed to manage limited datasets with rigid processes. There are three significant differences between financial reporting and planning, and operational reporting and planning:

- the granularity of the information, from a few measures with a limited number of items and dimensions to hundreds of measures with millions of items and dozens of dimensions;
- the timeline, from quarters and months to days, hours, and minutes;
- and the flexibility needed to manage and update all of this information regularly.

Decision-Making Platforms are a next-generation approach to business thinking that connect a 360° view of the business with the capability to drill down to the transactional level where the data is generated. DMPs connect finance and operations by aligning the organizational need for governed planning and analysis processes with the requirements of business users for quick and effective access to information through self-service reporting and analysis. With a DMP, an individual user can take the company's enterprise reporting, customize it, and use it to support their personal objectives.

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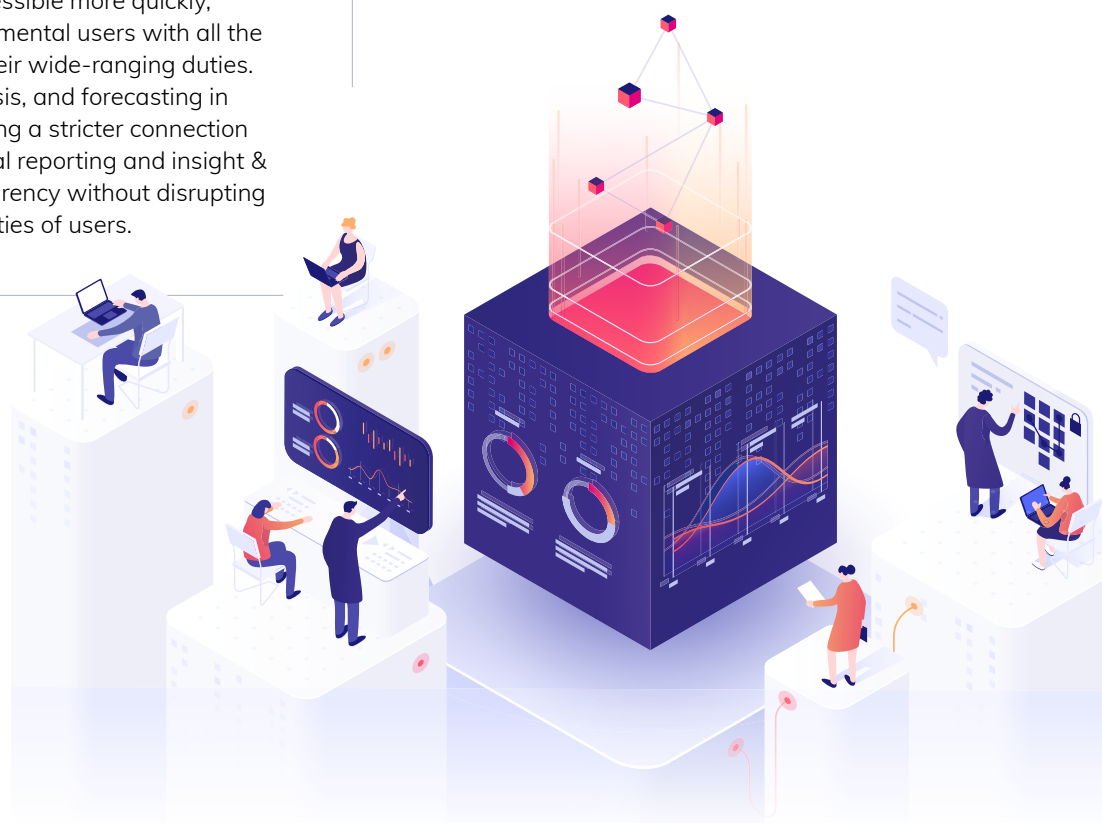
Getting a holistic view

Leadership teams look to their CFOs to take a holistic view of the organization, while individuals in business units typically focus on their specific areas. As a result, CFOs have to spend more time examining all functions to bring the big picture into focus. They are also increasingly asked to guide strategic initiatives in all departments, including supply chain, sales and marketing, human resources, and IT. As a part of this new focus, the CFO needs, on the one hand, the ability to answer any business request quickly. But, on the other hand, they need to gather information from other departments as a baseline for financial planning and analysis and financial reporting.

Many CFOs are also seeing their finance staff count shrink, putting pressure on them to perform more efficiently and find more efficient tools and processes. The only way the CFO can meet these new business demands is to be more productive and more efficient within the finance department and provide tools that enable users to be self-sufficient in analyzing the impact of their actions on the bottom line.

DMPs open up a more holistic view of company performance by breaking through silos of data and information and making it accessible more quickly, empowering CFOs and departmental users with all the insights required to perform their wide-ranging duties. A DMP unifies planning, analysis, and forecasting in a single environment, supporting a stricter connection between operational & financial reporting and insight & action. DMPs offer this transparency without disrupting the day-to-day business activities of users.

Decision-Making Platforms open up a more holistic view of company performance



Better data, better results

Providing tools and encouraging self-service reporting is not enough, especially if the data for those tools is incomplete or inaccurate. For CFOs, this is problematic, even more so for those whose financial statements must be certified in line with regulatory requirements or where the accuracy of the data and forecasts that CFOs provide to external sources plays a critical role in stock market valuations.

CFOs need good data to make good decisions that drive company performance. Without complete and accurate data, decision-making will always be flawed. The importance of access to good data is compounded as CFOs take a more significant role in developing and executing company strategy. The more strategic the task, the more the CFO must have access to a holistic view of the company to resolve performance problems, which is challenging to accomplish with disconnected systems. It is even more complicated when these systems don't offer the planning and analysis capabilities needed by users, who often try to bridge the gap between operational and financial reporting by creating their own processes using spreadsheet-based applications. These offline reports are inherently unreliable and disconnected from other financial and operational planning.

DMPs address the data accuracy issue by offering an entirely more reliable and connected solution. CFOs can analyze, simulate, and plan using the same data without moving that data from one environment to another – an innovative level of integration that is vital for CFOs. Individual users can replace their makeshift spreadsheet tools with superior planning and analysis capabilities that add a financial results perspective to decisions. DMPs also foster more efficient decision-making by supporting driver-based decisions, self-service analysis capabilities for business users, and automation, connecting the different dots of the company in a single holistic view.

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Bridging the gap between Business Intelligence and Enterprise Performance Management

Historically, it was difficult for technology to connect financial numbers with the underpinning operational activities. Some Business Intelligence tools were adapted and extended in an attempt to cover decision-making and planning processes. At the same time, Enterprise Performance Management, or EPM, solutions were integrated with Business Intelligence tools to try to add BI capabilities. Neither approach delivered the seamless unification required to effectively use historical data for plans and predictions.

A DMP explicitly designed as a unified platform for business decision-making, such as Board, has a significant advantage over the above approaches. This type of DMP can integrate the ability to analyze data, look at past business decisions and results, and then create models for the user to understand the full impact of specific decisions on company results. This capability not only avoids all the Excel data plastering and data normalization workload required when using different point solutions but also improves the ease, effectiveness, and timeliness of decision-making. The DMP addresses business problems more practically by lining up the same data for planning, analysis, and assessment, rather than compartmentalizing it for specific processes.

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The flexibility to adapt rapidly

DMPs also help CFOs reach the next level in planning by offering much greater range, granularity, and, most importantly, flexibility in providing a holistic vision of company performance. This is essential for companies with disparate lines of business, global operations, or merger and acquisition activity. Markets are evolving quicker than ever. If an acquiring company doesn't have the right system to consolidate different data sources from its acquired subsidiaries quickly, managing information for planning, analysis, and simulation becomes very difficult.

The flexibility of DMPs provides advantages to both sellers and acquirers when evaluating potential deals, integrating operations from separate companies, or adopting new business models. Flexibility and connectivity, fostered by DMPs, enables companies to incorporate new operational activities quickly and productively. The key value of the DMP is not realized on the first day it is implemented but in the ability to adapt rapidly as soon as a significant operational change occurs.

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Conclusion

CFOs are turning to DMPs as they take on a more significant role in developing the strategic vision for their companies, guide business initiatives, and empower individuals outside their finance teams with tools for planning, analysis, and simulation. With the right DMP, CFOs can address a key concern—data reliability—while taking advantage of the planning and analysis flexibility needed to connect and manage companies with disparate lines of business, global operations, and M&A activity.

As markets become increasingly complex and competitiveness rises, the capability to flexibly plan, analyze, and adapt in real time will no longer be a nice-to-have but an essential aspect of daily organizational life. Unfortunately, for CFOs that don't embrace DMP technology, there is a severe risk of being left behind.

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Board is the **#1 Decision-Making Platform**, trusted by more than 3,000 organizations worldwide to drive digital transformation across key processes. By unifying business intelligence, planning, and predictive analytics, Board allows companies to produce a single, accurate, and complete view of business information, gain actionable insights, and achieve full control of performance across the entire enterprise. Board is supported by 25 offices alongside a global reseller network and has been implemented in over 100 countries.

